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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, SECOND SESSION

SENATE

FRIDAY, FEBRUARY 20, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, be merciful when we pray with half our heart or listen with half our mind, and pity us that we are torn as we are and bedeviled with compromises.

Vainly we long for life without such difficult decisions, yet we know that we have only ourselves to blame for the tensions in which we live.

We need to pray that our own eyes be opened to the truth. Deliver us from the reservations that would pray: "Thy kingdom come—but not yet; Thy will be done on earth—by other people." Help each one of us to see that if Thy Holy Spirit is to lead America, He must be permitted to lead us.

If Thy will is to be done, we must do it.

O God, most merciful, consider not our cowardice, but forgive our failings.

Harken to those prayers of our hearts which come to us in high moments when we forget ourselves and think of Thee. Amen.

THE JOURNAL

On request of Mr. TAFT, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 18, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. MAURER, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOHN M. ROBSION, late a Representative from the State of Kentucky, and transmitted the resolutions of the House thereon.

ENROLLED BILLS SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 257. An act for the relief of Yoneo Sakai;

S. 305. An act for the relief of Mrs. Hilda Margaret McGrew;

S. 310. An act authorizing the issuance of a patent in fee to Jonah Williams;

S. 311. An act authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.;

S. 312. An act authorizing the issuance of a patent in fee to Charles Kills the Enemy;

S. 313. An act authorizing the issuance of a patent in fee to Calvin W. Clincher;

S. 409. An act for the relief of Milan Jandrich;

S. 457. An act for the relief of Anna Kong Mei;

S. 499. An act authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear;

S. 522. An act to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan;

S. 542. An act authorizing the issuance of a patent in fee to Mrs. Ella White Bull;

S. 1133. An act providing for the per capita payment of certain moneys appropriated in settlement of certain claims of the Indians of the Fort Berthold Indian Reservation in North Dakota;

S. 1454. An act to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes;

S. 1485. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the Albuquerque Indian School, New Mexico;

S. 1507. An act authorizing the sale of undisposed of lots in Michel addition to the town of Polson, Mont.; and

S. 1591. An act to transfer certain transmission lines, substations, appurtenances, and equipment in connection with the sale and disposition of electric energy generated at the Fort Peck project, Montana, and for other purposes.

JEFFERSON-JACKSON DAY ADDRESS BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the address delivered last evening by the President of the United States at the Jefferson-Jackson Day dinner held at the Mayflower Hotel.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, my fellow citizens, it is a great experience to be present at this gathering this evening. I appreciate your generous welcome and the evidence of your friendship. Our meeting here is only one of many similar meetings that are being held throughout the country in tribute and in celebration. To all I send the warmest and most sincere greetings.

We meet tonight on the occasion of the one hundredth anniversary of the Democratic National Committee to honor two great Americans. These men early in our history inspired the people of this country to assert their rights against privilege. They endowed the United States with a liberal philosophy and tradition. And at the same time they were practical men, able to translate liberal philosophy into law and political fact.

I speak of the father of American liberalism—Thomas Jefferson.

I speak also of the man who later gave American liberalism a new and even richer meaning—Andrew Jackson.

Although these meetings tonight are political gatherings, the things I wish to talk about are important to every citizen in the Nation, no matter what political affiliation he or she may have.

The party system prevails in this country. I believe in it and have confidence in it. It constitutes the most effective means of presenting the issues of the day to the American people.

The party of progressive liberalism in the United States, the party that carries on the traditions of Jefferson and Jackson, the party that has four times in succession received the people's mandate is the Democratic Party.

This year its mandate must again be considered by the people for renewal.

This is a year of challenge. I propose that we meet that challenge head on.

The people will again decide whether they want the forces of positive, progressive liberalism to continue in office, or whether, in these challenging times, they want to entrust their Government to those forces of conservatism which believe in the benefit of the few at the expense of the many.

This is the choice that Americans have had to make since the earliest years of the Republic: a choice between a parcel labeled progressive liberalism and a parcel labeled reactionary conservatism. This being true, it is highly important to know what the American people have found in each of these parcels.

Our Constitution made no provision for government by political parties. But political parties were not long in developing in the early years of the Republic. Sharp differences of opinion arose in George Washington's Cabinet over the powers and purposes of the new Government.

Alexander Hamilton, first Secretary of the Treasury, frankly affirmed his belief that government should be controlled by the rich and the well-born. He believed that government should be aristocratic and that it should operate primarily in the interest of wealth and privilege.

Fortunately for the people, there was also in Washington's administration a powerful man, Thomas Jefferson, who believed just as strongly that government should be by the whole people and for the whole people. He was convinced that true democratic progress could be attained only by extending political and economic liberty, religious freedom, and educational opportunity. Jefferson passionately believed that the genius of America rested in the ranks of ordinary men, and that they must control the Government.

There could hardly have been a sharper cleavage than that between Hamilton and Jefferson.

The supporters of Jefferson organized a political party of progressive liberalism that has continued in American political life down to the present day. That party is today known as the Democratic Party.

The followers of Alexander Hamilton also banded themselves together as a political party. This, the party of conservatism, the

party of rule by and for the privileged few, has its counterpart in our national life today.

I have long been impressed by the continuity of these two political philosophies throughout American history.

I have been impressed because the policies of their disciples are such faithful images of the philosophies themselves. The parcel of reactionary conservatism may be wrapped in bright colors and gay tinsel, but when you open it you always find party rule for the benefit of the privileged few. Inside the parcel of progressive liberalism, however, you always find government for the benefit of all the people—true democratic government.

Jefferson was elected President in 1800. He and his party promptly swept away laws that restricted citizenship and threatened freedom of speech and the press. The judiciary, which had been rigged against popular rule, was reformed. Perhaps most important of all for the common man was Jefferson's success in arranging the Louisiana Purchase.

This purchase was strongly opposed by the conservatives, who rightly foresaw that the acquisition of this tremendous domain would diminish the political influence of wealthy men in the East. They also foresaw that it would cut down their supply of cheap labor.

The years following Jefferson were years of growth. Industries rose in the East and with them a new class of industrial workers. The States of the West grew rapidly in population and strength.

The votes of vigorous common men of eastern factories and western farms brought Andrew Jackson to the Presidency in 1829. During the next 8 years that illustrious son of the frontier carried out a second social and economic revolution in America. Jeffersonian liberalism thus gave birth to and was carried on by Jacksonian democracy.

When I consider the problems that confronted Andrew Jackson in the 1830's, I am struck by how little our national problems change. Most of the issues tackled by Jackson were merely new phases of issues that had earlier confronted Jefferson. And they were substantially the same problems that confronted the Nation a hundred years later, when one of the greatest Americans of all time came to the Presidency, Franklin D. Roosevelt.

One of these great national problems has been the undue influence of concentrated wealth.

Jackson abolished the United States Bank, which had given a few bankers an inside track in Washington and a powerful hold on the Federal Government. Jefferson before him and Woodrow Wilson much later, fought the same evils. Franklin Roosevelt continued the same fight and succeeded in bringing the National Capital from Wall Street back to Washington.

A second problem, important in Jackson's day and in ours, is the proper use of the Nation's resources for the benefits of all.

Jackson, in his fight to open up western land for settlement, was opposed by selfish men who profited by cheap labor and who tried to obstruct new opportunities for the ordinary man.

The land problem exists today, but its character has changed. There are vast acreages throughout the Nation that could be made productive and fit for settlement by means of reclamation, conservation, and irrigation. The struggle for new opportunities for the ordinary citizen has thus shifted to the building of dams, the generation of power, the irrigation of deserts, the control of floodwaters, and the prevention of erosion. These are the modern aspects of the land problem. They are just as vital to our democracy now as Jackson's fight for cheap land was a hunderd years ago.

The forces that Jefferson fought—and Jackson fought—and that progressive liberals have had to fight throughout our history have been the forces of selfish wealth and privilege.

The party of progressive liberalism—the Democratic Party—believes today, as it has always believed, that it is the duty of popular government to protect and promote the interests, not of just the privileged few, but of all the groups and individuals in our Nation.

The Democratic Party believes today, as it has always believed, that vigilance and action are needed not only to protect the people from concentrations of wealth and power, but to keep concentrated wealth and power from destroying itself, and the Nation with it.

It is easy to see why the Democratic Party knows that concentrated wealth and power must be held in check.

One might have supposed that those who dictated policy for 12 years after the First World War would have followed economic measures beneficial to the real and continuing welfare of industry. But no; in their reckless pursuit of immediate profits they encouraged economic policies that drained off so much in profits at the top—and allowed so little in wages to run out at the bottom—that the whole system broke down in 1929.

A second example: Billions of dollars were loaned to foreign countries after the First World War, and a vigorous foreign trade was developed. So far, so good. But those in control then proceeded to erect high tariff barriers that prevented those countries from paying back our loans by shipping us their products. The inevitable result was that our foreign loans and investments went down the drain and our flourishing foreign trade was cut down in its prime. We had the worst depression in history.

These experiences of the past teach us practical lessons:

Government run for the benefit of the few will inevitably destroy all.

Government run for the good of all will benefit all.

These lessons point out the course we must follow in building for tomorrow.

In my state of the Union message on January 7, I spoke to the Congress and to all the people of the Nation about our great goals—goals which can mean a glorious future for the United States. I set forth, in outline form, the production that our people can accomplish; the prosperity that they can enjoy; the improvements in social justice and social security, in education and in housing, that they can achieve.

I said in that message that there are some people in this country who look with fear and distrust upon planning for the future. I said that there are some who are afraid to look ahead despite the obvious fact that our great national achievements have been attained by men with vision—men who planned—men like Jefferson and Jackson, Wilson and Franklin Roosevelt.

The cries from reactionary quarters, after the state of the Union message, only prove the truth of my statement that some people are afraid to look ahead.

These men who live in the past remind me of a toy I'm sure all of you have seen. The toy is a small wooden bird called the floogie bird. Around the floogie bird's neck is a label reading: "I fly backward. I don't care where I'm going. I just want to see where I've been."

These backward-looking men refuse to see where courageous leadership can take this Nation in the years that lie before us. These men of small vision and faint hearts have set up their familiar cry, "Of course, it's a fine idea, but it can't be done."

How history repeats itself. How familiar all this must sound to those who study the story of Jefferson's Louisiana Purchase or Jackson's efforts to open up the West.

The men who ridiculed Jefferson and Jackson were men of small courage and big fears. Their political descendants are to be found among those who were afraid to attempt recovery in the 1930's, and who are now afraid to make farsighted preparations for American prosperity.

Let the farmers and workers and average businessmen of today—the kind of people in whom Jefferson and Jackson had such faith—ponder where they would be now if the timid men with little ideas had gained mastery during the more recent crises in our history.

In the depths of the great depression of the 1930's, when agriculture was in ruins, business in collapse, and labor in despair, these timid men could not generate the forces of recovery. They said that the required measures would imperil the Nation's credit. Their philosophy of government, running true to form, blinded them to the fact that the Nation's credit rests always on the welfare and prosperity of the people.

But how wrong they were. Through the efforts of the people, with the aid of the party of progressive liberalism to which the people turned, farm income increased from less than $2,000,000,000 in 1933 to almost $5,000,000,000 in 1940. In 1947 farm income stood at more than $18,000,000,000. This is the highest farm income in history.

But these accomplishments of a free people and their government have not changed the defeatists one iota. When I say—as in my recent state of the Union message—that we can steer between farm prices that are dangerously high and farm prices that are ruinously low; when I say that we can save the fertility of our farms through soil conservation; when I say that we can bring electricity and labor-saving devices to every farm; when I say that we can increase agricultural output by 10 percent over the next 10 years; when I say that good wages and general prosperity will provide the demand for this increased farm output—when I say these things now, we hear from the customary quarters, "It can't be done."

I know that it can be done, and we of the forward-looking faith must dedicate ourselves to the proposition that it will be done.

And where did the American worker find himself in 1932? He was either unemployed or expecting to be unemployed. His home was saddled with debt. His children were being drawn into the sweatshops. The unions which he had formed for his self-protection were disintegrating. The only thing left to him was an unswerving faith that somehow the American system would find a way to lift him out of the depths of despair and desolation.

That way was found, under the leadership of the party of progressive liberalism, the Democratic Party.

Employment increased from 39,000,000 jobs in 1933 to a peak of 60,000,000 jobs in 1947. The average weekly earnings of workers in manufacturing industries rose from $15 a week to $51 a week. Wages and salaries rose from $28,000,000,000 in 1933 to $49,000,000,000 by 1940. They stood at more than $120,000,000,000 in 1947.

Yet when I say that we should enact a 75-cent minimum wage now; when I say that we can reach 64,000,000 jobs within the next 10 years; when I say that we can lift our standard of living by another 27 percent within that time—when I say these things, again we hear the same old refrain, "It can't be done."

I know that it can be done, and we of the forward-looking faith must dedicate ourselves to the proposition that it will be done.

What happened to business under the tender custody of a reactionary administration, which some of the elder statesmen of the stock exchange politely called conservative and prudent?

In 1932 thoughtful businessmen were wondering how long life could remain sacred or property safe when hungry men could not secure food for their families.

I know that a small minority of businessmen, who are profoundly mistaken, harbor the thought that a liberal-minded government is hostile to them.

What are the facts?

In 1933 corporations went into the red to the tune of $400,000,000 after taxes. By 1940 they were earning $6,500,000,000 after taxes. By 1947 they earned $17,000,000,000 after taxes.

Looking at the record, I should think businessmen would want more of that kind of hostility.

When I speak of increasing our national output by one-third over the next 10 years, every person in his right mind knows that this will be beneficial to business. Under our system of enterprise, an expanded economy always means more opportunity for individual initiative. I want business earnings to grow as our whole economy thrives and prospers. But we know from experience that profits based upon excessive prices and inflation are built upon sand. The structure will crumble if the foundation is not made firm.

In the interest of business as much as any other group, we must win the fight against inflation to avoid disaster. In the interest of business as much as any other group, we must make the next 10 years a period of extraordinary achievement.

The timid people say that this can't be done.

I say that it can be done, and we of the forward-looking faith must dedicate ourselves to the proposition that it will be done.

Under our American system, the political party is the device around which men and women rally to a cause in which they believe. Progressive liberals will rally to the Democratic Party, even though they do not happen to be members of the party, because they know that the Democratic Party is their best fighting force for the triumphant achievement of worthy goals.

The Democratic Party, throughout its history, has served as that rallying point because it has remained true to its faith, and because its programs run true to the aspirations of the American people.

The 10-year program that I have outlined for American prosperity is founded on our faith in the ability of the American people to plan their future boldly and to move forward steadfastly toward their goals.

If anyone chooses to call this politics, then it is the politics of Jefferson and Jackson, Wilson and Roosevelt—and it is good enough for me.

PRESIDENT'S REPORT ON ACTIVITIES OF UNITED NATIONS

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read by the Chief Clerk, and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I transmit herewith to the Congress, pursuant to the United Nations Participation Act of 1945 (sec. 4, Public Law 264, 79th Cong., 59 Stat. 620), my second annual report on the activities of the United Nations and the participation of the United States therein covering the calendar year 1947.

The problems of international relations arising this past year in the meetings of the United Nations were met neither by evasion nor by meaningless compromises. The decisions and recommendations on the large number of problems noted in this report are straightforward expressions of the judgment held by the overwhelming majority of the members on the right and effective course to follow. The small minority holding opposing views on certain important problems, however, have presented to the organization a new question of disturbing character through their nonparticipation in carrying out the recommendations with which these members have disagreed.

By its recommendations, the United Nations is acting to maintain the independence and integrity of Greece, to bring independence to Korea, and to place the question of Palestine on the way to settlement on the basis of two independent states, one Arab and one Jewish. The General Assembly has been equipped to bring its full weight to bear on the maintenance of good relations between states during this next year, through the new Interim Committee. As decided upon by the General Assembly, remedies will be sought, through consultation among the great powers and by study among all members, to improve the functioning of the voting provisions of the Charter and hence to strengthen the organization by increasing the effectiveness of the Security Council.

Every principal organ of the United Nations is at work, and most of the necessary committees, commissions, and subcommittees have been established. In its handling of fundamental international problems during the past year, the United Nations has felt the profound changes in world relationships and the difficulties which we still face in all aspects of international relations. Naturally, therefore, its work is not free from disappointments. This is especially true in regard to the establishment of international control of atomic energy for peaceful purposes, and to various political, economic, and other problems that directly or indirectly affect progress toward attaining international security. But, whatever the disappointments, the United Nations is making headway.

The United States will continue as heretofore to carry its full share of responsibility and of leadership in the United Nations. We hope this will encourage every Member, in the same spirit, to help the United Nations to achieve the purposes that gave it birth and to give its principles realistic effect in the problems that come before it. Our faith in the United Nations is ever-constant. We shall seek to demonstrate that faith both by energetic support and by the spirit of our participation.

The accompanying report describes the efforts made by this Government to contribute to constructive achievement in the United Nations during the past year through the policies stated by United States representatives and through important proposals initiated in the various organs. These efforts were directed above all to assuring that the principles of the United Nations would be given full effect. The aim of our policy in matters not falling within the United Nations, but rather within direct United States relations with other governments, was to uphold the same basic principles. These principles are fundamentally those to which we have traditionally given allegiance.

It continues to be the intention of the United States to foster throughout our relations with other nations the fulfillment of the Charter in its entirety. We realize that nothing less than fidelity to the principles and faithful effort to achieve the purposes of the Charter will meet the genuine needs of any nation, whether large or small. Accordingly, the strengthening of the United Nations continues to be a cornerstone of the foreign policy of the United States.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 20, 1948.*

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE EXCHANGE STABILIZATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Exchange Stabilization Fund, for the fiscal year ended June 30, 1947, including a summary of operations of the fund from its establishment to June 30, 1947 (with an accompanying report); to the Committee on Banking and Currency.

EXTENSION OF TITLE VI OF PUBLIC HEALTH SERVICE ACT TO VIRGIN ISLANDS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to extend the provisions of Title VI of the Public Health Service Act to the Virgin Islands (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the twelfth annual report of that Board for the year ended June 30, 1947, together with lists containing the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

The amended petition of Ohio Bell, of Cook County, Ill., relating to alleged disabilities incurred while in the military service; to the Committee on Armed Services.

Petitions of the Coconut Grove Townsend Club, No. 2, and the South Miami Townsend Club, No. 1, both in the State of Florida, praying for the enactment of legislation providing for a uniform national pension system; to the Committee on Finance.

By Mr. IVES:

A concurrent resolution of the Legislature of the State of New York; to the Committee on Foreign Relations:

"Senate Concurrent Resolution 70

"Whereas the United Nations has decreed that Palestine shall be partitioned into separate Arab and Jewish states; and

"Whereas the Arab nations, in defiance of the decree of the United Nations, have refused to participate in negotiations preparatory or subsequent to the vote on the partition plan; and

"Whereas the Arab nations have persistently followed a course of terror and violence designed to nullify and prevent the implementation of the United Nations Palestine decision; and

"Whereas the Jews of the world, in a spirit of amity and compromise born of the suffering and persecution which they have endured through the ages, have gratefully accepted and agreed to be bound by the decision of the United Nations on Palestine although it does not carry out promises

made to them in the Balfour Declaration; and

"Whereas the public press carries daily accounts of unprovoked mass Arab raids and terroristic attacks against the Jewish people in Palestine and the toll of wounded and dead Jewish people continues to mount with unabating intensity; and

"Whereas the Arab attacks on the Jews threaten to disturb the peace of the world and the Jewish people should be permitted, assisted, and encouraged to arm and defend themselves against such attacks; and

"Whereas this Nation, through its embargo on arms and munitions destined for shipment to the Middle East, has prevented the Jews of Palestine from obtaining the weapons of defense sorely needed by them to resist and defend themselves against the attacks of the Arabs, while the Arabs continue to secure arms and munitions from neighboring Arab and other states; and

"Whereas the Honorable William O'Dwyer has openly announced his opposition to the arms embargo and has urged the Government of the United States to cancel the same and to permit the immediate shipment of weapons and munitions to the embattled Jews of Palestine; and

"Whereas the people of the State of New York are justifiably disturbed and alarmed over the plight of these defenseless Jews in Palestine and urgently implore the President and the State Department to cancel the arms embargo without further delay: Now, therefore, be it

"*Resolved* (*if the assembly concur*), That the President, the State Department, and the Congress of the United States be and they are hereby respectfully memorialized to take such steps as may be necessary to cancel the present embargo on the shipment of arms and munitions to the Jewish people of Palestine who are defending the decision of the United Nations and make possible the immediate shipment of arms and munitions for the defense of the Jewish people of Palestine against the unprovoked acts of aggression and warfare of the Arabs; and be it further

"*Resolved* (*if the assembly concur*), That copies of this resolution be immediately transmitted to the President of the United States, the Secretary of State of the United States, the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of Congress duly elected from the State of New York."

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of New York, identical with the foregoing, which was referred to the Committee on Foreign Relations.

PROHIBITION AGAINST LIQUOR ADVERTISING—PETITIONS

Mr. WILLIAMS. Mr. President, I ask unanimous consent to present for appropriate reference a petition transmitted to me by Mrs. Robert E. Lewis, of Dover, Del., containing the names of 369 citizens of Delaware urging the enactment of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of such advertising over the radio.

The PRESIDENT pro tempore. Without objection, the petition will be received and referred to the Committee on Interstate and Foreign Commerce.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to present for appropriate reference a petition transmitted to me by Mrs. Nora B. Powell, State legislative director of the Delaware Woman's Christian Temperance Union, containing the names of 415 citizens of Delaware urging the enactment of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of such advertising over the radio.

The PRESIDENT pro tempore. Without objection, the petition will be received and referred to the Committee on Interstate and Foreign Commerce.

USE OF PROFESSIONAL ENGINEERS IN ADMINISTRATION OF MARSHALL EUROPEAN RECOVERY PROGRAM

Mr. FLANDERS. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a petition embodying a resolution of the National Society of Professional Engineers, with reference to the use of professional engineers in the administration of the Marshall European recovery program.

There being no objection, the petition was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

A PETITION TO THE CONGRESS OF THE UNITED STATES OF AMERICA BY THE NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

We, the members of the National Society of Professional Engineers, which is composed of 17,000 registered professional engineers and organized through local chapters and State societies, do hereby respectfully petition our duly chosen representatives to give consideration to the views of our organization with regard to the administration of the European recovery program, as hereinafter set forth.

We earnestly urge that the European recovery program will not accomplish its avowed purpose of rebuilding the economy and productive capacity of the free nations of Europe unless it is administered with the aid and assistance of those persons who are qualified by training and experience to apply the technical principles which have raised the productive capacity of our Nation to the highest point in the history of the world.

We respectfully urge that one of the primary responsibilities of the administering body will be to utilize the resources of our Nation for this purpose in order that the production, distribution, and communications of the European nations which receive our aid shall be raised to the point where such nations may become self-sustaining in their economy. We believe that this integrated program of technical assistance may not be fully effective if it is not guided by those who have demonstrated similar achievements in our Nation. We therefore urge that in the administration of the European recovery program there be provided the advice and services of registered professional engineers to assure the full and effective use of our technical assistance, and we call to the attention of the Congress a resolution to this effect as adopted by the board of directors of the National Society of Professional Engineers in convention assembled on December 5, 1947, at Buffalo, N. Y.:

"Resolution 17–47

"Whereas the United States Congress will consider proposals for the relief and rehabilitation of European countries which are suffering from hunger and economic disorder as the aftermath of World War II; and

"Whereas relief and rehabilitation legislation will be ineffective unless it is designed to restore such countries to a self-sufficient and stable economic position; and

"Whereas such a self-sufficient and stable economic position cannot be established without the rebuilding and construction of many plants and facilities; and

"Whereas adequate planning, rebuilding, and construction work can only be done properly under the supervision of a professional engineer or engineers: Therefore be it

"*Resolved*, That the National Society of Professional Engineers shall petition Congress to provide that professional engineers be placed on any boards (or other agencies) designated to administer such relief and rehabilitation legislation as may be enacted."

Respectfully submitted.

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS,
By PAUL H. ROBBINS,
Executive Director.

FREE MAIL FOR VETERANS IN HOSPITALS

Mr. LODGE. Mr. President, on behalf of my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., relating to free mail for veterans in hospitals.

There being no objection, the resolution was received, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

FREE MAIL FOR VETERANS IN HOSPITALS

Resolved, That the Board of Aldermen of the City of Chelsea, Mass., are in favor and request the Postmaster General to furnish, without charge, facilities for canceling stamps on first-class mail sent by veterans or members of armed forces in hospitals or other institutions, subject, however, to any necessary rules that he may promulgate.

Resolved, That a copy of this resolution be sent to the President of the United States, Temporary President of the Senate VANDENBERG, Speaker of the National House of Representatives MARTIN, Senators SALTONSTALL and LODGE, JR., and Congressman LANE.

DAVID NEWMAN.

In board of aldermen, February 9, 1948, adopted.

Approved February 11, 1948.

THOMAS A. KEATING, *Mayor.*

A true copy.

Attest:

JOSEPH A. TYRRELL, *City Clerk.*

CHARTER FOR JEWISH WAR VETERANS

Mr. LODGE. Mr. President, on behalf of my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., relating to a national charter for Jewish War Veterans.

There being no objection, the resolution was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

Whereas there is legislation now pending in the National Congress to grant a national charter to the Jewish War Veterans; and

Whereas this organization has been in existence since World War I; and

Whereas the patriotic work and endeavors carried on by the Jewish War Veterans have received commendation from the people of the United States: Now therefore

Resolved, That the Board of Aldermen of Chelsea, Mass., endorses the passage of this bill and asks the National Government to grant the Jewish War Veterans this charter, with the same powers granted to the other great veterans' organizations.

Resolved, That a copy of this resolution be sent to the President of the United States, Temporary President of the Senate VANDENBERG, Speaker of the National House of Representatives MARTIN, United States Senators SALTONSTALL and LODGE, JR., and Congressman LANE.

Joseph B. Greenfield, President; Harry Coltun; Joseph E. Thornton; Robert H. Brown; George Gallant; Joseph Margolis; David Newman; Andrew P. Murphy; Daniel E. Carroll.

In board of aldermen, February 9, 1948, adopted.

Approved February 11, 1948.

THOMAS A. KEATING, *Mayor*.

A true copy.

Attest:

JOSEPH A. TYRRELL, *City Clerk*.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 2142. A bill to make the Government-owned alcohol plant at Muscatine, Iowa, available for processing agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes; with amendments (Rept. No. 898); and

H. R. 1809. A bill to facilitate the use and occupancy of national-forest lands, and for other purposes; without amendment (Rept. No. 899).

ALLOCATION AND INVENTORY CONTROL OF GRAIN FOR DISTILLING PURPOSES

Mr. FLANDERS. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report an original joint resolution to authorize the allocation and inventory control of grain for production of ethyl alcohol, and I submit a report (No. 900) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the joint resolution will be placed on the calendar.

The joint resolution (S. J. Res. 186) to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy, reported by Mr. FLANDERS, was received, read twice by its title, and ordered to be placed on the calendar.

INVESTIGATION OF NATIONAL DEFENSE PROGRAM—RENEGOTIATION (PT. 2 OF REPT. NO. 440)

Mr. BREWSTER. Mr. President, from the Special Committee To Investigate the National Defense Program, I ask unanimous consent to submit a report on its investigation on renegotiation, and how it worked. Copies of the report have been prepared, and a copy is on the desk of every Senator.

Before sending the report to the desk I desire to make a brief statement concerning the committee's investigation. It will be recalled that renegotiation of war contracts was an emergency procedure, adopted in the early days of the war to prevent or at least curtail war profiteering. Our experience during the war has proved that in spite of efforts to control profiteering many millionaires were made solely because of the great volume of business resulting from the war needs. The thought of profiteering during the war at a time when others are called upon to give their lives for their country is repugnant to the American people. At the same time experience indicated that efficient, prompt, greatly expanded production could not be achieved from patriotism alone, and that business must be left with a reasonable profit incentive. It was felt that the setting of a definite percentage of profit on war work was not satisfactory, as the percentage would be too generous in some cases and unjust in others. The renegotiation of war contracts, therefore, was based on the theory that each contractor would be allowed to retain only profits that could be considered reasonable in view of all the circumstances in each case.

This committee in its first annual report, January 15, 1942, recommended that war contracts be reviewed to prevent excessive profits. Subsequently, in April of 1942, the first renegotiation law was passed. In substance this law provided that certain war contractors who had more than $100,000 worth of annual war business should be renegotiated. The act provided that the renegotiation officials consider all the factors involved, and if they felt that in that year the contractor had made excessive profits from his war business, to that extent it could be recovered by the Government.

Following objections to the lack of uniformity in the administration of the 1942 act and to the lack of standards to be considered in determining the reasonableness of profits, the Congress rewrote the Renegotiation Act by enacting the Renegotiation Act of 1943. This act created the War Contracts Price Adjustment Board, made up of a representative of each of the governmental agencies specified in the act. This act eliminated all contractors whose gross annual wartime business was less than $500,000. I may say that our committee recommended that change, although we have since decided it was not wise. The act expressly set forth seven factors which the price adjustment boards were required to consider in determining whether or not a contractor had realized excessive profits.

From time to time during the war, this committee held hearings on the subject of renegotiation and made reports as to its findings. In 1947 during the last stages of the administration of this act, this committee made a further study on renegotiation and held public hearings to determine what had been accomplished in the way of eliminating war profiteering.

The committee felt that the persons responsible for the administration of the Renegotiation Act could make constructive recommendations for the improvement of the laws as a result of their wartime experience. For this reason the recent hearings on renegotiation were held.

The committee feels that considering the magnitude and importance of the job, the unique nature of the Renegotiation Act, and the problems involved in obtaining adequate personnel, the administrators of the Renegotiation Act on the whole performed a difficult task ably and efficiently. Many of the top officials in the administration of the Renegotiation Act left important civilian jobs at a personal sacrifice and plunged into the turmoil of administering an entirely new law. The success of the Renegotiation Act, because of its flexibility, was due in a great measure to the ability of the men who carried out its administration.

Mr. President, I, personally, and I am sure the committee, feel that the Renegotiation Act was a contribution in taking the unreasonable profits out of war. As I pointed out in the report which I am about to submit the price adjustment boards renegotiated more than $190,000,000,000 of war business. In the final analysis after taking into consideration the amount of profits which would have been recovered through excess-profits taxes we find that the renegotiation of war contracts resulted in a saving to the Government of between three and four billion dollars. Notwithstanding this fine record, we now find as a result of our wartime experience in the handling of renegotiation, that there were some deficiencies in the Renegotiation Act and its administration. The committee has pointed out these deficiencies in the conclusions and recommendations of the report which I am about to submit to the Senate.

There are certain facts which were developed during the course of these hearings which I feel, Mr. President, it is desirable to emphasize today. One of the recommendations of the committee is that a renegotiation system should be prepared now and should be incorporated in a general industrial mobilization plan, ready to be put into operation at once in the event of an emergency. A thorough examination should be made by some congressional committee looking to the future and an act should be drafted in order to have on the statute books a well-thought-out plan to eliminate excessive profits for war. If such an act is placed on the statute books now it can be placed in immediate effect in the event of some future national emergency and thus save time and energy necessary to study and enact such legislation at a time when we are already in war. Furthermore, the agencies of Government which are now responsible for the planning of industrial mobilization in time of emergency can work out now skeleton organizations which can be available immediately for the administration of the renegotiation act when needed. Furthermore, the public should know before we get in a war that the Congress had made every possible provision, foresightedly, to prevent war profiteering. The public is entitled to know and to have assurance that the Congress is doing everything in its power to equalize the hardships of war or at least to prevent some unscrupulous persons from unduly profiting while others die.

I also wish to emphasize some of the other recommendations which the committee has made in its report. The committee recommended that all contractors with an annual war business exceeding $100,000 be subject to renegotiation rather than only those having gross annual war business in excess of $500,000, as was provided in the Renegotiation Act of 1943. It appears that the limitation for renegotiation was raised from $100,000 to $500,000 because at the time

it was felt that the handling of the numerous contracts under $500,000 would be an impossible administrative burden for renegotiation officials. We now find that the administration of these small contracts would not have been an unnecessarily burdensome thing to handle and would have resulted in the recapture of a substantial amount of excessive profits which were made by small firms.

I may say in that connection that some small concerns stopped at $490,000 rather than go into renegotiation, when they could have rendered a service by going beyond. There was a tendency to break up contracts among many corporations. While they undertook to show that they were under common control and that the total business was under control, it was still very difficult to apply the rule in practice.

I also address my remarks to the recommendation of the committee wherein it is suggested that all mandatory and permissive exemptions be eliminated. Without dwelling on this particular recommendation at any length, I merely refer to two of the mandatory exemptions which are specified in the 1943 act, namely, first, exemption of contracts for the products of mines, wells, or timber, prior to processing, and, second, the exemption of contracts with organizations exempt from taxation under section 101 (6) of the Internal Revenue Code.

I may say in that connection, Mr. President, that the internal revenue law provides that due account can be taken of the matter of depletion, and that seems to be adequate in renegotiation as well.

Mr. President, I will dwell for a moment on the exemption of contracts for the production of coal, oil, timber, and similar items. It is my understanding that these exemptions were specified in the 1943 act on the theory that the production of such items depleted the capital of the contractor involved. With that statement, I agree. The production of oil, coal, timber, and the like does deplete the capital of the producer. However, I do not believe that merely because a contractor is engaged in production of this type that he should be allowed to make unreasonable war profits. It is apparent to all of us that many large producers of minerals, lumber, and other items exempt under the Renegotiation Act of 1943 did, in fact, make large and excessive profits during the war. This was particularly true with many of the large oil companies. I wish to reiterate that I believe that the profits from this type of production should be subject to renegotiation, but I do feel—and I wish particularly to emphasize this point—that in renegotiating the contracts of these producers consideration should be given to the fact that they are depleting their capital resources. In other words, the fact that there is a depletion of capital should be considered in determining whether profits are excessive rather than entirely exempting that type of contractor. In this way I am sure that no injustice will result, either to the contractor or to the public.

As I stated above, another class of contractor which was exempt from renegotiation included those organizations exempt from taxation under section 101 (6) of the Internal Revenue Code. This section of the code exempts religious, charitable, educational, scientific, and similar types of organizations from taxation. Our committee has learned that certain corporations and organizations of this type, which are often referred to as foundations, were engaged in the production of war material, but, under existing law, were not subject to renegotiation. The committee is of the opinion that no organization should be allowed to make excessive profits as a result of war work, regardless of the purpose of the organization.

I might summarize my opinion of mandatory exemptions from renegotiation by pointing out that it is my sincere belief that every effort should be made to take unreasonable and excessive profits out of war. No business, large or small, and no organization, regardless of its purpose or the material it produces, should be allowed to engage in the handling of war contracts without being subject to renegotiation.

It appeared toward the end of the war that many so-called charitable organizations were being formed to engage in war work, and it is possible that there may have been serious abuses, or that in the future in a similar emergency very serious abuses could result.

The committee found that in many cases profit was considered largely in relation to total sales rather than to the net worth of a company. The committee found that in several cases more than 400 percent of profit per annum had been realized by a company when related to the net worth of the company. That seems to be a situation which should receive very careful consideration.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield to the Senator from New Hampshire.

Mr. TOBEY. Is the Senator referring to the May-Garsson Corp., which ran its capital up to approximately $60,000,000?

Mr. BREWSTER. No. I was not referring to that corporation.

Mr. TOBEY. The magnitude of the figures in that wretched aggregation is astonishing. The name of such aggregations of capital is legion.

Mr. BREWSTER. When we consider the total volume of the 10-percent profit on the total volume of sales, under war conditions, the net worth of a company might become fantastic. Some of the persons who operated the company were recognized in the form of high salaries, and the fact of personal service itself could enter into it; but where we find the figures multiplied by 700 percent in cases such as this——

Mr. TOBEY. The tragic part is that we have lost the sense of righteous indignation in this country, and no one, outside of a few of us, becomes aroused. Huge salaries have been augmented by bonuses. That was the kind of "gravy" that was received.

Mr. BREWSTER. If it were possible—and this, I think, applies to what the Senator from New Hampshire was inquiring about—if it were possible, all persons should have the same relative financial position at the end of a war as they had at its beginning. Obviously, this is impossible, and no plan seeking to achieve such even justice is feasible. However, we should be conscious that the closer we approach this goal the better we have done our jobs.

The testimony before the committee indicated that under their interpretation of the statute the renegotiation officials gave insufficient weight to the factor of net worth in considering what was a reasonable profit. It appeared that greater emphasis was given to the total volume of sales. The result was that many persons who started the war with very small capital investment were permitted to retain large profits.

The committee realizes that the renegotiation law must be flexible to be workable. However, the committee desires to point out most emphatically that every safeguard must be maintained during a war to prevent persons becoming extremely wealthy as a result of the war. It should be pointed out that employees properly can be paid large salaries when the company is doing a large volume of business. However, when the volume of sales is large solely because of war business, there seems to be no good reason for permitting the stockholders or the owners to realize an unreasonably large return on their investment. Therefore, the committee feels that any future renegotiation law should emphasize this factor and it should constantly be kept in mind by those who administer such law.

The suggestion that persons will not employ their capital in the business of war production unless they earn 400 or 500 percent each year on the investment would seem to be a rather severe reflection on the American people in the event of any future crisis such as the one we have experienced.

I now send the report to the desk, and request that it be printed, and be printed in the RECORD.

There being no objection, the report was received, ordered to be printed, and to be printed in the RECORD, as follows:

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM—RENEGOTIATION

INTRODUCTION

Renegotiation of war contracts was an emergency procedure adopted in the early days of the last war to prevent war profiteering. Recent wars have produced millionaires in spite of efforts taken to control profiteering. In the First World War the use of cost-plus-a-percentage-of-cost contracts and the enactment of excessive-profits taxes did not prevent some contractors from accumulating millions of dollars in profits. The thought of profiteering during a war, at a time when others are called upon to give their lives for their country, is repugnant to the American people. At the same time experience indicated that efficient, prompt, greatly expanded production could not be achieved through patriotism alone and that business must be left with a reasonable profit incentive. However, the setting of a definite percentage of profit on war work was not satisfactory as the percentage would be too generous in some cases and insufficient in others. The renegotiation of war contracts was therefore based on the theory that each contractor would be allowed to retain only profits that could be considered reasonable in view of all the circumstances in each case.

This committee in its first annual report, January 15, 1942, recommended that war contracts be reviewed to prevent excessive profits. At that time the committee stated:

"The committee believes that reimbursement and Government-protection problems should be treated on a broader basis than their mere connection with tax matters. The committee therefore recommends that section 124 (i) of the Internal Revenue Code be repealed, but that some form of substantial contract review be substituted, so that defense contractors will be prevented from taking advantage of the Government. Since such a substitute provision would not be restricted to tax matters, it should not be included as a part of the Internal Revenue Code.

"Such contract review should be geared to the contract clearance processes of the Division of Purchases, Office of Production Management. The committee's findings in relation to reimbursement and Government-protection problems indicate the wisdom of such contract review. Such review should also protect the Government as to matters of price, delivery dates, and other contract terms, whether or not the particular contract is one held by a taxpayer who wishes to take advantage of the 60-month amortization benefits. Since the Government will be the purchaser of over one-half of the Nation's output in 1942, it is particularly important that prices on Government contracts should be maintained at a reasonable level so as to avoid aggravating the already obvious tendency toward price inflation. Contract review will not delay the performance of contracts, since it can be carried on concurrently with such performance, and the possibility of review will afford a powerful incentive to the contractor to make as good a production record as possible."

On April 28, 1942, the first renegotiation law was passed. However, the committee continued its interest in the subject and reported to the Senate on the administration of the act and recommended amendments it considered desirable. In 1947, during the last stages of administration of this act, the committee made a further study of renegotiation and held public hearings to determine what had been accomplished in the way of eliminating war profiteering.

The purpose of this report is to point out some of the results of renegotiation as well as to point out weaknesses in the act and its administration.

HISTORY OF RENEGOTIATION

The need for some method of recovering or preventing excess profits on war contracts was apparent to all engaged in Government procurement work during the early days of the war. Even though a substantial amount of defense contracts had been awarded during 1940 and 1941 these contracts were minor compared with the procurement that was necessitated by our entry into World War II. Manufacturers were asked to produce articles with which they were completely unfamiliar. Many war products had never been produced before. They were asked to produce military and normal commercial items in unheard of quantities. New production facilities had to be constructed and equipped. At the same time business was faced with uncertainties on every hand. Material shortages became more and more severe; material usually plentiful became scarce; trained manpower rapidly became unavailable and new recruits had to be trained in work frequently foreign to the manufacturer's accustomed work; and Government regulation of material and manpower under intricate priority and allocation systems placed additional procedural and accounting burdens on business.

Under these circumstances it was impossible for contractors and Government procurement officers to make any accurate cost estimates as the basis for contracts. A tendency developed to fix prices at a level which would compensate the contractor for all business contingencies and assure him some measure of profit. Consequently if the worst fears of a contractor failed to materialize, or he succeeded in manufacturing an article in a different and more efficient manner, his profits might become tremendous. Many contractors who went through this period and realized extremely large profits had neither the desire nor intention of retaining more than they thought reasonable for the work they had performed. These contractors voluntarily refunded to the Government a portion of their profits.

In order to eliminate excessive profits from war business, Congress, on April 28, 1942, enacted section 403 of the Sixth Supplemental National Defense Appropriation Act of 1942. This was called the Renegotiation Act. In general, it provided a procedure for the renegotiation of war contracts and the elimination of excessive profits from war business. The act was applicable to profits made in fiscal years ending prior to June 30, 1943, on contracts awarded by the War Department, Navy Department, Treasury Department, Maritime Commission, War Shipping Administration, and the Reconstruction Finance Corporation and its subsidiaries. Any company receiving $100,000 or more under contracts with these agencies was brought within the terms of the act. Each agency set up its own Price Adjustment Board to administer the act. As each Board was independent there was a lack of uniformity in the administration of the act.

Following objections to the lack of uniformity in the administration of the 1942 act and to the lack of standards to be considered in determining the reasonableness of profits, the Congress rewrote the Renegotiation Act by enacting, on February 25, 1944, the Renegotiation Act of 1943 applicable to fiscal years ending subsequent to June 30, 1943. The 1943 law differed from the 1942 law in four principal ways:

1. A War Contracts Price Adjustment Board was created. Its membership included a representative from each of the named governmental agencies. This Board was to formulate renegotiation policies and to be responsible for administration of the act.

2. The act provided that contested renegotiation determinations could be appealed to the Tax Court of the United States.

3. The act eliminated from renegotiation all contractors whose gross annual wartime business was less than $500,000.

4. The act expressly set forth seven factors which the price adjustment boards were required to consider in determining whether a contractor had realized excessive profits.

In addition, the 1943 act made it mandatory for a contractor subject to the terms of the act to file a report on his wartime business rather than leaving it up to the boards to locate contractors subject to renegotiation. It also exempted from renegotiation contracts for certain types of articles and permitted the exemption of certain other contracts. By subsequent amendments the 1943 act was extended until December 31, 1945.

ADMINISTRATION OF RENEGOTIATION

The committee feels that considering the magnitude and importance of the job, the unique nature of the Renegotiation Act, and the problems involved in obtaining proper and adequate personnel, the administrators of the Renegotiation Act on the whole performed a difficult task ably and efficiently. Many of the top officials in the administration of the Renegotiation Act left important positions in private life or put aside the peacefulness of life in retirement after successfull business or professional careers and plunged into the turmoil of administering a law, felt by many to be not only unconstitutional but repugnant to the American system of private enterprise. The success of the Renegotiation Act, because of its flexibility, was due in a great measure to the ability which these men brought to their jobs and the confidence they generated in the individuals with whom they dealt.

Accomplishments

Mr. John R. Paull, Chairman of the War Contracts Price Adjustment Board during 1947, testified before the committee that based on the latest figures then available, the price adjustment boards had renegotiated more than $190,000,000,000 of war business and recovered excessive profits of over $10,000,000,000.[1] As excess-profits taxes would have recovered about $7,000,000,000 of this amount, the actual recovery directly attributable to renegotiation was between three and four billion dollars. The cost of making this recovery was about $37,000,000, or slightly over 1 percent of the net amount recovered.

In addition to the cash recoveries other less determinable but even more beneficial results were brought about by renegotiation. For example, during the renegotiation period contract price reductions in the amount of $4,500,000,000 were brought about partly by information derived from renegotiation and partly by the independent action of contracting officials. Further savings were realized by permitting contractors to waive termination settlements, thereby eliminating the contract-settlement procedure. The War Department has informed the committee that renegotiation also contributed to resisting the inflationary trend for services and supplies in the wartime market and had a tendency to control the pricing policies of contractors when bids were submitted. Greater efficiency in production was stimulated by the fact that during renegotiation larger profits would be allowed a contractor for close pricing, low costs, and efficient operation.

The committee found that most accountants who had been active on renegotiation work felt that the Renegotiation Act had been administered fairly and had accomplished its purpose. However, some accountants felt that price adjustment boards were not generous enough with the low-cost, efficient wartime producers.

The testimony disclosed that the price-adjustment boards had been assigned 118,131 cases for renegotiation. The majority of these, 85,611, were cleared or canceled, that is, a determination was made that there were no excessive profits in these cases. Refunds were requested in 31,091 cases. Renegotiation of the remaining 1,429 assignments has not been completed. Under the act, price-adjustment boards were empowered to enter into bilateral agreements with contractors stating that both parties agreed that the contractor had received excessive profits in a stated amount and agreed to refund that amount. The price-adjustment boards also were authorized to make unilateral determinations. These were resorted to only when a contractor would not agree to the existence, or the amount of excessive profits. Mr. Paull reported that of the 31,091 cases involving refunds, only 1,696 were the result of unilateral determinations.

Business in general was satisfied with the manner in which this law was administered. Most complaints from businessmen were found to be unfounded because in nearly every case their complaint was not that they were not allowed a reasonable profit but that their business had been left with a smaller percentage of profit than some similar business. The information on which these complaints were based was nearly always inaccurate. The small number of cases that were appealed to the Tax Court is further evidence

[1] See appendix.

that few companies thought the Price Adjustment Board's decisions were improper. If anything, this would tend to indicate that the price-adjustment boards were liberal toward the contractors. In a few cases the Tax Court, which does not review the Price Adjustment Board's findings but initiates a de novo proceeding, has demanded a larger refund from a company than the Price Adjustment Board had assessed.

Procedure

The War Contracts Price Adjustment Board has referred to the Department of Justice only 83 cases of suspected fraud. These cases are not yet disposed of but at least one-third were dropped for insufficient evidence to support prosecution. The renegotiation procedure was not designed to detect any but the most flagrant types of fraud by war contractors. Independent Government audits were not made to ascertain the accuracy of information supplied the boards. The procedure adopted required a contractor, subject to the act, to supply certain information itemized on a standard form. This information was accompanied by a copy of the contractor's income-tax return and an audit report prepared by an independent accounting firm. However, in a few cases, if contractor employed no special independent accounting firm, then properly documented audits by its own organization were accepted in renegotiation. The information furnished was then analyzed by the Board's staff of accountants and auditors. The boards relied heavily on a reconciliation of this data with the tax return. Cost figures were frequently compared by the Board's accountants with cost figures of competitive firms of like size and nature. Supplementary data was obtained when it was considered necessary. Conferences were then held with the contractor and finally a determination made as to the existence and amount of excessive profits.

The administrators of renegotiation stated that Government audits of each renegotiation would have imposed an impossible burden on the boards and as a practical matter would have been impossible because of the scarcity of qualified accountants. They also considered such audits unnecessary in view of their analysis of the data submitted by the company and also because the act provided that any renegotiation settlement obtained through fraud, malfeasance or willful misrepresentation of a material fact could be reopened. By making renegotiation settlements final except for fraud, contractors were assured of finality of renegotiation settlements. A subsequent internal revenue audit disclosing the existence of fraud could reopen the renegotiation of a company. However, such audits are frequently delayed several years and the committee knows of no existing procedure for the handling of any such case in the event one is discovered after the departmental price adjustment boards conclude their work, probably late in 1948. The present act provides no satisfactory method of disclosing excessive profits resulting from erroneous accounting methods or calculations. If a future renegotiation law is necessary, serious consideration should be given to the desirability of authorizing the General Accounting Office or the Bureau of Internal Revenue to audit, after the national emergency is over, any renegotiation decision they might desire to attempt to discover fraud. Furthermore, consideration should be given to the feasibility of renegotiation agents making current spot audits of sizable companies undergoing renegotiation as a police measure to discourage attempts to defraud.

Factors affecting profits

The 1943 Renegotiation Act set forth the following seven factors to be considered by price-adjustment boards in determining excessive profits:

1. Efficiency of contractor, with particular regard to attainment of quantity and quality production, reduction of costs and economy in the use of materials, facilities, and manpower.

2. Reasonableness of costs and profits, with particular regard to volume of production, normal prewar earnings, and comparison of war and peacetime products.

3. Amount and source of public and private capital employed and net worth.

4. Extent of risk assumed, including the risk incident to reasonable pricing policies.

5. Nature and extent of contribution to the war effort, including inventive and developmental contribution and cooperation with the Government and other contractors in supplying technical assistance.

6. Character of business, including complexity of manufacturing technique, character and extent of subcontracting, and rate of turn-over.

7. Such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the Board from time to time as adopted.

The act did not indicate which one, if any, of these factors should be given preference over the others, and it would appear as a practical matter that the determination of excessive profits was left largely to the discretion of the administrators of the act. The term "excessive profits" is vague and the definition in the act was not precise. Excessive profits was described as that portion of the profits determined to be excessive. As a result of this situation, the operation of the boards necessarily was very flexible. Profits before the impact of Federal income taxes were computed by the price-adjustment boards in dollars which for the convenience of contractors were stated as a percentage of gross adjusted sales rather than as a rate of return on a concern's net worth devoted to war business.

The committee discovered when profit was related to net worth rather than gross sales that the percentage of profit frequently appeared entirely unreasonable. There are cases where such profit was in excess of 400 percent.

The testimony before the committee indicated that under their interpretation of the statute the renegotiation officials gave insufficient weight to the factor of net worth in considering what was a reasonable profit. It appeared that greater emphasis was given to the total volume of sales. The result was that many persons who started the war with very small capital investment were permitted to retain large profits.

The committee realizes that the renegotiation law must be flexible to be workable. However, the committee desires to point out most emphatically that every safeguard must be maintained during a war to prevent persons becoming extremely wealthy as a result of the war. It should be pointed out that employees properly can be paid large salaries when the company is doing a large volume of business. However, when the volume of sales is large solely because of war business, there seems to be no good reason for permitting the stockholders or the owners to realize an unreasonably large return on their investment. Therefore, the committee feels that any future renegotiation law should emphasize this factor and it should constantly be kept in mind by those who administer such law.

The boards seem to have attempted to draw distinctions between different companies, allow manufacturers more profit than assemblers or brokers, reward unusual efficiency, and to treat all contractors equitably.

However, other things being equal, the boards have maintained a certain uniformity in the percentage of profit allowed contractors of similar articles.

The average profits allowed contractors from whom recoveries were obtained was approximately 10 percent. For example, in 1943 and 1944, the average profit was 10.7 percent, and in 1945 it was 10.4 percent. This is an average figure made up of a great many individual cases where profits ranged from a very small percent of gross sales to a relatively substantial percent of such sales. It is interesting that the average remained so constant.

WEAKNESSES OF RENEGOTIATION

The members of the War Contracts Price Adjustment Board were unanimous in recommending that certain phases of the Renegotiation Act and its administration could be improved by—

1. Making renegotiation effective upon the declaration of the existence of a state of emergency.

2. Bringing under renegotiation the contracts of all Government agencies that have a defense or war-end use.

3. Making renegotiation apply to all contractors receiving contracts amounting to over $100,000 annually rather than $500,000.

4. Eliminating most of the mandatory exemptions and all of the discretionary exemptions from renegotiation authorized under the 1943 act.

5. Giving the price adjustment boards discretion to renegotiate affiliated companies on a consolidated basis when they considered this desirable.

The Navy Department recommended in addition that the Tax Court review permitted by the 1943 act should not be a de novo proceeding but should be limited to the customary review of administrative decisions, i. e., only to determine whether or not the action of the Price Adjustment Board had been arbitrary or unreasonable.

The Procurement Branch of the War Department advised the committee that it thought the War Contracts Price Adjustment Board should operate as an independent agency rather than as it did through the various Government departments, but that it should maintain very close liaison and exchange of information with the various departments. In addition, this branch agreed with the recommendation of the price adjustment boards that all earnings of $100,000 and over be subject to renegotiation; and that a renegotiation act be on the statute books during peacetime to become effective in case of an emergency. This branch, however, felt that the right to authorize permissive exemptions from renegotiation should be left in the hands of procurement.

All concerned thought that if a renegotiation law was in existence so that business could be familiar with its provisions, or if it at least was made effective when an emergency was declared, the Government would benefit by the tendency to hold down profits and there would be a real incentive for fast, efficient production.

The mandatory exemptions from renegotiation specified in the 1943 act were briefly:

1. Contracts between a department and any other department, State, or foreign agency.

2. Contracts for the product of a mine, well, or timber prior to processing.

3. Contracts for agricultural commodities.

4. Contracts with organizations exempt from taxation under section 101 (6) of the Internal Revenue Code.

5. Construction contracts awarded after competitive bidding.

6. Any subcontracts under the types of contracts listed above.

The administrators of renegotiation testified that they thought very large profits were made by some concerns whose business in whole or in part was exempted from renegotiation under some of these provisions of the act. No proof for this statement was offered because they had no access to the records of companies except to the extent of their nonexempt Government business.

The only one of these exemptions they considered necessary or desirable was the first, relating to contracts between departments or with states or foreign governments. The other exemptions placed contractors who qualified under them in a completely unjustified favorable position, they contended. The second exemption, authorized because the products covered are depletive types of capital assets for which owners may well be entitled to larger profits, could be brought under the act and the renegotiators directed to give proper consideration to this factor just as the income-tax laws do. They thought profits of tax-free organizations should be treated the same as other contractors' profits and stated that toward the end of the war there was a noticeable tendency for contractors to convert their operation into a tax-free organization and claim this exemption. Competitive bidding in wartime when true competitive conditions cannot exist should not be the basis for an exemption. Subcontracts under contracts exempted by these provisions are also exempt and with no more justification; particularly in the case of the exemption of tax-free organizations as their subcontractors are not necessarily also tax-free organizations.

In view of the universal feeling among renegotiation officials that the mandatory exemptions permitted the accumulation of unreasonable profits, serious consideration should be given to the elimination of such mandatory provisions in the event that a renegotiation law is considered in the future.

The act of 1943 also authorized the War Contracts Price Adjustment Board, in its discretion, to exempt from renegotiation contracts or subcontracts:

1. For work to be performed outside the United States or Alaska.

2. Under which profits can be determined with reasonable certainty such as certain contracts for personal services, real property, perishable goods, leases, when prices are fixed by a regulatory body, and when performance will be completed within 30 days.

3. Where provisions are considered adequate to prevent excessive profits.

4. For standard commercial articles if competitive conditions are adequate to protect against excessive profits.

5. When competitive conditions are likely to result in effective competition.

6. Either individually or by classes when it is not administratively feasible to determine and segregate profits made under them from profits realized on nonrenegotiable business.

The War Contracts Price Adjustment Board under other provisions of the act, delegated the discretion to exempt such contracts from renegotiation to the heads of the various departments covered by the act. In the case of the War Department, this authority was redelegated to the heads of the several technical branches.

The administrators of the act were unanimous in recommending that discretionary exemptions be eliminated from any future renegotiation law even though relatively few such exemptions were authorized by the departments. The exact number of contracts exempted from renegotiation in this manner is, however, unknown because the purchasing services were not required to, and did not, keep a record of them.

Some procurement officials think that it is desirable to exempt occasional contracts from renegotiation when production costs are readily determinable. This contention, however, overlooks the possibility that a contractor may increase his profits by unforeseeable economies, resorting to a new method of production, or reducing subcontractor's prices. Undoubtedly, the greatest possibility of a contractor increasing his profits manyfold were ascribed to the tremendous ballooning of his war business. Some contractors ballooned their sales over a thousand times without greatly increasing their own plant investment or their own working capital—principally through advances and loans from Government agencies. Again there are no available statistics on whether or not exempted contracts resulted in permitting contractors to retain unreasonable profits. The committee, however, knows of one contractor who was awarded contracts exempted from renegotiation and who was so successful in improving the efficiency of his operation that he voluntarily refunded over $18,000,000 which he considered excessive profits.

Renegotiation officials object to both mandatory and discretionary exemptions because they think they are unjustified and demoralizing to other contractors and because they make renegotiation more difficult. Whenever a war contractor has exempt business the renegotiators have the problem of segregating that business from the renegotiable business and allocating general expenses and overload between the two. Administratively it is much easier for the renegotiators if all war business of a contractor is subject to renegotiation.

The committee recommends that all Government contracts for articles with a defense or war-end use be brought under renegotiation regardless of the contracting agency. The end use of the product, not the accident of who happens to make the purchase should be the determining factor. For example, contracts made by the Department of Agriculture for processed foods for lend-lease and the Quartermaster Corps were not under the act. Some but not all of these contracts carried provisions requiring renegotiation. An issue has been raised in the Tax Court requiring a decision as to whether wartime construction and supply contracts awarded by the Panama Canal, are subject to the act. It is contended that the Panama Canal is a separate Government agency, and was not included in the agencies covered by the act. Some Panama Canal construction contracts were extremely profitable and some contractors also qualified under section 251 of the Internal Revenue Code and were exempt from taxation. Consideration should be given to legislation making all wartime Government contracts subject to renegotiation to prevent excessive profiteering.

The administrators of the act also urge that the base for renegotiation be reduced from $500,000 to $100,000. The original act in 1942 applied to all annual business in excess of $100,000 but this was raised in the 1943 act to $500,000 at the request of the price-adjustment boards. At that time very slow progress had been made in renegotiation and a vast volume of work was facing the boards. It was felt that the possible recovery from concerns in the $100,000 to $500,000 bracket would not justify the time and expense of renegotiating them. At that time this committee also recommended the elimination of concerns with less than $500,000 in war business. The committee now feels in view of our wartime experience in the administration of the renegotiation laws that this recommendation was a mistake. It should be noted, however, prior to the passage of the 1943 act, Senator CARL HATCH, then chairman of the Subcommittee on Renegotiation, of this committee, testified before the Senate Committee on Finance that further studies by his subcommittee indicated that the backlog of cases before the boards was rapidly dwindling and that it might not be desirable to make the change. He pointed out that excessive profits on $100,000 of business were very possible.

The administrators of the act testified that recoveries of excessive profits from contractors in this bracket probably would not be large. The principal reason for this recommendation, they stated, was that in their experience most of the complaints they received about excessive profiteering during the war were directed at contractors with less than $500,000 annual war business. It was damaging to war morale, they thought, to let contractors in this bracket retain excessive profits while neighboring contractors with over $500,000 war business annually were renegotiated. It also frequently happened that contractors about whom complaints were received were located in small communities where it soon became common knowledge that the contractor was profiting excessively.

The War Department Price Adjustment Board furnished the committee a study of the renegotiation of companies in the $100,000 to $500,000 bracket under the 1942 act. Of 3,728 cases in this bracket 1,631 or 44 percent were found to have made excessive profits totaling $57,371,000. Even more interesting is a tabulation of a group of 13 companies selected at random, and all in the $100,000 to $500,000 bracket during 1943 and therefore not subject to renegotiation. These companies had average profits of 38.1 percent of gross sales. One company's profits were 91 percent of its $152,880 in gross sales.

Administrators of the act testified that companies in this bracket could be renegotiated with very few more renegotiators and that the cost of renegotiating them would be very small.

There was some indication that the $500,000 limitation also served to discourage some subcontractors from accepting additional war work that would have put their gross business over this amount and subject them to renegotiation. There was also evidence that an attempt to avoid the base limitation was made by some individuals who set up new businesses to take war work that would subject the individual to renegotiation. This was discouraged to a certain extent by the statutory provision and regulations bringing within renegotiation concerns under common control if the gross aggregate business was in excess of $500,000. However, proof of common control was at times hard to establish and no doubt where such common control was not obvious the companies avoided renegotiation.

CERTIFICATES OF NECESSITY

Certificates of necessity are mentioned in this report on the renegotiation law only because they have been the source of considerable war profiteering. Section 124 of the Internal Revenue Code provided that companies constructing new facilities for war production could under certain conditions obtain a certificate of necessity permitting them to amortize the cost of such facilities over a 5-year period. Furthermore, if the emergency period was declared over prior to the end of the 5-year period, the company could accelerate the amortization over the period up to the date of such a declaration. About 43,500 certificates covering facilities valued at $6,000,000,000 were issued during the war. Until December 1943 the War and Navy Departments were authorized to issue these certificates, and they issued about 39,000. After December 1943 the War Production Board issued the balance.

Practically all the certificates issued by the War and Navy Departments were on a 100-percent basis. Thus, a company could amortize the facility's entire cost over the 5-year period or less. However, the War Production Board official responsible for issuing certificates of necessity testified that about 80 percent of the certificates issued by that Board were for only 35 percent of the cost of the facilities. The percentage certificates take into consideration the postwar value of the facility and only allow amortization of the war use of the facility. He testified that in his opinion the cost of the war could have been reduced by $3,000,000,000 if the War and Navy Departments had used a similar percentage method.

Legal profiteering resulted from certificates of necessity. Many companies came out of the war with new, valuable, fully amortized facilities which they could either use or, as some have done, sell. In this way a facility

actually paid for out of a contractor's war taxes was additional war profit to him to the extent of its postwar value.

High-profit war contractors profited even more when they were permitted to accelerate the rate of amortization over the period from the date of the certificate to the date of the declaration ending the war emergency. This period might be any length of time up to 5 years. When a contractor elected to do this his resulting increased annual amortization expense was credited against excessive profits that price-adjustment boards may have assessed against him. He would therefore have to refund a lesser amount of excessive profits and would own a fully depreciated and probably valuable facility. For example, the committee found that 20 of the largest oil companies were able to credit amortization in the amount of $59,000,000 against excessive profits determined after renegotiation to be $65,000,000. These companies had to refund only $6,000,000 and in fact paid for these facilities out of their excessive war profits. It would seem that these results redounded to the financial benefit of the high-profit producer rather than the war contractors who had priced closely and made no excessive profits.

Serious study should be given to the formulation of a procedure under which war facilities could be financed by private capital to the greatest extent possible and at the same time unreasonable profits prevented. Many administrators of the Renegotiation Act think that the largest unjustifiable war profits were made as a result of the certificate-of-necessity program.

CONCLUSIONS

1. The committee believes that the renegotiation law, coupled with the excess-profits tax, is more likely to be successful and equitable than any other less flexible method. No more desirable method of reducing war profiteering was suggested to the committee.

2. The renegotiation system should be incorporated in a general industrial mobilization plan ready to be put into operation at once in the event of an emergency.

3. The factors to be considered in determining what is a fair profit in time of war should be set forth more specifically and with greater particularity.

4. In deciding what is a fair profit, the committee feels that any future renegotiation law should emphasize the importance of net worth as a factor in deciding a fair profit for a company during a war. In this way the growth of war millionaires could be prevented or greatly curtailed.

5. The renegotiation agency should be a separate agency, independent from any procurement authority, designed to handle the renegotiation of all services and branches of the Government.

6. The committee believes that any future Renegotiation Act be improved in the following specific ways:

(a) By bringing within its operation all contractors with an annual war business exceeding $100,000.

(b) Including war contracts of all Government agencies.

(c) By eliminating all mandatory and permissive exemptions so that all Government contractors with more than an annual business of $100,000 are renegotiated.

7. The committee recommends the establishment of regional price adjustment boards in each area, in order to eliminate duplication of facilities and services. Each final decision should be cleared through a central authority to establish uniformity of rulings and equal treatment in all regions of the country.

8. The committee believes that the Bureau of Internal Revenue should audit the income tax of war contractors and these should be made available for renegotiation authorities on a current basis. Every effort should be made to correlate their activities with the renegotiation agency especially in the matter of audits. If this is not possible because of a manpower shortage, then spot audits should be made to encourage contractors to submit accurate figures.

9. The committee is of the opinion that the Comptroller General should be permitted to audit all war contracts including subcontracts whenever, in his discretion, he so desires. Such audits, however, should be directed only to the accuracy of the accounts and representation of costs made by the contractor.

10. Renegotiation officials should be authorized to consider profits which have accrued from certificates of necessity, and to recover that portion which it deems excessive.

11. The committee recommends that any future Renegotiation Act provide that in renegotiating for any given year the renegotiation officials be allowed to take into consideration the profits or losses of the contractor during the preceding war years.

APPENDIX

[Source: War Contracts Price Adjustment Board]

Renegotiation data as of Feb. 7, 1947

[000 omitted]

Department	Number of cases	Dollar amount of contracts renegotiated [1]	Gross dollar amount recovered [2]	Estimated net dollar amount recovered [3]
War Department	35,266	$125,543,246	$6,821,885	$2,046,565
Navy Department	9,698	49,605,457	2,633,686	790,106
Maritime Commission	1,255	6,426,597	278,053	83,416
War Shipping Administration	704	668,918	44,563	13,369
Treasury Department	292	614,032	40,402	12,120
Reconstruction Finance Corporation	1,575	7,833,529	377,109	113,133
Total	48,790	190,691,779	10,195,698	3,058,709

[1] Figures do not include construction contracts renegotiated on a completed contract basis. Neither do they include any renegotiations of brokers, agents, or sales engineers. However, the gross dollar amount recovered includes all amounts recovered on this business. Cancellations, totaling 56,618, have been eliminated from this tabulation since it is not possible to obtain statistical data showing sales and profits on all canceled cases.

[2] Before adjustment for applicable Federal tax credit.

[3] After estimated adjustment for applicable Federal tax credit.

Comparison of profits before and after renegotiation on all renegotiable sales involving refunds [1] through Feb. 7, 1947

[000 omitted]

Fiscal years ending—	Number of cases	Before adjustment			After adjustment		
		Fixed price net sales	Fixed price basic profit (before taxes)	Percent of sales	Fixed price net sales	Fixed price basic profit (before taxes)	Percent of sales
1942	5,294	$26,101,326	$5,573,759	21.4	$23,079,982	$2,565,701	11.1
1943	4,870	39,871,011	7,504,386	18.8	36,285,979	3,870,529	10.7
1944	3,805	33,709,029	5,529,057	16.4	31,664,858	3,397,458	10.7
1945	1,360	5,367,492	862,208	16.1	5,054,830	524,611	10.4
1946	52	120,920	17,384	14.4	115,758	11,753	10.2
Total	15,381	105,169,778	19,486,794	18.5	96,201,407	10,370,052	10.8

[1] Figures do not include CPFF contracts, or construction contracts renegotiated on a completed contract basis. Neither do they include any renegotiations of brokers, agents, or sales engineers.

Attention is directed to the fact that 11,458 clearance cases, involving renegotiable sales of $54,970,865,000 and basic profits of $4,021,975,000 (7.3%) have been eliminated from this tabulation. Also 56,618 cancellations have been eliminated since it is not possible to obtain statistical data showing sales and profits on all canceled cases.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. LANGER, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 20, 1948, he presented to the President of the United States the following enrolled bills:

S. 257. An act for the relief of Yoneo Sakai;

S. 305. An act for the relief of Mrs. Hilda Margaret McGrew;

S. 310. An act authorizing the issuance of a patent in fee to Jonah Williams;

S. 311. An act authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.;

S. 312. An act authorizing the issuance of a patent in fee to Charles Kills the Enemy;

S. 313. An act authorizing the issuance of a patent in fee to Calvin W. Clincher;

S. 409. An act for the relief of Milan Jandrich;

S. 457. An act for the relief of Anna Kong Mei;

S. 499. An act authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear;

S. 522. An act to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan;

S. 542. An act authorizing the issuance of a patent in fee to Mrs. Ella White Bull;

S. 1133. An act providing for the per capita payment of certain moneys appropriated in settlement of certain claims of the Indians of the Fort Berthold Indian Reservation in North Dakota;

S. 1454. An act to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes;

S. 1485. An act to authorize the Secretary of the Interior to dispose of certain lands

heretofore acquired for the Albuquerque Indian School, New Mexico;

S. 1507. An act authorizing the sale of undisposed of lots in Michel addition to the town of Polson, Mont.; and

S. 1591. An act to transfer certain transmission lines, appurtenances, and equipment in connection with the sale and disposition of electric energy generated at the Fort Peck project, Montana, and for other purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSHFIELD:

S. 2183. A bill to authorize and direct the Secretary of the Interior to issue to Leonard G. Jones a patent in fee to certain land;

S. 2184. A bill to authorize and direct the Secretary of the Interior to issue to John DeMarrias a patent in fee to certain land; and

S. 2185. A bill to authorize and direct the Secretary of the Interior to issue to Chauncey N. Fire a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY (by request):

S. 2186. A bill to amend section 5 of the act entitled "An act to amend the laws relating to navigation, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

By Mr. BRICKER (for himself, Mr. CAIN, and Mr. ROBERTSON of Virginia):

S. 2187. A bill to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; to the Committee on Banking and Currency.

(Mr. BROOKS introduced Senate bill 2188, for the relief of Col. Wlodzimierz Onacewicz, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. SALTONSTALL (for himself, Mr. CORDON, and Mr. HILL) introduced Senate bill 2189, to assist the States in the development and maintenance of local public-health units, and for other purposes, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. O'CONOR:

S. 2190. A bill to authorize the Secretary of the Army to furnish headstones to mark the honorary burial places of certain deceased members of the armed services and to authorize the burial in national cemeteries of the widows of certain deceased members of the armed services; to the Committee on Armed Services.

By Mr. KILGORE:

S. 2191. A bill for the relief of Louis Bernard Lapides; to the Committee on the Judiciary.

By Mr. MOORE:

S. 2192. A bill to amend the Interstate Commerce Act so as to permit the issuance of free passes to agents of carriers subject to part I of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. BREWSTER (for himself, Mr. DOWNEY, Mr. MARTIN, Mr. MYERS, and Mr. SALTONSTALL):

S. 2193. A bill to provide for nautical education in the Territories, to facilitate nautical education in the States and Territories, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado:

S. 2194. A bill authorizing the Alien Property Custodian to return certain real property and water rights to Ernestine Block Grigsby and Josephine Block Miles; to the Committee on the Judiciary.

By Mr. BUCK:

S. 2195. A bill to extend for the period of one year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; to the Committee on the District of Columbia.

By Mr. MARTIN:

S. J. Res. 185. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the termination of the war with Spain; to the Committee on Banking and Currency.

(Mr. FLANDERS, from the Committee on Banking and Currency, reported an original joint resolution (S. J. Res. 186) to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy, which was ordered to be placed on the calendar, and appears under a separate heading.)

(Mr. AIKEN introduced Senate Joint Resolution 187, authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

(Mr. KILGORE introduced Senate Joint Resolution 188, authorizing the President to issue a proclamation designating October 31 of each year as Youth Honor Day, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

COL. WLODZIMIERZ ONACEWICZ

Mr. BROOKS. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to facilitate the extension of citizenship to a distinguished son of an unhappy country, who has rendered such valuable service to the land which may soon adopt him that he has been decorated with the Legion of Merit, officer class. I refer to Col. W. Onacewicz, former military attaché of the embassy of Poland when that unfortunate nation was independent.

All freedom-loving Americans look forward to the day when the red hand of communism will be lifted from Poland and that nation can once again take her place in the family of nations as a free and independent nation. The present regime in Poland is not truly representative of a people who contributed to the epic of American freedom, but is a foreign clique foisted upon a people divided and decimated by Nazi and Communist aggression, but whose love of liberty still lives. False elections have deprived Poland of independence, but I am confident that such deprivation is temporary, another era of brutal darkness, and that Poland will have a new birth of freedom under which she will continue to pour out cultural and economic contributions to the benefit of mankind.

I request consent to have printed in the RECORD a brief résumé of the colonel's career, which details his services in behalf of this country, and in fighting in three wars for independence for his own land, now under Red Fascist rule.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the résumé presented by the Senator from Illinois will be printed in the RECORD.

There being no objection, the bill (S. 2188) for the relief of Col. Wlodzimierz Onacewicz, introduced by Mr. BROOKS, was received, read twice by its title, and referred to the Committee on the Judiciary.

The résumé presented by Mr. BROOKS was ordered to be printed in the RECORD, as follows:

MILITARY SERVICE OF WLODZIMIERZ ONACEWICZ, COLONEL, POLISH ARMY, RETIRED

Col. W. Onacewicz, veteran of three wars, fought in the First World War with the Russian Army as a junior horse artillery officer. After the Bolshevik revolution he escaped to Poland.

In 1920, when the Red armies invaded Poland, he was in command of a Polish volunteer field artillery battery.

In 1923 he graduated from the War College and General Staff School of Warsaw, became its professor and taught at the war college from 1923 to 1929. After that he served in different capacities in the general staff and with the troops.

At the outbreak of the Second World War, on September 1, 1939, he was on the staff of the Minister of War and was appointed liaison officer to the headquarters of the commander-in chief.

September 17, 1939, when the Russian armies invaded Poland and were only a few miles from the headquarters of the Polish high command, he was ordered to cross the border into Rumania and proceed to France, where a new Polish army was to be organized in order to continue the fight on the Allied side.

In Rumania he was interned, as all Polish soldiers, but fled from the internment camp and reached Paris in November 1939. He was appointed by the new commander in chief, General Sikorski, to command the First Polish Artillery Regiment in France, which he organized and trained in the first months of 1940.

He fought in the French campaign of 1940 as commander of the First Artillery Regiment, First Polish Grenadier Division, first in the battle of the Maginot line, and then in the general retreat of the French Army. During the last 8 days of the French campaign, the First Polish Grenadier Division lost in heavy fighting 45 percent of its men in killed and wounded.

When the French armies capitulated on June 21, 1940, the Polish divisions refused to surrender with the French. On orders of the general commanding the First Polish Grenadier Division, Colonel Onacewicz broke his regiment in small groups and directed them to steal at night through German lines encircling French armies and to try to reach the south of France. He himself took nine men from his regiment and succeeded in crossing with them the German lines in the Vosges Mountains at night. Then they walked 300 miles in 3 weeks through the German armies, and, after many adventures, among them capture of himself and two of his companions by the Germans, the whole group, though dispersed, reached unoccupied France. Most of the Polish soldiers escaped German captivity.

In August 1940 he reached Great Britain and joined again the Polish Army. For his command in the French campaign he was awarded the Order of Virtuti Militari (Polish equivalent of the Congressional Medal) and promoted to full colonel. He was appointed chief of the military cabinet of the commander in chief, General Sikorski, in London and served in this capacity until April 1941.

In April 1941 he was sent to Washington as military attaché, to represent the Polish armed forces in the United States and later to organize collaboration between the Polish and the United States Army. For his war work in Washington he has been awarded

by the United States Government the Legion of Merit, degree of officer, with the enclosed citation.

In July 1945, after the establishment in Warsaw of a Soviet puppet government, he resigned from the Embassy, retired from the Polish Army, and asked for the United States immigration visa, which he was granted September 17, 1945. Actually, he is working with the Department of the Army, Army Map Service.

Besides the Legion of Merit and the Polish Virtuti Militari, he holds the French Legion of Honor and Military Cross, 1940, and other Polish and foreign decorations.

He has a fluent knowledge of English and four European tongues and is a graduate of St. Petersburg University, Russia, in Far Eastern languages.

DEVELOPMENT AND MAINTENANCE OF LOCAL PUBLIC HEALTH UNITS

Mr. SALTONSTALL. Mr. President, on my own behalf, and on behalf of the Senator from Oregon [Mr. CORDON] and the Senator from Alabama [Mr. HILL], I ask unanimous consent to introduce for appropriate reference a bill to assist the States in the development and maintenance of local public health units, and for other purposes.

The purpose of the bill is to have the Federal Government assist States and localities in providing better public health services. At present less than 10,000,000 of our total population live in areas served by local units which meet basic requirements of public health standards, while more than 40,000,000 persons in the United States live in areas not served by any local public health units. I believe this fact alone calls for careful consideration by Congress.

This bill has been favorably acted upon by the National Congress of Parents and Teachers. It has been approved by the Association of State and Territorial Health Officers. The president of this association is Dr. Vlado A. Getting, Commission of Public Health of the Commonwealth of Massachusetts. In principle, the bill has been approved by some 65 representatives of national organizations acting in their individual capacities. These individuals, naturally, cannot commit their organizations.

We are introducing the bill at the present time because there are a number of bills concerning health pending before the Committee on Labor and Public Welfare. This bill approaches the health problem from a somewhat different angle from that of bills now under consideration. It represents an effort on the part of the Federal Government to cooperate with States in improving the health of our citizens. Fundamentally, it is cheaper, in the long run, to keep people healthy than to make sick people well.

In introducing the bill I wish to make it perfectly clear that I am opposed to the socialization of medicine. I am not in favor of interfering with the freedom of action of individual doctors. I am not specifically in favor of all the details contained in this bill. We all know of the high percentage of our young men who were rejected by the Army for physical reasons during both world wars. The general subject of health has been brought emphatically to our attention because of the war and because of our positive knowledge that general conditions of health in our country can be vastly improved. For these reasons we feel that Congress, before it reaches its conclusions as to what is the best course to take on this important problem, should have all points of view before it for consideration.

It is with these thoughts in mind, and without specific endorsement by us in detail of the provisions this bill contains, that I now ask, at the request of the National Association of Parents and Teachers, unanimous consent to introduce it.

There being no objection, the bill (S. 2189) to assist the States in the development and maintenance of local public health units, and for other purposes, introduced by Mr. SALTONSTALL (for himself, Mr. CORDON, and Mr. HILL), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

EXPORTATION OF SURPLUS AGRICULTURAL COMMODITIES UNDER FOREIGN-AID PROGRAM

Mr. AIKEN. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution which would enable the Secretary of Agriculture to encourage the exportation of agricultural commodities from the fund originally designed by the Congress for that purpose; that is, section 32, Public Law 320, Seventy-fourth Congress, as amended.

Surplus perishable agricultural commodities, such as potatoes, dried eggs, citrus, deciduous fruit—fresh and dried—are in abundant supply today, and the Department of Agriculture has neither sufficient section 32 funds nor sufficient authority under the Foreign Aid Act of 1947 to dispose of these commodities to the best advantage of the American farmer and the United States Government.

The Foreign Aid Act of 1947 provides that commodities acquired by any agency of the Government under a price-support program shall be utilized under certain conditions in providing assistance to foreign countries, and such commodities may be disposed of at the domestic market price of a quantity of wheat having a caloric value equal to that of the quantity of the commodity so disposed of. The Third Supplemental Appropriation Act of 1948—Public Law 393, Eightieth Congress, approved December 23, 1947—provides that losses incurred by agencies of the Government through the sales of commodities in accordance with the terms of the Foreign Aid Act of 1947 shall not exceed $57,500,000. These funds are fully committed at the present time. Additional perishable agricultural commodities are in abundant domestic supply and should be diverted from normal channels of trade into either foreign outlets or domestic outlets, whichever appears to be more advantageous. This resolution will have the effect of making an additional $40,000,000 available to the Department of Agriculture, any part of which sum, if used to dispose of agricultural commodities in foreign outlets, will have to be at least matched out of other funds available for foreign assistance. It is believed that these additional section 32 funds will be adequate for the remainder of the 1948 fiscal year for disposing of commodities for which there is an urgent need for an outlet at this time. These funds may also be used for domestic distribution of commodities if such commodities can be used in a more timely and effective manner in domestic outlets. Since the $57,500,000 is exhausted, and the Commodity Credit Corporation is not authorized to dispose of price-support inventories in domestic channels of trade for food purposes at less than parity—and unless there is danger of deterioration, and Commodity Credit Corporation could not, in any event, as a practical matter, sell below its support price, which in most instances is 90 percent of parity—the Department of Agriculture is for practical purposes blocked from disposing of food for human consumption. Unless domestic requirements develop which enable disposition through normal channels of trade, without these additional funds the Department will be forced to divert such surplus food as potatoes to feed or alcohol. The Department should not be forced to follow this policy when food is so urgently needed throughout the world.

Farmers should be given this assistance in shifting from the present high to a more normal level of production. Favorable action on this measure will also facilitate the foreign-aid program while retaining for agriculture a means of properly adjusting our agricultural economy.

There being no objection, the joint resolution (S. J. Res. 187) authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

YOUTH HONOR DAY

Mr. KILGORE. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution authorizing the President to issue a proclamation to designate October 31 of each year Youth Honor Day.

I merely wish to say that the introduction of this joint resolution—and I hope it may be enacted—is based on experiments which have been carried on in various States. It has been found by civic clubs and fraternal orders in a number of cities that on Halloween, for instance, property has been damaged and similar things have happened, which could be avoided if youth were put on their honor, and were shown how to observe Halloween without destroying property.

There being no objection, the joint resolution (S. J. Res. 188) authorizing the President to issue a proclamation designating October 31 of each year as Youth Honor Day, introduced by Mr. KILGORE, was received, read twice by its title, and referred to the Committee on the Judiciary.

EXTENSION OF RENT CONTROL—AMENDMENTS

Mr. McCARTHY and Mr. CAIN each submitted two amendments intended to be proposed by them, respectively, to

the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. IVES (for himself and Mr. BALDWIN) submitted amendments intended to be proposed by them, jointly, to Senate bill 2182, supra, which were ordered to lie on the table and to be printed.

Mr. CAPEHART submitted amendments intended to be proposed by him to the bill (S. 2182) supra, which were ordered to lie on the table and to be printed.

ST. LAWRENCE SEAWAY—AMENDMENTS

Mr. SALTONSTALL (for Mr. BRIDGES) submitted an amendment intended to be proposed by Mr. BRIDGES to the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof; expressing the sense of the Congress with respect to the negotiation of certain treaties; providing for making the St. Lawrence seaway self-liquidating; and for other purposes, which was ordered to lie on the table and to be printed.

Mr. BALL submitted an amendment intended to be proposed by him to Senate Joint Resolution 111, supra, which was ordered to lie on the table and to be printed.

REDUCTION OF INDIVIDUAL INCOME TAXES—AMENDMENT

Mr. LODGE. Mr. President, I ask unanimous consent to submit for appropriate reference an amendment intended to be proposed by me to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, and I request that an explanatory statement regarding the amendment prepared by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the amendment will be received and referred to the Committee on Finance, and, without objection, the explanatory statement will be printed in the RECORD.

The explanatory statement presented by Mr. LODGE was ordered to be printed in the RECORD, as follows:

Senator H. C. LODGE, JR., Republican, Massachusetts, introduced in the Senate today an amendment to H. R. 4790, the pending tax-reduction bill. LODGE made the following statement regarding this amendment:

"There is considerable and justifiable complaint about certain so-called 'nonresident' aliens who have come to this country and are making large amounts of money and big profits in capital gains without paying any Federal income tax on these transactions. To permit such a practice to continue is to discriminate against American citizens who are required to pay income taxes on their capital gains.

"This discrimination seems to me of particular importance today as we are about to commence consideration of the European recovery program. It is both unreasonable and unjust that a small, selfish group of Europeans should be permitted to escape their fair share of the tax burden by a loophole in the tax laws while the everyday people of America are being called on to aid Europe.

"The amendment I have introduced to the tax-reduction bill is an effort to remove this discrimination by considering a nonresident alien individual to be engaged in trade or business in the United States if he is physically present in this country for a period or periods of time aggregating a total of 90 days or more and if he effects transactions consummated in the United States in taxable years after December 31, 1947.

"This amendment is designed to supplement the proposal which I made and which has been accepted by the Foreign Relations Committee providing that the countries participating in the Marshall plan must make efficient and practical use of their resources, including the location and control of assets of their citizens which are located in this country.

"The combination of these two provisions will tend to insure that the burden of the Marshall plan is fairly distributed, both here and abroad, and that the well-to-do European does his part."

INVESTIGATION OF SOCIAL SECURITY PROGRAM—INCREASE IN LIMIT OF EXPENDITURES

Mr. MILLIKIN submitted the following resolution (S. Res. 202), which was referred to the Committee on Finance:

Resolved, That the limit of expenditures authorized under Senate Resolution 141, Eightieth Congress, agreed to July 23, 1947 (authorizing an investigation by the Committee on Finance of old-age and survivors insurance and other aspects of the social-security program), is hereby increased by $25,000.

EXTENSION OF TIME FOR FILING REPORT ON INVESTIGATION OF OPERATIONS OF RFC

Mr. BUCK submitted the following resolution (S. Res. 203), which was referred to the Committee on Banking and Currency:

Resolved, That section 2 of Senate Resolution 132, Eightieth Congress, agreed to July 23, 1947, to investigate the operations of the Reconstruction Finance Corporation and its subsidiaries, is amended by striking out "March 1, 1948" and inserting in lieu thereof "April 1, 1948."

HEARING BY SUBCOMMITTEE ON EDUCATION OF COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. IVES. Mr. President, I ask unanimous consent that the subcommittee on education of the Committee on Labor and Public Welfare be permitted to sit throughout the day for the purpose of holding a hearing on Senate bill 1390.

The PRESIDENT pro tempore. Without objection, the order is made.

ADDRESS BY SENATOR McCLELLAN BEFORE THE MISSISSIPPI VALLEY ASSOCIATION

[Mr. OVERTON asked and obtained leave to have printed in the RECORD an address delivered by Senator MCCLELLAN at the annual dinner of the Mississippi Valley Association at St. Louis, Mo., on January 23, 1948, which appears in the Appendix.]

GEORGIA, AN ADVENTURE IN FREEDOM—ADDRESS BY SENATOR GEORGE

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an address delivered by Senator GEORGE at the Library of Congress, Washington, D. C., February 14, 1948, on opening the exhibit commemorating the two hundred and fifteenth anniversary of the founding of the Georgia Colony, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR THYE

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator THYE at Boise, Idaho, on February 14, 1948, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR FLANDERS

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address entitled "The Party of Lincoln in This Year of Grace," delivered by Senator FLANDERS at Detroit, Mich., on February 10, 1948, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR TAFT AT ST. PAUL, MINN.

[Mr. THYE asked and obtained leave to have printed in the RECORD the Lincoln Day address delivered by Senator TAFT to the Lincoln Republican Club at St. Paul, Minn., which appears in the Appendix.]

THE WORLD FOOD AND MARKET SITUATION—ADDRESS BY THE SECRETARY OF AGRICULTURE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Taking Stock of the World Food and Market Situation," delivered by Hon. Clinton P. Anderson, Secretary of Agriculture, at the National Press Club, Washington, D. C., on February 18, 1948, which appears in the Appendix.]

TREATMENT OF INDIANS—VETO OF GIDEON PEON BILL

[Mr. ECTON asked and obtained leave to have printed in the RECORD an article entitled "Gideon Peon in the Background of a Presidential Veto," by John H. Holst, which appears in the Appendix.]

MAHATMA GANDHI—EDITORIAL FROM THE CHRISTIAN ADVOCATE

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "An Indian Saint," from the February 19 issue of the Christian Advocate, which appears in the Appendix.]

CONTROL OF MARGINS ON COMMODITY EXCHANGES—TELEGRAM FROM ROBERT M. HARRISS

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a telegram dated February 18, 1948, from Robert M. Harriss, of Harriss & Vose, New York, dealing with the subject of control of margins on commodity exchanges, which appears in the Appendix.]

FEDERAL CONTROL OF OIL—TELEGRAM FROM H. R. CULLEN

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a telegram dated February 14, 1948, from H. R. Cullen, of Houston, Tex., addressed to a number of persons and dealing with the oil situation, which appears in the Appendix.]

IT'S TIME TO DO SOMETHING ABOUT GERMANY—ARTICLE BY O. K. ARMSTRONG

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "It's Time To Do Something About Germany," written by O. K. Armstrong and published in the Reader's Digest for March 1948, which appears in the Appendix.]

RESTRICTION OF LIQUOR ADVERTISING—EDITORIAL FROM COTTONWOOD COUNTY (MINN.) CITIZEN

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Curbing Liquor Advertising," published in a recent issue of the Cottonwood County (Minn.) Citizen, which appears in the Appendix.]

SENATOR CAPEHART'S PROPOSAL—EDITORIAL FROM THE MARION (IND.) CHRONICLE

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Senator Capehart's Proposal," published in the Marion (Ind.) Chronicle of February 10, 1948, which appears in the Appendix.]

THE FEDERAL TRADE COMMISSION—MINORITY RECOMMENDATIONS BY COMMISSIONER MASON

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD certain statements by Commissioner Mason in support of his minority recommendations as to Federal Trade Commission practice, which appear in the Appendix.]

JEFFERSON DAY ADDRESS BY SENATOR BYRD

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks the speech I delivered last night at the Virginia Jefferson Day Democratic dinner in the city of Richmond, Va.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR HARRY F. BYRD, OF VIRGINIA, AT THE VIRGINIA JEFFERSON DAY DINNER, RICHMOND, VA., FEBRUARY 19, 1948

We meet here tonight to pay tribute to the man who gave the breath of life to the principles that have made the Democratic Party a virile agency throughout the years for the preservation of our representative democracy and the freedom of the individual.

If the sentient spirit of Thomas Jefferson could look down upon us, I feel certain he would be shocked and alarmed to know that a Democratic President, speaking for the National Democratic Party, has recently proposed enactment by the Federal Government of measures which, taken in their entirety, constitute a mass invasion of States' rights never before even suggested, much less recommended, by any previous President of any party affiliation in the Nation's history. Above all else, Thomas Jefferson preached and constantly emphasized that the preservation of our form of representative democracy, to which he contributed so much, depended upon the dignity and sovereignty of the States in matters of local self-government.

The President of the United States has accepted and endorsed the conclusions of the committee known as the President's Committee on Civil Rights. He has recommended to the Congress the immediate passage of legislation to implement these recommendations.

By one measure—the enactment of the Federal Employment Practices Commission—it is proposed to establish another costly, powerful, and inquisitorial bureau of the Federal Government to send the strong arm of the National Government into the daily transactions of virtually every man's private business; to tell employers who to hire, who to fire, and who to promote. The Federal inquisitors appointed by a Federal commission would have the right, under this legislation, to enter every employer's place of business to examine his books and papers without processes of any court; to search for evidence on which to base charges against him. It would deprive people of their constitutional rights by forcing them to give evidence against themselves. It would provide for federally appointed examiners to hear the evidence, and the record could be sent to Washington, where a decision could be rendered against an employer in his absence. Fines and imprisonment are provided for any person who hinders the operation of this Federal commission.

The purpose of it is, by Federal coercion, to force employers in the South to give employment in privately owned businesses to members of a minority race, even though such action may not be justified by the worth of the person to be employed. An employer may not have the power to discharge one of his own employees who is not satisfactory. He may not have the power to hire a new employee or the power to control the promotions of his employees. All of this can be done under the direction of this Federal bureau, acting upon their own determination of whether an unfair practice has been committed by a private business in the employment or dismissal of any person in terms of that person's race, creed, color, national origin, or ancestry, or compensation or conditions of employment.

This legislation is now on the Senate Calendar. It was reported favorably by the Republican-controlled Committee on Labor and Public Welfare, and a Democratic President has endorsed the principles of the so-called fair-employment-practice legislation.

It is then proposed to enact an antilynching law to be enforced by Federal agents with prosecution in Federal courts. Such a Federal law has long been considered unconstitutional since it involves no interstate aspects. The fact that only one lynching occurred in the South in the year 1947, and the dominant desire clearly manifested by the southern people to prevent lynching by all possible means, have not deterred the proponents of this legislation from asking for its immediate enactment. It is clearly an invasion of States' rights and, if enacted, would establish a precedent for the Federal Government to take jurisdiction in other State crimes which are punishable under the laws of the respective States.

Virginia is proud of her record against lynching. In 1928 the strongest antilynching law that any State has ever passed was placed on the statute books by the General Assembly of Virginia. This, combined with the militant public opinion in Virginia against lynching, is responsible for the record of not having a single lynching in Virginia for 20 years.

The President's Commission proposes, and he endorsed, not only the specific abolition of the poll tax in Federal elections, but also an authorization to the Department of Justice to use all civil and criminal powers of the Federal Government to supervise primaries and elections of representatives of the respective States in the Federal Government. It is even recommended that the Federal Government be given the power to supervise the discussion of matters in the States relating to national political issues.

All of this is in direct defiance of the first article of the Constitution of the United States, which, in plain language, gives to the States the right to establish the qualifications of voters and to conduct all elections. It is obvious that if the Federal Government undertakes to establish such qualifications and to supervise the conduct of elections, as well as the public discussions thereof, then the very basic principle upon which the confederation of States was established is destroyed. If the Federal Government can constitutionally abolish a poll tax, legally adopted by a State as a prerequisite to voting, it can otherwise regulate State elections in provisions for registration of voters, period of residence, etc. Abolition of the poll tax has been recommended before, but no President, so far as I can learn, since the carpetbagger days following the War Between the States, has asked that the Department of Justice at Washington be given the power to use both civil and criminal sanctions to supervise and intervene in State elections. I quote the recommendation: The power to "participate in Federal election campaigns and discussion of matters relating to national political issues" shall be given to the Department of Justice.

This opens up a possible field of Federal abuse of power which may be used to prevent the free discussion of the record of the party in power. This could very conceivably lead to dictatorship. Hitler and Stalin, in securing unanimous elections, did this very thing.

This amazing proposal strikes at the very heart of free speech and is certainly a long step toward total Federal Government and the abolition of State lines.

Again, the proponents of this legislation ignore the fact that in States in the South the question of the poll tax and other such matters are being submitted, under constitutional procedure, to the people of the Southern States for their rightful decision.

It is then proposed that the segregation laws be repealed by the Federal Government in all matters affecting interstate commerce. If the various States and localities refuse to repeal all local segregation laws in the "public schools, public housing, or other public services and facilities generally," then it is proposed to deny to such States all Federal grants in aid.

I venture the assertion that never before in the history of our Republic has any President requested legislation whereby States and subdivisions thereof are directed to change their local laws and, if not, be penalized by the denial of Federal grants, to which the citizens of these States had contributed through their taxes.

Governor Tuck made a masterly address at his inauguration calling attention to the growing evil of the increasing dependence of the States on Federal aid and grants, with all of which I entirely agree. But even he, I dare say, did not anticipate that the blunt threat would be made that, unless we conform our local laws to the Federal pattern, our proportionate share of our own money, set aside for grants to the States, would be withheld if we did not become a puppet to the whim and fancy of the President, and to the National Congress, many of whom obviously cannot possibly understand our local problems.

If such coercion becomes a reality, by passage of the legislation as proposed, I pray God that Virginia will lead the Southern States in renouncing for all time every dollar of Federal aid. We must not sell our right of self-government for a mess of Federal pottage. For Virginia to do less would make us unworthy of a Henry, a Jefferson, a Washington. We would betray our highest traditions.

But let me interject, independent of this outrageous proposal, the sooner Federal grants are abolished, the better. The money comes from the States and then is given back to us after the hundreds of bureaus at Washington have deducted their toll, which represents fully 20 percent of the total. This is a costly price to pay to the Federal Government which now proposes to intimidate us by denying funds which come from taxes levied on our own citizens.

The consequence of the enactment of this legislation is emphasized still more by the fact that the President proposes to create a Federal commission on civil rights with an army of lawyers to direct the Federal Bureau of Investigation in an intensive campaign to strike down any form of any existing law or ordinance which might provide for segregation in schools, hospitals, swimming pools, restaurants, and hotels.

Senator RUSSELL, of Georgia, interprets this proposal to mean that: "He, the President, would divert the FBI from its normal position as an agency to detect criminals and use these Federal agents to chase around and intimidate city councils and to declare invalid any local ordinance or State law providing for segregation, or to prosecute any person who undertook to defend segregation."

The picture is complete. It should be obvious to any thoughtful person that the result of this program would be a complete break-down of local self-goverment and the concentration of nearly all power in the Federal Government.

We in the South must face the situation frankly and with a view to consideration of all the implications involved. This legislation is admittedly aimed at the South. What, let me ask, has the South done to justify this treatment from the national Democratic Party? In good times and bad we have remained loyal to the Democratic Party in all national elections. Without the South there would be no national Democratic Party today.

It is true that four of our States fell by the wayside in that heated campaign of 1928, but those of you who are here tonight who were participants will sustain me when I say that never, since the reconstruction days, did the democracy of the Southern States fight more valiantly to carry the Democratic banner. In what way have we failed? And why should we be singled out by our leaders who seem determined to destroy the things that made it possible for the South to rise from the ashes of the devastation of the War Between the States? Do they scorn the fact that by the strength of our own determination, our own sweat and toil, the South, among all the sections of America, today stands on a threshold of the greatest progress?

And let us recall that in the terrible days of reconstruction we had no southern recovery plan; no outside hand was extended to the South to aid us. We had only our own character and determination to go forward to our greater destiny.

Call the roll of the States against whom this assault is being made, and, as I mention their names, let each of us recall in our thoughts the great traditions and achievements of these Southern sovereign States—Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Arkansas, Texas, Louisiana, Florida, and Oklahoma. I challenge any proponent of this anti-Southern legislation to name any other galaxy of 11 American States which, as a group, can point to a greater contribution to the achievements of our Republic.

We stand alone. The two great political parties are preparing to engage in competitive bidding for the votes of small pressure groups in Northern States by attacking the traditions, customs, and institutions of the Southland.

The leader of our party has challenged the Republican majority in the House and Senate to pass this legislation. This challenge has been accepted. The wheels have already begun to turn, and the stage is being set to enact it so that both parties can make a bid for the votes of these minority groups. The stakes are high. Highly placed politicians think that whichever party can gain the most advantage by the humiliation of the South may win the Presidency, because it is claimed that these minorities have a balance of power in pivotal States. Even though we are small in number, I am not willing to admit that the South is impotent to protect our rightful interests. I am not willing to admit that political expediency can take the place of fundamental principles.

Every southern Congressman, so far as I am aware, and every southern Senator, with the possible exception of one, is prepared to oppose this legislation by every legislative device within our power. We may lose the battle, and then will be time enough to decide what action the Southern States should take. Let us wait the result and calmly and deliberately make our decisions in the light of events that will happen in the coming days.

I ask your pardon for a personal reference. As Governor of Virginia, and as a Senator from Virginia, not one word has ever passed my lips which could be used to inflame any prejudice between the races. I deplore such action on the part of any public man. As Governor, and as Senator, my office door has always been open to every citizen of Virginia, regardless of race, creed, or color. As a public official, I have never failed to do all within my power to advance the proper interests of the Negro citizens of Virginia. As Governor—and pardon me for repeating—I sponsored the most drastic antilynching law that exists on the statute books of any State.

I have seen, with gratification and approval, the steady improvement in the economic condition of the Negroes of Virginia and throughout the South. I want to see this progress continue. It is my sincere conviction that passage of the legislation as now proposed will do irreparable injury to the true interests of the southern Negro.

We must not short-cut the Constitution of the United States, either by direct act or by Federal coercion. Our racial problems—and I admit there are many—must be worked out by constitutional methods and by the calm and considered action of the leaders of both races. For both of the two great political parties to gang up on the South in an indecent race to endeavor to secure for their own particular party the most political advantage in the pending Presidential campaign will result in lighting anew the flames of race hatred and bigotry.

The southern people have their pride and, if I know them rightly, they do not intend to submit tamely to having their customs and traditions made a political football for the benefit of political aspirants.

Before this movement has gone too far, I hope with all my heart that at least the national Democratic Party, which owes the South so much, may realize the irreparable injury that is being done to party unity and southern conditions.

Let me quote Thomas Jefferson, who said, in expressing his opinion on the French treaties: "The law of self-preservation overrules the law of obligation to others."

I want our President and our national Democratic leaders to ponder over this quotation.

It has not been a pleasant thing for me to make this report to the democracy of Virginia. I do so only under the impulse of the strongest sense of duty to those who have honored me. The crisis is here. We must face it in the open, and only a free discussion can enable us to determine our course.

STATEMENT BY HERBERT HOOVER ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. LODGE. Mr. President, for the information of the Senate I ask that there be printed at this point in my remarks a statement issued by former President Herbert Hoover, Chairman of the Commission on the Organization of the Executive Branch of the Government, regarding the progress of the work of that body.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Herbert Hoover, Chairman of the Commission on the Organization of the Executive Branch of the Government, the members of which are Dean Acheson, former Under Secretary of State; Arthur S. Flemming, Civil Service Commissioner; James Forrestal, Secretary of Defense; George H. Mead, industrialist; Senator George D. Aiken; former Ambassador Joseph P. Kennedy; Senator John L. McClellan; Dr. James K. Pollock, of the University of Michigan; Congressmen Clarence Brown and Carter Manasco; and James Rowe, Jr., former administrative assistant to the President, made the following statement today as to the progress of the work of the Commission:

"In accordance with the Commission's policy of enlisting eminent and experienced citizens and organizations to advise upon specific functions of the executive branch, the following further arrangements have been made since the last report. An examination and report are being made upon executive relations to independent regulatory agencies by Mr. Owen D. Young, ex-Senator Robert M. La Follette, and Prof. Robert Bowie, of the Harvard Law School.

"An examination and report upon Indian Affairs are being made by Mr. Charles J. Rhoads, former Commissioner of Indian Affairs, and president of the board of trustees of Bryn Mawr College; Dr. John R. Nichols, president of the New Mexico College of Agriculture and Mechanic Arts; the Reverend Dr. Gilbert Darlington, treasurer of the American Bible Society; and Dr. George Graham, professor of political science at Princeton University.

"A study is being conducted into the executive management of natural resources by a committee under the chairmanship of ex-Gov. Leslie Miller, of Wyoming. The other members of the committee are Dr. Isaiah Bowman, president of Johns Hopkins University; Prof. Samuel Trask Dana, dean of the School of Forestry and Conservation, University of Michigan; Mr. Donald H. McLaughlin, formerly dean of the College of Engineering at the University of California; Mr. Gilbert F. White, president of Haverford College; Mr. John J. Dempsey, former Governor of New Mexico and former Under Secretary of the Interior; and Mr. Horace Albright, former Director of the National Park Service.

"A study of the medical services of the Government, except those of the National Military Establishment, is being made by a committee under the chairmanship of Mr. Tracy S. Voorhees, president of the Long Island College Hospital, Brooklyn, N. Y. The other members of the committee are: Dr. O. H. P. Pepper, professor of medicine at the University of Pennsylvania; Dr. Hugh Jackson Morgan, professor of medicine at Vanderbilt University; Dr. Allen O. Whipple, professor emeritus of surgery, Columbia University; Dr. W. C. Menninger of the Menninger Foundation, Topeka, Kans.; Dr. Ray Lyman Wilbur, of Stanford University; Dr. Frank R. Bradley, of Barnes Hospital at St. Louis; Dr. R. C. Buerki, dean of the school of medicine at the University of Pennsylvania; Mr. Charles F. Rowley, former trustee of Massachusetts Investors Trust; Mr. Henry Isham, president of the board of trustees of Passavant Hospital at Chicago; Dr. Paul R. Hawley, formerly chief medical director of the Veterans' Administration; and Dr. Michael DeBakey, associate professor of surgery, Tulane University. Rear Adm. Joel T. Boone, secretary of the Secretary of Defense's committee on the medical and hospital services of the Armed Forces, is also secretary of this committee.

"The personnel and civil-service committee, under the chairmanship of Mr. John A. Stevenson, president of the Penn Mutual Life Insurance Co., which now comprises, Mr. James P. Mitchell, vice president, Bloomingdale Bros., Inc.; Dr. George D. Stoddard, president, University of Illinois; Mr. Rawleigh Warner, chairman of the board of Pure Oil Co.; Mr. Alfred H. Williams, president, Federal Reserve Bank of Philadelphia; Mr. Lawrence Appley, vice president, Montgomery Ward & Co.; Dr. Vannevar Bush, chairman of the Research and Development Board; Mr. Alvin Dodd, president of the American Management Association; Col. Franklin D'Olier, chairman of the Prudential Insurance Co.; Dr. Alvin Eurich, vice president of Stanford University; Dr. Earl G. Harrison, dean of the law school at the University of Pennsylvania; Dr. Robert L. Johnson, president of Temple University; Mr. David Lilienthal, chairman of the Atomic Energy

Commission; Mr. Robert Ramspeck, vice president, Air Transport Association; Mr. Andrew Robertson, chairman of the board of Westinghouse Electric Corp.; Senator Harry F. Byrd of Virginia; Mr. Tracy S. Voorhees, president of the Long Island College Hospital, Brooklyn, N. Y.; and Dr. Leonard D. White, professor of political science at the University of Chicago; held its first meeting in Washington on February 17. The management engineering firm of Cresap, McCormick & Paget, has been retained to advise the committee on certain phases of its work.

"That part of the study and report on the Federal Treasury, and Budgetary and Accounting methods, under the chairmanship of Mr. John W. Hanes, former under secretary of the Treasury, having to do with the accounting phases of the work, will be made by Mr. T. Coleman Andrews, chairman of the committee on Federal Government accounting of the American Institute of Accountants, with the collaboration of the following members of the committee on Federal Government accounting of the institute: Mr. Edward A. Kracke, Maurice E. Peloubet, J. S. Seidman, Weston Rankin, Harry E. Howell, and Donald F. Stewart.

"Mr. A. E. Buck, a member of the staff of the Institute of Public Administration, of New York, will direct that part of Mr. Hanes' study concerned with governmental budgets.

"In coordinating this work with the executive agencies, Mr. Edward P. Bartelt will represent the Treasury, Mr. Walter F. Frese will represent the General Accounting Office, and Mr. Frederick J. Lawton will represent the Bureau of the Budget.

"The Committee on Federal-State relationships, under the chairmanship of Mr. Thomas Jefferson Coolidge, now consists of Dr. William Anderson, of the University of Michigan; Mr. John Burton, director of the New York State Budget; Senator HARRY F. BYRD, of Virginia; Governor Frank Carlson, of Kansas; Mr. William L. Chenery, publisher of Collier's Weekly; Mr. John W. Davis, senior partner of the firm of Davis, Polk, Warwell, Sunderland, and Kiendl, of New York City; former Governor Charles A. Edison, of New Jersey; Dean William I. Myers, of Cornell; and former Senator Sinclair Weeks, of Massachusetts. Mr. Frank Bane of the Council of State Governments directs the committee's research.

"A committee has been set up to consider the organization of the agricultural activities of the Federal Government consisting of Dean W. H. Martin, of Rutgers College, New Jersey; Dean H. P. Rusk, of the Illinois State College of Agriculture; Dr. D. Howard Doane, president of the Doane Agriculture Service; Mr. F. W. Peck, managing director of the Farm Foundation; Professor John Gaus, of Harvard; Mr. Chester Davis, president of the Federal Reserve Bank of St. Louis; Mr. Rhea Blake, of the National Cotton Council, Memphis, Tenn.; and Dean W. A. Schoenfeld, of Oregon State College, Corvallis, Oreg. Mr. G. Harris Collingwood is in charge of the research work of this committee."

The organization of studies and reports upon the following executive functions has already been announced: Public works, Mr. Robert Moses; veterans' affairs, other than hospitals, Col. Franklin D'Olier; revolving funds, other than lending agencies, Maj. Gen. Arthur H. Carter; lending agencies, Mr. Paul Grady; the post office, Robert Heller and associates; transportation, Brookings Institution; public welfare, Brookings Institution; Foreign affairs, Messrs. Harvey Bundy and James Grafton Rogers, with Henry L. Stimson as adviser; Federal field offices, Klein & Saks; Federal procurement, Mr. Russell Forbes; relations of the Presidency to the executive branch, Herbert Hoover with Don K. Price and the Bureau of the Budget.

JAMES BLACK DOG

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 402) to authorize and direct the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land, which was, in line 8, after the word "acres", to insert ": *Provided*, That when the land herein described is offered for sale, the Fort Peck Tribe or any Indian who is a member of said tribe shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

Mr. ECTON. I move that the Senate accept the amendment of the House.

The motion was agreed to.

TOM EAGLEMAN

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 500) authorizing the issuance of a patent in fee to Tom Eagleman, which was, in line 9, after "Dakota", to insert ": *Provided*, That when the land herein described is offered for sale, the Crow Creek Sioux, and the Lower Brule Sioux Tribes or any Indian who is a member of said tribes shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

Mr. ECTON. I move that the Senate accept the amendment of the House.

The motion was agreed to.

INTERNATIONAL AGREEMENT REGARDING REGULATION OF PRODUCTION AND MARKETING OF SUGAR—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. As in executive session, the Chair lays before the Senate Executive C, Eightieth Congress, second session, a protocol dated in London, August 29, 1947, prolonging for 1 year after August 31, 1947, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937. Without objection, the injunction of secrecy will be removed from the protocol, and it will be referred to the Committee on Foreign Relations and printed in the RECORD. The Chair hears no objection.

The protocol is as follows:

To the Senate of the United States:

To the end that the Senate may give its advice and consent to ratification, if it approve thereof, I transmit herewith a certified copy of a protocol dated in London August 29, 1947, prolonging for 1 year after August 31, 1947, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937.

I also transmit for the information of the Senate the report made to me by the Secretary of State with respect to this matter.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 20, 1948.*

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of protocol of August 29, 1947.)

DEPARTMENT OF STATE,
Washington, February 19, 1948.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a protocol dated in London August 29, 1947, prolonging for 1 year after August 31, 1947, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937.

The American Ambassador in London, acting in pursuance of full powers issued to him for that purpose by the President, signed the protocol for the Government of the United States of America with a reservation, "Subject to ratification."

The protocol was signed also by the respective plenipotentiaries of 16 other governments, as follows: the Union of South Africa, the Commonwealth of Australia, Belgium, Brazil, Cuba, Czechoslovakia, the Dominican Republic, the French Republic, the United Kingdom of Great Britain and Northern Ireland, Haiti, the Netherlands, Peru, the Republic of the Philippines, Poland, Portugal, and Yugoslavia.

The present protocol is designed to maintain between the respective interested governments the bases established by the international sugar agreement of May 6, 1937, for cooperation in the regulation of the world sugar market. That agreement was signed by the respective plenipotentiaries of 22 governments, including the United States of America, and was enforced and prolonged without change for a period of 2 years after August 31, 1942, by a protocol dated in London July 22, 1942. The agreement had for its purpose the establishing and maintaining of an orderly relationship between the supply and demand for sugar in the world market, in a manner equitable to both producers and consumers. A detailed explanation with respect to the purposes and application of the agreement may be found in Senate Executive T, Seventy-fifth Congress, first session, and Senate Executive J, Seventy-eighth Congress, second session.

In articles 29, 30, 31, and 32 of the agreement provisions were made for the establishment in London of a permanent organization, the International Sugar Council, in which all countries parties to the agreement are represented with a view to regulating the sugar market in a way which is fair to each country and to consumers as well as producers. The powers and duties of the Council are defined in articles 6 and 33 of the agreement.

Under the authority of the Sugar Act of 1937 approved September 1, 1937, as amended, and other measures enacted by Congress (50 Stat. 903; 52 Stat. 26, 747; 53 Stat. 632, 975; 54 Stat. 1178; 55 Stat. 438, 872; 56 Stat. 694, 695; 57 Stat. 398, 418; 58 Stat. 283, 430, 453, 741; 59 Stat. 141, 158; 60 Stat. 274, 289, 706; 61 Stat. 528, 922), the United States Government has taken measures for cooperation with the governments of other countries with a view to the international regulation of the production and marketing of sugar and has participated and continues to participate in the work of the International Sugar Council.

The desire of the interested governments to maintain the framework of the international sugar agreement of 1937 in order to facilitate international cooperation in regulation of the world sugar market, and the absence of any definitive action for revising the agreement, has resulted in the formulation and signing in London of additional protocols dated, respectively, August 31, 1944 (S. Ex. J and Ex. Rept. No. 5, 78th Cong., 2d sess.), August 31, 1945 (S. Ex. B and Ex. Rept. No. 2, 79th Cong., 2d sess.), August 30, 1946 (S. Ex. E and Ex. Rept. No. 2, 80th Cong., 1st sess.), and August 29, 1947, prolonging the agreement of 1937, with the exception of chapters III, IV, and V The provisions of each of the aforementioned protocols are identical in substance.

The agreement of May 6, 1937, together with the 1942 and 1944 protocols, was proclaimed by the President on April 20, 1945, and has been published as Treaty Series 990 (59 Stat. 922). The protocols of 1945 and

1946 were proclaimed by the President on June 10, 1946, and May 27, 1947, respectively, and have been printed respectively as Treaties and Other International Acts Series 1523 (60 Stat. 1373) and 1614.

The present protocol of August 29, 1947, has a preamble and five articles. It is provided in article 1 that, subject to the provisions of article 2, the agreement of 1937 shall continue in force between the governments signatory of the protocol for a period of 1 year after August 31, 1947. Article 2 provides that during the period specified in article 1 the provisions of chapters III (obligations of countries not exporting to the free market), IV (export quotas for the free market), and V (stocks) of the agreement shall be inoperative. It is stated in article 3 that the signatory governments recognize that revision of the agreement is necessary and should be undertaken as soon as the time appears opportune, the existing agreement to constitute a basis for discussion of any such revision. Article 3 provides that, for the purpose of such a revision of the agreement, due account shall be taken of any general principles of commodity policy embodied in any agreement concluded under the auspices of the United Nations.

It is provided in article 4 that before the conclusion of the period of 1 year specified in article 1 the contracting governments will discuss the question of a further renewal of the agreement if the steps contemplated in article 3 have not been taken.

In accordance with article 5, the protocol is dated August 29, 1947, and although it remained open for signature until September 30, 1947, signatures appended after August 30 are deemed to have effect as from that date.

Respectfully submitted.

G. C. MARSHALL.

(Enclosure: Certified copy of protocol of August 29, 1947.)

PROTOCOL

Whereas an International Agreement regarding the Regulation of the Production and Marketing of Sugar (hereinafter referred to as "the Agreement") was signed in London on the 6th May, 1937;

And whereas by a Protocol signed in London on the 22nd July, 1942, the Agreement was regarded as having come into force on the 1st September, 1947, in respect to the Governments signatory of the Protocol;

And whereas it was provided in the said Protocol that the Agreement should continue in force between the said Governments for a period of two years after the 31st August, 1942;

And whereas by further Protocols signed in London on the 31st August, 1944, the 31st August, 1945, and the 30th August, 1946, it was agreed that, subject to the provisions of Article 2 of the said Protocols, the Agreement should continue in force between the Governments signatory thereof for periods of one year terminating on the 31st August, 1945, the 31st August, 1946, and the 31st August, 1947, respectively;

Now, therefore, the Governments signatory of the present Protocol, considering that it is expedient that the Agreement should be prolonged for a further term as between themselves, subject, in view of the present situation, to the conditions stated below, have agreed as follows:

ARTICLE 1

Subject to the provisions of Article 2 hereof, the Agreement shall continue in force between the Governments signatory of this Protocol for a period of one year after the 31st August, 1947.

ARTICLE 2

During the period specified in Article 1 above the provisions of Chapters III, IV, and V of the Agreement shall be inoperative.

ARTICLE 3

1. The Governments signatory of the present Protocol recognise that revision of the Agreement is necessary and should be undertaken as soon as the time appears opportune. Discussion of any such revision should take the existing Agreement as the starting point.

2. For the purposes of such revision due account shall be taken of any general principles of commodity policy embodied in any agreements which may be concluded under the auspices of the United Nations.

ARTICLE 4

Before the conclusion of the period of one year specified in Article 1, the contracting Governments, if the steps contemplated in Article 3 have not been taken, will discuss the question of a further renewal of the Agreement.

ARTICLE 5

The present Protocol shall bear the date the 29th August, 1947, and shall remain open for signature until the 30th September, 1947; provided however that any signatures appended after the 30th August, 1947, shall be deemed to have effect as from that date.

In witness whereof the undersigned being duly authorised thereto by their respective Governments have signed the present Protocol.

Done in London on the 29th day of August, 1947, in a single copy which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, and of which certified copies shall be furnished to the signatory Governments.

For the Government of the Union of South Africa:

G. HEATON NICHOLLS.

For the Government of the Commonwealth of Australia:

JOHN A. BEASLEY.

For the Government of Belgium:

G. WALRAVENS.

For the Government of Brazil:

MONIZ DE ARAGÃO.

For the Government of Cuba:

MIGUEL ANTONIO RIVA.

For the Government of Czechoslovakia:

B. G. KRATOCHVIL.

For the Government of the Dominican Republic:

EMILIO ZELLER.

For the Government of the French Republic:

J. C. H. DE SAILLY.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

T. G. JENKINS.

For the Government of Hayti:

STEPHEN ALEXIS.

For the Government of the Netherlands:

A. BENTINCK.

For the Government of Peru:

FERNANDO BERCKEMEYER.

For the Government of the Republic of the Philippines:

J. M. ELIZALDE.

For the Government of Poland:

A. SZEMINSKI.

For the Government of Portugal:

MIGUEL D'ALMEIDA PILE.

For the Government of the Union of Soviet Socialist Republics:

_____.

For the Government of the United States of America (subject to ratification):

L. W. DOUGLAS.

For the Government of the Federal People's Republic of Yugoslavia:

Dr. FRANC KOS.

Certified a true copy.

[SEAL] D. A. BIGBY,
Acting Librarian and Keeper of the Papers for the Secretary of State for Foreign Affairs.

OCTOBER 9, 1947.

THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

The PRESIDENT pro tempore. The question is on agreeing to the first amendment of the Committee on Foreign Relations.

EXTENSION OF RENT CONTROL

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 2182, Calendar No. 941, the rent-control bill.

The PRESIDENT pro tempore. The Clerk will read the bill by title.

The CHIEF CLERK. A bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the bill which has just been stated by title?

There being no objection, the Senate proceeded to consider the bill.

Mr. TAFT. Mr. President, it is probable that we will not be able to complete consideration of the bill and the amendments today. If there is any substantial objection, as there may be, to voting on any amendment today, it may be necessary to put it over, and it might come in conflict with the St. Lawrence seaway measure on Monday. I hope that if the St. Lawrence seaway measure is resumed on Monday under the unanimous-consent agreement it may not be for long, and that we may proceed to the consideration of the rent-control bill to a conclusion.

Mr. LODGE. Mr. President, I wish to say in connection with the program on Monday that I shall seek recognition for 10 or 15 minutes to make a statement regarding the St. Lawrence seaway. I make that statement in the light of the statement made by the Senator from Ohio [Mr. TAFT] that he hoped there would be no business taken up at that time having to do with the St. Lawrence seaway. I shall seek recognition on Monday to make a statement of 10 or 15 minutes' duration.

The PRESIDENT pro tempore. The notice will be recorded in the RECORD.

Mr. IVES. Mr. President, I wish to make a brief statement in regard to the St. Lawrence seaway. There happens to be a slight matter in the RECORD which needs correction. I am merely awaiting the return of the distinguished Senator from Wisconsin [Mr. WILEY] in order to be able to make the correction.

DEATH OF REPRESENTATIVE ROBSION, OF KENTUCKY

Mr. BARKLEY. Mr. President, inasmuch as I may not be on the floor when

the House resolution regarding the death of the Honorable JOHN M. ROBSION, of Kentucky, is laid before the Senate, I wish to say a brief word in regard to Mr. ROBSION.

I am sure that in my expressions of regret over his death I speak the sentiments of all who knew Mr. ROBSION. He served in the Congress of the United States for more than two decades. He served in the Senate for a while under appointment by the Governor of Kentucky when the then Senator from Kentucky, the Honorable Frederick Sackett, was appointed Ambassador to Germany by President Hoover. He had previously served for many years in the House of Representatives, and went back to the House of Representatives after his service here for a year or two under the appointment to which I have referred. So that over the years he has been a Member of the two Houses of Congress as long as a vast majority, and even longer than a vast majority of Members serve in the Congress of the United States.

Mr. ROBSION was an ardent Republican. I am, of course, as almost everyone knows, the same kind of a Democrat. But all during the service of Mr. ROBSION in the House and in the Senate he and I maintained the warmest personal friendship. There was not only such a friendship between him and me, but between his family and mine. As so often happens in both branches of the Congress, some of the warmest personal friendships exist between members of different political affiliations. That is perfectly natural and perfectly proper, because while we may differ vigorously with respect to public matters and political problems, we always recognize the personal virtues, character, personality, sincerity, and honesty of those with whom we associate in the legislative process.

I had the greatest respect for Mr. ROBSION, and I think that respect was reciprocated. On many occasions he had an opportunity to do me a personal favor or to speak a personal word of commendation, which he was always ready and willing to do.

So I mourn his death as a friend, and I am sure that a vast concourse of people in Kentucky who have known him during his entire public life will mourn his death and will miss him in the political and social councils of the State which he represented in Congress for so long.

I am glad to speak this word in tribute to him and express my deep regret at the news of his death.

Mr. TAFT. Mr. President, I should like also to express from this side of the aisle, and for myself personally, the deep regret which all of us feel at the death of JOHN M. ROBSION. He was a personal friend of mine. He came from a neighboring State. I have known him personally for many years. He came from a Republican district. He was, as the distinguished Senator from Kentucky has said, a strong Republican; but he was much more than that—he was a great citizen of Kentucky and of the United States. He was a man of unquestioned integrity and of great ability. He acquired a complete knowledge of the legislative process, and he presented his views and represented the people of his district and his State in a most effective and convincing manner in the House of Representatives.

He was also, as has been stated, a former Member of this body, in which he served for a short period after the resignation of Senator Sackett.

I do not believe that anyone could be a better example of the type of man to whom the American people desire to entrust their interests in the Congress of the United States. I wish to testify to my own deep regret and sympathy with his friends and constituents, and express unending sorrow that he should have been taken at this time from his service in the House of Representatives.

IRREGULARITIES IN WILMINGTON, DEL., OFFICE OF COLLECTOR OF INTERNAL REVENUE

Mr. WILLIAMS. Mr. President, about 2 months ago the Senator from Delaware [Mr. BUCK] and I called the attention of the Treasury Department to a situation which existed in the tax office in Wilmington, Del. At that time we pointed out that there had been embezzlement of some of the taxpayers' funds. Since that time the cashier of the office has pleaded guilty and has been sentenced to a term of 4 years. Apparently it is the intention of the Treasury Department to let the matter drop as it stands now.

I have before me a copy of a letter, which I wish to have printed in the RECORD, which points out the fact that there is evidence on file in the Treasury Department which proves beyond any doubt that the collector and assistant collector both knew of this embezzlement prior to the time they took any action, and that during the time they were sitting around doing nothing funds were still being embezzled. We have called this matter to the attention of the Commissioner on two separate occasions, and so far we have not received any reply. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks another letter written to the Commissioner, asking that some attention be paid to the situation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 19, 1948.

Mr. GEORGE J. SCHOENEMAN,
Commissioner, Bureau of Internal Revenue, Washington, D. C.

DEAR MR. SCHOENEMAN: On February 4, 1948, we wrote to you calling your attention to what we considered a most serious situation existing in your Wilmington office. Since that date we have received neither a reply to, nor an acknowledgment of, our letter.

As representatives of the citizens of Delaware we are disturbed for the reasons which are hereinafter set forth.

At least as early as November 15, 1946, the collector and the assistant collector of the Wilmington office were notified in writing by one of their employees that several of the Delaware taxpayers' accounts had been manipulated in what appeared to be a systematic and sizable manner. Any casual examination would have disclosed that it was the work of a thief within their office.

As far as we know, neither the collector nor the assistant collector made any report either to you or to any prosecuting or investigating authority until May 28, 1947—more than 6 months later.

In December 1946 your auditors made an examination of that office. The information which the collector and the assistant collector had then in their possession as to the manipulations of accounts within their office was withheld from your own auditors.

During the 6-month period, possibly in an effort to discover the total amount of the embezzlements, several taxpayers were questioned at length by agents of the Bureau of Internal Revenue. Rather than disclose to the taxpayers that the purpose of the investigation was to find out how much a thief within your own organization had stolen the taxpayer was made to feel that his own actions were under scrutiny.

When in May 1947, the collector finally made the facts available to Mr. J. E. McNamee, Chief of the Investigation Staff of the Treasury Department, an investigation was made. He reported as follows:

"In this connection, it is well to note that during the period November 1946, when the collector was first notified by the assistant cashier of an apparent discrepancy in the accounts, the cashier, Mr. Flynn, was left in complete control of his duties by the collector and no satisfactory explanation has been forthcoming from the collector as to why this situation was allowed to exist. The collector failed to acquaint the supervisors, or the Bureau, with his knowledge of this irregularity for 6 months after he found it out, during which period the cashier carried on his defalcations. As indicated by the report a total of $2,939.26 was embezzled during the period November 1946 to May 28, 1947."

This report by one of your own men speaks for itself. The collector and the assistant collector, after they had knowledge of the situation, permitted the thief to remain in a responsible position in their office as cashier for 6 months, during which time he continued to steal the money from the taxpayers.

Mr. McNamee further reported that he asked the thief why he had not admitted the discrepancies earlier, and he replied, "My bosses did not open their mouths, so why should I tell."

We believe that men in public life should conduct themselves in such a way that they maintain public respect. This is especially so in a Bureau such as yours where you constantly and, often critically, scrutinize the acts of many citizens.

It is our present opinion that the actions of the collector and the assistant collector indicate either serious malfeasance or utter incompetence. However, we have been informed that both the collector and the assistant collector have recently been promoted. On the other hand, the employee who discovered and reported the embezzlements remains at the same salary.

We feel it is of vital importance that you attempt to regain some semblance of public respect for your Delaware office by making a complete investigation of this situation and reporting your findings to the public.

If the facts related above are incorrect, we would be glad to hear from you. In any event we would appreciate the courtesy of a response.

Yours sincerely,

C. DOUGLASS BUCK,
JOHN J. WILLIAMS,
J. CALEB BOGGS,
Congressman.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where

conditions justifying such controls no longer exist, and for other purposes.

Mr. CAIN obtained the floor.

Mr. TAFT. Mr. President, will the Senator yield for the purpose of permitting me to suggest the absence of a quorum?

Mr. CAIN. I yield.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Murray
Ball	Hawkes	Myers
Barkley	Hayden	O'Conor
Brewster	Hickenlooper	O'Daniel
Bricker	Hill	O'Mahoney
Brooks	Hoey	Overton
Buck	Holland	Reed
Bushfield	Ives	Revercomb
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Smith
Capehart	Kem	Stennis
Capper	Kilgore	Stewart
Connally	Knowland	Taft
Cordon	Langer	Thomas, Okla.
Donnell	Lodge	Thomas, Utah
Downey	McCarthy	Thye
Dworshak	McClellan	Tobey
Eastland	McFarland	Vandenberg
Ecton	McGrath	Watkins
Ferguson	McKellar	Williams
Flanders	Malone	Wilson
Fulbright	Martin	Young
George	Millikin	
Green	Moore	

Mr. TAFT. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is absent on official business, attending the funeral of the late Hon. John M. Robsion.

The Senator from Wisconsin [Mr. WILEY] is absent because of illness.

Mr. BARKLEY. I announce that the Senators from New Mexico [Mr. CHAVEZ and Mr. HATCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate.

The Senator from Virginia [Mr. ROBERTSON] is absent on official business.

The Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

Mr. CAIN. Mr. President, I offer for consideration Senate bill 2182, a bill to extend certain provisions of the Housing and Rent Act of 1947; to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The Senate fully understands that the Housing and Rent Act of 1947 would continue controls over rents through February 29, 1948. Unless a rent-control act for 1948 is approved, or unless the 1947 act is extended by congressional action, all rent controls will expire a little more than a week from now.

During the past several months the administration and both Houses of the Congress have declared their intention of continuing, for an unspecified period, rent controls in some form. Because of this declaration by responsible administration and party leaders, the Banking and Currency Committee of the Senate charged its subcommittee on rents and housing with the responsibility of recommending rent-control legislation to replace the Housing and Rent Act of 1947. The subcommittee has had as its members the senior Senator from Delaware [Mr. BUCK], the junior Senator from Ohio [Mr. BRICKER], the junior Senator from Arkansas [Mr. FULBRIGHT], the senior Senator from Idaho [Mr. TAYLOR], and the junior Senator from Washington [Mr. CAIN]. After completing three full weeks of thorough hearings, the subcommittee submitted its recommendations to the Banking and Currency Committee beginning on Thursday, February 5. The full committee studied the proposals from that date through Monday, February 16, when S. 2182 was reported to the Senate by unanimous vote. The bill before the Senate represents the recommendations advanced by the subcommittee, except for some of its proposals which were rejected and eliminated by the full committee. There will be a discussion of the deleted proposals at a later stage in the proceedings.

I shall take for granted that the Senate is familiar with the provisions contained in the Housing and Rent Act of 1947. For the purpose of the present discussion, it is only necessary for the Senate to recall that the law of 1947 was designed to accomplish the following objectives:

A. Rent controls were to terminate on February 29, 1948.

B. Local boards and subboards were established in the six-hundred-odd defense-rental areas situated throughout the Nation. It was thought that the creation of these boards would speed up the decontrol of rent areas throughout America, and that greater justice and a fuller degree of fair treatment would be afforded to both property owner and tenant through the action of local boards, which were to be peopled by competent and representative local citizens. The boards were authorized to make recommendations concerning (1) decontrol of a defense-rental area or any portion of an area; (2) the adequacy of the general rent level in the area; (3) operations generally of the local rent area, with particular reference to hardship cases.

C. Leases were authorized which called for an increase of not to exceed 15 percent above the rent figure prevailing on the date of enactment of the 1947 law, and which were voluntarily signed between tenant and property owner.

D. The Housing Expediter and his many field agents were encouraged to act upon rent-hardship applications with a minimum of delay, and to make certain that owners of private rental property would not be required to operate at a loss.

The Congress was extremely hopeful that the 1947 Rent and Housing Act would be properly administered, and that rent controls could be discontinued following the expiration date of the 1947 act. It now appears to be a fact that the Congress wishes to extend rent controls, and it is a fact, supported by the record which was developed through weeks of painstaking hearings, that the Housing and Rent Act of 1947 has not been adequately or, in instances, competently administered, nor has the administration of the act carried out all the reasonable purposes and objectives the Congress intended.

If there is need for continuing rent controls, and if it be true that the 1947 act has not been administered properly and in keeping with the intent of Congress, it is imperatively important that we determine that a 1948 rent law shall actually serve its intended purpose before the law is made effective.

Senate bill 2182, which is now before the Senate, is presented as being an improvement over the Housing and Rent Act of 1947. It continues most of the provisions of the 1947 act.

There are, however, 10 items which have been added to the proposed 1948 control bill. These new items are:

First. Eliminates permit requirement for recreational and amusement facilities—title I.

Second. Decontrols all facilities renting for $225 per month or more.

Third. Decontrols nonhousekeeping furnished rooms within a private family home, which is not a rooming or boarding house.

Fourth. Authority is given the Expediter to decontrol a class of housing accommodations—an example, rooming and boarding houses—within an area.

Fifth. Liberalizes hardship or inequity cases. No owner shall operate at a loss.

Sixth. Extends or continues the 15-percent lease provision of the 1947 law to termination date of the new law which is—

Seventh. April 30, 1948.

Eighth. Permits Expediter to appoint members to local advisory boards if the governor has not recommended appointees within 30 days.

Ninth. New bill reinstates criminal sanctions; that is, Attorney General may prosecute violations of the law—1 year, $1,000.

Tenth. Tenants evicted for reasons other than nonpayment of rent or nuisance must be given a 60-day notice.

Mr. President, Senate bill 2182 contains more administrative suggestions and directions than has been the case before, but the authors of the bill are absolutely convinced that there is no other method through which the law

of 1948 can be made effective. Because of what the Office of the Housing Expediter has failed to do in the past, and because of some of the unnecessary and unauthorized things which that Office has done on its own initiative, the Banking and Currency Committee will seek to secure from the Office of the Housing Expediter, before the 1948 act becomes effective, an acknowledgment that every provision of the new act will be administered in accordance with the intent of the legislation. The Acting Housing Expediter has agreed that his nomination to be the Housing Expediter shall not be considered further by the Banking and Currency Committee until that committee is convinced that the Acting Housing Expediter understands the new law and that he will administer that law in accordance with the legislative spirit, wish, and detail.

While not an impossible thing to accomplish, it is extremely difficult to write or extend or amend a rent-control law which is fair to the property owner and tenants of America, when the very foundation of any rent-control law is both unfair and discriminatory. Every member of the Banking and Currency Committee recognizes that in controlling rents in America we are penalizing a segment of our society to the benefit and advantage of other groups within our national economy. In recommending that rent controls be continued in America we must frankly acknowledge that we can justify their retention only because of an admitted emergency, which we find it hard accurately to gage or define, and for reasons of pure expediency. There is no member of the committee who does not wish that we could rid the Nation of rent controls today. There is no member of the committee who does not recognize that we must eliminate rent controls at the earliest possible moment. These convictions lend strength to the need for an effective administration of whatever legislation is finally agreed upon by the Congress.

This presentation will include a wide range of constructive criticisms of the Office of the Housing Expediter. Our purpose is simply that of explaining past errors in hope that they will be, as they must be, avoided in the future if we are determined to be fair to the citizens of the Nation which we represent.

The one salutary effect which has resulted from the Housing and Rent Act of 1947 is that the Congress is being given an opportunity now to examine and reexamine the administration and the maladministration of the present act since its passage in July of 1947. On the basis of this examination, which can be read and studied by any interested Senator, it is conspicuously obvious that those who were charged with administering the 1947 act were entirely and completely unaware of and unimpressed by what the Congress really had in mind when it passed the act. The junior Senator from Washington willingly admits to having had but a brief experience in the Senate and with Federal administrative agencies and bureaus. Brief as that experience has been it has, however, been full, and I may say that never have I been confronted by an administrative agency, either within or beyond the confines of public life, which had such a total disregard for its delegated responsibility. When the Congress passed the Housing and Rent Act of 1947 it did two things: First, it charged the Expediter with looking for ways in which rent-control areas and portions of areas could be safely decontrolled. Second, it told the Expediter that the reasonable wishes of local communities, as expressed by the created local rent boards, should prevail. The Expediter has neither intelligently sought to decontrol areas nor has he responded in adequate fashion to the recommendations made by local rent-control boards. The Office of the Expediter has lacked imagination. It has lacked the degree of competence which Congress was entitled to expect, and on the basis of its day-to-day conduct it has created a standard which would continue the office in perpetuity.

Vigorous and challenging and distressing as these charges are, I defy anyone who will read the record to deny a single allegation.

Despite the truth of these statements, I think the present Acting Housing Expediter and those of his staff whom the committee has come to know, are willing and even anxious to be guided by what Congress has in mind. They have learned to appreciate that it is not for them to second guess or to make up their minds about what the legislative body wants. They have become convinced that the Congress bears the responsibility for laying down a directive which an administrative agency must follow to the letter. Had we appreciated last year what was needed to make a law effective it would not now be necessary for us to disembowel with a word-trowel an executive agency in order to make it work.

Senate bill 2182 recommends that the Rent and Housing Act of 1948 be continued through April 30, 1949. This is a limited period, much shorter than recommended by some Senators, and by the Acting Housing Expediter, but there is sound reason for a relatively short extension of the law.

In my opinion, a few examples of misguided effort on the part of the Office of Housing Expediter will convince the Senate of the wisdom of not extending Federal rent controls for an over-long period. First, the Office of Housing Expediter devoted a great deal of effort to preparing a handbook as a guide for local advisory boards functioning in local defense-rental areas under the existing Federal rent-control law. But nowhere in that book of 19 pages did the Housing Expediter advise the local boards of the procedure they must follow in order to perform in an acceptable manner their statutory duties to recommend decontrol of areas or to make recommendations as to the adequacy of general rent levels in the areas. The Housing Expediter's remarks on this subject were confined to suggested actions the local boards should or might take. Because of the inadequacy of these instructions many boards devoted a great deal of time and effort to the conscientious performance of their statutory duties, only to receive in return from the Housing Expediter a reply longer in most instances than the board's recommendations, informing the board for the first time what it ought to do in order to substantiate its recommendations in a manner acceptable to the Housing Expediter. As a result of this faulty and meaningless procedure, boards became demoralized and discouraged to such an extent that some of them now exist in name only and do not achieve the purpose intended by the Housing and Rent Act of 1947. It is sad to reflect that this inept administrative procedure was not remedied until the Subcommittee on Housing and Rents drew from the present Acting Housing Expediter an admission that the procedure was not working in a satisfactory manner, and a promise that he would revise the instructions issuing from his office to the local advisory boards in such manner as to inform those boards what actions they must take in order to make the fruits of their conscientious labor acceptable to the Office of the Housing Expediter.

The Housing Expediter has now agreed to prepare a checklist for use by all local advisory boards in connection with their recommendations for increases in the general rent level of an area. It is his expressed intent that if this checklist, and a similar one relating to recommendations for decontrol, are followed the Office of Housing Expediter will be in a position to accept such recommendations more readily than it can in the absence of such checklists. In this plan lies the promise of providing far more effectiveness to the local advisory boards than they now possess. The basic structure of the 1947 Housing and Rent Act rested firmly on the theory that local rent-control boards would be successful, and that the Housing Expediter would treat them as responsible bodies. That more of these boards have not thrown in the sponge and quit because of the unwillingness of the Expediter to treat them as the voice of the people at the local level of Government is cause for astonishment and surprise. It is hoped that the Expediter's new checklist policy will cause local boards to take heart and try again to do a worth-while and positive job. If they do not—if the local rent boards and their members throughout America cannot be reencouraged by the Congress to proceed in performing an important job, any rent act which is passed by Congress today, tomorrow, or in the future, and which is tied to local boards, will be largely worthless and a complete waste of the time given to the creation of the act by its sponsors and by Members of the Congress generally.

The philosophy embodied in Senate bill 2182 is one of decontrol at the earliest practicable date. On the basis of the record of the Office of Housing Expediter up to this time this philosophy can hardly be said to have been given an opportunity to develop. It appears that when the Office of Housing Expediter received a recommendation for decontrol of an area, or for an increase in the general rent level in the area, it was very careful to insist that such recommendations be completely substantiated. However, when that Office received recommendations for a continuation of controls or a continuance of the existing general rent

level in the area, no action was taken by the Office of Housing Expediter beyond acknowledging their receipt and filing them as expressions of opinion on the theory that no positive action was necessary and no supporting data were required. This practice was followed despite provisions of the Housing and Rent Act of 1947, and the Handbook for Rent Advisory Boards issued by the Office of Housing Expediter, November 1947 revision, which stated that recommendations of local advisory boards must be appropriately substantiated.

That was the mandate of Congress six or seven long months ago, and it was so provided in the Expediter's own manual; but, almost from the very moment of the issuance of the manual which advised local boards what they must do in such instances, the highest authorities in the Office of the Housing Expediter repudiated not only their own written manual, but a directive written and designed by the Congress of the United States.

By this failure to follow its own handbook, the Office of Housing Expediter has neglected a great opportunity to achieve speedy decontrol of housing accommodations in defense-rental areas in those cases where recommendations for continuance of controls or recommendations that the existing general rent level in the area is adequate were not appropriately or otherwise substantiated.

The Acting Housing Expediter admitted to the subcommittee at the hearings that the national Office made a serious mistake in this respect; that he did not know nor had any attempt been made to learn how many of these recommendations which were treated by his office as mere expressions of opinion were appropriately substantiated. His testimony as it appears on page 61 of part I of the printed hearings naively points out:

> In addition to the recommendations for decontrol and general rent increases, the Office of the Housing Expediter has received 358 expressions of opinion from rent-advisory boards indicating the need for continuing rent control for approximately 8,000,000 housing units. The Office has also received 148 expressions of opinion by rent-advisory boards that no general rent increases should be made at this time for approximately 2,000,000 housing units.

The Office of Housing Expediter does not know how many of these approximately 10,000,000 housing units might, through a competent survey by his office, be ready for decontrol or general rent increases. A mere expression of opinion by a local rent board means nothing, and the Acting Housing Expediter and his staff have been conscious that it meant absolutely nothing. The Acting Housing Expediter has agreed to remedy this unexplainable situation, but only after his attention had been invited to the problem at the hearings before the Subcommittee on Housing and Rents.

Closely related to the problem I have just mentioned is the fact that until recently the Office of Housing Expediter insisted that recommendations for decontrol or for an increase in the general rent level of an area were not acceptable from any defense-rental area having more than one local advisory board, unless all such boards in that area acted as a single board in making such recommendations. However—and I think we ought carefully to study this premise—when recommendations or expressions of opinion for continuation of controls or to the effect that existing general rent levels were adequate, were received from any one of the boards in such an area, the Office of Housing Expediter accepted and filed them rather than insist that such recommendations should also be made by all boards in the defense-rental area acting as a single board. The latter procedure was directly contrary to instructions set forth on page 14 of the November 1947 revision of the Handbook previously mentioned. When the Acting Housing Expediter was asked what he would do about that conflict, he replied that he "will make the rules apply whether it is a recommendation for decontrol or a recommendation for continuation of rent control." But again this agreement was obtained only as the result of a congressional hearing, which was held many months after the 1947 act became law.

It should here be pointed out that a change in policy concerning individual action by local advisory boards was speeded up and action taken by the Office of Housing Expediter as a result of a hearing the junior Senator from Washington held in Seattle on December 29, 1947. On an individual basis, the Office of Housing Expediter reviewed defense-rental areas having more than one board and determined which of those boards could act by themselves in making recommendations to the Housing Expediter under the existing Federal rent-control statute and which of them would still have to act as a part of one or more other boards in the same area in making such recommendations. The following criterion was used in this task:

Can the recommendations of the individual board be put into effect in the portion of the local defense area it serves without illogically affecting other portions of the defense-rental area?

This, Mr. President, was a constructive step to grant local advisory boards a greater measure of autonomy, but again it took a congressional hearing to achieve it.

Before we depart completely from the subject of expressions of opinion, it is interesting to note that on November 1, 1947, in a pamphlet entitled "Across the Board," issued by region 8 of the Office of Housing Expediter, Mr. Ward Cox, regional rent administrator, explained the purpose of obtaining such expressions. I suggest that Senators who are present and those who will have access to the record pay particular attention to what Mr. Cox had in mind with reference to operations in the Nation's Capital. Mr. Cox admonished each board under his jurisdiction—and that includes all the Western States, if I correctly understand—that its responsibility in making such expressions of opinion was a grave one, since the continuation of Federal rent controls in housing-hungry sections of the Nation would largely depend upon the collective views expressed by the local advisory boards.

He made this interesting observation:

> The evidence assembled by the boards will be presented to Congress by the Housing Expediter when he makes his report to the congressional committees when Congress convenes next January. Congress undoubtedly will pay close attention to the reports of these boards.

Mr. President, what were those recommendations as expressions of opinion based upon? They were based merely upon an unsupported declaration of an individual's opinion. Yet a Federal agent on the west coast, as the rent director of region 8, had the temerity and had such a lack of understanding of what his responsibility was that he assumed in writing that the Congress would make up its mind on an important national subject on the basis of unsupported allegations.

Mr. President, it so happens that in his presentation to our subcommittee the Acting Housing Expediter did relate a summary of these expressions of opinion in connection with his appeal for continuation of the Federal rent control law. Compare volume 7, page 1146.

However, when the matter of these expressions of opinion was examined more closely in his presence the Acting Housing Expediter was quick to recognize and admit that neither he nor his office could state whether any of those expressions of opinion meant anything. Few were supported by a single fact. Yet the Congress had urged decontrol wherever possible.

This same pamphlet, entitled "Across the Board," contained other propaganda defending a theory that rent control is not an unusual power and is well founded in history. I cannot help but read for the benefit of thoughtful men everywhere, both in and outside of Congress, this attempt to inculcate the idea that maybe Federal rent control is an old, conservative custom which had its foundations in the beginning of the world. The item in question, written officially, and circulated likewise, by a responsible Federal agent, takes us back to Adam and Eve. I am going to quote precisely what American citizens have been urged to read and to be guided by as it comes from this pamphlet. It says:

> Many people think that rent control is something new. It is not. Adam and Eve conceivably could be considered the first to suffer an eviction notice.

Mr. President, at this point I might say that when the writer of that propaganda suggests that rent control can be considered to have begun in the days of Adam and Eve, even up to the date to which he next refers, he takes as an assumption—and because he is presumed to be a responsible man, his assumption will be believed by too many persons throughout this country—that there might have been rent controls from the beginning of man.

Mr. Cox continues as follows:

> Our first record of rent control, however, dates back to 1470 when Pope Paul II decreed that a tenant could not be evicted from his dwelling in Rome unless the landlord desired to occupy the dwelling himself. About 75 years later Pope Paul III, preparing for the forthcoming Holy Jubilee Year, decreed that any landlord who evicted a tenant on the grounds the landlord himself desired to occupy the dwelling, and then failed to occupy

the dwelling for at least a year, would be fined a year's rent, half to go to the tenant and half to the Vatican. That system of splitting the fines between the governing agency and the tenant was employed by our Federal Government until the old Rent Act expired on June 30 of this year. Rent control has been exercised by many nations down through the centuries, in one form or another, especially during wartime periods and postwar eras, and our system is a refined form designed for our especial housing problems.

Obviously, Mr. President, I make no comment on the historical accuracy of the context of this quotation; but I do challenge, and very seriously, the propriety of including such material in a Federal publication, the only purpose of which, according to the Acting Housing Expediter—volume 7, page 2133—was to serve as a vehicle to acquaint local advisory boards with problems which other such boards in their region were meeting. Were such attitudes condoned and permitted to prevail, America, in my considered opinion, would have rent controls for at least 1,000 years to come.

Again, Mr. President, when this matter was bluntly called to the attention of the Acting Housing Expediter, he promptly issued instructions stopping all such publications—volume 7, page 1154—until the National Office of Housing Expediter could decide whether to issue an editorial policy for such publications or whether to supplant them with a central information service conducted by the national office.

As a further example of the maladministration and lack of decision apparent in the conduct of the Office of Housing Expediter, let me cite the following circumstances: The existing Federal rent-control law allows landlords to petition, does it not, the Housing Expediter, through his field offices, for an upward adjustment of the maximum rent applicable to the housing accommodations identified in the petition, in instances where the landlord could demonstrate to the satisfaction of the Office of Housing Expediter that the rent ceiling prevailing in his case upon the date of the petition resulted in hardship to him, involving in many cases the operation of the housing accommodations at a net loss. However, although such a petition often took months in processing before it was granted, the relief applied only as of the date on which the petition was finally granted.

Mr. President, I wonder if there is a Senator or a Member of the House of Representatives who on numerous occasions during recent years has not received bitter, burning criticisms from some of his constituents who have said, "Our case as of the day we submitted it was as good as it was on the day, 5 months later, when the application for relief was granted." Where, in Heaven's name, Mr. President, is there any justice in not applying relief back to the date when the application for hardship relief was made?

The Acting Housing Expediter was asked during the hearings before our rent subcommittee why, insofar as Federal law is concerned, the granting of the petition was not made effective as of the date upon which the petition was formally filed with his office. Again the now Acting Housing Expediter was prompt to admit that equity, as well as justice, would call for such a ruling, because the facts establishing the landlord's right to relief existed on the day the petition was filed. However, a conference with the aides who accompanied the Acting Housing Expediter at the hearing disclosed, as far as the record is concerned, a mass of indecision as to why such a ruling had not been issued. The Acting Housing Expediter stated he had had the ruling under consideration for some time and wanted to issue it. However, although none of his aides expressed for the record any reason why such a ruling should not be issued, the fact remains that no such ruling was actually issued until the chairman of the subcommittee requested that it be done, not in 2 weeks or a month, but at once. The Acting Housing Expediter agreed to do so, and now has done so. But here again is cause for caustic criticism of an executive agency of a people's government which cannot bring itself to issue regulations that it considers to be wise and equitable until it is prompted to do so by a committee of the Congress.

Mr. President, allow me to give but one further instance of the maladministration of the Housing and Rent Act of 1947 under the Office of Housing Expediter. I wish to give another example for the simple reason that those of us on the Banking and Currency Committee are as convinced as we can ever be convinced of anything, that we are wasting our time in the writing of a law for 1948 if that law is not going to be better administered than the previous laws on this subject have been.

Section 204 (b) of the act of 1947 allowed landlords and tenants to enter into leases in good faith at a rental not representing an increase of more than 15 percent over the maximum rent which would apply in the absence of a lease. It further provided for decontrol of such leased accommodations on December 31, 1947, upon the filing of a copy of the lease in due time with the Office of Housing Expediter. On the first day of hearings before the subcommittee, the Acting Housing Expediter stated he knew of only one case of a lease meeting all requirements of the act being rejected by the Office of Housing Expediter because the rental prescribed in the lease did not represent a substantial increase above the maximum rent which could be charged in the absence of a voluntary lease. But, during the course of the hearings, it developed that there were many other rejections under the same circumstances of which the Acting Housing Expediter was not aware. This unwarranted rejection of leases, signed between freemen as the result of an authority granted by the Congress, gave rise to a situation wherein the landlord and the tenant did not know whether the leased accommodations were under control or decontrolled, even though all mandatory requirements of the voluntary-lease provision of the Housing and Rent Act of 1947 had been complied with. The Acting Housing Expediter assured the subcommittee, and later on the full committee, that these errors in administration would be remedied whenever they were brought to his attention; but under proper administrative procedures, which no one can construe should have been difficult to design, such tragic and costly and unreasonable errors would not have occurred.

Despite the willingness of the Acting Housing Expediter to correct errors when they are brought to his attention, the lack of decision and the ineptitude in administration of the Housing and Rent Act of 1947 have caused the committee to refrain from recommending that the Office of Housing Expediter be granted any more authority than is in the committee's considered opinion necessary to achieve the purpose of Congress in any continuation of that legislation.

Although the policy recited in the 1947 act clearly expressed a philosophy of decontrol at the earliest practicable date, the practices of the Office of Housing Expediter have indicated a positive lack of interest in executing that philosophy.

I wish to emphasize, Mr. President, that Senate bill 2182 reiterates and strongly endorses that policy of decontrolling at the earliest possible moment. I hope that, individually and collectively, with respect to the measure now under consideration, Senators will decide for themselves and make their determinations known to the Housing Expediter, in the event a new rent law is enacted. Is the Senate in favor of decontrol, or is it not? If Senators favor decontrol, as everyone of the Senators at one time or another has said he does, then it is encumbent upon them to see that their intention and purpose is effectuated by those who work essentially as administrative agents. The Acting Housing Expediter has agreed to confer with members of the committee in order to arrive at a meeting of the minds concerning the intent of Congress expressed in the provisions of the bill. He has also agreed to implement any bill on this subject enacted into law in such a manner as to imbue his organization with the spirit of decontrol of housing accommodations as soon as practicable. The carrying out of this procedure should vastly strengthen the accomplishment of the purposes of the bill. In my opinion, Mr. President, the Office of Housing Expediter must realize that it is its function to do justice to property owners on the basis of the standards of the law, as well as to safeguard the interests of the tenant.

The Housing Expediter does not write the law, but he must subscribe to its provisions as they affect both property owners and tenants. The pending measure seeks to give justice and protection to both property owner and tenant. Not all landlords are large, wealthy corporations. No, only a small minority of landlords fall within this classification. The vast majority of landlords are people of moderate means, a typical small-business man. Sturdy legislative efforts are and have been made by this Congress to encourage the small-business man who happens to be engaged in other fields of endeavor. With respect to the rental industry the same Congress has unwittingly forced this little-business man to subsidize those who occupy his premises.

It seems to certain members of the Committee on Banking and Currency that if tenants are ever to need a subsidy, such subsidy must of necessity come from the Government, not out of the hides of people themselves, who, as property owners, seek for the most part only to continue in business with a fair return on their investment.

There seems to be growing an undercurrent of feeling, as expressed by too many witnesses during the hearing, that landlords as a class are unscrupulous, miserly, and heartless, waiting only for a chance to take unfair advantage of every tenant who happens to occupy the housing accommodations owned by him. At the same time, these witnesses are wont to picture tenants as a class which includes nearly all Senators, as underprivileged, impoverished individuals almost totally incapable of exercising independent judgment and wholly dependent upon the Federal Government for the explanation and protection of their rights.

I may say further that even those in charge of rent control, in asking for the authority to sue property owners for treble damages, were perfectly willing to ask for that authority, because of their belief that the average American citizen could not read or understand the law under which he was provided with protection, and that it took a Federal agency to do for the ordinary average American citizen that which he is totally well qualified, in nine hundred and ninety-nine cases out of a thousand, to do for himself.

I am certain that most Senators will agree with me that neither of these concepts is a fair characterization of either class. The record and files of the committee are replete with instances of landlords who are suffering financial losses through the operation of rental housing. In many instances, their tenants may be far wealthier than the landlord. The hearings established the fact that in the Chicago area the cost of operating rental housing accommodations has increased by over 40 percent since 1942, while rents on the average have advanced not over 6 percent during the same period. Landlords as a class are undoubtedly the largest single class of individuals still under Federal controls, although the commodities and services they use are no longer under Federal controls. This general situation led one of the witnesses who testified before our subcommittee, a sturdy and patriotic Texan, to comment as follows with reference to the Housing and Rent Act of 1947:

> Just a sentence, and I have said it all:
> Don't extend it or amend it. You can't defend it. End it.

Having said that, he returned to Texas.

Some of us in this body, and the junior Senator from Washington is among them, are convinced that the quoted witness is much more right than wrong in the position he proudly maintained.

However, while still hoping that the time will soon arrive when it will be practicable to restore landlords and tenants to the freedom of contract they have historically enjoyed in this country, the committee was impressed by testimony indicating that, as an aftermath of the war, there still exists a serious housing shortage in some areas of the Nation. For that reason it is recommending the continuation of Federal rent controls for a period of 14 months. It has also largely granted the requests made by the administration to strengthen compliance with continued Federal rent controls.

In order to afford a clear presentation of the legislation recommended by the committee, let us now examine, so that, later, we shall have an opportunity to reexamine it in the record, first, the salient provisions of the Housing and Rent Act of 1947; second, the changes therein requested by witnesses representing the Administration; third, the extent to which these requests were granted; fourth, the reasons for denying the remainder of such requests; and fifth, other changes suggested by the committee.

Title I of the Housing and Rent Act of 1947 contains four sections. Section 1 (a) deals with liquidating functions concerning enforcement of veterans' preferences and maximum sales prices of houses, premium payments for scarce building materials, and market-guaranty agreements for the manufacture of houses. As requested by the Acting Housing Expediter, these functions are not eliminated. They are continued in the Housing Expediter, whose title the bill changes to Rent Administrator, by omitting mention of them in the bill.

Section 1 (b) of the 1947 act granted power to the Housing Expediter to require the obtaining of permits as a condition precedent to carrying on construction of facilities for amusement or recreational purposes. The Acting Housing Expediter requested continuation of such power, but explained that it could not be made effective except with a sizable increase in his staff and unless legislation were to be adopted to authorize the allocation of building materials. Since there appears to be considerable doubt as to how much of the building material saved by this program is suitable for use in the construction of housing, and since the power affects less than 6 percent of all commercial building, the committee is of the opinion the power ought not to be continued. Section 2 of the bill therefore repeals the power. Sections 2 and 3 of the 1947 act authorize the National Housing Administrator to insure loans for the construction and manufacture of houses. The power will expire March 31, 1948. The Acting Housing Expediter did not request and the bill does not make any change in these sections.

Section 4 of the 1947 act granted veterans of World War II and their families a preference to purchase or rent houses constructed after June 30, 1947, but before March 1, 1948, during a period of 30 days after the completion of construction, and prohibited sale or rental to others at a price less than that at which it is offered to such veterans. The Acting Housing Expediter requested the extension of these preference rights and the committee is pleased to accede to that request. Veterans and their families represent the largest segment of our citizens who were uprooted from their housing accommodations during the war and are therefore in most need of finding dwelling places after the war.

Section 3 of the bill extends the foregoing rights as to houses constructed prior to May 1, 1949. The new date is consistent with extension of Federal rent controls to the close of April 30, 1949.

Title II of the 1947 act deals with maximum rents. Section 201 of that act contains the declaration of the policy of Congress in continuing Federal rent controls. It states that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy, and urges the termination of all Federal restrictions on rents at the earliest practicable date. Section 201 also recognizes the existence of an emergency and determines that it is necessary for a limited time to restrict certain rents to prevent inflation and achieve stability in the level of rents during the postwar transition period. It requires prompt adjustment of hardships suffered by owners of rental housing accommodations due to inadequacies of maximum rents. It further encourages the making of adjustments by local advisory boards with a minimum of control by any central agency.

Section 201 of the bill reiterates the foregoing declarations except that it eliminates the reference to the prevention of inflation as one of the purposes of rent control. While the 1947 act chose the theory that a growing demand for a comparatively constant supply will produce inflationary results, the committee was of the opinion that other factors prevent application of the theory in this instance. The rent savings of the tenant are apt to find their way into the market for still other scarce goods, thus feeding the fires of inflation on that front.

The bill strengthens its constitutional basis by emphasizing that continuation of rent controls is necessary to remedy evils arising from the rise and progress of the war. The bill makes it definite that hardship adjustments should be adequate as well as prompt. In order to bring to the fore the concept that the bill should be administered in such a manner as to encourage and attain the termination of rent controls by areas or class of accommodations as soon as practicable, the bill includes an express statement to that effect.

Section 202 (a) of the 1947 act defines "person." As presently administered, this definition includes the Federal Government within the scope of persons who may be subject to rent control. The bill makes no change in this provision and thus adopts the foregoing interpretation of the present definition.

Section 202 (b) of the 1947 act defines "housing accommodations." No change is made in this provision by the bill.

Section 202 (c) of the 1947 act defines "controlled housing accommodations" and in so doing expressly lists the types of accommodations excluded from that category. Under paragraph (1) of that section hotels commonly known as such in their communities which provide customary hotel services such as maid service, linen service, telephone and desk service, furniture and fixtures and bellboy service, were decontrolled. However, by regulation the Housing Expediter required all the named types of service to be furnished and some of his offices maintained that to be provided, such services must be actually accepted

and received by the tenant, not merely made available by the landlord. Section 202 of the bill makes it clear that services need only be made available by the landlord and that not all the listed services need be made available if enough of them are provided to constitute customary hotel services in the community. The thought of the provision as a whole is to exclude from control hotels serving transient guests. Under the language of the bill, many hotels used for residential purposes are kept under Federal rent controls, but other hotels in that class may well remain decontrolled as they are at present. The committee does not desire to recontrol any accommodations not now under control except where a need for such recontrol is shown. In the committee's opinion, this need has not been shown to its satisfaction in the residential-hotel field in its entirety. An investigation made into certain allegations of sizable increases upon decontrol of certain hotels claimed to be residential in character resulted in a finding that the allegations were not substantiated. Other testimony showed a sufficient vacancy rate in such hotels in areas deemed to be representative to warrant leaving such accommodations in a state of decontrol. The administration did not request recontrol of these accommodations.

Section 202 (c) (2) of the 1947 act also decontrols motor courts and tourist homes serving transient guests. By regulation, the Office of the Housing Expediter also decontrolled trailers and trailer space. The committee decided to continue trailers and trailer space in the category of decontrolled accommodations. Section 202 of the bill therefore expressly decontrols them.

Section 202 (c) (3) of the 1947 act further decontrolled housing accommodations completed or converted on or after February 1, 1947, except that veterans' preference rights were protected. Section 202 of the bill extends that general theory by providing decontrol for all newly constructed or converted housing. The administration did not request recontrol of new housing with the same exception.

Section 202 (c) (3) of the 1947 act further provides for decontrol of housing units which at no time between February 1, 1945, and January 31, 1947, inclusive, were rented as housing accommodations other than to members of the immediate family of the occupant. Section 202 of the bill extends this general theory by decontrolling all housing accommodations in this category for any successive 24 months between February 1, 1945, and the date of enactment of the bill. It also clarifies the meaning of the provision by changing the word "occupant" to "landlord." The intent of the committee is that such accommodations shall be decontrolled only if the occupant is the landlord or a member of his immediate family, or if the dwelling unit is unoccupied.

In order to clarify a doubt as to its status under Federal rent control, section 202 of the bill also decontrols houses built between February 1, 1945, and February 1, 1947, and occupied by the landlord or his family, or unoccupied through June 30, 1947. Under the 1947 act, such dwellings built before February 1, 1945, or on or after February 1, 1947, were decontrolled. But since section 204 (b) of the 1947 act continued maximum rent ceilings only for units as to which such ceilings were in effect on June 30, 1947, the controlled status of houses built between February 1, 1945, and February 1, 1947, remained subject to dispute.

Section 202 of the bill adds to accommodations which are decontrolled luxury apartments—that is, those leased or rented to one individual or one family and renting for $225 a month, or more, 60 days before the adoption of the bill—and nonhousekeeping, furnished accommodations in a single dwelling unit not used as a rooming or boarding house, as defined by the present regulations, and the remainder of which is occupied by the landlord or his immediate family. Decontrol of luxury apartments as a class was favored by witnesses having widely divergent views in other respects. Included among them were the Acting Housing Expediter, an operator of luxury apartments, a representative of a fair-rent committee, a national labor-union leader, and a representative of a Statewide tenants organization. Testimony indicates that decontrol of such units will likely result in their conversion into additional housing units, and that this type of accommodation is not in short supply.

The other class newly decontrolled includes the typical case of a private family which takes in not more than two roomers. The 1947 act already allows eviction in these cases. The committee is of the opinion that the time has come to decontrol this class of accommodations, as in most cases it is believed the accommodations were made available as a favor rather than purely out of a profit motive. Consequently, decontrol in this case is not likely to lead to abuse and strengthens the maxim that "A man's home is his castle."

Definitions of "defense-rental area" and "rent" in section 202 (d) and (e) of the 1947 act are left unchanged by the bill.

Neither does the bill make any change in section 203 of the 1947 act, which removes authority to set maximum rent ceilings under the Emergency Price Control Act of 1942 and provides for distribution to the States, upon request, of records of the Office of the Housing Expediter.

Section 204 (a) of the 1947 act, in general, empowers the Housing Expediter to administer all of the rent-control functions and certain of the housing functions named in the act. It also continues his office until February 29, 1948. Section 203 of the bill extends this authority to the close of April 30, 1949. As previously explained, 14 months was selected as an appropriate time, because it will afford the next Congress sufficient time to examine the administration of the new legislation, and will allow that examination to be made in the not too distant future. The administration had requested that the authority of the Housing Expediter be extended to March 31, 1950, but this request was not fully granted, because it was not in accord with the foregoing principle of an early review of administration.

In section 204 (b) of the 1947 act are found some very important provisions establishing as the basic maximum of rents on controlled housing accommodations the maximum in effect on June 30, 1947; directing the Housing Expediter to adjust inequities therein; and permitting decontrol of such accommodations on December 31, 1947, through the procedure of executing by December 31, 1947, and filing with the Office of Housing Expediter a lease expiring not earlier than December 31, 1948, and providing for a rental which does not represent an increase of more than 15 percent over the maximum rent which would otherwise apply in the absence of a lease. Section 203 (b) of the bill continues the same basic maximum for rents, but expressly directs the Rent Administrator to make necessary adjustments therein to prevent any person from suffering a loss in the operation of controlled accommodations as well as to correct hardships of other types and other inequities. It also allows immediate decontrol of accommodations which become the subject of a lease executed by December 31, 1948, providing for any rental agreed upon but not in excess of 15 percent over the ceiling which would apply in the absence of a lease on the date of enactment of the bill now being considered.

Let us look for a moment at the inequities provision of the 1947 act. In case after case witnesses before our subcommittee complained that under the Housing Expediter's definition of inequities as it was administered, they were able to obtain no adjustment of rents which would do more than allow them an opportunity to lose annually in operations of rental housing no more than they lost in the average in any two successive years since 1939. Moreover, I cite the experience of a man named Fliss, who owned and operated some apartments in the city of Chicago. It is reported that he was not in a financial position to make needed repairs to the boilers in his establishment and, therefore, in April 1947 notified his tenants that after October of that year he would collect no more rent from them. In due course, however, Mr. Fliss was served with a mandatory injunction obtained in the Federal court upon the petition of the Housing Expediter, requiring him to repair the boilers. For failure to do so he was thereafter cited for contempt and upon conviction sentenced to a prison term pending his compliance with the mandatory injunction. The net result is that through this procedure, a landlord may be compelled to continue in the business of renting housing accommodations despite his desire to cease that business. While to this extent the landlord is treated as if he were engaged in a public utility, as the 1947 act is administered, he is not assured of the opportunity to make a reasonable profit. Sections 205 and 302 are intended to remedy this situation by allowing a landlord in good faith to regain possession of his housing accommodations if he in good faith desires to withdraw them from the rental market, and by providing that he shall not be required to offer them for rent.

In order to make hardship adjustments more effective, the subcommittee had recommended to the Committee on Banking and Currency that there be incorporated in the bill a formula allowing an increase of 15 percent in the general rent level in any area or autonomous portion thereof upon a showing to the satisfaction of the Housing Expediter or, upon appeal, to the Federal courts, that operating costs in the area involved had increased by 30 percent or more since the freeze date. Legal protection was afforded the tenant in the bill by allowing him to show to the Rent Administrator or, upon appeal, to the court, that the area increases in operating costs were not applicable to the housing accommodations occupied by him. In that event, the increase in maximum rent would not apply to his accommodations. Mr. President, the subcommittee possessed no ulterior motive in offering this formula for consideration, although that has been intimated in some quarters. I thought the suggestion was sound in principle and I continue to think so.

The subcommittee was of the opinion that no landlord should be required to subsidize his tenant merely because the operating costs to which the landlord was subjected, not being under Federal control, had increased appreciably since the date fixed as a measure of the rent he was entitled to receive. The subcommittee expressly rejected the idea of an across-the-board increase in maximum rents in favor of the theory that increases should be granted only where objective facts showed them to be required. It was believed that this formula constituted a means of attaining the objective facts without allowing them to be distorted by the use of emotional appeals. However, the Committee on Banking and Currency, in its wisdom, saw fit to reject the use of the proposed formula. The subcommittee accepts the decision of the committee. However, it is only fair to invite attention to the fact that this decision places a greater administrative burden upon the local boards in their efforts to adjust hardship cases adequately and properly.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Washington yield to the Senator from Colorado?

Mr. CAIN. I yield.

Mr. MILLIKIN. I have a telegram from a constituent which states:

> A newspaper story declares that proposed rent-control extension bill, Senate Banking Committee, contemplates reestablishment of criminal prosecutions. If so, I solemnly protest against this return to the worst excesses of bureaucratic bullyism of the OPA. Threat of criminal prosecution was used as a practical matter to enforce compliance, not with the law, but with the caprice of the Federal agency. It is a historic fact that many property owners were defeated in their legal rights in the OPA period by threat of prosecution if they asserted them. Others were put in jail by certain Federal courts for acts which the Federal Emergency Court of Appeals held owners had a perfect right to do. Many property owners who might understand an extension of the present act as a matter of temporary exigency would view with grave concern the prospect of harassment through a new feature permitting malicious prosecutions.

Can the Senator from Washington give me some idea of the reasons calling for the restoration of these criminal penalties?

Mr. CAIN. Mr. President, I hope the Senator from Colorado will permit us to do it fully after the conclusion of the premise the committee is attempting to establish before the Senate.

Mr. MILLIKIN. I shall be glad to defer until that time. I do not like to interrupt the continuity of a fine presentation such as the Senator is making.

Mr. CAIN. We should like to have a very thorough examination into the wisdom of accepting the recommendation which the committee has made for what appear to be valid reasons.

Mr. MILLIKIN. And that will come along later on.

Mr. CAIN. Yes.

Mr. MILLIKIN. I thank the Senator.

Mr. CAIN. Mr. President, as previously mentioned, section 204 (b) of the 1947 act also contained a voluntary-lease provision. This fact in and of itself made it exceedingly difficult for the committee to arrive at a proposal for additional legislation which would, in its opinion, be equitable to the greatest number of people. The administration requested that all housing accommodations subject to voluntary leases, entered into under the 1947 act, be recontrolled. This did not appear to the committee to be a proper solution of the problem. The 1947 act had emphasized in its policy declaration that early decontrol, where practicable, constituted one of the main purposes of the legislation. It did not seem proper to the committee to bring back under control all housing accommodations which, in the case of approximately 1,660,000 housing accommodations, had been decontrolled in accordance with procedure prescribed by the 1947 act. Although many general statements were made by witnesses throughout the hearings that decontrol of accommodations had been the subject of exorbitant increases in rents, upon further examination the general statement did not seem to be supported in any large number of cases.

The subcommittee was anxious to return the freedom of contract to landlords and tenants. It, therefore, vigorously opposed recontrolling in their entirety the accommodations under voluntary leases entered into under the 1947 act. In order, however, to strengthen the provisions of the act against possible abuse by the exceedingly small number of landlords who would engage in such practices, the subcommittee recommended that such accommodations be recontrolled in the event the lease should be terminated prior to its expiration date, insofar as the maximum rent to be charged for such accommodations was concerned. The plan presented by the subcommittee would have allowed such accommodations to remain decontrolled in the event the landlord and tenant in good faith could agree upon a lease expiring not earlier than December 31, 1949. In a further attempt to afford equity to those who had signed voluntary leases under the 1947 act, the subcommittee further recommended that the maximum rent ceiling prevailing during the term of the lease should continue until April 30, 1949, to prevail as to such accommodations in cases where the lease expired by its own terms prior to April 30, 1949. Both of these provisions were adopted by the committee and presently appear in section 203 (b) of the bill.

In furtherance of its philosophy looking toward restoration of free bargaining between landlord and tenant at as early a date as practicable, the subcommittee also recommended, and fought for its adoption, that new voluntary leases for a term expiring not before December 31, 1949, could be entered into prior to December 31, 1948, providing for any rental agreed upon between the landlord and tenant. The committee saw fit to place a ceiling on the rental which could be prescribed by such leases. Section 203 (b) of the bill, therefore, requires that such rental may not be in excess of 15 percentum over the maximum rent which in the absence of a lease would prevail on the date of enactment of the bill.

In general, therefore, it is a fair statement to say that the bill continues the voluntary lease provision of the existing act. Nevertheless, there is this fundamental difference. Under the bill the accommodations subject to new voluntary leases are decontrolled immediately upon execution of such leases. They are, however, subject to recontrol insofar as the maximum rent is concerned in the event the lease terminates before its expiration date. As a further safeguard to the rights of tenants presently occupying accommodations which may become subject to such leases, the same section of the bill provides that before such premises are decontrolled the landlord must file with the rent administrator a statement signed by the tenant before he executes the lease to the effect that he is entering into the lease voluntarily and in good faith and understands that he is not required to enter into such a lease and cannot be compelled to vacate the accommodations for failure to do so. This provision should be effective to still the fears of such tenants who may not happen to be familiar with the provisions of the legislation affecting their housing accommodations. In the opinion of the subcommittee, these and similar protections for the tenant amply justify the decision of the subcommittee to allow the landlord and tenant to enter into a long-term voluntary lease having the effect of releasing the accommodations from the restrictions of Federal rent control. It was expected that if such a provision should be enacted into law, the tenant would keep a closer check upon the amount of rent agreed upon in any lease executed by him. It would restore the landlord and tenant to a position of free bargaining in which the tenant would be placed in a better position to demand additional facilities in return for the amount of rental agreed upon in the lease. Dissatisfaction was expressed over the 15 percent rental ceiling allowed in the lease on the ground that that figure tended to deprive the landlord and

tenant of this opportunity for free bargaining and tended to become the normal amount of increase requested by the landlord upon his offer to the tenant of an opportunity to sign a lease.

By the provisions of section 204 (c) of the 1947 act, the Housing Expediter is directed to remove maximum rents in areas where, in his judgment, they are no longer needed. Section 203 (c) of the bill extends this power to any class of housing accommodations in any area. Convincing testimony was presented to the subcommittee indicating a surplus of rooming and boarding-house accommodations in certain metropolitan areas deemed to constitute representative areas. The subcommittee, following the spirit of decontrol as soon as practicable, recommended decontrol of rooming and boarding houses as a class. Certain members of the committee expressed the opinion that in some college towns such action might work to the detriment of some students. Thereupon the subcommittee requested and was granted permission to prepare the compromise now appearing in section 203 (c) of the bill.

As Senators will remember, rider A appeared in the law of 1947. The subcommittee had also prepared a formula whereby upon a survey by the Bureau of the Census, the Expediter would be required to decontrol areas having a vacancy rate of 1 percent or more for ordinary habitable dwelling units offered for sale or for rent. Again, in this respect the subcommittee was following the policy of the 1947 act calling for decontrol of housing accommodations where controls over rent are no longer required. It was the purpose of the subcommittee to place the determination of vacancies upon an objective standard removed from the byplay of human emotions. The committee agreed in principle with this principle but was unable to reach a satisfactory agreement concerning the particular percentage of vacancy which should be required under the formula. Therefore the subcommittee withdrew its recommendation. Decontrol is therefore dependent under the bill upon recommendations of the local advisory boards and independent surveys by the Office of Rent Control. The agreement by the acting Housing Expediter to prepare a check list for the use of local advisory boards in this matter should result in an improvement of administration and result in more speedy decontrol of areas which are ready for decontrol. It would be more constructive and more helpful, however, if the Congress could agree on a mandatory decontrol formula which would take the exercise of judgment from the Expediter.

Section 204 (d) of the 1947 act authorizes the Housing Expediter to issue regulations and orders to carry out the provisions of sections 202 (c) and 204. The former deals with controlled housing accommodations, and the latter concerns itself with maximum rents. The bill allows these provisions to remain unchanged.

Section 204 (e) of the 1947 act provides for the creation of local advisory boards. Throughout the hearings witnesses complained of the composition of the boards, some charging that they were weighted in favor of the landlord and others making with equal fervor the charge that they were stacked in favor of tenants. While both charges may have been correct as related to specific boards it was the intent of Congress that they be fairly representative of all affected interests in the area. The bill expressly so provides in section 203 (d). In the further interest of achieving impartial action, that section of the bill also requires the board to hold a hearing at the request of either party to a hardship application. Their power has also been increased in that they may make recommendations concerning the decontrol of any class of housing accommodations in the area or portion thereof served by the board.

Under the 1947 act, the respective State Governors were empowered to nominate candidates for such boards. In some instances, however, notably that of Colorado, the Governors have not exercised this power, leaving areas without a functioning local advisory board. I think I am accurate in stating that Colorado is the only State in the Union which does not have any local rent-control boards. In such circumstances the bill empowers the Rent Administrator to make original appointments of board members or fill vacancies in board membership if the Governor fails to make necessary nominations within 30 days after the Rent Administrator requests them.

Section 204 (e) of the 1947 act also requires the Housing Expediter to provide suitable office space and assistance for local advisory boards, and requires him to accept recommendations of local boards which are appropriately substantiated. In order to place the responsibility for determining whether recommendations are appropriately substantiated squarely upon the Rent Administrator, section 203 (e) of the bill expressly so provides.

Section 204 (e) (4) of the 1947 act admonishes the Housing Expediter to communicate with the State Governors concerning their duties in recommending members for local advisory boards, and it terminates the maximum rent section of the act on February 29, 1949. Section 203 (f) of the bill alters these provisions merely by requiring that the Governors also be advised of the areas and positions thereof in which boards are to be appointed. Section 203 (g) of the bill extends the rent-control provisions of the 1947 act until the close of April 30, 1949.

Section 205 of the 1947 act grants tenants the right to bring treble damage actions against landlords for overcharges of rent. The bill does nothing to repeal this section. The administration had requested that the Rent Administrator be granted the right to institute such suits if the tenants failed to do so. The committee denied this request. With the addition in the bill of a criminal penalty for willful violation of any position of the rent-control provisions of the act, it was the opinion of the committee that this adequately protected the tenant against any unlawful action threatened by the landlord to discourage the tenant from instituting an action for treble damages. The committee looked with disfavor on granting additional powers to the Office of the Expediter. Its first task is to learn to use properly what it has.

Section 206 of the 1947 act makes unlawful only an overcharge of rent and empowers the Housing Expediter to petition the courts for an injunction only in the event of an overcharge. The administration requested that violation of any provision of the rent-control portion of the 1947 act be made unlawful and that the injunctory power of the Housing Expediter be extended to all such cases. Section 204 of the bill grants both of these requests in order to strengthen compliance enforcement. The committee believes no further enforcement procedures are advisable. This section of the bill prescribes a fine of not more than $1,000 or imprisonment for not more than 1 year, or both, upon conviction of willful violations of the 1947 act, as amended by the bill presently under discussion.

Section 207 of the 1947 act had nothing to do with rent control, but was inserted as a rider in order to bar action for certain violations of maximum price regulation 188 under the Emergency Price Control Act of 1942, as amended. The bill makes no mention of this section.

Section 208 of the 1947 act is a mere administrative procedure providing for the transfer of property, personnel, and funds from the Office of Temporary Controls to the Office of Housing Expediter. This section also authorizes necessary appropriations to carry out the 1947 act. The bill makes no changes in this section.

Section 209 (a) of the 1947 act specifies the conditions under which tenants may be evicted from controlled housing accommodations. Certain of these causes are due to malfeasance of the tenant, such as violation of obligations of his tenancy or nonpayment of rent, or the commission of a nuisance. As to these, no change is made in the pending bill. The committee considered other causes for eviction, such as reoccupancy by the landlord, sale of the dwelling to another owner, the alteration, remodeling, or demolition of existing housing accommodations, and housing accommodations located within a single dwelling unit the remainder of which is occupied by the landlord or his family. As to the latter category of causes for eviction, the committee decided, and section 205 (e) of the bill provides, that no tenant need surrender possession until 60 days after written notice from the landlord of his desire to recover possession for one of the allotted causes of eviction. Testimony received during the hearings developed the fact that under several existing State laws the legal period required for eviction is less than 60 days. In view of other changes made in the causes for eviction, the committee also was of the opinion that the 60-day requirement would grant added protection to the tenant.

Section 209 (a) (2) of the 1947 act allowed the landlord to recover possession only for his immediate and personal use as housing accommodations. Section 205 (a) of the pending bill also al-

lows him to recover such possession for use as housing accommodations by his father, mother, grandfather, grandmother, son, or daughter. That section of the bill further includes a provision designed to prevent operation of the cooperative housing racket, so-called, concerning which the subcommittee received considerable testimony. The new provision requires the consent of at least 65 percent of the tenants in any cooperative structure before eviction proceedings may be instituted against other tenants by reason of sale of proprietary leases of the accommodations which they occupy.

Section 209 (a) (4) of the 1947 act permitted recovery of possession for the purpose of substantially altering or remodeling the premises or demolishing them and replacing them with new construction. The altering or remodeling was required to be reasonably necessary to protect and conserve the housing accommodations, before tenants could be evicted for either of those purposes.

In order to encourage the creation of additional housing accommodations through conversion, section 205 (b) of the bill removes the requirement that the planned alteration or remodeling must be necessary to protect and conserve the housing accommodations.

Since section 205 (d) of the bill permits the landlord to recover possession for the immediate purpose of withdrawing housing accommodations from the rental market, the provision in the 1947 act relating to demolition of housing accommodations was accordingly changed to remove the requirement that new construction replace the structure demolished.

Section 205 (c) of the bill removes as unnecessary the category of a guest in a private home as a cause for eviction, since other portions of the bill will completely decontrol such accommodations.

Section 210 of the 1947 act makes the Administrative Procedure Act inapplicable. By section 301 that act is likewise made inapplicable to this bill.

Section 211 of the 1947 act provided that the rent-control features of the law were applicable to the States, Territories, and possessions, but not to the District of Columbia. That provision is not changed by the pending bill.

Section 301 of the 1947 act is a separability provision. A similar provision is contained in section 305 of the bill which is now before the Senate.

Section 303 of the bill contains a provision preventing recontrol of defense rental areas or classes of housing accommodations, wherever they are decontrolled by the administrative action under the 1947 act. This section also contains a provision making certain that nothing in the bill is to be construed as affecting any adjustment in maximum rent made under the 1947 act.

Section 304 of the bill changes the title of "Housing Expediter" to "Rent Administrator," and changes the title of "Office of Housing Expediter" to "Office of Rent Control." This action was taken because it seems better so to describe the functions of the Housing Expediter after amendment of the 1947 act in the manner proposed by the bill.

Section 306 provides that this act shall become effective on the first day of the first calendar month following the date of its enactment.

Mr. President, by what has been said up to this point, I have attempted, as fairly and as objectively as it is possible for me to do, to analyze and define and defend Senate bill 2182. If the Congress wants to continue rent controls in 1948, I am fully satisfied and convinced, and I think that full committee is, too, that the proposals before the Senate in Senate bill 2182 are more equitable, more fair, and more reasonable than the provisions of any rent-control measure under which the Nation has previously labored. Should Senate bill 2182 pass without amendment, it would be a step, although a very meager one, in the right direction. In my considered view, the bill does not go far enough in reestablishing a free contractual relationship between free citizens, or making decontrol mandatory, or providing for automatic rent increases where operational cost increases justify such action.

The Banking and Currency Committee gave serious consideration to my contentions along these lines, and denied them. I have absolutely no personal resentment toward the decisions taken by a majority of the committee. It is for the Senate to consider the bill in the light of the recommended provisions which were stricken from it. The bill as finally passed by the Senate ought to reflect fully the convictions and views of the Senate.

I hope the Senate will be patient for a few minutes more, because the junior Senator from Washington desires to reflect as chairman of the subcommittee on rents and housing, of the Banking and Currency Committee, as well as in his capacity as an individual Senator, on what he considers to be some of the dangers inherent fundamentally in rent controls. We should bear these dangers in mind as we prepare to take action on Senate bill 2182, and we should always have them in mind when the subject of rent control is under discussion.

Mr. President, I think it very proper to say that the junior Senator from Washington expects to work for the passage of the very best bill that can come out of the Senate; and once that bill has been passed, even though it does not include everything that I myself as an individual Senator would like to have it include, I have every intention of supporting it and working for its passage by the other House and for its ultimate enactment into law. However, despite my willingness to work for the enactment of such legislation, I wish to invite the attention of the Senate, for the purpose of the RECORD and also in order that others may have an opportunity perhaps to consider items they have never thought about before, to some of the reasons why a very good and substantial case can be made for the present-day elimination of most, if not all, of the rent controls we are presently analyzing.

So much confusion has been created on the subject of rent control that many of us forget how America's present rental housing came into being. We forget that the vast bulk of it was built when there were no rent controls. Americans were able to rent homes in any community—in any rent range, with or without any particular services; they were able to better their own living and housing standards and to move freely from one community to another as often as they desired. That is no longer true in this country. A great many citizens are frozen where they now live, whether it is convenient or desirable or not.

Today's rental housing is becoming shabby and run-down. It is wearing out and it will not last forever. Some day it will no longer be habitable. What then for America's tenants?

Under restrictive rent control the owners of much of America's rental property cannot maintain their properties as they and as Senators would like them maintained. They cannot know what types of buildings to erect or what facilities to include within them, or how many buildings are needed, or how large, or what kind of renovating and remodeling is needed on existing buildings, until they have the right to bargain freely with tenants and build or remodel to the specifications for which they are able and freely willing to pay.

I cannot be certain that the day is here when Congress could authorize the reestablishment of that contractual relationship between free Americans, but one thing a great many Senators do know is that we shall never materially improve the rental housing situation throughout the 48 States until rent controls are over and done with. If that be a correct premise, and I believe it to be, and if that premise were supported by a majority of the Members of the Senate, how much harder should we work than ever before to find ways and means of decontrolling rents in America?

Partly because of the research that a committee does over an extended period of time, partly because of individual convictions on a subject, I am rather convinced that too many of those who seek to perpetuate rent controls in America have fanned the fears of tenants to fantastic extremes, with dire threats of what would happen with the termination of controls. Senators should think in terms of terminating the controls at some time, either today or at a later time. The fear of wholesale evictions has been played up out of all proportion. In my opinion—and certainly I hope I am right—there would be no wave of evictions without rent control. There were no waves of evictions before we had rent control. It occurs to many Senators that owners must have tenants in order to remain very long in business.

There are few forms of coercion an owner can use to compel a tenant to pay more rental than he wishes to pay. Unless Americans are freely willing and able to pay higher rentals, owners will not be able to collect them. No new rental rate becomes an actual rental until some tenant voluntarily pays it. The termination of rent control would, of course, mean that some rentals would rise, but only to the point the tenant agrees. Rentals for many families would not be affected, for others they

would be reduced. There would simply be an adjustment of rate, space, or services that would reflect comparative values as tenants view them today—not as they were several years ago under completely different conditions.

Perhaps it will be recalled that in an earlier part of my remarks it was said that the committee had stricken from the law of 1947 any reference to the fact that rent control prevented inflation. That was done in the belief that rent controls had no such force or effect. Rent control has not even remotely prevented inflation. The simple proof is that in the years of rent control there has been the greatest inflation. Rent control has obviously and admittedly kept the cost of housing down for some families, but generally that has been accomplished only at the expense of others. It has forced millions—and I use the word "millions" advisedly—to buy or build homes at prices far higher than would have been the case had rent control not been in effect. The cost of such purchased homes must be included in the cost of America's housing and America's living.

In many instances rent control has been most costly to the tenant it has presumed to protect. That cost is the cost of services and comforts he cannot get—of deterioration of the unit in which he lives—the cost in the lack of constant improvements and higher living standards which newer and finer buildings might have provided if they could have been built. The most important effects of rent control have been to encourage inefficient use of existing rental space, to drive hundreds of thousands of rental units out of the rental market, and to prevent greater production of more rental housing. Tenants have been denied newer and better housing standards.

I think, time permitting, I could prove that every one of those particular comments is based on facts which should be considered in weighing the merits of the proposed housing and rent bill of 1948, which admittedly, and in the firm belief of the committee, is a much better bill than its predecessor, the Rent and Housing Act of 1947.

More and more tenants are realizing that their rent dollars do not buy the same services and comforts that they bought before rent control. More and more tenants realize that it is only out of the property owner's rental income that he can provide those missing services and standards. More and more tenants realize that if they had been allowed to pay a more equitable rent in the last few years while their own incomes were rising, their rented homes would have been more satisfactorily maintained and modernized, thereby reducing to some extent the pressure for new housing.

The tenant is not always concerned primarily with the amount of rent he pays, but with what he gets for his money, just as in any other line of human endeavor. One of the unfortunate results of rent control is that the amount of rent he pays has been fixed for him and placed first in importance, to the detriment of his right of occupancy, his serenity of occupancy, his comforts, and his services.

I believe that there is good reason to believe that the original, fundamental, and sound reason for rent control in America has very largely ceased to exist. The wartime emergency is over. There are no mass movements of workers pouring into communities to produce the weapons and instruments of war. There are no longer any mushrooming Army or Navy training centers or ports of embarkation where wives and families of servicemen tend to congregate in great numbers, as was the case when the Nation was physically at war. The violent upheavals of the rental market which led in part to rent control are no longer present. I believe, completely apart from this bill, but having a connection with the bill as we consider it, that it is very important for America to think now in terms of rental housing based on the new postwar, peacetime pattern, that emergency treatments merely prolong the seeming emergency. Certainly in many instances, in which there has been great resistance to wartime controls, there has been a beneficial result. In some instances the reverse is true. But if we can make facts out of assumptions—and I think we can—it gives us a better point of view with reference to this legislation.

The Congress has been told a thousand times that a stringent housing emergency still exists.

Admittedly, many of us do not have the kinds of housing we would like to have. Admittedly, most of us are dissatisfied with our present run-down and depreciated living quarters. Admittedly many of us cannot locate the newer or better rental-housing units we seek. Admittedly we are frozen in our present quarters, whether they are satisfactory or not. But the census figures are very interesting. They show, by our own prewar standards of 1940—and these are the figures of the Bureau of the Census; they are not mine—that America has more housing per person now than ever before in the history of this or any other nation. From that point of view there is no actual shortage of housing. But there is something which we have not always had before. There is a desperate shortage of housing for rent. One reason is that rentals have been held below their natural levels, and countless persons have occupied more space than they were able to afford before the war. That is why between 1940 and 1946 almost 3,000,000 living units became occupied by only one or two persons instead of by larger families. This trend appears to be continuing. The housing is still there, but no man who has studied the problem will admit or agree that the housing which is available is being properly, economically, or reasonably used.

I know it is most difficult to realize that our present-day widely accepted shortages are not shortages of housing space, but are shortages of units available for rent.

I should like to call the Senate's attention to another comparison of housing reports of the Bureau of the Census. In every one of the 34 metropolitan districts of the United States covered by special study less than a year ago, in the year 1947, the percentage of dwelling units which were rented declined from the 1940 figures. These are not mild declines. I want to emphasize that point and to quote the figures, because, if they indicate a continuing trend, and if we do not find some reasonable way in which to rid ourselves of rent controls, it will be for others to suggest how we shall provide more quarters for rent in the face of a direction which indicates that rental units by the millions are going off the rental markets in America.

In Akron, Ohio, from which the junior Senator from Ohio [Mr. BRICKER] comes, 47½ percent of its dwellings were rented in 1940. In 1947 only 31 percent were rented. Presumably, there is in Akron a shortage of rental units. The problem is to find out where they are going and why.

In Atlanta, Ga., 67 percent of that city's dwellings were rented in 1940. In 1947 the figure was 50 percent. That is not a mild decline; it is 17 percent in less than 8 years.

In Dallas, Tex., the figure was 61 percent in 1940, with a drop of 21 percent, or 40 percent in 8 years.

In San Antonio, in the same State, the figure dropped from 58 percent to 38 percent.

Do not these comparisons begin to arouse the curiosity of the Senate as to what is happening to the rental business in America under rent control? Do they not indicate, anyway, why the renter is in an increasingly desperate plight in every area in America, under rent control? Our large metropolitan cities are facing an unhappy situation with reference to rental facilities to be used in the future. They are all losing ground, and renters will be worse off 5 years from now under rent control, according to the record, than they are today. I only wish I knew, in concert with all of the Members of the Senate, where the solution actually lies.

In Philadelphia, in the State of Pennsylvania, there were 432,680 rented homes in 1940. What was the situation in 1947? There were 380,046. There were more than 50,000 fewer rented homes after rent controls in one of our great American cities than there were 8 years ago. Small wonder that a committee, charged with a serious study, is not enthusiastic regarding recommending any rent-control law for the future, regardless of what its provisions may be, because there is not a provision in this bill, nor could we have one, that would do very much to offset the losses from which American rental property appears to be suffering.

In Pittsburgh there were 305,520 rented homes in 1940. The number has fallen off to 272,210 in 1947, a loss of a little more than 30,000 in 8 years.

In Chicago there were 863,020 rented homes in 1940. In 1947 Chicago had 818,125. All the cities mentioned had increases in population, but they had fewer homes for rent. Is it any wonder that newcomers have a difficult time finding rental housing? The housing is still there, the houses have not been torn down, but they are not for rent. These

figures help a little to tell the story of rent control and what it is doing. Aside from the damage it has done to the property owners of the United States, the figures begin to show the harm it is doing to the renters of America.

The housing situation is called desperate in the New York area. It is desperate. Let us look at what makes it desperate. Residents are more dependent on rental housing there than in any other area in the Nation. In 1940, 76 percent of the homes in the metropolitan district were rented. In 1947, after 5 years of rent control, the percentage had dropped to 67. In the Scranton-Wilkes-Barre area there has been a population decline of 15 percent, but there still is a desperate shortage of rental vacancies. Why? In 1940, 57 percent of its homes were rented. In 1947, 49 percent. Is it not clear that rent control has driven enormous numbers of rental units out of the rental market? What possible reason is there for rent control in an area where there has been a 15-percent loss in population—and where the result has been to create a critical shortage of rental vacancies where there was none before? Is that an emergency defense-rental area which demands emergency Federal attention?

If rent control is not the contributing cause of the decline which gives all of us so much concern, what is the cause? We have never heard any Senator state what the cause was. Many persons are studying the housing problem in all its phases and aspects. The Joint Housing Committee, authorized by both Houses of Congress, has not been able to tell us why thousands and thousands—in fact, millions—of houses went into the rental market in 1940, but are not there today, save that we have rent control today and did not have it in 1940.

Those sharp declines do not show that fewer persons want to rent, or that rental units are going begging for lack of tenants. They show simply that as much as one-third of the dwellings which were on the rental market in 1940 were not on the rental market in 1947. Can any factor, other than rent control, be named which could have driven so many homes out of the rental market in so short a time?

If rent control is not the reason for the decline, what is the answer? One cannot pick up a newspaper or listen to the radio for a short time without hearing someone who assumes to be an authority telling that we in America are in a terrible housing plight. Last year we built approximately a million new units; but we almost lost ground, possibly we did lose ground. Only a small percentage of the new houses constructed last year, in the very large building boom, were for rent. It is probably fair to say that more houses went off the rental market last year than came on through new construction. There simply will not be any places to rent in this country 10 years from now if the present trend, which, it has been established clearly, existed over a period since 1940, continues.

Everyone recognizes a tenant's desire for more spacious living quarters. It was out of such desires for better living standards that the American way of living was established and the rental housing industry was made possible. Today it seems clear, whatever the reasons may be—and our committee does not claim to be an authority concerning all the reasons—that housing desires and housing requirements are all out of balance. The picture is so distorted that it is impossible for the investor to measure the amount of housing desired or required and at what rental levels. It is only on a free market—when that market comes, either this year or the next, or some time in the future—that we can learn how many rental units actually are needed to house our rental population in the way it wishes to be housed.

Mr. President, like many other Senators, I have had opportunity to live and travel abroad, which accounts for my conviction concerning the statement I am about to make.

Every nation in Europe affords us an object lesson in the deterioration and stagnation of the building industry which inevitably follows in the wake of rent control. This is history, this is fact. This is not rumor or fancy. In spite of the desperate need and the war damage, there is little home construction, because the only ones who are able to provide it have no incentive to do so. To a considerable degree we are today following that European pattern in the United States of America.

Before World War II we saw countless examples of those who preferred home construction to other investments which were bidding for their money. Today, with rents alone controlled, we cannot measure the relative demand for housing that way, because tenants are not allowed to express their desires.

It so happens, Mr. President, that the Senator now addressing the Senate happens to be a veteran. I am concerned about the housing problem as it affects veterans. I think we have done a very bad job. Whoever the persons were who thought up the idea that a veteran was something different from what he actually was, that somehow, at the average age of 21 or less, he was possessed of sufficient money to buy himself a new house, and however well-intentioned they were, they did to veterans everywhere the greatest injustice I have ever yet encountered.

The veteran was and is a young man who is looking for a place to live. He wore the uniform because he volunteered, or his country called him, and he wanted to serve his country. In whatever way he got into the war, he wants a place in which to live, a place to rent. On the average, the veteran is not yet qualified to buy a home, and I would assume that tens of thousands of those who have bought homes as a result of the national policy of a new house for everybody are going to have their mortgages foreclosed, and will wake up a few years from now, at a time when they should have a reasonable stake in a home, and have to start all over again. I am making this statement because of the point I am about to read in my prepared remarks.

One of the cruelest inequities of rent control has been the freezing in of the stay-at-home families who moved in while veterans were in service. It has frozen out the returning servicemen. Truly, the returning veteran and his family have been the greatest victims of rent control. It could not have been anticipated. No one wanted it to happen as it did. But let us not say it is not so.

We believe the best way in which a veteran can be helped to find a home to rent is to provide a reasonable selection of rental vacancies—in all rent ranges and in all communities. Those vacancies can be provided only by the redistribution of existing housing space not efficiently used, or by new rental construction. Rent control has acted as a barrier to either course. Redistribution of existing space can most quickly and most fairly be accomplished by the immediate termination of rent control. New construction will be tremendously speeded as soon as the rental market is clarified so that the owner of new construction will have to compete with existing structures.

Mr. President, I conclude by saying that in representing the Banking and Currency Committee in presenting this fascinating and difficult and confused subject of rent control, the junior Senator from Washington has spoken at great length, and he has taxed the patience of Senators who have come and gone, but in my opinion there is a very sound reason for a full presentation of the subject. I think it is extremely important for the Senate and for the Congress and the administration to base its decision with reference to what it wants to do in the future about rent controls on facts to the greatest degree possible. Everyone has said, "We want to continue rent control." The committee was given that as a direction and as a charge. There were five Senators on the subcommittee, four of whom worked very hard on this matter. Unfortunately there were only four, for the fifth was in the hospital. I refer to the Senator from Idaho [Mr. TAYLOR]. That subcommittee did a serious and conscientious bit of work and research out of which there came an improvement over the law of 1947. The full committee, after concerning itself very seriously and thoroughly with the proposals, eliminated some of the recommendations of the subcommittee, did not add anything to the bill, as I recall, and it was then reported to the Senate as a better instrument than the Rent and Housing Act of 1947.

It has, however, been my function to challenge the thinking of all of us generally beyond the scope of the legislation, which can only be admitted to be an expedient, pure and simple. Any rent-control act we pass will violate the rights of certain groups of people in our economy. History tells us that such controls have been detrimental to every nation in the world that has ever tried them. The statistics I have just read to the Senate indicate that if we pass a law for 1948, on its expiration date, when we gather again, there will be fewer rental vacancies in America than there are now, and there are approximately 30 percent less today than there were in 1940.

It is for those very clear reasons that I have suggested, in representing the committee, and after having worked on the subject, that if we want a law, we should endeavor to decide on the best law we can write. Let us not work hastily. Let us move with caution and thought, because one of these days Congress is going to say that history, among other things, tells us that the way to end rent controls is to end them. I cannot be convinced that that day is here, but I take it that if more people will talk about the facts and deal less with the emotions, we are likely to come out with a better decision for the benefit of the country than we have made in the years which have recently gone by.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CAIN. I yield.

Mr. SALTONSTALL. May I first congratulate the Senator from Washington upon the very able presentation he has made.

I should like to ask him a question with relation to the proviso in the first paragraph on page 6 of the bill—the paragraph which permits the Rent Administrator, by regulation or order, to make special adjustments to prevent a person from suffering a loss. As I read the provision, there is no specification as to what items enter into the computation of the loss.

My second question is, If the Rent Administrator does not make adjustments in favor of the person suffering a loss, what appeal has such a person? Is provision for appeal contained in the bill?

Mr. CAIN. I wish at the moment I could give a more satisfactory answer than I can to the Senator from Massachusetts. The answer must of necessity be something like this: The full committee agreed that they were not going to ask American citizens in the future to rent their facilities at a loss, and they were going to write such a provision into the law. That is what the committee has done. Yesterday the full Banking and Currency Committee had a meeting with the Acting Housing Expediter, and he said that he, representing his whole establishment officially, was thoroughly in sympathy with the principle we are laying down that a presentation of facts which supported the landlord's contention that he was losing money must result in the granting of relief. In order, however, to try to be more certain that the intent of Congress would be translated into administrative effectiveness, the Expediter at the present time is working out a formula which he is going to present to the Banking and Currency Committee to the end that we will have an opportunity to say, "In our opinion, that is impracticable; it is unreasonable; it will not work. Will you not try to do it in this other way?"

The only satisfaction I can give to the Senator from Massachusetts is that that formula will be agreed to by the Banking and Currency Committee before the law has had an opportunity to come into operation.

Mr. SALTONSTALL. Will the Senator answer the second part of my question? Assume the Rent Administrator makes a decision, and the landlord, or the person who feels he is suffering a loss, is not adequately compensated, what appeal will he have, if any, from the Rent Administrator's decision?

Mr. CAIN. The answer to the Senator's question is that at the present time, as the law is written, if a property owner makes a presentation that he is losing money, and the Rent Expediter refuses to believe the figures for any of a number of reasons, there would not be anything the landlord could do. A formula was proposed to the committee which would have permitted the landlord, or the tenant, as the case might be, to go to a court, and the committee saw fit, for various reasons, to eliminate it from the provision. I would have to confer with our counsel as to whether or not we could incorporate a provision that if the request for relief against a loss was denied, the applicant would have the right of recourse to some court.

Mr. SALTONSTALL. In other words, the Senator agrees with me then that at the present time there is no provision for appeal in the bill?

Mr. CAIN. No; there is not. Perhaps we overlooked in part the Senator's contention. But if we did, it was for the reason that when the Congress writes into a law that no man shall be expected to operate at a loss, perhaps we are doing what we should not do, which is to take for granted that that language could not possibly be misunderstood by anyone.

Is the Senator from Massachusetts aware, as many persons are not, that since the very first day of rent control in America thousands of ordinary Americans have been required to operate their facilities at a loss? Whenever a man went, as a hardship case, to the office of the Expediter and said, "I am losing money and I need some help," the Expediter did what he thought it was then his function and responsibility to do. He said, "Let us see the figures. The figures show you are losing money." The Expediter said, "This is all I can do for you. Our base year is 1939. We will permit you to take the best 2 years of operational experience you have had in the years since 1939 and we will raise your rents up to whatever your operating figure was in your best 2 years." But in thousands of instances there were not any good years. In depressed areas rents were frozen in 1939, as Senators will remember, at figures which simply were not economic. So all the Housing Expediter could do in cases of that character between the years 1940 and 1947 was to say, "You shall lose no more money than you were losing in your best 2 years," even though in his best 2 years the owner was losing money. The intent and purpose of the phrase to which the Senator refers is to make such a situation impossible in the future.

Mr. SALTONSTALL. In other words, the committee hopes to get from the Rent Administrator a set of regulations under which a man who thinks he is losing money may obtain relief.

Mr. CAIN. That is correct. We are principally concerned not with the large operators but with the small ones. The large operators of real property have their books and accountants. There is no problem in that connection. One can tell almost immediately whether an operation is losing or making money. However, we are concerned with the bulk of the owners of rental property in America; and that is why we want such a formula. Let me say to the Senator from Massachusetts that I am convinced that the committee will get it, because I am thoroughly satisfied that the Acting Housing Expediter wants to do a good job.

Mr. SALTONSTALL. Let me ask the Senator another question. I read the bill yesterday afternoon and tried to understand all its provisions. As I understand—and I should like to be corrected if I am in error—a tenant and a landlord may voluntarily agree to a new lease increasing the amount of rental 15 percent, if it has not already been done in a voluntary lease, and such lease may run until December 31, 1949, or thereafter. It is then provided in the bill that if the lease is canceled prior to that time, the effect of this provision is eliminated and the rent goes back to the former maximum rent. As I understand, the proposed act is to expire on April 30, 1949. Assume that the cancellation took place on June 30, 1949. How could there be any compulsion to go back to the former maximum rent, after the act had ceased to have effect?

Mr. CAIN. There could not possibly be, because upon the termination of the act—and the proposed law is to terminate on April 30, 1949—if we take it for granted that the law expires April 30, 1949, all rules and regulations cease to exist. The Office of Housing Expediter is automatically closed.

Mr. SALTONSTALL. Then what is the meaning of this provision?

Mr. CAIN. Will the Senator refer me to the specific provision which he has in mind?

Mr. SALTONSTALL. I was referring to the provision at the bottom of page 7 and the top of page 8 of the bill. I understood the Senator to say that all the provisions in question would expire on April 30, 1949, because the act would then expire.

Mr. CAIN. Yes.

Mr. SALTONSTALL. My question is this: Is it not misleading to have a provision which states conditions which must go into a lease which runs after April 30, 1949?

Mr. CAIN. I think not, for the simple reason that when a lease is signed, it becomes a legal instrument in itself. It is binding on tenant and landlord after the expiration of the rent-control law which authorized it.

Mr. SALTONSTALL. Then the operation would be entirely by contract?

Mr. CAIN. Yes.

Mr. SALTONSTALL. Assume that on June 30, 1949, the two parties who have made a voluntary lease increasing the rent by 15 percent cancel their lease. Then, under the provisions of the bill, as I read it, there is a compulsion on the landlord as to what he may charge for the property after the lease is broken.

Mr. CAIN. After June 1949.

Mr. SALTONSTALL. That is the date which I am assuming.

Mr. CAIN. I should like to speak with our attorneys about that question, because I am satisfied that the situation is not as the Senator has described it. Under the proposed law we are merely extending the principle and operation of the law of 1947 with reference to the lease privilege. We are saying that if under the new law a tenant and a landlord sign a lease before December 31, 1948, to terminate after December 31, 1949, such lease shall be taken away from the control of the Office of Housing Expediter and the landlord and tenant may agree to a rent increase not in excess of 15 percent of the rental during the base year. But if, after the expiration date of the law, the tenant and the landlord cancel the lease, the property is—and in my opinion properly should be—placed on a free market. If the bill is different from that, that was not our intention. I should like to have the privilege of studying the provision.

Mr. SALTONSTALL. I may read the provision incorrectly, but it seems to me that the rental goes back to the former maximum rate.

Mr. CAIN. We are satisfied that it does not. I should like to have the opportunity of obtaining some further information so that I may speak authoritatively.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CAIN. I yield

Mr. MILLIKIN. Would it now be convenient for the Senator to discuss the criminal penalty which has been proposed? I remind the distinguished Senator that a constituent of mine protests the imposition of criminal penalties, pointing out—I think quite properly and accurately—that the criminal penalty was used as a bludgeon and as an instrument of oppression in many cases during the reign of OPA. An honest man may submit to a dishonest claim in order to avoid the disgrace of criminal procedure. Why would not a civil penalty, together with injunctive relief, suffice for the purposes of the proposed act?

Mr. CAIN. Let me say to the Senator from Colorado that I am delighted that he has brought up this subject, because very frankly, I am not certain about the wisdom of including such a provision. I believe that the reasoning of the committee was something like this: The Housing Expediter asked for the authority to sue for treble damages when a tenant saw fit, for one reason or another, not to do so. We were strongly opposed to giving such power and authority into the hands of a Housing Expediter, whoever he might be. In the first place, we thought that the average tenant was perfectly qualified and intelligent enough to sue for treble damages himself. But in order to provide for better enforcement and protection, the committee leaning over backward, reasoned—if I correctly understand the reasoning of the committee—that it would permit or encourage the Attorney General to bring to trial any violator of any portion of the law, upon the determination by the Attorney General that the representations of facts laid before him by the Housing Administrator were substantially correct. I think that is why it was done.

Mr. MILLIKIN. Regardless of the wisdom of the final decision of the Attorney General as to whether there should be a prosecution, we found by experience during the days of the OPA that the threat of prosecution was sufficient to cause good people to yield to the threat and do things which should not have been required. I am not so much worried about the Attorney General's decision, but I am worried about leaving a power of this kind in the hands of subordinate officials who may use it—and it has been so used—to oppress the citizen. I wonder if those in charge of the bill might not be willing to reconsider that provision and possibly be satisfied with civil remedies, rather than to equip every one who works in this field with a power to oppress inconsistent with our system of government.

Mr. CAIN. Certainly that is the very last thing to which we want to be a party.

Mr. MILLIKIN. Yes.

Mr. CAIN. But I wonder whether the fact that it must be a willful violation changes the Senator's attitude toward this provision of the bill.

Mr. MILLIKIN. It does not change my attitude, because I want the willful violator to suffer for his action. But while convicting for willful violation, there are opportunities for subordinate officials to hold out the threat of a prosecution in hundreds of cases which will never come to the Attorney General and where the element of willful violation is absent. Nevertheless, in such cases the citizen may yield to the threat because he does not wish to be put in disgrace. I know from personal experience that honest people in my own State have submitted to that sort of thing rather than to have their names dragged through the newspapers as being criminals or as being charged with having committed a criminal act. I think it would be most unfortunate to go back to anything of that kind in this field where we are dealing with an extraordinary and debatable remedy.

Mr. CAIN. I wish to be as clear as I can in saying that the Senator and I are in agreement on the positions we are taking. If I understand this provision of the proposed law—and I am somewhat hesitant about it because I am not a lawyer—it is to be left entirely to the Attorney General to determine whether the presentations made to him by the Office of Housing Expediter are legitimate. As I understand the situation—and I may be wrong—neither the Housing Expediter nor any of his agents would carry out any actions based on their recommendation that someone was violating the law, but the Housing Expediter would send a memorandum on the matter to the Attorney General.

But I take it that the Senator from Colorado holds a contrary view.

Mr. MILLIKIN. I repeat, Mr. President, that I am not so much worried about the justice of the decisions of the Attorney General, but I am worried about what precedes those decisions, and I am worried about the power such an arrangement gives to subordinate officials to threaten our citizens with criminal prosecutions.

Mr. CAIN. In this particular instance the Senator from Colorado obviously refers to the Office of Housing Expediter and his agents throughout the country.

Mr. MILLIKIN. Yes; to his agents throughout the country.

Mr. CAIN. And I take it that the Senator's experience is that a particular agent—let us say an agent at Denver, Colo.—might say to a citizen, "Let me tell you that I have reason to think you are considering breaking the law or have broken the law, and we are going to fine you a thousand dollars." Is that what the Senator from Colorado is thinking about?

Mr. MILLIKIN. Yes. Under OPA, that sort of thing was done repeatedly. I am not speaking of any particular agent in the section of the country to which the Senator has referred.

Mr. CAIN. Oh, no; of course the Senator is not.

Mr. MILLIKIN. But I know that sort of thing occurred repeatedly during the reign of the OPA, and it was one of the most offensive features of that reign.

I respectfully suggest that we should be very careful not to reinstate something of that kind at this time.

Mr. CAIN. Despite the fact that the full committee is not now in the Chamber, I know I can speak for the committee in this instance: The committee wished to provide for a reasonable amount of protection under the law. We do not believe in having anyone break a law which is on the statute books, but of course we want to provide against a resumption of certain of the practices to which the Senator from Colorado has referred. Certainly it was our opinion that in this respect we would be using the easier of the two proposed ways, and that in providing that it be done through the Attorney General, we would keep the Office of Housing Expediter from having itself to sue anyone for treble damages at any time, for reasons which might be either manufactured or real.

Mr. MILLIKIN. Mr. President, I make this suggestion most respectfully: Let us assume that when such matters go to the Attorney General, just decisions will be made by him. But the argument is fallacious, I submit, because it does not take account of the coercive pressures which can be brought to bear prior to the time such matters reach the Attorney General.

Mr. CAIN. Would the approach I am about to suggest satisfy the Senator from Colorado? As we understand the situation, in connection with this bill, no action is intended to be taken this afternoon on any matters which happen to be in dispute. I should like to take up this matter again with the other members of our committee, and then we shall rediscuss it on the floor of the Senate on Monday or whenever the bill comes up again for consideration.

Mr. MILLIKIN. Let me urge that that be done. I have great respect for the committee, and I hope the Senator from Washington and his colleagues will not attach themselves to the renaissance of a practice which was so foul and so much

to be condemned when it was operating under the OPA.

Mr. CAIN. We shall be happy to take another look at it.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me?

Mr. CAIN. I yield.

Mr. SALTONSTALL. Let me ask whether the Senator from Washington and his committee would consider in the same spirit in which the Senator from Washington has just considered the suggestions of the Senator from Colorado an amendment on page 8, in lines 5 and 6, whereby the words "named in the lease," at the end of line 5 and at the beginning of line 6, would be stricken cut, and instead the words "of this act" would be inserted, so that the language then would read, "before the expiration date of this act."

I believe such a change would not alter the meaning of the section in any way, but would clarify the point I tried to bring out. Perhaps it is a technical point, but at the same time perhaps the present wording would confuse a person not familiar with the law.

Mr. CAIN. Mr. President, with the permission of the Senator from Massachusetts, I should like to reexamine that sentence, in light of the Senator's contention, so as to see whether both of us can be certain that the purpose of the provision will be carried out and also will be set forth in language which can be adequately understood by everyone. I suggest that we bring up that point also at our next session.

Mr. SALTONSTALL. I thank the Senator.

Mr. CAIN. I thank the Senator from Massachusetts for calling it to my attention.

Mr. President, in the absence of other questions at the moment, I wish the RECORD to show some rather interesting figures which I obtained because of the hearings. If I were sitting as a private citizen considering the subject of rents, I would soon be convinced that the landlords in the United States were one of the biggest types of big business. We do not need to argue for the moment that they are sometimes portrayed as being vicious, and so forth; but certainly under the circumstances I have stated, most persons would soon be convinced that landlords were big business, involving "big money." I did not know, and I do not think the other members of the committee knew, that in the over-all picture the situation may be considered to be quite otherwise. Our research established the fact that in the United States approximately eight and one-half million property owners are in the rental business. Certainly that figure—eight and one-half million—makes the rental business in the United States look like small business. So, Mr. President, I have obtained some figures which I suggest that we examine.

The following figures are taken from a United States Census Bureau survey made in October 1947: The number of non-farm-dwelling units surveyed was 15,300,000. The number of that type in the United States in October 1947, renting for $50 or more a month, was 1,900,000. The number in the United States, at that time, renting for $20 a month or less was 4,160,000. The number of non-farm-dwelling units in the United States renting for from $20 to $40 a month was 9,240,000. Those figures indicate a range of rents in the United States with which most of us on the committee were not previously familiar.

The median rent of all units was $29.33. The median rent of urban units was $31.64. The median rent of rural nonfarm units was $18.62.

Mr. President, some other figures from the Bureau of the Census deserve our consideration. For instance, in 1940 there were 6,763,881 single-family dwelling units in the United States. Of two-unit dwellings there were 3,529,581; of three-unit accommodations, 1,094,000; of four-unit accommodations, 741,461. One- to four-unit dwellings with commercial facilities on the ground floor numbered 632,549, which is to say that the total of units, including one to four units, represented 78.1 percent of the rental industry of the country in 1940, which I think is a way of suggesting that we are primarily concerned in this problem, if on one aspect of the problem greater emphasis must be placed than on another as affecting the small-business man. He is the man for whom a reasonable solution of the problem is sought.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MOORE. I wish to congratulate the Senator from Washington on his presentation of facts, to which I have listened with very great interest. The only thing about which I am puzzled is how the Senator can arrive at the conclusion that there should be rent control at all. The Senator has, in my opinion, presented a very convincing reason for ending it now.

Mr. CAIN. I suggested earlier in my remarks that, after I shall have finished my presentation of the bill on behalf of the Banking and Currency Committee, which it is my responsibility to do, there is an excellent case to be made for ending rent controls today. What I shall never be able to forget is that during the time rent controls have been in effect we have been losing ground every year with reference to the availability of rental units. We have done it for 8 years, though such a thing had never happened before. The assumption is that despite the fact that there are virtues in rent control, there are also great vices, and the time comes sooner or later when the vice eats up the virtue. It was in that sense, I may say to the Senator from Oklahoma, that I was expressing my own deep personal conviction on the basis of the facts as I see them.

Mr. MOORE. I did not understand the Senator to say that he was presenting this matter for any other reason than to advocate the passage of the bill. The point I make is that the Senator's facts as elicited by inquiry are certainly very revealing, and I am only stating that from those facts I have reached the conclusion that there should be no rent control.

Mr. CAIN. That is a very interesting observation and one to which I most certainly do not take exception. As I understand the legislative responsibility, if a particular Senator, together with his conferees, is charged with the activities of a subcommittee in developing legislation on a controversial subject, it is not for him to say that because he does not believe in the legislation he will not become a party to it by serving with those who must accept the responsibility. It is necessary for someone to assume responsibility. Specifically, in the case of rent control, a subcommittee consisting of three Senators from this side of the aisle and two from the other side, took the 1947 law and tried to amend it so as to present an improved 1948 bill. The subcommittee is absolutely convinced that it has succeeded in that attempt, but I feel that, as chairman of the subcommittee, I have a responsibility to the country as well as to that particular subcommittee. Therefore I have presented the bill as best I could and I have stated my belief that it is better than the 1947 law. I think I should be most derelict in my duty if I did not express any doubts that I had any reason whatever to believe should be expressed.

Mr. MOORE. I certainly am not intending to criticize the conclusion of the Senator from Washington in recommending the bill.

Mr. CAIN. I appreciate that.

Mr. MOORE. As I said before, I listened very carefully to all the facts and testimony presented by the Senator. I was especially struck with the statements of the Acting Housing Expediter, which were in the nature of admissions of maladministration. I have, of course, seen many instances of maladministration on the part of bureaus; in fact, I have never seen much of anything except maladministration. I have seen very few bureaus which were ever concerned about the intent of Congress, once the authority had been given to them.

The Senator called the Acting Housing Expediter before the committee, and the Expediter has admitted many instances of maldaministration. He has also apparently shown a complete indifference to the intent of Congress. He has been chastised, and the committee has obtained his promise that he will do better if given further opportunity. I should like to ask the Senator from Washington how much confidence he has in that promise.

Mr. CAIN. I want to say very seriously that I have a great deal of confidence in what the Acting Housing Expediter has said not only to me but to every other member of the committee, at least to all the members who were present, and to every member of the Senate subcommittee. I feel that I am justified in believing what he has said. It seemed to me that our subcommittee was the first responsible body to say to a Housing Expediter, "You did not know, and so we are not going to be too critical of what has happened in the past, but you are now, and you have been, living in the past. You have been pursuing practices which have been part and parcel of Government routine for a long time. You are doing what was the normal practice in recent years, taking an act of Congress and doing with it as you like." All that

the subcommittee said to the Housing Expediter was, "This is 1948, we are moving ahead, we are not moving backward, and we want you and every member of your staff to get on board and comply with the intent of Congress. We are not going to do any more by way of criticizing you because of your dereliction." The dereliction was a staggering thing, although the Expediter was merely following a custom followed by too many in the executive bureaus. I think he will do his very best. Further than that, and by way of paying him a compliment, although I have never mentioned his name in so doing, I am satisfied that if after conference with the Committee on Banking and Currency with reference to the bill, when it is passed, if it shall be passed, if he says, "Yes, I understand it, and I can administer it the way the Congress wants it administered," I am satisfied that, if he later finds he cannot administer it in that way, he will resign.

Mr. MOORE. I hope the Senator will not be disillusioned in his confidence in the Housing Expediter.

Mr. CAIN. One must take a chance, and I think my belief is fully justified.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. CAIN. I yield.

Mr. HOLLAND. I wish to join other Senators in expressing appreciation of the courtesy exhibited by the distinguished junior Senator from Washington during his very thorough argument on the pending measure. I wish to advert, if I may, to that portion of the bill appearing in lines 8 to 14, page 6, which was referred to by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] in his question awhile ago.

I desire to ask the Senator if, in his opinion, it is not true that the placing in that particular part of the bill of the words "making such adjustments in such maximum rents as may be necessary to prevent any person from suffering a loss in the operation of any controlled housing accommodations" would mean that the sole ground for adjustment of rents because of the financial question would be only that, and that the effect of including that provision would be simply to put the committee and the Congress on record, if the bill shall be passed, of forever doing away with any profit motive in connection with the operation of rental property, at least through the period of the operation of the extension law?

Mr. CAIN. My only answer at the moment is that certainly that is not and was not our intention in framing this provision. The subcommittee worked at some length with the Acting Housing Expediter in an effort to work out a formula which would guarantee a fair return on investment, just as in the case of construction under Federal auspices a return of 6½ percent on investment was permitted. We were not in any agreement on a formula of that character. This was our compromise. With full knowledge of what the committee had in mind, the Expediter has given evidence of his willingness not only to see that a man shall not lose money on his investment, but to permit him, in the absence of a formula, to receive a reasonable return on his investment. There will be certain differences of opinion, obviously, between the landlords and the Expediter, but we do not consider the provision to be as restrictive as does the Senator.

Mr. HOLLAND. If the Senator will permit me to make this brief remark, it would be my humble opinion, from a careful study of the wording of the bill, that the result of the inclusion of those words would be to preclude the consideration of any reasonable profit or any money return above that return which will guarantee against suffering a loss, and to confine adjustments to seeing that a landlord does not suffer a loss. In other words, it would confine the meaning of the removal of hardships or the correcting of other inequities to other than financial matters and other than those having to do with the adequacy of return.

I do not believe it was the intention of the committee or of the able chairman to put himself or the committee, much less to suggest that the Senate or the Congress be so placed, into the position in which I am sure they would be placed by the passage of the bill with its present wording, of frowning irrevocably upon the continuance of any profit motive in the field of controlled renting through the operation of the law.

Mr. CAIN. I may respond by saying I am very grateful that the Senator has brought that possibility to our attention. We shall certainly reconcile the committee's thinking with the Senator's feeling before we ask for any action, because the last thing we want to do is to preclude a reasonable return on a man's investment in the field of housing or in any other field.

Mr. HOLLAND. I am glad that the chairman of the committee has that feeling. I am not surprised, because I did not think that he intended such an interpretation of the wording.

Will the Senator yield for another question?

Mr. CAIN. Certainly.

Mr. HOLLAND. It seems to me that the distinguished Senator made a very fine case for the committee bill in the first 2 hours of his presentation. It was a very able presentation. Then he proceeded meticulously to demolish that case in the last hour of his presentation. I thought he did as good a job in demolishing it as he had done in erecting it in the first 2 hours of his presentation. I think it is the Senator's privilege to speak his own views on the subject, but I am wondering if it had occurred to the distinguished Senator that in the light of the recent decision of the United States Supreme Court several days ago the only ground, as I read the decision, upon which the extension of rent controls can be legally justified is the continuance of wartime conditions, whereas, as I understood the distinguished Senator in the last hour of his address, he made the statement not once but several times that there was no continuance of wartime conditions and that the war was over, thereby negativing the recitals on page 2, lines 21 and 22, of the bill, in which, very properly, as a peg on which to hang the proposed law, it is stated that—

> Such restrictions are necessary in the interest of national security and necessary to the successful completion of the war.

Do I correctly understand from the presentation of the Senator that he does not believe there is any soundness to those recitals which I have just read, and that there is nothing to the recitals that it is necessary to the successful completion of the war and in the interest of national security that rent control be extended?

Mr. CAIN. I think there is no doubt that the Supreme Court has recently said there is legal ground for continuing rent controls. I certainly would not want to be misunderstood to be taking exception to a declaration by the Supreme Court. I think that where I have unintentionally misled the Senator was in giving my own personal conviction, which was not a legal approach to the problem, that much of what we refer to as being a war condition is not so any longer. That is my opinion. It has nothing to do in itself with the Supreme Court's decision. I do not happen to know, may I suggest to my very warm friend, the Senator from Florida, whether he was present at the time I said my responsibility was to work for the passage of the very best possible bill if we are to have a rent law. I maintain that position. I shall work very hard to that end. But I feel impelled to cast some reflection, doubt, and uncertainty on the wisdom of the whole subject of rent control in America.

Mr. HOLLAND. I honor the Senator, I appreciate his frankness, and I hope he will read the RECORD with this in mind, that everything he has said has become a part of the legislative record in the consideration of this bill, and I fear that as the official sponsor of the bill he has probably very successfully removed, in the last hour of his very able address, the very slender foundations upon which the bill might be legally predicated. I hope he will check his remarks with that in view, because I know, after reading the court's decision, of no other basis upon which it can be predicated as the legal extension of a war-control measure except upon the continued existence of war conditions and the necessity for the law in the successful completion of the war, as recited most ably by the Senator and his colleagues in the portion of the bill which I have quoted. In other words, I fear that the Senator, in his desire to express frankly to his colleagues his own personal opinions, has completely demolished the only foundation upon which the bill might have been imposed. I simply wish respectfully to call that matter to his attention.

Mr. CAIN. I am grateful that the Senator has raised the question. I shall make it very plain that there was certainly no intention on the part of the junior Senator from Washington, in speaking about the bill, to cast any possible doubt as to its future constitutionality. We took particular steps, I may suggest to the junior Senator from Florida, to improve its constitutional position. So far as I am concerned, if I understand the Senator's contention, by

no means am I looking for any remote way in which to cast doubt on the bill in a legal sense, and whatever is necessary to make that clear in the RECORD, either this afternoon or on a following day, the Senator may rest assured I shall present.

Mr. HOLLAND. I thank the Senator.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CAIN. I yield to the Senator from Utah.

Mr. WATKINS. I should like to ask the Senator a question in connection with the one just propounded by the Senator from Florida. As I understand the remarks the Senator made with reference to the war having ended, and there being no justification, as a matter of fact for continuance of rent control, was that his own conclusion, or the conclusion of the committee as well, with respect to the facts?

Mr. CAIN. With reference to the latter part of my remarks, from the time I concluded explaining and justifying and defining the bill, what I said belongs particularly and solely to me, and I thought I made that rather clear.

Mr. WATKINS. Did the committee receive evidence which would justify the conclusion the Senator stated—that the situation no longer exists which called for the Rent Control Act in the beginning?

Mr. CAIN. I could not answer that question, for the simple reason that the subcommittee, and then the full committee, voted for a bill. But I could draw from the evidence submitted, as an individual, a defense, from my point of view, for every comment I made this afternoon in the latter part of my presentation.

Mr. WATKINS. Would the Senator consider that the preponderance of the evidence at least justified the position he took when he stated the fact to be that conditions were not such as to justify rent control?

Mr. CAIN. If the decision were to lie—and perhaps it does—between continuing rent controls in approximately the form provided in the last bill, in 1947, and prior to that time, and abolishing rent controls, and if the Senator is speaking to me now as an individual Senator, I say the conditions in this country as I see them justify giving serious consideration to eliminating rent controls, because I think primarily the record shows that rent controls per se have added to an artificial shortage of housing space any way one looks at it, and no one has yet talked his way around that.

Mr. WATKINS. Was testimony presented to show that in certain sections of the United States where rent controls were in force there was not a shortage of houses?

Mr. CAIN. Oh, yes.

Mr. WATKINS. And that there was no justification for further rent control?

Mr. CAIN. I remember one example in the hearings, perhaps 3 weeks ago, or approximately that time. I have forgotten the exact figures, but in a general way they showed this situation: A city known as Bremerton, Wash., had a population in 1940 of from 12,000 to 15,000. As a result of the war, because Bremerton was a naval repair base, the population rose to between 80,000 and 90,000. Rent controls were imposed in 1941 or 1942 and are still in force. But in the past 2 years 50,000 people have moved out of Bremerton and gone elsewhere. The presentation was made before our committee by an ex-mayor of Bremerton, who is now a Member of the House of Representatives, and who came before our committee and said, "Why should we continue rent control?" On a basis of logic and reason, we said, "Let us ask the Housing Expediter." We asked him if he would not look into the matter. He replied that of course he would. I raised the question with him yesterday when the Committee on Banking and Currency was talking about the bill with the Acting Housing Expediter. He said, "A survey is being made, and we hope to be able very soon to answer your question." That was one instance.

Let us turn now to the city of Chicago, which presented a very interesting case, which was discussed by an engineer almost with a slide rule. As I recall, his story went something like this: In 1940 there were 40,000 vacant units of rental housing in Chicago. Unlike most American large cities, Chicago did not either benefit or suffer during the war from an enlarged population. The record indicates that there are about 23,000 more white people in Chicago today than there were in 1940. There were in the neighborhood of 73,000 more housing units built in that period—73,000 more housing units constructed, 23,000 additional people; 40,000 vacancies in 1940, and in 1948 a desperate housing shortage. Again on the basis of the facts, there is much more housing in Chicago than there was 8 years ago, when there was no housing shortage, and there are relatively fewer people, yet there is a housing shortage now, and there was not in 1940.

Mr. WATKINS. How does the bill attempt to remedy such a situation? What are the effective measures?

Mr. CAIN. The effective measure is the approach the bill makes. For example, the Housing Expediter can decontrol on his own decision a defense-rental area, or a portion of that area, or any class of housing within the area or within a portion of the area, and so far as local rent control boards in any area in America are concerned, the bill provides that they make the same recommendations.

The subcommittee had proposed a formula to the full committee, which merely provided that when there was a vacancy of 1 percent of ordinary habitable houses for rent and for sale, there would appear to be no housing shortage. The only justification the committee or the Congress has ever had for rent control is that there was a housing shortage.

The suggestion was made that the Bureau of the Census should make a census of housing, because evidently the Housing Expediter had not done so—he had no figures to present to us—and when there was not a shortage in an area surveyed by the Census, automatically decontrol should take place.

The committee thought it not wise to accept the formula recommended by the subcommittee, because the committee was not certain whether 1 percent was the proper figure. What the committee actually did, after a good deal of discussion—every member of the committee agreeing with the principle—was to vote to have 2½ percent substituted for the 1 percent vacancy rate.

I should like to point out to the Senator from Utah that when I said a 1-percent vacancy rate leading to decontrol, I meant 1 percent of ordinary habitable houses, which excludes from consideration trailer camps, boarding houses, and rooming houses. So it is not 1 percent of the actual total vacancies; it is nearer 4 or 5 percent.

But to answer the question, that formula was rejected by the committee, and the entire discretion with reference to decontrol lies in the local board, on the one hand, and the Housing Expediter, on the other.

Mr. WATKINS. That is where it has been all the time.

Mr. CAIN. Yes; and I tried to point out, as plainly as I could in the presentation this afternoon, why the power which has previously been there has not properly been used.

Mr. WATKINS. What is the guaranty that it will be so in the future?

Mr. CAIN. There simply is no guaranty.

Mr. WATKINS. Did the committee consider writing into the bill sufficient instructions in such a way that they could not be ignored?

Mr. CAIN. The committee went as far as it thought it could go in that connection in a bill which is going to rely upon the effectiveness of local control boards throughout the country, and on a national housing expediter, with a staff of presumably qualified and competent men situated in approximately 600 different locations throughout America. The Acting Housing Expediter has admitted in a score of different ways that he and his staff have not been adequately conscious of the fact that the Congress said plainly in the law of 1947, "Every time there is an opportunity to decontrol anything, decontrol it." The housing problem of the country will never be solved without decontrol. What has happened? Many areas in the country have actually been decontrolled in the last couple of years by the Office of the Housing Expediter, but that is more impressive on paper than it is in fact. When we take a look at the decontrolled areas, it will be found that, in fact, they cover only about 300,000 people. Under the present law today, there are 14,000,000 controlled housing units in America. It simply does not stand to reason that throughout the country there is a continuing need for rent control. The law merely charges the Expediter and the local boards with doing a much better job of research than they have done heretofore.

Let me refer to the matter of expressions of opinion. A national agent, known as the Housing Expediter, was willing to take opinions, over the signatures of the chairmen of local rent-control boards something to this effect: "We think that rent controls are justified in towns X, Y, and Z for the present and for as far into the future as we can

see." The Housing Expediter has taken such statements of opinion as fact. He has filed them. Then he has come before our committee as a competent witness and said, "Look, 358 American communities want to continue rent control." I asked him, "In what manner do you figure that to be so?" He replied, "I have here expressions of opinion to that effect." The members of the committee naturally asked, "What are the expressions of opinion?" We have not received an answer as yet to the question. In most instances those expressions of opinion were not worth the paper on which they were written.

Mr. WATKINS. May I make one further inquiry? Did the committee go into the matter of the formation of local boards, as to whether or not the governors of the various States were cooperating in naming such boards, so that the landlords who had hardship cases to present could obtain some relief, or at least be given a hearing?

Mr. CAIN. On the basis of the evidence we received, both from within the office of the Housing Expediter and from outside sources we were able to conclude that roughly 80 percent of the boards now operating in America are qualified and prepared to do a constructive and competent job. There is only one State in the Union in which, for reasons not known to us presently, no nominations were made by the governor of the State. The charge was made in some instances that a board was too largely representative of landlord interest, and that other boards were too heavily weighted with tenant representatives. But by and large the boards, if encouraged and stimulated from the national level, will, in the opinion of the committee, do an excellent job, and a much better one in the future than they have been able to do in the face of uncertainty in the past.

Mr. WATKINS. I may observe that in the State of Utah, and particularly in one of the larger counties, only in recent weeks has the Governor appointed a board, as required by the act. The landlords there have been wholly unable to obtain any relief whatsoever, although the rentals which were fixed there were fixed on a depression level. I refer to the town of Provo, Utah, adjacent to the large Geneva steel plant development in that area.

Mr. CAIN. I do not think there is any doubt that there are similar instances. The Senator has given one instance. It is a pity that no board has been established in that area. An injustice has been done to the landlords, and the law itself has been violated.

Mr. WATKINS. I am not making these observations simply to make talk or conversation. I ask the Senator from Washington if the committee has put any teeth in the bill to require governors or others to provide boards?

Mr. CAIN. Yes.

Mr. WATKINS. Does the bill provide for making it mandatory that such boards be appointed?

Mr. CAIN. Yes.

Mr. WATKINS. And also that landlords be given some representation?

Mr. CAIN. There are two provisions in the bill which would cover the dilemma suggested by the Senator.

Mr. WATKINS. I should be glad to have the Senator point them out to me.

Mr. CAIN. The first is that the Housing Expediter shall notify the governor of the need that he either appoint new members or reappoint old members, as the case may be, and if there has been no response from the governor within 30 days, the Housing Expediter is given authority, under the bill which he did not have under the 1947 law, himself directly to appoint the boards.

Mr. WATKINS. So, as I understand, the Expediter can himself in such a case, appoint members of the board?

Mr. CAIN. Yes.

Mr. WATKINS. But if the Expediter is not in sympathy with granting relief in hardship cases, what will happen to those who are suffering hardship? How are they going to obtain any relief? Assume the governor will not appoint a board, and then the matter is left, by the provisions of the bill, to the Expediter.

Mr. CAIN. If we have in this country such a situation as the Senator has spoken of, where a responsible local official, namely, the governor of a State, and responsible Federal officials, namely, the Housing Expediter and his staff, are not willing to cooperate among themselves and with the people in granting justice and fair play, we had better get rid of the theory of the law which we are now advancing and which the Congress adopted last year. On the basis of the Senator's assumption I would not know of any way to turn if the people of the country will not cooperate in the doing of a job which needs to be done. If we have a bad governor and a bad Federal Government, we have no government left anyway.

Mr. WATKINS. Would it not be wise to provide in the bill that action shall be made mandatory upon the governor or upon the Federal Housing Expediter, rather than permissive?

Mr. CAIN. The Senator may be correct in that. But to what extent could Congress in an act make it mandatory upon a governor to do a certain thing?

Mr. WATKINS. Not on the governor, but Congress can make it mandatory that the Expediter do a certain thing. I have not examined the measure closely enough to know exactly what it provides. It may be the bill contains a mandatory provision. If it does not, I think a mandatory provision should be placed in it. I point out that I think it should be mandatory that the governor give the home owners and those who rent dwellings representation on such a board.

Mr. CAIN. We have given as much encouragement to make representative appointments as we can from the Federal level. On page 9, beginning in line 24, the following language appears:

(e) (1) The Rent Administrator is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Rent Administrator, from recommendations made by the respective governors: *Provided*, That in any case where the governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948), from the Rent Administrator, the Rent Administrator may, without such recommendations, appoint the original members of such boards or such members as may be required to fill vacancies.

We used the word "may" instead of "must."

Mr. WATKINS. That is permissive only. Why should it not be mandatory? Why should not the provision be that the Expediter must appoint, if the governor has not done his duty?

Mr. CAIN. There was a very good reason for our not having done so, because of our assumption that there would be no repetition of a case in which a governor did not cooperate.

Mr. WATKINS. I have already called the Senator's attention to a case in which the governor did not cooperate until within the last few weeks. If that has happened once, it can happen again.

Mr. CAIN. Speaking only for the members of the committee, I would say we would not be in opposition to such an amendment.

Mr. WATKINS. I should like to make an observation in connection with the questions asked by the Senator from Florida [Mr. HOLLAND] of the Senator from Washington, and the assurance by the Senator from Washington that the Expediter and his staff are going to obey the law from now on. The committee is relying, as I understand, on their present assurance that they will obey the law now that its provisions have been called to their attention. I did not understand from what the Senator said that they did not know what the law was before. The Senator did not mean that, did he?

Mr. CAIN. What I meant was simply this: After the law of 1947 was passed the Housing Expediter and his staff understood the law all right from their point of view. By regulation and administrative edict they said, "This is what the law of 1947 means." It was months later before those of us in the Banking and Currency Committee charged with this work discovered that the Housing Expediter's interpretations were far different from what we conceived to be the intent of Congress.

Our best offset to that argument is that the Banking and Currency Committee wants to try an experiment. I, for one, think it is an excellent trend to establish. We do not yet know what the final law will have in it; but the Committee on Banking and Currency of the Senate, through some of its representatives, will sit down with the Housing Expediter and his staff, with a reporter, and they will go over the legislation line by line to determine conclusively that the Housing Expediter, who is to administer the law, understands how the body which initiated the law wants it administered. That is the only conceivable answer we have to the futility of the past, but we think the plan will work. Certainly it is deserving of a trial.

Mr. WATKINS. I cannot conceive of any greater pledge given by any of those men than their oath of office when they raised their right hands and swore to uphold the laws of the United States, which in this particular case, involving the Housing Expediter, is this very law. I do not think we are getting any greater assurance out of him that he is going to do better in the future than he has done in the past. It seems to me that the legislation should contain such language that there could be no doubt about its meaning, directing the Expediter and all other representatives of the Federal Government in such a way that they must comply or be removed from office.

We must bear in mind that there have been many hardship cases among landlords who have maintained rental properties. They have now lost a year because this man did not understand the law or did not want to enforce it.

I very much appreciate what the Senator has done today. He has given a wonderful explanation of the bill and the background for it. He has told us what the committee was trying to accomplish by the bill. After he had concluded I was almost convinced that there should be no rent control. I came here with a rather open mind. The remarks which have been made reinforce that conviction. That is the net effect of the bill so far as I see it.

I should like to ask one further question of the Senator. What is the justification for excluding hotels, motor courts, rooming houses, and similar types of rental properties, and retaining under control homes and apartments which are rented by literally hundreds of thousands of citizens in modest circumstances who depend upon their rentals for a living? What is the justification for excluding other types of rental property from rent control, and retaining homes and apartments under control?

Mr. CAIN. In the past the assumption has been that there was no longer a shortage in the types of facilities to which the Senator refers, and that for that reason they should be decontrolled. However, there continues to be a shortage of housing rental units, which are becoming less numerous every year. Since 1941, approximately 4,000,000 houses which were formerly rented have been sold and taken off the market.

Mr. WATKINS. Does the Senator mean that the shortage is actually feeding the shortage, and creating a greater shortage?

Mr. CAIN. All I can suggest is that the record be examined. There are 25 or 30 percent fewer houses for rent in America today than there were in 1940.

Mr. WATKINS. All we need to do is to continue this program for a few more years, and at the rate we are going we shall not have any.

Mr. CAIN. The Congress and the administration have said that they wanted to continue rent control. We have before us for consideration a pretty good rent-control law, in my opinion. However, we are confronted with some of the questions raised by the Senator, not on the basis of rumor, but of fact. Where have these rental units gone? With such a great reduction in 8 years of the number of available units, where will we be 5 years from now?

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. HOLLAND. The Senator has been most courteous and candid, and I am grateful to him. I do not wish to offend in any way. At the same time I confess that after the colloquy which the Senator has had with the Senator from Utah, I am even more puzzled than I was before as to what is the conclusion of the Senator, who is chairman of the subcommittee, and who is handling the bill. If it does not offend, therefore, I should like to address this question to the Senator: Is it the Senator's conclusion, based upon his own sound judgment—and I have found his judgment to be sound—that the case made at the hearings justifies the extension of rent control, as embraced in this particular bill? Or, to the contrary, does the Senator oppose this particular bill?

Mr. CAIN. I hope I can give the Senator an answer which is very clear. Obviously, I happen to be in an awkward and dual capacity. From the hearings, a part of which I think every Senator has before him, the subcommittee decided that because of a continuing doubt as to whether the time had come to decontrol flatly, it was willing to recommend a 1948 law which was, if I may use the term, considerably more liberal in approach than the bill which was finally reported by the full committee.

The members of the subcommittee were not trying to be obstructionists. Among the membership of the subcommittee there were men with varying views concerning this subject. The subcommittee was willing to recommend such a law because responsible Members of the Congress and the President of the United States had said—and they have said repeatedly—"We must have continuing rent controls."

The subcommittee was charged with writing a rent-control bill. Its first objective was to write a better law—not technically, but a better law because of improved circumstances—than the law of 1947.

The subcommittee presented its views to the full committee, and did not complain over some of the deletions which were made from the bill, because those things can be discussed in a free body such as this. The full committee was more certain about the need for continuing control.

Further in answer to the Senator's question, depending upon how one wishes to look at the question, it is possible to cite chapter and verse from the hearings and build the finest possible case for immediate decontrol of rents. From the same text, because of the variety of witnesses, one can build an excellent case for the continuance of controls, not only for 14 months, as we have recommended, but for 6, 7, or 10 years.

Further answering the Senator's question, I do not feel that I am being disloyal to my committee. I am thoroughly conversant with the reasons why it recommended this bill. I think the law should be liberalized. If permitted to do so, I shall endeavor to be sympathetic to amendments to make the new law more liberal than the present law. I expect to vote for the bill, because it was my task to bring it before the Senate and fight for it. But I think the questions I have raised about the effect of rent control on the construction of rental units have not thus far been raised by others; and I do not want to be a party to having the Senate rapidly and casually pass a rent-control law, without looking at it from all sides as thoroughly and as critically as we can.

I have already raised in the minds of Senators questions in regard to where we in America are headed in this respect. If we pass such a law, I want to consider where it will take us. It has taken other countries in very unfortunate directions, with very bad results from which they have never recovered. I have tried as best I could to study the French experience, for instance. In France, rent controls were established 33 years ago. At that time the declaration was made by a responsible French Government official that they would remove rent controls as soon as the supply equaled the demand. However, today, 33 years later, they still do not have a sufficient supply. That is because in France the people, whatever their income may be, are buying a product—housing—at prices comparable to the prices 33 years ago. Today the people of the United States are buying housing at prices which, generally speaking, are the equivalent of twice the prices in 1941. Why should not people buy twice the housing for what they used to be able to afford, inasmuch as they are buying at so greatly inflated prices?

Mr. President, if we are going to pass such a bill and if the Congress likes the theory of the 1947 act, then I suggest, without fear of successful contradiction, that Senate bill 2182 is a better instrument in every way, shape, and form than was the Housing and Rent Act of 1947, and I also suggest that we have found ways and means of administering it more effectively. We are satisfied that this measure will bring greater justice and fair play to more people.

Then we come to the question, Do we want any law on this subject? We read in the newspapers that very responsible people almost everywhere say, "We must have rent controls." But, Mr. President, they do not say why. So I thought it timely to say, "Let us slow up a little and take a look at the facts of the case." I do not consider that action on my part to be an act of treason to the committee, for which I have the highest regard.

Mr. HOLLAND. Mr. President, I thank the Senator; and I shall not renew my question.

Mr. CAIN. Mr. President, it is my understanding that we are not to take action today on the amendments.

The PRESIDING OFFICER. The Chair so understands.

Mr. CAIN. For that reason, inasmuch as I have concluded the presentation I wish to make, and inasmuch as I have also responded to all questions which Senators wished to ask, I feel quite ready to yield the floor.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. CAIN. I do.

FOREST CONSERVATION AND DEVELOPMENT

Mr. KILGORE. Mr. President, in this period of high national income we are too inclined to think of the wealth of the Nation in terms of dollars. Too frequently we overlook the fact that the real wealth of this country is in its resources. Too frequently we think of the dollar as the basis of our national wealth, rather than as the basic unit of our rate of exchange. We should clearly recognize that the dollar will be of little value if we waste our real wealth—our natural resources.

In his economic report to Congress last month, President Truman stressed the need for conserving our great natural wealth. He said:

> Development of natural resources in land, water power, minerals, and forests requires that we make up as soon as possible for the lapses in many of these efforts during the pressures of war and postwar reconversion. Wise conservation and development efforts are now all the more needed because in many respects these resources were subjected to excessive drains to supply wartime production.

The Secretary of the Interior has wisely pointed out on many occasions that we do not have an unlimited reservoir of two of the most valuable of the natural resources—oil and gas. This is also true in the case of our forests, another of our major resources.

I wish to point out to my colleagues the urgent need to expand our forestry program. The same is true with respect to many other of our natural resources.

Fortunately, we have a tremendous reserve of coal; but, as I shall point out at a later date, we are only beginning to realize the full value of this coal. Today we have a fuel shortage in many sections of our Nation, even though production is at an all-time peak. This high rate of production must of necessity further deplete our known reserves of oil and gas.

The only immediate answer to the present shortage is wise use of existing supplies. The long-range answer lies in the development of liquid and gaseous fuels from coal and oil shale. Much valuable work has been done in this field in the past, but, unfortunately, it has been too limited in nature because of inadequate congressional appropriations.

I think the Congress should applaud the vigor with which the Department of the Interior is tackling this tremendously important matter. This Department is moving rapidly to expand the synthetic-fuel development work.

Mr. President, in this connection I wish to say that I think all of us give too little credit to the technical experts of the Government agencies. We fail to give proper recognition to these valuable Government scientists who have contributed so much toward the development of our Nation. I am strongly in favor of congressional recognition for these scientists and their solid contributions to our national welfare. They deserve our praise. It has been long overdue.

Dr. W. C. Schroeder, Chief of the Synthetic Fuels Division of the Bureau of Mines, and his staff deserve high praise for the development and expansion of our synthetic-fuels program which will be of tremendous benefit to our Nation. There is much work ahead in that field. The same is true in other fields, and the time has come to make a supreme effort to fully utilize our natural resources for the benefit of all our people.

Mr. President, the real wealth of this country is in its resources.

I wish to invite the attention of my colleagues to the urgent need to expand our work in the field of forestry—one of our basic resources. If we build up our forest resources and see to it that they are given good management, we shall create new wealth. If we neglect our forests, it will cost us far more in the end.

We can make no sounder investment than to pay heed to the warnings of our Forest Service. The facts are clear: We are still taking from our forests more saw timber than is being replaced by growth. We are not providing adequate means for developing our forest and range watersheds. The watershed situation is apparently getting worse each year, along with the decline of our timber. This means not only a decreased timber supply, at a time when lumber and paper and pulp are in increased demand, but also decreased livestock production, at a time when the need is greatest.

My own State of West Virginia provides a typical case study of the forestry situation in our country today. Two-thirds of all West Virginia is forest land. There are nearly 10,000,000 acres of forest, as compared with less than 4,000,000 acres of cropland in farms. That means, of course, that the forests are of very great importance to West Virginia.

Lumbering was one of the earliest industries in our State, and it is still a big industry. In recent years, West Virginia has led all other States in production of hardwoods. Its forests support more than 1,500 sawmills, several pulp and paper plants, and a great many other woodworking industries. The value of the primary forest crop in 1946 was over $40,000,000; the value of finished wood products and the labor returns from the forests were probably well over $200,000,000.

So it is quite evident that the future welfare and prosperity of West Virginia are bound up in no small measure with her forests. Certainly, our State cannot achieve its full measure of progress if it neglects to maintain the productive values on two-thirds of all its land.

As I said a minute ago, two-thirds of all West Virginia is forest land. What is the condition of those forests today? The virgin timber is all but gone. Second-growth timber must be the present and future supply. According to the reappraisal just recently completed by the United States Forest Service, only 43 percent of our forest land now has second-growth of saw-timber size.

I cannot find much cause for pride in the fact that although West Virginia has something over 2 percent of all the forest land in the United States, it has only about one-half of 1 percent of the remaining saw timber. I regret to say that our saw-timber trees are being removed faster than they are growing. The growth rate is reckoned at about 449,000,000 board feet a year, while about 891,000,000 board feet is being cut.

Here is the serious side of the timber situation in West Virginia: Trees of saw-timber size are being cut almost twice as fast as they are being grown, and much of the new growth each year is in small trees and the less valuable kinds of trees, while the heaviest inroads are being made in the choicest saw-timber trees. Sustained crops of valuable trees cannot be provided with that kind of system.

All of these things plainly indicate that it is time to sit up and take notice of what is happening to our forestry heritage. We do not want to have to reduce our yearly harvest of timber any more than necessary. Thus, the obvious thing to to do is to increase the growth.

West Virginia can grow fine timber. Foresters tell me that a great deal of our forest land could, with good management, grow two or three times as much timber as it is producing now.

I am describing these things in West Virginia not only because it is my home State, and these things are therefore of particular concern to me, but because the forest situation in West Virginia is more or less representative of many other States. What I am saying about my State applies in considerable degree to the country as a whole.

FOREST-FIRE CONTROL

There is, of course, a positive side to the picture. All of West Virginia's forest lands are receiving organized protection from fire. West Virginia is classed as one of the more progressive States in the field of forest-fire control. For the fiscal year 1947, the State budgeted a total of $484,044 for the protection of State and privately owned woodlands from fire. The Federal Government, through appropriations under the Clarke-McNary law, furnished $193,329 of this amount. This total budget was the largest ever made available for forest-fire control in West Virginia.

From 1942 to 1946, the acreage of woodland burned in West Virginia was more than cut in half. But there was still a total of 115,000 acres burned over in 1946. This is due at least in part to the fact that the funds available to accomplish the forest-fire protection job are spread pretty thin in many portions of the State.

To get on top of this fire-protection job, we need everybody's cooperation in preventing fires caused by carelessness. We need strict State laws and adequate law enforcement to stop forest fires that are willfully or maliciously set. And we need to intensify protection on all areas by making available funds to provide additional equipment and manpower. Wholehearted cooperation from all our conservation-minded citizens plus strict enforcement of fire laws will go a long way toward reducing the present-day heavy fire losses.

West Virginia has a great asset in the Monongahela National Forest. We are justly proud of the fact that this was one of the earliest national forests established under the Weeks law of 1911, which authorized Federal purchase of lands for public-forest purposes. Much of the area purchased was badly depleted by wasteful logging and fire at

the time it was acquired. Under Government protection and management it is coming back with fine timber growth, and yielding steadily increasing crops of timber.

The national forest has complete fire protection, and the timber is managed for sustained yields.

WATERSHED, WILDLIFE PROTECTION

The Monongahela National Forest protects part of the headwaters of the Potomac River and of several streams draining into the Ohio, and watershed protection was one of the primary purposes for its establishment. The wildlife population of the forest has been built up; the latest Forest Service game census showed a total of 14,000 whitetail deer.

The area has some of the East's outstanding scenic attractions, and the Forest Service is developing its road system and recreation facilities. To date, the Forest Service has spent nearly $6,000,000 for road and trail construction or betterment in the forest. I can heartily recommend a visit to the Monongahela National Forest in the spring when the laurel and flame azalea are in bloom; in the summer when its cool green hills and clear streams offer pleasant relief from the heat of the cities, or in the fall months when autumn paints the leaves with vivid colors.

Several counties share in the returns from sale of national forest timber and other forest receipts. The law provides that 25 percent of all national-forest receipts shall be turned over to the States for distribution to the counties in which the forests are located, for road and school funds. Last year the counties received a total of $27,765 from national-forest receipts. There are several thousand acres of non-Government land within the designated boundaries that eventually should be purchased to complete the development of the Monongahela National Forest.

In studying the forestry situation, we must recognize that Federal and State forests represent only about 10 percent of the total forest area of West Virginia. Ninety percent of the forest lands are in private ownership. So the bulk of our timber supply must be produced by private owners. Most of our forest land is in small ownerships, with tracts averaging 81 acres in size per owner. Nearly 3,000,000 acres are owned by farmers with farm woodlands averaging 42 acres.

A recent survey of timber-cutting practices showed that only 3 percent of all timber cutting on private forest lands in West Virginia is good enough to leave the stands in condition for adequate future growth of the right kinds of timber. On 17 percent of the private woodlands, cutting practices were classed as fair—good enough only to maintain some growing stock of commercial timber. But on 80 percent, present cutting is poor to destructive, leaving the land with little or no means for quickly growing new crops of timber. Much of this land is left without any timber values whatever. Certainly, our future cutting practices must certainly average much better than this if the timber-growing stock is to be built up and kept up to maintain our State's forest industries.

GOOD FOREST MANAGEMENT

The United States Forest Service is cooperating with the State of West Virginia in an excellent program to encourage good forest management on farm woodlands and other small private woodlands. This is the farm woodland management and marketing program authorized by the Norris-Doxey law. There are now six Norris-Doxey farm foresters in West Virginia, located at Summersville, Harrisville, Elkins, Weston, New Martinsville, and Lewisburg. Last year these six farm foresters advised and assisted 504 farmers in carrying out improved management practices on 36,472 acres of woodland. These farmers harvested over 65,000,000 board feet of woodland products, with a return of $277,399. The cost of this program was paid with $14,337 of State funds and $11,801 of Federal funds. For every dollar of Federal Norris-Doxey funds spent to provide assistance in timber growing, good cutting practice, and proper selling, the woodland owner received $24. Each of the woodlands involved was improved, and management plans were set up to produce continuous crops of trees for future harvest. In addition, the local communities benefited through increased employment and income.

But six farm foresters are not nearly enough to do the job needed. These 6 men are trying to cover 17 counties. In all of West Virginia there are nearly 90,000 separate owners of forest land. It is estimated that to even begin to handle the job of expert assistance in woodland management that should be done, at least 12 additional Norris-Doxey farm foresters are needed.

It is most important that we put the forest lands of our State to work producing at full capacity. But even such a great and enterprising State as West Virginia will not be able to supply all the timber needs of the country. The forest conditions I have described in my home State can be found in varying degree throughout the United States. Nation-wide, we are cutting timber faster than we are growing it. We are paying scarcity prices for products that we could grow in abundance. We are carrying millions of acres of stripped and denuded land largely as dead weight when it should be paying its way growing good timber.

Our States are interdependent in timber supply. West Virginia's forests are largely hardwood forests; we must depend on other regions for softwood construction lumber. We need the white-paper products of the North, the pine lumber and the kraft papers of the South, and the high-quality timber of the West. The Plains States need the products of the forest States.

The forests are important not only for timber but for watershed protection. If West Virginia's forests are poorly handled, it can increase the danger of floods in the Ohio valley. If they are well handled it can reduce flood danger. There are watershed problems in many parts of the country and they are not defined by State boundaries.

The Federal Government must carry a big share of the load in forest reconstruction. The job is too big for the State alone. It is Nation-wide in scope. I want to see prompt action taken on an adequate scale.

FUTURE FORESTRY NEEDS

Specifically, we need, first of all, increased appropriations for cooperative forest-fire protection so that the Federal Government will come nearer to carrying its fair share of the load in this program. At present, 27 percent of our State and privately owned forest land is still without any form of organized protection against fire. This means that 120,000,000 acres of forest land in our country cannot contribute their maximum in benefits so long as they are inadequately protected against fire.

We need a great deal of expansion of the work of giving expert assistance to woodland owners, under the Norris-Doxey farm-forestry program. We need more funds for tree planting, to reforest wastelands. We need to speed up the development of our national forests.

Perhaps our foremost need is to support a larger program of research, to find better ways of handling forest lands, both public and private, and to find better ways of using wood, with less waste. There needs to be fuller use made of low-grade material and wood waste, to make natural and improved wood give better service, to increase the use of unpopular species, and to develop further the field of chemical conversion. Further studies are needed for laminating structural timber, for making use of sawdust, for utilizing hemicellulose byproducts.

Our present laboratory research has gone into such studies as the use of woods for prefabricated housing, for structures using radiant heating, for lighter wood crates. The difficulty is that although our Forest Service has obtained much knowledge of how to reduce wood waste, they need increased means for applying this knowledge.

Today, when housing needs are so great, when newsprint supply is still short, when the use of crates for shipment is at an all-time high, we should be developing much more extensive use of every source of wood and pulp.

Mr. Lyle Watts, Chief Forester, and his staff are doing excellent work with a very limited appropriation. Increased appropriations will enable our Forest Service to render far greater service than present means allow. All the recommended improvements together would cost only a tiny fraction of 1 cent out of the present tax dollar.

I am for governmental economy, along with everybody else, but I do not favor saving pennies and wasting dollars.

In not very many years our great natural resources will be gone unless we provide better control over them. I hope our foresight will enable us to keep our country rich in its natural wealth for many more generations.

The heritage of a nation is rooted in the soil. Our Nation cannot long endure as the richest and most powerful on earth unless we make wise use of our soil and its products.

Our forests are a line of defense in our national security program. When we waste our forests, we are wasting one of our most precious resources.

We can ill afford to continue the course of waste and lack of proper management of major sectors of our forest land. In a large measure our security hinges on the preservation of our forest land. We are today depleting our forests at a dangerous rate.

Congress must act wisely now to implement the excellent program being carried out by the United States Forest Service if our Nation is to preserve for future generations our forests, truly one of our greatest natural assets.

The least Congress can do to measure up to this responsibility is to appropriate the full amount requested by President Truman in his budget for the next fiscal year.

PROGRESSIVE LIBERALISM—PROMISES AND PERFORMANCES

Mr. FERGUSON. Mr. President, I rise at this late hour to make a few remarks in relation to promises and performances.

Last night the President of the United States made a speech. So that there may be no confusion, I think we should look at the record.

I read from the New York Times a sentence from the President's speech:

> Conditions are too grave in the world at this time to put a Congress in control of the purse strings of this country—

At that point there is a comma, but the next word, the article "a," is capitalized, indicating that that was the end of the thought. Then it continues:

> A Congress which does not and cares not to understand what the facts are.

Mr. President, so that we may compare promises with performances, I think it is clearly indicated that the present administration cannot tolerate, or feels that it cannot tolerate, Congress and what some members of the administration call the shackles of the Constitution.

One great difficulty is that at times liberality is confused with liberalism. The fact is clear that there is a belief in some quarters that the Constitution is a shackle upon the liberties of the people. I wish to read section 7 of article I of the Constitution:

> All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

Section 8 of article I provides as follows:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts—

I emphasize those words—

> to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Mr. President, those two sections are clear: First, that all revenue measures shall originate in the House; second, that all appropriations shall be made by the Congress.

I am sure, Mr. President, that the present Congress has labored hard to get the facts. Its Members are greatly interested in the facts. But because I am on the Appropriations Committee of this great body—the Senate of the United States—I feel that I should make these remarks today. The President's statement that he cannot tolerate the purse strings being placed in the Congress of the United States, although the Constitution has placed them there, may be confusing to the public. But that is not the only remark, Mr. President, that leads me to the conclusion that I should speak today and compare promises with performances.

Much is said about liberalism, but I ask the Senate the question, Are the performances we have witnessed in keeping with true democracy within the President's definition? Are they progressive liberalism? On two occasions last year the President usurped the congressional power over the purse when he vetoed tax-reduction bills. His first tax-bill veto was on June 6, 1947. The second was on July 18, 1947. That was only the second time in the history of the United States that a President had attempted to take unto himself the powers of the purse strings. The late President Roosevelt vetoed a tax bill in 1944, but the bill was passed over his veto. I shall always remember the remarks of the able majority leader, now the minority leader, on that occasion.

President Truman wishes to take unto himself the power of appropriation, as well as the power of taxation.

The President expressed his contempt for government by the people a few months after he took office. At a press conference in January 1946, shortly after the strike in the steel industry and the resulting increase in the price of steel, the President claimed that that was not inflation, that it was only a bulge in the price line, and that if the people would cooperate with the Government there would be no inflation.

The implication was that government is the master, not the servant, of the people.

A few months later the President admitted that his administration would have seized cattle from the ranges of farmers had not such a course been so difficult and impracticable. On October 14, 1946, President Truman stated, according to the New York Times of October 15, 1946:

> We gave long and serious consideration (to the proposal that the Government go out onto the farms and ranges and seize the cattle for slaughter). We decided against the use of this extreme wartime emergency power of the Government. It would be wholly impracticable because the cattle are spread throughout all parts of the country.

Mr. President, is this true democracy within the President's definition? Is this progressive liberalism? No; this is performance compared to promise.

President Truman further attacked the freedom of private citizens when he recommended that Congress grant him the power to draft strikers into the armed forces. On May 25, 1946, addressing a joint session of Congress, he said:

> I request the Congress immediately to authorize the President to draft into the armed forces of the United States all workers who are on strike against their Government.

Is this true democracy, within the President's definition? Is this progressive liberalism? No; this is performance compared to promise. This proposal, Republicans strongly and effectively opposed. I shall never forget the night the proposal came upon the floor of this great body. No Senator should ever forget that night, because the proposal went to the very fundamental, inalienable rights which are protected by the Constitution of the United States.

On another recent occasion the freedom of the individual was seriously compromised by the decision of the New Deal-appointed Supreme Court that search without warrant is valid. The Court held:

> There is nothing in the fourth amendment which inhibits the seizure by law-enforcement agents of Government property the possession of which is a crime even though the officers are not aware that such property is on the premises when the search is initiated. That abuses sometimes occur is no basis for giving sinister coloration to procedures which are basically reasonable. (Official Reports of the Supreme Court, Preliminary Print, vol. 331, U. S. No. 1, p. 146.)

I ask, is this true democracy, within the President's definition? Is it progressive liberalism? Such a holding practically destroys the fundamental protection of the people from unreasonable search and seizure.

A few months ago a proposed code of security regulations drawn up at the President's request became public. It was proposed that Government documents be classified into four categories—top secret, secret, confidential, and restricted. No document classified in one of these categories would have been made public. The freedom of the press would have been so circumscribed by this code that Government documents could not have been made public if they caused "serious administrative embarrassment or difficulty."

Mr. President, is that true democracy, within the President's definition? Is that progressive liberalism? That is comparing promises with performances. The regulations were withdrawn only after strong protest by newspapers, columnists, and editors throughout this great land.

Of course, since the New Dealers came into office the Executive has been granted extensive powers, which many years ago were recognized to be fraught with danger to individual liberty. President Roosevelt stated in 1936:

> In 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would prove shackles for the liberties of the people.

President Truman has demonstrated that he does not want "a people's government," if he stated what he was quoted by the New York Times to have said in his impromptu speech. It appears that we get the real truth and the facts when the President speaks impromptu. Then we hear what is actually felt and what is actually thought.

In view of what I have drawn to the attention of the Senate, we may find that instead of having progressive liberalism, we will have shackles on the liberties of the people.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE NOMINATIONS CONFIRMED

Mr. KNOWLAND. Mr. President, as in executive session, I ask unanimous consent that the nominations on the Executive Calendar be considered at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of Isaac N. P. Stokes, of the District of Columbia, to be solicitor of the Department of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL RESERVE BOARD

The Chief Clerk read the nomination of M. S. Szymczak, of Illinois, to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and, without objection, the President will be immediately notified of the confirmations of today.

DEATH OF REPRESENTATIVE ROBSION, OF KENTUCKY

The PRESIDING OFFICER. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The Chief Clerk read the resolution (H. Res. 470), as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
February 19, 1948.

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN M. ROBSION, a Representative from the State of Kentucky.

Resolved, That a committee of five Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. KNOWLAND. Mr. President, on behalf of the senior Senator from Kentucky [Mr. BARKLEY] and the junior Senator from Kentucky [Mr. COOPER], I send to the desk a resolution which I ask to have read and immediately considered.

The resolution (S. Res. 204) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN M. ROBSION, late a Representative from the State of Kentucky.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. The Chair names as the committee on behalf of the Senate provided for in the resolution just agreed to the senior Senator from Kentucky [Mr. BARKLEY] and the junior Senator from Kentucky [Mr. COOPER].

Mr. KNOWLAND. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate now recess until 12 o'clock noon on Monday next.

The motion was unanimously agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until Monday, February 23, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 20 (legislative day of February 2), 1948:

DIPLOMATIC AND FOREIGN SERVICE

John C. Wiley, of Indiana, now Ambassador Extraordinary and Plenipotentiary to Portugal, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Monnett B. Davis, of Colorado, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama.

Richard P. Butrick, of New York, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Iceland.

CIVIL AERONAUTICS BOARD

Harold Armstrong Jones, of California, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1952.

UNITED STATES MARSHAL

John Joseph McGowan, of Minnesota, to be United States marshal for the district of Minnesota. (He is now serving under a recess appointment.)

IN THE AIR FORCE

PROMOTIONS IN THE UNITED STATES AIR FORCE

(Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion.)

To be colonels

×Col. Early Edward Walters Duncan, AO7588, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wallace William Millard, AO7613, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Luke Usher, AO8050, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Henry Davidson, AO8098, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Robert Kauch, AO8345, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Douglas Johnston, AO8467, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Shiras Alexander Blair, AO8497, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. David Charles George Schlenker, AO8603, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Desmond O'Keefe, AO8621, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hugh Whitt, AO9556, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Ray Aloysious Dunn, AO9561, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Frederick Foster Christine, AO8719, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Isham Moore, AO9649, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Richard Cox Coupland, AO9792, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. James Franklin Powell, AO9823, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Alonzo Maning Drake, AO9841, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Victor Herbert Strahm, AO9843, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Byron Turner Burt, Jr., AO9874, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Earle Gene Harper, AO9875, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Lotha August Smith, AO9879, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Guy Malcolm Kinman, AO9989, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Leonard Stromme, AO9998, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Frank Denis Hackett, AO10040, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Theodore Joseph Koenig, AO10183, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Omer Osmer Niergarth, AO10207, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hugh Gibson Culton, AO10325, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Auby Casey Strickland, AO10338, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Ulysses Grant Jones, AO10388, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Dache McClain Reeves, AO10462, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Carroll Kennedy, AO10464, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edmund Pendleton Gaines, AO10472, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Maj. Gen. Clayton Lawrence Bissell, AO10474, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Victor Ignico, AO10491, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Clifford Cameron Nutt, AO10498, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Isaiah Davies, AO10505, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Arthur William Vanaman, AO10506, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Fred Cyrus Nelson, AO10519, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clarence Herbert Welch, AO10571, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Godfrey Lundberg, AO10579, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Bayard Johnson, AO10657, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Frank Martyn Paul, AO10586, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Phillips Melville, AO10696, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Brig. Gen. John Gordon Williams, AO10697, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Albert Brown Pitts, AO10703, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Duane Knapp, AO10707, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. William Bettencourt Souza, AO10719, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Alexis Wilson, AO10723, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Charles Yawkey Banfill, AO10738, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Walter Raymond Peck, AO10768, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Emil Charles Kiel, AO10787, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Hale Dowman, AO10805, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Thomas Welch Blackburn, AO10814, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Harry Anton Johnson, AO10825, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Max Frank Schneider, AO10840, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Bernard Tobias Castor, AO10897, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edgar Eugene Glenn, AO10914, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Cortlandt Spencer Johnson, AO10922, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Wesley Sullivan, AO10946, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Neal Dow Franklin, AO10959, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Melvin B. Asp, AO10971, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Malcolm Nebeker Stewart, AO10982, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Newton Longfellow, AO10995, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wendell Brown McCoy, AO11009, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Martinus Stenseth, AO11014, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Atwater Woodruff, AO11041, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Arthur Ignatius Ennis, AO11051, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Frederick Whiteley, AO11099, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Guy Lewis McNeil, AO11103, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clarence Prescott Talbot, AO11112, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Theodore Zane, AO11159, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Lucas Victor Beau, AO11175, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Milligan Gillespie, AO11186, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. David Robert Stinson, AO11266, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Theodore Morris, AO11267, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Allan McHenry, AO11279, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Paul Hyde Prentiss, AO11299, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Warren Arthur Maxwell, AO11303, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Paul Edmund Burrows, AO11331, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Vernon Hart, AO11367, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Donald David FitzGerald, AO11393, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Austin Walrath Martenstein, AO11399, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Levi L. Beery, AO11410, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Warren Rice Carter, AO11425, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Harold Alling McGinnis, AO11443, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Morton Howard McKinnon, AO11446, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. George Hendricks Beverley, AO11455, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wallace Gordon Smith, AO11471, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Adam Horn, AO11473, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Byron Elihu Gates, AO11476, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Emile Tisdale Kennedy, AO11498, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George William Goddard, AO11514, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Thomas Herbert Chapman, AO11520, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Angier Hobbs Foster, AO11528, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clarence Edgar Crumrine, AO11599, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Ross Morgan, AO11611, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Charles Edwin Thomas, Jr., AO11615, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Bumer Jordan, AO11624, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Jack Clemens Hodgson, AO11668, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Stanton Thomas Smith, AO11796, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Popenjoy Bailey, AO11844, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Pardoe Martin, AO11890, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Backes, AO11968, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Sigmund Franklin Landers, AO11980, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Ned Schramm, AO12014, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Don McNeal, AO12018, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Francis Bassett Valentine, AO12129, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hobart Reed Yeager, AO12148, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Harry Earl Fisher, AO12671, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Donald Frank Stace, AO12708, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. John Ferral McBlain, AO12791, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Harlan Thurston McCormick, AO12808, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Vincent de Paul Dillon, AO12836, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edward Barber, AO14632, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edmund Clarence Langmead, AO14738, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Maj. Gen. James Millikin Bevans, AO14723, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Paul Hanes Kemmer, AO14732, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Cecil Elmore Archer, AO14824, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Louis Meline Merrick, AO14875, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Ray Henry Clark, AO14860, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Homer Wilbur Ferguson, AO14857, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert William Calvert Wimsatt, AO14823, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Donald Fowler Fritch, AO14835, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Sharpe Griffith, AO14852, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Alfred August Kessler, Jr., AO14903, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Stephen Cecil Lombard, AO14942, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. James Wrathall Spry, AO14953, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Gilbert Hayden, AO14998, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hilbert Milton Wittkop, AO15006, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Leo Henry Dawson, AO15040, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Ralph Adel Snavely, AO15100, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Wesley Warren, AO15139, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Patrick Weston Timberlake, AO15165, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clyde Kenneth Rich, AO15167, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Russell J. Minty, AO15201, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Francis Joseph Early, AO15212, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Thomas Merritt Lowe, AO15223, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wilfrid Henry Hardy, AO15245, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Joseph Smith, AO15249, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Lt. Col. Joseph Harold Hicks, AO15252, United States Air Force.

Brig. Gen. Robert Chaffee Oliver, AO15275, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. John Maurice Weikert, AO15290, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John George Salsman, AO15318, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. James Michael Fitzmaurice, AO15346, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Walter Cornelius White, AO15371, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Archibald Yarborough Smith, AO15422, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. David Jerome Ellinger, AO15532, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. William Lloyd Richardson, AO15586, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Phillips Kirkendall, AO15666, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Roy Selway, Jr., AO15673, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Leonard Henry Rodieck, AO15729, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Hinkle Steel, AO15743, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Edward Higgins White, AO15761, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. William Olmstead Eareckson, AO15775, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Ralph Emanuel Fisher, AO15814, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Carl Joseph Crane, AO15936, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Howard Eugene Engler, AO15977, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. George Francis Schulgen, AO15999, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wilfred Joseph Paul, AO16010, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Glenn L. Davasher, AO16011, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Walter William Wise, AO41376, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Colby Maxwell Myers, AO16057, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Ludlow Ritchie, AO16059, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Russell Edward Randall, AO16081, Air Force of the United States (major, U. S. Air Force).

Col. Oscar Carl Maier, AO16096, Air Force of the United States (major, U. S. Air Force).

Col. William Frank Steer, AO16101, Air Force of the United States (major, U. S. Air Force).

Col. Wiley Thomas Moore, AO16102, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Cyril Augustin Denniston, AO16177, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Halliday McCormick, AO16195, Air Force of the United States (major, U. S. Air Force).

Col. Milton Taylor Hankins, AO16199, Air Force of the United States (major, U. S. Air Force).

Col. John Porter Kidwell, AO16229, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Charles Henry Caldwell, AO16250, Air Force of the United States (major, U. S. Air Force).

Col. James Keller De Armond, AO16274, Air Force of the United States (major, U. S. Air Force).

Col. James Gordon Pratt, AO16308, Air Force of the United States (major, U. S. Air Force).

Col. Lee Quintus Wasser, AO16310, Air Force of the United States (major, U. S. Air Force).

Col. Benjamin Thomas Starkey, AO16314, Air Force of the United States (major, U. S. Air Force).

Col. George Henry Dietz, AO16332, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Glenn Oscar Barcus, AO16339, Air Force of the United States (major, U. S. Air Force).

Col. Brintnall Hill Merchant, AO28814, Air Force of the United States (major, U. S. Air Force).

Col. Robert Nevill Isbell, AO28830, Air Force of the United States (major, U. S. Air Force).

Col. Leo Isaac Herman, AO39533, Air Force of the United States (major, U. S. Air Force).

Lt. Col. Wallace Stribling Dawson, AO41427, Air Force of the United States (major, U. S. Air Force).

Col. Herbert William Ehrgott, AO16373, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Francis LeRoy Ankenbrandt, AO16375, Air Force of the United States (major, U. S. Air Force).

Col. Francis Xavier Purcell, Jr., AO16380, Air Force of the United States (major, U. S. Air Force).

Col. Raymond Coleman Maude, AO16382, Air Force of the United States (major, U. S. Air Force).

Col. Alfred Henry Johnson, AO16398, Air Force of the United States (major, U. S. Air Force).

Col. John Colt Beaumont Elliott, AO16411, Air Force of the United States (major, U. S. Air Force).

Col. Samuel Russ Harris, Jr., AO16412, Air Force of the United States (major, U. S. Air Force).

Col. Shelton Ezra Prudhomme, AO16427, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Paul Doyle, AO16428, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Leon William Johnson, AO16429, Air Force of the United States (major, U. S. Air Force).

Col. Basil Littleton Riggs, AO16459, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Halversen, AO16470, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Morris Robert Nelson, AO16480, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Kenneth Perry McNaughton, AO16491, Air Force of the United States (major, U. S. Air Force).

Col. James Eell Burwell, AO16504, Air Force of the United States (major, U. S. Air Force).

Col. Wilson Turner Douglas, AO16508, Air Force of the United States (major, U. S. Air Force).

×Col. Marvin John McKinney, AO16510, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Benjamin White, AO16511, Air Force of the United States (major, U. S. Air Force).

Col. Charles Herman Deerwester, AO16559, Air Force of the United States (major, U. S. Air Force).

Col. Bernard Alexander Bridget, AO16561, Air Force of the United States (major, U. S. Air Force).

Col. Charles Arthur Bassett, AO16564, Air Force of the United States (major, U. S. Air Force).

Col. Dixon McCarty Allison, AO16571, Air Force of the United States (major, U. S. Air Force).

Col. Alva Lee Harvey, AO16574, Air Force of the United States (major, U. S. Air Force).

Col. William Edwin Carpenter, AO28872, Air Force of the United States (major, U. S. Air Force).

Col. James William Andrew, AO16591, Air Force of the United States (major, U. S. Air Force).

Col. George J. Eppright, AO16593, Air Force of the United States (major, U. S. Air Force).

Col. Clarence Daniel Wheeler, AO16612, Air Force of the United States (major, U. S. Air Force).

Col. Walter Sylvester Lee, AO16614, Air Force of the United States (major, U. S. Air Force).

Col. Manning Eugene Tillery, AO16615, Air Force of the United States (major, U. S. Air Force).

Col. Elmer Joseph Rogers, Jr., AO16622, Air Force of the United States (major, U. S. Air Force).

Col. John Caswell Crosthwaite, AO16628, Air Force of the United States (major, U. S. Air Force).

×Col. Clarence Shortridge Irvine, AO16630, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Emerson Holmes, AO16636, Air Force of the United States (major, U. S. Air Force).

Col. Darr Hayes Alkire, AO16639, Air Force of the United States (major, U. S. Air Force).

×Col. Thurston H. Baxter, AO16641, Air Force of the United States (major, U. S. Air Force).

Col. John Titcomb Sprague, AO16645, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Yantis Halbert Taylor, AO16655, Air Force of the United States (major, U. S. Air Force).

Col. Claire Stroh, AO16660, Air Force of the United States (major, U. S. Air Force).

Col. Oscar Frederick Carlson, AO16676, Air Force of the United States (major, U. S. Air Force).

Col. George Edley Henry, AO16679, Air Force of the United States (major, U. S. Air Force).

Col. Signa Allen Gilkey, AO16685, Air Force of the United States (major, U. S. Air Force).

Col. Reuben Kyle, Jr., AO16697, Air Force of the United States (major, U. S. Air Force).

Col. Julius Aubrie Kolb, AO28873, Air Force of the United States (major, U. S. Air Force).

Col. John Ludden Mousseau des Islets, AO28875, Air Force of the United States (major, U. S. Air Force).

Col. Herbert Miller Kidner, AO41451, Air Force of the United States (major, U. S. Air Force).

Col. Andrew Joseph Kerwin Malone, AO16715, Air Force of the United States (major, U. S. Air Force).

Col. John Edward Bodle, AO16720, Air Force of the United States (major, U. S. Air Force).

Col. Russell Scott, AO16722, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Burton Murdock Hovey, AO16723, Air Force of the United States (major, U. S. Air Force).

Col. Dale Davis Fisher, AO16726, Air Force of the United States (major, U. S. Air Force).

Col. Henry Weisbrod Dorr, AO16727, Air Force of the United States (major, U. S. Air Force).

Col. Carlisle Iverson Ferris, AO16730, Air Force of the United States (major, U. S. Air Force).

Col. Willard Roland Wolfinbarger, AO16732, Air Force of the United States (major, U. S. Air Force).

Col. Monro MacCloskey, AO28922, Air Force of the United States (major, U. S. Air Force).

Col. John Robert Crume, Jr., AO16747, Air Force of the United States (major, U. S. Air Force).

Col. George Woodburne McGregor, AO16748, Air Force of the United States (major, U. S. Air Force).

Col. Charles Albert Harrington, AO16750, Air Force of the United States (major, U. S. Air Force).

Col. Elmer Blair Garland, AO16753, Air Force of the United States (major, U. S. Air Force).

Col. Woodbury Megrew Burgess, AO16757, Air Force of the United States (major, U. S. Air Force).

Col. Manuel José Asensio, ÁO16758, Air Force of the United States (major, U. S. Air Force).

Col. Alvin Louis Pachynski, AO16763, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Laurence Sherman Kuter, AO16777, Air Force of the United States (major, U. S. Air Force).

Col. George McCoy, Jr., AO16793, Air Force of the United States (major, U. S. Air Force).

Col. Edward Pont Mechling, AO16798, Air Force of the United States (major, U. S. Air Force).

Col. John Mills Sterling, AO16814, Air Force of the United States (major, U. S. Air Force).

Col. Orrin Leigh Grover, AO16831, Air Force of the United States (major, U. S. Air Force).

Col. Milton Merrill Towner, AO16850, Air Force of the United States (major, U. S. Air Force).

Col. Matthew Kemp Deichelmann, AO16859, Air Force of the United States (major, U. S. Air Force).

Col. Neil Bosworth Harding, AO16930, Air Force of the United States (major, U. S. Air Force).

Col. Charles Bernard Overacker, Jr., AO17007, Air Force of the United States (major, U. S. Air Force).

Col. Hoyt Leroy Prindle, AO17012, Air Force of the United States (major, U. S. Air Force).

Col. Donald Wright Benner, AO17016, Air Force of the United States (major, U. S. Air Force).

Col. Lawrence Henry Douthit, AO17020, Air Force of the United States (major, U. S. Air Force).

×Brig. Gen. George Robert Acheson, AO17021, Air Force of the United States (major, U. S. Air Force).

Col. Frank Hamlet Robinson, AO17024, Air Force of the United States (major, U. S. Air Force).

Col. Waldine Winston Messmore, AO17025, Air Force of the United States (major, U. S. Air Force).

Col. Allen Ralph Springer, AO17027, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Gerard Hopkins, AO17032, Air Force of the United States (major, U. S. Air Force).

Col. Clayton Cyril Berry, AO41472, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Battersby Duckworth, AO38613, Air Force of the United States (major, U. S. Air Force).

Col. Maurice Milton Beach, AO28992, Air Force of the United States (major, U. S. Air Force).

Col. Elmer Perry Rose, AO17044, Air Force of the United States (major, U. S. Air Force).

Col. Ford J. Lauer, AO17048, Air Force of the United States (major, U. S. Air Force).

Col. Fay Oliver Dice, AO17049, Air Force of the United States (major, U. S. Air Force).

Col. Edward Harold Porter, AO17054, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Joseph Hampton Atkinson, AO17055, Air Force of the United States (major, U. S. Air Force).

Col. Robert Leonard Schoenlein, AO17056, Air Force of the United States (major, U. S. Air Force).

Col. Frederick William Ott, AO17057, Air Force of the United States (major, U. S. Air Force).

Col. Wentworth Goss, AO17059, Air Force of the United States (major, U. S. Air Force).

Col. James Leslie Daniel, Jr., AO17060, Air Force of the United States (major, U. S. Air Force).

Col. Budd John Peaslee, AO17061, Air Force of the United States (major, U. S. Air Force).

Col. Louie Percy Turner, AO17069, Air Force of the United States (major, U. S. Air Force).

Col. William Tell Hefley, AO17079, Air Force of the United States (major, U. S. Air Force).

Col. Robert Scott Israel, Jr., AO17087, Air Force of the United States (major, U. S. Air Force).

Col. Donald Bertrand Smith, AO17089, Air Force of the United States (major, U. S. Air Force).

Col. James Elbert Briggs, AO17103, Air Force of the United States (major, U. S. Air Force).

Col. John Stewart Mills, AO17106, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. George Warren Mundy, AO17112, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Alfred Rockwood Maxwell, AO17113, Air Force of the United States (major, U. S. Air Force).

Col. Roscoe Charles Wilson, AO17120, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Walter Edwin Todd, AO17121, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Bryant LeMaire Boatner, AO17123, Air Force of the United States (major, U. S. Air Force).

Col. Robert Frederick Tate, AO17128, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Samuel Robert Brentnall, AO17132, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Charles Franklin Born, AO17143, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Frank Fort Everest, AO17145, Air Force of the United States (major, U. S. Air Force).

Col. John Jordan Morrow, AO17150, Air Force of the United States (major, U. S. Air Force).

Col. Robert Loyal Easton, AO17155, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Norris Brown Harbold, AO17159, Air Force of the United States (major, U. S. Air Force).

×Col. Charles Grant Goodrich, AO17166, Air Force of the United States (major, U. S. Air Force).

Col. Alvord Van Patten Anderson, Jr., AO17172, Air Force of the United States (major, U. S. Air Force).

Col. Thayer Stevens Olds, AO17179, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Robert Falligant Travis, AO17187, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. William Henry Tunner, AO17195, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Edward Koon, AO17197, Air Force of the United States (major, U. S. Air Force).

Col. Howard Graham Bunker, AO17200, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Alexander Samford, AO17206, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Roger Maxwell Ramey, AO17231, Air Force of the United States (major, U. S. Air Force).

Col. Forrest Gordon Allen, AO17236, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Samuel Egbert Anderson, AO17244, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Arthur Bulger, AO17251, Air Force of the United States (major, U. S. Air Force).

Col. George Ferrow Smith, AO17258, Air Force of the United States (major, U. S. Air Force).

Col. Allen Wilson Reed, AO17259, Air Force of the United States (major, U. S. Air Force).

×Col. James Elmer Totten, AO17267, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Truman Hempel Landon, AO17268, Air Force of the United States (major, U. S. Air Force).

Col. Harry Edgar Wilson, AO17274, Air Force of the United States (major, U. S. Air Force).

Col. Robert Williams Warren, AO17276, Air Force of the United States (major, U. S. Air Force).

Col. Delmar Taft Spivey, AO17278, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. August Walter Kissner, AO17282, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Emmett O'Donnell, Jr., AO17299, Air Force of the United States (major, U. S. Air Force).

Col. Donald Winston Titus, AO17302, Air Force of the United States (major, U. S. Air Force).

Col. Emmett Felix Yost, AO17303, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Robert Kinder Taylor, AO17309, Air Force of the United States (major, U. S. Air Force).

Col. James Wilson Brown, Jr., AO17316, Air Force of the United States (major, U. S. Air Force).

Col. William Columbus Sams, AO17317, Air Force of the United States (major, U. S. Air Force).

Col. James Francis Olive, Jr., AO17326, Air Force of the United States (major, U. S. Air Force).

×Col. Edgar Alexander Sirmyer, Jr., AO17327, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Webster Steed, AO17331, Air Force of the United States (major, U. S. Air Force).

Col. Albert George Hewitt, AO29021, Air Force of the United States (major, U. S. Air Force).

Col. Joshua Hill Foster, Jr., AO29036, Air Force of the United States (major, U. S. Air Force).

Col. Glynne Morgan Jones, AO41566, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Orville Brownfield, AO17383, Air Force of the United States (major, U. S. Air Force).

Col. Joel Edward Mallory, AO17384, Air Force of the United States (major, U. S. Air Force).

Col. George Washington Hansen, AO17390, Air Force of the United States (major, U. S. Air Force.)

Brig. Gen. Aubry Lee Moore, AO17392, Air Force of the United States (major, U. S. Air Force).

Col. Ronald Roosevelt Walker, AO17393, Air Force of the United States (major, U. S. Air Force).

Col. Lloyd Harrison Tull, AO17394, Air Force of the United States (major, U. S. Air Force).

Col. Frederic Ernst Glantzberg, AO17398, Air Force of the United States (major, U. S. Air Force.)

Col. Leland Samuel Stranathan, AO17400, Air Force of the United States (major, U. S. Air Force.)

Col. Ernest Keeling Warburton, AO17401, Air Force of the United States (major, U. S. Air Force.)

Col. LeRoy Hudson, AO17402, Air Force of the United States (major, U. S. Air Force).

×Col. Robert Vincent Williams, AO17406, Air Force of the United States (major, U. S. Air Force).

Col. Frederick Archibald Pillet, AO17409, Air Force of the United States (major, U. S. Air Force.)

Brig. Gen. Homer LeRoy Sanders, AO17412, Air Force of the United States (major, U. S. Air Force.)

Col. Draper Frew Henry, AO17413, Air Force of the United States (major, U. S. Air Force).

×Brig. Gen. Walter Robertson Agee, AO17415, Air Force of the United States (major, U. S. Air Force.)

×Col. Hansford Wesley Pennington, AO17417, Air Force of the United States (major, U. S. Air Force.)

Col. Murray Clarke Woodbury, AO17421, Air Force of the United States (major, U. S. Air Force).

Col. William Alexander Robert Robertson, AO17425, Air Force of the United States (major, U. S. Air Force).

Col. Marden Mellier Munn, AO29086, Air Force of the United States (major, U. S. Air Force).

Col. John Williams Persons, AO17436, Air Force of the United States (major, U. S. Air Force).

Col. William Chamberlayne Bentley, Jr., AO17437, Air Force of the United States (major, U. S. Air Force).

Col. Edwin Lee Tucker, AO17443, Air Force of the United States (major, U. S. Air Force).

Col. Edward Holmes Underhill, AO17448, Air Force of the United States (major, U. S. Air Force.)

Col. William Pryor Sloan, AO17452, Air Force of the United States (major, U. S. Air Force).

Col. George Frost Kinzie, AO17453, Air Force of the United States (major, U. S. Air Force).

Col. Albert Boyd, AO17455, Air Force of the United States (major, U. S. Air Force).

Col. James Wayne McCauley, AO17456, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Edward Harrison Alexander, AO17458, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Frank Alton Armstrong, Jr., AO17459, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Albert Matheny, AO17460, Air Force of the United States (major, U. S. Air Force).

Col. Reginald Franklin Conroy Vance, AO17464, Air Force of the United States (major, U. S. Air Force).

Col. William Lecel Lee, AO17465, Air Force of the United States (major, U. S. Air Force).

Col. Dudley Durward Hale, AO17471, Air Force of the United States (major, U. S. Air Force).

×Col. Herbert Leonard Grills, AO17474, Air Force of the United States (major, U. S. Air Force).

Col. Benjamin Scovill Kelsey, AO17476, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Lee Mosley, AO17477, Air Force of the United States (major, U. S. Air Force).

Col. Raymond Lloyd Winn, AO17478, Air Force of the United States (major, U. S. Air Force).

Col. Kingston Eric Tibbetts, AO17480, Air Force of the United States (major, U. S. Air Force).

Col. Richard Henry Lee, AO17481, Air Force of the United States (major, U. S. Air Force).

Col. Lewis R. Parker, AO17483, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Maurice Morgan, AO17485, Air Force of the United States (major, U. S. Air Force).

Col. Edwin Minor Day, AO17487, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Jack Weston Wood, AO17488, Air Force of the United States (major, U. S. Air Force).

Col. James Herbert Wallace, AO17490, Air Force of the United States (major, U. S. Air Force).

Col. Don Zabriskie Zimmerman, AO17499, Air Force of the United States (major, U. S. Air Force).

Col. Frederick Rodgers Dent, Jr., AO17504, Air Force of the United States (major, U. S. Air Force).

Col. Harold Huntley Bassett, AO17505, Air Force of the United States (major, U. S. Air Force).

Col. Howard Moore, AO17507, Air Force of the United States (major, U. S. Air Force).

Col. John Floyd McCartney, AO17508, Air Force of the United States (major, U. S. Air Force).

Col. Harry Gage Montgomery, Jr., AO17518, Air Force of the United States (major, U. S. Air Force).

Col. Roger James Browne, AO17525, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Jennings Ladd, AO17526, Air Force of the United States (major, U. S. Air Force).

Col. Richard David Wentworth, AO17527, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Ludwell Bryan, Jr., AO17541, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Harold Quiskie Huglin, AO17548, Air Force of the United States (major, U. S. Air Force).

Col. Lawrence McIlroy Guyer, AO17553, Air Force of the United States (major, U. S. Air Force).

Col. Donald Philip Graul, AO17557, Air Force of the United States (major, U. S. Air Force).

Col. Charles Sommers, AO17561, Air Force of the United States (major, U. S. Air Force).

Col. John Coleman Horton, AO17568, Air Force of the United States (major, U. S. Air Force).

×Col. Marshall Stanley Roth, AO17572, Air Force of the United States (major, U. S. Air Force).

Col. Sidney Andrew Ofsthun, AO17586, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. William Evens Hall, AO17588, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Frederic Harrison Smith, Jr., AO17589, Air Force of the United States (major, U. S. Air Force).

Col. Donald John Keirn, AO17591, Air Force of the United States (major, U. S. Air Force).

Col. John Jackson O'Hara, Jr., AO17609, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Emery Scott Wetzel, AO17615, Air Force of the United States (major, U. S. Air Force).

Col. William Lafayette Fagg, AO17617, Air Force of the United States (major, U. S. Air Force).

Col. George Eldridge Keeler, Jr., AO17641, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Fulton McKee, AO17661, Air Force of the United States (major, U. S. Air Force).

Col. Ezekiel Wimberly Napier, AO17668, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Thomas Benton McDonald, AO17694, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Jefferson DuBose, AO17701, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Campbell Doubleday, AO17702, Air Force of the United States (major, U. S. Air Force).

Col. Harlan Clyde Parks, AO17703, Air Force of the United States (major, U. S. Air Force).

Col. Pearl Harvey Robey, AO17722, Air Force of the United States (major, U. S. Air Force).

Col. Phineas Kimball Morrill, Jr., AO17766, Air Force of the United States (major, U. S. Air Force).

Col. George Elston Price, AO17843, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Richard Clark Lindsay, AO17845, Air Force of the United States (major, U. S. Air Force).

Col. John Gordon Fowler, AO17846, Air Force of the United States (major, U. S. Air Force).

Col. John Lyle Nedwed, AO17847, Air Force of the United States (major, U. S. Air Force).

Col. Paul Thomas Cullen, AO17852, Air Force of the United States (major, U. S. Air Force).

Col. George Graham Northrup, AO17853, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Thomas Sarsfield Power, AO17854, Air Force of the United States (major, U. S. Air Force).

×Col. Lloyd Harold Watnee, AO17856, Air Force of the United States (major, U. S. Air Force).

Col. Philip David Coates, AO17857, Air Force of the United States (major, U. S. Air Force).

Col. John Herold Bundy, AO17860, Air Force of the United States (major, U. S. Air Force).

Col. Mills Spencer Savage, AO17861, Air Force of the United States (major, U. S. Air Force).

Col. Harold Webb Bowman, AO17862, Air Force of the United States (major, U. S. Air Force).

Col. Lorry Norris Tindal, AO17863, Air Force of the United States (major, U. S. Air Force).

Col. Merlin Ingels Carter, AO17865, Air Force of the United States (major, U. S. Air Force).

Col. John Walker Sessums, Jr., AO17866, Air Force of the United States (major, U. S. Air Force).

Col. Charles Kenneth Moore, AO17867, Air Force of the United States (major, U. S. Air Force).

Col. Wycliffe Eugene Steele, AO17870, Air Force of the United States (major, U. S. Air Force).

Col. Roy Henry Lynn, AO17873, Air Force of the United States (major, U. S. Air Force).

×Col. Robert Bruce Davenport, AO17874, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Donald Leander Putt, AO17875, Air Force of the United States (major, U. S. Air Force).

Col. Merrill Davis Burnside, AO17878, Air Force of the United States (major, U. S. Air Force).

Col. Hollingsworth Franklin Gregory, AO17879, Air Force of the United States (major, U. S. Air Force).

Col. Harold Winfield Grant, AO17881, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Reuben Columbus Hood, Jr., AO17884, Air Force of the United States (major, U. S. Air Force).

Col. Leslie Oscar Peterson, AO17885, Air Force of the United States (major, U. S. Air Force).

Col. Floyd Bernard Wood, AO17887, Air Force of the United States (major, U. S. Air Force).

Col. Norman Delbert Sillin, AO17889, Air Force of the United States (major, U. S. Air Force).

Col. Flint Garrison, Jr., AO17891, Air Force of the United States (major, U. S. Air Force).

Col. James Leroy Jackson, AO17892, Air Force of the United States (major, U. S. Air Force).

Col. Chester Price Gilger, AO17893, Air Force of the United States (major, U. S. Air Force).

Col. Hugh Arthur Parker, AO17894, Air Force of the United States (major, U. S. Air Force).

Col. Thomas David Ferguson, AO17895, Air Force of the United States (major, U. S. Air Force).

Col. William Basil Offutt, AO17898, Air Force of the United States (major, U. S. Air Force).

Col. James Arthur Ronin, AO17902, Air Force of the United States (major, U. S. Air Force).

Col. Kenneth Ross Crosher, AO17918, Air Force of the United States (major, U. S. Air Force).

Col. Stuart Phillips Wright, AO17920, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Ivan Lonsdale Farman, AO17922, Air Force of the United States (major, U. S. Air Force).

Col. William Alexander Schulgen, AO17923, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Beckett White, AO17924, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Edward Wharton Anderson, AO17932, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Winslow Carroll Morse, AO17934, Air Force of the United States (major, U. S. Air Force).

Col. Casper Perrin West, AO17935, Air Force of the United States (major, U. S. Air Force).

Col. William Leroy Kennedy, AO17936, Air Force of the United States (major, U. S. Air Force).

Col. Jesse Auton, AO17938, Air Force of the United States, major, U. S. Air Force).

Col. Robert Shuter Macrum, AO17942, Air Force of the United States (major, U. S. Air Force).

Col. Charles Lawrence Munroe, Jr., AO17943, Air Force of the United States (major, U. S. Air Force).

Col. Llewellyn Owen Ryan, AO17944, Air Force of the United States (major, U. S. Air Force).

Col. Hanlon H. Van Auken, AO17950, Air Force of the United States (major, U. S. Air Force).

Col. Robert Oswald Cork, AO17951, Air Force of the United States (major, U. S. Air Force).

Col. Herbert Henry Tellman, AO17953, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Koehler Gerhart, AO17954, Air Force of the United States (major, U. S. Air Force).

Col. Elder Patteson, AO17958, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Francis Hopkinson Griswold, AO17959, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Robert Whitney Burns, AO17961, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Webster Jenkins, AO17962, Air Force of the United States (major, U. S. Air Force).

Col. Clarence Frank Hegy, AO17964, Air Force of the United States (major, U. S. Air Force).

Col. James Presnall Newberry, AO17965, Air Force of the United States (major, U. S. Air Force).

Col. Stoyte Ogleby Ross, AO17967, Air Force of the United States (major, U. S. Air Force).

Col. William John Clinch, AO17971, Air Force of the United States (major, U. S. Air Force).

Lt. Col. Cornelius Burton Cosgrove, Jr., AO29396, Air Force of the United States (major, U. S. Air Force).

Col. William Preston Nuckols, AO29416, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Jarred Vincent Crabb, AO17996, Air Force of the United States (major, U. S. Air Force).

Col. Tom William Scott, AO17997, Air Force of the United States (major, U. S. Air Force).

Col. John Hubert Davies, AO17999, Air Force of the United States (major, U. S. Air Force).

Lt. Gen. Edwin William Rawlings, AO18005, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Julius Kahn Lacey, AO18006, Air Force of the United States (major, U. S. Air Force).

Col. George Frank McGuire, AO18008, Air Force of the United States (major, U. S. Air Force).

Col. Oliver Stanton Picher, AO18009, Air Force of the United States (major, U. S. Air Force).

Col. Morley Frederick Slaght, AO18014, Air Force of the United States (major, U. S. Air Force).

Col. Roy Dale Butler, AO18015, Air Force of the United States (major, U. S. Air Force).

Col. Richard August Grussendorf, AO18018, Air Force of the United States (major, U. S. Air Force).

Col. John Hiett Ives, AO18019, Air Force of the United States (major, U. S. Air Force).

Col. Frederick Earl Calhoun, AO18020, Air Force of the United States (major, U. S. Air Force).

Col. Carl Ralph Feldmann, AO18021, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Powell Swofford, Jr., AO18026, Air Force of the United States (major, U. S. Air Force).

Col. Paul Ernest Ruestow, AO18029, Air Force of the United States (major, U. S. Air Force).

Col. George Fletcher Schlatter, AO18035, Air Force of the United States (major, U. S. Air Force).

Col. Howard Monroe McCoy, AO18054, Air Force of the United States (major, U. S. Air Force).

Col. Aubrey Kenneth Dodson, AO18065, Air Force of the United States (major, U. S. Air Force).

Col. Mark Edward Bradley, Jr., AO18066, Air Force of the United States (major, U. S. Air Force).

Col. Wiley Duncan Ganey, AO18069, Air Force of the United States (major, U. S. Air Force).

Col. Thetus Cayce Odom, AO18075, Air Force of the United States (major, U. S. Air Force).

Col. Walter Campbell Sweeney, Jr., AO18080, Air Force of the United States (major, U. S. Air Force).

Col. Morris John Lee, AO18099, Air Force of the United States (major, U. S. Air Force).

Col. David Hodge Baker, AO18120, Air Force of the United States (major, U. S. Air Force).

Col. Ross Thatcher Sampson, AO18128, Air Force of the United States (major, U. S. Air Force).

Col. Troup Miller, Jr., AO18145, Air Force of the United States (major, U. S. Air Force).

Col. William Dole Eckert, AO18147, Air Force of the United States (major, U. S. Air Force).

Col. Millard Lewis, AO18163, Air Force of the United States (major, U. S. Air Force).

Col. John Chesley Kilborn, AO18167, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Carl Amandus Brandt, AO18171, Air Force of the United States (major, U. S. Air Force).

Col. Harold Lester Smith, AO18182, Air Force of the United States (major, U. S. Air Force).

Col. Norman Ray Burnett, AO18189, Air Force of the United States (major, U. S. Air Force).

Col. Richard Joseph O'Keefe, AO18198, Air Force of the United States (major, U. S. Air Force).

Col. Ephraim Melmoth Hampton, AO18206, Air Force of the United States (major, U. S. Air Force).

Col. Jack Griffin Pitcher, AO18208, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Arthur Miller, AO18211, Air Force of the United States (major, U. S. Air Force).

Col. Francis Joseph Corr, AO18219, Air Force of the United States (major, U. S. Air Force).

Col. Kurt Martin Landon, AO18220, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Anderson Cooper, AO18225, Air Force of the United States (major, U. S. Air Force).

Col. Sory Smith, AO18241, Air Force of the United States (major, U. S. Air Force).

Col. Theodore Quentin Graff, AO41787, Air Force of the United States (major, U. S. Air Force).

Col. Samuel James Gormly, Jr., AO29472, Air Force of the United States (major, U. S. Air Force).

Col. Ernest Franklin Williams, AO29560, Air Force of the United States (captain, U. S. Air Force).

Col. Edward Bond Gallant, AO29581, Air Force of the United States (captain, U. S. Air Force).

Col. Anthony Gerard Hunter, AO29584, Air Force of the United States (captain, U. S. Air Force).

Col. Daniel Francis Callahan, AO18368, Air Force of the United States (captain, U. S. Air Force).

Col. Marcellus Duffy, AO18373, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Alan, AO18379, Air Force of the United States (captain, U. S. Air Force).

Col. Gordon Aylesworth Blake, AO18389, Air Force of the United States (captain, U. S. Air Force).

Col. Julian Merritt Chappell, AO18407, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Donald Norton Yates, AO18419, Air Force of the United States (captain, U. S. Air Force).

Lt. Col. Frank Arthur Bogart, AO18432, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Ernest Moore, AO18445, Air Force of the United States (captain, U. S. Air Force).

Col. Royden Eugene Beebe, Jr., AO18447, Air Force of the United States (captain, U. S. Air Force).

Col. Earle William Hockenberry, AO18454, Air Force of the United States (captain, U. S. Air Force).

Col. Henry Keppler Mooney, AO18479, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Robert Merrill Lee, AO18483, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Dean Coldwell Strother, AO18495, Air Force of the United States (captain, U. S. Air Force).

Col. Jacob Edward Smart, AO18516, Air Force of the United States (captain, U. S. Air Force).

Col. Lester LeRoy Hilman Kunish, AO18528, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Edward Lee Eaton, AO18529, Air Force of the United States (captain, U. S. Air Force).

×Col. Carl Fillmore Damberg, AO18531, Air Force of the United States (captain, U. S. Air Force).

Col. Wendell Washington Bowman, AO18532, Air Force of the United States (captain, U. S. Air Force).

Col. Richard Spencer Carter, AO18542, Air Force of the United States (captain, U. S. Air Force).

Col. Hilbert Fred Muenter, AO18543, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. John Clarence Gordon, AO18571, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Bowman Dougher, AO18581, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. David William Hutchison, AO18585, Air Force of the United States (captain, U. S. Air Force).

Col. Gerald Evan Williams, AO18604, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Edward Julius Timberlake, Jr., AO18619, Air Force of the United States (captain, U. S. Air Force).

Col. Edward Nolen Backus, AO29600, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Archie J. Old, Jr., AO29608, Air Force of the United States (captain, U. S. Air Force).

Col. James Lloyd Tarr, AO29634, Air Force of the United States (captain, U. S. Air Force).

Col. Alfred Frederich Kalberer, AO29521, Air Force of the United States (captain, U. S. Air Force).

Col. Stanley Tanner Wray, AO18657, Air Force of the United States (captain, U. S. Air Force).

Col. Leo Peter Dahl, AO18699, Air Force of the United States (captain, U. S. Air Force).

Col. John Bevier Ackerman, AO18706, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. John Paul McConnell, AO18728, Air Force of the United States (captain, U. S. Air Force).

Col. Joe William Kelly, AO18731, Air Force of the United States (captain, U. S. Air Force).

Col. John Clifford McCawley, AO18739, Air Force of the United States (captain, U. S. Air Force).

×Col. John Morgan Price, AO18740, Air Force of the United States (captain, U. S. Air Force).

Col. Daniel Stone Campbell, AO18751, Air Force of the United States (captain, U. S. Air Force).

Col. Kenneth Burton Hobson, AO18763, Air Force of the United States (captain, U. S. Air Force).

Col. John Reynolds Sutherland, AO18764, Air Force of the United States (captain, U. S. Air Force).

Col. Donald Linwood Hardy, AO18765, Air Force of the United States (captain, U. S. Air Force).

Col. Richard Tide Coiner, Jr., AO18766, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Albert Clark, Jr., AO18776, Air Force of the United States (captain, U. S. Air Force).

Col. Harvey Porter Huglin, AO18780, Air Force of the United States (captain, U. S. Air Force).

Col. George Dowery Campbell, Jr., AO18783, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Hardin Anderson, AO18785, Air Force of the United States (captain, U. S. Air Force).

Col. Hunter Harris, Jr., AO18808, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Albert Piddock, AO18813, Air Force of the United States (captain, U. S. Air Force).

Col. Andrew Meulenberg, AO18827, Air Force of the United States (captain, U. S. Air Force).

Col. Edwin Guldlin Simenson, AO18829, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Haynes Terrill, AO18833, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Thomas Connell Darcy, AO18840, Air Force of the United States (captain, U. S. Air Force).

Col. Clifford Harcourt Rees, AO18847, Air Force of the United States (captain, U. S. Air Force).

Col. Richard Henry Smith, AO18850, Air Force of the United States (captain, U. S. Air Force).

Col. Eugene Porter Mussett, AO18853, Air Force of the United States (captain, U. S. Air Force).

Col. Edward Willis Suarez, AO18855, Air Force of the United States (captain, U. S. Air Force).

×Brig. Gen. Herbert Bishop Thatcher, AO18865, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Broussard Landry, AO18868, Air Force of the United States (captain, U. S. Air Force).

Col. Frank Greenleaf Jamison, AO18874, Air Force of the United States (captain, U. S. Air Force).

Col. Romulus Wright Puryear, AO18894, Air Force of the United States (captain, U. S. Air Force).

Col. William Madison Garland, AO18900, Air Force of the United States (captain, U. S. Air Force).

Col. James Walter Gurr, AO18906, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Lee Scott, Jr., AO18908, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Reginald Conner, AO51359, Air Force of the United States (captain, U. S. Air Force).

Col. Paul Smith Blair, AO29813, Air Force of the United States (captain, U. S. Air Force).

Col. Edward E. Toro, AO38728, Air Force of the United States (captain, U. S. Air Force).

Col. Thomas Samuel Moorman, Jr., AO18998, Air Force of the United States (captain, U. S. Air Force).

Col. Thomas Burns Hall, AO19010, Air Force of the United States (captain, U. S. Air Force).

Col. Travis Monroe Hetherington, AO19022, Air Force of the United States (captain, U. S. Air Force).

Col. Harold Cooper Donnelly, AO19040, Air Force of the United States (captain, U. S. Air Force).

Col. William Oscar Senter, AO19042, Air Force of the United States (captain, U. S. Air Force).

Col. Sidney Francis Giffin, AO19045, Air Force of the United States (captain, U. S. Air Force).

Col. Harold Roth Maddux, AO19086, Air Force of the United States (captain, U. S. Air Force).

Col. Laurence Browning Kelley, AO19108, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Totten, AO19128, Air Force of the United States (captain, U. S. Air Force).

Col. Milton Fredrick Summerfelt, AO19153, Air Force of the United States (captain, U. S. Air Force).

Col. Gabriel Poillon Disosway, AO19156, Air Force of the United States (captain, U. S. Air Force).

Col. Franklin Stone Henley, AO19169, Air Force of the United States (captain, U. S. Air Force).

Col. Cordes Fredrich Tiemann, AO19193, Air Force of the United States (captain, U. S. Air Force).

Col. Samuel Abner Mundell, AO19206, Air Force of the United States (captain, U. S. Air Force).

Col. Stephen B. Mack, AO19240, Air Force of the United States (captain, U. S. Air Force).

Col. Nelson Parkyn Jackson, AO19253, Air Force of the United States (captain, U. S. Air Force).

Col. Sydney Dwight Grubbs, Jr., AO19271, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Hoffman Pottenger, AO19290, Air Force of the United States (captain, U. S. Air Force).

Col. Kermit Douglas Stevens, AO30128, Air Force of the United States (captain, U. S. Air Force).

Col. William Milton Gross, AO19463, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Donald Robert Hutchinson, AO20441, Air Force of the United States (captain, U. S. Air Force).

NOTE.—The date of rank for these officers will be the date of appointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 20 (legislative day of February 2), 1948:

DEPARTMENT OF COMMERCE

Isaac N. P. Stokes, to be Solicitor, Department of Commerce.

FEDERAL RESERVE BOARD

M. S. Szymczak, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1948.

SENATE

MONDAY, FEBRUARY 23, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, we glory in the glad assurance that Thou art also the God of their succeeding generations.

May our hearts be filled with gratitude that in our Nation's history we have the record of the lofty idealism of Thy servant whose memory we delight to honor and whom we reverently and

affectionately call the Father of His Country.

We thank Thee for his passionate yearning to be true to himself as he sought to keep alive within his breast that little spark of celestial fire called conscience.

We bless Thee for his courageous fidelity to the principle of human rights which inspired him to champion the cause of the oppressed colonists.

May we praise Thee above all for his humble spirit and devout faith which sent him down upon his knees in prayer to hold council with the God of all wisdom.

Grant that the memory of our great patriot may strengthen the soul of our beloved country and inspire its chosen representatives to labor in faith, in faithfulness, and in the fear of the Lord for the freedom and welfare of all mankind.

Hear us in the name of the Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 20, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Morse
Baldwin	Hayden	Murray
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Brooks	Ives	Pepper
Buck	Jenner	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Stewart
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tobey
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ferguson	Malone	Wiley
Flanders	Martin	Williams
George	Millikin	Wilson
Gurney	Moore	Young

Mr. KNOWLAND. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

Mr. BARKLEY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from New Mexico [Mr. HATCH], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Georgia [Mr. RUSSELL], the Senator from Maryland [Mr. TYDINGS], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

READING OF WASHINGTON'S FAREWELL ADDRESS

The PRESIDENT pro tempore. Under the standing order of the Senate, the Farewell Address of George Washington will be read by the Senator heretofore designated for that purpose by the President pro tempore of the Senate, the Senator from Connecticut [Mr. MCMAHON].

Mr. MCMAHON advanced to the desk and read the Farewell Address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude,

urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth, as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, suffering and successes.

But these considerations, however powerfully they addressed themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south* in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are

duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be involved, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit or party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently

prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessary parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from na-

tion to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of Congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 402. An act to authorize the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land;

S. 500. An act authorizing the issuance of a patent in fee to Tom Eagleman;

S. 1673. An act to authorize the promotion of James Y. Parker, Army serial No. O20712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes; and

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments.

RENT CONTROL AND HOUSING LEGISLATION (H. DOC. NO. 547)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the Chief Clerk and referred to the Committee on Banking and Currency.

(For President's message, see today's proceedings of the House of Representatives on p. 1560.)

PURCHASE OF PUBLIC LANDS FOR HOME AND OTHER SITES

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the act entitled "An act to provide for the purchase of public lands for home and other sites" approved June 1, 1938 (52 Stat. 609), as amended, which, with an accompanying paper, was referred to the Committee on Interior and Insular Affairs.

PROPOSED FEPC LEGISLATION—PETITION

The PRESIDENT pro tempore. The Chair lays before the Senate a telegram signed by several citizens, presidents, chairmen, and general managers of sundry industrial organizations, New York City, N. Y., relating to FEPC legislation. Without objection, the telegram will be appropriately referred and printed in the RECORD, with the signatures attached.

There being no objection, the telegram was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, with the signatures attached, as follows:

NEW YORK, *February 15, 1948.*

Hon. ARTHUR H. VANDENBERG,
President pro tempore,
United States Senate,
Washington, D. C.:

The undersigned American citizens believe that passage at this session of the Congress of a national act against discrimination in employment is important to the welfare of the country. We note with satisfaction that the Ives-Fulton bill has been favorably reported out by the Senate Committee on Labor and Education and we ask you, and through you your colleagues, to use your fullest influence to expedite its passage by both Houses of Congress.

The great majority of employers in the United States, together with their fellow Americans, believe in the principle of nondiscrimination in employment. They know that such discrimination is uneconomic, in that it results in an unsound use of manpower and retards the development of purchasing power. They know it is undemocratic and un-American, being contrary to the principles upon which our Government was founded and upon which it endures. They know, finally, that it weakens the position of the United States in the eyes of the world and in the war of ideas between freedom and totalitarianism.

In our judgment the Ives-Fulton bill, if enacted into law, will substantially advance the cause of nondiscrimination in employment. It will strengthen the hands of those who believe in its purposes and it will tend to bring into compliance those few who do not. Our judgment in this respect is based in part upon the successful working of very similar laws in New York, New Jersey, Massachusetts, and other States. We like the reliance which the bill puts upon education and conciliation. On the other hand, we recognize the necessity of governmental sanctions when conciliation breaks down.

We do not believe that passage of this bill will eliminate prejudice from America. But it will be an effective step along the road. For this reason, we have formed ourselves into a committee to advocate its adoption. We hope you will do all in your power to help toward this objective.

William L. Blatt, President, S. K. F. Industries; Allen W. Dulles, Sullivan & Cromwell; Paul G. Hoffman, President, Studebaker Corp.; Eric Johnston, President, Motion Picture Association; Henry R. Luce, Time, Inc.; Dwight R. G. Palmer, President, General Cable Corp.; Martin Quigley, President, Quigley Publishing Co.; Nelson A. Rockefeller; Anna M. Rosenberg; Beardsley Ruml, Chairman of Board, R. H. Macy & Co.; Spyros P. Skouras, President, Twentieth Century Fox Film Corp.; Paul C. Smith, General Manager, San Francisco Chronicle; Herbert Bayard Swope; Charles H. Tuttle, Breed, Abbott & Morgan; Oren Root, Jr., Chairman.

LAW LIBRARY FEDERAL SECURITY AGENCY

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Kentucky; ordered to lie on the table:

"Senate Resolution 42

"Concurrent resolution in reverence of the late JOHN M. ROBSION

"Whereas God, in His infinite wisdom, has seen fit to call from earthly labors a great servant of Kentucky and of our Nation, JOHN M. ROBSION; and

"Whereas his passing is a source of the deepest sorrow for the members of this body; and

"Whereas it is just and fitting that this body properly express reverence to this true statesman: Now, therefore, be it

"Resolved by the Senate of the Commonwealth of Kentucky (the house of representatives concurring therein), That the members of this body do express to the family of JOHN M. ROBSION their deepest sympathy, and their regret that he should have been taken at a time when he was of such great usefulness to the people of Kentucky, and their gratitude for the services he rendered to the people of Kentucky in his capacity as a faithful public representative and servant.

"That the members of this body do convey to the Kentucky delegation in Congress of the United States condolence in the loss of their worthy fellow member.

"That the members of this body do make known to the Congress of the United States their pride in the representation that the people of Kentucky received through the untiring efforts of JOHN M. ROBSION.

"That it is the sincere feeling of the members of this body that all honor is due to the memory of this man who was an example of rugged honesty, standing in fear of no person or organization in denouncing corruption wherever he found it, and faithful and untiring in his efforts to serve the people of Kentucky.

"That a copy of this resolution be transmitted by the clerk of the senate to the family of the late JOHN M. ROBSION and to each member of the Kentucky delegation in Congress, and to the Clerk of the House of Representatives of the Congress.

"Attest:

"MARY LOU HUBBARD,
"Assistant Clerk of the Senate.

"FEBRUARY 18, 1948."

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Interstate and Foreign Commerce:

"Concurrent resolution memorializing and requesting the Congress to enact legislation prohibiting the use of the mail to advertise and dramatize the use of alcoholic beverages

"Whereas the advertisement of alcoholic beverages in the newspapers and magazines are inimical to the good morals and sobriety of the people of the United States; and

"Whereas such advertisements convey to the youth of our land a false philosophy of life; and

"Whereas the United States mail and interstate commerce should not lend their powers and facilities to the distribution of such advertisements: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Congress of the United States be, and it is hereby, requested and memorialized to enact legislation prohibiting the advertisement of liquor and alcoholic beverages through the use of the United States mail and interstate commerce."

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Banking and Currency:

"Concurrent resolution to memorialize the Congress of the United States to enact such necessary legislation as to provide funds to the Reconstruction Finance Corporation, and other Government agencies, for the purchase of notes and mortgages of veterans, so as to facilitate the operations of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong., as amended, title 38, U. S. Code)

"Whereas the Congress of the United States granted to honorably discharged veterans of World War II certain benefits and privileges outlined in the Servicemen's Readjustment Act; and

"Whereas one of the major provisions of this Readjustment Act provided for the rehabilitation of veterans by the guarantee of loans for the primary purpose of aiding and assisting veterans in the borrowing of funds over a long period of time at a reasonable rate of interest to finance the purchase of homes, farms, or businesses; and

"Whereas this provision of the act has failed to give any relief to the majority of veterans in that no provisions have been made in the act for the financing of these loans and the great majority of veterans desiring to build or purchase homes, farms, or businesses have been unable to obtain loans from local banks or other lending institutions largely because local institutions do not have the surplus funds to invest in long-term real estate loans to any of the many governmental agencies financing almost every phase of American business life; and

"Whereas the Reconstruction Finance Corporation's policy of purchasing these loans was discontinued as of July 1, 1947, and since that time no governmental agency has either the authority or the funds to underwrite or purchase loans made under the said Servicemen's Readjustment Act: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Congress of the United States be urged to enact such legislation and appropriate such funds as may be necessary to enable and direct the Reconstruction Finance Corporation, or such other governmental lending agency, to purchase such notes, mortgages, and securities as are given by the World War II veterans to banks and lending institutions under the provisions and regulation of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, as amended, title 38, United States Code; be it further

"Resolved, That a copy of this resolution be forwarded to the Speaker of the House of Representatives of the United States of America and a copy to the President of the Senate of the United States of America and a copy to each of the Senators and Representatives in the Congress of the United States of America from South Carolina and a copy to the Chairman of the Reconstruction Finance Corporation."

A petition of the Townsend Clubs of the Fifth Congressional District in the State of Florida, praying for the enactment of legislation providing for a uniform national pension system; to the Committee on Finance.

By Mr. JOHNSTON of South Carolina:

A resolution of the Senate of the Legislature of the State of South Carolina; to the Committee on Expenditures in the Executive Departments:

"Senate resolution requesting the War Department or such other agency of the United States Government to send the proper official or representative to Conway or Georgetown, S. C., to handle and reconvey properties heretofore used during the war period

"Whereas during the recent World War, the War Department secured various tracts of land from the citizens of Horry and Georgetown Counties, which properties were used for vital defense needs; and

"Whereas many of these citizens desire to secure the return of these properties by purchase or otherwise; and

"Whereas the nearest office from which information can be obtained regarding these sales and transfers is Atlanta, Ga., which is too far removed to assist the citizens of these counties; and

"Whereas the complications involved in the handling of these sales are a serious handicap to the citizens and farmers of this section; and

"Whereas should an office be placed at either Conway or Georgetown, S. C., to handle these sales and assist those interested in these properties, such would prove most helpful: Now, therefore, be it

"Resolved by the senate, that the proper official in charge of surplus property land sales in the War Department be requested to immediately send a representative to be stationed at Conway or Georgetown, S. C., for the purpose of handling lands and properties secured in Horry and Georgetown Counties for the benefit of those who desire to purchase or reclaim the same.

"That a copy of this resolution be sent to the following:

"1. Hon. BURNET R. MAYBANK, United States Senator, Washington, D. C.

"2. Hon. OLIN D. JOHNSTON, United States Senator, Washington, D. C.

"3. Director Surplus Property Sales, War Department, Washington, D. C."

EUROPEAN RECOVERY PROGRAM

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a statement of Mrs. J. L. Blair Buck, president, General Federation of Women's Clubs, to the Committee on Foreign Relations of the Senate, on January 24, 1948, relating to the European recovery program.

There being no objection, the statement was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

EUROPEAN RECOVERY PROGRAM

(Statement of Mrs. J. L. Blair Buck, president, General Federation of Women's Clubs, to Senate Foreign Relations Committee, January 24, 1948)

Mr. Chairman, I appear before your committee today as the president of the General Federation of Women's Clubs, a national organization of some 3,000,000 women who have officially expressed their approval of the Marshall plan for European recovery. I come to plead for prompt enactment of an aid-to-Europe program along the lines outlined by President Truman and Secretary of State Marshall.

The General Federation of Women's Clubs has had as a first interest the building and maintenance of peace in the world. We have supported efforts to promote international cooperation in political, economic, and social fields through advocacy of the United Nations and such specialized agencies as FAO, IRO, UNESCO, and the proposed world health and international trade organizations. We believe that the cause of peace will be advanced by the European recovery program, which seeks to help the nations of western Europe to rebuild their shattered economies. Stable economic conditions are a prerequisite to the restoration of strong, democratic governments in this important area. Such governments will bulwark peace.

We further believe that the European recovery program is vital to the welfare and security of the United States. If western Europe, the traditional bastion of free insti-

tutions across the seas, is forced through economic exigencies to accept totalitarian government, the position of this country will be precarious indeed. We cannot afford not to aid the 16 nations which have entered into a cooperative venture with us to restore their economies so that they can remain free, independent, and capable of resisting any pressure which may be brought against them. The risk involved for us in undertaking a European recovery program is small compared to the risk we run should we refuse to do so.

It would be presumptuous for me, a layman, to attempt to discuss the details of so vast and complex a program. I do, however, feel justified in emphasizing the importance of not jeopardizing its chances for success by undue delay, by curtailment, or by the imposition of conditions which would place too heavy a burden on the recipient countries, or be distasteful to them as sovereign nations.

Failure to make aid available by April 1, when it is estimated the interim-aid funds will be exhausted, will be a step backward on the hard road we are traveling. Therefore, I hope the Congress will act as quickly as possible in authorizing the long-range program.

Reduction in the amount of the aid recommended might seriously cripple the effectiveness of the program. I am willing to accept the word of Secretary Marshall, based largely on the Harriman committee report, that $6,800,000,000 is the minimum necessary to do a recovery job. This figure was arrived at after months of painstaking analysis of the needs of the cooperating nations. In the long run inadequate aid will be a disadvantage to the United States, which seeks as the return on its investment the recovery of western Europe.

It also seems important to me that the terms of the aid be kept sufficiently flexible so that grants can be made to those nations whose economies will be further strained by the necessity of paying off the huge foreign debt. Ability to pay should be the basic consideration in determining the nature of the aid to be rendered. What we should seek is a self-supporting Europe, not one paralyzed by debt.

In addition to humanitarianism, a main purpose of the European recovery program is to help rebuild strong, democratic governments in western Europe. The United States should be very careful not to undermine the strength of these governments by interfering in their internal affairs. We must constantly bear in mind that the nations we seek to help have a great tradition of freedom similar to our own. They are sensitive and proud as we would be under reversed circumstances. The program will succeed only if it is based on mutual respect and cooperation.

As regards the administration of the program, I feel very strongly that the administering agency must be subject to direction by the President of the United States, who is, under the Constitution, responsible for the conduct of foreign policy. On basic foreign policy the Administrator should look to the Secretary of State, who is the President's deputy in this field. The Administrator should, of course, be solely responsible under the President for the economic and business operations of his agency, but there must be the closest coordination between the Department of State and the new independent agency both here and abroad. Without such coordination confusion will result and the efficiency of the program will be impaired.

Mr. Chairman, the European recovery program outlined by Secretary Marshall fulfills the broad essentials of a constructive aid program. The importance of its speedy enactment, in view of the present world situation, outshadows all other considerations. The future peace of the world may well depend upon it.

UNIVERSAL MILITARY TRAINING IN PEACETIME, ETC.

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD an impressive letter I have received from Rev. Q. W. Brakebill, of Colony, Kans., expressing his opposition to compulsory military training in peacetime, and the sale of intoxicating liquor near military training camps.

There being no objection, the letter was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

UNITED CHURCH,
Colony, Kans., February 17, 1948.

Hon. ARTHUR CAPPER,
United States Senator,
Washington, D. C.

RE MILITARY TRAINING IN PEACETIME

DEAR SENATOR CAPPER: In the course of years I have written to you concerning many issues which I considered of great importance to our Nation.

This one—it seems is more important than any yet I have called your attention to.

Naturally I am opposed to compulsory military training—not that I wouldn't gladly and willingly volunteer my services to aid in the defense of our country were I needed. I had two sons in the last World War. I was glad they were willing to do their part in winning the victory—and we would gladly do the same thing again if it became necessary.

There are various and good reasons why I am opposed to military training or compulsory enlistment in peacetime.

First. It would tend to a militaristic form of government, such as prevailed in Germany—the very thing that we do not want.

Second. Germany had compulsory military training and their boys and young men were taught things that will live in their consciousness for many years—that Germans are the superior race. They gloried in their military might. That same philosophy could and I believe would be inculcated in all our training camps were that law passed. God forbid.

Third. Conditions in and around these United States military training camps are to be deplored. Many young men were ruined. They came back with their physical, mental, and spiritual beings ruined. That was so in many cases. My boys never indulged—they never touched the stuff. However they told me all about the deleterious effects of beer and liquor on the boys and young men.

Fourth. Liquor is not required to make good soldiers.

Fifth. It is an economic waste to maintain large armies. The next war, according to the best authorities, will not be won by large armies or large navies. That is absolutely true in the light of atomic energy. Then why saddle this enormous tax burden on the American people?

Now in closing I do not doubt the sincerity of Ike Eisenhower or Secretary Marshall or any of the other higher-ups in military circles; but they are wrong in thinking large armies and large navies can win the next war.

I hope and pray that the Congress of the United States will not pass the bill now before Congress and recommended by President Truman. I am confident that the great majority of our citizens in the church and out of it do not want this measure passed.

Sincerely,

REV. Q. W. BRAKEBILL.

REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. BUTLER, from the Committee on Interior and Insular Affairs, to which was referred the resolution (S. Res. 196) authorizing the Committee on Interior and Insular Affairs to make a study and investigation relative to certain matters, reported it without amendment, and, under the rule, it was referred to the Committee on Rules and Administration.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DWORSHAK:

S. 2196. A bill to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HOLLAND (for himself and Mr. PEPPER):

S. 2197. A bill authorizing the construction of a comprehensive plan for flood control and other purposes in central and southern Florida; to the Committee on Public Works.

By Mr. IVES:

S. 2198. A bill for the relief of Umberto Randaccio; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 2199. A bill to amend the Migratory Bird Treaty Act so as to provide that regulations adopted pursuant to such act for any area, section, or flyway shall be based on conditions existing within such area, section, or flyway, and to create a Migratory Game Bird Advisory Committee; to the Committee on Interstate and Foreign Commerce.

By Mr. LANGER:

S. 2200. A bill to extend college education to children of persons whose death results from service in the armed forces, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. O'CONOR (for himself and Mr. TYDINGS):

S. 2201. A bill supplementing the act entitled "An act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State," approved April 7, 1938; to the Committee on Public Works.

By Mr. VANDENBERG (for himself and Mr. CONNALLY):

S. 2202. A bill to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world; to the Committee on Foreign Relations.

By Mr. THOMAS of Utah:

S. 2203. A bill for the relief of Toshiko Ozawa; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 2204. A bill for the relief of Mrs. Ada M. Hamilton; to the Committee on the Judiciary.

S. 2205. A bill for the relief of Grace L. Elser; and

S. 2206. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for investigatory personnel of the Treasury Department who have rendered at least 20 years of service; to the Committee on Post Office and Civil Service.

By Mr. THOMAS of Oklahoma:

S. J. Res. 189. Joint resolution to provide for the issuance of a special postage stamp in honor of the Five Civilized Tribes of Indians in Oklahoma; to the Committee on Post Office and Civil Service.

ST. LAWRENCE SEAWAY—AMENDMENTS

Mr. WILEY (by request) submitted an amendment intended to be proposed to the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof; expressing the sense of the Congress with respect to the negotiation of certain treaties; providing for making the St. Lawrence seaway self-liquidating; and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WILEY (for Mr. WAGNER) submitted amendments intended to be proposed by Mr. WAGNER to the joint resolution (S. J. Res. 111), supra, which were ordered to lie on the table and to be printed.

EXTENSION OF RENT CONTROL—AMENDMENT

Mr. McCLELLAN submitted an amendment intended to be proposed by him to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, which was ordered to lie on the table and to be printed.

LINCOLN DAY ADDRESS BY SENATOR KNOWLAND

[Mr. COOPER asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator KNOWLAND at Louisville, Ky., on February 12, 1948, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR BALDWIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator BALDWIN at Pittsburgh, Pa., on February 20, 1948, which appears in the Appendix.]

CONGRESS AND THE REPUBLICAN PARTY—ADDRESS BY SENATOR BALDWIN

[Mr. THYE asked and obtained leave to have printed in the RECORD an address on the subject Congress and the Republican Party, delivered by Senator BALDWIN before the Hennepin County Republican Committee at Minneapolis, Minn., February 11, 1948, which appears in the Appendix.]

FIFTIETH ANNIVERSARY OF THE SINKING OF THE "MAINE"—ADDRESS BY SENATOR CHAVEZ

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD a speech delivered by him at Habana, Cuba, on February 15, 1948, commemorating the fiftieth anniversary of the sinking of the *Maine*, which appears in the Appendix.]

JEFFERSON-JACKSON DAY ADDRESS BY SENATOR CHAVEZ

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD a Jefferson-Jackson Day speech delivered by him at Fort Wayne, Ind., on February 19, 1948, which appears in the Appendix.]

JEFFERSON-JACKSON DAY ADDRESS BY SECRETARY ANDERSON

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a Jefferson-Jackson Day dinner address delivered by the Secretary of Agriculture, Hon. Clinton P. Anderson, in Louisville, Ky., on February 21, 1948, which appears in the Appendix.]

CONDITIONS IN GERMANY

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter containing an account of conditions in Germany, which appears in the Appendix.]

THE RENT-CONTROL PROBLEM—LETTER FROM ROBERT W. PRESCOTT

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter to him, dated February 14, 1948, from Robert W. Prescott, of Eugene, Oreg., together with an enclosure therewith setting forth the position of the Eugene (Oreg.) Real Estate Board in regard to rent control, and Mr. MORSE's telegram in reply thereto, which appear in the Appendix.]

THE ST. LAWRENCE SEAWAY—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD the text of a brief statement which I have prepared on the subject of the many endorsements which I have received of the St. Lawrence seaway joint resolution now pending before the Senate, and including excerpts from several communications thereon.

There being no objection, the statement and communications were ordered to be printed in the RECORD, as follows:

WISCONSIN ENDORSES ST. LAWRENCE SEAWAY

Mr. President, from all over the State of Wisconsin, I have received literally hundreds of communications—wires and telegrams endorsing efforts for the passage of the St. Lawrence seaway resolution. Recently the Milwaukee Association of Commerce for the first time since 1939 endorsed the seaway. Opinion in the Badger State is more completely united on this issue than on virtually any other single issue that I can recall since my coming to the Senate.

WISCONSIN SEEKS NATIONAL WELFARE

Critics may scoff that Wisconsin is interested, particularly because of its many ports on the Great Lakes whose welfare and progress would be advanced by the development of this great project. But I assure these critics that, while Wisconsin does have a stake in the seaway, so too does the entire Middle West and 50,000,000 Americans.

Moreover, in endorsing the seaway, Wisconsin's citizens and organizations writing to me have invariably stressed the fact that, in all sincerity, and in all humility, they favor the seaway not basically because it would serve the interests of their own State in part, but because of the vital benefits to the national welfare.

Every Wisconsin Legislature since the inception of this project has endorsed the seaway—every high public official that I can recall. I do not want to burden the RECORD with extensive statements which have been filed with me on the seaway, but as a token of the sentiment of my State, I shall ask that excerpts from a few of the statements which I have received be printed in the CONGRESSIONAL RECORD.

I am sure that my colleagues from other States throughout the Union could submit similar statements from widespread sources.

SEAWAY IS CONTINENTAL PROJECT

Again I emphasize that this is a national project, a continental project, if you please, endorsed by the American Farm Bureau Federation, the National Grange, the National Cooperative Milk Producers Federation, the Rural Electric Cooperatives' Associations, by five past presidents of the United States Chamber of Commerce, and leading unions throughout the Nation.

As will be noted, the initial statement comes from a distinguished public servant from Wisconsin, Judge Irvine Lenroot, who formerly served in this great body. I might, incidentally, note that it was Judge Lenroot who back in 1919 initially offered an amendment to a River and Harbor Act providing that the Corps of Engineers study the feasibility of the St. Lawrence seaway. This study, like all the studies which followed, confirmed the need and feasibility for the seaway.

Some of the excerpts I am including commend my own efforts in the seaway battle. While I am humbly grateful for these kind messages, I feel that I am but one servant of Wisconsin and of the Nation out of the literally hundreds and thousands who have sought throughout the long history of this project to advance this noble objective. The great Senators of Wisconsin who have preceded me, the distinguished businessmen and labor leaders, the illustrious public officers of the Badger State—all these have set a path and have established precedents for me. It has been my humble aim to be worthy of the magnificent mark that they set.

WASHINGTON, D. C., *February 13, 1948.*

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

MY DEAR ALEX: I have yours of the 11th, with enclosures which I have read with very great interest. I congratulate you upon the splendid fight for the St. Lawrence waterway. I subscribe for the CONGRESSIONAL RECORD and have followed the debate very closely. You and Senator AIKEN have done a wonderful job, and if the Senate would consider the matter upon its merits it would pass by a large majority.

It is clear that the postponement from time to time of this great national undertaking is due solely to the selfishness of sectional interests and the opposition of the railroads and their employees. If the Senators and Congressmen from the Middle West had taken the same selfish attitude when the Panama Canal was authorized, it probably would not have been in existence now.

I venture the hope that you may remain in the Senate until the St. Lawrence waterway improvement becomes an accomplished fact. As you are no doubt aware, I originated congressional action with respect to this subject in 1919 when a Member of the Senate, and I hope to live to see the day when ocean steamers will ply the Great Lakes.

With kindest regards and best wishes for your success,

Very sincerely,

IRVINE L. LENROOT.

WISCONSIN MILITARY ASSOCIATION,
Milwaukee, Wis., February 2, 1948.

The Honorable ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: This association has followed your vigorous, timely, and patriotic drive in the United States Senate for favorable action to get the St. Lawrence seaway on the status of the United States.

We frown on narrow sectionalism which retards the advance of an entire continent.

As soldiers we have gone to war, not for New England, not for the western prairies, not for the Great Lakes region, but for the entire United States.

It is too bad that narrow-mindedness prevents legislation that benefits the entire country.

These people should have lived in the days of the building of the Union Pacific.

Sincerely yours,

REINHOLD C. DEDI,
Lieutenant Colonel, Infantry Reserve,
President.

FEDERATED TRADES COUNCIL
OF MILWAUKEE,
Milwaukee, Wis., January 19, 1948.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: It is the hope of the Federated Trades Council that you will con-

tinue your vigorous support of the St. Lawrence seaway and power project.

We are confident that if enough push is put behind this project at this session of Congress it cannot fail getting approval.

Sincerely yours,

F. H. RANNEY,
General Secretary.

THE JAMES SHOE MANUFACTURING CO.,
Milwaukee, February 9, 1948.

Senator ALEXANDER WILEY,
The Senate, Washington, D. C.

HONORABLE DEAR SENATOR: We want to congratulate you and thank you for the wonderful fight you are putting up in the Senate on the many different bills that are confronting it today and especially for the battle you are putting up for the St. Lawrence seaway.

I just want you to know that we here in the James Shoe Manufacturing Co. are back of you 100 percent, and we wish that we had more men like you in the Senate who are not afraid to fight for what they feel is right in the true American way. * * *

Yours very truly,

H. E. MCMAHON,
President.

YOUNG REPUBLICANS OF MILWAUKEE COUNTY,
Wauwatosa, Wis.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SIR: We, the Young Republicans of Milwaukee County, hereby wish to inform you that we have gone on record as favoring the construction of the St. Lawrence seaway project and ardently hope that you will use your utmost influence toward the passage of the pending legislation.

Realizing that this subject is raising a sectional dispute, we ask that you remind those Congressmen and Senators from dissenting areas that we of the Middle West have been willing to bear our share of the cost of numerous projects from which we have derived little or no benefit—Boulder Dam and TVA, to mention only two. Unless each section of our country can recognize the needs of other areas and work toward providing those improvements which will make for a more prosperous Nation, the progress of our Nation is doomed.

Yours very truly,

Miss RUTH M. BURTON,
Secretary.

GREAT LAKES HARBORS ASSOCIATION,
Milwaukee, Wis., February 5, 1948.

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: In behalf of the members of the Great Lakes Harbors Association, I wish to extend our deep appreciation for the gallant fight you have made for the St. Lawrence waterway.

While I have been fearful that this Senate is more apt to listen to the adverse lobbyist than to the welfare of the people in the Great Lakes area, yet the St. Lawrence deep waterway is indispensable for the proper defense of this Nation. More than this, the box-car and tank-car shortage will never be eliminated until this project is completed.

* * * * *

Most sincerely,

DANIEL W. HOAN,
President.

MILWAUKEE, WIS., *February 4, 1948.*

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.:

We appreciate your efforts on St. Lawrence seaway bill and know you will keep up the good fight. Milwaukeeans are 100 percent behind you in the battle for this bill.

ARTHUR S. EHRMANN.

MILWAUKEE WOMAN'S CLUB,
Milwaukee, Wis., February 3, 1948.

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SIR: The board of directors of the Milwaukee Woman's Club, at its last meeting, voted to reaffirm its stand in favor of the St. Lawrence seaway.

And also to thank you for your valiant efforts in behalf of Wisconsin and its neighboring States in securing this transportation highway.

Very truly yours,

SYLVIA W. ROECKER,
Corresponding Secretary.

WISCONSIN WAREHOUSEMEN'S ASSOCIATION,
Milwaukee, Wis., February 19, 1948.

Hon. ALEXANDER WILEY,
United States Senator,
Washington, D. C.

DEAR SENATOR: Noticing that the St. Lawrence resolution, Senate Joint Resolution 111, is scheduled to come up for a vote in the Senate on February 27, I take this opportunity of reaffirming our previous advice to you that this association and its members are very strongly in favor of the St. Lawrence waterway project. We will be glad to have you so record our association to this effect.

Sincerely yours,

H. L. ASHWORTH,
Executive Secretary.

MEETING OF COMMITTEE DURING SESSION OF THE SENATE

Mr. KNOWLAND asked and obtained consent that the subcommittee of the Committee on the Judiciary considering the question of tidelands be permitted to meet during the session of the Senate today.

LEAVE OF ABSENCE

Mr. AIKEN asked and obtained consent to be excused from attendance on the session of the Senate tomorrow.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I ask that the unfinished business be temporarily laid aside so that those Senators who desire to present motions or offer amendments to Senate Joint Resolution 111, the St. Lawrence seaway measure, may do so. As Senators know, under the unanimous-consent agreement such amendments and motions must be offered today.

At this time I wish to make a statement, for the information of the Senate, as to the legislative program. After motions and amendments relating to the St. Lawrence seaway joint resolution shall have been offered and discussed, if no further business is taken up, it is my intention, assuming it is not too late in the afternoon, to ask the Senate to revert to the consideration of the rent-control bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from California? The Chair hears none, and the order is entered.

Mr. LANGER. Mr. President, I inquire of the Senator from California when he expects there will be another call of the calendar.

Mr. KNOWLAND. The calendar probably will not be called again until after the conclusion of the consideration of the rent-control bill, and possibly not until after the St. Lawrence seaway joint resolution shall be acted on.

THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

Mr. LODGE. Mr. President, some confusion appears to have arisen regarding the important question: How much American shipping may be expected to use the seaway, if constructed, in view of the proposed 27-foot channel?

In order to clear up this confusion, let me say that on January 28 I stated on the floor of the Senate that some 90 percent of American shipping tonnages would be excluded from the seaway because of the shallowness of the channel. I quote, in part, from my remarks on page 638 of the CONGRESSIONAL RECORD for that date:

> If this 27-foot channel is to be effective as a reserve or alternate route in time of war, as the proponents maintain, it must be manifest that fully loaded cargo ships will be physically able to navigate this channel. This would seem a basic factor. Let us look at this. Here are some figures now that are utterly binding on this matter of whether the engineering features of this proposition are sound. Let us look at the facts. The Port Warden Regulations in Montreal for oceangoing ships require a draft clearance of 2½ feet for ships of 8,500 tons dead weight, that is, underneath the bottom; they require 3 feet for ships of 10,500 tons dead weight; they require 3½ feet for 12,000 tons dead weight.
>
> Our ships operating in the overseas trades have a total dead-weight capacity as follows, and these include cargo, bunkers, stores, and so forth, and these figures apply to fully loaded draft in salt water:
>
> A Liberty ship's dead-weight capacity is 10,590 tons. Thus, loaded, a Liberty draws 27 feet 9¼ inches. That is already 9¼ inches too much.
>
> A Victory ship's dead-weight capacity is slightly more than a Liberty's—10,681 tons—and it draws 28 feet 3¾ inches.
>
> A C-2 type ship has a 10,560-ton capacity and draws 27 feet 8 inches.
>
> A C-3 type ship has a dead-weight capacity of 12,041 tons and draws 27 feet and 1 inch.
>
> T-2 and T-3 tankers, which are even larger ships than the C-3's, draw 30 feet. Those are the big Standard Oil tankers.
>
> No prudent ship operator would load ships such as these deeper than 24 feet, as there must be at least a 3-foot clearance under the keel for these sized ships; moreover, allowance for squat and variation of fresh water would amount to nearly one additional foot. "Squat" is the possibility of a ship going down a little lower. They always go down lower when they are running.
>
> A 24-foot loaded draft would be the deepest within a reasonable degree of safety. Obviously to load a Liberty, Victory, C-2, and C-3 to only 24 feet would be economically unsound, although it does not seem to be admitted here by everybody.
>
> From the foregoing—and I hope Senators will look it over at their leisure—it can be readily seen that nearly all ships under United States registry, engaged in the overseas trade, and such ships fully loaded, drawing on the average 28 feet, must necessarily be excluded, on account of draft limitation, from navigation over the proposed St. Lawrence seaway. The figure is about 90 percent.

Let me say that my statement, "The figure is about 90 percent," refers to total tonnage and not to total ships. The percentage of ships whose draught is too deep for the proposed channel is about 83 percent. I now realize that I

should have made that distinction clearer.

I now quote from the remarks of the senior Senator from Wisconsin. [Mr. WILEY] which appear on page 1050 of the February 4 CONGRESSIONAL RECORD:

Repeated charges have been made on the floor to the effect that an insufficient percentage of the shipping of the United States and of the world could utilize the St. Lawrence seaway, if it were built. The figure 9 percent has been used as to the total amount of United States shipping that could use the seaway. Any lawyer knows he must get the facts before he can arrive at his conclusions. I am going to give facts which will astonish Members of the Senate, and will totally contradict the statement respecting the 9-percent figure. Such a figure is, of course, absurd and is not confirmed in any way, shape, or form by the United States Maritime Commission.

The senior Senator from Wisconsin then inserted into the RECORD two tables submitted by the United States Maritime Commission and dated January 29, 1948, which, for the sake of convenience, I ask unanimous consent to have printed at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

United States flag and world seagoing merchant fleet as of June 30, 1947, vessels of 1,000 gross tons each and over with maximum loaded draft of 27 feet or less including United States flag Liberty and Victory vessels with drafts of 27 feet 9½ inches and 28 feet 6¾ inches, respectively

Vessel type	Grand total, all vessels		Vessels of 27-foot draft or less, and United States flag Libertys and Victorys			
			Vessels		Gross tons	
	Number	Gross tons	Number	Percent of grand total	Tons	Percent of grand total
		Millions			*Millions*	
World fleet, total	12,370	70.42	9,587	77.5	45.09	64.0
Freighter (excluding United States Libertys and Victorys)	7,314	33.22	5,921	81.0	22.56	67.9
United States flag Libertys	1,714	12.31	1,714	100.0	12.31	100.0
United States flag Victorys	358	2.73	358	100.0	2.73	100.0
Combination passenger and freight	1,015	7.13	786	77.4	3.57	50.1
Tankers	1,969	15.03	808	41.0	3.92	26.1
United States-flag fleet, total [1]	4,202	30.90	3,072	73.1	20.50	66.3
Freighters (excluding United States Libertys and Victorys)	1,221	7.60	799	65.4	4.34	57.1
United States flag Libertys	1,714	12.31	1,714	100.0	12.31	100.1
United States flag Victorys	358	2.73	358	100.0	2.73	100.1
Combination passenger and freight	108	1.11	67	62.0	.54	48.6
Tankers	801	7.15	134	16.7	.58	8.1

[1] Includes 272 USMC-owned vessels aggregating 1,809,000 gross tons transferred to foreign flags under lend-lease or other agreements and remaining under foreign registries as of June 30, 1947, by subsequent arrangement.

Source: U. S. Maritime Commission, Research Division.

United States flag and world seagoing merch ant fleet as of June 30, 1947, vessels of 1,000 gross tons each and over with maximum loaded draft of 25 feet or less

Vessel type	Grand total, all vessels		Vessels of 25-foot draft or less			
			Vessels		Gross tons	
	Number	Gross tons	Number	Percent of grand total	Tons	Percent of grand total
		Millions			*Millions*	
World fleet, total	12,370	70.42	5,579	45.1	16.97	24.1
Freighters	9,386	48.26	4,500	47.9	13.33	27.6
Combination passenger and freight	1,015	7.13	646	63.6	2.34	32.8
Tankers	1,969	15.03	433	22.0	1.30	8.6
United States flag fleet, total [1]	4,202	30.90	637	15.2	2.95	9.5
Freighters	3,293	22.64	518	15.7	2.47	10.9
Combination passenger and freight	108	1.11	42	38.9	.28	25.2
Tankers	801	7.15	77	9.6	.20	2.8

[1] Includes 272 USMC-owned vessels aggregating 1,809,000 gross tons transferred to foreign flags under lend-lease or other agreements and remaining under foreign registries as of June 30, 1947, by subsequent arrangement.

Source: U. S. Maritime Commission, Research Division.

Mr. LODGE. I also ask unanimous consent that a table appearing on page 51 in Public Affairs Bulletin No. 58, entitled "The St. Lawrence Seaway Project," July 1947, prepared by the Library of Congress, Legislative Reference Service, with the source given as the United States Maritime Commission, be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

United States and world merchant vessels with maximum drafts of 25 feet or less [1]

Type of vessel	Total number	Total gross tons	Vessels 25-foot draft or less	Percent of total vessels	Gross tons 25-foot draft or less	Percent of tonnage
World fleet (Sept. 30, 1945):						
Freighters	7,605	45,001,047	2,640	34.7	9,343,948	20.8
Combination passenger and freight	764	6,264,225	438	57.3	1,972,875	31.5
Tankers	1,806	14,393,932	276	15.3	967,149	6.6
Total	10,175	65,859,204	3,354	33.0	12,283,972	18.7
United States fleet (Sept. 30, 1945):						
Freighters	4,432	29,922,751	646	14.6	2,813,825	9.4
Combination passenger and freight	148	1,498,392	66	44.6	480,991	32.1
Tankers	949	8,658,859	51	5.4	195,954	2.3
Total	5,529	40,080,002	763	13.8	3,490,770	8.7

[1] Covering 30 principal countries and the British colonies, including vessels of 1,600 gross tons and over.

Source: U. S. Maritime Commission.

Mr. LODGE. Let me say that in the table just cited the total gross tonnage for vessels of 25-foot draft or less is 3,490,770 of a total of 40,080,002, or 8.7 percent of the total United States tonnage. This figure rounded off is the 9 percent which the senior Senator from Wisconsin described as "absurd." I think it is only absurd in the sense that the proponents ask us to authorize a seaway which would physically exclude 91 percent of American tonnage.

With reference to the second table inserted by the senior Senator from Wisconsin for merchant type vessels with maximum loaded drafts of 25 feet or less, this table shows that for the United States commercial fleet, 15.2 percent of the number of vessels are of 25-foot draft or less, and 9.5 percent of the gross tonnage are vessels of 25-foot draft or less. Note the close similarity between these two figures from the table of the Senator from Wisconsin, and the two figures appearing in the table of September 1945 which I have inserted in the RECORD and upon which my figures were based.

The table I have used shows that only 8.7 percent of the total American tonnage are of sufficiently shallow draft to navigate the seaway, while the latter table, inserted by the senior Senator from Wisconsin, and not available to me at the time I prepared my original statement, shows that figure to be 9.5 percent—certainly not a very startling variation. The variation of less than 1 percent is attributable to the fact that the wartime construction program was practically complete by September 30, 1945, the date used in the tabulation in the Library of Congress report. The slightly larger percentages in the Maritime Commission report quoted by the senior Senator from Wisconsin as of June 30, 1947, is accounted for by the retirement of old over-age vessels of smaller tonnage capacity which are no longer required now that the war emergency is over and have therefore been sold for scrap or retired.

But both his tables and my tables bear out my conclusion that 90 percent of total American tonnage could not, fully loaded, navigate the seaway. The figure for vessels which could not navigate the seaway is about 83 percent.

Now, let me correct a statement of fact made by the senior Senator from Wisconsin. He, himself, states, "Any lawyer knows he must get the facts before he can arrive at his conclusions." I am not a lawyer, but I think I can spot an error of fact. I read from page 1050 of the CONGRESSIONAL RECORD of February 4, 1948. The senior Senator from Wisconsin is speaking:

However, in order that we might have the most up-to-date statistics on this subject, I ask the Maritime Commission to prepare totally new data. Its research division compiled, as of January 29, 1948, a report on the number of United States flag and world merchant ships that could use the seaway project. This report shows, for example, that 73 percent of the United States flag fleet total are vessels of 27-foot draft or less and could, therefore, use the seaway.

With regard to the statement made by the Senator from Wisconsin that "73 percent of the United States flag fleet total are vessels of 27-foot draft or less

and could, therefore, use the seaway," I want to point out that this is a misstatement of the description in the table to which the Senator from Wisconsin refers. The table heading definitely says: "Vessels of 27-foot draft or less and United States Libertys and Victorys." However, Mr. President, in reading the table, the Senator from Wisconsin omitted the reference to United States Victory and Liberty ships. Nevertheless, Liberty and Victory ships are clearly stated in the table heading to be both over 27-foot draft—namely, 27 feet 9½ inches and 28 feet 6¾ inches, respectively. If the senior Senator from Wisconsin wants to use the correct figure for the percentage of the United States flag fleet which are vessels of 27-foot draft or less, he must exclude 1,714 Liberty ships and 358 Victory ships. When this is done, the total vessels of 27-foot draft or less becomes 1,000 rather than 3,072; and the number of vessels in the United States fleet as of June 30, 1947, that are 27-foot draft or less is 24 percent instead of 73 percent, and the gross tons in the same category are 5,500,000 instead of 20,000,000, and only 17.7 percent instead of 66.3 percent of the total fleet.

So, Mr. President, I cannot help but wonder whether the senior Senator from Wisconsin read the table which he himself put into the RECORD.

It should be noted that this is entirely apart from the fact that with a proposed channel of 27-feet, vessels of 27-foot loaded draft could obviously not navigate unless they were loaded considerably below their capacity, and therefore the figures showing numbers and tonnages of 25-foot loaded draft are the more realistic, but only 24-foot draft would be safe for navigation.

To substantiate this point, I refer again to the regulations of the Port Warden in Montreal and to the Maritime Commission draft figures of fully loaded Liberty, Victory, C–2, C–3, and T–2 tankers. Bear in mind that these figures apply to salt-water draft, and that there is a tendency to draw more in fresh water. Refer to the considered opinion of the heads of many shipping lines in their letters submitted to the late Senator Bailey, and referred to many times during this debate, and note their statements that 24 feet is the maximum practical safe draft. Consider these facts, and we can put the Q. E. D. on the proposition that of the total American commercial flag fleet tonnage of 31,000,000 tons, only 3,000,000, or 10 percent, are of sufficiently shallow draft to permit navigation over the proposed 27-foot St. Lawrence Channel. I therefore stick to my guns, Mr. President, and repeat: 90 percent of American shipping tonnages would be excluded from the seaway.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks excerpts from a very informative letter which I think will be of interest to all Members of the Senate. It comes from Mr. C. Campbell Patterson, Jr., of Chestnut Hill, Mass.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

CHESTNUT HILL, MASS., *February 12, 1948.*

DEAR SENATOR LODGE: I was extremely interested in reading the remarks in reference to the St. Lawrence waterway contained in the CONGRESSIONAL RECORD of January 28, 1948. It is really surprising to see how some people are willing to go on record with positive statements about a subject of which they are totally ignorant. As I said to you in my letter of January 30, 1948, I was actively engaged in the steamship business from the fall of 1919 up to the time I went into the Army during World War II. In spite of this experience I would not dare to hold myself out as an expert. However, a lawyer, farmer, banker, politician, or what have you, once he becomes a Senator is an expert on any and all subjects. When you get down to brass tacks, I have just as much right to tell the farmer in Wisconsin how to grow wheat as he is to tell me about deep-water ships.

When a shipping man is considering whether he is going to put a ship on a particular berth, two paramount questions first must be answered: 1. Is there sufficient payable cargo? 2. Is there depth of water for his ship to sail in safety? If the answer to No. 2 is "No," all the cargo in the world will not move the ship through a foul channel. Of course, if the vessel can make the passage partly loaded and the freight rates are sufficiently attractive, that is a different story. But is it going to help the individual cargo owner if he has to pay for a lot of dead space in a ship, rather than for just that portion utilized for his cargo?

Now let us consider the 27-foot proposed channel. It seems to be taken for granted that the immersion of ships of the size of Libertys and Victorys in fresh water as opposed to salt is 6 inches. Maybe this is cutting it a little fine, but grant that 6 inches, there is talk of 2½ feet clearance under the deepest draft of the vessel. As I remember it that was picked out of the Montreal Port Wardens and I should guess is for moving around that harbor at slow speed. After all what have they got to say about the river once the ship has cleared the port? There are other authorities who enter the picture and who decide in case of an accident whether or not a vessel is seaworthy. Again in this case let's grant them 2½ feet clearance, but I should hate to be a passenger on a ship with so little water under the keel were she moving at any speed but dead slow. It doesn't take much for a ship to swell the bottom resulting in a sudden shear, which shear needs plenty of room to break. Combining the 6 inches for fresh water and the 2½-foot clearance we get a minimum of 3 feet. That reduces the ship's extreme draft to 24 feet. All the talk of the loaded draft of the Liberty is 27 feet 9¾ inches. I very much doubt from the questions raised that some gentlemen understand what this draft means. Ships do not navigate on an even keel. In other words a Liberty loaded, does not draw 27 feet 9¾ inches forward, 27 feet 9¾ inches aft. Even though the middle westerner does not know about ships he can learn something from a rowboat on a lake. His boat is deeper at the stern than forward. And if he is using the boat he so arranges his passenger that it will be trimmed by the stern. He does this because his boat is easier to maneuver. This is the same principle as loading a deep water vessel.

Every ship has its own peculiar quirks. Some operate efficiently when there is a difference of 5 feet between the forward and aft drafts—some might even have 9 feet. This is known as the drag. To get back to the 27 feet 9¾ inches mean draft. This is the depth of water at the Plimsoll mark and gives the vessel a specified freeboard at that point. Suppose one ship requires a 5-foot drag to produce her best speed and maneuverability. That would mean her draft forward would be 25 feet 3¾ inches, aft 30 feet 3¾ inches. Add these two figures together and you get 55 feet 7½ inches. Divide by 2 and you get your 27 feet 9¾ inches mean draft. Now let's get to our ship which must transit a 27-foot fresh-water channel. It is granted she must have 6 inches plus 2½ feet under the deepest spot. That means the maximum draft cannot exceed 24 feet. Give the waterway every benefit and load the ship with a mere 2 foot drag. She is down to 24 feet aft and 22 feet forward, mean 23 feet. Our ship is, therefore, 27 feet 9¾ inches less 23 feet or 4 feet 9¾ inches light. I do not have an immersion scale of a Liberty, but at about the draft on which we are figuring it is approximately 48 tons per inch; 4 feet 9¾ inches at 48 tons per inch means our ship is 2,772 tons shy of her lifting capacity. Now let's take a look at the cargo. We are told this will consist chiefly of grain, ore, petroleum, and coal. The economical carriage of petroleum is in bulk by tankers, so leave this out of our picture. The stowage of grain, ore, coal is such that a ship would normally take her full dead weight of such commodities. Furthermore these are low freight-rate cargoes. The idea seems to be to send our Liberty through a dangerous channel with a port cargo of low-revenue freight. Do not let anyone sing a song about blowing up the ship with autos. Europe, or wherever the grain is destined, is not taking flocks of United States cars. Labrador, nor Wabana, has no general cargo to top off any ore. Nor has North Africa, unless we so change our tariff set up that we can import large quantities of eastern Mediterranean cotton, tobacco, etc.

While on this subject of cargo, mention might be made of an attempt at a comparison between Panama Canal transits and the St. Lawrence dreams. The great preponderance of movement through the Canal consists of general cargo which not only pays a good rate but fills a ship before she is down. On the other hand, those favoring the St. Lawrence state their proposed cargo will consist of at least three-fourths heavy low-freight commodities. The lake carrier of these commodities is so built that practically her whole deck can be opened for fast mechanical discharge. Such a ship is safe on the Lakes, but would not be permitted in the ocean. The Pioneer Steamship Co., of Cleveland, states they have one vessel 621 feet over all, which will lift in excess of 15,500 gross tons on a 24-foot draft. No deep-water vessel could equal or come near to this. On the other hand, I am sure you would find this vessel would not be permitted to sail the North Atlantic.

What about the period of open navigation? The time between the last and first sailings at Montreal show about 4½ to 5 months closed navigation. But, mind you, this is Montreal. The future ship will not get to Montreal any sooner than those in the past. She must then transit the upper St. Lawrence and then proceed through the Lakes to her destination—Chicago, Duluth, and so forth. Furthermore, the ships are not going to sail up the channel side by side. In the fall we have the reverse procedure. And here comes the rub. Owners are not going to wait till the last minute to sail from a western lake port. They could not afford being caught by a quick freeze or being held up by congestions at the bottlenecks caused by locks or river navigation.

Senator WILEY talks of his hardy northwesterners sailing car ferries through the ice. The old *Bear* sailed through ice for some 40 years before Admiral Byrd took her to Antarctica. Such a ship would not be of much use as a cargo carrier. Ferries operate all winter between the city of Quebec and Levis. They, too, must be run by hardy individuals,

and I venture to say have had just as much experience as those people from what the Senator calls the Northwest. I always thought that Washington and Oregon were the Northwest. I'll wager Senator CAIN would dub these hardy souls easterners—nonetheless Montreal and Quebec have yet to find a way to sail ships from their ports to the Atlantic during the winter months. These hardy northwestern ferrymen are not the controlling factor as far as the lower St. Lawrence is concerned.

Senator WILEY put into the RECORD figures to show what is the depth of water at various world ports. If he is serious, then he must be either trying to fool people ignorant of shipping conditions, or else he himself does not know what it is all about and has just picked places out of the thin air to try and bolster his arguments.

1. Stettin. Hamburg and Bremen were the two German world ports. Cargo for interior Germany and central Europe was transshipped through these two cities. Stettin is a Baltic port and in no sense of the word a competitor for world business.

2. Seville is up the Guadalquivir River and, except for small ships, cargo is transshipped from Cadiz, located at the mouth of the river.

3. Bangkok definitely is not a port. When I was in that city, I saw nothing but small launches and sampans on the river. Paknam was the port, and even that was no real port, being served mostly by feeder lines. Naming Bangkok makes just as much sense as giving the depth of water at Sacramento.

4. Nassau, Bermuda: This foggy picture is naive, to say the least. Both the Bermudas and Bahamas are set up for tourist trade; neither have any real industries, and so Nassau and Hamilton are not true cargo ports.

5. Canton: Just river ships serve this city, cargo being transshipped from Hong Kong or Kowloon.

6. Haiphong cargo is usually transshipped from Hong Kong.

7. Rosario: This city is at the end of the line. Inbound vessels discharge at Buenos Aires and then proceed up the river, when light, to Rosario. Exports are loaded first at Rosario, the ships then dropping down to Buenos Aires for further loading. If necessary, the ship can complete at Montevideo. I have just been talking with an Argentine skipper who has just arrived with his ship from the Plata. We discussed the depth of water in the river. At present there are spots where there is only 28 feet of water in the Plata below Buenos Aires, the river having silted up, as rivers do. However, because this is soft mud, deep-draft vessels can force their way through. Just check the class of commodities loaded in the Plata—wool, hides, meat, bones, all measurement cargo. Here we have 28 feet, causing trouble for large ships lifting comparatively light cargo—what about 27 feet with ships loaded with ore, wheat, and coal?

Furthermore, there is one essential fact overlooked by Senator WILEY. If one picks out of his list the few cities which really are ports, he will find that if for one reason or other the vessel cannot reach its destination her cargo can be transshipped from a deep-water port nearby. But what is one going to do if the ship cannot pass through the 27-foot channel of the upper St. Lawrence?

Senator AIKEN stated there are few ports outside of the United States which have 27 feet of water, with Liverpool as one of these few exceptions. The gentleman picked a very unhappy example. My guess is that his knowledge of Liverpool was gleaned as a passenger. Liverpool is a great port, but it is not a natural one. Because of the great rise and fall of the tides, ships have to go to docks through gates, very much like a ship entering a lock in a canal. Cargo and stores are handled at these gated docks. Passengers are handled at a landing stage at which ships may tie up at any time. During stormy weather ships have been held up at the cargo docks, as it might be unsafe to pass through the gates. Of course, they can only pass through on the tide.

It so happens that I have traveled a little and know from personal experience conditions at a few foreign ports. Let me just list those where I have docked as a passenger on ships larger than any which have ever been thought of for the waterway. I might say that most of these ports have docks and facilities far in advance of most of our ports. Let me hasten to say my visits were early in the 1930's and war damage might have hurt some. But anyway they have had the deep water piers and will have them in the future. The list: Tillbury, Naples, Piraeus, Port Said, Singapore, Oojhvaven (Batavia), Soerabaja, Macassar, Tarakan, Kowloon, Shanghai, Manila, Keelung, Kobe, Yokohama, Auckland, Wellington, Sydney, Mombassa, Delagoa Bay, Durban, Cape Town, Montevideo, Buenos Aires, Santos, Rio de Janeiro. This is just my limited personal experience and of course does not include the many, many other large and modern world ports.

* * * * *

I am sorry to have written at such length, but the more I read and the more I think of the statements made by people who are childishly ignorant of their subject, the madder I get.

Very truly yours,

C. CAMPBELL PATTERSON, Jr.

Mr. LODGE. I also ask unanimous consent to have printed at this point in the RECORD an editorial from the Memphis Commercial Appeal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Bipartisan "horse trading" is an activity of even the best regulated parliamentary groups and a device whereby members of one party get the support of opposition members on a reciprocal basis for some specific piece of legislation. There is, however, vast difference between friendly, reciprocal horse trading and downright legislative extortion. Wisconsin's Senator WILEY has made a threat which comes dangerously close to being the second.

Debate is underway in the Senate on the highly controversial and twice-rejected St. Lawrence seaway proposal, and has been carried along on a nonpartisan basis to a point where it has reached the intellectual brass knuckle stage. Many of its most vigorous proponents and opponents are on the Republican side of the aisle. Democratic support is being given by those who rigidly adhere to administration desires under any and all circumstances, and those whose constituencies would be directly aided by such a seaway. Naturally, the proposal isn't getting any sympathy from Gulf and Lower Mississippi Valley Members.

The frenzy and seeming desperation currently marking the arguments of its proponents, of whom Senator WILEY is one, inspires conclusion that they recognize that they are fighting a lost cause. It could have been only desperation which would cause a Member of Senator WILEY's prestige to assert on the floor that if some Members continued their opposition he would delay their waterway projects until "hell freezes over."

That's strange language and an amazing threat. In other words, Senator WILEY intends to cram the St. Lawrence seaway project down the Senate's throat whether it likes it or not, and whether or not the plan is economically and defensibly feasible. His threat to block inland waterways bills which, we presume, covers flood-control bills, too, is what we mean by political extortion.

It is not a threat likely to change the minds of most of those opposed to the seaway project, and we prefer to think it is one stemming from heat of debate rather than from premeditation. If the St. Lawrence seaway is ever to be built, it can be only on a basis of proved merit and not on a political pique or obstruction to worthier projects.

Mr. LODGE. I also ask unanimous consent to have printed at this point in the RECORD an editorial entitled "St. Lawrence Ascension," from the Boston Herald for January 28.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ST. LAWRENCE ASCENSION

The St. Lawrence seaway and power perennial sticks its head out again, this time from Senate soil with the sunshine of a Truman instead of a Roosevelt political blessing. Its appearance has the customary and time-worn generalities of "great engineering enterprise" and "rich natural resources," and "benefit to the whole United States" that have met their match in specific objections from shipping and railroads and labor unions and commerce groups over the Nation as well as in directly affected New England.

Our own area remembers too acutely the vision and eventual nightmare that was Quoddy to take much stock in another walking dream aimed to harness not merely the tides but to bring a Middle West doorstep to the Atlantic Ocean. The waterway would be no year-round sunny pleasure dome, but have the 5 months obstacle of caves of ice. This St. Lawrence balloon has been up again and again. The current Truman enthusiasm is nothing but a New Deal Sir Echo in backing the political instead of the practical.

Over its battered years, the St. Lawrence project has been successively a navigation imperative, a power blessing, a defense thanwhich, an unemployment (that didn't take place) panacea. Now, apparently, it is a chance to spend maybe a billion dollars for a part-time service on a theoretical self-liquidating basis, without benefit of precedent in tolls or engineering traffic survey. Somehow the raw mixture does not mellow with age.

Specifically, the waterway's proposed 24-foot draft does not accommodate ocean-going vessels. Ocean ships, too, are not designed in hull, engine, or steering gear for operation in swift current, narrow channels at low speeds. Picture, as an extreme of course, the *Queen Mary* trying to negotiate the Cape Cod Canal. The railroads, with lines to established coast ports, would lose some of their pay-load freight, and then have the physical burden tossed back in the tough going of winter months.

Canals now exist along the proposed system. Their improvement for practical purpose would be a matter of millions, not billions. And from the defense angle, the Great Lakes area—probably the sole beneficiary from the project—once proposed as a haven for wartime shipping, is now more susceptible to attack by air than the seaboard areas, west or east. One bomb on the dams of the project and the Great Lakes-ocean link would fall apart.

The St. Lawrence proposal, in its persistence, assumes the guise of a policy of attrition. In the endurance test, only flood control and soil erosion pleas have been missing in the cycle of arguments that the public power proponents customarily run. Rather than the "interests" blocking forward progress of a nation's welfare, a small segment of the Nation seems determined that subsidized navigation and power shall be fostered on the taxpayers for the benefit of a few. We should do more than take air out of the balloon. It should be punctured for keeps.

Mr. LODGE. I now ask unanimous consent to have printed at this point in

the RECORD an editorial on the same subject, appearing in the New York Herald Tribune of January 29.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNTIMELY AND UNPROVED

President Truman remarks that for 25 years Presidents have supported, as he is now doing, the St. Lawrence seaway project. The fact is that in the 25 years technological developments have increased the magnitude of the undertaking, lessened the justifications for it. The original proposal has been revised from a 25-foot to a 27-foot channel depth to accommodate vessels plying between the Atlantic and the Great Lakes. But the modern shipping trend is still toward greater depth. And there is no port on the Great Lakes, no approach channel to accommodate a 27-foot draft, let alone the 35 feet many authorities now deem essential.

Similarly, technological developments in warfare have outdistanced earlier arguments for the seaway as a defense resource. The locks would be particularly vulnerable to air attack, their own defense would be costly. The final justification, power development, does not depend upon completion of the navigation project.

Present plans call for tolls on shipping in an effort to make the project self-liquidating. The agreement between Canada and the United States, which Congress is now asked to approve, limits the charges that can be levied. Moreover, the St. Lawrence is open only 7 or 8 months of the year, so that the seaway could never operate to more than, say, 60 percent of capacity. Consequently, there is little likelihood that the seaway can ever be anywhere near self-liquidating.

Estimated costs, based on the inadequate 27-foot channel, range from $300,000,000 to $1,000,000,000. If congressional legislators can forget the election, they will recognize that an inflationary period is the worst possible time for any major public work which draws heavily upon scarce materials and sends prices still higher. They will recognize that the necessity for financing the European recovery program and for channeling materials and productive efforts into essential restoration of economic stability at home and abroad rules out unnecessary Government expenditures and commitments. This is definitely not the time for Congress to embark upon a vast project the cost of which cannot be accurately calculated, the national benefits of which are yet to be proved.

Mr. LODGE. I also ask unanimous consent to have printed at this point in the RECORD a telegram coming from Dr. Joseph J. Tronolone, city clerk of the city of Buffalo.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BUFFALO, N. Y., *February 4, 1948.*

Hon. HENRY CABOT LODGE, JR.,
Senate Chamber:

The city of Buffalo reasserts its continued unqualified opposition to the proposed St. Lawrence seaway and power project. The port of Buffalo is the hub in the interchange of lake canal and rail traffic and its industry would be destroyed and employment greatly affected. This telegram is forwarded pursuant to unanimous resolution of the common council.

Dr. JOSEPH J. TRONOLONE,
City Clerk.

Mr. LODGE. I now ask unanimous consent to have printed at this point in the RECORD an article entitled "Say Panama Locks Can't Be Defended—Military and Atomic Experts Voice Fear of Vulnerability — Sea-Level Canal Urged," from the New York Times of February 8.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAYS PANAMA LOCKS CAN'T BE DEFENDED—MILITARY AND ATOMIC EXPERTS VOICE FEAR OF VULNERABILITY—SEA-LEVEL CANAL URGED

WASHINGTON, February 7.—Panama's turndown of a United States request to keep military bases on her soil appears beside the point in view of a report by a high-rank group of military and atomic energy experts.

They say that the Canal cannot be defended regardless of how many bases we have.

This was stressed repeatedly in a study which Congress recently received from the Governor of the Panama Canal, J. C. Mehaffey.

Congress ordered the investigation in 1945. It cost almost $5,000,000 and was conducted largely by officials of the Army, Navy, Air Forces, and the Atomic Energy Commission.

The report, which was unanimously agreed to in all essential particulars, concluded that only a sea-level canal would be secure against attack. It said such a canal could be most economically built at the site of the present waterway.

VULNERABLE FOR ATTACK

"The military defenses of the Canal could not prevent a determined and resourceful enemy from striking the Canal with one or more of the modern weapons loaded with atomic or conventional explosives," said the report.

"The Canal as it exists today cannot be considered as meeting the future needs of national defense.

"Even with a very strong military defense no assurance would exist that an enemy could not penetrate the Canal with aircraft of great speed carrying conventional or atomic weapons, or with aerial rockets and torpedoes."

The vulnerable features of the Panama or any other lock canal are the locks and the "summit lake" (Gatun Lake, in the case of the Panama Canal), which supplies water for navigation and lockage.

One or two atomic bombs or a series of hits by conventional bombs could breach the lock chambers, or the retaining walls of Gatun, an artificial lake. Even if the structures could be rebuilt it would then take 1 or 2 years to refill the lake, depending on the rainfall.

DOUBLE PEARL HARBOR FEARED

A successful sneak attack when our fleet was making the 8½-hour Canal passage would thus be a double Pearl Harbor. We would lose the use of the highly strategic Canal and major components of our sea power would be grounded for perhaps 2 years.

According to the report, lingering radioactivity would prevent repair of the locks. New ones would have to be constructed some distance away, and this would take at least 4 years.

The experts believe, however, that no conceivable attack on a sea-level canal would close the channel for more than a few weeks. They said slopes could be constructed to prevent landslides.

Atomic bombing of the channel would block it with radioactive debris, but the experts say that if personnel and equipment were available the obstruction could be removed within a few weeks.

The proposed sea-level canal would have tidal regulating structures on the Pacific side. These could be wrecked by bombs, but the report says the canal then could be used as an open waterway.

SEA-LEVEL CANAL COST HIGH

Need for these tidal regulating structures was the only thing on which the board did not agree unanimously.

Between high and low tides on the Pacific side the water sometimes drops or rises 20 feet. The maximum on the Atlantic side is only 2 feet.

This would cause a current as swift as 4½ knots, which would endanger vessels if their power failed.

The tidal structures would consist essentially of a set of locks for the passage of vessels when the tide was high or low, and a navigable pass in a separate channel.

Mehaffey did not minimize the importance of a strong defense establishment in the area. Even if the Canal could not be kept open, he said, military forces could reduce to a minimum any chance of capture of the zone.

A sea-level canal, which the experts regard as the only really secure type, would cost $2,483,000,000 and take 10 years to build.

Mr. LODGE. Mr. President, I now ask unanimous consent to have printed at this point in the RECORD an editorial from the St. Paul Dispatch, in which it is stated that it is most unfortunate that the proponents of the St. Lawrence seaway have injected into the argument the story of the depleted Mesabi Range.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ORE AND THE SEAWAY

Eastern seaboard business interests are already massing their forces for a renewed attack on the St. Lawrence seaway and power project. At a meeting in Boston this week, speakers warned that its completion will cripple Atlantic ports, produce mass unemployment, and "put the squeeze on railroads" for lower freight rates to inland points. At the same time, they refuted one argument which has tended to undermine seaway support in the upper Great Lakes area.

This was the plea introduced recently that the seaway is needed to open the way to imports of iron ore from the rich deposits around Belle Isle, Newfoundland, to replace dwindling supplies from "exhausted" Lake Superior diggings, The story now is that no such replacements will be needed within the next four or five centuries. The true situation is discussed by President Wilfred Sykes of Inland Steel Co. in the Commercial and Financial Chronicle.

The common assertion that proved deposits of direct shipping ore may be exhausted in 12 to 20 years is true enough, but it is subject to easy misinterpretation. According to Mr. Sykes, there are quite certainly large bodies of high-grade ore under unexplored areas, but "we don't want to find them under present conditions" because that would render them subject to heavy taxation. He agrees with the geologists who told mining engineers in Duluth Wednesday that available high-grade ore should last 40 years or more, while there is enough taconite to supply all demands "oh, for 400 to 500 years, or something like that."

Introduction of iron ore into the seaway debates was ill-advised on all accounts. The seaway is needed, without any regard to ore supplies. As for the threat of foreign competition with Lake Superior ore, a prospect that had cause some weakening of seaway support around the Head of the Lakes, Mr. Sykes believes that even processed taconite will be much cheaper than the best foreign ore for use in the lower Lakes steel mills.

Mr. LODGE. I also ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Tolls

and the Seaway," from the New York Times of February 8.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOLLS AND THE SEAWAY

In 1934 Army engineers predicted that a St. Lawrence seaway would carry a maximum annual tonnage of 27,000,000. The St. Lawrence survey report arrived at the closely similar result of 25,000,000. Last year the National St. Lawrence Association raised these figures to 37,000,000. The discrepancies indicate that no one knows what the potentialities of the proposed St. Lawrence seaway are. Secretary Harriman has testified that the Department of Commerce "has not yet made a detailed analysis of potential traffic on the seaway." Lt. Gen. R. A. Wheeler furnished the Committee on Foreign Relations of the Eightieth Congress with Army estimates of expected traffic—estimates which have been used to prove that the seaway can be made to pay for itself by levying tolls—but declines to be bound by them in the absence of a thorough study of all prospective traffic, the character and amount of tonnage that would actually move under a toll system * * * and the actual net income from those tolls is compared with the assessed navigation costs. In other words, all estimates of potential seaway traffic are little better than romantic hopes.

Proponents and opponents of the seaway split on the issue of self-liquidation. Last year's Senate joint resolution fixed a maximum toll of $1.25 a short-ton of laden cargo that would pass through the deep-water navigation works, with exemptions in the case of local or way or government traffic. Probably $1 would be the average cargo-ton toll. A study made by the Port of New York Authority indicates that the annual cost of maintaining and operating a channel 27 feet deep, exclusive of power facilities, would be $20,000,000 annually to American taxpayers. There are not more than 5,500,000 tons of toll-paying traffic in sight, so that on the basis of a one-dollar-a-ton average (Secretary Harriman thinks that 50 cents a ton should be the maximum for grain, coal, petroleum, woodpulp, and ores), a belief in the possibility of self-liquidation seems mere daydreaming.

Costs, too, have risen since the St. Lawrence seaway was first seriously discussed in 1921. Last year the Chief of Army Engineers estimated the total cost of the work still to be done on the whole navigation and power project from Duluth to Montreal at $674,707,000, of which $491,609,000 would be borne by the United States—an estimate that allows nothing for deepening channels of lake ports and providing adequate harbor basins. Every one of our great engineering projects outran the estimates. The Welland Canal was to have been built for $70,000,000, but cost three times as much; the Chicago Drainage Canal cost not the estimated $16,000,000 but $53,000,000; and the New York State Barge Canal cost $176,000,000 instead of the expected $53,000,000. If the seaway should be constructed, it would probably cost American taxpayers annually far more than $20,000,000 for fixed, operating and maintenance charges, so that the prospect of self-liquidation becomes more and more dubious.

Congress would be well advised to proceed with caution. We need a more thoroughgoing study of engineering costs and potential traffic than has been made before it can be asserted with confidence that a seaway can be made self-liquidating by levying tolls that shippers will pay.

Mr. LODGE. I also ask unanimous consent to have printed at this point in the RECORD an editorial entitled "St. Lawrence Seaway—Is Proposal Sound?" from the Christian Science Monitor of January 17, 1948.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ST. LAWRENCE SEAWAY—IS PROPOSAL SOUND?

(By George Ericson)

Debate is reaching the fervid stage on the proposed St. Lawrence seaway and hydroelectric project. A decision may be reached before long in the Senate, where a resolution sponsored by Senator ARTHUR VANDENBERG (Michigan) is scheduled for debate next week. President Truman is urging passage of the enabling legislation, following in this respect most of the departments of the Federal Government which recorded themselves in favor of the project early in 1946. There is powerful opposition making itself heard, however, which precludes the easy assurance that this "shorter, cheaper, all-water access to world markets" will ere long become an actuality.

Where experts disagree, the layman will be in good company whichever side he espouses. The seaway proposal has engaged the attention of the United States and Canadian Governments as well as business interests for almost half a century. It must be supposed that every argument, favorable and unfavorable, has been uncovered during that period. The fact that no overwhelming preponderance of logic or opinion has swung the pendulum definitely one way or the other would indicate some very weighty reasons on both sides why decision is still in abeyance.

WATERWAY FEATURES 27 LOCKS

The salient features of the plan envisions a waterway of 27-foot minimum depth from Duluth, Minn., at the western end of Lake Superior, to the Atlantic Ocean. There would be 27 locks needed to overcome the 600-foot difference in water levels between Lake Superior and the Atlantic, 9 of which are now in operation. Most of the construction would be in the 115-mile stretch of the St. Lawrence between Ogdensburg, N. Y., and Montreal, where dams, locks, and canals would be required to regulate the flow and maintain the water-level of Lake Ontario.

While the primary object of the seaway would be to open the Great Lakes to ocean-going vessels, a correlative goal is the production of hydroelectric power in the international rapids section of the river. It is estimated that generators there will have a total capacity of 2,200,000 horsepower, surpassed in magnitude only by the Boulder Dam and Grand Coulee projects. Total cost of the entire project was estimated last year by Army engineers at $674,707,000, of which $330,609,000 would be paid by the United States Government, $183,098,000 by Canada, and $161,000,000 by New York State.

On the face of it, such a development would seem eminently desirable. It would shorten the distance between Liverpool and Detroit by 251 miles; it would develop a large supply of cheap electric power available to northeastern United States, and, it was argued by proponents, it would benefit economically the land-locked Middle West. President Truman predicts that "it would stimulate our economies to new growth * * * and spread the flow of trade."

SELF-INTEREST HELD GUIDING OPPOSITION

Opposition has been labeled self-interested and sectional, and supporters point to the antagonism which tried to bar the TVA development but which now has largely vanished following the success of that power and flood development scheme. However, supporters from the Middle West region tributary to the Great Lakes, who seek the benefits of cheap water transportation, and others in New York State interested in the development of St. Lawrence power, can be similarly charged. It is to be noted that opinion in Canada likewise has been divided on the subject. The final determination will be based, no doubt, on the paramount public interest.

Many prominent persons and organizations have lined up in formidable array against the seaway plan. Among individuals are Senators ROBERT WAGNER and IRVING IVES, of New York; Mayor William O'Dwyer, of New York City; Speaker Oswald D. Heck, of the New York Legislature; Senator LEVERETT SALTONSTALL, of Massachusetts (who would, however, support the hydroelectric part of the plan); and, among others, four members of the Senate Foreign Relations Committee, Senators LODGE (Massachusetts), WHITE (Maine), CONNALLY (Texas), and GEORGE (Georgia).

Organizations fighting the project are the Association of American Railroads, the Port of New York Authority, the Commerce and Industry Association of New York, the New York Board of Trade, the American Federation of Labor, the National Federation of American Shipping, the United Mine Workers. the railroad brotherhoods, and various transportation and industrial interests.

WHAT THE OPPONENTS SAY

The gist of their arguments is that Atlantic and Gulf ports would lose much trade to the seaway, that the railroads would lose traffic, that the consumption of coal would be reduced by 40,000,000 tons a year, that the canal would be frozen and hence inoperative for above 5 months in the year, that the 27-foot depth was inadequate for large ocean-going vessels, since only vessels drawing 24 feet could use it, that there are no harbors or piers on the Great Lakes capable of accommodating the large ocean-going vessels, that of the 1,182 miles of the St. Lawrence from Ontario to the open sea, 95 percent of the river would be in Canadian territory, that no one knows what the cost will be since every one of the 10 dams and canals constructed by the United States cost two to three times the estimates, that the canal will benefit chiefly foreign-owned vessels, since only 16 percent of ocean-going United States flag vessels of more than 1,200 gross tons, as compared with 62 percent of foreign flag vessels of similar size, have a loaded draft of less than 25 feet, and finally that the project would be patently vulnerable in case of war.

The enumeration of the arguments of the opposition is made not to predispose the reader to the negative side of the proposal, but to indicate that there are valid objections to a deep-water seaway which carries romance and drama in its potential unfolding—a water road delving 2,400 miles into the heart of America. Will its benefits outweigh its apparent disadvantages? Can it be built at a cost which will be justified economically? Is this the time to undertake it when the Government is ostensibly seeking to reduce expenditures? The country may be able to answer those questions more readily after the coming congressional debate.

Mr. LODGE. Finally, Mr. President—and this concludes my remarks—I wish to refer to an editorial appearing in the New York Sun of February 4. It is so short that I shall read it. It is as follows:

PERSISTENT DOUBTS ABOUT THE SEAWAY

If the ordinary person had time and opportunity to read the current Senate debate on the St. Lawrence seaway—everything said for and against this project—he would be bound to reach something like the following set of conclusions:

Cost of the project: Still in dispute.

Capacity of the seaway if built: Still in dispute.

Use of the seaway if built: Still in dispute.

Tolls to be levied on seaway shipping: Still to be determined.

Vulnerability of the seaway locks to attack: Still in dispute.

In the evenly divided discussion in the Senate, both sides have been making positive statements. But when these are weighed in the scales they show nothing more clearly than that the main advantages claimed by advocates of the seaway can still be disputed after all these years of public agitation on the question. Any project that is still under a cloud of doubt after 20 years of discussion had better be deferred until some of the practical problems can be reduced to something approaching clear and definite conclusions.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LODGE. I yield the floor, or I shall yield for a question.

Mr. AIKEN. I gather from the Senator's remarks that he believes that 27 feet is not sufficient depth for the proposed seaway.

Mr. LODGE. I said that 27 feet is not sufficiently deep to accommodate the bulk of American ocean tonnage, fully loaded.

Mr. AIKEN. Then, how deep does the Senator from Massachusetts think it should be in order to accommodate the Liberty ships and the Victory ships, fully loaded.

Mr. LODGE. I am not an expert; I am simply quoting what the experts say.

Mr. AIKEN. But did not the experts tell the Senator from Massachusetts that it is planned to construct the locks for a 30-foot depth, anyway?

Mr. LODGE. What did the Senator say?

Mr. AIKEN. Did not the experts tell the Senator from Massachusetts that the locks are to be 30 feet deep over the sills, anyway—and if it is desired to deepen the seaway beyond the 27 feet, that is only a matter of dredging a few miles here and there, to make a 30-foot channel, in order to accommodate, fully loaded, every Victory ship and every Liberty ship in the world.

Mr. LODGE. Does the Senator from Vermont think those channels should be dredged in order to make them deep enough?

Mr. AIKEN. I should be very glad to see the channel deep enough to accommodate any ship fully loaded.

Mr. LODGE. Does not the Senator from Vermont think it would be better, if they are to be dredged, to include the cost of such dredging in the stated cost of this project, and get a project that is really modern and up to date and deep enough for all the ships that sail the ocean today, rather than to provide a waterway suitable merely for vessels which sailed the ocean 30 years ago?

Mr. AIKEN. No; because I prefer to take the statement of General Marshall that 80 percent of all our merchant marine could use the 27-foot channel to good advantage, or the statement made by Mr. Edward Macauley before the committee, in 1946, that, as I recall his statement, 75 percent or 80 percent of our tonnage would use the channel to good advantage.

And did not the experts tell the Senator from Massachusetts——

Mr. LODGE. Mr. President, the Senator from Vermont asks me three or four questions at once, and then pauses. Let me answer one question at a time.

Of course, there is no dispute at all that a ship can use the proposed seaway if it is not fully loaded. There is no doubt about that. Perhaps 75 or 80 percent of our merchant fleet could use the seaway under those circumstances. Possibly the *Manhattan* or the *George Washington* could be inched through the seaway if there were nothing in their holds; but there would not be much point in doing that.

I suggest that if we are going to embark on a project of this sort, we should do so in a modern, scientific, carefully thought out way, rather than in the present strange way, similar to that of a man running across the country like a house afire with his shirt tail out. That is my statement.

Mr. AIKEN. Mr. President, I prefer to take the statement of General Marshall.

Mr. LODGE. Mr. President, neither General Marshall nor the Maritime Commission have ever said that 80 percent of our ships could use the seaway when fully loaded.

Mr. AIKEN. They have said that 80 percent of our ships could use the seaway to advantage.

Mr. LODGE. But not when fully loaded.

Mr. AIKEN. But the Senator from Massachusetts has not told us that all our ships operate fully loaded at all times.

Mr. LODGE. They operate fully loaded whenever they can.

Mr. AIKEN. They prefer to operate fully loaded as to bulk; but fully loaded as to bulk does not necessarily mean fully loaded as to weight. The Senator from Massachusetts has not told us that ships fully loaded with furniture from Grand Rapids, Mich., or ships fully loaded with automobiles from Detroit could not use the seaway.

The presently proposed channel is designed to accommodate approximately 80 percent of our merchant marine. If it is desired to have the seaway built so as to accommodate every one of our merchant ships when fully loaded, of course that can be done. As a matter of fact, in the plans the locks are designed so as to be 30 feet deep over the sills.

Mr. LODGE. I understand that the Senator from Vermont says the locks are going to be sufficiently deep. Let us assume that will be. Does not the Senator from Vermont think it would be more honest to the American people to submit to them an undertaking in which not only the locks but the channels and the harbors and everything else are of the correct depth, and then figure the total cost on that basis, and present the total bill to the American people, and have them consider the entire project in that way, rather than in the presently proposed way of doing it by bits and pieces?

Mr. AIKEN. The answer to that is that if it is impossible to have a waterway sufficient to accommodate 100 percent of the shipping, I, for one, favor a waterway accommodating 80 percent.

Mr. LODGE. Yes; but it would be impossible for them to use any of it if the harbors in the Great Lakes are not sufficiently deep.

Mr. AIKEN. So far as the shipping interests of the Atlantic coast are concerned—and they almost unanimously oppose the project—the reason for their opposition is that they do not want any competition in shipping around the world. They own and control the terminals now, and they do not want any new competition coming into the picture to deprive them of their profits. Speaking of their profits, these shipping interests should be the last people in the world to come before Congress urging us not to spend money for anybody else, because ever since 1936 they have had their hands in the Federal Treasury, clear up to the armpits, and they have taken amounts reaching into billions of dollars of taxpayers' money, for which, in my opinion, they have not given value received.

Mr. LODGE. I am not going to disagree with a single word of the Senator's last statement. I am not here to defend the shipping interests. I have no interest in them at all. I do not know what they do, and in these matters I am not going to argue that point at all. I simply arose to clear up this question of fact, from the official figures which I produced, from the official figures which the distinguished Senator from Wisconsin produced. All those figures prove the fact that 90 percent of American ocean tonnage fully loaded cannot use the seaway. I yield the floor.

Mr. SMITH obtained the floor.

Mr. WILEY and Mr. IVES addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH. I yield to the Senator from Wisconsin for a question.

Mr. WILEY. I do not wish to accept it on that basis. I desired to reply briefly to the Senator from Massachusetts and to have the RECORD show at this time what my thoughts were in answer to his contention. I shall appreciate it if the Senator from New Jersey will yield to me for a few moments.

Mr. SMITH. I yield.

Mr. WILEY. First, Mr. President, I send to the desk and ask that there be printed two amendments to the St. Lawrence seaway resolution, intended to be proposed by the senior Senator from New York [Mr. WAGNER], to which I have previously agreed.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

Mr. WILEY. Mr. President, I realize that in our interchange recently in relation to figures the figures struck home. We have been talking about a 9-percent ratio. On page 1051 of the RECORD, I introduced two tables, from one of which I call attention to the following statement:

World fleet, total, 12,370; gross tons, in millions, 70.42; number of vessels of 25-foot draft or less, 5,579; percentage of grand total, 45.1.

There are 5,579 vessels in the world fleet that have a draft of 25 feet or less.

Testifying recently before the Foreign Relations Committee, the Secretary of Commerce explained that the normal merchant marine that should be sustained by the Government would not exceed 14,000,000 tons. The table shows a gross tonnage of 70,000,000 with 5,579 vessels of 25-foot draft or less. The remarks of the Senator from Massachusetts lead in the wrong direction, when he endeavors to tell the American people that there are not sufficient ships to handle the commerce of the world, when there are over 5,000 of them. That does not include Victory ships. It is clearly indicated in the findings of the Commerce Department that Victory and Liberty ships could use the canal with profit, and that Victory ships could pass through the canal loaded to 79 percent, the Liberty ships to 85 percent of their total deadweight. Therefore it is necessary to add to the 5,579 ships all the Victory ships and all other ships.

An ordinary ship of 10,000 tons will carry a weight of 10,000 tons. The ships that ordinarily pass through the Welland Canal have been small lake ships, yet the traffic through the canal has amounted to fifty or sixty million tons, at times, and the traffic through the canal at the Soo had reached 110,000,000 tons in a season. With reference to paying for the canal on a toll basis. I regret to note that my distinguished associate from the great Bay State is following in the steps of one of his great predecessors, John Quincy Adams, who, on the question of the Louisiana Purchase, was found to be in opposition to it. He was lacking in vision. He took a narrow view. He took a sectional view of it. He said, "No, no, no; we cannot do that."

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WILEY. In a moment, please. I did not interrupt the Senator.

What is being sought by the proponents of this measure? We are not taking the words of the Senator from Massachusetts or the words of the Senator from Wisconsin. We are taking the only expert testimony in the record, that of General Wheeler, who made the estimates. He is the man who, within the same agency, estimated within a few hundred dollars the cost of the Panama Canal. Those figures are available. It is a remarkable fact, but nevertheless it is true, that the Panama Canal when completed cost less than the estimates. It was the work of the Army engineers, who have now, year after year, supplied estimates of the cost of the St. Lawrence seaway. No one contradicts them. Where are the engineers who would contradict them? Where are the specialists? No witness appeared to contradict those figures. The figures were accepted until the measure reached the floor of the Senate. Thereupon, it is asserted that the ships cannot pass through the canal. In answer to that contention we have shown the number of ships in the world fleet. How many ships would be required to handle the entire tonnage if one ship has a capacity of 10,000 tons a trip?

I want to say that all the smoke-screening, all the fears, all the provincial aspects will not refute the testimony in support of the measure. If I were younger, I might quote the words of Lord Beaconsfield, to the effect that if we are not hurt now, the time will come when we shall be hurt. We trust we shall not be facing a world situation in which one avenue of travel may be destroyed, where the cities of Boston and New York will be isolated through the destruction of railroad traffic, such as the destruction which was seen in World War II, with respect to the routes of traffic from the hinterland in France, from the coast to the hinterland in Germany, to the cities. It is imperative that we in this day and generation lift our sights in order that we may see what is involved.

Senators talk of centralization, when in the affected areas the great percentage of the population is living like sardines in a box, when an atom bomb could destroy a whole city. We speak now of meeting the challenge. The figures that I introduced in the RECORD recently show clearly that there are available thousands of ships of 25-foot draft or less, that could pass through the channels when built.

Mr. SMITH. Mr. President, the unanimous-consent agreement in regard to the disposition of the pending measure, Senate Joint Resolution 111, provides that a motion to recommit the resolution shall only be in order on February 23, but a vote thereon shall not be had prior to February 27, 1948. I propose presently to move that the joint resolution be recommitted to the Senate Foreign Relations Committee, and in connection with the motion I desire to make a few remarks.

I think I express the feeling of a great many of my colleagues when I say that the vote on the pending resolution is an exceedingly difficult one. I was a member of the subcommittee of the Foreign Relations Committee which held hearings last May and June, but the testimony was limited to the national defense and self-liquidating features of the St. Lawrence project. I was not a Member of the Senate at the time of the earlier hearings and, consequently, did not hear the original testimony, which went much more fully into many other aspects of the project.

Considering the evidence presented at our hearings last summer, I have come to the conclusion that on the national defense issue, the St. Lawrence project, while helpful to national defense, is not vital to national defense. This statement is in almost the exact words of the Secretary of the Army, the Honorable Kenneth C. Royall, and General Wheeler.

The national defense issue, therefore, while important, cannot, in my judgment, be the determining factor.

With regard to the self-liquidating feature, the testimony is so varied that I frankly see no way to reconcile it. My general conclusion is that the project, as now contemplated, is not adequate in size to sustain a tonnage that could liquidate the cost. I feel this is the really vulnerable point of the whole case for the proponents, if we are making the self-liquidating feature a condition of approval of the plan. My general conclusions on this point are that, taking the generally accepted assumptions of cost of the contemplated canal, and the average accepted estimates of potential tonnage, we find ourselves facing a probable annual deficit in operations of between seven and ten million dollars. I feel, therefore, that to be honest with myself, I must conclude that the project of present dimensions probably would not be self-liquidating, certainly for some years to come, and that if we authorize the project we should willingly face the possibility of facing that deficit, such as I suggested, and justify that deficit on the ground of the general national good.

Considering this project as a whole, I feel it is an inevitable development sometime in the future. In this connection, although I come from a State that is on the Atlantic seaboard, and most of my constituents are opposed to the project as it is presently presented, nevertheless, it is my conviction that all of us should think in terms of the national interest and the development of our great country ahead of any purely selfish advantage to any particular section. It is my conviction that those of us who serve in the United States Senate, while of course we must vigorously guard the interests of our respective States, are nevertheless the representatives of the Nation as a whole, and if we do not think in terms of the Nation as a whole it is hard to see how those interests can properly be protected. I certainly object to the log-rolling process.

In the long run, with the expanding development of our great country, I cannot see how the building of the St. Lawrence seaway project could permanently injure the port of New York, in which New Jersey participates, nor can I feel in the long run that our railroads would be injured. On the contrary, I feel that they would be benefited by the increasing expansion of productivity to which an expanding transportation system would contribute.

I feel, therefore, that this project should be looked upon as one of the inevitable future developments of our country, and I should be sorry indeed to see the proposal finally defeated.

I am bound to say, however, that the questions which have come to me are of such a serious nature, and have been so emphasized in the debates on the floor in the past few days, that I feel we should know more before taking the final step toward authorization. My present feeling is that this development must inevitably be a much larger one than that contemplated by the proposed plans. We will be better prepared to face that development after, and not before, we have tackled some of the pending world problems which are calling upon us for immediate attention. We do not see today the pattern of the new world. We are thinking in terms of the so-called Marshall plan for the economic rehabilitation of Europe, and much will depend on the rapidity of European and world recovery. If the world can get back on a sound economic basis, as I am confident it will, and world-wide prosperity follows, there is no doubt in my mind that the United States will prosper with other nations of the world, and the interchange of trade with

other nations will be a most important factor.

Frankly, I can see no urgent need for immediate action on the pending resolution. In light of the many inquiries and doubts in the minds of so many of us, we shall lose nothing by getting more information before we proceed with the definite authorization of the project. Even if we should vote to authorize this project, the most that would happen to it would be to include it in the pot with other public-works projects, awaiting first the pressure on us all for the European relief program, and second, for an appropriate recession in employment so that the conditions would be right for making a start. Certainly it is inconceivable that the Appropriations Committees of the House and Senate would vote any more money for any enterprise that was not of immediate, urgent importance at the present time.

I am, therefore, moving to recommit the resolution to the Foreign Relations Committee. In asking that this matter be recommitted to the Foreign Relations Committee I am hopeful that the committee will have in mind obtaining for us answers to certain pending difficulties that have been, as I see it, legitimately raised in this debate, and the answers to certain questions which are entitled to consideration.

As an example of what I have in mind, it seems that the Secretary of the Army should be authorized and directed to make a further and more complete report on the whole project. Such report should include:

First. Detailed estimates of the cost of constructing the seaway with channels not only of the 27-foot-depth, but depths of 30 feet and 35 feet.

Second. Detailed estimates of the cost of deepening channels and harbors on the United States side of the Great Lakes which may be needed to accommodate the traffic it is estimated may use the seaway, having in mind the channels and harbors in the neighborhoods of the large cities on the Great Lakes.

Third. The estimated tonnage which will use the seaway—based on the three channel depths referred to above. This is with a view to determining if the proposed new deep water navigation works on the St. Lawrence River and the Great Lakes can be made self-liquidating by charging tolls. As I pointed out above in my remarks, the discrepancy in the estimates of what the tolls would yield is one of the most disconcerting features in the whole discussion.

Fourth. An analysis of the estimated traffic on such seaway—based on the three channel depths referred to above—with a view to determining its effect on other areas in the United States, and, for e ample, whether this development of a waterway is more important than a further development of the Mississippi Basin, or the basin of any other large river in the country, or whether at the same time all these water developments should be explored.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. SMITH. I prefer, if I may, to finish the summary of my recommendations. Then I shall be glad to yield to the Senator.

Mr. AIKEN. That is perfectly agreeable.

Mr. SMITH. Fifth. Sample tables of tolls on selected commodities.

Sixth. Sample tables of over-all transportation costs of selected commodities to be transported over such seaway—based on the three channel depths referred to above—from inland points in the United States to selected points both inside the United States and abroad.

Seventh. The estimated diversion of traffic to the seaway from existing facilities, such as railroads, and so forth, and whether in the long run these existing facilities will not be benefited rather than harmed.

Eighth. The most advantageous method or methods to be used in constructing the seaway, together with the reasons therefor.

Ninth. Estimates of the cost of constructing the proposed power project on the United States side of the International Rapids.

Tenth. The potential power output of the plants proposed to be constructed and the areas that could be served by such plants.

Eleventh. A recommendation of a system of equitable distribution of the power generated at such plants throughout the entire area which could be served by such plants and with particular emphasis on safeguarding the interests of all the States included in such area.

I suggest also that the Secretary of the Army should cause to be printed preliminary blueprints of such seaway and power projects and that such blueprints should be made a part of such report.

But beyond this, I should like to see steps taken by the committee to request the President to negotiate a treaty or an agreement with the Government of Canada at the earliest possible date, in which the Government of Canada gives satisfactory assurance that it agrees to the following principles.

These have all been brought out in the debate, and I have tried to summarize them.

First. Of making the proposed new deep-water navigation works on the St. Lawrence River and the Great Lakes self-liquidating by charging tolls for the use thereof.

There should be an agreement with Canada on that principle, definitely.

Second. That such tolls shall be fair and equitable and that due consideration shall be given to the encouragement of increased utilization of the navigation facilities and to the special character of bulk agricultural, mineral, and other raw materials.

Third. That tolls shall vary for ships in ballast and according to the character of cargo so that each classification of cargo will, so far as practicable, derive relative benefits from the use of such seaway.

Fourth. That tolls shall apply only on traffic utilizing the proposed new deep-water navigation works on the St. Lawrence River, with such exception of local or way or Government traffic as may be agreed upon by the two countries.

I should like to add here that if an agreement, rather than a treaty, is negotiated under this section, such agreement shall be effective only after approval by the Congress of the United States and the Parliament of Canada. Of course, if a treaty were negotiated, it would have to be ratified, as provided in the Constitution of the United States, by a two-thirds vote of the Senate.

In line with the foregoing recommendation, I believe the committee should request the President to negotiate for an agreement with the Government of the State of New York as soon as possible for the transfer to the appropriate agency of that State of such power facilities on the United States side of the international rapids as may be constructed in whole or in part by the United States Government. The cost would be determined by the method for allocation included in the joint recommendation of the Corps of Engineers, United States Army, and the Power Authority of the State of New York, dated February 7, 1933. I understand those allocations have already been determined.

This method was presented at public hearings of the Foreign Relations Committee February 10, 1933, Seventy-second Congress, second session. Such agreement with the State of New York should be consistent with the laws of the United States and should protect the interests of the United States and should become effective only after approval by the Congress and the Legislature of the State of New York. Furthermore, such agreement should contain a provision that the power generated by such facilities should be allocated equitably, by the President or by such agency or instrumentality of the United States as he may designate, among the several States of the United States whose nearest border is not more than 300 miles in a straight line from the United States side of the International Rapids. I understand that to be the estimated distance over which the power could be distributed.

I am aware that there might be some cost in making the investigations and surveys herein proposed, and I feel that the committee should pass an appropriate resolution asking the Congress to appropriate such sums as may be necessary to carry out this program. It is my considered judgment that at this time, with the situation in the world as it is, this is the wisest course to take, in order to lay the proper foundation for the authorization of this important national project.

I think it is obvious that if the motion to recommit the joint resolution to the Committee on Foreign Relations were agreed to it would not be possible to get all this information at this session of Congress, but I think it is proper that the joint resolution be recommitted, with the suggestion that the questions I have enumerated be definitely answered before the matter is brought back to the Senate at a subsequent session.

For the reasons I have stated, Mr. President, I move that the pending joint resolution, Senate Joint Resolution 111, be recommitted to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the motion will come before the Senate for a vote on the 27th instant.

Mr. AIKEN and Mr. CONNALLY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH. Mr. President, I should like to add one word before I yield, if I may.

I regret to say that, on the advice of my physician, I shall be obliged to be away during the coming week for reasons of health, for a little rest, and have asked the Senator from Kentucky [Mr. BARKLEY] if he will not, at the session on the 27th, present my motion for recommital. He has consented to do that, and I express my gratitude to him for saying he would do so, although he says he intends to vote against my motion.

The PRESIDENT pro tempore. The Senator's motion will come up automatically on February 27.

Mr. AIKEN. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to ask the Senator two questions. At the beginning of his statement he estimated that there might be a loss of as much as $7,000,000 a year in the operation of the proposed development; in other words, that it might fail to meet the requirements of a fully self-liquidating project by that amount. May I ask on what authority he bases the estimate of a $7,000,000 annual loss?

Mr. SMITH. I had the testimony introduced in the record of the hearings analyzed by a gentleman in whom I have the fullest confidence, and taking the average figures, and the best judgment we could both exercise in working out the problem, we arrived at the figure I have given. I admit there was a wide variation in the estimates of the tonnage. I think the estimates varied from somewhere around ten to fifteen million tons, to as high as 60,000,000 tons. It is one of those problems to which no one can give a definite answer. If I were voting for the joint resolution I think it would only be fair, if I may put it this way, to say to myself, "I am voting for this with the conviction in my own mind that it is going to cost my country from 7 to 10 million dollars." I might be willing to vote for it under those conditions, if it were going to do any appreciable good.

Mr. AIKEN. Does not the Senator believe the Department of Commerce studies are reliable?

Mr. SMITH. There were a great many studies which I thought were reliable, and it is hard for a layman to take all the figures which are given and reconcile them.

Mr. AIKEN. The Department of Commerce, after studying only four commodities which it was estimated would use the seaway, came to the conclusion that the tolls on those four commodities alone would meet the requirements for annual charges, amortization, and so forth.

The Senator asked that studies be made as to the self-liquidating features of the development. Whom does he propose to have make those studies?

Mr. SMITH. I would suggest that the Army undertake the job first, because they have the Army engineers available to make studies of proposals for different sized canals, a 30-foot canal, a 27-foot canal, and even a 35-foot canal. If in the postwar period there were an increase in traffic, it would be desirable to have those figures.

Mr. AIKEN. Does the Senator believe the Army engineers are in a better position to make an estimate of the kind and amount of commerce that would use the canal than the Department of Commerce?

Mr. SMITH. I think the Department of Commerce should deal with it. I should also like to see the Interstate Commerce Commission make a study of the situation. They have the means for determining figures as to tonnage, and they might have an opinion in regard to the proposal.

Mr. AIKEN. If the Senator will permit, I should like to have something inserted in the RECORD. On May 6, 1947, I wrote to Lt. Gen. R. A. Wheeler, Chief of Engineers of the Army, telling him that I had heard that the engineers were opposed to charging any tolls whatsoever on the St. Lawrence River-Great Lakes development. On May 9 I received a letter from General Wheeler in which he confirmed my fears and stated that the Army engineers believed that no tolls whatsoever should be charged and that they could not be charged without applying the same tolls to every other inland waterway which we have in the United States.

I then wrote on June 2 to George C. Marshall, Secretary of State, telling him what General Wheeler, of the Army Engineers, had said and asked for his opinion as to whether or not tolls could be charged on the Great Lakes-St. Lawrence seaway, and he wrote back to me, under date of June 12, completely refuting everything that General Wheeler had said and blowing his argument into little bits.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from General Wheeler to me under date of May 9, 1947, my letter to General Marshall of June 2, 1947, and General Marshall's reply to me under date of June 12, 1947.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington May 9, 1947.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: I am in receipt of your letter of May 6, 1947, in which you state that you have been informed that the Corps of Engineers is opposed to the construction of the proposed St. Lawrence seaway on a self-liquidating basis. You request confirmation of that information. You ask further if this opposition is based on the premise that all waterways should be toll free or if, in my opinion, tolls could not be collected in an amount adequate to liquidate the cost of the development.

As you know, the Corps of Engineers does not oppose nor sponsor legislation, rather I conceive its duty to be to do that which Congress directs. However, inasmuch as you have asked specific questions, I shall endeavor to make answers thereto.

Congress has in the past defined as its policy that waterways should be toll free as indicated by the following:

"SEC. 6. That section 4 of the River and Harbor Act approved July 5, 1884, be, and is hereby, amended and reenacted so as to read as follows:

" 'SEC. 4. That no tolls or operating charges whatever shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work for the use and benefit of navigation, now belonging to the United States or that may be hereafter acquired or constructed: * * *.'"

Act of March 3, 1909 (35 Stat. 818; 33 U. S. C. 5).

The Interstate Commerce Commission has followed that policy as is indicated by the following transcript of a decision made in 1914:

"INTERSTATE COMMERCE COMMISSION REPORTS, VOLUME 31, PAGE 281

"Decision in case of Decatur Navigation Co. *v.* Louisville and Nashville Railroad, July 14, 1914.

" 'A natural waterway, improved by the expenditure of public funds, should be thrown open as far as possible to the free and unrestricted use of all those who desire to avail themselves of it. It differs materially from a privately constructed and privately owned roadbed, which, though quasipublic in nature is built by individuals or corporate interests primarily for their own gain. A navigable river is a public highway, a natural avenue of commerce, and the public interest demands that its advantages be utilized to the fullest extent.' "

The question of tolls on the St. Lawrence is tied in closely with that of tolls on the inland waterways. My opinion that such is the case is borne out by the following quotation from page 31, part VII "the St. Lawrence seaway" prepared for the Commerce Department by N. R. Danielian, director of the St. Lawrence seaway:

"Tolls cannot be charged on the St. Lawrence without studying the effects of this practice upon the Ohio and the Mississippi River systems and the New York State barge canal."

As you know, representatives of the Corps of Engineers have repeatedly testified in appearances before congressional committees that the construction of the proposed seaway is feasible and sound from an engineering and economic standpoint. I gave that as my opinion last year and after a review of the project, on the basis of present-day high construction costs, I would, if called upon, make the same statement now.

I consider the St. Lawrence seaway project to be similar to projects which are proposed from time to time and on which the Corps of Engineers is directed by Congress to make a report. I am not in favor of charging tolls thereon as indicated by the reasons given in the foregoing paragraphs. You may be assured, however, that the Corps of Engineers now, as always, desires to carry out to the best of its ability the directives of Congress.

Sincerely yours,

R. A. WHEELER,
Lieutenant General, Chief of Engineers.

JUNE 2, 1947.

The Honorable GEORGE C. MARSHALL,
Secretary of State,
Washington, D. C.

MY DEAR MR. SECRETARY: I wish to congratulate you for the splendid statement which you made before the subcommittee of the Senate Foreign Relations Committee on the St. Lawrence resolution. It is a great contribution to the public understanding of the place of the St. Lawrence sea-

way and power project in the Government's plans for continental industrial mobilization.

Your expressed support, following Canadian consent of the principle of charging tolls in order to meet the costs of this project, will improve our chances of securing congressional approval immeasurably. It is the view of Senator VANDENBERG and the other 15 sponsors of this legislation, as well as many other Senators, that putting this project on a self-liquidating basis will make it possible to secure congressional approval of the Canadian-American agreement. In fact, many of us feel that in this period of retrenchment in governmental expenditures, it is the only way in which the project has a chance of passage. The choice, therefore, is not whether we shall secure the seaway with or without tolls; a choice that may be before us is whether we shall secure the consent of Congress to the approval of the St. Lawrence project with toll provisions in it or not have the project at all. You have shown great statesmanship in appreciating this situation. Since the project is so important to the national defense factors involved, it is no detriment to have tolls for meeting the costs of the seaway.

I am concerned about the feeling that seems to exist in the Corps of Engineers, United States Army, that they would oppose the charging of tolls on the seaway. This attitude in the present state of congressional opinion is equivalent to taking the position that they would just as soon see the project not approved. Such a result will be utterly inconsistent with the position taken by the administration that this project is important to national defense.

I believe that the Corps of Engineers' position is based upon a misunderstanding of the applicable laws governing traffic on the St. Lawrence River, which is an international stream. I have received the enclosed letter from Lt. Gen. R. A. Wheeler, which bases their opposition upon the laws governing our domestic rivers and harbors. I have been under the impression that the St. Lawrence River is governed by international conventions and not by our domestic laws and policies.

Would you be kind enough to have the Department of State explore this question of the legal and international status of the St. Lawrence River? I would appreciate having a memorandum on this subject, but even more important, it would seem imperative that various departments of the Government have a clear and consistent understanding of the applicable laws and conventions concerning the control and regulations of the St. Lawrence River. If I am correct that this stream is subject to international agreements and treaties, then the question of tolls and policies with regard to it is wholly within the jurisdiction of the President and the State Department, as well as the Canadian Government, in which case it would not seem to be consistent for the executive agencies not concerned with international relations to take a position contrary to the expressed views of the Secretary of State and the Department of State.

Very truly yours,

GEORGE D. AIKEN.

DEPARTMENT OF STATE,
Washington, June 12, 1947.

The Honorable GEORGE D. AIKEN,
United States Senate.

DEAR SENATOR AIKEN: Thank you for your kind letter of June 2, 1947, concerning my statement on May 28 in support of the St. Lawrence seaway project before the subcommittee of the Foreign Relations Committee. I appreciate having had the opportunity to testify in behalf of the project, and I am happy to know that you found my statement useful.

With regard to the principle of making the seaway self-liquidating by means of tolls on shipping, I feel as you do that the choice is not whether we shall secure the seaway with or without tolls but whether we shall secure it with tolls or not at all. It is partly for this reason, that, as I said in my statement, the Department of State supports the principle of self-liquidation. I added, as you may recall, that as this is a time of necessary financial retrenchment for the Government of the United States it seemed to us in the Department that there is good reason for having the cost of the seaway construction paid over the years by the traffic using the new facilities. Incidentally, I pointed out that tolls would not be levied on traffic using the existing 14-foot canals on the Canadian side nor on navigation within the Great Lakes system nor on vessels traversing the Soo lock and connecting channels.

With your letter of June 2 you enclosed a copy of a letter addressed to you on May 9, 1947, by Lt. Gen. R. A. Wheeler, Chief of the Army engineers, who argues that "Congress has in the past defined as its policy that waterways should be toll free" as shown by section 6 of the act of March 3, 1909 (33 U. S. C. 5), which reads, in part, as follows:

"That no toll or operating charges whatever shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work for the use and benefit of navigation, now belonging to the United States or that may be hereafter acquired or constructed."

While I fully recognize the measure of responsibility borne by the Army engineers with respect to the St. Lawrence seaway project, and while I have every respect for General Wheeler's professional competence and judgment, I am unable to agree that the above-quoted section of the act of March 3, 1909, would stand in the way of the proposal to charge tolls on shipping using the St. Lawrence seaway. My reasons are as follows:

1. Section 6 of the act of March 3, 1909, is a law of the United States relating to inland waterways "belonging to the United States or that may be hereafter acquired or constructed." The last clauses clearly also refer to acquisition or construction by the United States of inland waterways. It is not considered to be applicable to the St. Lawrence seaway, which is an international waterway. Navigation on the boundary waters between the United States and Canada, diversion of these waters, and other problems relating to them are not regulated exclusively by the United States legislation, as in the case of inland waterways, but are the subject of international treaties and agreements with Canada.

2. The convention between the United States and Great Britain concerning "boundary waters between the United States of America and Canada," ratifications of which were exchanged on May 5, 1910, expressly provides in article I as follows:

"The high contracting parties agree that the navigation of all navigable boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation and applying equally and without discrimination to the inhabitants, ships, vessels, and boats of both countries.

"It is further agreed that so long as this treaty shall remain in force, this same right of navigation shall extend to the waters of Lake Michigan and to all canals connecting boundary waters, and now existing or which may hereafter be constructed on either side of the line. Either of the high contracting parties may adopt rules and regulations governing the use of such canals within its own territory and [may charge tolls for the use thereof, but all such rules and regulations and all tolls charged shall apply alike to the subjects or citizens of the high contracting parties and the ships, vessels, and boats of both of the high contracting parties, and they shall be placed on terms of equality in the use thereof]." (36 Stat. 2448—brackets supplied.)

This convention, as the supreme law of the land, expressly permits such tolls as are proposed by Senate Joint Resolution 111. Similar provisions are contained in treaties respecting the Panama Canal, on which tolls are charged. (Hackworth, Digest of International Law, vol. II, pp. 772–774.)

For the foregoing reasons the Department of State considers that the inclusion in Senate Joint Resolution 111 of the provisions relating to the charging of tolls on the St. Lawrence are constitutional, are in conformity with treaty obligations of the United States, and are not inconsistent with the statutes of the United States.

Faithfully yours,

G. C. MARSHALL.

Mr. AIKEN. Mr. President, what the Senator from New Jersey proposes to do is to turn this study over to the enemies of those who would put the seaway through on a self-liquidating basis, and I am absolutely opposed to that. I trust the Department of Commerce to make a better survey of the situation than will the Army engineers. It is not the business of the Army engineers to run the economy of the country anyway. It is their business to build dams, locks, levees, and canals. They are not to decide whether the automobile business will pay better with the canal or without the canal, or whether grain will bring a better price to the western farmer with or without the canal. It is their business to build it as they are told, in the event the Congress approves it. What the Senator from New Jersey proposes to do is to turn the project over to the hands of its enemies.

Mr. SMITH. I made the suggestion that the matter be studied further. I do not care how we obtain the figures. I believe we should get them from every source we can.

Mr. AIKEN. We have already obtained them from the Department of Commerce.

Mr. SMITH. I am not satisfied with the figures heretofore obtained. The very confusion which is raised by the Senator's question showing the difference of opinion which exists between the Army engineers and the Department of Commerce gives an additional reason why the joint resolution should be recommitted so we may see whether we can secure an agreement. I cannot make anything out of the record as it has heretofore been made.

Mr. AIKEN. If we cannot trust the Department of Commerce, why not abolish the Department?

Mr. SMITH. Then we might also abolish the Army engineers.

Mr. AIKEN. Why spend $250,000,000 a year—whatever the amount may be which is appropriated for the operation of the Department of Commerce—if we do not trust it? Why not abolish it if we do not care to accept any of the figures it sends to us?

Mr. SMITH. The difference of opinion which exists is such that I think the committee should further explore the matter.

Mr. AIKEN. Yes; there is a difference of opinion between the Department of

Commerce and the Army engineers. The Department of Commerce says, "Charge tolls and let the project pay for itself, because it will do so." The Secretary of State says it would be perfectly legitimate to charge tolls on the St. Lawrence seaway without affecting any other inland waterways. The Army engineers are opposed to charging tolls on anything, and they should not be the ones to make a study of this project. If anyone is against the project he is against it anyway.

I shall not bother to refute any more of the technicalities which are raised in connection with the subject, Mr. President, because as quickly as we refute one point the opponents of the project have another one which they bring out from their pocket. If any one is against it he is against it, and let us all stand up in man fashion and vote for or against the project.

Mr. BALL. Mr. President, I have listened with a great deal of interest to the colloquy which has taken place with respect to the St. Lawrence seaway, and I must say that I reach very much the same conclusion that the senior Senator from Vermont [Mr. AIKEN] does, that if we should propose to deepen this waterway to 35 or 40 feet, and should bring in all the reports that could be assembled proving that it would be self-liquidating, the opposition would still be present. The opposition of the railroads was originally based on the idea that in building the St. Lawrence development the Government was subsidizing a competing means of transportation. I do not know why the railroads should raise the objection that the project would be subsidized, inasmuch as a good many of the railroads have also been heavily subsidized. The attempt to make the project self-liquidating by charging tolls has not changed the position taken by the railroads against it. Despite what qualified engineers have said upon the subject, it will not be known whether the charging of tolls will result in liquidating the project until a beginning is made in charging tolls, but if tolls are charged it will at least have the result of lowering the burden upon the American taxpayers, and the taxpayer will be much better off than if no tolls are charged.

Mr. President, a considerable effort has been made by Senators from the East Coast to persuade this body against the essential merits of the St. Lawrence seaway and power project, by the use of arguments predicated entirely upon national issues. But one of the real issues is the fear that eastern railroads and ports might be affected by the more economical water route over the St. Lawrence.

I should like to direct attention to the real fundamentals of this proposition and to the hopes and fears of man that are aroused by real and imaginary dangers.

The real issue is and always has been this: The St. Lawrence project will provide cheap power and low-cost water transportation. This fact raises two questions: First, does the country in the next 10 to 20 years need this low-cost power and transportation? and, second, Will this project hurt any other segment of our economy?

It is the position of the proponents that the Northeast needs the power and that the Middle West needs the low-cost transportation—additional transportation, I might say. It is their further contention that since the beneficial effects of this project will affect such a large part of our country, its people, and industry, the national effect will be beneficial.

The opponents, if not on the floor of the Senate, but certainly outside, claim that the low-cost water transportation will take business away from established agencies in the East and the South.

My friend the senior Senator from Maryland [Mr. TYDINGS] has been candid about this fear concerning the port of Baltimore. Off the floor of the Senate, others have also recognized this fear to be the real issue. I call attention, Mr. President, to page 97 of last year's hearings on the resolution where the junior Senator from Massachusetts [Mr. LODGE] recognized that the motivating force of the opposition was "to mitigate the effect of this thing—the St. Lawrence seaway—on their homes, their lives, and their economy." The year before the senior Senator from Massachusetts [Mr. SALTONSTALL] appeared before the Senate committee to express concern about the effect of this project on the port of Boston and the New England railroads.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a part of the testimony given at that time by the senior Senator from Massachusetts.

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

TESTIMONY OF HON. LEVERETT SALTONSTALL BEFORE SUBCOMMITTEE OF SENATE FOREIGN RELATIONS COMMITTEE, 1946, HEARINGS ON SENATE JOINT RESOLUTION 104

All we want in Massachusetts is to go ahead and to compete without obstacles being placed in our way by the Government. * * * We do not want to have things happen to make it harder for us in Massachusetts and New England to continue as an industrial area. I mention that because that is the over-all problem. * * *

We tried, when I was in that office (Governor) to stimulate the port of Boston. Under Governor Tobin last year a bill was put through the legislature and we are doing everything we can to stimulate the port of Boston. * * * Then we have our railroads. The Boston & Maine Railroad has its headquarters in Boston. It does not go any further south to any other port, like New York. It is dependent on the port of Maine and on the port of Boston for all the goods it will bring from other sections of the country to the coast.

The Boston & Albany Railroad is a subsidiary of the New York Central. We have had very considerable arguments at various times as to whether the New York Central was not favoring New York City at the expense of Boston. In recent years, in broad general terms, I believe that the New York Central has been very much more concerned with the port of Boston and with New England, and has brought more freight down into our section than into the city of New York.

Our third railroad is the New York, New Haven & Hartford Railroad, which is still in bankruptcy but whose business, of course, has enormously increased during the wartimes. It perhaps will not be so much affected by the St. Lawrence waterway as will be the Boston & Maine and the New York Central through its subsidiary, the Boston & Albany.

Those considerations mean jobs, the jobs of the stevedores in the port of Boston, of the railroad men on those two or three railroads, and what we want to do is keep up those services, improve them as much as we can, because we are so dependent in that northeastern section on transportation. * * *

On the matter of cost. * * * A substantial amount * * * is going to be paid for by New England, and this proposition is going to do nothing but hurt New England. * * * You are asking New England to pay a substantial amount for this improvement, which other people will argue to you on technicalities is beneficial to the country as a whole, and it will have directly the opposite effect, as I see it, on Massachusetts and New England. * * * We are dependent on transportation, and this will have the effect of interfering with our port of Boston, interfering with our railroads to a certain degree, perhaps making our airfields less desirable because of the smaller numbers of possible passengers, and at the same time losing the jobs that go with these various industries.

Mr. BALL. Mr. President, I mention this because it is the real issue. It is not local to Boston, but is generally raised in all the eastern and southern ports and the media of transportation in between. The senior Senator of Massachusetts has rendered a real service in defining it so simply and eloquently.

Let us, then, confront the two main issues and analyze them to see whether there is some common meeting ground.

First, as to the need for power. This seems to require no proof at present, since no opponent of the project has raised it. That the country needs and can use more power, in fact, all kinds of energy, is impressed upon us in our daily experience. The senior Senator from Vermont [Mr. AIKEN] has given specific proof that the Northeast is suffering from power shortage. It is also true that this condition is not recent, but has existed ever since 1942–43, when the War Production Board had to place an informal embargo on the expansion of new war plants in the New York area because of power shortage.

The reason is that we have all underestimated the energy needs of our expanding economy. In 1938 the total consumption of power in the United States was 140,000,000,000 kilowatt hours. In 1945 it reached 233,000,000,000 kilowatt hours. During the war there was a prevailing opinion that there would be a recession in power consumption when war plants are shut down. This prediction was utterly erroneous. What do we find now? In 1947 power consumption reached 300,000,000,000 kilowatt hours, 25 percent over the wartime peak. The generating facilities in the country are strained to the utmost and there is no adequate reserve capacity in case of a major break-down, sabotage, or coal strike. If one or two large generating units should go out of commission for any reason in New York, Boston, Buffalo,

or Detroit, it would result in a serious dislocation of the whole economy. The same situation exists in Canada.

To permit a major area of our country to get into this tight fix does not do credit to the foresight of either Government or private management. This project, which will create enough electricity to surpass the total output of the whole of TVA in 1945, has been before Congress in 1934, 1941, and 1944. Those who always find reasons to stop its construction must bear some of the responsibility for the present energy shortage.

I am quite aware that there are those who say, "Let us build the project only for power and drop the seaway." That is like advocating an operation to separate Siamese twins and expecting either one to survive. Let me make this quite clear: In spite of the desire of the State of New York to construct this project as a source of power for their very own, they will never achieve it, and the people of New York will be misled if they entertain the illusion that they can have their cake and eat it, too. I had thought that it was well established in national policy that river basins would be developed to extract the fullest benefit, and that where a river lends itself to multiple uses we should have multiple-purpose projects. This is the policy adopted in the West. We try to develop each project for navigation, power, irrigation, and any number of other uses to which the river is adaptable. At Bonneville the Army engineers built a huge lock for navigation, though the present commerce would not justify it. It was an investment in the future of the region. At Grand Coulee, 5 of the 18 generators, with a capacity of 540,000 kilowatts, over 25 percent of the potential power in that gigantic development, are set aside for irrigation of 1,000,000 acres of desert land, and this phase of the project may not be completed for 50 years.

Why, then, when we come to the St. Lawrence, do we hear the odd suggestion that this greatest navigation project of them all, giving access to the seas for half of the continent, should be forever blocked because the ports of Boston, New York, Baltimore, and New Orleans do not like it? Is that adequate reason to throw overboard established national policy in river-basin developments, to ignore the best scientific advice of a long and illustrious line of engineers, to thwart the hopes and ambitions of half the people of Canada and the United States?

I say that the suggestion to separate power from navigation violates the established policies of this Government for multiple-purpose development of our rivers. It also violates the constitutional authority of the Congress, for it is well established in the Constitution that the authority of the Congress to authorize the construction of power projects derives from its constitutional power to regulate commerce over navigable rivers. The power projects are only byproducts of navigation.

The suggestion to separate power from navigation violates the solemn commitment of this country to Canada in the Boundary Waters Treaty of 1909, which established the policy that in the development of boundary waters navigation should have priority over power—article IV.

Even if it were a practical suggestion, which I do not think it is, it would be an economic and financial folly to develop the St. Lawrence River for power alone. The people of New York should be told that the cost of the power project would be about $100,000,000 more if the development were confined to power alone than if it were developed as a dual-purpose project. As proposed in this resolution, the users of navigation would pay part of those costs through tolls. As a single-purpose project, the customers of power must pay all the costs.

Finally, let me present a practical reason why those advocating separation of power and navigation are misleading the public on the east coast. The Congress, the President, the State Department, and the Canadian Government would never agree to a proposition to build the power project alone. No President, no Prime Minister, could hope to hold office long by selling the whole midcontinent of America down the St. Lawrence River for the sake of pleasing a few isolated interests in New York and Boston.

Mr. President, the country is suffering not only from an energy shortage, but it is laboring also under a transportation shortage. Our railroads have less rolling stock and motive power now than they had in 1920. They are called upon to carry enormously increased loads. They have done well, within the limitations of their capacity. But it has not been entirely adequate. Witness the fact that each year during the peak of the harvest season they are unable to supply the transportation services expected of them.

It is supposedly the established policy of this country to develop each transportation medium to its fullest. That is the expression of policy in the Transportation Act of 1940. It does not help the transportation system of the country at all to insist that every type of cargo must use the rails. There are many types of cargo, such as grains, coal, petroleum, iron ore, bauxite, and many others, for which rail transportation is too expensive; and it is an added burden to the rails and to the consumers to insist that such traffic must use the rails. The St. Lawrence seaway is best suited to meet the needs of the Middle West in carrying such cargoes, and thereby to free rail equipment during the peak traffic months of the late summer and fall so that no man who has grain or coal to ship overland will be without facilities.

Mr. President, to insist that the eastern roads and eastern ports should retain a monopoly on the business of the Middle West is "featherbedding" on a national scale, for it means doing our work in a more expensive and laborious way. We cannot increase our total national output of goods and services if we give legislative sanction to a policy of doing the Nation's business in roundabout and expensive ways. Let me cite some examples. It is 5,200 miles from Omaha to Liverpool. It is 5,300 miles from New Orleans to Liverpool. Between Omaha and New Orleans there is an added distance of 1,500 miles. It has been said here that Nebraska should ship her grain down to New Orleans and thence to Liverpool, a distance of 6,800 miles, as against 5,200 miles via Chicago and the Great Lakes. Mr. President, all the labor that goes into carrying that wheat 1,500 miles over land and river is wasted, and reduces the national productivity. It is "made work." It is "featherbedding."

Another example: During the war, we built ships on the west coast, on the Gulf, and east coasts. To build those ships we had to carry the steel and the machinery from the Middle West by rail, using equipment, manpower, and fuel, which in turn had to be extracted and transported by additional manpower. We had to build new communities, schools, and housing. We had to send skilled labor many hundreds of miles from their homes. This all added to the cost of our shipbuilding program.

The few large ships and submarines that were built on the Great Lakes had to be floated down the Chicago Canal and the Illinois and Mississippi Rivers on pontoons, again at added expense. All this was paid for by the taxpayers, because we refused in 1934 to start this project. Again, Mr. President, we indulged in a made-work program in the midst of war, because we had not had the forethought to do the rational thing. Every taxpayer in every part of the country paid his share of the cost of that kind of featherbedding.

We could multiply this many times, Mr. President. John L. Lewis' opposition to this project is simply an opposition to the use of waterpower, for the seaway can never be a threat to our efficient coal mining. Lewis' opposition to waterpower is also a featherbedding program. He, in effect, says to the St. Lawrence River, "I don't want you to do man's work, because I want to keep the miners underground digging coal." In what way could this country be hurt, Mr. President, if we made it possible for the sons of these miners to take jobs on ships plying the St. Lawrence, or at the controls as operating engineers of waterpower stations?

Mr. President, I stated at the beginning that the only two valid questions in connection with the pending resolution are: Do we need the power and navigation, and will it hurt existing ports and transportation facilities?

The answer to the first part is definitely affirmative. No one, in fact, has seriously denied the need for waterpower and low-cost water transportation. No one can, in the light of our daily experiences.

The second part of this proposition, the effect on ports and railroads, is the more debatable.

If the St. Lawrence seaway were opened with the beginning of navigation in April 1948, I would say, in all candor, that some traffic that now goes via New Orleans, Baltimore, or New York would be diverted. In fact, some of these ports—such as New York—are now so congested that traffic is looking around for alternative outlets. With considerable relief to the shippers in the Middle West, and to

the recipients of our aid abroad, ships would go directly into the Great Lakes to pick up their cargo. We are not dealing entirely with commensurable elements, and it is difficult to say whether that would be a good thing for this and other countries. It is certain that the prospect of speeding up shipments and deliveries through the St. Lawrence would be greeted with a sigh of relief in many parts of the world, even if it is not so greeted in the eastern and southern ports.

The fact is, however, that there would be no immediate diversion. Immediate diversion is not the proposition before us. What we are considering is a new route of transportation that cannot be opened before 1955, at the earliest, and which will not be fully utilized perhaps until 1965.

What will be the effect of the seaway upon our ports and the trunk-line railroads by that time? That is the question. Those who arouse the fears of unsuspecting citizens that their jobs are immediately at stake do not serve the cause of public enlightenment.

Mr. President, it is difficult to predict that far in advance the economic situation of the United States; but there are some fundamental trends that can be anticipated, barring a catastrophic war in the meantime. First, our population will have increased by fifteen or twenty million.

Second, productivity per man-hour, which has been increasing at the rate of 2 percent a year by the use of electrically motivated mechanical devices, will also have increased, probably by an additional third over what it is now. This is the estimate of the Twentieth Century Fund, in its study, America's Needs and Resources, page 24. The same study also estimates that our total national production in 1960 will be two-thirds again as much as in 1940, page 23.

So, Mr. President, I submit that it is for an older, larger, and more productive America that this project is designed to help with supplies of low-cost power and water transportation. Under those conditions, there is not a person in the Senate or elsewhere who can say that the livelihood of any presently living citizen will be adversely affected.

There is another aspect of this proposal that diminishes the danger of diversion of traffic. Before the two Governments accepted the principle of charging tolls on the seaway, it was said that this project would create competitive transportation facilities subsidized by taxpayers. The fact that navigation facilities on all other waterways and ports are subsidized did not diminish the vehemence of the protest against the St. Lawrence seaway. Taking this criticism in good faith, the proponents went to work to eliminate this source of criticism, by accepting the principle of tolls to make the seaway self-liquidating.

I shall not dwell here on the legality of charging tolls on this waterway. The junior Senator from Michigan [Mr. FERGUSON] has already adequately covered that point. He has proved, first, that this is an international waterway, partly located in the United States, partly in Canada, and that the ships of all nations will use it on a basis of equality; secondly, that article I of the Boundary Waters Treaty of 1909 sanctions tolls, and that Canada has already expressed its willingness to accede to the principle of self-liquidation; third, that the agreement does not come into force until the Canadian Government agrees to tolls; and, finally, that in case we fail to agree, under the Boundary Waters Treaty there is sanction for us to charge tolls at the International Rapids section, where the canals will be on United States soil. This gives us a leverage; but as the Senator from Wisconsin [Mr. WILEY] explained, there will be no necessity to use this leverage, because Canadian interest is identical with United States interest in making self-liquidation succeed.

At this point, Mr. President, I wish to put into the RECORD the views expressed by a large number of American citizens and organizations endorsing the principle of making the seaway self-liquidating.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

OPINIONS OF THE DIRECTORS OF THE NATIONAL ST. LAWRENCE ASSOCIATION ON THE SELF-LIQUIDATING ASPECTS OF THE ST. LAWRENCE PROJECT

IN FAVOR OF SELF-LIQUIDATION

John C. Beukema, secretary, Great Lakes-St. Lawrence Tidewater Commission of Michigan, Muskegon, Mich. No statement submitted. Communicated his views directly to Senator VANDENBERG.

Harry C. Brockel, municipal port director, secretary, Great Lakes Harbors Association, Milwaukee, Wis. Recorded as consenting to self-liquidation in a communication directly to Senator VANDENBERG.

Manferd Burleigh, president, American Buslines, Detroit, Mich.: "This project, in my opinion, need not be entirely self-liquidating. If it is 50 percent liquidating, the project is well worth while in the public interest." (February 11, 1947.)

E. B. Crosby, Northern Federation Chambers of Commerce, Messena, N. Y.: "I want to assure you that I am wholeheartedly in favor of the proposal to charge tolls on the St. Lawrence Waterway * * * because I believe that it is economically sound and for the best interests of both countries." (February 18, 1947.)

Roy W. Gifford, vice president, Norge Division, Norge-Warner Corp., Detroit: "I believe, in general, that any Government project is far more desirable if it can liquidate itself over a period of years. I appreciate, of course, this would not be the case in earlier years, but if it was the ultimate goal, it seems reasonable. Therefore, I see no reason why we shouldn't shoot toward this goal." (February 5, 1947.)

Daniel W. Hoan, president, Great Lakes Harbors Association, Milwaukee: "While attending the conference of mayors in Washington, Mr. Hoan organized a group of 14 mayors and 11 other officials of city government in the Lake States, who called upon Senator VANDENBERG on January 22, 1947, in the interest of St. Lawrence legislation and concurred in the principle of tolls."

Rollo F. Hunt, president, Great Lakes-St. Lawrence Tidewater Commission of Minnesota, Duluth: "Unqualifiedly approve insertion of self-liquidating provisions applicable to foreign commerce in agreement with Canada." (January 17, 1947.)

Perry W. Jenkins, Wyoming director, National Reclamation Association, president, Colorado River Water Users Association, Salt Lake City, Utah: "I agree * * * that the measure, providing for the construction of the St. Lawrence seaway, should carry a provision for the self-liquidation of the project. The term of amortization can only be determined from the estimated tolls collected on foreign carriage through the canals. Of course this provision will have to be concurred in by Canada.

"I do not advocate or support any improvements on the Colorado River, of a commercial nature, that are not self-supporting and self-liquidating. The Congress should not hesitate to support national loans, at a reasonable rate of interest, for the construction of an interstate project that is too general or too large for private capital to handle. * * * I shall be glad to help in any way when the time comes for action." (February 18, 1947.)

Eric Johnston, president, Motion Picture Association of America, Inc., former president, United States Chamber of Commerce: "I feel that it would be entirely satisfactory to have tolls charged on the St. Lawrence project in order to provide liquidation of the investment involved. I believe that self-liquidation of the project through tolls and power development would be the feasible method of construction of this great project." (February 6, 1947.)

D. S. Kiskadden, vice president and general manager, Buhl Land Co., Detroit: "I am writing to go on record that I favor the principle of self-liquidation through charging tolls if that will result in getting this project under way. If we are consistent with the current demand for economy and a lower budget, we should agree with Senator VANDENBERG on the question of making this project as nearly self-liquidating as possible." (March 17, 1947.)

Henry La Liberte, president, Cutler-Magner Co., Duluth: "Has expressed himself personally to Mr. Julius H. Barnes that he favors the principle of self-liquidation for the St Lawrence project."

William Loeb, publisher, Manchester Union-Leader, Manchester, N. H.; Burlington Daily News, Burlington, Vt.: "The idea of having the St. Lawrence seaway self-liquidating is an excellent one, and I can see that with that clause in it should pass, since this removes any objection that the shipping people are getting a free ride at the taxpayers' expense." (February 20, 1947.)

Col. Charles H. Maltby, vice president, Lincoln National Bank & Trust Co., Syracuse, N. Y.: "I should like to state that I am in sympathy with this proposal to make the waterway self-liquidating, providing a suitable arrangement can be worked out for both Canada and the United States. As to the present nonuse of tolls on existing Canadian canals, I fail to see where that need have any bearing on this discussion, as the proposed tolls would affect only those canals jointly owned. The Panama Canal toll system has proved successful and workable as a self-liquidating waterway project. Certainly the application of tolls on St. Lawrence seaway foreign traffic should eliminate the opposition's major objection to the project's construction. The principle of self-liquidation, properly organized, of this subject, certainly greatly strengthens the case for the early passage of the St. Lawrence River project legislation." (March 3, 1947.)

Seth Marshall, president, Marshall-Wells Co., Duluth, Minn.: "As to making the St. Lawrence seaway self-liquidating by adequate charges on traffic, would advise that as far as I know there would be no objection to this in Duluth." (February 24, 1947.)

Julius Meltzer, Springfield, Mass.: "I believe that a toll charge should be made on all ships carrying freight except those of American and Canadian ownership. The details concerning the charges on cargoes should be left with the officials representing both Canada and the United States, and since both nations would benefit by the St. Lawrence seaway they would very readily arrive at a fair decision.

"The period of liquidation should extend for not less than 50 years and possibly longer and the interest rate on the bonds, if possible, should not exceed 2½ percent. I am in favor of a self-liquidation program on the St. Lawrence seaway and would like to be recorded accordingly.

"Development of the St. Lawrence as a seaway would directly affect New England because the water power would develop low-cost electricity, which would be used by many industries in New England, and this would have a direct effect upon stabilizing business. Many firms who in the past have moved to other areas because of low-cost power would remain in New England, and much of the raw materials needed in this area for production could be left at the ports of Boston and Providence." (February 18, 1947.)

Hon. Charles Poletti, former Lieutenant Governor and Governor of New York State: "I certainly would be in favor of accepting the principle of self-liquidation for the seaway. Here's hoping that it will be possible to pass legislation for a self-liquidating project." (February 17, 1947.)

F. A. Seiberling, chairman of board, Seiberling Rubber Co., Akron: "You may record our company as very much in favor of the St. Lawrence seaway project and we think it is entirely practicable to put it upon a self-liquidating basis through adequate charges on traffic." (February 18, 1947.)

Hon. George F. Shafer, attorney, Bismarck, N. Dak., former Governor of North Dakota: "I am glad the idea of self-liquidation is being favorably considered by the sponsors of the proposed enabling legislation, because I have long favored it as a sound principle of public policy. The principle of self-liquidation has always seemed to me to be correct in connection with the Government construction and maintenance of navigation and hydroelectric power projects. In view of the large expenditures which will be necessary in order to service the national debt and to provide for the national defense for a long time to come, I think it is wise for the Government to develop its waterway improvements wherever feasible upon a self-liquidating basis.

"Furthermore the adoption of the principle of self-liquidation for navigation, as well as power projects, should tend to meet the objections of those who are opposing this project on the ground that the benefits to be derived therefrom will be regional rather than national in extent, although I have always felt that this project, like the Panama Canal, should be regarded as essentially a project of continental rather than of local importance. Hence you may quote me as being wholeheartedly in favor of incorporating the principle of self-liquidation in the enabling legislation to be submitted to this Congress for its approval in connection with the advancement of the St. Lawrence seaway development." (February 18, 1947.)

Sidney A. Smith, president, Anchor Storage Co., Chicago, Ill.: "Re the matter of tolls on foreign commerce on the St. Lawrence. I can see no reason why this should not be done, particularly since this practice is in force on most of the other international canals, including the Panama Canal. Certainly we do not want any special favors, although I do think we should make certain that the conditions which will be imposed will not be less favorable. For this reason the divisions between navigation and power should be carefully scrutinized and proper allocations made. It seems to me that, in view of the importance of this project from the standpoint of national defense, at least some portion of the cost might very properly be allocated accordingly. My own view is that, if it is found that tolls are necessary, by all means let us impose them, but let us get on with the job of building the seaway." (February 17, 1947.)

J. David Stern, publisher, Philadelphia Record: "I agree with Senator VANDENBERG that the St. Lawrence project should be self-liquidating. I think self-liquidation is not only politically expedient but the only proper course as a matter of principle." (March 5, 1947.)

W. A. Stinchcomb, director secretary, Cleveland Metropolitan Park District, Cleveland, Ohio: "I have always considered the seaway as being highly justified on an economic basis. As a national policy I can see nothing wrong in the imposition of tolls, providing agreement is reached with Canada and the rates fixed are reasonable.

"The construction of the seaway will confer a special benefit on the shipping using it, and there is no reason why that business should not carry its portion of the cost of amortizing the investment in that part of the improvement properly chargeable to its use and also its share of operational costs.

"In fixing rates, however, it must be borne in mind that the normal flow of this commerce will not soon be reached; that to reach that normal, changes not only must be made in harbors, docks, and warehouse facilities along the Great Lakes, but foreign trade routes and customs will change and develop themselves to adjust to this improvement; this will take time. Fixing fair and reasonable tolls will invalidate claims of inequity by those interested in other forms or methods of transportation. I, therefore, have no objection to the establishment of equitable charges against the shipping using this seaway, if the conditions herein suggested are satisfied." (February 18, 1947.)

Hon. Murray D. Van Wagoner, former Governor of Michigan, consulting engineer, Detroit: "I am still very much interested in the St. Lawrence seaway. Self-liquidation of this project meets with my hearty approval, and I feel that this proposal may have a favorable effect on its acceptance by a greater number of interested groups. The question of tolls for foreign commerce, I believe, would not be an objection, since the main benefits would, of course, first be realized in intercoastal commerce of the United States and Canada. Its construction would at once offer such advantages that foreign commerce could utilize the project." (February 5, 1947.)

O. S. Warden, publisher, Great Falls Tribune, Great Falls, Mont.: "I do not think there has ever been collected any consensus of opinion in Montana upon the subject of self-liquidation. There is no question but that the majority of our people are in favor of the seaway and always have been. It would seem that those who have been handling the legislative enterprise in Washington are qualified to decide what would be best to ask for in the way of attitude on the part of Congress. The inland States have always been pretty much of a unit in the opinion that this waterway, reaching into the center of the Nation, would in the long run be a country-wide blessing. Therefore, I think the National St. Lawrence Association should pass upon this plan of self-liquidation, and I am sure that the conclusion would be better than anything that could be collected in a miscellaneous way.

"I believe in the national economy. The St. Lawrence seaway, if built, will work itself out into a distinct national advantage in all the years to come." (February 24, 1947.)

James B. Webber, Jr., vice president, the J. L. Hudson Co., Detroit: "It seems to me that it would be desirable to present the Great Lakes-St. Lawrence seaway as a self-liquidating project, in view of our present economy-minded Congress. The main thing is to get the job done without further delay." (February 6, 1947.)

Joseph Winterbotham, president, Champlain Valley Council, Burlington, Vt.: "I wish to record my hearty endorsement of the self-liquidation features of the St. Lawrence project, and, as a director of the National St. Lawrence Association, will lend all my efforts to bring about the results. As a suggestion, may I ask consideration of increasing the time of amortization from 50 to 70 years." (February 23, 1947.)

Mrs. Louise Wright, director, Chicago Council on Foreign Relations, Chicago, Ill.: "I see no objection to making the St. Lawrence project a self-liquidating one if this is agreeable to those who are carrying on the negotiations for Canada and the United States. If it would expedite the fulfillment of this project, I would be glad to accept the principle of self-liquidation for the seaway." (March 6, 1947.)

Fred Young, president, Young Radiator Co., Racine, Wis.: "After careful discussion on the matter of self-liquidation for the seaway * * * the same as we have on the Panama Canal * * * I believe that this very definitely should become a self-supporting and self-liquidating proposition. I submit this to you with the deep feeling that this matter should come before our Congress for passage soon." (March 12, 1947.)

OPPOSED TO SELF-LIQUIDATION

Harold B. Johnson, publisher, Watertown Daily Times, Watertown, N. Y.: "I feel it would be a grave mistake to incorporate such a provision (self-liquidation) in the new seaway bill. I feel that it would alienate, rather than foster, support of the project. * * * The system of canals connecting the Great Lakes and the St. Lawrence River, itself, have traditionally been free of tolls. Senator VANDENBERG, himself, emphasized this point at one of the meetings of foreign ministers in London. I feel any attempt to depart from this traditional policy would be a mistake. * * * I hope that Senator VANDENBERG will decide to sponsor a bill similar to that introduced and reported out of the Foreign Relations Committee of the Senate last year." (February 28, 1947.)

Edward J. Noble, chairman of the board, American Broadcasting Co., Inc., 30 Rockefeller Center, New York, N. Y.: "I feel it would be a mistake to incorporate in the seaway measure soon to be introduced in the Senate the principle of self-liquidation. For one reason, it is contrary to the whole tradition of St. Lawrence navigation. Tolls have never been charged and the river has always been free to the navigation of all nations as Senator VANDENBERG, himself, set forth at a recent conference of foreign ministers in London. * * * I would prefer a St. Lawrence seaway bill similar to that introduced in the last Congress and which was favorably reported by the Foreign Relations Committee of the United States Senate. As you well know, this bill contained a provision authorizing a study of this matter of tolls by an impartial body. The first thing, it seems to me, is to get authorization to construct the seaway. Then, if sometime in the future, it seemed advisable to work out a system of tolls, that could be done. I repeat, however, that in my judgment the seaway project would lose rather than gain support if provision for making the project self-liquidating were contained in the bill itself." (March 18, 1947.)

OPINIONS OF OTHER SUPPORTERS OF THE ST. LAWRENCE PROJECT ON THE QUESTION OF SELF-LIQUIDATION

IN FAVOR OF SELF-LIQUIDATION

American Farm Bureau Federation, J. Don Parel, Washington, D.C.: "You are acquainted with the position of the American Farm Bureau concerning the St. Lawrence agreement with Canada. As to the question of making the project self-liquidating, the federation has no position. It is planned, however, that this problem be placed on the agenda for consultation by our board of directors at our next quarterly meeting." (February 11, 1947.)

Donald Kirkpatrick, general counsel, Chicago, Ill.: "American Farm Bureau leans rather kindly to national association's idea of tolls for St. Lawrence Basin. Insist, however, more careful and intensive study be

made by AFBF staff before final action. Matter will be presented to board in June." (April 15, 1947.)

Americans for Democratic Action: Two hundred delegates of nine Midwest States assembled in Chicago, Ill., March 1, 1947, passed a resolution favoring the St. Lawrence seaway with self-liquidating provisions.

John D. Babbage, president, Rutland Railroad Co.: "I am decidedly in favor of the self-liquidation viewpoint in connection with the St. Lawrence seaway project." (February 7, 1947.)

Hon. John L. Bohn, mayor of Milwaukee, Wis.: "I am in full accord with your letter and will be most happy to help it along. I sincerely hope that the seaway will gain some momentum by adopting this program of self-liquidation."

John Carson, director, Cooperative League of the United States of America, Washington: "Through our cooperative congress, and also through actions taken by our board of directors, the Cooperative League of the United States of America has pledged its approval of the plan to develop the St. Lawrence waterway. The league did not have before it any specific proposal. Therefore, it would not be possible for me to attempt to commit the league, or even to express an opinion for the league, as to the plan to make the St. Lawrence a self-liquidating project * * *. I am glad to advise you that I, as an individual and as the director of the Washington office of the league, shall report that I would hope that the league would approve of the amended project. I shall be happy to assist in this work as an individual." (February 4, 1947.)

Albert G. Clifton, legislative agent, Massachusetts State CIO, Boston, Mass.: "I feel so strongly that the St. Lawrence seaway and power project should be undertaken that I believe if measures to provide self-liquidation are necessary to pass the enabling legislation, that such a project should be sponsored and incorporated therein. This, of course, is my personal opinion, but I also believe it reflects the views of our State officers and as soon as they have acted on the matter, I will acquaint you with their actions." (February 5, 1947.)

A. A. Couch, president and legislative representative, Iowa State Federation of Labor, Des Moines: "I have discussed the question of self-liquidation of the St. Lawrence seaway with members of our board, and they are of the unanimous opinion that our federation would support and feel very strongly for a program of self-liquidation of this great national improvement." (February 14, 1947.)

John W. Edelman, Washington representative, Textile Workers Union of America: "The Textile Workers Union of America would certainly support any practical proposal to set up the power and navigation features of the St. Lawrence project on a self-liquidating basis. Although we did not stress this particular point in our testimony on behalf of legislation needed to launch this essential undertaking, we had assumed that the contemplated power plants and navigation works would prove to be self-liquidating in practice. It is our conviction that the project is urgently required from many standpoints. The fact that it could be planned as a self-liquidating undertaking merely adds a particularly compelling argument to those already advanced for congressional action launching this great project." (February 20, 1947.)

Hon. Clyde T. Ellis, executive manager, National Rural Electric Cooperative Association, Washington: "I am authorized to state that since this organization is interested primarily in the harnessing of the low-cost power potential of the St. Lawrence River at the earliest time possible, our support of the project will remain strong and unchanged by any attempt to make the seaway phase of the development self-liquidating." (January 27, 1947.)

Hon. Leif Erickson, former member, Supreme Court of Montana; attorney, Helena, Mont.: "Generally speaking, I am in favor of making most projects like the seaway self-liquidating. This project, however, so closely touches the welfare of the whole country that there is little justification for placing the burden of its cost upon the shippers and upon the users of power. On the other hand, we have the practical matter of securing its approval. With Congress in its present frame of mind it is going to be extremely difficult to get any public projects built, no matter how important they are for the national defense or for any other reason. If making the project self-liquidating would aid in securing its approval, it would seem that you have no alternative but to present it in that form." (February 10, 1947.)

John F. Fahey, chairman, Home Owners Loan Corporation: "I have always been in favor of the St. Lawrence project. My views as to its necessity and its advantage to the country and to the world are in accordance with your own. I have never had any doubt as to its fundamental importance. I do not know enough about the controversial aspects of tolls to be quite sure on this point, but it seems to me the plan is unobjectionable if it will help in solving the problem." (February 5, 1947.)

Hoyt S. Haddock, executive secretary, CIO Maritime Committee, Washington: "In regard to the principle of making the St. Lawrence seaway self-liquidating, we support this principle, particularly if it will speed congressional approval of the project. We have long been stanch supporters of the project in the belief that not only would it provide employment for thousands of maritime workers and foster the development of an expanded merchant marine, but that it would expand the horizon of international commerce, aid in the maintenance of a prosperous American economy.

"It is our belief that the St. Lawrence can one day be an outstanding trade route rivaling the Panama and Suez Canals in tonnage. We are heartily in favor of any action which will speed congressional approval for the project and begin the building of the seaway." (February 19, 1947.)

Clarence F. Hall, president, Consul-Hall Co., Clayton, N. Y.: "I am wholeheartedly in agreement with the proposed plan to make the St. Lawrence project * * * self-liquidating. It seems to me a good idea, and particularly so because our present Congress is trying to curtail expenditures. Further, I believe our chances of approval will be greatly enhanced on such a basis." (February 15, 1947.)

K. W. Hones, State president, Farmers Educational and Cooperative Union of America, Chippewa Falls, Wis.: "I certainly would be willing to approve anything that was within reason as a compromise to get the project completed. * * * However, there is a lot of merit in charging a reasonable amount of toll for the construction and development of such a venture.

"If the power projects would be developed * * * on the same basis as TVA, I am sure that the returns to the Government would go a long way to take care of the cost over a period of 50 years." (February 11, 1947.)

Hon. Herbert Hoover, former President of the United States: "I should think that the determination of the amount of the toll should be made by the two countries after construction and completion, otherwise they will have no idea of what the actual necessary amounts are." (January 29, 1947.)

Tom Ireland, attorney, Cleveland, Ohio: "I am sufficiently committed to the wisdom and necessity of securing early congressional approval for this undertaking so that if the toll project will in any manner facilitate an early enactment I would certainly be disposed to go along with such proposal at this time." (February 10, 1947.)

Hon. Edward J. Jeffries, Jr., mayor of Detroit, Mich.: "I have no objection to the principle of making the St. Lawrence seaway self-liquidating. It certainly would be better than having none at all." (January 22, 1947.)

Hon. George W. Johnson, mayor of Duluth, Minn.: "The proposal to charge tolls on foreign commerce meets with my approval and no doubt by making the project self-liquidating should meet with enthusiastic support in Congress. Since municipalities are requested to have a group of projects ready in the event of any employment let downs, I feel that Congress also should provide a group of postwar projects and that the St. Lawrence project should be No. 1. I am of the opinion that money now set up by Congress for postwar projects for the various subdivisions of the Government could be used by the War Department or some other agency, or even the State of New York, in developing the plans at the present time." (February 6, 1947.)

Hon. Edward J. Kelly, mayor of Chicago, Ill.: "It seems to me that the interests of national defense should be the controlling element in determining the immediate need for the St. Lawrence seaway. It undoubtedly would have paid for itself in the recent World War, if it had been built. I do not feel that I am in a position to advise in detail on the economics of the seaway. Of course, I have no objection to its being made self-liquidating, if that can be reasonably accomplished. However, the need for the seaway in national defense is more important than whether or not its entire cost may be recovered." (March 6, 1947.)

Gust Kragseth, mayor of Two Harbors, Minn.: "My people up here are very much interested in seeing this project approved. It would mean a good thing for the Midwest. I would approve the principle of making the St. Lawrence seaway self-liquidating. My support of the project would be just as strong if it is made self-liquidating." (February 15, 1947.)

Leo Lerner, president, Howard Y. Williams, former executive director, Independent Voters of Illinois, Chicago: "We both agree that the self-liquidating provision is possible and desirable. Over a period of 50 years, the project could be amortized and would constitute a real investment. You can count on us to support the project in this way to the limit." (March 4, 1947.)

Frank X. Martel, president, Detroit and Wayne County Federation of Labor, Detroit, Mich.: "If the influence of the obstructionists who have successfully blocked the passage of legislation to authorize the construction of the St. Lawrence seaway is strong enough to continue to do it unless the project is made self-liquidating, then I firmly believe we ought to push it through on the latter basis. It is indeed most unfortunate that the selfish interests who have followed obstruction tactics have been successful in deluding the American people, or at least their representatives in Congress, with their false propaganda on this most worthy public improvement, one that would have been of inestimable value in the war effort, had it been completed prior to 1941." (February 27, 1947.)

John W. Miller, director, Central Cooperative Wholesale, Superior, Wis.: "We are not only personally interested in the St. Lawrence project but speak for approximately 60,000 cooperative families in this area, all of whom share in our interest. * * * In the Cooperative Builder this week, there is a front-page article explaining how the St. Lawrence seaway project can be made to pay its own way in a matter of 50 years. This plan was clearly expressed by Senator ARTHUR VANDENBERG, of Michigan, before a delegation of

Midwest mayors in Washington. It gives new hope to a project which, for too long, has been battered around by political-minded men and by those who do not want cheap power belonging to the people." (February 5, 1947.)

Russell Smith, legislative secretary, National Farmers Union, Washington: Expressed agreement in person, February 17, 1947, to N. R. Danielian, vice president of the National St. Lawrence Association, on the principle of self-liquidation.

J. T. Sanders, legislative counsel, National Grange: "We again affirm our wholehearted support to the completion of the St. Lawrence project and especially when it is put on a self-liquidating basis as is now proposed." (March 7, 1947.)

Dr. R. A. Newton, mayor of Massena, N. Y.: "I would be in favor of supporting any proposition that would result in the development and completion of the St. Lawrence seaway and power project. For 25 years or more northern New York has been hoping that this project would get congressional approval. * * * My personal opinion is that if the project is presented to Congress as a self-liquidating proposition, the objectionable feature of the cost of the project, which the opposition has misrepresented, could not be sustained any further as an argument against the development. * * * In conclusion, I wish to positively state that I am fully in accord with your suggestion that the project be presented to Congress as self-liquidating." (February 7, 1947.)

Irving Richter, national legislative representative, United Automobile, Aircraft, Agricultural Implement Workers of America, Washington: "We can see no objection whatsoever to charging vessels securing passage on the St. Lawrence seaway for the costs of the project. Of course, a good deal will depend upon the absolute amount of such charges on shippers." (February 12, 1947.)

Robert H. Smith, traffic commissioner, Duluth Chamber of Commerce, Duluth, Minn.: "For my own part, I can see no objection whatsoever to making the navigation phase of the St. Lawrence project self-liquidating. I think that step will remove in great part many of the arguments as to the project subsidizing water transportation to the detriment of rail transportation. Our chamber has taken no official action toward approving the self-liquidating feature, but * * * I think you may take it as a foregone conclusion there will be no objection." (February 10, 1947.)

Hon. Harold Stassen, former Governor of Minnesota: "I am entirely agreeable that the St. Lawrence seaway be taken up on a toll self-liquidating basis." (January 27, 1947.)

Milo K. Swanton, executive secretary, Wisconsin Council of Agriculture Cooperative, Madison, Wis.: "As you probably know, our Wisconsin Council of Agriculture Cooperative has been strongly in support of the St. Lawrence deep-sea waterway * * * whether or not I would approve making the St. Lawrence seaway self-liquidating, my answer is yes, certainly, if it can be done without creating too great a burden on the transportation industry and if such a policy would not indefinitely postpone action on the project. * * * Our organization will welcome the opportunity to support a program that can and will be self-liquidating. While I have not had a chance to place this proposition before our group, I am sure I can say without fear of contradiction that our organization will be even stronger in its support of the St. Lawrence deep-sea waterway under such a program than we would be if it were not self-liquidating." (February 6, 1947.)

E. A. Syftestad, general manager, Farmers Union Central Exchange, St. Paul, Minn.: "Resolution adopted February 20, 1947, at annual meeting of stockholders of FUCE: 'We again urge that every effort be put forth toward obtaining the approval of the Great Lakes-St. Lawrence seaway by this session of the Congress. We urge that self-liquidation of this project be carefully studied as a means of financing so the people of the United States and Canada may utilize this important means of transportation as speedily as possible.'" (March 25, 1947.)

Hugh Thompson, regional director, Congress of Industrial Organizations, Buffalo, N. Y.: "I have been checking up on the cost of tolls on canals and rivers throughout the world and find that some of them are very profitable and definitely are self-liquidating. I am not familiar enough to give an opinion as to the feasibility of this being done on the St. Lawrence seaway. However, I do want to assure you that I am for the development of the St. Lawrence seaway and power project whether it be self-liquidating or otherwise and the sooner we proceed to develop this waterway and harness the tremendous power that can be developed from it the better it is going to be for America. Again I say I am heartily in accord with the proposed development * * * whether it be self-liquidating or otherwise." (March 10, 1947.)

Frederic H. Umhey, executive secretary, International Ladies' Garment Workers' Union, New York, N. Y.: "While I have had no opportunity of getting the opinion of our board, which previously went on record in support of this project, I do not believe that the fact that this was made a self-liquidating project would in any way affect our previous decision to support the same." (February 6, 1947.)

Eugene I. Van Antwerp, councilman, city of Detroit: "My support of the St. Lawrence seaway project should be much stronger and more enthusiastic if the proposal is to have self-liquidating provisions. I can see no real objection to the assessing and collecting of tolls on foreign ships making use of such seaway." (February 18, 1947.)

OPPOSED TO SELF-LIQUIDATION

Elmer W. Cart, director, tax research and traffic, North Dakota division, Farmers Educational Cooperative Union, Jamestown, N. Dak.: "I cannot see any good reason why this project should be constructed on the basis of self-liquidation as far as the investment is concerned. The Congress has for many years appropriated money for development of rivers and harbors and also for maintenance, such as dredging after the facilities were built. Why should this particular project be treated differently?" (February 11, 1947.)

William T. Field, consulting engineer, Field, Emerson & Morgan, Inc., Watertown, N. Y.: "Generally, I would normally strongly support a move to make any project self-liquidating; however, in reference to the St. Lawrence project, I question whether at this time it would be wise or expedient to attempt to change the basis of procedure. * * *

"Frankly, if I wanted to pose as being a supporter of the St. Lawrence project, but really desired to delay or defeat the project, I might be willing to offer to support such a change at this time. I may be wrong, but I gravely question the wisdom of making a change at this time." (February 7, 1947.)

Mr. BALL. Mr. President, these views, representing both farm and business interests in the Middle West, indicate that the people of this area are so anxious to have this waterway, and so convinced of its economic value, that they are willing to pay for it, through tolls on freight moving through the seaway. It is obvious that with tolls, the danger of subsidized competition is eliminated. One would have thought that this provision would have been greeted with joy by those who feared such competition. For a fleeting moment it appeared that success was at hand, for when Dr. Parmelee testified before the subcommittee of the Senate Foreign Relations Committee last June, he said:

Senate Joint Resolution 111, now before your committee for consideration, lays down a policy of self-liquidation for the St. Lawrence project. In this respect it is a distinct advance over any previous approach to the matter. The railroads have taken the position for many years that waterway improvements should be made self-liquidating, and have said that if that were done the railroads would not oppose any sound improvement project. There has been no change in their position (p. 197, Hearings on S. J. Res. 111).

Unfortunately, Mr. President, the hope that, in view of the self-liquidation feature, the railroads would withdraw their opposition to this project has not been realized. The eastern trunk lines and seaports have redoubled their opposition. One can come to no other conclusion than that they consider the seaway would be a success, even with tolls, and they are not willing to risk even fair competition.

Mr. President, it seems to me that many of the arguments and fears about this seaway project are similar to those which I heard a score of years ago when the building of a 9-foot channel in the upper Mississippi River was being considered. At that time the railroads and the coal interests were most vigorously opposed, and we heard from them very much the same kind of arguments we have heard in regard to the St. Lawrence seaway. Obviously they were afraid that the 9-foot Mississippi channel would cut into their business and their revenue. But what has been the experience, Mr. President? The experience has been just the reverse. It has been true of every great project developing new and cheaper methods of transportation, that it has created so much more industry and commerce that all means of transportation have enjoyed increased business. That was true of the Panama Canal and it was true of the 9-foot channel in the upper Mississippi.

I may say that during the present winter if it had not been for the stocks of oil which were moved up during the previous summer by means of that channel, the Twin Cities and other sections of my State in that area would be in a very desperate situation so far as fuel is concerned. It has been a godsend during the current cold winter and shortage of fuel that we have had that means of transportation available; and if we can open the navigation system a little earlier this year than we have been able to open it in the past, our troubles in respect to the shortage of fuel will be over. But what I want to emphasize is that the fear of the coal industry, of the ports, and of the railroads that the development of a great transportation project such as the St. Lawrence seaway would divert business from them, has always proved groundless in the past, because lower-cost transportation develops so much more industry and commerce that, in the final analysis, there is more business for every means of transportation.

Mr. SALTONSTALL. Mr. President, I rise to join my colleague from Massachusetts [Mr. LODGE] in opposing Senate Joint Resolution 111. I justify myself in making a statement at this time because

I have worked on the subject for the past 4 years. I believe there are many questions that should be answered by this honorable body before agreeing to the resolution. I realize that a great many speeches have been made by able Senators on both sides. My purpose in speaking today is to try to consolidate in one effort the questions which I believe should be answered before the the matter is considered further by the Senate.

I call attention to the blown-up map prepared by the Army engineers which I have had placed on the wall. It is blown from a small map which was submitted to the Foreign Relations Committee when Army engineers were testifying. I believe the map is of value in that it shows in different colors the International Rapids section of the St. Lawrence. It shows in green the amount of new excavation required, and it indicates, I think, more effectively than words, how much work must be done at this particular location in addition to building a dam for power plants. If I may borrow the words of the President pro tempore which he uses so effectively at various times, I desire to make two points crystal clear.

First. I am opposed to the navigational features of the St. Lawrence seaway as provided in this joint resolution.

Second. I am in favor of getting more and cheaper electrical energy.

This project has been advocated by several Presidents, considered by engineers and debated many times in Congress. Put before the Senate as a treaty, it was rejected. Put before the Senate as an amendment to a rivers-and-harbors bill in 1944, it was rejected. Now it comes before the Senate as a resolution to approve an agreement between the Governments of the United States and Canada, dated March 19, 1941, with the exception of article 7, article 8, section (c), and article 9 of that agreement. As the majority report states, article 8, section (c), is permanently deleted, but article 7 and article 9 are expressly omitted because they require the negotiation of treaties.

This agreement is based upon article 13 of the Boundary Waters Treaty of 1909 which provides for special agreements between the two Governments. I question whether this agreement comes within the intent of that article. I believe it should be the basis of a treaty. I do not believe this is the type of agreement that can be negotiated between our countries without exercising the treaty-making powers and requiring confirmation by a two-thirds vote in this body. However, I shall not press my objections on these constitutional grounds at present, except to say that I wholeheartedly agree with those who consider it to be a subject for a treaty.

I prefer rather to press my objection on grounds of the seaway's practicability and its possible usefulness in the defense of our country.

POWER PHASE

First, I would like to discuss for a moment the proposition of getting more and cheaper electrical energy. I shall then dwell much more fully and more specifically on my reasons for opposing the navigational features.

I do not oppose it as a power project. I do, however, believe that if the power project is to be built, it should be built solely as a power project at a much reduced figure. The power project, in my opinion, cannot properly be considered a supporting argument for building the seaway. The seaway involves much more work and much additional cost. The power facilities can be properly divided by the two countries or their respective States and Provinces without reference to the deepening of channels and the building of locks and harbor facilities required for a deep-water seaway.

I am in favor of getting more and cheaper electrical energy. If a dam can be built on the St. Lawrence to utilize this natural resource and provide more hydroelectric power to the northeastern section of the country at a fair price, I am in favor of it. Various proponents have stated in recent years that the navigational features and the power features could not be undertaken separately. I am not an engineer, but I cannot believe that this is true. Obviously, the development of the navigational features will be different from the creation of a project to develop power alone. For instance, among the conclusions of the engineers reported to the International Joint Commission, created by the boundary treaty of 1909, the report having been made about 1921, it was stated:

> The sound method of procedure is to improve for navigation alone those reaches where wide canals and locks can most economically be used and where the development of the power at some future time is not interfered with by the proposed improvement and in that part of the river where the construction of locks and dams offer the most feasible means of improved navigation to provide for the development of the incidental power available as a result of the heads created by the dams.

Then in a document prepared for the Montreal Board of Trade in 1929 this statement appears:

> It has generally been accepted that the development of power is contingent on the improvement of navigation, but this is not so, unless it is desired that navigation should bear part of the cost of power development, and there appears no reason that it should do so.

Again, from the same publication:

> Were navigation and power development in any way allied or dependent on each other economically, there might be an excuse for considering them together, but the circumstances seem to demand that each be considered on its own merits, and only incidentally could any combination be considered.

I now quote from the New York Times of January 28, 1948:

> It is necessary to distinguish within the maze of controversy the important fact that these are really two projects, and not one. The seaway which would provide passage through locks to Great Lakes ports of ocean-going vessels for about 7 months of the year is one of these; the power project is the other, and it should be divorced completely from the seaway in deciding the issue whether either is to be built.

Under the present terms of the power development, the works for power will be turned over to and paid for by the State of New York and the Province of Ontario. I seriously question that power developed from a national resource of this character should be turned over entirely to one State for administration, distribution, and management. Why should not the Federal Government operate it for the benefit of all the neighboring States? I ask this because I come from New England. As a Senator from Massachusetts, I want to know what we are going to get in the way of power. It is true that the pending joint resolution provides:

> The President is hereby authorized and directed to negotiate an arrangement with the government of the State of New York for the transfer to the appropriate agency of that State of the power facilities—

And so forth. It further provides—

> That such arrangement is consistent with the laws of the United States and protects the interests of the United States and of other States: *And provided further*, That such arrangement will be effective only after approval by the Congress of the United States and the Legislature of the State of New York.

Mr. IVES. Mr. President, will the Senator yield?

Mr. SALTONSTALL. If the Senator will permit me to finish my remarks under this heading, then I shall gladly yield.

Mr. IVES. If the distinguished Senator from Massachusetts will kindly indicate when the Senator from New York may interrupt him, it will be appreciated.

Mr. SALTONSTALL. I shall be glad to do so.

I should like to point out that such an arrangement has not yet been negotiated. It is not before the Congress, and there is no way of possibly knowing just what protection it will provide to insure a fair distribution of the power to the New England States. There is no way of knowing how the cost of such power would be distributed. There is no way of knowing what the costs of the power lines would be or where they would run. A very interesting map showing concentric circles of 100 miles, 200 miles, and 300 miles from the site of the dam at the international rapids, covering New York and New England, was introduced in the hearings. But, power lines do not always run in straight lines, and it seems perfectly obvious that even large block of power is not sufficient to cover all the territory which its proponents would claim.

There is just one historical fact which we do have before us, the wording of the 1933 joint recommendation of the Corps of Engineers of the United States Army and the Power Authority of the State of New York; this is the document which will be used as a basis in determining the cost of these power facilities. That document says:

> The above recommendations are based on the assumption that the State of New York shall have the right to utilize for power all the flow of the St. Lawrence in the International Rapids section allocated to the United States by the treaty, other than that required for navigation, together with the title to the power works and land upon which they are situated and which may be necessary and convenient for their operation.

I wish to emphasize again the words: "right to utilize for power all the flow of

the St. Lawrence." That provision clearly leaves New England in the hands of New York.

I have tremendous respect for all our sovereign States but as a representative of the Commonwealth of Massachusetts, I can see no reason why negotiations, arrangements and agreements cannot be made prior to the passage of this resolution so that we in New England may know just what kind of a check we are signing. Now we are asked to hand out a blank check for building this power dam. I want to know what is going to be the cost of this power delivered at points in Massachusetts, with all the figures which should go into the power project included, without any figures which should be attributed to power being paid for by navigation or by the taxpayers. I want to be sure that the power we would receive would be economical and reasonable and the cost to produce it fully estimated as of 1948. As a member of the Appropriations Committee, I recently went into certain figures of the TVA. I think there is much merit in a recent Reader's Digest article which said, in effect, "How can you produce a yardstick for electricity when you only use a 2-foot rule?". I want to be sure this cannot be said about the St. Lawrence power project.

I repeat, I am in favor of getting more and cheaper electrical energy, but I ask, I think entirely legitimately, what businessman would go ahead with any such undertaking before he knew the terms that were of vital interest to himself?

Mr. IVES. Mr. President, I rise not to take issue with the statement now being made by the distinguished Senator from Massachusetts, though I may observe that I am sure that in any development of the power resources of the St. Lawrence River, New York State would be fully considerate, as considerate as any of its neighboring States, were the project left to the State of New York to do as has been proposed by myself. So I think the fears which are now being expressed by the distinguished Senator from Massachusetts are really without foundation.

Mr. SALTONSTALL. I will say to the Senator in reply that if everyone were as considerate and as reliable as is he I should have no doubt, but I should prefer to know what the agreement was before I would approve the resolution.

Mr. IVES. Mr. President, the Senator takes me at a distinct disadvantage by that statement, and I shall not pursue the argument further along that line. However, I did not rise for that purpose. I have something else in mind, if the distinguished Senator will permit me to interrupt him for only a few moments.

On February 4, at a time when I happened to be speaking on this subject before the Senate, the distinguished Senator from Wisconsin [Mr. WILEY] raised a question as to legislation enacted in the State of New York in the year 1931, and indicated in the question he asked me that in all probability New York had thereby endorsed the seaway project. At the moment I did not happen to be able to place the particular legislation to which the Senator was referring, but I assured him in my remarks, which I shall not repeat here because they are in the CONGRESSIONAL RECORD on pages 1055 and 1056, that whatever the State of New York may have done it was not endorsing or in any way supporting such a project as is proposed by the resolution now under consideration. It will be found that the position expressed in my remarks has been consistent throughout.

On February 11, in the following week, the distinguished Senator from Wisconsin stated for the RECORD that he had checked the matter of the legislation in New York and found that it was the New York Power Authority Act of 1931 to which he was referring. Then he went on in his remarks and said:

> I stated that the New York Legislature looked for the development of the seaway and power project as an integrated unit.

Subsequently he inserted in the RECORD several sections of the New York Power Authority Act of 1931.

Mr. President, my purpose in rising is to point out that there is nothing in the New York Power Authority Act of 1931 which in any way, shape, or manner indicates that the State of New York has supported the seaway. To be sure it describes the improvement of commerce and navigation on the St. Lawrence, it refers to the international rapids and improvement in connection therewith, but all in conjunction with the development of the power of the St. Lawrence River, and ostensibly for no other purpose at all.

I happened to be a member of the legislature at that time, and I still recall the debates and discussions which occurred when the matter was under consideration. It was definitely the feeling of the legislature at that time that New York was not in favor of any such seaway proposal or any undertaking of that kind. However, as we all know, the present St. Lawrence development has a channel and locks through which, it is my recollection, approximately 9,000,000,000 tons of shipping have been handled. Naturally, if power development is to be established across the St. Lawrence River, anywhere along the channel, something must be done to take care of the shipping, the channel, and the locks which thereby might be impaired insofar as their usefulness might be concerned in the case of such a project. But this does not at all mean in any way, shape, or manner that it is to be a seaway project undertaken in conjunction with the government of the State of New York or the New York State Power Authority.

I want to read a few words from the sections which were inserted in the RECORD. Subdivision 2 of section 5 provides that its purpose is—

> To negotiate—

I now speak of the Power Authority—

> with the appropriate Canadian authorities and agencies respecting the improvement and development of the international rapids section of the St. Lawrence River.

Subdivision 3 of the same section provides:

> To apply to the appropriate agencies and officials of the United States Government and/or of the Dominion of Canada or its provinces, including the International Joint Commission—

And so forth.

Mr. President, there is nothing here whatever which can be construed as an endorsement of the proposed undertaking, official or otherwise, by the State of New York.

In that connection, I point out further that if there be any doubt in the mind of anyone as to what the purpose of this act was, its title is "The New York Power Authority Act of 1931." There is nothing in it about commerce or navigation or anything else, so far as the title is concerned. Those things happen to be byproducts of the whole undertaking, byproducts which are a part of the natural development of the power resources of the St. Lawrence River.

In order that there may be no mistake as to the attitude of the legislature regarding this matter, I ask that there be inserted in the RECORD at this point in my remarks the text of a joint resolution adopted unanimously by the New York Legislature in 1944, which rather definitely expresses the attitude of the Legislature of New York.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

TEXT OF RESOLUTION PASSED UNANIMOUSLY BY THE NEW YORK STATE SENATE, MARCH 15, 1944, AND BY THE ASSEMBLY, MARCH 16, 1944

Whereas there is an ever-increasing need in the State of New York for cheap hydroelectric power not only to attract new industries to the State but also to retain those which are already established; and

Whereas the State of New York has no cheap hydroelectric power to offer to any new industry and already the lack of this cheap power has sent countless industries elsewhere; and

Whereas the development of the water powers of the St. Lawrence River will directly benefit the more than 4,000,000 small commercial users, farm homes, and domestic consumers of electricity in this State, comprising the greatest potential market for low-cost electricity in the world; and

Whereas, unless the State of New York indicates its willingness and desire to bring to the people the untold benefits of cheap hydroelectric power and takes effective steps to this end, this New York State power will remain the only important hydroelectric power undeveloped in the entire United States; and

Whereas the Province of Ontario, through the chairman of the Ontario Hydroelectric Power Commission, has expressed a desire to proceed at once with the development of this power resource in cooperation with the State of New York: Now, therefore, be it

Resolved, That it is the sense of the Legislature of the State of New York that prompt measures should be taken to provide for development of the power resources of the St. Lawrence River with adequate provisions to safeguard the rights and interests of the people of the State of New York in these resources, under the inalienable ownership of the people.

Mr. WILEY. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Wisconsin.

Mr. WILEY. I am sorry I was not in the Chamber when the distinguished

Senator from New York began his statement, but I think I got the gist of it. I cannot agree with his interpretation of the Anglo-Saxon language contained in the very act he has read. He is entitled to his interpretation, of course, and I am sure I am entitled to mine, in reading the plain English. On the other hand, great New Yorkers—such as President Roosevelt, Secretary Hughes, Secretary Stimson, and Mayor LaGuardia—have indicated that the people of New York at least had an idea as to the value of the development of the St. Lawrence seaway different from the Senator's idea.

I call attention to the language of section 1:

That part of the St. Lawrence River within the boundaries of the State of New York is hereby declared to be a natural resource of the State—

Now, listen to this—

for the use and development of commerce—

This is in the first section of the act—

for the development of commerce and navigation in the interest of the people of this State and of the United States, and—

Listen to this; it does not say "or," it says—

and for the creation and development of hydroelectric power.

Let us then go to section 5:

Forthwith upon the appointment and organization of the trustees and subject to the conditions and limitation in this act contained, the power authority, in cooperation with the proper Canadian authorities and those of the United States as hereinafter directed, shall proceed with the improvement and development of the international rapids section of the St. Lawrence River—

Which is defined—

and for the development—

"And for the development"—

of the hydroelectric power inherent therein.

Then it repeats in subsection 1 that language, and again, speaking of commerce and navigation along the St. Lawrence River, says:

It shall be so planned and constructed as to be adaptable to the plans of the United States therefor.

It was not only contemplated, as by the language indicated, that the New York Power Authority, so to speak, was to enter into arrangements for the development of electric power, but it was contemplated that it should enter into negotiations with the Canadian authorities and with the appropriate authorities of the Government of the United States, for the benefit of commerce and navigation."

While the Senator from New York cannot read in the language any provision as to navigation or commerce, to me that language indicates clearly that those who wrote the act had the vision spoken of by the Senator from Minnesota today so dynamically when he mentioned the growth of America, the future of America, and the development of America.

Mr. President, while I grant the Senator the privilege of seeing nothing in the document relating to commerce and navigation, I have only read the language as it is in the act.

Mr. IVES. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. Mr. President, I should like to say a word, and then I shall be glad to yield further to the Senator from New York, if he will not take too long on this point.

I repeat what I just stated about the uncertainties of the situation, because the failure to have any negotiations with the State of New York regarding the use of this power is very clearly brought out by the discussion between the Senator from Wisconsin and the Senator from New York.

I now yield to the Senator from New York.

Mr. IVES. Mr. President, the Senator from New York thanks the Senator from Massachusetts for his courtesy in allowing him to appear in the discussion.

I point out that there is nothing which the distinguished Senator from Wisconsin [Mr. WILEY] just stated which was at all at variance with my previous remarks. They were to the effect that in no sense, by the Power Authority Act of 1931, did the State of New York go on record as favoring the seaway. That is the position I have taken right straight through.

The Senator speaks about improving commerce and navigation. Of course, those matters have to be considered in the passage of an act of the kind to which I have referred, which has to do particularly with the improvement and development of power resources on the river.

As I indicated, the shipping which was already using the channels, and which would use it, totaling, I believe, 9,000,000 tons at the present time, would have to be taken care of. If a dam of the size of that contemplated were actually built, naturally improved commerce and navigation have to be included in the whole project as contemplated. But that, as the act itself indicated from its very title, was not the primary purpose of the act.

If the distinguished Senator from Wisconsin had been where he could have heard the debates going on at the time the act was passed he would have ascertained that what I am saying is the actual fact.

I thank the Senator from Massachusetts for allowing me to interrupt him a second time.

Mr. WILEY. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. WILEY. I call attention to the fact that on March 15, 1944, the New York State Legislature adopted a concurrent resolution memoralizing the Congress for the development of hydroelectric power through the seaway power project, and while the concurrent resolution did not specifically endorse the St. Lawrence seaway resolution then pending in the United States Senate, the author of the resolution stated on March 16, 1944, in the New York State Assembly:

Passage of the resolution by both houses of the legislature means that we have successfully answered the charge of St. Lawrence project opponents that the State of New York is opposed to this great development.

The authors of the resolution referred again and again to the seaway resolution then pending in the Senate and specifically directed to the attention of the Senator from Vermont [Mr. AIKEN], and Representative Pittenger, and other supporters of the St. Lawrence project, the fact that this concurrent resolution and all that it implies had passed the State legislature.

Let all who have eyes to see—see.

I do not care to repeat in any detail the incontrovertible fact that the St. Lawrence seaway and the St. Lawrence power project are one. They cannot possibly be developed separately. In the words of a former Chief of the United States Corps of Engineers, General Robbins, "It would be a crime" to develop them separately, even if that could be done, and I repeat, it cannot be done.

Finally, in this connection, I ask that there be included at this point in the RECORD the text of a letter on the St. Lawrence seaway and power project which I received from the distinguished chairman of the New York State Power Authority, Gen. Francis B. Wilby. I ask, moreover, that following his letter there be printed the text of the brief statement which he included.

I respect the judgment of the junior Senator from New York, but I respectfully submit that the people of New York State, like the people of every other State in the Union, are behind the integrated seaway and power project. Moreover, I respectfully submit that in taking the stand he has taken, the junior Senator from New York unfortunately does not represent, as I humbly see it, the overwhelming opinion of his constituency.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

THE POWER AUTHORITY OF
THE STATE OF NEW YORK,
New York, N. Y., February 17, 1948.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: For your convenience, I enclose a concise summary of factual data on the St. Lawrence project presented by the power authority at public hearings, July 16, 1947, and contained in our annual report of January 19, 1948. We believe that the facts stated in this summary have been clearly established in the record of the hearings and that they support the favorable action recommended by the Committee on Foreign Relations on Senate Joint Resolution 111.

We wish to emphasize that the pending joint resolution, while authorizing the project in general accordance with the United States-Canadian agreement of 1941, makes no appropriations at this time for the works described in the enclosed statement. Appropriations will be spread over the construction period of 6 or more years.

Congress will thus exercise full discretion and control in approving and scheduling the installation of the various works to meet actual power and navigation needs and budgetary requirements as they develop over the construction period.

Sincerely yours,

F. B. WILBY,
Chairman.

FACTS ABOUT THE ST. LAWRENCE PROJECT

(Condensed from statement presented at public hearings on the project, July 16, 1947, by the Power Authority of the State of New York and reprinted in its annual report, January 19, 1948)

The major works authorized under the agreement of 1941 and the pending legislation are to be constructed in the International Rapids section, a 48-mile stretch of the St. Lawrence River forming a part of the boundary between the State of New York and the Province of Ontario. Through this section of the river passes the entire outflow of the five Great Lakes, which serve as a natural reservoir and provide an average flow of 230,000 cubic feet per second for power development. Because of the even flow, an unusually high percentage of the power to be developed in this section, a minimum of 70 percent, will be continuously available firm power.

The installed capacity of the power development on both sides of the river, under the plans completed by the Corps of Engineers, United States Army, will be 2,200,000 horsepower or 1,640,000 kilowatts (1 horsepower equals .746 kilowatt). The theoretical capacity of the New York State power project is 820,600 kilowatts, calculated from turbine capacity (1,100,000 horsepower) at 81-foot head. Actual installed generating capacity will be 940,500 kilowatts.

The power authority has recently completed a comprehensive review of postwar electric power requirements and supply in New York State, and adjacent areas, including also consideration of the expansion of hydroelectric power capacity in other areas, outside the Northeast. New York State and New England combined, with about 20 percent of the population of the United States, today are wholly lacking in developed reserves of hydroelectric power to help meet growing demands for electric energy which, in 1946, rose above wartime peaks in this area.

The consumption of oil, coal, and other exhaustible fuels approached a record volume during the same year, placing a heavy strain upon both fuel supplies and transportation facilities in the Northeast.

The shocking waste of latent resources of hydroelectric power on the St. Lawrence River, in the midst of a populous area which produces no coal or oil in quantity, is wholly incompatible with any sound policy of national economy or national defense.

Engineering studies, independently made by the power authority from 1931 down to date, show that St. Lawrence power can be generated and transmitted to load centers throughout the Northeast at delivered costs far below those of the most efficient steam plants now operating in New York State or elsewhere.

The St. Lawrence seaway will, when completed, provide access to the Atlantic Ocean and to existing American and foreign ports from ports in the Great Lakes-St. Lawrence River system, for ships not exceeding 766 feet in length and 80 feet in width, loaded to a draft of about 25 feet in salt water. The project depth of 27 feet means that all channels will be deepened to at least 1 foot over 27 feet, with 30 feet over lock sills, permitting the project depth to be increased to 30 feet at a relatively small cost at a later date, if warranted by the demands of commerce.

It will include seven locks between the Gulf of St. Lawrence and Lake Ontario, in addition to the existing eight Canadian locks on the Welland Canal and the United States lock at Sault Ste. Marie, Mich., already completed and forming part of the proposed seaway.

The dual-purpose project in the International Rapids section will also develop 2,200,000 horsepower of hydroelectric energy, the second largest power development in the Western Hemisphere. Half of the power project will be located in the State of New York, the other half in Canada. The entire State of New York and parts of New England, Pennsylvania, and New Jersey are within economic transmission distance of the project.

SEASONAL OPERATING PROBLEMS SOLVED

Climatic conditions on the Great Lakes-St. Lawrence system, particularly the freezing over of channels and the effect of ice on the power project, have been thoroughly studied and fully met in numerous surveys and hydraulic tests and in the engineering plans now ready for use.

The seaway will be closed due to freezing for a period averaging 4 months and 10 days each year during the winter (or 36 percent of the time), the same as is now the case for the port of Montreal and all shipping on the Great Lakes. This, however, has not prevented the port of Montreal from becoming one of the greatest ports in the Western Hemisphere, or the Great Lakes from carrying a total commerce of 184,000,000 net tons a year at the peak of war production.

So far as the power development is concerned, the project will operate the year-round, producing hydroelectric energy winter and summer in a populous, industrial area which produces no coal or oil and urgently needs low-cost power to meet steadily rising demands. In the Beauharnois power plant on the St. Lawrence, the Shipshaw power plant on the Saguenay, and in other large power plants located farther north than the International Rapids section, winter ice conditions have been overcome with complete success in the efficient operation of such plants.

EFFECT OF THE ST. LAWRENCE PROJECT ON EXISTING PORTS AND TRANSPORTATION FACILITIES

By providing low-cost power and low-cost navigation, the St. Lawrence project will create new wealth, stimulate growth of industry, and thus add to the sum total of production, trade, and freight tonnage available to existing ports, canals, railroads, trucks, and other transportation agencies.

Completion of the project will, in effect, create 3,576 miles of new coastline for the United States, interconnected by deep-water channels with our Atlantic, Gulf, and Pacific coasts. This will not only strengthen our defense but, as the United States Maritime Commission has reported to Congress, will also develop our merchant marine and expand our intercoastal trade.

Any small amount of traffic which might be diverted from existing facilities will be more than offset by new commerce created by the expansion of industry, agriculture, and trade resulting from the St. Lawrence development. The completion of the seaway will make it possible to move finished goods and commodities which cannot now be shipped to market at a profit. Year-around operation of the power project will develop new industries and create traffic which cannot be handled by the seaway during the winter and must increase the tonnage available for other transportation agencies.

Far from diverting any substantial amount of tonnage from the railroads, the barge canals, or ports like New York, Boston, Baltimore, Philadelphia, or New Orleans, it may be confidently expected that the St. Lawrence seaway and power project will result in net gains in the commerce handled by such existing agencies.

A NATIONAL PROJECT

The St. Lawrence seaway and power project has been designed for the benefit of the whole Nation, and will serve directly about one-third of our population in an area of more than 300,000 square miles, one of the most productive and highly industrialized regions of the United States. The conclusion that a project which serves such a large proportion of our population will benefit the whole country is borne out by experience throughout our history.

Because of their natural advantages and their highly productive tributary areas, New York, Boston, Philadelphia, Baltimore, New Orleans, and other magnificent harbors on the Atlantic and Gulf coasts are bound to remain leading ports of the United States. With all their natural advantages, however, none of these great harbors would be available today, to serve our industries, our railroads and our shipping, unless the channels had been progressively deepened and maintained by the Corps of Engineers. These improvements in our harbors and projects to develop our inland waterways have cost billions of dollars. In the aggregate, they have returned their cost manyfold in the creation of new wealth, in direct stimulus and aid to our system of free enterprise, in low-cost transportation and low-cost power for the benefit of the whole Nation.

The great waterways and harbors of the United States have heretofore been authorized by Congress, developed, and modernized, as needed, to keep pace with the growth of commerce and the increasing draft of ships. These improvements have been made in all parts of our country, consistent with the sound policy that such projects increase our national wealth and strengthen our economy in war and peace. It would be highly discriminatory and directly contrary to the public interest to exclude from the benefits of this well-established national policy Buffalo, Rochester, Oswego, Duluth, Superior, Chicago, Detroit, Milwaukee, Cleveland, and other ports in the immense area served by a natural waterway so capable of improvement for ocean navigation as the Great Lakes-St. Lawrence system.

The St. Lawrence project has already been largely completed after having been approved by every official board of engineers which has investigated its deep-navigation and power potentialities over the last three decades. Since the United States and Canada signed the pending agreement of March 19, 1941, to complete the entire project, it has been repeatedly recommended to Congress by the principal agencies of our Government charged with the national defense, the improvement of rivers and harbors, the development of the merchant marine, and the fostering of agriculture, industry, and domestic and foreign trade.

It is the conclusion of the Power Authority that the need and value of the St. Lawrence seaway and power project have been so clearly established by the overwhelming weight of evidence that the development authorized by the United States-Canadian agreement and the joint resolution should be carried forward without further delay.

Mr. IVES. Mr. President, will the Senator from Massachusetts yield for the third time? I am very sorry to feel obliged to ask the Senator to yield, but I should like to reply to the Senator from Wisconsin.

Mr. SALTONSTALL. Will the Senator reply very briefly?

Mr. IVES. As briefly as can be done. I well recall what occurred at the time of the reading of the statement from which the distinguished Senator from Wisconsin has quoted. I regret that I do not have with me my own statement which was made at that same time, which voiced unquestionably the majority opinion of the members of the legislature. My statement was along the exact line that I have been indicating in the discussion this afternoon, and that is that in no way was the resolution to be construed as endorsing the seaway project at all. The resolution, the Senator will observe, merly applies to power.

Mr. SALTONSTALL. Mr. President, I simply repeat, as I leave this aspect of the subject concerning power, that obviously there is great uncertainty as to whether or not New York is even in favor of the project, and certainly it is clear that they have not made any agreement or even come to a tentative understanding with the National Government as to how the power project should be carried out, and I say again that such an agreement should be entered into, or at least or even come to a tentative understanding, before we pass the joint resolution.

Mr. WILEY. Mr. President, will the Senator yield to me on that point?

Mr. SALTONSTALL. I yield.

Mr. WILEY. If I understand the Senator rightly, he is contending now that one of the reasons why we should not pass the joint resolution is that there is no definite, concrete understanding with the New York authorities in relation to the construction of the power project. Is that correct?

Mr. SALTONSTALL. That is correct insofar particularly as it concerns us in New England.

Mr. WILEY. Of course the Senator realizes that one of the purposes of the joint resolution is to bring the negotiations under way. The Senator realizes that, does he not?

Mr. SALTONSTALL. I say that before the honorable Senate passes the joint resolution which will commit the Federal Government to start the construction of the power dam and begin building the seaway we should have some knowledge of the agreement which is going to turn over the power facilities or contemplated power facilities to the State of New York.

Mr. WILEY. Am I to understand that the distinguished Senator would support the project if there were such an agreement?

Mr. SALTONSTALL. May the Senator from Massachusetts answer that question at the conclusion of his remarks, if the Senator from Wisconsin still desires an answer to the question at that time?

Mr. WILEY. Mr. President, I simply wish to make a statement so as to keep the record clear. As was suggested by the Senator from Minnesota [Mr. BALL] today, and it should be repeated again and again in the present debate, the joint resolution provides only an authorization. An authorization for what? First, it would authorize the President to enter into a treaty. The treaty would have to come back to the Senate for ratification. The treaty would provide for perpetual mutual rights of navigation between the citizens of the two countries.

Second, the joint resolution provides that the President shall enter into an agreement in relation to what tolls, if any, shall be imposed upon the traffic upon the canal. That agreement would be with the Canadian Government, and the agreement would have to come back to both Houses of Congress for ratification.

Third, the joint resolution provides, pursuant to the plans which have been paid for—and some one and a half million dollars have already been expended by our Government upon those plans—that arrangements will be made with New York and negotiations entered into with the Canadian Government in relation to the plant construction.

Then, Mr. President, it must be borne in mind that not one step of construction can be undertaken until again the whole matter has come before the Senate and the House and appropriations have been made for construction.

Therefore, the bugaboo which has been thrown into this picture that it is likely that some useful material needed for building plants in Europe or for building ships in America will be needed in the construction of the St. Lawrence seaway is all out the window.

It must be clear, Mr. President, as the Senator from Minnesota said, that, assuming the preliminary steps have been taken, 5 or 6 years will elapse before the project can be gotten under way.

In view of that, I ask the Senator from Massachusetts if it is not perfectly feasible that we proceed with the steps provided in the joint resolution and not attempt to delay further along the line the Senator suggests?

Mr. SALTONSTALL. I shall make my answer to the distinguished Senator from Wisconsin in the last section of my discussion, in which I take up the very points he has just mentioned.

NATIONAL DEFENSE

I now turn briefly to the seaway as an adjunct to our national defense. Will it be a vital factor in our future security? Senators have heard my colleague give a very thorough and authoritative discussion on this question. I, therefore, do not intend to dwell in detail on this vital problem. But I would like to ask this question: If the seaway, with its complicated network of locks, is to be considered a national defense undertaking, why does it fly in the face of the expert opinion of the Governor of the Panama Canal Zone, General Mehaffey, who has just submitted to Congress a study of the Panama Canal entitled "Isthmian Canal Study—1947"? That study emphasizes in its conclusions the need for converting the Panama Canal into a sea-level canal at a cost of two and a half billion dollars.

In summarizing his case for a Panama sea-level canal, General Mehaffey said on page 86, part 7, of his report:

> A sea-level canal requires only the maintenance of a clear channel for its operation. While tidal-regulating and flood-control structures would be provided, they would not be essential to the operation of the waterway, and their loss would not prevent its use. The channel could not be blocked by the largest foreseeable conventional weapon but could be closed by an atomic bomb, in which event the canal could be reopened to traffic a few weeks after the necessary equipment and personnel were available. More powerful atomic bombs would increase the time of closure. Additional security of the sea-level canal could be obtained at any time by widening and deepening the channel, and this could be accomplished without losing any original investment.
>
> By contrast, a lock canal, no matter how strongly protected, could be put out of operation for periods of 2 to 4 years by conventional or atomic weapons.

The proposed seaway by necessity must be built with locks to lift a ship from sea level to the Great Lakes, a total rise of 600 feet.

Testimony of General Mehaffey would appear to eliminate this seaway as a reliable artery for national defense.

I may add, Mr. President, my own personal observation of the locks at Antwerp, Belgium. The Germans failed to eliminate the last lock in the canal. Their failure to do so proved of supreme importance to us in the latter phases of the war. It helped make possible early victory over Germany. Had the lock been blown up by the Germans we would have encountered considerable difficulty and delay. Observation of the situation at Antwerp proves to me very clearly the importance of having a sea-level canal if we are to consider the importance of the proposed waterway in time of war, and the need for its defense.

I briefly mention several other reasons why I believe the security value of the seaway has been overstated. In this age of atomic weapons, of planes capable of flying faster than the speed of sound, and supersonic weapons, every military expert agrees that if we are attacked, the attack will come without warning and through the air. Therefore, the Great Lakes area no longer can enjoy its traditional immunity to hostile attack. In fact, one might say the reverse is true. The great-circle course to the Great Lakes—the so-called polar concept of attack—is nearer to our potential enemies than the Atlantic seaboard. This polar concept also weakens another defense argument of the proponents: that the seaway would give us an alternate and more sheltered shipbuilding center. If the seaway can be put out of action for some 2 to 4 years, that completely eliminates it as a reliable and continuing artery for commercial or naval purposes in wartime. Furthermore, only the smaller man-of-war could move safely through the seaway because of the draft of the modern carriers or battleships.

I ask now two final questions on the subject of national defense: Does it provide better protection to our country to build an expensive link to localities which are admittedly icebound between 4 and 5 months a year rather than to improve our existing transportation facilities that connect with ports which operate on a year-round basis? Cannot we more advisedly, in the interests of national defense, spend our available funds in the improvement of these ports that are open 12 months in the year? We must think of these questions in light of the cry of many nations for ice-free ports and especially of Russian demands for Mediterranean harbors.

So far I have discussed the power features of the seaway as a potential asset in our national defense. Now I would like to discuss it as a practical proposition in time of peace. Let us consider ourselves the owners of an oceangoing freighter and see what practical considerations arise.

LIMITING DEPTH OF SEAWAY

One of the most important, in fact I believe the most important, practical factor in discussing the Great Lakes-St. Lawrence seaway is the question of the depth of the channel. What types of ships can use it, and, will they use it? The agreement referred to in this resolution calls for a 27-foot channel from Montreal to Duluth.

Just how much water a ship can draw and still get through the channel is a contentious point, yet the differences of opinion only amount to a couple of feet. Let us consider a Liberty ship because I think a Liberty ship, by name at least, is known to most people. They were built, as we all know, during the war when we were in vital need of shipping. They did a great job. They were a vital factor in winning that war, but today they are out of date. This was clearly shown before the end of the war when the faster Victory ships were built.

A Liberty ship draws about 28 feet. This figure is what is termed "mean draft"; in other words, the average draft of the loaded ship, not in motion and in calm water. If one asks an experienced captain, or a man who has had experience in loading these vessels, he will find that this ship drawing 28 feet requires as much as 32 feet fully loaded and under way. I believe that it is self-evident that when a ship is propelled through the water there is what the mariners call "squat"—that is to say, the stern is forced down and the bow up. The amount of "squat" increases with the displacement of the vessel and the speed of the vessel. Furthermore, the movement of waves is bound to affect the depth required to float any given ship. Finally, the draft of a ship is greater in fresh than in salt water. Vessels which clear Montreal for the voyage down the St. Lawrence are required to have a clearance in the dredged channel of 2 feet 6 inches. I mention these various factors because it is clearly evident to anyone that a vessel drawing 28 feet cannot go through a 27-foot channel. I do not believe that, on the average, we could safely take through a ship drawing more than 24 feet. Southworth Lancaster, traffic manager for the Port of Boston Authority, who has had a great deal of experience testified:

> There emerges the more practical picture of the small freighter drawing not over 23 feet with a length of about 400 feet.

Some of the proponents state that a ship drawing 25½ feet will be able to go through this 27-foot channel. For the moment let us concede this is so. In a publication entitled "Public Affairs Bulletin No. 58, July 1947," the Legislative Reference Service of the Library of Congress gives certain statistics. These statistics they obtained from the United States Maritime Commission as of September 30, 1945:

> The freighters in the United States fleet with maximum loaded draft of 25 feet or less number 646. This represents 9.4 percent of the total tonnage of the United States fleet. Tankers—in the same category—total 51 or 2.3 percent of the total tanker tonnage.

I think those are substantially the figures given by my colleague.

Now let us look for a moment at the world fleet: The same statistics for the world fleet for freighters amount to 20.8 percent of the tonnage; tankers 6.6 percent of the tanker tonnage.

I readily admit that a ship which is not fully loaded could go through, but it seems perfectly clear to me that in planning a navigational channel it should be planned for boats which are fully loaded. Certainly, no steamship company is in business to run its boats partially loaded if they can carry a full load. This is simple business arithmetic.

In 1929 the Brookings Institution of Washington published a book entitled "The St. Lawrence Navigation and Power Project." The statistics in that book have been attacked, but I think everyone will admit that the trend has been for larger and faster ships since 1929. Page 53 of the Brookings report states, "The trend in ocean shipping is toward larger and deeper draft vessels." Their prediction in this case has certainly come true. The Second World War accelerated the demand for new dry-cargo ships and put emphasis on greater speed and more tonnage. After pointing out that a 27-foot channel is "limited to vessels drawing less than 24 feet 6 inches" and after discussing the possibilities of a 30-foot channel, they state:

> A channel depth of 33 feet is a minimum requirement if the St. Lawrence seaway is to serve the purposes for which it is advocated. Such a depth would permit the passage of loaded vessels with salt-water drafts of approximately 29 feet 9 inches. It would thus accommodate nearly all of the steam- and motor-driven cargo ships now in existence. It would also accommodate the larger grain boats engaged in the Montreal-European trade. It should be observed, however, that even with a depth of 33 feet, the St. Lawrence waterway would not be what might be called a genuinely first-class shipping route.

Remember this was stated in 1929.

Let me mention another comment stated on January 8, 1897, in a report of the Deep Waterways Commission appointed by the President of the United States and the Government of Canada:

> It will be wise to provide for securing a channel of a navigable depth of not less than 28 feet.

That was the engineers' opinion more than 50 years ago.

Let us look at a very recent report submitted to the President by his advisory committee on the merchant marine just 3 months ago. This report, after urging the building of 46 passenger ships, the draft of which will be between 32 and 35 feet, states that:

> It appears to the committee that the national-security consideration requires that this program be supplemented by the building of a number of prototype high-speed dry cargo and tanker vessels.

The proposed draft of these prototype fast tankers is 32 feet. The proposed draft of the fast cargo ships is 29 feet 6 inches. Here is clearly another indication of the type of vessels required to meet marine demands today. It is simply another conclusion that adds up to a legitimate question: Why consider building a navigable project which is obviously out of date before it is started?

There is a type of ship which might use this channel. Large lake boats can be built to move downstream to Montreal. Their cargoes would then have to be transferred to ocean-going vessels. Such an operation would be, in my opinion, largely to the advantage of Canada—not to the United States—as it would build up Montreal to the loss of business in United States harbors. Our harbors already have been built up at great national expense with many people in many communities depending upon their increased use. The Canadian Government is dredging the channel from Quebec to Montreal to a depth of at least 35 feet. It seems to me that that clearly answers the question asked of the junior Senator from Massachusetts by the senior Senator from Vermont today.

A recent document of the Department of Commerce entitled "Domestic Transportation, August 1947" gives an economic appraisal of the St. Lawrence seaway project. It states on page 40:

> The low cost of operation of the lake freighters also appears to exclude the possibility of the major movement of ocean vessels upon the seaway for the purpose of hauling grain.

The same publication states, concerning the possible traffic in iron ore:

> It is true that oceangoing vessels will be able to ascend the seaway, but the depth limitations are such that very large ore carriers would be unable to carry full loads. Bethlehem Steel Co. has found that the most economical water transportation for ore can be achieved through the employment of huge ore carriers capable of carrying nearly 25,000 tons of ore and drawing 34 feet of water. Such vessels, because of the capacity, are much more economical on a per-ton basis than the smaller 8,000 to 10,000 ocean tramps. The Bethlehem boats or boats of similar proportions draw too much water for successful use through the seaway. Accordingly, the shipment of ore, in vessels of great cargo-carrying capacity, from overseas sources into the Great Lakes would require either the development of a radically new type of ore carrier comparable in dimensions and draft to the lake carriers, and capable of withstanding ocean storms or, as an alternative, a transfer of the ore at Montreal or some other St. Lawrence River port.

Naturally, the Department of Commerce study went much further than just these quotations; but it is fair to point them out, for they confirm my statement that really modern oceangoing ships cannot profitably use this seaway.

Another question worthy of serious consideration was best expresed to me by a man with much shipping experience. He wrote me:

> I have had a good deal of experience with the operation of ships on lakes, through the St. Lawrence waterway, and on the high seas, and I am convinced that you cannot design a seagoing vessel which will operate efficiently through the St. Lawrence River and canals and on the Great Lakes. The reason is that the requirements for rudder control through the waterway and on the Lakes are very different from what they are on the high seas.

Mr. President, if you will look on the wall behind me at this brief chart of the section through the International Rapids and if you will notice the turns which will have to be made and the points of current which will be thrown out by the islands, and so forth, you will see why it will be difficult to steer a deep-water ship through the canal at places where the current will run strongly. We have had similar experiences with the Cape Cod Canal.

LIMITING DEPTH FACTORS INSIDE GREAT LAKES

Once a vessel has gone through the St. Lawrence River—if it can get through—it arrives in Lake Ontario. The harbor on the Canadian side of Lake Ontario is

Toronto, with a 25-foot main channel and a 22-foot depth at the docks. On the New York side is Oswego, with an entrance depth of 21 feet and a basin depth of 16 feet. To enter Lake Erie the vessel must go through the locks of the Welland Canal. The Welland Canal has eight locks. As part of this project the Canadian Government agrees to dredge this channel to 27 feet. The locks of the canal lift a vessel from an elevation of 244 feet to 570½ feet above sea level. That is the difference above sea level between Lakes Erie and Ontario.

The first harbor which one might enter in Lake Erie is Buffalo. The depth of the north entrance is limited at 21 feet; the south entrance at 25 feet, but this south entrance is limited, as soon as you get inside the outer harbor, to 21 feet. I can find no dock that will support a vessel of more than 23 feet, with the exception of the municipal pier. That has 25 feet close to it, but there is a 21-foot spot close by. The next harbor in Lake Erie is the harbor of Erie—Presque Isle. This has a limiting factor of 19 feet into the harbor, except for a narrow channel of 25 feet to the Pennsylvania Railroad and canal docks. The rest of the docks are limited to from 19 to 21 feet. The Gulf Oil Corp. has a pipe line to a point off shore where the unloading position supports only 14 feet.

Going farther along Lake Erie we come to Cleveland. Here you have a limiting factor of 25 feet, not only in the entrance, but in the so-called west basin. I cannot find a pier in Cleveland that can float a ship drawing 25 feet. Studying the piers, I find that those served by rail vary from 16 feet to a possible 24 feet. Proceeding farther along the lake to Toledo, I find there is apparently a 25-foot dredged channel through Maumee Bay to the Maumee River for a distance of over 20 miles before you reach the New York Central docks with the limiting factor of 24 feet. I mention these distances because when it comes to a question of increasing these depths it is not, as some people will give you to suppose, a simple task.

In order to proceed from Lake Erie to Lake Huron, you must go through the Detroit River, Lake St. Clair, and the St. Clair River. In the Detroit River there is now a limiting factor of 21 feet in the up channel and 25 feet in the down channel. Part of the project we are debating is to deepen these channels to 27 feet.

On entering Lake Huron, a ship may proceed through the Sault Ste. Marie, where the MacArthur Lock has already been completed. The United States is to deepen this channel to 27 feet. If you proceed through Lake Superior to Duluth, you find that while the entrance into Duluth-Superior Harbor is 28 feet, the Superior Harbor Basin is 25, while Superior front channel, the Minnesota channel, the South channel, and the North channel are all only 22 feet. The depths of docks vary, but in most cases they are around 21 feet, with a possible 27 feet at one of the Hanna coal docks. Let us now go back to Lake Huron and through the Straits of Mackinac down Lake Michigan to Chicago. In Chicago you have a limiting factor of 21 feet in the channel which leads to the Chicago River. The best anchorage inside the breakwater area would appear to be limited to 24 feet, if not less. Mr. President, I believe that the Senator from Wisconsin [Mr. WILEY] has also referred to Milwaukee, Wis., and Muskegon, Mich. In both those harbors there is more than 27 feet of water in some places, but any vessels going into those harbors and needing that much draft would have to have the depths at the docks and piers increased in order to be safe, as well as the channels into Muskegon and Milwaukee Harbors.

At this point I wish to introduce a table taken from the Annual Report of the Chief of Engineers, United States Army, 1944, showing the depths of the United States harbors in the Great Lakes, together with depths of entrance channels and total cost of each to June 30, 1944. I introduce these tables, Mr. President, because I should like to call to your attention that there is not a single harbor with a basin depth of 27 feet, and I think it is well to remember that a ship drawing 27 feet in salt water requires at least a foot and a half additional in fresh water.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the table which I identify as exhibit A.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT A

Table showing depths of United States harbors on Great Lakes, together with depths of entrance channels and total costs of each to June 30, 1944 (from Annual Report, Chief of Engineers, U. S. Army, 1944)

	Entrance depth (feet)	Basin depth (feet)	Cost to June 30, 1944
LAKE SUPERIOR			
1. Duluth-Superior Harbor, Minn. and Wis.	32.0	25–26.0	$10,673,241.42
2. Cornucopia Harbor, Wis.	10.0	8.0	10,190.08
3. Ashland Harbor, Wis.	21.0	25.0	1,201,806.17
4. Ontanagon Harbor, Mich.	17.0	15.0	962,786.79
5. Keweenaw Waterway, Mich.	28.0	25.0	8,062,473.89
6. Presque Isle Harbor, Mich.	28.0	26.0	1,011,948.91
7. Marquette Harbor, Mich.	26.0	25.0	1,465,012.64
8. Grand Marais Harbor of Refuge, Mich.	20.0	18.0	822,837.05
9. Warroad Harbor and River, Minn.	8.0	8.0	347,745.91
10. Grand Traverse Bay, Mich.	------	------	------
LAKE MICHIGAN			
1. Manistique Harbor, Mich.	18.0	17.6	460,598.78
2. Menominee Harbor and River, Mich. Marinette Harbor and River, Wis.	21.0	21.0	902,412.56
3. Green Bay, Wis.	22.0	22.0	2,653,477.32
4. Fox River, Wis.	------	------	------
5. Sturgeon Bay Harbor, Wis.	23.0	22.0	2,547,234.15
6. Algoma Harbor, Wis.	15.2	12.0	545,979.85
7. Kewaunee Harbor, Wis.	20.0	20.0	965,426.49
8. Two Rivers Harbor, Wis.	18.0	18.0	806,140.17
9. Manitowoc Harbor, Wis.	21.0	21.0	1,421,849.51
10. Sheboygan Harbor, Wis.	25.0	21.0	1,586,700.27
11. Port Washington Harbor, Wis.	21.0	18.0	1,181,086.88
12. Milwaukee Harbor, Wis.	21.0	21.0	7,119,645.83
LAKE MICHIGAN—con.			
13. Racine Harbor, Wis.	21.0	19.0	1,549,737.12
14. Kenosha Harbor, Wis.	21.0	21.0	998,630.77
15. St. Joseph Harbor, Mich.	21.0	21.0	1,651,051.70
16. South Haven Harbor, Mich.	21.0	19.0	1,114,843.20
17. Holland Harbor, Mich.	23.0	21.0	1,507,640.44
18. Grand Haven Harbor, Mich.	23.0	21.0	2,857,867.77
19. Muskegon Harbor, Mich.	24.0	21.0	3,466,479.38
20. Ludington Harbor, Mich.	18.0	18.0	2,502,838.18
21. Manistee Harbor, Mich.	23.0	21.0	1,663,304.54
22. Frankfort Harbor, Mich.	20.0	18.0	2,204,462.87
23. Charlevoix Harbor, Mich.	18.6	18.6	464,905.24
1. Waukegan Harbor, Ill.	18.0	18.0	1,602,950.04
2. Chicago Harbor, Ill.	21.0	21.0	5,746,569.75
3. Chicago River H, Ill.	21.0	21.0	2,610,768.71
4. Calumet Harbor and River, Ind. and Ill.	26.0	25.0	8,980,366.31
5. Indiana Harbor, Ind.	28.0	26.0	4,769,329.12
6. Michigan City Harbor, Ind.	18.0	18.0	2,637,802.25
CONNECTING CHANNELS			
1. St. Marys River, Mich.	[1] 20.0 [2] 24.0 27.0 26.0	------ ------ ------ ------	62,933,167.34
2. St. Clair River, Mich.	[3] 26–25.0	------	4,076,746.33
3. Lake St. Clair channels, Mich.	25.0	------	5,383,433.32
4. Detroit River, Mich.	[4] 25.0 [5] 26.0	20– 21.0	24,339,620.20
5. Saginaw River, Mich.	21.0	20.0	3,798,978.17
6. Black River, Mich.	20.0	------	402,634.14
7. Rouge River, Mich.	21–25.0	17.0	1,350,876.02
8. Monroe Harbor, Mich.	21.0	18.0	1,336,886.94
9. Toledo Harbor, Ohio.	25.0	18.0	9,424,839.19
LAKE ERIE			
1. Sandusky Harbor, Ohio.	21.0	22.0	3,876,470.10
2. Huron Harbor, Ohio.	26.0	19.0	1,763,757.26
3. Lorain Harbor, Ohio.	[4] 25.0 [5] 26.0	17.0	3,537,448.77
4. Cleveland Harbor, Ohio.	25–26.0	24–21.0	12,017,670.56
5 Fairport Harbor, Ohio.	25–24.0	24.0	3,610,211.79
6. Ashtabula Harbor, Ohio.	28.0	25–24.0	4,040,591.23
7. Conneaut Harbor, Ohio.	[4] 25.0 [5] 26.0	20.0	4,509,874.12
8. Erie Harbor, Pa.	[4] 25.0 [5] 26.0	21.0	3,925,960.03
9. Buffalo Harbor, N.Y.	20–27.0	23–21.0	11,689,565.92
10. Black Rock Channel, Tonawanda Harbor, N. Y.	21.0	16.0	11,312,724.78
LAKE ONTARIO			
1. Rochester (Charlotte), N. Y.	20.0	20.0	1,472,843.52
2. Great Sodus Bay Harbor, N. Y.	22.0	20.0	1,155,919.58
3. Oswego Harbor, N. Y.	21.0	16.0	6,136,266.45
4. Ogdensburg Harbor, N. Y.	19.0	21.0	1,131,781.74

[1] Up.
[2] Down.
[3] Controlling.
[4] Soft.
[5] Hard.

Mr. SALTONSTALL. Mr. President, last October I wrote the United States Lake Survey, a division of the United States Army engineers, located in Detroit. This division is responsible for preparing the charts used on the Great Lakes. I asked them to send me the depths of the principal harbors in the Great Lakes. I also asked them this

question: "How many of these harbors can accommodate and berth an oceangoing steamship the length of a Liberty ship with a draft of 25½ feet?" Early in November, I received a letter in reply from General Wheeler, Chief of the Engineers, which I would like to quote in full:

Reference is made to your letter of October 7, 1947, addressed to the United States Lake Survey, Corps of Engineers, Detroit, Mich., which has been referred by the district engineer, Col. Frank A. Pettit, to this office for further reply. You ask for information as to the depths of the main harbors on the Great Lakes, how many harbors could accommodate and berth an oceangoing steamship the length of a Liberty ship with a draft of 25½ feet, and the number of such berths, if any, in each harbor.

I am pleased to furnish the following tabulation listing the main harbors on the Great Lakes and the adopted project depths at those localities. Actual controlling depths now prevailing conform substantially to the project depths shown:

Federal project depths to outer docks

	Feet
Two Harbors, Minn	26
Duluth-Superior Harbor, Minn. and Wis	26 and 25
Milwaukee Harbor, Wis	21
Chicago Harbor, Ill	21
Calumet Harbor, Ill. and Ind	25
Indiana Harbor, Ind	25
Muskegon Harbor, Mich	21
Bay City, Mich	21
Detroit Harbor, Mich. (from Rouge River upstream to vicinity of Belle Isle) (natural depths generally in excess of 30 feet exist in main channel for through traffic)	30
Toledo Harbor, Ohio	25
Huron Harbor, Ohio	25
Lorain Harbor, Ohio	25
Cleveland Harbor, Ohio	25
Ashtabula Harbor, Ohio	24
Conneaut Harbor, Ohio	25
Erie Harbor, Pa	21
Buffalo Harbor, N. Y	23
Oswego Harbor, N. Y	21

Existing Federal harbor projects on the Great Lakes have been developed to accommodate the heavy commerce thereon, consisting chiefly of bulk commodities, transported in vessels up to about 24 feet in draft. Project depths in the harbors served by the deeper draft ships are therefore 25 to 26 feet. Accordingly, none of the harbors on the lakes could at present accommodate and berth an oceangoing steamship of the Liberty type with a draft of 25½ feet, which would call for a depth of at least 27 feet.

As you know, present controlling depths are 14 feet in the St. Lawrence River above Montreal, 25 feet in the Welland Canal, with 21 feet in the up-bound channels and 25 feet in the down-bound channels of the Great Lakes connecting channels. The proposed St. Lawrence seaway and power project as outlined in the agreement between the Governments of United States and Canada executed March 21, 1941, provides for a controlling channel depth of 27 feet from the head of the Great Lakes to Montreal, with power development in the International Rapids section. In this connection, I am pleased to enclose for your information and retention copy of a descriptive statement including cost estimates on the St. Lawrence project presented by the Chief of Engineers July 14, 1947, before the House Public Works Committee in connection with its hearings on House Joint Resolution 192, Eightieth Congress, first session, that would authorize the over-all development. House Joint Resolution 192 is a companion bill to Senate Joint Resolution 111. Deepening of the principal Great Lakes ports to provide channel access facilities of 27-foot depth to the outer docks would involve comparatively small additional cost.

On January 29, I checked with the office of the Chief of Engineers in Washington to see if the information contained in the letter in regard to the controlling depths in Great Lakes harbors still holds. I was informed that General Wheeler's letter is correct in every detail, up to this moment.

General Wheeler says that actual controlling depths now prevailing conform substantially to the project depths shown. But a ship cannot sail unless it actually does conform. I will not argue this point except to say that charts which I have received and which I have studied do not conform to all these depths as now existing. I do want to emphasize again his statement:

Accordingly, none of the harbors on the Lakes could at present accommodate and berth an oceangoing steamship of the Liberty type with a draft of 25½ feet, which would call for a depth of at least 27 feet.

Let me add that actually a Liberty ship has a mean draft of about 28 feet, not 25½ feet. The reason I requested 25½ feet in my letter to General Wheeler was because this is the deepest draft which even the proponents admit can possibly go through the seaway.

General Wheeler also states:

Deepening of the principal Great Lakes ports to provide general access facilities of 27-foot depth to the outer docks would involve comparatively small additional cost.

In this connection I would like to quote from a letter I received from Gilbert R. Johnson, counsel for the Lake Carriers Association:

Mr. Sabin, vice president of the association, has given careful consideration to your letters of December 4 and December 5. Being a civil engineer and a former civilian engineer of the Corps of Engineers, United States Army, and having had charge of the construction of the Sabin lock and the St. Mary Falls Canal, Sault Ste. Marie, Mich., Mr. Sabin is without doubt the best informed person on harbor and channel conditions on the Great Lakes. These facts are mentioned to explain the reason for my referring your December 4 letter to him rather than to an active Great Lakes master. The responsive comments to your letters are:

(1) As to your December 4 letter: With slight modification Mr. Sabin agrees with the information furnished to you by General Wheeler, all of which is available in the printed records of the United States Engineers. The modifications noted by Mr. Sabin for some of the ports are:

PROJECT DEPTHS

Indiana Harbor: 25 feet to ore docks, 22 feet to oil docks up the canal.

Detroit Harbor: No project, generally deep water to lower portion of river but limited depth to coal docks below Belle Isle Bridge.

Lorain Harbor: 24 feet to ore dock up river.

Cleveland Harbor: 25 feet outer harbor, 21 feet Cuyahoga River.

Erie Harbor: 25 feet to ore dock, 21 feet to other docks.

Buffalo Harbor: 25 feet in southern part of outer harbor, 21 feet in Buffalo River.

Generally speaking, in times of high water such as has prevailed over the last few years, ships down-bound in those channels may load to a maximum depth of 24 feet, and ships up-bound to 21 feet. It is desirable to have clearance under the hull of about 3 feet in rock channels and about 2 feet in soft-bottom channels. Vessels underway squat a foot or more. In all probability it was this squat which Captain Saunders took into consideration in referring to practical depths.

On the Great Lakes the modern ore and coal docks have a concrete superstructure; the old docks are built of wood. These loading and unloading docks are designed to handle such bulk cargoes as iron ore, limestone, and coal. They are usually not suited for the handling of general cargo. To the extent that ocean ships would carry such bulk cargoes, lake docks would probably be suitable. There are few ports that have docks for the efficient handling of general cargo.

One of the arguments made is with respect to cargoes consisting of automobiles and cargoes of similar character from Detroit and surrounding areas.

In many cases it would be impractical to deepen alongside existing docks. In Mr. Sabin's judgment an entire rebuilding would be necessary. Many of those docks are located outside the limits of Federal projects. The cost of improving the channels to them and the cost of reenforcing or reconstructing these docks to make adjustment for deepened channels alongside have never been accurately calculated. Such costs, however, would be enormous and would not fall within the comparatively small additional cost characterized by General Wheeler.

At this point I ask unanimous consent to introduce into the RECORD a table prepared by Mr. Sabin, marked "Exhibit B."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT B

Great Lakes channel depths, recommended drafts, and type channel bottoms, prepared by Mr. Sabin

	Depth	Recommended draft	Material
DOWN-BOUND			
St. Marys River:			
Vidal Shoal	25.5	23.0	Ledge rock.
North Canal, upper	23.5	21.6	Do.
South Canal, upper	25.0	23.3	Ledge rock, being deepened to 27 feet.
Davis and Sabin locks	23.1	21.8	Concrete.
Lower North Canal	23.1	21.8	Ledge rock.
Lower South Canal	25.0	23.7	Boulders, being deepened.
Below locks:			
Bayfield Angle	25.0	22.7	Boulders and clay.
Lake Nicolet	24.8	22.5	Do.
West Neebish:			
Angles 5-6	24.8	22.3	Ledge rock.
Angles 6-7	24.8	22.3	Do.

EXHIBIT B—Continued

	Depth	Recommended draft	Material
DOWN-BOUND—continued			
Lower rivers:			
Foot of Lake Huron	25.5	22.6	Clay and stone.
Lake St. Clair	25.0	23.3	Soft.
Detroit River	26.0	23.1	Boulders and clay.
Livingstone Channel	26.0	23.5	Rock.
Livingstone Channel, lower	26.0	23.2	Boulders and rock.
Channel to Lake Erie	26.0	23.1	Clay.
UP-BOUND			
Detroit River: Amherstburg Channel	21.0	18.0	Ledge rock and boulders.
St. Marys River:			
Sailors Encampment	21.0	18.5	Do.
Dike Course	21.0	18.5	Do.

Mr. SALTONSTALL. In connection with the table, I call attention to the fact that in at least half the channels the bottom is ledge rock. It is one thing to dredge mud, it is one thing to dredge sand, and it is another thing to remove rock. In the St. Marys River, where there is a depth of 25½ feet, adequate to accommodate a ship of 23-foot draft, if there is ledge rock underneath, removing the ledge rock to make the channel deeper involves a heavy expense.

The table shows some present depths that Mr. Sabin considers would be a safe draft for a ship in these channels, and the type of bottom. I introduced this table because I particularly want to show that in many cases ledge rock must be removed in order to increase the depths of channels. In order to do this the expense of deepening is obviously greatly increased over mere dredging.

I have gone at considerable length into the question of channels and harbors of the Great Lakes. If they should be improved, and certainly they must be if this project becomes a reality, let us face the cost and let us find out just what we are talking about. Let us find out how much of this bill will be paid by private industry, the States, the cities, and the Federal Government. What may the cost be? Frankly, I do not know. I do not believe that anyone does. But the testimony of the Brookings Institution Report in 1929 includes a provision for the improvement of harbor and port facilities in the amount of $250,000,000 and a provision for the improvement of the lake channels in the amount of $90,000,000. That is the Brookings Institution Report made in 1929 based on costs as of that time.

These are 1929 figures, yet this reputable organization believed at that time it would cost more to improve the channels and harbors and port facilities than it would to improve the St. Lawrence River. They placed the figure for improvements on the river at $257,000,000. We all know that costs have at least doubled since that time. Naturally, there have been improvements in both channels and harbor facilities since that time, but the Brookings Institution says:

> There are at least 10 lake cities which would have to be included in the plan of harbor and port development, if the route were to serve adequately the commercial interests of Canada and the United States. They are the two upper lake ports, Fort William-Port Arthur and Duluth-Superior, and Chicago, Milwaukee, Detroit, Toledo, Cleveland, Buffalo, Toronto, and Kingston. We believe that the cost of meeting the minimum requirements in the way of harbor improvements, port facilities, and terminal organizations would reach $25,000,000 for each of these cities, if they are to become ocean ports in any sense of the word. This would make a total cost of $250,000,000 for the 10 cities mentioned. To develop the lake ports to a point where they could handle the volume of commerce that is contemplated by the proponents of the project would undoubtedly require expenditures vastly in excess of this sum. (Improvement of lake harbors would, of course, also have advantages for purely lake shipping.)

Now, let me give the viewpoint of just one city. Mr. Elmer S. Stengall, assistant counsel of the city of Buffalo, N. Y., testified:

> Our department of public works made a survey of the cost of adapting the port facilities of Buffalo to the requirements of vessels of 27-foot draft instead of the 21 feet which they are now designed for. Based upon 1941 prices that cost was approximately $47,000,000.

If in 1941 the improvements for Buffalo were figured at $47,000,000, it is obvious they are more than that today. I could go on quoting figures, both actual and theoretical, but I hope I have said enough to give an indication that the total cost of channel, harbor, and docking improvements to make the Great Lakes capable of handling oceangoing traffic is tremendous. The annual upkeep, too, will be vastly greater than it is today. I sincerely believe that an up-to-date study of this whole question of depths of channels and harbors is another reason why this resolution should not pass at this time.

I SHOULD LIKE TO DISCUSS THE CAPACITY OF THE WELLAND CANAL LOCKS AND SEAWAY

The majority report in section K deals with the capacity of the seaway. There has been much discussion on this point, and many confusing figures have been stated. Without discussing the merits and demerits of these various figures, it seems to me that there clearly is a basis for determining quite accurately the eventual capacity of the seaway on account of the limiting factor of the various locks not only in the seaway but in the Welland Canal. I feel that this point should be cleared by an up-to-date 1948 survey before we are asked to pass this resolution.

The capacity stated in terms of tons of cargo of any given lock naturally depends on the average size of the cargo in the vessels that go through it. The majority report states:

> The Canadian Government estimates the theoretical capacity of the Welland Canal as 72,000,000 tons on the assumption of uniform offering of traffic during the season of navigation and 10,000 tons of cargo per vessel. The practical capacity on the basis of present conditions of navigation, they estimate at 30,000,000 to 35,000,000.

There is one big "but" in that figure. The channels of the seaway would not accommodate an oceangoing vessel capable of carrying 10,000 tons. Unquestionably, it would accommodate a boat similar in construction to a lake freighter capable of carrying such tonnage. On the other hand, in the Panama Canal the average load per oceangoing vessel from 1939 to 1946, inclusive, largely war years, was just under 5,000 tons. If this figure held true for the Welland Canal, how many boats could go through, taking the proponents' figures of 240 days as the average season of navigation? I am told there is a limiting factor of 28 to the number of lockages in any 24 hours in the Welland Canal. Accepting these figures, there will be 6,720 lockages during the season. The Army engineers estimate that 1.3 vessels are handled per lockage. This will permit 8,736 boats to pass through the canal. In 1945 it was testified that 6,291 vessels went through the Welland Canal. Five thousand one hundred and fourteen of these were Canadian. These vessels are engaged in traffic between the other Lakes and Lake Ontario, and between all the Lakes and the 14-foot canal in the St. Lawrence. It appears obvious that a very careful study should be made as to what would happen to these vessels if the seaway is built. How many of them are going to continue in business and how many will be displaced due to the building of the seaway?

A letter which I received from Mr. L. C. Sabin dated January 19, 1948, states:

> The Corps of Engineers estimated the practical capacity of the Welland Canal at 25,000,000 tons, which is believed to be about right.

If 25,000,000 tons are to come through the seaway and the average load is 5,000 tons, this would use up 5,000 of the theoretical number of boats to pass through and leave additional space for about 60 percent of the vessels which used it in 1945.

I readily admit some of the figures I have given are theory, but others of them are cold facts. It seems to me perfectly reasonable to ask this question: Why cannot we have a thorough, up-to-date study to substitute reasonable facts for questionable guesses before we start to build the seaway and before we start to negotiate the tolls which are supposed to liquidate the seaway?

Mr. President, I should like to take up shipowners' comments.

I come now to the perfectly logical question: What do the leading American shipowners think about the seaway?

On May 8, last year, the Senator from Louisiana [Mr. OVERTON] inserted in the RECORD letters from 32 large American steamship companies in response to an inquiry addressed to them by the late

Senator Bailey, former chairman of the Committee on Commerce. Senator Bailey's letter had asked these steamship companies whether they expected to utilize the seaway if it were built and what they generally thought of the entire project.

Mr. MORSE. Mr. President, will the Senator yield at that point?

Mr. SALTONSTALL. I should like to finish the paragraph on shipowners' comments.

Mr. MORSE. I shall be very happy to wait.

Mr. SALTONSTALL. The results of this inquiry are, in my opinion, extremely interesting and revealing. Thirty companies which operate oceangoing commercial vessels expressed strong opposition to the seaway project and said that their vessels would not use the seaway, even if it were constructed. One company said their vessels would use the seaway and another said it was unable to form an opinion on the matter.

To bring their reactions up to date, I recently wrote these same companies to ask them if they had changed their views from those expressed in their previous letters to Senator Bailey. To date I have received 22 letters and not one company has changed its mind. I do not intend to read these 22 replies to my letter, but because they seem so important I do wish at this point to insert them in the RECORD. My colleague from Massachusetts [Mr. LODGE] has already inserted in the RECORD the replies to the late Senator Bailey, so I shall not insert those letters, as I had originally intended.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXHIBIT C

BOSTON, MASS., *October 14, 1947.*

DEAR SIR: On May 8 of this year Senator OVERTON, of Louisiana, read into the body of the CONGRESSIONAL RECORD a letter from you dated March 21, 1946, in reply to a letter from the late Senator Josiah W. Bailey concerning the St. Lawrence seaway.

As I expect this project will come up for debate on the floor of the Senate early in 1948, I am endeavoring to secure as much up-to-date material as I can.

I opposed the navigational features of it before the subcommittee of the Foreign Relations Committee this spring, and shall continue to oppose them.

I would appreciate it very much if you would let me know if your views have changed from those expressed in your letter. I would also be much interested in anything further which you care to add.

Sincerely,

LEVERETT SALTONSTALL.

THE INTERLAKE STEAMSHIP CO.,
Cleveland, Ohio, October 17, 1947.

Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: Upon receipt of your letter of October 15, we have reviewed our letter of March 28, 1946, to the late Senator Josiah W. Bailey. Our views have not changed from those expressed in that letter.

During the past year and a half additional information has been prepared and presented by the Lake Carriers Association before the Senate Foreign Relations Committee. We are familiar with this information and are in accord with the opinions they have presented.

Very truly yours,

ELTON HOYT 2d,
President.

PAN AMERICAN PETROLEUM & TRANSPORT CO., INC.,
New York, October 20, 1947.

Senator LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: I have your letter of October 14 and wish to advise that the opinions which I expressed on behalf of my company on March 21, 1946, to the Honorable Josiah W. Bailey, United States Senator, are still the same. The objections which we raised to the St. Lawrence seaway are still pertinent and the figures quoted as to limitation of draft, etc., have not been changed, to my knowledge.

While it is true that the T-2 tanker will undoubtedly be the standard tanker insofar as petroleum-carrying ships is concerned, for a number of years to come, we can add that the trend is even more pronounced today, to build larger and deeper draft tankers. The possible necessity of moving crude oil from Near East ports on the Mediterranean within the next few years will undoubtedly increase the tendency to construct tankers of greater cargo-carrying capacity and higher speeds than even T-2's. This will militate still further against possibility of using the projected St. Lawrence seaway for the carriage of oil in oceangoing tankers.

Sincerely yours,

JAMES P. PATTERSON,
Vice President.

UNITED FRUIT CO.,
Boston, Mass., October 28, 1947.

Hon. LEVERETT SALTONSTALL,
Boston, Mass.

MY DEAR SENATOR: I have received your letter of October 15 relating to the St. Lawrence seaway project. I am only coming into the office occasionally and am very remiss in answering my correspondence.

I still entertain the views expressed in my letter which was put into the CONGRESSIONAL RECORD. I have no additional observations to make at this time, but if any occur to me I will write you.

Sincerely yours,

WILLIAM K. JACKSON.

STOCKARD STEAMSHIP CORP.,
New York, N. Y., October 17, 1947.

Hon. LEVERETT SALTONSTALL,
Boston, Mass.

MY DEAR SENATOR: Re the St. Lawrence seaway, the views expressed in my letter of March 15, 1946, have not changed. Should I have anything to add, I shall be glad to communicate with you at a later date.

Yours faithfully,

L. N. STOCKARD,
President.

SEATRAIN LINES, INC.,
New York, N. Y., November 11, 1947.

The Honorable LEVERETT SALTONSTALL,
Boston, Mass.

MY DEAR SENATOR SALTONSTALL: With reference to your letter of October 14, 1947, this is to advise that we have not changed our views with respect to the St. Lawrence seaway.

Yours very truly,

GRAHAM M. BRUSH.

ARNOLD BERNSTEIN STEAMSHIP CORP.,
New York, N. Y., October 28, 1947.

Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR: I have to excuse myself for the delay in answering your letter of October 14. I had to attend a hearing in Washington and also wanted to give you all the information which might be useful for your purposes.

Rereading the letter I wrote to Senator Josiah W. Bailey, I cannot change my opinion that, from the standpoint of our national shipping industry, the projected investment in the St. Lawrence seaway is uneconomical, and even against the interests of our national shipping. All larger vessels, and especially the combined passenger and cargo vessels, would be excluded from the advantage, if there is such an advantage, of using the new seaway. Because of their drafts, passenger vessels particularly are forced to use New York for the embarkation of passengers.

Tremendous capital is invested in the ports of New York, Boston, Philadelphia, and Baltimore, for dock facilities and equipment for handling cargo, and our shipping companies can neither spend additional money to provide adequate service in lake ports to be used for half the year only, nor can new enterprises, intending to use the new traffic facility, expect that their investment will carry interest and depreciation if used half of the year only.

I don't believe that the saving in ocean freight will amount to more than one or two dollars per ton, considering the unavoidable expenses when using the approximately 1,000 miles of inland waterways. Exact figures would have to be obtained to get the correct picture, but as a rough estimate I would say that at least $20,000,000 would be required to cover annual navigation expenses, and I also estimate that if 5,000,000 tons will be shipped on this waterway either the Government or the shipper of the cargo has to figure $4 per ton expenses. Every dollar may count when shipping bulk cargo, like grain and ore, but for finished goods with their higher sales value, the convenience of using the New York facilities and connections may be more important than the possible freight saving. The biggest exporters of finished goods from the Great Lakes, the automobile industry, start the sale and shipping of their new models usually in the fall and stock up their foreign dealers during the winter season, just at the time when the new waterway would be closed by ice.

All points considered, I believe that the new seaway would be mostly used by foreign operators, who are not handicapped by heavy investments in our national seaports. Since American operators are already working against the great odds of higher operating expenses, an extension of the sailing distance by a thousand miles would only raise this handicap in proportion and mean stiffer competition in the fight to keep as much American tonnage on the oceans as possible.

Of course, I don't know what advantages could be derived from the seaway by other industries and by consumers, but such advantages would have to be substantial to offset the damage done without doubt to our national shipping.

I am gratified to see that you will put up a fight in the interest of American shipping, and if I can be of any further assistance to you I will be very glad if you will call upon me.

Sincerely yours,

ARNOLD BERNSTEIN,
President.

WEST INDIA STEAMSHIP CO.,
New York, N. Y., October 21, 1947.

Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: We thank you for your letter of October 15, 1947, with reference to the St. Lawrence seaway.

As we are still opposed to this project, our views are unchanged.

Yours very truly,

MORRIS MALKIN,
President.

STRACHAN SHIPPING CO.,
Savannah, Ga., October 16, 1947.
Hon. LEVERETT SALTONSTALL,
United States Senate,
Boston, Mass.

DEAR SENATOR SALTONSTALL: Your letter of October 14 has been received.

My views on the St. Lawrence seaway are the same today as expressed in my letter to Senator Bailey dated March 19, 1946, and I don't think there is anything I can add at the moment.

Sincerely yours,

ROBERT W. GROVES,
Partner, Strachan Shipping Co.

COLONIAL NAVIGATION CO.,
New York, N. Y., October 21, 1947.
Senator LEVERETT SALTONSTALL,
United States Senate,
Washington, D. C.

DEAR SENATOR: Answering your letter of October 7 concerning the St. Lawrence seaway, please be advised we are still opposed to this seaway and our views are the same as expressed in our letter of April 4, 1946, to the late Senator Josiah W. Bailey.

Very truly yours,

J. B. DUNBAUGH,
President.

EASTERN STEAMSHIP LINES, INC.,
Boston, Mass., November 3, 1947.
Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: I wish to reply to your letter of October 14, referring to mine of May 8, 1946, to Senator OVERTON regarding the proposed St. Lawrence seaway.

We have not changed our views, and very strongly oppose the St. Lawrence seaway project as uneconomical and unsound from the standpoint of the Nation.

Sincerely yours,

A. B. SHARP,
President.

LYKES BROS. STEAMSHIP CO., INC.,
New York, N. Y., October 30, 1947.
Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: Reply to your letter of October 15 was delayed owing to my absence from the city.

Our shipping interests are almost exclusively from our Gulf area. It has seemed to us that the proposed St. Lawrence seaway would adversely affect such interests. For that reason, we have been and still are opposed to this proposed development. Unquestionably the fulfillment of the proposals would have considerable effect on the heretofore normal transportation from a considerable area within this country.

I am not writing you in detail as no doubt you already have a great volume of material submitted by varied interested parties.

Respectfully yours,

JOSEPH T. LYKES.

AMERICAN SOUTH AFRICAN LINE, INC.,
New York, October 27, 1947.
The Honorable LEVERETT SALTONSTALL,
Senator From Massachusetts,
Boston, Mass.

DEAR SENATOR SALTONSTALL: Your letter of October 14 arrived just at the time I was leaving to attend the National Foreign Trade Convention in St. Louis. I, therefore, wish to express my regrets at not having replied to it prior to this date.

In my letter last March, to Senator Bailey, chairman of the Committee on Commerce, United States Senate, I informed him that the St. Lawrence project, if completed, would be of no economic service to American South African Line, as the draft of the channel was such that our deep-draft vessels could not use the St. Lawrence seaway. I also pointed out that I did not consider it economically feasible to construct special-type American vessels which could use the seaway during the approximately 7 months of the year when it would be safe for navigation, as these ships would be too expensive for operation during the balance of the year. I also pointed out the risks of navigation to any vessels using the channel.

Since my letter to Senator Bailey, my views have not changed, and my former position is still the same, namely, that even if the St. Lawrence seaway is completed, American South African Line would not be justified, from an economical view, in using it.

I thank you for this opportunity to permit me to express my views on this proposed seaway. I also appreciate the efforts you and my other able friends in the Senate and House have expended in opposing this project.

Sincerely,

JAMES A. FARRELL, Jr.

GRACE LINE, INC.,
New York, N. Y., October 15, 1947.
Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: Receipt is acknowledged of your letter of October 15 in which you refer to a letter which I wrote on March 21, 1946, to the late Senator Josiah H. Bailey, concerning the St. Lawrence seaway. Nothing whatever has transpired since I wrote the above-mentioned letter to alter in any way my views regarding the St. Lawrence seaway. In that letter I referred to a building program then in progress for Grace Line. That program was subsequently amplified and completed. Grace Line now owns 25 fine new ships, not one of which could safely navigate the proposed seaway without leaving unfilled some 15 or 20 percent of their cargo capacity.

I am pleased to reiterate to you in every particular the views expressed in my letter to the late Senator Bailey.

Respectfully yours,

R. R. ADAMS,
President.

Mr. SALTONSTALL. Last fall I also wrote to other shipping companies, not included in the list replying to Senator Bailey, to ask if they considered the project practical and warranted from a purely navigational viewpoint. I should like to quote a few of these replies.

Mr. J. S. Slater, of the American Export Lines, writes:

Based upon the facts at our disposal, we would not plan to operate ships via this seaway because we believe it would be uneconomical to do so.

Mr. Thomas Host, of Moller Steamship Co., Inc., says:

It is our view that the proposed seaway will not be of material value to the United States' movements, but will rather cause severe dislocation and temporary unemployment of types of labor that are not easily employable at other tasks.

Mr. E. A. Roberts, of Waterman Steamship Corp., writes:

I very seriously doubt we would consider using the seaway except in isolated cases. To begin with, navigation would be restricted to approximately 6 months out of the year, and one certainly could not establish a regular steamship operation based on 6 months' navigation.

Just to quote one more letter, Mr. W. B. Terhune, of the Black Diamond Steamship Corp., said:

We are opposed to the St. Lawrence seaway project, and if same is constructed, we would not consider the operation of vessels via the St. Lawrence to Great Lakes ports.

The tenor of the other letters is very similar, and I request permission to have them printed at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BOSTON, MASS., *October 6, 1947.*

DEAR SIR: During the next session of Congress, as you no doubt know, the so-called St. Lawrence seaway will come up for debate in the Senate, hearings having been held in the last session.

As an operator of oceangoing ships, I would appreciate very much your opinion and views as to the practicality of the proposed seaway. Do you consider the project warranted from a purely navigational viewpoint? (The power aspects, of course, are another question.) If the seaway were built, would you plan to operate your ships over it?

I appeared before the committee which heard the evidence in May and June of this year. I opposed the navigational features because I felt that such data as was available clearly did not justify the expenditure of several hundred millions of dollars. Also, speaking as a Massachusetts Senator, I was convinced that it can only be of detriment to the port of Boston.

Before the Congress reconvenes, I am endeavoring to collect as much data concerning the seaway as I can and would appreciate very much any thoughts which you care to give me.

Sincerely,

LEVERETT SALTONSTALL.

SHEPARD STEAMSHIP CO.,
Boston, Mass., October 28, 1947.
Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SIR: Replying to your letter of October 7 which was delayed on account of the writer's absence on the Pacific coast, and also to the fact that we have been trying to gather some information in regard to this subject of the St. Lawrence waterway, one of the principal things the writer has learned in talking with a former United States engineer is that the expense will only start for the country as a whole when the waterway is put through. He states that about all the ports on the Great Lakes—probably all of them—will have to be dredged a good deal deeper and additional facilities will have to be put in if they are to handle large amounts of traffic to go through the St. Lawrence, that none of them are deep enough to take care of seagoing vessels. The total cost seems to be out of proportion to the benefits to come to certain sections of the country only.

New England would be decidedly left out, particularly the ports of Boston and Portland. These would be very heavily damaged if a large amount of the business was diverted to the St. Lawrence.

Referring to the Shepard Steamship Line to South America, we doubt very much if we would want to run that line up the St. Lawrence unless we positively had to at any rate, as it would require a larger number of additional steamships than we now have, and the turn-around would be so very much longer that it is a question whether we could make rates that would very much beat the railroads, and still find them remunerative.

It seems to us that perhaps this whole project is more for the benefit of Canada than anybody else. It would perhaps divert a considerable amount of traffic through the St. Lawrence River, from which, they would, of course, pick up considerable benefit one way or another. It looks as though we would largely have to pay for it, and it seems to the writer we are in no position at all to pay a whole lot of additional expense that would not be of benefit to us, particularly at this time in view of the Marshall plan and our finances in general. Certainly increased taxes would be entirely impractical and

damaging to the country. A great deal of the trouble with Great Britain is her very high taxes which have strangled industry. Unless I am misinformed, in many cases taxes have taken all the increased earnings that anybody could make from installing modern up-to-date machinery, so they just have not installed it. We certainly do not want to pattern ourselves on the English situation, and strangle industry here with additional taxes.

Of course, also this would be a very serious blow to the railroads in the northeastern part of the United States. We could hardly afford to lose the large amount of traffic that would be diverted by the St. Lawrence waterway. If a very large amount was not diverted, why the waterway would be absolutely useless. This would very likely put a number of our railroads here in considerable trouble. Facilities would have to be kept here for winter service, the St. Lawrence only being in service for part of the year, and we would not have use enough to make them profitable. This certainly is a very bad feature. It would probably leave dock service in Boston, New York, and even other places to be run at a loss. It would mean that the docks would gradually go into disrepair and deterioration.

Yours sincerely,

SHEPARD STEAMSHIP CO.,
T. H. SHEPARD, *President.*

ISBRANDTSEN CO., INC.,
New York, N. Y., October 18, 1947.

Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: I refer to your letter of October 6 relative to the proposed enlargement of the St. Lawrence seaway. It will be understood, of course, that I cannot deal therewith sufficiently in a few lines, but I will try to answer your letter very briefly.

Therefore, with respect to your second paragraph—if the seaway is put in a way to accommodate large ships that enlargement presumably will be made to make the proposed seaway practicable from a navigational viewpoint.

And would we operate our ships over it? I suppose we would have to. There is, as we know, about 1,000 miles to navigate on the Lakes say from Chicago to Montreal. From Montreal to Liverpool there is 2,760 miles and from New York to Liverpool 3,066 so the additional net from navigating from the Lakes would be about 700 miles and that isn't insurmountable from a practical point of view. Navigation on the Lakes is somewhat slower—locking is slower—but presumably that would not be a major objection.

The people out there—many of whom would get a living from the direct shipping on the seaway are, of course, in favor of it. Another important matter is that the port facilities here in the East—certainly insofar as New York is concerned—have not been improved in the manner they should have been and may now be considered behind the procession. We get good service in Balitmore, are subject to much expense in New York, and Boston is also an expensive place. These expenses, while to a large extent paid by the steamships, must be passed on to the freight, so the people there in the Middle West figure that charges are getting too high on their freight and they want the direct service.

It seems to me that the eastern facilities should be reconsidered and overhauled here first before the country spends all of this money on the seaway, so as not to create or have two propositions neither of which are sufficiently efficient. The proposed seaway on account of the winter handicap is certainly not efficient and, as I mentioned above, the eastern ports are too expensive for the country's freight.

That's the best answer I can condense in this much and give to you now.

Sincerely yours,

HANS ISBRANDTSEN.

P. S.—If a new export port or district was created here on the Atlantic which could do a good job, that probably would be the best way to spend whatever money we have to spend on new export and import facilities.

HOLLAND-AMERICA LINE,
New York, October 8, 1947.

Senator LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR: In reply to your letter of October 6 I must advise you that as representative of a foreign steamship company which enjoys the hospitality of the United States, I have always made it a point that I cannot in my official capacity give my opinion on matters relating to legislation to be passed in Congress.

My personal reaction as an American citizen to the St. Lawrence seaway is that I believe it to be an unwarranted expenditure from a navigational standpoint. As a resident of the city of New York I am opposed to it, as it is my belief that it will seriously harm the port of New York.

The port of New York is embarking on a reconstruction program of its harbor facilities, involving many millions of dollars. Upon completion of same the facilities offered will be of such nature that present and future shipping needs can adequately be taken care of.

Yours very truly,

F. R. WIERDSMA.

STATES MARINE CORP.,
New York, N. Y., October 10, 1947.

The Honorable LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: Referring to your letter of October 6 with regard to the St. Lawrence seaway project.

I do not consider the project warranted from a purely navigational viewpoint. If the seaway were built, we would have to consider any changes in our present method of operations that might then be necessary. What this might entail is somewhat difficult to foresee presently. However, there is no question but that the seaway would undoubtedly take considerable business away from the United States Atlantic ports during the open season, which would certainly create an unbalanced position.

It seems to me that from both a military and economic point of view that it would be unwise to open up our country further at this time.

If and when conditions change and our position as a Nation is such that foreign countries can again pay us for what they obtain from us and our Federal financial position justifies it and the military outlook is definitely clarified, we might give further consideration to the matter in the light of conditions prevailing at that time.

Meantime, from our viewpoint it seems prudent to forget it.

Sincerely yours,

H. D. MERCER,
President.

INTERNATIONAL FREIGHTING CORP., INC.,
New York, N. Y., October 24, 1947.

Senator LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: We acknowledge receipt of your letter under date of October 7 addressed to Mr. F. N. Bowers, requesting his views on the proposed St. Lawrence seaway project, which will come up for debate at the next session of Congress.

For your information, Mr. Bowers is at present out of the country and is not expected to return until some time in December. Upon his return, however, we will bring this letter to his attention.

Sincerely yours,

F. L. URMSTON,
Secretary to F. N. Bowers.

MOLLER STEAMSHIP CO., INC.,
New York, N. Y., November 25, 1947.

Hon. LEVERETT SALTONSTALL,
United States Senator,
Boston, Mass.

MY DEAR SENATOR SALTONSTALL: We duly received your letter of October 3, and apologize for the delay in answering.

You ask for our opinion and views as to the practicality of the proposed St. Lawrence seaway, which we understand to be an intention to increase the present draft of the canals and locks from 14 feet to 27 feet, and to increase the size of the locks and of the canals sufficiently to allow vessels of sizable tonnage.

On this presumption it is our view that the proposed seaway will not be of material value to United States movements, but will rather cause severe dislocation and temporary unemployment of types of labor that are not easily employable at other tasks. We are presuming that it is not intended to attempt to navigate the waterway during the 12 months of the year, and we presume that it will be unsafe or at least unattractive for high-class ships from the middle of November to about the early part of May each year. During that period the present facilities on the Eastern seaboard with piers, tugs, barges, lighters, trucks, and stevedore labor will be required to the same extent as if the waterway did not exist. The railways to the eastern seaboard will be similarly taxed. However, after April 15 each year those functions should if the seaway attains its purpose move to ports on the Great Lakes. Those ports have not yet the pier facilities and the many complementary facilities that are required to handle large volumes of general cargo moving overseas. The labor is also not available and if it were made available it would receive employment only on a seasonal basis.

The main operations of this company include general cargo services to the Far East and to the European continent. The service to the Far East is our principal service. In that service vessels of about 9,000 tons dead weight and 27 feet draft are employed. They generally load at New York, Philadelphia, Baltimore, Hampton Roads, and when sufficient cargo offers at Boston. If these vessels were to load in the summer season also in the Great Lakes we would find it impractical to maintain a schedule because an additional amount of steaming involving at least 12 days' delay would be incurred.

A similar condition would prevail with services that proceed via the Panama Canal to Australia and New Zealand, and a quite comparable condition would prevail with services to the east and west coast of South America.

As for our transatlantic service the steaming from Detroit to Antwerp is 3,565 miles, compared with 3,378 nautical miles from New York. Taking into consideration the delay in passing through the locks and navigating in narrow waters, this would mean at least 2 days extra steaming on every voyage, and as it is hardly feasible to load the same ship both in the lakes and on the Atlantic seaboard, it would mean completely separate sailings. That, in turn, would require an organization in the Great Lakes area which would only be occupied on a seasonal basis, and this would hardly be a practical arrangement for us.

Apart from the foregoing considerations, there is the fact that the St. Lawrence River is not very desirable to navigate. Fogs are frequent and the ice risk always prevails early and late in the season. If in the late season a ship incurs delays or is subjected to an accident she is ice-locked until the coming spring. Because of the undesirable navigable features of the St. Lawrence it is always with reluctance that we send our better and bigger ships to that river, and when we do so it is generally only during the months of June, July, August, and September.

In answer to your direct question whether we would operate ships over the St. Lawrence seaway we would say that it does not seem practical for our present operations to do so. What competition might compel us to do is, of course, another matter.

In conclusion, we feel that we ought to state that this company is primarily concerned with the operation as general agents of Danish flag vessels. In doing so we feel that we are assisting the world in getting on its feet, because the only solution which we believe exists is for Europe and the rest of the world to earn its own way in dollars. This can only be done by exports to the United States or service to the United States. Ocean transportation is one of the principal ways in which foreign countries can at present earn dollars.

Always at your service, we remain,
Yours very truly,

TH. HOST,
President.

WATERMAN STEAMSHIP CORP.,
Mobile, Ala., October 18, 1947.

Hon. LEVERETT SALTONSTALL,
United States Senate, Boston, Mass.

MY DEAR SENATOR: This will acknowledge receipt of your letter of October 15, and I am indeed pleased to hear from you again. I have followed your activities in the Congress with keen interest, and I only wish that we had more legislators like you.

In regard to the St. Lawrence waterway, it would take a considerable amount of time to give you my detailed views, because it would involve freight rates and sundry things, and I am not going to do that at this time, but will be very happy to do it if you think it would be of any real benefit. In general, I cannot conceive of our Government spending the amount of money necessary to complete this project in order to give deep-draught steamship service to the Great Lakes region. To me, we might just as well say that the Mississippi River should be dredged to a depth of 40 feet so as to make Memphis, St. Louis, and Chicago deep-water ports. The Tombigbee River here could just as well be dredged to make Birmingham a deep-water port, and so on throughout the country. Of course, these things could be done, but there is no possible way to justify the expenditure of any such sums of money when weighed against the advantages that would accrue.

You asked me whether or not we plan to operate our ships over the seaway if it be built. This is a very difficult question to answer, because it would depend on the competition; however, I very seriously doubt we would consider using the seaway except in isolated cases. To begin with, navigation would be restricted to approximately 6 months out of the year, and one certainly could not establish a regular steamship operation based on 6 months' navigation. As you, of course, know, to operate successfully at a port like, say, Chicago, proper terminals would have to be constructed and a large staff of people employed, not only in the offices, but on the docks. Just what we would do with these people when navigation was closed I do not know. In the circumstances, I am sure we might consider using the spillway in isolated cases, provided we could find someone to act as agent and proper terminals and stevedoring facilities were available.

As I have said in the beginning, if you would like a detailed statement concerning the proposition I would be very happy to go into it, but, of course, it would take considerable time.

With all good wishes,
Sincerely yours,

E. A. ROBERTS,
Chairman of the Corporation.

BLACK DIAMOND STEAMSHIP CORP.,
New York, N. Y., October 24, 1947.

The Honorable LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR: This will acknowledge your letter of the 6th and the writer regrets not having replied to same at an earlier date. However, the delay was due to my prolonged absence from the office.

In connection with the second paragraph of your letter, and as an operator of American-flag tonnage, we are opposed to the St. Lawrence seaway project, and if same is constructed we would not consider the operation of vessels via the St. Lawrence to Great Lakes ports. As you are no doubt aware, there are numerous organizations opposed to this project. Considering the expenditure involved for the amount of commerce that might be derived therefrom, it would discriminate against the entire North Atlantic seaboard, including the port of Boston. Furthermore, it must be borne in mind that if the seaway were constructed it would only be navigable about 7 months of the year and during the remaining 5 months any foreign commerce flowing from or to the territory served by it would again revert to the North Atlantic ports, which are now being adequately served the entire year by steamship lines operating to all parts of the world.

The question of the St. Lawrence seaway, ever since its proposal, has been the subject of discussion by many trade and commerce organizations and, without launching into detail, I believe the enclosed publications of the Buffalo Business, as well as the Inland Waterways Issue for March-April 1946, emphasizes the fact that many of the interior cities oppose the project as being unsound as well as uneconomical in many instances. I also believe the enclosed copy of address made by the vice president of the New York Maritime Association before several organizations outlines in detail the salient facts, not alone from a purely navigational standpoint but from the economical view as well.

While it is quite true that Mr. Callaghan's statement is based more or less on the effect it will have on the port of New York, the same remarks hold true of other North Atlantic ports.

We operate a regular weekly American-flag service between Boston and Antwerp, Belgium, and Rotterdam, Holland, and also serve all other major United States North Atlantic ports.

We hope the enclosed data, as well as the personal opinion expressed in this letter, will assist you in your opposing the issue when same comes up for debate at the next session of the Senate.

If I can be of any further assistance to you, please do not hesitate to call upon me.

Sincerely,

W. B. TERHUNE.

COSMOPOLITAN SHIPPING CO., INC.,
New York, October 31, 1947.

Hon. LEVERETT SALTONSTALL,
Boston, Mass.

DEAR SENATOR SALTONSTALL: I received in due time your letter of October 6 regarding the St. Lawrence seaway. From a steamship point of view I cannot see that it would be a practical undertaking. It would undoubtedly result in increased costs of ship operation and reduce shipping activities in North Atlantic ports.

This is also the sincere opinion of all shipping interests in North Atlantic ports after careful study by them in committee and on the various exchanges.

Sincerely yours,

GRANVILLE CONWAY.

AMERICAN EXPORT LINES, INC.,
New York, N. Y., October 9, 1947.

The Honorable LEVERETT SALTONSTALL,
Boston, Mass.

MY DEAR SENATOR: Replying to your letter of October 6 with reference to the St. Lawrence seaway.

Speaking entirely from a navigational viewpoint, since I do not have information on the power aspects sufficient to justify an opinion, I do not believe the waterway is warranted. It has been amply demonstrated that the cost of handling this type of cargo to the Atlantic by other means, and particularly by the Great Lakes transport systems, is far less expensive than would be possible with a normal ocean-going vessel.

Based upon the facts at our disposal, we would not plan to operate ships via this seaway because we believe it would be uneconomical to do so.

Very truly yours,

J. E. SLATER,
Executive Vice President.

Mr. SALTONSTALL. I quote these letters because I believe the opinion of the men who manage and sail our ocean-going steamships is of tremendous value. They are in the business of making money from the movement of cargo. Is it not reasonable to assume that if they believed this seaway would open up greater potentialities for their business they would be in favor of it?

I am glad now to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I should like to have my good friend from Massachusetts give me an answer on one or two points.

Is it not true that the ship companies which the Senator has just cited in his speech have at the present time large investments running into huge sums of money, in some instances many million dollars, in docks, wharves, and terminals at various ports on the east coast and on the Gulf coast?

Mr. SALTONSTALL. I should assume that to be true. I should also assume that there are not as many ships now possessed by ship companies as there were before the war, because many of them were sunk. I think many ships now operating belong to the United States Government.

Mr. MORSE. But the Senator's answer is that the steamship companies which he is now citing as being in opposition to the St. Lawrence seaway are steamship companies whose investment is already made so far as docks, freight terminals, and wharves are concerned in existing ports on the east coast and in the Gulf?

Mr. SALTONSTALL. I should assume so.

Mr. MORSE. As the Senator, who is a lawyer, will understand, I am simply seeking to ask a series of questions to qualify his witnesses, or, at least, to bring out their qualifications.

Mr. SALTONSTALL. I was curious to know where the Senator was leading.

Mr. MORSE. I want the Senator to be absolutely sure where I am leading.

Does the Senator think it would be unfair to assume that if the St. Lawrence seaway were constructed there would be at least some competition provided through the St. Lawrence seaway for steamship companies which already have huge investments in transportation facilities at the various ports on the Atlantic and Gulf coasts?

Mr. SALTONSTALL. I sincerely answer the Senator's question when I say that I do not think so, and for the reason, without going fully into the matter, unless the Senator asks me to do so, that the average oceangoing steamer that can use a canal with a 27-foot depth will have a 23-foot draft, and be capable of carrying approximately 5,000 tons of cargo.

The whole business of offshore shipping has had to be speeded up to compete and to be profitable, because of the high cost of doing business ashore and the high operating costs of ships. I am told by a steamship company—and I received this information, not as a Senator, but formerly, when I was Governor—that 35 percent of the time of a dry-cargo ship is spent in port. The necessity of making a ship operate profitably requires that the time it spends in dock be cut down, because that is wasted time—the ship is not going anywhere, it is not earning any money. The whole tendency today is to increase the size of ships and give them a speed as much as 19 knots. The Victory ship I think goes 15 knots, and with another type of engine goes a little better than that. The Liberty ship will make 11½ knots. A profitable cargo ship today has to make 19 knots, and, as the President's Commission recommends, has to have a minimum draft of 19 feet 9 inches.

Mr. MORSE. I thank the Senator for his statement, and I want to be sure I understand its implications. Am I to understand that the position of the Senator from Massachusetts is that if the St. Lawrence seaway shall be built there will be no cargo at all that will be transported through that seaway in competition with any of the other steamship companies?

Mr. SALTONSTALL. Oh, no. I think the cargoes may be carried by lake carriers which would transfer their cargo at Montreal, and we would build up the port of Montreal with the lake carriers, because the cargo would then have to be transferred to deeper draft vessels.

Mr. MORSE. Bearing upon the purpose of my questioning, which I have very fairly pointed out to the Senator from Massachusetts, namely, the interest, if any, these steamship companies may have as special pleaders in the testimony in their behalf which the Senator has put into the RECORD, I wish to ask this question: Does the Senator feel that there is any basis at all for the inference that the testimony of these steamship companies may have at least some bearing upon their selfish, economic interests?

Mr. SALTONSTALL. I would assume that obviously they may be motivated by a selfish interest. I would not expect it to be otherwise. What we have to consider, unless we want to turn completely over to the Government the business of freight ships, is that the shipping interests are continuing in and proceeding with the business. We do not want to put them out of business. We want to have them continue to operate, we want to have them continue to operate the ships in the United States merchant marine. Naturally their interest is selfish, and that is why I cited it.

Mr. MORSE. I merely want to bring out in the RECORD what interest they may have, so that no one may make the mistake of assuming that the testimony of these shipping companies was without a selfish motivation, at least to some degree. That leads me to ask the Senator from Massachusetts another question.

Mr. SALTONSTALL. Does the Senator agree with me that that does not necessarily mean that they are untruthful?

Mr. MORSE. Most special pleaders really believe their contentions, but those of us who sit in an impartial position of judgment have to weigh their motivation against all the facts in the record, as we find and see the facts. That is the only point I care to make.

As I said in my brief remarks on the seaway a few days ago, I am going to seek only to judge the question before the Senate from the standpoint of what I honestly believe to be the national interest, not a sectional interest. I believe the national interest supports the seaway.

The last question I wish to ask the Senator from Massachusetts is whether or not he agrees with me that if the seaway is built, and competition does develop on the seaway against the present shipping practices of the shipping companies he has cited as witnesses in his excellent address, those very steamship companies in a short period of time will be building their transportation facilities along the seaway in order to carry out the good old American practice of free competition.

Mr. SALTONSTALL. I answer the Senator's question in this way: Any new companies that are started with new ships which are built in such a way that they can go through the seaway and also use the ocean, can use the seaway only for seven and a fraction months a year. That would mean that these companies would have to establish terminal facilities, and build up their local personnel, for use a little more than 7 months in the year. That is a difficulty which will come if they are to use oceangoing ships and expect them to traverse the seaway.

Mr. MORSE. I say to the Senator most respectfully, because I think he knows the very high opinion I have of him and for his views, that I have heard similar arguments in regard to other issues in the past presented by witnesses having a special interest in blocking a development which some might think was in the national interest. I have always noticed that when the development is finally completed, be it a great power dam, be it a roadway, or be it any other great utility which will serve for the benefit of all the people, the very ones who testified against it as businessmen, trying to block it in the first instance, always came forward to take advantage of the economic fruits that grew from it once it was constructed. I think that will be true with respect to the St. Lawrence seaway on the part of the very steamship companies which the Senator from Massachusetts is now citing as witnesses against the project.

I thank the Senator very much for the courtesy which he always extends to me when he and I share a difference of opinion.

Mr. SALTONSTALL. I do not know whether the Senator from Oregon heard my very brief remarks on the power side of the issue and on the national defense feature. What I am now discussing is the commercial phase. We believe in private industry going ahead and making a profit in its business if it is possible to make a profit. That is all in the interest of our country, and the system of living which we have in the United States.

When the Senator distinguishes the national interest as opposed to the straight commercial interest, he has to bring in the power question and the national-defense question. So far as the power question is concerned, I am in favor of the power phase of the seaway if the cost question and question of administration can be determined. So far as national defense is concerned, in the interest of all the people of the Nation, I believe the same good can be accomplished at a much lower cost by building up facilities which can be utilized 12 months in the year. I will not argue that now.

So far as the commercial interests, what we are now discussing, are concerned, I am merely pointing out that the present steamship companies, operated under the flag of the United States, have testified that they will not use this seaway. If our system of government is to continue on the basis of private industry as we know it, we have to build up new private companies, or we have to persuade existing companies to use the seaway.

Mr. MORSE. Mr. President, I have listened to the Senator's remarks very attentively, except for the few minutes I have been called out of the Chamber, and I heard the discussion to which he has just alluded. I respectfully disagree, however, with the conclusions he has reached, because I think the project is very much in the national interest, and I am satisfied that once the seaway is built it will be found that the steamship companies which are now opposed to it will take advantage of all the profit-making they can gain out of the seaway in competition with the new competition the seaway itself will create. I think it is desirable to get as many competitors as possible in our transportation system.

Mr. WILEY. Mr. President, will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Massachusetts yield to the Senator from Wisconsin?

Mr. SALTONSTALL. I yield.

Mr. WILEY. I wish to call the attention of the distinguished Senator from Oregon to some facts in the record which bear out, I think conclusively, what he has assumed will be the situation once the seaway is completed. I contend it is not necessary that the seaway be opened in order to have a demonstration of what will happen, because of the fact that a 14-foot channel now exists and is used.

I read from the statement made by John C. Beukema, secretary and acting chairman of the Michigan Great Lakes Tidewater Commission, which appears on pages 130 and 131 of the hearings. He testified that in 1933, which was one of the toughest years in American economic history, the city of Muskegon improved its port facilities by building a $2,000,000 wharf. But here is the point I desired to bring out. He stated:

When the Senate defeated the treaty by failure to secure the necessary two-thirds vote, we naturally had a problem before us. After negotiating with some of the American lines, we got in touch with the Norwegians—the Fjell Line. They came in, in 1935, with one ship. At the time the war broke out the Fjell Line had 17 ships in service. They were these little ships capable of navigating the St. Lawrence canals, drawing less than 14 feet of water.

They were ocean ships, Mr. President, and I shall have something to say about the size of ocean ships later. This is an official of the Michigan Great Lakes Tidewater Commission speaking:

We had regular sailings every 2 weeks to north European ports—Antwerp, Rotterdam, London, Liverpool, Oslo, Malmo, and other ports. In 1938 the Oranje Line—that is the Holland-Dutch Line—came in with four ships. We were negotiating with the Poles, the Swedes, the Belgians, and the French for additional facilities when the war broke out. Now that the war is over, our dock people have made arrangements with the Fjell Line to come in this year with five ships. Their old fleet was largely sunk and destroyed. A conference composed of the Thorden, Swedish-American, and the Swedish-American-Mexico Lines are coming in with nine ships. We understand the program will become effective immediately after the united maritime agreement terminates in March. Swedish-American is developing a special ship to navigate these present 14-foot canals, that will carry 2,900 tons to Montreal, lighter 500 tons at that port, and navigate the St. Lawrence Canal with 2,400 tons. Obviously, we would like to see the seaway opened so that our own Victory ships, and Liberty ships, and other American-flag ships can come in the service.

So, Mr. President, it seems to me that much of the argument which has been developed by my distinguished and lovable friend from Massachusetts has gone completely out to sea. If foreign lines will contract to build ships to the tune of 17 or 18, or more, to use a 14-foot canal because the traffic justifying their use exists, because the economic heart of America can use them for shipping its goods, what will happen when we have a 25-foot channel or a 30-foot channel? The question answers itself.

Mr. President, Boston was not built by people who were fearful or doubtful. The people of that city had faith in its future when they built it. Faneuil Hall stands as a symbol of men who had courage to build, who did not hesitate, who did not quibble over whether a penny should be spent here, or a nickel there, but who knew that whatever was expended upon the building of that city was justified. All those men asked was "Are we doing right?", and if they were convinced they were doing right they did not hesitate to act.

On the point of whether the construction of the St. Lawrence seaway is feasible in connection with our national self-defense, I call attention to a letter written by Secretary Patterson on February 16, 1946, which appears in the committee report, Secretary Marshall's statement made on this subject on May 28, 1947, which appears in the hearings, the testimony of Secretary of the Army Royall on May 29, 1947, which appears in the hearings, and the conclusion of the Joint Board of Defense which also appears in the hearings. They all bear out the contention that the construction of the St. Lawrence seaway is of extreme importance in case the United States should ever again become involved in war.

I wish to thank my distinguished friend from Massachusetts for having yielded to me.

Mr. SALTONSTALL. I shall reply to the Senator from Wisconsin very briefly in this way: In the first place, I should like to state, as I know, and as I think he knows, that Secretary of the Army Royall's testimony was not very emphatic in favor of building the seaway for defense purposes. Furthermore, in talking about a 14-foot canal for ships that now make use of the 14-foot canal, I should like to point out that five-sixths of them are now owned by Canada, and had to be sold by American owners because we could not operate them in competition with the Canadians.

Furthermore, all the ships the Senator speaks of that used the canal this year—and I believe there were 9 Dutch ships and 3 Norwegian ships—draw less than 14 feet, and are used in the coastal trade, and carry a very negligibie portion of the cargoes transported through the seaway at the present time.

POTENTIAL TRAFFIC OF THE SEAWAY AND EXPECTED SAVINGS

Nowhere in the documentation of the St. Lawrence seaway project over the past 20 years do we run into such detailed, confusing, and self-contradictory figures, based on so many assumptions and intangibles, as we find in the consideration of potential tonnage that would move over the seaway and how much savings will result therefrom.

In 1948, as we look at these two all-important factors in considering whether the seaway will pay its own way, it is significant to note what Dr. N. R. Danielian, vice president of the National St. Lawrence Association, told the Senate Foreign Relations Subcommittee last July. He said:

The latest extensive traffic study was undertaken by the Department of Commerce, and the results were public in part 3 of the St. Lawrence survey reports in 1941.

Part 3 of the 1941 Commerce Department survey made a study of 17 different commodities which presumably would be transported over the seaway. It comes up with a total of 4,500,000 tons on which there will be a saving of between eighteen and twenty million dollars in transportation charges. Other commodities were omitted from this study, and the survey, on page 36, went on to say:

If we were to add to our estimates the commodities that were omitted from our specific studies, and the increased trade that would be created as a result of cheap transportation, it is not improbable that actual American traffic within a reasonable period will be as much as 10,000,000 tons, with a potential saving of at least $36,000,000 in transportation costs.

This 10,000,000-ton figure has been accepted in the past as a conservative figure. Dr. Danielian directed that study, and proponents have necessarily looked upon this survey as the most factual and exhaustive study of potential traffic and savings. Since that report was published, the figures on potential traffic and savings have been greatly increased and, I think, exaggerated.

In 1948 Dr. Danielian reestimated the traffic potentialities of the seaway with "greater regard to the broader developments of the future." He predicted a total of 31,700,000 tons of traffic and estimated the total revenue, based on the toll charges as provided in the resolution, in the neighborhood of $21,000,000 a year. At the same hearings last July Secretary of Commerce Harriman stated that the seaway's traffic capacity under optimum conditions might range in the future anywhere from thirty-eight to fifty-two million tons and placed the total toll revenues at from fifteen to thirty-one million dollars. It is particularly significant, I think, that Secretary Harriman, in submitting the above figures, warned the committee that—

The Department has not yet made a detailed analysis of potential traffic on the seaway. My subsequent comments on traffic which might use the seaway must accordingly be considered as only very rough estimates rather than conclusions resulting from careful study.

Finally the 1947 Commerce Department Industry Report, page 70, says:

With specific reference to the traffic estimates on ore, coal, and grain of from forty and one-half to fifty-three million tons, it appears likely that the seaway should be able to handle such a volume.

In spite of these changing estimates, many students of the waterway still stand by the original Army engineers' estimate of 25,000,000 tons for expected traffic of combined United States and Canadian trade. Now how does that figure stand up?

This 25,000,000-ton total includes the 9,000,000 tons of traffic which at the time of the original estimates was moving over the 14-foot channel, and I know of no study that has been made indicating how much of this 9,000,000 tons will continue to use the canal or how much will be picked up in through traffic. So, actually, we are talking about 16,000,000 tons, as no one can honestly hold that the existing traffic is a new factor. Another prime consideration is how much of this 16,000,000 tonnage claimed will be American and how much will be Canadian.

Senator WHITE, in his minority report written in 1946 on Senate Joint Resolution 104, gave his appraisal on potential traffic guesswork in this paragraph:

As of this time freight moving on the Lakes through existing St. Lawrence canals is about 9,000,000 tons annually, and Canada furnishes approximately two-thirds of this. The departments of Government and others who seemingly would build this waterway without adequate consideration of economic

need or economic consequences look for 25,000,000 tons in 10 years' time, of which 10,000,000 will be new United States tonnage. If we accept for the sake of argument that there will be 25,000,000, and that of this 10,000,000 will be new American, this means that about 13,000,000 of that total will be United States traffic and 12,000,000 Canadian traffic; that is, slightly over one-half will be the United States part of the total traffic. * * * But there is nothing in the record to justify such optimism as to any such volume of United States traffic. This figure of 16,000,000 new tons—that is, the difference between the present 9,000,000 and the estimated 25,000,000 tons—is purely speculative.

Discrepancies in all these figures merely point out how important it is that we should have an up-to-date analysis of these basic factors, in the interest of arriving at a closer agreement between the experts, before we go on the assumption that the project can be self-liquidating.

I have mentioned the many assumptions accepted in the 1941 Commerce Department study of the 17 commodities which have been used to this day as the basis for potential traffic estimates. I now should like to discuss two or three specific commodities to illustrate why I believe the proponents' estimates of shipping-cost savings are overoptimistic.

Take the question of grain, for instance, which always has been given prominence in the consideration of future traffic moving over the seaway, since the Great Lakes tributaries area is the greatest grain-producing area in the world. The 1941 survey concluded that a total of 1,292,300 tons of grain, both domestic and foreign, would move through the seaway at a total saving of slightly over $2,000,000—Survey, part 111, page 33. Last July Dr. Danielian estimated potential grain traffic at 6,000,000 tons, a total revenue of $3,000,000—Senate hearings, page 440 Then just last November the Commerce Department in its economic appraisal of the St. Lawrence seaway predicted potential volume of grain traffic from a minimum of 6,500,000 tons to a maximum in excess of 11,500,000 tons—Industry Report, page 45. These swelling estimates certainly call for critical analysis.

I wrote the New York Central Railroad for information. Mr. Metzman, president of that railroad, replied with an accompanying memorandum in which one paragraph stated:

To illustrate, proponents have claimed savings of from 5 to 8 cents per bushel which cannot be supported and are more illusionary than actual when consideration is given to the fact that during the last 3 years before the war began in Europe (1936–38) the cost of shipping grain the whole length of the Lakes from Duluth to Montreal averaged only 4¾ cents a bushel. Adding to this the charge of three-fourths of a cent for transshipping the grain to ocean bottoms at Montreal makes a total charge of about 5½ cents—out of which it is seriously proposed to save more than 5 cents.

The recent 1947 Commerce Department report bases potential grain tonnage through the seaway primarily on what is now exported via the ports of New York, Boston, Philadelphia, and Baltimore. Where does all this grain that now goes through these American ports on the Atlantic seaboard originate? During the period from 1936 to 1946 the total wheat exported through United States Atlantic ports was 478,201,000 tons, of which 85 percent was Canadian. Construction of the seaway would presumably take these Canadian exports away from the Atlantic ports, except for that which moves in winter. I cannot see how it could have any other effect. For instance, the potential loss to Boston is clearly brought out in this recent Commerce Department report. It shows that during the period 1920 to 1935, 75 percent of all the grain exported from that port was Canadian, and from 1936 to 1946 Boston handled 34,500,000 bushels of Canadian grain.

Furthermore, this new study points out that overseas grain trade will come down the Lakes in large lake carriers for transshipment at Montreal with a loss to the shipping facilities at Buffalo. This study admits ocean-going ships will not carry grain down the seaway.

Proponents who continually have shifted from one tack to another through the years are now pinning their hopes for increased traffic on iron ore which would move over the seaway. This conclusion again clearly emphasizes the need for a new reappraisal of the seaway's potentialities. Movement of iron ore over the seaway was given only the slightest consideration in the 1941 survey. But, in recent months proponents have gone all-out on ore. The 1947 Commerce Department report estimates potential ore tonnage at thirty to thirty-seven million tons. This whole ore question is based on the apparent fear of the proponents that Great Lakes ore is just about finished. Secretary Harriman told the committee last Juy that—

Construction of the seaway serves as sort of a national insurance by making it possible to bring into the lake region great amounts of foreign ore. The iron grade ores of Labrador are particularly significant from this standpoint of national security.

He predicted twenty to thirty million tons of ore might well develop as potential traffic within the foreseeable future—Senate hearings, 1947, page 402. If this volume of ore does develop, the real question comes down to this: Is the capacity of the seaway sufficiently large to handle it? In an authoritative discussion of this question, Prof. John L. McDougall, associate professor of commerce at Queen's University, in Canada, has this to say:

Even if the Pittsburgh area is supplied by rail from the Atlantic coast, the ore requirements of the remaining steel cities are still probably in the vicinity of 50,000,000 tons a year. It is most unlikely that this volume of ore traffic can be handled through the seaway.

What do the steel people who depend upon ore say about these glum predictions of economic death to Lake Superior iron ore? Mr. Wilfred Sykes, president of the Inland Steel Co., in a speech last month said:

I think we have in sight enough ore to last us say for 30 to 40 years; that is, the ordinary high-grade easily mined ores. But that is not the end of the steel business by a long way on the Mesabi Range.

Referring to ore which can be concentrated from taconite in this country, Sykes stated that this was good for another 75 to 150 years after the easily mined ores are exhausted. He goes on to say:

But that is not all. There is other iron-bearing material which is not magnetic, that we think we know how to concentrate today. We could make the iron magnetic so it could be concentrated by the same methods as the ore previously referred to. And of that material there is in sight from thirty to forty billion tons of concentrate—enough to last us, oh, for 400 to 500 years or something like that; and beyond that I don't think we will be worrying about it.

On this point the minority report on page 18 said:

We do not believe that justification of the seaway as a potential contribution to our national defense can be founded on the proposition that the Great Lakes mining industry is going to become unable to supply our blast furnaces with ore, therefore we must build a seaway to provide the means of importation of foreign ores.

Before the Senate Foreign Relations Committee in 1946 Mr. R. C. Allen, president of the Reserve Mining Co. said:

Unless it be our deliberate purpose to turn the Lake Superior iron-ore market over to foreign capital and labor and to put our iron and steel industry at the jeopardy of a foreign ore supply, there is no need and no demand for a St. Lawrence seaway to make foreign ore available to inland furnace plants.

We do not fear competition through the proposed seaway if ships laden with foreign ore are charged fairly for the use of the facilities. We do not fear competition from any source that pays labor our scale of wages. We are not asking our Government for any subsidies. All we ask our Government is that it withhold subsidies to our foreign competitors. If subsidies to our foreign competition are withheld, there need be no worry about large importations of iron ore through the proposed seaway. (Hearings on S. J. Res. 104, p. 1364.)

I think a very fair presentation of the ore question is contained in a letter I recently received from Mr. Benjamin F. Fairless, president of the United States Steel Corp. I ask unanimous consent to have the letter printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES STEEL CORP.
OF DELAWARE,
Pittsburgh, Pa., January 2, 1948.

Hon. LEVERETT SALTONSTALL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR SALTONSTALL: It was a pleasure to receive your letter of December 11, stating your opinion with reference to construction of the St. Lawrence seaway canal.

At this time it cannot be determined what tonnage of iron ore and other commodities would be available for transportation through the canal. For example, the iron ore deposits of Labrador mentioned in your letter will require additional time to prove a sufficient tonnage of ore to make their development possible. Last year's exploration, retarded by the short season, proved approximately 100,000,000 tons of available ores. There are other favorable areas still to be prospected in these concessions.

It is difficult at this time to foresee any large tonnage of foreign ores, unless it be

from the Quebec-Labrador area, which by the use of such a canal could be made competitive with the beneficiated ores from the Lake Superior district. Such beneficiated Lake Superior ores will gradually become a larger percentage of the Lake ores consumed by the various steel companies.

The general policy of United States Steel Corp. with regard to the building of the St. Lawrence seaway canal at present is to await additional information as to its commercial potential possibilities and its cost before a definite position is taken either for or against the project.

With kindest personal regards and best wishes for the New Year, I am,

Sincerely yours,

B. F. FAIRLESS,
President.

Mr. SALTONSTALL. I call particular attention to his last paragraph:

The general policy of United States Steel Corp. with regard to the building of the St. Lawrence seaway canal at present is to await additional information as to its commercial potential possibilities and its cost before a definite position is taken either for or against the project.

These remarks merely add to the argument that further study of the whole proposition should be undertaken.

The savings claimed by the 1941 study on the transportation of automobiles and trucks appears to me extremely dubious. The survey estimate of savings on coastwise movement of these commodities is based on the shipping of 216,575 cars and trucks weighing 359,000 tons. Total savings in transportation charges are put at $3,993,000. This quantity of automobiles calls for an average shipment of 902 cars and trucks per day from the Great Lakes in domestic trade alone. In these days when the roads are good and cars can be run over them or trucked over them, when the demand for new cars is intense, and will continue intense for a number of years, is it reasonable to suppose, first, that as many cars as this can be loaded per day; and, second, that they would be transported in this manner? I have not seen any survey which compared the cost of shipping automobiles by the seaway to the cost of shipping them by trailer-truck which is so common today. The survey also makes an estimate on shipping automobiles via the seaway to the Atlantic coast and via the Panama Canal to the Pacific coast. It is hard for me to believe that there will be much traffic of this character. These figures do not include shipping automobiles for export. Is it not reasonable to expect—and this is important, Mr. President—that a large proportion of automobiles for export will continue to pass through the eastern ports, where cargoes for various foreign destinations may be classified and consolidated and where return loads are more assured?

The survey also stated that 163,000 tons of bananas would travel via the seaway. We in Massachusetts know that the United Fruit Co. handles most of the bananas within this country. Yet, both Mr. Kelleher, manager of the freight and passenger department of the company, and the late W. K. Jackson, former vice president of the company and president of the National Chamber of Commerce of the United States, wrote to me that their company does not plan to navigate the St. Lawrence seaway as "it would be much more economical to discharge the fruit at United States Atlantic and Gulf ports and rail it to the interior markets." Mr. Jackson adds:

One of the principal arguments in favor of the waterway is that it might reduce the ocean rates on grains and other bulk commodities moving from the Great Lakes area into foreign commerce and that this would be of benefit to the farmers of the Middle West. I suggest that the freight on these commodities is paid by the foreign purchasers and it is doubtful whether a slightly lower freight rate to these foreign purchasers would be of any value to the shippers of the Middle West.

In concluding this discussion of expected traffic and expected savings, Mr. President, we find that there is no real agreement among any of the experts on traffic expectancy and no real agreement on savings; and, finally, in going over the masses of material on both these vital phases of the project, we find that no complete study of these two subjects has been made since 1941. How can we possibly determine whether this seaway will pay its own way, if we do not have an up-to-date, all-inclusive picture of capacity and expected savings in light of present-day conditions?

QUESTION OF TOLLS

Mr. President, while a discussion of tolls has hovered in the background, it first came into the open when Senate Joint Resolution 111 was introduced in the Senate on May 9, 1947. That resolution called for making the new deep-water navigation works on the St. Lawrence River self-liquidating by charging reasonable tolls. The committee changed the words "St. Lawrence River" to "Great Lakes-St. Lawrence system." The resolution provides, in section 1, that the President shall conclude satisfactory agreements with Canada agreeing to this proposition before going ahead with the seaway. In section 3 it states:

During the period of construction the President is authorized and directed to negotiate a further agreement with the Government of Canada, under the provisions of the Boundary Waters Treaty of 1909, defining the rates of charges or tolls to be levied for the use of the new deep-water navigation facilities on the St. Lawrence River, authorized in this joint resolution.

There are various provisos in that section; but, the present proposition comes down to this: that tolls shall apply only on traffic utilizing the new deep-water navigation works of the St. Lawrence, that they shall be sufficient or supposed to be sufficient—and I use the word "suppose" advisedly—to liquidate the so-called new deep-water navigation works on the Great Lakes-St. Lawrence system.

Mr. President, why should not these agreements be made before construction starts? There are a great many factors that enter into this proposition. Why should not we have a complete understanding with Canada before we go ahead? We leave to the President just what he can negotiate without any qualifications; namely, tolls for the so-called new deep-water navigation works. Is it wise thus to tie the hands of the President and thus to deliver, in effect, a form of ultimatum to Canada? To illustrate what I mean, why is it not perfectly reasonable for Canada to ask that these toll negotiations include consideration of the sum it already has spent on the seaway? Canada has spent four times what we have spent thus far. Why is it not reasonable for Canada to ask various other questions? What effect will tolls have on their own traffic? It is true that the 14-foot canal will remain toll free, but the great majority of the vessels now using this canal and now using the Welland Canal are Canadian. Certainly a perfectly fair Canadian point of view would be: How much of this traffic might we lose to foreign ships and take away from Canadian ships as a result of imposing tolls? Today, grain going down the St. Lawrence is carried almost exclusively in Canadian bottoms, through the 14-foot canal. Imposition of tolls on the seaway would increase the competitive position of the Canadians. These are just a few questions that I certainly should like to ask if I were a Canadian negotiator. To me it is self-evident that the result of these negotiations should be before us while the question of building a self-liquidating seaway is being discussed. Mr. President, let us remember that the resolution states that an agreement on tolls shall become effective only after approval of the Congress of the United States and the Parliament of Canada.

Another question comes to my mind. The language of the resolution makes perfectly clear that the President must see to it that the Government of Canada agrees to the principle of making "the new deep-water navigation works on the Great Lakes-St. Lawrence system herein authorized self-liquidating by charging reasonable tolls." Just what are these works? If we turn to page 14 of the majority report we find the following:

The next step is to determine the proper allocation of total costs between the power phase and the deep-water navigation facilities. General Wheeler, in discussing the annual charges to the United States of the navigation facilities, took the United States cost to complete the seaway and power project, $491,000,000, and subtracted therefrom the cost of works primarily for power chargeable to the United States, $166,000,000, as well as one-half of the item common to power and navigation, $91,000,000, making a total first cost to the United States for navigation alone of $234,000,000. While this method of allocation is sound for engineering purposes, it does not meet the needs of the subcommittee in determining the allocation of costs between power and navigation for the purposes of self-liquidation.

As already indicated, the subcommittee considers that all expenditures for new work should be liquidated. Accordingly, the actual payments by the State of New York to the United States Government under the accord referred to in section 5 of the resolution, and the payments by the Province of Ontario to the Dominion Government under the Dominion-Provincial accord of March 19, 1941, for the power facilities must be taken as the total cost of the power project, while the remaining cost is out-of-pocket contributions by the Federal Governments of Canada and the United States to be liquidated by charges against navigation.

Mr. President, I have quoted the foregoing in full because it seems clear to me from this language that, whereas the commanding general of the United States engineers charged $91,000,000, one-half of the item common to power and navigation, the committee would liquidate this item by charges against navigation. Is this entirely part of the deep-water navigation works as called for in the resolution? Is this a proper allocation? I think the allocation should be made clear and decisive. If it is intended to subsidize the power project by $91,000,000, let us be sure that everyone understands that this sum, or such other sum as may finally be determined, is going to be paid for by the shippers who use the navigational features, or by the United States taxpayer if the tolls fail to liquidate this amount. Personally, I do not believe it is the intent of this body to subsidize power at the expense of shipping or the taxpayer.

I wish to make it clear that I am not opposing the proposal for the imposition of tolls. I am stating that on the present evidence we have no assurance that they will liquidate the project.

Furthermore, the levying of tolls is in itself a subject for more careful study. I quote now from the 1941 survey, starting on page 30 of part VII:

Whether or not tolls should actually be levied on the St. Lawrence seaway is a matter of national policy which requires careful study and analysis. The question of charging tolls on waterways has been a highly controversial issue in American history and has become enshrouded in tradition and practice which does not allow a quick and partial solution. With the exception of the Panama Canal, waterways established by the United States have been notably free of tolls. This policy is embedded in the law of the country.

Mr. President, remember that the paragraph I have just quoted was written in connection with the seaway by our own Department of Commerce. I agree with what it has to say. It is most important, it seems to me, that we have more thorough discussion and more thorough analysis and research of the problem which tolls involve, than have been presented since last May 9 when this resolution was introduced.

The Senator from Vermont, this afternoon, in reply to the Senator from New Jersey, raised the question of whether tolls should be charged. As between the Corps of Engineers and the Department of Commerce, he felt that the Department should be asked for a recommendation. I mention this because I have quoted from the report of the Department of Commerce, which also raises the question of tolls in connection with various other rivers and lakes, which would have to be considered in the event tolls were charged on the St. Lawrence seaway.

Let me quote further, Mr. President, from the 1941 survey:

In considering the problem of toll charges on the St. Lawrence, certain difficult problems present themselves. In the first instance, the general policy of charging tolls on waterways must be reexamined before any application in a particular case is undertaken. Since changes in freight rates affect the welfare of established industry and the location of new plants and industry in the future, a reexamination of national policy on tolls requires an extensive analysis of the effect of this change of policy upon American industry, particularly in those areas where waterway transportation is available.

And again reading from the 1941 survey:

Furthermore, a consideration of tolls in any one case, such as the St. Lawrence seaway, necessitates an examination of the effect of such tolls upon competitive routes. Tolls cannot be charged on the St. Lawrence without studying the effects of this practice upon the Ohio and the Mississippi River systems and the New York State Barge Canal. The problem of charging tolls on the St. Lawrence is further complicated by the fact that there already exists an extensive canal system from Lake Superior to the lower St. Lawrence River, which is free of tolls. The effect of a new schedule of toll charges upon existing traffic must certainly be studied very carefully, and the possibilities of discriminatory charges in order to preserve the relative position of industries and commerce established on a principle of free water transportation, must be examined. This is particularly important since Canadian national policy in the St. Lawrence watershed, which is the Dominion's economic lifeline, is based on the principle of toll-free water transportation.

Here are additional good arguments for negotiating tolls now:

The peculiar nature of traffic through the St. Lawrence canals at present and through the prospective seaway also creates some problems that require careful examination. Low-priced stable agricultural products form a considerable part of this traffic. Hence a flat charge on a tonnage basis, as at Panama Canal, may not be effectively applicable in the case of the St. Lawrence seaway. It is important, therefore, to study the possibilities of discriminatory rates between classes of products that utilize the seaway.

This point is recognized by the proponents, and yet it should be recognized by all as another convincing reason why we should have negotiations now. Let me read two further paragraphs, which I believe give even more convincing arguments:

The St. Lawrence seaway is not a continuous canal system. It consists, in fact, of a series of canals separated from each other by lakes, rivers, and channels. There is one-way traffic over part of the distance in this extensive Great Lakes-St. Lawrence system, between, for instance, Lake Superior and Lake Michigan, or between Lake Erie and Lake Ontario, or between Lake Ontario and Montreal. Some traffic utilizes one segment, other traffic uses two links in the waterways system, and there is also through traffic which utilizes all of the canals in this interconnected system. Hence the establishment of tolls must be studied in the light of this situation, which is immeasurably more complicated than at either the Suez Canal or the Panama Canal.

Finally, the question of tolls on the St. Lawrence seaway or any part of the Great Lakes-St. Lawrence system must be examined in the light not only of the economic structure of Canada and the Middle West of the United States, but also in the light of the existing legal precedents of each country, and in the light of treaty relations between the two countries.

If the seaway is to be made self-liquidating through tolls, it seems to me that the Department of Commerce itself sets forth very pungent reasons why the negotiations should be done and the results given to the Congress before it is asked to approve this resolution.

Now let us turn to the question of costs with relation to tolls.

COST OF PROJECT

The total cost of the project as given in the majority report is $719,928,000, of which Canada's share is $228,319,000 and the United States share $491,609,000. From each of the figures must be deducted payment by New York State for power and payment by Ontario for power which is estimated in each case at $160,795,000, giving the remaining new work for Canada $67,524,000, for the United States $330,814,000, or a total for both Canada and the United States of $398,338,000. Let us for a moment accept these figures. To them must be added interest charges during the period of construction. At just what rate this should be taken it is difficult to say. Interest rates are rising, as recently stated by the Federal Reserve Board and as is apparent as a result of their actions in dropping the support levels on Government bonds. It is probably safe to assume that the United States interest charges during the period of construction would run close to $30,000,000, giving a cost to the United States of $360,000,000. But I have pointed out at some length that this does not include the costs which must be added to to make the harbors and ports of the Great Lakes capable of handling ships that might get through this seaway. I have stated that the Brookings Institution places this figure at three hundred and forty million as of 1929. If it was three hundred and forty million in 1929, it is probably at least five hundred million today. This gives us a figure of eight hundred and sixty million for United States costs exclusive of the power development. In addition, we must consider the cost to date of expenditures for navigation, estimated as $132,000,000 for Canada and $32,000,000 for the United States. So an eventual figure of a billion for the United States alone is not too far off.

The majority report gives an item common to power and navigation of which the United States half is ninety-one million. This item is included in the figures as quoted. But, let me again ask, should navigation be expected to pay for all the features which are common to navigation and to power, as previously explained?

The base figures which I have given so far have been taken from the majority report. I have recently received a letter from Mr. L. C. Sabin, vice president of the Lake Carriers' Association, in which he gives certain calculations and conclusions. These calculations are based 9.7 percent higher than the base used by the Army engineers. The reason for this is because the Engineering News Index has increased its cost index this amount since last May.

At this point I should like to insert in the RECORD exhibit F, showing various estimated costs and carrying charges.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT F

St. Lawrence seaway—estimated cost and carrying charges

[In thousands of dollars]

	Canada, May 1947	United States, May 1947	Total, May 1947	Total for January 1948 [1]
Total cost:				
United States engineers	[2] 315,770	523,351	839,121	920,515
Added by Senate committee	[3] 44,629	.....	44,629	48,955
Corrected total costs	360,399	523,351	883,750	969,470
Expended to date	[2] 132,672	31,742	164,414	164,414
Cost to complete	227,727	491,609	719,336	805,056
Interest during construction 3 percent: Half of 6 years	[4] 20,495	44,245	64,740	72,455
Cost, including interest	248,222	535,854	784,076	877,511
Possible payments for power works	[5] 64,571	166,184	230,755	253,128
Amount to liquidate by navigation	183,651	369,670	553,221	624,383
Interest and amortization by Engineer Department, estimated 4.33 percent	[6] 7,952	16,007	23,959	27,036
Operation and maintenance estimated at 2 percent	[7] 3,673	7,393	11,066	12,487
Estimated total annual charges	11,625	23,400	35,025	39,523

[1] Allowing for advance in construction costs since May 1947. January 1948 ENR index referred to May 1947=1.097.

[2] Hearings, Senate committee, June 13, 1947, p. 394.

[3] Report 810, Jan. 7, 1948; Senate Committee on Foreign Relations, pp. 13-14.

[4] Report 810, Jan. 7, 1948; Senate Committee on Foreign Relations, p. 15, rate of interest.

[5] Report 810, Jan. 7, 1948; Senate Committee on Foreign Relations, p. 14, as to "cost of works solely for power."

[6] General Robins, Senate hearings, Feb. 20, 1946, p. 170.

[7] The average annual charges for maintenance and operation on 6 important United States canal and river projects having combined traffic of over 200,000,000 tons was 2.07 percent of cost of new work.

Mr. SALTONSTALL. In explanation of the tables, I quote from Mr. Sabin's letter:

In explanation you will note I have used basically the estimate of the Corps of Engineers given by General Wheeler at the Senate committee hearing on June 13, 1947, page 394. To this I have added the $44,629,000 allowed by the Senate subcommittee to bring the Canadian cost estimates up to May 1947. In possible payments for power works, I have used the Senate committee allowance from the State of New York, although this is believed to be a pure assumption not based on any official agreement. For the suggested payment by Ontario to the Dominion, I have not followed the committee as there seems to be even less authority for such reduction, but I have subtracted the estimated cost of works solely for power as being a reasonable expectation.

For rate of interest during construction and for annual interest and amortization charges I have used General Robin's testimony. All estimates of maintenance and operation heretofore made by the War Department seem to me quite unrealistic. I have made an analysis of six large projects, finding the maintenance and operation charges vary from 1.6 percent for St. Marys River and Cape Cod Canal to 4.1 percent for Monongahela River. The total freight carried by these six projects is 200,000,000 tons annually. The average annual maintenance and operation charges amount to 2.07 percent of total cost. For the Panama Canal the rate is about 2.7 percent. I have used 2 percent for this annual charge.

I have introduced this table because I believe it points up some of the basic questions of cost which exist. There is certainly serious controversy as to just what the ultimate cost is that may be liquidated by tolls. Certainly, this amount—or the basis to arrive at the amount—should be negotiated with Canada prior to the passage of this resolution.

However, I refer particularly to Mr. Sabin's conclusions as to the estimated total annual charges. His figure, as of January 1948, is $39,523,000. This compares with the figure given in the majority report for May 1947 of a low of $17,448,000 and a high of $21,260,000. The difference between these estimates is obviously great. Accepting Mr. Sabin's figure, $39,523,000 for the moment and applying the total limit of $1.25 per short ton, it would take a volume of about 31,000,000 tons annually to liquidate the seaway. If we apply the average toll charge for all commodities, as presented by Mr. Danielian last year, you would need an annual volume of traffic of 38,000,000 tons to accomplish self-liquidation. This amount of traffic could not go through the locks—25,000,000 tons is probably the maximum.

When there is a question as to whether any potential traffic will even liquidate the smaller figures, and we are presented with larger factual figures, is it not fair to say, Let us negotiate toll agreements now and find out exactly where Canada stands and where we stand?

There is another factor of costs. Without quoting statistics and tables, I can find no project of this character that has been built at less than the estimates. The cost has always been more—in most cases very substantially more. While the costs I have mentioned are enormous, compared to our present national income, compared to the costs of war and the aftermaths of war, percentage-wise they are not very great. But let me repeat, we are discussing a 27-foot channel. I have tried to show it will take at least a 30, probably a 33-foot channel, before this can be called a first-class navigational project. Some people try to compare it to the Panama Canal. The controlling depths in the Panama Canal are 40 feet. The main channel in Boston is 40 feet. The controlling channel from Montreal down the St. Lawrence will be at least 35 feet. How much more would it cost to deepen this seaway and to deepen all the harbors and ports and connecting channels in the Great Lakes to 30 or 33 feet? I should like to have an idea of those figures before considering going ahead.

I know costs have changed during recent years, that they have gone up enormously. I have high regard for the Army engineers. I do not want to belittle their statements. But let me repeat: We must know the rate of interest to be used. We must know the figure for amortization. We must know the figures for maintenance, and the figures for operation. The figures must be agreed to by Canada before we can possibly go ahead and even have a basis for negotiating tolls. I believe there is good reason why this whole question of all costs should be completely reconsidered in view of conditions which exist in 1948 and which will probably exist in the years that are to follow. Let me emphasize the word "All." Let us be sure of what figures we are trying to liquidate by tolls.

In considering the possible injury to our ports, it is fair to keep in mind that the cumulative cost to the Federal Government to June 30, 1944, for new work on all the sea-coast harbors and channels of the Atlantic, Pacific, and Gulf ports of the United States amounted to only $705,000,000. This is less than the probable cost of this seaway and the improvements which must be made in the Great Lakes.

Today in order to handle modern steamships and modern cargoes we need new dockage facilities, which are modernized and can handle cargo quickly and efficiently so as to save in the turnaround of the ships of our merchant marine. In this connection, I would like to quote from the Report of the President's Advisory Committee on Merchant Marine, November 1947:

Reduction in handling costs can come through the application of suitable mechanized systems for moving cargo into and out of ships through the modernization and improvement of port and terminal facilities and through the development of ships of specialized type where their utility for the service in view is indicated. In view of the wide application and importance of improved cargo handling procedures and facilities in the national economy and in the development of American-flag shipping, the committee recommends that the Government sponsor a concerted cooperative effort by shipping companies, shippers, ship designers, maritime labor, port authorities, and interested governmental departments toward the reduction of cargo-handling costs.

Why is it not fair to consider what it will cost to carry out these recommendations to modernize existing facilities before further considering the project now under debate? This seaway will handle at best only a comparatively small amount of tonnage for 7 months each year. Much of this tonnage will come, if the proponents are correct, from the ports which we have already built up—from the ports which we need for national defense purposes—and which the people who now make their homes in those parts need in order to earn their living.

I come now, Mr. President, to the number of agreements necessary to put provisions of Senate Joint Resolution 111 into effect.

Senate Joint Resolution 111 authorizes and empowers the President to fulfill the undertakings made in behalf of the United States in the agreement dated March 19, 1941, between the United States and Canada with the exception of article 7, article 8, paragraph (c), and article 9. This agreement of March 19, 1941, according to the resolution is based on the provisions of article 13 of the Boundary Waters Treaty of 1909 between the United States and Great Britain. I would like to point out 10 acts this resolution calls for:

First. Section 1, page 2, line 5: Before fulfilling the undertakings made on behalf of the United States in the agreement, the President has first to secure satisfactory evidence of the approval of the agreement, with the exceptions provided, by reciprocal or concurrent legislation of Canada.

Second. Section 1, page 2, line 12: The President must obtain satisfactory assurances by exchange of notes or otherwise that the Government of Canada agrees to the principle of making the new deep-water navigation works self-liquidating.

Third. Section 2, page 2, line 2: Article 7 and article 9 of the agreement of 1941 having been excluded, the President is asked to negotiate with Canada a treaty or treaties with reference to the matters provided in these articles, including provisions for perpetual navigation rights on the Great Lakes, on the connecting channels and canals and in the wholly Canadian sections of the St. Lawrence River, as well as diversion of the waters of the Niagara River.

Fourth. Section 2, page 3, line 5: These treaties must then be submitted to the Senate for its advice and consent and either approved or disapproved.

Fifth. Section 3, page 3, line 8: During the period of construction, the President is authorized and directed to negotiate a further agreement with the Government of Canada defining the rates of charges or tolls to be levied for the use of the new deep-water navigation facilities.

Sixth and seventh. Section 3, page 4, line 6: Such an agreement will become effective only after approval of the Congress of the United States and the Parliament of Canada. This is actually two steps, so I assign them Nos. 6 and 7.

Eighth. Section 5, page 5, line 3: The President is authorized and directed to negotiate an arrangement with the Governor of the State of New York for the transfer to the appropriate agencies of that State of the power facilities on the United States side of the International Rapids.

Ninth and tenth. Section 5, page 5, line 17: The arrangement negotiated to be effective only after approval of the Congress of the United States and Legislature of the State of New York. This is also two steps, so I assign them 9 and 10.

I call these acts to your attention because these 10 moves have to be made, negotiated, approved, or disapproved as a result of this resolution. With some of them I agree, with others I do not. But I would like to repeat the question I have already asked. Why not come to an agreement with Canada on the question of tolls? Why not have that agreement before the Congress of the United States and approved by that body and approved by the Parliament of Canada before going ahead?

Then there is the question of a treaty or treaties with Canada. Article 7 of the agreement between the United States and Canada of 1941 has to do with the rights of navigation of the St. Lawrence River and the Great Lakes system, including the canals now existing or which may be hereafter constructed. Do you not think it is a good idea to decide that question before you go ahead digging a canal to permit ships to use these facilities?

Article 9 deals with diversion of waters from Lake Erie and the Niagara River—deals with preserving Niagara Falls. Again I ask the question, Why cannot we have the actual treaty before us and not leave the negotiation until a later date?

Neither these treaties nor these agreements can possibly come before this present Senate. We well know that while the Senate is a continuing body, one Senate cannot bind another—that one Congress cannot bind another. How, then, do we know what the feeling of a future Congress which has to act upon these treaties and these agreements may be? It is perfectly possible that another Congress might refuse to approve some of them. I believe this is a very serious question. I believe that it is one which should have the most careful attention of every Member of this body. I cannot imagine, if this were a private enterprise, going ahead with it until the loose ends had been tied together—until there was a definite understanding between the contracting parties.

There is another question, one which I have already emphasized and which I think anyone will admit affects my State of Massachusetts. It affects all the New England States because they are within 300 miles of the proposed site of the power project. There is still to be negotiated the arrangement between the Federal Government and the State of New York concerning the power facilities. I want to know the exact terms of that agreement and just how we are going to be treated in New England. It is not that I distrust the intention of any official in the State of New York. It is not that I distrust, in any particular, the intention of the Congress of the United States, but again let me point out that no one official is responsible for the acts of his successor. No Congress can be responsible for any ensuing Congress, and as a Senator from Massachusetts who is presently representing that State, I should like to know, and it seems to me that I have a right to know, how my State is going to fare, how it is going to be treated, before I even consider or even think of giving a blank check, and what really amounts to a blank power of attorney to somebody, somewhere, at sometime in the future.

SUMMARY

I now wish to summarize the points which I have endeavored to develop as to why the Senate should not at this session approve Senate Joint Resolution 111.

First. Treaty versus agreement: I question the constitutionality of basing the St. Lawrence project on an Executive agreement requiring a majority vote rather than a treaty requiring a two-thirds vote by the Senate.

Second. Power: I am not opposed to the hydroelectric power phase of this project, but I believe power can and should be considered independently of navigation. I believe the power plant should be administered by the Federal Government for the benefit of all possible consumers. I do not believe its administration should be turned over to one State as section 5 of the joint resolution permits. As a Senator from Massachusetts, I want to know in specific terms just how much power Massachusetts would get before I even consider giving a blank check and what amounts to a blank power of attorney to somebody somewhere at some time in the future.

Third. National defense: The proposed seaway with its complicated system of locks, closed by ice 5 months a year, limited by a depth of 27 feet, and located closer to a potential enemy by the polar concept of attack than the Atlantic seaboard—all render its defense value highly questionable. Furthermore a recent recommendation to convert the Panama Canal into a sea-level channel states "by contrast a lock canal, no matter how strongly protected, can be put out of operation for periods of 2 to 4 years by conventional or atomic weapons." If over $2,000,000,000 must be spent to convert the Panama Canal to a sea-level route for security reasons, how can this lock canal be of value for defense purposes?

Fourth. Limiting depths of seaway: The seaway's limiting depth of 27 feet makes it possible for only a very small percentage of our freighters and tankers to pass through it fully loaded. A fully loaded Liberty ship under way draws over 30 feet. Maritime Commission figures of 1945 would indicate that only 9.4 percent of our freighters and 2.3 percent of our tankers could negotiate the seaway.

Fifth. Limiting depth of Great Lakes harbors: If ships do get through the seaway, the limiting factor of Great Lakes harbors is even more convincing that modern, ocean-going ships will not come up the seaway. Not one Great Lakes harbor can presently accommodate ocean-going ships the size of a Liberty ship with a draft of 25½ feet, according to the Army engineers. Speaking practically, I just do not see how it is possible to get a ship drawing over 30 feet up a 27-foot channel and into harbors that have even lower controlling depths.

Sixth. Cost to deepen Great Lakes harbors: Why should not the cost to make these necessary improvements to the Lake harbors and channels and docking facilities be included in the total cost of the seaway? A Brookings Institution study in 1929 put the cost of the harbor and channel improvements at $340,000,000. Construction costs in 1948 are considerably higher—yet no survey has been made to determine how much.

Seventh. Capacity of Welland Canal: Can the present traffic and the new traffic which the seaway may generate all be handled by the existing Welland Canal? Will a bottleneck develop there? We do not have any up-to-date factual study on this subject.

Eighth. Potential traffic and savings: Guesses of the traffic which may go through the seaway and resulting savings vary so much that it is impossible for Congress to determine now whether the project will be self-liquidating. Savings estimates, in my opinion, show frequent lack of intimate knowledge of our distribution system. Proponents now pin high hopes on great shipments of Labrador ore which could be imported via the

seaway. Right now even the steel companies admit that they are not sure whether there is enough ore in Labrador to make its development worth while. Would it not make better sense to have a new all-inclusive appraisal of expected traffic and possible savings over the seaway before we authorized it, rather than proceeding on masses of out-of-date and contradictory material?

Ninth. Toll negotiations: We are asked to negotiate tolls—which require factual analysis of many far-reaching economic factors to reach the proper answers—during construction, not before it is constructed. Even our own Department of Commerce has raised important implications—questions concerning the charging of tolls on St. Lawrence traffic. For example, how would toll charges affect existing free channels on other rivers and canals. Would they set a precedent? How will it affect present rate structures on industrial products, and plant locations? We should have a complete understanding of these factors before, not after, we approved the toll principle.

Tenth. Cost of seaway. We do not have a realistic idea of its total cost. Most frequently $491,000,000 is quoted as the United States share, but this does not include annual interest rates, or the cost of improving Great Lakes harbors. Present costs would make it more in the neighborhood of a billion dollar undertaking before it could be completed. These figures are for a 27-foot canal. How much will it cost to deepen the seaway to accommodate up-to-date ships to a depth of, say, 33 feet? Let us not deceive ourselves on the true cost picture.

Eleventh. Who will use the seaway? I have received letters from the leading steamship companies in the country. They almost unanimously oppose the seaway from a practical navigational viewpoint and do not intend to send their ships through it even if it is built. It is impossible for me to believe that the men who are in the business of moving cargo are against it if it would help their business.

Twelfth. Value of seaway versus existing ports: We must weigh one national desirability against another. Do we want to improve, for defense purposes and for commercial uses, our ice free, year-round Atlantic and Gulf ports or build this multimillion dollar seaway which can be used only 7 months a year? Considering the alternatives from a cost angle, we remember that the cumulative cost to the Federal Government for all new work on all our seacoast harbors and canals of the Atlantic, Pacific, and the Gulf amounted to only $700,000,000 to June 1944. This is less than the probable cost of the seaway.

Thirteenth. Resolution involves 10 steps: Enactment of this resolution sets in motion 10 different steps—treaties and agreements—which must be negotiated, approved, or disapproved. None of these treaties or agreements can possibly come before the present Senate. Why were not many of these loose ends tied together before we were even asked to discuss Senate Joint Resolution 111?

For these reasons, Mr. President, I sincerely hope Senate Joint Resolution 111 will be rejected.

Mr. MORSE obtained the floor.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Connecticut.

Mr. BALDWIN. At page 956 of the proceedings and debates of the Eightieth Congress, second session, in the discussion of the St. Lawrence waterway, the distinguished senior Senator from Vermont [Mr. AIKEN] read in part from a letter which was sent to him by Mr. Sam Ferguson, president of the Hartford Electric Light Co. The letter is dated December 11, 1945.

The statement read was only a part of the letter, and I should like to have unanimous consent to incorporate the entire letter in the RECORD. I may say that I have spoken to the distinguished Senator from Vermont about the matter, and he said that had he had the entire letter with him at the time he would have inserted it all in the RECORD, and he is perfectly agreeable to my having the entire letter inserted in the RECORD at this time. My purpose in doing so is to have appear completely on the record what Mr. Ferguson's position with reference to the St. Lawrence waterway was at that time, and I understand it is unchanged.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

THE HARTFORD ELECTRIC LIGHT CO.,
Hartford, Conn., December 11, 1945.

The Honorable GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR AIKEN: Inasmuch as you cited me by name as supporting the St. Lawrence development (Appendix of the RECORD, vol. 91, pt. 13, p. 5261), I feel justified in writing you in order to bring to your attention certain changed conditions which have come to pass in the 20 years which have elapsed since the committee report.

1. Construction costs of this character are double what they were.

2. Steam plants are more than twice as efficient as they then were.

3. Federal policy for utilization of tax-free power today is to preempt the loads now served by tax-paying utilities which is destructive to this branch of private enterprise.

It is No. 3 above which makes me oppose the project under today's conditions in the interest of hundreds of thousands of investors with whose money existing facilities have been built. I regret to be forced to take this position, as I would otherwise favor the utilization of this natural resource.

Even today I would favor it if the enabling legislation required that:

All power developed is to be sold at the bus to private distributing companies under the proviso that all savings effected by the purchase and resale of Federally generated power shall be passed on to the ultimate consumer as directed and regulated by the appropriate regulatory authority.

A refusal of such an eminently fair recognition of the impropriety of creating private profits out of a taxpayer's investment can only be interpreted as indicating a desire to wreck the industry.

I enclose copy of recent correspondence with a St. Lawrence enthusiast who knew only part of the story.

Yours sincerely,

S. FERGUSON,
President.

Mr. AIKEN. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. AIKEN. I am very glad the junior Senator from Connecticut has inserted all of Mr. Ferguson's letter in the RECORD, and, as he said, if I had had the entire letter with me the other day when I quoted from it I would have inserted it myself. Mr. Ferguson's letter was occasioned by a speech which I made before the Boston City Club on November 14, 1945, and, so that the RECORD may be complete, I ask unanimous consent to have my speech, together with the Appendix appearing at the end thereof containing the names of the members of the Joint New England-St. Lawrence Waterway Committee, 1923–25, printed in the RECORD at this point. I believe that will make the entire situation perfectly clear. There is no disagreement between the Senator from Connecticut and myself as to Mr. Ferguson's position and as his meaning as expressed in the letter.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

NEW ENGLAND AND THE ST. LAWRENCE PROJECT

(By Senator GEORGE D. AIKEN, of Vermont, delivered before the Boston City Club, November 14, 1945)

It was with a great deal of pleasure that I received the invitation to speak to you today.

I am a New Englander and, next to the Nation as a whole, my loyalties will always be with the people here in the Northeast.

I am optimistic about the future of New England. I am optimistic about the future of the country as a whole.

Any nation that can do what we have done in a period of 100 years can look forward with confidence that we shall solve every new problem and go straight forward on the path of progress.

I am much encouraged to note that there is now in progress a healthy self-examination to discover the weak spots in our social and economic fiber, and to repair and reinforce it in order to secure our proper position in the future world.

In recent weeks you have undertaken, under the leadership of Governor Tobin and Mr. Joseph Kennedy, a highly useful investigation to find out how you can improve economic conditions in Massachusetts.

ONCE LEADER IN MANY FIELDS

A review of industrial development in Massachusetts will indicate that this State has been a leader in manufacturing and commerce just as in the cultural and political field.

It was here that large scale manufacturing first flourished. It was also out of Boston that 100 years ago the clipper ships ranged the far-flung ports of the world, bringing prosperity to Boston and the rest of the country.

It is significant to note that in achieving this leadership New England, and Massachusetts in particular, had the blessing of three important factors contributing to prosperity:

First, Massachusetts was the leader in the development of its water-power resources for manufacturing purposes. It was on water power that its industrial supremacy was established.

Second, it had the blessing of a vast and efficient fleet of ships that utilized cheap water transportation.

Third, it had the advantage of a plentiful supply of skilled labor.

During the last century New England, and especially Massachusetts, held a dominant position in the field of industrial production.

Even as late as 1909 New England produced nearly 13 percent of the total value of manufactured products of the whole country.

Twenty years later, in 1929, a year of prosperity, the contribution of New England to the total manufacturing output of the Nation was only 9 percent. Ten years later, in 1939, the proportion of New England's contribution was down to 7 percent.

Massachusetts was also losing ground relatively to the rest of the Nation during the same period. In 1909 the contribution of Massachusetts to the total value of manufacturing production was 7.3 percent. In 1929 it was 4.9 percent, and in 1939, 4.4 percent.

REST OF COUNTRY GROWING FASTER

These figures do not necessarily mean that New England and Massachusetts had lost industries to the extent of 40 to 50 percent during this 30-year period. They do mean, however, that whereas the rest of the country was growing by leaps and bounds, the Northeast was not keeping pace.

The same experience continued during the war years. Industry, as well as per capita income, increased much more rapidly in other parts of the country than in New England.

It is interesting to note that the greatest increase of industry and income was in those States where we had a definite program of river-basin development, such as the States of Tennessee, Washington, and Oregon. The total and per capita income in those areas went up more than the national average, whereas the increase in the Northeast was less than the national average.

What is the answer to this dilemma? Is it to hold back other parts of the country, or to accelerate our own pace?

Should we, through political sabotage, prevent the development of other sections, thereby permanently impairing the industrial vitality and military strength of our whole Nation?

Or should we adopt measures to help our section of the country at the same time as we assist the betterment of other areas, thus increasing wealth and industry all around?

Your Representatives in Congress are confronted with this question on every important economic issue. In your sober judgment, do you want us to consider the interest of our Nation as a whole, or do you wish us to take a narrow, sectional view of every issue before Congress?

We have given up, by and large, international isolation, as impractical, unrealistic, and against the enlightened self-interest of our country.

We frown upon the old, discredited colonial imperialism of other countries which retard world economic improvement.

NEW COLONIALISM—AMERICAN STYLE

But in this country we tolerate, fortunately in ever-decreasing degree, economic sectionalism which is the national equivalent of international isolation, and there are some among us who want to control or retard economic development in other areas. This is colonialism of the old pattern at its worst.

In a world as small as ours where the actions and economic policies of every other country of the world affect our national security and prosperity, we can ill afford to adopt such narrow-minded domestic policies that we thwart the growth of our own national domain.

How tragic it would have been in our recent struggle for survival if we had allowed a few obstructionists to prevent the development of the Tennessee Valley and the Columbia River. As President Truman said in a recent message to the Congress:

"Without the power from these rivers the goal of 50,000 airplanes a year—considered fantastic only five short years ago but actually surpassed twice over—would have been impossible. Nor could we have developed the atomic bomb as early as we did without the large blocks of power we used from the Tennessee and Columbia Rivers. The timely development of these rivers shortened the war by many years and saved countless American lives."

NEW ENGLAND'S OWN OPPORTUNITIES

The answer to New England's industrial problem is not in stopping or slowing the development of the rest of the country; nor is it in any artificial advantages obtained at the expense of the rest of the country. I know you agree with me in this. This solution of our desire for an equal opportunity with the rest of the country is in the spirit of enterprise and adventure, in the eagerness to pioneer in a new and better world.

It is within the scope of our ability to create new opportunities in the production of new products, improved methods of manufacture, development of water resources, and new methods of transportation.

Why do I emphasize these general principles when I was asked to come here to discuss the St. Lawrence project? I do this because it is important to put the discussion of this project in the proper perspective of national and local affairs. For this project, more than any other in the past 50 years, has aroused the worst manifestations of sectionalism; and what is even worse, sectional passions are aroused by misrepresentations and false arguments by a small group who are perpetrating a new colonialism—a remote control over the economic destinies of our people.

I shall, therefore, try to show you that in the best opinion of the country the St. Lawrence seaway and power project is of great national advantage and should be speedily developed. Also that it is to the best interests of New England and Massachusetts in particular; and, that the narrow, self-seeking propaganda that has been loosed upon New England is of comparatively recent origin in the long history of this controversy and is not expressive of our local interest.

WHAT THE ST. LAWRENCE PROJECT DOES

First, let me briefly state, for the benefit of those not entirely familiar with it, what the St. Lawrence seaway and power project is.

The project contemplates building the necessary dams, canals, locks, and powerhouses which will permit ocean-going vessels to travel from Montreal to the Great Lakes, and also to develop 2,200,000 horsepower of hydroelectric capacity, to be divided equally between Canada and the United States.

You know, of course, that there is deep-sea navigation to Montreal which is 1,000 miles inland from the Atlantic Ocean. There is also deep-draft navigation from Ogdensburg, N. Y., to Duluth and Chicago, 1,200 miles beyond.

The Welland Canal was completed by Canada in 1932 to scale the Niagara escarpment, and this canal only needs a little dredging. We built the MacArthur lock at St. Mary's River, and that too is a link in the seaway already completed.

With the exception of some dredging in various channels, the main works still to be built are in the 119-mile stretch between Ogdensburg, N. Y., and Montreal, Canada, where the water drops 243 feet over a series of rapids between the level of Lake Ontario and the level of Montreal Harbor.

There is an agreement between Canada and the United States whereby we undertake to construct the necessary works at the International Rapids section of the St. Lawrence River and Canada undertakes to do the work in the Canadian sections.

COST TO THE UNITED STATES

Without going into detail here, let me say that the remaining cost of the project to the United States will be less than $300,000,000, of which at least a third will be paid for by the power project, leaving around $200,000,000 for the seaway from the Great Lakes to the Atlantic.

Considering every item of expenditure, the seaway will cost about $10,000,000 a year to maintain. When completed it will accommodate not less than 25,000,000 tons of traffic annually. At present nine to ten million tons move over the existing 14-foot waterway.

There will also be available at the International Rapids annually 13,000,000,000 kilowatt-hours of electricity, more than the total output produced by the Tennessee Valley Authority in 1944. It is the cheapest undeveloped power in America, costing about 1 mill per kilowatt-hour at the station.

This power will be available for distribution within 300 miles of the site in Canada and the United States.

The project will also make ocean seaports of all the principal cities on the Great Lakes. Rochester, Buffalo, Cleveland, Detroit, Milwaukee, Chicago, and Duluth will be accessible by ocean-going vessels without transshipment.

On October 2 Senate Majority Leader ALBEN BARKLEY introduced Senate Joint Resolution 104, which was referred to the Foreign Relations Committee, to approve this Canadian-American agreement and authorize construction of the project. The resolution is sponsored, in addition to Senator Barkley, by Senators Ferguson, Hill, La Follette, Langer, Vandenberg, Wagner, Shipstead, Taylor, and myself.

That this is a national project of the first magnitude is attested by the nonpartisan and nonsectional support it has received during the past three decades.

PRESIDENTS URGE COMPLETION

On October 3 President Truman urged speedy approval of the Canadian-American St. Lawrence agreement, stating:

"One of the great constructive projects of the North American Continent, in fact, one of the great projects of the world, which was delayed by the exigencies of war, is the St. Lawrence seaway and power project.

"For 50 years the United States and Canada under both Republican and Democratic administrations, under liberal and conservative governments, have envisioned the development of the project together, as a joint enterprise.

"Upon the expectation that we would join with them in completing this great engineering project, Canada has already built more than half its share of the undertaking.

"We, however, still have our major contribution to make.

"Every engineering investigation during the past 50 years, every economic study in the past 25 years, has found the project feasible and economically desirable. The case has been proved; the plans are ready."

President Truman is from the State of Missouri where opinion for this project is divided. But the President is speaking for the country as a whole, and not for any one section.

President Truman is but one of the illustrious spokesmen for this great undertaking. In 1941, when the country was upon the threshold of war, President Roosevelt recommended it in these words:

"I know of no single project of this nature more important to this country's future in peace or war. Its authorization will demonstrate to all the enemies of democracy that, however long the effort, we intend to outstrip them in the race of production. In the modern world that race determines the rise and fall of nations.

"I hope that authorization will not be delayed."

Before President Roosevelt, President Hoover was eager to see this project constructed, and he and his Secretary of State,

Henry Stimson, negotiated a treaty with Canada for that purpose. On July 18, 1932, President Hoover recommended this project in these words:

"The signing of the Great Lakes-St. Lawrence Waterway Treaty marks another step forward in this the greatest internal improvement yet undertaken on the North American Continent. * * * Its completion will have a profoundly favorable effect upon the development of agriculture and industry throughout the Midwest. The large by-product of power will benefit the Northeast."

We need not go to Missouri, New York, or California to hear strong voices for this project. One of our own first citizens, President Calvin Coolidge, recommended it to Congress in 1923, calling it a "capital investment which will be reproductive * * *. Upon these projects depend much future industrial and agricultural progress."

In addition to a long line of Presidents of both parties, other forward-looking distinguished leaders have espoused and advanced this cause. Secretaries of State Charles Evans Hughes, Frank Kellogg, Henry Stimson, Cordell Hull, and now James Byrnes; Governors of New York Alfred Smith, Franklin Roosevelt, Herbert Lehman, and now Tom Dewey, have all given it strong support.

Former Secretary of the Navy and Governor of New Jersey Charles Edison, the son of the famous inventor, and the late Secretary of the Navy Frank Knox were for the project.

The list is long. And the theme of all these proponents has been universally the same—the St. Lawrence project is one of the great projects in the world. It will give this Nation abundant cheap power and an unequaled navigation facility from the Atlantic to the heart of the continent.

SOUND BUSINESS PROPOSITION

The support for this undertaking is not partisan. It is not sectional. Nor is it purely political. Even before there were concrete governmental proposals for its construction, substantial business interests were eager to develop this resource.

In 1921 Col. Hugh L. Cooper, the same eminent engineer who later built the Dnieper Dam for the Soviet Government, laid a proposal before the International Joint Commission to make a gift of the navigation facilities if the Governments of the two countries would give his clients a franchise to develop the electricity on the St. Lawrence River between Ogdensburg and Montreal.

And who were his clients? The Aluminum Corp. of America, the General Electric Co., and the du Pont Co., who evidently considered that the power production alone would be worth the cost of the entire development.

These companies, as you know, are not in the habit of engaging in uneconomic undertakings. Let me quote a few passages from the extensive report of Colonel Cooper:

"We believe that the greatest single need for the restoration of the public to normal contentment and happiness is cheap power. The construction of the works here proposed will give to the zone east of Niagara Falls, and for a radius of over 400 miles from the Croil Island site, power advantages at least equal to and probably better than those that now exist or can be hereafter created at Niagara Falls."

Colonel Cooper's report was equally eulogistic about the advantages of navigation, and I quote briefly from that section of the report:

"It will be seen, therefore, that the zone to be supplied with cheap power will also be aided in its commercial development by the coincident creation of new navigation advantages. These navigation advantages properly coordinated with water power and the vast railway system now existing in this territory will give to this zone industrial advantages that cannot be otherwise created or found elsewhere on the American Continent."

WHERE DO RAILROADS STAND?

At one time, many railroad interests were supporting the seaway. Almost all of the transcontinental lines west of Chicago favored it. The Great Northern and the Northern Pacific, the Chicago, Milwaukee & St. Paul, the Illinois Central, the Chicago & North Western, the Minneapolis & St. Paul, the Chicago Great Western, the Quincy lines, all favored this project only 20 years ago.

From the point of view of national interest, and as a business proposition, the overwhelming testimony has been in favor of earliest possible construction of this great project.

You may say, "Very well, but how about us? How will it affect New England?"

Here again, the prevailing opinion and all of the factual analysis available have been favorable. The conclusion of all serious studies has been unanimous that this project would benefit New England.

THE HARRIMAN STUDY

One of your business leaders, Mr. Henry I. Harriman, made a serious study of this subject and published his findings in 1929 in a book of 152 pages entitled "New England and the St. Lawrence Seaway."

Mr. Harriman was at that time president of the Boston Chamber of Commerce. As you know, he has also been president of the United States Chamber of Commerce for several terms. I need not mention to you that he is one of the most successful businessmen of this community and a leading figure in the public utility field. I shall only read to you Mr. Harriman's conclusions which appear on pages 32–33 but commend you to read the whole book.

Mr. Harriman concluded in these words:

"I am convinced that the St. Lawrence seaway is of as great importance to New England as to the Middle West, and that New England should unitedly, heartily, and enthusiastically support the project."

The seaway means to New England:

1. Lower transportation costs on much of its food supply, hence a lower cost of living.
2. Lower freight rates on many of the raw materials required by its industries.
3. Lower freight rates to many markets for its finished products.
4. A supply of export grain and flour at prices as low or lower than can prevail in other North Atlantic ports, hence a revival in the export business of the port of Boston and other New England ports.
5. The removal of the handicap of rail differentials, due to water competition via the St. Lawrence.
6. A reasonable supply of cheap power.

Three years later, when Mr. Harriman was president of the United States Chamber of Commerce, he testified before the Senate Foreign Relations Committee as to the amount of business expected between New England ports and those of the Great Lakes. I quote from his testimony:

"The total annual traffic available on the most conservative basis for a water route between New England and the Great Lakes will be not less than 6,000,000 tons, and very probably it will be twice that amount, and the annual saving to our New England industries will not be less than $16,000,000. What holds true for New England holds equally true for eastern New York and Pennsylvania."

There may be those who will try to discount this weighty opinion by saying that this is only one man's view. But that is not true. At one time or another leaders of New England industry and the Associated Industries of Massachusetts favored this project. Furthermore, this position was taken after careful study.

NEW ENGLAND COMMITTEE APPROVES

In 1923, at the time President Coolidge recommended the project to the Congress, a New England committee of 30 industrial and public leaders—5 from each State—was established. They devoted a whole year of study to the subject.

Some of them are still with us and quite prominent in public and business circles—just to mention at random—John G. Winant, former Governor of New Hampshire, and our Ambassador to England, and Samuel Ferguson, president of the Hartford Electric Light Co.

Col. Charles Gow was the chairman of the committee. He is here today and can tell you more about this important work. I shall only read you the unanimous conclusion of this group of 30 New England leaders: [1]

"The committee looks upon the proposed expenditure for developing the waterway as in the nature of a capital investment of a national character upon which exceptionally liberal dividends will be returned in the form of reduced transportation costs and the general benefit and prosperity of a large and important section of the country which at the present time is laboring under a most serious and difficult economic handicap. It further believes that the net result of the development of such a waterway will incidentally be of considerable advantage to New England and the surrounding community, both from a broad national standpoint as well as that of purely local self-interest.

"The committee, therefore, places itself definitely on record as favoring the early entrance of this Government into negotiation with the proper officials of the Canadian Government looking toward the prompt consummation of a treaty which will make possible the undertaking of the enterprise and urges upon all New England's local and national representatives the desirability of their full cooperation in every reasonable manner to bring this result about."

DO WE WANT CHEAP POWER?

This is a far cry from the opposition registered by a representative of the Maritime Association of Boston before the House Rivers and Harbors Committee in 1941. This man, previously a long-time employee of railroads, claimed that cheap power would ruin Massachusetts. One of the Congressmen asked incredulously, "Do you mean that giving the people of New England electricity at reasonable rates, and taking this overcharge of $97,000,000 a year off of them would ruin New England?"

And the witness replied, "Yes; I do."

Apparently this witness and his philosophy have been well accepted here, for the people of New York and New England, except Connecticut, pay the highest electric rates anywhere in the country.

I cannot believe that the voice of Massachusetts will continue to be expressed by such unabashed spokesman for monopoly and public exploitation. The tradition of liberalism and progress is too well ingrained in New England soil to remain covered for long.

If this project is of great advantage to the Nation in peace and in war; if New England, by the testimony of its citizens, will stand to benefit, then where does this effusion of propaganda against the project come from?

NUB OF OPPOSITION

I shall be candid and to the point, for it is time to call a spade a spade. The opposition is engendered by the eastern trunk lines and power companies, both intimately connected with the higher echelons of finance in New York.

I shall not here expose in detail the evidence, for that was done effectively by Senator La Follette on the floor of the Senate last December 8. It is available for everyone in the CONGRESSIONAL RECORD of that date.

The eastern roads fear competition in their rates, and the power companies fear cheap public power, and this opposition has been

[1] For membership list of committee, see appendix.

consolidated since public development of this project was enunciated by Governor Roosevelt, of New York, in 1931.

These are the sources of opposition and they have succeeded in silencing favorable expressions in the East, as well as in the West. They have initiated hostile and false propaganda throughout the country from coast to coast, and, unfortunately, many well-meaning and public-spirited citizens have fallen for it.

When the western railroads are silenced against their better judgment, when the business voice of New England is made to change its tune within our own generation, when the Southwest is told through the representatives of eastern-controlled railroad and power companies that this project will ruin Texas or Arizona, or New Mexico, then it is plain that we are witnessing not only a willful instigation of insidious sectionalism but, what is even more disturbing, we are witnessing a financial colonialism that will ultimately lead this country into an economic straitjacket and commercial strangulation.

I do not believe this will succeed. I do not—I cannot—believe that your representatives in Congress will disregard the national interest and the local interest of the Northeast and turn down this project.

SPIRIT OF PROGRESS

The spirit of liberalism, of progress, and of adventure is stirring throughout the land, and even more so in New England.

The leadership that was New England's, the spirit of John Paine and Samuel Adams, of Charles Sumner and Oliver Wendell Holmes and Louis Brandeis is with us again.

I feel confident this spirit will find eloquent expression in the great public servants who represent this State in the United States Senate today.

With such statesmanship and love of public service as our allies, this time we shall win. It is time to return to the first principles of New England prosperity, low-cost power, and low-cost water transportation.

When the St. Lawrence seaway and power project is completed, we will all be proud of it, for it will contribute immeasurably to our economic welfare and to our national safety.

APPENDIX

MEMBERS OF THE JOINT NEW ENGLAND-ST. LAWRENCE WATERWAY COMMITTEE, 1923–25

Charles R. Gow, chairman.

Massachusetts committee: Charles R. Gow, Boston, former president, Associated Industries of Massachusetts; former president, Boston City Club; and former president, Boston Society of Civil Engineers; Dr. Arthur W. Gilbert, Boston, Commissioner of Agriculture, State of Massachusetts; Allen Hubbard, Boston, of Hollis, French & Allen Hubbard, consulting engineers, and former president, Affiliated Technical Societies of Boston; Alton D. Edes, Edes Manufacturing Co., Plymouth, representing Massachusetts State Chamber of Commerce; Bernard J. Rothwell, president, Bay State Milling Co., Boston, and former president, Boston Chamber of Commerce.

New Hampshire committee: Hon. Robert P. Bass, Concord, N. H., former Governor of New Hampshire and member of New England Council; Hon. Rolland H. Spaulding, Rochester, N. H., former Governor of New Hampshire, and president, Spaulding Fibre Co., Inc.; Hon. John G. Winant, Concord, N. H., former Governor of New Hampshire; Hon. Eaton D. Sargent, Nashua, N. H., mayor of Nashua; former president, New Hampshire Manufacturers' Association and treasurer of the White Mountain Freezer Co., Inc.; Hon. Raymond B. Stevens, Landaff, N. H., former Member of Congress and United States adviser in foreign affairs, Bangkok, Siam.

Rhode Island committee: Arthur Bliss Lisle, Providence, R. I., general manager, Narragansett Electric Lighting Co., Providence; Albert J. Thornley, Providence, R. I., president, Narragansett Machine Co., Providence; Edwin C. Smith, Pawtucket, R. I., president, Rhode Island Stop Warp Equipment Co., Pawtucket; H. W. Gardiner, Providence, R. I., former president, Employers' Association of Rhode Island; Charles C. Remington, Providence, R. I., attorney-at-law.

Vermont committee: Willard B. Howe, Burlington, Vt., president, Howard National Bank, Burlington; Harrie C. White, North Bennington, Vt., president, H. C. White Co., former president, Toy Manufacturers, United States of America; James F. Dewey, Quechee, Vt., president, Associated Industries of Vermont, member of New England Council, and vice president, A. G. Dewey Co., Quechee; Dr. William H. Beardsley, Springfield, Vt., Jones & Lamson Machine Co., Springfield; Hon. Elbert S. Brigham, St. Albans, Vt., Member of Congress.

Maine committee: Judge Benjamin F. Cleaves, Portland, Maine, executive secretary, Associated Industries of Maine and former chairman, Public Utilities Commission of Maine; Hon. George C. Wing, Jr., Auburn, Maine, member, Maine Legislature, five terms; Hon. James Q. Gulnac, Bangor, Maine, former president, Maine State Chamber of Commerce and Agricultural League; George F. West, Portland, Maine, president, Maine State Chamber of Commerce and Agricultural League; Elliot Rogers, Kennebunk, Maine, Rogers Fibre Co., Kennebunk.

Connecticut committee: Frederick S. Chase, Waterbury, Conn., president Chase Cos.; director, Manufacturers' Association of Connecticut, Inc.; Citizen, National National Bank, and of Waterbury Gas Light Co.; Samuel Ferguson, Hartford, Conn., president, Hartford Electric Light Co., vice president and director, Hartford Chamber of Commerce; Stanley H. Bullard, Bridgeport, Conn., vice president, Bullard Machine Tool Co., director, United States Chamber of Commerce, and of Connecticut Chamber of Commerce; B. H. Blood, Hartford, Conn., formerly general manager, Pratt & Whitney Co., and colonel of ordnance officers, United States Reserve Corps; Raymond L. French, Bridgeport, Conn., president, the R. L. French Co., and chairman, transportation committee, Manufacturers' Association of Connecticut, Inc.

PROGRAM CONCERNING RENT CONTROL

Mr. CAIN. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield to the Senator from Washington.

Mr. CAIN. I desire to ask the acting floor leader, the junior Senator from California [Mr. KNOWLAND], if it is the intention of the leadership to reestablish Senate bill 2182, the proposed Rent Control and Housing Act of 1948, as the pending order of business beginning when the Senate convenes tomorrow at noon?

Mr. KNOWLAND. Mr. President, I will say to the junior Senator from Washington that it is the intention of the acting floor leader to ask that the Senate return to the pending business as soon as the able Senator from Oregon [Mr. MORSE] has finished his remarks, so that the pending business, when we finish tonight, will be the rent-control legislation. I do not know whether the present occupant of the chair will be the one who will occupy the chair tomorrow when the Senate convenes, but I can say that, insofar as I am concerned, it will be my hope that the Senate will proceed with the rent-control legislation tomorrow without undue interruption.

Mr. CAIN. I should like to urge the Senator to continue to take that position because of the fact that the Rent Control and Housing Act under which we now operate will expire on the last day of this month. A presentation of the 1948 rent-control and housing bill has already been made at some length on Friday, and amendments to the proposed bill are now subject to action either for or against.

Mr. KNOWLAND. I fully recognize the importance of the proposed legislation, and I would personally say that if it shall be necessary that we hold night sessions in order to complete action on the measure prior to the expiration date, that that should definitely be done.

Mr. CAIN. The junior Senator from Washington, representing the Banking and Currency Committee, is very grateful for the position taken by the Senator from California in support of the measure.

Mr. KNOWLAND. I am obliged to the Senator from Washington for bringing up the question.

DISMISSAL OF NATHANIEL DYKE, JR., FROM FEDERAL HOME LOAN BANK BOARD

Mr. CAIN. Mr. President, with the continued indulgence of the Senator from Oregon for a few more minutes, I should like to say that because of the absence from the Senate of the senior Senator from Nebraska [Mr. BUTLER], I wish to read a short statement which he is most desirous to have appear in today's CONGRESSIONAL RECORD. The statement prepared by the senior Senator from Nebraska is as follows:

STATEMENT BY SENATOR HUGH BUTLER

For some time we have been hearing from the present administration of the extreme difficulty in securing good men to fill important positions in the Government. Usually we are told that highly qualified men cannot be secured at present Government salary rates. Sometimes we are told that such men will not submit to the gauntlet of hearings by congressional committees which it is said they are forced to undergo before our congressional committees. In either case, the implication is that Congress is to blame.

In my opinion, these statements are untrue and unjust. If the present administration has had difficulty in securing men with superior business backgrounds as administrators, it is largely because such men are not wanted by the administration. They are not sought out. If, by accident, such men are secured in the Government service, they are frequently treated discourteously; their views are ignored; and at times, they may be dismissed with hardly a civil word of thanks. At least that has happened in some cases.

In the hullabaloo about the cases of Mr. Eccles and Mr. Landis, the case of Nathaniel Dyke, Jr., has not attracted the attention it should have. Let me say right here that I don't know Mr. Dyke. I understand he is a devout Democrat, which is beside the point. The point is that he is a responsible and highly competent American businessman, who for a number of years gave of his abilities freely to his Government in a spirit of public service. His reward for that service was an abrupt dismissal.

Mr. Dyke is an Arkansas businessman, who started in the lumber business and later branched out into other activities connected with construction. He is a director of several banks dealing in home financing. He

knows the housing field from beginning to end. During the war, he did a magnificient job in unravelling their many lumber problems for the War Production Board. Later, he was an adviser to the War Mobilization Board; a consultant to the Small War Plants Corporation; and a consultant to the Federal Deposit Insurance Corporation. During all this period from 1942 to 1947, Mr. Dyke received no compensation from the Government.

Last August, Mr. Dyke was appointed a member of the Federal Home Loan Bank Board, which was sorely in need of a practical businessman who knew home financing. As a member of that Board, he had the courage to speak out bluntly on every issue that came before him. He called the shots as he saw them. When problems came before the Board requiring his knowledge and experience of home financing, he was not afraid to use that knowledge and experience. He thought that was what he was there for.

As a member of the Federal Home Loan Bank Board, he lasted less than 6 months. I believe the charge was that Mr. Dyke did not cooperate with other members of the Board. I suppose that is another way of saying that he did not agree with many policies of the Board and that he was not afraid to say so. As a matter of fact, the very policies that Mr. Dyke has advocated have since been put into effect, for the most part.

An attempt has been made to leave with the public the impression that there must be something wrong with Mr. Dyke in view of the fact that he was dismissed. I suggest that there is something wrong with an administration that does not want good men and cannot stand honest criticism. If this administration is puzzled because it cannot secure the services of good men, it does not have to come all the way to Capitol Hill to find the reason. It can look within its own policies for the cause of its troubles.

I wish to say to the junior Senator from Oregon that I appreciate very much his courtesy, and I may safely say that the Senator from Nebraska will likewise appreciate the fact that the Senator from Oregon has yielded to me so I could read the statement into the RECORD.

Mr. MORSE. I am very happy to have been able to accommodate the Senator from Washington.

Mr. CAIN. The Senator is always accommodating.

THE TAFT-HARTLEY LAW—CIVIL RIGHTS

Mr. MORSE. Mr. President, I do not intend to detain the Senate at very great length at this late hour. However, I should like to make a few brief remarks before we recess.

These remarks grow out of a paper which I read last Thursday night at Cornell University. The paper was read at the invitation of that institution, as the Frank Irwin lecture of the Cornell University Law School for this year. The subject of the paper was, "Will We Have Industrial War or Peace With the Taft-Hartley Law?" I ask unanimous consent to have my Cornell paper printed in the body of the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, the paper may be printed in the RECORD, as requested.

(See exhibit A.)

Mr. MORSE. Mr. President, in the course of this paper I discuss the position which is being taken by certain aspirants for the Republican nomination for the Presidency in regard to the Taft-Hartley law. During the past few days my very good friend, Harold Stassen, has been campaigning in the State of Oregon in behalf of his candidacy for the Republican nomination for the Presidency.

I wish to make very clear that I am exceedingly fond of Harold Stassen. I wish to say that, so far as I am concerned, that friendship goes much deeper than any difference of opinion I may have with him on any political issue could possibly go. In fact, I would not find it a bit unwelcome if, in due course of time, Mr. Stassen might find it possible to take positions on certain vital public issues that were so close to mine that I could in all honesty say that I think he should be the one to receive the nod for the Republican nomination. Such is not true as of this hour, because of certain differences of opinion which I have with him on issues which I think are of vital concern to the welfare both of my party and of my country.

I know Harold Stassen, as a former student, to be one who always seeks to be guided by the facts and the merits of issues as he comes to study and find them. He has a brilliant mind and a sense of justice and social values which make him one of the outstanding leaders of the Nation. I am satisfied that there is ground for great hope on my part that in respect to the Taft-Hartley law he will reach some conclusions contrary to the conclusions which he has been expressing in the State of Oregon in recent days with regard to that law, once he gives it the more careful analysis of which his good mind is capable.

The people of the State of Oregon are well aware of the views of the junior Senator from Oregon on the Taft-Hartley law. The junior Senator from Oregon certainly has no objection to the distinguished former Governor of Minnesota expressing his views in the State of Oregon on the Taft-Hartley law. In fact, I welcome the expression of Governer Stassen's views on the Taft-Hartley law in my State, because I think Mr. Stassen's views have been so expressed that I will find it much easier to join issue in the State of Oregon with others who share Mr. Stassen's views on the Taft-Hartley law.

The junior Senator from Oregon has set out his views on the history and the operation of the Taft-Hartley law as well as certain weaknesses in that law as he sees them, in the paper which he read at Cornell University. As a former teacher of the former Governor of Minnesota, Mr. Stassen, in a class in argumentation, I take the liberty of recommending this paper to the distinguished Minnesotan, because I know that he will at least seek to find the answers to some of the premises which I lay down in this paper, if he thinks that evidence in rebuttal of them can be obtained. But I wish to say most respectfully that I think the distinguished former Governor of Minnesota is attempting to sell a non sequitur to the American people with regard to the Taft-Hartley law, because I am informed over the long-distance telephone today that he has been contending that the Taft-Hartley law is a great success because there are fewer strikes today than there were in a corresponding period of time before the passage of the law.

If Harold were in my old argumentation class and made that argument, I am sure I would say, as I say in this paper, "Oh, Aristotle, what fallacies are spoken in thy memory." I am sure that this distinguished Republican knows that just because two phenomena occur in the same time period, it does not necessarily follow that there is any cause-and-effect relationship between the two phenomena.

I wish to suggest here this afternoon, in answer to the distinguished former Governor of Minnesota, who has been making that argument in my State in recent days—and Harold Stassen is not the only one who has been trying to sell this non sequitur—that he and the others ought to check the argument against the facts in connection with what has been happening under the Taft-Hartley law, in respect to three groups of employers.

First there is a group of many hundreds of employers—so many hundreds that it can be accurately said that they run into the thousands—who have entered into contracts with unions since the passage of the Taft-Hartley law whereby they have attempted to contract themselves out from under the terms and the provisions of the law.

In other words, a great number of employers have avoided drawing a contest with labor under the Taft-Hartley law since its passage. They have granted, for the most part, the major economic demands of unions. They have entered into what the junior Senator from Oregon in the past has referred to as "bootleg" contracts with labor unions—subterfuges, evasions, subrosa agreements in which they have attempted to get around the Taft-Hartley law so that no economic test would be drawn. Of course, there have been no strikes in those instances.

It is interesting to note that some such contracts have been drawn in the great publishing industry of America by publishers who during the historic debate on the Taft-Hartley bill wrote editorial after editorial in support of the bill. I say that for the most part they stand convicted today before the American people as employers who have entered into agreements in violation of the spirit and intent of the Taft-Hartley law. Nice business, Mr. President, if they can get by with it. However, time is going to show very clearly that these employers seek only to postpone the contest with labor, hoping for a more favorable time or hoping that the Congress will amend the law.

Not long ago I was called on a multiparty telephone conversation with a publisher and a labor-union president and a municipal official who were trying to work out an arrangement between the publisher and the union. They read to me a very interesting subterfuge clause which they proposed to put into the contract, a clause by way of a continuing negotiation provision. They asked me what I thought of it. I told them I did not think very much of it. They did not agree with what I told them, Mr. Presi-

dent, because I told them there was no question that the provision they were suggesting was contrary to the spirit and intent of the Congress when it passed the Taft-Hartley law. The history of that law shows that it is not a private law, Mr. President. It is a public act which sought as a matter of public policy to prevent certain types of union conduct. If it was sound public policy—and I hasten to add that in my opinion it was not such when it was passed by the Congress—but if it was sound public policy when the Congress passed it, then it is sound public policy today. Certainly I am not going to encourage anyone to enter into an evasive contract in an attempt to get around the law. I meant it when I said on the floor of the Senate, during the debate on the Taft-Hartley law, that if we put that type of legislation on the statute books I will stand for its complete enforcement as long as it is on the statute books, because we cannot have government by law in this country on any other basis.

So we have thousands of employers, Mr. President, who since the enactment of the Taft-Hartley law have entered into the type of contract to which I have referred. They have not drawn any economic issue with the unions. They have not wanted to make the test.

So when Mr. Stassen argues that today there are fewer strikes in this country than there were before the enactment of the Taft-Hartley law, let him weigh in connection with those statistics, as he knows good statistical practice calls for such weighing—the fact that there are a great many employers who have attempted to contract out from under the terms of the law. If he wins the confidence of these employers they will tell him, as they have told me in large numbers in recent months, that since the passage of the Taft-Hartley law, they have made concession after concession, which they would not have had to make had it not been for the law. They will tell him that they have done so because they did not want to draw a test with the unions.

There has been another group of employers that I suggest Mr. Stassen take into account in connection with his statistics. However, before I discuss that point let me digress for a moment in order to discuss some other time related statistics. I suggest to him, that he also take into account some other interesting statistics since the passage of the Taft-Hartley law, namely, statistics based on the fact that the cost of living has kept rising ever since the passage of that law. The same source from which apparently he gets his statistics in regard to the Taft-Hartley law and strikes will give him these statistics showing that the cost of living has continued to go up ever since the Taft-Hartley law was passed. I am not arguing, Mr. President, that the Taft-Hartley law is responsible for that; but I am simply pointing out that the increase in cost of living is another phenomenon which has occurred during the same period of time covered by Mr. Stassen's statistics on strikes. He also can find out that employment has increased since the passage of the Taft-Hartley law because the Bureau of Labor Statistics shows that to be a fact. Would he argue that the Taft-Hartley law is responsible for the increase in employment? That would be an interesting argument, but I should like to see his proof in support of it.

So I say that when Mr. Stassen seeks to support his claim that the Taft-Hartley law is a great success, let him explain to the American people the conduct of another group of employers, a group of employers who are making high profits, and who know that they can pass on to a long-suffering public any cost increases that may come from wage increases. When he looks into those arrangements, he will find that there is a very large group of employers who have met the economic demands of the unions, because they know we still have an inflated price structure. They know they can pass on any wage increases to an already overburdened public. Not only that, Mr. President, but I say without fear of successful contradiction here this afternoon that in the basic industries in the United States in which there have been wage increases since the passage of the Taft-Hartley law, in a majority of those instances the price increases have been at least twice as much as necessary to take care of the increase in wages. That is nice business, too, if you can get away with it; but there is going to be a day of reckoning.

I wish to say that I think it is regrettable that we have had so many employers who have been so interested in making excessive profits by means of inflated prices that they have failed to see the importance of reducing prices. A reduction in prices would have given their workers a type of wage increase that would have amounted to an increase in real wages.

Then there is a third group of employers, a group which I am sure is in the minority. I do not know how many of them there are, but there are too many. They comprise the group that we classify as the union-busting employers, the group that has never reconciled itself to the fact that freemen always from now on are going to organize themselves in an attempt to better their economic status. There are still employers found within this third group who feel that through the Taft-Hartley law they can weaken unionism. They are following the advice of some great employer associations and manufacturers' associations and chambers of commerce and other employer groups who spent so much money to propagandize the people of this country in support of the Taft-Hartley bill during the weeks of the debate on that bill. What are the instructions which are going down the line at this time, Mr. President? They are these: "Now is not the time, boys, to make the fight. Now is not the time. Just let things sleep for awhile. Don't stir unions up. Take it easy. Oh, have a test here or there, but don't rock the boat right now. Give us a chance to spend a few more millions of dollars by way of propaganda opiates with which we hope to becloud public opinion into thinking that maybe, after all, the Taft-Hartley law is not as bad as it really is."

Mr. President, those antilabor forces know that the timing of a battle usually makes the difference between victory and defeat; and they know that the battle against labor, which they hope to win, offers better chances of success if they carry it on when rescession begins, when we are on the way to depression, when this old inflationary cycle of boom and bust gets into the bust period and men unemployed start walking the streets. Then the legal weapons made available to them in the Taft-Hartley law will be used by that group of employers to weaken unions. So the employers in this third group too, are signing contracts these days.

Mr. President, I say it is easy for the politicians to tell the American people that the Taft-Hartley law is working because there have been fewer strikes since its passage than during the corresponding period immediately preceding its passage. But those politicians cannot support their case when they start to evaluate and analyze the statistics with which they seek to sell their non sequitur to the American people, be it Harold Stassen or anyone else.

That leads me to say, Mr. President, as one who is just as devoted to the future of the Republican Party as is Harold Stassen, that I think the 1948 election is over. All that remains now is the counting of the votes, which, in my opinion, will result in an overwhelming majority for the Republican Party, irrespective of who the Republican nominee may be. I think the party of the opposition is in complete collapse and rout. I should be perfectly willing to make the 1948 fight with that party, with an even start at the starting tape. We do not need the head start which the Democrats have given us.

One reason why the Democratic Party is in complete rout apparently is because a great revolt has developed within the party over putting into practice the civil-rights guaranties of the Constitution of the United States. My party does not need the advantage of that favorable handicap. We can beat the Democrats in the 1948 campaign without a handicap in our favor in the form of a democratic revolt over civil rights. I hope I shall always be nonpartisan enough to want to win my political fights without an advantage of that kind, but we cannot escape the political realities of the present situation.

As a Republican Party, we stand tonight in a great position of advantage, so far as the coming campaign is concerned. But the fact that the party of the opposition has collapsed, so that all the king's horses and all the king's men can never put the pieces together again, does not in my opinion justify a failure on the part of my party to proceed now to build a constructive platform and program for 1948, 1952, 1956, and 1960, because I think it is going to require of us that period of time, by way of a Republican administration, to correct the terrible mess into which the Democratic Party has plunged the country.

Although I think we shall win in 1948, no matter whom we nominate for President, because I think the American people are going to vote the Democrats out

more than they are going to vote the Republicans in, nevertheless I think the question we ought to determine now is whether or not we can build a progressive, constructive Republican program that will make it possible for us to put into effect a sound program in the interest of the general welfare of our country, that will assure our victory in 1952, 1956, and 1960. That is the challenge that faces the Republican Party tonight.

There is no contest over the campaign of 1948. I repeat, that is all over. The real test is whether or not we shall go into the White House in November with a Republican platform and record so progressive and so constructive in nature that, putting it into effect, we shall be assured of the confidence and the support of the American people in the years to come. All the weeks between now and June are precious weeks, Mr. President. I think the leadership of my party on the floor of the Senate has the greatest opportunity of statesmanship that has been presented to my party in many a year.

Oh, good politics might suggest avoiding the civil-rights issue. Why fight about it? The party of the opposition is going to do plenty of the fighting about it. We do not have to make an issue of it.

Some might argue that way, Mr. President, and some Republican strategists undoubtedly will argue that way. However, as one who believes that democracy is only as strong as we put into practice the guaranties of the Constitution and its Bill of Rights, and as one who believes that whenever those principles are not put to practice then to the degree to which they are not put to practice, democracy dies a little, withers a little on the vine of state, I want to suggest to the leadership of my party here tonight that it proceed without delay to make perfectly clear to the American people that when they elect us in November 1948 they are electing a party which is not making promises about civil rights, but they are electing a party which, between the months of February and June 1948, passed some legislation in connection with civil rights. That is the great challenge of statesmanship in the field of civil rights which faces my party today.

Hence, as either author or as cosponsor of the set of bills pending before the Congress on antipoll tax, antidiscrimination in the field of economic opportunity, and antilynching, I say to the leadership of my party in the Senate of the United States that I think the eyes of millions of American people are upon our party; millions who believe that we must protect the rights of individuals by putting into practice the civil-rights sections of the Constitution. They have a right to ask for the passage of some civil-rights legislation as a sort of advance assurance that the sections of our Philadelphia platform, which will certainly be written into the platform on the subjects I am discussing, are no longer promises, but represent legislation already passed by the Republican Party in support of the civil rights of the individual citizens of this country.

Mr. President, that is the challenge which faces the Republican leadership. I am ready to participate in the fight to fulfill it. I serve notice now, I am ready to sign a cloture petition when the right time comes. I serve notice now that I am ready to meet a filibuster. I think I have demonstrated in the past that I know how to meet a filibuster on either side. However, Mr. President, let it not be forgotten that I shall do everything I can to guarantee to Senators from the South, on the other side of the aisle, adequate time to present their case on the merits on any of the proposals which may be made, because it was in support of that principle that I carried on my fight in support of the filibuster against the Taft-Hartley bill. At no time did I say in that fight that I sought to prevent a vote on the bill. Rather, as I testified before the Rules Committee of the Senate in February 1947—and it is a matter of printed record—my position on antifilibuster legislation was then and is now that there are two guaranties that are necessary to protect when an attempt is made to limit debate. First, the guaranty that adequate time will be allowed so that the minority on any bill shall have adequate time to present its case on the merits of the bill, and, in the second place, so that adequate time will be provided for the country to be heard from regarding such major legislation, as is always the subject of a filibuster, when a filibuster occurs. The protecting of those guaranties is vital to minority rights in the Senate.

Incidentally, Mr. President, in my opinion it is vital to the preservation of the political rights of the majority in the country, because, after all, unless we keep untrammeled the right of full and fair debate in the Senate, without danger of being trampled over by a dominant majority of the moment, then the rights of every American citizen to enjoy the benefits of a government by checks and balances will also suffer.

So, Mr. President, I shall join in protecting the rights of the members of the opposite party in the case of any of the civil-rights legislation which may be pending, insofar as assuring them adequate and full time to debate the merits of the issue. But I announce now, Mr. President, that the leadership of my party on the floor of the Senate can count on my shoulder-to-shoulder support of any program which they may outline to break a filibuster on any of the civil-rights legislation, if my party leadership will make that legislation the business of the Senate.

Why not fight the issue out now? Why soft-pedal the issue, Mr. President? Why take the attitude that we must not do anything until after the convention? Do not the American people see through that? Perhaps some people meet American citizens of a different brand from those whom I meet. In my travels around the country—and they are lengthy—I think I learn the point of view of a very good cross section of the American people.

I want to say to the Republican Party that the American people who will support us in November by such an overwhelming vote as to assure our election, so clearly that, as we sometimes say, we can almost go fishing and still win the election, want us to make a record between now and next June on social legislation, demonstrating that we are entitled to their confidence. They want to do more than just vote the Democrats out. They want to vote the Republican Party in on the basis of deserved confidence in its program. I want to give them a Republican program which justifies their voting us into power next November. My party should pass between now and the time we adjourn in June several great pieces of social legislation.

I have one other suggestion to make, and I recommend it particularly to my good friend Harold Stassen. We also should recognize that the Taft-Hartley law needs many amendments over and above those which he has suggested in the State of Oregon in the past few days. If he will read and analyze the law more carefully, if he will look at the operation of it as it has functioned since its passage, in the matter of the undesirable procedural effects of it, I think he will join with the junior Senator from Oregon in the view that it needs many amendments over and above the amendments which he has suggested to date.

I close, Mr. President, by saying that I know—no one has to tell me—that there are many Republicans who do not particularly share my views or approve of such views as I have expressed this afternoon, but my party has always been big enough to recognize that its progress, after all, has rested upon honest differences of opinion among its leaders. I also know that we shall not make progress either within the Republican Party or within the country if we simply become advocates of the status quo, because time truly moves on, and Republicans must never let time pass them by.

So I recommend to my party now that its leadership in the Congress of the United States give the closest consideration and the most careful study to the legislative needs of the country in the field of social legislation, such as sorely needed amendments to the Taft-Hartley law and such as the passage of civil-rights legislation which will protect the dignity of the individual citizens of this country. I call attention to the pending legislation for which I have been fighting since I have been in the Senate. I think that at least a start should be made in passing legislation on civil rights and on amending the Taft-Hartley law which will give the American people some hope in the progressivism of the Republican Party. Even though we are now certain of victory in November let us not overlook our opportunity to become the party of all of the people.

EXHIBIT A

THE FRANK IRVINE LECTURE OF CORNELL UNIVERSITY LAW SCHOOL, 1948

WILL WE HAVE INDUSTRIAL WAR OR PEACE WITH THE TAFT-HARTLEY LAW?

(By WAYNE MORSE, United States Senator from Oregon, Cornell University, Ithaca, N. Y., February 19, 1948)

The question raised by the title of this paper—Will We Have Industrial War or Peace With the Taft-Hartley Law?—cannot be answered categorically.

Great sums of money are being spent by powerful economic forces in America in spreading propaganda seeking to convince the many millions of American people who have never read the Taft-Hartley law and who cannot be expected to understand in lawyer terms the implications of its multitudinous legal technicalities that the law has already reduced industrial strife. Much of this propaganda comes from the same anti-union sources that had so much to do with whipping up public opinion to such a state of hysteria as came to characterize the view of so many Americans before the Taft-Hartley law was passed.

Fortunately, a law of diminishing returns applies not only to the field of economics but to the field of human and mass psychology. It is becoming more and more difficult for the antilabor forces of the country to hold their Taft-Hartley law converts. American public opinion is steadily shifting to one of grave doubt as to the workability, feasibility, fairness, and, in some respects, constitutionality of the Taft-Hartley law.

Reflection upon the rights of labor is taking the place of resentment over the abuses of labor which came to dominate public opinion prior to the passage of the Taft-Hartley law. The political pressures which were brought to bear upon the Congress during the weeks of the historic debate over the Taft-Hartley bill in the first session of the Eightieth Congress made it very difficult to direct the attention of many Members of Congress to an analytical consideration of the merits and demerits of various sections and provisions of the proposed labor legislation. There was a great tendency for many Members of Congress, responding to what they thought was a public demand to discipline labor, to aline themselves behind certain leaders of Congress who had become the spokesmen for those few groups within American industry who saw an opportunity to pass very drastic labor legislation. Proponents of the legitimate rights of labor during that debate were somewhat on the defensive because intellectual honesty compelled us to admit that labor had, in some particulars, abused its privileges and exceeded its rights by infringing upon the liberties of others.

When the Eightieth Congress convened in January 1947 organized labor in America was operating outside of the framework of a friendly public opinion. Those who were willing to read the handwriting on the wall could not fail to see that some restrictive labor legislation was needed and that some would be passed by the Eightieth Congress. Some of us in Congress warned labor in January 1947 and repeated our warnings in the weeks following, that there was a great danger that some of the legitimate rights of labor would be jeopardized by congressional action unless the labor leaders of the country came forward and cooperated with the Congress in preparing legislation which would satisfy the public demand for an end to the unfair labor practices of the unions but which legislation, at the same time, would not injure or destroy any of the legitimate rights of labor. Unfortunately, labor leaders, as a group, said "no" to any suggestion that they help prepare fair-labor legislation. They apparently, but mistakenly, thought that the legislative processes of our democracy could not and would not be applied to labor. Subsequent events proved how mistaken they were.

Although public opinion is rapidly shifting to a recognition that the Taft-Hartley law is too extreme in many of its provisions, labor needs to heed the caution that many people who were supporters of what they thought were good objectives of the Taft-Hartley bill, and which they now realize cannot be accomplished in many respects through the Taft-Hartley law are nevertheless hopeful that the passage of the law will at least demonstrate to American labor that it must work within the framework of public opinion. It is public opinion which is the basic check upon the activities of all groups within our system of self-government. Labor must never forget that fact.

American workers also need to reflect as they never have before on the basic meanings of our system of political and economic democracy. They, as well as Americans in all walks of life, need to rededicate themselves in these trying days to the principles of our private-property economy. Labor needs to recognize that in spite of the provocations and propaganda of antilabor forces in this country which succeeded in whipping up public opinion, including that of the majority opinion of the Congress of the United States, to such an emotional state that the Taft-Hartley law was passed, we still have available to us the democratic procedures of self-government which can and must be used to correct such wrongs. There are not very many places in the world where labor is still free to participate in the rights of democratic self-government, including the freedom of the ballot box. Hence, American labor should remember that it can best strengthen its position with American public opinion if it will confine its program for a thorough overhauling of the Taft-Hartley law to the democratic procedures available to it through legal tests in the courtrooms of America and political tests at the voting booths of America.

We cannot condone a defiance or evasion of the law even though it may be an unpopular law. Once laws are put on the statute books, be they the Taft-Hartley law or any other, we cannot condone discriminatory practices in the enforcement of the law and still keep faith with government by law.

On the other hand it is proper and right for labor to select certain fact situations in the form of specific labor disputes in order to challenge and test the legality of some of the major sections of the Taft-Hartley law. Some sections of the law, in all probability, will be declared invalid by the courts but most lawyers agree that labor, as well as the public, soon will come to recognize that the injustices and unfair provisions of the Taft-Hartley law cannot be corrected by court decisions. Only those parts of the law which violate the Constitution, or which might be found to be so involved in a maze of ambiguities and inconsistencies as to be void, can be eliminated by court action.

One of the worst evils of the Taft-Hartley law is that most of its unjust provisions are so cleverly devised from a legalistic standpoint that no relief will be provided labor from most court tests of the law. The lawyers for antilabor employers will be able to delay and delay the consideration of labor's demands under this law for so long that they will accomplish their real intent which is to use costly court actions to harass and defeat unionism. The best way to protect the legitimate interest of labor under this bad law is not in the courts but at the ballot boxes, by electing men who will repeal it or rewrite it.

The American people fully understand that this law must and will be tested in the courts and they understand that to make these tests there will be instances in which a union will decide to violate some section of the law in order to test it. But that is quite a different thing from any concerted program on the part of labor generally to refuse to abide by the law.

The litigation and court tests which will flow from this law should remove any fear of economic insecurity from law-school students who plan to specialize in labor law as long as this full-employment bill for lawyers remains on the statute books. In a facetious vein it might be said that the legal profession operating as the tightest closed-shop union in America produced the Taft-Hartley law as part of its make-work program.

The Taft-Hartley law is subject to the criticism that it is a hodgepodge of legal technicalities so cleverly devised as to weaken the bargaining strength of unions. Throughout the debate on the Taft-Hartley law politician after politician in the Congress sought to make clear for the record that he was not opposed to unions. However, as one listened to the arguments of many of the self-confessed friends of unions who announced that they were voting for the Taft-Hartley bill the impression grew that these professed friends of unions were in many cases strong for weak unions.

Many, many people seem to forget this curious fact: Throughout the long history of the labor movement in this country every demand made by the Nation's workers has met with consistent and often violent opposition. Then, after each gain had been won, historians and people generally looked back and agreed that labor's so-called demands were just and necessary.

Go back as far as you like, the story is always the same. Even labor's long fight for free education was bitterly denounced. As for the right to organize and bargain collectively, there is still a powerful minority of union-hating employers who want no part of it. Unfortunately their attitude is reflected in some sections of the Taft-Hartley law.

It should be noted and not forgotten that collective bargaining now plays a vital part in our economy. Today some 50,000 union contracts protect the wages and living standards of 15,000,000 workers and their families. The arithmetic of these contracts is part of the arithmetic of democracy.

To understand the great differences that developed in the Congress of the United States over the many issues that are involved in the Taft-Hartley law would require a painstaking analysis of the voluminous record which was made during the weeks of committee hearings and the many days of carefully prepared debate on the bill. The debate was a historic one, particularly in the Senate where the privilege of full debate still prevails.

It should be mentioned that during the debate on the President's veto message handed down on the Taft-Hartley bill an attempt was made to stifle full debate on that veto message by the leaders of the majority who seemed to fear that there was a danger that they might lose their majority following, if the Members of the Senate and if the people of the country were given sufficient time to reflect upon the soundness of the President's veto message. Fortunately, there were enough Members of the Senate who dared to challenge the steam-roller tactics of the majority by exercising their right to hold the floor until ample time could be guaranteed to the minority to make its case in support of the veto. As the writer of this paper pointed out in that debate the Senate of the United States is the last great citadel of untrammeled free speech among the parliamentary bodies of the world and the interests of democratic government make it imperative that it remain such.

The congressional debates on the Taft-Hartley bill provide source material for several good doctorate theses in both law and political science including one on the subject Parliamentary Strategy—Its Use and Abuse in the Senate of the United States.

Time and space, as well as the endurance of the reader, do not permit this paper to cover within its subject matter even a broad outline of the many issues and points of view that were developed and expounded throughout the congressional history of the Taft-Hartley bill. However, a few of the high lights will be discussed briefly in presenting the writer's view that the Taft-Hartley law unless drastically revised will mean industrial war rather than industrial peace in the years to come.

It is true that some aspirants for the Presidency of the United States, who find themselves committed to the Taft-Hartley law, are attempting to save political face by selling a non sequitur to the American people. Such demagoguery is not new in American politics but follows the old tested formula that "partisanship often blinds the partisan to the truth."

Thus, the politicians who voted for the Taft-Hartley bill and who are now confronted with the task of proving to labor that they knew what was best for labor, a la the Taft-Hartley bill, are defending their vote by pointing out that there have been fewer strikes since the Taft-Hartley bill was passed than there were during a similar period before it was passed. Oh, Aristotle, what fallacies are committed in thy memory.

Official Government labor statistics show also that during the period following the passage of the Taft-Hartley law national employment has increased. Surely the proponents of the Taft-Hartley law must be able to find some cause to effect relationship between the law and increased employment. It is no less a non sequitur to argue that because there have been fewer strikes since the passage of the Taft-Hartley law than there were for a similar period before its passage the Taft-Hartley law is the cause of the decrease in strikes.

It also is to be noted that the level of the cost of living has risen considerably since the passage of the law in spite of the flurry of recession in recent days. Surely the fact that the two phenomena have occurred in a close time relationship to each other must establish and bear out a casual relationship if we are to follow the logic, or lack of it, of the proponents of the Taft-Hartley law in respect to strike statistics.

Of course, when it is pointed out to the proponents of the Taft-Hartley law, who now are attempting to rationalize their votes on the basis of the decline in strikes since the passage of the law, that thousands upon thousands of American employers entered into evasive and subterfuge agreements with labor in order to get around the provisions of the law and avoid conflict with the workers over the act, their response is chiefly characterized by extra vocalization that doesn't even formulate itself into words.

When it is pointed out to these defenders of the Taft-Hartley law that there would have been strikes in major industries of this country, whose labor contracts terminated after the passage of the Taft-Hartley law, if management in those industries had not yielded to the major economic demands of the unions in order to avoid a test under the Taft-Hartley law, these defenders of the Taft-Hartley law have a common reply; namely, "We just don't believe it." However, all they need to do is to talk to a cross section of employers who have signed labor agreements since the passage of the Taft-Hartley law. They will find that employer after employer will tell them, if they win his confidence, that he made many concessions which he is sure he would not have needed to make if he had not considered it so very desirable that he avoid a test with his union over the Taft-Hartley law.

Until courts pass upon various provisions of the act it cannot be said within a certainty just how far the parties to a labor agreement can go in contracting out from under the provisions of the act. However, there is no doubt about the fact that thousands of labor contracts have been entered into since the passage of the act which cannot be reconciled with the spirit and intent of Congress in passing the act. It certainly is clear that in passing the act Congress had no intention of passing a so-called private act but rather the putting upon the statute books a public-policy act frequently referred to throughout the debate as a union-control law.

Prof. Edwin E. Witte, of the University of Wisconsin, and one of the top labor economists of the country, comments upon the doubtful legal status of the many labor agreements which seek to exclude by agreement of the parties the application of the Taft-Hartley law to the terms of the agreement as follows:

"An illustration of the present uncertainty surrounding the new law is afforded by the public statements which the two Members of Congress whose names this measure bears made concerning the agreement concluded recently between John L. Lewis' United Mine Workers and the bituminous coal operators of the country. Congressman HARTLEY denounced this agreement as 'a clear violation of the labor law' and warned the operators that they faced criminal prosecution and heavy penalties if they observed the provisions of the agreement. Senator TAFT thereafter gave it as his view that the coal agreement was not 'in any way a violation of the law,' and going beyond this, he cited the agreement as illustrating that under the new law 'employers and employees should be able to make any contract they want to.' "[1]

In the same article Professor Witte writes:

"What has been most disturbing to managements sincerely desirous of maintaining or developing better relations with their unions has been the bittnerness the new law has aroused among the leaders of union labor and the staunch union members. It has opened old sores of extreme distrust of business, which had been pretty well healed. It also has confronted managements with the prospect of having to find a solution before long for difficult problems of labor-management relations arising out of the new law. Looming large among these are the union insistence upon eliminating 'no-strike' clauses in contracts and the problem of what to do when union-security provisions expire. In this connection it is worthy of note that most of those management witnesses who in their testimony in the congressional hearings strongly condemned the closed shop, never had such a provision in their contracts."[2]

Then, too, there have been those employers who since the passage of the law have signed agreements without such collective bargaining controversy because they have been very anxious to grant substantial increases in wages for a variety of reasons such as their desire to maintain an inflated price structure out of which they are reaping, at the expense of a long-suffering public, excessive profits. Such employers have followed the course of avoiding any stoppage of work by going along with labor for the most part, even though it has meant substantial increases in wages because they know the pattern of American industry since the end of the war has been to increase prices, at least twice the amount necessary, to take care of any increase in wages.

In many instances the increase in prices has been several times the amount necessary to pay for increased cost of labor. However, by granting a wage increase they have been able to pass along to the consumer greater than necessary price increases under the half truth that increased labor costs require it.

Then there have been other employers who have followed the advice of certain employer and trade associations that now is not the time to challenge labor under the Taft-Hartley law. This antilabor group of employers, who fortunately, at least at present, represent a minority of American industry are adopting the strategy of acceding to the major demands of labor for the time being until they can feed public opinion with another prescription of propaganda opiates which will becloud the public into thinking that maybe after all the Taft-Hartley law is good for labor.

This group of employers is well trained in industrial warfare and appreciates the fact that the timing of a battle often means the difference between victory and defeat. They know that their battle against strong unionism by use of the legal weapons provided in the Taft-Hartley law can more easily be won in time of declining employment rather than in a period of expanding employment such as still characterizes the American postwar economy. The truth is that it is going to take 2 or 3 years for the Taft-Hartley law to show its legal effects and it is to be expected as long as full employment exists and labor's economic demands are generally complied with there will be few strikes resulting from the provisions of the Taft-Hartley law.

However, when recession starts in with its inevitable resulting unemployment the labor-relations picture will change and then the opportunity will present itself under the provisions of the Taft-Hartley law for those employers who wish to take advantage of organized labor to do so. Then industrial conflicts will move from the arena of a few court-test cases which are presently being carried on to the arena of economic industrial warfare. Labor will be at a disadvantage at first in that struggle, but as always it will learn the hard way and in due course of time another legislative record in defense of the legitimate rights of free workers will be written into the statute books of America as was the case when the battles of the Norris-LaGuardia Act and of the Wagner Act were won. Be that as it may, the fact remains that statesmanship has a great opportunity to help avoid that potential industrial war by proceeding now to revise in many major respects the Taft-Hartley law.

Perhaps as clear a bird's-eye view as can be obtained of the great difference between the proponents and the opponents of the Taft-Hartley bill, both as to legal substance and parliamentary strategy, can be presented in this paper by calling attention to the differences which were brought out in some of the speeches in the closing hour of the historic debate in the Senate.

During that hour the junior Senator from New York [Mr. IVES] summarized his position in support of the bill and in part he said:

"Mr. President, when the conference bill was before this body on the day on which it was finally passed by the Senate, I expressed myself rather thoroughly concerning it. It is not my purpose at this time to repeat to any great extent what I said then.

"However, the veto message accompanying the President's disapproval, as I see it, was utterly extreme, extreme in an uncalled-for manner, extreme in a sense which leaves no room by which there is a possibility to get together. Therefore, in the face of that veto message, I should like to make further comment.

"As I said at that time, and I repeat now, this is not a perfect bill. No one knows that better than I do. However, I want to point out one very important thing, and that is that in all probability this is as near perfection, insofar as legislation of this nature is concerned, as we can hope to reach at this particular time in the Congress of the United States. It probably reflects more completely the composite thinking of the Congress of the United States at this time than would any other piece of legislation dealing with this subject. * * *

"So when the President comes forth and, as was pointed out by the Senator from Minnesota [Mr. BALL], has nothing favorable to say about any part of the legislation, it causes one to pause, because I happen to know very definitely that most parts of this measure are very good indeed. It is not as bad as it has been pictured to be in the veto message. The message contains exaggera-

[1] Edwin E. Witte, Labor Management Relations Under the Taft-Hartley Act, Harvard business Review, autumn, 1947, p. 554.

[2] Witte, op. cit., p. 573.

tion after exaggeration. The worst possible interpretation again and again is placed upon the bill's provisions. Then it is inferred it is to be subjected, finally, to the worst possible type of administration that any act of this nature could possibly have. Of course, if that were the case, we would have chaos; but that is not the case. The bill, with sympathetic sincere administration, can be made to work, and it can be made to work without any injury whatever to the legitimate objectives of organized labor. In fact, administered properly, the bill can strengthen organized labor, and I want to see organized labor strengthened.

"The attitude of the President, the attitude of the critics of the legislation causes me to wonder: Is there going to be a definite attempt to sabotage this legislation if it is enacted? I come to the point which I think is one of the three most important in connection with the bill, namely, Will the National Labor Relations Board, and the administration under that Board, seek to sabotage the legislation? I do not believe so. I have faith in the Chairman of that Board. He may not agree with the bill, he may not like it, but he is the type of man who will do his utmost to see that its provisions are carried out faithfully. * * *

"Finally, and most important of all, is the question of the joint congressional committee which has been referred to in the discussion today. Too little attention has been paid to the importance of that joint committee. However, I think its significance is now beginning to be realized. The joint committee itself, through its own operations and activities, can pave the way for the removal of any undesirable situation which may develop as a result of this legislation. * * *

"As I stated in my remarks 2 weeks ago, this bill is not an end product. This is not final legislation on this subject. That was the mistake which has been made in connection with the National Labor Relations Act, when it was first passed, and ever since. This type of legislation is subject to constant change and correction. If it were perfect today, 5 years from today many imperfections would very likely have shown up, in view of intervening circumstances. There can be no end product, no final legislation, in this field.

"With that understanding, the joint congressional committee can go forward, looking for corrections which must be made, and helping management and labor to get together and to work together. These things they can do, and I know it. The joint committee should act in part to help formulate administrative policy and procedure as well as to perform its functions as a strictly legislative agency at the inception of the new law. These things the committee can do, and I know it.

"If the committee will go forward with the idea of helping to get labor and management together, the idea of correcting the defects in the legislation, and, finally, the idea of having a law which is absolutely fair and as nearly perfect as possible, then I predict that the bill passed today—as I believe it will be—will prove to be of great benefit to the country."[3]

The junior Senator from New York summarized very well the opinion of a great majority of the proponents of the Taft-Hartley bill who made the same argument so common in the press at the time that the Taft-Hartley law should be passed, imperfect as it was, but with the hope and the promise that it might be amended later.

It is submitted that such an argument in justification of voting for legislation which admittedly is in need of amendment at the very time it is passed is not a sound one on which to support a vote for the legislation. Thus the writer of this paper replied to the summary arguments of the proponents of the bill in part, as follows:

"Let me make a point or two with regard to the merits of the great issue now before us. I have just listened to two very interesting and able speeches—one by my good friend from Minnesota [Mr. BALL] and the other by my good friend from New York [Mr. IVES].

"I think these two distinguished Senators have overlooked one very fundamental point in drafting legislation, and that is that if legislation contains language which permits of abuse of power, it is bad legislation. To say that they believe that extreme interpretations have been placed on the legislation by the President and by some of us who have opposed the legislation on the floor of the Senate is to overlook the point that what the President has been pointing out, and what we have been pointing out, is that the language of the bill would permit abuse of power. It is subject to the interpretation we have put on it and party litigants under it will be entitled to those interpretations as a matter of legal right. This law will not and cannot, under its legal meaning, be interpreted and administered to please the Senator from Minnesota and the Senator from New York. It must be given its legal meaning by the courts, and I say that the courts are bound to apply it quite differently from the way Senator IVES and Senator BALL talk about it.

"To try to alibi it, or rationalize it on the ground that if it is properly administered it will not be as bad as we think it will be, begs the whole question. The Senator from Minnesota [Mr. BALL] and the Senator from New York [Mr. IVES] cannot take away from the courts of this land their solemn obligation to give the legal meaning to the language used in this bill as the law requires. Employers will be entitled to decisions under it which, according to the language of the bill, will enable them to destroy many legitimate rights of labor. * * *

"The courts are bound to apply the language of this bill in accordance with its legal meaning; and when they do, many hardships will be imposed not only upon organized labor in this country but upon employers as well. It is a legal monstrosity which will cause much litigation and resulting labor strife.

"The second point I would make on their speeches is that running through them is the tacit admission that before this bill is finally passed they recognize that it contains a great many imperfections. * * * I say statesmanship calls upon us now to prevent the passage of legislation which even the sponsors themselves will admit contains many imperfections. These sponsors are engaging already in a confession and avoidance plea.

"The last point I want to make is one in regard to Senator IVES' talk about sabotaging the bill. I do not know what he meant by sabotage, but, as I said on Saturday, if this bill goes on the books the junior Senator from Oregon will take the position that the forces of government must be used to carry out and enforce the bill. There cannot be government by law in this country on any other basis. But our insistence upon enforcement of the law is not going to change human nature. I am very much of the opinion that labor, recognizing the tremendous injury that this bill will inflict upon its legitimate rights, will dig in along a united front and fight the administration of this bill to the extent that it visits upon labor gross injustices.

"Will that produce industrial harmony in America? Will that give us the peace in industry that we want? Not at all, Mr. President. We shall not be able to escape the fact that before this bill is even dry on the statute books we shall have to proceed at once to work out substantial revisions of it. Why not do it now? Why not recognize the duty of statesmanship which rests upon each and every one of us and sustain this veto and then proceed, as was pointed out by another speaker this morning, the very able statesman from Wyoming [Mr. O'MAHONEY] to work on a bill that will meet the objections which have been raised to this bill? I think that is the solemn duty of each one of us in this session of Congress. I shall not vote, Mr. President, for a bill which the proponents already recognize is one which should be started down the road of revision.

"Mr. President, I do not believe that an issue more vital to the economic welfare and the over-all public interest of this country will be before the Members of this body for many a day. I am sure that at the hour of 3 o'clock this afternoon every man in this body will have an opportunity to make his record as to whether he will vote to protect the public interest or will vote for a bill so prejudiced in its terms that it will invite and invoke great industrial disharmony for years to come until the injustices of the bill are wiped once and for all off the statute books of America. I shall be glad to stand on my record of consistent opposition to this bill and in support of the President's excellent and unanswerable veto message."[4]

Although the Congress passed the Taft-Hartley law over the President's veto on June 23, 1947, serious doubts as to the wisdom of some effects of the bill were expressed in Senate speeches within a few days after the act became law, by Members of Congress who voted for the bill. Doubts were expressed as to whether or not the sections of the bill restricting political activity by unions were constitutional, or were so ambiguous in phraseology as to place unions in a position of acting at their peril in opposition to or in support of political candidates.

Some Members of Congress who voted for the bill found themselves in disagreement as to the legality of the Communist affidavit section of the bill, and as to the procedure which was required under the law in regard to union registration requirements and the public's right to inspect the information filed by the unions. The Secretary of Labor gave one interpretation to the effect that such information was to be treated as confidential, available only to the Secretary of Labor and the National Labor Relations Board; while on the other hand some of the leading proponents of the act made public comment to the effect that the ruling of the Secretary of Labor was in clear violation of the intent of Congress as expressed in the language of the act. To all this the Secretary of Labor replied it was for the courts to decide—all of which caused the lawyers to take note.

By July 14 the senior Senator from New Mexico, Mr. HATCH, and the senior Senator from Vermont, Mr. AIKEN, both proponents of the Taft-Hartley bill, had become convinced that the political expenditure section of the bill seeking to regulate the political activities of unions was unconstitutional. Therefore, on that day they made speeches in the Senate in explanation of an amendment which they had introduced several days previously, and which still is pending in the Senate, seeking to correct what they considered to be an unconstitutional section of the law.

Some of the remarks of the Senator from New Mexico on that occasion are as clear a rationale of the position taken by many of the proponents of the Taft-Hartley law as

[3] CONGRESSIONAL RECORD, vol. 93 part 6, p. 7531.

[4] CONGRESSIONAL RECORD, vol. 93, part 6, p. 7531.

is to be found in the entire debates. He said in part:

"Mr. President, because I have been asked several questions, I shall digress for a moment and shall discuss another subject. When the Taft-Hartley bill was before the Senate, I thought all of us knew it was not a perfect bill. The question of labor-management relations is too great, too involved, and too complex to be solved by one or even a series of legislative acts, if it is possible to solve those problems by legislation at all.

"Nevertheless, many of us believed that notwithstanding those apparent defects, the Taft-Hartley bill contained much worth-while legislation, sufficient to require its passage. Even when the conference report was discussed on the floor and when one of the more objectionable features was plainly pointed out, the thought continued with some of us that corrections could be made by subsequent legislation and that it would be better to pass that measure and let it become the law, notwithstanding the defects. I, myself, was of that mind, but I made it plain that whenever an injustice or wrong appeared I would sponsor legislation to correct it.

"Accordingly, last week I was glad to join with the Senator from Vermont [Mr. AIKEN] in submitting to the Taft-Hartley law an amendment which we believe will correct at least one wrong and error which was contained in the original act. The amendment we offer merely strikes out the word 'expenditures' from what was first section 304 of the House bill, and was later incorporated into the legislation finally drawn up by the conferees representing the two Houses. The bill which passed the Senate did not contain that provision. So far as the Senate is concerned, that provision appeared in the Senate only when the conference report was submitted to us.

"By including the word 'expenditures,' it was sought to place expenditures on the same basis as contributions, and to apply both of those terms to both corporations and labor organizations. At first glance, that provision would seem to be a fair one; it would seem to be fair to place corporations and labor organizations upon the same basis. However, it is this provision including the word 'expenditures' which caused considerable debate in the Senate, and it was claimed that the provision violates certain constitutional guaranties of freedom of speech and freedom of the press.

"As I have said, there was some discussion of this provision at the time when the conference report was being considered, but it must be remembered that in the consideration of a conference report no opportunity for vote on separate provisions is given and the only vote possible is to either adopt or reject the conference report. Therefore, Senators never had an opportunity to express themselves on the inclusion of the word 'expenditures' in the general restrictions against political contributions.

"The amendment the Senator from Vermont and I have offered will give an opportunity to vote on the exact question and the precise issue. This is one of my reasons in offering the amendment. If at all possible, it should be reported by the committee and discussed and acted upon before the present session adjourns.

"I am not discussing the constitutional aspect of the situation. Regardless of that, it appeared to me at the time the conference report was being discussed that including the word 'expenditures' did unfairly discriminate against labor organizations. It was a defect, however, which I believed could be corrected by later legislation, and therefore, I am glad to sponsor an amendment which will give the opportunity to make what I concede to be a needed correction."[5]

[5] CONGRESSIONAL RECORD, vol. 93, part 7, p. 8827.

In the same vein the Senator from Vermont, Mr. AIKEN, argued:

"I think it is entirely possible that the labor leaders may be inviting a test which they feel they are almost certain to win, because there is not the slightest shadow of a doubt that this rider on the labor bill, which was adopted in the conference committee, is a direct violation of the right of free speech, and the right of a free press.

"I wish to join the Senator from New Mexico at this time in urging that action be taken to correct, at the earliest possible date, this bit of foolish legislation on the part of Congress. I understand that if interpreted literally, as a law should be interpreted, most of the newspapers of the country would be violating the law if they commented on political issues during political campaigns. Certainly there are many organizations, some on one side of an issue and some on another, which are incorporated, which would be strictly prohibited from spending a single penny to distribute voting records of Members of Congress, or even commenting on issues in a political campaign."[6]

To illustrate that good feeling and good humor prevailed at least most of the time in the Senate throughout the course of the debate over this labor legislation, even though the differences in opinion were chasm-wide and deep, the following colloquy on the Hatch-Aiken amendment will be of interest:

"Mr. MORSE. I want to say to the Senator from New Mexico that I wish to commend him for the position which he has taken on the Taft-Hartley bill, and in regard to this particular amendment.

"Mr. HATCH. I am sure the Senator restricts his commendation to what I have said on this particular amendment.

"Mr. MORSE. I am about to do that by this sentence. I think it is commendable of the Senator. I am glad to hear him and the Senator from Vermont [Mr. AIKEN] support the amendment, because the points the Senator is now making were all made before a vote was taken on the bill. I think it would be much more beneficial if the Senator from New Mexico would join with us who have already offered a bill to repeal the entire act.

"Mr. HATCH. Mr. President, in reply to what the Senator from Oregon has said, I made it clear in the beginning that at the time this particular question was discussed I was greatly disturbed about it. I decided that the best procedure would be to pass the bill and later correct its defects. I am still of that opinion. I am still of the opinion I entertained when I voted for the Taft-Hartley bill. I am not receding from or changing my position, but I do think this is a matter which ought to be corrected."[6]

However, it is to be noted that no action yet has been taken on the Hatch-Aiken proposed amendment or any other proposal for revision of the Taft-Hartley law. In all probability none will be taken in this session of Congress.

It is more than likely that legislative changes will not be made in the act until after the courts have passed on the major provisions of the act, or until the inevitable labor difficulties which will be accentuated by the Taft-Hartley law in time of recession or depression produce another labor-legislation crisis. At least, that usually is the course of events whenever Congress in response to the political pressures of the moment adopts make-shift legislation which it knows at the time contains imperfections so serious in nature that amendments in the future are going to be needed.

However, the difficulty and the weakness with that approach is that it is always very difficult to amend and correct the imperfections of legislation once it is passed. The time to perfect legislation is before the final vote on it is taken—and there was no good reason for the Congress to adjourn in July 1947 without first perfecting the Taft-Hartley law in the interest of industrial peace.

[6] CONGRESSIONAL RECORD, vol. 93, part 7, p. 8828.

The ideal way to amend the Taft-Hartley law would be to repeal it and then consider new labor legislation based on the principles of the Senate committee bill, which in the committee stage was generally known as the Morse-Ives bill.

It is interesting to note that some of the members of the Senate committee who fought hard in committee for the Morse-Ives bill, and who helped vote down in committee some of the amendments which later were made a part of the Taft-Hartley law, joined in supporting the Taft-Hartley law on the floor of the Senate even though the Senate amendments and the more than 30 procedural changes introduced into the bill at the conference committee level produced fundamental changes in the theory of the bill.

The bill which was reported out of the Senate committee, and which during the committee stage was known as the Morse-Ives bill, placed its major procedural emphasis upon the administrative law approach to adjudicating labor disputes. For the most part it sought to make use of the unfair labor practice procedure of the Wagner Act by attempting to bring within the jurisdiction of the National Labor Relations Board certain labor abuses which were defined as unfair labor practices by unions.

However, the amendments to the committee bill made on the floor of the Senate and by the Senate-House conference committee report changed the bill basically from an administrative law procedure bill into a predominantly common law court action bill. It is submitted that if those members of the Senate committee who stood shoulder to shoulder during the long weeks of committee hearings and discussions on the Morse-Ives bill had continued to stand together in support of the committee bill when it reached the floor of the Senate, the Taft-Hartley law would not be the law it is today. The entire course of the legislation on the floor of the Senate would have been changed.

The retreat of some Senators from the provisions of the committee bill naturally influenced other Members of the Senate and gave aid and comfort to those who sought to upset the committee bill. From the standpoint of parliamentary strategy it was important to maintain united support among those who fought so hard for the committee bill, in order to keep enough votes in the Senate to sustain a Presidential veto.

The very moment the group which was chiefly responsible for the committee bill split on the floor of the Senate, and some of them went along with Senate floor amendments to the committee bill—the principles of which amendments they had voted against in committee—it then became clear to the TAFT forces that in all probability they would be able to secure enough votes to override a veto. It was at that point that all the good work which had been done in committee in developing the committee bill was in large measure sacrificed because without enough votes in the Senate to sustain a veto there was not much which could be done to stop the Taft-Hartley forces in conference from attaining the type of bill they started out at the beginning of the session of Congress to pass.

As Professor Witte points out in his excellent article in the Harvard Business Review:

"Of 40 main provisions in the Senate bill, no less than 25 were materially changed in conference. The public is under the impression that the bill agreed upon in conference (which was the measure passed over the President's veto) followed the milder Senate bill rather than the more drastic House version. With the exception of the

restrictions in the House bill on industry-wide and associational bargaining and a few other major provisions, however, the final act more closely resembles the House than the Senate version. As Representative HARTLEY put it, in presenting the conference report to the House, 'there is more in this bill than may meet the eye.'"[1]

It is the view of the writer of this paper that if the members of the Senate committee who had worked so close together and so hard over the weeks in putting through committee the committee bill in the form that it went to the floor of the Senate had remained united solidly behind that bill on the floor of the Senate, the final legislation would much more closely have conformed to the provisions of the Senate bill than does the present Taft-Hartley law.

Thus it is important to an understanding of the labor legislation of the Eightieth Congress to know that the bill which was reported to the floor of the Senate on April 17, S. 1126, was a merging of the legislative proposals of several Senators. During the weeks in which the bill was being developed and written within the Senate committee it was known as the Morse-Ives bill, because the major portions of the bill consisted of a consolidation of the separate bills which had been introduced in the Senate as independent pieces of legislation by Senator IRVING M. IVES (Republican, New York), and by the writer of this paper. In other words, the Ives bills and the Morse bills came to comprise a greater part of the committee bill, but when once adopted by the committee and introduced on the floor of the Senate by Senator TAFT, as chairman, became known as the Taft Senate bill, S. 1126.

It is interesting to note that in committee the major sections of the Morse-Ives bill were approved in committee by a vote of either 7 to 6 or 8 to 5. It was only after Senator IVES and the writer succeeded in holding a majority vote in committee on the major sections of our proposed legislation by the close margin of a 1-to-3 vote majority out of a 13-man committee that Senator TAFT and other committee members finally agreed to vote for the committee bill in its entirety, with announcement that they would seek to amend it on the floor of the Senate. Therefore, although the vote within the committee was very close on each one of the major sections of S. 1126, the final vote on the entire bill and the vote by which the bill was reported to the floor was a vote of 11 to 2.

It is reiterated at this point that the principal changes which were made in the Senate bill 1126 by the conference committee were very significant changes in legal procedure for the handling of employer-employee relations and disputes under the Taft-Hartley bill. Those changes created many legal technicalities which will permit of great delays in handling disputes and which will stir up much litigation and great controversy between employers and workers.

It is an elementary principle in the settling of labor disputes that time is of the essence. Delays in entering into a collective-bargaining agreement, in settling a worker's grievance, or in mediating or adjudicating a labor dispute always increase the danger of one or both parties resorting to economic action.

Furthermore, it should be remembered that the dominant remedy provided in so many sections of the Taft-Hartley bill is in the form of common-law court actions. The record of common-law courts in the field of labor relations has shown that those courts are not best suited for the settlement of labor issues. Common-law court rules, legal principles, and procedure have never worked well in America for adjudicating labor disputes, and in my judgment never will, because the issues involved are not basically legal issues which can best be adjudicated in the ordinary common-law court.

The issue of whether or not the worker is getting a fair wage is not a legal issue. The issue of whether or not an employer is discriminating against his employee because of his membership in a union is not a legal issue. The question of whether or not a union should be certified for collective bargaining with an employer is not a legal question. The problem of determining whether a certain type of work falls within the jurisdiction of union X or Y is not a legal problem.

At least 90 percent, and probably more, of the multitude of questions, problems, and issues which are involved in a great complex variety of labor-relations problems are not even remotely connected with legal issues, but are basically social or economic issues growing out of the human relations existing between employer and workers.

There is even a great deal of loose thinking about the supposedly legal aspects of breaches of a labor contract by unions and by employers. Thus, for example, the Taft-Hartley Act provides only one remedy for a breach of a labor agreement by a union and that is a suit for damages in a common-law court. It also will be possible under some provisions of the act in certain circumstances to secure an injunction against certain types of breaches of contracts by unions. However, those who place such confidence in the contract violation remedies of the Taft-Hartley law are thinking in terms of the ordinary legal contract.

However, a collective-bargaining agreement is not an ordinary contract. Generally speaking, the commitments in the so-called labor contracts are highly conditional and of the if-when-as-and-maybe type. Thus, in such an agreement the usual promise of the employer is that if, when, and as he hires workers he will do so in accordance with certain promises and conditions which are set out in the agreement.

At the same time if one will study closely the ordinary and typical collective-bargaining agreement he will find that there are many so-called escape clauses in it for the employer and it leaves him with very little legal responsibility for any monetary liability if he decides not to continue to perform under the contract. Thus, the cases are rare in which American employers suffer any monetary damages because they do not carry out the terms of a collective-bargaining agreement.

Correspondingly, unions do not promise or commit themselves, in the last analysis, to very much under a collective-bargaining agreement. As far as the workers are concerned, they make the representations through their union that if, when, and as they work they will agree to work under such terms and conditions as are set forth in the agreement. Furthermore, they can no more be made to work under such agreements, if they do not want to, than the employer can be made to hire or continue to hire them if he does not want to.

Yet, in spite of the great difference between the legal status of an ordinary contract and that of a collective-bargaining agreement, many people, who are strong for the common-law court action procedures of the Taft-Hartley Act, are laboring under the false impression that differences which arise between employers and workers over a collective-bargaining agreement can be settled by judges in our common-law courts just as those judges settle a dispute which develops between a plaintiff and defendant over the terms of a contract involving a sale of a carload of potatoes.

The difficulty with people who have reduced their thinking on collective-bargaining agreements to such simple legal analogies is that collective-bargaining agreements do not involve primarily legal issues at all. One cannot read the Taft-Hartley law without recognizing that the authors and proponents of that bill are seeking to place a burden on the courts of America involving a subject matter which basically is foreign to their jurisdiction.

Out of the attempt which is being made under the Taft-Hartley law to force social and economic dynamics of employer-employee relations into the strait-jacket of court procedures and legal technicalities must come amendments to the Taft-Hartley law. The history of the American labor movement shows that both free workers and free employers have always opposed attempts to destroy the basic principle of voluntarism which must and should characterize employer-employee relationships.

Government domination and control of those employer-employee relationships which should rest upon voluntarism restrict the operation of a free economy. Anything that tends to place the Government in a position of dictating the terms, the wages, the hours and conditions of employment destroys essential and legitimate rights of free workers. Likewise, Government dictation of labor relations is bound to lead to a dangerous control by Government of the methods of production, the quantity and quality of production, prices, and practically all of the inherent rights of management.

It is doubtful if any law has been placed on the statute books in a good many years in this country which has a greater potential danger of Government regimentation of our economy than is to be found in the basic principles of the Taft-Hartley law. Once a government starts to exercise the power to direct the relations which shall exist between supposedly free workers and free employers it is not many steps away from a regimented economy.

Thus, it should be said to those American employers and businessmen who in recent years have been crying out, and rightly so, about taking the Government out of business, the Taft-Hartley law places the Government into a meddling position, so far as American business is concerned, to a far greater degree than most of the laws against which businessmen and employers have been complaining so much.

The fact that temporarily American employers may think that the Taft-Hartley law will result in some benefits to them, because it is designed supposedly to check labor abuses, should not cause them to ignore that great danger to American business, to be found in the inherent principles of Government control and interference which characterize the Taft-Hartley law. It is suggested that American employers should recognize before it is too late that the Taft-Hartley law is a legislative wolf in sheep's clothing.

Week by week, more and more American employers apparently are recognizing that the procedures of the Taft-Hartley law will not be helpful to them in maintaining peaceful and profitable relations with free workers. Hence, as indicated heretofore in this paper, the American people are being treated to the spectacle of ordinarily law-abiding employers and workers entering into collusive, evasive, and sub rosa agreements designed to avoid the legal technicalities and legal liabilities of the Taft-Hartley law. This trend does not raise the level of business and labor ethics and morality.

At the same time it needs to be pointed out that no one can participate in any large number of labor cases without recognizing that labor, too, is frequently guilty of serious mistakes in policy and of unfair labor practices which, if continued, are bound to boomerang against the best interests of labor so far as public opinion is concerned. In large measure they have been caused by the unfortunate jurisdictional disputes within the house of labor and by the fact that in recent years so much of the effort and energy

[1] Edwin E. Witte, op. cit., p. 556.

of organized labor have been taken up with the organizing process itself that sufficient attention has not always been given to some of the economic practices of unions which do not advance the welfare of the individual worker or protect the public interest.

We did not need a Taft-Hartley law in order to correct some practices of labor which even most labor leaders will admit in private are not in the best interests of labor itself. When organized labor once again takes stock of both its accomplishments and unsolved problems which lie ahead it should not overlook the fact that labor divided against itself was one of the primary causes for the passage of the Taft-Hartley Act. Labor cannot afford or justify ignoring it.

Another great evil of the Taft-Hartley law is the extent to which it leads us backward to government by injunction. The writer joins in the view of one of the great jurists of his home State who said, in effect, "I do not know the answer to these vexatious and troublesome economic problems in the field of labor, but I do know that the answer is not government by injunction."

Government by injunction for the settlement of labor disputes will never be acceptable to free workers in America. The history of the American labor movement is too replete with examples of determined action on the part of American labor to free itself from the abuses of government by injunction to leave any doubt as to the unworkability or as to the acceptability of those provisions of the Taft-Hartley Act which seek to reestablish the practices of breaking strikes by unfair injunctions.

Likewise the provisions of the act which create a legal situation in which one law of agency is to be applicable to the employers and another law of agency, to the disadvantage of labor, applicable to unions cannot be reconciled with fair play or common justice. Thus, the bill has been loaded with provisions which make it a Pandora's box of vexatious litigation that can and will harass and weaken unions.

Under the bill as amended every organizational drive by unions, every effort to achieve collective bargaining, and every strike can be met and defeated by destructive lawsuits in the courts, and hundreds of unfair labor-practice charges by malcontent employees before the Board. It cannot be emphasized too strongly that any legislation that invites and encourages litigation over labor relations is not going to solve our problems of labor unrest or be conducive to harmonious relations between employers and employees.

Under the amended definition of the term "agent," a labor organization might be subject to civil suits and unfair labor-practice charges because of the misconduct of any steward or organizer in the plant, even though the union had not authorized or ratified the acts in question. The whole body of law built up around the Norris-LaGuardia Act to protect unions against such destructive lawsuits is threatened.

Because of the terrific abuses to which unscrupulous employers and courts, unfriendly to unions, subjected the rights of labor by virtue of such lawsuits, the Norris-LaGuardia Act specifically provides in section 6 that labor unions, their officers and members shall not be liable for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation, or upon a showing of actual authorization or ratification of such acts after actual knowledge.

One has only to refer to the LaFollette investigation to recognize the techniques that antilabor employers will use in order to accomplish what may develop again under this act.

The proclivities of this bill for endless, frustrating litigation are clearly shown by the registration requirements of the Taft-Hartley law. It should be agreed that unions should be required to make public their financial statements. But the Taft-Hartley law goes far beyond a reasonable requirement for reporting union finances and union rules and regulations. It denies to any union its right to protection from unfair practices by employers if the union has failed in some technical respect in filing all the detailed information called for by this law. No Board proceeding can possibly be wholly immune from attack for failure to disclose some one of the many details required. Employers will be quick to make such allegations because full compliance is made a condition precedent to the Board's jurisdiction for all purposes.

The tendency of the law to invite and encourage destructive and delaying lawsuits and litigation in labor relations, instead of collective bargaining, is also shown by the provision making it an unfair labor practice and subject to civil damage suits to engage in strikes and boycotts which have as an object certain undesirable ends, such as assignment of particular work tasks. The Senate bill provided that strikes for such purposes were unfair labor practices. It must be agreed that such strikes are wholly indefensible and should be stopped.

But the effect of the provision is to resurrect, with a vengeance, one of the unhappiest chapters in American industrial life. The writer refers to the days when courts were quick to enter injunctions restricting every form of employee self-help because one objective, at least, of some leaders or participants was improper. Now employers will be encouraged to enter damaging lawsuits against every kind of action by labor unions based on the same grounds. Whether these suits have merit or not, they will inevitably weaken the union's treasury, divert its energies and resources, and delay organizational work and collective bargaining.

We talk so much about the right to strike. The right to strike is, after all, no better than the status of the union treasury; because, after all, laborers strike to win a strike, and they cannot win a strike with an empty treasury.

The law opens wide the doors of opportunity to employers to bring a multiplicity of suits for the antilabor purpose of emptying the treasuries of unions by the cost of litigation.

One of the worst features of the Taft-Hartley bill, from the procedural standpoint, is the dictatorial power it vests in the General Counsel of the Board. In opposing the Taft-Hartley bill the writer had this to say on that point: I believe that the provisions of the amended bill, insofar as they create a statutory office of General Counsel, who is to be appointed by the President for a fixed term of years, and confer upon him final authority in respect to investigation and prosecution of charges and issuance of complaints, in effect establish a separation of functions which does not differ in any substantial measure from the kind of separation which the Senate rejected in 1946 when it adopted the Administrative Procedure Act. I think it contains all the vices of dispersed authority for administration that impelled the majority of the Attorney General's Committee on Administrative Procedure, the sponsors of the Administrative Procedure Act, and both Houses of Congress, to reject it last year.

It is a tremendous power that has been given to the General Counsel. On page 37 of the conference report we find this language:

"The general counsel is to have general supervision and direction of all attorneys employed by the Board (excluding the trial examiners and the legal assistants to the individual members of the Board), and of all the officers and employees in the Board's regional offices, and is to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board."

The writer refused to vote and never will vote to vest in any single individual any such sweeping power over the handling of labor-relations cases in this country. He does not know whom we can appoint or to whom we should entrust the power to determine whether a complaint of an unfair labor practice shall be issued. One who controls the procedure of a body controls the substantive rights administered by that body. The General Counsel controls the procedural rights of every employer and every labor union in the country. Also, when it comes to the question of issuing complaints he can do it independently of the Board. The Board members can sit there and twiddle their thumbs but they cannot do anything about it, because the Congress has vested in the General Counsel that power.

Another one of the injuries to labor to be found in the Taft-Hartley law is its discriminatory provision in regard to delegating authority to the States over interstate commerce to the great disadvantage of labor in those States which pass antilabor laws. It should be remembered that the Federal Government's jurisdiction over industrial-relations problems is limited to its constitutional authority over interstate commerce. When it exercises that jurisdiction then it should apply whatever rules it passes on a Federal basis to all workers and all employers all over the country.

It is grossly unfair of the Congress of the United States to do what it did in passing the Taft-Hartley Act, namely, permit the application of discriminatory rules in the field of interstate commerce by allowing individual States to apply State laws of a more drastic nature to the field of interstate commerce than is applied by the Federal Government.

Thus the Taft-Hartley law attempts to lay down a full and complete national policy as to closed- and union-shop agreements. At the same time the law provides that the national policy may be entirely disregarded and superseded by the States if they desire to impose a more restrictive policy on the same subject matter. A more pointed instance of antilabor bias could hardly be envisaged than this alleged minor change in the bill.

The jurisdiction of the National Labor Relations Board is limited to interstate-commerce cases and issues. But the law now provides that we except from the national policy, as it relates to interstate commerce, national jurisdiction over these matters as they involve the closed shops and union shops, in the case of any State which passes an anti-closed shop or antiunion shop bill. The bill provides in effect that we allow to employers in those State a State policy over interstate commerce contrary to a national policy that we would apply through the National Labor Relations Board in all other States which do not enact such State legislation.

It would be difficult to point out a more flagrant example of unfair discrimination than that. When it comes to interstate-commerce policies, they should be uniform throughout the Nation, and we should not have a national policy in regard to closed shops and union shops in States X, Y, and Z, but then permit of a policy quite contrary to that policy under State laws in States A, B, and C.

Many employers already are protesting because it has some interesting competitive implications connected with it, too. It will be rather interesting to hear from more and more employers as they discover that in their States they are bound by the national policy but their competitors in other States have the advantage of a union-busting State policy. In due course of time this section will prove that such discriminatory practices

will result in some unfair competitive factors for them in their competition with competitors in other States who are able to function under a different policy.

If we give that right to the States that are enacting legislation, much of which is highly antilabor and unfair to the legitimate rights of labor, we shall find the economic status of labor in those States gradually beaten down. The results of such discriminatory policies will affect wage scales and will play into the hands of employers who want cheaper and cheaper labor. Unorganized labor means cheap labor. It means low wages. Weak unions mean the same. State antilabor laws will return labor to the status of a commodity. Soon employers who are bound by the national policy as applied by the National Labor Relations Board will find themselves at a competitive disadvantage with employers operating in antilabor States which give to their employees the competitive advantage of antiunion legislation with its resulting low wages and cheap labor. Such a situation will result in nothing else but strife, friction, and increased labor trouble.

There are so many significant differences between the Senate committee bill and the final Taft-Hartley bill that neither time nor space will permit of a detailed comparative analysis in this paper. A few of the more salient differences will be listed in order to rebut the argument which has been made in some of the speeches and writings of some of the proponents of the Taft-Hartley bill to the effect that it differs in only minor particulars from the Senate committee bill.

One of the significant differences is to be found in the treatment given to the free-speech issue of the two bills.

The Senate committee bill provided that the National Labor Relations Board shall not "base any finding of unfair labor practice upon any statement of views or arguments, either written or oral, if such statement contains under all the circumstances no threat, express or implied, of reprisal or force, or offer, express or implied, of benefit." (No change was made in this provision by the Senate prior to conference.)

The conference bill and the Taft-Hartley Act as passed provided that "the expressing of any views, argument, or opinion, or the dissemination thereof, * * * shall not constitute or be evidence of an unfair labor practice * * * if such expression contains no threat of reprisal or force or promise of benefit." The significant addition, in the view of those who opposed this provision, is contained in the words "shall not * * * be evidence of." The criticism is that noncoercive statements, however revealing of motive, could not be used as evidence of an unfair labor practice.

As the writer said on the floor of the Senate during debate (CONGRESSIONAL RECORD, June 5, 1947, p. 6453), this is an astounding proposition. Even in the criminal law views, arguments, and opinions are received as competent evidence of motive. Under this amendment, however, the Board and the courts must close their eyes to the plain implications of speech; and they must disregard clear and probative evidence of motive, prejudice, or bias.

Another significant difference between the Senate committee bill and the Taft-Hartley Act is to be found in the treatment of jurisdictional disputes.

The Morse bill made it an unfair labor practice for a union or its agents to engage in or induce employees to engage in a strike or refusal "to use, manufacture, process, transport, or otherwise handle or work on any goods * * * or to perform any services in the course of their employment * * * because particular work tasks of such employer or any other employer are performed by employees who are or are not members of a particular labor organization." In addition, provision was made for the National Labor Relations Board or an arbitrator appointed by it "to hear and determine" such disputes unless the parties voluntarily adjusted or arranged for the adjustment of the matter within 10 days.

In section 3 the Morse bill, S. 858, provided for compulsory arbitration of jurisdictional disputes if the unions involved resorted to strike action and failed to settle, without delay, the dispute without a continuation of the strike. This procedure was generally recognized as the most severe that can be imposed for the settling of jurisdictional disputes but is necessary if innocent employers and the public are to be protected from family quarrels within the house of labor to which neither the employer nor the public is a party.

The Senate committee bill provided that it was an unfair labor practice for a union or its agents to engage in or induce employees to engage in a strike or refusal "to use, manufacture, process, transport, or otherwise handle or work on any goods * * * or to perform any services * * * for the purpose of forcing or requiring any employer to assign to members of a particular labor organization work tasks assigned by an employer to members of some other labor organization" unless the employer were disregarding an order or certification of the National Labor Relations Board determining the representative of the employees performing the tasks in question. The arbitration device was also adopted. (As the bill passed the Senate, a provision had been adopted, as urged by Senators TAFT and BALL, making such conduct illegal and subjecting unions to damage suits on account of it.)

The conference bill and the Taft-Hartley Act as passed adopted the provisions of the Senate bill with the following changes: (1) whereas the Senate bill stated that the action became an unfair practice if it were "for the purpose" of coercing the employer, the act as passed provided that the action became an unfair practice if "an object thereof" was to coerce the employer in the manner described. Also, jurisdictional disputes were made illegal and the occasion for damage suits.

It is submitted that declaring jurisdictional disputes illegal cannot possibly stop them because honest differences of opinion frequently develop between labor organizations as to which union is entitled to perform a certain work. Thus, they are bound to enter into good-faith quarrels over the respective rights of unions to perform a certain work which each union may claim on the basis of past practices and collective-bargaining rights to which it is entitled. There is nothing unlawful about such disputes, and attempting to make them illegal by legislative fiat isn't going to remove the causes. What is needed for their settlement is a decision as to the rights of the disputants based on the merits of the controversy. It would be just as sensible to pass a law declaring that it would be illegal for two property owners to quarrel over their boundary line and just about as successful in preventing such boundary line disputes as it is going to be declaring jurisdictional disputes illegal under the Taft-Hartley law.

What is needed is a decision in such matters and it should be rendered by experts in the field of labor relations who know a great deal about the history and practices of work assignments among labor crafts and unions in this country over the years and who are fairly familiar with the many facets of labor problems.

Thus, it is submitted that arbitration rather than court action is the most workable solution to the jurisdictional strike problem. For that reason, both the Morse bill and the Morse-Ives committee bill contemplated appointment of an arbitrator within 10 days after such a strike, whose award would be final and immediately enforceable in court, under a very narrow limitation as to scope of review, and thereby provided the speediest available procedure, consistent with due process, for the handling of the thorny problem of the jurisdictional strike.

These provisions were stricken out by the conferees on the bill, so that the act at present provides that "the Board is empowered to hear and determine the dispute." Since the Board itself cannot hear such cases, the new rules of the Board (secs. 203.74–203.78) now provided for (1) a hearing before a staff member of the Board on the merits of the jurisdictional dispute with (2) review of his recommendations by the Board followed by (3) efforts to obtain compliance with the determination of the Board, which if not forthcoming is followed by (4) a hearing on the unfair labor practice charge with (5) review by the Board and (6) judicial review of the entire proceeding on the wide basis now allowed by the statute. No such proceeding could be completed short of 2 years; the conferees by these procedural changes effectively removed an administrative remedy for the jurisdictional strike.

In the debate the writer vigorously protested these changes. He said (CONGRESSIONAL RECORD, p. 6452, June 5, 1947): "I do not have to tell the Presiding Officer that time is of the essence in the settling of labor disputes. The longer time is allowed to elapse, the more tempers and discontent are stirred up, resulting in discouragement on the part of workers and determination to resort to economic action. The procedure for settling jurisdictional disputes provided by this conference report bill will result in such delays and conflict that it will prove to be unworkable. Without a procedure that assures quick decisions little or no progress will be made in protecting employers from great losses caused by jurisdictional disputes."

Again in connection with the treatment of secondary boycotts, the final Taft-Hartley bill changed the basic procedure for handling such disputes.

The Morse bill made the following secondary boycotts unfair labor practices: those designed to force recognition of a union when another union had been certified as bargaining agent; those intended to force recognition; and those designed to force another employer to bargain with a union. In addition, the bill authorized the National Labor Relations Board to seek a court injunction upon the filing of any unfair labor practice charge, including boycotts.

The Senate bill adopted the provisions of the Morse bill on the subject, in substance. Specifically it defined the following boycotts as unfair labor practices: those intended to force any employer to cease using or handling the goods of any other producer or manufacturer, or to force any employer to cease doing business with any other person; those designed to force any other employer to bargain with an uncertified union; and those designed to force recognition of a union when another union had been certified as bargaining agent. The bill also made it mandatory on the National Labor Relations Board to seek an injunction whenever it believed that charges alleging the foregoing unfair practices were true. (As amended on the Senate floor, boycotts were made illegal and damage suits were authorized to be brought by anyone injured.)

The conference bill and the Taft-Hartley bill, as passed, in substance adopted the language of the Senate bill, as amended. However, the language used makes boycotts unfair labor practices and illegal if "an object of" the strike or boycott is to accomplish the ends prescribed, whereas the Senate bill made them unfair labor practices and illegal only if the purpose was to force an employer to do the enumerated things. Thus the recognized judicial test of primary objective is abandoned.

Here is another technical legal change in the Taft-Hartley Act which seeks to find a

common-law court solution for the secondary boycotts rather than primarily through the administrative law procedures of the National Labor Relations Board of treating them basically as unfair labor practices as proposed in the Morse bill, S. 858.

Another issue which is basic to peaceful procedures for the settling of labor disputes involves violation of contract cases. One only has to read the proposals of the original Morse bill and the final Senate committee bill in comparison with the Taft-Hartley Act to see very clearly how great are some of the differences between the Senate bill and the Taft-Hartley Act.

The Morse bill made it an unfair labor practice for a union "to violate the terms of a collective-bargaining agreement or the terms of an agreement to submit a labor dispute to arbitration," provided the employer were not violating the contract or refusing to comply with an order of the National Labor Relations Board. A reciprocal provision was included in the section dealing with employer unfair labor practices.

The Senate bill, as reported and passed, adopted the exact language of the Morse bill on this point. In addition, it provided that suit could be brought in Federal courts for violation of contract, whether by unions or employers.

The conference bill and Taft-Hartley bill as passed deleted the provisions making contract violations unfair labor practices. Instead, the only provision remaining is that authorizing suit to be brought in Federal courts.

Here is another fundamental difference in the Taft-Hartley law and the original Morse bill, S. 858. This section of the Taft-Hartley law eliminates entirely violation of contracts by unions as an unfair labor practice under the jurisdiction of the National Labor Relations Board. Instead it offers only one remedy for the handling of such violations, namely, suits for damages in Federal courts. Earlier in this article the weaknesses and shortcomings of the damage-suit remedy have been set out. It is submitted that a great majority of employers would much prefer the remedy of treating breaches of contracts by unions as an unfair labor practice as provided for under the original Morse bill, than the single remedy of a suit for damages as provided in the Taft-Hartley Act.

The Morse-Ives committee bill provided for both remedies as a compromise between Senator IVES and the writer. If the compromise had been retained in the Taft-Hartley Act, the large number of employers who see the weaknesses and unworkability of the damage-suit remedy would have been able to follow the remedy provided in the original Morse bill.

Perhaps one of the most far-reaching procedural changes contained in the final Taft-Hartley Act from that provided in the Senate committee bill is to be found in a comparison of the two bills on the issue of court review and separation of functions.

The Morse bill did not alter the existing provisions relating to court review, as set out in the Wagner Act and the Administrative Procedure Act (passed by the 79th Cong. and establishing uniform procedures for all Federal administrative agencies). The Procedure Act contains adequate provisions to insure that the prosecuting functions are separate from the judicial functions.

The Senate bill also preserved the court review scheme of the existing Wagner Act and the Administrative Procedure Act. The only change made was the addition of the requirement that National Labor Relations Board findings, to be conclusive on the court, must be supported "by substantial evidence on the record considered as a whole." This change merely adopted the substance of language already in the Procedure Act. No additional provisions were added relating to separation of functions.

The conference bill and Taft-Hartley Act in material respects altered the scope of court review. The Board is required to conduct its hearing "so far as practicable * * * in accordance with the rules of evidence applicable in the district courts of the United States." Also, the Board's findings must be made "upon the preponderance of the testimony." With regard to functional separations, the conference bill vested the investigative and prosecuting functions in an autonomous general counsel, entirely independent of the Board.

This provision of the Taft-Hartley Act violates many principles of sound administrative law. It singles out the National Labor Relations Board, and with no justification, as an exception to the Administrative Procedures Act which was passed in 1946.

Thus in debate on the matter the writer pointed out that the Administrative Procedures Act of 1946, passed unanimously by both Houses of the Congress, had adequately protected the fairness of administrative procedures and the writer said on this point (CONGRESSIONAL RECORD for June 5, 1947, p. 6455), that he simply would never vote to vest in any single individual any such sweeping power over the handling of labor relations cases in this country. No one knows where that superman is to be found. This person would control the procedural rights of every employer and every labor union in the country.

In addition the writer pointed out that the bill, as amended in conference, carries the very serious vice that it unfairly discriminates against the Board, among all Government agencies. With respect to certain requirements, we rejected (in committee) proposals to single out the Board for special treatment and we agreed that the procedures prescribed by the recently enacted Administrative Procedures Act should be left intact.

The conference bill, now the Taft-Hartley law, also singles out the Board, among all agencies, for special treatment as to subpenas, the rules of evidence, and the promulgation of decisions. We cannot afford to single out in these unjustifiable ways and remove from the general law and scheme of procedures applicable to all other agencies, the one agency which is intended to protect the basic rights of labor to self-organization and collective bargaining.

Another great weakness of the Taft-Hartley Act is that it tends to place too many of our labor problems under our courts rather than in the hands of experts thoroughly trained in labor economics and the complex social and economic problems that characterize industrial relations. In the debate on this issue in the Senate the writer pointed out (p. 4841 of the CONGRESSIONAL RECORD, May 9, 1947) that it has been his consistent endeavor while this legislation has been under discussion to vest the determination to labor problems so far as is humanly possible to do so in a single organization that is expert on labor problems. Labor problems are complex, as complex indeed, as our entire social structure since the great mass of our people are workers. Close day-to-day contact with these problems is necessary if able persons are to keep themselves even reasonably informed.

However, the writer pointed out also that he is confident that, despite the high regard in which he holds the district judges of the United States that they have neither the background, the desire, nor the time, to become experts in these matters. It is not sound legislation to disperse the authority over these problems; and to draw into the orbit of their handling a host of district attorneys or Federal judges—to make impossible the development of a uniform body of precedent and decisions, harmoniously integrated with each other over the entire economy.

Another great weakness of the act is that it is going to result in greater and greater delays. One of the most important requirements to the successful solution of labor problems which can be best attained through the administrative-law approach rather than through the common-law-court approach, is promptness. As one of the outstanding authorities in the field of labor relations in this country, Gerhard Van Arkel, said in his speech on the Taft-Hartley Act before the Oregon State bar convention in Portland, Oreg., September 6:

"Unless the agency can act with expedition the anthrax or the foot-and-mouth disease or the diphtheria will have infected the community. Precisely because common-law courts cannot, except in most unusual circumstances, act of their own knowledge or on their own initiative, the administrative remedy has grown to protect the public interest.

"And it is again self-evident that this must be true in labor disputes. Unless a remedy is prompt, the damage is done. Whether action can be taken promptly will depend not alone upon the language of the statute; it will also depend upon appropriations, upon the alertness of those charged with public responsibilities, upon the adequacy of staff. But, clearly, the statutory scheme should be adequate to meet problems.

"In a variety of ways, the Taft-Hartley Act burdens, rather than assists, the administrators of the law in promptly adjusting labor disputes. * * * Let me cite, without discussing at length, other cumbersome procedures under this act. If a union wishes a union-security clause in a contract it must (1) file affidavits of all of its officers that they are not Communists and file a mass of material concerning its internal structure and activities; (2) if it has not already done so, be designated bargaining representatives for the employees in an appropriate bargaining unit which may entail a hearing before the Board—a process frequently consuming a year's time; (3) petition the Board for a union-security election and in such election procure the affirmative votes of a majority of eligible employees; (4) induce the employer to grant such a clause in the contract. Or, again, if 'a strike threatens the national health or welfare' the President appoints a board of inquiry, which may make no recommendations but makes a report, which the President must make public; he may also ask the Attorney General to secure an injunction against striking for 60 days, during which time the Conciliation Service attempts to adjust the dispute, failing which the board of inquiry again reports the facts to the President, who reports them to the Congress, while the National Labor Relations Board conducts an election to determine whether a majority of the employees wish to accept the employer's last offer of settlement.

"Only in the case of certain injunction procedures against strikes, contained in section 10 (l) of the act, is there real expedition; elsewhere the act by overformalization, by novel procedural requirements, by limiting the discretion of the administrators, delays rather than expedites the handling of these important subjects."

Another limitation of the Taft-Hartley Act which I wish to mention is its technical requirements in regard to the application of the strict rules of evidence. On this point Mr. Van Arkel has stated: "One respect in which the discretion and flexibility of the Board has been materially narrowed by the Taft-Hartley Act is in the provision requiring that the "rules of evidence of the Federal district courts shall, 'so far as practicable' be observed (sec. 10 (b)). As Professor Dickinson has said * * * 'the difference between administrative tribunals and law courts in the matter of admitting evidence, the one following the more or less rigid common-law rules, the other not, is an added instance of the contrast between rule and discretion.' Without examining at length the ambiguous legislative history of this provision in the new act, it seems designed to confine the Board to strict rules of evidence unless some good reason for departure from them appears."

In closing this paper, it is pointed out that there is a great political contest going on in this country, not so much between political parties as between political approaches to the solution of the critical domestic and international issues that confront us. To be specific the American people are going to have to decide in free elections during the next few years in this country the answer to the question, "Which way, America?"

We can go in the direction of a laissez-faire economy being advocated by the reactionaries in both the Democratic and Republican Parties and see our economy collapse again into another depression. In the last session of Congress we saw reactionaries in both parties advocate policies that would take us back to the economic patterns of the 1920's and repeat all over again the boom-and-bust business cycle. The American people must be awakened to the fact that the laissez-faire economy is to a large extent characterized not only by the boom-and-bust business cycle but by exploitation of the economic weak by the economic strong. Under the laissez-faire economy labor is treated as a commodity rather than as being made up of precious human beings entitled to all the dignities and human rights of free men and women. If the reactionaries have their way our economy will become a monopolistic one and our foreign policy will become one of economic isolationism. Their program will result in neither economic stability and prosperity at home nor peace abroad.

EXTENSION OF RENT CONTROL

Mr. KNOWLAND. Mr. President, in line with the understanding earlier today, I ask unanimous consent that the Senate now revert to the consideration of Senate bill 2182, the rent-control bill. I will say for the information of the Senate that it is understood that this bill will be the order of business tomorrow, and, as I pointed out to the junior Senator from Washington [Mr. CAIN] earlier in the day, I hope we shall make considerable progress, if we do not complete action on the bill tomorrow.

There being no objection, the Senate resumed the consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

RECESS

Mr. KNOWLAND. Mr. President, if there be no further business to come before the Senate at this time, I move that the Senate recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 24, 1948, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 23, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, our Father, whose name is most excellent in all the earth, in Thy sacred presence we wait in prayer. We praise Thee that Thou didst enable those immortal ones to lay the foundations of peace and liberty in this new world. Grant unto every citizen a devout sense of Thy signal providence.

In the sphere of duty to which we have been called, help us to hold our consciences higher than the praise of men. With ever-increasing gratitude may we look up the stairway where freedom refuses to be bound and where faith transcends these confused times. Today our thoughts go out in memory of one who was great in war and great in peace; grant that the story of his glorious achievements may be told in every school and around every fireside in every hamlet throughout our broad land, to the honor and glory of Thy holy name. In our Redeemer's name we pray. Amen.

The Journal of the proceedings of Thursday, February 19, 1948, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had adopted the following resolution (S. Res. 204):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN M. ROBSION, late a Representative from the State of Kentucky.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock meridian on Monday next.

The message also announced that, pursuant to the above resolution, the Senators from Kentucky [Mr. BARKLEY and Mr. COOPER] were appointed on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 402. An act to authorize and direct the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land; and

S. 590. An act authorizing the issuance of a patent in fee to Tom Eagleman.

WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the order of the House of February 16, 1948, the Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN] to read George Washington's Farewell Address.

Mr. FLANNAGAN read the Farewell Address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment

of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth, as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, suffering and successes.

But these considerations, however powerfully they addressed themselves to your sensibility, are greatly cutweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south* in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty

with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be involved, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit or party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments

are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessary parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of

the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

EXTENSION OF REMARKS

Mr. SHEPPARD asked and was given permission to extend his remarks in the RECORD and include poems by Mr. Horace A. Carlisle.

PERMISSION TO EXTEND REMARKS AT THIS POINT IN THE RECORD

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, again the House is met to receive a message from the Father of our Nation. With every passing year the reading of George Washington's Farewell Address to the people of the United States becomes freighted with more meaning, and its wisdom is more apparent in the light of our history.

As the message was read today, every hearer must have been acutely impressed by those passages wherein is expressed his parental solicitude: "That your Union and brotherly affection may be perpetual"; and the primary injunction:

> The unity of Government which constitutes you one people is also now dear to you. It is justly so, for it is a main pillar in the edifice of your real independence, the support of your tranquillity at home, your peace abroad, of your safety, of your prosperity in every shape, of that very liberty which you so highly prize. But as it is easy to foresee that from different causes, and from different quarters, much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed, it is of infinite moment that you should properly estimate the immense value of your National Union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it, accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity, watching for its preservation with jealous anxiety, discountenancing whatever may suggest even a suspicion that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

The mighty mind of our first President, as he let it run down the long years of the future, saw clearly that from time to time there would be legislation proposed and administrative policies considered which would tend toward disintegration of the unity which he conceived to be and which we all must admit is essential to the preservation of our form of government.

There are now pending in this Congress more than a dozen so-called antilynching bills. It is not my intention to discuss today the demerits of any of these bills except that one so forcefully expressed in the immortal document just read. From the mountaintop of privilege which has just been ours, before we descend to the plain of less exalted

thought, let us ponder the plea for the unity which should constitute us a people, and respond to the challenge to discountenance "whatever may suggest even a suspicion that it can in any event be abandoned" and that we indignantly frown "upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts."

Nothing could be clearer than that these lynching bills constitute a renewed attempt to alienate one portion of our country from the rest, or at least to enfeeble the sacred ties which now link together the various parts of our Nation.

Ten years ago yesterday Hon. George W. Norris, then the distinguished senior Senator from Nebraska, took the floor of the Senate, and, in speaking of such a bill, which was then about to be laid aside, said:

I am opposed to it because I think it would have a tendency to raise again that slumbering monster which came into being as the result of the Civil War. I am opposed to the bill because I believe it would do more harm than good even to the colored race. * * * The people of the South have done a wonderful job. I confess we could not have improved upon it. With all the hatred, the animosity, and the agony which came to the people, it is amazing to me that the crime of lynching has been gradually dying out. The people of the South have made a record of which they have a right to be proud.

We have forgotten the reconstruction days. The agonizing animosities which came about from the Civil War and the reconstruction period have been, thank God, largely forgotten. If enacted into law, this bill would revive them all. It would have a tendency, I think, to halt the progress which has been made during these eventful years.

We could not improve upon what has been done. Confronted by a condition which never before faced a people, the people of the South have now almost reached the time, in the few short years which have passed since the Civil War, when the crime of lynching is almost unknown. Why should we interfere now? Why should the Federal Government undertake to step in now? With their record, it would be a step backward in human progress, as I see it.

In the debate on that bill in the Senate on January 7, 1938, another great leader of American thought, Hon. William E. Borah, then senior Senator from Idaho, spoke, in part, as follows:

The same arguments are made in support of the pending measure, to wit: That the southern people are to be distrusted and are incapable of local self-government.

We know now what those measures in those days did. They retarded and frustrated the coming together of the people of the different States. They gave us the solid South. They separated us politically, which separation continues until this day. They implanted a sense of bitterness in the minds of those people, not because of what had happened upon the field but because of what happened in Congress.

It is not in the interest of national unity to stir old embers, to arouse old fears, to lacerate old wounds, to again, after all these years, brand the southern people as incapable or unwilling to deal with the question of human life. This bill is not in the interests of that good feeling between the two races so essential to the welfare of the colored people.

Nations are not held together merely by constitutions and laws. They are held together by mutual respect, by mutual confidence, by toleration for conditions in different parts of the country, by confidence that the people in the different parts of the country will solve their problems, and that is just as essential today as it was in 1865 and 1870.

In the beginning, Mr. President, I reject the pending measure as fundamentally not in the interest of the white people of the South, not in the interest of the black people of the South, not in the interest of national unity nor of national solidarity, not in the interest of eliminating crime. History has proven that it will be a failure, and those who suffer most will be the weaker race.

These two outstanding statesmen are neither from the South. They are looking at the problem dispassionately and objectively. They have the perspective which distance gives. Their words are weighted by these facts.

Reverting again to the Farewell Address, we hear our First President say:

You have in a common cause fought and triumphed together. The independence and liberty you possess are the work of joint councils and joint efforts—of common dangers, suffering, and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest. Here every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

No one can deny that the South has taken its rightful place and performed well its full part in every foreign war which this country has waged. In the war of the Revolution the blood of southern patriots reddened the soil of New England and wrote thereby a plea against sectionalism. The ragged heroes who followed Washington across the Delaware and to Valley Forge were Americans all. There was no sectional partisanship among the boys who fought at Chapultepec nor at San Jacinto. The forces of the Republic in our war with Spain were not clad in blue or gray, but in the uniform of the Nation. The boys who sleep on San Juan Hill or in the trenches around Santiago were from every part of the Union.

Those who "followed the gleam" to France and gave "the last full measure of devotion" before they threw the torch that they might rest in Flanders Fields, and their buddies who, thank God, came back home to live, were Americans—united.

The sons took up their "quarrel with the foe." They illumined our whole world with the light of the torch they held so high.

More than a year before the Declaration of Independence was adopted by the Continental Congress at Philadelphia a similar declaration of independence was adopted by a convention which met in Charlotte, N. C. It is known as the Mecklenburg declaration of independence. From a pamphlet preserved in the Library of Congress we learn:

Therefore on the sd. 19th May 1775 the sd. committee met in Charlotte Town (2 men from each company) vested with all powers these their constituents had or conceived they had.

After a short conference about their suffering brethren besieged and suffering every hardship in Boston and the American blood running in Lexington, the electrical fire flew into every breast.

These men of the South felt keenly the afflictions of their brethren in Boston, and the news of the American blood running in Lexington caused the electrical fire to fly into every breast. Would that we were so closely knit in bonds of brotherhood and sympathetic regard today. The ground that we have lost in this respect may be regained, but not without mutual respect and confidence.

Every one of those hardy pioneers loved his fellows engaged in the common struggle to build here "a new nation, conceived in liberty and dedicated to the proposition that all men are created equal." We have a rich, common heritage from these founding fathers. There is much to love in the citizens of every part of our great Nation. We may look on this and be drawn closer together. We may look on the divisive elements and become hostile camps. The future is in our hands today, to mar or to make. The South asks and will have no part in the local problems of other sections. We have full confidence in our brethren that they will work out their own difficulties wisely and well. We may consider the things that will make us one or the things which divide. My plea is not made as a southerner, nor as the Representative of a great district of Alabama, but as a humble citizen of this great Republic. I plead with you, my colleagues, and with all who have ears to hear, that we set ourselves against consideration of those things which tend to divide us and give our best thought to those things which unite. There are many measures challenging our best, united thought. Great domestic and foreign problems press for solution. Let us press forward toward our glorious destiny in unity, "discountenancing whatever may suggest even a suspicion that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest or to enfeeble the sacred ties which now link together the various parts."

LEST WE FORGET

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include the oath of allegiance of George Washington at Valley Forge together with the Declaration of Independence.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, I am inserting under a unanimous-consent request the oath of allegiance of George Washington at Valley Forge, 1778:

I, George Washington, Commander in Chief of the Armies of the United States of America, do acknowledge the United States of America to be free, independent, and sov-

ereign States, and declare that the people thereof owe no allegiance or obedience to George III, King of Great Britain; and I renounce, refuse, and abjure any allegiance or obedience to him; and I do swear that I will to the utmost of my power, support, maintain, and defend the said United States, against the said King George III, his heirs and successors, and his or their abettors, assistants, and adherents, and will serve the said United States in the office of Commander in Chief, which I now hold, with fidelity, according to the best of my skill and understanding.

G. WASHINGTON.

Sworn before me, camp at Valley Forge, May 12, 1778.

WORLING,
Major General.

Are we, or are we not, Mr. Speaker, the guardians and defenders of the great heritage of liberty bequeathed to us as a result of the sacrifices of our heroic men of the past?

Are we to be true to our obligation as citizens of this great Republic or shall we betray our trust by surrendering our priceless inheritance of liberty to the acts of those who now seek in the name of internationalism and communism to barter these liberties away?

George Washington was true to the sacred trust placed in him by the men and women who sought freedom from foreign tyranny.

Benedict Arnold also took an oath of allegiance but instead of remaining true to his oath he yielded to foreign influence and became an internationalist.

The character and influence of George Washington will live throughout all time to bless mankind; the influence of Benedict Arnold will survive only as a hideous example of perfidy to those who in moments of weakness would betray the trust reposed in them to preserve, protect, and defend the hard-won liberties which we now enjoy.

I am further inserting under a unanimous-consent request the Declaration of Independence, which concludes with these words:

And for the support of this declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.

DECLARATION OF INDEPENDENCE

The Declaration of Independence was adopted by the Continental Congress, in Philadelphia, on July 4, 1776, and was signed by John Hancock as President and by Charles Thompson as Secretary. It was published first on July 6 in the Pennsylvania Evening Post. A copy of the Declaration, engrossed on parchment, was signed by Members of Congress on and after August 2, 1776:

"When, in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shewn, that mankind are more disposed to suffer, while evils are sufferable than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object, evidence a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security. Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States. To prove this, let Facts be submitted to a candid world.

"He has refused his Assent to Laws, the most wholesome and necessary for the public good.

"He has forbidden his Governors to pass Laws of immediate and pressing importance, unless suspended in their operation till his Assent should be obtained, and when so suspended, he has utterly neglected to attend to them.

"He has refused to pass other Laws for the accommodation of large districts of people, unless those people would relinquish the right of Representation in the Legislature, a right inestimable to them and formidable to tyrants only.

"He has called together legislative bodies at places, unusual, uncomfortable, and distant from the depository of their public Records, for the sole purpose of fatiguing them into compliance with his measures.

"He has dissolved Representative Houses repeatedly, for opposing with manly firmness his invasions on the rights of the people.

"He has refused for a long time, after such dissolutions, to cause others to be elected; whereby the Legislative powers, incapable of Annihilation, have returned to the People at large for their exercise; the State remaining in the meantime exposed to all the dangers of invasion from without, and convulsions within.

"He has endeavored to prevent the population of these States; for that purpose obstructing the Laws for Naturalization of Foreigners; refusing to pass others to encourage their migrations hither, and raising the conditions of new Appropriations of Lands.

"He has obstructed the Administration of Justice, by refusing his Assent to Laws for establishing Judiciary powers.

"He has made Judges dependent on his Will alone, for the tenure of their offices, and the amount and payment of their salaries.

"He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance.

"He has kept among us, in times of peace, Standing Armies, without the Consent of our legislatures.

"He has affected to render the Military independent of and superior to the Civil power.

"He has combined with others to subject us to a jurisdiction foreign to our constitution and unacknowledged by our laws; giving his Assent to their Acts of pretended Legislation: For quartering large bodies of armed troops among us: For protecting them by a mock Trial from punishment for any Murders which they should commit on the Inhabitants of these States: For cutting off our Trade with all parts of the world: For imposing Taxes on us without our Consent: For depriving us in many cases of the benefits of Trial by Jury: For transporting us beyond Seas to be tried for pretended offenses: For abolishing the free System of English Laws in a neighbouring Province, establishing therein an Arbitrary government, and enlarging its Boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these Colonies: For taking away our Charters, abolishing our most valuable Laws and altering fundamentally the Forms of our Governments: For suspending our own Legislatures and declaring themselves invested with power to legislate for us in all cases whatsoever.

"He has abdicated Government here by declaring us out of his Protection and waging War against us.

"He has plundered our seas, ravished our Coasts, burnt our towns, and destroyed the lives of our people.

"He is at this time transporting large Armies of foreign Mercenaries to complete the works of death, desolation and tyranny, already begun with circumstances of cruelty and perfidy scarcely paralleled in the most barbarous ages, and totally unworthy the Head of a civilized nation.

"He has constrained our fellow Citizens taken Captive on the high Seas to bear Arms against their Country, to become the executioners of their friends and Brethren, or to fall themselves by their Hands.

"He has excited domestic insurrections amongst us, and has endeavoured to bring on the inhabitants of our frontiers, the merciless Indian Savages, whose known rule of warfare is an undistinguished destruction of all ages, sexes and conditions. In every stage of these Oppressions We have Petitioned for Redress in the most humble terms. Our repeated Petitions have been answered only by repeated injury. A Prince, whose character is thus marked by every act which may define a Tyrant, is unfit to be the ruler of a free people. Nor have We been wanting in attention to our British brethren. We have warned them from time to time of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common kindred to disavow these usurpations, which would inevitably interrupt our connections and correspondence. They too have been deaf to the voice of justice and consanguinity. We must, therefore, acquiesce in the necessity, which denounces our Separation, and hold them, as we hold the rest of mankind, Enemies in War, in Peace Friends.

"WE, THEREFORE, the Representatives of the United States of America, in General Congress, Assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions do, in the Name, and by authority of the good People of these Colonies, solemnly publish and declare, That these United Colonies are, and of Right ought to be, Free and Independent States: that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britain is and ought to be totally dissolved: and that as Free and Independent States, they have full Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do. And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes, and our sacred Honor."

Signers of the Declaration of Independence

Name, Delegate from—	Vocation	Birthplace	Born	Died
Adams, John (Massachusetts)	Lawyer	Braintree (Quincy) Mass.	1735, Oct. 30	1826, July 4.
Adams, Samuel (Massachusetts)	Brewer	Boston, Mass	1722, Sept. 27	1803, Oct. 2.
Bartlett, Josiah (New Hampshire)	Physician, lawyer	Amesbury, Mass	1729, Nov. 21	1795, May 19.
Braxton, Carter (Virginia)	Farmer	King and Queen Court House, Va.	1736, Sept. 10	1797, Oct. 10.
Carroll, Charles, of Carrollton (Maryland)	Lawyer	Annapolis, Md	1737, Sept. 20	1832, Nov. 14.
Chase, Samuel (Maryland)	Jurist	Princess Anne, Md	1741, Apr. 17	1811, June 19.
Clark, Abraham (New Jersey)	Lawyer, financier	Elizabeth, N. J	1726, Feb. 15	1794, Sept. 15.
Clymer, George (Pennsylvania)	Merchant	Philadelphia, Pa	1739, Mar. 16	1813, Jan. 23.
Ellery, William (Rhode Island)	Jurist	Newport, R. I	1727, Dec. 22	1820, Feb. 15.
Floyd, William (New York)	Soldier	Brookhaven, N. Y	1734, Dec. 17	1821, Aug. 4.
Franklin, Benjamin (Pennsylvania)	Printer, publisher	Boston, Mass	1706, Jan. 17	1790, Apr. 17.
Gerry, Elbridge (Massachusetts)	Merchant	Marblehead, Mass	1744, July 17	1814, Nov. 23.
Gwinnett, Button (Georgia)	do	Down Hatherly, Eng	1732	1777, May 19.
Hall, Lyman (Georgia)	Physician, jurist	Wallingford, Conn	1724, Apr. 12	1790, Oct. 19.
Hancock, John (Massachusetts)	Merchant	Braintree (Quincy) Mass.	1737, Jan. 12	1793, Oct. 8.
Harrison, Benjamin (Virginia)	Farmer	Berkeley, Va	1726, Apr. 5	1791, Apr. 24.
Hart, John (New Jersey)	Farmer	Stonington, Conn	1707	1779, May 11.
Hewes, Joseph (North Carolina)	Merchant	Kingston, N. J	1730, Jan. 23	1779, Nov. 10.
Heyward, Thomas, Jr. (South Carolina)	Lawyer, farmer	St. Luke's Parish, S. C	1746, July 28	1809, March 6.
Hooper, William (North Carolina)	Lawyer	Boston, Mass	1742, June 17	1790, October.
Hopkins, Stephen (Rhode Island)	Merchant, judge	Providence, R. I	1707, March 7	1785, July 13.
Hopkinson, Francis (New Jersey)	Jurist, musician	Philadelphia, Pa	1737, Sept. 21	1791, May 9.
Huntington, Samuel Connecticut)	Jurist	Windham County, Conn	1731, July 3	1796, Jan. 5.
Jefferson, Thomas (Virginia)	Lawyer	Old Shadwell, Va	1743, April 13	1826, July 4.
Lee, Richard Henry (Virginia)	Farmer	Stratford, Va	1732, Jan. 20	1794, June 19.
Lee, Francis Lightfoot (Virginia)	do	do	1734, Oct. 14	1797, Jan. 11.
Lewis, Francis (New York)	Merchant	Landaff, Wales	1713, March	1803, Dec. 30.
Livingston, Philip (New York)	do	Albany, N. Y	1716, Jan. 15	1778, June 12.
Lynch, Thomas, Jr. (South Carolina)	Farmer	Winyah, S. C	1749, Aug. 5	1779 (at sea).
McKean, Thomas (Delaware)	Lawyer, soldier	New London, Pa	1734, o. s. Mar. 19	1817, June 24.
Middleton, Arthur (South Carolina)	Farmer	Middleton Place, S. C. (Charleston).	1742 June 26	1787, Jan. 1.
Morris, Lewis (New York)	do	Morrisania, N. Y. (The Bronx, New York City).	1726, Apr. 8	1798, Jan. 22.
Morris, Robert (Pennsylvania)	Merchant	Liverpool, England	1734, Jan. 20	1806, May 8.
Morton, John (Pennsylvania)	Jurist	Ridley, Pa	1724	1777, April.
Nelson, Thos., Jr. (Virginia)	Soldier	Yorktown, Va	1738, Dec. 26	1789, Jan. 4.
Paca, William (Maryland)	Jurist	Abingdon, Md	1740, Oct. 31	1799, Oct. 23.
Paine, Rob't Treat (Massachusetts)	Reverend, jurist	Boston, Mass	1731, March 11	1814, May 12.
Penn, John (North Carolina)	Lawyer	Near Port Royal, Va	1741, May 17	1788, Sept. 14.
Read, George (Delaware)	Jurist	Near Northeast, Md	1733, Sept. 18	1798, Sept. 21.
Rodney, Caesar (Delaware)	do	Dover, Del	1728, Oct. 7	1784, June 29.
Ross, George (Pennsylvania)	do	New Castle, Del	1730, May 10	1779, July 14.
Rush, Benjamin (Pennsylvania)	Physician	Byberry, Pa. (Philadelphia).	1745, Dec. 24	1813, April 19.
Rutledge, Edward (South Carolina)	Lawyer, soldier	Christ Church Parish, S. C.	1749, Nov. 23	1800, Jan. 23.
Sherman, Roger (Connecticut)	Lawyer	Newton, Mass	1721, Apr. 19	1793, July 23.
Smith, James (Pennsylvania)	do	Ireland	1713	1806, July 11.
Stockton, Richard (New Jersey)	do	Near Princeton, N. J	1730, Oct. 1	1781, Feb. 28.
Stone, Thomas (Maryland)	do	Charles City, Md	1743	1787, Oct. 5.
Taylor, George (Pennsylvania)	Iron manufacturer	Ireland	1716	1781, Feb. 23.
Thornton, Matthew (New Hampshire)	Physician, jurist	do	1714	1803, June 24.
Walton, George (Georgia)	Jurist, soldier	Prince Edward County, Va.	1741	1804, Feb. 2.
Whipple, William (New Hampshire)	Merchant, jurist	Kittery, Maine	1730, Jan. 14	1785, Nov. 28.
Williams, William (Connecticut)	do	Lebanon, Conn	1731, Apr. 23	1811, Aug. 2.
Wilson, James (Pennsylvania)	Jurist	Carskerdo, Scotland	1742, Sept. 14	1798, Aug. 28.
Witherspoon, John (New Jersey)	College president	Gifford Scotland	1723, Feb. 5	1794, Nov. 15.
Wolcott, Oliver (Connecticut)	Jurist, soldier	Windsor, Conn	1726, Dec. 1	1797, Dec. 1.
Wythe, George (Virginia)	Lawyer	Elizabeth City, Va. (Back River).	1726	1806, June 8.

The Declaration, drawn by Jefferson and slightly amended by Adams and Franklin, had been presented to Congress June 28, 1776. Prior to this (June 7) Richard Henry Lee had introduced in the Congress a resolution declaring that these United Colonies are, and of right ought to be, free and independent States, that they are absolved from all allegiance to the British Crown, and that all political connection between them and the state of Great Britain is, and ought to be, totally dissolved.

The resolution, seconded by John Adams on behalf of the Massachusetts delegation, came up again June 10 when a committee of five, headed by Thomas Jefferson, was appointed with instructions to embody the spirit and purpose of the resolution in a Declaration of Independence. The others on the committee were John Adams, Benjamin Franklin, Robert R. Livingston, and Roger Sherman.

The Declaration was adopted substantially as prepared by Jefferson, the two most significant and important changes being the elimination of Jefferson's arraignment of the British people and of King George in his encouraging and fostering the slave trade which Jefferson called an execrable commerce.

McKean voted for the resolution of independence but was with Washington's Army when it was engrossed and was not a Member of Congress from December 1776 to January 30, 1778. He signed, he said later, in 1781. Wythe signed about August 27; R. H. Lee, Elbridge Gerry, and Oliver Wolcott in September. Thornton first attended Congress on November 4.

Five Pennsylvania signers of the engrossed Declaration—Rush, Clymer, Smith, Taylor, and Ross—were not appointed to Congress until July 20, when they succeeded three Pennsylvania Members who were in Congress on July 4 but did not support the Declaration.

Robert Morris, of Pennsylvania, William Williams, of Connecticut, and Samuel Chase, of Maryland were absent on July 4, but signed the engrossed Declaration on August 2.

Oliver Wolcott, of Connecticut, and George Wythe and Richard Henry Lee, of Virginia, were absent on July 4 and August 2.

Elbridge Gerry, of Massachusetts, was also absent on August 2, and likewise signed on return to Congress.

Charles Carroll of Carrollton, was appointed a delegate by Maryland July 4, 1776, presented his credentials on July 18, and signed the engrossed copy of the Declaration on August 2.

The New York State convention did not, until July 9, authorize its delegates to approve the Declaration, and Congress was so notified on July 15. Four of the New York Members who refrained from voting for lack of authority on July 4 signed the engrossed Declaration on August 2.

Congress, January 18, 1777, ordered that an authenticated copy of the Declaration and signers, attested by Hancock and Thompson, be sent to each of the United States for them to put on record. This was printed, broadside, by Mary K. Goddard, in Baltimore, where Congress was then in session. A copy of the broadside, authenticated January 31, 1777, was distributed to the States.

The Declaration of Independence is silent on the right to own property, although the majority of the signers of the document were men of substance in real and personal property, and at least half a dozen were slave owners.

Mr. RANKIN. Mr. Speaker, the foreign policy which this Nation followed for more than a hundred years, and to which we must return if this Republic is to survive, was laid down in Washington's Farewell Address to which you have just listened, and in Thomas Jefferson's First Inaugural Address:

Peace, commerce, and honest friendship with all nations—entangling alliances with none.

Under permission to extend my remarks, I insert that immortal message of Jefferson's at this point.

It was delivered on the east front of this Capitol on March 4, 1801.

That address follows:

Friends and fellow citizens: Called upon to undertake the duties of the first Executive office of our country, I avail myself of the presence of that portion of my fellow citizens which is here assembled, to express my grateful thanks for the favor with which they have been pleased to look toward me, to declare a sincere consciousness that the task is above my talents, and that I approach it with those anxious and awful presentiments which the greatness of the charge and the weakness of my powers so justly inspire. A rising Nation, spread over a wide and fruitful land, traversing all the seas with the rich productions of their industry, engaged in commerce with nations who feel power and forget right, advancing rapidly to destinies beyond the reach of mortal eye—when I contemplate these transcendent objects, and see the honor, the happiness, and the hopes of this beloved country committed to the issue and the auspices of this day, I shrink from the contempla-

tion, and humble myself before the magnitude of the undertaking. Utterly indeed, should I despair, did not the presence of many whom I here see remind me, that in the other high authorities provided by our Constitution, I shall find resources of wisdom, of virtue, and of zeal on which to rely under all difficulties. To you, then, gentlemen, who are charged with the sovereign functions of legislation, and to those associated with you, I look with encouragement for that guidance and support which may enable us to steer with safety the vessel in which we are all embarked amid the conflicting elements of a troubled world.

During the contest of opinion through which we have passed, the animation of discussion and of exertions has sometimes worn an aspect which might impose on strangers unused to think freely and to speak and to write what they think; but this being now decided by the voice of the Nation, announced according to the rules of the Constitution, all will, of course, arrange themselves under the will of the law and unite in common efforts for the common good. All, too, will bear in mind this sacred principle, that though the will of the majority is in all cases to prevail, that will, to be rightful, must be reasonable; that the minority possess their equal rights, which equal laws must protect, and to violate which would be oppression. Let us, then, fellow citizens, unite with one heart and one mind. Let us restore to social intercourse that harmony and affection without which liberty and even life itself are but dreary things. And let us reflect that having banished from our land that religious intolerance under which mankind so long bled and suffered, we have yet gained little if we countenance a political intolerance as despotic, as wicked, and capable of as bitter and bloody persecutions. During the throes and convulsions of the ancient world, during the agonizing spasms of infuriated man, seeking through blood and slaughter his long-lost liberty, it was not wonderful that the agitation of the billows should reach even this distant and peaceful shore; that this should be more felt and feared by some and less by others; that this should divide opinions as to measure of safety. But every difference of opinion is not a difference of principle. We have called by different names brethren of the same principle. We are all Republicans—we are Federalists. If there be any among us who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it. I know, indeed, that some honest men fear that a republican government cannot be strong; that this Government is not strong enough. But would the honest patriot, in the full tide of successful experiment, abandon a government which has so far kept us free and firm, on the theoretic and visionary fear that this Government, the world's best hope, may by possibility want energy to preserve itself? I trust not. I believe this, on the contrary, the strongest Government on earth. I believe it is the only one where every man, at the call of the laws, would fly to the standard of the law, and would meet invasions of the public order as his own personal concern. Sometimes it is said that man cannot be trusted with the government of himself. Can he, then, be trusted with the government of others? Or have we found angels in the forms of kings to govern him? Let history answer this question.

Let us, then, with courage and confidence, pursue our own Federal and republican principles—our attachment to our Union and representative government. Kindly separated by nature and a wide ocean from the exterminating havoc of one-quarter of the globe; too high-minded to endure the degradations of the others; possessing a chosen country, with room enough for our descendants to the hundredth and thousandth generation; entertaining a due sense of our equal right to the use of our own faculties, to the acquisitions of our industry, to honor and confidence from our fellow citizens, resulting not from birth but from our actions and their sense of them; enlightened by a benign religion, professed, indeed, and practiced in various forms, yet all of them including honesty, truth, temperance, gratitude, and the love of man; acknowledging and adoring an overruling providence, which by all its dispensations proves that it delights in the happiness of man here and his greater happiness hereafter; with all these blessings, what more is necessary to make us a happy and prosperous people? Still one thing more, fellow citizens—a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close the circle of our felicities.

About to enter, fellow citizens, on the exercise of duties which comprehend everything dear and valuable to you, it is proper that you should understand what I deem the essential principles of our Government, and consequently those which ought to shape its administration. I will compress them within the narrowest compass they will bear, stating the general principle, but not all its limitations. Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship, with all nations—entangling alliances with none; the support of the state governments in all their rights, as the most competent administrations for our domestic concern and the surest bulwarks against antirepublican tendencies; the preservation of the General Government in its whole constitutional vigor, as the sheet anchor of our peace at home and safety abroad; a jealous care of the right of election by the people—a mild and safe corrective of abuses which are lopped by the sword of the revolutions where peaceable remedies are unprovided; absolute acquiescence in the decisions of the majority—the vital principle of republics, from which there is no appeal but to force, the vital principle and immediate parent of despotism; a well-disciplined militia—our best reliance in peace and for the first moments of war, till regulars may relieve them; the supremacy of the civil, over the military authority; economy in the public expense, that labor may be lightly burdened, the honest payment of our debts and sacred preservation of the public faith; encouragement of agriculture, and of commerce as its handmaid; the diffusion of information and the arraignment of all abuses at the bar of public reason; freedom of religion; freedom of the press; freedom of person under the protection of the habeas corpus; and trial by juries impartially selected—these principles form the bright constellation which has gone before us, and guided our steps through an age of revolution and reformation. The wisdom of our sages and the blood of our heroes have been devoted to their attainment. They should be the creed of our political faith—the text of civil instruction—the touchstone by which to try the services of those we trust; and should we wander from them in moments of error or alarm, let us hasten to retrace our steps and to regain the road which alone leads to peace, liberty, and safety.

I repair then, fellow citizens, to the post you have assigned me. With experience enough in subordinate offices to have seen the difficulties of this, the greatest of all, I have learned to expect that it will rarely fall to the lot of imperfect man to retire from this station with the reputation and the favor which bring him into it. Without pretentions to that high confidence reposed in our first and great revolutionary character, whose preeminent services had entitled him to the first place in his country's love, and destined for him the fairest page in the volume of faithful history, I ask so much confidence only as may give firmness and effect to the legal administration of your affairs. I shall often go wrong through defect of judgment. When right, I shall often be thought wrong by those whose positions will not command a view of the whole ground. I ask your indulgence for my own errors, which will never be intentional; and your support against the errors of others, who may condemn what they would not if seen in all its parts. The approbation implied by your suffrage is a consolation to me for the past; and my future solicitude will be to retain the good opinion of those who have bestowed it in advance, to conciliate that of others by doing them all the good in my power, and to be instrumental to the happiness and freedom of all.

Relying, then, on the patronage of your good will, I advance with obedience to the work, ready to retire from it whenever you become sensible how much better choice it is in your power to make. And may that Infinite Power which rules the destinies of the universe, lead our councils to what is best, and give them a favorable issue for your peace and prosperity.

SPECIAL COMMITTEE TO INVESTIGATE ELECTION OF THE MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. ALLEN of Illinois, from the Committee on Rules submitted the following resolution (H. Res. 461), which was referred to the House Calendar and ordered to be printed:

Resolved, That a special committee of five members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1949, with respect to the following matters:

1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

2. The amounts subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1948 to which a candidate for the House of Representatives is to be nominated or elected.

3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

4. The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

5. The violations, if any, of the following statutes of the United States:

(a) The Federal Corrupt Practices Act.

(b) Title 18, sections 61 to 62b, inclusive, United States Code, 1940 edition, relating to pernicious political activities, commonly referred to as the Hatch Act.

(c) The provisions of section 304, Public Law 101, Eightieth Congress, chapter 120, first session, referred to as the "Labor Management Relations Act, 1947."

(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

6. Such other matters relating to the election of Members of the House of Representatives in 1948, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress, to employ such attorneys, experts, clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

8. The committee is authorized and directed to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper.

9. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes any default, or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1949, as hereinabove provided.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was granted permission to extend his remarks in the RECORD and include a petition presented to him by L. B. Weisensell, of La Crosse, Wis., with regard to universal military training.

Mr. ANGELL asked and was granted permission to extend his remarks in the RECORD in three instances and in each to include extraneous matter.

Mr. HARVEY asked and was granted permission to extend his remarks in the RECORD and include a Lincoln Day address delivered by Hon. KENNETH B. KEATING, of New York, at Muncie, Ind., on February 11, 1948.

Mr. JENKINS of Ohio asked and was granted permission to extend his own remarks in the RECORD.

Mr. MEYER asked and was granted permission to extend his remarks in the RECORD and include a statement by Russel B. Brown, of the Independent Petroleum Association of America, on a proposal for regulation of the petroleum industry.

FLOOD WALLS

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, another disastrous flood has visited the Ohio Valley and will no doubt visit the Mississippi Valley. I am glad to say that the flood is moving out and is not as disastrous as we feared it would be.

I rise also to say at this time to the Members of Congress who live in cities along our rivers that these flood walls built by the Government with the help and participation of the municipalities have proved to be well worth while. My own home town of Ironton, Ohio, was the first town in the United States to be completely surrounded by a flood wall, constructed under the legislation passed soon after the great flood of 1937. It is really a glorious feeling when we, the residents of my home city, can see Old Man River moving along and doing us no damage. Our rivers are very valuable natural resources. The genius of the Army engineers has in many cases held these mighty rivers under control. Already our flood wall has paid for itself three or four times within the last 7 or 8 years.

I shall always feel proud of my part in the securing of the passage of the legislation which provided for the construction of these protective flood walls. And I shall always feel proud of my part in securing the construction of the flood walls at Ironton. This is the most important event in the history of that city. The efforts of the city manager and the members of the city council and the people in voting the bonds with which they provided the city's part of the cost were all very effective and very necessary.

The SPEAKER. The time of the gentleman from Ohio has expired.

JOHN QUINCY ADAMS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. WIGGLESWORTH]?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I rise for the purpose of calling the attention of the Congress and the country to the fact that this day on which we commemorate the birthday of the Father of Our Country also marks the one hundredth anniversary of the death, here in this House, of the sixth President of the United States, the only ex-President to ever serve as a Member of this body, President John Quincy Adams, of Massachusetts.

Having served as United States Senator, as Minister to England, as Secretary of State, and, like his father before him, as President of the United States, he was subsequently elected in 1830 from the district which I have today the honor to represent as a Member of the National House of Representatives.

He served in that capacity until the day of his death on February 23, 1848, contributing greatly to the welfare and progress of the Nation.

Stricken on the floor of this House, at that time in the auditorium immediately to the north of this Chamber, he was carried to the then office of the Speaker, now serving as the office of the Clerk of the House, where he died on the lounge which can still be found in that office, just 100 years ago today.

Mr. Speaker, the example and inspiration of his devotion to the Nation has lived throughout the century.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I am very glad to have listened to the remarks of the gentleman from Massachusetts [Mr. WIGGLESWORTH], because in paying our respects to the memory of John Quincy Adams we pay them to one of the greatest statesmen ever produced by any country in the world.

One hundred years ago today, one of America's great men and one of the world's great statesmen died, having been stricken on the floor of the House of Representatives. He was a venerable gentleman who had been the President of the United States. He died as he wished to die—serving his beloved country, and at his work. He had answered the yeas and nays in a voice unusually clear for his nearly 81 years of age when he was stricken. He was removed to the Speaker's rooms where at a quarter past 7 o'clock on the evening of February 23, a hundred years ago today, he passed out of this life. The House Chamber at that time was in what is now Statutary Hall, and the Speaker's rooms were what now are the offices of the Clerk of the House of Representatives. A plaque marks the spot in the Clerk's office where the great statesman breathed his last on a couch.

John Quincy Adams was one of the greatest statesmen ever produced by any country in the world. Born on the 11th day of July 1767 in that part of Braintree, Mass., subsequently incorporated into the town of Quincy, he had served in various capacities with ability, integrity, and distinction given to but few men. When he was but 11 years of age, he went abroad with his father, John Adams, to

France, whither the elder Adams had been sent with Benjamin Franklin and Arthur Lee as Commissioners to the Court of Versailles.

Being an assiduous student, young John Quincy Adams, under the guidance of his father took full advantage of his unusual opportunities for education.

It is a singular fact that John Quincy Adams when 14 years of age became the private secretary of Francis Dana, who had been appointed Minister Plenipotentiary to Russia.

At the age of 18, young John Quincy Adams became fearful that by remaining longer in Europe he might imbibe monarchial sentiments and returned to Massachusetts. There he entered Harvard University, being graduated in 1787 with distinguished honors.

Soon after leaving college he entered the law office of the celebrated Theophilus Parsons, afterward chief justice of Massachusetts, where he studied for the usual 3 years and then entered the profession of law, establishing himself in Boston.

This remarkable man was destined not to be a private professional attorney.

In 1794 Gen. George Washington appointed him Resident Minister to the United Netherlands. From then on until 1801 he was engaged in diplomatic missions for his country as a Minister to Holland, England, and Prussia. As General Washington was retiring from office, he appointed Mr. Adams Minister Plenipotentiary to the Court of Portugal. Before he could reach the point of his mission, his destination was changed to Berlin.

In 1802 he was chosen by the Boston district to the Senate of Massachusetts. Soon afterward he was elected by the State legislature a Senator in the National Congress for 6 years from March 3, 1803. He resigned in 1808 from the Senate and accepted a chair of rhetoric at Harvard University. He filled this post with distinguished ability. In 1809 he was appointed by President Madison Envoy Extraordinary and Minister Plenipotentiary to the Court of Russia. There he again rendered important service to his country. He induced Russia to offer her mediation services between Great Britain and the United States in the War of 1812. He was placed by President Madison at the head of five distinguished commissioners to conclude a treaty of peace at Ghent in 1814. Later he became Minister Plenipotentiary to the Court of St. James's.

While in Europe he received appointment as a Justice of the Supreme Court of the United States, which he declined. Remaining in England until the close of President Madison's administration, he was called home to become the head of the Department of State under President Monroe. There, he served his country with great ability and distinction for 8 years.

In 1825 he was chosen by the House of Representatives President of the United States for a term of 4 years. On leaving the Presidency in 1829, he returned to his home in Massachusetts. In 1831 he was elected a Member of this House and was continued in that office by his people until the day of his death.

Mr. Speaker, every citizen of Massachusetts remembers with great pride this distinguished and able statesman who stands so high in the list of able statesmen produced by the Commonwealth of Massachusetts. He was distinguished by his character and his services to his country, by his high integrity and his profound faith in God among men who were themselves distinguished as statesmen, as men of integrity and faith.

To the life and works of John Quincy Adams the people of our generation in our own Nation owe much indeed.

It is not as a public servant and statesman alone we contemplate the life and example of John Quincy Adams. As was well said at the time of his death:

> In the private walks of life where tired dissimulation drops the mask and man appears as he really is, we find in him all those silent and social virtues which adorn the character. His ardent love of justice, his inflexible regard for truth, his stern devotion to the cause of civil and religious liberty, were blended with meekness, sobriety, and charity.

Mr. Speaker, well may we pause on this day in which there is delivered a eulogy to the memory of the immortal George Washington and from these two great Americans draw strength, firmness of purpose, added faith in our God, and confidence in ourselves to meet the problems and the responsibilities which confront us in this day as we are preparing to lead a great international cooperative movement back to peace and progress for the human race.

May God give us the strength of purpose and the clearness of perception these two great men had.

SUBSISTENCE PROBLEMS OF THE AGED

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, I asked for this time this morning to call the attention of Members of Congress to the plight of our old folks—those who are forced to live on old-age assistance as now provided for under the Social Security Act.

We are now in the second session of the Eightieth Congress and nothing has been done about the serious situation in which some 10,000,000 of our elderly citizens find themselves. They are getting on an average of about $36 a month, and how anyone can exist on that amount, in this day of high prices, is a matter about which the Congress should be concerned.

The argument that we do not have the money or cannot afford it falls flat in the face of the billions we have given and the billions more we are about to appropriate for the people of other countries. Week after week and month after month we come in here and spend our time discussing the wants and needs of every other country in the world except our own, but up until this time—14 months after the beginning of this Congress—we have not had one bill or resolution reported to this floor in consideration of our own elderly folks who in the declining years of their lives need our help.

Have we become so world-minded and so concerned with the poverty of other countries that we forget to recognize or do anything about the utterly dire conditions under which a large segment of our own people live? Is there a Member of this House who would say that a human being could live in decency and health on $35, $45, or even $50 a month? Yet that is the way we are providing for our old folks—those who made possible our country—the most prosperous nation in the world—but who now are dependent on their Government for assistance.

I understand there are 14 pension bills of one kind or another in committee now. Perhaps every phase of the pension issue is covered in this array of proposed legislation.

Mr. Speaker, I appeal to the committee having such bills in charge to investigate, hear the facts, and then bring before the Congress a bill that will correct the injustice in our social-security set-up.

Let us not delay longer in the performance of our duty. Yes; let us set an example to the rest of the world of honest reward for a lifetime of service and humane treatment to our own citizens who, through no fault of their own, can no longer support themselves.

EXTENSION OF REMARKS

Mr. BELL asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Daily News.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in two instances, in one to include excerpts from an article appearing in the Farm Journal entitled "Death Walks on Four Feet," and in the other to include an article entitled "Federal Aid to States."

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

OUR GOVERNMENT—THE ANSWERS TO 1,001 QUESTIONS ON HOW IT WORKS

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, this afternoon I wish to call attention to a new book just published by the Ziff-Davis Publishing Co., of Chicago, entitled "Our American Government—the Answers to 1,001 Questions on How It Works." Here are the facts on the operation of our Government all lined up in terms that every American will understand and enjoy.

This ABC of democracy in action does for government what Webster did for words, and it should take an important place in every American home. The gentleman from Texas, Congressman PATMAN, who is the author of this study of our Government has written a book that will encourage many a pleasant and profitable family evening spent in the fascinating exploration of what makes liberty work.

In this book which utilizes the popular, easy-to-follow appeal of the question and answer quiz, the Congressman guides the reader through all the various divisions of the Government—legislative, executive, judicial. Moreover, in authoritative, nonpartisan terms, he provides the answers to questions that every American who deserves the name should know—"Who coined the word 'Americanize'?" "What President never exercized his veto power?" "What is the difference between an act and a bill?" and 998 other delightful excursions into government and Americana.

During his 20 years as a Representative from Texas, the Congressman has answered thousands of letters from citizens all over the country who sought to know more about their Government and how it worked. In the early forties, when he compiled a public document of 284 questions and answers—now out of date because of substantial changes in our Government—more than 1,000,000 copies were sold. As an up-to-date and expanded version, Our American Government—the Answers to 1,001 Questions on How It Works, is an important work that merits a place in every American home.

This book can help every American play an active role in his Government—for the responsibility of making democracy work rests with the American people.

Nineteen hundred and forty-eight is the year of decision. It is an election year. Many tremendous issues of the day are before Congress, not only our world leadership, but far-reaching domestic issues such as housing, Federal aid to education, further reorganization of Congress, aid to veterans, and many others.

Therefore the working processes of our Government and functional politics must be understood by all Americans if we are to solve the terrifying problems of our time and strengthen both democracy and liberty. Unquestionably the extent of constructive courses set in motion by our Government in 1948 will largely depend on action taken by our citizens. Such interest will result in the strengthening of Congress and its utility. Today's problems demands a strong Congress.

No doubt about it, our citizens can no longer afford to isolate themselves from government and let Congress do it. Good government is better when it is an expression of public opinion.

There is a bang-up time for every American who turns to Our American Government to learn all the facts that he, as a citizen, should know about his Government. It is nonpartisan, practical, and complete; designed for the millions and written in a straightforward, down-to-earth style. Small wonder, that this book is not only on the recommended list of the Book-of-the-Month Club but has been acclaimed by President Truman, Senator Robert A. Taft, Speaker Joseph W. Martin, Jr., Gen. Dwight D. Eisenhower, Bernard M. Baruch, and many other outstanding Americans.

Congressman PATMAN's book fulfills a major need of 140,000,000 Americans. In these crucial times when basic freedoms and the democratic way of life are under constant surveillance, when the American heritage is questioned and threatened as never before, it becomes doubly important for citizens to understand their responsibility to their Government. Our American Government is the best weapon Mr. and Mrs. America can take up in defense against totalitarianism.

I hope this book will encourage Americans to take a more active interest in governmental affairs and politics and help fire the native political aspirations of young people.

Also, every American, to his valuable delight, will find that it can be fun to be informed on his Government.

PALESTINE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial appearing in the Christian Science Monitor of February 17.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, we are today closer to war than most people in this country realize. I have addressed the following telegram to the President of the United States:

FEBRUARY 23, 1948.

Mr. HARRY S. TRUMAN,
President, White House,
Washington, D. C.:

Assumptions underlying Palestine partition action are now proved false. If Security Council implements assembly recommendation for use of military force it will mean war. Respectfully suggest (1) that Council suspend all efforts for implementation, (2) appeal to Jews and Arabs for cessation of hostilities, (3) seek solution by negotiation, mediation, and conciliation in accordance with article 33 of the Charter, and (4) in the event of failure above recommendations refer matter to International Court of Justice. The responsibility is yours, the American people do not want war over this situation.

Respectfully,
Congressman LAWRENCE H. SMITH.

Mr. Speaker, I also include as part of my remarks the following editorial from the Christian Science Monitor:

PARTITION PREDICAMENT

AN INTIMATE MESSAGE FROM WASHINGTON

(By Joseph C. Harsch)

WASHINGTON.—The difficulties which result when both domestic politics and inherited emotionalism are permitted to determine foreign policy are illustrated painfully by the current predicament of Washington over the matter of Palestine.

The American support of Palestine partition was originally compounded principally from two impulses. First, the Democratic National Committee has been worried, acutely, about New York State's big bloc of electoral votes. Beginning before the 1946 midterm elections, it has constantly pressed the White House to take a strong propartition line as a device to bolster Democratic chances for those New York votes.

Second, American public opinion has for generations been emotionally anti-British Empire; a feeling which has expressed itself in constant editorial sniping whenever a separatist movement within that Empire could command a vocal support inside the United States.

The net result is that United States policy on Palestine has succeeded in goading the British into a decision to relinquish their mandate over Palestine, but without ever having prepared in advance an American alternative to British rule which is adequate to the needs of the present dangerous situation in Palestine.

Washington is not prepared to replace British troops with American troops.

And it is equally unhappy over any device yet proposed for establishing a United Nations police force, since it sees no way of getting a UN police force adequate to the requirements which would not bring Russian-American rivalry deeper into the Palestine morass. The United States cannot very well contribute to that police force without allowing the Russians to contribute at least equally. And a UN police force which did not include strength from one or more of the big powers is not conceived to enjoy much chance of being able to maintain the peace between Jews and Arabs in Palestine.

The result is that the crisis over Palestine has been precipitated largely on American initiative, but finds Washington without an answer.

The extent of the embarrassment in Washington is illustrated by the position to which American policy has currently retreated. It is stated in Secretary of State George C. Marshall's letter of last week to 30 Congressmen. Mr. Marshall wrote:

"We regard the solution of this immensely difficult problem as a United Nations solution and our contribution to that end will be as a member and steadfast supporter of the United Nations."

The phrasing of that statement prepares a possible line of retreat. American policy, on orders from the White House, originally drove the partition of Palestine through a reluctant United Nations. But support of partition is no longer official policy on the subject. Official policy has come to be "steadfast" support of the UN.

Thus, by implication, if the UN should decide to abandon partition, Washington will go along with the abandonment on the new theory that American policy is solely to support the UN.

What is carefully avoided in all current official and unofficial State Department comment on the subject is any statement that Washington will continue to support partition within the UN.

The last hope of the partition policy advocates is that Britain can now be persuaded to reconsider its firm decision to withdraw its troops from Palestine. Washington is, in fact, now in the humble and embarrassing predicament of having to petition London to reverse a decision which was taken largely on American prompting.

But London is not inclined to listen to the pleas. It has smarted for a long time under American criticism of its handling of the Palestine mandate. It wants out, and Washington would have to bid very high, indeed, to induce the Cabinet in London to reverse a withdrawal decision which has been generally approved by British public opinion.

The moral is a simple one. It is all very well to criticize another country's handling of a ticklish problem. But before basing foreign policy on such criticism it is well to be prepared to meet the situation likely to arise if the criticism is heeded. There is nothing

Washington would love more than to have London agree now to resume its Palestine mandate.

THE UNITED STATES STEEL, REPUBLIC STEEL, AND BETHLEHEM STEEL COS.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, this is a plea for enlightened industrial statesmanship. It is addressed not to the Congress but the leaders of three giant corporations, Messrs. Olds and Fairless, of United States Steel; Messrs. Grace and Homer, of Bethlehem Steel; and Messrs. Girdler and White, of Republic Steel, and their respective boards of directors.

Many of you have often demonstrated in the past far-seeing leadership of a constructive character. Never in its history did the welfare of our Nation more acutely need the help of such business leaders as yourselves than it does today. The forces of inflation and deflation have been battling for ascendancy. Just as prices have seemed to be reaching a more moderate level you have struck a body blow at this salutary trend by your announcement simultaneously of approximately the same increase in the price of semifinished steel.

Furthermore, it is reported in the magazine Steel that you contemplate still further advance in steel prices.

Yet the net profits of United States Steel for the year 1947 were 43 percent above 1946. Bethlehem Steel earned 24 percent more in 1947 than in 1946; Republic Steel, 94 percent more. Your stockholders certainly have not suffered.

We in the Congress do not begrudge your or your stockholders these earnings. The great majority of the American people, in our opinion, still agree with the words of the immortal Lincoln:

> Property is the fruit of labor; property is desirable; it is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise.

Yet your powerful position of industrial leadership imposes upon you a corresponding obligation and responsibility to assist governmental representatives of the people in assuring that, not alone the investors in your great enterprise, not alone those who labor to produce the wealth of your far-flung empire, but also the consuming public, who must buy and use the thousands of products containing your essential steel, shall receive fair and just consideration.

The large majority in Congress of both parties is reluctant to reassert the authority of government to dictate to all business, large and small, the prices which it shall charge for its merchandise. It must be admitted, however, that such action as you have now taken in the face of mounting profits and affecting such a basic and necessary commodity as steel, lends powerful emphasis to the argument of those who charge business with a complete lack of responsibility or regard for the public welfare.

You have made a mistake. I say this with the utmost charity, for we all make mistakes, most of all, no doubt, legislative bodies.

You have done big things before. Your stature now will be enhanced as never before by a public acknowledgment that the step you have announced was taken inadvisedly. A return to your previous price schedule will be hailed throughout this great country, not as an exhibition of weakness, but of greatness.

EXTENSION OF REMARKS

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include an address delivered by the Honorable JOSEPH W. MARTIN, JR., Speaker of the House of Representatives.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an editorial appearing in the Long Beach Independent, and in the other a memorandum of the Masters, Mates, and Pilots Association.

Mr. REEVES asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. AUCHINCLOSS (at the request of Mr. BUCK) was given permission to extend his remarks in the RECORD and include an address by the chairman of the New York Stock Exchange.

GEORGE WASHINGTON'S ADVICE

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, after hearing the words of our immortal George Washington, the first President of the United States, in his Farewell Address, I hesitate to add anything thereto. But I do not desire to have this day pass without stating what I believe the words of Washington mean to us. To me they are words of relevation, a virtual American Bible, and which constitute a charter of guidance for the members of the executive, the legislative, and the judicial branches of our country. I believe they are words which all of those persons should peruse every day of the year, at least one or two paragraphs of the address each day, in order that they may be guided in their deliberations and actions throughout the entire year. While this might be somewhat of a task, it certainly would be really worth while.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, whenever, on these annual occasions, Washington's Farewell Address is read I never fail to get a new angle. I am always impressed by some different phase of this immortal message.

I suppose the Nation would be better off today if our leaders and statesmen down through the years had taken Washington's advice more to heart. A lot of decisions made since might have been changed for the wiser, if his parting fatherly words had been contemplated oftener.

The public knows George Washington as the Father of his Country. He is looked upon as the foremost military man of his generation. He won the War of American Independence and as our greatest Revolutionary hero, was the logical man to become our first President.

Washington's record as head of the new America was unimpeachable. Under his administration, the country emerged as a strong Nation, young as she was.

While all of us know Washington for his amazing public accomplishments, few realize that he was as hard-working in private affairs. No matter how great the cares of his military or Executive office, he always seemed to find the time to develop his farmlands in Virginia.

History tells us he was an authority on agriculture. He burned the midnight oil studying about ways to improve the soil and develop new programs of fertility and farm development.

George Washington knew more about farming than some of the so-called experts down in the Department of Agriculture. If he came back today, he could probably teach a lot of the specialists things they never heard of about the soil.

Each Member of Congress has in his office a set of volumes containing Washington's letters. If you peruse them you will find how versatile this great man was and what a wealth of knowledge he possessed.

So, in addition, Washington can be looked upon as first in war, first in peace, and first in the hearts of American farmers.

MARGARINE

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, on January 14 I pointed out to my friend the gentleman from Wisconsin [Mr. MURRAY] that a Wisconsin newspaper, the Milwaukee Journal, had editorially advocated the removal of margarine taxes. He replied that this is a Democratic newspaper and asked me if I could find any similar expression in Republican newspapers. I can now oblige the gentleman. The Racine Journal-Times, independent Republican; the Janesville Gazette, independent Republican; and the Oshkosh Northwestern, Republican; have all published recent editorials in criticism of the inequitable margarine tax.

I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include those editorials.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

OLEOMARGARINE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, to begin with, I rather think that our friend from New York should know that Wisconsin does not yet use oleomargarine in our public institutions. If we have to hold down prices, we will do it some other way.

It is not surprising that two or three newspapers out of the hundreds of them in Wisconsin should be misled by all this oleo propaganda. Prominent men like the distinguished gentleman from New York, and several more on both sides of the aisle who have introduced bills regarding oleomargarine, have misled these gentlemen. Let me suggest for the record right now that we should be interested in the kind of editorial any one of those papers will write after the oleo bill has had the hearings. Then let us see how many of them will write editorials for this oleo legislation.

If anyone wishes to destroy the fundamental business of the State of Wisconsin, the dairy industry, that is their responsibility. If they want to tell the farmers out there to reduce their herds by a quarter of a million cows, that is a responsibility they must assume. I say that they may have been misled by a lot of this propaganda that the oleo trust has been able to peddle out. They may yet change their position. They may be writing about the State tax rather than the ¼-cent-per-pound Federal tax. Remember, the oleo crowd have already taken a third of the spread business of the country and they are now out trying to get the other two-thirds, but we will wait and see whether or not they do it. No doubt the possibility of 7 cents per quart oleo milk may change the attitude of some of our fluid-milk friends.

EXTENSION OF REMARKS

Mr. COLE of Missouri. Mr. Speaker, a few days ago I was granted unanimous consent to extend my remarks in the RECORD and include a radio address by Jack Beall. I am informed by the Public Printer that this exceeds the legal limit by one-third of a page and that the total cost will be $165.67, about $18 more than the legal limit. I ask unanimous consent that this address be printed in the RECORD notwithstanding that excessive cost.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and in one to include an editorial from the Boston Sunday Post in opposition to the St. Lawrence seaway proposal.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore granted, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

OLEOMARGARINE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, so far while this oleo battle has raged around here I have just listened, but from today on I am in the fight up to the gills to maintain the tax on oleomargarine and defend the dairy industry. I am not surprised that a few papers in the West are advocating having the tax removed. They are in communities where soybeans are raised for sale. It is just the bean interests, together with the cotton-oil interests of the South, who are back of this proposal, so I am not alarmed about that. That crowd in Wisconsin will soon have a red face for what they are doing now. If the people down South, instead of using oleomargarine or no spread at all, would use dairy products, they would have the will to live, the will to build schools and educate their children, without trying to draw on States like New York and Wisconsin. They will want to do things and they will look like people who can do things when they begin using dairy products in the South. They should have milk bars and ice-cream parlors instead of soda fountains and drinking Coca-Cola. They should be using dairy products three times a day and should be producing it in their own community.

On the other hand, if dairy products carry the dangers that the gentleman from South Carolina [Mr. RIVERS] talks about, then they should buy them from Pennsylvania. Our dairy products are safe.

UNIVERSAL MILITARY TRAINING

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, it is very distressing to me to learn from the press that action has been deferred on the bill for universal military training and that it continues to be bottled up.

How such a conclusion can be reached at this critical period is beyond my ability to understand.

It seems to me to be entirely within the realm of simple logic that such a program is necessary and essential if we are to man our forces of defense. I doubt if there is in this Congress or in this country anyone who questions the wisdom of making our defenses so strong as to defy aggression from any quarter.

Yet, in the face of this overwhelming sentiment, the leadership of the Republican Party has seen fit to close the door to the strongest single action which would assure the adequate safety of this Nation.

This arbitrary action, in my opinion, places this House in the regrettable position of being unable to perform the functions for which it was elected. How else, save through their elected representatives, can the American people direct this Government? How but through the functions of this Congress can this country be defended?

The people have spoken on this issue. Public-opinion polls show that the feeling in this country is strongly in favor of universal military training. These polls reflect the overwhelming sentiment of this Nation that we cannot be safe unless we are strong; that we cannot be strong unless we have trained manpower to fly the planes and fire the guns.

By assuming such omnipotent powers, the Republican leadership is blandly ignoring the very peculiar powers that only Congress can exercise. Only Congress can make this Nation safe. Only Congress can give every citizen of this country the reassurance that he needs that he is safe from aggression and invasion.

With such powers in our possession, we stand convicted of irresponsibility if we deny the will of the people to be heard on the issue of universal military training.

Members of the House, therefore, must exercise their privilege of petition and demand that this bill be sent to the floor for debate and vote. It is my earnest hope that sufficient numbers will sign the petition to discharge the rules committee and permit this vital matter to be brought to the floor for early action.

Our budget for military purposes is high, but that is all a part of our determination to keep this Nation abreast of any and all scientific developments which may be needed for defense. We are paying a high cost for the occupation of defeated areas. Both of these situations require more than paper work and mathematical formulas. They require men, trained men.

We have been told by President Truman's special air policy commission that we must build an air force of more than 25,000 modern planes if we are to be safe after 1952. And this armada, the gentlemen on this commission warn us, should be only a beginning.

I also want to point out that only the other day, General Eisenhower declared that no type of weapon and no defense has yet been devised which eliminates the need for ground forces and a Navy.

We have no defense in this country until we have trained personnel of sufficient strength to protect every mile of our shoreline.

Let me remind you that the President's Advisory Commission has said this of universal military training:

We do not believe there is any other way of guaranteeing that the armed forces will be able to count on sufficiently speedy flow

of trained men to win a war if large-scale fighting for bases or invasion of the enemy homeland are needed. But, even more immediately, and even more certainly, these pretrained young men will be ready to cope with the unprecedented problems of internal security which atomic warfare will bring—problems of such magnitude that our failure to meet them at once, wherever they develop, might lose us the war overnight.

I should also like to recall to this House just three sentences from the final report of the Chief of Staff of the United States Army, General Eisenhower:

At this writing, the United States has taken no steps to assure itself the necessary numbers of trained forces who must be immediately available for the armed forces and civil defense in a future war. This dangerous condition persists although a practical solution—universal military training—has been discussed on a Nation-wide scale for several years and apparently has the endorsement of an overwhelming majority of Americans. * * * universal military training is an essential measure under the present circumstances.

I sincerely trust that this Congress will heed the warning of the man to whom it entrusted so much of the task of directing the war. This bill for universal military training should not be bottled up. The will of the people whom we represent here must be allowed expression.

EXTENSION OF REMARKS

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

FLOOD CONTROL IN FLORIDA

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am introducing today a bill authorizing the construction of a comprehensive plan for flood control and other purposes in central and southern Florida.

Under the rules of the House, all of the members of the Florida delegation cannot join in the introduction of this bill, and I would like to say, therefore, that I am introducing this bill in behalf of the entire Florida delegation—each and every member thereof. The same bill is being introduced in the other body today by Senators HOLLAND and PEPPER.

I would like to make a short statement to the membership of this House with reference to the merits of this bill: This area is the vegetable food basket of America where we grow the winter crops of beans, potatoes, okra, peppers, eggplants, and so forth, which help to feed the area of our country which is blanketed in snow during the winter months; the land in this area is as fertile as the valley of the Nile. The farmers of this area were awarded by the Army the agriculture award E for the production of crops and foodstuffs during the war.

The farmers of the Everglades contribute a great amount of income taxes to the Government, and, as a concrete example, I could name you one farmer in this area whose farm was completely covered by the floodwaters in the last disaster who paid an income tax in one year of $800,000. The citizens of this Nation can ill afford to lose the foods produced here, nor can the Nation afford to lose income payments to it on products raised and sold in this area.

I think this territory is worth saving; therefore, I trust this bill will get the sympathetic cooperation and active support of the Members of the House so that our folks will get future protection from another flood disaster.

Let us give some relief to the home folks and not send all of our dollars across the ocean.

EXTENSION OF REMARKS

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD in two instances and include editorials in each.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

SPECIAL ORDER GRANTED

Mr. WORLEY. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Texas [Mr. GOSSETT], may address the House for 30 minutes tomorrow after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANN PAMELA CUNNINGHAM

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks, and include an excerpt from a newspaper.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, it is fitting that on this the birth date of our country's first President we should have his Farewell Address read in our hearing. George Washington was indeed a great man, "first in war, first in peace, and first in the hearts of his countrymen." Few individuals in all history have left greater and more lasting impressions than did President Washington. Other Presidents succeeding in office would do well to read and follow the admonitions of this great man. All honor to General Washington on this occasion. Without detracting one iota of glory from our great benefactor, I desire to make mention of another character.

From the fertile red lands of Laurens County in South Carolina, my own district, came Ann Pamela Cunningham, a frail little woman destined to be the moving spirit in acquiring, preserving, and transmitting to generations to come the historic home of George Washington—Mount Vernon. Miss Cunningham called some of her Laurens County, S. C., neighbors to her home on the 22d day of February 1854, advising them that it would be necessary to raise $200,000 with which to buy the Mount Vernon property. Since the National Government and the State of Virginia had either neglected or refused to make the purchase, the only way to finance the undertaking was through the efforts of these ladies.

An organization was formed known as the Mount Vernon Ladies Association of the Union. Miss Cunningham was the founder and first regent. She served in this capacity all through the trying years from 1853 to 1874. At the first meeting held in Laurens the sum of $293.75 was raised. Finally the needed sum for the purchase was obtained and the deal was closed. Upon retiring from office Miss Cunningham left this message:

Ladies, the home of Washington is in your charge; see to it that you keep it the home of Washington. Let no irreverent hand change it; no vandal hands desecrate it with the finger of progress. Those who go to the home in which he lived and died, wish to see in what he lived and died. Let one spot in this grand country of ours be saved from change. Upon you rests this duty.

This is but an example of the courage and fortitude of women. The poet Joaquin Miller penned these appropriate lines:

The bravest battle that ever was fought;
Shall I tell you where and when?
On the maps of the world you will find it not;
It was fought by the mothers of men.

From the press of yesterday, I took the following article written by Jack Rutledge which I include as a part of my remarks:

[From the Washington Post of February 22, 1948]

MISS CUNNINGHAM SAVED MOUNT VERNON—GEORGE WASHINGTON'S CAROLINA FRIEND

(By Jack Rutledge)

Somebody ought to put in a word for Miss Ann Pamela Cunningham.

Today, Washington's Birthday, Mount Vernon will be jammed with visitors, but very few will have heard of Miss Cunningham. Yet if it hadn't been for her, George Washington's historic home might not be there.

As it is, the 500-acre estate is one of America's swankiest historic spots. And it doesn't cost the Government a cent. Millions of people, including all the Presidents, have visited Mount Vernon in the past 90 years.

The estate was placed on the market in the 1850's for $200,000. The Government turned it down. So did the State of Virginia.

Miss Ann Pamela Cunningham, of South Carolina, was determined to save the home for posterity. She organized the Mount Vernon Ladies Association and called on women of the Nation to help her. They did. They raised the money, bought Mount Vernon, and have maintained it ever since.

HEAVY OVERHEAD

Miss Cunningham served as the association's first regent, from 1853 to 1874. The association has restored Mount Vernon and maintains it at a cost unofficially estimated at about $250,000 a year.

Admission fees of 40 cents (including tax) pay for much of this overhead. Sale of literature and rooted plants helps.

In the early days about 25,000 persons a year visited the estate. Today almost that many see it on a holiday weekend. Peak year was 1941, with 856,000 persons. In 1947 the total was 790,000.

The war years were hard because of gasoline rationing. Fewer than 150,000 were counted each year, but the association dipped into its reserve funds and carried on.

Charles C. Wall, superintendent for the past 18 years, lives on the estate. He says it takes 75 permanent employees, including 16 guards (more on big days) to keep Mount Vernon in shape.

"We get a mass audience," he says, "but it's amazing how well-behaved and reverent most of the people are. There is little or no attempt to steal.

"We try to emphasize the significant things, but it's the down-to-earth subjects that interest many. How Washington lived, what kind of lights they had, the heat, the food."

PRESIDENTIAL FAVORITE

Wall says American Presidents are usually very interested in Mount Vernon. Franklin D. Roosevelt visited while he was Assistant Secretary of Navy and Governor of New York and many times while he was President.

"One very somber, solemn visit was a few days after Pearl Harbor," Wall recalls. "He and Prime Minister Churchill came out here."

President Truman has seen Mount Vernon many times, bringing his family and friends.

President Theodore Roosevelt, Wall says, rode out on horseback. (When Mount Vernon first opened, boats were the only means of access. In 1890, trolley lines were laid. Later a highway was built.)

President Wilson usually visited on Sundays. In those days the shrine was closed to the public on Sundays. Now it is open every day.

Eighty percent visit between April and October. Crowds of 25,000 daily can see the estate, but only between 8,000 and 9,000 can pass through the mansion.

"The mansion is a bottleneck," Wall says.

Guards prefer large crowds. "No one tries anything when a lot of people are looking on," they say. "It's the small crowds that bother us."

No one may smoke on the grounds. In the fall, when the leaves are heavy on the ground, the association's own fire truck remains on the bowling green, ready for action.

No one writes his name on buildings. No one may take even leaves for souvenirs.

"If we let one person take a leaf from a hedge, in 24 hours the thing would look like it had been hit by locusts," Wall says. "And if one initial cropped up, the place would be covered before the week end was over."

People take pictures by the thousands.

"The favorite shot is to back up and take a picture of Aunt Emma on the front porch," Wall says. "They have to back so far off, to get the whole building, you usually can't tell if it's Aunt Emma or Martha Washington."

EXTENSION OF REMARKS

Mr. HUBER asked and was granted permission to extend his remarks in the RECORD and include an excerpt from a publication.

Mr. DEANE asked and was granted permission to extend his remarks in the RECORD and include a statement by Budget Director James E. Webb.

Mr. MONRONEY asked and was granted permission to extend his remarks in the RECORD and include an address.

Mr. SADOWSKI asked and was granted permission to extend his remarks in the RECORD on three subjects and include certain excerpts.

Mr. DOMENGEAUX asked and was given permission to extend his own remarks in the RECORD.

Mr. KNUTSON asked and was granted permission to extend his remarks in the RECORD and insert a newspaper article.

Mr. POULSON asked and was granted permission to extend his remarks in the RECORD and include a letter.

Mr. BENNETT of Missouri asked and was granted permission to extend his remarks in the RECORD in two instances.

Mr. DAVIS of Wisconsin asked and was granted permission to extend his remarks in the RECORD and include a magazine article.

Mr. RANKIN asked and was granted permission to extend his remarks in the RECORD on the subject of a deficiency appropriation for rural electrification.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks following the remarks of the gentleman from New York [Mr. REED] and to include therewith Thomas Jefferson's first inaugural address, in which he laid down the foreign policy that this country should follow.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of the legislative business and matters on the Speaker's desk, my colleague the gentleman from Indiana [Mr. LANDIS] may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

UNIVERSAL MILITARY TRAINING

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Speaker, I have listened with much interest to the remarks of my colleague the gentleman from Arkansas [Mr. GATHINGS] with respect to the bill known as the Towe bill, H. R. 4278, commonly known as the universal military training bill. I agree with the remarks of my colleague with respect to the situation with regard to this legislation. I desire at this time to again call the attention of the House to the fact that about 2 weeks ago I filed a discharge petition directed against the Rules Committee, which petition has been placed on the Speaker's desk. It is Resolution No. 13. All Members who desire to have this legislation considered at this session should sign this discharge petition in order that the legislation may be considered at this time. I think it is well, while we are commemorating the birthday of the Father of Our Country, that we should bear in mind his admonition that to be prepared for war is one of the most effectual means of preserving peace.

The SPEAKER. The time of the gentleman from Louisiana [Mr. LARCADE] has expired.

THE PALESTINE FARCE AND THE UNITED NATIONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we have all listened to the speech of the gentleman from Wisconsin [Mr. SMITH] about the attempts now being made to plunge this country into a race war in Palestine.

That is exactly what is going on. The information that comes to us of the tactics used, the pressure brought, and the corruption practiced to get the resolution partitioning Palestine through the United Nations will shock the American people for a hundred years, if and when they know the truth.

It is time the Congress woke up. We are supposed to represent the American people. Several Americans went to get employment with this United Nations, and were ordered to take an oath to support the United Nations over and above the United States.

Are we to become a subordinate of this Tower of Babel that assuredly is to collapse in a confusion of tongues?

I appeal to the Congress to investigate these charges. I say it is time for the Congress to wake up and protect the American people from being plunged into another useless war, to sacrifice American boys and to drag our country down to bankruptcy and destruction.

EXTENSION OF REMARKS

Mr. BENDER asked and was given permission to extend his remarks in the Appendix of the RECORD.

MR. TRUMAN'S PROGRESSIVE LIBERALISM

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, in his already famous Jackson-Jefferson day dinner at a minimum charge of $100 per plate, President Truman declared himself to be a "progressive liberal." He presented his position as the viewpoint of "Jefferson, Jackson, Woodrow Wilson, and Theodore Roosevelt." Entirely apart from the incredible slip of the tongue by which the President confused the great Republican President for Franklin Delano Roosevelt, there must have been some rumblings in the graves of Jefferson, Jackson, Wilson, and T. R., at any identification of Mr. Truman's program with their publicly stated positions.

Certainly, it is difficult to reconcile the White House description of rationing and price control as the methods of a

"police state" with anything resembling "progressive liberalism." Nor is it in keeping with anything even remotely approximating "liberalism" to lump the modern-day approach of the Democratic Party to foreign affairs with the traditions of Tom Jefferson who regarded the presence of French troops on the American Continent as something to be avoided at all costs, or of Andrew Jackson, who battled for the city of New Orleans. Woodrow Wilson would have stopped, looked, and listened before departing for Puerto Rico immediately after proposing $570,000,000 for China and hearing talk of more than financial aid to Greece.

What we think of as "progressive liberalism" in our country is depicted more properly by such men as the late Senator Norris, the first Senator La Follette, and Teddy Roosevelt, who believed in freedom from governmental restraints for the common man of the Nation, and who found themselves at home in the Republican Party, rather than in the party based upon the social, political, and economic medievalism of the South.

Mr. Truman urged the voters to avoid turning over their Government to "a bunch of reactionaries," and the implication was clear that he meant those who disagree with him. It is certainly not in keeping with the high office of the President to indulge in this type of injudicious name calling. If the President calls Republicans "reactionaries," what then is he to call the members of his own party who are in violent opposition to his views on legislation outlawing the poll-tax, lynching, and discrimination in employment. Presumably, if he is to be at all consistent, Mr. Truman must include these Democrats as "reactionaries" and his condemnation amounts to a repudiation of their place within his own party.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD in two instances, in one to include a newspaper article from the Washington Star and in the other, in which I think the gentleman from New York will be interested, I show how to make 7-cents-a-quart milk.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[The matter referred to appears in the Appendix.]

PERSONAL PRIVILEGE OF THE HOUSE

Mr. WOOD. Mr. Speaker, I rise to a question of the privilege of the House. I send to the desk a subpena which has been served on me and ask that it be read.

The Clerk read as follows:

SUBPENA TO TESTIFY

DISTRICT COURT FOR THE
DISTRICT OF COLUMBIA,
CRIMINAL DIVISION.

To JOHN S. WOOD,
Room 319, Old House Office Building,
Washington, D. C.:

You are hereby commanded to appear in the District Court of the United States for the District of Columbia at Criminal Court No. 1, at United States District Court House, Indiana Avenue, between Fourth and Fifth Streets NW., in the city of Washington, on the 24th day of February 1948, at 10 o'clock a. m. to testify in the case of the *United States* v. *Richard Morford*, Criminal 366–47.

This subpena is issued on application of the defendant.

HARRY M. HULL, *Clerk.*
By HELEN M. MCINTOSH,
Deputy Clerk.

Mr. WOOD. Mr. Speaker, I have been subpenaed to appear before the district court of the United States to give testimony tomorrow morning at 10 o'clock in the case of United States against Morford, which is a congressional contempt proceeding. Under the precedents of the House I find I am unable to comply with this summons without the consent of the House, the privileges of the House being involved, and I therefore submit the matter for the consideration of this body.

Mr. PETERSON. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER. The gentleman from Florida is recognized.

Mr. PETERSON. Mr. Speaker, I have been served with a subpena from the district court of the United States which I send to the Clerk's desk and ask that it be read.

The Clerk read as follows:

SUBPENA TO TESTIFY

DISTRICT COURT FOR THE
DISTRICT OF COLUMBIA,
CRIMINAL DIVISION.

To J. HARDIN PETERSON,
Room 1226, New House Office Building,
Washington, D. C.:

You are hereby commanded to appear in the District Court of the United States for the District of Columbia at Criminal Court No. 1, at United States District Court House, Indiana Avenue, between Fourth and Fifth Streets NW., in the city of Washington, on the 24th day of February 1948, at 10 o'clock a. m. to testify in the case of the *United States* v. *Richard Morford.*

This subpena is issued on application of the defendant.

HARRY M. HULL, *Clerk.*
By HELEN M. MCINTOSH,
Deputy Clerk.

Mr. PETERSON. Mr. Speaker, I have been summoned under subpena that has just been read to appear as a defendant's witness tomorrow morning at 10 o'clock in the case of United States against Richard Morford. This is a prosecution by reason of a citation for contempt arising out of proceedings of the House of Representatives.

Mr. Speaker, this involves the privileges of the House and under the precedents of the House I am unable to respond to the subpena without the consent of the House. I therefore submit the subpena and this statement to the House for its consideration and action.

Mr. MURDOCK. Mr. Speaker, I rise to a question of personal privilege and ask that a subpena I have been served with be read by the Clerk.

The Clerk read as follows:

SUBPENA TO TESTIFY

DISTRICT COURT FOR THE
DISTRICT OF COLUMBIA,
CRIMINAL DIVISION.

To JOHN R. MURDOCK,
Room 540, Old House Office Building,
Washington, D. C.:

You are hereby commanded to appear in the District Court of the United States for the District of Columbia at Criminal Court No. 1, at United States District Courthouse, Indiana Avenue, between Fourth and Fifth Streets NW., in the city of Washington, on the 24th day of February 1948, at 10 a. m., to testify in the case of *United States* v. *Richard Morford.*

This subpena is issued on application of the defendant.

HARRY M. HULL, *Clerk.*
By HELEN M. MCINTOSH,
Deputy Clerk.

Mr. MURDOCK. Mr. Speaker, I have been summoned to appear before the district court to give testimony tomorrow at 10 o'clock at a time when a committee of which I am a member is in session. The subpena has just been read by the Clerk. Under the precedents of the House, I find that I am unable to comply with this summons without the consent of the House, the privilege of the House being involved. I therefore submit the matter for the consideration of this body.

Mr. LANDIS. Mr. Speaker, I rise to a question of personal privilege and send to the desk a subpena served on me which I ask the Clerk to read:

SUBPENA TO TESTIFY

DISTRICT COURT FOR THE
DISTRICT OF COLUMBIA,
CRIMINAL DIVISION.

To GERALD W. LANDIS,
Room 1113, New House Office Building,
Washington, D. C.:

You are hereby commanded to appear in the District Court of the United States for the District of Columbia at Criminal Court No. 1, at United States District Courthouse, Indiana Avenue, between Fourth and Fifth Streets NW., in the city of Washington, on the 24th day of February 1948, at 10 a. m., to testify in the case of *United States* v. *Richard Morford.*

This subpena is issued on application of the defendant.

HARRY M. HULL, *Clerk.*
By HELEN M. MCINTOSH,
Deputy Clerk.

Mr. LANDIS. Mr. Speaker, I have been subpenaed to appear before the district court of the United States to give testimony tomorrow morning at 10 o'clock in the case of United States against Morford, which is a congressional contempt proceeding. Under the precedents of the House I find I am unable to comply with this summons without the consent of the House, the privileges of the House being involved, and I therefore submit the matter for the consideration of this body.

Mr. MICHENER. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 477).

The Clerk read as follows:

Whereas Representatives JOHN S. WOOD, J. HARDIN PETERSON, JOHN R. MURDOCK, and GERALD W. LANDIS, Members of this House, have been subpenaed to appear as witnesses before the District Court of the United States for the District of Columbia to testify at 10 a. m. on the 24th day of February 1948, in the case of the *United States* v. *Richard Morford*, Criminal No. 366–47; and

Whereas by the privileges of the House no Member is authorized to appear and testify but by the order of the House: Therefore be it

Resolved, That Representatives JOHN S. WOOD, J. HARDIN PETERSON, JOHN R. MURDOCK, and GERALD W. LANDIS are authorized to appear in response to the subpenas of the District Court of the United States for the District of Columbia in the case of the *United States* v. *Richard Morford* at such time as when the House is not sitting in session; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpenas of the said court.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Mississippi.

Mr. RANKIN. Would that make appearance discretionary with these Members?

Mr. MICHENER. Oh, no; the discretion is lodged in the House. If the gentleman will let me proceed just a little, probably I can answer his question.

The Constitution of the United States, article I, section 6, provides in part:

They—

The Senators and Representatives—

shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same; and for any speech or debate in either House, they—

The Senators and Representatives—

shall not be questioned in any other place.

The question as to the duty of Members to respond to a court subpena is an old question. First, the precedents in the House in this particular follow the procedure and the precedents laid down by the Parliament in England. I wish to read a paragraph, section 290, from Jefferson's Manual:

This privilege from arrest, privileges, of course, against all process the disobedience to which is punishable by an attachment of the person; as a subpena ad respondendum or testificandum or a summons on a jury; and with reason, because a Member has superior duties to perform in another place. When a Representative is withdrawn from his seat by summons, the 40,000—

That is the number a Member represented at the time this was written—

people whom he represents lose their voice in debate and vote, as they do on his voluntary absence; when a Senator is withdrawn by summons, his State loses half its voice in debate and vote, as it does on his voluntary absence. The enormous disparity of evil admits no comparison.

This question was last raised in the House, so far as my memory serves me, on November 17, 1941. A Member of Congress was subpenaed to appear before a court in the District of Columbia. At that time the House desired a clarification of the constitutional provision, and section 290, which I have just read. The House, by resolution, referred the matter to the Committee on the Judiciary, directing that committee to report back to the House the legal interpretation of that committee as to the exact meaning of the constitutional provision and of section 290, which I have just read.

As a result of careful study by the Committee on the Judiciary, on November 17, 1941, Chairman Sumners, of Texas, made a unanimous report to the House, the conclusion of which report I ask the Clerk to now read.

The Clerk read as follows:

It is the judgment of your committee that the service of this summons does invade the rights and privileges of the House of Representatives.

We respectfully suggest, however, that in each case the House of Representatives may waive its privileges, attaching such conditions to its waiver as it may determine.

The language in the summons "to testify on behalf of the United States, and not depart the court without leave of the court or district attorney" removes any necessity to examine the question as to whether a summons merely to appear and testify is a violation of the privileges of the House of Representatives. This particular summons commands that Representative Hamilton Fish shall "not depart the court without leave of the court or district attorney," regardless of his legislative duties as a Member of the House.

It is recognized that this privilege of the House of Representatives referred to is a valuable privilege insuring the opportunity of its Members against outside interference with their attendance upon the discharge of their constitutional duties.

At the same time it is appreciated that there is attached to that privilege the very high duty and responsibility on the part of the House of Representatives to see to it that the privilege is so controlled in its exercise that it not unnecessarily interferes with the discharge of the obligations and responsibilities of the Members of the House as citizens to give testimony before the inquisitorial agencies of government as to facts within their possession.

Mr. MICHENER. Mr. Speaker, the House by adopting that report has made the Committee on the Judiciary finding the official action of the House, and that is the precedent by which the House is guided today. This was not only a decision of the Speaker; it was the decision of the House. It is in keeping with that precedent that this resolution is offered.

Mr. RANKIN. Mr. Speaker, will the gentleman yield me some time? I should like to be heard for a few minutes. I think the House ought to be informed as to what is behind this proposition.

Mr. MICHENER. I yield for the purpose of discussing the resolution. The privilege of the House is the matter before the House, not the merits of the contempt charges.

Mr. RANKIN. I know that. That is just exactly what I am going to discuss.

Mr. Speaker, the proposition as it applies to our distinguished colleague the gentleman from Georgia [Mr. WOOD] is entirely different from what it is as applied to the other members of the committee who are subpenaed by the defense. The gentleman from Georgia [Mr. WOOD], who was chairman of the committee at that time, is subpenaed to testify on behalf of the Government. They did not have to subpena him, for he would have gone at any rate. However, the opposition is attempting to harass Congress. A year or two ago the defense summoned the members of the committee and undertook to put them under the rule and keep them down there at a time when they were needed in Congress. They have even brazenly attempted to issue subpenas duces tecum, to make our investigators bring the records of the Committee on Un-American Activities and turn them over to the defense.

The only questions involved here are, was this man properly summoned before the committee? And did he refuse to testify? All this attempt to drag Members of Congress down there ostensibly to testify for the defense is in my opinion nothing but an attempt to harass the Congress of the United States and harass and try to discredit the Committee on Un-American Activities, a committee that as I have said time and time again, is doing more to protect this country against the enemies within our gates than any other agency of this Government. It has the full support, I will say, of the FBI, and it has the full cooperation of J. Edgar Hoover.

They called me about this matter. I said, "You need not summon me. If the court wants me down, tell the court to have a call put in for me; but I cannot go down there and sit there morning after morning after morning just to satisfy a defendant who has shown so much contempt for the Congress of the United States that he would not even answer questions propounded to him under oath."

I doubt the wisdom of subjecting these other Members of the Congress to that kind of treatment, unless they are willing to volunteer for that purpose. If they do volunteer they do not need this kind of resolution. So far as Mr. Wood is concerned, I think he ought to have that permission to go, but so far as the other Members are concerned if they desire to go I have no objection, but it seems to me that this is an attempt to try to embarrass the Congress of the United States.

Read the papers of this morning. Read O'Donnell's column, where they are reaching out all over the country trying to raise money to defend these Communists who are here plotting the overthrow of this Government. It seems to me that this is an attempt, not of the prosecution, but of the defense, to try to embarrass and discredit not only the Committee on Un-American Activities, but the Congress of the United States.

Mr. MICHENER. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, apropos of the suggestion just made by the gentleman from Mississippi, I might say to him and to the House that this matter was discussed by the leaders on both sides with the Members involved. I think it should also be pointed out that the action involved here was one initiated by the House of Representatives.

As to the admissibility of evidence or as to what might be admitted in the trial, that is a matter for the court to determine. I think the court will make such rulings as will properly bring about a fair prosecution of the case and, at the same time, protect the rights and interests of everyone involved. And I think it is also fair to say that subpenas for witnesses, whether they come from the prosecution or the defense should be treated alike. Certainly there should be no disposition here in the House of Representatives by a refusal to permit a Member to go down and testify to deny to the defendant any defense or any presentation that might properly be made in his behalf. Of course, as I said, the matter of the admissibility of evidence is for the court to determine. So far as I am concerned I have no doubt

but that the court will properly protect any witnesses for either side.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RANKIN. No member of the committee objects to appearing before a court and testifying on this proposition, but I do object to them taking these Members of Congress down there and taking them away from their offices under the rules of the court when it is not necessary merely to embarrass them or embarrass the committee or embarrass the Congress of the United States.

Mr. HALLECK. I certainly would not indulge in assumption that a court is going to require Members of Congress, who are busy and have official duties to perform here in the House, to sit around in a court when they are not needed. I take it, so far as my experience with courts are concerned, that when to be present in court can be worked out to the satisfaction of the people who will be called upon to testify and that they will not be required to be there except at such times as they are really needed.

Mr. MICHENER. Mr. Speaker, I think the gentleman from Mississippi does not get the real purpose of this resolution.

First, the Constitution lodges a discretion in the House. This resolution simply exercises that discretionary power. This privilege can only be waived by the House, and not by the individual Member. It seems that members of some committees have been voluntarily appearing in response to subpenas to appear in court. No question was raised. The right of the House to function and the right of Members to be present and vote must not be interfered with. The right of subpena is inherent in both sides to the lawsuit. As the gentleman from Indiana [Mr. HALLECK] has said, there is the prosecution and the defense. The prosecution is entitled to bring to court all the evidence of which it has knowledge that is material to the issue. Then the defense is entitled to have all the material evidence of which it is apprised brought before the court. The court determines whether or not the evidence is material.

Mr. WOOD. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. WOOD. Is it not true that the court has within its power to use this testimony at some future time by a mere continuance of the case until the Congress adjourns, in any event?

Mr. MICHENER. Certainly. The point I am making is that the House has a constitutional privilege. The court's subpena cannot interfere with the functioning of the House. If this were not true, then for a good reason or a bad reason subpenas issued by the several courts in the land might interfere with quorums and sessions of the House. For instance, if an important vote on legislation was set for a given day, an inferior court subpena might prevent a Member of Congress from being present. This might prevent the presence of a quorum. Then again a Member's constituency would be denied the right to vote on that particular legislation. Be it remembered, Mr. Speaker, that this very question arose many, many years ago and before we had a Congress in the United States. In the Parliament in England they adopted a precedent which this resolution follows. After mature discussion and deliberation and on numerous occasions as evidenced by the parliamentary precedence in the House the English rule has been adhered to. It is sound and sensible and to hold otherwise would be doing violence to our legislative concepts.

This resolution grants a privilege which the gentleman from Mississippi [Mr. RANKIN] has said should be granted to those Members who desire to testify in the pending contempt case.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes; I yield.

Mr. RANKIN. But it does not make it compulsory?

Mr. MICHENER. It exercises the congressional discretion. The Congress grants the permission. It waives the privilege of denying the Member the privilege of responding to the court subpena. It might be construed that the Congress was of the opinion that those Members should honor the subpenas.

Mr. RANKIN. Should? I have no objection to giving them the right to go, but if we are going to start out on this kind of policy of saying that they shall, there is no telling how many invasions of the rights of Congress will be perpetrated from now on by those defending the very ones who are here charged with and being convicted of attempting to overthrow this Government.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RAYBURN. This resolution reasserts that Members cannot be taken from the House without the consent of the House. So the House will be giving its consent or not.

Mr. MICHENER. Yes. That is all there is to it. Under the Constitution the Congress has a higher priority as to the Members' presence than the court has while the Congress is in session.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—ANNUAL REPORT OF ACTIVITIES OF THE UNITED NATIONS (H. DOC. NO. 548)

The SPEAKER laid before the House the following message from the President of the United States which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I transmit herewith to the Congress, pursuant to the United Nations Participation Act of 1945 (sec. 4, Public Law 264, 79th Cong., 59 Stat. 620), my second annual report on the activities of the United Nations and the participation of the United States therein covering the calendar year 1947.

The problems of international relations arising this past year in the meetings of the United Nations were met neither by evasion nor by meaningless compromises. The decisions and recommendations on the large number of problems noted in this report are straightforward expressions of the judgment held by the overwhelming majority of the members on the right and effective course to follow. The small minority holding opposing views on certain important problems, however, have presented to the Organization a new question of disturbing character through their nonparticipation in carrying out the recommendations with which these members have disagreed.

By its recommendations, the United Nations is acting to maintain the independence and integrity of Greece, to bring independence to Korea, and to place the question of Palestine on the way to settlement on the basis of two independent states, one Arab and one Jewish. The General Assembly has been equipped to bring its full weight to bear on the maintenance of good relations between states during this next year, through the new Interim Committee. As decided upon by the General Assembly, remedies will be sought, through consultation among the great powers and by study among all members, to improve the functioning of the voting provisions of the Charter and hence to strengthen the Organization by increasing the effectiveness of the Security Council.

Every principal organ of the United Nations is at work, and most of the necessary committees, commissions, and subcommittees have been established. In its handling of fundamental international problems during the past year, the United Nations has felt the profound changes in world relationships and the difficulties which we still face in all aspects of international relations. Naturally, therefore, its work is not free from disappointments. This is especially true in regard to the establishment of international control of atomic energy for peaceful purposes, and to various political, economic, and other problems that directly or indirectly affect progress toward attaining international security. But, whatever the disappointments, the United Nations is making headway.

The United States will continue as heretofore to carry its full share of responsibility and of leadership in the United Nations. We hope this will encourage every member, in the same spirit, to help the United Nations to achieve the purposes that gave it birth and to give its principles realistic effect in the problems that come before it. Our faith in the United Nations is ever-constant. We shall seek to demonstrate that faith both by energetic support and by the spirit of our participation.

The accompanying report describes the efforts made by this Government to contribute to constructive achievement in the United Nations during the past year

through the policies stated by United States representatives and through important proposals initiated in the various organs. These efforts were directed above all to assuring that the principles of the United Nations would be given full effect. The aim of our policy in matters not falling within the United Nations, but rather within direct United States relations with other governments, was to uphold the same basic principles. These principles are fundamentally those to which we have traditionally given allegiance.

It continues to be the intention of the United States to foster throughout our relations with other nations the fulfillment of the Charter in its entirety. We realize that nothing less than fidelity to the principles and faithful effort to achieve the purposes of the Charter will meet the genuine needs of any nation, whether large or small. Accordingly, the strengthening of the United Nations continues to be a cornerstone of the foreign policy of the United States.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 20, 1948.*

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Mr. Joseph Scott.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD in four separate instances and in each to include extraneous matter.

Mr. MACKINNON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. MARTIN of Iowa asked and was given permission to extend his own remarks in the Appendix of the RECORD on the subject of service activities of the Disabled American Veterans.

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include a poem by James Patrick McGovern.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include a short article.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—LOW-COST-HOUSING PROGRAM (H. DOC. NO. 547)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Banking and Currency, and ordered to be printed:

To the Congress of the United States:

In the next few weeks legislation authorizing rent control and emergency financial aids for housing construction will expire. The Congress should extend and improve this essential legislation and, at the same time, should enact urgently needed new housing legislation. The objective should be an integrated program to assist in obtaining more housing at lower cost, both in the immediate future and for the long run.

This program should be based on the needs of all our people for housing, the ability of the housing industry to meet those needs, the most practical and effective method of giving Federal assistance, and the urgent necessity for reducing costs and prices in the housing field. I am glad that the Congress through several of its committees has been making an extensive study of these matters.

Today far too many of our families are living in substandard housing, in painfully cramped quarters, or doubled up with friends or relatives. Over five million of our present homes are below minimum standards. About two and one-half million married couples live with other families, a 50-percent increase since 1940. Large numbers of families do not have enough space to give their children decent accommodations. These conditions cannot help but be reflected in unsatisfactory home life and lowered standards of health. Their impact is greatest on our low-income families, minority groups, and new families started by veterans.

These are some of the symptoms of our long-range housing problem. To provide better homes for families now in substandard or cramped housing, to meet the increased needs of a growing population, and to replace our supply of housing as it wears out, we must look ahead to a long period of high-volume construction. It will be necessary to produce an annual average of more than one million new houses and apartments in urban areas during the next ten years, and, in addition, a substantial amount of housing in rural areas, if we are to have the housing this Nation needs and can afford. This will require the joint strength and effort of management and labor in the building industry, of private financial institutions, and of Federal, State, and local governments.

As we make progress toward this goal, we will overcome the critical housing shortage by providing enough dwellings at prices which families who need them can afford. At the same time, we can also stabilize the housing industry and thus make a contribution toward preventing the violent fluctuations of the business cycle in general.

The expansion of housing production is necessary in this inflationary period, just as it is necessary to expand the production of other articles in short supply which are vitally needed by our people. The critical housing shortage is contributing to the upward pressure on the selling price and rental price of housing. While we need rent control until this shortage can be overcome, the basic problem is to increase housing production to eliminate the shortage.

The long-range and immediate aspects of the housing problem are intermingled. We must now take steps both to increase the immediate volume of housing construction and to achieve progressively better housing at lower cost over the years ahead. Without measures to achieve both these objectives we shall be in danger of a serious drop in housing production. Such a drop in production, whether now or later, would affect and injure the stability of our whole economy. This happened when housing production declined after 1925—and it would happen again. We must take steps now to assure stable housing production at high levels, as an essential part of our determination to maintain an economy of maximum employment and production.

During 1947 nearly one million housing units were added to our housing supply. About 835 thousand of these were new houses or apartments and an additional 150 thousand were obtained by conversion or temporary construction. This volume of construction was an excellent accomplishment.

In other respects the 1947 achievement was not so satisfactory. Not enough of the housing produced was for rent. Too much of it was priced beyond the means of those who needed it most.

Less than 15 percent of the new housing built in 1947 was rental housing. This was well below the average for the past thirty years, and falls far short of present needs. The evidence is clear that the shortage of housing for rent is far more acute than that of housing for sale.

The housing made available in 1947 was too high-priced for millions of our people to buy or rent. Some progress was made toward building houses which the middle-income groups could afford. But almost no housing at all was built for low-income families.

These facts should guide us as we lay out our program for this year and the years ahead.

I recommend that the Congress enact at the present session legislation directed toward five objectives.

1. To continue and strengthen rent control.

2. To stimulate a higher volume of house building on a sustained basis, with special emphasis on rental housing, and with proper safeguards against possible inflationary effects.

3. To reduce building costs.

4. To assist communities in providing low-rent housing for families in the lowest-income groups.

5. To aid cities in rebuilding and modernizing run-down areas.

This program will help to combat those elements of the inflation which stem from the housing shortage. By concentrating more upon the housing needs of middle-income and low-income families, it will broaden the market for housing and thus safeguard us against a serious drop in housing production in the years ahead. And it will advance us far toward the goal of a decent home for every American family.

RENT CONTROL

The acute shortage of rental housing makes it imperative to continue emergency rent control.

The want-ad sections of metropolitan newspapers still contain desperate pleas by families seeking apartments. On the average those rents which were eliminated from control by the present law have risen more than 60 percent. Tenants in many parts of the country have been receiving notices from landlords that their rents will be substantially raised if rent-control legislation is allowed to expire on February 29th.

On numerous occasions, I have pointed out the serious effect that large increases in rents would have upon the excessively high cost of living for millions of our families. Rent accounts for nearly one-fourth of the budget of low-income fami-

lies—the families most seriously affected by the high cost of living.

The recent declines in certain prices in the commodity markets cannot be regarded as a valid reason for failing to continue and strengthen rent control. The cost of living is still so much higher than it should be that we cannot allow price reductions that may be achieved in some elements of the cost of living to be canceled out by increases in rents.

I recommend, therefore, that rent-control legislation be extended at least through April 30, 1949.

In extending this legislation it is essential that the Congress provide vitally needed enforcement authority which is now lacking. The enforcement provisions of the present law are so inadequate that it is virtually impossible for the Government to enforce rent ceilings or for most tenants to protect themselves.

The Office of the Housing Expediter estimates that in twelve cities surveyed by the Bureau of Labor Statistics, for the period from June 15 through November 15, 1947, rents were raised illegally on from 6 to 21 percent of the units. In the city of Boston, for example, 14 percent of the rental units had illegal rent increases.

The large number of over-ceiling violations under the present law is due primarily to the elimination of the authority which the Housing Expediter previously had to bring treble-damage suits and to protect tenants from being evicted for refusing to pay over-ceiling rents.

Most tenants do not have the knowledge or funds to bring effective legal action in their own defense. Even those who could bring suit hesitate to do so for fear of blacklisting or other forms of retaliation by landlords.

The new legislation, therefore, should provide adequate authority to enable the Government to enforce the law, and appropriations should be sufficient for an adequate enforcement staff.

The legislation also should protect those tenants—more than a million and a half in number—who have agreed to the so-called voluntary 15-percent increases provided for under the present law. These families have no protection beyond December 31, 1948. They should be given protection at their present rents for the duration of the new law.

Provisions should, of course, be continued for adjusting rents to correct inequities and to compensate for increased operating costs. It is important also to continue to provide for the orderly decontrol of rents in individual communities as local shortages are relieved. During the past year a number of areas have been decontrolled as conditions permitted. This orderly transition should be continued as rapidly as feasible.

HIGHER VOLUME HOUSING CONSTRUCTION WITH SPECIAL EMPHASIS ON RENTAL HOUSING

To achieve an increased volume of construction in 1948, and a higher proportion of rental housing, the Government should continue its financial aids, with appropriate modifications, and should assist in the expansion and proper distribution of the supply of building materials.

For the last fourteen years the Federal Government has given incentive and support to the construction of housing through assistance to private loans for home building. These credit aids have been temporarily modified and liberalized in recent years to fit the housing needs of the war and postwar periods, and especially to aid veterans.

These aids have been signally successful in stimulating a high volume of home building. They should be continued and modified to assist in meeting current needs and at the same time to move toward a sound long-run system of Government assistance to housing credit. In particular they should be revised to provide relatively more incentive during the next year for the construction of rental housing than for the construction of housing for sale. In addition, careful safeguards should be provided against inflationary impacts.

My recommendations with respect to credit aids fall into three groups. First, I recommend the extension and revision on a transitional basis of title VI of the National Housing Act, containing the principal emergency credit provisions.

Title VI should be extended, with modifications, for one year to March 31, 1949, with an increase of $2 billion of insurance authorization. Half of this amount should be specifically allocated for insuring loans for rental housing. To increase the proportion of rental housing, the statutory basis for insuring loans should be made less liberal on housing built for sale while the present basis for rental housing projects should be retained subject to provisions which would prevent giving support to further cost increases.

Second, I recommend that Federal support for home mortgage loans in the form of a secondary market be continued, but modified to introduce adequate safeguards against inflationary effects.

For this purpose I recommend the further consolidation of Government housing activities in the Housing and Home Finance Agency by placing the secondary market authority in that Agency. The Housing and Home Finance Agency would continue the present secondary market for loans guaranteed by the Federal Housing Administration and would reestablish a secondary market for those guaranteed by the Veterans' Administration.

The purchases of mortgages by the Government should be limited to local situations where the absence of sufficient credit is endangering home production or availability of houses to veterans and where Government support will not result in higher costs and prices or unsound credit standards.

This stand-by secondary mortgage market will give assurance to lenders of a source of liquidity in time of need and thereby contribute substantially to the stability of interest rates and the supply of necessary credit.

Third, I recommend that the Congress provide a sound incentive for the construction of rental housing in the form of Government insurance of an adequate return on direct investment in large-scale rental projects with supervised rent schedules. Such a yield-insurance plan should encourage substantial investment of private capital in well-planned rental housing.

The long-range housing legislation which has been before the Congress for some time contains additional proposals for stimulating large-scale rental housing which should be enacted.

In addition to these various forms of credit assistance, the Government can encourage a high volume of home building by improving the distribution of scarce raw materials to building-materials manufacturers.

As part of the anti-inflation program, I recommended last November that the Congress enact legislation to permit the allocation of important materials, including housing materials, in extremely short supply. In the absence of such legislation the Secretary of Commerce is attempting to develop voluntary industry-wide agreements to channel more raw materials into the production of scarce housing items, such as nails and cast-iron soil pipe. I am still convinced that allocation authority to supplement these voluntary measures would make an essential contribution to the rapid and effective expansion of the supply of building materials.

In addition, it is clear that the supply of many building materials must be permanently expanded to make possible a continuous high volume of construction at lower costs. As a practical measure toward this end the Department of Commerce, in cooperation with other Government agencies, will regularly prepare long-range estimates of building-materials requirements.

All these measures are designed to assure a high volume of housing construction. But this high volume cannot be maintained, nor can we produce housing that the bulk of our families can afford, unless building costs are lowered.

LOWER BUILDING COSTS

To obtain good housing at reasonable prices requires broad-scale efforts to reduce building costs. The basic problem facing the housing industry in this regard is to achieve the constant improvements in productive efficiency characteristic of other great industries of our country.

Considerable progress has been made in the last few years, as labor and management alike have begun to realize the possibilities for long-run efficiency inherent in stabilized housing production at high levels. Large-scale operations, both on the building site and in factories, have demonstrated possibilities for significant reductions in cost. In addition, some coordination has been achieved in the sizes of materials and household equipment. This permits small-scale builders as well as large to lower costs through simplified assembling of houses.

We can expect further progress as these advances are more widely adopted and as further innovations are developed. The Government can assist in a number of ways.

The vigorous program of research to develop new building materials and more efficient building methods, on which the

building industry has made an encouraging start, can be aided by the Government, particularly through such research agencies as the Bureau of Standards and the Forest Products Laboratory. In addition the Government can assist the industry through a sound program of research concerning the housing market and related community development problems. I recommend that the Congress provide authority and funds for an integrated program of building research, recognizing the paramount interest of the Housing and Home Finance Agency in the housing field and related interest of the Department of Commerce and other agencies in the more general field of construction, and using the best research facilities available throughout the Government.

The use of modern methods and materials, large-scale operations, and improved working techniques are hampered in some communities by obsolete and restrictive requirements embodied in local building codes. These codes should be rapidly modernized to permit the prompt use of proved and safe technical advances.

Many communities have already made substantial improvements in their codes. The Federal Government's research program should assist further improvement by testing building materials and methods and determining proper performance standards. Agencies of the Government will also continue to promote better building codes by working with State and local officials and with representatives of labor and management.

The full development of large-scale operations, both on-site construction and prefabrication, has been delayed by serious gaps in financing methods. In the case of on-site construction I recommend that the Government be authorized to guarantee loans for working capital during the period before regular mortgage loan financing is available. In the case of prefabrication I recommend that the Government's present power to guarantee production loans should be extended to cover the entire period between the time the house is started in the plant and its erection on the site.

Cooperatives have been effective in lowering costs in many parts of our economy. Farm cooperatives are a notable example. I recommend that special provision be made by the Congress for insuring loans to housing cooperatives.

Another promising means for reducing costs of construction is to improve the marketing system for building materials, which in many respects is now unduly complicated and costly. This problem presents a challenge to the industry to establish a system adequate to distribute at low cost the large volume of materials required to meet our housing needs.

The Antitrust Division of the Department of Justice has been attacking unlawful obstacles to free competition in the housing industry. Restraints on channels of distribution, price fixing, and other practices in violation of the antitrust laws add to the cost of housing. More vigorous enforcement of these laws depends upon the appropriation by the Congress of additional funds that have been requested for the Antitrust Division.

There are also possibilities for cost reduction through higher labor productivity as the skill of building workers is increased and efficient methods are more rapidly adopted. As in other industries, labor costs per unit can be reduced by these means without lowering the annual earnings of workers. I am sure that labor and management understand and accept these principles and recognize that their effectiveness depends upon uninterrupted high volume production of housing. I am confident that they will cooperate fully with each other to achieve these ends.

A complete housing program must deal with rural housing. Financial aids should be developed for rural housing as well as city housing. In addition, the technical building services provided by the Department of Agriculture to farmers should be expanded. This will enable farmers to do more of their own building, and reduce the high costs necessarily incurred when city builders are asked to do the relatively small-scale work involved in building or remodeling farmhouses. I again recommend the enactment of the provisions for rural housing contained in the comprehensive housing legislation which has long been before the Congress.

All of these measures will result in progressively lower cost and higher quality housing. Some should be effective in the near future, such as the standardization of design, dimensions, and methods of assembly of home-building materials and equipment. Others will take longer to be fully developed. All should be strongly encouraged by the Government.

LOW-RENT HOUSING FOR FAMILIES IN THE LOWEST-INCOME GROUPS

The measures for cost reduction which I have recommended—even when they become fully effective—will not provide adequate housing within the reach of our lowest-income families. The private-housing industry cannot in the foreseeable future provide decent housing for these families. Their incomes are far too low to cover the cost of new housing of any adequate standard. They are too low to cover even the cost of decent second-hand housing.

We have a national responsibility to assure that decent housing is available to all our people. We should replace present housing which is a menace to health and safety with simple but adequate housing at rents which low-income families can afford. To do this we must resume the program of public aid to low-rent housing, first authorized under the United States Housing Act of 1937.

Under this program, tested by experience, local public agencies construct and operate the housing and the Federal Government contributes funds necessary to permit low rents. Communities also contribute by providing exemption from local taxes. The costs to the Federal and local governments have been modest in comparison with the benefits achieved, not only for low-income families but also for the community as a whole.

I recommend that the Congress authorize sufficient Federal funds to permit construction by local housing authorities of 100,000 public-housing units each year for the next five years.

The limits on the cost of construction per unit set by present law would not permit the development of low-rent housing projects under any cost level likely to be achieved in the postwar period. The law should be amended to adjust these cost limitations to postwar conditions, and also to strengthen the provisions of the law which restrict the use of the housing to low-income families, to encourage the construction of units for families of larger size, and to extend certain preferences to veterans.

Public housing is an essential element in our total program. Even when these 500,000 units have been built, we will still have far to go to rehouse our lowest income groups.

URBAN REDEVELOPMENT

The redevelopment of the central areas of our cities, now too often blighted and decaying, is of primary importance for our housing program. Housing does not exist in a vacuum. In planning residential areas, consideration must be given to such items as transportation, shopping centers, schools, and playgrounds. Some sections of our cities must be replanned and rebuilt to be fit places for modern living.

To make it possible for the cities to start this work and to encourage participation by private capital, we should now make adequate provision for a program to assist in the elimination of slums and blighted areas. The task of assembling and clearing land in these areas and making it ready for rebuilding is great and the need is urgent. The costs will be beyond the financial means of most cities. I recommend the enactment of legislation to give Federal assistance, to be combined with local resources, to permit the assembly and clearance of land in such areas. Federal aid for this purpose is one of the features of the comprehensive housing legislation which I have previously recommended.

While major expenditures of this type should be deferred at present, I recommend that the Congress now authorize the Housing and Home Finance Agency to enter into the necessary financial arrangements so that cities may proceed with their plans and be ready to undertake their projects as rapidly as economic conditions and local situations permit.

CONCLUSION

The program of action I have recommended is designed to meet the immediate housing needs of the Nation and at the same time to lay a sound basis for the years ahead. It is a comprehensive program, each part of which is necessary.

Many of the proposals which I have recommended are contained in housing legislation which has long been before the Congress. These proposals have received long study by many committees of the Congress. In recent months the other proposals that I have here made, as well, have been carefully studied and their need demonstrated. The way has therefore been paved for speedy action

on the entire housing program that I here recommend and most of which I have recommended before.

Unfortunately, some of the elements of this comprehensive housing program which are most urgently needed—such as the provision of publicly aided low-rent housing—have been subject to opposition based upon unfounded fears and upon errors about the facts. These elements of the program should not be put aside. Such action would result in a fragmentary housing program which would not meet the needs of the American people.

In the past, we have proceeded separately on short-range and long-range proposals. Now we must recognize the need for shaping the long- and short-range legislation with reference to each other. We must adopt them together so that they may work together. We must make orderly progress, not a staggering uncertain series of starts and halts.

We have learned much in the last decade about the ways to meet the housing needs of our great Nation. We should now act on this knowledge through far-sighted legislation by the Government and farsighted planning by all who work in the building industry.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 23, 1948.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LESINSKI (at the request of Mr. SADOWSKI), for 2 weeks, on account of illness.

To Mr. DINGELL (at the request of Mr. SADOWSKI), for 2 weeks, on account of illness.

EXTENSION OF REMARKS

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert therein a copy of an address that I made before the Lincoln Republican Club, of Haverhill, Mass., on Wednesday evening, February 11, 1948. Because of the world-wide interest in the question of rehabilitation of the countries of western Europe, I believe that the remarks I made will be of interest to those who are now considering the advisability of the adoption of the principles of the so-called Marshall plan.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MILLER of Connecticut asked and was given permission to extend his remarks in the RECORD and include an address made by Hon. KENNETH B. KEATING before the Connecticut Sheriffs Association on February 18.

Mr. FLETCHER asked and was given permission to extend his remarks in the RECORD in four instances.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

THE OIL QUOTA REVISION FIASCO

Mr. HESELTON. Mr. Speaker, there are certain things I want to call to the attention of the Members of the Congress. First, I glanced through the committee print on the appropriation bill for the civil functions of the Department of the Army, which is available today. I have not had an opportunity to discuss the bill with the chairman and members of the subcommittee. It may well be that the justifications and evidence presented to the subcommittee indicated that there were no buildings where heating is being converted from oil to coal in that particular field, or where new installations are planned of oil-burning units. However, I do not find any limitation such as was written into the independent offices appropriation bill. Because I feel very strongly that we should consider the propriety of preventing this type of conversion if it is contemplated and, further, of making it impossible that during the fiscal year 1949 any money should be spent anywhere for such purposes, whether it be in connection with our cemeteries or communication systems or any buildings that are or may be erected or maintained under the rivers and harbors and flood-control work of the Corps of Engineers, or the United States Soldiers' Home, or the Panama Canal, or any other Government agency, I shall prepare for submission to the subcommittee a limitation similar to the one which the House accepted in connection with the independent offices appropriation committee bill, and to which I am sure the committee itself will give sympathetic consideration and treatment in our efforts to promote fuel-oil conservation, and first and foremost by the Federal Government itself.

The motion I expect to offer when the bill is read, and which I shall submit to the chairman and to the committee, will be a restriction. It will be at page 20 of the bill, line 5, and will add a new paragraph, to read as follows:

> No part of the foregoing appropriations to the Department of the Army shall be used for the purpose of converting any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia.

Members of the House will recall that I struck out the words "natural gas" and added the words "when there is a fuel shortage" to my original motion on February 4, when we were considering the independent offices appropriation bill. However, thereafter the House reinserted the words "or natural gas", and, consequently, I am inclined to submit the amendment in the form I have just indicated, subject to any request on the part of those who feel natural gas should not be included. If there is such a feeling, I shall be inclined to strike the language and leave it to those who are directly concerned with natural gas shortages to present a specific amendment and discuss it with the House.

As I have previously indicated, I do not think that the words "when there is a fuel shortage" are particularly helpful. It raises a question of construction. I have no doubt that it is intended to limit the prohibition to areas where there is actually a fuel-oil shortage. However, since we have been told repeatedly that we will have a gasoline shortage this summer and then a fuel-oil shortage next winter, and then that cycle for an indefinite period of time, I feel that we should prohibit, without any exception, the conversion by the Federal Government in any of its buildings from coal to oil heating until we know, with complete certainty, that there is enough oil available to take care of any security emergency and the demands of our industries and our individual citizens. It seems to me that is the least the Federal Government can make as a contribution to both the immediate and the long-range problem. For your further reference, may I call attention to the data I submitted on February 3, beginning at page 1049, and again on February 4 at page 1119, with reference to shocking and flagrant cases of conversions in the midst of the crisis in Boston and even here in the District. A hasty reading of the hearings clearly shows that items are included for the purchase of fuel oil. Some may be for such oil in new installations. Too, there are millions of dollars for new construction. I urge that you consider whether we should not flatly prohibit the Federal Government competing with our industries and our homes for the admittedly scarce stocks of fuel oil. I am sure that nothing short of a legislative prohibition will stop this practice. We have seen instance after instance of agencies of the Federal Government ignoring not only the spirit but the letter of the President's conservation order. I have not yet been able to obtain all the facts but there is not the slightest doubt but that the Federal Government, because of lack of foresight, good judgment and common sense, in some quarters, has wasted enough fuel oil throughout this Nation this winter to have actually been responsible for many of the reported shortages.

As I have said repeatedly, I believe we would be acting wisely by appropriating sufficient funds to force every Government agency to convert to coal. But, at the very least, I submit we should take this one simple step to stop these agencies in their tracks for fiscal 1949 in carrying out any conversion or new construction plans.

I want to bring up to date briefly what has happened over the week end as far as this announcement of Thursday afternoon is concerned, of a reduction of 599,000 barrels of petroleum products for the first quarter. As I said then, it is quite obvious that this was nothing but a mathematical reduction of one-half the amount, if no regard is paid to the odd amount of 36 barrels, from what the several countries reported to us as the result of Secretary Marshall's cable that they could and would give up gladly for the balance of this quarter. It is completely inadequate. No one has attempted to explain it for the obvious reason that it cannot be explained. The Department was derelict in its clear duty to the American people in not acting fully to protect their comfort, their safety, and their welfare. That dereliction becomes more serious with the passage of each hour and with the sailing of each tanker

loaded with any of this vitally needed fuel destined for use in countries which offered the other 599,000 barrels to us through replies to Secretary Marshall's cable of February 6.

I will have more, much more, to report when I can see the minutes of that meeting of the review committee. I was promised a copy Friday to reach me tomorrow, but it is unfortunate in the extreme that, with this 3-day holiday when about the only people working here are Members of Congress and their staffs, the Office of International Trade would not grant the reasonable request of at least a week-end embargo.

I placed in the Appendix of the RECORD of February 20, at page A1005, the text of the press release from the Office of International Trade in the Department of Commerce with reference to the announcement of the third reduction in 34 days of country export quotas for the first quarter of petroleum and petroleum products.

In making an analysis of the country quotas in comparison with the previous announcments several facts stand out.

Each fact establishes beyond the shadow of a doubt the inconsistent, illogical handling of these export controls. Each demonstrates the reliance upon theories as a basis for decision. Each adds to the overwhelming mass of evidence that the program cannot be explained.

The Departments of Commerce and State have stubbornly opposed any kind of an embargo on shipments overseas of petroleum and petroleum products and their representatives have insisted that such an embargo would wreck the economics of friendly nations dependent upon us for these exports.

Fact No. 1. On February 10 the Office of International Trade stated:

> In order further to ensure that no petroleum products in critically short supply are shipped from the area of greatest shortage in the United States, the Department of Commerce has prohibited the use of its petroleum export licenses to clear shipments from east-coast ports, the Office of International Trade announced today.
>
> * * * This ruling is effective immediately, and will be in force until March 31, OIT officials said. If the critical shortages continue, it may be necessary to extend the restriction beyond that date, it was announced.

But the press release also stated:

> Shipments from Gulf and west coast ports are not affected.

Fact No. 2. Although the door was left open to shipment of petroleum and petroleum products from the Gulf and west coasts, by the allocations announced on that date, 100 percent embargoes were placed on any shipment from this country to Denmark and Eire so far as kerosene is concerned, to Panama and Iceland so far as gas oil and distillate fuel oil is concerned, and to New Zealand and the United Kingdom so far as residual fuel oil is concerned. The analysis of this latest announcement of last Thursday shows that three more 100 percent embargoes have been added, of any shipment of kerosene to Australia and Honduras and of any residual fuel oil to Australia.

Fact No. 3. In the fact of these nine 100-percent embargoes, the Office of International Trade had issued between January 1 and February 11 export licenses covering the shipment of 4,500 barrels of kerosene to Denmark and 5,225 barrels of gas oil and distillate fuel oil to Iceland, to which any shipments of those types were prohibited.

Fact No. 4. Although these licenses can be used to authorize the exports covered from either the Gulf or west coast, the Office of International Trade has stubbornly refused to order the same kind of effective embargo on the shipment of these oils as is in effect on the east coast to March 31, even though requested to do so by 9 Senators and 75 Representatives for the limited period of 48 hours until we could be certain that the program was not draining fuel oils in excess of the revised quotas.

Fact No. 5. The requests for a temporary embargo were made on the morning of February 17 and were first denied that afternoon. On the previous day the *Esso Manchester* and the *British Fidelity* left Corpus Christi with approximately 160,000 barrels of gasoline for England and on February 21 the *Esso Cadillac* was loading 75,000 barrels of gasoline for a voyage to the United Kingdom. I do not know at this moment whether this was aviation motor fuel or other motor fuel. But, if it was aviation motor fuel, it must be considered in the light of the quota of that type of gasoline of 120,000 barrels, of the issuance of licenses up to February 11 to export only 56,000 barrels of that type and of the fact that there are only two Gulf coast ports. Beyond that I am informed that the *Comanche* is scheduled for loading some type of petroleum or petroleum products in the Gulf coast this month for delivery to the United Kingdom in March. This tanker is listed as being owned by the Anglo-American Oil Co., Ltd., and as having a capacity of 72,120 barrels. The *Robert F. Hand*, owned by the same company, with a capacity of 140,740 barrels is scheduled to load at Beaumont next Friday for delivery in the United Kingdom March 19. All this information is as readily available to the Office of International Trade as to myself. I submit it should be assembled at once and weighed in terms of existing quotas, licenses, and scheduled shipments before denying finally the requests of these Members of Congress for this form of sensible review of conditions.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. Yes; gladly.

Mr. RANKIN. Of course, I agree with the gentleman; and as I have pointed out to him time and time again I want to do anything I can to help out this situation in his section of the country. But it is a long-range proposition, it will probably last for years; and if you gentlemen in New England and the Great Lakes States will join us in our efforts to build a slack-water route which can easily be done, from the Gulf to the Great Lakes, this problem can be alleviated in the future.

Mr. HESELTON. I hope the gentleman will not try to divert me further on that; he knows that I am looking at the Tombigbee program with new thought about its over-all value.

Mr. RANKIN. I understand that.

Mr. HESELTON. But I do not guarantee that I will follow the gentleman. I do, however, want to keep concentrated on this immediate temporary emergency we still have to solve.

Mr. RANKIN. I understand the emergency is immediate. I am for you. I will help out in any way I can to alleviate it.

Mr. HESELTON. I appreciate the gentleman's interest and his assistance.

Mr. RANKIN. I am talking about the long-range problem.

Mr. HESELTON. Mr. Speaker, I have only one other fact I want to present at this time. I want to advise the Members that I have sent a great many requests for information on Saturday and again today, and if that material comes in before night, I will add it for your benefit to the revision of these remarks.

This further fact has to do with another shipment. There are similar reports coming in of shipments to other countries which, in comparison with existing licenses and revised quotas, demonstrate some startling developments. The tanker *Rincon Hill* was loaded February 20 with 111,481 barrels of Diesel destined for the East Indies. I can find no quota for the East Indies in any of the three announcements unless it comes under the 60,000 barrels of gas oil and distillate fuel oil allotted to the Netherlands. Or it may come from the allocated reserve of 353,500 barrels of gas oil and distillate fuel oil or 151,000 barrels of residual fuel oil. If so, it indicates on the list of export licenses issued to February 11, none covers shipments to the East Indies specifically. There is one license of 80,000 barrels of distillate fuel oil for the Netherlands. Perhaps this is being handled as the shipments of kerosene to Tahiti and the Fiji Islands were. If so, someone in this office should locate the full facts and explain them now. A clearer case of confusion compounded could hardly be imagined. But the magic part of it all is to find so many instances of accomplished facts with tankers half way on their voyages to other countries and probably several having passed within a hundred or so miles of east-coast ports.

As to crude, which has just been placed under control, since Monday the *Libscomb Lykes* left Baytown, Tex., with 5,285 barrels of crude for Naples and the *Agiosgeorgius* from the same port with 110,018 barrels for Le Havre.

All of these facts, Mr. Speaker, are facts we have a full right to ask this Department to consider before it is too late. I want to assure my colleagues that as fast as I can develop information I will present it to them. I know that the New England delegation in the House is grateful for the cooperation of the Illinois, Iowa, Indiana, Montana, New Jersey, South Dakota, and Utah delegations and of the other individuals who have joined us in this request for a temporary emergency embargo. I hope other delegations and Members will join us tomorrow.

If we can demonstrate to the Office of International Trade that we are united in this request, that we are acting in the interest of our people, that we are going to insist that if we can locate four tankers or so that they go up the east coast, the balance going to the Midwest, we may still succeed in the face of the present refusal. Representatives of the oil industry have testified Thursday and Friday of this last week that if we get them this 559,000 barrels of oil these other countries say they do not want and do not need, they guarantee we will not have any more shortage in the North or Midwest or along the Atlantic coast. This being true, Mr. Speaker, I cannot understand the attitude taken by the Office of International Trade and I hope that each of you will assist us in our effort to try to make them see that this is simply common sense.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from New York.

Mr. KEATING. As one who joined with the Members of Congress from the New England States in this request to the Office of International Trade, I think I speak for all of us who represent areas where this great fuel shortage has existed in expressing to the gentleman our profound thanks for the great diligence, perservance, and intelligence he has displayed on this problem. All of us are deeply indebted to him for the ceaseless efforts which he has expended.

May I ask the gentleman one question? Do I understand from his remarks that the Office of International Trade completely ignored in certain instances the embargo which had been placed on certain oil shipments?

Mr. HESELTON. No. I misled the gentleman if he understood that from my remarks. You see this embargo on the east coast is a flat embargo enforced by the customs officials. They will not honor any license for the shipment of oil out of east-coast ports. Parenthetically, I may say that that has had a major effect in turning a deficit of about 2,000,000 barrels to a surplus of approximately 3,000,000 barrels in that particular area. The Office of International Trade has refused to apply the same method of control over the Gulf-coast ports and the west-coast ports. Consequently the door is open to draining off any amount up to the quota amount or to any other point up to the total amount of the existing licenses. They are going over the amount of the quotas in some instances, apparently, and shipping without reference to the revised amount. We may find too late that several tankers have gone out with crude to an amount of twice the crude that has already been allotted or licensed.

Mr. KEATING. Who determines the existence and the extent of the embargo that will be placed on these shipments?

Mr. HESELTON. The Office of International Trade has in the first instance complete responsibility for issuing the license and also establishing shipping quotas, but they in turn are checked by what is known as a review committee.

However, that review committee is composed of a representative of the Department of the Interior, the Department of Agriculture, and the armed services, plus four members of the Department of Commerce, so obviously there is no possibility of carrying out anything but the wishes of the Department of Commerce as translated by these representatives. I placed in the RECORD Friday certain minutes of the review committee proceedings, and it is interesting to note that the Department of Agriculture felt that there should be a substantial reduction in the residuals. The Department of the Interior agreed. The department of the armed services did not express any opinion; at least, it was not recorded. But, when the vote was cast, they did not cut the residuals materially. Now, that is something you and I cannot explain to our constituents. We know that tankers can go by Ambrose Light and go up along Cape Cod and unload their cargoes at east-coast ports, but the orders are "Take it to the United Kingdom" or "Italy" or "France" or somewhere else.

Mr. KEATING. Do I understand the gentleman to say that the Department requested of these various foreign countries, which are sharing in our oil supply, a statement as to their minimum requirements?

Mr. HESELTON. Absolutely.

Mr. KEATING. And that they furnished those minimum requirements?

Mr. HESELTON. Absolutely.

Mr. KEATING. And that in the face of that and in the face of the shortage in this country the Department allowed the shipment of 599,000 barrels above what the countries had said they needed?

Mr. HESELTON. Yes. Unless they change that decision, that will be the result of it. That cable went out on February 6 over the signature of Secretary Marshall, outlining very effectively what we are up against, asking them to review their requirements. I have seen the returning cables. They came back from the 11th to the 17th of February. The saving would have been 1,198,036 barrels of heating oil, residuals, and gasoline. The Department last Friday arbitrarily cut 50 percent of that and said, "You in this country can have that, but they, overseas, will get the rest, even though they assert they would give it to you and do not need it." Unless we do something about it, that is the result. They do not need it, and we do.

Mr. KEATING. They have stated that they do not need it?

Mr. HESELTON. Yes.

Mr. KEATING. That seems to me to present an inexcusable state of affairs.

Mr. HESELTON. I agree with the gentleman completely.

EXTENSION OF REMARKS

Mr. DAWSON of Utah asked and was given permission to extend his remarks in the RECORD and include a letter.

SPECIAL ORDER GRANTED

Mr. DAWSON of Utah. Mr. Speaker, I ask unanimous consent that on Wednesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 20 minutes.

PALESTINE—LIFE OR DEATH TEST FOR UNITED NATIONS

Mr. LANE. Mr. Speaker, all the hopes of mankind for survival in this atomic age rest upon the successful development of the United Nations organization.

If it grows up, in time it will outlaw the hell of war and usher in a period of peace and happiness and prosperity the like of which we cannot fully imagine.

If it fails, which God forbid, the giant forces which science has harnessed, let loose by irresponsible men, may bring civilization crashing down in ruins and bury all men beneath the dust and in the silence of atomic annihilation.

The first test which may well decide whether the United Nations shall survive or perish is the manner in which it handles the problem of Palestine.

The United Nations has already gone through the preliminaries.

After a thorough investigation, an open discussion, and a democratic vote, it has decided to partition Palestine into separate Jewish and Arab states with an international zone at Jerusalem.

Was this merely the airy conclusion of a debating society without substance or application? Or was it a mature and purposeful decision of the family of nations, fairly arrived at, in justice to all, backed by moral sanctions and enforced by law?

Will the United Nations follow through on its commitments?

That is the critical question.

The supreme test.

Determining whether we shall have permanent peace or catastrophic war.

In the past, nations could indulge in the expedient evasions and deceits called diplomacy without wrecking the world beyond recovery.

That day is gone.

Wars are no longer local and the man behind the weapon does not have to see his target in order to hit it. The terrible destructive power of the first A-bomb is a sickening fact known to all of us. What about those technical improvements since made to increase the area of its devastating power which have already made the first A-bomb obsolete? Add to this the frightful possibilities of bacteriological warfare, and we realize that there is no longer a distinction between warrior and civilian. The next war cannot be isolated. It will involve everyone and will reduce the survivors—mistakenly called victors—to a primitive level of existence, living precariously in a burned-out wasteland.

But many nations enslaved by habit cannot adjust themselves to the imperative need for changing their outlooks and their techniques to forestall the danger which threatens the world.

They think they can fiddle diplomatically in the good old discredited way

and escape the consequences of their pathetic immaturity.

They pay lip-service to the United Nations before the forum of world opinion, even while they try to scuttle it in the secrecy of their national policies.

They think that they can still juggle with realities.

And Palestine is the problem upon which they will make or break the United Nations and any decent hopes for anyone anywhere.

Russia supports the partition hoping that trouble between Jews and Arabs will give her the pretext for stepping in to maintain "order" and under the cloak extend her controls to the Mediterranean and to the Indian Ocean.

Great Britain gives up the mandate over Palestine but deviously encourages the Arabs at the expense of the Jews to protect her oil interests and her lifelines in neighboring Arab countries.

The United States, whose people overwhelmingly supported the establishment of a Jewish homeland in Palestine, and whose Government swung the balance in favor of partition, now finds itself caught in a contradiction.

The realistic fact is that we, too, have vital oil interests in Arabia which, in the name of our national security, we must not lose. The State Department and our Secretary of National Defense feel that we cannot go all-out to implement the partition of Palestine and thereby antagonize the rebellious Arabs.

And so the policy of the United States in this area has become one of muddling indecision. We are sitting on the fence hoping that the problem will work itself out without requiring any forthright leadership on our part.

Palestine is still the pawn in the chess game of power politics among the big nations.

Britain in her home government has long followed the practice of accepting majority decisions, but when it comes to the UN decision to partition Palestine, she says that she will not assist or cooperate in any way to enforce the partition. This flouts the action taken by a majority of the members of the United Nations Assembly. And then she complains about the Soviet's abuse of the veto power when, in effect, she is doing everything in her power to hamstring the United Nations and to appease the Arabs.

Furthermore, she does not want the commission created by the United Nations to visit Palestine for the purpose of drawing up a partition plan and program, to enter that area before she gives up her mandate in the spring.

In spite of this the British position has some consistency because she opposed the partition plan from the beginning.

But the United States has carried the torch for a Jewish homeland for many years. With high-sounding phrases we chastised the British for their vacillating conduct and represented ourselves as the shining white knight fighting with moral fervor to win a refuge for displaced Jews in Palestine.

Suddenly and inexplicably when the United Nations General Assembly on November 29, 1947, voted 33 to 13 to make this promise become a reality, we dropped our championship of the Jewish cause.

Why did we encourage the Jews and then forsake them?

Many outside the United States explain our reversal of form by saying that we have been playing domestic politics with the Palestine question, never thinking that we might be called upon to back up our stand with anything but lofty words.

The Arabs have been quick to seize upon this contradiction and to exploit it fully through the medium of propaganda. Arab leaders are telling their people that the United States does not really believe in the partition of the Holy Land. They are being informed that it was merely a necessary political gesture on the part of the Americans to sound off in behalf of the Jewish cause.

Now the Arabs are putting this explanation to the proof with disturbing success. Daily they send armed bands across the border to attack Jewish settlements. The UN takes no action on this flagrant repudiation of its decision because the United States, which was chiefly responsible for the UN approval of partition is so strangely silent.

And Americans are humilitated by the suspicion that their State Department is not aboveboard in this matter.

We have placed an embargo on the shipment of arms to Palestine so that the Jewish people are denied the weapons with which to defend themselves from aggression. We are doing this on the technicality that the Jewish state has not been officially established. Meanwhile, every day Jews are dying in defense of their homes in Palestine and hundreds of thousands of Jewish refugees in displaced-persons camps in Europe are finally giving in to despair.

For their last, best hope the United States is apparently ignoring its solemn commitments to them in favor of the double-dealing game of diplomacy.

This emboldens the Arab leaders.

They are openly training and equipping an expeditionary force to invade Palestine when the British pull out.

The situation is tragically reminiscent of the Japanese aggression in Manchuria which the old League of Nations failed to halt, thereby hastening its own doom and encouraging the rise of other aggressors which led to the butchery of World War II.

Already Arab apologists are making it easier for our State Department to gloss over our abandonment of the responsibility we owe to the Jewish people. After all the Arab leaders say we could go over the side of Soviet Russia. But would they? Hardly, Arab leaders enjoy feudal powers and comfortable incomes which they would lose under Soviet domination. But Americans are businessmen who put profits before anything else the Arabs counter. Surely they would not jeopardize their oil investments in Arab countries. To which the American people reply: American finance and initiative are also making it possible for Arab leaders to collect impressive royalties which they could never earn by their present efforts.

No, the Arab "line" will not fool the American public.

Out of the present appeasement in the policy of the State Department will come a firm and clear-cut implementation of our obligations. The American people will demand it.

The small Arab states are defying the United Nations. If they get away with their aggressive designs, the UN will have failed on its first major test, and the seeds of world war III, with its harvest of hate and misery and extermination, will have been planted for the children of earth.

It is time to remind the Arab states that they won their freedom as a result of the Allied victory in World War I. In spite of this, during World War II, Iraq, one of the Arab states, was prevented with considerable difficulty from joining up with the Axis. Not one Arab division fought on our side during the recent conflict. Furthermore, the Grand Mufti of Jerusalem, who is the moving spirit behind the aggression of Arab leaders, was an intimate friend and follower of one Adolf Hitler.

The Arab states already possess vast and underpopulated territories which they can never have need for or develop. Their case in Palestine has no basis in historical fact, on the grounds of economic necessity, or before the judgment of world opinion as decided by the United Nations. Clearly, they must be stopped in their senseless aggression before they too suffer.

It is late but not too late for the United States to enforce its decision. In that the United States is legally and morally bound to assume its share of the responsibility.

We should make clear to the world that the partition which we advocated and supported is still the policy of the United States. Following closely on this we can propose to the Security Council a resolution asking the member states to supply arms to the Jews and thus enable the United States to lift its own embargo.

It is our duty to call upon the Security Council for an international military force supplied by the small nations to implement partition.

The plain fact is that the peace of the world is threatened by Arab aggression in Palestine.

Definite action is needed to stop this madness. It is the inescapable obligation of the United States to take an affirmative stand in order to protect the in-fact Jewish state in order to redeem its own honor and in order to uphold the authority of the United Nations upon which the peoples of this world rely for peace and survival.

ATTEMPTS TO PUT NEGRO DOCTORS IN GALLINGER HOSPITAL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection

Mr. RANKIN. Mr. Speaker, the people of the District of Columbia are entitled to decent treatment at the hands of the Congress and at the hands of the executive department.

They are today threatened with a situation out at Gallinger Hospital that is likely to bring race trouble. It is already stirring resentment, and cannot possibly do any good. I refer to the order issued to put Negro doctors in that hospital and give them the same supervision over white patients the white doctors have.

The District of Columbia is the seat of government of the United States. The people here have a right to be protected. I submit that when this attempt is made thus to humiliate the doctors and the white patients who are bound to patronize Gallinger Hospital, it is about time that Members of Congress and the President got off this cheap scheme of playing politics in order to get a few votes in Harlem and in certain other portions of New York City.

I for one protest with all my strength, and the people of the District of Columbia have a right to protest with all their strength, against such treatment, and to make themselves heard.

It is about time we get back to fundamental principles and put a stop to the attempts that are being pushed by certain communistic elements to stir race trouble all over the country.

I resent this attempt to impose these Negro doctors upon the white people of Washington. The people of the District of Columbia resent it, and they have a right to resent it.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION TO COMMITTEE ON WAYS AND MEANS TO FILE REPORTS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file reports on the following bills: H. R. 4938, making certain furs dutiable; H. R. 4739, relating to the free entry of X-ray apparatus; H. R. 5275, relating to the free entry of limestone; and H. R. 5328, relating to the free entry of wood waste.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective departments.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 402. An act to authorize the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land;

S. 500. An act authorizing the issuance of a patent in fee to Tom Eagleman; and

S. 1673. An act to authorize the promotion of James Y. Parker, Army serial No. O20712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes.

ADJOURNMENT

Mr. MICHENER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 33 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, February 24, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1313. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $1,600,000 for the Department of the Army (H. Doc. No. 537); to the Committee on Appropriations and ordered to be printed.

1314. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $716,000 for the Department of the Interior (H. Doc. No. 538); to the Committee on Appropriations and ordered to be printed.

1315. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $1,350,000 for the Federal Security Agency (H. Doc. No. 539); to the Committee on Appropriations and ordered to be printed.

1316. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $50,000 for the Post Office Department (H. Doc. No. 540); to the Committee on Appropriations and ordered to be printed.

1317. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $1,500,000 for the Department of Commerce (H. Doc. No. 541); to the Committee on Appropriations and ordered to be printed.

1318. A communication from the President of the United States, transmitting a proposed revision of language for the fiscal year 1948 pertaining to the Atomic Energy Commission (H. Doc. No. 542); to the Committee on Appropriations and ordered to be printed.

1319. A communication from the President of the United States, transmitting revised estimates for the fiscal year 1949 involving an increase in the amount of $150,000 and a decrease in contract authorization for the Department of the Interior (H. Doc. No. 543); to the Committee on Appropriations and ordered to be printed.

1320. A communication from the President of the United States, transmitting estimates of appropriation submitted by the several executive departments and independent offices to pay claims for damages, judgments rendered against the United States, and audited claims, as provided by various laws, in the amount of $14,221,369.83, together with an indefinite amount as may be necessary to pay interest and costs (H. Doc. No. 544); to the Committee on Appropriations and ordered to be printed.

1321. A letter from the Assistant Administrator for Airports, Civil Aeronautics Administration, Department of Commerce, transmitting a revision of the national airport plan for 1948, which was submitted under date of February 9; to the Committee on Interstate and Foreign Commerce.

1322. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended; to the Committee on Public Lands.

1323. A letter from the national headquarters, Navy Club of the United States of America, through the chairman, Committee on Rules and Administration, United States Senate, transmitting reports of proceedings and activities and statements of receipts and expenditures submitted by the Navy Club of the United States of America; to the Committee on the Judiciary.

1324. A letter from the chairman, National Labor Relations Board, transmitting the Twelfth Annual Report of the National Labor Relations Board, for the year ended June 30, 1947; to the Committee on Education and Labor.

1325. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated January 15, 1948, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Southern Branch of Elizabeth River, Norfolk Harbor, Va., authorized by the River and Harbor Act approved March 2, 1945 (H. Doc. No. 545); to the Committee on Public Works and ordered to be printed, with illustrations.

1326. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated January 21, 1948, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of and review of reports on Traverse Bay (Grand Traverse Bay), Mich. (H. Doc. No. 546); to the Committee on Public Works and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 461. Resolution creating a special committee to investigate the election of Members of the House of Representatives; without amendment (Rept. No. 1410). Referred to the House Calendar.

Mr. SCOBLICK: Committee on Post Office and Civil Service. H. R. 5112. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 1411). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORTON: Committee on Post Office and Civil Service. H. R. 5315. A bill to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; without amendment (Rept. No. 1412). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 4739. A bill to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film; without amendment (Rept. No. 1413). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOODRUFF: Committee on Ways and Means. H. R. 4938. A bill to amend the

Tariff Act of 1930 with reference to platinum foxes and platinum fox furs, and for other purposes; without amendment (Rept. No. 1414). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLMES: Committee on Ways and Means. H. R. 5275. A bill to amend the Tariff Act of 1930 to provide for the free importation of limestone to be used in the manufacture of fertilizer; without amendment (Rept. No. 1415). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 5328. A bill to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods; without amendment (Rept. No. 1416). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. House Joint Resolution 332. Joint resolution to continue until March 1, 1949, the temporary authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes; without amendment (Rept. No. 1417). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARLESS of Arizona:

H. R. 5489. A bill making an additional appropriation to carry out the provisions of the Rural Electrification Act of 1936, as amended, for the fiscal year ending June 30, 1948; to the Committee on Appropriations.

By Mr. ROGERS of Florida:

H. R. 5490. A bill authorizing the construction of a comprehensive plan for flood control and other purposes in central and southern Florida; to the Committee on Public Works.

By Mr. SCHWABE of Oklahoma:

H. R. 5491. A bill relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Public Lands.

H. R. 5492. A bill to provide additional options with respect to Government life-insurance policies; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California:

H. R. 5493. A bill to amend the Migratory Bird Treaty Act so as to provide that regulations adopted pursuant to such act for any area section, or flyway shall be based on conditions existing within such area, section, or flyway, and to create a migratory game bird advisory committee; to the Committee on Merchant Marine and Fisheries.

By Mr. COLE of New York:

H. R. 5494. A bill to provide dental treatment for dependents of naval and Marine Corps personnel, and for other purposes; to the Committee on Armed Services.

By Mr. CUNNINGHAM:

H. R. 5495. A bill to increase the amount of wages that may be earned by individuals entitled to old-age and survivors' insurance benefit payments under the Social Security Act; to the Committee on Ways and Means.

H. R. 5496. A bill to relieve persons in the military service from refunding to the United States the amount of life-insurance premiums and interest thereon, guaranteed under the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on Veterans' Affairs.

By Mr. ELLIS:

H. R. 5497. A bill to increase World War I and II disability and death compensation and pension rates; to the Committee on Veterans' Affairs.

By Mr. FARRINGTON:

H. R. 5498. A bill to amend section 73 of the Hawaiian Organic Act; to the Committee on Public Lands.

By Mr. JACKSON of California:

H. R. 5499. A bill to amend section 321A of the Nationality Act of 1940 so as to permit certain citizens of the Commonwealth of the Philippines not of races indigenous to the Philippines to qualify for naturalization without certificates of arrival or declarations of intention; to the Committee on the Judiciary.

By Mr. JONES of Alabama:

H. R. 5500. A bill relating to the effective date of awards of death compensation and death pension under veterans' laws; to the Committee on Veterans' Affairs.

By Mr. LEWIS (by request):

H. R. 5501. A bill to extend certain provisions of Public Law 690, Seventy-ninth Congress, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. MacKINNON:

H. R. 5502. A bill to assist the States in the payment of adequate compensation to public-school teachers, to include such teachers within the purview of the Civil Service Retirement Act of May 29, 1930, and for other purposes; to the Committee on Education and Labor.

By Mr. PHILLIPS of California:

H. R. 5503. A bill to authorize the Secretary of the Navy to grant to the county of Orange, Calif., a perpetual easement for the maintenance and operation of a public highway, and to grant to the Irvine Co., a corporation, a perpetual easement for the maintenance, operation, and use of a water pipe line, in the vicinity of the naval air base, Santa Ana, Orange County, Calif.; to the Committee on Armed Services.

By Mr. RANKIN:

H. R. 5504. A bill making an additional deficiency appropriation to carry out the provisions of the Rural Electrification Act of 1936, as amended, for the fiscal year ending June 30, 1948; to the Committee on Appropriations.

By Mr. REES:

H. R. 5505. A bill to relieve postmasters and other paying employees of the postal service from accountability for wrong payment of money orders in certain cases, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SIKES:

H. R. 5506. A bill to authorize restocking, propagation, and conservation of game in the Eglin Field Reservation; to the Committee on Armed Services.

By Mr. SNYDER:

H. R. 5507. A bill to amend the Surplus Property Act of 1944, as amended, so as to provide priorities for veterans in the purchase of surplus residential real property; to the Committee on Expenditures in the Executive Departments.

By Mr. STEVENSON:

H. R. 5508. A bill to amend the Veterans' Preference Act of 1944 to extend the benefits of such act to certain mothers of veterans; to the Committee on Post Office and Civil Service.

By Mr. McCORMACK:

H. R. 5509. A bill to authorize Defense Homes Corporation to convey to Howard University certain lands in the District of Columbia, and for other purposes; to the Committee on Banking and Currency.

By Mr. WOODRUFF:

H. J. Res. 333. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the termination of the war with Spain; to the Committee on Banking and Currency.

By Mr. HERTER:

H. Res. 476. Resolution extending the time for final report of the Select Committee on Foreign Aid until May 1, 1948; to the Committee on Rules.

By Mr. RIZLEY:

H. Res. 478. Resolution to provide additional funds to carry on investigations of surplus property under the Committee on Expenditures in the Executive Departments; to the Committee on House Administration.

By Mr. BENDER:

H. Res. 479. Resolution providing for the further expenses of conducting the studies and investigations with respect to procurement and buildings authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, memorializing the President and the Congress of the United States relative to the death of the late Hon. John M. Robsion, a Representative in Congress from the Commonwealth of Kentucky; to the Committee on House Administration.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to take such steps as may be necessary to cancel the present embargo on the shipment of arms and munitions to the Jewish people of Palestine; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to enact legislation prohibiting the use of the mail to advertise and dramatize the use of alcoholic beverages; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to enact such necessary legislation as to provide funds to the Reconstruction Finance Corporation and other Government agencies for the purchase of notes and mortgages of veterans, so as to facilitate the operations of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong., as amended; title 38, U. S. Code); to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 5510. A bill for the relief of Mrs. Kang Sung Hark Lee; to the Committee on the Judiciary.

H. R. 5511. A bill for the relief of Thomas Yoichi Sakai, a minor; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 5512. A bill for the relief of Arundale Vrabec; to the Committee on the Judiciary.

H. R. 5513. A bill to provide for the admission to citizenship of Arundale Vrabec; to the Committee on the Judiciary.

By Mr. JENKINS of Ohio:

H. R. 5514. A bill for the relief of Mrs. Alice N. Kozma; to the Committee on the Judiciary.

By Mr. JONES of Alabama:

H. R. 5515. A bill for the relief of Mr. and Mrs. Albert Chandler; to the Committee on Veterans' Affairs.

By Mr. LODGE:

H. R. 5516. A bill for the relief of Anthony Olivari and his family; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5517. A bill for the relief of Edward Woolf; to the Committee on the Judiciary.

By Mr. SCHWABE of Oklahoma:
H. R. 5518. A bill for the relief of Carney E. Heard; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1391. By Mr. BARTLETT: Petition of American Legion Auxiliary, Valdez, Alaska, on universal military training; to the Committee on Armed Services.

1392. By Mr. GWYNNE of Iowa: Petition of Mrs. Ethel Atkinson, Cedar Falls, Iowa, and others, re S. 265, the Capper bill; to the Committee on Interstate and Foreign Commerce.

1393. By Mr. JENISON: Petition of the American Legion, of Danforth, Ill., bearing the signatures of 20 persons, submitted by Conrad A. Scharp, commander, Post No. 367, the American Legion, petitioning the Congress to enact legislation establishing a system of universal military training as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1394. By Mr. KEARNEY: Memorial of the New York State Senate, which was concurred in by the Assembly, requesting the Congress and the President to take such steps as may be necessary to cancel the present embargo on the shipment of arms and munitions to the Jewish people of Palestine; to the Committee on Foreign Affairs.

1395. By Mr. KILDAY: Petitions of Guy C. Sharer and 45 other citizens of San Antonio, Tex.; Mrs. Richard M. Hennessy and 18 other citizens of San Antonio, Tex.; Mrs. Eda W. Vetters and 11 other citizens of San Antonio, Tex.; Bonnie Brae Post, No. 431, American Legion, San Antonio, Tex., with 116 signatures; and Bonnie Brae Post, No. 431, American Legion, San Antonio, Tex., with 136 signatures, all urging the passage of legislation to establish a system of universal military training; to the Committee on Armed Services.

1396. By Mr. MARTIN of Massachusetts: Petition of Miss Phyllis Grendal and sundry citizens of Massachusetts, advocating that the question of independence for Lithuania be raised officially before the United Nations; to the Committee on Foreign Affairs.

1397. By Mr. MILLER of Maryland: Petition of 50 residents of Salisbury, Md., in support of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1398. By Mr. SMITH of Wisconsin: Petition of women representing various clubs and organizations in and around Footville, Wis., asking for legislation to improve the movies and radio programs; to the Committee on Interstate and Foreign Commerce.

1399. By the SPEAKER: Petition of Miss Marie A. Wood and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

1400. Also, petition of Mrs. Mabel Kelly, Port Orange, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1401. Also, petition of C. L. Lampp, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1402. Also, petition of Miss Alice M. Myers, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend Plan, H. R. 16; to the Committee on Ways and Means.

1403. Also, petition of Mrs. John L. Storck, Daytona Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1404. Also, petition of Mrs. Olivia Overstreet, Miami, Fla., and others petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1405. Also, petition of the Townsend clubs from the Fifth Congressional District in the State of Florida, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1406. Also, petition of Arthur Kinchhoff, Sanford, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1407. Also, petition of the residents of Lucy Diggs Slowe Hall, petitioning consideration of their resolution with reference to the transfer of a dormitory known as the Lucy Diggs Slowe Hall; to the Committee on Banking and Currency.

1408. Also, petition of Lucile Davidson and others, petitioning consideration of their resolution with reference to the enactment of S. 265; to the Committee on Interstate and Foreign Commerce.

1409. Also, petition of the city government of Chelsea, Mass., petitioning consideration of their resolution with reference to the extension of rent control; to the Committee on Banking and Currency.

1410. By Mr. MARTIN of Massachusetts: Petition of Arthur E. Burrell and sundry citizens of Massachusetts, advocating enactment of universal military training; to the Committee on Armed Services.

SENATE

TUESDAY, FEBRUARY 24, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, whose resources are abundantly adequate for the needs of each new day, we are again approaching Thy throne of grace and blessing through the old and familiar way of prayer which is always open to those who come with the humble spirit and the contrite heart.

We pray that these Thy servants, unto whom Thou hast given the high vocation of leadership in the affairs of government, may be endowed with wisdom and courage as they seek to find a just and righteous solution for our national and international problems.

Grant that we may be faithful stewards of God whom Thou art using to build the kingdom of brotherhood. May we have a large part in bringing in that glorious day of prediction when men everywhere shall live together in the fellowship of peace and good will.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 23, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes, with an amendment in which it requested the concurrence of the Senate.

SUSPENSION OF DEPORTATION OF ALIENS

The PRESIDENT pro tempore laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 166 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension, which, with accompanying papers, was referred to the Committee on the Judiciary.

PROHIBITION AGAINST LIQUOR ADVERTISING—PETITION

Mr. CAPPER. Mr. President, I ask unanimous consent to present for reference to the Committee on Interstate and Foreign Commerce an impressive petition signed by about 135 citizens of Wellington, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alccholic-beverage advertising in interstate commerce.

The PRESIDENT pro tempore. Without objection, the petition will be received and referred to the Committee on Interstate and Foreign Commerce, as requested by the Senator from Kansas.

REDUCTION OF INCOME-TAX PAYMENTS—PETITION

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a letter signed by several employees of the International Derrick & Equipment Co., of Great Bend, Kans. In my opinion, they make an impressive appeal for a reduction in income-tax payments and also a reduction in cost of government, and I should like to have it brought to the attention of the Senate.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

INTERNATIONAL DERRICK & EQUIPMENT CO.,
Great Bend, Kans., January 27, 1948.

The Honorable ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR: As a citizen and a taxpayer, I am deeply concerned with current individual income-tax rates. With the realization that Congress will undoubtedly give careful attention to the tax structure at the next regular session, I am most anxious to present my own views.

Undeniably, a reduction of the Federal debt would be a wholesome thing, but the Marshall plan makes such a step currently impossible. No one can deny that individual income-tax rates are at exorbitant levels; they cannot long continue at such levels lest our economic structure completely bog down. If we commit ourselves to foreign relief, then let's pare the cost of government to the point where the tax burden becomes at least reasonable.

Personally, I would far rather have a decrease in taxes than an increase in earnings, for recent experience proves beyond a doubt that an inevitable increase in the cost of living will quickly wipe out any of my wage gains.

Furthermore, with taxes at such high levels, I am gradually losing my incentive to produce that extra volume so necessary to meet the world's needs. I read that farmers are holding wheat off the market, investors are reluctant to supply industry with necessary capital, labor unions are about to seek another wage increase—all due in a large part to the high level of taxes.

Certainly we all must sacrifice to meet the current emergency, but let's have the administration share in such sacrifices. Let's pare the costs of government to the bone, and let's lick the problem of inflation to a large degree by cutting the cost of living through cutting taxes.

In your position, you can greatly influence tax reforms. Your constituents are counting on you.

Yours very truly,

R. R. MATTHEWS,
G. C. THOMPSON,
EMERSON E. KEATING,
R. H. METCHIL,
O. K. WORLEY,
EDWIN GAMBLE,
RICHARD B. SCHECK,
Employees of the International Derrick & Equipment Co., Kansas District.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 1021. A bill authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and clerk of the Fort Peck General Council, members of the Fort Peck Business Committee, and other committees appointed by said Fort Peck General Council, and official delegates of the Fort Peck Tribe; with amendments (Rept. No. 901).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 4141. A bill to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits; without amendment (Rept. No. 902); and

S. Res. 202. Resolution increasing the limit of expenditures for the investigation of the social-security program; without amendment, and, under the rule, referred to the Committee on Rules and Administration.

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 1620. A bill to establish eligibility for burial in national cemeteries, and for other purposes; without amendment (Rept. No. 903);

H. R. 2159. A bill to authorize the Secretary of the Interior to prepare plans and estimates for a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes; without amendment (Rept. No. 904);

H. R. 2453. A bill to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace; with an amendment (Rept. No. 905);

H. R. 4023. A bill to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes; with an amendment (Rept. No. 906); and

H. J. Res. 61. Joint resolution to provide for the designation of the Park River Dam and Reservoir project in Walsh County, N. Dak., as the Homme Reservoir and Dam; without amendment (Rept. No. 907).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 24, 1948, he presented to the President of the United States the following enrolled bills:

S. 402. An act to authorize and direct the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land;

S. 500. An act authorizing the issuance of a patent in fee to Tom Eagleman; and

S. 1673. An act to authorize the promotion of James Y. Parker, Army serial No. O20712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ECTON:

S. 2207. A bill authorizing the Secretary of the Interior to issue a patent in fee to Francis Stewart, Jr.; to the Committee on Interior and Insular Affairs.

By Mr. BARKLEY:

S. 2208. A bill for the relief of the American Elevator & Machine Co.; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2209. A bill for the relief of Marion C. Hunter; to the Committee on Labor and Public Welfare.

By Mr. BALDWIN:

S. 2210. A bill to extend the time within which veterans discharged prior to the date of enactment of the Mustering-Out Payment Act of 1944, may make application for benefits thereunder; to the Committee on Armed Services.

By Mr. McMAHON:

S. 2211. A bill for the relief of Earnest Briener; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2212. A bill to extend the maturity for mortgages under the National Housing Act in the case of property owned by veterans of World War II, to authorize the Reconstruction Finance Corporation to purchase loans guaranteed or insured under the provisions of title III of the Servicemen's Reajustment Act of 1944, as amended, and title II and title VI of the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

S. 2213. A bill to amend the Legislative Reorganization Act of 1946, as amended, to provide for the broadcasting and televising of the proceedings of the Senate and the House of Representatives; to the Committee on Rules and Administration.

By Mr. BYRD (for himself and Mr. ROBERTSON of Virginia):

S. J. Res. 190. Joint resolution to provide for the maintenance for public use of certain highways in the Shenandoah National Park; to the Committee on Interior and Insular Affairs.

LABOR EXTENSION ACT OF 1948—AMENDMENT

Mr. MORSE (for himself and Mr. THOMAS of Utah) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 1390) to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto, by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor, which was referred to the Committee on Labor and Public Welfare and ordered to be printed.

EXTENSION OF TIME FOR FILING REPORTS OF SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

Mr. BREWSTER. Mr. President, I ask unanimous consent for an extension of 30 days for the filing of reports of the Special Committee To Investigate the National Defense Program because of the absence from the city of certain members of subcommittees who are very much concerned.

The PRESIDENT pro tempore. Is there objection?

Mr. BARKLEY. Mr. President, I understand that the present authority expires next Monday.

Mr. BREWSTER. That is correct.

Mr. BARKLEY. A 30-day extension was recently granted, with the understanding that it was only for the purpose of filing a report and not for the taking of further testimony.

Mr. BREWSTER. That is correct.

Mr. BARKLEY. As I understand, the same limitation will apply to this extension.

Mr. BREWSTER. That is correct.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine? The Chair hears none, and it is so ordered.

GOVERNMENT DECENTRALIZATION—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on the subject of Government Decentralization, prepared by him and broadcast on February 20, 1948, which appears in the Appendix.]

FREEDOM IS THE ISSUE—ADDRESS BY SENATOR O'MAHONEY

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an address entitled "Freedom Is the Issue," delivered by Senator O'MAHONEY to the First National Convention of Americans for Democratic Action, at Philadelphia, Pa., February 21, 1948, which appears in the Appendix.]

REGULATION OF THE STEEL INDUSTRY—STATEMENT BY SENATOR O'MAHONEY

[Mr. McFARLAND asked and obtained leave to have printed in the RECORD a statement entitled "Steel Industry Asking for Regulation," issued by Senator O'MAHONEY, which appears in the Appendix.]

THE HERITAGE OF JOHN WESLEY—ARTICLE BY SENATOR HILL

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "The Heritage of John Wesley," prepared by him, and published in the Christian Advocate of October 9, 1947, and the Alabama Christian Advocate of February 12, 1948, which appears in the Appendix.]

MISSOURI RIVER BASIN PROJECT—REPORT OF PROGRESS—ADDRESS BY THE ASSISTANT SECRETARY OF THE INTERIOR

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an address entitled "Report of Progress—Missouri River Basin Project," delivered by Hon. William E. Warne, Assistant Secretary of the Interior, before the Farm and Home Week Conference, at Minot, N. Dak., on February 9, 1948, which appears in the Appendix.]

THE MISSOURI BASIN PROJECT—ADDRESS BY ASSISTANT SECRETARY OF THE INTERIOR

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an address entitled "Your Future—the Missouri Basin Project," delivered by Hon. William E. Warne, Assistant Secretary of the Interior, before the student assembly at the State Teachers College, Minot, N. Dak., on February 9, 1948, which appears in the Appendix.]

BUYING GOOD BUREAUCRATS—ARTICLE BY MALVINA LINDSAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "Buying Good Bureaucrats," written by Malvina Lindsay and published in the Washington Post of February 11, 1948, which appears in the Appendix.]

OIL TROUBLES THE INTERNATIONAL WATERS—ARTICLE BY KIRTLEY F. MATHER

[Mr. LODGE asked and obtained leave to have printed in the RECORD an article entitled "Oil Troubles the International Waters," by Kirtley F. Mather, published in the New York Times magazine, February 22, 1948, which appears in the Appendix.]

AMERICAN FOREIGN POLICY—ADDRESS BY SENATOR TAFT

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address by him to the Economic Club of Detroit, in Detroit, Mich., February 23, 1948, which appears in the Appendix.]

ADDRESS BY SENATOR O'CONOR TO DELAWARE FEED DEALERS' ASSOCIATION

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an address delivered by Senator O'CONOR before the Delaware Feed Dealers' Association, at Laurel, Del., February 13, 1948, which appears in the Appendix.]

SALUTE TO CENSORS—EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "Salute to Censors!" published in the Christian Science Monitor, which appears in the Appendix.]

MEETINGS OF COMMITTEES DURING SESSIONS OF THE SENATE

Mr. KNOWLAND asked and obtained consent that the joint subcommittee of the Committees on the Judiciary considering the question of tidelands be permitted to meet during the sessions of the Senate.

He also asked and obtained consent that the Committee on Interior and Insular Affairs be permitted to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Hickenlooper	Myers
Barkley	Hill	O'Daniel
Brewster	Hoey	Overton
Bricker	Holland	Pepper
Bridges	Ives	Reed
Brooks	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Saltonstall
Byrd	Kem	Sparkman
Cain	Kilgore	Stennis
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thomas, Utah
Donnell	McClellan	Thye
Downey	McFarland	Tobey
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wiley
George	Millikin	Williams
Gurney	Moore	Wilson
Hawkes	Morse	Young
Hayden	Murray	

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. BALL], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] and the Senator from Nebraska [Mr. WHERRY] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

Mr. BARKLEY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from New Mexico [Mr. HATCH] are absent on public business.

The Senator from Illinois [Mr. LUCAS] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH] and the Senator from Maryland [Mr. O'CONOR] are absent attending the installation today at Baltimore, Md., of Archbishop Francis P. Keough.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Georgia [Mr. RUSSELL], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

THE ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, I ask unanimous consent that there be printed in the RECORD an article entitled "How St. Lawrence Seaway Would Aid Detroit," published in the Detroit Free Press of Sunday, February 22, 1948.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW ST. LAWRENCE SEAWAY WOULD AID DETROIT—PORT DIRECTOR CITES BENEFITS

(By Robert Goldman)

What does Detroit stand to gain if present plans for the St. Lawrence seaway project become a reality?

Now before the Senate is Michigan Senator ARTHUR VANDENBERG's proposal to establish deep-water navigation facilities on the St. Lawrence for ocean-going vessels.

The Senate has scheduled a vote on the proposal Friday. If the Senate O. K.'s the project, the House is expected to follow suit.

According to W. C. Cowling, executive director of the Port of Detroit Commission, ocean vessels would bring to the motor city—

A general trade and industrial expansion which none can yet comprehend.

The trade expansion would lead in turn, to a large population increase. Between 25,000 and 100,000 new residents would come to Detroit, it has been estimated.

In order to handle additional shipping, huge dock and wharf facilities would have to be constructed.

Present Port of Detroit Commission plans call for a 5-year, $10,000,000 dock-expansion program if the seaway is approved.

Most of the new docks would be concentrated between the Ambassador Bridge and Trenton.

To provide these facilities, a labor force of approximately 20,000 would be needed.

Because water shipping is cheapest, transport costs on imports to Detroit would be reduced about 30 percent.

Reversing the process, shipping bills on exports from Detroit will be greatly reduced.

A study made during former Mayor Jeffries' administration reveals that:

The St. Lawrence "highway to the world" will enable shipment of autos from Detroit at a saving of between $10 and $40 a unit.

Crude rubber imports for the automobile industry could be brought to Detroit at a saving of $8.74 a ton.

Michigan dairy farmers would save 20 cents a hundred pounds shipping butter, poultry, and eggs from Detroit to the east coast.

Michigan-made refrigerators could be shipped to Europe at costs about equal to those shipped from New York.

Florida oranges and west coast lumber could come into Detroit via the seaway at substantially lower costs to the consumer.

Already planned are expanded summer boat travel schedules from Detroit to Montreal and the east coast, Cowling disclosed.

The proposed seaway, supported by President Truman and his six predecessors, would cost the Government more than $200,000,000 and would take 4 to 6 years to construct, according to Senator HOMER FERGUSON.

Although the seaway is opposed by the industrial East, it would benefit New York, Baltimore, Boston, and Philadelphia in the long run, he asserted.

Increased shipping brought about by the seaway's completion would make for heavier traffic in New York Harbor, FERGUSON said.

"Grain, cereal products, meats, and automobiles would be shipped from the Middle West to New York Harbor," he added, "and large amounts of raw materials would be sent from the Great Lakes region to Boston Harbor," he said.

"Boston would actually be one of the chief beneficiaries of the seaway."

Railroad interests traditionally have opposed all efforts to develop the seaway.

In answer to rail interest arguments, Senator FERGUSON points out that the growth of population and productivity of the United

States "require constant expansion of transport facilities to handle the increasing volume of traffic."

"A large proportion of water-borne commerce moving through the seaway would represent not freight diverted from railroads, but new traffic arising out of the needs of a growing population with rising living standards," he said.

And all that does not include the water power that will be harnessed on the St. Lawrence from which Detroit will derive secondary benefits.

To coal interests who oppose the project because they feel that demand for coal will be reduced by St. Lawrence water power, FERGUSON declares:

"The coal associations charged in 1934 that the Tennessee Valley Authority 'was a menace to the coal industry.'

"But whereas only 540,000 tons of coal were used in the TVA area in 1934, 1,891,000 tons were so used in 1940.

"There is no reason to doubt that the coal industry would not be similarly affected by the St. Lawrence development."

Mr. WILEY. Mr. President, I should like to read into the RECORD a few very significant items, because they meet head-on many of the misstatements which have been projected into this debate:

Present Port of Detroit Commission plans call for a 5-year, $10,000,000 dock-expansion program if the seaway is approved.

The St. Lawrence "highway to the world" will enable shipment of autos from Detroit at a saving of between $10 and $40 a unit.

If those units should amount to a half-million a year, that would mean a saving, on the basis of $40 each, of $20,000,000.

Crude rubber imports for the automobile industry could be brought to Detroit at a saving of $8.74 a ton.

Michigan dairy farmers would save 20 cents a hundred pounds shipping butter, poultry, and eggs from Detroit to the east coast.

Michigan-made refrigerators could be shipped to Europe at costs about equal to those shipped from New York.

Florida oranges and west-coast lumber could come into Detroit via the seaway at substantially lower costs to the consumer.

The proposed seaway, supported by President Truman and his six predecessors, would cost the Government more than $200,000,000 and would take 4 to 6 years to construct, according to Senator HOMER FERGUSON.

Grain, cereal products, meats, and automobiles would be shipped from the Middle West to New York Harbor, he added, and large amounts of raw materials would be sent from the Great Lakes region to Boston Harbor, he said.

Boston would actually be one of the chief beneficiaries of the seaway.

PROBLEMS OF THE FARMERS OF NORTH DAKOTA—LETTER FROM PAUL SCHOFF

Mr. YOUNG. Mr. President, I have received many letters from the farmers of my State dealing with their many complex problems. These letters present those problems in better words than I could use. I have selected one as most representative, and ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks. It is from Paul Schoff, of St. Anthony, N. Dak.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. ANTHONY, N. DAK., *February 13, 1948.*
Hon. Senator MILTON R. YOUNG,
Washington, D. C.

DEAR SENATOR YOUNG: I have received a copy of your questions and answers requiring congressional action. I have applied the answers. I want to ask you kindly to give the falling farm prices your first consideration. The farmers of North Dakota will not be able to sustain economic collapse if price will not be kept up to a reasonable level and a gradual adjustment made.

The cost of operating a farm is so enormous today that it will just be impossible to carry on any further farm operations. Most farms have a shortage of farm machinery, because there was none available during and after the war. A tractor that sold for $1,000 in 1941 now sells at $2,000. A combine that sold for $1,500 or $1,800 now sells for $4,000. Repairs to all machinery, new or old, sell for more than twice as much. A farm laborer that you had to pay $50 per month after the First World War, as well as in 1941, now asks $200 to $250 per month, and does not want to work any more than put in the time to make him eligible for the pay check. And none of them want to work on a farm any more because business and industrial employment is too profitable at working 8 hours a day and 40 hours a week in air-conditioned places at $200 to $300 per month, and in instances as high as $400 or $500 per month, with time and a half for overtime. Comparing this with $50 per month after World War I, my father had a man for 3 years at $600 per year, one of the best I ever saw available, no 8-hour day, no 40-hour week, not even a month, but by the year. No hour limit. Mostly the laborers and small-business men are doing the most yelling about high prices. I have had to go back to town the next day many a day because the businessman turned his key to his business place at 5 o'clock in the evening, probably chiefly because of the wage-hour law (the 8-hour day and the 40-hour week), while I had to go home and work another 4 to 5 hours providing steaks and cuts and other food for the city dwellers, just because no one wants to work on a farm any longer.

Because of the Government's wage-hour law the laborer says he can't pay his cost of living. All laborers are today receiving 80 cents to $2 per hour, and some higher, with time and a half for overtime, or $32 to $80 per week at the 8-hour day. If they would cut that down to 4 hours a day, or 20 hours a week, it would be by one-half less; it would then still be harder to make a living, but it could be increased to 60 hours a week and 10 hours a day, which would increase the earnings to $48 and $120 per week, without any allowance for overtime at increased pay. And it would still be about 30 to 40 hours less per week than most farmers put in without any overtime allowance. If the laborers would do this the farmers would probably be able to get some of the needed farm machinery, lumber, repairs, autos, trucks, pipes for wells.

I have two neighbors who have been out of a well for 2 years because the well driller cannot get pipe, and they had to sell all their livestock but about four or five milk cows, for which they are hauling the water.

I have one neighbor who bought a new model G John Deere tractor from the black-market operator at $3,150. A tractor like this sold for about $1,200 in 1941.

The farmers have to do all this because of the labor strikes shutting down production and because of their unwillingness to work. Why? Because they have the green light from Mr. Truman to further the administration's political desires.

However, Mr. Truman's administration has caused these laborers a lot of damage and will cause them more. Mr. Truman with his policies will cause the greatest food shortage this country has ever experienced. Many ranchers out here were ready to put some cattle on feed, and when Mr. Truman called a special session of Congress the cattle were left on the hills and the grain was sold. In other instances whole herds of breeding stock were sold to the packers and the herd liquidated. And now the drop in the grain and hog markets can well be attributed to his dickering around trying to gain sympathy with the labor group, and by the Republicans' request of an investigation of the grain-futures market by such men as Mr. Stassen, another political aspirant, whose demand may be to some extent justified, because of the activity carried on by the close friends and advisers and administration officials of Mr. Truman's administration. I do think that both Mr. Truman and Mr. Stassen, as well as many others connected with any activities responsible for the severe losses that the farmers must sustain, can well count themselves out of their political desires. The reaction is still to come; it will mean the biggest food shortage this country has ever had. With the food shortage almost at a calamity, this will not help it any. Many farmers are not even going to raise one hog for sale, and there is a possibility that the grain acreage will be cut 25 to 50 percent in 1948. I will cut my acreage to 50 percent or less and will probably not farm at all for a year or two and leave my land lay idle, unless this economic unbalance is straightened out by seeding time. There are hundreds of thousands of GI's who have bought farms and farm machinery at these prices with borrowed money who will just be bankrupted and knocked out of business by the drop in grain prices, which can be entirely attributed to congressional activities in connection with the markets, and principally at the request of Mr. Truman. I am very sorry that a Republican-controlled Senate and House have responded as freely to Mr. Truman as they have. We do not live in a country today with a farming population made up consisting 75 percent of European natives who slaved day and night, if they only got enough to live on, under any conditions, and the harder their tail was twisted the harder they worked. On the contrary, we live in a modern America, with a farm population made up of Americans, who demand equality with the rest of the Americans, who want modern homes, farm equipment, as well as the city dweller or the manufacturer, who will not work harder while the city dweller goes to the theater or while some official of Mr. Truman's administration will give them a twist, they will respond and kill themselves off so much quicker. This is a thing of the past. These American farmers will work and produce the food, but must receive equality, and only then.

The farm-parity formula must be changed, and it must be the first order of business by Congress to stabilize the agricultural future before spring comes. The parity formula must be changed to include the cost of farm labor and the cost of farm operations as of today and must not have anything to do with the oxen days of 1909 and 1914. Farm labor then was $25 to $35 per month; a gang plow sold for $60 even in 1919. I bought one new. A binder cost $125, and so on. An automobile even in 1941 before the Government freeze sold for $800 to $900; a Ford or Chevrolet now $1,700.

As a farmer, I am sure that you know that I am speaking the truth and what I say is corroborated by your own experience. I hope that the Congress as a whole can foresee the calamity which may be caused by a more serious food shortage which will be brought

about by the present market price. I will agree that probably prices are too high, but everything is too high. Farm prices cannot be brought down alone and in the face of more labor strikes by auto workers, coal miners, and many others, and while requests are pending for freight-rate increases this will not do. I believe a board of arbitration should be set to investigate the prices of everything and should be nonpolitical, all classes of industry as well as labor represented, and a fair price, including a fair margin of profit based on cost of production and expenditures, along the levels of today, and then a gradual downward trend be set up—let's say 10 or 15 percent per year—that would give the GI that bought a farm based on $2.50 wheat and highly inflated farm machinery based on $4 per bushel wheat, and the like in autos, and all in view of 7 years of 15-bushel yields and higher, and now a probability of having complete crop failures, or a 5- or 6-bushel yield. Mother Nature will strike, and hard, and soon. But if these prices are going to be gradually lowered, then the present GI farmer will have a chance to catch up, if crop failures will not be too soon and serious.

I thank you very much. I am assured that no farmer need fear that you will let us down. And we want to be fair to all, but not cut the throat of the farmer, either.

I am,

Yours sincerely,

PAUL SCHOFF.

P. S.—Please give me a frank reply of just what you think of my letter and where you might think I am wrong.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

Mr. O'DANIEL. Mr. President, I take this opportunity to register a protest against the continuance of rent control. I do not believe that rent control or any other control of our economy during peacetime is constitutional. I have been unable to find in the Constitution of the United States where power is delegated to the Government or any agent of the Government to dip into the personal affairs of the people.

I am not unmindful of the fact that the Supreme Court of the United States has held that this Rent Control Act is constitutional. Just the same, I can read and understand the English language, and I know that rent control is unconstitutional and un-American. Since the New Deal dynasty has gained control of the Government of this Nation and, by reason of long tenure, has packed the Federal benches with New Deal lawyers, many strange and warped decisions have been rendered. It is my opinion that the majority of the people are convinced that these decisions have been out of harmony with the true meaning of the Constitution.

Rent control is purely a private matter between two citizens, owner and tenant. If one citizen owns a piece of property upon which he pays taxes, he as an American citizen possesses certain individual property rights, and it is no business of his Government what rental fee he may charge or what he might derive from the rent of such property. The subject of what amount of money should be paid by one American citizen to another American citizen is none of the Federal Government's business. It is strictly a matter between the owner and the tenant. If our Constitution permits setting a maximum on rent income it unquestionably must also permit setting a maximum on wages, salaries, and all other income. It permits no such restriction on income.

Rent controls were established in France back in World War I. They have never been removed to this day; and if our Government continues to extend rent control as it has been doing since the war ended, and as is again proposed, we shall never see controls lifted from the backs of the American property owners. In France, according to the very best reports available, the housing condition is one of the worst in the world. It continued to deteriorate after World War I down to and since World War II. It continues to grow worse by the day. The same thing holds true here in America. Rental housing conditions have steadily grown worse ever since the day rent control was first imposed.

The statement made by the chairman of the subcommittee conducting hearings on whether to extend the life of rent control or to give it the death sentence was extensive. It is a many-sided document. After studying this report, I cannot see how any Member of the Senate could come to any other conclusion than that controls are unnecessary. On the other hand, the same report conveys to me that the committee favors rent controls simply because the administration and some Republican leaders are carping at conditions and demanding such controls. The chairman, in his remarks on the floor of the Senate, said:

> That the philosophy embodied in Senate bill 2182 is one of decontrol at the earliest practicable date.

If it means that decontrol should be made at the earliest practicable date, that practicable time has arrived. Why not decontrol right now? This is the practicable time to decontrol—not tomorrow, not in the future, but right now—today.

On page 1470 of the CONGRESSIONAL RECORD of February 20, the chairman of the subcommittee had this to say:

> The subcommittee was willing to recommend such a law—

He was talking about extending the life of the rent-control law, and note what follows, Mr. President—

> because responsible Members of the Congress and the President of the United States had said—and they have said repeatedly—"We must have continuing rent controls."
>
> The subcommittee was charged with writing a rent-control bill. Its first objective was to write a better law—not technically, but a better law because of improved circumstances—than the law of 1947.

Mr. President, it seems to me that this subcommittee went to work under a handicap. These Senators were told by the President or his representatives and by party leaders that they must continue rent control. It looks to me as though the people, the rank-and-file people of this Nation, have not been taken into the confidence of this committee. No; the committee had its orders, and it went to work to write a bill to control the house rents of the people of the Nation regardless of whether or not controls were needed. It is apparent to me, at least, that the facts presented by reliable witnesses confounded at least some of the members of the committee, and the memory still haunts them.

Government agencies, whether they are handling rent control, meat control, or any other control, soon become top-heavy and ineffective. The controllers become so fond of controlling that they finally crave control just for the thrill of controlling.

The chairman of the Housing Subcommittee stated that there is no housing shortage. If this be true, then why continue controls? Already some of our people are asking if it can be that there is an election coming up and if this is exerting influence somewhere. They are asking if it can be that some politicians have their eyes on the ballot box, rather than on justice to our American citizens. Well, we all know that there are more tenant voters than there are landlord voters.

I believe the chairman of the subcommittee, who is beyond all doubt a most likable Senator and who is sincerely desirous of doing the right thing, deep in his heart is opposed to breathing new life into this nefarious rent-control bill. I cannot form any other opinion from his remarks. I have no argument with the chairman of the subcommittee, the Senator from Washington [Mr. CAIN], or any other member of his committee. They have a perfect right to vote as they see fit upon this or any other question, and I have no right or desire to challenge the sincerity of their acts. Therefore, what I have to say here is no reflection upon any of the members of this committee. I am expressing my views, only.

The committee admits that there has been excessive bungling in the handling of rent control by the Housing Administration. This to me is proof that, should the act be continued, maladministration would continue. In the Housing Administration, like all the other New Deal agencies, we find the same old bunch of New Dealers who have been hanging on to the Government pay roll for the last 16 years. They have never been noted for their efficiency; but they do enjoy, if such is possible, a reputation for inefficiency.

I should like to quote again from the chairman's report. This time on page 1470 of the CONGRESSIONAL RECORD, I find the chairman of the subcommittee saying:

> Then we come to the question, Do we want any law on this subject?

So we see there was a very serious doubt in the minds of some members of the subcommittee about the further need for a rent-control law, and evidently they felt that it was highly possible that such

a law was not needed. But let me read further from this statement:

> We read in the newspapers that very responsible people almost everywhere say, "We must have rent controls." But, Mr. President, they do not say why.

There we have it. Yes, there are prominent people—the Hendersons, the Bowleses, the Ernsts, the Roosevelts, the Fosters, the Browders, the Wallaces—all saying we must have rent controls. But let us continue reading from the chairman's report:

> So I thought it timely to say, "Let us slow up a little and take a look at the facts of the case." I do not consider that action on my part to be an act of treason to the committee, for which I have the highest regard.

There we have a worthy statement coming from the worthy chairman of this subcommittee.

Again we find that the chairman of the subcommittee is greatly worried as to where rent controls are carrying this Nation. He said in his statement that—

> I have already raised in the minds of Senators questions in regard to where we in America are headed in this respect. If we pass such a law, I want to consider where it will take us. It has taken other countries in very unfortunate directions, with very bad results from which they have never recovered.

Here the chairman says that he has studied the French experience and he has found that rent controls were established in France 33 years ago. That is just what I said. And, if you please, Mr. President, the chairman states that when the rent controls were placed in effect in France, it was understood that such controls would be removed as soon as the supply equaled the demand. That was 33 years ago; and they still have rent controls in France, and no houses to rent, and I might add that the housing shortage there will grow more acute as time goes on.

As I said before, the subcommittee developed the fact that there is not a housing shortage in the United States. I want to back up this finding with some investigations of my own. In the Dallas News, one of the great newspapers of Texas, and published in one of the most progressive cities in our Nation, on Wednesday, February 18, there appeared 22½ columns of classified advertising exclusively devoted to the sale of residential property within the city limits. Again, on February 19, the Dallas News carried 19 columns of real-estate-classified-sale advertising and 3 columns of apartment, residential, and business rental properties. What is true of Dallas, I find to be true of Fort Worth, just 31 miles west of Dallas, and my home city. Like Dallas, Fort Worth is expanding rapidly; yet the Star Telegram carries anywhere from a page to a page and a half, almost daily, of classified real estate for sale and rent ads. Houston, perhaps the brightest spot in America today, is not short of housing if we are to judge from the columns of its papers. I find that the Houston Post is carrying anywhere from 9 to 15 columns of classified real-estate advertising in each issue, and perhaps more in its Sunday editions. Yet I believe that if there is any place in the United States where a housing shortage could be charged, it would be in Houston. All of our Texas cities are catching up on their housing.

It is quite possible that there is a shortage in rental properties, although I do not think there is. However, Mr. President, this alleged rental-property shortage will never be overcome if rent controls are continued. The chairman of the subcommittee handling this bill cited statistics showing that the percentage of rental-housing units has steadily declined ever since rent control became a law. Property owners are placing their houses and apartments on the selling market. They can no longer afford to own property upon which they are not permitted to charge sufficient rent to pay taxes, fuel, operating expenses, and repairs, and realize a decent return upon the investment. Increased scarcity of rental units, together with the run-down condition of existing rental property which owners could not keep in good repair, has forced tenants to purchase eggshell houses at fabulous prices on installment terms. These units will fall down long before they are paid for. This procedure is highly detrimental to many of our good citizens.

Mr. President, I have stated that controls have no function in a free government. I hold to this truth. If we are to continue controls, then we should give the people an opportunity to provide for such acts by changing the Constitution. The people have this right; and before this Congress votes to continue the present Rent Control Act, it should adopt and refer back to the States an amendment which will make the act now proposed constitutional. And when our Constitution is amended to legalize rent control, it automatically will legalize price control on all commodities, including services and wages; and that will mean the end of all freedom and liberty for the citizens of the Republic.

Mr. President, I think we should deal with this question in the open. Let us not be deceitful, but lay the cards squarely on top of the table, face up. Let us make all the facts available to the people. When the people have the facts, they will come to a just and honorable decision.

To tell the tenant what he must pay to occupy a dwelling or an apartment, is to tell the farmer what he must charge for a pound of butter, a pig, or a beef animal. If we have the right to set the price involving a personal contract between the tenant and the landlord, then we have the right to set the price and terms of all contracts between all citizens and to fix the wage scale of every worker in the United States. By the terms of the Constitution the people have not delegated such powers to the Federal Government, but specifically have retained such powers to themselves. Therefore, rent control remains exclusively a power to be exercised by the people.

I can produce a great mass of evidence to prove that there is right now a surplus of housing in this country. In fact a careful reading of the committee's report would lead one to believe that that is true. I have received a vast number of letters from widows who depend exclusively upon the rental of rooms and small apartments in their homes for actual living expenses. Most of these widows have reared families. Their sons and daughters have gone forth to the wars to do their bit for their country. Some of them have not returned. But these good mothers are being kicked around by so-called rent controllers. It is one of the prime shames of the present time, and I am sure the situation will never be bettered so long as this agency rides herd over the homes of distraught citizens. I have many letters from people whose property has been confiscated by the administrators of this law. Their plight is rewarded only by the promise of more Simon Legree lashes across their bruised backs by their own Government. Here is a typical letter, coming from Dallas, Tex., dated January 29, 1947, which illustrates what I am saying:

> DEAR SENATOR O'DANIEL: Your stand on the OPA is most gratifying. Certainly we are glad to know there is someone left who will represent the people.
>
> We are a group of six brothers with more than 20 battle stars among us. Five of us were in the Navy, one of whom was on the *Hornet*. Since returning home we are trying to hold our life savings together, which, incidentally, is our only source of livelihood, and which is represented by 3 apartment buildings having a total of 30 units.
>
> In order to keep them from completely deteriorating—and at the instance of the tenants themselves—we have been painting, repairing electrical equipment, carpets, furniture, etc. This cost has increased by more than 200 percent.
>
> We asked the OPA for an increase of $10 per unit, which we feel is more than just (even under the existing OPA rules) as we were caught in 1942 with a $40 per unit ceiling, which should actually be $75 per unit and normally would be $75.
>
> The OPA has refused to allow us 1 penny's increase.
>
> As I said before, the maintenance cost has risen more than 200 percent. We have no choice. There is no OPA control on that. Is there a just basis for penalizing one business and letting another continue scot free?
>
> You know the grave injustice rental property owners are subjected to by present OPA rent control. We think you can and will do something about it for the people. We are depending on you.
>
> Respectfully yours.

I have the original signed letter which I just read, Mr. President, but for obvious reasons I must protect the writer by not divulging his name. I merely want that letter to go into the RECORD so that all who read may know how this Government fails to appreciate the services and personal rights of a group of 6 brothers, with more than 20 battle stars, 5 of whom were in the Navy, and 1 on the ill-fated *Hornet*. Possibly those boys thought they were fighting to keep the citizens of this Nation free to own property and depend upon the revenue of such property for a livelihood, but they found out differently.

A vote for the extension of rent control is a vote to deprive these six brothers, who fought for our liberty and freedom, from receiving a return from their only source of livelihood commensurate with what other American citizens would willingly pay for the accommodations if not prohibited by law from exercising their own right to pay a fair price for the places where they live. Others may do

as they choose, Mr. President, but I want it clearly shown here that I choose to vote against extension of the rent control law, so that I can look those boys and others in similar circumstances squarely in the face without apologizing, without blushing with shame.

I am not going into an analysis of the act nor the conduct of the personnel set up to handle the program. In the main its handling has been bad, but it has not been nearly so bad as the law itself, because the rent control law is unconstitutional, un-American, and unnecessary. Therefore rent control is nothing more than a legalized system of banditry. Here we are, 2 years after VJ-day, and we are lumbering along under wartime controls. The President greedily clings to every power that his office was granted while we were fighting the war. His powers were increased when the Japs struck at Pearl Harbor, and we find our national administration clamoring in this postwar period for powers that should be granted only in a limited way under the stress of war.

Every Member within the sound of my voice knows that taxes and the cost of maintenance of properties have materially increased under the New Deal administration. We find that there are areas in the United States where operating expenses have increased as much as 40 percent since 1942. Yet a great majority of the owners of such properties are not permitted to make a rental charge commensurate with the increased costs. Many rounds of wage increases have been granted for the explicit purpose of enabling workers to pay the increase in the cost of living, and then the rent control law prohibits them from paying rent increases. Is that honest legislation? I do not think so. The committee, no doubt, had ample evidence presented to it to warrant decontrol. Then why has that not been done? Property owners in my State resent a continuance of the depression forced on them by rent control. Like my good friend, Dr. T. V. Neal, who has come to Washington to fight for the small property owners, I find that there is no ground upon which to base an extension of the Rent Control Act. The good doctor has a slogan which is an appeal to this Congress that I think should not be ignored. He says to Senators—and the thousands of widowed mothers in Texas who depend upon a rented room or an apartment or two in their homes for their very existence join with him in his appeal:

Do not extend it or amend it. You can't defend it. End it.

To continue rent control is to encourage the totalitarian bureaucrats to pursue their program to convert the American constitutional form of government into a socialistic bureaucracy which would eventually enslave our people.

Again I want to say that I do not criticize any Member of the Senate for his stand on the pending bill. Each Senator, including myself, has a right to speak as he wishes and to vote as he chooses. I, therefore, choose to do everything within my power to defeat the pending rent control bill, and I shall vote against it.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. CAIN. I yield.

Mr. ROBERTSON of Virginia. I ask unanimous consent that the amendments to the pending bill (S. 2182) be considered under the 5-minute rule. There are 10 amendments pending; others may be submitted. If there is as much as 20 minutes debate on each amendment, Senators will be here till night. I notice in the press that the leadership has indicated there may be a night session. I can sit here at night, but I know that many Members of the Senate would like to complete consideration of the pending measure as soon as possible. No new philosophy is involved. Rent control is familiar to all Senators. There is not an amendment pending which cannot be explained in 5 minutes. The chairman of the subcommittee, the distinguished Senator from Washington, has a brief analysis of each amendment thus far submitted, which he can present to the Senate in 5 minutes or less. Considering the fact that there are so many important matters that are pressing upon us, and the desire to get the pending measure behind us if possible in time to effect permanent legislation before the present law expires, I hope that all Senators will cooperate to conclude the consideration of this bill today.

The PRESIDENT pro tempore. Is the Senator submitting a unanimous-consent request?

Mr. ROBERTSON of Virginia. I am.

The PRESIDENT pro tempore. Will the Senator repeat the request?

Mr. ROBERTSON of Virginia. The request is that amendments to the pending measure be considered under the 5-minute rule. That is not to apply to debate, if any, on the general bill before its passage.

Mr. KNOWLAND. Mr. President, reserving the right to object, I wonder if my distinguished colleague from Virginia would mind making it 10 minutes rather than 5 minutes. I think there may be some explanation which would require longer than the 5 minutes time suggested by the Senator from Virginia. I feel that as to a 5-minute request I should have to object, but I would not be disposed to object to a 10-minute request.

Mr. ROBERTSON of Virginia. Naturally, under the circumstances, I accept the amendment and will make my request in conformity with the suggestion of the acting majority leader that we consider amendments under the 10-minute rule.

Mr. O'DANIEL. Mr. President, I object.

The PRESIDENT pro tempore. The Senator from Texas objects.

Mr. CAIN. Mr. President, so far as I know, all preliminary statements and comments concerning Senate bill 2182 have been made, and for that reason I should like to call up the first amendment, which is lettered B. It is on the clerk's desk, and I ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 13, line 18, after the word "daughter", it is proposed to insert a comma and the following: "or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. CAIN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

Mr. ROBERTSON of Virginia. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBERTSON of Virginia. Will the Chair advise us what the amendment was which the Senate has just agreed to?

The PRESIDENT pro tempore. The clerk will again read the amendment.

The Chief Clerk read as follows:

On page 13, line 18, after the word "daughter," it is proposed to insert a comma and the following: "or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff."

Mr. ROBERTSON of Virginia. I understand the amendment. I thank the Chair.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Washington.

The CHIEF CLERK. It is proposed, on page 6, line 12, after "accommodations", to insert: "(but the foregoing provision shall not be construed to deprive the Rent Administrator of authority, where required to remove hardships or correct inequities, to make adjustments in such a manner as to allow any such person to make a profit from such operation)."

Mr. CAIN. I should like to ask the junior Senator from Florida, if I may, whether those words will satisfy his request for stronger language, which he made on the floor last Friday.

Mr. HOLLAND. May I ask that the amendment be again read?

The PRESIDENT pro tempore. The clerk will again read the amendment.

The CHIEF CLERK. It is proposed, on page 6, line 12, after "accommodations", to insert "(but the foregoing provision shall not be construed to deprive the Rent Administrator of authority, where required to remove hardships or correct inequities, to make adjustments in such a manner as to allow any such person to make a profit from such operation)."

Mr. HOLLAND. In reply to the question of the Senator from Washington, I think that his amendment meets my point. Let me inquire, however, if it is the Senator's intention, by the insertion of this proposed amendment, to make it

clear that the provision which immediately precedes and includes the word "accommodations" is not exclusive, and that while it permits one method under which rent may be raised, namely, to prevent a loss, it does not preclude other situations under which rent may be raised in order to accomplish equity or to give a reasonable profit?

Mr. CAIN. That is the only intention which the proposed amendment seeks to serve.

Mr. HOLLAND. Would the insertion of this amendment take the Senate out of the position of completely eliminating the profit incentive in connection with the extension of the law?

Mr. CAIN. It does now. But, other than that, I will call to the Senator's attention the fact that under an interpretation previously given by the Office of the Housing Expediter to the words "inequities" and "hardships," profits were permitted by the bill as written. This amendment merely makes it more certain that the property owner is legally not required to operate at a loss. We are making clear that he is entitled to a profit.

Mr. HOLLAND. This provision is an additional one which does not in any sense detract from or limit the other provisions which were in the old act?

Mr. CAIN. It merely adds to the other provisions.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. CAIN. Mr. President, I send to the desk another amendment and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 8, lines 5 and 6, to strike out the words "the expiration date named in the lease" and substitute therefor the words "April 30, 1949."

Mr. CAIN. Mr. President, this amendment is offered as the result of a question raised on the floor last Friday by the Senator from Massachusetts [Mr. SALTONSTALL]. All that it intends to do is to provide that after the expiration date of the law in question, namely, April 30, 1949, there shall be beyond that expiration date no restrictive limit on rents which may be agreed upon between tenants and property owners or landlords.

I will ask the Senator from Massachusetts if the amendment as offered is satisfactory to him?

Mr. SALTONSTALL. Mr. President, I went over it with the Senator from Washington, and I think it covers the question I had in mind.

Mr. MYERS. Mr. President, may I ask the Senator from Washington if that amendment is similar to the one written into the last bill which provided that once a 15-percent lease had been executed and the tenant moved out the property became decontrolled?

Mr. CAIN. No. There is no similarity between the subjects which the Senator has in mind. The amendment under consideration at the moment provides that when the law expires on April 30, 1949, the right of the Federal Government to prescribe a 15-percent arrangement or any other arrangement between the tenant and the landlord shall no longer exist; the theory obviously being that the law has come to its termination.

Mr. MYERS. Why is there necessity for such an amendment?

Mr. CAIN. The Senator from Massachusetts merely wanted the law to be so plain on that subject that there could be no possible misunderstanding. May I say to the Senator from Pennsylvania that the amendment is merely a clarifying one and nothing more.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. CAIN. Mr. President, I should like to call up an amendment which presently lies on the desk and which bears the letter A.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 9, line 18, to strike out the period, insert a comma after the word "met," and insert the following: "or when decontrol in any such area or any portion thereof is recommended by the local advisory board appointed as provided for in section 204 (e) (1) and having jurisdiction over such area or portion thereof."

Mr. CAIN. Mr. President, if I am not very much mistaken, the clerk has read the wrong amendment. I asked that he read the one which is lettered A.

Mr. KNOWLAND. That amendment is lettered "A" also.

The PRESIDENT pro tempore. The Senator will have to identify the amendments by the names of the Senators offering them.

Mr. CAIN. If I may, Mr. President, I should like to have consideration of the amendment lettered A and offered by me. The Senator from Arkansas [Mr. MCCLELLAN] had likewise offered an amendment under that letter, which caused the confusion.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 7, line 3, after "1948" to insert a comma and the following: "except that in the case of any such voluntary lease terminated on or after January 1, 1948, and prior to February —, 1948, the maximum rent shall be not in excess of such 15 percent or the rent in effect on February —, 1948, whichever may be higher."

Mr. CAIN. Mr. President, it is the intention of the author of the amendment that, should it prevail, the date to be included in the open February date would be the date of the passage of the bill, which probably will be this afternoon.

In connection with the amendment I should like to make a brief statement, because of the importance of the amendment to some of the members of the Committee on Banking and Currency.

During my presentation of Senate bill 2182 I offered an amendment to the bill in order to honor, as a maximum, rents which have been agreed upon by tenant and landlord in cases where a voluntary lease entered into under the provisions of the 1947 act actually terminated between December 31, 1947, and the date of the vote on the amendment.

Under the provisions of section 204 (a) of the Housing and Rent Act of 1947, "no housing accommodations for which a maximum rent is established pursuant to the provisions of the last proviso above shall be subject, after December 31, 1947, to any maximum rent established or maintained under the provisions of this title."

The proviso referred to is the one which allows decontrol through the medium of voluntary leases. In the 1947 Rent and Housing Act it was determined by the Congress that leases which had been signed between tenants and landlords prior to December 31, 1947, were to be completely decontrolled following that date.

Although the named expiration date of these leases could not precede December 31, 1948, in the normal course of human events some of these leases have obviously and naturally already terminated. Until December 31, 1947, such premises remained under Federal rent control. However, after that date such premises were not under Federal rent control.

In such a situation, it is entirely likely that the landlord may have expended considerably more in refurbishing or refurnishing the accommodations than he could recoup over a reasonable period if the accommodations were to be recontrolled to the extent necessary to assure that their maximum rents would not exceed the amount of 15 percent over the maximum rent which would have been in effect, in the absence of a lease, on the date of the enactment of Senate bill 2182. In any event, the rental arrangements have been made by the normal bargaining process between landlord and tenant in a free market in the so-called no man's period from January 1, 1948, up to this afternoon.

It is my considered opinion, Mr. President, that under such circumstances it would amount actually to a breach of faith by the Congress if the rents of such accommodations were to be rolled back. The amendment I have offered, if agreed to, would allow such accommodations to continue to be rented through April 30, 1949, at the rental agreed upon between landlord and tenant and in effect on the date this amendment is adopted even though such rental is in excess of the maximum rent otherwise allowed in the bill for housing accommodations rented either with or without a lease.

Mr. FLANDERS. Mr. President, I should like to inquire of the distinguished Senator from Washington the meaning of the last words. They are not clear to me. Will he go over them again?

Mr. CAIN. I should very much appreciate the opportunity of doing so.

The amendment I have offered, if adopted, would allow such accommodations—the accommodations I am referring to are only those in connection with which leases were canceled between January 1, 1948, and today, up until this afternoon—to be rented through April 30, 1949, or the termination date of the new law, at the rental agreed upon between landlord and tenant and in effect on the date this amendment is adopted, presumably this afternoon, even though

such rental is in excess of the maximum rent otherwise allowed in the bill for housing accommodations rented either with or without a lease.

What we are seriously and sincerely attempting to do is to say to tenants and landlords whose leases have been canceled since January 1, 1948, and where new arrangements for rent have been arrived at, that the Congress recognizes that they have done what the law of 1947 permitted them to do, and Congress is for that reason recognizing as being completely legitimate and valid an arrangement arrived at between the tenant and the landlord under the authorization granted by the law of 1947.

Mr. FLANDERS. The point which I do not understand is the latter part of the Senator's description. What is the rent in effect in February 1948? Is it the original controlled rent, is it the rent with the 15 percent additional added, or can it be any rent whatever the landlord seeks to charge?

Mr. CAIN. Let me give an example. Let us suppose the Senator from Vermont is the tenant and I am the landlord. Under the law of 1947, we were permitted by the Congress to enter into a lease, but the lease figure was not to be more than 15 percent above that of the base-period figure. We were told by the law of 1947 that if we entered into that lease for an increase up to but not exceeding 15 percent, and if that lease were signed and filed prior to December 31, 1947, the following day, the 1st day of January 1948 the lease and the premises would be entirely decontrolled, that the Federal Government had no further interest in the relationship between landlord and tenant. That is exactly what the law of 1947 provided.

Let us assume that sometime after the 1st of January 1948, the Senator from Vermont canceled his lease with me for one reason or another; let us assume he moved away. Therefore, as the landlord, I secured for myself a new tenant, I wrote a lease which the new tenant signed, through which the new tenant, again by way of example, might have agreed to pay 100 percent more than had been paid under the lease of 1947, but he agreed to pay more because I agreed to give him more services, for instance, by way of refurnishing his accommodations.

Mr. FLANDERS. That may not have been the reason why he agreed. It might have been because he could not get an apartment or a house anywhere else.

Mr. CAIN. It is a reasonable assumption that a lease which has been signed between tenant and landlord has been signed as a result of an agreement mutually reached between the tenant and the landlord. All we are giving to the landlords, through the particular amendment I am offering, is the protection which they were guaranteed under a law which Congress passed not 7 months ago.

Mr. FLANDERS. Mr. President, in the terms so often used in the last few moments the Senator has made it crystal clear that any rent whatever, no matter how high, may be perpetuated through the life of the proposed law, even though the increase in rental may have been accepted by the tenant due to conditions of distress. The Senator having made the point clear, I must say that I shall be forced to vote against the amendment, believing that the 15 percent is sufficient to carry through the landlord's interest for the remainder of the term of the rent law.

Mr. CAIN. Will the Senator from Vermont permit me to ask him a question?

Mr. FLANDERS. Certainly.

Mr. CAIN. Let us assume—and we have a right to make such an assumption—that a new tenant, because of a canceled lease of a previous tenant, is willing to pay 50 percent or 100 percent more than had previously been paid, because of a capital investment which his new landlord had made in the premises in which the new tenant was going to live. If the amendment should be defeated, as it may be, in cases such as that where the landlord, the property owner had in good faith, under authority granted by the Congress, reached a valid, legal, legitimate agreement with his tenant through a lease under which he was to get more money in return for which he was to give greater services, the rent would be rolled back, leave the landlord with an obligation on his hands which the Congress had authorized him to make. Furthermore, if the amendment should be rejected, the Senate would be in the position of saying, "Well, there are circumstances we could not judge of in 1947, and so we are going to take away from you a right which had been granted seven short months ago."

Mr. President, I can see no full sense of justice or fair play in that set of circumstances.

Mr. FLANDERS. The junior Senator from Washington said he was going to ask me a question. I should like to know if he is now ready to do so?

Mr. CAIN. I had asked the Senator the question. Does the Senator see any fairness—and I ask that as a very humble question—in rolling back the rent immediately after a landlord, in pursuance of his rights under a law, had obligated himself to certain commitments to a tenant?

Mr. FLANDERS. I may say to the Senator from Washington that I can consider innumerable cases, aside from the particular case which the Senator has just brought to our attention, and the injustice may lie with the landlord, it may lie with the tenant, it may lie anywhere, depending on the circumstances.

In turn I should like to ask the Senator from Washington whether there are not in the bill other recourses to which the landlord may resort for the removal of injustice affecting him, if, in fact, he has made a considerable outlay on the property being rented, and is unable to recoup the outlay owing to the fact that this particular amendment is omitted from the bill?

Mr. CAIN. Every effort was made by the committee to make as certain as we could that proper hardship relief shall be granted in deserving cases. But here we are faced with a situation in which a man may have overobligated himself—perhaps I should not say "overobligated"—on the assumption that he was going to be paid for the obligation he had assumed. Let us assume the rents are rolled back. He has already committed himself to merchants in his particular community. He then has recourse, on a hardship basis, but it may be 2 or 3 or 4 or 5 months before he gets back, by way of increased rent, what the Government—his Congress—authorized him in the law of 1947 to incur by way of obligations.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. CAIN. Certainly.

Mr. BALDWIN. Assume for a moment that the amendment is not adopted. Then the last rent that was charged for a particular unit or particular accommodations would be the rent ceiling, would it not?

Mr. CAIN. With one exception. The law of 1947, under a lease arrangement, permitted an increase up to 15 percent; but let us assume that the lease was for a 10-percent-increase figure. If that lease were canceled and a new tenant moved in, then under the law, with the pending amendment omitted, the new tenant could be charged by the landlord up to the 15-percent increase.

Mr. BALDWIN. That is, under the amendment he could be charged up to the 15-percent increase? Under the amendment he could be charged anything, could he not?

Mr. CAIN. Under the amendment, for the period from January 1948 until now, any agreement which had been reached because of the authorization of the law of 1947 passed by the Congress, would be respected by the Congress of 1948. That is all there is to it.

Mr. BALDWIN. That is, if the amendment were not adopted—let me go back to my original question—then the rent which was in effect at the time the lease terminated would be the ceiling. If there were only a 10-percent increase there could still be another 5-percent increase, could there not?

Mr. CAIN. Yes.

Mr. BALDWIN. But the 15 percent would be the ceiling?

Mr. CAIN. Fifteen percent would be the ceiling.

Mr. BALDWIN. If the pending amendment were adopted leases entered into during the particular interim period of 2 months, could be for any amount?

Mr. CAIN. They could be for any amount.

Mr. BALDWIN. Why make an exception in favor of the landlords and tenants who happen to fall into this particular group? Why not make the provisions uniform? In other words, if a landlord had agreed upon a 10- or 15-percent increase, in the light of the fact that he was going to make certain improvements in the accommodations, why should he be entitled, on the basis of such improvements, for which he was willing to accept a 10- or 15-percent increase, now to ask from a new tenant an additional amount?

Mr. CAIN. I think for the following three reasons: First, the law said to him, "If you sign a lease before December 31, 1947, you can charge up to but not exceeding 15 percent increase." The law further said, "If that lease was signed and filed properly and legally after January 1, 1948, your relationship with your tenant was out from under the control of the Office of the Housing Expediter, and from the time the lease was either canceled and a new lease was written, or from the time the lease was canceled and the new tenant came into the premises, it was a free relationship between a free tenant on the one hand, and a free landlord on the other, and we are merely saying to the landlord: "You have done what you were authorized to do, and we, the Congress, not having known in 1947 that there was to be a law in 1948, still want to work no hardship on you, and we should protect what you have done in accordance with the law."

Mr. BALDWIN. One purpose of the 1947 act, which I assume is continued in the pending measure—I refer to the purpose that was inherent in providing a 15-percent increase—was to give the landlord a chance, and to encourage longer terms by the leasehold agreement process. If we set the precedent for doing what is now proposed for a particular period, is it not highly probable that the new leases which are entered into, granting the 15-percent increase, or up to 15 percent increase, will be made for terms shorter than the term for which the rent control act is extended, with the hope that this new batch of leases will fall into a privileged class just as the Senator is now suggesting that batch of leases signed during the so-called interim period shall be treated as a privileged class?

Mr. CAIN. I may say to the Senator from Connecticut that the answer is "No," for the reason that any lease written under the authorization of the proposed law of 1948, or any lease which is written as the result of a canceled lease under the law of 1947, must have a termination date not before December 31, 1949, when our proposed termination date for the law is April 30, 1949. So any lease that is written must extend for a period approximating nine months beyond the termination date of the law.

I should like to say as frankly and as clearly as I can with reference to the Senator's concern about setting a precedent, that in the opinion of those of us who have tried to study this particular troublesome problem as carefully as we could, we would be setting the precedent of saying to the American people, governed by the legislation, "The Congress expects to live up to what it told you in the law of 1947." We think that is a remarkably fine precedent to establish. When we tell landlords and tenants that they can do something, and the difficulty they get into lies with us, the Congress, and not with them, it is up to us to recognize their right to protection. That is why the committee is so strongly for the amendment.

Mr. BALDWIN. Would the amendment result in doing an injustice in the case of a landlord who was shrewd enough to realize that if he made the term of his new lease, with a 15-percent increase, something short of the term for which the whole Rent Control Act was extended? Might he not by that means put himself in a favorable position? On the other hand, landlords who lived up to the spirit of the old act and made the new leases for the full term during which the act was extended, would suffer, because they were not smart enough or shrewd enough to see that a lease for something shorter than the full term would work to their advantage.

I think we should treat alike all those who made such leases, whether they were for the full term or not. When I voted for the 1947 act I assumed that when the increase up to 15 percent was granted, it would be in a lease which extended during the full term of the extension, because, as I recall, it was argued that this provision would guarantee those who entered into the 15-percent increase a lease for the full term of extension of the act. I think it was only an afterthought that, after all, we had not done what we really intended to do, and what I understand this bill does. If a 15-percent increase, or anything up to a 15-percent increase, is granted, that sets, by agreement between the landlord and tenant, a new rent ceiling which continues throughout the whole term of rent control. I believe that the effect of this amendment would be to give an undue advantage to those who were not, in essence, living up to what we thought the old act purported to do.

Furthermore, I believe that the tenant who must make a lease in this particular period, in a position where he must choose between paying what the landlord wants to charge and going to some new property which is entirely decontrolled, or never has been controlled, and where he will have to pay what the landlord wants to charge, is faced with Hobson's choice. So it is not a free enterprise proposition.

Mr. CAIN. Let me suggest to the Senator from Connecticut that his assumption of a particular fact is wrong, for this reason: The Senator seems to be of the opinion—and I know that he feels that it is so—that leases could be written for different terms under the law of 1947 or the law of 1948. In fact, that was not so, and is not so. Under the law of 1947 no leased facility was decontrolled unless the lease covering the facility was signed before December 31, 1947, and did not expire prior to December 31, 1948. Bear in mind that the law of 1947 was enacted on July 26, 1947.

The case with which we are concerned at the moment is a perfectly natural one, which results through no overt act on the part of landlord and tenant. They have subscribed literally and completely to the law of 1947.

By way of example, let us assume that a tenant gets a job in another city, a prospect he did not have in mind at the time he signed the lease in good faith. In nearly all the lease cases with which I am familiar throughout the country, the tenant—and not very often the landlord—is given the right to cancel a lease on 30 days' notice. Let us assume that in the interim period of less than 2 months the tenant cancels the lease. A new tenant comes in. The landlord has been authorized to renovate his facilities completely. Perhaps he takes advantage of the departure of one tenant to do a thorough job, which he has wanted to do for years. A new tenant comes along and takes a look at the facilities, which are much better than they were when leased by the previous tenant; and the new tenant agrees to pay a rent far in excess of what had been previously charged. The landlord was doing what the law of 1947 authorized and empowered, and in fact encouraged him to do, because we want to rehabilitate American properties. Many a tenant is looking not at the dollars he pays in rent, but at what he gets in return for the rent which he pays. We are merely seeking to provide the protection which I am satisfied was intended by the law of 1947.

My last word on the subject is that in 3 weeks of hearings we were not confronted with any bulk of testimony which indicated that for any reason whatsoever, fair or foul, leases in any considerable numbers were being broken in the no-man's-land interim. I do not think we are talking about very many cases, in the first place; but even if only one case were involved, those of us who support this measure would be as strenuously for it as though there were 10,000,000, because we are saying to a man, "You have done what you were told to do, and we will give you the protection to which we think you are entitled."

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. ROBERTSON of Virginia. The Senator will recall that we had numerous requests from those who have signed voluntary increase agreements up to 15 percent, that under the new bill they be treated like everyone else, and carried forward to April 1949.

Mr. CAIN. That is true.

Mr. ROBERTSON of Virginia. I do not recall that during the hearings or in executive session any reference whatever was made to this new class of January and February landlords who now, as I understand, claim that they had leases expiring during those months, that they had voluntary agreements above the 15 percent, and that, therefore, they should be permitted, regardless of the treatment of all other tenants, to have this exception made in their favor.

Mr. CAIN. There was no discussion of this problem as such before the committee or in the hearings, because it did not develop at that time. The problem developed on a careful analysis and research concerning the law. We were trying to make the provision as fair as we possibly could. The problem of what to do about canceled leases in the interim period came to our attention, and our recommendation results from some rather intensive thinking on the part of those who were studying how best to handle the situation.

Mr. ROBERTSON of Virginia. My impression is that the group did not ask for this protection during the hearings or in executive session.

Mr. CAIN. That is correct.

Mr. ROBERTSON of Virginia. The number affected must of necessity be very limited. If we place in this bill a special provision that a 40,- 50-, or 60-percent increase in rent which is placed in effect during 2 months may be continued, I feel that that provision will stick out like a sore thumb all through the bill, in the eyes of both landlords and tenants. The tenants will say, "We did not get the proper protection." Other landlords will say, "You were more liberal with a small group than you were with us."

Mr. CAIN. Let us take a case in which a lease was canceled in the interim period, and the landlord in good faith—because the law told him to do so—undertook obligations with respect to which he assumed he would be able to recoup himself as a result of increased rent. What are we going to do for him in terms of equity and fairness?

Mr. ROBERTSON of Virginia. Do we not make it clear in the revision of the present law that if the landlord is not getting an adequate return on his investment he can prove a hardship case, and be given relief?

Mr. CAIN. That is true.

Mr. ROBERTSON of Virginia. He has a right to go first to the rent-control board, and then to the Expediter, and say, "I want increased rentals because of these improvements." Does the Senator believe that there were many landlords who were so convinced that we were going to let this law die that they made extravagant improvements in their apartments and dwelling houses on the assumption that the tenant would pay a high rent and they would get the money back on the investment, and that now we must step in quickly and protect them in that situation?

Mr. CAIN. My own feeling is that probably the majority of landlords thought the Congress would extend the law, but I very much doubt if many property owners or landlords who had been decontrolled assumed that the next Congress, 7 months after one law was passed which decontrolled them, would act to recontrol them. That is precisely what we shall be doing if this amendment is defeated. I think there is logic in the proposition that whether there is only 1 example or whether there are 10,000, they are entitled to the protection which Congress promised them.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN].

Mr. MYERS. Mr. President, before the hearings of the subcommittee and throughout the subcommittee hearings the junior Senator from Washington [Mr. CAIN] was very frank as to his position. He indicated he was against the continuation of rent control, and that so far as he was concerned the country would be much better off if rent control were to end on February 29. I say he was very frank about that. But now I believe it is the Senator from Washington who proposes the amendment which is presently before the Senate.

Mr. President, the existing rent-control law, under which the country is operating today, has many vices, and one of its great vices is the provision to which the Senator from Washington has now referred. I would say it is a joker in the present rent-control bill. It is a sleeper, because landlords who, before December 31, executed leases for a 15-percent increase in rents would have their property without any rent control whatsoever if the tenant moved between January 1 and the expiration of rent control on February 29. I doubt whether very many Members of the House or the Senate knew there was such a provision in the bill. I repeat it was a sleeper; it was a joker; it was one of the vices of the bill, and the bill had many vices.

Mr. CAIN. Mr. President, will the Senator yield for me for a moment?

Mr. MYERS. I am happy to yield to the Senator.

Mr. CAIN. Let me suggest that the Senator's assumption that such an insertion in the 1947 bill was a sleeper or a joker is obviously the Senator's own construction. The junior Senator from Washington has read the RECORD most carefully with reference to the debate which occurred in this Chamber. The debate discloses that the so-called joker and sleeper to which the Senator from Pennsylvania refers was as thoroughly discussed and digested as was almost any other item I have seen considered and debated during a brief experience in the Senate. It is my belief that inasmuch as that provision was adopted by a majority vote, the conclusion is inescapable that the Members of the Senate knew precisely what they were doing.

Mr. MYERS. Mr. President, has the Senator from Washington finished?

Mr. CAIN. Certainly.

Mr. MYERS. Of course, Mr. President, the Senator from Washington is entitled to his opinion. He and many others may believe that the situation is as he has just described it. However, I say frankly that I do not believe very many Members of the Senate were aware of that provision.

Now we find that the amendment presently proposed by the junior Senator from Washington has for its purpose the continuation of that inequity.

Mr. President, why should the Congress protect the landlords who, knowing that rent control might end on February 29, increased the rents charged their tenants 50 percent, 75 percent, or 100 percent? The Senator from Washington has said, "Well, that is the law, and they entered into leases at arm's length." Mr. President, all of us know there were no arm's-length leases. I have on my desk at this moment letters coming from all over the United States. Many of them come from various places in Pennsylvania. In those letters it is stated that the tenants often entered into the 15-percent-increase leases because the landlords had the hammer over their heads and because the tenants knew that unless they signed the 15-percent-increase lease, if rent control ended on February 29 they certainly would be out on the streets just as soon as the laws of the particular jurisdiction would permit the landlord to eject them.

On the other hand, I have received many letters in which it is stated that the tenants could not sign 15-percent-increase leases because the landlords said to them, "Oh, no; wait until February 29, and then I will increase your rent 50 or 100 percent. The sky is the limit after February 29, and I am not even going to give you a 15-percent-increase lease now."

But now, Mr. President, we find that because of that provision of the law, the property a tenant rented may have become decontrolled, and under those circumstances some landlords may have increased the rent 50 or 100 percent. Yet it is proposed, by this amendment, to protect them.

Mr. President, this country is still in a period of inflation, and this law is the only protection against further inflation that is left. We now hear talk of a third round of rent increases, and, if this step is taken, there will be a third round of rent increases.

Obviously the present situation is a substantially fair one to both the landlord and the tenant. The landlord is able to obtain increases in rent sufficient to compensate him for any increases in the cost of operating the rental property. If the landlord has made renovations, he can go to the proper authorities and can obtain an increase in the rent sufficient to enable him to be repaid the cost of such renovations. But certainly the landlord should not be allowed to obtain an unconscionable increase of rent.

Mr. President, this amendment, if adopted, will add confusion upon confusion. In the case of an apartment house in which there are perhaps 15 apartments, under the provision which the Senator from Washington now wishes to have written into this bill it will be possible to have the rent on one apartment increased 100 percent and the rent on another apartment increased 15 percent, and the rent on another apartment not increased at all. So I say that this amendment, if adopted, will confuse the entire issue. I say it will destroy rent control. There are many ways of destroying it, but this is one way.

Mr. President, those who advocate real rent control, fair rent control, should be opposed to this amendment, because I feel that those who vote for this amendment will be definitely taking a stand for decontrol. This amendment is merely one method of doing it.

So I hope all of us are aware of what we are doing when we vote on this amendment. I hope our eyes are open, and that when we vote on the question of the adoption of this amendment we know exactly what we are doing. I trust that those who vote for this amendment realize that they will be voting to allow the landlords of decontrolled property to continue to charge as much as they please. Of course, Mr. President, I believe that in most cases the decontrol of such property occurred for reasons which certainly were not fair and just to the tenant, for it seems to me the reason for the decontrol of the property was that the landlord wished to get as much as the traffic would bear. So the property was decontrolled, and then the landlord could ask for as much rent as he wished to ask for. The sky was the limit, and the landlords got all that the traffic would bear.

Mr. President, I think it is about time that we examine this proposed legislation from the point of view of what is best for all the people. Let us stop trying to turn a fast dollar, and let us do what is best for the people.

So, I sincerely hope the amendment will be rejected.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Washington. [Putting the question.] The noes appear to have it.

Mr. CAIN. I request a division.

Mr. McMAHON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Hickenlooper	Myers
Barkley	Hill	O'Daniel
Brewster	Hoey	Overton
Bricker	Holland	Pepper
Bridges	Ives	Reed
Brooks	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Saltonstall
Byrd	Kem	Sparkman
Cain	Kilgore	Stennis
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thomas, Utah
Donnell	McClellan	Thye
Downey	McFarland	Tobey
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wiley
George	Millikin	Williams
Gurney	Moore	Wilson
Hawkes	Morse	Young
Hayden	Murray	

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

The Chair will state the parliamentary situation. The question is on the amendment offered by the Senator from Washington [Mr. CAIN]. The Chair took a voice vote and announced that the noes appeared to have it. At that point the Senator from Washington asked for a division, at which point a quorum call intervened.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. FLANDERS. Mr. President, there are times when, God forgive me, I wish I were a lawyer. This is one of those rare occasions. I should like to have some Member on the floor who is a lawyer state clearly whether in the rent law of 1947 a rent is in fact and legally decontrolled if the lease be broken before the expiration date fixed in the law.

Mr. CAIN. Mr. President, I do not know that I can help the Senator very much. I know presently of no lawyers in the Senate who are thoroughly familiar with the answer to the Senator's question, but I draw his attention to the fact that Mr. Charles F. Boots, a legislative counsel who has been working on this problem since its very beginning, and Mr. William McKenna, who sits on my left, and who is an attorney attached to the Banking and Currency Committee, for which committee the Senator and I both do our best, are now and have been firmly of the opinion that any lease which was in effect and filed with the Office of Housing Expediter prior to December 31, 1947, and in effect on and after January 1, 1948, was, is, and has been completely decontrolled. The substance of this particular amendment is to say with respect to the short-term period from January 1 to February 24, 1948, that new arrangements which have been legally entered into between tenant and landlord as a result of the cancellation of a decontrolled lease shall be respected by the law of 1948, regardless of the rental figure arrived at as between the tenant and the landlord.

Mr. FLANDERS. Mr. President, in default of similarly impressive legal argument from the floor I feel compelled to accept that statement as to the status of leases broken between those two dates. In that case I do not see how I can properly do what I said I would do, namely, vote against the amendment, because, while to my mind the amendment contravenes the intent and purpose of the Congress, both in the original rent law and in the present situation, and the intent of the committee which drew up the bill and reported it to the Senate, nevertheless it does not seem to me proper to invalidate perfectly legal contracts entered into in good faith. So, with the utmost regret, I shall join the junior Senator from Washington on this amendment.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. CAIN. Certainly, I will yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. It was my understanding that, under the law which will shortly expire, if a voluntary contract was entered into the property involved would not be decontrolled if the landlord violated his contract. There could only be decontrol of the property when the contract was legally terminated. Is not that correct?

Mr. CAIN. I think, not entirely so. My interpretation is that the property was decontrolled following the first of January 1948, providing the lease had been signed and filed with the Office of the Housing Expediter prior to December 31, 1947. But I do agree with the Senator from Virginia that in instances in which a landlord illegally terminated a lease before its termination date, that property was returned to control. With reference, however, to all leases outstanding which were canceled prior to their termination date for natural causes the resulting unleased properties were thoroughly and completely decontrolled.

Mr. ROBERTSON of Virginia. Was not the purpose of the voluntary agreement to protect tenants who were willing to sign up for a lease which ran beyond the date of expiration of the control law?

Mr. CAIN. That is exactly correct.

Mr. ROBERTSON of Virginia. If that was the purpose, no landlord could then violate such a contract as would run presumably to the 31st of December 1948. If he did violate it he could not take advantage of it and say that it is now decontrolled because there was no control.

Mr. CAIN. That is correct. Every tenant is given a 30-day cancellation clause, and a tenant who moves out of a facility to move to another city is not doing an illegal act. He was entitled to and was given all the protection of law so long as he lived in that facility.

Mr. ROBERTSON of Virginia. That comes back to my original contention, that only those units were decontrolled as to which the contract was legally terminated.

Mr. CAIN. Oh, no.

Mr. ROBERTSON of Virginia. Would violation of the contract result in decontrol of the property? If so, someone else can violate it beyond the date provided for in the amendment.

Mr. CAIN. Except that the proposed law of 1948 precludes that being done. We are faced with a very awkward situation because of a time lag between the law of 1947 and the law of 1948, which has not yet been passed.

Mr. ROBERTSON of Virginia. I have great respect for our committee colleague the Senator from Vermont [Mr. FLANDERS], and have been trying to ascertain why he is now for the pending amendment when a little while ago he was strongly against it.

Mr. SALTONSTALL. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I yield.

Mr. SALTONSTALL. It seems to me that the answer to the Senator from Virginia is this: As I understand it, the question is not one of violating terms in leases, or anything of the kind. Let us assume there is a lease made on December 31, 1947, to run until December 31, 1948, and for some reason or other in January or February 1948, the tenant leaves the property, and the property becomes vacant. The landlord and a new tenant make a lease which is agreeable to them, which they consider fair, for a rental which may be above the 15-percent increase allowed under the 1947 law. If the pending bill should be enacted—and I ask this as a question of the Senator from Washington—would it not make unlawful the contract which was mutually agreed upon by landlord and tenant to whom I have referred, if this amendment were not adopted? There are many better lawyers in the Senate than I am, but I wonder, and I ask it as a question, Is not the only ground on which a contract mutually agreed to by two parties can be canceled that it is against public policy? Am I correct in that? If I am correct, then unless this amendment be adopted, we must say that every lease entered into voluntarily between a tenant and a landlord in this period of time is now against public policy, and therefore must be canceled.

Mr. ROBERTSON of Virginia. If the Senator from Washington will yield at that point, there is a provision here for a 15-percent increase, and that was our general plan in connection with voluntary leases. But the amendment goes further than that, and says either 15 percent or whatever the contract provides, even if it is sky high. If the Senator from Washington would be willing to make the provision conform to our general policy, that a lease may be raised 15 percent by voluntary agreement, I should have no objection, but he goes further and says that if the landlord is able to get a 50-percent increase during January, up to a date in February, then we will confirm his right to such an in-

crease. I say that is going to stick out in this bill like a sore thumb, because it applies only to the so-called interim period of 2 months, and to a very limited number of landlords. Would the Senator be willing to cut it back to 15 percent?

Mr. CAIN. Let me suggest to the Senator from Virginia that justice, if I may use his term, often stands out precisely like a sore thumb. I am satisfied there is no lawyer among the many in this very distinguished body who can make any conceivable legal argument on the question whether or not the leases filed with the Housing Expediter and properly signed before December 31, 1947, were or were not decontrolled. Every single individual will, I am satisfied, automatically agree that they were decontrolled. The amendment merely states that we are recognizing a contract which the Congress authorized to be entered into between a property owner and a tenant. We are giving the landlords the protection, for a limited period of time, which the law of 1947 guaranteed them. On the other hand, the only single conceivable reason why the amendment should be voted down is that now, on the 24th day of February, the same Senate which passed the law of 1947 guaranteeing a certain performance will say, "We knew not precisely what we were doing seven short months ago when we did that." To me the problem is one of continuing to guarantee a contract which has been guaranteed, or to change our minds with reference to a policy.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. ROBERTSON of Virginia. I admit that all these new contracts which we call the 15-percent voluntary contracts decontrolled the property when they were filed.

Mr. CAIN. Yes.

Mr. ROBERTSON of Virginia. Some of those contracts, perhaps a majority of them, were to run until the 31st of December, 1948.

Mr. CAIN. They all had to run that date or longer; there were no exceptions.

Mr. ROBERTSON of Virginia. But the rents were decontrolled.

Mr. CAIN. Exactly.

Mr. ROBERTSON of Virginia. Did we not by unanimous vote in the committee vote to reimpose the controls on them and prevent further increases until the 30th of April, 1949?

Mr. CAIN. Under the law of 1948; the Senator is exactly correct. But let me draw attention again to the fact that for a period before we have the law of 1948 there are leases being canceled, as the law of 1947 said they could be canceled, and new arrangements are being entered into between tenants and landlords from January 1, 1948, up to date, which the law of 1947 said was perfectly correct and proper. It is for that unknown and relatively small number of canceled leases that we seek to continue the protection which every single property owner in America had been told by the law of 1947 he was entitled to. That is the matter of principle involved.

Mr. MYERS. Mr. President, in considering the general subject of rent control, and the particular amendment now pending, it seems rather amusing to me that rent control has continued to exist in the District of Columbia, where most of us live, as it was when it was first enacted. Last year, when the law under which we are now operating was enacted, rent control in the District of Columbia was in an entirely different situation. The bills which have now been introduced for the extension of rent control in the District of Columbia differ from the bill now pending as night differs from day.

In regard to the amendment now pending, a quorum call interrupted the debate which was proceeding, and I fear that some Senators now present may not have been here prior to the quorum call. So without intimating that I might clarify the situation, or that it is necessary, I do think that every Senator now on the floor should know exactly what he is called upon to vote on.

Under the present Rent Control Act a landlord could execute a lease providing for a 15-percent increase or less, and if a tenant vacated the property after January 1, 1948, the property would become decontrolled. Some landlords increased rents 50 percent, 75 percent, or 100 percent. The proposed amendment endeavors to maintain and will, if adopted, maintain that status, and whatever the increase the landlord received after the property was decontrolled will remain a legal increase.

Mr. President, I think those who are worried about the legal status of contracts which have been entered into should read some of the testimony which the Housing Expediter gave to the subcommittee. He said that in the case of some properties, at least where the landlord knew the tenants were going to vacate, he had the tenants enter into contracts for an increased rental, a capricious increase of 50 cents a month, or a dollar a month, but that was sufficient to comply with the terms of the act. The increase did not have to be 15 percent to decontrol the property. It could be an increase of 50 cents a month, or a dollar a month, or a dollar and a quarter a month. There were such inceased contracts entered into in some instances. The landlords thereby complied with the law. Then the tenants moved out of the property. The landlord knew the tenants were going to move out of the property, but he had entered into a lease with the tenants for increase of rent, within the terms of the act. The old tenants moved out, and then the landlord obtained from the new tenants a 50 percent or 75 percent or 100 percent increase. He was within the law, Mr. President. I do not believe, however, the Congress should protect such landlords who have lived up to the letter of the law but who have not lived up to the spirit of the law.

I repeat, Mr. President, that if the amendment is adopted it will be an indication that the Congress is passing a decontrol bill, and not a control bill. I remind the Senate once more that they are not doing to tenants in the District of Columbia what they are doing to the other tenants of America.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. BARKLEY. In spite of the debate which has taken place on the floor of the Senate, I am a little bit confused about the amendment. I think perhaps the confusion can be cleared up in my mind if I were to ask the Senator from Washington a question.

Mr. CAIN. I thank the Senator from Kentucky for the implied compliment.

Mr. BARKLEY. Suppose a contract was entered into between a landlord and a tenant prior to the 31st of December, to take effect on the 1st of January, and to run until the end of the present year.

Mr. CAIN. Or to take effect before December 31, 1947.

Mr. BARKLEY. Yes. We will assume that the contract contained a 15-percent increase, and that by reason of the contract the particular property was decontrolled, and remained decontrolled during the life of the contract, or until Congress enacted some other law. Now, in the event that between the 1st of January and the date contained in the Senator's amendment the tenant died or moved, so that there was no longer a binding contract between the landlord and the tenant who was occupying the property at the time the contract was made, another contract is made with another tenant, still under a decontrol status, and we might assume that that someone was so anxious to obtain an apartment or a house that he would pay even a 100-percent increase in the rent. If that happened in any case, the Senator's amendment would legalize that increase, so the property would still remain decontrolled, notwithstanding the boost in the rent to which the tenant either voluntarily or by pressure or force of circumstances was compelled to agree.

Mr. CAIN. The Senator is quite right. It would protect that situation, however unsavory a particular case might be, and every one of the legitimate cases that resulted in an increased rent.

Mr. BARKLEY. So notwithstanding the fact that there was control over a particular piece of property, when it became decontrolled by the entering into of the contract containing an increase up to 15 percent, it remained decontrolled, no matter what happened after that?

Mr. CAIN. That is one distinction, I may say to the Senator from Kentucky, between the law of 1947, which we seek in this amendment to preserve, and the proposed law of 1948, which provides with reference to the future that if a lease entered into for an increase up to but not exceeding 15 percent, is canceled and if another lease is not written with a new tenant, the property shall return to the jurisdiction of the Office of the Rent Administrator. But by reason of the provisions of the law of 1947, and because the period involved is short, and because the number of cases concerned is relatively small, we think it only fair and proper to say to landlords who have signed contracts for greater rent figures than they were entitled to under the first lease, that their action is legitimate. We have said that by law, and we do not expect to

penalize them during this limited period up to and including today.

Mr. BARKLEY. It may be legitimate not to penalize individuals in certain exceptional cases, but we should compare that with the degree of stupidity that may actuate a landlord who forces someone who wants to rent a facility which has become vacant during the 2 months to pay a higher rent than the landlord would have gotten if the tenant with whom he had the contract originally had not died or vacated the property.

Mr. CAIN. I am satisfied the Senator from Kentucky will agree with me that we can only generalize on some of these situations.

Mr. BARKLEY. Yes, I realize we can only generalize, but the sum of the individual cases makes a general situation.

Mr. CAIN. Exactly so. But the point of view and position taken by those who are in support of the amendment is that obviously and clearly there are always a far greater number of people who do the right thing than who do the wrong thing, and I know we are in perfect agreement on that.

Mr. BARKLEY. I am happy always to have believed that.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. COOPER. When testimony was heard by the committee, did it receive any evidence as to the number of voluntary leases that were entered into before December 31, 1947?

Mr. CAIN. Approximately 1,660,000 leases were outstanding in this country as the result of the law of 1947, on the 4th day of January 1948.

Mr. COOPER. Did the committee have any testimony at all which would enable the Senator to give any estimate as to the number of leases which would be excepted from control by reason of their execution between January 1, 1948, and this day?

Mr. CAIN. The question was presented to as many responsible persons as it could be, without any satisfaction by way of an answer at all, because once a lease was canceled on a piece of property which had been decontrolled, the Office of the Housing Expediter, so far as I know, would have no further track of the status of that property.

Mr. COOPER. As I understand the Senator's argument supporting his amendment, he takes the position that under the provisions of the Rent Control Act passed last year all the properties which were the subject of voluntary leases executed before January 1, 1948, were decontrolled as of that date?

Mr. CAIN. Yes.

Mr. COOPER. If such property was vacated and if the landlord was fortunate enough to enter into a new lease after January 1, 1948, and before today which gives him a rent higher than the maximum rent, plus 15 percent, under the provisions of his amendment the property is considered by the committee to be decontrolled.

Mr. CAIN. We do indeed.

Mr. COOPER. Yet other properties which were the subject of voluntary lease, which have been vacated or the leases terminated and for which the landlord has not been able to secure a new contract since January 1, are placed again under control by the amendment.

Mr. CAIN. That is correct, providing the lease is broken or canceled.

Mr. COOPER. Upon what theory does the Senator assert that one class of property, which was decontrolled by reason of the voluntary lease provision, cannot again be placed under control, and that another class of the same property should be placed under control?

Mr. CAIN. I think the answer is very clear and can be briefly stated. When the law of 1947 was approved by the Senate and the House, and signed by the President, the Congress and the Administration assumed that the law would expire on the last day of the month of February in the year 1948, which was roughly around the first of the year, and the determination was made, in at least a casual way, by the Administration and both Houses of Congress, that there was to be a new rent-control law of 1948. So we ran into this problem, which we would not have encountered at all if we were not in the process of writing a law for 1948, but as we are framing a law for 1948, and operating under the law of 1947, the substance and intent and purpose of the amendment is merely to provide during this limited period the protection which was guaranteed to the property owners by the law of 1947.

Mr. COOPER. I may be wrong, but it seems to me the amendment is inconsistent and inequitable in that it would provide that a certain class of property which was decontrolled, shall again be placed under control and releases from control other properties decontrolled under the same circumstances, solely because the owners have changed the rental value since January 1, 1948.

Mr. CAIN. I think there is that consistency which has arisen quite naturally, for the reason stated, that when we provided that when a lease was canceled under the law of 1947 a landlord could write a new lease for any figure mutually agreed upon between himself and his new tenant, no one in the Congress anticipated that there was to be a law of 1948. Now, if we strive to be thoroughly consistent we are saying to an unknown number of landlords who have operated from January 1 up to date in accordance with the law of 1947. "You have in fact broken a law which you did not even know existed, so if you have arrived at a higher rate of rent, we will roll it back."

Mr. COOPER. As I understand, the power which we exercise under the rent-control law is to fix maximum rents by law, without respect to the terms which landlord and tenant might agree to voluntarily. It seems to me that if the conditions which justify the exercise of the power exist today, the power should be exercised equitably as against all classes of property. We should control or decontrol. I do not believe the amendment is consistent with this principle or that it is equitable.

Mr. CAIN. If we were seeking mainly to be consistent, I would gladly agree with the junior Senator from Kentucky; but from the point of view of those who support this amendment, justice is much more important than consistency, because if we are consistent we are unfair. If we are just in this limited interim period, we are obviously creating a particular bit of inconsistency within what otherwise is a pretty consistent piece of legislation. We have no answer for the injustice which we would cause by our own conduct if we were to defeat this amendment.

Mr. FLANDERS. Mr. President, we are recognizing a vicious situation for which, it seems to me, we have no remedy. But the full viciousness of the situation has not yet appeared.

It will be weeks before this bill wends its weary way from this floor to the House, from the House to its committees, from the committees back to the House, then to conference, and then to the President. That is the worst element in this amorphous mess into which we have gotten.

Mr. CAIN. Mr. President, will the Senator yield to me?

Mr. FLANDERS. In a moment I shall have finished.

It seems to me that it would be wise for us to terminate, in some proper legal terms, the decontrol which takes effect when leases are terminated by mutual consent between certain dates; and I serve notice that I shall offer such an amendment to the 30-day extension resolution when it comes to the Senate.

Mr. CAIN. Mr. President, let me respond very briefly to the Senator from Vermont, to see if we are using the same terms. He expresses a fear that because of the natural delay in passing legislation a number of other leases may be cancelled, not all for good cause. However, the date was left open. The amendment reads "February —, 1948." It was our intention, if this amendment should prevail, to cover the period from January 1, 1948, to the date of the passage of the amendment, which would be February 24, today.

Mr. FLANDERS. Why not put it in this minute, whether the bill goes through or not?

Mr. CAIN. That is precisely why the date was left blank in the printed amendment.

Mr. TAFT. Mr. President, as I understand, the difficulty has arisen because of a provision in last year's law which it seems to me was a mistake, decontrolling property after the 15 percent increase had been made. Does the new bill contain a similar provision with respect to leases which are made under the new bill? Would such property be decontrolled again?

Mr. CAIN. If there is a lease under the 1948 law, the property is decontrolled. But if an outstanding lease is canceled and is not replaced with another lease, the unleased property is returned to control.

Mr. TAFT. It seems to me to be unjustifiable to remove such property from control. We might say that when it is returned to control by the cancellation of a lease, the rent shall not be fixed higher than the figure in the lease.

Mr. CAIN. That is provided for in the 1948 bill.

Mr. TAFT. What the Senator from Vermont is suggesting is that if we are

to pass a thirty-day extension resolution, we might provide that hereafter, between now and the time the law finally becomes effective, if a lease is canceled there shall be no decontrol. I do not see why that should not be done, because it seems to me obvious that a landlord and tenant could get together, and the landlord might well pay the tenant to abandon his lease, in order that the landlord might have the property back free from control and be at liberty to charge anything he pleased thereafter.

I think the suggestion of the Senator from Vermont is very reasonable. If this week we must pass a 30-day extension resolution because the House will not have time to consider the bill, we might well attach to the resolution a provision that leases made under the old law and canceled after the first of March shall no longer have the effect of removing the property from control, but that only the privilege of charging a 15 percent advance shall be allowed.

Mr. CAIN. That, presumably, would be a decision to be made at the time the resolution was under consideration by the Senate.

Mr. TAFT. Yes. It does no good to put it into this bill, because this bill will not become law, I may suggest to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I am glad to have the support of the Senator from Ohio. I trust that we shall be able to follow through when the resolution comes over.

I should like to ask the junior Senator from Washington if he would accept a change in his amendment A inserting the figure "24", after the word "February" at the beginning of line 4.

Mr. CAIN. I shall be most pleased to accept it.

Mr. FLANDERS. Also at the beginning of line 6, after the word "February."

Mr. CAIN. I am glad to accept the suggestion of the Senator from Vermont. That date was left open so as to insert the date on which the amendment was agreed to.

The PRESIDENT pro tempore. Without objection, the amendment is perfected by the insertion of the indicated date.

The question is on agreeing to the modified amendment offered by the Senator from Washington [Mr. CAIN].

Mr. TOBEY. Mr. President, this subject is de novo to me. I have not had an opportunity to talk with the distinguished Senator from Washington, who has done such a fine and conscientious job as chairman of the subcommittee. I realized his views when I appointed him; but no man could have been fairer than he was in conducting the hearings.

This amendment is new to me. I cannot accept it, because the committee as a whole reported the bill unanimously with the proviso that rents could be continued under lease until December 1949; and I am standing on the action of the committee, which in my judgment was sound.

I do not know the genesis of the Senator's thought in this matter, but I believe that the sound values lie in allowing the continuation of these leases until December 1949 with the limitation of a 15-percent increase. I should like to see that policy prevail.

Mr. CAIN. Mr. President, that is precisely what is intended to be continued, with the exception of the time lag, which no one could have anticipated.

Mr. TOBEY. There is an interim of 2 months.

Mr. CAIN. A little less than 2 months.

Mr. TOBEY. In that eventuality, the blue sky is the limit on what could be agreed upon.

Mr. CAIN. On January 1 there were approximately 1,660,000 leases outstanding. How many of those leases have been canceled, no one is qualified to say. Because we have heard so little from any source concerning a large number of leases being canceled, we have the right to assume, I think, that only a small number have actually been canceled. We have approached the entire problem on the basis of equity, justice, and principle. That is all we have thought about from beginning to end.

Mr. BARKLEY. Mr. President, I wish to make a brief observation.

I agree with the Senator from Ohio that it was a mistake last year to put into the law, as it now exists, the provision for the decontrol of rent facilities wherever a contract for an increase of the rent up to 15 percent was made. I have no objection to continuing the 15-percent maximum increase on a general level; but I do feel that it is unfair, although the practice may be limited, because of the 2-month hiatus created by this amendment, to allow contracts which will permit a situation whereby a tenant occupying an exact duplicate of the rental facility occupied by another tenant will be paying substantially more rent than the other tenant will. For instance, if an apartment were renting for $50 a month and if a 15-percent rent increase had been agreed to between the landlord and the tenant, which would make the rent $57.50 a month, and if a tenant living next door to the other tenant—on the same floor, and occupying the same number of rooms; in other words, having a precise duplicate of the other rental facility—had either died or moved away, so as to leave the property vacant, the landlord might have entered into an agreement with a subsequent tenant for a rent of $100 a month, thus bringing about a situation whereby two tenants living alongside each other and occupying the same kind of rental facility would be paying entirely different rates of rent for them.

Mr. President, it seems to me that we made a mistake last year in decontrolling property that was subject to these agreements, and I think we should now try to correct that mistake, if possible, even if only for the 2 months, January and February, so as to avoid the creation of a situation whereby prospective tenants might have advantage taken of them and their families as a result of the fact that because of these conditions they were required to pay more rent than they should have been required to pay.

Because of my fears on that score and because of the obvious inequity as between two such tenants, I do not feel I can support the amendment.

Mr. CAIN. Mr. President, the Senator from Kentucky is aware, is he not, that today there is no requirement that a tenant sign a lease for such increased rent?

Mr. BARKLEY. Of course.

Mr. CAIN. So, in any apartment house we may choose to select, we may find precisely the situation which worries the Senator from Kentucky.

Mr. BARKLEY. Yes. Of course, if a tenant signed a lease for a 15-percent increase in rent, that was his responsibility. Of course, all of us realize that he may have been forced by circumstances to do that.

Nevertheless, I think we should try to correct the situation as best we can at this time.

Mr. CAIN. Mr. President——

Mr. MYERS. Mr. President, will the Senator yield to me?

Mr. CAIN. Certainly.

Mr. MYERS. Let me inquire whether the bill reported by the full committee contains a provision similar to the one now under discussion; namely, that if a lease is hereafter entered into for a 15-percent increase and the property is subsequently vacated, it will be decontrolled.

Mr. CAIN. Although, in a sense that the bill carries precisely the corresponding provision of the 1947 law, I think there is this difference: If such a lease is signed under the proposed 1948 law, the property is decontrolled in the same way that a similar piece of property was decontrolled under the 1947 law; but if a lease is canceled under the proposed 1948 law and if no lease replaces the canceled lease, and the property is rented on a month-to-month basis, the property then is returned to control—which is a situation dissimilar to that under the 1947 law.

Mr. MYERS. Although there is great similarity.

Mr. CAIN. Yes; except that under the 1947 law, in the case of a decontrolled property, which had been leased and the lease was canceled, the property owner can continue to rent it on a month-to-month basis; but under the proposed 1948 law, if a canceled lease is not replaced with another lease, and if the property is then rented on a month-to-month basis, it will be returned to rent control.

Mr. MYERS. But under the bill as reported by the committee, if a tenant signs a lease providing for a 15-percent increase, and then next June or July the tenant vacates the property, the property becomes decontrolled at that time; does it not?

Mr. CAIN. Yes.

Mr. MYERS. Many Members of the Senate have indicated that they believe the provision is bad in principle, but that, because the Congress provided for such decontrol and because the tenant in good faith entered into such a lease with the landlord, the landlord should be protected, and the Congress should not violate the contract. I wish to point out to those Senators that the same provision is contained in the pending bill.

Mr. CAIN. That is correct.

Mr. MYERS. I also point out that if that provision was bad in principle in the 1947 act, as many Members of the Senate have said, although they are presently in favor of this amendment, I think they should know that a similar provision is in the 1948 act, as now proposed. Certainly if it was bad in principle in 1947, it is equally bad in principle in 1948.

Mr. HOLLAND. Mr. President, will the Senator yield to me for a question?

Mr. CAIN. Certainly.

Mr. HOLLAND. Do I correctly understand that the purpose of this amendment is to preserve and protect the sanctity of any new lease or rental contract made in any case where the rent was increased by a voluntary lease prior to December 31 last, but where the old lease has ceased to exist, due to the removal of the tenant or death of the tenant, or for any other good reason, between January 1 of this year and this date?

Mr. CAIN. That is correct.

Mr. HOLLAND. Mr. President, I can understand the concern of the Senator on that point. But the amendment as drawn goes a great deal further than that. I ask the Senator whether it is true that in such a case if the new tenant, under a new lease which, let us say, increased the rent 100 percent over the former rent, were to remove from the city on March 15, the middle of next month, then under the provisions of this amendment the maximum rent would be at that rate, namely, a 100-percent increase over the former rent, until April 30, 1949?

Mr. CAIN. Under this amendment any rent arrived at as a result of a canceled lease between the landlord and tenant during the confining dates of this amendment would be the continuing rent to be charged legally until the expiration date of the 1948 law, which is April 30, 1949.

Mr. HOLLAND. I understand that perfectly, I think. It is also true, I believe, that the new rent rate or ceiling would exist even though a completely new tenant or several new tenants were to occupy the property.

I call the distinguished Senator's attention to that provision and to the fact that by it we would not only be protecting a contract entered into between January 1 and the present time, if that is what the Senator is trying to do, but we would also put upon any later tenant who might occupy that property between the present time and April 30 of next year that greatly increased rental rate, instead of observing what undoubtedly was the purpose of the Congress in connection with the adoption of the rent-control law of last year, and its purpose now, namely, to fix the ceiling at not to exceed 15 percent more than the former rental rate.

I also call the Senator's attention to the fact that exactly that situation will prevail in the case of all other properties. In other words, the 15-percent increase which may have occurred, and undoubtedly has occurred, in thousands of cases, will fix the ceiling which will prevail as to all other properties except those which fall within this class; and I point out that the Senator would have the Congress go that far, despite the fact that he could have accomplished his purpose by limiting that new and unconscionable increase to the life of the pending lease.

It is on that ground that I particularly and strongly oppose the amendment offered by the distinguished Senator.

Mr. CAIN. Mr. President, let me respond to the Senator for a moment on the basis of his feeling. The junior Senator from Washington is keenly conscious of the point the Senator from Florida has called to his attention, namely, that the rent arrived at in these cases, as a result of canceled leases, shall be the governing or continuing rent until the expiration of this law. The Senator from Florida has used the term "unconscionable increases" in such leases. From my point of view, that happens to be the opinion of the Senator from Florida, but we can look at this problem from many different points of view, all of which can be valid, at least in part.

I am thinking in terms of an accommodation covered by a lease, which was canceled, the accommodation having been in need of substantial, material repairs and improvements for the last 7 or 8 years. Thereupon the tenant moves out. The landlord, having some pride in his ownership and knowing what his rights are under the law of 1947, has had that facility repainted and has had a new boiler put in and has had new rugs put on the floors and new drapes on the walls. Then a new tenant walks up to the door and examines that rental property. However, at that time it is no longer the accommodation it used to be. It is a much finer place and a much greater credit to the community in which it is situated. The tenant looks at it. The landlord says, "I want $225 or $250 a month for this." The tenant says, "I will pay it." Why should he not? Using that as an example, of which there must be many, as I certainly hope, why should the tenant not continue to pay that rent until the expiration of the law? The landlord, through the improvements, is seeking a type of tenant who would not be interested in the unimproved accommodation. One of the chief concerns of many people in studying the problem is that, partly because of rent control, there has been a falling off of services rendered and of improvements made, with the result that capital investments required to bring American housing to a point of which we should be proud are discouraged. So it is going to take a long time and necessarily cost a great deal of money to restore and rehabilitate many properties.

The junior Senator from Washington defends the amendment on the basis of what it intends to do, namely, provide the protection currently provided by the 1947 act, and to continue housing structures properly conditioned, until rent controls are no longer needed in America.

Mr. HOLLAND. Mr. President, the Senator has in effect addressed a question to me, which I shall attempt to answer. The case stated by the Senator in his question is not this case at all, but a case in which there has been a material increase in attractiveness of the facility by the making of additional investment, the putting on of new rugs, so eloquently described by the Senator, and doing all the other things to make the apartment or the house worth more for rental purposes, which can be met by a request for adjustment, under other features of the act. The point I ask the Senator to consider is that there are properties, as described by the Senator from Pennsylvania, in which rentals have risen 50, 75, and 10 percent, as stated by the Senator, without appreciable change in the property. I am calling to the Senator's attention the fact that his amendment is so broad that it does not limit the new rate, which I term unconscionable, in such cases, to the enjoyment of the landlord while that particular tenant continues his occupancy, but the amendment would increase the rate throughout the period from now until April 1949, no matter how many new tenancies were arranged during that period. It is that part of his amendment to which I object, and which I think is thoroughly unfair, particularly when it is remembered that, as in all other cases, where the 15-percent voluntary increase was negotiated under the 1947 act, that remains the ceiling, and will remain the ceiling, if the pending measure is passed, until April 30, 1949, notwithstanding the fact that the Congress obligated itself in the 1947 act to decontrol all those properties as soon as the voluntary increase not exceeding 15 percent had been approved. So it seems to me that the amendment would make a thoroughly improper difference between the small number of cases in which extortionate and unconscionable increases have been accomplished between January 1 and now, and the great mass of cases in which the great number of landlords have played ball and have gone along under the plan provided by the Congress last year. I may say that, so far as the junior Senator from Florida is concerned, he approved and voted for the provision last year, under which the 15 percent voluntary increase was permitted, and took occasion at the annual meeting of realtors here in Washington not long ago to compliment them in general because of the moderate and temperate way in which they had operated under that provision. But I must say that, in my judgment, the junior Senator from Washington is about to place them in a far less enviable position by approving the conduct of the few landlords who have not played ball, and approving it not only as to these contracts now existing, which the Senator says he wants to save and protect, but approving also what has been accomplished by setting up new and much higher rates on properties which will be continued until April 30, 1949, regardless of the fact that the present pending lease may have ended, and other tenants may be in the property.

Mr. CAIN. The Senator from Florida and the Senator from Washington are in perfect agreement on what the proposed amendment will do. We are in unhappy disagreement, let me say, about whether or not it should accomplish that purpose. As a closing word, the junior Senator from Washington considers a contract to be nothing short of that, as legitimatized by the Congress in 1947, and seeks to insure that people who acted in accordance

with the law shall be protected by the Congress.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Washington [Mr. CAIN] as modified. The Chair will again take a voice vote.

Mr. CAIN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. BALL], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] and the Senator from Nebraska [Mr. WHERRY] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from New Jersey [Mr. HAWKES], the Senator from Kansas [Mr. REED], the Senator from Wisconsin [Mr. WILEY], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

Mr. BARKLEY. I announce that the Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from New Mexico [Mr. HATCH] are absent on public business.

The Senator from Illinois [Mr. LUCAS] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Rhode Island [Mr. MCGRATH] is absent, attending the installation today at Baltimore, Md., of Archbishop Francis P. Keough, of Rhode Island.

The Senator from Georgia [Mr. RUSSELL], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

If present and voting, the Senator from California [Mr. DOWNEY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Rhode Island [Mr. MCGRATH], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 24, nays 45, as follows:

YEAS—24

Brewster	Flanders	Moore
Bricker	Gurney	O'Daniel
Buck	Hickenlooper	Overton
Butler	Jenner	Revercomb
Cain	Kem	Saltonstall
Donnell	McCarthy	Stennis
Dworshak	Malone	Taft
Ecton	Millikin	Williams

NAYS—45

Baldwin	Cordon	Holland
Barkley	Ferguson	Ives
Byrd	George	Johnson, Colo.
Capper	Green	Johnston, S. C.
Chavez	Hayden	Kilgore
Connally	Hill	Knowland
Cooper	Hoey	Langer
Lodge	Murray	Thomas, Okla.
McCarran	Myers	Thomas, Utah
McClellan	O'Conor	Thye
McFarland	Pepper	Tobey
McKellar	Robertson, Va.	Umstead
McMahon	Sparkman	Vandenberg
Magnuson	Stewart	Watkins
Morse	Taylor	Young

NOT VOTING—27

Aiken	Fulbright	Robertson, Wyo.
Ball	Hatch	Russell
Bridges	Hawkes	Smith
Brooks	Lucas	Tydings
Bushfield	McGrath	Wagner
Capehart	Martin	Wherry
Downey	Maybank	White
Eastland	O'Mahoney	Wiley
Ellender	Reed	Wilson

So Mr. CAIN's amendment, as modified, was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

CONTINUATION OF AUTHORITY OF MARITIME COMMISSION TO SELL, CHARTER, AND OPERATE VESSELS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes, which was, to strike out all after the resolving clause and to insert the following:

That (a) section 1 of the act entitled "An act to continue temporary authority of the Maritime Commission until March 1, 1948," approved June 28, 1947 (Public Law 127, 80th Cong.), is amended by striking out the date "March 1, 1948" and inserting in lieu thereof the date "March 1, 1949."

(b) Notwithstanding the provisions of subsection (a), no contract of sale under section 6 of the Merchant Ship Sales Act of 1946 shall be made after March 1, 1948; and nothing contained in this or any other act shall be deemed to authorize the United States Maritime Commission to charter any war-built vessel (as defined in the Merchant Ship Sales Act of 1946) to any person who is not a citizen of the United States (as defined in the Merchant Ship Sales Act of 1946).

SEC. 2. Section 2 of the joint resolution entitled "Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard," approved March 31, 1947 (Public Law 27, 80th Cong.), as amended, is amended by striking out the date "April 1, 1948" and inserting in lieu thereof the date "March 1, 1949."

Mr. REED. Mr. President, I move that the Senate concur in the amendment of the House.

Mr. BARKLEY. Mr. President, is this a joint resolution which passed the Senate 2 or 3 weeks ago?

Mr. REED. It passed on February 5.

Mr. BARKLEY. It carried an extension until the 1st of July 1949. The House substituted the language of its own joint resolution, which fixed the 1st of March as the limitation of the extension. Is that the only difference between the two Houses?

Mr. REED. That is the only difference.

Mr. BARKLEY. I do not care to argue the wisdom of this action now, because the question is whether we shall agree to the amendment of the House, but later, in another connection, it may be appropriate to discuss the provisions of this particular joint resolution.

Mr. REED. The power of the Maritime Commission to operate or lease vessels will cease on February 29 unless this joint resolution shall become law by that time.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The PRESIDENT pro tempore. Has the Senator from Washington any further amendments?

Mr. CAIN. The Senator from Washington has no further amendments at this time.

Mr. McCARTHY. Mr. President, I ask that my amendment H be read and be immediately considered.

The PRESIDENT pro tempore. The clerk will state the amendment of the Senator from Wisconsin, for the information of the Senate.

The CHIEF CLERK. It is proposed, on page 1, to strike out lines 7 and 8, and, on page 2, line 1, to strike out "SEC. 3" and insert in lieu thereof "SEC. 2,"

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, my amendment relates to a provision which is in the Rent Control Act of 1947. It is improperly in the Rent Control Act, but it is there, and we must deal with it. It should be in a piece of housing legislation. It deals with control over buildings of the recreational or amusement type. During the year 1947 none of that type of construction could be undertaken unless a permit from the Expediter was received. The bill in its present form eliminates control over the amusement type of buildings. I believe that is definitely improper at this time. I think control over the amusement type of construction should be extended. The housing shortage is still so great that I cannot conceive of the wisdom of allowing unlimited construction of the recreational or amusement type of buildings.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Does the Senator's amendment put back into the pending bill control by the Expediter over the construction of the type he has mentioned?

Mr. McCARTHY. That is correct. My amendment merely puts back into the bill controls which the Expediter had

during 1947. It does nothing more nor less than that.

Mr. REVERCOMB. Will the Senator yield further?

Mr. McCARTHY. I shall be glad to yield.

Mr. REVERCOMB. Does the amendment go beyond the amusement type of construction and include any other type of building?

Mr. McCARTHY. It will affect only the amusement type of buildings. There is no extension of controls beyond that we had in 1947. This amendment, if agreed to, would assure that we shall not now remove the controls which we had in 1947.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, as I understand the amendment offered by the Senator from Wisconsin, it strikes out section 2, which repeals the authority in the present law which requires that the Housing Expediter give his approval for the construction of recreational and amusement facilities before such facilities may be constructed. Is that correct?

Mr. McCARTHY. The Senator is correct.

Mr. PEPPER. I should like to say that I have figures from the Office of the Housing Expediter, under section 1 (b), showing that the Housing Expediter in the 6 months, July to December 1947, denied requests for construction involving $75,000,000 worth of materials. This saving in critical materials does not include, of course, all those saved by would-be applicants who, knowing the terms of section 1 (b) did not attempt to make a case with the Housing Expediter.

Surely, if we cannot get homes for the veterans, we ought not to dispense with the necessity of at least filing an application with the Housing Expediter, giving him a chance to pass on whether amusement facilities are needed.

I am heartily in favor of the Senator's amendment, and I hope it will be agreed to.

Mr. CAIN. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. I yield.

Mr. CAIN. I wonder if the Senator will permit me to present the committee's point of view with reference to the amendment.

Mr. McCARTHY. Certainly.

Mr. CAIN. We all are very much aware of the fact that the amendment intends to put back into the proposed law of 1948 what was in the law of 1947, namely, that all persons desirous of creating entertainment and recreational facilities must go to the Housing Expediter for a permit. The full committee, with the exception, I think, of the Senator from Wisconsin, who I am quite sure was not present on that day, gave thorough consideration to that provision of the bill which strikes out the power of the Housing Expediter to require permits for recreational or amusement building. Upon the Acting Housing Expediter's own statement, the construction limitation regulation issued under this power deals with construction representing only about 6 percent of the total construction industry. The Acting Housing Expediter further said:

> To say that 6 percent of the construction industry is controlled at the present time under the regulations is purely theoretical inasmuch as our compliance staff is and has been for some time sadly undermanned. Frequent reports by applicants and other interested parties would indicate a considerable degree of illegal construction.

The Acting Housing Expediter further pointed out that there is no assurance that the materials conserved are actually being used for housing. Other testimony presented to the committee indicated that much of the building material required for recreational and amusement construction is not suitable for housing programs, due mainly to differences in sizes of materials.

When the Acting Housing Expediter testified orally on this matter before the subcommittee, the members of the subcommittee gathered that he was by no means enthusiastic about requesting any extension of his present permit power. I think it is proper, from the point of view of the record, to read a few comments made before the rent subcommittee by the Acting Housing Expediter, upon which we began to arrive at a positive determination that the provision should be stricken from the proposed law of 1948.

Turning to page 468 of the hearings, I should like to read from the testimony given by Mr. Woods, the Acting Housing Expediter. He said, as appears in the middle of a paragraph:

> Frankly—this may sound odd—that program—referring to the entertainment and recreation program—is much more of a headache than rent control ever was, at least to me.
>
> Senator CAIN. That is an extraordinary statement.
>
> Mr. WOODS. I mean it. And that is for this reason, that there were so many exceptions and so many loopholes. For example, if somebody starts on a bowling alley, and they get going so far, and we discover they haven't come in for an application, and then we go and stop them—in the first place, we should have about 300 men working in that division. We have 40 for the whole United States. So we have them hopping around. We hear of a complaint—mostly the complaints come in from competitors of the people that are sticking up the theater or the bowling alley. We stop the work, and then the man comes in and says, "I am a veteran. I have invested my life savings in this. I have contracted for alleys and for equipment, and so forth." Then we say, "Well, we don't want to see you broke or bankrupt." So we let him go ahead. The fellow across the street who came in in the first place, and we turned him down, says, "Now if I had broken the law, I would have gotten a break."
>
> It is hard to tell how much we are saving for housing, it frankly is, because most of the items used—for example, in plumbing—are commercial sizes, and what we might save out of a skating rink probably is going into a garage or a group of stores.

One further reference. Mr. Woods concluded this portion of his testimony by saying:

> The reason for leaving the restriction there—
>
> In the new law—
>
> is still apparent, but we admit that we do not think we are doing any good with it. We cannot tell what good we are doing with it.

The Acting Housing Expediter rather convinced the subcommittee of the Committee on Banking and Currency, first, that his office could not enforce the provision; second, he did not know how much good it was actually doing; third, in a good many instances—and naturally he is correct—when somebody comes in and makes an application and it is denied, that is the end of the matter.

Mr. McCARTHY. Mr. President, this is the first time I have heard the Senator from Washington cite the Housing Expediter as an authority.

Mr. CAIN. He is an authority, and he stated he thought it was perfectly proper to recommend the exclusion from the proposed law of 1948, this provision, which, according to his testimony, has not worked.

Mr. McCARTHY. The Senator from Washington has made out an excellent case to show that it is difficult to administer this particular control, but the mere fact that it may be difficult of administration I believe is no justification for the elimination of the control.

We come down to this simple fact, first, there is a tremendous shortage of homes; second, the number of homes to be constructed in 1948 will be determined by the amount of material available. Therefore it follows as the night follows the day that whenever a bowling alley, a dance hall, a race track, or anything of that order, is built, many less dwelling units will be constructed. So we have a choice between dwelling units and the type of recreational construction referred to.

The Senator adverts to the fact that this type of construction may amount, roughly, to only 6 percent of the total construction in the country. That figure, while it may be accurate, is somewhat deceptive unless we go further. The Senator is referring to the total construction?

Mr. CAIN. Will the Senator yield for a second, to permit me to answer?

Mr. McCARTHY. Let us finish this first. Will the Senator apply that percentage to dwelling construction, if he has the figures?

Mr. CAIN. I must refer to two sets of figures, because the Acting Housing Expediter referred in his testimony to the total as being only about 6 percent of the total construction industry. His predecessor, the Housing Expediter, said that it was only 5 to 7 percent of all commercial building. The Senator has been constantly concerned recently with housing research, and I dare say he is better qualified than anyone else to determine whether the Housing Expediter or the Acting Housing Expediter has stated the case accurately.

Mr. McCARTHY. I may say further that since I offered the amendment, which will continue the controls over amusement and recreational type of construction, I have received, I will say, conservatively speaking, approximately 150 telegrams and a great many letters from individuals who desire to build theaters, bowling alleys, taverns, or the like, condemning me for the position I am tak-

ing, and asking me to withdraw the amendment. That alone indicates that a great flood of that type of construction will be undertaken if we eliminate this particular type of control. I have been in every great city in this country investigating housing, and I cannot escape the fact that there is a fantastic housing shortage; and it is obvious that for each tavern or bowling alley or theater that is built, there will be fewer homes built. If the Expediter feels that he does not have sufficient personnel intelligently to administer this particular phase of his work, then I say, let us give him the necessary personnel. I personally doubt very much that he is so short of personnel, but if he is, then let us give him the personnel needed to administer this all-important section of the Rent Control Act.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JOHNSON of Colorado. When the bill was pending in the committee, the Senator from Florida [Mr. HOLLAND] and I proposed an amendment. I believe Senators will find copies of the amendment on their desks. When we proposed the amendment, we did not have the number of the bill which is now under consideration, so we left the bill number blank on the amendment. Our provision applied to existing law, and is as follows:

SEC. —. Section 1 (b) (1) of the Housing and Rent Act of 1947 is amended by adding before the period at the end thereof a colon and the following: "*Provided*, That no such permit shall be required for the construction of any structure or facility to be operated by an educational institution or church or for baseball parks and football stadia, whether or not constructed or operated by private interests, which will be made available on a part-time or time-to-time basis for the use of schools, churches, youth movements, or other community or public-welfare projects."

I wish to ask the Senator from Wisconsin if he will accept our amendment and make it a part of his amendment, and permit the exemption to be placed in the law.

Mr. McCARTHY. I will say to the Senator from Colorado that I do not like his amendment. I believe any community which has under consideration a large-scale construction project, such as a school, college, or church, or other building, should defer it in favor of housing. The Senator's proposed amendment, coupled with my amendment, would make the bill less vicious than it presently is, but I frankly do not like the Senator's amendment.

Mr. JOHNSON of Colorado. I am sorry the Senator does not like the amendment. I call attention to the fact that the Attorney General of the United States is carrying on a campaign throughout the length and breadth of the land against juvenile delinquency. I wish the Senator would consider the proposed amendment in the light of that campaign.

Mr. McCARTHY. I should like to make my position clear. I believe that when the Expediter receives an application for a permit for the building of a school or college or church he certainly should give such application priority over certain other applications. He certainly should be liberal in the granting of such permits. I believe that each such project should stand or fall on its own merits.

Mr. President, I do not wish to take any length of time in speaking in opposition to the amendment suggested by the Senator from Colorado, but I will say frankly that I cannot vote in favor of it.

Mr. JOHNSON of Colorado. I hope the Senator will change his mind and accept my amendment. I want to call his attention to the fact that the provision in the existing law consists of only six lines, and the Housing Expediter, in trying to enforce the six lines in the law, was obliged to write six pages of regulations. I have the regulations in my hand. That bears out the reference the Senator from Washington made a moment ago to the difficulties in enforcing this provision of the law. We very badly need to do something respecting juvenile delinquency. It is one of the greatest headaches the Nation has.

Mr. McCARTHY. With the permission of the Senator from Colorado, I will yield the floor for the purpose of checking with the Office of the Expediter and getting from him some idea respecting the number of applications that might be expected under the Senator's amendment.

Mr. JOHNSON of Colorado. While the Senator is checking up on that point, I should like to insert in the RECORD some excerpts relating to the point I am making. One headline reads as follows:

Truman sounds appeal in juvenile campaign.

Mr. President, without reading further, I ask unanimous consent to have printed at this point in the RECORD certain newspaper articles dealing with the drive against juvenile delinquency, and the campaign in favor of the establishment of clubs and athletic fields for boys.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Denver Post of February 3, 1948]

TRUMAN SOUNDS APPEAL IN JUVENILE CAMPAIGN

(By Jack Carberry)

WASHINGTON, February 3.—The sports world, acting through the sports writers and sportscasters of America, Tuesday accepted the command and the challenge of President Truman to lead the Nation in an all-out war against the growing wave of juvenile delinquency.

The President's call to arms came in an official proclamation, signed jointly with Secretary of State George C. Marshall, in which the Chief Executive pleaded that "the people of the United States of America—in their minds and hearts—act individually and together for the prevention and control of juvenile delinquency, so that our children and youth may fulfill their promise and become effective citizens of our Nation."

It was the first time such an appeal was ever issued from the White House.

In response the writers and radiomen set up machinery for a national foundation, backed by hundreds of thousands of dollars, whose purpose will be the creation of health-giving and mind-occupying sports activities for youth everywhere.

Money for this great undertaking will come first from organized baseball and professional football. Later all types of professional sports will be called upon to do their share. The Washington Touchdown Club gave $2,500 for organizing expense.

To this end the group set up a committee headed by Arch McDonald, Washington sportscaster, and including Bill Fox of the Indianapolis Star, William McGregor O'Keefe of the New Orleans Times-Picayune, Bob Considine of International News Service, and Les Ayres, television representative, to confer with sports groups and set up a great fund-raising campaign.

Baseball Commissioner A. B. (Happy) Chandler, who attended Monday's session and gave a cheer-producing "off-the-record" talk on what he thought baseball should do for youth, assured fullest cooperation.

BENEFITS SLATED

He said he knew baseball—major and minor leagues—would cooperate to the last man. In either late April, a month set aside by the President for all groups to combat juvenile delinquency, or in early May every organized professional baseball team in America will play a "foundation game." Every penny taken in, over and above bare expenses, will be turned over to the function.

The necessary legal machinery for the foundation was set up Tuesday by lawyers in the Attorney General's office. Directors of the fund will be sports writers from every section of the country. The Nation will be divided into districts, and allotments of needed moneys will be made under direction of the sports writers' and sportscasters' organization. No politician will be allowed any part in the foundation.

Admiral Jonas Ingram of the All-America Football Conference pledged his organization to do all in its power to contribute, and the National League, through its representative, said it, too, would give support.

On motion by Bill Leiser, sports editor of the San Francisco Chronicle, the sports writers will officially ask Commissioner Bell to have his league sanction a game with Commissioner Ingram's league.

None, however, expected anything to come of this. Ingram, however, said he was certain his league would stage an exhibition game in late August, turning funds over to the foundation. A similar request is to be made of the National League.

PRODUCE RESULTS

The Monday session produced many results in behalf of sports for American youth. It was at first reported that there was no more surplus athletic equipment left over from the war—that all had been sold.

But a check by the sports writers brought the startling information that there is over $280,000 worth of such equipment still on hand. A committee was formed, headed by Shirley Povich of the Washington Post, which called upon Congress to pass without delay a bill by United States Senator ED JOHNSON which would give this equipment to nonprofit youth groups. The bill has been held in House committee since November.

Povich's committee contacted Representative J. EDGAR CHENOWETH (Republican), of Colorado, a friend of the bill, who promised to battle to get it on the House floor where passage is reported assured.

Another committee was formed to again go before the Treasury Department, and Congress, in an effort to have the 20 percent Federal amusement tax removed in the case of orphans, wards of the State, and other similar youth groups, attending sports events on free tickets.

John Reed Kilpatrick, president of Madison Square Garden, told of a plan, conceived by Considine, under which America would supply some $90,000 worth of food to feed the Olympic athletes of other countries in the summer games at London. No action was taken when Kilpatrick said that unless there was a strong sentiment in favor of

the plan he would prefer if those present would just forget it. Instead it was agreed to ask the three largest news agencies to conduct polls of all sports editors, sounding out sentiment. The group here was clearly opposed to the proposal.

Bus Ham of the Washington Post was renominated as chairman of the writers and broadcasters group.

[From the Washington Star]

BASEBALL TO HELP DRIVE AGAINST DELINQUENCY, CHANDLER PROMISES

Sports writers, radiomen, and leaders in professional baseball and football today presented a united front against the common foe, juvenile delinquency, after a 5-hour meeting yesterday when plans were outlined for an all-out fight to take youngsters off street corners, out of back alleys and away from the foreboding threat of crime.

The next move apparently will be to map a campaign for funds to purchase sports equipment for the youngsters' use. Commissioner A. B. Chandler declared he was in complete sympathy with the movement, and a committee composed of Bill Keefe of the New Orleans Times-Picayune, William E. Fox of the Indianapolis News, Bob Considine of International News Service, Arch McDonald, WTOP, and Les Arries, Dumont Television, was appointed to figure out a fund-raising scheme.

It was agreed almost unanimously that baseball will be called on for the most generous contribution—a day's gate receipts from every team in organized baseball. Pro football, through Publicity Director Joe Labrum of the National League and Commissioner Jonas Ingram of the All-America Conference, also promised to help. It was pointed out that the Redskins and other pro teams have earned fat sums for boys' club work through preseason games.

The Redskins last year raised more than $90,000 for the Los Angeles Times Boys' Club, which is erecting a new clubhouse for teenagers in that city and each year play their game at Baltimore for the Police Boys' Club of Baltimore and Washington.

Approximately 50 sportswriters and radio men from all over the country attended yesterday's session at the Department of Justice.

[From the Denver Post of February 2, 1948]

SCRIBES OUTLINE YOUTH PROGRAM

(By Jack Carberry)

WASHINGTON, February 2.—America's leading sports writers and sportscasters, representing every section of the Nation, met here Monday in the great hall of the Department of Justice Building under call of Attorney General Tom C. Clark for a finish fight with the growing problem of juvenile delinquency.

Clark's call was issued after President Truman, gravely concerned over the increasing wave of juvenile crime as revealed in reports from head G-man, J. Edgar Hoover, issued a Presidential proclamation calling upon everyone, everywhere, to gird for an all-out war against the menace.

Other matters on the program included a proposal that America's sports editors spearhead a campaign to raise funds with which the United States would feed the athletes of the entire world at the Olympic games. Those in favor of the proposal insist such a gesture would do much to establish good will among nations.

SPORTS BIG SHOTS

Many leading sports figures are in attendance at the meeting.

They include Baseball Commissioner A. B. (Happy) Chandler. The writers hope to work out some sort of arrangement with Chandler under which boys and girls of teen age will be admitted to ball games, all over the land, either free or at a very small cost.

This is a problem which has many angles. Major leagues, with their majority of daytime games, can easily set up knot-hole clubs, but most minor leagues now play night schedules and there is much opposition to throwing open the ball parks to youngsters who would be out alone until late hours. There is hope of working out some sort of father-and-son arrangement, under which youths could be taken to the games by parents and given a section by themselves.

Another interesting session is predicted when the two rival professional football commissioners, Admiral Jonas Ingram, of the All-America Conference, and Bert Bell, of the National League, appear before the writers. Efforts are being made to have them at the same session. Ingram has been hurling challenges at Bell's organization, while Bell and his group have been contending that Ingram and his league do not exist.

If the writers can get both in the same room at the same time, football history may be made. The purpose of their appearance, however, is not this. It is to work out a plan under which both leagues will throw some of their games open to youths for small or no cost.

All is not going to be smooth sailing for Clark and his program, started a year ago. At that time the Department of Justice pledged itself to cooperate with the writers in certain legislative moves, including one under which the present 20-percent tax would be removed from tickets used by young wards of the States, orphans and others of similar circumstances. Nothing has been done along this line and many writers and broadcasters are openly critical of the Department's failure to act.

There is also resentment over the Government's failure to freeze surplus athletic equipment for youth use and over the Housing Administration's opposition to construction of ball parks and other play facilities.

The sessions will continue through Tuesday.

[From the Denver Post]

THE SECOND GUESS

(By Jack Carberry)

CHICAGO, February 5.—A "voice of experience"—bitter experience—spoke here Thursday in support of the battle which will be waged by the sports writers of America for increased athletic facilities for America's youth. The voice was that of Col. Theodore F. Bank, remembered as the Army's head man in its physical-fitness program. He saw the Nation's great army of physically unfit pass through the induction stations to rejection for service because so many had not learned to play American games. Colonel Bank, now president of the Athletic Institute of America here, a group seeking to promote athletics among all ages of Americans, charged that the building restrictions now placed on recreational facilities are contributing to the increase of juvenile delinquency and limiting the expansion of physical fitness under supervised conditions. Colonel Bank thinks America failed to learn the lesson physical unfitness taught in the last war.

Bank's organization, which is attempting to carry on the work originally started by the group which sought to make America conscious of its athletic needs through living memorials, has made a Nation-wide survey. This fits in with the reports given Government officials in Washington this week by America's sports writers and sports broadcasters. These men, from every part of America, said that lack of facilities—and the inability to build proper facilities—was doing more than any other thing to hold back Attorney General Tom C. Clark's program of athletic participation by all youth in the land.

Colonel Bank here Thursday urged congressional leaders to weigh the problems arising from a Nation-wide lack of athletic facilities against current legislation which, he said, places construction of play fields and recreation buildings for participant sports in the same category with night clubs and gambling houses. In fact, under existing building codes, it is far easier to build a night club than it is a ball park.

Colonel Bank told us:

"All of us recognize that limited supplies of construction materials have slowed up the building of homes, and we are unanimous in the conviction that housing comes first. At the same time, however we must recognize this important fact: Inadequate facilities for wholesome recreational sports are contributing to the juvenile—and even the adult—delinquency problem.

"There is a woeful lack of play fields and play buildings, not just in Denver, but throughout the Nation. We need these buildings where men, women, and youngsters can develop physical fitness in the American way—through health-building sports."

He added that the materials required for needed recreational facilities would merely scratch the surface of the general demand for construction supplies, with the result that housing construction would not suffer from the very limited requirements of sports and recreation.

MISTAKE IS IN ARBITRARY LEGISLATION

Colonel Bank emphasized: "The mistake is arbitrarily legislating against the construction of recreational needs, thus delaying programs that must be set in motion immediately, if we are to profit by the lessons learned during the war."

Colonel Bank recalled the emphasis the armed services placed on sports during the recent war, and he pointed to the contribution wholesome recreational pursuits of a physical nature made to the physical, mental, and emotional fitness of folk on the home front.

Army and Navy findings revealed that too many Americans are "recreation illiterates," he said.

"We must advance the cause of health-building sports now," he declared. "Tomorrow, next week, or 2 years from now will be too late.

"With the world dividing itself into two camps—communistic and democratic—and with the attendant possibility of an eventual 'struggle that will end all struggles,' it is highly essential that young men and women of our country be conditioned and strengthened and that all age groups be provided with the opportunity for recreational participation.

"We must not forget the lessons learned during the recent war. We cannot afford to sit back complacently taking the line of least resistance. Arbitrary and unnecessary legislation against the construction of recreational needs must not hamper the program."

There is only one way in which this crying need can be filled—only one way for correction—this rough, tough Army man said. That is for the voters of America to sit down, each and every one, and write his two Senators and his Congressman, and put himself on record as favoring an increased building program for athletic facilities.

Colonel Bank's wide surveys show that there is a willingness on the part of nearly everyone to provide facilities. Small towns and big cities are ready to move if given the green light. Many States with their treasuries bulging with funds are anxious to get into the recreation field, especially since the President at the opening of the Sports Writers' Conference earlier this week expressed his own views on the subject by official proclamations.

But until building codes as now set up are changed to meet an existing situation little, if anything, can be done.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CAIN. I should like to suggest to the Senator from Colorado that if the amendment offered by the Senator from Wisconsin were to prevail I think the members of the Banking and Currency Committee who voted to strike out the prohibition in the first place would, under the circumstances, be perfectly willing to support the amendment the Senator from Colorado desires to offer.

I should like to draw the attention of the Senate again to what the fact appears to be in this case; that that prohibition has not been enforcible, that it does not relate entirely to materials which are used exclusively for housing, and that the sum total of the materials which would be used detrimentally to the housing construction program is relatively very small. I think the committee feels the Nation would be better off in the coming months without this restriction at all than with it.

Mr. JOHNSON of Colorado. I agree with the Senator from Washington. I think he is correct in suggesting that I withhold my amendment at this time and find out whether or not the amendment offered by the Senator from Wisconsin will be adopted.

Mr. President, as a matter of fact, many building materials are in large supply at the present time. Cement is one, for instance. There is no restriction against the use of cement. But I want to point out one of the restrictions which appears in the six lines of language, and that is pertaining to nails. If a church, or a school board, or a similar organization wants to build a playground for the use of its children, it is prohibited from using nails. It can use all the cement it wants—a thousand tons of cement—because cement is in good supply, but it cannot use nails to make the forms for pouring the cement. It can, however, use bolts for that purpose. A bolt, of course, contains three or four times as much metal as a nail. Both, however, can be used in putting the forms together. There is no restriction at all on the use of bolts for such a purpose. The use of nails, however, as I stated, is prohibited. As a matter of fact, however, nails are in good supply at the present time.

The bottleneck in housing today is not so much material as it is the price. The housing we are constructing today is being priced out of the market. There are in the law 10 restrictions on materials which go into housing. As the Senator has pointed out, a very small percentage of these materials are used in housing. There is no prohibition against the use of lumber, except hardwood flooring. One can use as much lumber of the common variety as one wishes to but there is a prohibition against the use of hardwood flooring.

Mr. CAIN. Mr. President, will the Senator yield at that point?

Mr. JOHNSON of Colorado. I yield.

Mr. CAIN. I suggest to the Senate that if we are going to reinstate this provision it will be necessary, and in that event quite properly so, entirely to reorganize the thinking and the economics of the personnel, and the procedures of the office of Housing Expediter. Representatives of that office have come before the committee of the Senate and said, "We do not know what items are in short supply. We have difficulty in finding out. We have no machinery with which to find out." If I am not very much mistaken, the Acting Housing Expediter asked that if we continue the prohibition into 1948 he be provided with allocation authority by Congress in order that he can do a much more competent job, because his testimony indicates that he feels he has done—not necessarily because of his fault by any means—a very bad job by reason of lack of personnel, lack of knowledge, lack of trained, skilled workers in the required fields. We are talking about a very serious subject, I suggest to the Senator from Colorado.

Mr. JOHNSON of Colorado. I agree with what the Senator has said. My investigation of this subject has proved conclusively to me that the statement of the Senator from Washington is correct, and that this whole clause should be eliminated. But if it is to be reinserted we should make provision so that there would be no restrictions on playgrounds to be used in the great effort which is being made against juvenile delinquency.

Mr. PEPPER. Mr. President, I believe that an editorial in this morning's Washington Post states this problem rather clearly. It is entitled "Diverted Materials." It reads as follows:

DIVERTED MATERIALS

One of the features that seems to have escaped notice in the Cain bill to extend—and weaken—rent control is the repeal of the provision requiring permits for diversion of scarce building materials to nonessential construction. Under the expiring law, persons seeking to build amusement and recreation facilities must first obtain sanction from the Office of the Housing Expediter, which has authority to decide whether scarce materials can be spared for such purposes. The justification given by Senator CAIN for abolishing this restriction is that amusement and recreation construction amounts to only 6 percent of the whole and that the Housing Expediter would need a larger force in order to enforce the present law properly.

These seem to us flimsy reasons for discarding the rule when the housing shortage is yet unrelieved. In the first place, there is no telling how much housing efforts would be impaired if recreation and amusement operators were free to divert all the building materials they wanted. Secondly, if the present regulation has not been 100 percent effective, then the answer, it seems to us, is to give the Housing Expediter the personnel he needs to enforce it. To be sure, this flaw in the Cain bill serves again to emphasize the necessity for a broad governmental housing-assistance program—which we think is now the only way to obtain the rental housing that Senator CAIN euphemistically says is the only shortage. Unless Congress is ready to abandon any governmental effort to meet the housing problem and admit abject failure, then certainly regulations governing use of scarce materials ought to be retained in the new rent-control law.

In his message yesterday the President told us that two and a half million married couples live with other families, a 50-percent increase since 1940, and that more than 5,000,000 present homes are below minimum standards. There are countless numbers of veterans returning from the country's worst war, today unable to get a home—I must respectfully say to my able friend from Colorado, not only because of the price, but because the number of homes that can be built is limited by the material available. If the Senator will permit me to differ with him, I quote only what the Housing Expediter told me within the week—that materials were the bottleneck, that they were the real limitation on the number of homes we could build.

I realize, of course, that we would like to have amusement and recreational facilities. We would like to have no curbs at all, if it were not necessary, in placing emphasis upon housing for the people; but surely every time we allow materials to be diverted from home building to some other kind of use it means that there will be that many fewer homes of necessity.

A little while ago I quoted figures from the office of the Housing Expediter to the effect that he rejected applications for construction permits for $75,000,000 worth of such constructions. How many more applications would have been made if people had not thought they would have to show necessity, there is no way of telling. If we remove all restraints and let a man build any kind of a recreational or amusement facility he wishes to build, how can we estimate what the sum total will be and how many homes will be denied to the people of this country?

It seems to me that, if we must curb anyone, surely we should prefer to curb a man who wishes to use materials for profit for a nonessential purpose, and give the benefit of the doubt to the people who are seeking homes in a limited-material market such as we have today.

So it seems to me that the Senator from Wisconsin [Mr. MCCARTHY] is justified in suggesting that at least those who wish to build recreational and amusement facilities must make a showing to the Housing Expediter of necessity, and of a shortage of that kind of facility in their communities. The Housing Expediter has granted many such applications. I know that in my own State applications for the construction of motion-picture houses have been granted, but only after a showing was made that there was no picture house in the little town or community where it was proposed to build one, and only upon a showing that there was need for that kind of amusement or recreational facility in the community. I believe that the Housing Expediter has shown a disposition to be as fair, lenient, and indulgent as the public interest in housing would permit.

Mr. President, I believe that the amendment of the Senator from Wisconsin should be adopted.

Mr. BUCK. Mr. President, as a member of the subcommittee headed by the junior Senator from Washington [Mr. CAIN], my recollection is that when the one who is to administer the law, the Housing Expediter, testified, he stated that he could offer no objection to this section of the 1947 law being stricken out.

In fact, he encouraged us to delete it. It seems to me that we might very well heed the recommendation of the man who is to be charged with the administration of the act, and leave this provision out of the new law.

Mr. McCARTHY. Mr. President, to begin with I am somewhat surprised to find the Senator from Delaware and the Senator from Washington placing emphasis upon the Expediter's recommendation along this particular line. I did not think he was considered an authority upon many subjects. I wonder if this is something that we should leave to the gentleman who happens to be administering the law. I concede that it must be a tremendous headache for him. I know that it is a headache for my office. Hardly a day passes that I do not receive requests from some of my good friends that in a particular town they be permitted to build a theater or bowling alley. If we multiply such situations by a thousand, we have the picture in one State; then if we multiply by 48, we have the picture in all the States.

The problem is a headache not only for the Expediter, but for those of us who are serving in a legislative capacity. However, I doubt whether that factor should be given any weight in deciding whether or not, in the year 1948, we shall build theaters, taverns, and such facilities at the expense of the housing program.

I have just been speaking with the Expediter for the purpose of determining how much additional material would be used if the amendment sponsored by the Senator from Colorado [Mr. JOHNSON] and the Senator from Florida [Mr. HOLLAND] were made a part of my amendment. The Expediter tells me that it would not involve very much construction.

The thought also occurs to me that, as the Senator from Colorado points out, much of the material would be of a type not suitable for home construction. For that reason, at this time I am glad to accept the amendment of the Senator from Colorado and the Senator from Florida as an amendment to my amendment.

Furthermore, the Expediter pointed out that a large number of applications are being received for various amusement and recreational facilities. Considered from the standpoint of the amount of material, and not the number of applications, they cover first, bowling alleys; second, theaters; third, night clubs; and fourth, race tracks.

I have no objection to bowling alleys. I do considerable bowling. I have no objection to theaters. I believe that on one occasion I was even in a night club. However, at this time I do not believe that we should give encouragement to that type of building, when the housing supply is so fantastically scarce.

Mr. CAIN. Mr. President, I wish to ask a question. The Senator from Wisconsin said he had just been talking to the Acting Housing Expediter, and he said that the result of this amendment would not affect the housing construction field in either one way or another.

Mr. McCARTHY. Mr. President, I am afraid I did not clearly state my position in regard to the amendment offered by the Senator from Colorado [Mr. JOHNSON] and the Senator from Florida [Mr. HOLLAND] to my amendment. Their amendment to my amendment provides for the addition of the following proviso to my amendment:

Provided, That no such permit shall be required for the construction of any structure or facility to be operated by an educational institution or church or for baseball parks and football stadia, whether or not constructed or operated by private interests, which will be made available on a part-time or time-to-time basis for the use of schools, churches, youth movements, or other community or public-welfare projects.

Of course, in the proposed addition to my amendment, reference is made to "the construction of any structure or facility to be operated by an educational institution." As a result, of course, colleges will not be affected.

The Acting Housing Expediter has informed me that my amendment will not adversely affect the situation and that the amendment of the Senator from Colorado and the Senator from Florida to my amendment will not seriously affect the situation. For that reason, I am willing to accept their amendment to my amendment.

Mr. CAIN. Mr. President, the point I make, on the basis of logic, is that what the Senator from Wisconsin has been told by the Acting Housing Expediter means nothing. The amendment to the Senator's amendment is extraordinarily broad. It says, in effect, that baseball parks, football stadia, or any structure or facility to be operated by an educational institution or church, whether or not constructed or operated by private interests, will not require such permits. That is a very broad and general statement. I think the Housing Expediter should give the Senator some specific information, rather than such a generalization, because if this amendment is adopted, it will do away with most of the restrictions, anyway.

Mr. McCARTHY. Mr. President, as I read the amendment, it provides that in any cases in which a church or school cannot build such a structure—for instance, a football stadium—but when it is built by a private institution for the benefit of the church or school, it will be exempt.

The amendment which is proposed to my amendment is not my own amendment, and I very reluctantly accept it. But I accept it because much of the material used for such purposes would be cement and other materials not in short supply and needed for the construction of housing facilities.

When we consider the facilities which will use materials in short supply that are needed for the construction of housing facilities, for instance, nails, pipes for plumbing, and so forth——

Mr. CAIN. But, Mr. President, the construction of a football stadium or a baseball park will have the same effect. It is all a question of size; and in this amendment there is no restriction as to size. So I think the amendment violates what the Senator is standing for in favoring his own amendment.

Our contention, from the committee's point of view, is that the Senator's amendment should not prevail. If it does prevail, and if the proposed amendment to it is accepted, I think we shall simply be losing ground.

Mr. McCARTHY. Mr. President, there is no question that the amendment proposed to my amendment will weaken my amendment, but I do not think it will weaken it appreciably.

The structures which really use up scarce materials, as contrasted to materials which are not in short supply, are bowling alleys, theaters, night clubs, and, to a lesser extent, race tracks. I do not think churches will be building night clubs or bowling alleys.

Mr. CAIN. But, Mr. President, I make the point that the Senator should give us a clear approximation of how much housing material would go into the construction of a football stadium of any size or a modern baseball park. If the Senator agrees that a considerable amount of such material would go into either a football stadium or a baseball park, I can see no difference in principle between building one of them and building a bowling alley; and on the other hand, I certainly see a great recreational benefit of especial value in terms of reducing juvenile delinquency, in providing this country with more bowling alleys.

Mr. McCARTHY. Mr. President, I shall be glad to answer the Senator, but I shall have to give purely a guess, of course. First, our investigation indicates that there is a great scarcity, first of all, of cast-iron soil pipe. Little of that will be used for baseball parks, so far as I know. The second scarce material is nails. Obviously, a considerable amount of nails will be used for such construction. The third scarce material is gypsum board or rock lath. None of that will be used for such construction. The fourth material in short supply is lumber. Of course, a considerable amount of lumber will be used for the building of seats for baseball parks or football stadia.

So, Mr. President, although I think the amendment proposed to my amendment will weaken my amendment, nevertheless I do not think it will weaken it materially, and therefore I accept it.

The PRESIDING OFFICER (Mr. BRICKER in the chair). Does the Senator from Wisconsin accept the amendment to his amendment?

Mr. McCARTHY. I do.

Mr. ROBERTSON of Virginia. Mr. President, I do not wish to have the Senate think that all except one member of our committee voted to take out of the new law the restriction against the use of such materials for amusement places, without materially considering what we were doing. In the first place, we had the preliminary statement of the Housing Expediter that he thought we should do it, for several reasons: First, he said he could not enforce the restriction; second, he said that the amount of material involved was relatively small. Later he submitted a written statement in which he modified that viewpoint, and said he did not recommend the elimination of the restriction.

Mr. President, let no one assume that the elimination of this restriction will result in the construction of night clubs

and race tracks. Sufficient night clubs are already constructed; and with the end of the boom in sight and with the present night clubs in New York City already losing business, I cannot imagine that anyone will invest more money in a night club. Night clubs already are available for sale, so the construction of new ones is not necessary, and obviously will not be made.

The same situation exists as to race tracks. The big days of the race tracks are over, and the race-track people tell me that the day of big stakes is limited because the money is not as free and easy as it was. So I see no danger of having millions of dollars' worth of scarce materials go into the construction of race tracks. Consequently, I think both of those items can be eliminated from consideration.

We have heard from the distinguished Senator from Florida a very strong plea for housing for veterans. Mr. President, we are not opposed to helping veterans. On the other hand, what did the Housing Expediter tell us? He said that we shall have 1,000,000 new homes with which to meet the housing problem, and I have every reason to believe that that will happen.

Mr. President, the building-material shortage has eased up. The real bottleneck is the high price of housing. The average veteran cannot afford to pay $10,000 to $15,000 for a house that, 5 years from now, will not be worth more than $5,000.

Mr. McCARTHY. Mr. President, if the Senator will yield to me, I should like to point out that he is 100 percent correct in the statement he last made, namely, that the cost of new homes is the No. 1 concern of veterans. But if we permit the use of scarce materials for bowling alleys and other amusement facilities—let me state them in the sequence in which they have been listed by the Housing Expediter, namely, bowling alleys, theaters, and night clubs—not only shall we have fewer homes, but they will cost more.

Mr. ROBERTSON of Virginia. But, Mr. President, the Senator from Wisconsin is using figures that are a year old. He is not using figures based on the situation as of the time when commodity prices began to break a few weeks ago.

Mr. McCARTHY. Mr. President, I am using figures which were given to me in the last 10 minutes by the Housing Expediter.

Moreover, Mr. President, the Senator from Virginia has said that 1,000,000 new homes available in the present year will "lick" the housing problem. That cannot be true, because the Bureau of Labor Statistics has told us that there are nearly 2,000,000 veterans who still are sharing housing accommodations with others—in other words, they are now living "doubled up." The same thing is true all up and down the line. It would take at least a million and a half homes in the next 10 years adequately to meet the housing problem.

Mr. ROBERTSON of Virginia. Mr. President, the Senator from Wisconsin sat on our committee last fall and heard undisputed testimony to the effect that already, because of increased income and frozen rents, people in this country were using about 20 percent more space than they did before the war. When the easy money goes, many of them will be content with the same amount of space they used before the war. That is a thing in itself which affects the housing problem. But the principal thing I want to bring to the attention of the Senate is that the Committee on Banking and Currency maturely considered this very issue. The committee did not go off half-cocked. We were convinced it would not prevent a single veteran from getting a house who would otherwise get it, and that it was an improper provision in a rent control law. In the bill which we reported last year, it was added by the distinguished Senator from California from the floor, and, not knowing exactly what the issue was, as it had not been maturely considered by our committee, it was not resisted, and it was placed in the bill.

It has been decided by the committee from all the evidence before us that it was unnecessary to continue it. It is one of the few restrictions left upon materials, and so far as the use of steel is concerned, we now have a voluntary program, I understand, under which steel is being allocated to essential purposes. It will not go into amusement places, anyway.

Mr. President, while I am on my feet, I want to bring to the attention of the Senate the fact that we tried to bring to the Senate a balanced bill, to improve the present law, to do something in the bill for the landlord, something for the tenant, and something in behalf of an approach to a return to peacetime operations, since it has now been nearly 3 years since the war with Germany ended. We hope to stimulate decontrol, so that this will not be a permanent program saddled on our backs, by calling on the Housing Expediter to make surveys, and we set up certain standards whereby, if he finds certain things, he must go ahead and decontrol that area. We provide a long list of things that shall not be included under the control, and if anybody is unfamiliar with those items, I invite attention to page 4 of the bill, where the first thing taken up is the decontrol of hotels, motor courts, all new construction since January 1947, excepting veterans' housing with public aid, and housing accommodations leased or rented to one individual or family, with respect to which a maximum rent is established at more than $225; and then the non-housekeeping furnished accommodations within a single home, where the thought was of merely one tenant in the house. It was a home, not a boarding house, not a rooming house, and, if the tenant became very objectionable to the family, they should have a right to say, "We do not care to have you any longer." Those things were in the interest of the landlord.

Provisions were then put in the bill in the interest of the tenant. It was provided that he must have 60 days' notice before he could be evicted. A criminal penalty was provided for violation of the act, and there was provision for the strengthening of local boards, in three or four different ways.

In other words, Mr. President, the committee brought to the Senate a balanced bill. I have examined the amendments which have been submitted. I frankly do not see how they are going to add very much one way or another to the value of the legislation. Some of them propose to make it more stringent than it is. They want the $225 limitation raised to $400. If it be true that a man cannot afford to put more than 20 percent of his income into housing, and decontrol is not provided unless the rate is $400 a month or more, he would be in the $24,000 bracket before he would be reached, whereas it is known that the average income in the Nation is a little under $2,400 a year. If the amount is $225, or more it will then affect those receiving more than $13,000 income, on the basis of 20 percent for rent.

I do not know how many persons have a gross income of $10,000 or more, but I think only one-tenth of 1 percent have a net taxable income of $10,000 or more, so I think our figure on decontrol was a reasonable one and fair to all concerned.

Certain amendments that were discussed provide for automatic decontrol. I do not think that would be a good thing. In other words, the committee has tried to balance the situation as well as we could from the standpoint of the landlord and tenant and the general public, and has brought in a bill which incidentally every member of our committee voted to report. I do not mean that everybody was 100 percent in favor of everything in it, but the committee was unanimous in reporting it as about the best that we could do.

I feel sure that the Members of the Senate could take the bill as reported without doing violence to their conscience or injury to their constituents.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Wisconsin [Mr. McCARTHY] as modified.

The amendment was agreed to.

Mr. IVES. Mr. President, I send to the desk an amendment and ask its immediate consideration.

The PRESIDING OFFICER. The clerk will read the amendment.

The CHIEF CLERK. On page 5, it is proposed to strike out lines 8 to 14, inclusive; and, on page 5, line 15, it is proposed to strike out "(5)" and insert "(4)."

Mr. IVES. Mr. President, what I am attempting to do by the amendment is, I believe, perfectly obvious. The proposed amendment would strike out that subdivision of the pending bill which would automatically decontrol properties on which rental of $225 or more per month is being charged. I have been considering this matter for a considerable period of time.

I have considered whether to try to limit it to a given figure, or whether to propose what I am now proposing. We want to be perfectly fair about the whole thing. It seems to me there should be no ceiling whatever of this type, no restriction whatever of this type. What is fair for one should be fair for all, and it is with that thought that I have submitted the amendment. I realize the

purpose of trying to place the ceiling at $225. I realize that there are many who consider apartments renting for $225 or more to be luxury apartments, presumably rented only by those possessing wealth. However, as conditions are today, that does not happen to be the fact. I have had dozens of letters from persons who are in that class, who are paying rent from $225 to probably $350 a month, whose earnings appear to be in the vicinity of $9,000 to $12,000 a year. They are situated as they are for reasons of necessity and for no others. Under normal conditions they would not be so situated, and if the decontrol here proposed were to become effective, not a few of these people would find themselves literally out in the street. I realize our concern for those people who are going to be thrown out of living quarters, regardless of the amount of money involved, but primarily those people in the low-rental income group.

But, by the same token, it is as serious for persons in the middle-income group who would be without living quarters. It is difficult for them to obtain new living quarters as it is for anyone else today; in fact, probably more difficult.

For that reason I feel very strongly that there is a great deal of justice in the amendment which I am offering.

It may be recalled that last year one of the bills passed by one of the Houses contained a limitation of this kind, but it was removed by the conference committee. It was removed, I understand, for reasons more or less along the lines which I am presenting at this time. The condition now is approximately the same as the one existing at that time. If it was the policy of the Congress at that time to have no limitation, it seems to me we should have the same policy today, and that we should continue the policy so long as basic economic conditions are as they are.

For those reasons I offer my amendment and hope that it will meet with the approval of the Senate.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. BALDWIN. Mr. President, I rise to support the amendment offered by the Senator from New York. In my own State I know of persons living in apartments and in rented houses for which they are paying rent in excess of this particular figure. It is not because they want to, but because they must. It is not because they can afford to, but because that type of rental housing or apartment is the only type now available for them. I agree with the distinguished Senator from New York that such persons are entitled to the protection of rent control so long as it is in effect, just as are people in other groups, because the hardship upon them is equally great. I feel, Mr. President, that the amendment should be agreed to.

Mr. CAIN. Mr. President, representing the Banking and Currency Committee, I should like to speak in opposition to the amendment which has been offered by two very distinguished Senators, one from New York [Mr. IVES] and the other from Connecticut [Mr. BALDWIN]. It seemed to the committee as it considered the matter for the second time—for it had been considered and there was an amendment included at some length, as the Senators know, in last year's bill—that it was purely a question of policy as to where the line should be drawn. As was mentioned by me last Friday in a prepared statement, the committee had received testimony from many varied sources indicating that the time had come when we could safely decontrol luxury accommodations.

I invite the attention of the Senate to the fact that a leading legislative counsel of the American Federation of Labor thought that accommodations could be decontrolled in America, beginning at $150 a month. Others who appeared as witnesses thought we should arrive at a figure of $500. Some of them even suggested $1,000. By and large the recommendations were from $150 a month to $225 a month. There were two reasons for these recommendations by the witnesses and by the committee as the committee considered the validity of the recommendations. The theory is that control legislation in America for several years has been headed in the direction of decontrol. Are there areas within our housing limitations which we can decontrol without doing a grave injustice to any considerable number of American citizens? The committee thought there were such areas. The committee thought a figure of $225 a month as a decontrol figure was a very reasonable one. In pursuance of the theory of the Senate, the bill includes authority to the Housing Expediter to decontrol whenever in his opinion it is safe to do so with respect to certain classes within the general field of housing.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. BALDWIN. Am I correct in saying that under the bill as now drawn there is authority to decontrol certain classes of housing?

Mr. CAIN. Yes.

Mr. BALDWIN. If that be so, why is not adequate protection given to the property owner which would obviate the requirement in this situation?

Mr. CAIN. As of the date of the passage of the bill, accommodations renting for $225 a month or over would be decontrolled. That would be a legislative determination of the Congress if the bill should pass.

Mr. BALDWIN. Why not leave it to the Housing Expediter to deal with a particular situation? It so happens that in New York State and in Connecticut, to my own knowledge, there are many apartments which fall into this particular classification, and I know that in Connecticut, and, I am reasonably certain, in New York, there are many persons paying higher rents than they can afford to pay. In Connecticut and in New York an apartment which rents for $225 a month cannot be classed as a luxury apartment. For a great many persons it is the only type of housing available. While most persons cannot afford to pay that amount, they are compelled to pay it. So it seems to me that we give ample protection to the landlord and the property owner if we place in the bill a provision which will permit decontrol in those cases in which decontrol seems to be warranted. At the same time we should retain control in cases where, as in New York and Connecticut, in my humble judgment, it obviously is necessary.

Mr. CAIN. But if, as a result of research by a legislative committee of the Senate, there should be a recommendation to decontrol a particular class of housing, and if the Congress should agree to that recommendation, there would be no point whatsoever, as the committee sees it, to leave up to the Housing Expediter what can so easily be done in this piece of legislation.

Mr. IVES. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. IVES. I should like to inquire, if I may, as to whether the committee heard many tenants on the question.

Mr. CAIN. The committee heard quite a number. The representative of the American Federation of Labor was a tenant.

Mr. IVES. Was he paying $225 a month rent or more?

Mr. CAIN. I think the answer to that is: "No." We did not hear very many tenants in that field.

Mr. IVES. I should not think that testimony would be very valuable on a matter of this kind. In my opinion the kind of testimony which would be of real use would be that of persons who were actually paying $225 monthly rental. I think the Senator would find out, if he were to make an overall inquiry of that group of people, that the large number of persons in moderate circumstances actually paying that amount of rent is appalling. The number of letters I received from persons who are paying exactly that amount, or more, was surprising to me. They were from people of moderate means.

Mr. CAIN. I think the importance of the testimony to which I referred is it indicates that among persons of lesser means there is a growing awareness of the need of moving in the direction of decontrolling accommodations. We cannot, as a committee, be certain that the figure $225 a month is correct, but we know, on the basis of an examination which ran approximately throughout the country, that rentals of $225 a month fall in a class which needs no protection of the Federal Government other than through a free market. If our figure of $225 is wrong, what figure is right?

Mr. IVES. That is exactly the point; what is the figure? If we are to set a figure, what is it to be? I do not think anyone can answer that question for the country as a whole. That is why I am moving to strike out the provision entirely.

Mr. CAIN. What the Senator is likewise recommending by his amendment, if I understand it correctly, is that it be either $225 for an unfurnished apartment, or $400 for a furnished apartment?

Mr. IVES. No; I think the Senator has misunderstood the amendment I have offered. The amendment now before the Senate would eliminate entirely section 202 (c) (4), as I recall.

It is intended to eliminate entirely any provision regarding the $225 figure.

Mr. CAIN. I see. I had known the Senator had considered submitting the other amendment.

Mr. IVES. Mr. President, instead of that, I point out that I have not moved as to that at this time, for the simple reason that the more I have thought about it the more unjust the whole thing seems to me, and I am moving to strike it all out. I think it is pretty hard to determine where the ceiling which the Senator has indicated would be.

Mr. CAIN. The committee figure of $225 a month, we had reason to believe, was reasonable. The Nation is faced, and New York City particularly, with a very awkward and confusing situation in the field of housing. New York City has within it luxury accommodations which were constructed many years ago, in the days of grandeur, for which people today are paying very small and limited rents for accommodations running into 12, 14, 16, and in some cases 18, rooms.

Mr. BALDWIN. Mr. President, will the Senator from Washington yield for a question?

Mr. CAIN. Certainly.

Mr. BALDWIN. As I understand, under the proposed law now before the Senate it is possible for the Expediter to remove from control completely not only certain areas, but certain classes of rental accommodations.

Mr. CAIN. For the first time, yes.

Mr. BALDWIN. And it is also proposed, in the pending bill, to give to the Expediter and to the local boards broader powers than they have ever had heretofore, and to stimulate them as they have never been stimulated before to deal with hardship cases of all kinds. Are not those provisions in the bill?

Mr. CAIN. The Senator is correct.

Mr. BALDWIN. Why is it, then, that those two features of the bill do not adequately take care of the situation we are now discussing? Why should we continue an arbitrary classification when there is ample machinery to deal with hardship cases, and a desire on the part of the Congress that hardship cases be dealt with?

Mr. CAIN. If we agree that there is a figure beyond which no tenant in America needs protection, we thereby quit concerning ourselves with hardship, insofar as that class of housing is concerned, and the sooner we get rid of it the better.

Mr. BALDWIN. My point is—and I press it to the distinguished Senator from Washington—that there is provision in the proposed law, even if the pending amendment should be adopted, to deal with just the situation he has in mind. I think there should be. I am convinced there should be.

Mr. CAIN. If we can come to a determination as to what a reasonable figure is, why should we not do it? I pose that as a question to the Senator from Connecticut.

Mr. BALDWIN. My answer to the question of my distinguished friend is that $225 is not a reasonable figure, and I press the same question the distinguished Senator from New York submitted, What is a reasonable figure, when it is applied to the whole United States? I say very positively that a figure of $225 in New York, and in many places in Connecticut, and a figure very much higher than that, would not be a reasonable figure, because, I reiterate, there are many people paying more rent than they can afford to pay, more than they want to pay, merely because they have to pay it; they cannot get any other housing. So it seems to me that if we should adopt this amendment, and leave the other provisions of the bill to deal with decontrol of certain classes and certain areas, and the treatment of certain hardship cases, we would protect the situation adequately.

Mr. CAIN. I dare say that if, as a committee, we had decided to recommend the figure $500 we could have passed over the matter with hardly a word of discussion, because there certainly is in the Senator's mind a figure beyond which no American citizen needs to be protected by his Government in any way, shape, or form, in the field of housing.

Mr. BALDWIN. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. BALDWIN. I had assumed that every citizen of the United States was entitled to the equal protection of the law, no matter what his race, creed, color, or previous condition of employment, or anything else.

Mr. CAIN. For so long a time as provision for such protection is in the law, but it is suggested that it be taken out of the law.

I dare say the Senate is familiar with the fact that last year there was a good deal of discussion of this question, and the figure $225 was agreed on.

Mr. IVES. Mr. President, I assume we could very easily hit on the figure of a thousand dollars a month, or $750, or $500, which we all know might be construed, however, under normal conditions, in the luxury class. But what we are arguing now is a matter of principle. The Senator from Connecticut has so well pointed out the procedure and the method to be followed in taking care of any case wherein there is an injustice at the present time, and the need for any limitation such as is here indicated becomes absolutely unnecessary; there seems to be no necessity for it.

Therefore, in view of the fact that no one knows what the proper figure is, whether it is $500, $750, or a thousand dollars, in plain, everyday, ordinary justice to everyone in this country, as long as there is machinery to deal with the matter I think the provision should be taken out of the bill entirely; there should be no reference to it.

Mr. CAIN. The Senator's position is certainly very clear on that point. We disagree only insofar as those who feel there should be a limit beyond which there is no longer any need for rent control believe firmly in the title of the bill, which says, in effect, "Look for ways in which to get rid of rent control." While I certainly can understand the Senator's suggestion, it is negative in the sense that he sees an injustice that was not intended by any of the sponsors of the bill.

Mr. IVES. I should like to point out, in line with what the distinguished Senator from Connecticut said, that we are not leaving a situation with no possible approach by which to correct an injustice, no possible way by which controls could be eliminated if the situation required it. That has already been traced out by the distinguished Senator from Connecticut. I see no need for repeating the arguments.

Mr. CAIN. We have a condition in America today in which accommodations renting for over a thousand dollars a month, or higher, are actually under control, and we are convinced, and I think every Senator will agree, that we should go as far as we can by way of withdrawing Federal support for a law which in certain fields outlived its usefulness a long time ago.

Mr. BALDWIN. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. BALDWIN. I agree with the distinguished Senator from New York that there are classifications of rental accommodations, though what the figure should be we do not know, which would distinctly be regarded as in the luxury class.

As to the need for rent control, I should like to read a resolution adopted by the real-estate board of Bridgeport. Bridgeport is probably the largest metropolitan area in Connecticut. Perhaps New Haven and Hartford are as large, but Bridgeport is in that part of the State near the great metropolitan area of New York. This is what the real-estate board says:

> The National Association of Real Estate Boards has advocated publicly in the press, on the radio, and hearings in Washington, and in letters to realtors the abolition of rent control.
>
> The Bridgeport Real Estate Board has investigated the matter of rent control as it operates in the Bridgeport metropolitan area. From the experience of our various offices and statistics of the Bureau of Labor and the real-estate board, we know Bridgeport metropolitan area has no vacancies but is 100 percent rented: Therefore be it
>
> *Resolved,* That the Bridgeport Real Estate Board is opposed to the abolition of rent control and believes that its continuance at this time is an economic necessity in this area.
>
> Knowing that inequities do exist under the present law that work hardships on tenants in some cases and landlords in others, be it further
>
> *Resolved,* That rent control, in its essentials, be continued with modifications to permit adjustments for both landlords and tenants where existing conditions require such adjustments.

Then the resolution proceeds to suggest the adjustments which may be made, one of which, the possibility of decontrol by certain procedure, is included in the bill, and another, the possibility of a better method of handling hardship cases.

Under the circumstances, Mr. President, I think if we are to continue rent control we should continue it so it will affect all classes alike across the United States, and at the same time provide machinery for making exceptions and changes, and for bringing about decontrol in certain areas, because I am as anxious as is anyone to see decontrol come about. It seems to me, however,

that until we are prepared to decontrol entirely, we should have a law which covers all groups and all classes alike, and which at the same time provides machinery for making exceptions in dealing with hardship cases. That is what the law does very well, and will continue to do very well if the amendment prevails.

Mr. President, I ask unanimous consent that the entire resolution may be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The National Association of Real Estate Boards has advocated publicly in the press, on the radio, at hearings in Washington, and in letters to realtors the abolition of rent control.

The Bridgeport Real Estate Board has investigated the matter of rent control as it operates in the Bridgeport metropolitan area. From the experience of our various offices and statistics of the Bureau of Labor and the real estate board, we know Bridgeport metropolitan area has no vacancies but is 100 percent rented: Therefore be it

Resolved, That the Bridgeport Real Estate Board is opposed to the abolition of rent control and believes that its continuance at this time is an economic necessity in this area.

Knowing that inequities do exist under the present law that work hardship on tenants in some cases and landlords in others; be it further

Resolved, That rent control, in its essentials, be continued with modifications to permit adjustments for both landlords and tenants where existing conditions require such adjustment; and be it further

Resolved, That to accomplish the objectives above stated that the area rent director be permitted to exercise judgment in eviction pleas, not specifically covered by law or where the strict interpretation of the statutes would work a hardship. Also, that the area rent director be given more power to make adjustments of rents than is now permitted him.

Also, that petitions for rent increases based solely on increased taxes be simplified by the omission of reference to other operating expenses. Knowing that many landlords are not aware of the fact that rent increases can be granted under existing regulations where operating costs have increased; be it further

Resolved, That the Bridgeport Real Estate Board advise all landlords in the Bridgeport area of the fact that certain rents can be raised under existing regulations and that the rent-control office at 62 Cannon Street, will be glad to discuss with any landlord his rights under those regulations.

This action of the board will be publicized by having a copy of these resolutions given to the local papers with a request that they be published.

Mr. CAIN. Mr. President, I have absolutely no desire to prolong the debate. I merely desire to point out to the two Senators who have just spoken, that we are moving in the direction of decontrol of rents. We have already made some progress in that respect. New construction has been decontrolled. Hotel accommodations, both transient and in many instances residential, have been decontrolled. We are loosening up to some extent the severity and rigidness of rent control. By the pending measure, which the Senator seeks to modify, we are looking to a figure beyond which there is no longer need for rent control. We have given serious consideration to the figure $225. We think that is a figure beyond which reasonable persons no longer need the protection of the Federal Government. The position of the committee is simply a hope that the restriction, whereby all accommodations presently renting for $225 a month or more shall be decontrolled, will remain in the bill.

Mr. IVES. Mr. President, I do not for one moment question the sincerity of the Senator from Washington. I want to take this opportunity to pay tribute to him for the splendid work which he and the members of the committee handling the measure have done. I also wish to pay tribute to him for the splendid presentation of the bill which he made the other day when he covered the whole subject as reported from the Senate Banking and Currency Committee and which is now before us. I listened to that presentation very attentively. I heard nearly the whole presentation made in connection with this measure, and I was pleased to do so.

However, I want to point out, in line with the Senator's last remarks, that there are real hardship exceptions, or exceptions of hardships, where individuals who pay a high rental are hit. I received a letter several weeks ago from some sisters in moderate circumstances, each one of whom is earning her own living. They live together in an apartment for which they pay $300 a month rent. They are very much disturbed over what may happen to them if any limitation of the sort proposed becomes law. They feel that if such a limitation is placed in the law it will undoubtedly mean that their rent will be increased at least 50 percent, or perhaps doubled. They are not in position to pay such an increase. They would find themselves virtually in the street in such event, and would not know what to do. There are plenty of exceptions of such nature.

By the same token, inasmuch as the machinery now exists in the bill itself by which to take care of property owners faced with such circumstances as the Senator referred to, and in view of the exceptions which exist, it seems to me the law should be left exactly as it has been during the last year. There should be no limitation of this nature placed in it.

Mr. CAIN. Mr. President, I should like to respond to what the Senator has said, first, by saying that the junior Senator from New York, who is a very close personal friend of mine, has been unnecessarily complimentary in the remarks he has made respecting my presentation of the case, but I appreciate very much what he said. Secondly, I should like to have the opportunity to examine the case concerning which the Senator from New York has just spoken. Two ladies are living in an apartment and are paying $300 a month rent for it——

Mr. IVES. I do not know whether there are two or three. Either two or three.

Mr. CAIN. They are, in any event, paying $300 a month rent for the apartment. They have frightened themselves over what will happen to them if rent control should be removed from such accommodations as they have. My inquiry would only be satisfied if I found out what they were receiving in return for the $300 they are paying.

Mr. IVES. In answer to that statement, I will say that I do not believe it makes very much difference what they are receiving.

Mr. CAIN. I think it makes a tremendous difference.

Mr. IVES. Let me develop this thought. Whether they are receiving their money's worth or not has very little to do with the case. The fact remains that this is their home. If they are faced with a rental far beyond their means to pay, and find themselves virtually dispossessed for that reason, and finally forced out in the streets, it does not make much difference what they are receiving for their money. The fact remains they are receiving certain incomes. They indicated in their letter that with the incomes they receive they cannot afford to pay any more rent. If they are forced to leave their apartment they will have no place to go, except into the street.

Mr. CAIN. The point I am attempting to establish is that to my own knowledge certain individuals in New York City are living in much greater floor space than they are paying for. Their landlords ought to have the opportunity to charge for the service which is given. If they are giving more service than they are being paid for it is about time that corrective action be taken, so that those who live in larger space than they are entitled to live in, by reason of the small amount they pay, should move out. I should like to know whether these individuals are entitled to remain in the apartment they occupy.

Mr. IVES. Where are they going to go if they are obliged to move out? The situation in New York City is of such a nature that one cannot move out of an apartment and move into another very easily.

Mr. CAIN. One of the purposes of the provision in the bill is, by permitting rents to be increased on luxury apartments as a class, to make it possible for such apartments to be subdivided, as in many instances they will be. More accommodations will result, to take care of more people. That, I believe, is a clear, hard-headed statement of fact. We are going to pass a rent-control measure, but the facts and statistics indicate beyond question that so long as we have rent controls, in those areas in which rent controls are imposed, we will have fewer accommodations and houses for rent. Therefore, there is a considerable measure of virtue in this particular provision, such as the elimination from control of accommodations for which tenants pay $225 a month or more.

One further word. The Senator asks, "Where are these people going in New York City if they are turned out of a $300-a-month apartment?" I am not informed as to where they would go. I might not be able to leave the apartment in which I now live in the Westchester and obtain what I want at the price I want to pay before nightfall, but from a reading of the Washington, D. C., newspapers I believe that before nightfall I would have secured an accommo-

dation in which I could live with my family.

Mr. IVES. Mr. President, I do not think the taking away of controls from so-called luxury accommodations would in any way guarantee that these two or three sisters, or howevery many there are in the group, would be able automatically in New York City to find a place to live, either on the day they were dispossessed, or within a week or a month. I know something about the apartment situation in New York City from personal experience at the present time. The matter of securing accommodations is not as simple as the Senator seems to indicate. To be sure, some new apartment houses are being erected, a few, on which there is no limitation or ceiling. Presumably such an apartment could be obtained if the rent was not too high, but in most such cases the rents are quite high.

Mr. CAIN. Apartments renting for a little less can be obtained.

Mr. IVES. Such apartments, unfortunately, might not be available to them, from the standpoint of the classification in which they find themselves with respect to income. The individuals to whom I refer might very easily find themselves without any place to live.

Mr. CAIN. I find it difficult to understand how anyone who is in a position to pay $300 a month rent, without suffering at all, can conceivably in New York City be turned out of his accommodations and not find other accommodations in which to live. One does not always get what one wants at the figure one desires to pay, but if one is able to pay $300 a month rent, one will undoubtedly be able to find proper accommodations.

Mr. BALDWIN. Mr. President, unfortunately I did not bring with me clippings from some New York newspapers of about a month ago. That was at the time when the Senator from New York [Mr. IVES] and I appeared to urge our proposal before the Senator's subcommittee. At that time I had some clippings from a New York newspaper which showed very few rentals available in the city of New York.

I do have some clippings from the Chicago Daily Tribune of February 20. I take it that the situation in Chicago is not greatly different from what it was in New York. This is what was available:

South Shore Cooperative, $5,500 cash, $87 a month; total price $10,500. Those are 3½-room apartments, which would rent at prices ranging from $120 to $155.

A seven-room apartment at a rental in excess of $3,000.

Then we come down the line, and there is not a thing available unless one pays a substantial sum for the purchase of a cooperative apartment, or pays a rental which is prohibitive. In the big city of Chicago, those are all the advertisements in the Chicago Tribune for available rental space in the entire city on that particular day. So there is very little rental housing available, and what is available is available only upon the payment of a substantial sum in cash to go into a cooperative apartment, or at rentals which are beyond the reach of most people, for housing which is definitely in the luxury class.

Mr. IVES. Mr. President, an almost identical situation exists in the city of New York.

Mr. CAIN. Mr. President, as I stated a few minutes ago, there is no intention on the part of the subcommittee unduly to delay consideration of this question. I am thoroughly satisfied that individual Members of the Senate either believe the figure $225 is the proper place to take off rent controls, or they do not. Some of them may be in doubt as to whether the figure should be somewhat higher than $225. In the bill the recommendation is that the figure of $225 shall stand. I have attempted to give the reasons of the committee in support of the committee's position.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES] for himself and the Senator from Connecticut [Mr. BALDWIN].

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arkansas will be stated.

The CHIEF CLERK. On page 9, line 18, it is proposed to strike out the period, insert a comma after the word "met," and insert "or when decontrol in any such area or any portion thereof is recommended by the local advisory board appointed as provided for in section 204 (e) (1) and having jurisdiction over such area or portion thereof."

Mr. McCLELLAN. Mr. President, under the provisions of the bill as it now stands, and without this amendment, the local advisory board which is established under the act would have no power whatever except to recommend; and no area would be decontrolled or could be decontrolled unless in the judgment of the Administrator such action were proper.

This amendment would make it compulsory on the part of the Administrator to order decontrol of any area or portion thereof whenever the local advisory board so recommended. The effect of the amendment would be to decontrol the power from Washington. The real issue is whether we should leave the discretion in the hands of the local board, which is established as an advisory board under the provisions of the bill, and which knows more about conditions locally than any administrator in a bureau in Washington could possibly know. The question is whether the local boards shall have the power to decontrol, or whether that power shall be reposed in some individual in Washington. I believe that a better, more just, and more workable rent control would result if the power to decontrol were placed in the hands of the local advisory boards, rather than in the hands of an administrator in Washington.

In my judgment, in almost every case those who are to make the recommendations, and who are recognized for that purpose, would know more about local conditions and would be in a better position to pass upon the question of whether or not there should be decontrol, than would any administrator in Washington who has never been on the scene and knows nothing about local conditions.

Mr. CAIN. Mr. President, the amendment which has been offered by the distinguished Senator from Arkansas is one for which I personally have great sympathy. If I understand the intent and purpose and substance of his amendment, it is that the local boards throughout the country shall make recommendations to the National Housing Expediter which, when once made, shall be accepted by the Federal Rent Administrator as binding on him.

However, representing the committee, I shall oppose the Senator's amendment because of the single fact that it violates the premise on which the bill pending was constructed. We have before us a piece of proposed legislation called the Rent and Housing Act of 1948. For as long a time as the Federal Government is to be entirely responsible for the administration of rent control, it seemed wise and proper to the Committee on Banking and Currency that the Federal Government, through its Federal Rent Administrator, should be held directly responsible to the Congress.

There happen to be a very great number of reasons for an amendment such as has been offered by the Senator from Arkansas, because it appears to be singularly true that during the course of the past year the Housing Expediter has failed to give sufficient consideration to requests made of him by local communities throughout the land. That was recognized very early in the committee hearings.

I can only say by way of hope and encouragement to the Senator from Arkansas that the committee was so conscious of the dereliction in that sense of the National Housing Expediter that it worked with him to the end that the Housing Expediter in the future should approve recommendations of the local advisory board, rather than deny them, if the local board did a conscientious and factually good job. In too many cases during 1947 such recommendations were disapproved.

Mr. McCLELLAN. Did the hearings develop any information as to the number of instances in which recommendations had been made, and the number of such recommendations acted upon favorably?

Mr. CAIN. We have the information available. It will require a few minutes to locate it. Somewhat more than 50 percent of the recommendations made by local boards throughout America were denied for one reason or another—generally for this reason: The Housing Expediter, after he had reviewed a recommendation, would write back and say, "The recommendation is not properly substantiated." His fault lay in the fact that he had never told the local boards, prior to the time they were to consider these questions, how they should properly substantiate a recommendation. So when the recommendation came to the Expediter, he returned it with the statement to which I have referred.

Mr. McCLELLAN. In other words, it was found that the Administrator simply never undertook to carry out that provision of the law.

Mr. CAIN. I would not use the word "never." He did approve the recommendations of a number of local communities, and I now am prepared to give the figures on the subject.

Mr. McCLELLAN. I should like to know the comparative number.

Mr. CAIN. But by no means did he do the sort of job the Congress had in mind when it passed the law of 1947.

In answer to the Senator's question, I should like to quote from the testimony given by Mr. Woods before the Banking and Currency Subcommittee on Rents and Housing. I read now from page 61:

> As of today there are 665 local rent advisory boards in 552 defense-rental areas. A total of 4,485 members have been appointed to rent advisory boards. The Office of the Housing Expediter has received only 39 board recommendations for the decontrol of areas or portions of areas affecting about 229,000 housing units. Of these recommendations, 16 have been approved, 16 have been denied, and 7 are pending. The Office has also received 40 board recommendations for general rent increases affecting about 1,900,000 housing units of these recommendations, 4 have been approved, 19 have been rejected, and 17 are pending. In addition to the recommendations for decontrol and general rent increases, the Office of the Housing Expediter has received 358 expressions of opinion from rent advisory boards indicating the need for continuing rent control for approximately 8,000,000 housing units. The office has also received 148 expressions of opinion by rent advisory boards that no general rent increases should be made at this time for approximately 2,000,000 housing units.

I believe that is the information the Senator from Arkansas desired.

Mr. McCLELLAN. I appreciate the Senator's giving it to me.

Let me ask what assurance have we now from the Housing Expediter that there will be any change in his policy with respect to decontrol.

Mr. CAIN. I have assurance, and it is only because of the assurance that we have that I feel qualified to oppose the Senator's amendment. The most important recognition that the Federal Rent Administrator has made is that without competent direction to local boards, they necessarily are going to be ineffective. They never have been instructed as to what they shall do in order to get the Federal Government at the top level to go along with their recommendations. Therefore, the Acting Housing Expediter, in recognition of that extremely serious fault in his present procedural armor, is presently—and I am confident that he is trying to do a first-class job—drawing up a list of questions which normally should be answered by any community in the United States so long as there is a rent-control law. Those are questions as to the substantial reasons why the Federal Government should grant general increases in rents, or keep rents where they are, or decontrol a portion of an area or an entire area, or decontrol a class of housing in either an entire area or a portion of an area. That is going a long way to answer the Senator's question, but I can answer it in no other way.

But the Housing Expediter is endeavoring to establish that standard, as a result of which he can approve such recommendations. I should say that there should be almost no exceptions to his approval of any recommendations coming from a community which has properly prepared.

I say in conclusion that I have come to know the Acting Housing Expediter and his staff rather well, and I think that as a result of rather long, drawn-out hearings, they have gotten a different concept of what the Congress wishes them to do. I am satisfied that in the year gone by they have not given to local boards the consideration they should have given; but now they are satisfied that the Congress created the local boards in order to let Uncle Sam, the Federal Government, know what the people of the country were thinking and what they wished to have done, and I am satisfied that in the future we shall not have the unsatisfactory experience we have had in the past.

Mr. BALDWIN. Mr. President, I understand that the bill reported by the committee changes the language of the old act with respect to the representation on the local boards—that is to say, that the pending bill says that representation on the boards insofar as practicable shall be such that each board will consist of a group representative of the affected interests in the area. Is that correct?

Mr. CAIN. That is correct.

Mr. BALDWIN. I should like to support the distinguished Senator from Arkansas in this matter, because it seems to me that we should put back into the local communities as much of this control as we can possibly put there. I agree with him when he says the people of the local communities are better able to make this determination on a sound factual, just basis than is some Federal official in a distant capital.

So, Mr. President, I hope the amendment will prevail.

Let me say that I wish to join with my distinguished friend the Senator from New York [Mr. IVES] in commending the distinguished junior Senator from Washington [Mr. CAIN] on the work he has done on this proposed legislation. I know he has put in long hours on it, and he has been of great service to the Senate and to all others who are interested in this question in assembling a tremendous fund of knowledge on the entire subject. I wish to express my appreciation for the able, intelligent, and patient way in which he has handled this entire situation.

Mr. CAIN. Mr. President, will the Senator from Arkansas yield to me, to permit me to respond to the Senator from Connecticut?

Mr. McCLELLAN. I yield.

Mr. CAIN. I should like to raise several questions with the Senator from Connecticut, in response to his statement in support of the amendment of the Senator from Arkansas.

We have a Federal law which begins at the top and works down. It is agreed by everyone in the Congress that we wish to get rid of this law at the earliest possible time. But until such time as the United States does get rid of it, I think all of us want it to work in the best way possible.

If we adopt the Senator's amendment, thus permitting a local community to do whatever it likes, I think we wish to believe that the Federal law will permit the communities to do good things, but likewise will not permit them to do bad things. I have had some experience with local boards throughout the Nation. I think it is safe to say that 80 percent of them are competent and, I hope, very adequate. But there are exceptions to that rule.

If we adopt this proposal—for which again I say I have much sympathy, for I understand its intent—what will the Congress do about the conduct of a local board with which we completely and totally disagree? That will happen. We shall not be able to call up the Federal Rent Expediter and say to him, "Straighten this out," because he will say to us, "You have passed a law by which you have told me that I must be guided by what that local rent-control board says."

Mr. President, there will be instances in which we shall know beyond question that a local community should decontrol rents in an area, but there will be no way by which we can assure the decontrol of that area, if we take from the Federal Housing Expediter the authority to insist on decontrol, if the local community, through its rent board, insists on continuing rent control.

It is a difficult problem, whatever we do. But the theory and premise of the bill is that the Federal law should go from the top down to the bottom. So I say we should hesitate before we change it.

Mr. GEORGE. Mr. President, I should like to ask a question of the Senator.

Mr. CAIN. Certainly.

Mr. GEORGE. Under this bill, does the Housing Expediter, or whatever he is properly called, have authority to decontrol regardless of the local board's recommendation?

Mr. CAIN. He has, indeed. It runs parallel. The local board is empowered to recommend to the Federal Administrator rent decontrol for its jurisdictional area.

Mr. GEORGE. Yes; but he has the over-all power; does he not?

Mr. CAIN. Yes; he has the over-all governing power.

Mr. GEORGE. Does he have it regardless of the local board's recommendation?

Mr. CAIN. Yes. I may say to the Senator from Georgia that the Federal Administrator can either approve the recommendation of the local board for decontrol, or he himself, through his authority, can decontrol the same area.

Mr. GEORGE. I would hope very much that he would have that power, because I know of an instance in my own State where controls have been applied since the end of the war in what is largely an agricultural county, where there was not a single war project. In that county there was a flying field auxiliary to a training field many miles away. I would hope very much that there might be some authority in the

Federal Administrator to decontrol regardless of the local board.

Mr. CAIN. And regardless of anyone else at all. The Senator has been correctly informed.

Mr. McCLELLAN. I desire to point out that my amendment takes no authority away from the Administrator or the Housing Expediter, who, using his own judgment, would still have power to decontrol at any time. He is left free to do that, but it simply requires decontrolling when the local board recommends it, that is all. He may still act upon his own judgment and decontrol in any case in which he is satisfied it should be done, whether the board recommends it or not. The point I am trying to make is, I do not know of any instance in which he can decontrol unless and until a local board recommends it.

Mr. CAIN. The area of disagreement between the Senator and myself, as I see it, is merely one of degree. Like all other Senators, we both want the recommendations of the local communities to be approved by a Federal officer. That is the sole reason for creating local boards. The Senator wants their recommendations to be binding on the Housing Expediter. It is the opinion of the committee that, for so long a time as there is a Federal rent-control law, a top Federal agent must be held responsible for determining the validity of recommendations made in local rent areas.

The Senator asks me, representing the committee, whether there is reason to believe that the Expediter in the future is going to understand the intent of Congress, as some of us think he did not in the past. I want to say to the Senator that that bureau, like every other bureau, so far as I know, has its very best agents constantly in attendance upon the Senate. I can look over my left shoulder and undoubtedly and undeniably see the counsel for the Office of Housing Expediter. I can see the legislative representative, who attends all our rent hearings. They are doing what they ought to do, drinking in every word concerning what the Senate wants. I have not the slightest doubt that when the bill is passed, whatever its form may be, the gentlemen to whom I refer are going to entertain no conceivable doubt as to what the Senate wants. I may say in that connection that the Senate wants any reasonable request by an American community, wherever situated, in which there is a local rent advisory control board, to be approved by a Federal Rent Administrator. To make it a two-way street, we think the local community ought to do a good, competent, factual job in making recommendations to the Federal Administrator.

Mr. MYERS. Mr. President, is it a fact that the Federal Administrator or Housing Expediter has moved to decontrol in certain areas on his own initiative?

Mr. CAIN. I think that is correct, if my memory is accurate. I shall verify it.

Mr. MYERS. The Senator from Arkansas had propounded that question, but I did not hear the reply. I had understood that the office in Washington did not always wait for the community or area board to make a recommendation, but did it upon their own motion, and that they had recommended decontrol in certain areas.

Mr. CAIN. They have that power.

Mr. MYERS. I know they have the power, but they have actually moved to decontrol without action having been initiated by a local board, have they not?

Mr. CAIN. I think that is true. I would say further to the Senator from Pennsylvania, if I may, that decontrol in America has gone about like this: A score of areas or portions thereof have been decontrolled. But that is not the important thing. Consider the number of people living within those areas. Some 229,000 of them have been decontrolled. But what gives cause for concern, I think, is that some 14,000,000 people still remain under rent control.

Mr. McCLELLAN. Is the Senator certain they have acted on their own initiative in decontrolling? Is the Senator able to cite cases?

Mr. CAIN. I think we can find them.

Mr. McCLELLAN. I shall not insist, but I should be interested in knowing if there are specific cases in which they have decontrolled without waiting on the local board.

Mr. CAIN. I think counsel who are present are now looking for those references. If I may repeat what I said, in the committee's opposition to the amendment, however sympathetic we are toward it, we feel that for so long a time as this country thinks it proper to have a Federal rent control law, the Congress ought to hold primarily responsible to it an agent called a Federal Rent Administrator, whom we can contact on a telephone and daily communication basis, here in Washington. We do, however, expect him to give full and thorough consideration to the recommendations made by local communities. For that reason the committee stands in sturdy opposition to the Senator's amendment.

Mr. MYERS. Mr. President, allow me to also compliment the chairman of the subcommittee on his frankness, his sincerity, and his tireless efforts displayed in the hearings on the question of extending rent control. The particular amendment before the Senate goes to the very heart of rent control. Senators who favor Federal rent control should vote for the bill as written. If we favor decontrol and desire to turn it back to the States, to the cities, or to the communities of America, then we should vote for the amendment that has been submitted by the Senator from Arkansas. The Senator from Arkansas says, and his amendment so provides, that any defense-rental area can be decontrolled upon recommendation by the local advisory board. It takes all power away from the Federal Administrator and turns it over to a group in the local community. It is fine to say we want to turn such power back to the local communities or the States; that we do not want the Federal Government, or the Government in Washington, to reach out and touch the lives of all Americans; that is a fine general statement; but here we are turning back to local boards the power to decontrol, and I think there is a grave constitutional question whether or not the Congress can turn over to local boards, not really appointed by the Congress but appointed by the governors in the respective States, policy-making powers. We can delegate to the Housing Administrator certain policy-making powers, but under the NRA "sick chicken" decision, I do not believe we can delegate such powers to a local board. I think it is unconstitutional. More than that, it destroys rent control as it has been viewed during the past few years. Certainly there should be local advisory boards. Certainly we should spell out to the Administrator, if we can, the various matters that he should take into consideration, when the local boards make their recommendations to him for decontrol; but I am convinced that we should allow the power of decontrol to remain in the hands of the Federal Government and not turn it back—not merely to the States, Mr. President, as another amendment provides, but to local areas, local boards. There would be confusion worse confounded. I am convinced that within a short period of time, perhaps a matter of months, it would destroy effective rent control. For those who believe in the extension of rent control, for those who believe there is still a necessity for rent control, for those who are of the opinion that the time has not yet arrived to decontrol, I believe they have no other course than to vote against the amendment. I feel that, should the amendment prevail, we would within a very very short time see the end of all rent control; and this, at a time when adequate housing accommodations are not yet available for the people of America.

Mr. McCLELLAN. Mr. President, I know that it is thought by some that all power should be centralized in Washington, but I believe that we shall have better rent control and better cooperation if the responsibility be placed on the local communities. I do not think local boards will recommend decontrol or will decontrol without having some justification for it. They all know the importance of rent control where it is needed. I maintain that they know more about it and are more able to determine the equities of the situation than can any administrator or expediter in Washington.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN]. [Putting the question.] The ayes seem to have it.

Mr. MYERS. Mr. President, I ask for a division.

The PRESIDING OFFICER. A division has been requested.

Mr. MYERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Cooper	Hawkes
Barkley	Cordon	Hayden
Brewster	Donnell	Hickenlooper
Bricker	Downey	Hill
Buck	Dworshak	Hoey
Butler	Ecton	Holland
Byrd	Ferguson	Ives
Cain	Flanders	Jenner
Capper	George	Johnson, Colo.
Chavez	Green	Johnston, S. C.
Connally	Gurney	Kem

Kilgore	Millikin	Stewart
Knowland	Morse	Taft
Langer	Murray	Thomas, Utah
Lodge	Myers	Thye
McCarran	O'Conor	Tobey
McCarthy	O'Daniel	Umstead
McClellan	Overton	Vandenberg
McFarland	Pepper	Watkins
McKellar	Robertson, Va.	Wiley
McMahon	Saltonstall	Williams
Magnuson	Sparkman	Young
Malone	Stennis	

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

A division has been requested on the amendment of the Senator from Arkansas.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

Mr. CAIN. Mr. President, I wonder if the Senator from Oregon will defer his suggestion for a moment. Would it be agreeable to him that we have another division prior to determining whether the yeas and nays shall be ordered?

Mr. MORSE. That is agreeable.

The PRESIDING OFFICER. The yeas and nays have been requested. Is the request sufficiently seconded?

The yeas and nays were ordered.

Mr. MYERS. Mr. President——

The legislative clerk proceeded to call the roll, and Mr. BALDWIN voted "yea" when his name was called.

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CAIN. Mr. President——

Mr. MYERS. I yield to the Senator from Washington.

Mr. CAIN. I think that because of the importance of the amendment it might be very proper to have it read.

Mr. TOBEY. Mr. President, I make the point of order that the roll call had started.

The PRESIDING OFFICER. The Senator from Pennsylvania addressed the Chair before the roll call had started.

Mr. BARKLEY. No one had responded.

Mr. TOBEY. Yes; the Senator from Connecticut [Mr. BALDWIN] had responded.

Mr. BARKLEY. I was not aware of that.

The PRESIDING OFFICER. The Senator from Pennsylvania addressed the Chair before there had been a response from the Senator from Connecticut. Therefore the Senator from Pennsylvania was recognized, and he yielded to the Senator from Washington. The suggestion has been made that the amendment be read. That is proper from a parliamentary standpoint.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I should like to ask if the RECORD does not in fact show, however, that the clerk of the Senate did start calling the roll, and that a Member of the Senate did answer when his name was called, and that, therefore, under the rules of the Senate, the roll call must proceed, a Member of the Senate having answered and indicated his position on the vote being taken.

The PRESIDING OFFICER. Under the precedent, the Senator from Pennsylvania having addressed the Chair before the response of the Senator from Connecticut, he was properly recognized.

Mr. MYERS. I yielded to the Senator from Washington.

Mr. CAIN. Mr. President, I take it that the reason for asking for the yeas and nays, as many Senators have done, is the desire for a vote on a proposal with which we are thoroughly familiar. It seems to me that a number of Senators now present in the Chamber were not here during the debate which has recently taken place, and I would suggest, with the indulgence and support of the Senator from Arkansas, that his amendment be read for the information of Senators generally, and that then we might reflect very briefly on what the Senator has in mind.

The PRESIDING OFFICER. Without objection, the clerk will state the amendment.

The CHIEF CLERK. On page 9, line 18, it is proposed to strike out the period, insert a comma after the word "met," and insert the words "or when decontrol in any such area or any portion thereof is recommended by the local advisory board appointed as provided for in section 204 (e) (1) and having jurisdiction over such area or portion thereof."

Mr. McCLELLAN. Mr. President, I am sure everyone wants to expedite action on the pending measure. I do not want to go over everything I have heretofore said in support of the amendment. I wish, however, to make clear that under the law as it is now written, and under the pending bill, the local boards can recommend, and that is all. The Expediter can reject. He can deny the recommendations of a local board with reference to decontrol of an area or any portion of an area. All the amendment does is simply to make the recommendation of the local board binding on the Administrator. If the local board recommends decontrol, then the Administrator or the Expediter must order decontrol in that area.

Mr. President, the amendment does not take away from the Expediter the power and authority to decontrol on his own initiative if he determines to do so. It simply makes the recommendations of the local board binding on him whenever the local board recommends decontrol.

Mr. CAIN. Mr. President, the Banking and Currency Committee opposes the amendment of the Senator from Arkansas for two reasons. First, the Banking and Currency Committee is of the opinion that for so long a time as there is a national rent-control law in America the Congress of the United States should hold directly responsible to it a Federal official, whose title in this instance is the Federal Rent Administrator. The committee agrees with the Senator from Arkansas in his desire that properly forwarded recommendations by a local rent advisory control board should prevail. But we feel that the judgment as to the adequacy of the recommendation from a local rent advisory board should vest in a Federal agent whom Congress can hold responsible.

The second committee objection to the amendment offered by the Senator from Arkansas is to the nature of the amendment itself. It provides very simply that any recommendation for decontrol in any area made by a local rent-control board shall be approved by the National Expediter. But the amendment is entirely lacking in a standard. What, therefore, would it mean when a local rent board in any area of America should recommend decontrol? It might mean anything. It might mean a sentence on a piece of paper signed by a chairman and four colleagues, "That in our opinion"—which does not mean "our opinion based on the facts"—"in our opinion this area should be decontrolled." The Federal Administrator would have no recourse other than to approve.

We have listened today to the troubles, for example, inherent in the New York situation and in other metropolitan areas. If the amendment should prevail, it would permit five men who might possibly, and probably could do an utterly bad job, to decontrol an area where great harm would accrue to numbers of individuals.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. McCLELLAN. I should like to ask the Senator from Washington a question. What is there to keep the Administrator, or the Expediter, from promulgating regulations as to the form in which decontrol can be recommended?

Mr. CAIN. There is nothing to prevent him from doing so.

Mr. McCLELLAN. Has he done so in the past?

Mr. CAIN. No.

Mr. McCLELLAN. It has not been done in the past. In other words, what I am calling to the attention of the Senate is that, under the law as it now is, in the past the rent control officials have not undertaken to give it an opportunity to function. They can set up regulations or forms providing how decontrol shall be recommended. I contend that there will be better administration, fairer administration, when a local board acts and recommends, because a local board is better able to know the local conditions than officials in Washington.

Mr. CAIN. I may say two things in answer to the Senator from Arkansas. First, I think the Senator from Arkansas has made a great public contribution in drawing the maladministration of the past, the resistance in the past to accepting local area recommendations, to the attention of the Senate and the officials of the Office of Rent Control who now sit in the gallery, and to the people of America. It would be the committee's opinion, however, that for so long a time as we have a Federal law we must vest the responsibility for final judgment in a Federal agent. Were the Senator's amendment to prevail it would, from my standpoint at least as one individual Senator, take away every conceivable reason for continuing the national rent control law in the United States.

Mr. MYERS. Mr. President, there has been considerable condemnation of the Housing Expediter for his failure to

act on the recommendations of the local boards. The record, however, discloses that the office of the Housing Expediter has received only 40 board recommendations for the decontrol of areas or portions of areas affecting about 229,000 housing units. Of these recommendations, 16 have been approved, and 16 have been denied. Seven are now pending. In view of that record, I cannot understand why there has been so much condemnation. It seems to me the Housing Expediter is giving thoughtful attention and consideration to the boards' recommendation. We must, however, remember that they are advisory boards.

Mr. President, I do not like to be repetitious, but I point out to the Senate—because there were only 24 Members of the Senate present when a division was called for—that the amendment goes to the very basic philosophy of rent control, to the very heart of the subject. The Committee on Banking and Currency gave considerable time to the question, and I am sure its members discussed it pro and con. Yet they come forth with a bill which keeps the boards as advisory boards. There are more than 600 advisory boards, as I understand, in the country. There exist 600 different standards, 600 different sets of regulations, because there are no standards prevailing.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. TOBEY. I wish to interpolate that the Senator from Pennsylvania is entirely correct in what he has said. I point out to the Senate that after the subcommittee, composed as it was of able Senators, had considered the subject at length, the full Banking and Currency Committee went over the bill seriatum, and what we did was to approve the bill unanimously with the provision in question contained in it, after giving due thought to it.

Mr. MYERS. I thank the chairman of the committee.

Mr. President, it is proposed to set up 600 different standards, because there are 600 different boards. All a board would do, under the amendment, would be to recommend to the Housing Expediter the decontrol of a given area, and ipso facto that area is decontrolled. That is not good legislation. It is not good rent control. I repeat that I think the proposed action would be found to be unconstitutional, because we would be turning over to the local boards the policy-making powers and functions of the Congress of the United States. For that reason I am sure it would be found to be unconstitutional. But more than that. It would not work successfully. It is an effort really to decontrol and to destroy what we are talking about this afternoon.

So I hope, Mr. President, that if we are desirous of maintaining fair standards for the tenants of America, if we are desirous of giving them protection for the next year and a half, we will vote down the amendment, because under the amendment tenants would have little or no protection.

I hope the amendment will not prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. MCCLELLAN]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. KNOWLAND. I announced that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. BALL], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN], the Senator from Nebraska [Mr. WHERRY], and the Senator from Illinois [Mr. BROOKS] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness and, if present and voting, he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], the Senator from Kansas [Mr. REED], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

Mr. BARKLEY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Illinois [Mr. LUCAS] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Rhode Island [Mr. MCGRATH] is unavoidably detained on public business.

The Senator from Georgia [Mr. RUSSELL], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

If present and voting, the Senator from Rhode Island [Mr. MCGRATH] and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 25, nays 43, as follows:

YEAS—25

Baldwin	Hickenlooper	McKellar
Bricker	Hoey	Millikin
Buck	Holland	O'Daniel
Butler	Johnson, Colo.	Stennis
Byrd	Johnston, S. C.	Stewart
Connally	McCarran	Watkins
Dworshak	McCarthy	Williams
Ecton	McClellan	
George	McFarland	

NAYS—43

Barkley	Hill	Overton
Brewster	Ives	Pepper
Cain	Jenner	Robertson, Va.
Capper	Kem	Saltonstall
Chavez	Kilgore	Sparkman
Cooper	Knowland	Taft
Cordon	Langer	Thomas, Utah
Donnell	Lodge	Thye
Downey	McMahon	Tobey
Ferguson	Magnuson	Umstead
Flanders	Malone	Vandenberg
Green	Morse	Wiley
Gurney	Murray	Young
Hawkes	Myers	
Hayden	O'Conor	

NOT VOTING—28

Aiken	Lucas	Smith
Ball	McGrath	Taylor
Bridges	Martin	Thomas, Okla.
Brooks	Maybank	Tydings
Bushfield	Moore	Wagner
Capehart	O'Mahoney	Wherry
Eastland	Reed	White
Ellender	Revercomb	Wilson
Fulbright	Robertson, Wyo.	
Hatch	Russell	

So Mr. MCCLELLAN's amendment was rejected.

Mr. CAIN. Mr. President, on behalf of the Senator from Utah [Mr. WATKINS] who is necessarily absent, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Washington on behalf of the Senator from Utah will be stated.

The CHIEF CLERK. On page 10, line 13, after "Rent Administrator" it is proposed to strike out "may" and insert "shall."

Mr. CAIN. Mr. President, I should like to say, with reference to what I think and hope and believe is a noncontroversial amendment, that the amendment is offered by me on behalf of the Senator from Utah [Mr. WATKINS]. In his absence I am very pleased to offer it.

The present law provides that the governor of any State shall be given 30 days within which to make recommendations to the Housing Expediter of the names of individuals to sit on local rent advisory boards. The law also provides that if the Expediter has not heard from the governor within 30 days, the Expediter may appoint members to the vacancies.

This amendment provides that if the Expediter does not hear from a governor within 30 days after the governor has been notified as to what is expected of him in the way of recommendations, the Expediter shall make the appointments, in order that the Federal Government may make certain that no area is without a local rent advisory board in States where governors, sometimes for very solid reasons, have not moved reasonably rapidly.

I think I can safely say that the committee favors the amendment of the Senator from Utah.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN] on behalf of the Senator from Utah [Mr. WATKINS].

The amendment was agreed to.

Mr. BALDWIN. Mr. President, I have an amendment which I desire to offer and have considered. I offer it now, and send it to the desk and ask that it be stated. It is offered on behalf of the Senator from New York [Mr. IVES] and myself.

Mr. CAIN. Mr. President, would it be proper to suggest to the Senate that so far as the Banking and Currency Committee knows, there are but two amendments remaining to be acted on before the bill is completed by way of amendment? I hope it is proper to make that statement, because I think Senators would like to have that information.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut, on behalf of the Senator from New York [Mr. IVES] and himself, will be stated.

The CHIEF CLERK. It is proposed on page 5, line 7, to strike out "; or" and insert in lieu thereof a period; and strike out lines 15 to 19, inclusive.

On page 14, to strike out lines 18 to 19, inclusive.

On page 14, to strike out lines 20 to 22, inclusive, and insert in lieu thereof the following:

(c) Section 209 (a) of such act is amended by striking out the word "or" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon and the word "or", and by adding at the end thereof a new paragraph (6) to read as follows:

On page 14, line 23, to strike out "(5)" and insert "(6)."

On page 15, line 7, to strike out the word "or" and after "(5)", insert "or (6)."

Mr. BALDWIN. Mr. President, this amendment sounds extremely complicated, but it simply would restore controls to housing accommodations which are nonhousekeeping in nature and are in a single-family dwelling unit not used as a boarding house, which dwelling unit is occupied in part by the landlord or his immediate family. The amendment further provides for the retention in the bill of section 209 (a) (5), which permits the eviction of tenants enjoying such type of housing accommodations.

In other words, this amendment would continue under controls rooms that are rented to persons who live in a single-family dwelling unit. I may say that in various large industrial areas there are a great number of workers who live as roomers in houses occupied by a single family. Sometimes such persons are single, but oftentimes they are married and live there with their husbands or wives.

This amendment would also continue under controls a large number of accommodations used by college students who are unable to find accommodations in a college dormitory or on a college campus, but who can find accommodations in a house occupied by a family in the town where the college is located. It seems to me this group is very important and is very large. It is a group that needs the protection of continuing controls, if any group does.

So I urge adoption of the amendment.

Mr. CAIN. Mr. President——

Mr. IVES. Mr. President, will the Senator yield to me?

Mr. CAIN. Certainly.

Mr. IVES. Before the Senator from Washington speaks on this amendment, I should like to point out that it applies to students probably more than to anyone else. I refer to students who are now in colleges or universities, and who have gone there after coming out of the armed services—in other words, the ex-GI's.

The Senate will recall that the Congress has already enacted legislation increasing the subsistence allowance for such veterans. So it seems to me rather extraordinary that at this time we would, after increasing their subsistence allowance, eliminate all control over the housing accommodations which many of them occupy.

This amendment keeps the situation in line for them, as well as for the others to whom the distinguished Senator from Connecticut has referred.

I think we are thus requesting to have a wholly just provision replaced in the bill, for it was in last year's act. So I trust that the amendment will be approved by the Senate.

Mr. LANGER. Mr. President, will the Senator yield to me for a question?

Mr. CAIN. I yield.

Mr. LANGER. Would the amendment include trailer camps in the vicinity of colleges and universities? In my State the rents on trailer camps for ex-GI's have been raised to what I regard as fantastic heights.

Mr. IVES. Mr. President, if I may make a comment in reply, let me say I do not think the amendment includes trailer camps or accommodations of that type. I do not know what is the interpretation in rental areas in regard to accommodations of that nature.

Mr. CAIN. Mr. President, if the Senator from North Dakota will permit me to answer the question, I may say that this amendment has nothing to do, either directly or indirectly, remotely or otherwise, with the trailer-camp situation to which he has referred.

Mr. LANGER. But for these purposes, such trailer camps are in the same category as dormitories at colleges or universities.

Mr. CAIN. However, the amendment offered by the Senator from New York and the Senator from Connecticut relates to single-family dwellings and accommodations in dwellings of that nature.

Mr. LANGER. But the trailer camps I have in mind are similar to college dormitories.

Mr. CAIN. But trailer camps are no longer under control. They were decontrolled by virtue of the 1947 law. Today they are not controlled. Today there are no rent regulations on trailer camps throughout the United States.

Mr. TOBEY. Under the present law they are not controlled.

Mr. LANGER. I thank the Senator very much for his comments.

Mr. CAIN. Mr. President, as I recall, and I think I am correct, every member of the Banking and Currency Committee who voted on the committee's premise to take out of the pending bill the single-family dwellings to which the amendment of the Senator from New York and the Senator from Connecticut applies—every one of those Senators, regardless of on which side of the aisle he may sit—will resist as strenuously as he can the amendment which has been offered by the Senator from New York and the Senator from Connecticut. Their opposition is on the basis, I think, of the substance of the following brief statement, which I trust most Senators will find it convenient to listen to and consider: The effect of the amendment offered by the Senator from New York and the Senator from Connecticut, if adopted, would be to prevent the decontrol of rooms in single-family dwellings, which decontrol is presently provided for in the bill. I urge that all Senators remember the use of the phrase "decontrol rooms within single-family dwellings."

This amendment we oppose because it would keep under control a man's own home in which he lives. The provision of the bill on this question prevents automatic decontrol if such a person takes in more than two roomers. We are talking about only individual homes in the United States which presently have within them not to exceed two paying guests. The present law allows the eviction of such roomers under applicable State law.

Inasmuch as most of these arrangements are not purely business ventures, the profit motive is by no means as strong as it is in the case of rooming-house operators. We are not talking about rooming houses or boarding houses, but we are talking about single-family dwellings in which there are not to exceed two paying guests.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. BALDWIN. I simply wish to point out, because the Senator is coming to this point in the course of his statement, that this amendment preserves the provision of existing law to the effect that such persons can be evicted if the landlord does not want them there any longer.

Mr. CAIN. Yes.

Mr. BALDWIN. There is nothing that compels him to keep them.

Mr. CAIN. I understand that, and I think the other members of the committee do, too.

Mr. BALDWIN. The only thing that the complete decontrol of this type of housing accommodation would give is the ability of the landlord to raise the rent sufficiently high to put such persons out.

I feel very strongly, as the distinguished Senator from New York has said, that a great many young men and young women formerly in the armed services and now in college are finding it extremely difficult, in view of the cramped quarters on most college campuses, to find places in which to live. I cannot believe that the people who now have these students in their homes as roomers would object to a continuation of the controls. I think the cases in which they would want to get rid of them are very few, indeed; and I think this amendment preserves the legal procedure and right to do so if they wish to.

Mr. CAIN. Mr. President, it is the feeling of the junior Senator from Washington, in commenting on this matter, that what remains of the statement he is giving on this subject is a clear and, from our point of view, undeniable refutation of the position which has so sincerely, honestly, and strenuously been taken by the Senator from Connecticut in his recent remarks.

Under the present law, where paying guests are charged a nominal rent, or are merely thought to repay the normal occupant of the house the additional expense caused by the presence of the guest, that becomes the maximum rent in the absence of an appeal on a hardship basis, which such normal occupant is not likely to take, in view, generally, of the small amount of money involved and his personal or semipersonal relationship with his paying guests. The normal occupant may under the present law say—and I think this is quite true—

"I must evict you from your room. I would rather raise your rent to an amount necessary to meet the added costs entailed by your presence here today as compared with costs the day you arrived, but neither of us can legally agree to do that until we get the blessing of the Rent Administrator through the involved procedure of processing a hardship case. As to that, while we know the cost to me of operating my house has increased because of your presence here, it is difficult to itemize its details on the form required by the Housing Expediter, so we have no assurance that a hardship petition would be granted." I put it on that personal basis, because that is exactly what we are talking about, the average small family in America that opens its doors and in many cases its hearts and takes in not to exceed two paying guests, a purely personal situation within the over-all housing problem.

What a situation this Nation has placed itself in. The small home owner and his paying guest cannot mutually agree upon the guest's contribution toward expenses in the home without first obtaining the consent of a mighty Federal bureaucracy, whose intervention neither the paying guest, the landlord, the owner, nor the Rent Administrator wants in a picayunish item of this character. How, then, are we building respect for law in this field, when, if an owner and his guest wish to violate the terms of the act or feel that compliance with its terms is too onerous, no one but the two need ever know of the violation? In the present situation a paying guest, in agreement with his landlord, can pay anything he wishes to pay, if they want to break the law. We think they are being required to break the law, when common sense, from our point of view, would dictate that they ought to have a right to agree on whatever rent may be satisfactory to both of them.

I can cite the following accommodations advertised in only one of the newspapers of general circulation in this area. Under the heading of "Rooms furnished," 391 such accommodations located in the District of Columbia alone were offered as of Sunday. Forty-four additional advertisements appeared offering such accommodations in nearby Virginia and Maryland, yet I could find only 17 advertisements in the same newspaper under the heading of "Rooms wanted." To my knowledge, the record of the extensive hearings contains not a single identifiable case involving an action by such a paying guest for treble damages, or an action by the Housing Expediter for an injunction to prevent the home owner from making an overcharge in the case of housing accommodations such as those referred to.

An amendment such as the one which the two Senators have submitted, to continue controls upon the American home owner in his own home, will surely discourage in the future, that fine degree of cooperation which has been evidenced by home owners as a class in accepting within the bosom of the family circle those who often have needed a place in which to sleep. I remind the Senator, as I said last Friday in presenting the bill for consideration, that a man's home is his castle, and I think if there is a single, solitary instance in which we can safely leave to a tenant and a paying guest the agreement as to what shall be charged, it is in the realm of a man's own home, when a single dwelling is restricted to not more than two paying guests.

For these reasons the committee is strongly in opposition to the amendment which has been submitted by the Senators from New York and Connecticut.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. CAIN. I yield.

Mr. IVES. I should like to ask the distinguished Senator whether there was much evidence presented at the hearings on the question he is now discussing.

Mr. CAIN. I think it is safe to say that the committee gave as much consideration, not only to the details of the problem but to the principle involved, as it did to any other subject considered by the full committee.

Mr. IVES. The Senator is not answering my question. The question is, Was there much evidence presented at the hearings on that question?

Mr. CAIN. I misunderstood. I think there was a considerable amount of evidence, running throughout the hearings, to indicate, first, that in many areas there is no shortage of any kind in this particular field. There was evidence from a number of interested Americans who thought that whereas it might be proper to continue controls on apartment houses, hotels, and residential hotels, there was no justification for imposing any restrictions on what a man could do within his own individual home.

Mr. IVES. I should like to ask the Senator another question. The type of information I am trying to obtain is whether those who appeared at the hearing protested in any way because of the condition which prevails at the present time under the existing law.

Mr. CAIN. No. We initiated it, because we conceived that, among other things, to be a responsibility of a committee charged with studying the rent problem. We expected questions would be raised.

Mr. IVES. Then is it true that this is not the result of anything that came out in the hearings?

Mr. CAIN. It is the result of the committee's initiative. In the hearing we would say to witnesses whom we considered to be competent, "Will you reflect on whether or not you think the homes in question should continue under control?" We asked that particular question of a number of witnesses.

Mr. IVES. But it is true, is it not, that no witness was found who came before the committee who, himself, or herself, if any ladies appeared, protested because of the present provision in the law, or because of the way in which it was applied?

Mr. CAIN. I should like to suggest that, so far as we know—and we will check the record to be certain it is accurate—no single individual who thought we were trying to exempt homes from the rent-control provisions of the bill ever came to protest our action. As chairman of the subcommittee, I have been required very naturally to answer thousands of questions on the subject. Except on the floor of the Senate, no one has suggested to me that there should be adopted an amendment such as the one recommended by the Senator.

Mr. IVES. I still have not received an answer to the question I am trying to have answered. Did any home owner come and ask for this type of amendment?

Mr. CAIN. No; no individual home owner.

Mr. IVES. No one who was affected made such a request, in any way, shape, or manner; is that true?

Mr. CAIN. In that sense, I think the Senator is correct.

Mr. IVES. That is the point I am trying to make.

Now Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from New York?

Mr. IVES. No, Mr. President: I should like to get the floor for a half a minute.

Mr. CAIN. I yield.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. CAIN. Certainly.

Mr. IVES. I shall see that the Senator from Washington gets the floor again.

Mr. President, I desire to point out, in the first place, it seems to me that in a condition of this kind a man's home is not exactly his castle. Persons who are renting rooms in their houses for purposes of this kind, no matter what the personal element may be, are also doing it for business reasons. They are not doing it entirely or primarily as a matter of altruism. To the extent they are doing it for business reasons the home ceases to be a castle. That is the way it has been construed, and rightly so. To be sure, if they wanted to invite people to live with them without paying rent, that condition would not prevail.

If, as the Senator has pointed out, it is purely a personal matter, purely an accommodation, something wherein there is no business interest whatever involved, then I see no reason whatsoever for any opposition to the proposed amendment or to the law as it now stands, because those people certainly are being injured in no way whatsoever. The more that is disclosed by the Senator regarding the matter the more I have become convinced regarding the merits of the amendment, and I hope that it will be agreed to.

Mr. BALDWIN. Mr. President, I should like to point out one further thought along the lines suggested by the Senator from New York. Assume we have in a certain city a college in which, as is the case in most cities, a large number of college students are renting room in private homes. Assume that a student looks for a room, finds one, and moves his belongings in, and is then told that next week the room rent will be increased by $2 or $4 or $6. Is it not worth while to protect that class of persons? Does such protection work an undue hardship? Does it do violence to the ancient and honorable concept that a man's home is his castle?

I agree with the Senator from New York that whenever a man rents a room in his home, whatever may be the rea-

son, a business element is involved. But here is a group of persons who, I feel very strongly, are entitled to the same kind of protection as is anyone else so long as we have rent control.

I hope the amendment will prevail.

Mr. MORSE. Mr. President, I do not have with me on the floor an editorial which arrived at my office this morning from one of the student papers in the State of Oregon. It is an editorial which comments upon the bill increasing the subsistence allowance for veterans in college which recently passed the Congress and was signed by the President. One paragraph in the editorial points out that it is already rumored in that vicinity that room rents may be increased as the result of the increase in the subsistence allowance granted to veterans by the Congress. The editorial, which is written by a student veteran, expresses the hope that landlords renting rooms to students at that particular college will not take advantage of the situation by increasing the room rent, because an increase to veterans was granted in order to meet the present living costs, not in order to meet further increases in living costs.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES] and the Senator from Connecticut [Mr. BALDWIN]. [Putting the question.] The noes seem to have it.

Mr. BALDWIN. Mr. President, I ask for a division.

On a division, the amendment was rejected.

Mr. MILLIKIN. Mr. President, I offer the amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 13, to strike lines 3 to 10, both inclusive.

Mr. MILLIKIN. Mr. President, the purpose of the amendment is to get rid of the criminal penalty provision which is in the pending bill. It is a new provision. Two and a half years after World War II we are introducing a criminal penalty in connection with rent control. I shall not enter into any debate as to whether a man's home is his castle. In a sense, that is an exercise in nostalgia. I am interested, however, in seeing that the "jailhouse" does not become the castle of the citizen.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TOBEY. I recall another glowing utterance of the distinguished Senator from Colorado, made approximately 3 years ago, which is still in my memory, and which may have some application now. I commend it to him. On that occasion he said:

> The issue before us smells to me like ancient tombs wherein liberties lie buried.

Mr. MILLIKIN. I thank the Senator.

Mr. President, I shall vote, with considerable reluctance, for the extension of rent control. We are confronted, as I see it, with the iron fact that our supply of housing is not yet up to the demand for housing and, therefore, the tenant cannot bargain at arm's length with the landlord. But the fact remains that in far too many instances the landlords of this country have received very shabby and unjust treatment, ever since rent control went into effect. So long as we are to have rent control I have no objection to a civil penalty, but I hope that at this stage, when our ambition is to get rid of rent control, we shall not for the first time add a criminal penalty. I hope that the committee, on further thought, will accept my amendment. I am not so much worried about what the Attorney General might do with a particular recommendation which might come before him, although I am not oblivious to the fact that, as a rule, in the higher echelons the recommendations of those who make them are usually carried out. But I do object strenuously to the opportunity which the criminal penalty affords for persons in the lower echelons of control to bludgeon landlords into doing things which they should not be called upon to do, in order to avoid the disgrace of criminal action. Of course, if a man is willfully guilty he should be punished; but criminal punishment is not required so long as we can punish him civilly. I am thinking of all of the steps that go on before the question is finally submitted to the Attorney General. I have in mind the long history of OPA under which many of our citizens were unjustly coerced into submission to this, that, and the other exaction to which they never should have been called upon to submit. They submitted in order to avoid having their reputations blemished with false criminal action. It is easy enough, I will say to the distinguished Senator from Washington, to say that if a man is unjustly accused he should stand up and fight it out. Yes, in a sense he should. But that takes time and money. It causes him to endure, in the meantime, the charge of criminality which in the end may turn out to be false. We do not need the provision. We have gotten along without it. Let us not start it while we are in the process of getting rid of the system.

Mr. CAIN. Mr. President, I should like to say to the very distinguished Senator from Colorado that I dislike very much, even in representing the committee, to oppose the amendment which he has just offered. I dislike opposing his amendment because there is so much about what he says that frightens me, as it does him. But the committee considered the problem of how to make reasonably enforceable the law of 1948, and it adopted the policy which included, for the first time, we admit, this criminal provision.

If the Senator will permit me in three paragraphs to give the reasons which moved the committee, I shall be deeply in his debt, for I feel the subject is deserving of the careful consideration of every Senator on both sides of the aisle.

I wish to explain for the record the reasons which prompted the committee to include this particular provision in the bill. On the basis of testimony presented during the hearings the committee was of the opinion that the 1947 act lacked adequate enforcement provisions. The committee decided to strengthen the existing act by including the provision under consideration rather than by granting the Housing Expediter the authority to conduct suits against landlords for treble damages.

The committee almost in its entirety was in opposition to the recommendation which would permit the Housing Expediter to sue a man for treble damages, and as soon as we evolved our opposition to the Housing Expediter's recommendation, we looked for a way which would bring about adequate enforcement, and we moved in the direction of an adequate recommendation, against which the Senator from Colorado is opposed.

Without a criminal sanction provision, the bill may be enforced in only two ways. Let us bear in mind that if the Senator's amendment prevails there are only two ways, under the bill as written, to enforce the law. First, through treble damage suits instituted by tenants because of overcharges of rent, and civil proceedings through applications made by the Housing Expediter to the Federal courts for appropriate injunction.

The testimony was presented to the committee during the hearings to the effect that these two methods of enforcement were not adequate. I wish to say very frankly that I am not certain that they are inadequate, but the contention was seriously made that those two methods were not adequate in themselves, and we made this other recommendation, which I trust the Senate will consider further, the testimony being to the effect that these two methods of enforcement were not adequate, since the usual order received upon a successful petition for an injunction merely required the landlord to repay to the tenant the overcharge of rent made by the landlord. It should also be called to the attention of the Senate that if the criminal sanction provision is deleted from the bill, the methods for enforcing good-faith compliance by landlords, with the new eviction provisions contained in the bill will not be as adequate as they are under the present form of the bill.

A few days ago the Senator from Colorado spoke of the feeling of one of his constituents in Colorado, and it seemed to us that the citizen should know whether or not he himself was guilty of a willful violation. If guilty, no one will deny that he deserves prosecution. I think we are all in agreement on that.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MILLIKIN. Merely for the sake of accuracy, there was no sense of guilt on the part of the citizen who telegraphed to me. He was protesting, as I am protesting, a principle which he believes should not pass into rent-control legislation at this time.

Mr. CAIN. I understand, and correct myself. I believe that the Committee on Banking and Currency feel that anyone who would be subjected to the harassing treatment mentioned by the Senator from Colorado should immediately discuss the situation with the United States district attorney having jurisdiction in

his area. I did not doubt—and I did not understand that the Senator from Colorado doubted—nor do I doubt this afternoon, that the Attorney General's office would not condone prosecution of a case under the criminal sanction provision unless in the opinion of the Department of Justice bona fide grounds existed for the belief that a willful violation of the act had occurred. In any controversial legislation of the nature of that now under discussion equities must be balanced. It seemed to the committee that the need of allowing enforcement of legislation was paramount and outweighed the possibility, which exists in the case of all criminal statutes, that in certain instances the right might be misused.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. MILLIKIN. I should like to say, first, that we are not here dealing with what might be called a crime per se. We are not dealing here with something which in and of itself and by its inherent universal nature shocks the conscience. We are doing something in the public welfare which is an entirely arbitrary thing. Here, for a temporary period of time, for that which can only be a temporary and limited recalcitrance we are prescribing, for the first time, a criminal penalty.

As I said before if we are driven to the question as to whether the Attorney General would make a correct decision, if that is all we have to consider, I am not so much worried about that, although, as was mentioned a while ago, he usually makes his decisions according to the initials that are on the transmittal papers as does the head of every other agency But in the long course of the travel of those papers many things have happened, not only to the man whose name is on the papers, but perhaps to dozens of men who did not get into such papers, and who kept out of them by yielding to things to which no American citizen should be called upon to yield. That was our history, that was too much of our history in OPA, and I do not want to see a renaissance of that in connection with the dying gasps of rent control. Let us not do it now. We have the same remedies we always have had, and I think everyone will concede that enforcement has been better in rent control than in any other department of control.

No case has been made, I respectfully suggest, for jumping to this new, radical, and offensive method of penalizing an allegedly recalcitrant citizen, in this synthetic field of crime.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MILLIKIN. Certainly.

Mr. CAIN. I wonder if the Senator would reflect on the respective merits of giving the Housing Expediter the right to sue for treble damages, and including the criminal provision, which is to be exercised against no one who does not willfully violate the law, because, again, I should like to say to the Senator that if it had not been for our unwillingness to grant the Expediter's request for the right to sue for treble damages, we probably should not have thought in terms of a criminal provision at all.

Mr. MILLIKIN. I suggest to the Senator that there should have been an equal unwillingness to jump from the fire into the frying pan. It seems to me, I respectfully suggest, that ample civil penalties can be evolved, if they are not now in the bill, and because there may be some difference as to what they should be, this certainly is not a logical argument for leaping to this very extreme and harsh penalty.

I am not so much worried about the fellow who in the end has been determined to be a willful violator. I am more worried about the dozens of citizens who, as I said before, will never get into the papers that come to the Attorney General, but will be coerced and duressed in their own towns to do things they should not be called upon to do.

I am not theorizing in this matter. We have had a long and painful history with crimial penalties in the field of wartime controls. Why, in the dying gasp of rent control should we mutilate what we are trying to do here, by putting in something which takes us back to the worst features of that which we have experienced and have discarded?

Mr. CAIN. I may say to the Senator from Colorado that I have expressed my own doubt as to what is the proper course to pursue. As the one charged with the responsibility of presenting the measure on the floor of the Senate I have given to the Senate the reasons the committee had in mind when it voted in favor of criminal action for violation of the statute. I shall very naturally and obviously support that position. But I am as curious as is the Senator from Colorado with respect to what the thinking of the Senate in its entirety is respecting the provision.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. BALDWIN. As I understand, under this provision of the bill all prosecutions for violations of it would be conducted in the Federal courts.

Mr. CAIN. That is quite correct.

Mr. BALDWIN. And obviously a conviction under the terms of the measure could not be secured unless a willful violation was proved.

Mr. CAIN. Again that is a correct assumption.

Mr. BALDWIN. I should merely like to point out to the Senate the extreme danger of this criminal enforcement provision of the bill. In the first place, in the long history of criminal procedure it has been demonstrated over and over again that the severity of the penalty is no deterrent whatsoever, and as a result, we have softened the penalty as we have come down through the years. It seems to me then to be a marked departure from that policy at this late date, as the distinguished Senator from Colorado has said, to embark upon an entirely new, a criminal method, of enforcement of this particular law.

In the second place, I think it is extremely dangerous to have a law which makes it possible to have placed in the records of the criminal side of the district court an account of an arrest and a charge and a trial for a willful violation of the act, even though it might result in an acquittal, because there is a permanent record of a criminal charge such as could very well be lodged against many innocent people, which would last as long as time, and certainly as long as the records of the criminal court of the district may last.

I am heartily opposed to any provision in the law which provides criminal penalties for any violations of it.

Mr. MYERS. Mr. President, I am sure the Senator from Washington realizes, and I am surprised the Senator from Colorado has not realized, that we always had a criminal penalty in the rent-control statute up until the year 1947, when we extended it for 1 year. It is nothing new. This is not a synthetic departure. We have always had it.

I am surprised, too, that the gougers and the black marketeers and the racketeers are going to be given protection under this law. Ninety-nine percent of the landlords in America are honest landlords. They have not been persecuted or prosecuted. But if we accept this amendment, then the black marketeer or the racketeer can go his own merry way and not have to worry about enforcement, because the only penalty is a possible triple-damage suit by the tenant, and tenants do not institute such suits. Therefore the penalty, if it can be called a penalty, will merely be a procedure under the law whereby the landlord will be obliged if he is caught by the Government, to pay back the overcharge he has made, and then he can continue in his own way.

In my city of Philadelphia, under local ordinance, we are prosecuting willful violators who have refused to observe the rent-control statutes. We have found time and time again that there is no adequate enforcement procedure under the present Federal law. If the amendment proposed by the Senator from Colorado shall prevail there will continue to be no effective Federal enforcement procedure. We open the road to gougers to go right ahead and charge whatever they care to charge. They will not have to worry about punishment. If they should be caught up with by the small force the Expediter has, they might be obliged to pay back the overcharge. So they could take the chance and would not need to worry. They could pay back the overcharge, and then make another overcharge in the rent the following month, and the month following that.

Mr. President, if that is the kind of rent-control extension Congress proposes to enact, we had better not enact any rent-control legislation whatever. We should not enact such legislation, and thus "kid" or fool the people. Unless penalties are provided against such gougers, what is the use of talking about rent control, or the extension of the present act? Very few individuals have been prosecuted under the existing rent-control act. Only those who dared really to dip down into the garbage buckets during the war and cared not how they

gouged the American people were prosecuted.

The Senator from Colorado himself has admitted that we must continue the law, much as he dislikes it, because housing has not caught up with demand, and it may not do so for another year, or for a year and a half. I believe that during that period we should provide the American people with adequate rent control, and not pass a farcical measure which contains no power of enforcement whatsoever.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. MILLIKIN] to strike out lines 3 to 10, both inclusive, on page 13. [Putting the question.] The ayes seem to have it.

Mr. MYERS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. BALL], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN], the Senator from Nebraska [Mr. WHERRY], and the Senator from Illinois [Mr. BROOKS] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maine [Mr. BREWSTER], the Senator from Oklahoma [Mr. MOORE], the Senator from Kansas [Mr. REED], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Idaho [Mr. DWORSHAK] are detained on official committee business.

Mr. BARKLEY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Illinois [Mr. LUCAS] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Rhode Island [Mr. MCGRATH] is unavoidably detained on public business.

The Senator from Georgia [Mr. RUSSELL], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Louisiana [Mr. OVERTON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

If present and voting, the Senator from Rhode Island [Mr. MCGRATH] and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 35, nays 29, as follows:

YEAS—35

Baldwin	Hawkes	O'Conor
Bricker	Hickenlooper	O'Daniel
Butler	Hoey	Saltonstall
Byrd	Jenner	Stennis
Capper	Johnson, Colo.	Stewart
Connally	Johnston, S. C.	Taft
Cooper	Knowland	Thye
Cordon	Lodge	Vandenberg
Donnell	McCarthy	Watkins
Ecton	McClellan	Wiley
George	McFarland	Williams
Gurney	Millikin	

NAYS—29

Barkley	Ives	Murray
Buck	Kem	Myers
Cain	Kilgore	Pepper
Chavez	Langer	Robertson, Va.
Downey	McCarran	Sparkman
Flanders	McKellar	Thomas, Utah
Green	McMahon	Tobey
Hayden	Magnuson	Umstead
Hill	Malone	Young
Holland	Morse	

NOT VOTING—32

Aiken	Fulbright	Robertson, Wyo.
Ball	Hatch	Russell
Brewster	Lucas	Smith
Bridges	McGrath	Taylor
Brooks	Martin	Thomas, Okla.
Bushfield	Maybank	Tydings
Capehart	Moore	Wagner
Dworshak	O'Mahoney	Wherry
Eastland	Overton	White
Ellender	Reed	Wilson
Ferguson	Revercomb	

So Mr. MILLIKIN's amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. Following section 205 (e) in the bill, on page 15, it is proposed to insert the following section:

SEC. 206. Section 205 of the Housing and Rent Act of 1947 is amended by striking out from the title the words "By Tenants"; and by inserting "*Provided further*, That if the person from whom such payment is demanded, accepted, or received, either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Housing Expediter may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Housing Expediter, the person from whom such payment is demanded, accepted, or received shall thereafter be barred from bringing an action for the same violation or violations.", after the sentence "Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within 1 year after the date of such violation."

Mr. SPARKMAN. Mr. President, I should like to take just a minute or two to explain this amendment. As was stated by the Senator from Washington, the chairman of the subcommittee, who has done a very fine job in handling this bill on the floor of the Senate, the committee considered giving the Expediter the right to file suits for treble damages, but dropped it and instead inserted the criminal penalty section.

I think I am safe in saying that had the criminal penalty section not been agreed to, the treble damage section would have been agreed to. With the criminal penalty section out, the situation is as follows:

If the landlord overcharges or violates the act in some respect, the right to sue for treble damages rests with the tenant; but we know from experience that the tenant will not file the suit. It seems to me that certainly the Expediter ought to have the right to go into court and, in the name of the tenant, file suit for treble damages.

That is all this amendment does.

Mr. CAIN. Mr. President, the Committee on Banking and Currency having assumed no definite position on this particular amendment, obviously I am in no position to state the views of the committee. My own individual position is in opposition to granting authority to the Housing Expediter to file suits for treble damages.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. BALL], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN], the Senator from Nebraska [Mr. WHERRY], and the Senator from Illinois [Mr. BROOKS] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], the Senator from Kansas [Mr. REED], the Senator from West Virginia [Mr. REVERCOMB], the Senator From Michigan [Mr. VANDENBERG], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

Mr. BARKLEY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Illinois [Mr. LUCAS] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Rhode Island [Mr. MCGRATH] is unavoidably detained on public business.

The Senator from Georgia [Mr. RUSSELL], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

If present and voting, the Senator from Rhode Island [Mr. MCGRATH] and

the Senator from New York [Mr. WAGNER] would vote "yea."

The result was announced—yeas 29, nays 37, as follows:

YEAS—29

Baldwin	Ives	Murray
Barkley	Johnston, S. C.	Myers
Chavez	Kem	O'Conor
Donnell	Kilgore	Pepper
Downey	Langer	Sparkman
Flanders	McCarran	Thomas, Utah
Green	McCarthy	Tobey
Hayden	McMahon	Watkins
Hill	Magnuson	Wiley
Holland	Morse	

NAYS—37

Bricker	Gurney	O'Daniel
Buck	Hawkes	Overton
Butler	Hickenlooper	Robertson, Va.
Byrd	Hoey	Saltonstall
Cain	Jenner	Stennis
Capper	Johnson, Colo.	Stewart
Connally	Knowland	Taft
Cooper	Lodge	Thye
Cordon	McClellan	Umstead
Dworshak	McFarland	Williams
Ecton	McKellar	Young
Ferguson	Malone	
George	Millikin	

NOT VOTING—30

Aiken	Hatch	Russell
Ball	Lucas	Smith
Brewster	McGrath	Taylor
Bridges	Martin	Thomas, Okla.
Brooks	Maybank	Tydings
Bushfield	Moore	Vandenberg
Capehart	O'Mahoney	Wagner
Eastland	Reed	Wherry
Ellender	Revercomb	White
Fulbright	Robertson, Wyo.	Wilson

So Mr. SPARKMAN'S amendment was rejected.

Mr. McCARTHY. Mr. President, I send to the desk an amendment which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 11, in line 12, it is proposed to strike out all after the colon, through line 17, and insert in lieu thereof the following:

Any recommendation of a local board in accordance with applicable law and regulations shall be approved, and appropriate action shall promptly be taken to carry such recommendation into effect, unless he makes a written finding that the board is not fairly representative of the affected interests in the area, in which case he shall appoint additional members.

Mr. McCARTHY. Mr. President, let me state very briefly that this amendment provides that the Housing Expediter shall in all cases follow the recommendation of the local board, unless he makes a written finding that the local board does not properly represent the interested parties in the area.

Mr. Woods has testified—and I believe he has done so very well and very truthfully on this subject—that of the boards in this country, approximately 500, roughly 80 percent, are well balanced boards and represent the diverse interests and represent them well, and that there are approximately 20 percent of the boards that are unbalanced, unwisely selected. From our investigation of the housing situation, I think that is a fair estimate.

I think that where there is a fair local board which is fairly representative of the people in the area, there can be no conceivable reason why some official sitting in Washington, a person who obviously knows less about the local situation than does the local board, should have the power to veto the action of the local board. I am not so much concerned with recommendations for rent increases or decreases; but, rather, I am concerned with the hardship cases. Again, I am not so much concerned with the individual who is taking the beating in the hardship cases; but the over-all fact has been and is—and we are getting this result every day—that rental units are being withdrawn from the market day after day, and of course that is a serious penalty on the tenants.

I believe the only way that situation can be remedied is for us to say to the local board, "Your action shall be final, and no Government bureau shall veto it, so long as you have a properly constituted board"—period.

Mr. CAIN. Mr. President, I should simply like to state that in my considered opinion the amendment now offered by the Senator from Wisconsin should be rejected, for the basic reasons that the Senate a few minutes ago rejected the amendment offered by the Senator from Arkansas, our position being that for as long a time as we have a Federal law, we must hold within the confines of that law the Federal official charged with its administration.

Mr. McCARTHY. Mr. President, I should like to ask the Senator a question. Do we agree, first, that the aim is to obtain decontrol as painlessly as possible and as soon as possible; second, that we cannot decontrol at this time on the national level; third, that there are many areas—approximately 500 of them—that may need controls for 1, 2, or 3 years more; fourth, that if the controls in 1948 are administered as they have been administered in 1947, and if the administration of them in 1949 and 1950 is handled in the same manner, then we shall have to have controls in 1951 through to 1960; and, last, that the only way we can obtain sensible control is to give the local people the power to say when their areas shall be decontrolled? Mr. President, I say that if that is done decontrol will occur gradually and with the least amount of economic upheaval.

In other words, as one of my colleagues said the other day, we find ourselves now reluctantly standing on top of the house. Obviously, we cannot jump down in one leap, but we must come down gradually—by means of having action taken by the local boards.

Mr. CAIN. Mr. President, I may say to the junior Senator from Wisconsin that I conclusively and definitely support everything he has just said, with the exception of his last statement.

Finally, let me say that I am in agreement that if the law of 1948 is not better administered than was the law of 1947, the time of the Senate will have been brutally wasted this afternoon and on previous occasions.

But the Senator from Wisconsin and I differ as to how we can go about securing decontrol in a rapid and orderly fashion. It is the considered opinion of the committee that we must charge the Federal Rent Administrator or Housing Expediter with authority to do so, and we must hold him strictly accountable.

Mr. McCARTHY. Mr. President, will the Senator yield for a further question?

Mr. CAIN. I yield.

Mr. McCARTHY. Does the Senator know of any way by which we can more intelligently decontrol than by means of following the recommendations of the local boards?

Mr. CAIN. No; but I feel that inasmuch as we have a Federal law, we must assume that the Federal agent who is the head Federal official under that law will have sufficient common sense and judgment and intelligence to recognize a local recommendation when it has been properly made to him.

Mr. McCARTHY. I have only one further question. Can we indulge in that assumption and properly assume that what the Senator from Washington has just suggested will occur in 1948 inasmuch as it did not occur in 1947?

Mr. President, I ask the Senate please to understand that I like Mr. Woods, the present Administrator. I think he is one of the finest gentlemen I know. He is a pleasant, personable man. But, although I admire him very much personally, unfortunately his administration of rent control has been extremely foul.

So I ask whether we can assume that he will suddenly begin to administer the 1948 law better than he administered the 1947 law?

Mr. CAIN. Mr. President, I can only answer by saying that we hope to take the assumption to which the Senator has referred and make it a fact on the basis of administrative effectiveness.

So, Mr. President, I oppose the amendment of the Senator from Wisconsin.

Mr. MYERS. Mr. President, this amendment is quite similar to the amendment offered by the Senator from Arkansas [Mr. MCCLELLAN], which was rejected by a vote of 25 to 43.

All this amendment does is to say that the Housing Expediter may find some fault with the personnel of the area board, in that he may find that it is not representative of the area concerned; but under the amendment, the Housing Expediter will have no power to consider the substantive evidence upon which the board bases its recommendation for decontrol. That is the meat of the coconut.

The amendment would limit the Housing Expediter in that most important matter. I certainly think that all Senators who opposed the other amendment—that of the Senator from Arkansas—should oppose this one, because it would have substantially the same effect. It would weaken the law, and would result in the immediate decontrol of many areas without substantive evidence upon which to base such decontrol.

The amendment sets up no standards whatever. Under it the area boards would be autonomous. They would have complete power to recommend decontrol, and once they recommend it the Housing Expediter must accept it, unless he should find that the boards are not representative of the community. I certainly hope the amendment will be rejected as was a similar amendment a short while ago.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. STEWART. I ask for the yeas and nays.

The yeas and nays were not ordered.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CAIN. Mr. President, I hope the Senate will allow me not to exceed a minute and a half. On Friday the junior Senator from Florida [Mr. HOLLAND] raised a question concerning what the junior Senator from Washington had done in his presentation to the constitutional base of the proposed law. I have prepared a brief statement to clarify the situation. If the Senate will permit me to give it, that will, we hope, conclude the presentation of the bill.

Mr. McKELLAR. Mr. President, could the Senate place it in the RECORD?

Mr. CAIN. I should be delighted to place it in the RECORD, but of necessity, it seems to me, I must secure from the junior Senator from Florida his agreement that I have fully clarified the situation about which he was concerned on Friday. Having suggested to the Senator this morning that I had not forgotten the matter, I want to make certain that his satisfaction is complete.

The junior Senator from Florida having expressed his desire for information, I ask unanimous consent to have placed in the RECORD at this point the comments covering the dilemma which confronted him.

The PRESIDING OFFICER. Is there objection?

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

Pursuant to my agreement with the junior Senator from Florida during debate in this Chamber on Friday, I wish to clarify the RECORD in order that there will remain no doubt that S. 2182 is supported by firm constitutional grounds within the legal criteria laid down by the Supreme Court of the United States in the case of *Woods* v. *Miller, et al.*, decided February 16, 1948. I have been advised by counsel that in general that decision based the constitutionality of the Housing and Rent Act of 1947 upon the war powers of Congress, finding expressly that the "war power included the power 'to remedy the evils which have arisen from its rise and progress' and continues for the duration of that emergency."

That decision after finding that the deficit in housing in considerable measure arose out of war conditions, further stated: "Since the war effort contributed heavily to that deficit, Congress has the power even after the cessation of hostilities to act to control the forces that a short supply of the needed article created."

The portion of my remarks in the Senate last Friday to which the distinguished Senator from Florida refers, were intended to be made by me in my capacity and under my responsibility as an individual member of the Senate and not in my capacity as chairman of Subcommittee on Housing and Rents or as the member of the Banking and Currency Committee selected to lead the bill (S. 2182) through the Senate, it having been reported favorably by the committee and recommended for enactment. In the latter capacity, I pointed out, on page 1454 of the CONGRESSIONAL RECORD for February 20, 1948, that there exists an admitted emergency justifying retention of Federal rent controls. Report No. 896 accompanying the bill explicitly states, on page 1 thereof, that the subcommittee, after extensive hearings on the matter, concluded that it will not be practicable to remove all Federal rent restrictions on housing accommodations before April 30, 1949. The second paragraph on page 8 of the same report expressly states that the bill emphasizes the continuation of the war emergency. Since the bill itself constitutes an extension of certain provisions of the Housing and Rent Act of 1947, it includes within its legislative history the material cited in the decision of the Supreme Court of the United States showing the nonelimination of the deficit in housing caused in a considerable measure by the rise and progress of the war. The probative value of that material is still forceful enough to sustain the proposed legislation presented in the bill, except as the earlier material has been overruled by findings made by the committee as the result of hearings held upon the bill. As evidenced by testimony during those hearings upon which the committee relied, the language of the bill itself, including the express amendments in this respect inserted in the bill by the committee, and the report accompanying the bill, the committee is of the opinion that the emergency in the unbalance between demand for and supply of housing accommodations, including particularly those suitable for rents, is still existent, growing in considerable measure, as it did, out of World War II. For these reasons, I submit that Senate bill 2182 is based on solid legal grounds.

Mr. TOBEY. Mr. President, I shall take only 45 seconds. As chairman of the Committee on Banking and Currency of the Senate, I wish to make a brief statement. Summing up what the committee feels about this bill, in order that future posterity may appraise our position, the bill declares:

The Congress recognizes that an emergency exists and that it is necessary for a limited time to continue certain restrictions upon rents charged for rental housing accommodations in defense-rental areas in order to remedy conditions growing out of World War II, and that such restrictions are necessary in the interest of national security and necessary to the successful completion of the war, as well as the achievement of a reasonable stability in the general level of rents during the transition period.

Finally, this declaration of policy makes several changes in the bill of last year. "It strengthens the bill against attack on constitutional grounds by emphasizing the continuation of the war emergency, and omits reference to prevention of inflation."

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

Mr. CAIN. I ask for the yeas and nays.

The yeas and nays were not ordered.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. O'DANIEL. Mr. President, a great many people in this country believe that this rent-control bill is wholly political, and is intended to favor tenants because there are more tenant voters than there are landlord voters. I do not care how Senators vote. That is their own business. But I think we should register our votes "yea" or "nay." I consider this bill to be New Deal legislation. Some Republicans are going all over the country claiming they are against the New Deal dynasty. Now, let us give the people an opportunity to know who is for the bill and who is against it. I demand the yeas and nays.

Mr. CAIN. Mr. President, I may say in support of the contention made by the Senator from Texas that I wish the bill had gone a great deal further than it does. Nearly everybody knows that. But I am going to vote for the bill; and if it is the Senator's wish that Senators go on record in the voting, either for or against the bill, I certainly shall, by raising my right hand, support his wish to have a record vote, despite the fact that the Senator and I may vote differently.

The PRESIDING OFFICER. The request for the yeas and nays is out of order, a similar request having been denied a moment ago. The vote was taken and the bill was passed.

Mr. TAFT. Mr. President, I should like to have it noted that I voted, and that, if there had been a yea-and-nay vote, I would have voted in favor of the bill.

Mr. O'DANIEL. Mr. President, I ask for a reconsideration of the vote just taken, and I ask for the yeas and nays.

Mr. BARKLEY. Mr. President, I move the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Is there a sufficient second to the demand for the yeas and nays, on the motion to reconsider?

Mr. BARKLEY. I moved to lay the motion to reconsider on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion was agreed to.

NOMINATION OF EDWARD ALLEN TAMM

Mr. DONNELL. Mr. President, I announce that a further public hearing on the nomination of Edward Allen Tamm, to be a judge of the United States District Court for the District of Columbia, will be entered upon at 7 o'clock p. m., Tuesday, March 2, 1948, in room 424, Senate Office Building, before a subcommittee of the Committee on the Judiciary.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. VANDENBERG, from the Committee on Foreign Relations:

George V. Allen, of North Carolina, to be an Assistant Secretary of State;

Richard P. Butrick, of New York, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to Iceland;

John C. Wiley, of Indiana, now Ambassador Extraordinary and Plenipotentiary to Portugal, to be Ambassador Extraordinary and Plenipotentiary to Iran;

Monnett B. Davis, of Colorado, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Panama;

Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to India, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary to Nepal;

Coert du Bois, of California, Foreign Service officer, retired, to be the representative of the United States of America on the Good Offices Committee of the Security Council of the United Nations on Indonesia;

Leonard N. Caswell, of Massachusetts, a Foreign Service staff officer, to be a consul of the United States of America;

Edward W. Mill, of Maryland, a Foreign Service Reserve officer, to be a secretary in the diplomatic service of the United States of America; and

R. Borden Reams, and sundry other persons for appointment in the Diplomatic and Foreign Service.

By Mr. MILLIKIN, from the Committee on Finance:

John T. Jarecki, of Illinois, to be collector of internal revenue for the first district of Illinois;

Joseph A. Ziemba, to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill.;

Alden H. Baker, of Noblesville, Ind., to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind.;

Joseph T. Sylvester, of Portland, Maine, to be collector of customs for customs collection district No. 1, with headquarters at Portland, Maine;

Martin R. Bradley, of Michigan, to be collector of customs for customs collection district No. 38, with headquarters at Detroit, Mich.;

Bernice Pyke, of Cleveland, Ohio, to be collector of customs for customs collection district No. 41, with headquarters at Cleveland, Ohio; and

Elaine Beadling to be collector of customs for customs collection district No. 12, with headquarters at Pittsburgh, Pa.

By Mr. TAFT, from the Committee on Labor and Public Welfare:

John Thad Scott, Jr., of Texas, to be a member of the National Mediation Board for the term expiring February 1, 1951;

Leonard A. Scheele, of Michigan, to be Surgeon General of the United States Public Health Service for a term of 4 years;

James H. Steele, and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service;

David D. LeGrand, and sundry other candidates for appointment in the Regular Corps of the Public Health Service; and

Daniel Shapire, and sundry other candidates for promotion in the Regular Corps of the Public Health Service.

RECESS

Mr. KNOWLAND. If there be no further business to come before the Senate at this time, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, February 25, 1948, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 24, 1948

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, Eternal Spirit, who art and ever more shall be, we bow before Thee in worshipful reverence. Deliver each of us from any despondent mood born of some contemplated woe or evil. Having on the full armor of righteousness and good will, we would seek our assigned place and endeavor to fill it. O blessed Master, by Thy inspiration endow and direct us as we meet all unwise choices and roving decisions, and when this day is over bear us in Thine own embrace. With heart and mind attuned to Thy holy purpose, may no memories haunt us of kindness undone, of words untrue, or acts unworthy, but rather Thy voice saying, "Well done, thou good and faithful servant."

We pray in our Saviour's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

HON. EVERETT M. DIRKSEN AND THE MARSHALL PLAN

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, the one man in the United States in whom all the people would have confidence to do the kind of a job that must be done, to return the war-torn countries of the Old World to economic stability—the one man in the United States whom both the Houses of the Congress, the Senate and the House, on both sides of the aisle, would accept without hesitancy to head the proposed Marshall plan for European recovery is my very good and able friend, EVERETT M. DIRKSEN, of Illinois.

Naming this outstanding American to this, the most responsible job in the world today, would give great confidence and inspiration to this gigantic, all-out effort to effect world recovery.

The Congress of the United States knows Mr. DIRKSEN; a sound, clear-thinking American; a practical legislator with years of experience in business and national and international affairs; and this wide experience has permitted him to gain that knowledge of government and business which is so absolutely necessary and essential to handle a job of this stature.

EVERETT DIRKSEN is a man of sterling character and a genius in world political matters; a genuine leader with an iron will, irresistible determination, indomitable courage; a tireless worker; an amazing intellect and understanding; a willing servant of public duty. He is a devoted, patriotic American whose love for the principles of liberty, government, and his country and that for which it stands is the paramount issue of his life.

No man in this country today is better equipped for this assignment than is our good friend, EVERETT DIRKSEN, of Illinois.

He has a commanding presence and a remarkable self-control. I know whereof I speak, as I have observed him in action. He is not the kind that bends the knee to nobility, nor would he be seeking any public acclaim or decorations. He is the kind of a man who knows and understands that the fate of America, its future, and all we represent and stand for is dependent upon this world-recovery program.

He has visited on a number of occasions all the principal countries of the world. He knows their problems; he knows our problems. He understands and knows the Congress of the United States. He knows how we think. He knows how we act and react to world affairs and would develop the kind of a program and policies that would have the necessary support and cooperation of the Congress to secure effective results to bring about economic stability in the world.

EVERETT DIRKSEN would know what he could or could not do, and Congress would have every trust and confidence in him to do the right thing. He would give the job his genius and talent and his sound, unmistakable judgment.

Mr. DIRKSEN is a man who would not succumb to flattery or pressure that may be put upon him. EVERETT DIRKSEN comes out of the ranks; he came up the hard way, and he is not an appeaser. He is perfectly at home with everybody, whether they be high or low, rich or poor; and he has that understanding of people which would be most helpful in ironing out the problems of a troubled world. It is my judgment that Mr. DIRKSEN knows more about the economic problems of the world—more about the troubles of the people in Europe and where they lie and what should be done—than all the economists, statisticians, and diplomats put together. Mr. DIRKSEN would build up a sound program, sound policies, and place the American taxpayer's money where it would do the most good, to secure the greatest possible results in the shortest time.

This European recovery program is a gigantic task, and upon the man who is named to head this organization will fall the responsibilities for its success or failure.

So when the world's affairs are hanging in the balance and we are looking for genuine leadership to find a way out of the chaos of world affairs, in my opinion EVERETT DIRKSEN is the man of the hour—the man for the job.

Naming the right man now to head the European recovery program will be getting off to the right start.

EVERETT DIRKSEN, of Illinois, is that man.

EXTENDING THE TIME FOR FILING REPORT OF SELECT COMMITTEE ON FOREIGN AID

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following privileged resolution (H. Res. 476, Rept. No. 1418), which was referred to the House Calendar and ordered to be printed:

Resolved, That House Resolution 296, Eightieth Congress, to create a Select Committee on Foreign Aid, is amended by striking out "March 1, 1948" on page 2, line 23, and inserting in lieu thereof "May 1, 1948."

INCREASE EQUIPMENT MAINTENANCE OF RURAL CARRIERS

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following privileged resolution (H. Res. 480, Rept. No. 1419), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 1188) to increase the equipment maintenance of rural carriers 2 cents per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes. That after

general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD and include a letter.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I am glad to report that an additional 10 Members of the midwestern delegations have joined our efforts to have an embargo placed on the export of oil temporarily until we know where we are. I urge others to join with us, but at this time, since the 48-hour period has expired, may I suggest that anyone who wishes to send a telegram request that the embargo be extended until the end of the week. Two of the largest oil companies have advised me that they are in a position to do what we ask of them; that is, to store some of these stocks in some of the largest eastern harbors. If we can together make the Office of International Trade at long last recognize the soundness of this suggestion, we may be able to guarantee to our people that there will be no more shortages of fuel oil in the Northwest, the Midwest, and the Atlantic coast for the rest of the heating season.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include two newspaper items.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two separate instances, in one to include an editorial that appeared in a Massachusetts newspaper and in the other a statement made by Michael A. McGrath, national president of the Ancient Order of Hibernians, before the Foreign Affairs Committee of the House.

Mr. HART asked and was given permission to extend his remarks in the Appendix of the RECORD and include a brief editorial excerpt.

Mr. VAIL asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include an address by the Speaker of the House of Representatives of the Eightieth Congress delivered at Des Moines, Iowa, on the 9th of February, at a Lincoln Day meeting.

EFFECT OF REDUCED FUNDS FOR VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Veterans' Administration has stated that the very recent severe cuts in personnel do not affect the medical service. I was in Boston visiting the hospitals near my own district on Friday, Saturday, Sunday, and yesterday. The cuts very definitely do affect the medical service.

I never was more thrilled in my life than when I saw last evening at the Cushing General Hospital gymnasium the paraplegics of the Van Nuys, Calif., hospital and the paraplegics of the Cushing General Hospital play a game of basketball. Those men are paralyzed from the waist down, yet they played basketball very brilliantly and effectively, strapped to their wheel chairs. Mr. Speaker, those men were enabled to learn how to strengthen their arms, to rehabilitate themselves, so they could do things like play basketball, so that they could use their arms almost as arms and legs, too. This is one of the services that will be reduced and has been reduced under the Veterans' Administration cuts. Certainly the Congress ought to pass a supplemental appropriation for the medical services in order that essential services to our disabled veterans may not be jeopardized. The Veterans' Administration states, as I said earlier, that medical services for the Veterans' Administration have not been cut. I find that not to be the case.

EXCESS-PROFITS TAX

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POULSON. Mr. Speaker, the steel companies are asking for an excess-profits tax and price controls whether they realize it or not. In addition they are inviting the investigation for a possible violation of the antitrust laws. I mean just that.

The arguments advanced by those seeking an excess-profits tax have centered around the excessive profits made by the steel companies during the past 2 years, and in the face of that they are collectively announcing an increase in the price of steel.

As to price control and rationing, the steel industry alone is upsetting the present check against inflationary trends and adding more fuel to again start that inflationary trend. Surely there is enough intelligence and at least enough enlightened conscience in the steel industry to know that these contemplated price increases might even destroy our free economy. We who believe in the free-enterprise system think that the steel industry is committing an act which might be more detrimental to this free-enterprise economy than even the program of the Wallace third-party group.

Now, as to violation of the antitrust laws, it does not seem that this is a mere coincidence that the various steel companies should decide to raise their prices at the same time and in the same amount. Congress and the administration should act at once. A full-scale investigation and exposé should be made of this monopoly and the Justice Department should lose no time in acting.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include a copy of the bill he is introducing today; also certain other statements and excerpts.

CONTINUING AUTHORITY OF MARITIME COMMISSION TO SELL, CHARTER, AND OPERATE SHIPS

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 232, to continue until March 1, 1949, the temporary authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The Clerk read the joint resolution, as follows:

Resolved, etc., That (a) section 1 of the act entitled "An act to continue temporary authority of the Maritime Commission until March 1, 1948," approved June 28, 1947 (Public Law 127, 80th Cong.), is amended by striking out the date "March 1, 1948" and inserting in lieu thereof the date "March 1, 1949."

(b) Notwithstanding the provisions of subsection (a), no contract of sale under section 6 of the Merchant Ship Sales Act of 1946 shall be made after March 1, 1948; and nothing contained in this or any other act shall be deemed to authorize the United States Maritime Commission to charter any war-built vessel (as defined in the Merchant Ship Sales Act of 1946) to any person who is not a citizen of the United States (as defined in the Merchant Ship Sales Act of 1946).

SEC. 2. Section 2 of the joint resolution entitled "Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard," approved March 31, 1947 (Public Law 27, 80th Cong.), as amended, is amended by striking out the date "April 1, 1948" and inserting in lieu thereof the date "March 1, 1949."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. KEOGH. Mr. Speaker, reserving the right to object, may I first take this opportunity to commend the distinguished gentleman from Ohio, the chairman of the Committee on Merchant Marine and Fisheries, for his great zeal and application to duty. May I ask the gentleman this question? Do I understand that the first section of this resolution will mean that the Maritime Commission, under general agency agreements, will be able the better to make available all Government-owned tanker tonnage for uninterrupted service during this critical period, particularly,

pending the completion of the details of transferring titles of those tankers which have been sold?

Mr. WEICHEL. It is so intended.

Mr. KEOGH. I thank the gentleman. It is pleasing to note that the House is able to take action on this important matter; namely, the extension of the authority of the Maritime Commission to operate ships. This was the primary objective of the bill, H. R. 4911, which I introduced on January 12, 1948, at the request of the distinguished mayor of the city of New York, General O'Dwyer, who has worked so assiduously in attempting to insure the continuous supply of fuel oil and other petroleum products to the people of the city of New York during the unprecedented winter through which we are going and justifies the position which the mayor and his able commissioner of commerce, Judge Edward C. Maguire, took with respect to this subject.

Mr. McCORMACK. Mr. Speaker, further reserving the right to object, may I ask the gentleman to make a brief statement regarding the purposes of this resolution for the RECORD?

Mr. WEICHEL. Mr. Speaker, House Joint Resolution 332 simply extends the authority previously granted the Maritime Commission to charter and operate surplus ships to March 1, 1949, under the Ship Sales Act of March 1946. The extension is recommended because of the absolute need of ships to carry relief cargo to Europe. The resolution continues the authority of the Maritime Commission to charter or operate general agency under the Ship Sales Act of March 1946, as amended.

Mr. McCORMACK. My only purpose was to have a brief statement made. I was aware of the purposes of the bill and its justifiable objective, but I thought a brief statement from the chairman of the committee in the RECORD would be very appropriate. I thank the gentleman.

Mr. HERTER. Mr. Speaker, further reserving the right to object, I do this only from the point of view of having the record clear. As I understand this resolution, it has some new material in it, in that it definitely prohibits the sale or charter to any foreigner. That is a very stringent prohibition. On the other hand, I understand from the chairman of the committee that that whole question is now under consideration by the committee with a view to some possible alterations regarding this very stringent prohibition, and that it will be considered later in connection with some further legislation. That being the case, I shall not object to this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 173, strike out all after the enacting clause, and insert in lieu thereof the provisions contained in House Joint Resolution 332 just passed.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, (S. J. Res. 173), as follows:

Resolved, etc., That (a) section 1 of the act entitled "An act to continue temporary authority of the Maritime Commission until March 1, 1948," approved June 28, 1947 (Public Law 127, 80th Cong.) is amended by striking out the date "March 1, 1948" and inserting in lieu thereof the date "July 1, 1949."

(b) Notwithstanding the provisions of subsection (a), no contract of sale under section 6 of the Merchant Ship Sales Act of 1946 shall be made after March 1, 1948; and nothing contained in this or any other act shall be deemed to authorize the United States Maritime Commission to charter any war-built vessel (as defined in the Merchant Ship Sales Act of 1946) to any person who is not a citizen of the United States (as defined in the Merchant Ship Sales Act of 1946).

SEC. 2. Section 2 of the joint resolution entitled "Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard," approved March 31, 1947 (Public Law 21, 80th Cong.), as amended, is amended by striking out the date "April 1, 1948" and inserting in lieu thereof the date "July 1, 1949."

The Clerk read as follows:

Amendment offered by Mr. WEICHEL: Strike out all after the enacting clause and insert in lieu thereof the provisions contained in House Joint Resolution 332 just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings by which House Joint Resolution 332 was passed were vacated, and the joint resolution laid on the table.

EXTENSION OF REMARKS

Mr. WELCH asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the San Francisco Call-Bulletin.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include newspaper articles.

FIREWOOD AND OTHER WOODS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5328) to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1803 (2) of the Tariff Act of 1930 is amended to read as follows:

"(2) Logs; timber, round, unmanufactured; pulpwoods; firewood, including bark, sawdust, and other wood waste of the saw and planing mill, ground or crushed, and compressed; handled bolts, shingle bolts; gun blocks for gunstocks, rough hewn or sawed or planed on one side; and laths; all the foregoing not specially provided for."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL STATEMENT WITH REFERENCE TO H. R. 5328

Mr. REED of New York. Mr. Speaker, this bill provides for the free entry of sawdust, bark, and other wood waste, imported for use, when ground or crushed and compressed, as firewood. Paragraph 1803 of the Tariff Act of 1930 provides for the free entry of logs, timber, pulpwood, firewood, and other specified wood products not otherwise provided for in the act. The term "firewood" is not defined or limited in its application in the law.

American-made machines have been patented for the drying and compressing of sawdust and other wood waste into various forms including small logs and briquettes. The Bureau of Customs has held that these items are nonenumerated manufactured articles not specially provided for and not firewood as listed in paragraph 1803. Nonenumerated manufactured articles are dutiable under paragraph 1558 of the Tariff Act of 1930 at 20 percent ad valorem. This duty has not been affected in any trade agreements.

It is generally admitted that approximately 50 percent of a log is considered waste in the sense that it is not usable as lumber. Much of this waste is destroyed or piled and left to rot. The shortage of firewood in some areas resulted in the development of a process for using much of this wood waste, and there are producers in the United States as well as in Canada. The shortage of sufficient material in the United States makes it unlikely that much competition will develop from imports and the cost of transportation is such that shipments over long distances are not economical.

Domestic production is not large, but statistics are unavailable. Imports have been very small and have come entirely from Canada.

The following is an excerpt from a report received from the United States Tariff Commission, dated February 18, 1948:

The bill proposes to amend paragraph 1803 (2) of the free list of the Tariff Act of 1930 so that there would be included therein as firewood "bark, sawdust, and other wood waste of the saw and planing mill, ground or crushed, and compressed."

It is our understanding that the purpose of this amendment is to grant duty-free entry as firewood to imports of a type of fuel or fuel wood in the form of briquettes or "logs" which are made from mill waste. Most of the fuel that would be covered by the proposed amendment consists of so-called logs about 4⅛ inches in diameter and 12¾ inches long which are made on machinery controlled by an American timber company and leased on a royalty basis to other concerns in the United States and Canada. The fuel made by the different licenses is all believed to be marketed under the same proprietary name.

This fuel is made by reducing mill-waste wood to a powder and subjecting it to high pressure to form dense briquettes which are

held together by the natural cohesion of the wood. At present, fuel of this type is not classified as firewood under paragraph 1803 (2), but is dutiable at 20 percent ad valorem under the provision of paragraph 1558 for nonenumerated manufactured articles.

Briquettes of the type which would be covered by the amendment are made in the United States by a number of lumber concerns which have large quantities of waste. The product which is made in Canada and imported into the United States that would be covered by the proposed amendment is apparently marketed under the same proprietary name as most of the domestic output.

Canada has been the sole source of imports of this fuel and will probably continue as the sole source if the duty is removed; however, there is some production of briquettes in Europe. The imported product from Canada can probably reach some domestic markets that cannot be readily and economically served by the domestic producers; it is also likely, however, that in some areas the imported fuel would come in direct competition with similar domestic products.

The Commission does not have data as to the extent of production of this fuel in the United States and Canada or information as to how its use may develop. It is relatively high priced in comparison with coal and wood and at present at least is a specialized product.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows—existing law in which no change is proposed is shown in roman, new matter proposed to be added is shown in italic:

THE TARIFF ACT OF 1930

TITLE II—FREE LIST

SEC. 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the island of Guam), shall be exempt from duty:

SCHEDULE 16

* * * * *

PAR. 1803. Wood:

* * * * *

(2) Logs; timber, round, unmanufactured; pulp woods; firewood, *including bark, sawdust, and other wood waste of the saw and planing mill, ground or crushed, and compressed;* handle bolts, shingle bolts; gun blocks for gunstocks, rough hewn or sawed or planed on one side; and laths; all the foregoing not specially provided for.

FREE IMPORTATION OF EXPOSED X-RAY FILM

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4739) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1629 of the Tariff Act of 1930 is hereby amended by inserting after "PAR. 1629." "(a)," and by adding at the end of the paragraph a new subparagraph to read as follows:

"(b) X-ray film, exposed, whether or not developed."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL STATEMENT WITH REFERENCE TO H. R. 4739

Mr. REED of New York. Mr. Speaker, this bill would permit the free entry under the Tariff Act of 1930, as amended, of exposed X-ray film. Such film is now imported almost entirely in the form of X-ray photographs in connection with medical examinations and treatment of hospital and clinical patients from foreign countries and for other scientific purposes. It has no commercial significance and the quantities imported are relatively small, yet it is classified in the category of photographs under paragraph 1410 of the Tariff Act of 1930, and subject to payment of a duty of 12½ percent ad valorem under the terms of the Geneva trade agreement.

The administrative requirements surrounding the entry of such film into the United States and the payment of duty thereon have been found to be extremely burdensome and the little revenue derived from such duty scarcely justifies the expense of its collections. In many cases these requirements have resulted in delays in making medical examinations and in prescribing treatments for patients coming to the United States or residing abroad but depending upon such examinations. Your committee feels, therefore, that such film should be duty-free and accordingly relieved of the burdens now surrounding its entry into the United States. It will, nevertheless, be subject to the usual inspections made of all imported articles for security and health purposes as in the case of other photographs, books, literature of various kinds, and similar articles.

Insignificant quantities of exposed X-ray film, having been discarded as waste, may enter the United States mixed with shipments of other types of waste film dutiable at 7½ percent ad valorem under paragraph 1555. Shipments of waste film are usually of negligible quantities and the quantity of X-ray film that might be included in individual shipments would be so small that the possible duty-free status of the X-ray type would cause no administrative difficulties. No reports opposing this bill have been received from any Government agency, and no industry opposition has been encountered.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows—existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman, new matter proposed to be added is shown in italic:

THE TARIFF ACT OF 1930

TITLE II—FREE LIST

SEC. 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the island of Guam), shall be exempt from duty:

SCHEDULE 16

* * * * *

PAR. 1629. (a) Hydrographic charts and publications issued for their subscribers or exchanges by scientific or literary associations or academies, and publications of individuals for gratuitous private circulation, not advertising matter, and public documents issued by foreign Governments; books, maps, music, engravings, photographs, etchings, lithographic prints, bound or unbound, and charts, which have been printed more than twenty years at the time of importation: Provided, That where any such books have been rebound wholly or in part in leather within such period, the binding so placed upon such books shall be dutiable as provided in paragraph 1410.

(b) *X-ray film, exposed, whether or not developed.*

FREE IMPORTATION OF LIMESTONE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5275) to amend the Tariff Act of 1930 to provide for the free importation of limestone to be used in the manufacture of fertilizer.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1685 of the Tariff Act of 1930 is hereby amended to read as follows:

"PAR. 1685. Guano; basic slag (ground or unground); manures; limestone, crude, crushed, or broken, when imported to be used in the manufacture of fertilizer; and (notwithstanding any other provision of this act) those grades of substances used chiefly for fertilizers, or chiefly as an ingredient in the manufacture of fertilizers."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HOLMES. Mr. Speaker, this bill would permit the free entry into the United States of crude, crushed, or broken limestone when such material is intended for use in the manufacture of limestone fertilizer. When such limestone is brought into the United States for any other purpose it will not be accorded free entry under this bill. Limestone, crude, or crushed but not pulverized is dutiable at 1¼ cents per 100 pounds under paragraph 203 of the Tariff Act of 1930, as modified by the recent Geneva Trade Agreement. The original statutory rate was 5 cents per 100 pounds. Broken limestone is dutiable under paragraph 214 of the Tariff Act at the rate of 10 percent ad valorem. The original statutory rate was 30 percent ad valorem. The bill does not pertain to limestone imported for building or construction purposes but is limited strictly to limestone intended for use as fertilizer.

Ground or pulverized limestone enters the United States duty free under paragraph 1685 of the Tariff Act because it is

used chiefly for fertilizing purposes. It is impossible under present law to manufacture fertilizer from imported limestone without payment of a duty on the stone at the rates indicated above. Your committee feels this is an anomalous situation which should be corrected so as to permit domestic fertilizer manufacturers to import free of duty limestone intended for such use.

Local supplies of limestone are not always economically available, and manufacturers located near the borders of the United States find it difficult, if not impossible, to engage in such manufacturing processes. The reason for this is that limestone in any form is a low-priced commodity that cannot bear the cost of long freight hauls. The result is that mills engaged in crushing or grinding limestone for fertilizer serve only a relatively small area within their immediate vicinity. Some mills situated near the border or along the seacoast use imported limestone as a major or at least a supplemental source of supply. Transportation on the crude limestone for pulverizing purposes might not be prohibitive for imported limestone, but would be prohibitive if applied to the domestic crude material shipped from greater distances.

No unfavorable reports have been received from Government agencies and no opposition to the passage of the bill has come from any quarter. The United States Tariff Commission has advised your committee as follows:

It is impossible to predict closely what would be the effect if crude or crushed limestone could enter free for fertilizer use. It is certain, however, that the effect would not be great. Probably only a few of the crushing and grinding mills would be in a position to take advantage of imported crude or crushed limestone. In most cases the domestic limestone is crushed or ground by the same companies that quarry limestone. Some such mills, situated near the border or along the seacoast, might find it advantageous to use imported limestone as a supplemental material, if they had grinding capacity in excess of their quarrying capacity. Moreover, it is possible that some mills located on the seacoast, or near the border, might be able, by reason of low transportation rates, to import material cheaper than they could obtain it from domestic sources.

Inasmuch as individual grinders supply relatively limited areas, only farmers near to grinding mills using imported crude or crushed limestone would have their costs for lime fertilizer lessened by the proposed legislation.

There have been relatively heavy imports of broken limestone under paragraph 214, consisting chiefly of a material known as limestone spalls which is imported primarily for use as a flux. For such use it would continue to be dutiable but if imported for grinding and use as fertilizer it would be free under the terms of H. R. 5275.

If the bill is enacted, the Treasury Department would presumably administer the requirement that to be free of duty limestone must be imported for use in the manufacture of fertilizer and would promulgate regulations similar to those applicable in the case of certain other products which are accorded favorable tariff treatment if imported to be used for a particular purpose. Among these regulations would be a requirement that proof of use be furnished the customs authorities within a specified period.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows—existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman, new matter proposed to be added is shown in italic:

THE TARIFF ACT OF 1930

TITLE II—FREE LIST

SECTION 201. That on and after the day following the passage of this Act, except as otherwise specifically provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the island of Guam), shall be exempt from duty:

* * * * *

SCHEDULE 16

* * * * *

PAR. 1685. Guano, basic slag (ground or unground), manures, and (notwithstanding any other provision of this Act) those grades of all other substances used chiefly for fertilizers, or chiefly as an ingredient in the manufacture of fertilizers.

Par. 1685. Guano; basic slag (ground or unground); manures; limestone, crude, crushed, or broken, when imported to be used in the manufacture of fertilizer; and (notwithstanding any other provision of this Act) those grades of substances used chiefly for fertilizers, or chiefly as an ingredient in the manufacture of fertilizers.

PLATINUM FOXES AND PLATINUM FOX FURS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4938) to amend the Tariff Act of 1930 with references to platinum foxes, and platinum fox furs, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1519 of the Tariff Act of 1930 is hereby amended by adding at the end thereof a new subparagraph to read as follows:

"(f) As used in this paragraph the term 'silver or black fox' includes platinum fox and any fox which is a mutation, or type developed, from silver, black, or platinum foxes."

SEC. 2. Paragraph 1606 (a) of such Tariff Act is amended by striking out "except black or silver foxes" and inserting in lieu thereof "except black, silver, or platinum foxes, and any fox which is a mutation, or type developed, therefrom."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL STATEMENT ON H. R. 4938

Mr. WOODRUFF. Mr. Speaker, the purpose of the bill is to provide a dutiable status for foxes and fox furs commonly known as the platinum or platina type, as well as furs of other foxes which are mutations from silver foxes, mutations from platinum foxes, and furs of foxes of types which are developed from silver or platinum foxes. The bill provides that such furs shall be included within the term "silver or black fox" as used in paragraph 1519 (c) and dutiable thereunder at the statutory rate of 50 percent ad valorem subject to reductions thereof by subsequent trade agreements. The present rate is 37½ percent ad valorem.

The bill would also exclude from paragraph 1606 (a) platinum foxes and mutations or types developed from silver and platinum foxes. This paragraph now provides for the free entry of purebred animals, except black or silver foxes, imported by United States citizens for breeding purposes.

The term "silver or black fox" is used in subparagraphs (a) and (b) of paragraph 1519, in excepting clauses to provisions for dressed furs and certain manufactures of fur, respectively, and in subparagraph (c) of that paragraph, which is the provision for dressed and undressed silver or black fox furs.

Undressed fox furs, other than silver or black fox, are free of duty under paragraph 1681 of the tariff act, which provides for "Furs and furskins, undressed, not specially provided for."

When the act of 1930 was being formulated, there were no platinum foxes. This accounts for the failure to mention them specifically in that act. Now that they have become an important article of commerce, it is fitting that they should receive particular mention and that a dutiable status similar to that of related types of furs be provided.

Platinum foxes and furs are considered to be especially desirable and have brought prices considerably in excess of those paid for black and silver variety. The first platinum fox was produced in 1933 from a mating of silver foxes. A small number were produced by cross-breeding but it was not until 1940 that they began to be produced in larger quantities.

The high prices obtained for platinum fox furs encouraged their production and in 1942 about 2,000 pelts were sold at auction in the United States. In 1945 about 18,000 were sold. The increased supply caused prices to decline but prices are still higher than for silver or black fox furs. Official statistics showing United States imports of platinum foxes or other mutations of silver fox furs are not reported separately, although the Tariff Commission has made an analysis of invoices covering entries under the classification "silver or black fox furs, whole skins, dressed or undressed."

In the year 1946 and January–July of 1947 imports were substantial.

The State Department, in response to a request for a report on the bill, sent the following letter:

DEPARTMENT OF STATE,
Washington, D. C., February 9, 1948.

MY DEAR MR. KNUTSON: Further reference is made to Mr. Tawney's letter of January 14, 1948, transmitting for the comment of the Department of State copies of H. R. 4938, a bill to amend the Tariff Act of 1930 with reference to platinum foxes and platinum-fox furs, and for other purposes.

Item 715, schedule XX, part I, of the General Agreement on Tariffs and Trade, which was concluded at Geneva on October 30, 1947, and which became effective on January 1, 1948, contains the following proviso:

"Notwithstanding any provision in any item 715, 1519, 1606, or 1681 of this part, the United States reserves the right, in the event platinum or platina foxes and furs thereof are not properly classifiable as silver or black foxes and fox furs, to apply to platinum or platina foxes, furs thereof, and products of

such furs the same customs treatment as shall be applicable to the corresponding silver or black foxes, fox furs, and fox-fur products."

Since the proposed legislation is not inconsistent with this proviso, the Department perceives no objection to its enactment.

Because of the urgency of the matter as indicated in Mr. Tawney's letter of February 5, 1948, this letter has not been cleared with the Bureau of the Budget, to which copies have been sent.

Sincerely yours,

CHARLES E. BOHLEN, *Counselor*
(For the Secretary of State).

A comprehensive summary and report from the United States Tariff Commission concludes with the following statement:

The Commission has no objection to the enactment of the proposed legislation.

SELECT COMMITTEE ON FOREIGN AID

Mr. HERTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 476.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 296, Eightieth Congress, to create a Select Committe on Foreign Aid, is amended by striking out "March 1, 1948" on page 2, line 23, and inserting in lieu thereof "May 1, 1948."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF SECOND DECONTROL ACT OF 1947

Mr. BROWN of Ohio. Mr. Speaker, I call up House Resolution 472 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and now yield myself such time as I may require.

Mr. Speaker, House Resolution 472 makes in order the consideration of the bill H. R. 5391, reported from the Committee on Banking and Currency, which would continue for a temporary period certain powers, authorities, and discretions conferred on the President by the Second Decontrol Act of 1947. As I understand it, these powers are to control the import and export and use of certain strategic and very scarce minerals, metals, and materials. I believe that this is a resolution to which there should be no objection, and therefore will not take any further time explaining it.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, so far as I am advised everyone on both sides of the aisle is in favor of the resolution and the bill itself. This bill only extends the time of these controls for a period of 30 days in order to give the Congress an opportunity to hold further hearings on a bill for further extension.

Mr. Speaker, I have no requests for time on this side.

Mr. BROWN of Ohio. Mr. Speaker, if there are no further requests for time I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947, with Mr. COLE of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. WOLCOTT] is recognized for 30 minutes and the gentleman from Kentucky [Mr. SPENCE] is recognized for 30 minutes.

Mr. WOLCOTT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, it will be recalled that last year, in what is known as the Second Decontrol Act, we continued the powers of the President to distribute and control the use of tin, antimony, cinchona bark, quinine, quinidine, and perhaps some other less important commodities. The matter at that time was within the jurisdiction of the Committee on the Judiciary for the reason that the powers contained in the Second War Powers Act were continued. This bill, however, has been referred to the Committee on Banking and Currency on the assumption that although the controls might be necessary because of and as a result of war conditions it now is a matter which stands independently of the war itself. So about a week ago the Committee on Banking and Currency was confronted with the obligation of finding out all it could possibly find out in respect to these commodities. It became increasingly clear, as the days went on, that we would not be able to have such extended hearings as were necessary to an understanding of the subject. So we have asked the House to continue these powers as they are in the Second Decontrol Act until March 31 for the purpose, among other things, of allowing the Committee on Banking and Currency to familiarize itself, through hearings, with the subject generally. We started hearings this morning. The hearings will continue for 3 or 4 days probably, or until such time as the Committee on Banking and Currency has a thorough understanding of the subject.

Then there is perhaps one more important reason why this act should be continued as it now exists for another 31 days. Some change has taken place in our economic condition and it is thought advisable to take a look at these powers, along with others, in the light of the economic changes that may have taken place. For those reasons we have asked the House to continue those powers for 31 days, primarily to give the committee an opportunity to familiarize ourselves with the subject and make recommendations in keeping with anticipated economic changes.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. RAYBURN. Since the gentleman's committee has known for a year that something or nothing had to be done about this, does he think that in the next 30 days his committee can come to a conclusion as to what it desires to recommend to the House?

Mr. WOLCOTT. Of course, I would not say so facetiously, but I will say it as a matter of fact that probably the members of the Banking and Currency Committee exhibit in their approach to these subjects an exceptionally high intelligence and understanding.

Mr. RAYBURN. I am not reflecting on the committee at all.

Mr. WOLCOTT. I am positive that within the next few days the Committee on Banking and Currency will come up with the right answer.

Mr. RAYBURN. Will come to a conclusion.

Mr. WOLCOTT. A most definite and intelligent conclusion.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized.

Mr. SPENCE. Mr. Chairman, this bill provides for the extension of the Second Decontrol Act for a period of 30 days. This subject was within the War Powers Act, of which the Judiciary Committee has had jurisdiction. The Committee on Banking and Currency has reported this bill as stop-gap legislation in order that it may have time to consider a bill to extend the powers for a longer duration. The President in his message to Congress has asked that the powers provided in the bill be extended. I feel confident there is no opposition to the bill.

The CHAIRMAN. Does the gentleman from Michigan desire to yield any further time?

Mr. WOLCOTT. Mr. Chairman, I yield myself two additional minutes.

Mr. HESELTON. Will the gentleman yield to me?

Mr. WOLCOTT. I yield.

Mr. HESELTON. Does the pending resolution have anything to do with the allocation of tin?

Mr. WOLCOTT. Yes. All of the controls with respect to tin are continued under this resolution for 31 days. We will decide, as the result of the hearings which we are now conducting, whether the controls will be continued longer than that period.

Mr. HESELTON. Is it the gentleman's understanding that the allocations of tin are exclusively for cans and other similar materials and that the manufacturing industry that uses tin for wire has been denied any allocation of that time?

Mr. WOLCOTT. We have not familiarized ourselves with that fact. I find from my preliminary study that tin is used for a great many things that I never knew of before. For example, I did not know that tin was used in the ceramic industry until a few days ago.

I can assure the gentleman that the committee will have complete knowledge of all the facts and circumstances in respect to tin before we act. One of the reasons why we are asking for this extension is so that we can familiarize ourselves with all of these problems.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HARRIS. I wish to ask the gentleman if this means that the old wartime regulation referred to generally as M–81 would be effective on March 1?

Mr. WOLCOTT. In the hearings this morning the Under Secretary of Commerce said that they had prepared an order on tin. I asked him whether that order would go into effect March 1 as he expected it would if we had been able to dispose of the matter on a longer-range basis before the expiration date, which is February 29. He said that he was not in a position to tell us definitely, that he would know in a few days, but that they had not decided it yet in the light of the 31-day extension. I think there was an indication that that order which I believe was published a matter of weeks ago——

Mr. HARRIS. Ten days ago.

Mr. WOLCOTT. Will go into effect on March 1. I am not sure whether that embodies any of old M–81 or not. I presume some of the controls of M–81 will be continued in the order but that is just an assumption on my part.

Mr. HARRIS. But there was indication from the Secretary of Commerce that that order as announced would perhaps become effective March 1 notwithstanding the 30 days' extension of the authority.

Mr. WOLCOTT. Perhaps Mr. Foster, Under Secretary of Commerce, did not want to commit himself. He said it was something that he would have to think about, but I think we will have an answer in a matter of 2 or 3 days.

Mr. HARRIS. Is it the intention of the committee to investigate that particular subject regarding the extension of this date after the 31 days expire?

Mr. WOLCOTT. The committee will decide whether we recommend to the House an extension beyond the 30-day period.

Mr. HARRIS. This will be included in the subject matter.

Mr. WOLCOTT. Yes.

Mr. LARCADE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. LARCADE. Is rice included?

Mr. WOLCOTT. Yes; I omitted that in my statement but the full list and the extent of controls in respect to each commodity is fully covered in the committee report.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, this is another extension of an extension of one of the war power acts. Although we Republicans were elected to get rid of controls, we just keep on extending such controls from one year to the next. We are getting into the habit of extending controls and soon this will become fixed, if it has not already done so, and we shall be unable to rid ourselves of it.

There is no justification whatever for continuing this control over tin, fertilizer, antimony, and so forth.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. HAYS], not to exceed 5 minutes.

Mr. HAYS. Mr. Chairman, I rise to make an inquiry of the chairman of the Committee on Banking and Currency regarding the grain-control problem. There have been some press reports of action by the Committee on the Joint Economic Report on this subject and I hope the chairman feels that it may be appropriate for him to make a statement on it.

I recently inquired of the Department of Agriculture about the use of grain by distillers and I find that while two and a half million bushels of grain were allocated in January, when the controls were lifted on January 31, the record for the first 11 days of February for such use by distillers was at the rate of six and one-half million bushels a month. Some of us feel that is an inordinate amount. For the purpose of working out a sound and reasonable policy, considering all of the factors involved, it seems to me we should take a second look at this situation.

Mr. WOLCOTT. Mr. Chairman, I made the statement some days ago publicly that the condition in the commodity markets, of course, had some bearing or might have some bearing on all economic questions which, incidentally, includes the allocation of grains.

I understand the situation to be somewhat as follows: The Joint Committee on the Economic Report recommended to the legislative committees of the House and Senate that these controls e continued until October 31 of this year. In consequence the Senate Committee on Banking and Currency has named a subcommittee to study the question. That was a matter of 10 days ago. It is assumed that the subcommittee of the Senate Banking and Currency Committee will have hearings on it and I am sure that its action will help the House Banking and Currency Committee in the formulation of any policy that committee is desirous of making. At the present time there are no hearings scheduled by our committee for the reason that it is thought desirable to find out what is happening in the field of economics in the United States and what effect the recent drop in commodity markets might have upon our economy.

This morning I am told all commodities opened somewhat lower, which, perhaps, does not mean much but is an indication that there is still readjustment going on in commodity prices.

Now, if we can be given a matter of 2 or 3 weeks to look at the situation in the light of any changes which might take place in the meantime, I think we can do a much more intelligent job on economic controls than we would otherwise. I think, however, that if the Senate passes a bill restoring or reimposing controls over the allocations of grain, then there should be no doubt that the House Committee on Banking and Currency will have hearings on that bill, and that opportunity will be given all of those interested to appear before the committee. I do not want to imply at all that the hearings will be so extended as to negative action taken otherwise, but I would think that perhaps the House Committee on Banking and Currency might well devote 4 or 5 days to hearings in order that we might have a fuller understanding of the problem. I think that I can give the gentleman reasonable assurance now that when and if the Senate acts favorably on its bill we will have hearings shortly afterward.

Mr. HAYS. I thank the chairman very much. He has spoken to the point, and I appreciate his assurance. My purpose in raising the question was to bring out the fact, which I think he will agree with, that grain is as important to the over-all picture, considering export controls, as some of these other commodities that are specifically mentioned in the bill.

Mr. WOLCOTT. The gentleman is correct. I wish to merely state that one of the most trying things in respect to grain allocation is the fact that we are now licensing the export of grain to be made into whisky in greater quantities than ever before. Just by way of example, the use of corn by the United Kingdom for whisky-making purposes in 1947 was three and one-half times the amount used in 1946. Although in the Hyde Park agreement we do not have to license export of grain to Canada, it is interesting to note that in 1946 Canada imported from the United States 666 bushels of rye to be made into whisky. In 1947 Canada imported 2,000,000 bushels of rye to be made into whisky. So, the fundamental question, perhaps, is whether it is not a fallacy for us to restrict the use of grain by our own distillers at the same time we are exporting grain in increasing large quantities to be made into whisky in some foreign countries. Especially this may be true when the necessity for the allocation of grain domestically is predicated on the necessity for preserving grain to feed hungry Europe.

The CHAIRMAN. Are there any further requests for time? If not, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That subsection (b) of section 1501 of the Second War Powers Act, 1942, as amended by the Second Decontrol Act of 1947 (Public Law 188, 80th Cong.), is hereby amended by striking out "February 29, 1948," and inserting in lieu thereof "the close of March 31, 1948." Subsection (c) of such section 1501 is hereby amended by striking out "February 29, 1948," and inserting in lieu thereof "March 31, 1948."

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the authority, as I understand, under which the Office of Materials Distribution in the Department of Commerce forces the manufacturers of nitrogenous fertilizer in the United States to allocate and export a portion of their manufactured products to various foreign countries. Since the bill before us provides for only a 30-day extension I shall not oppose it. But any measure that will extend the power beyond 30 days will have my vigorous opposition.

You will recall when we had before us the interim-aid bill I offered an amendment with reference to the exportation of fertilizer. I called the attention of the Congress to the fact that a subcommittee of the House Committee on Agriculture would within a few days thereafter investigate the fertilizer situation with particular reference to the nitrogenous supply. I asked the House at that time to delete from the interim-aid bill any reference or any language which pertained to nitrogenous fertilizer. The House saw fit not to do so. A reversal of 16 votes would have meant the adoption of my amendment.

We proceeded with our investigation. It disclosed, first, as you all know, that nitrogen is in very, very short supply to the American farmers. Even though the Secretary of Agriculture had set production goals for 1948 much higher than last year, there will be less nitrogen available to meet the goals than was available last year. Witnesses before the committee stated that there would probably be 4 percent more, but if you will inquire among your farmers you will find that they will have even less.

Second, the investigation revealed that the supply of nitrogenous fertilizer to the German farmer, our former enemy, is equal to or in excess of that which is available to your own farmer. That being true, I think the Committee on Banking and Currency when it considers a further continuation of the powers contained in this bill should seriously look into the supply of nitrogenous fertilizer for the crop year 1949. Foreign allocation of domestic production should be stopped.

As far as the fiscal 1948 allocations are concerned, that is water over the mill. The Office of Materials Distribution has already made its allocations and most of the exports have gone out.

There are two sources of supply of nitrogenous fertilizer in the United States, one being ordnance production and the other that manufactured by the fertilizer industry. The fertilizer industry should not be called upon to supply another single ton to export. It is my feeling, and I trust the members of the Committee on Banking and Currency will listen closely, that future allocations of fertilizer to export, to the Netherlands, France, the Philippines, and other foreign countries, should be taken from ordnance production, that is, that which is being produced by the War Department. Under present law all production of the War Department is committed to the occupied countries of Germany, Japan, and Korea. Since we are today shipping abroad almost 30 percent of our supply of nitrogen and the German farmer is now receiving as much or more than the American farmer, I certainly think a portion of ordnance production could be diverted to fill all international exports and thereby leave the entire output of the fertilizer industry for the American farmers. I think the time has come for us to do a little something for our own people.

I trust that this will have the serious consideration of the Committee on Banking and Currency when it considers a further continuance of these extraordinary powers.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947, pursuant to House Resolution 472, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD with reference to the Mexican Trade Agreement.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD and include a radio address.

CONTINUING HOUSING AND RENT ACT OF 1947

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution No. 471 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5390) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. NICHOLSON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state the point of order.

Mr. NICHOLSON. Would it be in order to limit the debate to 15 minutes?

The SPEAKER. That is within the control of the gentleman from Illinois [Mr. ALLEN]. The gentleman from Illinois has 1 hour under the rules of the House.

Mr. ALLEN of Illinois. Mr. Speaker, this resolution provides 1 hour of debate on H. R. 5390, a bill which would extend the present rent-control law for a period of 1 month. The present act expires February 29. This bill would extend it until March 31.

The Committee on Banking and Currency has been considering the subject of rent controls for some time. Whatever conclusions they had arrived at several weeks ago, however, were made subject to modifications by recent changes in the price structure. The Banking and Currency Committee is not now prepared to report any long-term rent-control bill. I agree with the gentleman from Michigan—the chairman of the committee—that no action should be taken on legislation of an economic nature until prices become stabilized—and until the effect of the price drop can be more soundly appraised. It is hoped that economic conditions will become more stable in 2 or 3 weeks—and that a sound longer-term policy can be worked out to meet conditions existing then.

Many of the conditions still exist which made rent control necessary when we extended it last year. And I think that all of you will agree with me that it would be just as inadvisable to allow rent control to expire now—as it would be to extend it for another year without a thorough appraisal of the general economic situation. Therefore, this bill should meet the approval and have the support of those who would have rent control extended for a longer period, as well as those who would have it expire soon. Neither group—I am sure—would want a final decision on the question made now—and based upon present uncertainties.

This resolution waives points of order against H. R. 5390. The bill and the report appear to be complete, and I do not believe that any point of order against them would be sustained, even without a waiver. But it was felt that somewhere out of the past history of rent-control

legislation—with its extensions—repeal of certain sections—modifications and amendments—somewhere an error might be found which would sustain a point of order against the bill. The Rules Committee has anticipated this contingency, and therefore points of order against the bill are waived.

I believe that all of the Members of the House will agree with me that we should not take any action on a long-term rent-control bill now. We cannot possibly make a sound decision based on present uncertainties. Therefore, we should adopt this resolution—and pass this bill—and thereby give ourselves the opportunity of making a sounder decision later on the question of rent control.

I now yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Does the gentleman from Illinois desire to consume any further time now?

Mr. ALLEN of Illinois. No; I do not.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I listened with a great deal of interest to the remarks of my valued friend, the chairman of the Rules Committee, particularly when he said, "I have agreed." I got that very significantly when he said "I have agreed," and the thought ran through my mind that there are 434 other Members of the House or thereabouts. I noticed that he laid stress upon the word "I." When he used that, the thought ran through my mind just where the rest of us came into the picture. However, with that brief observation I will pass over that remark of my friend.

I assume the gentleman from Illinois, chairman of the Rules Committee, and the gentleman from Michigan [Mr. WOLCOTT], chairman of the Banking and Currency Committee, during this period that they have advised the House they are going to ponder seriously about this question, will recognize the effects of the Rent Control Act of last year and the terrible conditions that exist throughout the country as a result of the passage of the Rent Control Act of last year. From December 1942 until June 30, 1947, residential rents only increased 1.1 percent; over a period of nearly 4 years.

Within 4 months after the passage of the Rent Control Act of 1947, to wit, during the months of July, August, September, and October, residential rents increased 5.5 percent; in other words, within 4 months after the passage of the Republican measure of last year, residential rents increased five times as much as residential rents increased under the Democratic measure that covered a period of approximately 4 years.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. I was not listening too attentively, but did the gentleman quote me as saying that I thought it was devastating to continue rent controls, or something to that effect?

Mr. McCORMACK. No; my friend was not listening. I said I assumed that when the committee gives consideration or when this period of stabilization, economic stabilization, that my friend from Illinois has referred to in the sense of "I," that the Committee on Banking and Currency will give serious consideration to the dreadful results that have flown from and exist now as a result of the passage of the so-called Rent Control Act of last year, which, of course, is known, and properly so, as the Republican measure.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. I wish to correct the gentleman. The title of that bill is not the Rent Control Act of 1947; it was a rent decontrol act and is referred to as the Housing and Rent Act of 1947.

Mr. McCORMACK. It certainly purported to be a rent-control act, and it certainly has produced such conditions of decontrol for which, as we look back now, I would be surprised if the gentleman from Michigan, who is chairman of the committee, would want publicly to claim credit.

What was the reason for the increase of rents that took place during a 4-month period five times as much as the increase in residential rents that took place during the preceding 4 years? In the first place, the decontrol act of last year, on the political platform stated by our Republican friends as a rent-control act, took away the triple damages, the power of Federal officials to go into the United States courts and bring actions to obtain triple damages against any landlords who violated the law at the same time to ask for injunctive relief against evictions. Furthermore, the wiping away of the necessity for landlords to make a report when there is a change of tenancy also contributed greatly towards the dreadful conditions that exist. In the bill of last year we remember they also took away the controls of practically all nonessential construction, and that seriously interfered with the construction of homes. The only controls left were upon certain recreational construction, such as bowling alleys and recreational construction of that kind.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. Would the gentleman include balconies as essential construction?

Mr. McCORMACK. It all depends on what kind of a balcony it is.

Does the gentleman deny that residential rents have increased during the 4 months succeeding the passing of the Republican measure by nearly five times as much as they increased during the preceding 4 years? The gentleman is silent, and being silent we are justified in inferring that the gentleman agrees.

Mr. WOLCOTT. Do not jump to conclusions.

Mr. McCORMACK. That may be correct, but silence, of course, many times constitutes consent.

Mr. WOLCOTT. I am not being silent.

Mr. McCORMACK. The gentleman is now on his feet.

Mr. WOLCOTT. What the gentleman states might be true. We have not the exact figures here, but in the aggregate there has been an increase in rents. However, if there has been any increase in controlled rents, it surely is not the fault of the legislation. The fault is in the administration of the act. The gentleman says that rents have increased 5 percent or five times, or whatever the figure was.

Mr. McCORMACK. About 5½ percent, that is correct.

Mr. WOLCOTT. The gentleman must have in mind that all new construction was taken out of control, which resulted in more homes being constructed during the last year than had ever been constructed in a comparable period in the last 20 years. In addition to that the gentleman, of course, has in mind that by mutual consent the landlords and the tenants could get together and increase the rent up to 15 percent.

Mr. McCORMACK. That is where the increase took place.

Mr. WOLCOTT. I know the gentleman always means to be very fair. Rents have increased 5 percent. For a full, complete, and fair understanding of the problem, the gentleman should give the House the figures on how much rents have increased in those properties which are under control.

Mr. McCORMACK. The gentleman overlooks the fact that on those premises where there is no lease made there are violations and tenants are afraid to make complaint. The survey shows that this runs in some cities to a higher percentage than the increases made in accordance with the decontrol law of last year in relation to the 15-percent provision on leased premises made before December 1, 1947. As an illustration, I have here a letter from a lady living in Greenwood, Conn. Here is a canceled check for $65. This is a case where the landlord tried to compel her and her husband to pay $125 a month. There are tens of thousands of cases of increases made outside of the law since July 1, 1946.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. McCORMACK. Mr. Speaker, increases have been made in violation of the law where the tenant is afraid to make complaint and where the Housing Expediter has not the personnel to make the investigation, because in connection with taking away last year, as the law did, effective control, there were sharp reductions made in appropriations for personnel for the Housing Expediter, as a result of which there is not only the decontrol law of last year bringing harmful results, for which the Republican Party must stand responsible, but in addition to that what few limited controls are in the law are limited to being enforced by reduced appropriations, as a result of which the Housing Expediter was not able to employ enough help to enforce the few controls contained in the law of last year.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I do not know what the gentleman is trying to prove when he says that rents increased 5 percent. But why should Congressmen complain about that when we increased our salaries 50 percent?

Mr. McCORMACK. What a very, very fine contribution that is, with 40,000,000 families of America in need of housing and my friend comparing the plight of those 40,000,000 families as against 435 Members of the House and 96 Members of the Senate. On that ground alone the gentleman's observation falls to the ground. The purpose of my remarks is to show the harmful results that have flowed from the law of last year.

When the Committee on Banking and Currency considers a bill during the next 30 days I hope it will give serious consideration to strengthening the weaknesses that exist in the law passed last year, having in mind, first, justice; justice to the millions of families throughout this country calls for more effective control than is contained in the present law.

The SPEAKER. The time of the gentleman has again expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, in my opinion we are going in the wrong direction on this rent-control proposition.

In my opinion, if rent controls had been discontinued when the war closed, there would have been a building boom throughout this country and there would today be houses for everybody. If we are going to have this kind of control, pass it back to the States. Let each State control its own affairs. But, I do not want to be a party to grinding into the dust the man or the woman who tries to own a little property, and that is exactly what this rent control is doing. We had better encourage people to own homes; we had better encourage people to own property throughout this country instead of persecuting the ones who have saved a little money, purchased a little property, and now have to pay the taxes on it, maintain it, and keep it up.

This rent-control law is keeping exservicemen out of houses, and in many cases keeping people in them who stayed at home and made more money than they had ever made before.

I do not know how much debate there will be on this proposition, but as far as I am concerned I am for getting back to the American policy and taking off these controls that, in my opinion, are doing more harm than good. They are keeping people from renting their homes, and they are keeping people from renting apartments or rooms in their homes. They are afraid to do so. You get people in there and you cannot get them out, although they may have their wages raised or their incomes increased three or four times, the landlord cannot raise the rent.

In many instances old people who have saved money and bought homes have lost them because they could not keep them up and pay the taxes on the small amount of rent they received.

Is this merely a political movement because there are more renters than there are home owners? That is exactly what it looks like.

Do not play the demagog, just admit that you are playing to the crowd who do not own any property, as against the person who has saved enough to own a house, and is having to pay the expense of keeping it up, paying taxes on it, and in many cases gradually losing it.

If we are going to adopt that kind of procedure and at the same time approve the report of the President's so-called Civil Rights Commission, then we had just as well join the Communist Party and be done with it.

Mr. SMITH of Virginia. Mr. Speaker, as far as I know everybody on this side with the exception of the gentleman who has just spoken is in favor of the adoption of the rule and the passage of the bill. I had hoped there would be no controversy about it. I should like to say, however, that this is a very necessary bill. Its purpose is to continue rent control for 30 days, until the Committee on Banking and Currency can bring in their bill for a continuance of such rent control as they may think desirable for the next year.

I am sure the Members of the House realize that in this time of shortage of housing in our populous areas, and I refer particularly to this area around the National Capital, to absolutely do away with rent control would create a condition of chaos which, I am sure, nobody here desires. I very much hope that the rule and the bill will be adopted.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Mississippi.

Mr. RANKIN. There was rent control in the District of Columbia before this national rent-control law was ever passed. What I am kicking about is maintaining rent control throughout the country and punishing people in every State of the Union who have tried to save up a little money to buy their homes, and now have to pay taxes on them and pay the upkeep, and are gradually losing what they have in order to furnish houses for the other fellow.

Mr. SMITH of Virginia. I think the gentleman's argument would be more proper at the time the permanent bill comes on for consideration.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. How much time is allowed for debate on this bill under the rule?

The SPEAKER. One hour of general debate, and then there will be debate under the 5-minute rule.

EXTENSION OF REMARKS

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include resolutions adopted by the Vermont Soil Conservation District Supervisors Association.

DEPARTMENT OF THE ARMY CIVIL FUNCTIONS APPROPRIATION BILL, 1949

Mr. ENGEL of Michigan, from the Committee on Appropriations, reported the bill (H. R. 5524, Rept. No. 1420) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. KERR reserved all points of order on the bill.

DEFICIENCY APPROPRIATION BILL, 1948

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 5525, Rept. No. 1421) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. CANNON. Mr. Speaker, I reserve all points of order, and I would like to ask the gentleman from New York when it is expected to take up this bill?

Mr. TABER. We would like to take it up if we could, Mr. Speaker, as soon as these control bills are disposed of. The rule is about ready to be adopted, and I assume that they will be an hour or so disposing of that first one.

The SPEAKER. The Chair will state that immediately following the passage of this bill there will be a conference report from the Committee on the Civil Service. Does the gentleman mean he wants to take it up today?

Mr. TABER. I would like to get through with it, because it must become law by the 1st of March.

The SPEAKER. It could follow the conference report.

Mr. TABER. Very well.

Mr. CANNON. Would that be approximately 4 o'clock?

Mr. TABER. Three or four o'clock; somewhere in there.

The SPEAKER. The Chair will state that if we are making progress today, it might be earlier than that.

CONTINUING HOUSING AND RENT ACT OF 1947

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5390) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5390, with Mr. MICHENER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill continues rent control until March 31, 1948, for a period

of 31 days beyond the date which under existing law it would otherwise terminate, namely February 29, 1948. The Committee on Banking and Currency has closed its public hearings on this matter. We expect to go into executive session quite early next month to determine whether rent control shall be continued beyond the March 31 date and in what form. I do not speak for the committee when I express my own personal opinion that rent controls, as we see the situation today, should be continued in some form. The form and the termination date, of course, have not been agreed upon by the committee because we have had no executive sessions in respect to these matters. The Senate thought for some days that they would be able to write a rent control bill before the deadline. They started debate in the other body last Friday, taking the matter up again today in the hope that they would be able to pass a long range rent control bill before the expiration date which for all practical purposes is next Saturday night. It becomes increasingly evident that because of the controversial nature of rent control it is improbable that the House Committee on Banking and Currency could act on the Senate bill in time to assure that a long-range bill will be signed by the President before midnight next Sunday. So this bill is introduced to give the Committee on Banking and Currency more time in which to study the matter. As I have said we expect to have executive sessions early in the month at which time we expect to have before us a Senate bill for—I was going to say guidance—but at least for our consideration. I think everyone agrees rent control is and has been since 1942 a very controversial subject. It has taken days here on the floor every year and we expect that it will be highly controversial again if it were brought out any time this week. So we say it is possible, but improbable, that the Congress could act on a rent control bill other than this extension bill before the deadline of midnight, February 29. That is one of the very important reasons why this bill to continue rent control as it now exists, is before us.

Although I realize that this argument may be considered somewhat far-fetched by some people, we are likewise confronted with possible further changes in our economic situation. If commodity prices continue to go down, abruptly or otherwise, somewhere along the line real estate values might take hold and start to go down. History tells us that as real estate values go down, vacancies of rental properties increase in volume. So perhaps we can do a much more intelligent job on the form in which rent control should be continued, if we take a look at this again in perhaps 2 weeks from now and see what, if anything, has happened to our economy. Nothing may happen. We may have a depression, which is improbable. We might continue to have what some people call a stabilizing recession but in any event, we want to act intelligently in the matter. So it is advisable, and no particular harm will be done, to extend rent control as it now exists, for 31 days, during which time we will get together a bill and report it to this House in respect to the termination date of rent control, and the form in which it should be continued beyond March 31, 1948.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JAVITS. Will the gentleman be kind enough to tell us how he feels that any readjustment in the economic situation, based on the commodity price situation, can possibly supply the additional homes to the tune of the amount we are short of homes? How can it possibly have any real influence on this situation.

Mr. WOLCOTT. I have said that the premise upon which we predicate our request for continuance may seem to be somewhat far-fetched to some people. I likewise said I did not think that any change was probable, which would prevent the extension of rent control. I likewise said that if the price of commodities continued to go down, that the price of real estate catches on somewhere along the line and starts to go down. Then we know from history, ironical as it may seem, that vacancies in rental properties increase. So we have to meet the situation as we find it. We will have to write the formulas, the standards, into the act in anticipation of that situation if commodity prices continue to drop. I do not hold that any anticipated drop in commodity prices would make homes available for all of those who want rental properties, but I do say that our approach to the subject might be entirely different if vacancies occur as a result of any depreciation in real-estate values. The standards, the form in which rent control is going to be continued, would perhaps be different. In any event, no harm will be done by taking a look at this subject 2 or 3 weeks from now in the light of any change which may have taken place in our economic situation.

I hope, and sometimes I think we all hope, that what is happening in the United States today is indicative of a stabilizing recession which is long overdue. I think economists have been expecting it for months. I believe it is going to come some time; personally, I hope this is it. It, of course, will change our thinking entirely. You will recall how just a couple of weeks ago when wheat and corn were going down the limit every day many Members of Congress were getting frightened that we were going into a depression. Facetiously a Member asked me, "What are you Republicans going to do to prevent a depression?" This indicates that a change in our thinking can happen almost overnight. I hope that we will not go into a depression. I surely would hesitate even to suggest that we are going into a depression. We can avoid a depression if we act intelligently and unemotionally on these economic problems.

So, to give ourselves an opportunity to adjust our thinking on this question in the light of any possible changes during the next 2 weeks, we are asking for a 31-day continuance of rent control, as it is.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself two additional minutes.

In addition to the continuance of rent controls, we, of course, continue the Office of the Housing Expediter for a comparable period of time. Also, in section 3 of the bill we continue a prohibition in which many of the Members of Congress are vitally interested. It relates to the eviction of tenants from publicly owned housing accommodations. In substance, the present law provides that there shall be no eviction of tenants from any public housing projects which were built for low rental unless other facilities can be found for the evicted tenants. This is continued for a 31-day period.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, for over 5 years the Government of the United States was engaged in manufacturing guns, ships, tanks, and planes, and devoted its entire energy to preparation for and prosecution of the greatest war in the history of mankind. During that time the building of homes was suspended. Twelve million men were away from home in the armed forces of their country. The shortage in housing was not felt so much then, but now that these men have been demobilized and have returned home it is felt most keenly.

The constitutionality of the Rent Control Act was challenged. The Supreme Court last week decided in favor of its constitutionality. It also decided that an emergency still exists and may exist for a long time to come and that there is a shortage of housing in the United States.

I am in favor of a continuation of rent control. I believe it is essential to the welfare of our people and to the very stability of our institutions. In my opinion, it ought to be a longer term than is provided in the bill. I do not attach much significance or importance to the argument that because of the recent flurry in the stock and commodity markets the housing situation will be affected one way or the other. It takes a long time to build houses. There is a shortage of houses and there is also a shortage of materials.

The question is not how long you want rent control to continue. The only alternative we have is to vote for this bill which continues rent control for a period of 30 days or else have no rent control at all. That is the question submitted to you now. I do not believe that anybody who has considered the matter wants to take the responsibility of eliminating rent control at this time. I realize there have been some impositions on both sides, I realize there have been hardships on landlords as well as tenants; but in dealings between the landlord and the tenant under present conditions without any controls the tenant is at a great disadvantage. We are dealing with housing, something that is as necessary to civilized man as the air he breathes or the food he eats. I know that you are going to continue this act for 30 days in order that the Banking

and Currency Committee may consider the question broadly in all of its aspects. I hope it will report a bill that will be fair, but will extend rent control for a substantial period. I do not think there can be any sound argument adduced against it.

Perhaps we might have brought forth a bill now that would have been satisfactory. But that is not the question. This is the bill reported by the committee and this is the bill you must decide whether you will vote for or against. If you vote for it, I hope we will have a bill that may control in a reasonable and just manner the rents of our people. If you vote against it, rent control collapses.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself two additional minutes.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman realizes that this is just one more step toward permanent rent control in this country?

Mr. SPENCE. That charge has been often made, but I attach no importance to it.

Mr. RANKIN. I know the gentleman does not, but the rest of us do.

Mr. SPENCE. I do not think this is permanent rent control. I do not think the American people want permanent rent control. However, the Supreme Court of the United States, in passing upon this question, stated that there is a housing shortage, that an emergency exists, and I think we all know that an emergency exists, but that the emergency will be overcome some time in the future and that rent control can be gradually relaxed. But under the conditions that exist now it is absolutely essential that it should be continued.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Mississippi.

Mr. RANKIN. That shortage is brought about to a large extent by this rent-control law; people in the other man's house in many cases occupy three to four times as much space as they did in the beginning, and the landlord is denied the right to remove them, or to raise their rents, and yet he has to keep up the property and pay the taxes to maintain the community. I say that this is a step toward permanent rent control, which is another step toward a Communist stage.

Mr. SPENCE. I think we all know that the shortage was caused by the prosecution of the war, and no other reason. I cannot conceive how rent control would lessen the number of houses in the United States.

Mr. RANKIN. But it will prevent many a man from building a house.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, the pity of continuing rent control is that while some, but by no means all, renters may be receiving some temporary benefits from it, in the long run they will suffer injury. They should know that most of the politicians who vote for continuing rent control do so, not because they love the renters, but because they want their votes.

If the politicians in Washington can tell rental-property owners what rents to charge, it will not be long until they will be telling the renters what rent they will have to pay, where they must live, how many rooms they can occupy, where and at what they shall work, the amount of their wages, what and how much they shall eat, as Germany, Italy, and Russia conclusively proved, and as England, France, and the other European countries are now in process of proving. You just can't have political control over one segment of the economy without eventually having such control over the whole economy. It is because I do not want to see renters and all others become slaves to the politicians that I am opposing the extension of the rent-control law.

Renters are being injured because rent control hinders the building of new rental homes. If this control had been removed immediately at the close of the war, there would have been a great upsurge of home building for rental purposes. A tremendous number of additional living quarters would have become available for rental purposes. Surveys show that there are many vacant residential quarters which would be immediately available for rent if ceilings were removed. There are a great many homes that would make available living quarters that now refuse to do so because of rent control.

After 1940 many families acquired additional living space to what they had, which is another factor that has to do with the shortage of homes. It is not generally known that there is actually more housing per person in the United States today than there was in 1940 when vacancies were quite extensive. This is confirmed by the United States Census Bureau.

There are other inequities. I refer to the removal of rent control from new houses. Where renters entered into leases under the present act houses are now decontrolled.

No nation that permits injustices such as these can long endure. Ours will disintegrate as completely as have the European countries unless we change our course, and time is running out. The question before the Congress is not whether rents should or should not be politically controlled. The question is freedom or bondage.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I come from a community where there are almost as many home owners as tenants. I tell you that the home owners in my community as well as the tenants want not only this temporary rent control extension but they want an extension of rent controls in the form referred to by the gentleman from Massachusetts [Mr. MCCORMACK]; a rent control extension that will really control rents, not because it will impair freedom but because it will guarantee freedom, for if you remove rent controls now or next month we will have the kind of chaos in this country that the Communists want. You will have the kind of chaos in this country that breeds communism. We need this rent control now and for the next 15 months at least, because if you are following the reports as we get them from all the business analyses and indexes you will find that the falling of commodity prices is not affecting rents; it is not giving you more housing, and the amount of commodity price decrease is so small that it does not affect the average wage earner. With reference to the statement that has been made on the floor of this House today that the owners of property are being groveled into the dust by rent control, and that they are losing their properties, let me call your attention to this fact.

In the State of New York mortgage foreclosures during the last 5-year period have been the lowest they have ever been in the history of the State. I know of no real estate owner, whether it be an apartment house owner, an owner of commercial property, or the owner of a home, who has lost it by reason of foreclosure brought about by loss of income because of rent control.

I have in my files many letters from owners of real estate, small and large properties, who say that rent control must be continued. I attended a dinner not long ago of the Real Estate Board of New York. It was attended by all the biggest real estate owners and managers of the city and the metropolitan community. Despite the speeches that were made from the platform, the opinion of most of those men, voiced privately, was that rent control must be continued.

To those who say that rent control should go back to the States, that it is not a Federal problem, I say let them show the way in their States by putting upon their statute books now emergency rent-control laws that will safeguard their people, so that we in Congress then can say we do not need a Federal law any longer. If and when those communities have emergency rent-control laws, we then can say we need them no longer on a national basis.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, the gentleman from New York [Mr. MULTER] has just told us that the people of New York want rent control. I have found by reading the New York FEPC law, and the regulations under it, that some of the people of New York want a great many things that the rest of the American people do not want.

If they want rent control in New York, let the State of New York put it on, but do not let them ram it down the throats of everybody else in the country.

The Rent Control Act today, I say, is preventing people from building homes and keeping ex-servicemen out of the ones now in existence. After the last war we had a building boom. We would have had one now, if it had not been for this rent control and the threat that they will carry rent control on and on and on.

The next movement will probably be a drive to pass a law rationing purchases. That will be one more long step toward communism.

Lenin once said that the greatest weapon of the Communist Party was a ration card.

Let us get back to American principles. Let this rent-control law die now. Let people take charge of their own property. Let people begin to build, with the understanding that they will be able to control their own private buildings.

If the gentleman from New York [Mr. MULTER] and the rest of the people of New York want this rent-control law, let them add it to the FEPC law they have up there and while they are running the businessmen out of New York, let them continue the persecution of the people who try to own property.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, a 31-day extension of rent control is asked for. I have no doubt that the House will vote it.

But I think, in answer to the gentleman from Mississippi who has just spoken, that the people of the State of New York are not alone in wanting a FEPC—or a proper rent-control bill. There is a very "chordant" demand for an FEPC in most of the States of the country. I think when the time comes for the vote, the vote will show that there is a thumping majority for a Federal FEPC, and for Federal rent control.

It is very important, however, that if the committee is going to consider rent-control extension for the next 31 days, the committee should bear in mind what Members of the House, on both sides of the aisle feel about the rent-control situation.

It is very unfortunate that we were put up against the gun and were under the necessity of debating and acting on rent-control legislation very hastily last year. I hope this time the committee will bring in its bill very early, will bring it in, let us say within a week or at the most 10 days, so that there can be adequate time for consideration, for reconciliation of our bill with the bill of the other body, and for final adoption of a conference report which will really do rent control justice.

Let us take one practical example. The so-called 15 percent voluntary increase provision, which I think we took because we had the Hobson's choice of having that or no rent-control bill at all, has caused a large amount of mischief. Right now, unless a new rent-control bill is enacted despite the fact that housing accommodations are still extremely short, a good part of over 1,500,000 American families will live in decontrolled premises when their leases expire on December 31, 1948, according to the provisions of existing law.

The committee ought to have these additional things in mind. First, the committee should rule out once and for all any across-the-board increase. The American people do not like windfalls, and that would be a windfall to some and would work unfairly to others. Second, the committee ought to tighten up on this so-called vountary-increase provision to be sure it is not being used as a pistol at the heads of tenants as indeed it has been used in New York and other parts of the country. The way to do that is to give the landlord an absolute obligation to maintain or redecorate rented premises, because that has been the principal weapon by which the 15-percent rent voluntary increases have been obtained. They have, in the main, not been granted voluntarily but have been coerced. Third, the tenant should be entitled to adequate safeguards against eviction. In too few States is there adequate protection for them in the State practice acts. It happens to be so in New York, but in other States tenants can be evicted very summarily, even though it be for cause, despite the fact that it is impossible to get other housing accommodations at this time. I am inserting in the RECORD my testimony on this subject before the House Banking and Currency Committee which details further my recommendations for changes in the law.

I have heard the views of the chairman of the Committee on Banking and Currency on the effect of the rise and fall of commodity markets on rent control, but I do not follow this argument. We must bear in mind that we have rent control because there is a physical housing shortage. The latest figures show that 2,746,000 couples are estimated to be living doubled up with other couples as of April 1, 1947. Now you cannot cure that by rises and falls in commodity markets. You can only deal with the situation by a vastly increased program of housing for which some of us have been fighting right here on this floor and which I hope will very soon get action.

I trust that the committee will, first, bring in a bill very promptly to give us an adequate chance to debate it; and, second, will take real cognizance of the difficulties and the injustices which have shown up in the existing law, and will tackle them and correct them.

We are facing a situation where democracy must be flexible enough in view of this drastic housing shortage to endeavor to provide physical rooms and physical accommodations to meet a pressing shortage. It must be flexible and not so rigid as to destroy itself by denying a measure of justice and accommodation when it encounters that problem.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. REDDEN. I expect to vote against this extension because I am against rent control. I think it is nothing short of a penalty on the American landowner today. I should like to ask the gentleman if he can foresee any definite time in the future short of another depression when the gentleman would ever recommend that rent controls should be ended.

Mr. JAVITS. I believe if the gentleman who is speaking, as well as other Members of the Congress, will vote for the Taft-Ellender-Wagner housing bill and will really support a national program of housing construction we can finally lick the housing shortage in under 5 years.

Mr. Chairman, my testimony before the House Committee on Banking and Currency recommending the extension of Federal rent control to June 30, 1950 or to at least June 30, 1949, follows:

Another year of rent control has passed but we find the problem with us is just as much of an undiminished emergency. Almost exactly the same points which were made in my testimony before the committee on March 28, 1947, are still valid today. The extension of Federal rent control continues to be a "must" economically for the whole country and rent controls remains the last barrier to a galloping inflation. When I testified before, the cost of living had skyrocketed by more than 60 percent over 1939 levels and today that figure has materially increased and the cost of food in the family's budget has doubled. With rent as one-fifth of the normal budget, 16,000,000 American families cannot let rentals get away from them. To take off rent controls now would bring about the experience that followed World War I—boosts of 50 to 100 percent and rent strikes by tenants. Though I come from the State of New York where there is a rent-control law and where there will be rent control even in the absence of a Federal law, people in my district are deeply concerned with rent control on the national level because of the impact it has on inflation and the whole cost of living.

Federal rent control has worked on the whole and although there are some landlords who complain, comparative profit levels continue to be good in the absence of vacancies and with a minimum of maintenance generally being undertaken by landlords. Relief for hardship cases has been generally available and many rent increases have been granted by the Housing Expediter—also about 10 percent of homes are now under leases made pursuant to the existing Public Law 129 of the Eightieth Congress including the 15 percent rent increase. As a matter of fact, as I shall note later, tenants have far more trouble with rent readjustments to which they are entitled than landlords and the law should protect them better.

Two points made with respect to the extension of the law must be immediately considered. One is the matter of an across-the-board increase. The American people generally have an antipathy for any such blanket treatment, and indeed it is indefensible, for it would bring a windfall to some landlords while it would not help others enough. Selection on a case-by-case basis is our normal course and should continue to be followed.

It has also been stated that rent control should be sent back to be administered by the States, but this is not a good solution for two reasons:

1. The problem of inflation is national and the housing shortage is national. Uniform standards of control are therefore essential if we are not to make for glaring inequities in the different States.

2. There are bound to be serious gaps as most States do not have adequate rent-control laws or machinery for its administration and would be caught as they were during the few weeks in the fall of 1946, when the OPA was not renewed, without any rent control whatsoever.

The housing shortage is still with us—two to four million families are still doubled up or living in substandard homes, the enormous veterans' demands for housing are largely undersupplied, and the emergency which makes national rent control essential is just as acute as it was when the bill was passed last June.

Coming now to Public Law 129 itself and its extension, I recommend a number of amendments to cure manifest inequities: Title I—insert in subsection b (1) in the

fifth line after the word "for" the words "commercial purposes or." This will bring the allocation of building materials for commercial purposes under control. There are area shortages in many things like hardwood flooring, plumbing fixtures, soil pipe, nails, and other items. While the housing-construction picture has improved—but only modestly — commercial construction has climbed enormously, so that at a current annual rate of $4,000,000,000 it will attain a new high in relation to housing construction of $6,000,000,000 this year. Our people have a right to insist on having homes and on the deference of nonessential commercial construction. I do not advocate that commercial construction be eliminated. I only advocate that each project be reviewed on its merits and that where it is nonessential, and where there is an appreciable shortage of materials or labor involved which could be better used for housing construction in that area, the particular commercial construction should be deferred.

Title II, section 204, should be revised as follows: In subsection (a), line 7, delete "February 29, 1948" and insert at the least "June 30, 1949." In subsection (b), line 9, after the word "inequities", insert "or to compensate tenant for failure of the landlord to suitably maintain any controlled housing accommodations,"; and in line 12, delete "December 31, 1947", and insert "December 31, 1948", and in line 16, insert "1949" in lieu of "1948"; and in line 25, delete the word "thereafter" and insert "so long as the valid written lease therein referred to remains in effect", and delete the last sentence of this subsection. In subsection (f), delete "February 29, 1948" and substitute "June 30, 1950" or at the very least, "June 30, 1949."

These amendments have three purposes:

1. To provide that the act shall expire not 1 year after its present expiration date, but not less than 1 year and 4 months thereafter. It is clear that Congress cannot act diligently, with adequate time for debate and formulation of legislation, so soon after it convenes in January on such an important subject as rent control and should have more time to consider renewal or amendment of the act in 1949.

2. To redress the injury to tenants of landlord's failure to redecorate the premises. Tenants in my district are having a great amount of trouble with this matter. Landlords are supposed to redecorate every 3 years, but landlords refuse to do it and during the last year have tried to make this an excuse for getting a so-called voluntary 15-percent rent increase through a lease agreement. The tenant should have a right to compensation out of his rent if the landlord fails to decorate or otherwise fails to maintain the rented premises and he should have a speedy administrative remedy. This can only be supplied him in terms of compensation rather than in terms of the long drawn-out process of seeking a rent reduction.

3. It is of vital importance to protect the 10 percent of tenants who have entered into the so-called voluntary lease agreements providing for 15-percent rent increases. Just as I, and many others predicted last spring, rent control will not go off on February 29, 1948, but will have to be continued in view of the continued housing stringency. In my district, I advised every family in writing as to their rights and urged them not to be intimidated into signing one of these 15-percent rent increase leases. Landlords used all kinds of stratagems, and carefully worded their letters to have coercive effect without actually making any threats to get these leases signed. Now these unhappy tenants who did succumb to the pressure of landlords find themselves in decontrolled apartments. This is quite apart from the frauds practiced between lessees and landlords in collusive leases and leases with relatives to get apartments decontrolled. Under the existing law if for any reason a lease is breached, or an apartment is vacated or if the lease term expires, as many will, during the renewal of this statute, that apartment is decontrolled. The confusion and unbalance created by controlled and decontrolled apartments in one building would be difficult to picture. But with many of these voluntary 15-percent increase leases already in effect, the only way to settle the question is to continue the rented premises under control once the lease is no longer in effect. This makes it possible for the landlord to make a new lease but at no greater rental than the old lease specified. It does whatever one can do under the circumstances of the existence of over a million and a half of these leases already, to bring equity into a situation in which there is likely to be outright discrimination unless this amendment is adopted.

I also propose an amendment to section 209 by inserting at the end of subsection (a) the following proviso: "*Provided, however,* That any court of competent jurisdiction may stay any proceeding or action by virtue of paragraphs 2, 3, or 4 of this section, or any order, judgment, or decree of eviction issued therein for a period of not to exceed 6 months if the tenant for good cause shown is unable to vacate such controlled housing accommodation." The purpose of this amendment is an effort to protect tenants under the difficulty of finding new accommodations. The laws of the State of New York permit a 6-month stay in case of eviction (New York Civil Practice Act, sec. 436A), but other States may not have such protection. In view of the impossibility of finding new housing and the possibility of applying for eviction provisions under Public Law 129 as it stands on grounds other than for breach of tenancy, this is a basic matter. I proposed the same amendment on the floor when the bill was up before and believe that this amendment should be accepted now.

I have not discussed other matters such as the recontrol of new construction and of hotels, motor courts, etc., as these have been the subject of local laws in New York and such evidence may best come from those affected in areas where there are no local laws, based on the actual experience with the Federal law.

In summary, I recommend extension of Federal rent control until June 30, 1950, or at the very least to June 30, 1949, and sundry amendments to titles I and II of Public Law 129, Eightieth Congress, as specifically set forth in my statement.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, I believe the discussion here reveals conclusively why this problem is a local one and should be dealt with by the individual States. We have different segments of our Nation exactly the opposite so far as rental property is concerned. It may be that some city landlords do have horns and a forked tail. Perhaps it is necessary for them to impersonate the devil. It depends whether or not they are renting to imps. But in my district the landlords are not horned devils and the tenants are not imps. The question I want to ask is this: Here are three individuals. They are all thrifty. They worked and have saved their money. One man invests his money in a filling station, in a free enterprise afforded him in America. The other invests his money in a grocery store. The third invests his money in cheap rentable property. A double, for instance, which he has been able to buy for $3,500 or $4,000 and he rents that property at $12.50 to $15 a month per side. Why should the man who was thrifty and invested his money in rentable property to have an income in his old age be penalized because he invested his money in real estate, while the man who invested in a filling station or a grocery store may be making excess profits under our present inflationary spiral? I do not think we should discriminate against a man just because he chose to invest his money in cheap rental property. There is no need discussing the increased cost of up-keep, taxes, and so forth. Suffice to say is that it far exceeds the 15 percent voluntary agreement permitted under this extension.

The problem that the gentlemen from New York described may be true. I have no argument whatever with those gentlemen. So let them solve their own problems, and let us solve ours.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield.

Mr. COLE of Kansas. I am a member of the committee which has had this bill under consideration. I have somewhat the same problem that the gentleman has, in my district. I asked practically every witness the same question you have asked the Congress today and none of them was able to give a satisfactory answer.

Mr. BREHM. I think it is discrimination against a person who might have invested his savings in cheap rentable property. It certainly is not a reward for thrift.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield.

Mr. RANKIN. This rent control is keeping more veterans out of adequate housing than anything else. Why? A man who had his wages raised or his income increased three or four times during the war is in there. He is probably occupying three or four times as much space as he did in the beginning. One gentleman in the cloakroom told of a case where three families were occupying space that nine families originally occupied. Yet the serviceman cannot get in that house by paying a reasonable rental.

Mr. BREHM. I think it is impossible to fix regulations and standards from any agency or bureau in Washington and expect it to be applicable to every segment of our American Continent from coast to coast. It simply cannot be done. You cannot regulate rentals and say "This is what a man is going to get out there in other sections of the country." It is purely a local problem, in my opinion.

Mr. RANKIN. Will the gentleman yield further?

Mr. BREHM. I yield.

Mr. RANKIN. The gentleman from New York [Mr. MULTER] a while ago said they were going to impose this same FEPC that they are running businessmen out of New York with, on the whole country. I dare say that same philosophy would impose rationing, and put a ration book in the hand of the head of every

family in American, which Lenin said is the greatest weapon communism could have.

Mr. BREHM. Well, I am not discussing the FEPC. I have never favored discrimination which is one reason I am opposed to this legislation. I am talking about this particular rent-control bill.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. BREHM] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BREHM. I would like to say that I trust when and if a permanent bill is brought in, it will take into consideration the little folks who have saved their money and invested it in income property, and that they will not be treated on the same basis as the large landlord in a city.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield.

Mr. MULTER. I just want to direct the gentleman's attention to the fact that the administration's rent control today is not by means of attempting to set up a single standard for the whole country. It is decentralized. In each region they treat the matter in accordance with the problem of that region. Comparable rent does not mean the same rents in Mississippi and New York, but in each particular area. In addition to that, they have tried to eliminate inequities so that the rentals in particular cases where an application is made will be adjusted so that the income from the property will cover the carrying charges and show a return on the property.

Mr. BREHM. The gentleman may be stating the problem as he sees it in New York, but he is not stating the problem of my folks back in Ohio, I assure you. My letters are all absolutely to the contrary. It is just another case of some bureaucratic agency attempting to direct a business out in the States by remote control which is sometimes not too remote.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield.

Mr. NICHOLSON. Will the gentleman tell the Committee what the question is before the Committee of the Whole?

Mr. BREHM. Whether we shall continue as at present the law extending rent controls for 31 days.

Mr. NICHOLSON. Mr. Chairman, does the gentleman wish to argue whether or not we should do it for another 30 days?

Mr. BREHM. I am not arguing. I am simply stating a proposition; namely, that I am just opposed to Congress establishing any controls in peacetime on a national scale. I do not think it is any of our business at all. I think that we can deal with it in our own particular locality, in our own particular State. We know our problems back there better than anyone else. The gentleman from New York does not know what our problems are in Ohio nor do we in Ohio know what his problems are in New York. This is something that should be left to the States. All 48 of them have brains enough to cope with this problem without advice or help from each other or Washington, D. C., either.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. WOLCOTT. Mr. Chairman, I believe there is no more time to yield on this side.

Mr. SPENCE. Mr. Chairman, I have no further requests for time.

The Clerk read as follows:

Be it enacted, etc., That subsection (a) of section 4 of the Housing and Rent Act of 1947 (Public Law 129, 80th Cong.) is hereby amended by striking out "March 1, 1948," wherever it occurs and inserting in lieu thereof "April 1, 1948."

SEC. 2. Subsection (a) of section 204 of the Housing and Rent Act of 1947 is hereby amended by striking out "February 29, 1948" and inserting in lieu thereof "the close of March 31, 1948." Subsection (f) of such section 204 is hereby amended by striking out "on February 29, 1948" and inserting in lieu thereof "at the close of March 31, 1948."

SEC. 3. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), is hereby amended by striking out "March 1, 1948," and inserting in lieu thereof "April 1, 1948."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5390) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, pursuant to House Resolution 471, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RANKIN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RANKIN. I am.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. RANKIN moves to recommit the bill to the Committee on Banking and Currency.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 13, noes 98.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground there is not a quorum present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-two Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 57, nays 306, not voting 66, as follows:

[Roll No. 13]

YEAS—57

Arnold	Goff	Peterson
Banta	Goodwin	Pickett
Bennett, Mo.	Gossett	Poage
Brown, Ohio	Griffiths	Rankin
Burleson	Gwynne, Iowa	Redden
Busbey	Harness, Ind.	Reed, N. Y.
Church	Hoffman	Rizley
Clevenger	Jackson, Calif.	Rogers, Fla.
Cole, Mo.	Jennings	Sanborn
Cotton	Jensen	Schwabe, Mo.
Cravens	Kilday	Schwabe, Okla.
Crawford	Lucas	Smith, Kans.
Cunningham	McCowen	Smith, Ohio
Curtis	Mahon	Teague
Dolliver	Nicholson	Wilson, Ind.
Dondero	O'Konski	Wilson, Tex.
Fernandez	Owens	Wood
Fisher	Patman	Worley
Fletcher	Peden	Youngblood

NAYS—306

Abernethy	Deane	Hull
Albert	Devitt	Jackson, Wash.
Allen, Calif.	D'Ewart	Jarman
Allen, Ill.	Dirksen	Javits
Almond	Domengeaux	Jenison
Andersen H. Carl	Donohue	Jenkins, Ohio
	Dorn	Johnson, Calif.
Anderson, Calif.	Doughton	Johnson, Ill.
Andresen, August H.	Douglas	Johnson, Ind.
	Durham	Johnson, Tex.
Andrews, Ala.	Eaton	Jones, Ala.
Andrews, N. Y.	Eberharter	Jones, N. C.
Angell	Elliott	Jones, Wash.
Arends	Ellis	Jonkman
Auchincloss	Ellsworth	Judd
Bakewell	Elsaesser	Karsten, Mo
Barrett	Elston	Kean
Bates, Mass.	Engel, Mich.	Kearney
Battle	Engle, Calif.	Kearns
Beckworth	Evins	Keating
Bell	Fallon	Kee
Bender	Feighan	Keefe
Bennett, Mich.	Fellows	Kefauver
Bishop	Fenton	Kelley
Blackney	Flannagan	Kennedy
Bland	Folger	Keogh
Blatnik	Foote	Kerr
Bloom	Fuller	Kilburn
Boggs, Del.	Fulton	King
Bolton	Gamble	Kirwan
Bonner	Garmatz	Knutson
Boykin	Gary	Kunkel
Bradley	Gathings	Landis
Bramblett	Gavin	Lane
Brehm	Gillette	Lanham
Brophy	Gillie	Larcade
Brown, Ga.	Gordon	Latham
Bryson	Gore	Lea
Buchanan	Gorski	LeCompte
Buck	Graham	LeFevre
Buckley	Granger	Lemke
Buffett	Grant, Ala.	Lewis
Bulwinkle	Grant, Ind.	Lichtenwalter
Burke	Gross	Lodge
Butler	Hagen	Love
Byrnes, Wis.	Hale	Lynch
Camp	Hall, Edwin Arthur	McConnell
Canfield		McCormack
Carroll	Hall, Leonard W.	McCulloch
Case, N. J.		McDonough
Case, S. Dak.	Hand	McGregor
Celler	Hardy	McMahon
Chelf	Harless, Ariz.	McMillan, S. C.
Chenoweth	Harris	Mack
Clark	Harrison	MacKinnon
Clason	Hart	Madden
Coffin	Harvey	Maloney
Cole, Kans.	Havenner	Mansfield
Cole, N. Y.	Hays	Marcantonio
Colmer	Hedrick	Martin, Iowa
Combs	Heffernan	Meade, Ky.
Cooper	Herter	Merrow
Corbett	Heselton	Meyer
Coudert	Hess	Michener
Crosser	Hill	Miller, Calif.
Crow	Hobbs	Miller, Conn.
Dague	Hoeven	Miller, Md.
Davis, Ga.	Holmes	Miller, Nebr.
Davis, Tenn.	Hope	Mills
Davis, Wis.	Horan	Mitchell
Dawson, Utah	Huber	Monroney

Morgan	Rayburn	Stevenson
Morris	Reed, Ill.	Stigler
Morton	Rees	Stockman
Muhlenberg	Rich	Stratton
Multer	Richards	Sundstrom
Mundt	Riehlman	Taber
Murdock	Riley	Talle
Murray, Tenn.	Robertson	Thomas, Tex.
Murray, Wis.	Rockwell	Thompson
Nodar	Rogers, Mass.	Tibbott
Norblad	Rohrbough	Tollefson
Norrell	Ross	Trimble
Norton	Russell	Twyman
O'Brien	Sadlak	Vail
O'Hara	Sadowski	Van Zandt
O'Toole	St. George	Vinson
Pace	Sarbacher	Vorys
Patterson	Scoblick	Vursell
Pfeifer	Scott, Hardie	Wadsworth
Philbin	Scrivner	Walter
Phillips, Calif.	Seely-Brown	Weichel
Phillips, Tenn.	Shafer	Welch
Ploeser	Sheppard	Wheeler
Plumley	Sikes	Whitten
Potter	Simpson, Ill.	Whittington
Potts	Simpson, Pa.	Wigglesworth
Poulson	Smith, Va.	Williams
Preston	Smith, Wis.	Winstead
Price, Fla.	Snyder	Wolcott
Price, Ill.	Somers	Wolverton
Priest	Spence	Woodruff
Rains	Stanley	
Ramey	Stefan	

NOT VOTING—66

Allen, La.	Gregory	Meade, Md.
Barden	Gwinn, N. Y.	Morrison
Bates, Ky.	Halleck	Nixon
Beall	Hartley	Passman
Boggs, La.	Hébert	Powell
Brooks	Hendricks	Reeves
Byrne, N. Y.	Hinshaw	Regan
Cannon	Holifield	Rivers
Carson	Jenkins, Pa.	Rooney
Chadwick	Johnson, Okla.	Sabath
Chapman	Kersten, Wis.	Sasscer
Chiperfield	Klein	Scott, Hugh D., Jr.
Clippinger	Lesinski	Short
Cooley	Ludlow	Smathers
Courtney	Lusk	Smith, Maine
Cox	Lyle	Taylor
Dawson, Ill.	McDowell	Thomas N. J.
Delaney	McGarvey	Towe
Dingell	McMillen, Ill.	West
Fogarty	Macy	Zimmerman
Forand	Manasco	
Gallagher	Mason	
Gearhart	Mathews	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Halleck with Mr. Klein.
Mr. Chiperfield with Mr. Cox.
Mrs. Smith of Maine with Mr. Rooney.
Mr. Macy with Mr. Forand.
Mr. Towe with Mr. Hébert.
Mr. Short with Mr. Meade of Maryland.
Mr. Thomas of New Jersey with Mrs. Lusk.
Mr. McGarvey with Mr. Chapman.
Mr. McMillan of Illinois with Mr. Johnson of Oklahoma.
Mr. Hugh D. Scott, Jr., with Mr. Dawson of Illinois.
Mr. Mathews with Mr. Fogarty.
Mr. Hartley with Mr. Sasscer.
Mr. Chadwick with Mr. Morrison.
Mr. Clippinger with Mr. Brooks.
Mr. Taylor with Mr. Holifield.
Mr. Gallagher with Mr. Boggs of Louisiana.
Mr. Beall with Mr. Zimmerman.
Mr. Nixon with Mr. Byrne of New York.
Mr. Hinshaw with Mr. Cooley.
Mr. Reeves with Mr. Manasco.
Mr. Mason with Mr. Lesinski.
Mr. Carson with Mr. West.
Mr. Kersten of Wisconsin with Mr. Smathers.
Mr. Gwinn of New York with Mr. Delaney.

Mr. RIZLEY and Mr. COTTON changed their votes from "no" to "aye."

Mr. POULSON changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD in four instances.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include a statement commending the Reserve Officers' Association.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in three instances, in two to include newspaper articles and in the other some correspondence.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KING asked and was given permission to extend his remarks in the RECORD and include a statement by the Governor of the State of California to the joint subcommittees of the House and Senate Judiciary Committees considering the bill S. 1988 and companion bills.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include an address he made on Lincoln Day.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

Mr. CELLER. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CIVIL SERVICE RETIREMENT ACT

Mr. REES. Mr. Speaker, I call up the conference report on the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 1. (a) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have attained or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service, shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act.

"'(b) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of fifty-five years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act, reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years.

"'(c) Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years. This subsection shall become effective July 1, 1947.

"'(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least fifty years of age and who has rendered twenty years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 per centum of his average basic salary for the five years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding thirty years.'

"SEC. 2. Section 2 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed fifteen years of service computed as provided in section 5 of this Act shall, on the last day of the month in which he attains the age of seventy years, or completes fifteen years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible

for retirement on annuity as provided in section 4 hereof.

"'(b) No person who is receiving an annuity under the provisions of this Act and who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided,* That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further,* That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service.'

"SEC. 3. (a) Except insofar as amendments made by this Act change rates of interest and eliminate tontine deductions, such amendments shall not apply to any person subject to the provisions of section 3A of the Act of May 29, 1930, as amended, and the rights and obligations of such person under such Act shall continue as though this Act had not been enacted.

"(b) Section 3 (a) of the Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"'Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948.'

"SEC. 4. Section 4 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 4. (a) The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) 1½ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to $25 for each year of such service: *Provided,* That in no case shall the annuity exceed an amount equal to 80 per centum of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

"'(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after his death payable to his surviving widow designated by him at time of retirement equal to 50 per centum of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 per centum of such life annuity, reduced by three-fourths of 1 per centum of such life annuity for each full year, if any, his wife is under the age of sixty at the date of such retirement, but shall in no case be less than 75 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age fifty, whichever is the later, and such annuity or any right thereto shall terminate upon her death or remarriage.

"'(c) Any unmarried officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant having an insurable interest in such officer or employee, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than ten years younger; 80 per centum if the survivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission. No person shall be eligible to receive an annuity under this subsection and an annuity under subsection (c) of section 12, based upon the service of the same officer or employee, covering the same period of time.

"'(d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"'(e) Except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the term "basic salary, pay, or compensation", wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation.'

"SEC. 5. The first paragraph of section 5 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided,* That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided.'

"SEC. 6. The first three paragraphs of section 6 of the Act of May 29, 1930, as amended, are amended to read as follows:

"'Any officer or employee to whom this Act applies who shall have served for a total period of not less than five years computed as provided in section 5 of this Act, and who before meeting the age and service requirements for retirement under section 1 (a) hereof, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided,* That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within six months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"'Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age 60, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age 60 and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical

examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

" 'If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been separated from the service within the meaning of section 7 of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section.'

"SEC. 7. Section 7 of the Act of May 29, 1930, as amended, is amended to read as follows:

" 'SEC. 7. (a) Should any officer or employee to whom this Act applies after having rendered five years of civilian service, computed as prescribed in section 5 of this Act, but less than twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

" '(b) Should any officer or employee to whom this Act applies, after having rendered at least twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a).

" '(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.'

"SEC. 8. Section 8 of the Act of May 29, 1930, as amended, is amended to read as follows:

" 'SEC. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the second month following the month in which this Act is enacted by 25 per centum or $300, whichever is the lesser: *Provided,* That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed $600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable. Except as provided in this paragraph, the amendments made by this Act shall not apply in the case of officers and employees retired prior to the effective date of this Act.

" 'In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as amended, beginning after such effective date, his rights shall be determined and annuity computed as though this Act had not been enacted.'

"SEC. 9. Section 9 of the Act of May 29, 1930, as amended, is amended to read as follows:

" 'SEC. 9. Each officer or employee within the purview of this Act shall deposit, with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the "civil-service retirement and disability fund" a sum equal to 2½ per centum of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; 3½ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per centum of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period which begins after June 30, 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Such interest shall not be required for any period during which the officer or employee is separated from the service. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to 10 per centum of the amount of such deposit, unless the officer or employee shall elect to eliminate such service entirely from credit under this Act: *Provided,* That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States.'

"SEC. 10. The first two paragraphs of section 10 of the Act of May 29, 1930, as amended, are amended to read as follows:

" 'Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation: *Provided,* That from and after the first day of the first pay period which begins after June 30, 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 6 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the civil-service retirement and disability fund created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

" 'Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of $25 but not to exceed 10 per centum of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission, an annuity in addition to the annuity provided by this Act. The life annuity shall consist of $7 for each $100, increased by 20 cents for each full year, if any, such officer or employee is over the age of 55 years at the date of retirement. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited, with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year, shall be refunded in accordance with the provisions of section 12 of this Act. In case a retired employee who is receiving a life annuity under this paragraph shall die without having received in annuity purchased by the total amount so deposited, with interest at 3 per centum per annum compounded on December 31 of each year, to date of retirement, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12 (e).'

"SEC. 11. Section 12 of the Act of May 29, 1930, as amended, is amended to read as follows:

" 'SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the "civil-service retirement and disability fund" created by the Act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

" '(b) (1) In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: *Provided,* That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.

" '(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.

" '(c) (1) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age fifty, whichever is the later, equal to one-half the amount of

an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee: *Provided*, That such payments or any right thereto shall cease upon death or remarriage of the widow.

"'(2) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act, or after having retired subsequent to such date of enactment under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity terminable upon death, remarriage, or attainment of age 50. The annuity payable to the widow of such officer or employee shall be equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. The annuity payable to the widow of such annuitant shall be equal to one-half the amount of the annuity which such annuitant was receiving at the time of his death excluding any portion thereof purchased by voluntary contributions under the second paragraph of section 10, or, if such annuitant had elected a reduced annuity under subsection (b) or (c) of section 4, one-half of the annuity which such annuitant would have received if he had not made such election. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed $900 divided by the number of such children or $360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of this subsection.

"'(3) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act or after having retired subsequent to such date of enactment under section 1, 2, or 6, and leaves no surviving widow or widower but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survived, but not to exceed $1,200 divided by the number of such children or $480, whichever is lesser.

"'(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

"'(d) As used in this section—

"'(1) The term "widow" means a surviving wife of an individual, who either (A) shall have been married to such individual for at least two years immediately preceding his death, or (B) is the mother of issue by such marriage.

"'(2) The term "child" means an unmarried child, including a dependent stepchild or an adopted child, under the age of eighteen years, or such unmarried child who because of physical or mental disability is incapable of self-support.

"'(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

"'(e) In any case in which—

"'(1) an officer or employee to whom this Act applies shall die before having rendered five years of civilian service computed as prescribed in section 5, or after having rendered five years of civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (c), or

"'(2) the right of all persons entitled to annuity under subsection (c) based on the service of such officer or employee shall terminate before a valid claim therefor shall have been established,

the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of death of such officer or employee, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"'First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

"'Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

"'Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"'(f) In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest at 4 per centum per annum to December 31, 1947, or the date of separation, whichever is earlier, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death, shall be paid upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"'(g) In any case in which—

"'(1) a retired officer or employee shall die without a survivor entitled to annuity benefits provided by subsection (b) or (c) of section 4 or subsection (c) of this section, or

"'(2) a retired officer or employee shall die leaving a survivor or survivors entitled to such annuity benefits and the right to annuity of all such survivors shall terminate before a valid claim therefor shall have been established, or

"'(3) the annuities of all persons entitled to annuity based upon the service of an officer or employee shall terminate,

before the aggregate amount of annuity paid equals the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death or retirement of such officer or employee, whichever first occurs, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"'(h) Any accrued annuity remaining unpaid upon the death of any retired officer or employee shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e). Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any person based upon the service of an officer or employee shall be paid to such person. Any accrued annuity remaining unpaid upon the death of any person receiving annuity based upon the service of an officer or employee shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"'First, to the duly appointed executor or administrator of the estate of such person;

"'Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such person, to such individual or individuals as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

"'(i) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"'(j) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed $1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

"'(k) Each employee or retired employee to whom this Act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries for the purposes of this Act.'

"SEC. 12. The first paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments.'

"SEC. 13. The third paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'An annuity granted for retirement under the provisions of section 1 or 2 of this Act shall commence, the first day of the month following the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and

service requirements for retirement at that time, and shall continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections.'

"SEC. 14. Section 14 of the Act of May 29, 1930, as amended, is hereby repealed.

"SEC. 15. Except as otherwise provided herein, this Act shall become effective on the first day of the second month following the month of approval."

And the Senate agree to the same.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,
Managers on the Part of the House.

WILLIAM LANGER,
RAYMOND BALDWIN,
RALPH E. FLANDERS,
DENNIS CHAVEZ,
OLIN D. JOHNSTON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

Except for the differences noted in the following statement, the conference substitute is substantially the same as the House bill.

Under subsection (b) of section 1 of the House bill the annuity of an officer or employee retiring voluntarily between the ages of 55 and 60 after 30 years of service would be reduced by one-half of 1 percent for each month such officer or employee is under the age of 60. The Senate amendment did not change existing law which provides that the reduction in such cases shall be determined on an actuarial basis. The conference agreement provides for a reduction of one-fourth of 1 percent for each month such officer or employee is under the age of 60.

Subsection (c) of section 1 of the House bill provided for retirement of an officer or employee who is involuntarily separated from the service after having rendered at least 25 years of service upon a reduced annuity. Such retirement on reduced annuity was also made available under the House bill to an officer or employee with 25 years of service who accepts a position with a lower rate of basic compensation after having been involuntarily separated from a position with higher rate of basic compensation and thereafter leaves the service voluntarily. The conference agreement eliminates the portion of subsection (c) providing for retirement benefits for an officer or employee who is voluntarily separated after having accepted a position with a lower rate of basic compensation.

Section 1 of the House bill did not contain the provision in the present law allowing certain officers and employees of the Federal Bureau of Investigation who render 20 years of service and attain age 50 to retire on annuity. The Senate amendment did not change existing law. The conference agreement provides for continuing the retirement benefits contained in existing law with respect to such officers and employees.

Under subsection (a) of section 4 of the House bill, which relates to the computation of annuities, credit is allowed covering periods of service with respect to which refunds have been received and have not been redeposited, and for past service with respect to which no deductions were withheld from salary and no deposit made. However, the annuity with respect to such periods would be computed by multiplying the product of the 5-year average salary and the years of service by 1 percent rather than by 1½ percent as in the case of service for which full contribution or deposit has been made. The conference agreement eliminates this provision from section 4, and provides (in secs. 7 and 12) that no credit may be allowed for any period of service with respect to which a refund has been made, unless the employee redeposits the amount refunded together with interest. Credit would be allowed, under the conference agreement (sec. 9), for past service rendered in positions not within the purview of the act, but in any case in which deposit is not made for such service in an amount equal to the deductions which would have been withheld from salary had the employee been subject to the act, plus interest, the annuity will be reduced by an amount equal to 10 percent of the amount owed.

Section 4 (a) of the House bill provided that in no case should the annuity computed thereunder exceed 90 percent of the highest average annual compensation received by the officer or employee during five consecutive years of allowable service. The conference agreement provides that such annuity shall not exceed an amount equal to 80 percent of such 5-year average.

Subsection (b) of section 4 of the House bill provided that an officer or employee, if a husband, retiring under the provisions of sections 1, 2, or 6 of the act may at the time of his retirement elect to receive a reduced annuity equal to 90 percent of the life annuity to which he would have otherwise been entitled, with an annuity after his death payable to his widow. The conference agreement retains this provision but provides that the husband's annuity will be further reduced by three-fourths of 1 percent for each full year, if any, his wife is under age 60 at the date of his retirement. No annuity, however, would be reduced by more than 25 percent. Under the House bill, the widow's annuity would begin at age 60 and would terminate upon her death. The conference agreement permits payment of the widow's annuity at age 50 but provides that such annuity or right thereto will terminate upon the widow's remarriage as well as upon her death. Also, under the House bill, only a widow who had been married to the annuitant for the last 5 years preceding his death or who is the mother of issue by the marriage would be eligible for an annuity under this section. The conference agreement eliminates this qualification and requires only that the widow be unremarried.

Subsection (c) of section 4 of the House bill provided that any officer or employee retiring under section 1 or 2 might, upon a showing of good health, elect to take a reduction in his annuity of from 10 to 40 percent, depending upon the difference between his age and that of his designated survivor, with an annuity after his death to such survivor. The conference agreement retains this provision but provides that such election will be available only to unmarried officers and employees, and that only persons having an insurable interest in the life of the officer or employee may be designated as survivor beneficiaries. Provision is also made in the conference agreement to prevent survivors from simultaneously receiving annuity under this subsection and section 12 (c).

Section 7 of the House bill provided that employees separated from the service with 5 or more years of civilian service would be eligible for a deferred annuity beginning at age 62, but that any such employee who had not more than 10 years of service could elect to receive in lieu thereof a refund of his contributions with interest. Upon reemployment in a position under the act an employee who elected to take a refund would be required to deposit the amount of the refund, without interest, in order to get full credit for the service covered by the refund. As indicated in the discussion of the provisions of section 4 an employee who took a refund, who was reemployed, and who failed to redeposit the refund, would nevertheless receive partial credit for the service covered by the refund. The conference agreement modifies this section in the following respects: First, the option to take a refund is extended to employees who have had not more than 20 years of allowable civilian service. Second, employees who take a refund will receive no credit whatsoever for the service covered by the refund unless they become reemployed in a position under the act and redeposit all amounts so refunded with interest covering periods of employment.

Under section 8 of the House bill the annuities of employees who are separated prior to the effective date of the bill, and who have deferred annuity rights but who have not yet reached the age at which their annuities will become payable, would be computed under the new formula contained in section 4 except that if the employee was involuntarily separated and elected to take a reduced annuity beginning at age 55, the reduction would be figured on an actuarial basis as is the case under existing law. Under the conference agreement the right to annuity and the computation thereof would be governed entirely by existing law.

Section 9 of the House bill permits employees who have rendered past service in positions not covered by the act to make deposits, without interest, for such service and thereby to obtain full credit therefor for the purposes of their annuity computation. As pointed out in the explanation of section 4, credit was given on a reduced basis even where no such deposit was made. Under the conference agreement deposits to obtain full credit must be accompanied by interest covering periods of employment. And, as explained in the discussion of section 4, the reduction in annuity will be computed on a different basis from that provided in the House bill, the amount of the reduction under the conference agreement being 10 percent of the amount of the unpaid deposit and interest.

Section 10 of the House bill increased the rate of deductions from the compensation of employees under the act from 5 to 6 percent, effective as of the first day of the first pay period in 1948. The conference agreement changes the effective date of the increase to the first day of the first pay period beginning after June 30, 1948.

Provisions were contained in section 10 of the House bill setting forth the specific amounts of annuity purchasable with voluntary contributions in the case of persons under the age of 60, persons aged 60 to 65, and persons aged 65 to 70. The conference agreement substitutes a formula for arriving at the amount purchasable at each age. The formula provides that the amount of life annuity purchasable with each $100 would be $7 increased by 20 cents for each year, if any, the employee is over age 55 at retirement.

Section 11 of the House bill proposed to amend section 12 of the Retirement Act so as to provide for payment of certain annuity benefits to widows of deceased employees and widows of employees hereafter retiring. In the case of widows of active employees dying after more than 5 years of civilian service, annuities would be payable in all cases be-

ginning at age 60, except that if the employee also leaves a surviving unmarried child or children under the age of 18, the widow's annuity would become payable immediately upon the death of the employee. In the latter case the widow's annuity would terminate if the children reached 18 or were married prior to the widow's attainment of age 60, but would be resumed when she attained that age. The widow of a retired employee would be entitled to an annuity under this section only if the employee also left a surviving child, and the annuity would terminate upon the child's reaching age 18, the marriage of the child, or the widow's attainment of age 60, whichever first occurs.

The conference agreement retains the provisions of the House bill relating to widows' annuities, but provides that the annuities in cases where there are no children will commence at age 50 rather than age 60. Under the conference agreement the annuity of the widow of an employee dying in service would terminate only upon death or remarriage. The annuity of the widow of an annuitant would terminate not only upon death or remarriage, but also upon attainment of age 50. In addition the conference agreement provides annuities for unmarried children under 18 of deceased annuitants and employees. Where the widow also survives, the annuity of each child would be equal to 50 percent of the annuity to which the widow is entitled, but not to exceed $360, or $900 divided by the number of children, whichever is less. Where both parents are deceased a child's annuity would be equal to the annuity to which the widow would have been entitled had she survived, but not to exceed $480, or $1,200 divided by the number of children, whichever is less. The annuity of a child would terminate upon his attainment of age 18, his marriage, or his death, whichever first occurs, except that in the case of a disabled dependent child the annuity will not be terminated on account of age.

The House bill limited widows' benefits in cases where there are no children to surviving wives who are married to the employee at least 5 years prior to his death. The conference agreement requires marriage of only 2 years.

The House bill provided that upon the death of an officer or employee the amounts deducted from his salary should be returned to his beneficiary or estate, with interest if there are no survivors entitled to annuity based upon the service of the officer or employee, and without interest if there are such survivors. Provision was also made for returning amounts remaining to the credit of a retired employee who dies without having received in annuity payments an amount equal to his deductions from salary with interest to date of retirement. Under the conference agreement refunds would be made only after all rights to survivor annuity based upon the service of an officer or employee shall have terminated, and only if the amount to the credit of the individual account of the officer or employee, plus interest, exceeded the total amount paid in annuities based upon his service.

The House bill provided that its provisions should take effect generally on the first day of the fourth month following the month in which enacted. The conference agreement advances the effective date to the first day of the second month following the month in which enacted. The provisions relating to death benefits, however, are made effective upon the date of enactment.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,
Managers on the Part of the House.

Mr. REES. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, several days ago, after the adoption of the agreement of the conference committee with respect to this legislation, I called attention to the Members of the House that a conference report was being filed and asked the Members to examine it carefully so that they would be familiar with this proposed legislation.

I should say at the outset that in most respects the conference agreement is the same as the House bill. The House bill was passed last summer without objection.

On July 21, 1947, the House approved H. R. 4127, a bill to amend the Civil Service Retirement Act, as amended, in the form in which it was reported by the House Post Office and Civil Service Committee.

On January 23 the Senate considered the House bill and passed it in an amended form, necessitating the appointment of conferees for the purpose of reaching agreement on the points in dispute in the two versions of the House bill.

Conferences were held on February 3 and February 6. These meetings were attended by all of the conferees, and many hours were devoted to diligent study of the retirement bills. Unanimous agreements were reached, and, in my opinion, the bill as agreed upon will make an excellent retirement law. It represents a forward step in the Government's recognition of its obligations to Federal employees who render many years of valuable public service. I appreciate the fine cooperation of the conferees. From the outset it was clear that everyone recognized the important task of making the first comprehensive change in the Civil Service Retirement Act since 1930. In my judgment, the conference agreement is a just and liberal bill.

For the most part, the conference bill is the same as the House bill. The important difference between the House bill and the conference bill is the inclusion in the conference bill of annuity benefits, under certain conditions, to children of deceased former employees. The new language in the conference bill provides that surviving children of a married male employee who dies in the service leaving a widow may receive not in excess of $360 each year for each surviving child under the age of 18 years. If the employee dies and there is no surviving parent, the annuity may not exceed $480 per year for each child under the age of 18 years. According to estimates of the Civil Service Commission, this additional benefit which was not included in the House bill will increase the cost of the House bill by $6,000,000 per annum.

In most other respects the conference agreement is the same as the House bill. The principal provisions of the House bill are:

First. Retired employees now on the annuity rolls are to obtain increased annuity benefits, or in lieu thereof are permitted to obtain certain benefits for their surviving spouse.

Second. Provision is made for a more simple and more equitable method of computing annuities based upon total years of service, which raises annuities by approximately 5 percent in the higher salary groups to 25 percent in the lower brackets. An increase of 25 percent, or $300, whichever is the lesser, is provided for present annuitants.

Third. Federal employees' contributions to the retirement fund are increased from 5 to 6 percent of such employees' basic salary.

Fourth. Retirement deductions are to be refunded to employees who have had less than 5 years of service, optional refunds are provided for those employees with from 5 to 10 years of service—excluding military service—but contributions to the retirement fund from employees with 10 or more years of service—excluding military service—are to be retained in the retirement fund until such age as annuities are provided.

Fifth. The so-called tontine service charge against Federal employees is eliminated.

However, the main differences between the conference bill and the House bill as outlined in the conference report on pages 13 through 16 are as follows:

First. The House bill provided that the annuity of an employee retiring voluntarily between the ages of 55 and 60 after 30 years of service would be reduced by one-half of 1 percent for each month such employee is under age 60.

The conference bill provides that the reduction shall be one-fourth of 1 percent for each month such employee is under the age of 60—section 1.

Second. The House bill provided a reduced annuity for an employee who leaves the service voluntarily if prior to his last position he had been involuntarily separated from a position with a higher rate of pay, provided such employee had at least 25 years of service.

The conference bill eliminated this provision. However, the Senate and House bills provided reduced annuity benefits for employees who are involuntarily separated after rendering 25 years of service—section 1.

Third. The House bill did not contain the provision in existing law allowing certain employees of the Federal Bureau of Investigation who render 20 years of service to retire at 50 years of age. It had, however, approved these provisions in a separate bill.

The conference bill provides for continuing the retirement benefits to such employees of the Federal Bureau of Investigation—section 1.

Fourth. The House bill provided that an employee who withdraws his retirement deductions upon leaving the service may receive credit toward retirement for such service upon reentering the Government service without redepositing his retirement deductions.

However, the conference bill provides that no employee who withdraws his retirement deductions upon leaving the service may receive credit toward retirement for such service unless upon reentering the service, and before retirement, he redeposits the total amount of his deductions plus interest—sections 7 and 12.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. What will be the total cost of this program annually to the Federal Government to start with?

Mr. REES. It is estimated that this legislation for the first year will cost an additional $62,000,000, approximately. It is estimated, however, that as the years go on the charges against the fund will be less and that it will be reduced considerably each year during the next 10 years. It is claimed by the Civil Service Commission it will go down to approximately $15,000,000 or $20,000,000 annually after the first 4 or 5 years.

Mr. SMITH of Ohio. Sixty-two million dollars is the figure for the coming year?

Mr. REES. That is the estimate that has been submitted to me by the Commission.

Mr. SMITH of Ohio. That would be the total cost of the entire program?

Mr. REES. That would be the additional cost by reason of this legislation. The gentleman understands that the Congress appropriates each year something over $200,000,000 to the retirement fund as its share for retirement benefits. Now, this cost that we are talking about is the additional cost by reason of this legislation.

Fifth. Under the House bill, no employee could receive an annuity computed thereunder which exceeded 90 percent of the highest average annual compensation received by such employee during five consecutive years of allowable service.

The conference agreement provides that such annuity shall not exceed an amount equal to 80 percent of such 5-year average—section 4.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. REES. I yield to the distinguished gentleman from Michigan.

Mr. DONDERO. Does this bill provide that a secretary of a Member of Congress has to have 35 years' service to his or her credit before they can become eligible for this retirement?

Mr. REES. This measure does not have anything to do with those who are employed in the offices of Members of Congress, except as they come under the regular retirement law; that is, if a secretary employed in a Congressman's office has complied with the provisions of the act which permits them to come under it, they may do so. In that event, they would come under the provisions of this bill, which amends the present retirement law.

Mr. DONDERO. If they elect to come under this bill, then are they required to have 35 years of service to their credit before becoming eligible?

Mr. REES. No; they can retire at the end of 30 years of service, just the same as anyone else, if they see fit to do so.

Mr. DONDERO. How many secretaries are there who could possibly be here long enough to have 30 or 35 years of service to their credit?

Mr. REES. I will say to the gentleman that whenever they retire from the service they have a certain amount of annuity credited to their accounts. When they reach the age of 62 years, just like any other former employee of the Government, they will participate in this retirement fund. Just because they do not have 35 years of service to their credit does not mean that they will not be entitled to consideration. They are, regardless of length of service, entitled to all rights and benefits to which other Federal employees are entitled who are subject to the retirement act.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not a fact that any Federal employee, including secretaries in the legislative establishment, can have a retirement annuity after they have served for 5 years and have paid in the money?

Mr. REES. After an employee has served for a period of 5 years or more, as I stated in the beginning of this discussion, he is entitled to retirement benefits in accordance with the amount of salary that he received for the period during which he served. If he served less than 5 years, however, he is not entitled to receive any benefits at all; his money is returned to him; that is, the amount of money that he put in is returned to him together with interest. If he serves for a period of more than 5 or less than 20 years and wants to withdraw his money, he can do so and will not in that event come under the provisions of the act and will not be entitled to retirement benefits. At the present time an employee can withdraw his funds up to 10 years. Under the provisions of this legislation, he can withdraw them up to 20 years.

Mr. AUGUST H. ANDRESEN. Assuming that an employee does withdraw his funds and goes out of the Federal service, he is not eligible to go back into the retirement system again unless he becomes reemployed?

Mr. REES. That is correct.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio, who has shown a great deal of interest in this legislation.

Mr. SMITH of Ohio. I understand if the employee makes the same contribution, there is nothing added to his contribution.

Mr. REES. Yes, the employee now contributes 6 percent of his salary. Heretofore he contributed 5 percent. The Government continues to contribute 5 percent.

Sixth. The House bill provided that employees separated from the service with 5 or more years of civilian service, would be eligible for a deferred annuity beginning at age 62, but that any such employee who had not more than 10 years of service could elect to receive in lieu thereof a refund of his contributions with interest.

The conference bill extended from 10 years to 20 years the time during which employees separated from the service may elect to receive a refund of their contributions with interest, and employees who take such refund will receive no credit for their services covered by the refund unless they become reemployed in a position under the Retirement Act and redeposit all amounts so refunded with interest covering the period of employment. Those employees who voluntarily leave the service with more than 20 years of service are entitled only to annuities at age 62—section 7.

Seventh. The House bill permitted employees who have rendered past service in positions not covered by the Retirement Act to make deposits, without interest, for such service and obtain full credit therefor for the purpose of their annuity computation. Credit was given on a reduced basis even where no such deposit was made.

Under the conference agreement, the deposits to obtain full credit must be accompanied by interest covering period of employment. Where no such deposit is made credit is allowed for the service but the annuity is reduced by 10 percent of the amount of the unpaid deposit and interest—section 9.

Eighth. Both the House and Senate bills provided for increasing the rate of deductions from the compensation of employees under the act from 5 to 6 percent, effective the first day of the first pay period in 1948.

The conference agreement changes the effective date of such increase to the first day of the first pay period beginning after June 30, 1948—section 10.

Ninth. The House bill sets forth specific amounts of annuities purchasable with voluntary contributions of employees under the age of 60 years, 60 to 65 years, and employees aged 65 to 70.

The conference bill, to facilitate computations, substitutes a formula for arriving at the amount purchasable at each age, and such formula provides that the amount of life annuity purchasable with each $100 will be $7, increased by 20 cents for each year, if any, the employee is over age 55 at retirement—section 10.

Tenth. The House bill provided for payment of annuity benefits to widows of deceased employees and to widows of employees hereafter retiring. In the case of widows of active employees dying after more than 5 years of civilian service, the House bill provided that annuities would begin at age 60, except that, if the employee leaves a surviving unmarried child or children below 18 years of age, such widow's annuity would become payable immediately upon the death of the employee. In the latter case, the widow's annuity would terminate if the children reached 18 or were married prior to the widow's attainment of age 60, but would be resumed when she reached the age of 60. The widow of a retired employee would be entitled to an annuity under section 12 only if the employee also left a surviving child, and such annuity would terminate upon the child's reaching age 18, the marriage of the child, or the widow's attainment of age 60, whichever occurs first.

The conference agreement retains the provisions in the House bill relating to widows' annuities, but provides that such widows' annuities, where there are no children, will commence at age 50 instead of 60. Also, under the conference bill, the annuity of the widow of an employee

dying in service would terminate only upon death or remarriage. The annuity of the widow of an annuitant would terminate not only upon death or remarriage, but also upon attainment of age 50, unless her husband had designated her under a joint survivorship annuity. Annuities for unmarried children under 18 of deceased annuitants and employees were discussed above—section 11.

Mr. DONDERO. Mr. Speaker, I do not want to take up the time of the gentleman, but there is a great deal of confusion among secretaries of Members of Congress as to what their rights will be under this bill.

Now, this is the question: If they decide they want to withdraw their money, can they do so?

Mr. REES. Yes; provided they leave the Government with less than 20 years' service.

Mr. DONDERO. If they have been under the act for less than 20 years, if they decide to withdraw their money they can do so?

Mr. REES. If they have served less than 20 years, they can withdraw their money any time they want to, provided they go out of the service.

Eleventh. The House bill provided that upon the death of an employee, the amounts deducted from his salary are to be returned to his beneficiary or estate, with interest if there are no survivors entitled to annuity based upon the service of the employee, and without interest if there are such survivors. Also, provision was made for returning amounts remaining to the credit of a retired employee who dies without having received in annuity payments an amount equal to his deductions from salary with interest to date of retirement.

The conference bill provides that refunds will be made only after all rights to survivor annuity based upon the service of an employee shall have terminated, and only if the amount to the credit of the employee, plus interest, exceeds the total amount paid in annuities based upon his service—section 11.

Twelfth. Most of the provisions of the conference bill become effective upon the first day of the second month following the date of enactment, whereas the House bill provided that the effective date should be the first day of the fourth month following the date of enactment. However, with reference to those employees who die between the date of enactment and the effective date of the act, survivor benefits take effect immediately under the provisions of the conference bill. Under the conference bill and under the House bill, annuity benefits for those employees who are involuntarily separated after 25 years of service are retroactive to July 1, 1947, and under the conference bill and the House bill the interest-rate provisions take effect on January 1, 1948—section 15.

According to estimates furnished me by the Civil Service Commission, the liberalizing provisions of the conference bill will increase the cost of the retirement system by approximately $62,000,000 annually. Although the figures which were presented by the Commission at the time the bill was considered on July 21, 1947, were somewhat less than $62,000,000, I am advised that those estimates were based on a pay roll of $3,700,000,000 rather than on the actual pay roll of $4,400,000,000, as was developed by a census of employees under the Retirement Act. Also, later evaluations made by the Board of Actuaries altered preliminary estimates.

The increased deductions provided for under the conference agreement, which is the same as the House bill, of from 5 to 6 percent of the salaries of employees subject to the Retirement Act, will provide $44,000,000 a year for the retirement fund.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. REES. I shall be glad to yield.

Mr. AUGUST H. ANDRESEN. Is it necessary for an employee who is retiring to make an election in order that his widow at some future time may get an annuity?

Mr. REES. It is.

Mr. AUGUST H. ANDRESEN. Assuming that a Federal employee dies while he is in the service, and leaves a widow, but he still has the retirement fund, does this conference report give any retirement benefit to that widow?

Mr. REES. The conference agreement provides that if an employee dies in the service, his widow receives an annuity beginning at his death or at her attainment of age 50, whichever is later. However, if the employee dies in the service leaving a widow with a child or children, the widow gets an immediate annuity which terminates at age 50, death, or remarriage, but such widow at age 50 will receive an annuity under clause 1, subsection (c) of section 12.

On the other hand, if a retired employee dies leaving a widow and a child or children, the widow gets an immediate annuity upon the annuitant's death, and such annuity terminates at age 50, death, or remarriage. If the employee at the time of his retirement designated a joint survivor annuity for his widow, the widow would receive that annuity at age 50 even though she was cut off of an annuity under clause 2 of subsection (c) of section 12 at age 50, if she has children. However, in the case of the widow of an annuitant who dies leaving no children, she will receive no immediate annuity, but will receive an annuity beginning at age 50, if at the time of her husband's retirement he designated her under a joint survivor annuity.

Mr. AUGUST H. ANDRESEN. Well, we will assume here is an employee who has worked 25 years. He has not reached the retirement age. He dies and leaves a widow. What would that widow be entitled to?

Mr. REES. That widow would be entitled to an annuity beginning at his death or at her attainment of the age of 50, whichever is later. This is where the employee dies while in service. In case he leaves a widow with child or children under 18 the widow gets immediate annuity that terminates at age 50, death, or remarriage, but, as I have stated, the widow will, when 50 years, be entitled to the benefits under clause 1, subsection (c) of section 12, of this bill.

Mr. AUGUST H. ANDRESEN. Then it leaves the widow of a retired worker in much better position than a Government worker who dies in the service, who has not made an election?

Mr. REES. I believe there is some justification for the gentleman's viewpoint. However, under the provisions of the conference agreement, I believe in most situations the widow of an employee who dies in the Federal service is better off than the widow of a retired employee.

At the time the Senate passed H. R. 4127, it was estimated that the House bill would increase the annual cost of the retirement system by $84,000,000 whereas the Senate bill would cost only $42,000,000 more annually. This wide discrepancy between the Senate and House bills has been eliminated by the conference agreement, which retains the important liberal features of both bills but by eliminating excess credits and benefits not actuarily sound the cost of the House bill is reduced by $22,000,000.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Speaker, I yield myself one additional minute.

Mr. DEVITT. Mr. Speaker, will the gentleman yield?

Mr. REES. I shall be glad to yield.

Mr. DEVITT. Will the gentleman advise me if, under this bill, substantially the same benefits are made available to Federal employees who have already retired as are being made available to employees who are going to retire in the future?

Mr. REES. Benefits for those who have retired are increased. Under this legislation they will receive either 25 percent or $300 additional, whichever is lesser, annually more than they now receive.

Mr. DEVITT. But is there substantial equality of treatment between those who have retired and those who are going to retire in the future?

Mr. REES. Yes. I would say there is substantial equality of treatment between the two groups.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY of Tennessee. Mr. Speaker, the conference report was unanimously approved by the managers on the part of the Senate and the managers on the part of the House. It is a compromise of the differences of the two bodies, and, in my opinion, is fair and just to both the Federal Government and its employees. While the legislation liberalizes and increases retirement benefits or annuities and provides annuities for widows who are at least 50 years old and children under 18 years of age, it increases the contribution of the employee to the retirement fund by 20 percent, or from 5 percent to 6 percent.

The measure as agreed upon by the conferees makes no change in the existing law as to age and service requirements for either compulsory or optional retirement. An employee upon attaining the age of 70 and with 15 years of service must retire from the Federal service,

while it is optional for an employee to retire upon reaching the age of 60 with 30 years' service, or upon attaining the age of 62 with 15 years of service. Also it provides for the optional retirement of an employee at the age of 55 years with at least 30 years' service. However, the annuity of such employee will be reduced by one-fourth of 1 percent for each month the employee is under the age of 60 at the time of retirement.

Under the provisions of the conference report, certain annuities will be paid to the widows and children under 18 years of age of employees who die in the service with 5 years or more employment. Also married male employees who retire under this legislation may provide an annuity for their widows by taking a reduced annuity of 90 percent of his life annuity and a further reduction of three-fourths of 1 percent for each year his wife is under 60 at the time of his retirement. In addition, children of deceased annuitants under 18 years of age are entitled to certain annuities.

At least 5 years of service must be rendered before an employee may be entitled to any kind of annuity. Any employee who leaves the Government with less than 20 years of service has the choice of the refund of all moneys paid by him into the retirement fund, with interest, or a deferred annuity beginning at the age of 62 years.

Employees who are involuntarily separated from the service and who are not removed for cause or charges of misconduct or delinquency may be paid an immediate annuity which will be reduced by 3 percent for each year the employee is under 60 years of age.

The report permits employees who have rendered past service in positions not covered by retirement laws, and for which deductions were not currently made, to make the required deposits, with interest for such periods of time and, if they do not care to make such deposits, then their entire service, including the years for which no deductions were made, will be credited in computing their annuity, but their annuity will be reduced by 10 percent of the amount of the unpaid deposits and interest thereon. No deposit is required for any service prior to August 1, 1920.

The present annuities of all retired employees are increased 25 percent or $300, whichever is the lesser unless the annuitants elect to waive the increase in their annuity and instead provide an annuity for their widows at rate of 50 percent of their own annuity or $600 per year.

Full credit is allowed without deposit for military service.

The contributions to the retirement fund by the employee is increased from 5 to 6 percent and interest payable is reduced from 4 to 3 percent on refunds. The monthly tontine or service charge of $1 that has been paid in the past by employees is eliminated.

These are the most important provisions in the report. The legislation will increase annuities about 5 percent for retired employees in the higher salaried groups and 25 percent to those in the lower brackets.

The amount of employee's annuity is computed on 1½ percent average annual basic salary during any five consecutive years multiplied by the total years of service or 1 percent annual basic salary of 5 years plus $25 multiplied by total years of service; an employee gets credit for all years of service as the 35 years limitation has been removed.

Federal employees since 1921 have contributed over $2,000,000,000 to the retirement fund and through June 3, 1947, the Government has contributed about one billion and six hundred million to the fund. Total disbursements for annuities and refunds have amounted to one billion six hundred and seventy-two million. On January 1, 1948, there was $2,650,000,000 to the credit of the retirement fund.

I am inserting a chart showing comparsion of some of the more important features of the present Civil Service Retirement Act and the conference report on H. R. 4127:

Comparison of some of the more important features of the present Civil Service Retirement Act, and the conference agreement on H. R. 4127

Feature	Present Retirement Act	Conference agreement on H. R. 4127
Mandatory retirement	Age 70 with 15 years of service	Same as present act.
Optional retirement without reduction in annuity.	Age 62 with 15 years of service; age 60 with 30 years of service; option exercised by either employee or Department.	Same as present act except option exercised only by employee.
Optional retirement with reduced annuity.	Age 55 with 30 years of service with annuity reduced (in accordance with an actuarial schedule) approximately 6 percent for each year under age 60.	Age 55 with 30 years of service with annuity reduced 3 percent for each year under age 60.
Retirement benefits to persons involuntarily separated with 25 or more years of service.	Provision expired by its own terms June 30, 1947	Immediate annuity upon involuntary separation with annuity reduced by 3 percent for each year employee is under age 60. No age restrictions.
Annuity formula	Plan I, $30 for each year plus purchasable annuity; plan II, average salary not to exceed $1,600 multiplied by years of service divided by 40; plan III, average salary multiplied by years of service divided by 70.	1½ percent of average salary multiplied by years of service, or, 1 percent of average salary plus $25 multiplied by years of service.
Maximum service credited toward retirement.	Plan I, 30 years; plan II, 30 years; plan III, 35 years	No maximum.
Maximum annuity payable	No maximum stated	80 percent of average salary.
Deposit for service since Aug. 1, 1920 during which retirement deductions were not currently made.	If deposit is not made, service is credited but annuity is reduced by amount purchasable by deposit on an actuarial basis.	If deposit not made, service credited but annuity is reduced by 10 percent of amount of unpaid deposit, including interest.
Redeposit of retirement deductions previously refunded.	If refund covers any service after Jan. 23, 1942, no annuity may be allowed unless redeposit is made. If refund covers only service before Jan. 24, 1942, service is not credited unless redeposit is made.	Service is not credited unless redeposit is paid with interest.
Voluntary contributions	Available to purchase additional annuity of all types computed on the basis of actuarial factors.	Available to purchase annuity of all types on the basis of a schedule in the law.
Separation benefits	Less than 5 years of service, refund with interest only, 5 but less than 10 years of civilian service, choice of refund with interest, or annuity deferred to age 55 in case of involuntary separation, deferred to age 62 in case of voluntary separation. Voluntary separation annuity computed under plan I only. Over 10 years of civilian service, deferred annuity as above with option of refund of deductions made before Jan. 24, 1942.	Less than 5 years of civilian service, refund with interest only. At least 5 but less than 20 years of civilian service, choice of refund with interest, or deferred annuity at age 62 computed under formula of H. R. 4127. Over 20 years of civilian service, deferred annuity as above—no refund.
Benefit for employees separated between Jan. 24, 1942, and amendment of present retirement act who have more than 5 years of service.	Benefit as above	Annuity computed under present act.
Increase in annuities to annuitants on the roll.	No provision to increase	Increase all annuities 25 percent or $300, whichever is the lesser. Annuitant may elect, in lieu of increase, to have annuity continue after death to widow or widower at rate of 50 percent or $600, whichever is lesser.
Survivorship annuity elected by retiring employee.	Employee retiring under age or optional provisions of act may elect a reduced annuity for life, to continue at the same or 50 percent of the same rate to any person named. Actuarial factors used to compute rate of annuity.	Married male employee retiring under age, optional, or disability provision may elect annuity equal to 90 percent of life annuity reduced by ¾ percent for each year wife is under age 60 at time of his retirement, with annuity commencing at age 50 to widow after his death. Annuity of widow to terminate at death or remarriage. Unmarried employee retiring in good health under age or optional provisions may elect annuity reduced by a percentage table, with annuity to continue at 50 percent of such reduced rate to any person named. Annuity to person named to commence at death of employee.
Widow's annuity where employee dies in service.	No provision	If employee with at least 5 years of service dies, widow is entitled to annuity equal to 50 percent of annuity based on his service. Annuity to widow commences when she is age 50 and terminates with her death or remarriage. If there is a child entitled to benefits, annuity to widow commences immediately and terminates at her death or remarriage.

Comparison of some of the more important features of the present Civil Service Retirement Act, and the conference agreement on H. R. 4127—Continued

Feature	Present Retirement Act	Conference agreement on H. R. 4127
Widow's annuity where annuitant dies.	No provision unless wife was named as survivor annuitant at time of employee's retirement.	If annuitant leaves a widow and a child entitled to benefits, widow is entitled to immediate annuity equal to 50 percent of his annuity. This widow's annuity continues until she dies, remarries, or reaches age 50.
Children's annuity benefits	No provision	If an annuitant or an employee with at least 5 years of service dies, unmarried child under age 18 or incapable of self-support is entitled to immediate annuity which terminates at death, marriage, age 18, or removal of disability. If there is a widow, annuity is equal to ¼ of employee's annuity, $900 divided by number of children, or $360, whichever is lesser. If there is no spouse annuity is equal to ½ employee's annuity, $1,200 divided by number of children, or $480, whichever is lesser.
Lump-sum death benefit	Upon death of an employee, his individual account with interest is payable; upon death of an annuitant, any accrued annuity, and any unexpended balance remaining to his credit are payable.	If an employee dies without leaving a survivor qualified for annuity, his individual account with interest is payable. If all qualified survivor annuities are terminated before an amount equal to the individual account has been paid, the balance is payable with interest. If an annuitant dies before he and any qualified survivors have received an amount equal to his individual account with interest the balance and any accrued annuity are payable.
Tontine	Sets aside $1 for each month of service after June 30, 1930, which is returned to employee only in event of involuntary separation.	Abolishes tontine in accounts of all present employees. All deductions made are immediately credited to employee's individual account.
Military service	Optional deposit required for full credit for services after July 31, 1920.	Full credit allowed without deposit. Military service credited only after at least 5 years of civilian service.
Interest on individual account	4 percent through periods of service, and 3 percent through periods of separation after 5 years of service.	3 percent in all cases.
Deduction rate	5 percent	6 percent.
Effective date		First day of the second month following the month of approval except for (*a*) the increase in deduction rate which is the first day of first pay period after June 30, 1948; (*b*) interest rate, Jan. 1, 1948; (*c*) survivor benefits, date of approval; (*d*) involuntary separation after 25 years of service, July 1, 1947.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. MURRAY of Tennessee. I yield.

Mr. DONDERO. Does the bill provide for a reduction in the contribution on the part of the Federal employees?

Mr. MURRAY of Tennessee. No; the bill provides that the previous contribution of the Federal employee of 5 percent shall be increased to 6, an increase of 20 percent.

Mr. DONDERO. What about the contribution on the part of the Federal Government?

Mr. MURRAY of Tennessee. There is no fixed contribution on the part of the Federal Government. Each year usually Congress appropriates about $200,000,000 to this fund. The civil-service retirement plan was started in 1921, but the Government did not begin contributing to the fund until 1929.

Mr. DONDERO. The reason I asked the question was that the amount of the retirement fund now seems to be so large as not to require an increase in the contribution on the part of the employees.

Mr. MURRAY of Tennessee. I cannot agree with the gentleman from Michigan because of the increased costs that will be brought about by this bill due to larger annuities and the provisions for widows and for children under 18 years of age.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Kansas.

Mr. REES. I want to emphasize the statement that the distinguished gentleman from Tennessee has made to the effect that this report is a unanimous report of the conferees on both sides of the Capitol, the other body as well as the House.

Mr. MURRAY of Tennessee. Mr. Speaker, I may say that about $30,000,000 of the increased cost is due to the provision increasing the annuities of present retired employees. We felt that the annuities of the retired employees at this time are too small, especially those in the lower brackets; therefore the conference report provides that every retired employee now drawing an annuity shall receive a 25-percent increase in his present annuity, or $300 per year, whichever is the lesser amount. In other words, an annuitant now drawing $1,200 per year or less will get a 25-percent increase. An annuitant drawing $2,500 or more will get an increase of $300 as the maximum.

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. STEVENSON].

Mr. STEVENSON. Mr. Speaker, on July 21 last the House unanimously passed H. R. 4127, which I sponsored as chairman of the Subcommittee on Retirement Legislation of the Committee on Post Office and Civil Service; on January 23 the Senate passed an amended H. R. 4127. I am happy to report that the conferees have agreed on a bill that represents a great achievement on the part of the Eightieth Congress. I am certain that the House will accept the report of the conferees and that this action will reflect great credit on Congress. The improvements contained in this measure are the most important changes made since the retirement act was first enacted in 1920. The amendments contained in H. R. 4127 were dictated by experience, changing conditions, and demonstrated need. From an administrative viewpoint changes indicated by the experience of 27 years have been placed in operation. H. R. 4127 will result in great improvement from the standpoint of administration. With the passage of H. R. 4127 the Government employee for the first time will be able to compute his annuity without the help of an expert. He will be able to actually figure his annuity without resorting to actuarial factors and complicated tables. Yes, without a doubt the amendments contained in H. R. 4127 represent the greatest single advance in the history of retirement legislation.

This bill establishes new methods of computing annuities to replace the three complicated measures in the present law. The new formulas provide a credit of $25 for each year of service plus 1 percent of the average salary for five consecutive years multiplied by the number of years' service or 1½ percent of the average salary for five consecutive years multiplied by the number of years of service. The Senate amendment limited the number of years of computable service to 35 years, but the conferees agreed on a different type of limitation. Under the agreement in the conference report there is no limit on the number of years of service, but the annuity in no case can exceed 80 percent of salary.

The new formulas will bring the annuity of the employees closer to the relative comparative position existing with relation to salary. Too wide a discrepancy between salaries and annuities has the effect of keeping men in the service long after they should retire. It has the effect of creating hidden annuitants, employees who remain on the rolls on full pay after the period when they should retire. Writing in the American Economic Security Magazine, published by the United States Chamber of Commerce, Mr. Marion B. Folsom, treasurer of the Eastman Kodak Co., stated:

> The prime purpose of a retirement plan, of course, is to enable the company to retire an employee on a pension when he has passed his period of usefulness. If the employee has had long service, the management naturally hesitates to release him if it knows he will have to take a sharp reduction in his living standards. Without a pension plan, the employer may keep such a worker on the force, at least for a few years. As a result there is a pension cost which is buried among other costs. In actual practice, a direct saving in pay roll is a substantial offset to the current cost of the pension plan.

H. R. 4127 provides an increase of $300, or 25 percent, whichever is lesser, for all

employees now on the retired rolls. These employees are in sore need of relief. They contributed real dollars to the retirement fund, and in return have been receiving dollars sharply reduced in purchasing power. These annuitants have had a precarious time trying to meet rapidly rising living costs. I am pleased that we are able to bring these annuitants a measure of happiness.

One of the great defects of the present Civil Service Retirement Act has been its failure to provide for widows and dependents. The Railroad Retirement Act provides for widows' annuities. Social Security provides for widows and dependents. The Dominion Retirement Act covering government employees in the Dominion of Canada has had such a provision for a number of years. The passage of H. R. 4127 will remedy this defect; it does provide for the widows and dependents of civil-service employees. The benefits that will arise to all as a result of these provisions are incalculable.

The employees are bearing a large share of the increased cost of the bill in that the deductions from their salaries are being increased from 5 to 6 percent. The benefits provided in the bill justify the increased deductions for every single employee. All will benefit; the family benefits are outstanding, but the benefits for others are substantial. In passing this legislation we are making great strides in good personnel policy. The passage of H. R. 4127 will rank with the top achievements of this Congress. This bill represents the greatest advance in retirement legislation in the history of the Congress.

I am happy to have had a part in the sponsorship of this retirement legislation.

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from Alabama [Mr. BATTLE].

Mr. BATTLE. Mr. Speaker, it has been my privilege to work on this legislation in the subcommittee and then in the full Post Office and Civil Service Committee. This is a progressive step which will result in higher prestige for Government employment and better service from Government employees.

Mr. Speaker, I urge favorable consideration of this legislation at this time by the Members of the House of Representatives.

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I am pleased to lend my voice and support to this measure which we have before us today. Chairman REES and Congressman MURRAY of Tennessee have given the changes the conference report has made in H. R. 4127, as it passed the House. I would like to just make a brief statement as to some of the major changes that this legislation, when enacted into law, will make in our Retirement Act.

We are substituting for the present actuarial basis a more simplified method of computing retirement benefits. We are permitting employees to count all years of service for retirement and eliminating the present limitation of 35 years. We are providing for the surviving widows and children of employees and annuitants. Finally, we are increasing by 25 percent, or $300, whichever is the lesser, the annuity of retired employees.

On this latter point I believe this legislation has great merit. Many of the retired employees received very low salaries during the time of their employment with the Government. They did not have the opportunity for a high 5-year average of earnings enjoyed by the employees at the present time and during the war years. Many of our annuitants are receiving less than $800 a year. I am sure that the $300 additional, while not adequate to meet all their needs, will be very helpful to them.

My own inclination would have doubled this sum and given them an approximate minimum of $1,400 a year. People cannot live in this day of high prices on the miserly sum we allow these faithful former employees.

It can be seen by this measure that our retirement system is a growing thing, extending its coverage and benefits to the Federal employees. As the gentleman from Tennessee [Mr. MURRAY] stated, the entire payment of funds, until 1930, was made from the contributions of the employees, and until that time the Government had not made any appropriations for the fund. Most of these people, whom we are helping by increasing the annuities of retired employees, are the individuals who, through those years, alone and without Government assistance, kept this retirement fund solvent. I look upon this increase for the present annuitants as a fitting recognition of their faith and service in and to the retirement fund. Government is not breaking faith with these people.

This bill represents a step in the right direction, and I am proud to have had a part in its formation. Government should be the ideal employer; and, while we have a long way to go, we have offered a pattern that can be followed by the States, their political subdivisions, and industry generally.

Mr. REES. Mr. Speaker, I ask unanimous consent that all Members may have permission to insert their statements at this point in the RECORD on the pending conference report.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BUTLER. Mr. Speaker, the chairman of the House Post Office and Civil Service Committee and also chairman of the conferees, Mr. REES, has just clearly stated the provisions of the House bill (H. R. 4127) as it passed the House and pointed out the differences between the House bill and the conference agreement, which is before the House for approval.

As one of the managers on the part of the House, I am pleased that we were able to present a conference report which so nearly follows the measure the Members of the House originally approved. I am sure that the great body of Federal employees subject to the civil-service retirement laws who will benefit under the liberalizing provisions of this act are enthusiastic over the result.

It is not my desire to make a detailed analysis of the provisions of the bill but I would like to emphasize that in this measure we are providing for, first, a more simplified method of computing retirement benefits; secondly, permitting employees to count all years of service; third, providing for the surviving widows and children; and fourth, increasing by 25 percent or $300 the annuity of retired employees.

The Federal employees themselves are paying for a substantial portion of these benefits by increasing their contributions from the present 5 percent of their income to a 6-percent rate.

I can recommend this bill as the product of diligent and careful consideration by both the Senate and House conferees.

Mr. YOUNGBLOOD. Mr. Speaker, under leave to extend my remarks I would like to make the following statement:

H. R. 4127, a bill to liberalize the Civil Service Retirement Act, today passed the House of Representative. I am proud to state that this bill is one which I not only voted for on the floor of the House but one which, as a member of the Post Office and Civil Service Committee, I was instrumental in having reported out of committee and in drafting in its present form.

It is legislation of this type, constructive and forward-looking, which should be passed to reward our hard-working and deserving employees.

I repeat, I am proud and happy, too, to have had a share in this legislation.

Mr. MURDOCK. Mr. Speaker, this is a piece of legislation which I have long supported and have been anxious to see enacted. I believe we are putting the finishing touches on it today, as far as Congress is concerned. No doubt the acceptance of this conference report will complete the process not only in the House but very probably in the Senate, and I think that there is no question but that the President will sign it.

During the past several years I have received many pathetic letters from retired Government employees stating that their retirement benefits were not sufficient in these days of rising costs of living. They have asked for some relief through increased benefit payments. Since these retirement benefits are computed on an actuarial basis it was obvious that only the generosity of the Government could increase these heretofore fixed benefits. In this bill the Government does make that increase so that those who have already retired will be granted a 25-percent increase, or $300 a year more, in payments, whichever is the lesser. Such increase will be a distinct help to such retired employees.

I am pleased, too, that legislative employees here on the Hill may also elect to come under the provision. As I understand the measure, there will be substantial benefits to our secretaries and office-staff members even though they are not likely to be for so many years in the Government employment as are the other Federal employees. This change in the Retirement Act liberalizes these provisions, and I think will be very significant and helpful for the members

of our office staffs. True, the deductions for all are increased, but the benefits are worth more than the employees are paying because of the generous payments made by the Government itself.

Mr. REES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KLEIN, for Tuesday, February 24, and Wednesday, February 25, on account of illness.

To Mr. HUGH D. SCOTT, JR. (at the request of Mr. SIMPSON), from February 24, 1948, to March 15, 1948, on account of official business.

To Mr. CHIPERFIELD (at the request of Mr. ARENDS), indefinitely, on account of official business.

To Mr. REEVES, for 1 day, on account of illness.

EXTENSION OF REMARKS

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD and include an article that he wrote for the Republican Magazine entitled "Inflation Comes From the Acts of the Government."

URGENT DEFICIENCY APPROPRIATION ACT, 1948

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 30 minutes, the time to be equally divided between the gentleman from Missouri [Mr. CANNON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CANNON. Mr. Speaker, reserving the right to object, I have requests for time in excess of 30 minutes. Can the gentleman make it 45 minutes on a side?

Mr. TABER. Would not 30 minutes be sufficient?

Mr. CANNON. Not to exceed 45 minutes on a side. We might not use all of the time.

Mr. TABER. Mr. Speaker, I ask unanimous consent that general debate continue for 1½ hours, the time to be equally divided between the gentleman from Missouri [Mr. CANNON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RANKIN. Mr. Speaker, reserving the right to object, will the bill be read under the 5-minute rule?

Mr. TABER. Oh, yes. I may say that in my opinion there are no controversial items in the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5525, with Mr. MCGREGOR in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, there are about 25 or 30 items in this bill totaling $131,000,000. There are a few routine items for the House of Representatives, including coal for the Capitol Power Plant. There is an item required for the Commission on Organization of the Executive Branch of the Government. There is an item for the Federal Mediation and Conciliation Service, which is needed right away to carry them on. There are items for the Federal Security Agency; $3,300,000 for the Bureau of Employees' Compensation; $1,583,942 for grants to States for the further development of vocational education; $15,000,000 to the Public Health Service to take care of the money falling due under contract authorizations in the hospital construction program; $101,000,000 to the Social Security Administration for grants to States for old-age pensions. There is an item for the Housing and Home Finance Agency to permit the accelerated operation of mortgage-guaranty items, an increase in the limitation by $200,000. There is an item for the Philippine War Damage Commission, an administrative expense authorization, of $275,000, payable out of other funds. There are items for the District of Columbia totaling $801,000 which are necessary at this time. For the Agricultural Department, for insect investigations and that sort of thing, approximately $1,500,000. For fighting forest fires about $5,500,000, and there is an item for the Commerce Department for the Coast and Geodetic Survey to cover some critical territory up around Alaska.

These are items that had to be brought in at this time and made available before the 1st of March, and have, therefore, been gathered together out of the deficiency estimates before action upon the larger portion of the estimates could be considered and could be taken care of.

I do not think it is necessary to say anything more about the bill at this time.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Does this bill carry appropriations for the settlement of court claims where a citizen has sued the Government and action has been completed?

Mr. TABER. Where the items have been submitted to us by the Budget; yes.

Mr. MILLER of Connecticut. Will this be the last bill of this session for that purpose?

Mr. TABER. No; there will be a bill which I hope to have out here about the 11th of March, which will have the larger items of deficiency suggestions before us. Then there will be another bill in May.

Mr. MILLER of Connecticut. Would it be feasible to set up an annual appropriation for the payment of those claims so that when a person brings suit and wins that suit there will not be such a long delay in settlement? I have an accident case in my district where the court awarded the living members of the family that were left after the accident $73,000. The family is practically destitute today.

Mr. TABER. There should be no substantial delay in that. The small items are taken care of quickly now.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. HAND. May I ask the gentleman if this is true: I have been advised that the Marketing Division of the Fish and Wildlife Service has completely run out of money so that they are now preparing the usual marketing reports which are of great value to the commercial fishing industry but do not have enough money to mail them to their list of subscribers. I wonder whether that item has been called to the attention of the gentleman or his committee and what the status of it may be. I do not believe it is in this bill. I have just looked through it hurriedly.

Mr. TABER. I remember that came up, but I cannot tell the gentleman just at the moment whether or not it is in the bill.

Mr. HAND. I would assume it involves very little money, yet it is a service of great importance to the commercial fishing industry.

Mr. TABER. I do not think they are very bad off on it. I think that when the other bill comes along it will carry anything of that character that has to be done. The other bill will be along in about 2 weeks.

Mr. HAND. I thank the gentleman.

Mr. CANNON. Mr. Chairman, I am certain every Member of the House read with surprise and indignant disapproval an editorial which appeared in a local paper yesterday, or the day before, in which this statement is made:

> Several chairmanships of key committees—
>
> Of the House of Representatives—
>
> are held by doddering old men who are no longer able to keep pace with the exacting demands of the age in which we are living. Others are in the hands of misfits and reactionaries who no longer have the feel of the public pulse, if they ever did. These men have been exerting an influence upon policy making out of all proportion to their numbers because of the strategic positions that age and length of service have given them.
>
> The two most powerful committees in the House are under the sway of chairmen who are sadly out of step with the most vigorous and constructive elements in the Republican Party.

We doubt that JOHN TABER, of Appropriations, would have a look-in if committee chairmanships were distributed on the basis of merit.

I realize, Mr. Chairman, that whenever a man is elected to Congress he thereby abandons any claims to justice, courtesy, or protection against any slander or calumny with which any man, either in the press or privately, may desire to assail him. But I do not think in all my recollection that I have seen a more flagrant abuse of that broad license than in this particular instance.

There have appeared recently in practically every national magazine, including the Saturday Evening Post, Life, Fortune, and notably last Sunday's magazine section of the New York Times, articles on the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER] of a highly laudatory character. In all of these and numerous other articles on the work of the gentleman from New York, Chairman TABER, which have appeared during the entire Congress there has never been a single suggestion of any such criticism and abuse as is contained in this scurrilous editorial. There has never been upon the part of any Member of the House or the other body at any time since the gentleman from New York [Mr. TABER] assumed the chairmanship of the Committee on Appropriations any suggestion or intimation of this character.

Mr. Chairman, I hold no brief for the gentleman from New York, JOHN TABER. He is wrong oftener than he is right. Like Ephraim, "he is joined to his idols"—reactionary Republican principles. But I must say that from my observation, which covers several sessions of Congress, there has been no more aggressive, vigorous, intelligent, constructive leadership upon the part of any committee chairman in either body in the years it has been my privilege to serve here.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I agree with my distinguished friend from Missouri in what he says about the distinguished gentleman from New York [Mr. TABER]. When the Washington Post, that is the American Pravda, that Communist-controlled publication that has been smearing Congress so long, attacks JOHN TABER his stock certainly goes up in my market.

Mr. CANNON. Mr. Chairman, of course there is a reason for everything, and there is a very obvious reason for this editorial. During the last three sessions of Congress a determined effort has been made to convince the American people that something was radically wrong with the procedure of the Congress, and that unless radical steps were taken democracy itself would fail in the United States. I am quoting their exact words.

In response to such absurd propaganda, Congress, largely by way of experiment, finally passed the Reorganization Act of 1946.

And now, after 2 years trial, when we look back in retrospect we note that not a single one of the provisions in that much-discussed measure has proved effective. None of its glittering promises has been fulfilled. The Congress is still moving along in its accustomed routine, still transacting its business efficiently and effectively as it did during the stress and strain of the greatest war in history.

Recently, at a meeting of the subcommittee of the Joint Committee on the Legislative Budget, consisting of 20 men, 10 drawn from each of the two Houses, there was universal agreement, expressed without a dissenting voice, that the whole thing was impracticable and unworkable; that it should never have been adopted; and that it should now be amended or repealed, preferably repealed. That agreement expressed not only the opinion of those 10 ranking Members of the House, but unquestionably the opinion of an overwhelming majority of the House itself. The utter failure of the entire Reorganization Act is too obvious to require demonstration. And the instigators of the streamlining campaign, who ghost-wrote much of the editorial comment at the time the measure was up for consideration, and then collected and collated the material for insertion in the CONGRESSIONAL RECORD under extensions of remarks, and who are now serving on the staff of the Congress, prompts this attempted reprisal against the chairman who foresaw the futility of the act and the Committee on Appropriations which has found it impossible to utilize successfully any provision incorporated in the act.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. CANNON. Mr. Chairman, I yield myself 10 additional minutes.

Reverting to articles in various national magazines just referred to, there appeared in a recent issue of Collier's a high and deserved encomium on the Speaker of the House. I subscribe most heartily to the many laudatory things said in that article about our distinguished Speaker. I yield to no one in my affectionate regard for him as a man, or in my regard and admiration for his outstanding ability as a legislator, as the presiding officer of the House, and as heir apparent to the Presidency of the United States. No more talented and gifted man has served in the high office of the Speakership. But there is one perhaps inadvertent statement in the article—one which has since been repeated in many quarters—which must not be allowed to go unchallenged.

The statement was to the effect that under his Speakership a Republican Congress has balanced the budget; that the Republican-controlled Eightieth Congress achieved a balanced budget for the first time in 16 years; that it took a Republican Congress to achieve the first balanced budget in 16 years.

Now, Mr. Chairman, there is no foundation whatever for such statements. When the Republican Party took over control of the Congress in January 1947, the budget they received from the President was not only in balance, but it was in balance for the first time since it went into the red during the Hoover administration. If anyone here on the floor, or elsewhere, entertains the slightest doubt about the accuracy of that statement, or if there is any claim that our Republican friends are entitled to any credit for balancing the budget for either the fiscal year of 1948 or 1949, it is only necessary to examine the figures set forth in table 5, on page A–10 of the Budget submitted to the Congress early last month.

The last fiscal year in which we were at war was the fiscal year ending June 30, 1946. Only 6 months and 3 days following the close of that fiscal year the President presented a balanced budget for the fiscal year 1948. And that is the year Republican apologists would have the country believe they balanced the budget. Such claims are manifestly absurd. You can be certain the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER], who probably knows as much about the fiscal affairs of the Nation as any man alive, has never made any such ridiculous claims as that.

The Government was in the red when they turned it over to us in 1933. We received it in the red and we turned it back to them in the black. And in my opinion it will be in the red again when they return it to us in the next Congress.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Texas.

Mr. POAGE. If the gentleman will recall, the chairman of the committee has just indicated that there would be another deficiency bill within 2 weeks. Is that the gentleman's understanding?

Mr. CANNON. Yes. The pending bill carries only emergency appropriations which must be made available in the next few days.

Mr. POAGE. It seems to me we should right at this point give some consideration to the one item that I think is most pressing from the standpoint of need of appropriation at this time and that is to provide money with which the Rural Electrification Cooperatives of this Nation may make firm commitments for the purchase of equipment, much of which cannot be delivered for 1, 2, and in some cases even 3 years. Until they are able to point to an appropriation or an authorization to borrow the money, they cannot make firm contracts for the purchase of that equipment. The result is that they get further and further behind each and every month and that they are put at a terrible disadvantage as compared with the private concerns that are able to make commitments for some time in the future.

Is it the gentleman's understanding that at the time the next deficiency bill is brought before the House there will be an opportunity to offer an amendment to include—unless the committee sees fit, which I hope it will, to bring it in—an item appropriating that money or granting the authority for the needed loans?

Mr. CANNON. I am in heartiest accord with the views expressed by the gentleman. I trust that before the end of the session the provision which the gentleman suggests can be made. Opportunity will be afforded to offer such an

amendment when the next deficiency bill comes before the House.

Mr. POAGE. I hope we do not wait until the end of the session because each month that passes means the REA-financed cooperatives get much farther behind in orders for the future. It is not so much a matter of what is going to happen during the months of March, April, and May, 1948, as what material is going to be delivered in 1949, 1950, and even 1951. The shortage of equipment in this Nation is so great that unless you get firm orders that are backed up with the ability to pay you simply cannot buy this needed material and equipment. The stoppage if work is going to occur 1, 2, or 3 years hence unless we are able to say that the money is available at this time. We do not have to spend all of it at this time, but we do have to make it available, else we are going to leave these farmer cooperatives at a terrible disadvantage in the years to come. Even now there are thousands of rural homes that have been waiting 2, 3, and even 5 years for electrical service. They are entitled to immediate help. I hope it may be possible for the committee to include that item in the next deficiency bill or else give us an opportunity to offer an amendment on the floor of the House and let the membership express their views in connection with this matter on the next deficiency bill. I know this is an urgent deficiency bill. The Chairman has stated he hopes we will not offer any amendments. I will cooperate with the committee but I call on the committee now to cooperate with the farmer and the REA by including the needed funds in the next deficiency bill.

Mr. CANNON. The money should be provided as soon as possible. The earlier the money is appropriated the earlier the service can be supplied.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Mississippi, the father of REA legislation.

Mr. RANKIN. It is my intention to offer an amendment to the pending bill for the reason that the REA cooperative associations throughout the country need $300,000,000 to carry them over to the end of the fiscal year. There is no reason why we should be sending billions of dollars to other countries and refusing to lend to the farmers of our Nation enough money to build power lines to their homes. An amendment is in order on this order and I am preparing the amendment now and hope to have it ready by the time the gentleman gets through.

Mr. CANNON. Such an amendment, of course, will be in order either on this bill or on the next deficiency appropriation bill.

Mr. RANKIN. If we wait until the next bill the chances are it will be along toward the end of the session and that will be too late.

Mr. TABER. That is not right.

Mr. RANKIN. I know it is right. They are appealing to me from all over this country saying they need these funds, as the gentleman from Texas said a moment ago, to enable them to make contracts for the necessary materials.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The gentleman from Mississippi well knows there will be the regular deficiency bill before this committee by about the 17th of March. May I suggest to the gentleman that it would perhaps be more appropriate at that time because the items that are contained in this deficiency are purely emergency items of a critical character and were brought in here in advance of the regular deficiency because of their critical nature. So there will be an opportunity offered the gentleman before the 17th of March.

Mr. RANKIN. I may say to the gentleman from Wisconsin this is more urgent than nine-tenths of the items in this bill. If we wait until the next deficiency bill we will wait until the end of the fiscal year and that will be too late.

Mr. KEEFE. May I correct my remark to indicate that the chairman of the committee said the 11th of March instead of the 17th.

Mr. CANNON. Mr. Chairman, I reserve the balance of my time.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I take this time in order to say a word and report some progress in connection with the hospital building program authorized under the Hill-Burton resolution. You will recall that when the Federal Security Agency-Labor Department appropriation bill was before the House in the last session, that considerable controversy arose due to the fact that the committee saw fit to report merely a contract authorization of $75,000,000 instead of a direct appropriation for that amount, it being understood that the Hill-Burton bill authorizes appropriations each year for 4 years up to $75,000,000 a year for Federal grants in aid of State hospital construction.

Now I want to report that despite all of the argument that was made at that time, the Congress supported the action of the committee. What has been the result under it? They have had a very magnificent experience, and there is in this bill a direct appropriation for $15,000,000 to carry out and implement the contract authorizations that have been approved just as fast as the States can proceed with that hospital building program.

There will be submitted in the regular bill an appropriation for $60,000,000 to implement the hospital building program in fiscal year 1949. They all concede and admit now, despite the argument that was provoked by my friend from Tennessee when the regular supply bill was before us last year, that the action of the subcommittee and the Congress in providing contract authorizations for the limit of the authorization instead of direct cash appropriations, has worked exceedingly well, and meets all of the requests of the administrators at the Federal level as well as the people interested in that program in the States. We are making great progress in this hospital construction program, and I envision the time within the next few years when the great crying need that exists all over this country and in every part of the country for hospital facilities will have been met as the result of the inspiration to that program that the Congress provided in the enactment of the Hill-Burton legislation.

I am glad to report that when we bring the bill in within the next week or 10 days, providing funds generally for the Federal Security Agency and the Public Health Service, you will have a look at that program and you will be able to see the progress that has been made in the States themselves, who are raising $2 for every $1 furnished by the Federal Government, and one of the interesting things you will note in connection with that program is that the hospitals that are being built and that have been approved for construction now are hospitals in rural communities and communities where the most dire need exists, and as the result of the program of training that we envision in connection with this whole program we are going to be able to induce doctors and technicians and nurses into these communities to staff these institutions and bring public-health activities and hospitals to communities that never would have had them, were it not for the activation of this program by the last Congress. It is a very interesting program, and we will discuss it at some further length when the regular bill comes in. But here we have the proof of the wisdom of the Congress in providing contract authorizations instead of direct appropriations when, instead of $75,000,000 that they wanted last year and tried to put in the bill, all that they can possibly spend this year is $15,000,000, and this bill provides that money.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. TABER. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I have submitted to the chairman of the subcommittee and the ranking member a limitation which I understand meets, generally speaking, with their approval. It would provide, on page 11, line 14, after the word "law" to strike out the period and insert a semicolon and add the words *"Provided further,* That no part of the foregoing appropriation shall be used for the purpose of converting any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia, or for the installation of oil-heating units in any new construction."

Yesterday I referred to this briefly, and I think it covers the ground as well as I could do it now. This is on page 1622 of the RECORD. I stated first that I had simply glanced through the committee print of the bill but had not had an opportunity to discuss the bill with the chairman and the members of the Subcommittee on War Department Civil Functions. I was referring then to the civil functions bill, which will come up

later in the week, and I understand, on Friday. The same reasoning applies to this bill. I said further:

It may well be that the justifications and evidence presented to the subcommittee indicated that there were no buildings where heating is being converted from oil to coal in that particular field, or where new installations are planned of oil-burning units. However, I do not find any limitation such as was written into the independent offices appropriation bill. Because I feel very strongly that we should consider the propriety of preventing this type of conversion if it is contemplated and, further, of making it impossible that during the fiscal year 1949 any money should be spent anywhere for such purposes.

Of course, the bill now under consideration covers the balance of the fiscal year 1948.

I shall prepare for submission to the subcommittee a limitation similar to the one which the House accepted in connection with the independent offices appropriation committee bill, and to which I am sure the committee itself will give sympathetic consideration and treatment in our efforts to promote fuel-oil conservation, and first and foremost by the Federal Government itself.

In hurriedly glancing over the hearings on this bill, I find that at page 30 the gentleman who testified in behalf of the capital outlay, Gallinger Municipal Hospital, said:

The additional amount of $4,000 is for certain new heating facilities to be installed in that psychopathic division.

I talked with him over the telephone a few minutes ago, and he stated that it is for radiators to be changed to air ducts, that they have been burning oil 7 or 8 years, so I would assume that the amendment would not affect their program. On the other hand, I do think and I still insist that we should get the Federal Government out of the oil heating business. It will be money saved if we succeed in doing it, also fuel saved for our industries and our homes, which I think should come first.

Second, I call your attention to page 43 of the hearings, where the Department of Sanitation discusses a refuse transfer station. The bill calls for $965,000 for the construction of a refuse transfer station in square 739. In talking to the same gentleman, Mr. Wilding, I was given to understand that the request contemplates, as he put it, an installation of some oil-burning units, but he said not very much. Of course, I understand this "not very much" to be an approach to this problem, but I do not think it is the correct one. I think they ought to be putting in coal-burning units rather than oil-burning units.

Then I call your attention to something that we repeatedly overlook, that we up here on the Hill are kept warm by burning coal. David Lynn, the Architect of the Capitol, makes a request for the rebuilding of stokers and boilers, with a decreased cost in coal. What is good enough for us is good enough for our coworkers downtown, in my opinion.

The last thing to which I wish to call your attention is that I tried to talk to Dr. Hoge, medical director, Bureau of State Services, of the Public Health Service, but he was out of town. I left a message. There is an item in this bill calling for an additional $15,000,000, if I read it correctly. I will correct it later if I am wrong. This is for the hospital program. They are not able to furnish me this afternoon with a statement that no hospitals are going to be erected burning bunker oil or burning heavy fuel oil. I suppose in my own district, where one hospital is approved, and in many of your districts where there are hospitals which have been approved, plans are being made.

In spite of the fact that I may be criticized by some of my friends and constituents at home for having submitted this amendment at this stage, my point is, and I think that we can all agree on it, that if a hospital organization in my or your district wants to go into the erection of a new building and the installation of new oil-burning equipment, then they should measure the possibility of getting oil against the impossibility of carrying through. I think they should be required to furnish to the Health Service a full statement of what their possibilities are. More than anything else, I think this committee of the House, the powerful Committee on Appropriations, should have full information furnished to them before any undertaking of conversion or new installations goes forward. I hope very much that you will all agree that this is a sound amendment, and I believe the chairman of the committee and ranking member will see fit to accept the amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 201. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not, contrary to the provisions of this section, engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further,* That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 11, line 14, after the word "law", strike out the period, insert a semicolon, and add the words "*Provided further,* That no part of the foregoing appropriation shall be used for the purpose of converting any coal-heating unit to oil or natural gas in any Federally owned or rented buildings in or outside the District of Columbia, or for the installation of oil-heating units in any new construction."

Mr. HESELTON. Mr. Chairman, I do not think there is anything more I can add unless I can answer any question by any Member who may wish to inquire of me.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield gladly to the gentleman.

Mr. MONRONEY. I greatly respect the courageous fight the gentleman has made to try to prevent the oil famine from becoming more severe in his own section. However, I come from an oil community, where we have a surplus of oil many times. Our bottleneck is the matter of transportation and not of production. I would like the RECORD to show in the amendment that it is not the gentleman's intention to prevent, where it is economically feasible and an abundance of oil exists in a community, new construction or old construction using oil burners. I wish the gentleman could put something in there to give the Federal Works Administration, or whoever handles these buildings, the right to give us hardship relief in oil areas where the problem of oil is not as serious a question as it is in the gentleman's community.

Mr. HESELTON. I understand the gentleman's position. I simply say this in reply: We have been told within the last week in the House Committee on Interstate and Foreign Commerce that if we will increase the storage tanks from 275 gallons to a thousand gallons in our communities they will be able to store up the surplus from your community and avoid these recurrent shortages. If we succeed, and the industry is probing the possibility of assisting the individual consumer along this line, we will probably bring from your area a substantial part of what you now call surplus in order to build up stocks. That is a slow process. I certainly am not going to offer any amendment that any Member feels is injurious to his own district. In the previous amendment the gentleman from Texas asked me to take out natural gas. I did so. It was reinserted by the House. The gentleman asked me to insert the words "when there is a shortage" and I did so, but as I explained earlier, I think that raises a question of construction. You may not be short at the moment but you may be very short next year. Perhaps I should say, in view of the gentleman's advice as to the situation in his district that some of us may not be short now but may be in bad shape in early March. It is my feeling that we have such a terrific demand for every bit of oil we can get from any place, that the Federal Government at least should set the example by first, not converting from

coal to oil, and second, not undertaking to go into oil heating on new installations, unless they can be dead certain of their supply. I say their supply is secondary after your and my industries and institutions and your and my homes are heated. Of course, I want to bring about a sensible solution and, if the gentleman feels he can join me this afternoon, I shall be glad to talk with him about a better approach to future appropriation bills. If the gentleman feels that is impossible, I appreciate his position and shall still try to work out this better solution. Possibly we could then submit it to our colleagues in the other body for their consideration and for conference.

If my explanation of my purpose does not satisfy the gentleman, I will be glad to hear what further modification he thinks should be made.

Mr. MONRONEY. I have great admiration for the courageous fight the gentleman has made. The only thing I wanted was that where we locate a hospital structure two-thirds of which is paid for by the State or the community, especially where there is an excess of oil and gas, to prohibit them from using that as a source of heat as the gentleman's amendment might, could disrupt our plans to build, because we would not know how to use coal or where to get it.

Mr. HESELTON. Let me make a suggestion. I agree that to try to write legislation on the floor is always dangerous, but as I said, some time ago I submitted this proposal to the chairman of each of the Appropriations Subcommittees so that the thing could be handled consistently. Unfortunately, however, I was not able to get it prepared soon enough to get it before this subcommittee or the subcommittee considering the War Department civil functions bill which also will come up this week.

I would suggest that by our action here this afternoon we should place the burden on the Public Health Service to prove its contention before the Committee on Appropriations that they have a good case and that there ought to be an exception in the case of hospitals in certain districts. Then the Appropriations Committee can act after a consideration of all the factors in a given situation. I would go along and try to help the gentleman work out such a procedure.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. KEEFE. I just had occasion to read the gentleman's amendment because I am interested in the hospital-construction program. Under the wording of the amendment clearly it would have no application whatever to this hospital because it refers only to Federal structures. Every hospital that is built under the Federal hospital-construction program is a State or individually owned property and is not a Federal institution in any sense of the word. His amendment, therefore, does not cover that particular situation.

Mr. HESELTON. I think the gentleman has explained exactly what the situation is. Had I realized that the amendment could be so interpreted, I would have tried to strengthen it. I do not feel that even the hospital in my district should use oil unless they know where they are going to get their supply with reasonable certainty.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for an additional minute that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. This subject comes regularly before the Committee on the Independent Offices appropriation bill. How does this amendment comport with the recommendations of that committee?

Mr. HESELTON. It is almost identical with the amendment that was adopted with the consent of the Appropriations Subcommittee on Independent Offices when that bill was before us with the exception as I tried to indicate. I took out "natural gas" at the request of the gentleman from Texas. The gentleman from Michigan, where they had a very serious situation because of lack of gas in Detroit, offered an amendment which was accepted by the House returning those words. I strengthened it to this extent because you provide for a Capital refuse plant, a new building. I have added "new installations" not only conversions in existing installations, but when they build that plant, I think they should be very careful in explaining to you that they will not drain away oil that is needed by individuals and private industry in Washington and the vicinity.

Mr. CANNON. Does the amendment now before us have the approval of the subcommittee which regularly has charge of the legislation?

Mr. HESELTON. It has, except, to be perfectly frank, it did not contain those on natural gas. My amendment was accepted, with that exception, by the subcommittee on the independent-offices bill, plus the elimination of the words "in shortage areas," and with the exception of new installations to which I have just referred.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. PHILBIN. Does this affect installations in veterans' hospitals where the hospital is operated by the Federal Government?

Mr. HESELTON. It affects any property owned by the Federal Government, whether it be a veterans' hospital or an office building. It provides that they would not be able to draw on these funds to convert from coal to oil or to install oil if they erect a new building, and if the title is in the Federal Government. In such circumstances I think they must conform to this limitation.

Mr. PHILBIN. So we would have the situation wherein the hospital referred to by the gentleman from Minnesota would not be subject to this particular amendment.

Mr. HESELTON. That is right.

Mr. PHILBIN. But veterans' hospitals constructed by the Federal Government would be.

Mr. HESELTON. That is right.

Mr. PHILBIN. Does not the gentleman think that is somewhat anomalous?

Mr. HESELTON. I think we will have to leave it to our States and local communities to readjust the program they may have in terms of known facts and the best judgment they can exercise.

As I said to the gentleman from Oklahoma, I do admit the comparative danger of writing legislation from the floor and, with that in mind, I submitted all the information I could obtain to several chairmen of the subcommittees. I have received many responses indicating they welcome this sort of a report and will be glad to check into it in terms of future appropriation bills. Unfortunately, I was not able to obtain the information soon enough to furnish it to this subcommittee or to the Subcommittees on Independent Offices and Civil Functions. It may be that I will have to submit an amendment to one or two other bills which are almost ready for report, but I agree with my friend, the gentleman from Massachusetts, and my friend, the gentleman from Oklahoma, that it would be far better if we could work out a sound approach which would create no hardship in any instance but would serve to assist shortage areas in building stocks so that we will not have this threat of recurrence of shortages winter after winter, to be followed by shortages of gasoline summer after summer.

To make the situation perfectly clear, I do not think that any existing oil-heating unit should be converted unless the relative cost justifies it. It is entirely possible that new construction in localities where oil is relatively inexpensive and plentiful should be heated in that way. Too, there might be a burden of additional transportation which would be economically unsound if they had to convert to coal for instance. But, my whole approach is based on the repeated statements from competent Government officials, as well as able industry representatives, that we just do not have sufficient oil now or in sight for several years to meet our full demands and, therefore, I think we should insist that the Federal Government not only recommend conservation but practice it wherever possible. May I add, at this time, that the gentleman from Massachusetts and his colleagues on that side of the aisle from New England, as well as others in other sections, have cooperated magnificently in our joint effort to work out a solution, and I welcome such suggestions as he and the gentleman from Oklahoma have made because I think that among us we can develop a sound approach which will be helpful.

Mr. COFFIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFIN to the amendment offered by Mr. HESELTON: After the words "natural gas" insert "or artificial gas."

Mr. COFFIN. Mr. Chairman, my reason for suggesting this amendment is the fact that artificial gas is made from fuel oil. If we are going to stipulate against conversion to fuel oil it would be entirely logical to stipulate against the use of artificial gas because artificial gas is made from fuel oil and thereby constitutes a drain on the fuel-oil resources. It is perfectly logical, therefore, to include artificial as well as natural gas.

Mr. MUHLENBERG. Mr. Chairman, I rise in opposition to the pending amendments.

Mr. Chairman, I do not like the original amendment nor even as a part of it the amendment to the amendment that has been proposed because it seems to me we are establishing a dangerous precedent. First of all the technical men who are in charge of either the construction or the operation of these projects should not be limited in the type of heating plant they are allowed to put in. Whether we recognize the fact that there is a present shortage of oil or whether we do not seems to me should not affect the general decision of the technical men who are required to decide how the heating plant shall work.

It seems to me that if we could modify the amendments so as to state that oil or gas of either type shall not be used if anything else is possible and practicable, or that availability of fuels shall be taken into account in design of the plant which is practically the idea suggested by the gentleman from Oklahoma, we would be getting down to a sensible regulation.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield to the gentleman from Minnesota.

Mr. O'HARA. I probably agree with the gentleman from the strictly architectural and engineering viewpoints, but, as the gentleman from Massachusetts has so well said, we are facing a very serious oil shortage in this country so far as our homes and our people who use fuel oil are concerned. Certainly in most of these plants coal installations could be provided on which their has not been a severe shortage and it would be welcomed by the State of Pennsylvania, for example.

Mr. MUHLENBERG. Oh, yes, indeed.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I fully recognize the lack of wisdom in legislating so emphatically unless we have to. But may I say that I inquired of L. P. Steuart & Bro., Inc., last week as to the amount of oil used in the schools of the District of Columbia and in various other public buildings, and much to my astonishment I found it exceeds 8,000 gallons a week. That is a tremendous drain and that is the reason why we have these shortages. If we can confine them for a year I think we will know where we can get off, although I would agree with the gentleman I would not offer this type of amendment unless there was an emergency.

Mr. MUHLENBERG. I agree that under present circumstances it may sound like a wise thing to do, but I also believe that the precedent is bad and that if possible we should leave an out for those places where conditions make other installations practical.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield to the gentleman from Michigan.

Mr. COFFIN. I would like to point out that it was the same discretion of these engineers that the gentleman has referred to which caused the added installation of over a million and a half fuel-oil burning units in the face of this shortage in supply. I doubt if we can stop it unless we do pass this sort of legislation.

Mr. MUHLENBERG. May I suggest to the gentleman that maybe it was the over-advertising of the oil industry and their promise of availability of fuel that may have contributed to it too.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield to the gentleman from Mississippi.

Mr. RANKIN. As I understand it, this is a deficiency appropriation?

Mr. MUHLENBERG. Yes.

Mr. RANKIN. And the people along the northeastern seaboard are faced with an emergency?

Mr. O'HARA. And the Middle West also.

Mr. RANKIN. And the Middle West also. This amendment would tend to help relieve this distressed condition. For that reason I may say to the gentleman that I respect his views very much but I am inclined to support the amendment.

Mr. MUHLENBERG. I think we all realize present-day conditions, but I believe we should not make it mandatory that this is all that may be done.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield to the gentleman from Michigan.

Mr. DONDERO. I have listened with great interest to the argument presented by the gentleman from Michigan [Mr. COFFIN], in support of his substitute amendment. I call attention of the gentleman from Pennsylvania that the gentleman from Michigan has devoted the major part of his life to the oil industry, and I look upon him as one of the authorities in this House on that subject, and I am sure that his amendment would do nothing to in any way curtail the shipment of oil into the State of Pennsylvania, where you already have enough coal to help you.

Mr. MUHLENBERG. I agree with the gentleman entirely and it is not my intention to quarrel with the wording of the amendment.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield to the gentleman from Mississippi.

Mr. RANKIN. I did not understand that this amendment would adversely affect Pennsylvania or any other section of the country, but here we are preparing to spend billions of dollars, untold billions, limitless billions of dollars, we might say, in foreign countries, and letting our own people freeze to death when we have plenty of fuel at home if we could just get it to them.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. COFFIN] to the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HESELTON] as amended.

The amendment as amended was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the chairman of the Committee on Appropriations what they plan to do regarding a supplemental appropriation for the Veterans' Administration. I visited hospitals in Massachusetts over the week end, and I find that the contemplated cuts, or the cuts that have already taken place in those hospitals, are very seriously interfering with the care of the disabled veterans.

Mr. TABER. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. TABER. I do not know how much the gentlewoman knows about that situation, but I will say this, that any shortage of help is not due to the failure of the Committee on Appropriations to provide funds; that the President has submitted an estimate with a reduction proposed as to almost every item of importance relating to personnel in the Veterans' Administration. On the 16th of January the Administrator of Veterans' Affairs sent out a letter to all the branch and regional offices directing them to cut down their employees to the basis of the 1949 budget estimates. The thing has nothing whatever to do with available funds or anything else. It is simply pursuant to an order of the Administrator of Veterans' Affairs in a letter dated the 16th of January, of which I have a copy, which directs them to cut the force down to that level. If the gentlewoman has any suggestions to make, I would recommend that she make it to those who are responsible and not to those who are not responsible.

Mrs. ROGERS of Massachusetts. I will say to the gentleman that I plan tomorrow to take up the matter in conference with General Gray and one of the doctors. I have already taken up the matter by letter and telephone and in person with Veterans' Administration officials. The cuts were ordered, as the gentleman has stated in the Veterans' Administration. It seems to be a pastime of the Veterans' Administration to blame the Appropriations Committee on cuts they themselves have initiated. Cushing General Hospital alone will lose 47 persons. They go back to the ceiling of November 30. On November 30 they had 800 patients, whereas they have 900 patients now. So it is much more than

the cut would seem to indicate. They have a very sizable cut, 47. In other words, they will have 47 fewer personnel to take care of 900 patients than they had to take care of 800 persons on November 30. In the veterans' hospital at Bedford they have lost 15 in personnel. Everyone knows that in the care of nervous and mentally ill patients, if you do not have attendants there are apt to be accidents, accidents among patients and others. It is a very serious problem. They have lost doctors and nurses in other VA hospitals in our State.

Mr. TABER. There have been all sorts of ridiculous statements made to the effect that the Committee on Appropriations had stated that they would not consider a deficiency, but there is no budget estimate before us nor has there been any request made to us for for any additional funds, nor is there any need for funds if the funds that are already available were used.

Mrs. ROGERS of Massachusetts. I think that point should be brought out. The budget officer of the Veterans' Administration, Mr. Moore, appeared before our Committee on Veterans' Affairs. When I asked him if he was going to offer a supplemetal budget, he said, "No." I said, "What do you plan to do, then, let the veterans in the hospitals suffer?" He had no more to say. I know the Committee on Appropriations, if money is not available for use for these men who are suffering in the hospitals, would grant a supplemental appropriation. They always have.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with respect to the matter just discussed, I think the record should be clear. The Committee on Appropriations has never told the Veterans' Administration that it should not submit deficiency requests, but I understand the attention of the Veterans' Administration was called to the fact that under the antideficiency statute a deficiency should not be incurred until the money had been requested and appropriated to take care of a contemplated increase in activities. The testimony to which the gentlewoman refers was also referred to here one day in a little colloquy which I had with the gentleman from Massachusetts [Mr. McCORMACK]. I think there probably has been some misunderstanding as to what a deficiency is. The antideficiency statute makes it a violation of law for an agency to employ people if it does not have money to pay them and requires the agency to apportion its expenditures from annual appropriations over a 12 months' period. Still, an agency can bring in what is called a deficiency or supplemental estimate in which it requests funds in order to enable it to carry on an activity at an increased rate of personnel use or to meet rising costs. It is called a deficiency item if for use in a current year, a supplemental if to increase an amount for the subsequent fiscal year.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. It would be absurd for the House to go on record as to a deficiency measure that money would not be authorized and appropriated for sick veterans or wounded veterans in hospitals.

Mr. CASE of South Dakota. I do not think it ever has gone on record that way. I doubt if it ever will.

Mrs. ROGERS of Massachusetts. There is a general misunderstanding about it.

FOREST SERVICE ITEMS

Mr. CASE of South Dakota. Mr. Chairman, before the debate on this bill closes, I wish to say a few words regarding the items for the Forest Service which it carries.

There are three classes of items. One is for control of insects and forest pests; one is for the administrative activities incident to marking timber for sale; one is for fire fighting. I hope that Members interested will read the hearings on each of these.

The committee has taken what I regard as a most constructive attitude with respect to the requests of the Forest Service in reporting the requested amounts in this urgent deficiency bill. Thereby, the money will be made available at the earliest possible date so that it can be used to the greatest advantage.

Last year the committee approved a request for $395,000 to combat the tussock moth, which was endangering rich forest resources in Idaho. The gentleman from Utah [Mr. GRANGER] reported to us in the hearings last week that the campaign had been 100 percent successful and that the Service was able to return to the Treasury $57,000 unspent.

In effect, we gave the Forest Service a vote of confidence on this type of work by reporting favorably in this bill a request for $843,000 for similar control programs this season; $525,000 for fighting the pine beetle in the Targhee, Teton, Caribou, and Bridger Forests and the Grand Teton and Yellowstone National Parks; $235,000 for combating the bark beetle in the valuable ponderosa pine forests of the Black Hills in South Dakota and Wyoming; and three smaller amounts for localized pest areas of forests in Idaho, Montana, Michigan, Wisconsin, and Illinois.

Last year we approved a deficiency request for $410,000 to permit the cruising of more timber for sale. Again, the Forest Service was able to report that it had increased its timber harvest by 335,000,000 board feet with that money, getting an average of $4.28 per thousand for less than $1 expended. This year, with a higher value for timber sold, the Forest Service believes it can bring in better than $5 in sales for each $1 spent to mark and supervise the cutting of the timber crop. Hence, the committee approved the request for $475,000 to increase timber harvest and sales.

The item for fire fighting in this bill seems large, $4,932,000. It is based on obligations of $4,331,041 incurred in fire fighting up to December 31, plus an amount for the balance of the year based on the average experience of the last 5 years. Testimony developed in the hearings revealed that this amount compares with $3,550,000 in 1940, when the average hourly rate paid to fire fighters was 42 cents, compared with the 90 cents now required.

Some interesting tables on this are given in the hearings. The one on page 128 reveals that of 10,932 fires on national forests in calendar 1947 to November 30, 9,097 were confined to less than 10 acres. Total areas burned amounted to 254,606, with protection to 196,447,000.

The Forest Service is achieving this record by the use of improved fire-fighting equipment, better trained fighters, and better organization, together with the cooperation of local citizens and other Federal, State, county, and private agencies.

RURAL ELECTRIFICATION

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few minutes ago I called the attention of the House to the fact that the Rural Electrification Administration is badly in need of at least $300,000,000 to carry on the construction of rural power lines to the end of this fiscal year.

Applications are coming in at the rate of $24,000,000 a month.

In order for these cooperative power associations to make contracts for materials, it is necessary that they have the assurance that they will be able to secure the funds with which to build the lines.

Of all the things that Congress has ever done for the farmers of America, the greatest it has ever done has been the promotion of this rural-electrification program. Unfortunately, when the Congress touches the farmer, it invariably does something to them instead of something for them. But through this rural-electrification program we enable the farmer to help himself. That is the greatest service you can render to anybody.

When this program first started, I organized cooperative power associations in each one of the counties of my home district. We were getting our funds through the TVA. Later on the REA was created, and we were told that we would have to switch to that organization. Unfortunately there had been a ceiling placed over the REA of $40,000,000 a year. Under that ceiling we could not have electrified the farm homes of this country in 100 years.

In 1938 when they were passing one of those large spending bills here against which all points of order had been waived I broke through with an amendment for the first $100,000,000 for rural electrification, and won by only six majority on a teller vote.

That is when the rural-electrification program came to life. It began to spread in practically every State in the Union.

We have carried on the battle from that day to this. Senator RUSSELL, of Georgia, and I introduced a bill, and finally got most of its provisions enacted into law, extending the amortization period to 35 years and reducing the interest rate to 2 percent. Every dollar of this money will come back with interest, and the United States Government will not lose a penny. Besides it will add untold billions of dollars to the wealth of

the Nation. As I have said, this rural-electrification program has done more for the farm homes of this country than everything else that the Congress has done since the Department of Agriculture was created.

It not only lights the homes of the farmers, but it lifts the burden of drudgery from the farmer and his wife. It gives them appliances with which to do their work. As I have often said, it takes to the farmer everything that you have in the city except the noise and the city taxes.

I can see no reason for delaying or refusing to provide this deficiency appropriation for these people, for these farmers, when they are begging for it in almost every State in the Union.

The last time we called the roll they knocked out $25,000,000. Men rushed in here and voted who seemed not to know what they were voting on. But the money that was provided has all been allocated or expended and today in almost every State in the Union the cooperative power associations are begging for funds with which to build power lines to the farm homes of the Nation, to help improve the living conditions of the rural people who produce the material to feed and clothe the world, and who fight the Nation's battles in times of war and sustain its institutions in times of peace.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Texas.

Mr. POAGE. Does the gentleman recall that when that $25,000,000 was stricken out the committee gave us exactly 15 minutes to present the cause of rural electrification to the House, and that was all the time that we got?

Mr. RANKIN. Yes, sir.

As I have said before, this is the greatest issue so far as the farmers are concerned that has come before the House of Representatives since I have been a Member of it.

I dislike to continue being in a continuous battle, but this is one thing that is nearer to my heart than almost any other issue. I have put more time in on it than any other Member of either House, and I shall continue my efforts to see that these farmers get the money necessary to build these lines to every farm home in America.

When I began this fight less than 10 percent of our farms were electrified; while 90 percent of the farms in both Germany and Japan were electrified. In fact, all western Europe had 90 percent or more of her farms electrified.

Today we have more than 60 percent of our farms electrified. This has been one of the hardest battles of my career, and I expect to keep up the fight as long as I am in public life, or until we electrify every farm home in the United States.

The Clerk concluded the reading of the bill.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCGREGOR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The motion was agreed to.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RANKIN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RANKIN. I am in its present form, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. RANKIN moves to recommit the bill to the Committee on Appropriations with instructions to report it back to the House forthwith with the following amendment:

On page 9, after line 15, add a new title to read as follows:

"Rural electrification: For loans in accordance with the provisions of the Rural Electrification Act of 1936, as amended, $300,000,000."

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The question was taken and on a division (demanded by Mr. RANKIN) there were—ayes 9, noes 22.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 151, nays 181, not voting 97, as follows:

[Roll No. 14]

YEAS—151

Abernethy	Boykin	Cox
Andresen, August H.	Brehm	Cravens
Andrews, Ala.	Brown, Ga.	Crosser
Angell	Bryson	Cunningham
Arnold	Burleson	Curtis
Banta	Byrne, N. Y.	Davis, Ga.
Barden	Camp	Davis, Tenn.
Battle	Cannon	Dawson, Utah
Beckworth	Carroll	D'Ewart
Bennett, Mich.	Chelf	Dorn
Bennett, Mo.	Cole, Mo.	Douglas
Blatnik	Colmer	Eberharter
Bonner	Combs	Engle, Calif.
	Cooper	Evins
Feighan	Larcade	Priest
Fisher	Lemke	Rankin
Flannagan	Lewis	Richards
Forand	Lucas	Riley
Gordon	Lynch	Rizley
Gore	McCowen	Robertson
Gorski	McGregor	Rockwell
Granger	McMillan, S. C.	Rogers, Fla.
Grant, Ala.	Mack	Sadowski
Hagen	Madden	Sasscer
Hardy	Mahon	Schwabe, Mo.
Harless, Ariz.	Mansfield	Sheppard
Harris	Marcantonio	Sikes
Harrison	Martin, Iowa	Simpson, Ill.
Havenner	Miller, Calif.	Smith, Kans.
Hays	Miller, Nebr.	Smith, Va.
Heffernan	Mills	Smith, Wis.
Hobbs	Monroney	Spence
Hoeven	Morgan	Stefan
Holmes	Morris	Stevenson
Horan	Mundt	Stigler
Huber	Murdock	Talle
Hull	Murray, Tenn.	Teague
Jackson, Wash.	Murray, Wis.	Thompson
Jarman	Norrell	Tollefson
Johnson, Tex.	Norton	Trimble
Jones, Ala.	O'Konski	Vinson
Jones, N. C.	Pace	Walter
Jones, Wash.	Patman	Wheeler
Karsten, Mo.	Peden	Whitten
Kee	Peterson	Williams
Kefauver	Pickett	Wilson, Ind.
Kelley	Poage	Wilson, Tex.
Kennedy	Powell	Winstead
Landis	Preston	Wood
Lane	Price, Fla.	Worley
Lanham	Price, Ill.	

NAYS—181

Allen, Calif.	Gamble	Michener
Allen, Ill.	Garmatz	Miller, Conn.
Almond	Gary	Mitchell
Andersen, H. Carl	Gillette	Morton
Anderson, Calif.	Gillie	Nicholson
Andrews, N. Y.	Goff	Nixon
Arends	Goodwin	Nodar
Auchincloss	Graham	Norblad
Bakewell	Grant, Ind.	O'Brien
Barrett	Gwynne, Iowa	O'Hara
Bates, Mass.	Hale	O'Toole
Beall	Hall, Edwin Arthur	Owens
Bell	Hall, Leonard W.	Patterson
Bender	Hand	Pfeifer
Bishop	Harness, Ind.	Philbin
Blackney	Harvey	Phillips, Calif.
Bloom	Hedrick	Phillips, Tenn.
Bolton	Herter	Plumley
Bradley	Heselton	Potts
Bramblett	Hess	Poulson
Brophy	Hill	Ramey
Brown, Ohio	Hoffman	Redden
Buchanan	Hope	Reed, Ill.
Buckley	Javits	Reed, N. Y.
Buffett	Jenison	Rees
Bulwinkle	Jenkins, Ohio	Riehlman
Burke	Jennings	Rogers, Mass.
Busbey	Jensen	Rohrbough
Butler	Johnson, Calif.	Ross
Byrnes, Wis.	Johnson, Ill.	Russell
Canfield	Johnson, Ind.	Sadlak
Case, N. J.	Jonkman	St. George
Case, S. Dak.	Judd	Sanborn
Chenoweth	Kean	Sarbacher
Church	Kearney	Schwabe, Okla.
Clason	Keating	Scrivner
Clevenger	Keefe	Seely-Brown
Coffin	Keogh	Shafer
Cole, Kans.	Kerr	Smith, Ohio
Cotton	Kersten, Wis.	Snyder
Coudert	Kilburn	Somers
Crawford	Kilday	Stanley
Davis, Wis.	King	Stockman
Deane	Kirwan	Stratton
Devitt	Knutson	Sundstrom
Dondero	Kunkel	Taber
Donohue	Latham	Twyman
Doughton	Lea	Vail
Durham	LeCompte	Van Zandt
Eaton	LeFevre	Vorys
Elliott	Lodge	Vursell
Ellis	Love	Wadsworth
Ellsworth	McCulloch	Welchel
Elsaesser	McDonough	Welch
Elston	McMahon	Whittington
Engel, Mich.	MacKinnon	Wigglesworth
Fallon	Maloney	Wolcott
Fletcher	Meade, Ky.	Wolverton
Foote	Merrow	Woodruff
Fuller	Meyer	Youngblood
Fulton		

NOT VOTING—97

Albert	Bland	Brooks
Allen, La.	Boggs, Del.	Buck
Bates, Ky.	Boggs, La.	Carson

Celler	Gross	Morrison
Chadwick	Gwinn, N. Y.	Muhlenberg
Chapman	Halleck	Multer
Chiperfield	Hart	Passman
Clark	Hartley	Ploeser
Clippinger	Hébert	Potter
Cole, N. Y.	Hendricks	Rains
Cooley	Hinshaw	Rayburn
Corbett	Holifield	Reeves
Courtney	Jackson, Calif.	Regan
Crow	Jenkins, Pa.	Rich
Dague	Johnson, Okla.	Rivers
Dawson, Ill.	Kearns	Rooney
Delaney	Klein	Sabath
Dingell	Lesinski	Scoblick
Dirksen	Lichtenwalter	Scott, Hardie
Dolliver	Ludlow	Scott,
Domengeaux	Lusk	Hugh D., Jr.
Fellows	Lyle	Short
Fenton	McConnell	Simpson, Pa.
Fernandez	McCormack	Smathers
Fogarty	McDowell	Smith, Maine
Folger	McGarvey	Taylor
Gallagher	McMillen, Ill.	Thomas, N. J.
Gathings	Macy	Thomas, Tex.
Gavin	Manasco	Tibbott
Gearhart	Mason	Towe
Gossett	Mathews	West
Gregory	Meade, Md.	Zimmerman
Griffiths	Miller, Md.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Halleck with Mr. Rayburn.
Mr. Simpson of Pennsylvania with Mr. Klein.
Mr. Towe with Mr. McCormack.
Mr. Macy with Mr. Fogarty.
Mr. Gavin with Mr. Hart.
Mr. Dague with Mr. Rooney.
Mr. Chiperfield with Mr. Chapman.
Mr. Jenkins of Pennsylvania with Mr. Brooks.
Mr. Rich with Mr. Multer.
Mr. Short with Mr. Meade of Maryland.
Mr. Muhlenberg with Mr. Celler.
Mr. Fenton with Mr. Thomas of Texas.
Mr. Corbett with Mr. Holifield.
Mr. Jackson of California with Mr. Albert.
Mr. Ploeser with Mr. Rains.
Mr. Hugh D. Scott, Jr., with Mr. Folger.
Mr. Lichtenwalter with Mr. Gossett.
Mr. McGarvey with Mr. Manasco.
Mrs. Smith of Maine with Mrs. Lusk.
Mr. Taylor with Mr. Dawson of Illinois.
Mr. Cole of New York with Mr. Delaney.
Mr. McMillen of Illinois with Mr. Boggs of Louisiana.
Mr. Kearns with Mr. West.
Mr. Crow with Mr. Zimmerman.
Mr. Fellows with Mr. Rivers.
Mr. McConnell with Mr. Gregory.
Mr. Mason with Mr. Hébert.
Mr. Reeves with Mr. Fernandez.
Mr. Scoblick with Mr. Gathings.
Mr. Thomas of New Jersey with Mr. Passman.
Mr. Gearhart with Mr. Lyle.
Mr. Dolliver with Mr. Lesinski.
Mr. Clippinger with Mr. Regan.
Mr. Boggs of Delaware with Mr. Sabath.
Mr. Tibbott with Mr. Smathers.
Mr. Hardie Scott with Mr. Johnson of Oklahoma.
Mr. McDowell with Mr. Cooley.
Mr. Carson with Mr. Domengeaux.
Mr. Buck with Mr. Dingell.
Mr. Gwinn of New York with Mr. Courtney.
Mr. Gross with Mr. Bates of Kentucky.
Mr. Griffith with Mr. Allen of Louisiana.
Mr. Miller of Maryland with Mr. Bland.
Mr. Dirksen with Mr. Ludlow.
Mr. Chadwick with Mr. Clark.

Mr. ROBERTSON changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

RURAL ELECTRIFICATION

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, for the information of the Members, there was no budget estimate pending for this rural electrification item. The unexpended balances as of February 13, the last date available, were $451,000,000. The amount that has not been allocated out of the $232,000,000 that we appropriated for this fiscal year is $73,000,000.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RURAL ELECTRIFICATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and also to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from New York [Mr. TABER] I desire to say that the REA needs every dollar of the $300,000,000 asked for. They now have applications for $221,000,000 more than they have funds unallocated, and applications are coming at the rate of $24,000,000 a month.

I got these figures from the REA today.

If we can send billions of dollars to be poured into the sinkholes of Europe and Asia, surely we can afford to provide these funds to loan our farmers to build power lines to their homes, when we know it will all come back with interest.

Maybe these farmers are unfortunate in being citizens and taxpayers in the United States. If they lived in foreign countries, they might get taken care of under the Marshall plan.

EXTENSION OF REMARKS

Mr. BOYKIN (at the request of Mr. NORRELL) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances and include two speeches he recently made.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include copy of a speech made before the Foreign Policy Association at Oklahoma City, Okla.

FACTS ON REA FIGURES

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter which I received from Claude Wickard, Administrator of REA, showing the $73,000,000 unallocated which they had on hand on the 13th of February, as well as other correspondence on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, under the permission granted, I will place in the RECORD at this point a letter from REA Administrator Claude Wickard, showing that on February 13, this year, just 10 days ago, the REA had on hand in unallotted funds the sum of $73,000,000, and other correspondence on this subject.

Mr. Wickard's letter to me was in response to an inquiry I had written him. His reply and other correspondence on this subject follow:

FROM ADMINISTRATOR WICKARD TO REPRESENTATIVE CASE

UNITED STATES
DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D. C., February 20, 1948.

Hon. FRANCIS CASE,
House of Representatives.

DEAR MR. CASE: This is in response to your letter of February 10, 1948, in which you inquire further concerning the progress of the REA program.

As of February 13, 1948, we had on hand funds for loan allocation to June 30, 1948, in the amount of $73,017,126. On that date applications on hand and in process in the field amounted to more than $287,000,000.

In connection with your inquiry as to whether the applications which REA will process between now and June 30 will exceed the amount of funds available for allocation, we should like to report that we have already run out of funds with which to satisfy applications from some of the States. There is no question but that on June 30 the aggregate amount of the applications processed and ready to be covered by loan documents will exceed the amount of funds available for allocation out of the 1948 loan funds. Further, since applications are continuing to come in at the average rate of $24,000,000 monthly, it is estimated that on June 30 we will have approximately $300,000,000 of applications on hand or in process of preparation in the field. We have no positive way of knowing what the rate of application will be after June 30 but so far as we know they will continue at about the present rate.

The Department of Agriculture recommended a $300,000,000 REA loan fund for fiscal 1949 which is the same amount as the President has recommended for this purpose in his budget message to Congress.

Sincerely,

CLAUDE R. WICKARD,
Administrator.

FROM CLYDE T. ELLIS TO REPRESENTATIVE CASE

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION,
Washington, D. C., February 20, 1948.

Hon. FRANCIS CASE,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. CASE: Attached hereto is a suggested REA deficiency bill in the amount of

$300,000,000. If you agree with us, we would like very much for you to copy this on the proper form and introduce it and then see if we can get it enacted into law. We are writing a similar letter to a few other Members of Congress and we are hopeful that they will introduce the same bill at the same time. Maybe this is not good procedure, but we know of no other way to approach this very urgent problem.

For your information, we have tried for months to get the White House, the Bureau of the Budget and the Department of Agriculture to submit a deficiency request to Congress. We have given up hope of that. On February 12 we wrote Chairman TABER and all members of the House Appropriations Committee urging them to take the initiative in bringing out a deficiency bill. Attached hereto is a copy of that letter. After reading it I believe you will agree with us that our deficiency need is well over $300,000,000.

Thanking you for your immediate consideration of this matter and for whatever help you can give the farmers of America in this case, I am

Yours sincerely,

CLYDE T. ELLIS,
Executive Manager.

P. S.—There is no desire on our part to bypass the Appropriations Committee—for we would like to see a hearing on the matter. We feel the committee will consider the matter if enough Members of Congress become interested.

C. T. E.

FROM REPRESENTATIVE CASE TO CLYDE T. ELLIS

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 23, 1948.

Mr. CLYDE T. ELLIS,
Executive Manager, National Rural Electric Cooperative Association, Washington, D. C.

MY DEAR MR. ELLIS: Receipt is acknowledged of your letter of February 20 and enclosures—all relating to your proposal that a deficiency appropriation bill be proposed in the amount of $300,000,000.

You will be interested, I am sure, in knowing that the status of REA funds and applications is one which has concerned me, and that I have taken steps to see what can be done constructively in this matter. Under date of February 10, I wrote the Administrator, Mr. Claude R. Wickard, asking for the facts on requests, cash on hand unallotted, etc. I enclose a copy of his reply.

By this letter of Mr. Wickard's, it appears that as of February 13, 1948, they had on hand $73,017,126 in free money for allocation between now and June 30.

It also appears that loan applications are coming in at the rate of $24,000,000 per month at the present time, and that applications on hand or in process in the field amount to $287,000,000.

It also appears that the Department of Agriculture, of which REA is a part, asked for an appropriation of $300,000,000 for the fiscal year 1949, which is the amount of the estimate sent to Congress by the Bureau of the Budget. That is now under consideration by the Appropriations subcommittee for the Department of Agriculture, I might say, and their bill is scheduled for report to the House within the next 2 weeks.

An appropriation of $300,000,000 for 12 months would permit loan approvals of $25,000,000 per month, which is one million more than the present rate of applications. Admittedly, there is a backlog of $287,000,000 if both applications on file and being processed or worked up in the field are counted, as Mr. Wickard does. But against them, the REA has $73,017,126 in unallotted funds, leaving approximately $213,000,000 for a backlog.

Now obviously, there must always be some backlog if REA does a good job of examining applications. Nothing could destroy REA quicker than for it to approve applications instantly upon receipt. The application should be examined and must be processed from several angles—feasibility of lines, adequacy of power source, soundness of repayment program, etc. What is a proper backlog or amount of applications in process at any time, I do not know.

Mr. Wickard indicates that he does not know what rate of applications may be expected after June 30—but assuming they continue at the present rate, an appropriation of $300,000,000 for the new fiscal year will more than keep pace. If we were to make a deficiency appropriation of twenty-five or fifty million dollars at this time, to add to the seventy-three million on hand and not allotted, there would be ample funds on hand to allot twenty-five million each month on approved loan applications for the balance of this fiscal year and establish the rate proposed by the Department of Agriculture for fiscal 1949. What would you think of that?

Sincerely yours,

FRANCIS CASE.

Mr. Speaker, in the light of these facts, a deficiency appropriation of $300,000,000 cannot be justified for the balance of this fiscal year. There are only 287,000,000 loan applications now in the files here or in process in the field, and against them the REA has seventy-three million of free cash to allot. The 1949 budget estimate for three hundred million is before the subcommittee which regularly handles this item and it will report to the House within the next 2 or 3 weeks.

The suggestion embodied in my letter of twenty-five or fifty million to permit establishing a monthly allotment rate of twenty-five million, which is slightly more than the current rate of applications, is sound and practical and in keeping with the principles which the Members of Congress would apply to their own business.

Incidentally, I suggested the use of such a figure to the gentleman from Mississippi when he proposed an amendment for $150,000,000 to a deficiency bill we had on the floor shortly before Christmas. I feel confident that if he had accepted that suggestion, the amendment would have carried. And again today, if the amendment had carried a figure that was based upon a sound analysis of the funds on hand and applications in the mill, it would have carried.

The best friends REA has, Mr. Speaker, are not those who vote blindly for any figure that somebody waves in the name of rural electrification; REA's best friends are those who conscientiously seek to provide the funds that can be prudently and wisely used.

EXTENSION OF REMARKS

Mr. COLE of Kansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

RURAL ELECTRIFICATION

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, I want to call the attention of the Members of the House to the fact that at the present time no one can buy the material, the wire, transformers, and equipment needed to build electric lines, whether it be an REA-financed cooperative or a private power company unless they have the money in the bank with which to enter into a firm contract because there are enough people available to buy those things now who can pay for them and anyone who has these articles for sale is not going to sell them unless the prospective purchaser has the money available. These REA cooperatives do not have the money available to purchase the equipment that must be placed on order today if they are to have it next year or the year after, unless we have this appropriation. It is not so much the question of what REA has on hand today, because the major portion of that money is committed. We have got to have the authority to buy now if we are to care for the needs of future years when they arrive. If this money is not appropriated now we will find ourselves continuing in the same difficult situation in which so many of our rural people are now involved. There are thousands of rural homes where they are burning coal-oil lamps tonight that have been signed up for years. We could not avoid the shortages occasioned by war. We could not avoid those delays, but you and I can and should avoid continuing these delays for years to come.

The SPEAKER. The time of the gentleman from Texas has expired.

SCHOOL TEACHERS OF AMERICA

Mr. PRICE of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PRICE of Florida. Mr. Speaker, the school teachers of America deserve a rising vote of thanks for the many sacrifices they have made during the last few years; and especially for their services during the war.

It is a known fact that the vast majority of the teachers could have doubled or trebled their income in a war plant or in some other type of defense work; however, most of them remained loyal to their chosen profession, realizing full well the tremendous responsibility of educating our boys and girls to take their places in the complicated, as well as unpredictable, world of tomorrow.

When we stop to consider the number of loyal teachers who chose the satisfaction of knowing that they were making a real contribution to the future welfare of our country rather than the reaping of personal financial gain, we are convinced that our schools are in good hands.

This statement is all the more significant when we examine the inducements or, shall I say, the lack of inducements offered our young people to enter the teaching profession as a life work.

In many parts of our Southland the burden of providing decent facilities and ample pay for teachers is a burden too

heavy for our local government to shoulder alone. Therefore it is necessary to have Federal aid because you will agree with me that the mental and physical development of our boys and girls of today will vitally affect our entire country tomorrow. Thus, the problem is positively not a local one.

H. R. 2953 and its counterpart, S. 472, the former having been reported favorably to the full Committee of the House on Education and Labor by one of its subcommittees, and the latter reported to the Senate by their full committee would certainly be a step in the right direction.

It should be noted that this legislation provides for a just and equitable apportionment of such funds for the benefit of public schools maintained for minority races in the States where separate public schools are maintained.

Under this legislation I believe the States of the South could still maintain proper supervision over their public schools and, without amendments that would make this legislation obnoxious to the South, I believe the chances for early enactment into law favorable.

With Federal aid, I hope that a 12-months' salary for school teachers on a scale commensurate with other professions requiring equal preparations can be assured.

It is a disgrace for school teachers in America to be required to live 12 months on ten months', or in many instances less, salary. The rent, grocery, heat and other necessities of life are on a year-round schedule for school teachers, just as they are for you and me. It is time for Congress to take action on this much needed legislation.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendment of the House to a joint resolution of the Senate of the following title:

S. J. Res. 173. Joint resolution to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. JOHNSON of Texas asked and was given permission to extend his remarks in the RECORD and include letters and excerpts.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in three instances.

REA

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include material on the REA.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MACKINNON. Mr. Speaker, as a friend of REA I have listened with a great interest to the debate on this subject. To me the most significant fact is that REA presently has a substantial sum of money in unexpended funds and unallocated balances and that the REA has not requested additional funds. In the face of such facts it appears rather foolish to grant huge additional sums without the ordinary hearings that are held on all such matters. Another factor that seems material to an intelligent consideration of this question, as has been mentioned heretofore, is that the big bottleneck to the expansion of REA is the shortage of certain critical materials that are necessary for the construction of such lines. As evidence of this I wish to insert at the close of my remarks an excerpt from the August 1947 letter of the Kettle River REA, Carlton County Co-op Power Association. This letter, which is signed by the manager, makes it abundantly clear that the amendment presently being considered would not be of any substantial benefit to the farmers who want REA as it would not do anything that could not be done in the regular appropriation bill which will be before this House in a few days when it can be considered in an orderly way on the basis of hearings and in the light of the requests made by REA itself.

I believe the important thing to note in the attached letter from the REA manager of the Carlton County Co-op Power Association is that materials such as aluminum wire, transformers, and insulators that are absolutely vital to the erection of any power line—no farmer can get any electricity without them—now carry a delivery date of 1949 and even 1950. Mr. Speaker, these are the facts. Under leave to extend my remarks I include the excerpt from the letter above referred to wherein the REA manager conveys to his members the facts with respect to the shortage of materials:

After approval of the loan by REA the necessary notes, mortgages, and other papers are acted upon by the Board and signed by the proper members these are then returned to Washington. After some delay, a month or two perhaps, these funds are set up on our budget to be drawn from for materials and labor for construction. Our project engineer then draws up a list of the necessary materials to construct this much line. This materials list is then sent to REA in Washington for their approval, more delay, after such approval is received material contracts are drawn up with suppliers, such as Westinghouse or Graybar Electric, General Electric, the pole companies, transformer companies, the meter companies, etc. These material contracts are signed by the officials of the supplying companies, then sent to us for the signature of the members of your Board of Directors. When signed these contracts are sent to REA at Washington for their approval again. If they are approved, then the suppliers can start shipping materials whenever they can make delivery.

With all the delay so far, we are just getting started now on our way to building your line. Some materials such as aluminum wire, transformers and insulators now carry a delivery date of 1949 and even 1950.

TEMPORARY CONGRESSIONAL AVIATION POLICY BOARD

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Temporary Congressional Aviation Policy Board may have until Saturday midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SHALL FREE AMERICA ADOPT CONSCRIPTION UNDER THE TITLE "UNIVERSAL MILITARY TRAINING"?

Mr. RICH. Mr. Speaker, to the citizens of the Fifteenth Congressional District of Pennsylvania:

While I have been requested by many people urging favorable action on pending legislation providing for universal military training, I have received many more requests from the district in opposition to H. R. 4278. It truly is a controversial issue; one that requires far more consideration than any that has come to my attention since I have been a Member of Congress. It cannot and must not be pushed through without every possible angle being thoroughly discussed by all members of the Committee on Armed Services. Some of the problems confronting us in this connection may be discussed in the following manner:

Because I realize this matter is close to the heart not only of all citizens in the Fifteenth Congressional District but throughout the country, it has been and is being given my most thoughtful consideration. However, because of its importance, I feel hasty action most unwise and certainly unfair to numerous groups who are denied the privilege of appearing before the Committee on Armed Services to present their views. In fairness to these groups and individuals, which I also represent, some of whom are members of veterans' organizations, including the American Legion, I think the bill should be given further study. If this is done, all groups will have equal opportunity of being heard. I think you will agree that this is the American way.

Although I have heard and read many statements pro and con on the subject of compulsory peacetime military training, I have neither heard nor read sufficient logical reason for the program, which, in the final analysis means regimentation of our youth—the first step to dictatorship. UMT is unquestionably undemocratic. It could be used to keep a clique in power. It is a complete departure from free thought. If half our population—our males—are in service, they become completely indoctrinated and propagandized into thinking any line the Government throws out. Then these minds can be molded and manipulated at will by those in power. It is not the physical training so much that is objected to. It is the immoral belief that force makes right and the stifling of youth's ability to think for himself.

As someone so ably expressed it in his case against UMT, " Let's keep the United States free." He said:

Universal military training makes war. It does not prevent it. Universal military training wastes lives. It does not save them. The whole philosophy of universal military training is bad. It treats a man as only a machine to stop enemy bullets. With such a vast supply of manpower at their disposal the leaders of such regimented countries do

not hesitate to waste millions of lives on the field of battle. Our idea in the United States is to save lives, not waste them.

Ask yourself the following questions:

First. Did universal military training in Germany keep Germany from going to war?

Second. Did universal military training keep Hitler from invading Poland, Holland, Denmark, Belgium, Norway, France, Russia, north Africa, and so forth?

Third. Did universal military training in Japan keep Japan out of war?

Fourth. Did universal military training keep Japan from attacking Pearl Harbor?

Fifth. Did universal military training help Germany and Japan to win World War II?

Sixth. Did universal military training in France keep France from being invaded?

Seventh. Has universal military training in Europe kept the peace, prevented wars, and saved lives?

Eighth. Did the countries having universal military training lose less men than the United States without military training?

The following is the answer to question 8:

Men killed in World War II

Countries without universal military training:	
United States	392,000
British Empire	353,000
Countries with universal military training:	
Germany	2,100,000
Russia	3,500,000
Japan	1,200,000
China	1,300,000

Source of information:

United States figures—U. S. War Department and U. S. Navy Department.

The British Empire figures are official.

All others from Government reports, information services and publications with a semiofficial status.

Casualties in World War II

Countries without universal military training:	
United States	1,068,000
British Empire	980,000
Countries with universal military training:	
Germany	9,500,000
Russia	13,000,000
Japan	5,750,000
China	3,178,000

Source of information:

United States figures—U. S. War Department and U. S. Navy Department.

The British Empire figures are official.

All others from Government reports, information services and publications with a semiofficial status.

Our military leaders admit there is no defense against the atomic bomb and little against chemical warfare except a powerful air force.

I have read a very fine editorial in the February 14 issue of Labor, part of which follows:

This newspaper is for defense which will insure our land against any attack, but believes peacetime conscription will weaken instead of strengthen us.

In that opinion, we are supported by all history, and by many able army and navy officers who dare not speak out publicly, because they have been "muzzled" by a few "brass hats" at the top, and by the administration.

No one can point to any country which was ever saved by conscription. On the contrary, France, Germany, Japan and other countries which long had it have gone down to ignominious defeat. Free Uncle Sam has emerged the victor in every clash with nations which regimented their citizens in time of peace.

Labor believes this country should maintain the strongest air force and navy in the world, and an adequate professional army, trained to perfection in the use of modern weapons, instead of a "mass army" of ill-trained conscripts.

Peacetime conscription has destroyed democracy in every land where it was tried. It starts with drafting boys, but inevitably expands to conscription of workers and women, until the whole nation is militarized.

All these steps are already being proposed here, by Bernard Baruch and others. The whole program will come "as sure as shooting," once we take the first step.

One of the Nation's leading military analysts is credited with saying: "It is not clear thinking to believe that compulsion will be successful in traditionally free and strong America." This statement nullifies the military necessity argument of the conscriptionists. To use this un-American approach would mold America into the European pattern which has ended in failure and destruction. Look what happened to every nation that had compulsory military training. Where is the proud and arrogant Mussolini? Where is his powerful army of conscripted youth—young men and women? Where is Hitler and the mighty military machine he so carefully trained? How about France's Maginot Line? We have only to look at their shattered countries for an answer.

Also there is the expense to consider. Estimated by the War Department as the first 6 months' cost it would amount to $1,750,000,000 additional taxes. There is now being spent every day in the year by the United States Army and Navy $27,200,000 a day. Compare this to the $25,000,000 being spent for 1 year by 55 countries for the general budget of the United Nations.

It is estimated that UMT will cost us three billion a year in addition to the present military establishment. How can we add this burden to a heavily burdened treasury? I will ask that you stop to think how much our foreign aid has been costing and will continue to cost the American taxpayer. If we do not keep this Nation solvent, how are we going to finance existing obligations, such as maintaining the strongest air force and navy in the world, together with an adequate professional army; care for the veteran; contribute to old-age pensions; pay the interest on the great national debt and operate the Government? We might ask ourselves what functions of government could be eliminated in order to have a balanced budget. Public spending by our National Government goes far beyond any peacetime expenditures by the United States. It is imperative that we cut down. By this I do not mean that we must not keep ourselves in readiness. We must do this without jeopardizing the solvency of our Nation.

In a speech delivered by the gentleman from Indiana, Representative FOREST A. HARNESS—who served in World War I—at Kokomo, Ind., he admonished his audience to listen to the wise counsel of the Compton Commission:

In making our plans for national defense we must take realistic account of the financial ability of the country to support the measures that are considered necessary. We must have protection without such prohibitive cost that it will bankrupt the Nation—universal military training should not be undertaken at all unless the citizens of this country understand that it has value only as a part of a program that will demand the expenditure of a much larger portion of our national income than we have ever allocated for national defense in peacetime. * * * It is perfectly apparent that the over-all cost of an adequate program is staggering.

He said:

When the President's own advisers speak in such strong terms, certainly every thoughtful person must pause and seriously ponder the grave implications.

And as we consider the staggering costs of adequate defense, let us remember that we are expected to carry other costs of government which are equally burdensome. If we adopt the Federal budget proposed for the coming fiscal year, the over-all load on the taxpayers will be $40,000,000,000 or roughly one dollar in every five of our entire national income.

Obviously, this sort of spending must stop somewhere—and soon—if we do not intend deliberately to swamp and destroy our free economy. After all, there is a definite limit to the load that even this amazingly strong and productive economy of ours can carry. Many of our foremost economic, financial, and industrial leaders testify that we have already reached the limit of safety, if indeed we have not passed it.

But if we weaken or destroy our economic machine, we weaken and destroy the very foundation of national security. Since science has introduced us to total war, we need no expert witnesses to convince us that our armed defenses can never be stronger than the economy which supports them. But it is most significant that the Compton commission places at the very top of its list of essentials to security a strong national economy. Says the commission report:

"A strong, united nation is our number one security requirement. It is the bedrock on which all our military preparations depend. In particular, we must be concerned with * * * a healthy economy reflected in full production, full employment, industrial peace, and the avoidance of recurring economic crises or inflation."

Can we hope to keep our economy healthy and growing under such burdens as we are even now imposing upon it, to say nothing of the increased burdens we may be forced to impose to maintain defenses which will assure our national survival?

The question of peacetime compulsory military training—regimentation of our youth—is grave and serious. This decision I am asked to make. I pray with my whole heart and soul that I shall make the right one—right in the sight of my God and my conscience.

Let us now look at some of the provisions of H. R. 4278, for through legislative action we adopt, not glorious generalities, but specific laws. And sometimes certain provisions, or certain loopholes turn out to be of the utmost importance. It is not like wartime selective service, for that was temporary while this is intended to be permanent. Selective service was selective, taking

only the numbers authorized by Congress on the basis of need as demonstrated by the War Department and selecting them in the way least likely to disrupt family life and our national economy. Selective service was never universal, never was designed to take everyone. But this is to be universal. Selective service took them for the period of the war emergency and a few months more. This bill would take them for an indeterminate period of years, not 6 months or 1 year.

This bill of 77 pages—H. R. 4278—has many attractive provisions and speaks of training on the highest possible moral, religious, and spiritual plane. See page 6. But let us leave the glittering generalities and get down to specific items and provisions.

The oath which the trainee is required to take is not to defend and support the Constitution of the United States, nor to obey its laws, as you might expect. But the trainee must take an oath to obey the President of the United States and the orders of the officers appointed over him. See page 13 of the bill.

How long is the period of training under this bill? Some say 6 months. Some say 1 year. But examine what the bill says, commencing on page 9. After the first 6 months of training the boy has 10 alternatives before him. Of course, he may ask for the one he wishes. But there is no assurance that he will get the one he requests, for obviously all could not be permitted to elect the same alternative. He will have to accept the one for which he is considered fitted and for which the quota is not filled. He will, in other words, take what is given him. Now, only 2 of these 10 alternatives even seem to have a definite time limit. The period of service under most of them is, in the words of the bill, "for at least such period as the President may prescribe." There is no place in the bill where it specifically states the definite length of training or the amount of service required, before the trainee is entitled to step up and say, "I have met the requirements; now I want my honorable discharge." Let me say again, the trainee goes in for an indeterminate period of training and service, the length to be decided by the whim of the military, or of the President.

The bill provides for an elaborate system of courts. On page 58 I read that the right of the accused to obtain witnesses for his defense may be denied by the appointing officer when it appears that the expected testimony is neither material nor necessary, or that the desired witness is not reasonably available, which means a suspension of much of the protection assured to each of us under the Constitution.

On page 68, I find that any trainee who, on any pretense, strikes any officer including the lowest grade of noncommissioned personnel over him, or draws a weapon or offers any violence, may be fined $2,000 or sentenced to 1 year in prison, or both. And in the next paragraph, I find that any trainee who attempts to create or begins, excites, causes, instigates, encourages, or joins in any collective insubordination, and so forth, may get the same prison penalty. Collective insubordination is defined on page 69 as any concerted action in the nature of a slow-down, sit-down, walk-out, picketing, or boycott tending to hinder or impede training. Now, knowing boys, I am aware that boys are sometimes guilty of at least a slow-down.

Let us hasten on to the next section, 356. Here I find that even civilians not even connected with the training program who, "knowing, or having reason to believe that such collective insubordination is about to take place" must immediately inform the proper military authority or be subject to fine and prison sentence.

Let us have the most modern and efficient military establishment, not going back to the oxcart methods of the past; a defense system based on the best that we know, manned with volunteers, with freemen, not conscripts.

At the same time let us realize the futility of war, that no one will win the next war. So let us build for peace. Let us wage peace. To do that there are certain definite steps which we must take.

Let us rebuild the realization of spiritual values within our Nation, building a faith not only the desirability of peace but a realization of the necessity for peace, established on the practical ideals of the kingdom.

We need to return to the recognition and respect for and practice of those great rights and the ideals that have made us great. It will take more than mere lip service within our country. We must have a foreign policy with open agreements, openly arrived at, and based on Christian principles.

And let us build the United Nations, or some form of world order, realizing that anarchy on the part of nations is just as evil, just as disastrous as anarchy on the part of individual persons. I do not hold that it will be easy. But who has asked for any easy task? It is possible. The people who crossed the seas in little boats to carve out a great Nation in the wilderness did not have an easy task. But they did it. Now we face this next task, of building world order. And we face it unafraid.

Some of our best military men are opposed to UMT. Speaker MARTIN has said, "We want a superdefense in the air" to meet any emergency. It seems to me we should concentrate and give priority to the air service—now our first line of military defense, and also develop our scientific research. With these developments we will be in the forefront in this line of national defense. Then have military training on a voluntary basis, the American way.

If UMT were to be enacted as the bill is written, it would not be long before you would hear the tramp, tramp, tramp of millions of our boys in every nook and hamlet of our country. What our youth would be subject to, few mothers and fathers would sanction. Where the boys would be headed, no one knows or can foretell. What a thought for American families to contemplate, with universal military training.

I sat in church Sunday morning as the organ pealed its glorious notes. Soon I heard the tramp, tramp, tramp of the choir as they came down the center aisle in their robes of white and scarlet trim. The organ continued to play and the choir of mixed voices sang gloriously, "Onward, Christian soldiers, marching as to war, with the Cross of Jesus going on before." It was enthusiastic; it was inspiring; it was glorious. Would that we had thousands and thousands of choirs, and 100,000,000 Americans each Sunday in the church of their choice, singing that battle hymn all over our land. We would rid our land and the world of communism. There would be no need to send dollars by the billions to foreign lands to militarize them. Instead we would send Christian missionaries and emissaries of good will, with supplies of food and clothing. Soon those in foreign countries would also sing "Onward, Christian Soldiers," and all armies could disband, give their time and talents to making the world Christian, where peoples live together and work together as brothers.

Until men have the love of God in their hearts, that will never happen. If the United Nations Assembly would open their meetings by asking Divine Providence to guide their effort, they would have a better chance to succeed. As it is they depend upon the strength of man entirely. Man cannot succeed until he joins up with God, works with God, and worships God. With God all things are possible. Without Him nothing is safe and secure.

Before approving universal military training as suggested by the administration-sponsored bill, stop, look, listen, and pray. When the time comes to vote on UMT, I ask divine guidance that I may vote for the best interest of humanity and country.

The SPEAKER. Under previous order of the House the gentleman from New Hampshire [Mr. MERROW] is recognized for 1 hour.

SIGNIFICANCE OF THE AIRCRAFT INDUSTRY THE CONCERN OF ALL

Mr. MERROW. Mr. Speaker, the people of the United States should be deeply interested and vitally concerned in the trends and the conditions of the aircraft industry. It is of utmost importance to this country to have in being an aircraft industry continually designing, developing, and producing the latest types of aircraft and aerial missiles for immediate use should an emergency arise. It is imperative that the industry be capable of immediate and rapid expansion.

The aircraft industry on which the production of planes for the Air Force and for the naval air arm depends is of prime significance to national security. Aircraft manufacturing cannot be regarded as just another industry. When we hear that during the last 2 years the industry has been growing progressively ill, that it is experiencing a financial crisis, that it is losing skilled engineers and production workers, it is not only the concern of the aircraft industry, it is the concern of every American.

A recent article in the magazine Fortune clearly emphasizes this in the following words:

If it were the toy industry that was facing such acute distress as 1948 begins, its troubles might be dismissed with a sad shrug and a trip to the movies. But it is not the toy business. It is an industry that is completely wrapped up with the United States as a nation in being, and during these roaring, booming, heedless years it is the only major manufacturing industry that is losing any money at all.

AIR POWER IN NATIONAL SECURITY

In the future airpower will play a major role in guaranteeing national security. The best assurance for a lasting peace is a strong, active air force. Any future attack on the United States will come unannounced and with devastating swiftness through the air. In the event of another war, the United States will be assaulted by guided missiles and long-range bombers carrying atomic weapons. If our national security is to be guaranteed to any degree we must not only possess air supremacy but we must have the facilities to replace the exceedingly heavy losses which the Air Force will sustain in the first weeks of an emergency. The decisive factor in any future conflict will be the ability to produce aerial missiles and aircraft in huge quantities at the very inception of the struggle.

Even in the light of the bitter experience gained from World War II, the extent and intensity of an attack will be something we are not able to imagine. The Air Force in both its defensive and offensive arms will have to go into immediate action. With offensive and defensive armaments of the foe developed to a state made possible by modern science, the loss of the planes in the early days of a war will far exceed any rate of destruction reached even at the peak of the last war.

THE FINLETTER COMMISSION ON AIRCRAFT MANUFACTURING

The President's Air Policy Commission, chairman of which is Mr. Thomas K. Finletter, in its report dated January 1, 1948, entitled "Survival in the Air Age," devotes the entire second section to the aircraft manufacturing industry. This report, which has already become a famous document on national security, emphasizes a strong aircraft industry as a vital element in the achievement of United States air supremacy. The report states that an air establishment is useless unless it is backed by an industry possessing skill in technological application, high in production efficiency, capable of great expansion and with a strong financial basis.

DEVELOPMENT AND DECLINE OF THE AIRCRAFT INDUSTRY

In winning World War II an aircraft industry capable of supplying the Air Force with great quantities of planes and with the most modern equipment was developed. The industry grew to phenomenal size, possessing amazing, miraculous productiveness. In 1939 the production of aircraft in the United States ranked forty-fourth among the major industries in the country. In the 4 years after June 1940, following the signal for an all-out effort, aircraft production increased fiftyfold. From a production of several hundred planes a year in 1939 it jumped to a peak of 9,000 a month. In 1940 the aircraft industry produced 6,019 planes; in 1941, 19,433; in 1942, 47,836; in 1943, 85,898; in 1944, 96,318; and in 1945, 47,714. In 1944, 96,000 planes were built and delivered.

In 1946 production of military aircraft declined to 1,330 units. In 1947 it was about 1,500 combat units plus a few hundred liaison and personal aircraft. The production ran around 1,500 a year for the 2 years, compared with the wartime peak of 96,000 units in 1944.

Today the United States is in great peril of losing the aircraft industry, so essential to national security. The industry is being permitted to slip toward the same disastrous debacle it reached after the First World War, when in the year 1926 only 3 manufacturers out of 17 remained who were building planes in 1917. In 1946 production was down to one-eightieth of the 1944 peak level, or one-sixth of the 1941 level. At the height of production in 1944 more than 2,000,000 persons were employed by the industry and its many subcontractors. Now only 170,000 persons were employed in the entire industry, and this shrinkage occurred in face of strong warnings and curative recommendations from the official Air Coordinating Committee and from congressional groups.

THE GREAT TIME FACTOR

It should be noted that even under ideal conditions considerable time was required to expand the rate of aircraft production. In World War II the resources of the United States could be mobilized in a leisurely fashion. At no time was there any danger of an attack or of interruption by sabotage. Yet 5 years elapsed before the industry reached its highest rate of production. We were of course exceedingly fortunate to have allies standing between us and the enemy. This situation which prevailed in World War II and in World War I, will never be repeated again and in a future conflict there will be no one to hold the enemy at bay while we proceed to expand the aircraft industry. The mere fact that our industrial might could eventually—say in 3 years—swamp all the rest of the world combined will not be important in a conflict of the future. This country should cease taking an attitude of complacency. We falsely assume that we will have an opportunity to expand our industrial machine to manufacture the weapons sufficient to vanquish our enemies. Never again will we be given the time to prepare while others fight the aggressor.

The time required to construct an airplane from the drawing board stage to the date when it rolls off the assembly line graphically underlines the necessity of having an aircraft industry in constant readiness. From 5 to 7 years are required to plan and produce an airplane. All the planes used in the last World War were on the drawing boards before the outbreak of hostilities. In the event of another conflict entirely new planes will be employed and the industry must be capable of producing them in large numbers. There is no time to waste in setting up a program for the production of aircraft. Time is a precious commodity which once lost can never be regained. It is a particularly—almost uniquely—precious commodity in the aircraft industry.

Time alone, not raw materials, not energy, not experience, and not manpower was the most important single element which allowed the United States to win the last war. Fortunately for us, our allies and our enemies gave us sufficient time to put our aircraft industry into high-speed production. Orders from Britain and France starting in 1938 constituted the first step. Next came the national defense program and the 50,000 plane demand in May 1940. That was 19 months before Pearl Harbor. And it still took us two more years after Pearl Harbor to produce enough airplanes to fight an offensive war. Five years in all, from the initial tooling until we reached major strength. If an emergency arises tomorrow and we were to place orders for the types of planes we used in the last war, it would be 18 months to 2 years before we would secure mass production.

Our next Pearl Harbor may be New York or Washington or Pittsburgh or Detroit or Chicago—or a combination of these cities struck simultaneously. Thus, our first line of defense today—and tomorrow—is a powerful Air Force, an alert strong Air Force, highly trained, well drilled, and amply supplied with superior aircraft. Superior aircraft is a prerequisite to air supremacy. A powerful Air Force in being depends for its existence and strength on a strong, healthy, aggressive aircraft industry, capable of supplying it with modern equipment in adequate quantities at the required time.

It is a certainty that any new aggressor will have learned the lesson so admirably taught in two world wars. It is a disastrous mistake for the enemies of the United States to allow this Nation a sufficient time to prepare for war after we are involved. Therefore, the blow against us will come quickly. The Soviet Union today exceeds us in air power, in guided missiles, and in the production of the most modern submarines. We can be certain that the Kremlin entertains no idea of giving the United States time to prepare for war, if and when a decision to strike is made.

Throughout the years the United States in the production of naval weapons has developed an appreciation for long-range planning. Battleships and carriers that require five or more years to construct are carefully planned for and budgeted without question so as to maintain a steady and uninterrupted flow of work in the shipyards. Ships are being scrapped while new ones are in the various stages of construction. The importance of time in developing a sound, aircraft-procurement program is equally vital. This should be realized and acted upon to an equal extent. To those who are skeptical and who question the amount of time required to put the aircraft industry into full production, the answer is a simple one. The answer lies in the inherent complexity of the planes which the industry must produce.

THE B–29

A modern bomber is by far one of the most complex machines ever created by man. To illustrate the complexity of planes and the time required to construct one, consider the B–29 superfortress as an example. The preliminary design work on this plane was done in 1938 and in 1939. The military characteristics were drawn up in 1939, and the Air Force first contracted for the plane in 1940. Even with a priority that was second only to the atomic-bomb project, it was four more years before the first bomb was dropped from a B–29 on Japan.

The time factor has not lessened as aircraft design has progressed and moved into the jet age. The Boeing Co. estimates that in the case of its new stratojet, a radical new superbomber, which has just made its first test flights, that an equal or greater time will elapse before this fighting weapon can be put into mass production.

The time required to build planes can be expressed in still another way. Boeing devoted 1,433,000 man-hours of direct engineering to the development of the first two experimental B–29's. By the end of 1944, the year in which the first B–29 went into combat, another 4,850,000 engineering man-hours had been expended on these planes.

These staggering totals of engineering help us to comprehend the vast organization that must be recruited, trained, and maintained to design and develop modern aircraft. For decades now it has been impossible to consider designing and developing these complex instruments of modern warfare in a garage or tin shop. There is no more challenging and complex engineering assignment than that of developing and building aircraft, and, further, let us remember that the B–29 is now an obsolete plane.

THE B–50 AND THE JET

The new B–50, an improved version of the B–29, should replace all the B–29's now in the service or in storage. The B–50 has in its construction over 60,000 parts. The gross weight exceeds 164,000 pounds. It is operated and controlled by hundreds of precision instruments each of which must be capable of functioning perfectly in temperatures ranging from 65° below zero to 160° above zero. They must function at altitudes from sea level to 40,000 feet above sea level. The plane is powered by four 28-cylinder engines capable of developing 3,500 horsepower each and is equipped with 16-foot 9-inch reversible pitch propellers. It has a supercharged cabin. It carries an amazing array of radio, radar, automatic gun-fire control, and other special equipment. It has a maximum fuel capacity of 10,000 gallons and a maximum bomb load of 20,000 pounds.

This is the machine which we must produce in quantities. It is obvious that you cannot decide to build such a plane today and expect to have it ready tomorrow. For this reason alone a continuous program of experimentation, development, and production must be maintained if the aircraft industry is to be kept in readiness to produce the planes which we will need in an emergency. Even if the all-out signal to build B–50's were given tomorrow, it would be years before all the B–29's can be replaced.

We are just now going into production on the medium bomber of the jet age, which will replace the famous B–25 Mitchells and the B–26 Marauders of World War II. This is the North American B–45 four-jet bomber. Although classified as a medium bomber, it compares in size and range to wartime heavy bombers, having a gross weight of 41 tons and a tactical radius of more than 800 miles. Its maximum bomb load of over 10 tons exceeds that of the wartime heavy bombers. The B–45 is powered by four jet engines, mounted in pairs in the wing panels. The wing span is 89 feet, the length over all 74 feet, and the height from ground to tip of tail 25 feet. Service ceiling of this high performance bomber is 40,000 feet and maximum speed is over 480 miles per hour.

It is not enough to build more airplanes than a potential aggressor. We must build better planes. A small group of advanced planes, faster only by a few miles an hour with shorter turning radius, superior fire power, will be tremendously superior to a larger group of less efficient aircraft. In the air tactical superiority comes with performance, not numbers. For this reason, our development program must progress at a steady pace so that at all times we will be assured of not only numerical but tactical superiority as well.

OBSOLESCENCE

The task of replacing the obsolete equipment in the Air Force is huge in consideration of the present low production level. The armed forces estimated in statements to the President's Air Policy Commission that they should have in their striking arm and in their reserves some 35,000 planes. This recommended total for peacetime can be compared with the total of around 112,000 planes the Air Force and naval air arm had on hand during the peak of aerial operations in 1944.

It is conceded that air equipment for military purposes should be replaced every 5 years because of attrition and obsolescence. The current rate of production is about 1,500 military aircraft annually. At this rate United States air equipment and the reserves could be replaced not every 5 years but once in 15 years. Our inability to replace our aircraft every 5 years is a sad commentary on the way we have allowed the industry to decline.

The main strength of the naval air arm now includes 18 major types of planes that have been out of production since VJ-day. The United States Air Force still has in service eight types including four principal combat planes that have been out of production for the past 3 years. Thus the two air arms are using 26 types of planes that are unquestionably obsolete. If we were attacked tomorrow, we would move against the enemy with obsolete and out-of-date aircraft.

We have heard much about the many new planes which have been developed by both air services. According to a recent figure, the Air Force has announced that 29 planes are being developed. Only 11 of these 29 have been placed in production. Only 5 of the 11 have been in production long enough to supply and equip even one operational squadron or to go into operational service. The Navy is developing 19 new planes, 7 are in production, 7 are just going into production, and 5 are in an experimental category. It is clear that when we talk about our Air Force and naval aviation as having thousands of planes in use and in storage we are talking about an antiquated air force. If we are to have an efficient and effective striking air arm, this condition must be changed.

THE REPORT OF THE AIR COORDINATING COMMITTEE

About 2 years ago the official Air Coordinating Committee completed an exhaustive study on the amount of aircraft production that should be maintained in peacetime to safeguard our national security. This committee consists of the Assistant Secretary of State, the Chairman of the Civil Aeronautics Board, the Second Assistant Postmaster General, the Under Secretary of Commerce, the Assistant Secretary of the Navy for Air, and the Assistant Secretary of the Air Force. Its study was carried on over a 2-year period and drew upon all of the resources of the Navy's Bureau of Aeronautics, the Air Force planning and production sections, the experience and records of the aircraft industry, material compiled by Harvard University, and other sources.

As a result of all of these studies the Committee reached the conclusion that "after maintenance of world peace is well assured and a substantial degree of disarmament has taken place" the minimum production of military aircraft should be about 3,000 airplanes a year of 30,700,000 pounds of airframe weight. However, if the need was for a "substantial striking force ready at all times to cooperate in the maintenance of world peace," the report concluded that production of military aircraft should be at least 5,780 airplanes a year, or approximately 60,100,000 pounds of airframe weight.

On February 9, 1948, the Air Coordinating Committee made an interim report on the aircraft industry reaffirming its position of 2 years ago. So important is this report that I am here including a section of it in my remarks:

From a peak wartime production of approximately 100,000 military aircraft per year, the industry has shrunk to a production of 1,300 military airplanes in 1946. Eight of the 11 major companies have reported losses for 1946 operations. Our studies show that pending reductions in engineering and management organizations and in key manpower, necessary for break-even operations at present and projected levels of production, will further reduce the industry seriously below the minimum required to maintain a sound core for our continued security in the air.

We have reexamined the Air Coordinating Committee's original report on the aircraft industry which was presented to the executive departments and to the Congress in October 1945. We find that its conclusions have been substantiated by experience since the end of the war. They are valid today. That report, after presupposing that its recommendations with respect to maintenance and dispersal of stand-by plants, stock piling of critical materials, storage of general-purpose tools, and research and developing programs would be carried out, then addressed itself to the problem of establishing for peacetime the lowest rate of military aircraft

production consistent with the national defense. Two main standards were applied: (1) The requirements of the Army Air Forces and the Navy; and (2) the requirements of an industry which at all times could provide replacements of superior design and performance, carry on research and development to maintain this country's technical leadership in the air, and expand with sufficient rapidity to meet mobilization requirements.

Two levels of annual military procurement in peacetime were established by the Air Coordinating Committee's original report:

	Pounds of air-frame weight
Level I: 5,780 aircraft	60,000,000
Level II: 3,000 aircraft	30,700,000

The need for a substantial striking force, ready instantly to cooperate in the maintenance of world peace was assumed in determining the upper level. The lower level could be reached after a substantial degree of disarmament had been achieved and maintenance of peace assured. This lower level is about the absolute minimum from which it would be possible to provide a sound nucleus of an aircraft industry and to plan for mobilization. Both levels assumed that we would have at least 1 year's warning before onset of an emergency and also took into account an optimum degree of industrial mobilization planning.

It is significant to note that the President's Air Policy Commission, after its own exhaustive survey, endorsed and accepted the findings of the Air Coordinating Committee made 2 years ago.

In view of the 3,000-unit level recommended after the maintenance of peace is assured and the 5,780 units if a substantial force is required, it is most alarming to realize that the production of military aircraft in 1946 was only 1,330 units and that production of aircraft in 1947 was approximately 1,500 units. This should cause us great alarm, since we certainly need a "substantial striking force" to guarantee the peace.

THE COORDINATING COMMITTEE ON EXPANSION

The official study of the Air Coordinating Committee also contained calculations of the degree and rapidity of expansion that could be expected from the aircraft industry producing at various rates of output. They found that an industry producing at the rate of 3,000 planes a year—more than double the current rate of output—might be able to expand in the first 12 months of an acute emergency to an annual rate of about 7,600 planes a year. On the other hand, the report estimated that an industry producing at an annual rate of around 5,780 planes a year on the date of the emergency could expand to a rate of around 12,000 planes a year by the end of the first 12 months.

This extra expansion resulting from the higher rate of operations in peacetime could easily be the difference between victory and defeat. Yet when we consider these calculations we must always bear in mind that we are currently producing only 1,500 planes a year. Furthermore, the expansion that could be obtained from the levels indicated by the Air Coordinating Committee study seem pitifully inadequate compared with the rate of 96,000-a-year production required to win World War II.

PLANE REQUIREMENTS FOR THE AIR FORCE AND THE NAVY

In his recent statement before the Air Policy Commission the Secretary of the Navy asserted that the program for naval aviation alone requires an annual production of from 2,500 to 3,000 aircraft a year. A similar statement presented to the Air Policy Commission by Secretary of the Air Symington, outlines the need of the Air Force at a production of about 3,200 planes a year. The annual production of 2,500 to 3,000 aircraft required by the Navy is to maintain an air striking arm of some 14,500 planes. The annual production of 3,200 planes a year for the Air Force is to maintain a striking arm of 12,441 airplanes. The above recommended annual production would replace our aerial striking arms approximately every 5 years. In view of the high rate of obsolescence of aircraft, such a replacement rate seems absolutely imperative.

Current production is about one-fourth of the minimum estimated requirements of the two air services. This is a perilously wide margin of failure to supply our striking air arms with the new equipment they need to maintain operating air forces trained with modern equipment.

LOSS OF TRAINED PERSONNEL

In the airframe and engine industries employment has now declined to about 170,000. This is approximately 30,000 fewer employees than were on the pay rolls at the end of 1946. At the height of production late in 1943 and early in 1944 the total employment reached about 1,300,000 in the air frame and engine plants.

The above figures on the contraction of employment in the aircraft industry illustrates how rapid has been the dissipation of production and engineering teams built up during the war. Any further decline in employment threatens the complete disintegration of the nucleus of the teams of management, production, and engineering forces required to maintain an industry capable of producing the equipment we require in undertaking the expansion so necessary in an emergency.

What this shrinkage in employment can mean to development and design of aircraft is well exemplified by the trend of engineering and employment in one of the leading designers and producers of fighter aircraft. Republic Aviation Corporation reported that in December 1945 it had 815 engineering employees on its pay roll. By December 1946 when it was engaged in developing certain commercial projects engineering employment had risen to 1,161. By last September when the commercial projects had been canceled, and military work was also contracting, the engineering employment in this important aircraft company numbered only 493, just about one-half of the 1945 total. This is a single but dramatic illustration of the disappearance of a vital national security asset—a team of aircraft engineers capable of designing and producing new late model aircraft.

Engineers in large numbers are leaving the aircraft industry. Mundy I. Peale, president of Republic, reports that many of his top engineers, believing there is little future in the aircraft industry, are entering other lines of work such as automotive, heating, plastics, and refrigeration fields. Some, he reports, are giving up engineering entirely.

One I know—

States Peale—

now operates a coal yard and stove company; another is selling ladies' handbags; still another is engaged in advertising, design, and lay-out work. These men are good engineers—trained in the industry over many years in specialized problems—and their loss to the industry at a time when so many new problems have arisen and cry for solution is a sad state.

This contraction in engineering staffs occurs at a time when aircraft manufacturers are in the midst of the greatest scientific and engineering revolution ever experienced. Jet and rocket propulsion, radar and electronics, new configurations, including the flying wing and swept-back wings, the helicopter, and many other far-feaching developments must be explored and analyzed.

The loss of trained engineers and their skilled craftsmen is one of the grave dangers to the aircraft manufacturers. This has come about as a result of lagging contracts. The technical know-how which goes into designing and building an airplane is a commodity of inestimable value. Aircraft engineers are men of unusual training and experience. Many of them possess real genius. They cannot be summoned into being overnight no matter how great is the national emergency. The aircraft industry is more of a creative industry than a production industry. Many years of experience and many years of training are required to produce competent aeronautical engineers. This is one field where a nucleus is not sufficient. When a new design is underway it requires a much larger staff of engineers than might be necessary once the project is fully developed.

If the aircraft industry is forced to watch helplessly while its brains drift away wastefully it will be a loss that can never be reclaimed, a disaster that is impossible to offset. Airplanes, engines, and accessories are all the fruits of years of development and cannot be brought quickly into being in the absence of trained staffs who are acquainted with highly specialized and highly technical problems upon which the industry is founded.

The high degree of skill and training required by aircraft manufacturers does not stop at the engineering levels. It continues on down through the entire production program. A ready supply of skilled artisans such as electricians, fabric makers, riveters, arc welders, pipe fitters, armorers, installation experts, and a hundred and one different skills, is of first importance. A manufacturer who loses these skilled workers in a slack period will be hard pressed to replace them when needed. The appalling loss of manpower as a result of insufficient contracts to hold the essential employees of the industry together can well be disastrous. We should be required to expand the aircraft industry to produce the planes to successfully wage a war. We should immediately increase military and naval contracts to the aircraft companies so that the health of the industry on which national survival depends will be immediately restored.

TOOLING

The tremendous problem of tooling, of fabrication equipment development is important for aircraft manufacturers in times of quick expansion. In the production program of the war tooling was a bottleneck. It can easily become a worse problem in another emergency. As airplanes become more complicated and are designed to a higher degree of tolerance, a more exacting degree of specialized tooling is required.

For instance, there is no standard tool or form with which to build a wing of a high-speed jet bomber. Such a tool must be specially designed, specially fabricated, and hand-made for that one single task. The development of such equipment must keep ahead of production not apace with it. If the problems of production are not anticipated and if proper tools are not ready at the time they are needed, long and costly delays are inevitable.

Manufacturers are unable to obtain this tooling level without orders and without knowledge of their future assignments. Extra time is wasted in tooling and designing for fabrication when a new contract is received. The most logical answer to these and other ominous problems seems to lie in a steady flow of activity in the aircraft plants based on long-range adequate procurement programs for the military and naval services.

MAJOR GENERAL ECHOLS

Maj. Gen. Oliver Echols, who served as head of the Air Material Command during the war and who now is president of the Aircraft Industries Association, sums it up in this manner:

The steady deterioration of the Air Force is being caused by a policy of underbuying that would be difficult if not impossible to remedy quickly. The cost in any one year of purchasing equipment required to modernize the Air Force equipped with deteriorated equipment would be prohibitive under peacetime budgets. Furthermore, an industry starved on a diet of only 1,000 to 1,500 planes a year would be totally unable to produce the 6,000 to 10,000 deliveries of new modern equipment necessary to bring the force up to operational level within any period of time that strategic considerations are likely to allow.

Only a regular program of regular adequate annual replacement can be followed with safety in view of fiscal consideration and the time element. The deterioration in both the Air Force in being and in the industry resulting from current low levels of annual procurement is thus extremely dangerous and most uneconomical.

FINANCIAL STATUS OF THE INDUSTRY

In the Finletter report, section 2, entitled "Aircraft Manufacturing Industry," are these words:

Whether we like it or not, the health of the aircraft industry, for the next few years, at least, is dependent largely upon financial support from Government in the form of orders for military aircraft. * * *

"The financial difficulties," continues the report, "which harass the aircraft industry today stem from many causes. Uncertain Government policies account for many of them. Some reflect faulty judgment by management. Others have come about from particular circumstances which have surrounded this peculiar industry in the postwar period of readjustment. Some of them are:

(1) A product that is, almost indivisibly, a weapon of war and a carrier of commerce;

(2) A market with but one major customer, the Government, which purchases 80 to 90 percent of its entire output:

(3) A violently fluctuating demand, due to uncertainty of requirements of its major customer;

(4) A lack of the production continuity which is vitally important in sustaining a trained work force and in keeping production costs to a minimum;

(5) A rapidly changing technology which causes a high rate of design obsolescence and abnormally high engineering costs;

(6) An extremely long design-manufacturing cycle;

(7) An organization in excess of present requirement.

The facts in connection with the financial status of the aircraft industry are particularly alarming. During 1946 and 1947 the American industrial economy experienced its greatest boom. Yet in this period when our industries were enjoying unprecedented activity the aircraft manufacturers operated at a loss which menaced the very survival of the industry. In 1946 most of the larger units in the aircraft industry responsible for the astounding production of the wartime years operated at a heavy financial loss. For 15 of the largest companies in the airframe and engine fields the operating loss before the application of tax carry-backs and postwar reserves in 1946 amounted to $81,591,000. Even after making fullest utilization of the tax carry-back provisions the net loss experienced by these companies in 1946 amounted to $11,684,000.

In 1947 the financial picture was even more gloomy. Based on the latest information the Aircraft Industry Association estimates the operating loss of the 15 major companies in 1947 as exceeding $100,000,000. After the application of the tax carry-back credits, and additional reserves accumulated during the war years, the net loss of these 15 companies for 1947 is expected to be at least double the $11,000,000 loss they sustained in 1946. Thus for two consecutive years the aircraft industry has been operating in the red. Survival has been assured by tax carry-backs which will not be available after 1947. This grave and serious condition has not invited the confidence of investors or prospective employees, particularly the employees equipped with the necessary scientific and engineering skills.

COMMERCIAL PROJECTS

When victory became assured in 1944, the aircraft companies began to lay careful plans for the drastic contraction that lay ahead. Government authorities, stockholders, and even congressional committees urged the industry to embark upon commercial ventures to ease the transition from the huge war production to the low peacetime levels. Many authorities emphasized that a large volume of commercial work would diminish the amount of apropriations required to maintain a minimum industry.

The aircraft industry has attempted to maintain itself as a going concern by excursions into the commercial air-line transport airplane market. By so doing, the industry has in effect subsidized the air lines to the extent of approximately $100,000,000 in a period of 2½ years. Consolidated Vultee's share of this subsidy, for example, is estimated at between $25,000,000 and $35,000,000. Some of this money is coming back through the tax carry-back provisions. Were it not for the effect of tax carry-backs, some companies who tried to enter the air-line market would be bankrupt and out of business. As the Finletter report clearly indicates, what happens to the industry from here on depends almost entirely upon military procurement. Here I reiterate that volume military procurement, while important, is no more important than that such procurement be established on a sound basis.

Pursuant to these urgings and to its conviction that the commercial markets should be developed as rapidly as possible, the aircraft companies followed an aggressive sales and development program. Half a dozen companies offered designs in the transport-plane market which had been served before the war largely by three companies. Many companies entered the personal-plane business aggressively. In addition, aircraft companies engaged in at least 15 or 20 other projects, such as the production of motor scooters, caskets, film projectors, clutches, truck bodies, canoes, and other similar products.

The results of all of these ventures have been disappointing. Aircraft companies were not fitted by the nature of their experience in sales, engineering, or production to go into nonaviation lines. The experience in the personal plane and transport market has been disastrous because those markets did not come up to expectations. Every single producer that has sold to new commercial air lines has to this date suffered extremely heavy losses on such projects. The losses in the case of four of these companies, namely Douglas, Consolidated Vultee, Martin, and Lockheed have been at least $20,000,000 apiece. It is important to bear in mind, therefore, that the backlogs of commercial business being afforded by these companies are being produced and delivered at a loss.

THE FINLETTER RECOMMENDATIONS AND CURRENT PRODUCTION

In view of all of these considerations, it is interesting to compare the recommendations of the Finletter Commission with current appropriations and current production. The budget for 1948, or current fiscal year, provides approximately $911,000,000 for the procurement of airplanes for the Air Force and Naval Aviation. In his new budget submitted to the Congress on January 5 President Truman has recommended that the provision for the 1949 fiscal year be increased to a total of $1,230,000,000, including contract authorizations, for the two air arms.

The recommendations in the Finletter Report apply to calendar years rather than to fiscal years, and it is extremely difficult for this reason to correlate the Commission's recommendations with the President's budget. As a rough approximation, however, it may be estimated that the Air Policy Commission Report would increase appropriations for aircraft procurement in the current year to

$1,430,000,000 and for 1949 to around $2,400,000,000.

It is not always easy to relate these dollar sums to the number of airplanes they will provide. The number of planes purchased out of a given appropriation depends largely upon whether the planes are fighters and other less-expensive types, or whether they are costly bombers, superbombers, and supertransports, which often require a million dollars or more for each unit.

As a rough approximation it may be estimated that the funds recommended for the current, or 1948, fiscal year, would provide between 1,400 and 1,500 planes for the Air Force and naval aviation, and that the President's budget for 1949 would provide between 1,900 and 2,000 planes.

Again recalling the difficulty of translating these dollar totals into number of units, it may be roughly estimated that the number of aircraft which could be provided by the 1948 funds recommended by the Air Policy Commission as approximately 2,000 units, whereas the Commission's proposed 1949 appropriation would provide approximately 3,500 units for the Air Force and Naval Aviation.

These figures should be compared with production of 1,330 military aircraft in 1946 and with approximately 1,500 planes in 1947, plus some 500 small liaison craft delivered to the services last year.

As yet, neither the administration nor the Congress has taken effective action to try to put the recommendations of the Finletter Commission into effect. It is alarming to realize that if these recommendations are not acted upon, the aircraft industry will continue along the same path of disintegration as has been followed in the last 2 years. Unless the Finletter Commission's recommendations are implemented, annual production of military aircraft will remain at around 2,000 planes a year or less. This will be only one-third of the minimum which the Air Coordinating Committee contends is absolutely essential in peacetime.

There is an even graver aspect of this appalling situation. In effect, the Finletter Commission warns us that we have only until about 1951 or 1952 of comparative safety from atomic attack. They have stated that we should rebuild our Air Forces and naval aviation so that by 1951 or 1952 we can cope with the threat of an atomic attack. Actually, unless the Congress moves promptly to start this rebuilding process now, we may come into 1951 with the aircraft industry, the bulwark of our security, deteriorated and in all probability some of the major companies will be out of business completely. Certainly the aircraft manufacturers cannot survive another 2 years of the losses experienced in 1946 and 1947.

By putting into effect the foregoing recommendations for larger appropriations for the Air Force and naval aviation, the aircraft industry will be able to survive and will be capable of manufacturing the planes necessary for national security. Unless there is immediate action the future will be indeed gloomy.

COMPARISON OF FINLETTER AND MERROW RECOMMENDATIONS

Several weeks ago on the floor of the House, I expressed my alarm and concern over our inadequate air preparedness. I made recommendations to correct Air Force deficiences. I introduced a bill providing for a supplemental appropriation of $500,000,000 to be expended during the current fiscal year ending June 30, 1948, by the Air Force. I recommended that beginning with the next fiscal year, July 1, 1948, we should appropriate $6,000,000,000 annually for the Air Force. I think you will be interested to know how the appropriations which I have suggested compare with the recommendations submitted by the Finletter Commission:

Finletter report	
Current fiscal year 1948 appropriation converted to calendar year 1948 basis by Bureau of the Budget. Includes both direct appropriation and indirect support from Army	$2,850,000,000
Additional recommended for calendar year 1948	1,300,000,000
Total, 1948	4,150,000,000
Total appropriation, 1949	5,450,000,000
2-year total	9,600,000,000
Merrow's figures	
Current fiscal year 1948 appropriation, Air Force direct	$1,255,000,000
Indirect support from Army	2,000,000,000
Total	3,255,000,000
Less: Pending recommendation of Bureau of the Budget to rescind $150,000,000 surplus due to Air Force understrength in military personnel during entire fiscal year 1948 (estimated)	150,000,000
Net, fiscal year 1948	3,105,000,000
Supplemental fiscal year 1948 introduced in a bill by Mr. Merrow	500,000,000
Total, fiscal year 1948	3,605,000,000
Fiscal year 1949 recommendation by Mr. Merrow	6,000,000,000
2-year total	9,605,000,000

According to the above figures the Finletter Commission urges the provision in 1948 of $4,150,000,000 for the Air Forces and of $5,450,000,000 in 1949. This is a 2-year total of $9,600,000,000, just $5,000,000 less than the total that would be provided in my bill for a supplemental appropriation and in my suggestion of $6,000,000,000 for the next fiscal year.

LONG-RANGE PLANNING

In the costly program of expanded production recommended by the Finletter Commission there is one important source of comfort to the taxpayer. The Commission recommends the immediate adoption of a long-range plan of aircraft procurement. Its report states:

Year-to-year planning of aircraft production, which has been forced upon the services by current budgeting practice, must give way to long-term planning. Evidence submitted to us indicates that the savings on the uninterrupted production of airplanes over a 5-year period, as compared with five annual procurements of the same total number of planes, could run as high as 20 to 25 percent.

Savings of so substantial a proportion as 25 percent on appropriations of the size required to rebuild our Air Forces are certainly worth while. Of themselves they justify the enactment of a long-range program. Also there are other advantages that will result from the adoption of long-range planning in addition to the immediate savings in appropriations. Long-range planning will enable the aircraft companies to plan for the future with some assurance, and thus to recruit and train the engineering and other skilled employees they will require. Long-range planning will also enable the armed forces to maintain and preserve healthy competition in the aircraft industry. Likewise they will be able to make certain that the aircraft developed are engineered and tooled for mass production rather than for hand production. Each of these advantages are almost as important as the direct financial savings of 20 to 25 percent.

PROCUREMENT

All of the difficulties in connection with achieving and maintaining air supremacy cannot be cured by the simple device of having Congress appropriate billions of dollars for research, development, and production of articles related to air warfare. It is true that the development of an adequate air force in being as our first line of defense—supplanting the naval force in being which has heretofore been our first line of defense—will require the expenditure of huge sums of money, which will impose heavy burdens upon the taxpayers of the Nation. The appropriation and expenditure of billions will not produce the desired results unless—

(a) The United States Air Force and the Navy Department are given, through legislative action, the necessary powers to enable them intelligently to plan and administer the expenditure of these funds;

(b) The United States Air Force and the Navy Department overhaul and reorganize their procurement and administrative policies; and

(c) The manufacturers of airframes, engines, instruments, and all the other gadgets which make up a complete airplane are permitted, through intelligent and orderly procurement planning on the part of the procurement agencies, to themselves intelligently plan their development, experimental, and production programs.

The Finletter report refers to the necessity for placing aircraft procurement on a 5-year planning basis. The importance of this cannot be too greatly emphasized. I have already set forth examples of the time required to develop, design, build an experimental model, and get into production new military and naval airplanes. This quickly brings to any intelligent person a full realization of why 2-year appropriation limits will not work.

The effect of an appropriation expiring in the middle of a program can be

briefly described by reference to the current B–36 program at the Fort Worth plant of the Consolidated Vultee Aircraft Corp. Funds currently obligated for this program will expire on June 30, 1948. The program will run into 1950, and thus the Air Force and the contractor are dependent upon annual appropriation extensions by the Congress. This is disturbing to the company since it is required to make large forward commitments for materials and subcontracted parts.

Sometime prior to the expiration of the present legislation, Congress will undoubtedly see fit to extend the appropriation for the manufacture of the B–36. Even though the risk may be small, it is unjust to expect a contractor to run the risk that Congress will fail to act. The company cannot afford to carry for an indefinite period a claim against the Government of, say ten to fifteen million dollars, pending passage of a deficiency appropriation bill. On the other hand, if the company were to follow a cautious business course of action, it would now be rearranging its production program, material ordering, and manpower requirements so as to come out about even on June 30, 1948. This would, of course, completely disrupt the delivery schedule and tremendously increase the cost to the Government of the B–36 program. Five-year planning is a "must" for military and naval aircraft procurement. Without it there are so many uncertainties that sound planning is effectively prevented. This has its corollary in tremendously increased costs to the Government for the planes it receives. It must be understood that an airplane program cannot be turned on and off like a water faucet.

OBLIGATION AND COMMITMENT OF FUNDS

Another appropriation difficulty producing an unsatisfactory condition is that funds appropriated by the Congress for any given fiscal year, 1948 for example, must be obligated and committed by the procuring agency prior to June 30, 1948. The plans upon which the original budget request was made, and which were presented as the justification therefor to the Bureau of the Budget and to Congress, may have so drastically changed as to make unwise the commitment of that money within the 1 year limitation period. If not committed, the funds are lost to the agency, and hence there is a natural desire to scramble around in an effort to spend the money. This results not only in unsound planning, but also in inefficiency and waste. Since these programs are complex and ever changing, it would seem logical to give the agencies at least 2 years, instead of 1, in which to obligate and commit their funds once they have been appropriated.

SOUND COMPETITION

The procurement program must preserve the elements of free competition. When competition is forced to a point where each unit of an industry, so vital to the national defense, must gamble its solvency on every contract, we have gone beyond the requirements of sound competition. The procuring agencies should reexamine their existing policies which place heavy emphasis upon purchasing under fixed price contracts competitively arrived at. Many articles required to maintain and equip the armed services are bought in sufficient quantities and are so relatively simple in design as to fully justify competitive fixed price bidding. Consider the risks involved in undertaking to design, engineer and produce 100 B–36 very heavy bombardment airplanes on a fixed price basis when the contract would require from 5 to 7 years to perform, during which period most anything could happen to labor and material costs. Assuming a total cost of such a program of $225,000,000, a 10 percent cost overrun would represent a loss to the contractor of $22,500,000—enough to throw nearly any of the companies into insolvency—or a 10 percent underrun in cost would result in a $22,500,000 excess payment by the Government. I do not believe that the experience of any aircraft companies since VJ-day indicates that a company is able, on programs involving all of the complexities of a modern airplane, to estimate costs within a tolerance of plus or minus 10 percent. Since the industry has, essentially, only one customer, that is, the military establishment, it is not a normal business in which all of the effects of normal competitive methods should have free play.

TRAINING OF PROCUREMENT OFFICERS

One of the things which the procurement agencies might very well consider is also mentioned in the Finletter Report. The people in the Air Force and in the Navy Department who are charged with the responsibility for procuring aircraft should have a background of training and experience related to the articles for which they are planning procurement, and of the industry from which they are being procured, equal to the experience and knowledge of the people in that industry. Such knowledge and experience cannot be developed by Naval and Air Force officers who are given revolving assignments. These two services have recently inaugurated a program for sending their people to such schools as the Harvard Graduate School of Business. In addition to this, actual working experience in various units of the aircraft industry is indispensable to the development of that caliber of individual who is so necessary in the administration and management of the large and complex business of buying military and naval aircraft. The employment of competent and experienced procurement men to run this big planning and buying job will produce more for each Government dollar spent and, from the point of view of the industry, will step up the tempo and efficiency of action in such a way as to permit, if not force, industry to set its own house in better order. Effective teamwork between the air services and the industry, so essential to the attainment and maintenance of air supremacy, will not flourish under conditions which breed the frustration of uncertainty and confusion.

LAG IN AIR PREPAREDNESS

Secretary Symington of the Air Force in an article written for the American Magazine entitled "We've Scuttled Our Air Defenses," stated that the United States is "no longer the leading air power of the world. In quantity we have slipped behind the Soviet Union and qualitatively both Russia and England have numerous developments that exceed our own efforts. England, despite her severe economic strain as a result of the war, is devoting a greater portion of her defense budget to an air force than we are." The Air Secretary states that $8,000,000,000 a year is necessary if we are to have sufficient air protection by the Air Force and naval aviation.

Guy W. Vaughn, president of the Curtiss-Wright Corp., asserted only recently that Russia is more powerful in the air at the present time than the United States was in World War II. He stated that Great Britain and Russia are ahead of the United States in research because of the very liberal appropriations of their governments. These warnings should make us determine to appropriate the funds required to prevent us from hopelessly lagging in the air race. Today we are not the first air power in the world. We are dangerously trifling with national security. Unfortunately, we are not coming to grips with the most important issue before the country—the realization of air supremacy.

IN CONCLUSION

This alarming summary of the status of the aircraft industry emphasizes how imperative it is that we increase our orders for planes sufficiently to make it possible for the aircraft companies to retain their organizations which are so rapidly breaking up. Increased appropriations are necessary if the companies are to have the ability to expand sufficiently to produce the aircraft essential to national security. The aircraft companies cannot be expected to maintain a sound financial position and to retain organizations of high technically trained personnel in order to manufacture planes in the event of a conflict unless they receive financial aid through orders given by the Government. There is not the demand for planes outside of the Government to keep the companies functioning.

Air supremacy cannot be achieved and maintained without a healthy aircraft industry. A well-organized aircraft industry capable of expanding and possessing well-staffed organizations of employees possessing the skill to build airplanes is prerequisite to achieving control of the air. Even a cursory inspection of the industry causes us to pause. We have every reason to be deeply concerned over the deplorable condition in which the companies capable of manufacturing military and naval aircraft find themselves.

The acquiring of air supremacy is the most important issue before the country. One of the most important factors in gaining air supremacy is the maintenance of a sound aircraft industry. Without the industry we cannot manufacture the planes and without the planes we cannot hope to achieve or maintain air supremacy; and without air supremacy we have no guaranty of air security, and without air security the United States cannot survive.

LEADING COMPANIES AND WHAT THEY ARE MAKING

Following are the 15 leading aircraft manufacturers with their chief products during the war and what they are making now:

Bell Aircraft Corp., Niagara Falls, N. Y.: During the war Bell manufactured the Bell Airacobra and the Kingcobra fighters, which were used by the Russian Air Force as well as the American Air Force, and also produced B–29 superbombers at Marietta, near Atlanta, Ga. They also developed America's first jet fighter. Since the war the company has developed the XS–1 and XS–2 research planes. It has been reported that the XS–1 has already pierced the supersonic speed barrier. Bell is also the producer of the Bell helicopter, which has been sold commercially for the past several months.

Outside of aviation, Bell has developed a mechanized wheelbarrow and has considered production of sinks for electric dishwashers.

Boeing Aircraft Co., Seattle, Wash., and Wichita, Kans.: During the war Boeing produced in large quantities the B–17 Flying Fortress and designed, developed, and produced the B–29 superbomber. Since the war it has designed and put into production the B–50, heavier powered version of the B–29, and has begun deliveries on the C–97 Stratofreighter, a heavy cargo plane, for the Air Force. It is now about ready to start deliveries on the Stratocruiser, a high-speed supertransport, for the commercial air lines, carrying as many as 100 passengers in the coach version. It has just completed the first Stratojet, reportedly the most powerful and fastest bomber in the world.

Consolidated Vultee Aircraft Corp.; San Diego, Calif.; Fort Worth, Tex.; and Fort Wayne, Mich.; during the war this company produced training and liaison aircraft, the B–24 Liberator bomber, and the B–32 Superbomber. Since the war it has begun deliveries on the B–36, the world's largest bomber. It has also completed the first C–99, that largest landbased transport. It has also produced the XB–45, a 4-jet high speed, medium bomber. In the commercial field it is about ready to start deliveries on the Convair Liner, formerly the 240, a medium-sized high-speed pressurized passenger transport. It is also a major producer of 4-passenger personal aircraft, the Stinson Voyager and the Stinson Station Wagon.

Curtiss-Wright Corp., New York City; Wood-Ridge, N. J.; Columbus, Ohio; and Caldwell, N. J.: During the war it produced the Curtiss P–40 War Hawk fighter, the Curtiss Helldiver for the Navy and the Commando C–46 transport for the Air Force. Its Wright Division produced the Wright air-cooled engine used in a great many fighters, transports, and bombers; and its propeller division, the Curtiss electric propellers. Since the war it has continued research and development work on new engines and new propellers, has developed new experimental planes for the Navy, and the Curtiss XP–87 all-weather fighter for the Air Force. In the commercial field it has offered but not sold a cargo transport. This company has purchased and is now operating three subsidiaries outside of the aviation field, including a metal-products company, a camera and film-projector company, and a spring-clutch unit.

Douglas Aircraft Co., Santa Monica, Calif.: During the war Douglas produced the C–47 and C–54 transports, the A–20 Havoc bomber, the TBF torpedo bomber for the Navy, and also produced Liberators and Flying Fortresses under license from Boeing and Convair. Since the war Douglas has been in production on the AD–1 Skyraider for the Navy and the DC–6 high speed luxury airliner for the commercial air lines. It has also designed and developed the XB–43 bomber and the Navy Skystreak plane which recently captured the world's speed record.

Fairchild Engine and Airplane Corp., New York City; Jamaica, Long Island; Hagerstown, Md.; Winfield, Kans.: During the war this company produced the training and liaison planes, and Ranger engines for such planes, and the C–82 Packet transport. Since the war it has continued in production on the C–82 and developed a larger version of this cargo transport, which will be known as the C–119. It is also engaged in developing a personal plane at the Kansas division. Fairchild entered the field of production of radio cabinets, tricycles, and rowboats, but suspended each when they were found unprofitable.

Grumman Aircraft Engineering Corp., Bethpage, Long Island: During the war Grumman produced the Grumman Hellcat, Tigercat, and Bearcat fighters, and the Avenger torpedo bomber. Since the war it has produced a new version of the Bearcat, the F8F, and has recently designed and completed a new jet carrier fighter for the Navy, the Panther. It is also in production on amphibious planes in the commercial market and for the Navy, and has produced trucks, busses, and canoes made of aluminum.

Lockheed Aircraft Corp., Burbank, Calif.: During the war Lockheed produced the Lockheed Lightning fighter, the Hudson and Ventura bombers for the Allied and American forces, and the Flying Fortress bomber and Lodestar transports. Before the war was over it developed the first production-model jet airplane for the Air Force. This plane, the P–80, is still in production at Burbank. Since the war it has developed and delivered to the air lines the Lockheed Constellation high-speed transport and has developed and delivered to the Navy the Constitution, a supertransport. It also has in production for the Navy the Neptune long-range patrol bomber, which holds the world's nonstop distance record.

The Glenn L. Martin Co., Baltimore, Md.: During the war Martin produced the B–26 Marauder medium bomber and the Baltimore medium bomber for the Allied Air Forces. It also produced at Omaha, Nebr., the B–29; and for the Navy, Martin developed the Mars, the largest flying boat developed to that time, and the PBM amphibian patrol bomber. Since the war it has gone into production on a new amphibian bomber, the Mercator, the Mauler, and the Mariner, and is also delivering the Martin 202 air liner to the air lines. It has also developed a six-jet experimental bomber. Outside of the field of aviation it is engaged in television broadcasting and in plastics.

McDonnell Aircraft Corp., St. Louis, Mo.: During the war McDonnell carried on engineering work and produced trainers. Since the war McDonnell has developed the Navy's first jet-propelled carrier-based fighters, and now has in production for the Navy the jet F2H Banshee. It also has developed a parasite fighter for use with superbombers and a conventional and ram-jet-powered helicopter.

North American Aviation, Inc., Inglewood, Calif.: During the war North American developed and produced the P–51 Mustang fighter and dive bomber, and the B–25 medium bomber, and training aircraft. Since the war it has developed and placed into production a jet fighter, the FJ for the Navy, a jet bomber, the B–45 for the Air Force, and a jet fighter, the P–86 for the Air Force, together with a conventional fighter, the Twin Mustang P–82. It also developed and produced the Navion personal aircraft, but suspended this project and sold it to Ryan.

Northrop Aircraft, Inc., Hawthorne, Calif.: During the war Northrop developed and produced the P–61 Black Widow night fighter, together with numerous other experimental aircraft and missiles. Since the war it has continued development in the missile field and has produced and delivered the Flying Wing superbomber, both conventional (XB–35) and jet powered (XB–49). It has also engaged in the development of a three-motored transport suitable for operation out of small fields, which has not been sold; motor scooters, a project since abandoned; artificial limbs; and gas turbines.

Republic Aviation Corp., Farmingdale, L. I.: During the war Republic developed and produced the P–47 Thunderbolt fighter at Evansville, Ind., and at Farmingdale. Since the war it has developed and placed into production the P–84 Thunderjet fighter, and the XF–12 high-speed photographic reconnaisance plane. In the commercial field it developed and then suspended a high-speed transport project, the Rainbow, and developed a personal plane, the Republic Sea Bee, which also has been suspended from production.

Ryan Aeronautical Co., San Diego, Calif.: During the war it produced numerous critical components for various kinds of aircraft, and the Navy's first combined jet- and piston-engine powered fighter. It has taken over from North American the Navion and now has this personal airplane in production.

United Aircraft Corp., East Hartford, Conn.: During the war the Chance Vought division of this company produced the Corsair fighters for the Navy and the marines. The Pratt & Whitney Engine Co. produced various sizes of air-cooled engines, and its Hamilton Standard Propeller unit produced propellers used on a great many military aircraft. Since the war the Chance Vought division has developed and produced a new version of the Corsair, the F–4–U, and has completed a jet-powered carrier-based fighter, the F–6–U Pirate, and the unconventional Flying Pancake, the

XF-5-U. Its Sikorsky division is producing helicopters; the Hamilton Standard Division is producing propellers; and the Pratt & Whitney division is producing conventional and jet engine units.

I am also listing the products manufactured by the smaller plane companies mentioned in the Finletter report:

Aeronca Aircraft Corp., Middletown, Ohio: War years, military contract, Grasshoppers, gliders—training—subcontract; present, two-place trainers, side-by-side tandem, four-place not yet in production; complete Army contract for 509 trainers; have additional order for 100.

Beech Aircraft Corp., Wichita, Kans.: War years, military contracts, subcontracts; present, 4-place, single-engine Bonzana; 6- to 9-passenger twin engine—three models—20-passenger transport.

Bellanca Aircraft Corp., New Castle, Del.: War years, military subcontracts; present, four-place, single engine Crusair.

Engineering & Research Corp., Riverdale, Md.: War years, military subcontracts; present, two-place, single engine, two-control subcontracts.

Luscombe Airplane Corp., box 2128, Dallas, Tex.: War years, military subcontracts; present, two-place, single-engine Silvaire, five models; 4-place, single-engine Sedan.

Piper Aircraft Corp., Lock Haven, Pa.: War years, military contract, Grasshoppers, gliders—training—subcontract; present, two-place, single-engine trainers, three-place, single-engine Cruiser.

Taylorcraft, Inc., Alliance, Ohio: War years, military contracts, Grasshoppers, gliders, subcontracts; present, two-place, single-engine trainers.

Texas Enginering & Manufacturing Co., Inc., Grand Prairie, Tex.: War years, not in existence; present, subcontract, Fairchilds, surplus and conversion contracts, two-place, single-engine Swift.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I shall not take the full time granted me because the House has been very patient with me today. In terms of progress, I think we have made another constructive move during the day in trying to help solve this fuel-oil picture. But because of the inquiries addressed to me by many of my colleagues as to the terms of a telegram we are now preparing to send, I want to go over briefly the purpose of this telegram. It is directed to the Director of the Office of International Trade. A telegram was sent last Friday signed by the entire New England delegation, the entire New Jersey delegation, the entire Indiana delegation, the entire Iowa delegation, Members from the Illinois delegation, from the Montana delegation, the entire South Dakota delegation, our colleagues from Utah, and several individuals from other delegations, and 10 or 12 of the Senators from the New England area, plus an identical telegram by some 16 or 17 Members of the House Interstate and Foreign Commerce Committee. The purpose of that telegram was to request the Office of International Trade to place an embargo on the shipment of petroleum and petroleum products from the Gulf and west coast to Monday night, and it added, "pending receipt of information." That was denied brusquely by the Office of International Trade, and I assume with the full approval of the Secretary of Commerce who has by law complete responsibility of enforcing and administering the laws Congress passes. Incidentally, as I understand it, he also has the specific responsibility of certifying when he does permit exports, that those exports will not jeopardize our domestic economy. As far as I know, the Secretary has never signed a single certificate of that nature. I do not know why he has not when it seems to me to be obvious that every gallon that has been sent out of this country to any other country during the recent months has jeopardized our economy as has been proven by the situations which have arisen in Detroit, Pittsburgh, in States in New England, and in fact in States all over the country.

Be that as it may, we were refused what I think was a reasonable request, consequently we are forced to make a second request, and now we have had join with us a great many well-informed, influential, and thoughtful members of other delegations. I have not had a chance to compute the entire number but I hold in my hand certain papers on which the signatures of the following appear: 18 members of the New York delegation; 1 member of the California delegation; an additional member of the Illinois delegation; 2 members of the Kentucky delegation; 1 member of the Wyoming delegation; the entire Wisconsin delegation; 7 from the Michigan delegation; 1 from West Virginia; 1 from Tennessee, and the entire Minnesota delegation. I have not had an opportunity to add that up, but in my revision I will indicate the total number who have now joined in this simple request. This is the telegram that will be sent:

> Request embargo shipment petroleum and petroleum products from Gulf and west coast to the end of the week February 28 pending receipt of information.

It seems to me that is the least this office could do for us. They have not made any explanation of why they refused to grant our previous request. If they are going to turn down any such reasonable request as this, then I insist that we and the American people are entitled to a full, adequate, and immediate explanation as to the reason why they are not doing it.

Let me emphasize this for the record: I have said it repeatedly, but I want to say it in this case because it points up the last four words, "pending receipt of information." Last week I attempted to secure from all of the major integrated oil companies and every exporting company, whose address I had, their advice as to whether they would term "domestic" a single tanker in their fleet that was scheduled overseas to carry some of this needed heating oil or gasoline up the east coast. I have not received a firm promise from any one of them but I have received sufficient information to make me believe that they would be willing to jointly turn at least four tankers to this east-coast run by the end of this month, or before the middle of March. We have turned a deficit of 2,000,000 barrels of petroleum products into a surplus of 5,000,000 in the northeastern area as of March 31. If we can get these 559,000 remaining barrels which the Department has lightly waved aside and said can go overseas—oil that those countries said they did not want and did not need, and in substance added they were glad that we should have it—if we could get the tankers to carry that then I say to you that industry representatives have guaranteed, I repeat, guaranteed, full relief. May I add that a prominent man in the oil industry, one who is in my opinion the equal of any and the superior of most in sheer ability, in his interest in this problem and in his open-mindedness, telephoned me this morning and suggested that I inquire of the jobbers in New York, Boston, and along the Atlantic coast as to how much they could take, expressing the opinion that one jobber alone in New York Harbor would probably reply that he could take from one-third to one-half of the entire amount involved, something like 200,000 barrels. That being true, it is my purpose to terminate my efforts in behalf of my constituents, and I think you can well terminate your efforts so far as heating oil is concerned for the remainder of the heating season, because the oil industry, through its competent representatives, last week said to our committee, "If you will get the 600,000 barrels of oil and place them in storage in the Northeast we will guarantee to you that, barring a major catastrophe, there will be no further shortage of fuel oil in the United States this winter."

It is my purpose to send this telegram as a final appeal to people who are charged under the law with partial responsibility for the safety, security, and economy of our friends abroad, but also with full responsibility for the economy, security, safety, health, and welfare of our own people in this country.

I think I have said all I need to say at this time. I shall try to condense this for the membership tomorrow so that anyone who has not had an opportunity to sign this telegram tonight may sign a similar one and send it down to the Department of Commerce tomorrow. I have just received a message that the Senator from Illinois [Mr. BROOKS], and our good friend, the gentleman from New Jersey [Mr. HART], have also added their names to these telegrams. I hope that tomorrow on both sides of the aisle we will have close to 80 or 90 percent of the membership of this House joining in this one last effort. If we do that then we can, I think, say to our constituents that we did our best.

Let me briefly summarize what you have accomplished to date. It is solely due to your foresight and decisions that a law was passed on December 15. Some of us differed as to procedure and as to whether it was adequate or inadequate but I have found no complaint, in the RECORD, as to the wisdom of enacting section 3 of the House Resolution

passed December 15, 1947, extending section 6 (d) of the act of July 2, 1940 (54 Stat. 714), as amended, to February 28, 1949. You will find the debate and the votes at pages 11387 to 11398 of the RECORD of December 15, 1947. The gentleman from Michigan [Mr. WOLCOTT] said:

We have likewise extended export controls in such manner that the President may be given broad authority, broad discretion as to this second reason why we have high prices and inflation. This second reason is the unusually heavy demand of foreign countries for American goods which are in short supply. The President is authorized under this bill so to adjust our exports as to safeguard and stabilize the American economy. We have given him the power in this bill to start the job which has got to be done if we are going to have economic stability and lower prices in the United States.

The gentleman from Kentucky [Mr. SPENCE] said:

It extends the same powers in reference to export controls and allocations that the President already has under the War Powers Act, and he will have these powers until February 28 next year.

The gentleman from Texas [Mr. RAYBURN] said:

Of course this extends export controls. We know that, even though you do not pass this thing today, you are not going to let export controls expire on the 28th of February.

I may have overlooked some other comment on this point during debate but I think the entire membership is entitled to credit for acting on this point. You may wish to consult the RECORD for December 17 for proceedings in the other body as to this point. In any event, the resolution became Public Law 188, Eightieth Congress, first session.

Prior to that time, the House Committee on Interstate and Foreign Commerce conducted hearings on July 1, 8, and 9, 1947. This led to a unanimous committee resolution reported by the chairman the gentleman from New Jersey [Mr. WOLVERTON] to the House on December 19, 1947, and printed at page 11760 of the RECORD. Recommendations (1) and (8) are important on this point.

Prior to that date, this committee had continued its hearings on December 12, 16, and 17, 1947, which continuation in the light of the actual shortages, pointed up the wisdom of the nine committee recommendations.

Upon our return, hearings before the committee have continued almost daily covering every phase of the problem, immediate and long range. On January 26, 1948, the committee adopted another committee resolution, reported by the chairman, on that date to the House, making five even stronger, specific recommendations. May I refer to page 545 of the RECORD of that date. The first and second are vitally important on the subject I am discussing.

I have made many reports as developments seemed to warrant. I am trying to prepare a concise reference to papers when those developments are reported, but the pressure of work has delayed its completion. As soon as it is ready, I shall submit it for any use you may care to make of it.

May I add, parenthetically, that the action taken today in adopting the limitation I suggested, followed a recommendation made by the members of a subcommittee of the New England delegation on December 13, 1947, in a telegram to the President, following testimony before the House Committee on Interstate and Foreign Commerce, the previous day, which is at page 71 of the printed hearings. Reference to the telegram is the Appendix of the RECORD, page A4764, vol. 93, pt. 13, of that date. I should add that this and three other subcommittees were appointed by the Speaker December 8, 1947. This was foresighted action, which met with the full approval and complete cooperation of the entire New England House delegation.

Reference should also be made to the RECORD for February 4, 1948, where the Subcommittee on Independent Offices, through its chairman, the gentleman from Massachusetts [Mr. WIGGLESWORTH] accepted the first limitation amendment at page 1083. The ranking member and all members on both sides were most cooperative.

Finally, may I submit a brief summary of what you have accomplished, against the bitter, consistent opposition of the Department, in terms of barrels and gallons forced into domestic shortage areas since last January 1.

You can fairly start with a reduction of 5,000,000 barrels announced January 2, 1948, following receipt of the first resolution from the Committee on Interstate and Foreign Commerce. That is 210,000,000 gallons.

Add another 2,449,000 barrels in the reduction of February 10, 1948. That is 112,858,000 gallons. This is a quote from the minutes of the Review Committee, January 28, 1948:

He—

The chairman—

referred to the congressional committee hearings at which the Under Secretary of Commerce (Mr. Foster) had testified the previous day and called attention to the possibility of legislation imposing an embargo on exports of fuel oil for a temporary period.

Mr. Foster so testified before the Committee on Interstate and Foreign Commerce January 27 and was so warned.

Add another 599,000 barrels in the announced third reduction of last Friday. That would be 25,158,000 gallons.

Then consider the Canadian reduction announced January 2, 1948, and recently continued to March 31. This followed the exposure of the fact in the hearings before the Interstate and Foreign Commerce Committee in December that exports to Canada had increased about 385 percent in the last year.

Fifty percent savings for domestic use of the monthly average of exports to Canada for the first quarter of 1948 will amount to approximately 61,000,000 barrels. That is 2,562,000,000 gallons.

So you have a grand total of 69,048,000 barrels, or 2,910,016,000 gallons.

Does that not make it crystal clear what your efforts have brought in the way of results, joined with our Senators? The record is clear that every iota of credit belongs to Congress. We have had to make a long, difficult, sustained effort. How much more will be saved by forcing Government agencies to curb this reckless, irresponsible conversion remains to be seen. But anyone with a fair, objective mind, reading the RECORD, can only be glad that Congress still exists and can find more than legislative means of protecting the public to which it is responsible. It is the best possible kind of an answer to those who sneer at and try to smear Congress. If some of our talented cartoonists wanted a factual subject for a cartoon, here it is ready-made. But a wager of 100 to 1 that you will never see the Department lampooned by a cartoonist, or a single editorial in certain papers criticizing the Department, or a single word in the three or four syndicated columns written by the departmental stooges, inspired from within, critical of this conduct, or a syllable of criticism from any of the kept "kommentators," will earn you a substantial profit. But if you will make a note of the facts, of their cartoons and columns and so-called editorials and their comments, you can prove how silly and self-serving they are. And we can thank God for the majority of decent cartoonists, editorial writers, columnists, and commentators who use facts and truth as their tools and who deserve the respect we have for them even when we think their inferences are incorrect and their criticism unfounded. Nevertheless, they depend on their own eyes and ears and brains—not upon the eyes and ears and smart tactics of some paid publicity agent in a department or agency. It might even be that if one of us took the time to look up these outpourings, we could demonstrate beyond question their complete bias and reliance upon department and agency propaganda for a living. But I know your time is too valuable for such an effort. After all, every move they make boosts your standing at home. They do not yet know how thoroughly discredited they are. Probably this time lag gives them a sense of security. But, sooner or later, the public, paying the bills, is going to demand kicking their little soap boxes from under them, as it has done in several recent notable instances.

These facts demolish the arguments of the silly, stupid detractors of an institution that, for all its weaknesses and human frailties, has stood the test of time. More than that, it is a solemn warning of power running rampant in an entrenched bureaucracy, irrespective of the high integrity and personal ability of those who have to run such a juggernaut. It brings to my memory the warning expressed by our late President about the dangers of the war powers "in the hands of others." I think we should constantly examine those powers and their exercise—and check every single abuse we unearth. And, in my judgment, this exercise of power these last 45 days has been a patent abuse, in defiance of Congress individually and collectively, in complete indifference to the results visited upon hundreds of thousands of Americans in loss of work and wages, in loss of production, in discomfort, in illness, and even in some reported deaths.

I hope you will join the 143 of your colleagues tomorrow, if it is in the interest of your constituents to do so. If you will authorize your secretary to call extension 625, my office is preparing a second, identical telegram, and I shall be glad to add your name.

This list of signers to 9 p. m. tonight follows, with a copy of the telegram. At the suggestion of several, I am sending a copy of the RECORD in the morning by special messenger to Dr. Steelman, to Secretary Harriman, and to Mr. Garrett, chairman of the review committee:

WASHINGTON, D. C., *February 24, 1948.*

Mr. THOMAS C. BLAISDELL,

Director, Office of International Trade, Department of Commerce, Washington, D. C.:

Request embargo shipment petroleum and petroleum products from Gulf and west coast to end of week, February 28, pending receipt information.

Joseph W. Martin, Jr., Representative from Massachusetts; John W. McCormack, Representative from Massachusetts; Styles Bridges, Senator from New Hampshire; Charles W. Tobey, Senator from New Hampshire; Owen Brewster, Senator from Maine; George D. Aiken, Senator from Vermont; Leverett Saltonstall, Senator from Massachusetts; Raymond E. Baldwin, Senator from Connecticut; Henry Cabot Lodge, Jr., Senator from Massachusetts; Edith Nourse Rogers, Representative from Massachusetts; Richard B. Wigglesworth, Representative from Massachusetts; Charles A. Plumley, Representative from Vermont; George J. Bates, Representative from Massachusetts; Charles R. Clason, Representative from Massachusetts; Margaret Chase Smith, Representative from Maine; Aime J. Forand, Representative from Rhode Island; Frank Fellows, Representative from Maine; Thomas J. Lane, Representative from Massachusetts; John E. Fogarty, Representative from Rhode Island; Angier L. Goodwin, Representative from Massachusetts; Robert Hale, Representative from Maine; Christian A. Herter, Representative from Massachusetts; Chester E. Merrow, Representative from Massachusetts; Philip J. Philbin, Repsentative from Massachusetts; William J. Miller, Representative from Connecticut; John W. Heselton, Representative from Massachusetts; Norris Cotton, Representative from New Hampshire; Harold D. Donohue, Representative from Massachusetts; Ellsworth B. Foote, Representative from Connecticut; John F. Kennedy, Representative from Massachusetts; John Davis Lodge, Representative from Connecticut; Donald W. Nicholson, Representative from Massachusetts; James T. Patterson, Representative from Connecticut; Antoni N. Sadlak, Representative from Connecticut; Horace Seely-Brown, Representative from Connecticut; Jack Z. Anderson, Representative from California; William D. Hill, Representative from Colorado; James Caleb Boggs, Representative from Delaware; Dwight L. Rogers, Representative from Florida; C. Wayland Brooks, Senator from Illinois; Charles W. Vursell, Representative from Illinois; Leo Allen, Representative from Illinois; Everett Dirksen, Representative from Illinois; Leslie Arends, Representative from Illinois; Ralph Church, Representative from Illinois; C. W. Bishop, Representative from Illinois; Thomas S. Gordon, Representative from Illinois; Fred E. Busbey, Representative from Illinois; Thomas L. Owens, Representative from Illinois; Robert J. Twyman, Representative from Illinois; Richard B. Vail, Representative from Illinois; Homer E. Capehart, Senator from Indiana; William E. Jenner, Senator from Indiana; Louis L. Ludlow, Representative from Indiana; Noble Johnson, Representative from Indiana; Charles A. Halleck, Representative from Indiana; George W. Gillie, Representative from Indiana; Robert A. Grant, Representative from Indiana; Forest A. Harness, Representative from Indiana; Gerald W. Landis, Representative from Indiana; Earl Wilson, Representative from Indiana; Ralph Harvey, Representative from Indiana; Edward Mitchell, Representative from Indiana; John Gwynne, Representative from Iowa; Ben F. Jensen, Representative from Iowa; Karl M. LeCompte, Representative from Iowa; Thomas E. Martin, Representative from Iowa; Charles B. Hoeven, Representative from Iowa; James I. Dolliver, Representative from Iowa; Albert E. Cole, Representative from Kansas; W. Howes Meade, Representative from Kentucky; Earl C. Michener, Representative from Michigan; Jesse P. Wolcott, Representative from Michigan; George A. Dondero, Representative from Michigan; Albert J. Engel, Representative from Michigan; Clare E. Hoffman, Representative from Michigan; George Sadowski, Representative from Michigan; John A. Bennett, Representative from Michigan; Howard A. Coffin, Representative from Michigan; Joseph A. Ball, Senator from Minnesota; Edward J. Thye, Senator from Minnesota; Harold Knutson, Representative from Minnesota; August H. Andresen, Representative from Minnesota; H. Carl Andersen, Representative from Minnesota; Joseph P. O'Hara, Representative from Minnesota; Harold Hagen, Representative from Minnesota; Walter J. Judd, Representative from Minnesota; John A. Blatnik, Representative from Minnesota; Edward J. Devitt, Representative from Minnesota; George MacKinnon, Representative from Minnesota; Wesley D'Ewart, Representative from Montana; Hugh Butler, Senator from Nebraska; Kenneth S. Wherry, Senator from Nebraska; Karl Stefan, Representative from Nebraska; Carl T. Curtis, Representative from Nebraska; Howard Buffett, Representative from Nebraska; A. L. Miller, Representative from Nebraska; Charles A. Eaton, Representative from New Jersey; Charles A. Wolverton, Representative from New Jersey; Edward J. Hart, Representative from New Jersey; Robert W. Kean, Representative from New Jersey; Gordon Canfield, Representative from New Jersey; James C. Auchincloss, Representative from New Jersey; Frank L. Sundstrom, Representative from New Jersey; Clifford P. Case, Representative from New Jersey; T. Millet Hand, Representative from New Jersey; Daniel A. Reed, Representative from New York; John Taber, Representative from New York; James W. Wadsworth, Representative from New York; Ralph A. Gamble, Representative from New York; Edwin Arthur Hall, Representative from New York; John C. Butler, Representative from New York; Ellsworth B. Buck, Representative from New York; Hadwen Fuller, Representative from New York; B. W. Kearney, Representative from New York; Jay LeFevre, Representative from New York; Edward J. Elsaesser, Representative from New York; F. R. Coudert, Jr., Representative from New York; Kenneth B. Keating, Representative from New York; Gregory McMahon, Representative from New York; Robert Nodar, Jr., Representative from New York; David M. Potts, Representative from New York; Robert Tripp Ross, Representative from New York; R. Walter Riehlman, Representative from New York; George H. Bender, Representative from Ohio; Thomas A. Jenkins, Representative from Ohio; Frances P. Bolton, Representative from Ohio; Clarence J. Brown, Representative from Ohio; Cliff Clevenger, Representative from Ohio; Charles H. Elston, Representative from Ohio; J. Harry McGregor, Representative from Ohio; Walter E. Brehm, Representative from Ohio; Edward O. McCowen, Representative from Ohio; Alvin F. Weichel, Representative from Ohio; Ivor D. Fenton, Representative from Pennsylvania; Louis E. Graham, Representative from Pennsylvania; John C. Kunkel, Representative from Pennsylvania; Wilson D. Gillette, Representative from Pennsylvania; James E. Van Zandt, Representative from Pennsylvania; Leon H. Gavin, Representative from Pennsylvania; Samuel K. McConnell, Jr., Representative from Pennsylvania; James P. Scoblick, Representative from Pennsylvania; William J. Crow, Representative from Pennsylvania; Franklin H. Lichtenwalter, Representative from Pennsylvania; Frederick A. Muhlenberg, Representative from Pennsylvania; George W. Sarbacher, Jr., Representative from Pennsylvania; Hardie Scott, Representative from Pennsylvania; Francis H. Case, Representative from South Dakota; Karl Mundt, Representative from South Dakota; John Jennings, Representative from Tennessee; Dayton E. Phillips, Representative from Tennessee; William A. Dawson, Representative from Utah; Herbert S. Ellis, Representative from West Virginia; Melvin C. Snyder, Representative from West Virginia; Merlin Hull, Representative from Wisconsin; Frank B. Keefe, Representative from Wisconsin; Reid F. Murray, Representative from Wisconsin; Lawrence H. Smith, Representative from Wisconsin; William Henry Stevenson, Representative from Wisconsin; John W. Byrnes, Representative from Wisconsin; John C. Brophy, Representative from Wisconsin; Glenn R. Davis, Representative from Wisconsin; Charles J. Kersten, Representative from Wisconsin; Frank A. Barrett, Representative from Wyoming.

The SPEAKER. Under the previous order of the House the gentleman from Indiana [Mr. LANDIS] is recognized for 30 minutes.

ADEQUATE OLD-AGE SECURITY

Mr. LANDIS. Mr. Speaker, organized society has a responsibility to provide adequate security for elder American citizens. Why should our people spend the greater portion of their productive years fearing inadequate security in their old age? Why should the dreams of life, the greatest allurement of living, be interrupted constantly by the nightmare of ultimate destitution? Should not we be in position to look forward to old age with assurance of comfort?

I would like to see the Eightieth Congress recognize its duty, and fulfill its obligation to the elders of America. We should not accept the view that poverty is the just penalty for those failing to provide for their security in old age. With a relative few, irresponsibility and recklessness accounts for poverty in their final years, but with the vast majority it is the inescapable consequences of our imperfect economic system. A few are especially endowed by nature and others are blessed by luck, enabling them to rise above the rest. They are not to be envied, but rather regarded as an inspiration, an example of what is possible. But we cannot all attain that goal.

Before the last war only 4 people out of 100 were secure at the age of 65. A recent investigation disclosed that out of 100 people, 36 will be dead before they reach the age of 65. Of those still living 1 will be wealthy, 4 will be well-to-do, 5 will be self-supporting, and 54 will be dependent upon others. In other words, out of 64 living only 10 will be self-supporting. At the age of 75 there will be 34 out of 37 survivors dependent upon others. This means that the chances are about 10 to 1 you will be on charity at 75.

Our Social Security System was a step in the right direction. The most serious fault with it today is its inadequacy. Especially with the already high and still rising costs of living, it does not even provide a subsistence income.

Under social security, those who have already attained the age set for retirement have no opportunity to participate in its retirement provisions. It is true that there is a special provision for them under what is termed "title II" or "old-age assistance." This title II provides a meager arrangement whereby the Federal Government will appropriate a sum up to $25 per month on a State-matching plan. That is if the State will determine that the citizen over 65 years of age is in dire need, and has no other resources, or near relatives able to take care of him, and also providing the State will provide a matching sum, then the Federal Government will pay into the State an amount up to $25 per month for such cases.

Under this system we are providing old-age assistance to the various States in amounts ranging all the way from about $8 per month in some States up to the maximum of $25 per month in others.

I charge that this system is—

First. Inadequate. Even the highest amounts paid to the most fortunate under the plan only receive less than the cost of one good meal per day for their entire livelihood. This at best is woefully inadequate.

Second. It is inequitable. Why should the Federal Government appropriate one amount for a citizen in one State and an entirely different amount to a citizen in another State? Are they not all American citizens? I say that regardless of what a State pays, even if it pays nothing at all, the obligation of the Federal Government should be the same to all citizens. There should be a uniform old-age pension to take the place of this old-age-assistance provision. This uniform old-age pension should be increased in amount to at least $60 per month now, and that in addition to any amount that the States may pay.

Let me say further with regard to uniformity: I think the earliest Federal pensions were paid to veterans of wars. These pensions were paid to citizens who had served the Nation in the armed services. They typify what I mean by a Federal pension. They were uniform. There was no discrimination with regard to State of residence, property owned, ability of relatives to support the recipient, or any other discriminatory provision. No veteran was asked how much money he had in the bank, or how much property he owned. He was not asked how many children he had that were able to contribute to his support.

No, Mr. Speaker, those pensions were paid to the veterans, to the rich, to the poor, and to the in-between. They were honorable, uniform, American pensions. I feel that this same provision should apply to our old-age pensions. I do not mean that a pension should be forced upon any citizen. I do not think that we should pay a pension to a citizen who has not in a large manner retired from gainful or competitive enterprise. I think that old-age pensions should be paid only to those who are out of the market both as to business and labor. But I do feel that whatever old-age pension is provided by the Government should be for every citizen who is so retired, and without regard to his State of residence, the financial condition of his relatives, or the amount of property that he or she might own.

One of the cardinal principles of this Republic, Mr. Speaker, is equal justice under law. Our citizens are taxed equitably in accordance with their ability to pay. But when the Government provides benefits for its citizens they stand on an equality irrespective of the amounts of the taxes that they paid. This should be true in all of our Government services.

My appeal to this Congress is: Let us change the inadequate, inequitable, humiliating, and discriminatory old-age assistance, and make it into an honorable, decent, uniform American pension, and Mr. Speaker, let us do it now.

During the fiscal year 1946–47, 2,198,000 persons over the age of 65 received old-age assistance. They averaged $35 per month. In the month of June 1946 the average for Indiana was $26.51 per month while the average for the Seventh Indiana Congressional District was only $23.08 per month.

On June 30, 1947, the status of our social-security trust fund was $8,798,000,000. The interest payments on this trust fund amounted to $147,766,000 last year.

The national average for the month of August 1947 was $36.39. Old-age-assistance payments range from an average of $16.98 in Georgia to $64.98 in Colorado.

At this point I wish to list the average monthly payments of old-age assistance in each of our 48 States:

Alabama	$17.28
Arizona	48.29
Arkansas	18.19
California	56.86
Colorado	64.98
Connecticut	43.36
Delaware	23.59
Florida	36.85
Georgia	16.98
Idaho	41.62
Illinois	39.67
Indiana	30.66
Iowa	40.31
Kansas	38.96
Kentucky	17.35
Louisiana	21.17
Maine	34.15
Maryland	31.06
Massachusetts	50.42
Michigan	36.99
Minnesota	41.59
Mississippi	17.51
Missouri	31.89
Montana	38.57
Nebraska	41.86
Nevada	47.87
New Hampshire	36.66
New Jersey	41.39
New Mexico	35.41
New York	46.91
North Carolina	18.09
North Dakota	38.68
Ohio	39.84
Oklahoma	42.41
Oregon	36.29
Pennsylvania	34.01
Rhode Island	40.56
South Carolina	19.72
South Dakota	32.03
Tennessee	20 65
Texas	29.93
Utah	42.81
Vermont	32.25
Virginia	17.67
Washington	49.89
West Virginia	20.40
Wisconsin	36.21
Wyoming	48.62

Our great and wealthy Nation, for security reasons, has been, and is now, pouring billions of dollars in resources to aid the needy of the world.

Since the end of the war the United States has given approximately $20,000,000,000 to 59 countries. France has received $1,950,000,000; Italy $530,000,000; Austria $63,000,000, and $3,750,000,000 the largest single amount, went to England.

Surely our own citizens have the right to expect that their Government will not continue to neglect the security and needs of homefolks.

Let us beware of the kind of a leader who is a steady patriot of the world alone, the friend of every country but his own.

REGIONAL UNIVERSITIES

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, I rise for the purpose of commending the Governors of 15 States who today have completed action upon a proposed compact to expand educational facilities in the South for white and Negro students. The bill also specifically provides for the acquisition by the States of Meharry Medical College, an institution for Negro medical students in Nashville, and this is but a forerunner of other projects to benefit professional students throughout the South. The educational implications of this action are tremendous. It represents months of investigation and conversations by the chief executives of the States affected and is an effort to meet the expanded needs for higher education. The gentleman from Alabama [Mr. HOBBS] has introduced a bill embodying the suggestions unanimously submitted by the Governors and extending congressional approval of the compact as required by the Federal Constitution. I believe that the Congress will gladly extend this authority. The State and Federal Governments should cooperate to the fullest extent in providing adequate educational opportunities and this is a long step in that direction.

RURAL ELECTRIFICATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I regret that the House did not see fit today to recommit the deficiency appropriation bill and increase the amount for rural electrification. There is a great need for this service among the farming communities of this country. Letters coming to my office indicate that there is a shortage of necessary funds for this purpose. I do sincerely hope that the committee will look into this matter and will be able to recommend a deficiency appropriation for rural electrification when the next deficiency bill comes before the House early next month. I regret that appointments with the Department of Agriculture and the Department of the Army concerning matters important to my district made it imperative that I be absent for a few minutes this afternoon. Had I been present I would of course have voted for this appropriation for rural electrification.

PERMISSION TO ADDRESS THE HOUSE

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. LANDIS addressed the House. His remarks appear in the Appendix.]

ADJOURNMENT

Mr. LANDIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 25, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1327. A letter from the Comptroller General of the United States, transmitting a report of the activities of the General Accounting Office under section 16 of the Contract Settlement Act of 1944; to the Committee on the Judiciary.

1328. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 166 individuals whose deportation has been suspended for more than 6 months; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 476. Resolution extending the time for final report of the Select Committee on Foreign Aid until May 1, 1948; without amendment (Rept. No. 1418). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 480. Resolution providing for consideration of H. R. 1186, a bill to increase the equipment maintenance of rural carriers 2 cents per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes; without amendment (Rept. No. 1419). Referred to the House Calendar.

Mr. ENGEL of Michigan: Committee on Appropriations. H. R. 5524. A bill making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 1420). Referred to the Committee of the Whole House on the State of the Union.

Mr. TABER: Committee on Appropriations. H. R. 5525. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 1421). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H. R. 5519. A bill to create a commission to prepare a plan to enable selected students who are training or who desire to train for Government service to actually serve an internship within the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. BURLESON:

H. R. 5520. A bill to promote justice and insure the proper exercise of clemency with regard to separations from the armed forces; to the Committee on Armed Services.

By Mr. JOHNSON of Indiana:

H. R. 5521. A bill to name the Cagles Mill Dam the Hoosier Highlands Dam; to the Committee on Public Works.

By Mr. LANE:

H. R. 5522. A bill to establish a self-sustaining national pension system that will benefit retired citizens 60 years of age and over; to stabilize the economic structure of the Nation; and to induce a more equitable distribution of wealth through monetary circulation; to the Committee on Ways and Means.

By Mr. LOVE:

H. R. 5523. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for investigatory personnel of the Treasury Department who have rendered at least 20 years of service; to the Committee on Post Office and Civil Service.

By Mr. ENGEL of Michigan:

H. R. 5524. A bill making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. TABER:

H. R. 5525. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. BLATNIK:

H. R. 5526. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

H. R. 5527. A bill to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II; to the Committee on Veterans' Affairs.

By Mr. LEMKE (by request):

H. R. 5528. A bill to promote the development and conservation of certain resources in the submerged coastal lands adjacent to the shores of the United States; to the Committee on Public Lands.

H. R. 5529. A bill relating to the rights of the several States in lands beneath inland navigable waters and to the recognition of equities in submerged coastal lands adjacent to the shores of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 5530. A bill to remove certain restrictions on the acquisition and holding, or transportation, of gold coin, bullion, currency, certificates, or securities, and for other purposes; to the Committee on Banking and Currency.

H. R. 5531. A bill to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. HESELTON:

H. R. 5532. A bill to establish a National Science Foundation; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of South Dakota:

H. R. 5533. A bill to exempt from the tax imposed by the Federal Insurance Contributions Act certain persons who have attained the age of 65 and who are not to receive the benefits of the act, and for other purposes; to the Committee on Ways and Means.

By Mr. HAGEN:

H. R. 5534. A bill to authorize a further preliminary examination and a new survey of the Red River of the North between the States of Minnesota and North Dakota from a point north of East Grand Forks, Minn., and Grand Forks, N. Dak., for flood control, for run-off and water-flow retardation, and soil-erosion prevention; to the Committee on Public Works.

By Mr. EDWIN ARTHUR HALL:

H. R. 5535. A bill granting service pensions of $75 per month to veterans of World War I, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KING:

H. R. 5536. A bill to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. BOGGS of Delaware:

H. R. 5537. A bill to amend section 3469 (b) of the Internal Revenue Code to provide that the tax imposed on the transportation of persons shall not apply to transportation on boats for fishing purposes; to the Committee on Ways and Means.

H. R. 5538. A bill to amend the act of August 7, 1946, to authorize relief in cases where the Government has actual or constructive notice or knowledge of certain losses incurred under war contracts; to the Committee on the Judiciary.

By Mr. WORLEY:

H. R. 5539. A bill to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section; to the Committee on Agriculture.

By Mr. STEVENSON:

H. R. 5540. A bill to grant equitable compensatory time to postal employees for holidays which fall on Saturdays; to the Committee on Post Office and Civil Service.

By Mr. CASE of South Dakota:

H. R. 5541. A bill to authorize the issuance of trust patents in lieu of land-use exchange assignments issued on the Cheyenne River Sioux Reservation prior to January 1, 1948; to the Committee on Public Lands.

H. R. 5542. A bill to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs upon petition therefor; to the Committee on Public Lands.

By Mr. CLARK:

H. R. 5543. A bill granting the consent of Congress to Carolina Power & Light Co. to construct, maintain, and operate a dam in the Lumber River; to the Committee on Public Works.

By Mr. HOBBS:

H. J. Res. 334. Joint resolution giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 5544. A bill for the relief of Moody L. Smitherman, Jr., a minor, and Moody L. Smitherman; to the Committee on the Judiciary.

By Mr. BRADLEY:

H. R. 5545. A bill for the estate of Lourdine Livermore and the estate of Dorothy E. Douglas; to the Committee on the Judiciary.

By Mr. GORSKI:

H. R. 5546. A bill for the relief of Harry Tansey; to the Committee on the Judiciary.

By Mr. MACK:

H. R. 5547. A bill for the relief of Albert J. Walch; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5548. A bill for the relief of Caroline M. Newmark and Melville Moritz; to the Committee on the Judiciary.

By Mr. PATTERSON (by request):

H. R. 5549. A bill for the relief of Engebert Axer; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 5550. A bill for the relief of Dr. Victor J. Cabasso; to the Committee on the Judiciary.

By Mr. TAYLOR:

H. R. 5551. A bill for the relief of John F. Galvin; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1411. By Mr. ANDREWS of New York: Resolution adopted by the Senate of the State of New York, urging the cancellation of the present embargo on shipment of arms and munitions to the Jewish people of Palestine; to the Committee on Foreign Affairs.

1412. By Mr. GOODWIN: Memorial of the Massachusetts Senate, urging the enactment of a sound and effective European recovery program; to the Committee on Foreign Affairs.

1413. By Mr. HART: Petition of 100 citizens of Hoboken, N. J., presented by Hoboken Post, No. 107, American Legion, urging that a system of universal military training be established as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1414. Also, petition of Lt. Robert P. Grover Post, No. 377, Jewish War Veterans of the United States, Jersey City, N. J., favoring continuation of Federal rent control; to the Committee on Banking and Currency.

1415. Also, petition of Lt. Robert P. Grover Post, No. 377, Jewish War Veterans of the United States, Jersey City, N. J., urging that the arms embargo now in effect be lifted in order that the Jewish defense forces in Palestine may be able to purchase arms and ammunition for defense purposes; to the Committee on Foreign Affairs.

1416. By Mr. HESELTON: Petition of Charles A. Ward and 32 other residents of Sheffield, Mass., urging support of legislation establishing a system of universal military training as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1417. Also, petition of Mrs. Arnold Brault and 26 other residents of Lee, Mass., urging support of legislation establishing a system of universal military training as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1418. Also, petition of D. Carl Daniel and 85 other residents of Holyoke, Mass., urging support of legislation to establish a system of universal military training as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1419. Also, petition of John J. Shields, Jr., and 21 other residents of North Adams, Mass., urging support of legislation establishing a system of universal military training as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1420. Also, petition of Gerale L. Bessette and eight other residents of Adams, Mass., urging favorable action on passage of the universal military training bill; to the Committee on Armed Services.

1421. Also, resolution of the Massachusetts State Senate, memorializing Congress to enact a sound and effective European recovery program; to the Committee on Foreign Affairs.

1422. By Mr. LECOMPTE: Petition of sundry citizens of Osceola, Iowa, in the interest of universal military training; to the Committee on Armed Services.

1423. Also, petition of sundry citizens of Shannon City, Iowa, in the interest of universal military training; to the Committee on Armed Services.

1424. Also, petition of sundry citizens of Oskaloosa, Iowa, in the interest of universal military training; to the Committee on Armed Services.

1425. Also, petition of sundry citizens of Chariton, Iowa, in the interest of universal military training; to the Committee on Armed Services.

1426. Also, petition of sundry citizens of Creston, Iowa, in the interest of universal military training; to the Committee on Armed Services.

1427. Also, petition of sundry citizens of Chariton, Iowa, in the interest of universal military training; to the Committee on Armed Services.

1428. Also, petition of sundry citizens of Chariton, Iowa, in the interest of universal military training; to the Committee on Armed Services.

1429. By Mr. LYNCH: Petition of the American Legion of Bronx County, urging the United States Government to increase the burial allowance paid to next of kin of veterans from $75 to $250 for private burial purposes, also petitioning Senators and Congressmen, the Post Office Department, and the postmaster of New York to have permission granted to post-office employees to actively participate in burial squads for World War II repatriated dead without loss of pay or charge to leave; to the Committee on Veterans' Affairs.

1430. Also, petition of New York section, National Council of Jewish Women, calling upon Congress and all subordinate agencies of government to immediately withdraw every ban or law which prohibits the full and free delivery of arms and military materials to those who seek to defend Palestine and implement the mandate of the United Nations in support of Palestine partition and calling upon Congress to direct this Government's representatives on the Security Council of the United Nations to immediately sponsor and support United Nations action for the creation of a united security police in defense of Jewish Palestine; to the Committee on Foreign Affairs.

1431. By Mr. MCGARVEY: Resolution adopted by the delegates of the Philadelphia County Council, American Legion, on January 27, in support of the Veterans Homestead Act of 1948; to the Committee on Veterans' Affairs.

1432. Also, resolution presented by the Joseph Vasella Post, No. 277, and unanimously adopted by the delegates of the Philadelphia County Council, American Legion, on January 27, whereby protest is made regarding the proposed entry of Tokyo Rose into the United States; to the Committee on the Judiciary.

1433. By Mr. SMITH of Wisconsin: Petition of members of Memorial Building Chapter, No. 20, Disabled American Veterans, Kenosha, Wis., urging Congress to adopt legislation as is provided in H. J. Res. 260, H. R. 4611, and S. 1825 to class disabled veterans' disability compensations a debt and not a gratuity, gift, or charity, and to grant them their rights under the fifth amendment of the United States Constitution; to the Committee on Veterans' Affairs.

1434. By Mr. TIBBOTT: Petition of citizens of Armstrong County, Pa., urging legislation establishing a system of universal military training; to the Committee on Armed Services.

1435. By the SPEAKER: Petition of Northwest Public Power Association, petitioning consideration of their resolution with reference to a sound Federal power policy; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, FEBRUARY 25, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, in this moment of prayer, wilt Thou make our minds and hearts the sanctuaries of Thy presence, Thy peace, and Thy power.

May our groping and faltering spirits be brought into a glad and willing obedience to Thy spirit to be transformed and touched to finer issues.

Create within us those desires which Thou dost delight to satisfy. Make us more sensitive and responsive to the pulsations of the higher life which Thou hast implanted within our souls.

Grant that as God-fearing men we may be loyal partners with all who are seeking to build a social order in which peace and prosperity shall be the joyous possessions of all the members of the human family.

In Christ's name we offer our prayers and petitions. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 24, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4739. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes and platinum-fox furs, and for other purposes;

H. R. 5275. An act to amend the Tariff Act of 1930 to provide for the free importation of limestone to be used in the manufacture of fertilizer;

H. R. 5328. An act to amend paragraph 1803 (2) of the Tariff Act of 1930 relating to firewood and other woods;

H. R. 5390. An act to continue for a temporary period certain provisions of the Housing and Rent Act of 1947;

H. R. 5391. An act to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947; and

H. R. 5525. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

REPORT OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Interstate and Foreign Commerce.

(For President's message, see today's proceedings of the House of Representatives on p. 1766.)

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Attorney General, withdrawing the name of Tsuimon Tse from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted by him to the Senate on January 15, 1943; to the Committee on the Judiciary.

REPORT OF GENERAL ACCOUNTING OFFICE UNDER CONTRACT SETTLEMENT ACT OF 1944

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of the operations of that Office under section 16 of the Contract Settlement Act of 1944 (with an accompanying report); to the Committee on the Judiciary and ordered to be printed.

REPORTS OF PROCEEDINGS AND ACTIVITIES, ETC., OF NAVY CLUB OF UNITED STATES

A letter from the national commandant and national shipswriter of the Navy Club of the United States of America, Rockford, Ill., transmitting, pursuant to law, reports of the proceedings and activities and statement of receipts and expenditures of that club, 1947 (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A declaration and petition of the Northwest Public Power Association, Inc., Vancouver, Wash., relating to the Federal power policy; to the Committee on Interstate and Foreign Commerce.

By Mr. COOPER:

A resolution of the House of Representatives of the General Assembly of the Commonwealth of Kentucky; to the Committee on Agriculture and Forestry:

"Resolution requesting the Secretary of Agriculture, Clinton P. Anderson, to rescind the order directing a 10-percent reduction in burley-tobacco acreage

"Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

"SECTION 1. That the Secretary of Agriculture, Clinton P. Anderson, be, and he hereby is, requested, by virtue of his authority, to rescind the order directing a 10-percent reduction in burley-tobacco acreage.

"SEC. 2. The Clerk of the House of Representatives is hereby directed to send copies of this resolution to Clinton P. Anderson, Secretary of Agriculture, and United States Senators A. W. BARKLEY and JOHN S. COOPER, and Congressmen FRANK L. CHELF, VIRGIL CHAPMAN, NOBLE GREGORY, BRENT SPENCE, JOE BATES, HOWES MEADE, and THRUSTON MORTON."

A concurrent resolution of the General Assembly of the Commonwealth of Kentucky; to the Committee on Interstate and Foreign Commerce:

"Resolution upon the proposed elimination of the veterans' flight training program

"Whereas this general assembly is charged with the duty of fostering and regulating those undertakings considered by it to be progressive and advantageous to the people, welfare and prosperity of the Commonwealth of Kentucky, and to the people and welfare of the whole of the United States; and

"Whereas the veterans' flight training program carried out by the United States Government by authority of Public Law No. 346 is considered by this general assembly as a program that is advantageous to the people of this Commonwealth, to their prosperity, and to their general welfare; and

"Whereas there is an effort being made by a Member of the United States Congress and members of the United States Veterans' Administration to have enacted by the United States Congress legislation designed to eliminate the veterans' flight training program; and

"Whereas this general assembly is convinced that the veterans participating and receiving instruction in the said flight training program are greatly benefited in their general education thereby and will be and are a backlog of trained pilots ready for immediate call to duty as pilots in the United States Air Corps in case of national emergency; and

"Whereas it is believed by this general assembly that the elimination of said program will seriously affect the prosperity, security, and welfare of the people of this Commonwealth and of the country as a whole; and

"Whereas the enactment of such legislation will cause over 50 percent of the fixed based operators in Kentucky to cease operations, thereby eliminating a public utility provided to many of their communities: Therefore, be it

"Resolved by the Senate and House of Representatives of the Commonwealth of Kentucky, That they voice their approval of the veterans' flight training program carried out by the United States Veterans' Administration under the provisions of Public Law No. 346 as being a vital aid in the progress and advancement of aviation, an educational program contributing to the welfare and prosperity of our people and a system whereby the United States has in store a well-trained group of pilots ready and able to man the air forces of our country in case of national emergency; and be it further

"Resolved by the Senate and House of Representatives of the Commonwealth of Kentucky, That they voice their disapproval of any and all efforts of any and all persons to eliminate the veterans' flight training program; and be it further

"Resolved by the said senate and house of representatives, That the United States Senators and Representatives from Kentucky be requested to exert all efforts and influences that they and each of them may have, in a concerted effort to defeat any and all attempts that are made to have the United States Congress enact legislation designed to eliminate the veterans' flight training program; and be it further

"Resolved, That this resolution be spread at large on the journals of both the senate and house of representatives and that copies thereof be sent to the President of these United States of America and to the United States Senators and Representatives from this Commonwealth."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 69. A bill for the relief of Mrs. Florence Benolken; with an amendment (Rept. No. 920);

S. 148. A bill for the relief of Charles G. Meyers; with an amendment (Rept. No. 921);

S. 576. A bill for the relief of Dan C. Rodgers; without amendment (Rept. No. 922);

S. 1164. A bill for the relief of Doris D. Chrisman; without amendment (Rept. No. 908);

S. 1263. A bill for the relief of Fire District No. 1 of the town of Colchester, Vt.; without amendment (Rept. No. 909);

S. 1588. A bill for the relief of E. W. Strong; without amendment (Rept. No. 923);

S. 1654. A bill for the relief of John E. Peterson and Guy F. Allen; without amendment (Rept. No. 910);

S. 1875. A bill for the relief of the estate of Francis D. Shoemaker; without amendment (Rept. No. 924);

H. R. 697. A bill for the relief of Mrs. Essie N. Fannin, Miss Helen Hicks, Miss Marie Hicks, Miss Frances Fannin, William O. Thompson, and Mrs. W. D. Thompson; without amendment (Rept. No. 925);

H. R. 1131. A bill to confer jurisdiction upon the Ccurt of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker; without amendment (Rept. No. 911);

H. R. 1298. A bill for the relief of Anastasios Panage Ioannatos (known as Anastasios Panage Ionnetos or Tom Panage Yanatos); without amendment (Rept No. 912);

H. R. 1654. A bill for the relief of the estate of Mrs. Elizabeth Campbell; without amendment (Rept. No. 926);

H. R. 1864. A bill for the relief of Mrs. Raiford D. Smith; without amendment (Rept. No. 927);

H. R. 2012. A bill for the relief of Mrs. Pearl Cole; without amendment (Rept. No. 913);

H. R. 2373. A bill for the relief of Stanley-Yelverton, Inc.; without amendment (Rept. No. 914);

H. R. 2374. A bill for the relief of Nita H. Stanley; without amendment (Rept. No. 915);

H. R. 4331. A bill for the relief of Bertha M. Rogers; without amendment (Rept. No. 916);

H. R. 4541. A bill for the relief of Jesse F. Cannon, Jackson Jones, and the estate of John Halstadt; without amendment (Rept. No. 917);

H. R. 4570. A bill for the relief of Howard A. Yeager; without amendment (Rept. No. 918); and

H. R. 4838. A bill to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States; with an amendment (Rept. No. 919).

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

H. R. 3175. A bill to add certain public and other lands to the Shasta National Forest, Calif.; without amendment (Rept. No. 928);

H. R. 3936. A bill to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia, and for other purposes; without amendment (Rept. No. 929);

H. R. 3973. A bill relating to the compensation of Commissioners for the Territory of Alaska; without amendment (Rept. No. 930); and

H. R. 4980. A bill relating to the acquisition by the United States of State-owned lands within Glacier National Park, in the State of Montana, and for other purposes; without amendment (Rept. No. 931).

By Mr. WATKINS, from the Committee on Interior and Insular Affairs:

S. 1468. A bill providing for payment of $50 to each enrolled member of the Mescalero Apache Indian Tribe from funds standing to their credit in the Treasury of the United States; without amendment (Rept. No. 932); and

H. R. 2502. A bill to provide for the general welfare and advancement of the Klamath Indians in Oregon; with an amendment (Rept. No. 933).

EXTENSION OF TIME FOR FILING REPORT ON INVESTIGATION OF THE RFC

Mr. BUCK. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably without amendment Senate Resolution 203, to extend for 1 month the time for filing the report on the investigation of the operations of the Reconstruction Finance Corporation and its subsidiaries, submitted by me on February 20, 1948, and I request its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Delaware?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That section 2 of Senate Resolution 132, Eightieth Congress, agreed to July 23, 1947, to investigate the operations of the Reconstruction Finance Corporation and its subsidiaries, is amended by striking out "March 1, 1948," and inserting in lieu thereof "April 1, 1948."

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 2214. A bill for the acquisition of additional land adjoining the Federal building in Chippewa Falls, Wis.; to the Committee on Public Works.

By Mr. BRIDGES (for himself, Mr. PEPPER, Mr. IVES, and Mr. MURRAY):

S. 2215. A bill to provide for research and control relating to diseases of the heart and circulation; to the Committee on Labor and Public Welfare.

By Mr. REED:

S. 2216. A bill to amend rection 205 of the Interstate Commerce Act, relating to joint boards; to the Committee on Interstate and Foreign Commerce.

By Mr. McCARRAN:

S. 2217. A bill conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the joint claims of Silas Mason Co., Inc., Walsh Construction Co., and Atkinson-Kier Co.;

S. 2218. A bill to provide for the settlement of claims of persons employed in Federal penal and correctional institutions for damage to or loss or destruction of personal property occurring incident to their service; and

S. 2219. A bill to provide for the settlement of claims of military personnel and civilian employees of the Federal Government for damage, loss, or destruction of their personal property occurring as an incident to their service; to the Committee on the Judiciary;

By Mr. MAGNUSON:

S. 2220. A bill for the relief of Albert J. Walch; and

S. 2221. A bill for the relief of Henry A. Ninemires; to the Committee on the Judiciary.

By Mr. BARKLEY:

S. 2222. A bill relating to the rights of the several States in lands beneath inland navigable waters and to the recognition of equities in submerged coastal lands adjacent to the shores of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

(Mr. HICKENLOOPER (for himself, Mr. VANDENBERG, Mr. JOHNSON of Colorado, Mr. RUSSELL, Mr. MILLIKIN, Mr. KNOWLAND, and Mr. BRICKER) introduced Senate bill 2223, to authorize the promotion of Lt. Gen. Leslie Richard Groves to the permanent grade of major general, United States Army, and for other purposes, which was referred to the Committee on Armed Services, and appears under a separate heading.)

(Mr. FERGUSON introduced Senate bill 2224, to amend the Veterans' Preference Act of 1944 with respect to the priority rights of veterans entitled to 10-point preference under such act, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

By Mr. BALDWIN:

S. 2225. A bill to transfer administration of the Federal Credit Union Act to the Federal Security Agency; to the Committee on Banking and Currency.

By Mr. HOLLAND (for himself, Mr. PEPPER, Mr. HILL, Mr. SPARKMAN, Mr. MCCLELLAN, Mr. FULBRIGHT, Mr. MAYBANK, Mr. JOHNSTON of South Carolina, Mr. GEORGE, Mr. RUSSELL, Mr. TYDINGS, Mr. O'CONOR, Mr. EASTLAND, Mr. STENNIS, Mr. MCKELLAR, Mr. STEWART, Mr. CONNALLY, Mr. O'DANIEL, Mr. BYRD, Mr. ROBERTSON of Virginia, Mr. HOEY, Mr. UMSTEAD, Mr. BARKLEY, Mr. COOPER, Mr. THOMAS of Oklahoma, Mr. MOORE, Mr. OVERTON, Mr. ELLENDER, and Mr. KILGORE):

S. J. Res. 191. Joint resolution giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. J. Res. 192. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1948, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

LT. GEN. LESLIE RICHARD GROVES

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill, and to make a brief statement of about 2 minutes in connection with it, so that the statement may appear in the RECORD for the information of the Senate.

The bill is one proposing and authorizing the President of the United States to appoint Maj. Gen. Leslie Richard Groves as a permanent major general in the United States Army on the day prior to his retirement, so that he will be in fact a permanent major general of the United States Army at the time of his retirement.

General Groves has applied for retirement and, as I understand, according to present plans, will be retired from the Regular Army on next Sunday. I personally feel that substantial recognition of a public nature by the Congress is fully justified in connection with the unique and outstanding service of General Groves in connection with the Manhattan district operation. I shall express myself a little further on that subject at a later date, but I am sincerely hopeful that the Members of the Senate and the Congress generally will be unanimous in joining in agreement that his service has been outstanding, that extraordinary recognition therefore is due him, and that they will speedily consider and pass the proposed legislation.

For that reason, Mr. President, I am making this statement for the RECORD today, so that Senators may anticipate the proceedings on the bill.

There being no objection, the bill (S. 2223) to authorize the promotion of Lt. Gen. Leslie Richard Groves to the permanent grade of major general, United States Army, and for other purposes, introduced by Mr. HICKENLOOPER (for himself, Mr. VANDENBERG, Mr. JOHNSON of Colorado, Mr. RUSSELL, Mr. MILLIKIN, Mr. KNOWLAND, and Mr. BRICKER), was received, read twice by its title, and referred to the Committee on Armed Services.

PRIORITY RIGHTS OF VETERANS

Mr. FERGUSON. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend the Veterans' Preference Act of 1944 with respect to priority rights of veterans entitled to 10-point preference under the act, and I request that it be printed in full in the RECORD.

There being no objection, the bill (S. 2224) to amend the Veterans' Preference Act of 1944 with respect to the priority rights of veterans entitled to 10-point preference under such act, introduced by Mr. FERGUSON, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first proviso in section 8 of the Veterans' Preference Act of 1944 is amended to read as follows: *"Provided,* That an appointing officer who passes over a 10-point preference veteran eligible and selects a 5-point preference veteran eligible or passes over any veteran eligible and selects a nonveteran shall file with the Civil Service Commission his reasons in writing for so doing, which shall become a part of the record of the veteran eligible passed over, and shall, upon request, be made available to him or his designated representative; the Civil Service Commission is directed to determine the sufficiency of such submitted reasons and, if found insufficient, shall require such appointing officer to submit more detailed information in support thereof; the findings of the Civil Service Commission as to the sufficiency or insufficiency of such reasons shall be transmitted to and considered by such appointing officer, and a copy thereof shall be sent to the veteran eligible passed over or to his designated representative upon request therefor."

CONTINUATION OF AUTHORITY OF MARITIME COMMISSION TO SELL, CHARTER, AND OPERATE VESSELS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to submit a concurrent resolution which I send to the desk, and I request its immediate consideration.

The PRESIDENT pro tempore. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution (S. Con. Res. 43) was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes, be, and he is hereby, authorized and directed to strike out, in the title of said joint resolution, the word "July" and insert "March", so that as amended the title will read: Joint resolution to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes."

Mr. KNOWLAND. Mr. President, in explanation of the concurrent resolution, I may say that in Senate Joint Resolution 173, which came before the Senate on yesterday for action on the House amendment, the date was changed from July to March, but the title of the joint resolution was not changed to conform. The concurrent resolution I am now submitting merely takes care of that situation.

The PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 4739. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes and platinum fox furs, and for other purposes;

H. R. 5275. An act to amend the Tariff Act of 1930 to provide for the free importation of limestone to be used in the manufacture of fertilizer;

H. R. 5328. An act to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods; to the Committee on Finance; and

H. R. 5525. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

ADDRESS BY SENATOR BROOKS BEFORE PENNSYLVANIA MANUFACTURERS' ASSOCIATION

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by Senator BROOKS before the thirty-ninth annual meeting of the Pennsylvania Manufacturers' Association and its casualty and fire insurance companies at Philadelphia, Pa., on February 24, 1948, which appears in the Appendix.]

GEORGE WASHINGTON AND THE YEAR 1948—ADDRESS BY GORDON GRAY

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address on the subject, George Washington and the Year 1948, delivered by Hon. Gordon Gray, Under Secretary of the Army, at the one hundred and forty-first annual banquet of the Washington Light Infantry at Charleston, S. C., February 21, 1948, which appears in the Appendix.]

ADDRESS BY MOST REV. FRANCIS P. KEOUGH ON THE OCCASION OF HIS INSTALLATION AS ARCHBISHOP OF BALTIMORE

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an address delivered by the Most Rev. Francis P. Keough on the occasion of his installation as archbishop of Baltimore February 24, 1948, which appears in the Appendix.]

THE NATION'S POWER SUPPLY—ARTICLE BY A. G. MEZERIK

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "Our Lights Are Going Out," by A. G. Mezerik, published in the February 1948 issue of Collier's magazine, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—ARTICLE BY OSCAR R. EWING, FEDERAL SECURITY ADMINISTRATOR

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "We Are Cheating Our Children," by Oscar R. Ewing, Federal Security Administrator, published in the February 1948 issue of the American Magazine, which appears in the Appendix.]

THE INCREASE IN STEEL PRICES—EDITORIAL COMMENT

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Steel Begs For Trouble," from the Washington Daily News for February 21, 1948; an editorial entitled "Steel Goes Up," from the Washington Post; and an editorial entitled "Industrial Statesmanship," from the Washington Evening Star of February 21, 1948, which appear in the Appendix.]

THE TEXTILE SITUATION—ARTICLE BY DOUGLAS COMER

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an article written by Douglas Comer for the January 1948, textile edition of the New York Journal of Commerce, which appears in the Appendix.]

THE BUSINESS APPROACH—EDITORIAL FROM THE PEORIA JOURNAL-TRANSCRIPT

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "The Business Approach," published in the February 10, 1948, issue of the Peoria (Ill.) Journal-Transcript, which appears in the Appendix.]

THE MARCH OF RUSSIA IN EUROPE

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Stalin's Step Toward War," published in the Washington News of February 25, 1948, which appears in the Appendix.]

THE FRATERNAL ORDER OF EAGLES—ARTICLE BY RICHARD S. DAVIS

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article commemorating the fiftieth anniversary of the founding of the Fraternal Order of Eagles, entitled "Fifty Years of Service," written by Richard S. Davis, and published in the magazine Eagle, which appears in the Appendix.]

LIVING WITH LINCOLN: A NEW IMPRESSION—ARTICLE BY J. G. RANDALL

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article entitled "'Living With Lincoln'—A New Impression," by J. G. Randall, from the New York Times magazine of December 14, 1947, which appears in the Appendix.]

MARY SUNGDUK CHARR

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 316) for the relief of Mary Sungduk Charr, which was to strike out lines 9 to 14, inclusive.

Mr. DOWNEY. I have taken this amendment up with the Senator from

Wisconsin [Mr. WILEY] the chairman of the Committee on the Judiciary, and it is satisfactory to him. Therefore I move that the Senate concur in the amendment of the House.

The motion was agreed to.

SANG HUN SHIM

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 521) to permit the naturalization of Sang Hun Shim, which was, to amend the title so as to read: "An act for the relief of Sang Hun Shim."

Mr. McMAHON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AUTHORIZATION TO COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—MOTION TO RECONSIDER

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside so that the Senate may proceed to consider the motion of the senior Senator from Illinois [Mr. LUCAS] that the vote by which Senate Resolution 189 was agreed to be reconsidered.

Mr. BARKLEY. I will ask the Senator to withhold the request temporarily. The Senator from Illinois is on his way to the Senate, and in the meantime we might have a quorum call.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Moore
Baldwin	Hayden	Murray
Barkley	Hickenlooper	Myers
Brewster	Hill	O'Conor
Bricker	Hoey	O'Daniel
Bridges	Holland	O'Mahoney
Brooks	Ives	Overton
Buck	Jenner	Pepper
Bushfield	Johnson, Colo.	Reed
Butler	Johnston, S. C.	Revercomb
Byrd	Kem	Robertson, Va.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Sparkman
Chavez	Lodge	Stennis
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tobey
Ecton	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Magnuson	Wiley
Fulbright	Malone	Williams
George	Martin	Wilson
Green	Maybank	Young
Gurney	Millikin	

Mr. KNOWLAND. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

Mr. BARKLEY. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

CONTINUATION FOR 30 DAYS OF HOUSING AND RENT ACT OF 1947

Mr. TOBEY. Mr. President, I ask unanimous consent for the present consideration of House bill 5390, an act to continue for a temporary period certain provisions of the Housing and Rent Act of 1947. The reason for the request is the action of the House taken yesterday, in connection with which they pointed out that in their judgment they could not pass the rent-control bill which the Senate passed yesterday before the expiration of the Rent Control Act of 1947 on next Saturday. Therefore, the House yesterday passed House bill 5390 continuing certain provisions of the Housing and Rent Act for 1947 for 30 days. In the time between now and the 1st of April the House will have an opportunity to consider and act on the rent-control bill which the Senate passed yesterday. I now ask unanimous consent that the Senate at this time consider the bill which the House passed yesterday.

The PRESIDENT pro tempore. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5390) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947.

The PRESIDENT pro tempore. The Senator from New Hampshire asks unanimous consent for the present consideration of House bill 5390. Is there objection?

Mr. BARKLEY. Mr. President, reserving the right to object, I think it is extremely unfortunate that we are not prepared to enact legislation for the full period for which Congress is willing to extend rent control. I do not assess any blame at any particular point; but we have been in session for 2 months, and we have known all the time that there had to be an extension of rent control. Yesterday the Senate passed a bill extending rent control for 14 months. It is unfortunate that the Congress will not be able to complete action on that legislation this week, so as to avoid taking two or three bites at the cherry before we are through.

I should like to ask the Senator from New Hampshire if he is certain that the House will not be able before the expiration of the present law to act upon the bill which the Senate passed yesterday.

Mr. TOBEY. That is the advice which I have received from Members of the House, and also from the Senator from Ohio [Mr. TAFT] and the Senator from Washington [Mr. CAIN].

I may say to the Senator from Kentucky that I share his feelings. I deprecate the habit of constantly passing continuing resolutions. In my judgment, that is not the way to legislate.

Mr. BARKLEY. The habit is deeper than that. The habit is to postpone things until the last minute, when some law is about to expire, and then rush in with a continuing resolution extending the law for a month or so. I think that is unfortunate. However, in view of the situation, I certainly shall not object to the consideration of the bill. I hope that within the next 30 days Congress will be able to complete action on rent-control legislation.

Mr. TOBEY. The committee shares that hope.

Mr. TAFT. Mr. President, the House committee has given me every assurance that it will proceed immediately in good faith to consider the Senate bill which was passed yesterday. However, I am informed that action could not be completed by the end of February. I have every reason to hope that we shall have the proposed legislation back here long before the end of March.

Mr. BARKLEY. Under the circumstances, I shall not object.

The PRESIDENT pro tempore. Is there objection to the present consideration of House bill 5390?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

WORK SHEET FOR FEDERAL BUDGET, 1949

Mr. AIKEN. Mr. President, I wish to take 2 or 3 minutes to explain the blue-covered document on the desks of Senators. I assure the Senate that there is no particular significance in the selection of the color. A condensed version of the budget requests lies between the covers. This document is a budgetary working tool, prepared for the use of Members of Congress by the Committee on Expenditures in the Executive Departments.

Almost without exception, Members of Congress in consulting the President's budget are unable to find the complete information they desire, and sometimes become confused, annoyed, or completely frustrated. The President's latest budget which was submitted to the Congress contains 1,434 pages of fine print. The volume of detail and the multiplicity of tables make constant cross-reference necessary and lead to the state of mind I have just described.

In a preliminary effort, for the 1948 fiscal year, the Expenditures Committee prepared a small pocket budget summary which listed all the significant figures in the entire Federal budget. This year, because appropriations bills are yet to be voted on, we have devised an entirely new presentation of the budget. This document we call the Work Sheet for the Federal Budget. All the significant detail in the budget for the entire Federal Government is contained in 18 pages. With three exceptions, every department and large agency has its budget presented on a single page. Cross-reference is unnecessary and all the detail that most Senators and Representatives need is presented within the space of a few inches.

To give a comparison, we present the requests of the Department of Agriculture in one and one-quarter pages. In the President's budget this same Department is presented on 219 pages located

in 8 different portions of the book. If a Member simply must have the details of the budget request on a particular item, he may take a day or two off to thumb through the 1,434-page Budget, in the hope that he will be able to find what he is looking for.

So many details are provided in the President's budget that the main issues—how much money is on hand and how much is needed—are frequently obscured.

The President's budget, big as it is, still is not quite complete. It fails to present or it obscures funds available for obligation so that it appears that less money is being requested than is actually the case. This is true in "prior year" and "no year" appropriations and in authorizations to expend from special and operating funds. Table I of the work sheet shows that these funds amount to more than $3,750,000,000. The President requested appropriations of $39,652,000,000. If this were granted, the Government would have a total of $43,443,000,000 to expend. This should make an important difference to Members of Congress and to taxpayers. Our committee wishes to lay especial emphasis on this fact. This is not a new condition, but it is one which is never sufficiently pointed up, and I doubt that many Members of Congress even realize that it exists.

In presenting this work sheet, the committee has not merely presented the budget requests for 1949 but has, for purposes of comparison, also set forth amounts approved in 1948 and provided a work-sheet space opposite each appropriation item where the Member may enter amounts which he deems desirable, the amounts approved in the House, in the Senate, in the final appropriation bill, deficiency appropriations, and the totals appropriated in 1949. If a Member is interested only in one department, he can cut that sheet out of the booklet and carry it around with him. The entire booklet can also be carried around with ease. In fact, if I were speaking in a lighter vein, I might have called our presentation the portable budget.

We hope that each Member of Congress will find these work sheets of use. We have provided a copy for each Member's desk and for his office. This project, which has involved a great deal of detailed work, has been entered into by the Committee on Expenditures in the Executive Departments as a service to the Congress in furtherance of what it considers to be its duty.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HAYDEN. I wish to compliment the Senator on his work. I have read the letter of transmittal. I wish to raise a question about the text. In the second column it is stated:

> Full information is provided relative to additional authorizations granted by Congress for the obligation of operating or special funds. Also, compilations have been prepared on the amount of carry-over funds available for obligations during both the 1948 and 1949 fiscal years from appropriations made in preceding years under multiple or no-year authorizations.

In the Senate Subcommittee on the Interior Department, of the Committee on Appropriations, we spent approximately 6 weeks discussing what were carry-over funds. I wish to know if the Senator has clearly in mind the difference between an unexpended balance and an unobligated balance. In the last session of Congress we proceeded upon the assumption, with respect to public works in general, and particularly with respect to reclamation projects, that if money was available at the end of the fiscal year, it was also unobligated. On that basis there was a substantial cut of approximately one-third in the total of the budget estimates for public works of that character. Before we were through we discovered that the money may have been unexpended but obligated. The cuts which were made in the regular session had to be restored at the special session of Congress.

There is one other item which I should like to bring to the Senator's attention. In the third column of the letter of transmittal it is stated:

> The appropriation acts for 1948 automatically include funds for carrying out approved contract authorizations for 1947 or prior years, and the 1949 budget requests include funds to implement approved 1948 contract authorizations.

I wish that were true, but it simply does not happen to be so, because if there were an automatic appropriation merely because the contract had been authorized, we would not have had to shut down projects as we did some months ago. So I think that statement is a little broad.

Mr. AIKEN. Let me say that this is an effort to clarify the budget requests, for the benefit of the Members of Congress; and of course there is much work to be done beyond this. For instance, the representatives of a department may come before a congressional committee and may say, "We are out of money. We have obligated all our money." I believe such statements have been made. The department's representatives may say, "We have to have $30,000,000 more to carry on work which Congress wants us to do."

That may be true. Then the department gets the additional appropriation; but subsequenty it is found, a month afterward, that the department has more money on hand than its representatives said they had. Evidently what happens is that they obligate the funds, but the contracts also carry provisions for unobligating them. So the representatives of such departments can come before the congressional committees and state that they are broke, and get further appropriations, and then subsequently have on hand for expenditure more money than the Congress appropriated. The only explanation for that is that they unobligate these funds after they get what they request from the Congress.

Mr. HAYDEN. Mr. President, I sympathize with what the Senator says, in this regard. I am not at all satisfied with the bookkeeping of various departments of the Government. An illustration of that situation is the case where there should have been ample notice that funds were not available, so that work would not have been discontinued. But the Reclamation Service simply did not know it in time, so we were in trouble.

I wish to cooperate with the Senator in improving the bookkeeping in the departments. But certainly this statement cannot be true:

> The appropriation acts for 1948 automatically include funds for carrying out approved contracts—

because there can be contracts which extend over 3 or 4 years; and, as a matter of fact, many of the contracts for public works do.

It is distinctly set out in the signed agreements that the contract is subject to appropriations made by Congress; and if Congress does not appropriate the money, the contractor cannot be paid for his work. So that statement needs further clarification, I am quite sure.

Again I wish to compliment the Senator upon the action he has taken in this regard. It is highly advantageous and will be very helpful to all Members of Congress.

Mr. AIKEN. Probably the word "automatically" is not the correct word to be used there. But there is a moral obligation to appropriate the funds, and the Congress cannot ignore that obligation.

Mr. HAYDEN. I am entirely in accord with that statement, too.

Mr. AIKEN. I agree with the Senator from Arizona that probably a better word than "automatically" could have been used in this statement.

THE ST. LAWRENCE SEAWAY AND THE IRON-ORE SITUATION

Mr. WILEY. Mr. President, one of the most serious elements in our entire national defense and industrial health picture is the rapid depletion of our commercial iron-ore resources, on which our entire military and civilian economy depend. In supporting the St. Lawrence seaway, the proponents have emphasized time and again the absolute necessity of building the seaway in order to permit the importation of proven resources of Labrador ore, once the Mesabi Range is exhausted.

Although the opposition has made an elaborate show of its sympathy with our problems of national defense, it has ignored this vital defense point. Last night the junior Senator from Massachusetts [Mr. LODGE], in debating with the senior Senator from Vermont [Mr. AIKEN], Representative MEADE, from Maryland, and myself, over the American Town Hall of the Air, contended that we should be looking to our national defense needs, rather than building this seaway.

It is not a matter of alternatives—either building the seaway or protecting the national defense. It is a matter of doing both, as we see it; because the St. Lawrence seaway, as was testified by authority after authority before the Senate Foreign Relations Committee, is a vital component of national defense.

Mr. President, I have here a rather extensive statement on this critical iron-ore situation. I shall not take the time of my colleagues to read it now, but I ask unanimous consent that it be printed at this point in the CONGRESSIONAL RECORD. I commend it to the serious attention of my colleagues. I commend it to

all elements of American industry, which, if they read it in full, will appreciate now, more than ever before, the vital need for backing up their legislators who are striving for the seaway.

Mr. President, if we do not enact the seaway legislation, we shall regret the day of its failure, as we have regretted other sad occasions when we manifested a lack of vision. We shall in effect be tying a noose around our own necks, and as the days go by the noose will be drawn tighter and tighter.

There being no objection, the statement prepared by Mr. WILEY was ordered to be printed in the RECORD, as follows:

IRON ORE

Mr. President, in connection with the St. Lawrence seaway project, I wish to undertake an analysis of the role it will play in the conservation of mineral resources and particularly its contribution toward replenishment of our exhausting iron ores. The junior Senator from Massachusetts dealt with this subject and left the impression that there was no need to be concerned about the exhaustion of iron ores in the United States.

Mr. President, there is a conflict of views and contradiction of facts in the record on this subject and I consider it of such overriding importance from the point of view of national welfare and future security that I would like to give a statement of the facts in evidence as to the situation of our iron ore resources and of the alternative solutions to this difficult and important problem.

The junior Senator from Massachusetts questioned the fact so often repeated by nearly every authority on the iron-ore situation in this country that our high-grade ore resources are being rapidly exhausted. In support of his contention he quoted a statement by Mr. Wilford Sykes, president of the Inland Steel Co., as follows (CONGRESSIONAL RECORD, January 28, p. 639):

"At the present time, in spite of the stories you hear, we have in sight or pretty close to sight—in fact, we are pretty sure of some of the things but we don't always want to find our ore—according to competent geologists, about 1,300,000,000 tons of high-grade easily mined ores, and that is not the total by a long way."

Mr. President, here is all the evidence we have that the iron-ore resources will be ample for a long time in the future, and it is based upon the statement of one person who says, that in addition, there are unrevealed, untapped, unexplored resources below ground which no one has proved by drilling and no one is willing to admit in public because of the tax laws. That is the evidence upon which we are urged to forget our fears and to put aside our concern for the future of our middle western steel industry.

Mr. President, this is a shallow basis upon which to take a chance on the future stability of our iron and steel industry, and the security of the country.

I am willing to accept this figure of 1,300,000,000 tons of high-grade ore lying in the Lake Superior region, but I am not willing to agree to the optimistic prediction that this ore will last for 30 years.

Last year, 1947, we extracted over 80,000,000 tons of ore from the Lake Superior region. The average rate of consumption during the war years—1941–45—was over 82,000,000 tons a year. Since 1941, we have used up from the Lake Superior district alone a total of nearly 560,000,000 tons. At this rate of extraction, which is likely to be maintained during the next 5 years, in the light of the European recovery program, the reserves the junior Senator from Massachusetts gives as evidence that we should not worry about the future of the steel industry in the Middle West would last only a matter of 16 years. If we added to this known reserve those not yet disclosed, a highly optimistic potential of another 500,000,000 tons, the iron and steel industries in the Great Lakes area could have at the maximum, only a 22-year supply.

At this point I wish to insert in the RECORD the estimates of known iron-ore reserves given by the United States Bureau of Mines as of March 11, 1947:

Life of Lake Superior iron-ore ranges based on known reserves and the 1945 rate of output

[Data are in gross tons]

Range	Reserves	Production	Theoretical life-years
Mesabi	962, 290, 748	58, 365, 139	16
Vermillion	12, 349, 903	1, 481, 007	8
Cuyuna	59, 659, 027	2, 971, 288	20
State ore (nontaxable)	19, 865, 715		
Gogebic	37, 828, 392	4, 395, 653	9
Marquette	51, 648, 430	4, 664, 816	11
Menominee	48, 260, 784	4, 140, 239	12
Total	1, 191, 902, 999	76, 018, 142	16

Mr. President, this 22-year outside limit of the iron-ore reserves in the Lake Superior region, including undisclosed reserves, though it implies a comfortable margin, is in fact of profound concern to individual steel producers in the Great Lakes area because a large portion of the high-grade ore reserves in the Mesabi Range is controlled by one of the principal steel producers (United States Steel). The other producers are increasingly dependent upon the dwindling supply in the control of those few fortunate producers who still have some of this precious metal in the soil.

These are the facts, Mr. President, and let us see what recognized authorities on the subject have to say about it. I have in my possession the January 1948 issue of Steelways, which is the publication of the American Iron and Steel Institute. The leading article in that issue is by Mr. John D. Green, who was specially assigned to investigate the iron-ore situation and the future of the steel industry. The article is entitled "There Is Plenty of Iron," but this is what he has to say about the exhaustion of high-grade iron ore:

"The curtain is falling upon open-pit mining of Lake Superior area ore, which can be shipped to steel plants and used as is. The end will come in different years for different companies—in less than 5 years for some, perhaps within 24 for the last.

"One steel concern controls about 42 percent of the remaining direct-shipping Minnesota ore. Another controls about 15 percent, and still another controls about 13 percent. That leaves 30 percent, control of which is divided unequally among 5 other major steel concerns. Some of the latter are due to run out of direct-shipping ore in the very near future. They are the ones which are under the most urgent pressure to find other sources of supply."

Later on in this article it is stated that the normal future demand of the steel industry may be around 80,000,000 tons of ore annually in the Great Lakes area. The article continues:

"When the open pits no longer produce the steel industry will have to get forty-five to fifty million annual tons elsewhere—and some of it soon."

Mr. President, there is general agreement between Mr. Sykes of the Inland Steel Co., whom the opponents of this project use in their behalf, and the estimates of the Bureau of Mines on the amount of ore still known to exist. One factor, however, which was not mentioned is that a much smaller portion of this ore is accessible open-pit ore. It is generally accepted that the available open-pit ores amount to about 500,000,000 tons at the present time. Since no more than 20,000,000 tons can be extracted from other than open-pit sources, it is clear that the remainder of the annual requirements for the Great Lakes mills, anywhere from 45,000,000 to 60,000,000 tons a year, must be obtained from these open-pit sources. On that basis, the open-pit ores would last no longer than ten more years. Mr. C. M. White, president of the Republic Steel Corp., in a speech on the seventy-fifth anniversary of the American Institute of Mining and Metallurgical Engineers on March 17, 1947, spoke as follows (address by C. M. White, p. 23):

"But ore cannot be produced on the basis of mathematical averages. Some pits will be exhausted long before the computed average life of the reserves; others will persist much longer. The result will be that 55,000,000 tons a year of open-pit ore can be produced for perhaps half of the period of years indicated as the present life of the known reserves. Then the production will begin to decline. A year will come all too soon when the open pits will produce only 40,000,000 tons, then 35,000,000 tons, and progressively less."

Mr. White continued, and I wish to impress this upon my colleagues with all the force at my command (p. 23):

"I have used definite figures to illustrate my point. You may not agree with those definite figures. Whether you do or not is not important. It makes small difference whether the shortage comes in 5 years, 10 years, or even longer. The point is that, in a distressingly short period of years, Minnesota open-pit ores will be available in insufficient quantity, with all that other mines of Lake Superior can produce, to supply the needs of the steel industry dependent upon lake ore."

Mr. President, this is not a nightmare conjured by proponents of the seaway. The exhaustion of iron ores is recognized even by the opponents of this project. Mr. R. C. Allen, of the Reserve Mining Co., of Cleveland, Ohio, appeared before the subcommittee of the Senate Foreign Relations Committee in 1946 and stated:

"It is not that iron mining in Lake Superior shall cease in measurable time from exhaustion of ore that is of present concern, but that productive capacity of the mines will decline below needs. The open pits now supply two-thirds of the whole output. They cannot long maintain their present production, and when they begin to fail the underground mines will not be able to make up the shortage, although underground mining will continue long after the open-pit mines have ceased to dominate the industry. Declining production will be accompanied by rising cost, and eventually this cost will rise to the level of cost of production from taconite. This is foreseen by all ore producers" (p. 1363).

Prof. Marvin Barloon, of Western Reserve University, in Cleveland, Ohio, an authority on the iron and steel industry, confirms the statements of Mr. White and the Bureau of Mines and Steelways in a very profound article in Harper's magazine of August 1947. This is how he summarizes the situation:

"The steel industry faces a momentous change which will have a profound effect upon the future of the United States, and may in time touch the lives and fortunes of every one of us. Costly new processes are going to have to be added to steel making, and much of the industry is going to have to move to other parts of the country. These changes—which are already beginning—are not the result of the inventions of engineers or the discoveries of prospectors. The simple fact is that the iron ore is running out."

The knowledge of this impending exhaustion of our commercial iron-ore resources is not restricted to the experts of the industry, but on the contrary has been widely publicized and is a matter of accepted fact. Business Week magazine of April 19, 1947, under the caption "United States iron ore reserves low," had this to say about the situation:

"How long could United States ore deposits keep supplying the growing appetite of the steel industry? And what would happen if and when they failed? * * *

"The answers hinge on some important if's: If no new high-grade ores are discovered in the Midwest; or if low-grade ores cannot be used economically; or if—for lack of a St. Lawrence waterway—insufficient ores can be imported by water, then: In perhaps a generation or two the Great Lakes will no longer be steel's heartland * * * steel men cannot operate on a hand-to-mouth basis when it comes to supplies. Their $4,400,000,000 capital investment demands that they look 10 or 20 years ahead.

"ORE FOR THE FUTURE

"Thus they are searching now for new sources of ore. Among the numerous alternatives, the really important one is this: How economically can the low-grade ore still existing in large quantities in Minnesota's great Mesabi Range and elsewhere be utilized? Right now, the answer is not too cheering. Taconite, an iron-bearing rock, abounds in Minnesota * * * an economical means for treating (beneficiating) it to remove the iron has yet to be developed. Use of taconite entails long-range planning, extensive research, and a terrific capital investment for beneficiating plants. It means, in effect, the manufacture of usable grades of ore from material so low in iron content (about 30 percent or less) that it is now listed as potential ore reserve. There are almost incalculable quantities of taconite in the Mesabi Range, but about one-half of it is in a slaty rock formation which defies concentration by known methods. * * *

"LAKE SUPERIOR RESERVES

"Since economical beneficiation is a long way off, the steel man's immediate concern is the status of reserves which can be tapped at once with relative ease. The Mesabi Range, for 44 of its 55 years of operation, has supplied at least half the Nation's iron ore needs. During World War II the proportion reached 66 percent. Mesabi's huge deposits of open-pit, high-grade ore won't be exhausted 5 years from now, but they may well be within this generation (Business Week—May 11, 1946, p. 19).

"PEACETIME LEVEL

"Life of these ore deposits depends on the demand for ore. In 7 of the past 10 years shipments from Lake Superior mines have exceeded 60,000,000 tons annually. In four, 1941–44, they topped 80,000,000 tons. Barring a depression, ore demand in the years ahead is expected to remain at or near present levels. (Total United States shipments in 1946 approximated 71,500,000 tons.) For steel requirements in our expanding economy are growing (Business Week—September 28, 1948, p. 71), and the wartime armament level may well become the peacetime level.

"Figuring present known reserves against ore demand, steel men see an end to Mesabi's high-grade ore in from 20 to 27 years. * * *

"ST. LAWRENCE WATERWAY

"A St. Lawrence waterway, of course, might well alter matters. It would permit foreign ore, including that from Labrador's huge potential output, to reach Lake Erie docks."

Fortune magazine of December 1945 also confirmed this situation in an exhaustive study, from which I quote, as follows:

"IRON ORE DILEMMA

"In 1942 Director E. W. Davis of the University of Minnesota's Mines Experiment Station reported to WPB that, at the anticipated rate of wartime consumption, the Mesabi's best ores would be gone between 1950 and 1954. Other investigators have given them up to 20 years more, at the outside. Meantime angry champions of the district insist that it can and will continue to supply the major portion of United States iron ore for at least a century. * * *

"Thus the real issues in the current controversy are two. One is how long Lake Superior ores can continue to compete with those from Eastern States and foreign countries. The other is whether the United States can risk the prospect of another war without a large and quickly available stock pile of iron ore or pig iron. The first involves either a Bunyanesque industrial transformation of the Superior district or a conceivable major dislocation of United States industry through removal of midland steel mills to the Atlantic coast. The second involves the national existence. Requisite for an understanding of either issue is some knowledge of the Lake Superior district's geology and its mining and ore-processing methods. * * *

"If the supply of ore were inexhaustible, there would be no cause for alarm to anyone. But in the Mesabi, which holds all but 2 percent of the Superior district's reserve of this desirable ore, there are known to remain only about 500,000,000 tons.

"All told, there are 17 companies now operating on the Mesabi. One, United States Steel's Oliver, owns about 350,000,000 of the range's remaining 500,000,000 tons of open-pit, direct-shipping ores. That leaves all the rest of the steel and independent mining companies a meager 150,000,000 tons to divide before they are reduced to mining underground and lower-grade ore exclusively. That is the reason for the present rush of Superior mining companies into beneficiation research."

Mr. President, here is a true statement by an authority on the supply of metals in the United States, Mr. E. E. Thum, editor of Metal Progress Journal of the American Society for Metals, which appeared in the Chicago Journal of Commerce on August 14, 1946:

"During the last war the iron and steel industry entered a stage in its history that was experienced in World War I by the other important metallurgical branches, namely copper, zinc, lead, and silver.

"All of these have now mined out their bonanza deposits and their global position has changed from world leadership with exportable surplus to a dependence by the United States on imports of ore or metal and tariff subsidies to maintain the home industry. Iron and steel are approaching that phase.

"It will be characterized by the growth of steel plants located on tidewater to utilize cheap foreign ores, the gradual movement of inland steel industry toward the remaining large and cheap ore supplies (increase in relative importance of plants nearer the Minnesota, Alabama, and Utah deposits), and the increased costs in remaining plants because of higher costs of using or beneficiating low-grade ores and the steadily increasing costs of transportation."

Mr. President, it is a matter of surprise to me that with such ample evidence easily available to anyone who wants to see it that the junior Senator from Massachusetts chooses to ignore the precarious situation concerning our iron-ore supplies, and to lead the country into complacency about a critical situation, which threatens the very security of this country.

This is particularly surprising in view of the fact that this matter was aired at a meeting of the New England Council, and it was written up in the New England News of September–October 1947, a publication of the New England Council. I am sure Members of Congress from New England are on the mailing list of this publication.

Furthermore, Mr. Richard L. Bowditch, president of the New England Council, who is an ardent opponent of the St. Lawrence seaway project, only recently (January 12, 1948) presided before a large audience at a meeting in the Statler Hotel in Boston, the purpose of which was to present the views of the senior Senator from Massachusetts, who was one of the speakers against the St. Lawrence project because he felt it would hurt the port of Boston. This same Mr. Bowditch is the author of the article in the New England News Letter in which he recognized clearly the impending exhaustion of iron ores in the Mesabi Range. I quote from Mr. Bowditch's article (New England News Letter, September–October 1947):

"Many New Englanders have long felt that our region has been missing the boat in the matter of heavy industry. The fact that New England consumes more than it produces, and is, therefore, greatly dependent upon other parts of the country, is a matter of concern to everyone interested in our economic progress and welfare.

"For some months I have been urging the establishment of a tidewater steel plant somewhere in New England. Our region is one of the great steel-consuming areas of the country, and with our increasing production of durable goods we can offer the steel industry an expanding market for its products. This is important.

"The principal steel-producing area of the United States extends west from central Pennsylvania to Chicago, and from the Lake States in the Upper Mississippi Valley south to Birmingham, Ala. Within this area most of the country's steel is produced and most of the country's heavy industries are located—for instance, the automobile industry, the locomotive industry, the manufacture of structural steel, farm equipment, mining and road-building equipment, and other major steel-consuming industries. Two-thirds of the country's high-grade iron ore—basic material for making steel—has been obtained from the Mesabi Range in northern Minnesota. Since the opening of the Mesabi mines in the 1880's a billion and a half tons of ore have been taken from a strip of ground some thirty-odd miles long and a mile or two across. * * *

"The Mesabi iron range, for so long our major source of ore, is playing out. During the war the rate of production of the mine was greatly increased, and the demand has carried on into the postwar period. If we continue mining the Mesabi Range as we are mining it today, it will be virtually exhausted by 1964. * * *

"Certain steel corporations have surveyed possible overseas sources of supply. Chile, Brazil, Labrador, and Mexico offer possibilities, but I believe it quite likely that America's future iron-ore supplies will come chiefly from overseas.

"The Bethlehem steel plant at Sparrows Point, Md., was originally built for the use of Cuban iron ore. As you know, that tidewater steel plant has been a success. And if one tidewater steel plant created to use imported ore can be made successful, why not locate another in New England? And why not do everything in our power to persuade the steel industry that, with respect to both market and transportation factors, New England offers a favorable location for a new plant?

"Our New England railroads are well equipped and well managed, but by the very nature of the region's economic life they haul three loaded freight cars into New England for every loaded freight car which goes out. With steel products manufactured within the area or even iron ore unloaded at New England ports, our railroads could go far toward balancing inbound and outbound carloads, thus assuring ourselves a more economic rail transportation system.

"New England ports are nearer Europe and nearer the east coast of South America than other Atlantic ports—nearer, also, the two most likely sources of iron ore for the future—Brazil and Labrador. This, too, is an important fact in our favor. It may well be that now it is New England's turn to play a major role in the development of this country's heavy industry.

"If we can demonstrate to the mining and steel-producing interests that New England offers a large and growing market, we can

be sure that they will give serious consideration to other factors favorable to the location of a new steel plant on our coast."

Thus while he opposes the seaway, Mr. Bowditch and the New England Council are making plans to invite the steel industry of the Great Lakes area to relocate in New England.

Incidentally, although the junior Senator from Massachusetts very graciously has disclaimed any regional or local interest in the seaway project, and has based his arguments on national issues, I am sure he must be aware of the line of arguments generally presented in Massachusetts and by the New England witnesses before the subcommittee of the Senate Foreign Relations Committee. There is no question, of course, but that the senior Senator from Massachusetts is well aware of this situation as he was present at that meeting in Boston on January 12, 1948. He, himself, testified before a Senate subcommittee that his principal worry about the St. Lawrence project was the effect it would have on the port of Boston and the New England railroads. (Hearings on S. J. Res. 104, pp. 701–703.)

I do not claim that there is a conspiracy to oppose the seaway on the one hand, whilst on the other to invite the steel industry to locate in New England. It is apparent, however, that if it is not a conspiracy it is an ambition backed by a logical plan.

In planning for the future of a major segment of our economy, such as the steel industry, one must take the long view and project a program several years into the future, because these major changes, such as development of new sources of ore, or relocation of industry, cannot be undertaken within the short span of a year or two.

The seaway project, which we are now considering, will take 6 years to complete from the time that the first spade is turned. As things stand now, even if the Senate should authorize this resolution at the present time, there are several other steps to be taken before any actual work can start, and therefore under the most optimistic circumstances the seaway could be opened to traffic at the earliest in 1955.

Let us then anticipate what may happen to iron ore and the steel industry in that period of time. From all the evidence that has been adduced above, it is obvious that many of the middlewestern steel companies now dependent upon Mesabi ore will be cut from ore supplies within that period. Certainly there will be a scarcity because the open-pit ores will have been depleted further to the vanishing point, and underground mining cannot be expanded materially. This scarcity will, of course, mean increasing prices for middlewestern ore. In the meantime the higher price of ore, and consequently of steel, will invite greater imports of ore from abroad to the east coast. This imported ore cannot very well be shipped by rail over the Appalachians into the steel district because of high cost of transportation. Consequently the middlewest steel industry will be squeezed between the rising cost of ore in their present location, and the competition of lower-priced ores from Brazil, Chile, and perhaps Labrador on the east coast. Under these conditions the steel industry will be in Washington asking either for a subsidy for the beneficiation of low-grade ores, or a tariff on the importation of low-priced ores on the east coast and the Gulf. Either one of these courses would, of course, mean an out-of-pocket cost of perhaps $2 or $3 per ton for ore or $6 a ton for steel to the consumer of steel products, if a tariff is imposed, and to the taxpayer, if a subsidy is granted.

If neither one of these two courses is undertaken, the economic pressure of lower-priced foreign ores on the east coast will inevitably tend to pull segments of the steel industry to tidewater.

I recognize that some of the steel companies' executives, though they realize this situation, still hope that some means will be found to make this country self-sufficient in ore by beneficiation of low-grade taconite.

I am in favor of this program to the extent that low-grade taconite ores can be made available economically, but with the best intention and all the assistance that the Government may give in the development of low-grade ores, there are still two limiting factors which the industry has not adequately taken into account; namely, the physical limitations and the higher costs in providing for the total supply of ore needed from this source.

I stated above that the annual requirements of ore in the Great Lakes area are likely to remain around 80,000,000 tons a year, of which about 20,000,000 tons will come from underground ore and sources other than open-pit mines on the Mesabi Range, and the remainder, 50 or 60 million tons, open-pit ores which must be replaced by beneficiating taconite ores.

The question therefore is, Can we depend upon this beneficiating system for an amount up to 60,000,000 tons a year? There are technical questions, financial problems, and cost problems involved in this program which have not yet been solved.

It is stated as a matter of record that the overhead investment required in beneficiating plants is between $10 and $15 a ton of annual output. For 60,000,000 tons of beneficiated ore, therefore, we would need between $600,000,000 and $900,000,000 of investment in plant. Three tons of hard iron rock must be processed to obtain 1 ton of concentrated ore rich enough to smelt in a blast furnace.

Mr. R. C. Allen, president of the Reserve Mining Co., appearing before the subcommittee of the Senate Foreign Relations Committee in 1946, stated the difficulties in the extraction of taconite ores as follows (hearings on S. J. Res. 104, p. 1363):

"The property of Reserve Mining Co. contains a large tonnage of taconite, 3 tons of which contain enough iron to make 1 ton of concentrated ore rich enough to smelt in a blast furnace. For each ton of high-grade commercial ore thus produced 2 tons of rock waste must be discarded. The ton of concentrated ore recovered is flour-fine as it comes from the mill, and must be sintered or in some way agglomerated into pieces large enough and strong enough to prevent excessive losses in transportation and smelting. Thus treated, the finished ore contains 62 to 65 percent metallic iron. * * * The taconite, or iron-bearing rock, is very hard, and although it will be mined in quarries or in open pits, like most of the softer natural ore is now being mined, the cost of mining will be greater, and to this must be added the cost of concentration and agglomeration. Although the product will be much richer than the average natural ore and will work better in the furnace, these advantages are outweighed by the lower operating and capital costs of natural ore. The capital investment per ton required to produce ore from such a property as that of Reserve Mining Co. will be several times that required per ton of natural ore. It will be about $10 per ton of annual production. And to attain lowest cost of production it will be necessary to operate on a large scale, which is to say that anyone contemplating production of ore from taconite should prepare to invest a large sum of money in plant and equipment."

The laborious character of this process of extracting taconite is given in Iron Age, issue of August 1947, and the labor force required will be at least five times as much as the extraction of open-pit ores at the present time.

"The proposed plant (Reserve Mining Co.'s plant) will be located north of Beaver Bay on Lake Superior. The plant will be capable of producing 2,500,000 tons of taconite concentrate annually, and it is estimated that the cost of the plant will be about $15 per annual ton of output. After the plant is in operation 'taconite will be fed directly from railroad car to primary crusher which will handle pieces up to 4½ feet in diameter. Material will then pass through additional secondary crushers in the rod mills, over magnetic separators, wash boxes, classifiers; then to ball mills, classifiers, magnetic separators, wash boxes, surge tanks, filters, and then to the agglomeration plant.' As a result of this highly complicated operation, 1 ton of concentrate will be obtained from about 3 tons of taconite; it is apparently planned to dump the remaining 2 tons of waste material into the lake.

"In addition to an enormous capital investment in plant, the operation will require, it is estimated, 40 tons of water to produce a ton of concentrate and 70 kilowatts to produce each ton of sinter or agglomerated material. Besides requiring vast amounts of water and power, the plant will also entail a labor force now estimated at 1,200.

"Plans for the complete operation include a crushing plant, a mill and agglomerating plant, oil-storage tanks, a power plant, harbor and docking facilities, and a railroad. On the basis of this description, it is apparent that at the present state of technology, the process of converting taconite into high-grade ore is going to be extremely expensive, raising the cost of refined ore far above the cost at which open-pit ore is now available in the Lake Superior region."

Operating expenses also would be higher than at the present time because evidence shows that you need four or five times as much labor to beneficiate a ton of taconite ore as you do now to extract the open-pit ores. As a result, it is estimated that the cost of beneficiating ore will be $2 or $3 more per ton and the cost of steel from such ore will be about 10 percent more than the present mill price, or $6 a ton more. That is the economic picture.

There is some doubt also that sufficient capacity can be built to supply ultimately all of the 60,000,000 tons from this source. The best authorities on the subject anticipate the total amount of ore obtained from taconite to reach 20,000,000 tons by 1964—16 years from now, when the replacement need is likely to be 60,000,000 tons. This is what W. A. Lloyd, Cleveland regional editor of Iron Age, has to report on the prospects in the January 1948 issue (beginning p. 213):

"Based on the projection of Oglebay Norton & Co., 4,000,000 tons of concentrates will be coming down the Lakes in 1953; 5,000,000 tons in 1954; and by 1964 about 19,000,000 tons of concentrates will be taking up some of the slack in high-grade open-pit reserves."

Even assuming that as much as 20,000,000 tons a year may be secured from beneficiation of taconite, there will still be a deficiency of 40,000,000 tons of ore which must be made up from other sources. Where is this to come from? The superficial analysis of the opponents of the seaway is silent on this vital issue.

Mr. C. M. White, president of the Republic Steel Corp., stated in an address before the American Institute of Mining and Metallurgical Engineers on the occasion of the society's seventy-fifth anniversary last March 17, 1947:

"As long, therefore, as the steel industry continues to cluster about the lower Great Lakes, its ore supply should come by lake from the Lake Superior district (or by lake from Labrador, Newfoundland, or elsewhere, if that be possible), and, to a lesser degree, from the northeastern district. This is the future of about 80 percent of our present steel industry."

Failing in this effort to supply the steel industry of the Middlewest with reasonably priced ore, up to 80,000,000 tons a year, the steel industry will be forced to migrate to the east and Gulf coasts. I make this assertion not on my own authority, but on that

of the third largest steel company in this country. This is what Mr. White said:

"FUTURE OF OUR STEEL PLANTS

"The prosperity of the United States is based upon a plentiful supply of high-grade, cheap furnace feed, convenient to ample reserves of coking coal and both near markets for the finished product—steel.

"When any one of these three factors gets out of balance, our economy will suffer. It is because of this fact that the iron-ore situation in the Lake Superior region is of paramount importance not only to the great industrial centers in the lower Lakes region but to the Nation and to the world as a whole.

"Should the ore production of the Lake Superior region be seriously decreased, and if abundant ores from elsewhere were not made available in the lower Lakes area, it would mean that much of our steel industry eventually would be forced to migrate to the eastern seaboard—and perhaps to the Gulf to utilize sea-borne imported ores. There would be nothing to attract any appreciable percentage of the steel industry westward from the Lakes. Such a migration to the seaboard would effect vast changes, of far-reaching consequences, not only in what we now regard as the industrial heart of America but in the entire Nation and its economy. There is, of course, the possibility that the recent discoveries in the Labrador Peninsula ultimately may reveal very large reserves which might provide ore for the Lakes furnaces as well as to the eastern seaboard. But, regardless of that possibility, within relatively few years, the lake-based steel industry must begin to equip itself with plants capable of concentrating low-grade ores—either in the Lake Superior or the eastern district, or in both districts—into material usable in its furnaces. Otherwise it must resign itself to a declining steel production when the lake ore supply begins to be insufficient and elect to watch its present plants gradually become of secondary importance as they yield to expansion of plants elsewhere in this country."

The problem before the country, then, is how to save the steel industry and the stability and security of this Nation.

If it were proved to the satisfaction of technicians, businessmen, and the Congress that we could depend upon taconite sources to supply 60,000,000 tons a year by 1964, I should desist from making this argument, but this is not proved. The opponents of the St. Lawrence seaway are basing their case upon two unfounded assumptions:

1. That there are unknown, undiscovered, and undeclared high-grade ore supplies, and
2. That we shall be able to supply our future ore requirements from low-grade ores.

Both of these are unsubstantiated and very questionable bases upon which to gamble the future of our steel industry.

The force of economic circumstances will gradually lead to greater importations of foreign ore to our tidewater ports, and the movement of the steel industry to the east and Gulf coasts will proceed apace. The opponents of the St. Lawrence seaway assert that we must not depend upon offshore sources of ore because in case of war our supplies will be threatened and cut by sea warfare, but without the construction of the St. Lawrence seaway we are still likely to end up depending on foreign ore, the only difference being that we have caused the dislocation of the steel industry from the Middle West to tidewater. The refusal to construct the seaway, therefore, does not solve that problem of security.

What will solve the problem of security is to find a source of iron ore in continental North America. To the extent that we can develop taconite ores, I say to the steel industry—"Godspeed to you!" But since we are not assured that we can supply all of our steel from that source, we must take other steps to bring ores into the Middle West.

Mr. President, it is a fortunate circumstance, a providential gift, that the people of North America can look forward to the development of high-grade ore resources within this continent—on the North Shore of the St. Lawrence River, in Quebec and Labrador. This is the ore that Mr. Bowditch of Boston would like to bring into New England ports and deny to the Middle West. Although my friend from Massachusetts considers this discovery hypothetical, it is not too hypothetical for certain Boston business interests to plan to benefit by it.

Let me give you the facts, Mr. President, as derived from official reports from our Embassy in Ottawa and from the Canadian Government to our Government, as to the extent of ore deposits discovered in Quebec and Labrador, and the plans now being made for its extraction.

A report of the Bureau of Mines, Department of Mines and Resources, Ottawa, May 1946, gives the available data up to that time. This report states:

"A new iron-ore region that promises to be of considerable importance is now being developed in the central part of the Labrador Peninsula. The deposits of hematite discovered so far lie astride the Labrador-Quebec boundary, 300 to 400 miles north of the Gulf of St. Lawrence. The iron-bearing rocks are several hundred miles in length and the ore deposits have been found to outcrop in the southern part of this area for a length of over 100 miles and for a width of 15 or 20 miles."

The report continues:

"The grade of the ore is high and deposits are large, as illustrated by the following table from the 1945 report of Labrador Mining and Exploration Co."

The tabulation shows that the iron ore discovered ranges from 58 percent to 68 percent in ore and manganese content, and the iron ore estimated per vertical foot drilled in 11 locations revealed 660,000 tons. This, Mr. President, is per vertical foot; in one mine. Two hundred and twenty feet had been drilled and it was still in iron. The overburden is light so the cost of stripping should be low, in fact, this report states, much less than in the Lake Superior region. Even winter operations are considered favorable in open-pit mining, because climatic conditions are no worse than in the iron mines of Norway and Sweden. Exceptional supplies of water power are available at low cost. The contemplated railroad will follow the valley of the Moisie River and will be 350 miles in length. The cost of constructing the railroad is considered relatively advantageous and the harbor at Seven Islands on the Gulf of St. Lawrence is a natural port and can be kept open, if necessary, all year round.

The Bureau of Mines of Canada concluded its study as follows:

1. The Labrador ore is of exceptional quality, can be mined at unusually low cost, and can be transported to a St. Lawrence port at moderate cost.

2. There is an immediate market of important dimensions along the Atlantic seaboard of the United States and Canada where the short voyage and return cargoes of coal will give it an advantage.

3. In Britain and western Europe the Labrador ore will meet keen competition from Swedish ore.

4. The largest potential market is in the area served by the Lake Superior mines. It may be possible to serve this to some extent by means of the small vessels that now can use the St. Lawrence canals. When the St. Lawrence deep waterway is completed, the cost of delivering Labrador ore to buyers in Pennsylvania and Ohio should not be greatly different from the cost of delivering Lake Superior ores.

Mr. President, I wish to place the full report in the RECORD to follow my remarks.

We have Mr. President, a more recent statement of the work being done in Labrador just received from the Canadian Government. This document, which I place in the RECORD in full, states that 150,000,000 tons are already proved and that by next summer 300,000,000 tons will have been proved. Then they will be ready to begin construction of the railroad and loading facilities. The railroad is surveyed and the necessary charters have been obtained from the Dominion and Provincial governments, as well as Newfoundland. It is the expectation that ore will be delivered by 1952 or 1953. That is a significant date, Mr. President. Even if we authorize this project, it is doubtful whether it will be open to traffic before 1955, whereas in Labrador, beginning their actual excavations next summer, they will be able to deliver ore by 1952—3 years before the completion of the seaway.

Let me read you from the January 5, 1948, issue of the New York Herald Tribune. Their story is accurate; we have verified it:

"A new iron-ore development is under way along the Quebec-Labrador border that appears destined to add new pages to Canada's mineral history. Six hundred miles northeast of Quebec city iron-ore deposits are being proved that may be several times greater and of composition equal to the richest ore ever found in the Mesabi Range of the Middle West.

"While only a small area of these deposits has been explored so far, Canadian mining men believe that here is one of the world's greatest iron deposits—a development that is bound to have economic implications for all North America and especially the steel industry.

"Much of this new iron ore appears likely to go to an expanding steel industry along the United States Atlantic seaboard. It may even be the forerunner of a new steel industry along the New England coast.

"Hollinger Consolidated Mines and the M. A. Hanna Co., through their subsidiary, North Shore Exploration Co., Ltd., proved 45,000,000 tons of the ore in 1946 and by the end of 1947 had proved more than 150,000,000 tons. The present objective is to prove 300,000,000 tons (a 30-year supply). When that is done the owners may float a bond issue covering the entire development.

"Meanwhile a charter has been secured from Quebec North Shore & Labrador Railway to extend 350 miles from the Seven Islands Bay on the Gulf of St. Lawrence to the heart of the new iron-ore district. Along with completion of the railroad, the movement of ore to lake ports would be further aided should the proposed St. Lawrence waterway be undertaken. Although there is ice in the St. Lawrence during the winter, the movement of ore could continue.

"The Hollinger interests, it is understood, had spent approximately $1,000,000 by the end of 1947 in exploration work, using more than 1,000 engineers and technicians. Engineers are surveying the course for the railroad which, it has been estimated, will cost upward of $60,000,000 without including dock facilities. * * * It would appear that the development, including the railroad, may easily cost two hundred to three hundred million dollars.

"The possibility of harnessing hydroelectric power to provide low mining and transportation costs is one of the key factors which make ore mining feasible in such a remote area. One of the greatest undeveloped waterpower sites in North America is located at Great Falls on the Hamilton River. The power resources available at this site probably surpass any foreseeable requirement. * * *

"The new deposits may have importance from the standpoint of national defense. Canadian writers have pointed out recently that Labrador ore may possess advantages over that of Latin-American competitors. Shipping routes to South America were

found quite difficult to defend in World War II. Not only are the water routes for shipment of Labrador-Quebec ore shorter, they are more easily defended. In times of emergency the ores could be sent by one of several alternative routes.

"The distance from Fort Chimo, Quebec, to the Sparrows Point plant of the Bethlehem Steel Corp., on Chesapeake Bay, is no greater than the distance Brazilian ores must travel to reach the same port.

"Quebec City municipal officials are in hopes that eventually a steel mill and blast furnaces will be erected between Seven Islands and Quebec to use some of the new ore. The nearest coal deposits are in Nova Scotia, which has relatively high cost mining, but there is an ample supply of electricity halfway between Quebec and Seven Islands.

"The eventual production goal of the new field, according to I. W. Jones, chief geolcgist of the Province, is 40,000 tons a day, which means 40 trains leaving the property each 24 hours. Quebec officials believe that the cheapest way to market the ore initially might be to transport it from the bay by steamer to Baltimore or through the St. Lawrence to the Middle West.

"The mining, it is understood, will be done in open cuts to a depth of approximately 300 feet, similar to that in the Mesabi Range.

"Some mining authorities believe that sizable quantities of the ore can be made available within the next 3 years. Others say it will be 5 to 8 years before trains or ocean steamers laden with ore will be leaving Seven Islands on a regular schedule."

It is strange, Mr. President, that the junior Senator from Massachusetts quoted from this issue of the Herald Tribune to the effect that steep rock mines in Ontario promise large shipments of ore, but completely overlooked the most important iron-ore story in that issue on the front page.

The conclusion is inescapable, Mr. President, that we need the St. Lawrence seaway to preserve our steel industry. It is not too early to authorize it now. By the time the Eighty-first Congress assembles, we shall know whether actual development has begun in Labrador. Then, on the basis of industrial requirements and the fiscal position of the Government, we can decide whether to proceed with the necessary appropriations.

THE ST. LAWRENCE SEAWAY AND COMPARATIVE TRANSPORTATION COSTS

Mr. WILEY. Mr. President, one of the most interesting communications which I have received in the course of the St. Lawrence seaway debate came from Mr. Walter Olen, president of the Four-Wheel Drive Auto Co., of Clintonville, Wis.

As my colleagues will recall, I have previously referred to Mr. Olen's great work and research on behalf of the St. Lawrence seaway. In pioneering for this great objective, he has set a pattern of farsighted business leadership. Mr. Olen's statement covers very tersely the matter of comparative transportation costs by various means of transportation, particularly insofar as this subject affects the St. Lawrence seaway debate. I commend his brief comments to my colleagues' attention, and ask that they be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMPARATIVE COSTS

Several years ago I secured from the research department of the University of Wisconsin their complete file on transportation and I had it in my possession and studied it for more than 4 months, and the classification of transportation as I get it hereafter is based upon that research. It was used by Herbert Hoover in several lectures and I think can be verified again and again.

While prices change somewhat that affect the figures, substantially the difference between the different kinds of transportation remains the same. You can transport a ton by horse team or caterpillar tractors on an average from 4 to 10 miles for $1. You can transport that ton by motortruck, tractor, and semitrailer from 20 to 40 miles for $1 but the average is more nearly 20. You can transport that ton by railroad in the United States in long-distance hauling 100 miles for $1. Throughout England and Europe the cost of transportation by railroad is from 54 to 56 miles for $1. You can transport a ton by river transportation, but that means rivers like the Mississippi from the Gulf to New Orleans, the Amazon, the Rhine, and other rivers where deep-going vessels can navigate, 750 miles for $1. A river like the Mississippi and Missouri when you get up around St. Louis probably does not run over 200 or 300 miles for $1 and the interference of floods, low waters, sand bars, all affect this transportation, so it is never considered very stable or very reliable.

The transportation of a ton by lake transportation, if there are no locks to go through, is averaged 1,250 miles for $1, and if there are locks to go through then the average is about 1,000 miles for $1. In the Mesabi Range, the railroads used to get 89 cents a ton to haul the ore from the mine to the dock, a distance of 83 miles, and the boats received for hauling that ton from Duluth to Toledo and Erie, ranging from 1,000 to 1,100 miles, 90 cents a ton. I think they now get $1.05 a ton and the railroads get something over 90 cents. The deep-draft vessels in ocean transportation will move the ton for 2,000 miles for $1.

We, in the interior of the United States, have to haul our raw materials from the center of the United States to the ocean and that was the reason for our heavy railroads. The average is 1,300 miles. The distance from Chicago to New Orleans is about 2,300 miles and from Chicago to San Francisco 2,400 miles. When we have to pay the railroad rate from here to New York and then get the benefit of ocean transportation, you can see the saving that can be made by a combination of lake transportation and ocean transportation.

If you take your railroad classification in the booklet Railroad Facts, you will find that the average freight train amounts to about 54 cars and a tonnage of about 1,100 tons and the average speed is 15½ miles per hour. Compare that with the *Queen Elizabeth* that carries 84,000 tons and plows across the billowy sea without stopping at an average speed of 30 miles per hour. There you have the reason why ocean transportation must be through transportation in order to get the economical rate.

I do not find in the CONGRESSIONAL RECORD that it has been revealed that there are 600 lake boats carrying iron ore, coal and pulp and oil, that range from 24 to 27 feet in draft and from 500 to 600 feet in length. None of them get out through the St. Lawrence waterway, and the Dominion of Canada has 200 similar boats. These, in themselves, would be a contributing factor to national defense. We have some very fine shipyards that could be used more effectively, situated in a steel and timber area, that could be utilized in the case of national defense if there was some way of getting their boats out to sea.

THE AMERICAN LEGION'S FREEDOM BOOKLETS

Mr. SPARKMAN. Mr. President, we hear a great deal these days, from time to time, about subversive activities in this country. Much is being done toward uncovering those subversive activities and criticizing the various persons who are responsible for them. Sometimes the thought occurs, "Why does not someone do something positive about the epidemic of subversive infections in America? Why does not someone start some kind of program that will serve as a backfire against such activities?"

Our largest organization of war veterans is about to make this question obsolete. The American Legion is going to do a job of revitalizing positive Americanism on a scale and in a manner which has never before been attempted in this country.

In April the American Legion will launch distribution by mail of the first of a series of 12 freedom booklets containing graphic presentations of the meaning and superiority of the American way of life. The booklets will be received free of charge by more than 1,000,000 Americans during the first month. It is hoped that the number may increase month by month.

This is a nonprofit operation by a nonprofit organization. Its purpose is to build a stronger appreciation of America based on a better understanding of America's blessings. It will not only remind our citizens of the priceless heritage of freedom which is ours, but it will also enable and encourage them to rebut the alien philosophies of communism and its kin. It is the American Legion's way of carrying the fight to those who would destroy all that we hold dear.

The national commander of the American Legion, Mr. James F. O'Neil, has identified this new Americanism program as a dividends-from-democracy campaign. He anticipates eventual peak distribution of 10,000,000 freedom booklets a month.

The program already has been endorsed by President Truman and many other national figures. Those include Gen. Dwight Eisenhower; AFL President William Green; Earl Bunting, president of the National Association of Manufacturers; CIO President Philip Murray; Eric Johnson, president of the Motion Picture Association of America, Inc.; Dr. Daniel Poling, editor of the Christian Herald; His Eminence Francis Cardinal Spellman, archbishop of New York; and Rabbi William Franklin Rosenblum, president of the Synagogue Council of America, as well as many other outstanding and distinguished Americans.

AUTHORIZATION TO THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—MOTION TO RECONSIDER

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside so that the Senate may proceed immediately to the consideration of the motion heretofore entered by the senior Senator from Illinois [Mr. LUCAS] to reconsider Senate Resolution 189.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears none, and the order is made. The clerk will again read the resolution.

The Chief Clerk read the resolution (S. Res. 189), as follows:

Resolved, That in carrying out the duties imposed upon it by subsection (g) (2) (B)

of rule XXV of the Standing Rules of the Senate, or any other duties imposed upon it, the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized during the sessions, recesses, and adjourned periods of the Eightieth Congress to make such expenditures, and to employ upon a temporary basis such investigators and such technical, clerical, and other assistants, as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $125,000, in addition to any unexpended balance under Senate Resolution 75, Eightieth Congress, agreed to February 21, 1947, which is hereby made available for the purposes of this resolution, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee as the case may be.

Mr. KNOWLAND. Mr. President, for the information of the Senate I merely wish to say that when consideration of this motion is concluded, it is the intention then to call the calendar from the beginning. I make that statement so that Senators may have due notice.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Illinois to reconsider the vote by which Senate Resolution 189 was adopted.

Mr. LUCAS. Mr. President, sometime ago Senate Resolution 189 was adopted by the Senate at a late hour during the day, when very few Members were on the floor of the Senate. On the day following, the Senator from Illinois moved to reconsider the resolution, and that motion has been pending on the calendar since that time.

Mr. President, since the shift in the control of the Congress from the Democratic Party to the Republican Party, which took place in January a year ago, the air has been filled with cries for economy in spending the taxpayer's money.

The majority party earnestly voted to cut the budget submitted by the President last January. The House and the Senate differed in the amount by which they resolved to cut the budget, but the cut was to be substantial. This year, the majority party is not quite so confident of its ability to cut the President's budget, and has voted for a cut of only $2,500,000,000, as contrasted with the optimistic estimates of last year when the House resolved to cut the 1948 budget by $6,000,000,000 and the Senate by $4,500,000,000. The returns are not yet all in on the 1948 budget, but it is already clear from what we know that the President's 1948 budget will not have been cut by a single dollar. It was the realization of this fact that provoked so much modesty this year and kept the promised budget reduction to a measly $2,500,000,000 dollars.

When the members of the majority party have been asked why they have not done a better job of trimming Federal expenditures, they have had a ready answer, simple and satisfying. They tell you that the officials of the executive department from the President on down are not cooperating with the Congress in trying to cut the budget. This answer, of course, completely ignores the cold facts of the situation; namely, that the Congress has the control of the purse strings of the Federal Government in its own hands. Not a single dollar can be spent unless the Congress authorizes that expenditure by an appropriation. When Congress alone has the unchallengeable control over the spending of money, no matter how uncooperative the executive departments are, Congress has the absolute responsibility and cannot be heard to complain of a lack of cooperation. I shall not comment on the truth or falsity of the charge of lack of cooperation. The facts speak for themselves on that subject.

When it comes to the matter of appropriations for the legislative branch of the Government—the expenditures of the Congress for the running of Congress itself—obviously no one can accuse the executive departments of failing to cooperate. They have nothing to do or say about that subject. We in the Congress are the only ones concerned with the question of how much money shall be spent for running the Congress.

On the last day of the regular session last July, I commented on the fact that, while Congress was so bitterly condemning what it called the wasteful and extravagant practices of the executive departments, this very same Congress had become the most expensive lawmaking body in the whole history of the United States. I suggested that one place to look for waste and extravagance was right here in the Halls of the Congress. I suggested that we were spending enormous amounts for investigations and other matters with little constructive result. I showed the increased amounts we were spending right here in the Senate over the amounts spent in the preceding fiscal years, for the purpose of conducting investigations. In 1940, the Senate spent approximately $138,000 for that purpose. For the fiscal year 1948, which ends next June 30, we have already spent in excess of $551,000, with 4 months of the fiscal year still to come, and apparently many other resolutions asking for appropriations of money are still to be submitted to the Senate.

I ask unanimous consent to have inserted in the RECORD at this point in my remarks, a table showing by fiscal years the expenses of investigations conducted by the Senate.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Expenses of investigations by fiscal years, Senate

Fiscal year—	
1939	$257,569.52
1940	138,474.75
1941	146,462.91
1942	211,777.66
1943	327,528.05
1944	349,876.68
1945	375,838.00
1946	530,997.72
1947	639,783.02
1948 [1]	551,324.94

[1] As of Jan. 31, 1948.

Authorized to be spent during the Eightieth Congress, including standing committees, special investigating committees and Joint Committee on Atomic Energy, $1,689,256.08.

Resolutions on Senate Calendar (calendar day, Monday, February 23, 1948) authorizing expenditures from the contingent fund, $162,500.

Mr. LUCAS. I have some personal experience with this kind of expenditure because, as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, it was my responsibility for several years to pass on requests for the expenditure of money for investigations. I tried to be as conscientious as I knew how to be in seeing to it that money appropriated for that purpose would be wisely spent—would be spent in getting the facts we needed so that we could legislate intelligently. During that time certain minority Members were consistently aiding me in attempting to save money for the taxpayers when the Democrats were in control. How times have changed since the Republicans have taken control. There is, of course, a wholly natural desire on the part of committee chairmen to have made available to them funds for the conduct of investigations. But it is our obligation to see to it that the taxpayers' money is not expended unwisely, but only to serve a useful legislative purpose.

While on the subject of the expenses of the Senate, I think it will interest the country and some of the Members of the Senate to find out how we have increased the amount for the pay roll for employees of the Senate.

On December 31, 1946, just before the control of the Congress was shifted to the present majority party, the Senate was spending for employees a total annual amount of $3,297,510. As of last February 20 the Senate was spending for employees a total annual amount of $4,743,708, an increase of almost $1,500,000 in the total pay roll.

I understand that a similar increase has taken place in the House of Representatives.

That, Mr. President, is approximately 43 percent more than was spent while the Democratic Party was in control. This fact should interest those who are really economy minded, especially those who are so outraged by the so-called extravagance in the executive branch of the Government.

I have gone into this background of expenditures so that the Senate may have a clear perspective on the proposal which we are now discussing. Senate Resolution 189 provides for making available to the Committee on Expenditures in the Executive Departments the sum of $125,000, plus the unexpended balance under Senate Resolution 75. The Financial Clerk of the Senate reports that the unexpended balance in the account which was appropriated for use of the surplus-property subcommittee of the Committee on Expenditures in the Executive Departments is $44,434.

I think, Mr. President, it is interesting to know just what has happened with the spending of the approximately $66,000 which the subcommittee has been handling in connection with surplus property.

In January 1947 the Senate by majority vote agreed to continue the Senate War Investigating Committee for 1 year. At that time the committee's jurisdiction

was severely limited. The Senator from New Mexico [Mr. HATCH] announced that the committee, under its new jurisdiction, could no longer investigate the disposal of surplus property. He pointed out that the disposal of surplus property was a very serious matter and that those who backed the continuation of the Senate War Investigating Committee should reconsider what they had done and should study the advisability of requesting the Senate to place surplus-property disposal within the jurisdiction of the committee.

The senior Senator from Vermont [Mr. AIKEN] replied with the announcement that the Committee on Expenditures in the Executive Departments had already made arrangements to make a comprehensive investigation of disposal of surplus property, "and the able junior Senator from Michigan [Mr. FERGUSON] is the chairman of the group which will make the investigation"—CONGRESSIONAL RECORD, page 585, January 24, 1947. The Senator from Michigan stated at the same time that—

> I wish to advise the Senator from New Mexico [Mr. HATCH] that it is the purpose of the Subcommittee of the Committee on Expenditures in the Executive Departments to cooperate with the House Committee on Executive Expenditures, so there will not be a duplication, but the work will be done jointly, as if by one committee.

The disposal of surplus property was, in January 1947, a current and serious problem. Large quantities of wartime surplus of all categories still had to be sold. It was a proper subject of investigation by a Senate committee to insure the use of efficient, prompt, and economical administrative methods to prevent favoritism or discrimination and to detect as well as to deter fraud and incompetence. The disposal of surplus property is still a problem on which the Senate should be kept currently advised.

To implement the Surplus Property Subcommittee appointed by the Committee on Expenditures in the Executive Departments, the Senate on February 21, 1947, adopted without objection Senate Resolution 75, which made available to that subcommittee $100,000—CONGRESSIONAL RECORD, page 1284.

During the calendar year 1947, $54,972 of this $100,000 was spent by the Subcommittee on War Surplus—CONGRESSIONAL RECORD, January 16, 1948, page 234. I think the Senate should stop and consider just what it has received for the money spent by the Subcommittee on War Surplus under the chairmanship of the gentleman from Michigan, Senator FERGUSON.

First of all, the subcommittee has filed no reports with the Senate. Therefore, the Senate and the public have not been advised in the normal manner how this large governmental program is progressing. The committee, specially chosen to investigate the disposal of war surplus, has either not functioned, found nothing to criticize in the program, or neglected or failed to inform the Senate of any inadequacies or irregularities it may have discovered. No reports have been filed with the Senate, even though, at the request of the chairman of the subcommittee, the gentleman from Michigan [Mr. FERGUSON], the Senate adopted Senate Resolution 162 on July 26, 1947—CONGRESSIONAL RECORD, page 10400. This resolution authorized the committee to file reports with the Secretary of the Senate during recesses and adjourned periods of the Eightieth Congress.

In addition to committee reports, printed committee hearings are very often valuable to the Senate and the public. Therefore the printed hearings of the War Surplus Committee have been examined. They reveal that the committee has held hearings on only three subjects out of the vast field of war surplus. Furthermore, hearings which have been printed were held on only seven different days. The chairman of the committee [Mr. FERGUSON] attended only two sessions of hearings. The three subjects investigated by the committee were the disposal of tournapulls by the Navy Department, the disposal of the basic magnesium plant at Henderson, Nev., and the disposal of the Reno, Nev., Army air base. The following list shows the dates the hearings were held by this committee and the subject matter:

PRINTED HEARINGS OF SURPLUS PROPERTY SUBCOMMITTEE

DATE, SUBJECT, AND PLACE OF HEARING

May 29, 1947; basic magnesium plant, Henderson, Nev.;[1] Washington, D. C.

June 17, 1947; tournapulls, war reserve program of the Navy Department; Washington, D. C.

June 24, 1947; basic magnesium plant;[1] Washington, D. C.

June 25, 1947; basic magnesium plant;[1] Washington, D. C.

August 21, 1947; basic magnesium plant;[1] Las Vegas, Nev.

August 22, 1947; basic magnesium plant;[1] Las Vegas, Nev.

August 25, 1947; Reno Army air base, Reno, Nev.;[1] Reno, Nev.

It is interesting to note that two of the three subjects investigated were real property located in Nevada and that hearings were held only in Washington, D. C., and Nevada. It seems hardly necessary to say that any Senate committee seriously interested in investigating the disposal of war surplus property would have held far more public hearings on a great variety of subjects and over a wide geographical area. The disposal of overseas war surplus seems to have been completely ignored.

It is also interesting to note that the Surplus Property Committee's investigation of the two properties in Nevada was a joint investigation. However, it was not a joint investigation with the House Committee on Expenditures in the Executive Departments, as promised by the Senator from Michigan in January 1947, but was a joint investigation with the Senate War Investigating Committee, whose jurisdiction over the disposal of surplus property was questioned by the Senator from New Mexico [Mr. HATCH] in January 1947. At that time the Senator from New Mexico prophesied that the Senate War Investigating Committee would go into the subject of surplus property even though it had no jurisdiction over the subject, but he was assured by the Senator from Vermont [Mr. AIKEN] that there would be "no need whatsoever for any other committee to undertake to duplicate the work which our committee is going to do."

In final analysis, the Senate War Surplus Committee, after a year's work, has produced nothing of value to the Senate, but has spent over $54,000. The record indicates that the committee was, during 1947, both incompetent and wasteful. The committee was under the chairmanship of the junior Senator from Michigan.

The point I make, Mr. President, and the reason that I discuss the sum of $55,000 which has been spent, is that it seems to me nothing has been accomplished. There is still $45,000 in the war-surplus fund, and another $125,000 is being asked in the resolution to augment the $45,000 already there. So we are asked by this resolution to approve an appropriation, not of $125,000, but of $169,434. The resolution asks that the surplus-property fund be included with the $125,000.

Mr. President, this is an enormous sum for such a purpose, and it would be useful if we could find out from the committee how they propose to spend the money. I earnestly hope that before the debate is concluded, my able friend, the Senator from Vermont [Mr. AIKEN], who is chairman of the committee, will tell the Senate and the country exactly what the committee proposes to do with $165,000 between now and January 3d next. We are entitled to know.

When we examine the budget that has been submitted, this is what we find:

Estimated budget for the period February 1, 1948, to February 1, 1949, for the subcommittee of the Committee on Expenditures in the Executive Departments:

Field investigation expenses of staff members for per diem and travel, $12,000.

Office expenses for telephone, telegraph, supplies and postage, and so forth, $4,000.

Recording proceedings — reporting hearings in the field and in Washington, D. C., $3,000.

Witnesses—per diem and travel, $6,000.

Miscellaneous expenses—clippings, amplifying system for hearings, photostats, newspapers, books, and so forth, $2,000.

Pay roll, $138,000.

Those items make a total of $165,000.

Mr. President, that is all the information the Senate now has as to how the committee will expend this $165,000. We would like to know what they propose to investigate. The country is entitled to know that.

In listing the expense for salaries of the staff the budget estimate says they are to have one chief counsel, one chief assistant counsel, six assistant counsels, six investigators, and one editor, at a total cost of $98,000.

What are those employees going to do, Mr. President? The Senate is entitled to know from the chairman of the committee, or the chairman of the subcommittee, exactly what they propose to do with this money.

I call attention to the fact that an editor is provided for in the estimate. I distinctly recall that the able senior Senator

[1] Joint hearings with a subcommittee of the Senate War Investigating Committee.

from Florida [Mr. PEPPER] had a similar resolution before the Committee To Audit and Control the Contingent Expenses of the Senate when I was chairman of the committee, and he asked for funds to pay an editor. He was sharply questioned by my colleague the junior Senator from Illinois [Mr. BROOKS] and by the junior Senator from Nebraska [Mr. WHERRY] about that expenditure. The net result of the questioning was that the Senator from Florida did not get very much in connection with his resolution, as I recall.

Now, it seems, provision for an editor can be obtained without any question. I do not know what this editor is to do, but we should know about that. Perhaps it is proper. Perhaps we should have an editor to issue the publicity releases which will come out from day to day. Perhaps that is a thing that should be done, but at least before we vote $165,000 someone should give us in detail what the committee expects to do with the money. I think we are entitled to know that.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER (Mr. KEM in the chair). Does the Senator from Illinois yield to the Senator from Vermont?

Mr. LUCAS. I yield.

Mr. AIKEN. Would it make any difference in the attitude of the Senator from Illinois if he knew just what was to be investigated?

Mr. LUCAS. It certainly would. I do not want the Senator to misunderstand me. I am absolutely for any legitimate investigation the Senator desires to make. I am not objecting to his making any investigation, so long as the investigation is a worthy one and as a result of it we can ultimately perhaps pass legislation to correct some evil. That should be the basis for all investigations. But to tell the Senate and the country that the committee is to spend $165,000 for 26 new employees, without anything in the estimate which was filed, to show exactly what the committee is going to do, does not seem to me to be right. It seems to me we are entitled to know what is to be investigated, and I think the Senator will agree with me about that.

Mr. AIKEN. I should like to advise the Senator from Illinois that we shall investigate whatever the committee decides to investigate. The Committee on Expenditures in the Executive Departments has 13 members. We have worked in harmony during the past year. We have never had a partisan vote on any matter coming before the committee. It is my intention to appoint a subcommittee to handle certain types of investigations where criminal negligence, or criminal action may be involved, because that calls for a certain type of investigation. There has been no decision on the part of the committee as to what would be investigated. We have not had the money with which to investigate anything, and we do not take anything for granted. However, I stated that I would appoint a subcommittee to handle the type of investigation involving criminal charges against a member of any executive department. Such a case would be investigated and prepared by competent counsel.

I call the Senator's attention to the fact that under the Reorganization Act of 1946 every committee is required to hold an executive hearing at least once a month, and four times a month, if the committee so decides. The Committee on Expenditures holds its executive hearing on the first Thursday of every month, and the action of any subcommittee, or the action of the chairman himself, can be overruled in any executive committee meeting by a vote of seven members of the committee.

Mr. President, these are the reasons why I say that we intend to continue to operate as a committee of 13 members. We do not know what we are going to investigate. We have had no money with which to make investigations, other than surplus property investigations.

Mr. LUCAS. I thank the Senator for that frank admission. He has asked for $165,000, and he does not know a single subject he is going to investigate.

Mr. AIKEN. If we knew, we would not publicize the information, giving the people to be investigated notice that they were under surveillance. Any notice of an investigation will be given when the subpenas are issued. No prosecuting attorney, no investigating officer, who knows his business, will announce 2 months beforehand whom he is going to investigate.

Mr. LUCAS. I am very happy to know that the Senator wants $165,000 to investigate nothing at this time. He does not know whom he is going to investigate, he does not have any agenda, he does not have any program, but he is going fishing, to find out if there is something that should be investigated. He wants $165,000 to do that.

Mr. AIKEN. We have, I suppose, a hundred complaints on hand now, but we have not decided what we are going to investigate.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. BARKLEY. I should like to ask the Senator from Vermont whether the matters which are to be investigated, whatever they may be—and I have no idea what they may be—will be decided upon by the full committee, some particular thing in some particular department to be investigated, or will any subcommittee appointed by the chairman, independent of any instructions from the full committee, determine what it will investigate?

Mr. AIKEN. It is my expectation that, as provided by law, the full committee will have control of any matters which may properly come within the jurisdiction of the committee, whether they are being handled by the chairman, by a subcommittee, or in any other manner.

Mr. BARKLEY. I imagine there may be more than one subcommittee of the committee.

Mr. AIKEN. We have two subcommittees now.

Mr. BARKLEY. There are two subcommittees now. Is it not true that the mere appointment of a subcommittee does not give the subcommittee the power to decide what it will investigate? The full committee has to decide that?

Mr. AIKEN. Only as the subcommittee may be granted the authority by a vote of the full committee.

Mr. BARKLEY. On the particular subject which is to be investigated.

Mr. AIKEN. Yes. So far as minor investigations go, we are following up leads. I do not think the full committee would be interested in authorizing the running down of every individual complaint.

Mr. BARKLEY. I suppose there is a standing subcommittee.

Mr. AIKEN. I would say that major investigations would be undertaken with the knowledge and consent of the full committee.

Mr. BARKLEY. Therefore the full committee would have to be consulted about running down evidence with respect to investigations which it had already previously authorized?

Mr. AIKEN. That is correct.

Mr. BARKLEY. But, if I understand the Senator correctly, any major investigation of any department or a complaint that might be regarded as major, would be authorized first by the full committee, and then referred to the appropriate subcommittee which the Senator proposes to appoint?

Mr. AIKEN. If the subcommittee undertook any investigation which the full committee thought not proper, or which it had not been given authority to conduct, I am sure the full committee would take the situation in hand.

I should like to inform the Senators from Illinois and Kentucky that I have no belief at all that if this work of continuing the so-called Truman committee investigations is given to the Committee on Expenditures in Executive Departments—and it is under that assumption that we have requested funds to carry out that purpose—there will be any witch-hunting, if that is what is worrying some of my colleagues.

Mr. LUCAS. No. I have all the confidence in the world in the able Senator from Vermont, and I know that as chairman of the committee he will do an honest, conscientious, and efficient job. But I remind him that times have changed since the Republicans took control in the Senate a year ago last January. If any Senator came before the Committee to Audit and Control Contingent Expenses of the Senate and asked for a $165,000 appropriation and could not tell the members of that committee what was to be done with the money or give the committee any explanation at all, the Senate can rest assured that the minority members of that committee would have asked many many questions as to what the money was to be used for, and unless a more satisfactory explanation were given than has been given in the present case, the request would have been cut at least 50 percent, and perhaps more.

Since we are referring to the Truman committee, it is well to remember that at no time during the Truman committee's investigations did the committee ever ask for more than $100,000, and the request was always granted, because the committee always came in with a program and were able to tell the Committee To

Audit and Control the Contingent Expenses of the Senate exactly what they were going to do with the money they requested.

During the time that former Senator Mead and the Senator from West Virginia [Mr. KILGORE] were, respectively, chairmen of that committee they never asked for more money than that. Yet, last March, we authorized the War Investigating Committee to expend $150,000, and in July we authorized an additional $25,000, and that committee has expended in the year $166,083.

I merely point out to the Senate that we are asked to appropriate $165,000 on the theory that 26 new employees are going to various places in the country to find something derogatory to somebody. That is about the sum and substance of it. That would make 55 employees who would be attached to the committee headed by the able Senator from Vermont, as I understand from the records which have been submitted to the Senate.

Mr. AIKEN. Mr. President, I might inform the Senator from Illinois that, so far as I know, there have been employed by the committee, including subcommittees, at no time more than 29 employees, including per diem employees. We have 10 persons on the regular staff as authorized by law. We had a few on a per diem basis carrying out the purposes of a resolution adopted by the Senate last summer for making a study of the relationship of the Federal Government to States and municipal governments, and then there were, as I recall, about 15 persons employed by the Surplus Property Committee. I am not sure of the exact number.

Mr. LUCAS. The Senator is correct; there were 15 employed by the Surplus Property Committee.

Mr. AIKEN. I understand the War Investigating Committee has had as many as 28 employees. I am not sure as to the number. I had nothing whatsoever to do with that committee.

Mr. LUCAS. What the Senator's committee proposes to do, as I understand, is to take over employees of the War Investigating Committee.

Mr. AIKEN. No decision has been made in that respect. It would naturally be my expectation that if certain employees of the War Investigating Committee had done especially good work they could be retained. That would be better than to bring in new persons.

Mr. LUCAS. I think that is true.

Mr. AIKEN. It is also unquestionably a fact that we could not expect to keep anywhere near as many employees as have been employed by the Surplus Property Subcommittee and the War Investigating Committee. I do not have the request with me. Did the Senator from Illinois say that pay for 24 employees was requested?

Mr. LUCAS. For 26 new employees.

Mr. AIKEN. The committee has been handicapped in carrying out paragraph (B) of the Legislative Reorganization Act of 1946 as printed on page 6, "studying the operation of Government activities at all levels with a view to determining its economy and efficiency," for this reason: We are entitled to only four professional employees. We have had 1 manager and 3 accountants. They are not investigators in any sense of the word. They are kept busy most of the time checking the expenditures of the Government, and following up the Comptroller General's reports to the Congress. We have found that we cannot, under the law and the rules of the Congress, borrow anyone from another committee or subcommittee, even for a day or a week at a time. That has handicapped our work, because there are times when we could have used special type assistants to good advantage. If the resolution stands as approved by the Senate, I believe we would be able to hire special type employees for a day, an hour, or for 2 months without running the risk of violating any of the rules.

I want the Senator from Illinois to understand that I have not in any way followed the work of the War Investigating Committee.

Mr. LUCAS. Let me say to my able friend that I do not think any Member of the Senate begrudges the money spent upon legitimate investigations. To my knowledge up to now the present minority in the Senate has done nothing in the way of ever contesting a single appropriation. The ease and the speed with which large appropriations have been made available during the past year was most unusual, but I think they evidence the good will which Members of the Senate have toward investigations, and their hopes for their success.

Especially in view of this attitude, the course of these investigations during the past year has been regrettable. I am referring now to the War Surplus investigation, and the investigation by the Brewster committee when I say that I think that the course of their investigations has been regrettable, certainly in some instances at least. These investigations have made a spotty record. The prestige of investigations generally has suffered a cruel blow at the hands of the War Investigating Committee. The damage thus done has naturally spread to all investigations by the Senate and has damaged the prestige of the Senate itself. Notwithstanding that fact, we are asked by this resolution to grant one of the largest appropriations in the history of the United States Senate.

Mr. President, I think it is advisable to read a few editorials to show what has been said about the War Investigating Committee, and what sort of tradition the Senator from Vermont is taking over. I feel confident that when he takes over, the committee will not be conducted as it was conducted during the past year, thereby giving the press of the country an opportunity to condemn the investigatory power of the Senate. Let me read a few editorials for the record.

Here is one from the Louisville Courier Journal, of Louisville, Ky., of August 12, 1947. The caption is: Senators Face a Task of Repairing Dignity.

The editorial reads as follows:

The Senate War Investigating Committee doubtless welcomes the chance to retire and lick the wounds suffered by its dignity.

The great prestige which the committee accumulated under Harry S. Truman, its first chairman in his senatorial days, has been impaired. The old record of its calm, precise, detached, inviolability of purpose apparently has been smudged in the hurly-burly of last week. Erroneous or not, the suspicion of motives under which it has fallen—motives ranging from the political to a personal avidity for the spotlight—will hover for a long while.

Prestige of congressional investigations generally has suffered. One may feel that this is a natural consequence of the blithe mood in which the present Congress set about inducing a plague of investigations. It was a mood reflected in the announcement by a triumphant Republican leader last fall that every session would begin with a prayer and end with a probe.

The thoughtful Congressman may see signs enough to satisfy him that authority has been abused.

Here is one from the New York Times of August 12, entitled "Inquiry Postponed."

INQUIRY POSTPONED

Investigation of war contracts must go on. We should know whether public funds were wasted beyond the unavoidable waste of all wars, when the most desperate expedients are sometimes justified. We should know whether there was corruption. If funds can be recovered we should recover them. But the use of a committee room as an arena for personal squabbles and political maneuvers degrades the congressional committee as an institution. The Brewster committee might take a leaf from the record of a committee of the same name which operated during the early years of the war, with dignity and effectiveness, under the chairmanship of Senator Harry S. Truman, of Missouri.

The following editorial, entitled "Circus Leaves Town," was published in the Washington Evening Star of August 12, 1947:

CIRCUS LEAVES TOWN

No great sense of loss will attend the announcement by Senator FERGUSON that the investigation of Howard Hughes and his wooden airplane has been put off until November 17.

There is no need to dwell upon the unfortunate aspects of this affair. There is every reason, certainly, to investigate war contracts awarded under circumstances attending those in which the committee professed to be interested. But nothing constructive can come from such an investigation when it is conducted in such a way as to burlesque the whole affair and to give the impression that the main purpose is to search for partisan political ammunition—

Does anyone deny that that was the real purpose in that investigation?—

The result of this is to discredit the investigation in the public mind and give the witnesses an opportunity to turn the inquiry into a farce. That is what happened in this instance, and that is why there will be few regrets as the circus leaves town.

The following editorial, entitled "Had Enough?" was published in the Washington Daily News of August 12, 1947:

HAD ENOUGH?

The Howard Hughes investigation ends as it began—in a mixture of politics and corny comedy.

From where we sit, what we said in our editorial on Wednesday, August 1, still stands: "Anybody who can't identify the odor arising from the activities of the Brewster committee hasn't much sense of political smell. * * * On the basis of what has been revealed to date * * * the main thing that emerges is that a couple of 'idea men' (Hughes and Kaiser), have had their

teeth knocked in by a political gravedigger's spade."

If there's a lesson in the Hughes case, it gets back to what we've said earlier—that congressional investigating committees need some standard rules of practice to keep them on their course.

Mr. President, before I am through I shall submit a resolution which I believe will be instrumental in bringing about some reform, so far as proper standards are concerned, in carrying on these investigations.

The following editorial, entitled "The Wrong Time to Call Off Hearings" was published in the Philadelphia Inquirer of August 12, 1947:

THE WRONG TIME TO CALL OFF HEARINGS

Senator FERGUSON'S excuse for sending the subcommittee members on a 14-week vacation from their investigating duties could hardly be flimsier. The opinion is bound to be general that the hearings were pretty much of a fiasco, with precious little information squeezed out of the reams of testimony taken, and with overtones of pure burlesque.

If the Ferguson-Brewster group stalls around on further investigation of war contracts it ought to be put out of business permanently and the inquiry placed in the hands of an entirely different group.

One thing is certain: Investigation must go on but not in the inept, unproductive manner in which it has recently been misdirected.

An editorial entitled "Brewster's Debacle and Retreat" was published in the Chicago Sun of August 13, 1947. The editorial reads as follows:

The abrupt termination of the Senate inquiry into Howard Hughes et al. was at best a shameful end to a shameful spectacle. We probably are destined never to know just how and why the halt was called. But it can safely be said that any prolongation of the inquiry at this time would have been highly unpalatable to many Republican colleagues of Senators BREWSTER and FERGUSON—let alone to the Republican high command.

The New York Post of August 2, 1947, contained an editorial entitled "FERGUSON, BREWSTER Busy Burning Witches Again." The editorial reads as follows:

This is indeed a book-burning era. The books on the rules of evidence and fair play perhaps even of public honesty—are being tossed into the bonfire of neglect by the Senate committee investigating the Hughes flying boat.

So unfortunate has been the record of recent months that more and more public attention has been drawn to the necessity for reviewing the proper uses and procedures of investigating committees, and the need for reform. The press of the entire country has been calling attention again and again to the need for the reform of congressional investigating procedures. The Washington Post has been publishing a series of editorials which many of us have seen under the heading "Congressional inquiries should be dedicated to enlightenment and not to persecution." On January 22, 1948, the Post said:

Abuses have crept into congressional investigations at a time when the investigative process is more important than ever before. Congress finds itself in need of factual and well-balanced information in many different fields. It must make use of the investigative function in order to save itself from ignorance. What it gets from some of its investigators, however, is biased half truths built up from distorted evidence. Other committees resort to such questionable methods as to incite widespread reaction against what they are undertaking to do.

After referring to an incident last summer in the conduct of the Senate investigation in the Howard Hughes case, the Post said:

The important fact to remember is that this congressional inquiry was permitted to descend to the level of a personal wrangle. * * * The unfortunate thing is that the committee and Congress itself suffered a slump in prestige along with the Senator who abused his power.

Until last year, in the Senate there has been long a tradition of placing the Senate's investigative function on the highest pedestal. With very few lapses, the investigating committees of the Senate have lived up to this great tradition. Within the memory of men now in the Senate there have been a long series of great investigations which have benefited the country as a whole, contributed to the prestige of the Senate, and added to the luster of those engaged in the investigations.

In the 1920's there was the famous Teapot Dome investigation, in which the two Montana Senators, Thomas Walsh and Burton K. Wheeler, distinguished themselves. In the 1930's the entire country responded with appreciation and thanks to the Senate and to its Banking and Currency Committee for the great work in the banking and stock-exchange investigation conducted by the late Senator Duncan U. Fletcher, of Florida. In the same decade the Senate authorized, and its Committee on Interstate Commerce conducted, the well-known investigation into railroad holding companies and finance. This inquiry was conducted under the chairmanship of Burton K. Wheeler, of Montana, and the vice chairmanship of the then Senator—now President—Truman.

In the same decade there were other famous investigations, such as the investigation conducted by Members of Congress and representatives of the executive departments into monopoly. This study yielded valuable fruit, and much of the credit was given at the time, and should still be given, to the senior Senator from Wyoming [Mr. O'MAHONEY] for the results achieved. Finally, in the present decade, the prestige of the Senate was greatly enhanced and the most urgent interests of national defense were protected through the activities of the special War Investigating Committee headed by Senator—now President—Truman.

And yet, for the past year, the country has witnessed a retreat from this high standard of excellence set by so many and such diverse Senate committees. The country has witnessed a dragging down of the investigative function and of its prestige, as well as the prestige of the Senate. Investigating committees have investigated, but by unsatisfactory and inadequate means, and with inadequate results. Once in a while a spark was struck, but this was only a flash in the pan. The great results expected of the investigations of the past year, results to which the country was entitled, were not forthcoming. The level of competence, efficiency, and brilliance set by so many earlier investigations was forgotten, and a new and low level was substituted.

Let us examine for a moment the subject of the reports which have been filed by the Senate War Investigating Committee. In trying to evaluate the usefulness of investigating committees, one way to get at the problem is to find out how many and what kind of reports have been filed; for, after all, no matter how sensational may be the evidence unearthed by an investigating committee, no matter how many headlines the committee may earn, the fruit of the committee's activities are its reports. These are the documents produced for the guidance of the Senate, and they should justify the expenditure of money required to produce them.

In the period before the junior Senator from Maine became chairman of the War Investigating Committee, and the junior Senator from Michigan its vice chairman and, in effect, acting chairman, many reports were prepared. In the 14 months since they have had full charge of this committee, but one report has been filed on any of the hearings conducted in 1947—a report on the subject of renegotiation of war contracts. That report was filed on February 20 last. Two reports have been filed based on hearings prior to 1947; and the reports were, in fact, drafted prior to 1947.

It is worth noting that, when the first regular session of the Eightieth Congress was coming to a close in the summer of 1947, a special resolution was adopted authorizing the committee to file reports during the recess. But no reports were filed.

In fact, some of the hearings held by the committee in the year of its existence are not yet in print.

One cannot help concluding that here we have a committee which was either at loose ends, drifting, and with all the resulting inefficiencies and slackness, or a committee which has been deliberately run in that fashion for purposes which have never been disclosed, but which may be guessed at.

When the debate took place in the Senate in January 1947, over the continuation of this committee, sensationalism was the order of the day. I shall read only one or two newspaper items regarding what my able friend the junior Senator from Maine [Mr. BREWSTER] said at that time. In 1947, one of the Illinois newspapers carried an article reading in part as follows:

PROMISES NEW SENSATIONAL WAR EXPOSÉS

WASHINGTON, January 17.—Chairman BREWSTER, Republican, of Maine, promised his Senate colleagues today "sensational new exposés" if they vote added life for his Special War Investigating Committee.

As the Chamber prepared for its third day of debate on the hotly disputed issue, BREWSTER told reporters his group already has accumulated "90 percent of the material" that would make its previous disclosures look like "small potatoes."

In other words, Mr. President, the Senator from Maine stated that the committee had 90 percent of its work

done when it asked for a continuation. In other words, the committee knew exactly what it was going to do. But today we find that the committee is at a total loss insofar as having a program.

I read now a portion of a newspaper article appearing on February 10, 1947:

COMPLETE WAR-PROFITS STUDY PROPER TASK FOR COMMITTEE

Chairman BREWSTER, Maine, Republican, tells reporters that the Senate's Special War Investigating Committee will make a "complete examination of $31,000,000,000 of war profits."

He explains that, according to information given him, of $100,000,000,000 spent by the United States in the war effort, $315,000,000,000 was spent under contracts where the profit averaged 10 percent, total profits on these contracts thus running to about $31,500,000,000.

Mr. President, did any of us ever hear any more about that, after the committee went into its investigation of those matters?

The newspaper articles I have read give an indication of the sensational type of statements and headlines that went out over the country at that time when the committee was trying to convince the Senate of the necessity for its continuation. The most extravagant threats and prophecies were made, particularly in press interviews, about what the committee was going to do. When it comes to receiving from the committee what might be called a balance sheet of its work and an accounting of its accomplishments we find that at the end of a year of work, thus far, there is exactly nothing—zero.

In addition to the report on renegotiation of war contracts—hardly a sensational subject—we have had two other reports filed with the Senate. The first was filed on January 4, 1947, and covered transactions between the late Senator Bilbo and various war contractors. That report was prepared while the committee was under the chairmanship of the Senator from West Virginia [Mr. KILGORE]. The second report was filed on January 10, 1947, and covered the Inter-American Highway investigation. The junior Senator from Maine referred to that report in the course of the debate on the continuation of his committee on January 15, 1947, as follows:

I think that our report on that is ready so that there is no occasion for further exploration.

Mr. President, I think it is a reasonable inference that that report, too, was based on the investigative work of the Mead-Kilgore committee.

All this is in sharp contrast to the frequency with which reports came to the Senate while President Truman and, later, Senators Mead and Kilgore were in charge of the committee. President Truman filed three annual reports for the 3 years he headed the committee, and filed 29 reports in the nature of interim reports. In the 2 years that Senator Mead and Kilgore were in charge of the committee, they filed two annual reports and seven interim reports. They recommended and had passed several legislative measures based on the findings of the committee.

In the year in which this committee has been in the charge of the majority party, we have had practically no reports which resulted from the work of that committee during 1947.

What conclusion can we draw from these facts? I think the inescapable conclusion is that the committee is not interested in filing reports, but, rather, is after what it considers more important; namely, the garnering of headlines, and the creation of sensations.

It is no secret that the Committee on Expenditures in the Executive Departments, through its subcommittee headed by the junior Senator from Michigan [Mr. FERGUSON], has been named the successor to the War Investigating Committee to carry on in the same tradition. We are now asked to appropriate for the use of that committee an enormous sum, judged by any previous appropriation. What has the predecessor committee done which would justify our confidence in the work of the new committee? What substantial benefit have we had from the $166,000 the committee has thus far expended? What legislation has been recommended and passed? What can we expect from the expenditure of another $125,000. We are entitled, certainly, to have some knowledge of the facts, other than the employees budget which has been submitted by the able chairman of the Committee on Expenditures.

Mr. President, I repeat that the Senate should not vote blindly upon any requested appropriation, but instead we should have a few facts upon which to base our judgment. I presume that if the committee had requested a quarter of a million dollars, no doubt it would have received that amount, judging from the way that requests for legislative appropriations of this kind are being allowed in this session.

Mr. President, before closing, I should like to refer to the wording of the resolution itself. This is one reason for my making this speech today. I refer to the broad powers which are provided by the resolution. It provides that in carrying out its duties under rule XXV of the Standing Rules of the Senate, "or any other duties imposed upon it," the committee is authorized to make expenditures. I wonder why those words "or any other duties imposed upon it" were included in the resolution. I think it should be made perfectly plain just what the words "or any other duties imposed upon it" mean. Who is to impose the other duties on the committee? If the words mean only that the committee is to carry out its other duties under the rules of the Senate, then these words are unnecessary. If, on the other hand, it is contemplated that this committee is to have duties which are not now defined by the Standing Rules of the Senate and the Legislative Reorganization Act, now is the time to find out.

I ask my able friend the Senator from Vermont [Mr. AIKEN] how he construes the words "or any other duties imposed upon it."

Mr. AIKEN. I would construe those words to mean any other duty imposed upon it by the Senate, which duty would necessitate some expenditure or expense for which no appropriation had been made. I am willing to say, for the record, that I understand and I believe that this $125,000 would be used exclusively for carrying out the purposes of subsection (g) (2) (B) of rule XXV.

Mr. LUCAS. If the Senator believes that, then I ask him why those words were included. In other words, who is to say what are the duties that are imposed upon this committee? Is that to be a matter for the committee itself?

Mr. AIKEN. The Senate would say what duties would be imposed on the committee.

Mr. LUCAS. But why are those words necessary?

Mr. AIKEN. I do not know that they are necessary.

Mr. LUCAS. Would the Senator be willing to eliminate those words from the resolution?

Mr. AIKEN. We cannot eliminate the words now, because the resolution is not presently before the Senate. That question has not been raised heretofore. It is possible that by a vote of the Senate other duties will be imposed upon the committee from time to time—duties for which no appropriation might previously have been made.

Mr. LUCAS. Let me say, Mr. President, that when and if such a thing happens, the resolution upon which the Senate bases its vote at that time will contain whatever provision is necessary in order to provide funds for carrying out the further duties imposed by any resolution.

Mr. AIKEN. That is true; I agree with the Senator.

Mr. LUCAS. I undertake to say that there are those who can and may construe the language I have just read to mean that the committee can set itself up as a special investigating committee to investigate anything, no matter what it may be.

Mr. AIKEN. I think we have almost that power now.

Mr. LUCAS. Then why was this provision included in the resolution, if that power is had now?

Mr. AIKEN. As I have said, this is the first time this question has been raised. It was not raised previously. Certainly if the Senate imposes a duty upon a committee, it must provide the means for carrying out that duty.

Mr. LUCAS. I understand that. But certainly there must be some reason—and I doubt that the Senator from Vermont knew those words were included in the resolution—because if there is the power to do this under subsection (g) (2) (B) of rule XXV, as the Senator from Vermont has said, then these words are surplusage, and should never have been included. So there must be another reason.

Mr. AIKEN. Let me say that I read the resolution before it was printed or sent to the legislative draftsman, and that to me it seemed to be all right. In considering it, it was my expectation that appropriations would be made for carrying out the duties imposed by subsection (g) (2) (B) of rule XXV.

Mr. LUCAS. As I see it, it merely gives the committee a loophole to do anything it wants to do, and that is

exactly why, in my judgment, the language was included.

Mr. AIKEN. I have given assurance to the Senator that the 13 members of the committee will control the exercise of the duties imposed upon it.

Mr. LUCAS. Yes; I understand that. What we are trying to do is to get away from special committees, and yet under the language of this resolution I undertake to say that the Senator's committee might be able to investigate anything, even if it is within the jurisdiction of another committee.

Mr. AIKEN. It is my understanding that section (g) (2) (B) already gives the committee the power to investigate any agency of Government.

Mr. LUCAS. Then, I come back to the first question, Why did the Senator permit the language to be included, if the committee already has that power?

Mr. AIKEN. It is because we have the power to investigate any agency of Government, at any level, with a view to determining its economy and efficiency. That is written into the law.

Mr. LUCAS. That is correct; but the committee does not have the power to infringe on the jurisdiction of another committee, for example, the Committee on Agriculture and Forestry, and to investigate something connected with agriculture, unless the committee has been specifically given that right under a resolution of this kind. I undertake to say that under the pending resolution the committee can investigate the farm program if it wants to.

Mr. AIKEN. I think the committee can investigate the Department of Agriculture or any other department of government, under the language of subsection (g) (2) (B).

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KILGORE. I should like to call the attention of the Senator from Illinois to the fact that during the actual war years, as the Senator knows, a number of reports were published by the Special Committee To Investigate the National Defense Program. I call his attention to the fact that, during the war years, a far greater number of reports were prepared, which, because of the requirement of secrecy, the committee was not permitted to publish or to disclose publicly in any way. I have felt for some time that further investigations of matters connected with the war could be undertaken properly if reports which are on file were made public.

Mr. LUCAS. I thank the Senator for his contribution.

Committees of Congress are invested with the enormous prestige and dignity of the Congress of the United States. For that reason they have a special obligation not to infringe on the rights of our citizens.

Reputations have been assassinated before congressional committees on the basis of flimsy hearsay testimony and irrelevant evidence. Men in all walks of life, and particularly those high in public life, have had to suffer the reckless disregard of congressional committees for their cherished reputations. One of the reasons why many talented men have refused to devote themselves to working for the Government consists in just this fear of the whiplash of congressional investigation. This is no new thought with me. From the day I entered the Halls of Congress 13 years ago and saw what was going on in the investigations before committees, I was appalled to learn how far a committee could go in interrogating a witness. I have talked to Members of Congress many times about the reform which is needed.

It is precisely because I am convinced of the indispensable function of the congressional investigating committee in exposing corruption wherever it may be found that I feel the time is ripe for the reform of committee procedures. These committees have in the past made immensely valuable contributions to the welfare of the American people by turning a white light on evil; much beneficial legislation has resulted. It is therefore of the highest importance that these committees enjoy the unquestioned respect and confidence of the American people, for if they do not, they will lose their usefulness as congressional tools.

As a member of the committee investigating the attack on Pearl Harbor, I attended every hearing of that extensive investigation and time after time heard respected officials of our Government pilloried on the basis of partisan and personal venom, rather than on any substantial evidence. There has never been a committee hearing where so much time and money were wasted on irrelevant, repetitious, and prejudicial questions.

The only effective reform in committee procedures is the exercise of judicious self-restraint by members of such committees. They must lay down for themselves rules of the game which command universal respect, and show their painstaking regard for the traditions of individual rights and liberties. On the other hand, there are some precautions which can be laid down, which will serve to protect individuals against unwarranted attack.

I have in my hand a resolution designed to accomplish this result. In essence it would give any person who feels that his reputation has been impaired the right to file a sworn statement before the committee which must be made part of the record, the right to testify personally, the right to summon witnesses in his own behalf, and the right to cross-examine hostile witnesses. In order to make sure that these privileges are not abused by anyone, no more than four witnesses may be summoned and no cross-examination may extend beyond 1 hour. Witnesses are accorded the right to be accompanied by counsel. As an additional safeguard, no report alleging misconduct or adversely commenting on any person may be filed unless and until such person has been so advised and has had an opportunity to present the committee with a sworn statement with respect thereto.

Mr. President, I am quite in earnest in the presentation of this concurrent resolution. I have participated in many investigations since I became a Member of Congress. I know exactly what can be done to a witness, and I know what has been done to many good men who have appeared before committees from time to time. Unless the Members of Congress who are in charge of committees exercise self-restraint and self-discipline in the cross-examination of all witnesses, whether their station in life be high or low, the time will come when the congressional investigatory powers, which are so indispensable to the uprooting of corruption and evil in government, will reach the point where no one will have any confidence in any one of the committees that attempt to investigate anything.

As a result of what happened last year in the Howard Hughes investigation, it is my studied judgment that the American people are still skeptical, still crossing their fingers about any investigation which may be conducted by committees of Congress.

I ask unanimous consent to send to the desk the concurrent resolution, and to have it referred to the appropriate committee.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the concurrent resolution (S. Con. Res. 44), submitted by Mr. LUCAS, was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That the following provisions of this resolution are adopted as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively.

SEC. 2. Any person who believes that testimony or other evidence given in a public hearing before any committee tends to defame him or otherwise adversely affect his reputation may file with the committee a sworn statment, concerning such testimony, which shall be made a part of the record of such hearing.

SEC. 3. Such a person shall in addition have the right (a) to testify personally in his own behalf, (b) to have the committee secure the appearance of witnesses requested by him for the purpose of testifying in his behalf, and to examine such witnesses, either personally or by counsel, but no more than four such witnesses shall be called; and (c) to have the committee secure the appearance of witnesses whose testimony adversely affected him, and to cross-examine such witnesses, either personally or by counsel, but such cross-examination shall be limited to 1 hour as to any one witness.

SEC. 4. Any person who wishes to avail himself of the rights accorded by section 3, shall, within 30 days of the receipt by the committee of the testimony complained of, file a petition with the committee requesting the fixing of a time and place for the receiving of testimony or the conduct of cross-examination and designating the witnesses to be summoned. Such a petition shall be accompanied by the sworn statement of the petitioner that the petition is not filed for the purpose of delaying or obstructing the work of the committee, but because his reputation has been unjustifiably damaged or otherwise adversely affected by false accusations or inference. The committee shall, within 10 days after the receipt of such a petition, fix a time and place for the receiving of testimony or the conduct of cross-examination, which time shall not be later than 30 days after the receipt of the petition, and shall secure the appearance at such time and place of the witnesses designated in the petition.

SEC. 5. Any witness summoned at a public or private hearing before any committee shall have the right to be accompanied by counsel. Such counsel shall be allowed to observe the hearing, but shall not be allowed to participate therein or to advise the witness while on the witness stand unless the committee, in the discretion, shall otherwise determine.

SEC. 6. In the conduct of hearings, the evidence received shall, so far as possible, be relevant and germane to the subject of the hearing.

SEC. 7. If the testimony of a witness at a private or public hearing before any committee is reported stenographically, such witness shall be entitled to a stenographic transcript of such testimony upon payment of the cost of the transcript.

SEC. 8. A committee shall not publish or file any report, interim or final, unless and until a meeting of the committee has been called upon proper notice and such report has been approved by a majority of those voting at such meeting.

SEC. 9. No committee or employee thereof shall publish or file any statement or report alleging misconduct by, or otherwise adversely commenting on, any person unless and until such person has been advised of the alleged misconduct or adverse comment and has been given a reasonable opportunity to present to the committee a sworn statement with respect thereto as provided in section 2.

SEC. 10. No member or employee of a committee shall for compensation speak, lecture, or write about the committee, its purposes, procedures, accomplishments, or reports during the existence of the committee and while he is a member of the committee or in its employ.

SEC. 11. As used in this resolution, the term committee includes a standing or select committee of either House of Congress, a joint committee of the two Houses, and a duly authorized subcommittee of any of the foregoing.

Mr. KNOWLAND. Mr. President, I had not intended to speak on this subject today, but due to certain remarks made by the able Senator from Illinois, I feel that the record should be considerably clarified. As I understand the remarks of the Senator from Illinois, he was attempting to build up a case for the contention that the legislative branch of the Government of the United States has been almost wasteful of the funds allocated to it.

I call attention to the fact that in the paper submitted by the able Senator from Vermont [Mr. AIKEN] today, it is shown on page 2 that the total cost of the legislative branch of the Government of the United States amounts to $93,649,115 out of a total Federal budget of $39,652,954,675.

I further desire to call attention to the fact that in the footnote on page 2 it is stated that the amount chargeable to the legislative branch of the Government of the United States includes the General Accounting Office.

If the Members will now turn to page 3 and look at the break-down of the legislative branch of the Government, it will be found that the United States Senate accounts for the sum of $10,611,000 of the amount of $93,649,115; the House of Representatives for $17,973,070; a miscellaneous item of $219,000; the Architect of the Capitol accounts for $4,167,500; the Botanic Gardens for $161,000; the Library of Congress for $8,164,420; the Government Printing Office for $19,189,600, and the General Accounting Office for $33,161,000, those items constituting the total of $93,649,115 out of the budget of $39,652,954,675.

I submit, Mr. President, and Members of the Senate, that if the Congress of the United States is to perform its constitutional legislative duties it must have adequate funds in order to obtain the necessary facts.

As I pointed out, I had not intended to speak on the subject as a member of the Senate Committee on Appropriations. I have been going into one of the branches of the Government of the United States, namely, the Reclamation Service of the Department of the Interior. I happen to come from a western State—about as far west as one can go without going into the Pacific Ocean. I am profoundly interested in the whole field of reclamation. I think that some of the most constructive work in the building of this Nation has been done in the past by the Reclamation Service of the Department of the Interior. But I want to say, Mr. President and Members of the Senate, that I have been shocked, as I have never been shocked before, to see the way in which an executive branch of the Government trifled with the Congress of the United States by giving misinformation to a congressional committee and indulging in misrepresentation and evasion.

This body cannot perform its functions if branches of the executive department of the Government act in the way in which certain individuals in the Department of the Interior have acted before the Senate Committee on Appropriations.

So that the record may be perfectly clear, I wish to present some facts to the Senate. I call attention to the fact that when the Appropriations Subcommittee on the Department of the Interior was discussing the appropriation last year it went into the question of the carry-over fund. I specifically call attention to the Central Valley item in the State of California. The Interior Department's Bureau of Reclamation had indicated to the House of Representatives and to the Director of the Budget that their carry-over would be approximately $10,000,000. Later on, due to pressing by the Committee on Appropriations itself, we found out that the fund was greatly underestimated. As a matter of fact, it turned out on June 30, last year, at the end of the fiscal year, that it amounted to a little more than $21,000,000. At the least, that indicated some very poor bookkeeping in the Interior Department.

During the investigation which we have recently conducted we found that officials of the Interior Department's Bureau of Reclamation have had advices from the field, from the people who knew the full facts, prior to their testimony before our committee, to the effect that, in their judgment, the amount of the carry-over would be approximately $25,000,000. In spite of the fact that they had that information from those who were best able to give them competent information, they went before the Director of the Budget representing the President of the United States, and misrepresented the facts to him. They appeared before the House Committee on Appropriations and misrepresented the facts to that committee. They came before the Appropriations Committee of the Senate of the United States, and, in answer to direct questions which I myself propounded to them, they misrepresented the facts to our committee. They knew at that time that the amount would be approximately double that which was testified to before our committee. We did not know at the time the bill was before the committee last year that they had that information. We ascertained in the hearings which we have recently conducted that a teletype had gone from California to the Bureau of Reclamation containing the statement that, in their judgment, the carry-over would be approximately $25,000,000.

Mr. President, there may be some who say that the Congress of the United States did not give to the Reclamation Service the funds it should have. I certainly think it should have all the funds it can properly spend in developing the great western projects. I do not speak in any narrow sense, either from a partisan point of view or a geographic point of view, because I am as much interested in projects in other areas of the country as I am in those of my own State of California.

I want to call attention to the official report of the program conference held in Washington, D. C., in 1947. It is an official document issued by the Bureau of Reclamation. Let us see what they say as to whether the Congress of the United States has discharged its obligation. I read from a speech by the Honorable J. A. Krug, Secretary of the Interior, appearing on page 2 of the document to which I have referred:

> One of the most embarrassing things I have had to deal with—and I think Mike—

Let me interpose to say that "Mike" is Michael W. Straus of the Reclamation Bureau—

> I think Mike is, too—is that every time we go over to the Budget and talk about our desperate and dire need for money, they lay up to us that you boys are all sitting on the money bags, and never spending what you have.

He was talking to the Reclamation officials at the conference, and he went on to say:

> There is a serious doubt that you are going to spend the money you have this year.

Further on he says:

> I think that practically every single one of the regions has more money than it will be able to spend at the present rate of progress.

Let us turn over a few more pages and see what Mr. Straus had to say——

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Illinois.

Mr. LUCAS. Who is the witness who is supposed to be testifying?

Mr. KNOWLAND. At this particular point I am reading from the Reclamation Service Conference, from the official stenographic report of their meeting.

Mr. LUCAS. Whose testimony?

Mr. KNOWLAND. That of Secretary Krug.

Mr. LUCAS. Is he responsible for making statements with respect to the money the Bureau of Reclamation had?

Mr. KNOWLAND. Yes; the statements I read a moment ago.

Mr. LUCAS. He was cooperating with the Senate, was he not?

Mr. KNOWLAND. There are two different points about which we are talking. I am now reading some factual information from the report of the Reclamation Service Conference. I shall come to the testimony before our committee in a short time, if the Senator will be patient.

Mr. LUCAS. I shall be patient.

Mr. KNOWLAND. Now, let me read from what Mr. Straus had to say. I read from page 21:

> Neither lack of men nor money can explain in full our present problems, but we might as well discuss the money matter first, because you never let the Commissioner take his eye off of it in the Bureau of Reclamation.

Then further he said—and I want Senators to pay particular attention to this:

> This year we did not spend our money. Last year we did not spend our money. The year before we did not spend our money. We do not spend our money in peacetime and we do not spend our money in wartime.

Further he said:

> Lack of money is not holding us back.

So when the charge is made that the Congress of the United States, either in the Seventy-ninth Congress or the earlier ones, or in the present Republican-controlled Congress, has not been treating the Reclamation Service fairly, I say that the words of the Service officials themselves indicate that the charge is not true.

I do not mean by that to imply that they are not in difficulties, but I think that in part the difficulties are of their own making.

I wish to say to the able Senator from Vermont that I certainly hope that when he obtains the additional money for investigations he will give very careful study to building up a proper accounting system in the Government agencies, so that they will know their financial condition. If any business in the United States, large or small, operated so loosely or in such a way that it did not know where it stood from week to week and month to month, that business would go to the wall in a very short period of time.

In the investigation of the Central Valley project in California we found that the Commissioner of Reclamation himself visited the Central Valley the month prior to the shut-down of the operations there, and as a matter of fact, within 2 weeks of the time when that great project was shut down the Commissioner of Reclamation himself did not know that it was going to be closed down. Can Senators imagine a business operating under any such conditions?

During the course of this investigation certain information was disclosed which had not been available to the committee at the time of the regular investigation a year ago, and I wish to read to the Senate a memo which was produced by my colleague the senior Senator from California [Mr. DOWNEY] and placed in the committee record. This was a memorandum for all concerned, written by Mr. R. S. Calland, who is the deputy to Mr. Boke, in charge of the Central Valley project.

Subject: Means of effectuating the regional director's responsibilities for project programing and execution.

1. For reasons valid or otherwise, the construction program in the region has fallen far behind schedule. Because of failure to meet estimated progress large amounts of appropriated funds have remained unspent at fiscal year ends. This fact has brought severe criticism upon us from the Secretary of the Interior, the Commissioner, from members of congressional appropriations committees, and from others.

2. The heavy carry-over from the current fiscal year (1947) plus an appropriation in the order of amounts recently passed by the Senate and House of Representatives will give us a total of funds available for fiscal year 1948, which is far above that required to meet our current rate of spending.

Listen to this:

The Secretary and the Commissioner are insistent that 1948 funds be spent early in the year—by January 1, if possible. The situation represents a challenge to our construction ability. The Bureau's reputation as a construction agency is literally at stake. As local custodians of this reputation all means at our command must be employed to meet this challenge.

At this time I ask unanimous consent that the entire memorandum be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION, REGION II,
Sacramento, Calif., June 17, 1947.

Memorandum for all concerned (R. S. Calland).

Subject: Means of effectuating the regional director's responsibilities for construction programing and execution—Region II.

1. For reasons valid or otherwise, the construction program in the region has fallen far behind schedule. Because of failure to meet estimated progress large amounts of appropriated funds have remained unspent at fiscal year ends. This fact has brought severe criticism upon us from the Secretary of the Interior, the Commissioner, from members of congressional Appropriations Committees, and from others.

2. The heavy carry-over from the current fiscal year (1947) plus an appropriation in the order of amounts recently passed by the Senate and House of Representatives will give us a total of funds available for fiscal year 1948, which is far above that required to meet our current rate of spending. The Secretary and the Commissioner are insistent that 1948 funds be spent early in the year—by January 1, if possible. We are concerned here lest we end the fiscal year with another carry-over. The situation represents a challenge to our construction ability. The Bureau's reputation as a construction agency is literally at stake. As local custodians of this reputation all means at our command must be employed to meet this challenge.

3. The regional director has directed me to devote 100 percent of my time to expediting construction. Concurrently he authorized me to select as assistants any individuals from anywhere in the organization, whom I might need to help on various phases of the assignment. There is attached a list of assignments made to date. It is expected that this list will be supplemented from time to time as the need arises.

4. I wish to emphasize the Secretary's, the Commissioner's, and our regional policy which is to crowd construction to the utmost regardless of individual opinions as to adequacy of funds, and to repeat that I am not convinced of our ability to spend the amount that will be available in fiscal year 1948. Assurances have been received from authoritative sources that additional funds will be forthcoming if and when needed. There are no ceilings on personnel required for construction. There is no reason for holding back. On the contrary, there is every reason for giving it all we have.

5. The attached assignments in no way relieve district managers, construction engineers or others of their responsibilities for doing a construction job and doing it fast. The men selected as expediters will work with you and with each other. By all working together there may be a chance to get the job done. We must get it done.

R. S. CALLAND.

ASSIGNMENTS TO EXPEDITE THE CONSTRUCTION PROGRAM

A. RIGHT-OF-WAY—PAUL A. NELSON

Mr. Nelson should keep current on the status of right-of-way not only on all existing contracts but on future contracts, particularly those scheduled for award during fiscal year 1948. He will be expected to deal directly with the right-of-way and legal sections in seeing that all steps required in the acquisition of right-of-way are consummated promptly. This will include also contacts with district managers or construction engineers to see that right-of-way plats and descriptions are forwarded promptly to the regional office so that field appraisal reports and final appraisals can be made. In this connection our policy from now on will be to condemn after a reasonable effort has been made to persuade the landowner to sign purchase papers. In no event will prolonged negotiations be permitted to delay construction.

B. RATE OF PROGRESS ON EXISTING, AND PREPARATION FOR NEW CONTRACTS—ROBERT S. THOMAS

Mr. Thomas will familiarize himself with the rate of progress attained as compared with the rate estimated on all existing contracts, and where contractors are falling behind scheduled performance Mr. Thomas will work with district managers, construction engineers, and contractors as required to bring these contracts up to schedule. The familiarity with construction rates and expenditures gained here will be of value in estimating requirements for future fiscal years. This assignment also includes responsibility for seeing that location surveys are completed as soon as possible, and that design data are forwarded to the chief engineer for his use in preparing designs and specifications. In brief, this includes all items not covered in A. That will insure the letting of new contracts at the maximum rate until our construction work is all under contract or completed. This assignment also includes contacts with the chief engineer's office as necessary to insure the preparation of detailed construction drawings well in advance of the time when the contractor is ready to start construction. It also includes contacts with the Denver office of supply to speed up delivery of major items of equipment.

C. GOVERNMENT MATERIALS REQUIRED FOR CONSTRUCTION—H. F. HALLIDAY

Mr. Halliday will be responsible for putting proper measures into effect that will insure Government materials required for construction being on the site when needed. He will be expected to call on the services of members of the supply organization either here or in the district offices as appropriate, making some one individual responsible for materials on each separate contract in effect. Procurement activities in connection with new contracts should be started as soon as requirements are known. Past experience

has proven that on many items anticipated delivery dates are often considerably delayed. By starting procurement activities immediately, there will no doubt be a necessity for warehousing certain items coming in before they are needed. We should not shrink from this responsibility. Delays incident to nonreceipt of construction materials are more serious than the inconvenience of warehousing those materials which arrive prematurely.

D. PERSONNEL ACTIONS ON CONSTRUCTION FORCES—U. J. GENDRON

At the recent district managers meeting in Klamath Falls, Oreg., the district managers were unanimous in their criticism of the delays incident to completing personnel actions so that new people can be put to work. They were also unanimous in their belief that it is unrealistic to talk about an expedited construction program unless these delays can be avoided. Mr. Gendron will work with the personnel office both here and in Denver or Washington to see that personnel actions on construction people are handled promptly and expeditiously.

General instructions to expediters

Each of you in pursuing your separate endeavors will come in contact with problems lying within the field of another. Make it a rule to report such problems to the appropriate expediter promptly. I would like to have a brief written report from each of you at bimonthly intervals beginning July 1, until further notice. So that all of you may have a better picture of the whole situation, a copy of your report should be furnished to each of the other expediters.

I want it understood that bottlenecks you are to break will not all be located in the region—some will be in Denver and some in Washington. Wherever they are, it is your job to locate and take care of them. I will be available at all times for consultation and to give a helping hand.

Our construction program is the number one priority from now on. Everything else must give way to that. I solicit full cooperation and support of all regional personnel and feel confident that if a concerted effort is made by everyone concerned our record next year will be greatly improved over that of the last 2 or 3 years.

R. S. CALLAND.

Mr. KNOWLAND. Mr. President, I submit that when an agency is criticized for not having spent its funds by the end of the year—which I think is an entirely legitimate criticism which great numbers of people have raised against the Bureau of Reclamation—it should be an incentive for them to become efficient so that they can operate and spend the congressional appropriations within the year for which the appropriations are made. Of course there should be a little leeway. It is not possible for an agency to stop on June 30 and begin on July 1, and there will always be a certain amount carried over, and there should be, but certainly no such sums as have been carried over in the appropriations for the Central Valley and other projects over a period of years.

Mr. President, that is one thing, but it is an entirely different matter for a Government department to take the stand that it will spend the annual appropriation granted by the Congress in 6 months. That affects the very ability of the Congress to perform its constitutional duty of controlling the purse strings of the Nation. This is the chief thing, as history has shown, that has been able to prevent the creation of dictatorships. The executive branch of the Government knew it always had to come back to the representatives of the people to get appropriations with which to function. If we ever permit any executive department to take the position that it is not bound by the congressional policy, determined by the House of Representatives and the Senate of the United States, insofar as appropriations are concerned, I say to Senators we threaten our whole legislative and constitutional system.

At the time this testimony was produced there was some question as to whether or not Mr. Calland was acting with any authority. We sent for him to come before the committee in order to obtain the facts in the case. He came, and his testimony was substantially to the effect that the date he fixed he picked out of thin air, that he had no basis whatever for selecting any such date, that he had not had a conversation with the Commissioner of Reclamation or with the Secretary of the Interior, wherein they had told him to make such a statement.

This was such an unusual letter that both the senior Senator from California, who is a member of the party on the other side of the aisle, and I questioned the witness very closely. Mr. Calland had been in the Reclamation Service for 20 or 30 years, and had borne a very high reputation. It seemed to us very unusual that a subordinate in a great Government department, in a letter sent out to all the employees in the area, should directly quote the Secretary of the Interior and the Commissioner of Reclamation that all these congressional funds should "be spent by January 1, if possible." We were convinced, or, at least, speaking for myself alone, I was convinced, that he was covering up for someone else.

In the next day or so after we had questioned him very closely and required him to bring before the committee any memoranda or telegrams or whatever might have passed between him and his higher echelons, he finally came in and produced the document I have in my hand, and I call it to the attention of my colleagues. This is a memorandum from his immediate chief, Mr. Boke, and let me read it:

Subject: Expediting Construction Program—Report to Secretary Krug.

1. This morning I spoke to you—

This is Mr. Boke to Mr. Calland:

This morning I spoke to you concerning Secretary Krug's last-minute instructions to me on the construction program. He stated very clearly that he would like to see us spend our available funds by January 1.

Then he continued with some additional material. I ask to have the memorandum printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR ASSISTANT REGIONAL DIRECTOR CALLAND

Subject: Expediting Construction Program—Report to Secretary Krug.

1. This morning I spoke to you concerning Secretary Krug's last-minute instructions to me on the construction program. He stated very clearly that he would like to see us spend our available funds by January 1. He also stated that he wanted a personal report from me in the immediate future. I shall leave it up to you as to what date you feel we can give the Secretary a construction personal report. However, I imagine we might count on doing so about July 1.

2. I hope you will take Paul Nelson and anyone else you need into your office and put them to work getting this stuff going. If you need additional personnel, I think you should take it from whatever branch or field office you wish it. By July 1, I think we should make up our minds as to whether this kind of approach to the program through you and your office is sufficient or whether it might be necessary to make personnel changes at one or two points. One never likes to do this, but, as I have said, I am in deadly earnest about getting this job done and not willing to let situations or personalities of any kind stand in our way. I hope that you will proceed on that basis.

RICHARD L. BOKE.

Mr. KNOWLAND. Obviously then this gentleman had at least withheld information from a committee representing the Senate of the United States. I pressed him pretty hard on this point, because frankly I felt that the whole relationship between the executive branch of the Government and the legislative branch of the Government would break down if congressional committees could no longer rely on the statements and the testimony presented to them by representatives of the executive branch of the Government of the United States. I charged him with willfully misrepresenting facts to the committee, and this is what he said, and I quote from the record on page 450:

Mr. Chairman, I knew the document—

That was the Boke document—

was in the file. I was not willfully giving false testimony. I may have been evading.

This is a Government witness speaking before a committee of the Senate of the United States.

Let us turn over to a little additional testimony which was given on the last day he appeared before the committee, so that Senators may realize some of the problems the Congress is sometimes presented with in trying to obtain the facts and so that we may intelligently act on the vast Federal budget of more than $39,000,000,000, and may properly protect the interests of the people of the United States. I want to read some of the transcript from page 748. This is what we had to say on the last day:

Senator KNOWLAND. Mr. Calland, in the intervening period of time since your prior testimony before this committee, do you have any testimony you care to give now to either correct the record or make a little more clear what the facts were, or apparently were, on the day we adjourned when you were still on the witness stand?

Mr. CALLAND. I believe, Mr. Chairman, the most and perhaps a few more of the pieces have meshed together at this time, which I did not remember on that day, and they have been already introduced into the testimony.

Senator KNOWLAND. I again am referring back to your testimony on the 11th of February at the time the Boke memorandum was first presented to this committee.

Do you recall the incident at the time the chairman recessed the meeting over until Saturday?

Mr. CALLAND. Yes, sir.

Senator KNOWLAND. And at that time you indicated, and I will read the testimony here:

Then I read back the testimony, which was:

Mr. CALLAND. Mr. Chairman, I know the document was in the file. I was not willfully giving false testimony. I may have been evading.

Then I continued:

I would just like to clarify for the record at this time: Did you, or did you not, at the time you were testifying, know that the Boke memorandum existed in the files of the reclamation office in Sacramento?

Mr. CALLAND. Yes, sir; I did know it, Mr. Chairman.

Senator KNOWLAND. So, from the point of veiw of the testimony before this committee, at least, information which the committee itself felt was essential and it should have, you were trying your best to prevent the full facts from being developed before this committee?

Is that a fair statement?

Mr. CALLAND. That is a fair statement, Mr. Chairman.

I will tell you frankly that I realize it was a very great error on my part. I am apologetic about it, and I wish to apologize to the committee at this time for being evasive in that manner.

Mr. President, I merely recite this as a very small part of a very large story to show how tremendously important it is that Congress and its committees shall be properly armed so that we may obtain the facts and discharge our obligations to the people of the United States. If we should spend twice as much in operating the legislative arm of the Government as we spend today, it would be an infinitesimal amount and a drop in the bucket compared with the over-all cost of the Government, which has reached the fantastic sum of more than $39,000,000,000 a year.

In conclusion, I want to say, Mr. President, I merely wish to say that I believe it to be extremely important that the resolution which the Senate adopted should not be reconsidered, so that final action may be taken. I think we are very fortunate in having in the Senate of the United States a very competent and able committee headed up by the distinguished Senator from Vermont [Mr. AIKEN], whose reputation for fairness is known to every Member of this body. I think, Mr. President, that we would be remiss in our duty if we did not vigorously undertake to arm the legislative branch of the Government of the United States with all the weapons it needs. We have an obligation to see to it that the public business is being properly discharged.

Mr. DOWNEY. Mr. President, the distinguished junior Senator from California has accurately and fairly stated the conditions existing in the Central Valley project, as revealed by the hearings before the Appropriations Committee. I differ with him in only one respect. I think the Senator is far too tolerant and too charitable in his view of the conditions that will be ultimately revealed. As he has already pointed out, here is documentary evidence which cannot be denied, that the Secretary of the Interior, in conspiracy with subordinate employees, started out to spend all available funds for the full fiscal year before January 1. Had that plan been accomplished any man of ordinary intelligence would know what would happen, and that would be that every great contract operation in this very important area would be forced to close upon the exhaustion of funds. Everybody should know that the closing down of work under contracts in connection with which thousands of men were employed, and millions of dollars of machinery were involved, as well as millions of dollars of materials, with the consequent delay, would injure the Federal Government and the farmers of the Central Valley to the extent of many million dollars.

Either the officials of the Bureau when starting upon this plan, which the Senator has so well described, were so abysmally stupid and ignorant as not to know common facts, or they embarked upon a despicable, corrupt, abominable criminal program to bring Congress into disrepute and to injure the farmers of the Central Valley.

When they made that statement on June 17 suggesting that all funds must be exhausted by January 1, they had no knowledge that Congress would be back in session November 17. We came back into session on that date. They still had ample money in my opinion, as the facts will clearly reveal, to have continued all operations up until late January or February, but by the dishonest manipulation of accounts and statements, by the improvident expenditure of money, they exhausted their funds applicable to the major part of this contract and had the temerity, at least, to say, "We are out of funds," and the contracts were thereupon closed down upon the serving of that notice.

I believe that the distinguished Senator on the opposite side of the aisle leans backward in trying to be fair and has put the best possible interpretation upon this situation for Government officials who acted willfully and in defiance of Congress and broke the rules of procedure. But I am satisfied, Mr. President, that the facts here now revealed, and other facts which will certainly later be revealed, will show a vile and despicable conspiracy to close down these contracts at all costs, even with the money available to keep them going, and that they actually accomplished and did that very thing. By doing that, they have delayed the major part of that project for 6 months. We are having a serious drought in California. How much that delay will cost our farmers in tens of millions of dollars can only be conjectured. They are spending $600,000 a month on overhead. Six hundred thousand dollars a month for 6 months is $3,600,000 added to the cost of operations.

While I agree with and confirm everything my junior colleague has said, I think he is too fair and tolerant with these men. They started out willfully to defy not only the President and the Bureau of the Budget, but, most of all, Congress. It is plain that they started out on a conspiracy to sabotage and disrupt operations in that valley, with immense loss to the contractors, the Government, and the farmers.

The correspondence shows, through teletype messages to Sacramento, a caution that not one word should leak out to the thousands of workers or to a single contractor, or to a newspaper, as to what was going to happen. They callously and cruelly caused to be discharged from their jobs overnight the workers of the contractors. They interfered with the operations of material men and subcontractors, willfully and without any justification, because the return of Congress in November had brought their original plan to nothing. We were here from November 17 to January 1. Then, by the manipulation of accounts and the improper use of money, they accomplished the self-same operation.

Mr. President, in my opinion—and I speak from this side of the aisle—there will finally be revealed a plot involving almost every superior official in the Department of the Interior and the Bureau of Reclamation, constituting one of the greatest crimes against the American Government that has ever been perpetrated.

In conclusion, Mr. President, I wish to associate myself with the additional remarks of my distinguished colleague, to the extent that I heard them. I was a few minutes late arriving in the Chamber.

Mr. BREWSTER. Mr. President, it seems desirable that the RECORD at this point should contain a brief statement regarding the work of the Special Committee To Investigate the National Defense Program during the past year, in view of the fact that it has been referred to, although it does not seem to be at all directly involved in the question now before the Senate, which is whether or not $125,000 should be provided for the Senate Committee on Expenditures in the Executive Departments to carry on the investigation.

I think the record is clear from the reports which have been filed and which will be filed. The reports already filed deal with renegotiation, involving approximately $200,000,000,000 in contracts renegotiated. In the event of another emergency, far more serious problems might be presented. The report on that subject has already been filed, with its recommendation, and speaks for itself as the unanimous report of the committee.

In addition to some of the investigations which have dealt with detailed contracts, there were two other major studies concerning which there was some question as to the scope of the committee. But the majority were clear that these major subjects constituted the conclusion of the committee's work.

One of those studies dealt with industrial mobilization, concerning which Bernard Baruch stated that the failure to mobilize our industries early in the crisis cost our Government thousands of lives and millions of dollars. During the past year a great deal of the time of the staff and of the committee was devoted to a study of the reasons for that delay, and of methods by which industrial mobilization might be effectuated in the event of another crisis. We also considered whether action should be taken during the period of so-called

peace to prepare the statutory foundation.

That report and the subsequent one dealing with a somewhat similar subject, as well as the final report, have been delayed in part because of the preoccupation of Members on both sides of the aisle with a variety of questions which arose during the early days of this session. It would have been possible to file them at this time, but because of the absence of one or two Senators on the other side we requested a further delay of 30 days.

We also conducted a detailed investigation, the report on which will also be available as early as the Members are available to consider the report, on the subject of petroleum, both at home and abroad, with particular reference to one contract in which many millions of dollars of Government money were involved. Some very extraordinary situations were presented in connection with the procurement of petroleum supplies during the war for the use of our armed services. Apparently at least $35,000,000 more was charged than seemed warranted by the record in the case.

The matter of Air Forces procurement was handled by the able Senator from Michigan [Mr. FERGUSON] as chairman of the subcommittee, with the assistance of able Members on both sides of the aisle. Presentation of the report has been delayed, in part by the absences of which I spoke, and in part by prosecutions growing out of the investigation, which prosecutions are now in progress, and which it seemed might perhaps be prejudiced by the filing of a report prior to the prosecutions.

I believe that when the reports are filed they will speak for themselves. Four or five major reports were about the average of the committee each year during the war.

The reports to which I have referred represent the fruits of our labors during the past year. I trust that they may commend themselves not only to the Senate, but to the Congress and the country, as careful, factual studies of some of the major over-all problems which are always presented in time of war. I hope that we may perhaps provide against the recurrence of some of these problems in the event of another crisis.

As to the more particular point before us, the question of the conduct of the Special Committee To Investigate the National Defense Program is not here involved, as its powers are now to be exercised by the Committee on Expenditures in the Executive Departments or other appropriate committees in accordance with the program mapped out a year ago, when it was concluded by the Senate that the staff then existing should carry on for 1 year pending the organization of staffs by the standing committees of the Senate.

It is interesting to note that the Senator from Illinois has always been, as I think one might say with moderation, somewhat allergic to investigations. He has had definite ideas as to their conduct. I do not presume to quarrel with his sincerity, but his attitude has been repeatedly manifested, not only this year in his opposition to this particular grant of funds, but a year ago when he opposed this investigation, and in years previously when he scrutinized with exceeding care the expenditures of the Senate War Investigating Committee under the chairmanship of my distinguished predecessors, former Senators Truman and Mead, and the Senator from West Virginia [Mr. KILGORE].

The Senator always was somewhat dubious about the value of these investigations. It is certainly desirable that there should be full discussion of the methods and procedure of the investigations, and also the justification. However, it is interesting to note for the RECORD that 1 year ago, when the Senator from Illinois was opposing the continuance of the War Investigating Committee, he was quite clear as to the competence, courage, and character of the Senate Committee on Expenditures in the Executive Departments, and of the wisdom of placing in that committee the power to carry on these investigations. I wish to quote from the RECORD, January 15, 1947, on page 347, when this question was under consideration. The Senator from Illinois, with his customary force, said:

> I should like to have him answer this one question—

This question was addressed to the Senator from Michigan [Mr. FERGUSON]—

> I should like to have him answer this one question, whether or not he contends that under the Reorganization Act as passed, which he apparently supported last year, the Committee on Armed Services, headed by the able Senator from South Dakota [Mr. GURNEY], or the Committee on Expenditures in the Executive Departments, headed by the able Senator from Vermont [Mr. AIKEN], has less power, ability, and capacity to do as good a job of investigating war profits as the select committee the Senator is now discussing.

On January 20, in the course of the same discussion, on page 458 of the RECORD, the Senator from Illinois said:

> For the life of me I cannot understand why it is that Senators on the other side of the aisle continue to fight for the committee which is headed by the Senator from Maine [Mr. BREWSTER]; and that is especially true in view of the fact that the able Senator from Michigan [Mr. FERGUSON] is on the Committee on Expenditures in the Executive Departments.

In other words, Mr. President, a year ago it was very desirable that the Committee on Expenditures in the Executive Departments should conduct these investigations; but now that we reach the point where funds are to be provided for carrying on the investigations, very serious doubt is cast from the same source upon the wisdom of following such a course.

I wish to have it clear that the conduct of the War Investigating Committee has nothing to do with the proposal here pending. I did want the RECORD to be clear as to the work we had carried on, the principles that had guided us, and the reports which we hope will follow.

Mr. President, I hope that the motion to reconsider will not prevail.

Mr. LANGER. Mr. President, can the Senator tell us whether, on the basis of his report, any actions for fraud were brought on the ground that the Government had been robbed?

Mr. BREWSTER. There were several investigations by the Department of Justice, based on information we had furnished them as to whether prosecutions should proceed in regard to the violation of several statutes; and there is one prosecution pending downtown now, as the Senator knows.

Mr. LANGER. I ask whether any suits were brought on the basis of funds illegally paid, and for the recovery of such funds, and whether such funds have been recovered.

Mr. BREWSTER. Not so far as I know.

Mr. HAYDEN. Mr. President, as I understand this resolution, it was unanimously reported from the Committee on Expenditures in the Executive Departments, and I also know it was unanimously reported from the Committee on Rules. But I am frank to say that at the time when the resolution was reported, attention was not directed to the words in line 3—"or any other duties imposed upon it."

I think it is entirely proper for the Senate to authorize expenditures from its contingent fund in order to permit any committee of the Senate to perform the duties imposed upon it by the Senate rules and by law. But I should like to have the chairman of the committee tell us why the words "or any other duties imposed upon it" are included in the resolution, because it seems to me that such a provision could constitute a bad precedent which might rise to haunt us at some future time.

Mr. AIKEN. I am glad to make an explanation as requested by the Senator from Arizona.

Mr. President, these words were included as a result of an incident which occurred some months ago. As the Senator from Arizona knows, a substantial sum of money was appropriated for the so-called Surplus Property Subcommittee. The staff of the regular committee is comprised of one management engineer, three accountants, and a clerical force of six, of which the chief clerk acts as counsel for the committee. There is also another accountant on the clerical staff, I believe. Actually, the committee needs six professionals and four persons on the clerical staff; but we are using two of the clerical staff to help out on the professional work.

I forget just what the occasion was; but for some particular purpose we needed to borrow a little help from the Subcommittee on Surplus Property. But the Senate disbursing officer advised us that inasmuch as that appropriation was made for a specific purpose, we could not borrow any help from that subcommittee. At that time we had one vacancy on our professional staff. Of course we could have gotten a man to do the work we wanted done by putting him on our regular staff. But we did not want to fill the vacancy in that way. I forget whether we did do the work we intended to do; but this wording is included for the express purpose of permitting us to

borrow help from a subcommittee, if necessary.

Mr. HAYDEN. Frankly, Mr. President, I do not see how the wording would accomplish that purpose.

Mr. AIKEN. The Senate disbursing officer can explain it all, because he would not allow us to do it when we wished to do it.

Mr. HAYDEN. Certainly, if the committee needed money to employ additional help, it could have advised the Senate of that fact and could have obtained the money. I cannot see how the words "or any other duties imposed upon it" would allow the committee to obtain help from some other committee.

Mr. AIKEN. I can explain that more specifically. Among our duties we have to receive and examine reports from the Comptroller General of the United States, and we have to submit to the Senate such recommendations as we deem necessary, and so forth. It might be that the staff which is set up in accordance with this resolution, for the purpose of carrying out the duties imposed upon the committee by subsection (g) (2) (B) of rule XXV, might include some particular specialist who would be of great help in carrying out some of the other duties of the committee.

Mr. HAYDEN. But there are no other duties except those imposed upon the committee by the Senate rules and by law.

Mr. AIKEN. Mr. President, as a matter of fact we have so many different duties that we simply cannot perform them within the time in which we are supposed to act.

I shall explain, a little later, some of the work we do. It is not headline material, but it is substantial work.

Mr. FERGUSON. Mr. President, will the Senator yield to me?

Mr. HAYDEN. I am glad to yield.

Mr. FERGUSON. As I understand the situation, the Senate disbursing officer feels that if the words in question are included, then if any other committee were to ask the Committee on Expenditures in the Executive Departments to do some work, it then could do the work; or if a Senator asked that certain work be done, the committee could do it. That is his idea.

Mr. HAYDEN. The word "imposed" certainly is questionable. I do not see how a Senator could impose work upon a committee.

Mr. FERGUSON. It might be that a member of another committee would ask this committee to do certain work.

Mr. HAYDEN. But another committee could not impose work on this committee. It could request that certain work be done by the committee, of course.

Mr. President, I do not see anything to be gained by delaying action on the resolution. I do question the inclusion of the words we have been discussing, and I hope that when we come to appropriate money for investigations at another time, those words will not be found to be necessary.

Mr. AIKEN. Mr. President, will the Senator further yield to me?

Mr. HAYDEN. I yield.

Mr. AIKEN. A short time ago I told the Senator that I could not recall the incident, some months ago, which led to the inclusion of these words in the resolution. The director of our staff has now advised me that the occasion was when we had the report of the Comptroller General on the Federal Public Housing Administration. It appeared that some criminal negligence or law violation might have been involved. The full committee did not have an investigator of the type required in such case, so we desired to borrow from the subcommittee an investigator to make an investigation which would enable us to determine whether there was sufficient evidence of fraud in the Federal Public Housing Administration to warrant our recommending a prosecution. But we could not borrow the investigator, because the Senate disbursing officer said that was not permissible under the law, inasmuch as the money appropriated to the so-called Ferguson subcommittee was appropriated for a specific purpose.

So we had to go ahead and make the investigation as best we could. We came to the conclusion that there was not sufficient evidence of fraud in the Federal Public Housing Administration to warrant a recommendation for the prosecution of anyone; and nothing further came of it. But that was a time when we did wish to borrow for that purpose from our subcommittee.

Of course this resolution is very broad. It would give us authority to use the requested appropriation for any of the duties which are imposed upon us by the Senate or by the law. But I am asking for the right to use it because I think we can operate more efficiently if we can do so. We can thus save some money.

Mr. HAYDEN. Mr. President, I would have no objection if there were in the resolution any indication as to who would have the right to impose the duties.

Mr. AIKEN. The Senate would have the right to do so, of course.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. FERGUSON. I think I can explain the situation by referring to subsection (g) (2) (B) of rule XXV. It will be noted that in rule XXV there are other subsections besides (B):

(A) Budget and accounting measures, other than appropriations.

* * * * *

(2) Such committee shall have the duty of—

(A) Receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the Senate as it deems necessary or desirable in connection with the subject matter of such reports.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BREWSTER. Is it not true that the Comptroller General has submitted reports covering a vast variety of subjects which this language would enlarge, infinitely more than our staff or any other staff would be able to study?

Mr. FERGUSON. I think that is true.

Mr. BREWSTER. Of course.

Mr. FERGUSON. But if the committee is merely looking to (g) (2) (B), as is now indicated, there would be a limitation upon it, so I think it would include——

Mr. HAYDEN. The way to cure the phraseology, when the question again arises, is to say "in carrying out the duties imposed upon it by the rules of the Senate." If that is all it means, if it is the intention to give the committee complete jurisdiction, instead of confining it to subsection (g) (2) (B) of rule XXV, there could be no objection to that.

Mr. AIKEN. That is the purpose, I may say to the Senator from Arizona.

Mr. HAYDEN. I think when it comes to writing it again, if the committee asks for more money at some other time, it should not use vague and indefinite words, but should say just what it means.

Mr. AIKEN. I may assure the Senator there are no hidden motives in the language.

Mr. LUCAS. Mr. President, I am glad to have the explanation made by the Senator from Michigan, and I want to see if the Senator and I definitely agree upon the language. If I understand him correctly, he states that the language, "or any other duties imposed upon it," simply means that in addition to the duties imposed upon the committee under subsection (g) (2) (B) of rule XXV of the Standing Rules of the Senate, any other duties imposed by the Legislative Reorganization Act or by the Rules of the Senate upon this particular committee shall be included.

Mr. FERGUSON. That is right.

Mr. LUCAS. And that is as far as it goes; in other words, it includes duties imposed by law or by the Reorganization Act, or by the Rules of the Senate.

Mr. FERGUSON. That is what I understand.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Moore
Baldwin	Hayden	Murray
Barkley	Hickenlooper	Myers
Brewster	Hill	O'Conor
Bricker	Hoey	O'Daniel
Bridges	Holland	O'Mahoney
Brooks	Ives	Overton
Buck	Jenner	Pepper
Bushfield	Johnson, Colo.	Reed
Butler	Johnston, S. C.	Revercomb
Byrd	Kem	Robertson, Va.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Sparkman
Chavez	Lodge	Stennis
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tobey
Ecton	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Magnuson	Wiley
Fulbright	Malone	Williams
George	Martin	Wilson
Green	Maybank	Young
Gurney	Millikin	

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Maine.

Mr. BREWSTER. Mr. President, answering further the question asked by the Senator from North Dakota [Mr. LANGER], I think perhaps the answer was entirely adequate, but in one case there was uncovered, curiously enough, the exact sum which it had cost our committee to function. One hundred and sixty-six thousand dollars is recoverable. In another instance the sum of $5,500,000 was involved, and in another case $1,000,000 was returned voluntarily to the Treasury after witnesses had appeared before our committee.

Mr. LANGER. I thank the distinguished Senator very much.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Illinois [Mr. LUCAS] to reconsider the vote by which the Senate agreed to Senate Resolution 189.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KNOWLAND. My understanding is that the motion of the Senator from Illinois is to reconsider the vote by which Senate Resolution 189 was previously adopted by the Senate, so that a "yea" vote would bring it back to the Senate as though it had never passed, and a "nay" vote would confirm the previous action of the Senate. Is that correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. LUCAS. Mr. President, one of the reasons for filing the motion to reconsider the action of the Senate with reference to Senate Resolution 189, which gave the committee the power to investigate, it seemed to me, practically everything, was because of the language "or any other duties imposed upon it."

In view of the explicit understanding which I have had with the Senator from Michigan [Mr. FERGUSON] as to the meaning of those words, I am perfectly satisfied with the language as it is. In other words, the Senator advises me that the phrase "any other duties imposed upon it" simply means any other duties imposed upon the committee by the Reorganization Act or by the rules of the Senate. I am perfectly satisfied with the language as it stands.

I make that explanation because it had seemed to me the language was very broad and that a committee, without a strict construction of the language, might interpret it to mean that the committee could investigate practically everything, even going into the jurisdiction of other committees, to which I think we are all very much opposed.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Illinois [Mr. LUCAS].

The motion was not agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 43) to amend the title of the joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

THE CALENDAR

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senate may proceed to the consideration of the calendar, starting with order No. 55.

The PRESIDENT pro tempore. The Senator is asking for consideration of bills to which there is no objection; is he not?

Mr. KNOWLAND. That is correct, Mr. President.

The PRESIDENT pro tempore. Without objection, the clerk will call the bills on the calendar.

BILLS PASSED OVER

The bill (S. 669) to provide for the payment of a bonus of 30 cents a bushel on wheat and corn produced and sold between January 1, 1945, and April 18, 1946, was announced as first in order.

On objection, the bill was passed over.

The resolution (S. Res. 25) amending XXII relating to cloture was announced as next in order.

On objection, the resolution was passed over.

The bill (S. 354) to incorporate the Federal City Charter Commission was announced as next in order.

On objection, the bill was passed over.

The bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective, and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes, was announced as next in order.

Mr. LANGER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 408) to repeal section 13b of the Federal Reserve Act, to amend section 13 of the said act, and for other purposes, was announced as next in order.

Mr. LANGER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 299) to extend the reclamation laws to the State of Arkansas was announced as next in order.

On objection, the bill was passed over.

The bill (S. 309) designating American Indian Day was announced as next in order.

On objection, the bill was passed over.

The bill (H. R. 1179) to aid in defraying the expenses of the seventeenth triennnial convention of the World's Woman's Christian Temperance Union to be held in this country in June 1947, was announced as next in order.

On objection, the bill was passed over.

PROPERTY EXEMPT FROM TAXATION IN THE DISTRICT OF COLUMBIA

The bill (S. 1125) to amend the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942, was announced as next in order.

Mr. CAIN. Mr. President, this bill has previously been objected to on several calls of the calendar, but only for the reason that the Senator from Nevada [Mr. MCCARRAN] had a question with regard to it. That question having been answered to his satisfaction, I should like to send to the desk an amendment and ask for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the consideration of the amendment offered by the Senator from Washington?

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. On objection, the bill will be passed over. If the Senator from Washington wishes to offer his amendment and have it pending, that course may be taken.

Mr. CAIN. I should very much desire to do so.

The PRESIDENT pro tempore. Without objection, that procedure will be followed.

BILLS PASSED OVER

The bill (S. 140) to create an executive department of the Government to be known as the Department of Health, Education, and Security, was announced as next in order.

On objection, the bill was passed over.

The bill (S. 829) to provide for control and regulation of bank holding companies, and for other purposes, was announced as next in order.

On objection, the bill was passed over.

The bill (S. 18) to establish uniform qualifications of jurors in Federal courts, and for other purposes, was announced as next in order.

Mr. RUSSELL. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 518) to amend the Nationality Act of 1940 to preserve the nationality of citizens who were unable to return to the United States prior to October 14, 1946, was announced as next in order.

Mr. RUSSELL. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSFER OF REMOUNT SERVICE

The bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, the bill which has just been called has been on the calendar for several months. The Senator from Oregon [Mr. MORSE] is in favor of the bill, but upon my objection the bill has been passed over. I desire to make a motion regarding the bill at the appropriate time, but not at this moment, and I shall ask to have the Senator from Oregon notified.

Mr. ROBERTSON of Virginia. Mr. President, I will say to the Senator from Oklahoma that I hope to be present when the motion is made.

The PRESIDENT pro tempore. Without objection, the bill will go to the foot of the calendar.

BILL AND RESOLUTION PASSED OVER

The bill (S. 1038) to amend the Federal Airport Act was announced as next in order.

Mr. BARKLEY. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Con. Res. 6) to include all general appropriation bills in one consolidated general appropriation bill was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. On objection, the concurrent resolution will be passed over.

The bill (S. 493) to provide for the coordination of agencies disseminating technological and scientific information was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1389) to amend the Veterans' Preference Act of 1944 was announced as next in order.

Mr. LANGER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 84) to amend the Nationality Act of 1940, as amended, was announced as next in order.

SEVERAL SENATORS. Over.

AUTHORIZATION TO WYANDOTTE INDIANS TO SELL TRIBAL CEMETERY

The bill (S. 1372) authorizing the Wyandotte Tribe of Oklahoma to sell tribal cemetery was announced as next in order.

Mr. KNOWLAND. Mr. President, I am informed that one of the Senators who is temporarily absent at this time has asked that this bill go over. So I ask that the bill go to the foot of the calendar until the Senator can return.

The PRESIDENT pro tempore. The bill will go to the foot of the calendar.

RESOLUTION PASSED OVER

The resolution (S. Res. 150) to discharge the Committee on the Judiciary from the further consideration of Senate Resolution 116 was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

RETIREMENT PRIVILEGES TO PERSONNEL OF THE BUREAU OF NARCOTICS

The bill (S. 1089) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for investigatory personnel of the Bureau of Narcotics who have rendered at least 20 years of service, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first section of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"(f) Any agent, agent in charge, field supervisor, district supervisor, assistant to the Commissioner, Deputy Commissioner, or Commissioner of the Bureau of Narcotics of the Department of the Treasury, who is not less than 50 years of age and has rendered 20 years or more of service in one or more of the positions enumerated, may, on his own application and with the consent of the Secretary of the Treasury, retire from the service. Any such person shall upon retirement be entitled to an immediate annuity equal to 2 percent of his average basic salary for the 5 years next preceding the date of his retirement, multiplied by the number of years of such service, not exceeding 30 years."

RESOLUTION PASSED OVER

The resolution (S. Res. 144) authorizing an investigation of law enforcement and police administration in the District of Columbia, was announced as next in order.

Mr. LANGER. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

PUBLIC LIBRARY SERVICE

The bill (S. 48) to provide for the demonstration of public library service in areas without such service or with inadequate library facilities, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the Public Library Service Demonstration Act.

STATEMENT OF POLICY

SEC. 2. (a) It is the purpose of this act to aid the States in demonstrating public-library service to those people now without it or with inadequate service, and to provide a means by which the values of public-library service may be studied and any resulting conclusions reported to the Nation.

(b) The provisions of this act shall not be so construed as to interfere with State and local initiative and responsibility in the conduct of public-library service. The administration of public libraries, the selection of personnel and library books and materials, and, insofar as consistent with the purposes of this act, the determination of the best uses of the funds provided under this act, shall be reserved explicitly to the States and their local subdivisions.

AVAILABILITY OF FUNDS

SEC. 3. Prior to the beginning of the next fiscal year after the passage of this act or to the beginning of one of the next two succeeding fiscal years in case a State is otherwise unable to qualify, the States may submit plans to the United States Commissioner of Education (hereinafter called the Commissioner) in order to receive payment of moneys made available for the purposes of this act.

SEC. 4. Upon passage of this act the Commissioner shall notify the States of benefits available. At the end of each quarter thereafter the Commissioner shall further inform any States not yet qualified of these benefits.

STATE PLANS

SEC. 5. (a) To qualify under this act, a State plan prepared by the State library administrative agency for the utilization of such funds for the benefit of the people shall—

1. Be accompanied by a certificate signed by the Governor of the State which shall designate a State library administrative agency legally constituted with adequate powers, funds, and facilities to administer, supervise, and control the State plan and otherwise carry out the purposes of this act; certify that the State has made no reduction in the appropriation for the administration and operation of the State library administrative agency for the fiscal year in which the apportionment is to be made; designate the State treasurer (or, if there be no State treasurer, the officer exercising similar functions for the State) as custodian of funds received under this act from the Federal Government, to receive and provide for the proper custody of such funds;

2. Establish policies and methods to be followed in utilizing the funds to maximum advantage in the operating and rendering of library service, primarily in rural areas; including any rules, regulations, standards, and matching provisions of the State library administrative agency relating to the use of Federal funds within the State;

3. Contain such provisions as to the qualifications of personnel for appointment and administering the plan as are necessary to the establishment and maintenance of personnel standards;

4. Require that the State library administrative agency make reports, in such form and containing such information, as the Commissioner may from time to time require;

5. Provide that library services made available under this act shall be available free of charge, under such rules and regulations as the State library administrative agency shall prescribe, to aid in the demonstration and development of public-library service.

(b) The Commissioner shall approve any plan which fulfills the conditions specified in subsection (a) of this section. The duty of the Commissioner in approving a plan shall be solely the determination of whether the plan meets the specifications set forth in subsection (a). The Commissioner shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed by a State library administrative agency or the local authority directly responsible for the operation of the demonstration.

(c) Uniformity of plans throughout the several States shall not be considered as a standard or condition precedent to the Commissioner's approval of plans.

FUNDS APPROPRIATED

SEC. 6. (a) There are hereby authorized to be appropriated for the purposes of this act such funds as may be required under the provisions of this act to assist the States in the provision of demonstrations of public-library service to areas in adequately served or unserved.

(b) There are hereby authorized to be included for each of four fiscal years following passage of this act in the appropriations of the Federal Security Agency such sums as are sufficient for the Commissioner, under the supervision and direction of the Federal Security Administrator, to carry out the provisions of this act: *Provided*, That an amount not to exceed more than 3 percent of the funds appropriated for the States may be used for this purpose.

PAYMENT TO STATES

SEC. 7. (a) From the funds made available for the purposes indicated in section 6 (a) the Secretary of the Treasury shall pay upon the certificate of the Commissioner, to each State having an approved plan the amount of $25,000 each year of the demonstration, not to exceed 5 years.

(b) If an expanded plan is submitted by any State, within 4 years from the effective date of this act, and approved by the Commissioner, providing for an additional annual sum ranging from $25,000 to $75,000 to be supplied by the State or by a local governmental unit within the State or by both, the Secretary of the Treasury shall pay to that

State an additional amount each year for 5 years equal to the amount provided by the State or its local governmental unit for the program as set forth in section 2 (a).

(c) No portion of any money paid to a State under this act shall be applied, directly or indirectly, to the purchase or erection of any building or buildings, or for the purchase of any land.

ADMINISTRATION

SEC. 8. In carrying out his duties under this act, the Commissioner is required to make annual reports to the Congress as to the administration of this act, and to prepare a final report for public distribution outlining the results of the demonstration. He is authorized to gather such statistics, make such studies, investigations, and reports necessary for the fulfillment of this act.

DEFINITIONS

SEC. 9. As used in this act—

(a) The term "States" means the States of the United States, and Alaska, Hawaii, and Puerto Rico.

(b) "State library administrative agency" means the official State agency charged by State law with the extension and development of public-library services throughout the State.

(c) The term "public library" shall mean a library that serves free all residents of a community, district, or region, and receives its financial support in whole or in part from public funds.

(d) "Inadequate library service" shall be defined by the State library administrative agency.

PROFIT LIMITATIONS IN CONSTRUCTION OF VESSELS

The bill (H. R. 3051) to amend the act of July 19, 1940, and to amend section 2 and repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934, was announced as next in order.

Mr. LUCAS. Over.

Mr. GURNEY. Mr. President, this is a very important bill. I shall not ask that the objection be withheld, but I do ask unanimous consent that there be printed in the RECORD at this point an explanation of the bill. I hope that those interested, especially Senators who have objected, will read the explanation.

The PRESIDENT pro tempore. Without objection, the statement will be printed in the RECORD, and, on objection, the bill will be passed over.

The statement submitted by Mr. GURNEY is as follows:

REMARKS RE H. R. 3051

The purpose of H. R. 3051 is to amend certain provisions of the Vinson-Trammell Act and amendments thereto dealing with the construction of vessels and aircraft and profit limitations on contracts therefor. The legislation is also pertinent to the Department of the Air Force, insofar as it relates to the profit limitations on aircraft construction.

The Vinson-Trammell Act, approved March 27, 1934, is a permanent peacetime law and is the basic law governing the composition of the fleet. The profit-limitations provisions of the act relating to vessels and aircraft were made applicable to the construction of Army aircraft by section 14 of the act of April 3, 1939.

The Vinson-Trammell Act became law in 1934, at a time when we were in a period of depression, in order to maintain employment of skilled men in the naval shipyards, and in order to increase the abnormally low employment level. Due to radically different conditions existing in private naval and aircraft construction companies today as compared to 1934, the following objections to the Vinson-Trammell Act, as amended, have been raised and are the subject of this bill:

1. This bill removes the limitation that 10 percent of naval aircraft, including the engines thereof, the procurement of which is authorized, must be manufactured in Government aircraft factories.

Since the close of the war the lack of Government orders has produced a critical situation in the private aircraft industry. The survival of this industry is dependent upon Government contracts, contracts for commercial and private aviation, and the contracts for foreign governments. Even the accumulated business from all three of the foregoing sources is not sufficient to sustain all of the companies who are competing for this business and it is a foregone conclusion that some of these private companies cannot survive.

The only Government-owned and Government-operated establishments, so far as the Navy is concerned, that could be used for the manufacture of aircraft pursuant to section 2 of the Vinson-Trammell Act, are the Naval Aircraft Factory at Philadelphia and the Naval Air Modification Center at Johnsville, Pa., both of these being components of the Naval Air Matériel Center at Philadelphia. It is of primary importance to the experimental and developmental programs of the Navy and of considerable importance to its maintenance programs, that the component units of the Naval Air Matériel Center continue to be available for service to these programs. Such service would be rendered impossible if it became necessary to use these establishments for the manufacture of 10 percent of the Navy's aircraft and engines.

2. This bill removes the limitation set forth in the Vinson-Trammell and associated acts that profits on contracts for the construction of naval vessels cannot exceed 10 percent and profits on contracts for both Army and Navy aircraft construction cannot exceed 12 percent.

It is a recognized fact that when a maximum profit is set by law such maximum-profit figure becomes a minimum-profit figure for the particular industries competing for the business. In compliance with the profit limitations provision it is necessary for the Government and contractor to conduct a complete cost analysis in order to determine the cost of the given vessel or aircraft so that the maximum profit limitation may be applied. This is an onerous and costly procedure even if the prime contractor is solely engaged in manufacturing for the Government. It is a common occurrence for the prime contractor to be simultaneously engaged in both private and Government contracts. This makes it necessary to conduct a cost analysis on the private-contract work in addition to the Government-contract work, so that the proportionate charge against the Government-contract work may be determined, and in each case the cost of auditing is expensive and becomes chargeable as a proper item of cost against the Government. This procedure increases prices to the Government. Recently the Senate passed H. R. 1366, the so-called procurement bill, which is expected to be signed by the President within a few days. The provisions of this act fully protect the Government on all matters of procurement.

3. This bill also removes the limitation that the first and each succeeding alternate vessel and the main engines, armor, and armament for such vessels should be constructed or manufactured in United States Government navy yards, gun factories, naval stations, ordnance plants, or arsenals. The committee, however, has amended the bill to provide that the President may have a vessel built in a Government or private yard, but it is the intent of the Congress that as fair and equal an allocation of new-vessel construction work as is practical be made between Government and private yards.

The continuance of such a limitation places the Navy Department in an inflexible and awkward position with respect to placing contracts for new ship construction. Depending on the nature of the construction and the existing work load, it is sometimes desirable to follow the above requirement. Also, the Nation is now faced with the problem of maintaining a healthy private shipbuilding industry as an asset for national security. In addition to removal of the blind requirement for competition with private industry, the Navy Department, from the standpoints of design and type of ship concerned, should have the choice of determining whether a new vessel should be constructed in Government or private facilities to insure that both are used to the best advantage in obtaining ships of the most advanced type.

The primary function of the naval industrial establishments is to support the fleet. The first consideration in that respect involves maintenance, repair, preservation, and improvements in existing ships; the construction of new vessels is a secondary consideration to this primary function. In addition to the active fleet there is now a reserve fleet of approximately 5,000,000 tons.

I want to correct a typographical error appearing in the Senate Report No. 630 for this bill, near the top of page 4, wherein it states that the Navy now has a reserve fleet of 500,000,000 tons. This should read "approximately 5,000,000 tons."

It is the opinion of the Navy Department that the maintenance and preservation of the active and reserve fleets will maintain all naval facilities which it is practicable to continue in operation at a level consistent with economy and available funds. In addition to this, special types, and types of ships classified for security reasons, will continue to be built in naval facilities. Construction of standard-type vessels for which specifications are clearly drawn is considered to be properly within the field of private industry. The Navy Department proposes that a fair and equal allocation of new-vessel construction work shall be made between Government and private yards insofar as it is possible, considering the conditions and procedures described above.

The fiscal effects of the repeal of the provisions as set out in the proposed legislation cannot be adequately determined; however, it is believed that no additional expense will be incurred by the Government and that savings may, in fact, be anticipated.

BILLS PASSED OVER

The bill (S. 1356) providing for the incorporation of the Franco-American War Veterans, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 430) to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm loan associations and production credit associations was announced as next in order.

Mr. SALTONSTALL. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1557) to incorporate the Catholic War Veterans of the United States of America, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1375) to incorporate the Jewish War Veterans of the United States

of America, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3978) to provide for the temporary advancement in ranks and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia, serving as supervisors of certain squads, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1663) to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress, was announced as next in order.

Mr. LANGER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 968) to authorize the Public Utilites Commission of the District of Columbia to limit the number of taxicabs licensed and operated in the District of Columbia, was announced as next in order.

Mr. LANGER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States, was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1653) to control the export to foreign countries of gasoline and petroleum products from the United States, was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

NATIONAL ARCHIVES OF THE UNITED STATES GOVERNMENT

The bill (H. R. 1350) to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes," was considered, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTIONS PASSED OVER

The bill (S. 1015) to amend section 7 of the act of June 25, 1910, as amended, to reduce the interest rate on postal-savings deposits to 1 percent per annum, was announced as next in order.

Mr. LANGER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 37) requesting the President to proclaim February 1 as National Freedom Day, was announced as next in order.

Mr. BARKLEY. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (H. R. 2239) to amend section 13 (a) of the Surplus Property Act of 1944, as amended, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1004) to amend the Atomic Energy Act of 1946, so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as general manager of such Commission until an investigation, with respect to character, associations, and loyalty of such person shall have been made by the FBI, was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 164) to authorize the Regional Agricultural Credit Corporation of Washington, District of Columbia, to make loans to fur farmers and for other purposes was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

FOOT-AND-MOUTH DISEASE RESEARCH

The Senate proceeded to consider the bill (S 2038) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884.

Mr. KNOWLAND. Mr. President, may we have an explanation of the bill?

Mr. THYE. Mr. President, this bill would permit the acquisition of land, and would also authorize the establishment of a research laboratory in the United States to further the acquisition of knowledge regarding foot-and-mouth disease. The disease exists now in central Mexico, only a few hundred miles from the border of the United States. In the event there should be an outbreak of that disease in the United States, it could cost livestock farmers many million dollars. For that reason it is felt and recommended by the Department of Agriculture that a research laboratory should be established somewhere, either on an island adjacent to the United States, or within some area of the United States, so that research could be conducted, and so as to perfect the known vaccine which exists today, or develop some other type of vaccine to guard against the disease. That is the purpose of the bill.

Mr. KNOWLAND. Reserving the right to object, I should like to say to the able Senator from Minnesota that I fully recognize the importance of eradicating foot-and-mouth disease, because there was a very bad outbreak in my State of California in 1924 and in 1929, which resulted in the loss of tens of thousands of head of cattle to the farmers of the State. The State Department of Agriculture is very much concerned about the establishment of a laboratory within the continental confines of the United States. This virus is so infectious that if it should spread from a place which was not properly segregated it might cause untold loss to the livestock industry and dairy industry of the Nation. I was wondering whether the Senator would have any objection to an amendment which would limit the establishment of such a laboratory to an offshore island.

Mr. THYE. I should have no objection to such an amendment, but I call the Senator's attention to this fact: It has been brought to our notice that a peninsula could be found, and it might be possible to isolate the point of it so that those on the peninsula could have contact with the mainland, so to speak, and the laboratory would not be established on an island, leading to difficulty of navigating to and from the island, and necessitating the personnel having to be transported by boat to the island for the purpose of conducting the research activities. I think that if the Senator would examine the map he would probably find a peninsula which could be entirely segregated from the adjoining land, either by a fence or by a bridge. I could call his attention to such a peninsula if I cared to do so, but I do not think we should disclose the particular location at this time. That is why I do not desire to be specific.

Mr. KNOWLAND. I wonder if the Senator would object to having the bill go to the foot of the calendar.

Mr. THYE. I may say that delay in deciding this question is embarrassing to the Department of Agriculture. While I do not say that I would object to the bill going over today, if it should be delayed for another day, I would ask the Senator to examine the matter very carefully, because every minute of delay is jeopardizing the livestock industry of the United States.

Mr. KNOWLAND. I am fully alive to the importance of the problem; and if this bill called for an appropriation of funds to finance combating the disease and there were an emergent situation, I should not even hold the bill up and ask that it go to the end of the calendar today, but I should like to have a chance to examine the bill.

Mr. THYE. If the Senator will ask that it be placed at the end of the calendar, that will be satisfactory.

The PRESIDENT pro tempore. The bill will be placed at the end of the calendar.

BILL PASSED OVER

The bill (S. 2123) to exempt certain officers of the Regular Army and Regular Air Force from the provisions of statutes requiring retirement by reason of age, and for other purposes, was announced as next in order.

Mr. LANGER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSPORTATION FOR CERTAIN GOVERNMENT AND OTHER PERSONNEL

The Senate proceeded to consider the bill (S. 1525) to provide for furnishing transportation for certain Government and other personnel, and for other purposes, which had been reported from the Committee on Armed Services with amendments.

The first committee amendment was, on page 1, line 3, after the words "Secretary of", to strike out "War or", and insert "the Army."

The amendment was agreed to.

Mr. LANGER. Mr. President, may we have an explanation of the bill?

Mr. GURNEY. Mr. President, the purpose of the bill is to allow the Army, the Navy, and the Air Force to furnish bus transportation in places where commercial transportation is not available, such as experimental stations in desert areas, where we are now carrying on some experiments, to which commercial transportation is not possible. The bill would allow such service to be continued under the same powers as existed during wartime.

Mr. LANGER. Does the bill affect per diem payments?

Mr. GURNEY. No.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next amendment of the committee was on page 2, line 4, after the word "Navy", to insert "or the Secretary of the Air Force."

The amendment was agreed to.

The next amendment was, in paragraph 1, page 2, line 8, after the words "by the", to strike out "War Department or Navy Department" and insert "Department of the Army, the Department of the Navy, or the Department of the Air Force,"; in line 12, after the words "of the", to strike out "War Department or Navy Department," and insert "Department of the Army, the Department of the Navy, or the Department of the Air Force"; in line 18, after the words "Secretary of", to strike out "War or" and insert "the Army," and in line 19, after the word "Navy", to insert "or the Secretary of the Air Force."

The amendment was agreed to.

The next amendment was, in paragraph 2, page 3, line 3, after the words "Secretary of", to strike out "War or" and insert "the Army"; and in line 4, after the word "Navy", to insert "or the Secretary of the Air Force."

The amendment was agreed to.

The next amendment was, in paragraph 3, page 3, line 13, after the words "Secretary of", to strike out "War or" and insert "the Army"; and in line 14, after the word "Navy" to insert "or the Secretary of the Air Force."

The amendment was agreed to.

The next amendment was, in paragraph 4, on page 3, line 19, after the words "Secretary of", to strike out "War and" and insert "the Army"; in line 20, after the word "Navy", to insert "and the Secretary of the Air Force"; in line 22, after the words "Secretary of", to strike out "War or" and insert "the Army"; in line 23, after the word "Navy", to strike out "or the Secretary of the Air Force"; and on page 4, line 2, after the word "means", to insert "that reasonable effort has been made to induce operators of private facilities to provide the necessary service."

The amendment was agreed to.

The next amendment was, in section 2, page 4, line 8, after the words "Secretary of", to strike out "War and" and insert "the Army"; in line 9, after the word "Navy", to insert "and the Secretary of the Air Force"; in line 17, after the word "operation", to strike out "and"; in line 18, after the words "Secretary of", to strike out "War or" and insert "the Army"; in line 19, after the word "Navy", to insert "or the Secretary of the Air Force"; and in line 20, after the word "exercised", to insert a semicolon and the following: "and (5) for each activity for which transportation facilities were provided, the maximum number of motor vehicles or water carriers used, the total miles operated, the total revenue from fares or proceeds from the leasing or chartering of equipment, the operating and maintenance expense, depreciation, gross cost, and net cost."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That whenever the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force shall determine that the effective conduct of the affairs of his department requires assured and adequate transportation facilities to and from their places of employment for personnel attached to or employed by such department, including, during any period of war, personnel attached to or employed by private plants engaged in the manufacture of material for such departments, he is hereby authorized in the absence of adequate private or other facilities to provide such transportation, by motor vehicle or water carrier, subject, however, to the following provisions and conditions:

1. The equipment required to provide such transportation facilities may be either purchased, leased, or chartered for operation by the Department of the Army, the Department of the Navy, or the Department of the Air Force, and when so obtained may be maintained and operated either by enlisted personnel, civil employees of the Department of the Army, the Department of the Navy, or the Department of the Air Force or by private personnel under contract with such departments. Equipment so obtained may also be leased or chartered to private or public carriers for operation under such terms and conditions as the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, or such official within their respective departments as they may designate, shall determine necessary and advisable under the existing circumstances: *Provided*, That any equipment purchased, leased, or operated by authority of this act shall have a seating capacity of 12 or more passengers.

2. That in each case where transportation facilities are provided hereunder, reasonable rates of fare for the service furnished shall be established and charged under such regulations as the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force shall prescribe; the receipts from such fares, and the proceeds from the leasing or chartering of any equipment as provided in the foregoing paragraph, shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

3. The facilities and service authorized hereunder shall be utilized only for the transportation of personnel heretofore enumerated and for the purpose heretofore stated, under such rules and regulations as may be prescribed by authority of the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force: *Provided, however*, That where the equipment and facilities herein provided for are pooled under lease or charter agreements, the reciprocal use of Government-owned and private-owned equipment shall be deemed to be within the intent of this paragraph.

4. The authority herein granted the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall be exercised in each case only after a determination by the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, or such official within their respective departments as they may designate, as the case may be, that existing private and other facilities are not and cannot be rendered adequate by other means, that reasonable effort has been made to induce operators of private facilities to provide the necessary service, and that its exercise will result in the most efficient method of supplying transportation to the personnel concerned and a proper utilization of transportation facilities.

SEC. 2. It shall be the duty of the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, respectively, to file with the Congress, within 60 days after the end of the fiscal year a summarized report of the exercise of the authority herein granted, which report shall include (1) location, nature, and size of the activity for which transportation facilities were provided; (2) type, amount, and original cost of equipment furnished; (3) outline of lease or charter for rented or reciprocally used equipment with total costs for period of use or operation; (4) citation of authority of the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force under which exercised; and (5) for each activity for which transportation facilities were provided, the maximum number of motor vehicles or water carriers used, the total miles operated, the total revenue from fares or proceeds from the leasing or chartering of equipment, the operating and maintenance expense, depreciation, gross cost, and net cost.

SEC. 3. The act entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942 (56 Stat. 1024), as amended by subsections (a) and (b) of section 1 of the act of April 9, 1946 (60 Stat. 86), is hereby repealed.

TEMPORARY EXTENSION OF CERTAIN POWERS UNDER SECOND DECONTROL ACT OF 1947

The bill (S. 1807) to provide for the temporary extension of the Export Control Act and title III of the Second War Powers Act, was announced as next in order.

The PRESIDENT pro tempore. The Chair calls the attention of the Senator from Ohio [Mr. TAFT] to House bill 5391, which has just been messaged from the House of Representatives, which the clerk will state by title.

The CHIEF CLERK. A bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

Mr. TAFT. Mr. President, the bill which has just been called on the calendar would extend the Second Decontrol Act for a period of a year or more. The House has passed a measure providing for a 30-day extension of the Second Decontrol Act. My own suggestion is that the Senate proceed to consider the House bill, and to amend it so as to extend the controls for 90 days. In my opinion, by the first of June we may be able to eliminate a good many of the controls contained in the Second Decontrol Act. We probably will have to continue the control of tin, although it

is possible something may develop in the next 3 months which will make that unnecessary. But if the import controls on fats and oils, the import controls on rice, and a good many other controls which are contained in this particular act are carefully examined by the committee and if we put off final action until somewhere near the end of the session so we can see whether or not certain controls can be eliminated, I think we will find that some can be eliminated, so we will only have to continue the very limited number of controls that still remain under the Second War Powers Act.

Mr. President, I ask unanimous consent for the immediate consideration of House bill 5391.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

Mr. TAFT. Mr. President, in two places in the House bill the date March 31 appears. I offer the amendment that in both cases the date be changed from March 31 to May 31; in other words, that "May" be substituted for "March" in both instances.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. LODGE. Mr. President, I wanted to ask a question before the bill was passed. What provision is made in it for tin?

Mr. TAFT. There is a continuation of the powers which now exist, for a period of 90 days.

Mr. LODGE. Is there a substantial difference between the Senate bill and the House bill?

Mr. TAFT. None whatever, I think, except I believe the Senate bill eliminated quinine. I think that is about all the difference there is. Quinine had been decontrolled anyway. At any rate, under the bill control is continued for 90 days only.

The PRESIDENT pro tempore. The Chair assumes that the Senator from Ohio wishes to have the Senate bill indefinitely postponed?

Mr. TAFT. I think the Senate bill might well remain on the calendar.

The PRESIDENT pro tempore. Very well; the bill will remain on the calendar.

AMENDMENT OF INTERSTATE COMMERCE ACT—RAILROAD REORGANIZATION

The bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, was annqunced as next in order.

Mr. LANGER. Over.

Mr. REED. Mr. President, I should be very glad if the Senator would withhold his objection so I could make a brief explanation of the bill.

Mr. LANGER. The bill is very important. I have not had time to examine it. I shall be glad, however, to withhold my objection.

Mr. REED. Normally I would agree with the Senator from North Dakota that important legislation such as is contained in House bill 2298 should not be passed on the call of the calendar. However, the subject matter of the bill has been debated for 3 years in both Houses of Congress. The House has passed six or seven bills dealing with the subject. Two years ago the Senate passed a bill dealing with the subject, which was vetoed by the President. The Committee on Interstate and Foreign Commerce has considered the bill. The committee has held hearings. We have deleted from the bill every controversial point. No one, to my knowledge, objects to any provision of the bill. The committee reported it unanimously. The Interstate Commerce Commission gave it a prompt and vigorous recommendation. The organizations which make loans to the railroads do not object. The railroads themselves want it. There is no objection to the bill from any source of which I have knowledge.

I should like to say one thing further. There is an important railroad in the northeastern section of the United States which has some early maturities of bonded indebtedness. It is important that the bill pass at an early date in order to give the Lehigh Valley Railroad the benefit which would come from the operation of the bill. I hope there will be no objection to it.

Mr. HAWKES. Mr. President, will the Senator yield to me at that point?

Mr. REED. Yes, I shall be happy to yield; but I remind the Senator that I have only 5 minutes.

Mr. HAWKES. I shall take the time I now consume out of my own time. I simply want to say that the Senator from North Dakota would like very much to have the Senator from Kansas cite the two or three important things the bill would do. The Senator from North Dakota is not opposed to the bill. He simply wants the Senator from Kansas to cite the simple things which have been debated and handled by the Senator from Kansas and myself and dozens of others for 2 or 3 years.

I am thoroughly in accord with what the Senator from Kansas has said. The committee has studied this problem. There has been a meeting of minds on this bill. In my opinion, the subject has been thoroughly discussed, and the bill should be passed.

Mr. REED. Mr. President, up to this time there has been no way to reorganize a railroad except through equity receivership, or under section 77 of the Bankruptcy Act. Both those procedures are lengthy. They require much time and an enormous amount of money.

The first part of House bill 2298 provides a voluntary method, which the Congress first recognized in the passage of the so-called Chandler Act in 1938. That was followed by the McLaughlin Act, which I think was passed in 1942.

We have written into this bill what is intended to be a permanent statute, providing a method by which railroads may take advantage, through voluntary reorganization, of what the Congress did in the Chandler Act and in the McLaughlin Act.

Furthermore, we have attempted to provide for a period in the future, if it should ever come—and we all hope it will not—when railroads may be in as bad condition as they were in 1930. We have imposed upon the Interstate Commerce Commission an obligation to report any changes which may occur during the process of reorganization. Some reorganization plans have covered a period of 6 or 7 years, and the financial condition of the bankrupt railroad has changed considerably.

There is no objection from any source to any provision of this bill. We have sought to impose certain duties upon the courts and upon the Interstate Commerce Commission. We have written the best provision we could for an equitable division all around, including the stockholders, the bondholders, and all concerned in railroad reorganization.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. AIKEN. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. REED. Mr. President, where does the objection come from?

The PRESIDENT pro tempore. The Senator from Vermont objected.

Mr. AIKEN. I object to the present consideration of the bill. I appreciate the Senator's explanation, but it is too much to digest on the spur of the moment. I should like time to read and study the bill.

Mr. REED. It has been on the calendar for some time.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. REED subsequently said: Mr. President, I have had a conversation with the Senator from Vermont [Mr. AIKEN], who authorizes me to say that he withdraws his objection to the bill H. R. 2298, which is No. 936 on the calendar. I ask that the Senate return to that bill.

Mr. LANGER. I object.

The PRESIDENT pro tempore. Objection is heard.

SERVICE CREDIT FOR PAY PURPOSES

The Senate proceeded to consider the bill (S. 1790) to amend the act of Congress entitled "An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other pay purposes," approved March 6, 1946, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause and insert:

That (a) the first section of the act entitled "An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of

computing longevity pay, or for other pay purposes," approved March 6, 1946 (Public Law 309, 79th Cong.), is amended by inserting immediately following "Army," the words "Air Force."

(b) Section 2 of such act is amended to read as follows: "The provisions of this act shall be effective from June 1, 1942."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADMISSION OF CANADIAN STUDENTS TO SERVICE ACADEMIES

The bill (S. 1723) to amend Public Law 168, Seventy-seventh Congress, first session, an act to authorize the course of instruction at the United States Naval Academy was announced as next in order.

Mr. LODGE. Mr. President, may we have an explanation of the bill?

Mr. MAYBANK. Mr. President, this bill does not increase the appropriations, nor does it increase the number of students at either West Point or Annapolis. It amends the law to give representation to students from Canada—the same representation as is accorded to students of other American republics. It would put no more students in Annapolis or West Point. Because of the unification of the armed services, the bill was written in this form to amend the old Navy Educational Act.

Mr. LODGE. As I understand, the bill would not change the fundamental course of instruction.

Mr. MAYBANK. Oh, no. It would merely give the right to the Academy to add Canadian students, as students from Central American or South American republics are added, the number not to exceed the present number of 20.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. LANGER. What is it proposed to do with respect to Central and South American countries?

Mr. MAYBANK. At the present time a certain number of students from American republics are permitted to attend West Point and Annapolis. The bill would merely give the same privilege to students from Canada.

Mr. LANGER. I object.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 1107) to amend section 2 of the joint resolution approved November 17, 1941, relating to the arming of American vessels was announced as next in order.

Mr. LODGE. Mr. President, may we have an explanation of this bill?

Mr. CAPEHART. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1571) to promote the national defense by increasing the membership of the National Advisory Committee for Aeronautics was announced as next in order.

Mr. LODGE. Mr. President, may we have an explanation of this bill?

Mr. CAPEHART. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

CONTROL OF GRAIN FOR PRODUCTION OF ETHYL ALCOHOL

The joint resolution (S. J. Res. 186) to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy, was announced as next in order.

Mr. MYERS. Mr. President, with regard to Senate Joint Resolution 186, when similar legislation was under consideration during the special session certain statements were placed in the RECORD with regard to a well-considered Pennsylvania industry, in connection with its grain quota, and also with regard to the grain and grain products used by that company during the period from October 26, 1947 to December 31, 1947.

In view of those statements, and in order that the record may be kept straight, I ask unanimous consent to have printed in the RECORD at this point a statement with regard to the history of Publicker Industries Inc., a Pennsylvania industry; also a letter from the Department of Agriculture with regard to the grain quota of that company, in comparison with the industry as a whole; and also a letter from the Treasury Department which sets forth that no grain or grain products were used by that company for the period from October 26, 1947, to December 31, 1947.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

ABOUT PUBLICKER INDUSTRIES, INC.

Publicker Industries, Inc., was founded in 1913 in Philadelphia as the Publicker Commercial Alcohol Co. for the purpose of producing ethyl alcohol by the fermentation of blackstrap molasses. Alcohol, in various forms for industrial and beverage purposes, was produced in these early days, and beverage spirits made from molasses were sold to rectifiers and other permittees as early as 1913. In the late 1920's the company began installing facilities for the production of alcohol from grain.

In 1924 the company greatly expanded its facilities through the erection of its Bigler Street plant, which is now the largest alcohol producer in the world. About 1928 grain-handling facilities were added to this plant and grain spirits were made and sold to permittees desiring this commodity. These facilities were repeatedly enlarged.

With the repeal of prohibition in 1933, Publicker actively entered the beverage-distilling field through a subsidiary, the Continental Distilling Corp. The original Continental plant now has the largest capacity of any beverage distillery in the world. When Publicker entered the distilled-spirits field, competitors like Seagram had not yet acquired their first United States plant, while Schenley and National Distillers were still to begin the acquisition of small plants which is responsible for their present size. These acquisitions reached a peak during the wartime expansion of these companies when the entire beverage industry was producing war alcohol. Much of their present position in the industry came about through the purchase of many small units with whisky in storage, while Publicker's growth was one of expansion by increasing its own facilities.

In the spring of 1941 Publicker officials pointed out to the Government that the increasing effectiveness of Nazi submarine activities threatened the entire industrial alcohol production of the United States. To forestall the Nazi U-boat menace, Publicker urged the Government to equip all alcohol-producing plants on the east coast with grain-handling facilities, so that they would no longer be dependent upon molasses.

When war came Publicker, along with other United States producers, concentrated its vast facilities on the production of alcohol for our wartime program. Without awaiting Government action, Publicker in the summer of 1941 made arrangements to switch a large part of its existing fermentation and distilling capacity to the use of grain at its Bigler Street plant. As a result the company was able to handle 45,000 bushels of grain a day. This gave the company a daily grain alcohol production of approximately 225,000 gallons. Immediately after Pearl Harbor the Publicker company applied for priorities to construct at its own expense 65,000 bushels additional daily grain-handling facilities.

The Government delayed action on this request until the summer of 1942—until it developed a grain-handling program for the entire beverage- and industrial-alcohol industry. At least 26 projects for the wartime expansion of distillery and industrial alcohol plants were included in this program. Publicker, first to propose the expansion of grain-handling facilities for the industry, was practically the last to have its project approved.

Practically each and every United States distillery and industrial alcohol plant which could possibly contribute to the war effort received Government aid in the form of equipment and/or priorities, and in most cases the Government financed their wartime expansion.

In the case of Publicker the Government installed primarily equipment to dry the residue after distillation. This was done to avoid waste of valuable cattle feed.

It must be distinctly understood that not one gallon of additional fermentation or still capacity was added to the Publicker plant with or without Government money during the war. The fermentation and still capacity had been provided by the company at its own expense prior to the war. One beer still was included in the above-mentioned grain-handling program, but it was for the production of butanol and acetone, two highly essential war chemicals, of which Publicker is also the largest producer. Publicker would have been able, even without the Government grain-handling facilities, to have greatly increased its alcohol production from grain, but this would have entailed the utilization of many makeshift methods and would have resulted in especially high-cost alcohol to the Government.

It is interesting to point out here that the foresight of the Publicker Co. in expanding its grain-handling facilities in the summer of 1941, a year before Government action, practically kept the Government's synthetic-rubber program going. Originally, the Government started its synthetic-rubber program on a 100-percent-petroleum basis. Then, as a result of the Bernard M. Baruch report, it was changed to part alcohol and part petroleum production. But the stepped-up United States aviation program caused so heavy a demand for butane for high-test gasoline, that petroleum for the rubber program had to be diverted for wartime aviation expansion. Publicker, having prior to the war increased its grain-handling capacity to 45,000 bushels, was by far the largest single producer of alcohol needed for synthetic-rubber production, which kept the program going until the Government could expand the production capacity of other distillers and industrial-alcohol plants.

DEPARTMENT OF AGRICULTURE,
Washington, February 6, 1948.

Dr. LEWIS H. MARKS,
Executive Vice President,
Publicker Industries, Inc.,
Philadelphia, Pa.

DEAR DR. MARKS: This is in reply to your letter of January 30, 1948, in which you request data regarding Publicker Industries grain quota in comparison with that for the industry as a whole. The Publicker plants under consideration are Continental Distilling Corp., RD 1 Pa.; Continental Distilling Corp., RD 14 Pa.; Kinsey Distilling Corp., RD 10 Pa.; and Publicker Industries, Inc., IAP 160 Pa.

On a strict capacity basis, the Publicker companies consolidated grain quota would have been 23.5 percent of the industry's total.

On the present allocation formula, as presented in appendix A of the Order Allocating Grain to Distillers, the Publicker companies' consolidated quota is 14.7 percent of the industry's total.

Sincerely,

N. E. DODD,
Under Secretary.

TREASURY DEPARTMENT,
Washington, February 17, 1948.

Dr. LEWIS H. MARKS,
Executive Vice President,
Publicker Industries, Inc.,
Philadelphia, Pa.

GENTLEMEN: Receipt is acknowledged of your letter of February 4, 1948, requesting confirmation from Bureau records of the following statements concerning the use of grain by Publicker companies from October 26, 1947, through January 1, 1948:

1. Whether the Publicker companies, including all of the grain distilling plants operated by Publicker, including its subsidiaries Continental and Kinsey, did in fact stop mashing grain for beverage purposes on October 25.

2. Whether the Publicker companies used any grain for beverage purposes during the period October 26, 1947, to January 1, 1948, inclusive.

According to the records in this office, the quantity of grain and grain products used at plants operated by Publicker companies for the period October 26, 1947, to December 31, 1947, inclusive, was as follows:

R. D. No. 3—Publicker Commercial Alcohol Co. of Louisiana, Inc., Westwego, La.: None.

R. D. No. 1—Continental Distilling Corp., Philadelphia, Pa.: None.

R. D. No. 10—Kinsey Distilling Corp., Linfield, Pa.; None.

R. D. No. 14—Continental Distilling Corp., Philadelphia, Pa.: None.

I. A. P. No. 29—Publicker Industries, Inc., Philadelphia, Pa.: None.

I. A. P. No. 231—Continental Distilling Corp., Philadelphia, Pa.: None.

I. A. P. No. 239—Publicker Commercial Alcohol Co. of Louisiana, Inc., Westwego, La.: None.

I. A. P. No. 160—Publicker Industries, Inc., Philadelphia, Pa.: 28,856,655 pounds (515,297.4 bushels) used in butyl-acetone fermentation (from which 245,555 proof gallons of ethyl alcohol was produced).

The Bureau records are not such as will permit the determination of whether the ethyl alcohol was used for industrial or beverage purposes. However, the Bureau has been advised by the district supervisor, Alcohol Tax Unit, Philadelphia, Pa., that the ethyl alcohol derived from the butyl-acetone fermentation process at industrial alcohol plant No. 160, operated by Publicker Industries, Inc., Philadelphia, Pa., during the period from October 26, 1947, through December 31, 1947, was denatured under various formulas for industrial purposes.

Statistics for January 1, 1948, are not available.

Very truly yours,

CARROLL E. MEALEY,
Deputy Commissioner.

The PRESIDENT pro tempore. Is there objection to the present consideration of Senate Joint Resolution 186?

Mr. CAPEHART. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

USE AND OCCUPANCY OF NATIONAL FOREST LANDS

The bill (H. R. 1809) to facilitate the use and occupancy of national forest lands and for other purposes was announced as next in order.

Mr. CORDON. Mr. President, reserving the right to object, I note that the provisions of House bill 1809, Calendar 943, permit the Secretary of Agriculture to adopt rules and regulations permitting the use by private individuals of portions of the public domain within national forests for a period up to 30 years. I also note that there is no provision for giving notice of intention to do so. In view of the fact that this plan includes commercialization of those areas, unless the bill can be amended to provide for adequate public notice I must ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 2142) to make the Government-owned alcohol plant at Muscatine, Iowa, available for processing agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

PAYMENT OF SALARIES AND EXPENSES OF CERTAIN OFFICIALS OF FORT PECK GENERAL COUNCIL

The Senate proceeded to consider the bill (S. 1021) authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and clerk, of the Fort Peck General Council, members of the Fort Peck Business Committee, and other committees appointed by said Fort Peck General Council, and official delegates of the Fort Peck Tribe, which had been reported from the former Committee on Public Lands with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Interior, or his duly authorized representative, is hereby authorized, beginning as of July 1, 1947, and until otherwise directed by Congress, to pay out of any unobligated tribal funds of the Fort Peck Indians in the Treasury of the United States the following salaries and expenses:

To the chairman, secretary, and clerk of the Fort Peck General Council and members of the Fort Peck Tribal Executive Board or other committees appointed by the general council, when engaged on business of the tribes, a salary of not to exceed $8 per day and a per diem of not to exceed $3 in lieu of subsistence and all other expenses; to such official delegates of the Fort Peck Tribes, who may carry on the business of the tribes at the seat of government, a salary of not to exceed $8 per day and a per diem of $10 in lieu of subsistence and all other expenses: *Provided*, That the rate of salary and per diem paid shall be fixed in advance by the general council of said tribes or by the tribal executive board of the said tribes if authorized by said general council: *Provided further*, That the official delegates of the tribes carrying on said business at the seat of government shall also receive the usual railroad and sleeping-car or airplane transportation to and from the seat of government, or, if travel is by automobile, delegates furnishing such transportation shall receive an amount equivalent to the cost of their railroad and sleeping-car transportation to and from the seat of government, but salary and per diem shall not be paid to delegates traveling by automobile for any period in excess of the time required to perform the travel by railroad: *Provided further*, That the total amount of the aforesaid salaries and expenses shall not exceed $10,000 per annum: *And provided further*, That the length of stay of the official delegates at the seat of government shall be determined by the Commissioner of Indian Affairs.

Mr. LANGER. Mr. President, may we have an explanation of the bill? What is the Fort Peck General Council? Is it a council of Indians?

Mr. MURRAY. Mr. President, the Fort Peck General Council is a council of the Indians. These funds belong to the Indians and are held in trust by the Secretary of the Interior. The bill merely authorizes him to pay the salaries of officers of the tribal council. It has the full approval of the committee.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "A bill authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and clerk of the Fort Peck General Council, members of the Fort Peck tribal executive board, and other committees appointed by said Fort Peck General Council, and official delegates of the Fort Peck Tribes."

AMENDMENT OF NATIONAL SERVICE LIFE INSURANCE ACT

The bill (H. R. 4141) to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits was considered, ordered to a third reading, read the third time, and passed.

ELIGIBILITY FOR BURIAL IN NATIONAL CEMETERIES

The bill (S. 1620) to establish eligibility for burial in national cemeteries, and for other purposes, was announced as next in order.

Mr. SALTONSTALL. Mr. President, may we have an explanation of the bill?

Mr. BUTLER. Mr. President, I do not have my detailed notes with me at the moment, but I can give the Senator the explanation in substance.

In the past, the custom has been to permit the burial of the wife of a serviceman in a national cemetery in anticipation that sometime his body would be placed alongside hers. This bill permits the removal of bodies in order that they may be placed in the same burial lot, if, as and when that is found desirable. It is a custom that has been followed by the Department for a long time, but it has been done without definite legal authority. The Department wishes to continue the custom which has prevailed in the past, but to have definite authority for doing so.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1620) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That burial in national cemeteries of the remains of the following classes of persons is authorized under such regulations as the Secretary of War may prescribe: (a) Any member or former member of the armed forces of the United States whose last service terminated honorably, by death or otherwise; (b) any citizen of the United States who, during any war in which the United States has been or may hereafter be engaged, served in the armed forces of any government allied with the United States during such war, and whose last service terminated honorably, by death or otherwise; and (c) the wife, husband, widow, widower, minor child, and, in the discretion of the Secretary of War, unmarried adult child of any of the persons enumerated in (a) and (b) herein: *Provided*, That the remains of those persons enumerated in (c), above, may, in the discretion of the Secretary of War, be removed from a national cemetery proper and interred in the post section of a national cemetery or in a post cemetery if, upon death, the related member of the armed forces of the United States or allied government is not buried in the same or an adjoining grave site. Persons who were members of the Cabinet of the President of the United States at any time during the period between April 6, 1917, and November 11, 1918, may also be buried in any national cemetery: *Provided*, That the interment is without cost to the United States.

SEC. 2. Section 4878, Revised Statutes, as amended (24 U. S. C. 281), is hereby repealed.

DE SOTO NATIONAL MEMORIAL

The Senate proceeded to consider the bill (H. R. 4023) to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, in line 18, after the word "sums", to insert "not to exceed $25,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SEWAGE-DISPOSAL SYSTEM FOR YORKTOWN AREA OF COLONIAL NATIONAL HISTORICAL PARK, VA.

The bill (H. R. 2159) to authorize the Secretary of the Interior to prepare plans and estimates for a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2453) to provide for the establishment and operation of a research laboratory in North Dakota lignite-consuming region was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CORDON. Mr. President, reserving the right to object, although I shall not object, let me say that I do not have a copy of the bill in my calendar file. I would ask the distinguished Senator from Nebraska to advise the Senate as to the amount of the authorization carried in the bill, inasmuch as I do not have the bill before me.

Mr. HICKENLOOPER. Mr. President, let the bill go over.

The PRESIDENT pro tempore. The Senator from Iowa has asked that the bill go over, and it will be passed over.

DESIGNATION OF PARK RIVER DAM AND RESERVOIR PROJECT AS HOMME RESERVOIR AND DAM

The joint resolution (H. J. Res. 61) to provide for the designation of the Park River dam and reservoir project in Walsh County, N. Dak., as the Homme Reservoir and Dam, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. The clerk will proceed to state the three bills which went to the end of the calendar.

TAX-EXEMPT PROPERTY IN THE DISTRICT OF COLUMBIA

The CHIEF CLERK. A bill (S. 1125) to define the real property exempt from taxation in the District of Columbia.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment of the committee was, on page 2, following section 2, to strike out:

SEC. 3. Paragraph (p) of section 1 of such act is amended to read as follows:

"(p) The building, or portion thereof, owned by a church and actually occupied and used as the episcopal residence of a bishop of such church."

The amendment was agreed to.

The next amendment was, on page 2, in line 23, after the word "Sec.", to strike out "4" and insert "3."

The amendment was agreed to.

The next amendment was, on page 3, in line 17, after the word "Sec.", to strike out "5" and insert "4."

The amendment was agreed to.

Mr. CAIN. I offer the amendment to which I referred a few moments ago.

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington will be stated.

The CHIEF CLERK. On page 3, in line 11, after the word "exemption", it is proposed to insert:

And provided further, That use of the exempted property or receipt of rent or income therefrom shall not deprive such property of exemption under the following circumstances:

(1) Where the owner of the property is an institution or organization entitled to exemption of its property under this act and a part of such property is made available without charge for use by other institutions or organizations whose property would be entitled to exemption under this act if owned by such other institutions or organizations;

(2) Where rent or income is received from indigent persons, inmates, patients, students, or others who are able to pay and who legitimately receive the benefits or services of an institution or organization entitled to exemption under this act; or

(3) Where rent or income is received from employees whose official duties require that they live in the property exempted in order to properly perform such duties.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

The PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1125) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraph (c) of section 1 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1089, ch. 826), as amended, is amended to read as follows:

"(c) Property belonging to foreign governments and used or held for legation purposes: *Provided*, That any such property not actually used for legation purposes shall be assessed and taxed unless the Secretary of State of the United States of America shall certify to the Commissioners of the District of Columbia that the property is held for legation purposes due to the exigencies of war or other emergency and that it is in the interests of the United States that the exemption of such property from taxation be continued."

SEC. 2. Paragraph (o) of section 1 of such act is amended to read as follows:

"(o) The building, or portion thereof, actually occupied and used as a pastoral residence by the pastor, rector, minister, or rabbi of a church: *Provided*, That such building be owned by the church or congregation for which said pastor, rector, minister, or rabbi officiates: *And provided further*, That not more than one such pastoral residence shall be exempt for any one church or congregation."

SEC. 3. Section 2 of such act is amended to read as follows:

"SEC. 2. If any building or grounds, or portion thereof, entitled to exemption under the provisions of paragraphs (d) to (r) of section 1 of this act are not actually used by or for the activities of the institution or organization which owns such property and for the purposes for which exemption is granted, or are used to secure a rent or income of any character from any activity or use other than an activity or use which entitles such property to exemption under this act, such building or grounds, or portion thereof, shall be assessed and taxed: *Provided*, That lack of actual use of grounds

exempted under section 1 (r) (2) of this act shall not deprive such grounds of exemption: *And provided further*, That use of the exempted property or receipt of rent or income therefrom shall not deprive such property of exemption under the following circumstances:

"(1) Where the owner of the property is an institution or organization entitled to exemption of its property under this act and a part of such property is made available without charge for use by other institutions or organizations whose property would be entitled to exemption under this act if owned by such other institutions or organizations;

"(2) Where rent or income is received from indigent persons, inmates, patients, students, or others who are able to pay and who legitimately receive the benefits or services of an institution or organization entitled to exemption under this act; or

"(3) Where rent or income is received from employees whose official duties require that they live in the property exempted in order to properly perform such duties. If the tax assessed is not paid and becomes delinquent, it shall be collected by sale of the whole lot or parcel of land, with improvements thereon, or otherwise in the same manner as taxes on other real property in the District of Columbia are collected."

SEC. 4. Section 5 of such act is amended to read as follows:

"SEC. 5. Any institution, organization, corporation, or association aggrieved by any assessment of real property deemed to be exempt from taxation under the provisions of this act may appeal therefrom to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as provided in sections 3 and 4 of title IX of the District of Columbia Revenue Act of 1937, as amended: *Provided, however*, That payment of the tax shall not be prerequisite to any such appeal. No appeal under this section, nor any proceeding in any court, shall be filed or maintained to establish the exemption of any property deemed to be exempt unless, prior to July 1 of the fiscal year involved in any case, written application, in such form as may be prescribed by regulation, shall have been filed with the Commissioners of the District of Columbia requesting that such property be placed on the list of property entitled to exemption."

Mr. TAFT. Mr. President, I do not quite understand what the clerk has been calling. There is nothing now on the calendar.

The PRESIDENT pro tempore. The clerk is calling the bills which were passed over, and which reverted to the end of the calendar.

Mr. TAFT. I understand.

TRANSFER OF THE REMOUNT SERVICE

The PRESIDENT pro tempore. The clerk will state the next bill which has been passed over and which has reverted to the end of the calendar.

The CHIEF CLERK. A bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, in respect to the bill just called by title, I have made an investigation. I find that the junior Senator from Oregon [Mr. MORSE] is not now on the floor of the Senate or in the city, and cannot be here today. Of course, in view of that fact, I shall not make the motion I have intended to make; but for a moment I should like to state to the Senate the issues involved.

Heretofore the War Department has maintained four remount stations in the United States—one located in Virginia, one located in Nebraska, one located in California, and one located in Oklahoma. A bill was introduced to transfer those four remount stations to the Department of Agriculture. The bill passed the House, and came to the Senate, where it was referred—and properly so, I think—to the Committee on Armed Services. But in my opinion, thereafter the bill should have been referred to the Committee on Agriculture, for I regard this bill as one which should properly have been considered by two committees—in this case the Committee on Armed Services and also the Committee on Agriculture. The bill provides that the War Department shall relinquish its control of the stations, and that they shall be turned over to the Department of Agriculture.

Mr. President, in my opinion the Committee on Armed Services acted properly in the first instance; but when it recommended that the War Department should cease its operation of these remount stations, then I construe that action to end the responsibility and authority of the Committee on Armed Services in the matter. I am not criticizing that committee because it saw fit to recommend that the four remount stations be turned over to the Department of Agriculture, with authority and directive to carry on the work of the Remount Service.

Mr. President, I have no desire to interfere with the operation of the Remount Service in the State of Virginia. I have been to the station at Front Royal, and I think the land there is adapted to the Remount Service. If the Senators from Virginia want to have the Front Royal remount station continued as a remount station, I shall gladly accede to their request and shall be favorable to that program.

If the Senators from the State of Nebraska want the remount station in Nebraska maintained there, I shall not have objection. In the same way, if the Senators from California want to have the remount station presently in California maintained there, I shall have no objection.

But as to the remount station in my own State, I do have objection. I refer to the Fort Reno remount station, which is located on a tract embracing some 10,000 acres of some of the finest land in the central section of the United States. Much of the land is bottom land. It is now covered with alfalfa.

Mr. President, in Oklahoma we do not use horses very much any more. Oklahoma has mechanized its agricultural industry. Today we use tractors, trucks, and other mechanical devices in our agricultural industry, and we do not need horses there any more.

This bill proposes to continue these remount stations for the purpose of the propagation and production of riding horses—for example, polo ponies and show horses. That is all right for other States if they want it, but we do not want it in our State. So far as I can determine, the people of Oklahoma want this land made available for subdivision and use under the provisions of the Bankhead-Jones Farm Tenant Act.

That is the whole story; and as soon as I can obtain recognition from the Chair at a time when the Senator from Oregon is present in the Chamber, I shall ask that the bill be taken up.

The PRESIDENT pro tempore. The bill will be passed over under continuing objection.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ROBERTSON of Virginia. If the Senator's only desire is to have the Oklahoma remount station excepted from the bill, why could he not attain that objective by an amendment from the floor, instead of having the bill sent back to his committee?

Mr. THOMAS of Oklahoma. Mr. President, that would suit me, but I am not sure how the Senators from Nebraska want their land treated. I have discussed the matter with one of the Senators. The remount station in Nebraska occupies a large tract; but I am not familiar with that, and am not sure what should be done with it. The same thing is true of the California station. I do not know what should be done in California.

Mr. ROBERTSON of Virginia. Was not this bill reported by the Committee on Agriculture and Forestry?

Mr. THOMAS of Oklahoma. No, it was not, and that is my complaint. On the House side, if I may take another moment, by unanimous consent——

The PRESIDENT pro tempore. The Senator may proceed.

Mr. THOMAS of Oklahoma. On the House side, when the Armed Services Committee considered the bill and decided that the War Department should no longer maintain its remount service, the House committee referred the bill to the Committee on Agriculture and asked the chairman of that committee to consider it. The chairman of the House Committee on Agriculture called his committee together and reconsidered the bill. They agreed to the program of the Armed Services Committee.

I contend that a similar procedure should be followed in the Senate before the bill is considered further. I contend that if the lands are to be under the Department of Agriculture, the bill should be referred to the Committee on Agriculture and Forestry, in order that the committee may ascertain whether or not that is the best program.

Furthermore, Mr. President, there are two reports on the bill. The Secretary of Agriculture makes one report, and the Under Secretary makes another. I am not sure which one of the reports might be acceptable to our committee because of various angles in connection with the bill. It is of importance to my State, and I am hopeful that at the proper time it may be referred to the Committee on Agriculture and Forestry for further consideration and report. I may say to my friend, the Senator from Virginia, that I am for his program, so far as I am concerned.

Mr. ROBERTSON of Virginia. Recognizing the power of the Committee on Agriculture and Forestry and of the distinguished Senator from Oklahoma, I feel that, unless we have some understanding as to what is to be done about the matter when it gets back to his committee, I shall not see it again when it comes from the committee. I want to be present when it is again considered.

The PRESIDENT pro tempore. Under objection, the bill remains on the calendar.

AUTHORIZATION TO WYANDOTTE TRIBE OF OKLAHOMA TO SELL CEMETERY

The PRESIDENT pro tempore. The clerk will state the next bill which has been put over to the end of the calendar.

The CHIEF CLERK. A bill (S. 1372) authorizing the Wyandotte Tribe of Oklahoma to sell tribal cemetery.

Mr. REED. Let the bill go over.

Mr. KNOWLAND. Mr. President, as to this bill, objection has been made in behalf of the Senator from Kansas [Mr. CAPPER], and I understand that the Senator from Kansas still objects to consideration of the bill.

Mr. CAPPER. Mr. President, I do object. No one in Kansas City wants the proposed legislation.

Mr. KNOWLAND. Let the bill go over.

The PRESIDENT pro tempore. Objection is heard. The bill will be passed over.

Mr. BUTLER subsequently said: Mr. President, I move that the bill (S. 1372), which is No. 565 on the calendar, and to which the Senator from Kansas objected, be recommitted to the Committee on Interior and Insular Affairs for further consideration.

The PRESIDENT pro tempore. Without objection, the order is made.

FOOT-AND-MOUTH-DISEASE RESEARCH

The PRESIDENT pro tempore. The clerk will state the next bill which has been placed at the foot of the calendar.

The CHIEF CLERK. A bill (S. 2038) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section.

Mr. KNOWLAND. Mr. President, reserving the right to object, I want to ask the Senator from Minnesota if he would be willing to accept an amendment, which I understand is roughly comparable to the one offered in the House of Representatives, and which has been put in the bill in the House, although I think it is more restrictive than mine would be. Would the Senator accept an amendment, on page 1, line 6, after the word "laboratories", to insert "on an island or other isolated area adequate to guard against the accidental spread of the virus,"? In other words, the Department of Agriculture of California and I think some of the other agricultural departments are very much concerned lest the virus spread from an experimental laboratory. As I read the bill now, a research laboratory could be located in the middle of a dairy county, if the Department of Agriculture should so desire. I should like some restriction to show that this body in giving its approval does so with the understanding that proper safeguards will be taken against the spread of the virus. I understand that in the House bill the limitation is that the work shall be done on an offshore island. My proposal gives a little more latitude, and I suppose it is something that should then be worked out in conference.

Mr. THYE. The junior Senator from Minnesota has no objection to such a provision. However, I should say that the expression "isolated area" does not in any sense exclude a peninsula of the continent.

Mr. KNOWLAND. I would think that if properly safeguarded that would come within the meaning of an isolated area.

Mr. THYE. The only reason the bill was so written was that we had assurance from the Bureau of Animal Industry of the Department of Agriculture that they would consider the seriousness of the virus and would confine the work to an area where it would not in any sense jeopardize the animal industry.

Mr. KNOWLAND. The only difficulty the junior Senator from California sees is that, as frequently happens in connection with acts of Congress, if the law is not perfectly plain, it may be interpreted by some future Department of Agriculture in a manner different from the present understanding. I should feel better if the law were made clear on that point.

Mr. THYE. I should not object.

Mr. KNOWLAND. I desire to offer such an amendment.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2038), which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 2, line 8, to strike out "Act: *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed $15,000 per annum" and to insert "Act. There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases", so as to make the bill read:

Be it enacted, etc., That the act of May 29, 1884 (23 Stat. 31), as amended, is hereby amended by adding thereto section 12.

"SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10 (a) of the Bankhead-Jones Act of 1935 as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which, in the opinion of the Secretary, constitute a threat to the livestock industry of the United States. To carry out the provisions of this section, the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act. There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases."

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, I now submit the amendment to which I previously referred.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from California, which will be stated.

The CHIEF CLERK. On page 1, line 6, after the word "laboratories', it is proposed to insert "on an island or other isolated area adequate to guard against the accidental spread of the virus."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT OF REGULAR ARMY AND AIR FORCE OFFICERS

Mr. GURNEY. Mr. President, having conferred with the senior Senator from North Dakota [Mr. LANGER], I ask unanimous consent to return at this time to the consideration of Senate bill 2123, Calendar 933.

The PRESIDENT pro tempore. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2123) to exempt certain officers of the Regular Army and Regular Air Force from the provisions of statutes requiring retirement by reason of age, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. GURNEY. Mr. President, this bill refers only to those officers in the Army, Navy, and Air Force who had five-star rank. Five-star rank cannot now be reached because of the bill passed last year, which fixes four-star rank as the maximum. The bill relates to what may be considered to be a mark of honor, extending it to generals of the Air Force and ground forces the same as it is now extended to five-star men of the Navy, such as Admirals Nimitz, Leahy, King, and Halsey. It allows these officers in the Army and Air Force to retire on an active-duty status. It does not cost an additional dollar. It merely makes them available to return to the service for advice and consultation whenever the Army and Air Force want them.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the laws requiring retirement of Regular Army and Regular Air Force officers because of age shall not apply to officers of the Regular Army or Regular Air Force appointed in the grade of General of the Army pursuant to the act of March 23, 1946 (60 Stat. 59). The President may, in his discretion, upon the request of the officer concerned, restore to the active list of the Regular Army or Regular Air Force any officer of the Regular Army or Regular Air Force on the retired list who was ap-

pointed in the grade of General of the Army pursuant to the act of March 23, 1946 (60 Stat. 59).

SEC. 2. Officers appointed in the grade of General of the Army pursuant to the act of March 23, 1946 (60 Stat. 59), shall not be counted within the limited number of officers authorized to be serving on active duty in grades above lieutenant general as provided in section 504 of the Officer Personnel Act of 1947 (Public Law 381, Eightieth Congress) unless they be serving as Chief of Staff or in command of any territorial or tactical subdivision of the Army or the Air Force.

RESOLUTION RECOMMITTED

Mr. McGRATH. Mr. President, I ask unanimous consent to have Calendar 593, Senate Resolution 144, authorizing an investigation of law enforcement and police administration in the District of Columbia, recommitted to the Senate Committee on the District of Columbia, with a recommendation for indefinite postponement.

The PRESIDENT pro tempore. Without objection, the order is made.

ALLOCATION AND CONTROL OF GRAIN FOR DISTILLING PURPOSES

Mr. KNOWLAND. Mr. President, as I understand the parliamentary situation, the calendar having been completed on bills to which no objection has been made, we are now back on the unfinished business, which is the St. Lawrence seaway.

The PRESIDENT pro tempore. The Senator is correct.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the unfinished business and proceed to the immediate consideration of Calendar No. 942, Senate Joint Resolution 186, relative to the allocation of grain.

Mr. CAPEHART. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. KNOWLAND. Mr. President, I now move that the Senate proceed to the consideration of Senate Joint Resolution 186, Calendar No. 942.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Moore
Baldwin	Hayden	Murray
Barkley	Hickenlooper	Myers
Brewster	Hill	O'Conor
Bricker	Hoey	O'Daniel
Bridges	Holland	O'Mahoney
Brooks	Ives	Overton
Buck	Jenner	Pepper
Bushfield	Johnson, Colo.	Reed
Butler	Johnston, S. C.	Revercomb
Byrd	Kem	Robertson, Va.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Sparkman
Chavez	Lodge	Stennis
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tobey
Ecton	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Magnuson	Wiley
Fulbright	Malone	Williams
George	Martin	Wilson
Green	Maybank	Young
Gurney	Millikin	

The PRESIDING OFFICER (Mr. LODGE in the chair). Eight-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from California that the Senate proceed to the consideration of Senate Joint Resolution 186.

Mr. BARKLEY. Mr. President, parliamentary inquiry. Would the adoption of the motion displace the unfinished business, that is, the St. Lawrence seaway joint resolution?

The PRESIDING OFFICER. The Chair is advised that it would displace the St. Lawrence seaway joint resolution until 12 o'clock Friday.

Mr. BARKLEY. That raises a very important parliamentary question whether, notwithstanding the agreement to vote Friday, the joint resolution can be brought back under consideration except by another motion. If it cannot be brought before the Senate except by another motion, a very serious question is raised, namely, whether there will be anything to vote on Friday, because if a measure which is under consideration is displaced, it seems to me that that would displace everything that had happened in regard to it.

I do not care to have the Senate get into a technical situation in which we might find ourselves on Friday without anything to consider because the measure which was the unfinished business had been displaced by a motion to take up another measure. The Senate has been proceeding by unanimous consent in the consideration of other measures. I do not know whether the Senator from California is proceeding on the theory that unanimous consent in this instance cannot be obtained.

Mr. KNOWLAND. Mr. President, the junior Senator from California has asked unanimous consent to proceed along the line the able Senator is now suggesting. Objection was raised. It was not until objection was raised that the junior Senator from California made the motion which is now pending.

Mr. BARKLEY. I was called from the Chamber at the moment the request was made. That does not alter the parliamentary situation, that if the pending motion should prevail, the unfinished business would be displaced.

I realize that in an informal ruling a few days ago the Chair held that inasmuch as the Senate had agreed upon a time when it would vote on a day in the future, automatically that order would be carried out although the measure to which the agreement related was displaced and was no longer before the Senate. If it is displaced, it cannot regain its place except on motion, and if no motion were made and carried to resume the consideration of the measure, in my judgment we might find ourselves on Friday without anything on which to vote.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. If the motion shall be agreed to, then will not the unanimous-consent agreement restore the St. Lawrence seaway joint resolution at 12 o'clock Friday as the unfinished business before the Senate?

The PRESIDING OFFICER. It is the opinion of the Chair that, in the light of many precedents, the Senate would revert automatically at 12 o'clock on Friday to the consideration of the St. Lawrence seaway measure, but if it were desired to revert to that measure before that time, a motion would be necessary.

Mr. BARKLEY. No Senator can offer an amendment to the St. Lawrence seaway joint resolution, because the time has passed.

The PRESIDING OFFICER. The time for offering amendments has passed.

Mr. BARKLEY. Of course, any Senator could make a speech on the joint resolution tomorrow, whether it was the unfinished business or had been displaced, as he can make a speech on any subject.

The PRESIDING OFFICER. No question of germaneness is involved in debate.

Mr. BARKLEY. It would be more or less informal, because the joint resolution, in a parliamentary sense, would not be before the Senate.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the motion of the Senator from California.

THE PARTITION OF PALESTINE

Mr. PEPPER. Mr. President, I do not wish to delay a vote on the pending question, but I do wish to make a few comments on another subject.

The Evening Star of today carries this caption:

Partition delay indicated in United Nations Palestine debate; even repeal of plan appears possible; Assembly call asked.

This is an Associated Press dispatch from Lake Success dated February 25:

Delay in partitioning Palestine and perhaps even repeal of the whole scheme appeared possible today in the light of Security Council developments.

Colombia asked the United Nations to consider a special session of the General Assembly to reconsider the split-up plan. The United States asked for a Big Five committee of study and conciliation.

Mr. President, I wish to say just a word or two. I believe I share the sentiment of millions of people in this country, and I hope of the Congress, when I say that it is my earnest hope that our Government and the United Nations are not at this late hour going to renege on the declaration previously made that they were going through with the policy of allowing the partition of Palestine. This was a great test for the United Nations organization, and I had the feeling that the United Nations courageously met the test. It heard the case from Arab and Jew. It deliberated, and finally arrived at a decision. It may be that the territory that was marked out as the area that should become the Jewish state was not the area which everyone would have preferred, or perhaps the territory which should have been chosen, but it was an honestly made decision, and I think there was a feeling of satisfaction all over this country and in many other parts of the world that at long last we were about to

have an international and righteous solution of the age-old problem of the wandering Jew, by allowing his weary footsteps to come to rest again upon his old home soil.

Mr. President, the British Government made a forthright declaration that it intended to withdraw its troops from Palestine. Then the question arose as to how the implementation of the partition policy should be carried out. What happened then? The Arabs set out to intimidate the United Nations organization. There was set afoot an Arab conspiracy to defeat by force the decision arrived at by the United Nations organization. Then we had the spectacle of troops moving from one country to another, well armed, well disciplined, well organized, and well led, with an announcement to the world by the Arab leaders that they were going to invade this territory, that they were not going to permit the decision solemnly made by the United Nations organization to be put into effect.

Mr. President, only 2 days ago I saw in a newspaper pictures of Arabs in the Arab section of Jerusalem looking at a store filled with arms, guns, ammunition, hand grenades, there on display ready to be bought by any Arab who might come in to purchase them. The Arabs have plenty of arms, much of which may be coming from Great Britain by its own admission, but the Jews, to whom have been awarded by the United Nations organization this territory, are denied by our own embargo the right to buy arms.

Mr. President, the question, of course, may eventually have to be decided whether the United States will send troops—of course, as a part of a United Nations force—to partition or to preserve the peace in Palestine. I hope that necessity will not arise. I think it is probably correct that it would be only the Congress that could make that decision. I hope Congress will not be called upon to decide that question, although I do believe that we ought to stand behind the decisions of the United Nations, and see that they are carried out.

But, Mr. President, if we will give the Jews, who have at long last received the prospective satisfaction of the return of their ancient land, the weapons with which to defend themselves, and to defend the United Nations' decision, I believe it will not be necessary to call on the United States Government, or perhaps any other member of the United Nations organization, to send an international police force to Palestine.

I notice from the newspapers that our able ambassador and delegate to the United Nations has stated that we would consult about the removal of our embargo policy if requested to do so by the United Nations. It is my humble opinion that the United Nations should call upon every member of that organization and see that they are not only authorized but requested, in furtherance of the United Nations decision, to allow the purchase of arms for self-defense by the Jewish people in that part of Palestine which the United Nations has said of right belongs to them.

Mr. President, if we do that—and do it before it is too late—before the Arab has already won the victory with the arms which he has been able to buy in many markets—at least many markets in Europe and in the broad middle eastern area—I believe that the question of subsequently having to send an international force there might not have to be answered, either by the Congress or the country.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAGNUSON. I should like to suggest to the Senator from Florida that even far beyond the question of the arms embargo in the present situation, there exists a great parallel between what is now taking place and the attempt, after World War I, to form and hold together and make effective the now defunct League of Nations, in which we did not participate. There is a strong parallel between what then took place and the immediate problem before us of enforcing the decision of the United Nations or inducing the world to accept its decision. What we now see happening is similar to what happened in Manchukuo and in Abyssinia, which broke up the League of Nations and step by step led to World War II. In my opinion, this is the first test of world peace.

Mr. PEPPER. Mr. President, the able Senator from Washington is, in my opinion, absolutely correct. If a decision of the United Nations can be repudiated by force, by the threat of arms, by an actual invasion, then, Mr. President, what sanctity will the decision of the United Nations have?

I want to make one point clear, so far as I am personally concerned. There have been many times in the past when I have said upon this floor that I did not think the United States should act unilaterally. I have said it with respect to Greece and Turkey. I may say it again. But no one has ever heard me say that the United States should not back up the decision of the United Nations. I will support that policy. If we cannot get everyone in the United Nations to act with us when we think we are right, then let us get all we can in the United Nations to act with us, and go ahead in a policy which we believe to be right.

But, Mr. President, after the solemnly arrived at decision respecting the partition of Palestine, by which the Jewish people received only a very small part of what they might have been awarded, if the Arabs can, by intimidation, by threat, by force of arms, and by invasion, cause the United Nations to do what is intimated in the article to which I referred, namely, reverse their previously arrived at decision, then Mr. President, such cringing and about face will do more harm to the prestige of that organization than can be measured. Goodness knows it has suffered enough discredit already. And now when the major nations have gotten together upon this partition policy, and have said they would support it, to recoil in the face of this Arab threat will not only continue the injustice to the oft misused Jew, Mr. President, but I am afraid will strike almost the last blow at the remaining prestige and authority of the only hope on earth to keep the peace of mankind—the United Nations.

Mr. IVES. Mr. President, in line with the statement just made by the distinguished Senator from Florida, I should like to read into the RECORD a relatively brief letter which I am this day mailing to Dr. Sidney D. Cohen, who is chairman of the Liaison Committee of the Zionist Organization of America. The letter deals directly with the subject which has been under discussion. It is as follows:

UNITED STATES SENATE,
Washington, D. C., February 25, 1948.

Dr. SIDNEY D. COHEN,
Chairman, Liaison Committee,
Zionist Organization of America,
Gloversville, N. Y.

DEAR DR. COHEN: Your very kind invitation to attend the rally you are holding tomorrow evening is greatly appreciated. I have delayed in making earlier reply in the hope that it might be possible for me to be with you, but I find that I must remain in Washington.

As you probably know, I have always been strongly in favor of the establishment of a Jewish state in Palestine. When favorable action on this question was finally taken by the United Nations on the 29th of last November, I was most happy over this propitious turn in events. At the same time, I realized that the struggle for an independent Jewish state was not over.

Subsequent deplorable incidents in Palestine have confirmed my gravest fears. Worst of all, due to lawlessness and the failure of those responsible for the maintenance of law and order in Palestine to provide adequate protection for the people of Palestine, the situation there has now reached a very critical stage. And with the deterioration of conditions in Palestine there has arisen a serious threat to the future of the United Nations and the peace of the world.

It seems to me that the role of the United States in the present world crisis is wholly obvious. Unless the United Nations takes appropriate action to back up the Assembly's recommendation in favor of partition, the influence and prestige of the United Nations will be dangerously impaired. As the most influential member of the United Nations, the United States occupies a most responsible position in determining the United Nations' policy.

It seems to me that our task right now is to do all that we can to make sure that the authority of the United Nations is upheld and that proper measures under the Charter of the United Nations are taken with the least possible delay. We must be ready to implement any obligation, under the Charter, assigned to us by the Security Council.

Of greatest importance to us is that we recognize our obligation to the United Nations and our responsibility where the partition of Palestine is concerned and that, recognizing this obligation, we accept it unqualifiedly and without hesitation. Furthermore, it would seem to be our primary duty to exercise all the influence we possess to the end that the United Nations shall take definite, decisive, uncompromising, and immediate action to meet the crisis which now faces the world.

With kindest personal regards, I am,
Sincerely yours,

IRVING M. IVES.

I thank the Senate for permitting me to read that letter into the RECORD.

ALLOCATION AND CONTROL OF GRAIN FOR DISTILLING PURPOSES

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOW-

LAND] that the Senate proceed to the consideration of Senate Joint Resolution 186.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 186) to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy.

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. COOPER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. It is proposed to substitute a colon for the period at the end of subsection (a), in line 7, page 2, and add the following proviso: *"Provided,* That, subject to the requirement that the minimum allotment to any distilling plant shall be 6,000 bushels per month, the percentage of the total monthly allocation of grain allotted to a distiller shall be the percentage of the total amount of grain which that distiller used of the total number of bushels used for distilling by the entire distilling industry from December 1, 1946, to June 30, 1947, inclusive."

Mr. FLANDERS. Mr. President, I desire to make an explanation of Senate Joint Resolution 186, authorizing allocation and inventory control of grain for the production of ethyl alcohol.

On January 29 of this year the President of the United States sent a message to the Congress recommending that it provide for allocation of grain for producing ethyl alcohol. This message was in accordance with section VI of Public Law 395, which I had the honor of adding to Senate Joint Resolution 167 when it was before the Senate. That section requires that in proposing measures for conserving raw materials, commodities and products of which there is a critical shortage, he shall give, first, a full statement of the circumstances; second, a detailed procedure for the administration of the measures proposed; third, a statement as to the proposed degree of curtailment, including a specific formula therefor; and, fourth, a complete record of the factual evidence. It is furthermore provided that within 15 days of the submission of such proposed conservation measure the Joint Committee on the President's Economic Report shall conduct public hearings thereon and shall make such recommendations to the Congress for legislative action as in its judgment the recommendations of the President and any additional information disclosed at the public hearings may require.

The message of the President meeting the requirements of section VI, Public Law 395, the Joint Committee on the Economic Report conducted public hearings and reported to the Congress on February 11. That report recognized the shortage in grains and approved the proposal for saving grain by allocation and inventory control of the distilling industry. It stated that while this industry uses corn primarily it was the committee's expectation that limitations would save an equivalent amount of wheat for human consumption. It recommended, furthermore, that exports of grain to other countries, including Canada, should be so limited by the President that such exports shall be subject to at least the same genera' degree of limitations as are imposed on distilleries in the United States. They recommended finally that legislation to this effect should be prepared and enacted:

In accordance with this resolution, a subcommittee of the Banking and Currency Committee prepared Senate Joint Resolution 186 and reported it to the full committee, which in turn has reported it to this body with Report No. 900. This joint resolution and report are now before the Senate.

The need for controlling the amount of grain used in making distilled spirits does not seem to be in dispute. Little or no opposition was heard at the hearings on February 5 and 6 before the Joint Committee on the Economic Report. The chief point of contention was not whether grain should be allocated, but the formula under which the allotment should be made. In spite of this lack of opposition, however, I should like to review the evidence as to the necessity for allocation.

The joint committee hearings were held just when grain prices began to soften in the commodity markets. Consequently, there was little direct testimony on the effect of market fluctuations on the supply of feed grain and, of course, on this proposal. Ups and downs in the commodity market, however, cannot alter the over-all fact that our supply of grain is less than what we need at home and abroad. Of course, price changes can affect the use of grain. A somewhat lower price level, if it continues to prevail, could increase grain feeding on farms and grain consumption everywhere. This conceivably could intensify our shortage before harvest and, as a result, require even more stringent conservation measures than we are now considering.

Our basic feed grain is corn, and last year's crop was short of both our needs and our expectations. Our supply when we entered the present crop year last fall was 2,700,000,000 bushels—720,000,000 bushels less than what we had a year earlier. This is a reduction of 21 percent, and our supply, as a result, is much less than we could use.

These corn statistics are the basic reason why corn must be conserved. All grains are interchangeable both as human food and as animal feed as Dr. Fitzgerald of the IEFC testified. But wheat is preferred for human food, while here in the United States corn ranks as the primary feeding grain. We were most fortunate last year in harvesting the largest wheat crop in our history. It came to 1,400,000,000 bushels. We are now exporting from it at least 450,000,000 bushels. Secretary Anderson has said that we can ship 500,000,000 bushels, perhaps more. To do so, however, the use of wheat in animal feeding from January 1 to June 30 must be held down to 125,000,000 bushels. If we feed more, we will not be able to export 500,000,000 bushels and carry over 150,000,000 bushels as the law now requires.

Dr. Fitzgerald summed up the question when he declared that, if the United States "can spare more grains this year, we are hopeful that they can spare them in the form of wheat, and use any savings that may be made in this distilling industry or any other place as a replacement in the feed program."

Corn is the distillers' preferred grain, and the industry used nearly 60,000,000 bushels in the year ending June 30, 1947. Whatever amount industry's use is curtailed means more corn to meet farmers' requirements in producing meat. Assistant Secretary Brannan of the Department of Agriculture testified to the relationship between corn and meat when he pointed out that "farmers and distillers are competing for a short feed supply." There is little need for me to add that our meat supply this year is far less than what we could consume. The scarcity of meat points to higher prices. In spite of momentary market swings, higher meat prices are likely before the year is out.

Allocation of grain to distillers, therefore, will serve the double purpose of assuring wheat for overseas relief and checking—at least in part—the rise in meat prices here.

The distilling industry can contribute substantially to our grain supply by using no more than 2,500,000 bushels a month. The Joint Committee on the Economic Report estimated the saving at 22,000,000 bushels up to the end of October, when the allocation period would end at the latest under this resolution. This saving was figured from the industry's use of grain in the year ending June 30, 1947. The rate at which grain has been used so far in February is much higher than the rate this legislation would allow. Figures from the Alcohol Tax Unit set the monthly rate for February at 6,000,000 bushels, even though some distillers are reported to be operating voluntarily at the restricted rate. It is easy to see, therefore, that there are grounds for the testimony of A. P. Fenderson, of Publicker Industries, one of the largest distilling firms, that the distillers' use of grain could climb to 10,000,000 bushels a month unless controls are applied. No matter what consumption rate is used, the saving will be large. The committee's estimate of 22,000,000 is on the conservative side.

Grain conservation in the distilling industry was resumed last fall after virtually a year of unrestricted operation. The distillers shut down production for 60 days, beginning in late October. The prospect of the shut-down led the industry to step up their use of grain to 8,000,000 bushels in the first 25 days of October. This is very much the pattern that is being followed this month. Excessive use in October nullified part of the saving from the 60-day shut-down. As the shut-down came to an end, it became apparent that a continuing reduction in the use of grain in the distilling industry would be required. Exhaustive efforts were made to reach a voluntary agreement with the distilling industry for the conservation of grain.

The Distillers Coordinating Committee, composed of representatives of the industry, labor, and the Department of

Agriculture, tried to recommend a voluntary agreement which could take effect December 25, when the voluntary shutdown ended. At the last meeting of this committee, on December 9, 1947, it became obvious that an agreement was impossible. The chief reason was and still is, for that matter, the intense spirit of competition in the industry.

Therefore, the Department of Agriculture proposed the allocation of 2,500,000 bushels of grain up to January 31, 1948, and the same amount monthly thereafter. The industry met to consider this program on December 17. Again at this meeting and a later one on December 23, the industry representatives were unable to agree on any effective conservation measure. The result was that the Department of Agriculture turned to Congress for legislative authority to restrict the industry's grain intake. This authority was granted in Public Law 395, which the President signed December 30. As a result, the industry operated until January 31 with an allocation of 2,500,000 bushels.

When the authority seemed ready to lapse, the President, as I have already reminded you, asked Congress to extend the program to October 31, 1948. In his message of January 29, he summed up the industry's differences when he declared:

> Throughout all negotiations with the distilling industry, various factions of the industry have advocated different methods of allocation and there is apparently no possibility of reconciling their views and solving the situation by voluntary agreement. Therefore, further action will be required by the Congress to conserve grain and to reduce its nonessential use.

At least one industry spokesman likened efforts to obtain an industry agreement to getting water from a dry well. The cleavage in the industry was revealed clearly in the testimony at the hearings, and the industry spokesmen were ready at all times to name names. It is interesting that even within the united front of the Distilled Spirits Institute, a trade association claiming 65 percent of the industry, there was some disagreement on the method of allocating grain. Both the Joint Committee on the Economic Report and the Committee on Banking and Currency recognized this condition in their reports.

The lack of harmony within the industry is obvious, and the only clear-cut reason for it is the industry's spirited competition. This is apparent in the hearing record.

Mr. President, perhaps a brief description of the nature of the industry will explain why the interests of its various members differ so widely that agreement is impossible.

Straight whisky distilled from fermented mash is, as most people know, aged for a period of 4, 5, or 6 years before being bottled and sold to the people. This aging is done in oaken casks, the interiors of which have been charred. Whisky sold to the public as straight whisky is for the most part made by smaller concerns, of whom there are a great number.

The larger part of the whisky sold on the market is blended whisky in which at the time of bottling approximately one-third of the straight fluid is mixed with two-thirds of neutral spirits—which is, practically speaking, pure alcohol. By far the larger amount of whisky currently bottled and consumed is of the blended type.

The distilling of neutral spirits is more expensive and takes more elaborate equipment than does the distilling of straight whisky. It has, in fact, to be redistilled until practically nothing but the chemically pure alcohol is left. One would naturally ask why blended whiskies are lower priced, when the neutral alcohol of which they are so largely composed costs more to distill than does the straight whisky with which this alcohol is colored and flavored. The answer to this question is simple. A major expense in the production of whisky is the heavy capital cost of carrying and handling the whisky, in addition to the losses resulting from leakage and evaporation through the years of aging, making the whisky cost far more than the neutral spirits, which needs no aging. This accounts for the lower cost and more general production and consumption of blended whisky.

The diversity of interest among distillers arises in part from this difference between blended and straight whisky. Many of the distillers who sell whisky have inadequate facilities for making neutral spirits. They have to buy from others who do. Some of the distillers specialize in neutral spirits and have a lesser interest in whisky. This is particularly true of one of the eastern distilleries who finds its principal peacetime market in providing the neutral spirits for other distillers.

The allocation of grain is at the point where the grain is ground for incorporating in the mash. For whisky this is years in advance of bottling and sale. For neutral spirits it may be only a few weeks off. The whisky distiller who has inadequate facilities for redistilling and refining neutral spirits needs a continuous supply from other manufacturers if he is to continue bottling and selling.

The wide diversity of interest in the industry therefore lies in the variety of conditions with relation to neutral spirits. Does the individual company have facilities for making its own supply, or must it buy from others, perhaps at a distress price? If dependent on other distillers for neutral spirits, does it nevertheless have in stock sufficient to carry the business through the period of allocation? Finally, is the distillery one dealing in straight whisky, with no requirement for neutral spirits? These are the considerations which give such a diverse interest to the industry that its units have not been able to come to any agreement.

There is likewise the question of size involved. Four large companies in fiscal year 1947 accounted for nearly 80,000,000 gallons or almost one-half of the total of about 168,000,000 proof gallons of spirits distilled. Another single company engaged largely in distilling neutral spirits accounted for about 16,400,000 proof gallons of spirits or nearly 10 percent of the total. The smaller distilleries accounted for about 72,400,000 proof gallons.

The diversity, however, goes still further than these statistics indicate. The Big Four companies, while having a little less than one-half of the Nation's distilling capacity, nevertheless sell approximately 75 percent of the bottled whiskies marketed in the United States. However, they have concentrated their efforts in the sales end of the business and to this end they have acquired and widely advertised brand names with popular appeal. Apparently they purchase from the independent distillers in the industry a large part of the whisky they sell under these brands.

As a result of the rapid growth of the Big Four, the industry has fallen into this pattern: One, companies, such as the Big Four, which produce and bottle whisky, but bottle far more than they produce; two, other companies which produce and bottle whisky, but produce more than they bottle and sell the balance to the Big Four; and three, companies which sell their entire production in bulk for bottling by others.

Now, Mr. President, I would like to explain the resolution which is before us. In effect it grants the administration the authority which the President requested but certain broad standards of administration have been written into the resolution. These, in essence, safeguard the industry from needless and prolonged regulation and also protect the interests of the labor employer by the industry.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. SALTONSTALL. I have been reading the joint resolution as the Senator has been speaking, and I have also examined a copy of title 3 of Public Law 507, which relates to certain emergency powers which the pending measure seeks to revive. I should like to call to the Senator's attention the last sentence on page 2 of the proposed pending joint resolution. He states that the act gives broad powers. The sentence to which I refer provides that "no allotment granted to a distilling plant shall be transferred to any other plant, except as specifically authorized." I call his attention to the fact that apparently no one except the President can give that authority, as I read title 3 of the emergency powers and as I read the joint resolution itself.

Mr. FLANDERS. Mr. President, I would say to the senior Senator from Massachusetts that I am again forced, with the utmost regret, to rely on a lawyer. Do the details of the joint resolution, which it seems to me stands by itself, come under the provisions of any other act?

Mr. SALTONSTALL. As I read it, they come under title 3 of the Second War Powers Act of 1942, to which I have referred, which act confers certain powers on the President. What the pending measure seeks to do is to grant special authority to someone to make exceptions in hardship cases, and I was wondering if there should not be included the words "by the Secretary of

Agriculture" or "by the officer of the Government designated by the President to administer this power," or at least some designation of the authority.

Mr. FLANDERS. In answering the Senator from Massachusetts, I assume that if the War Powers Act to which he refers controls the sentence to which he has adverted, reference would have to be made to the authority of the President to have these changes made, and that he probably would have to issue the order, or issue an order delegating his authority under that law to the Secretary of Agriculture. I take it that the Senator from Massachusetts feels there are other reasons for specifically including what is required, whether we include it or not.

Mr. SALTONSTALL. It seems to me that when the Secretary of Agriculture is specifically referred to in subsection (c) at the top of page 3, it would be wise to include the words "by the Secretary of Agriculture" after the word "authorized" in line 24, at the bottom of page 2. That would make it perfectly clear who is to exercise the authority in special hardship cases and who is to grant an exception.

Mr. FLANDERS. I can see no objection whatever to that, and if he feels that it makes it more definite and strengthens the bill, I shall be glad to accept the suggestion.

Mr. SALTONSTALL. Mr. President, I submit it as an amendment, then.

The PRESIDING OFFICER. The pending amendment is the amendment submitted by the Senator from Kentucky.

Mr. SALTONSTALL. Then I ask unanimous consent that the words "by the Secretary of Agriculture" be inserted after the word "authorized" in line 24, page 2, merely as a matter of clarification.

Mr. BARKLEY. Mr. President, I think the better procedure would be to wait until the pending amendment is disposed of. There may not be any objection to the amendment, but to insert it by unanimous consent would be a little out of order when another amendment is pending. I should like to look into it. I think it is satisfactory, but I do not see any point in inserting it now under unanimous consent, while another amendment is pending.

Mr. SALTONSTALL. I ask, then, that the amendment lie on the table.

Mr. BARKLEY. I am not opposing it.

The PRESIDING OFFICER. The Senator's amendment will be received and will lie on the table, to be taken up after the pending amendment is disposed of.

Mr. FLANDERS. Mr. President, the first of these safeguards will prevent the President from reducing the allocation below 2,500,000 bushels in any 1 month. In other words, the industry will know the minimum quantity of grain it can expect to use from now until the end of October when the 1948 corn crop is coming in.

However, the resolution authorizes the administrative authority to deduct from any plant's monthly allotment the grain it has used in excess of what it would have received under this resolution. This provision applies particularly to the grain the industry has been using in February. Some plants and some companies in the distilling industry have been operating at or near their capacity since January 31 when the previous authority lapsed. Other plants and other companies have held down their use of grain to a third of their intake last year. This is about what they would be allotted under this resolution.

The Government, both in its legislative and executive branches, is and intends to be absolutely neutral with respect to the competing elements in the distilling industry. This provision is the best guarantee of that neutrality. The effect is simply this: Those who have used an excessive amount of grain must now make it up by foregoing the use of an equal quantity. In other words, the industry is placed on an equal footing.

The second safeguard would end the allocation whenever the price of corn has been at the support level or less for 30 days. This provision takes into consideration the apparent softening in the commodity market. The downward trend could continue, and it is possible but unlikely that the Government could buy corn to support its price. Certainly, in that event, the distilling industry should not be barred from using grain in whatever amount it wants. This provision assures that freedom,

Another safeguard is the allotment of at least 6,000 bushels a month to every plant. This provides an equitable minimum and recognizes the interest of the small processor.

The transfer of allotments from plant to plant is forbidden, except in the event of unusual hardship. This safeguard recognizes the interest of labor. Mr. Brannan, of the Department of Agriculture, testified that the Department intended to prohibit such transfers, but Walter J. Mason, of the A. F. of L., legislative representative of distilling labor, specifically asked that this protection appear in the legislation. The purpose is to prevent the consolidation of allotments in large plants with resulting unemployment in the other plants from which the allotments were taken. The report from the Banking and Currency Committee touches on this point, and I will read the committee's comment:

> Transfers of allotments between plants are prohibited, unless specifically authorized in cases of undue hardship. This prohibition will protect labor in the distilling industry and minimize unemployment by requiring the use of grain in the plants to which it is allotted. This is designed to assure any community that its distilling industry will not be disrupted by the transfer of its allotment.

This resolution, Mr. President, does not provide a formula for allocation. The complexities of the industry which I have already described make the problem of finding a fair and workable formula exceedingly difficult. The industry has lived under allocations of one type or another since October 1942. In all this period, a number of different allocation methods have been tried. Capacity and historical production have been given varying degrees of weight. Never has any formula proved unanimously satisfactory, and the formula in use in January was not without its critics. This repeated experience indicates that a number of factors must be given weight and that the final formula must represent a compromise between the claims of various elements in the industry and the requirements of practical administration.

The formula which the Department of Agriculture used in January is such a compromise. The Department has told the committee that it intends to continue using this formula if the resolution is passed. Under this formula, the historical production of the industry is given two-thirds weight while distilling capacity is given one-third weight.

Our committee is not ready to say that this is a perfect formula. The committee does feel, however, that the Congress would find it very difficult to write a better one. The formula is the result of 6 years of Government experience in trying to arrive at a workable solution of the problem, and I believe that the problem of a fair and practicable allocation formula is a problem for the executive branch of the Government. This is the traditional practice of Congress, and I see no reason to deviate here in an effort to allocate grain for what is after all a brief period.

Mr. President, experience has proven that each formula adopted has needed revision from time to time in order to correct inequities that were not at first expected and in order to allow for changing factual conditions. If Congress fixed a formula now and it later appeared that the formula was defective, or that changing conditions made it in some way unfair, the responsibility would be ours and we would have to find time to debate and work out a new formula. If the defects did not appear until after adjournment, they could not be corrected at all. Therefore the responsibility for apportioning grain with the greatest degree of fairness properly should rest with those who have administrative responsibility.

Mr. President, I trust that the Senate will support the judgment of the Joint Committee on the President's Economic Report that grain allocation to the distilling industries should be extended. I trust that, furthermore, this body will support Senate Joint Resolution 186 which your Committee on Banking and Currency has prepared in support of the request of the President, properly presented under the terms of Public Law 395, and the report of the Joint Committee on the President's economic Report.

Since this morning I have had called to my attention a news item in today's New York Journal of Commerce which relates to one of the problems we have met in giving assurance that none of the grain exported to Canada would be used there under more favorable conditions than those allowed to our own distillers. I should like to read this news item at this time. It is as follows:

> MONTREAL, February 24.—Canadian Government sources have indicated that Canada likely will curtail imports of American grains for distilling purposes if the United States decides to apply that restriction within its own borders.

They were commenting following Washington reports that the Senate Banking Committee had voted in favor of rationing grain to whisky makers in the United States until October 31.

Officials in Canada said there already have been discussions with American authorities and indicated Canada would adopt the plan on American grain imports if the United States puts the proposed measure into law.

At the same time, they pointed out that the only American grain which Canada imports in any quantity is corn, of which about 50 percent goes to Canadian distillers. Even at that, corn imports are comparatively small, totaling only 7,980,000 bushels last year.

There already is a Canadian restriction on the use of wheat for distillery purposes which allows distillers to process only wheat which is unfit for human consumption. This is part of the Dominion's effort to provide more grain for Europe. Rye, because of its high price, now is not widely used for distilling.

SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. JOHNSTON of South Carolina. Mr. President, when the Congress enacted the Servicemen's Readjustment Act of 1944 it was the ostensible purpose, and I believe the honest purpose, in fact, of title III of that act to assist the veterans of this country in obtaining homes by guaranteeing loans made for that purpose. By early 1946 it was apparent that title III had become a rather empty authorization.

Small banks and small private lending institutions had already exhausted the amount of their limited capital reserves which they could afford to invest in long-term, relatively low-interest-type real-estate loans as they were required to make to veterans in order to avail themselves of the guaranteed provisions of this act. Consequently, I approached the Honorable George Allen, then a director of the Reconstruction Finance Corporation, and recommended that that organization establish a secondary market for such loan paper; thereby permitting the private lender to discount this paper to RFC at a low interest cost. After considerable negotiation between my office, the RFC and the Veterans' Administration such a policy was formulated and effected in accordance with terms outlined to me in a letter from Mr. Allen under date of April 15, 1946. The situation then progressed satisfactorily until the first session of the Eightieth Congress began consideration of a bill to extend the authority of the Reconstruction Finance Corporation for an additional period. Into this extension bill our Republican colleagues wrote a specific prohibition against the purchase of any real estate mortgages by the RFC. An immediate result was the elimination of this secondary market for GI home loans made under authority of title III, Public Law 346, Seventy-eighth Congress. We were assured private lending agencies would gladly provide the necessary market for such paper. Since that time the GI home-loan program has completely bogged down. The bottleneck has been financing. Veterans all over the United States have felt the pinch.

In this connection, I should like to read a concurrent resolution adopted by the South Carolina General Assembly on February 19, 1948:

Concurrent resolution to memorialize the Congress of the United States to enact such necessary legislation as to provide funds to the Reconstruction Finance Corporation and other Government agencies for the purchase of notes and mortgages of veterans so as to facilitate the operations of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong., as amended, title 38, U. S. Code)

Whereas the Congress of the United States granted to honorably discharged veterans of World War II certain benefits and privileges outlined in the Servicemen's Readjustment Act; and

Whereas one of the major provisions of this Readjustment Act provided for the rehabilitation of veterans by the guaranty of loans for the primary purpose of aiding and assisting veterans in the borrowing of funds over a long period of time at a reasonable rate of interest to finance the purchase of homes, farms, or businesses; and

Whereas this provision of the act has failed to give any relief to the majority of veterans in that no provisions have been made in the act for the financing of these loans and the great majority of veterans desiring to build or purchase homes, farms, or businesses have been unable to obtain loans from local banks or other lending institutions largely because local institutions do not have the surplus funds to invest in long-term real-estate loans to any of the many governmental agencies financing almost every phase of American business life; and

Whereas the Reconstruction Finance Corporation's policy of purchasing these loans was discontinued as of July 1, 1947, and since that time no governmental agency has either the authority or the funds to underwrite or purchase loans made under the said Servicemen's Readjustment Act: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States be urged to enact such legislation and appropriate such funds as may be necessary to enable and direct the Reconstruction Finance Corporation, or such other governmental lending agency, to purchase such notes, mortgages, and securities as are given by the World War II veterans to banks and lending institutions under the provisions and regulations of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong., as amended, title 38, U. S. Code); be it further

Resolved, That a copy of this resolution be forwarded to the Speaker of the House of Representatives of the United States of America and a copy to the President of the Senate of the United States of America and a copy to each of the Senators and Representatives in the Congress of the United States of America from South Carolina and copy to the Chairman of the Reconstruction Finance Corporation.

There is pending before the Senate Committee on Banking and Currency a bill, Senate bill 1587, which was introduced by me on July 9, 1947, and which would authorize the Reconstruction Finance Corporation to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944. I urge this committee to report this bill or a similar bill which may be pending and allow us to vote on it in the Senate.

Mr. SPARKMAN. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. SPARKMAN. I should like to call the attention of the Senator to the fact that last July, right in the very closing days of Congress, the Senate passed a bill which authorized the RFC to resume the purchase of the GI home mortgages. That bill is now pending before the Banking and Currency Committee of the House of Representatives.

It is true that in order to get the bill through we had to agree to some amendments on the floor of the Senate which perhaps restrict it a little unduly. Yet, it was felt that if we could resume this secondary market, even with these restrictions, we might prove the real merit of this undertaking.

I certainly agree with the Senator from South Carolina as to the need for this action, and surely that need is easily seen in areas such as that represented by him and by me, that is, areas which are primarily agricultural, and where large financial institutions are not available to handle all these loans.

I know that in my own section, and in many other sections, the condition now prevails that the lending agencies which are available have in their portfolios all this type of mortgage they can possibly carry. I might say that before the Joint Committee on Housing recently some representatives from the State of Maryland appeared and said that a secondary market for the GI loans was one of the greatest needs in connection with the house-building industry.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with everything the Senator from Alabama has said. I remember that the bill which passed the Senate, and is now pending in the House, prescribes a very small amount as the limit, and it would only be sufficient to last for a short time. Personally, I should like to see even more made available than was indicated by the measure which passed the Senate and went to the House, and I believe my colleague from Alabama will agree with me.

EXECUTIVE SESSION

Mr. KNOWLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

H. Graham Morison, of Virginia, to be an Assistant Attorney General;

Frank E. Flynn, of Arizona, to be United States attorney for the district of Arizona;

Benjamin F. Ellis, of Alabama, to be United States marshal for the middle district of Alabama; and

Rupert Hugo Newcomb, of Mississippi, to be United States marshal for the southern district of Mississippi, vice Wyatt T. Reese.

Mr. TOBEY. Mr. President, from the Committee on Banking and Currency, I report favorably the nominations of Henry T. Bodman, of Michigan; John D. Goodloe, of Kentucky; Harvey Jones Gunderson, of South Dakota; Harley

Hise, of California; and Henry A. Mulligan, of New York, to be members of the Board of Directors of the Reconstruction Finance Corporation for a term of 2 years.

Also, the nominations of J. Alston Adams, of New Jersey, and William K. Divers, of Ohio, to be members of the Home Loan Bank Board, succeeding themselves. They are now acting.

The PRESIDING OFFICER. Without objection, the nominations will be received and placed on the Executive Calendar.

If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF STATE

The legislative clerk read the nomination of George V. Allen, of North Carolina, to be Assistant Secretary of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED NATIONS

The legislative clerk read the nomination of Coert du Bois, of California, to be a representative of the United States of America on the Good Offices Committee of the Security Council of the United Nations on Indonesia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. KNOWLAND. I ask that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of John T. Jarecki, of Illinois, to be collector of internal revenue, first district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The legislative clerk proceeded to read sundry nominations of collectors of customs.

Mr. KNOWLAND. I ask that the nominations of collectors of customs be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

NATIONAL MEDIATION BOARD

The legislative clerk read the nomination of John Thad Scott, Jr., of Texas, to be a member for the term expiring February 1, 1951.

Mr. TAFT. Mr. President, at the request of another Senator I ask that the nomination be passed over.

The PRESIDING OFFICER. The nomination will be passed over.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. KNOWLAND. I ask that the nominations in the United States Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Without objection, the President will be notified of all nominations confirmed today.

That completes the nominations on the Executive Calendar.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, I merely wish to say that after the pending joint resolution shall have been disposed of it is our intention to take up for consideration House bill 2298, Calendar No. 936; Senate bill 1004, Calendar No. 897; Senate bill 1481, Calendar No. 485; and House bill 3051, Calendar No. 657.

Mr. BARKLEY. Mr. President, it is difficult to identify the bills by their numbers. Will the Senator state what the various bills are?

Mr. TAFT. Mr. President, the first bill is the railroad reorganization bill.

Mr. KNOWLAND. Yes. The second is the bill to amend the Atomic Energy Act. The third bill is the daylight-saving bill. The fourth bill deals with the repeal of profit limitations and certain other limiting provisions of the act of March 27, 1934.

I think it should be made clear that if we do not by tomorrow afternoon at 5 or 6 o'clock pass these bills, they will not be reached this week, because on Friday at 12 o'clock noon the Senate proceeds to consideration of the unfinished business, the St. Lawrence seaway.

Mr. SPARKMAN. Mr. President, will the Senator from California repeat the calendar numbers?

Mr. KNOWLAND. Calendar Nos. 936, 897, 485, and 657.

Mr. SPARKMAN. I thank the Senator.

RECESS

Mr. KNOWLAND. I move that the Senate now take a recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 26, 1948, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 25 (legislative day of February 2), 1948:

DEPARTMENT OF STATE

George V. Allen to be an Assistant Secretary of State.

UNITED NATIONS

Coert du Bois to be the representative of the United States of America on the Good Offices Committee of the Security Council of the United Nations on Indonesia.

DIPLOMATIC AND FOREIGN SERVICE

Richard P. Butrick to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Iceland.

John C. Wiley to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Henry F. Grady, now Ambassador Extraordinary and Plenipotentiary to India, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Nepal.

Monnett B. Davis to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama.

Leonard N. Caswell to be a consul of the United States of America.

Edward W. Mill to be a secretary in the diplomatic service of the United States of America.

R. Borden Reams to be a Foreign Service officer of class 2, a consul, and a secretary in the diplomatic service of the United States of America.

TO BE FOREIGN SERVICE OFFICERS OF CLASS 3, CONSULS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Myron L. Black
Charles P. O'Donnell
Thomas K. Wright

TO BE FOREIGN SERVICE OFFICERS OF CLASS 4, CONSULS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Frederick H. Awalt
Neill M. Coney, Jr.

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Ralph A. Jones
Robert J. MacQuaid

COLLECTOR OF INTERNAL REVENUE

John T. Jarecki to be collector of internal revenue for the first district of Illinois.

COLLECTORS OF CUSTOMS

Joseph A. Ziemba to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill.

Alden H. Baker to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind.

Joseph T. Sylvester to be collector of customs for customs collection district No. 1, with headquarters at Portland, Maine.

Martin R. Bradley to be collector of customs for customs collection district No. 38, with headquarters at Detroit, Mich.

Bernice Pyke to be collector of customs for customs collection district No. 41, with headquarters at Cleveland, Ohio.

Elaine Beadling to be collector of customs for customs collection district No. 12, with headquarters at Pittsburgh, Pa.

UNITED STATES PUBLIC HEALTH SERVICE

Leonard A. Scheele to be the Surgeon General of the United States Public Health Service for a term of 4 years.

PROMOTIONS IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE

To be temporary senior assistant surgeons (equivalent to the Army rank of captain)

Clyde H. Dabbs, Jr.
Daniel Shapiro
Edmund V. Cowdry, Jr.
Robert B. Neu
John P. Lombardi

APPOINTMENT IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance

David D. LeGrand
Wayland J. Hayes, Jr.
Gerald R. Clark
Arthur H. Maybay
James A. Salmons

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance

David S. Citron	Ray W. Goens
Leon T. Atlas	Eugene A. Vaccaro
Albert V. Myatt	Stuart H. Martel
John C. Wrye III	Maurice W. Peterson
Raymond G. Halvorson	Harry E. Halden III
James R. Green	Clarence A. Velat
Harrison F. Wood	Howard W. Halfman
Carroll D. Savage	John P. Lombardi
Charles Sherter	Charles L. A. Wehr
Carl R. Reed	Herbert Wieder

APPOINTMENT AND PROMOTION IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE

To be senior assistant veterinarian (equivalent to the Army rank of captain), effective date of acceptance

James H. Steele

To be temporary medical director (equivalent to the Army rank of colonel)

Walter E. Doyle

To be temporary senior assistant surgeons (equivalent to the Army rank of captain)

Milton J. Miller
Robert H. Dysinger

To be temporary veterinarian (equivalent to the Army rank of major)

James H. Steele

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 25, 1948

The House met at 12 o'clock noon.

Rev. John C. Smith, Presbyterian pastor, Pittsburgh, Pa., offered the following prayer:

Eternal God, our Heavenly Father, we bow humbly before Thee, for Thou art our Creator and Creator of our world. Where our intelligence ends, Thine begins. Where our finite power becomes weakness, Thou art sovereign and supreme over all. We would thank Thee that Thou art past our understanding and that Thy will knows no human limitations.

But we are most thankful for Jesus Christ, that in Him Thou hast revealed Thyself unto our discovery, that in the simple Carpenter and Teacher of Galilee we see God. In the presence of His purity, in the shadow of His Cross, we would confess our sins, our ambitiousness for self, our jealousies, our envyings, our strife. Cleanse us, O God, of all that is evil.

We would thank Thee for our Nation—a land of freedom—with the dream of justice and equality for all. We would acknowledge humbly the responsibility Thou hast given to our Nation in our time. And we pray sincerely that Thou wouldst lead this House and its Members, and that they may under Christ do Thy will in all things.

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where the conditions justifying such controls no longer exist, and for other purposes.

DR. JOHN COVENTRY SMITH

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, Dr. John Coventry Smith, who gave the prayer this morning, is the pastor of the Mount Lebanon United Presbyterian Church, of Pittsburgh, Pa., the largest congregation in that denomination. He is the first vice president of the Council of Churches in Pittsburgh and one of the outstanding preachers of Pennsylvania.

Dr. Smith was a missionary of the Presbyterian Church of the United States of America in Japan from 1929 to 1942, engaged in educational and evangelistic work. He was interned in Yokohama by the Japanese for the first 6 months of the war and came home on the first trip of the *Gripsholm*.

Dr. Smith is here today on a very pleasant mission, which is the installation this evening of the Reverend Harry Rankin, his present assistant, as the pastor at the River Road United Presbyterian Church in Washington, D. C.

We all wish Dr. Smith and the Reverend Rankin the very best in this ceremony this evening, and know that Washington, D. C., will be as proud of the Reverend Rankin in his future service to this community as we have been of his service in Pittsburgh.

CZECHOSLOVAKIA IS AGAIN IN CHAINS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, Czechoslovakia is again in chains. This small country, great in its men and women, with its constitution based upon our own, has temporarily passed under the Communist yoke and into the concentration camp of subject nations.

I say "temporarily" because I mean just that. Czechoslovakians cannot permanently remain enslaved. Throughout the centuries these people have known many conquerors. But their determination to be free has emerged unabated when their erstwhile masters mingled with the dust. Other Masaryks will arise to lead them once more toward the light of liberty.

The Czechoslovakia as we so lately knew it began in this country. Their constitution was written here. Their freedom was announced from these shores. Even in the anguish of their second captivity in 9 years they have left the people of the United States a priceless legacy.

And what is this challenging inheritance from a people who have so recently undergone their Lidice as a nation? It is this: they have revealed to us the ominous pattern of Communist conquest.

Communist puppet Premier Gottwald is only the symbol of Soviet savagery. Czechoslovak industry was first nationalized. Then the labor unions were brought under Communist domination. Then the press and radio were given over to Communist control. Finally, the police and the military were placed in the hands of the Communists. From that point it remained only a short step to the stifling of the legislative body and the ringing down of the iron curtain over the prostrate nation.

This must not happen here. We of the United States must be eternally vigilant. We must beat down any attempt at the nationalization of industry. We must eradicate Communist influence from the labor unions. We must destroy, without mercy, efforts to throttle our free press and our free radio. We must demand absolute loyalty on the part of all Government workers. We must particularly see to it that the Federal Bureau of Investigation and the American Military Establishment are not Communist-ridden and used as political police.

If we relax in our alertness, even for a moment, the present sacrifice of Czechoslovakia will have been fruitless, our own Constitution will have been trampled to earth, and our more than a century and a half of freedom will have been in vain.

We have no assurance that we are not next on the Kremlin's plan of world conquest. But we are also forewarned. Czechoslovakia has given her life as a nation that we might know what is in store for us.

Gentlemen, we have been forewarned. There can be no misinterpretation of the message of what has happened in Czechoslovakia.

Let us, therefore, be forearmed against the peril which has demonstrated that today's freemen may be tomorrow's slaves.

RAILROAD RETIREMENT ACT

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, yesterday this House unanimously passed the conference report on an excellent retirement bill. While we are thinking about retirement, I would like to call the attention of the House to the present Railroad Retirement Act, which leaves much to be desired. When it was established, the rates which were set up were probably fairly adequate. It is obvious that since then the constant increases in the cost of living have made these rates wholly inadequate. The survivor benefits are also far too low for the present cost-of-living index and

should be radically overhauled and increased.

On December 10, 1947, the distinguished Representative from Massachusetts, Hon. CHARLES R. CLASON, introduced a bill, H. R. 4695, providing retirement for all railroad employees after 30 years of service on half pay, with payments made into the retirement fund to be made equally by the workers and the railroads. This bill will bring the Railroad Retirement Act up to date. It will also keep it there, because by the simple method of retiring workers on half pay it will always prove fair and equitable. Also the clause making retirement possible after 30 years of service is far better than on age. This last method often works a hardship. After 30 years, surely any man or woman has earned retirement if he or she desires it.

I trust, Mr. Speaker, that H. R. 4695 may soon come before the House and that it may pass.

EXTENSION OF REMARKS

Mr. CROSSER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech by Mr. William C. Doherty, president of the National Association of Letter Carriers and member of the executive council of the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

POSTAL WAGES

Mr. CROSSER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CROSSER. Mr. Speaker, the speech by William C. Doherty, president of the National Association of Letter Carriers and member of the executive council of the American Federation of Labor, which I have asked to have extended in the RECORD, is an important one and in a very thoughtful way discusses the plight of the postal workers of the United States, resulting from the great increase in the cost of living in recent months.

The subject is very important. The postal workers of the country are a faithful, worthy group and are entitled to justice at the hands of the Government which they serve so well.

It is not often that I ask to extend the speech of anyone in the CONGRESSIONAL RECORD, but in this case I think it is highly desirable that this should be done. Mr. Doherty is a man who is thoroughly familiar with the subject, and his speech gives information which I know every Member of the House will desire to have before he votes on any pay-increase bill. I have known Mr. Doherty for years, and have a high regard for him. His home, before he came to Washington as president of the national organization he now heads, was Cincinnati, Ohio. He is not a man who makes reckless statements or claims, but on the contrary his statements are in accordance with the facts which he is always ready and willing to submit and has submitted in this particular instance.

I urge every Member of the House to read Mr. Doherty's speech for the reason that he will find it very illuminating indeed.

EXTENSION OF REMARKS

Mr. BAKEWELL asked and was given permission to extend his remarks in the RECORD and include an address delivered by Earl O. Shreve, president of the Chamber of Commerce of the United States.

Mr. JENKINS of Pennsylvania (at the request of Mr. DAGUE) was given permission to extend his remarks in the RECORD in two instances and include a speech delivered on February 12 last.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. CLIFFORD P. CASE.

STEEL PRICE INCREASE

Mr. BAKEWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BAKEWELL. Mr. Speaker, it looked as though our economy was just beginning to get over the hump of inflation when the largest steel companies gave the inflationary spiral a shot in the arm by increasing the cost of steel approximately $4 per ton.

No product is used more generally in manufacturing than is steel. As a result the increase in the cost of steel will be reflected in the cost to the consumer of hundreds of items which are not luxuries but are necessities to the average family. Such an increase is bound to be reflected in the increased cost of living.

This Congress has indicated that it believes in the free operation of the law of supply and demand as the basis of our national economy. We have endeavored to obviate the necessity of Government controls and regulations. However, the steel companies, by their action, seem to be inviting more and more Government supervision.

This Congress has kept faith with free enterprise, but now it appears that free enterprise is not only not keeping faith but is evidencing bad faith by its inordinate quest for profits. By their action, the steel companies have given to the labor unions, which soon will demand an across-the-board wage increase, an unanswerable argument. If we have both an increase in the cost of steel and increased labor costs, the consumer will once again find his purchasing power diminished, which, in turn, will be the basis for future increased wage demands. And so the spiral goes on. Where will it end?

Nothing that I have seen by way of earning statements could justify this action of the steel companies. The net profits of the large steel companies for 1947 greatly exceed the figures for 1946. The industry apparently is not going to invest the increased profits which will result from increased costs in expanding productive capacity, even though our steel capacity is far short of our domestic needs, and even though our contemplated European recovery program will greatly increase the demand.

It appears that management must realize in this day and age that our economy cannot stand absolute and completely unbridled, unrestricted, and ruthless cutthroat survivorship of the fittest in our economic system, but must consider the general welfare of all the people. This appears particularly true in an industry which, because of its basic indispensability to so many other industries, is in a sense at least affected with public interest.

I shall follow with interest the results of the investigation which the Justice Department has been ordered to make of this action by the steel companies. If there be evidence of illegal collusion, then I want to see prompt and vigorous prosecution of the malefactors who have contravened the law to their own financial advantage and to the prejudice of the American people.

BUYERS' STRIKE

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, the other night the President urged American women to stage a buyers' strike, but he remembers that his immediate predecessor spent 8 years and $60,000,000,000 trying to reverse one and failed. It took a war and six times that much money to get the job done, and now look at us, forty thousand millions per year. Observe the sign, Mr. Truman, "Drive carefully, men working."

FUEL SHORTAGE

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I am glad to welcome in this Chamber a group of young ladies and gentlemen from the First District of Massachusetts, living in Greenfield. This is the first school group from my district to visit us here this year. I know their day has been made very enjoyable by meeting the Speaker and other Members.

As of 12 o'clock noon the telegram which appears at page 1655 of yesterday's RECORD is signed by 149 Members of the House and 14 Members of the other body. The telegram itself appears at page 1653. Each of you will have in your office a memorandum covering this. I have also brought to the floor copies which I will leave at both desks for those who may care to look it over.

I also wish to report that we have some good news, in regard to one of the Richfield Oil Corp. tankers, the *Coxcomb Hill*, which was chartered for a voyage from Los Angeles to Australia.

It will arrive in the United States about March 15, and will then go on domestic service.

I talked this afternoon with Mr. Blaisdell. I inquired if he had received the telegram sent yesterday. He said he had not as yet. I asked him to put a tracer on it within the Department so he could get a reply off promptly to last night's telegram and to these other telegrams. I am confident there will be another telegram early tomorrow with further names, for we were limited today by reason of the short session and the pressure of committee work. I regret that I cannot add a full report tonight because of a previous engagement I must now keep, but I plan tomorrow to use the full special order to complete this week's work.

I do wish to state that I am reasonably confident that we now have proof of the existence of the oil, the availability of tankers and other transportation and more than ample space. The sole remaining problem is to convince the departments concerned that they must act, and I intend to devote every possible moment to that purpose tomorrow. I have just finished long explanations of what I have received up to tonight to Mr. Blaisdell, Mr. Harriman's secretary—he being out of town, Judge Collett at the White House in Mr. Steelman's absence, and to Mr. Eakens of the Petroleum Division of the State Department.

A total of 197 Members have joined in requesting an embargo on shipments of petroleum and petroleum products from the Gulf and West coast through February 28.

The telegram sent late this afternoon was as follows:

WASHINGTON, D. C., *February 25, 1948.*
Mr. THOMAS C. BLAISDELL,
Director, Office of International Trade, Department of Commerce, Washington, D. C.:

Request embargo shipment petroleum and petroleum products from Gulf and west coast to the end of this week, February 28, pending receipt of information.

J. Edgar Chenoweth, Representative from Colorado; Brien McMahon, Senator from Connecticut; Robert L. F. Sikes, Representative from Florida; Emory H. Price, Representative from Florida; Paul Brown, Representative from Georgia; W. M. (Don) Wheeler, Representative from Georgia; John Sanborn, Idaho; Robert Bruce Chiperfield, Representative from Illinois; Irving McN. Ives, Senator from New York; Emanuel Celler, Representative from New York; Eugene J. Keogh, Representative from New York; Walter G. Andrews, Representative from New York; W. Sterling Cole, Representative from New York; Clarence E. Kilburn, Representative from New York; Katharine St. George, Representative from New York; Henry J. Latham, Representative from New York; Charles Hinton Russell, Representative from Nevada; Charles R. Robertson, Representative from North Dakota; Ross Rizley, Representative from Oklahoma; George B. Schwabe, Representative from Oklahoma; Robert Rich, Representative from Pennsylvania; Francis E. Walter, Representative from Pennsylvania; Richard M. Simpson, Representative from Pennsylvania; Harve Tibbott, Representative from Pennsylvania; Chester H. Gross, Representative from Pennsylvania; Hugh Scott, Representative from Pennsylvania; James G. Fulton, Representative from Pennsylvania; Tom Murray, Representative from Tennessee; Edward G. Rohrbough, Representative from West Virginia; Francis Johnson Love, Representative from West Virginia; Clifford R. Hope, Representative from Kansas; Edward H. Rees, Representative from Kansas; Errett P. Scrivner, Representative from Kansas; Herbert A. Meyer, Representative from Kansas; Wint Smith, Representative from Kansas; James Glenn Beall, Representative from Maryland; Edward T. Miller, Representative from Maryland; Roy O. Woodruff, Representative from Michigan; William W. Blackney, Representative from Michigan; Harold F. Youngblood, Representative from Michigan; Arthur Winstead, Representative from Mississippi; Dewey Short, Representative from Missouri; Wat Arnold, Representative from Missouri; Marion T. Bennett, Representative from Missouri; William C. Cole, Representative from Missouri; Max Schwabe, Representative from Missouri; Claude I. Bakewell, Representative from Missouri; Parke M. Banta, Representative from Missouri; Walter C. Ploeser, Representative from Missouri; Harry L. Towe, Representative from New Jersey.

A group of our colleagues from the west coast wishing to assist us have also sent a telegram reading as follows:

WASHINGTON, D. C., *February 25, 1948.*
Mr. THOMAS C. BLAISDELL,
Director, Office of International Trade, Department of Commerce, Washington, D. C.:

Request embargo shipment petroleum and petroleum products from Gulf coast to foreign countries to end of this week, February 28, pending receipt of information.

Certainly we who are affected by the shortage are grateful to everyone who has joined in this effort.

THE FRIGATE "CONSTELLATION"

Mr. ANDREWS of New York submitted a conference report on the bill (S. 1796) to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in two instances in the RECORD and include extraneous matter.

PRIVATE ENTERPRISE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I have heard so much recently about the Government doing everything for all the people in this country and now all the world and with everybody having their hand out and me advocating private enterprise so strongly, I thought probably the best definition of private enterprise would be the one taken from the Clarkson College of Technology of Potsdam, N. Y., as printed in their publication:

PRIVATE ENTERPRISE

The power to choose the work I do;
To grow and have the larger view;
To know and feel that I am free;
To stand erect, not bow the knee;
To be no chattel of the state;
To be the master of my fate;
To dare to risk, to lose, to win;
To make my own career begin;
To serve the world in my own way;
To gain in wisdom, day by day;
With hope and zest to climb, to rise—
I call that private enterprise.
—*Herbert Casson.*

Mr. Speaker, I think it is a very good definition of private enterprise. I hope it will always be with us.

EXTENSION OF REMARKS

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include an address by Hon. MARY T. NORTON at the Jefferson-Jackson dinner at the Mayflower Hotel in Washington on Thursday, February 19, 1948.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include two short editorial references.

THE PRESIDENT'S CIVIL RIGHTS COMMITTEE AND THE SOUTH

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Speaker, I wish that every Member of Congress would take the time to carefully read the report of the President's Civil Rights Committee. This report is the most revolutionary document of its kind that has ever been made. It is full of slurs, libel, misrepresentation and untruths about the South and its way of life. This report consists of 175 pages and most of it deals with the South. Its unfair charges and reprehensible accusations are without foundation. It is a contemptible insult to the South.

I do not see how any southern Member of Congress can keep quiet in the face of these outrageous charges and attacks upon the South and on southern people.

Some few Members of the southern delegation in Congress say that we should not publicly resent these vicious assaults upon the South and should remain silent on the subject on the floor of the House. As for me I do not propose to let these unjust assaults upon the South go unanswered. I am sick and tired of these attacks upon our southern way of life by radical agitators. The recommendation of the President's Civil Rights Committee carries out the endorsements of the Communists. Read the official organ of the Communist Party, the Daily Worker, and you will see

that the President's Committee and the Communists agree on the Civil Rights program.

The report of the President's Civil Rights Committee is the most shocking and most disturbing thing that has happened to the South since carpetbag days.

I would like to ask the President of the United States who furnished him with the names of the 15 members he appointed on his Civil Rights Committee. It is strange to me how he could have made such selections; of course the names were furnished to him by some one who has no love for the South.

I now call upon the chairman of this Committee, Mr. Charles E. Wilson, to tell the public who prepared or drafted the report of the President's Civil Rights Committee. I know that he did not prepare the report and I do not believe that any member of the Committee prepared the report. Now, Chairman Wilson tell us who actually prepared the report. Also, Chairman Wilson tell the people the names of the persons who appeared before your Committee and advise the public whether any real American was invited to appear in opposition. Especially would I like to know whether you gave any opportunity to any true southerner to appear before your Committee in opposition to your attacks and insults upon the South, our system of segregation, and our way of life.

I only wish that every white southerner could read the 175-page report of this outrageous attack upon conditions in the South. If they could, it would make their blood boil in indignation and resentment.

The idea of any President's committee criticizing the South because it set up separate schools for the white and Negroes after Reconstruction days because we were poverty-stricken. The southern white people after the carpetbag days of Reconstruction were poverty-stricken and prostrate but they still had their honor, their integrity, their self-respect, and their pride. It ill becomes a committee of President Truman's to condemn the people of the South under such circumstances.

The report of President Truman's Civil Rights Committee is the most unfair attack that has ever been made upon the people of the South since Reconstruction days. It casts aspersions upon the South which are unwarranted.

Never within my knowledge has any President of the United States, not even a Republican, approved and endorsed such a vicious and unfair assault upon the South as has President Truman. He has given his "blessings" to the full report of his Committee upon Civil Rights. He has approved and endorsed their report in his message to Congress upon the State of the Union and his special message upon civil rights. President Truman in his message to Congress on civil rights, in which he asked Congress to enact legislation against lynching, against the poll tax, against segregation in interstate transportation and for the establishment of the FEPC, stated that the "report of his Committee was frank and revealing."

The report of his Committee would destroy States rights, local self-government, and the right of the people to direct their own affairs. The adoption of President Truman's recommendations would result in a totalitarian form of government in the United States and a denial of the rights of the people to govern themselves in their communities.

I am now quoting special sections of the report of President Truman's Committee on Civil Rights, giving the exact pages in the report of each quotation. I ask you to read same carefully and then observe precisely what President Truman is trying to do to change our way of life in the South.

The Supreme Court has held that segregation is not legal discrimination and yet President Truman is approving a report which would abolish all segregation in the South. Read below important provisions of the report of President Truman's Civil Rights Committee which has his approval, sorry to say:

EXCERPTS AND SECTIONS FROM REPORT OF THE PRESIDENT'S COMMITTEE ON CIVIL RIGHTS

Much of this report has to do with limitations on civil rights in our Southern States. To a great extent this reflects reality; many of the most sensational and serious violations of civil rights have taken place in the South (p. X of the introduction).

But it is the South's segregated school system which most directly discriminates against the Negro. This segregation is found in the Southern States and the District of Columbia. Poverty-stricken though it was after the close of the Civil War, the South chose to maintain two sets of public schools, one for the whites and one for the Negroes (p. 63).

Mention has already been made of the separate but equal policy of the Southern States by which Negroes are said to be entitled to the same public service as whites but on a strictly segregated basis. This brands the Negro with the mark of inferiority and asserts that he is not fit to associate with white people. Legally enforced segregation has been followed throughout the South since the close of the Reconstruction Era. In these States it is generally illegal for Negroes to attend the same schools as whites; attend theaters patronized by whites; visit parks where whites relax; eat, sleep, or meet in hotels, restaurants, or public halls frequented by whites. This is only a partial enumeration. In the eyes of the law it is also an offense for whites to attend Negro schools, theaters, and similar places. The result has been the familiar system of racial segregation in both public and private institutions which cuts across the daily lives of southern citizens from cradle to the grave (p. 79).

If reason and history were not enough to substantiate the argument against segregation, recent experience further strengthens it (p. 82).

The committee is not convinced that an end to segregation in education or in the enjoyment of public services essential to a people in a modern society would mean an intrusion upon the private life of the individual (p. 87).

Finally the National Government should assume leadership in our American civil rights program (p. 101).

Interference with the right of a qualified citizen to vote locally cannot today remain a local problem (p. 101).

The committee rejects the argument that governmental controls are themselves necessarily threats to liberty (p. 103).

Because it believes there is need for leadership by the National Government, the committee has not hesitated to recommend increased action by that Government in support of our civil rights (p. 103).

One of the most important objectives of this committee is to strengthen the Federal civil-rights enforcement machinery (p. 114).

Wartime segregation in the armed forces is another instance of how a social pattern may wreak moral havoc (p. 140).

That the resources of the South are sorely strained by the burden of a double system of schools and other public services has already been indicated. Segregation is also economically wasteful for private business (p. 144).

THE COMMITTEE'S RECOMMENDATIONS

1. The reorganization of the Civil Rights Section of the Department of Justice to provide for the establishment of regional offices, for the greater use of civil sanctions and for a substantial increase in its appropriation to act more effectively to prevent civil-rights violation (p. 151).

2. The establishment within the FBI of a special unit of investigators trained in civil rights work (p. 153).

3. The enactment of an antilynching act by Congress (p. 157).

4. The enactment by Congress of an anti-poll-tax act (p. 160).

5. The enactment by Congress of legislation, followed by appropriated administrative action, to end immediately all segregation in the organization and activities of the armed services. Legislation and regulations should expressly ban segregation in the recruitment, assignment, and training of all personnel in all types of military duty. Mess halls, quarters, recreational facilities, and post exchanges should be nonsegregated (p. 162).

6. The elimination of all segregation. It has kept people apart despite incontrovertible evidence that an environment favorable to civil rights is fostered whenever groups are permitted to live and work together. There is no adequate defense of segregation (p. 166).

7. The conditioning by Congress of all Federal grants-in-aid and other forms of Federal assistance to public or private agencies for any purpose on the absence of segregation. We believe that Federal funds, supplied by taxpayers all over the Nation, must not be used to support or perpetuate the pattern of segregation in education, public housing, public-health services, or other public services and facilities generally. It would be regrettable if Federal aid, conditioned on nonsegregated services, should be rejected by sections most in need of such aid. It believes that segregation is wrong morally and practically and must not receive financial support by the whole people (p. 166).

8. The enactment of a Federal Fair Employment Practice Act prohibiting of forms of discrimination in private employment based on race, color, creed, or national origin. This act should apply to labor unions and trade and professional associations as well as to employers (p. 167).

9. Renewed court attack with intervention by the Department of Justice upon restrictive covenants in deeds (p. 169).

10. Enactment by the State legislatures of fair educational laws for public and private educational institutions, prohibiting discrimination in the admission and treatment of students based on race, color, creed, or national origin (p. 168).

11. The enactment by Congress of a law stating that discrimination and segregation based on race, color, creed, or national origin in the rendering of all public services by the National Government is contrary to public policy (p. 169).

12. The enactment by Congress of a law prohibiting segregation in interstate transportation and all the facilities thereof, to apply against both public officers and the

employees of private transportation companies (p. 170).

13. The enactment by the States of laws guaranteeing equal access to places of public accommodation, broadly defined, for persons of all races, colors, creeds, and national origins.

Mr. Speaker, the idea of the President's committee trying to threaten the South into abolishing segregation by recommending that no Federal aid of any kind to education, public-health services, and other purposes be given to any State that has segregation—evidently the members of the committee do not know the spirit of the South. People who survived Reconstruction Days after the Civil War cannot and will not be subdued by such threats. The people of the South are proud of their heritage, their gallant record in time of war, their unexcelled patriotism and their true Americanism. They sincerely believe in their institutions, their traditions, their social practices and customs and their way of life. This abominable report of President Truman's Civil Rights Committee is deeply resented by every real, loyal southerner.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include certain statements and excerpts.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an article from the Boston Sunday Post of February 22 and in the other to include a statement by former Member of Congress, Hon. Martin L. Sweeney, of Ohio.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and include an editorial on the subject of the Geneva agreement which appeared in the American Milk Review of January 1948.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article therein. I am informed by the Public Printer that the cost will be $159.75.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. RILEY asked and was given permission to extend his remarks in the RECORD and include a resolution by certain students of the University of South Carolina.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Sun-Telegraph of February 19, 1948, The Postman Deserves a Raise.

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the RECORD and include a radio address by the national commander of the AMVETS.

EXTENSION OF REMARKS

Mr. FOOTE asked and was given permission to extend his remarks in the RECORD and include an editorial from the New England Homestead, and another article entitled "The Washington Scene" by George Dixon.

PERMISSION TO ADDRESS THE HOUSE

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, I am again speaking in behalf of the farmers—in behalf of those who till the soil and feed the Nation. I am also speaking in behalf of the farmers' friends—the small-business man and the laborer. There is not a small-business man or a laborer in our Nation whose prosperity does not depend upon the prosperity of agriculture—whose welfare is not linked and intermingled with that of the farmer. These three groups are the cornerstone of our Nation's greatness.

In recent months, the multimillionaires in the executive departments, the parasites, who consume but create no wealth, together with the cost-plusers, and official commodity gamblers, with inside information, have all joined in accusing the farmer for the high cost of living. A guilty conscience always protests too much.

It is a mistake for the consumer to blame the farmer for the high cost of living. The farmer gets only a small part of the high cost. I have heretofore given the reason for the high cost of living. The farmer is not responsible for the blunders of our executive departments. He is not responsible for our international flirtations. He is not responsible for the giving of billions of American dollars to foreign nations, with which they compete in our domestic markets with the consumer's dollar.

The farmer is not responsible for the high taxes of 20 to 85½ percent that is and must be added to consumable goods. He is not responsible for the waste and destruction of food products. He was not responsible when the Department of Agriculture dumped millions of bushels of potatoes last spring. He was not responsible when the Government bought some 2,000,000 dozens of eggs which it is still hoarding. These eggs would take care of quite a few starving people in Europe. Yet, if the usual policy is followed, they will be allowed to spoil in storage.

The farmer was not responsible when former Secretary of Agriculture Wallace wantonly destroyed millions of pigs, calves, and sheep. This to bring about "the abundant life by scarcity." These all were the performances of the present and former President and the executive departments. This program was nicely wrapped up with red tape, and handed to the American farmer as part of the New Deal agricultural program. It was nothing short of national and international lunacy.

Let us keep the record straight. It requires 4.567 bushels of wheat to mill 196 pounds of 71.5 extraction flour. This equals 274.02 pounds of wheat. This same amount of wheat will produce 268.54 pounds of whole-wheat flour. This 268.54 pounds, together with 174.55 pounds of water, 5.37 pounds of salt, 6.71 pounds of yeast, 5.37 pounds of malt, 5.37 pounds of shortening, will produce 465.91 pounds of bread dough. This dough will lose in processing approximately 8 percent of its weight. This dough, when baked, will produce 428.64 pounds of whole-wheat bread.

The farmer today, in his local market, receives on an average, $2.25 a bushel for the highest grade of wheat. Now let us see what part of the consumer's dollar the farmer receives for his wheat out of 428.64 pounds of whole-wheat bread, that is made out of 4.567 bushels of wheat. At $2.25 a bushel, he receives just $10.28, while the consumer, at 12 cents a loaf, pays $51.44 for the bread made out of this wheat. In other words, the farmer gets less than 20 percent of what the consumer pays. To make it very plain, the farmer gets just 2.4 cents out of the 12 cents the consumer pays for a loaf of bread.

Out of this 2.4 cents the farmer pays for labor, the seed, the cultivation and preparation of the land, the harvesting, threshing, and marketing He also pays for necessary fences, buildings, and farm equipment, as well as for replacements and repairs. He pays real-estate, income, and hidden taxes on the implements and other farm improvements, as well as on the wheat he produces. He pays overhead expenses, and replaces soil depletion with fertilizer. Surely no honest person, with any sense of decency, will blame the farmer for the high cost of living.

The $2.25 a bushel that the farmer gets today is 50 cents below cost of production. If the farmer were to pay himself, and his wife and family the same wage as they would get if they worked in a factory, and if he were allowed for the depreciation of his fences, his home, farm buildings, and farm machinery, and for the depletion of his soil, he would have to get $2.75 to break even with his brothers and sisters in industrial employment.

In the case of white bread, a little over four and a half bushels of wheat makes 196 pounds of white flour, as compared with 268.54 pounds of whole wheat flour. However, the bran and the middlings are sold and used for various purposes, producing the same results on the cost of living, as far as the consumer and the farmer are concerned. What is true of wheat is true of oats, corn and other cereal products used for human consumption.

Let us find out what part of the consumer's meat dollar the farmer gets. The average price per hundred for a thousand-pound steer, on the Chicago market a few days ago, was $24.50 live weight. A steer dresses about 60 percent edible meat. For the better cuts of steak and roast, the consumer paid from 69 cents to 79 cents per pound, for soup bones, 39 cents; for stewing meat 65 cents and for liver all the way from 45 cents to $1.

For the hide the packer gets $15.50. By the time that is converted into shoes, the consumer pays many times that amount. A very small percentage of the live animal sells for less than $24.50 per hundred. On an average, the farmer gets about 50 cents out of the dollar the consumer pays for the processed and finished product.

For this 50 cents the farmer feeds and keeps the parent stock of the steer for at least 2 years. It takes a year and a half to 2 years to produce a thousand-pound steer. So the farmer furnishes the pasture and provides the hay for this year and a half to 2 years. He produces the corn or other grain for conditioning and fattening. In addition, he houses the steer during at least one or two winters. Then he ships the steer to market, and pays the transportation and commission charges.

Again, on the same day, the average price per hundred for hogs, on the Chicago market, was $22. A hog used to dress 75 percent edible meat. That was before the tail, feet, and liver sold for 40 cents a pound. It now dresses about 80 percent. On an average, the farmer gets about 45 cents out of the consumer's dollar.

Here again the farmer feeds the parent stock for at least a year. Then he houses, takes care of, and feeds the hog from 8 to 12 months. Hogs live mostly on grain that the farmer has to produce. In addition, out of the 45 cents of the consumer's dollar, he pays for transportation and commission charges. What is true of cattle and hogs, is equally true of sheep and lambs. It is also true of poultry.

Let us keep the record straight. Last fall, when Luckman—the $24,000,000 cartel international soap bubbler—propagandized the uninformed into "meatless Tuesdays" and "eggless and poultryless Thursdays," the farmers' wives in North Dakota sold their dressed chickens for 11 cents a pound, if they weighed less than 5 pounds, and 18 cents if they weighed more. The soap bubbler robbed the farmers' wives. He compelled them to sell their poultry for less than one-third of cost of production.

The time has come that the consumer look elsewhere for the reason for the high cost of living. The farmer is not the cause. Those, who again made millions, or added to their millions, out of the blood, agony, and misery of World War II, are in no position to accuse the farmer for the high cost of living. Those, who built ships that broke apart in mid-ocean, or who grabbed the war surplus property for little or nothing, are in no position to blame the farmer for the conditions in which the consumer and the farmer, with the 30-cent dollar, find themselves.

During the war, the farmer not only worked with worn-out and dilapidated farm implements and equipment, but he worked from 16 to 18 hours a day. He worked his aged parents and grandparents—he worked his children—so that if he had lived in a city, he would have been accused of cruelty to the aged, and of violating the child-labor laws. He did his patriotic duty. He not only provided the food for our Army and civilians, but for the armies and civilians of our allies.

Now we hear an awful howl because for the first time, within the memory of man, the tiller of the soil, on a few commodities, is getting cost of production. Let us keep the record straight. The market manipulators and loud-mouthed parasites, who never did, and never will, produce the food they consume, would again, if permitted, make the farmer the shock absorber.

It is true that the farmer, because of sufficient rain and abundant crops, and because he got somewhere near cost of production, has been able to pay off some of his mortgages. However, while he paid off his mortgages, his fences, his home, and other buildings continue to further depreciate. They are in sad need of repair or replacement. Most of his farm machinery is so worn out, it is beyond repair and must be replaced. When he has made these repairs and replacements under present high prices, and has paid the high income tax, there will be little left of the so-called profits that the average farmer made.

Let us keep the record straight. Let us see how much of the farmer's dollar the consumer got for nothing during the depression in 1932, and again during the recession in 1937, 1938, and 1939. Here is the December 1932 market report of the price of grain, and a few other agricultural products, as published by the Dickey County Leader at Ellendale, N. Dak.: No. 1 Dark hard wheat, 25 cents a bushel; Red Durum, 16 cents; oats, 4 cents; barley, 10 cents; rye, 13 cents; flax, 87 cents; No. 3 Yellow corn, shelled, 2 cents a bushel; No. 2 White corn, 1 cent; No. 1 eggs, 20 cents a dozen; butterfat, 19 cents a pound; poultry, 8 cents. Choice steers sold for $7 a hundred and hogs for $2.50. That is what the Democrats call the Hoover depression.

Let us now take a look at what the Republicans call the Rooseveltian recession of 1937, 1938, and 1939. During these years No. 1 Dark northern wheat, in western North Dakota and Montana, sold as low as 40 cents a bushel; Amber Durum as low as 42 cents, No. 1 flax $1.22, oats 9 cents, rye 15 cents, and barley 11 cents. Choice steers sold for $7 a hundred and hogs at about $4. Eggs were down to an all-time low of 8 or 9 cents a dozen. Butterfat and poultry were about as low as in 1932. These were the local prices the farmer got.

While the cost of producing an acre of wheat in North Dakota in 1932, on an average, was $8.62, it rose to $19.81 in 1936, and was $13.03 in the recession year of 1937, or more than twice as much in 1936 as in 1932, and $4.41 more in 1937 than in 1932. It is clear that, as far as the farmer was concerned, the Rooseveltian recession was just about on a par with the Hoover depression.

These were the years that the farmer, his wife, and children labored, for nothing, from dawn to twilight, feeding the Nation for about one-fifth of the cost of production. These were the days when the farmers mortgaged their farms to continue to feed the Nation. They were the years during which, in many counties and States, from one-half to two-thirds of all the farms were sold for either tax or mortgage at foreclosure sales. In other words, the farmers lost their homes feeding the Nation. Where were the multimillionaire parasites and lounge lizards then that now blame the farmer for the high cost of living?

These were the days when the Frazier-Lemke moratorium saved 250,000 farm families in this Nation—when that act kept two and a half million people from being evicted from their homes. It is about time that the farmers get a square deal, and not a new deal with stacked cards, points, and loaded dice. The time has come that the farmers, in no uncertain terms, demand a floor—cost of production or at least 100-percent parity.

Ever since I have been a Member of Congress about all that the leaders of both parties were willing to give the farmer was lip service. During the time I have been in Congress—not with my vote, but by a vote that favored the internationalists—the reciprocal trade agreements were passed. Unfortunately, some farm leaders advocated these reciprocal trade agreements—but not the farmers.

Recently the Government entered into reciprocal trade agreements with 18 foreign nations. By that time, the chickens had come home to roost. The very farm leaders that favored the enactment of the reciprocal trade agreements, appeared before the State Department, and objected to these agreements, but they were given the cold shoulder. The agreements were entered into, and our future domestic agricultural market largely given to foreign nations.

In 1946, already 819,253,000 pounds of foreign wool were imported into the United States under these agreements. During the first 9 months of 1947, over 365,700,000 pounds of wool were imported. What is true of wool is true of some other agricultural products. This is just the beginning of giving the farmers' domestic market to foreign nations. These agreements are for the benefit of the international banker and manufacturer. They are at the expense of agriculture. When Europe gets on its feet, it will again flood us with cattle, flax, wheat and other grains, as well as with wool. This not only from Europe but also from Latin America.

There is only one remedy. The farmer must be protected with a floor—not a ceiling. A floor below which the price of farm products will not be permitted to go. The farmer must be given cost of production, not for a few agricultural products, but for some forty. There is nothing confusing about cost of production. That does not mean a different price for the individual farmers. It means the average cost. Under my cost-of-production bill, the price would be the same plus freight differentials.

In order to prevent the passage of the cost-of-production bill, the ignorant bureaucrats, in the Department of Agriculture, gave subsidies. Subsidies are a fraud and a deception. Only the unthinking believe they can pull themselves up by their own bootstraps. If these subsidies were paid out of present taxation, then for every 50 cents we receive, we would have to tax ourselves $1. The

other 50 cents would go to the pay-rollers, to the pie-counter brigade that collects and dishes them out to us. But since we are already over $623,000,000,000 in debt, including future obligations, subsidies have to be paid out of additional borrowed money.

Let Congress pass cost of production for the farmer. Then he will not have to be subsidized. The farmer is getting onto the hypocritical scheme of regimenting him. He is through with that bureaucratic ignorance. He is not going back to the dark ages, but he is going fearlessly forward to cost of production for agriculture.

Again we are told by the bureaucracy that if we give the farmer what it cost him to feed the Nation then we will have inflation. Everybody but a mental defective knows that we have inflation. It was brought about by the Federal Reserve banks running the printing presses for the big boys—not for the farmers or the wage earners. It was brought about when we printed $30,000,000,000 for the cost-plusers and lend-leasers—for foreign nations—where there never was over $6,000,000,000 before. High cost of living is the result of inflation, not the cause.

Unless we get this bill passed and give the farmer cost of production—unless we get this bill passed, which will prevent our Government from continuing to sell the farmers' domestic market to foreign horse traders under the reciprocal trade agreements—there will again be thousands of foreclosures. There will again be trainloads of cattle and meat products, millions of bushels of wheat, corn, and flax, imported from Canada, Australia, and Latin-America in competition with farmers and ranchers. There will again be a depression and a recession.

No; the farmer cannot be blamed for the high cost of living. He is entitled to cost of production, and he is going to get it ultimately. Our Uncle Sam is largely responsible for the high cost of living. He is the greatest extortionist. He takes 57 cents, on an average, directly or indirectly, out of every dollar that is earned. If your income is $2,000 above exemptions, he takes $400. If your income is $100,000, he takes $60,000. If it is $500,000, he takes $427,072.50. Your Uncle extracts his pound of flesh regardless of whether you can continue in business or not.

There is the luxury tax. Your Uncle makes the ladies pay it on their lipstick, face powder, and other cosmetics. If you smoke, Uncle Sam dips in heavy and takes many a puff in taxes. If you drink, he takes many a sip with you in taxes. If you take a ride on the train, your Uncle takes a ride with you by taking an additional 15 percent in taxes. If your wife buys a fur coat, he pulls out 20 percent of the fur for himself in taxes.

Let us stop camouflaging the high cost of living. Taxes alone are responsible for at least 125-percent increase. If we continue to squander the Nation's wealth abroad, these taxes will continue. Your Uncle, with future commitments, now owes $623,000,000,000—twice the normal value of all our property. He has a blanket mortgage—a tax lien—for this amount on every man, woman, and child.

In conclusion, I repeat the farmer is entitled to cost of production—to 100-percent parity. Only a parasite will attempt to get what the farmer produces for less than it cost. The farmer in the future will not be the farmer of yesteryear. He is not going to submit to again being made the shock absorber. He is going to demand equality with industry.

THE TENNESSEE-TOMBIGBEE INLAND WATERWAY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it seems to me that some Members of Congress are straining at a gnat and swallowing a camel. Financially some of them seem to strain at a reasonable appropriation for rural electrification and swallow Europe.

Some of them strain at the small amount asked by the Bureau of the Budget for the Tennessee-Tombigbee inland waterway and swallow China.

This Tombigbee project was authorized by the last Congress. All we are asking for is a small appropriation to begin work on it.

It will provide a slack-water route from the Gulf of Mexico to all points on the Ohio River up to Pittsburgh, Pa. It will provide what will amount to a slack-water route from the Gulf of Mexico to the Great Lakes at Chicago.

It will provide what will amount to a slack-water route from the Gulf of Mexico to Minneapolis and St. Paul on the Mississippi River.

It will provide what will amount to a slack-water route from the Gulf of Mexico to St. Louis that will benefit everyone living in the central or the western States.

At the same time it will save the swift current of the Mississippi for downstream traffic.

It is the greatest project of its kind ever proposed.

It will provide a slack-water route from the Gulf of Mexico to our atomic-bomb plant at Oak Ridge, Tenn., and will shorten the distance by about 800 miles.

Remember Oak Ridge is the greatest defense plant the world has ever known. We have more than $2,000,000,000 invested in that Oak Ridge plant, and we may need this additional short slack-water route at any time. We must not permit Oak Ridge to become another Pearl Harbor. If we do, then God save this country.

General Robins, Assistant Chief of the Army Engineers, testifying before a Senate committee in 1944, which was before the real power of the atomic bomb had been demonstrated, with reference to this Tennessee-Tombigbee inland waterway, said:

> If that waterway were in operation today it would be of tremendous value to our national defense; but you cannot put a money value on it any more than you can put a value on winning the war.

I am placing a map of this project out in the hall. I hope each and every Member will examine it carefully.

Here is a table worked out by the Army engineers showing what the savings of this great project will amount to for upstream traffic:

From—	To—	Via Mississippi, per ton	Via Mississippi, per tow of 3,500 tons	Via Tombigbee-Tennessee, per ton	Via Tombigbee-Tennessee, per tow of 3,500 tons	Average savings per ton	Average savings per tow of 3,500 tons	Average savings per tow of 14,000 tons
Houston, Tex	Cairo	$2.34	$8,190	$1.94	$6,790	$0.40	$1,400	$5,600
	Paducah	2.42	8,470	1.88	6,580	.54	1,890	7,560
	Tombigbee-Tennessee junction	2.74	9,590	1.60	5,000	1.14	3,990	15,960
New Orleans, La	Cairo	2.02	7,070	1.32	4,620	.70	2,450	9,800
	Paducah	2.10	7,350	1.26	4,410	.84	2,940	11,760
	Tombigbee-Tennessee junction	2.42	8,470	.99	3,465	1.43	5,005	20,020
Mobile, Ala	Cairo	2.39	8,365	.95	3,325	1.44	5,040	20,160
	Paducah	2.47	8,645	.89	3,115	1.58	5,530	22,160
	Tombigbee-Tennessee junction	2.79	9,765	.62	2,170	2.17	7,595	30,380
Port Birmingham, Ala	Cairo	2.96	10,300	.95	3,325	2.01	7,035	28,140
	Paducah	3.04	10,040	.89	3,115	2.15	7,525	30,100
	Tombigbee-Tennessee junction	3.36	11,700	.62	2,170	2.74	9,590	38,360
Demopolis, Ala	Cairo	2.68	9,380	.67	2,345	2.01	7,035	28,140
	Paducah	2.76	9,660	.61	2,135	2.15	7,525	30,000
	Tombigbee-Tennessee junction	3.08	10,780	.34	1,190	2.74	9,590	38,360
Columbus, Miss	Cairo	2.83	9,905	.51	1,785	2.32	8,120	32,480
	Paducah	2.91	10,185	.45	1,575	2.46	8,010	34,440
	Tombigbee-Tennessee junction	3.23	11,305	.17	595	3.06	10,710	42,940
Aberdeen, Miss	Cairo	2.88	10,080	.46	1,610	2.42	8,470	33,880
	Paducah	2.96	10,300	.40	1,400	2.56	8,960	35,840
	Tombigbee-Tennessee junction	3.23	11,480	.13	455	3.15	11,025	44,100
Fulton, Miss	Cairo	2.93	10,255	.41	1,435	2.52	8,820	35,280
	Paducah	3.01	10,535	.35	1,225	2.66	9,310	37,240
	Tombigbee-Tennessee junction	3.33	11,655	.08	280	3.25	11,375	45,500

REDUCED WHEAT PRICES NOT REFLECTED IN REDUCED BREAD PRICES

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, about 3 weeks ago the price of wheat broke sharply on the commodity exchanges. The total drop in the price of cash wheat was about 70 cents per bushel from the high point of January 16.

Since that time I have made diligent inquiry as to whether this decrease was being reflected in a reduction in the price of bread, since a 60-cent reduction in the price of wheat should mean a reduction of 1 cent in the cost of the ingredients contained in a 1-pound loaf of bread. I am sorry to report that taking the country as a whole there have been no reductions. The Bureau of Labor Statistics advises me that their figures, based on a survey made covering the dates from January 13 to February 17, show that taking the country over, there has been no net change in the price of bread.

In New York, Atlanta, Boston, Cleveland, Kansas City, and Philadelphia there was a slight increase in prices. In Chicago, Houston, Denver, and Detroit a slight decrease. In Washington and Los Angeles there was no change. This would make the score add up as follows:

Farmers: 70 cents per bushel loss.

Consumers: No change.

Speculator Maynard: $200,000,000 profit.

Other speculators on short side: Large but unknown profits.

Bakers and other distributors: Extra profit, 1 cent on each 1-pound loaf.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 43. Concurrent resolution to amend the title of the joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5390. An act to continue for a temporary period certain provisions of the Housing and Rent Act of 1947.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committees on Armed Services and Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of the act of March 3, 1915, establishing the National Advisory Committee for Aeronautics, I transmit herewith the Thirty-third Annual Report of the Committee, covering the fiscal year ended June 30, 1947.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 25, 1948.*

EXTENSION OF REMARKS

Mr. HARDY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Rear Admiral Byrd on the subject of peace.

AUTHORITY OF THE MARITIME COMMISSION TO SELL, CHARTER, AND OPERATE VESSELS

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 43, to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes, be, and he is hereby, authorized and directed to strike out in the title of said joint resolution the word "July" and insert "March", so that as amended the title will read: "Joint resolution to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GALLINGER HOSPITAL

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Speaker, I cannot permit to go unchallenged a statement that appeared in the RECORD under date of February 23 at page 1567 made by the gentleman from Mississippi [Mr. RANKIN].

I shall answer this statement at great length at some subsequent time. May I say, however, for the benefit of the RECORD now that when the gentleman from Mississippi made the statement that the people at Gallinger Hospital are being threatened with an order which proposes to impose colored doctors upon white patients, he is discussing a program of which he is not advised.

May I say to the Members of Congress that as chairman of the Subcommittee on Labor and Federal Security Agency appropriations we have been trying for years to build up the medical school of Howard University and all that has ever been suggested was that the colored segregated sections of Gallinger Hospital be opened for clinical purposes to the students and doctors of Howard University in order that we might be able to build up that college and provide the clinical facilities that are required by the association of colleges. There has never been the slightest suggestion at any time on any one's part that there would be colored physicians put out at Gallinger to treat white patients, and that statement of the gentleman from Mississippi is just as wrong as many of the other inflammatory statements which he makes on the floor of this House in an attempt to stir up race prejudice that ought to be subdued rather than stirred up.

Mr. RANKIN. Mr. Speaker, I demand that those words be taken down.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

And that statement of the gentleman from Mississippi is just as wrong as many of the other inflammatory statements which he makes on the floor of this House in an attempt to stir up race prejudice that ought to be subdued rather than stirred up.

The SPEAKER. The Chair is ready to rule. The Chair believes that the gentleman from Wisconsin has merely stated his opinion and did not reflect upon the character or integrity of the gentleman from Mississippi. Apparently a difference of opinion exists between the two gentlemen, but the Chair believes that the statement is not unparliamentary.

Mr. RANKIN. Mr. Speaker, since that untrue statement was made on the floor of the House, I rise to a question of personal privilege in order that I may answer it.

The SPEAKER. The Chair has just ruled that the words reported were not unparliamentary, and therefore the Chair is obliged to rule that a question of personal privilege cannot be predicated upon the words taken down.

Mr. RANKIN. I will say to the Chair that I cannot understand why it is not unparliamentary for a Member to make a false accusation against me as the gentleman from Wisconsin did, and why I should not be permitted to answer him.

The SPEAKER. The Chair has passed upon the matter.

REORGANIZATION PLAN NO. 1 OF JANUARY 19, 1948

Mr. HOFFMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Con. Res. 131), Reorganization Plan No. 1 of January 19, 1948; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Massachusetts [Mr. MCCORMACK] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 131, with Mr. CANFIELD in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. HOFFMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this resolution, House Concurrent Resolution 131, declares that the Congress does not favor Reorganization Plan No. 1 of 1948.

Something like a year ago the President sent down a somewhat similar plan. As I recall, that plan was disapproved by the unanimous action of the committee to which it was referred. The House, without substantial objection, took similar action. The Senate also disapproved of the plan.

The gist of the present plan the President words this way:

I transmit herewith Reorganization Plan No. 1 of 1948, under the Reorganization Act of 1945—

This is the nub of it—

which transfers the United States Employment Service and the Bureau of Employment Security to the Department of Labor.

The committee held rather extensive hearings and again disapproved the plan. Boiled down, the reasons for the disapproval seem to be these:

The Labor Department was created for the purpose of giving special consideration to those who are employees and to legislation proposed for their benefit. Not only was it created for that purpose but ever since it was created down to the present moment it has, so to speak, been a partisan advocating the advancement of labor interests. Do not mistake my meaning. As far as I know, no one on the committee finds any fault with that attitude. That is the job of the Labor Department, and because that is the job of that Department, that is, the protection and the advancement of the interests of labor, the committee felt that it was not wise to transfer to it permanently the unemployment agency and—and more stress has been laid upon this than upon the first—the functions of administering unemployment compensation. Those functions should be either in the Federal Security Agency or preferably, in a separate, neutral, independent agency.

The reason for that conclusion is that the public generally, as distinguished from either employees or employers, is concerned with the expenditure of the some $8,000,000,000, which at present has been taken from employers to create the fund now on hand.

That fund, although in the first instance paid by the tax levied upon pay rolls, is ultimately paid by the consuming public.

That is all that need be said upon that particular phase of the case, but this should also be said: The Congress, by Public, No. 162, of the Eightieth Congress, first session, created a Commission on the Organization of the Executive Branch of the Government. It was based on the so-called Brown resolution.

Four of the members—Herbert Hoover, Chairman; Dean C. Acheson, Vice Chairman; James Forrestal, Secretary of Defense; and Arthur S. Flemming, Civil Service Commission—were appointed by the President. Four—George H. Mead, Dayton, Ohio; George D. Aiken, Senator from Vermont; John L. McClellan, Senator from Arkansas; and James K. Pollock, of Ann Arbor, Mich.—were appointed by the President pro tempore of the Senate. Four—Joseph P. Kennedy, of Hyannis Port, Mass.; Clarence J. Brown, Representative from Ohio; Carter Manasco, Representative from Alabama; and James H. Rowe, of Washington, D. C.—were appointed by the Speaker of the House.

The Commission, as you will note, is nonpartisan and it would be difficult to find a group more competent and unbiased.

The Congress gave that Commission, which will report shortly after the next Congress convenes, $750,000 for a study of the National Government and for the proposal of any measures which it may find will simplify and make more efficient and less costly the operations of the executive branch of the Government.

Someone said during the hearings that they were asking for an additional $1,000,000 to bring in an over-all reorganization plan which will improve the efficiency and to lessen the cost of the Government agencies. So to me it seems a little absurd to suggest at this time that we should have piecemeal reorganization plans for the executive department.

While it is true that the appointment of that Commission and its functioning is not to interfere with the suggestion by the President of any particular plan for reorganization, it is also true that the adoption of piecemeal reorganization might well interfere with an over-all, coordinated plan of reorganization.

If we adopt this or other suggested reorganization plans which come from the White House, we may, in the end, after the Commission's report is in, find ourselves disposed to scrap these plans and adopt the plans recommended by the Commission.

It seems no more than the use of common sense to suggest that we wait and get the results of this expenditure of what may be from $750,000 to $1,750,000 by a nonpartisan, fully qualified commission made up of men who have had experience along the lines of reorganization.

There is no reason to anticipate political implications in the report of that Commission. The result of the present plan, if adopted, fairly bristles with opportunities to obtain political support for one candidate or another, one issue or another.

The resolution should be adopted.

Mr. McCORMACK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the remarks just made by my distinguished friend from Michigan, the chairman of my committee, mildly expressing myself but being frank with the House, constitutes the weakest argument I have ever heard my friend make. While I have very frequently disagreed with my friend, I have always admired him for at least making an argument consistent with what I considered his wrong premises, but on this occasion his argument is not even connected with the erroneous premise that his position is based upon. He says that this is substantially the same plan as last year. Last year the proposal was to put the United States Employment Service permanently in the Department of Labor. The reason it was rejected last year was because the members of the committee felt that the United States Employment Service and the United States Compensation Service should be together in the same agency. This proposes to put them in the same agency and he is against this. Then he brings up the argument about the reorganization commission of which former President Hoover is chairman. He says we ought to wait and not do it piecemeal. I have here a copy of the report of last year. It came out of the Committee on Expenditures in the Executive Departments. I remember leading the fight for the resolution in the committee. I also spoke for an increased appropriation. The appropriation, as a matter of fact, was increased $500,000 in the Committee of the Whole. When I supported by friend from Michigan, Mr. Brown——

Mr. BROWN of Ohio. I am from Ohio.

Mr. McCORMACK. Yes; they are both great States. In any event, the gentleman from Michigan [Mr. HOFFMAN] now says we ought to wait until the Hoover Commission makes a report and not do things piecemeal. What did my friend say last year? Here is the committee report on the bill for the establishment of a Commission on the Organization of the Executive Branch of the Government.

Here is what it says in part:

The committee wishes to point out that the establishment of the Commission provided for in this bill—

That is the Hoover commission—

will in no way supersede or interfere with the functions and work of any congressional committee, or with the rights and prerogatives of the President to reorganize the executive department under the provisions of the Reorganization Act. Instead the findings and recommendations of the Commission will be of great benefit and aid to the Congress and its committees, and to the President. While the Commission is in existence, various congressional committees will be entirely free to continue their usual work of investigation and study of the activities and functions of the various divisions of Government coming under their jurisdiction; and the President may order departmental reorganization just as he has done in the past.

I wonder where that leaves my dear and valued friend from Michigan [Mr. HOFFMAN].

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield. Yes, but not to embarrass the gentleman from Michigan any more, but to make a little contribution.

Mr. KARSTEN of Missouri. It was pointed out in the hearing that if this plan was adopted it would result in a saving of about $50,000.

Mr. McCORMACK. That is correct.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN. Would that saving be similar to that which we got on the unification bill when we found that it would cost more money?

Mr. KARSTEN of Missouri. Surely the gentleman recalls the promise of the Bureau of the Budget before the committee.

Mr. McCORMACK. I have before me an article which appeared in the Washington Star of February 15, which was written by Gerard D. Riley.

I know Gerard D. Riley very well, and I like him. He was a member of the National Labor Relations Board. I do not know what part he played but I think he played an important part in writing the Taft-Hartley bill. He should be a pretty good person for me to quote to Republicans. Gerard Riley's article says in substance that unless this reorganization goes through, the Department of Labor is practically shorn of any activity or of any responsibilities. I shall insert that article in the RECORD.

The Department of Labor in a Cabinet status is the child of the Republican Party. On March 4, 1913, President Taft approved the act of Congress which created the Department of Labor, headed by a Secretary having Cabinet status. We now see a Department created by a Republican Congress and a Republican administration being destroyed by a Republican-controlled Congress. The act had for its purpose bringing together into one department of the executive branch those functions of government pertaining to employment problems, relations between employer and employee, activities concerned with promoting job opportunities for wage earners. That was 35 years ago. Even at that time this move was considered an outstanding accomplishment in sound governmental administration. We now see what has happened. There is nothing left. Very little activities left. The Department of Labor, still having a Cabinet status, but its voice silenced because it has very little activity and very little jurisdiction

This reorganization plan is entirely different from the reorganization plan of last year. Last year did not concern both. The reason the plan was rejected last year was because it was felt by the overwhelming membership in the committee on both sides that the United States Employment Service and the unemployment compensation should be in the same agency, that stress should be emphasized upon employment rather than upon the payment of compensation, and that if you had one in one agency and the other in another agency you could not have that coordination which would enable stress to be laid in the first instance upon employment, because when that was emphasized and employment was obtained, the payment of unemployment compensation was unnecessary.

Now this is what this plan of the President seeks to accomplish; to put it in the Department of Labor. Certainly that is where it belongs. Now we have this position where my good friend the gentleman from Michigan [Mr. HOFFMAN], having his feelings, as he does—just as soon as labor is mentioned, or the Labor Department, he has an honest but unjustifiable fear. He introduced a resolution to turn it down. What are his two arguments? First, that it is the same as last year. It is not the same as last year. It is just the opposite of last year. It was turned down last year because they were left in separate agencies. Now when they are being put in one agency it is turned down also.

Then the gentleman talks about the Hoover commission, and his very report of last year said it was not intended that reorganization plans should not be submitted by the President while the Hoover commission was in operation. Naturally so. It was only a few days ago that I understand former President Hoover, in response to a question, said that it was not intended, or words to that effect, that reorganization plans should be withheld until after the Hoover commission had made its recommendation to Congress. It should be called the Brown commission, because the gentleman from Ohio [Mr. BROWN] is the gentleman who introduced the first resolution and I want to give credit where credit is due.

Mr. Chairman, I yield myself two additional minutes.

So, Mr. Chairman, knowing what the results probably will be, the whole premise upon which they are predicated as advanced by the gentleman from Michigan [Mr. HOFFMAN] is inconsistent with the history of only last year and this year in the committee, and inconsistent with the action that should be taken.

I feel very, very sorry in a sense, because of my personal regard for my friend from Michigan—and I mean this, it comes from the depths of my heart, not the Democratic, but the heart of JOHN McCORMACK, the individual, to see my friend on one of the many occasions when he is wrong in his premises being on one of the few occasions inconsistent in his argument with his erroneous premises.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN. First I wish to say that the great love evidenced for me is returned tenfold. Now, there is something that has happened, you know, since and the position is the same as it was last year and the same reasons exist that I think the gentleman is in error. Recently the Secretary of Labor appeared before a subcommittee of the Labor Committee and showed that the administration does not intend to use the law passed by Congress, the Taft-Hartley Act, but is trying to bypass it here in Washington.

Mr. McCORMACK. See! My friend exposes his state of mind, as I said, in his honest but unjustifiable fear where the word "labor" is used. The gentleman's observation is the most powerful evidence I could receive from any source in support of the statement that I made.

[From the Washington (D. C.) Sunday Star of February 15, 1948]

LABOR DEPARTMENT WAGES FIGHT FOR ITS EXISTENCE—FUTURE OF TRUNCATED AGENCY AT STAKE IN REORGANIZATION CONTROVERSY

(By Gerard D. Reilly)

Established 30 years ago by one of the last acts of Congress signed by President William Howard Taft, the Department of Labor now is engaged in a serious battle in Congress, upon the outcome of which its right to any real existence depends. Should the Senate follow the example of the House and reject President Truman's reorganization plan for placing the United States Employment Service and the Division of Unemployment Compensation under the supervision of the Secretary of Labor, its continuance as an agency of Cabinet status would be an anomaly.

By operation of the termination clause in the War Powers Act, the Employment Service would be absorbed by the Federal Security Agency if the reorganization plan fails. Without this important unit, the Department would consist largely of two autonomous bureaus, the Wage and Hour Division, which administers the fair labor standards and the Walsh-Healey public-contracts acts, and the Bureau of Labor Statistics. Each of these bureaus now is headed by an officer appointed by the President with the advice and consent of the Senate and operates with a minimum of attention from the Secretary's office.

Three other large bureaus, identified with the Department for a quarter of a century, have gone elsewhere. The Immigration and Naturalization Service, transferred to the Department of Justice as a wartime expedient, never has been returned. Under a Truman reorganization plan in 1946, the Children's Bureau was liquidated and its functions under the Social Security Act vested in the Federal Security Administrator. Then Congress in 1947 made the Conciliation Service an independent establishment.

When the Congressional Directory lists the Department of Labor as including two other operating agencies, these are so tiny that they might more appropriately be assigned to a section of the Wage and Hour Division. One is the Women's Bureau, whose mission largely was fulfilled when the Supreme Court upheld the constitutionality of State minimum-wage legislation for women and minors. This legislation, in turn, ceased to be important when Congress passed the Fair Labor Standards Act in 1938.

The other is the Division of Labor Standards. Despite its imposing title, this agency has no organic act on the statute books. Its primary assignment has been to promote State legislation in the field of factory inspection with particular reference to health and safety. This function also largely is obsolete by reason of the broad construction placed by the Supreme Court in recent years upon the commerce clause of the Federal Constitution.

It, therefore, is vital to the Department, if it is not to sink into insignificance, to have the authority for coordinating the field of officers of the Employment Service with the administration of unemployment compensation. The Senate last year approved the principle of consolidation. The attempt of the Social Security Board to bring about this reform before the war proved a dismal failure because of its willingness to let State politicians have a free hand in the spending of Federal funds. Consequently, there was considerable sentiment in Congress for entrusting this responsibility to the Labor Department.

Unfortunately, the ultimate success of the plan now has been jeopardized by penalties.

Beset by some evil genius, Secretary Schwellenbach, at the very time that the proposed reorganization was under review by the House Committee on Executive Expenditures, became embroiled in a matter wholly beyond the concern of his Department—the strike called by the CIO in the Government cafeterias. His intervention stirred the wrath of Representative HOFFMAN, whose Labor Subcommittee was looking into the matter. On this particular issue, the Michigan Representative happened to be right, for the only issue involved arose under the National Labor Relations Act—a question of whether the union still has a majority.

Even when the Conciliation Service still was in the Department of Labor, such controversies always were considered to lie within the exclusive province of the Labor Board. In this instance, the union under the new labor law had disqualified itself from using the facilities of the Board.

Had the Secretary's ill-advised venture as a mediator succeeded, it would have meant that Communist-dominated unions like the United Public Workers, CIO, would gain a tactical advantage by defying the law. The right of every union to request an employer to enter into a contract with it depends upon its representation of a majority of the employees. A union which files the requisite documents still runs the risk of defeat in a Labor Board election and it would seem absurd to relieve a noncomplying union from this danger.

The Secretary's failure to grasp the significance of the issuance impaired his standing in the House. After his testimony before the Hoffman subcommittee, the Committee on Expenditures, also headed by the Michigan Representative, rendered an adverse report on the reorganization plan which the House adopted.

Mr. Schwellenbach is a former Senator and a former Federal judge. As was the case with his predecessor, Miss Perkins, the fact that he was not selected from the ranks of organized labor was based on the intent of keeping the Department aloof from union politics. It is to be hoped that in the interest of preserving his agency from further dismemberment, he will dispel this impression of partisanship when the plan is being considered in the Senate.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I wish to ask a question and to make a point. If unemployment compensation and the United States Employment Service programs which deal with employment and the wage earner do not properly belong within the United States Department of Labor, then what programs do belong in the United States Department of Labor?

In the last Presidential campaign the Republicans offered labor a sugar-coated pill. In a plank in their 1944 platform they promised they would strengthen the Department of Labor if they got the chance. Their performance since they have had the chance has been not to strengthen but to consistently disintegrate the Department of Labor until we have little left in the way of a United States Department of Labor.

As for this Reorganization Plan No. 1, I am well aware that a highly organized campaign has been launched to create public and political pressure to defeat this plan. This propaganda campaign is being fostered by that employer-dominated organization—the Interstate Conference of Employment Security Agencies. Could it be that some of the State unemployment compensation administrators, who compose this group, are eager to get control of the Federal-State system of public employment offices in order to influence administration in a manner contrary to the best interest of labor rather than in behalf of workers who have earned job insurance? I am opposed to the trend of the concept of relief and public welfare permeating the administration of unemployment compensation.

It is my belief that the job insurance covering wage earners is an earned right, as well as a means for bolstering consumer purchasing power for communities. As job insurance, unemployment compensation is appropriately a Labor Department function. Furthermore, influence of public-welfare concepts in the administration of unemployment compensation and the United States Employment Service will be disastrous to both.

I hope this body rejects Concurrent Resolution 131, in order that Plan No. 1 may become law.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Chairman——

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield for a question?

Mr. HARNESS of Indiana. I yield.

Mr. NICHOLSON. In the 10 minutes at the disposal of the gentleman from Indiana [Mr. HARNESS] I wish he would tell us what the gentleman from Massachusetts was trying to convey to us. I asked several people what the honorable gentleman was talking about and apparently no one was listening; so I would like to ask the gentleman from Indiana [Mr. HARNESS] if he can tell us what the gentleman from Massachusetts was trying to convey to the body.

Mr. HARNESS of Indiana. Mr. Chairman, I shall not endeavor to interpret for the gentleman the remarks of my good friend from Massachusetts [Mr. MCCORMACK]. I do, however, want to take a position completely in opposition to the gentleman who just addressed the House.

I think it would be a mistake to approve the President's plan to transfer both of these services, employment service and unemployment compensation, permanently to the Labor Department. In 1939, under a reorganization act the late President Roosevelt placed both of these services in the newly created Federal Security Agency. At that time or perhaps a little later, the Federal Government took over from the States the Employment Service and that was operated by the War Manpower Commission in the Federal Security Agency. These services remained in that Agency until after the war, when Mr. Truman under the War Powers Act transferred the Employment Service to the Labor Department. Of course, after the War Powers Act expires this service will go back to Federal Security Agency.

When Mr. Roosevelt recommended that the Congress approve his plan to consolidate and transfer these services to Federal Security Administration, he said:

> The unemployment compensation functions of the Social Security Board and the Employment Service of the Department of Labor are concerned with the same problem, that of the employment or the unemployment of the individual worker. Therefore they necessarily deal with the same individual. These particular services to the particular individual are also bound up with the public-assistance activities of the Social Security Board. Not only will these similar functions be more efficiently and economically administered at the Federal level by such grouping and consolidation, but this transfer and merger will also be to the advantage of the administration of State social-security programs.

There is just as much reason why these functions should be consolidated in a neutral agency now as there was at the time the late President put them in the Federal Security Agency. As a matter of fact, I think there is more reason for it now than then. Last year after Mr. Truman had transferred, under the War Powers Act, the Employment Service to the Labor Department he sent to the Congress Reorganization Plan No. 1 of 1947 which would have made that transfer permanent. The Congress rejected that plan, intending, of course, that after the expiration of the War Powers Act that service would automatically go back and be consolidated with the Unemployment Compensation Service in the Federal Security Agency.

I do not believe these services should be in the Labor Department any more than they should be in the Commerce Department. The Labor Department was set up for the purpose of serving the interests of labor of the United States, and that is its proper function. The Commerce Department was established for the purpose of serving and representing business. And that is a proper function of the Department of Commerce. I mention this because I believe it would be just as improper to transfer the employment and unemployment-compensation services to the Commerce Department as it would be to the Labor Department.

After all, there are three economic groups interested in the administration of these services: The general public, labor, and the employer. Each of these groups is entitled to fair and unbiased administration of these services. That could not be done by any department which serves one particular group. In the Labor Department, for example, the Secretary has two assistants, one from the American Federation of Labor and one from CIO—obviously, these men would be sympathetic toward labor, the economic group that they represent. I do not criticize them for that. They are just human beings. Employers and State administrators fully recognize this fact.

Employer after employer testified before the committee that because of this fact they would not have the same confidence and probably would not use the service as much if it were placed in the Labor Department. Many of the State administrators testified that this transfer should not be made.

They pointed out many good reasons, among others, that the Labor Department would have the authority to make rules and regulations under which the States would operate; that the Labor Department, representing labor as it does, would be overly sympathetic toward labor to the detriment of the program, the employers and the general public. It was suggested that the Labor Department could and probably would change many of the rules and regulations now in effect, with a great deal of confusion resulting.

I am confident that the Federal Security Agency can and will administer these services more efficiently and economically and with complete neutrality. However, I would like to see both services turned back to the States with 100 percent offset. This would abolish the administration of this program at the Federal level. In fact, I am going to introduce a bill within the next day or two that will accomplish that purpose. If the Congress will approve such a bill it will accomplish a saving of five to six million dollars a year. I believe, too, that the States in turn could effect additional economies and have a more efficient administration. The States would also save some of the money that is now being diverted to other expenses of government.

Now let us see what the Federal agencies do that cost us some five to seven million dollars annually. The only service the Labor Department renders the States is the allocation to the States of their own money and making rules and regulations under which the States must operate. This money, as you know, is collected from the employers and placed in the general fund of the Treasury. The Congress then appropriates to the Labor Department the amount necessary for administrative purposes for both the Federal and State levels. The same procedure is followed for Federal Security Agency in connection with the administration of unemployment compensation. For administering this program in the Labor Department during the 1948 fiscal year, the Congress appropriated $4,739,894. The budget for this year for the Labor Department, for administering employment service at the Federal level is $5,070,000, and for administering the offices in the States $72,000,000, in round figures.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HOFFMAN. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. HARNESS of Indiana. In the Federal Security Administration which performs similar functions, we spent last year a cool $1,072,170. This, mind you, was what the States paid Federal administrators for simply handing back to them their own money to defray their own administrative costs. The budget request for this year is $1,150,000 for the same service.

I am firmly of the opinion that these expenditures for Federal level administration are a waste of money and should be stopped. We can stop this extravagance by permitting the States to collect and budget their own expenditures.

When this reorganization plan was under consideration in the executive departments, the Director of the Bureau of the Budget asked the Federal Security Administrator to give him his views, and under date of November 26, 1947, Mr. Oscar Ewing, the Administrator, directed a letter to Mr. Webb in which he pointed out some very good reasons why this transfer should not be made. Mr. Ewing's letter follows:

NOVEMBER 26, 1947.

HON. JAMES E. WEBB,
Director, Bureau of the Budget,
Washington, D. C.

DEAR MR. WEBB: This is in response to your letter of November 14, 1947, wherein you request that any new proposals for reorganization under the act of 1945 be submitted to the Bureau of the Budget by December 1, 1947. There are certain functions performed in other departments and agencies of the Government which might, in the interest of good administration, be transferred to this Agency. However, in view of the President's approval of Public Law 162, which provides for the establishment of a commission to survey the executive branch of the Government, I feel it would be well to withhold any additional proposals pending the report of that commission.

There are, however, certain proposals that were transmitted to you by the former Administrator under dates of December 4, 1946, and January 31, 1947. The recommendations contained in those letters should be considered in connection with any plan that might be presented to Congress prior to the expiration of the Reorganization Act of 1945.

Because of certain comments that appear regarding proposals to transfer elsewhere certain units of this Agency, particularly the Bureau of Employment Security, it might be well to emphasize again the relationship of this program to other programs of this Agency and likewise to point out again why it would be desirable to arrange for the return of the Employment Service to this Agency at the earliest possible date.

The Bureau of Employment Security is an integral part of the Federal Security Agency. It is part of a program designed to protect the homes of the Nation through provision for the minimum income essential for the maintenance of these homes during periods of unemployment. Coverage of old-age and survivors insurance and unemployment insurance is largely the same, and changes should be in the direction of uniformity of coverage for both programs. Because of the close administrative relationships existing between these two insurance programs and in order to assure the exchange of information between the two, it is essential that present administrative relationships be continued. Today State agencies are making extensive use of identical wage reports under both programs. For example, the new temporary program of unemployment insurance for seamen employed by the War Shipping Administration, administered by the State unemployment compensation agencies, utilizes old-age and survivors insurance wage records for determining unemployment benefit rights. To remove unemployment insurance from the agency administering old-age and survivors insurance would result in the need for developing new administrative channels to assure an adequate interchange of information. Such a separation would be detrimental to economical and efficient operations.

A further reason for integrated administration is the movement in the States to broaden unemployment-insurance laws to include payment of benefits during periods of temporary disability. This trend presents problems which would be extremely difficult to overcome with divided control of insurance activities. Congressional committees have held extensive hearings on the need for expanding old-age and survivors insurance to include permanent disability insurance. If the Congress should decide to provide for such benefits, it is essential that the two programs be jointly administered because there would be tens of thousands of cases in which citizens may first become entitled to temporary benefits under one program and may of necessity, because of inability to return to active employment, be transferred to a permanent disability roll of the other program. Because of this, temporary disability insurance provisions must necessarily be coordinated with any steps taken to develop permanent disability insurance protection as a part of the old-age and survivors insurance program. Such coordination would be extremely difficult unless the insurance programs have common concepts and administrative and financial relationships which, even then, would require continued review, revision and coordination. It is essential, therefore, that these insurance programs be administered together as a part of a broad single program of economic security.

With regard to the Employment Service, it is generally agreed that the pattern used in the States of combining unemployment insurance with the employment service should be followed at the Federal level. In fact, it was an action of the former Social Security Board that required applicants for unemployment benefits to expose themselves, through the Employment Service, to job referrals to all employers who might provide suitable employment. During the period the Employment Service was administered by the Board, grants of title III unemployment compensation insurance funds provided for over 80 percent of the operating costs of the employment offices.

In view of the above, I cannot see any justification for raising questions regarding this Agency's interest in an effective placement service. Actually the Employment Service flourished during the period it was located in this Agency. If returned, it could be restored to its former place in the Agency without any confusion or interruption of service.

Accordingly, in considering the location of the Employment Service function, thought should be given to the operating relationships rather than to tradition.

The coordination of the two functions in this Agency would result in the simplification of Federal-State relations, as it would merely add one additional grant program to the 16 regular grant programs now administered by this Agency. In addition, it would be in complete accord with the fourth provision of section 2 (a) of the Reorganization Act of 1945, namely, "to group, coordinate, and consolidate agencies and functions of the Government as nearly as may be, according to major purposes."

In our Government today the departments operate in special fields. To illustrate, the Department of the Interior is concerned with the Government's natural resources; the Department of Agriculture, with farmers' problems; the Labor Department, with the relations of management and labor; the Commerce Department, with the problems of business. The functions of each of these

great departments are of inestimable benefit to the citizens of this country, but they are all concerned with matters that are outside the citizen himself. The Federal Security Agency, on the other hand, deals with the individual citizen as a human being. It is interested in improving health, in expanding educational opportunities, and in furthering economic security. For these reasons, I feel that all functions which concern our citizens as human beings properly belong in this Agency.

It is my considered opinion that employment, compensation in the event of unemployment, compensation for temporary disability due to accident or sickness, extended disability benefits if provided, old-age insurance, survivor benefits, and assistance for those not eligible for insurance benefits are all inextricably bound together. Taken together, they go a long way toward providing economic security. Considered along with health and education, two other major functions of this Agency, they provide a well-rounded program to develop, protect, and assure the economic security of the human resources of this Nation.

Sincerely yours,

OSCAR R. EWING,
Administrator.

I thoroughly agree with the conclusion reached by the Administrator in opposing the transfer of these services to the Labor Department.

Mr. McCORMACK. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE of Illinois. Mr. Chairman, the issue presented by Concurrent Resolution 131 against adoption of Reorganization Plan No. 1 of 1948, is whether the Federal responsibility for unemployment compensation and the United States Employment Service should be lodged in the United States Department of Labor, or lodged in the Federal Security Agency.

Hearings before the committee reveal, however, that witnesses appearing to oppose the placing of these two programs in the United States Department of Labor, ostensibly appeared to give their reasons as to why these programs should be in the Federal Security Agency, but actually they repeatedly requested liquidation of the Federal responsibility in these two programs so vital to the entire economic structure of our country.

Testimony of these persons who would wipe out the Federal concern in the unemployment-compensation program, and change the present Federal-State cooperative Nation-wide system of public employment offices to 48 free-wheeling varieties, revealed ignorance of the programs they would destroy.

The issue presented by Concurrent Resolution 131 which would reject Reorganization Plan No. 1, is not whether the Federal Government should abandon its role in the unemployment-compensation program. It is not whether we should change the Federal-State character of our public-employment service to 48 separate and competing State services. And yet, most of the witnesses who testified ostensibly to give their reasons why the two programs involved should be placed in the Federal Security Agency rather than in the United States Department of Labor, actually made an advance appearance in their campaign to cut loose these two vital programs from all Federal participation.

As for unemployment compensation, a proposal was even made that the benefit trust funds now held in the United States Treasury be turned over to the States, rather than remain in the Federal Treasury for safekeeping.

As for the United States Employment Service, which is the Federal part of our Federal-State system: Those who have advocated abolishing the USES do not seem to know that if the USES is abolished, its functions will have to be duplicated 48 times and at many times the present cost, because the USES gives certain services to each State: such as technical materials, operating manuals, and a labor market information program which are essential in the operations of all local employment offices. Except for such central activities by the Federal Government, each of the 48 States must of necessity try to duplicate those functions. The Federal-State cooperative system of employment offices was established as the most economical and efficient method to provide public employment services to both workers and employers.

My amazement at the lack of information of those who advocate abolishing the USES, is surpassed only by my astonishment that these persons already are far into their campaign to destroy the USES. Let the millions of employers who regularly use the public employment offices, and the millions of workers who have found jobs through these offices take heed from the revelations in the hearings on this reorganization plan.

There are those who, if they can, will cause history to repeat itself, and again as after the First World War, liquidate the USES in the name of economy. Such action then in destroying so basic a democratic institution, took its toll in 1933 and the years immediately following, when the Federal Government had to set up hastily the National Reemployment Service to struggle in emergency fashion and without necessary preparation, until the USES could be established again, which was done under the Wagner-Peyser Act.

Today the Federal-State system of State employment services affiliated with the USES has developed into an efficient, technically equipped institution which assists basically in the promotion of our national policy of full employment.

And yet, the majority of the witnesses who came before the committee ostensibly to urge defeat of the Reorganization Plan No. 1, actually came to strike the first of what they intend to be, death blows to the national interest in our unemployment compensation program and to the Federal part of our Federal-State public employment service.

The national interest is served, I believe, by the existence of the United States Department of Labor. If functions that logically belong in that Department are placed elsewhere, the Department of Labor will be a mockery.

Veterans' organizations are also interested in this matter. All Members of the House have received a letter from the national legislative representative of the American Legion stating that great organization's position. The Legion favors the President's plan because it believes the Veteran's Employment Service should remain in the Department of Labor. The Legion urges rejection of House Concurrent Resolution 131 and recommends acceptance of the President's plan.

I hope, therefore, this body will reject Concurrent Resolution 131, and thereby favor Reorganization Plan No. 1.

Mr. McCORMACK. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, the resolution we are now considering would better be entitled "A Resolution To Destroy the Department of Labor and To Create the Largest Bureau That Could Be Built by Congressional Folly."

Of course, the distinguished gentleman who is at the head of that bureau now, Hon. Oscar Ewing, a brilliant, well-trained man of the highest character and attainment, can find reasonable, or apparently reasonable, argument for it. Any gentleman who has ever headed any bureau can always find plausible arguments for its perpetuation and expansion, though, of course, few, if any, could hope to equal so distinguished, honorable, and able a gentleman as Mr. Ewing.

Today, the fight is again—and this is the only point on which I disagree with our whip, the distinguished gentleman from Massachusetts, and I think the gentleman from Michigan [Mr. HOFFMAN] is right in saying that it is the same old fight—to destroy the Department of Labor. To achieve that end, the opponents of the President's plan of reorganization of the Executive Department, are even willing to pay the price of magnifying the biggest bureau that could ever be built by congressional folly. What is the fight about? It was estimated that $70,000,000,000 would be amassed in the Treasury to the credit of this fund by 1970. We have whittled down the contribution from the citizens of the States to where it may not reach that astronomical figure by 1970.

But it will be the biggest fund that has ever been amassed in history. The fight is as to who shall control that money. Without increasing the personnel in that biggest bureau of the history of the Government by one employee, you will have there a bureau with more money power than has ever been entrusted to the Government itself, and it is utterly wrong in theory but particularly wrong in view of the repeated arguments that have been made by our friends on the Republican side—with which I agree 110 percent—against the concentration of power in Washington.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Yes, sir. I am happy to yield to the distinguished gentleman from Indiana.

Mr. HARNESS of Indiana. Would my distinguished friend from Alabama support legislation to decentralize these agencies and turn them back to the States and let the States collect the money on this 3-percent pay-roll tax which finances these programs and

make their own budgets and administer their own programs at the State level?

Mr. HOBBS. The answer to that is, quite positively, "Yes." I was going to comment on that because it was an argument which was advanced by you. I think that this is the nearest way by which we can hope to approach that most salutary situation.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. McCORMACK. Mr. Chairman, I yield five additional minutes to the gentleman.

Mr. HOBBS. Thank you, sir. Mr. Chairman, I know that every dime of this money is contributed by the people of the States. I supported the Dirksen bill to take the control of that money back to the States, where it belongs. I am for that objective, and I believe that the only way you will ever consummate that ideal is to take control out of the hands of the Bureau and make a start by putting it into the regularly constituted department of this Government, created for such purposes, and subject to the will of Congress. I believe that the people in the States, who now have charge to some extent, are the best custodians of that power. Why do I say so? Because every informed man on this floor knows that less than 5 percent of the jobs have ever been found, and that is the main job of the Employment Service, by either Federal agency or by State agency.

It is more than 95 percent true that jobs have been found by local people, and the closer you can take the power back to them the better. We are not speculating here on arguments that may be advanced ad infinitum. This is a proven fact that when this Bureau attempted to merge with the other eight branches of its welfare functioning, this business of job finding for the unemployed, the record showed failure. It is inefficient to do the job. Not only so, but they had the power taken away from them after 3 years of that proven failure and given to a war agency that was created for the purpose of saving their face. Then this service was put back where the Congress has three times ordered it to be because it is a job-seeking function and ought to be in the department primarily charged with the burden of finding jobs—the Labor Department. Three times Congress has ordered it to be there. We created it there under the Wagner-Peyser Act. We have twice since ordered it to be restored and remain there, where it belongs. It can be administered there cheaper and with more hope of the restoration to the States of the authority to control the funds which the people of the States, and of the States alone, contribute for the purpose than in any other way.

Mr. HOFFMAN. Will the gentleman yield?

Mr. HOBBS. No, sir. I cannot yield just now. I am answering the other gentleman's question.

Mr. HOFFMAN. But the gentleman is not here now.

Mr. HOBBS. Whether he is or whether he will stay and listen to the answer, I am going to preach the gospel that you men have been preaching for many years, and if you do not like it I am sorry. The only hope of controlling local funds in the States where contributed, is not to run the risk of making the mistake we have made once under the force of the argument of wartime necessity, and seen it fail. Give it to an agency that is a regular department of this Government, which is subject to the will of Congress, and which cannot even buy a lead pencil without justifying the purchase before our Appropriations Committee and getting the authority of this Congress. There is no argument possible to justify this bill and the purposes are just as erroneous as the arguments that have been made for them through the years.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. HOBBS] has expired.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I am rather amazed at the argument that has just been made with reference to the character of the Federal Security Agency. It so happens that I happen to be chairman of the Subcommittee on Appropriations that furnishes the appropriations for the Labor Department, and the Federal Security Agency. If there is anything in government that I know anything about at all, it is with respect to the functioning of those two departments of government. When the gentleman makes the argument that this Division of Federal Security should be transferred to the Labor Department in order that Congress can control its funds, because it is going to be put in an old-line agency of government, I am simply amazed. You will see when the bill comes in from the committee this year that Congress has complete control of every dollar of expenditure that is made by any bureau or division of the Federal Security Agency. That is not a sound argument.

I believe everyone will concede, who knows anything about this situation, that the function of the Employment Service at the Federal level, whatever function they should perform, should be consolidated as one consolidated operation with the Bureau of Employment Security, which is one of the bureaus of the Social Security Administration. In the past we have had a complete hodgepodge which has required the States to submit dual budgets, one to the Labor Department having charge of the USES and one to the Federal Security Agency that administers the grant-in-aid program for employment security, a perfectly ridiculous situation, when those two agencies of government in the States are effectively consolidated by action of the Congress which forced the return of the Employment Service to the States last December. We are agreed right here on one thing, that they should be consolidated. There should be one overall direction, one bureau, some place designated as the Bureau of Employment and Security handling unemployment compensation and the employment services which are closely related.

Does this proposal of the President accomplish any such purpose? It does not. It proposes to transfer to the Labor Department the Division of Employment Security that is now administered by the Social Security Administration over to the Labor Department and there have again two separate and distinct bureaus, one the USES and the other the Division of Employment Security. It will accomplish no savings. Having just come through hearings on this proposition, I know what I am talking about. It is not going to save a dollar of money and it is not going to do a single thing toward accomplishing anything by way of administration.

Have we not a peculiar situation? There is no legal authority in the law today for the maintenance or establishment of an employment service at all except as it is found under the provisions of the Wagner-Peyser Act that was adopted in 1933 and was on a matching basis by which the States provided matching funds to match Federal contributions. There is not anything in the law that justifies the maintenance of an employment service by the Federal Government at all.

What happened? In 1936 you passed the Social Security Act and you set up in that act the Division of Unemployment Compensation under title 3 and you permitted the levying of a 3-percent tax on pay rolls to provide the funds necessary to administer unemployment compensation in the States; and you provided that 90 percent of that 3-percent tax, or three-tenths of 1 percent you provided as a tax on pay rolls for the Treasury to administer what? To administer the unemployment compensation set-up in the States that are always operated under State laws as State functions. Then what happened? The Social Security Administration administratively designated the Employment Service as the agency that would make the job survey under the unemployment compensation set-up; and thus they linked the Employment Service into the operations of unemployment compensation. As a result of that administrative action the Comptroller General held and the Attorney General held that they could attack these so-called title 3 funds to enable them to administer the entire employment service.

So we now find that the entire cost of maintaining the employment services in the States plus the entire cost of maintaining the unemployment compensation services in the States are being paid out of these title 3 funds and we have completely forgotten the provisions of the Wagner-Peyser law.

Mr. Chairman, the situation is this: We passed the Social Security Act with all of its interrelated titles. We put the administration of that under a Social Security Board. We now have it under a Social Security Administrator with the Board abolished under other reorganization programs. Now, you are proposing

to take that vital function of social security out of the Social Security Administration and put it over into the Labor Department without consolidation with the Employment Service.

The question simply is this: Is that the proper place to handle unemployment compensation? Is that the proper body to put in charge of the regulations determining what is suitability of employment and all the other things relating to unemployment compensation and permitting a department which is prejudiced properly and rightfully in favor of labor to make regulations that will affect the solvency of the reserve funds that have been set up to pay unemployment compensation?

Those of us who have studied this program intimately and who have no desire to destroy the Labor Department, as the gentleman charges, but who want to integrate these two programs in a neutral place where they will serve the purpose of social security and job security, must come to the conclusion that to place them in the Labor Department permanently would be a terrible mistake.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Alabama.

Mr. HOBBS. I must confess, Mr. Chairman, that I may have been misled in my thinking to some extent following a speech of the gentleman several years ago from which I read now. I wish to ask a question in regard to it. Speaking of the transfer of USES to the Department of Labor the gentleman stated:

> Those services by administrative action have now been sent back to the Labor Department, so we now have in the labor section of this bill the apprenticeship training and the United States Employment Service, again back in the Labor Department where they very properly belong.

I would like to inquire of the gentleman if he has changed his mind?

Mr. KEEFE. No; I have not changed my mind in the least. I think that was a very proper statement to make at that time in view of the situation as it then existed. But it is now proposed to take the Division of Employment Security out of the Social Security Administration and put it over in the Labor Department. That is the crux of this whole situation and does not affect the other situation at all to which I was referring at that time.

I sincerely hope that in the interest of preserving a fair, decent administration of this whole program of employment security we will not permit this consolidation suggested in the reorganization plan to take place.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. McCORMACK. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, a month or so ago the President presented to Congress Reorganization Plan No. 1 of 1948 in order to place permanently the United States Employment Service and also the Bureau of Employment Security of the Federal Security Agency in the Department of Labor, where they belong. The majority of the Committee on Expenditures in Executive Departments now presents us with a resolution disapproving this plan. Mr. Chairman, I cannot for the life of me understand why we have set up the United States Labor Department to handle appropriate functions of this Government, and yet time after time this Eightieth Congress has refused to let this Department have jurisdiction over the very functions it was established to handle.

This kind of action is a complete paradox to me. We are thereby defeating the very purposes of achieving effective government for which the Labor Department was created. I am repeatedly being asked the question of why have we established a department of government for the purpose of tearing it down.

In considering Reorganization Plan No. 1, I have tried my best to find solid reasons which would militate against the permanent location of the United States Employment Service and the Bureau of Employment Security in their natural parent organization, the United States Department of Labor. I have heard no sound reason against this move—only excuses—excuses which at no time rise to the level of common sense.

Let us look closely at some of these excuses:

First. There is that ever-ready charge that the Department of Labor is a partial and biased agency. But, do we have before us facts or figures, or authentic instances which prove this charge? The United States Employment Service has operated 9 of its 15 years within the Department, yet no charge—much less proof—has been made that it has been biased. This record, free from charges of bias, and full of various kinds of services to employers, is enough to refute once and for all the vague, beclouded charges of favoritism toward labor.

Second. We hear that unemployment compensation insurance must be administered side by side with the old-age and survivors' insurance program now administered by the Federal Security Agency, and that confusion would result if these two programs should be located in different departments. Now, to appreciate the fallacy of this argument, it is necessary to bear in mind that the only role of the Federal Government in the unemployment compensation program is to insure the honest use of administrative grants-in-aid to the States, and to see that State personnel selected to run the State programs are chosen on a merit basis. These are limited supervisory functions. All of the operating in the field of unemployment compensation is done by the States under State laws. Determination of suitable work, merit rating systems to reduce pay roll taxes, and so forth, are all determined by State laws.

On the other hand, the old-age and survivors' insurance program is a Federal program, administered completely by the Federal Government. In this field, all of the operations, including tax collection, wage-record maintenance, benefit determination, and the calculation of risk are performed entirely by the Federal Government. I fail to see the slightest relation between this kind of an operation, and the dispensing of grants-in-aid of an entirely different State system to provide benefits for workers while they are looking for jobs. No one even slightly familiar with the two programs of old-age assistance and unemployment compensation will contend that they are related. These two insurance programs are entirely independent of each other.

Now, I have heard it said that the standards in the law relating to old-age and survivors' insurance are similar to words used in the Federal statutes which encourage State unemployment compensation systems, and that therefore one agency should administer all of these statutes in order to insure uniform interpretation. This argument might have carried some weight back in 1938, when all of these system were just getting under way, and we were making interpretations without experience. But that was a long time ago. The statutes have since been interpreted time and time again. Many people know pretty much what they mean. Necessary consistency has been achieved, so that now this argument, like the others, sounds like a discarded phonograph record.

Third. I hear that abuse and corruption of the most horrible kind will result if the administration of the Federal responsibility in the unemployment-compensation program is placed in the Department of Labor. What abuse? And what corruption? Why, everyone familiar with these problems knows that the authority of the Federal Government in connection with unemployment compensation is very restricted. That authority cannot be extended, whether the Federal agency administering the program is the Federal Security Agency, or the Department of Labor, or the Geographical Survey. The cries that unlimited rule-making authority would be given to the Secretary of Labor if the United States Employment Service should be placed in the Department of Labor is an insult to the intelligence of Members of this body. We all know that the USES is now operating in the Department of Labor and plan No. 1 does not in any way whatsoever affect the present authority of the Secretary of Labor.

You know, as well as I do, that payment or denial to workers of unemployment-compensation benefits is determined by State law alone, through State interpretation and administration, by State officials. The amount of unemployment-compensation benefits, for instance, is a matter governed by State law. It cannot be regulated by any Federal agency. Furthermore, definition of the suitability of work offered through State employment services is likewise a matter determined entirely by the provisions of State law. Within a broad framework, the States under their State laws, do exactly what they wish to do, and no Federal agency can do anything about it, by way of disregarding or amending State laws.

It is clear to me, and I believe to everybody else who knows about the programs, that all of the operating of unemployment compensation and employment services is done by the States and not by

the Federal Government. It is in the States that policies are established for carrying out the work of these programs. Yet, in my State, Pennsylvania, both unemployment compensation and employment service functions have been coordinated successfully and for a long period of time in the Department of Labor, where they belong. I have never heard it charged in my State that the Department of Labor causes bias or partiality in the administration of these two programs. I am not impressed by the warnings that at the Federal level, with the coordination of these two functions in the Federal Department of Labor, the State administration and operations of these two programs will be impaired.

Mr. Chairman, let us look squarely at the real issue at stake here. It is simply whether we desire to carry out the principle stated in the Reorganization Act of 1945, to coordinate and consolidate functions by their major purposes, or whether we will arbitrarily repudiate this principle on one pretext or another.

Adoption of Concurrent Resolution 131, and thereby rejection of this Reorganization Plan No. 1, will mean only one thing to me. This Congress will be showing again its desire to scatter and impair the effective administration of labor responsibilities of the Federal Government. The defeat of Concurrent Resolution 131, and thereby adoption of Reorganization Plan No. 1, will mean an honest step toward better government in the interest of all.

CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Washington, D. C., February 11, 1948.

MY DEAR CONGRESSMAN: The Congress of Industrial Organizations is supporting the President's reorganization plan No. 1 of 1948. This plan provides for leaving the United States Employment Service permanently in the United States Department of Labor where it is now located. It also transfers to that Department the Bureau of Employment Security of the Federal Security Agency, and its unemployment compensation functions.

The Congress of Industrial Organizations is therefore opposed to the House Concurrent Resolution 131 which has as its purpose the defeat of Reorganization Plan No. 1.

The United States Employment Service has been administered by the United States Department of Labor for 9 of the 15 years of its operation. As a part of that Department, the United States Employment Service has been able to establish itself in the confidence of workers and employers alike, and has contributed increasingly to the economic well-being of this country. This has been due, in a large measure, to the fact that in the Department of Labor the Employment Service has been able to use the services of other bureaus in the Department which contribute to maximizing and stabilizing employment. The continuation of the United States Employment Service in the Department of Labor is necessary to assure that the most effective service will be provided to employers, workers, veterans, handicapped workers, and the general public.

We recognize that there is a very close relationship between the Federal activities and functions of the United States Employment Service and the Bureau of Employment Security. A basic objective of our economy is the creation of employment opportunities and the placement of workers in jobs. The necessity for payment of unemployment benefits arises from the failure to achieve this objective. Coordination of these functions is essential and should be carried out through the Government department most directly concerned with this objective.

Since its creation in 1913, the United States Department of Labor has been most intimately concerned with providing services to employers and workers so as best to promote opportunities for profitable employment, and in this connection has developed resources and facilities concerning labor market conditions, labor turn-over, and other problems affecting employment and working conditions. It is, therefore, especially important that these two programs, dealt with in Reorganization Plan No. 1, be coordinated federally in the Department of Labor. In contrast, we do not believe that these two programs can be similarly advanced in an agency such as the Federal Security Agency which is concerned primarily with welfare, health, and education programs.

The principles involved in the President's Reorganization Plan No. 1 of 1948 cannot be regarded as a political issue. The plan conforms with the objective set forth in the Republican platform of 1944 which stated:

"Labor bureaus, agencies, and committees are scattered far and wide, in Washington and throughout the country, and have no semblance of systematic or responsible organization. All governmental labor activities must be placed under the direct authority and responsibility of the Secretary of Labor."

The second session of the Eightieth Congress now has an opportunity to act in conformance with the expressed objectives of both parties.

Approval of Reorganization Plan No. 1 of 1948 will result in increased administrative efficiency. We, therefore, urge you to vote against House Concurrent Resolution 131 which would defeat this plan.

Sincerely yours,

PHILIP MURRAY, *President.*

Mr. McCORMACK. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I think the discussion has gone a little far afield on this resolution. We have ranged from States' rights to the powers in the various departments. There are two points I would like to discuss in this brief time: One is, I do not subscribe to the theory that the Labor Department represents labor and the labor unions alone. I think that would be a dangerous statement to permit in the RECORD unchallenged because we have clothed the Labor Department with great power—power to impose penalties; power to impose fines; power to virtually take freedom from men. So, as an agency of the Government, it must not be a biased agency. It must be an integral part of a democracy representing the people of that democracy. So I do not subscribe to the theory, and never have subscribed to the theory, that they should just represent some particular organized group of American society.

I think in times past I have been about as critical and about as caustically critical of the Labor Department as any man in this Chamber. I felt it was justified. I hope it did a little good because, frankly, I think I see considerable improvement in the Labor Department. I see considerable improvement in the handling of our labor legislation and the interpretation of the regulations issued therefrom. I think it behooves us, if such improvement is under way, to lend a helping hand to see if we cannot improve further. I think the labor agencies and those departments dealing with labor legislation should be under the Labor Department. If the Labor Department mishandles that power, then the Congress will meet again and it is within our power to set them right and to see that it is no longer mishandled. You know, I have been like some of you gentlemen, and I do not think anybody could brand me as a very caustic person.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I think that perhaps behind this trust of the Labor Department in connection with the handling of these funds is the fact that in the past the Labor Department of the Government has so mishandled the affairs entrusted to it that this Congress has, as the gentleman from Massachusetts [Mr. McCORMACK] so well pointed out, taken away from the Labor Department many of the functions and many of the rights and authorities that it has exercised in the past, and perhaps there is a feeling in the Congress and throughout the country that we should not transfer an activity such as this and entrust it to a department that has failed so miserably in the past to carry out its duties and responsibilities, as I am sure the fair-minded gentleman from North Carolina will admit.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Just a moment. Let me dodge one bullet at a time. I will say to the gentleman that that is only an indictment against ourselves. If the Department has been mismanaging affairs and has been mishandling the legislation that we entrusted them with, then the responsibility is on us to correct it and not just quarrel about it or try to remedy it by transferring powers to some other department. Let me say this to the gentleman that I have been one of those advocating that we should quit sprawling a lot of bureaus and setting up a lot of different agencies and scattering the functions of one department. At the time I arrived at that very definite conclusion, I had no idea that it was a part of the Republican platform.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. McCORMACK. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BARDEN. I want to read to the gentleman a paragraph from your own platform on this subject, and I must admit that part of it is all right:

Labor bureaus, agencies, and committees are scattered far and wide, in Washington and throughout the country, and have no semblance of systematic or responsible organization. All governmental labor activities must be placed under the direct authority and responsibility of the Secretary of Labor.

I must say, I believe that is right, and sound reasoning.

Mr. BROWN of Ohio. The gentleman has said that if there has been a failure in the Labor Department to carry out its duties properly, that is the fault of the Congress. May I point out to the gentleman that the Congress, recognizing those

failures, has taken certain legislative steps and actions in the past to correct the situation, to wit, the enactment of the Taft-Hartley law, for which I think the gentleman voted, and the enactment of legislation which put this particular agency where it originally belonged, in the Federal Security Agency.

Mr. BARDEN. May I say to the gentleman that as one who for at least 10 years has been fighting for those objectives, I was delighted to have the gentleman join me and some others in putting the Taft-Hartley bill over. I think it is a good piece of legislation. And I think labor-management relations are better now than they have been for 10 years.

Mr. BROWN of Ohio. I can assure the gentleman that those of us who sponsored the Taft-Hartley bill were very happy to have the support of the gentleman and of the majority of the Democrats in this Congress.

Mr. BARDEN. Self-praise is half scandal, but I do not think the gentleman has ever seen me pull a punch when it reached the point that I thought the Labor Department was abusing any power it had. At the same time, I am going to be equally frank and fair with the Labor Department and say that I think we ought to implement the Labor Department so that it can set its house in order and make it keep it in order. That is my idea in this connection. I think the recommendation of the President in this instance is sound and should be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina.

Mr. BROWN of Ohio. May I say to the gentleman, whom I am very happy and very proud to call my friend, that he has been a stalwart in the cause of the right kind of labor-management relations. He has never wavered in his position at any time. That is the reason why I am rather amazed and taken aback here today that he comes in and suggests that the Labor Department, which has proven so inefficient in the past, be given control of these funds and of this function of Government, which truly is, of course, a function of the Social Security Agency.

Mr. BARDEN. I am this kind of a Democrat and this kind of a citizen: I believe that my enemies, if I have any, should be treated fairly as well as my friends, and particularly so in the administration of law. While I am no enemy of the Labor Department, I have never been reluctant to be caustically critical of it when I thought it was justified, but I certainly do not think that we should take several agencies and spot them around in the District of Columbia, and then, every time something goes wrong in one of those agencies for lack of sufficient information, lambaste the Labor Department. I say put the responsibility where you can find it, and then you can really slap the one who is responsible when something goes wrong. I do not like the old "shell game" in Government, and I am sure the Labor Department feels the same way. It would at least keep a lot of unjust criticism off of the Department.

Mr. BROWN of Ohio. May I agree with the gentleman on one thought he has expressed, that he treats both his enemies and his friends fairly, but I am certain he does not want to hand his enemy a club to use against him.

Mr. BARDEN. I am not going to let him be my enemy. We have control of the Department, and the people have control of us.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from West Virginia.

Mr. SNYDER. Does not the gentleman think the fact the Labor Department has deteriorated is not because of any policy of the Republican Party but because of the employment of such people as Madam Perkins and the present Secretary of Labor, who are nonlabor people and do not understand the problems of labor?

Mr. BARDEN. That is a personal opinion. It is a little bit in the nature of a personal attack. I come from a section of the country where I think if you are going to call a man a so-and-so, you ought to be looking him in the eye and not be telephoning it to him. I am not going to join in a criticism of the present or past Secretary of Labor in this issue. I do not think that is a part of it. We gave them the law. You and I cannot avoid that responsibility. We can demagog or we can say this, that, or the other, or we can go out and lambaste somebody else for doing just exactly what we authorized them to do in written law. So far as I am concerned I am perfectly willing to accept my share of the responsibility, but along with that I hope the good Lord will entrust me with enough wisdom to try to correct it when I have made a mistake. The question involved here is one of departmental policy, and not one that should be determined on the personality of the head of the department.

Mr. SNYDER. Does not the gentleman think that the head of the Labor Department should be an individual who understands the problems of labor?

Mr. BARDEN. I think that would be ideal, and I want him to understand the problems of the American businessman also. That is the thing I do not like, this growing impression that the Department of Labor belongs to one particular segment of the American people. It serves and is an integral part of the Federal Government, and it represents the people of America and is entrusted with powers to impose penalties and extract fines and that sort of thing. For that reason it must be a part of our democratic government or it is unworthy of the title of a department in that Government.

Mr. SNYDER. I agree with the gentleman in that statement.

Mr. BARDEN. If the Department of Labor does not do that, we have the power and the authority to change it, and we ought to have the stuff to do it if we have any cause for complaint. I want to be fair to the Department and help it be fair and helpful not to just a part of my people but to all the people of the United States.

Mr. McCORMACK. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, on March 4, 1913, President Taft approved the act of Congress which created a Department of Labor headed by a Secretary having full Cabinet status. That act had for its purpose the bringing together into one department in the executive branch, those functions of government pertaining to employment problems, relations between employers and employees, and activities concerned with promoting job opportunities for wage earners. That was 35 years ago, and even at that time this move was considered an outstanding accomplishment in sound governmental administration.

However, as we observe what the Republican Party has done since 1913, concerning this Department, we are constrained to believe that the labor pains in that effort were so acute that the Republican Party has ever since remained sterile with respect to legislation to improve the wage earner's lot. But though my friends across the aisle have not been fruitful, they have not remained inactive. It is a matter of record, that while actively opposing, down through the years, any and all legislation to benefit the wage earner, the majority party has given plenty of lip service to labor. I do not have to leaf back very far through the record for evidence on this point. Let me quote to you from the Republican platform of 1944:

> Labor bureaus, agencies, and committees are scattered far and wide in Washington and throughout the country and have no semblance of systematic or responsible organization. All governmental labor activities must be placed under the direct authority and responsibility of the Secretary of Labor.

Once again, this declaration took on the aspects of labor pains. But if you read the patient's chart, you will find it was only gas pains induced by election fever. Now let us look at the record.

The action of the majority party in this Eightieth Congress has been a complete repudiation of their party platform. I can think of not a single measure taken by this Eightieth Congress which marks progress for the Department of Labor. Last session this Congress, spearheaded by the Republican majority, voted to reject the President's Reorganization Plan No. 2 which provided for retaining the United States Employment Service in the Department of Labor on a permanent basis. This rejection was allegedly predicated on the contention that that plan would result in the administration by two separate agencies of the unemployment compensation and the United States Employment Service programs. Furthermore, the Republican majority in the first session of this Congress stripped the Department of the United States Conciliation Service. They cut the appropriation of the Department so that not a single major function is adequately provided for. In addition, the substantive laws administered by the Depart-

ment for the protection of wage earners—specifically the Fair Labor Standards Act—have been seriously weakened.

Now, Mr. Chairman, today we are considering another reorganization plan of the President, which is designed to meet the objection raised by the Republican majority when it rejected the President's plan last year. This plan provides for retaining on a permanent basis, the United States Employment Service in the Department of Labor where it is now successfully operating. This plan also provides for the transfer of the unemployment compensation functions to the Department of Labor where both would be coordinated in the manner suggested by the Republican majority last year. But does this plan satisfy my brethren on the other side of the aisle? Why, they were doing flip flops and handsprings all over the committee room in their efforts to vote this plan down. And the best they can come up with is "Let us wait to be told what to do by the Hoover commission." We are now being subjected to the greatest exhibition of circumlocution, evasion, and double talk that we have witnessed in many years. The same majority members on the Committee in the Executive Departments who now say, "Do not make a move," said just last June in creating the Hoover Commission, that study by the Commission should not delay the Congress or the President from taking needed action in the reorganization of government.

The majority report tells us that the employers of this Nation fear the transfer of these functions to the Department of Labor. This fear was expressed through an endless parade of spokesmen beholden to the National Association of Manufacturers and the United States Chamber of Commerce who appeared before the committee to oppose this plan. In one of the most effectively managed lobbying campaigns in many years, certain groups and organizations have scurried up and down the country, beating the bushes and dangling boogeymen, to scare up opposition to this plan.

Mr. Chairman, I can well understand the concern of employers. They have been duped. By deliberate falsifications of the effect of this plan on their interests, they have been galvanized into letter writing, and stampeded into Washington to protest this plan. The campaign against this plan has been conducted with the most amazing display of intellectual dishonesty, and fake representation I have ever witnessed. "Vote against the President's reorganization plan" has been the hue and cry, because it places the Benefit Trust Fund in jeopardy; because it will destroy the experience rating now in practice in 45 States; because it will confer unlimited rule-making authority; because the Federal Government would determine "suitability" of work; and on, and on, and on.

Mr. Chairman, only dupes of this scare campaign, could be guilty of spreading such flagrantly false propaganda. The Reorganization Plan No. 1 does not in any way affect the Federal law or the State laws under which the unemployment compensation and public employment service are now operating. It does not extend or diminish either Federal or State laws governing the administration and operations of these two programs.

I have been curious to know why a simple internal reorganization of Federal governmental functions should arouse such a wave of protest. Mr. Chairman, I have uncovered one of the most malicious campaigns to interfere with sound governmental administration that has ever been foisted upon the American public. Only by malicious design could so many false, "hidden" meanings have been twisted and tortured from the clear and simple language of this plan.

Let me read to you a few quotes from some of the pernicious propaganda that has been fed to the employers. I quote from a statement from the Baltimore Association of Commerce regarding this plan:

> The Bureau of Employment Security is the Federal bureau which controls various highly important aspects on the State level of unemployment compensation in Maryland. These aspects not only include all State administrative expenses, but the power to make regulations which can nullify the laws passed by the Maryland legislature; such, for instance, as the present merit-rating provisions, which now effect a saving to Maryland employers of approximately $13,000,000 a year.

And further in the document we find the call to arms. I quote further:

> Unless this plan is defeated both in the House and Senate within 60 days from its introduction it will probably later result in adding approximately $13,000,000 a year to the tax bill of Maryland employers who now save that much through merit rating.

And here is another quote from a bulletin issued by the Ohio Chamber of Commerce:

> THE ISSUE
>
> Shall the social-insurance system be changed from a public program to a labor-right program?
>
> Shall employers become taxpayers only, without a word as to management of the seven to eight million dollars in State unemployment compensation funds?
>
> Shall "suitable work" be defined in terms of union contract agreements?
>
> These things could happen if the proposed new reorganization plan should be enacted.
>
> Other businessmen with whom you may be in contact will be interested in this issue also.

This type of propaganda reveals a carefully designed scare campaign, with wild untruths calculated to frighten the wits out of those who do not stop to get the truth. Such false propaganda saying this reorganization plan would in any way affect the Federal or State laws displays a callous indifference to fact. Now, what are the facts? The provision for the merit-rating benefits to employers is contained in the Social Security Act of 1935. Each State law has its own provisions for merit-rating benefits to employers. No Federal administrator has any legal authority to issue regulations which might nullify or in any degree modify the effect of the merit-rating credits given to any employers under State or Federal law. No Federal administrator has any authority to issue any regulation governing the eligibility of workers for unemployment compensation, or for the amount or duration of such benefits. The payment or denial of benefits to workers, including the standards governing the eligibility is solely a matter of State law, subject only to certain specific limitations written into the Social Security Act. These limitations are a matter of Federal statute and give no discretion to any Federal administrator as to who is eligible to receive unemployment-compensation benefits, or the extent of such benefits.

The insinuation in the Ohio Chamber of Commerce bulletin that the reorganization plan can confer any jurisdiction on any Federal authorities with respect to the management of the unemployment trust fund is an incorrect plan to frighten unthinking employers. The funds in the unemployment trust fund are State funds on deposit in the Treasury of the United States. The Federal Security Administrator today has no jurisdiction over this fund, and I defy anyone to point to any provision in this plan which confers any authority on any Federal administrator to manage this fund.

Now let us calmly examine the situation. Do employers really fear bias on the part of the United States Employment Service in the Department of Labor? The record conclusively shows that they do not. The United States Employment Service has been back in the United States Department of Labor since V-J day in 1945. It is a matter of record that more employers are using the facilities of our public employment service today than ever before in its peacetime history. Employers, as a matter of fact, have made such a great demand for industrial service facilities that the staffs are inadequate to comply with all their requests. In face of these indisputable facts, the majority committee report would have us believe that the employers will not do business with the local employment offices if the United States Employment Service is located in the Department of Labor, where—mind you—it has been located for the last 2½ years. But even the dupes of false propaganda know that employers do not transact their business with the Federal Security Administration in connection with their pay-roll taxes or unemployment-compensation benefits. Nor do employers deal with the United States Department of Labor in connection with their employment needs. Employers deal with the local and State administrators.

I think it is significant that not a single witness who advocated the transfer of the United States Employment Service from the Department of Labor to the Federal Security Administration could indicate specifically what type of activity he felt should be administered by the Department of Labor.

Mr. Chairman, I want to point out to the Members on the other side of the aisle that at no time has the Democratic administration attempted to place in the Department of Labor, any functions unrelated to the purposes for which the Department was founded. To the contrary, in 1939 the Immigration and

Naturalization Service was appropriately transferred from the Department of Labor to the Department of Justice. In 1945 the activities of the Children's Bureau relating to the health and welfare of children were transferred to the Federal Security Agency. In both of these cases, these transferred functions did not bear a close relationship to the activities of the Department, and therefore more logically belonged elsewhere. These transfers followed a consistent functional pattern of placing in appropriate departments the activities which logically belong there.

Now let us look at the functions of the Federal Security Agency. It is concerned primarily with health and welfare functions such as Public Health and Cancer Control; Public Assistance, Infant and Child Care, and the administration of St. Elizabeths Hospital; and the Food and Drug Administration. Now what relation do any of these functions have to finding jobs for the unemployed or partial compensation for wage losses through the insurance system of unemployment compensation?

Mr. Chairman, the Republican Party is now faced squarely with an opportunity to carry out its 1944 party pledge. We are now considering a plan to bring permanently into the Department of Labor two bureaus with which the Department has a direct and primary concern. They are the United States Employment Service and the Bureau of Employment Security.

Make no mistake about the fact that the rejection of this reorganization plan by the majority party will be stamped as an effort on the part of the Republican Party to repudiate in toto its 1944 platform plank, and to complete the mayhem which they initiated in the early days of this Eightieth Congress.

I urge this House to reject Concurrent Resolution 131, and thereby support Reorganization Plan No. 1.

Mr. McCORMACK. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN of Missouri. Mr. Chairman, I listened to all the testimony presented before the committee in connection with the Reorganization Plan No. 1 of 1948. This plan would continue the United States Employment Service in the Department of Labor where it has been located during most of its history—9 of its 15 years—and would transfer to that Department the unemployment compensation functions now in the Federal Security Agency. The testimony is replete with evidence that these two programs belong in the same department of the Federal Government. Indeed, this was one point upon which there was unanimous agreement.

The opponents of this plan were forced to base their contentions wholly upon the unsupported allegation that the Department of Labor would administer these programs in a biased manner in the interests of labor. Note I say unsupported allegations, for not a scintilla of evidence was presented to the committee to show that the Department of Labor has even once administered the United States Employment Service in a prejudiced manner during all the years in which that agency has been in the Department.

I want to call particular attention, however, to one aspect of this proposal which was not emphasized in the course of the hearings and that is the national responsibility to advance employment interests of our veterans. The Wagner-Peyser Act which created the Federal-State employment service system in 1933 specifically provided for a veterans' placement service, to be maintained by the United States Employment Service. This responsibility was extended and amplified in the Servicemen's Readjustment Act of 1944, at which time the national interest in providing maximum job assistance and employment counseling to veterans was clearly recognized.

The record of performance contains abundant evidence of the successful activities of the United States Employment Service in the Department of Labor to advance employment interests of veterans. I wish, in this connection, to read a letter from Mr. John Thomas Taylor, Director, National Legislative Commission of the American Legion, addressed on February 4 to the chairman of Expenditures in Executive Departments and later a similar letter to all Members of Congress:

MY DEAR MR. CHAIRMAN: Hearings are being conducted on House Concurrent Resolution 131 the purpose of which is to reject Reorganization Plan No. 1, of January 19, 1948.

For the information of the committee, the American Legion is in favor of Reorganization Plan No. 1 for the reason that we believe that the Veterans Employment Service and the United States Employment Service should be and remain in the Department of Labor.

Therefore, we trust that House Concurrent Resolution 131 will be rejected by your committee.

The position taken by the American Legion results from the recognition of the fact that the Employment Service in the Department of Labor has been energetic in its work with the State agencies in behalf of veterans' employment. It is obvious that the American Legion is fearful that if this responsibility is transferred to the Federal Security Agency, the employment interests of veterans would suffer, as that agency is primarily concerned with matters relating to welfare, health and education programs. There can be no question that the United States Employment Service properly belongs in the Department of Labor. The unemployment compensation functions of the Federal Security Agency should be transferred to that Department also, so that these two closely related programs can be under a common direction, and can draw support from other activities in the Department of Labor which are also designed to maximize and stabilize employment. The American Legion is no doubt aware of the intentions that were implicit in the testimony of most of those who appeared in opposition to this plan. It seems apparent that preventing location in the United States Department of Labor of these two programs dealing with employment is the first step in an effort to eliminate Federal Government participation in both of these programs which are so vital to the Nation's well-being.

Only by continuing the United States Employment Service in the Department of Labor can we have reasonable assurance that emphasis will be placed upon the job-finding aspect of these two programs. The veterans will never be satisfied with partial compensation for wage losses resulting from unemployment. Instead, they wish, and they deserve opportunities to enter gainful employment where they can utilize their skills and aptitudes, so as to obtain a maximum of job satisfaction and job advancement.

There can be no question but that the reorganization plan does bring together two closely related functions and places them in the department in which they can operate most effectively. For this reason, the reorganization plan deserves the full support of this body.

I urge my colleagues on both sides of the aisle to reject Concurrent Resolution 131, and thereby support Reorganization Plan No. 1:

THE AMERICAN LEGION,
Washington, D. C. February 4, 1948.

Hon. CLARE E. HOFFMAN,
Chairman, Committee on Expenditures in Executive Departments, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Hearings are being conducted on House Concurrent Resolution 131, the purpose of which is to reject Reorganization Plan No. 1, of January 19, 1948.

For the information of the committee, the American Legion is in favor of Reorganization Plan No. 1 for the reason that we believe that the Veterans' Employment Service and the United States Employment Service should be and remain in the Department of Labor.

Therefore, we trust that House Concurrent Resolution 131 will be rejected by your committee.

Sincerely yours,

JOHN THOMAS TAYLOR,
Director, National Legislative Commission.

THE AMERICAN LEGION,
Washington, D. C., February 20, 1948.

Hon. FRANK M. KARSTEN,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: House Concurrent Resolution 131 has been favorably reported by the Committee on Expenditures in Executive Departments and may be brought up for consideration on the floor of the House some day next week.

The purpose of this resolution is to reject Reorganization Plan No. 1, of January 19, 1948.

For the information of the Members of the House of Representatives, the American Legion is in favor of Reorganization Plan No. 1 for the reason that we believe that the Veterans' Employment Service and the United States Employment Service should be and remain in the Department of Labor. Therefore, we trust that House Concurrent Resolution 131 will be rejected by the House.

Sincerely yours,

JOHN THOMAS TAYLOR,
Director, National Legislative Commission.

Mr. McCORMACK. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. GARMATZ].

(Mr. GARMATZ asked and was granted permission to revise and extend his remarks and to include a letter from the Baltimore Association of Commerce.)

Mr. GARMATZ. Mr. Chairman, the purposes of the Reorganization Plan No. 1 of 1948 are simple. It provides for the continuation of the United States Em-

ployment Service in the United States Department of Labor where it is now located and the transfer of unemployment-compensation functions of the Federal Government to that Department. The plan will increase efficiency of the operations of the Government and will promote economy to the fullest extent consistent with the efficient operations of these programs.

The opponents to the reorganization plan have resorted to a scare campaign, so common in an election year. Through gross misrepresentations and untruths they have attempted to conjure up fantastic fears in order to defeat the measure. For example, the Baltimore Association of Commerce, in a letter addressed to all of its members on February 2 declares:

Unless this plan is defeated both in the House and Senate within 60 days from its introduction, it will probably later result in adding approximately $13,000,000 a year to the tax bill of Maryland employers who now save that much through merit rating.

At present it appears that this proposal may be defeated in the House of Representatives, but in the Senate where it also must be defeated, the outcome is very seriously in doubt.

The authors of this appeal know full well that the Reorganization Plan has no effect upon the Federal Unemployment Tax Act of 1935, or upon the Maryland, or any other State law which governs the pay-roll-tax rate in the States. Although the reorganization plan has nothing to do with existing Federal and State statutes, the opposition is attempting to take this occasion to destroy the effectiveness of both the unemployment compensation and employment-service programs in this country.

To the letter quoted above was appended a statement by the Baltimore Association of Commerce regarding Reorganization Plan No. 1 of 1948, House Document No. 499. An analysis of this statement follows:

ANALYSIS OF BALTIMORE ASSOCIATION OF COMMERCE STATEMENT

First. Allegation:

The Bureau of Employment Security is the Federal Bureau which controls various highly important aspects on the State level of unemployment compensation in Maryland. These aspects not only include all State administrative expenses but the power to make regulations which can nullify the laws passed by the Maryland Legislature. Such, for instance, as the present merit-rating provisions which now effect a saving to Maryland employers of approximately $13,000,000 a year.

Fact: The Federal agency administering the unemployment compensation program has no power to make regulations which can nullify any existing State or Federal law. The merit-rating system referred to is provided for under the Federal Unemployment Tax Act of 1935, and the individual tax rate is governed by the Maryland unemployment compensation law. Forty-five States have merit-rating provisions in their laws.

Second. Allegation:

The present proposal to place the Federal control of unemployment compensation under a strongly partisan agency, such as the Department of Labor, would upset the foundation of the present system, viz, its administration by a neutral agency for the benefit of the entire public. By its nature and functions the Department of Labor would obviously be prejudiced in favor of labor, whereas the need is for administration in the interest of the public as a whole.

Fact: This is sheer nonsense. The United States Employment Service has been administered by the Department of Labor during 9 of 15 years of its history and no one has cited a single case in which this agency has failed to be impartial in administering the program in the interest of the public as a whole. The Department of Labor is in the same position with respect to the administration of both the unemployment compensation and employment service programs as any other agency of the Federal Government in that it is obliged to administer legislation in accordance with the laws enacted by the Congress.

Third. Allegation:

It is believed that the Legislature of Maryland, as representative of the people of this State, would never authorize the transfer of unemployment compensation in Maryland from the control of an independent State agency, such as now administers it, to the Maryland Department of Labor and Industry.

Fact: This is a matter to be decided entirely by the people of the State of Maryland. Sixteen States have placed unemployment compensation and employment-service functions in their State departments of labor. In no State have these two programs been placed in the State counterpart of the Federal Security Agency responsible for health, welfare, and educational programs.

Fourth. Allegation:

By the same token it seems inconceivable that the citizens of Maryland would not be strongly opposed to the placement of Maryland's independent agency under the Federal control of a special-purpose agency of whatever nature. Particularly would this be true when such an agency would have the power to cripple or destroy many of the most important features that the Maryland Legislature has enacted on this subject, merely by making changes in the regulations.

Fact: The message transmitting the Reorganization Plan No. 1 of 1948 to the Congress stated the purposes of the plan as follows: First, to group, coordinate, and consolidate agencies and functions of Government according to major purposes; second, to increase the efficiency of the operation of the Government; and third, to promote economy to the fullest extent consistent with the efficient operation of the Government. The Reorganization Act is restricted solely to the Federal Government and confers no power on anyone to cripple or destroy with regulations any part of legislation which has been enacted on this subject by any State.

Fifth. Allegation:

As to the permanent transfer of the United States Employment Service to the United States Department of Labor, which is also proposed as a part of this program, we see no reason to alter the strong opposition to this change which we recorded last year, when this proposal was made to both the Senate and House and turned down.

Fact: The principal argument against the permanent transfer of the United States Employment Service to the United States Department of Labor was that the Reorganization Plan No. 2 of 1947 permanently placed unemployment compensation and the United States Employment Service in separate Government agencies. The Reorganization Plan No. 1 of 1948 overcomes this criticism.

Sixth. Allegation:

We feel that permanent Federal control of the United States Employment Service by the Department of Labor will inevitably result in administrative rules and regulations which may well be harmful to employment conditions in Maryland and greatly decrease the usefulness of the agency both to labor in obtaining employment and to employers in hiring labor.

Fact: In the past 2½ years since the United States Employment Service was returned to the United States Department of Labor, the number of job placements made by the public employment offices over the country and the number of job orders received by those offices from employers have been greater than ever before in the peacetime history of the public employment service.

Seventh: Allegation:

As the United States Employment Service clearly should be administered on the Federal level (as well as on the State level) in cooperation with the same agency which administers unemployment compensation, then if the latter agency is properly retained under independent administration, certainly the United States Employment Service should not be transferred permanently to the Labor Department.

Fact: This would put the cart before the horse. The job-finding activity should be given emphasis over the payment of unemployment benefits. Clearly, the job-finding activity is a basic responsibility of a department of labor. Therefore, the United States Employment Service properly belongs in the United States Department of Labor, and the closely related unemployment-compensation program should be transferred to that Department.

Mr. HOFFMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, I am supporting House Concurrent Resolution 131 at this time. The question presented is whether the administrative fund of unemployment compensation will be handled by the Federal Security Agency or turned over to the Labor Department. Whether the administration of this fund belongs in the Federal Security Agency or the Labor Department leaves a grave question in my mind.

We have established in this country, as a part of a national program, unemployment compensation. This program must be retained, I believe, on a national basis and cannot be left to the decision of the various States.

During the hearings much opposition was voiced by industry against the proposals of placing unemployment compensation in the hands of the Labor Department and the reasons assigned against placing it in the hands of the Labor Department were that the Labor Department would be partial and biased in its administration of the fund and would be partial to labor as against management.

I was not satisfied with the reasons assigned. On the other hand, I was not convinced of the position taken by the opposition that it should be in the hands of the Labor Department, as it was purely a labor function.

Mr. Cruikshank, director of the social-insurance activities for the American Federation of Labor, in my judgment, made a very strong case for the proposal that the administration of unemployment compensation be placed in the Labor Department.

In 1939 President Roosevelt made a recommendation to the Congress that the administration be under the Social Security Board.

The reason I think we should pass the resolution before the committee is because last year this Congress provided for the appointment of a Commission and provided funds for the use of that Commission in making a comprehensive and complete study of the organization of the executive branches of the Government, with the object of recommending to Congress improvements, the consolidation of functions, and the elimination of duplication. That Commission is now in the midst of its work and is to report to the Congress by next January. The Commission, no doubt, will make a study and include in its recommendations the same matter as is contained in the President's Reorganization Plan No. 1. It seems to me that it is wisdom to delay our action until we have a report from this Commission.

According to the statement of Secretary Schwellenbach, the present set-up is functioning in a satisfactory manner and there is no immediate need of disturbing the existing set-up until we receive a report from the Commission.

Consequently, I am supporting the resolution.

Mr. HOFFMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. Mr. Chairman, by rejecting the President's Reorganization Plan No. 1 of 1948, this Congress will be keeping its promise to the American people to promote greater efficiency and economy in the Federal Government.

The requested transfer of the Federal Employment Service and Unemployment Compensation functions to the Department of Labor would only lead to a multiplication of the bureaucratic tentacles which have crept into every segment of our national life.

What is needed, if these functions are to operate efficiently and economically, is a more far-reaching delegation of authority to the States. Some coordination is needed, and it will better be found in an impartial agency—the Federal Security Agency—than in the Labor Department. But its powers should be confined to a policy-making function which will interfere as little as possible with the operation of the services by the various States as their individual needs require.

The intervention of the Federal Government in the administration of these functions has only served to increase the cost and delay the service.

Under the unemployment-compensation function, three-tenths of 1 percent of the Nation's pay roll is sent to Washington and allocated back to the States to pay their administrative expenses.

How much simpler and economical it would be to have each State retain this sum which is collected within its own borders. It would eliminate the necessity for a huge bureau in Washington, operating at great expense, to collect the money from the States and then give it back to them. To obtain their shares of this money, the States must prepare detailed and costly budgets justifying their administrative expenses. This cost would be removed by eliminating Federal control in this respect. Most of the States turn over to the Government more money than they receive back. That surplus should be theirs. Those that cannot now meet their administrative expenses from the collection of three-tenths of 1 percent on their State pay rolls could do so if the great expense of preparing lengthy budgets for Washington was done away with.

Under the Employment Service function, the Federal Government now provides the States with information as to job opportunities in all parts of the country. This also requires the preparation of a special budget to be presented to the Federal Government.

To remove this expense, it would be possible to set up a system among the States whereby employment information could be disseminated more rapidly and accurately than is now being done.

State directors of the programs have testified before the Expenditures Committee that by the time the Labor Department collects the job information from the States, compiles it, and sends it back to the States, the information is obsolete. This clearing house in Washington only serves to pad the Federal pay roll and create more jobs for political patronage purposes. The States themselves, operating their own clearing house on job information, could do the work more economically and with a greater insight as to the actual information needed. Since much of the information now supplied is superfluous, the States might arrange to furnish only such information as is requested regarding particular areas.

The solution to this problem is to give the Federal Government less and not more authority to interfere in the workings of these functions in the States. Placing their administration in the Labor Department would have a completely opposite effect.

The Labor Department is by basic statute and by current practice a protagonist of organized labor rather than a neutral agency. Through administrative regulation, it might well decide to pay strikers unemployment compensation benefits if it secured control of these two functions.

These functions are, however, as much the concern of the general public and employers as they are of organized labor. A program the size of unemployment compensation, having total reserves of $8,000,000,000 and covering 35,000,000 workers and their employers, vitally affects the lives of all citizens and therefore must be viewed as a public program rather than one of special interests.

Its future value in relieving the shock of unemployment will depend in large measure on public acceptance and support. The transfer to the Labor Department would seriously weaken public confidence and respect for it and would have the ultimate result of injuring the intended beneficiary.

It seems basic that the group interested as beneficiaries should not have a special dominance in administering the programs providing the benefits. By putting these services in the Labor Department, the established principle of checks and balances within our Government would be undermined. The balance would be heavily weighed in one direction.

Should this transfer be made, the employers who contributed by taxes the greatest part of the $8,000,000,000 fund available for unemployment benefits would be reduced to the role of contributors with no voice in the distribution of the funds. That is not accepted American tradition.

The wisdom of arguments against giving these functions to the Labor Department was recognized when the Congress considered this issue on three previous occasions.

In 1935 the original legislation would have given the unemployment-compensation function to the Labor Department, but after full hearings the Congress reported out the social-security bill, which placed the function in the neutral Social Security Board.

In 1939, after careful consideration, it was generally agreed that the connection between the two functions was so close and their operations were so interrelated that they should be administered by the same neutral agency.

The issue was wisely resolved by establishing the Federal Security Agency and transferring the Employment Service to it. The popularity of this plan was evidenced by its quick adoption by an overwhelming affirmative vote in both Houses of Congress. The move was supported by the late President Roosevelt.

Last year the administration attempted to put the Employment Service back in the Department of Labor and to divide the two functions, which, it has been agreed, are necessarily related. Strangely enough, this year the plan is being justified by a strong statement that it is imperative that the two functions be served by one agency. That is true, but that agency should not be the Department of Labor.

Whatever Federal coordination is necessary should be lodged in an impartial agency that will administer the functions with the best interests of all segments of the public uppermost in mind.

But the public will be given maximum efficiency and economical service by eliminating unnecessary bureaucratic red tape in Washington. The administration of these programs should be put as close to the people as possible, back in their own States, where their

operations can be maintained without a pyramiding of responsibilities and expenses.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, I want to take this time to reply to the gentleman from Missouri [Mr. KARSTEN] in regard to the stand of the American Legion on this piece of legislation. We all received a letter from John Thomas Taylor, director of national legislative commission of the American Legion. I may say I am a little familiar with the situation in the American Legion, having been an active member for a great many years. The letter each member received is as follows:

THE AMERICAN LEGION,
Washington, D. C., February 20, 1948.

Hon. FRED E. BUSBEY,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: House Concurrent Resolution 131 has been favorably reported by the Committee on Expenditures in Executive Departments and may be brought up for consideration on the floor of the House some day next week.

The purpose of this resolution is to reject Reorganization Plan No. 1, of January 19, 1948.

For the information of the Members of the House of Representatives, the American Legion is in favor of Reorganization Plan No. 1 for the reason that we believe that the Veterans' Employment Service and the United States Employment Service should be and remain in the Department of Labor. Therefore, we trust that House Concurrent Resolution 131 will be rejected by the House.

Sincerely yours,
JOHN THOMAS TAYLOR,
Director, National Legislative Commission.

I state without any hesitation that John Thomas Taylor, a man for whom I have the greatest respect, sent that letter here on his own responsibility. I contend it is not the stand of the American Legion.

I have before me the resolutions passed by the twenty-ninth annual convention of the American Legion in New York, August 28 to 31, 1947. The only part of the resolutions passed at that convention on which he hoped to justify his position is as follows:

We further recommend that the legislative committee and the legislative director devote the full efforts of the American Legion in securing the passage of the necessary measures to provide an adequate veterans' employment service, and that the services of the chairman of the standing national employment committee and the national employment director be utilized in presenting to the Congress the necessity for this corrective legislation.

There is not a word in any of the resolutions passed by the American Legion in their annual national convention pertaining to the President's Reorganization Plan No. 1. The convention recommends that the director do what he can to secure passage of the necessary measures to provide adequate veterans' employment service. Mr. Chairman, I repeat, approval of the President's Reorganization Plan No. 1 is not a stand of the American Legion and should not be so construed by the Members of this body.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. KARSTEN of Missouri. I wish to point out that the letters Mr. Taylor sent were signed as national legislative chairman of the committee of the American Legion; and he evidently wrote these in his official capacity—he used the title.

Mr. BUSBEY. He wrote the letter in his official capacity but the American Legion or the national executive committee of the American Legion has not taken an official position on the President's Reorganization Plan No. 1.

Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, as a result of the lengthy hearings the Committee on Expenditures in the Executive Departments has held during the last 2 years on various aspects of this subject, two basic conclusions have become clear. The first is that the United States Employment Service and the Bureau of Employment Security which administers and pays unemployment compensation should be together. In almost every State of the Union they are operated together by one agency and the States which are ahead of the Federal Government in this respect find it very embarrassing and difficult to have to deal with two wholly separate agencies in Washington when the functions are handled together at the State level. From every standpoint it is clear they should be integrated. Second, it is clear that if possible they should be together under an agency in our Government which is entirely impartial. The Department of Agriculture is the protagonist of agriculture; it is supposed to be. The Department of Commerce is the advocate of the interests of business; it is supposed to be. The Department of Labor is the protagonist of the interests of labor; it is supposed to be. Employment and unemployment compensation involve both business and labor—as well as the public interest. They should be in an agency that is not set up to be a protagonist of either business or labor, but is neutral.

While many of us are not very happy about the Federal Security Agency, nevertheless it is supposed to represent all of the people of the country, not a particular group.

If there were not serious controversy as to the merits of the President's proposal I would agree that we ought to go along with it; but in view of the fact that there is a wide divergency of opinion as to whether these two functions should at this time be transferred permanently—not consolidated, but transferred as two separate agencies to the Department of Labor where they would still remain as two separate agencies—it seemed to the majority of the committee that we ought not to act favorably upon this reorganization plan, that we ought to pass the Hoffman Concurrent Resolution No. 131 rejecting the plan for the present.

We have already appropriated $750,000 for the Hoover commission to make an over-all study of the executive branch. It will include, of course, this particular question. Inasmuch as the committee is divided and the House is divided, it seemed to us on the committee that the sensible procedure is to wait until next January at which time we will have before us the findings of the commission composed of very able and distinguished students of government. No harm will be done in the next 10 months by failure to transfer these two agencies now to the Department of Labor; therefore it seems to me the part of wisdom is to vote for the pending concurrent resolution, and to take no action upon any controversial reorganization plan until we have the report of ex-President Hoover and his commission.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the resolution (H. Con. Res. 131).

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. 1 of January 19, 1948, transmitted to Congress by the President on the 19th day of January 1948.

Mr. HOFFMAN. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with the recommendation that the concurrent resolution be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Concurrent Resolution 131, had directed him to report the resolution back to the House with the recommendation that the resolution do pass.

Mr. HOFFMAN. Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to include in the remarks he made in the Committee of the Whole a letter from the president of the Congress of Industrial Organizations.

Mr. McCORMACK asked and was given permission to include in the remarks he made in the Committee of the Whole an article appearing in the Washington Star by Edward E. Reilly.

Mr. BUTLER asked and was given permission to extend his remarks in the RECORD and include a statement on the St. Lawrence seaway.

Mr. BUSBEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New Leader.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Fairfield Daily Ledger.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RAMEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD in two instances, in one to include resolutions adopted by members of Our Lady of Vilna Parish, and in the other to include an address he delivered at Worcester, Mass., on February 22, 1948.

Mr. HAVENNER asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from letters.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and to include an editorial.

The SPEAKER. Under previous order of the House, the gentleman from Utah [Mr. DAWSON] is recognized for 10 minutes.

WHERE DOES RUSSIA COME IN?

Mr. DAWSON of Utah. Mr. Speaker, I am bewildered. We have been informed that the purpose of the Marshall plan was to prevent the spread of communism throughout Europe. To accomplish this purpose it is proposed that we shall supply to the Marshall-plan beneficiaries during the first 15 months of the program 3,100,000 tons of iron and steel. Great Britain will receive the largest single allotment of this steel, which is to be taken from an already short supply in this country.

Twelve days ago, February 13, the United Press, under a London date line, issued the following statement:

REDS SEEK HUGE BRITISH PURCHASE

LONDON, February 13.—Amid the noisy diplomatic battle between the east and west, Russia has quietly opened negotiations in London for multi-million-dollar purchases of British industrial and scientific equipment to implement the recent Anglo-Russian trade pact.

Authoritative Soviet sources said the permanent Russian trade delegation here opened discussions with representatives of British industries and the board of trade for placing orders within the scope of the agreement.

Soviet experts have been summoned from Moscow to advise the delegation in their negotiations, and other experts will be called as the necessity arises, the sources said.

The biggest order was expected to be placed with the North England Locomotive Works for 1,000 narrow-gage locomotives with an estimated cost of some $30,000,000, according to British business quarters. Delivery would be spread over a 32-month period.

The items Russia intends to purchase also include $600,000 worth of scientific and laboratory apparatus, 2,400 flat trucks, 2,400 winches, 200 excavators, 54 caterpillar loading cranes, 250 auto timber carriers, 14 tugs and 4 dredges, 1,500 50-kilowatt mobile Diesel electric generators, 24 steam-power turbine stations, $4,000,000 worth of plywood equipment, $1,500,000 worth of timber-mill equipment, 48 voltage transformers, 10 sets of oil-purifying apparatus, and 300 100,000-kilowatt electric motors.

Mr. Speaker, practically every item mentioned in this release is constructed from steel. How in the name of common sense can we stop the spread of communism by shipping our American steel to Britain for the purpose of having it fabricated and sold to Russia?

I have requested the State Department for an explanation of this matter, and if any Member of the House has a contribution to make, I shall be happy to receive it.

Mr. ROCKWELL. Mr. Speaker, will the gentleman yield?

Mr. DAWSON of Utah. I yield to the gentleman from Colorado.

Mr. ROCKWELL. Does the gentleman suggest that we should dictate to Britain the course her foreign policy should take?

Mr. DAWSON of Utah. Certainly not. That is her own prerogative. But once she has committed herself to a policy as Britain has done on the Marshall plan we have a right to expect her to assist us in achieving the objectives of that plan. The avowed purpose of the European recovery program is to halt the spread of communism. The joint cooperation of all parties to the plan is essential if we are to succeed. How can we hope for success if the beneficiaries of our generosity take from us with one hand and deliver to the enemy with the other? We are a liberal and sympathetic people, but certainly not fools. I would go to almost any extreme to halt the Red menace, but will certainly oppose any plan which will take the production of American labor for barter with the enemy. Russia may soon return some of that steel to us just as Japan did in World War II.

Mr. ROCKWELL. Mr. Speaker, if the gentleman will yield further, I recall a speech delivered on the floor of this House during the first session of the Eightieth Congress by our colleague from Utah, in which he called our attention to the amount of direct assistance this country was giving to Russia and her satellites. Through his efforts and others who joined him this assistance has been halted. Why should we now give indirect aid by assisting countries who insist on passing the bounties of their production on to Russia? The gentleman is to be commended for calling our attention to this serious blunder. It is about time we woke up.

Mr. DAWSON of Utah. I thank my distinguished colleague from Colorado and assure him if we continue our present course we may find ourselves the victims of our own generosity.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DAWSON of Utah, for 1 week, March 1 to March 7, 1948, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. MACKINNON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 11 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, February 26, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1329. A letter from the Attorney General, transmitting request for withdrawal of the case of Tsuimon Tse from those 298 cases involving suspension of deportation referred to in letter of January 15, 1948; to the Committee on the Judiciary.

1330. A letter from the Chairman, National Capital Park and Planning Commission, transmitting a list of land acquisitions for parks, parkways, and playgrounds; cost of each tract; and method of acquisition, for the fiscal year ending June 30, 1947; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Armed Services. S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors; without amendment (Rept. No. 1423). Referred to the House Calendar.

Mr. COLE of New York: Committee on Armed Services. S. 1802. An act to authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War; without amendment (Rept. No. 1424). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CUNNINGHAM:

H. R. 5552. A bill to amend the act of July 30, 1947 (Public Law 270, 80th Cong.), to include those veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, and their dependents, who had service-connected disabilities and were classed as drawing compensation and not pension monetary benefits under Public Law 494, Seventy-ninth Congress; to the Committee on Veterans' Affairs.

By Mr. ELLIS:

H. R. 5553. A bill to amend paragraph 1772 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. HULL:

H. R. 5554. A bill making an additional appropriation to carry out the provisions of the Rural Electrification Act of 1936, as amended, for the fiscal year ending June 30, 1948; to the Committee on Appropriations.

By Mr. WELCH:

H. R. 5555. A bill to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended; to the Committee on Public Lands.

By Mr. JONES of Washington:

H. R. 5556. A bill to provide for the conveyance of a certain housing project in Bremerton, Wash., to the housing authority of the city of Bremerton; to the Committee on Public Works.

By Mr. LANE:

H. R. 5557. A bill to allow a deduction, for income-tax purposes, of transportation expenses to and from work; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 5558. A bill providing for the incorporation of the United American Veterans of the United States of America, Inc.; to the Committee on the Judiciary.

By Mr. NODAR:

H. R. 5559. A bill to repeal the retailers' excise tax on toilet preparations and on luggage, purses, and similar articles; to the Committee on Ways and Means.

By Mr. ROSS:

H. R. 5560. A bill to repeal the retailers' excise tax on toilet preparations and on luggage, purses, and similar articles; to the Committee on Ways and Means.

By Mr. HUGH D. SCOTT, JR. (by request):

H. R. 5561. A bill to provide a reduced rate of tax on certain types of income; to the Committee on Ways and Means.

H. R. 5562. A bill to amend section 22 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. BEALL:

H. R. 5563. A bill to amend an act approved July 16, 1947, entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. COOLEY:

H. R. 5564. A bill to amend the Federal Crop Insurance Act, as amended; to the Committee on Agriculture.

By Mr. CROW (by request):

H. R. 5565. A bill to provide allowances for dependents of veterans of World War I and World War II with service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. JONKMAN:

H. R. 5566. A bill to amend the National Service Life Insurance Act of 1940 so as to permit payments thereunder to certain designated beneficiaries previously barred from such payments; to the Committee on Veterans' Affairs.

By Mr. PETERSON:

H. R. 5567. A bill to extend pension benefits under the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended to certain persons who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children; to the Committee on Veterans' Affairs.

By Mr. POTTS:

H. R. 5568. A bill to increase the compensation of the Governor of the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. HARDIE SCOTT:

H. R. 5569. A bill to provide for the issue of a series of United States annuity bonds; to the Committee on Ways and Means.

By Mr. HOFFMAN:

H. Res. 481. Resolution providing for expenses of conducting the studies and investigations authorized by rule XI (h) (1); to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HARDIE SCOTT:

H. R. 5570. A bill for the relief of Wladyslav Plywacki; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 5571. A bill for the relief of Maria Perfumo; to the Committee on the Judiciary.

By Mr. JONES of Washington:

H. R. 5572. A bill to authorize and request the promotion of Commander Myron W. Graybill, United States Navy, to the grade of captain; to the Committee on Armed Services.

By Mr. MEADE of Kentucky:

H. R. 5573. A bill for the relief of Dan Frazier; to the Committee on the Judiciary.

By Mr. BOGGS of Delaware:

H. R. 5574. A bill to amend the act entitled "An act for the relief of Francis T. Lillie and Lois E. Lillie"; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5575. A bill granting the Distinguished Service Cross to William A. Sullivan; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1436. By Mr. JONKMAN: Petition of 536 property owners of Grand Rapids, Mich., in opposition to rent control and recommending the repeal of the rent-control law; to the Committee on Banking and Currency.

1437. By Mr. McGARVEY: Petition on behalf of Europe's displaced persons, submitted by the Philadelphia Citizens Committee on Displaced Persons; to the Committee on the Judiciary.

1438. By the SPEAKER: Petition of Puerto Rican Industrial Soldiers Association, of Guayama, P. R., petitioning consideration of their resolution with reference to enactment of H. R. 4302; to the Committee on Veterans' Affairs.

1439. Also, petition of Victor Wiechmann, New Smyrna Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1440. Also, petition of Miss Myrtle J. Ridgway, Port Orange, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

THURSDAY, FEBRUARY 26, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Eternal God, we have entered upon a new day with responsibilities which challenge the consecration of our noblest manhood. May this be a moment of insight and inspiration.

Show us how we may release the hidden splendor of humanity. Help us to give life a more valiant and victorious reading, for we have been created in Thine own image with a capacity to be like Thee in spirit.

May we be the prophets and progenitors of that glorious day of achievement when the heart and soul of man shall be too strong for chains and too large for imprisonment.

To Thy name we ascribe all the praise. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 25, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, nctified the Senate that Mr. WHEELER, of Georgia, had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans' Regulation No. 1 (a), as amended, vice Mr. ALLEN, of Louisiana, resigned.

The message announced that the House had agreed to a concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

H. R. 1350. An act to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes";

H. R. 2159. An act to authorize the Secretary of the Interior to prepare plans and estimates for a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes;

H. R. 4141. An act to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits;

H. R. 5390. An act to continue for a temporary period certain provisions of the Housing and Rent Act of 1947;

S. J. Res. 173. Joint resolution to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes; and

H. J. Res. 61. Joint resolution to provide for the designation of the Park River dam and reservoir project in Walsh County, N. Dak., as the Homme Reservoir and Dam.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of January 1948 (with accompanying papers); to the Committee on Agriculture and Forestry.

AUDIT REPORT OF SMALLER WAR PLANTS CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Smaller War Plants Corporation for the fiscal year ended June 30, 1945, and for the period from July 1, 1945, to January 27, 1946 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolution memorializing Congress to increase the amount of benefits now authorized by Federal law on account of the aid-to-dependent-children program

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation increasing the amount of benefits to recipients of aid now authorized under the laws of the United States on account of the aid-to-dependent-children program, so-called; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolution memorializing Congress in favor of conferring United States citizenship upon aliens who served in the armed forces of the United States during the world wars and were honorably discharged from such service

"Whereas there are approximately 250,000 alien World War veterans who took the oath of allegiance to our country and served in our armed forces during the world wars and were honorably discharged from such service who believe themselves by reason of such service to have become citizens of the United States automatically; and

"Whereas there are hundreds of these aliens who died on the fields of France for the preservation and perpetuation of our institutions; hundreds came back mentally and physically wrecked; and hundreds of these men, in caskets draped with the American flag, were lowered to their last resting place as aliens by reason of the technical interpretation of the law; and

"Whereas to consider these men as aliens is contrary to our conception of American justice as handed down by the forefathers of this glorious country of ours: Therefore be it

"*Resolved*, That the general court of Massachusetts hereby respectfully petitions the Congress and the President of the United States to declare these alien World War veterans who honorably served in our armed forces citizens of the United States; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

(The PRESIDENT pro tempore laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on the Judiciary.)

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance.

"Resolution memorializing Congress to double the amount of benefits now authorized by Federal law on account of old age assistance rendered by the several States to their eligible inhabitants

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation resulting in doubling the amount of benefits now authorized by Federal law on account of old age assistance rendered by the several States to their eligible inhabitants; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress and to Members thereof from this Commonwealth."

(The PRESIDENT pro tempore laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Finance.)

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the House of Representatives of the General Court of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"Resolution relative to the admission of Eire and all other peace-loving nations as members of the United Nations

"Whereas it is reliable reported that the Soviet Union through its power of veto has excluded Eire and other peace-loving nations from membership in the United Nations: Therefore, be it

"*Resolved*, That the House of Representatives of the General Court of Massachusetts affirms its conviction that the cause of peace will be best served if Eire, and all other peace-loving nations, are made members of the United Nations, and views with alarm the acts of the Soviet Union, specifically the unwarranted exercise of its power of veto and the spread of harmful propaganda against the United States and other democratic nations; and be it further

"*Resolved*, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, to the Members thereof from this Commonwealth, and to the representatives of all nations participating in the United Nations organization."

(The PRESIDENT pro tempore laid before the Senate resolutions of the House of Representatives of the General Court of the Commonwealth of Massachusetts, identical with the foregoing which were referred to the Committee on Foreign Relations.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 2081. A bill to extend the provisions of the Federal Airport Act to the Virgin Islands; with amendments (Rept. No. 934).

By Mr. IVES, from the Committee on Labor and Public Welfare:

S. 984. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; without amendment.

By Mr. BRIDGES, from the Committee on Appropriations:

H. R. 5525. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 936).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, February 26, 1948, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 173) to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

EUROPEAN RECOVERY PROGRAM—REPORT OF FOREIGN RELATIONS COMMITTEE (REPT. NO. 935)

Mr. VANDENBERG. Mr. President, from the Committee on Foreign Relations, I ask unanimous consent to report favorably, without amendment, the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDING OFFICER (Mr. CAIN in the chair). Without objection, the bill will be received and placed on the calendar.

Mr. VANDENBERG. The committee is endeavoring to put together a completely comprehensive report, which I fear will not be available for printing until Saturday. Yet it is very important that it should be available to the Senate on Monday. Therefore, I ask unanimous consent that the Committee on Foreign Relations may be permitted to file its formal report on the bill during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. VANDENBERG. I should like to say that it is my understanding that this bill will become the unfinished business of the Senate commencing Monday next. I should like to announce that if I can arrange to be recognized, I intend to address the Senate Monday noon on the subject of the European recovery program.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REED (by request):

S. 2226. A bill to amend an act to save daylight and to provide uniform time for the United States; to the Committee on Interstate and Foreign Commerce.

(Mr. MURRAY introduced Senate bill 2227, to preserve small businesses within the framework of the antitrust laws, as applied to the distribution of products and wholesale pricing therefor, and for other purposes, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. STEWART:

S. 2228. A bill to amend the Railroad Retirement Act of 1937 with respect to the minimum annuity payable under such act; to the Committee on Labor and Public Welfare.

By Mr. BRIDGES:

S. 2229. A bill to amend the Articles of War to improve the administration of military justice, to provide for more effective appellate review, to insure the equalization of sentences, and for other purposes; to the Committee on Armed Services.

By Mr. CAIN:

S. 2230. A bill for the relief of Floyd Oles and Helen Louise Oles; to the Committee on the Judiciary.

(Mr. JOHNSON of Colorado introduced Senate bill 2231, to limit power of radio broadcast stations, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

(Mr. LODGE introduced Senate Joint Resolution 193, to grant free postage to members of the armed forces while confined for treatment in a military or naval hospital, and to veterans while being furnished hospital treatment or institutional care in institutions operated by or under contract with the Veterans' Administration, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

PRESERVATION OF SMALL BUSINESSES

Mr. MURRAY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to preserve small businesses within the framework of the antitrust laws, as applied to the distribution of products and wholesale pricing therefor, and for other purposes, and I request that the bill together with a statement by me be printed in the RECORD.

The PRESIDENT pro tempore. Without objection the bill will be received and appropriately referred, and, without objection, the bill and statement presented by the Senator from Montana will be printed in the RECORD.

There being no objection, the bill (S. 2227) to preserve small businesses within the framework of the antitrust laws, as applied to the distribution of products and wholesale pricing therefor, and for other purposes, introduced by Mr. MURRAY, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

TITLE

SECTION 1. This act may be cited as the "Independent Merchants Act."

EQUITABLE PRICING

SEC. 2. In the sale of any product on a piece or quantity basis by any manufacturer in or affecting commerce among the States, with foreign nations, in the District of Columbia, or in any Territory or possession—

(a) Equality on wholesale deliveries: Maximum quantities shall be priced the same for all purchasers at wholesale regardless of whether such purchasers buy one or more such quantities, except that the manufacturer must afford an additional reasonable and uniformly available discount or allowance upon such maximum quantities sold by him for resale solely to retailers (if he so sells and whether in original form, as equipment, or otherwise) in the regularly established course of trade. Pricing for quantities less than maximum quantities shall bear reasonable relation thereto and to other media of transportation or delivery and in other respects be governed by existing antiprice discrimination law. For the purposes of this act no sale shall be deemed to be of any such quantity, maximum or otherwise, except as actually sold and delivered at one time and at one place. In any civil proceedings under this act the burden shall be on the manufacturer to establish that sales and deliveries were actually effected at one time and place or that any difference in quality existed, was material, and was not given unreasonably disproportionate effect in the wholesale pricing.

(b) Retail competition by manufacturers: The manufacturer shall sell maximum quantities at wholesale (if he so sells the product) at a price lower, by a reasonable margin, than his lowest current retail price (if any) of the same product or of a substantially similar product not sold at wholesale. Such margin shall be not less than the margin necessary for the manufacturer's own most comparable retail operations at a profit with reference to such products. In any civil proceeding the burden of proof shall be upon the manufacturer to show (1) that any product not sold by the manufacturer at wholesale is not the same or substantially the same and, if not similar, is priced at retail in reasonable proportion to the wholesale price of other products or (2) that the retail price in the case of leased products is in excess of costs and expenses per unit for the actual or average life of such unit. For willful violation of this subsection the manufacturer, in any civil proceeding, shall be enjoined or ordered to cease and desist from further sales at retail or further leases of products as the case may be.

(c) Competitive brands: Any manufacturer shall sell maximum quantities at wholesale at no greater price than he manufactures the same or substantially the same product in the same or a greater quantity (under a separate, private, or no brand) for any other person. In any civil proceeding under this act the burden of proof shall be upon the manufacturer to establish (1) that the product is not the same or similar and, if not substantially the same, that the price is nevertheless not unreasonably disproportionate or (2) that any contributions other than money to the cost of the manufacture by the purchaser have been recognized at no more than their actual fair value for the purpose.

(d) Evasive practices: No person (including manufacturers, retailers, and others dealing in the products) shall himself or in combination with one or more other persons circumvent any provision of this act, nor shall such provision be held to be defeated, by any contract whenever entered or method or device of indirection including corporate fictions, brokerage arrangements, misbranding of products, false designations of quality, excessive adjustments, or rebating through services or otherwise and, where a prima facie case is made respecting any such form of evasion, the burden of proof to demonstrate the contrary shall be upon the respondent or defendant in any civil proceeding. No franchise, similar arrangement, or any wholesaler's or retailer's contract or agreement (whether or not exclusive, oral, or implied) to act as such shall, after 1 year's duration and operation, be revoked or modified in whole or part by any manufacturer (a) for any purpose or with any effect otherwise prohibited by this act or (b) without reasonable cause as well as compensation for development expense and good will thereby lost, or liabilities incurred, by the wholesaler or retailer involved.

DEFINITIONS AND CONSTRUCTION

SEC. 3. For the purposes of this act—

(a) Definitions: (1) "Person" includes individuals, partnerships, corporations, associations, or public or private organizations or agencies of any character.

(2) "Manufacturer" includes any producer, processor, or maker (himself, through or for another, or as an independent contractor or otherwise) of any product which he sells at a total in excess of $1,000,000 gross annually.

(3) "Product" means any article, commodity, part, equipment, or machine.

(4) "Wholesale" means the sale by any manufacturer to any person who (A) to the extent of 98 percent of such purchases resells to consumers, whether commercial or otherwise, or to retailers, and (B) is not owned or controlled by, or does not own or control, such manufacturer or retailer.

(5) "Retail" means sales other than at wholesale and includes such sales through any establishment owned or controlled by, or which owns or controls, the manufacturer or retailer.

(6) "Owned or controlled" and "ownership or control" mean (a) the holding of a partnership equity, in excess of 10 percent of any class of outstanding stock, or a lease upon or title to property owned or utilized by the other, (B) to have, in an amount in excess of 10 percent of the other's gross monthly sales, made loans or advances, or granted credits not advertised and freely offered to others, or (C) to have any contractual or monetary arrangements other than those generally necessary for sales at wholesale or retail as the case may be.

(7) "Maximum quantity" means, except as hereinafter provided, the largest quantity of any product normally sold and delivered at wholesale to one purchaser at one time and at one place.

(8) "Civil proceedings" means proceedings before any authorized administrative agency as well as all noncriminal cases in any court.

(b) Maximum quantities: Upon its own motion or the application of a substantial portion of the numbers of manufacturers of a product or those to whom they sell at wholesale, or both, the Federal Trade Commission upon hearing and the record thereof shall as expeditiously as possible further define the maximum quantity referred to in section 3 (a) (7) of this act (including, so far as necessary for the purposes of this act, lesser gradations thereof) as will be just and reasonable and accord with the policy and effectuate the purposes of this act, taking due account of the nature of the product and practicalities of the industry as well as, so far as not in conflict with this act, the usages and customs of the trade. In the absence of such action, manufacturers and the trade organization representatives of those to whom they sell at wholesale may, for the purposes of this act, fix such quantities by agreement filed with the Federal Trade Commission (and published by it) under such rules as it shall prescribe. Any such action or agreement shall be subject to amendment, revision, or revocation. The failure of the Federal Trade Commission or of any industry to take or invoke action under this subsection shall not affect or suspend the operation of this act.

(c) Declaration of policy: It is the general public policy as well as a purpose of the antitrust laws, including this act, to preserve small businesses and protect both nonmanufacturing merchandisers and small manufacturers by assuring them equality of commercial opportunity with respect, among other things, to the cost to them of the products in which they deal. They perform an essential function in the economy of the Nation, in the distribution of goods to consumers, and in the maintenance of competition with respect to such products. Their purchases from manufacturers at least compare, if they do not vastly exceed, in volume those of any other person or other group of purchasers. For the same or substantially similar products, differences in cost between small-merchant purchasers themselves or between them and other types of purchasers (by way of discounts or otherwise) are in the public interest only to the extent that quantity deliveries represent generally applicable and demonstrable savings to the manufacturer in distribution costs; and even then

such differentials are warranted only to the point of customary maximum single-delivery quantities (normally the carload, where applicable, or less) rather than to the totals of quantities actually purchased, or to potential purchases at different places or over a period of time. Equality of opportunity also requires that costs of such maximum quantities to independent merchants be within the range of costs (1) of the manufacturer on the latter's own sales at retail and (2) of special brands produced by the same manufacturer but not permitted to be distributed through independent merchants; otherwise manufacturers retain an unfair competitive advantage over the independent distributors of their products, and "private" brands may be used as a device to secure or promote such advantages on the part of manufacturers or others.

ENFORCEMENT PROCEEDINGS

SEC. 4. It shall be the duty of the Attorney General to provide for investigations, proceedings, and prosecutions under this act, notwithstanding the jurisdiction of any other agency of the Government of the United States in the subject; and, for those purposes, he or his deputy shall have all of the powers relating to books, records, accounts, reports, investigations, subpenas, and inspections conferred upon the Federal Trade Commission by the Federal Trade Commission Act of September 26, 1914 (ch. 311, 38 Stat. 717; 15 U. S. C., sec. 41 and the following), as amended, as well as those conferred upon the Securities and Exchange Commission by the Securites Act of 1933 (ch. 38, 48 Stat. 74; 15 U. S C., sec. 77a and the following), as amended; the Securites Exchange Act of 1934 (ch. 404, 48 Stat. 881; 15 U. S. C., sec. 78a and the following), as amended; and the Public Utility Holding Company Act of 1935 (ch. 687, 49 Stat. 838; 15 U. S. C., sec. 79 and the following), as amended. The Federal Trade Commission shall have jurisdiction to enforce any of the provisions of this act, either separately or in conjunction with other laws, for which purpose it shall have all the powers and duties conferred by the Federal Trade Commission Act of September 26, 1914 (ch. 311, 38 Stat. 717; 15 U. S. C., sec. 41 and the following), as amended. Any person shall have all of the rights of action provided in any of the antitrust laws and, on proof of injury in his business or property in whole or part due to any violation of this act, shall be entitled to threefold damages measured over a period of not less than 1 year preceding such violation. Any person violating any of the provisions of this act shall be subject to the criminal penalties provided in the second paragraph of section 3 of the Robinson-Patman Antitrust Act of June 19, 1936 (ch. 592, 49 Stat. 1526; 15 U. S. C., sec. 13a), as amended, except that such penalties shall be applicable to each violation and shall be cumulative. For the purpose of any civil or criminal judicial proceedings under this act sections 4, 5, 6, 7, and 8 of the Sherman Antitrust Act of July 2, 1890 (ch. 647, 26 Stat. 209; 15 U. S. C., secs. 4, 5, 6, 7, and 15), as amended, and sections 1, 4, 5, 12, 13, 14, 15, and 16 of the Clayton Antitrust Act of October 15, 1914 (ch. 323, 38 Stat. 730; 15 U. S. C., secs. 12, 15, 16, 22, 23, 24, 25, and 26), as amended, shall apply so far as relevant.

OPERATION AND EFFECTIVE DATE

SEC. 5. Nothing in this act shall be held to diminish or modify in any manner the application of any other antitrust law and, notwithstanding this act, it shall be the duty of all agencies authorized to enforce such laws to continue existing investigations or proceedings. If any application or provision of this act shall be held invalid, it shall not affect the validity of any other application or provision. This act shall take effect 6 months after its approval.

The statement presented by Mr. MURRAY was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY ON THE PROPOSED INDEPENDENT MERCHANTS ACT

Independent merchants are small-business men. It is proposed that the antitrust laws be implemented to secure for them protection against the current form of monopolistic practices. Various legislative measures have heretofore been proposed and intensive factual and legal studies to protect small-business men have been made. There have been numerous legislative hearings dealing with the subject.

There appear to be three evils, not adequately covered by present antitrust laws or the administration thereof. These are set forth below.

Preliminarily, however, it should be noted that—in prior hearings with reference to such industries as the tire industry—Senators on the Banking and Currency Committee have strongly urged that remedial legislation be so drawn as to embrace all industries similarly situated rather than be confined to one at a time. (See hearings on S. 713, 79th Cong., pp. 3, 6, 11, 25.) It was also insisted at that time that legislation should be drawn to place different interests on an equality rather than outlaw merchandizing by any one of them. The Senator from Ohio [Mr. TAFT] took that position (pp. 5, 10, 26, 29) as did the Senator from Utah [Mr. MURDOCK] (p. 45). Opponents of the then proposed legislation took the same position (pp. 16, 18, 22, 29, 30, 51–52). The need for legislation was recognized as illustrated by the following statement of the Senator from Indiana [Mr. CAPEHART] at that time: "Some day we are going to have to face this problem * * * because business in America is fast eliminating the small independent merchant in most every line" which is "bad for America, and it is bad for our system of government" (pp. 7, 24).

The three respects in which remedial legislation is deemed necessary are the following:

1. Favored types of large distributors are given discriminatory discounts, regardless of delivered quantities at any given time or place. It has often been regarded that section 2 of the Clayton Act affords protection against such practices. But the difficulty with that statute is that, because of the exceptions stated in it, no violations can be proved. Not only must the discrimination "substantially * * * lessen competition or tend to create a monopoly" but it is legalized if "made to meet an equally low price of a competitor." Hence the statute affords any manufacturer an out on the ground that he makes special deals to special people to meet the same practice of his competing manufacturer. In other words, if all manufacturers, or the major ones, indulge in the same discriminatory practice as to independent dealers, then the latter are defenseless. A vicious but legal circle is all that section 2 of the Clayton Act sets up. It aggravates rather than stabilizes distributive practices.

Accordingly, it is proposed that legislation remedy this stalemate by making maximum quantities normally delivered at one time and one place the quantity discount ceiling (sec. 4 (a)). Supplementing that provision the present type of jurisdiction of the Federal Trade Commission may be retained for what it is worth, and provision may also be made for self-government in a given industry by agreement properly filed with that agency (sec. 3 (b)). If deemed necessary, a declaration of policy setting out the theory of such legislation might be included (sec. 3 (c)).

2. Price shut-outs by manufacturers who compete with their own dealers or dealers of similarly situated manufacturers result in an absolute monopoly of distribution. When a manufacturer sells at wholesale to independent dealers, the latter are entitled to assume that they will be given an equal chance to compete for the consumer market. But it is a growing practice in some industries, including, for example, the tire industry, for the manufacturer to undersell his own independent distributors by dipping into his manufacturing profit. In other words, the manufacturer fixes the independent dealer's cost and then proceeds to underbid it in the open market.

This situation has been explored in a number of legislative hearings, including those mentioned above. On the latter occasion Senator TAFT said: "If a company is going to sell at retail they cannot cut in any way under the price at which their dealers sell" and "there is something that can be done" (pp. 5–6); "there has been a big increase in the volume of tires sold by chain stores which has been taken away from the independent dealers" and "we ought to prohibit" manufacturers "undercutting their own dealers" (p. 25); "if manufacturers are going into retail it does * * * require some special protection, to see that the privilege is not abused and does not go into unfair competition" (p. 26); and manufacturers through their stores "cut their prices from time to time in specific places" (p. 27). Senator CAPEHART expressed similar views (p. 27) and felt that the problem "is going to be on our doorstep continually from now on" (p. 47).

At present there is no legislation, antitrust or otherwise, which deals with this situation in any respect whatever. Accordingly it is proposed that legislation deal specifically with this subject by providing that a manufacturer shall sell maximum delivered quantities at wholesale (if he so wishes to sell his product) at a price lower, by a reasonable margin, than his lowest current retail price (if any) for the same or a substantially similar product, such margin to be not less than the margin necessary for the manufacturer's own most comparable retail operations (sec. 2 (b)).

3. Gross price discriminations are concealed under the guise of private or special brands, which the manufacturer uses himself for his private retail trade or sells at a greater discount to favored chain distributors than he sells his regular products to independent dealers. This situation is simply a special type of the one first mentioned above, and it is also somewhat related to the second situation mentioned above. No present legislation deals with it. It is an obvious method of evasion of fair trade ideas. It is suggested that legislation cope with it by simply providing that such brands be sold in maximum quantities at the same wholesale rates as apply to equivalent standard brands (sec. 2 (c)).

Any such legislation should contain enforcement provisions patterned after standard existing ones so that the legislation will not misfire as has the so-called Robinson-Patman Act, which was designed and passed 10 years ago to end such price discriminations, but has woefully failed.

FREE POSTAGE FOR CERTAIN MEMBERS OF THE ARMED FORCES

Mr. LODGE. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution to grant free postage to certain members of the armed forces, and I request that a statement by me be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and appropriately referred, and,

without objection, the statement presented by the Senator from Massachusetts will be printed in the RECORD.

There being no objection, the joint resolution (S. J. Res. 193) to grant free postage to members of the armed forces while confined for treatment in a military or naval hospital, and to veterans while being furnished hospital treatment or institutional care in institutions operated by or under contract with the Veterans' Administration, introduced by Mr. LODGE, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The statement presented by Mr. LODGE was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LODGE

It is well known that during the war members of our armed forces were granted the privilege of sending their personal mail free of any postage. This privilege was withdrawn not long ago and today all military personnel must pay postage rates. While I do not recommend that this privilege be restored entirely, I do believe that it would be a just and generous gesture on the part of the Federal Government were the free mail privilege restored to those who are in our military and naval hospitals. The resolution which I introduce would accomplish this purpose. It provides that any first-class letter admissible to the mails as ordinary mail matter which is sent by (1) a member of the military or naval forces of the United States on active duty and while confined for treatment in a military or naval hospital, or (2) a veteran while being furnished hospital treatment or institutional care in any hospital operated by, or under contract with, the Veterans' Administration shall be transmitted free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

The possible loss of revenue from sale of postage stamps would be very negligible indeed, while this gesture would do much to bolster the morale of those to whom we owe a particular debt of gratitude.

LIMITATION OF POWER OF RADIO BROADCAST STATIONS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to limit power of radio broadcast stations, and I request that the bill together with a memorandum in connection with the bill be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the bill together with the memorandum presented by the Senator from Colorado will be printed in the RECORD.

There being no objection, the bill (S. 2231) to limit power of radio broadcast stations, introduced by Mr. JOHNSON of Colorado, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That subsection (c) of section 303 of the Communications Act of 1934, as amended, is amended by inserting before the semicolon at the end thereof a colon and the following: *"Provided*, That no broadcast station operating in the amplitude-modulation broadcast band on frequencies ranging from 550 kilocycles to 1600 kilocycles shall be granted a license to operate with power in excess of 50,000 watts, and in the granting of instruments of authorization for such stations no station's sky-wave signal shall be protected for a signal intensity of less than 500 microvolts per meter 50 percent of the time based on measurements made during the second hour after sunset for all seasons of the year."

The memorandum presented by Mr. JOHNSON of Colorado was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON CLEAR CHANNELS AND SUPERPOWER IN RADIO BROADCASTING

The FCC has just concluded extended hearings on the subject of clear channels and superpower. Since 1936 the Commission has from time to time held hearings on this subject matter but at no time have they laid down a definite rule on these tremendously important questions. Their failure to act in the past has been attributed to change of personnel and other factors. Today the FCC has the facts and the evidence before it—and many expect them to determine finally the Commission's views on superpower and clear channels before the revision of the Habana treaty or the North American regional broadcasting agreement.

Because the political, social, and economic ramifications and consequences of superpower and clear-channel broadcasting are so great, it is not only proper but vitally necessary that the Congress consider the problems raised by superpower.

Whether or not a half dozen 500- or 750-kilowatt stations serve the radio listeners of America is more than an engineering problem. To give this great power of mass communications to a few persons is to give those same persons the power to influence greatly if not to formulate public sentiment. Twenty-four stations broadcasting with 500 or 750 kilowatts on clear channels would economically destroy 1,500 to 1,600 local and regional broadcasters, because top programs will go only to these great and powerful stations. There would be no necessity to furnish top programs to local or regional stations which are available to the same listeners from a superpower station. It would be needless duplication of programs.

The FCC is an arm of Congress. It is an administrative agency. Policy making is a prerogative of Congress, and for the Congress to express its views is an entirely proper discharge of its duties and responsibilities. Such an expression may come from Congress with moral and legal propriety at a time when the FCC is considering the question of superpower and clear channels. No rights are being adjudicated by the Commission. For the Congress to permit the Commission to decide the all-important questions of superpower and clear channels without a formal or informal expression of the views held by the Senate is nonfeasance. Such failure may result in the tail wagging the dog.

A Commission decision on clear channels and superpower is expected before April 1, 1948. Congress or its Members must and should act now.

Proponents of clear channels, i. e., the exclusive use of a radio frequency with high power, frankly argue that the Commission should not only retain the clear-channel idea but that the present power of 50,000 watts assigned these stations should be raised to 500,000 watts or 750,000 watts. A decision on this subject is expected before April 1, which is the dead line for submission of United States proposals for revision of the North American regional broadcasting agreement.

No domestic standard broadcast station now operates with power in excess of 50,000 watts. The Senate in 1938 adopted a resolution (S. Res. 294, 75th Cong.) expressing its policy against the use of power in excess of 50,000 watts. Technologically this is so simply because that much power gives a station coverage over its maximum useful service area. This is premised on the idea that radio-station service to a community or area should be built around a policy of giving the greatest public service to the people who can hear the signal. In a Nation of 48 States and more than 3,000 counties the customs, habits, occupations, economic interests, social developments, and political beliefs vary from county to county, State to State, and region to region. Obviously a station located in metropolitan New York and designed to service the people in that locality cannot at one and the same time serve its own local area and also broadcast weather reports, crop reports, or other data which are of pressing importance to a South Carolina cotton grower, an Arizona citrus grower, or a Colorado beet farmer. Even if it had the time, it is unlikely that its operators know enough about the problems of Iowa or Kansas corn farmers, or are enough interested in the views that may be espoused by the governors or Representatives in Congress of those States.

Under such circumstances, there has grown up in the radio industry in this country network service, which is simply the connecting together of many stations, distant one from another, for the simultaneous broadcasting of specific programs which may have national interest. But the stations affiliated with the networks, and the smaller local stations as well, also devote varying portions of their broadcast time to programs of local interest. Thus a station in Alabama or Kentucky carries national network programs of a general interest, but sees to it that economic, social, and political questions that are of particular interest in those States are discussed in local programs. Obviously, if those areas depended upon a New York station for coverage, they would not hear programs of local interest. It is extremely unlikely that the New York station would want, even if it could find the time, to schedule a discussion of the freight-rate differential question, for example. Its reason would plainly be that New York people aren't interested in that question.

It must be clear then why the Commission has issued no license to use power in excess of 50,000 watts. But in this country there are 24 stations whose signals are protected to an infinite distance even though their power output limits the usable and usefully hearable signal to a technical formula, approved by treaty, which is equivalent to a 750-mile radius from the station. What this means in effect is that signals from 24 of the highest-powered stations travel out for great distances to no useful purpose. They are useless beyond the 750-mile radius.

These few stations whose signals are protected to vast unusable distances are known as "clear-channel" stations, i. e., their channel or frequency is for their own exclusive use, and no other station, no matter how far away it is, may use that frequency. These stations occupy a somewhat analogous position to the dog in the nursery story of the dog in the manger. They use a frequency which technologically, and by treaty, is not required to be "protected" beyond an area of about 1,500 miles in diameter, but another station 2,000 or 3,000 miles away is not permitted to use the same frequency.

If there were a limitless number of frequencies so that each community would have its own exclusive frequency, the present system of allocation of frequencies would have no serious consequences. But consider the frequency situation: In this country there are some 1,900 stations which must divide up 96 frequencies between them. Is the division equal and equitable? On the contrary, it is arbitrary and discriminatory. For example, 851 local stations must share 6 frequencies among themselves, i. e., 142 stations

all use the same frequency; 689 regional stations must share 76 frequencies among themselves, i. e., about 9 stations all use the same frequency. And now note the situation in the clear-channel group—24 stations each have their own exclusive frequency for nighttime use, though there is duplication in daylight broadcasting in a few instances.

It is clear that the present situation is wasteful of frequencies, uneconomic, and instead of resulting in a better public service to the Nation's radio listeners, actually has deprived large numbers of people in the rural and nonmetropolitan areas of an improved radio service. There can be no valid justification for maintaining the exclusivity of 24 frequencies to service an imaginary area which cannot actually be served.

It is proposed that a greater use be made of these idle frequencies by permitting allocation of them to stations outside of the 1,500-mile diameter area presently covered by each of the 24 clear-channel stations. This would permit stations in the South, Midwest, and far West to be allocated frequencies, and relieve to some degree the pressing shortage of frequencies. Under the proposed system, each clear-channel station would actually serve an area equivalent to 1,500 miles in diameter, and the country would be covered by a series of contiguous circles, each 1,500 miles in diameter.

It must be clear that the greater the number of communities any individual station seeks to serve, the poorer the service must become to all of the communities. Not only do the outlying communities receive less adequate service, but inevitably the community in which the station is actually located receives impaired service because of the station's desire to give service to a community far out on the periphery of its useful-coverage area.

The proposal to maintain present power limitations and to duplicate clear channels where it is technologically feasible would bring about radio coverage for large areas not now adequately served simply because the clear-channel station does not in all cases serve the area; and, secondly, it would give the kind and type of local coverage desired by the listener. So far as is possible, radio should be returned to local control and sponsorship; the radio-station owner who makes his living in a community will tend to do a better job in that community than the absentee owner operating from thousands of miles away; first-hand knowledge of local or State problems will result in vastly improved radio service to that locality and State.

PRINTING OF MANUSCRIPT ENTITLED "KNOW YOUR CONSTITUTION"

Mr. McCARTHY submitted the following resolution (S. Res. 205), which was referred to the Committee on Rules and Administration:

Resolved, That the manuscript entitled "Know Your Constitution" be printed as a Senate document and that 1,000 additional copies be printed for the use of the Senate.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948, was referred to the Committee on Labor and Public Welfare.

CHANGES OF REFERENCE

On motion of Mr. TAFT, and by unanimous consent, the Committee on Labor and Public Welfare was discharged from the further consideration of the following bills, and they were referred to the Committee on Finance:

S. 2200. A bill to extend college education to children of persons whose death results from service in the armed forces, and for other purposes; and

S. 2209. A bill for the relief of Marion C. Hunter.

MEETINGS OF COMMITTEES

Mr. MARTIN asked and obtained consent for the Small Business Committee to hold a hearing at 2:30 o'clock this afternoon on the subject of export control.

Mr. KNOWLAND asked and obtained consent for the Committee on Appropriations to hold a meeting during the session of the Senate this afternoon.

ADDRESS BY SENATOR MYERS TO ATLANTIC STATES SHIPPERS ADVISORY BOARD

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address delivered by him at the twenty-fourth annual meeting of the Atlantic States Shippers Advisory Board, Philadelphia, Pa., January 15, 1948, which appears in the Appendix.]

BROTHERHOOD IN ACTION—ADDRESS BY SENATOR KILGORE

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an address entitled "Brotherhood in Action," delivered by Senator KILGORE at the American Brotherhood Sabbath service, Adas Israel Synagogue, Washington, D. C., February 20, 1948, which appears in the Appendix.]

ECONOMIC AND POLITICAL CONDITIONS IN THE SOUTH—ADDRESS BY SENATOR MAYBANK

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address delivered by him at Columbia, S. C., before the Municipal Association of South Carolina, on February 24, 1948, which appears in the Appendix.]

AMERICAN LEGION'S FREEDOM BOOKLETS—STATEMENT BY SENATOR BROOKS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD a statement issued by him, concerning the American Legion's Freedom Booklets, which appears in the Appendix.]

GERMANY AND REPARATIONS—EDITORIAL FROM THE NEW YORK TIMES

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an editorial entitled "Germany and Reparations," published in the New York Times of February 21, 1948, which appears in the Appendix.]

RFC's FOR EUROPE—EDITORIAL FROM THE KOKOMO (IND.) TRIBUNE-DISPATCH

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "RFC's for Europe," published in the Kokomo (Ind.) Tribune-Dispatch of February 10, 1948, which appears in the Appendix.]

FOREIGN POLICY OF THE UNITED STATES—ADDRESSES BY THE SECRETARY OF THE ARMY

[Mr. GURNEY asked and obtained leave to have printed in the RECORD two addresses by Hon. Kenneth C. Royall, Secretary of the Army, the first at Los Angeles, Calif., January 5, 1948, the second at Denver Colo., January 8, 1948, which appear in the Appendix.]

TVA STEAM PLANT AT NEW JOHNSONVILLE, TENN.

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a letter relating to the TVA steam plant at New Johnsonville, Tenn., written by him to Gordon R. Clapp, Chairman of the Board of the Tennessee Valley Authority, and Mr. Clapp's reply, with memorandum of the Board of Directors of the TVA, which appear in the Appendix.]

INCREASE IN POSTAL WORKERS' PAY—STATEMENT BY DANIEL R. SULLIVAN

[Mr. STEWART asked and obtained leave to have printed in the RECORD the statement made by Daniel R. Sullivan, vice president, National Association of Letter Carriers, before the subcommittee of the Senate Committee on Post Office and Civil Service, on January 24, 1948, which appears in the Appendix.]

RURAL ROADS—ADDRESS BY ANDREW L. BURRUS

[Mr. STEWART asked and obtained leave to have printed in the RECORD an address on the subject of rural roads delivered by Judge Andrew L. Burrus, of Obion County, Tenn., which appears in the Appendix.]

NEGRO FARM FAMILIES IN CLEVELAND COUNTY—ARTICLE FROM THE CLEVELAND TIMES

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "18 County Negro Farm Families Show Gains," published in the Cleveland (N. C.) Times, which appears in the Appendix.]

THE HANDLING OF PACIFIC ISLANDS BY THE NAVY—ARTICLES BY FRANK ROGERS

[Mr. CORDON asked and obtained leave to have printed in the RECORD news items by Frank Rogers, dealing with the handling of Pacific islands by the United States Navy, published in the Los Angeles Daily News of February 16, February 17, and February 18, 1948, which appear in the Appendix.]

THE ST. LAWRENCE SEAWAY—EDITORIAL FROM THE NEW YORK TIMES

Mr. LODGE. Mr. President, I ask unanimous consent that an editorial entitled "The Seaway Case Unproved," from the New York Times of yesterday, be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SEAWAY CASE UNPROVED

As the Senate approaches a vote on the proposed St. Lawrence seaway project a fair appraisal of the arguments, in the debate that began a month ago, would seem to be that the advocates of this venture have failed to prove their case for construction now. From President Truman down the line these advocates have relied for the most part on generalizations not adequately supported. The President, for instance, said that the enterprise would "develop one of the richest natural resources of the continent for the benefit of the whole United States." There has been no convincing evidence that "the whole United States" would benefit. On the contrary, such benefit as might come would seem to be limited to a comparatively small area or part of the population. The President said that it would "make deep-draft ocean transportation available to the most highly industrialized areas of North America." But the opponents of the project insist that modern shipping would require a channel far deeper than the 27 feet stipulated in the plan.

At a time like this, when there are so many legitimate demands on the Federal purse, a project costing a half billion dollars or more must be supported with some showing of urgent need. No such urgency has been demonstrated in this case. There are, on the other hand, several causes requiring large sums of money that are certainly on a desirable, if not a must, list far more urgent

than the seaway. One of these is Federal aid to housing construction, on which a considerable sum might justifiably be spent in various ways. Another is Federal aid to education. A third, which, in view of the uncertainties of the present, probably ought to be put first, is the making secure of a sea passage from Atlantic to Pacific that would be less vulnerable to atomic bomb than the present lock canal in Panama. This would be a tremendously expensive process, and it is out of the question that we could attempt to do that and build the seaway at the same time.

Obviously a choice must be made among these and other projects that might be mentioned. The case for the St. Lawrence seaway is far from being clear.

SOUTHERN STATES COMPACT ON REGIONAL EDUCATION

Mr. HOLLAND. Mr. President, on yesterday, acting for 29 Senators from the 15 Southern States, whose names appear as joint sponsors of the measure, I introduced Senate Joint Resolution 191, which is a joint resolution giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948.

I wish to call the attention of the Senators to the outstanding importance of this highly constructive compact recently entered into by the southern governors and which allows for the constructive cooperation of any two or more of the participating States and the joint use of State funds in creating and operating regional educational institutions. Since there has been in recent weeks much discussion of racial problems in connection with some of the southern institutions of higher learning, I take this occasion to advise the Senate that the compact of the southern governors is not in any way the result of these racial difficulties. The fact is that the southern governors conference and leading educators throughout the South have been working for some years toward the creation of regional schools which will bring greatly improved educational opportunities to the young people of the South in general. I recall that throughout the 4-year period while I was a member of the southern governors conference, this subject was frequently discussed and the discussion had begun some years prior to that time.

This long-considered and constructive program has just now reached the stage where it can be completed and has been set up in concrete form by the southern governors, who I feel should be warmly commended. It is my conviction that the compact which is the result of their labors is entitled to the strongest support from all who are interested in education. I assure the Senate that the program does not contemplate in any way any request for financial assistance from the Federal Government.

Many of the Southern States do not have institutions for instruction in medicine, in dentistry, or in veterinary science. Both the small number of students from a single State and the high financial cost of establishment and operation of this kind of college have brought about this situation. The vast resources of the area call for the establishment of outstanding institutions of learning in petroleum engineering, textile engineering, forestry, and mining and metallurgy, to mention just a few of the fields which are not now adequately served. The opportunities for graduate study and research are not what they should be. My own State has no medical school, no dental schools, no school of veterinary science. The Governor of Florida told me only yesterday of the possibility of our combining under this compact with the State of Alabama, which already has a fine veterinary college. By such combination the program of the existing school can be strengthened and at the same time facilities may be afforded for Florida students who desire to study veterinary science. Many other similar possibilities exist.

It happens that the most pressing problem calling for the immediate use of the compact pertains to Meharry Medical College, at Nashville, Tenn., which is a class A medical school at which Negro students are given training in medicine, dentistry, and nursing. This fine school, which is a private institution supported, in the main, by various foundations, has found it necessary in recent years to encroach upon its principal in order to continue in operation. Its continued existence is imperiled and it has asked for the public support of the Southern States to which the Governors feel that it is entitled in view of the fact that Negro students from all of the Southern States are now receiving their training there.

I sincerely trust that this fine and constructive compact which means so much to all of the young people in the 15 Southern States will receive the early and favorable consideration of the Senate Committee on the Judiciary to which it has been referred, not only because of the pressing need for immediate action in the case of Meharry Medical College and other instances, but also because the legislatures of several of the affected States are now in session and the compact must be approved by the legislature of each State in order to become binding on that State, and must be approved by not less than six State legislatures in order to come into operation. Early and favorable action by the Congress in consenting to this compact will, in my opinion, expedite early and favorable action by the legislatures of the several States.

EUROPEAN RECONSTRUCTION PROGRAM

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I have received from the Pittsburgh Chamber of Commerce, in which I am advised that its board of directors has unanimously approved, in principle, the European reconstruction plan.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE CHAMBER OF COMMERCE
OF PITTSBURGH,
Pittsburgh, Pa., February 9, 1948.

Hon. FRANCIS J. MYERS,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: The board of directors of the Chamber of Commerce of Pittsburgh, at their monthly meeting held January 30, 1948, unanimously approved, in principle, the European reconstruction plan (Marshall plan), expressing the belief that the Congress is the body best qualified to determine the nature and rate of its implementation.

Sincerely yours,
JAMES H. GREENE,
Executive Vice President and Secretary.

BENJAMIN FRANKLIN ESSAY CONTEST

Mr. MYERS. Mr. President, an essay contest known as the Benjamin Franklin Essay Contest was conceived by Radio Station WPEN in Philadelphia and put into execution with the cooperation of the Poor Richard Club, the Charles Morris Price School of Advertising and Journalism and the Franklin Institute.

The first contest was held during the winter of 1946–47, and was thrown open to students enrolled in any public, parochial or private high school in the Philadelphia area. The subject of the contest held at that time was, "What would Benjamin Franklin say to the United Nations on how to live together in permanent peace?"

The contest closed immediately prior to the anniversary of Benjamin Franklin's Birthday on January 17, with the winning boy and girl each receiving a $500 scholarship to be used upon graduation from high school at the Charles Morris Price School of Advertising and Journalism. The six boys and six girls turning in the next best essays were awarded a year's student membership in the Franklin Institute.

The underlying purpose of the Benjamin Franklin essay contest was to focus greater attention upon the life, works, and deeds of Benjamin Franklin, particularly among the coming generation as represented by high-school students. In addition, the Benjamin Franklin Essay Contest was tied in with the general celebration attending Franklin's Birthday by the city of Philadelphia, the Poor Richard Club, and allied organizations.

The second Benjamin Franklin essay contest was held during the winter of 1947–48, and is now recognized as an annual project honoring Benjamin Franklin. This year the winning essays were written by Ralph W. Yeakel, Jr., a student at Frankford High School, and Mary McGuinn, a student of Radnor High School. They received due recognition from the stage of the Bellevue-Stratford ballroom during the Poor Richard Club's annual banquet on January 17. These essays were transmitted to me by Mayor Bernard Samuel, of Philadelphia, with the suggestion that they be entered in the CONGRESSIONAL RECORD, just as were the winning essays for the Benjamin Franklin essay contest held during the winter of 1946–47.

I therefore ask unanimous consent that the essays may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the essays were ordered to be printed in the RECORD, as follows:

WHAT WOULD BE BENJAMIN FRANKLIN'S RECOMMENDATION ON AN AMERICAN POLICY TOWARD EUROPE?

(By Mary McGuinn, Bryn Mawr Avenue, Bryn Mawr, Pa.; Radnor High School, Mr. Martin Gill, assistant teacher)

Invisible though I be, I am here among you, the Poor Richard Club, as you celebrate my birthday. I have walked among

every single one of you, listened to your conversations, laughed at your jokes, and listened to your speeches. I also have heard that you are anxious to know what would be my recommendation for an American policy toward Europe.

How I wish you could see and hear me and know what I really think about the near catastrophe in Europe. This Truman doctrine, that of coming to the aid of any country whose defense is our defense, is practical and foresighted but implies a note of selfishness and scheming. Oh, my brethren, let your aims be so guided as to seek primarily, in anything you ever do, the benefit and improvement of all mankind. Think not only of nations whose defense aids our defense, but of smaller, less significant countries who are struggling and striving as we were 200 years ago. Let us come to the aid of all nations who have been maliciously attacked. If there has been a good reason for their attack, if they have acted unjustly or otherwise, think seriously before thrusting our country into what may prove another great war. Look before you leap, and when you leap, have very good reasons for doing so. Be you careful in this Truman doctrine, not to irritate other nations who think as highly of their system as we think of ours.

In regard to the occupation of Europe, I believe where it is vital to keep our controls, let us keep them. I am thinking of Germany, in particular, when I say this; for it would be a most wise policy to stay in that country for a great many years to come, until the thoughts of war, uprisings, and revenge have drawn their final breaths. We should occupy it not so much in the spirit of a stern and foreboding conqueror, but in the role of a helpful, understanding unit of people, striving in heart and mind to show them a better way of life. Be patient with them, when all patience seems at an end; for they have gone through so much. Take time for all their questions and answers to be settled. Do slowly and surely. Our reward will be the confidence and satisfaction that we have had the opportunity to show them a better, more peaceful way of life.

The Marshall plan is another great cog in our foreign policy. To me it is an unselfish offer of a great, rich country to lend a helping hand to those across the sea who so desperately need it. What could be better than to help Europe help herself? We will not grow thin, our clothes will not become rags, nor will we lose our health or our wealth. The first three Europe is losing daily. The last she has already lost. Let us act in our concern for them as we would act in the aid of a ship in distress, a ship full of passengers with no hope in sight and the leak in the hold growing larger and larger. Europe is such a ship, sinking with no possible aid in sight except what might come from the United States. The leak in her hold is the famine and freezing that has already set upon her and the millions on board her are helpless and dying. Are we to stand by and watch her sink?

And yet there are those who heartily oppose the Truman doctrine and Marshall plan in their present or any other form, saying: "We did not start the war; let us not be charged with the responsibilities of its aftermath or with the beginnings of another." If you could see what I have seen and know what I have come to understand since my death, you would know that nothing matters in life except the love, understanding, and generosity you show your fellow men. Think about this, my friends, and think about it often and let it be your guide in whatsoever you shall do.

WHAT WOULD BE BENJAMIN FRANKLIN'S RECOMMENDATION ON AN AMERICAN POLICY TOWARD EUROPE?

(By Ralph W. Yeakel, Jr., 1812 Borbeck Avenue, Philadelphia, Pa.; Frankford High School, Miss Mary Purcell, assisting teacher)

Franklin was one of the foremost Americans of his day, and though that day was 170 years ago, he thought as any good American would think today.

I will try to present my idea of his opinions in the form of a letter from Franklin to a friend.

LAKE SUCCESS, LONG ISLAND,
January 10, 1948.

MY DEAR FRIEND: I have just come from the organization meeting of the United Nations Committee on Near Eastern Affairs. I must confess, though, that my mind dwelt not on the Near East, but on the problems facing our own dear land. We are on the eve of a momentous occurrence. The people of America are faced with what is perhaps the greatest question that can be put to a human being, the fate of the life of another human being. Not one being alone, though, but countless millions. These millions are the people of Europe. We must adopt a foreign policy that will aid these poor ones as quickly as possible, and with the least fuss. My views on the matter can be expressed by the following:

1. To back, without hesitation, financial or otherwise, the Marshall plan; for it is the only answer to the great need in the countries of Europe. Understand, my friend, that if the United States does not give instant aid to Europe, the forces of communism will deepen their roots and eventually throttle freedom in western Europe, as it is in eastern Europe. The lesson of democracy, illustrated by food and clothing, and taught by the American people, will convince the people of Europe that their hope lies in the West, not the East. Let me warn you again, for, if we do not take heed, there shall be no peace in our time.

2. To immediately cease the sending of supplies and material to those nations that may become our enemies; for there is nothing more foolish than giving your foe the weapons that he needs to kill you.

3. I would halt immediately the dismantling of nonmilitary factories in Germany. What nation can be expected to regain prosperity without the factories it needs to make its products?

4. Lastly, I should guarantee to all citizens of Europe a free and fair election of governments and officials, under the supervision of the United Nations.

With these things in effect, dear friend, we shall yet see the day when freemen shall walk unafraid the streets of Europe.

With sincere esteem and regard, I am, sir,
Your most obedient humble servant,
B. FRANKLIN.

ADDRESS BY GOVERNOR TUCK TO THE VIRGINIA GENERAL ASSEMBLY

Mr. BYRD. Mr. President, today at 11:15 in Richmond, Gov. William M. Tuck delivered a notable message to the General Assembly of Virginia. In the light of current developments, this message may well become historic and is of deep significance as affecting the existing political conditions in our Republic.

In this message, Governor Tuck frankly and courageously discussed the reasons why he deemed the adoption of his recommendations to be imperative for the protection of his State of Virginia.

The great Virginians of the past, more than the citizens of any other section, made the most notable contributions to the establishment of States' rights and self-government, which, since the beginning, have been the basic principles of our representative democracy.

In this day, when these principles are endangered by actions proposed by both political parties, it is very fitting that a great Virginia Governor should stand in the forefront, defending these institutions.

The message delivered today by the Governor of Virginia needs no interpretation. It contains no weasel words. In forceful and brave language his reasons and purposes are clearly set forth. Let it be read and pondered by all interested in this vital question. For myself, I endorse his recommendations without reservation, and I ask that the message of Gov. William M. Tuck, delivered Thursday, February 26, at Richmond, to the General Assembly of Virginia, be printed in the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Speaker and members of the General Assembly of Virginia, I have the honor to transmit to you herewith a bill entitled "A bill to amend chapter 13 of the code of Virginia by adding thereto a new section numbered 157-a, relating to the candidacy at elections for President and Vice President of electors of any political party, and to repeal section 157 of the code and any acts or parts of acts inconsistent with this act, to the extent of such inconsistency." I request that the bill be introduced and I trust it will receive your earnest consideration.

Let it be made clear that I am moved to this recommendation only by a sincere desire to promote the constitutional rights of the people of Virginia and to shield them from iniquitous influences which have permeated both of our national political parties. The suggested legislation is for the benefit of the citizens of Virginia of all parties and its facilities may be employed by all alike.

The purpose of the proposed legislation is to revise the State election laws so as to permit any Virginia political party to nominate electors for President and Vice President and to provide for the printing of the names of said electors on the official ballot under the name of the party so directing, but without there appearing on the ballot the names of any particular persons for whom they may vote for President and Vice President. The voter who marks the square preceding the name of the party will have his vote counted for all those nominated as electors by that party. If the party nominees for electors are elected in such a case, they will be obligated and pledged to vote in the electoral college for the nominees of the national convention of their party, unless the duly constituted party authorities in Virginia direct otherwise.

The Virginia State convention of a political party will be deemed the duly constituted authority of the party with respect to authorizing or instructing its electors, but the power of issuing the instructions may be delegated by the State convention to a party committee. Written statements will be filed with the State board of elections, along with the party's list of candidates for electors, explicitly showing what instructions are given, or authority conferred, upon its candidates for electors.

One further provision of the requested legislation will limit the names of parties appearing on the printed ballot to those which had names of candidates on the official ballot for the last Presidential election

in Virginia, or which received 10 percent or more of the vote at some general election in the State within the preceding 5 years.

I am sure all of the members of the general assembly are cognizant of my reasons for proposing this legislation. They were forcibly impressed upon us in no uncertain terms in the recent masterful address of the distinguished senior Senator from Virginia, the Honorable HARRY FLOOD BYRD. He vividly portrayed to us in that address, delivered in Richmond last Thursday, the effect of President Truman's so-called 10-point civil-rights program, which he has recommended to the Congress, upon Virginia and the other Southern States, as well as upon the country as a whole.

It would include, among other things, a permanent Federal Employment Practices Committee, usually known as the FEPC, the abolition of segregation among the races, a Federal antilynch law, and Federal regulation of suffrage in the States so as to abolish the poll tax eligibility requirement. These measures constitute not only an obvious invasion of the field of government clearly and explicitly reserved to the States by the founding fathers in the Federal Constitution but an uncalled for and unwarranted assault upon the established customs and traditions of the entire Southland. If such legislation is enacted, it will constitute a precedent which will bring about the final and complete destruction of the autonomy of not only the Southern States but of all the States. Precedents are dangerous. These proposals, if adopted, will open wide the door for the establishment of a totalitarian form of government in this country. If the Federal Government is permitted to exercise jurisdiction in the field of general crime by the antilynch law, then, upon principle, there is nothing to prevent it from doing likewise with respect to all crimes. If it can lawfully regulate suffrage in the matter of the poll tax, it can also impose or dispense with all other suffrage requirements. If, at the expense of the taxpayers, it can set up a huge bureaucracy to conduct an inquisition into the conduct of a private business to determine whether the employees have a grievance against their employer because of so-called racial discrimination, it can do likewise to ascertain whether the conduct of the various churches of the land conforms to a Federal pattern hereafter promulgated.

This is sufficient power to create in America the counterpart of a Hitler or a Stalin. The hordes of police officers set up under the proposed FEPC could easily be converted into a huge Gestapo by expanding the scope of their field. Suppose that a few years hence, in the swing of the pendulum of public thought, Wallace, or a man of his type, should be elected President. He would find a ready-made Gestapo for the harassment and the persecution of the successful businessmen whom Wallace now so bitterly abuses. It is beyond understanding that any Senator or Representative in the Congress could vote to inflict such an intolerable condition upon the people and the businessmen of his own State, even though he may be unmindful of the rights of people of other States. Though this legislation is aimed at the South, it is certain that its repercussions will not be confined to that region. There is nothing to prevent any dissatisfied employee in any State from invoking it against his employer. The last congressional election was generally interpreted as an expression of the people that they were weary of bureaucracies. And yet this proposed FEPC is the worst of them all. If it is established, a howl of protest will arise in every State in the Union as soon as it is evident that personal liberties are being destroyed.

The cardinal purpose of the Constitution was to preserve the liberty and freedom of the people. Our forefathers had lived under a tyrannical government. They intended to insure that the Government they established should be forever free of tyranny and usurpation of authority. The fundamental principle adopted to effectuate this purpose was to divide the powers of government. The powers assigned to the Federal Government were strictly limited and even these were diluted by separating them among the legislative, executive, and judicial departments, each of which was intended to be substantially independent of the other. But the primary and really effective division of the total powers of government was that made between the State governments on the one hand, and the Federal Government on the other. Each State remained a sovereign and retained all powers except those limited ones it delegated to the central authority. All powers not so expressly delegated therefore remained with the sovereign States. Thus was erected an insuperable bulwark against usurpation of power by the Chief Executive. It would be virtually impossible for a would-be usurper, by a sudden coup or by any other means, to convert 48 separate State sovereignties into one dictatorial or tyrannical government. It is both interesting and instructive that the truth of this principle was recognized and emphasized by the late President Roosevelt during the time he was Governor of New York. On March 2, 1930, he delivered a stirring radio address in support of States' rights which he then considered anything but decadent. After warning of what he thought to be danger signals of approaching autocracy in our National Government, he pointed out how to avoid it. He said, I quote:

"Now, to bring about government by oligarchy masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed, except in mere minor matters of legislation. We are safe from the danger of any such departure from the principles on which this country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever it seems in danger." (Roosevelt's addresses, vol. 1, pp. 571-572.)

I believe we can all agree on the soundness and truth of this proposition so eloquently advocated by Governor Roosevelt, and can agree further that the danger signals he then saw flying in 1930 have been multiplied manyfold since that time.

Now to get down to the precise purpose of the proposed bill. For many years the democracy of the South has been ignored by the national administration when legislation objectionable to it was under consideration. The electoral vote of the South has been counted by the Democratic Presidents even before it was cast. No insult to this region was considered too vile to affect the outcome of the election. The result has been, as I pointed out in my inaugural address, that the people of the Southern States have been placed upon the sacrificial altar to appease racial and other minority fringe groups in States having a large number of electoral votes, such as New York, Pennsylvania, Illinois, and California.

As I have stated frequently before, this is not a race issue in Virginia. The white and Negro races have lived here together in peace and harmony, and with mutual respect, for a longer period of time than in any other part of our hemisphere. The so-called civil rights proposals of President Truman would not improve these relationships; to the contrary, they would impose the greatest strain upon them. They would undertake to enforce imaginary rights which do not exist, and in so doing would emasculate and destroy rights of personal freedom which have been established and enjoyed by the people of all of the States throughout the history of the Republic.

The President and his Committee on Civil Rights had much to say about lynching and poll taxes. In 1928 Virginia enacted a strong antilynch law. As a result, there has not been a death by lynching in this State since that time. Aside from the unconstitutional aspects of the Federal proposal, it is evident that no reason exists for such congressional enactments, as the States possess ample power to deal effectively with this problem.

Two years ago, upon the recommendation of Governor Darden, in which I joined, Virginia started the machinery for abolition of the poll tax as a prerequisite to the right to vote. The plan has received the approval of one regular session of the general assembly and is now before the second with every prospect that it will go to the people in a referendum at an early date. If adopted by their vote, the change in our State constitution will thereby be effected. Regardless of what our action may have been in the past, or may be in the future, these matters relate to functions of government belonging strictly to the States. Federal legislation has no place in these fields.

The fundamental principles of our democracy were established on the soil of Virginia. Here it was that George Mason penned the Virginia bill of rights defining our liberties, the principal provisions of which have been incorporated in the first 10 amendments to the Constitution of the United States. The Democratic Party was founded and fostered by that great Virginian, Thomas Jefferson, whose principles a great majority of Virginians have firmly embraced throughout the years.

Our democracy and the priceless privileges which we now enjoy have been handed down to us from those who ignored their personal and political fortunes, even at the risk of their lives on the gallows. In these hours of our history, they cannot be sustained by men who are unwilling to face truth and who are lightly glossing over evil and who would lull us with pleasing platitudes and alluring prophecies.

I am recommending the establishment of legal machinery by which we can remain loyal to the true tenets of our party, and not be driven from the house of our fathers by those alien to the principles we cherish.

If Virginia and the other Southern States should find it necessary for their own self-preservation to hold their electoral votes in abeyance, I believe it would prove an effective remedy for most of our grievances and insure us an influential voice in the councils of our respective parties.

The seeds sown here in Virginia may take root and flourish elsewhere. There are many persons of high ideals in all parts of the Nation who are unwilling to undermine the foundation of Government for the sake of a mere temporary political advantage, and who would be eager to join us in our fight to preserve it.

In the weeks and months which lie ahead, may we be infused with the spirit of the men who lived and died here to make Virginia the great sovereignty it is today.

WILLIAM M. TUCK.

FEBRUARY 26, 1948.

STATEMENT BY SENATOR MAYBANK ON THE ANTILYNCHING BILL

Mr. MAYBANK. Mr. President, I ask leave to have printed in the body of the RECORD the statement I made before the Committee on the Judiciary in connection with the so-called antilynching bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BURNET R. MAYBANK, DEMOCRAT, OF SOUTH CAROLINA, BEFORE SENATE JUDICIARY COMMITTEE, FEBRUARY 18, 1948

Mr. Chairman, we are once again concerning ourselves with a diminishing problem—diminishing, in fact, to the point of negligible existence. Let me put myself on record right here, Mr. Chairman, as opposing the act of lynching just as strenuously as I oppose this so-called antilynching bill. I cannot condone any act of violence whether it be committed by one person or an assemblage of two or more persons. Such acts violate every principle of honor and of legal procedure. But neither can I sit back quietly and condone the passing around of a political football under the guise of an antilynching bill.

We of the South oppose this bill, not because of what it is, but because of what it pretends to be. I cannot bring myself to support a piece of legislation which I am confident will not serve the purpose for which it is intended, but will only deny to our people one of the basic principles of self-government. Mr. Chairman, I hardly think the loyalty of South Carolina could ever be questioned. Neither do I believe that the diligent officers of our State should be subjected to the openly accusing finger of such a Federal edict, particularly in view of the record they have made in the suppression of this almost extinct crime.

It has been the policy of the Federal Government, since the birth of our Constitution, to leave to the individual States the administration of their local affairs. We refer to those time-honored and hard-won privileges of self-government as State rights.

This proposal here before us strikes at the very roots of those rights. How can we preserve a democratic form of government without preserving the governmental responsibility of the subdivisions? Our progress lies in the direction which moves that responsibility closer and closer to the people. But we are now asked to move it closer to the Federal power in order that States and their officials may be prosecuted for their failure—intended or not—to carry out a Federal edict which was passed on behalf of a minority in control of a few votes.

I say let us commend those States and their officials for the outstanding service they have rendered already. You have only to look at the record. The decline of lynching has been just as steady over a period of years as our logical march toward law and order. It is because our people want it so; not because they were regimented into it. It is my sincere belief that the passage of a bill such as this one would ultimately stir up racial feelings such as we have not witnessed in our time. Dare we risk such rampant turmoil and strife within our ranks over a problem of so little consequence?

I do not mean to say or even imply that the taking of a human life in any manner is a matter of little concern. But I do say that the bill we are considering here is a gross misrepresentation to those who are asking for its passage. The very name is a misnomer when applied to this bill. This is not an antilynching bill. It does not make lynching any more a crime than it always has been. Instead, it merely creates a new crime within the jurisdiction of the Attorney General of the United States: The failure of a sheriff or any other delegated authority of a State or county to prevent a lynching. It boils down to one basic point: In the event of a lynching the Federal Government will send an official to the county in which it occurred with the express purpose of seeing that "all diligent efforts" were made to "protect such person or persons from lynching." In the event the Federal officer finds that proper precautions have not been taken, the county in which the lynching occurred is then fined. I cannot help but call to your attention the fact that a part of this fine would ultimately be paid by the family and friends of the victim. A State law in South Carolina provides that a judgment may be brought against the members of the lynching mob for recovery of such fine.

This proposition, this further extension of Federal jurisdiction, comes before us at a fateful time, fateful not only within these United States but in the course of world history as well. If we allow this centralization of bureaucratic control to continue, the time is not far away when such illustrious State names as South Carolina would come to mean nothing more on a map than a geographic subdivision. We can ill afford to allow such a concentration of power in a central government especially when that power is attained at the expense of the individual State.

At a time when we are taking such an active part in the course of world affairs and the rehabilitation of war-torn countries of Europe and Asia, can we forget the prewar dispossession of power of component units of the European nations? Gentlemen, we may well stop right here and reconsider the advisability of stripping the individual States of their constitutional authority. There is no conceivable reason for taking such governmental responsibility away from the subdivisions of our Nation in the face of the record as it exists today.

When I last laid my platform before the people of South Carolina I did so with the deepest convictions that the State is the only governmental subdivision through which a democracy may function. Can it be that we are going to destroy it? Have we now reached the conclusion that there is no longer such a thing as a Federal union of sovereign States under the Constitution of the United States? Now is the time for us to stop and consider. Let us take heed now lest we awaken one morning and find our State rights a memory and our only recourse in a firmly entrenched Federal bureaucracy.

This record to which I refer—and shall do so in greater detail in a moment—is, in itself, a glowing tribute to the rightness of our thinking in our constant fight for the preservation of our State rights. The crime of lynching has been reduced to a point of almost complete extinction in recent years. This has not come about through any Federal intervention. It is so because it is the will of the people. I can see no reason for granting the Federal Government authority at this late date for intervening in a cause in which the very States you wish to preserve have already excelled. Shall we, here in this Congress and in the face of such achievements, honestly say to the world at large that our State rights are being abolished because we cannot depend upon the integrity of the State and county officials? I tell you the people of this country are becoming more and more concerned about the future of our democratic form of government. They are beginning to fear for this increasing centralization of power as they watch more and more of their rights of self-government slip through their fingers.

And now we ask those good people to place their local officials and citizens under the "protective" arm of the Attorney General of the United States. Under what guise of necessity can we do such a thing? We could say that their duly elected and appointed officials have failed to uphold the faith placed in them at the time they took office. We could charge them with dereliction of duty.

Sudden death is common in this country. Figures on manslaughter, murder, rape, robbery, assault, and other crimes mount daily into almost astronomical figures by year's end.

The latest figures available at this time from the Federal Bureau of Investigation which cover a full 12 months are for the year 1946. In 1946 there were 4,701 cases of manslaughter; 13 offenses each day; 1.1 offenses every 3 hours. There were 8,442 cases of murder; 23 offenses each day; 19 offenses every 2 hours. There were 12,117 cases of rape; 33 offenses each day; 1.4 offenses each hour. There were 67,512 cases of aggravated assault; 185 offenses each day; 7.7 offenses each hour. These 4 crimes totaled 92,772 cases in 1 year, 254 offenses each day; 10.6 offenses each hour. These are only four of the eight major crimes as recognized by our FBI. We use these four because they are termed offenses against the person. The figures on the 8 major crimes run to a total of 1,685,203 cases—for 1 year.

Just for the sake of comparing, let us look for a moment at the lynching record for the same year. In 1946 there were 6 lynchings recorded by the Tuskegee Institute, the greatest number of the past 5 years, and only equaled in the past 10 years by 6 in 1938. In 1946 there was 1 major crime committed to every 80 persons in this country. There was 1 lynching to every 24,000,000. Even in 1892, when there were 231 lynchings, the ratio was only 1 to 284,000.

The only figures completed at this time for last year (1947) are for the period January through June. The major crime offenses in urban communities show an over-all decrease of 2.3 percent over the same period for 1946, with rape leading with an increase of 3.5 percent. The same period for rural areas shows an over-all increase of 7.5 percent, with rape showing a 13.6-percent increase.

These trends cover the first 6 months of 1947 showing 580,692 major offenses—501,242 of which took place in 2,085 cities with a population of 65,537,365. The trend, over the period of years, has been a constant increase. It continues so.

Now let's have a look at the trends in lynching. The number of lynchings each year have consistently decreased from 231 in 1892 all the way down to 1 in 1945 and again in 1947. Significantly, the number of prevented lynchings have increased in direct proportion to the decrease in lynchings. The following figures come from the Association of Southern Women for the Prevention of Lynching.

Period	Lynchings	Prevented lynchings
1915 to 1920	367	219
1920 to 1925	189	392
1925 to 1930	88	242
1930 to 1935	84	340
1935 to 1940	30	262
1941	4	21

This particular report ends with 1941.

In Tuskegee Institute's report on the one lynching of 1947 President F. D. Patterson said that lives of 39 persons were saved in "at least 31 instances in which lynchings were prevented"; just one more instance to back our contention that this crime has been reduced to a negligible point because the people want it that way; not through fear of a Federal official.

Judging by the trend established during the first 6 months of last year, it would seem that one major crime was committed for less than every 80 people in these United States. And there was only one lynching; 1 out of 145,000,000 people. That one, I regret to say, was in my State. The people of South Carolina, individually and collectively, were crucified by the press, locally and nationally, for the verdict of that jury. I shall neither condemn nor uphold that verdict here. The point I want to make here today is this: In the one lynching of 1947, the 28 members of the lynching party were apprehended, jailed, and tried. Judge James Robert Martin, Jr., charged the jury on four counts: Murder, accessory before the fact,

accessory after the fact, and conspiracy to murder. According to witnesses of the trial the judge minced no words. "A court of law recognizes no color," he charged. "I instruct you * * * not to allow any so-called racial issue to enter into your deliberations." The requirements of the bill before us had been met and complied with.

Is any vice which has claimed 36 lives in the past 10 years deserving of such high priority on our legislative calendar in the face of such figures as more than a million and a half major crimes every year, more than 12,000 homicides annually, not to mention between thirty and forty thousand annual automobile fatalities? More people will die in this country this winter from exposure to cold than were killed by lynching in the past 10 years.

How can men who are engrossed in the problem of human sufferings, by the millions at home and abroad, hamstring the legislative procedure of this Congress with a bill which hopes to save an average of three lives a year? They cannot even be sure it will save one life. I say it will not.

THE ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, I have previously offered for the RECORD a few of the many wonderful communications I have received from Wisconsin, from public officials and private citizens alike, urging enactment of the long-deferred St. Lawrence seaway measure.

At this time I present for the RECORD a few more such statements, from my own and other States, and I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE MAYOR,
Milwaukee, February 20, 1948.

Senator ALEXANDER WILEY,
United States Senate, Washington, D. C.

DEAR SENATOR WILEY: The city of Milwaukee, the State of Wisconsin, and the entire country is awaiting the outcome of the recent deliberations in the Senate on the St. Lawrence seaway and power project, the national policy on which will be determined by the Senate vote to be taken on February 27.

We have followed the Senate debate closely. Nothing has been advanced by the opposition to alter Milwaukee's conviction that this is a great project in the national interest. Despite the intricate arguments advanced by the opposition, the entire negative position against the project can readily be summarized in the phrase "fear of competition." The eastern railroads fear the development of a new competitive transportation route; eastern and southern ports fear some diminution in their commerce and revenues; coal miners fear the competition of hydroelectric power; and private utility interests, lurking behind the scenes, fear that they will not receive their due share of profits from the power development of the St. Lawrence River, under public auspices. All of these fears are unfounded because a project which is in the national interest will bring great benefits, not injury, to the entire Nation and to our friendly neighbor, Canada.

The United States is today admittedly power deficient, transportation deficient, and security deficient. If we are to measure up to our stature as a nation and to our new responsibilities as a preeminent world power, we must have the courage to rise above sectional considerations and to pursue policies and projects which will not only add strength to our national sinews but will reassure the entire world that America will continue to progress and prosper. Our democratic institutions and our governmental policies must meet a new test and a new challenge—not only the criteria of what is good for America but what best example we can offer the entire world.

Our obligation to maintain domestic prosperity and to demonstrate to the world the strength and integrity of American democracy requires that we as a nation have the courage and the integrity to use our natural resources wisely, to honor our commitments to a friendly neighbor, and to develop with foresight all of our resources and highways of commerce so that our domestic and foreign objectives may be translated into effective action.

The people of Milwaukee and Wisconsin are grateful to you and your colleagues for the leadership you have given a great project. The St. Lawrence project gains in stature with each passing year, and its development is as inevitable as was the Panama Canal.

Most sincerely,

JOHN L. BOHN,
Mayor.

CITY OF DETROIT,
February 25, 1948.

The Honorable ALEXANDER WILEY,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR WILEY: There are no terms too strong to express my disagreement with the opponents of the St. Lawrence legislation that "this is not the time to proceed." The claim that a policy of national economy does not permit "such a huge expenditure" is beside the point. We are asking ratification only, and not pressing for appropriations, which can if necessary wait until the American economic picture is clearer.

Certainly even the present estimated costs are less than 1 percent of the Federal budget of today and are correspondingly small in proportion to the projected relief that the Marshall plan will grant for European relief and reconstruction. While we are helping Europe we should also help ourselves to do that job, with the expansion of our Midwest industry and agriculture the view of one State or one industry against the good of all industry and all of the Nation's people, should once and for all be routed by an affirmative vote on this question before the Senate of the United States on Friday, February 27.

Yours very truly.

EUGENE I. VAN ANTWERP,
Mayor.

VERMONT STATE FARM BUREAU, INC.,
Burlington, Vt., February 17, 1948.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: I am writing this letter to ask you to urge your associates in the United States Senate to pass Senate Joint Resolution 111, known as the St. Lawrence resolution.

Twenty years is long enough to wait for an inland waterway and power development which will benefit millions of people in the North-Central and Northeastern part of United States. We have never been backward in Vermont in urging our Senators and Representatives to pass legislation which will help people in other parts of the Nation. We, in Vermont, are pleased that the people in southern United States have the benefit of the TVA.

Last year I had the privilege of looking over the Grand Coulee Dam in Washington and I saw the great advantages which it gave to the people of this area both in power and irrigation.

There are many other projects which are a blessing to the people of this Nation which have been made possible by national legislation. We are asking for the St. Lawrence waterway and sea development. We know that it will mean progress to all of this part of the Nation. You will only have to examine the annual report of the Federal Power Commission for 1945 and 1946 to see that we are in the highest rate power area in the Nation.

Very truly yours,

A. H. PACKARD,
President.

FARMERS UNION CENTRAL EXCHANGE, INC.,
St. Paul, Minn., February 24, 1948.

Re St. Lawrence resolution.

The Honorable ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: At the last two annual meetings of the stockholders of the Farmers Union Central Exchange resolutions were unanimously adopted endorsing the St. Lawrence seaway project.

We understand that a vote will soon be taken on the bill which is presently before the Congress and we feel confident that the farmers who make up this organization would be pleased if the Congress would approve of the St. Lawrence seaway project.

Our stockholders will be in session again at their annual meeting commencing March 15 and undoubtedly they will again go on record in favor of this project. Should they do so we will forward certified copies of their resolution.

Yours very truly,

E. A. SYFTESTAD,
General Manager.

The Farmers Union Central Exchange, a regional farm supply cooperative, doing business in the five Northwest States of Montana, North and South Dakota, Minnesota, and Wisconsin, comprised of 400 local cooperative companies with a membership of 150,000 farmers, assembled in annual convention at St. Paul, Minn., this 21st day of February 1946, does hereby adopt the following resolution:

"The people of the United States are now faced with a problem of expansion of their economic life which would necessitate the obtaining of modern and economical transportation facilities in order to give the millions of farmers, workers, and businessmen a wide opportunity to apply their skill and knowledge for the exploration of our vast natural and industrial resources and enhance the prosperity of the country as a whole.

"The development of the St. Lawrence seaway project presents one of the ways of enlarging our transportation system to economically utilize our productive capacities by the stimulating of world and domestic trade through lower cost of transportation. It will stimulate the agricultural and industrial activities of the Great Lakes area which is the key region of the agriculture and industry of America.

"We, the delegates, representing 150,000 Northwest farmer members of the Farmers Union Central Exchange, heartily endorse and recommend that every effort be made toward the immediate opening of the St. Lawrence deep waterway transportation which will give our land-locked Midwest an opportunity to expand its economic activities."

I, Madge I. Hughes, assistant secretary of Farmers Union Central Exchange, Inc., do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the delegates at the annual meeting of stockholders of said corporation on February 21, 1946.

In witness whereof, I have hereunto set my hand and affixed the seal of the Farmers Union Central Exchange, Inc., this 24th day of February 1948.

[SEAL] MADGE I. HUGHES.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Moore
Baldwin	Hayden	Morse
Barkley	Hickenlooper	Murray
Bricker	Hill	Myers
Bridges	Hoey	O'Conor
Brooks	Holland	O'Daniel
Buck	Ives	O'Mahoney
Bushfield	Jenner	Overton
Butler	Johnson, Colo.	Pepper
Byrd	Johnston, S. C.	Reed
Cain	Kem	Revercomb
Capehart	Kilgore	Robertson, Va.
Capper	Knowland	Russell
Chavez	Langer	Saltonstall
Connally	Lodge	Sparkman
Cooper	Lucas	Stennis
Cordon	McCarran	Stewart
Donnell	McCarthy	Taft
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Ecton	McGrath	Thye
Ferguson	McKellar	Umstead
Flanders	McMahon	Vandenberg
Fulbright	Magnuson	Watkins
George	Malone	Wiley
Green	Martin	Williams
Gurney	Maybank	Wilson
Hatch	Millikin	Young

Mr. KNOWLAND. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

CIVIL-SERVICE RETIREMENT BENEFITS—CONFERENCE REPORT

Mr. LANGER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 1. (a) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have attained or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service, shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act.

"'(b) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of fifty-five years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act, reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years.

"'(c) Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years. This subsection shall become effective July 1, 1947.

"'(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least fifty years of age and who has rendered twenty years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 per centum of his average basic salary for the five years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding thirty years.'

"SEC. 2. Section 2 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed 15 years of service computed as provided in section 5 of this Act shall, on the last day of the month in which he attains the age of seventy years, or completes fifteen years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

"'(b) No person who is receiving an annuity under the provisions of this Act and who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided*, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further*, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service.'

"SEC. 3. (a) Except insofar as amendments made by this Act change rates of interest and eliminate tontine deductions, such amendments shall not apply to any person subject to the provisions of section 3A of the act of May 29, 1930, as amended, and the rights and obligations of such person under such Act shall continue as though this Act had not been enacted.

"(b) Section 3 (a) of the act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"'Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948.'

"SEC. 4. Section 4 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 4. (a) The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) 1½ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to $25 for each year of such service: *Provided*, That in no case shall the annuity exceed an amount equal to 80 per centum of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

"'(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after his death payable to his surviving widow designated by him at time of retirement equal to 50 per centum of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 per centum of such life annuity, reduced by three-fourths of 1 per centum of such life annuity for each full year, if any, his wife is under the age of sixty at the date of such retirement, but shall in no case be less than 75 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age fifty, whichever is the later, and such annuity or any right thereto shall terminate upon her death or remarriage.

"'(c) Any unmarried officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant having an insurable interest in such officer or employee, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than 10 years younger; 80 per centum if the sur-

vivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission. No person shall be eligible to receive an annuity under this subsection and an annuity under subsection (c) of section 12, based upon the service of the same officer or employee, covering the same period of time.

"'(d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"'(e) Except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the term "basic salary, pay, or compensation", wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation.'

"SEC. 5. The first paragraph of section 5 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided.'

"SEC. 6. The first three paragraphs of section 6 of the Act of May 29, 1930, as amended, are amended to read as follows:

"'Any officer or employee to whom this Act applies who shall have served for a total period of not less than five years computed as provided in section 5 of this Act, and who, before meeting the age and service requirements for retirement under section 1 (a) hereof, becames totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within six months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"'Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age sixty and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

"'If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been separated from the service within the meaning of section 7 of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section.'

"SEC. 7. Section 7 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 7. (a) Should any officer or employee to whom this Act applies after having rendered five years of civilian service, computed as prescribed in section 5 of this Act, but less than twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

"'(b) Should any officer or employee to whom this Act applies, after having rendered at least twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a).

"'(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.'

"SEC. 8. Section 8 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the second month following the month in which this Act is enacted by 25 per centum or $300, whichever is the lesser: *Provided*, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed $600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable. Except as provided in this paragraph, the amendments made by this Act shall not apply in the case of officers and employees retired prior to the effective date of this Act.

"'In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as amended, beginning after such effective date, his rights shall be determined and annuity computed as though this Act had not been enacted.'

"SEC. 9. Section 9 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 9. Each officer or employee within the purview of this Act shall deposit, with interest at 4 per centum per annum to December 31, 1947 and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the "civil-service retirement and disability fund" a sum equal to 2½ per centum of his basic salary, pay,

or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; 3½ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per centum of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period which begins after June 30, 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Such interest shall not be required for any period during which the officer or employee is separated from the service. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to 10 per centum of the amount of such deposit, unless the officer or employee shall elect to eliminate such service entirely from credit under this Act: *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States.'

"SEC. 10. The first two paragraphs of section 10 of the Act of May 29, 1930, as amended, are amended to read as follows:

"'Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation: *Provided*, That from and after the first day of the first pay period which begins after June 30, 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 6 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the civil-service retirement and disability fund created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

"'Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of $25 but not to exceed 10 per centum of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission, an annuity in addition to the annuity provided by this Act. The life annuity shall consist of $7 for each $100, increased by 20 cents for each full year, if any, such officer or employee is over the age of 55 years at the date of retirement. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited, with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year, shall be refunded in accordance with the provisions of section 12 of this Act. In case a retired employee who is receiving a life annuity under this paragraph shall die without having received in annuity purchased by the total amount so deposited, with interest at 3 per centum per annum compounded on December 31 of each year, to date of retirement, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12 (e).'

"SEC. 11. Section 12 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the "civil-service retirement and disability fund" created by the Act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"'(b) (1) In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: *Provided*, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.

"'(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.

"'(c) (1) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age fifty, whichever is the later, equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee: *Provided*, That such payments or any right thereto shall cease upon death or remarriage of the widow.

"'(2) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act, or after having retired subsequent to such date of enactment under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity terminable upon death, remarriage, or attainment of age 50. The annuity payable to the widow of such officer or employee shall be equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. The annuity payable to the widow of such annuitant shall be equal to one-half the amount of the annuity which such annuitant was receiving at the time of his death excluding any portion thereof purchased by voluntary contributions under the second paragraph of section 10, or, if such annuitant had elected a reduced annuity under subsection (b) or (c) of section 4, one-half of the annuity which such annuitant would have received if he had not made such election. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed $900 divided by the number of such children or $360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of this subsection.

"'(3) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act or after having retired subsequent to such date of enactment under section 1, 2, or 6, and leaves no surviving widow or widower but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survived, but not to exceed $1,200 divided by the number of such children or $480, whichever is lesser.

"'(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

"'(d) As used in this section—

"'(1) The term "widow" means a surviving wife of an individual, who either (A) shall have been married to such individual for at least two years immediately preceding his death, or (B) is the mother of issue by such marriage.

"'(2) The term "child" means an unmarried child, including a dependent stepchild or an adopted child, under the age of eighteen years, or such unmarried child who because of physical or mental disability is incapable of self-support.

"'(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

"'(e) In any case in which—

"'(1) an officer or employee to whom this Act applies shall die before having rendered five years of civilian service computed as prescribed in section 5, or after having rendered five years of civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (c), or

"'(2) the right of all persons entitled to annuity under subsection (c) based on the service of such officer or employee shall terminate before a valid claim therefor shall have been established,

the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to Decem-

ber 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of death of such officer or employee, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"'First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

"'Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

"'Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"'(f) In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest at 4 per centum per annum to December 31, 1947, or the date of separation, whichever is earlier, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death, shall be paid upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"'(g) In any case in which—

"'(1) a retired officer or employee shall die without a survivor entitled to annuity benefits provided by subsection (b) or (c) of section 4 or subsection (c) of this section, or

"'(2) a retired officer or employee shall die leaving a survivor or survivors entitled to such annuity benefits and the right to annuity of all such survivors shall terminate before a valid claim therefor shall have been established, or

"'(3) the annuities of all persons entitled to annuity based upon the service of an officer or employee shall terminate,

before the aggregate amount of annuity paid equals the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death or retirement of such officer or employee, whichever first occurs, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"'(h) Any accrued annuity remaining unpaid upon the death of any retired officer or employee shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e). Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any person based upon the service of an officer or employee shall be paid to such person. Any accrued annuity remaining unpaid upon the death of any person receiving annuity based upon the service of an officer or employee shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"'First, to the duly appointed executor or administrator of the estate of such person;

"'Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such person, to such individual or individuals as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

"'(i) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"'(j) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed $1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

"'(k) Each employee or retired employee to whom this Act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries for the purposes of this Act.'

"SEC. 12. The first paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments.'

"SEC. 13. The third paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"'An annuity granted for retirement under the provisions of section 1 or 2 of this Act shall commence the first day of the month following the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections.'

"SEC. 14. Section 14 of the Act of May 29, 1930, as amended, is hereby repealed.

"SEC. 15. Except as otherwise provided herein, this Act shall become effective on the first day of the second month following the month of approval."

And the Senate agree to the same.

WILLIAM LANGER,
RAYMOND BALDWIN,
RALPH E. FLANDERS,
DENNIS CHAVEZ,
OLIN D. JOHNSTON,
Managers on the Part of the Senate.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,
Managers on the Part of the House.

Mr. LANGER. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

Mr. DWORSHAK. Mr. President, reserving the right to object, I should like to inquire if the junior Senator from Delaware [Mr. WILLIAMS], who is a member of the committee, and has been interested in this proposed legislation, has been advised that the report is to be considered at this time?

Mr. LANGER. Yes; he has been advised.

The PRESIDENT pro tempore. The Senator from Delaware is in the Chamber at the moment.

Is there objection to the present consideration of the conference report?

Mr. CAIN. Mr. President, reserving the right to object, I inquire whether or not an objection can be made after the presentation by the Senator from North Dakota.

The PRESIDENT pro tempore. If there is objection to proceeding by unanimous consent, a motion is in order to proceed to the consideration of the report, and such a motion is not debatable.

Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. LANGER. Mr. President, in connection with the conference report on the civil-service retirement bill I desire to make a few comments which are especially appropriate at this time.

The Committee on Post Office and Civil Service, which originated this legislation, began its consideration of this important subject a year ago. The Congress now is about to submit for Presidential signature a new and liberalized benefit program for employees of the United States Government. This program is new in the sense that widows and orphans of employees dying in service or following their retirement will be allowed annuities and not merely the return of the contributions paid into the fund by the recently deceased husbands or fathers.

As all of us realize, since August 1, 1920, when the retirement system was established, dependents did not share in the benefits derived from the investment in civil-service retirement annuities.

Here we have a bill whose retirement features are both liberalized and simplified. Anyone knowing his length of service and his highest average salary over five consecutive years will have no difficulty determining the amount of annuity to which he is entitled. If he is 55 years of age and has rendered 30 years of service, he may retire on an annuity slightly reduced from that which he would receive if he were retiring at age 60. This means that the reduction in annuity under such circumstances now will be only 15 percent, as compared with 33 percent under the old law.

The annuity payable at age 60, however, is approximately 25 percent larger on the average than the old law provided. Those who are forced out of their jobs

through no fault of their own after having served 25 years now may retire regardless of age, and may receive an annuity reduced by 3 percent for each year they are under age 60. Thus, we have liberalization both in age and service requirements for purposes of retirement.

Further liberalization is provided in the allowance of each year of service in the annuity computation as contrasted to maximums of 30 and 35 years under the old law. In addition, upon retirement a husband may provide an annuity for his wife to begin at his death by electing an annuity slightly reduced from that payable to him on a single-life basis. The reduction is 10 to 25 percent, depending upon the age of the wife, as contrasted with 20 to 50 percent under the expiring law.

From the standpoint of the wives and children of Government employees, the new benefit program is a shining milestone of progress because these are the persons so sorely injured through the loss of the heads of families.

The Government as the employer may properly search its conscience in providing one employee who retires and lives a long time thereafter with a retirement benefit having considerable value while, with respect to another employee who died in service after a similar employment history, the Government sustains no expense. This situation, related as it is, will no longer exist where there are dependent survivors. In other words, no longer will the death in service of a married man mean a profit to the retirement fund. Why such a situation has existed in this country is puzzling, as it appears that every other leading country made provision for dependent survivors of employees, just as they did for their aged employees.

Mr. President, there are other features which will be explained by the real author of the bill, the Senator from Ohio [Mr. TAFT].

Mr. President, we all know that the course of legislation is not always smooth. Bills face many pitfalls before they are finally enacted into law.

This has been particularly true of the civil-service retirement bill. We tried in the Seventy-ninth Congress and again in the first session of the Eightieth Congress to secure the passage of a bill to broaden and liberalize the retirement system. We tried to write a law to bring the system abreast of the times. We tried to correct the inequities which have been working against retired Government workers who have given years of faithful service in the public business.

But every time we got our bills in the position for committee action or report, something would crop up to prevent final action. Controversies of one sort and another divided us in committtee and resulted in a division between the two Houses of Congress.

Recently the situation was in this shape when the senior Senator from Ohio [Mr. TAFT] helped us to advance the legislation. He made the bill a matter of Republican policy and was unanimously supported in his view by the policy committee which he heads. Even though he was extremely busy, he took the bills in controversy and produced a draft which in the main reconciled the differing views on the principal provisions.

With my full support, the Senator from Ohio presented his draft on the floor, and we made it the Senate bill and passed it. In conference with the House, again assisted by the Senator from Ohio, we reached final agreement on a bill equitable in principle, prudent in its provisions, and liberal to those who are in the civil-service system. In the survivorship provisions contributed by the Senator from Ohio, we protected the widows, children, and orphans of those who die after having faithfully served the Government.

I am happy to pay this well-deserved tribute to the Senator from Ohio. The Senator from New Mexico [Mr. CHAVEZ] graciously made the same observation when the bill was called up in the Senate. This bill should be called the Taft-Stevenson bill. And we all know how indebted we are to the Senator from Ohio for the advice and assistance he rendered in overcoming the legislative pitfalls and driving the bill through to enactment.

I may say that if this conference report is adopted, it will be a Magna Carta for the retirement of civil-service employees throughout the entire United States.

The PRESIDENT pro tempore. The question is on the adoption of the conference report.

Mr. WILLIAMS. Mr. President, there are several questions which I should like to ask of the senior Senator from North Dakota in reference to the conference report. I should like to have him explain some of the changes which have been made from the original bill as passed by the Senate and the reasons for the changes.

Mr. LANGER. I am prepared to state all the changes. Let me say, first, that several days ago, after the agreement by the conference committee on this proposed legislation, I called the attention of the Members of the Senate to the conference report which was being filed, and asked the Members to examine it carefully so that they would be familiar with its provisions.

I should say at the outset that in most respects the conference agreement is the same as the bill as amended in the Senate. The House bill was passed last summer without objection. On July 21, 1947, the House approved House bill 4127, a bill to amend the Civil Service Retirement Act, as amended, and thus approved it in the form in which it was reported to the House by the House Post Office and Civil Service Committee. That is House bill 4127, which, as the distinguished Senator knows, was substituted on the floor of the Senate for the Senate bill.

On January 23, the Senate considered the House bill and passed it in amended form, thus necessitating the appointment of conferees for the purpose of reaching agreement on the points in dispute between the two versions of the House bill. Conferences were held on February 3 and February 6. Those meetings were attended by all the conferees, and many hours were devoted to diligent study of the retirement bill. Unanimous agreements were reached.

In my opinion, the bill as agreed upon will make an excellent retirement law. It represents a forward step in the Government's recognition of its obligation to Federal employees who have rendered many years of valuable service.

Mr. President, let me say that all of us appreciate very much the fine cooperation of the conferees. As I have said, and as has been pointed out very clearly by the distinguished chairman of the House Civil Service Committee, Representative REES, the conference report represents a definite forward step in the Government's recognition of its obligation toward faithful Federal employees who have devoted long years of service to the affairs of Government.

From the outset it was recognized that there is widespread recognition of the necessity for making important changes in the present retirement act.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. LANGER. I yield.

Mr. OVERTON. What did the conferees do with the Taft amendment?

Mr. LANGER. They adopted it, with the exception of the changes which the Senator from Delaware has asked me to explain, and which I am now explaining.

Mr. WILLIAMS. Mr. President, did I correctly understand the Senator from North Dakota to say that the conferees rather generally accepted the Taft bill as passed by the Senate?

Mr. LANGER. They took the original bill and the Chavez bill and the Stevenson bill and added portions of the Taft bill, and came in with a unanimous agreement.

Mr. WILLIAMS. I believe I understood the Senator from North Dakota to say, first, that the Senate adopted the House bill.

Mr. LANGER. Yes, and we call it the House bill.

Mr. WILLIAMS. But is the conference report the bill as passed by the Senate or the bill as passed by the House?

Mr. LANGER. I would say that the conference report contains roughly 60 percent, or perhaps a trifle more, of the original Langer-Chavez bill. For the most part, the conference report is the same as the amended House bill which was substituted on this floor. The important difference between the House bill and the conference report is the inclusion in the conference report of annuity benefits, under certain conditions, for children of deceased former employees. The new language in the conference report provides that, in addition to the percentage the widow may receive, each surviving child under the age of 18 years of a married male employee who dies in the service, leaving a widow, may receive not in excess of $360 a year. I call attention to the fact that where there are three or more children, the maximum benefit thus received will be $900. If the employee dies, and if there is no surviving widow, the annuity may not exceed $480 a year for each child under the age of 18 years, subject to a maximum of $1,200 where there are three or more children. According to esti-

mates of the Civil Service Commission, this additional benefit, which was not included in the House bill, will increase the cost of the House bill by roughly $4,000,000 per annum. I refer to this one provision, Mr. President.

In many respects, the conference report is the same as the House bill.

The principal provisions of the House bill are as follows:

First, retired employees now on the annuity rolls are to obtain increased annuity benefits or, in lieu thereof, are to be permitted to obtain certain benefits for their surviving spouse.

Second, provision is made for a more simple and equitable method of computing annuities, based on the number of years of service, which raises annuities by approximately from 20 to 25 percent, particularly with respect to those who will be retired within the next decade or so, and it raises annuities for those already retired a maximum of 25 percent or $300, whichever is the lesser.

Third, the employee's contributions to the retirement fund are increased from 5 percent to 6 percent of each such employees basic salary.

Fourth, retirement deductions are to be refunded to employees who have had less than 5 years of service. Optional refunds are provided for employees with from 5 to under 20 years of service, excluding military service; but contributions to the retirement fund from employees with 20 or more years of service, again excluding military service, are to be retained in the retirement fund until such age as annuities are provided.

Fifth, the so-called tontine or service charge, against Federal employees is entirely eliminated.

The main difference between the conference report and the House bill, as outlined in the conference report, pages 13 through 16, is as follows: First, the House bill provided that the annuity of an employee retiring voluntarily between the ages of 55 and 60, after 30 years of service, would be reduced by one-half of 1 percent for each month such employee is under 60 years of age. The conference report provides that the reduction shall be one-fourth of 1 percent for each month that such employee is under 60 years of age, according to section 1.

Mr. WILLIAMS. Mr. President, will the Senator yield to me at this point?

Mr. LANGER. I yield.

Mr. WILLIAMS. I did not quite understand what the Senator said with respect to the formula which would be used under section 1 (b). What did the Senator say the Senate bill provided in that respect?

Mr. LANGER. I do not understand the Senator's question.

Mr. WILLIAMS. What reduction in the basic annuity did the Senator say the Senate bill provided for in the case of employees covered under section 1 (b) covering employees at age 55 with 30 years service?

Mr. LANGER. Does the Senator refer to the cost?

Mr. WILLIAMS. No; I should like to know how much reduction the Senate bill provides in the basic annuity under section 1 (b).

Mr. LANGER. I still do not understand the Senator's question.

Mr. WILLIAMS. I am asking the Senator how much reduction under the Senate bill, an employee would have to take in his formula, after 30 years of service, at the age 55 as provided in section 1 (b).

Mr. LANGER. I just stated it.

Mr. WILLIAMS. Perhaps you did but I did not understand the statement.

Mr. LANGER. Very well, I shall state it again. Retirement deductions are to be refunded to employees who have had less than 5 years of service. Optional refunds are provided for employees with from 5 to under 20 years of service, excluding military service; but contributions to the retirement fund by employees with 20 or more years of service, excluding military service, are to be retained in the retirement fund until such age as annuities are provided.

Mr. WILLIAMS. That is not the question. I want you to explain what provisions were placed in the conference report to take care of the employee with 30 years' service, who retires at the age of 55. How much reduction does he have to take?

Mr. LANGER. One-fourth of 1 percent a month, instead of one-half of 1 percent. The conferees reduced it to one-fourth.

Mr. WILLIAMS. From which bill was that taken?

Mr. LANGER. From the House bill.

Mr. WILLIAMS. You say that was taken from the House bill?

Mr. LANGER. Yes.

Mr. WILLIAMS. But you are wrong; the House bill fixes the figure at one-half of 1 percent for each month the employee is under the age of 60, which is a reduction of 30 percent for the 55-year man.

Mr. LANGER. That is right.

Mr. WILLIAMS. What does the Senate bill provide?

Mr. LANGER. The Senate bill provided originally for one-half, and it was reduced to one-fourth.

Mr. WILLIAMS. Again I think the Senator is in error. It will be found that the Senate bill provided for an actuarial reduction which is approximately 40 percent.

Mr. LANGER. Of course the Senate provision was not included in the Taft bill at all. It was in the original Langer-Chavez bill. Section 1 was entirely eliminated as the Senator knows.

Mr. WILLIAMS. In other words, as I understand the provisions in the conference report they are extended even further than either of the two bills which were carried to conference. Is that correct?

Mr. LANGER. I do not understand the question.

Mr. WILLIAMS. Is it not true that the benefits provided under section 1 (b) of the conference report extend further than and are more liberal than were the provisions of either of the two bills which were being considered by the conferees?

Mr. LANGER. I think that is true, and that in my opinion was a serious objection. However, we think it was entirely cured by the fact that when we got through with section 1, the total cost would not be greater than originally contemplated. Technically I should say the Senator is correct; but when it comes to a question of dollars and cents I should say the sections are the same.

Mr. WILLIAMS. I am not speaking of dollars and cents, I am merely asking where the provision in the conference report came from, because in reading Public Law 601, known as the Reorganization Act, I read this statement——

Mr. LANGER. Before the Senator reads it, I will tell him it came from a motion made by the Senator from Connecticut [Mr. BALDWIN] in the conference.

Mr. WILLIAMS. I am reading this provision, which is section 135 of the Reorganization Act:

> In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

The provision, section 1 (B), which was adopted by the conferees apparently is not a germane modification. I have prepared a chart which has been approved by the Civil Service Commission itself, from which it appears, taking an average case, that under the Senate bill as it went to conference, the employee would have an annuity of $1,090, and under the bill as passed by the House they would have $1,155; but the conference report makes the amount $1,402, which is about 25 percent more than under the provisions of either of the two bills as they went to conference. Yet, the Reorganization Act, which limits the powers of conferees, provides very plainly that conferees may include in their report, in any case, matter which is a germane modification of the subject of disagreement. If the Senator will consult the dictionary he will find that the word "modify" means to reduce, to lower to a lesser degree. In no sense does it mean that in any case the conferees shall have authority to increase benefits. Perhaps the Senator from North Dakota can explain his authority for that increase?

Mr. LANGER. Mr. President, am I to understand that the Senator from Delaware is raising a point of order?

Mr. WILLIAMS. No, no; I am merely asking for an explanation. I wish the Senator from North Dakota would explain the point that I have raised. I hesitate to raise a point of order. I thought perhaps there might be some reasonable explanation.

Mr. LANGER. The explanation is simply that the conferees sat down together and agreed to the motion made by the distinguished Senator from Connecticut. It was agreed to unanimously because it was thought to be right and it was further thought that the conferees had the authority. I may say that in spite of the statement that has been made by the Senator from Delaware, I still think the conference committee had a perfect right to do as it did. I think it is a good amendment.

Mr. WILLIAMS. Mr. President, I am not making the statement myself, I am quoting something that is found in the

Senate Manual, rule 27 on page 41. It is section 135 of the Reorganization Act, a law for which the Senator from North Dakota himself voted. By that law, when one House has passed a certain bill and a substitute bill has been passed by the other House, the conferees consider both bills in conference. Under this rule, they may include in their report in any case matter which is a germane modification. The provision to which I have referred, section 1 (b), is germane, but it is not a modification, because by the admission of the Senator from North Dakota himself, it carries about 25 percent greater benefit than is provided in either of the two bills sent to conference. I should like the Senator to explain how he can reconcile the conference report with this rule.

Mr. LANGER. I may say to the Senator that the conferees do not consider that this is in any wise a violation of the La Follette-Monroney Act. If the Senator thinks it is, I suggest that he raise the point of order.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. TAFT. Does the Senator from North Dakota have the floor?

Mr. LANGER. Yes.

Mr. TAFT. Of course, in the respect referred to, the Senate bill made no change whatever in the existing law, which provided that a man who retired upon involuntary separation——

Mr. WILLIAMS. Mr. President, the language of the Senate bill and of the House bill is exactly the same, except that there is a difference in the formula. Under the Senate bill the employee takes an actuarial reduction which for the average employee gives him $1,090. The House bill would give him $1,155. The conference report raises him to $1,402.

Mr. TAFT. Mr. President, as a matter of fact the Senate made no change whatever in the existing law. It did not deal with the question. It left the existing law standing exactly as it was. The House changed the existing law to provide that instead of receiving the actuarial equivalent of a deferred annuity at the age of 62, the employee would receive the value of the deferred annuity at the age of 62, less one-half of 1 percent for every month, or 6 percent a year. The modification which is found in the conference report is that he shall receive the deferred annuity at the age of 62, less one-quarter of 1 percent a month, or less 3 percent a year.

It is true therefore that the provision of the conference report results ultimately in a condition somewhat more favorable to the annuitant than resulted from the bill passed either by the Senate or by the House. But this provision takes in the provision of the Senate bill, and I think the Senate conferees would have a perfect right to say, "We will take this amendment in some modified form, whether such modified form is more favorable to the employee or less favorable." That does not seem to me to make the report subject to a point of order. One may question the wisdom of the conferees in doing that, but it seems to me there may be circumstances which would lead the Senate to say, "Well, if you are going to change it, we think this is the fair way to change it." So I can see no violation of the La Follette-Monroney Act.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Ohio whether he has read the background of this particular provision of the Reorganization Act at the time it was passed? In his opening statement, Senator La Follette, in describing that particular section, stated, as appears in the CONGRESSIONAL RECORD, that the purpose of that section of the law was to restrict the powers of conferees who in the past had written into their report legislation which was not committed to them.

The argument of the Senator from Ohio that the Senate bill contained no provision altering this section would still not change my statement that the maximum allowed under either House or Senate bill under section 1 (b) was $1,155 whereas the conference report raises this to $1,402. The act itself says the conferees can bring back any matter which is a germane modification. Why was the word "modification" used if it did not mean a reduction? This is not a debate of the merits of the formula, but I am saying that there is nothing in the act which says that the conferees had the power to make the increase. Furthermore, that particular provision applies only to bills which go to conference after one House has passed a different measure from that of the other House.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Vermont.

Mr. FLANDERS. In regard to the meaning of the word "modify," Funk and Wagnall's dictionary states—I do not know what official status it has in this august body, but it is the only available reference book at this time:

> Modify. (1) To make somewhat different; to change more or less in character, properties, form, or application.

Now come the words "limit or restrict." That is an alternative to "vary," and so forth.

Mr. WILLIAMS. I should like to remind the Senator that the definition says "change more or less in character," but it also states that it is a reduction to a lower degree. I know the definition contains the word "more," but I should like to see a definition which says it can be changed more or less to a greater degree.

Mr. LANGER. It is not a reduction; it is an increase.

Mr. WILLIAMS. This is an increase; yes. But the word "modify" plainly implies that conferees may lower but may not increase. Former Senator La Follette, in his opening statement, said that was the purpose—to restrict the power of conferees to bring back matter which had not been sent to conference.

Mr. LANGER. I suggest that it is not a matter which would be subject to a point of order.

Mr. WILLIAMS. I am not raising a point of order. I merely wish to point out the fact that the conferees have brought back to the Senate—and I want Senators to understand it when they vote on the report—a provision which neither the House nor the Senate had voted on previously.

Mr. LANGER. Mr. President, I merely repeat what I said before. The conferees got together under the law. They had a right to reduce the figure from one-half to one-fourth. I still maintain it.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Vermont.

Mr. FLANDERS. The first definition is simply "to make somewhat different."

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Connecticut.

Mr. BALDWIN. The distinguished Senator from North Dakota has stated that in the conference between the Senate and the House on the bill I made a motion with reference to the particular feature now under discussion. I have no independent recollection of it. However, if I did make such a motion I shall certainly stand by it. My thought, Mr. President, would then have been, had I made the motion—and I do not say I did not make it—that a man who has been employed in the Government service for 30 years before he reached the age of 55 ought not to be severely penalized for retiring at that age and receiving his annuity. I have in mind the fact that under the Connecticut retirement act the provision is even more liberal than is the provision in the Federal act. On the basis that a man has rendered 30 years' service before he reaches the age of 55, it means he must have started in at the age of 25. For that reason it seems to me that in logic and justice he ought not to be penalized a full one-half of 1 percent a month for each month of each year prior to the age of 60, the age he normally would be required to reach in order to receive the full amount of his pension. The provision in the conference report is a more favorable provision than that contained in the original legislation. It rests in sound justice, because, as I said before, when a man who has served 30 years reaches the age of 55, if he wishes to retire then and take his pension he can do so, subject to the penalty. The penalty is one-fourth of 1 percent a month instead of one-half of 1 percent a month for every month between the ages of 55 and 60 years. That was my thought in regard to the matter.

Mr. LANGER. The purpose was to liberalize the bill.

Mr. BALDWIN. Yes.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. WILLIAMS. I was not questioning the merits of the provision. I was merely questioning the right of the conferees to rewrite it. I ask the Senator from Connecticut, if he approves of this provision, why he did not advocate it when the bill was on the floor, and call it to the attention of the Senate?

Mr. BALDWIN. As I said in my prior remarks, I do not have an accurate recollection as to exactly what the bill as passed by the Senate provided. I merely got into this debate because the Senator from North Dakota mentioned the fact

that I made a motion. I say I have no independent recollection of it, but if I made the motion, I did so because I thought justice required it. I was certainly not aware at the time that it violated any provisions of the Reorganization Act. It merely seemed to me then, as it seems now, that it was a proper modification to make.

Mr. WILLIAMS. Had the point been called to the Senator's attention at the time he was in the conference working on the report, and at the same time had the section of the Reorganization Act to which I have referred been called to his attention, what would have been his attitude? Would the Senator have made the same motion? Would he have supported the report containing this provision which not only violates the previous action of both Houses, but also the Reorganization Act itself.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from New Mexico.

Mr. CHAVEZ. That is a hypothetical question. It depends upon the interpretation put upon the provision of the Reorganization Act about which the Senator from Delaware is now talking.

Mr. WILLIAMS. I am asking the question, What would the attitude of the Senator from Connecticut have been on this particular provision had he been familiar with the Reorganization Act and had he read the House bill and the Senate bill?

Mr. LANGER. May I say, before I yield to my distinguished colleague, that I think the Senator from Connecticut was thoroughly familiar with the La Follette-Monroney Act and could almost repeat it by heart. I am satisfied that he knew what he was doing.

Mr. WILLIAMS. I wish the Senator from Connecticut might be given an opportunity to answer for himself.

Mr. BALDWIN. The Senator from Connecticut is 21 and more years beyond that age than he likes to admit. The Senator's question is one of those questions which asks, "What would you do if?" It is one of those "if'u" questions.

I am frank to say to my distinguished friend from Delaware that apparently I did not at the time have the La Follette-Monroney Act in mind, but I say now that if I had, it would have seemed to me that this provision would work justice, and I would have thought, as I think now, that the word "modification" permitted the change to be made.

Mr. WILLIAMS. The Senator's statement now is that he would have made the same motion had all of the facts been called to his attention at that particular time. Is that correct?

Mr. BALDWIN. I think I would have; yes.

Mr. WILLIAMS. That is all I wanted to know.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CHAVEZ. Mr. President, I think I can clarify the matter to the satisfaction of the Senator from Delaware. We can interpret that provision of the La Follette-Monroney Act one way or another, but the strict interpretation has been given today by the Senator from Ohio [Mr. TAFT]. Is it germane to the subject matter? Is the provision which the conference adopted germane to the bill under discussion? It is my opinion that the Senator from Ohio has given the correct interpretation, that it was germane, and that would be the only thing to be considered.

Mr. WILLIAMS. Mr. President, I have not taken exception to the provision on the ground that it is or is not germane. I do say it is not a modification, and I quote from the same dictionary cited by the Senator from Vermont. The definition says:

> Modify—to reduce in extent or degree; to moderate; qualify; lower.

And furthermore this provision of the Reorganization Act was passed to prevent the abuse which the conference report illustrates so manifestly.

Mr. FLANDERS. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. FLANDERS. I have used the English language for a great many years, not in all its purity, or with all the eloquence of which it is capable, and I learned only today for the first time that there was any meaning to the word "modify" which restricted it to decreasing instead of increasing. I do not believe anyone on this floor so uses the word modify. I feel perfectly confident in stating that when any Senator employs the word in ordinary usage it means simply "to change somewhat" or "to change slightly."

Mr. WILLIAMS. Mr. President, in the conference report that was presented by Senator La Follette at the time the Reorganization Act was adopted, this was the statement of the conferees—and I should like to have the Senator from Ohio pay attention to this:

> This section, in effect, makes specific the application to amendments in the nature of a substitute of the conference rules now applicable to numbered amendments, and will outlaw the expedient resorted to in recent years of conferees bringing back legislation not passed by either House.

That is in the conference report presented at the time the Reorganization Act was before the Congress. The statement is, "will outlaw the expedient resorted to in recent years of conferees bringing back legislation not passed by either House."

It has been agreed in this debate that the provision to which I have called attention was not passed by either House. I further quote Senator La Follette's own words:

> We also propose to strengthen the rule insofar as conference committees are concerned, in an effort to confine them to matters in disagreement between the two Houses.

Clearly the intent of the Congress at the time it passed the Reorganization Act was to restrict conferees to the provisions contained in two bills, and to prohibit exactly the abuses illustrated here.

Mr. LANGER. I say to the distinguished Senator from Delaware, replying before the Senator from Ohio does, that the definition given by the Senator from Vermont [Mr. FLANDERS] completely and thoroughly, in my opinion, answers the question. The conferees took under consideration the different bills, whether we call the provisions modifications or call them anything else. One bill had been passed by the House, another bill was passed by the Senate with section 1 omitted, and one of the Senate members of the conference, the Senator from Connecticut [Mr. BALDWIN], I think, made the motion to reduce the amount from one-half to one-fourth, and that was unanimously adopted.

Mr. WILLIAMS. I hesitate to raise a point of order against this particular provision, because I have no intention of trying to prohibit a vote by the Senate on the report, but I do want Senators to know what they are voting on. I want them clearly to understand that the conferees have brought back a provision that was not submitted to them, which was a direct violation of the Reorganization Act, and at the time the Senate votes on the conference report, it can give consideration to that question.

I should like to ask the Senator from North Dakota one further question.

Mr. LANGER. I wish to call attention to paragraph 3, in answer to the Senator's question, and to say that the only other change in the bill was that the House bill did not contain a provision of existing law allowing certain employees of the Federal Bureau of Investigation who had rendered 20 years of service to retire at 50 years of age. It had, however, approved that provision in a separate bill. The conference bill provides for continuing the retirement benefits to such members of the Federal Bureau of Investigation.

Mr. President, I think I have stated all the changes between the various bills.

Mr. WILLIAMS. Mr. President, I should like to ask one further question of the Senator from North Dakota, a question which has been the major point of contention ever since this legislation has been considered. I refer to the justification for paying a bonus or premium to an employee who is involuntarily separated from the service.

Mr. LANGER. Mr. President, I shall be very glad to answer the question, which was asked at least a dozen times in the committee.

The charge is made, Mr. President, that a man who is involuntarily separated can get six or seven thousand dollars more out of annuities than a man who stays on the job. Technically speaking, that is absolutely true. But a man must be in service for 25 years before he can even involuntarily retire, and get all this six or seven thousand dollars.

The point is, further, that a man often does not wish to retire voluntarily. A man may be on the job 25 years and have a right to retire, but he may say, "I want to stay on the job." I called on the Civil Service Commission and asked them how many cases of that kind there would be, and they said it might apply to 1 case out of 10,000. We cannot make a law absolutely perfect, especially a law of the character of a retirement law. The point the Senator raises has been considered

time and time again by the full committee.

Mr. WILLIAMS. Did the Senator from North Dakota say this would apply to only 1 case in 10,000?

Mr. LANGER. Perhaps 1 out of 10,000, according to past experience, because the average employee wants to stay on the job.

Mr. WILLIAMS. Apparently the Senator from North Dakota has not had much experience with this matter. I wish to quote from the statement of the Civil Service Commission made before our committee by one of their representatives:

> The Civil Service Commission also has advised me that there are in the Government service today about 47,000 people who will, during the next fiscal year, reach the age of 55 and have 25 years of service or more.
>
> It is estimated that during the fiscal year 1948 approximately 5 percent, or 2,350 of this number will involuntarily retire under section 1.

Mr. LANGER. How many is that out of 2,000,000 employees?

Mr. WILLIAMS. That sounds much like some of the statements about the cost of the bill in the first place, that it would cost nothing, and now we understand that 1 man out of 10,000 will benefit by this provision. Can the Senator from North Dakota tell me who in the Civil Service Commission gave him his figures? The truth of the matter is that the total retirements in 1947 was 7,995. Of this total, 6,439 were involuntarily separated.

Mr. LANGER. I might say that the Senator from Delaware sat in the committee when Mr. Flemming testified, and when we had before us experts from the Civil Service Commission.

Mr. BALDWIN. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield the floor.

Mr. BALDWIN. Question has been raised about the conference committee, and what it has done with reference to the particular bill we are considering. I think an important point of procedure has been raised. It seems to me it is one which should be disposed of, and I hope that the distinguished Senator from Delaware will raise the point so that the Chair can pass upon it.

Mr. President, the bill passed by the Senate did not alter the existing law with reference to the particular provision now under discussion. The House bill contained in section 1, subsection (b), the following provision:

> Any officer or employee to whom this act applies who shall have attained or shall hereafter attain the age of 55 years and have rendered at least 30 years of service computed as prescribed in section 5 of this act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this act, reduced by one-fourth of 1 percent for each full month such officer or employee is under the age of 60 years.

I repeat, Mr. President, the bill as it passed the Senate did not alter the existing law on this subject. The House bill contained the provision I have read. Therefore we had a variance between the Senate and the House and the issue was presented as to what action the conference committee would take with reference to this provision.

The distinguished Senator from North Dakota says that I am the Senator who made the motion, after the discussion, that the figure should be changed from one-half to one-fourth of 1 percent a month. I have no independent recollection of that whatsoever. I had not supposed that what occurred in conference, as to who made motions and as to who said this or that, were matters for discussion on the floor of the Senate. However, there is no reason why they should not be.

Be that as it may, I will say here now that I believe that in all justice, when a man has served his Government 30 years and has reached the age of 55 years, and desires to retire, he should be entitled to retirement without too severe a penalty. The justice of that appealed to me, and that is why I suggested that the penalty be made one-fourth of 1 percent per month instead of being left at one-half of 1 percent, as it was contained in the House bill.

Now, as to the point of order, rule XXVII, paragraph 3 (a), provides:

> In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House.

I submit, Mr. President, that this matter was committed to the conference committee by the House, because there was a disagreement between the Senate version and the House version as regards this particular point. The rule continues:

> They may, however, include in their report in any such case, matter which is a germane modification of subjects in disagreement.

This subject obviously was in disagreement in the conference committee, as the respective bills showed on their face. The House bill having adopted a certain provision and the Senate having taken no particular action, it presented a question we had to settle in the conference committee, I submit, Mr. President, that under this particular rule the modification which the conference committee made of this provision is a proper modification, and I am willing to stand by it.

Mr. WILLIAMS. Mr. President, I still do not see how the Senator from Connecticut can interpret $1,400 to be a modification of $1,100. Perhaps that is the way it is interpreted in Connecticut, but in Delaware we do not interpret it in that way. I admit, however, that it is the way it has been interpreted in Washington.

Mr. BALDWIN. I want to say that $300 of the coinage of the realm is the same in Delaware as it is in Connecticut. On the other hand, not the technicality, Mr. President, but the justice of the proposal appealed to me. I had in mind the Connecticut State retirement act, which I say is even more generous in this regard than the Federal act is, because we in Connecticut believe that a man who has served his government 30 years and wants to retire at 55 should not, as is proposed by this particular bill, be penalized and be required to wait until he is 60 years old in order to do so.

Mr. WILLIAMS. I am going to agree with the Senator as to the justice of voluntary retirement after 30 years but I disagree with him as to his power as one of the members of the conference to write that provision into the bill in view of the fact that when the bill was before the Senate he did not mention it. I think that when the bill was up for consideration in the Senate was the time when the Senator ought to have made the suggestion and offered the change.

Mr. BALDWIN. I simply appeal to the language of the rule. It says:

> They—

That is, the conference committee—

> may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

I submit that this is a germane modification of the subject in disagreement.

Mr. WILLIAMS. Mr. President, I should like to proceed further, leaving that point for the moment, and take up the question of the bonus which is proposed to be paid to those who are involuntarily separated from the service. As I said in the beginning, that is the point to which I had raised the main objection to the bill. I should also like to point out that the conference report which is now before us contains practically no difference with respect to and gives no additional benefit to the career employees, other than that which was provided for in the bill which passed the Senate.

The other difference which the conferees have seen fit to make in their form of the bill, which was not included in the Senate bill, is a bonus or premium payment to all the employees of the many emergency agencies which were set up during the recent years, and in arranging it so that when these agencies are liquidated we must pay a bonus of from $2,000 to $6,000 per individual to get rid of him. I do not now see and never have seen why we are obliged to do that. The employees in question took their positions with the various temporary agencies with the full knowledge that the Congress intended to liquidate those agencies as soon as possible. Therefore when we liquidate them I do not see why the employees have any claim for, or can call upon the Government for, any bonus. I have prepared a chart which I shall ask to have placed in the RECORD in a moment, which, among other things, gives figures dealing with the average employee of the Government, receiving a $3,000-a-year salary, who has worked 25 years in the Government service and desires to retire at the age of 55. I am not questioning the right of the employee to retire. That has nothing to do with it. But if we want to liquidate the agency by which he is employed, at a certain date, and he is involuntarily retired from the service, rather than voluntarily retired, it makes a difference of $2,455 in the payment he receives. He receives $2,455 more if involuntarily separated. If he is an executive of one of the temporary agencies which is abolished, he would benefit even more. If he were a $10,000-a-year executive, we would pay him $6,703 more than otherwise if he were retired involuntarily.

As to how that would work, let us take for example one of the employees of the Civil Service Committee who happens to be on the floor of the Senate at the moment. He will have 25 years' service with the Government at the end of the term of the Senator from North Dakota. I am speaking of Mr. Phenix. He will have 25 years of Government service in about 1952. If the Senate Civil Service Committee decides it no longer needs his service, it will cost the Government about $6,700 to get rid of him. Why should we penalize the taxpayers in such a manner? It is my opinion that if we should decide to liquidate a particular service, and a man employed in that service should submit his resignation, he would be more entitled to additional payment than if he sits down and refuses to resign and we are obliged to discharge him.

Mr. President, I ask unanimous consent to have printed in the RECORD the chart to which I just referred, which is signed by an agent of the Civil Service Commission, confirming the figures I have just presented.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of annuities under H. R. 4127

[Age at retirement 55; years of service, 25]

Year [1]	Annuities to be received			
	Average salary, $3,000		Average salary, $10,000	
	Voluntary retirement	Involuntary retirement	Voluntary retirement	Involuntary retirement
1948, at age 55	0	$1,168.75	0	$3,187.50
1949	0	1,168.75	0	3,187.50
1950	0	1,168.75	0	3,187.50
1951	0	1,168.75	0	3,187.50
1952	0	1,168.75	0	3,187.50
1953	0	1,168.75	0	3,187.50
1954	0	1,168.75	0	3,187.50
1955, at age 62	$1,375	1,168.75	$3,750	3,187.50
1956	1,375	1,168.75	3,750	3,187.50
1957	1,375	1,168.75	3,750	3,187.50
1958	1,375	1,168.75	3,750	3,187.50
1959	1,375	1,168.75	3,750	3,187.50
1960	1,375	1,168.75	3,750	3,187.50
1961	1,375	1,168.75	3,750	3,187.50
1962	1,375	1,168.75	3,750	3,187.50
1963	1,375	1,168.75	3,750	3,187.50
1964	1,375	1,168.75	3,750	3,187.50
1965	1,375	1,168.75	3,750	3,187.50
1966	1,375	1,168.75	3,750	3,187.50
1967	1,375	[2] 874.56	3,750	[2] 2,390.62
1968	1,375		3,750	
1969	1,375		3,750	
Total	20,625	23,082.81	56,250	62,953.12
Difference		2,457.81		6,703.12

[1] Extended according to life expectancies. The life expectancy is based upon the age of the annuitant at commencement of the annuity. At age 55 it is 19.80 years; at age 62, 15 years, according to the U. S. Civil Service Commission mortality table for service annuitants.

[2] 8 years.

Calculations verified by E. J. Hickey, Associate Chief, Retirement Division, CSC.

Mr. BALDWIN. Mr. President, may I ask the distinguished Senator from Delaware under what section he claims such a result is accomplished?

Mr. WILLIAMS. Under paragraph (c), which is found at the bottom of page 1 of the conference report. The paragraph reads as follows:

(c) Any officer or employee to whom this act applies, after having rendered at least 25 years of service computed as prescribed in section 5 of this act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this act reduced by one-fourth of 1 percent.

If he resigns he is not entitled to its provisions. He has to wait until he is 62 before he can receive a pension. But if he is discharged, he can be placed on an immediate annuity regardless of his age. I do not see why we have to pay a bonus to these "veterans" of the OPA, the WPA, and the various other alphabetical agencies in order to get rid of them, when we decide to close up the agencies.

Mr. BALDWIN. Mr. President, I am willing to concede that there is a possibility that the provision which my distinguished friend has discussed will work out as he says it will work out. On the other hand, I think there is a great deal to be said on the other side of the case. Of course, the fundamental basis and purpose of the act is to keep a competent and needed Federal employee in the Federal service as long as we can keep him, up until he is 60 years of age. Consequently we adopt the policy in this bill of trying to encourage them to stay, and making it difficult for them to get their full benefits by quitting. If a man could voluntarily quit after serving 25 years in the Government service and get the full annuity, we would not have a 30-year act, but a 25-year act.

On the other hand, if a man has served 25 years in the Federal service and then is discharged, or involuntarily separated from the Federal service, not at his own will, but at the will of his employer, it seems to me that under those circumstances, the Government having indicated by letting him go that it does not desire his services any longer, he ought not to be required to wait until he becomes 60 years of age in order to get his pension. It seems to me that he should be entitled to get what the law would allow him had he reached the retirement age provided for in the act, less the penalty of one-fourth of 1 percent per month for 5 years, which he cannot reach because of the fact that his employer has let him go.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall be glad to yield in just a moment. I should like to reply to the Senator from Connecticut. Perhaps the point which he has raised would be well taken in any other period except a period when we are endeavoring to reduce the Government pay roll. We now have more than 2,000,000 employees on the Government pay roll. Surely the Senator is not advocating that we keep those employees until they have all had 30 years of service.

Mr. BALDWIN. I am not advocating any such thing.

Mr. WILLIAMS. We are in a position where we must get rid of some of those employees. Many of them can go out into industry and get jobs. Suppose we are liquidating an agency, effective March 1 of this year, for example, and one of the employees has an opportunity to obtain gainful employment 2 or 3 weeks before the agency closes, I do not see why we should make it penalize him $5,000 or $6,000 for resigning. I do not see any sense in it.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BALDWIN. My distinguished friend started by saying that this provision protected employees who came into the Government service during the war years, and during the years immediately preceding the war. I have discussed this subject with a great many persons. Because of the apparent injustice involved, I have given the question considerable thought.

Let me point out that this provision does not apply to any employee who has not had 25 years of service. He must have worked for 25 years for the Federal Government. That indicates that he did not come in during the war, or immediately before the war, but had been in the Federal service for a long time.

Furthermore, under the civil-service regulations, a man who has that length of seniority is entitled to be retained when men with fewer years of service are let go. So it seems to me that this provision is consistent with the regulations.

I am just as anxious to get rid of unnecessary Federal employees as is any other Member of this body. I think it must be done. I know that probably there are men who have served the Government for 25 years who have not given faithful, loyal service; but I also believe that there are many employees who have served the Government for 25 years who have given it loyal and faithful service. I believe that if we tell them that they are no longer needed and that they must go, we should give them the immediate benefit of what they had accrued in the way of benefits under the Retirement Act.

Mr. WILLIAMS. I should like to address a question to the distinguished Senator from Connecticut. Am I to understand that he would defend this principle only as it applies to employees with 25 years' service?

Mr. BALDWIN. Yes; and that is all it applies to.

Mr. WILLIAMS. As I understand, the Senator would not defend the principle if I show later it were applied to an employee with only 5 or 10 years' service.

Mr. BALDWIN. That is true.

Mr. LANGER rose.

Mr. WILLIAMS. I shall answer that contention in just a moment. In the meantime I yield to the Senator from Iowa [Mr. HICKENLOOPER], and then the Senator from North Dakota [Mr. LANGER].

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. What is pending before the Senate?

The PRESIDENT pro tempore. The question is on agreeing to the conference report on the civil-service retirement bill.

Mr. LUCAS. Has a point of order been made against the conference report?

The PRESIDENT pro tempore. Not up to this time.

Mr. HICKENLOOPER. Mr. President——

Mr. WILLIAMS. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I should like to ask the Senator from Delaware a question or two.

Am I to understand the position of the Senator from Delaware to be that under this bill a man whose services are involuntarily terminated, and who has been in the Federal service for 25 years, may retire with substantially equivalent retirement benefits as though he had remained in the service until he reached the age of 60?

Mr. WILLIAMS. No; not exactly. His benefits will be reduced by 15 percent. I am not arguing about the reduction; but that privilege applies only if he is involuntarily separated. If he is voluntarily separated, he must wait until he is 62 before he gets anything whatsoever. That makes a difference of approximately 15 percent. He receives 15 percent more if he is involuntarily separated than he would receive if he resigned.

Mr. HICKENLOOPER. Let me ask one further question. Let us assume that a department head or agency head were willing to cooperate with certain employees who had had, let us say, 25 years of service. Suppose that with their knowledge and consent he wrote them letters, for reasons of his own, perhaps, saying, "Your services are no longer needed in this department. Therefore your service is terminated." Would not that afford opportunity for a colossal retirement racket in the Federal service?

Mr. WILLIAMS. It would; and that is the reason why I have argued against that principle. What the Senator describes is being done. Over 60 percent of the employees in that category are leaving through involuntary separation today.

Some time ago I pointed out the case of a man who is now in Greece, working on the Greek program. The Civil Service Commission created a job especially for that man. The job lasted only 90 days. He paid in approximately $50 during that period and then was involuntarily separated from the service. No one knows what he was doing. However, he was scheduled to receive $9,000 more for the involuntary separation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. TAFT. Is it not true that that could not happen under the provisions of the bill? Did he not attempt to tack various services together to get the 25 years?

Mr. WILLIAMS. He did.

Mr. TAFT. And he had not paid for the earlier service.

Mr. WILLIAMS. He had paid for part of it, but he could still do what has been described, and he did it.

Mr. TAFT. But he could not do it under the provisions of this bill.

Mr. WILLIAMS. The record of this case is in the Civil Service Commission files, and that man will today, under this bill, get an additional increase.

Mr. TAFT. The Senator is speaking about the old law. Is it not true that he could not do it under the provisions of this bill?

Mr. WILLIAMS. No; it is not true.

Mr. TAFT. Why not?

Mr. WILLIAMS. As I stated before, as an example, Mr. Phenix, who is now seated beside the Senator from Ohio, will have 25 years' service at the end of the term of the Senator from North Dakota. Let us assume that his average salary is $10,000. If the Senator from North Dakota does not come back, and the committee decides to get rid of Mr. Phenix, it will cost the taxpayers $6,703 additional.

Mr. TAFT. What difference does it make?

Mr. WILLIAMS. It makes a great difference as I see it.

Mr. TAFT. It does not make any difference. Here is a man who has served the Federal Government for 25 years. He has paid in, under compulsory requirements, 5 percent of his salary for most of that period of 25 years—probably all of it.

Mr. WILLIAMS. Yes; but why is he entitled to $6,703 for being fired? He is entitled only to so much, which should be based solely upon years of service and contributions to the retirement fund.

Mr. TAFT. He has paid in 5 percent of his salary over a long period. He has a vested interest in an annuity beginning at age 62. What the bill provides is that if he is fired at age 55, he will receive an annuity based on the age-62 annuity to which he is clearly legally entitled—he has paid for it—reduced by 3 percent a year for every year that he is less than 60 years old.

Mr. WILLIAMS. That is not exactly correct.

Mr. TAFT. As I understand, the only thing the Senator is objecting to is that if a man voluntarily retires, say at age 55, and has had only 25 years' service, he gets a deferred annuity beginning at age 62; but since he has voluntarily retired, he can work for 7 years. Presumably he would not have retired if he did not have another job for those 7 years.

He has a vested interest in an annuity at age 62. The Senator objects because, if a man is involuntarily separated at age 55, and presumably would have no job, he could get an annuity beginning at once, which annuity, beginning at once, would be reduced from the deferred annuity at age 62.

It is true, as the Senator says, that if we take the actuarial value of the annuity beginning at age 55, it is somewhat more than the present actuarial value of the annuity which would begin at age 62. That is the discrimination of which the Senator complains. But it seems to me it is a rather minor difference. It is not any considerable percentage. A man who is fired receives a much lower annuity than he would receive if he served until age 62 and got the full annuity to which he would be entitled.

So I think the Senator is enlarging what may be a proper criticism of a slight differential, into something in importance way beyond what is justified by the importance of the matter about which he complains.

Mr. WILLIAMS. Mr. President, when this measure was before the committee I never objected to a reduction, on a formula basis, for those employees of age 55. In fact, I approved it. But I do object to any difference in the formula as between a man who separates on a voluntary basis and a man who separates on an involuntary basis.

Mr. TAFT. Mr. President, I do not think we want to encourage people to separate from the service voluntarily before age 60 or 62. I do not think it would be good policy to encourage that or to have that done. Ordinarily a man who retires voluntarily at age 55 does so because he has a better job somewhere else. That is perfectly proper, except that under those circumstances he would receive the salary for the better job from age 55 to age 62, and then would receive the full annuity beginning with age 62. So such men are well off.

Now we are reducing the number of employees of the Federal Government. We have reduced the number from 3,000,000 to 2,000,000 during the past year. We are reducing the New Deal bureaus, if you please. Perhaps some employees of those bureaus came to them after serving other Government agencies in the past, and perhaps some of them have served for 25 years. In that case, such persons, when dismissed because of the closing of New Deal bureaus, perhaps could not get other jobs, being at age 50 or 55, for it is not an easy thing for a man to get another job when he has reached age 50 or 55. If we choose to say to them, "You are dropped, not because of cause, but simply because we no longer have a place for you," and then if we say to them, "All right, you can have an annuity right away, but it is going to be for a lesser amount than what you would receive if you continued to serve until age 62," that does not seem unreasonable.

Mr. WILLIAMS. But I should like to point out that the practical effect of this amendment is to require a man to serve until age 60 or 62 or until he has had 30 years of service. That should not be the case. A Government employee under this bill will be able to retire at age 45, if he wishes to do so and can maneuver an involuntary notice. Yet the Senator from Ohio has referred to age 55 as perhaps the minimum age allowed.

Mr. TAFT. I only used age 55 in making a comparison between a man voluntarily retiring and a man involuntarily retiring.

Mr. WILLIAMS. But under this conference report a man who resigns from the Government service must wait until he is 62 years of age before he can receive any annuity payments.

Mr. TAFT. But why should he resign? He can continue to serve the Government and can get his full salary until age 62. So why should he resign?

Mr. WILLIAMS. I am afraid I shall have to agree with the Senator from Ohio on that point, but I do not think that should be the situation if we are to get rid of a substantial number of the present Government employees. Either they should be permitted to resign or we shall have to discharge large numbers of them.

However, if we discharge them, the cost to the Government will be greater, as I have already pointed out in the case of the Solid Fuels Administration. The cost to the Government was an average of approximately $2,000 for each employee who was discharged when the Government closed the Solid Fuels Administration—in other words, $2,000 more than if those employees had voluntarily left. The exact difference under S. 637 for each such employee was $1,991. I do not see why we had to do that.

I should like to ask the Senator from Ohio the same question I asked the Senator from Connecticut; namely, would the Senator defend this principle if it applied to persons with less than 25 years of service, or is the Senator applying it only to those who have had 25 years of service?

Mr. TAFT. Only to those with 25 years of service.

Mr. WILLIAMS. If I could show the Senator that this would apply to other than those with 25 years of service, what would be the Senator's position then?

Mr. TAFT. I said I was opposed to applying it to persons who had less than 25 years of service.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAIN. The Senator has suggested that employees who are separated after much less than 25 years of service are to benefit from the provisions of this measure. If that be so, what effect will this measure have upon temporary war-bureau employees, whose bureaus already have been liquidated? Are we passing a measure which carries a retroactive commitment?

Mr. WILLIAMS. Mr. President, let me inquire whether the Senator from North Dakota wishes to answer that question and state his position before I answer.

Mr. LANGER. No; but I should like to ask the Senator from Delaware a question.

Mr. CAIN. I should like to have an answer to my question.

Mr. WILLIAMS. Then I shall answer it. Yes, Mr. President, I shall answer the question for the Senator from Ohio and the Senator from Connecticut and the Senator from Washington. This measure is retroactive, and it pays a premium to employees who have been fired, as against those who have not been fired. In other words, under this measure, employees who have been fired would be paid more than they would have been paid if they had not been fired. I can show the provisions which have that effect.

Mr. CAIN. Does the Senator refer to employees of less than 25 years of service?

Mr. WILLIAMS. Yes; and to those with as little as 5 years of service.

Mr. CAIN. The junior Senator from Washington is therefore confronted with a contradiction, inasmuch as the authors of this measure are making an entirely different statement and are proceeding on the basis of an entirely different premise.

Mr. WILLIAMS. The bill as passed by the Senate did not provide any benefits for employees involuntarily separated regardless of years of service. We struck out those provisions. But the conferees have eliminated that action on our part and have reinstated the provisions; and under the measure now before us such employees would get an additional benefit.

Mr. TAFT. Mr. President, will the Senator please state what he is charging against the conference report? How can a man who serves for 5 years and then is discharged get anything under this measure? Will the Senator point out clearly where he finds any such authority in the conference report?

Mr. WILLIAMS. I refer the Senator to page 6 of the conference report, under section 8. I should like to read it:

> In case any official or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this act and have acquired title to an annuity under section 7 of the act of May 29, 1930, as amended, beginning after such effective date, his rights shall be determined and annuity computed as though this act had not been enacted.

In other words, if he separated on an involuntary basis, under the old act, which was section 7, his annuity would be computed under the old law, which would give him about 25 percent more than is provided under the conference report.

Mr. TAFT. Two or three years ago the Congress passed a law which said this to all such persons: "We are not taking away the rights given for 2 years, but we are not giving them to anyone hereafter."

Mr. WILLIAMS. Mr. President, I differ with the Senator from Ohio. If he will read the Senate bill, as passed by the Senate, he will find that it provided that those annuitants would have their annuities computed as if this act had been enacted. But this conference report means, for instance, that if we liquidated a Government agency during the past year or two, and if thereby a Government employee who had 5 or 10 years of service—of course, he would have to have over 5 years of service with the Government—lost his position on an involuntary basis—let us say he was then 40 or 45 years of age—thereafter, at age 62, he would be entitled to an annuity based on the years of service he rendered the Government. But under the old law, the proposed provision as to involuntary separation would give him about 25 percent more than similar employees will get under this conference report. But in order to do that, we are taking away benefits from the group of employees who resigned. Under this measure they will get absolutely no benefits whatsoever. I am speaking of those 147,800 employees who have resigned but as yet have not reached retirement age.

Mr. TAFT. Mr. President, I am sorry, but I entirely disagree with the whole interpretation made by the Senator from Delaware. I think he is completely wrong in his interpretation of this section.

Under the law passed some years ago, it is provided that any official or employee to whom this act applies, who shall have been involuntarily separated prior to January 30, 1947, will acquire title to a certain annuity calculated in a certain way.

All that this conference report provides is that in case he shall have acquired title to the annuity under section 7 of the act of May 29, 1930, as amended, his rights shall be determined and annuity computed as though this act has not been enacted. If he has acquired a vested right to an annuity, he gets it. That is all there is to it. By changing the law or repealing it—or, at least, if it expired by way of limitation—we do not take away anything he had. That is the only possible interpretation of the conference report.

Mr. WILLIAMS. If that is the only possible interpretation of the conference report—which is true—let me point out that at the time when the bill was passed, the Senator from Ohio agreed with me that we should add the amendment I proposed and should compute the annuities on the basis of the new act in order to correct these inequities. I should like to ask why an employee who had 10 years of service and was dismissed from the service last year should get a larger annuity than the one received by an employee who serves for 10 years under this act. Why should we give such special privileges?

Mr. TAFT. Because the act was passed, but we thought it was too liberal, so we cut down the liberality. As a matter of fact, the calculation of the accountants shows that if the Senator's amendment had gone into effect, it would have cost $68,000,000 more money, instead of less money. That was the showing made to the conference committee, and that is the principal reason they removed it.

Mr. WILLIAMS. Mr. President, that is one of the arguments that was made, but it is not a solid argument. It would have cost more money for those who were separated on a voluntary basis, but it would reduce the payments to those who were separated involuntarily. According to the Civil Service Commission, there are now 223,600 employees who have left the service during the past 12 months and are eligible for retirement under section 7 of the old act, 147,800 of whom left on a voluntary basis. In the event the conference report is adopted, those 147,800 employees would receive absolutely no increase whatever. Under the provisions of this act, they are not on the annuitant rolls, therefore they do not come under the provision which grants that increase, nor do they get an increase under the formula, because they cannot recompute the formula under the more liberal provisions of this act. We are doing that solely for the purpose of taking care of 75,800 who were fired, so that they can get an additional 25 percent, and we are taking away from those who resigned and giving to the ones who were dismissed, the 5-and-10-year men, and equalizing, about the same cost. If

the Senator from Ohio has said somebody told him it would cost $68,000,000, I wish the Senator would tell me who it was that told him. I do not have much confidence in the figure of $68,000,000.

Mr. TAFT. The Senator has asked me to state. This is a memorandum prepared as I understand it by the board of actuaries, which says:

With regard to the two amendments of Senator WILLIAMS, one would have cost the fund an amount having a present worth of $68,000,000, and the other would have required the recomputation of more than 120,000 annuities, which would take 3 years and cost $500,000 to do the recomputations alone. It would have worked a particular hardship on many of the low annuitants whom we are trying to help.

Mr. WILLIAMS. Mr. President, will the Senator tell me who signed the memorandum?

Mr. TAFT. It is a memorandum from the Board of Actuaries. I do not know who signed it.

Mr. WILLIAMS. Was that prepared by Mr. Phenix, the same man who has been producing the other wild guesses as to the total cost of the bill?

Mr. TAFT. Mr. Phenix says he agrees with the report of the Board of Actuaries. He is not himself a member of the Board, but he was with them when they were working on the question and discussed the matter with them.

Mr. WILLIAMS. Of course, the Senator from Ohio realizes that the man who advised him stood to gain $6,703 under the provisions of this amendment which he was advocating.

Mr. TAFT. I think the Senator's imputations are unfair to Mr. Phenix. This is not his memorandum.

Mr. WILLIAMS. Mr. President, it will be remembered that when we first took this bill, it was said it was not going to cost us anything. Since then there have been estimates that it would cost $15,000,000, $39,000,000, $105,000,000, $139,000,000, and various other amounts. I wonder whether any of the employees of whom the Senator from North Dakota and the Senator from Ohio now speak have ever given a revised estimate of the cost. All these estimates were agreed to by these same experts.

Mr. TAFT. Mr. President, I have a revised estimate. It is contained in a letter addressed to the Senator from North Dakota [Mr. LANGER], as chairman of the Committee on Post Office and Civil Service, and it is signed by Warren B. Irons, Chief of the Retirement Division. This estimate says that the bill, as passed by the House, imposed a total expense on the Government of $303,000,000. It may be expressed in this way: Over the existing charges, the bill, as passed by the House, made an increase of $84,000,000. The conference bill makes an increase of $62,000,000 over the existing law. The total cost to the Government today of $286,000,000 a year represents the Government's share of the retirement system.

Mr. President, I ask that this computation be inserted in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the computation was ordered to be printed in the RECORD, as follows:

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., February 24, 1948.

Hon. WILLIAM LANGER,
Chairman, Committee on Post Office and Civil Service,
United States Senate.

DEAR SENATOR LANGER: This letter is written in response to a telephone request made to us by Mr. John D. Phenix of your staff.

On January 16, 1948, a report on the comparative costs of the present civil-service retirement system and H. R. 4127 as passed by the House of Representatives was submitted to you by an actuarial group composed of the Board of Actuaries, the actuary of your committee staff, and the Actuary of the Commission. We have subsequently estimated the cost of H. R. 4127 as approved by the conference committee on February 6, 1948, basing such estimate on the report mentioned above.

Statement of Government cost, H. R. 4127

	Percent of pay roll	Annual amount
		Millions
1. Bill passed by House July 21, 1947	6.94	$308
2. 80 percent maximum (sec. 4)	−.07	−3
3. Optional refund under 20 years (sec. 7)	−.23	−10
4. Separated employees retain present deferred annuity rights (sec. 8)	−.07	−3
5. Interest on optional deposits (sec. 9)	−.09	−4
6. Addition of children's benefits (sec. 12)	+.10	+4
7. Change in widow's benefits (including lump-sum provisions) (sec. 12)	−.18	−8
8. Survivor benefits for retired employees (sec. 12)	+.05	+2
9. Bill approved by conference, Feb. 6, 1948	6.45	286
10. Present law	5.04	224
11. Increased cost of H. R. 4127	1.41	62

NOTE.—Changes in sections 1 (b) and 1 (c) have an offsetting effect on cost and are not included in above statement.

Mr. Phenix has also asked how much would be required for personal services to recompute all annuities as would be required by section 8 of H. R. 4127 as passed by the Senate. We estimate that this provision would require a deficiency appropriation of approximately $500,000.

Sincerely yours,

WARREN B. IRONS,
Chief, Retirement Division.

Mr. BALDWIN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Delaware yield the floor?

Mr. WILLIAMS. I yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, before the debate is ended, I should like to say that I think our distinguished colleague from Delaware is entitled to a great deal of credit. He has given much time and study to this whole bill, and he has, by virtue of that fact, made the other members of the committee more keenly alive to the extreme difficulties and the great complexities involved in legislation of this type. It may be that the bill permits some inequities which we cannot fully now foresee. On the other hand, I think the arguments on the other side outweigh them. It is true that if a man is involuntarily separated from the service after 25 years, he will get more money than a man who voluntarily resigns at that time, but there is a good argument for keeping a man on the job so that he cannot voluntarily resign, and there is a good reason for treating with justice those who are forced to retire from the Government service perhaps before they want to do so, and who by virtue of that fact must take substantially less than they ordinarily would receive.

We have worked hard on this bill and have spent a great deal of time on it, the staff has worked hard, and there is nothing more difficult I think than trying to look into the future to see exactly how the provisions of a bill of this kind are going to work out in practice. But this Congress is in session every year, and if there are injustices in the bill, they can be corrected.

There is one thing I should like further to point out, and that is this. I may have misunderstood my distinguished friend from Delaware when he said that those who have already retired did not receive any increased benefits under this act. I want to point to section 8 of the act, which goes into the question of benefits for those who have already retired, and tries to equalize their situation with men or women whose periods of retirement have not yet been reached.

Mr. WILLIAMS. Mr. President, I should like to interrupt the Senator from Connecticut at this point. I did not say there were no benefits accruing to those who had retired, that is, those who were on the annuity rolls. They get the 25-percent increase or the $300, whichever it may be, but what I said was that there are 147,800 employees who have resigned from the Government service during the past 12 months, according to figures furnished by the Civil Service Commission itself, who will be eligible to receive retirement benefits when they reach the age of 62. They are not on the rolls now. Therefore they are not eligible for an increase in the annuities by reason of computations under section 8, to which the Senator from Connecticut has referred, nor are they eligible for a recomputation under section 4, which is more liberal, because the amendment that I submitted was rejected by the conferees and the conference report now distinctly provides that they must compute their annuities as if this bill had never been passed.

Therefore there is no way—and I have verified this with legal counsel of the Retirement Division—in which such employees can receive one single penny of benefit from that provision of the bill.

Mr. BALDWIN. Mr. President, I submit that I do not yet understand just what my friend means. It seems to me the bill accomplishes approximately what an insurance policy would accomplish. If we want voluntarily to end it, it can be ended, and certain benefits given when that is done. There is a certain amount of paid-up insurance and a certain cash surrender value. If, after a period of service, a man wishes to stop and to

leave his money in the retirement fund, he can do that, and, at the age of 62 years, he can receive his retirement benefits. But, obviously, Mr. President, this bill cannot go back over the years and correct all the inequities down through the past. It does not pretend to do that. I doubt very much that it could successfully accomplish that. I think on the face of it, it is a fair bill. I am willing to concede that, technically worked out, there might appear to be some needed adjustments, but there are other arguments in its favor which, in my judgment, far outweigh such adjustments.

Mr. WILLIAMS. Mr. President, I want to point out one further inequity in the bill between voluntary and involuntary separation. Under its provisions, those who are already on the annuity rolls are granted an increase which ranges to 25 percent, based upon the amount they are now receiving, but in no case would they receive an increase greater than 25 percent, except as applied to those who are on the annuitant rolls, in the case of an involuntary separation, in which cases there are inequities. I do not want to use the name of the employee whom I have in mind, but this employee would receive an increase, under the provisions of the bill, due solely to the fact that he was involuntarily separated, of over 100 percent. All employees do not receive that much, but the increases range from 25 percent for those voluntarily separated up to as high as 100 percent for some who were involuntarily separated. The particular employee whom I have in mind is receiving an annuity of $683.88. He began receiving that amount last October. The minute this bill becomes effective his benefits will be increased to $1,292.34, or over 100 percent. Had he resigned, he would receive only a 25-percent increase. He will receive four times as much for being fired.

That is an extreme case. I should like to place its details in the RECORD, with the exception of the man's name. I ask unanimous consent that the statement in connection with that case be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

	Years and months of service	Age at commencement of annuity	Average salary	Annuity awarded	Annuity to be awarded	Years of life expectancy	Total annuity	Increase per annum	Total increase
Present law	28 3	55	$2,882.34	$683.88	----------	19.80	$13,540.82	$608.46	$12,047.50
Conference agreement	28 3	55	2,882.34	---------	$1,292.34	19.80	25,588.32		

Mr. X, twenty-seventh employee to be involuntarily separated from service during October 1947.
Amount of contributions: $2,264.58.
This annuitant is eligible for the increase listed above on the basis of the retroactive clause, sec. 1 (c) of the conference report, which states: "This subsection shall become effective July 1, 1947.

Mr. WILLIAMS. Mr. President, I shall ask that the conference report be rejected. I wish to make it plain, at the time I ask it, that I am not trying to delay the passage of the bill as it applies to service employees. If the conference report be rejected and the provision which pays bonuses to employees be removed, I shall be one of the first to support the bill. But I do not think it is fair, in any case, to pay such a large sum simply because the employee happened to be fired last October instead of resigning. According to the Civil Service Commission there are 2,350 similar cases. This chart shows that this Mr. X will receive under the provisions of this bill a bonus of $12,047.50. I do not see any sense in thus dipping into the retirement fund which was built up by the career employees themselves. We are charging them an additional 1 percent to pay bonuses to men who have been fired. Most of them were political pets; otherwise they would never have been able to maneuver themselves into such a position of getting these involuntary separations.

I hope therefore that the conference report will be rejected.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

ELIGIBILITY FOR BURIAL IN NATIONAL CEMETERIES

Mr. BUTLER. Mr. President, yesterday Senate bill 1620, to establish eligibility for burial in national cemeteries, was passed by the Senate. There are certain clerical corrections, which should be made, and I ask unanimous consent to reconsider the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, in order to make such corrections at this time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the bill is before the Senate.

Mr. BUTLER. Mr. President, the changes are three in number. The words "Secretary of War" appearing in three places should be changed to "Secretary of the Army."

The PRESIDENT pro tempore. Are those the only amendments requested?

Mr. BUTLER. Yes, Mr. President.

The PRESIDENT pro tempore. Without objection, the amendments are made, and, without objection, the bill as amended is passed.

ALLOCATION AND CONTROL OF GRAIN FOR DISTILLING PURPOSES

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KNOWLAND. The understanding of the junior Senator from California is that now that we have agreed to the conference report on the civil-service retirement bill, under the agreement of yesterday, Senate Joint Resolution 186 relating to the allocation of grain is before the Senate. Is that understanding correct?

The PRESIDENT pro tempore. It is correct and the pending question is the amendment proposed by the Senator from Kentucky [Mr. COOPER] to Senate Joint Resolution 186.

ST. LAWRENCE SEAWAY

Mr. BYRD. Mr. President, few issues have been debated in Congress more thoroughly or over a longer period than the St. Lawrence seaway proposal, which is now formally before the Senate for the third time during the 15 years the senior Senator from Virginia has been a Member of this body.

The resolution now pending would legalize agreements between the United States and Canada for construction of a deep-water seaway of approximately 2,500 miles from Duluth to the Gulf of St. Lawrence, and this time there is a power project attached as an adjunct. Depending upon the agreements worked out under this legislation, tolls may be charged on seaway traffic with a view toward self-liquidation.

Each time the project is brought up it is on somewhat a different basis as to justification and legislative process. Each time the Senator from Virginia has studied the aspects of the project diligently, and he has listened to the debate intently. Each time he has concluded to oppose it.

This time his conclusions are the same. On the basis of careful examination of his own, and analysis of all the claims which have been made, this project involving at least a billion dollars—mostly American money—cannot be justified at this time in terms of the tremendous outlay of public funds, materials, and labor, even if no other considerations were involved.

But in addition to these elements of inflation, there are other considerations, such as the question of treaty versus agreement, the national-defense contentions, the cost and economic possibilities of the project, the views of the Canadians, who must be a part to any agreement, and the provisions of the resolution itself. There are other considerations, of course, but those mentioned are of national and international significance which are in addition to a great many more sectional and local aspects.

Taking these national and international matters up in order, the first is:

TREATY VERSUS AGREEMENT

Relations between the United States and Canada, which are those of good neighbors at their best, are the result of a long line of well-considered treaties, mutually made and mutually respected.

This is especially true with respect to use and development of boundary waters between the two countries which have been worked out almost invariably on the basis of treaties which, for the United States, have been approved in each case by the required two-thirds vote in the Senate.

Among these treaties governing navigational and other privileges on the Great Lakes and the St. Lawrence River have been: First, the Treaty of Amity, Commerce, and Navigation of 1794; second, the Reciprocity Treaty of 1854; third, the Treaty of Washington in 1871;

and fourth, the Boundary Waters Treaty of 1909.

The feasibility of the St. Lawrence seaway has been the subject of investigation and recommendation since 1895, and it finally was made the subject of a treaty which the Senate, after careful consideration of its international aspects, rejected in 1934 by a vote which was 13 short of the necessary two-thirds.

When the conventional approach failed, proponents began a relentless effort to bypass the tried and proven treaty processes wisely prescribed in the Constitution. They sought statutory approval of an executive agreement which would require only a simple majority vote. Under the chairmanship of Senator OVERTON, a subcommittee of the Senate Commerce Committee declined to approve this approach, but before the full committee could act, a new tack was taken. This was in the form of an amendment to the rivers and harbors bill of 1944. Here again, this time as a public works project, the Senate defeated the proposal. The vote was 25 for and 56 against.

Now the proposal is back before the Senate, this time with a remarkable new look.

It is not in the form of a treaty, but it comes with the approval of the Committee on Foreign Relations, which previously recommended treaty procedure on February 15, 1933.

It is in the form of statutory approval of an executive agreement, which the Committee on Commerce did not approve, and which was specifically disapproved by its subcommittee.

Opposition to this method has been summed up in a special Library of Congress study of the project which sets forth the opinions of numerous authorities who believe the seaway is more properly the subject for a treaty, and that its character is not changed by any executive agreement which may have been made. Sovereign rights of each nation are involved, and executive agreements, even with statutory approval, may be altered by unilateral action.

The majority leader of the Senate, the Senator from Maine [Mr. WHITE], whose natural wisdom is sharpened by his long experience, states the situation succinctly when he says:

> The growing resort in late years of the State Department to agreements, so-called, instead of treaties to be ratified by the Senate, is an effort to accomplish by indirection what, in this case, the Senate has twice refused to sanction, first by refusing to consent to the proposal in treaty form, and later by rejection of an amendment to a river and harbor bill.

Approval of what amounts to a treaty by this method is highly improper and evasive, if not actually unconstitutional, and it has been held so by such a competent authority as Edwin M. Borchard, who wrote a special opinion on the subject in 1944.

NATIONAL DEFENSE

Consideration of the national defense aspects of the proposed St. Lawrence seaway must be taken from two viewpoints: First, from the requirements of defending the seaway itself from attack, and second, from its contribution to offensive effort.

On defense, Maj. Gen. Follett Bradley, United States Air Force air-defense expert, testifying on the pending joint resolution, said:

> The real question is, Can the project, with its 50 locks, more or less, and its proposed dams and powerhouses be defended against enemy air attack? I answer categorically, "No."

With respect to defense against submarines, Vice Adm. Russel Willson, United States Navy, retired, World War II Chief of Staff and deputy commander in chief to Admiral King, and naval adviser to the Joint Chiefs of Staff, testifying on the pending measure, said:

> While there was not much traffic out of the St. Lawrence, relatively, during the war, there were six ships sunk there by submarines, and there were no submarines sunk, the reason being that the conditions there are very favorable for submarines.

Despite the fact that military experts know these conditions, there is neither a general nor an admiral who would dare leave such an artery unprotected—as useless as defense installations there may be.

As to contributions by the proposed seaway to offensive operations, Secretary Royall is quoted in the minority report as telling the subcommittee:

> The Army's position and the War Department's position is that the St. Lawrence seaway is not vital to national defense, but that the project would be helpful to national defense.

Of course it would be of no help while it was frozen 5 months of the year.

It would be of no help if its channels were blocked by derelicts, or its locks were sabotaged.

It would be of no help if for political or other reasons we persisted in using ocean shipping on it while a shortage existed in vital overseas requirements.

It would be of no help if hundreds of ships were tied up in back of a channel or lock obstruction a thousand miles from their destination.

Construction schedules in shipyards at seaway ports could not be depended upon if it was impossible for them to launch vessels and possibly operate otherwise during the ice season. Finished ships could not get out during half the year.

Some of the yards in lake ports did an excellent job on smaller ships during the recent war, but the seaway would not help them. To expand these yards would drain mechanics and materials from shipyards which could operate on maximum schedules 12 months a year.

On the record the national defense argument is unimpressive, and it appears to have been emphasized only during the war hysteria of recent years when it was easy to justify almost anything on grounds of national defense. But this project could not be justified even then. In fact, it was defeated on one occasion in the middle of the war.

POWER ASPECTS

At best, the power project in New York—which is proposed as an adjunct to the seaway—is no more than a tail to the kite. If it is so vital, it could be built—from an engineering standpoint—without the development of the seaway phases.

If additional power facilities in the area are so badly needed, it is difficult to understand why they have not been provided. It is not as if the area were remote and its potentialities unknown. On the contrary, the area is highly developed, and it has been for a long time. Its population is dense. Its current industrial requirements are established beyond question, and its possibilities for expansion can be measured with accuracy. It seems unreasonable to believe that power facilities have not already been developed to the fullest extent of profitable expectancy. In fact, there is strong evidence that such is the case.

Proponents of the pending resolution who would tack power development onto the seaway project scorn those who are interested in steam-plant generation as "vested interests." But they cannot deny that these are the people who have had the experience, and based upon this experience, the National Coal Association of America is the authority for the statement that in the war year of 1944 installed power capacity in this area was 25 percent above peak-load requirements. If and when more power is needed, it would be common sense to expand existing facilities and systems.

When proponents of such projects contend that they will result in cheaper products they overlook the fact that such a contention must be founded upon need, to be true. Something not needed is never cheap, especially if it is financed with public funds.

This proposal involves long-term use of public money extracted from the pockets of taxpayers all over this vast Nation for construction, maintenance, and operation of a hydroelectric power development which, if needed, would be directly beneficial to users only within a 200-mile radius from the site of the plant in upper New York State.

Although some Senators from New England States are pressing for this legislation, spokesmen for their New England Governors' Freight Rate Committee, as recently as November, not only opposed the seaway project as a whole but said further that—

> It is by no means clear that the power to be created would be advantageous to New England, or that any material part of it would be distributed in New England.

The soundness of the project is highly questionable, according to the considered opinions of competent authorities.

In addition, there is a great confusion over just how the whole thing would be operated. This necessarily must be true as to any project in which two national governments and half a dozen State governments are concerned with construction, maintenance, operation, distribution, and rates.

There is nothing in the pending legislation which assures any satisfactory agreement in such a situation.

WEATHER AND NAVIGATION

It is generally conceded that navigation on the St. Lawrence and in the Great Lakes region stands still for approximately 5 months of the year. So the route could be used only about 200 days of the year.

On the authority of Captain Saunders, of the International Shipmasters Association of the Great Lakes, "The St. Lawrence has more crooks and turns in it than a snake makes. If this project is developed and passed, it should also be stipulated that there shall be a shipyard about every 5 miles, because they will need it."

Public Affairs Bulletin 58, Library of Congress, records the shipping season in a table which I ask to have printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Without objection, it is so ordered.

The table is as follows:

Year	First arrival from the sea at Montreal	Last departure for the sea at Montreal
1920	Apr. 25	Dec. 7
1921	Apr. 21	Dec. 8
1922	Apr. 24	Dec. 2
1923	May 3	Dec. 2
1924	Apr. 24	Dec. 3
1925	Apr. 22	Dec. 9
1926	May 3	Dec. 6
1927	Apr. 12	Dec. 6
1928	Apr. 26	Dec. 9
1929	Apr. 20	Dec. 7
1930	Apr. 21	Dec. 12
1931	Apr. 15	Dec. 11
1932	Apr. 14	Dec. 8
1933	Apr. 14	Dec. 6
1934	Apr. 26	Dec. 8
1935	Apr. 15	Dec. 9
1936	Apr. 13	Dec. 11
1937	Apr. 19	Dec. 8
1938	Apr. 18	Dec. 4
1939	Apr. 29	Dec. 12
1940	Apr. 24	Dec. 5
1941	Apr. 19	Dec. 17
1942	May 2	Dec. 16
1943	May 24	Dec. 13
1944	Apr. 21	Dec. 9
1945	Apr. 9	Dec. 3
1946	Apr. 12	Dec. 3

Mr. BYRD. Mr. President, it is proposed that there shall be 27 feet of depth in the system. In this connection it is notable that one of the sponsors of this legislation is at present relying heavily upon recommendations by the Brookings Institution on other pending legislation.

As early as 1929 Brookings in an exhaustive study of the St. Lawrence proposal concluded even then that—

> A depth of 33 feet would be necessary if the route were to accommodate first-class steam- and motor-driven cargo vessels of the type which proponents of the waterway have ordinarily assumed would use it.

To bring this up to date, there is probably no better authority in Congress on the American merchant marine than Representative S. O. BLAND, of Virginia, and with respect to this legislation he has chosen to publish in the RECORD, as extension of his own remarks a comprehensive discussion by Frank J. Taylor, as president of the American Merchant Marine Institute, Inc. In part, Mr. Taylor says:

> The navigational aspects of the project are open to grave questioning * * * the proposed seaway, instead of being a benefit to the American merchant marine, constitutes actual discrimination against this Nation's existing merchant fleet * * * the seaway would decidedly favor foreign-flag shipping * * * the seaway would be contrary to the wishes of Congress which has repeatedly expressed its policy of fostering an American merchant marine.

Discussing the 27-foot channel from Montreal to Lake Ontario, Mr. Taylor points out that due to lesser density of fresh water, and the fact that a vessel in motion rides lower in the water than when at rest, port rules of Montreal require 2 feet 6 inches bottom clearance for issuance of a sailing permit, with the result that only vessels drawing 24 feet or less in salt water could use the seaway.

Mr. Taylor's analysis of recent Maritime Commission statistics discloses that only 8.7 percent of the gross tonnage of the American merchant marine would ever be able to use the seaway properly. He finds further that only 18.7 percent of the world's gross tonnage would have the required draft. He finds that less than one-tenth of all the American merchant ships built between 1939 and 1945 could traverse the seaway, and that virtually no postwar vessels are being designed with operation in the seaway in view.

It is uneconomical to build such shallow-draft oceangoing ships. Their crew requirements are almost the same as larger vessels, and they earn a third of the revenue. Likewise, it is uneconomical to operate ships not fully loaded. The Maritime Commission officially urges American operators to sail their ships "full and down."

Mr. Taylor continued:

> The ocean traffic that would move over the proposed seaway would move in foreign tramp ships at the expense of the regularly operated American lines on the seaboard.

In addition there is the matter of insurance which would be greatly increased for vessels using the seaway. Their risks would be increased by narrow channels, the rock bottom in many places, currents, and the hazards of passing in canals.

Economical operation in postwar competition requires full cargoes in larger and faster ships. There is no evidence that the proposed seaway can accommodate these necessities, even in the part of year that it may be open. The importance of weather and navigation may be gaged by Russia's insistence upon an ice-free port on the sea.

There can be no competent contention that either the weather or navigation on the proposed seaway would contribute to economical shipping. In addition the seaway distance for slower floating transport between the Midwest and the east coast is more than three times that of overland routes.

COSTS, TOLLS, AND SELF-LIQUIDATING ASPECTS

Conflicting information has characterized a great many debates in the Senate during recent years, but fiscal confusion appears to have reached its peak in the case of the St. Lawrence seaway.

There is no agreement on the capital outlay involved. There is no agreement on revenue-producing traffic. There is no agreement on maintenance and operating costs. If tolls are to be charged the legislation does no more than fix the maximum, and there is no assurance that operators of shipping which would produce the revenue would use the facility, with or without tolls.

It is certain that any Senator can find authority for any capital outlay figure that suits his point of view. But, perhaps, the most realistic figure would be the one available, informally, from the Bureau of the Budget. Certainly it would be the basis for subsequent appropriation requests to Congress if this legislation were passed.

The Budget Bureau estimate now stands at a total of $674,000,000—and it may be increased by reason of existing higher costs. Four hundred and ninety-one million dollars of this would be the United States share. One hundred and sixty-one million dollars would be the amount returnable from power, to be amortized over a period of 50 years. These figures are based upon construction and material price levels of April 1947, and therefore would now have to be revised upward by a considerable amount. In addition to the total, there should be added $32,000,000 already spent by the United States on the MacArthur lock and $132,000,000 already spent by Canada on the Welland canal. Thus it is seen that by the most realistic estimates available, the total capital outlay probably would total between eight hundred million and a billion dollars at current prices. This, of course, is exclusive of interest, and it does not include any maintenance or operating costs.

This figure is startling when it is compared with the Army engineers estimate that the initial outlays on all the salt-water harbors in the United States total $705,000,000.

While these harbors are now capable of handling 359,000,000 tons of traffic a year, the best claim for the seaway is a thirty-odd-million-ton estimate. The more conservative proponents of the pending legislation rely on the possibility that traffic moving over the seaway may total 25,000,000 tons a year, and in the view of many authorities this possibility is remote.

Actually there is no reliable estimate of potential traffic to which capital and operating costs may be pegged. Great publicity has been given the recent optimistic report by the Department of Commerce, but Secretary Harriman cautiously qualified the contents with the statement:

> This Department has not yet made a detailed analysis of potential traffic on the seaway. These limitations should be kept clearly in mind in appraising the estimates.

Ordinarily it would be natural to turn to the Corps of Army Engineers on a question of this kind, but here again there is no firm information. Gen. R. A. Wheeler, Chief of the Engineers, told the subcommittee considering this legislation that—

> The Corps of Engineers have never made an exhaustive study on the type of traffic * * * which may make use of the waterway * * *. Before the Corps of Engineers could render a definite finding as to whether the new deep-water works on the St. Lawrence River could be made to pay out by imposition of tolls, it would be necessary to make a thorough study of all prospective traffic.

The subject of tolls themselves is highly questionable. In the first place it is not clear as to whether the tolls would be

taken from domestic shipping on the waterway, or confined to foreign traffic.

The propriety of attempting to work a toll system on an international basis is another very real question. The amount of tolls themselves is still undetermined, except to the extent that the pending joint resolution proposes to fix a dollar and a quarter maximum on freight and a dollar and a half on passengers. In fact there is no assurance that the toll will be more than a token tariff.

In addition there are a great many persons in both countries who, like the senior Senator from Louisiana [Mr. OVERTON] believe fundamentally that the great rivers of the two nations should be open to all on equal terms, and that to levy tolls for their use would nullify their benefit to huge portions of the population. The Senator from Louisiana probably has given more study to this subject than any other member of the Senate.

Without knowing what the initial outlay and interest costs will be, without knowing what the maintenance and operating costs will be, without knowing what the potential traffic may be, without knowing what tolls will be imposed or upon whom they would be imposed, it is utterly impossible to predict that this project would be self-liquidating.

Even the highest estimate of capital outlay, on the basis of experience, could be assumed to be insufficient. The record of similar projects shows that, without exception, all of them have actually cost far more than the estimate.

Perhaps more important than any of these considerations is the result of a poll of some 32 leading shipping companies in the United States, taken in 1946 by the late Senator Josiah Bailey, as chairman of the Senate Commerce Committee. One company replied that it would use the seaway. One company replied that it was not sure whether it would use it. Thirty companies not only expressed strong convictions against the wisdom of the project, but stated that their vessels would not use the seaway even if it were constructed.

In view of these facts, all other questions resolve into one:

For whom do we propose to build and operate this billion-dollar project? On the basis of requirements and fiscal soundness it appears to be a seagoing boondoggle, reminding one of the facetious old WPA proposal to build a north-south bridge over the Mississippi.

THE PENDING RESOLUTION

The Senate of the United States has decisively rejected the St. Lawrence seaway idea twice before—once in its proper form as a treaty subject, and later as a public-works project.

The only justification for bringing it up again now is on the pretext that it lends itself to self-liquidation. But the language in the pending resolution raises the suspicion that even those responsible for its presence here are doubtful of the self-liquidating probability.

The resolution strikes out boldly in the first section, of course, with a provision that before the agreement goes into force the President shall obtain assurance that Canada agrees to the principle of self-liquidation by charging reasonable tolls. But section 3 prohibits even negotiation on what the tolls shall be until after construction is started.

Moreover, section 3 fixes a ceiling on what the tolls may be without regard for whether they will produce sufficient revenue to defray operating costs, maintenance costs, interest, or amortization.

The resolution fails to establish a policy as to whether tolls shall be collected from domestic as well as foreign shipping, and it likewise fails to establish any policy with respect to the power aspects of the legislation, despite the fact that it has international and interstate implications.

Under the terms of the resolution all these problems would be worked out after construction was started. There could be no turning back if it were subsequently found that the project could not be developed in accordance with the principle of self-liquidation.

The resolution, if enacted, will have the effect of a legal evasion of the Constitution of the United States, which contemplated that such international relations as this would be effectuated by means of treaty.

CANADIAN VIEWS

A recent summary of the St. Lawrence seaway question by the Congressional Digest sums up the Canadian attitude toward the project as "committed but skeptical."

The same summary cites four reasons for the Canadian skepticism:

1. Canada is somewhat distrustful of agreements such as the 1941 agreement and would prefer to arrange for the project by treaty process.

2. Since war expenditures have imposed higher taxes on the people, there is now doubt in Canada as to whether the project would merit the cost of completion.

3. Canada is wary of Scandinavian woodpulp competition in the United States market, which would be enhanced if the seaway were carried through.

4. Canada does not look with favor on the amendment made by the United States Foreign Relations Committee, which eliminated the Great Lakes water-diversion clause from the approving resolution (S. J. Res. 104) at the last session.

Canadian Secretary of State for External Affairs St. Laurent last April announced that—

> The Canadian Government has now concurred in principle with the proposal to make the St. Lawrence seaway self-liquidating by means of toll charges, subject to the conclusion of arrangements satisfactory to both Governments for the implementation of this principle.

But since then it is of interest to note that in the Washington Post as of Sunday, January 25, 1948, there appeared an article by Adrienne Tassler under a headline "Loan averted new Canadian embargo." The first two paragraphs of this article follow:

> Canada isn't a poor country, but right now money is her prime worry.
>
> Notwithstanding a business boom and record employment, Ottawa legislators face a maze of economic problems. How these problems are handled will be important not only to Canada but to the United States and Europe as well.

That does not sound like a country which is eager to jump into a billion-dollar project, the self-liquidation of which would require years, if not eternity.

At least two-thirds of the people of this Nation, including the best shipping and transportation authorities, are equally as skeptical and uninterested as many Canadians appear to be.

CONCLUSION

In conclusion, there is eminent authority for the contention that this proposal is one that should come before the Senate in treaty form. The Senate itself is the highest authority on record for that contention, for it first considered it on that basis. In addition, the principal proponent of treaty consideration of the matter is the majority leader of the Senate [Mr. WHITE], whose views are competently confirmed by recognized constitutional authorities.

Military experts have testified before the committee which reported this resolution that the project could not be defended in war, and that offensively it is likely to be a liability.

Experts in the field of electric power regard the soundness of the power proposal as highly questionable, and there is general confusion as to how the project would be operated to the satisfaction of two national governments and a half a dozen State governments which would be involved.

Only the most avid proponents contend that without question a seaway, which is ice-bound about half of the time, and which is too shallow for the traffic it seeks, would be either practical or economical. On the contrary, it would have the effect not only of stopping progress in competing transport facilities but also of curtailing their present capacity. Under these circumstances, it is difficult to see how such a project could be self-supporting with tolls of any rate, and prospects for self-liquidation would be much less.

Finally, the attitude of the Canadians, whose cooperation is necessary, has been aptly described as committed, but skeptical.

I shall vote against the resolution for the reasons discussed, and especially because I believe this is no time to authorize a vast outlay of public funds, material, and labor on a project largely outside our borders.

Mr. WILEY. Mr. President, I had understood that there would be no discussion today in relation to the St. Lawrence seaway. Consequently I have not my data with me. But I cannot let the challenging remarks of the distinguished Senator from Virginia go unanswered. Usually I subscribe to a great deal of his philosophy, because it is based upon the principle of a careful survey to see that we get a dollar's worth for every dollar invested. However, in this case he is more like Patrick Henry who, after the Revolution was won, could not see the need of a great united nation of Thirteen Colonies and spoke against the Constitution. That was the same Patrick Henry who said "Give me liberty or give me death."

If the distinguished Senator would turn to this week's issue of the great national magazine, Collier's, he would find how hungry this Nation is for electric power, and how critical the situation is on the Pacific coast, on the east coast, in Maine, and in the Middle West. He would learn how eager the Nation is for this great new source of power.

When the Senator speaks about the St. Lawrence being frozen up, I call his attention to the fact that in 7 months and 20 days—because the St. Lawrence is frozen up 4 months and 10 days—the port of Montreal is the second port in all the Americas, so far as tonnage is concerned.

It has been said that the river has so many turns in it that it is as crooked as a snake. In relation to fog, the St. Lawrence waterway has one-sixth as much fog as the port of New York. Moreover, the tonnage on the Great Lakes, which are frozen up 4 months and 10 days, is three-fourths as much as all the tonnage at all the Pacific, Atlantic, and Gulf ports combined.

So, Mr. President, we cannot ignore the fact that a dynamic producing section of a great Nation, with a population of 50,000,000, is demanding recognition. Much is said about expenditures, but if we will consult the archives of the Appropriations Committee we will see that in this entire area very little public money has been expended, whereas on the coasts, which have only about as much tonnage as we have upon the Great Lakes, almost $1,000,000,000 has been spent. On the Mississippi River we have spent more than $1,000,000,000. On the Missouri we have already authorized an expenditure of $1,400,000,000, which, when added to the actual costs, will come to $2,000,000,000.

We cannot ignore the demands and the economic hunger of 50,000,000 people in this great region. Not only that, but when we speak of Canada, Mr. President, what we are asked to affirm by this joint resolution is an agreement made by the President of the United States with Canada pursuant to a 1909 treaty. Now some persons propose that we break that agreement. That agreement was made in 1941. Then came Pearl Harbor, and after Pearl Harbor the agreement remained in abeyance.

So, Mr. President, in this period, with Palestine aflame, with Czechoslovakia taken over, and with the great democratic leader of that nation, Benes, apparently knuckling under to communism, and with China feeling the impact of communism from the north, some persons now propose to halt the growth and development of this Nation. Mr. President, next week the Senate is to take up the European relief program, for which five or six billion dollars are requested for aid to Europe. With those billions of dollars, plants similar to the proposed plants on the St. Lawrence will be built in Europe. However, some of our people do not have the foresight or the courage to agree to have such plants built on our own territory, along the St. Lawrence. Moreover, Mr. President, as a part of our aid to Europe, we shall contribute funds for the opening up of canals in Europe so that additional transportation can be provided in that way. In that connection, let us bear in mind that large areas of Europe are farther north than the St. Lawrence.

So we see, Mr. President, that some persons always think the pastures over yonder are greener and that over yonder the grass is greener than it is at home.

Mr. President, 10 months before Pearl Harbor I stood on the floor of the Senate and submitted a resolution asking that the Secretary of State report to the Senate, in executive session, the condition of our defenses in the Far East, calling especial attention to conditions in Hawaii and the Philippines; and in the course of the remarks I made at that time I said that we had better know what was going on, or else some day we would wake up to an experience similar to that the Russians had at Port Arthur. Those statements and suggestions by me are to be found in the CONGRESSIONAL RECORD. Nevertheless, no attention was paid to what I suggested at that time. But 10 months later we awoke to find that the Japs had struck at Pearl Harbor. That lack of vision cost us hundreds of thousands of lives and hundreds, millions, and billions of dollars of wealth—merely because we would not use the vision we should have used.

Mr. President, the only thing we need to fear is fear itself. By that, I mean that the longer we procrastinate in the development of the great resources which nature has given us—the 2,200,000 horsepower available from the waters flowing down the channel of the St. Lawrence Valley, away to the sea—the longer we shall delay in making the economic progress and enjoying the economic health our Nation needs. Certainly we need that power today, when Maine is freezing when industries in the Northeastern section of our country are shutting down.

Mr. President, I heard the distinguished Senator from Virginia [Mr. ROBERTSON] say something about a failure to use the canal, and something about ships. Certainly the undisputed evidence in the record is that there are 12,000 ships in the merchant marine of the world, and that more than half of them can use this canal because they are 25 feet or less in draft. Furthermore, the undisputed evidence is that this summer 17 ships from abroad—from some of the foreign nations that were virtually bombed to pieces during the last war, but whose people have more vision than some of our people have—will be sent every 2 weeks between the ports on the Great Lakes and the ports of Europe, using the present 14-foot canal. If 17 ships can profitably sail under those circumstances, and if hundreds of other ships can sail from Duluth and Superior to the head of the St. Lawrence, and have their cargoes transferred there into the canal and then taken 100 miles to Montreal—and, Mr. President, incidentally, those who use the canal in that way make a profit on their operations, and make Montreal the second port on the North American Continent—then in God's name what cannot we do if, as the engineers have said, we build a canal 27½ feet deep?

Mr. President, what disturbs me is that there is this much opposition to the construction of this project, even though it has been strongly favored by every President of the United States and every Secretary of State in the last 20 years. In all that time every President of the United States, every Secretary of State, and the only engineers who have testified on this subject—the Army engineers—are in favor of this project. When the distinguished Senator from Virginia says the Army engineers did not estimate what the traffic would be, he did not tell the Senate that the Army engineers said that was not their job, but that their job was to figure the cost of building the canal. Neither did the Senator from Virginia tell the Senate that after 1941, when the Congress directed the Commerce Department to investigate and arrive at the figures in relation to the tonnage, in November 1947, the Commerce Department filed its report and its findings, and there are no other findings in the record.

I wish to state, Mr. President, that we now find ourselves in the position of the dear old mother who watched the regiment march down the street. Of all the soldiers in the regiment, only her boy was out of step. Of course the dear mother could say, "Just see! Everyone in the regiment is out of step except my boy."

As I have said, Mr. President, for a great many years every President, every Secretary of State, and every engineer who has testified on this subject, and also the Commerce Department, and the legal department of our Government, have successfully demonstrated the importance, the significance, and the value of this great enterprise.

So where do we arrive? We arrive at a point where some men have lost their national viewpoint. I have not heard anyone tell about the billions of dollars Uncle Sam poured into the ports on the Atlantic coast, including Virginia, in the building up of the great shipbuilding institutions there, in improving the great national defense system along that coast. I have not heard anyone criticize that. I have not heard anyone criticize the building of dams all over the United States except in our part of the Middle West, where we have none. The two spots on the St. Lawrence indicated on the map are where we ask to have the power projects and canals built. I have not heard anyone criticize the other great port and power developments that have been made in our country. But because we of the Middle West might in this way get an economic shot in the arm, because we might thus open up this territory to the commerce of the United States and Canada, there is violent criticism.

Let us remember that Canada will pay most of the toll, because it is Canadian wheat that will go down to the sea. If the Canadians can save 5 cents a bushel, Canada will save $20,000,000 a year in transportation costs; and if we can save 5 cents a bushel and if we transport 400,000,000 bushels a year, then we shall save $20,000,000 a year; and that is not "hay" in anyone's time or country. The money thus saved would undoubtedly

be spent in the East; it would add to the economic health of the life stream of the United States; it would be economic savings. But many persons cannot comprehend that when they talk about this project.

Some of the opponents refer to the Mississippi; and they are afraid that this project, when developed, will compete with the developments on the Mississippi. Mr. President, my State is on the Mississippi. Although there is so much opposition to this project, nevertheless we have found that we can build a 9-foot channel all the way up the Mississippi to St. Louis and beyond, and thus can make a great and profitable development of the Mississippi River. Of course, the Mississippi freezes over. Should the Mississippi River freeze over, that would be perfectly all right.

In asking that the agreement with Canada be complied with, I cite the fact that Canada, as her part of the program, proceeded to build a huge canal at an expense of $133,000,000. But when we say, "Let us keep faith with our neighbor," in a world in which communism is marching on, and when the Joint Defense Staff of Canada and America have testified in the record that the St. Lawrence project is important for the national defense, these fears, these manifestations of self-interest, present themselves. Representatives of various localities say, "No; not a step farther; do not go ahead."

What has become of the concept of a nation, one and indivisible? Where is the vision to see that when a part of the Nation is benefited, the whole Nation is benefited? I am told that noses have been counted. I am familiar with all the arguments that have been directed at this project on constitutional grounds. It is strange that the Constitution is always made the basis of such arguments. What do we find on the constitutional issue? We find that in this case one of the present Justices of the Supreme Court has ruled favorably. We find that the Justice Department has held that the method is proper. We find precedents over a period of 150 years which show that it is a proper way to proceed. What do we find in opposition to that? We find paid hirelings who say it is unconstitutional. We find witnesses who according to the evidence have been paid as much as $850 and $1,000, who admitted they had not even examined the record, but who have testified to the effect that the canal would not be adequate and that it would not be immune to attack in case of war. In the light of Hiroshima, I ask, what is immune in case of war?

As I have said, I did not intend to speak on this subject today, but I speak after hearing a résumé of all the objections that have been urged, objections that have always been urged against every constructive enterprise on which the country has ever embarked. They are the same as the objections which were advanced by those who opposed the Louisiana Purchase, including John Quincy Adams. The objection is the same as that which was urged against the acquisition of Alaska, which was called Seward's folly. Similar objections were heard when steamboats were about to come into use, and when the building of railroads was about to be undertaken. There was objection to the railroads entering certain cities. It is an objection based on isolation and upon provincial thinking by those lacking the true perspective.

Mr. President, the hour is such that I trust Senators will think twice before they decide to reject the resolution.

ALLOCATION AND CONTROL OF GRAIN FOR DISTILLING PURPOSES

The Senate resumed the consideration of the joint resolution (S. J. Res. 186) to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy.

Mr. FLANDERS. Mr. President, the pending question, as I understand, is on agreeing to the amendment to the grain allocation bill, proposed by the junior Senator from Kentucky.

The PRESIDING OFFICER. That is correct.

Mr. FLANDERS. To refresh our memories, I may say that the amendment reads as follows:

> On page 2, line 7, substitute a colon for the period at the end of subsection (a) and add the following: "*Provided*, That, subject to the requirement that the minimum allotment to any distilling plant shall be 6,000 bushels per month, the percentage of the total monthly allocation of grain allotted to a distiller shall be the percentage of the total amount of grain which that distiller used of the total number of bushels used for distilling by the entire distilling industry from December 1, 1946, to June 30, 1947, inclusive."

The intent of the amendment, as I understand it, is to write into the bill an allocation formula, or something of that nature, in place of leaving it to the administrative discretion of the Department of Agriculture, as permitted by the joint resolution (S. J. Res. 186) which is before the Senate. I should like very briefly to review the reasons why the committee did not provide a formula. It is not claimed that the formula used by the Department of Agriculture is perfect. The conclusion was reached that it would be difficult to write a better one, particularly in view of the fact that the entire disagreement in the industry appears to center around the question of a formula.

It is very certain that there is no satisfactory formula. The formula to be provided must be authorized in the light of the experience of several years in controlling the allocation of grain to the distilling industry. In my opinion, no Member of the Senate, no Member of the House, and no one else on Capitol Hill has had sufficient experience to enable him to say with assurance that he is proposing the correct formula. Experience has proved that each formula has needed revision from time to time. I therefore call the attention of the Senate to the fact that conditions may change, either late in the present session or after Senators have returned to their homes, requiring changes in the formula, which it will then be impossible to make, if the formula is written into the bill.

In view of these considerations, I hope that the amendment will be voted down. I also hope for an early vote on the bill. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Moore
Baldwin	Hayden	Morse
Barkley	Hickenlooper	Murray
Bricker	Hill	Myers
Bridges	Huey	O'Conor
Brooks	Holland	O'Daniel
Buck	Ives	O'Mahoney
Bushfield	Jenner	Overton
Butler	Johnson, Colo.	Pepper
Byrd	Johnston, S. C.	Reed
Cain	Kem	Revercomb
Capehart	Kilgore	Robertson, Va.
Capper	Knowland	Russell
Chavez	Langer	Saltonstall
Connally	Lodge	Sparkman
Cooper	Lucas	Stennis
Cordon	McCarran	Stewart
Donnell	McCarthy	Taft
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Ecton	McGrath	Thye
Ferguson	McKellar	Umstead
Flanders	McMahon	Vandenberg
Fulbright	Magnuson	Watkins
George	Malone	Wiley
Green	Martin	Williams
Gurney	Maybank	Wilson
Hatch	Millikin	Young

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment submitted by the junior Senator from Kentucky [Mr. COOPER] on behalf of himself and the senior Senator from Kentucky [Mr. BARKLEY], which will be stated.

The CHIEF CLERK. On page 2, line 7, it is proposed to strike out the period and insert a colon and the following proviso: "*Provided*, That, subject to the requirement that the minimum allotment to any distilling plant shall be 6,000 bushels per month, the percentage of the total monthly allocation of grain allotted to a distiller shall be the percentage of the total amount of grain which that distiller used of the total number of bushels used for distilling by the entire distilling industry from December 1, 1946, to June 30, 1947, inclusive."

Mr. COOPER. Mr. President, it should be clear to all the Members of the Senate that the amendment which I have proposed, for myself and the distinguished senior Senator from Kentucky, does not concern in any way the amount of grain which will be allocated to the entire distilling industry, if Senate Joint Resolution 186 shall be enacted. It will not add 1 bushel or take 1 bushel away from the figure which is fixed in the joint resolution, a monthly maximum allotment of 2,500,000 bushels. The sole purpose of the amendment which I have offered is to prescribe the formula or method by which the 2,500,000 bushels shall be distributed among the individual distilling plants.

I know that all the Members of the Senate want to see a fair administration of any type of control imposed by the Congress. There has been a great deal of information, some of which I believe is factual, and some which I would term

misinformation, about the proposed measure of allocation. I wish to say for myself that, although I come from a State which is one of the largest producers of distilled beverage spirits in the United States, if not the largest, I have said on the floor of the Senate, and before the committee which has been considering the joint resolution, that if this measure is necessary in order to save food either for human beings or for animals, I favor allocation.

I think, however, it is only fair to bring to the attention of the Senate that in our problem of conservation of food, and the problem of lack of grain for food, the program has been directed, so far as compulsory controls are concerned, against one segment of our business economy, that is, against the industry we are now discussing.

I think also it is fair to say that under normal conditions the grain used in the distilling industry would amount to about 60,000,000 bushels of grain a year, grain which is not used for human food, but rough, coarse grains which are used in the production of animal food. This figure represents about 1 percent of the total production of such grains.

The report which has been filed by the committee states that about 20,000,000 bushels of grain will be saved in the next 10 months if the pending measure shall become law. It fails to say, however, that according to the testimony of the Department of Agriculture itself, there is left after the distillation of grain a residue which can be used for feed, amounting to about one-third of the volume distilled. This reduces the grain saved to about 14,000,000 bushels, if the view of the Department of Agriculture is sustained, or to seven or eight million bushels, if the opinions of others as to the residue left for animal food after distillation are accurate.

I shall not now argue how much or how little grain will be saved by the enactment of the pending measure. It will be a considerable amount and will be of great help, but I point out again that however necessary it may be it is directed against one segment of industry. The President has not asked that grain used in the production of beer be saved, he has not asked that other uses of grain be controlled to prevent nonessential uses, but he has chosen to ask that this particular use of grain be restricted.

For this reason, Mr. President, I think it is very important that if we do impose this control, we see to it that the method of allocation is fair, and that the administration is equitable.

The distinguished Senator from Vermont [Mr. FLANDERS], for whom I have great respect, and in whose judgment I have great confidence, made the statement just a few minutes ago that it was the opinion of the committee that the method of allocation should be left to the administration, which means to the Secretary of Agriculture, because the President has delegated to the Secretary of Agriculture his power of allocation. It might appear that the matter would be considered anew by the Secretary of Agriculture if Senate Joint Resolution 186 becomes law. It should be noted, however, that the report of the Committee on Banking and Currency goes further than merely recommending that any determination of the formula for allocation to distilling plants be left to the discretion of the President. I read from the report:

> The committee has been assured by representatives of the Department of Agriculture that the formula employed in the allocation order issued under Public Law 395, Eightieth Congress, will be used. Experience has demonstrated that this formula represents a fair and equitable distribution of grain between distilling plants and has been sanctioned by law.

So, I think that when the Secretary of Agriculture makes his decision as to the method of allocation if the pending measure becomes law, he would be constrained to follow the recommendations of the committee, and it is reasonable to suppose that the method of allocation which was used during the last period of control in the month of January would again be used.

Mr. President, I do not accept the theory of the committee, and I believe that I will be joined in that position by other Members of this body, that we should always leave to some administrative department of the Government this type of question. I think we have a superior duty, and if experience demonstrates that the judgment and decision of the Department of Agriculture have not been wise, or that it has acted unfairly, then it is our duty to make proper correction.

It is our contention that the formula which has been used by the Secretary of Agriculture has been grossly unfair to a great number of the distilling plants in the industry.

The problem does not concern my State alone. We have, I believe, 62 distilling plants in Kentucky employing large numbers of employees, but there are about 80 plants in 21 other States of the Nation. Other States and other plants are concerned with this formula.

What is the formula, and what is there in the formula which makes necessary the proposal of the amendment? Members of the Senate will remember that shortly after the beginning of the war, the production of distilled beverage spirits was discontinued and that the capacity of the distilling plants was turned to the production of industrial alcohol. After the war, from August 1, 1945, to November 30, 1946, it became necessary to control the allocation of grain for the production of beverage spirits. From December 1, 1946, until October 25, 1947, there was a free period of competition, a period when any distilling plant could go into the open market and buy the quantity of grain which the plant felt was necessary for the competitive conduct of its business.

Members of the Senate will remember that voluntary allocation was agreed to by the industry in the latter part of 1947 and was effective from October 25 to December 25.

Under the provision of Public Law 395, passed in December 1947, allocation was again made compulsory for the month of January 1948. In that period the formula which would presumably be used again if the recommendations of the Banking and Currency Committee are carried out was first placed in effect by the Secretary of Agriculture. It is to that formula that we object.

The formula gives weight to two factors. The first factor can be called use of grain. It is based upon the average amount of grain used by each distilling plant in a base period in the free competitive period between December 1, 1946, and extending into 1947, which I have discussed. It gives weight to another factor, which may be called capacity. The capacity factor is based upon the mashing capacity of a particular plant. The mashing capacity referred to is its capacity to mash and crush grain, the mash then going into the distilling plant, where it is distilled into beverage spirits or into industrial alcohol.

In this formula two-thirds weight is given to the "use" factor and one-third weight is given to the "capacity" factor.

The amendment which I propose for myself and my colleague would eliminate the capacity factor and place the formula solely upon the basis of use in a free competitive period.

I call to the attention of this body that, during the war, it was necessary to produce great quantities of industrial alcohol and that the entire existing mashing and distilling capacity of all distilling plants was used to produce industrial alcohol. Not only was it necessary to use existing plants, but the Government itself fostered and financed the construction of additional mashing facilites—not to produce beverage spirits, but to produce industrial alcohol. The formula, which was used in January and which is recommended by the committee giving weight to the capacity factor, would enable certain distilling plants which during the war had enlarged their mashing capacity to produce industrial alcohol, and which capacity had never produced beverage spirits, to now use that capacity to capture large amounts of grain for the production of beverage spirits, reducing the amount available to plants whose facilities were constructed for the production of beverage spirits alone.

This afternoon I do not want to single out one distilling plant as a whipping boy, but it becomes necessary to use one as an example to indicate the inequity of the formula. There is a concern in Philadelphia—and I must name it—Publicker Industries, which during the war became, I am informed, the largest producer of industrial alcohol in the United States. By reason of the increase of its crushing capacity for grain, financed by the Government, and by reason of the transfer of its mashing capacity from other products to grain, it built up a mashing capacity which could use some 25 percent of the total grain used in the country for distillation. Today, by reason of its tremendous mashing and crushing capacity used in great part for industrial alcohol, it claimed and secured in control periods a very large amount of the grain available under allocation formulas, and under the formula now in use would again secure a disproportionate amount of grain.

I want to give to the Senate some figures to indicate the manner in which this formula works in favor of plants which built up capacity during the war for the production, not of beverage spirits, but of industrial alcohol. I cite figures from a statement given to me by the Bureau of Internal Revenue, Alcohol Tax Unit, on February 24, 1948. The statement indicates that from July 1, 1939, through June 30, 1941, immediately before the war, in a period of free competition, the Publicker Industries used 146,370,630 pounds of grain while the entire industry used 3,479,244,440 pounds of grain for the production of alcohol.

In that period of free competition Publicker used only 4.2 percent of the grain. The period August 1, 1945, to November 30, 1946, was a period of control, during which the Secretary of Agriculture imposed a formula based upon capacity. In that period Publicker used 919,736,482 pounds of grain, while all the industry used 4,460,995,610 pounds. In the first period of Government control, profiting from a formula based on capacity, Publicker used 20.6 percent of the total amount of grain used. In the period from December 1946 through June 1947, a period of free competition, Publicker used 323,652,250 pounds of grain, and all the industry used 3,004,081,795 pounds of grain. Again it appears that in a period of free competition after the war, with the increased mashing capacity that it had developed, Publicker was unable to use more than 10.8 percent of all the grain used.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MYERS. Is Publicker the whipping boy in this debate? Is this amendment directed against one company? Is that the kind of enterprise we have in this country? Because one company has expanded and grown, is the Senate to write a formula for grain allocation which will destroy that company?

Mr. COOPER. I stated just a moment ago that I did not desire to make any company a whipping boy. On the other hand, I will certainly not fail to use this company as an example of the imbalance which has been brought about in the industry by the formula which has been used. It so happens that the use of grain by the company provides a most flagrant example of the formula.

Mr. MYERS. Mr. President, will the Senator further yield?

Mr. COOPER. I yield.

Mr. MYERS. There is no question that the Senator's amendment is directed against Publicker. Is that the purpose and end of the amendment—to see to it that Publicker does not continue to receive the amount of grain which it has been receiving?

Mr. COOPER. That would certainly be one of the effects of the amendment.

Mr. MYERS. Is it not the real intent and purpose of the amendment?

Mr. COOPER. I repeat, it would be one of the effects of the amendment.

Mr. MYERS. I am sorry that the United States Senate is taking up so much time, when there are so many matters of great public moment to be discussed, in order to single out and punish one great industry which took the lead during the war in the manufacture of synthetic rubber from alcohol. It was the pioneer during the war, and performed a great public service. It helped the war effort. Now that the war is over, it is to be singled out and punished.

Mr. COOPER. I have no desire that this amendment shall punish any industry. That is not the purpose of the amendment. If I may be permitted to proceed and finish my argument, I think it will appear that the purpose of the amendment is to place all distilling plants in the country upon the same fair and equitable basis. Of course, the example which I have given of one plant may apply to other plants. I say to the Senator that his argument is directed to continuing a condition which has been grossly unfair. The net effect of giving to this plant and other plants like it by means of an arbitrary formula an amount of grain which is not based upon their production of beverage spirits but upon a capacity which has never been used in the production of beverage spirits, of course is to take that additional amount of grain away from plants which have always been engaged in the production of beverage spirits.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MYERS. Let me say to the Senator from Kentucky that it is my understanding that not 1 gallon of additional fermentation or still capacity was added to the Publicker plant during the war, with or without Government money. The fermentation and still capacity had been provided by the company at its own expense prior to the war.

Mr. COOPER. I do not think there is any argument about that. I have not been devoting my argument to the question of increased distilling capacity. The formula which has been used has been based upon mashing capacity, and not distilling capacity, and the record shows the company did add to its mashing or crushing capacity during the war.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. BARKLEY. I am informed—if I am mistaken I should like to be corrected—that the Government did invest $16,000,000 in the expansion of the mashing capacity of this plant for industrial alcohol purposes during the war.

Mr. COOPER. I did not attend all the hearings, so I do not know whether that is true.

Mr. BARKLEY. That is a fact which was brought out in the House hearings on this same question. If advantage is to be taken now of increased capacity by reason of the investment of Government money in any plant in order to expand its capacity for war purposes, in order to bring about a dislocation of the allocation of grain for purposes of manufacturing liquor, it certainly is legitimate for the Senate to consider whether the Government expenditure in any plant, whether it be in one place or another, shall be used now as even a partial standard by which the allocation of grain shall be made in the future.

Mr. COOPER. I think the Senator has correctly stated the question. I may say that the Government did take steps, not only in this industry, but in other industries, to protect new plants which had been built or enlarged during the war to promote the war effort. As I remember, there was an act called the Reconversion Act, which provided that during a certain period after the war such plants should not be discriminated against in the allocation of commodities by the method of "historical basis" or "historical use." Its purpose was to give to new plants an opportunity to get a start before they were forced into free competition.

During the period when the act was in effect the Secretary of Agriculture gave that advantage to this company and to other companies which had developed their mashing capacity during the war to make industrial alcohol. The facts show that in the period from August 1, 1945, to November 30, 1946, a period of control, this company received 20.6 percent of the grain. The act is no longer in force. It seems to me that the time has now come when no company should ask the Government of the United States to give it a competitive advantage. All the companies in this industry and all other industries should be placed upon their own resources and their own initiative and again enter the field of free competition.

Although this industry—and presumably other industries—had been given an advantage during the period when the Reconversion Act was in force, the facts show that in the only free period of competition which this industry has had since the war, from December 1, 1946, into 1947, the actual use of grain by Publicker dropped to 10.8 percent.

We believe that this formula is unjust, because it deprives other companies, long established in the business, of grain which in free competition they would certainly use.

Second, its effect is to build up an imbalance in inventories. There has been a great deal of talk about the large inventory of whiskies and distilled spirits. There is a large inventory, but this inventory has been built up in a period of control. It can be assumed that the companies which were given an advantage by the formula of "capacity" have been able to build up their inventories at the expense of companies which could not get the amount of grain they would have received in free competition.

There is another inequity which arises from this formula. Some distilling plants make what is known as blended whisky. They manufacture straight whiskies and add neutral distilled spirits to the straight whiskies to make a blend. The record shows that Publicker manufactures a great quantity of distilled neutral spirits which it sells in part to other distilleries. During periods of control the price increased from 60 cents to $1.25 a gallon. So again this formula presents a bonus to some companies, at the expense of the others.

Again I say to the Senator from Pennsylvania, it is not the purpose of this

amendment to strike particularly at one distilling plant.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MYERS. It may not be the intention; but it is my understanding that under this amendment, which I might call the Kentucky amendment, Publicker's quota will be reduced to about 190,000 bushels. Under the one-third–two-thirds formula, they use about 361,000 bushels, and under the Senator's formula they will be reduced to 171,000 bushels. So it may not be the purpose of the amendment, but it certainly is its effect.

Mr. COOPER. Mr. President, in answer to that statement, the statistics which have been furnished me by the Bureau of Internal Revenue show that during the free period of competition Publicker used 10.8 percent of the grain. If 2,500,000 bushels of grain are allowed monthly, Publicker will receive approximately 250,000 bushels of grain a month; but if the present formula is kept in effect and if Publicker is permitted to use approximately 14 percent of the grain, it will receive approximately 100,000 bushels a month as a bonus; and over the period of control it would amount to approximately 800,000 bushels of grain. Under my amendment this unearned bonus will certainly be lost, but there will be no reduction to any company of the amount it earned in free competition.

The formula which we propose is based solely on use in a free period, when each company, anticipating its needs, knowing the amount of inventory it desired to build up, anticipating the amount it probably could sell, taking risks, went into the market and bought grain. It seems to me that it is the fairest method of determining the amount of grain that should be allotted to each distilling plant—to base it upon the proportion of the total amount of grain that such plant bought during the free competition period. It is with that view in mind that my colleague, the senior Senator from Kentucky, and I present the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER], offered for himself and the senior Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, I wish to speak briefly in behalf of the amendment offered by my colleague and myself to the pending measure.

The process of distilling grain into alcohol is very complicated and technical; and I do not pretend to be a technician on the subject, either as to the process of distillation or as to the consumption of the distilled spirit after it has gone through the processes of distillation. [Laughter.]

There is a certain technical term known as proofing. Industrial alcohol and neutral spirits are the result of the distillation of grain. In many cases there is no very distinguishable difference between the two. Both of them are supposed to have been distilled at about 190 proof, which is a technical term described by the statutes of the United States which state what proof is. It is difficult for the layman who is not skilled in the distillation of spirits of any kind to describe or define the term.

There is also a difference between blended liquors and those which are manufactured for beverage purposes from alcohol and are required to be placed in a bonded warehouse and kept there for 4 years before they can be bottled and bonded, because the law requires that liquor that is distilled shall be placed in barrels which have been charred on the inside, and shall remain there for 4 years before they can be bottled—that is to say, bottled in bond. On every bottle of such liquor there appear the words "Bottled in bond," which mean that it has been in a Government warehouse for 4 years and has undergone the process of coloring, in addition to other processes. When the liquor is put into those barrels, it is as white as water. It remains there for 4 years, and during that period the spirits absorb some of the qualities of the barrel staves which have been charred, and that gives the liquor its color. The barrel staves in return withdraw from the spirits some of the qualities of the spirits, such as the fusel oil and other ingredients; and when it comes out and is bottled in a bonded warehouse, at which time the tax is paid on it, it assumes the color which is seen in the ordinary bottle of bonded whisky. The tax is not paid until it is bottled; but when it is bottled, the tax must be paid before it can be distributed for public consumption. Most or all bottled-in-bond whisky is 100 proof; that is to say, if one were to measure it in terms of gallons, there would be one-half a gallon of water to one-half a gallon of spirits, which would make 100 proof. Industrial alcohol and neutral spirits are distilled in somewhat the same fashion, but by a little variation in the process.

Blended whisky is made up of a combination of the whisky I have just been talking about and industrial alcohol or neutral spirits. Both the spirits are supposed to be 190 proof. There are some who put the industrial alcohol through an additional process of distillation which converts it into neutral spirits, but it can be made into blended whisky by mixing a certain quantity or proportion of this alcohol with a certain proportion of real whisky to make the blended product. There are some who put 65 to 35 percent, some who put 70 to 30 percent, some who put 75 to 25 percent, and some who even go as high as 80 percent of the industrial alcohol or neutral spirits to 20 percent of what we call real whisky to make up what is called the blended product.

There has been in this country an historical development in this industry; and it so happens, of course, that Kentucky is one of the States noted for the quality of its product and the fact that it is bottled in bond, which means that it has undergone this aging process for 4 years and the tax has been paid on it. That tax has increased, from time to time, from $2 a gallon to $8 a gallon, on bottled-in-bond whisky, the pure whisky, what we call straight whisky. Some of these distilleries have been in existence for generations; they have established a historical name and a historical record; and they have, since World War I or since the repeal of the eighteenth amendment, I may say, encountered great difficulty, in many instances in order to remain in business. When the eighteenth amendment was repealed, many old established industries desired to resume production of their historical brands, which were well known throughout the United States. They were not members of any combination, they did not belong to any trust. They were independent distilleries, established over a period of generations. Their brands were well known all over the Nation. After the repeal of the eighteenth amendment they resumed production of those brands.

There immediately began in this country a trend toward monopolization of the production of this commodity. I am sorry to say that today four great combinations control most of the production in the United States. For many of the small plants it has been like swimming upstream in order to resist the tendency toward combination and monopoly. As an example of that trend, I may say that in my State there are today approximately 64 distilleries making whisky, 34 of which belong to the monopoly. They have been bought up and bought out, and frequently conditions have existed making it necessary for them to sell out in order to sustain themselves, or to cash in on their product, on their name, on their brand, and on their reputation, as otherwise they might be put out of business as competitors of the monopoly.

There are four great companies, whose names I do not need to mention. I do not wish to draw any invidious distinctions among corporations or even among monopolies, but it is true that four great concerns or combines have been well under way toward the monopolization of this great industry within the United States. The fact is that 34 of the 64 distilleries in my State are still resisting the trend and the temptation and the competition, they are still swimming upstream, as it were, and are still independent. They are small, independent distilleries making old brands that have become famous in the United States.

Many of the small independent plants, before there was any law on the subject, and before there was any agreement, ceased to manufacture whisky and began the making of industrial alcohol for the United States, as a result of the war demand. The operators of those plants include the finest citizens to be found anywhere in the country. They are patriotic. They come from old families, with old traditions. Independent distillers at Bardstown, Owensboro, Lawrenceburg, and other places, not only in my State, but in other States, discontinued the manufacture of whisky before there was any requirement to do so, in order that they might make alcohol for the Government of the United States as a war material. Of course, they all ceased the manufacture of whisky during the war, when industrial alcohol was indispensable in connection with the war, but the production of alcohol by these small independent concerns was not sufficient. The Government had to go into the business of expanding alcohol

plants in order that there might be sufficient industrial alcohol. The Government even built industrial alcohol plants, which were operated under lease.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MYERS. I have secured some statistics from the Department of Agriculture, which were prepared only yesterday, and I find that the small distilleries in Kentucky, in the event the amendment is agreed to, will secure an increase of only 12,000 bushels a month of grain. They are now receiving, or they will receive under the Anderson formula, 346,000 bushels a month. Under the Cooper amendment, they will receive 358,000 bushels a month.

The small fellows are not going to benefit to any great extent, but the big fellows, the big five, will be benefited as a result of the Cooper amendment. I am in full accord with what the Senator has said about the small businesses in Kentucky, but they would not be benefited to any extent by the amendment.

Mr. BARKLEY. The Senator is proving our contention that we are not offering the amendment merely to localize the production of whisky. We think it is the fair way to allocate grain, whatever may be done about it. We are not asking that there be any more grain used for the distillation of spirits, but that it be allocated substantially on the historical basis, which was adopted in the industry when there were no artificial controls, and when it was operating under normal conditions.

I think the amendment presents a fair formula. Even though one distillery loses a few bushels more than it would in comparison with another formula, I think on the whole it is fair.

Mr. MYERS. Mr. President, I listened to the Senator extolling the small industries in Kentucky, and I am in full accord with what he said, but I say the amendment is not drafted to help them. The amendment is drafted to hurt one particular industry, and to benefit two or three others in the big five, two of which are Canadian firms.

Mr. BARKLEY. The Senator of course may localize the argument around Philadelphia. It so happens that the concern in Philadelphia has used, by and large, more than its share of grain in the hectic situation which has existed since the war. I do not care whether it is located in one place or another. I think that no concern that has been expanded because of the expenditure of public money ought to be allowed to use 26 percent of all the grain that is allocated to the industry for use in the distillation of spirits. That is what has happened.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. COOPER. I should like to say to the Senator that I have seen the list of 19 Kentucky distilleries. I assume it is the same list as that to which the Senator from Pennsylvania refers. I do not know who furnished the list. I understand it came from the Department of Agriculture. It points out that there are 19 distilleries in Kentucky that would lose grain on the formula we have proposed. I have found out that eight of those distilleries are owned by one of the large distilling companies to which the Senator from Pennsylvania has referred, and that the other distilleries that are named, with the exception of one, were represented at congressional hearings either by counsel or by the institute to which they belong. These representatives testified against the capacity formula and in favor of the use formula, even though they may lose a little grain under it. It substantiates what the Senator from Kentucky has just stated, namely, that we are not sponsoring the amendment for the sole purpose of benefiting Kentucky, but because it is based upon free competition and is fair to all. It is not based upon an arbitrary formula set up by the Secretary of Agriculture.

Mr. BARKLEY. I thank my colleague for his observation.

I wish to correct an error which I committed when this matter was discussed in the Senate a few months ago. I do not remember the date, but at that time I made the statement upon the floor that during the period from October 25 to December 25, at a time when there was control over the use of grain alcohol, the total amount of grain used each month was slightly more than 8,000,000 bushels. I stated that a certain company, which I did not name, had used practically 25 percent of that amount. I was misinformed as to the period. I should have said it was during the month of October 1947, for which the figure was approximately correct. To that extent I wish to correct the statement I made at that time, because I had incorrect dates as to the use of the 8,000,000 bushels of grain for alcoholic liquor purposes. I should have said that it was for the month of October. On the 25th of October the allocation was to go into effect, under an agreement which was made. Approximately two-and-a-half million bushels a month were to be allocated to the distilled-spirits industry.

I have secured reliable figures for the full month of September 1947, which was the month previous to the 25th of October, when the allocation went into effect. During the month of September 1947, which was a normal month, there was no allocation. There was no control. Every distiller was buying all the grain he wanted or needed for the purpose of distilling spirits. In that month the total was 4,428,292 bushels.

Since a certain company in Philadelphia has been brought into the discussion and named, I will say that the amount it used for the month of September was 347,699 bushels, or 7.9 percent of the total for the United States.

Bear in mind that the agreement was made on the 5th of October, and that on the 25th of October it was to go into effect. Grain was free from control except for the last 5 days of October.

In the month of December the total amount of grain used in the United States for distillation purposes was 8,268,374 bushels. In other words, following the agreement to have allocation and controls for a period of 2 months, the amount of grain used for alcohol almost doubled. It went up from approximately 4,000,000 bushels to approximately 8,000,000 bushels.

During the month of October the particular company which has been mentioned used 2,099,606 bushels of grain, or a total of 25.4 percent of all the grain used in the United States for distillation purposes, which shows that the total use of grain during the 20 days in contemplation of the holiday was almost completely doubled, but that the increase on the part of this particular concern from September to October was from 7 to 25½ percent.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Pennsylvania.

Mr. MYERS. Of course, the Senator knows that the junior Senator from Kentucky brought in the name of the Philadelphia firm. I did not. But I will say to the Senator that the company whose name has been brought into the controversy suggested that the curtailment, or the embargo, or the stoppage of the manufacture of distilled spirits begin on the 5th of October, and the other companies refused to agree and insisted that they be given more time. The company to which reference has been made wanted to begin on the 5th of October and to continue from then on. It recommended that the companies agree with the various governmental agencies that they continue the so-called holiday, but the other companies refused to go along. I think the record should be correct in that regard. The Senator indicates that from the 5th of October to the 25th of October they purchased grain; so did all the other distilling companies; but the other companies refused to agree on the date. As for me, I think it would be better to stop all distilling now; not to the extent of 2,500,000 bushels of grain but entirely. I do not think distilling is necessary. If the situation is so critical that we need to have the grain, then I, for one, would immediately say that we should allocate no grain for any distilling purpose.

Mr. BARKLEY. There are some elements of the distilling industry which have never wanted to have any holiday, who have never been willing to cooperate in the saving of grain. But I gave the figures in order to show that during the 20 days referred to everyone was trying to increase the production of alcohol, and practically 26 percent of all grain used in the United States went into distillation. I do not blame the distillers. They are in business for profit. They wanted to take advantage of the 2-month holiday. It might be possible that they could sell their industrial alcohol to the blenders in order that they might make whisky during the holiday, and thereby defeat the very purpose of allocation and control of the use of grain in the manufacture of distilled spirits, because it does little good to stop legitimate distillers if the blenders are to be permitted to buy industrial or neutral spirits during a holiday in order to make liquor which otherwise the legitimate distillers of the country would have been able to produce if there had been no control.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. Mr. President, I enter into this argument solely because I am interested in the equities involved. The statement made by the distinguished Senator from Kentucky [Mr. BARKLEY] has led me to ask this question. Am I to understand that when industrial or ethyl alcohol is distilled there is no requirement that it be held for any length of time before it can be used as a blending agent?

Mr. BARKLEY. No. There has been under control and during the so-called holidays no requirement that industrial alcohol or neutral spirits shall be held a certain length of time or that it should not be diverted to the manufacture or the blending of whiskies in the United States. So the distillers have been free to withdraw from the supply of industrial alcohol or neutral spirits and sell to the blenders that commodity in order that they might put an average of 25 percent of real liquor into 75 percent of alcohol and sell it on the market as a blended product.

Mr. CORDON. Might it not well be, as to a distillery of great magnitude which can distill a vast quantity of ethyl alcohol or industrial alcohol in a short period of time, but which in the same period of time could not produce any salable whisky, that by producing an excess volume of ethyl alcohol, it might be able to put itself into a very excellent competitive position for any holiday period or allocation period when the operations of all distilleries have to be restricted to a greater or less degree, in that it would within a short time have on hand a great volume of ethyl alcohol which would have a ready market at even higher prices than ordinarily obtained to distilleries which were short on whisky, but which, by virtue of the purchase of ethyl alcohol, could increase their whisky output two or three times, depending upon the combination of the blend?

Mr. BARKLEY. That is entirely true. Let us take two particular producers, for example. One is the distillery that produces, we will say, 100-proof whisky. It produces it from the same kind of grain from which industrial alcohol or neutral spirits is produced. But they are required, under any form of allocation, to close down, we will say, for all except 4 days in the month, or use only a certain amount of grain in a month.

Close by, there is a blending institution which does not distill its own products. It may distill liquor, or it may distill industrial alcohol, but let us assume it does neither, that it buys its product, the alcohol and the whisky, and blends them by whatever proportion it sees fit to use, anywhere from 65-percent alcohol and 35-percent liquor, up to 80-percent alcohol and 20-percent liquor. They are not using any grain, but only the product of grain which others have bought and distilled. They can go right on in competition with those who have been cut down and restricted, and they not only can create but they have created a difficult competitive situation as compared with real legitimate distillation of 100-proof liquor.

Mr. CORDON. Mr. President, will the Senator yield for one further question?

Mr. BARKLEY. I yield to the Senator from Oregon.

Mr. CORDON. As I have heard the debate up to this point, this one distillery, which was, as I understand it, financed by the Federal Government——

Mr. BARKLEY. Not altogether. There was an industrial-alcohol plant there prior to the war. It made industrial alcohol. It was never known as a manufacturer of liquor. It made alcohol. During the war I think the Government expended or invested about $16,000,000, according to the hearings before the Committee on Banking and Currency of the House, in the expansion of the plant to mash. The manufacturers do not mash grain for any purpose except to produce alcohol. They do not mash it to feed it to cattle or hogs. They mash it to produce a condition out of which alcohol comes, and in order to expand the mashing facility of the plant for war purposes, the Government invested about $16,000,000 in the expansion. Of course, that automatically increased the capacity of the concern for the production of alcohol, which was produced from the mashed grain of which we have been speaking.

Mr. CORDON. If I am correct in my understanding of the matter, the so-called use formula would be applicable to this distillery which was greatly expanded by Government funds, just as it would be applicable to the smaller distilleries scattered all over the United States which have been in operation for many years.

Mr. BARKLEY. The amendment which my colleague and I offer is to place the distribution of grain for the distillation of alcohol or liquor upon the basis that prevailed from December 1, 1946, to June 30, 1947, which was a period of competition, when there were no controls whatever, and everyone bought whatever grain he needed to use for the purpose of distilling liquor or alcohol, as the case might have been. That, we think, is fairer than to take any period when there were artificial controls as a basis for the distribution of the grain which is to be used for this purpose.

Mr. CORDON. What I am getting at is that the application of the formula in the amendment of the Senators from Kentucky would represent the prorating, on a purchase base, in a free, open, competitive period, of all distilleries, including the distillery which was expanded by the Government.

Mr. BARKLEY. That is correct.

Mr. CORDON. Whereas if the capacity formula, as set out in the bill, were used, would that represent, as to any distillery which has reached a larger capacity by virtue of Federal funds, an increased allocation to such distillery, based solely upon the fact that the Government itself has increased the capacity, thus working a manifest injustice as respects those distilleries which had not had the benefit of Federal expansion?

Mr. BARKLEY. The Senator is correct. It so happens that this particular company is the largest of that particular type. There are others in the country, and this formula would apply to them no less than to this one, but naturally this one being the largest, having used practically 26 percent of all the grain allocated for this purpose, and even in January of this year using 23 percent of all the grain, should not be allowed to take advantage. No company, whether it be in one place or another, ought to be allowed to take advantage of an artificial wartime increase of its capacity, at present, in order that it might unfairly compete with concerns which are generations old, which started from scratch and built up a business, and have competed all their lives on a fair, open-market basis, rather than by any artificial stimulation given by the Government, or by the war, even if the Government had not invested any money in the plant.

Mr. President, that is our position. We think it is a fair position. It is equitable, it is fair to everybody, it is fair to the large distillers as well as the small ones.

I wish to say, further, that there is a trend in this country toward monopoly in all branches of industry, and we should not overlook the necessity for some of these smaller plants, whether they gain or lose a few grains of wheat or corn, to stem the tide of monopoly, and the temptation to yield finally to attractive offers, in order that four companies may gobble up and wipe out all of them. That would be not only a bad day in this particular industry, it would be a bad day in any industry in the United States.

It is in behalf of this fair, open competition theory that we offer the amendment today.

Mr. FLANDERS. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. FLANDERS. I wish to suggest to the able Senator from Kentucky that in the testimony heard before the joint committee it was made quite plain that the timing periods varied little in different sections of the country, and that was one of the objections to basing the law on use over given periods of time. For instance, if my memory serves me aright—and I have to depend on my memory, because while I should have the testimony here, I do not have it—the distilleries in Kentucky tend to shut down during the hot summer months, when the water runs low. So that the period selected in the bill would appear to be favorable to the Kentucky condition.

I might again, however, call the attention of the Senator to the point which I believe the senior Senator from Pennsylvania raised, namely, that in spite of this very favorable period of time for making the estimate which is prescribed in the amendment, nevertheless, the amendment really gives Kentucky small distilleries very little advantage indeed.

I am not saying that to indicate to the Senator that the purpose of the amendment is to obtain some particular advantage for Kentucky. I am merely saying it to give point to the valid contention that practically a basis of allocation founded on time cannot be fair to everybody, and one based on capacity

cannot be fair to everybody. The members of the committee were firmly convinced that we would prefer to see the department base it on both elements, rather than on either one alone. That is the way I feel, after this very interesting debate, which has brought out many good points, though not all of them.

Mr. BARKLEY. I appreciate the sincerity of the Senator in his remarks, not only on the issue before us, but on all other questions. I have come to admire the Senator very much for his ability and his sincerity, and the sturdiness of his character.

Mr. FLANDERS. Mr. President, is it allowable for a junior freshman Senator to rise and bow to a senior? I feel so inclined at this moment.

Mr. BARKLEY. In this democratic body no senior requires obeisance from a junior.

I will say to my friend from Vermont that it is true we have our share of drought in Kentucky, just as there are droughts at times all over the country. Now and again water in Kentucky gets low. But there is a quality in our water which is a little different from that in other States. That is why this particular industry located in Kentucky. The rivers that flow into and out of Kentucky flow through limestone deposits. So it is the quality of the water which flows in our rivers, as well as the production of grain in our State that induced the distilling industry originally to locate in our State. While it may be true that from December until the following June there is a larger quantity of water in our rivers than in the middle of July or August, especially if there happens to be a drought in our State during those months, the same situation exists everywhere else in the United States.

The summer is supposed to be the dry season by and large. I do not think there is any virtue to the months from December 1 to June 30 except that it is a fair period during which there was no artificial stimulation, no control, no artificial influence over the use of grain for alcohol purposes throughout the United States as a whole.

Mr. FLANDERS. Mr. President, will the Senator again yield?

Mr. BARKLEY. I yield.

Mr. FLANDERS. I should like to inquire whether that date of June 30 marks the end of complete freedom from external influences on the industry, and whether external influences began after June 30? What is the situation in that respect?

Mr. BARKLEY. No; the artificial influences began in October, when there was a voluntary agreement entered into in regard to the allocation of grain, and it continued through January under an act of Congress passed in December, giving the President the right to continue the period of allocation. But this was the closest free period of 7 months that we thought was a fair cross section of the different periods during the war and since the war which we could adopt as the basis for our amendment.

Mr. FLANDERS. I will say to the Senator from Kentucky that I consider June 30 to be a very good date to fix for the end of the period, but its exact pertinence is not clear to me. I would have expected a longer period, in order that a fairer condition might have been given.

Mr. BARKLEY. In our effort to be fair we did not want to extend the period. We might have extended it up to the 25th of October, when the artificial situation began, but we thought that 7 months of freedom from controls or artificial stimulation was a fair 7-month period for a gage.

Mr. REED. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REED. I wanted to ask my distinguished friend from Kentucky how he and his fellow Kentuckians acquired all this knowledge of water.

Mr. BARKLEY. Of water?

Mr. REED. Yes.

Mr. BARKLEY. That, Mr. President, is a pertinent inquiry. I want to say furthermore in that regard, that if it were not for the fact that practically all the spiritus frumenti of which I am speaking, and which is the subject of my colleague's amendment, is consumed outside of Kentucky, we would be familiar with nothing but water in the State of Kentucky, because if the local population were depended upon to consume the product there would not be a distillery left in the State of Kentucky. We supply all the other 48 States with what they want in this regard. While I have no interest in the matter one way or the other, except to try to represent the people of my State, I do not mind saying that inasmuch as there is such a commodity in the world, and it is manufactured, we are not unhappy over the fact that we produce the best quality that is produced in the United States or in the world.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HICKENLOOPER. I simply wish to remark, Mr. President, that while there is some limestone in the water of Kentucky, it is my observation that there is considerable erudition in its Senators.

Mr. BARKLEY. I thank the Senator from Iowa.

Mr. President, that is all I have to say on the subject. I have taken more time than I intended to take. My colleague and I believe the amendment to be a fair one. It covers a period when there were no artificial controls, when there were no artificial interferences of any kind, and we believe it to be fair to all liquor industries in the United States. I hope the amendment will be adopted.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LUCAS. The Senator has discussed a period of time when this one industry in Pennsylvania bought practically 20 or 25 percent of all the grain that was used for alcohol purposes. May I inquire what the proportion was that the same concern bought in the basic period which has been selected in connection with the amendment?

Mr. BARKLEY. I may say that in the month of September last year the percentage was 7.9 percent. During the month of October their allocation was 25.4 percent—practically 25½ percent. It dropped down in November of 1947 to 14 percent. It jumped up in January to 22 and a fraction percent.

During the period referred to in the amendment they purchased 4.21 percent of the grain used for alcohol-distillation purposes in the United States.

Mr. LUCAS. Can the Senator give me any explanation as to why their purchases were so low in the base period, and why they were so high in the other period?

Mr. BARKLEY. They had the right to buy all they wanted to and all they could use. They did not need any more. They did not want any more. They could have bought more had they wanted to do so. They did not see fit to do so. I am not able to explain why they did not buy more than they did during that particular period. But during some of the months of that period they did buy more than the 4.7 percent represented by the total period.

Mr. LUCAS. I am simply trying to obtain some information respecting the concern in Pennsylvania which has been discussed. It seems to me that the base period fixed in the amendment rather discriminates against the Pennsylvania manufacturer; does it not?

Mr. BARKLEY. No; I do not think it does. It uses a historical basis. I will frankly say to the Senator, it may be unfortunate that this concern is located in Philadelphia, but I think that it would be a fair basis, even if it were located in Louisville, Ky., as a competitor with other old-line historical distilleries there that have built up brands, built up reputations, built up the quality of their products in the preservation of which the American people are no doubt interested. This particular concern has no brand for its product. It sells its product to others to use for their brands. I think there is nothing unfair in this proposal. The fact of the business is that it might be equally fair if we were to ignore all the periods of artificial control, all the allocations, and base the present allocation upon a previous period. But this is the fairest period we have been able to find since the end of the war when there was no production of liquor for beverage purposes.

Mr. LUCAS. Mr. President, will the Senator yield to me to ask another question?

Mr. BARKLEY. I yield.

Mr. LUCAS. Were there any other plants which received Federal aid during the war?

Mr. BARKLEY. There were some which not only received Federal aid but were absolutely constructed entirely by Federal funds. They are smaller plants than the one we are talking about, but the amendment would apply to all, large and small.

Mr. LUCAS. They are all included?

Mr. BARKLEY. Yes; they are all included.

Mr. MYERS. Mr. President, seldom do I find myself in disagreement with the genial and able minority leader. I do hope, however, that the fact that we are now in disagreement will not result in his refusal to accept my invitation to

come to Philadelphia in April to attend a Jackson-Jefferson Day dinner.

I desire the record to show, Mr. President, that so far as I am concerned I advocate a complete stoppage of all distillery operations if the grain situation is as critical as we are told it is. However, that has not been proposed, but it is proposed to reduce the distillery operations by curtailing the amount of grain they may use.

I am very much concerned, therefore, Mr. President, when any legislation is proposed which may do irreparable harm and injury to a Pennsylvania industry, whether it be a steel plant, a textile plant, a coal mine, or a distillery.

The problem then arises of how to divide fairly a limited supply of any restricted commodity, which is always a difficult one. In order to arrive at a fair, feasible, and socially wise distribution, the administrator must have good judgment, scrupulous fairness and impartiality, and extensive knowledge of the industry involved.

The problem presented by the alcohol and liquor industry is even more difficult than most, because the industry really began to exist only since 1933, after the long era of prohibition. It has been controlled on and off since February 1942 in one degree or another and under various systems of control. In all this period there have been many arguments, many types of control applied, but never an all-out historical basis. Capacity was given various degrees of weight, but never ignored. The repeated experience of practical administrators who have been forced under conditions both of war and peace to handle this problem has always led to a similar conclusion, based on knowledge of, and experience with, this particular industry.

Allocation on a historical basis is a device to throttle competition—and that is what this amendment would do—and establish, beyond all attack, whatever small group of companies happened to have favorable production or sales records at the particular period of time selected as the base. In place of competition, there is established—as this amendment proposes to establish—a legally sanctioned, vested right, which becomes virtually the property right of each company. During the war in a few fields the OPA did establish such historical quotas. They promptly became just such property rights and were actually bought and sold as such. The right to do business at all is thus made a vested property right. This is about as far from the approved and desirable basis of American business as it is possible to go.

Aside from this profound objection to the historical basis of allocation, there is another particularly applicable to the distilling industry. Any basis of historical allocation is necessarily arbitrary, but how arbitrary it is depends on whether a reasonably fair base period can be found. If an industry continues year after year with all the members keeping roughly the same competitive relation with each other, some period of the past can be selected which represents about what would normally happen in the future. No such past record exists for the liquor industry. For most of the last 6 years the industry has operated under some measure of control. Of the previous 9 years of the industry's existence since repeal, the first 4 were completely abnormal because of the concentration of aged stocks in the hands of very few companies. The next 5 were characterized by mergers and the disappearance of medium-sized independents in many areas of the country. There is no normal period of any considerable duration in this industry's past on which historical quotas can be fairly based. This industry simply lacks the very basis of a historical allocation—namely a base. I shall try to point out some of the reasons why this is so.

Distilling is not an even, steady operation throughout the year, or even over a period of years, because the rate of consumption is not equal to the ability of the industry to produce, and because in certain areas of the country seasonal factors enter. These considerations therefore indicate the injustice of making total allocation on the basis of use in a specific period, as called for by the pending amendment.

In this industry a short-term base cannot possibly be fair. Many small companies shift their production as the market for bulk whisky changes. Many must shift their production because of changes in grain prices or of available water supplies. Of the large companies many change as they find it advantageous to buy or produce bulk whisky. Since whisky must be stored for 4 years, its production is often spread very unevenly over a year or even over 2 years and may bear no relation to current use or need for spirits. Companies which make blended whisky frequently shift between whisky and spirits production or try to place all their production of one kind during part of the year. Only a long period could make a rational base, and there is no such long period free of Government controls or industry dislocation.

In February 1942 the War Production Board took all production from plants capable of producing 190-proof spirits. This, in effect, seized all the neutral-spirits capacity but left much of the whisky-making capacity available for beverage production. Spirits and whisky capacity were not at all evenly divided among the different companies. Some were almost wholly put out of beverage production at once, while others continued making whisky until October. The practical necessities of war required the use of methods like these, but they unavoidably produced completely unnatural beverage production patterns in the industry. Roughly speaking, National Distillers and Schenley benefited tremendously, Seagrams and Publicker suffered severely.

From October 1942 until August 1944 the WPB took the entire production of all beverage and fermentation industrial alcohol plants. Some interesting comments on the effect of this period are contained in the report made under Senate Resolution 206 during 1944 by a committee headed by the Senator from Nevada [Mr. McCARRAN]:

> Contrary to popular belief, the inventories of whisky in the bonded warehouses of the Big Four have increased during the past 4 years. Thus, despite the fact that since October 1942 no whisky has been distilled, and that there has been a constant drain upon the inventories of the Big Four since that date, nevertheless the Big Four have in their possession today about 70 percent of the Nation's supply of whisky, as compared with 49 percent in their warehouses in 1939. The committee is concerned greatly over the tendency of the Big Four to remov small distilleries from competition, because when the act of monopolizing the liquor industry has been completed it will then be too late to remedy the harmful effect it will have had on the public.

In August 1944 the war alcohol stock pile being deemed sufficient, the facilities of the industry were released, registered distilleries for 30 days, industrial alcohol plants, which had obligations toward their industrial customers, for 15 days.

The same method of beverage release was followed by the WPB in January and July 1945. From then until October 1945 the registered distilleries were released for 10 days and the industrial alcohol plants for 5 days. This system also permitted any plant to shift from one license to another so that as much normal competition was preserved as possible.

By October 1945 there was no longer any war requirement for alcohol, and the WPB revoked all its controls over the industry. A grain shortage had, however, developed, and from October 1945 until November 1946 the Department of Agriculture allocated grain for beverage production. At the outset the Department allocated wholly on capacity, but during succeeding months began departing from this basis by introducing grain consumption in 1939 as an element of monthly use. At that time the War Mobilization and Reconversion Act was in effect and Publicker Industries brought suit against the Department on the ground that the use of a historical basis was forbidden by this act. The court sustained Publicker.

It is worth recalling that the Reconversion Act was one of the few expressions of congressional views on the use of a historical basis in allocating scarce materials, and in that act Congress specifically forbade it.

From the ending of Agriculture Department controls December 1, 1946, until the voluntary shut-down October 26, 1947, the industry operated without controls. This period was longer than the three separate months of uncontrolled production permitted by the WPB during the war, but it did not altogether differ from them. In both cases individual company operations were determined by the free choice of the companies concerned. In the months of December 1946 and January and February 1947 most companies continued operating to capacity. Later in the year many companies began reducing or ceasing production. In September, with a grain shortage becoming apparent, production began climbing again.

So the amendment proposed by the Senator from Kentucky would require that part, but not all, of this so-called "free" period would be used as a basis of allocation. The equally "free" periods of August 1944 and January and July of 1945 and the "free" period July 1 to October 26, 1947, are all to be ignored. The

reason for disregarding these other "free" periods is simply that production during the ignored months does not produce the type of distribution favorable to the companies demanding the historical basis.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. MYERS. I am happy to yield.

Mr. KILGORE. I have been informed that at least two foreign-controlled companies will be the largest beneficiaries under the amendment. Does the Senator have any knowledge as to that?

Mr. MYERS. That is exactly the situation.

Mr. KILGORE. Are not those two concerns Seagram's and Hiram Walker?

Mr. MYERS. Exactly so. If this amendment is adopted, two Canadian companies will be the beneficiaries, at the expense of many companies in the United States.

Mr. KILGORE. In other words, under a normal production basis or under a normal historical basis, except for the fact that new companies have been created, this amendment is so arranged that it will ignore the normal production basis covering the entire period of free production; is that correct?

Mr. MYERS. That is entirely correct.

Mr. KILGORE. And the amendment will select a period which actually will benefit two, or possibly three, foreign-owned companies.

Mr. MYERS. That is correct.

Actually, Mr. President, the foreign-owned companies do not want a historical basis, as such; they want a historical basis using seven carefully selected months, thus using a selective period which will be of benefit to them.

This was completely and briefly revealed by Howard R. Walton, president of Hiram Walker & Sons, Inc., in testifying on February 5 before the Joint Committee on the Economic Report of which I am a member. Mr. Walton had asked the committee to require a historical use formula using these same 7 months, December 1946 through June 1947. In short, Hiram Walker had asked that these particular months be used as a formula—in other words, December 1946 through June 1947. Representative HERTER asked him what would happen if the 3 months of April, May, and June were dropped from the base. I now read from the hearing at page 1006:

Representative HERTER. So that if you took your historic period and left those 3 months out, it would change the formula all over again?

Mr. WALTON. Yes; it certainly would; it certainly would.

This little exchange of itself completely disposes of the value of the base requested. Any historical allocation that can be drastically shifted by dropping or adding only 3 months is not an equitable or reasonable period.

I was delighted that the Senator from Vermont was able to obtain from the Department of Agriculture figures showing the change in individual company quotas that would be brought about by this amendment. I think these figures show a very interesting thing. I think they show that almost half the entire benefit of the change proposed by the Senator from Kentucky would accrue to three companies, the three dominant members of the Distilled Spirits Institute—two of which are Canadian companies.

Mr. KILGORE. That is the point I wish to make.

Mr. COOPER. Mr. President, will the Senator yield to me?

Mr. MYERS. First, I yield to the Senator from West Virginia; and then I shall yield to the Senator from Kentucky.

Mr. KILGORE. As I said, that is the point I want to make. The natural conclusion, then, is that the amendment would be detrimental to what we call the independent distillers in the United States——

Mr. MYERS. It would be detrimental to some of them——

Mr. KILGORE. As opposed to the largest distilling companies operating in the United States, leaving out of consideration the Canadian question in its entirety.

Mr. MYERS. I think that is so.

Mr. KILGORE. The three companies mentioned are among the largest distillers in the United States; and the rule would operate in the main against the others, or the smaller independent outfits.

Mr. MYERS. In many instances that would be true.

I now yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, the Senator from Pennsylvania has again mentioned the list which I assume comes from the Department of Agriculture, naming 19 distilleries that presumably would lose some grain if the amendment proposed by my colleague and myself is adopted. Again I should like to say to him that I am informed that eight of the distilleries named, are owned by one of the larger companies.

Mr. MYERS. That is true.

Mr. COOPER. If you will examine the list you will find that with the exception of two plants actual claimed loss to any distilling plant is just a few hundred bushels a month.

As against that, the plant in Pennsylvania to which the Senator from Pennsylvania has referred actually will receive, under the present formula, a bonus of approximately 100,000 bushels a month. No one will deny that under the pending amendment there will be certain plants that will lose grain, and certain other plants that will gain grain. They will either benefit or lose according to the needs of their business, their need of grain for actual production, sales in free competition, and not because of some artificial formula such as that which now is in use.

Mr. MYERS. Mr. President, however the historical basis is turned in this industry, whatever carefully selected months are included or dropped, it never has any more principle than this: How can we best take care of the favored companies, and how best cut down the others?

Mr. President, I may point out that under this formula, in the State of Illinois two companies will receive an increase of grain, while five companies will receive a decrease. In the State of Indiana, two companies will receive an increase in their grain allocations, while three companies will receive a decrease. In Pennsylvania, three companies will receive and increase, and five companies will receive a decrease. In Massachusetts there are but two plants, and under the Cooper amendment, both of them will receive a decrease in their grain allocations. In Michigan there is but one plant, and it will receive a decrease in its grain allocation. In New Hampshire there is but one plant, and it will receive a decrease in its grain allocation.

On the other hand, in Kentucky there are 28 plants which will receive an increase, and 19 which will receive a decrease.

The compromise plan of the Department of Agriculture, by basing the two-thirds of a plant's quota on its historical production and one-third on its capacity, is a sound compromise between the two extremes of allocation theory. Either an all-out historical basis or all-out capacity basis would create grave injustices in this industry. The Department's compromise gives reasonable, indeed heavy, weight to historical production, without creating an unbreakable monopoly in the hands of any favored companies. It tends to preserve competition and to be as fair a compromise as can be worked out. It has behind it, also, 7 years of successful practical experience, and it permits flexibility if changed conditions make changes necessary.

The historical basis required by this amendment on the other hand, would be neither fair, practical, nor flexible. It would serve only to increase further the dominance of a very few big companies.

I repeat, two committees of the Congress, which have given thoughtful and considered attention to the subject, have said, "We will place it in the hands of the Administrator; we refuse to write a formula." But now, on the floor of the Senate, on such a technical subject as this, it is proposed to write the formula, after two great committees have said they do not believe it should be done, and have determined practically unanimously that it is a matter to be handled administratively. In view of that fact, I think that certainly the Senate should not attempt to write a formula that would destroy, or practically destroy, a Pennsylvania industry.

Mr. MARTIN. Mr. President, I wish to speak very briefly against the amendment proposed by the distinguished Senators from Kentucky. I shall not take the time to go into the merits of the liquors produced by the great Commonwealth of Kentucky and the Commonwealth of Pennsylvania. I am speaking in opposition to the amendment largely by reason of the experience I have had on the Small Business Committee, and particularly the subcommittee which has been concerned with the distribution of steel.

I have found that the historical formula for distribution of any product has not been satisfactory. I am sorry that it is necessary to have any restrictions. I am, indeed, sorry that the question of the use of grain for distilling purposes is one it is necessary to consider on the

floor of the Senate. But all agree, it seems, that there should be allocations. If there are to be allocations, it seems to me it would be much better that an administrative body handle the matter, because many inequalities and discriminations might arise under a regular historical formula.

I shall make no reference to the great concern in Philadelphia which would be discriminated against if the amendment were agreed to, except to say that I feel it is a fine, patriotic organization, composed of good American businessmen, who did a magnificent piece of work for America during the war. It seems, however, that if the formula were to be put into effect, it would discriminate against that fine organization. It seems to me the Senate should place confidence in the Department of Agriculture and permit it to determine allocations under a formula which could be changed in order that there might be complete equity of distribution.

I know the hour is late, and I am speaking only after hearing men from all over the country—small-business men who have had great difficulty in securing allocations and allotments of steel, particularly when based upon a historical formula. For these reasons I am opposed to the amendment.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Maybank
Baldwin	Hawkes	Millikin
Barkley	Hayden	Moore
Bricker	Hickenlooper	Morse
Bridges	Hill	Murray
Brooks	Hoey	Myers
Buck	Holland	O'Conor
Byrd	Ives	Pepper
Cain	Jenner	Reed
Capehart	Johnson, Colo.	Robertson, Va.
Capper	Johnston, S. C.	Russell
Chavez	Kem	Saltonstall
Connally	Kilgore	Stewart
Cooper	Knowland	Taft
Cordon	Lodge	Thomas, Okla.
Donnell	Lucas	Thomas, Utah
Dworshak	McClellan	Thye
Ecton	McFarland	Umstead
Ferguson	McGrath	Vandenberg
Flanders	McKellar	Watkins
Fulbright	McMahon	Williams
George	Magnuson	Young
Green	Malone	
Gurney	Martin	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

The question is on the amendment offered by the junior Senator from Kentucky [Mr. COOPER] for himself and the senior Senator from Kentucky [Mr. BARKLEY].

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SPARKMAN. On this vote I have a pair with the Senator from Maryland [Mr. TYDINGS], who is absent because of illness. If he were present he would vote "yea." If I were permitted to vote I should vote "nay." In the circumstances, I withhold my vote.

Mr. KNOWLAND. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Nebraska [Mr. BUTLER], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is detained on official business at the Government departments.

The Senator from Wisconsin [Mr. MCCARTHY], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Wisconsin [Mr. WILEY], and the Senator from Iowa [Mr. WILSON] are unavoidably detained. The Senator from Wisconsin [Mr. MCCARTHY], if present and voting, would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business at Government departments.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Texas [Mr. O'DANIEL], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Louisiana [Mr. OVERTON], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The result was announced—yeas 54, nays 16, as follows:

YEAS—54

Aiken	Gurney	McKellar
Baldwin	Hatch	Malone
Barkley	Hawkes	Maybank
Bricker	Hayden	Millikin
Brooks	Hickenlooper	Moore
Byrd	Hill	Morse
Cain	Hoey	Murray
Capehart	Holland	O'Conor
Capper	Ives	Russell
Chavez	Jenner	Saltonstall
Connally	Johnson, Colo.	Taft
Cooper	Kem	Thomas, Okla.
Cordon	Knowland	Thomas, Utah
Donnell	Lodge	Thye
Dworshak	Lucas	Umstead
Ecton	McClellan	Vandenberg
Ferguson	McFarland	Watkins
George	McGrath	Young

NAYS—16

Bridges	Kilgore	Reed
Buck	McMahon	Robertson, Va.
Flanders	Magnuson	Stewart
Fulbright	Martin	Williams
Green	Myers	
Johnston, S. C.	Pepper	

NOT VOTING—26

Ball	McCarthy	Taylor
Brewster	O'Daniel	Tobey
Bushfield	O'Mahoney	Tydings
Butler	Overton	Wagner
Downey	Revercomb	Wherry
Eastland	Robertson, Wyo.	White
Ellender	Smith	Wiley
Langer	Sparkman	Wilson
McCarran	Stennis	

So the amendment of Mr. COOPER and Mr. BARKLEY was agreed to.

Mr. FLANDERS. Mr. President, I wish to present, on behalf of the senior Senator from Massachusetts [Mr. SALTONSTALL], an amendment on page 2, line 24, after the word "authorized", to insert the words "by the Secretary of Agriculture." The amendment is acceptable to me.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 2, line 24, after the word "authorized", it is proposed to insert the words "by the Secretary of Agriculture."

The amendment was agreed to.

Mr. BARKLEY. Mr. President, during the discussion of the amendment offered by my colleague and me, which was just agreed to, I referred to the fact that during a previous debate on the same subject I unintentionally made an error in regard to the amount of grain used between the 25th of October and the 25th of December. I have before me a letter from the Publicker Co. of Philadelphia in which they enclose letters from the Under Secretary of the Treasury and the Deputy Commissioner of Internal Revenue, which I ask to have printed in the RECORD.

I also submit for the RECORD a table showing the consumption of grain for distilling purposes during the months of September, October, November, and December, 1947, and a partial notation as to the consumption of grain in the month of January for the same purpose.

I submit these matters in order that I may be fair to all concerned, and assure the company which submits the letter, and also the Senate, that the mistake I made as to the time during which the figures applied was due to misinformation or misunderstanding on my part.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the letters and table were ordered to be printed in the RECORD, as follows:

PUBLICKER INDUSTRIES, INC.,
Philadelphia, Pa., February 18, 1948.

Hon. ALBEN W. BARKLEY,
United States Senate,
Washington, D. C.

DEAR SENATOR BARKLEY: On December 18 we wrote to you concerning certain statements which you made on the floor of the Senate on December 17 with reference to our company. In our letter we pointed out certain errors of fact included in these statements and asked you to correct the RECORD accordingly.

On December 19, moved by your well-known sense of fairness, you caused our letters to you and to the Senators from Pennsylvania on the same subject to be introduced in the CONGRESSIONAL RECORD, and you stated that you were endeavoring to check the actual facts yourself.

Subsequently, on January 6, 1948, because of the fact that these statements were continuing to cause great damage to our company, we wrote you again, asking if it had yet been possible for you to make the factual check. On January 10 you replied that because of the burden of your many other duties it had not yet been possible for you to complete this check.

In view of the fact that the erroneous statements continue to be circulated and—because of your high reputation—continue to be believed, we have endeavored to obtain irrefutable proof of the facts for you ourselves.

We are enclosing herewith two letters from Government officials knowing the true facts about the points in the controversy. These letters are as follows:

(a) A letter dated February 17, 1948, from Mr. Carroll Mealey, Deputy Commissioner of Internal Revenue, in charge of the Alcohol Tax Unit, affirming that Publicker produced

no beverage spirits from grain of any kind, including neutral spirits, during the voluntary shut-down. This is in contrast to the statement made on the floor of the Senate on December 17, indicating that our company used 8,000,000 bushels of grain during that period for neutral spirits.

(b) A letter dated February 6, 1948, from the Honorable N. E. Dodd, Under Secretary of Agriculture, stating that on a strict capacity basis our company and its affiliates have only 23.5 percent of the industry's total capacity and that, under the formula (two-thirds history and one-third capacity) actually used by the Department in January, the Publicker quota was 14.7 percent of the industry's total. This is in contrast to the statement made on December 17, indicating that our company has three-fourths of the industry's total capacity.

We respectfully submit that these facts have now been established beyond a reasonable doubt. We would, therefore, appreciate it if, at the earliest opportunity, you would correct the RECORD accordingly and free our company from the heavy burden of unjust charges which are still being circulated, in association with your name, against it.

Sincerely yours,

LEWIS H. MARKS,
Vice President.

DEPARTMENT OF AGRICULTURE,
Washington, February 6, 1948.

DR. LEWIS H. MARKS,
Executive Vice President,
Publicker Industries, Inc.,
Philadelphia, Pa.

DEAR DR. MARKS: This is in reply to your letter of January 30, 1948, in which you request data regarding Publicker Industries grain quota in comparison with that for the industry as a whole. The Publicker plants under consideration are Continental Distilling Corp., RD 1, Pa.; Continental Distilling Corp., RD 14, Pa.; Kinsey Distilling Corp., RD 10, Pa.; and Publicker Industries, Inc., IAP 160, Pa.

On a strict capacity basis, the Publicker companies consolidated grain quota would have been 23.5 percent of the industry's total.

On the present allocation formula, as presented in appendix A of the Order Allocating Grain to Distillers, the Publicker companies' consolidated quota is 14.7 percent of the industry's total.

Sincerely,

N. E. DODD,
Under Secretary.

TREASURY DEPARTMENT,
Washington, February 17, 1948.

DR. LEWIS H. MARKS,
Executive Vice President,
Publicker Industries, Inc.,
Philadelphia, Pa.

GENTLEMEN: Receipt is acknowledged of your letter of February 4, 1948, requesting confirmation from Bureau records of the following statements concerning the use of grain by Publicker companies from October 26, 1947, through January 1, 1948:

1. Whether the Publicker companies, including all of the grain distilling plants operated by Publicker, including its subsidiaries Continental and Kinsey, did in fact stop mashing grain for beverage purposes on October 25.

2. Whether the Publicker companies used any grain for beverage purposes during the period October 26, 1947, to January 1, 1948, inclusive.

According to the records in this office, the quantity of grain and grain products used at plants operated by Publicker companies for the period October 26, 1947, to December 31, 1947, inclusive, was as follows:

R. D. No. 3—Publicker Commercial Alcohol Co. of Louisiana, Inc., Westwego, La.: None.

R. D. No. 1—Continental Distilling Corp., Philadelphia, Pa.: None.

R. D. No. 10—Kinsey Distilling Corp., Linfield, Pa.: None.

R. D. No. 14—Continental Distilling Corp., Philadelphia, Pa.: None.

I. A. P. No. 29—Publicker Industries, Inc., Philadelphia, Pa.: None.

I. A. P. No. 231—Continental Distilling Corp., Philadelphia, Pa.: None.

I. A. P. No. 239—Publicker Commercial Alcohol Co. of Louisiana, Inc., Westwego, La.: None.

I. A. P. No. 160—Publicker Industries, Inc., Philadelphia, Pa.: 23,856,655 pounds (515,297.4 bushels) used in butyl-acetone fermentation (from which 245,555 proof gallons of ethyl alcohol was produced).

The Bureau records are not such as will permit the determination of whether the ethyl alcohol was used for industrial or beverage purposes. However, the Bureau has been advised by the district supervisor, Alcohol Tax Unit, Philadelphia, Pa., that the ethyl alcohol derived from the butyl-acetone fermentation process at industrial alcohol plant No. 160, operated by Publicker Industries, Inc., Philadelphia, Pa., during the period from October 26, 1947, through December 31, 1947, was denatured under various formulas for industrial purposes.

Statistics for January 1, 1948, are not available.

Very truly yours,

CARROLL E. MEALEY,
Deputy Commissioner.

BUSHELS OF GRAIN USED

September 1947: For United States, 4,428,292; of that Publicker used, 347,699, or 7.9 percent.

October 1947: For United States, 8,268,374; of that Publicker used, 2,099,606, or 25.4 percent.

November 1947 (ban was on): For United States, 231,466; of that Publicker used, 32,298, or 14 percent.

December 1947: For United States, 1,019,461; of that Publicker used, 20,321, or 2 percent.

January 1948: I do not have the figures broken down into bushels but of grain used in the United States, Publicker used 22.5 percent of the total.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

Mr. KILGORE. Mr. President, on page 3, line 2, of the joint resolution, I offer an amendment to strike out "October 31, 1948" and to insert in lieu thereof "January 31, 1949."

Mr. President, I admit the committee has studied the subject carefully, but I call attention to the fact that Congress will not be in session on October 31. During the intervening 2 months, before Congress would again be in session, there might be consumed the equivalent of 40,000,000 bushels of grain. There is no ceiling provided in the measure. If we have an ample supply of grain next year the ceiling can be lifted. But under the provisions of the joint resolution they are arbitrarily lifted, and in an emergency neither the President nor the Secretary of Agriculture, could place any limitation upon the amount of grain that could be used. I therefore offer the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 2, it is proposed to strike out "October 31, 1948" and insert in lieu thereof "January 31, 1949."

Mr. FLANDERS. Mr. President, it seems to me the amendment is uncalled for. The executive department of the Government which is concerned with grain scarcity does not ask for any limitation beyond the present crop year. It seems to me it would be most unwise to pass legislation on the thin fear of a possible bad crop year next year. I trust the amendment will be voted down.

Mr. KILGORE. Mr. President, in reply to the Senator from Vermont I will say that I agree that the department probably did not ask for it. The only reason I suggested the amendment is this: As no ceiling is provided, the administration can raise the ceiling as high as the crop will permit. But the corn crop will not come in until after Congress adjourns under the provisions of the Reorganization Act. We do not know what the corn crop will be, and as the joint resolution now stands it leaves open the possibility of a special session of Congress being called to control one item, a considerable draft upon which could seriously cripple our grain reserves for next year. That is my only reason for offering the amendment. If the joint resolution contained a ceiling I would say that the amendment might be bad, but since there is no ceiling provided in the joint resolution, there being only an arbitrary floor provided, I cannot see how the amendment is bad.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. KILGORE].

The amendment was rejected.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 186) was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3726) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. EATON, Mr. MUNDT, Mr. JONKMAN, Mr. BLOOM, and Mr. KEE were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they

were signed by the President pro tempore:

S. 316. An act for the relief of Mary Sungduk Charr;

S. 521. An act for the relief of Sang Hun Shim; and

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended.

AMENDMENT OF INTERSTATE COMMERCE ACT—RAILROAD REORGANIZATION

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate immediately proceed to consider House bill 2298, which is Calendar No. 936.

The PRESIDING OFFICER. The Chair is advised that there is no business pending before the Senate at this time.

Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment to strike out all after the enacting clause, and to insert the following:

That it is hereby declared to be in aid of the national transportation policy of the Congress, as set forth in the preamble of the Interstate Commerce Act, as amended, in order to promote the public interest in avoiding the deterioration of service and the interruption of employment which inevitably attend the threat of financial difficulties and which follow upon financial collapse and in order to promote the public interest in increased stability of values of railroad securities with resulting greater confidence therein of investors, to assure, insofar as possible, continuity of sound financial condition of common carriers subject to part I of said act, to enhance the marketability of railroad securities impaired by large and continuing accumulations of interest on income bonds and dividends on preferred stock and to enable said common carriers, insofar as possible, to avoid prospective financial difficulties, inability to meet debts as they mature, and insolvency. To assist in accomplishing these ends and because certain classes of the securities of such carriers are in the usual case held by a very large number of holders, and, further, to enable modification and reformation of provisions of the aforesaid classes of securities and of provisions of the instruments pursuant to which they are issued or by which they are secured in cases where such modification and reformation shall have become necessary or desirable in the public interest in order to avoid obstruction to or interference with the economical, efficient, and orderly conduct by such carriers of their affairs, it is deemed necessary to provide means, in the manner and with the safeguards herein provided, for the alteration and modification, without the assent of every holder thereof, of the provisions of such classes of securites and of the instruments pursuant to which they are outstanding or by which they are secured.

SEC. 2. Part I of the Interstate Commerce Act, as amended, is amended by adding after section 20a the following new section:

"SEC. 20b. (1) It shall be lawful (any express provision contained in any mortgage, indenture, deed of trust, corporate charter, stock certificate, or other instrument or any provision of State law to the contrary notwithstanding), with the approval and authorization of the Commission, as provided in paragraph (2) hereof, for a carrier as defined in section 20a (1) of this part to alter or modify (a) any provision of any class or classes of its securities as defined in section 20a (2) of this part being hereinafter in this section sometimes called 'securities'; or (b) any provision of any mortgage, indenture, deed of trust, corporate charter, or other instrument pursuant to which any class of its securities shall have been issued or by which any class of its obligations is secured (hereinafter referred to as instruments): *Provided*, That the provisions of this section shall not apply to any equipment-trust certificates in respect of which a carrier is obligated, or to any evidences of indebtedness of a carrier the payment of which is secured in any manner solely by equipment, or to any instrument, whether an agreement, lease, conditional-sale agreement, or otherwise, pursuant to which such equipment-trust certificates or such evidences of indebtedness shall have been issued or by which they are secured.

"(2) Whenever an alteration or modification is proposed under paragraph (1) hereof, the carrier seeking authority therefor shall, pursuant to such rules and regulations as the Commission shall prescribe, present an application to the Commission. Upon presentation of any such application, the Commission may, in its discretion, but need not, as a condition precedent to further consideration, require the applicant to secure assurances of assent to such alteration or modification by holders of such percentage of the aggregate principal amount or number of shares outstanding of the securities affected by such alteration or modification as the Commission shall in its discretion determine. If the Commission shall not require the applicant to secure any such assurances, or when such assurances, as the Commission may require shall have been secured, the Commission shall set such application for public hearing and the carrier shall give reasonable notice of such hearing in such manner, by mail, advertisement, or otherwise, as the Commission may find practicable and may direct, to holders of such of its classes of securities and to such other persons in interest as the Commission shall determine to be appropriate and shall direct. If the Commission, after hearing, in addition to making (in any case where such alteration or modification involves an issuance of securities) the findings required by paragraph (2) of section 20a, not inconsistent with paragraph (1) of this section shall find that, subject to such terms and conditions and with such amendments as it shall determine to be just and reasonable, the proposed alteration or modification—

"(a) is within the scope of paragraph (1);

"(b) will be in the public interest;

"(c) will be in the best interests of the carrier, of each class of its stockholders, and of the holders of each class of its obligations affected by such modification or alteration; and

"(d) will not be adverse to the interests of any creditor of the carrier not affected by such modification or alteration,

then (unless the applicant, carrier shall withdraw its application) the Commission shall cause the carrier, in such manner as it shall direct, to submit the proposed alteration or modification (with such terms, conditions, and amendments, if any) to the holders of each class of its securities affected thereby, for acceptance or rejection. All letters, circulars, advertisements, and other communications, and all financial and statistical statements, or summaries thereof, to be used in soliciting the assents or the opposition of such holders shall, before being so used, be submitted to the Commission for its approval as to correctness and sufficiency of the material facts stated therein. If the Commission shall find that as a result of such submission the proposed alteration or modification has been assented to by the holders of at least 75 percent of the aggregate principal amount or number of shares outstanding of each class of securities affected thereby (or in any case where 75 percent thereof is held by fewer than 25 holders, such larger percentage, if any, as the Commission may determine to be just and reasonable and in the public interest), the Commission shall enter an order approving and authorizing the proposed alteration or modification upon the terms and conditions and with the amendments, if any, so determined to be just and reasonable. Such order shall make provision as to the time when such alteration or modification shall become and be binding, which may be upon publication of a declaration to that effect by the carrier, or otherwise, as the Commission may determine. Any alteration or modification which shall become and be binding pursuant to the approval and authority of the Commission hereunder shall be binding upon each holder or any security of the carrier of each class affected by such alteration or modification, and upon any trustee or other party to any instrument under which any class of obligations shall have been issued or by which it is secured, and when any alteration or modification shall become and be binding the rights of each such holder and of any such trustee or other party shall be correspondingly altered or modified.

"(3) For the purposes of this section a class of securities shall be deemed to be affected by any modification or alteration proposed only (a) if a modification or alteration is proposed as to any provision of such class of securities, or (b) if any modification or alteration is proposed as to any provision of any instrument pursuant to which such class of securities shall have been issued or shall be secured: *Provided*, That in any case where more than one class of securities shall have been issued and be outstanding or shall be secured pursuant to any instrument, any alteration or modification proposed as to any provision of such instrument which does not relate to all of the classes of securities issued thereunder, shall be deemed to affect only the class or classes of securities to which such alteration or modification is related. For the purpose of the finding of the Commission referred to in paragraph (2) of this section as to whether the required percentage of the aggregate principal amount or number of shares outstanding of each class of securities affected by any proposed alteration or modification has assented to the making of such alteration or modification, any security which secures any evidence or evidences of indebtedness of the carrier or of any company controlling or controlled by the carrier shall be deemed to be outstanding unless the Commission in its discretion determines that the proposed alteration or modification does not materially affect the interests of the holder or holders of the evidence or evidences of indebtedness secured by such security. Whenever any such pledged security is, for said purposes, to be deemed outstanding, assent in respect of such security, as to any proposed alteration or modification, may be given only (any express or implied provision in any mortgage, indenture, deed of trust, note, or other instrument to the contrary notwithstanding) as follows: (a) Where such security is pledged as security under a mortgage, indenture, deed of trust, or other instrument, pursuant to which any evidences of indebtedness are issued and outstanding, by the holders of a majority in principal amount of such evidences of indebtedness, or (b) where such security secures an evidence or evidences of indebtedness not issued pursuant to such a mortgage, indenture, deed of trust, or other instrument, by the holder or holders of such evidence or evidences of indebtedness; and in any such case the Commission, in addition to the submission referred to in paragraph (2) of this section, shall cause the

carrier in such manner as it shall direct to submit the proposed alteration or modification (with such terms, conditions, and amendments, if any, as the Commission shall have determined to be just and reasonable) for acceptance or rejection, to the holders of the evidences of indebtedness issued and outstanding pursuant to such mortgage, indenture, deed of trust, or other instrument, or to the holder or holders of such evidence or evidences of indebtedness not so issued, and such proposed alteration or modification need not be submitted to the trustee of any such mortgage, indenture, deed of trust, or other instrument, but assent in respect of any such security shall be determined as hereinbefore in this section provided. For the purposes of this section a security or an evidence of indebtedness shall not be deemed to be outstanding if in the determination of the Commission the assent of the holder thereof to any proposed alteration or modification is within the control of the carrier or of any person or persons controlling the carrier.

"(4) (a) Any authorization and approval hereunder of any alteration or modification of a provision of any class of securities of a carrier or of a provision of any instrument pursuant to which a class of securities has been issued, or by which it is secured, shall be deemed to constitute authorization and approval of a corresponding alteration or modification of the obligation of any other carrier which has assumed liability in respect of such class of securities as guarantor, endorser, surety, or otherwise: *Provided*, That such other carrier consents in writing to such alteration or modification of such class of securities in respect of which it has assumed liability or of the instrument pursuant to which such class of securities has been issued or by which it is secured and, such consent having been given, any such corresponding alteration or modification shall become effective, without other action, when the alteration or modification of such class of securities or of such instrument shall become and be binding.

"(b) Any person who is liable or obligated contingently or otherwise on any class or classes of securities issued by a carrier shall, with respect to such class or classes of securities, for the purposes of this section, be deemed a carrier.

"(5) The authority conferred by this section shall be exclusive and plenary and any carrier, in respect of any alteration or modification authorized and approved by the Commission hereunder, shall have full power to make any such alteration or modification and to take any actions incidental or appropriate thereto, and may make any such alteration or modification and take any such actions, and any such alteration or modification may be made without securing the approval of the Commission under any other section of this act or other paragraph of this section, and without securing approval of any State authority, and any carrier and its officers and employees and any other persons, participating in the making of an alteration or modification approved and authorized under the provisions of this section or the taking of any such actions, shall be, and they hereby are, relieved from the operation of all restraints, limitations, and prohibitions of law, Federal, State, or municipal, insofar as may be necessary to enable them to make and carry into effect the alteration or modification so approved and authorized in accordance with the conditions and with the amendments, if any, imposed by the Commission. Any power granted by this section to any carrier shall be deemed to be in addition to and in modification of its powers under its corporate charter or under the laws of any State. The provisions of this section shall not affect in any way the negotiability of any security of any carrier or of the obligation of any carrier which has assumed liability in respect thereto.

"(6) The Commission shall require periodical or special reports from each carrier which shall hereafter secure from the Commission approval and authorization of any alteration or modification under this section, which shall show, in such detail as the Commission may require, the action taken by the carrier in the making of such alteration or modification.

"(7) The provisions of this section are permissive and not mandatory and shall not require any carrier to obtain authorization and approval of the Commission hereunder for the making of any alteration or modification of any provision of any of its securities or of any class thereof or of any provision of any mortgage, indenture, deed of trust, corporate charter, or other instrument, which it may be able lawfully to make in any other manner, whether by reason of provisions for the making of such alteration or modification in any such mortgage, indenture, deed of trust, corporate charter, or other instrument, or otherwise: *Provided*, That the provisions of paragraph (2) of section 20a, if applicable to such alteration or modification made otherwise than pursuant to the provisions of this section, shall continue to be so applicable.

"(8) The provisions of paragraph (6) of section 20a, except the provisions thereof in respect of hearings, shall apply to applications made under this section. In connection with any order entered by the Commission pursuant to paragraph (2) hereof, the Commission may from time to time, for good cause shown, make such supplemental orders in the premises as it may deem necessary or appropriate, and may by any such supplemental order modify the provisions of any such order, subject always to the requirements of said paragraph (2):

"(9) The provisions of subdivision (a) of section 14 of the Securities Exchange Act of 1934 shall not apply to any solicitation in connection with a proposed alteration or modification pursuant to this section.

"(10) The Commission shall have the power to make such rules and regulations appropriate to its administration of the provisions of this section as it shall deem necessary or desirable.

"(11) Any issuance of securities under this section which shall be found by the Commission to comply with the requirements of paragraph (2) of section 20a shall be deemed to be an issuance which is subject to the provisions of section 20a within the meaning of section 3 (a) (6) of the Securities Act of 1933, as amended. Section 5 of said Securities Act shall not apply to the issuance, sale, or exchange of certificates of deposit representing securities of, or claims against, any carrier which are issued by committees in proceedings under this section, and said certificates of deposit and transactions therein shall, for the purposes of said Securities Act, be deemed to be added to those exempted by sections 3 and 4, respectively, of said Securities Act.

"(12) The provisions of sections 1801, 1802, 3481, and 3482 of the Internal Revenue Code and any amendments thereto, unless specifically providing to the contrary, shall not apply to the issuance, transfer, or exchange of securities or the making or delivery of conveyances to make effective any alteration or modification effected pursuant to this section.

"(13) The Commission shall not approve an application filed under this section by any carrier while in equity receivership or in process of reorganization under section 77 of the Bankruptcy Act, as amended, except that the Commission may approve an application filed by a carrier which, on the date of enactment of this Act, is in equity receivership and with respect to which no order confirming the sale of the carrier's property has been entered, or is in process of reorganization under section 77 and with respect to which no order confirming a plan shall have been entered, or, such an order having been entered, if an appeal from said order is pending on said date in a circuit court of appeals or the matter is pending in the Supreme Court on a petition to review any order of a circuit court of appeals dealing with said order of confirmation or the time within which to make such appeal or to file such petition has not expired, if prior to the filing of such application with the Commission such carrier shall have applied for and been granted permission to file such application by the district judge before whom the equity receivership or section 77 proceeding is pending. Any such carrier applying for permission to file such application shall file with the court as a prerequisite to the granting of such permission (1) a copy of the proposed application, (2) a copy of the proposed plan of alteration or modification of its securities, and (3) assurances satisfactory to the court of the acceptance of such plan from holders of at least 25 percent of the aggregate amount of all securities, including not less than 25 percent of the aggregate amount of all creditors' claims, affected by such plan. An order of a district judge granting or withholding such permission shall be final and shall not be subject to review. Upon granting of such permission, such proceeding, so far as it relates to a plan of reorganization, shall be suspended until the Commission shall have notified the court that (a) the application filed by such carrier under this section has been dismissed or denied by the Commission or withdrawn, (b) the Commission has approved and authorized an alteration or modification under this section with respect to the securities of such carrier, or (c) 12 months have elapsed since the filing of such application and no such alteration or modification has been approved and authorized by the Commission. Upon receipt by the court of notification that such application has been dismissed or denied or withdrawn or that 12 months have elapsed and no alteration or modification has been approved and authorized, the equity receivership or section 77 proceeding shall be resumed as though permission to file application under this section had not been granted. Upon receipt by the court of notification that the Commission has authorized and approved such alteration or modification of the carrier's securities under this section as, in the judgment of the court, makes further receivership or section 77 proceeding unnecessary, the court shall enter an order restoring custody of the property to the debtor, and making such other provision as may be necessary to terminate the equity receivership or section 77 proceeding."

SEC. 3. (a) Notwithstanding any other provision of law—

(1) with respect to any plan of reorganization or modified plan of reorganization approved by the Interstate Commerce Commission under the provisions of section 77 of the Bankruptcy Act, as amended, subsequent to the effective date of this act, it shall be the duty of the Commission, upon petition of any party to the proceeding filed at any time more than 18 months after certification by the Commission to the court of the plan or of an order disposing of a like petition, but before any order confirming the plan shall have been entered, or, such an order having been entered, if an appeal from said order is pending on said date in a circuit court of appeals or the matter is pending in the Supreme Court on a petition to review any order of a circuit court of appeals dealing with said order of confirmation or the time within which to make such appeal or to file such petition has not expired, to report to the court in which consideration of such plan is then pending, any changes, facts, or developments which have occurred since the approval of such plan by the Commission, which were not provided for in the plan, and which in the opinion of the Commission make it necessary or expedient for the Commission to reexamine

or reconsider and, if necessary, to revise such plan in order to insure that such plan, if consummated and put into effect, shall then, in the opinion of the Commission, be fair and equitable and in the public interest and compatible with the provisions of this section and section 77 of the Bankruptcy Act, as amended. Upon the filing of any such report by the Commission with the court, the court shall remand the plan to the Commission for such reexamination, reconsideration, and possible revision;

(2) if, with respect to any plan of reorganization or modified plan of reorganization approved by the Commission subsequent to the effective date of this act, the court before which such plan is then pending, for approval or confirmation, no order of confirmation having been entered, or, such an order having been entered, if an appeal from said order is pending on said date in a circuit court of appeals or the matter is pending in the Supreme Court on a petition to review any order of a circuit court of appeals dealing with said order of confirmation or the time within which to make such appeal or to file such petition has not expired, upon petition of any party to the proceeding and either with or without a hearing, shall find that changes, facts, or developments have occurred since the approval of such plan by the Commission which were not provided for in the plan and which make it necessary or expedient, in the opinion of the court, that the commission reexamine and reconsider and revise such plan in order to insure that the plan consummated and put into effect shall then, in the opinion of the court and the Commission, be fair and equitable and in the public interest and compatible with the provisions of this section, and section 77 of the Bankruptcy Act, as amended, the court shall return the plan to the Commission for such reexamination, reconsideration, and possible revision;

(3) with respect to any plan of reorganization or modified plan of reorganization which, on the date of enactment of this act, is before any district court for approval or confirmation, no order of confirmation having been entered, or, such order having been entered, if an appeal from said order is pending in a circuit court of appeals or the matter is pending in the Supreme Court on a petition to review any order of a circuit court of appeals dealing with said order of confirmation or the time within which to make such an appeal or to file such petition has not expired, it shall be the duty of the Commission, upon petition of any party to the proceeding, to report to such court any changes, facts, or developments which have occurred since December 31, 1939, which were not provided for in the plan and which, in the opinion of the Commission, make it necessary or expedient for the Commission to reexamine or reconsider and, if necessary, to revise such plan in order to insure that if consummated and put into effect, such plan shall then, in the opinion of the Commission, be fair and equitable and in the public interest and compatible with the provisions of this section and section 77 of the Bankruptcy Act, as amended. Upon the filing of any such report by the Commission with the court, the court shall remand the plan to the Commission for such reexamination, reconsideration, and possible revision;

(4) in the event of the return of a plan to the Commission pursuant to the provisions of this subsection (a), the proceedings with respect thereto shall be governed by the provisions of subsection (d) of section 77 of the Bankruptcy Act, as amended;

(5) each petition filed under the provisions of paragraph (1) or paragraph (3) of this subsection (a) shall be filed with the court before which is pending the plan which is the subject of the petition and such petition shall be referred by the court to the Commission. Upon the filing of such petition with the court all further proceedings for confirmation of the plan shall be suspended pending disposition of the petition by the Commission and certification of its action thereon to the court.

(b) As to any plan so returned to the Commission by the court, the Commission, upon further hearing at which all parties may appear and submit evidence as to prospective earning power and other relevant facts, and upon consideration of all changes, facts, and developments which have occurred since the date of approval of the plan by the Commission (or which have occurred since December 31, 1939, in the case of plans which on the date of enactment of this act were pending before, but had not been confirmed by, the court by order which shall have become final), including, without limitation, for such period total railway operating revenues, operating expenses and other charges, net earnings, the full effect of amortization deductions on earnings of past and future years, improvements to property, the effect of released collateral through past or future payments of loans, cash and net current assets, retirements and purchases of debt, including retirements and purchases at a discount that have been made or that can reasonably be made, adjustment and reduction of interest rates on outstanding debt that may be made, shall, in a supplemental report and order, modify, or refuse to modify, any plan which it has approved, stating the reasons for such modification or for its refusal to modify the plan. The Commission, if it modifies the plan, shall certify the modified plan to the court, together with a transcript of the proceeding before it and a copy of its report and order approving the modified plan. Thereafter proceedings upon the plan shall be governed by the provisions of subsection (e) of section 77 of the Bankruptcy Act, as amended, and of this section. If the Commission refuses to modify the plan, it shall transmit to the court a copy of its report and order, together with a transcript of the proceedings before it. Thereafter, if the court shall find that the refusal of the Commission to modify the plan is based on sufficient findings and is supported by the record, the proceeding upon the plan shall continue as if the plan had not been returned to the Commission; otherwise the court shall return the plan to the Commission for further consideration. Upon such consideration, the Commission shall again certify the plan to the court with such modifications, if any, as it may find necessary, and thereafter further proceedings upon the plan shall be as provided in said subsection (e) and in this section.

SEC. 4. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. REED. Mr. President, I will try to make my statement with respect to the bill as brief as possible. I made a fairly comprehensive statement of it in the RECORD yesterday at the time the calendar was called. I wish to say that the bill now before the Senate comes as near being a completely agreed to bill, without opposition, as any I have any knowledge of on an important matter.

We began in 1933 to amend the railroad bankruptcy legislation, to simplify and shorten the time required to handle railroad bankruptcies. Instead of that procedure being a success it has been a very definite failure. The amount of litigation that arose under section 77 of the Bankruptcy Act has almost completely nullified the usefulness of that section. The Missouri Pacific Railroad, for example, has been in the hands of receivers, or trustees, since 1933, about 15 or 16 years, and is not out of their hands yet.

In 1938 the Congress enacted what was known as the Chandler Act, which was a voluntary approach to reorganization of railroads. That, however, contained a time limit of 2 years, and was permitted to lapse. Later, Congress enacted the McLaughlin Act, again containing a time limitation, and that has expired. So for the last 3 years both Houses of Congress have been struggling for a better way of handling the financial situation of railroads not yet insolvent, but faced with financial troubles.

The pending bill is the outcome of 3 years of work to provide a better method. I may say that the controversial features which were present in the former bills are entirely absent in this bill. It is the product of conferences which have taken place over a period of several months, in which the Interstate Commerce Commission, the railroads, the institutional investors, and the railroad security owners have participated. The result is that the bill which is now before the Senate is without opposition from any of those sources.

Briefly stated, it does practically this: A railroad facing difficulties may approach the Interstate Commerce Commission and be given authority to proceed with a voluntary plan of reorganization. There is such a railroad now, the Lehigh Valley, which has some heavy maturities coming due soon. The railroad believes it can adjust those maturities without the necessity of going through bankruptcy proceedings. This bill would permit them to do so. The voluntary feature of the bill would require the approval of 75 percent of the security owners in a railroad, that is, owners of the securities affected, in a plan offered for voluntary reorganization. We changed the bill as it came from the House. As it came from the House, the bill was confined to obligations. We changed the word "obligations" to "securities." That was because the Boston & Maine, for example, and the Missouri-Kansas-Texas have a difficult situation with their preferred stocks. They believe that they could solve their problems with the authority given in the bill.

There are a number of railroads still in the hands of the courts under section 77 of the Bankruptcy Act, or in equity receiverships. Those railroads are brought under the terms of the bill. With the permission of the court which has them in custody, they may take advantage of this voluntary method of readjusting their finances.

We made a number of changes in the bill as it came over from the House. As I have said, there is complete agreement with respect to the bill.

If there is any question which any Member of the Senate desires to ask, I shall be happy to respond.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. McMAHON. I invite the Senator's attention to the following language

on page 28 of the bill, beginning with line 2:

Upon receipt by the court of notification that the Commission has authorized and approved such alteration or modification of the carrier's securities under this section as, in the judgment of the court, makes further receivership or section 77 proceeding unnecessary, the court shall enter an order restoring custody of the property to the debtor, and making such other provision as may be necessary to terminate the equity receivership or section 77 proceeding.

I take it the court would have the power under that language to provide for the discharge of any operating liens or any obligations incurred during the trusteeship. Am I correct in that interpretation?

Mr. REED. My answer to the Senator from Connecticut is, "Yes." I interpret the present language of the bill as making possible such other provisions as may be necessary to terminate the equity receivership or section 77 proceeding.

Mr. McMAHON. Would that take care of all kinds of operating liens and obligations?

Mr. REED. I am familiar with the situation of the New York, New Haven & Hartford. I was told yesterday about the desire of that railroad to be sure. My answer to the Senator from Connecticut is that what they want is taken care of by the present language of the bill.

Mr. McMAHON. I thank the Senator.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. PEPPER. On page 3 of the report, near the bottom of the page, I find the following language:

The findings which must be made by the Commission as a prerequisite to approval of the proposed alteration or modification include:

1. That it is within the scope of the new section 20b;

2. That it will be in the public interest;

3. That it will be in the best interest of the carrier, of each class of its stockholders, and of the holders of each class of its obligations affected by such modification or alteration; and/or

4. That it will not be adverse to the interests of any creditor of the carrier not affected by such modification or alteration.

I was pleased to see that the foremost point which was emphasized was that the proposed plan or alteration must be in the public interest. I ask the Senator if it is his interpretation of the bill that when the Interstate Commerce Commission is considering a plan of reorganization and determining what is to be the future use or ownership of the company, the first consideration shall be the public interest; that is to say, the best conduct of the carrier to give the best possible service.

The next question, I assume, would be the fair, just, and equitable consideration of the private interests of the security holders involved.

Mr. REED. My answer to the Senator from Florida is that in these voluntary reorganizations the Commission must find that the organization plan which it has approved or intends to approve shall be primarily in the public interest.

Mr. PEPPER. That is a perfectly logical and proper conclusion and statement, because the public is primarily interested in the kind of service the carrier renders, and it wants the best service the carrier can render. Of course, the private security holders are entitled to fair, just, and equitable treatment of their private interests.

Mr. REED. That is correct.

Mr. President, as a matter of information—although it appears in the report—I ask to have printed in the RECORD at this point as a part of my remarks a list of the railroads yet in the hands of the courts.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

REORGANIZATION CASES PENDING BEFORE COMMISSION

Status of pending proceedings December 31, 1947. The proceedings here shown do not include a bankruptcy petition filed during the month of August 1946, by the Waco, Beaumont, Trinity & Sabine. The district court entered an order on December 13, 1946, in which it found that the petition had not been properly filed. From this order an appeal was taken to the CCA fifth circuit. The appeal was argued on November 5, 1947.

Cases pending in court, plan not yet submitted: New Jersey & New York; New York, Ontario & Western.

Cases pending before the Commission in which final reports have not been approved: Central Railroad Co. of New Jersey; Boston Terminal Co.; Des Moines & Central Iowa; Georgia, Florida & Alabama; Meridian & Bigbee River; Missouri Pacific; Rutland; Smoky Mountain.

Plan has been approved by the Commission, but not by the district court: Boston & Providence; Duluth, South Shore & Atlantic Railway; New York, Susquehanna & Western (collateral proceedings pending before Commission); Florida East Coast (a modified plan was approved by the Commission on April 6, 1947. Upon petitions filed for modification, reconsideration, further oral argument, etc., the Commission has assigned the matter for further oral argument on January 7, 1948); Wisconsin Central (pending before the Commission are petitions for modification of Division 4 order of June 3, 1947, approving plan).

Plan has been confirmed by the District Court reorganization not completed: Central of Georgia; Chicago, Rock Island & Pacific (Wall Street Journal states that order of consummation effective January 1, 1948, entered on December 30, 1947).

Mr. HAWKES. Mr. President——

Mr. REED. Mr. President, I am sorry that the Senator from Pennsylvania [Mr. MYERS] is not present. He has worked long and laboriously on the subcommittee of which the Senator from New Jersey [Mr. HAWKES], the Senator from Pennsylvania, and I are members. I should like to say for the Senator from New Jersey that in reaching the accommodation which we reached after several weeks of negotiation I found that the Senator from New Jersey, who differed with me on many points in the earlier bills, and I were able to reach a complete agreement. I am happy to pay my tribute to the fairness of the Senator from New Jersey.

Mr. HAWKES. Mr. President, I thank the Senator from Kansas very much for his remarks. We are all under pressure, and we do not want to waste time by repetitious remarks. I simply wish to say that everything the Senator from Kansas has said regarding this legislation is in accord with my understanding. I believe it is a very good piece of legislation in the interest of the public and will work to the welfare of the reorganization of railroads which are still to be reorganized, as well as railroads which may find it necessary to avail themselves of this privilege in the future.

I simply wish to confirm what the Senator from Kansas has said.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2298) was read the third time and passed.

AMENDMENT OF ATOMIC ENERGY ACT OF 1946—INVESTIGATION OF PERSONNEL OF ATOMIC ENERGY COMMISSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the immediate consideration of Senate bill 1004, Calendar No. 897. I wish to say for the information of the Senate that if the Senate agrees to the motion, it is not my intention to proceed with the consideration of the bill now, but to have it made the unfinished business. After the motion is disposed of, it is planned to proceed with consideration of nominations on the Executive Calendar.

Under the unanimous-consent agreement which has been entered into, the Senate will revert to consideration of the St. Lawrence seaway tomorrow at noon when the Senate convenes. We shall start voting at 4 o'clock. After completing action on the St. Lawrence seaway, Senate bill 1004 will then be the pending business.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. PEPPER. The Senator has not called up House bill 3051, Calendar 657. He mentioned it yesterday in a list of bills.

Mr. KNOWLAND. That has not yet been called up.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. VANDENBERG. The Senator should add, if I understand the prospectus, that in any event the European recovery program will become the unfinished business on Monday at noon.

Mr. KNOWLAND. I would certainly not object to the European recovery program taking precedence over the bill to amend the Atomic Energy Act of 1946, although I feel that that bill is extremely important.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California that the Senate proceed to the consideration of

Senate bill 1004, which will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1004) to amend the Atomic Energy Act of 1946 so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as General Manager of such Commission until an investigation with respect to the character, associations, and loyalty of such person shall have been made by the Federal Bureau of Investigation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HILL. Was this bill on the calendar yesterday?

Mr. KNOWLAND. It was.

Mr. HILL. Was objection made to its consideration at that time?

Mr. KNOWLAND. Objection was made. I have now made a motion to have the Senate take up the bill.

Mr. HILL. I understand. Let me ask the Senator this question, because, of course, the motion he has made is debatable: Is the Senator from California going to try to have the bill passed this afternoon?

Mr. KNOWLAND. No. The Senator from Alabama was not in the Chamber when I announced to the Senate that if this measure is made the unfinished business, it will not be my intention to have the Senate pursue the matter further this evening, but, instead, to have the Senate proceed to the consideration of executive business. Tomorrow, at noon, under the unanimous-consent agreement, we shall take up the St. Lawrence seaway joint resolution, and we shall continue with it until 4 o'clock, when the voting on it will begin. This measure then would be the business before the Senate between the time when that voting is completed and the time of adjournment or recess tomorrow.

It is understood that on Monday we shall proceed to the consideration of the European recovery program bill.

Mr. HILL. Is it the Senator's idea to try to have the Senate dispose of this bill tomorrow afternoon, after the St. Lawrence seaway joint resolution is disposed of?

Mr. KNOWLAND. I am hopeful that it may be disposed of then, although there may be some discussion. I have discussed this matter with my able colleague the Senator from Connecticut [Mr. MCMAHON], and he is agreeable.

Mr. HILL. Did the Senator from Connecticut object to the consideration of the bill yesterday, during the call of the calendar?

Mr. KNOWLAND. I do not know whether he did, but some Senator did.

I have kept the Senator from Connecticut advised of the situation, and I am sure the procedure I have in mind meets with his approval, because I advised him of the time when I expected to attempt to have the bill taken up, and I have kept him informed.

Mr. HILL. So the Senator from Connecticut was informed; was he?

Mr. KNOWLAND. Yes; he was fully informed.

Mr. GURNEY. Mr. President, will the Senator yield to me?

Mr. KNOWLAND. I yield.

Mr. GURNEY. Is it the view of the Senator from California that if action on Senate bill 1004 is completed shortly after 4 o'clock tomorrow, there might be some chance to have House bill 3051, Calendar 657, brought up at that time?

Mr. KNOWLAND. If action on the atomic-energy bill is completed at that time, although I have some doubt whether it will be, I would assume that thereafter, before a recess is taken tomorrow, the Senate would take up House bill 3051 and Senate bill 1431, the daylight saving bill for the District of Columbia.

Mr. GURNEY. I am somewhat concerned, because I know that the European recovery program bill will take several weeks of the time of the Senate, and I very much hope that we may pass House bill 3051 before then. I think it will take only a short time. If we do not pass it tomorrow, it may be several weeks before we are able to reach it, and that will disturb many things.

Mr. KNOWLAND. I may say to the Senator from South Dakota that if the bill to which he refers is a noncontroversial bill, and not one involving considerable debate, and if it is possible to obtain unanimous consent for its consideration tomorrow, at the time he suggests, I would have no objection to having a special order to that effect made. I say to him that I am in the same position in regard to the atomic-energy bill that he is in regard to the proposed legislation to which he has referred.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Colorado. Do I correctly understand that the motion is to have the Senate take up House bill 3051, Calendar No. 657?

Mr. KNOWLAND. No; the motion is to have the Senate proceed to the consideration of Senate bill 1004, Calendar No. 897.

Mr. BRIDGES. Mr. President, will the Senator yield to me?

Mr. KNOWLAND. I yield.

Mr. BRIDGES. The only question I wish to ask the acting majority leader is relative to the consideration of the urgent deficiency appropriation bill which was reported today by the Appropriations Committee. My understanding is that it contains certain important items, and that unless almost immediate action is taken on them, certain departments and other agencies of the Government will be without necessary funds. Aside from one item in that bill, I do not think there is likely to be any controversy about it. There may be controversy as to the one item.

Mr. KNOWLAND. I may say to the distinguished chairman of the Appropriations Committee that although I am presently occupying the seat of the majority leader, I do not know whether I will be occupying it tomorrow. Nevertheless, so far as I am concerned, I would say that because of the nature of the bill to which he has referred, it should receive consideration, and that we should seriously consider the question of having the Senate take action on it promptly, regardless of the unfinished business, so that the functioning of the Government will not be handicapped. So, so far as I am concerned, I would agree to let that bill have the right-of-way.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 1004) to amend the Atomic Energy Act of 1946 so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as general manager of such Commission until an investigation with respect to the character, associations, and loyalty of such person shall have been made by the Federal Bureau of Investigation, which had been reported from the Joint Committee on Atomic Energy, with amendments.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. BUCK, from the Committee on the District of Columbia:

Richard R. Atkinson for reappointment as a member of the District of Columbia Redevelopment Land Agency, for a term of 5 years, effective on and after March 4, 1948.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

NATIONAL MEDIATION BOARD—NOMINATION PASSED OVER

The legislative clerk read the nomination of John Thad Scott, Jr., of Texas, to be a member of the National Mediation Board, which nomination had previously been passed over.

Mr. KNOWLAND. I ask that the nomination be passed over today, due to the request of a Senator who is not now present.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of H. Graham Morison, of Virginia, to be an Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

RECONSTRUCTION FINANCE CORPORATION—NOMINATIONS PASSED OVER

The legislative clerk proceeded to read sundry nominations for members of the Board of Directors of the Reconstruction Finance Corporation.

Mr. KEM. I ask that the nominations for members of the Board of Directors of the Reconstruction Finance Corporation be passed over.

The PRESIDING OFFICER. Without objection, they will be passed over.

HOME LOAN BANK BOARD

The legislative clerk read the nomination of J. Alston Adams, of New Jersey, to be a member of the Home Loan Bank Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William K. Divers, of Ohio, to be a member of the Home Loan Bank Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Frank E. Flynn, to be United States attorney for the district of Arizona.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Benjamin F. Ellis to be United States marshal for the middle district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Rupert Hugo Newcomb to be United States marshal for the southern district of Mississippi.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. KNOWLAND. I ask that the President be notified forthwith of the confirmation of executive nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

TRANSFER OF REMOUNT SERVICE

The Senate resumed the consideration of legislative business.

Mr. KNOWLAND. Mr. President——

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. KNOWLAND. I yield.

Mr. MORSE. I wish to make a brief statement in regard to House bill 3484, Calendar No. 365. I shall make a more extensive statement when the Senator from Oklahoma [Mr. THOMAS] and I can proceed with the debate on that bill by way of motion.

I was not able to be present yesterday when the Senator from Oklahoma commented on this bill, as appears on page 1691 of the CONGRESSIONAL RECORD. I only wish to have the RECORD for today show that I am in complete, unalterable disagreement with the Senator from Oklahoma regarding the proposal he makes concerning the El Reno remount station.

I wish to point out to the Members of the Senate that the Oklahoma remount station is one of four remount stations, and they should be considered on a national basis, not on an Oklahoma basis. It is the one station out of the four that is practically on a self-sustaining basis, because that particular station has been kept seeded over the years, so that a very large hay supply is mowed there.

I desire to emphasize that this bill, which was reported from the Armed Services Committee, which seeks to transfer the Remount Service from the Army to the Department of Agriculture, was favorably reported by the Armed Services Committee by unanimous vote, and is based upon an agreement which already has been worked out by the Army and the Department of Agriculture.

In view of the hearings we have had in the Armed Services Committee and in view of the extensive negotiations which have taken place between the Army and the Department of Agriculture, certainly I do not think any good purpose would be served by having the bill recommitted to the Committee on Agriculture for further study of the problem.

The record is perfectly clear. I am ready to debate the record as soon as a motion to take up the bill is made on the floor of the Senate, and then all members of the Committee on Agriculture can participate in the debate if they wish to take exception both to the findings of the Armed Services Committee and to the arrangement which has been entered into between the Department of the Army and the Department of Agriculture.

Let me say that so far as the interest of the Department of Justice in the matter is concerned, in respect to obtaining some land for the Federal reformatory which is located in the neighborhood of the Oklahoma remount station, I am advised that the Department of Agriculture stands ready and willing to enter into negotiations with the Department of Justice and to effectuate an understanding with that Department which would make available the necessary acreage of the remount-station land for the Department of Justice reformatory.

I desire to say however, because it goes to the essence of the matter, that the issue I propose to draw with my good friend from Oklahoma [Mr. THOMAS] is whether or not the land is suitable for agricultural purposes, since his bill seeks to break it up into 160-acre farms for veterans. The soil experts of the Government, including some within the State of Oklahoma, whose evidence I shall introduce into the RECORD when the debate starts, say that the effect of breaking it up into 160-acre farms for veterans will be that when they start to put the plow into the land it will blow away. The fact that it has been usable and serviceable for a remount station grows entirely out of the fact that grass was kept on it. If anything but grass is put on it, it will be found to be in the heart of an Oklahoma dust bowl. It is because of that fact, along with certain other facts, I understand that the Senate of the Oklahoma Legislature passed a resolution against the proposal submitted by the Senator from Oklahoma, which resolution I placed in the RECORD last year.

I also want to say that I have already introduced a bill which proposes that if any part of the remount station ever falls in private hands, the oil rights and the mineral rights which may materialize into oil wells underneath the land shall remain as a Federal oil reserve. I have communications from people in the State of Oklahoma pointing out that the belief is widely held in Oklahoma that the land is potentially valuable as a possible site for the discovery of oil and the drilling of oil wells, and I think the Federal Government has a great interest in that potentiality.

I desire further to point out that the horse industry of the country has come to rely on the Remount Service during the course of many years. There are millions of dollars of Federal money invested in it. Contrary to the implications of the comments of the Senator from Oklahoma, there is a great demand in the State of Oklahoma for the retention of El Reno as a Federal remount station.

I think the only way in which the Senator from Oklahoma and the junior Senator from Oregon can draw the issue on this matter is to get a motion before the Senate. I am perfectly willing to have the Senate determine the merits of the issue, because I am satisfied that the merits are on my side. I believe that when Senators investigate the merits of the case, they will realize that the time has come to take action on the bill which the Armed Services Committee has pending before the Senate, pass it, and send it on its way to the White House for signature.

RECESS

Mr. KNOWLAND. I move that the Senate do now recess until the hour of 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 43 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 27, 1948, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26 (legislative day of February 2), 1948:

DEPARTMENT OF JUSTICE

H. Graham Morison to be an Assistant Attorney General.

HOME LOAN BANK BOARD

J. Alston Adams to be a member of the Home Loan Bank Board for the term expiring June 30, 1950.

William K. Divers to be a member of the Home Loan Bank Board for the remainder of the term expiring June 30, 1951.

UNITED STATES ATTORNEY

Frank E. Flynn to be United States attorney for the district of Arizona.

UNITED STATES MARSHALS

Benjamin F. Ellis to be a United States marshal for the middle district of Alabama.

Rupert Hugo Newcomb to be a United States marshal for the southern district of Mississippi.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 26, 1948

The House met at 11 o'clock a. m.

Rev. John M. Wilson, of the First Presbyterian Church of St. James, Minn., offered the following prayer:

Almighty God, Thou who art infinite goodness and abiding truth, we come to Thee because we need Thy guidance, Thy strength, and Thy forgiveness.

Thou hast created us a Nation with a vision of equality and freedom and with

matchless resources for the attainment of that dream. Help us to remember that we can remain a great people only as in humility and penitence we seek to walk in Thy ways of justice and righteousness.

Forbid that we should allow any sectional self-interest, any pride or unthinking prejudice to deter us from a firm resolve to be obedient unto Thy will and concerned with the wider needs of all Thy children.

In all things, give us calmness and strength, O God. Beyond the conflict of ideas and interests, may we find a deeper unity in our loyalty to justice and truth and in our common desire to achieve the good life for all our people.

We are aware this day of the yearning in the hearts of Thy children everywhere for enduring peace among ourselves and with all mankind. Give to us such an understanding of the needs of others that we may find beneath the strife and confusion of our time a basis for peace on which men of good will everywhere may stand.

We ask it in the name of Him who is the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 1350. An act to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes";

H. R. 2159. An act to authorize the Secretary of the Interior to prepare plans and estimates for a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes;

H. R. 4141. An act to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits; and

H. J. Res. 61. Joint resolution to provide for the designation of the Park River dam and reservoir project in Walsh County, N. Dak., as the Homme Reservoir and Dam.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4023. An act to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes; and

H. R. 5391. An act to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 48. An act to provide for the demonstration of public-library service in areas without such service or with inadequate library facilities;

S. 1021. An act authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and clerk of the Fort Peck General Council, members of the Fort Peck Tribal Executive Board, and other committees appointed by said Fort Peck General Council, and official delegates of the Fort Peck tribes;

S. 1089. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for investigatory personnel of the Bureau of Narcotics who have rendered at least 20 years of service;

S. 1125. An act to amend the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942;

S. 1525. An act to provide for furnishing transportation for certain Government and other personnel, and for other purposes;

S. 1790. An act to amend the act of Congress entitled "An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other pay purposes," approved March 6, 1946;

S. 2038. An act to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section; and

S. 2123. An act to exempt certain officers of the Regular Army and Regular Air Force from the provisions of statutes requiring retirement by reason of age, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 316. An act for the relief of Mary Sungduk Charr; and

S. 521. An act to permit the naturalization of Sang Hun Shim.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4127) entitled "An act to amend the Civil Service Retirement Act of May 29, 1930, as amended."

CERTIFICATE OF ELECTION

The SPEAKER laid before the House the following communication, which was read by the Clerk:

FEBRUARY 26, 1948.

The Honorable the SPEAKER,
House of Representatives.

SIR: A certificate of election in due form of law showing the election of the Honorable WATKINS M. ABBITT as a Representative-elect to the Eightieth Congress from the Fourth Congressional District of the Commonwealth of Virginia, to fill the vacancy caused by the death of the Honorable Patrick H. Drewry, is on file in this office.

Very truly yours,

JOHN ANDREWS,
Clerk of the House of Representatives.

SWEARING IN OF MEMBER

Mr. ABBITT appeared at the bar of the House and took the oath of office.

EXTENSION OF REMARKS

Mr. DAVIS of Wisconsin asked and was granted permission to extend his remarks in the Appendix and include a weekly radio speech on the subject of air power and the national security.

Mr. VURSELL asked and was granted permission to extend his own remarks in the RECORD.

Mr. HOEVEN asked and was granted permission to extend his remarks in the RECORD and include a statement by the chairman of the inland waterways committee of the Sioux City Chamber of Commerce.

Mr. GAVIN asked and was granted permission to extend his remarks in the RECORD and include a statement made before a subcommittee of the Committee on Appropriations handling the Forest Service of the Department of Agriculture.

THIS WAS OPERATION RAT HOLE

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. VURSELL]?

There was no objection,

Mr. VURSELL. Mr. Speaker, the iron curtain has again dropped in Europe. The Czechoslovak Republic is now but a republic in name only. The light of freedom has been dimmed for 12,000,000 people.

Ever since World War I this Nation and its people have been sympathetic toward the aspirations of the Czechs and Slovaks to set up governments in which essential human rights might be preserved.

After World War I our Government loaned nearly $180,000,000 to Czechoslovakia, of which amount approximately $165,000,000 in principal remains unpaid today.

During World War II Czechoslovakia at first was under the iron heel of Hitler's armies and his secret police. When the country was liberated the United States again generously came forward with aid. Through the medium of UNRRA we poured $246,145,000 into Czechoslovakia for relief to March 13, 1947. And we gave Czechoslovakia lend-lease assistance in the amount of $503,000.

We also made direct or guaranteed loans to Czechoslovakia through the Export-Import Bank of Washington in the total amount of $21,797,518 as of June 30, 1947.

We have negotiated a reciprocal trade agreement with Czechoslovakia, taken her into the International Monetary Fund, and the International Bank. Furthermore, our Government, acting through the Office of Foreign Liquidation Commissioner, in the State Department, has made available a property credit of $50,000,000 to Czechoslovakia to enable her to purchase surplus Government-owned property. Of this credit more than $7,000,000 has been utilized.

To summarize, Mr. Speaker, we have helped the Government and people of Czechoslovakia, by gifts, by loans, and by credits, during the past 30 years in the total amount of nearly half a billion dollars.

In the light of most recent developments, this was indeed Operation Rat Hole for our taxpayers.

Mr. Speaker, are we now about to embark on another enterprise to toss $20,000,000,000 more into the maelstrom of socialistic and communistic Europe?

What assurance can our taxpayers have that the moneys we are asked to provide for the so-called Marshall plan will not go the way of what we have invested in Europe in the past?

Are the American people willing to bear a still heavier tax burden to support our Government's excursions into the fields of economic internationalism?

Mr. Speaker, these are the questions which are the issue now before the Congress and the country.

APPOINTMENT OF CONFEREE

Mr. RANKIN. Mr. Speaker, the gentleman from Louisiana [Mr. ALLEN], who was a conferee on the bill S. 1393, is unavoidably absent. I ask unanimous consent that the gentleman from Louisiana be excused from further participation as a conferee and that an additional conferee be appointed in his place. I may say this is entirely satisfactory to the gentleman from Louisiana.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the gentleman from Georgia [Mr. WHEELER] as a substitute conferee.

The Clerk will notify the Senate conferees of the change.

UNITED STATES AIR FORCE

Mr. MERROW. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, if we adopt the Marshall plan and do not at the same time appropriate the funds necessary to give the United States air supremacy, so that we can prevent the countries we propose to aid from being seized overnight by an aggressor, we will have made a colossal blunder in foreign policy—a blunder that will rank in stupidity with our failure to write the terms of the peace before we scuttled our air strength.

The Air Force has recommended a 70-group program as the irreducible minimum air protection for this country. This program, if and when completed, will consist of 6,869 first-line planes and a reserve of 8,100. To even achieve this minimum air protection, we need a supplemental appropriation for the Air Force of $500,000,000 to be used during the current fiscal year, and, beginning with the next fiscal year, we should appropriate $6,000,000,000 annually for the Air Force alone. Even with these appropriations, 4 years, which is the time the Marshall plan is to run, will be required before the 70-group program becomes a reality.

It is utterly ridiculous to talk about the achievement and maintenance of air supremacy on a $3,054,000,000 budget, which is the amount proposed in the President's budget for the Air Force for the next fiscal year.

The SPEAKER. The time of the gentleman from New Hampshire has expired.

SPECIAL ORDERS GRANTED

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today following the regular business of the day and any prior special orders.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes today following the legislative program and any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD in two instances and in each to include excerpts, and also to revise and extend the remarks I expect to make today in the Committee of the Whole, and include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio talk over the Town Hall program.

Mr. PASSMAN (at the request of Mr. LARCADE) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD in two separate instances and include resolutions passed by the Massachusetts Legislature.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in two instances and in each to include newspaper editorials and articles.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial on brotherhood that appeared in the Chelsea Record.

ARMED FORCES OF THE SECURITY COUNCIL

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, in connection with the Palestine situation that now exists in the United Nations Assembly, the question has been raised as to the authority of the President to send troops overseas at the request of the Security Council of the United Nations, asking whether the consent of Congress is necessary.

The answer to the question is contained in section 6 of the United Nations Participation Act, Public Law 264, of the Seventy-ninth Congress. The President is authorized under that act to negotiate agreements with the Security Council concerning armed forces to be made available to the Security Council for maintaining international peace and security. But that section also provides that all such agreements "shall be subject to the approval of the Congress by appropriate act or joint resolution."

Mr. Speaker, it is therefore obvious that the President must come to the Congress for authority to use our armed services in Palestine.

THE LATE HONORABLE T. M. HEDERMAN, SR.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, on yesterday Mississippi witnessed the passing of one of its most distinguished sons, the Honorable T. M. Hederman, Sr., editor and publisher of the Jackson, Miss., Daily Clarion-Ledger.

Colonel Hederman was a member of one of Mississippi's oldest and most distinguished families, and his accomplishments as editor of one of Mississippi's largest newspapers, as well as his extensive work in civic and church fields, have earned him a notable place in the history of his State.

He was a Christian gentleman in every sense of the word. I have never known a man who possessed more moral courage or one more devoted to Christian principles than this gentleman. He was built of the kind of timber that is reserved for only the best of men.

In these troublesome days, Mr. Speaker, men of his caliber are at a premium, and we can ill afford to lose them. We need more of his kind.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I also ask unanimous consent that any Member of the Mississippi delegation wishing to do so may extend his remarks on this subject at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, I desire to join with my distinguished colleague from Mississippi in paying tribute to the late T. M. Hederman.

It has been my privilege to have known Mr. Hederman for the past decade. He was truly a great Christian leader as well as an outstanding newspaperman. Mr. Hederman was a member of a family that has been prominent in Mississippi's journalistic, religious, and political life for the past several decades. He was a man of sterling quality who used his influence for the betterment of his fellow man. He will be sadly missed in the civic, journalistic, and religious life of the great State of Mississippi. I join with thousands of other Mississippians in deploring his untimely death and extending my sympathy to his bereaved family and friends throughout Mississippi.

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, we have been seeing a great deal in the press about the indignation of some folks from the South over the President's civil-rights program. I suggest to some of my Republican friends from the North that in view of the fact that some of these gentlemen from the South threaten to bolt the ticket by casting their votes in the electoral college for someone other than the Democratic nominee or the Democratic candidate, if that candidate be President Truman, that we make a deal with them. Ordinarily, I do not believe in deals but if one must be made I would not be averse to doing it if, out of it, we could get something for the good of the country. So I suggest to my Republican friends who are politicians that we tell these Democrats that if they will vote for the selection of a Republican, let us suggest ROBERT TAFT, that they and we get together in some kind of conference, agree on someone agreeable to both and elect him, that then, if they do that, we will kill this program of civil rights and satisfy the folks from the South. We will make a deal, but you have got to deliver this time. Adopt that program and America can go forward once more—our fancied problems will disappear and our real ones be solved.

EXTENSION OF REMARKS

Mr. SIMPSON of Pennsylvania asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an address by James H. Duff, Governor of Pennsylvania, and in the other to include an address by United States Senator EDWARD MARTIN, made in Philadelphia.

THE OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, some of our colleagues from the west coast are worried about requesting an embargo on shipments from that coast and I think there is a good deal to be said for their point of view. Therefore they have eliminated the request for an embargo on the west coast and have confined it to the Gulf coast. They have joined us in sending this modified telegram. There are seven members of the California delegation and five members of the Washington delegation who have joined us.

Yesterday I referred to a wire which I received. I have received another one from a man who is a native of Texas, a thoroughly capable oil man, which I want to read briefly because I am going to speak a little later on the whole situation. I hope that we will not have to resort to legislation to bring about the desired results.

This telegram is from Charles S. Jones, president of the Richfield Oil Corp., Los Angeles:

LOS ANGELES, CALIF., *February 25, 1948.*
JOHN W. HESELTON,
Member of Congress,
Washington, D. C.:

Retel all of our tankers are in domestic trade. One of them the *Coxcomb Hill* was chartered to Socony Vacuum Oil Co. for voyage from Los Angeles to Australia and will arrive in United States port about March 15. Subsequent voyages presently expected to be in domestic trade. We do not hold any export licenses at this time but have a few applications pending. If there is any further information you desire please let me know.

CHAS. S. JONES,
President, Richfield Oil Corp.

Mr. Speaker, I am going to wire him tonight and try to get this information and have it available tomorrow.

FEBRUARY 27, 1948.

CHARLES S. JONES,
President, Richfield Oil Corp.,
Los Angeles, Calif.:

Retel very much appreciated your report. Assume *Coxcomb Hill* will dock California and be used in west-coast voyages. Shall appreciate your advice as to this. Would you think it economically wise to assign to Gulf-Northeast runs for three or four voyages if cargoes could be guaranteed. Find there is ample storage space in Northeast harbors and believe this would be great service if you have any east-coast outlets.

JOHN W. HESELTON,
Member of Congress.

THE OIL SITUATION

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I was very much interested in the telegram just read by the gentleman from Massachusetts from Charles Jones, president of the Richfield Oil Co. It so happens that Mr. Jones was born and reared in my home town. I may say that he was in my office last week and I spoke with him about this very matter of an embargo on oil. He said that an embargo on oil extending for any length of time would be absolutely disastrous to the economy of a great many little countries in the world.

I believe that men like Mr. Jones and others can work this thing out without performing what I consider to be an unnecessary major operation, not only domestically but internationally, by putting an embargo on oil. I hope that everybody in the country can get oil and I think they are getting it. In my opinion, there is nothing to the assertion that there is a serious shortage of fuel oil in any part of the United States. If this thing can be worked out by proper counsel and good feeling, we better let legislation slide for a while.

Mr. HESELTON. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Massachusetts.

Mr. HESELTON. As I told the gentleman before I came on the floor, I have an appointment with Judge Collett this afternoon, and I hope I may be able to see him, and also with the State Department, with every indication that they are considering now the advisability of putting on an embargo for 48 hours until we can locate five tankers and get 599,000 barrels in New York harbor.

Mr. RAYBURN. I would be very pleased if this can be worked out. I am just stating that I do not believe it is necessary for the House of Representatives to pass legislation at this time. I trust it will not be attempted until the situation becomes more distressing than it is now.

RUGGED INDIVIDUALISTS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, Mr. Scott, the minority postmaster, likes to rib me about being a rugged individualist. He does so in a very friendly way. He brought the following clipping in this morning:

They are rugged individualists up in Vermont, even when they are taxpayers.

On the income-tax blank there is a space that says: "Do not write in this space."

And a Burlington (Vt.) man had angrily written across it: "I will write where I damn please." Thereby proving it.

TENNESSEE-TOMBIGBEE WATERWAY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, last year the Congress authorized the construction of the Tennessee-Tombigbee inland waterway. I want you gentlemen from every State—from Pennsylvania, Iowa, Indiana, Illinois, Kansas, Missouri, Nebraska, North and South Dakota, Kentucky, North Carolina, and all the other States—to go out there and look at the map and read the figures showing what it will mean to you.

The Bureau of the Budget has recommended the small amount of $1,500,000 to begin this work, and we are going to ask for that amount in an amendment today. While we are talking about spending money by the billions all over the world, or sending money by the billions to people who never have done anything for the United States, many of whom have fought against us in our most critical hour, it seems to me that we can afford to spend a small amount to develop our own transportation system.

Let me say to the gentleman from Massachusetts [Mr. HESELTON] that this affects everybody along the Great Lakes and the Erie Canal. If this project were in operation today, you would not be suffering from want of oil there now.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we are to spend money for this purpose, we have certainly got to stop spending it for a lot of these foreign projects.

Mr. RANKIN. The gentleman would not mind that, and I would not either. So far as I am concerned, the American people come first. I think if you go out and examine that map and those figures, and then turn to the RECORD and read the statement I inserted on yesterday, you will all agree with me that you cannot afford to vote against this amendment.

EXTENSION OF REMARKS

Mr. HART asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an address by Hon. John W. Snyder and in the other an address by Hon. MARY T. NORTON.

Mr. GARMATZ asked and was given permission to extend his remarks in the RECORD and include an address delivered at a banquet given by the Council of Lithuanian Societies in Baltimore.

Mr. VURSELL. Mr. Speaker, in connection with my former request, I failed to indicate that I desired to extend my remarks in the RECORD in two instances and to include therein certain newspaper articles and clippings, for which I now ask unanimous consent.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. JOSEPH P. O'HARA at Bridgeport, Conn.

Mr. HAND asked and was given permission to extend his remarks in the RECORD in two instances and in each to include collateral material.

Mr. McGREGOR asked and was given permission to revise and extend the remarks he expects to make in Committee this afternoon and include excerpts.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ANTI-POLL-TAX DINNER

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the Washington Evening Star for Wednesday, February 25, 1948, has an article regarding the anti-poll-tax dinner held in the Hotel Statler February 24, 1948, which was attended, according to the article, by the gentleman from Ohio [Mr. BENDER], the gentleman from New York [Mr. CELLER], also the gentleman from New York [Mr. MARCANTONIO], and other Congressmen, Members of the other body. The dinner was held in honor of the gentleman from Ohio [Mr. BENDER], by the National Committee to Abolish the Poll Tax and was presided over by the vice chairman of the national committee, Mrs. Virginia Foster Durr, according to the Evening Star article.

Mr. Speaker, I wish to call the attention of the membership of this House to the statement concerning the National Committee to Abolish the Poll Tax by the Special Committee on Un-American Activities in their report to the House. The National Committee to Abolish the Poll Tax has its headquarters at 127 B Street SE., Washington, D. C. The Special Committee on Un-American Activities is not concerned one way or another with the issue of the poll tax, that is, so far as this report goes. The fact that the National Committee to Abolish the Poll Tax is a Communist front organization is all that concerns the Special Committee on Un-American Activities. The committee has documentary evidence in its possession, in the form of bank records, which proves conclusively that the National Committee to Abolish the Poll Tax has received financial support from the Communist Party. In this connection it is always pertinent to bear in mind what Attorney General Francis Biddle said about Communist-front organizations:

> Testimony on front organizations shows that they were represented to the public for some legitimate reform objective, but actually used by the Communist Party to carry on its activities pending the time when the Communists believe they can seize power through revolution.

The vice chairman of the National Committee to Abolish the Poll Tax is Mrs. Virginia Foster Durr, the wife of Commissioner Clifford J. Durr, of the Federal Communications Commission, and is a member of, a contributor to, and a sponsor of a large number of Communist front organizations. I call attention to the report of the Campaign Expenditures Committee of the House, dated December 31, 1946, on page 18, where the following statement appears:

> An examination of the statements filed by Representative MARCANTONIO and the committees working in his behalf shows that he received contributions from Virginia Foster Durr, sister of Mrs. Hugo Black and wife of Commissioner Clifford J. Durr of the Federal Communications Commission.

Then further on in this report, on page 23, the following statement appears:

> Congressman MARCANTONIO had the active support of the Communist Party, and drew very heavily for support on various left-wing labor organizations. The Daily Worker campaigned in its columns for MARCANTONIO, and the Communist Party had sound trucks in the area. Mr. Bryan stated that he received no support from American Action, Inc., and no contributions from them; that the National Citizens Political Action Committee, headed by Dr. Frank Kingdon, and the CIO Political Action Committee, headed by Jack Kroll, and the Independent Citizens Committee of the Arts, Sciences, and Professions, headed by Harold L. Ickes, all supported MARCANTONIO.

The secretary of the National Committeee to Abolish the Poll Tax is Katherine Hansom Buckles Schriver, of Coffeyville, Kans., an old-time Communist Party member.

On February 18, 1947, Henry C. Hart testified before the Senate Committee on Atomic Energy as follows:

> The CHAIRMAN. Who solicited you for membership in the party, and who represented to you that he or she was an authorized representative of the party enabling you to become a member?
>
> Mr. HART. A man named Ted Wellman, from Chattanooga, who stated that he was a Tennessee secretary of the Communist Party.
>
> The CHAIRMAN. Was he an employee of TVA at that time?
>
> Mr. HART. No.
>
> The CHAIRMAN. Was he the only one that solicited you to join the Communist Party?
>
> Mr. HART. He was; yes. I was encouraged to join by a Miss Catherine Buckles. She did not solicit my membership.
>
> Senator KNOWLAND. Was she a TVA employee?
>
> Mr. HART. Yes; she was at that time. She left almost immediately after I got to TVA. I think she left about 1937.

ARMY CIVIL FUNCTIONS APPROPRIATION BILL, 1949

Mr. ENGEL of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5524) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes; and pending that motion, I ask unanimous consent that general debate continue for 3 hours, the time to be equally divided and controlled by the gentleman from North Carolina [Mr. KERR] and myself. Is that satisfactory to the gentleman from North Carolina?

Mr. KERR. That is entirely satisfactory to me, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5524, with Mr. LEONARD W. HALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ENGEL of Michigan. Mr. Chairman, the Committee of the Whole has now under consideration H. R. 5524 making appropriations for civil functions of the Department of the Army for the fiscal year ending June 30, 1949. The bill before the House covers rivers and harbors, flood control, cemeterial expenses of the Department of the Army including a recommendation of $38,369,000 to defray the expense of bringing back the war dead, the Alaska Communications Commission, and a recommendation of $19,476,313 for the Panama Canal.

TOTAL APPROPRIATIONS

The bill includes a total direct appropriation of $606,558,766. This amount is $131,042,889 less than the budget estimate or an average reduction of 18 percent. It is $104,434,854 above the 1948 appropriation. No reductions were made and full budget estimates were allowed on the following items: First, maintenance of rivers and harbors; second, maintenance of flood-control projects;

third, maintenance of lower Mississippi; and fourth, no reductions were made in that part of the estimate provided for bringing back the war dead to the United States.

FLOOD CONTROL AND RIVERS AND HARBORS

The Army engineers recommended to the Budget Bureau a total of $874,441,600 for rivers and harbors and flood control. The Budget Bureau recommended $665,894,000 for that purpose to the Congress. The recommendation of the Department of the Army was more than twice the amount allocated for that appropriation last year. The recommendation of the Bureau of the Budget was $250,340,475 or 60 percent more than the amount appropriated for that purpose last year. The committee felt that because of increased costs a reasonable increase in the appropriation was justified. It did not however allow the full recommendation of the Budget Bureau.

There are 244 rivers and harbors and flood-control construction projects in the bill before the House, for which there is contained a recommendation of $381,541,300; $306,237,000 of the amount recommended is for 183 flood-control projects and $75,304,000 is for 61 rivers and harbors projects.

RIVERS AND HARBORS

The budget estimate for new work for rivers and harbors amounted to $193,717,000. The amount recommended in the bill is $151,831,300, a decrease of $41,885,700 below the budget estimate. The committee gave the same consideration to each project before a reduction was made that it did in the case of flood control.

FLOOD CONTROL, GENERAL

The amount recommended in the bill for new work under "flood control, general," is $321,282,000, a decrease of $74,658,000 below the budget estimate. The committee considered and analyzed each project separately. Where a reduction was made we took into consideration the progress of the work and wherever possible we permitted completion of a certain item or items in that construction. Although we did not necessarily follow the recommendations of the engineers in each instance, the engineers were consulted on each project by your chairman before he recommended a reduction on that project to the subcommittee and your committee had that information as to each project when the bill was marked up.

FLOOD CONTROL AND RIVERS AND HARBORS CONSTRUCTION POLICY

When the 1948 civil functions bill was before the House on July 1, 1947, I suggested a definite policy of planning and constructing projects. That plan tried to give consideration to every type of project regardless as to how small such project was. In order to carry out this part of the plan, I suggested a certain percentage of the funds be set aside for each type of project. The Chief of Engineers in submitting his estimate to the Budget Bureau followed this plan as nearly as possible. The committee bill which is recommended to the House follows substantially the same plan.

FLOOD-CONTROL PROGRAM

There are 43 flood-control projects under $1,000,000 which carry a recommendation of $6,278,700. There are 56 flood-control projects which will cost from $1,000,000 to $5,000,000 each for which $31,930,000 was recommended. There are 55 projects which will cost from $5,000,000 to $20,000,000 for which $91,215,300 was recommended, and there are 29 projects which will cost over $20,000,000 for which $176,313,000 has been recommended.

RIVERS AND HARBORS PROGRAM

There are 15 river-and-harbor projects under a million dollars, for which $2,640,000 is recommended.

There are 12 projects which will cost from one to five million dollars, for which $7,815,000 was recommended.

There are 20 projects which will cost from five to twenty million dollars, for which $13,326,000 was recommended.

There are 14 projects which will cost over $20,000,000, for which $51,522,000 is recommended in the bill.

Thus we find that the bill before the House contains 43 flood-control and 15 river-and-harbor projects, or a total of 58 projects, the total cost of which will be under $1,000,000 each. The total recommendation for these 58 projects contained in the bill is $8,918,900. Second, I recommended at that time that there be set aside a definite amount for projects which would cost from one to five million dollars each which would probably be constructed within 2 years. This bill contains $39,745,000 for 68 flood-control and river-and-harbor projects of this type, the total cost of which will run from one to five million dollars each. Thus we find 13 percent of the total funds provided in the bill before the House, or $49,164,200, is for the construction of 126 river-and-harbor and flood-control projects costing less than $5,000,000 each. I suggested a definite amount for projects which would cost from five to twenty million dollars each. This bill contains 74 projects which will cost from five to twenty million dollars each. The amount recommended for these 74 projects is $104,041,900. The balance of $227,835,000 is allocated to the remaining 48 projects which will cost over $20,000,000. While there are undoubtedly inequities in the bill, I feel that the distribution of funds between the various size projects has been fair. No small project has in my judgment been sacrificed or withheld because the large projects were taking all the money.

COMPLETION OF PROJECTS

I also recommended that no project be commenced unless Congress is willing to appropriate enough money to carry that project forward to its completion at a rate of construction which sound engineering requires if we are to obtain the most flood-control or rivers-and-harbors work for the tax dollar. While the money in the bill carries forward this aim, I am sorry to report that because of the number of large projects under construction we were not able to carry out this aim fully. Substantial progress has, however, been made along this line. We did, however, make substantial progress in completing medium-sized and smaller projects during the fiscal year 1948. Sixty-two flood-control projects and 18 rivers-and-harbors projects, or a total of 80 of the 244 projects, will be completed during the fiscal year 1949. The estimated Federal cost of these projects when completed is $156,533,100. In addition to these, there are a number of other projects which are practically completed and for which a small balance remains to be appropriated for clean-up work. It has been the policy of the committee to finish a project at least to a point where protection was given or the harbor facilities could be used, if possible.

PANAMA CANAL

The budget estimate for the Panama Canal was $23,436,300. The committee allowed $19,476,313, or a reduction of $3,959,987. Your chairman went over each item in the bill carefully with the Governor of the Canal Zone and submitted to the committee when marking up the bill a statement showing where the Governor of the Canal Zone thought cuts could most easily be absorbed. The committee did not follow the Governor's recommendation in all particulars. While the committee, I believe, favored the housing program for the Canal Zone as set forth in the report, it did not feel justified in proceeding with that program until the question of the acquisition of adequate bases was settled.

FREEZING OF RIVERS AND HARBORS AND FLOOD-CONTROL CONSTRUCTION MONEY IS COSTLY

Without being critical of anyone I feel it is my duty to call attention of the House to a situation which has cost the taxpayers a great deal of money and that is the freezing of moneys appropriated by Congress for rivers-and-harbors and flood-control construction. Let us take a practical illustration of how this works out. The Army engineers advertise for bids on a large contract. Contractor A among others is about to bid on this contract. Contractor A has the ordinary type of equipment which he has been using in contract work. His engineer studies the project and finds that if he could use a larger type of equipment—for instance if he could use a 13-cubic yard LeTourneau truck instead of a 5- or 8-cubic-yard scraper he could submit a much lower bid and make more money. He consults the equipment company from which he buys his equipment. The company checks his figures, works with him hoping to sell the equipment. They finally make an agreement that if he obtains the contract at a certain figure they will furnish the equipment and he can pay for such equipment in monthly installments out of his contract. He is thus enabled to and does submit a much lower bid than he could otherwise have submitted. He gets the contract, buys the machinery, moves it on the job, and begins to move dirt.

All this was done with the knowledge and feeling that adequate appropriations were made by Congress for this purpose and for this project which would be available for the entire fiscal year and for the project for which it was appropriated. Just about the time he gets

going good a Presidential order comes through freezing the funds. The Army engineers are required to tell the contractor that he must slow down because the money is not available. His contract takes two seasons or 2 years instead of one. His machinery rusts out instead of wearing out. While his machinery is rusting out the interest and carrying charges on his equipment go on. He is unable to make the payments. His overhead and carrying charges eat up his profit. He is lucky if he does not go broke.

The next time this contractor bids, he is going to increase his bid, as will every other contractor, to take care of this contingency. This has been one of the reasons we have been unable to obtain in many cases enough competitive bidding and why the bids have been high. The action of Congress in making the funds available, together with the fact that there was some semblance of a definite plan of expenditure, restored some of the faith in the contractors. As a result, we have been obtaining, I am told, better bids and more bidders. The first large dirt contract that was let after the 1948 construction funds were made available was Garrison Dam in North Dakota. I am told there were seven bidders, and to the surprise of everyone, for the first time for a number of years the low bidder was $1,500,000 below the Army estimates. The real economy lies in the contractor using the largest type of machinery the job will permit.

I went over some of the cuts which were made in this bill with one of the division engineers after the bill was marked up. We came to one cut of a million and a half. He said we can take that cut. This job will sell for $1,500,000 less. Another similar instance involved a half-million-dollar cut, and there undoubtedly will be other instances. I am convinced that this definite policy will result ultimately in saving millions of dollars to the taxpayers, giving us more flood control and river and harbor work for the tax dollar.

I want to express my personal appreciation for the splendid support I have received from practically every Member of this House, and particularly the gentleman from New York, JOHN TABER, chairman of the Appropriations Committee, and the other members of the Appropriations Committee.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I want to call attention to the following paragraph on page 14 of the committee report, in connection with the appropriation of $60,000,000 for the Mississippi River and tributaries, for which the President recommended $70,000,000:

> The amount recommended in the instant bill for the above items of $60,000,000 reflects a reduction of $10,000,000.
>
> There is not a sufficient break-down in the justifications for many of the above items for the committee to indicate just where the reductions are to be made so must rely upon the judgment and fairness of the Corps of Engineers, in which the committee has great confidence, to make the most equitable distribution of the $60,000,000.

This paragraph follows the breakdown of $70,000,000 recommended by the President.

If it should develop that since the hearings were conducted by the committee and since this bill was reported there have been record floods along any of the tributaries of the Mississippi, or, for that matter, in the lower Mississippi Valley that would justify a distribution of funds so that those flooded areas may be protected by the construction of authorized projects, is the Chief of Engineers authorized to make the adjustment in the distribution of the total $60,000,000, even though it means an increase in the said break-down for any one item, so as to provide for the construction of authorized projects in the flooded areas?

Mr. ENGEL of Michigan. The gentleman refers, of course, to the $60,000,000 appropriation for the lower Mississippi which is put in the bill in a lump sum and does not specify individual projects; is that correct?

Mr. WHITTINGTON. That is correct. I am referring to the break-down of $6,000,000 for the Yazoo Basin and to the authority of the Chief of Engineers to increase that amount to construct the Greenwood and other authorized projects below the Grenada and Enid Dams.

Mr. ENGEL of Michigan. The Chief of Engineers, in my judgment, would have the authority to expend that money on any authorized project, provided he did not exceed the $60,000,000.

Mr. WHITTINGTON. In other words, it is the intent of the committee, and such, in the gentleman's judgment, would be the intent of the Congress, if this bill is approved, that the Chief of Engineers shall have discretion so that those funds may be, as the gentleman has stated, spent wherever they should be in fairness and in the discretion of the Chief of Engineers, on any authorized project, following generally, of course, the tentative break-down, as far as he might be able, but distributing funds to construct authorized projects to prevent a recurrence of existing major floods.

Mr. ENGEL of Michigan. Of course, maintenance money would have to remain intact.

Mr. WHITTINGTON. I understand that.

Mr. ENGEL of Michigan. In my judgment, he would have, I think, that leeway.

Mr. WHITTINGTON. Such would be the intent of the committee and the intent of the Congress if this bill passes; that I understand to be the gentleman's view.

Mr. ENGEL of Michigan. That is true.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. Should it not be pointed out that some of the funds for emergency floods come out of a special appropriation and would not come out, therefore, of the $60,000,000?

Mr. WHITTINGTON. I am not directing my attention at present to anything except the authorized projects and the pending appropriations for those projects. I am well aware that there are emergency funds, but they only provide for repairs, and they do not provide for the construction of authorized projects where there has been a record flood, as I have indicated, since this bill has been reported, because such construction would be from regularly appropriated funds.

Mr. ENGEL of Michigan. In other words, where the projects are not specified in the report the Chief of Engineers has discretion in allocating those funds, and he has exercised that discretion for a number of years.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Minnesota.

Mr. MACKINNON. I realize the gentleman was absent when the upper Mississippi River-St. Anthonys Falls project was considered. May I ask the gentleman what consideration has been given to that project in this particular bill?

Mr. ENGEL of Michigan. May I correct the gentleman? The chairman of the committee was not absent when that project was considered. He was absent when a Member of Congress came before the subcommittee and spoke in favor of that project.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I yield myself 5 additional minutes.

The Budget submitted to the Congress contained an estimate of $176,000 for advance planning for St. Anthonys Falls. The President, through the Bureau of the Budget, did not send down any construction figures for St. Anthonys Falls, and the committee took no action either way on it, and did not consider any construction item for it.

Mr. MACKINNON. But you have allowed money for advance planning.

Mr. ENGEL of Michigan. Yes.

Mr. MCDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from California.

Mr. MCDONOUGH. I appreciate the policy the committee is pursuing to get these projects completed within a certain period of time, but in considering that fact, have you given thought and consideration to these districts, such as Los Angeles County, a tax-levying body, that raises some $3,000,000 a year to maintain and to build new construction and flood-control projects, in addition to the funds that the Federal Government contributes? For instance, in 1947 the Federal Government contributed $3,898,000, and we raised $3,789,516 for flood control within the county. Now, that is an exceptional situation. You do not find that all over the United States. Notwithstanding that fact, your contribution in this bill to the county is far below the amount that will complete the projects that have to be completed within a reasonable time from here on.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. KERR. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, the bill now under consideration, if you discard the political and financial matters now involved in

the world and especially this country, is the most important legislation that will come before this Congress. This measure before us involves directly the welfare of two-thirds of the population of the United States as well as the protection of property and the creation of facilities which will serve this Nation for generations to come; to neglect to take care of our great natural resources and husband them for national use is a crime inexcusable and a reflection upon our opportunity as well as our intelligence.

This bill does not contain all the items which we would have liked to have placed in it, many of them are justifiable and will be eventually taken care of, they have the approval of legislative enactment, of our Army engineers, and of the recommendations of our Executive budget. The committee has been giving careful and close study to each item brought before us and has endeavored to present for your consideration a comprehensive and beneficial act which will benefit our Nation and its interests.

The bill before us carries appropriations for activities related to the military but not strictly military activities. For instance the first item in the bill is to provide funds for construction, improvement, and maintenance of national cemeteries where our military dead may rest in honored peace. Due to circumstances that do not need be related again at this time the necessity for funds for the regular appropriation has increased during the past year and it is the intention of your committee to meet the increased need by recommending increased appropriations which are approved by the budget.

For the Alaska Communications System, a system of communications operated by the Signal Corps, Department of the Army, and serving the civilian as well as the military needs of one of our most important outlying possessions—Alaska—we have appropriated an amount equal to the amount of the current year's appropriation and realizing the necessity to make repairs and extensions to meet the need of expanding industry in the Territory have authorized this very excellent organization, the Signal Corps, to utilize for the fiscal year covered by this bill 15 percent of the funds received from the commercial activities to make necessary repairs and extensions.

The expenditure of funds for the United States Soldiers' Home, Washington, D. C., which is only a short distance north of where we now stand, is authorized in this bill. These funds are not from the miscellaneous receipts of the Treasury but are collected at the rate of 10 cents per month from each soldier of the Regular Army; from fines and forfeitures imposed upon soldiers of the Regular Army, and 3-percent interest on the fund held in trust for those entitled to membership in the Home. The Home was established after the War with Mexico upon the recommendation of General Winfield Scott and is a self-supporting institution.

The Panama Canal, another of our important outlying possesions, receives funds through appropriations carried in this bill. As conditions return to normal receipts from operations there should make this a self-supporting activity. Tolls, fees, fines, and profits on business operations deposited directly in the Treasury of the United States should be sufficient to pay all costs of operation and a reasonable return on the investment of more than $700,000,000. At the present time tolls on commercial transits are insufficient to meet operating costs and the committee has recommended that proper steps be taken to increase the toll charges.

The committee has been presented a very difficult problem in connection with providing a proper amount of funds for normal operations, including construction, in the Canal Zone. I refer to the rejection by the Panamanian National Assembly of an agreement permitting the United States to occupy and use certain defense sites outside the Canal Zone. It is not the purpose of your committee to attempt to dictate—or, for that matter, advise—in international policy, but it is the responsibility of the committee to provide funds for all proper activities and when a policy is not in agreement there is no firm basis upon which to make commitments requiring the expenditure of funds. Speaking only as one member of the committee I am in hopes that a proper understanding can be agreed upon before we are again called upon to provide funds for this activity so that we may have presented to us estimates for expenditures based upon firm agreements. Officials assigned to duty in the Canal Zone by our Government are men of the highest caliber in whom our Nation can have every confidence and I am sure they have done and are doing everything possible to deal fairly with the Panamanian people.

I come now to the appropriation for river and harbor and flood-control work, including construction work, maintenance and operation of projects already completed, preparation of detailed plans and drawing of specifications, and other incidental items related to this work.

The over-all appropriation recommended in this bill for river and harbor and flood-control work is $539,100,300, an increase over last year's appropriation for the same items of $123,546,775. The number of projects upon which new work or additional work is proposed is 246, of which 185 are flood-control projects and 61 come under the heading of river and harbor work. The amount recommended for construction on the river and harbor projects totals $75,304,300; and for flood control $308,237,000.

I would like to submit for the RECORD, and ask unanimous consent for that purpose, a detailed statement giving the number and appropriation request of projects both under river and harbor and flood control as submitted to the Bureau of the Budget, the number approved by that Bureau and submitted to the Congress, the number recommended in this bill, and some other pertinent information concerning the statistics of this appropriation bill.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

(The table referred to is as follows:)

Break-down of river and harbor and flood control projects, civil functions appropriation bill, 1949

	Project No.	Amount
Number of projects submitted to Bureau of Budget:		
Rivers and harbors	111	$169,027,000
Flood control	248	474,202,600
Number of projects approved by Bureau of Budget:		
Rivers and harbors	54	107,350,000
Flood control	181	381,895,000
Number of projects stricken out by Bureau of Budget:		
Rivers and harbors	57	35,676,000
Flood control	67	70,096,800
Number of projects recommended by committee:		
Rivers and harbors	61	75,304,300
Flood control	183	306,237,000
Number of projects stricken out by committee:		
Rivers and harbors	10	8,429,000
Flood control	7	5,421,600
Number of projects added by committee:		
Rivers and harbors	14	2,731,300
Flood control	11	4,759,700
Number of projects increased by committee	1	
Number of projects to be completed with the fiscal year 1949 funds		80
Number of States having projects		[1]43
Number of witnesses heard (not including Members of Congress)		150
Number of Congressmen aiding the committee with testimony		104

[1] And Alaska.

Mr. KERR. Mr. Chairman, it is to be noted that the committee has recommended funds for river and harbor projects in 32 States and in Alaska; and for flood-control projects in 36 States of the Union, a combined list of 43 States and the Territory of Alaska.

This is one of the most important appropriation measures that we present to the Congress. The benefits that will come from the expenditure of these funds will flow to a greater number of our people than most any other appropriation we make. Under it we propose to harness natural resources and bring to all our people the benefits that will flow from the installation of millions of kilowatts of electric energy, the protection of their homes and property from the ravages of flood, and to augment the industrial power of this Nation so that it may continue in the forefront of all the nations of the world. By a proper administration of the projects developed under this appropriation, or of which this appropriation is a part, there will be developed projects that are self-supporting and over a period of time will be self-liquidating. The benefits that will flow from them during peacetime will materially make living in this Nation more enjoyable and in the event of an emergency will afford the industrial power that has kept this Nation great. These are projects that cannot be developed after an emergency has arisen but must be among that category of things that must be stock piled during normal times. It is fortunate that this is one item for stock piling that will be self-supporting and add to our comfortable manner of living during the

many peacetime years that we look forward to and at the same time may provide the one thing that will make other nations hesitate to start another war.

Mr. Chairman, I have made a habit of my life to speak well of my colleagues and especially of those with whom I have worked and learned of their viewpoint and their purpose to serve their country and their fellowmen. I shall ever cherish with pride and affection my recollection of my association with the members of my subcommittee who constructed this bill and which has been approved by the full Committee on Appropriations. We did our best to present to the House a good job, one which I could approve with a feeling of pride.

The chairman of our committee, the gentleman from Michigan, ALBERT ENGEL, is a physical and mental dynamo, vouchsafed by a character unimpeachable in a sincere purpose to do that which best subscribes his fellow man and his country. It is a pleasure to work with him. He has the confidence and highest regard of the membership of this House.

Our committee is indeed fortunate to have as our clerk Robert Lambert, a careful and painstaking and intelligent public servant, a man of wisdom and discretion, who is familiar with every detail and fact involved in the construction of this bill. Mr. Lambert is an employee of this Government whose record, in my opinion, will rank among the highest and best who ever served this Nation.

Mr. NORRELL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I have not prepared a special address, but I do want to take these minutes to pay my very highest compliments to the chairman and all members of the Subcommittee on Civil Functions of the War Department. They have been fair. We have cut the bill somewhat, but a close examination will disclose that the bill has been reduced on projects in the States that we represent as well as other States.

The bill is fair. I think it is free from politics. I think it is a good bill.

Much has been said with reference to flood control and river-and-harbor projects, but I want to call your attention to the fact that this bill also covers appropriations for national cemeteries in the States. These items have not been cut. It covers cemeteries in the Territories and islands and these items likewise have not been cut except in the rearrangement of the program. It also covers the Alaska communications system, which is very important; rivers and harbors; flood control, general; the lower Mississippi and Sacramento Rivers; and Soldiers' Home here in Washington. Soldiers' Home is financed by the inmates of that institution and we have accepted their program. It has not been cut at all.

We have reduced the Panama Canal as far as permanent construction is concerned and I want to say that until we can protect this Canal I doubt the wisdom of preparing any facilities down there of a permanent nature. We must make some arrangement for the protection of the Canal and I want to emphasize that if we had the right to protect the Canal the appropriation requested for permanent improvement would, I think, have been granted.

The bill contains other appropriations for civil functions of the War Department. I see no reason why members of the committee should consume all the time in general argument, and I am not going to do that, but I am going to vote with the committee in trying to put this bill through. I hope Members will not decide that their projects are so sacred that no cut should be made. We are not ruining any project on which budget recommendations have been made. I trust the bill will be passed without change.

Mr. FLANNAGAN. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I should like to say that in my judgment the committee has been most wise in conducting hearings and reporting the pending bill early in the session of Congress so the appropriations can be utilized during the next fiscal year and during those parts of the year when the seasons are most favorable for construction. I trust that the policy inaugurated by the committee during the current session may be continued in the sessions to come.

Through the years I have advocated flood protection for the lower Mississippi River and its tributaries. I have also urged flood protection for all of the rivers of our common country. While advocating protection for the lives and property of the people whom I have the honor to represent, I have accorded comparable protection to the other people of the country. I am the only Member, as I recall, in the Congress who has been a member of the Flood Control Committees that have reported and recommended all of the flood-control authorizations now on the statute books. For years I was chairman of the Committee on Flood Control. I know the difficulty that confronts this committee. I know how hard it is to satisfy various interests. It has been my privilege to appear before the committee to speak for general flood control, and particularly for flood control along the lower Mississippi and tributaries, for years. The very distinguished chairman of this committee the gentleman from Michigan [Mr. ENGEL] has been most patient and he and the members of his subcommittee have been fair in according hearings and in giving consideration to the various projects covering flood control, both general and on the lower Mississippi River and tributaries.

Mr. Chairman, rivers have always interested me. Their majesty, their charm, and their power have for years engaged my attention. They are among the most valuable assets or resources of our country. They are made to serve, not to destroy; they are intended to be the friend, not the enemy, of man.

I appeared before the committee, speaking from my knowledge of all of the flood-control projects that have been authorized on all of the rivers of our country, and I spoke particularly with reference to the great alluvial valley in which I live. Since the committee concluded its hearings and agreed upon a report on this bill, I am sure the members of the committee will pardon me if I bring to your attention the fact that away down in the Mississippi Valley, in the Mississippi Delta, there has occurred one of the major floods of history in the Delta. That flood is now in progress.

The people of that area for generations before national flood-control legislation taxed themselves as they are taxing themselves today to provide protection for their homes and lands. I live on the Yazoo River, which is rather famous in romance and story, away down South in Dixieland. It is a river about 400 miles long. Its banks were settled by the pioneers of the great Southwest. Towns and cities were founded and established and have grown through the years along this river. The people of the area have spent, according to a report submitted by the Chief of Engineers some 13 years ago, approximately $50,000,000 in constructing works to provide for drainage and flood protection. The building of drainage canals and the acceleration of the flow of waters from the hills in southern Tennessee and northwest Mississippi increased the flood levels. Congress has authorized ample legislation for the protection of that area.

Works have been constructed along the upper part of that river, consisting primarily of two dams, supplemented by channelization and by levees to increase the protection afforded by the dams. Two of the dams have been built and two remain. One was placed under construction but work discontinued in 1943 during the war. Two of the dams remain, and are now under construction. They are known as the Granada and Enid Dams. Below those dams are local protective works to supplement the dams.

For the last 5 years along the lower Yazoo River there have been excessive floods, and today the city in which I reside, composed of some 25,000 souls, is entirely surrounded by a lake of water.

As a result of that record flood, within a fraction of an inch as high as any flood in the history of our lower Mississippi Valley, that city is surrounded by a lake 25 miles, approximately, in width, and 175 miles in length. Winter crops, including oats and cover crops, have been destroyed and an area of approximately 500,000 acres has been overflowed. Lives have been lost. Damages aggregating millions of dollars have been sustained, and my home city, where I have lived during the years and where I expect to die, is spending at the rate of, they tell me, many thousands of dollars a day hiring labor and placing sacks to supplement the local protective works for which we have issued bonds and for which we are taxed today to keep back the flood-waters of this record flood along that river.

I can understand the view of the committee. The President of the United States recommended for the fiscal year 1948 $24,000,000. He ascertained his mistake. The waters came. The floods multiplied, as you will recall, in the upper Mississippi Valley last year. He supplemented his recommendation for the lower Mississippi and tributaries by recommending an additional $50,000,000. Congress appropriated only $50,000,000 for 1948. In the budget for the current fiscal year 1949 the President recom-

mended for the lower Mississippi Valley, for the completion of the levees along the Father of Waters and the father of floods, for the construction of revetments to protect those levees from caving, for works in the alluvial valley along the tributaries of that river, including the Yazoo, the St. Francis, the White, the Arkansas, and the Red, $70,000,000, and there is in the hearings and contained in the report of the committee a breakdown of how those funds would be expended. The committee has reduced that appropriation to $60,000,000, and it is fair to say that they have made a comparable reduction in general flood control, for you will keep in mind in this bill and in the authorizations we have legislation for general flood control and legislation for flood protection in the lower Mississippi River and tributaries including the Atchafalaya outlet, and those are the tributaries that I have just named.

I wish the committee had reported the appropriation of the $70,000,000 recommended by the President of the United States for the next fiscal year. I understand the parliamentary situation. This flood along the Yazoo River is typical of other floods that have occurred in other parts of our common country since the hearings were concluded. In my judgment it is the intent of the Congress of the United States to make appropriations for the construction of works in the order of their priority. There was allocated $6,000,000 for the completion, primarily, of the two reservoirs that I have named. The bill contemplates that at least $5,000,000 of that money would be spent on the dams, that lands be acquired and that supplemental works, including the Greenwood protective to the amount of about $700,000 be constructed below those two dams. The dams are located about 25 to 35 miles above the city in which I live.

There are other cities along that river, there are other towns in districts represented by my colleagues the gentlemen from Mississippi [Mr. WHITTEN, Mr. ABERNETHY, and Mr. WILLIAMS] which are entitled to comparable protection. The Congress of the United States appropriated $12,000,000 for emergency flood control on all streams last year. It is my view that this committee, if it was ever justified in accepting an amendment, would be justified in accepting an amendment to provide at least $2,000,000, not to authorize new projects but to provide for the construction in the next fiscal year of those projects that have been authorized for years, some of which are now under construction, so that the people in this area, below the dams on the Yazoo River, may not be subjected to these recurring floods next year.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. What the gentleman has said about the reduction under the budget estimate is correct, but at the same time the appropriation for Mississippi River and tributaries flood control is $10,000,000 above what it was last year.

Mr. WHITTINGTON. I have so stated already. I called attention to that. But I also called attention to the fact that it is $10,000,000 under the budget estimate of the President, just as the appropriations for general flood control are some $73,000,000 below the budget.

Mr. CASE of South Dakota. The committee hoped that it was striking a happy compromise.

Mr. WHITTINGTON. That happy compromise, however, is flexible, I am sure. As the distinguished chairman of the committee the gentleman from Michigan [Mr. ENGEL] indicated in response to my question, this appropriation is so flexible that in his judgment, relying on the fairness and the judgment of the Chief of Engineers, in whom your committee and I have confidence, it may be utilized for construction where there are priorities because of existing floods that should be immediately completed. The Chief of Engineers is authorized to use more than the amount of the break-down, especially in areas of existing major floods. I believe the gentleman from South Dakota will agree with me in that construction.

Mr. CASE of South Dakota. That is correct. That was my understanding.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Arkansas.

Mr. NORRELL. As a member of this committee, may I say that I reside across the Mississippi River from the gentleman's district. I feel that this bill is certainly adequate for the Army engineers to use whatever funds may be necessary to protect the gentleman's city and area from the floodwaters. I hope they will do that.

While I am on my feet may I also say that the gentleman from Mississippi has been a Member of this House for a long time. Formerly he was chairman of the House Committee on Flood Control. I know I speak the sentiment of the House when I say there has never been a Member of the House who has been more able and efficient in that committee than has the gentleman from Mississippi. I think he is the outstanding authority on flood control. He is not only an outstanding authority in the committee but I think the authority as far as the Nation is concerned. He has been fair and honorable. I understand that he probably will not be with us another year, because he is voluntarily retiring from the House. It is a distinct loss to this House for the gentleman from Mississippi to retire. We need his services and the Nation needs them. I hope he will reverse his decision and come back to the House.

Mr. WHITTINGTON. I am very grateful to my friend from Arkansas.

May I say that, while I am interested in the protection of the city in which I reside, I trust that I will never be so selfish as not to be willing to accord comparable protection to the city of Yazoo, in the district my colleague the gentleman from Mississippi [Mr. WILLIAMS] represents, and the other towns in his district, as well as in the districts of my colleagues the gentlemen from Mississippi [Mr. ABERNETHY and Mr. WHITTEN]. While I am profoundly interested, and have been through the years, in the protection of the lower Mississippi River and in the protection of the Yazoo River, I have never urged that protection at the expense of my fellow citizens in any part of Mississippi, and I have advocated that those whose lands would be condemned for the construction of dams and rights-of-way for levees be adequately compensated.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I can certainly add nothing to the remarks of the distinguished gentleman from Mississippi, who is probably the leading authority in the United States on the subject of flood control, and who has probably done more along these lines than any man in the history of the United States Congress. He has made a splendid presentation of this problem that is common to our districts, and I commend him on it.

I hope and trust that sufficient funds will be included in this measure when it is presented to us on the conference report to provide the needed relief for these suffering people along the Yazoo River.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. GAVIN. I heartily concur in the statement made by my good friend the gentleman from Arkansas [Mr. NORRELL]. The work done by the gentleman from Mississippi [Mr. WHITTINGTON] on flood control has won for him the highest commendation of the Members of Congress on both sides of the aisle. The gentleman has made a distinct contribution to the welfare of our country in his work on flood control to afford relief to the people of the Nation who suffer from these devastating recurring floods. I congratulate the gentleman on the fine service that he has rendered over the years, and his record on flood-control work is one of which he can well be proud.

Mr. WHITTINGTON. Mr. Chairman, I am very grateful to my friends for their kind remarks; but, getting back to the matter at hand, which is the need for flexibility in this appropriation to provide for the priority projects, and particularly projects such as I have described and of which I know personally, I want to say that, in my judgment, this project, authorized as it is, this project, begun as it has been begun, is typical of other similar projects. This bill carries $500,000 for emergency work. It has been exhausted. It should be increased to at least $1,000,000. I take pride in that provision. It was authorized in the act of 1936. Under the act of 1947 the appropriation in the bill for emergency work of $3,000,000 applies to every river and every stream in the United States. Whenever there is a flood, the Corps of Engineers is authorized to get on the job and do repair, rescue, and emergency work. The supplemental appropriation, and the amendment I think that this committee would be justified in

approving, ought to be for at least $2,000,000 in the Yazoo Basin. This bill carries $500,000 for emergency work as I have said. My information is that approximately that amount will be spent in fighting these floods along the Yazoo River, to which I have referred.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. NORRELL. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WHITTINGTON. Mr. Chairman, my point is that an additional expenditure of $2,000,000 would be an economy to the Government because approximately $400,000 to $500,000 has been spent along the river which has been subjected to major floods every year for the last 4 or 5 years. What I say with respect to the construction now of works that are needed—that is, priority works—is applicable to other rivers in the country.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the distinguished gentleman from Michigan.

Mr. DONDERO. I simply rise to echo the sentiments that have already been expressed on the floor and also to remind my distinguished colleague from Mississippi that Congress has given the Army engineers an emergency fund of $12,000,000 to do exactly what the $500,000 is to do as provided in this bill.

Mr. WHITTINGTON. I am glad to have my chairman remind me, and I would like at this time to have the debate show, that we appropriated $12,000,000 of that $15,000,000 last year for relief primarily of the northern parts of our country. I voted for that. This bill carries $3,000,000 for emergency work, which is the remainder of the authorization. So that in addition to the $500,000 carried for the lower Mississippi Valley, which should be increased to at least $1,000,000, we have made provision for $3,000,000 for all the rivers of our country which I think is most wise. In addition to that we were called upon to make emergency appropriations primarily for the mid-continent floods of $10,000,000 to $12,000,000 for three successive years prior to 1947. The point I wish to make is that it is essential for the works that are under way along the river on which I live to be carried on. The two contracts for two dams were made about 18 months ago. Fortunately for the Treasury of the United States they were continuing contracts. Provision is made in this bill for carrying on those contracts. If these contracts had to be awarded today the probability is that the cost of construction would be very, very much more. So I insist that the position of the chairman, the gentleman from Michigan [Mr. ENGEL] is correct, that the sound policy to pursue is to provide for the completion of the contracts and the projects that are under way, and for priority works—especially the smaller projects—as he calls them.

In this connection I want to say that the flood-control projects that have been authorized and that are covered by this bill are all sound. The first section of the Flood Control Act of 1936 declared the policy. The benefits must exceed the cost. The Corps of Engineers is vested with the power to advise the legislative committees of the Congress; to advise the Appropriations Committee, impartially representing the Government and the taxpayers. I sometimes think we overlook the debt of gratitude we owe to the Corps of Engineers, the most capable engineers in the world. I want to say a few kind words about the Government agencies that are efficient, at every opportunity. I know of no agency in this Government that is now or has been for more than a hundred years, more efficient than the Corps of Engineers of the United States Army. The Corps of Engineers is rendering more satisfactory service today than it has ever rendered. The Red Cross is on the job in floods. I think it is fair to comment about that fine organization at this time, Mr. Chairman. There were more than 200 boats, some of them large ones, sent to the community in which I live within the last few days. The Red Cross, the War Assets Administration, the Federal Works Agency, the Corps of Engineers, and workers by the hundreds have rendered valuable service. Floods come not always in the sunshine. I remember the great break along the lower Mississippi River in 1927. It was cold and for the past 4 days workmen had been on the job with boots up to their waists, working in raincoats and rain hats on the Yazoo River. They were cold. The Red Cross and the Army engineers have been there in the city of Greenwood and along the Yazoo River to rescue, protect, and aid. The people whom I represent are most grateful.

While the appropriation in the pending bill of $60,000,000 for the Mississippi River and tributaries is intended for the projects in the break-down, as the chairman of the committee, the gentleman from Michigan [Mr. ENGEL] has said, and as the gentleman from South Dakota [Mr. CASE] and the gentleman from Arkansas [Mr. NORRELL] have also said, the Chief of Engineers may add to, or for that matter where he finds that there are more emergency works, take from the break-down as reported in the committee.

On page 14 of the report of the committee, the committee was very careful to say, and I quote:

> The amount recommended in the instant bill for the above items of $60,000,000 reflects a reduction of $10,000,000. There is not a sufficient break-down in the justifications for many of the above items for the committee to indicate just where the reductions are to be made so must rely upon the judgment and fairness of the Corps of Engineers, in which the committee has great confidence, to make the most equitable distribution of the $60,000,000.

While $6,000,000 is in the break-down for the Yazoo Basin, the Chief of Engineers, in his fairness and in his judgment, has the power to make an equitable distribution of the $60,000,000 authorized so as to increase the $6,000,000 programed for the Yazoo Basin by at least a million and a half, or $2,000,000, in the record flood area along the Yazoo River to construct imperatively needed local authorized works for the protection of Greenwood, Belzoni, Yazoo City, and other towns, and for the protection of the farms and for the protection of the people and lands in the area that is now being overflowed along the Yazoo River below the dams. If a flood as high as any that ever occurred is not sufficient justification for the exercise of the discretion and confidence reposed in the Chief of Engineers, it would be difficult to imagine a condition that would cause the Chief of Engineers to increase the tentative allocation for the Yazoo Basin. As a matter of fact, and as the chairman of the committee, the gentleman from Michigan [Mr. ENGEL], has said, there have been transfers in the past. Personally, I believe that there is a better way than for the Chief of Engineers to exercise the discretion invested in him. That better way is for Congress to increase the appropriation so as to provide for the works contemplated as shown in the break-down of the Chief of Engineers for the lower Mississippi River and tributaries, and to provide in addition to the $60,000,000, at all events, from $1,500,000 to $2,000,000 additional, which I am informed by the office of the Chief of Engineers will be required for the protective works of the city of Greenwood and for other protective works below the city of Greenwood, and in the Greenwood area. While the committee feels that it cannot approve an additional million and a half or two million dollars, the intent is clear that the Chief of Engineers has authority and that in the case of major floods he is justified in exercising the discretion to increase the amount allocated to the Yazoo River Basin by additional funds from the total of $60,000,000 to provide for the imperatively needed authorized works below the dam, including the protection of the city of Greenwood.

The $6,000,000 for the Yazoo Basin contemplated at least $5,000,000 for continuing the building of the Grenada and Enid Dams, and $700,000 for the Greenwood protective works. It also contemplated funds for the acquisition of lands in the reservoir areas. As I stated in the hearings before the committee, I believe that the lands in the reservoir pools, in the order of their priority, should be acquired at the earliest practicable date, and I have urged that funds be made available for this purpose.

I would like to summarize by saying that the authorized project along the Yazoo-Tallahatchie-Coldwater River system consists of four reservoirs to be supplemented by levees and channelization below the reservoirs. Two of these reservoirs are in the upper Yazoo Basin. They have been completed. They are known as the Sardis and Arkabutla Reservoirs. While there have been high waters, there have been no record floods below these two dams. The Enid and Grenada Dams are under way. If they had been completed and if the works authorized along the river below the dams had been constructed, the damages and destruction of the present major flood would not have occurred. The least that can be done for the people who have suffered overflows from five successive, excessive floods during the last 5 years, with record floods in 1946 and 1948, is to provide for the prompt completion of the dams and the immediate construction of protective works in the Green-

wood area, and in the construction of other works authorized below the dams.

I understand the parliamentary situation. The committee states that the Chief of Engineers can distribute the $60,000,000 so as to provide not only for the $6,000,000 for the Yazoo River system, but to supplement that by sufficient funds to construct the Greenwood project and to do additional construction of authorized projects below the dams. I agree with that interpretation, but I repeat that in fairness to the break-down the better course would be to increase the appropriation for the construction of the authorized projects below the two dams. Economy to the Government would result. I trust that this will be done in the other body, for under the parliamentary situation it is evident that the increase cannot be obtained in the House. I repeat that the emergency appropriation of $500,000 carried in the pending bill should be increased to at least $1,000,000. I believe that hearings in the other body will also justify this increase.

I trust that before this bill is finally presented to the President, in the interest of economy and to prevent a repetition of losses such as I have described during the next fiscal year, that the provision for the lower Mississippi River and tributaries, providing as contemplated, $6,000,000 for the Yazoo Basin to which I have already referred, will be increased by at least $2,000,000 to provide for the construction of authorized projects below those two dams, already authorized, essential to supplement those two dams when they have been completed. When I say that I also want to say that if between now and the time this bill is considered by the other body it should be brought to the attention of the Congress, in the other body, that a comparable flood has occurred along another river in another part of the country, while I am human and interested in the area I represent, I trust that I am unselfish enough and that I am liberal enough to continue the policy that in my humble way I have been pursuing throughout the years, to advocate that comparable protection be accorded to those areas.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WALTER. Several years ago the gentleman's committee reported favorably a bill that provided for a project for the Lehigh Valley. In this present appropriation the sum for engineering has been increased over the budget estimate. The amount contained in the bill will enable the engineers to complete all of the engineering. Does not the gentleman think the committee should approve the work done by the Appropriations Committee so that the entire engineering work can be completed without further appropriation?

Mr. WHITTINGTON. I believe the gentleman has made his case, and his argument carries with it its own answer. I agree with the gentleman, in his view.

I just want to say with respect to the committee that through the years I have supported it. I have worked with it. Through the years, if you will pardon a personal word, the House has supported the bills that I have reported for authorization of flood-control projects. I think I can say that those bills through the years and for many years authorizing projects were passed by the House session after session without amendment. I trust that the pending legislation, flexible as it is, will always be continued and always be construed so as to provide flood protection for the lives and the property of the people of the United States no matter when or where the flood disaster comes, by the construction of authorized projects in areas subjected to major floods, as is the case, on the Yazoo River.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Mississippi yields back 1 minute.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the chairman of our subcommittee suggested that I say a few words about the cemetery program as reported in this bill. Before I do so, however, I wish to pay my own respects to the work which the gentleman from Michigan [Mr. ENGEL] has done as chairman of this committee, the work which the clerk, Mr. Lambert, has done, and the work which the distinguished gentleman from North Carolina [Mr. KERR] has done. They have given us excellent leadership and the benefit of their years of experience in the handling and preparation of this bill. This is not an easy bill to prepare because there are so many interests of various Members from all over the country; and the problem of the committee has been to try to find an equitable handling of the various situations that have arisen.

I wish to speak of the various national cemeteries that are appropriated for in the bill. The Members will recall that there are three types of cemeteries which are administered by agencies of the Federal Government for those who have served in the armed forces of our Nation. One is the national cemetery with which we are concerned in this bill. A second is the military cemetery on foreign soil which is administered by the American Battle Monuments Commission. Those cemeteries are appropriated for in the bill dealing with the independent offices of the Government. Then there is also the cemetery on the land of the Veterans' Administration facilities which is administered by the Veterans' Administration. Those also are appropriated for in the bill handling the independent offices of the Government.

In this bill, however, we appropriate for national cemeteries, and here again the national cemeteries covered by the funds in this bill break down into two categories: One, the sectional cemeteries in the States in continental United States, and the other, national cemeteries in the Territories and islands. With the returned bodies of our World War II dead now coming from overseas the development and improvement of many of our national cemeteries to receive them has become a primary obligation of the Nation, and I believe that the Members of the House and the country generally will applaud the decision of the committee not to reduce any of the estimates submitted in behalf of national cemeteries in the United States. So we allowed the full amount for the program on headstones and for the program of the various cemeteries in the States. You will find a table of this work listed on page 2.

When we came to consider the other category we had a definite problem on our hands because last year there had been some estimates for new national cemeteries in some of the islands and the committee was bothered by the extraordinary cost that was proposed for their development.

There was the high cost of grubbing and cleaning the land, the high cost of grading, and the high cost of putting in trees, shrubbery, and a flagpole. The chairman, I think, will recall one flagpole was estimated to cost $7,000.

Mr. ENGEL of Michigan. The flag pole at Hawaii was estimated at $3,500, at Puerto Rico $5,000, and Alaska $7,000. Incidentally, the $5,000 flagpole for Puerto Rico has dropped down to about $3,500.

Mr. CASE of South Dakota. In any event the proposals based upon the costs that were submitted last year were not allowed and a further study was made. In the present bill the committee is proposing funds for the establishment of two national cemeteries in the islands, one in Puerto Rico for the Atlantic area and one in Hawaii for the Pacific.

The Puerto Rico cemetery is proposed for an initial development that will take care of 3,600 graves plus reserves at an ultimate cost of $1,480,000. Of that amount $368,000 was requested for work this year, which is being allowed.

In allowing this amount the committee wishes to call attention to the fact that the estimates for grading, topsoil, seed, landscaping, care, grubbing, and so forth, amounted to approximately $19,660 an acre, which seemed to us to be very high; so while the committee allowed the amount requested for the Puerto Rico cemetery, we are admonishing the Cemeterial Division of the Army that in doing the work we think they should reduce the itemized cost more than here projected.

The main problem that the committee had was in determining what should be done in the Pacific. There were two cemeteries proposed, one in Guam and one in Hawaii. In Guam the ultimate development cost was estimated at $1,350,000, which would not include any collateral cost to provide hotels or facilities for next of kin to visit the cemetery if they wanted to. The climate in Guam is several degrees hotter than Hawaii, and it is not exactly a place one would make a trip to for consolation or for pleasure. And it would require a round trip of 7,600 miles beyond Hawaii.

The committee went into the picture presented for Hawaii at considerable length, particularly the so-called punchbowl area, which is the bowl of an extinct volcano above the city of Honolulu. It is a site that was most unusual and recommended itself to the committee. While the initial cost of grading is

high, the land either belongs to the Federal Government or is being donated, so that the ultimate cost should not be too high when the number of graves is considered.

I have here a design prepared by the engineer for the Cemeterial Division which shows the modified plan as the Cemeterial Division proposes on the basis of the recommendations in our bill and report. Originally it was suggested that a cemetery be developed for 16,000 graves with 3,000 graves for reserves.

Upon reexamination and further study the engineers decided at the request of the committee that they could provide an additional 8,000 graves for $150,000 so that there would be the possibility of accommodating 27,400 burials in graves and in reserves, which is what the committee has recommended. In doing so we have allowed more money than was requested originally for the Hawaii cemetery. That is for the present year. The ultimate development at Hawaii will cost $1,535,000. The budget estimate was for $653,000 initially, but when we talked with the Cemeterial Division about the possibility of developing this on a larger scale, they said it would be desirable to develop this year some of the phases proposed for later on, so we have allowed their suggested figure of $1,172,000 for the economical prosecution of this cemetery in Hawaii, contemplating that those bodies included for burial in Guam would also be buried here, and leave a reserve of over 8,000 in case all of those who are put there. It is possible that some of those will not be put there, but in any event, that makes possible a saving in the funds requested for this year for the two cemeteries of $296,402. In the ultimate cost of the two cemeteries it will mean a saving of $1,200,000.

This chart or map design here, I think, will suggest to the Members something of the beautiful plan that is possible for the cemetery at this site of the bowl above the town of Honolulu. Some members of the committee have seen this site in years gone by, and we are convinced that this will become one of the great patriotic shrines of the Nation. From the rim of the bowl you can look down upon Pearl Harbor, where the war in the Pacific started. It is high above the city. It is well drained. In the Hawaiian tongue, the hill is Puo-Waina—I am not sure of the pronunciation, and perhaps the Delegate from Hawaii will correct me—but the meaning of the words which the native Hawaiians ascribe to this bowl is The Hill of Sacrifice. It is the proposal of the committee that this become the national memorial cemetery of the Pacific. In the city of Honolulu there are ample facilities for the taking care of the next of kin who will want to go there to visit the cemetery in which their loved ones are buried. The funds are made immediately available and we hope that the project can proceed to prompt development.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I yield such time as he may desire to the Delegate from Hawaii [Mr. FARRINGTON].

Mr. FARRINGTON. Mr. Chairman, I merely want to supplement the presentation of the gentleman from South Dakota by saying that the selection of this extinct crater as the site for this national memorial cemetery has been the object of a great deal of study over a period of some 5 or 6 years. The selection of this site has the approval of the government of the Territory, the City Planning Commission of the City of Honolulu, and of all the veterans' organizations. I think that everyone who has examined it—and that includes several Members of the House itself—agrees that this will develop into more than a cemetery. It will develop into a shrine, very appropriately situated at the point where the war started.

I want to add only one more fact, and that is that the urgency of developing this cemetery is self-evident from the fact that there are at the present time several thousand bodies above ground in Hawaii awaiting burial. It is imperative that this decision be reached and that these bodies be properly interred.

The adoption of this provision of the bill as reported by the committee will make this possible. I am strongly in favor of it.

This site, known to the native Hawaiian people as Puo Waina, or Hill of Sacrifice, will become, by the expenditure of this fund, a memorial cemetery in which every American can take pride.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. TIBBOTT].

Mr. TIBBOTT. Mr. Chairman, the Subcommittee on Civil Functions began its hearings on the bill before us on January 12. The hearings were completed several days ago.

The committee has given broad consideration to the amounts requested by the Board of Army Engineers for the need in the construction of and for flood-control projects for the fiscal year 1949. Under the very able leadership of our hard-working chairman, the gentleman from Michigan [Mr. ENGEL], we have arrived at an over-all estimate which should, in the coming year, give the most economical effect of the projects in this bill.

While the increased cost in the projects is higher than last year, yet there is no doubt but what there is justification for such. Under this year's construction of flood-control projects there will be found the largest Congress has ever directed the Board of Army Engineers to undertake. Gen. R. A. Wheeler, chief, Corps of Army Engineers, and his able assistant, Colonel Feringa, are to be highly complimented for the scholarly manner in which they helped the committee. General Wheeler is a remarkable person and one in whom the committee has explicit confidence.

We believe the items in the report are most essential at this time. We have tried to arrive at an equitable solution of all the problems presented to us. Major floods occur from time to time. They are certain to recur. Just when they will happen we cannot predict. The committee believes that what it has accomplished this year will go a long way toward progress on civil functions in completing projects beneficial to commerce and the security of the Nation.

Take for instance the upper Ohio River Valley, the waters of which are made up largely of the Allegheny and Monongahela Rivers and their tributaries. From these two rivers come the waters which cause floods in Pittsburgh, a very vital section of the country, especially from the viewpoint of production and defense.

For the Conemaugh Dam, the construction of which should be completed with the least practicable delay, there has been appropriated for the fiscal year of 1949, $7,875,000. It is most urgent the work on the Conemaugh be carried forward before the approach of a devastating flood such as we witnessed in 1936. The country cannot afford to have recur a flood of such effects in Pittsburgh and the construction and completion of this project will give not only to this section of Pennsylvania, but to the Nation as well, the protection and assurance to which the country is entitled.

The Army engineers have assured us that all the projects in the bill before us are economically justified. The ever-growing population of this country should not be denied now the protection that the completion of the projects will give to the health, safety, production, and defense of the United States. There is no question but what rivers and harbors are among the Nation's most valuable contribution to the general welfare of our people. Rivers and harbors are the property of the people. These properties must be protected from overflowing waters if we are to guard the safety and health of our populace. Protection against flood waters is vitally essential to industry, the backbone of our economy. There are some projects in this bill which have met with a paring of appropriations; however, none of the reductions will seriously hinder completion of the projects. The efforts of the committee were in the direction of completing the projects in the shortest possible time and to have this done at the least feasible expense.

The Corps of Army Engineers have a tried standard and method of awarding contracts. In my opinion their procedure is practical and for the best interests of the United States. Methods of advertising the work and awarding the contracts to the lowest bidder are followed strictly. They insist upon an adequate number of bidders. Their specifications are carefully gone into by holding conferences with contractors prior to opening proposals for large projects, thus they have been able to award contracts to the best advantage of our Government.

I would like to dwell for a moment on appropriation of funds for the Panama Canal. We must face the fact that the Canal is vulnerable in the event of an emergency. Since we are now living in an atomic age, the Isthmus of Panama could, from a bombardment, be wiped out within short order. It is for defense purposes that we must consider the se-

curity of this hemisphere in times of war. The main functions of the Canal, as we know it, is that of transit of vessels from the Atlantic to the Pacific and vice versa. While the combined operations are largely those of a commercial business from which large revenues are received, yet military and naval establishments on the Isthmus are extremely important. The estimates for the Panama Canal, fiscal year 1949, are prepared to maintain the highest degree of efficiency to meet the necessary services. The capital assets of the Canal exceed $700,000,000 and included therein are structures which are depreciable and which have been in use for about 30 years. Having a value of over $100,000,000 replacement of these structures should go forward and improved facilities of various kinds are in order with the least practicable delay.

The principal revenue from the Panama Canal is derived from tolls which amounted to $17,642,146.24 in the fiscal year 1947 as compared with $14,791,807.14 in 1946. During the last year or two traffic through the Canal has settled to what may be considered reasonably normal. A study is being made of the tolls in the Canal Zone at this time, by the Governor with the possibility of recommending an increase of tolls to the full amount permitted by law. The testimony of Governor Mehaffey before the committee is to the effect that the deficits which he estimates for the next couple of years could be wiped out by an increase of approximately 10 cents a ton or loaded ships. A deficit which it is estimated will occur within the next year is approximately $300,000. This increase of cost would be assessed against commercial shipping. The ships of the American Navy and of the United States Government use the Canal without the payment of tolls.

One of the important problems in the Canal Zone is that of hospitals. Gorgas Hospital was built over 25 years ago, at a time when clinic practice was of minor importance. Now with the tremendous traffic in and out of the hospital it has become so congested that a bottleneck is usually present. Limited space in the various clinics makes it necessary to use corridors off of wards as reception rooms, thus noise and confusion throughout the hospitals disturbs sick patients. The proposed improvements will provide much needed facilities at Gorgas Hospital.

The committee was confronted with the recent rejection by the Panamanian National Assembly of an agreement permitting the United States to occupy and use certain defense sites outside the Canal Zone. Under such circumstances, the committee believes that the expenditure of great sums of money in the Canal Zone for improving and expansion of existing facilities is not justifiable as long as the Canal and other vital installations cannot be properly defended. If it were not for these circumstances I would feel inclined to favor a program of housing to replace the wooden structures greatly needed for the efficient operation of the Canal.

We had before us estimates on national cemeteries at Puerto Rico, Guam, and Hawaii. At Hawaii the proposed site was one of the most outstanding in that part of the world for a memorial cemetery. It is a bowl of an extinct volcano crater overlooking the city of Honolulu. From its rim one can see the vast Pacific. Immediately below is Pearl Harbor where the Second World War started for the United States. The bowl is known as the Hill of Sacrifice. Each year on Easter Sunday morning large crowds gather there for sunrise services. It is not difficult to visualize the time when the National Military Cemetery of the Pacific will be one of the Nation's shrines. In the face of all the evidence presented to us showing a lack of facilities at Guam, which is some 4,000 miles from the mainland, the committee deemed it advisable to recommend a merger of Guam and Hawaii cemeteries in Honolulu as the National Military Cemetery of the Pacific.

TENNESSEE-TOMBIGBEE INLAND WATERWAY

Mr. KERR. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I was very much interested in what the distinguished gentleman from Pennsylvania [Mr. TIBBOTT] said about national defense.

I propose to offer an amendment at the proper time for $1,500,000, the amount recommended by the Bureau of the Budget, to begin the construction of the Tennessee-Tombigbee inland waterway, the most important waterway development of its kind that has ever been proposed in this country; both for domestic transportation and national defense.

For more than 150 years we have been trying to develop a slack-water route from the Gulf of Mexico to the Great Lakes. About a year ago, or a little more, people along the Ohio River started a movement to try to find some way to construct an outlet to the Atlantic Ocean. Those problems will be entirely met when this project is developed.

It has already been authorized by both Houses of the Congress on record votes and signed by the President. It is now authorized by law, and that law is not going to be changed.

All we are asking for now is a reasonable appropriation with which to begin this construction. It not only means more to us from the standpoint of transportation, but, as I said, it means more from the standpoint of national defense than any other project of its kind that has ever been proposed.

I want to talk to you for just a few moments and explain what this project really means.

From Cairo, Ill., to New Orleans, La., is 869 miles downstream. You still have not reached the mouth of the Mississippi River, which is more than a hundred miles away. That stream flows on an average of 2½ miles an hour. Coming down you have no trouble. It is a joyride; but when you start back, sometimes you will find that river flowing 5 or 6 or 7 miles an hour. A barge can only move about 5 or 5½ miles an hour in still water. So when that river is half or two-thirds full you will burn up all the gasoline in Louisiana and not move a peg. You will do well if you keep from going back downstream.

They have attempted for years and years to find a way to construct a slackwater route up the Tombigbee River into the Tennessee. The Tennessee River is on a plateau about 100 feet above the Tombigbee, 25 miles away, but between them is a sand ridge, with no water supply at the summit. They would have had to put in locks going up from the Tennessee as well as locks going up from the Tombigbee. You cannot operate locks to lift water traffic to a higher level without a water supply at the summit. But in 1938 the Tennessee Valley Authority built the Pickwick Dam, just below the mouth of the Yellow River, where this project connects with the Tennessee River.

That raised the water level about 55 feet. The Army engineers made a new survey and, as I have told you before, they came back the most enthusiastic group I have ever seen. They said: We have found now that we can cut through that sand ridge, put the summit of this project in the Tennessee River and have all the water we will ever need. With the 18 lakes and dams that will be constructed between the Warrior River and the Tennessee, it will give us a slackwater route along the Tombigbee from Mobile to the Tennessee River, 481 miles. Then you have a downstream route, down the Tennessee River all the way to Paducah, Ky., 215 miles, and then down the Ohio River 47 miles to Cairo on the Mississippi.

The traffic will then move counterclockwise, come down the Mississippi, go across along the intercoastal waterway to Mobile, then up to the Tennessee and down the Tennessee to the Ohio, and then down the Ohio, into the Mississippi at Cairo. That will provide a slackwater route from Mobile all the way to Pittsburgh, Pa., because they have a slackwater route on the Ohio River. There are 46 lakes and dams between Cairo and Pittsburgh, which provide a slackwater route these barges can use almost as easily as they can go along the intercoastal waterway.

It will also equal a slackwater route from the Gulf of Mexico to Chicago, because the 262 miles downstream from where we strike the Tennessee River to Cairo will offset the 218 miles upstream from Cairo to the mouth of the Illinois River. Then we have a slackwater route up the Illinois River into the Great Lakes at Chicago.

If this waterway were in operation today, the people along the Atlantic seaboard would not be suffering for want of fuel with which to heat their homes.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HESELTON. Will the gentleman explain how you get across to the east coast. Is it through an intercosatal waterway? Can that not be carried through across North Carolina?

Mr. RANKIN. No; but these barges can go up this route to the Great Lakes, and can then be carried by boats or barges through the Great Lakes and down the Erie canal.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. NICHOLSON. Is this a navigation proposition entirely, may I ask the gentleman from Mississippi?

Mr. RANKIN. It is entirely navigation, it does not have any power development connected with it.

Again, this equals a slackwater route up the Mississippi River to St. Paul and Minneapolis on the Mississippi. Every barge that comes down loaded with wheat or grain or other agricultural products from Nebraska, Iowa, North, and South Dakota, Montana, anywhere else in that area, when it gets down to the coast and starts back loaded with materials those people need, it will reap the benefit of this slackwater route.

In other words, if we had had this slackwater route for the last year, your people in the Northeast would not have suffered for want of oil this winter. You could carry this oil in barges into the Great Lakes and around through the Erie Canal if necessary and then down to the east coast where people are suffering.

Let me point out to the gentleman that right here in Mississippi [indicating on the map] just across from Demopolis, we have discovered one of the greatest oil fields in the world; and the only oil well that has ever been brought in east of the Mississippi River that produces a thousand barrels a day in Jasper County, Miss., a short distance from Demopolis.

Let us see what that would mean. Here is a barge [indicating] coming down from Pittsburgh loaded with materials produced in that area. That barge has 14,000 tons of freight on it. Here is another coming out of the Great Lakes loaded with automobiles. They probably came from Michigan. Here is another one coming down the Mississippi River. Each of these barges carries 14,000 tons of freight. Do you know what it would mean if those barges went back from New Orleans to Cairo, Ill., along this slackwater route? They would each save $9,800 on their fuel bills alone.

Here is a table worked out by the Army engineers showing what the savings of this great project will amount to for upstream traffic:

From—	To—	Via Mississippi, per ton	Via Mississippi, per tow of 3,500 tons	Via Tombigbee-Tennessee, per ton	Via Tombigbee-Tennessee, per tow of 3,500 tons	Average savings per ton	Average savings per tow of 3,500 tons	Average savings per tow of 14,000 tons
Houston, Tex	Cairo	$2.34	$8,190	$1.94	$6,790	$0.40	$1,400	$5,600
	Paducah	2.42	8,470	1.88	6,580	.54	1,890	7,560
	Tombigbee-Tennessee junction	2.74	9,590	1.60	5,600	1.14	3,990	15,960
New Orleans, La	Cairo	2.02	7,070	1.32	4,620	.70	2,450	9,800
	Paducah	2.10	7,350	1.26	4,410	.84	2,940	11,760
	Tombigbee-Tennessee junction	2.42	8,470	.99	3,465	1.43	5,005	20,020
Mobile, Ala	Cairo	2.39	8,365	.95	3,325	1.44	5,040	20,160
	Paducah	2.47	8,645	.89	3,115	1.58	5,530	22,160
	Tombigbee-Tennessee junction	2.79	9,765	.62	2,170	2.17	7,595	30,380
Port Birmingham, Ala	Cairo	2.96	10,360	.95	3,325	2.01	7,035	28,140
	Paducah	3.04	10,640	.89	3,115	2.15	7,525	30,100
	Tombigbee-Tennessee junction	3.26	11,700	.62	2,170	2.74	9,590	38,360
Demopolis, Ala	Cairo	2.68	9,380	.67	2,345	2.01	7,035	28,140
	Paducah	2.76	9,660	.61	2,135	2.15	7,525	30,000
	Tombigbee-Tennessee junction	3.08	10,780	.34	1,190	2.74	9,590	38,360
Columbus, Miss	Cairo	2.83	9,905	.51	1,785	2.32	8,120	32,480
	Paducah	2.91	10,185	.45	1,575	2.46	8,010	34,440
	Tombigbee-Tennessee junction	3.23	11,305	.17	595	3.06	10,710	42,940
Aberdeen, Miss	Cairo	2.88	10,080	.46	1,610	2.42	8,470	33,880
	Paducah	2.96	10,300	.40	1,400	2.56	8,960	35,840
	Tombigbee-Tennessee junction	3.23	11,480	.13	455	3.15	11,025	44,100
Fulton, Miss	Cairo	2.93	10,255	.41	1,435	2.52	8,820	35,280
	Paducah	3.01	10,535	.35	1,225	2.66	9,310	37,240
	Tombigbee-Tennessee junction	3.33	11,655	.08	280	3.25	11,375	45,500

You will see that if this bargeload went back to Paducah, Ky., and that means at any place from Paducah to Pittsburgh, Pa., it would save $11,760 on its fuel bill alone.

Much of the raw material you take into that area comes from South America. It comes through Mobile. One of these barges of 14,000 tons going from Mobile to Pittsburgh, Pa., or any point on the Ohio River, would save $22,160 on its fuel bill alone.

If it went to Cairo, and that means to any point on the upper Mississippi or the Illinois River into Chicago, it would save more than $20,000 on its fuel bill alone.

If it went into the Tennessee River, up to, we will say, our defense plant at Oak Ridge, it would save about $30,380.

Mr. Chairman, the greatest defense project the world ever saw, one that means more to us than all the navies the world can build, is the atomic-bomb plant at Oak Ridge, Tenn. We have spent over $2,000,000,000 on that plant. Not only do we have to take in the materials, but we have to take in the supplies for the people there.

This project will cut the water distance between Oak Ridge and the Gulf of Mexico by 786 miles, or approximately 800 miles. It will give us a slack-water route all the way from the Gulf to Oak Ridge, because it would give a slack-water route into the Tennessee River and we have a slack-water route from there to the Oak Ridge plant just outside the city of Knoxville.

Nobody knows what is ahead of us. You talk about Nero's fiddling while Rome burned. It seems to me that an intelligent Congress cannot afford to refuse a meager appropriation to start construction on this project now, a project that has been approved by every board of Army engineers that has studied it for the last 10 years, and has the unqualified support of General Reybold, Chief of Army Engineers a year or two ago, and the unqualified support of General Wheeler, the present Chief of Army Engineers.

It has been authorized by Congress in a provision that passed this House by a good majority, and passed the Senate by a vote of more than 2 to 1.

All we are asking is $1,500,000 to begin this work.

There will be 18 dams, as I said, between the mouth of the Warrior River and the Tennessee, which is only about 250 miles. Suppose you were shipping this material from the mouth of the Warrior River, where the navigation now stops, you may say. Going from there to Cairo, one of these barges would save $28,140 on its fuel bill alone. Going to Paducah, Ky., it would save $30,100. Any bargeload of 14,000 tons going from that point to any point on the upper Ohio River would save $30,100. If it were going to Oak Ridge, or to any other point on the Tennessee River, it would save $38,360 on its fuel bill alone.

There are several hundred million dollars in this bill that have not been approved by the Budget at all. I am not objecting to their development. I stand foursquare for the development of the waterways of this Nation from one side of the country to the other. If they had taken my advice 10 years ago, you would not have so much trouble along the Atlantic coast today. I have gone through this fight for the Tennessee River, for the Columbia River, for the Missouri River, and for every other major stream in the country.

Here we have a project that means as much to Pennsylvania as it does to Mississippi; it means as much to Ohio or Indiana. It means as much or more to Illinois than it does to Mississippi. It means as much to Missouri and Kansas and Iowa and Nebraska and all of those States in the Northwest, and it will mean much to the States along the Great Lakes, on around to Massachusetts where conditions such as you are now confronted arise.

All I am asking now is that you give us an appropriation of $1,500,000, just what the Bureau of the Budget asked for, so that we may start this construction now, because it is just as sure to come some time as night follows the day, and the sooner the better.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. BREHM. Did the gentleman appear before the committee and present his case?

Mr. RANKIN. Yes; I did.

Mr. BREHM. What reaction did they give?

Mr. RANKIN. Well, I just went before the subcommittee and asked for the appropriation, and it seems it was left out, and that is the reason I am making this motion now. I am going to offer this amendment to put this amount in the bill. The Army engineers asked for $5,735,000, but the Bureau of the Budget cut it down to $1,500,000 to begin the work.

Mr. BREHM. Will that do the job?

Mr. RANKIN. And that is all I am going to ask for now, $1,500,000. It will get the work started.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Every river development, of course, must have its economic justification, and I am approaching the examination of this question in the light of the two questions the gentleman raised, namely, first, the freezing up of New England. Let me say that a very large source of our petroleum products come from the Gulf coast, east Texas, Louisiana, and Mississippi. How is this project going to help them out?

Mr. RANKIN. It will give you a slack water route into the Great Lakes, and that oil would be carried through the Great Lakes and right on to New England.

Mr. BATES of Massachusetts. It is not a question of our rivers freezing up. It is a question of us not being able to get oil, and we need oil now. How is this project going to get us oil?

Mr. RANKIN. It will give you a slack water route through from the Gulf to the Great Lakes.

Mr. BATES of Massachusetts. We do not need any transportation route. What we need is oil at the source.

Mr. RANKIN. We are ready for you. We have plenty of it.

Mr. BATES of Massachusetts. Where is it?

Mr. RANKIN. In Mississippi, Louisiana, Texas, and other States in that area.

Mr. BATES of Massachusetts. Well, that is on the Gulf coast.

Mr. RANKIN. I cannot move the oil fields, but we can give you a route to get it up there to you.

Mr. BATES of Massachusetts. I am trying to find out just how this development is going to help any when the oil we get comes from the Gulf coast. The building of a waterway from the Gulf to the Great Lakes is not going to help us get oil when there is no oil to get.

Mr. RANKIN. Oh, there is plenty of oil.

Mr. BATES of Massachusetts. That is our problem.

Mr. RANKIN. There is plenty of oil there.

Mr. BATES of Massachusetts. Where is it?

Mr. RANKIN. In Mississippi, Louisiana, Texas——

Mr. BATES of Massachusetts. We had two tankers within the last week that the oil companies had to give up because there was no oil at the source in Texas, Louisiana, Mississippi, and they had to cancel the tankers.

Mr. RANKIN. Well, they evidently misinformed the gentleman, because Mississippi produces now 113,000 barrels of oil a day.

Mr. BATES of Massachusetts. Does the gentleman know where there is oil in Mississippi today that an empty tanker can go down there to and load it and bring it up to New England?

Mr. RANKIN. If you had these oil barges to touch this area here, you could get oil and carry it on through to the Great Lakes—take it around and down the Erie Canal, if necessary.

Mr. BATES of Massachusetts. Let me ask the gentleman a second question.

Mr. RANKIN. Let me finish this first one, please. I want to say to the gentleman from Massachusetts that today we do not have an intercoastal waterway all the way around. You cannot take an intercoastal barge around the Florida Peninsula, because you have to go out into the open sea. Now, these barges can come along the intercoastal waterway and up this Tombigbee inland waterway into the Ohio and Mississippi and up the Illinois River into the Great Lakes. But you are shut off. The only thing you have is tankers. That is the only way you can get oil now.

Mr. BATES of Massachusetts. We have 140,000-barrel tankers that are ready to go down there immediately to get oil.

Mr. RANKIN. I am going to tell you frankly, I am sorry to say this, because I sympathize with you, but you are going to have that condition for years to come unless this inland waterway is provided.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. KERR. Mr. Chairman, I yield five additional minutes to the gentleman from Mississippi.

Mr. BATES of Massachusetts. Now, a second question, in regard to the economic justification. If we build these waterways, the gentleman says it will save transportation costs.

Mr. RANKIN. Yes.

Mr. BATES of Massachusetts. Will it result again in increased railroad rates, rates such as the Interstate Commerce Commission has recently approved for the railroads?

Mr. RANKIN. I do not think so. Colonel Feringa went before the committee the other day and reiterated the statement that it was not only economically justified but that it was more economically justified today than it was when the proposition was first authorized by Congress.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mr. HESELTON. Will the gentleman state how far south the waterway is frozen now?

Mr. RANKIN. Frozen? With ice?

Mr. HESELTON. Yes.

Mr. RANKIN. There is no ice in that area.

Mr. HESELTON. In that whole area?

Mr. RANKIN. No.

Mr. HESELTON. It is navigable clear through the winter?

Mr. RANKIN. If that waterway were in there, you could go right into the Great Lakes right now.

Mr. HESELTON. But the Great Lakes are frozen.

Mr. RANKIN. There may be some frozen areas in the Great Lakes now, but if you had this waterway opened up you could carry the oil and have it stored. You are going to have to do that at any rate. That is what you have been doing with your coal.

Mr. HESELTON. Where is the storage space?

Mr. RANKIN. Anywhere you want to construct it. You have your storage wherever you want it. You have all spring, summer, and fall to carry this oil and to prepare for the next winter.

Mr. HESELTON. We have available 1,500,000 barrels storage in New York harbor area today. We can pick that up by tankers because the ocean is navigable there. How can we bring it up on the Tennessee and through the Ohio?

Mr. RANKIN. Take it through the Illinois River and up through the Great Lakes.

Mr. HESELTON. They are frozen.

Mr. RANKIN. They may be frozen now, but that is for only a short period of the year. You have to make the preparations before the winter comes.

Mr. BATES of Massachusetts. It is like a squirrel laying up nuts.

Mr. RANKIN. You are going to have to prepare for winter before it bears down on you.

But remember Massachusetts is not the only State involved.

This will benefit not only your area but, as I said, it will benefit everyone along the Great Lakes as well as along the Ohio, the Mississippi, the Illinois, the Missouri Rivers and their tributaries. It will give us a completed inland-waterway transportation system the like of which the world has never seen.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Has the gentleman any comparative costs between bringing it through this inland route to New England as compared with bringing that same amount of oil by tanker to New England?

Mr. RANKIN. For the same distance the cheapest way to transport oil is by tankers, the next is by barges, and the next is by rail.

Mr. SEELY-BROWN. This is a shorter distance.

Mr. RANKIN. I understand, but these inland oil fields here would be in a position to supply these barges that are going up into the Ohio, up into Illinois, up into the Missouri, up into the Great Lakes, or the upper Mississippi with all the oil they would want.

Mr. Chairman, I submit that this amendment should be adopted.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. May I ask the gentleman from Mississippi how it is going to help me in Massachusetts or my neighbors in Rhode Island and Connecticut to send this stuff through the Great Lakes?

Mr. RANKIN. All the stuff does not have to go through the Great Lakes. You take Wisconsin and Minnesota. Every one of you men take the map and see how many of your districts this inland waterway touches. You will be surprised—all the way up to Minneapolis and St. Paul, everybody along the Missouri River, everybody along the Illinois, everybody along the Ohio and the Tennessee. As I said, it will be one of the greatest assets we can have for our defense plant at Oak Ridge. Let us not wait and have a Pearl Harbor at Oak Ridge. We are going to need this outlet, this ingress and egress by water, this slack-water route into Oak Ridge, and we should begin its construction now.

They will tell you there is rail transportation to Oak Ridge. But think how easy it would be for some of the enemies within our gates to disrupt traffic on that road. Besides, we need them both.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. A gentleman from one of the Eastern States, I think Massachusetts, asked the question just a moment ago how this would benefit them up there.

Mr. RANKIN. I have explained that.

Mr. WILLIAMS. I know the gentleman has, but he left out one thing that I think he should bring out, what I consider the most important thing about this whole Tennessee-Tombigbee project, and that is that it will force the freight rate down and save them money on the stuff that we have to ship up there to them.

Mr. RANKIN. Not only that, but it will enable them to take advantage of the swift current of the Mississippi River for the downstream traffic to carry the material that they ship to us.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BATES of Massachusetts. We would be very much interested in that if that were the case, but the Interstate Commerce Commission has increased the railroad rates to the East only within recent months. I presume they would not increase the rates if it was not necessary to increase the revenue of the railroad. To take away more revenue from the railroads as a result of the freight going to river haul would only result in higher freight rates.

Mr. RANKIN. Let me say to you Members who are behind the "iron curtain" of discriminatory freight rates in the Middle West, the West, and the South that you had better join in and help us put this amendment on the bill. It will be of unlimited benefit to your people, as well as to the people in the areas I have mentioned.

How can you vote this amendment down, deny this benefit to our own people, and then burden them with appropriations of billions of dollars to be given to foreign countries?

Patriotism begins at home.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I join with my colleagues in words of praise and commendation of this committee for the work that they have done on this bill. It is an arduous and difficult task preparing an appropriation bill. I pay particular praise and respect to the chairman of the subcommittee, the hardworking, able, and diligent member from the Muskegon, Mich., district, my warm friend, the gentleman from Michigan, ALBERT J. ENGEL. My district does not have a dollar in this bill. It does not have a single project in this bill, yet I rise in support of it. At least the money that is provided for in this bill will be spent in the United States and will be of some benefit to the people of the United States. The amount of the reduction which the committee was able to achieve is about 21 percent under the amount requested.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. MAHON. The gentleman understands that in reducing appropriations for certain Government agencies actual savings can be made but that in reducing the amount of money to be applied on a given project, say by 40 percent, as is approximately the reduction in this whole bill, no over-all saving is made, and if there is too much delay an actual loss will be incurred.

Mr. DONDERO. I get the gentleman's point. I am not making this observation in criticism of the committee. The point I do want to stress is that upon the whole I think the people of the United States, generally, are disappointed and dissatisfied with the amount of reduction in the expenditures of public money. They believe that such reductions should be more widespread and in larger amounts. They want public expenditures to be reduced in greater amounts than they have been heretofore. Be that as it may, I am going to support this bill in the belief that it will be for the benefit of the people of the United States. This money will not be expended outside the United States. It is because on page 305 of the hearings where a question was asked by the gentleman from Kansas [Mr. SCRIVNER], in regard to the Clark Hill project in Georgia, that I rise to take the floor and express my views. The Clark Hill project is listed as a flood-control project. The actual fact is that more than 90 percent of it is power. It is estimated that it will cost $50,000,000—$35,000,000 for the reservoir and the dam and $15,000,000 for the power house and machinery.

The question asked by the gentleman from Kansas [Mr. SCRIVNER], a member of the committee in charge of this legislation, was what became of the legislation that was introduced by which private enterprise would be willing to build the power house and install the machinery and save the Federal Government $15,000,000 in expenditures. In other words, the money would be spent by private enterprise and not by the Government. I am heartily in favor of doing that. If that move would in any way retard the building or progress of the Clark Hill project I would be against it. It will not do so. In my opinion, the taking over and building of the power house and the installation of the machinery by private enterprise will expedite the completion of the Clark Hill project. I know of no good reason why it should not be done. I am giving notice to the House that the Committee on Public Works, of which I have the honor to be chairman, will begin hearings next Monday on that proposed legislation. The committee will take into consideration what the engineers have to say about it, and also the witnesses both for and against.

I believe that wherever we have power in any of the river basins of this country, no matter where they are located, it should be developed. I am for that. The reason I am for it is that waterpower is never depleted. That power necessary to create electrical energy which the country needs, and which is growing in greater demand every year, is never depleted. At the end of the year there is just as much power and just as much water as there was at the beginning of the year. That power and energy will take the place of other diminishing fuels which we have in this Nation, such as coal and oil. They are badly needed in other activities of the country. Where we differ—and there is an honest difference of opinion among Members—is this: I am opposed to the Federal Government going into business in competition with its own citizens. I think Uncle Sam should stay in the wholesale field. It should sell this power at the bus bar or at the dam to private investment. If there is nobody there to buy it, then and then only should the Federal Government begin to build transmission lines to distribute the power among the people.

If the Federal Government will provide the same formula that it does for its private citizens in the construction and operation of power projects, as to taxes, interest on the investment, amortization, and all the other items that go into the production of power, there will never be any complaint on my part. But as it stands today, the Federal Government does not do that. It tries to make the people of the country think it does, but it does not. In the first place, they try to weigh down multiple-purpose dams, where there is flood control, navigation, reclamation, and irrigation, with an unreasonable part of the capital investment in order to make it look to the people of America that the Federal Government can produce power cheaper than anybody else in the United States. That is not true. We are going to be called upon some day to vote whether you believe in public ownership, in political management, in Government management, or whether you believe in the private-enterprise system, which has made our country great and strong, and protect the investment of the people of America, who have billions of dollars invested in the private utility field. I am informed that about $15,000,000,000 is invested in the electric field alone—owned by millions of our people. I do

not think very many people know that nearly one-third of that $15,000,000,000 is held by the life-insurance companies of this country. Already the attitude of the Federal Government in displacing private enterprise and private investment, and ruining it, has had a very adverse effect upon companies who try to borrow money to expand their utilities, so that other people and more people can have electricity and electrical power in their homes. I point that out to show how far we have gone in this country toward state socialism, as against private enterprise and private investments.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. Yes; I yield to the gentleman from Mississippi.

Mr. RANKIN. I wonder if the gentleman would also vote to wipe out the discriminatory freight rates with which the States west of the Mississippi are now punished, as well as the States in the South.

Mr. DONDERO. The gentleman knows I am not in favor of discrimination in any field.

Mr. RANKIN. In other words, would the gentleman vote to wipe out discriminatory freight rates that are imposed on the people in the far Northwest, who have to use these rivers as a method of transportation?

Mr. DONDERO. I have answered the gentleman. I am not in favor of discrimination, no matter in what activity it is. The whole fabric of our Nation and the foundation upon which it is built is justice and equity, a fair chance and equal opportunity for all of our people.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

M'NARY DAM

Mr. ANGELL. Mr. Chairman, I would be derelict in my duty if I did not commend the chairman of the Subcommittee on Appropriations for Civil Functions of the War Department, the gentleman from Michigan [Mr. ENGEL], and our colleagues on the subcommittee for the exceptionally conscientious and hard work they have done in preparing this bill. I have appeared before the committee many times during the last 9 years which I have served in the House and I know, from my own experience, that there has been no committee considering these important appropriations during that time that has been more diligent or meticulous in their work.

I want, however, to discuss the appropriation for McNary Dam. The Budget recommended $30,000,000 and the committee has recommended $20,000,000. The Army engineers had requested a sum considerably in excess of the $30,000,000 for the fiscal year 1948 in order to begin construction, during the low-water period, on the generating facilities of the dam. I believe that $40,000,000, which was requested, should have been appropriated in order to carry out the construction program of the Army engineers for the next year. They advise that without this sum the completion of the project will be put off 1 year and that therefore the Government will lose 1 year's revenue from the sale of power, which they compute to be $16,000,000 gross. Furthermore, the Pacific Northwest served by this project is in a critical situation by reason of the dearth of hydropower, and every effort should be made to complete, within the shortest time possible, all of the power projects under construction to meet the power demands for the area and, at the same time, save the Government $16,000,000 a year gross revenue. I am in full accord with the over-all program to cut Government expenses and the cost of Government to the fullest extent possible without crippling essential activities. This power project is a self-sustaining project and the revenues from it will repay the Government in full with interest. It is not, therefore, a waste of Government funds. I believe that while we are appropriating billions for gifts to foreign nations, much of it for public works such as this or for war material, we should, at the same time, or before, appropriate the essential funds needed to carry on worth-while public projects in our own Nation. Unless we develop our natural resources and keep our own economy sound by providing for full production, we will not only destroy our own country but we will, at the same time, render our Nation impotent to give any aid to the war-stricken nations overseas. I therefore feel, Mr. Chairman, that it is not only good judgment but sound governmental policy to appropriate the additional $10,000,000, making a total appropriation of $40,000,000 for the fiscal year 1948 for McNary Dam. This is essential if we are to complete it by 1953 and make the hydroelectric energy available for the development of the Northwest which will, at the same time, save the Government from the loss of gross revenues from the project during the time that it is uncompleted.

I believe it is worthwhile, in order that the record may be clear, that I detail to the House the experience we have attained in the development of Columbia River power and what we may expect from the operation of the McNary Dam and its power-production facilities together with a description of the need in that area for this energy.

Mr. Chairman, this improvement, which includes a dam, power plant, lock, fishways, and appurtenant facilities for the purpose of navigation, power, and incidental irrigation, was authorized by the River and Harbor Act approved March 2, 1945. Funds for initiating the construction of this project were appropriated in the War Department Civil Functions Appropriation Act for the fiscal year 1947 and additional funds were appropriated for the fiscal year 1948. To date funds in the amount of $7,575,000 have been made available for planning and the initiation of construction. Actual field operations on this needed improvement were initiated during the spring of 1947, with the result that by June 30, 1948, the north shore cofferdam will have been constructed and concrete placement for the lock, spillway, and nonoverflow dam and fishways will have been commenced.

The proposed allotment of $30,000,000 for the 1949 fiscal year will not be sufficient to permit a start at this time on the powerhouse structure for the initial four units, with an installed capacity of 280,000 kilowatts. The initial delivery of power will thus be delayed until the fall of 1954. This delay, in my considered judgment, is a serious mistake. Additional funds should be made available now to begin construction on the powerhouse structure and to expedite its completion at the earliest date practicable to meet the impending power shortage.

Power demands in the Pacific Northwest have increased materially since 1941, the total estimated peak load requirement for 1955 being estimated at 6,600,000 kilowatts. The present installed generating capacity in this area totals approximately 3,400,000. To assist in meeting this increased load, the Bonneville Power Administration urges expedited construction of McNary Dam.

McNary Dam will provide a 9-foot channel for navigation to about 10 miles above the mouth of the Snake River and will serve the movement of an estimated 4,000,000 tons annually, principally in petroleum, agricultural, mineral, and lumber products. Creation of the new pool will incidentally benefit development of over 244,000 acres of potentially irrigable land by the reduction in cost of pumping plants and pipe line.

This project is not a new undertaking. Last year this committee approved funds to continue the project and to place it on a sound continuing basis. The budget amount before you this year is a continuation of your last year's action.

This is one project that has high national defense value and at the same time its peacetime commercial potentialities are such that it will bring in sufficient revenues to fully reimburse the Federal Treasury. It is, therefore, one of the very few defense projects that will fully pay its way. In design and operational characteristics the McNary project is a higher head duplication of the existing Bonneville lay-out. To measure the future potentialities of the McNary project we need only summarize the defense contribution and the factors controlling the actual pay-out performance of the Bonneville plant.

From a survey of all available generating-plant records I can safely state that there is no hydro or steam generating plant on the continent that has a performance and financial record better than the Bonneville plant. This is due to the following combination of circumstances: First, the design and construction wisdom of the Army engineers; second, the soundness of the Bonneville Authorizing Act; third, the high head, sustained continuous-flow record of the Columbia River; and fourth, the resulting low-cost generation.

Some 18 months before Pearl Harbor I addressed the House on the metal and chemical defense deficiencies of the Nation. I then pointed out that as of 1939 this Nation was ill-prepared to fight a modern war because of the lack of modern electrometallurgical and electrochemical industrial plant capacity, and that the only way this deficiency could be remedied was to quickly expand this

Nation's hydro base. Fortunately for the country, this committee acted early to correct the existing deficiency at Bonneville. Incidentally I received this early clue from the experience of the Michigan automobile industry, which expanded rapidly because of the availability of modern electrometals produced with Niagara hydro power. It was the early Niagara electrometals that made the Detroit automobile industry possible, as metals required for high strength, high speed, and lightness cannot be produced by the older conventional methods but must come from the electric furnace or electric cell.

As a result of this early congressional action Columbia River power produced approximately 40 percent of the metals and chemicals going into this Nation's wartime air program. Also produced a large portion of our electrowelded maritime program, and transformed uranium into the atomic metal plutonium at the Hanford plant. Stop and think how this Nation would have suffered in the last war without such contributions. This was accomplished while maintaining a full financial pay-out, as I will demonstrate hereafter.

For the past several years the account books of all agencies expending Federal funds for the Columbia River power development have been audited by an outside, independent auditing concern of national reputation, namely, Arthur Andersen & Co. This accounting was carried out with the approval of the General Accounting Office. This auditing concern is one which does similar work for the largest and best financial institutions—large banks and insurance companies—in the country, and therefore their approach can be considered as the best obtainable evidence on pay-out capability.

The last Andersen audit, as of June 30, 1947, shows that since 1940 the Columbia River power projects—Bonneville, Grand Coulee, and the Bonneville administration, which is the marketing agency—have deposited in the United States Treasury over $105,000,000 of gross revenue from the sale of power. This gross revenue covers all actual costs, including interest and amortization, to the Federal Government, and in addition has provided a surplus or additional profit over all such costs of $23,000,000, in this short period. The costs that are covered by this gross revenue include full annual interest charges on the total Federal power investment; complete annual component of amortization costs to fully pay out the Federal investment in 50 years' time; all replacement costs within the amortization period to maintain the property in 100-percent condition; and all operation and current maintenance costs.

No direct taxes are included in the above costs, but the cost covered in the $105,000,000 gross revenue includes, in addition to the above elements, a 7-year proportion of a $324,000,000 subsidy to the reclamation features of the Grand Coulee reclamation project. This subsidy, which is included in the annual Bonneville pay-out costs, exceeds the equivalent annual tax payment of any private utility. This $324,000,000 subsidy represents repayment of future reclamation costs based on current cost levels of reclamation costs of Grand Coulee project that cannot be repaid by the irrigators, and irrigation operational costs also are not repaid by the irrigators. If this subsidy were not picked up by the power rate payers it would become a charge on the taxpayer, or the Grand Coulee reclamation project would not be built. This $324,000,000 subsidy assumed by Oregon rate payers represents no actual benefit to Oregon. Therefore this sizable sum can be considered as a payment in lieu of taxes and can be rightfully called a tax equivalent, as it exceeds what is usually included in the term, "tax equivalent."

Therefore the Columbia River plants have met all interest, amortization, replacement, maintenance, operational, and equivalent tax costs—these include all cost items—and in addition, have provided a $23,000,000 profit, called in accounting practice a surplus. All of these income amounts are deposited directly in the Treasury, and the only way these power projects can secure funds for yearly needs is through congressional appropriations. This is different from the TVA practice, as that agency has access to its revenues and does not have to come to Congress. This sound return and business base governing Bonneville is a requirement of the Bonneville Act, and the rates must be such, under this act, as to guarantee a full return to the Federal Treasury, and must be reviewed every 5 years to provide for Government insurance that the full-return requirement will be met. Such a rate-review requirement is included in all Bonneville power sale contracts.

In private business, when bonds are amortized the property reverts unencumbered to the owner. In the case of Bonneville, after amortization, the revenue-producing, fully maintained and replaced property remains in Federal hands as a debt-free revenue producer.

This $324,000,000 reclamation subsidy is over six times the actual cost of the Bonneville power plant, and over five times all power and navigation costs at Bonneville. The 7-year surplus of $23,000,000 has paid off all navigation costs at Bonneville, which are not usually repayable under long-established congressional policy.

This shows what a high-load-factor hydro plant can do, as in such cases the investment dollar is working around the clock 365 days in a year. This demonstrates that Bonneville is a sound, Federal investment and is paying its way. Bonneville is not a burden on the taxpayers and is, at the same time, furnishing hydroelectric energy at low cost to the consuming public through private utility and municipal distributors. Most private industries cannot keep the investment dollar working so continuously. Therefore load factor is a measure of the work the investment dollar can do. The Bonneville units have maintained the highest load factor of any generating plant in America. It is this continuous, uninterrupted operation that brings in such substantial returns. The best private companies in this country only operate between 50 and 60 percent of what is continuously possible, and there are only a few basic industries—like the electro-metal industry—that operate so continuously.

This actual experience shows actual payout capability, and the Bonneville Act, which, under the River and Harbor Act of 1945, will also control McNary operations, calls for a rate review every 5 years to insure a full return to the Federal Treasury. This statutory requirement is included in all power sales contracts.

I understand that the House committee has investigators working on such pay-out subjects. I am convinced from long experience with all such details that they will—as any fair-minded expert will do—confirm these general conclusions and the Andersen audit. The Andersen certifications, among bankers and insurance companies, are universally accepted as independent, free from bias, and accurate. The conclusions resulting from Andersen audits confirm all the estimates given to my committee by the Army engineers, Bonneville Administration, and the Federal Power Commission, and also confirm the independent return approximate estimates I have given to the Congress over the past 9 years.

In this connection, it should be stated that the revenues, since the end of the war, have exceeded the wartime revenues, as will be evident from an inspection of the last 3 years' audits.

Another available quick yardstick for measuring the comparative production capability of McNary is to resort to comparison of operating results called—in the power industry—load factor or plant factor. Load factor is a ratio of maximum power production in a year's time during the year of lowest flow, to the maximum theoretically possible if water were always available to run all the machines possible. This theoretical factor for McNary is given in Army engineer reports as 75 percent, which is much higher than any other new project included in the Army list of projects. This is approximately the same figure as was worked out for Bonneville, based on better than 70 years' flow records. The actual factor will be higher than this theoretical yardstick, as no industry has a continuous, uninterrupted consumption, and diversity of use between industries and the storage available in the pond allows the operation to be fitted to demand without wasting power. Nevertheless, this comparative yardstick shows how much better the McNary plant will be than others constructed throughout the country. I can cite an example to bear this out.

The Pennsylvania Railroad is the largest coal-hauling transportation company in the country. Nevertheless, its electrified zone between Washington, D. C., and New York is propelled by Susquehanna River hydro power which operates at a load factor less than half of what will be possible at McNary.

Such facts show that production and financial capability exist at the McNary project.

Last year when I appeared before you, I pointed out that over the entire country power demands were catching up

with installed capacity. This was, and is now, more pronounced in California, Oregon, and Washington than in any other State in the Union, and is more pronounced in the whole Nation than last year. The reason therefor is plainly evident.

Last summer the Census Bureau put out interim population-increase estimates. The average increase since 1940 for the entire United States was 9 percent, whereas Oregon had an increase of 39.2 percent, which was second to California, which had a population increase of 43 percent. The increase in the State of Washington was 28.6 percent. The statistics of the power industry since 1902 show that the long-time rate of increased power consumption practically coincided with the national population increase. Increased consumption growing out of population increases is a retained consumption, even in depression years.

There is no controversy as to future power markets in the Pacific Northwest. The estimates of the Army engineers, the Bonneville Administration, the private companies, and the large municipal distributors are so close together that they all can be considered as checking one another. All these estimates point to the fact that an increased market will exist by 1954 which will be practically double the ultimate capacity of McNary. All of these agencies are urging the early completion of McNary to meet this situation. With all units installed at Grand Coulee, and the completion of McNary by, say, 1956, we will still see the region short of installed power capacity.

Therefore, estimating future markets by every possible approach leads to the same conclusion, namely, that a market will exist for McNary as rapidly as the units can be installed. This same situation existed at Bonneville, and time has demonstrated that this same approach to markets—which, incidentally, I used in my 1940 appearances—proves out. In the early years of Bonneville, this project was called a while elephant, but there has never been a time since 1940 when the Bonneville units were not fully loaded. During the war, and all the time since VJ-day, the Bonneville units have operated continuously around the clock at loads 11 percent above manufacturers' rating for these units.

The recognition of the power shortage in the Northwest and the cooperation of the private utilities with the program for construction at once of additional generating facilities is shown by an editorial in the Portland, Oreg., Oregonian of January 12, 1948, which I call to your attention:

It was significant news last year when private and public power agency representatives of the Pacific Northwest sat down at Tacoma and reached an agreement on the vital necessity for maximum development of hydroelectric projects on the Columbia River by the Federal Government. These former feudists, who now find themselves in the same pickle, held another meeting the other day, agreed that the power crisis had become more grave, and demanded that Congress "approve a level of expenditures sufficient to bring to completion presently authorized projects for the production of power as rapidly as physically possible."

Those who signed the statement represent 90 percent of the operating utility systems in the western division of the Northwest power pool. The opinions and facts made public were not those of the Bonneville power administration, nor any other Federal agency, but of the operating distribution systems, public and private, that deal directly with the consumers.

The new Tacoma statement ought to clear up, once and for all, the doubts and misunderstandings relative to the power situation. Specifically, the questions debated for months have been: Is there a power shortage now, or is talk of a shortage merely the propaganda of Government agencies to promote large appropriations? Will the shortage, if one exists or impends, continue into the future—and, if so, how long?

The utilities conference says this:

"The people of the Northwest are facing a disastrous shortage of an essential element of regional growth. A shortage of electric power cannot be prevented. It has already begun. If the Northwest is to enjoy an orderly development, adequate electric power generating and transmission facilities must be created in a consistent program.

"It is obvious that we are now in a position such that new large power-using customers coming to the territory would not only jeopardize their own opportunities to continue to operate but would also deprive present customers of power supply. Therefore, failure to provide additional Federal generating capacity will retard the development of the area."

This seems clear enough to end dispute. The power shortage has begun, and it will get worse. There is not enough power to permit the start of large, new industries without jeopardizing existing industries and residential supply. The lack of a power surplus discourages new industries from coming to the Northwest, and may result in their location elsewhere—though power is tight throughout the Nation. It is the Government's responsibility, having preempted the Columbia River and discouraged private company expansion of generation, to supply the needs of customers, present and potential.

The conferees produced the figures to show that even if the approved Federal power projects—most of which need appropriations—are completed as rapidly as possible, installed capacity cannot catch up with estimated needs until 1954. And this showing does not take into account the unmeasurable factor of demand from new industries that might apply if there were a surplus of energy, but have been discouraged already by knowledge of the shortage.

Unfortunately the Northwest has no coal deposits in quantities sufficient to meet the fuel and energy demands. Likewise, it has no natural gas. Nature has been kind, however, to this area by providing it with the great Columbia River and its tributaries, which are an unending source of hydroelectric power. This energy needs only to be harnessed to provide the entire area with large pools of energy for turning the wheels of industry and providing the farms and communities with light and power. It is not subject to the vicissitudes of industrial unrest and exhaustion. Our great coal fields and natural-gas supply is consumable. Old Man River goes on forever, or at least for as long as the sun continues to shine, and this invaluable source of energy will be available to the citizens of the Northwest and, indirectly, to the Nation. The Columbia River power was a deciding factor in helping us to win the last World War, and should we be so unfortunte as to engage in another such conflict, it will be an invaluable asset.

In addition to its defense characteristics, the benefits of this project will be spread over the entire Nation, and the project will not be competitive between regions. Industrially, the output of this plant will be used to produce those basic materials entirely dependent on firm, low-cost power. If these basic materials are not produced in the Pacific Northwest, we will find them produced in Canada, South America, Norway, or Manchuria. All of these basic materials are defense materials, and we cannot afford to allow such strategic material production to be placed in the control of foreign nations. As I pointed out in 1940, this Nation needs strategic material independence just as much as it needs political independence, in order to preserve its institutions.

Industrial materials from the primary basic industries in the Northwest, such as light metals and chemicals, have encouraged the expansion of industries in other sections. For example, take the Troutdale ingot aluminum plant in my district. This plant employs 800 Oregon workers. Only a part of its ingot production is shipped to a processing plant in Chicago which fabricates Troutdale ingots and employs 2,500 Chicago workers. The Aluminum Co. of America is now building a $20,000,000 rolling mill in Davenport, Iowa, where approximately 3,000 people will be employed. The Davenport plant, as well as other eastern rolling mills, depends on Vancouver ingot.

I estimate that over 750 fabricators located all over the country east of the Mississippi and Missouri use Columbia River aluminum ingots. The records of the Spokane plant alone show that this plant supplies basic aluminum to over 600 widely scattered fabricators.

There are 10 basic-material plants now using Columbia River power. These 10 plants have produced during their short existence over one-half billion dollars' worth of basic materials which have been shipped for further processing all over this country. These 10 new basic industries in the Northwest have paid to date over $40,000,000 in Federal taxes, $2,500,000 in local taxes, and employ over 7,000 workers.

For many years the waste products of the lumber industry have been used for fuel in the Pacific Northwest, although proportionately this represented but a small proportion of the total power generation. These days are past. Waste timber products now have a much greater value as a base for synthetic materials like rayon and chemicals, and are not now used for generating energy.

Ninety percent of the installed generating capacity in the States of Oregon and Washington is hydro and 10 percent steam. In round numbers the 300,000 kilowatts of steam generation in these two States now use oil fuel, as transportation costs on coal place this hard fuel in the prohibitive zone. Furthermore, oil is now becoming difficult to secure. The California fields are being depleted at such a rate that the Navy is worrying as to its future supply.

The only way to conserve this highly important defense fuel is to find substitutes. The only substitute on the west coast is hydropower. The energy that

can be delivered by McNary is equivalent to 13,100,000 barrels of oil per year. At $2.50 per barrel, the McNary project has an annual fuel value of $32,500,000. Oil saving alone per year would pay out the McNary project in a very few years.

As I have pointed out a number of times, history shows that nations which in the past have permitted the erosion of their resource base have become decadent nations. The undeveloped potential power of the Columbia and its tributaries is equivalent to some 240,000,000 barrels of oil per year. Thus, with diminishing oil reserves, we are allowing annually about a quarter of a billion equivalent barrels of oil to be dumped, unused, into the ocean.

The 1947 estimated rate of petroleum consumption of the United States was about 2,000,000,000 barrels. This 2,000,000,000 figure is greater than the world's prewar consumption and is some 400,000,000 barrels over a value double the prewar United States consumption. Our petroleum exports now run about 160,000,000 barrels per year, which is balanced by a like amount imported. The estimated proven petroleum reserve of the United States as of today is about 22,000,000,000 barrels. At the 1947 consumption rate these presently known reserves will be depleted in 10 years' time. Since the discovery of the Texas Gulfcoast fields in 1901, the United States consumption of petroleum has doubled every decade. Today every piece of adequate and modern refining equipment in the United States is being used at full capacity.

These few facts clearly indicate that to preserve our defense status we must adopt oil-conservation measures and substitute other forms of energy where possible. As I have pointed out a number of times, firm hydropower is a nondepletable energy base. It will be continuously available as long as the sun shines.

In this brief statement I have presented the high-light fundamentals applying to the McNary project. The defense potentialities have been demonstrated by the past operations of Bonneville and Coulee, and I have covered our petroleum energy base in this presentation. The production capability of this plant will be the same as Bonneville, and a general agreement exists as to future markets. With capability and market components established, there can be no question as to payout as the authorizing legislation and the Bonneville Act require such rates as will insure a full return to the Treasury. I feel certain that if the McNary project is evaluated in the terms I have called to your attention, its soundness can be verified.

Mr. Chairman, I feel that common sense and the best interests of the United States Treasury, as well as the economy of the Pacific Northwest will be served by increasing the appropriation for McNary Dam, included in this bill, from $20,000,000 authorized by the committee to $40,000,000. The budget approved $30,000,000 and the United States Army engineers, I understand, requested a sufficient appropriation above the $30,000,000 to permit them to begin construction on the generating facilities this fiscal year. As I have said, if this is not done we will lose 1 year in the completion of the project and by reason of the delay not only will the Northwest be deprived of the vitally needed hydroelectric power but the Federal Government will lose 1 year's revenue from the project. The yearly loss in revenues by the Treasury has been computed by the engineers to be $16,000,000 gross.

Mr. Chairman, I am not making a motion to increase the appropriation for McNary Dam, which I think should be done, for the reason that I believe after this whole matter is reexamined in the other body and additional evidence presented showing the urgent need for this additional appropriation in order to save a year in construction time as well as to supply needed electric energy a year sooner, that the additional amount can be included in the bill. It is better in my judgment to consider it in that manner than to attempt to reach final conclusions here on the floor at this time.

Mr. KERR. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I would not rise except for the remarks of my distinguised friend, the gentleman from Michigan [Mr. DONDERO]. I am glad he is supporting the Clark Hill item in this bill. He went on to say that he is going to have a hearing on next Monday for the purpose of considering his bill which provides that the Government build the dam and the power company build the powerhouse, which is nothing less than subsidizing the power company. Before the hearing is concluded we expect to show that it will be nothing less than that. I do not believe that this Congress will undertake to subsidize power companies as outlined in the gentleman's bill.

Mr. Charles A. Collier, of the Georgia Power Co., who appeared before the subcommittee of the House Apropriations Committee considering the War Department Civil Functions Appropriation Bill for 1948, and tried to defeat any appropriation, appeared again on the same grounds this year, stating that there is a bill to deauthorize the Clark Hill project and one pending for the Federal Government to build the dam and the power company to build the powerhouse. This was the issue a year ago and he makes the same issue now, though Congress settled this issue a year ago by appropriating an additional $5,000,000 for the development of the Clark Hill project. Now he says that hearings on the bill to deauthorize have been completed before the Flood Control Subcommittee of the House Committee on Public Works. In this he is certainly mistaken. The only witnesses who have been heard on this bill were witnesses for the power company who appeared prior to the time the appropriation for Clark Hill was voted out by the Appropriations Committee, and no hearing whatever has been held on the bill, H. R. 3826, providing for the Government to build the dam and the power company to build the powerhouse. So, the bills that he referred to at the hearings recently held are the same bills and in the same status they were a year ago when he testified against an appropriation for Clark Hill, and he is now using the same obstructive tactics that he used a year ago when this issue was settled fully by the appropriation to continue the development of Clark Hill, and on the floor of the House by a voice vote only two or three Members voted against the appropriation for the Clark Hill item.

The status of the two bills H. R. 3819 and H. R. 3826, is exactly the same today as a year ago when he testified and said in effect that unless the appropriation was held up then it would be too late to prevent further appropriations.

The power company has not produced any evidence this time different from that produced a year ago when Congress practically unanimously voted further appropriation for the continuation of this project. The whole attitude of the power company is to prevent the development of this project, or if developed to have the Government to build the dam and the power company to build the powerhouse which will cost less than 20 percent of the whole development. Then they would have to pay no taxes whatever on 80 percent of the project if the Dondero bill becomes a law.

General Wheeler, in his testimony before the Appropriations Committee last year, said that this project would pay for itself within a few years. Then, of course, the project would belong to the people of this country—the taxpayers. The power from this project will pay not only the cost of the entire development but will save the Government from expending some $12,000,000 or $14,000,000 to carry out the Government's commitment for a dependable 7-foot channel the year around from Augusta to Savannah—a distance of approximately 203 miles. The navigation project was approved some few years before the Clark Hill project was authorized, and the Board of Army Engineers, after spending $3,000,000, saw that it would cost $12,000,000 or $14,000,000 more to have a dependable 7-foot channel the year around. So, at this late date, to change the authorization as provided in the Dondero bill—something never heard of before—means that the Government and the taxpayers will not be reimbursed in any amount, but practically all the revenue from the project will go to the power company, and, of course, this arrangement will amount to nothing less than subsidizing the power company. How can the Federal Government own the dam and the power company own the powerhouse? How can they work together? When the power company says that the power is worth so much, and the Federal Power Commission does not agree with them, the power company will stall for perhaps months and years and the people, whose money paid for most of the development, will suffer all this time for the benefits of this project.

The power company witness refers to a letter addressed to the President, with a brief, asking the President's approval for a PWA project. He did not attach any importance to this phase of the matter when he testified last year before House Appropriations Subcommittee, but after losing in the fight before the Appropriations Committee and in the

House, he appeared before the Senate Appropriations Committee and referred to this letter to the President asking the President to set up a PWA project—the Government contributing 45 percent and the States and local authorities 55 percent of the cost of the project—and he stated that the people in the vicinity of Augusta and the power company wanted to go in together to develop the project. He failed to state that when this letter was delivered to the President, that the President in effect disregarded the request for a PWA project when he appointed a special board to make an investigation of the feasibility of this project and the development of the Savannah River, and that the President did not appoint any member of the PWA but on the contrary appointed a member from the War Department, one from the Interior Department, and one from the Federal Power Commission.

The board thoroughly investigated this project during the 5-month period ending January 31, 1936. The report was highly favorable to the construction of the project. It was dated February 29, 1936 and was submitted to the President on or about March 16, 1936. I want to stress the fact that this board was drawn from three different agencies of the Federal Government and they made a very exhaustive investigation of the project. The board had a public hearing at Augusta, Ga., on or about October 2, 1935. Many witnesses appeared at this hearing, including bankers, businessmen, farmers, lawyers, and many other people. Among the group who appeared was Hon. Preston S. Arkwright, who was president of the Georgia Power Co. and the Savannah River Electric Co. Mr. Arkwright made quite a lengthy statement at this hearing and said, among other things:

I did not come here for the purpose of hurting this enterprise. I came here with the view of helping wherever possible. We are not in objection or antagonism toward it. We wish to cooperate with it to the full extent of our ability. I would like to say that we are here for the purpose of its support.

The witness, Mr. Arkwright, further stated at this hearing:

I do not demand that we distribute it—

The power—

I merely say that we have the facilities and the market and are willing to do it if you wish.

That shows that as far back as October 1935 the power company was committed to full development of this project by the Government and that the official, the president of both companies, went so far as to say that "if we do not distribute the power we are for it anyway."

Mr. Arkwright at this hearing said further:

I state again that company information, records, men, and engineers are at your service. Any information we have will be available to you. Regardless of what plan you may finally recommend, we stand ready to cooperate to the fullest extent in making available to you any information we may have which you think pertinent to your investigation.

In concluding his statement Mr. Arkwright further said:

I hope you will act favorably on this project.

Just why the power company so suddenly changed its attitude is not known. However, it was revealed at a public hearing held by the Federal Power Commission in Atlanta in October 1946 that the Commonwealth & Southern Corp. evidently used its persuasive efforts to change the mind of the Savannah River Electric Co., when State Senator Brown of South Carolina asked Mr. Arkwright, the president of the company, if a decision to again apply for a Federal license was made in Atlanta or New York, and Mr. Arkwright stated the decision was made in New York. Of course, everyone knows that the general offices of the parent company, Commonwealth & Southern, are located in New York, and that neither the Georgia Power Co. nor the Savannah River Electric Co. has any office there.

What more proof do you need than this statement from Mr. Arkwright, the president of the two companies:

I do not demand that we distribute it—

The power—

I merely say that we have the facilities and the market and are willing to do it if you wish.

That they favored full development of the project by the Federal Government, and nothing was said, not even a whisper, about any change in the development of this project from 1935 until August 1946.

The power company filed an application with the Federal Power Commission late in 1946 for a license to develop, and after a full hearing the Federal Power Commission refused their application.

Mr. Collier, witness for the power company at the hearing before the Appropriations Committee a few weeks ago, stated that the objection now to the development of the project by the Federal Government arose when the project was authorized in 1944, containing the so-called preference clause in section 5 of the Flood Control Act. Of course this provision applied to all the projects in the United States and not only Clark Hill. This amendment in the Flood Control Act gave preference in the distribution of power to local authorities and the REA. Why is the gentleman from Michigan [Mr. DONDERO] trying to change this clause only in the Clark Hill project? Why should he pick out this one project instead of all the projects? Is it fair to the people of my section to say that preference shall not be given to the REA and local authorities there but everywhere else in the United States preference shall be given? This statement of Mr. Collier that the power company changed its mind when the preference clause was inserted in the Flood Control Act of 1944 will not hold water when you analyze his statement. The project, mind you, was authorized on December 22, 1944. Bear in mind that the first appropriation for the project was made in December 1945, a year after the power company knew about the so-called preference clause. The power company did not even whisper an objection a year afterward when an appropriation of $1,000,000 was made. In May 1946 an appropriation of $4,500,000 was made for the development of this project. Even at that time the power company or any of its officers or agencies did not even raise a voice against the appropriation. What then is their real reason against further development by the Government? They fought with us for more than 11 years for the full development of the project by the Government.

Congress, in authorizing this project, said that it should be developed in accordance with plans and specifications of the Army engineers and they were that the project should be developed in its entirety by the Federal Government. The plans of the Army engineers were known for many years by the power company officers, and certainly were known many years by the power company before the project was authorized.

The Savannah River is a navigable stream and has been a navigable stream for many, many years. It belongs to the people. As far back as 1877 large sums of money were spent to make this river navigable and frail boats were used 100 miles above Augusta at that time to bring most of the cotton produced in that area to the Augusta market.

The Savannah River is the dividing line between South Carolina and Georgia. South Carolina is as much interested in the benefits from this project as Georgia. The Georgia Power Co. has no lines in South Carolina to deliver the current, and to pass the Dondero bill certainly would be unfair to the State of South Carolina as well as Georgia. The power company claims that they have large sums invested in property on the Savannah River. They will be paid back their money. They will be paid back what their property is worth just like every landowner in the basin whose land will be affected by this development. They have made money out of the investment. They have received large sums of money for timber and also rentals from the farm land. Should the power company ask for better treatment for their holdings than the little farmer upstream who owns his land, or his father owned this land many years before there was any power development in the State of Georgia.

The Georgia Power Co. has many power sites on nonnavigable streams in Georgia which they could develop if they would, as we need more power everywhere on account of the shortage of oils as testified to before my committee a few months ago by the Secretary of the Interior.

Power companies sometimes, when they have nothing else to talk about, talk about free enterprise. My people who are supporting this project believe in free enterprise, but we believe in competitive free enterprise. If free enterprise is not competitive, then you have monopoly. This is just exactly what the Georgia Power Co. has in Georgia. They distribute practically all the current in Georgia, and they are not going to let anybody else distribute any if they can help it. Why do not they develop many other sites in many other sections of the State instead of going to one side of the State next to the South Carolina line and asking that they be permitted to control the

power by building the powerhouse at the expense of the Government. My people want this project developed by the Federal Government in its entirety as authorized. This was the position the officials of the power company took until 1946, and I certainly do not believe that after all these years, after an authorization and three appropriation bills, this Congress is going to repudiate solemn acts passed by the Congress just in order to satisfy a power company who changes its mind at will to the detriment of the taxpayers of this country. Congress does not act this way, never has, and never will, regardless of which party is in power.

The officials of the power company now are trying to make the issue one of public power against private power. This is not the issue at all—after authorization and three appropriation bills—because the power company fought with us 11 long years, and it is too late for them to be heard upon an issue of this character at this late date.

Mr. Collier is trying to hold up this appropriation, which would mean progress of the development would be stopped and no contract carried out. This within itself shows that all he wants is to defeat development of this project.

The power company officials have been lobbying on this Dondero bill for sometime. They lobbied last fall at the extra session of Congress. Several members of the Committee told me that one Mr. Maudlin, who is a lobbyist here for the Georgia Power Co., talked to them about the bill. This may be all right, but I do not think it is quite fair. I suppose he was registered as a lobbyist last fall. They are even here now in droves, contacting members of Congress to pass the Dondero bill to subsidize the power company of my State. It is rather strange to me that the author of the bill, who lives more than a thousand miles from the project, should know any more about the project and all the circumstances attending same than the people who live in that particular section. I venture to say that the gentleman will not get one vote from Congressmen who live within 600 miles of this project because they know what it means to the taxpayers of this country and they do not expect to subsidize the power company in any respect.

Eighteen construction contracts for the Clark Hill project have been awarded. Of these 18 contracts, 10 were completed by January 1 of this year. Among these completed jobs were the access railroad at the site of the dam, the first stage of the west embankment, quarry explorations, the access railroad on the South Carolina side of the river, salvage of the water system from Fort Jackson, installation of telephone lines, domestic water supply for Government use, foundation explorations, a field laboratory, office building at Clark Hill, garage and permanent soils laboratory, and a number of minor items of construction.

Of the remaining eight contracts, five are practically complete. These are the diversion channel, east approaches to the construction bridges, first stage cofer dam, electrical substation power lines, and control roads.

Three active projects in process include the construction bridge over the Savannah River, the east embankment which is about 40 percent complete, and the main contract for the concrete dam and appurtenant works which has been started.

Therefore, I hope the amount of the appropriation recommended by the Appropriations Committee will be approved without a dissenting vote and that the authorization will not be changed in any bill now pending or any proposed bill undertaking to change the will of Congress just to satisfy the power companies who desire monoply in this field at the expense of the taxpayers of this country.

Mr. KERR. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, the committee has had a most difficult task. I do not rise in critical anger, but rather in respectful appreciation of their many difficulties. I cannot, however, but feel a sense of disappointment at my apparrent inability, and the apparent inability of the fine citizens of central Texas who year after year have made the long trip up from Texas in order to explain to this committee the critical need for flood control on the lower Brazos and its principal tributary, the Little River.

I know the committee has sought to be fair. I know the committee has sought to allot the funds at its command to those projects where, in its judgment, these funds would do the greatest good.

Since it seems so clear to me that the Belton Dam is the most needed flood-control project in the United States, I feel chagrined that we have so completely failed to impress the committee with the vital necessity of this project.

Why do I say the Belton Dam is the most needed project in the United States? I know that we are all prone to see the need for our own projects, and to overlook the merits of other projects. Maybe I have done that, but let us impartially test this project.

I assume that loss of life is probably the best measure of flood damage. In one flood alone there were 164 people drowned below the Belton Dam site on the Little River. What similar valley has suffered such appalling tragedy?

I assume that the volume of water carried by a stream is a reasonable yardstick as to the size of its floods. The maximum flood of the Little River has been measured by the United States Army engineers as 647,000 second-feet of water. That is more water than was ever measured on either the Mississippi or the Missouri above their juncture, and yet the bed of the Little River can accommodate but a fraction of the water easily carried by the channel of either of those two streams. Truly this Texas stream must owe its name to the fact that it is too little to carry the water.

The committee was undoubtedly impressed with the violence of the floods in the Middle West last spring. This appropriation bill contains funds for many projects to the upper reaches of the Missouri and its tributaries. I do not condemn these projects. I am sure they are needed. I shall gladly support them, but I call attention to two indisputable facts: First, the greatest record flow on the Missouri River is only 591,000 second feet, or more than 50,000 second feet less than the measured record flow of the Little River; and, second, that although hundreds of millions of dollars of Federal money has already been spent and other hundreds of millions are by this very bill committed to be spent on flood-control structures on that drainage basin, not one dollar of Federal money has ever been spent in the construction of any project in the whole Little River basin.

I realize that the Bureau of the Budget has also repeatedly overlooked this vitally needed project. We have not, however, had an opportunity to present the need to that agency. They "move in mysterious ways their wonders to perform," and the committee has in this very bill inserted a number of nonbudgeted items.

I must, therefore, lay these facts before you, my colleagues, and solicit your interest and cooperation in behalf of the worst flooded valley in the United States. A valley that has no well financed organization to constantly plead its case. A valley inhabited by the little people of America who are struggling against overwhelming odds. I plead with you to give those little people protection at the earliest opportunity.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CASE of South Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, with the flood of oratory about flood control, my remarks may seem to be anticlimax; yet the subject is important to the people of America, the taxpayers who are affected.

Probably most of you have not paid a great deal of attention to the language in the report found on page 16, relating to the Panama Canal, and the fact that, although the law provides for a maximum rate of a dollar per ton per loaded ship, and less for those in water ballast, the present rate for the usage of the Panama Canal is now fixed at 90 cents per ton. That means that the operating expense of the Panama Canal is between $300,000 and $600,000 a year less than the amount received from toll charges. There is not any reason why the taxpayers of America should be subsidizing the shipping interests, not only of America, but particularly of foreign countries, at this stage of the game. About half of the ships going through the Panama Canal are other than American registry. There is no reason why, if he would, the President of the United States could not increase this toll rate without any delay. I am taking this opportunity of asking my friends on the Democratic side of the House who may have some little influence with the President, as head of their administration, to call this matter to his attention, asking him to exercise his authority to raise the toll rates on the Panama Canal to the full maximum of $1 per ton, thereby bringing in to the Treasury more than enough to offset the

deficit of operating the Panama Canal and possibly leave a few dollars to apply upon the huge investment which we have there. It is not a hard job to do. It could be done in a matter of 30 minutes or an hour, at the most, and would be a great relief to the taxpayers of this Nation. Not only that, I feel that with the increases in costs that are bound to come with some of the rebuilding and reconstruction that must take place in the Panama Canal, there will eventually arise the necessity for an even greater toll charge for the use of this passageway. We, therefore, suggest that the legislative committees of the House and the Senate consider immediately this matter so that there will be no undue delay in presenting this question of increasing the toll charge on the Panama Canal.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I am glad to yield to my colleague from Arkansas.

Mr. NORRELL. The gentleman has made a very fair statement; but I am informed, although I do not know, that the Panama Canal has never been self-sustaining. Does the gentleman know whether that is correct or not?

Mr. SCRIVNER. You will find in General Mahaffie's statement in the hearings, at page 601, that this year the operating expense will be somewhere in the neighborhood of $300,000 more than the income from tolls, and he anticipated the loss would rise to a figure of $600,000 next year.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. REED of New York. Just as a matter of information, were there any treaty arrangements with other nations with regard to the question of tolls?

Mr SCRIVNER. No statement was made in the hearings as to whether tolls were effected by treaties or whether they were fixed by this statutory authority. It may be the gentleman can find it in the hearings if he wishes. There is a full discussion of the subject. Also in the hearings he will find the number of ships using the Canal, the nations from which they emanated, the flag they flew. There were some one-thousand-nine-hundred-odd American ships, 892 British, and the rest are scattered among various countries.

Mr. REED of New York. I wonder if we are getting similar concessions on canals controlled by other governments.

Mr. SCRIVNER. I have no information on that, but judging from the general trend of things I would say that we are not getting similar concessions. My recollection is that some attempt was made for reciprocal use by our ships in Suez without success.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. McDONOUGH. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point of the RECORD on this subject.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, the appropriation of $4,138,000 for Los Angeles River is not enough in view of the amount raised by taxation by Los Angeles County flood district. How many other counties in the Nation are doing as much?

Flood-control work in Los Angeles County is performed by two agencies:

First. The Corps of Engineers, which is charged with expending to best advantage the funds for flood-control work made available to them as a result of your appropriations.

Second. The Los Angeles County flood-control district, which has charge of flood-control work financed from revenues received from its taxpayers and the State of California. Permit me to review the funds budgeted by the Federal and local agencies for flood-control work in our county during the last 2 years and that proposal for the next year:

	Fiscal year 1947	Fiscal year 1948	Proposed fiscal year 1949
Federal funds, expended by Corps of Engineers	$3,898,000	$5,931,000	$4,138,000
Local funds, expended by Los Angeles County flood-control district:			
Local contribution to Federal projects	854,856	765,583	2,298,000
Maintenance of existing works	1,363,151	1,468,919	1,871,104
Other flood control work	1,571,509	2,418,703	[1] 3,303,177
Total	3,789,516	4,653,205	[1] 7,472,281

[1] Includes $1,388,500 of State funds allocated to district.

Could anything be more convincing than this tabulation to prove that Los Angeles is by no means asking Congress to relieve it of all its flood problems? The Board of Supervisors of the Los Angeles County Flood Control District has for years levied the maximum tax rate permitted by law in an effort to expedite the flood protection of its citizens at the earliest possible date. The State of California has joined in this effort through the appropriation of millions of dollars for the purpose of meeting the local requirements for Federal projects in the State. Is there any other area in the Nation that can show a better record in coping with its flood-control problems? Do you know of any area similar in size in the Nation that faces a greater menace from flood hazard than Los Angeles County? Do you believe it would be right to appropriate but $4,138,000 there when the actual needs are for nearly six times this amount and the county, through its flood-control district, is doing all that it can to reach this goal.

In the opinion of the flood-control engineers of Los Angeles County, the amount of Federal funds that should be appropriated for the next fiscal year is $23,376,000.

The budget before you includes for Los Angeles County only one item, of $4,138,000, according to published notices, which is intended for the improvement of 1½ miles of the Los Angeles River upstream from Tujunga Wash, and the reconstruction of a bridge at Firestone Boulevard, with appurtenant channel paving. We fully concur in the need for this improvement but will not dwell upon it further since the justification for it has been presented by the Corps of Engineers. It may be of interest to note, however, that the local contributions required for acquisition of right-of-way and reconstruction of highway bridges on this work will amount to $1,197,000 which is being financed in the county's flood-control district budget for the coming year.

May I close this statement by summarizing the needs of Los Angeles County for Federal flood-control appropriations for the fiscal year 1949, as follows:

Los Angeles-San Gabriel Basin and Ballona Creek:	
Whittier Narrows Dam	$8,000,000
Los Angeles River	4,150,000
Lopez flood-control basin	750,000
Tujunga Wash	3,000,000
Compton Creek	1,726,000
Sawtelle-Westwood	2,750,000
Planning	500,000
Total	20,876,000
Santa Ana River Basin: San Antonio flood-control basin	2,500,000
Grand total	23,376,000

Gentlemen, all that we ask is that, recognizing the potential flood menace that exists in Los Angeles County, the tremendous population that is expanding into potential flood disaster zones there; the magnitude of the flood-control projects that 7 years ago were authorized for this county; and the efforts that the county is itself making to improve these conditions, you grant appropriations for flood-control work there that, in reasonable period of time, will give real protection, and not temporize with this problem.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Chairman, I have asked for this time in order that I might be permitted to ask the gentleman from Michigan [Mr. ENGEL] certain questions.

I am concerned in particular with item No. 9 as described on page 294 of the hearings before the Subcommittee of the Committee on Appropriations on the Civil Functions Department of the Army appropriation bill for 1949.

On January 27, 1948, I addressed a letter to him. I read from this letter:

Hon. ALBERT J. ENGEL,
Chairman, Subcommittee on War Department Military Functions and War Department Civil Functions, Committee on Appropriations, House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: As you know, an item of $320,000 is included in the budget estimate of the Army engineers for flood control general, for Norwich, Conn.

The project in question was authorized in the 1941 Flood Control Act, and is part of the Thames River development. It consists of channel improvement of Shetucket River immediately upstream from its conflux with the Yantic River at Norwich, and it provides for deepening and widening of a ledge-rock constriction in the channel.

The project will be 70 percent complete with funds available through 1948, and the amount requested in the 1949 budget is principally for rock excavation and to make final payment under the existing contract. The total estimated cost of the project at

Norwich was $1,044,000, and the amount allotted to date is $724,000.

It is my hope that your committee will be pleased to act favorably on this matter so that this project may be completed.

Such advices as you might care to give me on this matter would be very much appreciated by me.

Very sincerely yours,
HORACE SEELY-BROWN, Jr.,
Member of Congress, Second Connecticut District.

This project is one of the most important units in the comprehensive plan for protection against flood damage to the city of Norwich. This city suffered damages of nearly $2,000,000 during the flood of 1938. The completion of this project will do much to eliminate further damage.

I am disturbed to find that my letter of January 27 was not made a part of the permanent record of the hearings. In order to make the record completely clear, I would appreciate having your advices at this time as to why the funds, namely $320,000 in total, needed to complete this project, were eliminated from this appropriation bill.

Mr. ENGEL of Michigan. When I went over this project with the engineers prior to the time that we took it up in the committee with regard to cutting $100,000,000 from the total, I was advised by the engineers that we could take this $320,000 out of the budget because of the fact that the local community had not met its obligations with regard to cooperation on this project. That is the note I have in front of me on this project.

Mr. SEELY-BROWN. I thank the gentleman and yield back the balance of my time.

The CHAIRMAN. The gentleman from Connecticut yields back 1 minute.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Chairman, I want to say a few words in behalf of the veterans of World War II who reside in the District of Columbia. Certain States, including Ohio, have voted a bonus, or submitted the question to the voters and they voted in favor of paying a bonus to World War II veterans. I think it no more than right, since the question cannot be submitted to the folks of the District because unfortunately they are not voters, that legislation should be presented to this Congress and that we substitute for the voters of the States and the nonvoters of the District, in deciding this question of whether the veterans of the District should receive a bonus. It seems to me no more than right and proper that the veterans of the District of Columbia receive the same treatment as the veterans of the 48 States of the Union. I will wait a day or so and if the chairman or some member of the Veterans' Affairs Committee does not offer legislation dealing with this subject, then I intend to offer a bill patterned along the lines of the Ohio statute dealing with this subject. It is bad enough to discriminate against the bona fide veterans of the District by denying them a vote without further discriminating by denying them the chance to obtain a bonus.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, I take this opportunity to commend the chairman and the members of the Subcommittee on Appropriations for the Civil Functions of the War Department because this committee has really performed a very valuable service and has done it in a magnificent way. The committee listened diligently and attentively to requests from all quarters of the country seeking flood relief, reclamation, navigation, soil conservation, and hydroelectric power appropriations, and out of all of the requests, with and without Budget approval, the committee has been able to reduce the President's budget substantially below the figures submitted by the Director of the Budget and still has been able to present to the House of Representatives a complete flood-control—waterpower—bill that, in my opinion, generally speaking, will have the approval of the country as a whole.

Mr. Chairman, I want to express to the committee my appreciation for the sympathetic interest that it has shown in the difficulty we are having in the Des Moines River Valley in Iowa. There is not a valley on the face of the earth as rich as that valley, nor is there one that as of the present time produces as much per acre of agricultural products, one that is contributing more to the world supply of food, as the Des Moines River Valley. Last year this valley suffered a terribly disastrous flood which washed out thousands of acres of corn in June, caused the death of four persons at Ottumwa, Iowa, and resulted in physical damage in the city of Ottumwa, Iowa, alone, of $11,500,000 as estimated by the staff of the United States Army engineers. This does not take into consideration any direct damages. For example, the great industrial plants were shut down for a week or 10 days, not a wheel was able to turn, and these losses were not taken into consideration. The damages to crops washed out along the river have never been fully computed, and damages in other cities than the one I have enumerated have never been computed. I feel deep appreciation, and I believe the people of the State of Iowa realize that the Eightieth Congress has a sympathetic interest and is conscious of the needs of our great State. Down through the war years, year after year, the State of Iowa produced 10 percent of the basic food products of the United States.

The flood problem along the Des Moines River and other rivers is something we have not been able to handle ourselves and, therefore, we have come to the Federal Government for help. The Army engineers, after careful study, have come to our aid and recommended an appropriation in this bill which covers an item of $700,000 for initial construction work on the Red Rock Dam and reservoir along the Des Moines River.

This, of course, only involves initial work. There are alternate sites under consideration by the Army engineers at the present time. Complete construction work will not be undertaken until a decision is made by General Wheeler of the Army engineers, as to the correct and proper site for the dam. However, the $700,000 carried in this bill will be sufficient for this year with a little balance which I trust will be made available from the unexpended planning fund provided last year to enable the Army engineers to start construction work on the great Red Rock Reservoir, such work to consist of land clearance, access roads, temporary buildings, and possibly the removal or changing of some transmission lines. This, above all, is most convincing to the State of Iowa that the great Committee on Appropriations, and particularly the Subcommittee on Flood Control, is interested in the welfare of the people along the Des Moines River of Iowa.

I appreciate the fact that the chairman of the committee, the gentleman from Michigan, Congressman ALBERT ENGEL, last summer visited the flood-devastated area, the city of Ottuma, and the valley where the river overflowed, and has shown that he is conscious of and has a sympathetic interest in the welfare of this region in southeastern Iowa, and we feel deeply grateful to him. We want him to visit Iowa often, and the same invitation is extended to all members of the Appropriations Committee.

In all I think that there will be approximately $1,000,000 for initial construction work on the Red Rock Reservoir when the proper site has been determined by Gen. R. A. Wheeler and his staff.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 8 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, among the most important civil functions of the War Department is the work of the Corps of Army Engineers on flood control. Included in this bill are items relating to Folsom Dam and the Cherry River projects in California. The Cherry River project is to become an integrated part of San Francisco-Modesto-Turlock flood-control, water, and power project. The Folsom multiple dam, in keeping with the President's policy, will become an integrated part of the Central Valley project.

Flood control, as it applies to semiarid California, means conservation of snow and rain waters which normally come to that State during the short season from October to April. To hold these waters for beneficial usage instead of permitting them to run unharnessed, and at times cause great damage in their mad rush to the Pacific Ocean, means that dams, including dams for multiple purposes are imperatively necessary. Such dams will serve a dual purpose. They will not only protect valuable farm lands, but they will assist in meeting the critical shortage of power.

California not only is suffering from the greatest drought in her history, but it also suffers from a severe shortage

of power from one end of the State to the other. The greatly increased demands for both water and power primarily have been caused by the tremendous increase in population taking place in California. In 1940, the Census Bureau reported the population of California to be 6,907,370 persons. Between July 1, 1940, and July 1, 1947, the population increased 43 percent to 9,876,000. In the single year from July 1, 1946, to July 1, 1947, the State's population increased over 350,000 persons, which means an increase of almost 1,000 per day. It is, therefore, imperative that every acre-foot of water in the State of California should be impounded for agricultural, industrial, and domestic use, and that every potential kilowatt of hydroelectric power should be developed, either by private capital or public enterprise, to meet this enormous unprecedented shift in population which has been taking place in such a short period of time.

Mr. Chairman, this population movement exceeds any other population change that has taken place throughout our entire history in a similar length of time. It is a condition over which the State of California has no control.

The already serious shortage of water and power caused by the population increase is further aggravated by the dryest winter in California's recorded weather history. The situation has become so grave that the Governor of California has declared an emergency, the first result of which is that nearly one-half of the counties of California are browned out. Every possible step humanly possible is being taken to conserve both water and power.

It is, therefore, of the utmost importance, Mr. Chairman, that these important flood-control projects be carried forward at the earliest possible moment to avoid future catastrophes of this kind.

Mr. ENGEL of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

USING FOOD RESOURCES TO MEET FOOD NEEDS

Mr. BRYSON. Mr. Chairman, I have just read a remarkable testimonial to the South. It is by a northern gentleman who apparently has never seen the South. Nor apparently has he seen much of this country's vast and diversified resources and economy. This is what he says:

> If the people down South, instead of using oleomargarine or no spread at all, would use dairy products, they would have the will to live, the will to build schools and educate their children, without trying to draw on States like New York and Wisconsin. They will want to do things and they will look like people who can do things when they begin using dairy products in the South. They should have milk bars and ice-cream parlors instead of soda fountains and drinking Coca-Cola. They should be using dairy products three times a day and should be producing it in their own community.

That effusion appears in the CONGRESSIONAL RECORD of February 23, 1948, page 1554, under the name of Representative CHESTER H. GROSS, of Pennsylvania.

I thought Pennsylvania had gotten over this kind of silly talk long ago. Only recently, in fact, Pennsylvania's people, acting through the courts and the legislature, became so sick and tired of it that they forced a dairy-bloc legislature to drastically lower license fees on margarine. As a result the number of retail stores in the Keystone State selling margarine now is five times the number that were selling it before the court and the legislature acted.

They like margarine in Pennsylvania. Why not? It is a good, pure food product. At the national average of consumption Pennsylvania is using at least 115,000,000 pounds of margarine every 12 months. Practically no butter is made in Pennsylvania.

In Bible times the Canaanites hit upon a wonderful expedient to keep them safe from harm. They set up a large golden calf and worshipped it. We know that this happened, because the people who caught them at it and took over the country wrote it down as a lesson.

I have a suggestion to make to the good people of Pennsylvania, taken from the philosophy expressed by the gentleman from Pennsylvania [Mr. GROSS], and another knight of the butter-knife recently, in this august Chamber. I suggest that the great steel and industrial might and genius of the Keystone State be respectfully drawn to a halt. Let them abandon their business of making the sinews of modern civilization and turn to the creation of a gigantic iron cow. Let the skilled workers of Pittsburgh, 84 percent of whose families, on a national average, use margarine on their tables, be entrusted with this monumental task. Let the iron Bossy be painted yellow, the color of artificially colored butter, and let all good Pennsylvanians fall down and worship it, or be declared guilty of high treason. For this is exactly what the gentleman from Pennsylvania [Mr. GROSS] and the Pennsylvania butter bloc would have them do and the whole country do. After all the gentleman from Pennsylvania [Mr. GROSS] considers, so it appears, that the 0.002 percent of his State's population whose farms sell butterfat are more important than the 99.998 percent who do other things for a living.

I have nothing against Bossy. She is a most useful part of our food supply and our economy. Yet I object to this worship of the golden cow. The butter boys would have us believe that the golden cow is a kind of idol, a god, to be worshiped without question. Has the golden cow produced a third less butter than before the war so that there is a scarcity of butter? Let no one question her right to the votes of Congress. Has the golden cow refused to make more butter in the interest of bigger profits from milk and cheese and ice cream? Step up, pay your $1 a pound for her product—artificially colored—and keep silence. Does the golden cow demand that, even if you cannot get butter, margarine be taxed and taxed off every counter in the country? That is the logic of the golden cow.

The gentleman from Pennsylvania [Mr. GROSS] has insulted the South. We are used to that, although it is strange that farmers in one part of the country should find themselves being taxed and insulted by one who calls himself a representative of farmers from another. The gentleman from Pennsylvania [Mr. GROSS] asks that we cease using margarine, a product of cottonseed oil, and patronize butter. We ask only that we be allowed to patronize what we please. If Mrs. Housewife, Southern or Northern, wants butter, I shall be the first to help her to it. If she chooses margarine, that is her privilege and without that very essential privilege our entire system of enterprise and business progress is become a Socialist state. I know of no other product taxed with the sole real purpose of forcing the consumer to buy another. Yet that is exactly what the Federal antimargarine law does. Imagine what a mooing there would be from the golden cow if anyone dared suggest, for an instant, and, in all fairness, butter also be taxed. And I would be the first to resist such an attempt.

Let us look again at Mr. GROSS' State. In Pennsylvania today are more than 10,000,000 persons. Well over two-thirds of them live in urban places. They work for wages and salaries. They buy their food at the corner grocery. To them, margarine has become an indispensable part of their diet. It has the same, or better, nutritional value as the best butter. See the report in the American Medical Association Journal, February 7, 1948. It offers them some relief from pressure on the family food budget. And not to be overlooked—it supplies a gap in the diet which has been created in large part by the dairy industry's inability to increase butter production. Pennsylvania produced a total of only 17,805,000 pounds of butter in 1946. That was less than 2 pounds per Pennsylvanian, and only a fifth of the relatively low national per capita rate.

I am not taking the great State of Benjamin Franklin as the only example of the golden cow's domain. So long as Federal law taxes and restricts margarine, the golden cow is receiving the unthinking worship her keepers demand from every State in the Nation.

But lately there has been a great restiveness throughout the land of the golden cow. Hundreds of newspapers have actually come right out and said that the golden cow was going too far. Millions of consumers found themselves going to the trouble of mixing margarine in their own kitchens, and, in this day of modern pure food packaging and service, they want to know why they should pay this tribute. Thousands of small grocery stores find themselves hemmed in by Government red tape and regulations and severe license fees simply because they choose to offer margarine to their customers, and this is their tribute.

Every food store is her tax-collector's office, every pound of this table spread is taxed to her edification. But still, according to the Department of Agriculture, she cannot produce more butter.

No wonder there are at this moment more bills than ever before in this House to repeal or modify the discriminatory, costly antimargarine law. No wonder

men in both parties, in all sections, are giving their support to this movement. It is high time that this tribute to the golden cow come to a speedy and unregretted end.

For this is a national, not a sectional or even a Pennsylvania issue. This is an issue of the consumer. It is not an issue of party or of class. It is not an issue of farmer against user. It is purely an issue of the overwhelming mass of the people of this country, and the overwhelming repugnance of this country to flagrant monopoly and discrimination, as against the selfish interest of a very small but well-organized group.

I heartily agree with the gentleman from Pennsylvania [Mr. GROSS] that the country should have more good milk and ice cream. The nutritionists say that is a good thing, and the Department of Agriculture has gone so far as to set a goal of about 653 pounds per person for the consumption of milk and whole milk products. We are still a long way—85 pounds—from achieving that goal. Meanwhile, only about 14 percent of our total dairy operation is butter. Why, then, this devotion to the golden cow? From the standpoint of the dairy industry's contribution to our national nutrition, it is a false god indeed.

We are asked to cease from spreading margarine on our bread and take up $1 butter. Well, in 1946 the South Atlantic States together put 27 percent of our milk supply into butter. At the same time our friends in Wisconsin put in less than 2 percent of theirs. In South Carolina we produce per capita more butter than New York, Pennsylvania, New Hampshire, and 12 other States. Six Southern States, including South Carolina, produced in 1946 between 5 and 10 pounds per capita, while 4 more produced between 10 and 15. Only 11 States produced more than that. The South is well represented in the butter-producing set.

But we are interested in a fair deal for all parts of our agriculture and industry. In 1946 this country produced 3,447,000 tons of cottonseed, the equivalent of well over a billion pounds of cottonseed oil and 3,000,000,000 pounds of cottonseed meal. Today, cottonseed oil provides nearly as many units of food-fat nutrition as does butter. Cash income from cottonseed oil in the producing States exceeded that of butterfat by nearly six times. Cottonseed meal affords an indispensable contribution to critical livestock and poultry feed supplies—and in 1944, for example, a third of the high-protein dairy ration was cottonseed or cottonseed meal.

The food-fat picture is radically changed today from what it used to be, even within the memory of every Member of this House. Today vegetable oils provide the major part of the food-fat supply. Without them we would have a fats and oils shortage of frightening size. Butterfat, useful as it is, now contributes only a part, and not a major part, of our food-fat nutrition. This is a basic change in our food habits arising out of improved use of our food resources.

In these days of increasing pressure on our agricultural resources we are becoming aware of the tremendous importance of utilizing cheaper and equally effective methods of producing food. Margarine, made from vegetable oils, is a shining case in point. It is no accident that margarine is as popular as it is today. It is inevitable that, under the free workings of our system of enterprise, it should be, for margarine makes use of more efficient methods of providing the same nutrition at less cost and the same, if not better, nutritional results.

This is progress. It is the kind of progress that is absolutely necessary if we are to carry out our grave responsibilities as a nation, if we are to succeed in maintaining the American standard of living under the conditions of our time. It is national progress that benefits the whole Nation. It is not progress to insist that one product, a minor product of one industry, and whose distribution largely emanates from a relatively few areas, be permitted to tax another food. Who benefits? Not the mass of consumers who pay the bill, and at the same time are forced to do without.

Margarine taxes are in the same category as old-time pagan worship. They are a kind of superstition—the outworn, antiquated superstition that one small group can ride roughshod over the others at the expense of the general welfare, and that one section of this country has the right to exact tribute from another section or class. Far from trying to draw on States like Wisconsin and New York, as my colleague from Pennsylvania implies, the South is increasingly developing its resources so as to provide more for more people at less cost. How many Southern products are staples elsewhere? Interstate trade is a foundation-stone in our country's prosperity and greatness. It was one of the basic issues on which the Constitution and Union were erected. Today there persists a dangerous reliance on interstate trade barriers to provide unsound protection against competition. The State of Washington has raised a high barrier against margarine, a product of the South and Midwest, but we have not retaliated against Washington's apples and other widely used products. The State of Ohio is a great manufacturer of rayon, but our cotton States do not propose to erect a tariff against rayon though it is a sharp competitor with cotton. Vast quantities of products flow between the States, cheapening costs and making possible our enormous productive capacity. Only one is singled out for restrictive tax treatment, and that is margarine. The gentleman from Pennsylvania would have us turn the clock of our own interstate trade back to the dim time when nations wrongly thought they could increase their wealth by forbidding the importation of products of other nations, just as England once outlawed calico—and then turned around and became the greatest cotton fabric supplier, for her time, of any country in the world.

The restrictive tax on margarine is a positive deterrent to progressive agriculture, trade, and adequate nutrition. It violates not only the principle of interstate trade but also the principle of free opportunity to produce a thing that is needed, and produce it with the same or improved quality and at less cost. How a tax on margarine can, as the gentleman from Pennsylvania seems to think, aid the well-being of the South or any other community is beyond my understanding, and that of the millions of American consumers who have stood this margarine tax nonsense long enough.

Insults at the South have no point. The margarine movement is a national, not a southern movement. It is bipartisan and it represents the great majority. We regret that the butter bloc sees fit to smear the soft drink industry. Nor is it clear why soda fountains are inferior to milk bars. But this is all of a piece with the cobwebby philosophy that would put a golden cow across every route of trade, that would block all progress so that one industry might be served just as in medieval times foolish kings were given the power to impoverish their own subjects and fill their own coffers.

Fortunately, one ray of light, has refuted the gentleman in his own State. A Member from Pennsylvania has introduced a bill calling for drastic modification of taxes on margarine. It is a consumer bill. It has strong support from both parties throughout the Congress. Wild assertions and demagogic attempts to set up the idol of the golden cow in this Congress are in contrast to the thousands of letters we are receiving from individuals throughout the land who demand something be done to provide margarine relief.

May the day of the golden cow soon be over. She is a faithless, un-Christian goddess. All attempts to artificially restrict trade in someone's selfish interest have proved vain; and so shall it be for the margarine tax. The margarine law has not increased the supply of butter. It has not made butter cheaper. It has not checked the steadily mounting consumption of margarine nor its recognition by science and food experts alike as a pure and nutritious food. It has not provided any real revenue. It has not made our Government better, or more efficient, or more useful. It has not helped anything because monopolies have no concern with public welfare.

It is the profitable task of this Congress to abolish margarine taxes immediately. I am proud to take part. It is a stroke that will benefit not just the South, but the East, the North, the West.

The Clerk read as follows:

CORPS OF ENGINEERS

RIVERS AND HARBORS AND FLOOD CONTROL

To be immediately available and to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, and to remain available until expended: *Provided*, That the services of such additional technical and clerical personnel as the Secretary of the Army may deem necessary may be employed only in the Office of the Chief of Engineers, to carry into effect the various appropriations for rivers and harbors and flood control, surveys, and preparation for and the consideration of river and harbor and flood-control estimates and bills, to be paid from such appropriations: *Provided further*, That the expenditures on this account for the fiscal year 1949 shall not exceed $1,250,000, and the Secretary of the Army shall each year, in the budget, report to Congress the number of persons so employed, their duties, and the amount paid to each: *Provided further*, That

the various appropriations for rivers and harbors and flood control may be used for the purchase, in the fiscal year 1949, of 500 passenger motor vehicles (of which 356 shall be for replacement only) and 10 motorboats, and the purchase (not to exceed 7), maintenance, repair, and operation of aircraft.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have had a good deal of discussion on the question of public versus private power development this afternoon. Last evening I heard over the radio an announcement that the Governor of the great State of California had found it necessary to impose a brown-out in seven counties throughout the State of California to conserve electricity in that State.

That announcement brought to mind the fact that the residents of the State of Connecticut were in a very fortunate position insofar as having an ample supply of electricity is concerned. We have not asked for nor have we received a single dollar of Rural Electrification Administration money, nor is there a single line of REA wire within the confines of the State of Connecticut. We do have, however, a sound system of privately owned but State-controlled public utilities. The electric-light and power companies within the State of Connecticut have been developed by private capital under our free private-enterprise system. It is a matter of record not a single one of the great war industries were closed down for as much as an hour during the war period because of the lack of power. Two of the largest power companies in Connecticut are right now expanding their plants and equipment. Something over $10,000,000 will be spent by these companies for expansion purposes during the coming year.

Recently my attention was called to a chart prepared by the Edison Electric Institute. This chart showed the generating capacity of all electric power plants contributing to the public power supply in the United States.

This graph showed, first, capacity owned by the tax-paying, business-managed companies; second, municipalities; third, cooperatives, power districts, State projects; fourth, federally owned projects.

The taxpaying, business-managed companies were installing hydroelectric capacity at a very uniform rate from 1920 to 1932. During this period they installed slightly over 4,800,000 kilowatts or an average of 400,000 kilowatts a year. From 1932 to 1947—and I might point out that the Federal Power Act was passed by Congress in 1935—they only installed 550,000 kilowatts. The postwar period indicates an improvement but still less than half of the 1920 to 1932 rate of growth. The major part of the growth in hydroelectric capacity from 1935 on has been in socialized Federal projects under the planning and control of the United States Engineer Corps and the Bureau of Reclamation and the TVA. The same holds true for the scheduled installations during the next 5 years. The difficulties encountered by the Georgia Power Co. in getting approval for the completion of their Furman Shoals plant and the present difficulties of the Holyoke Water Power Co., of Holyoke, Mass., illustrate the difficulties imposed on further private development of hydro.

Connecticut has no huge fast-running streams but private capital has in the years past developed the power possibilities of the streams we do have. But in addition to the hydro plants the Connecticut companies have built modern steam plants.

It is a tragedy that any State should have to have a brownout because of the lack of hydroelectric energy which was brought about by a drought. Before we spend huge sums of the taxpayers' money to further expand the development of hydro plants, we should certainly make sure that we are not going to drive the privately owned companies out of the areas in which we may build federally owned hydro projects. Either the privately owned companies must be permitted to grow and prosper or we will face the necessity of having the Federal Government embarking on a program of building steam plants as well as hydro.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. DONDERO. Has the gentleman any figures that he could give the House as to the amount of taxes that private enterprise in the electric power field pay into your State treasury of Connecticut?

Mr. MILLER of Connecticut. I do not have the figures readily available as to the amount of taxes that private enterprise in the electric-power field paid into the Treasury of the State of Connecticut, but I do know that these privately owned companies throughout the State paid a total tax—local, State, and National—of approximately $12,000,000 last year.

The Clerk read as follows:

RIVERS AND HARBORS

Maintenance and improvement of existing river and harbor works: For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for survey of northern and northwestern lakes and other boundary and connecting waters as heretofore authorized, including the preparation, correction, printing, and issuing of charts and bulletins, and the investigation of lake levels; for prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City; for expenses of the California Débris Commission in carrying on the work authorized by the act approved March 1, 1893, as amended (33 U. S. C. 661, 678, and 683); for removing sunken vessels or craft obstructing or endangering navigation as authorized by law; for operating and maintaining, keeping in repair, and continuing in use without interruption any lock, canal (except the Panama Canal), canalized river, or other public works for the use and benefit of navigation belonging to the United States; for payment annually of tuition fees of not to exceed 100 student officers of the Corps of Engineers at civil technical institutions under the provisions of section 127a of the National Defense Act, as amended (10 U. S. C. 535); for examinations, surveys, and contingencies of rivers and harbors; for the execution of detailed investigations and the preparation of plans and specifications for projects heretofore or hereafter authorized; for printing and binding and office supplies and equipment required in the Office of the Chief of Engineers to carry out the purposes of this appropriation, including such printing, either during a recess or session of Congress, of surveys authorized by law, and such surveys as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress: *Provided*, That no part of this appropriation shall be expended for any preliminary examination, survey, project, or estimate not authorized by law; $151,831,300: *Provided further*, That from this appropriation the Secretary of the Army may, in his discretion and on the recommendation of the Chief of Engineers based on the recommendation by the Board of Rivers and Harbors in the review of a report or reports authorized by law, expend such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines and serving essential needs of general commerce and navigation, such work to be subject to the conditions recommended by the Chief of Engineers in his report or reports thereon: *Provided further*, That not to exceed $3,000 of the amount herein appropriated shall be available for the support and maintenance of the Permanent International Commission of the Congresses of Navigation and for the payment of the expenses of the properly accredited delegates of the United States to the meeting of the Congresses and of the Commission.

Mr. NICHOLSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLSON: On page 7, line 18, strike out "$151,831,300" and insert "$152,581,300."

Mr. ENGEL of Michigan. Mr. Chairman, I make the point of order that the project is not authorized by law. I withhold the point of order so that the gentleman from Massachusetts may address the committee.

Mr. NICHOLSON. Mr. Chairman, I assume that the gentleman from Michigan is right insofar as this concerns Provincetown Harbor, but he would be very much mistaken if he included all of the harbors. We have received very little in the rivers and harbors bills recently for river and harbor improvements in the Massachusetts area. I realize the gentleman from Michigan is talking about Provincetown, so I am going to talk about it.

Mr. Chairman, we are entitled to your consideration. I have been a Member of Congress just long enough to find out that we are sending billions of dollars to Europe and Asia. Then when something is proposed for the benefit of Provincetown, a little town in Massachusetts, where they asked to have a breakwater put in so that they may furnish you people with food throughout the United States, then opposition is made to it. We raise millions of pounds of fish and our people go out and take their lives in their hands every time they go out. We want a breakwater in some little town in Massachusetts, but most of you people want to take care of somebody over in Europe or Asia or wherever it may be. All I asked was to give a half million dollars to take care of some of the projects that we want in Massachusetts. For many years we have had very little appropriation from the Federal Government. What is the matter with we people in Massachusetts? Is there something wrong with us? The gentleman

from Mississippi wants to feed us oil. Well, if you feed us oil through Pennsylvania we will take it, but if he wants to take me up through the St. Lawrence and the Great Lakes and up into Canada, I am against it. The only thing I am asking you to do is to give us this half-million-dollar appropriation. All I am asking the Members of Congress to do is to vote for this. It has to go to the Senate. If the Senate does not want to give it to us, it is all right with me. That will be up to the two Senators from Massachusetts.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I withdraw the point of order and I rise in opposition to the amendment, for two reasons. First, the committee did not put it in the bill. In the first place there was no budget estimate; in the second place that project is not authorized by law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. NICHOLSON].

The amendment was rejected.

Mr. RANKIN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: On page —, line 18, strike out "$151,831,300" and insert in lieu thereof the following: "$153,331,300: *Provided further*, That from this appropriation, $1,500,000 shall be utilized for initiation of construction of a waterway connecting the Tombigbee and Tennessee Rivers, Ala. and Miss."

TENNESSEE-TOMBIGBEE INLAND WATERWAY

Mr. RANKIN. Mr. Chairman, this is the amendment to which I referred a few moments ago. The Chief of the Army engineers asked for $5,735,000. The Bureau of the Budget reduced that figure to $1,500,000—that is the funds with which to start this project. I am therefore asking for the small amount the Bureau of the Budget recommended.

We are being asked to spend money all over the world. I presume it is known to everybody in the House that American money is being used today to rebuild the Dnieprostroy Dam in Russia, lend-lease money, if you please, and has been for some time.

We are asked to send $570,000,000 to China, and $17,000,000,000 to Europe. All we are asking here is for $1,500,000 to begin construction of one of the most valuable projects that has ever been proposed for the service of our own people, one that will benefit more people from Pennsylvania to Montana, from the Great Lakes to the Gulf, than any other project of its kind ever proposed.

I hope the committee will accept the amendment or that it will be adopted without a dissenting vote.

Again I call your attention to the table, showing what the savings of this project will amount to for up-bound traffic.

From—	To—	Via Mississippi, per ton	Via Mississippi, per tow of 3,500 tons	Via Tombigbee-Tennessee, per ton	Via Tombigbee, Tennessee, per tow of 3,500 tons	Average savings per ton	Average savings per tow of 3 500 tons	Average savings per tow of 14,000 tons
Houston, Tex	Cairo	$2.34	$8,190	$1.94	$6,790	$0.40	$1,400	$5,600
	Paducah	2.42	8,470	1.88	6,580	.54	1,890	7,560
	Tombigbee-Tennessee junction	2.74	9,590	1.60	5,000	1.14	3,990	15,960
New Orleans, La	Cairo	2.02	7,070	1.32	4,620	.70	2,450	9,800
	Paducah	2.10	7,350	1.26	4,410	.84	2,940	11,760
	Tombigbee-Tennessee junction	2.42	8,470	.99	3,465	1.43	5,005	20,020
Mobile, Ala	Cairo	2.39	8,365	.95	3,325	1.44	5,040	20,160
	Paducah	2.47	8,645	.89	3,115	1.58	5,530	22,160
	Tombigbee-Tennessee junction	2.79	9,765	.62	2,170	2.17	7,595	30,380
Port Birmingham, Ala	Cairo	2.96	10,360	.95	3,325	2.01	7,035	28,140
	Paducah	3.04	10,640	.89	3,115	2.15	7,525	30,100
	Tombigbee-Tennessee junction	3.36	11,760	.62	2,170	2.74	9,590	38,360
Demopolis, Ala	Cairo	2.68	9,380	.67	2,345	2.01	7,035	28,140
	Paducah	2.76	9,660	.61	2,135	2.15	7,525	30,000
	Tombigbee-Tennessee junction	3.08	10,780	.34	1,190	2.74	9,590	38,360
Columbus, Miss	Cairo	2.83	9,905	.51	1,785	2.32	8,120	32,480
	Paducah	2.91	10,185	.45	1,575	2.46	8,610	34,440
	Tombigbee-Tennessee junction	3.23	11,305	.17	595	3.06	10,710	42,940
Aberdeen, Miss	Cairo	2.88	10,080	.46	1,610	2.42	8,470	33,880
	Paducah	2.96	10,360	.40	1,400	2.56	8,960	35,840
	Tombigbee-Tennessee junction	3.28	11,480	.13	455	3.15	11,025	44,100
Fulton, Miss	Cairo	2.93	10,255	.41	1,435	2.52	8,820	35,280
	Paducah	3.01	10,535	.35	1,225	2.66	9,310	37,240
	Tombigbee-Tennessee junction	3.33	11,655	.08	280	3.25	11,375	45,500

The Army engineers say there is not another place on earth where the traffic can be transferred from one major watershed to another with so much ease, so little expense, and with such tremendous savings in transportation costs and distances.

Mr. ENGEL of Michigan. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, the last 5 to be reserved to the committee.

Mr. RANKIN. Mr. Chairman, as far as our side is concerned we are ready to vote on it.

Mr. ENGEL of Michigan. Then, Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 5 minutes, to be used by the chairman of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Mr. Chairman, this is the same amendment which was defeated on the floor of the House last year and the same argument was advanced: Just give us a little bit of money to start this; in other words, give us a little slice of ham and we will come for the whole hog later on.

This project will cost $136,000,000, if we are going to construct it on the basis which sound engineering says it must be constructed on. It means approximately $13,000,000 or $14,000,000 next year and approximately $27,000,000 for each of the 4 years thereafter. Let us have no misunderstanding about this. When next year rolls around we will again be confronted with a ceiling on appropriations, regardless of whether the Republicans are in power or the Democrats; and this tremendous annual appropriation for this project will come out of all the projects that may be put in future bills. It will come out of your projects, not out of mine, for there is not a single flood-control project in my district.

I was rather surprised by my good friend, the gentleman from Mississippi [Mr. RANKIN], and he has been a good friend of mine. We served together on the Veterans' Committee for 8½ years and I love him, but when you couple talk about the atomic plant with transportation at 4 or 5 miles an hour in an atomic age, to furnish materials to that plant, it just does not make sense to me.

I was at Oak Ridge.

I spent 2 days at Oak Ridge in April 1945. Seventy-five thousand people were living there. The houses, the schools, the theaters, the railroads, the waterworks system, the electric-light system, everything that was built there, were brought into that community by rail. The materials to manufacture the bomb were brought into that place by rail. When I listen to the gentleman from Mississippi I wonder how they ever built the town down there or how they ever made the atomic bomb.

Mr. Chairman, some reference has been made to oil. We had hearings in the Deficiency Subcommittee of the Appropriations Committee, on the exportation of oil. We had people from the Bureau of Mines, the Departments of the Interior and Agriculture, and others there to testify. We took every one's testimony who had anything to do with oil. The record shows that we are consuming oil much faster than we are able to produce it. The result is a great oil shortage, and all the transportation in the world will not supply oil that does not exist.

We do not produce enough oil. There is no question about that.

Mr. Chairman, I ask the Members to vote against this amendment and all amendments which will increase the amounts provided in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The amendment was rejected.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the budget which was prepared and submitted had in it an insignificant sum of $67,000 to be used as a part of the advanced planning for the Buford Dam on the Chattahoochee River near Atlanta, Ga. Last year the sum of $250,000 was made available for this advanced planning and is now being used.

On page 8 of the report appears this language:

> While the Buford Dam may be an important part of the comprehensive river system plan for the Apalachicola, Chattahoochee, and Flint Rivers, its construction will provide a source of water for the city of Atlanta that witnesses from that part of the country indicate is greatly needed. The city of Atlanta is not, however, providing any contribution toward the construction of this dam, and, inasmuch as it stands to benefit to a great extent, it appears that some substantial contribution should be made toward the ultimate cost of the dam.

Now, Mr. Chairman, I am willing, at any time, at any place, to take my medicine and to be dealt with on the same basis as everyone else. I want to ask the distinguished chairman of this subcommittee if there is any other instance in this bill where any city has been asked to make a contribution to any project because it stands to benefit from it?

Mr. ENGEL of Michigan. Mr. Chairman, if the gentleman will yield, I will say "Yes"; that Los Angeles is making a contribution toward projects right along. May I say to the gentleman that last year we had up the Apalachicola-Chattahoochee system. Allatoona will be finished in another year, and we have in the bill money to start the Jim Woodruff Dam on that same river down there; is that not correct?

Mr. DAVIS of Georgia. That is correct.

Mr. ENGEL of Michigan. We are building one dam at a time before we go any further on the rivers.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Texas.

Mr. MAHON. I would like to say to the gentleman from Georgia that there are numerous flood-control projects throughout the country where the cities are making very substantial contributions. I know that is true of some of the cities in Texas. I think of four at the moment—San Angelo Reservoir, Brady Creek project, Grapevine Reservoir, and Hord's Creek—and I am sure there are numerous others throughout the Nation that are making contributions to projects from which they benefit.

Mr. DAVIS of Georgia. I understand there are instances where contributions are made by localities, but not on the part of the cities.

Mr. ENGEL of Michigan. Mr. Chairman, if the gentleman will yield, we took out of this bill Norwich, Conn., because they did not comply with requirements, and that is in this very bill.

Mr. DAVIS of Georgia. I thank the gentleman for answering the question.

I want to make this observation, that Atlanta is the industrial center of the Southeast. It made great contributions toward the winning of the war that we have just emerged from. Even now the Army is sending its emissaries throughout the United States making preliminary arrangements, possibly for use of centers such as Atlanta, in the event we get into another emergency.

I have here an article in Tuesday's Atlanta Journal, written by Morris McLemore, in which it is stated:

> The Army holds a meeting here of reservists. It is concerned with quartermaster supplies, the muscles in back of military strength.

In another part of this article it says:

> The Army is after game. This is its first such industrial survey.

So that the Army now is making plans to be prepared in the event that we get into another emergency. Why wait until an emergency is actually upon us to finish planning this dam? It cannot be built in a few weeks or months. Now, you have called upon Atlanta and that area, and we have responded, and we expect to continue to respond, but where is the wisdom in spending billions of dollars in Europe for security purposes and cutting an insignificant sum out of an appropriation bill here of $67,000, when this planning ought to be going ahead every day? There is no wisdom, as I see it, to delaying the planning of the dam to protect the water supply for an industrial center upon which the United States relies to the extent that it does rely on Atlanta, for the sake of saving $67,000. This compares to the enormous amounts we are spending for security like a fly speck to the back of an elephant. Mr. Chairman, we not only want this $67,000 placed back in the bill but we want half a million additional to complete this planning.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, looking at this bill, I see that it provides $104,434,854 more than the same bill provided last year. I want to remind my Republican colleagues of the promises we made to our constituents that if they put us in power, we would reduce the operating expenses of the Government. Now, so far we have done nothing of the kind, and here is another illustration that we are not doing what we promised. I am just wondering whether someone can tell me when we are going to begin to make good on our word.

The Clerk read as follows:

FLOOD CONTROL

Flood control, general: For the construction and maintenance of certain public works on rivers and harbors for flood control, and for other purposes, in accordance with the provisions of the Flood Control Act approved June 22, 1936, as amended and supplemented, including printing and binding, and office supplies and equipment required in the Office of the Chief of Engineeers to carry out the purposes of this appropriation, and for preliminary examinations, surveys, and contingencies in connection with the flood control, $321,282,000: *Provided*, That funds appropriated herein may be used for flood-control work on the Salmon River, Alaska, as authorized by law: *Provided further*, That funds appropriated herein may be used to execute detailed surveys, and prepare plans and specifications necessary for the construction of flood-control projects heretofore or hereafter authorized or for flood-control projects considered for selection in accordance with the provisions of section 4 of the Flood Control Act approved June 28, 1938, and section 3 of the Flood Control Act approved August 18, 1941 (55 Stat. 638): *Provided further*, That the expenditure of funds for completing the necessary surveys shall not be construed as a commitment of the Government to the construction of any project: *Provided further*, That no part of this appropriation shall be available or used to maintain or operate the Garrison (North Dakota) Reservoir at a higher maximum normal pool elevation than 1,830 feet, or for constructing dikes or levees which would be required by a higher maximum normal pool elevation than 1,830 feet for operating such dam

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MAHON: On page 9, line 2, strike out "$321,282,000" and insert "$320,082,000."

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, I am going to discuss something which is of vital concern to every Member of the House who is interested in flood-control projects. I believe that every State in the Union has a flood-control problem and that such problem ought to have the attention of the Congress, and that there should be an equitable distribution of flood-control money. It is just as my able chairman said in talking about the Tombigbee project, if you start a series of huge projects you must proceed rapidly toward the construction or you waste a lot of Federal money. So it is of vital concern to the Members of the House to know more about the flood-control bill than they actually know about it and have the opportunity to know about it. Members, of course, are busily engaged with other important duties here.

In order to make perfectly clear what I am talking about, I want to say that I am talking about $180,000,000 which this bill provides which is not in the budget; I mean a project of that magnitude. Not all the money for the completion of the project is included, of course. Only $1,200,000 is included for the project. Of course, though, as my chairman has said, if you get a slice of ham you have to follow it rapidly with the whole hog on these projects. That

is the way it works and that is the way it should work.

May I say with respect to our committee that I agree with my able chairman and cooperate with him on most matters that come before the committee. I certainly agree with him much more often than I disagree with him. The gentleman from South Dakota [Mr. CASE], who so ably and well represents his own State and who is also a member of the committee, and I usually agree. All the members of our committee usually agree. We generally agree on this bill except for the disagreement about $180,000,000, which is for the construction of the Oahe Dam in South Dakota. Of course, only an initial installment is provided in this bill.

All areas of the Nation, as I say, should receive consideration. At this time in South Dakota the Randall Dam is under construction. It is a $152,000,000 project. It is not 10 percent completed as yet. Just north of there about 300 miles in North Dakota on the Missouri River, there is under construction the Garrison Dam, a $177,000,000 project. This bill provides $25,000,000 for that project. The budget is $30,000,000. This bill provides $16,000,000 for the Randall project, and the budget is $20,000,000. My point is that this whole bill for flood control provides only $320,000,000 for general flood control, but in this bill now under consideration there are projects in North and South Dakota which are or will be in process of construction which will require $509,000,000 for completion within the next 6 or 7 years. I am speaking of the three projects. That is about the sum of money we expended to construct the Panama Canal. That would represent an expenditure by the Federal Government in North and South Dakota of about $400 per capita, according to the 1940 census. It approximates an expenditure of $5 an acre by the Federal Government for every foot of land in South and North Dakota over the next few years. Someone might very properly say, "Well, is not the gentleman taking a narrow view of this thing?" and if I said no more, I would be taking a narrow view. I agree that this flood-control program involves the Missouri River, a very important river. There are other projects in the course of construction or planning that approximate about $2,000,000,000 on the Missouri River, $500,000,000 of which is above Randall Dam. So I cannot, as your representative on the committee, sit idly by and let this bill which is now before us carry three projects which must be completed within 6 or 8 years, if the money is to be spent economically, and which will call for an expenditure of $509,000,000 when we are only providing for general flood control something over $300,000,000 annually for the entire Nation. It means that this small area might very well get about one-third of the flood-control money of the Nation. If you vote for this huge project at this time, which is not in the budget, then you will not be able to come before the committee later and say, "I have a project, gentlemen of the committee, which I want included," because the committee would almost be compelled to say, "We are loaded down now with three Missouri River projects in North and South Dakota that are costing us a half a billion dollars; you will have to wait a few years until we complete some of these."

It is a very serious situation that confronts us. It is easy to say that this bill is below the budget, but I do not think it should be. You do not save any money when you delay the construction of a house. If you delay putting the roof on and just leave the structure exposed and take 4 or 5 years to build it, you are not saving any money. You would just be engaging in wishful thinking. When you start building a house, you have to put a roof on it and complete it. That is the cheapest way to handle it. That is the way it is with flood-control dams and projects of that kind. I have not the slightest doubt that if you fully understood the situation you would vote to eliminate the $180,000,000 for the Oahe project at this time and take it up again within a few years. There are some nonbudgeted projects in the bill for flood control, but they are all small, and I have no objection to them. In fact, there are a couple in my own State. One of them is for flood control. I have no objection to anything that is within reason, but this thing, gentlemen, goes entirely too far. While it requires an initial expenditure of only $1,200,000, you will within a couple of years have to appropriate annually $30,000,000 and $30,000,000 again and then $35,000,000 because you will have to spend money that way for economical construction. At the same time you have got to be spending on these two projects, thirty million annually, forty million annually, a hundred million dollars a year. You can do with these facts as you desire, but I wanted to make my position clear.

It may be argued that you must construct the Oahe Dam for some reason or other at this time. It is not in the budget. The engineers would be glad to construct all projects, even the $2,000,000,000 worth of projects in the bill. But Garrison Dam, a $177,000,000 project is only 10 percent or less completed at this time; let them finish that dam before they start Oahe. Randall Dam, a $152,000,000 project, is less than 10 percent completed; let them finish that before we take up these others, in fairness to other sections of the Nation and in fairness to other Members of the House of Representatives.

It may be said that Randall Dam will be washed out if you do not construct Oahe. That is utter nonsense. No engineer would suggest that Randall Dam would be washed away if Oahe were not constructed. It would be amazing if that were the situation and the engineers did not tell the committee about it. They construct these dams so that they can let the water flow through if the flood is too big to handle.

Again, it may be said that Randall Dam will silt up if you do not construct Oahe at this time. Well, the engineers tell me that certainly for 4 or 5 years after the completion of Randall there will be no dangerous silt deposit there because Garrison is taking care of the main silt problem. It is true that below Oahe there is the White River, which comes in, which carries considerable silt, but the Oahe Dam would not in any way affect that.

Mr. CASE of South Dakota. Would the gentleman like the actual figures on the silt situation?

Mr. MAHON. Well, we cannot go into great detail on the silt situation, but if the gentleman wishes to make an observation I will yield.

Mr. CASE of South Dakota. I will not make an observation, but I will give you the Chief Engineer's statement as made on page 411 of the hearings last year:

> It has been estimated that the annual average silt in the Randall Dam is 184,000,000 tons, or about 113,000 acre-feet. Of this quantity about 47,000 acre-feet per year will be retained in Garrison Reservoir, leaving about 65,300 acre-feet per year to be contributed to the Fort Randall Reservoir by intervening tributaries until the Oahe Reservoir begins storing water.

In other words, in 10 years' time you would have 650,000 acre-feet to put into a 5,000,000 acre-foot dam.

Mr. MAHON. The engineers have no fear—neither does anyone else have any fear—that the delay of this Oahe project a few years will cause any serious trouble as to silting.

One of the main silt problems is at Garrison. After they stop the flow of the water and close the dam that will be handled in a fairly satisfactory way. Of course, Oahe Dam should be built later. I only speak for delaying it and proceeding in a more orderly fashion and fairer way for all Members of the House. I have offered this amendment to withhold $1,200,000 for the beginning of any construction at this time. Instead of providing $30,000,000 which is needed for Garrison this year, the committee cut it down. What we ought to do, if we are going to stop floods on the Missouri, is to hasten the completion of Garrison Dam and hasten the completion of Randall Dam. Then, after they are approaching completion, if we have the money, we can go ahead then and complete the whole half-billion dollar enterprise. In other flood-control projects tens of millions of additional dollars are being spent in order to meet this problem on the Missouri River. I respectfully suggest that this amendment ought to be adopted by the Congress. I put these figures down here [indicating figures on blackboard], they are pretty big, they are pretty bold—and, as I say, they represent the equivalent of $400 in Federal expenditures to every man, woman, and child, according to the 1940 census, in North and South Dakota. I think we ought to slow down a little.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. CURTIS. I do not represent either of the Dakotas. I think it is well that the Committee take into consideration the fact that the Missouri River Basin is a unit comprising one-sixth of the area of the United States. The flood-control problem begins at this point and affects a great many States lower down the line.

Mr. MAHON. That is right.

Mr. CURTIS. The project ought not to be charged against the Dakotas, for

it benefits all the States clear down to the Gulf.

Mr. MAHON. That is right, all the States down the line. It must be remembered also that we are spending tens of millions of dollars lower down on the Missouri River between Randall Dam and Kansas City and St. Louis.

Finally, Mr. Chairman, let me summarize as follows:

The bill before you approves the beginning of construction on flood-control projects which are not in the budget and which will require an expenditure of more than $200,000,000. How can those who boast of their desire for economy in Government vote to increase the budget estimate by what is equivalent to $200,000,000, I hope that my motion to eliminate the beginning of construction on the $180,000,000 Oahe Dam—not in the budget—will be approved.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Mr. Chairman, the Oahe Dam was in the budget estimate last year for $6,000,000, but was not included in last year's appropriation. The figures which my good friend from Texas gave include, of course, the power installations, and the generators, powerhouses and equipment.

There has been no controversy in the committee of a personal nature at any time. We have been friends; we are going to remain friends. Nothing personal is ever going to enter into the committee's deliberations if I can prevent it.

What we must have in the Missouri Valley and in the Mississippi Valley is a policy of flood control and protection: protection by building levees, control by building dams. What has happened heretofore, Mr. Chairman, has been that levee district No. 1 fenced the water out and robbed nature of its natural storage place and threw that water on district No. 2; district 2 threw the water on district 3, and so on down the river. When all this water gets to the southern end of the river, there is so much water that no levee can hold it.

Let us see what Garrison, Oahe and Randall Dams are intended to do. Fort Peck, Mont., is completed. The water backs up some 90 miles; draining an area some three or four hundred miles above Fort Peck. The distance from the drainage area from Fort Peck to Randall is approximately 600 miles. These four dams, Garrison, Fort Peck, Oahe, and Fort Randall drain an area nearly 1,000 miles long. I was at Garrison Dam last fall. The day I was there 28,000 second-feet came down the Missouri River at Garrison; 21,000 second-feet came down from and through the Fort Peck Dam and 7,000 second-feet out of the Yellowstone River. You can press a button at Fort Peck and shut off 75 percent of the water. When these three dams are built you will be able to press a button and stop all water north of the Nebraska line, control and hold back indefinitely for navigation, for irrigation purposes, or for any other purpose you want to use it.

I do not want to start the actual construction of Oahe Dam now. I want the preliminary work done and ready so that when we get into the actual construction which will require the big money we will not be delayed.

I attended an Indian tribal council in North Dakota. They were there 4 days trying to decide whether to sell land to the Government or not. We have Indian treaties which make it very difficult. We have been trying for 3 or 4 years to get that land proposition settled. We have not settled it yet. We earmarked $5,000,000 for that purpose last year. There is Indian land in the Oahe Dam area. This $1,200,000 is to be used, first, to build access roads so that we can get in to the land, and, second, to buy the land so that when we get ready to build the Oahe Dam we will not be delayed.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman says he does not want to start construction on the Oahe Dam. Does he feel that probably a very small appropriation like the $1,200,000 should be made for 3 or 4 years before we get into the big money?

Mr. ENGEL of Michigan. We should go in there and start to acquire this land and do preliminary work there now, so we will not be blocked like we were at Garrison Dam. I made it perfectly clear in committee that I do not want to start actual dam construction until we are further advanced on the dams at Randall and Oahe.

Mr. MAHON. That will be 3 or 4 years.

Mr. ENGEL of Michigan. I figure about 1952 or 1953. Probably in 1953. We might come in with some in 1952.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Mr. Chairman, I would like to ask the gentleman if he has ever been up at Cape Cod?

Mr. ENGEL of Michigan. Yes; I have been up to Cape Cod. I know the situation up there. If the gentleman will get his project authorized by law, we may be able to help him, but we cannot help him unless he does.

Mr. NICHOLSON. That is something, anyway, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I am not sure just why the gentleman from Texas has proceeded as he has in this matter. Somehow, I feel that if he had not been confined to his home with a severe cold for a part of the time when we had hearings, he would have been better informed and would have taken a different position. The other members of the subcommittee who had the benefit of the full hearings all joined in, and have supported the action taken by the committee. I have thought that perhaps the gentleman was misled because he was under the impression there had never been budget approval for this item, the Oahe dam. As a matter of fact, I have in my hand House Document 406 of the Eightieth Congress—that is this Congress—first session, in which the President submitted a supplemental budget estimate for $6,000,000 for this project along with many others for which funds are carried in this bill.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Texas.

Mr. MAHON. There is no budget estimate, is there?

Mr. CASE of South Dakota. The estimate was not repeated in the budget for 1949, that is true. But the Bureau of the Budget did go over this program and did submit a budget estimate of $6,000,000 for the Oahe dam in the present Congress, so this is not in the class of projects which have never had budget approval.

In any event, the gentleman from Texas has not displayed his usual acumen in grasping the comprehensive program proposed for the control of floods on the Missouri River and the key position of the Oahe Dam in that program. He has spoken as if the only object of a flood-control project was to scatter some dollars around and he has spoken as if this were a project primarily for the benefit of South Dakota. Neither idea is correct and the argument does not reveal the understanding ordinarily shown by the able gentleman.

Now, let us get down to a discussion of the merits and urgency of Oahe Dam for flood control.

When you set out to prevent ravages from river floods, there are two ways you can proceed: One way is to build dikes or levees. The other way is to build dams and thereby create reservoirs to store up the floodwaters so that they can be released in an orderly manner. Often a combination of the two methods is required.

For years people on the lower Mississippi and lower Missouri have cried for protection from the waters that poured on them from the north. Hundreds of millions of dollars—private and public—have been spent building dikes and levees. In places they have helped, but all too often the levees were topped and damage has been done along the lower Missouri running into thousands of millions of dollars. In the 2 years of 1943 and 1944 the direct dollar damage alone ran to $116,000,000—all below, all far south of the Dakotas.

And right there, may I point out that the volume of water a river carries is not the measure of its flood danger. It is: First, volume in relation to size of the channel; second, the distance and character of country through which the volume passes if the river goes out of its banks.

The annual flow of the Missouri River has varied, roughly, from about thirteen

to thirty-two million acre-feet per year. The average is about twenty-three million. The measure of its flood threat is the amount of that water which comes down in a short space of time, and the vast distance the Missouri travels, carrying its distress not to one city, nor to a single short valley of a few miles before it reaches the sea, but to a hundred towns and cities and millions and millions of acres of rich bottom land before it reaches the sea. From the headwaters of the Missouri in Montana to the Gulf of Mexico is the longest stretch course of any river in America; the drainage basin is one-sixth of the area of the United States.

Dikes and levees have proved insufficient. When you have to fall back upon reservoirs, you have to build those reservoirs where God made a place for them—far enough downstream to catch the waters you must hold back; far enough upstream to protect the areas which need it most; and with all bluffs close together for a dam and a large reservoir area above the dam.

In the case of the Missouri, the place for the reservoirs happens to be in the Dakotas, where the bluffs at certain points are only a mile to a mile and a half apart, and the flood valley approaches the character of a wide gorge instead of a plain.

The chain of reservoirs provided in the approved plan will be integrated in operation, as the gentleman from Michigan has pointed out. They are all geared in with the dam at Fort Peck already built. Fort Peck Dam took 2.3 feet off the 1944 flood at Omaha, 1,500 miles away. When the chain of dams is completed, the floods of record could all be contained and the downstream damage completely eliminated.

The reservoirs are all multiple purpose in character. A large share of the cost mentioned by the gentleman from Texas will be recovered by sale of electric power in an area which has no large-scale power of any sort today—but the primary purpose is flood control.

Now, I happen to be from South Dakota. And I happen to be on this committee. But this project, as you can see from the map, is not primarily for the benefit of South Dakota.

As a matter of fact, the flood-control benefit from this project in South Dakota does not amount to anything. There is only one town in South Dakota that I know of that has been bothered by floods from the Missouri River to any great extent. It would not take this project to give complete protection there. A few dikes would do the job.

On the contrary, as far as that is concerned, two of these great reservoirs, the Randall and Oahe, will flood over 500,000 acres in South Dakota and North Dakota for all time to come. Garrison will flood 250,000 more. Why? To keep the water off from you folks who live south of the Dakotas.

When you get down to Sioux City, the flood plain of the Missouri River is broad; from 15 to 20 to 50 miles wide—too wide to dam—and the floods on the Missouri River from Sioux City on down to Kansas City and St. Louis have been among the worst that the country has ever had.

In 2 years, 1943 and 1944, the dollar damage alone from floods on the Missouri River, according to the Army engineers, was $116,000,000. That was dollar damage. Omaha, alone, spent $500,000 to repair damage to its municipal water system. The Army engineers did not compute the crop loss from 3,000,000 acres of land, black-bottom river land, put out of cultivation in Iowa, Nebraska, Kansas, and Missouri in critical war years, and much of it ruined. The gentleman from Texas said it would cost $509,000,000 to complete the three dams. Much of that would came back in the sale of power, but if none of it came back, it would be a cheap price to end for all time the floods on the Missouri River at Sioux City and Omaha and Council Bluffs and Kansas City and St. Louis and all the rich lands between and what the Missouri adds to the lower Mississippi all the way from St. Louis to the Gulf of Mexico.

No, this is not a matter of flood-control benefit to South Dakota. The Oahe Dam is for the benefit of the area below Sioux City, and it was part of a comprehensive plan approved by the Congress in 1944 after the Committee on Flood Control, then headed by the gentleman from Mississippi [Mr. WHITTINGTON], directed a survey by the Army engineers to determine a plan for flood protection below Sioux City.

By a resolution, offered I think, by the gentleman from Nebraska [Mr. CURTIS] the Congress directed the Army engineers to merge local or State studies undertaken under various resolutions, one of them my own, and find an answer to the total problem. That resolution specifically called for protection below Sioux City. General Pick went above Sioux City into the Dakotas for reservoir sites because that was the only way they could solve the problem.

The Missouri River is the longest river in the United States. It starts clear back in the mountains of Montana. The Fort Peck Reservoir is way up here on the north fork of the river in north central Montana. The Yellowstone River, or south fork, starts back here in Yellowstone Park, up in Idaho and Wyoming. The Garrison Reservoir is being built in western North Dakota. From there you have a distance of about 500 miles to the Oahe Reservoir and another 150 river miles to the Randall Reservoir.

Fort Peck will hold 18,000,000 acre-feet, Garrison 19,000,000, Oahe 22,000,000, Randall a little over 5,000,000. Each reservoir, of course, has a reserve for deposition of silt and some space for conservation or use water. But basically, each one is a flood-control reservoir, and when you get that chain of reservoirs flooding for all times half or three quarters of a million acres in the Dakotas, then you get flood protection for your millions and millions of acres down below Sioux City, Omaha, Kansas City, St. Louis, and points south.

The strongest statement that I think was ever made for a comprehensive plan for this river system, which drains one-sixth of the area of the United States, was made by the gentleman from Missouri [Mr. CANNON] in 1944, when a flood was on. He said:

> The Missouri River is establishing a new channel at its mouth. The confluence of these two great rivers is being moved 26 miles upstream. A new river is being opened through what was a short time ago inland fields. Through this new avenue water is rushing at the rate of 17 miles per hour. It has engulfed whole sections of the M. K. & T. Railroad and the Burlington Railroad. It has obliterated interstate highways. It has broken the pipe line which runs from Texas to New York, which has been carrying the oil without which the New England States would have endured the greatest privation.

That was the flood of 1944. You in New England, who have been feeling the pinch of a fuel-oil shortage, remember that. Continuing:

> It is sweeping away the cables carrying electric current from the Keokuk Dam to metropolitan St. Louis, and steel towers supporting the transmission lines are at the bottom of the river. It has resisted all efforts to curb the current and hold the levees and railroad embankments and railway cars loaded with rock for revetment have been undermined and rolled into the river. It has destroyed light, telephone communications, and sanitary systems. So rapid has been the rise of the waters that it has been necessary to organize relief to rescue marooned families from farm homes. The loss to agricultural production is incalculable. Growing fields, livestock, machinery, fences, houses, barns, and equipment have been swept away overnight and cannot be replaced in time to produce a crop.

In South Dakota? No; but in Missouri, in Kansas, in Nebraska, in Iowa, and in States far to the south of St. Louis.

The gentleman from Texas suggested depending on Garrison and Randall alone to give you protection but the flood which the gentleman from Missouri described, in 1944, originated below Garrison Dam and Randall Dam could have held it back only 3 days.

There are 82,000 square miles of drainage area between the Garrison and Randall Reservoirs. And this flood originated in that area.

The Missouri River has two types of floods. One comes in June. That is the June rise. It comes from the melting snows high up in the mountains. Garrison could catch that. But the flood that toppled electric poles into the river, put highways and railroads and airports out of commission, and broke the pipe line carrying oil from Texas to Ohio and New York and New England—that flood came from snows that fell on the prairies in this area below Garrison Dam. The ground was frozen. A damp, wet snow came. A soft Chinook wind followed and the snow went overnight. It could not go into the frozen ground—it went downstream, with the results indicated. Oahe Dam, and Oahe Dam alone, could have prevented what happened—downstream.

The gentleman with his figures on the blackboard would have you think Oahe Dam was some sort of a project to spend a little money in South Dakota. Let me say to you that if you would build your dams somewhere else, we would save a lot of good river-bottom land in South

Dakota. Why get started now on the preliminary work? Because you will not get flood protection below Sioux City without Oahe Dam. The engineers dare not close Randall Dam very much in advance of Oahe. Randall Dam has only a little over 2,000,000 acre-feet in it for flood control. The other 3,000,000 acre-feet are for other uses. You will recall the testimony of the Army engineers, which I cited when the gentleman from Texas mentioned silt—over 65,000 acre-feet per year of silt will pour into the Randall Dam below Garrison Dam unless we have the Oahe Dam. In 10 years that is 650,000 acre-feet. Randall Dam storage costs over $21 per acre-foot—that is too expensive for the storage of silt when you can get it in Oahe for $7.25—besides dangerously shortening Randall's life and ruining the plan for integrated operation.

You can gamble if you want to. You can say, "Well, we will take a chance. We will be able to negotiate with the Indians whose lands are involved above Oahe more quickly than we did in North Dakota and build Oahe in a hurry." The engineers have been negotiating with the North Dakota Indians for 3 years and have not reached a settlement there yet. They have had to go ahead and say that the Government would take the land and work out the best settlement it could. As our chairman, the gentleman from Michigan, has said, the engineers should have funds to start negotiations on Oahe Reservoir lands now.

The proposal of the committee is, I think, a modest proposal—that $1,200,000 be provided so that the access roads can be built into the dam site and land acquisitions initiated this year. I, too, feel that we do not want to get into the real heavy construction until we get the heavy work on Garrison and Randall Dams well along, but if we are going to proceed in an orderly way we ought to start Oahe now.

The surveys were completed with $400,000 appropriated in the civil-functions bill 2 years ago. Detailed plans have been completed with the $850,000 provided a year ago. We already have more money invested in Oahe than is proposed in this bill and which the gentleman from Texas has asked you to strike out. If you are for flood control, I urge you to vote down his amendment.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. ENGEL of Michigan. Mr. Chairman, if the gentleman will yield, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JENSEN. Mr. Chairman, since the very able presentation which has just been made by the gentleman from South Dakota [Mr. CASE], explaining this whole matter and the need for Oahe Dam and the other dams upstream, it is hardly necessary for me to say anything, except that I want to agree with him wholeheartedly and say that the people who live in the lower reaches of the Missouri River are greatly concerned about this whole Missouri Valley development program under the Pick-Sloan plan. If all you here in this House could have seen the floods which have occurred on the lower reaches of the Missouri River the past 8 or 10 years and have seen the damage and the devastation that has occurred because of those floods, to say nothing about the loss of life, I am sure you would not question the statements which have just been made by the able gentleman from South Dakota [Mr. CASE]. I represent the Seventh Iowa District. I have five counties lying along the Missouri River for a distance of about 125 miles. Every year—to make it exact I think it has been exactly 7 years out of the last 10—we have suffered untold flood damage. The great floods come from the north and fill the channel and continue to rise and go over the tops of the levees and the water spills all over that great farming area. Hundreds of thousands of acres of the finest soil and the finest land in this world has been taken out of cultivation and production because of the floods which come from the north. Oahe Dam will, after it is constructed, be the greatest preventative against floods in the lower regions. It will not only prevent the floods in Iowa, Nebraska, Kansas, and Missouri, but it will prevent floods to a great degree down to the Gulf of Mexico. The quicker we get Oahe Dam completed the sooner we will be protected against these terrific floods which we have suffered. Of course the cost is great, but when we realize that this area which is affected by this program—and when we realize that the Missouri River Basin covers one-sixth of the area of the United States and that only a few years ago did we start spending any money to amount to anything in that great area for flood control, irrigation, reclamation, and the development of hydro-electric power, then I am sure that you will realize it is about time that we do spend some money to protect that great productive area of America.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Emergency fund for flood control on tributaries of Mississippi River: For rescue work and for repair or maintenance of any flood-control work on any tributaries of the Mississippi River threatened or destroyed by flood, in accordance with section 9 of the Flood Control Act, approved June 15, 1936 (49 Stat. 1508), $500,000.

Mr. MARTIN of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time so that I may express my appreciation to the committee for the consideration they have given to southeastern Iowa in this bill. Only a year ago, my colleague the gentleman from Iowa [Mr. LECOMPTE] and I were confronted with a serious situation where floods had stricken southeastern Iowa for the third time in 4 years. The damage was more widespread and devastating then than ever before. We found ourselves in the situation where we were asking for flood control and relief for southeastern Iowa on the floor of the House after the bill had come to the floor for consideration, and there had not been time to make an adequate study or survey or a budget estimate of the needs of that area. Needless to say, the past year has been a very busy time for the people of southeastern Iowa interested in preparing the needed information. They have, with the cooperation of the district engineer at Rock Island, prepared the material necessary for the information and guidance of the committee.

I want to commend the committee for its consideration of our needs in southeastern Iowa. A year ago I closed my remarks with an invitation to the chairman of the subcommittee to come down and look the situation over. I did not know whether he could accept that invitation or not, but, believe me, Chairman AL ENGEL came down and looked the situation over and he convinced the people in my end of Iowa that he knew what the score was. They are relying on Chairman ENGEL's surveys, study, and investigation made there in my district and the committee's attention and consideration to bring us the relief which we so seriously need in that southeastern Iowa area, where we have faced some very, very devastating floods in the past several years and this bill now under consideration is good proof that their trust and confidence has been well placed.

I want to thank you very much for your consideration and I want to express my own personal appreciation for what you have done during the last year, because this matter was most serious and most urgent.

Mr. Chairman, the year 1947 will go down in history in southeastern Iowa as a year of flood disaster. Disastrous floods occurred on both the Iowa and the Des Moines Rivers. It was the third recent flood disaster for the Iowa River, where floods were experienced in 1944 and 1946 as well as 1947. The 1947 floods convinced most of the people of my district that definite steps must be taken to prevent such frequent disasters. However, the floods of 1947 occurred just after the Committee on Appropriations of the House of Representatives had completed action on the War Department civil functions bill last year and you will recall that my colleague the gentleman from Iowa, KARL LECOMPTE, and I made a frantic appeal during the debate on the House floor for congressional approval of a proposed dam on the Des Moines River. When we found it impossible to secure this approval on such short notice we advised our constituents of the First and Fourth Congressional Districts of Iowa that it would be necessary to give the Army engineers an opportunity to survey the situation thoroughly with a view to presenting the matter to Congress properly at a later date.

The Chief of Engineers and his staff realized the extent of the flood damage

and the plight of the victims of these floods and they have given outstanding service during the past year in the matter of completing their survey and study of the needs for flood control on the Cedar, Iowa, and Des Moines Rivers. After preliminary studies were completed great care was taken by the Army engineers to conduct a series of hearings at various points in order to give all interested people an opportunity to appear and present their views for and against the proposed flood-control dams on the Iowa and Des Moines Rivers. The proposed flood-control dam on the Cedar River has not yet been developed to that extent. Following these hearings the Army engineers have recommended a flood-control project on the Iowa River known as the Coralville Dam which is to be located at what is known as the Turkey Creek site a few river-miles above Iowa City. They have recommended a flood-control dam for the Des Moines River at a site to be determined a few river-miles above the city of Ottumwa, Iowa. Before presenting the Coralville project to Congress, however, the Army engineers submitted the matter to the Governor of Iowa and the Governor appointed a special committee to survey the situation and advise him in the matter. Last December this committee recommended approval of the Coralville project at the Turkey Creek site as recommended by the Army engineers.

Last summer Chairman ALBERT ENGEL, of the Civil Functions Subcommittee of the Appropriations Committee, made a personal visit to this area and made a thorough inspection and study of these projects. His visit was very heartening to the people of my district, who are most appreciative of the willingness of Chairman ENGEL, of the subcommittee, and Chairman TABER, of the full committee, to give full and fair consideration to their relief from these recurring disasters. My colleague, Congressman KARL LECOMPTE, of the Fourth Iowa District, and I appreciated also the opportunity the committee gave us to appear before it during the hearings that were held on the appropriation bill now before the House of Representatives for consideration. We regretted very much that it was impossible to present the full picture to the committee 1 year ago, but we are deeply appreciative of the consideration the committee has given our appeal this year and I wish to commend the committee on the action taken in making an appropriation of $700,000 for starting the Coralville flood-control dam and a like amount for the Des Moines River flood-control dam in the appropriation bill now under consideration. In taking this action the Committee on Appropriations has demonstrated that Congress is alert to the needs of the people of this great Nation who have been faced with such disasters as we have experienced in southeastern Iowa in recent years. I look forward hopefully also to flood control on the Cedar River as soon as the survey and study of that river has been completed and with the construction of these flood-control dams I sincerely hope and believe that the flood disasters of the past years in southeastern Iowa will be stopped.

Any of you who have personally witnessed the tragedy of the loss of homes and property and of life itself will agree with me that nothing is more worthy and worthwhile than our effort to control these rivers that have wrought such havoc. Again, may I express my sincere thanks and appreciation for the consideration given to my constituents by the Committee on Appropriations and by the Army engineers.

OPTIMA RESERVOIR

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the constitution of the State of Oklahoma recognizes the need of developing the water resources of the State. The first principles have been the basis for all succeeding legislation. These principles set forth beneficial use as the basis, measure, and limit to the right of use of water and implies the principle that development of water resources in Oklahoma should be for the greatest need and the most reasonable use.

Upon this premise I base my plea for funds to begin the construction of Optima Dam on the main stem of the North Canadian River in Texas County, Okla. I state to you frankly that this dam will serve a very great need and will be put to many very reasonable uses.

By act of Congress, June 22, 1936, flood control was declared to be a responsibility of the Federal Government. No one today disputes the wisdom of that act. We have already seen ample proof through the elimination of loss of property and life, and, perhaps, what is more important, the elimination of fear in many areas where dams have been constructed and are now in operation under the Corps of Engineers of the United States Army. Enhanced values of protected property alone, perhaps, has more than repaid the cost to the Government. The continuous production of agriculture and industry, free from interruption and damage by recurring floods, are paying huge dividends both directly and indirectly year after year into the Federal Treasury.

HISTORY

The Optima Reservoir was first investigated by the Corps of Engineers in 1928–29 and was contained in the famous 308 report to the Seventy-fourth Congress, first session. Prior to that time the State of Oklahoma had made primary surveys of the site and the Optima project was included as a part of the State plan of flood control.

The Optima Reservoir was contained in the first group of projects authorized under the authority of the Flood Control Act of June 22, 1936. In the same list were two more dams in western Oklahoma, Fort Supply on Wolf Creek, a tributary of the North Canadian River, and Great Salt Plains Dam on Salt Fork, a tributary of the Arkansas River. Both of these are now constructed and are in operation. They have proved that the plan of the Army engineers was sound. Today, they have demonstrated their values as flood-control projects and in addition have demonstrated that as recreational areas they have great value not considered in the original justification.

In addition to its authorization in the 1936 act, the Optima Reservoir was considered in House Document 308, Seventy-fourth Congress, first session, and Committee Document No. 1, Seventy-fifth Congress, first session. The original plans for construction were prepared by the Memphis engineer district in 1937. A review report on the North Canadian River was printed as House Document No. 569, Seventy-fifth Congress, third session. This report contained the authorization of the Canton Reservoir on the North Canadian River below the Optima site. A survey report on the North Canadian River was submitted by the Tulsa engineer district in 1940 and was printed as House Document No. 572, Seventy-ninth Congress, second session. In 1945 the Tulsa engineer district prepared detailed plans on the Optima Reservoir at the Hardesty site. It is apparent that sufficient consideration has been given to this project to now merit the appropriation of funds to commence its construction.

DESCRIPTION

The Optima Dam will control about 6,500 square miles of drainage area of the headwater section of the North Canadian River. This is almost four times the drainage area above the Fort Supply Dam—1,600 square miles—and the drainage areas are parallel, therefore similar. The Canton Dam, on the North Canadian River downstream from the Optima and the Fort Supply sites, has a total drainage area of 10,000 square miles. The intervening drainage between Optima Dam and Canton Dam—uncontrolled—therefore is 3,500 square miles.

The dam will be a rolled earth-fill structure. The outlet works and spillway will be of reinforced concrete. The dam will be used as a relocation of the Rock Island Railroad and will reduce the grade of that line very materially. There are no major relocation problems and the reservoir area will be comparatively inexpensive to acquire.

The Optima Dam site is located on the North Canadian River about 623 miles above its confluence with the South Canadian River and about 4½ miles southeast of Hardesty, Texas County, Okla. This site is an alternate site to the original Optima project previously authorized and has been investigated as a substitute because of the larger controlled drainage area and greater benefits that would be derived from the operation of the project.

The plan of improvement provides for flood control and irrigation in the Canadian and Arkansas River watersheds.

The earth-fill dam will be approximately 80 feet above the valley floor and will be 10,800 feet long at its crest. It will provide storage for 100,000 acre-feet of flood control, 70,000 acre-feet for irrigation, and 90,000 acre-feet for sedimentation. The permanent pool will also be used for recreational and wildlife purposes.

A concrete-gated spillway in the right abutment will provide for the passage of flood flows into the valley below. The outlet works will consist of three 36-inch low-flow control pipes.

The Tulsa engineer district office prepared plans in 1945 which are of suffi-

cient detail to permit initiation of construction and preparation of plans and specifications when funds are provided therefor.

The estimated cost of the project is about $9,000,000. Lands, damages, and relocations will cost about another million dollars, making a total cost of $10,000,000. Twenty-five thousand dollars have been spent in preliminary work on the project to date.

BENEFITS

The benefits from this project will be, in my opinion, much greater than the cost. Some of the benefits will be difficult to assign monetary values but they are, nevertheless, real. I refer to such things as silt retention, fish and wildlife propagation, recreation, stream-flow sanitation, and the like.

The benefits from flood control and from irrigation are tangible and, in my opinion, adequate to justify the construction of this project now.

A considerable monetary value will accrue to the protection of siltation of the Canton Reservoir, downstream from this project, which has been constructed for flood control, stream-flow regulation, and irrigation of approximately 18,000 acres in Blaine and Canadian Counties. One of the major problems of the operation of the Canton project for irrigation is silt encroachment upon the storage space dedicated to irrigation use.

The amount of irrigation that can be developed below the Optima Reservoir is not limited by the amount of land but by the extent of available water supply that can be put to beneficial use. It is apparent that this reservoir, making the third in a reservoir plan of controlling the floods of the North Canadian River, is very important to the completion of that plan. The other two reservoirs; namely, Fort Supply and Canton, are being completed. The Optima Reservoir will make possible considerably greater beneficial use of water than is now possible with only the two existing reservoirs.

As I have said before, this project has been in the plan of development of the water resources of the State of Oklahoma since prior to 1927. It has been in the plans of the Corps of Engineers since 1936 when it was authorized for construction.

Let me quote from a publication of the Oklahoma Planning and Resources Board, dated 1945, entitled "Your Oklahoma":

This report presents a plan for the development of the State of Oklahoma through intelligent action by the people of the State and the efficient utilization of the State's natural resources.

In the area west of the ninety-eighth meridian the need for utilizing all of the available water supply almost completely overshadows other features of water use and control. Here water is largely the limiting factor in the development of land and industry, and in attention to human comfort. The agriculture of the region, other than that dependent on irrigation, is necessarily of a type adaptable to conditions of low and uncertain rainfall.

The full utilization of surface water for irrigation is extremely important throughout the West, especially with respect to its stabilizing effect on the livestock industry. Water supplies or industries are difficult and expensive to obtain. During severe droughts, water supplies essential for domestic and stock consumption are lacking over wide areas, and water must be obtained by expensive sources, or the disposing of numbers of livestock becomes necessary.

Despite this urgent need for water conservation within the western area of the State, much surface run-off originating over the Cimarron, Canadian, Washita, and upper Red River watersheds is wasted downstream through lack of adequate storage facilities. Facilities for insuring sufficient water supplies for domestic and stock consumption, both urban and rural, are inadequate, and the water available is sometimes unwisely used, requiring laws and education to guide its best distribution.

There are other water problems of lesser importance. Flood damage occurs throughout the area, being especially critical near the ninety-eighth meridian. Pollution of stream flow from oil-field brines and wastes is severe. Bank erosion causes extensive damage along most streams. Sand eroded from upstream areas has been deposited in the bottom lands of the Red, Canadian, Cimarron, and extreme upper Washita Rivers, destroying large areas of productive land. Large quantities of silt carried by the streams create problems in the maintenance of irrigation canals and structures and fill up space in reservoirs vitally needed for conservation and flood control.

The feasibility of steps necessary to accomplish the improvements outlined have been studied by various Federal, State, and other agencies. They have been subject to intensive analysis and discussion by the National Resources Planning Board. The work of these committees has to a considerable extent made possible the development of this water plan.

In general, investigations made have been sufficient to support recommendations contained herein for development and control of the State's water resources. However, in many cases it has been necessary to go beyond present studies and to cover new ground in selecting measures that appear desirable and essential to the best development of the State when the relations between all factors influencing its future are considered.

As general guides in the selection of these measures for control and conservation of the waters of the area, three principles were followed, each of which involved a widespread concept of benefits. These principles affect flood control, irrigation, and multiple-purpose reservoirs.

West of the nine-eighth meridian, agricultural economy and industrial development are limited by scarcity of water, and the best development of the area demands a full and careful utilization of all available water supplies.

The use of a limited resource in growing high cash-income crops, which are often shipped out of the State for consumption in distant areas or placed in world-wide markets, is not wholly compatible with the best interests of that part of the State from the long-range viewpoint. The most beneficial use of water for irrigating new lands would involve the growing of feed crops to stabilize the stock-raising and dry-farming industries and to provide a measure of insurance against loss of herds through lack of feed during drought periods.

Flood damage west of the ninety-eighth meridian are confined largely to the main valleys of the principal streams.

At the time of original settlement in the State, the Cimarron, North and South Canadian, and upper Red Rivers were narrow streams meandering through fertile bottom lands which were either heavily wooded or were covered with grass. Agricultural development, carried on without proper soil-conservation practices, has resulted in enormous quantities of sand and silt being washed into the bottom lands of the major streams, changing completely the nature of the stream channels and of their adjacent lowlands.

NORTH CANADIAN RIVER

Two reservoirs, one under construction on the North Canadian River at Canton, Okla., and one completed on Wolf Creek at Fort Supply, Okla., are important units in a flood-control system for the North Canadian River. A third reservoir has been authorized on the North Canadian River at Optima, Okla. Recent studies have revealed that an alternate downstream site at Hardesty, Okla., is more satisfactory. This reservoir system, although it reduces damages in the upper reaches of the North Canadian River, is justified largely by its prevention of flood losses on the streams east of the ninety-eighth meridian.

The three reservoirs are at present contemplated as flood-control structures only, with provision for some storage at Canton for an 18,000-acre irrigation project. However, since the system was designed to provide complete control at Canton for a flood equal in magnitude to the greatest on record, it is felt that without sacrificing flood-control value to any great extent, a reallocation of storage in the reservoirs to permit utilization of part of their capacities for irrigation would result in greater over-all benefits. Studies have indicated that the desired storage for irrigation at Fort Supply, Okla., could be provided by effective reservoir operation without detracting from its flood-control function. This will no doubt prove true to some extent at the Canton Reservoir. When considered as part of a system providing for both flood control and irrigation, the cost of the Optima Reservoir is not unduly high when compared with the total benefits. A floodway through Oklahoma City is desirable for complete flood control.

CONCLUSION

Mr. Chairman, the people in the area to be benefited by the Optima Reservoir have been patient. They have waited until their neighbors below the Fort Supply Reservoir and the Canton Reservoir have received the benefits accruing to the construction of those projects before demanding that the Optima project, which was authorized in the First National Flood Control Act, be constructed.

I am before you today representing those people and urging you to appropriate sufficient funds to start the construction of this worthy project immediately.

Mr. CURTIS. Mr. Chairman, I move to strike out the last three words, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Chairman, the bill before us today, making appropriations for flood control, will have my support. The committee has spent a great deal of time and has handled this matter in a very thorough way. The people of the Missouri River Basin and all the district that I represent are grateful to the chairman of this committee, the Honorable ALBERT J. ENGEL, for visiting our area last summer and inspecting this work. We have a great problem and the program to develop the water resources from the Missouri River Basin means a great deal to the economy of the States involved.

One of the important tributaries in the Missouri Basin is the Republican River. Since I came to Congress in January 1939, I have frequently spoken on this

floor concerning our flood problem in the Republican Valley and the need for irrigation development. Part of that work is being carried on by the Bureau of Reclamation, the funds for which will be in another bill. The proposal before us today does carry funds for parts of the Republican River program.

While the amounts recommended by the committee are not as large as we would like to have, they are substantial. This measure carries funds to complete the local protection works at Indianola, Nebr., and to construct the local flood protection at Bartley. It also carries funds for the carrying on in a big way the construction of the Harlan County Dam. There are funds in here for the agricultural levees on the main stem of the Missouri. The counties of Nemaha and Richardson will share in this. I shall support the bill.

Mr. MUHLENBERG. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have asked for this time in order to say one or two things that it seems to me should be said about the cooperation of the chairman of the Appropriations Committee and of the Corps of Engineers. When I was a district engineer, General Wheeler had instructions issued to all district engineers that they should learn not only their own district problems of flood control and river development but also the problems of the entire United States as though they were stationed in one district, they might be at any time transferred to another; and that it was the duty of a district engineer to know the answer to flood control and river and harbor projects all over the United States. In the same way, it seems to me there are men in this Congress who have taken their job exactly the same way. Men like the gentleman from Mississippi, Judge WHITTINGTON, men like the gentleman from Michigan [Mr. ENGEL], have thought in terms of the general good of the United States. It should be recorded here in the Congress that there are people who are thinking in terms not of benefits to their special districts but in terms of the general good. I particularly note for the RECORD the chairman of the Appropriations Subcommittee, the gentleman from Michigan [Mr. ENGEL], and the distinguished gentleman from Mississippi [Mr. WHITTINGTON], and our great chairman of the Committee on Public Works, the gentleman from Michigan [Mr. DONDERO].

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield.

Mr. ENGEL of Michigan. I think we have one of the best Chief of Engineers that it has been my privilege to know. He has with him one of the finest groups of Army and civilian engineers. I do not want to overlook the civilian engineers, men who in times of war are in the Army and who take peacetime jobs in time of peace.

Mr. MUHLENBERG. I agree with the gentleman entirely.

There is one other remark I would like to add for the RECORD, and that is that it is not true, as has been intimated by certain other Members, that the Corps of Engineers would welcome the immediate approval of every project in the United States. That is not correct. The Corps of Engineers has a very limited personnel; personnel who are educated particularly along one line. They are not capable of taking on all projects in the United States simultaneously. Therefore, they do not believe in and welcome every project at one and the same time.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. MUHLENBERG. I yield.

Mr. CHELF. I want to take this opportunity to thank the gentleman for yielding to me, because I want to commend and congratulate the chairman, the gentleman from Michigan [Mr. ENGEL], and the full committee on their sincerity and their earnest endeavor to try to spread this flood-control relief amongst all of the Members of the House who have worthy projects.

My flood-control project at Hawesville, Ky., is one of the 43 new projects included in the bill this year, that is under $1,000,000. I want to express my appreciation for the kindness and consideration shown me by the chairman and the entire Civil Functions Subcommittee on Appropriations. Thank heavens we have men who realize that folks in a little county-seat town of 1,000 people, were just as much entitled to relief as larger towns and could get just as wet and suffer as much damage insofar as their property is concerned. This committee has been fair and I want to express to them the gratitude of the citizens of Hawesville, Ky.

Mr. MUHLENBERG. I agree thoroughly with the gentleman. It certainly has been a fine thing to see how fairly and splendidly the chairman of the Subcommittee on Appropriations has guided the deliberations and actions of his committee.

Mr. Chairman, I yield back the balance of my time.

By unanimous consent, all pro forma amendments were withdrawn.

The Clerk read as follows:

Civil government: For civil government of the Panama Canal and Canal Zone, including gratuities and necessary clothing for indigent discharged prisoners, $3,277,313.

Mr. BRADLEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. BRADLEY. Mr. Chairman, on page 16 of the report of the committee we find two complete paragraphs relating to the Panama Canal. The second paragraph, in regard to the holding back of large expenditures, is one in which I completely agree. I think the committee is to be complimented on putting it in. In regard to the first paragraph, however, the one which advocates an increase of tolls through the Canal, I must say that I do not agree. Therefore, I do not believe this report, and the comments which have been made heretofore by certain Members should be allowed to stand in the RECORD as the unanimous opinion of the Members of this House.

The first point to be considered is that the Panama Canal is the main channel for the intercoastal commerce of the United States. During the past several years, carrying that commerce under general agency has cost the United States about $500,000 per month. We are trying to get out of that sort of business; trying to get the carrying trade back into private hands. In doing so we have finally got chartered ships on this intercoastal run, but even though we have cut the charter rate now to about 8½ percent of statutory sales price, in lieu of 15 percent usually charged, we are still having difficulty in finding ship operators or buyers. The chance of getting buyers for ships on this service seems slim indeed. Now, if we advance toll charges somebody has got to pay the difference, whether it be the Congress or the people through higher freight rates.

We must recognize that the ships in the intercoastal trade form the basis of the merchant ship fleet we get first in case of emergency. When they are in the intercoastal trade we can put our hands on them when we need them. When they get into foreign commerce, they are scattered all over the world, and perhaps we can catch them and perhaps we cannot; perhaps some other nation will get them; but the intercoastal ships are at hand and we can get them immediately.

Statements have been made as to the cost of operating the Panama Canal. I have different figures. The figures given me show that during the entire lifetime of the Panama Canal the surplus, derived from tolls alone, is $274,109,059 if you do not include interest or national defense features. In the same time, the capital investment for purposes of navigation is only $272,196,214, so there is an actual surplus of approximately $1,912,845 which has been earned by the Panama Canal and which this Government has taken as profit, if you do not include interest and national defense features.

Mr. POTTS. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY. I yield to the gentleman from New York.

Mr. POTTS. In that same paragraph there is a comment that the operating costs for material have increased to a point where the Panama Canal finds itself with insufficient funds from tolls to meet all operating costs. I am wondering if the gentleman knows whether an allocation of those operating costs has been made as between commercial ships which pay tolls and naval vessels which do not pay tolls, so that we can have a true picture of the operating costs attributable to the commercial vessels and the tolls which those commercial vessels bring in?

Mr. BRADLEY. May I say to the gentleman, that as far as I know there has been no such allocation made. Government ships go through free; therefore, when we come to consider this question of the Panama Canal, the commercial-shipping interests are carrying the total cost of putting all these naval vessels and other Government ships through the Canal, if you want to put it that way. Just consider these figures, prepared from the records of the Canal and which

the Department of the Army states are substantially correct. Neglecting national defense features, these tables show the following for 1914–46:

	Plan I: From tolls only	Plan II: From tolls, Panama Canal R. R., and commercial business
Operating surplus after payment of all operating expenses	$274, 109, 059	$366, 386, 796
Capital investment applicable to commercial operation	272, 196, 214	325, 962, 263
Excess of accumulated operating surplus over capital investment	1, 912, 845	40, 424, 533

Yet the accounts of the Panama Canal purport to show an accumulated operating loss from the operation of the Canal.

The most recent annual report of the Governor of the Canal contains the following information:

Accumulated totals, 1914–46

Tolls	$537, 161, 480
Civil revenues	6, 824, 163
Business profits	23, 671, 834
Total revenues	567, 657, 477
Net appropriation expenses	297, 881, 855
Net revenues	269, 775, 622
Capital interest, 3 percent	394, 057, 857
Loss	124, 282, 234

It will be seen that the reason for the asserted loss from operations is that the annual report makes a fictitious interest charge at the rate of 3 percent of the capital cost of the Canal. This interest currently exceeds $15,000,000 per annum. In 1946 it was more than the entire operating cost of the Canal.

Just why was the Panama Canal constructed and to what should its construction be charged? Let us have some of those most intimately concerned give an answer to that question.

Theodore Roosevelt said in his message to Congress on January 4, 1904, that the Panama Canal, "long acknowledged to be essential to our commercial development, has become, as the result of the recent extension of our territorial dominion, more than ever essential to our national defense. In the light of our present situation, the establishment of easy and speedy communication by sea presents itself, not simply as something to be desired but as an object to be postively and promptly attained. Reasons of convenience have been superseded by reasons of vital necessity."

General Goethals, who built the waterway, told a Senate committee in 1911:

> Assuming that the Panama Canal is a military necessity of the United States, I naturally take the military point of view that it is for the use of the fleet. I have always felt that the cost of building the Canal should be charged off the books as against the military defenses of the Union.

And Governor Burgess brought out the national-defense value of the Canal in 1929 in these words:

> In other words, for the United States to obtain, without a canal, the naval power—national-safety insurance—equal to that of the present fleet with the Canal, would require an increase of the naval force by 50 or 60 percent, with an increase in annual cost of about 40 percent. The naval expenditure in the fiscal year 1928 was about $320,000,000 and it would be fair to evaluate the defense insurance of the Canal as at least $125,000,000 per year. This * * * should be reduced by the annual cost of the Army and Navy establishments of the Canal Zone * * * but this is only a small fraction of the above.

Today the defenses in the Canal Zone are not properly chargeable to the Canal. It is only one part of the whole picture. The over-all command in the Canal Zone is the hub from which a great part of the defensive system of the Caribbean, the Gulf of Mexico, Central America, and our own Southern States is coordinated and controlled. It is a vital part of the defense system of the United States—canal or no canal.

There is no justification for making ocean shipping assume a larger part in paying for this protection to the Nation.

The interests of the United States would be better served by a reduction of tolls rather than by an increase in such charges.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ELLIOTT. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, in 1944 during my service as a member of the Flood Control Committee, that committee reported out legislation which made it possible to get some money to control certain flood-control areas in my congressional district.

In this bill there is money provided for two of these streams, namely, Kings River and Kern River. I was hopeful that the committee would see its way clear to provide money for the Tule and Kaweah Rivers. The reason for that is that either of these four streams may flood the same area, a large, rich, agricultural district.

Let me illustrate by holding up four fingers of my right hand. For the stream on the north there is money provided, for the stream on the south there is money provided, but for the two streams in the middle no money whatsoever is provided, yet all four of the streams flow westerly and could flood the same land. Any one of these streams can flood this area at any time there may be a flash flood.

In California we are suffering from a drought condition today and we should be in a position to control and conserve every drop of water there is in that part of the United States for any purpose for which it may be most needed. I am not finding fault with the committee, but although the Bureau of the Budget did not send down a recommendation for either the Tule or the Kaweah Rivers I was hopeful that the committee would provide at least enough money to start road construction that is needed before a dam can be built at either one of these dam sites. I do not believe one could get an amendment through the House today, but I propose to go over to the Senate, and I hope that I will be more successful there before their Committee on Appropriations than I was before the House. Then when we go to conference, I trust that the Members on both sides of the aisle, for whom I hold a lot of respect, will give me consideration and keep that money in this bill in order that we may proceed in an orderly manner to protect some of the richest farm land in all the world; land that produces 55 to 60 bushels of wheat per acre, 90 to 95 bushels of barley per acre, and 3 bales of cotton per acre. During the war period those farmers were called upon by our Government to produce a type of cotton that was needed for parachutes. At that particular time it was a gamble because of the flood conditions, but we succeeded in getting the Army engineers to spend about $1,600,000,000 to build a high levee to protect the lands so that we could plant and produce the cotton that was badly needed. In answer to an appeal by the Government, 14,000 acres of this highly rich land was seeded even though it was subject to flash floods. They produced approximately 3 bales per acre for 14,000 acres. I only point this out to you to show you the type of land this is. Yet, there is only one way to protect it, and that is, gentlemen, by constructing a dam on each of the four streams. It will do no good to have two dams completed, one on the north, the Kings River, and on the south, the Kern River, and leave the other two streams in the middle, with the same watershed, with no dam protection, when flash floods ruin the land.

So, I want to repeat again that I only appear here today to speak to you of my intentions of going before the Senate, and I am hopeful we can get this money appropriated in an orderly manner, so that you gentlemen of the House side can work with me and agree to leave the money in the bill and cooperate to the best of your ability.

The Clerk read as follows:

> SEC. 3. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the

Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 19, line 20, after the word "law" insert a new section 4. "That no part of the appropriations contained in this act shall be used for the purpose of converting any coal heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia, or for the installation of oil heating units in any new construction."

And renumber sections 4, 5, and 6.

Mr. HESELTON. Mr. Chairman, I regret to say that I apparently have not been able to convince the able and vigorous chairman of the subcommittee of the soundness of the last few words, in the amendment, "or for the installation of oil-heating units in any new construction." I say, I regret it, because it has been already incorporated in the last two appropriation bills, and I think wisely so. It seems to me that the precedents established under the leadership of the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the gentleman from New York [Mr. TABER] are worth weighing. Certainly no one can fairly charge them with any responsibility, if agencies responsible for the expenditures covered by appropriation bills handled by their subcommittees seek to use those funds in fiscal 1949 or, as to deficiencies, for the balance of fiscal 1948, for installing new oil burners or converting from coal to oil-burning units. And certainly we all know such inexcusable programs have been initiated. Then why not take this simple precaution and arm this committee with the power to prevent such action?

It has been suggested by some thoughtful Members from areas where oil is in plentiful supply that they would prefer to have an exception written into the amendment so that we shall not create false economies and real hardships. The gentleman from Oklahoma indicated that. It is my thought that we should write this amendment in as it is worded, and I will join the gentleman from Oklahoma or anyone else in requesting the Members of the other body in conference to write a sounder piece of limitation legislation into this bill.

I have said enough about the over-all picture. Let me say that my position has been all along that no one of these Government agencies has a priority on scarce fuel. Certainly no one will deny that they should come second to our homes and our industries. We are heated by coal here in the House and throughout the building here. It is adequate; there is a plentiful supply of coal. I do not see any reason why what is good enough for us up here is not good enough for them downtown, and, for that matter, in any area where there may be a shortage.

It has been suggested here today that we are through the shortage period, that we are not going to have any more trouble. There are two-hundred-odd, and I think about 216, Members of the House who do not share that philosophy, and who feel that we have to get over this hump this week.

Let me read a wire that has just been sent to me from my district:

Kerosene out all week. Fuel oil is not much better. No relief in sight. We ask for your help.

What can I do—what can you do—but urge the Federal Government to help us over this hump?

Again, I cannot disclose the name of the person who sent this telegram to me, for he does not want his name used, but this is significant. It is dated February 24:

The kerosene position is similar to that expressed in regard to heating oil, except we expect a tight position and probable spot shortages during the first part of March.

We have that oil and that kerosene in the Gulf area. It is there where we can get it up to the east coast, to Baltimore, Norfolk, Philadelphia, the New York area, Boston, Hartford, Providence, and Portland, and then in turn transfer it anywhere you need it. We have the tankers to carry it. I have been assured that Standard has enough, and we believe we have a sufficient number of tankers to do it in the next 10 days or 2 weeks.

I am begging you, though, to write into these appropriation bills limitations which will get these agencies out of the oil-heating business and keep them out of it.

It has been argued by the chairman that such possibilities are not in the bill. Cemeterial expenses: "For maintaining and improving cemeteries, including fuel." That is in the bill. They may be converting to oil in the cemeteries of this country. I have called attention to the pages in the hearings where the testimony appears. I doubt if you want to run the risk in view of the known facts. That is a substantial item. Rivers and harbors: It will be argued that you do not have such possibilities there. If you will look at the plans and justifications you will find gate houses can be heated by oil. Here, too, you have the page references. That is not good judgment. Flood control: The same thing is true as to storage places. United States Soldiers' Home: All I can do is to call your attention to the half million for modernization of existing facilities. Panama Canal: You have authorizations in here for new buildings, new construction of additional facilities. True, it is only $100,000, but that could build quite a structure. It has been argued that you can get the oil from Mexico and Venezuela. That is all well and good, but you have $3,600,000 for sanitation, quarantine, hospitals, and aid and support of indigent persons in this bill, and there is no time like the present to guarantee that will not be used to buy oils. Shut the doors before they get this oil and burn it up forever. That, in short, is your choice. I think I have a duty to call the facts to your attention, as they appear in plain English in the hearings.

I hope you will go along and give this committee, which is well able to check this, the power to check it before it is too late.

I concede that I do not and cannot know all the details of this bill as the members of this able committee do. They have been working faithfully and long on it. Even though I may fail to convince them of the soundness of this precautionary step, I have full faith that they will follow the matter and do everything in their power to protect this country against unwise administrative action. I am confident they would not approve a single conversion to oil without ample justification. I feel reasonably confident that they would be equally cautious about approving new oil-heating units without the same sort of a showing. All that I am suggesting is that they be fully equipped and empowered to make that check. But unless they wish to pass that authority I doubt if you will feel inclined to give it to them and I must accept the result, much as I regret that it will not then be possible to effectively check on the use of some $884,431,000 so far as any of it might be used for these wasteful, unjustifiable practices.

I did not wish to ask for more time. The chairman has been most generous in his allotment of time to me so that I might try to present these facts to you. But I cannot conclude without expressing also my keen appreciation of his many courtesies to me in connection with the consideration of the relatively small flood-control projects in the First District of Massachusetts. I am equally grateful to all members of the committee for their patience and cooperation. I am confident that they will all believe that I regret our difference of opinion as to this amendment and only wish I could have presented it in a form they could accept. But in view of such messages as I have read to you I cannot accept the responsibility for reckoning what I think is an entirely proper limitation on the use of these hundreds of millions of dollars.

Mr. ENGEL of Michigan. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent that all debate on the amendment close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Mr. Chairman, to show you how little the gentleman from Massachusetts knows about the bill, there is no $3,500,000 in the bill for housing in the Panama Canal because we took it out. It is not there. The same thing is true about the $34,000,000 for the Alaska Railroad; it is not there. The same thing is true about the Diesel engines, no Diesel engines are in the bill. He went through the bill and took every item that anybody talked about and said it was oil.

Let me tell you what will happen if this amendment is put in the bill. There is a cemetery building program, trying to make the people comfortable who come there to visit the graves of their soldier dead. The plans are made, the build-

ings are to be erected. If this amendment is adopted, you will have to revamp the plans on every one of these buildings as to the heating plants. When an oil-heating plant is planned you do not have to provide space for the storage of coal. It means a stopping of this cemetery building program if the amendment is adopted. I ask that it be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I concur in the remarks made by my colleague, the gentleman from Michigan [Mr. ENGEL]. It would be most unwise for the Committee to go into this collateral field and undertake to adopt the amendment which has been offered. I simply rise to ask the Committee to vote the amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The question was taken; and on a division (demanded by Mr. HESELTON) there were—ayes 11, noes 66.

So the amendment was rejected.

Mr. ELLSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one of the finest harbors on the Pacific coast, the harbor at Coos Bay, Oreg., is now being improved by the Army engineers. The improvement project was duly authorized by Congress, and the first appropriation for the improvement was made last year in the sum of $500,000. Upon recommendation of the Army engineers, the Bureau of the Budget this year approved $2,000,000 for expenditure on this project during the fiscal year 1949. Unfortunately, the amount reported to the floor by the committee in this bill was just half of the amount recommended.

I use the phrase "unfortunately reported" advisedly. The nature of the Coos Bay Harbor project is such that a contractor who undertakes the difficult job of removing the subaqueous rock in the lower harbor must take to the project large pieces of equipment, barges, and so forth, and must make rather elaborate preparations for the work. The contract, therefore, cannot be made for a small amount, but such contract must be of sufficient size to permit of the preparatory work and the building and moving into place of the needed equipment. Accordingly, a contract was recently let for a total sum of $2,200,000 for removal of the rock in the harbor in order to create the required project depth. Unless the appropriation for fiscal 1949 is increased to at least $2,000,000 for this harbor, the work to be done under the pending contract will have to be delayed until a sufficient sum is appropriated to allow for the completion of the contract.

The harbor at Coos Bay is an important lumber-shipping port. Lumber from the last remaining virgin forest in the United States moves through that port to other cities on the Pacific coast to the Atlantic coast and to ports on the Gulf of Mexico. Important shipments will be made from the port of Coos Bay to Europe. Until the improvement is made by the completion of the project I have just referred to, ships for lumber cargoes can only be loaded half or two-thirds of their capacity and must then move to the Columbia River or Puget Sound ports to finish their cargoes. This makes for increased shipping expense and delay, but when the present harbor depth is increased as provided for in the project, such ships will be able to depart from Coos Bay with full lumber cargoes.

I direct the attention of the House to this situation at this time for the reason that I am hopeful that this item in the pending bill will be reviewed by the committee in the other body and an amount added to the item which will permit the completion of the pending contract for this harbor improvement.

The Clerk concluded the reading of the bill.

Mr. ENGEL of Michigan. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEONARD W. HALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5524) making appropriations for civil functions administered by the Department of the Army for the year ending June 30, 1949, and for other purposes, directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. ENGEL of Michigan. Mr. Speaker, I move the previous question on the bill to final passage.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MAHON. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MAHON. I am, in its present form, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion of the gentleman from Texas.

The Clerk read as follows:

Mr. MAHON moves to recommit the bill to the Committee on Appropriations.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this 1 minute in order to announce the program for tomorrow, particularly in view of the fact that many Members have been asking me about the program for the balance of the week.

At this time I also ask unanimous consent, Mr. Speaker, that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. HALLECK. Mr. Speaker, for the information of the Members, we propose to call up first House Concurrent Resolution 147, the legislative budget. That is under a rule which has just been granted and will be filed this afternoon, providing for 2 hours general debate. I am sure that this matter can be disposed of expeditiously.

Then, we propose to call up House Joint Resolution 296, having to do with social-security benefits. As is customary with matters of such nature from the Ways and Means Committee, we propose to call the bill up under a closed rule, which provides for 2 hours of general debate. I am quite sure that both those matters—House Concurrent Resolution 147 and House Joint Resolution 296—can be disposed of tomorrow, in view of the fact that we are to come in at 11 o'clock.

Tomorrow I shall announce the program for next week, and I shall also ask unanimous consent that when the House adjourns tomorrow it adjourn to meet at noon on Monday next.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. EBERHARTER. I just want to give notice that in my opinion House Joint Resolution 296 is a very important resolution, and it is my intention, if at all possible, to insist on a roll-call vote on that resolution.

CEILING ON EXPENDITURES—LEGISLATIVE BUDGET

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following resolution (H. Res. 485), which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution (S. Con. Res. 42) establishing the ceiling for expenditures for the fiscal year 1949 and for appropriations for the fiscal year 1949 to be expended in said fiscal year, and all points of order against said concurrent resolution are hereby waived. That after general debate, which shall be confined to the concurrent resolution, and shall continue not to exceed 2 hours, to be equally divided and controlled by the gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON], the concurrent resolution shall be considered as having been read for amendment. No amendment shall be in order to the said concurrent resolution. At the conclusion of the consideration of the concurrent resolution the Committee shall rise and report the same to the House and the previous question shall be considered as ordered on the concurrent resolution to final passage without intervening motion, except one motion to recommit.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3726) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions, with a Senate amendment, disagree to the Senate amendment and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. JONKMAN]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. EATON, Mr. MUNDT, Mr. JONKMAN, Mr. BLOOM, and Mr. KEE.

CONTINUING SECOND DECONTROL ACT OF 1947

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5391, an act to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 7, strike out "March" and insert "May."

Line 10, strike out "March" and insert "May."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

Mr. HALE. Mr. Speaker, I ask unanimous consent that my colleague the gentlewoman from Maine [Mrs. SMITH] may be excused from attendance at the sessions of the House for the period from February 13, on which date she very unfortunately broke her arm, until Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

EXTENSION OF REMARKS

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. KLEIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New York Post.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a statement issued by Gov. George T. Nicholson, of South Dakota.

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include an address he delivered on February 17 before the Women's Bureau Conference in the city of Washington entitled "Centennial of the Woman's Movement."

POLAND

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an address by the Honorable Arthur Bliss Lane before the Polish-American Congress at Boston, February 1, 1948.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I include in my remarks excerpts from an address by the Honorable Arthur Bliss Lane before the Polish American Congress at Boston, February 1, 1948.

Mr. Lane is former American Ambassador to Poland who resigned to tell his story of the shameful betrayal of that historic nation and its noble people. Mr. Lane's story is one which every American should read and his information and views concerning the great issue of Polish independence should be known to all Members of Congress and to the American people.

His tragic recital of the destruction of the Polish nation's liberty in which our own country played a significant role is a damning indictment of Russian communism in Poland, and of our own foreign policy, based on appeasement and compromise, which contributed so materially to the enslavement of the Polish nation.

It is clear, and I have stated repeatedly, that we cannot build a permanent, lasting, honorable peace upon the misunderstandings, appeasements, and injustices which were perpetrated at Yalta, Teheran, and Potsdam. It is now clear and incontradictable that these agreements have worked great wrong not only upon Poland, but upon Lithuania, Latvia, Estonia, and undoubtedly other nations. Since these agreements were never ratified by the United States Senate and since they are overwhelmingly opposed by the American people, they should be repudiated before all of Europe goes the way of Czechoslovakia. The Soviet Government should be informed that we insist upon the carrying out of legitimate free elections in these various countries—elections which will not be set up or rigged by Communists, but will be supervised by the United Nations for the purpose of permitting the peoples concerned to select their own public officials and their own form of government under democratic processes contemplated by the United Charter and all the allied pronouncements concerning the aims and objectives of the war.

Mr. Lane is entitled to the gratitude of our Nation for his able and unselfish advocacy of the Polish cause which is indeed the cause of all people suffering under cruel oppression and seeking their freedom. It is the duty of this Congress as well as the State Department to move expeditiously and effectively in the international sphere by forthright unequivocal declarations and demands, backed up if necessary by the prestige and power of this Government, to release these helpless dictator-ridden, democracy-loving, peace-seeking peoples from bondage.

EXCERPT FROM ADDRESS BY ARTHUR BLISS LANE AT POLISH-AMERICAN CONGRESS, BOSTON, MASS., ON EVENING OF FEBRUARY 1, 1948

After having heard the pessimistic account which I have given of the situation in Poland and other dominated countries in eastern Europe, you may well ask what we in America can do to alleviate the situation. The answer is twofold: positive and negative.

On the positive side we can show in a practical manner our sympathy for the plight of the Polish people by contributing material assistance. This can be done through the many humanitarian organizations which are now rendering invaluable aid—American Relief for Poland, CARE, Joint Distribution Committee, and other organizations. Not only will the material assistance be appreciated to relieve the needy but it will emphasize what Poland's Soviet masters wish to eradicate—the friendly feeling which the American people have always had in their hearts for the Polish people. This tie must be kept alive, and there is no more effective way than through the sending of individual gift packages.

Negatively, no economic or financial assistance should be given to the Communist Polish Government. We must make a distinction between a tyrannical government imposed by deceit and force on the Polish people, and the Polish people itself. If we should give assistance to the Polish Government the Polish people will feel, as unfortunately it has felt in the past, that the United States is whitewashing the rule of tyranny and unscrupulous false elections which were held in January 1947 in contravention of the Yalta agreement.

The credit of $90,000,000 which, over my repeated protests, was granted in April 1946 was conditional. The Polish Government had agreed to adhere to the principle of non-discriminatory trade and it had agreed to hold elections in 1946. These agreements were not carried out. In addition, the Polish Government has continually vilified the United States and its Government. It has criticized the President of the United States as a gauleiter, and has shown no desire to cultivate the friendship of the United States. Quite the contrary, it has done all in its power through its controlled press to destroy the traditional friendship between the Polish and American peoples. American citizens still languish in jail for political reasons. Despite treaty provisions to the contrary, our Embassy in Warsaw has been unable to visit these American citizens. American-owned property in Poland has been nationalized, but no positive steps have been taken to compensate the owners.

During the past week I have been profoundly shocked by substantiated reports that the International Bank with the favorable recommendation of the United States Government proposes to grant a loan of $30,000,000 to the Polish Government for the purposes of purchasing coal-mining machinery from the United States. The naive excuse advanced for this loan is that it would be an implementation of the Marshall plan. In 1946 the Department of State had likewise naively defended its recommendation of a $40,000,000 loan to Poland from the Export-Import Bank to purchase locomotives and coal cars with the spacious argument that further quantities of coal would be shipped to western Europe. The Polish Government will ship coal only to the countries stipulated by the Soviet Government. As the Soviet Government wishes the Marshall plan to fail, it is illogical to suppose that the proposed credit for coal-mining machinery will be used to further our policy. Poland is a member of the Cominform. The Cominform has publicly made war on the Marshall plan.

There are three basic reasons why no funds of the American taxpayer should be loaned

to the Polish Government or to any other Soviet-controlled government:

1. The Polish Government is a poor banking risk. What reputable bank in the United States will loan money to an individual or corporation which has proved itself to be untrustworthy? The Polish Government has repeatedly violated its international pledges to the United States. Are we, in the face of flouted agreements, going to insist on extending further credits? The United States Government had publicly admitted, what all of you know, that the Polish Government is not master in its own house. It is but an automaton of the Soviet Union. Under this circumstance, how can it be responsible for any commitments which it makes?

2. If the proposed loan should increase the output of Silesian coal, how will that coal be used? Undoubtedly it will be utilized primarily for the sake of Soviet economy, for the increased output of steel, in the armament factories of Cegielski in Poland, and of Skoda in Czechoslovakia. We would, in fact, be repeating the grievous error of 1941 when we sent scrap iron to Japan to build up Japanese armaments to be used against the United States.

3. Most important is the psychological effect which a credit to the Communist Polish regime would have on the Polish people. Many times during my stay in Poland I was urged by independent Poles, and especially those of liberal democratic views, to give no assistance to the Communist group ruling Poland. To do so, they argued, would be considered as tacit acquiescence in the political arrests, torturings, and murders, not to mention the deportations to Siberia which have been the order of the day under the Nazi or Soviet domination which has existed since September 1939. To do so would further undermine the prestige of the United States which is already low as a result of the appeasement policy followed at Tehran, Yalta, and Potsdam.

This policy of appeasement must stop. It cannot succeed in dealing with a dictator. It failed with Hitler; it has already failed with Stalin. The alternative—a policy of firmness backed by military force—is the only language which a dictatorial tyrant will understand.

It is here that the American people can exercise its democratic function. You can perform a great service to Poland and to the cause of liberty if you will urge on your Government and on your representatives in Congress to grant no further assistance to the Polish Government until the Polish Government itself rights the wrongs which it has committed.

DISMANTLING OF MANUFACTURING PLANTS IN BRITISH ZONE OF GERMANY

The SPEAKER laid before the House the following communication, which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

FEBRUARY 26, 1948.

The Honorable JOSEPH W. MARTIN, JR.,
Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: You will recall that by a letter dated January 24, 1948, there was transmitted to you by the Department of State a basic reply to the questions raised by House Resolution No. 365 of the Eightieth Congress, adopted by the House of Representatives on December 18, 1947. At that time it was pointed out that much of the detailed information requested was then available only with respect to the United States zone in Germany, and that the British and French Governments had been asked to supply the additional data needed.

The necessary information with respect to the British zone has now been furnished to the Department, and is respectfully submitted herewith. The attached list indicates the dismantling and shipping status of all plants listed for reparation in the British zone and, for all plants other than war plants, their general character and capacity, as requested under the second and third questions of House Resolution No. 365. It is hoped that similar information concerning plants in the French zone will be forthcoming shortly.

As has been previously stated the question is now under consideration of whether certain of these plants, which appear to be technically equipped for the production of items in short world supply, might make a more prompt and effective contribution to European recovery if retained in Germany than if transferred to other countries.

Sincerely yours,

For the Secretary of State:

CHARLES E. BOHLEN,
Counselor.

(Enclosure: List of plants in British zone.)

The SPEAKER. Under the previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

THE DOMESTIC OIL SITUATION

Mr. HESELTON. Mr. Speaker, I simply want to state that I think we made a grave error this afternoon when we permitted certain Federal agencies to go ahead with conversion of heating units from coal to oil, for that was certainly involved in rejecting the limitation even though there might be some basis for doubting its application to new construction. Yet, with many steps considering the wisdom of limiting new installations until we can catch up on supply, it is most difficult for me to understand what reason could be advanced for approving such installations by Federal agencies, certainly in shortage areas, where there can be but one result—diminishing the critically short supplies for heating homes, industries, churches, hospitals, schools, and private buildings.

I do not believe that any Member in this House can or would try to justify the disgraceful action which resulted in the conversion of a coal-heating unit in Boston in December during the worst days of the shortage, which conversion resulted in the draining of something like 1,400 gallons a day of bunker C oil and at a cost in the neighborhood of $29,000 to undo that harm and taking something like 120 days to do so.

I simply express the hope that other subcommittees of the Appropriations Committee will look at this thing more closely in the near future and will see to it that the door is shut before it is too late.

I commend the chairman of the Subcommittee on the Independent Offices bill, the gentleman from Massachusetts [Mr. WIGGLESWORTH], and his committee. I think they did a wise and constructive job the other day. I commend the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER], and his committee on his handling of the deficiency bill which was almost on all fours with this bill.

It is true that I was fortunate in discussing this problem fully with both gentlemen and that I had not realized we would have this bill quite so soon. I wish I could have discussed it fully with the chairman and members of this committee, but I was only able to talk briefly with Mr. Lambert and write to the chairman last Monday, you having sent the initial memorandum to him on the 9th, which he promptly and courteously acknowledged on the 10th. I know the heavy responsibilities he carries. Perhaps it would have been better had I asked for a chance to present the evidence, as I developed it, for the RECORD. I shall discuss this with the chairman of the other subcommittees and shall be guided entirely by their advice and wishes. But I cannot help but express my keen appreciation of the replies I received from the gentleman from New Jersey [Mr. CANFIELD], the gentleman from Illinois [Mr. DIRKSEN], the gentleman from Iowa [Mr. JENSEN], the gentleman from Illinois [Mr. JOHNSON], the gentleman from Nebraska [Mr. STEFAN], the gentleman from Vermont [Mr. PLUMLEY], the gentleman from Wisconsin [Mr. KEEFE], and the gentleman from Missouri [Mr. PLOESER], and to assure them at this time that I want to furnish each of them with every bit of information I have been able to develop.

It is my position, and I have consistently maintained it, that it is too late, much too late, when once this conversion is made to try to undo the harm.

The argument was made that no money has been allotted for construction in Panama. The record of the hearings shows clearly that at least $100,000 has been set up for that purpose. As I understand it, they do not heat with oil in Panama; at least up to this time they have not. They use these little locomotives. I do not know what good reason is going to be offered the people of the Midwest and the great area of Detroit where 200,000 have been out of work because they cannot get fuel oil; particularly if it is true that in the month of March the kerosene these people need will be short and if Federal agencies there convert their heating to oil or even put in new oil-heating units. I do not know what answer is going to be offered anyone in those areas which will comfort them in terms of what we have done this afternoon. But be that as it may, that is a decision that had to be made and I, of course, as an individual, accept it. That is the democratic system. We have to accept it. I only beg the other chairmen of other subcommittees to look over the suggestions that have been made to them. I think probably the best thing to do would be to ask them to incorporate this in a bill, if we are going to encounter some resistance, as we did today.

May I say that we only have about 36 hours left to accomplish the purpose that so many of us want to accomplish. As I said this morning, we have the tankers; we have the storage space; we have the oil. In the face of that we have a shortage of kerosene in my district; we will have a shortage of fuel oil probably in March, according to the testimony. Of course, it may be argued that only affects a few people, but I say that a few people can get just as cold as a hundred people. As the gentleman from Mississippi said this afternoon it makes very little difference in a community if you are in a flood how many of you are there, you get just as wet. You get just as cold under the same circumstances.

Mr. Speaker, I will include in the revision of my remarks as many copies of telegrams as I have received which will indicate to all what confronts us and what we have to do about it. I shall try to include in my revision of remarks also so many of the revised telegrams as have come in from European countries if I can get a release on the texts. Some 30 of them indicate we could if we wish save now 599,000 barrels of necessary fuel oil if we will act promptly.

I realize many people think we should not legislate on this matter, but I do not know how we are going to do it unless we are willing to accept the responsibility of legislating. I am going to ask my own committee to vote on this tomorrow. I am inclined to urge that we report an indefinite embargo bill on this floor and leave it to the responsible department heads to come back and tell us how and when it should be lifted. They have not explained the matter yet and I do not think they can. It is our responsibility now. I am unwilling at this stage of the picture to accept responsibility for what is going to happen in New England during March. I want a chance to vote on this. It will be too late Saturday night, in my humble judgment. I cannot see any harm in acting. The Department of State indicated to me last night that it thought probably some action will be taken. Every 24 hours we lose on this means just that much more ground lost.

Mr. Speaker, I understand some very influential Democrats this afternoon signed this telegram and I appreciate their assistance. I hope they will have some influence over the departments which apparently we do not have.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I know the gentleman has been a leader in the fight for an embargo. I wonder if he will be good enough to tell us what additional help he got on his petition today.

Mr. HESELTON. I do not know that I have authentic information. I have been advised some 18 additional Members of this House have signed the telegrams in one form or another. There are now 216 Members who are demanding immediate action. I am very happy to say that I understand the chairman of the Democratic National Committee signed a telegram this afternoon and I can understand why he would. He represents the great State of Rhode Island which is in danger and I think he has acted like a statesman. I commend him for his action.

I can now add that in talking with a responsible and able official of the Department of Commerce this evening I was advised that the situation had developed to the point of an impasse between the executive and legislative branches, that the executive, through the Department of Commerce, has wired many of us that it could not grant our request and would not impose any further restrictions. He indicated that he felt the decision now was our responsibility. I am forced to accept his decision. I hope we can have the opportunity soon of acting. As one individual, I cannot escape the complete necessity of quick and decisive action on our part. In the face of the laws we have passed and the responsibilities we have vested in the Secretary of Commerce, since he will not act, I submit we must.

A total of 207 Members have now signed the telegram to Mr. Blaisdell asking for an embargo on the shipment of petroleum and petroleum products to the end of this week, February 28, pending receipt of the information requested.

The additional Members are:

ROBERT F. ROCKWELL, Representative from Colorado.

JOHN SANBORN, Representative from Idaho.

PAUL CUNNINGHAM, Representative from Iowa.

HENRY O. TALLE, Representative from Iowa.

GEORGE A. FALLON, Representative from Maryland.

FRED L. CRAWFORD, Representative from Michigan.

ALBERT L. REEVES, JR., Representative from Missouri.

FRANK A. MATHEWS, JR., Representative from New Jersey.

RALPH W. GWINN, Representative from New York.

ROBERT J. CORBETT, Representative from Pennsylvania.

JAMES HOWARD MCGRATH, Senator from Rhode Island.

In addition to these, nine Members from the west coast signed a similar telegraphic request, but covering only exports from the Gulf coast. These are:

LEROY JOHNSON, Representative from California.

JOHN PHILLIPS, Representative from California.

GORDON L. MCDONOUGH, Representative from California.

ERNEST K. BRAMBLETT, Representative from California.

CHARLES K. FLETCHER. Representative from California.

DONALD L. JACKSON, Representative from California.

HAL HOLMES, Representative from Washington.

WALT HORAN, Representative from Washington.

HOMER R. JONES, Representative from Washington.

So that 216 Members of the House now clearly indicated their wish and recommendation. That is a clear majority, whose request should be a matter of concern to the Department of Commerce.

NEW YORK, N. Y., *February 26, 1948.*

Hon. JOHN W. HESELTON,
House Office Building:

This will reply to your wire of February 21 regarding the east coast kerosene and heating-oil situation, addressed to Mr. Eugene Holman, president, Standard Oil Co. (New Jersey), our total stocks of kerosene at all primary terminals and refineries north of North Carolina were 781,000 barrels on February 1. Our production, receipts from the United States Gulf, and return on loans are such that we can meet our indicated requirements throughout the months of February and March, this after allowing for a reserve set aside for allocation to State fuel coordinators in an amount we consider to be our fair share to handle hardship cases. Our stocks on April 1 will amount to 540,000 barrels, which is our minimum working stock, including unfinished stocks and tank bottoms, for that date and may be compared with a stock of 748,000 barrels on April 1, 1947. Our total stocks of heating oil on February 1 for all refineries and primary terminals north of North Carolina were 1,791,000 barrels. Our production, receipts, and pull-down of this February inventory to minimum working level will permit us to meet our full requirements for the months of February and March, and we estimate our stocks on April 1 to be 500,000 barrels. This might be compared with what we consider to be a minimum stock of 630,000 barrels and a stock on April 1, 1947, of 785,000 barrels. We have also included in our estimate of requirements of No. 2 heating oil a reserve for what we feel is our share of the hardship cases on this product. We have no exports of either kerosene or heating oil scheduled for loading in the United States Gulf during these 2 months except one cargo of kerosene scheduled to load late in March for shipment to Canada. This shipment to Canada has already been postponed for several weeks, and we understand cannot be set back any longer. We are planning to start building our east coast fuel stocks just as soon as reduced demand permits, but now are shipping everything we have available. If any other companies have fuel products to sell on account of reduction of exports, we would be glad to buy them for east coast delivery as soon as possible.

M. J. RATHBONE,
Esso Standard Oil Co.

NEW YORK, N. Y.

Hon. JOHN W. HESELTON,
House of Representatives,
Washington, D. C.:

Your telegram of February 21 to Mr. W. Alton Jones has been referred to me for attention since Mr. Jones is presently out of the city. In our opinion fuel-oil supply outlook for Northeastern States is considerably brighter than a few weeks ago. Assuming fairly normal weather if refiners continue increased yield of heating oil as recommended by industry advisory committee, sufficient quantities should be available throughout remainder of season to prevent undue hardship. In order to meet minimum requirements of our customers Cities Service has greatly increased yields of heating oil at expense of gasoline and today is converting almost 35 percent of each barrel of crude into domestic heating oil. While we expect to end up the season with stocks substantially less than normal, we are confident that by continuing, as we intend to do, expensive method of processing to obtain maximum heating oil yields we will be able to supply our customers with minimum necessary quantities. As to matter of further limitation on exports, we are not in position to express opinion. While our company in years past has been an important exporter of petroleum products, because of demands on us here at home we were compelled many months ago to discontinue all exports with exception of small amount of specialty products in packages. If export diversions mentioned your wire are effected, we would be interested in joining with other companies to purchase same to augment our supplies. Currently industry kerosene supply position is extremely tight because of abnormal demand during present heating season and fact that yields of this product cannot be increased substantially by changing refinery yields. Following figures apply to combined Gulf and east coasts. During February, March, and April of this year we expect to produce 1,103,000 barrels of kerosene and have minimum sales requirements totaling 1,210,000 barrels during those months. With respect to No. 2 fuel we expect to produce during February, March, and April 2,550,000 barrels and have minimum sales requirements of 2,999,000 barrels. Our inventory figures include working stocks and tank bottoms at 36 marine and pipe-line terminals as well as material in transit to those termi-

nals by tanker, pipe line, and barge at the beginning and end of the 3-month period. On this basis our total inventories of kerosene were 380,000 barrels on February 1 and are estimated to be 278,000 barrels on May 1. Inventories of No. 2 fuel on same basis were 844,000 barrels on February 1 and are estimated to be 404,000 barrels on May 1. In both cases closing inventories as of May 1 will be abnormally low and not in accord with good operating practice.

B. S. WATSON,
Vice President, Cities Service Co.

SAN FRANCISCO, CALIF., *February 26, 1948.*
Hon. JOHN W. HESELTON,
Member of Congress:

Re your telegrams February 21 and February 23:

1. Under program of voluntary agreements approved by governmental agencies this company is cooperating to the fullest extent possible to meet the shortages which have occurred in special localities in the northeastern area where we operate.

2. Immediate diversion of half million barrels heating oils by temporary embargo export shipments should materially help in relieving northeastern situation.

3. Several months ago we realized indicated short position on essential fuels and at that time maximized our refinery production of these products.

4. Dependent on weather conditions, no unforeseen interruption of refining operations, and the continuous cooperation of consumers to conserve oil which is most important, we believe we will be able to take care of our customers over the balance of the heating season.

5. In northeastern areas where we operate we are down to minimum working stocks and hope through our programs to be able to provide supplies to our own customers. We will be most happy to join with other companies in building reserves through utilization of cargoes diverted to northeastern area where we operate.

6. By comparison to total exports in our opinion temporary diversion four tankers from foreign destinations to east coast ports is relatively inconsequential.

7. The situation in Northwest, that is, Oregon and Washington, supplies by California refineries is entirely different. While seasonal heating oil demands in the Northwest have been high, supplies, including draft on inventories have generally been adequate with minor exceptions, although stocks in the Northwest are now at minimum working levels, we expect to supply our customers and build up inventories.

8. This company has no owned or chartered tankers in overseas service. All ships are operating in Gulf-Atlantic of Pacific coastwise duty transporting essential products.

WILLIAM F. HUMPHREY,
TIDE WATER ASSOCIATED OIL CO.

LOS ANGELES, CALIF., *February 25, 1948.*
JOHN W. HESELTON,
Member of Congress,
Washington, D. C.:

Retel all of our tankers are in domestic trade. One of them, the *Coxcomb Hill*, was chartered to Socony Vacuum Oil Co. for voyage from Los Angeles to Australia and will arrive in United States port about March 15. Subsequent voyages presently expected to be in domestic trade. We do not hold any export licenses at this time, but have a few applications pending. If there is any further information you desire please let me know.

CHAS. S. JONES,
President, Richfield Oil Corp.

SAN FRANCISCO, CALIF., *February 25, 1948.*
JOHN W. HESELTON,
Member of Congress,
House Office Building:

Your wire February 21. We foresee no difficulties in meeting our customers' heating oil needs in Pacific Northwest during remainder of this heating season, barring unforeseeable interruptions in operations. Our company recently installed major additional storage capacity at Northwest marine terminals at considerable expense. Our Northwest storage presently is filled to approximate maximum working levels. Therefore see no benefit or need in our area for a 48-hour ban on exports, as it would have no effect whatsoever on our adequate heating stock situation in the Pacific Northwest.

R. G. FOLLIS,
Standard Oil Co. of California.

PHILADELPHIA, PA., *February 24, 1948.*
JOHN W. HESELTON,
Member of Congress, House of Representatives, House Interstate and Foreign Commerce Committee, Washington, D. C.

Retel 21st to Mr. R. G. Dunlop, Sun Oil Co., anticipates meeting all its commitments from anticipated refinery production and withdrawals from stocks on hand. We therefore do not need to build reserves to meet demand commitments for this heating season and expect to build up adequate reserves from our refinery runs to meet demand for heating season 1948–49. Unable to answer last question, as we have no tankers destined for foreign ports and only one cargo of approximately 100,000 barrels of Venezuela crude scheduled to lift by our own tanker in late March.

DONALD LINCOLN,
Sun Oil Co.

PHILADELPHIA, PA., *February 25, 1948.*
Representative JOHN W. HESELTON,
House Office Building:

Reference your telephone conversation February 24 with Mr. Dunlop concerning accumulation of heating oils in east coast area; suggest following large distributors be approached in this connection: State Fuel Union Oil Products, Quincy Oil Co., Lincoln Oil Co., Pacific Oil Co., White Fuel. Above all in Greater Boston area, also Coastal Oil Co., 60 Park Place, Newark, N. J., Metropolitan Oil Co., 220 East Forty-second Street, New York City, American Mineral Spirits, 157 East Forty-fourth Street, New York City, Patchogue Oil Terminals, Inc., Court Street, Brooklyn, N. Y., Atlantic Terminal Corp., Portsmouth, N. J., Petrol Corp., Philadelphia, Pa., Wyatt Oil Co., New Haven, Conn.

R. J. WELLIVER.

NEW YORK, N. Y., *February 24, 1948.*
JOHN W. HESELTON,
Member of Congress,
Washington, D. C.:

No tankers owned or chartered by Sinclair Refining Co. are engaged in transporting petroleum or petroleum products overseas, nor have we any present intention of so using them.

H. CAMPBELL,
Marine Manager, Sinclair Refining Co.

BOSTON, MASS., *February 26, 1948.*
Hon. JOHN W. HESELTON,
House of Representatives:

Replying to your telegram of February 26, a preliminary survey with 8 out of 18 primary suppliers reporting shows storage available at Massachusetts tanker terminals for kerosene, 712,000 barrels, and for No. 2 fuel oil, 742,000 barrels. Continuing survey and will send further information tomorrow.

ROBERT B. BRADFORD,
Governor.

PITTSFIELD, MASS., *February 26, 1948.*
JOHN HESELTON,
House of Representatives:

Oil shortage critical in this area. Doing business with Gulf Oil Corp. They have done all they can. We have been without kerosene all week. Fuel oil isn't much better. No relief in sight—we ask your help.

BROWN OIL CO.,
Dalton, Mass.

NEW YORK, N. Y., *February 24, 1948.*
JOHN W. HESELTON,
Member of Congress,
Washington, D. C.:

Refer your telegram February 21 which due to holidays only reached me today. Agree with Rathbone's statement to the extent that we consider continuing all-out effort on part of oil industry to meet unprecedented demand will prevent serious general shortage balance of winter although view current low-inventory position there may occur some local supply dislocations which, however, can be handled by presently established machinery. Regarding Boatright's statement doubt that 48-hour ban on export shipments will automatically result in sending more shipments to areas mentioned. While diversion through restriction export quotas will naturally make more oil available for domestic market in immediate future consider taking longer view ultimate result would be nil since seems natural suppose the resulting deficiency in foreign supply would be made up by oil which otherwise would be imported into United States. You will of course bear in mind that imports exceed exports. Our stock of kerosene and No. 2 oil in Atlantic coast area 711,000 barrels as of February 20. Anticipate supply to end March on present schedule 2,000,000 barrels. Demand will depend on weather conditions but barring extraordinary circumstances we believe foregoing position will enable us take care our share trade until end heating season. We have adequate storage available Atlantic coast terminals for any additional oil that might become available to us. Diversion of tankers from foreign destinations to East coast ports do not consider will help situation as adequate tankers now available for coastwise movement in relation availability of oil.

H. S. M. BURNS,
Shell Oil Co., Inc.

PITTSBURGH, PA., *February 24, 1948.*
The Honorable JOHN W. HESELTON,
House Office Building,
Washington, D. C.:

Answering your telegram February 21 to Colonel Drake, we feel with normal weather and no major disruption to our accelerated supply and distribution heating-oil program we will be able to just get by over next 6 weeks east coast and in that part of the Midwest territory where we market. We do not market in the west-coast area. We would be glad to take in and now have ample storage capacity in New York to receive for prompt distribution all or any part of 500,000 barrels No. 2 heating oil which you mentioned in your wire might be diverted to points north of Norfolk. In my opinion since we feel the shortage is world-wide any embargo on foreign shipments might well imperil the import relationship with South American countries inasmuch as they in turn would receive the impact of additional demand on them for these denied shipments.

R. M. BARTLETT,
Vice President, Gulf Oil Corp.

LOS ANGELES, CALIF., *February 24, 1948.*
Hon. JOHN W. HESELTON,
House of Representatives,
Washington, D. C.:

Reurtel February 21 steamship *Lompoc*, 16,590 dead-weight tons, now en route to

Central America, returns Port San Luis, Calif., approximately March 7 to resume domestic coastwise operation; steamship *Paul M. Gregg*, 12,849 dead-weight tons, sails March 6 for Puntarenas, Costa Rica. We hold export license issued on February 10 for this cargo, which we are supplying from and delivering to our own facilities.

REESE H. TAYLOR,
President, Union Oil Co. of California.

LOS ANGELES, CALIF., *February 24, 1948.*
Hon. JOHN W. HESELTON,
House of Representatives,
Washington, D. C.:

Reurtel February 21. As Union Oil does not supply Atlantic northeast area am not in any position to comment on Mr. Rathbone's statements. As to Boatwright's testimony and assuming he was speaking of Pacific Northwest, Union Oil does not believe export ban on shipments from West coast would result in sending more shipments into Pacific Northwest as no supply difficulties encountered or expected to be encountered during current heating season there. Nor do we believe export ban on west-coast foreign shipments, most of which go to Canada and Central America, would result in materially adding to supplies in Midwest and Atlantic coast.

REESE H. TAYLOR,
President, Union Oil Co. of California.

NEW YORK, N. Y., *February 25, 1948.*
Hon. JOHN W. HESELTON,
Member of Congress,
House Office Building:

Your telegram 21 addressed to Mr. Sinclair has in his absence been referred to me for answer as I am the officer in charge of supply and distribution of petroleum products for the company. We are not in a position to comment on the testimony of Messrs. Rathbone and Boatwright. We have carefully reviewed our entire situation and believe that with our available supplies and our scheduled production we shall be able to take care of all of our commitments during the present heating-oil season in the areas mentioned and elsewhere.

SINCLAIR REFINING CO.,
J. E. DYER, *Vice President.*

NEW YORK, N. Y., *February 25, 1948.*
Hon. JOHN W. HESELTON,
Member of Congress,
House Office Building:

Your telegram to Mr. Holman. I am replying in his absence. We agree with Rathbone's testimony. Cannot comment on statements attributed to Boatwright without full details of proposal as figures given in your telegram do not correspond with average quota export figures published by Commerce Department. Our affiliated companies have no export licenses or pending applications for export of heating products, therefore unable to comment on question of import jeopardy. Have requested M. J. Rathbone to reply to your questions regarding supply, demand, and stock positions of our domestic operating subsidiary, Esso Standard Oil Co.

H. W. PAGE,
Executive Assistant to President,
Standard Oil Co., New Jersey.

The SPEAKER pro tempore. Under previous order of the House the gentleman from New Jersey [Mr. CANFIELD] is recognized for 5 minutes.

MRS. MARGARET CHASE SMITH

Mr. CANFIELD. Mr. Speaker, I have been distressed to learn that our colleague, MARGARET CHASE SMITH, has suffered a broken arm in a fall in Bangor, Maine, and I know the membership of this body, who esteem her so highly, hope her complete recovery will be a speedy one.

That the gentlewoman from Maine kept a speaking engagement at Rockland, 60 miles away, 4 hours after the fracture, comes as no surprise to me because I know how she can take it.

I was privileged to be one of the nine House Members making up the Joint House Appropriations-Armed Services Committee which visited 16 countries of Europe and the Middle East during the congressional recess last fall. MARGARET SMITH made this arduous trip and on our return our group unanimously voted her the one who best withstood the rigors and dangers encountered. We doffed our hats to her, too, for the contributions she made toward the success of our mission everywhere.

The barefooted, ill-dressed, undernourished German tots in the Russian sector of Berlin loved this woman from America who pressed lollypops into their thin hands. Our troops cheered her at our military installations when she spoke of home and quickly responded to any "gripes." Would that you could have seen her climbing the stony hillsides, back of Trieste, as she visited our boys at the road blocks on the Yugoslavian border. And every one of us arose to acclaim her after her speeches before the Majlis in Iran and later before Members of Commons in London.

Who was it that visited the dead and the dying of cholera in Cairo? Who was it that requested our military authorities to rush serum vaccine to this stricken country in response to its frantic appeal for aid? It was the gentlewoman from Maine, whose short stay in Iran was such as to inspire Ambassador George V. Allen, now Assistant Secretary of State, to write the Department in Washington that "her personal intelligence and charm may have a far-reaching beneficial effect on the position in public life of Iranian women."

Our colleague from Maine was undisturbed when we had engine trouble flying high over the Brenner Pass, and she was distinctly a morale builder when on our return flight between the Azores and Bermuda it looked as if we were to lose two engines and ditch. Never during the whole journey was she upset by strange food and the other dangers we faced. Throughout she was a real soldier and, as the flight sergeant said, "a regular guy."

And so, once more, I understand why a little thing such as a fractured arm would not cause the gentlewoman from Maine, MARGARET SMITH, to break a speaking engagement. She can take it, and those who have seen her under fire can bear witness.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 20 minutes.

STARS AND STRIPES PRINTING COMMUNIST PROPAGANDA

Mr. DONDERO. Mr. Speaker, from time to time I have addressed the Congress on conditions in our front line and most strategic sector, namely the American occupation zone in Germany. This is where our interests and our forces are most exposed. It is where the security factor is most vitally important.

To a large extent information about conditions in this area is carefully guarded from the American public behind a veil of secrecy or highly colored reports. Recently, however, I have had occasion to secure some sample copies of Stars and Stripes, which is published in the American occupation zone in Germany. The contents of this paper are highly revealing. They show clearly that there are elements among the occupation forces which have succeeded in injecting pro-Soviet, pro-Communist, and anti-American material into this paper, material which has no legitimate place there. Such material tends to negate and destroy the effectiveness of the great bulk of the published material which by and large is acceptable. Let me give some illustrations.

In the first place it should be noted that while officers and privates of the American armed forces constitute the staff of this paper, its masthead calls it the "Unofficial publication of the United States occupation forces in Europe." It is not clear to me just what this means. Does it mean that the members of the newspaper staff are free to publish anything they see fit in this paper? Does it mean that the Army assumes no responsibility? Can it be expected that material circulated by this paper in Germany will be considered as unofficial by the German people? To me it would appear as if it were a convenient way for the Army to pass the buck of responsibility for the contents of this paper.

I will now list certain items which I have found in this publication and I seriously question the wisdom of the publication of these items to be circulated among our soldiers. On page 1 of the July 11, 1947, issue we find a statement of the CIO criticizing President Truman's commission on universal military training for issuing a report biased from the very beginning, as virtually a call to arms and as an acceptance of war as inevitable. The views of the President's commission did not accompany this statement. Could anyone claim that such an article is conducive to good morale among the soldiers? It would be interesting to know who selected this item for publication and why.

On page 2 of the same issue we find a cartoon by Bill Mauldin showing a drunken American speaking to a youngster as follows:

You kids are the only hope for a shick soshiety.

What grist this makes for the Communist propaganda mill.

Again on page 1 of this issue we find an account of the Czechs backing out of the Marshall-plan conference. The account says that the decision was taken by unanimous consent of all parties of the national-front government. No indication is given that this national front is Communist-dominated. The story adds:

Czech Prime Minister Gottwald and Premier Stalin met in a friendly atmosphere last night.

No mention is made that Gottwald is Czechoslovakia's leading Communist stooge of Stalin. An addition to this story is to be found on page 4, in which Gottwald is quoted without contradiction as follows:

The Soviet Union, whose troops liberated Czechoslovakia from the German invaders, in the days of peace, as well, has shown itself magnanimous, incorruptible, and a devoted ally and friend. This means that our peacetime experience confirms the basic correctness of the Czechoslovak popular and state policy, that the Soviet Union is the main guaranty for the peaceful development and prosperity of Czechoslovakia, that without an alliance with the U. S. S. R., a free and independent Czechoslovakia is inconceivable.

In this connection the attempted recent elimination of all anti-Communist parties in Czechoslovakia shows how erronecus is the above analysis.

On page 4 we find a reprint of the charges made in the Soviet Army organ, Red Star, to the effect that the "tentacles of the American monopolizing octopus were straddling the whole world." I can find no answer to these charges in this issue that defends what America is doing and refuting charges of imperialist designs.

On the same page we find "Yanks accused in Yugo plot." The paper attempts no refutation of these charges of espionage against employees of the American Graves Registration Unit in Belgrade.

It will be said that most of these stories are AP and UP dispatches for which the staff of Stars and Stripes is not responsible. The question is, however, why were they selected and by whom and why was not a reply of some kind added.

On page 5 there is a glowing eulogy of Josiah E. Dubois, who is characterized by me on page 1 as "a known left-winger from the Treasury Department who has been a close student of the Communist Party line." Also praised is Belle Mayer, a Nuremberg prosecuting attorney, formerly with the Kilgore committee, which committee has been highly praised by the Communist press in the United States and which has been characterized by a staff which has hewed to the Communist Party line. It should be noted that the procedures in the Nuremberg trials have been severely criticized not only by me, but also by Charles F. Wennerstrum, a Nuremberg trial judge and former member of the Iowa Supreme Court, in the Washington Times-Herald for February 23, 1948.

On page 6 prominence is given to Congressman PATMAN'S charges about the dangers of fascism in the United States.

Let us now examine the issue of July 12, 1947. On the front page we find a large photograph of Henry A. Wallace and Andrei A. Gromyko, Soviet UN delegate, both smiling encouragingly.

On page 3 the charge of Americans spying in Yugoslavia is reprinted, again without refutation.

On page 7 we find a statement of the Soviet Embassy denying the Liberty magazine report that the wife of an embassy employee was involved in atomic espionage in the United States. No similar solicitude seems to be exercised when Americans are under similar charges by the Russians or their satellites.

On page 7 is an attack on the Taft-Hartley bill, which is, after all, the law of the land. The attack comes from the CIO Political Action Committee.

On page 12 we find a very valuable piece of intelligence information for the Russians. John Nicholas Brown, Assistant Secretary of the Navy for Air, is quoted as saying that the atomic bomb would be of little immediate use to the United States if a war should come now. He adds:

Should a war come now, we could not offensively engage a major enemy until we had built planes, had made ready all manner of ships and gear, and had raised men and trained them as we did last time and the time before.

On the same page we find a story of the strike of 12,000 Hawaiian pineapple workers, members of Harry Bridges' union, the International Longshoremen's and Warehousemen's Union—CIO. Again on the same page there is criticism of the Soviet charge that the Marshall plan is being used as "a means to impose the will of Britain and France on the European nations," or the claim that "a Czech-Soviet agreement to be concluded will provide for an increase in volume in the exchange of goods over a large number of years" or the intimation of Stefan Osusky, former Czechoslovakian Ambassador to France that America might suffer an economic depression "within 18 months." The leading headline in this issue on page 1 is "Finland rejects aid bid." The last paragraph of this story admits in small type that 14 countries have accepted participation in the Marshall plan.

On July 13, Gen. Lucius D. Clay uses this unofficial publication to defend George Shaw Wheeler against whom I made serious charges of Communist affiliations. By the way Wheeler is now in Prague, a Soviet-controlled satellite city. It would be well to know what he is doing there and how he got in. Josiah E. Dubois, Dennis Courtney, who has since been promoted to a highly important post in the Occupation Zone, and George Shaw Wheeler, are furnished with generous space to answer my charges. In other words a Congressman elected by the people of the United States is placed upon a par before American soldiers, with persons who have clearly provable Communist records.

On page 1 is a photograph of William Rust, editor of London's Communist Daily Worker in an anti-Franco rally, on the same page is the highly misleading headline, "Czechs win trade pact from Russ."

On page 2, is another cartoon by Bill Mauldin depicting the House Committee on Un-American Activities as making the following statement to a young man demanding the investigation of "professional bigots" and the "KKK": "Investigate them? Heck, that's mah posse."

On page 3, we find an item headlined, "Draft Wallace, FDR son bade."

On page 5, we find a useful bit of intelligence information for Soviet eyes:

Senator WARREN G. MAGNUSON, Democrat, Washington, said yesterday the United States aircraft industry is on the verge of extinction.

Another item should be encouraging to potential traitors:

The Justice Department hit a security snag yesterday in its plans to prosecute two former Army sergeants accused of taking secret atomic bomb data from the Los Alamos, N. Mex., plant.

On page 8, we find a photograph of Gen. Douglas MacArthur with the insulting caption, "MacArthur takes time out to pose."

There is no challenge to the Moscow charge on page 12 that "the organizers of the Paris Conference are striving to foist their will upon the other countries, regarding them as vassal states, devoid of independence."

The July 22 issue carries on its front page an insulting allusion to Mrs. Duarte de Peron, at the same time that we are seeking to encourage good-neighbor relations with Argentina. Let no one doubt that the Argentine Government will not consider these references as unofficial.

On page 5, the Soviet zone is praised for its "heavy penalties" against "hoarding, theft, or damage to field and garden crops." I wonder if there is any praise of any American measures in Red army publications.

Page 6 shows a photograph of Charles Chaplin with the headline, "Chaplin offers to tell House group he's no Red." And on the same page "Wallace boom in full swing," is announced.

On page 7 we find Bernard Bernstein, against whom I leveled irrefutable charges, defended under the headline "WD (War Department) praises man DONDERO impugned." In other words when I expose a pro-Communist agent, I am exposed to the fire of the War Department and an unofficial Army paper for my services to my country.

On page 12, we find a lengthy statement by Heinz Norden, whose Communist record I placed in the CONGRESSIONAL RECORD on January 15, 1948.

I think I have quoted enough from only four issues to demonstrate that highly poisonous material is being injected into Stars and Stripes, material which can only affect, in an injurious way, the morale of our boys in Germany. Whether this is the result of sheer stupidity or the machinations of a Communist clique in the AMG, or both, is for our Department of the Army to find out and act upon.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 48. An act to provide for the demonstration of public library service in areas without such service or with inadequate library facilities; to the Committee on Education and Labor.

S. 1021. An act authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and clerk of the Fort Peck General Council members of the Fort Peck Tribal Executive Board, and other committees appointed by said Fort Peck General Council, and official delegates of the Fort Peck Tribes; to the Committee on Public Lands.

S. 1039. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for investigatory personnel of the Bureau of Narcotics who

have rendered at least 20 years of service; to the Committee on Post Office and Civil Service.

S. 1125. An act to amend the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942; to the Committee on the District of Columbia.

S. 1525. An act to provide for furnishing transportation for certain Government and other personnel, and for other purposes; to the Committee on Armed Services.

S. 1790. An act to amend the act of Congress entitled "An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other pay purposes," approved March 6, 1946; to the Committee on Armed Services.

S. 2038. An act to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section; to the Committee on Agriculture.

S. 2123. An act to exempt certain officers of the Regular Army and Regular Air Force from the provisions of statutes requiring retirement by reason of age, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1350. An act to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes";

H. R. 2159. An act to authorize the Secretary of the Interior to prepare plans and estimates for a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes;

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended;

H. R. 4141. An act to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits;

H. R. 5390. An act to continue for a temporary period certain provisions of the Housing and Rent Act of 1947; and

H. J. Res. 61. Joint resolution to provide for the designation of the Park River Dam and Reservoir project in Walsh County, N. Dak., as the Homme Reservoir and Dam.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 316. An act for the relief of Mary Sungduk Charr;

S. 521. An act for the relief of Sang Hun Shim; and

S. J. Res. 173. Joint resolution to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On February 25, 1948:

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments.

On February 26, 1948:

H. R. 1350. An act to amend act establishing National Archives;

H. R. 2159. An act to authorize Secretary of the Interior to prepare plans for a sewage-disposal system to serve Colonial National Historical Park, Va.;

H. R. 4141. An act to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940;

H. R. 5390. An act to continue for a temporary period certain provisions of the Housing and Rent Act of 1947; and

H. J. Res. 61. Joint resolution to provide for designation of Homme Reservoir and Dam.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 25 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, February 27, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1331. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Smaller War Plants Corporation for the fiscal year ended June 30, 1945, and for the period from July 1, 1945, to January 27, 1946 (H. Doc. No. 549); to the Committee on Expenditures in the Executive Department and ordered to be printed.

1332. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

1333. A letter from the Under Secretary, Department of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease under the terms of Public Law 8, Eightieth Congress, for the month of January 1948; to the Committee on Agriculture.

1334. A letter from the President, Board of Commissioners, District of Columbia, transmitting report of the District of Columbia Apprenticeship Council for the calendar year ending December 1947; to the Committee on the District of Columbia.

1335. A letter from the Secretary of State, transmitting a draft of a proposed bill to amend the act approved May 22, 1947, entitled "An act to provide for assistance to Greece and Turkey"; to the Committee on Foreign Affairs.

1336. A letter from the Counselor, Department of State, transmitting the annual capacity and allocation and dismantling status of plants listed for reparation in the British zone; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOPE: Committee on Agriculture. H. R. 5098. A bill to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section; with an amendment (Rept. No. 1425). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAGEN: Committee on Post Office and Civil Service. House Joint Resolution 320. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversay of the creation of the Territory of Minnesota; without amendment (Rept. No. 1426). Referred to the Committee of the Whole House of the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. Report on the use of penalty mail, July 1 to September 30, 1947; (Rept. No. 1427). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. Preliminary report on the Federal efficiency-rating system (Rept. No. 1428). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 4090. A bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; with an amendment (Rept. No 1429). Referred to the Committee of the Whole House on the State of the Union,

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 486. Resolution providing for consideration of Senate Concurrent Resolution 42, concurrent resolution establishing the ceiling for expenditures for the fiscal year 1949 and for appropriations for the fiscal year 1949 to be expended in said fiscal year; without amendment (Rept. No. 1430). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES of Washington:

H. R. 5576. A bill to provide for automatic increases in compensation, in certain cases, for persons with temporary indefinite appointments; to the Committee on Post Office and Civil Service.

By Mr. SHAFER:

H. R. 5577. A bill to clarify the eligibility requirements with respect to the promotion of certain pharmacists and other employees in the Department of Medicine and Surgery in the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. TOLLEFSON:

H. R. 5578. A bill to adjust compensation for postmasters and employees of the postal service; to the Committee on Post Office and Civil Service.

By Mr. WEICHEL:

H. R. 5579. A bill to amend the Migratory Bird Treaty Act so as to provide that regulations adopted pursuant to such act for any area, section, or flyway shall be based on conditions existing within such area, section, or flyway, and to create a Migratory Game Bird Advisory Committee; to the Committee on Merchant Marine and Fisheries.

By Mr. CASE of New Jersey:

H. R. 5580. A bill to amend section 77 (f) of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5581. A bill to authorize the Federal Works Administrator and the Postmaster

General to finance the construction or acquisition of post offices, in certain cases, by borrowing from local lending institutions; to the Committee on Public Works.

By Mr. KUNKEL:

H. R. 5582. A bill to amend section 4 (b) of Public Law 395 (80th Cong.) so as to grant temporary authority with respect to allocation and inventory control of grain for the production of ethyl alcohol; to the Committee on Banking and Currency.

By Mr. PRIEST:

H. R. 5583. A bill to amend the Railroad Retirement Act of 1937 with respect to the minimum annuity payable under such act; to the Committee on Interstate and Foreign Commerce.

H. R. 5584. A bill to amend the Tennessee Valley Authority Act of 1933, as amended; to the Committee on Public Works.

By Mr. BROWN of Ohio:

H. R. 5585. A bill to amend paragraph 1772 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 5586. A bill to amend the act of April 25, 1947, relating to the establishment of the Theodore Roosevelt National Memorial Park, and for other purposes; to the Committee on Public Lands.

H. R. 5587. A bill to add certain lands to the Theodore Roosevelt National Memorial Park, in the State of North Dakota, and for other purposes; to the Committee on Public Lands.

By Mr. MATHEWS:

H. R. 5588. A bill to provide increases of compensation for certain veterans of World War I and World War II with service-connected disabilities who have dependents; to the Committee on Veterans' Affairs.

By Mr. MITCHELL:

H. R. 5589. A bill granting pensions to veterans of World War I and their widows and dependent children equivalent to the pensions granted to veterans of the war with Spain and their widows and dependent children; to the Committee on Veterans' Affairs.

By Mr. SIMPSON of Pennsylvania:

H. R. 5590. A bill to permit a lessee corporation to deduct depreciation on property of its lessor and the full loss upon retirement thereof, if the lessee is required to replace such property; to the Committee on Ways and Means.

By Mr. BEALL:

H. R. 5591. A bill to repeal the provisions of the District of Columbia Income and Franchise Tax Act of 1947 imposing an income tax on individuals, estates, and trusts; to the Committee on the District of Columbia.

H. R. 5592. A bill to permit certain property owners to file objections and exceptions to awards of damages and assessments of benefits growing out of condemnation proceedings for the extension of Eastern Avenue in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CELLER:

H. R. 5593. A bill to authorize the admission into the United States of persons of races indigenous to Indonesia, to make them racially eligible for naturalization, and for other purposes; to the Committee on the Judiciary.

H. Res. 482. Resolution to investigate the conduct of the Office of Near Eastern and African Affairs of the Department of State; to the Committee on Rules.

By Mr. HOFFMAN:

H. Res. 483. Resolution providing for expenses of conducting the studies and investigations authorized by rule XI (h) (1); to the Committee on House Administration.

By Mr. NIXON:

H. Res. 484. Resolution providing for further expenses of conducting the studies and investigations authorized by rule XI (1) (Q); to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to double the amount of benefits now authorized by Federal law on account of old-age assistance rendered by the several States to their eligible inhabitants; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to increase the amount of benefits now authorized by Federal law on account of the aid-to-dependent-children program; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States in favor of conferring United States citizenship upon aliens who served in the armed forces of the United States during world wars and were honorably discharged from such service; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the admission of Eire and all other peace-loving nations as members of the United Nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 5594. A bill for the relief of Conrad L. Wirth; to the Committee on the Judiciary.

By Mr. BOYKIN:

H. R. 5595. A bill for the relief of Joseph R. Gregory; to the Committee on the Judiciary.

By Mr. COLE of New York:

H. R. 5596. A bill to authorize the promotion of Lt. Gen. Leslie Richard Groves to the permanent grade of major general, United States Army, and for other purposes; to the Committee on Armed Services.

By Mr. GRANT of Alabama:

H. R. 5597. A bill for the relief of Carolyn McMillan; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 5598. A bill conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Cuban-American Sugar Co. against the United States; to the Committee on the Judiciary.

By Mr. JENSEN:

H. R. 5599. A bill for the relief of George A. Kirchberger; to the Committee on the Judiciary.

By Mr. JONES of Washington:

H. R. 5600. A bill for the relief of Russell S. Fothergill; to the Committee on the Judiciary.

By Mr. KARSTEN of Missouri:

H. R. 5601. A bill to provide for the readmission to citizenship of Louis Bernard Lapides; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 5602. A bill for the relief of Mrs. Giovanna Follo Discepolo and her three children; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5603. A bill for the relief of Mrs. Helen Doherty; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5604. A bill for the relief of Fradla Zolty; to the Committee on the Judiciary.

By Mr. NIXON:

H. R. 5605. A bill for the relief of Manuel Uribe; to the Committee on the Judiciary.

By Mr. SNYDER:

H. R. 5606. A bill for the relief of Hayward O. Brandon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1441. By Mr. BOGGS of Delaware: Petition of the Woman's Christian Temperance Union of Sussex County, Del., consisting of some 564 names, petitioning for passage of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1442. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging enactment of legislation to double benefits authorized by law on account of old-age assistance; to the Committee on Ways and Means.

1443. By the SPEAKER: Petition of Mrs. Nettie Welch, Palm Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1444. Also, petition of Mrs. O. J. Cardarelli, West Palm Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

FRIDAY, FEBRUARY 27, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, we beseech Thee to be present and favorable unto these Thy servants, granting unto them grace to fulfill the duties of their high calling with a pure and steadfast devotion.

In the deliberations and decisions of this day, may they have the interpreting and guiding light of Thy divine spirit and hold their own desires and wishes in abeyance until Thou dost declare Thy will.

May it be the goal of all our aspirations and endeavors to bring to fulfillment and fruition the glorious ideals and principles of our blessed Lord. Help us to authenticate and bear witness to their reality and their blessedness by our own daily character and conduct.

Hear us in His name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 26, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 25, 1948, the President had approved and signed the following acts:

S. 257. An act for the relief of Yoneo Sakai;

S. 305. An act for the relief of Mrs. Hilda Margaret McGrew;

S. 457 An act for the relief of Anna Kong Mei; and

S. 1507. An act authorizing the sale of undisposed-of lots in Michel addition to the town of Polson, Mont.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 5524) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5391) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947, and it was signed by the President pro tempore.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

LAWS PASSED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PERSONNEL REQUIREMENTS

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, his report of personnel ceilings for the quarter ended December 31, 1947 (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT OF FOOD AND DRUG ADMINISTRATION

A letter from the Administrator of the Federal Security Agency, transmitting, pursuant to law, the Annual Report of the Food and Drug Administration for the fiscal year 1947 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF OFFICE OF VOCATIONAL REHABILITATION

A letter from the Administrator of the Federal Security Agency, transmitting, pursuant to law, the Annual Report of the Office of Vocational Rehabilitation for the fiscal year 1947 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF ADMINISTRATIVE OFFICE OF UNITED STATES COURTS

A letter from the Director, Administrative Office of the United States Courts, transmitting, pursuant to law, the annual report of that Office for the fiscal year 1947, including the report of the 1947 meeting of the Judicial Conference of Senior Circuit Judges (with an accompanying report); to the Committee on the Judiciary.

REPORT OF NATIONAL CAPITAL PARK AND PLANNING COMMISSION ON LAND ACQUISITIONS

A letter from the Chairman of the National Capital Park and Planning Commission, transmitting, pursuant to law, a report of that Commission on land acquisitions for parks, parkways, and playgrounds, cost of each tract, and method of acquisition, for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Public Works.

REPORT OF DISTRICT OF COLUMBIA APPRENTICESHIP COUNCIL

A letter from the President of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the District of Columbia Apprenticeship Council for the calendar year ended December 1947 (with an accompanying report); to the Committee on the District of Columbia.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 188. A bill for the relief of Dionisio R. Trevino; without amendment (Rept. No. 937);

S. 675. A bill to provide for the naturalization of Mary Gemma Kawamura; without amendment (Rept. No. 938);

S. 969. A bill for the relief of Damian Arruti; with an amendment (Rept. No. 939);

S. 1046. A bill for the relief of Mrs. Jacinta Santos Harn, Dr. Charles S. Harn, Helen Harn, Winifred Mary Harn, and James Harn; without amendment (Rept. No. 940);

S. 1142. A bill for the relief of Anna Pechnik; without amendment (Rept. No. 941);

S. 1331. A bill for the relief of Frances Ethel Beddington; with an amendment (Rept. No. 942);

S. 1550. A bill for the relief of John Clark Sharman; with an amendment (Rept. No. 943);

S. 1742. A bill for the relief of John Frederick Firth-Hand; without amendment (Rept. No. 944);

H. R. 621. A bill for the relief of Vera Frances Elicker; without amendment (Rept. No. 945);

H. R. 1139. A bill for the relief of Dr. Gisela Perl (Krausz); without amendment (Rept. No. 946); and

H. R. 1929. A bill for the relief of Edwin Osgood Cogan, his wife Helen Olga Cogan, and his daughter Isabel Joan Cogan; without amendment (Rept. No. 947).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 27, 1948, he presented to the President of the United States the following enrolled bills:

S. 316. An act for the relief of Mary Sungduk Charr; and

S. 521. An act for the relief of Sang Hun Shim.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Michael J. Bradley, of Philadelphia, Pa., to be collector of customs collection district No. 11, with headquarters at Philadelphia, Pa., in place of A. Raymond Raff, deceased, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. COOPER, from the Committee on the Judiciary:

James M. Proctor, of the District of Columbia, to be an associate justice of the United States Court of Appeals for the District of Columbia, vice Harold M. Stephens, elevated; and

Harold M. Stephens, of Utah, to be chief justice of the United States Court of Appeals for the District of Columbia, vice D. Lawrence Groner, retired.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARTHY:

S. 2232. A bill to provide additional compensation to widows and other dependents of certain veterans; to the Committee on Finance.

By Mr. GURNEY:

S. 2233. A bill to authorize the Secretary of the Navy to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of a water main in and under certain Government-owned lands comprising a part of the United States Naval Air Station, Alameda, Calif.; and

S. 2234. A bill to amend section 108 (b) of the Servicemen's Dependents Allowance Act of 1942, as amended, so as to eliminate the necessity for registering an allotment to dependents in certain instances; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 2235. A bill for the relief of Milo Jurisevic, Mrs. Jelena Jurisevic, Svetozar Jurisevic, and Radmila Jurisevic; to the Committee on the Judiciary.

By Mr. TAFT:

S. 2236. A bill to authorize the construction of a water-pollution-control laboratory building at Cincinnati, Ohio; to the Committee on Public Works.

By Mr. IVES:

S. 2237. A bill to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on Labor and Public Welfare.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. FULBRIGHT submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5524) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 3726) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of

war conditions, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. VANDENBERG. This is a small claim bill upon which the House and the Senate are in disagreement only over one item which is on page 2, line 16, to strike out "Douglas Henderson, $790.50;". I hardly think a conference is necessary. Therefore I move that the Senate recede from its amendment.

The motion was agreed to.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 935 ON EUROPEAN RECOVERY PROGRAM

Mr. VANDENBERG. Mr. President, from the Committee on Foreign Relations, I ask unanimous consent to report an original resolution and request its immediate consideration. The request is required because of the tremendous demand on the Senate Foreign Relations Committee for copies of the report on the European recovery program.

There being no objection, the resolution (S. Res. 206) was considered and agreed to, as follows:

Resolved, That there be printed 7,000 additional copies of Senate Report No. 935, current session, on European recovery program, of which 3,000 copies shall be for the use of the Committee on Foreign Relations, 2,000 copies for the use of the Senate document room, and 2,000 copies for the use of House document room.

LINCOLN DAY ADDRESS BY SENATOR THYE

[Mr. CAIN asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator THYE at Olympia, Wash., February 10, 1948, which appears in the Appendix.]

NATIONAL FOUNDATION FOR INFANTILE PARALYSIS—REPORT BY BASIL O'CONNOR

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD the report by Mr. Basil O'Connor on the work of the National Foundation for Infantile Paralysis, which appears in the Appendix.]

POLITICAL CONDITIONS IN CZECHOSLOVAKIA

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD editorials relating to political conditions in Czechoslovakia, one from the Manchester Union, of Manchester, N. H., and two from the New York Times, which appear in the Appendix.]

ELECTORAL VOTES ARE SUBJECT TO STATE POWERS—ARTICLE BY ARTHUR KROCK

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article entitled "Electoral Votes Are Subject to State Powers," written by Arthur Krock and published in the New York Times of February 27, 1948, which appears in the Appendix.]

STALIN'S STEP TOWARD WAR—EDITORIAL FROM THE KNOXVILLE (TENN.) NEWS SENTINEL

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Stalin's Step Toward War," published in the Knoxville (Tenn.) News Sentinel of February 25, 1948, which appears in the Appendix.]

MEETING OF SUBCOMMITTEE ON LABOR

Mr. TAFT asked and obtained consent that the Subcommittee on Labor of the Committee on Labor and Public Welfare may sit today during the session of the Senate.

LEAVES OF ABSENCE

Mr. CAPEHART. Mr. President, I ask unanimous consent to be absent from the Senate on next Monday and Tuesday on official business in Kansas City, where hearings will be held on the steel industry.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. THOMAS of Oklahoma. Mr. President, I ask to be excused from the sessions of the Senate during the coming week.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. MAYBANK. Mr. President, I ask unanimous consent to be excused from the Senate on Monday next.

The PRESIDING OFFICER. Without objection, the order is made.

CALL OF THE ROLL

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	Myers
Barkley	Hickenlooper	O'Conor
Brewster	Hill	O'Daniel
Bricker	Hoey	O'Mahoney
Bridges	Holland	Overton
Brooks	Ives	Pepper
Buck	Jenner	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Sparkman
Capper	Langer	Stennis
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tobey
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	Young
Gurney	Moore	

Mr. KNOWLAND. I announce that the Senator from Wyoming [Mr. ROBERTSON] is necessarily absent.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER (Mr. IVES in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

THE ST. LAWRENCE SEAWAY

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the RECORD an address on the St. Lawrence seaway which I delivered over radio station WMAL of the American Broadcasting Co., Thursday, February 26, 1948, Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ST. LAWRENCE SEAWAY

This winter people of the East and Northeast section of our country have been cold. These people were cold not because of the shortage of fuel, but because of lack of transportation facilities to carry fuel to them. Tomorrow the Senate of the United States will vote on a great project, the St. Lawrence seaway. If completed, this project will relieve and eliminate this great bottleneck in our transportation system. Yet it is the selfish interest of the administrators of this bottleneck who are the most actively opposed to the proposed legislation and who have suggested instead a complete embargo on oil, which could only be a temporary panacea for a situation in our country which should make all of us blush with shame. I say blush with shame because it is so unnecessary for anyone in America to be cold.

Our railways are overextended. Still people fear the effect of the St. Lawrence seaway on rail transportation. Our greatest needs today are transportation and power. The St. Lawrence waterway will provide both. Have we forgotten so soon that our biggest handicap of the war was inadequate transportation, great as was the railroads' contribution to the war effort.

Railways in America were not built with strategic value in mind. Four of the great east-and-west trunk lines of the United States run for many miles on the tracks of only two systems. There will be found the greatest cause for worry in another emergency because four great systems can be put out of service by a single bombing mission.

An impelling reason for the construction of this waterway is its value for the national defense. The Joint Chiefs of Staff, through the Secretary of War, on February 16, 1946, expressed the opinion that construction of the St. Lawrence seaway and power project is important to the national security. This project would provide shipbuilding and ship-repair facilities, additional lines of communication, navigable ocean shipping, diversion of some cargo for overseas destinations, and would ease the strain during wartime on rail transportation and the port facilities of the east and Gulf coasts. It would provide a large source of power in an area which had a power deficit during the past war.

Secretary Marshall has said that the strength of the United States lies in its natural resources as we have developed them. Here, then, is another potential source of dependable electrical energy and transportation which can increase our productive capacity, both in war and peace. All the great leaders of the last war stated that the St. Lawrence seaway had a distinct military advantage. Had it then been in existence, it would have been of immeasurable assistance, according to Nimitz, Eisenhower, Arnold, Eaker, and Leahy.

There is in existence today a condition of power stringency which may actually become a shortage or deficit should any sudden strain be put on our power industry. Any national emergency now would call for rationing of electricity and might even result in a break-down of our industry. How can we correct this?

Through the International Rapids at the boundary of New York and Ontario passes the entire flow of the five Great Lakes. A great reservoir is formed insuring a minimum year-round flow of 230,000 cubic feet per second, available for power. The capacity of this power would be second to the Grand Coulee project. The United States' share, one-half of this, would be exceeded only by Grand Coulee and Hoover Dams.

The water from these inland seas can be used without building great dams and providing tremendous reservoirs to impound the water, nor would it be necessary to buy large tracts of land that might be flooded. Nature has provided the reservoir stabilizing the flow and we have a remarkably constant and economical source of power. Nature has provided an 80-percent complete waterway. Only 10 percent more needs to be constructed or improved. Canada has completed substantial improvements costing more than $133,000,000; the United States has already invested $32,000,000. Canada is prepared to join us in completion of this project.

It has been said that at a time when we are planning to spend so much for the recovery and stability of Europe and Asia, it would be improper to spend money for the St. Lawrence waterway. I am one of those who did not take exception to the President's message in which he united the idea of interim relief and the idea of price stabilization. We cannot stabilize conditions in Europe if we allow further instability in our own country. The Marshall plan and this program are all embracing and in considering either of them or both together we must take into consideration all phases of our entire economy.

Many Senators are voicing their opposition to the St. Lawrence seaway because they promised their constituents a tax reduction. During one of the worst wars our country has survived nearly everyone then was saying, "Railroads cannot be built because of the debts owing by the country." But we had a great statesman in the White House at that time, a man by the name of Abraham Lincoln, and despite the great debts, despite the war, despite every obstacle, he started the country on the program of building the great east and west railways.

The St. Lawrence seaway is not a local proposition; it is not a proposition to create a seaway to compete with our railways; it is not a proposition which has to do with the Northeast. It is a proposition which deals with the entire economy and future security of the United States.

In the Northwest we have the Columbia River project; in the Southwest we have the Colorado River project. The Southeast has TVA. The power from these three projects made it possible to create the atomic bomb. The American people will not be sectional in their thinking on this great issue because the American people are a unit when it comes to thinking through our defense and our whole economic life. The area affected by the seaway has a population of 40,000,000 in the United States alone, and it produces one-half of all the weath of the Nation, both agricultural and industrial.

The St. Lawrence seaway is so big, as the Panama Canal was so big, that in time it may not only prove itself a great relief to a crowded economy, both here and in Canada, but may be a shaper of commercial and economic habits, fitting into the whole scheme of European rehabilitation and America's stabilization.

We have done much in our country in the last 150 years to bring about unity of the Americas for the purpose of hemispheric defense and understanding, as we hoped other republics in this hemisphere would deal with one another for the purpose of complementing and helping the cause of peace, so that we could say to one part of the world whose philosophy of life is inconsistent with that of America's that it may come so far and no further.

We speak of the Monroe Doctrine for this country or for some other part of the world. There has always been one part of the Western Hemisphere which has never seen eye to eye with this Nation in regard to Pan American Union and in regard to hemispheric defense. Canada, because of its connections east and west, has always been outside of the thinking and the philosophy of the Pan American Union, but not outside of its ideals. Canada's defense and our defense are intermingled. One country cannot remain free and the other captive in time of war. Our economies are almost interchangeable. Every bond of friendship which can be created, every ideal, and every institution which can make the two countries more of a unit is statesmanlike forethought on the part of both nations.

Because of present world conditions, much has been done toward a good-neighbor policy for hemispheric solidarity. I can think of nothing insofar as this country and Canada are concerned which could do more to cement the ties of friendship and promote hemispheric solidarity than now to begin construction of the seaway between us and our neighbor. The good-neighbor policy was not intended to work only to the south; it was intended also to work north and ultimately east and west.

If we cannot keep stability in our own country and our own hemisphere, it is useless to attempt it elsewhere. Almost every witness appearing before the Foreign Relations Committee on the European recovery plan pointed out the need for European unity, and we accepted their logic. The American people say to 16 European nations, "Unite so that you may attain your objective." Then in the same breath we refuse, because we say we have not the genius or ability, to go into partnership with Canada, in regard to a proposition on which we have been in partnership since 1794.

Arguments have been made against this project on the basis of sectionalism. We cannot deal with these great national questions on the basis of State interest or regional interest. It is the national interest which is at stake here. Every argument against the building of the St. Lawrence seaway was urged against the building of the Panama Canal, TVA, Hoover and Grand Coulee Dams. These are the projects which make America strong today.

Let me ask the Senators who are going to vote tomorrow, would you be proud to stand up today and say, "I voted against the construction of the Panama Canal. I voted against Hoover Dam. I voted against Grand Coulee Dam. I voted against TVA"? If you are not proud, think before you cast your vote tomorrow because your children and your grandchildren are going to say, "Surely, you did not vote against the St. Lawrence seaway."

THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

The PRESIDING OFFICER. The business before the Senate is the consideration of Senate Joint Resolution 111. The Senate is now operating under a unanimous-consent agreement, which the clerk will read in order that all Senators may understand it.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on the calendar day of Friday, February 27, 1948, at the hour of 4 o'clock p. m., the Senate proceed to vote without further debate upon (1) any amendment that may be pending; (2) upon any amendment that may be proposed, subject to the provision hereinafter named, following which the engrossment and third reading of the joint resolution shall be considered as ordered; and (3) upon the final passage of the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

Ordered further, That after the adoption of this order, no amendment that is not germane or relevant to the said joint resolution shall be received; and that no amendment shall be received to said resolution which has not on or before February 23, 1948, been submitted as an amendment intended to be proposed thereto and ordered to lie on the table and be printed: *Provided,* That a motion to recommit the said joint resolution shall only be in order on February 23, but a vote thereon shall not be had prior to February 27, 1948.

Ordered further, That on said calendar day of February 27, the time intervening between 12 o'clock and 4 o'clock p. m. shall be equally divided between the proponents and the opponents of said joint resolution, to be controlled, respectively, by the Senator from Wisconsin [Mr. WILEY] and the Senator from Massachusetts [Mr. LODGE]. (February 4, 1948.)

The PRESIDING OFFICER. Under the terms of the unanimous-consent agreement, the time will be equally divided between the Senator from Wisconsin [Mr. WILEY] and the Senator from Massachusetts [Mr. LODGE].

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. From the standpoint of recognizing speakers, the Chair will recognize the two Senators just named. The Chair recognizes the Senator from Wisconsin.

Mr. WILEY. I yield to the Senator from Michigan [Mr. VANDENBERG] such time as he may desire.

Mr. VANDENBERG. Mr. President, I shall be brief in my observations.

First of all, I present my compliments to the distinguished Senator from Wisconsin [Mr. WILEY]. He has ably and vigorously handled the pending legislation on behalf of the majority of the Senate Committee on Foreign Relations, from start to finish. He has given it devoted and efficient loyalty. He has been relentless in his persistent and unsurrendering fidelity to this great enterprise. His great State, like mine, has long sought an outlet to the sea. Win, lose, or draw, I am sure that Wisconsin will gratefully remember the great labors of its senior Senator in this behalf.

Mr. President, the pending proposal for a final agreement between the United States and Canada to complete the Great Lakes-St. Lawrence seaway is a challenge to the Senate's wisdom, vision, and courageous common sense. National destiny has been waiting a long time for this good hour. Even nature, which built and completed most of the seaway in an ancient age, awaits the verdict which will prove, at long last, whether man has the wit to accept, utilize, and glorify one of the greatest power and navigation benedictions bestowed on us by providence.

That is far from all. The landlocked Middle West—some 60,000,000 of us in the productive core of the continent—awaits economic justice and fair play through the completion of a tremendous transportation facility which will give 40 percent of the Nation's industry and agriculture a direct and cheaper outlet to the competitive markets of the world. One day this may well be the Nation's life line. We of the

Middle West have paid, and we shall cheerfully continue to pay, our great share of the cost of public improvements elsewhere in America because we know that the total prosperity and welfare of the United States are indivisible reservoirs from which flows our common and united welfare. That rule should be reciprocal today; and it is easy reciprocity because this entire enterprise—matching in grandeur anything yet done in the evolution of our way of life—can be undertaken without a penny's ultimate burden on the Treasury of the United States.

Nor is that all. Other areas await an answer to the staggering question how much longer 12,600,000,000 kilowatt-hours of electrical energy shall annually waste themselves in flowing idly and impotently down the unharnessed St. Lawrence to the sea. How much longer dare we grant ourselves the luxury of such improvidence? On what theory do we create hydroelectricity elsewhere at great expense and continue to ignore it here where we are so urgently beckoned to its economical use?

Nor is that all. The national security awaits this contribution to its sinews of defense. Four Presidents have said so. The Joint Chiefs of Staff have said so. Generals Marshall, Eisenhower, and Arnold have said so. Admirals Leahy and Nimitz have said so. The permanent joint board on Canadian-American defense has said so. The project itself obviously says so in its clear emphasis upon necessary access to the great middle-country granary and arsenal where we must ever forge so much of our national defense.

Nor is that all. Our great neighbor to the north is our partner in possession of this tremendous St. Lawrence inheritance. The Boundary Waters Treaty of 1909 provided mutual freedom for its commercial use, and the earlier treaty of 1871 established this same right on beyond to the waters of the sea. Since 1895 the Governments of the United States and Canada have been striving toward the maximum use of this incalculably valuable and vital international asset. For half a century this mutual objective has been our dearest mutual aspiration. In the presence of new and urgent need for closest Canadian-American fraternity—in the presence of clear necessity for this continental solidarity—shall we now formally decline the partnership?

These are my overriding thoughts, Mr. President, as I again confront this issue on the floor of the Senate. These are the fundamental magnitudes, I respectfully submit, which dwarf lesser controversy over relatively inconsequential details. This is a great national concept. It has long involved the hopes and prayers of millions of our people. We believe it is irrevocably attached to the welfare of the Middle West as an inseverable part of the welfare of the whole United States. No one can deny this latter implication unless one is prepared to deny the importance of the Great Lakes-St. Lawrence Basin to the common prosperity of our whole people, and that would be an attitude of folly.

It is in this spirit that I speak again today—as I have spoken for 40 years—in behalf of this stupendous enterprise. The debate has been thorough and complete. We are anxious to call the roll. I could add nothing to the facts and figures which have been presented to establish the realities of justification for the St. Lawrence seaway. Both the realities and the justification stand clear. I shall not be repetitious. I ask only the privilege of underscoring, very briefly, a few of these fundamental magnitudes to which I have referred.

May I remind you, Mr. President, that this is not a dreamer's unsupported blueprint—born of a crystal ball—which we ask you to approve. This is a seaway more than 90 percent in being. It already includes vast developments in the harbors and connecting channels of the greatest chain of fresh-water lakes on earth. It already includes the locks at Sault Ste. Marie, Mich., through which passes more tonnage in 7 months each year than passes through Panama, Suez, and Kiel combined in 12 months. It already includes the great Canadian Welland Canal—28 miles long—which is one of the busiest transportation arteries in the world. The seaway already includes shallow channels in the international section of the river which, as long as 10 years ago, received 5,898 foreign transits carrying more than 8,000,000 tons of cargo. This is not a fantasy which we present. This is vastly more than a prospectus. This is the development of one of the world's greatest established trade routes, and its development is indispensable to our own agriculture and industry if we are to serve adequately our own and the world's need for American exports, and our own need for imports in short supply, in the years that lie ahead. This is not a leap in the dark. This is the acceptance of destiny. This is the fruition of every official economic and engineering survey that has been made this century. They have been, and still are, unanimous. Our plea today is backed by the universal and combined judgments of those who know.

Of course, we of the Middle and Northwest have an immediate and intimate interest in this enterprise because we are immediately affected. Our grain farmers know, for example, how much effective and cheaper export outlets mean to them in normal times. Our auto workers in Michigan, for example, know they normally work 1 day in 7 on export orders, and they know what it will mean to them and to the national economy to have direct cargo connection with all the markets of the seven sea. All our people pray for the achievement of their heritage. But does not this mean a rich contribution to the common pool of our total national income? Is not our national prosperity the sum of the whole? Will not everybody gain?

It is obvious that there are those who fear this development will be at their expense in other areas and factors of the national economy. I respectfully assert my belief that they are wrong. Our American production is at an all-time high. Everyone admits it must go still higher—and stay there. Our production long since surpassed our transportation facilities. Transportation is a bottleneck. We hear violent complaints upon this score on every hand. They will continue and multiply when we move forward to new production goals. The seaway will not divert prosperity from others, Mr. President. It will simply supplement existing facilities which are insufficient today—and will be still more insufficient tomorrow. Meanwhile it will create new feeder traffic. It will stimulate imports of commodities that are in short supply—and this can become an ominous necessity in many raw materials. For example, it is absolutely vital to the national economy—and I mean this literally—that the rapidly depleting iron-ore resources of the Middle West should be supplemented by new import sources which must enjoy direct, reliable, economical transportation facilities. This will be one of the chief sources of seaway traffic. It is new business. It will not represent diversion from any existing mode of transportation or from existing traffic in any port.

This is not a raid on the commerce of other sections of the Nation, Mr. President. This is a new contribution to a national transportation shortage which is as notorious as it is dangerous. Thus it is in the national interest. Opponents often seem to argue in a circle. They face us with the charge that the seaway is impractical and cannot succeed. Yet all the while their attitudes confess a fear that it will succeed. I respectfully suggest that the weight of the evidence proves they err on both counts. The seaway will succeed, but its success will not penalize other facilities or other sections, because our increased and still increasing production requires them all. It will create more jobs, not less. It will build more trade for all. It is insurance for our farmers and our pay rolls.

Now, Mr. President, I come to another phase. It deals with two of the major objections heretofore urged against the seaway by its opponents. Furthermore, it deals with them successfully—unless the objections were excuses, instead of reasons.

We were met on previous occasions with the charge that the Canadian-American agreement contained certain clauses which constitutionally require submission to the Senate in treaty form. When the pending agreement was renegotiated, we eliminated these clauses. The well-nigh universal opinion is that no further objection of this nature has any validity whatsoever. We are simply implementing the treaty of 1909 as authorized by that treaty.

We also were met with the vigorous complaint that we had no right to build these competitive transportation facilities through the creation of an international waterway by direct charges against the taxpayers of the United States. Before this pending measure was introduced in the Eightieth Congress, I asked the State Department to inquire whether Canada would agree to a new approach—namely, not only self-liquidation for hydroelectric power, but also self-liquidation for navigation. Canada agreed. Thus, the pending proposal provides, for

the first time, for construction not only on the basis of compensatory power contracts with the State of New York, but also—and this is vitally important—on the basis of self-liquidating tolls for navigation. These tolls apply only to cargo and passenger traffic through the new international section of the St. Lawrence—not to traffic through existing facilities in the Great Lakes-St. Lawrence system.

Critics say, Mr. President, that this self-liquidation involves assumptions. Of course it does. Every great project in the history of the development of our natural resources has involved assumptions. Without assumptions—without courage for the future—we would still be in the oxcart age. Yes; this involves assumptions; but the critical attitudes of our critics equally involve assumptions. The difference is that our assumptions are based on the highest official authority available in this Government. Their assumptions are based primarily upon their opposition to the project. No matter what assumptions one prefers, it is clear as a bell that, whatever the final timetable, the seaway will finally liquidate itself as surely as water runs to the sea. A few years more or less are of little consequence in such a concept.

Mr. President, the cost of these navigation works to the United States, including interest during construction, is $360,000,000 or less, at 1947 cost levels. Using the standard formula of the Army engineers, the annual operating charge against the United States, covering interest, amortization and upkeep, would be somewhere between $13,680,000 and $16,840,000. The total investment would be retired in five decades. Ample potential traffic will supply the necessary tolls. The Department of Commerce estimates annual toll revenues of between $21,000,000 and $27,000,000 from three bulk commodities alone—ore, grain and coal. The reports before the Senate completely warrant the expectation that self-liquidation will succeed. The total American construction cost for both power and navigation is estimated at seven hundred and twenty millions. Power will pay its share. Navigation will pay its share. Thus the St. Lawrence seaway becomes not an expense but an investment, an investment in America's destiny. We are asking only for the temporary loan of public credit to achieve 2,347 miles of waterway from the Middle West to the Seven Seas and to harness the greatest single-dam power project in all the world with the single exception of Grand Coulee. I doubt whether Congress was ever before asked to do so little to get so much. The magnitude of the concept is matched only by the magnitude of the bargain.

Mr. President, I shall not reiterate the many, many arguments already amply presented in this debate, which sustain our plea for the pending agreement. I fully respect the attitudes of Senators who disagree. But I dare to believe that almost any unprejudiced jury would give us the verdict. Facts, logic, and vision are on our side. We ask nothing for our great region which we have not cheerfully supported through the years for other great regions of our common country. Indeed, we ask much less. We have been waiting a long, long time, ever since President Calvin Coolidge and Secretary of State Charles Evans Hughes initiated seaway negotiations with Canada. It is not without contemporary significance that they hailed from Massachusetts and New York. President Hoover and Secretary Stimson faithfully and vigorously followed suit. The Roosevelt and Truman administrations have similarly persisted in pursuit of this heroic enterprise. Senators cannot ignore the significance of this unbroken record of fealty on the part of America's high leadership charged with responsibility for the total national welfare. I add with pride that in our last great battle, two of the Senate's all-time giants, Borah, of Idaho, and Walsh, of Montana, dedicated themselves to this cause and gave it their unqualified support.

The argument for the seaway is even sounder now than it was in those days. Now we ask only for a congressional permit to proceed on a self-liquidating basis, without a penny's ultimate burden on the Treasury. Now we ask for new and clearly indispensable transportation facilities, which will substantially create their own traffic to serve new and critical national necessities. Now we ask for a power development which cannot derive from private auspices and for which there is vitally pressing requirement. In the name of conservation, in the name of national security, in the name of economic progress and production, in the name of fair play to the landlocked Middle West, its agriculture and its industry, I pray that the approaching roll call will end the era of frustration and begin the era of achievement.

Mr. LODGE. Mr. President, I yield to the Senator from Ohio.

Mr. BRICKER. Mr. President, I have listened with great interest to the argument on this floor. I have followed the debate in the RECORD. I have been much impressed with the sincerity and the factual background of the positions taken by both sides. I think this matter has been most thoroughly discussed, at times eloquently and emotionally. But I want to approach the problem today from the standpoint of the great section of the country from which I come as well as from the standpoint of the national interests of our people.

In the first place, this is not a good time to enter into the agreement. Costs are high. The international situation is uncertain. Trade relations are unstable. No one today is able to look to the future and ascertain whether or not the project would be valuable, whether or not it might serve the national defense, or whether it might possibly be a national peril. In the second place, the work would be performed largely in a foreign country, subject largely to cooperative control, the details of which have not yet been presented to this body.

As I read the RECORD and listen to the debates it is apparent that the costs of this project are uncertain. Instead of the hundreds of millions of dollars that have already been mentioned, I am confident that, utilizing costly, scarce materials as we would be required to do, the cost of the project would run into billions of dollars. With the advent of the atomic bomb, the canal, if we became nationally dependent upon it as a matter of defense and commerce, might well become a national peril. I can easily see that if we in the central West, the great producing area of the country, became dependent in our commerce upon the St. Lawrence waterway, its facilities might easily be blown up, transportation halted, and our country's interests imperiled.

I am not particularly impressed with the argument that it would be an "ice way." It would be open a great portion of the year. The Great Lakes are also ice-bound during a considerable period each year. Yet, as was stated by the distinguished Senator from Michigan a few moments ago, the transportation on the Great Lakes is at the present time, with the limited season it enjoys, as great as is the transportation on any other waterway in the world.

I have listened to the argument that the American steel industry must have this additional source of iron ore. I am convinced—in fact, I know—that there is available in our country an adequate supply of reserve ores to take care of the needs of the Nation for the foreseeable future, and, in fact, for an almost unlimited time. I grant that the high-grade iron ores from the Mesabi Range will become exhausted, at the present rate of consumption, within the next few years, but there are ores of lesser iron content which can be utilized in the industry, and there are adequate reserves to supplant them as the remaining deposits in the Mesabi Range run out.

The steel companies at the present time are making thorough and adequate preparations for the utilization of the lower-grade ores. If this Nation should become dependent upon a foreign source of supply from Labrador or from South America, through the St. Lawrence seaway, for plants which are already established, I believe that progress in the utilization of the ores of our country would be seriously damaged. We might become dependent upon a foreign source of supply without an adequate preparation to use our own supply, which likewise might be a national peril in time of crisis.

In the light of the testimony and in the light of the position taken by the steel companies of this country, which are almost unanimously opposed to the St. Lawrence development at the present time, the argument that we need foreign ores for our own development completely falls. I do not know where we can obtain better authority than from the established steel industry of our own country upon which to predicate a judgment as to the availability of local supply, the possibility of its utilization, and the danger of becoming dependent upon a foreign source of iron ore.

Within the past year there has been expended approximately a million and a half dollars in testing ores in Labrador. At the present time approximately only 150,000,000 tons of iron ore have been proved in all that great expanse of territory. There was utilized last year,

largely through shipments on the Great Lakes, 80,000,000 tons of iron ore. One hundred and fifty million tons, the total amount that has been proved in Labrador to date, amounts to less than a 2-year supply. As a stand-by it might be useful, but certainly not commensurate with the great reserves in our own country.

This year there will be expended by the Labrador interests a million and a half dollars in further explorations. Those interests heretofore have been opposed to the St. Lawrence waterway. At the present time they take the position that "Now is not the time to proceed with this development. We ought to ascertain further the extent of the deposits in Labrador which would be available for our use before we put a curb upon the development of our domestic resources in the iron-ore field."

So I am impressed by the position of the industry, so far as steel and iron-ore development is concerned, that even if the St. Lawrence seaway ought ultimately to be developed we should take another look at it to see whether or not it will be helpful or will be a hindrance to the development of the steel industry upon which our country and the world today are possibly more dependent than ever before in history.

Looking at the problem further I remember full well a time in Ohio when there were tens of thousands of persons out of employment because of the importation of cheap goods from foreign countries, developed at cheap labor rates, and, of course, from resources possibly more adequate in their field than in ours. I believe in the development of international trade, but I do not believe in the development of that trade at the sacrifice of the standards of living in our country.

I remember when shipments of glass, shoes, and earthenware came into our State and deprived tens of thousands of our people of employment, and that at the higher transportation rates which were then necessary because of the utilization of the rails, which rates would be higher than those applicable for complete water transportation. I am taking into consideration that which happened at Geneva, added to the trend at the present time toward lower tariff rates around the world. I hope there will be a development of cooperative international trade. I can foresee a time when labor in the Middle West, which is so dependent upon our own markets, will stand idle while the labor of those other countries will benefit by the investment of the American taxpayers' dollars in the development of the St. Lawrence seaway.

There is in my section of the country support for the development of the St. Lawrence project by some members of the agriculture industry. They base their support upon the proposition that they need any development of the transportation system, regardless of the damage which might be done to the established means of transportation upon which this Nation has so recently been utterly dependent. I should like to see the development of our agricultural resources to the ultimate, but I cannot forget that the great market for American agriculture is the American consuming public. Likewise, I cannot forget that the great market for American industrial production is in our own country.

So, rather than further imperil the industry and the labor of our country by the expenditure of perhaps untold billions of dollars in the development of a project which might imperil not only the flow of commerce but our present industrial development, I think we should wait and take another look at the problem in the light of developing international relations, in the light of our own expanding industry, in the light of our own consuming public, and in the light of our own industrial needs in America.

I can easily foresee that, if the projected seaway were to be developed, the great agricultural sections of our country would some day, perhaps for political reasons, perhaps only for economic reasons, become the dumping ground of cheap agricultural production of other countries of the world. Until we can determine the possibility and the danger of that happening I do not believe the Senate should approve the expenditure of millions, perhaps billions, of dollars in a competitive transportation system.

Mr. President, at the present time I should be impelled to vote against the pending measure. I would agree to a postponement, in view of possible future necessities and changing conditions, until some later date, when we can have clarified the problems and issues which have been so forcibly brought before the Senate in this debate, and which have not been clarified, such as costs which we do not know, the returns from shipments which are yet in a highly speculative state, and when we can analyze a little more carefully the disastrous results which might flow from it to American industry, American agriculture, and American labor.

Mr. LODGE obtained the floor.

Mr. HILL. Mr. President, will the Senator from Massachusetts yield?

Mr. LODGE. I will say to the Senator from Alabama that we have an agreement about the allocation of time, and the time between now and 4 o'clock, when the vote is to be taken, is very short.

Mr. HILL. I merely wish to put something in the RECORD.

Mr. LODGE. Very well, if the Senator is not contemplating making a speech. I yield.

Mr. HILL. Mr. President, the senior Senator from New York [Mr. WAGNER] has brought to my attention a historical chronology on the St. Lawrence seaway and power project, which reviews in concise form the principal engineering surveys, reports, and international agreements of the United States and Canada on this subject since the negotiation of the Boundary Waters Treaty of 1909 down to date.

This is a valuable compendium of factual information pertinent to the joint resolution (S. J. Res. 111) which is before the Senate, and at the request of the Senator from New York [Mr. WAGNER] I ask that the compendium be printed in the body of the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HISTORICAL CHRONOLOGY ON THE ST. LAWRENCE PROJECT INCLUDING REFERENCES TO THE PRINCIPAL SURVEYS, REPORTS, TREATIES, AGREEMENTS, AND LEGISLATION, 1907–47

(Presented by the Power Authority of the State of New York, Gen. Francis B. Wilby, chairman, at public hearings of the Committee on Public Works, U. S. House of Representatives, July 16, 1947, in support of the St. Lawrence project resolution, H. J. Res. 192)

1907

Governor Hughes in his annual message to the Legislature of the State of New York stated that the undeveloped water powers of the State "should be preserved and held for the benefit of all the people and should not be surrendered to private interests."

Chapters 355 of the Laws of 1907 of the State of New York granted a charter to the Long Sault Development Co. The act authorized the company to construct and maintain dams, canals, powerhouses, and locks at Long Sault for the purpose of improving navigation of the St. Lawrence River and developing water power. Congressional authority was necessary for construction of dams, locks, and canals; the latter were to be operated free of charge.

Chapter 429 of the laws of 1907 of the State of New York established the State public service commission. The act abolished the commission of gas and electricity whose powers in the granting of certificates and in the regulation of rates were transferred to the public service commission. Set up public service commission districts 1 and 2, the former covering New York, Kings, Queens, and Richmond Counties, and district 2 covering the rest of the State.

Chapter 569 of the laws of 1907 of the State of New York directed the State water supply commission to devise plans for the progressive development of the water powers of the State for the public use under State ownership and control.

1909

January 11: The Boundary Waters Treaty, negotiated by Secretary of State Elihu Root for the United States and Ambassador James Bryce for Great Britain and the Dominion of Canada, was signed at Washington. An earlier treaty, signed in 1871 had declared the waters and improved channels of the Great Lakes-St. Lawrence system open on equal terms to navigation by ships of both countries. The treaty of 1909 provided for the settlement of controversies arising out of the use of boundary waters between the United States and Canada. It created the International Joint Commission, with three members from the United States and three from Canada, to investigate and report on projects for the further improvement of the Great Lakes-St. Lawrence system. It also provided that special agreements between the two countries, involving the use of boundary waters, might be effectuated by separate treaties or by concurrent legislation. The treaty of 1909 was ratified by the United States Senate and proclaimed by President Taft on May 13, 1910.

1910

In its annual report for 1910, the New York State Water Supply Commission stated that it had "reached the conclusion that the public interest plainly requires State control of water power developments * * *. The State alone can plan a comprehensive scheme of water-power development and execute it with the relative importance of each project."

1913

July 10: A resolution offered by Senator Townsend, of Michigan, requesting President

Wilson to open negotiations for an international agreement to provide for further improvement of the Great Lakes-St. Lawrence system for navigation, was unanimously adopted by the United States Senate.

Chapter 452 of the Laws of 1913 of the State of New York repealed the charter of the Long Sault Development Co. on the grounds that (1) it violated article III, section 18 of the State constitution which provides that the legislature shall not pass a private or local bill granting to any private corporation exclusive privilege, immunity, or franchise; (2) it violated article VII, section 7, which provides that the forest preserve shall not be leased or sold to any corporation, public or private; (3) it violated article III, section 17, which provides that no private or local bill shall embrace more than one subject; and (4) it was in excess of the powers of the legislature in that it attempted to provide for the alienation of the State to the company of title to the land in the bed of the St. Lawrence River; the title of the State is a sovereign right rather than a proprietary title. (New York Court of Appeals held that act of 1907 was unconstitutional and U. S. Supreme Court concurred).

The New York State Conservation Commission, in its annual report for 1913, referring to State's water powers said, "The State of New York must either develop its natural resources for the benefit of the many, or else surrender them to be exploited by private monopoly for the enrichment of the few. * * * We believe that the wisest policy for the State to pursue is to utilize this power for the benefit of all the people, and not to permit it to be used for private gain."

1914

February 24: The United States under the Wilson administration requested reference to the International Joint Commission for examination and report, the question of developing the Great Lakes-St. Lawrence system for navigation by oceangoing vessels for hydroelectric power, and other purposes, and the practicability of providing for construction of the project "by concurrent or reciprocal legislation or by special agreement." No further action was taken on this request during the First World War, 1914–18.

1918

June: The Aluminum Corp. of America applied to the International Joint Commission and to the War Department for permission to build submerged weir on St. Lawrence at Massena in order to increase power and production of aluminum. In spite of opposition by Canada and New York State, the Commission under pressure of the United States Government gave approval in September 1918.

1919

April: Franklin K. Lane, Secretary of the Interior, reported to President Wilson and recommended the early initiation of the St. Lawrence deep waterway project both for navigation and power purposes. This report was forwarded to the Senate Committee on Commerce in August and in recommendations Secretary Lane stated that he hoped the project would have the serious consideration of the International Joint Commission which had been directed by the last river and harbor bill to investigate and report its recommendations in order that cooperation by the United States and Canada might be had.

1920

January 10: Both Governments joined in instructions to the International Joint Commission to make a comprehensive survey of the project and to prepare plans and estimates for the improvement of the St. Lawrence River, between Lake Ontario and Montreal, for navigation and power purposes. A Joint Board of Engineers representing the United States and Canada was created to assist the Commission in engineering phases of the survey.

1921

December 19: The International Joint Commission unanimously reported, after public hearings in both countries, that of the various routes proposed for a deep waterway from the interior to the sea, none offered the advantages, for navigation and power, of the St. Lawrence route. The Commission recommended that engineering plans and specifications be prepared and that the two Governments enter into an agreement by way of a treaty to authorize the project.

Ontario Hydro-Electric Power Commission submitted to International Joint Commission Statement and Engineering Report Respecting the Proposal to Develop the St. Lawrence River. Contained plans for development and stated that: "It may be found best to develop power first in the international portion * * * in order that the United States may, as soon as possible, have her equity in this international power available for her own needy markets."

1922

May 17: In a note to the Dominion of Canada, Secretary of State Charles Evans Hughes recommended on behalf of the United States that the United States and Canada conclude a treaty pledging the two Governments to undertake the execution of the project on the basis of the recommendations submitted by the International Joint Commission, or such modifications as might be agreed upon. Prime Minister Mackenzie King requested more time to study the report of the Commission before entering into active negotiations.

1923

November 17: Secretary of State Hughes renewed the request of the United States Government and inquired in a note whether the Canadian Government was prepared to enter into negotiations on the lines suggested by the United States on May 17, 1922.

December 6: In his first annual message to Congress, President Coolidge recommended a program for improvement of the Colorado and Mississippi Rivers and for the development of the great power and navigation project of the St. Lawrence River, for which efforts are now being made to secure the necessary treaty with Canada. Referring to the projects included in the program in general, the President said: "This is not incompatible with economy, for their nature does not require so much a public expenditure as a capital investment which will be reproductive. * * * Upon these projects depends much future industrial and agricultural progress. They represent the protection of large areas from flood, and the addition of a great amount of cheap power and cheap freight by use of navigation, chief of which is the bringing of oceangoing ships to the Great Lakes."

1924

February 27: The United States accepted the proposal of the Canadian Government for a further engineering investigation of the project. An enlarged Joint Board of Engineers, with three engineers from each country, was accordingly created.

March 14: President Coolidge appointed the St. Lawrence Commission of the United States, consisting of six members, with Secretary of Commerce Herbert Hoover as Chairman. In Canada, a similar body, the National Advisory Committee, was set up with Hon. G. P. Graham, Minister of Railways and Canals, as chairman.

1926

November 16: The Joint Board of Engineers presented a report recommending construction of the project. The Board differed on plans for the power development, the United States members favoring a single-stage project, with one dam at the foot of Barnhart Island, and the Canadian members favoring a two-stage project, with two power dams in the International Rapids Section.

December 27: Chairman Hoover presented an exhaustive report from the St. Lawrence Commission of the United States declaring that "the shipway from the Great Lakes to the sea is imperative" for "the future development of a vast area in the interior of the continent" and "should be constructed on the St. Lawrence route." The report also recommended that "development of the power resources of the St. Lawrence should be undertaken" and that in negotiations with Canada "the United States should recognize the proper relations of New York to power development in the international section."

1927

January 29: The United States Department of Commerce published a report prepared by the Transportation Division, based on a study of navigation phases of the St. Lawrence project. A saving of from 36.4 percent to 54.5 percent in combination grain rates from Duluth to Liverpool was estimated in the report.

April 13: In a note to the Canadian Minister at Washington, Secretary of State Frank B. Kellogg declared that "the Government of the United States adopts the recommendations of the St. Lawrence Commission." The note stated that the United States Government took the position "that the necessary increase in railway rates due to the war, and the modern practices respecting the generation and transmission of hydroelectric power, have increased the importance and practicability of early development" and that "there only remains to be effected an understanding as to the methods and means for its earliest accomplishment."

July 12: Prime Minister Mackenzie King replied that the Canadian Government would discuss the proposals contained in the note from the United States Secretary of State after receiving a report from the Canadian National Advisory Committee and further findings of the Joint Engineering Board.

July 30: The Joint Board of Engineers again recommended construction of the project, submitting an alternative compromise plan for a two-stage project in the international rapids section.

1928

January 11: The Canadian National Advisory Committee made its report, concurring in the finding of the Joint Board of Engineers that the project was feasible, and proposing that works to be constructed in the international rapids section should provide a minimum depth of 27 feet.

March 12: The Secretary of State, replying to a note from the Canadian Minister, dated January 31, 1928, declared that the United States regarded "as an acceptable basis of negotiation" the Canadian proposals that the prosecution of the improvement of the St. Lawrence waterway be based on the undertaking by the United States of the deepening of the necessary channels through the interconnecting waters of the Great Lakes and the improvement of the international section of the St. Lawrence both for navigation and for power; and the undertaking by Canada of the construction of the waterway in the sections wholly Canadian; that is, the Welland Canal and the works in the St. Lawrence below the international boundary.

1930

March 29: The St. Lawrence Power Development Commission was created by an act of the New York Legislature, chapter 207, Laws of New York, 1930. The act directed the Governor to appoint a commission to study and report plans for the development of St. Lawrence power and declared in section 1 that "the natural waterpower sites in, upon, or adjacent to the St. Lawrence River owned or controlled by the people of the State or which may hereafter be recovered by them or come within their ownership and control,

shall remain inalienable to, and ownership and control shall remain always vested in the people of the State."

1931

January 15: The St. Lawrence Power Development Commission submitted its report and recommendations to the Governor and the legislature. The commission recommended that a public power authority, to be known as the Power Authority of the State of New York, be created and that this body be authorized to proceed with the improvement of the International Rapids section, in cooperation with public agencies of the United States and Canada, with all necessary reservations of the State's rights in the power development on the New York side of the St. Lawrence River. The report was accompanied by the findings of the commission's advisory board of engineers, recommending construction of the project, with a single-stage plan for the power development.

April 27: The New York Legislature, without a dissenting vote, enacted the Power Authority Act, chapter 772, Laws of New York, 1931.

This act, for the first time, authorized full development of the International Rapids section of the St. Lawrence River on the part of the State of New York, and created the first power authority set up in the United States by State or Federal Governments.

The authority was authorized and directed to proceed with the development of the St. Lawrence, to market hydroelectricity at the lowest possible cost to consumers, and to conserve the power resources of the State in this section of the river under the inalienable ownership of the people.

The act directed the trustees to cooperate with the appropriate agencies and officials of the United States, to the end that any project undertaken on behalf of the State shall be consistent with and in aid of the plans of the United States for the improvement of commerce and navigation along the St. Lawrence River, and shall be so planned and constructed as to be adaptable to the plans of the United States therefor, so that the necessary channels, locks, canals, and other navigational facilities may be constructed and installed by the United States in, through, and as part of the said project.

The legislature also directed the power authority to apply to Congress for legislation, or take such other action in the premises as it may deem necessary or advisable, in the furtherance of the project and for the protection of its rights and those of the State.

October 7: The Canadian Government, in a note to the Secretary of State, declared its readiness to enter into negotiations for a treaty to provide for construction of the St. Lawrence project for navigation and power purposes. The negotiations were initiated in conferences at Washington on November 14, 1931, and continued at intervals over the next 8 months.

1932

April 9: The Joint Board of Engineers concluded a series of six engineering conferences, initiated in December 1931, and in its final report recommended a modified two-stage plan for the development in the international rapids section.

July 9: In a telegram to President Hoover, Governor Roosevelt urged early agreement upon the question of allocation of the costs to be assumed by the State of New York in connection with the St. Lawrence project. "I am sure that you agree with me," the Governor wrote, "that prompt and speedy settlement of this only question remaining unsettled is a matter of vital necessity. * * * This great project involves two objectives of equal importance and cannot in public justice accomplish one without the other. I am deeply interested in the immediate construction of the deep waterway as well as in the development of abundant and cheap power. The State of New York not only owns this potential power but seeks, through a State agency, to make it available to millions of people at reasonable cost. * * * Determination of the share of the total cost of construction to be paid for by this State is a present factor which should not be relegated to later negotiations. * * * With such an agreement between the Federal administration and the State of New York, it would be my hope that it would be possible to submit a treaty to the Senate for immediate and, I hope, favorable action."

July 18: The Great Lakes-St. Lawrence Waterway Treaty was signed at Washington by the Secretary of State on behalf of the United States and the Minister to the United States on behalf of the Dominion of Canada. In a public statement accompanying the announcement of the signing of the treaty, President Hoover said: "The signing of the Great Lakes-St. Lawrence Waterway Treaty marks another step forward in this the greatest internal improvement yet undertaken on the North American Continent. * * * It provides for the construction of a 27-foot waterway from the sea to all Canadian and American points on the Great Lakes. Such a depth will admit practically 90 percent of ocean shipping of the world to our lake cities in the States of New York, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota. Its influence in cheapening transportation of overseas goods will stretch widely into the interior from these points. Its completion will have a profoundly favorable effect upon the development of agriculture and industry throughout the Midwest. The large byproduct of power will benefit the Northeast. * * * Normal growth of traffic in the Nation will far more than compensate for any diversions from American railways and other American port facilities. The economic gains from improved transportation have always benefited the whole people." The President said in his statement that he had referred to the War Department the question of whether the treaty provided for a sufficient diversion of water from Lake Michigan to meet the needs of the waterway from Chicago to the Mississippi River, and made public the reply of Maj. Gen. Douglas MacArthur, Acting Secretary of War: "I am glad to confirm that the provision in the treaty does provide the necessary diversion for this purpose."

July 30: Under a resolution adopted by the United States Senate before taking its summer recess, Chairman William E. Borah, of the Committee on Foreign Relations, appointed a subcommittee to conduct public hearings on the project. Representatives of the State Department, the War Department, and other agencies of the Federal administration appeared with representatives of the power authority and public agencies of other States in support of the project at public hearings held in November-December 1932.

August 6: Canada officially opened the new Welland ship canal, representing an expenditure of $133,000,000.

1933

January 31: Upon the recommendation of the power authority, and with the approval of the State Department and the Committee on Foreign Relations, representatives of the power authority and the Corps of Engineers, United States Army, met for the purpose of agreeing upon a formula for the allocation of costs to be assumed by the power authority in connection with the power development in the international rapids section.

February 7: A Federal-State accord on the allocation of costs, recognizing the right of the State of New York to the ownership and operation of the power development, was agreed to at a conference of the power authority and the Corps of Engineers and jointly recommended for favorable action by Congress.

February 21: The Committee on Foreign Relations, by a vote of 15 to 5, favorably reported the Great Lakes-St. Lawrence waterway treaty to the United States Senate and, upon the recommendation of the State Department and the War Department, approved the proposed Federal-State accord.

April 26: The United States House of Representatives adopted a joint resolution (H. J. Res. 157) favorably reported by the Committee on Interstate and Foreign Commerce after public hearings, confirming the accord recommended by the power authority and the Corps of Engineers on February 7, 1933. The accord and the joint resolution fixed a ceiling of $89,726,000 on costs of construction to be assumed by the power authority on behalf of the State for the self-liquidating power development. The Senate on June 9 voted against including the terms of the joint resolution as an amendment to the then pending national recovery bill in the absence of a Senate committee report on the resolution.

September 14: An interdepartmental board was created to submit up-to-date reports on economic phases of the St. Lawrence project. Independent surveys were conducted over the next 4 months by the War Department, the Department of Commerce, the Federal Power Commission, and the power authority.

1934

January 10: In a report submitted to Congress (Doc. No. 116, 73d Cong., 2d sess.), the Interdepartmental Board recommended "that the Great Lakes-St. Lawrence project for power and navigation should be undertaken without delay. The navigation project is comparable in economic value and importance to the Panama Canal. It is combined with the development of the largest and cheapest block of hydroelectric power available in North America. * * * Its completion will unquestionably confer important national benefits and stimulate the future growth and development of the United States." In a message accompanying a summary of the report, President Roosevelt recommended ratification of the St. Lawrence Treaty, negotiated under the preceding Federal administration and submitted to the Senate, January 19, 1933, by President Hoover.

March 14: By a division of 49 to 43, including pairs, a majority of the United States Senate approved the St. Lawrence Treaty but, lacking the required two-thirds majority, the treaty failed of ratification. The State Department and Chairman Pittman, of the Committee on Foreign Relations announced that negotiations to revise the treaty would be resumed with Canada and that the treaty would be resubmitted at an early session of the Senate.

Chapter 281 of the laws of 1934 of the State of New York authorized any municipal corporation, i. e., county, city, town, or village, to own and operate any gas and electric public utility. Can be financed by bonds issued "pursuant to law for any permanent improvement by such municipal corporation." Approval of local legislative body necessary and after its approval the proposition together with authority to issue a definite amount of bonds must be submitted to local voters for approval.

1938

May 28: In a note to the Canadian Minister, Secretary of State Hull submitted a draft of a proposed revision of the 1932 treaty which had been under discussion between United States and Canadian Governments at intervals since November 1936. "The United States would immediately undertake the development of the International Rapids section of the St. Lawrence River, in accordance with the provisions of the treaty," Secretary Hull wrote, "and would complete all proposed works except the Canadian powerhouse superstructures and their equipment. * * * The State of New York would be able to proceed immediately with the development of the 1,100,000

horsepower of cheap hydroelectric power which constitutes the American share of the power available. * * * This additional power supply at a cost of less than $8 per horsepower-year would thus be assured to meet its future market requirements."

1940

September 10: Upon being advised that the Federal Administration had no plans for active negotiations with Canada on the St. Lawrence project, the Power Authority submitted proposals for the immediate preparation of plans and specifications for that part of the project located in the international rapids section of the St. Lawrence River.

The Power Authority proposed that the power development should be expedited as an aid to the national defense in both countries and that a small engineering board should be created for this purpose, consisting of representatives of the Power Authority, the Hydroelectric Power Commission of Ontario, the Corps of Engineers, United States Army, and the corresponding engineering agency of the Dominion of Canada. The board, as proposed by the Power Authority, was expanded by the United States and Canadian Governments to include other agencies of the two countries. A total of $1,350,000 was allotted to the Corps of Engineers, United States Army, to complete preliminary engineering work in the international rapids section and to prepare plans and specifications.

October 16: President Franklin D. Roosevelt issued Executive order authorizing initiation of preliminary work and appointed St. Lawrence Advisory Committee, composed of representatives of the State Department, Army engineers, Federal Power Commission, and New York Power Authority, with instructions to cooperate with a similar committee set up by the Canadian Government.

October 17: In a special message to Congress, President Franklin D. Roosevelt announced that he had included the project in the national-defense program.

"It is urgent that this project be undertaken at the present time, not only from the point of view of our own defense but also in terms of those of our neighbor, Canada. The Province of Ontario needs to be able to count upon the early availability of this power to meet its growing load. The project may, therefore, be considered as an essential part of the program of continental defense which is being actively worked out by representatives of the two peoples."

October 23: The Dominion of Canada established a Canadian Temporary Great Lakes-St. Lawrence Basin Advisory Board to cooperate with the United States committee.

October 31: First joint meeting of the Canadian and United States committees was held at Massena, N. Y.; particular consideration was given to the interest of New York State and Ontario in the plans for powerhouses.

November 4: United States Army engineers opened a new district office at Massena, N. Y., near the site of the proposed dam and began the field surveys.

December 5: The President, Secretary of War Stimson, and representatives of the State Department, Federal Power Commission and United States Maritime Commission cited the value of the project under the defense program in messages to the St. Lawrence Conference at Detroit. The need of the seaway, as well as power, were both stressed. The President declared that he would propose the necessary steps at the next session of Congress.

December 16: United States Supreme Court rendered decision in New River Case upholding the licensing and regulatory powers of the Federal Power Commission. Case involved license of a private corporation which had been in dispute before the Commission since 1925 and in litigation in Federal courts since 1931. Court found that "the plenary power of Congress over navigable waters would empower it to deny the privilege of constructing an obstruction in these waters" and that Congress "may likewise grant the privilege on terms."

December 20: Representatives of the Power Authority, Ontario Hydroelectric Power Commission and United States Army engineers conferred, at Massena, with representatives of the Harza Engineering Co., retained by the United States engineers to prepare preliminary plans for the St. Lawrence project.

1941

January 3: In a joint meeting held at Ottawa, Canada, the United States and Canadian Committees on the St. Lawrence project adopted a report recommending immediate initiation of the project in the international rapids section. The committees also approved the engineering report, signed by representatives of the Corps of Engineers, United States Army, and the General Engineering Branch, Department of Transport, Dominion of Canada, recommending a controlled single-stage project as "the best from an engineering and economic point of view, bearing in mind the requirements of navigation and power and the protection of down-river interests."

January 17: Mayor LaGuardia, chairman of the American Section of the United States-Canadian Joint Board of Defense, declared his approval of the St. Lawrence project.

January 22: Second joint meeting of United States-Canadian engineers held at Washington, attended by representatives of Corps of Engineers, Power Authority, Dominion Government engineers, and engineers of Ontario Hydroelectric Power Commission. Agreement reached on plans for expediting engineering work in international rapids section.

March 19: The United States and Canada signed at Ottawa an agreement, subject to approval by concurrent legislation, providing for construction of the works in the International Rapids section and for completion of the navigation improvements in other sections of the Great Lakes-St. Lawrence system. The agreement incorporated many of the features of the draft treaty of July 18, 1932. Preceding the signing of the agreement on March 19, 1941, the Dominion of Canada and the Province of Ontario entered into a collateral arrangement renewing their 1932 accord under which the Hydroelectric Power Commission of the province was given the right of ownership and operation of the power project on the Canadian side of the river, upon assuming an allocated share of the construction costs, estimated in 1941 at $90,000,000.

May 16: President Roosevelt wrote in reply to the power authority:

I hoped, and still hope, that there may be early agreement between the Federal Government and the State of New York as to the St. Lawrence project. I understand that negotiations are progressing and see no reason why they should not be successful in reaching a conclusion fully protecting the public interest.

Since, however, defense is a primary consideration and it is urgent that the work go forward, any delay in the introduction of legislation authorizing the project or unnecessary complications in such legislation would seriously prejudice the national interest.

It is my understanding that the proposed legislation in no way prejudices the position of the State of New York and definitely provides for the execution of an agreement for the transfer to the power authority of the power facilities and the right to use the United States share of the waters for hydroelectric power purposes.

May 21: Following conferences between the power authority and the corps of engineers, agreement was reached, subject to the approval of Congress and the legislature, on a formula of cost allocation derived from the 1933 Federal-State accord, establishing a ceiling of $93,375,000 on costs to be assumed by the power authority, to be reimbursed to the Federal Government over a period of 50 years, with interest, from the operation of the self-liquidating power project in New York.

June 2: Chairman Joseph J. Mansfield, of the House Committee on Rivers and Harbors, introduced a bill (H. R. 4927) to confirm the agreement of March 19, 1941, and providing for the allocation of costs recommended by the power authority and the corps of engineers on May 21, 1941.

June 17–August 6: Public hearings were held at intervals over this period by the Committee on Rivers and Harbors, comprising one of the most exhaustive investigations ever conducted by the committee on a river development project. (See published hearings, 2 volumes, 2,284 papes, 1st sess., 77th Cong.)

In addition to hearing testimony from more than 100 witnesses, the committee made an inspection trip, visiting the sites of all proposed works on the St. Lawrence River between the outlet of Lake Ontario and Montreal.

Among public officers and agencies of the Federal and State Governments heard by the committee, or who filed statements recommending the project and the pending bill, were: Secretaries of State, War, Navy, Agriculture, and Commerce; Chairman, United States Maritime Commission; Acting Chief of Engineers, Corps of Engineers, United State Army; Chairman, Federal Power Commission; Director-General, Office of Production Management; Administrator, Rural Electrification Administration; Administrator, Federal Works Agency; Chairman, Board of Directors, Federal Deposit Insurance Corporation; Governors of New York, New Jersey, Michigan, Montana, Wisconsin, Minnesota, North Dakota, and the power authority of the State of New York.

August 8: The St. Lawrence project authorized by the Mansfield bill was approved at a meeting of the Committee on Rivers and Harbors by a vote of 17 to 8.

October 1: Construction started on Shipshaw power project on the Saguenay River, 140 miles north of city of Quebec. Under contracts dated May 2, 1941, July 15, 1941, March 6 and April 1, 1942, the United States agreed to purchase 1,370,000,000 pounds of aluminum and to make advance payments to enable Aluminum, Ltd., owner of the Shipshaw power site and aluminum works at Arvida, Quebec, to expand its facilities. Construction was rushed through two winters, with 8,845 men employed at the peak to complete a diversion channel, reservoirs, and 5 new dams to provide an installed capacity of 1,200,000 horsepower.

November 21: Chairman MANSFIELD favorably reported the St. Lawrence project bill to the House on behalf of the Committee on Rivers and Harbors. With the entrance of the United States into the war in December 1941, action on this and other measures reported by the committee was deferred.

1942

January 22: Speaker RAYBURN said in public statement at Washington that he favored St. Lawrence project and action on pending bill, declaring "the power situation is such that we need to develop new power facilities."

January 26: Governor Stassen, of Minnesota, wired the President in protest against reported proposals to separate power from navigation in the St. Lawrence development and expressed confidence that Congress would approve pending legislation. "The successful completion of the entire project, power and transportation, will add to the total strength of the country," Governor Stassen said, "and is sound, both as to the

immediate outlook of the war and the future competitive situation of this continent."

February 3: Secretary of State Hull wrote Governor Stassen that the Federal Government hoped for early legislation authorizing the St. Lawrence project. "It is our earnest hope," Secretary Hull wrote, "that this great project, which will contribute so effectively to our war effort as well as to the general welfare of our country, will receive the early approval of the legislative bodies of the United States and Canada in order that the construction work may be started and pushed to an early conclusion."

March 2: United States Senate approved conference report on bill previously passed by the House authorizing construction of MacArthur lock at Sault Ste. Marie, Mich., connecting Lakes Superior and Huron. Lock 800 feet long, 80 feet wide, and 30 feet over sills was completed in 1943. Provision of this lock was undertaken by United States in pending United States-Canadian agreement of 1941. It was authorized by bill H. R. 5993 as essential navigation link in proposed seaway. Action under separate bill was sponsored and approved by Congress at 1942 session on motion of Michigan Members of House and Senate.

March 4: A bill authorizing the St. Lawrence project, identical in terms with the bill reported by the committee November 21, 1941, was introduced in the House by Representative GEORGE A. DONDERO, Michigan.

March 26: Letter from Chairman Donald M. Nelson, War Production Board, dated March 18, 1942, replying to inquiries concerning the worth of the St. Lawrence project, presented in debate in New York Assembly. "In regard to that project," Chairman Nelson wrote Assemblyman Caffery, "I am accepting and following the advice of Mr. William L. Batt, Director of the Materials Division of the War Production Board, and Mr. J. A. Krug, Chief of the Power Branch of the Materials Division. It is their opinion that at least the power part of the project should be authorized and constructed with all possible speed. The project will require about 4 years for construction and when finished will provide a large and highly efficient source of electric power. It appears that it will be possible to organize the construction program in such a way that during the first 2 years a minimum of critical materials would be required."

April 29: Governor Lehman signed bill passed by the legislature authorizing establishment of nonprofit rural electric cooperatives in the State of New York.

October 10: At a press conference at Watertown, N. Y., Thomas E. Dewey declared that he "strongly advocated the development of the power resources of the State by Government" and reiterated earlier public statements endorsing the St. Lawrence seaway and power project, which he said "clearly indicated approval of the entire St. Lawrence project." Commenting editorially upon the statement, the Watertown Daily Times said: "He stands upon the statement he made March 27, 1940. At that time he said: 'I favor the St. Lawrence seaway and always have.'"

1943

June 14: Defending contracts entered into in 1941 and 1942 between Metals Reserve Co., United States Government agency, and Aluminum Co. of Canada, Ltd., in connection with Shipshaw project, Minister of Munitions and Supply Howe, in debate in House of Commons at Ottawa, said:

"By May of next year (1944) the project will be producing a million horsepower. The potential horsepower was needed. It has been suggested that this development was carried out to block the St. Lawrence development. Let me remind honorable members that Canada is committed to the St. Lawrence development, that it has agreed with the United States to proceed with that development, but the St. Lawrence development was blocked not in Canada but in the United States. An exchange of notes took place which put us definitely on record as being willing and anxious to proceed with the St. Lawrence development."

July 8: The Wall Street Journal reported that "one more link in the vital Great Lakes waterways system will have been provided when, on July 11, 1943, the United States Army engineers open the MacArthur lock at Sault Ste. Marie to the passage of iron ore. Originally scheduled to be built in 20 months, in itself a new record for similar projects, the lock was completed in less than 13 months."

September 28: United States Senator GEORGE D. AIKEN, Vermont, introduced in the Senate the St. Lawrence project bill, S. 1385, identical in terms with the bills previously offered in the House. The Aiken bill was referred to the Committee on Commerce of the Senate.

1944

January 7: Upon election as majority leader of the New York State Senate, Senator Feinberg reaffirmed support of St. Lawrence project in a public statement. "I have always been an advocate of the development of the St. Lawrence seaway and power project," the Senator said. "* * * I still hope to see it become a reality. In addition to the commerce that the development of the seaway will bring us, the development of the power project would open a great source of cheap power to the industries of the entire East."

February 6: In a public statement at Toronto, Dr. Thomas H. Hogg, Chairman, Hydroelectric Power Commission of Ontario, declared that informal discussions had been held between Ontario and New York State officials on plans to expedite development of the International Rapids section. Chairman Hogg said that Ontario was prepared to cooperate with New York in the development and that public agencies of the State and the Province should be able to obtain funds for construction of the project in the open market, because of the value of the self-liquidating power development.

March 3: President Roosevelt in published letter recommended enactment of St. Lawrence bill, S. 1385, for postwar construction of seaway and power project.

March 15–16: By unanimous vote, the Senate and the Assembly of the New York Legislature adopted the Graves-Daniels resolution placing the State of New York on record in favor of prompt measures "to provide for the development of the power resources of the St. Lawrence River, under the inalienable ownership of the people." The resolution recited the facts that "there is an ever-increasing need in the State of New York for cheap hydroelectric power"; that "the State of New York has no cheap hydroelectric power to offer to any new industry" or to 4,000,000 small commercial, rural, and domestic consumers; and that "already the lack of this cheap power has sent countless industries elsewhere." Accordingly, the resolution declared as the sense of the legislature that "prompt measures should be taken to provide for development of the power resources of the St. Lawrence River with adequate provisions to safeguard the rights and interests of the people of the State of New York in these resources under the inalienable ownership of the people."

April 10: In a letter to Chairman Bailey of the Senate Committee on Commerce, Secretary of State Cordell Hull recommended enactment of the St. Lawrence project bill, S. 1385-H. R. 2280, into law.

April 20: Senator WAGNER, senior Senator from New York, in a letter to Mr. Harold B. Johnson, editor and publisher of the Watertown Daily Times, declared his active support of the St. Lawrence project bill, S. 1385. The Senator recommended enactment of the seaway and power project bill into law as "the most direct means of achieving * * * public benefits" which would accrue from "the earliest possible use of the power resources in the St. Lawrence River, resources essential for the postwar development of New York and the Nation."

May 18: In a press conference at Washington, Minister of Labor Humphrey Mitchell, member of the Cabinet of Prime Minister Mackenzie King, expressed hope that the St. Lawrence project would be completed as a postwar measure. "I am a great believer in the St. Lawrence project," he said. "Deep water quickens the life of a nation, and cheap power lightens the burden of a nation. It will be a tremendous boon for Ontario and New York State and for the two countries generally."

June 20: Associated Press reported that 12 Republican Members of the United States Senate had joined in a public statement recommending postwar construction of the St. Lawrence project under legislation then pending in the Seventy-eighth Congress, S. 1385-H. R. 2280. Signers of the statement were Senators Aiken, Vermont; Shipstead, Minnesota; Vandenberg, Michigan; Holman, Oregon; Capper, Kansas; Ferguson, Michigan; Ball, Minnesota; Reed, Kansas; Thomas, Idaho; Robertson, Wyoming; Cordon, Oregon; and Wherry, Nebraska.

July 13: In a letter to Senate Committee on Commerce, Secretary of Commerce Jesse H. Jones approved terms of the St. Lawrence project bill, S. 1385-H. R. 2280, and recommended its passage.

September 21: Amendment to the river-and-harbor bill to provide for construction of the St. Lawrence project and incorporating provisions of S. 1385 was introduced in the Senate by Senators Aiken, Shipstead, and Ferguson.

December 12: Upon arguments advanced by Senators Bailey, Overton, Mead, and others that the measure should await public hearings on its merits in the Seventy-ninth Congress, the St. Lawrence amendment to the river-and-harbor bill was rejected by a vote of 56 to 25. Senator AIKEN announced that the bill would be reintroduced as a separate measure for consideration at the first session of the Seventy-ninth Congress.

1945

January 3: In his annual message to the legislature, Governor Dewey renewed recommendations for completion of St. Lawrence project:

"After 20 years of discussion, the tremendous power potential of the St. Lawrence River still remains undeveloped. Its estimated 1,620,000 kilowatts would be the second largest project of its kind on this continent. Its beneficiaries would be the residents of this State and nearby areas.

"At the last session of the legislature, upon the recommendation of the State administration, resolutions were unanimously adopted declaring for the prompt development of the St. Lawrence River by measures which would provide low-cost power from these resources under the inalienable ownership of the people.

"On December 12, 1944, the United States Senate rejected a measure for the completion of the seaway and power project, in accordance with the terms of the United States-Canadian agreement of March 19, 1941. However, it has been announced by the sponsors of the measure that it will be reintroduced at the first session of the next Congress.

"I recommend, therefore, that the State continue vigorously to assert its substantial rights and interests in the St. Lawrence development.

"For years I have advocated the completion of the St. Lawrence seaway and power project. During the past decade the means have been found and billions in Federal

funds have been appropriated to develop great rivers in other sections of the country, for power, navigation, flood control, irrigation and like purposes. The incomparable resources of the St. Lawrence River should no longer be wasted. If the Federal administration is unable or unwilling to proceed, then the State of New York itself should undertake to complete the project on a self-liquidating basis in cooperation with the Dominion of Canada and the Province of Ontario."

January 8: Completion of St. Lawrence project "at the earliest possible date after the war" was urged by Premier George A. Drew of the Province of Ontario in an address at Cornwall, Ontario. He said:

"The Ontario Government is anxious to see the completion of the St. Lawrence waterway and power project at the earliest possible date. It is one of the most important sources of power now available to the people of this Province and to the people of the United States living south of the river. The great power of this mighty river should be made available without further delay, and it is my earnest hope that the discussions which have been going on for many years will soon reach a satisfactory conclusion and that we may be able to proceed with this great enterprise as soon as men and equipment become available. I cannot believe that a project which in all common sense should be started as soon as the war ends can be held up much longer. The power is there to be used for the benefit of those living on both sides of the river, and the need for an early start should appeal to men of good will in every part of Canada and the United States."

January 15: Representative DONDERO, of Michigan, reintroduced St. Lawrence project bill in the House, H. R. 1428, similar in form to the measure favorably reported by the Committee on Rivers and Harbors in the Seventy-seventh Congress.

September 19: Governor Dewey wired President Truman in support of Federal-State accord provisions related to the St. Lawrence power development in New York. The Governor pointed out that under legislation previously introduced the power facilities to be constructed in New York would be taken over by the State's accredited agency upon assuming allocated costs of such facilities.

September 26: Responding to Governor Dewey's telegram of September 19, President Truman recalled his vote for St. Lawrence legislation in Senate, December 12, 1944. The President declared he continued to favor measures under which St. Lawrence power facilities in New York would be "turned over to the appropriate New York State agency in accordance with the agreement recommended by the Corps of Engineers of the United States Army and the Power Authority of the State of New York dated February 7, 1933." The President stated he was prepared to recommend that Congress "take the appropriate steps to transfer to the State of New York the ownership and management of the St. Lawrence power facilities in the International Rapids."

September 27: Governor Dewey wired President Truman, in acknowledgment of his telegram of September 26, thanking him for his "gratifying reassurances covering the rights of the State of New York to the ownership and management of the power facilities to be developed on the St. Lawrence River." The Governor expressed the "earnest hope that the legislation will specifically respect and preserve by act of Congress the fundamental rights of the State of New York in accordance with our joint desires."

October 2: Senator BARKLEY, Kentucky, majority leader of the Senate, introduced Senate Joint Resolution 104, to approve United States-Canadian agreement of 1941 with amendments and to authorize construction of St. Lawrence seaway and New York State power project. Resolution offered on behalf of 10 cosponsors, as follows: Barkley, Kentucky; Wagner, New York; Hill, Alabama; Taylor, Idaho, La Follette, Wisconsin; Shipstead, Minnesota; Langer, North Dakota; Aiken, Vermont; Vandenberg and Ferguson, Michigan. On same date, Representative SABATH, Illinois, introduced House Joint Resolution 248 in House in same form as Senate Joint Resolution 104. (CONGRESSIONAL RECORD, October 2, 1945; full text of resolution, Fifteenth Annual Report, P. A., p. 6, Appendix.)

October 3: In special message to Congress, President Truman recommended legislation to approve United States-Canadian agreement of 1941 and to implement Federal-State accord on the St. Lawrence project.

"It has always been understood by the responsible proponents of this development," the President said in his message, "that the waterpower project should become the property of the State of New York, and that the electric power should be developed and handled by the State. That should continue to be the policy, and I recommend that it be so declared by the Congress."

The President urged upon Congress speedy enactment of legislation to carry out recommendations contained in message.

October 29: Representative DONDERO, Michigan, introduced House Joint Resolution 250, identical with Senate Joint Resolution 104, to authorize St. Lawrence project.

1946

February 15: Joint recommendations of Corps of Engineers, United States Army, and power authority on Federal-State accord, dated February 7, 1933, to provide for ownership and operation by State agency of St. Lawrence power facilities to be built in New York State, revised and renewed. Revised accord initialed by Lieutenant General Wheeler, Chief of Engineers, and General Wilby, subject to approval by Congress and legislature.

February 18–March 9: Public hearings held on St. Lawrence resolution, Senate Joint Resolution 104, by subcommittee, Committee on Foreign Relations. Subcommittee heard 150 witnesses whose testimony with additional statements and petitions appears in 1,404-page printed hearings.

March 27: Senate subcommittee, Committee on Foreign Relations, voted approval of St. Lawrence project and Senate Joint Resolution 104. For: Hatch, Hill, La Follette; against: White; not voting: Tunnell.

May 2: Senate subcommittee submitted to full Committee on Foreign Relations report recommending enactment of St. Lawrence resolution, Senate Joint Resolution 104, to approve United States-Canadian agreement of 1941, with exception of article 7, making equal navigation rights on certain waters permanent, and article 9, providing for possible increases in diversion at Niagara Falls without further treaty action.

June 5: Committee on Foreign Relations voted 14 to 8 to report favorably to Senate St. Lawrence resolution, Senate Joint Resolution 104, with an amendment. Amendment VIII excepted from approval article VIII, paragraph c of the United States-Canadian agreement of 1941, which provision had the effect of freezing existing limitations on diversion of water at Lake Michigan under United States Supreme Court decree. No increase in diversion was sanctioned, however, by the amendment which left the subject open for future consideration. Vote of the full committee on approving the United States-Canadian agreement of 1941 and Senate Joint Resolution 104 as amended was:

For: Republicans 5, Capper, La Follette, Vandenberg, Shipstead, Wiley; Democrats 9, Wagner, Thomas (Utah), Murray, Pepper, Green, Barkley, Hatch, Hill, Lucas. Total 14.

Against: Republicans 4, White, Austin, Bridges, Gurney; Democrats 4, Connally, George, Tunnell, Guffey. Total 8.

June 13: Report No. 1499, Committee on Foreign Relations, submitted to the Senate, and recommended enactment of, St. Lawrence resolution, Senate Joint Resolution 104, as amended, and resolution was placed on Calendar as No. 1526.

November 22: Meeting at Portland, Oreg., November 13–22, the National Grange renewed its recommendation of the St. Lawrence project at its eightieth annual session.

The National Grange received a committee report on the project and adopted resolutions as follows:

"We heartily approve that part of National Master Goss' address entitled 'St. Lawrence Seaway,' and believe it to be a sound and practical project that will make available vast quantities of electric power and a saving of millions of tons of our exhaustible coal resources annually. Your committee approves Resolution No. 39, as follows:

" 'Whereas the National Grange for years has supported legislation for the construction of a ship canal from Duluth to the Atlantic Ocean by the St. Lawrence * * *: Therefore be it

" '*Resolved*, That the National Grange in the coming session of Congress shall again work for this important legislation.' "

December 9: At a meeting of the Northern Federation of Chambers of Commerce held at Canton, N. Y., F. Hugh Burns, of the Ogdensburg Chamber of Commerce, was elected president and Dr. Rollin A. Newton, of Massena, president emeritus.

The federation is comprised of local chambers of commerce and trade unions in 18 communities in the St. Lawrence project area.

At the Canton meeting resolutions were unanimously adopted, as follows:

"Whereas the urgent need for more power and transportation in the northeastern United States has been demonstrated anew during the critical emergencies of the war and amidst the pressing problems of reconversion; and

"Whereas the Committee on Foreign Relations of the United States Senate on June 13, 1946, favorably reported Senate Joint Resolution 104 to approve the United States-Canadian agreement for completion of the Great Lakes-St. Lawrence seaway and power project; and

"Whereas this project will provide exceptionally low-cost power and transportation facilities needed for our national security, as attested in the 1946 report of the Joint Chiefs of Staff, and for the peacetime requirements of our people, according to recommendations filed with the Senate committee in 1946 by all Federal and State agencies responsible for the improvement; and

"Whereas failure to complete this improvement deprives the whole Nation of its benefits, and, in particular, leaves the people of the northeastern section of our country under the handicap of recurring shortages of fuel and transportation: Therefore be it

"*Resolved*, That on behalf of the people of this area we request the reintroduction immediately upon the convening of the Eightieth Congress of Joint Resolution 104 in the same form as it was favorably reported to the Senate at its last session by the Committee on Foreign Relations, and we urge its prompt enactment into law."

1947

January 3: Upon convening of the Eightieth Congress during the opening day of the session, Representative CLARENCE E. KILBURN, of the Thirty-fourth New York District, reintroduced legislation to authorize completion of the St. Lawrence project.

The bill introduced by Representative KILBURN, H. R. 13, is identical in its terms with the joint resolution (S. J. Res. 104) favorably reported by the Committee on Foreign Relations, United States Senate, June 13, 1946.

January 8: In his annual message to the legislature Gov. Thomas E. Dewey recommended completion of the St. Lawrence project and emphasized public needs in New York State "for alternative sources for electric power production."

Citing the fact that "the matter of the development of the St. Lawrence for the benefit of the people of this and neighboring States will be before the Federal Congress," the Governor said in his message:

"A partial solution to all these needs is provided by utilizing to the full the water power of the State for the production of hydroelectric power.

"I am firmly convinced that in this course of action there lies additional prosperity for all the people of the State. The Empire State is going forward and in the future it can use all the railroad facilities, all the transportation facilities, all the waterways, and all the sources of power available to it or lying at its threshold."

May 9: A joint resolution (S. J. Res. 111) was introduced in the Senate by Senator VANDENBERG, Michigan, to approve the United States-Canadian agreement of 1941, as amended, and to provide for completion of the St. Lawrence seaway and power project, with new navigation works on the St. Lawrence to be built on a self-liquidating basis. Cosponsors of the joint resolution in the Senate were: Senators VANDENBERG, Michigan; BARKLEY, Kentucky; AIKEN, Vermont; BALL, Minnesota; FERGUSON, Michigan; HICKENLOOPER, Iowa; JOHNSTON, South Carolina; LANGER, North Dakota; MCCARTHY, Wisconsin; TAYLOR, Idaho; THOMAS, Utah; THYE, Minnesota; TOBEY, New Hampshire; WILEY, Wisconsin; WILSON, Iowa; YOUNG, North Dakota.

Representative DONDERO, Michigan, introduced the joint resolution, S. J. Res. 111, in the House as H. J. Res. 192.

May 28–June 20: Public hearings on the St. Lawrence joint resolution, S. J. Res. 111, were conducted before a subcommittee of the Committee on Foreign Relations: Senators WILEY, Wisconsin, chairman; HICKENLOOPER, Iowa; SMITH, New Jersey; THOMAS, Idaho; and HATCH, New Mexico.

Completion of the project was recommended at the hearings by former President Hoover, Secretary of State Marshall, Secretary of Commerce Harriman, and representatives of the Corps of Engineers, United States Army, Federal Power Commission, Department of the Interior, Power Authority of the State of New York, and other agencies.

June 11: President Truman, in an address before a joint session of the Canadian Parliament in Ottawa, said of the St. Lawrence project:

"Gratifying as the volume of our trade now is, it is capable of even further expansion to our mutual benefit. Some of our greatest assets are still to be developed to the maximum. I am thinking of one particularly that holds tremendous possibilities, the magnificent St. Lawrence-Great Lakes system, which we share and which we must develop together.

"The St. Lawrence project stirs the imagination of men long accustomed to majestic distances and epic undertakings. The proposal for taking electric power from the river and bringing ocean shipping 2,400 miles inland, to tap the fertile heart of our continent, is economically sound and strategically important.

"When this program is carried out, the waterway that is a part of our boundary will more than ever unite our two countries. It will stimulate our economies to new growth and will spread the flow of trade."

Mr. FLANDERS. Mr. President——

Mr. LODGE. I yield to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I desire at this time to make a statement of my position on Senate Joint Resolution 111, the purpose of which measure is to authorize the building of the St. Lawrence seaway and power project. This undertaking has been before the public for many years, and it is important that we move toward a conclusion in the matter.

The proposal divides itself into two related parts, that for the seaway between the Great Lakes and the ocean, and that for power generation.

As to the seaway, I am going to discuss it briefly in the light of the sectional interests of New England. In so doing, I bear in mind the statement made on this floor a few days ago by the junior Senator from Massachusetts [Mr. LODGE] to the effect that he was raising no objections to the project which were not national in character. I nevertheless feel, Mr. President, that it is perfectly proper to have sectional interests represented and stated in an affair of this sort, leaving it to the judgment of the Senate as a whole and to the consciences of those who represent the sectional interests to balance finally the arguments pro and con on the basis of national interest.

After listening to much of the discussion which has been had on this floor and after reading many pages of the reports of hearings, of pamphlets and of magazine articles, it still seems clear to me that the transportation interests of New England, and probably of New York State also, will be seriously damaged to the extent that the seaway finds commercial use. There is, of course, some dispute as to that extent.

No matter what it may be, the railways of our New England region will be deprived of some profitable through traffic which is now their main support for that degree of profitable operation which keeps them out of bankruptcy.

There is the further consideration that the diverted traffic, whether large or small, will be so divided seasonally that traffic will be taken away from the railways during the warm-weather period of profitable operation while the remaining traffic which cannot pass through the seaway in the winter will be offered to the railways at a time when weather conditions make operation costly.

This threatened damage would extend far beyond the interests of the stockholders in our transportation system. There is a strong personal interest as well in the many thousands of railway and port employees on the northern Atlantic coast. There is the added burden placed on the industry of this great industrial section by the weakening of the financial strength of the local transportation systems, with the inevitable resulting deterioration in service.

The testimony at the hearings, Mr. President, makes it difficult for me to take seriously the argument that the ship canal is necessary for national defense. The general military opinion seems to be that the canal would be a nice thing to have, but I do not find the point strongly stressed. Furthermore, at a time when there is much discussion of the desirability of making the Panama Canal a sea-level waterway owing to the vulnerability of its locks, it would seem clear that the St. Lawrence River would be at least as vulnerable. It is likewise evident that a broad, spreading network of railroads offering a multiplicity of alternative routes around any single point of damage would be a much more reliable means of assuring transportation in the event of warfare in the atomic age. Surely the history of the bombing of the railway transportation system in Germany bears out this experience.

I would likewise call the attention of this body to the fact that lack of ships was the transportation bottleneck of the recent war. This required short sea routes and quick turn-arounds to make best use of available tonnage. Had the seaway been in existence, it would have been deserted so far as ocean shipping was concerned.

Mr. President, I conceive the power-development part of the St. Lawrence project to be in an entirely different category from the proposed development for navigation. If the power development can stand on its own, and if, from the returns for current generated, it can amortize its cost in a 50-year period, then it should by all means be constructed. I would gladly vote for such a project. However, certain conditions must first be met, not merely to assure my single and comparatively unimportant vote, but to assure as well the soundness of the project in the mind of any legislator who takes seriously his responsibility in the matter.

The first requirement is that prior arrangements of a contractual sort must be made with the State of New York to assure that a proper amount of the current generated will be available for export from that State. As the situation now stands, New York State is entitled to all of the current generated. It is not enough to say, as the proponents of the project do say, that the whip hand in the negotiations will be held by the Federal Government, since it will have title to the dam and powerhouse, and no power can be released for the State of New York until it agrees to terms. It would seem to be manifestly absurd to expend an unknown number of millions of dollars of Federal money above reimbursement in a project which would be unsuitable for Federal expenditure if it were to benefit only a single State, unless the provision of interstate benefits were arranged for before those millions were spent.

The first thing to be done, therefore, Mr. President, is not to pass the pending joint resolution, but to deal with the State of New York, so that either by legislative enactment of that State, by an interstate compact, or by other means, the terms of the division of the power from that development shall be known before authorization is granted. It will be remembered that in that most commercially successful of all our great Federal water developments, the Hoover Dam, an interstate compact on the division of the water supply of the upstream States was a preliminary step in the undertaking. This project should follow that pattern.

There is a further requirement which, it must be admitted, is more difficult to

meet in the case of a governmental undertaking than in that of a private power project. We have had a great deal of engineering investigation by proponents and opponents of the whole project—seaway as well as power. There is apparently more diversity on the seaway than on the power part of the undertaking. Yet even on that, an endeavor should be made to obtain an impartial objective engineering analysis of costs, markets, and financial return. We must get this project out of the opposing camps of opponents and proponents and into the same sort of procedure as the private power company would follow in deciding whether it was safe from the stockholders' standpoint to make a proposed investment.

Here again, Mr. President, we have the precedent of the Hoover Dam to guide us. An engineering commission headed by Dr. Durand, then dean of the engineering school of Stanford University and now retired, made such an examination of that great undertaking of the Colorado River; reported favorably on its engineering and commercial feasibility; and cleared the way for the authorization of what has since turned out to be, as predicted, a successful and profitable project.

Let us assume, Mr. President, that these necessary requirements have been met. The project becomes one which is based on interstate distribution of power by contractual arrangement with the sovereign State of New York. It has been demonstrated that the undertaking will amortize itself over a 50-year period. Under these conditions—and they are necessary, not unreasonable conditions—the power development should be built.

Now, what about the seaway? It would seem reasonable to me, Mr. President, that in developing this project for power alone, if that is to be done, we should at the same time build into the structure at an added expense that part of the seaway project which relates to the locks in the dam. They should be built even though it can be shown conclusively that at this time it is not commercially, or from any other standpoint, advisable to go to the great additional expense of building the seaway as a whole. We should not discard our ability to meet future necessity by refusing to add what is in comparison a minor expenditure.

Let me now, Mr. President, make a plea for the support of Senators from other sections in the country of this proposal should it appear wise to proceed with the power development. It would seem pertinent to suggest to our friends from the South and the West that they have their great power developments in the Tennessee Valley, on the Colorado River, and on the Columbia, which were largely paid for by funds derived from the heavy taxpayers of our Northeast. I am sure that the Members of the Senate from those regions will not feel it out of order for us to ask their support for this major power development in our part of this great country.

Mr. President, so far as my vote is concerned, I find myself subscribing wholeheartedly to the arguments brought forth by the junior Senator from New Jersey [Mr. SMITH] in presenting his motion to recommit the joint resolution to the Foreign Relations Committee. I assume that it is too late to incorporate the specific suggestions I have made into his motion. I do, however, trust that the motion will be agreed to, and that the Foreign Relations Committee will give due attention to carrying out the negotiations with New York precedent to authorization; to the more careful and objective analysis of costs and returns; and to the desirability of proceeding with the power development, should that prove economically practical, while deferring the transportation developments to a later date, should the present doubtfulness of this element remain unresolved.

I shall support the motion of the Senator from New Jersey.

Mr. LODGE. Mr. President, I yield to the Senator from Washington [Mr. CAIN].

Mr. CAIN. Mr. President, it is sometimes very difficult to reach a decision to cover a national problem and question. With respect to the St. Lawrence waterway proposal I have, during the course of weeks of debate, gained a full measure of respect and admiration for the senior Senator from Wisconsin [Mr. WILEY], who has endeavored with great and competent vigor and industry to convince the Senate of an imperative need for undertaking the St. Lawrence waterway. The Senator from Wisconsin has painted a picture of America's expansion, development, and progress in the future which finds me in complete agreement. I share his every hope and dream and subscribe completely to his expressed feeling that the proposed waterway, when constructed, will not materially injure or destroy the competitive operations of others. In due time, our Nation will require the waterway and even more ambitious projects not yet thought of by men of vision.

Despite my support, Mr. President, for the most of the contentions made by the senior Senator from Wisconsin, I must vote solidly against the St. Lawrence waterway. An early doubt concerning the wisdom of authorizing the project has become an opposition conviction. To my way of thinking, it is unthinkable for us to initiate a big development in any other than a big way. The concept of the St. Lawrence waterway is bigness itself, the details of the present plan through which the concept would be realized are all too small and do little justice to the magnificence of the concept. Regardless of his position, every Senator agrees that the proposed waterway would not accommodate many a vessel which flies the American flag. Though I possess some other doubts and criticisms, it would serve no present purpose for me to mention them here. Suffice it to say that I would never be able to vote for an international canal or channel which would not satisfy the deepest draft requirements of the largest vessel afloat. In fact, I would urge that any proposed security and industry waterway anticipate the draft requirements of larger vessels now on drafting boards.

The junior Senator from Washington hopes that the St. Lawrence waterway project will be recommitted, restudied, reanalyzed, and resubmitted to the Senate after it can be conclusively proved that every reasonable need and requirement has been anticipated and completely satisfied.

Mr. WILEY. Mr. President, I yield to the Senator from Montana [Mr. MURRAY] to place a statement in the RECORD.

Mr. MURRAY. Mr. President, at the request of the Senator from New York [Mr. WAGNER], I ask to have printed in the body of the RECORD a concise digest of public statements by representative officials and citizens of the State of New York in reference to the St. Lawrence development. The official source of each statement is given, including statements by the senior Senator from New York, who would present the digest for insertion in the RECORD if he were present.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE ST. LAWRENCE DEVELOPMENT AND NEW YORK STATE POWER PROJECT—OFFICIAL STATEMENTS OF GOVERNORS AND OTHER PUBLIC COMMENTS BY REPRESENTATIVE CITIZENS IN NEW YORK STATE

(Presented by the Power Authority of the State of New York, Gen. Francis B. Wilby, chairman, at public hearings of the Committee on Public Works, United States House of Representatives, July 16, 1947, in support of the St. Lawrence project resolution, H. J. Res. 192)

Charles E. Hughes, Governor of New York, 1907–10; Associate Justice of the Supreme Court of the United States, 1910–16; Secretary of State, 1921–25; Chief Justice of the United States, 1930–41:

"It is well to consider the great value of the undeveloped water powers * * * under State control. They should be preserved and held for the benefit of all the people and should not be surrendered to private interests. It would be difficult to exaggerate the advantages which may ultimately accrue from these great resources of power if the common right is duly safeguarded." (Annual message to the legislature, January 2, 1907.)

Theodore Roosevelt, Governor of New York, 1899–1901; President of the United States, 1901–09:

"You have in this section a most valuable asset in your natural water power.

"You have elected too many men in the past who have taken what belongs to the Nation. Coal and oil barons cannot compare to water-power barons. Do not let them get a monopoly on what belongs to this State. * * *

"Do not give up your water power for a promise of quick development. We are poor citizens if we allow the things worth most to get into the hands of a few." (From address at Watertown, N. Y., October 10, 1914.)

Alfred E. Smith, Governor of New York, 1919–21; 1923–29:

"No resource that the State possesses today has been so neglected as our great water power. We continue to generate from coal electrical energy for light, heat, and power, particularly in our great centers of industry, while countless millions of cubic feet of water, capable of generating electric power, are running to waste. No private business institution in the world would tolerate such a condition. We have allowed nearly all of our natural resources to fall into private hands for private development and private profit. Water power is the last great one still in the hands of all the people." (Governor's message to the legislature, January 6, 1926.)

"The Niagara River on the west and the St. Lawrence on the north furnish power possibilities of immense value. * * * They stand alone so far as the quantity and

quality of available power is concerned. These two rivers are capable of furnishing sufficient firm, primary, basic power to serve the needs of all our people. Electrical energy from these streams can be transmitted to every municipality in the State. * * *

"No pending public question is of more moment to the people of this State than the development of this great resource. It has been exploited in the past in the interest of private corporations that have operated it for private gain. What remains of it must be developed in accordance with the enlightened thought of today * * * under State ownership and State control, to the end that all of the people may be able to realize the individual benefit which should flow from their own resources and their own property." (Governor's message to the legislature, March 5, 1923.)

"I can think of nothing in this State of so much importance to the people as the immediate development of the State's great water-power resources and their transmission in hydroelectric power. * * * The State of New York and the various municipalities have received severe lessons in what it means to alienate natural resources and permit them to fall into private hands for private development and private profit." (Governor's message to the legislature, January 7, 1925.)

"Properly developed, there is enough publicly owned water power in the State of New York to light New England, and it is running to waste tonight while we are gathered in this hall, simply because it has been impossible up to date to get any agreement as to the manner and method of dealing with it. The private power companies have been successful in blocking all attempts at public development." (Address at Boston, October 24, 1928.)

Franklin D. Roosevelt, Governor of New York, 1929–33; President of the United States, 1933–45: [1]

"This great project involves two objectives of equal importance and cannot, in public justice, accomplish one without the other. I am deeply interested in the immediate construction of the deep waterway as well as in the development of abundant and cheap power. * * * This project * * * means cheap transportation by deep waterway for the agricultural and other products of the West; cheap electricity from the State owned and controlled resource, to be developed for the primary interest of homes, farms, and industries. * * * It has already been too long delayed." (Telegram to President Hoover from Hyde Park, July 9, 1932.)

"I favor the resolution relating to the St. Lawrence power development passed by the House—House Joint Resolution 157, Seventy-third Congress, first session. * * *

"The joint resolution protects the people of the State of New York who own the land under water in the St. Lawrence River as far out as the international boundary. The resolution means, in effect, that the Congress will see to it that the State of New York, in paying for the power part of the development, will pay only for that part and will thus be able to insure cheap electricity for the consuming public." (Letter from the White House, June 8, 1933; CONGRESSIONAL RECORD, June 9, 1933.)

[1] As chief executive of the State of New York, Governor Roosevelt recommended completion of the St. Lawrence development and the New York State power project, under the power authority, in more than 30 separate messages and public speeches. These were summarized and presented in the Senate, February 1, 1934, by Chairman Pittman of the Committee on Foreign Relations. In numerous messages and public statements President Roosevelt renewed these recommendations over the period 1933–45.

Herbert H. Lehman, Lieutenant Governor of New York, 1929–33; Governor of New York, 1933–43; Director General UNRRA, 1944–45:

"It will be my purpose, as Governor, to continue the fight for the only policy which can bring about a substantial reduction in the rates which you are now paying for electricity. That policy would strengthen regulation. But it also includes as vital the development and operation of a great St. Lawrence power project by the power authority of the State of New York, and the disposition of that power in such a way as to secure the lowest possible rates for the homes and farms of the State.

"The St. Lawrence offers the last possibility of a great State-owned-and-operated hydroelectric power development. There, on New York territory between Ogdensburg and Massena, the State can develop for use, night and day, year in, year out, over a million horsepower; more than 5,000,000,000 kilowatt-hours of electricity a year." (Address at Rochester, N. Y., October 26, 1932.)

"The development of this project, both for navigation and hydroelectric power, will be of great benefit, not only to the mid-Atlantic States, the State of New York and the other States, but to the country as a whole. It will open new markets to the Midwest; it will open up new markets to New England, I believe, and to a considerable portion of the southern coast. It will provide a cheap power for the most populous area in the United States. * * *

"The port of Buffalo, I think, is fearful that it is going to lose some of its transshipment grain trade. * * * But I think the advantages that will go to Buffalo will far overbalance that possible loss. * * *

"I believe New York, too, will have advantages which will fully compensate for that loss of a relatively small part of their foreign-borne commerce. It, too, will have a far wider distribution. It will secure very materially lower costs of power and it will gain in the general prosperity that has been created throughout the country by this development." (Testimony before Committee on Rivers and Harbors, House of Representatives, 77th Cong., 1st sess., in support of United States-Canadian agreement of 1941 at session June 18, 1941.)

"The use of St. Lawrence power will mean increased use of electricity and electrical appliances in the homes and on the farms of New York State. It will mean creation of new industry, more jobs, more traffic for railroads, trucks, and waterways; development of the North Country, and increased prosperity in which all parts of our State will share.

"Claims that improvement of the existing navigable channels of the St. Lawrence might, in some way, adversely affect other shipping and transportation services were presented at public hearings of the House committee in 1941 and the Senate committee in 1946 on the pending agreement. These claims have now been completely exploded in surveys and reports by the Corps of Engineers, the Department of Commerce, the Maritime Commission, and every other agency charged with responsibility for the improvement.

"The reports of both House and Senate committees fully sustain the conclusions I reached after thorough study of the facts as Governor of this State that the St. Lawrence seaway and power project will bring a net increase in the volume of business for all our ports, railroads, and inland waterways, that it will mean gains in employment, expanding markets, benefits to producers and consumers of farm and manufactured products; and that it will stimulate our foreign and domestic commerce and promote the growth and prosperity of the entire State of New York." (Address at Watertown, N. Y., October 22, 1946.)

Thomas E. Dewey, Governor of New York since 1943:

"After 20 years of discussion, the tremendous power potential of the St. Lawrence River still remains undeveloped. Its estimated 1,620,000 kilowatts would be the second largest project of its kind in this continent. Its beneficiaries would be the residents of this State and nearby areas.

"At the last session of the legislature, upon the recommendation of the State administration, resolutions were unanimously adopted declaring for the prompt development of the St. Lawrence River by measures which would provide low-cost power from these resources under the inalienable ownership of the people.

"On December 12, 1944, the United States Senate rejected a measure for the completion of the seaway and power project, in accordance with the terms of the United States-Canadian agreement of March 19, 1941. However, it has been announced by the sponsors of the measure that it will be reintroduced at the first session of the next Congress.

"I recommend, therefore, that the State continue vigorously to assert its substantial rights and interests in the St. Lawrence development.

"For years I have advocated the completion of the St. Lawrence seaway and power project. During the past decade the means have been found and billions in Federal funds have been appropriated, to develop great rivers in other sections of the country, for power, navigation, flood control, irrigation, and like purposes. The incomparable resources of the St. Lawrence River should no longer be wasted. If the Federal administration is unable or unwilling to proceed, then the State of New York itself should undertake to complete the project on a self-liquidating basis in cooperation with the Dominion of Canada and the Province of Ontario." (Annual message to the legislature, January 3, 1945.)

"The St. Lawrence bill which in substance has been introduced year after year provided that the Federal Government would construct both the seaway and power facilities and that this Nation's share of the power facilities would be turned over to the New York State Power Authority. * * *

"For the last 5 years I have advocated every constructive movement to make possible this great St. Lawrence development. * * * I am confident you will agree that the accord should not be omitted from any bill to be introduced and earnestly trust that I may count upon your support in this matter of such vital interest to the people of New York State." (Telegram to President Truman, September 19, 1945.)

"Once again the matter of the development of the St. Lawrence for the benefit of the people of this and neighboring States will be before the Federal Congress. For many years I have held the view and advocated that the development of hydroelectric power from that great natural resource should go forward. During these years the proposal for the development of hydroelectric power and the seaway has steadily gained strength and supporters.

"During the war the electric-power production of the State was stretched to its maximum. We would have been unable to meet any greater demand than was then put upon our system. The trend over the years for great electric consumption is upward. We are reaching capacity even for normal times.

"It has also been forcibly borne in upon us more than once that the dependence of so much of our electric-power production on coal makes clearer the need for alternative sources for electric-power production. Moreover, the great cost of replacement of capital equipment and of expanding capital equipment in the electric-power field threatens to terminate or even reverse the uniformly decreasing cost of electricity to the consumers

of this State in the future. A partial solution to all these needs is provided by utilizing to the full the water power of the State for the production of hydroelectric power.

"I am firmly convinced that in this course of action there lies additional prosperity for all the people of the State. The Empire State is going forward, and in the future it can use all the railroad facilities, all the transportation facilities, all the waterways, and all the sources of power available to it or lying at its threshold." (Annual message to the legislature, January 8, 1947.)

ROBERT F. WAGNER, member of New York Assembly, 1905–19; Lieutenant Governor of New York, 1914; justice, Supreme Court of New York, 1919–26; United States Senator from New York since 1927:

"There is an overwhelming sentiment for the earliest possible use of the power resources in the St. Lawrence River—resources essential for the postwar development of New York and the Nation. For half a century the people of New York have carried on a ceaseless battle, first, to prevent these resources from falling into private control, and, more recently, since the Power Authority Act of 1931 passed in the administration of Gov. Franklin D. Roosevelt, to develop and distribute the power for the public good. This power project has had my fullest support throughout my service in the State legislature and the Congress.

"I am convinced that the enactment of the Aiken bill, S. 1385, furnishes the most direct means of achieving these public benefits and I am therefore giving that measure my active support." (Letter to Mr. Harold B. Johnson, editor and publisher, Watertown Daily Times, April 20, 1944.)

"The Federal-State accord provision * * * allocates the construction costs to be assumed by the Power Authority of the State of New York in power facilities to be built within the State. It confirms rights of the State of New York in the power development fully recognized and formally approved by all Federal and State agencies which have dealt with the St. Lawrence project since the accord was originally agreed to on February 7, 1933, through 1944.

"The accord provision is unquestionably an element of strength in the bill, which I supported in its present form during the Seventy-eighth Congress." (Letter to Secretary of State Stettinius, March 2, 1945.)

Frank P. Walsh, Chairman, United States Industrial Relations Commission, 1913–15; Joint Chairman with William H. Taft, United States War Labor Board, 1918–19; Chairman, Power Authority of the State of New York, 1931–39:

"The statute creating the power authority provides for development of the International Rapids section as a public project. This act, approved by Governor Roosevelt on April 27, 1931, represented a complete vindication of public rights over three powerful groups of corporate interests which were seeking a monopoly of the power resources of the St. Lawrence. * * *

"The extent to which the sentiment of the State had united in support of the public development of the St. Lawrence is best exemplified by the fact that the power authority bill passed both houses of the legislature without a dissenting vote. * * *

"With cooperation between the Federal Government and the State in the development of the International Rapids section, the water power can be utilized and at the same time an obstacle to navigation can be removed.

"Failure to develop the power project results in enormous waste of energy. * * *

"The undisputed fact that the international rapids section can be developed simultaneously for both navigation and water power at a saving of millions of dollars makes the project peculiarly attractive at this time and renders its early consummation desirable to all sections of the country." (Testimony before U. S. Senate Committee on Foreign Relations, December 13, 1932.)

"As far back as 1923 the establishment of a New York Power Authority was urged to take over and develop the power resources of the State. But it took years of continuous fighting against the tremendous political power wielded by private power interests before, in 1931 * * * this proposal was finally enacted into law. * * *

"It is as absurd to confine support to navigation alone as to power alone. The two must stand or fall together, and the New York law recognized this fact." (Address at Detroit, Mich., March 11, 1936.)

Henry L. Stimson, Secretary of State, 1929–33; Secretary of War, 1940–45:

"The horsepower produced by this proposed project is, I am informed by the engineers, the largest block of undeveloped power at one site in the United States, as well as the cheapest in its operation.

"Speaking generally, it takes advantage of the enormous reservoir constituted by the five Great Lakes, and produces in the St. Lawrence River a flow of water which is steady throughout all seasons and does not have to be supplemented with steam power, and is, therefore, the most cheap to operate. * * *

"Benefit in transportation, whatever the immediate disturbance that may be produced, ultimately inures to the benefit of the entire people of the country and to me it seems inconceivable that when we take into consideration the long view, that we should not have the benefit of this great possibility of cheapened transportation and increased power." (Testimony June 17, 1941, in support of the United States-Canadian agreement of 1941 at hearings before the Committee on Rivers and Harbors.)

"Authorization of the St. Lawrence project at this time would pave the way for the incorporation of this important work in the postwar construction program. The bill, S. 1385, provides a satisfactory and effective means of approving the agreement with Canada and authorizing the construction of the works allocated to the United States." (Testimony, June 17, 1941, in support of the United States-Canadian agreement of 1941 at hearings before the Committee on Rivers and Harbors.)

James A. Farley, Postmaster General, 1933–40:

"I concur wholeheartedly in President Roosevelt's repeated declaration favoring early construction of the Great Lakes-St. Lawrence waterway and power project. As the President has clearly demonstrated, this is a national undertaking which deserves the support of every patriotic American citizen." (Statement released through National Seaway Council, June 28, 1937.)

John J. Bennett, attorney general of the State of New York, 1931–42; corporation counsel of the city of New York, 1945–46; deupty mayor since 1946:

"The development of the St. Lawrence, if it had been started 3 years ago, now would be able to serve the expanding requirements of industries in this section. * * * These resources, once developed, will be needed in the period of postwar reconstruction and must be used to give the people of New York to our homes, farms, and industries the low-cost electricity which other sections now enjoy. * * *

"Certainly the State of New York should begin at the earliest possible moment to prepare to do its share in the tremendous job of postwar construction and reconstruction. The thousands of our men who are now in the armed forces will be returning home to take up the work of peace. * * * Even now, our Government is preparing plans so that this generation may not suffer the economic and industrial dislocation which was suffered by the generation immediately after the last war. * * *

"The development of this great power project will make possible the establishment of great manufacturing and industrial centers in our State. We will be able to offer to industry abundant power at low rates. For this reason alone, the St. Lawrence project should be gotten under way at the earliest possible time." (From address at Watertown, N. Y., October 5, 1942.)

Harold B. Johnson, editor and publisher, Watertown Daily Times:

"The State of New York has a great asset at Massena in the seaway. We will be in an advantageous position when some of our isolation is overcome by the airplane. * * * We are just beginning to open up a broader development of zinc, talc, and iron ore.

"We, in northern New York, in cconection with any postwar expansion plan, can well have a program of definite development. First and most important of all is the development of the St. Lawrence seaway, to the end that there may be a direct route for ocean-going vessels from the Great Lakes to the Seven Seas, going by our very door and with it the electric power that we must have. If we are to expand industrially and even keep the industries we already have, we must have cheap power. * * *

"New York will be seriously handicapped unless we get cheap power and the people of our locality are entitled to cheap power so that they may take advantage of the laws already on our statute books which permit us to form municipal power districts and get a power supply direct from Massena.

"We want this cheap power in connection with a mining development which is long overdue. The iron mines of southern St. Lawrence County were closed a generation ago and one of the reasons for the closing was the lack of available cheap electric power. We have zinc and iron and other mineral and metal deposits of extraordinary richness in that great treasure field to the north and cheap power will insure the expansion of mining there far beyond our ability to comprehend it now." (Address at Watertown, October 22, 1943.)

"The new St. Lawrence seaway bill is soon to be reported to both Houses of Congress from committee and the support behind it seems stronger than ever before. Proponents of the measure marshalled impressive strength at the Senate hearing. President Truman is for the bill, Secretary of State Marshall is for it, Senator Vandenberg is its leading sponsor, former President Hoover is vigorously in favor. * * *

"In season and out, the New York State Power Authority has advanced the cause of the seaway. Its arguments have been convincing. It has produced an impressive mass of evidence to back up those arguments. * * * It showed the fallacy of the proposal that the seaway, proper, and the power development could be separated. It answered effectively the argument that ice-bound waters during the winter months would destroy the usefulness of the seaway. Even the New York Times quotes with respect from the last annual report of the authority. * * *

"The concern of New York was, first, that the seaway be authorized and, second, that the rights of this State in the power produced be safeguarded." (Editorial, Watertown Daily Times, June 7, 1947.)

Delos M. Cosgrove, trustee and vice chairman of the Power Authority of the State of New York, 1931–34:

"The State of New York has conceded the superior right and authority of the Federal Government, with respect to navigation on the St. Lawrence. * * *

"The water power has thus far been preserved for public use by State, rather than Federal action. For 25 years under Governors Hughes, Smith, Roosevelt, and other chief executives, and by acts of her legis-

lature, the State of New York has zealously safeguarded the power resources on the St. Lawrence against private exploitation. * * *

"The agreement entered into on February 7, 1933, between engineers of the War Department and representatives of the power authority, avoids any possible legal conflict between the State and the Federal Government as to the ownership of the undeveloped resources of the St. Lawrence. The accord is based upon practical considerations and principles of equity rather than upon legal technicalities. * * *

"The joint resolution—House Joint Resolution 157, Seventy-third Congress, first session—is directly in line with the declared policy of the Federal Government that States and municipalities shall be granted preference in connection with the development and operation of water-power sites over which the Federal Government asserts control under the commerce clause of the Constitution.

"This policy was embodied in the Federal Water Power Act of 1920, and has repeatedly received congressional approval in legislation applying to particular water-power projects. Examination of the congressional debates indicates that no serious opposition has ever been offered on the floor of either House to the granting of such preference to States and municipalities. * * *

"The St. Lawrence is the only large, undeveloped, natural resource available for power generation in the northeastern section of the United States, the most highly industrialized and densely populated section of the country. The adoption of the joint resolution utilizes the public agency provided by a sovereign State for the disposition of the power to be developed in that State. It will perpetually safeguard the public rights in the St. Lawrence River and provide an abundant supply of hydroelectric energy at the lowest possible cost for the benefit of rural and domestic consumers." (Testimony at public hearings, April 20, 1933, on the Federal-State accord, before the Committee on Interstate and Foreign Commerce. Subsequently approved by the House, April 26, 1933.)

Benjamin F. Feinberg, majority leader of the New York State Senate:

"I have always been an advocate of the development of the St. Lawrence seaway and power project. The development of a vast inland waterway, across the St. Lawrence River and down Lake Champlain through Lake Francis, would be of great benefit to our entire region. I still hope to see it become a reality. In addition to the commerce that the development of the seaway would bring us, the development of the power project would open a great source of cheap power to the industries of the entire East." (Statement upon election as majority leader of the senate, January 7, 1944.)

Fred J. Freestone, trustee of the Power Authority of the State of New York since 1931; vice chairman since 1939; master of the New York State Grange, 1928–36; chairman, executive committee, National Grange, 1933–41:

"The Great Lakes-St. Lawrence system forms a natural highway for the richest farm-producing area in the world. The populous cities and industrial centers of the East are dependent to a large extent upon the flow of food supplies and raw materials from the interior. The State of New York which forms a part of the region bordered by the Lakes and the St. Lawrence, ranks sixth in the value of its farm production, and for many years has shared leadership in the dairy industry with the State of Wisconsin. The improvement of the St. Lawrence River is just as vital to agriculture in the East as in the West.

"The seaway and power development authorized by the pending bill will be of advantage to producers and consumers in every section of our country. Any project that helps to create low-cost transportation and low-cost power will bring benefits that are general in character and not confined to any one section or locality.

"The same navigation works which will be erected under this bill to give more than a dozen States on or near the Great Lakes access to the sea, will enable our Atlantic, Gulf, and Pacific coastal areas to increase their intercoastal shipping in American bottoms and widen their market for products which cannot now be moved profitably by rail. The use of St. Lawrence power to raise the consumption of electricity at low rates, to extend rural electrification, and to lower the costs of production both in agriculture and manufactures, will be reflected in benefits to communities far removed from the site of the project. As in the case of the great projects on the Tennessee, the Colorado, and the Columbia Rivers, the advantage of low-cost power from the St. Lawrence will contribute to the economic and social well-being of the people of the entire Nation." (Statement presented to Committee on Rivers and Harbors, House of Representatives, August 6, 1941.)

"On July 5 the Senate passed without a dissenting vote the omnibus river and harbor bill and the omnibus flood-control bill. These measures authorize power, navigation, and flood-control projects in the principal river basins of the country outside the State of New York.

"These postwar projects will enable other areas of the United States to develop their natural resources and to enjoy the benefits of cheap power and cheap water transportation, while improvement of the St. Lawrence River, the greatest potential source of low-cost power and transportation in New York State, continues to be obstructed.

"Thoughtful people in New York State may well wonder why the St. Lawrence, with its 2,200,000 horsepower of undeveloped energy, is permitted to run to waste while billions are to be spent to develop other rivers. Certain it is that the State of New York, which must import tremendous amounts of coal and oil from other areas to supply its needs, cannot long continue to waste its resources while helping to provide low-cost power and low-cost transportation for other areas and hope to prosper in the postwar period." (Statement in Syracuse, N. Y., Herald Journal, July 12, 1946.)

John M. Carmody, Rural Electrification Administrator, 1936–39; Federal Works Agency, 1939–41; member, United States Maritime Commission, 1941–46:

"No important water-power site in this country has been developed by the Government without prolonged and bitter opposition from certain well-organized groups. One of the stock arguments of this opposition is the absence of markets to absorb the power to be generated. It was used against the Tennessee Valley Authority, against Bonneville, against Grand Coulee, and against Santee-Cooper. * * * I think it is time that all of us awaken to the true situation. Mr. Knudsen put it as simply and boldly as anyone possibly could when, in testifying before your committee a short time ago, he said, 'I don't believe we will ever have enough power in the United States.' By now we have surely disposed of the notion that great natural water-power sites should not be developed and used by and for people and industries they are capable of serving. * * *

"Among the power projects of the Public Works Administration is the vast Santee-Cooper development, a combined power and navigation project, which is to be operated by the South Carolina Public Service Authority. Another plant in the same State was sponsored by and is being operated by Greenwood County. In Texas the Lower Colorado River Authority is supplying a 16-county area. In Nebraska public power districts have received Public Works Administration loans and grants for power production and irrigation. * * * The Federal power policy has been sufficiently flexible to make aid available through those agencies of government best suited to meet the local needs. The State of New York should be no exception." (Statement to Committee on Rivers and Harbors, House of Representatives, dated August 2, 1941.)

Rhoda Fox Graves, chairman, committee on agriculture, New York State Senate:

"A bill has been introduced in the United States Senate (S. 1385), by Senator GEORGE D. AIKEN, of Vermont, providing for the development of the St. Lawrence River in cooperation with our neighbor and ally, the Dominion of Canada. This bill provides for construction of the power development in New York in the International Rapids section of the St. Lawrence, as a State project under State ownership and control. * * *

"The adoption of the pending resolution will serve notice that New York desires, and is determined to obtain, the full benefit of the development of its water power resources, as a State project, under State ownership and control. In 1940, again in 1942, and in subsequent public statements, Governor Dewey has consistently gone on record in favor of the St. Lawrence project. In 1942 the completion of the project was pledged in the Democratic and American Labor Parties State platforms. We should act, and act now, consistent with the redemption of these pledges to give New York State parity in cheap power supply with other areas, to insure a place for our great water-power resources in the Nation-wide programs for postwar development now in the making, in the interest of our agriculture, our manufactures, our servicemen, and all our people." (Address on floor of the senate, March 15, 1944.)

Vincent R. Corrou, mayor of Utica, prior to election to New York State Senate in 1944:

"The construction of this project will guarantee the upsurge of industry in this part of the country and will provide more business for our railroads. I believe this project will provide more jobs for labor, more power for industry, more services for the farmer, and more conveniences for the housewife." (From address at Watertown, N. Y., October 26, 1945.)

Rear Adm. George H. Rock, United States Navy, retired, head of Webb Institute of Naval Architecture, 1932–46:

"There is a great liability to stress much too strongly the thought that by the time we get the St. Lawrence project finished we will not need this additional shipbuilding capacity that we will have acquired.

"I cannot think of anything more shortsighted or more foolish from my viewpoint, than that. * * *

"I think any of us who don't plan longer than 4 years ahead can't have our national defense very firmly in our minds. I say that after we go through three wars and constantly are in the position of demanding a larger number of ships than we possibly can build, then we are not justified in not taking advantage of the assets that lie within our lake region and making them available for ocean-going ships. * * *

"To my mind anything that is necessary to protect our country is vital and I think that this is a big asset in protecting our country, and, therefore, I say it is vital. * * * I consider the waterway a matter of a very great national asset and a project which adds to our national safety and for that reason I consider it of the utmost importance, regardless of whether we finish it before this present war ends or not." (Testimony, June 18, 1941, in support of the United States-Canadian agreement of 1941 at hearings before the Committee on Rivers and Harbors.)

Francis D. Culkin, Representative from New York in the House, 1929–43; Joseph A. Gavagan, Representative from New York in

the House, 1929–43; Justice of the Supreme Court of the State of New York since 1943:

"The committee recommends the authorization of the St. Lawrence seaway and power project, pursuant to the agreement with Canada of March 19, 1941. * * *

"As a channel of transportation in time of peace, the seaway has been found both feasible and desirable in each of eight surveys made by duly delegated officials. * * *

"On the cost of the project the majority of the committee accept the cost estimate of the Army engineers. * * * The estimates of the Army engineers based upon thorough on-site investigations, are the only reliable figures available. The Congress is well aware of the splendid record of the Engineer Corps in such major construction work.

"No other river on the North American Continent is equal to the St. Lawrence for the production of power. The stream is not subject to either floods or low-water periods, but the flow is practically the same the year round. The power to be produced is practically all firm power, a thing not possible on any other river. Neither will it be subject to being closed down by strikes in the coal mines." (Report of the Committee on Rivers and Harbors, U. S. House of Representatives, dated November 21, 1941, recommending the St. Lawrence project and the United States-Canadian agreement of 1941, as approved by the majority of the committee, including the above members.)

Fiorello H. LaGuardia, Representative from New York in the House, 1917–21; 1923–33; mayor of the city of New York 1934–45:

"It would unquestionably benefit every consumer of electricity in the city of New York to have this potential abundant supply of exceptionally cheap current available through public development.

"To build dams in the St. Lawrence for the dual purposes of developing power now running to waste and removing obstacles to navigation which today block off the access of the Great Lakes to the sea will admittedly save millions of dollars and reduce the cost of both power and navigation.

"No official study has even been sponsored by the city of New York that supports the claim that completion of the seaway will injure the commerce and shipping of our port. We have one of the great natural harbors of the world, and it has been improved by the use of public funds. New York City is unique as a port and not afraid of inland competition. Since 80 percent of the waterborne commerce of the United States is domestic rather than foreign trade, the extension of our seacoast into the Middle West will inevitably increase the profitable exchange of goods between New York and the other great American cities in the littoral of the Great Lakes.

"A temporary or slight diversion of export and import tonnage does not justify, in my opinion, the obstructing of a national project so obviously in the interest of the United States as a whole. In the long run, it is certain that New York City, as the metropolis of the Nation, will benefit from economic recovery and development in the Middle West.

"I said that in 1934 and I stand by it now." (Statement before the Committee on Rivers and Harbors, House of Representatives, July 9, 1941.)

"I wanted the opportunity to appear on behalf of the pending resolution ratifying the agreement with the Dominion of Canada, solely for the purpose of indicating that I have not changed my views during the past 20 years in that respect. As a Member of the House I supported the St. Lawrence project; as mayor of the city of New York I supported it. * * *

"I am from the greatest port in the whole world. I have confidence in my port. I am not afraid of it at all. At one time New York City, or the port of New York, was the port of the Atlantic. Since that time other ports have developed, and properly so. At one time all the cotton came to New York. Now it goes to Gulf ports. If it can be done more economically, every advantage must be taken. * * *

"We are greatly interested in getting increased electric power in our State. When this matter first came up, gentlemen, the argument was, to us in New York: 'This will not do you any good. You just cannot transmit power economically that distance.' Now the art is improving all the time and transmission is not as costly as it was 20 years ago, and it is improving; and any additional power that we can get there and that we are entitled to have means a great deal. * * *

"I can assure you gentlemen that we will have no trouble with Canada at all. They will cooperate 100 percent. I have been the chairman of the American section of the Dominion Joint Board of Defense with Canada since 1940. We worked harmoniously. They are most cooperative. * * *

"The interest of the entire country comes first. That is above the special interest of any one point or port or city. If this provides a cheaper outlet for the Midwest agriculture and industry, they are entitled to have it. I have enough confidence in my State to say that we can take care of ourselves insofar as commerce is concerned, but we do ask help when it comes to the power end of it, because we want to get that electric power into our State and into our city." (Testimony before a subcommittee of the Committee on Foreign Relations in hearings on S. J. Res. 104, 79th Cong.)

Bertrand H. Snell, Representative from New York in the House, 1915–39, former minority leader of the House:

"I have been familiar with this section my entire lifetime. * * * Through the untiring energy of the engineers of the Federal Government, the engineers of our State, the State Department, and the power authority of our State, they have finally come to an amicable agreement as to the relative rights of the State and the Federal Government. * * *

"We had, for a great many years, a very serious controversy among the political parties of our State, in arriving at the setting up of this power authority. Finally, by unanimous agreement among all parties, we have arrived at that and given this power authority the proper rights and authority to represent the people of our State.

"They have made this agreement with the representatives of the Federal Government, and, as far as I know, no man, anywhere, has criticized the agreement itself, or has said * * * that it is not a fair and just adjudication of the whole proposition." (Testimony, April 20, 1933, at public hearings before the Committee on Interstate and Foreign Commerce on the Federal-State accord.)

Jacob S. Potofsky, general president, Amalgamated Clothing Workers of America:

"We write to express to you our unqualified support of H. R. 5993, to provide for the improvement of the Great Lakes-St. Lawrence Basin. * * *

"The union has a membership of some 300,000 men and women who are engaged in the manufacture of all articles of men's wear except hats, hose, and shoes. * * *

"The Amalgamated was formed in 1914 and over the past 28 years has established a standard of employer-employee relationship which has been acclaimed as a model for all industry to follow.

"We have not approached this matter of the Great Lakes-St. Lawrence seaway and power project from any narrow sectional or partisan angle. We have viewed it as one national in scope and importance.

"We have made a careful study of the many reports of the Department of Commerce and other public agencies which have considered this project, and we have analyzed the testimony presented to the committee by prominent governmental officials and various spokesmen of industry and labor. It is our considered judgment that favorable action on H. R. 5993 will serve the best interests of the Nation and its people.

"We believe this project will be of immense and lasting benefits to the Nation's economy. The landlocked Great Lakes States will be opened to the markets of the world. Tremendous savings in transportation costs will rebound to the benefit of consumers in all sections of the Nation.

"The idle power which will be harnessed through the St. Lawrence project should inevitably prove a great boon to the industrial development of New York State. And New York residents—workers, farmers, professionals, small-business men—will save in reduced electric rates. * * *

"Although there may be temporary dislocations and disturbances, the greater good that will be served makes imperative immediate action on this undertaking." (From letter of Amalgamated Clothing Workers of America, to Chairman MANSFIELD, of the Committee on Rivers and Harbors, March 9, 1942.)

A. A. Berle, Jr., Assistant Secretary of State, 1938–44; Ambassador to Brazil, 1945–46:

"The greatest asset a nation can have in geography is an inland sea, connected with the open ocean, around which are the riches of food, coal, iron, and manufacturing.

"The United States and Canada have such an asset for the taking. We have a series of inland seas known as the Great Lakes, connected with the open ocean by the St. Lawrence River. Only 48 miles of canal need to be built to open this inland sea, bringing the ocean clear into the heart of the United States. At the same time we get a huge resource of electric power from the St. Lawrence. We need this asset, and we need it now." (From address on the American Forum of the Air, April 20, 1941.)

"The entire steel industry depends on the western part of this waterway. The St. Mary's River, which is a part of this waterway and which actually carries now more traffic than the Panama Canal carries, is an international section. So that we have already built up a fair proportion of one of the hugest industries in the United States on just that basis, and so far as I know nobody has ever worried about the investment.

"After all, this isn't a new thing. This St. Lawrence waterway is already there. It is this one small section in the middle of it that hasn't been completed. We are using it and the greater part of it does represent investments from days past. We use the Welland Canal all the time, and it is in Canadian territory. We built industries and our cities on that basis. We have already crossed that bridge. This relates merely to the final completing link." (Testimony June 17, 1941, in support of the United States-Canadian agreement of 1941 at hearings before the Committee on Rivers and Harbors.)

William L. Lawyer, president of the Watertown Building and Construction Trades Council, American Federation of Labor:

"The great majority of the wage earners in New York State and other States in the Great Lakes-St. Lawrence area are on record for the completion of this development. * * *

"The wage earners in the crafts in the St. Lawrence Valley are all vitally interested in the early construction of the St. Lawrence project. Their interest is not an academic one. They know that this great development will mean jobs, bread for their families, and a healthy growth, not only for the valley itself, but for the entire Nation. * * *

"I have scores of letters in my files, written by men in the services who went from the St. Lawrence Valley to the Pacific and to the European battlefronts, inquiring if there was any hope that the St. Lawrence project would get under construction after the war so that they might feel secure in

their livelihood. Every day I have calls from veterans back from Europe and the Pacific who ask the same question. * * *

"In 1942–43, more than 70 labor union organizations in New York State, including both A. F. of L. and CIO unions, endorsed the Aiken-Pittenger bill, the agreement with Canada, and the seaway and power project." (From statement before the subcommittee of the Senate Foreign Relations Committee, February 21, 1946.)

James C. Bonbright, professor of Finance, Columbia University since 1927; trustee of the Power Authority of the State of New York, 1931–46; vice chairman, 1934–39; chairman, 1939–46:

"Any delay in the completion of the St. Lawrence power project on the United States side alone, without reference to the other indirect benefits and without taking into consideration the seaway benefits, may be regarded as having the economic cost of more than a thousand dollars an hour. That figure is reached simply by taking the $10,000,000-a-year savings or advantage from having the power project on the United States side." (Testimony July 2, 1941, in support of the United States-Canadian agreement of 1941 at hearings before the Committee on Rivers and Harbors.)

"In our opinion, the Power Authority Act now permits the exportation of power from the State of New York. We do not have, to the best of my knowledge and belief, a State policy similar to that which was adopted for very special and perhaps very cogent reasons a number of years ago by the State of Maine, a law forbidding the export of power from the State."

"The Power Authority Act by no means precludes the sale, and * * * under favorable interchange agreements, agreements whereby other States, such as New England States, would develop their natural resources, thus cooperating with the major development of coordinated water power and steam resources of that area of the country, the sale of some of the power outside of the State of New York might well be beneficial and in the very self-interest of the people in the State." (Testimony, July 3, 1941, at hearings on the United States-Canadian agreement of 1941 before the House Committee on Rivers and Harbors.)

Frank Augsbury, former president and owner of the Algonquin Paper Corp., of Ogdensburg, N. Y.:

"The effect of the much higher power rates in the eastern United States than prevail in Canada has resulted in practically extinguishing the newsprint industry in the northeastern United States. American newspapers and other consumers of newsprint are now compelled to depend almost entirely for their material upon Canadian mills. * * *

"Today every newsprint mill of the State of New York has locked its doors. If we had St. Lawrence power this industry would have been saved for the benefit of American workmen and the American press.

"After 20 years of experience, I can make this statement unequivocally, that American industry which uses a large amount of power in its operations cannot exist in competition with industry with a cheap and abundant Canadian hydropower. If we had the St. Lawrence seaway we could compete, despite many other handicapping factors, but the high cost of power in New York State and other Northeastern States as compared with Canada has practically eliminated the newsprint industry in the East and made ghost towns of a great many of our northern New York communities. * * * If you give us the St. Lawrence seaway you will bring industry and life back to these American towns and make American newsprint available to American newspapers." (From statement delivered to subcommittee of the Senate Foreign Relations Committee, February 20, 1946.)

Walter Lippmann, editor and author:

"This is a project which, besides developing a considerable amount of hydroelectric power in the region where it is badly needed, would open a channel for shipping from the Great Lakes to the Atlantic Ocean.

"Whatever regional and other objections there may have been to the project in the past, it is fair to say that on the merits it would be an immense advantage to us today if it had been completed years ago. Who can seriously deny the value of being able to develop American sea power in the heart of the North American Continent, and of being able to provide the great inland industrial and agricultural centers with access to the sea? We must wish we had had the foresight to carry out this project in the years when we were spending so much money on less valuable things." (Article, New York Herald Tribune, June 19, 1941, presented same date at public hearings on the United States-Canadian Agreement of 1941 before the House Committee on Rivers and Harbors, 77th Cong., 1st sess.)

Robert P. Patterson, judge, United States District Court, Southern District of New York, 1930; judge, United States Circuit Court of Appeals, 1939–40; Under Secretary of War, 1940–45; Secretary of War since 1945:

"In the light of the experiences of World War II, in which total mobilization became a near actuality, it is evident that the prospective increases in our war potential that would have been contributed by these projects, had they been completed, would have been of material assistance in prosecuting the war. It is probable that attainment of success in any future world conflict would require utilization of the ultimate production and transportation facilities of the United States and possibly Canada.

"The Joint Chiefs of Staff consider that it would be in the interests of national security to complete projects, such as these, which would have distinct military advantages and would materially increase the industrial and transportation potential of the United States." (Letter of the Secretary of War, February 16, 1946, to the Secretary of State on behalf of Joint Chiefs of Staff.)

Edward J. Noble, chairman of the board, American Broadcasting Co.:

"In my opinion there is no other development and improvement that could be proposed on this continent that would be comparable in its benefits. It would open to broader internal and oceangoing traffic a vast area of rich production; it would provide cheap electric power to homes and industry in an expanding section of America now needing that power so badly.

"I heartily endorse the project and hope that your body will advance it to realization." (Telegram, February 28, 1946, to subcommittee, Committee on Foreign Relations, United States Senate, at hearings on S. J. Res. 104, 79th Cong.)

Charles Poletti, justice of Supreme Court of the State of New York, 1938; Lieutenant Governor, 1939–42; Acting Governor, December 1942:

"I support wholeheartedly the adoption of the joint resolution now pending before Congress approving the agreement between the United States and Canada in respect to the Great Lakes–St. Lawrence seaway and power project.

"In my opinion consideration of this project has long been hampered by opponents who have voiced selfish, local considerations. The project should be considered from the national point of view. It is beneficial to the United States as a whole. It is not proper to contend that it is a bad project because it happens to hurt a particular vested interest in one particular city. It is too easily forgotten that the prosperity of one region of the United States depends upon the prosperity of all other parts of the country.

"The navigation and power aspects of the project are so inextricably tied that one cannot assert the position of supporting the power development without supporting that of navigation. The development of the electric power on the St. Lawrence necessarily deepens the channel and helps construct the seaway. Any alleged loss in shipping to a State must be balanced against the great benefits which will flow from the production of enormous quantities of cheap electricity. I do not subscribe to the view that either the business of New York City or of Buffalo will be impaired; quite the contrary.

"The legislation of the State of New York, that is the power authority act, is so drawn that ample latitude is permitted for the distribution of the electric power either through public or private channels. Whenever an issue has arisen in New York State affecting the power development of the St. Lawrence, the people have wholeheartedly supported it. The leaders of both the Democratic and Republican parties in New York State have time and again gone on record in support of the St. Lawrence power and seaway project. In my opinion, if it were possible to take a referendum on the question, the people of the State would support it by a substantial majority.

"World War II has confirmed the urgent need and value of the St. Lawrence development. Many citizens who were previously indifferent, or were opposed to the project, today realize its soundness. The maintenance and defense of the preeminent position of our country in world affairs require the colossal economic benefits which will flow from the St. Lawrence seaway. America must not be shackled in its natural growth." (Public statement, March 12, 1946.)

Hugh Thompson, regional director, CIO, Buffalo-Niagara Frontier, western New York State:

"It is my opinion that the greatest single factor for the development of Buffalo would be the enactment of this legislation and the construction of the St. Lawrence seaway and power project. It would bring to our doors a stream of world commerce; it would develop and employ new workers on the water fronts of Buffalo; and, in turn, the incoming commerce would add to the pay load of the railroads rather than reduce it. * * *

"Labor in Buffalo and on the Great Lakes has a special interest in this question as far as the manufacturing of steel is concerned. There have been statements made by responsible people in this country that there is a possibility of the Mesabi Range running out of high-grade ores. * * *

"There has been a discovery of high-grade iron ore in Labrador. * * *

"I do not know how it is going to get through unless the seaway is there to enable it to get through. * * *

"Unless we are able to continue receiving the necessary supply of high-grade ore, the steel industry and the steel-fabricating industry will be compelled to move from the Great Lakes region closer to the source of supply of high-grade ores, which means they will have to move toward the Atlantic seaboard. So you can readily see what would happen to all industry in the Great Lakes region. This move in turn surely could not help the railroads or * * * other special interest groups." (Statement at public hearings on S. J. Res. 104 before Subcommitee of the Committee on Foreign Relations, United States Senate.)

Franklin F. Little, Jr., editor, Ogdensburg Journal, Ogdensburg, N. Y.:

"The Algonquin Paper Corp. started operations in Ogdensburg in 1922. It operated for 20 years until the expiration of its power contract when it suspended operations in April of this year. * * *

"This is an excellent example of what high power rates in New York State do to

industries located here. The Algonquin mill must compete with the Canadian mills, which have an average power rate of $15 a horsepower, or less than half the rate the Algonquin company was paying. * * *

"However, this is impossible under the high power rates in the State of New York, and as a consequence Ogdensburg has lost its largest industry because of the impossibility of operating and competing with the lower power rate in Canada. * * *

"Mr. Augsbury (the owner) advises that if the seaway were built he could buy power for what he was paying for it before, and would be able to operate this mill and provide again an annual pay roll of $400,000 in this community. * * *

"Multiple-purpose developments for power, navigation, irrigation, and flood control on the Columbia, Tennessee, and Colorado Rivers * * * contributed mightily to our victory in the war. * * *

"The war has proved their inestimable value to the Nation, * * * yet here is the St. Lawrence, greater potentially than any of them, in the industrial and population center of the Nation, going to waste every minute of the day. * * * Its vast power can be harnessed and put to work for the people * * * by building two dams below Ogdensburg." (Editorial, Ogdensburg Journal, August 31, 1945.)

Maurice P. Davison, commissioner, department of water supply, gas, and electricity, New York City, 1934–36; trustee, Power Authority of the State of New York, 1939–47:

"This is not a political issue. It is purely an economic proposition, centered upon two simple questions:

"1. Shall we utilize the 2,200,000 horsepower of the St. Lawrence River to produce the lowest-cost electricity in the United States in the interest of abundant use by the consumer or follow a policy of high rates, economic scarcity, and low consumption?

"2. Shall the navigation facilities of the international section of the St. Lawrence River be improved so as to permit the passage of vessels with a draft increased by 13 feet? In other words, is it more sound economically to restrict transportation of freight from Ogdensburg to Montreal to ships with a draft of only 14 feet than to use ships of 27-foot draft? * * *

"Under the provisions of the Pittenger bill now pending in the House of Representatives, the State of New York, through the power authority, acting under the Power Authority Act of 1931, would enter into a specific agreement with the Federal Government for the protection of the interests of the State of New York in St. Lawrence power. * * * The national interest coincides with the interest of the people of New York State in dictating the acquisition of the proposed St. Lawrence development by the State. For reasons both of geography and of historical initiative in promoting the project, the State is an ideal region for a State public power development, decentralized from Washington." (Address at Albany, N. Y., April 30, 1945.)

Lt. Col. William T. Field, engineer, of Watertown, N. Y.:

"Within a radius of 320 miles, on the American side of the river alone, there is a population of 30,000,000 people and 112 cities—far more in population and in number of cities than for any of the other completed power-project areas in the United States, regardless of the capacity to produce electricity.

"It was cheap power that developed the Niagara frontier and more than doubled its population and practically tripled its assessed valuation. It is cheap power from the St. Lawrence River that will greatly improve conditions, not only in northern New York and in central New York but in the entire State and adjacent areas, and will help keep our industries in operation as well as develop new ones. In fact, such sections as the Niagara frontier will have more of their own cheap power available, without importing or generating auxiliary power, to further develop their own section, as there will be less demand for it elsewhere, thereby benefiting a greater area.

"In addition to the benefits that would accrue to manufacturers by reason of cheap power and transportation, there are the mineral deposits of New York State, which merit much consideration. These deposits could be more economically developed with cheap power, refined or smelted. This would furnish employment for many all over the State, as well as elsewhere.

"As for the seaway itself, the question is one of completion rather than one of initiation. Both the United States and Canada have already spent millions of dollars in its improvement, and now even in its most restricted sections it carries an enormous tonnage. Less than 10 percent of the total work remains to be done." (Public statement, February 20, 1946, on behalf of Northern Federation of Chambers of Commerce.)

Frederick F. Umhey, executive secretary, International Ladies' Garment Workers' Union, A. F. of L., New York, N. Y.:

"The International Ladies' Garment Workers' Union is composed of about 325 local unions spread out over 24 States of the Union, with a total membership of approximately 305,000 men and women engaged in the manufacture of ladies' garments. It has been in existence for over 45 years and is affiliated with the American Federation of Labor. * * *

"To the extent that domestic electric rates are lowered, about one-half of our total membership within the area of transmission will save money. This benefit is slight, however, compared to that which will flow to it from the general improvement of economic conditions which this project is capable of bringing about.

"It is our firm belief that the seaway project will help to place our whole economy on a sounder base and aid our national prosperity.

"Notwithstanding any direct or indirect benefits which our own membership might receive, we would nevertheless refrain from supporting this project if we felt that it would be harmful or detrimental to labor as a whole. We do not think it will be. Any project which is beneficial to our national economy is beneficial to labor.

"We feel that we have a right to appeal to Congress on behalf of the 13,000,000 people of New York and the people of our neighboring States as well to support our efforts to use this resource exclusively in the public interest. Therefore, we confidently hope that this committee will approve the bill providing a means by which the Federal-State accord may be maintained, subject to the approval of the Congress." (Statement presented at public hearings on S. J. Res. 104 before subcommittee of the Committee on Foreign Relations, Feb. 21, 1946.)

Dr. Rollin A. Newton, mayor of Massena; C. Leland Wood, city manager, Watertown; William F. Doige, member, New York State Assembly; Edward B. Crosby, member, executive committee, National Seaway Council; Lt. Col. William T. Field, engineer, Watertown; Franklin R. Little, editor and publisher, Ogdensburg Journal; W. Allen Newell, manufacturer, Ogdensburg; Clarence F. Hall, businessman, Clayton; Hugh Burns, president, Ogdensburg Chamber of Commerce; Dr. Eugene G. Bewkes, president, St. Lawrence University; Allan P. Sill, member, New York State Assembly; John C. Tullock, former collector, port of Ogdensburg:

"Completion of the seaway will modernize an existing channel for commerce already improved for use by ocean cargo vessels over 90 percent of the distance from the head of the Great Lakes to the open sea.

"The dual-purpose navigation and power project to be built in the international rapids section will develop 2,200,000 horsepower of the cheapest electric power in the world, to be divided equally between the State of New York and the Province of Ontario.

"The State of New York in 1931, through the adoption of the Power Authority Act, by a unanimous vote of the legislature, declared it to be the public policy of this State to develop the International Rapids section for both power and navigation, and authorized the power authority, as the accredited public agency of the State, to take over the ownership and operation of the St. Lawrence power project to be constructed in this State, upon assuming the construction costs thereof.

"We favor the approval of the United States-Canadian agreement of 1941 and the prompt enactment of legislation to authorize completion of the St. Lawrence seaway and the New York State power project, in full conformance with the recommendations contained in the statements of President Truman and Governor Dewey, made public at the White House, September 27, 1945.

"We who live in the St. Lawrence Valley and for years have seen the waste of its mighty resources, declare the proposed project to be the greatest public improvement now available for postwar completion, in any part of the world. We strongly favor its construction in order to provide tens of thousands of postwar jobs for returning veterans and displaced war workers, to promote the foreign trade and domestic commerce of all parts of the United States and to furnish 4,000,000 industrial, commercial, domestic, and rural consumers in New York State with power and electricity, at low rates which will permit increased use of electrical energy and electrical appliances." (Declaration adopted at a conference at Canton, N. Y., November 15, 1945, on the United States-Canadian agreement and New York State power project.)

Edward J. Noble, Under Secretary of Commerce, 1939–40; chairman of the board, American Broadcasting Co.; Herbert Bayard Swope, member, executive committee, Columbia Broadcasting System, former executive editor, New York World; James P. Warburg, banker; former vice chairman of the board, Bank of the Manhattan Co.; David Sarnoff, president, Radio Corp. of America; chairman of the board, National Broadcasting Co.; Charles Maltby, vice president, Lincoln Bank & Trust Co., Syracuse, N. Y.; Edward C. Lindeman, professor, New York School of Social Work, Columbia University; David Dubinsky, president, International Ladies' Garment Workers Union; Charles William Taussig, manufacturer, author:

"Development of inland waterways, and particularly of those which provide direct outlets to the sea, is to most countries a national policy so valuable as to be pursued without question. The Great Lakes region of the United States is an inland empire in itself, which ranks in area, in population, and in the wealth of its farms, mines, and factories with many of the great nations of the world. Its coast line is longer than that of our Pacific, Atlantic, or Gulf seaboards. Yet this coast line for one-third of our Nation is blocked from proper access to salt water by some 48 miles of rapids in the St. Lawrence River.

"That is nature's obstacle. It is one which man has the resourcefulness to overcome as simply and as effectively as he has others in the winning of our continent. The more serious obstacle has been the apathy of the American people, which has permitted small groups and special interests to write 'verboten' against this national improvement. * * *

"Development of the St. Lawrence power, which is intimately associated with the construction of the seaway, will harness the energy of the one great outlet for a combined reservoir of water, which is said to contain

at any time one-third of all the fresh water on the face of the globe. * * *

"The United States' share in completing the St. Lawrence seaway and power project is estimated by General Robins at $285,056,515. From this total should be deducted $93,375,000 which the New York State Power Authority agrees to pay to the Federal Government for the power facilities. Thus the estimated net cost to the United States Treasury will be approximaely $200,000,000.

"This estimate is based on detailed surveys and studies made by the Corps of Engineers who have had broad and varied experience with comparable projects. * * *

"Secretary Stimson considers this project cheap at the price. Moreover, this project will remain after the present emergency as a major and permanent addition to our national economy." (Statement dated July 30, 1941, presented by the seaway-for-defense committee, including the above and other signers, at hearings on the United States-Canadian agreement of 1941, before the Committee on Rivers and Harbors, 77th Cong., 1st sess.)

Mr. WILEY. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, the subject of the St. Lawrence seaway and power project has now been debated for a period of 5 weeks. About every unanswerable argument in favor of it that can be made has been made. About every erroneous statement about it that can be made has been made. I am not rising today to argue or to try to counteract the false statements or the misleading statements which have been made against this great project. I know it is futile to undertake to inject any more logic into the question or to undertake to refute any more false statements which have been made concerning the St. Lawrence project.

What is the issue, Mr. President, which is before the Senate today? The issue is an outright conflict between the interests of the people of the United States and the desires of the power and rail interests of America, who would deny the people their rightful heritage. It is a conflict between those in America who believe in progress and those who believe in maintaining the status quo. It is a conflict between advocates of scarcity and control by monopoly and between those who believe in plenty and opportunity for all.

This is the first vote in the present session of Congress which will indicate whether we as a legislative body have faith in the future of our Nation.

We have before us a proposal to recommit the joint resolution. That is a futile thing to do. It is an evasive thing to do. Eastern rail and power interests will not be satisfied with the results of any study honestly conducted on this subject. Over a period of more than 20 years studies have been conducted by the best economists and the best engineers the country has to offer. Studies have been conducted by the Associated Industries of New England. These studies have found this development feasible, profitable, and worth while from all viewpoints except the viewpoints of those who do not want it developed unless they can control every last bit of benefit derived from it.

Appeals have been made to defeat this project on the ground that it would be harmful to the New England railroad interests. There is not a railroad in New England which has not interlocking directorates with the power companies. I say again, as I have said before, that today the people of New York and New England are paying approximately $400,000,000 more annually for power and light than they would pay if they could secure them at the rates which the people in the TVA area pay.

The lust for profit is the basis of the opposition to this undertaking. I do not care what is used for a front. I do not care whether it is the railroads, the railway employees, the chambers of commerce, or the port of Boston, which does not have much export business anyway, or the port of New York, which cannot begin to handle the export business which now comes to it. I do not care what is used for a front; the basis of the opposition is the unwarranted profit which the power companies of New England and New York are taking from the people.

If a study were made, we could not know in detail, even after any number of the most careful studies, the answers to all the little quibbling questions which the opposition has raised or will raise. I believe that some of the opponents of the St. Lawrence seaway are quite loud in their support of the so-called Marshall plan. Do they know the details of the Marshall plan? Do they know where the power plants, which United States money is expected to build in foreign countries, are to be located? They do not. The information is not available. We are simply told that part of the money which we are asked to appropriate—and which will be approximately 20 times the cost of the St. Lawrence project—is to be spent to construct power plants in foreign countries. Yet we do not even know where those plants are to be constructed. So when the opponents talk about detail, more study, and more detail, let them apply that argument to other subjects which come before the Congress.

It is futile to try to answer their side-issue arguments. They have not raised a single tenable point against the construction of the St. Lawrence seaway and power project. If they are unmoved by the appeals of the Joint Chiefs of Staff for the construction of this seaway in the interest of national security; if they are unmoved by the plight of the wheat farmers of the Dakotas, Montana, and Nebraska, who leave their grain on the ground because they cannot get transportation for it; if they are unmoved by the reduced production of our aluminum and chemical plants and other industries which cannot get power to operate at full capacity; if they are unmoved by the plight of 3,500,000 farmers in the United States who still lack electrical energy for their homes and their farm equipment; if they are unmoved by the serious shortage of transportation which exists all over the United States today; and if they are unmoved by the fact that already $4,000,000,000 has been authorized or appropriated for projects from the Mississippi River westward, while not a dollar has been appropriated for development of public power in the Northeast, then there is nothing I can say now which will move them. In my opinion there is nothing more pathetic than to see men groping almost in the dark for excuses to keep from facing the truth.

The St. Lawrence seaway today is opposed by the same selfish forces which have defeated it whenever it has been before the Congress on previous occasions. As a result of their success in defeating this great project we lost lives and property during World War II. Hundreds of ships were sunk in the Caribbean area. Many of them would have gone overseas to safety from the central part of North America had the St. Lawrence seaway been available. But it was not available; and boys from your State, Mr. President, and mine went down to their deaths in burning oil. However, the desires of the opposition prevailed there. The competition of the seaway was prevented.

Mr. President, we hear talk of another war. We all pray to God that there will never be another world war; and yet it is no secret that the talk on the streets and in the countryside is: When will the incident happen which will precipitate another great world war? Must we condemn more boys to death to satisfy the lust for power and greed of wealth which today characterizes a privileged few?

The opponents of the St. Lawrence seaway lack faith. They lack faith in their country. They cannot see that the greatness of our Nation does not lie in the board rooms of the power companies or the railroads. The greatness of our Nation lies in our natural resources, which we ought to develop. It lies in the men and women on the farms and on the plains and up in the hills. It lies in the men who go into the forests to chop down trees when the temperature is 20 below zero. It lies in the teachers who work in our public schools for miserable salaries. It lies in the workers in our mines, the fishermen who go off our coasts to fish, the clerks in the stores, and the men and women who stand before the assembly-line producing the goods which keep the wheels of our economy turning and have kept America great in the world. Not only does the strength of America lie there, Mr. President, the hope of America rests with them also.

To support this measure, which the senior Senator from Michigan [Mr. VANDENBERG] so eloquently advocated today as providing for one of the greatest resource developments the world has ever known, and as constituting an outstanding demonstration that peace, harmony, and good will can prevail between nations, requires vision, faith, and courage. It requires vision to see beyond the bounds of self-interest. It requires faith that the limits of the economic growth of America have not yet been reached. It requires courage to oppose the forces of greed and economic monopoly, who will most assuredly do all they can to defeat any Members of this body who vote for the project, and who today sit in their board rooms smugly assured that they have the situation in Congress well under control.

Mr. President, I am depressed at that situation. Here we are—the greatest

country in the world—letting a little group of self-centered men defeat a project which would make America still greater than it has been before. This little group of utility interests who are opposing us today intend to block this development until and unless they can get control of it for themselves. The safety of the Nation, the welfare of our people, the lives of our young men are thus subordinated to the desire for wealth and economic control. Mr. President, we are either for our people and our country or we are going to carry out the desires of these people who are insisting that this measure be defeated.

Whenever a development of this kind comes before the Congress, the first question that invariably is asked is, "How will it affect the railroads?" Then the question is asked, "How will it affect the existing utility companies?" Mr. President, I ask this question again, "Does the economy of our entire Nation exist for the benefit of those concerns, and should our entire economy and our whole course of action be fitted around their desires and around what will make them stronger, or should those utility concerns exist for the benefit of our national economy?" The answer to that question is obvious.

Now, we are asked to recommit this measure, so that Senators will not have to vote on it. Some Senators want more studies made, some want new studies made, and they say they are not satisfied with the studies that have been made. But, Mr. President, no studies that ever can be made will satisfy some of the opponents of this economic development. I, for one, would rather go down in defeat fighting for what I know to be right rather than to slink to safety in the byway of a recommitment of this issue.

Mr. DWORSHAK. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. DWORSHAK. The Senator from Vermont has indicated that there may be a need for additional power in the New England section, and reference has also been made to the fact that there have been vast power developments in the southern and western parts of our country. I recognize that there may be some legitimate cause and reason for developing public power in the Senator's area of the United States, but I should like to ask the Senator whether it is his contention that until the St. Lawrence seaway is authorized it will be impossible to have any worth-while public-power developments in the New England section?

Mr. AIKEN. Mr. President, the Government of the United States has constructed dams for the development of power under the commerce clause of the Constitution, if I am correctly informed; and under that clause the Government cannot construct dams for the development of power alone. The dams which have been constructed and have been used for the development of power have, I believe—all of them, down to the last one—been multiple-purpose dams.

While the Senator is on his feet, I should like to remind him that his great State of Idaho at one time joined with other States, I believe, and appropriated $2,000 apiece toward the development of the St. Lawrence. Idaho was the westernmost of those States, and South Carolina was the southernmost; but most of the Great Lakes States joined together at that time—Ohio, Kentucky, West Virginia, Illinois, and so on—to bring about this development. It was vital then. If it had only been constructed then, we could now be deriving the full benefit of it.

Mr. President, I am sorry I am taking up the time of the Senator from Wisconsin.

Mr. WILEY. That is quite all right.

Mr. AIKEN. I was to have only 15 minutes, and I think perhaps I have used that much time already.

But, Mr. President, I do not believe we could expect the North Central States to vote for the construction of a dam for the development of power for the Northeast, when by a reasonable additional expenditure they could have access to the sea for the shipment of their grain and other products.

Mr. DWORSHAK. Certainly the Senator from Vermont is not willing to have the power-project development delayed until the entire seaway project is authorized, is he?

Mr. AIKEN. I believe that in an emergency the power project could be put into production in 2 years time—in an emergency. Under normal conditions it could not. Personally, I would be delighted to have the power development; but when the power was once developed, there would be a dam across the St. Lawrence River, and the navigation facilities would be half-way completed. I believe it would be unwise and foolish and short-sighted for us to construct the power development alone. I believe that the people of the Senator's State and the people of the other States west of the Ohio are entitled to have a new route for the transportation of their grain to the world markets. As a matter of fact, I have been informed by some of them that this year, because of the transportation shortage, they have had to hold their wheat until the price of wheat dropped 50 cents a bushel.

Mr. DWORSHAK. I have raised this question because I cannot justify making the power development inseparable from the transportation development. I do not think it is fair to contend that anyone who is opposed to the timeliness of this particular development should be charged with being unfriendly to power development in the New England area. I do not think that is a just charge.

Mr. AIKEN. I would charge one who took that position with being very short-sighted, if he refused to vote for the completion of the transportation development along with the power development. The seaway part of this project is so closely tied to the power part that the construction that is required to complete the power phase would entail the completion of a considerable portion of the seaway. Navigable international waterways cannot be dammed up without building locks and other navigation adjuncts to the dam.

DISTRICT OF COLUMBIA POLICE INVESTIGATION OF WALLACE SUPPORTERS

Mr. MILLIKIN. Mr. President, will the Senator yield to me?

Mr. LODGE. I yield to the Senator from Colorado.

Mr. MILLIKIN. Mr. President, I suggest that if we wish to preserve our civil liberties, we must be devoted to them in connection with causes of which we do not approve. I shall bring to the attention of the Senate a news story and some correspondence dealing with the Wallace candidacy for the Presidency. I hope it is needless for me to say that I am not a supporter of that campaign.

Under date of February 4, 1948, a story appeared in the Washington Daily News, the headline of which was as follows:

Police here to probe Wallace's supporters.

The subheading is:

D. C. cops probing Wallace supporters.

The news story reads as follows:

Washington police are planning to investigate local supporters of Henry Wallace for Communist activities, the News learned today.

Members of Lt. Harry C. Blackman's special investigation squad, who have checked all "questionable" gatherings and organizations here since before the war, will probe into the political leanings of everyone attending recent organizing meetings of Wallace supporters here.

Their investigation will include local members of Progressive Citizens of America, one of the principal national organizations backing the former Vice President and Cabinet officer for President. They also will look into such groups as Georgetown Progressive Citizens Association, it was said.

Police have devoted considerable time in recent months to their Red list, gathering names of people attending meetings—including persons who rally to protest the high cost of living or racial discrimination.

The list includes the names of prominent Washington ministers, businessmen, labor leaders, public officials, and other respectable citizens, many of whom have traditionally conservative political backgrounds.

Names of speakers at "subversive" meetings and persons attending the meetings—with copies of speeches—are in the file.

Police use the file to check the "loyalty" of potential employees for public utilities and civil-service jobs. Though it is not open to the public, employers—in most cases—may check the names of prospective employees against information in the police loyalty file.

The Red list also is open to the FBI.

Under date of February 7, 1948, I wrote Commissioner Young of the District of Columbia as follows:

Under date of February 4, 1948, the Washington Daily News carried a story, a copy of which is attached hereto. I shall appreciate very much receiving prompt answers to the following questions.

I then proceeded to propound to Commissioner Young six questions, which I shall read in a moment.

Under date of February 17, 1948, I received a letter from Commissioner Young in response to my inquiries.

My first question was:

Are the Washington police planning to investigate all local supporters of Henry Wallace for Communist activities merely because they are supporters of Henry Wallace? If it is planned to investigate a lesser number than

all of the local Wallace supporters attending gatherings in his behalf, what will be the standards to distinguish between those to be and those not to be investigated?

The answer is:

No. The Washington police do not plan to investigate supporters of Henry Wallace as such.

My second question was:

Do the Washington police regard all gatherings in behalf of Henry Wallace as questionable? If some of these gatherings are regarded as questionable and some are not, what are the standards for making the distinctions?

The answer to that question is:

Gatherings in behalf of Henry Wallace are not considered as questionable.

My third question was:

Do the Washington police put upon their Red list all persons attending gatherings in behalf of Henry Wallace? If less than all such persons, what are the standards for making the distinction between inclusion and exclusion?

The answer given is:

Washington police do not list as Red persons who attend gatherings in behalf of Henry Wallace.

My fourth question was:

Do the Washington police include upon their Red list "persons who rally to protest the high cost of living or racial discrimination"?

The answer is:

No.

My fifth question was:

Why do the Washington police include upon their Red list the names of prominent Washington ministers, businessmen, labor leaders, public officials, and other respectable citizens, many of whom have traditionally conservative political backgrounds?

I may mention at this point that I was merely quoting the language of the news story. The answer is:

Washington police do not list as Reds names of ministers, businessmen, labor leaders as reported by the Washington Daily News.

My sixth question was:

Does the "file" referred to in the second from the last paragraph of the story include names of local supporters of Henry Wallace merely because they are his supporters?

The answer to that question is:

Washington police files do not include names of any Wallace supporters for the reason they are Wallace supporters.

Mr. President, I regard the answers of Commissioner Young as very gratifying. I ask unanimous consent to include in the RECORD immediately following my remarks the correspondence with Commissioner Young.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

FEBRUARY 7, 1948.

Hon. JOHN RUSSELL YOUNG,
Commissioner, District of Columbia,
District Building, Washington, D. C.

DEAR COMMISSIONER: Under date of February 4, 1948, the Washington Daily News carried a story, a copy of which is attached hereto. I shall appreciate very much receiving prompt answers to the following questions:

1. Are the Washington police planning to investigate all local supporters of Henry Wallace for Communist activities merely because they are supporters of Henry Wallace? If it is planned to investigate a lesser number than all of the local Wallace supporters attending the gatherings in his behalf, what will be the standards to distinguish between those to be and those not to be investigated?

2. Do the Washington police regard all gatherings in behalf of Henry Wallace as questionable? If some of these gatherings are regarded as questionable and some are not, what are the standards for making the distinctions?

3. Do the Washington police put upon their Red list all persons attending gatherings in behalf of Henry Wallace? If less than all such persons, what are the standards for making the distinction between inclusion and exclusion?

4. Do the Washington police include upon their Red list persons who rally to protest the high cost of living or racial discrimination?

5. Why do the Washington police include upon their Red list the names of prominent Washington ministers, businessmen, labor leaders, public officials, and other respectable citizens, many of whom have traditionally conservative political backgrounds?

6. Does the file referred to in the second from the last paragraph of the story include names of local supporters of Henry Wallace merely because they are his supporters?

With very best regards, I am,

Sincerely,

EUGENE D. MILLIKIN.

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
Washington, D. C., February 17, 1948.

Hon. EUGENE D. MILLIKIN,
United States Senate,
Washington, D. C.

DEAR SENATOR MILLIKIN: I have today received information from Maj. Robert J. Barrett which, I feel, will answer the questions you submitted to me in your letter of February 7.

First, permit me to say that the story carried in the Washington Daily News captioned "D. C. cops probing Wallace supporters," was without foundation. I am assured by Major Barrett the statement that the political leanings of persons attending meetings of Wallace supporters were to be investigated is not true.

The Metropolitan Police Department does not investigate any political group. It might happen that persons of any group would be the subject of an investigation, but not because of political leanings.

The following answers are submitted to the questions listed in your letter:

1. No. The Washington police do not plan to investigate supporters of Henry Wallace as such.

2. Gatherings in behalf of Henry Wallace are not considered as "questionable."

3. Washington police do not list as Red persons who attend gatherings in behalf of Henry Wallace.

4. No.

5. Washington police do not have listed as Reds names of ministers, businessmen, labor leaders, as reported by the Washington Daily News.

6. Washington police files do not include names of Henry Wallace supporters for the reason they are Wallace supporters.

Trusting that this will give you the information you desire, and with kindest personal regards, I am,

Sincerely yours,

JOHN RUSSELL YOUNG,
President, Board of Commissioners.

MEETING OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. TOBEY. Mr. President, will the Senator yield for a moment?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New Hampshire?

Mr. LODGE. The Senator from Massachusetts does not have the floor.

Mr. TOBEY. Mr. President, who has the floor?

The PRESIDENT pro tempore. Either the Senator from Massachusetts or the Senator from Wisconsin.

Mr. TOBEY. Mr. President, to either of those Senators I address a very pertinent question.

The PRESIDENT pro tempore. Does either of the Senators yield to the Senator from New Hampshire?

Mr. TOBEY. In the absence of yielding, the question is addressed to the Chair.

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the Chair cannot, between the hours of 12 and 4 o'clock, recognize any Senator except the two Senators who control the time in the debate.

Mr. TOBEY. If the Chair does not know whom to recognize——

Mr. LODGE. I yield.

Mr. TOBEY. Mr. President, I have a very important request to propound to the Chair. I ask unanimous consent that the Senate Committee on Interstate and Foreign Commerce may meet at 3 o'clock, in important session.

The PRESIDENT pro tempore. Without objection, the order is made.

THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the joint resolution (S. J. Res. 111), approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

Mr. LODGE. Mr. President, I yield to the Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN. Mr. President, I rise in opposition to the St. Lawrence waterway, but I shall not take the time of the Senate to discuss the merits of the project. It seems to me this is not an opportune time for America to initiate any new projects. A world-wide situation exists that will require the financing possibly of a large armed force. There are Christian charities and rehabilitations all over the world to be taken care of. Those commitments are already so large that it is most difficult for the American people to comprehend them. Until we may have a full realization of how large our commitments will be, it seems to me the proper time has not arrived when we should undertake any further projects.

It has been my experience in public business that the actual cost of a project is always very much larger than the engineers' estimates indicate. I feel that the actual cost of the St. Lawrence waterway will be much larger than the estimates, but, even at the present estimated cost, the amount of money involved is so great that it should have very

careful consideration, not only by Congress but by the American people, who ought to understand the full import of the undertaking. From that standpoint alone I would oppose the agreement at the present time.

The seaway has also been discussed from the standpoint of national defense. Personally I am fearful that instead of improving the national defense, it might prove detrimental to it. Any transportation facility that is not open the year around is not a good national defense facility. For that reason also I would oppose the project.

To save the time of the Senate, I shall not enter further into the merits or demerits of the proposal.

The PRESIDENT pro tempore. The Chair is awaiting the pleasure of the two Senators who have control of the time.

Mr. LODGE. Mr. President, the Senator from Massachusetts has yielded to five Senators and thinks it is now the turn of the Senator from Wisconsin to do some yielding.

URGENT DEFICIENCY APPROPRIATIONS

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from New Hampshire.

Mr. BRIDGES. If no Senator is ready to proceed, I should like to bring up the urgent deficiency bill and temporarily have the St. Lawrence seaway measure laid aside. I do not want to interrupt, but the appropriation bill must be acted on today.

Mr. LODGE. So far as the Senator from Massachusetts is concerned, that would be entirely agreeable if he may have 15 minutes later on in the afternoon. So far as he is concerned, he will not need any further time until 3:30.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 5525, the so-called urgent deficiency bill.

The PRESIDENT pro tempore. Is there objection?

Mr. LODGE. Mr. President, I should like the Senator from New Hampshire to modify his request so that it will be understood that at 3:30 the Senate will revert to the St. Lawrence seaway measure, at which time the Senator from Wisconsin and the Senator from Massachusetts will again operate under the agreement in force at the present time.

The PRESIDENT pro tempore. Any Senator can call for the regular order at any time to bring back the basic unanimous-consent agreement of the day.

Mr. WILEY. Mr. President, I should like to know what the request is. I do not feel that it would be fair to Senators who are expecting to speak on our side of the issue to have their time taken from them. It so happens that they are at lunch or at committee meetings. If the Senator from New Hampshire will tell me how much time he expects to utilize on his proposal, whatever it is, I will appreciate it.

Mr. BRIDGES. It is the urgent deficiency bill, certain items in which are vital to the conduct of a number of Government departments. I do not think any controversial issues are involved. There may possibly be one. If any Member is ready to proceed on the unfinished business I will withdraw my request.

Mr. WILEY. I do not want it to be understood that the consideration of the bill is in my time. If it is the understanding between the Senator from Massachusetts [Mr. LODGE] and myself that we yield to the Senator from New Hampshire [Mr. BRIDGES] 15 minutes, to be split equally, I am willing to agree. Otherwise, I think we shall have to proceed.

Mr. LODGE. Is it the Senator's suggestion that 15 minutes be yielded to the Senator from New Hampshire?

Mr. WILEY. Yes; and that the Senator from Massachusetts [Mr. LODGE] take half and I take half of the time which will then remain.

Mr. LODGE. I am willing to yield to the Senator from New Hampshire for a half hour.

The PRESIDENT pro tempore. The Senator from New Hampshire will be recognized for 15 minutes, the time to be yielded equally by the Senator from Wisconsin [Mr. WILEY] and the Senator from Massachusetts [Mr. LODGE].

Mr. BRIDGES. I thank both Senators and renew my request for unanimous consent.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Hampshire?

There being no objection, the Senate proceeded to consider the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. BRIDGES. Mr. President, I ask that the formal reading of the bill be dispensed with, and that it be read for amendment, the committee amendments to be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Legislative branch," on page 2, after line 1, to insert:

SENATE

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

Notwithstanding the provisions of the act of May 10, 1916, as amended by the act of August 29, 1916, the Sergeant at Arms of the Senate is hereby authorized during the Eightieth Congress to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

The amendment was agreed to.

The next amendment was, on page 2, after line 9, to insert:

CONTINGENT EXPENSES OF THE SENATE

Expenses of inquiries and investigations: For an additional amount for expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration, but not exceeding the rate of 25 cents per hundred words for the original transcript of reported matter, $300,000: *Provided*, That all vouchers for personal services chargeable to this or any other appropriation for this purpose shall be paid by the disbursing office of the Senate: *Provided further*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, on page 4, after line 20, to insert:

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

Office of Defense Transportation

Salaries and expenses: For an additional amount for "Salaries and expenses," $31,000; and the limitation on traveling expenses under this head in the Supplemental Appropriation Act, 1948, is increased from "$50,000" to "$60,000."

The amendment was agreed to.

The next amendment was, under the heading "Independent offices," on page 5, after line 4, to insert:

ATOMIC ENERGY COMMISSION

Salaries and expenses: The limitation on travel expenses of the Atomic Energy Commission for the fiscal year 1948 is hereby increased from $1,430,000 to $2,430,000.

The amendment was agreed to.

The next amendment was, on page 7, after line 16, to insert:

UNITED STATES MARITIME COMMISSION

United States Maritime Commission: The operating receipts made available to the United States Maritime Commission by the Second Supplemental Appropriation Act, 1948, for the purpose of carrying out operating functions transferred to the Maritime Commission by section 202 of the Naval Appropriation Act, 1947, are continued available from March 1 to April 1, 1948, for carrying out such functions as extended by Senate Joint Resolution 173, Eightieth Congress, "To continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes": *Provided*, That the limitation under this head in the Second Supplemental Appropriation Act, 1948, on the use of operating receipts for "Cost of placing vessels into reserve fleet," is increased from "$5,500,000" to "$6,103,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture," on page 11, line 6, after " "Insect investigations" ", to insert "for sawfly investigations and", and at the beginning of line 9, to strike out "$100,000" and insert "$115,000."

The amendment was agreed to.

The next amendment was, under the subhead "Diseases", on page 11, line 17, after the word "diseases", to strike out "$442,000" and insert "$420,000."

The amendment was agreed to.

The next amendment was, on page 12, after line 7, to insert:

PRODUCTION AND MARKETING ADMINISTRATION

NATIONAL SCHOOL LUNCH ACT

For an additional amount to enable the Secretary of Agriculture to carry out the provisions of the National School Lunch Act of June 4, 1946 (Public Law 396), $6,000,000.

The amendment was agreed to.

The PRESIDENT pro tempore. Are there any further amendments to the bill?

Mr. BRIDGES. There are no other amendments, Mr. President.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. IVES. Mr. President, I should like to ask the distinguished chairman of the Appropriations Committee a question. On page 6, line 6, there is an item of $800,000. The item is in connection with the Federal Mediation and Conciliation Service. I was given to understand by the chairman of the Mediation and Conciliation Service himself that there had been some misunderstanding in connection with a deficiency appropriation in which $100,000 seems to be at stake. I should like to ask the chairman of the Appropriations Committee if he knows anything about that matter.

Mr. BRIDGES. I will say to the distinguished Senator from New York that the clerk of the committee informed me that after our committee had acted on the bill a request came in, but it was not until after hearings had been held and the bill reported to the Senate.

Mr. IVES. Mr. President, in that connection, I should like to point out that I feel that there has been a misunderstanding, a very honest one, in which the matter of dates is involved. The Federal Mediation and Conciliation Service will run out of funds by the end of the fiscal year. It so happens that Mr. Ching is a businessman himself, of considerable standing in the country, and is very careful in the use of funds. He is distinctly worried about the additional $100,000 which is needed, and he fears that unless it is provided, he will have to lay off employees who are vitally needed at this particular time.

As everyone knows, the country is now faced with a number of problems in the labor relations field in which the operation of the Mediation and Conciliation Service is most vital. It occurs to me that it would be most unfortunate if we should pass legislation without providing adequate appropriations for this important purpose, when such action would be taken through a complete misunderstanding. For that reason I am wondering if the distinguished chairman of the Appropriations Committee would be willing to permit me to offer an amendment with the idea that it may be reconciled in conference. In other words, I should like to amend the item to read "$900,000" rather than "$800,000."

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. TAFT. Mr. President, I thoroughly agree with the Senator from New York. I think it is very important that we give Mr. Ching the full amount of money necessary to be used by the Mediation Service during the next 3 or 4 months when there will be many labor controversies arising. I have an amendment which I should like to offer.

Mr. IVES. Then, Mr. President, I shall withdraw my amendment.

Mr. TAFT. If it has already been offered——

Mr. IVES. No; I have not yet offered it.

Mr. TAFT. I talked to Mr. Ching, who said that while he might be able to operate with $900,000 he thought he ought to have the $950,000 requested in the budget. That is the amount contained in my amendment.

Mr. IVES. I withdraw my amendment.

Mr. TAFT. I suggested to him that the Senate or the House might cut the amount slightly.

The PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from Ohio [Mr. TAFT].

The CHIEF CLERK. On page 6, line 6, it is proposed to strike out "$800,000" and to insert "$950,000."

The amendment was agreed to.

The PRESIDENT pro tempore. If there are no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BRIDGES. I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BRIDGES, Mr. BROOKS, Mr. GURNEY, Mr. BALL, Mr. MCKELLAR, Mr. HAYDEN, and Mr. RUSSELL conferees on the part of the Senate.

Mr. BRIDGES. I thank the distinguished Senator from Wisconsin [Mr. WILEY] and the distinguished Senator from Massachusetts [Mr. LODGE] for their courtesy in allowing the urgent deficiency bill to move forward.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 42) establishing the ceiling for expenditures for the fiscal year 1949 and for appropriations for the fiscal year 1949 to be expended in said fiscal year.

THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

Mr. WILEY. Mr. President, I yield time to the distinguished junior Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Wisconsin has asked me to take 2 or 3 minutes to summarize my position on the St. Lawrence seaway issue.

I wish to mention the two points I stated in my address in support of the issue a few days ago, namely, that I feel that the transportation needs of the country clearly support the necessity for the construction of the St. Lawrence seaway; and second, that the need for maximum development of our power resources clearly supports it.

I wish to reemphasize what I stated in my previous remarks, that I think it is clear from the record that there are some of us in the Senate, who represent no sectional interest, either pro or con, in regard to the St. Lawrence seaway, but in a very real sense represent what we sincerely believe to be a national point of view in regard to it. We think the project is in the national interest.

I am satisfied that, from the standpoint of the national interest, the St. Lawrence seaway should be built, and built immediately. I say immediately, because the only point I wish to add to the comments I made a few days ago is that it is my conviction that the St. Lawrence seaway is needed from the standpoint of national defense and national security, both in respect to its potential transportation facilities and in respect to its potential power facilities.

In regard to the latter I wish to add a special word of caution, because I think it is very important that the American people not be caught short in case of any great international emergency which may descend on us from the sky all of a sudden. I hate to think of the situation we will be in, Mr. President, in case of another war, unless we are ready to meet the atomic energy needs of the war. TVA will not be sufficient; Grand Coulee will not be sufficient. Hanford will not be sufficient. I think we need to recognize that we are in an atomic age from now on forever. Essential in that age, it seems to me, is adequate protection from atomic warfare to the extent that we can build up protection against it.

This means that I do not think we should waste precious time in putting off the steps necessary to build to the maximum the power resources of this country, so vital to atomic defense. The record is perfectly clear that inherent in the St. Lawrence seaway is the development of new power resources.

So, Mr. President, with these three points I have summarized my position on the St. Lawrence seaway, and as one who has no sectional interest in the seaway controversy in the Senate, I wish to say that the national interest, in my judgment, dictates the adoption of the seaway joint resolution.

Mr. WILEY. Mr. President, I inquire of the Senator from Massachusetts, if he will agree that we may now have a quorum call and split the time which will then remain?

Mr. LODGE. That is agreeable to me.

Mr. WILEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll, with the time divided.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Ecton
Baldwin	Cain	Ellender
Ball	Capehart	Ferguson
Barkley	Capper	Flanders
Brewster	Chavez	Fulbright
Bricker	Connally	George
Bridges	Cooper	Green
Brooks	Cordon	Gurney
Buck	Donnell	Hatch
Bushfield	Downey	Hawkes
Butler	Dworshak	Hayden

Hickenlooper	McKellar	Russell
Hill	McMahon	Saltonstall
Hoey	Magnuson	Sparkman
Holland	Malone	Stennis
Ives	Martin	Stewart
Jenner	Maybank	Taft
Johnson, Colo.	Millikin	Taylor
Johnston, S. C.	Moore	Thomas, Okla.
Kem	Morse	Thomas, Utah
Kilgore	Murray	Thye
Knowland	Myers	Tobey
Langer	O'Conor	Umstead
Lodge	O'Daniel	Vandenberg
Lucas	O'Mahoney	Watkins
McCarran	Overton	Wiley
McCarthy	Pepper	Williams
McClellan	Reed	Wilson
McFarland	Revercomb	Young
McGrath	Robertson, Va.	

The PRESIDING OFFICER (Mr. IVES in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

Mr. LODGE. Mr. President, I yield to the Senator from West Virginia [Mr. REVERCOMB].

Mr. REVERCOMB. Mr. President, the problems which arise out of the pending joint resolution, and the subject matter it covers, have been probed and studied and discussed here at great length; and in the closing hours of the debate I do not want to speak for a great length of time, but shall speak in summary on a few points bearing upon the subject.

The legislative situation, as I understand it, is that a motion has been made to recommit the joint resolution to the committee. I speak in support of that motion.

At the beginning of my remarks I wish to call attention to an editorial which appeared in a newspaper in my State, the Daily Mail, of Charleston, W. Va. That editorial impresses me as so fair, so considerate of both sides of the question, and so right in the conclusion which is reached that I ask the indulgence of the Senate that I may read it at this time, rather than merely place it in the RECORD.

The title of the editorial is "On This Alone." The editorial reads as follows:

Supporters of the St. Lawrence seaway and power project have won assurance that it will be brought up for Senate consideration. Their proposal this time calls for the development of 2,200,000 horsepower in electric energy at the International Rapids section of the river and the improvement of the Great Lakes-St. Lawrence seaway to provide a continuous channel with a minimum depth of 27 feet. It is estimated that the cost will be $513,000,000.

If I may digress from the editorial at that point, the figure given is a mistake as to the whole cost. It is correct as to the cost to this country. It is estimated that the cost to the United States will be approximately $513,000,000, as stated, but the total cost will be in excess of $800,000,000.

Continuing with the editorial:

Perhaps, even at this price, the project represents an attractive investment. The answer to this question lies, however, in the answer to a great many other questions on which it is difficult, if not impossible, to get any agreement. Of what use, for example, would it be to provide New England with hydroelectric power if it dealt a heavy blow to West Virginia's coal industry? And how much would it profit the Nation to provide an inland waterway to Duluth on Lake Superior if, as the Authority of the Port of New York estimates, it would wipe out 200,000 jobs in the New York area. These questions, only two of many, suggest that the St. Lawrence project poses a problem in national economy which is far more complex than its enthusiastic advocates are willing to admit. Locally, its benefits might prove substantial. Nationally, it might turn out to be an economic loss.

In time it will probably be necessary to thresh out this problem and solve it in the national interest. The needs of one section must be balanced against the dangers to another. For the time being there is no compelling reason to push the matter and at least one good reason for passing it over. Any appropriation now, any attempt to begin construction would simply add to the sum of inflationary pressures which constitute this country's major difficulty. Sound economic policy calls for a halt to all but the most essential public works. On this objection alone any proposal for development of the St. Lawrence should be tabled for future consideration.

I have read that editorial because its approach to this problem seems entirely fair, regardless of the view which may be taken by any Member of the Senate.

Here I desire to insert as a part of my remarks an editorial from the New York Times of February 8, 1948, entitled "Tolls and the Seaway."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOLLS AND THE SEAWAY

In 1934 Army engineers predicted that a St. Lawrence seaway would carry a maximum annual tonnage of 27,000,000. The St. Lawrence survey report arrived at the closely similar result of 25,000,000. Last year the National St. Lawrence Association raised these figures to 37,000,000. The discrepancies indicate that no one knows what the potentialities of the proposed St. Lawrence seaway are. Secretary Harriman has testified that the Department of Commerce "has not yet made a detailed analysis of potential traffic on the seaway." Lt. Gen. R. A. Wheeler furnished the Committee on Foreign Relations of the Eightieth Congress with Army estimates of expected traffic—estimates which have been used to prove that the seaway can be made to pay for itself by levying tolls—but declines to be bound by them in the absence of "a thorough study of all prospective traffic, the character and amount of tonnage that would actually move under a toll system * * * and the actual net income from those tolls as compared with the assessed navigation costs." In other words, all estimates of potential seaway traffic are little better than romantic hopes.

Proponents and opponents of the seaway split on the issue of self-liquidation. Last year's Senate joint resolution fixed a maximum toll of $1.25 a short ton of "laden cargo" that would pass through the deep-water navigation works, with exemptions in the case of local or way or government traffic. Probably $1 would be the average cargo-ton toll. A study made by the Port of New York Authority indicates that the annual cost of maintaining and operating a channel 27 feet deep, exclusive of power facilities, would be $20,000,000 annually to American taxpayers. There are not more than five and a half million tons of toll-paying traffic in sight, so that on the basis of a $1-a-ton average (Secretary Harriman thinks that 50 cents a ton should be the maximum for grain, coal, petroleum, wood pulp, and ores), a belief in the possibility of self-liquidation seems mere day-dreaming.

Costs, too, have risen since the St. Lawrence seaway was first seriously discussed in 1921. Last year the Chief of Army engineers estimated the total cost of the work still to be done on the whole navigation and power project from Duluth to Montreal at $674,707,000, of which $491,609,000 would be borne by the United States—an estimate that allows nothing for deepening channels of lake ports and providing adequate harbor basins. Every one of our great engineering projects out ran the estimates. The Welland Canal was to have been built for $70,000,000, but cost three times as much; the Chicago drainage canal cost not the estimated $16,000,000 but $53,000,000; and the New York State barge canal cost $176,000,000 instead of the expected $53,000,000. If the seaway should be constructed, it would probably cost American taxpayers annually far more than $20,000,000 for fixed, operating and maintenance charges, so that the prospect of self-liquidation becomes more and more dubious.

Congress would be well advised to proceed with caution. We need a more thorough-going study of engineering costs and potential traffic than has been made before it can be asserted with confidence that a seaway can be made self-liquidating by levying tolls that shippers will pay.

Mr. REVERCOMB. I have received a letter which has a very strong bearing on this question. It is from John L. Bogert, who is the associate editor of the Marine Journal. The letter is addressed to me under date of February 13. I will read at length from it because it deals directly with some of the points which have been advanced in this argument. I quote from the letter:

No matter how much money is spent in deepening the harbors and channels of the Great Lakes, domestic freight rates will not be lowered by so much as a thin dime.

Transportation costs on the Great Lakes are as low, or even lower, than anywhere else, and 19 feet is the limit of these cargo vessels.

It is 876 miles from Ashtabula to Duluth. Coal is carried from Ashtabula to Duluth for 45 cents per ton. That reduces to nearly half a mill per ton-mile.

The average freight rate for all the railroads in the United States is 18 times as high as that—between 9 and 10 mills per ton-mile.

At Montreal 1,000 bushels of grain can be transferred from vessel to vessel or to an elevator for $6.25, which means five-eighths of a cent per bushel. What is possible at Montreal is likewise possible at Ogdensburg, which is the end of deep water in the St. Lawrence.

So grain can be carried in "lakers" from Chicago, Milwaukee, or Duluth to Ogdensburg, there transferred to barges which can pass through the present locks, which are but 270 feet by 45 feet by 14 feet, and then transferred to ocean-going vessels at Montreal for 1¼ cents per bushel.

The point is made that the present facilities on the river and in the Lakes permit the transportation of products at far less cost and at a far lower rate than would be possible under the construction here proposed, taking into consideration the cost of the new construction.

I continue to quote from the letter:

The lowest toll charged at Panama is 75 cents per ton, which is equivalent to 2 cents per bushel. What kind of a spectacle would this Nation present to the rest of the world if we spent half a billion dollars only to discover that, on account of the tolls we had to collect, it cost more to ship grain by the improved seaway than it did before it was improved?

The letter from which I have read is from an associate editor of the Marine Journal, published in the Temple Court Building, 5 Beekman Street, New York, a journal which was established in 1876, and one which is deeply and soundly

concerned with the waterways and watercourses of this country.

For my own part I cannot see for one moment how we can possibly justify this gigantic undertaking, either from an economic point of view or from the point of view of the well-being of the people of our country.

To refresh the memory of Senators with regard to this proposal, let me briefly review what the project calls for. It is proposed that the channel of the St. Lawrence River, which runs between Canada and this country for part of the boundary line, be deepened to a minimum depth of 27 feet, that a series of locks and dams be constructed, and that changes be made in the connecting waterways of the Great Lakes. The waterway which it is proposed to extend and deepen is said to extend for a total distance of 2,687 miles. Those who favor this plan argue that the construction called for is the improvement and canalization of about 258 miles of waterway. They would make it look easy; but I wish to call to the attention of the Senate the fact that the great Panama Canal is less than 41 miles in length.

I have heard lengthy discussions on the floor of the Senate as to how important this proposed St. Lawrence seaway will be to the defenses of the United States; but when we consider the Panama Canal, which connects two oceans and is of immense value to commerce and to the defense of our Nation, obviously it cannot be denied that there is no comparison between the national-defense value of that Canal and the national-defense value of the proposed St. Lawrence seaway, which would extend a watercourse into only a part of our Nation. Under plans which now are being considered, the Panama Canal may be made of greater service by the building of a new canal and waterway or by the deepening of the present canal to sea level, thus doing away with the present Panama locks and dams. That problem is being considered today in the administrative departments of government and by members of this legislative body. I submit that it is far more important to have fast and adequate methods of water transportation between the Pacific and the Atlantic than it is to build this canal on the St. Lawrence River at gigantic cost, to serve only a small part of our country.

The testimony submitted at the hearings conducted by the Senate committee and by the House committee shows that the cost factor alone would make the St. Lawrence project economically unsound and unfeasible. Some estimates at this time place the cost of the St. Lawrence project at well over a billion dollars.

Last May, before the prices of materials had reached their present peaks, the Army engineers estimated the cost of the St. Lawrence seaway at more than 838,000,000. I believe that the amount fixed in May 1947 was $839,121,000, based on the cost estimates as of that date. Of that amount, Canada would be obligated to pay only $315,770,000, whereas there would be placed upon the United States a total obligation in the amount of $523,531,000. Mr. President, there appears to exist in the minds of some Members of the Senate, as apparently it does in the minds of many of those in other places who represent us, the idea of constantly advocating having the United States carry the biggest part of the load under any agreement into which our country enters. Under the present proposal, Canada is to be credited with having already spent $132,672,000 because she built the Welland Canal some years ago, and it would be a part of this transportation chain. So Canada is to be given credit for that $132,000,000, upon her proportionate share of the $315,000,000, leaving Canada's share of the cost at only $183,098,000. Under the cost estimates, the United States is to be given credit for only $31,742,000, as heretofore spent on improvements on the river and lake connections, leaving a balance of $481,609,000, or almost half a billion dollars for this country to pay. In other words, I point out at this time that the cost burden is inequitably distributed, and this country again is asked to carry by far the greater part of the cost of a project.

Mr. MALONE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from West Virginia yield to the Senator from Nevada?

Mr. REVERCOMB. I yield.

Mr. MALONE. I should like to ask the Senator a question at this point. On page 392 of the hearings held by the subcommittee of the Senate Foreign Relations Committee from May 28 to June 20, 1947, I note the testimony of General Wheeler. I wish to read a short paragraph from his testimony:

> We have never made an exhaustive study of that kind—

Mr. President, the general had been asked if he had made an economic study of the feasibility of this project—

> and I attempted to point out in my presentation a few minutes ago that such a study involves a great deal of field work and a cost that we feel has not been authorized for us to do. In making such a study we have to canvass the field-by-field contact and by questionnaires to find out the potential users; we have to study the boundaries of the area that would be economically affected, the nature of the water-adapted commerce, and the volume of it, which is a study that requires a long time. We estimate that such a study would take about a year to complete.

Mr. President, I ask my friend the Senator from West Virginia if he knows whether the Army engineers have ever been requested to make such a study, which is customary in projects of this kind.

Mr. REVERCOMB. I will say to the Senator from Nevada that such a request with regard to this international seaway has not been made by any committee of which I am a member. The able Senator from Nevada and I are members of the Public Works Committee, which deals with waterways within the boundaries of the United States but not with this international seaway. In that connection our committee is in contact with the Army Corps of Engineers and with the able head of that organization, General Wheeler. I do not know whether such a request ever has been made by some other committee.

The statement called to my attention by the Senator from Nevada clearly indicates that the Chief of Army Engineers was reluctant to state a conclusion, because he said an examination and a study which he thought necessary had not been made—a statement which in itself is a further argument that we are going too fast on this proposition, and that the resolution should be sent back to the committee.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. REVERCOMB. I yield.

Mr. MALONE. I also note in the testimony at the hearings an answer by General Wheeler to a question by the chairman as to whether he would be inclined to make such a survey. General Wheeler said:

> No, sir. We are short of money and short of people. We feel that we would need authority of Congress to make it, Senator WILEY, for the reason that all of our surveys are specifically authorized by an act of Congress. And this has not been so authorized.

I further ask the Senator from West Virginia whether it is customary in all cases, so far as he knows, to have such a detailed economic survey made by the Army engineers or by other competent authority.

Mr. REVERCOMB. It is very customary and, so far as I know, is prerequisite to any construction upon the inland waterways of this country, that a thorough survey be made, and that after the survey has been made, and only after it has been made, the conclusion must be arrived at that the construction is justifiable.

Mr. MALONE. Will the Senator further yield, Mr. President?

Mr. REVERCOMB. I yield.

Mr. MALONE. I note in the testimony of Mr. Harriman, the Secretary of Commerce, when apparently he was answering a question, the following statement:

> The Department—

That is, the Department of Commerce—

> has not yet made a detailed analysis of potential traffic on the seaway in the light of these revised capacity estimates. Moreover, the Department has been able to make only very preliminary judgments concerning the effect of tolls on traffic which might use the waterway and the level of tolls which can be imposed. My subsequent comments on traffic which might use the seaway must accordingly be considered only as very rough estimates rather than conclusions resulting from careful study. These limitations should be kept clearly in mind in appraising the estimates which are included in the table attached as an appendix to my statement.

Mr. President, if the Senator will further yield, let me say I am perturbed to have to cast my vote on this important question at this time without the necessary detailed economic surveys, since the project is very important to the States in the Northeast, according to several of my distinguished colleagues from that area; and of course it is well known that I am committed, and have been for over 20 years, to the development of the type of projects which are well established Federal policy through congressional

action over a period of 40 or 50 years. These types of projects include any navigation or flood-control project expenditures to be borne by the Federal Government, without expense to the citizens of the States involved, when it is clearly shown that the benefits are about equal to or greater than the costs.

Mr. REVERCOMB. Mr. President, let me interrupt the Senator at this point, if he will permit me to do so, to say that I have learned to know quite well the attitude of the Senator from Nevada and how forward looking he is and how aggressive he is in regard to the construction of public works and other public improvements which will improve the living and the progress of this country. But I have always found likewise that the Senator insists that they be upon a sound basis.

Mr. MALONE. I thank my colleague from West Virginia. I would further say that I am unqualifiedly on record as favoring the long-established policy of the construction of reclamation projects where the cost can be returned over a period of years without interest. This has been a 45-year policy of the Congress, when costs and benefits have been thoroughly investigated and the estimates of the Bureau of Reclamation have shown that the costs would be returned over a designated period of years. Further, on commercial projects, such as the production of power and other salable products, when that part of a project can return the money plus interest over a stated period, I have no hesitancy in saying that I favor the construction of such projects where their extraordinary size, slow returns, or their multiple-purpose character make them unsuitable for private investments.

That is what perturbs me now when I realize we are faced with an immediate decision and that no investigation has been made by the customary agency, the Army engineers, and in addition, the investigation by the Department of Commerce, which agency ordinarily takes little interest in such projects, has been only "a very rough estimate," to quote the Secretary's own words. The Secretary, whose record is not impressive in this field, says frankly in his final report of November 1947 that he had insufficient personnel and time in order to make a reliable study. If my esteemed colleague from West Virginia could throw any light on the matter or furnish any further authentic data not mentioned in the hearings, it might be very helpful.

Mr. WILEY. Mr. President, will the Senator yield for a moment?

Mr. REVERCOMB. I shall yield in a moment. I am also admonished that our time is limited, and that the Senator from Wisconsin probably will want to speak in his own time, eventually.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to speak in his own time?

Mr. WILEY. Mr. President, will the Senator yield for 1 minute in my time?

Mr. REVERCOMB. In a moment. I shall yield for that 1 minute on the Senator's time, as soon as I reply to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from West Virginia declines to yield, temporarily.

Mr. REVERCOMB. I do not know of any further plans being undertaken than the plans set forth in the record, which were called to my attention by the Senator from Nevada. I think his point is well taken. It appears throughout the record that there is not sufficient information, that surveys have not been completed. When the Chief of Engineers of the United States Army, who has charge of construction and who would have charge of it from the actual engineering viewpoint on behalf of our country, when he comes before the committee and says that such a survey has not been made, and that they are not yet prepared to make such a survey, I am thoroughly impressed with the fact that we are proceeding a little too hastily. Even if it should ever be justified, we certainly have not at this time reached the point of showing any justification.

I now yield to the Senator from Wisconsin, in his own time.

Mr. WILEY. Mr. President, I know of no other altercation in the Senate, so to speak, that indicates how totally ignorant the Senators are of the facts in the case. The undisputed evidence is that the Secretary of Commerce in November 1947 filed a complete report, showing in detail the income that would be derived from commerce. That report is in the record. The Corps of Engineers and the Senator who is now addressing the Senate filed in the record over the years excerpts from reports by the Corps of Engineers relative to the matter. I conclude my remarks by saying that the Corps of Engineers was requested by the Government to estimate the cost of the project. They did so. The distinguished Senator from the South [Mr. OVERTON] brought to the attention of the Senate in the opening days of the debate the fact that in 1941 the Secretary of Commerce had filed his report. But in November 1947, after the hearings had been concluded, as stated by the distinguished Senator from the West, the Secretary of Commerce filed his report. I hand that report to the Senator. It is already in the record, and I may say that one of the Senators is at present studying the report.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. REVERCOMB. In just a moment.

The PRESIDING OFFICER. The Senator from West Virginia declines to yield at this time.

Mr. REVERCOMB. Mr. President, let me say to the Senator from Wisconsin that when reference is made to ignorance of this, that, or the other figure I read from the record itself. The record states the facts and refutes any such charge. The testimony relates to a survey as to the amount of traffic that would pass through the canal. Certainly no one can soundly charge the Chief of Engineers of the Army with being ignorant. Let us see what he says about it. His testimony was quoted a few moments ago. The Senator from Wisconsin himself asked this question of the Chief of the United States Army Engineer Corps:

> I am informed now that Secretary Harriman will testify to traffic possibilities. I would like you to submit to the committee in writing your views on the type of commodities and amounts that may move over the seaway.
>
> General WHEELER. Yes, sir.
>
> Senator WILEY. Can you do that?

General Wheeler answered as follows:

> We have never made an exhaustive study of that kind, Mr. Coleman, and I attempted to point out in my presentation a few minutes ago that such a study involves a great deal of field work and a cost that we feel has not been authorized for us to do. In making such a study we have to canvass the field by field contact and by questionnaires to find out the potential users; we have to study the boundaries of the area that would be economically affected, the nature of the water-adapted commerce, and the volume of it, which is a study that requires a long time. We estimate that such a study would take about a year to complete.

The statement is there made by the Chief of Engineers that he is in no position to give an answer upon the question until such a study is made, and that it would take a year to complete it. I feel that that statement by the Chief of Engineers, a great engineer, can be accepted at its full value, as it appears in the record. There is nothing of ignorance here. There is solid fact. That is the printed record before us. But one conclusion can be drawn, that he would not give an estimate. He says he could not give an estimate until a survey should be made. We know that that survey has not been made, because it would take a year to do it.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. REVERCOMB. I yield.

Mr. MALONE. These few remarks I may make are not in the nature of an argument with my distinguished colleague from Wisconsin. I am merely endeavoring to secure further information upon which to base a decision on a question about which I am honestly undecided. The report made by the Department of Commerce, in its preface, states as follows:

> It is the purpose of this study, in view of the widespread interest in the pending legislation, to make an economic appraisal of the transportation phases of the project, with particular reference to potential traffic and the possible toll revenue which might be derived from it. Limited time and staff have not permitted undertaking a study of the potential traffic for all commodities. A fairly accurate picture of the total traffic volume which might utilize the waterway may, however, be derived from a study of a few bulk commodities, which it is anticipated will furnish the major share of the traffic. Accordingly, the study has been restricted to an investigation of potential traffic in iron ore, grain, coal, and petroleum.

I further submit that the data seem to be incomplete. Therefore it would seem to me that the thing to do would be to cause the customary study to be made for the benefit of the Congress. It would require approximately a year. When the Senate returns next year the

study can be ready for us. That would be my conclusion at the present moment.

Mr. REVERCOMB. Mr. President, I want to say that the attitude of the Senator from Nevada is a very fair one. We are considering a motion to recommit the resolution to the committee for further study. I am very glad that he has called the part of the record to our attention in which it is indicated that General Wheeler, the Chief of the Corps of Engineers, has pointed out the necessity of a very careful study and survey before he can make any answer to the question of whether the project would be justifiable.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I am very glad to yield to the Senator from Louisiana.

Mr. OVERTON. Mr. President, the Senator from West Virginia has stated that it is customary for the Army engineers to make preliminary examinations and surveys, and that he thought they would adhere to that custom in this instance. It is my recollection that the law requires such a preliminary survey; but the engineers cannot make such preliminary surveys and examinations without being authorized by the Congress. Therefore if a preliminary survey and examination is to be made I suggest to the able Senator from Wisconsin that he prepare a bill authorizing the Army engineers to make such a preliminary examination and survey.

Mr. REVERCOMB. I am glad to have that statement from the able Senator from Louisiana. I recognize him as an authority on the improvement of rivers and harbors, with which subject he has dealt for years. He strengthens our position when he calls to our attention the fact that the law requires a preliminary survey and examination. Such a survey has not been made. I know of no stronger ground on which we may ask for the recommittal of the resolution to the committee.

Mr. President, I shall not consume further time on this subject. It has been pointed out, first, that we are not ready or prepared to go ahead with the construction of the project; second, the cost factor is too great and it is economically unsound; third, it does not give to this country the advantages which it seems to me we are entitled to receive for such an expenditure of money. Therefore, Mr. President, I feel that the motion should be sustained and that the resolution should be returned to the committee for further study.

Mr. WILEY. Mr. President, I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, there now exists a great waterway between Canada and the United States. It is undeveloped and cannot be used at present to its full capacity. The Senate has before it the question of whether the United States should approve a contract which would develop the waterway for the benefit not only of the United States and of Canada, but of the rest of the world.

We are hearing arguments in 1948 that we should send the resolution back to the committee in order to have a further study of the subject. Let me say, Mr. President, that the subject has been before the Senate since 1895. In September 1895, 53 years ago, the Inland Deepwater Association met at Cleveland, Ohio, and discussed the practicability of the St. Lawrence seaway. Following that meeting the President of the United States and the Government of Canada appointed a Deepwaterway Commission which was directed to report on all possible waterways which might connect the Great Lakes and the Atlantic Ocean. The report of that commission was submitted to the President of the United States on January 8, 1897, 51 years ago. Yet we are today discussing whether the matter should be sent back to the committee for further study.

There are several ways in which a bill can be killed in the Senate. One of the milder ways, which still means death, is to recommit it to the committee. We have heard many arguments from day to day. When the question comes up as to what the Chiefs of Staff have said in regard to the project being a national-defense item we are confronted with the suggestion that if it became a reality and constituted an element in the defense of America, one atomic bomb would put it out of commission. Are we living in an age, Mr. President, when we fear to have a national defense because it may be destroyed by an enemy?

I think the day has come when we must have vision, when we must build America as a sound and a great Nation, realizing that the greatest strength and the greatest defense in the world would be to make this Nation strong internally. When we attempt to construct this waterway, with its attendant electric-power facilities, we shall be strengthening the very heart of America, which is the Midwest. When we have a sound heart in America we shall have a sound America.

On Monday we expect to consider a resolution providing for the rehabilitation of Europe. Why? Because we want Europe to be a strong community in the world, and in order that trade may be increased. Yet, today it is said that the resolution which provides for one of the great arteries of such trade should be recommitted to the committee, so that it may be killed in that manner. Mr. President, if we will visualize this great project and the benefit it will be to the United States, we will not send the joint resolution back to the committee. We will stand up and be counted. We will be men of vision.

Mr. LODGE. Mr. President, I yield to the Senator from Oregon.

Mr. CORDON. Mr. President, I rise in support of the motion to recommit. I regret that my investigation into the record on this subject requires me to take that position. I am one who supports public works, who believes in waterway development, and who believes in the development of hydroelectric power to as great an extent as that power can be developed by private or by public means.

I should prefer to be standing here now supporting the joint resolution itself and opposing the motion to recommit. I rise only in support of the motion to recommit because I cannot satisfy myself that that thing has been done which should have been done in order that the Members of this body might cast their votes with all the knowledge available to them which should have been made available.

Mr. President, since 1902 there has been a requirement of law that all waterway improvements for navigation, either of rivers or harbors, should be examined as to feasibility first, and then as to economic justification. Until 1936 there was no statute which required economic justification as a condition precedent to authorization or appropriation, but an examination was required to be made, and the information made available.

In 1936, for the first time, I believe, in the Flood Control Act, there was a requirement that the justification be made, and that there must be at least an equality between benefits and costs in order that a favorable report on a project might be made.

Mr. President, I frankly say to the Senate that I have not had the hours necessary fully to follow all the debate that has been had on this matter since it was brought before the Senate in the current session. I have had to rely for my information upon the report of the hearings. I have done my best to acquaint myself, at least generally, with the contents of the hearings, and in careful detail with those matters in the hearings which seemed to me to be of major value in determining the question here presented.

From the hearings I was unable to determine what was the basis for the claim of economic justification with reference to the St. Lawrence seaway. I read the testimony that was there in the form of generalized statements. I overlooked the fact that the Senator from Wisconsin had earlier in the debate presented what the proponents say is an economic justification in writing from the Department of Commerce. I did know that the Department of Commerce had been directed in 1941 to make a survey of that character. I did not have access to the survey and report until this afternoon.

Even so, Mr. President, that in itself would not have been sufficient to place me in the position in which I now stand, had the record indicated or the fact been that the committee which has studied this matter had access to the report itself, and had examined those who were responsible for the report, so that we in the Senate might now have the conclusions of a committee of our own membership as to the value which might attach to the report.

I recall, Mr. President, that when I was a member of the Committee on Commerce, prior to the congressional reorganization, that committee spent not only hours, but days, interrogating representatives of the Corps of Army Engineers, not as to whether they had reached a favorable decision on a project, but as to the factors upon which their decision was based, going by the hour into meticulous detail.

Mr. President, had the Committee on Foreign Relations had the opportunity to

do that, and had it brought that information in, we would have been in a much better position to make up our minds.

If the pending motion shall prevail, Mr. President, and the joint resolution go back to the committee, I hope the particular matter I have suggested may be studied, and if that examination can be gone into in detail, we may get the joint resolution back at this session of the Congress with complete information upon which every Member of the Senate can make a considered decision.

I shall support the motion to recommit, for the reasons I have stated.

Mr. LODGE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LODGE. How much time is left to the Senator from Wisconsin, and how much to me?

The PRESIDING OFFICER. The Senator from Wisconsin has 40 minutes left, and the Senator from Massachusetts 15 minutes. That does not quite check. The Chair is sure the Senator from Wisconsin will be generous.

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. WILEY. Does the Senator wish to put something in the RECORD?

Mr. MYERS. Yes.

Mr. WILEY. I yield.

Mr. MYERS. Mr. President, the freight traffic committee of the Pittsburgh Chamber of Commerce recently reaffirmed its position as opposed to the proposed development of power and seaway facilities as provided in the measure which is now before the Senate. The freight traffic committee reported to the board of directors of the chamber, and both the committee and the board were unanimous in their opposition.

I ask unanimous consent that at this point in the RECORD, as a part of my remarks, there be printed the letter of James H. Greene, executive vice president of the Pittsburgh Chamber of Commerce, together with a resolution adopted by the freight traffic committee of the chamber, both of which indicate the reasons why the chamber is opposed to the St. Lawrence project.

Mr. WILEY. Mr. President, I think the request should have been made to the Senator from Massachusetts. But I am glad to yield.

Mr. LODGE. Mr. President, the time the Senator from Pennsylvania has consumed may be charged to my time.

The PRESIDING OFFICER. It will be so recorded.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

THE CHAMBER OF COMMERCE OF PITTSBURGH,
Pittsburgh, Pa., February 2, 1948.

Subject: Senate Joint Resolution 111, St. Lawrence project.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: This will confirm telegram sent you today which reads as follows:

"The Pittsburgh chamber has again reaffirmed opposition to the St. Lawrence project, now before the Senate in Senate Joint Resolution 111. Copy of report being sent by mail. Your vote against measure respectfully urged."

With respect thereto, a copy of the report and resolution of our freight traffic committee is attached hereto. It recommended that the Pittsburgh Chamber of Commerce again reaffirm its position as opposed to the proposed development of power and seaway facilities as contained in the instant measure now being debated in the Senate.

The board of directors, at a meeting held on January 30, 1948, approved the recommendation. Both the committee and the board actions were unanimous.

Your consideration and vote against passage of Senate Joint Resolution No. 111 are respectfully urged.

Very truly yours,

JAMES H. GREENE,
Executive Vice President.

—

JANUARY 27, 1948.

Subject: St. Lawrence power and waterway project.

To the Members, Board of Directors, Chamber of Commerce of Pittsburgh

GENTLEMEN: The proposed United States-Canadian agreement to provide for the construction of power and waterway facilities on the St. Lawrence River is again before Congress. Joint resolutions were introduced in both the Senate and House of Representatives during the first session of the Eightieth Congress. These measures include an added feature; namely, that the project may be made self-liquidating, but the details with respect to the system of tolls are to be the subject of further negotiations with Canada during the period of construction. They are:

Senate Joint Resolution No. 111, introduced by Senator VANDENBERG, of Michigan, for himself and several other Senators.

House Joint Resolution No. 192, introduced by Representative DONDERO, of Michigan.

The Senate Foreign Relations Committee completed hearings in 1947 and submitted its report on January 7, 1948, in favor of passage by a vote of 9 to 4. A minority report in opposition was also filed. Debate has been scheduled for the week beginning January 26, 1948.

The House Public Works Committee held partial hearings during July 1947, and has announced that further hearings are to be scheduled at an early date.

Your Freight Traffic Committee for several months past has given consideration to the self-liquidating feature of the instant measures, as well as to other conditions alleged to have changed since the matter was previously considered by Congress.

The Pittsburgh Chamber of Commerce is on record in opposition to the St. Lawrence project by resolutions of February 6, 1934, and December 27, 1938, which were reaffirmed on February 9, 1940, June 6, 1941, and December 30, 1943.

In connection therewith, your Freight Traffic Committee respectfully submits the following resolution and recommends its adoption:

"*Resolved*, That the Chamber of Commerce of Pittsburgh reaffirm its prior actions in opposition to legislation proposing the approval of the United States-Canadian agreement to provide for construction of power and waterway facilities on the St. Lawrence River for the following reasons:

"1. That Senate Joint Resolution 111 and House Joint Resolution 192 do not provide for a definite and adequate survey of anticipated traffic for the seaway to be made prior to authorizing construction, which would make available to the public information as to whether or not toll revenues would be sufficient to make the project self-liquidating and therefore economically justified;

"2. That the Interstate Commerce Commission should be directed to make such a traffic survey and submit a report, further consideration of the said resolutions to be deferred until such report is completed and made public;

"3. That the costs of construction of such works have greatly increased and immediate approval of a project of such magnitude will tend to encourage further increases in labor and material costs;

"4. That the harmful effects upon the public interest generally would offset the alleged benefits which may accrue to the limited area in the Great Lakes region even though the project could be made self-liquidating; and specifically

"5. That the Pittsburgh district and western Pennsylvania are among the regions which will be harmfully affected, by the loss of markets for bituminous coal, loss of freight traffic to the railroads, loss of employment in these fields, and the loss of present and prospective industrial enterprises to the area on or adjacent to the St. Lawrence; and be it further

"*Resolved*, That copies hereof be sent to the President of the United States and the Senators from Pennsylvania and the Representatives from the Pittsburgh district."

Respectfully submitted.

FREIGHT TRAFFIC COMMITTEE.

Mr. HATCH. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, the Corps of Engineers, United States Army, has participated in engineering studies of the St. Lawrence development over the period from World War I continuing down to date. I wish to have inserted in the body of the RECORD a summary of the recommendations made by the Chief of Engineers and other officers of the Corps of Engineers, bearing directly upon these engineering studies of the St. Lawrence project.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

A SUMMARY OF THE RECOMMENDATIONS AND TESTIMONY AS TO THE ECONOMIC JUSTIFICATION OF THE GREAT LAKES–ST. LAWRENCE SEAWAY BY OFFICERS OF THE CORPS OF ENGINEERS, UNITED STATES ARMY

(Presented by the Power Authority of the State of New York, Gen. Francis B. Wilby, chairman, at public hearings of the Committee on Public Works, United States House of Representatives, July 16, 1947, in support of the St. Lawrence project resolution, H. J. Res. 192)

PARTICIPATION BY THE CORPS OF ENGINEERS, UNITED STATES ARMY, IN SURVEYS AND REPORTS ON THE ST. LAWRENCE DEVELOPMENT

Dual-purpose development of the St. Lawrence River for both power and navigation has been approved by the Chief of Engineers and by officers of the Corps of Engineers assigned to submit reports and recommendations on the project over the period from World War I continuing through World War II.

Estimates of costs of construction of the entire development, and estimates on capacity, traffic, and ratio of benefits to costs of the navigation project, have been submitted by the Corps of Engineers to congressional committees, and to other governmental agencies in numerous reports filed over the past 25 years.

The project now pending before the Congress of the United States (Senate) is provided for by the United States-Canadian agreement of March 19, 1941, as approved, with amendments which do not affect the agreed type of project works, by Senate Joint Resolution 111 and House Joint Resolution

192, Eightieth Congress, first session, both introduced on May 9, 1947.

In its preliminary article, the agreement of 1941 defines the proposed deep waterway as a project that will mean "adequate provision for navigation requiring a controlling channel depth of 27 feet with a depth of 30 feet over lock sills, from the head of the Great Lakes to Montreal Harbor via the Great Lakes System and St. Lawrence River, in general accordance with the specifications set forth in the Report of the Joint Board of Engineers, dated November 16, 1926."

The pending project differs from the project recommended in the 1926 report chiefly in the fact that a single-stage power development has been substituted for a two-stage power development in the International Rapids section on the New York-Ontario frontier. Outside this section, the pending project calls for construction of navigation works generally in accordance with the plans recommended by the Joint Board in 1926, allowing for the very substantial improvements already made by both countries since 1926, which will form essential parts of the completed seaway. Such works include the Welland Canal, completed by Canada in 1932, and the MacArthur Lock, completed by the United States at the Sault Ste. Marie in 1943.

Because of the improvements already made by both countries since 1926, estimates of the cost to complete the project made in 1926 and in 1947 are not comparable. Detailed estimates covering costs of the project now under consideration were submitted to a subcommittee of the Senate Committee on Foreign Relations on June 13, 1947, by Lt. Gen. Raymond A. Wheeler, Chief of Engineers, United States Army. The purpose of the present memorandum is to present a summary of the various reports and recommendations submitted by the Corps of Engineers, giving the Corps' findings down to date as to capacity, traffic, and ratio of benefits to costs of the seaway project.

PRINCIPAL REPORTS AND PERSONNEL OF THE CORPS OF ENGINEERS ENGAGED IN SURVEYS OF THE ST. LAWRENCE SEAWAY PROJECT

The principal reports and surveys on the St. Lawrence project, in which officers of the corps have been engaged, from 1921 to 1947, inclusive, are as follows:

Wooten-Bowden report, June 24, 1921

A report was submitted by the joint engineering board to the International Joint Commission June 24, 1921.

The board consisted of Col. William P. Wooten, Corps of Engineers, United States Army, and W. A. Bowden, chief engineer, department of railways and canals, Dominion of Canada, and their staffs.

In its report the board found that physical conditions on the St. Lawrence River "are favorable for improvements in navigation which will be permanent and will have very low upkeep costs" and recommended "combined development for navigation and power of the rapids section on the international boundary."

The International Joint Commission, in its report December 19, 1921, approved the project and accepted the above and other recommendations of the Wooten-Bowden report.

Report of the Joint Board of Engineers, November 16, 1926

Following approval of the St. Lawrence project in 1921 by the International Joint Commission after extensive public hearings, the United States and Canada, in 1924, set up advisory commissions and a Joint Board of Engineers to proceed with plans for the development.

Secretary of Commerce Hoover was appointed by President Coolidge as chairman of the United States St. Lawrence Advisory Commission. Members of the joint board of engineers appointed in 1924 to work with the two advisory commissions were:

For the United States: Lt. Gen. Edgar Jadwin, then colonel, Corps of Engineers, later Chief of Engineers; Col. William Kelly, then colonel, Corps of Engineers, now vice president of the Niagara Falls Power Co.; Brig. Gen. George B. Pillsbury, then lieutenant colonel, Corps of Engineers, later Assistant Chief of Engineers.

For Canada: Duncan W. McLachlan, department of railways and canals; Olivier O. Lefebvre, chief engineer, Quebec streams commission; Brig. Gen. Charles H. Mitchell, dean of faculty of applied science, University of Toronto.

The Joint Board of Engineers, in its report November 16, 1926, submitted comprehensive plans for completion of the seaway with a dual-purpose development of the St. Lawrence River. A majority of the United States section favored channel deepening initially to 25 feet controlling depth, with 30 feet over lock sills, and with provision for later enlargement of the channel to the same depth. The United States section recommended a single-stage development in the international rapids section as less costly and "as affording better navigation." The Canadian section recommended a two-stage development, "so that the power from the upper development can be developed and marketed before the whole of the improvement is completed."

The report of the Joint Board of Engineers estimated that, at a controlling depth of 25 feet, the St. Lawrence seaway would have a traffic capacity of 24,000,000 tons per annum.

The report was submitted to the United States St. Lawrence Commission in 1926, and by Chairman Hoover to President Coolidge, who transmitted it to Congress.

Report of the Joint Board of Engineers (reconvened), April 9, 1932

The Joint Board of Engineers was reconstituted in January 1930, with Col. Harley B. Ferguson, Corps of Engineers; Maj. Gen. E. M. Markham, then colonel, Corps of Engineers, later Chief of Engineers; and Brig. Gen. George B. Pillsbury, then colonel, Corps of Engineers, as its members. In June 1930 General Pillsbury was succeeded by Lt. Gen. Eugene Reybold, then major, Corps of Engineers, later Chief of Engineers.

The Canadian section of the Joint Board continued from 1924 to 1932 with the same membership.

In its report April 9, 1932, the Joint Board of Engineers (reconvened) agreed upon a two-stage plan for the International Rapids section, declaring that it "is of the unanimous opinion that the two-stage plan above defined is practicable and feasible from an engineering point of view; that there is no question as to the safety of the works proposed; and that navigation requirements and power recovery are provided for adequately."

The report recommended no major changes in the comprehensive plan for the development submitted in 1926 but provided in its estimates for a controlling depth of 27 feet.

Reports of the Corps of Engineers, December 5, 1933

In September 1933 the Interdepartmental Board on the Great Lakes-St. Lawrence seaway and power project was appointed by President Roosevelt to bring up to date all previous surveys and reports on the project.

A draft treaty between the United States and Great Britain (acting for Canada) had been signed July 18, 1932, to provide for completion of the project in general accordance with the plans recommended by the Joint Board of Engineers in its reports of November 16, 1926, and April 9, 1932.

The Corps of Engineers was represented on the Interdepartmental Board by Brig. Gen. George B. Pillsbury, then Assistant Chief of Engineers.

Two reports were submitted by General Pillsbury to the Interdepartmental Board under date of December 5, 1933, as follows:

Engineering Report on the St. Lawrence Waterway, by Lt. Col. M. C. Tyler, Corps of Engineers, division engineer, Great Lakes division.

Economic Report—Study of Great Lakes-St. Lawrence Seaway, by Maj. Milo P. Fox, Corps of Engineers, resident member, Board of Engineers for Rivers and Harbors.

The Tyler report presented a detailed study on lockages of vessels through existing locks on the Great Lakes-St. Lawrence system. It estimated the capacity of the completed seaway at 25,000,000 tons per annum. It found that commerce through the existing Welland and St. Lawrence canals was increasing, and estimated that, under the completed project, "the capacity available for new shipping, in distinction from that now making use of the Welland and St. Lawrence canals, will be about 16,000,000 tons."

In the report submitted on behalf of the Board of Engineers for Rivers and Harbors by Major Fox, resident member, 26 commodities available for export and 28 commodities available for import were considered in estimating that about 13,000,000 tons might have moved over the seaway in foreign trade on the basis of 1929 commerce, had the 27-foot channel been available. In addition, the report listed 19 commodities in domestic coastwise and intercoastal trade (in-bound) and 15 commodities (out-bound) available for commerce on the seaway. On selected export and import commodities, without considering coastwise and intercoastal trade, the report estimated transportation savings on exports at $44,810,000 and on imports at $34,082,000, subject to revision due to changes in rates since 1929.

Engineering report to the United States St. Lawrence advisory committee and the Canadian temporary Great Lakes-St. Lawrence committee, January 3, 1941

After the July 18, 1932, draft, St. Lawrence treaty failed of a two-thirds majority in the United States Senate in 1934 (49 for; 43 against, including pairs), the United States and Canada resumed negotiations and on March 19, 1941, reached the pending St. Lawrence agreement.

The 1941 agreement adopts the comprehensive plan for the seaway, previously recommended in the reports of the joint board of engineers, dated November 16, 1926, and April 9, 1932, except that a single-stage power development has been substituted for the two-stage power development in the International Rapids section.

Recommendation of the controlled single-stage project for the International Rapids section, with a single power development at Barnhart Island, near Massena, N. Y., was made in the engineering report on the St. Lawrence deep waterway, International Rapids section, submitted to the United States and Canadian advisory committees, under date of January 3, 1941. This report, signed by Maj. Gen. Thomas M. Robins, then brigadier general, Corps of Engineers, and Assistant Chief of Engineers, and by Guy A. Lindsay, engineer in charge, General Engineering Branch, Department of Transport, Dominion of Canada, states:

"After careful consideration of the projects proposed and the estimates of cost thereof, the engineers agreed that the '238-242' controlled single State project, is in their opinion, the best from an engineering and economic point of view, bearing in mind the requirements of navigation and power and the protection of down-river interests."

Final report on the St. Lawrence River project, Corps of Engineers, United States Army, United States engineer office, Massena, N. Y., April 30, 1942

In 1940, prior to the signing of the United States-Canadian agreement of March 19,

1941, the United States engineer office was established at Massena, N. Y., to complete plans for the development in the International Rapids section. The sum of $1,350,000 was made available to the Corps of Engineers and an engineering staff was assembled at Massena to conduct extensive field surveys, core borings in the river, drafting, and other engineering and technical work. The district engineer office completed the assignment and submitted its final report to the Chief of Engineers April 30, 1942.

Testimony of Chiefs and Assistant Chiefs of Engineers, before congressional committees, 1932, 1941, 1946, and 1947, recommending completion of project

In addition to the printed reports noted above, the Corps of Engineers has participated in congressional hearings on measures presented to authorize the St. Lawrence project in 1932, 1941, 1946, and 1947.

Among the officers of the Corps of Engineers who have recommended construction of the project for both power and navigation at such hearings and who have testified that the seaway will confer important navigation benefits, on the basis of the ratio of transportation savings to costs, are the following (see hearings):

Brig. Gen. George B. Pillsbury, Assistant Chief of Engineers, Senate Committee on Foreign Relations, November 29, 1932.

Maj. Gen. E. M. Markham, later Chief of Engineers, Senate Committee on Foreign Relations, November 29, 1932.

Maj. Gen. Thomas M. Robins, Assistant Chief of Engineers, House Committee on Rivers and Harbors, June 19, 20, July 7, 1941, Senate Committee on Foreign Relations, February 18, 1946.

Lt. Gen. Raymond A. Wheeler, Chief of Engineers, Senate Committee on Foreign Relations, February 18, 1946, Senate Committee on Foreign Relations, June 13, 1947.

Col. Peter A. Feringa, resident member, Board of Engineers for Rivers and Harbors, Senate Committee on Foreign Relations, March 4, 1946.

Estimates prepared by the Corps of Engineers accepted by other governmental agencies

Cost estimates for the construction of the St. Lawrence project and the findings as to its benefits submitted by the Corps of Engineers were approved after public hearings by congressional committees in both branches of Congress in the report of the House Committee on Rivers and Harbors, November 21, 1941, and in reports of the Senate Committee on Foreign Relations, February 21, 1933, and June 13, 1946.

The United States Maritime Commission, in a report on the St. Lawrence project by Admiral Emory S. Land, Chairman, August 6, 1941, concurred in the conclusions of the Corps of Engineers, recommended the project, and declared that "the great preponderance of expert opinion attests the feasibility and value of the projected development." A similar recommendation for construction of the project was made by the United States Maritime Commission in testimony by Edward Macauley, Acting Chairman, before the Senate committee, February 18, 1946.

APPENDIX—EXCERPTS FROM PUBLISHED STATEMENTS AND TESTIMONY OF OFFICERS OF THE CORPS OF ENGINEERS, UNITED STATES ARMY, ON IMPROVEMENT OF GREAT LAKES-ST. LAWRENCE WATERWAY TO CONTROLLING DEPTHS OF 27 FEET

STATEMENT, NOVEMBER 16, 1932, OF BRIG. GEN. GEORGE B. PILLSBURY, ASSISTANT CHIEF OF ENGINEERS, ON IMPROVEMENT OF THE GREAT LAKES-ST. LAWRENCE WATERWAY TO A CONTROLLING DEPTH OF 27 FEET, PRESENTED AT HEARINGS OF A SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, DECEMBER 3, 1932

The waterway proposed will extend from Duluth-Superior, at the head of Lake Superior, down through the Great Lakes and their connecting channels, a distance of more than 1,000 miles, to the head of the St. Lawrence River; then down that river 183 miles to Montreal, where it will connect with the channel already provided between that world port and the sea.

Each of the Great Lakes has ample depth for the largest ship ever yet built or for the largest ship that could be imagined in our wildest dreams. In the portion of the proposed waterway from Duluth to the head of the St. Lawrence River we have only to concern ourselves with the channels which connect the Lakes. * * *

Through these channels passes about 80 percent of the iron ore used in the industry of this country. They afford the outlet for the vast grain fields west and north of the Lakes. The coal transported up lake as return cargo supplies the same region. The traffic through these channels in normal years is upward of 100,000,000 tons annually. To promote the safety of this intensive traffic, separate channels have been provided when practicable for up- and down-bound channels.

The economy and efficiency of lake transportation is proverbial. Greater economy and efficiency can be secured by increasing the channel depths so that vessels can be more deeply loaded. Since the heavily loaded vessels are all down-bound, it is sufficient, so far as present lake traffic is concerned, to deepen only the channels used by down-bound traffic. * * *

The waterway will be closed by ice during the winter. The period of open navigation will be established generally by the opening and closing of the port of Montreal, for, as the river runs north, the lower portion is the first to close by ice and the last to open. On the average, the first ship arrives at Montreal on April 28 and the last ship leaves on December 7. The period of navigation, on the average, will, therefore, be about 220 days in the year. No one familiar with the business of the port of Montreal will doubt the feasibility of world shipping operations under this restriction. * * *

A considerable transportation economy undoubtedly results from the use of large deep-draft vessels, particularly on long voyages, if cargo to fill the vessels is available at the ports. It is, however, idle to assert that seagoing vessels cannot economically transport cargoes on a fresh-water draft of 25 feet. The report of the Department of Commerce on the probable commerce through the waterway in 1926 showed that, excluding combination passenger-cargo ships and tankers, 88 percent of the entrances and clearances of ships on our foreign trade, carrying 81 percent of the dead-weight tonnage, could be accommodated in a channel of 27-foot depth, suitable for vessels loaded to 25 feet or less. While the great express passenger liners on the New York-European trade are not interested in a 27-foot channel, passenger and freight vessels are now regularly operating on the trans-Atlantic service with drafts of less than 25 feet, and fine passenger-freight vessels for various services are now being built with drafts of as little as 23 feet. The port of Tampa, Fla., with a depth of 27 feet, had a foreign commerce in 1930 of 1,400,000 tons. No one with any knowledge of ocean freight shipments has any doubt of the feasibility of carrying commerce on the waterway proposed.

TESTIMONY, NOVEMBER 29, 1932, OF BRIG. GEN. GEORGE B. PILLSBURY, ASSISTANT CHIEF OF ENGINEERS, AT PUBLIC HEARINGS ON THE ST. LAWRENCE SEAWAY AND POWER PROJECT, BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE

Senator WALSH of Montana. What do you say as to the adequacy of the 27-foot channels?

General PILLSBURY. I believe that they are adequate for carrying on a large and important commerce in deep-draft ocean vessels.

The primary seacoast harbors in this country all have depths in excess of 27 feet for the reason that the economies in the transportation of freight increase with the draft of the vessel, and those economies justify the provision of channels deeper than 27 feet. But the great bulk of the vessels which use those harbors are vessels of 25-foot draft or under.

Recently for a year and a half I was the district engineer in charge of the improvement of the Delaware River and Philadelphia Harbor, one of the great freight ports of this country. On my numerous trips up and down the river I carefully noted the actual draft of the large commerce that frequents that port. Outside of oil tankers it was very rare that I found a ship entering Philadelphia Harbor with a greater draft than 25 feet. It is true that about half of the merchant shipping can load to a greater draft than 25 feet, but they do not load to that draft. It is the rarest thing to see a boat loaded down to the Plimsol marks which indicate her maximum carrying capacity. So I have not the slightest doubt that the essential economies resulting from the ocean carriage of shipments to the Great Lakes will be realized by a channel 27 feet deep.

TESTIMONY, NOVEMBER 29, 1932, OF MAJ. GEN. EDWARD M. MARKHAM, CHIEF OF ENGINEERS, THEN COLONEL, CORPS OF ENGINEERS, UNITED STATES ARMY, AT PUBLIC HEARINGS ON THE ST. LAWRENCE SEAWAY AND POWER PROJECT, BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE

Colonel MARKHAM. I have no doubt that the ocean ships will penetrate the Lakes and do a very substantial business, whatever an organized effort requiring money would produce, precisely as estimated tonnage. I am not prepared to talk estimated tonnage, but I am prepared to talk very strongly my belief that there can be no remotest doubt of ocean ships coming into the Lakes.

Senator VANDENBERG. You were located in Detroit for a considerable time, were you not?

Colonel MARKHAM. About 7 years. District engineer, Detroit, 1922 to 1929; division engineer, Great Lakes division, 1929 to 1934.

Senator VANDENBERG. Did you in the course of the time give any consideration to the advantages of this development to industrial Detroit? Have you any impressions on that subject?

Colonel MARKHAM. Well, I would be very glad if you would not carry me into the impressionistic field.

Senator VANDENBERG. I thought that was your word. I was using your word.

Senator BORAH. Your impressions seem to be pretty strong.

Colonel MARKHAM. Yes, sir; but I should like to have them known as impressions. Yes; I think the industry of Detroit would greatly benefit in whatever would be its future export business.

Senator WALSH of Montana. Referring for a moment to the development of the lake ports, what expense would be entailed upon the United States for the construction of docks and warehouses and that sort of thing?

Colonel MARKHAM. None. I am presuming that if the business is there and is justified by its economies that the municipalities will construct their own facilities in that regard; that the United States would be obligated and would fill the obligation of taking the ships to the docks. * * *

I would say in general terms that we regard the plans presented as being perfectly safe, perfectly adequate, and commodious; that we feel satisfied with our estimates as being highly generous for the reasons first referred to. * * * We think there is no unusual hazard in the navigation of those channels, and we are unanimous in the belief that, as the traffic or business is pre-

sumed to be in the Lakes, ships will come and get it. * * *

Senator WALSH of Montana. What would you say as to the risk of navigating the St. Lawrence through the international section with the work completed as contemplated?

Colonel MARKHAM. I think the risk through the international section is all but nonexistent. * * *

TESTIMONY OF MAJ. GEN. THOMAS M. ROBINS ON THE UNITED STATES-CANADIAN AGREEMENT OF 1941 FOR COMPLETION OF THE ST. LAWRENCE PROJECT AT PUBLIC HEARINGS OF THE COMMITTEE ON RIVERS AND HARBORS, UNITED STATES HOUSE OF REPRESENTATIVES, JUNE 19, JUNE 20, AND JULY 7, 1941

General ROBINS. The St. Lawrence River is a natural transportation route between the Great Lakes and the sea and offers an exceptional opportunity for the production of hydroelectric power.

In the early stages of the commercial development of North America the St. Lawrence River was partially improved for both navigation and power purposes, and for many years plans have been in the making for the complete and full utilization of the resources of this waterway.

It has been generally understood throughout the country that some day these plans would have to be carried out. In my opinion that day has now arrived. The country can no longer afford to be without the transportation facilities and the power which can be made available by full and comprehensive development of the St. Lawrence River, either from the standpoint of national defense or the commercial needs of our great inland empire bordering on the Great Lakes.

The plans for the Great Lakes-St. Lawrence seaway and power project are now complete, having been worked out in detail and agreed upon wholeheartedly by duly accredited representatives of both the countries concerned.

There is no longer any argument as to what should be done, and it is possible to make reliable estimates of costs of the undertaking.

This cost is not unreasonable or excessive and under the pending agreement will be divided as equitably as possible between the United States and Canada. The State of New York offers to take over and operate the power facilities that will be built on the American side of the border and to reimburse the United States for the cost of these power facilities.

I do not know of any other State in the Union that has created a power authority such as the State of New York has created, and offered to reimburse the Government for every nickel of the cost of the power, and take over the plant and operate it. Certainly it seems to me it is advantageous to the Federal Government if a State will take such action and assume all the burden of operation.

Mr. CULKIN. Congress, General, can safeguard the social use of this power, can it not?

General ROBINS. Yes, sir.

Mr. CULKIN. And that is, in fact, written in the bill itself?

General ROBINS. That is in the bill. It is also written in the State law which governs the operations of the New York State Authority.

Mr. CULKIN. It has been referred to here during the hearings, the part that Governor Smith played in it, and Governor Hughes, and various other governors, asserting that the control of this power must be made to remain in the people. * * * Your staff has been working on this full time for some months, has it not?

General ROBINS. Almost a year.

Mr. CULKIN. And prior to that, in the engineer's office, you have had earlier and other figures; in other words, the subject has been under investigation for some years?

General ROBINS. Well there have been three or four boards considering this subject for the last 20 or 30 years.

Mr. CULKIN. The figure that is flaunted in the press by various propaganda agencies that the cost of this is $1,100,000,000, is completely erroneous. Is that true?

General ROBINS. Completely so.

Mr. CULKIN. And those claims—I do not wish just to characterize them—are just pure propaganda and unsound?

General ROBINS. They are certainly unsound.

Mr. CULKIN. * * * May I ask you this broad question, General; and you need not answer unless you want to: Is that power there that will be created by this dam, if Congress sees fit to adopt the project, is that needed now for national defense?

General ROBINS. It is.

Mr. CULKIN. And that will be a continuous need, will it not?

General ROBINS. It will be a continuing need, even leaving national defense out of it. The country will need that power just as sure as the sun rises and sets.

Mr. CULKIN. Yes. It will be just as splendid a contribution to our national economy as Boulder Dam and Grand Coulee and Central Valley and all these other projects, will it not?

General ROBINS. Yes, sir; it is a better power proposition than any of them, except Bonneville.

Mr. CULKIN. It is what the engineers call a "natural"; is it not?

General ROBINS. It is a natural from an engineering standpoint, and it is located in a very densely populated region with an almost unlimited power market.

Mr. CULKIN. Now, all the waters of the Great Lakes—and I heard the statement that it constitutes half of the fresh water of the globe—flows down through this narrow gorge in the St. Lawrence?

The CHAIRMAN. Chicago gets some of it.

General ROBINS. All of it that does not go down the Illinois.

Mr. CULKIN. What is the cubic second-feet flow there at the St. Lawrence, at that point?

General ROBINS. The mean flow over a period of some 60 years is about 240,000 second-feet. It fluctuates very little comparatively. I think it has got as high at one time as 318,000, and as low at one time as 170,000; but that wide fluctuation is due to ice conditions and not to the water available.

Mr. CULKIN. Yes. There is nothing like it in the world?

General ROBINS. No, sir.

Mr. CULKIN. No place in the world where power, which is now a part of our defense economy in the United States and abroad, can be created at so low a cost; is that correct?

General ROBINS. I think that is correct. I do not know of any other place that can develop that quality of power at such a cost. * * *

Mr. BELL of Missouri. I would like to ask this, General: Would it be possible to produce any of the power listed there unless you also did the work necessary to navigation? Is not the navigation, in other words, an integral part of the whole project?

General ROBINS. It is. You cannot have either power or navigation without the dam.

Mr. BELL. Unless you have the whole thing?

General ROBINS. You have to have the dam for the power as well as for navigation. If you left out navigation, you would not have to have canals or the locks or a lot of channel excavation.

Mr. BELL. But the cost would not differ very materially from the cost of the dam which would be constructed for navigation alone. Is that correct, General?

General ROBINS. The cost of the dam would be just the same. * * *

Mr. BEITER. Have you ever figured the seaway project without the power project?

General ROBINS. No, sir; I have never looked at it as anything but a multiple-purpose project, because I think it would be a crime to look at it in any other way.

Mr. BEITER. What do you mean "to look at it in any other way"?

General ROBINS. You have two resources there to be developed—navigation and power—and it would be a crime to build the project for either one or the other, because you would be wasting money.

Mr. BEITER. Well, don't you think it would be advisable to construct just the power plant in that area?

General ROBINS. No, sir; because power would cost more to build alone than if it were built in combination with navigation, the same as would obtain if you built for navigation alone. The two purposes help each other. * * *

Continuing with testimony, July 8, 1941:

Mr. DONDERO. Is it not true that this being an international project, the procedure differs from that of a domestic engineering project?

General ROBINS. Yes, sir; that is true. In this case the economic studies and reports have been made by the Department of Commerce, but the engineering estimates and the plans for this project have been passed on by the Office of the Chief of Engineers in the same way as any other project that is handled and reported upon by the Board of Engineers.

Mr. DONDERO. And the reports that have been filed have been by really an international board of engineers of the two countries?

General ROBINS. The International Board of Engineers is the agency that reports on the engineering questions, but the men working on the cost estimates and the plans and everything connected with the engineering features of the project are exactly the same men that work on other projects that the Engineer Department has in charge.

Mr. DONDERO. Has the Board of Engineers of this country always been represented on that Board?

General ROBINS. Yes, sir; since the beginning.

Mr. DONDERO. The Board of Engineers has been represented on this Board that has made the reports on the project?

General ROBINS. Yes; either the Chief of Engineers or the Assistant Chief of Engineers has always been on the joint boards considering the St. Lawrence project.

Mr. DONDERO. All of the work that was carried on in 1932 and 1936—was that carried on mainly by American funds and American engineers?

General ROBINS. It was.

Mr. DONDERO. The procedure in making these estimates by the Joint Board of Engineers differed in no manner from the usual procedure employed by the Board of Army Engineers in engineering matters in our own country?

General ROBINS. As soon as this investigation and restudy was ordered by the President in 1940 we established an engineer district at Massena, N. Y., and that district has been staffed by many of our regular employees and has functioned just the same as any other engineering district; and we have in addition to that, employed eminent consulting engineers on this work, just the same as we do for all our river and harbor work.

TESTIMONY OF LT. GEN. RAYMOND A. WHEELER, CHIEF OF ENGINEERS, AT PUBLIC HEARINGS OF A SUBCOMMITTE OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, ON GREAT LAKES-ST. LAWRENCE SEAWAY AND POWER PROJECT, FEBRUARY 20, 1946

Senator LA FOLLETTE. General, I would like to know how these estimates were prepared. They were prepared, were they not, with the same care and on the same basis of professional engineering standards that are customary with the Corps of Engineers, were they not?

General WHEELER. Yes, sir.

Senator LA FOLLETTE. I ask you that question because I have observed that with regard to nearly every other project that comes up

for consideration in the Senate the professional standing and the ability of the Corps of Engineers to make engineering estimates on costs is rarely questioned, but when it comes to this project there seems to be some implication that the Corps of Engineers has reached into a hat and pulled out a figure, and I would just like to ask you to clear up in the record exactly what procedures were undertaken in connection with these estimates that differed from estimates that you have made for thousands of other public projects in the United States, rivers and harbors, and all other types of activity which have been under the Corps of Engineers, that are different, if any, from those that were pursued in this particular project.

General WHEELER. Yes, sir.

I read in my formal presentation about the Executive order that authorized the further study of the St. Lawrence seaway, and we created the district temporarily for that purpose, and the plans were worked out by the St. Lawrence River-United States engineer district, which was established by the Chief of Engineers in accordance with an Executive order issued by the President in October 1940, and we followed the plans of the single-stage project.

The St. Lawrence River district opened its headquarters at Massena, N. Y., on November 4, 1940, and was abolished on May 1, 1942. The records and files have been transferred to the New York district at New York City.

The district engineer employed Sprague & Henwood for subsurface exploratory work and Harza Engineering Co. to make designs and prepare plans and specifications for powerhouse and necessary equipment. A staff of vital engineering department employees was obtained which made studies, prepared designs, plans, specifications, and so forth, so that the work could be initiated quickly subsequent to authorization. Surface and subsurface explorations were carried out to provide detailed information regarding foundation conditions, not only at the sites tentatively selected but at numerous alternate sites, in order that the best location could be selected.

Throughout the work it was the aim of the district engineer to perfect the plans, complete the designs, and prepare contract drawings and specifications so that the work could be entered into with the least possible delay.

As a result, in some cases complete plans and specifications have been prepared and invitations for bids for construction contracts could be entered into without delay.

As an indication of the type of work engaged in by the St. Lawrence River district, it can be stated that exploratory invesigations were conducted at the sites of proposed channels, cut-offs and structures to determine the nature and condition of the overburden and bedrock. Explorations also were conducted to locate suitable sources of materials for use as concrete aggregate, highway embankments, and so forth. These operations consisted of extensive geological reconnaissance, drilling in both overburden and bedrock, the determination of bedrock elevation, the excavation of test pits, and drilling of holes. Extensive drilling operations were carried out under contract by Sprague & Henwood, Inc., of Scranton, Pa., which company, for example, drilled in bedrock 10,500 lineal feet.

To insure proper hydraulic conditions both for power and navigation a model study has been made at the Vicksburg laboratory of the Galop Island section. That model study has been completed, and it resulted in a change in the plan, saving several thousands of dollars.

In regard to the estimated cost, the estimate we believe is painstaking, and due to the thoroughness of surface and subsurface explorations and the completeness of much of the design, it is my opinion a correct reflection of the cost involved.

TESTIMONY OF COL. P. A. FERINGA, CORPS OF ENGINEERS, UNITED STATES ARMY, RESIDENT MEMBER, BOARD OF ENGINEERS FOR RIVERS AND HARBORS, AT PUBLIC HEARINGS OF A SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, ON GREAT LAKES-ST. LAWRENCE SEAWAY AND POWER PROJECT, MARCH 4, 1946

Colonel FERINGA. I am submitting herewith an exhibit consisting of three photostated sheets prepared from data in the Office of the Chief of Engineers for fiscal year 1945 and prior years, showing a comparison for costs of new work of the original and present working estimates. The original estimates in this report are made shortly prior to initiation of work. The average for the entire country based on original estimates in excess of $600,000,000 was an increase of 4.5 percent of the final costs over the estimated costs. * * *

As a final example, I am citing in part a letter written by Gen. E. M. Markham, then Chief of Engineers, to Senator VANDENBERG on January 16, 1934, in which he wrote:

"Possibly the most outstanding example of the reliability of estimates prepared by the officers of this department is that of the Panama Canal. When the final designs for this Canal with increased dimensions for locks and with the widening of the channel through the Culebra Cut were adopted in 1908, Colonel Goethals, in charge of the construction, had an estimate prepared of the cost of the Canal. The amount of this estimate was $375,201,000. On June 30, 1918, after the Canal was opened and in permanent operation, the actual cost was $372,391,353.92.

"These records show conclusively, I believe, the reliability of the estimates prepared by the officers of this department."

Due to the great care and thoroughness of the surface and subsurface examinations in connection with this present project there will be, in my opinion, no exceptional circumstances which will increase the cost in the project under discussion. I may point out that although the project provides for only 27 feet, the locks will have 30 feet over the sills, and for the navigation channels, excavations in rock will be 27 feet plus 3 feet over project depth, plus 1 foot for overdepth, while in soft material 1 foot for overdepth is allowed.

With reference to deepening Great Lakes ports, in order to have the latest figures for the cost of providing 27-foot depth in harbors on the Great Lakes, I have been in touch with the division engineer, Great Lakes Division. I have been informed by him that based upon 1941 costs, the deepening of nine of the principal harbors would be approximately $8,000,000. This does not mean that the full depth will be available within the entire harbor, but it does mean that, in accordance with normal practice, entrance channels and turning basins would be provided.

TESTIMONY OF LT. GEN. RAYMOND A. WHEELER, CHIEF OF ENGINEERS, AT PUBLIC HEARINGS OF A SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, ON GREAT LAKES-ST. LAWRENCE SEAWAY AND POWER PROJECT, JUNE 13, 1947

General WHEELER. First, Mr. Chairman, you asked for my views on the national defense aspect of the project. In my opinion, the large block of hydroelectric power that would be provided, together with the 27-foot channel to the midcontinent area, would definitely add to our manufacturing, shipping, and shipbuilding potential. Therefore, I consider that the project would be helpful to the national defense. * * *

In the last paragraph of your letter to me, Mr. Chairman, you asked for my views as to whether the project can be made self-liquidating if Congress decides to authorize the project on that basis. In the 1946 hearings, as well as those on May 28, 1947, Mr. Olds, of the Federal Power Commission, testified to the effect that the International Rapids section development would provide a large block of low-cost, high-load-factor power that could be utilized within a relatively short time. The State of New York, through the New York State Power Authority, has agreed to reimburse the United States for New York's share of the cost of works allocated to power-generation facilities. * * * Accordingly, the power phase of the project will pay out.

As to navigation, Colonel Feringa testified during the 1946 hearings, as shown on pages 970–971, that the ratio of costs to navigation benefits for the United States portion of the over-all project was 1 to 2.25, based upon benefits estimated in 1941 and predicated upon prewar construction prices. By the same analysis, and using May 1947 cost levels, the presently indicated ratio of costs to benefits is as 1 to 1.46. * * *

Accordingly, Mr. Chairman, it is my view that the navigation phase of the project is economically sound.

Senator WILEY. I understand that the record of the Corps of Engineers indicates that the corps has repeatedly gone on record in favor of constructing this project.

General WHEELER. That is correct, sir.

Senator WILEY. Has there been any dissension to that?

General WHEELER. No, sir.

Senator WILEY. And the general reason back of that conclusion you would state succinctly as what?

General WHEELER. It is recommended by the Corps of Engineers because it is believed to be economically justified. * * *

Senator WILEY. The record shows that you appeared before another subcommittee of the committee last year, strongly endorsing this project. Now that the costs have increased considerably from 1946 down to July 1947, over 1941, does that cause you to feel differently?

General WHEELER. No, sir. Analyzing and comparing the costs with the stated benefits, even after the increase in costs, the project is still economically justified. We did not increase the benefits. The benefits normally have increased along with the costs. But we, in order to be absolutely conservative, compared the increased costs with the past benefits without increasing the benefits.

Mr. AIKEN. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield to the Senator from Vermont.

Mr. AIKEN. In view of the fact that so much has been made of the suggestion that the whole matter now under consideration should be referred to the Army engineers to determine the economic value of the proposed project, and in view of the reluctance of the opposition to accept any studies made by the Department of Commerce, I think it should be pointed out that the Army engineers have repeatedly reported this project to be economically feasible without any tolls whatsoever. The Army engineers have expressed opposition to the imposition of tolls, and have repeatedly reported that it is fully feasible without the imposition of tolls at all.

Therefore, Mr. President, it would seem to be utterly foolish to send the proposal back to the Army engineers for any further detailed study, because they have made such a detailed study of it, and the plans are ready, so that the project could be started tomorrow if the Congress would give its approval.

Mr. WILEY. Mr. President, I yield now to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, I do not know that I can add much, if anything, to what I said a few days ago in support of the joint resolution, but I wish to take a few moments by way of placing emphasis upon what I said at that time, as well as to make a suggestion or two which have occurred to me in view of the debate which has taken place since then, and particularly today.

Mr. President, the distinguished Senator from Ohio [Mr. BRICKER] in his address today suggested that one of the reasons why he is opposed to the construction of the seaway is that if by chance we should be engaged in war with some other country the seaway might be blown up and thereby traffic in the seaway would blocked. One might as well argue that we ought not to build a navy, because if we got into war with some great sea power some of our ships might be blown up; that we would not be any better off if they were blown up than we would be if we had never built them. One might as well argue that a man who was without transportation, or with inadequate transportation, ought not to acquire any new transportation facility lest it be damaged in some way in its operation.

There is a bottleneck of some 48 miles or more in the St. Lawrence seaway at this time. Facilities have been constructed by both the United States and Canadian Governments which provide a seaway from the city of Duluth, made famous by J. Proctor Knott, a Kentuckian, to the lower end of Lake Ontario; and from the sea to Montreal; so there already is a seaway in existence, beginning at the mouth of the St. Lawrence and running up to Montreal, stopping there, and then beginning at the lower end of Lake Ontario and going on to Duluth. That bottleneck would be no greater, there would be no greater obstruction to navigation through the entire seaway if it were built and blown up, than there is now because it does not exist over approximately 50 miles between the points to which I have referred. The Senator from Wisconsin suggests that the distance is greater. It is 119 miles altogether, but there are 48 or 50 miles where there are rapids in the river, around which it is necessary to build canals. So it seems to me that the fear that it might be blown up in case of war offers no reason against the construction of this great international waterway, which would afford a third coast, it might be said, to the United States, 2,500 miles in length.

I suppose, Mr. President, that Hancock was right when he said that the tariff is a local issue, and so it seems to be here. There is opposition to this great enterprise because, forsooth, it might, by conjecture, interfere with the commerce of some port on the Atlantic seaboard or in the Gulf of Mexico. Yet, not one of those ports would exist today if it had not been for the expenditure of money out of the Treasury of the United States to deepen their harbors, and the channels, and to provide the facilities sufficient to accommodate sea traffic and ocean ships to enter and leave those ports.

Mr. LUCAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Illinois?

Mr. BARKLEY. I yield.

Mr. LUCAS. In connection with the fear which has been expressed by some that the canal should not be constructed because it might be blown up by an atomic bomb or some other means, the Senator is now referring to various ports, which the Federal Government furnished money to construct and maintain. If the argument made by the Senator from Ohio [Mr. BRICKER] is correct, Congress should never appropriate another dime toward further continuance or maintenance of these ports into which oceangoing vessels come and out of which they go, especially during war times, when our war materials and our troops are moving in and out.

Mr. BARKLEY. The Senator from Illinois is correct. I thank him for that suggestion. It would be much more easy to blow up the port of Boston, the port of New York, the port of Baltimore, or the port of Philadelphia, than it would be to blow up the entire seaway we are considering. Yet it might be done, and in line with the argument respecting the St. Lawrence, it could be contended that not only should we not expend any more money on the expansion of port facilities, but we ought not to keep them improved so that vessels could come into them, lest perchance they should be blown up in the war of imagination.

No Senator here knows what the ultimate result of the discovery of atomic energy will be, but I am not frightened away from the expenditure of the necessary money involved in this great improvement by reason of the fact that it might be blown up.

Mr. President, I was saying a moment ago that the commerce that comes and goes through the ports on the seaboard has been made possible by appropriations out of the Treasury of the United States. Is it possible that having gotten theirs, having built up their trade, their commerce, their shipping, they are not willing for any other part of the country to share in that treasury which made their prosperity possible?

At the beginning of the present century the Congress of the United States passed a law obligating itself to canalize the Ohio River from Pittsburgh to Cairo with a 9-foot channel. Every year Congress appropriated the money to carry out that obligation. Ultimately the Ohio River was canalized with an all-year 9-foot stage between Pittsburgh, Pa., and Cairo, Ill. Pennsylvania was interested in that improvement. Pittsburgh was interested in that improvement. The Members of Congress in both Houses from Pennsylvania voted for that improvement in order that Pittsburgh might have an avenue for commerce down through the middle section of the country to the Mississippi River, and then down the Mississippi River to the Gulf of Mexico. They voted for that improvement. But apparently they are unwilling to vote for a similar or even a greater improvement in the St. Lawrence River.

I live on the Ohio River, Mr. President. I was born in a county which borders on the Mississippi River in west Kentucky, across from the State of Missouri. My present home is at the mouth of the Tennessee River where it empties into the Ohio River. During all my congressional life and for years before that my State, by resolutions of the legislature, by recommendations of rivers and harbors conferences, by actions of boards of trade, commercial clubs, rotary clubs, and various other kinds of organizations, petitioned the Congress of the United States to provide a 9-foot all-year stage in the Ohio River. We now have it; and because we have it commerce has increased on that great stream in the heart of the United States.

Mr. President, some of the same forces which now oppose the St. Lawrence seaway opposed the canalization of the Ohio River. Some of the same forces which are now protesting against the construction of this great seaway, one of the great projects—even greater than the Panama Canal—came to Congress and protested against it because it would interfere with some other form of transportation. Some of those who then opposed that improvement nearly half a century ago are now opposing this particular development, although it is hundreds of miles away from the valley of the Ohio River.

Mr. President, I do not assume for myself any greater degree of unselfishness in matters of great national import than I accord to other Members. Having obtained this improvement in the very heart of the midcontinent, and having voted ever since I have been here for improvements on our seacoasts, and in the harbors and ports of the country which are now opposing this improvement, I do not propose to be among those to make this improvement a local issue. Therefore, I sincerely hope that the joint resolution may be enacted. I have no more doubt that it will ultimately be enacted than I have that the sun will rise tomorrow, because it is in the channel of progress. It is in the path of our internal development. It would contribute to an improvement in our relations—at least commercially and economically, if in no other sense—with our great neighbor to the north of us. These two Governments have expended many millions of dollars to improve this seaway up to the point where it requires joint action on the part of both. We are asked to perform our part of that joint action.

Mr. President, I shall vote for the joint resolution, believing that it will be to the interest of the entire United States; and being in the interest and welfare of the entire United States, it cannot materially or unduly affect the welfare of any locality in a detrimental way. Therefore, I shall not only vote for it with deep conviction, but I hope that it will be enacted into law, and that we shall do our part to make it possible for forty to sixty million people—a minimum of 40,000,000 and a maximum of 60,000,000 at the

present time, but in the years to come it may be 100,000,000 people—to enjoy the same benefits by reason of expenditures out of the Treasury of the United States that others are now enjoying and have enjoyed in a more restricted sense over a period of years.

I thank the Senator from Wisconsin for giving me an opportunity to say these few words in emphasis of what I tried to say a few days ago.

Mr. LODGE. Mr. President, first, let me extend greetings and salutations to my genial friend the Senator from Wisconsin [Mr. WILEY] for the aboveboard and manly way in which he has conducted his side of this debate.

At the opening of the debate, almost a month ago, I stated that I would never make a sectional argument, and that I would never impugn the motives of anyone who might disagree with me. I think the RECORD shows that I have hewn to that line. I do not remember a debate in the United States Senate which was conducted with more complete disregard of partisanship and sectionalism than this debate. The States represented by Senators who have announced themselves as against this project extend from the northeast corner of Maine to Louisiana, Texas, Nevada, Washington, and Nebraska, and from the southeastern section, in Georgia, to Ohio. All I say is, if that is sectionalism, make the most of it. It is quite a large section; and I am not mentioning all the States, either.

Now that the time has come to sum up I wish to continue to be fair and moderate and strictly accurate. Very briefly—in less than 5 minutes—I wish to underline the major arguments.

Let us admit at the outset that the pending joint resolution does not include the question of permanent navigation rights, water diversion, and use of Niagara Falls and the Niagara River, which must still be dealt with by treaty, subject to a two-thirds vote of the Senate. But this joint resolution still gives official authorization to the main purpose, which is that of building a seaway. This is a purpose which makes permanent and far-reaching changes affecting the civilization and way of life of millions of people; and permanent and far-reaching changes are precisely the subjects which should be dealt with in treaties. In this vital particular the joint resolution indeed circumvents the spirit of the Constitution. As the Scripture says, "The letter killeth, but the spirit giveth life."

Mr. President, we may as well face the fact that we shall reduce ourselves to impotence if we allow our functions as Senators either to be usurped or to rust away through disuse.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. LODGE. I will yield for a very brief question. I have only about 7 minutes.

Mr. LUCAS. Am I to understand the able Senator from Massachusetts to say that, if this were a treaty, he would be for it?

Mr. LODGE. I shall develop that point. My position is that a seaway which is self-liquidating, the engineering and economic features of which are sound, and which is presented to us without circumventing the Constitution is something which has a very strong appeal to me; and if the Senator will be patient for a few minutes, he will see me reach that position.

Mr. LUCAS. I should like to have the Senator answer the question before he finishes.

Mr. LODGE. That will be the climax of my speech. This is a fine thing being done in the wrong way.

Mr. LUCAS. I am glad to know that the Senator would be for it if it were embodied in a treaty.

Mr. LODGE. If the Senator had been present earlier when I made this exposition, he would not be surprised to hear me say that now.

Mr. LUCAS. I heard the Senator's statement. He advised the Senate at the time that he was not a lawyer and could not discuss the legal questions to any great degree.

Mr. LODGE. I am not discussing the legal questions at all.

Let it be set down that those of us who believe in the vital necessity of power development, as I do, contend that it can be undertaken without building the seaway. Common sense tells us that a man who wants a room with a southern exposure does not have to build a skyscraper in order to get it. Moreover, if power development is undertaken, there should be a definite assurance that the States which need it will get it. Such assurance is lacking in the measure before us today.

But the massive practical and physical objection is that the proposed seaway, as some of its most distinguished proponents have frankly recognized, is too shallow for the overwhelming bulk of fully loaded American oceangoing ships. Surely, if we are to engage in this venture, we should do it right or not do it at all. We must not get into it sideways, biting off a piece here and a piece there from year to year. The seaway, as proposed, is therefore a colossally expensive impracticality, and this fact inescapably leads us to other objections, which here follow:

One of these, Mr. President, is that every reasonable construction of the figures, which are at hand indicates that the seaway as proposed could not pay for itself. It may be that the economics of it could be worked out so that it could be self-liquidating, but that would require at least a year's study by men who are both professionally competent and impartial, with adequate funds at hand to obtain authoritative answers to a host of fundamental questions, all of which at present are in dispute. As I have said, I favor such a study. Clearly, the seaway, as proposed, could not do the good things its proponents claim for it, such as tending to reduce freight rates and bringing ocean liners to Great Lakes ports.

Moreover, the basic engineering defects in the proposal gravely diminish its value to national defense. Note well that the Secretary of the Army made it clear that the seaway was helpful but not vital. Undoubtedly, the list of internal improvements and other activities which could be called helpful but not vital to the national defense would fill several large books. If we had the money and manpower to waste, we might do them all; but every Senator knows that there is a limit to the amount of money and manpower which we can devote to national defense without drying up and paralyzing our economy. This means that every national-defense project which is undertaken is done at the expense of projects which we do not undertake. We must, therefore, choose the things which are most important.

Common sense tells us that a United States which is confronting the prospect of war is going to build up its air force, provide for a solution to its critical shortage of military manpower, stock-pile strategic raw materials, and develop an over-all military-defense plan, before it squanders its substance on civilian internal improvements. We do not need an expert to tell us that. Not one of the military experts who have testified on this subject—many of whom, of course, did so under orders, and chose their words with exceeding care—has so much as hinted that the St. Lawrence seaway is even as high in priority as any of these vital military matters. Of course, no one has said that it exceeds them in urgency. Actions speak louder than words, Mr. President; and when we seek to find out what the Joint Chiefs of Staff really think about seaways and their relationship to warfare, we can do no better than to look at the recommendation which they made, a few short weeks ago, that the Panama Canal was in essence a death trap as it now exists, and should be made into a sea-level canal as soon as possible. There is their opinion, clearly shown by their actions. Finally, the two facts that the seaway would be frozen solid 5 months of the year and that the Great Lakes ports are not deep enough to accommodate ocean vessels, not only detract from the economic value of the proposal, but are, in truth, fatal disqualifications from a military point of view.

Mr. President, all of us can appreciate the value of seaways in principle—I know that I do—and still question whether this is the time to add another billion dollars or so to the many billions we must spend for European recovery.

We can believe in useful public works—as I do—and have abounding faith in the future of America—as I have—and still realize that, as presented, the seaway is such a colossal impracticality that it could be of no benefit to any State, and would in fact be a waste of money and source of trouble to the whole country. The most inspiring public-works project, Mr. President, is only as good as the hard facts and professional analysis and expert planning which go into its execution.

We now confront the motion to recommit this proposal to the Foreign Relations Committee. Speaking only for myself, and not for any of the other Senators who are opposed to this matter, I shall vote in favor of the motion to recommit. If the motion does not carry, I shall, of course, vote against the passage of the resolution.

Mr. LANGER. Mr. President——

Mr. WILEY. I yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, I am somewhat amazed at some of the state-

ments made by my distinguished colleague from Massachusetts [Mr. LODGE] when he says this project has not been expertly studied. Let me assure him that more than 30 years ago the States of Minnesota, North Dakota, South Dakota, and Montana hired experts who made a full and complete study of this very project.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. LANGER. I do not yield now; I have only 2 or 3 minutes, and I wish to finish my statement.

Let me say further that a full and complete study of this project was made while I was Governor of North Dakota; and at that time, in conjunction with the United States Government, we hired outstanding experts to make a full and complete study. They made a full and complete study, and reported on their study, and that report shows that the States I have named would save 5, 6 or 7 cents a bushel in the hauling of their grain to market. So, as far as the matter of expert study is concerned, I say the record speaks for itself.

Not only that, but former President Theodore Roosevelt, former President Wilson, former President Harding, former President Coolidge, former President Hoover, and the late President Franklin Delano Roosevelt all recommended this project. Certainly, Mr. President, all those men could not be wrong. Certainly they did not make the recommendation until they themselves had made a full and complete study of it.

Today, what do we find? We find Claude Wickard testifying before a committee and saying that there is not sufficient power even to furnish electricity to the Rural Electrification Administration projects scattered over the United States. We find Mr. Wickard saying that it is absolutely essential that this great seaway project be constructed and used. Not only that, Mr. President, but we find those in control of the manufacture of the atomic bomb also making that statement.

I say to you, Mr. President, that anyone who votes for military training, but refuses to vote for arms and equipment for our soldiers and sailors, is like a general who sends his men against the enemy without arms. The arms of today are atomic weapons, and to make those weapons we must have electric power. I say we do not have it. We are woefully, woefully short of it. If anything happened to the dams in the West, only the TVA would be left.

Can we blind ourselves to what is happening in Czechoslovakia, the only European nation really modeled after our own Government? Let us forget a few extra dollars in shipping tonnage at coastal ports. Let us forget a few extra dividends for railroads. No State has been helped more by railroads than has my own State of North Dakota. I am a friend of the railroads and of the railroad workers. I shall continue to battle to help them. But, Mr. President, America is greater than the railroads, and the lives of our young men in wartime are more important than the shallow argument that the proposed seaway may be too shallow.

Let us establish a safety valve for our Nation in case of war, and at the same time open the way to the production of more electric power for peace. Let us answer Joe Stalin, if necessary, by voting for the St. Lawrence waterway—although, frankly, at the moment, I am not so concerned about that as apparently some of my colleagues are.

Some say that the seaway will cost nearly a billion dollars. What of it, Mr. President? That represents the cost of only three battleships. That is what a billion dollars amounts to. Yet some of the same persons who object to having our country spend a billion dollars for this project are in favor of spending two, three, four, or five billion dollars for universal military training. They are in favor of spending four, five, or six billion dollars a year to aid foreign countries; but, Mr. President, they are not in favor of helping the farmers of South Dakota who through their legislature have asked for the project. They are not in favor of helping the farmers of North Dakota who, in 15 legislatures, have repeatedly appropriated $2,000 in order that this project might be studied, and in order that it might be consummated.

Mr. President, coming from the West, I aline myself with the people of the great Northwest who need and who want and who have said they want this project, rather than with those who are in opposition to it. I hope the motion to recommit will not carry.

Mr. WILEY. Mr. President, nearly 80 years ago, Abraham Lincoln foretold the growth of the Great Lakes region and warned against the danger of cutting it off, either by physical or artificial barriers, from any of its available routes to the sea. In his second annual message to Congress, Lincoln said:

> The great interior region, bounded east by the Alleghenies, north by the British Dominions, west by the Rocky Mountains, and south by the line along which the culture of corn and cotton meets * * * already has above 10,000,000 people, and will have 50,000,000 within 50 years, if not prevented by any political folly or mistake * * *. A glance at the map shows that, territorially speaking, it is the great body of the Republic. * * * In the production of provisions, grains, grasses, and all which proceeds from them, this great interior region is naturally one of the most important in the world. * * * And yet this region has no seacoast, touches no ocean anywhere.
>
> As part of one nation, its people now find, and may forever find, their way to Europe by New York, to South America and Africa by New Orleans, and to Asia by San Francisco. But separate our common country into two nations * * * and every man of this great interior region is thereby cut off from one or more of these outlets—not perhaps by a physical barrier but by embarrassing and onerous trade regulations. And this is true, wherever a dividing line or boundary line may be fixed. * * *
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> These outlets, east, west, and south, are indispensable to the well-being of the people inhabiting, and to inhabit, this vast interior region. Which of the three may be the best is no proper question. All are better than either; and all of right belong to that people and their successors forever.

The national unity Lincoln foresaw has long since been achieved and all sections have shared in the development of our improved system of transport by rail, highway, and inland waterway.

The United States and Canada have developed the Great Lakes and the St. Lawrence River to a point where it is now possible by removing the last remaining barriers to give the great interior region direct access to the sea, to the ports of our Atlantic, Gulf, and Pacific coasts, and to the markets of the world. Meanwhile, with the cooperation of Canada, the United States has established naval, air, and military bases near the mouth of the St. Lawrence, insuring our ability to protect the outlet from the Great Lakes and to use it without hindrance for all time to come.

Mr. President, at this late hour it serves little purpose for us to repeat the arguments which have been advanced for or against the St. Lawrence seaway and power project. Whatever progress mankind has made has been possible only when there was a great need, and the raw material and the vision to meet that need.

There exists a great need in this land today. Power is rationed in Maine today. In the early days of 1948, Vermont experienced a power shortage which threatened complete paralysis of industries employing thousands of people. The Union Electric Co., of St. Louis, and the Otter Tail Power Co. in North Dakota are pleading with their customers to save electricity.

Government and military needs are requiring more power every day. The making of an atomic bomb requires a huge block of power and it is reported that the Atomic Energy Commission plans call for almost double the present requirements. The Army is reported as looking for a supersonic wind tunnel which may have power requirements five times as great as those of the city of Denver. The creation of a defense fleet of planes calls for aluminum, and that requires more power.

In addition to the ever-increasing power requirements of our homes and our farms and our industrial plants, there is another need. It is the need of 50,000,000 land-locked Americans, in a vast inland empire, for a life line to the sea—a great artery of commerce which probably could accomplish more for world economy than billions spent abroad on European power projects.

It is the need of the people of the Midwest and the need of the people of the Nation for an inland water highway to the sea—for a highway where European ores can be brought in to keep alive the foundry fires of an industrial empire whose furnaces may otherwise be cold and lifeless as the ever-dwindling ore supply of the Mesabi Range vanishes along with employment for hundreds of thousands of American workers. It is the need of farmers for a water highway to save untold millions in transportation costs.

I digress here to say that there was a time some 15 years ago, when the railroads, through their great leaders, saw the need, and yet at that time the maximum production of wheat in this country was 800,000,000 bushels. Today it is

1,400,000,000 bushels, and the Canadian wheat adds 400,000,000 bushels.

Yes, Mr. President, we need a little vision. What is more, we need not be influenced by that provincial attitude which has been referred to so many times in the debate. We need to see to it that we do not allow a small group of people with selfish personal interest to influence our judgment. Of course, I do not infer that any Senator would be so influenced, but let me cite a few experiences. One Senator said to me, "I wish I had not committed myself." Another Senator, who a few years ago was on the board of directors of the St. Lawrence waterway project, said, "I must stand by the Missouri River project." We have heard the distinguished Senator from Maryland admit it was a selfish local interest. In the world today, we should lift our visors and look forward to what we are facing. Those who today are going to vote to recommit the resolution will rue the day. The Book from which my distinguished friend from Massachusetts quoted, has something else to say. It refers to those who have ears, but hear not; to those who have eyes, but see not. It speaks of the blind leading the blind, with the result that both fall into the ditch. I have no objection to Senators leading themselves into the ditch, but I do object to their leading the Nation into the ditch, and that is where they are heading. There are those who shed briny tears over the spending of $400,000,000, 50-cent dollars, at that. That is the estimate of the Army engineers, and of nobody else, of the cost of constructing the canal. Four hundred million dollars? Those who now shed briny tears will next week vote to send into Europe 5 or 6 billion dollars with which to build power projects, with which to build up European nations, with which to dig the canals of Europe, but they are unable to see their own country's needs. They cannot hear the call of the farmers.

It is argued that because there is only so much business, it must be divided among the railroads and the ships on the Lakes. Again, Senators argue blindly. I remind them that only a few years ago hundreds of millions of bushels of wheat in the Dakotas rotted because of the shortage of transportation facilities. Senators are voting for a repetition of that, when the world is hungry. Moreover, they are fearful.

Fear never built this country. It was not fear that sent our forebears into the wilderness to clear trails and forests, to open mines and to build cities. No, they were men of vision, men of integrity, men who had a love of country. They were men who did not love merely a little portion of their own States or Territories. Had that been the case the world would never have seen the victory of the North over the South. It was men from all sections, including even men of the South, who sensed the need of a Nation, one and indivisible. They went forth.

Mr. President, as so dramatically set forth by the distinguished Senator from North Dakota [Mr. LANGER], the farmers need the St. Lawrence water highway, in order to save untold millions of dollars of transportation costs. I want to say a word here to my Republican associates. Senators who have heeded the voice of others than those who have provided the foodstuffs of the Nation may rue that day. Some Senators have lifted their voices in opposition, when it is a question of the economic welfare of that section of the country which is known as the breadbasket and the manufacturing section of the United States. It is the need of a people who should never again face the threat of war with a vast shipbuilding capacity on the Great Lakes throttled down to a trickle, just as certainly as though a great enemy hand had a stranglehold on the great artery of the St. Lawrence.

Yes, the need exists, and the raw material is there. There are 2,400 miles of a water route that is 90 percent completed. The vision to bring the raw material and the need together is here. It has been here for a half-century and in the past quarter century engineers and economists have surveyed, resurveyed, estimated, and reestimated. The facts are there and the men of vision, men of all political faiths, Harding, Coolidge, Taft, Roosevelt, and Truman—the generals, the admirals, the engineers, and the economists, all have looked, hoped, and prayed for a new Northwest passage.

No project in American history has ever been surveyed and studied as exhaustively as has this one. The story is an old one, but it is as new as our tomorrows and it offers us the new horizons of a world commerce to the inland heart of the Nation.

In connection with many projects, the Government has paid in money and received nothing back. In this case there is offered a self-liquidating project between Canada and the United States in the electric power that will be developed. For the first time in the history of the Nation, such a project will be put on a self-liquidating basis. We have fearists who cry, "No; it is too expensive."

Two years ago a large sum was authorized for the Missouri Valley project. We have spent $800,000,000 on ports on the Atlantic and Pacific coasts. Now we of the Middle West, who have furnished the bread and who have furnished the steel to build the skyscrapers mentioned by the Senator from Massachusetts, when we ask for money for the project, are answered by "No, no; it is too expensive."

How much have we provided for Europe? I have asked for the figures; they have not yet been furnished; but we have put approximately $17,000,000,000 into Europe since VE-day.

The arguments against the project do not make sense.

Mr. President, I ask that an article by Richard L. Bowditch, which appeared in the New England News Letter, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHOULD NEW ENGLAND HAVE A STEEL INDUSTRY?—ECONOMETRIC INSTITUTE TO STUDY EFFECT ON NORTHEAST ECONOMY AND DEMAND FOR STEEL PRODUCTS; RELATION TO FOREIGN ORE NOTED

(By Richard L. Bowditch)

(At the eighty-eighth quarterly meeting of the New England council, held at the Wentworth-by-the-Sea, Portsmouth, N. H., September 12–13, Council President Richard L. Bowditch announced that the Econometric Institute of New York had been retained under council sponsorship to study the possibilities for the establishment of a steel industry in New England. Mr. Bowditch's remarks are followed by a summary of the institute's proposed study.)

Many New Englanders have long felt that our region has been missing the boat in the matter of heavy industry. The fact that New England consumes more than it produces and is, therefore, greatly dependent upon other parts of the country, is a matter of concern to everyone interested in our economic progress and welfare.

For some months I have been urging the establishment of a tide-water steel plant somewhere in New England. Our region is one of the great steel-consuming areas of the country, and with our increasing production of durable goods we can offer the steel industry an expanding market for its products. This is important.

The principal steel-producing area of the United States extends west from central Pennsylvania to Chicago, and from the Lake States in the upper Mississippi Valley south to Birmingham, Ala. Within this area, most of the country's steel is produced and most of the country's heavy industries are located, for instance, the automobile industry, the locomotive industry, the manufacture of structural steel, farm equipment, mining and road-building equipment, and other major steel-consuming industries. Two-thirds of the country's high-grade iron ore, basic material for making steel, has been obtained from the Mesabi Range in northern Minnesota. Since the opening of the Mesabi mines in the 1880's, a billion and a half tons of ore have been taken from a strip of ground some 30-odd miles long and a mile or two across.

MESABI RANGE RUNNING OUT

The present location of the Nation's heavy industries is the natural result of easy, inexpensive ore transportation by way of the Great Lakes to the various manufacturing centers, and equally easy and inexpensive coal transportation to those same areas. Cleveland, for instance, receives its iron ore by vessel direct from the Duluth and Superior docks; it receives its coal by rail from the Pennsylvania and West Virginia fields, and then delivers its steel products to cities largely within the same great region.

But the Mesabi Iron Range—for so long our major source of ore—is playing out. During the war the rate of production of the mine was greatly increased, and the demand has carried on into the postwar period. If we continue mining the Mesabi Range as we are mining it today, it will be virtually exhausted by 1964.

Most of the Mesabi ore has been very easily obtained; it lies near the surface and is available by strip or open-pit mining methods. The ore is simply gouged out with power shovels. Most of the other iron-ore deposits in the country and throughout the world require costly underground operations and, in consequence, enormous amounts of capital.

OTHER ORE DEPOSITS

With the exhaustion of the Mesabi Range now in sight, some of the larger steel companies have been prospecting elsewhere. Large ore reserves are lacking in the United States. There are one or two deposits in the Pacific coast area, but they are of small dimensions. There are also deposits in the East, especially in the Adirondacks, but these also are small and cannot possibly meet the demand now supplied by the Mesabi Range.

In northern Minnesota, not far from the Mesabi Range, there are large deposits of second-grade ores, but no methods have yet been worked out for refining these second-grade ores at reasonable cost. Steel can be made from taconite, but the processing of this low-grade ore is costly and at the present time it cannot begin to compete with the high-grade ore of the Mesabi.

Certain steel corporations have surveyed possible overseas sources of supply. Chile, Brazil, Labrador, and Mexico offer possibilities, and I believe it quite likely that America's future iron-ore supply will come chiefly from overseas.

The Bethlehem steel plant at Sparrows Point, Md., was originally built for the use of Cuban iron ore. As you know, that tidewater steel plant has been a success. And, if one tidewater steel plant created to use imported ore can be made successful, why not locate another in New England? And why not do everything in our power to persuade the steel industry that with respect to both market and transportation factors, New England offers a favorable location for a new plant?

Our New England railroads are well-equipped and well-managed, but by the very nature of the region's economic life, they haul three loaded freight cars into New England for every one loaded freight car which goes out. With steel products manufactured within the area or even iron ore unloaded at New England ports, our railroads could go far toward balancing inbound and outbound carloads, thus assuring ourselves a more economic rail transportation system.

New England ports are nearer Europe and nearer the east coast of South America than other Atlantic ports—nearer, also, the two most likely sources of iron ore for the future—Brazil and Labrador. This, too, is an important fact in our favor. It may well be that now it is New England's turn to play a major role in the development of this country's heavy industry.

If we can demonstrate to the mining and steel-producing interests that New England offers a large and growing market, we can be sure that they will give serious consideration to other factors favorable to the location of a new steel plant on our coast.

EXTENT OF STEEL STUDY

The steel studies as agreed upon by the New England Council and the Econometric Institute, Inc., will embrace:

Implications to New England's economy of the establishment in the region of a unit of the steel industry, including elements of steel-price policies, sources of labor supply, supply and demand for steel products in the United States and the rest of the world, and the costs of raw materials and their transportation to the New England coast.

Extensive study will also be made of the prospective demand for steel products, 1948 through 1960, in New England and contiguous areas. Export and intercoastal demand for steel products which the New England region might serve will be estimated, and an analysis made of existing facilities for producing steel products in New England and contiguous areas. Finally, estimates will be made of the additional capacity required to meet forecasted steel demands in New England and logical intercoastal and foreign markets.

Mr. WILEY. Mr. President, in these closing hours of discussion it is not likely that men's minds will be changed by a tedious repetition of the facts. The facts are known, and the breadth of our vision and the extent of our statesmanship also will soon be known.

If the verdict is an affirmative one, we can go forward in the confident knowledge that what we are building will survive successfully long after the doubts of detractors have vanished into history, along with the doubts of those who doubted the Panama Canal, or who doubted that electricity or the railroads, the automobile or radio, were here to stay.

If the verdict is a negative one, those of us who believe in the Seaway will accept that decision without rancor and without bitterness, but with the regret of men who can only hope that history will not be too harsh in its judgment.

For make no mistake Senators, this is no passing record of an illusory dream. This is a vote for posterity. This is a vote for history.

We can dispute regarding costs, channel depth, tonnage, length of the navigation season, but we all know that the issue is infinitely larger.

This is the largest single untapped natural resource left on the North American Continent. No man ever progressed who did not use the talents the good Lord gave him. No nation ever prospered which did not use its natural resources, its coal, its iron, its minerals, its oil, its forests, and its great rivers.

We do not want history to say that we left idle and unused this great natural resource. We do not want history to say that men died in wars because we failed to provide the channel which would have given them more ships, more planes, more power, and more atom bombs for their defense.

We do not want history to say that we disrupted the steel economy of a great industrial nation because we would not supply a highway for raw material to supplement our dwindling stores.

EXCUSES AGAINST SEAWAY

My colleagues know that I have the greatest of respect and admiration for the distinguished men who for one reason or another are to be found in the ranks of the opposition to the seaway. I respect their judgment and their sincerity. But I respectfully submit that history—not you and not I—will render the final judgment as to the wisdom of their actions.

History will render the final verdict on our decision today. History will indicate that if we do not vote for the seaway today, those men who opposed it may well be in the same classification as the fearists who opposed the automobile, the steam engine, the railroads, the airplane, the Suez Canal, the Panama Canal, every advance in modern communication and transportation.

Wherever man has sought to march forward, he has run against the opposition of those who would seek to maintain the status quo; those who assembled their statistics and their arguments to prove that what had to be done, could not be done. But you and I know that where there is a will there is a way, and if there is a will in the hearts of my colleagues today to enact this seaway, we will find the way to overcome what petty difficulties may still be in our path.

History may decide that the arguments which have been advanced against the seaway are mere excuses and smoke screens. History will note that every time this seaway has come up, the opposition has always found it possible to manufacture arguments against it as fast as previous arguments were demolished.

The opposition contends that the seaway is unconstitutional, unfeasible, uneconomical, that we do not have sufficient funds now; that the seaway will compete with other appropriations; that the power project can be built without the navigation facility—all of which arguments have, I believe, been smashed again and again by the facts that we have mustered.

I pray that we shall enact the seaway resolution today. But I submit that if the seaway resolution is not passed today, we will introduce it again on the first day of the Eighty-first Congress, and will keep on battling for this great objective until it is finally passed. We march with the forces of progress, and although our advance can be stayed, it cannot be defeated.

We know that if the seaway is not enacted today, if more studies are made, the opposition will come back again and again—always with new arguments, with new excuses, with new justifications for their action. Right now it would take a warehouse to contain all of the literature which has been mustered over the years for the seaway. But if there were five warehouses full of studies, full of documentation, of engineering plans, of statistical reports, it still would not be enough to convince some of the Members of the opposition. They opposed the seaway when it was a treaty; they oppose it as a resolution; they will oppose it no matter what we do to try to answer their arguments.

I am reminded of a verse with which we are all familiar:

> Then conquer we must,
> When our cause it is just,
> And this be our motto,
> In God is our trust.

The St. Lawrence seaway is as inevitable as the tides. Senator after Senator who have indicated that they will vote against the seaway have told me privately that they are convinced that the seaway is inevitable, but they say the time is not now. The answer to them is that there will always be men who will say that the time is not now. When will the time be? Ten years, 25 years, 100 years hence?

We have delayed too long already. If this seaway were already functioning completely, America's economic health and the health of the Middle West would be that much further assured.

The Members of the opposition need not answer only to their own constituents for their action. They need answer to their own consciences, because they will have, unfortunately, served to stay but not to defeat the march of progress.

I say in all humility that the verdict of history will classify the opposition in the ranks of the opponents of progress. The proponents of the seaway need no vindication for their judgment, because every headline today confirms their position, the headlines on the power shortage, the oil shortage, the railroad bottleneck.

Let no man try to justify his action by saying that the seaway can be constructed without the power facility. In the words of a former official of the Corps of Engineers, "it would be a crime" to even think of such a development because the seaway and the power project are one.

The choice is in our hands—progress or the status quo—moving forward or moving backward—because we cannot stand still.

The fate of 50,000,000 people awaits your decision—the fate of 145,000,000 Americans and of generations yet unborn.

Most of my colleagues have already made their commitments one way or another. But regardless of whatever specific commitment they may have made, I say that their greatest commitment is to the American people and to America's future, and that they should act accordingly.

I began this debate on January 28, 1948, stating that the eyes of America were upon us, the eyes of the America of the past, of the present, and of the future. I pray that we shall demonstrate vision, courage, confidence, and faith.

The choice is yours. I pray that you will be adequate to your responsibility.

Mr. President, I ask unanimous consent that four addresses by Mr. Tom Ireland be printed in the RECORD following my remarks.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

AMERICA'S POSTWAR PROJECT NO. 1—THE GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TO THE SEA

(By Tom Ireland)

I

Ladies, gentlemen, friends, for practical purposes, the Great Lakes-St. Lawrence deep waterway to the sea is to carry channels with a present minimum depth of 14 feet to a uniform 27-foot depth and to dam up the International, Lachine, and Soulanges Rapids blocking parts of a river segment not exceeding 5 percent of the way from Duluth to the sea. Fifteen large locks, 820 by 80 by 30 feet, will take the place of the 30 present small ones. The completed project will admit existing oceangoing vessels of an aggregate tonnage of 70,000,000 to proceed from the Strait of Belle Isle at the mouth of the Gulf of St. Lawrence 2,340 miles to Duluth, in the heart of the continent, granting Ohio points on this new seacoast the benefit of low ocean rates to the markets of the world almost on a par with the city of New York. The St. Lawrence seaway would revolutionize transportation throughout the Great Lakes area, since water transportation is ordinarily from 7 to 10 times cheaper than haul by rail. The seaway is quite as important for our national growth as Panama and will accomplish for our Midwest what the latter gained for seaboard cities.

Between Newfoundland and Duluth are 600 feet of falling energy. Incidental to the construction of the necessary navigation works and by way of waterfalls from a great power dam at Barnhart Island in the international rapids section of the St. Lawrence River, the project, as a joint undertaking with Canada, includes the development of 2,200,000 horsepower of hydroelectric energy, to half of which the United States will be entitled. This St. Lawrence power will produce the equivalent of 5,000,000 tons of coal a year, lighting up 5,000,000 homes at barely more than cost, thus relieving the railroads of the necessity of hauling this coal and enabling them to take care of other types of critical wartime transportation. Another block of water power, making 5,000,000 horsepower in all, will be developed wholly in Quebec Province and will belong to Canada.

The Senate Foreign Relations Committee, on July 18, 1947, approved a resolution favoring completion of the Great Lakes-St. Lawrence deep waterway to the sea by a vote of 9 to 4 and authorizing President Truman to fulfill the 1941 agreement between the United States and Canada. Senator ARTHUR H. VANDENBERG, chairman of the committee, declared that the resolution would be formally reported during the new session in 1948. The resolution stipulates that navigation is to be made self-liquidating through the charging of tolls.

According to the testimony of Herbert Hoover, former President of the United States, before the Senate Foreign Relations Committee in June, tolls plus earnings of the power works would obviously make the entire seaway project self-supporting. It has been affirmatively favored by Harding, Coolidge, Hoover, Roosevelt, and Truman—five Presidents—all of whom have recommended legislation to Congress approving completion of the project. Twenty-five years have passed since President Harding sent a favorable report of the International Joint Commission to Congress. President Roosevelt tried more often with Congress than other Presidents. Even he, however, refrained from such positive tactics as carrying the issue to the people, although the Great Lakes-St. Lawrence seaway's completion has now become indispensable for our national defense.

On May 28 Senator ALEXANDER WILEY, of Wisconsin, as chairman of the subcommittee of the Senate Committee on Foreign Relations brought out that Russia, by reversing Arctic river currents back into the Volga, is contemplating a gigantic program of navigation and power improvement to an extent even greater than that contemplated here. He asked George C. Marshall, formerly Chief of Staff and now Secretary of State, what effect it would have on our international relations should Russia be able to develop its power resources and steel-producing capacity to the level of the United States while we languish in controversy among ourselves. Secretary Marshall replied that we can make up for being outnumbered 3 to 1 by the population of the Soviet Union only by greater mechanization and higher productivity per worker; that the principal method of establishing our security is only by building more tools and sources of power such as contemplated in the St. Lawrence seaway project.

Secretary Marshall announced several advantages of the seaway undertaking from a defense aspect. First would be the possibility of building and repairing ocean vessels in the relatively secure area of the Great Lakes. Vessels up to 10,000 tons or more would use the seaway. Craft like our Liberty ships of the last war could be put together at Great Lakes shipyards. The United States after entering World War II, built more than 50,000,000 tons of shipping. Though the Great Lakes region of the Middle West has the largest supply of skilled workmen in the world, due to lack of a direct outlet to the sea, only 2 percent of this construction was completed in Great Lakes yards.

Submarines were successfully built at Manitowoc, escort vessels and seagoing tugs at Milwaukee. Since the St. Lawrence seaway had not been completed, it was necessary to give these vessels their sea trials on the Lakes. On being taken to Chicago, their superstructures and masts were removed. Then they were floated with the aid of pontoons down the Illinois waterway to the Mississippi and thence to New Orleans, where they were again put together at a cost to the taxpayers of the country for extra work in taking apart and reassembling of $100,000 per vessel. Had the St. Lawrence project been completed before the war, these vessels could have proceeded directly and promptly out to the Atlantic, fully equipped and ready for transport service or fighting as the case might be.

Secretary Marshall stated as a second advantage for defense that the seaway would afford a vital new communications line in the heart of the industrial area of the United States and Canada. The distance from New York to Liverpool is 3,200 nautical miles, all exposed to submarine attack. The distance from Quebec to Liverpool via the north Atlantic is 550 miles shorter than the distance to Liverpool from New York. One-third of it is in the protected waters of the river and Gulf of St. Lawrence. Had the seaway been completed before the last war, one-third of the dangerous and submarine-infested course across the north Atlantic would have been eliminated by assembling convoys in the Lakes and many of our doomed merchant vessels and their crews would have been saved from destruction. Secretary Marshall believes that shipbuilding facilities on the Lakes would have been very helpful during the last war, particularly in providing early means for building of the corvette type of vessels as an extremely effective answer to attacking submarines. By seaway completion Great Lakes shipyards, protected from enemy submarines in wartime, will have easy access to the ocean, while being close to the steel plants where girders, hulls, and engines for new vessels are being made.

The completed St. Lawrence seaway project would afford a third great defense advantage in creating an immense source of electrical power in an area now lacking any power development comparable to the TVA, the Columbia, and the Colorado River projects. The first two of these played an important part in the atomic energy research development at Oak Ridge, Tenn., and Hanford, Wash. The Secretary of State sees still another advantage from the seaway arising from the over-all economic and industrial benefit to the United States and to the entire North American Continent following upon the development of one of the world's greatest waterways and the world's greatest source of cheap and dependable water power. He observed that the strength of the United States lies in its natural resources as we have utilized them; that a policy of developing our native wealth has enabled us to survive as a nation through gaining the means to defend ourselves.

The United States as the arsenal of democracy reached an annual steel production during World War II of 90,000,000 tons and won it. This feat, however, was at the cost of exhausting our best iron-ore reserves, just as our best copper, zinc, and lead deposits were used up in World War I. The world position of the United States as to industries based on these metals as well as to oil has changed from one of exportable surpluses to one of dependence on new sources of supply. The industries of the Middle West were built to commanding predominance, on plentiful supplies of high-grade iron ore, copper, lumber, and coal within easy transportation distance by water, but which are now close to exhaustion excepting on a much higher-cost basis. Though the factories, the coal, the skilled workmen, and the technical knowledge are still here, either access must be had to fresh mineral deposits and other natural resources, or a heavy drift to tidewater of Midwest industries and their supporting populations, is already in plain sight.

In western Labrador and in eastern Quebec on the far side of the present bottleneck to large ore carriers in the International Rapids section of the St. Lawrence River, lies a fresh deposit of iron ore which from all present indications is as large and rich as that of the Mesabi Range. Seaway completion looks to the elimination of this bottleneck by providing uniform 27-foot channels in place of the present inadequate side canals of 14-foot depth. Only then, can iron ore be brought up into Lake Erie as cheaply as the dwindling supply of the high-grade product is being brought down from Lake Superior. Access by cheap water transportation must be had to vast new sources of high-grade iron ore, of copper, of oil, and of timber, if our great industrial empire of the midwest United States and Canada is vigorously to be maintained.

AMERICA'S POSTWAR PROJECT NO. 1—THE GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TO THE SEA

(By Tom Ireland)

II

Ladies, gentlemen, friends, completion of the Great Lakes-St. Lawrence deep waterway to the sea will add a fourth new coast line of 3,500 miles within sheltered American waters, 800 miles longer than our Pacific coast and almost equal in length to our coast line on the Gulf of Mexico. Between Newfoundland and Duluth are 600 feet of falling energy, offering 2,200,000 horsepower to be divided evenly between the United States and Canada. As a result of Quebec Province's own undertaking, there will be 5,000,000 horsepower developed in all. Even this is only half as much water power as Russia will develop through its gigantic plan for diverting rivers from the Arctic watershed into the Volga for 10,000,000 horsepower of hydroelectric energy as well as for navigation improvement. Russia's single development on the Volga will be nearly five times greater than the joint undertaking for water power to be divided between the United States and Canada when the seaway is completed.

In these days when the world is divided into American and Russian camps, much is said of the need for international morality, for a nation's keeping its plighted word. For 115 miles, the seaway channel via the St. Lawrence River follows the international boundary between the United States and Canada. Since a 48-mile stretch from the Thousand Islands section of the project, to the end of the international boundary, calls for the preponderant work and expense of the entire seaway undertaking both as to navigation and power, there must be a treaty to carry on construction. Such a treaty was unofficially entered into on July 18, 1932, negotiated by Hoover as President and by Stimson as Secretary of State. In March 1934, the treaty received a majority vote in the Senate but as an approved treaty it would have required a two-thirds vote. And yet Canada, with a population one-twelfth that of ours, with barely more people than our single State of Pennsylvania, went ahead in good faith—improving the Welland Canal for joint use with the United States, at a cost to the Dominion of $130,000,000 and yet this great and rich country of ours has done nothing at all to fulfill its share of the bargain with a friendly neighbor.

In these days of international strain, Americans might well remember the sober judgment expressed in 1946 by the Joint Chiefs of Staff—Eisenhower, Leahy, Eaker, and Nimitz, that our national security would be definitely aided by completion of the Great Lakes-St. Lawrence seaway. This view was again stressed last May by Secretary of State Marshall, by Chief of Army engineers—Gen. Raymond A. Wheeler, and by the Joint Defense Board with Canada. Secretary Marshall told a Senate committee that our sole chance to overcome Russia's population ratio of three to one as compared to ours, is by building more such sources of power as contemplated in the St. Lawrence seaway project. Any nation, including our own, which neglects advice to develop its natural resources on the part of its highest military authorities, is far more likely to invite attack than were it prepared and strong.

Secretary Marshall declared that the seaway is required for the building and repairing of seagoing craft on the Lakes, and would add to our defense means in providing much-needed water power. He brought out that the seaway would afford a sheltered inland navigation channel for one-third of the short route to Europe via the North Atlantic.

Had the St. Lawrence seaway been completed before the last war, the lives of many of our 6,000 sailors who perished from submarine attack might have been saved. Of five hundred American merchant vessels lost at sea, four hundred were sunk near our Atlantic Coast, after long exposure to submarines on their fatal journey. The Standard Oil Co. alone lost 96 tankers off our coast. Admiral Raeder of the German Navy, is on record for boasting that it was like a picnic to pick off our ships on the long and open sea route across the Gulf and up the Atlantic coast before they could even start for Europe. Had the seaway been completed before the war, the distance to Liverpool would have been shortened by 500 miles. Furthermore, we would have saved many of our boys lost overseas who waited in vain for munitions and supplies needlessly sunk in transit and which would have saved their lives.

The most vital defense consideration of all is the necessity for access to fresh supplies of raw materials for our industries of the Middle West. Exhaustion of American natural resources proceeds apace. Our best copper, zinc, and lead reserves were used up in World War I. In World War II, we expended about one half of our known high-grade iron-ore reserves, in Michigan and Minnesota. Steel production in the United States during the last war, reached an annual total of ninety millions tons a year and still amounts to about eighty-five million for the peacetime year of 1947. To cite just one example of spent natural resources, vast quantities of former American iron reserves, now in the form of hulls of ill-fated vessels, lie irrecoverably lost on the ocean bottom. Two world wars and intensive production in time of peace have changed our position from one of exportable surpluses of metals and of oil to that of importer. For the United States to continue to deplete its diminished oil and steel reserves without soon completing the St. Lawrence deep waterway project for the replenishment of raw materials from overseas, is to yield its leadership and eventually its very existence to the one other great world power which has vast natural resources and which conserves its oil and iron reserves through development of water power.

Despite experiments with atomic energy to propel boats and aircraft, there is nothing whatever to indicate that petroleum fuels will not have to be imported from Arabia, Syria, Persia, and Iraq in a future war. According to Bruce K. Brown, chairman of the military petroleum advisory committee, the United States supply situation has already changed in such a manner that instead of our being a Nation with an export surplus of oil and a potential production of 1,000,000 barrels a day above peacetime needs, we have turned into a country which is on balance a net importer of petroleum. Mr. Brown, who is also vice president of the Standard Oil Co. of Indiana, said that in the next war, instead of our having available a half million barrels of oil a day for use by the air force, as in the last world conflict, the same number of planes jet-propelled and flying the same number of hours, would use at least six times that amount daily or 3,000,000 barrels. Without near-future completion of the St. Lawrence seaway project, the United States will be badly crippled from a defense standpoint by lack of cheap water transportation to our land-locked Middle West, of abundant supplies of oil as well as of iron ore from abroad.

The Mesabi range producing half our high-grade ore, according to the estimate of the United States Bureau of Mines, will not last for more than 10 years at the present rate of mining, for the extraction of easily mined, open-pit, high-grade ore. Even if we take the more conservative estimate of 15 years instead of 10, there are only two alternatives. Either the lower grade ores will have to be used or there must be an importation of foreign ore. Some odd corners, small deposits, and underground sources might remain, but these would be costly to mine as compared with the larger open pits of today and would be small in output.

According to C. M. White, president of the Republic Steel Corp., the iron-ore situation in the Lake Superior region is of paramount importance not only to the great industrial centers in the region of the lower Lakes, but to the Nation and to the world. Should the ore production of the Lake Superior region be seriously decreased, and if abundant ores from elsewhere were not to reach the lower Lakes by water, much of our steel industry eventually would be forced to migrate to the Atlantic seaboard—and perhaps also to the Gulf of Mexico, to utilize sea-borne imported ores, according to White.

It is not inconceivable that our own Cleveland might take on a form of ghost city productivity in respect to the steel industry at least. The present size and importance of Cleveland would be gravely reduced were certain of its major industries forced to abandon the Lakes region for favorable ore-importing locations at tidewater. Such a disaster need not befall our city if the St. Lawrence channels are deepened for navigation down to Montreal and if access is thus opened to foreign ore supplies. It happens that as one source of vital raw materials approaches exhaustion, on Lake Superior, new fields are being opened up, with the possibility of lengthening the period of usefulness of the Mesabi deposits but more importantly, of granting directly a new lease on life to the industries of the Middle West originally created on the basis of the Lake Superior deposits.

Foreign ore fields which seem to offer the most promise are those in Labrador and Brazil, both having high-grade open-pit ores about 300 miles from tidewater. Smaller quantities could be made available from Cuba, Venezuela, and Chile. Whether the Labrador or the Brazilian iron-ore deposits are to prove the most dependable, in either case the completion of the St. Lawrence waterway is indispensable for cheap water transportation of these ores up into the Great Lakes area of the Midwest United States. The same is true if it is found profitable to exploit African, Indian, or Philippine ores or the Wabana deposit of Newfoundland. Then the people of a thriving and vital Cleveland and of the other new ports on a new arm of the Atlantic Ocean, beholding the flags of all of the maritime nations of the globe—flying from the mastheads of visiting vessels, will awaken to an entirely new concept of America's power as a real leader in the present world, and of the outstanding position of our Middle West in America.

AMERICA'S POSTWAR PROJECT NO. 1—THE GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TO THE SEA

(By Tom Ireland)

III

Ladies, gentlemen, friends, again I have the opportunity of speaking to you in behalf of the early accomplishment of the Great Lakes-St. Lawrence deep waterway to the sea. Cleveland and Pittsburgh owe their places as the country's sixth and tenth cities to the rise of the steel industry of the Midwest United States from providential spacing of natural resources and from their use by the ingenuity of man. Although Mesabi iron and Pennsylvania coal, as the two chief elements in making steel, were 1,000 miles apart, this distance obstacle was overcome by the Great Lakes. A haul of 700 to 1,000 miles by water ordinarily costs no more than a haul of only 100 miles by rail. Iron ore in 12,000- or 15,000-ton loads is brought by deep-channel navigation down to Cleveland, where coal to smelt the ore is brought overland. Cleveland, due to its long cheap water haul of ore, makes up for Pittsburgh's proximity to smelting coal, since Pittsburgh has to

bring ore overland from the Lakes. Cleveland also has cheap water access to steel markets.

This favorable picture for both cities is now changing. Two World Wars have depleted resources basic for our survival, as copper, lead, zinc, oil, and iron. Steel production, at 85,000,000 tons last year and a predicted 86,000,000 in 1948, calls for the near-future importation of ore from abroad, probably from Labrador, as the next major source. A bottleneck exists to block its economic haul up to Cleveland in shallow 14-foot channels along the St. Lawrence River. Until the main channel from Montreal up to Cleveland is carried to the projected 27-foot seaway depth, high-grade iron ore cannot be brought into Lake Erie in large-enough cargoes. Small craft with only a 1,500-ton load would navigate the shallow side canals at present. Over the deepened channel vessels with space for 8,000 or 10,000 tons would start coming up into the Lakes, gradually replaced by craft with space for up to 18,000. Only by channel deepening for larger vessels could the necessary 65,000,000 gross tons of high-grade iron ore a year be economically brought in to keep the Midwest steel alive and healthy.

Our Midwest steel-making and marketing region extends from Buffalo and Pittsburgh on the East, along the Great Lakes to Chicago and beyond on the West, where automobiles, locomotives, train cars and rails, machine tools, farming machinery, electrical equipment, and building girders are made and sold. Our Midwest, turning out three-quarters of the Nation's steel, and alone able to supply farm and railroad equipment for raising and hauling crops to Europe, Asia, and Latin America, is virtually the economic and industrial arsenal of the world today. Democracy and capitalism, political and economic stability, depend for their survival on that of the steel industries in our Midwest. Midwest America, still the greatest workshop of the world, is held a landlocked prisoner between the Appalachians and the Rockies. Lacking a direct water outlet to the ocean, Midwest products bear the cost of breaking bulk, of repacking, and of transshipment from Lakes' carriers to railroads, raising prices to the consumer. Cheap water haul is a decisive element in low-cost production, enabling a vastly greater number of enterprises to operate at a profit, many of which otherwise would never even have come into being at all.

When and where transportation is too costly to operate at a profit, people move away. Already an ominous flight of population is setting in from the Middle West. The Panama Canal, by cheaper water haul at sea, gave shipping points in our coastal areas an advantage in rates over interior points. Since much commerce between our coastal areas took to sea, forsaking Cleveland and Chicago to use Panama, the rapid growth of these two Midwest cities fell off since 1930. Since Panama's opening in 1914, the Midwest has lost 4,000,000 people. The Census Bureau showed in 1943 that 20 of the 23 States tributary to the Great Lakes had lost people since 1940. High grain rates to tidewater reduced North Dakota's population by 15 percent in these 3 years.

Strike two against the continuance of the steel industry in our Midwest is the exhaustion of iron ore available by cheap water haul from the upper Lakes. Since the opening up of the Mesabi range in 1892, 60 percent of its high-grade ore has been dug out. Under war stress, the steel industry drew upon its open-pit Mesabi ores from 1940 to 1945 at three times the rate of the early 1930's. The United States Steel Corp. alone can draw on Lake Superior reserves for a generation more, but not enough to supply the country in another major war. Within 6 years, the other steel companies will begin to encounter hardship in drawing out enough iron ore for profitable smelting. The only other important domestic source is the Adirondacks, whose deposits would meet only one-tenth of annual needs after a tunneling of 1,000 feet underground and having to smelt ore at the mines.

There is no alternative but to deepen seaway channels so that iron ore may be brought up to Cleveland and other Great Lakes ports from foreign sources. The United States and the Bethlehem Steel Corp. are now experimenting on Lake Superior with a hard basic rock known as taconite with only about 30 percent iron content and of which 3 tons are required to produce 1 ton of ore worth smelting. Refining taconite would expand the plants and fixed outlay of the steel industry so as to add over 10 percent to production costs, already high, without increasing output. This cost, borne by every man, woman, and child in the land as consumers, would reduce American living standards.

Since taconite renders no complete and satisfactory economical remedy to the problem of dwindling domestic iron-ore reserves, either the steel mills of our Midwest must move themselves down to tidewater to use ores cheaply brought by sea from abroad, or through deepening of St. Lawrence channels must move tidewater rates up to themselves. If passage is not provided by deep-channel navigation to Great Lakes ports from Labrador and Quebec so that their high-grade iron ore can be absorbed by our industries of the Middle West then their ore production will build up new steel industries at cheaply accessible Atlantic coastal and Gulf points, leaving Great Lakes carriers to rust away while tied to rotting wharves at Cleveland and other Great Lakes ports.

At Cleveland, February 8, 1944, a river-and-harbor program estimated to cost $35,000,000 was presented at a joint meeting of the city planning and the port-and-harbor commissions by the chamber of commerce. There were proposed a 3-mile extension of the Cuyahoga River's navigable channel; rebuilding of railroad bridges to avoid interference with the passage of the largest ore carriers; and construction of a new general-cargo pier on the lake front. The first two improvements were deemed necessary for the advancement of Cleveland as a Great Lakes port.

The plan for a new commercial pier on the lake front, however, indicated that the Cleveland Chamber of Commerce, despite its long seaway opposition, had begun to consider the probability of the near-future realization of this project to make Cleveland an ocean port. Since then, the municipality of Cleveland has not had sufficient funds and has made no effort looking toward bond issues to raise the required amounts. I believe, however, that with favorable action on the seaway project in Congress, the proposals contained in the Cleveland Chamber of Commerce plan, presented to the city at the time mentioned, will be enacted—to give Cleveland its just share in the commercial return forthcoming from its new outlet for seagoing trade.

In point of distance from Cleveland, the seaway is 556 miles shorter to Liverpool than the way via rail through New York; 591 miles shorter to Copenhagen—key point to north Europe's ports. Cleveland now enjoys a considerable coastwise and foreign business. A great stimulus to existing commerce and to the creation of new industries—especially those engaged in coastwise and foreign trade—will be felt by Cleveland, in common with other Great Lakes ports, through the establishment of a sea base in midcontinent. Cleveland a seaport—directly connected with world markets by ocean ship—fires the imagination, since water travel is from 7 to 10 times cheaper than haul by rail.

There is no fair balance of interests between the barring of direct benefits by low-cost water navigation to 50,000,000 people in the Great Lakes tributary area of the United States and Canada by refraining from seaway completion on the one hand, and assuring high revenues to those who profit from stoppage of cheap water transportation on the other. If we genuinely pride ourselves on having a people's Government, then we must not give our encouragement to a pressure-group government, to the sort of government we condemn under Stalin. We are encouraging pressure-group government when we permit special private interests to block the construction of such a vital public navigation improvement as the Great Lakes-St. Lawrence deep waterway to the sea, and to cause to run to waste, month after month and year after year, 5,000,000 horsepower of hydroelectric energy. Meanwhile Russia is contemplating the near-future development of twice as much power on the Volga, and St. Lawrence power is demanded by our highest military authorities under every patriotic consideration for turning out atomic bombs and airplanes needed to carry them.

The Great Lakes-St. Lawrence deep seaway and power project, approved by a 9 to 4 vote of the United States Senate Foreign Relations Committee last July 18, is not only a plan for navigation and hydroelectric energy. In addition to these, it is a test of the faith of the American and Canadian peoples in their own democratic system of government, a test of whether they are to make a stand in favor of government for the people, or whether like the downtrodden multitudes of the Indian, Chinese, and Russian, east, they too are to succumb to government for the few at the cost of the many, and to forfeit liberty as any real basis henceforth for the destiny of the inhabitants of the Dominion of Canada and of the United States of America.

AMERICA'S POSTWAR PROJECT NO. 1—THE GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TO THE SEA

(By Tom Ireland)

IV

Ladies, gentleman, friends, today I am concluding a series of four radio lectures on the subject of the Great Lakes-St. Lawrence deep waterway to the sea, in which I have been emphasizing the importance to the city of Cleveland and the Midwest in general of the earliest possible completion of this great project. In this lecture it shall be my purpose to discuss briefly some of the objections frequently advanced by the opponents of this enterprise.

Any losses to Atlantic and Gulf ports from St. Lawrence seaway completion would be heavily offset by gains in new trade in and out of the Lakes. Drawing iron ore from Chile and Venezuela for 30 years, the plant at Sparrows Point, Md., on Chesapeake Bay, has become the largest of the Bethlehem Steel Corp. Business interests on the New England, mid-Atlantic, and Gulf coasts see in the preventing of the completion of the St. Lawrence seaway a chance to block the landlocked steel industries of the Middle West from access to fresh ore that can be economically brought up into the Lakes from abroad and to gain for themselves a share of the Midwest steel industry as it moves down to tidewater for lack of deepened channels on the St. Lawrence River.

Private utility monopolists oppose the St. Lawrence seaway and power project for undertaking to save New York State's light and power consumers about $25,000,000 a year rather than to enrich a small group of private-utility owners. As to the claim of coal and power interests that an efficient steam plant turns out electric power as cheaply as a hydroelectric turbine, why then, don't they reduce their rates? As to the fear of foreign coal importation, despite the accessibility of foreign coal by sea to our east coast cities, coal imports into the United States amount to a negligible fraction of 1 percent of our

own American production. British coal is no threat since mining costs are high. It is time that American people through the completion of the St. Lawrence power project have to look less to one man or clique for permission to dig coal and to burn it on the one hand or to go without cheap light and heat on the other.

If a man with a package wants to walk across the street as the cheapest and most direct way to his office, it would be un-American that someone should be permitted first to force him to ride around the block for a dollar whether in a limousine or a wheelbarrow. It is equally un-American for Midwest producers to be denied the right of sending cargoes by all-water route down to tidewater. Where cheap electric power is available, it is un-American for people to be forced to buy either coal or electricity at monopoly prices. The three railroads east of the Lakes opposing the seaway are already standing trackage duplications of more damaging competition than the seaway could ever be. Far from incurring harm by any rate-lowering from seaway completion, they will benefit from a general expansion of the country's trade.

The seaway will make dormant but potential energy along their lines enter into the field of profitable production, setting up a brisk new railroad commerce between the seaway region and at least the South and West. Rail and boat generally supplement each other. Where some margin of competition exists, the public is entitled to the economy of the cheaper form of transportation. Since the welfare of the country's railroads depends primarily on the welfare of its factories and farms to provide commodities to carry, the seaway—in creating markets and in enabling freight to move that otherwise would not even be produced, will benefit both directly and indirectly the Nation's rails.

The favorite argument of opponents of the St. Lawrence seaway project runs like this: If the seaway is built it will not be used due to the winter closing of the Great Lakes because of freezing for a large part of the year or because oceangoing vessels could not operate economically in view of the heavy costs of existing lake carriers. Then the same opponents proceed to assure the public that if the seaway is built, it will be used so much that many enterprises would be ruined from the competition. Certainly there would be no serious disturbance to fear from facilities not to be used at all or only slightly. These mutually contradictory assertions cancel out each other.

Seasonal winter freezing on the Great Lakes and St. Lawrence River has not prevented Montreal from becoming one of the greatest seaports in the world, second only to New York on the Atlantic seaboard in passenger-liner service; nor has it prevented commerce on the Lakes of 184,000,000 tons in 1944; nor has it precluded 120,000,000 tons of freight from passing through Sault Ste. Marie in 1942, more than has passed in any 1 year through the Panama and Suez Canals combined. The United States Maritime Commission states that by deferring full coal loading until arrival at Montreal on the way out to sea, practically all deep-sea freight vessels could navigate the projected 27-foot channel and cites a definite American and foreign gross tonnage of 70,000,000 capable of navigating the completed project.

It is forgotten by those who would continue to exclude foreign vessels from the Lakes that seaports far from being damaged by their presence, receive new business for merchants, shipyards, supply and repair shops, towing companies, and not least for trucking and transfer outfits and for the railroads. American vessels are protected on seaway completion, since transportation between Great Lakes and coastal ports is prohibited to foreign craft by United States shipping laws.

Were it possible to send automobiles overseas from Detroit and Cleveland plants, new cars could be moved out to sea completely by water at savings up to $40 apiece with the result that the price of motor cars would be cut to you and to me and to every other American buyer. Tire factories would save $8 a ton on imports of crude rubber. Dairy farmers could save $4 a ton on butter, poultry, and eggs sent to American ports on the North Atlantic. Two-thirds of the price of lumber for Cleveland houses is based on the cost of hauling. Lumber from Seattle through Panama and up the St. Lawrence waterway would be brought here at such heavy savings that seaway completion may well make up the difference between a midwest building boom and a housing shortage, according to an authority in Collier's.

Opponents claim that were the St. Lawrence seaway completed, atomic bombs could wipe out the project. The answer is simply that if we let our political and defensive position deteriorate to the point of permitting enemies to drop atomic bombs here, these weapons will destroy practically everything left of us along with the seaway, and so that argument certainly fails. Any nation, including our own, which neglects the development of its navigation and power resources on the demand of its pressure groups while remaining indifferent to the advice of its highest military authorities, is far more likely to invite a new sneak attack than were it prepared and strong.

The revised cost to the Federal Government of the navigation end of the St. Lawrence project to be paid by tolls and after deducting Canada's share and that of New York State for power, is fixed at less than one-quarter billion dollars by the Army engineers, or less than this country's recent war costs for a single day. A compelling reason in itself demanding seaway completion is the gaining of a new coast line of 3,500 miles, absorbing the services of vessels needed as military and naval auxiliaries in time of war, into the Nation's foreign and domestic commerce in time of peace. The ruinously wasteful practice would then be discontinued of spending billions of dollars of the taxpayers' money for the building for every war of a brand new merchant marine whose splendid vessels are abandoned in time of peace to lie rusting and rotting away in shipyards as unfit for further use.

A generous American public through the Marshall plan, is about to send commodities worth some $17,000,000,000 in the next few years to western Europe. Any real hope of restoring trade and industries to solvency there under political and social conditions where individual freedom can survive and flourish, presupposes that commercial relations between the beneficiaries and the United States are to be on the cheapest, most direct, and most feasible basis. If overseas connections are not improved by near-future St. Lawrence waterway completion, it is apparent that enormous sums to be spent under the Marshall plan will be wasted and thrown away. Herbert Hoover told a Senate committee in May that even our sending food to Europe on the present inadequate basis which causes hundreds of thousands of people to be now needlessly starving, overtaxes our railroad cars to the point of disrupting internal traffic in this country.

Transportation costs over long distances by rail have now reached the point where a haul of 800 or 1,000 or 1,500 miles across the country to tidewater completely wipes out the margin of profit on many articles entering largely into our foreign trade and limits the markets for many others through transfer and terminal charges. This condition must be soon eliminated if the financial stability of the United States as well as its defensive position is not to be permanently impaired. The future of America will be determined by the extension of commercial relations with other countries for the disposal of the products of our farms, mines, forests, and industrial plants and by the best possible distribution by cheap water transportation of American production that will enable it to be turned out and sent to market at a profit. But that is not all.

The heavy drain of two world wars has changed the country's situation from that of exportable surpluses to one of near exhaustion of such basic natural resources as copper, iron, zinc, oil, and high-grade iron-ore reserves. The United States is rapidly turning into a country which is on balance a net importer of these items. The paramount need today is for a project allowing for the abundant renewal of our dwindling natural resources as well as for the cheapest possible sending of our finished goods overseas. The Great Lakes-St. Lawrence deep waterway to the sea is just such a project, bringing ocean vessels to the heart of the Midwest United States and Canada, creating one-third more seacoast, and adding it on to the Atlantic and Pacific coasts. It will enlarge our Atlantic inlet and outlet, replenishing as well as releasing the productive energies of regions to the east and to the west, to the north and to the south of the Great Lakes tributary area of Canada and of the United States.

The PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired.

Does the Senator from Massachusetts wish further to discuss the joint resolution?

Mr. LODGE. No, Mr. President. I think I have summarized the arguments from my viewpoint. I may say that I intend to vote favorably on the motion to recommit, but, if that fails, I shall vote against the passage of the joint resolution.

I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Bushfield	Johnston, S. C.	Robertson, Va.
Butler	Kem	Russell
Byrd	Kilgore	Saltonstall
Cain	Knowland	Sparkman
Capehart	Langer	Stennis
Capper	Lodge	Stewart
Chavez	Lucas	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Okla.
Cordon	McClellan	Thomas, Utah
Donnell	McFarland	Thye
Dworshak	McGrath	Tobey
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	Young
Gurney	Moore	
Hatch	Morse	

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Under the unanimous-consent agreement, the Senate will proceed to vote, and under the rules of the Senate, the first motion submitted will be the motion of the Senator from New Jersey [Mr. SMITH] to recommit the joint resolution.

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MAGNUSON (when his name was called). I have a pair with the senior Senator from Maryland [Mr. TYDINGS] who is necessarily absent because of illness. Were he present he would vote "yea." Were I permitted to vote I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. KNOWLAND. I announce that the Senator from New Jersey [Mr. SMITH] is absent because of illness. The Senator from New Jersey, if present and voting, would vote "yea."

The Senator from Wyoming [Mr. ROBERTSON] is necessarily absent, and is paired with the Senator from New York [Mr. WAGNER]. The Senator from Wyoming, if present and voting, would vote "yea," and the Senator from New York, if present and voting, would vote "nay."

The Senator from Maine [Mr. WHITE] is absent because of illness, and is paired with the Senator from California [Mr. DOWNEY]. The Senator from Maine, if present and voting, would vote "yea," and the Senator from California, if present and voting, would vote "nay."

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from New York [Mr. WAGNER], who is necessarily absent, is paired on this vote with the Senator from Wyoming [Mr. ROBERTSON]. If present and voting, the Senator from New York would vote "nay," and the Senator from Wyoming would vote "yea."

The Senator from California [Mr. DOWNEY], who is absent on official business, is paired on this vote with the Senator from Maine [Mr. WHITE]. If present and voting, the Senator from California would vote "nay," and the Senator from Maine would vote "yea."

The result was—yeas 57, nays 30, as follows:

YEAS—57

Baldwin	Fulbright	Maybank
Brewster	George	Millikin
Bricker	Gurney	Moore
Bridges	Hawkes	Myers
Brooks	Hoey	O'Conor
Buck	Holland	O'Daniel
Bushfield	Ives	Overton
Butler	Jenner	Reed
Byrd	Johnson, Colo.	Revercomb
Cain	Kem	Robertson, Va.
Capehart	Kilgore	Russell
Connally	Lodge	Saltonstall
Cooper	McCarran	Stennis
Cordon	McClellan	Stewart
Donnell	McFarland	Taft
Dworshak	McKellar	Thomas, Okla.
Ecton	McMahon	Umstead
Ellender	Malone	Watkins
Flanders	Martin	Williams

NAYS—30

Aiken	Hill	Pepper
Ball	Johnston, S. C.	Sparkman
Barkley	Knowland	Taylor
Capper	Langer	Thomas, Utah
Chavez	Lucas	Thye
Ferguson	McCarthy	Tobey
Green	McGrath	Vandenberg
Hatch	Morse	Wiley
Hayden	Murray	Wilson
Hickenlooper	O'Mahoney	Young

NOT VOTING—9

Downey	Robertson, Wyo.	Wagner
Eastland	Smith	Wherry
Magnuson	Tydings	White

The PRESIDENT pro tempore. On this vote the yeas are 57, the nays are 30, and the joint resolution is recommitted to the Committee on Foreign Relations.

Mr. MAGNUSON. Mr. President, I wish to make a statement with respect to the vote just taken in the Senate. The senior Senator from Maryland [Mr. TYDINGS] is so vitally interested in the St. Lawrence seaway proposal that had he not obtained a pair I am sure he would, at the expense of his own health, have come to the floor of the Senate to vote "yea" on the last motion. I think the RECORD should show that.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TABER, Mr. WIGGLESWORTH, Mr. ENGEL of Michigan, Mr. STEFAN, Mr. CASE of South Dakota, Mr. KEEFE, Mr. CANNON, Mr. KERR, and Mr. MAHON were appointed managers on the part of the House at the conference.

THE MARSHALL PLAN—KIPLINGER WASHINGTON LETTER

Mr. MORSE. Mr. President, I ask to have published in the body of the RECORD as a part of my remarks the Kiplinger Washington letter of February 14, 1948, which in my opinion is one of the best digests and outlines of the Marshall plan covering a very brief space that I have yet to read. In addition to its impartiality, it raises some very interesting questions which I am sure will be discussed during the debate in the Senate as we prceed with the consideration of a plan which I think is vital to the security of our Nation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE KIPLINGER WASHINGTON AGENCY,
Washington, February 14, 1948.

DEAR SIR: This letter is about the Marshall plan, and it is by request; for many readers write in to say that they do not understand the plan. Some say they are confused by piecemeal explanations, including ours. Others say they are fed up with propaganda on both sides of the issue, with argument instead of information. So we shall try to shed some light. And we don't want to argue about it—just want to tell you about it.

Current business uncertainties add importance to the whole plan, for it will affect all business—big and little—directly or indirectly.

Marshall plan in simple language is this: Our Government buys stuff, mostly in the United States, from our own industries here and pays for it here. Then our Government allocates the stuff among needy countries, and sends it. Buys it here, doles it out there. About half as a gift, half as a loan.

It's goods, not money. Money will not be given or lent to Europe, except incidentally and outside the Marshall plan. It's goods we send.

Strings and conditions attached, broad aims, purposes, motives—we'll talk of them later. Focus now on the more tangible facts.

First, the Marshall plan is going to be—is going to pass. The chances are 10 to 1 that it will be in operation by this midsummer. It's a fact to face, beyond the controversy over should or shouldn't.

Likely to continue 5½ to 6 years—year longer than advertised, until about 1954. (Most authorities admit this time in private talk.)

Tune of twenty billions total, minimum, over the full 5½ to 6 years. The advertised sum is seventeen to eighteen billions, but it probably will run higher.

Remember, too, the imports from other countries, thirty billions, that much shipped into United States during the life of the plan. These imports will yield money in this country, which then will be spent for exports—more exports, in addition to Marshall plan. These will be supervised and controlled by our Government, to coordinate them with the Marshall plan.

Thus the Marshall plan is big business, fifty billions of exports, the twenty to be subsidized by Government, the thirty more to come in natural trade.

So a big Government purchasing and distributing agency will be created.

Run like a business, hundreds of employees, whole office building. Somewhat like the wartime WPB, but actually doing the buying directly. Experts on buying of this and that, with industry committees to advise. May buy from you, or through you, or from businesses in your community. Most goods for export will either go through it or be controlled by it. It will be one of the biggest customers of business in whole country.

Who pays? You pay: (1) In taxes, for it will be pay as you go; (2) in doing without certain things for a while, prolonging scarcities; (3) in paying higher prices for some things than without Marshall plan.

Scarcities and pinches here will not be greater than in the past, but some of them will stretch out longer than was heretofore assumed.

How big a drain in terms of goods, in terms of going without?

Point 1: Marshall plan will take 5 percent of our total production, which is much less than many think. But on certain scarce commodities which are badly needed both here and abroad, the pinch will be worse.

Point 2: The plan will not increase exports above the past year. It will merely sustain them, keep them from dropping off too drastically. Even at that, the outflow of exports will be less than in the past year.

Point 3: Our Government will not let the exports rob our own economy of things we must have. Will try to balance the foreign and domestic needs. Will consider this country first, Europe second. Won't break us down.

Food is most important. This year is the peak year in demand. Next year high, but not as high as this year. Tapering off thereafter. That is, if weather—and thus far the world weather seems favorable.

Many food prices are headed for decline in the United States this year, but the drop will not be as much as it would be without Marshall plan. No over-all food shortage here, no hunger, no acute food sacrifice.

Greatest strain, farm machinery, needed both here and in Europe. Export of farm machinery will help us to get food production going there so that we don't have to go on exporting our free food to Europe forever. But our farmers will have to count on relative insufficiency of machinery for several years—longer than they thought—due to the Marshall plan. Partial antidote will be the allocation of more steel to farm machines.

Seeds: Big exports to Europe this year, and probably next year.

Fertilizer: Great quantity must go to step up food output there, subtracted from this country. But most of it will come from Army plants.

Tobacco: Much tobacco will be sent—will prevent a glut here.

Cotton: Demands from abroad are tremendous and also excessive. Our Government will scale them down, but still it will send a lot of cotton.

Steel, scarce here, also desperately needed in all of Europe. Will send as much as we can. Steel short here for another year or two. Not worse than at present, perhaps some better, but not much better.

Iron ore needs to be conserved here, good ore is running low. But we'll send a good deal abroad so Europe can use it to get going. Some European mines were knocked out by war, by destruction of machinery.

Mining machinery: Great quantities are needed in next 3 years.

Steel, electrical, and lumber equipment: Much of it will be sent. But not so many big electric generators, for they are needed in the United States.

Freight cars: We will skin down the European demands for them. Need them too badly here. Europe will have to go without, or make them.

Heavy trucks: More of them as a substitute for the freight cars.

Passenger autos: Not many, proportionately; they're needed here. But steel exports will retard production here, make many wait longer.

Coal: Big call for our coal, but generally we can spare plenty.

Oil: Exports will be big, but more than matched by the imports.

Timber: Quantities are needed abroad, especially railroad ties. We shall pare demands, and rely more on sending the sawmill machinery.

Hides and leather exports will be big, will keep prices high here. The high prices of shoes will be aggravated by the Marshall plan.

Export figures on each commodity this year are not yet ready.

The governmental machinery is up to Congress, but our opinion is that there will be an over-all board of directors of public members, with the State Department supreme on the general foreign policy in the plan.

But one man to boss the administration, a practical sort of man, possibly a big businessman, "the executive type to get things done."

Committee from each major industry will advise on procedures, so as to fit the export purchases to domestic needs and requirements.

The administration probably will be good, tight, businesslike.

Name: European recovery program, ERP, the Marshall plan. Agency that runs it may be named European Recovery Administration, ERA.

This agency will supervise and check up on use of goods abroad. It will have offices in each country to work with the governments there. These foreign offices will administer the revolving funds of the plan. Foreign governments will sell some of the stuff, and put the money back into the funds. Our government will hold the purse strings over these. There will be continuing checkup, accounting, riding herd on requests.

Foreign industries will get such things as machinery on credit. They will owe their governments for the machinery, eventually will pay, and their governments will eventually repay to us, to our Government.

How much gift, how much loan? Probably in the end about 50–50. This is a conservative estimate. Some think in time we can get back 60 percent. Will take years, will depend largely on our future foreign trade policy, whether we further moderate our tariffs to let in more foreign goods.

What's the tax cost? It will take about 10 cents out of every dollar that you pay in taxes to cover cost of Marshall plan next 5 or 6 years. If half is eventually repaid, then net cost is 5 cents of every tax dollar.

Some sort of customs union of western Europe will be worked out. It is one of the United States conditions and the United States will plug hard for it.

Balanced budgets, stabilized currencies, these are also musts.

Western Europe only, 16 nations, not those in Russian orbit. Some war neutrals to be aided, because rest of Europe needs their stuff.

Latin America will benefit. We shall buy stuff there for Europe. Then the Latin American countries will have the dollars to spend here. These are the "off shore dollars," over which there's some controversy.

Relief against reconstruction: Relief means mainly food and fuel, and relief alone would never end, so the answer lies in reconstruction.

Self-help is the keynote of conditions. Europe must help self. Can in due course, if furnished the tools, the equipment, to work it out. Also must have more economic integration among the industries of Europe. We don't have enough to supply Europe with everything that's wanted. The requests have already been trimmed from 30 billions to under 20. The recipient nations will be compelled to adjust, to help themselves.

Harriman committee report gives a solid analysis of the plan. The committee consists of 19 hard-boiled representatives of the public. They were diverse and skeptical, but they studied and finally concluded that it could and should be done, with certain conditions, modifications.

You can get official copy by writing the Superintendent of Documents, Washington 25, D. C., asking for Harriman Committee Report, send 60 cents. It points out many merits, many flaws, and ways to correct the flaws.

What's the origin? Who thought it up? Mainly the State Department, a year ago, after Big Four busted up, after the show-up of Russian aims to let western Europe bog down economically, then let Russia take over. We reported the plan in embryo last March 1947. It was denied then, but Marshall spilled it in June. The European nations got busy on it, collected thirty billions of wants, and were told to trim, which they did. Meanwhile Russia got nastier, and pushed the cold war on many fronts.

Also we had the Truman doctrine to hold Russia where she is, even by force. Marshall plan is the economic phase of Truman doctrine.

Motives of our Government: Humanitarian on which there's agreement.

Economic, to relieve us of relief, to rebuild western Europe, to restore it to being our best customer, which it has always been.

Military to keep Russia contained, away from western Europe, for our Government thinks that if Russia expands there, it means sure war. (The way in which Russia expands is to get native Communists in control, and then see to it that these nations play the Russian game.)

Why not use the UN? Because the UN has no money and no goods. Only the United States in all the world has them. Besides, we don't trust UN to administer such a complex plan on such a scale, with our substance.

Who's against it? Many skeptics who think we are suckers again, or who honestly fear that the export drain will break down our economy. Also the Communists, fellow travelers, and their stooge organizations.

The public is probably lukewarm, finds the plan hard to judge. Our Government has done a good job of pleading, but a poor job of explaining.

Who's for it? And why be so sure it will be voted by Congress?

Most Democrats are for it, and so are over half the Republicans.

Most labor is for it, it's liberal, and it will make jobs.

Humanitarian elements are for it, and they wield a lot of power.

Business is divided, but most big business leaders are for it. Business generally is not averse to having the orders that flow from it. It's costly, but it does help to keep business from declining too much.

And if a recession develops, as some think, then it would become especially important as a sustainer of business activity in this country. Not all businessmen agree that this is a proper motive for the policy, but many do, and they speak of it as distinctly secondary, incidental.

It's a tremendous gamble, and even the proponents admit this. Honesty requires that we all face the possibility that it might fail.

But if we do not do it, then it is likely that western Europe will be invaded by communism by Russia, and very few doubt this end.

In that case, war. Or if war anyway, then we will be stronger with a rebuilt healthy western Europe on our side as fighting allies.

If no Marshall plan, then our military would need billions more, for we would then face threat of whole Europe under Russian domination. So we are gambling with billions on hope of peace instead of war.

Yours very truly,

THE KIPLINGER WASHINGTON AGENCY,
W. M. KIPLINGER.

AMENDMENT OF ATOMIC ENERGY ACT—INVESTIGATION OF PERSONNEL OF ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 1004) to amend the Atomic Energy Act of 1946 so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as general manager of such Commission until an investigation with respect to the character, associations, and loyalty of such person shall have been made by the Federal Bureau of Investigation.

Mr. KNOWLAND. Mr. President, the bill to amend the Atomic Energy Act of 1946 is very important, affecting, as it does, the security of the United States, and I hope as many Senators as possible will remain to hear the discussion and debate on the bill.

Mr. HICKENLOOPER. Mr. President, I desire to take the time of the Senate for only a few moments before the Senator from California proceeds to a discussion of the pending bill. Senate bill 1004 was reported favorably by the Senate section of the Joint Committee on Atomic Energy to the Senate as a result of action by the Joint Committee on Atomic Energy taken sometime ago. Senate bill 1004 was introduced by the junior Senator from California [Mr. KNOWLAND] on March 31, 1947. The bill has a history which I think may well be recited to the Members of the Senate.

In March 1947, the Senate section of the Joint Committee on Atomic Energy was then considering the question of the confirmation of the Presidential nominations to the Atomic Energy Commission and to the position of general manager. At that time and during the Senate debate on the confirmations, the question was raised as to whether or not the appointees or the nominees of the

President to the Atomic Energy Commission and to be general manager had been investigated by the Federal Bureau of Investigation as to their background, associations, and loyalties, as was required by the act, and is required by the act for all employees of the Commission itself.

At that time it was stated to the Senate on the floor that there had been no investigation as such by the FBI of the nominees to the Atomic Energy Commission or to the position of general manager.

Shortly after that the Senator from California introduced the bill. He will speak later in the presentation of his views, and I shall not undertake to tell the Senate what his attitude is nor his reason for introducing the bill. I shall give a little history, as I recall it, of at least my attitude toward this particular matter at the time the Senate Special Committee on Atomic Energy was considering the Atomic Energy Act of 1946, referred to as the McMahon Act.

I can say that in the consideration of the members of the committee at that time, as I recall, the question whether or not members of the Commission itself and the general manager should have their records, attitudes, and associations investigated prior to their appointment was considered at length. It certainly was my attitude at that time that while it might be advisable then not to include members of the Commission and the general manager in the category of those to be investigated by the FBI, yet it would be highly desirable if any person who was appointed to the responsibilities of this office could have his background, his attitude, and his associations examined so that there could be no question in the mind of any one, and no question could be raised thereafter as to any failure to examine into the attitude of such a person, and no failure of proof, on the other hand, that such person was completely free of any possible substantial question on that score.

It must be borne in mind that the law provides that every employee of the Commission under the general manager must be subjected to this scrutiny by the Federal Bureau of Investigation.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. McMAHON. It is also true that employees of the Commission are not subject to confirmation by the United States Senate, is it not?

Mr. HICKENLOOPER. That is entirely true.

Mr. McMAHON. It is only the members of the Commission and the general manager who are subject to investigation by the Senate, and whose nominations must be either confirmed or rejected by the Senate.

Mr. HICKENLOOPER. That is entirely true.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. STEWART. Looking backward to the time when the question of confirmation of nominations of members of the Commission was before the Senate, this subject was discussed at that time, I believe.

Mr. HICKENLOOPER. Yes.

Mr. STEWART. The question of whether the FBI should conduct the investigation was discussed at that time. In connection with the statement made by the Senator from Connecticut, as I understand the law, those whose appointments are not subject to Senate confirmation, that is, those who are employed by the Atomic Energy Commission and are not Presidential appointees, are subject to FBI investigation.

Mr. HICKENLOOPER. That is correct.

Mr. STEWART. The only group on the Atomic Energy Commission excluded from FBI investigation are Presidential appointees, as the law stands today.

Mr. HICKENLOOPER. That is correct.

Mr. STEWART. As I understand, this bill has no retroactive feature.

Mr. HICKENLOOPER. That is correct.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. McMAHON. It has a retroactive feature to this extent: Under the provisions of the act, the terms of the present Commissioners expire on August 1. If this bill should be enacted, it would require the President of the United States to obtain a Federal Bureau of Investigation report on them before he could give them recess appointments.

Mr. STEWART. Then all the members of the Commission must be reappointed by August 1.

Mr. McMAHON. That is the time when their present terms expire.

Mr. STEWART. Can they serve under recess appointments, in the event their nominations are not confirmed by the Senate?

Mr. McMAHON. If their terms expire on August 1, the President has the right to reappoint them.

Mr. STEWART. Let me ask a further question. The Senator from Iowa, or perhaps some other Member of the Senate, can answer this question. Are the Commissioners and the General Manager of the Atomic Energy Commission the only ones who must be Presidential appointees?

Mr. HICKENLOOPER. Yes.

Mr. STEWART. I do not recall what the law provides about the general counsel.

Mr. HICKENLOOPER. The Commissioners and the General Manager are the only Presidential appointees, and the only ones whose appointments are subject to confirmation by the Senate. The others are employees designated by the Commission, and in some cases by the General Manager, under the authority of the Commission.

Mr. STEWART. I remember that I was quite anxious at the time of confirmation that all the employees, whether Presidential appointees or not, should be subject to FBI investigation.

Let me ask the Senator one further question. What is the reason for the introduction of this bill at this time? Has there been any change, or any reason based upon experience since the nominations of these officials were confirmed, which has brought about the introduction of the bill?

Mr. HICKENLOOPER. As I pointed out a moment ago, the bill was not introduced within the immediate past. The bill was introduced by the Senator from California [Mr. KNOWLAND] in March of 1947, either during the debate on the question of confirmation of the nominees of the President or immediately following it. I believe that he will eventually bear out my statement that it was introduced as a result of the controversy which arose on the floor of the Senate with respect to the lack of any investigation on the part of the Federal Bureau of Investigation into the nominees for the positions of Commissioner and General Manager. I shall let him further amplify his reasons for introducing the bill, but I think my statement is correct.

Mr. STEWART. I am in sympathy with the purpose of the bill, and I think such a rule should apply to all agencies of Government.

Mr. HICKENLOOPER. I thank the Senator.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. McKELLAR. The Senator will remember that I was very much opposed to the nominations of members of the Commission and voted against them. I am very sorry that the nominations were confirmed. I do not believe they ought to have been confirmed. I entirely agree with the Senator that there should have been a thorough examination. I think the committee itself ought to have examined into the question. However, if such a provision as this is placed in the law, a thorough examination will have to be made hereafter. So I favor the Senator's bill and expect to vote for it. I think it would have saved the Government tremendous sums of money if we had had the several members of the Commission and the General Manager investigated before their nominations were confirmed. I voted against confirmation. I think the Senate made a great mistake in confirming them.

I am glad that the Senator has gone this far. I wish he would go further and make certain that we should have an excellent commission to manage this activity so far as the Commission manages it.

The Senator will remember the differences we had at the time. I congratulate him on having come this far toward seeing that we get a good commission.

Mr. HICKENLOOPER. I thank the Senator from Tennessee for his cordial attitude toward this legislation. I assure him that back in the innermost recesses of my mind there is a little flag which keeps waving, which reminds me that we did conduct an examination into the characteristics and qualifications of these appointees. I believe that some time was devoted to that examination, and I believe that the Senator from Tennessee participated in the examination—at least to some extent.

Mr. McKELLAR. So far as the committee would permit me to participate in it, I very gladly participated in it. I was deeply disappointed. I think the whole country suffered by the appointment of

a commission which has done practically nothing since it was appointed.

Mr. HICKENLOOPER. I sincerely hope that the Senator from Tennessee does not feel that he was substantially curtailed in his participation in the investigation. Certainly that was not the intent of the committee.

Mr. McKELLAR. I have no feeling about it. I was outvoted by reason of the popularity of the nominees and the position which the Senator took at that time. I regretted it very much, but I have no ill feeling about it.

Mr. HICKENLOOPER. I thank the Senator for his kind words.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. I should like to ask the Senator if he does not believe that a thorough investigation was made by the Joint Committee on Atomic Energy of all the appointees of the President when meetings were held last year?

Mr. HICKENLOOPER. I can say frankly that the Senator embarrasses me just a little by that question. Let me say that I am thoroughly satisfied as to the integrity, the honesty, the loyalty, and the ability of the members of the Commission, including the general manager. If the Senator means that, I say I am satisfied.

If the Senator wishes me to say to him frankly whether the best possible examination was made into all phases of the appointments, I say "No"; and no committee of which I know has the facilities with which to conduct a thoroughly exhaustive examination. I am satisfied with the results; I make no complaint about them. The Senator has asked me more or less of an academic question, and I shall have to give him an academic answer.

Mr. LUCAS. I appreciate the answer the Senator has made, Mr. President. I was thinking of the long hearings which were held; that is all. It was my understanding and impression from everyone who attended the hearings that certainly a thorough examination was made of every person who had been appointed by the President of the United States to those positions. I may be wrong about that; perhaps further examinations should have been held at that time.

Mr. HICKENLOOPER. Mr. President, let me clarify my attitude, because I do not want any misunderstanding about this point, and I do not want anyone to think that I am dissatisfied with the appointees to the Commission.

Mr. LUCAS. No; the Senator from Iowa has made himself very plain on that point.

Mr. HICKENLOOPER. But I say to the Senator from Illinois that the machinery for investigation in detail—at least, in satisfactory detail—is not available to a committee, I am convinced, unless it is a committee of long standing—a committee that has long been organized along that line and has developed a corps of special investigators of its own.

We were precluded from using the FBI for this investigation. We were even denied the right to have access to the records of the FBI and the other investigatory agencies which might have some information on this subject. We could not use them. I have a letter—in fact, I happen to have it in my pocket now; the Senator from California wanted it, and so I got it out of the files; I did not bring it here for any other purpose—from the President, declining to make available to us the services of the FBI and their records in this matter. We do not have the organization with which to do a thorough job. Again let me clarify that statement by saying that I am not complaining of the results and I am not complaining of the members of the Commission, their personality, or anything of that kind, or of the general manager. I do not wish to be misunderstood about that.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. I have understood that the Congress has appropriated a tremendous sum of money to carry on the work of this Atomic Energy Commission.

Mr. HICKENLOOPER. That is correct.

Mr. LUCAS. Is there any reason why the committee itself cannot employ the competent investigators the Senator is talking about, rather than turning this work over to the FBI?

Mr. HICKENLOOPER. Does the Senator from Illinois suggest that the Joint Committee undertake the examination of every employee of the Commission?

Mr. LUCAS. No; I am only talking about the commissioners. They are the only ones covered by this bill. It seems to me that the committee should have men competent to do that work.

Mr. HICKENLOOPER. Mr. President, I presume that the Joint Committee could, at some considerable temporary organizational expense and at some considerable degree of inefficiency, get together a group of investigators, on occasion, and send them out to make investigations. But the Federal Bureau of Investigation has several thousand employees. The making of investigations is their business. They have been trained for years in that work. They make factual investigations. They come to no conclusions; they make no recommendations; they do not pass on the ability of an individual. They merely investigate the background and facts, and then say to the agency concerned, "Here are the facts. Make up your own mind about them."

In this case they will simply give the President the facts about any prospective appointee, and the President will have to make up his mind as to whether the facts justify favorable consideration by him of a certain individual as a prospective appointee.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. Let me say that it seems to me when we begin giving the FBI authority to investigate persons who are appointed by the President of the United States, which appointments the Senate of the United States must either confirm or reject, that will be the beginning of turning over to the Federal Bureau of Investigation a great deal of the power that, by the Constitution of the United States, is vested in the Senate.

If this is the beginning, what will keep us from eventually saying, in substance, that a prospective Cabinet officer must be investigated by the FBI before his nomination will be confirmed by the Senate? If we follow such a procedure, we may sooner or later reach the point where someone will want an investigation made of Members of Congress before they are permitted to take their seats, and it will be desired to have the investigation made by the FBI. It may be that some persons will also want the President of the United States investigated in that way.

In other words, it seems to me that those who report to the Senate a bill of this kind are challenging the President of the United States in connection with the appointments he makes, and are saying they do not trust the President in regard to his appointments, and that as a result the Senate is going to investigate those who are appointed. I fear that if by means of such a bill we sought to adopt such a practice, there would be no end to it.

Mr. HICKENLOOPER. Mr. President, quite to the contrary, this bill does not say that after the President makes up his mind about an appointment the person he appoints shall be investigated. The bill does not say that at all. As I understand and interpret the bill, it contemplates that before the President makes an appointment he shall have the benefit of a thorough investigation. If I correctly interpret this measure and if my attitude regarding it is correct, this bill will keep the President out of trouble, potentially, at some future time, rather than do him any damage, because under this bill before the President makes an appointment he will have the benefit of the facts in the case, and then he will be able to make up his mind on the basis of the facts as to the man's background.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield; and if so, to whom?

Mr. HICKENLOOPER. I yield first to the Senator from California, and then I shall yield to the Senator from Texas.

Mr. KNOWLAND. Mr. President, I should like to ask the distinguished Senator from Iowa whether it is a fact that there is nothing greatly unusual about the practice we are trying to set up in this connection, and I ask whether it is a fact that today, in connection with judicial appointments, where recommendations are made by Members of the Senate in regard to a judgeship in a Federal district court, the Department of Justice makes a very thorough examination of the qualifications of the persons so designated, in order to give the full facts to the President of the United States.

Mr. HICKENLOOPER. I am informed that that is the practice, and has been for a great many years.

Now I yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, let me ask a question of the Senator from Kansas—or, I should say, the Senator from Iowa——

Mr. HICKENLOOPER. We are proud of Kansas, too; Kansans are very nice folks.

Mr. CONNALLY. This bill directs the President as to what he shall do in making appointments and how he shall proceed before he makes appointments. Is not that a limitation on the President's power? If the President wishes to make a nomination, is it not then up to the Senate, through its committees, either to confirm or reject the nomination? Can we direct the President as to how he shall proceed in making a nomination or as to how he shall approach a nomination?

In this bill it is provided that—

> In submitting any nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee and shall make available to he Senate members of the Joint Committee on Atomic Energy a report of such investigation by the Federal Bureau of Investigation.

In other words, that would direct the President as to how he shall proceed, and he would be directed to get a report from the Federal Bureau of Investigation and submit it to the Senate members of the Joint Committee on Atomic Energy.

Not long ago we had before us a bill containing a provision to the effect that no person should be appointed to a particular agency unless he had the approval of the Federal Bureau of Investigation—not merely an investigation by the FBI, Mr. President, but its approval. Under pressure, that language was modified; but that indicates the tendency.

Mr. President, do we want a police state in the United States? I do not. Do we want to say that the Federal Bureau of Investigation shall control and dominate the appointments in the entire Federal establishment?

Mr. HICKENLOOPER. I certainly do not.

Mr. CONNALLY. Why should we pick out this particular Commission, although I know it is important to our national security, and make such a provision as to it? The Senator says he has no objection to the persons who have been nominated and confirmed as members of the Commission, and yet in this bill it is provided that no one can be appointed to it unless he gets the rubber-stamp approval of the Federal Bureau of Investigation.

Mr. HICKENLOOPER. Mr. President——

Mr. CONNALLY. I do not regard the Bureau of Investigation as being composed of men who are better than Members of the Senate. I do not regard the FBI men as any more perfect in their conduct or in fulfilling their obligations to the Government than are Members of the Senate. I do not regard the Federal Bureau of Investigation as having qualities of patriotism, intelligence, or integrity of higher degree than those possessed by Members of the Senate. It is for the Senate to confirm or reject. It may call on the Bureau of Investigation, if it sees fit, to report to the Senate, of course, and find out what the Bureau knows, but this bill, constitutes an infringement of the President's appointing power and it is a reflection upon the Senate itself to say that we cannot confirm an appointment unless we consult the Federal Bureau of Investigation—perhaps some little fellow getting two or three thousand dollars a year—before we can exercise our rights as Senators of the United States, under the Constitution, to confirm a nomination or to reject it.

With all due respect to the author of the bill and to the chairman of the committee who reports it, I think the bill is a bad bill from a constitutional standpoint. It invades the authority of the President. The Senate does not have to confirm an appointment merely because the President sends it to the Senate.

Mr. HICKENLOOPER. I am very sorry the Senator, who is a member of the committee, was not present at the meeting to express his views in the committee. He might have had some effect at that time. But let me say, Mr. President, that the pending bill does not have one whit to do with the President's appointing power.

Mr. CONNALLY. Let us see whether it does or not.

Mr. HICKENLOOPER. It does not have one thing to do with it. The President may appoint anybody he wishes. It does say that nobody shall take office until certain things have been done.

Mr. CONNALLY. If a man cannot take office, I do not see what advantage the appointment may have. To hand out a few declarations without any salary and without any job is not an appointment.

Mr. HICKENLOOPER. Then I suggest, Mr. President, that in the bill there is not the least bit of means by which the FBI puts any stamp of approval upon any Presidential appointee. It is not in the bill. It does not follow from any of the language. The bill merely says they shall make an investigation and lay the facts on the desk of the appointing power, who may exercise his own judgment. The appointing power is in the President. He is not governed or controlled by what the FBI does. Regardless of what the FBI thinks of a person, the President can appoint him. But certainly the Senate of the United States, which has equal responsiblity, in confirmation, with the President, who appoints, has a right to the evidence and background of persons of the importance of those whose appointments we are considering, and especially in this new enterprise and venture in which we are now pioneering and which goes deeply into some of the tense situations which we either are in or might find ourselves in.

Mr. CONNALLY and Mr. GEORGE addressed the Chair.

Mr. HICKENLOOPER. I yield first to the Senator from Texas. I will yield to the Senator from Georgia in a moment.

Mr. CONNALLY. The Senator says the Federal Bureau of Investigation does not make a recommendation. Does it not make a recommendation when it submits a report? Can a report not be colored from their viewpoint? I do not mean criminally or intentionally, but irresistibly. If a grand jury makes an investigation of a matter and acts, is that not a recommendation? If a judge makes an investigation and acts, is that not a recommendation? Of course it is. It has that effect.

The Senator says the President does not have to do anything. But the President in submitting the nomination to the Senate, so the Senator says, shall set forth the experience and the qualifications of the nominee, and shall make available to the Senate members of the Joint Committee on Atomic Energy a report of such investigation by the Federal Bureau of Investigation.

Mr. HICKENLOOPER. The only change in the present law is the submitting of the report. He already has to set forth the qualifications of the nominee.

Mr. CONNALLY. That is all very well, but after all, the pending bill would require that the Federal Bureau of Investigation investigate a man before the President ever nominates him. Before the President can send the name to the Senate, we would say to the President, "Now, Mr. President, of course the Constitution gives you the right to make appointments, but we are going to amend the Constitution and require that before you can make an appointment you must consult some little fellow in the Bureau of Investigation, and you must look over his report, and if he makes an adverse report, you had better not send his name to the Senate."

The tendency is to turn over more and more power to the Federal Bureau of Investigation. I have nothing against the Bureau; nevertheless, I do not believe in vesting in any branch of the Government powers superseding the powers of the President of the United States and of the Senate.

I am sorry I was not present at the committee hearing. I do not think I would have had any effect on the committee. I do not seem to be having any effect on members of the committee who are now present. In my judgment, the pending bill is wrong. It is a departure from our concepts. If the Senate does not have power to investigate a nominee and find all there is to be found out about him, we should amend the Constitution and give the power of confirmation to somebody else.

I have in mind a bill that was introduced not long ago, which by its terms provided that no one could be appointed to serve on the Atomic Energy Commission unless he had the approval, not an investigation by, but the approval of the FBI. In other words, the FBI was in effect empowered to make the appointment. If it did not approve, the man could not be appointed. That is the tendency, and it is a wrong tendency.

Mr. HICKENLOOPER. I remember that particular piece of legislation. I was on the floor when it was considered. Personally I think it was a mistaken use of verbiage by the drafter of the bill. I do not think it was ever intended as it sounded. As I recall, the provision was called to the attention of the Senate, I think by the Senator from New Mexico [Mr. HATCH], and it went out without objection. So far as I know, nobody defended it seriously.

Mr. CONNALLY. Why, then, was it introduced?

Mr. HICKENLOOPER. I think it was a misuse of verbiage.

Mr. OVERTON. Mr. President——

Mr. HICKENLOOPER. I promised to yield to the Senator from Georgia, but I will yield to the Senator from Louisiana presently.

Mr. GEORGE. Mr. President, I wanted to ask the Senator, in the first place, when I first rose, how he interpreted the language of the bill. As it is written, it undoubtedly makes the FBI a part of the appointing power, whereas under the Constitution the President alone can nominate, the Senate alone can confirm, and the two, the President and the Senate, may appoint to office. The bill clearly and unmistakingly makes the FBI a part of the appointing power, because it expressly declares that no person shall take office until the Federal Bureau of Investigation does certain things.

Mr. President, I have disagreed with the Chief Executive of the Nation on numerous occasions. I have disagreed with more than one Chief Executive. I do not think that I am slavishly bound to follow any particular President, but I do not want to invade the clear rights of the executive branch. The power to nominate resides in the President. The only limitation on that power is the power of the Senate to approve or disapprove a nomination.

Mr. HICKENLOOPER. Mr. President, I value the opinions of the Senator from Georgia very highly, and I know that his approach to problems is well reasoned, but let me suggest to the Senator that, as I understand his objection, he is taking the flat position that there can be no limitation on the appointing power, or no qualification of the appointing power of the President.

Mr. GEORGE. If the Senator will permit me at that point, I will clarify my statement. There can be no qualification of the President's right to nominate to public office any person who is qualified for the office.

Mr. HICKENLOOPER. That is where the qualification enters in.

Mr. GEORGE. Whether the Senate shall confirm the nomination is an altogether different question. But we cannot invade the power of the executive branch of the Government any more than can the executive invade the powers of the legislative branch of the Government. The Senate can make its own investigations, or can utilize the FBI in making them, and go as far as it wishes. Finally, it may reject a nomination. Here the Senator is placing a direct prohibition on the President himself and saying, "You must first make this investigation and then submit it as a part of your report to us, and no person nominated shall take office unless these things have occurred."

With all due respect to the author of the bill and to the distinguished Senator who is sponsoring it, that is most clearly an unconstitutional invasion of the Executive power of this Government under our system.

Mr. HICKENLOOPER. May I suggest to the Senator, with reference to the invasion of the appointing power, that not a session of this legislative body takes place but that qualifications and restrictions within which the President may appoint individuals are written into the law. The legislative branch has historically and repeatedly done that. It writes the qualifications under which the President can appoint an individual. It is no more an invasion of a constitutional right than it is to say that a man must be learned in the law if he is to be appointed to the Federal bench.

Mr. GEORGE. The Senator is altogether confused about this. Of course, in creating an office Congress may prescribe the qualifications of the person who may hold it. Congress can lay down qualifications. But it is not a limitation upon the power of the Executive to make an appointment when Congress has created an office and has prescribed whatever reasonable qualifications it may prescribe under the Constitution. We cannot say to the President, "You cannot make an appointment until you get a report from the FBI." We cannot say that no man who has been nominated by the President, even though he may be confirmed by the Senate, can take office until the FBI had made its report, presumably approving the appointment. But, aside from that, whether there be approval or disapproval, the Senator is seeking to make it a part of the appointive power. That cannot be done, under the Constitution. We can utilize the FBI for the fullest possible investigation. Presumably the President would not appoint anyone to this or any other important office if he had not received information from all the available agencies of the Government who could furnish him information. But that is a wholly different question. We can hold up the appointment and say that the FBI shall make an investigation and furnish a report, and the Senate will proceed to vote on the confirmation or rejection of the nomination. But we cannot do what the Senator has suggested, even if we were disposed to do it. I was about to put it in a much stronger form, and say, even if we wished to set up a creature who could control our own action in connection with a special nominee.

Mr. HICKENLOOPER. Mr. President, there is no verbiage in this bill by which the FBI can control either the appointment or the confirmation of anyone, and there is no disposition so to provide. The only thing the bill provides is that the FBI shall conduct an investigation, the results of which shall be open to the President and to the Senate Members of the Joint Committee on Atomic Energy. There would be no control exercised by the FBI. There is no restriction imposed on the FBI, and there is no veto power given to the FBI. The bill merely says that the FBI shall gather information and place it in the hands of the President and at the service of the Senate in considering nominations. It does not say that if the FBI says "No" we cannot confirm, and if it says "Yes" we can confirm. That does not make any difference.

Mr. GEORGE. May I ask the Senator, in plain language, this question: What does the phrase "shall take office" mean?

Mr. HICKENLOOPER. That the nominee shall not take office until the results of the investigation shall be submitted.

Mr. GEORGE. Who submits them?

Mr. HICKENLOOPER. The FBI.

Mr. GEORGE. Therefore, before a person can take office there must be an investigation by the FBI, and he must receive approval or disapproval. It is just thimblerigging to say that when a name is sent in, the person named cannot take office unless a report is presented.

Mr. HICKENLOOPER. We tried to get the investigative reports, if there were any, but we were refused them.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. OVERTON. The bill provides for two investigations by the FBI. One precedes the nomination by the President; the other precedes the taking of office. Why are there two investigations? Let me read from page 2 of the bill. I place them in the chronological order in which official action is taken:

> In submitting any nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee and shall make available to the Senate Members of the Joint Committee on Atomic Energy a report of such investigation by the Federal Bureau of Investigation.

On page 1, the bill declares:

> No individual shall take office as a member of the Commission until the Federal Bureau of Investigation shall have made an investigation and report to the President on the character, associations, and loyalty of such individual.

Mr. HICKENLOOPER. I do not agree with the Senator that it requires two investigations. I do not see any possibility of reading that into the bill.

Mr. OVERTON. Apparently the bill provides for it. Why the necessity of requiring an investigation before taking office, when an investigation by the FBI has been made before the President sends in the nomination?

Mr. KNOWLAND and Mr. HOLLAND addressed the Chair.

Mr. HICKENLOOPER. I will yield first to the Senator from California, who is the author of the bill, and then I shall yield to the Senator from Florida [Mr. HOLLAND].

Mr. OVERTON. If I may be permitted to continue a moment, I might find myself in sympathy with a requirement of the law that the President, before he sends in a nomination, shall avail himself of the FBI to ascertain the qualifications of the person he may be nominating; but after that is done, after he sends in the nomination, which he may do even in spite of an adverse report by the FBI, why should there be another investigation?

Mr. HICKENLOOPER. It is not required.

Mr. KNOWLAND. Mr. President, I have a very high regard for my colleague

from Louisiana, but I am sure he has put a misinterpretation on the language of the bill. Let me read from the beginning:

That (a) paragraph (2) of section 2 (a) of the Atomic Energy Act of 1946 is amended by striking out the second sentence in such paragraph and inserting in lieu thereof the following: "No individual shall take office as a member of the Commission until the Federal Bureau of Investigation shall have made an investigation and report to the President on the character, associations, and loyalty of such individual.

(b) In submitting his nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee and shall make available to the Senate Members of the Joint Committee on Atomic Energy a report of such investigation by the Federal Bureau of Investigation.

That is the investigation heretofore mentioned. It merely makes information available to the Senate Members of the joint committee who are charged under the law with the responsibility, which is a very heavy one. It makes available to them such information as the President has already received prior to making the appointment.

Mr. OVERTON. Why make it available before the nominee takes office?

Mr. KNOWLAND. It is merely a written report; it is not another investigation. It is merely that the Senate Members of the Joint Atomic Energy Committee shall have made available to them the same information which has already been submitted to the President of the United States.

Mr. OVERTON. I agree with the Senator from Georgia that it is subject to a constitutional objection when it requires that such a report be submitted before a nomination and before it can be confirmed by the Senate.

Mr. HICKENLOOPER. I do not agree with the Senator.

Mr. OVERTON. If the Senator does not agree, then we cannot agree on the bill, and I am sorry. So long as that language is in the bill, I shall vote against it.

Mr. HOLLAND. Mr. President, I wish to associate myself completely and wholly with the statement made by the senior Senator from Georgia, and in order to illustrate the completely unconstitutional situation into which I think the bill would place anyone supporting it, I desire to ask the distinguished Senator from Iowa if it is not true that the President might be called upon to make interim appointments, due to the death or resignation of a member of the Commission, or the manager, and that any interim appointee would be wholly precluded from taking office on an interim basis, under the bill, until a report was made, regardless of the outcome of the report, regardless of whether it was good or bad, therefore clearly illustrating that this provision is an attempted limitation upon the right of the President to make an appointment?

Mr. HICKENLOOPER. Mr. President, the Senator has referred to an interim appointment, which is a very proper question to raise. If he will notice the bill, beginning in line 6, he will find that it provides:

No individual shall take office as a member of the Commission until the Federal Bureau of Investigation shall have made an investigation and report to the President on the character, associations, and loyalty of such individual.

The committee discussed this matter, and there is no question in my mind but that the President is perfectly free to make interim appointments if he has before him an investigative report of the Federal Bureau of Investigation. That does not have to go to the Senate. But if, as, and when the President submits a nomination to the Senate, then the bill requires that he send along with it a report of the investigation. That does not preclude interim appointments.

Mr. HOLLAND. I thank the Senator for his candor in his answer, because he has specifically said that in the case of a required interim appointment, the President could make such interim appointment if he had in his hands—I am quoting now the words of the Senator—a report of an FBI investigation; which means that the Senator is taking the position that the bill would impose a limitation upon the appointive power of the President, which is certainly in the very face of the Constitution.

Mr. HICKENLOOPER. Let me say to the Senator from Florida that I would suggest a change in the verbiage for the record. I said the President can appoint if he has before him this investigative record. The specific language of the bill is "take office." There is a distinction between taking office and the appointive power of the President, and I think the constitutional argument hinges on that particular point.

Mr. HOLLAND. Mr. President, if the distinguished Senator seeks to make distinction between the appointing power of the President, as guaranteed by the Constitution, and the right of that appointing power to become effective by the appointee's taking office, either on an interim or permanent basis, I would have to say that I cannot go along in drawing that hair-line distinction, because I think the wording of the bill would, beyond any question whatsoever, seek to apply a limitation upon the appointive power of the President.

I am perfectly willing to concede the good intentions of the bill, and if the bill be amended so as merely to require, as a matter of information for the Senate, that an FBI investigation shall be made and a report made available to the Senate committee and to the Senate, I shall be happy to support it. But if the bill itself, as appears in the confession of the sponsor on the floor, seeks to impose something that cannot be imposed under the Constitution, namely, a limitation upon the appointive power, I cannot support it upon that basis.

Mr. CONNALLY. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. CONNALLY. I may say to the Senator from Florida that the bill says the President cannot appoint unless he has the investigation. If he has not the investigation, the President is denied the authority to make the appointment. Is not that true?

Mr. HOLLAND. That is true, and I call the attention of the distinguished Senator from Iowa to the fact that the bill would be a better bill constitutionally if it did that intolerable thing of adding to the requirement of making the investigation the requirement that the investigation report should be a clean bill of health from the FBI. Certainly the Senate would not stand for anything like that, but that might conceivably be held to be a qualification for office. As found in the bill, it is not a qualification, it is a condition precedent to the exercise of the appointive power, and it is as unconstitutional a thing as we could do. I shall be no party to it.

Mr. HICKENLOOPER. I am sorry that I find myself in violent disagreement with the distinguished Senator from Florida.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. McMAHON. I should like to point out that Mr. Hoover, the Director of the Federal Bureau of Investigation, wrote a letter to the editor of the Washington Post, which appeared on the editorial page, commenting on an editorial carried by the Post which was denunciatory of the bill. He pointed out that he certainly did not initiate this proposal, that he had not sponsored it, had not appeared in its behalf, and had not been asked about it. I think it is only fair to say that for Mr. Hoover.

I believe the debate so far has illustrated the fact that we are dealing with something which is very important to the Congress and to the people of the United States. The hour is now 5 o'clock and 7 minutes, following an all-day debate upon the St. Lawrence seaway project and a vote on it. Without trying to usurp the powers of the acting leader of the majority, I suggest that this is not a good time to try to come to a conclusion on the legislative proposal we are discussing. There are many things I wish to say about it, and it would take me a very long time to say them. I hope the acting majority leader will agree to postpone the discussion of this matter to a more favorable and propitious occasion.

Mr. KNOWLAND. Mr. President——

Mr. HICKENLOOPER. Just a moment. I wish to make a suggestion. I realize that the hour is late. When I rose I intended merely to canvass the bill and some of its history. Then I expected to ask the Senator from California, whose bill it is, to outline his reasons for it, and to cover the subject as much as he cared to this evening. We got into somewhat of a dispute about philosophy, constitutional law, and many other things, and I have taken more time of the Senate than I had intended to.

When I say this is not my bill, I do not disparage it. I am for it. I think it is sound. I think it is a good bill, and I think it will be beneficial to the atomic energy project. But I am apologetic for usurping the time which most properly should have gone to the Senator from California to explain his own bill. I suggest that if those who are interested will indulge the Senator from California for a few minutes this evening, since this matter is before the Senate, and let him give his views on the bill, he might be

willing then to let it go over to some more opportune time in the future.

Mr. CONNALLY. Does not the Senator think it would be fairer to let it go over, so that he would have a better audience, next week, than he will now?

Mr. HICKENLOOPER. I think the Senator from California might have a few pertinent replies to make to some of the things which have been said.

Mr. CONNALLY. No doubt he will, but he ought to have a larger audience.

Mr. HICKENLOOPER. I yield to the Senator from California.

Mr. KNOWLAND. Mr. President, I do not intend to delay the Senate long, and I do not intend to urge a vote on the bill this evening, but inasmuch as certain statements have been made, I feel that it may be of benefit to the Members of the Senate who may not be present now, but who may care to read the RECORD, that the reasons underlying the bill, why we feel it is essential to the Nation, should be presented, and then we can resume its consideration at a later time.

Mr. President, I desire to call attention to the fact that in the field of atomic power we are dealing with a force for which we have no precedent in the entire history of the Nation. In the Joint Atomic Energy Act which was passed by the Congress of the United States we recognized that this was a new force, and we gave into the hands of a commission more power than we have ever given into the hands of any other commission in the entire history of the Republic. We have said for the first time that in the field of atomic power no private individual may participate. We have given the commission the power over the manufacture of atomic energy, the development of atomic energy, and the development of the raw products, so that no individual himself may possess them. I submit that that is something which is unprecedented in the history of the Republic.

Mr. President, recognizing the tremendous new force with which we are dealing, the Congress of the United States set up a Joint Committee on Atomic Energy consisting of nine Members of the Senate and nine Members of the House of Representatives. In creating that committee Congress recognized that in the field of atomic power there would be a vast amount of information which, for reasons of national security, could not be made available to the country as a whole, or indeed even discussed upon the floor of the Senate or of the House of Representatives. I can testify here today that we have had many sessions where matters of great importance affecting the national security were involved, and that the Members who served on that committee have a heavy responsibility upon their shoulders, not only for the security of the Nation, but, I submit, for the security of the civilized world.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. Will the Senator please permit me to finish my presentation, and then I shall be glad to yield.

Mr. President, I submit that the bill in no sense limits the President's right or power of appointment. To the contrary, it merely says that in selecting men to serve upon this very important Commission, he shall secure a report from the Federal Bureau of Investigation, which is the agency generally charged with investigations of matters of great moment to the Republic, and having gotten a report from them he shall submit a copy of the report to the Senate members of the joint committee. The report might be favorable. The report might be adverse. The President of the United States is in no sense limited in following his own discretion after he receives the report, nor is the Senate limited in its power of confirmation after having received it. But I submit that if we take that precaution with respect to the men who are appointed by the President of the United States, the appointment will be made with the full facts available to the Chief Executive, and when it comes to our responsibility we will have the full facts available to us.

I am willing to admit that the President of the United States has a primary responsibility in the naming of members of the Commission, but I submit, Mr. President, that the Members of the Senate of the United States have no less responsibility in connection with this great problem.

In the debate which took place at the time the confirmation of Mr. Lilienthal was before the Senate of the United States, this language is found:

Mr. KNOWLAND—

The question had been asked by the Senator from New Jersey [Mr. SMITH] as to whether or not an FBI investigation had been made and had been available to the President and to the joint committee—

Mr. KNOWLAND. I think the Senator is absolutely correct. As I pointed out in my remarks, I believe that a vote to recommit is tantamount to a vote for rejection.

I will say to the distinguished Senator that I feel there is perhaps a loophole in the Senate's practice relative to appointments of members of commissions, including the Atomic Energy Commission, which has concerned me greatly, and I tried to point it out during the course of my remarks. The Commission was appointed, under the law, in October and November of last year. On December 31 the Manhattan project, with all its ramifications and all the information, was turned over to the Commission, so that actually the nominees have been operating as a commission during the intervening period from January until this time, approximately the 1st of April, without Senate confirmation. I had requested the Legislative Counsel to draft legislation which I thought would close the loophole so that the Commission could not operate until the nominations of its members had been confirmed by the Senate, which I think would be a far better procedure, especially in the field of atomic power.

Mr. SMITH. I agree with the Senator.

Mr. KNOWLAND. But we ran up against the Constitution of the United States. Of course, at the time the Constitution was drafted and adopted the country had no knowledge of atomic power and its ramifications. In article II of the Constitution we find this language:

"The President shall have power to fill up all vacancies that may happen during the recess of the Senate by granting commissions which shall expire at the end of their next session."

The Legislative Counsel advises that there is no way to require confirmation prior to their taking over.

Then it seemed to me it would be wise to apply—and I am presenting such an amendment to the Atomic Energy Act—to the members of the Commission the same rule which is now applied to employees of the Commission; that is, to make it mandatory that an investigation shall be made by the FBI, the results of which shall be turned over to the President and to the Senate section of the Joint Committee on Atomic Energy prior to any appointment being made. I believe that from a constitutional standpoint, that can be done.

Mr. SMITH. To amplify my point, that would mean that all officers and employees heretofore appointed by the Commission would be checked by the FBI automatically?

Mr. KNOWLAND. So far as employees are concerned, they are now covered by the existing statute; but the statute does not provide for a mandatory check by the FBI of Presidential appointees.

Mr. President, at this point I ask unanimous consent, as in legislative session, to introduce the bill to which I have referred.

There being no objection, the bill was received at that time.

So I call attention to the fact that the proposal now before the Senate is not something new aimed at any particular appointment, but rather we felt that if the proposed procedure was going to be established, the time to establish it would be now, when there was no criticism of an appointee, rather than wait until some vacancy had been created, and then go through this process.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. If the Senator will permit me to place two letters in the RECORD, I shall be glad to yield to him.

The reason the committee was so vitally concerned was because we encountered a very practical problem during the confirmation fight respecting the first members of the Commission. The chairman of the committee, the Senator from Iowa [Mr. HICKENLOOPER] wrote the following letter to the President of the United States under date of February 25, 1947:

FEBRUARY 25, 1947.

HON. HARRY S. TRUMAN,
President of the United States,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: The Senate section of the Joint Committee on Atomic Energy is approaching the close of its hearings and investigation upon the matter of qualifications of your appointees to the Atomic Energy Commission and the General Manager thereof. The committee is anxious to complete its work in order that a report to the Senate can be made in this most important matter at the earliest possible moment.

While the Atomic Energy Act of 1946 specifically authorizes the Joint Committee to "utilize the service, information, facilities, the personnel of the Departments and establishments of Government," the Senate section, sitting as such, does not seem to possess this authority and the members of the Senate section believe that justifiable criticism can be directed if we do not exhaust all reasonable avenues for the securing of information upon which to base our final recommendation.

Because these are Presidential appointments the committee feels this matter should be taken up with you directly and primarily. The committee is also of the opinion that we will be asked on the floor of the

Senate whether or not we have secured all available information.

The importance of these appointments being great, the committee feels obligated to respectfully request authority from you to any investigating agencies of the executive or administrative branches of Government to put into the hands of the committee all information possessed by any such agency or branch bearing upon each of the appointees to the Commission and the General Manager thereof. The committee members further feel that it will be most helpful if you can see fit to make available to the committee such information and reports upon these appointees as may be possessed by you.

Among the agencies of Government from which the committee would desire information are the Federal Bureau of Investigation, the Army and Navy Intelligence Departments, the Intelligence Section of the Manhattan District, and such other departments and agencies as might have available information.

The appointees to the Commission, of course, are: Mr. David E. Lilienthal, Chairman; Dr. Robert F. Bacher; Mr. Sumner T. Pike; Mr. William A. Waymack; Mr. Louis E. Strauss; Mr. Carroll L. Wilson, general manager.

The committee desires that I express our appreciation to you for your cooperation in this matter, and again I state that this matter is being respectfully submitted to you, rather than being taken up by the committee directly with the agencies involved.

Because the committee feels the urgency of taking final action at the earliest possible moment this letter is being delivered to you by hand, with the hope that your action in connection herewith may be had at the earliest possible moment.

I have the honor to remain,

Most respectfully yours,

B. B. HICKENLOOPER,
Chairman, Senate Section,
Joint Committee on Atomic Energy.

Under date of March 1, 1947, the President of the United States replied to the chairman of the committee as follows:

THE WHITE HOUSE,
Washington, March 1, 1947.

Hon. B. B. HICKENLOOPER,
Chairman, Senate Section, Joint Committee on Atomic Energy, Washington, D. C.

MY DEAR SENATOR HICKENLOOPER: I have your letter of February 25, in which you advise that the Senate Section of the Joint Committee on Atomic Energy submits the request that I authorize the investigating agencies of the executive branch of the Government to present to the committee all information possessed by any such agency bearing upon each of the appointees to the Atomic Energy Commission and the general manager of such Commission.

It has long been the established policy that all such investigative reports are confidential documents of the executive department of the Government and that congressional or public access to them would not be in the public interest. I believe that it would be unwise to change this established policy and to set a precedent that would seriously prejudice the future usefulness of these investigating agencies.

For your information be advised that the records of the investigating agencies of the executive branch of the Government were checked at the time the appointees in question were named to the Commission. No derogatory information was contained in any report. Before answering your letter of February 25, I have had a current check made of the records of the Federal Bureau of Investigation, the Army and Navy Intelligence Departments, and the Intelligence Section of the Manhattan District and I wish to advise you that no derogatory information with reference to any of the appointees to the Commission, or with reference to the general manager of the Commission, is contained in the files of these agencies.

Very sincerely yours,

HARRY S. TRUMAN.

Mr. President, the point I wish to make is that I think this is a responsibility which every one of the 96 Members of the United States Senate must assume. They must recognize their obligation to take such responsibility. The joint committee was created by the direction of the Congress, and charged with a very grave responsibility which could very easily affect the welfare and the future of the Republic itself. In order that we might properly represent the Senate and perform our constitutional function regarding confirmation, we asked the Executive of the Government of the United States to supply us with the reports of the FBI and the other investigative agencies, and he said "No." Further, he stated that he had looked over the reports and that there was nothing derogatory in them. But still that did not furnish to the Senate members of the joint committee charged with the responsibility the information which we feel we are entitled to have, and which we should have, in order to carry out our constitutional duties.

It is entirely possible that in the future when nominations are sent to the committee the committee may decline to recommend confirmation of such nominations unless it has these reports. I believe that it would be more conducive to harmony in this situation if the authority were spelled out very clearly in advance, and if it were understood that in this particular field the President of the United States himself must have an investigation made by the proper investigative agency for his information. He may act upon it or not, as he pleases. A copy of such report should be sent to the Senate members of the Joint Committee on Atomic Energy, and they can act on it if they please. They can ignore it if they wish to do so, but at least they will have all the information which is available.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. LUCAS. The Senator knows that it has been the custom for a long time not to give up to committees reports made by the Federal Bureau of Investigation. The Senator agrees with that statement, does he not?

Mr. KNOWLAND. I know that that has been the precedent in the past, but we are dealing with an unprecedented subject in the field of atomic power.

Mr. LUCAS. I agree with the Senator. Also the Senator is dealing with a very important question when he seeks to place a limitation on the power of appointment by the President. Why cannot the Senator get this information by writing into his bill the right of the committee, after the appointment is submitted, to obtain through any agency of Government the necessary investigators to get information about the men who have been nominated? As I see it, what the Senator is doing now is merely telling the President that before he can submit the nomination he must have the FBI make an investigation and that the report of the investigation must accompany the nomination. What is the difference whether the President makes it in the first instance—if it is in the teeth of the Constitution, as I believe—or whether we write into the law a provision which gives us the power to direct the Federal Bureau of Investigation to make the investigation after the nomination comes to us?

Mr. KNOWLAND. Does not the Senator from Illinois feel that in the field of atomic power the President himself should make certain that there has been an FBI investigation of his nominee?

Mr. LUCAS. Does the Senator from California believe for one moment that any President of the United States would fail to make every conceivable investigation before submitting a nomination of that kind? Under the provisions of this bill we are seeking to tell the President what he should do. As I see it, we are questioning the loyalty and good faith of the President of the United States by attaching this kind of an amendment to the law. I do not believe that the bill is right. I do not think it is fair to the President. I do not think it is constitutional. What the committee wants is the information. Why is it sought to place this responsibility upon the President? Let him assume his own responsibility with respect to investigation, and if he submits a nomination to the Senate for appointment to the Commission, and the committee of the Senate desires to go further, we can write a law which will give the Congress the right to say, "We want investigators from the FBI to investigate John Doe or Harry Blackacre." The Congress has the power to determine whether or not the kind of man the President has appointed has the qualification and meets the test laid down by the Senate.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HICKENLOOPER. Will the Senator from Illinois support such legislation?

Mr. LUCAS. The Senator from Illinois will certainly support such legislation.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McMAHON. I should like to have an explanation of a statement made by the Senator from Illinois. I have been a great believer in maintaining the separation of powers as provided in the Constitution. If the method proposed were the only way in which the Senate could get the information, it might be warranted in passing the kind of a bill which the Senator from Illinois suggests he would support. But let me remind the Senate that the appropriations for carrying on the work of the Joint Committee on Atomic Energy amount, as I recall, to approximately $150,000. I ask the chairman of the committee whether that is approximately correct.

Mr. HICKENLOOPER. Yes.

Mr. McMAHON. On that committee we have a staff of 15 or 16 persons. I

think we need all of them. I know they are working every day. But I see no reason why this committee, if it has nominations before it, cannot send out its own investigators. We have 4 or 5 of them on the staff of the committee. They are going around to all of the installations of the Atomic Energy Commission, checking up on security, and coming back and informing us.

The other day I looked at the record of the hearings on the Lilienthal nomination and the nominations of the other members of the Atomic Energy Commission. They run into thousands of pages. The committee spent over 100 hours on the hearings, and they were advertised in every hamlet and village in the United States, and everyone was invited to come before the committee and tell everything he knew on the subject. So to say we do not have all the information is, of course, a joke.

Mr. LUCAS. In fact, some of the witnesses told a lot they did not know, too.

Mr. McMAHON. Of course.

Mr. HICKENLOOPER. Mr. President, let me say to the Senator, in response to his suggestion about the Joint Committee on Atomic Energy, which, of course, is a legislative committee, as the Senator knows, and not a special committee, so a law entitling the Senate members of the joint committee to the use of the staff——

Mr. McMAHON. The Senator is not in doubt about it, is he?

Mr. HICKENLOOPER. No; but I say that I do not think the staff of the joint committee is available only to the Senate members of the committee.

Mr. HATCH. Mr. President, let me inquire whether it is the intention to have a vote on this question tonight.

Mr. KNOWLAND. It is not.

Mr. HATCH. Mr. President, I think the questions raised by this bill are among the gravest questions this body has considered. I should like very much to have the advice of the Committee on the Judiciary as to the constitutionality of this measure.

My own mind is made up. I wish to serve notice that whenever the bill is called up again, unless something of the sort I have suggested is worked out, I shall move to have the bill sent to the Judiciary Committee.

Would the Senator from California object to that?

Mr. KNOWLAND. Yes; I would.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. I shall not take more than a few minutes, but because of the debate which has occurred here this afternoon, I should like to have the RECORD show my opposition to the Senator's bill. I join in the opposition of the Senator from Illinois, the Senator from New Mexico, and the Senator from Florida, because I believe the bill to be clearly unconstitutional. I care not in what terms of emergency the Senator from California discusses the bill, even the atomic bomb cannot bomb out the Constitution of the United States, so long as we have a country. Our Supreme Court has held many times that no emergency in any way changes the Constitution of the United States.

I wish to say to my good friend the Senator from California that it is my honest judgment that the effect of this bill is to infringe upon the appointive power of the President of the United States. The Supreme Court is going to pierce the veil of the Senator's bill and to look to the end sought by the bill; and the end sought is to lay down, not the qualifications of an appointee to a particular position—which is within the power of the Senate of the United States—but to dictate to the President of the United States, when he exercises his appointive power, the procedure he shall follow in making the appointment. I submit that that falls beyond the purview of the Congress of the United States, under the Constitution, in respect to the appointive power of the President.

I shall illustrate my point by reducing it to the absurd, by way of several examples, because I wish to stress in the RECORD today the difference between the procedure which the bill would provide in such matters and the substantive right of the Senate to lay down criteria of qualifications for a particular position. They are greatly different, I say to my friend the Senator from California, in the light of the constitutional question of the power of the President to appoint. Suppose the Congress were to pass a law—and if the Senator's bill is constitutional, we can pass the one I now suggest—saying to the President of the United States: "Before you make an appointment, you shall send to the Senate a list of the names you have had under consideration for the appointment, and the Senate will investigate those names and submit a report to you, and you shall not send the appointment to the Senate until the Senate makes the investigation." Would not that be invading the appointive power of the President? I think it would, very clearly.

Or suppose we were to say—because it has been argued this afternoon by my good friend the Senator from Iowa [Mr. HICKENLOOPER], that the President would not have to follow the report or the recommendation of the FBI, but he could not make the appointment until he supposedly at least had read it; suppose we were to say in a bill that the President must not make an appointment to a certain job—I might recommend this to him for health reasons, of course—until he took a horseback ride each morning for three mornings, before he finally passed upon the appointment. That is perfectly absurd, I admit, but it lays down a procedural qualification, absurd as it is, which we would seek to impose upon the President, which he must follow before he sends his appointment to the Senate of the United States.

I say that it is for us in the Senate of the United States, after the appointment has come to us, but before we confirm it, to handle matters of procedure as to the investigation we will require from the FBI or from anyone else before we confirm the appointment. But I think we clearly violate the principle of the separation of powers and also the provisions of the Constitution governing appointments by the President, if we say to him, "You must follow this procedure before you send the appointment to the Senate."

Mr. President, I close with this suggestion: I think one of the very unfair results of the bill would be to heap upon the FBI criticism it does not deserve. This afternoon the Senator from Connecticut [Mr. McMAHON] read into the RECORD a letter which I believe Mr. Hoover published in one of the Washington newspapers, as I recall, the Washington Post, in which he hastens to make clear that he is not a sponsor of this bill. I think the FBI is doing a magnificent job; and we want to keep the FBI in the position where it will have the maximum amount of public confidence, because I believe that in days to come we shall want the FBI to be in a position where it will have the confidence of the American people. But it is my sincere belief that if we try by way of legislation to make a report from the FBI a condition precedent to an appointment by the President of the United States for any office, I care not how important it may be, we shall hear the criticism arise, beyond the rumble it now is, that the FBI is becoming a Gestapo, and that something must be done to preserve the liberties of the American people from the development of such an organization.

I say in all sincerity that one of the effects of the bill of my good friend the Senator from California will be to embarrass the FBI so far as the public is concerned, because it will arouse a storm of resentment and criticism against it.

I thank my good friend for allowing me to say this much in his time, and I may add that when we have a difference of opinion he is always as courteous and cooperative as he is when we share the same point of view.

Mr. HOLLAND. Mr. President——

Mr. KNOWLAND. I yield to the Senator from Florida.

Mr. HOLLAND. I apologize to the Senator from California for making another appearance on this matter. I wish to express the fullest approval of everything he has said about the requirement for the fullest information in these cases. I have already indicated that if necessary I would support a statute to that effect.

Mr. President, any measure enacted by the Congress on this subject should be in support of and in protection of jurisdiction which belongs exclusively to the Senate, namely, the right to confirm or reject Presidential appointments. I should greatly prefer to have the subject matter first explored from the standpoint of whether a rule of the Senate would be adequate to take care of the situation. I dislike to think of our having to turn to the other branch of Congress to help us sustain the jurisdiction of the Senate in a matter so peculiarly lying within the province of the Senate and held there exclusively insofar as the confirmation of nominations is concerned.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a memorandum prepared by the Library

of Congress, in the nature of a report on acts of Congress specifying conditions or qualifications of persons appointed to various positions by the President of the United States.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ACTS OF CONGRESS SPECIFYING CONDITIONS OR QUALIFICATIONS OF PERSONS APPOINTED TO CERTAIN POSITIONS BY THE PRESIDENT

(This list includes positions requiring specific qualifications or experience, but does not include positions specifying the ordinary requirements such as citizenship, appointments from certain rank in military commissions, etc.)

1789, September 2, R. S. 243 (1 Stat. 67). (Secretary of the Treasury and certain other Treasury officials not to be directly or indirectly "concerned or interested in carrying on the business of trade or commerce, or be owner * * * of any sea vessel * * *.")

1862, July 5, R. S. 423 (12 Stat. 510): Navy, Bureau of Construction and Repair. Chief "shall be a skillful naval constructor."

1862, July 14, R. S. 1396 (12 Stat. 565): Navy, chaplains shall be between 21 and 35 years of age.

1869, April 10, R. S. 2039 (16 Stat. 40): Board of Indian Commissioners. Ten persons shall be appointed from men "eminent for intelligence and philanthropy."

1871, February 9, R. S. 4395 (16 Stat. 594): Fish and Fisheries Commissioner "shall be a person of proved scientific and practical acquaintance with the fishes of the coast."

1871, March 3, R. S. 1392 (16 Stat. 536): Navy, Engineer Corps. No person shall be appointed or promoted in the Engineer Corps of the Navy "until after he has been found qualified by a board of competent engineers and medical officers designated by the Secretary of the Navy, and has complied with existing regulations."

1879, June 28 (21 Stat. 37, ch. 43, sec. 2): Mississippi River Commission. Three members appointed from Army Engineer Corps, one from Coast and Geodetic Survey, and three from civil life (2 of whom shall be civil engineers).

1887, February 4 (24 Stat. 383, sec. 11): Interstate Commerce Commissioners. "No person in the employ of or holding any official relation to any common carrier subject to the provisions of the Interstate Commerce Act, or owning stock or bonds thereof, or who is in any manner pecuniarily interested therein, shall enter upon the duties of or hold such office."

1888, January 20 (25 Stat. 1, ch. 1): Fish and Fisheries. The Commissioner shall be "a person of scientific and practical acquaintance with the fish and fisheries."

1889, March 2 (25 Stat. 1003, sec. 10): Indian Schools. The Superintendent shall be "a person of knowledge and experience in the management, training, and practical education of children."

1895, January 12 (28 Stat. 603, sec. 17): Government Printing Office. The Public Printer "must be a practical printer and versed in the art of bookbinding."

1898, May 4 (30 Stat. 380): Navy Assistant Surgeons. "No person shall be appointed assistant surgeon until he has been examined and approved by a board of naval surgeons designated by the Secretary of the Navy, nor who is under 21 or over 30 years of age."

1899, March 3 (30 Stat. 1014, secs. 2, 4 (as amended by 36 Stat. 2, sec. 3 and 40 Stat. 1292, sec. 3)): Bureau of the Census. The Assistant Director of the Census "shall be an experienced practical statistician."

1900, June 7 (31 Stat. 702): Navy, Bureau of Steam Engineering. The Chief "shall be a skillful engineer."

1901, March 3 (31 Stat. 1122): Naval Observatory, Board of Visitors. "Four to be astronomers of high professional standing and two to be eminent citizens of the United States."

1915, March 3 (38 Stat. 930 (as amended by 45 Stat. 1451, ch. 482)): Advisory Committee for Aeronautics. Five members "shall be acquainted with the needs of aeronautical science, either civil or military, or skilled in aeronautical engineering or its skilled sciences."

1916, September 7 (39 Stat. 729, sec. 3): United States Shipping Board Commissioners. No commissioner shall be pecuniarily interested in any common carrier by water, nor be actively engaged in any other business, vocation, or employment.

1920, June 5 (41 Stat. 987, ch. 248, sec. 2): Department of Labor—Women's Bureau. The Director is to be a woman.

1926, May 20 (44 Stat. 579, sec 4): Board of Mediation Members. "No person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier shall enter upon the duties of or continue to be a member of the board."

1929, February 5 (45 Stat. 1150, ch. 151): Navy. Acting Chaplains shall be between 21 and 35 years of age.

1930, June 17, 46 Stat. 696, section 330: United States Tariff Commissioners. "No person shall be eligible for appointment as a commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems."

1930, June 23, 46 Stat. 797, chapter 572: Federal Power Commissioners. "No person in the employ of or holding any official relation to any licensee or to any person, firm, association, or corporation engaged in the generation, transmission, distribution, or sale of power," or having any pecuniary interest therein, shall enter upon the duties of or hold the office of commissioner.

1933, May 18, 48 Stat. 59, section 2 (e, h): Tennessee Valley Authority Board. Members must be citizens and "shall be persons who profess a belief in the feasibility and wisdom" of the Tennessee Valley Authority Act.

1934, June 21, 48 Stat., 1194 (1st): National Mediation Board. "No person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier shall enter upon the duties of or continue to be a member of the Board."

1935, August 29, 49 Stat., 977, section 2 (b): "Federal Alcohol Administrator. "No person shall be eligible to appointment, or continue in office, as Administrator if he is engaged or financially interested in, or is an officer or director of or employed by a corporation engaged in, the production or sale or other distribution of alcoholic beverages, or the financing thereof."

1936, June 26, 49 Stat., 1978, section 6: Department of the Interior, Director of Grazing. "No Director of Grazing * * * shall be appointed who at the time of appointment or selection has not been for 1 year a bona fide citizen or resident of the State or of one of the States in which such Director * * * is to serve."

1936, June 29, 49 Stat., 1985–1986: United States Maritime Commission, five members. "No person shall hold office as a member of the Commission who, within 3 years prior to his appointment, shall have been employed by, or have had any pecuniary interest in, any carrier by water * * *."

1937, April 26, 50 Stat., 73: National Bituminous Coal Commission. Two members shall have been experienced bituminous coal-mine workers, two shall have had previous experience as producers, but none shall have any financial interest in the mining, etc., of coal, oil, or gas, and shall not actively engage in any other business.

1938, June 1, 52 Stat. 601, section 19: District of Columbia, juvenile court judge. "To be eligible for appointment as judge a person must be a member of the bar, preferably of the District of Columbia, and have a knowledge of social problems and procedure and an understanding of child psychology."

1938, June 23, 52 Stat. 967, section 1007: Maritime Labor Board, three members. "No person in the employment of, or who is pecuniarily or otherwise interested in, any organization of maritime employees or any maritime employer shall enter upon the duties of, or continue to be, a member of the Board."

1938, June 23, 52 Stat. 981, section 201 (c); 1012, section 701: Civil Aeronautics Authority members. "Each shall be a citizen, shall have no pecuniary interest in any stock or bonds of any civil-aeronautics enterprise, and shall not engage in any other business, vocation, or employment."

Air Safety Board, three members. "One shall be an active air-line pilot, having flown not less than 3,000 hours in scheduled air transportation; each member shall be a citizen of the United States."

1939, February 10, 53 Stat. 480, section 3941: Collectors of internal revenue. "Each shall be a resident of the district for which appointed."

1940, June 14, 54 Stat. 395, section 11: Naval Consulting Board. "Seven members to be appointed from among eminent civilians in the fields of industry, science, and research."

1940, June 20, 54 Stat. 493 (c): Navy, Bureau of Ships. "Chief shall be appointed from among officers of the active list of the Navy who are specially qualified and experienced in naval engineering or naval architecture."

1944, October 3, 58 Stat. 787, section 102 (a): Advisory Board (in Office of War Mobilization and Reconversion), twelve members. "Three shall have had experience in business management, three in matters relating to labor, and three, experience in agriculture."

1945, April 27, 59 Stat. 96 chapter 98: Smaller War Plants Corporation. "Five board members shall be from among individuals who are familiar with the problems of small business."

1945, December 28, 59 Stat. 664, section 4, as amended by 60 Stat. 925 (b) and 61 Stat. 892, section 506 (g): Army. "Additional commissioned officers must be male citizens, at least 21 years of age, of good moral character, physically qualified, and must have served honorably in the armed forces during World War II."

1946, February 20 (60 Stat. 24, sec. 4 (a)): Council of Economic Advisers. Each of the three members is to be a person "exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government * * * and to recommend national economic policy to promote employment, production, and purchasing power under free-competitive enterprise."

1946, July 3 (60 Stat. 426, sec. 3): Foreign Service officers. No person shall be eligible for appointment unless he or she (1) is an American citizen of at least 15 years standing; (2) has had service in the military or naval forces, or in the merchant marine, or such as would qualify him or her as a Foreign Service officer; (3) has been designated by the Secretary of State; and (4) was at least 31 years of age at the time of application.

1946, August 1 (60 Stat. 756, sec. 2): Atomic Energy Commission members. "In submitting any nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee."

1946, August 14 (60 Stat. 1061–62, sec. 19): Navy, Assistant Paymasters. Not to be appointed unless between 21 and 25 years of age and "until his physical, mental, and moral qualifications have been established to the satisfaction of the Secretary of the Navy."

1947, April 16, Public Law 36 (80th Cong.), sections 102, 103, 116: Army Nurse Corps, Women's Medical Specialist Corps, and sections thereof. Commissioned officers: Origi-

nal appointments shall be made only in the grade of second lieutenant from female persons not over 28 years of age, who are graduates of hospital or university training schools, who are registered nurses, and who possess such physical and other qualifications as may be prescribed by the Secretary of War.

1947, May 31, Public Law 84 (80th Cong.), section 1: Relief distribution missions (for assistance to people of countries devastated by the war). To be composed solely of American citizens who shall have been investigated as to loyalty and security by the Federal Bureau of Investigation.

1947, June 23, Public Law 101 (80th Cong.), section 205: National Labor-Management Panel. Twelve members: Six outstanding in the field of management and six outstanding in the field of labor.

Mr. KNOWLAND. Mr. President, I think the discussion this afternoon has been helpful, but the responsibility is still great, and I hope that every Member of the Senate of the United States, when this question comes to a vote, after we shall have cleared the European recovery program out of the way, will in the meantime have familiarized himself with the report of the Canadian Royal Commission on the spy activity in Canada, and will pay particular attention to the fact that during the time when this Nation and Canada were allies of Russia, the record is clear and unmistakable that even during the days prior to VJ-day there was a major espionage ring in Canada devoted primarily to the gaining of atomic information from Canada and from the United States. On page 452 of the report there is this very brief message, which is only one of many hundreds of messages a reading of the report will disclose. It is to Grant, from the director of the Soviet espionage system. He says:

Take measures to organize acquisition of documentary materials on the atomic bomb, the technical process, drawings, calculations.

The responsibility the Senate has is great, the responsibility the joint committee has in the field of atomic power is likewise great.

Mr. HICKENLOOPER. Mr. President, if the Senator will yield, I merely wanted to answer one statement made by the Senator from Florida. The Senator from Florida raised, of course, a very pertinent question when he asked, "Cannot we by resolution obtain this information or have the agencies make available their services to us in our investigation?" I merely call to the attention of the Senator from Florida the two letters which the Senator from California read into the RECORD, in which I requested that the President make available to our committee, not an exploratory investigation, but the existing information in the various agencies of Government, including the FBI, naval intelligence, Army intelligence, and the Manhattan district. I was met by a flat refusal to make the information available to a Senate committee that was attempting to investigate this matter. The matter therefore continues in the same state of infancy as before the drafting and introduction of the bill.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MAGNUSON. Mr. President, I merely wanted to express for the RECORD my opposition to the bill. I cannot understand the necessity for it. I can understand the frustration of the committee in not being able to obtain certain information from any executive department. That has happened on a number of occasions. Surely, if it is desired to correct the situation with respect to obtaining information, the Senate could write a bill that would be better than the pending bill. All the pending bill does is to pick out one agency, the Atomic Energy Commission. Why would it not be well to investigate judges in the same manner? Why not investigate the Secretary of National Defense, the Secretary of the Army, and all other important appointees? The Senate has ample power to investigate persons whose appointments are sent to the Senate, without issuing a directive to the President or telling him what to do.

I assume he does the right thing.

Perhaps the most serious defect of the bill is that it provides that before a person may be appointed to the Atomic Energy Commission, his record must be investigated by an organization now known as the Federal Bureau of Investigation. That organization may some day be abolished. Would it not be better to say that there shall be an investigation by the proper authorities? The investigating agency might some day be called by another name. I can see a possible situation in which it might be said there is no such thing as a Federal Bureau of Investigation. I think the bill is very defective. It might be better to say "by the proper authorities." Even then I should be opposed to it.

The Atomic Energy Commission is important. The Secretary of National Defense is also important. Would the President have to request the police force to advise him whether or not he shall appoint Mr. Forrestal as Secretary of National Defense? Would he have to do that in the case of the Secretary of the Army or in the case of appointments to the Joint Research Council of the Army and Navy, headed by Dr. Vannevar Bush? Like the Senator from Illinois, I would support a resolution providing that the Senate shall have the right and shall have the facilities, personnel, and money necessary to make any investigation they might desire to make of any person whose name is submitted to the Senate for confirmation. I think that would be proper. I think it is necessary insofar as the Senate is concerned. I merely want to place on record my opposition to the bill.

RECESS TO MONDAY

Mr. KNOWLAND. I move that the Senate now recess until the hour of 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until Monday, March 1, 1948, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 27 (legislative day of February 2), 1948:

COLLECTOR OF CUSTOMS

Michael J. Bradley, of Philadelphia, Pa., to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa., in place of A. Raymond Raff, deceased.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 27, 1948

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Saviour of the world, who hast bidden the light to shine out of darkness, bestow upon us Thy spirit. Grant that in that sphere of light we may have a clearer vision and a steadier purpose for the labor whereunto we are called.

As we stand again before a lonely cross whereon One died, despised and rejected of men, help us to learn anew that even death holds no contradiction of the divine will; there eternal truth abides. Though we cannot understand some of the shattered hopes of men or the enmity of nations, once more we ask for guidance on our way. There is no greater gift than one's self, and the stronger we are the more we owe the weak, and the more we should help to bear their infirmities. Teach us Thy rule, dear Saviour, as we pray in Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2298. An act to amend the Interstate Commerce Act, as amended, and for other purposes.

The message also announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1620. An act to establish eligibility for burial in national cemeteries, and for other purposes; and

S. J. Res. 186. Joint resolution to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense and in furtherance of stabilization of the national economy.

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive

papers in the following departments and agencies:

1. Department of Agriculture.
2. Departments of the Army and the Air Force.
3. Department of Justice.
4. Department of the Navy.
5. Department of the Treasury.
6. Federal Works Agency.
7. Housing and Home Finance Agency.
8. National Archives.
9. Reconstruction Finance Corporation.

EXTENSION OF REMARKS

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD and include an article from the United States News.

Mr. RIEHLMAN asked and was given permission to extend his remarks in the RECORD and include two statements made by Hon. KENNETH KEATING on the Forum of the Air regarding proposed antilynching legislation.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include an article about Abraham Lincoln and Hawaii.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the February 22 issue of the Richmond Palladium-Item.

Mr. PHILLIPS of Tennessee asked and was given permission to extend his remarks in the RECORD and include a statement by W. I. Jones, administrative secretary of the Lincoln Memorial University, on Our Government and Higher Education.

THE MARSHALL PLAN

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, early in 1945 the United States Army captured in Germany archives of the Nazi government detailing the perfidy of the Soviet Government.

Possessed of this information, the United States State Department nevertheless engineered sixteen hundred millions of aid to Russia and Russian satellites subsequent to July 1, 1945—Byrd committee figures.

Now this same United States State Department is seeking a $17,000,000,000 hand-out program in Europe.

Because of the outpouring of sixteen hundred millions into Russian hands by the State Department, it would seem reasonable to suggest that the Foreign Affairs Committee, which is whooping it up for the new State Department program, come forward with an explanation.

Why should the Congress hand over seventeen billions or any part thereof to a State Department that poured sixteen hundred millions into Russian hands after that State Department had documentary evidence that Russia was following a treacherous policy?

This question deserves an answer—an answer in simple terms. Those who are going to vote for the Marshall hand-out should certainly want the answer to this pro-Communist deal.

COAL AND WEST VIRGINIA

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, today I rise to salute labor and management of the coal industry, particularly in my home State, West Virginia.

West Virginia produced 173,742,850 tons of bituminous coal in the year 1947. This is 28 percent of the national production. The national production of bituminous coal for 1947 was approximately 620,000,000 tons, or in excess of 7,000,000 carloads. This was an increase of 86,000,000 tons over 1946, or an increase of 1,000,000 carloads. There was no overall shortage of coal during the year; no factories closed, no trains stopped. The average production of coal per man per day was about 6 tons, in comparison with England, which produced a little over 1 ton per man per day.

The bituminous coal mine industry, for the first time in several years, operated without Government controls or restrictions and without any subsidies or Government financial aid. This is a shining example of a free enterprise and free labor operating in true American fashion.

Miners are the highest-paid industrial workers in the Nation.

While on the subject of fuel, I would like to remind you that West Virginia produces approximately 250,000,000,000 cubic feet of natural gas, most of which comes from the district I have the honor of representing in this House.

In this age of the atomic bomb and high-speed long-range bombing planes, it is my opinion we have seen the end of industrial concentration on our seaboards. In the future our industry will look to the great river valleys of the hinterland. In this respect West Virginia has much to offer.

At no place on earth has kind Providence been so generous and a courageous, stout-hearted citizenry been more effective in providing so many good things that contribute so much to the well-being of a great Nation.

From the salt beds, gas and oil deposits that underlie our rich land to the coal and timber in our mountains, we feed the industry of this country.

No State offers more as a place to work and build and a place to live and enjoy the good things of this life than does West Virginia.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article from the Christian Advocate of January 1948, an address asking for universal military training by Alonzo F. Myers, and another letter he received from Hon. Sam Pettengill, a former Member of Congress, with a letter from a YMCA student.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include a radio broadcast by Jack Beall.

CIVIL AERONAUTICS ADMINISTRATION

Mr. WILSON of Texas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WILSON of Texas. Mr. Speaker, the regional administrator of the Civil Aeronautics Administration, with offices in Fort Worth, Tex., has filed with the Civil Aeronautics Administration at Washington recommendations and so-called justifications for establishment of a super north Texas airport to be located 17 miles east of Fort Worth and 19 miles west of Dallas all in Tarrant County, Tex., based upon many erroneous statements of fact.

First. The plan states that there were 303,000 aircraft movements in 1946 on Love Field. The record shows 61,912 commercial aircraft movements, 34,662 itinerant movements, 34,195 military aircraft movements, and 11,479 private aircraft movements, making a total of 142,248. Therefore the figures cited by the CAA are inflated more than 100 percent.

Second. The findings and justifications of the CAA state that Love Field only has 6 stations for loading ramps, when the facts are that Love Field has 10 loading-ramp stations to accommodate DC–6 type aircraft, plus 1 additional for DC–3 type aircraft, making 11. There is other space which is used by smaller aircraft.

Third. The administration building described as inadequate in the findings and justifications has recently been remodeled and enlarged by the addition of a second wing, doubling the capacity of the administration building.

Fourth. The statement of the CAA that "Love Field is enveloped by above-average residential development, and it is evident that it cannot continue to be expanded at a rate to keep up with the rapid development of aviation at Dallas" is untrue and these are the facts: Love Field, as of February 1948, contains 1,025 acres. Five hundred and seventy acres are in use now as airport and 455 acres are in reserve for expansion. The city of Dallas contemplates acquiring 255 acres, most of which property is unimproved acreage. The master plan for Love Field contemplates runways of 10,000 feet, which can be accomplished upon the above-described property.

Fifth. The findings and justifications of the CAA state that there are 250 private aircraft based at Love Field. The facts are that on January 1, 1947, the actual count of the director of aviation of the city of Dallas shows that there were 90 registered private aircraft at Love Field. Dallas contemplates, as fast as necessary, a requirement that all private aircraft use other airports such as Red Bird, now being developed south of Dallas and many other smaller fields.

Sixth. Dallas is certainly entitled to its day in court, which it has not been given by the CAA.

Seventh. The CAA in its findings and justifications recites these facts, that during the month of September 1946, there were 7,871 air-line passengers originating or destinating at Fort Worth. That during the same month there were 32,694 passengers originating or terminating at Dallas. That for every 10,000 population of the Fort Worth area 378 passengers used commercial air lines. That of every 10,000 population in Dallas, 867 of them used commercial air lines, or nearly three times as many as in the Dallas area. The analysis by the CAB and CAA further shows that in 1950 there will be 402,136 originating and terminating passengers at Love Field and at Fort Worth or Meacham Field there will be 96,813. This shows that approximately 83 percent of the passengers in the Dallas-Fort Worth area originate or terminate at Dallas. The record also shows that Dallas does more air-mail business than any other three cities in Texas regardless of size, including San Antonio, Fort Worth, and Houston. The statistics show that Dallas has the greatest mail-order business in the Southwest and that total air cargo delivered at Love Field in 1946 was 5,693,242 pounds of air freight. These are the latest figures available, but there is no doubt that these figures have increased in 1947 very much.

Eighth. The CAA report, findings, and recommendations totally disregard convenience and necessity of commercial air-line passengers, handling of air mail and air cargo. Love Field is 7 miles from downtown Dallas on the edge of town and if the air lines are permitted to move away from Love Field to the Fort Worth international airport, 12 additional miles will be added to haul air cargo, passengers, and air mail. Longer waits will be necessary, more time killed on the ground, and the cost of being transported from downtown Dallas to the airfield will be increased four to five hundred percent for each individual passenger and a like amount for transporting air cargo to the field. The new field will not be served by busses as is Love Field but by taxicabs at $5 per passenger, or limousine at $1.50, with a guaranty of 10 in each limousine.

Ninth. Highway facilities: The main Dallas-Fort Worth highway is a four-lane highway directly between the two cities which is one of the most heavily traveled highways in the South. The proposed Fort Worth international airport will not be located on this highway, but 7 miles north on Highway 183, which is only a two-lane highway and which the State Highway Department of Texas says is even at this time in a congested condition and with the added airport traffic the situation would create a great hazard to life and property and could not possibly serve the additional traffic. At least 2 miles of it is on a high embankment across the Trinity River and across two long concrete bridges. Love Field is now served by 10 or 15 streets and highways and can be approached from any direction and is conveniently located to all sections of Dallas and the surrounding greater Dallas area.

Tenth. The only reason given by the CAA Administrator which could be considered seriously at all in the five reasons given is that one stop would save the air lines money and in this connection let me state that the yardstick by which all other public transportation facilities have been measured by State commissions and agencies which control public transportation and by the Interstate Commerce Commission has been the convenience to a majority of the traveling public rather than being based upon saving money for the public transportation system. There is no reason to change this rule with regard to air lines, because if this is done the air line passenger who pays an extra heavy rate now upon the air lines would be forced to increase his cost and inconvenience materially for the benefit of the air lines in order to effect a saving for the air line.

Time would not be conserved for the traveling public by such methods although a few minutes possibly may be taken from air line schedules because the passengers would be required to take longer and to make a greater expenditure in order to reach the airport, to say nothing of the hazard of a two-lane highway already saturated with traffic.

Eleventh. Dallas cares nothing about how many airports Fort Worth develops with its own money and takes pride in the fact that its sister city now recognizes that it has not heretofore furnished proper facilities for the convenience of its air line traveling public nor for the air lines, but Dallas does believe that it is entitled to present its side of the case so as to prevent the emasculation of Love Field, which the taxpayers of Dallas have a $12,000,000 investment in and which the taxpayers of Dallas have subsidized for more than a quarter of a century when the airport has been a continual drain from the public treasury of the city of Dallas.

We merely ask that the $2,608,088 set up by the CAA in its plan of 1948 be stricken from this appropriation and that no money appropriated herein be used in the development of the Fort Worth International Airport, misnamed Midway Airport, for the time being in order that Dallas can present all the facts to the CAA so that a fair, impartial decision can be arrived at by next year with Dallas having the right to decide if it desires to join in this proposition upon some basis or not.

To show what is in the mind of the CAA with regard to destroying Love Field, the following is quoted from a statement made with regard to the Fort Worth International Airport:

> In the 1948 national airport plan the improvements justified at Meacham Field and Love Field, the municipal airports of Fort Worth and Dallas, are only those improvements needed to equip these airports as secondary air line, cargo, and private flying airports, and as alternate airports for the North Texas Airport.

And quoting further in another place:

> Our plan is to make Love Field the secondary air line airport to supplement the large airport to be developed at the Midway Airport site to serve the Dallas and Fort Worth metropolitan areas.

The city of Dallas believes that, in view of the intentions clearly stated in the quotations above and the action taken by the CAA administrator at Fort Worth in furthering those intentions by reaching his decisions and recommending them to the CAA at Washington without notice to the city of Dallas and without conferring with representatives of the city of Dallas, there can be no question that the CAA and the airlines intend to eventually move all of their operations from Love Field and force Dallas without even a hearing and without even the opportunity to offer a protest to come to Midway Airport whether it wants to or not.

This high-handed procedure by a Federal bureau is unthinkable and unheard of and if the Congress of the United States wants to put its stamp of approval upon any such conduct, it is no wonder that many citizens say that the bureaus are in charge and that the Congress is sitting in the back seat and is gradually abandoning all the legislative power vested in this great body by the Constitution of the United States. If you as an individual Member of Congress believe that democracy is best served by any such procedure and that the rights of individual citizens can be trampled upon without regard to right or wrong, reason or folly, then we have arrived at that time.

The following figures with regard to a comparison of the Fort Worth area and Dallas area for the quarter ending September 30, 1947, are very interesting:

City	Number of passengers	Tons of air mail	Tons of express	Tons of air freight
Dallas	94,550	378.2	232.2	392.8
Fort Worth	14,318	90.6	20.8	16.3
Difference	80,232	287.6	211.4	376.5

It is hardly surprising that the people of Dallas find it difficult to believe that the recommendations of the CAA regional office at Fort Worth are founded on any basis of justice or consideration of the rights of individuals or businesses in the Dallas area whose patronage makes possible the operation of the major air lines of the Southwest. It is hardly surprising also that the people of Dallas see in the recommendations only one purpose, and that is the reduction of operating costs of the air lines plus the salvaging of unnecessary expenditures by the air lines for acreage purchased at Midway and by the Civil Aeronautics Administration for runways already built at Midway, which are composed of gravel and a light topping of asphalt, which are totally worthless to a big airport, with the people of Dallas and the air travelers of the Dallas area paying the bill.

The city of Dallas, through its city council and city attorney, and also through its Representative in Congress, has requested the CAA Administrator here in Washington to grant Dallas a public hearing so that these facts above stated and many others can be presented for consideration before Federal money is thrown away on this airport, and at this time we have not heard whether this hearing will be granted or not.

Because Dallas has not had an opportunity to present its side of the case to anybody—either the CAA or to the subcommittee which considered this matter—I intend on next Monday, when the Commerce Department appropriation is up for consideration in the House, to offer an amendment to that bill to strike out the $2,608,000 of Federal participation in this needless airport and also to provide that no money appropriated in that bill can be used toward the building of another airport, which we do not need and which will only destroy Love Field, which is well able to take of our traffic now and will be for years to come with the developments that are being made. I ask each member to vote for this amendment so as to save this money and cut it out of the appropriation at this time so that the city of Dallas will be able to protect its $12,000,000 investment in Love Field and so that we can present our side of the case to the proper authorities.

For the last 5 months of 1947 at Love Field there were an average of 30,710 enplaning passengers, 29,379 deplaning passengers, per month, for a total of 60,089. Dropping this figure to 50,000 per month for the sake of conservatism, the ground transportation charges for these passengers going to or coming from the north Texas site as compared to Love Field by limousine would be $37,500 per month. If the ground travel were by taxicab, the monthly increase in ground transportation charges would be $187,500. Assuming that three-fourths of the passengers would prefer the cheaper limousine transportation and one-fourth transportation by taxicab, the monthly increase in ground transportation costs to Dallas passengers forced to use the North Texas Airport instead of facilities at Love Field would total $85,000 per month, or $1,020,000 annually.

Mr. RICH. Will the gentleman yield?

Mr. WILSON of Texas. I yield.

Mr. RICH. I am glad there is somebody on that side now that is trying to save this administration from squandering money. I wish you would get more of them over there.

The SPEAKER. The time of the gentleman from Texas has expired.

AID FOR CHINA

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, in Manchuria the fall of Mukden is expected hourly. Mukden is a key point in the struggle between Chinese Nationalists and Communists. Its fall means virtual control of Manchuria by the Reds. Before spring it can mean the creation of a new Red nation, within the Moscow orbit.

But the Red tide within China is not expected to end with the conquest of Manchuria. It will roll on and on, and within the year we may be confronted with a Communist Asia.

And we have helped. We have helped by a policy of too little and too late. Leaders of public opinion here and abroad have seen what was happening in China. More than one congressional committee has joined them in warning against what was taking place. But this Nation, so alive to many world problems, has toward China gone blindly on, wrapped and stagnating in theory.

We have had our heads in the sand in our thinking about China. Only recently have we started steps to actively aid her. We now propose another loan, as if dollars would recapture Mukden and save Manchuria. We in this Nation sometimes act as though we think dollars are the cure to all ills, bodily and spiritual. China needs bullets. We have the bullets. She needs small arms. We have the small arms. She needs planes. And thousands of usable American war planes are rotting all over the world.

Even today it may not be too late—if we act boldly and vigorously as this great Nation should. American-trained Chinese divisions are immobilized for lack of basic equipment with which our warehouses are bulging. But Chinese Communists apparently lack for nothing, and they vigorously are pressing this advantage.

Only a little while ago the wheels of World War II were set in motion by the Japanese rape of Manchuria.

History sometimes repeats itself.

EXTENSION OF REMARKS

Mr. PEDEN. Mr. Speaker, I ask unanimous consent to include in the Appendix of the RECORD an address delivered by Hon. Harrington Wimberly. I am advised by the Public Printer that the cost of this will be $159.75. Notwithstanding that fact, I ask unanimous consent that this extension may be made in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WALTER asked and was granted permission to extend his remarks in the RECORD and include an address delivered by the Secretary of Agriculture.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a radio address he will deliver over Station WMEX.

Mr. BLAND asked and was granted permission to extend his remarks in the Appendix of the RECORD and include an address on commercial fisheries by the Minister of Fisheries of Canada.

Mr. HARDY. Mr. Speaker, on February 25 I secured unanimous consent to include in the Appendix of the RECORD an address by Admiral Byrd. At that time I had failed to secure an estimate of the cost. I am now advised by the Public Printer that it will cost approximately $213. I ask unanimous consent that it may be inserted in the RECORD notwithstanding the additional cost.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE PRESIDENT'S CIVIL-RIGHTS PROPOSAL

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, I do not suppose that there is any likelihood that Acting Governor Thompson, of Georgia, will call the legislature of the State into extraordinary session to deal with the civil-rights proposals of the President; therefore, the members of the legislature should, without waiting, assemble, as they have the right to do, and take defensive action against the aggressions urged by the President, and if any part of the spirit of their forebears still lives within their breasts, they will meet and do something without delay. If they feel that they need encouragement and support, then the people of the State should assemble in one great State-wide mass meeting and give expression to their views or, in lieu of this, let them meet in the several counties of the State. The President must be made to know that the spirit of resistance is not dead.

The great sovereign State of Virginia has again taken the lead; let her sister States join up with her and make common cause.

END INDECISION

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, I was very much interested in what the gentleman from Florida [Mr. SIKES] had to say a moment ago in relation to the world situation. I am sure all of you noticed in this morning's Washington Post the map of eastern Europe. That map could not help but be significant.

I remember that Woodrow Wilson once said, "It is best to make a wrong decision than to make no decision at all," and William Howard Taft said, "Indecision is worse than erroneous decision." I recall, Mr. Speaker, that less than 3 years ago George Patton and his men put the United States flag on the soil of Czechoslovakia. American blood was spilled to liberate that nation. This week the great Czech people faded behind the iron curtain.

I believe that positive, decisive action should be taken by the United States. I am today introducing a concurrent resolution expressing the sentiment of the House as being in favor of forming a mutual military assistance pact with the bloc of western European nations, China, and all freedom-loving nations.

Mr. Speaker and gentlemen of the House, America has arrived at a point in its history when it must make a decision. The world today is one community. Current events in Mongolia, Malaya, Korea, Czechoslovakia, and all other parts of the world affect individuals in all other na-

tions of the world, including ourselves. We cannot face the world situation by putting politics and domestic issues first on our program. This is the policy the enemies of democracy are hoping for. In our own lifetime we have observed what the policy of appeasement of Munich, Teheran, and Yalta have contributed toward world peace. We cannot face this problem by dodging the issue or burying our heads in the sand. We can stop a small fire when it first starts, but we cannot stop a great conflagration. We are drifting toward world catastrophe, aided by indecision and appeasement. Again it may be too little too late. Aggressive and decisive action is needed on the part of the leaders of this country today.

When the German Government expressed its intentions to seize harbors in Venezuela for payment of debts in 1902 Theodore Roosevelt ordered Admiral Dewey to Caribbean waters with every battleship and cruiser in the United States Fleet. At one time Roosevelt ordered Dewey to be ready to move in 24 hours. The Germans backed down. President Theodore Roosevelt did not appease or waiver. His request was immediately complied with. The Russo-Japanese War broke out during his administration and threatened to engulf the world and carry both countries to destruction. Theodore Roosevelt made a quick decision and offered to these two nations his services of mediation, which were accepted, and this war was stopped. I believe that if concerted action had been taken at the time of the occupation of the Rhineland, Austria, or the Sudeten crisis, Germany might have been contained and World War II averted, but no aggressor can be stopped by a floundering policy. The only language they know is that which comes straight from the shoulder.

We are substituting today for military realism a policy of humanitarian idealism. No dictatorship, no would-be world conqueror, and no aggressor will listen to idealism. The greatest force in America today against crime, lawlessness, and disorder, along with our intellectual, moral, and spiritual approach, are the law-enforcement agencies of America. The only way they can cope with crime is by aggressive, concerted action, and these forces are appropriately called peace forces.

I yet have hopes of the United Nations working. My purpose in introducing this resolution is not to destroy the United Nations but to be realistic. The fact is that the veto power in the Security Council keeps the United Nations from taking concerted action against aggressors. It is my belief that a bloc of nations such as proposed in this resolution will encourage all members of the United Nations to see the fallacy of a policy of continued aggression; that the western powers will stand united against further encroachments upon their sacred institutions. America gave up 300,000 young men killed, and a million wounded, in Europe and in the Pacific, in order that these nations might be free. I do not believe today we are ready to admit that these men died in vain. It is only our present-day policy of not backing up their principles and ideals that is causing this Nation to take the road toward catastrophe.

I hope this House will pass this resolution on to the other body for its consideration because I sincerely believe that this is the only policy that will stop aggression. In case of a severe tornado or hurricane, the very first move that those in authority make is to put the community under martial law to prevent looting and to see that relief is properly carried out. So it is today with Europe, China, and the other nations. We must first formulate a policy of military aid and mutual assistance and then if relief is needed, it can better be directed into the channels where it is needed. Again I repeat former statements on the floor of this House. The greatest peace force America could prepare today would be the greatest air force in the world; second, this bloc of nations allied together for mutual military assistance; and third, relief, if needed. We must act now as time is running out.

Again may I say we should not let elections and domestic issues come before world peace. We need clear-cut decisive aggressive action now. I am getting tired of talk of national defense. We ought to have a policy of national offense.

I present this resolution for your prayerful consideration.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION ACT, 1949

Mr. STEFAN, from the Committee on Appropriations, reported the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes (Rept. No. 1433), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. GARY reserved all points of order.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may have permission to sit today during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNISM IN THE AMERICAN MERCHANT MARINE

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WEICHEL. Mr. Speaker, in early January of this year I requested the Federal Bureau of Investigation to examine into the matter of communism in the American merchant marine, as to what is going on in the ships' crews and the operation of American-flag ships. I trust that this investigation is being diligently carried on with a view of having legislation that will bar Communists and disloyal persons from being employed in the American merchant marine. I believe that those employed in the American merchant marine should be certified as to their loyalty by the Federal Bureau of Investigation especially in view of what happened to America's greatest liner, and I am including the news item covering the passenger liner *America*, queen of the American merchant fleet:

[From the Washington (D. C.) Times-Herald of February 27, 1948]

DISPUTE PERILS SAILING OF UNITED STATES LINER "AMERICA"

NEW YORK, February 26.—A bitter management-labor dispute developed today aboard the United States Lines flagship *America* that threatened to tie up the vessel, queen of the American merchant fleet.

As the *America* arrived from Cobh, the ship's unit of the National Maritime Union (CIO) delivered a written ultimatum to an assistant general manager of the line stating that the crew unanimously had voted it would not sail the ship unless W. S. McDonald, chief crew steward, was put off the liner.

Harry Manning, master of the *America* and commodore of the United States Lines, immediately called for a show-down, asserting that "we won't sail unless the crew's steward goes with us."

TEST DEMANDED

"Let's put this thing to a test," the outspoken and colorful Manning told the press. "As far as I'm concerned, they can tie this ship up until hell freezes over."

Manning termed Walter Avellar, ship's NMU chairman, a "Communist agitator" and said that "if the commissar is to dictate who goes on the ship, it's time to quit."

The *America* is scheduled to sail on Wednesday. The union has requested a meeting with management representatives Monday to settle the difficulties.

Avellar said McDonald had been accused of "conduct unbecoming a union member" and that the ship's unit had voted him off the ship.

In reply to Manning's personal charges, Avellar said that "I have been elected ship's chairman unanimously during the last two voyages on what I stand for, and I have just been reelected chairman by acclamation for the next three voyages."

CALLED EGOMANIAC

"Many of us aboard the ship consider Commodore Manning a complete egomaniac," Avellar added, "and believe that the executive officer is pushing him hard for first place."

Avellar described the grievance against McDonald as "a purely internal union affair."

The ultimatum, which was addressed to Capt. William Lee, assistant general manager of the United States Lines for unlicensed personnel, also said the crew had voted not to sail without crew members who had been discharged on this last voyage.

The complaint said that the two crew members, W. Axford and David Mangel, had been "victimized" by McDonald. The complaint said that their dismissal was "a punitive measure on the part of the company aboard this vessel because of their fearlessness in aiding in exposing W. S. McDonald."

When asked about the union action, Manning, famed as an outspoken skipper, burst out:

"I'm sick and tired of temporizing and appeasing. Who's going to run this ship—the captain or the commissar? It's deliberate sabotage, in my opinion. These things follow a similar pattern, they're always looking for something to tie the ship up."

HARASSING CHARGED

"The sooner the public is aware of it, the happier we'll all be. The same tactics that are being pursued by Czechoslovakia are being pursued in the American merchant marine today. It's a sad fact that the delegate, the commissar, seems to have more power than I have.

"If a so-called people's court can harass and intimidate the members of the crew and make life generally miserable—if this is democracy, you can have it. Personally, I'm sick and tired of it. This so-called democracy is a joke."

Manning said that "a sufficient minority" of the more than 700 crew members were Communist-inclined "to make life miserable." He added:

"As soon as we get some Americanism in the crew, we'll be better off."

The union statement said there would be no "sign in" until assent was given by the NMU ship's committee. It said there had been fines and firings in the steward's department which were unjust and that it hoped all cases could be discussed with the management "in our regular established procedure."

(Mr. WEICHEL asked and was given permission to revise and extend his remarks and include a newspaper article.)

EXTENSION OF REMARKS

Mr. HAND asked and was given permission to extend his remarks in two instances in the Appendix of the RECORD and include collateral material.

ADMIRAL EDWIN D. FOSTER

Mr. HAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HAND. Mr. Speaker, I know the House will permit me to express my pleasure at the recent unanimous confirmation of the appointment of Rear Adm. Dorsey Foster as Chief of the Bureau of Supplies and Accounts of the United States Navy.

Admiral Foster is my friend and neighbor. He was born at Cape May Court House, N. J., and, after attending Princeton, he commenced his naval career in 1917; and by his able and faithful service rose to the rank of rear admiral in 1945. He went with the United States naval aviation forces to Europe early in World War I, and did not return to duties in this country until 1919.

His record in the service is extensive and in all respects admirable. For exceptionally meritorious conduct in performing outstanding service to the Government as supply officer at the Philadelphia Navy Yard during World War II, Admiral Foster was awarded the Legion of Merit, the citation which reads as follows:

For exceptionally meritorious conduct in the performance of outstanding services to the Government of the United States as supply officer in command and aviation supply officer at the naval aircraft factory, Philadelphia Navy Yard, from December 1942 to September 25, 1945. Displaying keen foresight, judgment, and professional ability in developing the original concept for the central procurement and distribution agency for naval aviation to meet the needs of our rapidly expanding aircraft program, Rear Admiral Foster rendered invaluable service in estimating requirements, procurement, distribution, disposal, and the control of inventories in the field through the annexes, depots, major supply points, and dependent activities comprising the total aviation-supply system and was in large measure responsible for the organization and smooth functioning of this office in supplying materials necessary for the support of naval aviation. By his superb leadership, tireless efforts, and conscientious devotion to the fulfillment of a vital assignment, Rear Admiral Foster contributed materially to the successful prosecution of the war and upheld the highest traditions of the United States naval service.

Mr. Speaker, it would be redundant to recite more fully his service record and other special awards which include the Victory Medal, Campaign Medal, and Honorary Commander of the Most Excellent Order of the British Empire, Military Division.

Mr. Speaker, he still claims Cape May County as his residence, and Cape May County is proud to claim him as a native son.

STATEMENT

SILT IN THE MISSOURI RIVER

Mr. CASE of South Dakota. Mr. Speaker, during the debate on appropriations for flood control yesterday, the gentleman from Texas [Mr. MAHON] yielded to me and I cited a sentence from a statement by the Chief of Engineers given to the committee in hearings on the bill for fiscal 1948. Because the entire statement is pertinent to our discussion and because, unfortunately, the reporter did not hear me clearly and confused the figures as reported in the temporary RECORD, I ask permission to insert the complete statement of General Wheeler, the Chief of Engineers, at this point.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The statement is as follows:

Mr. CASE. What is the silting discharge per year on the Missouri River at that point?

General WHEELER. We have it in the book, and can furnish it for the record.

(The matter referred to is as follows:)

SEDIMENT

Assuming the authorized system of mainstem reservoirs on the Missouri River were to start storing water simultaneously, the inflow of sediment to Fort Randall Reservoir, the most downstream important unit in the system, would be of relatively minor importance.

Since the present construction schedule contemplates the closure of Garrison and Fort Randall Dams at approximately the same time, and since the construction and closure of Oahe Dam undoubtedly will be delayed for one or more years beyond that time, the problems of sediment contribution to the deposition in Fort Randall Reservoir are not only of considerably greater proportions but are less susceptible of immediate solution than if Fort Randall were the only reservoir on the river.

It has been estimated that the average annual sediment movement past Fort Randall Dam site is about 184,650,000 tons, or about 113,000 acre-feet (at 75 pounds per cubic foot). Of this quantity, about 47,700 acre-feet per year will be retained in Garrison Reservoir, leaving about 65,300 acre-feet per year to be contributed to Fort Randall Reservoir by intervening tributaries until Oahe Reservoir begins storing water.

This quantity will be augmented for a number of years by scour of the main river channel downstream from Garrison Dam and of the tributary channels due to lowering of the main river bed. After Oahe Dam is closed the sediment inflow to Fort Randall Reservoir will be limited to about 25,200 acre-feet annually from the Bad and White Rivers, to which would be added some material scoured from the main river channel downstream from Oahe Dam.

Under either condition, a large proportion of the inflowing sediment will lodge in deltas along the main river upstream from Chamberlain and in the White River Valley, the balance moving well down into the reservoir. The life of Fort Randall Reservoir is estimated to be between 160 and 330 years, depending on how soon Oahe Reservoir begins to retain sediment. With the number of variables which exists at present it is believed impracticable to determine delta location and profile and the backwater conditions which will prevail.

It is planned to make detailed sedimentation surveys prior to the beginning of storage in Fort Randall Reservoir and at frequent intervals during filling and initial operation to provide a sound basis for undertaking necessary remedial measures. (War Department civil functions hearings, 1948, pp. 410–411.)

EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Professor Hockett, of Iowa Western College, on synthetic liquid fuels.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of rent control and include a letter from an individual in New York who happens to own a home and who is being punished by this program of taking private property without constitutional authority.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE SOUTH MAPS HER OWN COURSE TO RESIST COMMUNISM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, Governor Tuck, of Virginia, is to be congratulated for the step he has taken to turn back this tide of communism that seems to have seized a hold on the leadership of both major political parties in this country.

If all the Southern States will follow the plan laid down by Governor Tuck, we can turn back this wave of fanaticism and put a stop to this persecution of white Americans, which is being advocated by cheap demagogs in order to play up to racial minorities in certain portions of the country.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. RICH. Where do you get any communism in the Republican Party?

Mr. RANKIN. Where?

Mr. RICH. We have been against communism all the time, and do not bring anything out like that. We are against it from start to finish.

Mr. RANKIN. Oh, the gentleman has not read the RECORD, or he would be familiar with the fact that certain leaders of his own party are advocating the communistic FEPC, the antisegregation bill, and other similar measures.

Mr. RICH. It has been in the Democratic Party right along.

Mr. RANKIN. You are going to be forced to vote on the FEPC yet——

Mr. RICH. Yes. Well, I am not for the FEPC, and the gentleman knows it.

Mr. RANKIN. No; but some alleged leaders of your party are advocating it.

The SPEAKER. The gentleman from Mississippi will suspend. The Chair wishes to preserve order. Members must rise in their seats and address the Chair if they desire a Member to yield.

Mr. RANKIN. I do not object to the gentleman from Pennsylvania [Mr. RICH] manifesting his indignation when he finds out that certain leaders of his own party are dragging him down the road toward communism.

On yesterday I was very much disappointed that the members of his party voted down my amendment for a small appropriation to begin work on the Tennessee-Tombigbee inland waterway. If that project were in Europe, I might have got funds under what used to be the Marshall plan; now it seems to be the Vandenberg plan.

But, unfortunately, it is an all-American project, and is proposed for the benefit of the American people.

But what I desire to say, Mr. Speaker—oh, yes, and the gentleman from Nebraska [Mr. BUFFETT] was talking about the money that we spent in Russia. He is right about that, only I do not think his figures are high enough.

I understand American money, lend-lease money, is being used to rebuild the Dnieperstroy Dam in Russia. My information is that those great dams that Japan built on the Yalu River have been turned over to Russia.

But, if we undertake to get money to build a waterway here at home that will benefit untold millions of American people, oh, no, you turn it down. You say we have to save the money, and then propose that we send it to China to feed people who have been starving to death for thousands of years, or send it to give to the countries of Europe that have exhausted themselves killing American soldiers on the battlefield.

The SPEAKER. The time of the gentleman from Mississippi has expired.

THE LEGISLATIVE BUDGET

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 485 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution (S. Con. Res. 42) establishing the ceiling for expenditures for the fiscal year 1949 and for appropriations for the fiscal year 1949 to be expended in said fiscal year, and all points of order against said concurrent resolution are hereby waived. That after general debate, which shall be confined to the concurrent resolution, and shall continue not to exceed 2 hours, to be equally divided and controlled by the gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON], the concurrent resolution shall be considered as having been read for amendment. No amendment shall be in order to the said concurrent resolution. At the conclusion of the consideration of the concurrent resolution the Committee shall rise and report the same to the House and the previous question shall be considered as ordered on the concurrent resolution to final passage without intervening motion, except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

I yield myself such time as I may desire.

Mr. Speaker, House Resolution 485 makes in order the consideration of Senate Concurrent Resolution 42, by the gentleman from South Dakota [Mr. GURNEY], to fix a ceiling upon public expenditures as required under the Reorganization Act. This rule provides for 2 hours of general debate to be equally divided and under the control of the gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON].

The rule also waives points of order, although I question that any point of order will be made on the measure, or could be. I think I should frankly express my opinion as to Senate Concurrent Resolution 42 and the requirements of the Reorganization Act.

The Reorganization Act which was adopted by Congress a little more than a year ago requires that the Congress, through a joint committee made up of the members of the Ways and Means Committee and the Appropriations Committee of the House and the Finance Committee and the Appropriations Committee of the Senate, some 105 Members, if I am correct, shall meet and fix a top limit on public spending. However, it does not provide any method by which that limit may be maintained, if I am right, but leaves up to the judgment and discretion of the Appropriations Committees of both bodies, and to the willingness of the Congress itself, to hold down and to restrain public spending within the bounds fixed by the Congress under a resolution such as this.

In my opinion, that provision of the Reorganization Act is not of any great value. Certainly we cannot fix, this early in any congressional session, with any accuracy, just what the spending requirements will be in the year which starts next July 1. If we wait until later, until the Appropriations Committees of the House and the Senate have an opportunity to hear testimony as to the needs for appropriations and to reach some definite decision and conclusion as to what those needs are, then of course there will be no necessity of fixing the ceiling, because it will already have been fixed by the actions of the Appropriations Committees of the two branches and by the votes of the Congress itself on appropriation bills. However, this is the law, and this concurrent resolution is required.

What is actually accomplished by this resolution is simply this; that the Congress said that the top amount to be spent, or the limit of spending by the Federal Government in this coming fiscal year, should be $37,200,000,000, or two and one-half billions less than requested by the President in his budget message. This does not mean that the Congress now goes on record as favoring the spending the whole thirty-seven billion two hundred million at all. It simply means we will endeavor to keep within that limit. If I know the Appropriations Committee of the House well, and I believe I do, and especially its chairman and the chairmen of its various subcommittees, I am rather certain they will make every endeavor, every attempt, humanly possible to save more than the $2,500,000,000 and to reduce the total of public spending considerably below the thirty-seven billion two hundred million limit fixed in this resolution. In other words, if I make myself clear, while this resolution fixes a top limit on public spending, even though there is no law to guarantee that such amount will be the limit, no method by which a warranty can be given, actually the reduction which may be made in public spending is unlimited. It may be possible for the Appropriations Committees of this Congress to reduce public spending by five billions instead of two billion five hundred million, or by four billions or by six billions. In other words, this resolution simply fixes a target at which to shoot. I think that is all it was intended to be when the Reorganization Act was passed.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does not the gentleman believe it would have been better had we reduced this $2,000,000,000 more as a target, and then try to keep it at that point, and keep it down?

Mr. BROWN of Ohio. No, I get the gentleman's question. No. I will answer frankly by saying I am of the opinion that it is much better for the Congress to fix a very fair reduction or a small reduction and to do much better afterward in actually reducing public spending by more than they have promised the people, than it is to promise the people greater reductions and then wind up by not giving them quite as much as we have promised. I believe it is always better for any individual or any Congress to do just a little better than promised instead of just a little less than promised. I want to congratulate the joint committee on the course they have taken. I think they have been very wise in their action.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. RICH. It is all right to have a target to shoot at, but the thing to do is to try to hit the target. If you put a target in the right position and then every Member of Congress would try to shoot at that target, we will get the game.

But if you are going to put the target up so high that the taxpayers of this country are going to be burdened in trying to meet the obligations that the Congress is going to put on them, then I do not think much of the game that you are trying to get. I want to get something concrete.

Mr. BROWN of Ohio. I understand the gentleman's argument. Of course the difficulty is that the gentleman does not have the right target, and his aim has been terribly poor in the statement that he has just made. The target is fixed—the Congress itself and the Committee on Appropriations have pledged themselves to make every effort to reduce appropriations far below this amount, but they are doing what all decent men should do—men of honor—who will not promise more than they are certain they can do. They will endeavor to do much better than they have promised, and if they go out and do much better than they promise, as I believe they can and will do, then I think it will reflect credit and honor upon them.

Mr. Speaker, I hope this resolution will go through without any serious opposition. Certainly there is no one in the Congress or in the country who will not admit we could cut $2,500,000,000 out of the budget submitted by the President. Personally I agree with the gentleman from New York, Chairman TABER, that we can and should, and I think we will, do much better than that, and that instead of the $2,500,000,000, the cut will be much greater. Certainly that will be the endeavor of every right-thinking Member of Congress who is interested in economy and efficiency. I am sure that the gentleman from Pennsylvania who spoke a moment ago on this will work toward that end and as well as the rest of us.

I yield to the gentleman from Pennsylvania [Mr. RICH] for a question.

Mr. RICH. My whole object is to try to keep this country solvent.

Mr. BROWN of Ohio. I understand the gentleman's objective, as everyone else does, but that is not a question; it is a statement and I am sorry I cannot yield to the gentleman any longer.

Mr. RICH. With the great debt that we have, do you not think that we ought to do everything that is within our power to cut down in every place that we can?

Mr. BROWN of Ohio. I have just stated my position to that effect. I am sorry that the gentleman did not comprehend what I said. Certainly every right-thinking individual in Congress is interested in that, and every person who has the interest of this Nation at heart wants to see this budget cut to the very limit that it can be cut. I am satisfied, Mr. Speaker, that such will be done under this resolution.

Mr. SABATH. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I fully appreciate that regardless of what I may say as to the unfairness of this resolution now before us, it will pass, notwithstanding that it is meaningless so far as compliance with the act that we have passed—the Reorganization Act. We are asked today to approve a rule to make in order Senate Concurrent Resolution 42. To my mind it is nothing but a gesture. This is what the resolution says:

> That is the judgment of the Congress, based upon presently available information, that revenues during the period of the fiscal year 1949 will approximate $47,300,000,000 and that expenditures during such fiscal year should not exceed $37,200,000,000, of which latter amount not more than $26,600,000,000 would be in consequence of appropriations hereafter made available for obligation in such fiscal year.

Mr. Speaker, by this resolution an attempt is being made to bind the Eighty-first Congress. I say to you, gentlemen, that you cannot bind the next Congress, nor even this Congress, as to its actions, deliberations, or appropriations. Furthermore, the rule that is presented is again one of those gag rules, waiving all points of order. Perhaps the provisions of the concurrent resolution may not be subject to a point of order but nevertheless the majority inject that provision into the proposed rule. At the same time it precludes any amendment being offered. This notwithstanding the promise to the ranking member of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], that the Committee on Appropriations would not request this type of closed rule. Further, that he would have an opportunity to offer amendments to the resolution, as ranking minority member of that committee, which I know, if it were permitted, would give some legal effect to the proposed resolution before us.

But, I repeat, regardless of what I say, you of the majority are going to pass the rule and also the concurrent resolution. Therefore, I am not going to take up any further time of the House, because I cannot prevent or change your wrongdoings or shortcomings with respect to the Reorganization Act or this legislative budget. They will remain with you as long as you are in power. However, I feel that will not be long. Nevertheless, as long as you are in control you will continue to make these mistakes, and try to fool the public, because all this resolution provides is a so-called promise that you will try to the best of your ability to reduce appropriations.

The gentleman from Pennsylvania [Mr. RICH] always maintains that we should try to economize and reduce the cost of Government. I feel that if we could eliminate the high prices of all items and materials, the Government is obliged to buy we could easily reduce the expenditures by $2,000,000,000. Ever since the repeal of OPA and the elimination of price control, prices have gone up on everything the Government needs to buy and is obliged to contract for. These high prices are responsible for the increased cost of Government and accounts for at least $2,000,000,000 of the increase in appropriations. It applies to everything you can possibly mention whether it be steel, oil, implements of war, lumber, clothing, shoes, grains, or GI chow. To say nothing of the additional cost of flood control and reclamation, rehabilitation and foreign relief. In fact, in everything. The cost of all these materials has increased from 50 to 100 percent. Consequently, it is mighty hard to reduce the expenditures of Government when you yourselves are responsible for the high cost of all governmental requirements.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. CHURCH. The gentleman has just read the concurrent resolution.

Mr. SABATH. Yes.

Mr. CHURCH. Then the gentleman states that this is an attempt to bind future Congresses. Will the gentleman point out the words in this resolution which he has just read that bear out the gentleman's argument that it binds future Congresses?

Mr. SABATH. I said it cannot bind future Congresses and will not even bind this Congress.

Mr. CHURCH. I realize that is the gentleman's argument.

Mr. SABATH. Yes; that it cannot.

Mr. CHURCH. Will the gentleman point out in the resolution any words or figures that bear out the gentleman's point that it binds any future Congress. Where are the words?

Mr. SABATH. I am exceedingly sorry that the gentleman has not read the resolution.

Mr. CHURCH. Oh, but I have read it and I am reading it now. Furthermore, I am a member of the committee that helped pass on it. I agree with everything the gentleman from Ohio [Mr. BROWN] says. He made a splendid statement. I am asking the gentleman from Illinois [Mr. SABATH] if he will point out the words that bear out his statement.

Mr. SABATH. I will, gladly, if the gentleman will stop long enough to give me a chance to answer his question. Has the gentleman concluded?

Mr. CHURCH. Yes.

Mr. SABATH. I will read it to the gentleman slowly. This is on line 5, after the word "and", "That the expenditures during such fiscal year may not exceed $37,200,000,000."

That means that by this resolution we are trying to bind the next Congress because it states that we cannot during the fiscal year 1949—and bear in mind that the next Congress will have jurisdiction of legislation for at least part of the fiscal year 1949—bring in any proposed deficiency or other appropriation.

This resolution is brought before us merely in an effort to try to make the country believe that you are bringing about a reduction in Government expenditures, but it will be exploded and dissipated very shortly and shown that you have not provided or brought about any saving whatsoever. There is no question that the Eighty-first Congress will have jurisdiction to appropriate, as I have said, regardless of the provisions of this resolution; and the gentleman cannot deny it if the gentleman reads the resolution and understands it.

Mr. CHURCH. Will the gentleman yield for a further comment?

Mr. SABATH. I yield briefly.

Mr. CHURCH. The gentleman fails to realize that this Congress is now acting through its Committee on Appropriations for the 1949 fiscal year. That

seems to be the gentleman's error, his misunderstanding.

Mr. SABATH. The misunderstanding is not on my part, but that of my colleague. I repeat, regardless of the gentleman's statement, this Congress cannot bind the next Congress or keep it from appropriating for deficiencies, of which there will be many. The gentleman may be sure, because of the cuts his side is making in the appropriations of some of the departments, which are wholly unfair, unjustifiable, and unwarranted, they will be seriously hampered in their functions and will necessarily be obliged to temporarily curtail some of their activities. But I know, and the country will know, that these reductions are being made solely for political purposes. Consequently, the next Congress will be obliged to come in here and appropriate large sums of money in the form of deficiencies.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BROWN of Ohio. If it would be helpful to settle the dispute between the two gentlemen from Illinois, let me point out to the gentlemen that it does not make any difference that you cannot bind the next Congress. There is no mandatory provision to enforce this ceiling, and the next Congress can go over it if it desires to do so, or stay under it likewise if it desires to do so. The responsibility of trying to stay under it now belongs to the present Congress; and I hope both gentlemen from Illinois will join with the rest of the right-thinking Members of this House in holding down public expenditures.

Mr. SABATH. I thank the gentlemen in agreeing that I was correct in my contention and that my colleague has not quite grasped the effect and worthlessness of this resolution.

I have at all times tried to cooperate but it is difficult to do so because your party promises so much and does so little. In the future I shall be only too delighted to go along with you gentlemen if you can show me real economy and bring about a reduced cost in the administration of our Government. I feel now that we would be acting judiciously and economically if we would stop the combines and the trusts that are mulcting the Government of billions of dollars. In that way we could save a tremendous sum of money.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio I would like for the gentleman to yield to me so that I may join with him in the hope that the Department of Justice and Attorney General Clark will enforce the law. I certainly will support the gentleman in that.

Mr. SABATH. You surely know that the Attorney General and the Department of Justice are trying, but, as I understand it, they do not have enough money to enforce the law. It is impossible for them to investigate all the so-called secret agreements of the industrial czars who are trying to hold up the Government. I am with the gentleman and with anyone in trying to bring about a real reduction in the cost of government and this also applies to the War Department that has been so reckless with its contracts and expenditures.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I concur in the gentleman's idea that there must be vigorous prosecution of cartels and monopolies. The gentleman, however, has indicated that the reason the Department of Justice has failed is because it did not have the money.

Does the gentleman know that his President cut the budget estimate of the Department of Justice when he submitted that budget to the Congress this year and that in the report which was filed this morning of the Republican-controlled Appropriations Committee it has exceeded the budget by a very substantial amount and proposes to give to the Antitrust Division of the Department of Justice the funds that will enable it to carry on the activity so that it may do something about this matter instead of making and uttering a lot of weasel words about cartels and monopolies and doing nothing about it?

Mr. SABATH. The gentleman asks a rather extensive question. He made a splendid speech with the exception he is in error when he says that the Department of Justice has not done anything in the matter. I am going to include in my remarks all the indictments and all the investigations that the Department of Justice has made and is contemplating. Naturally, the President might have cut some of the departments and their appropriations because of fear of you gentlemen on that side that you would make political capital if he were to recommend higher appropriations; so he is trying to reduce the budget to the bone in the hope that he may come in later on when he will be satisfied that the Department of Justice, and especially the Antitrust Division, will actually need additional funds to investigate and prosecute these combines, trusts, and black marketeers in steel, in lumber, and in everything else. I know that the gentleman from Wisconsin will be with those who will aid in expediting action in bringing about the elimination of the unfortunate situation in which our Government finds itself on account of the manipulations of the combines and trusts who are responsible for the unconscionable increase in prices.

Unfortunately, I do not have available at this time a Department of Justice list of all the investigations, indictments, and prosecutions of the black marketeers, but at a later date, I shall insert them in the RECORD for the information of the House and the country.

(Mr. SABATH asked and was given permission to revise and extend his remarks and include certain tables.)

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN. Mr. Speaker, within the next hour I return to my office to meet a delegation of tenants from Knickerbocker Village, a huge, modern, privately owned housing development in the very heart of my congressional district, who are the victims of the gross discrimination and gouging made possible by the present Republican so-called rent-control law, which I fought in its present form, and by the failure of this Republican Congress to pass the Wagner housing bill.

Mr. Speaker, behind closed doors, without any information for the benefit of the tenants of this big development, and without giving the tenants an opportunity to be heard, officials of the State housing division and the regional office of the Office of Rent Control have arbitrarily decided to impose a 12-percent rent increase despite the fact that this project is subsidized by the State and city of New York.

Remember that this project is exempt from local taxes; the power of eminent domain was extended to the builders; they were given every possible encouragement and assistance to provide desperately needed housing for people with low incomes.

The Knickerbocker Village Corp. originally petitioned for an increase in rents under section 12 of the regulations, which means that they claimed expenses had increased. It was on that basis that some slim information was given the tenants.

The case for the landlords under that section was too thin, so, without any warning to the tenants, under a provision which was not even included in the original regulations in section 11, the landlord then claimed to the State housing division and the rent administrator that the company was entitled to an increase, not by right but by greed. Others were getting it, they said; why cannot we?

So, ignoring the generous tax subsidies, ignoring the purposes of the State legislation under which the project was built, a 12-percent increase was granted.

I have been informed that a 1-percent increase would cover every legitimate grievance of the corporation.

The representatives of the Knickerbocker Village tenants, and their attorney, are meeting with Tighe Woods, the Housing Expediter, whose difficult task it is to administer the weak-kneed rent-control bill.

I am confident that, for the sake of justice, he will reverse the regional office, and, if an increase is justified, an equitable figure which accurately reflects the real increased costs will be granted.

Mr. BROWN of Ohio. Mr. Speaker, I have listened with great interest to the concluding remarks of the gentleman from Illinois [Mr. SABATH] about the failure of the Department of Justice to properly prosecute violations of law, if such exist. I feel, out of fairness, I should remind him that the Department of Justice has been under the control of his party, not mine, since 1933, and that there has been a Democratic Congress

all through those years up until last January, so I am wondering why these combines and trusts and cartels that he protests so vehemently against have been permitted to grow and develop and to become such a threat to our economy as he describes them to be. I am sure that he must agree with me that either the Attorney General of the United States and the Department of Justice have, during the past few years, failed to do their duty, or that his charges are just—well, let me say in all kindness, are just a little overdrawn and perhaps just slightly political.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. SABATH. Is it not a fact that we have repealed the OPA?

Mr. BROWN of Ohio. Yes, President Truman killed the OPA, but we will not get into that while discussing this matter.

Mr. SABATH. Is it not a fact that in a special session you passed a law actually giving the trusts and combines the right to do as they please?

Mr. BROWN of Ohio. Oh, no. Only if the President of the United States and the Attorney General approve, and I do not know if they have approved anything or not. If they have approved anything that is wrong, I hope the gentleman will apologize for the action of his President and mine, or the political head of his party, and for the Attorney General, who represents his party.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Concurrent Resolution 42, establishing the ceiling for expenditures for the fiscal year 1949, and for appropriations for the fiscal year 1949 to be expended in said fiscal year.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Concurrent Resolution 42, with Mr. LECOMPTE in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, under the provisions of section 138 of the Legislative Reorganization Act of 1946 we are required to report to the Congress a concurrent resolution making certain provisions with reference to our judgment in the Congress on the amount of the over-all receipts and the amount of the over-all expenditures during the fiscal year 1949. Frankly, it is almost impossible for anybody to take the figures which are herewith submitted or which may result from the consideration of this resolution and arrive at any conclusion which will jibe with the appropriations that so far have been made and which will be made in the rest of the session of this Congress. However, the statute requires this to be submitted, and I see nothing to do but put the resolution through.

I think that part of the Reorganization Act was a mistake. It is not binding upon the Congress and it is not a satisfactory guide to what might result. As a matter of fact, part of the funds that are appropriated here will be made available for 1948 and still will not be expended until 1949. The items in the budget which were estimated to be appropriated in this session of Congress for expenditure during the fiscal year 1949 total $28,400,000,000.

We have been over the situation, and we have figured that if we reduce the expenditures by two and five-tenths billions from a budget estimate of thirty-nine and seven-tenths billions we will arrive at an expenditure figure of thirty-seven and two-tenths billions. Of that amount one and eight-tenths billions should be deducted from the 1949 appropriations for expenditure in that year. The over-all cut should be two and six-tenths billions, of which $800,000,000 should come out of the appropriations for 1948 which will be expended in 1949. With that in mind, as stated in the report which accompanies the resolution, we have provided for a twenty-six and six-tenths billions appropriation figure out of the estimate for 1949 for expenditure in that year.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. REDDEN. Does that take into consideration the possibility of an increase in the salaries of postal employees, as contemplated by a pending bill, of about $1,000,000,000?

Mr. TABER. I do not think it does, frankly. I hope we will be able to save more money out of the bills than this resolution would indicate. On the other hand, it was the judgment of the Joint Budget Committee and the subcommittee that went over that picture that the two bodies could finally agree on this figure which is submitted.

Whether or not legislation will be adopted increasing the amounts expendable in 1949 either in pay increases or postal increases I do not know and do not believe I would be informed enough about the picture to discuss the situation at this time. But there are other items which have been submitted by the President which were not called to our attention in the budget that run to several hundred million dollars. The postal picture is not supposed to come out of the Treasury directly, but only the deficit. At the present time the postal deficit is $400,000,000 or approximately that figure. I do not intend to make more of a statement on this matter at this time than to say that I believe this resolution is probably as near the joint judgment of the committee as anything that we could have. I do not believe any useful purpose will be served by trying to change the figures because the whole thing at the present time is to a certain extent a stab in the dark without our being able to know just what we should do. We cannot know just what we should do until after the committees have had hearings on the different appropriation bills. We have made an approach to realize what should be done. But as we are commanded to make this report, the report is here and there is nothing to do except to go through with it and adopt the resolution. Then we should go ahead and treat the bills on their merits and cut every possible dollar out of them that can be cut. I say to the House that insofar as I am concerned and I believe insofar as the whole Committee on Appropriations is concerned, every effort will be made to trim every possible dollar out of the appropriation estimates that have been submitted to us.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. I take it, then, from this resolution that it is impossible for anybody to say and to say accurately that we are hereby reducing the budget by any set amount.

Mr. TABER. There is no question about that at all.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HALLECK. I am in hearty accord with the statement the gentleman has just made. Of course, the recommendation that is being made here if carried through will represent a cut in the budget as submitted to the Congress. I for one am convinced that the budget is too high and should be cut. I think the people in overwhelming numbers are demanding that we cut the budget. If we set this target, it occurs to me that we ought to have the right to expect our friends on the other side of the aisle to join us in doing everything possible to effect all of the economies that can be made. As far as I am concerned, I think we ought to have a record vote on this proposal and ought to find out just which Members of this body are ready to say at this time that they are willing to join in an effort to reduce the cost of government and bring about economy in government that the people are demanding. If they are not willing to go along with this proposal to cut the cost of government, then that fact would be evidenced in negative votes on this proposal.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. I just wish to take this opportunity to say, and I am sure the membership of the House feels as I do about this, that if we are going to have any successful culmination of this matter it has to come from upholding the action of our Committee on Appropriations which is so ably headed by the distinguished gentleman from New York [Mr. TABER].

Mr. TABER. I thank the gentleman.

Mr. Chairman, I reserve the remainder of my time.

Mr. CANNON. Mr. Chairman, there is no Member of the House who has not repeatedly assured his constituents that he favors reduction in Federal expenditures. There have been Members who on various occasions

have failed to support that pledge when appropriations involving their own district or their own State were before the House—and strange to say, their constituents, although urging national economy, have usually supported such Congressmen in their votes for higher appropriations and increased expenditures, when it was for local benefits.

But speaking generally, not only for myself but for the minority members of the Committee on Appropriations and the Members on this side of the aisle, that we as a party, not only have favored a reduction in Federal expenditures, but we have practiced what we preached, we have voted economy as well as talked economy. When we were in control of the House we made the greatest reduction in Federal expenditures over a previous year that has ever been made either before or since. We have reclaimed from former appropriations the greatest amount of money in rescissions ever reclaimed in the history of the Congress or in the history of any other legislative body in the world. We have justified our faith by our acts.

The invitation of my good friend, the gentleman from Indiana [Mr. HALLECK], is wholly superfluous. He expresses the hope that we will cooperate in reducing expenditures. Why should he invite us to do what we have always done?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Yes, I yield to the distinguished majority leader of the House.

Mr. HALLECK. I was here in the last session of Congress when we had one appropriation bill after another and if my memory serves me correctly, and I think it does, the gentleman from Missouri and the Democratic Members on that side of the aisle almost without exception and almost on every occasion to a man opposed the cuts that we were seeking to make in the appropriations coming before the House.

Mr. CANNON. The record votes of the Congress are replete with record votes on measures from the Committee on Appropriations which I brought to this floor, in which additional appropriations and increases in appropriations were made by virtue of votes on that side of the aisle.

On the other hand we have led the way in cutting appropriations, and we made record deductions when we were in control of the House. We expect to continue that program.

The chairman of the Committee on Appropriations the gentleman from New York [Mr. TABER] has said, the gentleman representing the great Committee on Rules, the gentleman from Ohio [Mr. BROWN], has said here today, that this resolution is merely a gesture—just a stab in the dark. I remember the gentleman from Illinois, Chairman ALLEN, also said, when the legislative budget was up in the last session, that it was merely an expression by Congress that it favors reduction in Federal expenditures. It might as well have been an expression of the Congress that we are opposed to sin, or that we are in favor of the Golden Rule so far as any practical effect on expenditures is concerned. Senator BRIDGES, chairman of the joint committee on the budget, says in his report now before the House that the legislative budget is "merely a pregame guess at the final score; the law requires the committee to give its estimate of a multitude of new facts, figures, conditions, and requests with which it has had little or no time to become acquainted."

In other words, Mr. Chairman, the figures in this resolution here, by the unanimous agreement of every man on that side of the aisle who has spoken here today, is no more accurate than a figure grabbed out of a hat by a blind man on a dark night.

No effort is made to justify these figures. They have given us no sustaining statistics. There is no itemization. They have not told us where they propose to cut, or what can be cut. They have held no hearings, they have called no witnesses. They have not even had the Director of the Budget before them. They have not made the slightest attempt to carry into effect this provision of the budget.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I shall be glad to yield presently.

Mr. Chairman, I strongly support the objective sought in this provision of the Reorganization Act. The only difficulty is that the method prescribed is not practical. It is not workable. If gentlemen on the other side of the aisle are so strongly in favor of the reduction of Government expenditures and a legislative budget to achieve that reduction why have they not made some effort to make it operative, to make it work, to make it effective? I brought in a year ago an amendment proposing to make it more effective. Neither that suggestion nor any other suggestion has received any attention. In the two brief sessions of the joint committee it was agreed by every member of both the House and Senate delegation that the law should be amended or repealed, preferably repealed, but no effort has been made to adapt the law to needs it is supposed to serve.

Why has it not been done? Apparently they do not want it to work. At least they have not shown the slightest interest in its revision or application. They talk economy but they take no steps to provide machinery to achieve it.

Mr. Chairman, I am disappointed in the rule just adopted by the House today for the consideration of the bill. I was assured yesterday when I appeared with the gentleman from New York, the chairman of the Committee on Appropriations, before the Committee on Rules to discuss a resolution making in order the consideration of the concurrent resolution that there would be no objection to the offering of amendments, that I would be permitted to offer an amendment to permit a further reduction in expenditures beyond that proposed by the pending bill.

Our Republican brethren propose to reduce estimates of expenditures by only $2,500,000,000. That is a drastic cut. I do not see how it can be effected. I do not see where it can be applied.

The field of operations in the deduction of the 1949 budget may be summarized as follows:

	Billions
National defense	10.3
International affairs and finance	2.1
Veterans	5.1
Interest on public debt	5.2
Tax refunds	2.0
All other	8.2
Total	32.9

The 8.2 item covers a multitude of objects. But there is where you will have to apply the knife. And you will find you have to apply it sparingly if the Government is to proceed with the discharge of indispensable and statutory required functions.

I do not see where you can cut 2½ billion dollars from eight and a fifth billion and still operate the Government. But your leaders agree that twice that amount can be cut from the budget. The chairman of the Committee on Appropriations, who, I think, is as cognizant of expenditure requirements as any man I know, released to the press a considered statement in which he says we can cut this budget $6,000,000 and maybe we can cut it more.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I yield myself 10 additional minutes.

Likewise, Mr. Chairman, the distinguished gentleman from Indiana [Mr. HALLECK] said, when the legislative budget was up before:

> Personally, I am convinced that we can cut this budget $6,000,000,000.

And the gentleman from Ohio [Mr. BROWN], a distinguished member of the Committee on Rules, who spoke for that committee this morning, said:

> We can cut this budget $6,000,000,000 and I am saying to you if we want to do it we can and you should thank us for not insisting on cutting it $7,500,000,000.

The statement is in the RECORD.

He further said:

> Next year we are going to make another and further cut.

Now, Mr. Chairman, if anybody is in a position to know what the situation is and what economies can be effected it is these three men, the chairman of the Committee on Appropriations, the chairman of the Committee on Rules, and the distinguished majority leader of the House. They not only occupy the three key positions in the House but they have large staffs of consultants and unlimited agencies of investigators under their direction. And they have spoken after a year and a half of experience and study of the subject. I cannot see how such cuts can be made. But if men in the highest positions in the Congress, speaking with authority, agree that such savings can be made I am constrained to give their opinions the benefit of every doubt. Everybody agrees that the figure incorporated in the pending resolution is only a target to shoot at. If it is a target why set it at a half or a third of the potential savings that can be made? If more can be saved merely by the effort why not raise our sights to save all we can? Why not save the entire six billion, or seven and a half billion, or at

the very least, the three billion originally agreed on? Is not the party in control of the House in favor of saving every dollar of the taxpayers' money that can be saved?

Mr. Chairman, I am convinced they were wrong then. Of course, we know they were wrong then. I am convinced they are wrong today. I believe when the present session is concluded we will be in the red if they go ahead with this tax-reduction proposal. Certainly they cannot cut the budget the amount they propose to cut it. If there is any possibility, even the barest or most remote possibility, of cutting $6,000,000,000 out of this budget we ought to do it. I am unwilling to close the door to the possibility of saving a single dollar, much less half a billion dollars.

Refusal on the part of the majority to cut all they claim can be cut carries with it a highly suggestive intimation. You will recall that last year, when this subject was under consideration, the gentleman from Ohio who opened the debate this morning, made a very interesting statement in which he said, "The money spenders do not want to cut this budget." The money spenders!

Now, who are the money spenders here today? Who is fighting against deeper cuts in the budget this morning? The gentleman's own party do not want to cut the budget. The money spenders do not want to cut the budget.

He said further, "We want to do something to curb this reckless waste of the Federal taxpayers' money." Then he and his party went ahead and in the remainder of that session spent some $4,000,000,000 they said they could save. "A reckless waste of the taxpayers' money."

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understand the gentleman correctly, he has said that he is going to offer an amendment to provide for a greater cut.

Mr. CANNON. Exactly. May I ask the gentleman why? I think we ought to cut all we can.

Mr. HALLECK. So do I.

Mr. CANNON. The gentleman himself said last year we could cut $6,000,000,000. Why not cut it?

Mr. HALLECK. Let me ask the gentleman a question. If the gentleman's amendment prevails, will he then vote for the resolution?

Mr. CANNON. I certainly will. It will be nothing new for me to vote to cut appropriations. It may be new on that side of the House, it is nothing new for us over here to vote for a reduction of the President's budget.

During the years in which we were in control of the Committee on Appropriations there was never a budget sent down by the President of the United States that we did not cut. We never failed to cut the budget, and we have not changed our position on reducing expenditures now. We still will cut where a cut is justified. There is a wide misapprehension about the sanctity of the budget. The President's budget is an over-all ceiling. He does not expect to go above it, nor does he expect us to adhere to it where conditions warrant. But he expects us to cut where cuts are possible. He must make his calculations sometimes more than a year in advance. Conditions change, and as conditions change we are expected to take advantage of any opportunity to save money.

The majority have not lived up to such opportunities. At least they are not embracing their opportunity this morning to cut all they say can be cut. They evidenced the same dereliction of duty and opportunity last year. They assured the country they would cut expenditures for 1948 $6,000,000,000, and they would cut a hundred thousand from the civilian pay rolls. Every responsible leader on that side agreed that the minimum reduction was to be $6,000,000,000. Now, how did they keep that pledge to the American people? How much did they actually cut? The record speaks for itself. In Senate Document No. 101, on page 799, the total amount of bookkeeping reduction is listed at $2,872,000,000, and that included $800,000,000 which must be deducted for the refund of taxes and other amounts, so that it comes down in the end to approximately $2,000,000,000. What about the other $4,000,000,000 or $5,500,000,000 that they promised to cut?

In a very ancient document there is a parable of a certain man who owned a vineyard, and he said to a laborer, "Go work in my vineyard." And the laborer said, "I go, sir," but went not. He promised but he did not perform.

Our Republican brethren promised but they did not perform. They said, "I go," but they went not.

Hear the judgment of the Master:

> Verily I say unto you, That the publicans and the harlots shall go into the kingdom of God before you.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, when President Hoover came to the White House the public debt was $16,604,000,000, and when he left it was $22,539,000,000. Not a penny of that went for the benefit of the people.

In the fiscal year 1946, the last year of the war expenditures, our budget totaled $76,200,000,000. In 1947 we dropped from $76,200,000,000 to $42,500,000,000, a record which has been unequaled in any session of any Congress before or since. We made the greatest reduction in appropriations, the greatest reduction in the budget, the greatest reduction in expenditures. That is a target for you to shoot at, my friends.

In addition to that we excised over $64,000,000,000. And we had expected to continue that program. Before the election we made all arrangements for witnesses to appear before us for the purpose of excising an additional $20,000,000,000. It was never excised. Unfortunately, the stewardship passed to other hands. We would have increased the $64,000,000,000 to not less than $84,000,000,000 had we been continued in power.

I opposed before the Committee on Rules the granting of this rule for the reason that the leaders of both the House and Senate delegations of the Joint Committee on the legislative budget considered the proceedings a mere formality. If that be true this debate is an utter waste of time. You will recall that both the gentleman from Ohio [Mr. BROWN] and the gentleman from New York [Mr. TABER] said the only reason we are here this morning wasting this time is to comply with the law.

They have become law abiding very suddenly. This law has been on the statute books since 1946. All the last session of Congress, all last year, they ignored and disregarded it. Why have they so suddenly become so scrupulous about complying with the law?

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Perhaps it is because there will be elections in November that they are going to scrupulously obey the law.

Mr. CANNON. The gentleman offers a very pertinent comment.

Mr. Chairman, if we are to take the opinions of the leadership on that side of the aisle there is no reason why we should waste valuable time and considerable money in this pointless and bootless proceeding.

If there is nothing to be accomplished by it, as the House and Senate leaders say, we are consuming a large part of the day at a very busy time in the session. We are far behind with the appropriation schedule. Never before, with the possible exception of last year, have we been so belated in getting the appropriation bills to the floor. And the congestion is complicated by an exceptional situation this year. The Republican National Convention convenes at Philadelphia on June 21. We must be through by that time, and I trust that we will be. But we have no time to spare. Why waste a large part of the day here discussing a bill that means nothing and will accomplish nothing? Also, why waste the taxpayers' money? It costs thousands of dollars an hour to run the Congress. Why not save the 2 or 3 hours and the money? The CONGRESSIONAL RECORD alone costs $71 a page. I regret that I have had to take so much time and space in response to the speeches that have been made in order to keep the record straight.

Last year we had the humiliating spectacle of appropriation bills piling up here at the end of the fiscal year, until it was necessary for us to pass a continuing resolution. Now that should not be necessary. If we will go ahead and transact the business of the House that should be transacted instead of wasting time on what the gentleman from Pennsylvania considers political excursions, we can get all the appropriation bills over to the Senate 2 or 3 weeks before the end of the fiscal year and thus expedite the work of the House and save the money of the taxpayers of the country.

Mr. Chairman, there is a more sinister connotation attaching to this proceeding. The consideration and disposition of this resolution serves to illustrate the constant pressure of encroachment upon the

rights and prerogatives of the House. Never before has the disadvantage of the House in joint committees, joint commissions, and similar joint undertakings been so conclusively demonstrated. Never before have our policies and decisions been so patently dictated by the other House. Last year the House asserted itself. It defended its prerogatives successfully and effectively. But this year the other body, contrary to all rules of committee procedure, took over the chairmanship, turned the records over to its staffs and dictated every figure in the pending resolution. There was not even a protest from the Representatives of the House. There was no debate and no objection was offered to my suggestion and when after agreement had been reached on a reduction in the budget of $3,000,000,000 and a belated motion was made from the other side of the table to change the amount to two and one-half billion, the House of Representatives said "all right" and that was the end of it.

The House of Representatives is closest to the people. Its Members are elected every 2 years. They hold the purse-strings of the Nation. Under the Constitution no revenue or appropriation legislation can be initiated except in the House. Last year we took that position and sustained it. But this year we made a humiliating surrender of every prerogative of the House relating to the priority of fiscal legislation whether of revenue or appropriation.

In the consideration and disposition of this resolution we have surrendered sacred prerogatives of the House, established by the founding fathers of the Republic and cherished and maintained for 150 years. It is "Yes, Senator. Yes, Senator. Yes, Senator."

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. And some of those eminent gentlemen whom you have just mentioned are much junior in service to Members of the House?

Mr. CANNON. All of them are junior in service on their respective committees to the leader of the House delegation. The Members who represented the House in these conferences have been here longer, and in my opinion, have a more intimate knowledge of the fiscal affairs of the Government.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. CANNON. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, the minority Members of this House will cooperate at all times and at every opportunity, to effect a legitimate reduction in the budget. We will vote for a reduction of unjustified expenditures, and we will vote against any unwarranted increase in expenditures whenever the justice of that position is demonstrated by the hearings and the evidence adduced before the committees. May we at this time express the hope that if they are really sincere this time and they actually are going to apply the ax, they will apply it in the right place; that they will not take a disproportionate amount from the farmer by calling the committee back for an arbitrary reduction as they did in the last budget; that they will not curtail beyond the point of adequacy any essential function of Government and especially that they will not cripple the national defense. Until the international situation is better adjusted, we must remain strong on the land and on the sea and in the air.

Mr. Chairman, I reserve the remainder of my time.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I rise in support of the pending resolution.

We are here today because the so-called Legislative Reorganization Act requires a report from the Joint Committee on the Legislative Budget, on or before February 15, including its recommendations as to revenues, expenditures, appropriations, reserve against deficiencies, and reduction of the public debt.

I agree with the gentleman from Ohio [Mr. BROWN] that this requirement of the act in question has proved itself to be impractical. It is impossible so early in the session to arrive at reliable estimates before committee hearings are held. The cart is, in effect, put before the horse.

Nevertheless, the law is still on the books, and the recommendation before us today for consideration is here pursuant to that law.

Mr. Chairman, we are confronted at this time by the largest peacetime budget in our history, a budget presented to the Congress by President Truman calling for the expenditure of $39,700,000,000, despite the fact that we are confronted with the danger of devastating inflation, as a result in very large measure of waste and extravagant expenditure by the Federal Government.

This resolution calls for a cut in expenditure of only $2,500,000,000. It is difficult to understand, Mr. Chairman, how anyone who is sincerely in favor of retrenchment and economy can fail to support the resolution.

Yet, Mr. Chairman, the record of the proceedings of the joint committee indicates, at page 19, that when it came to reporting this resolution to the House the gentleman from Missouri [Mr. CANNON] called for the yeas and nays, and then voted against reporting it.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. CANNON. My vote was a protest against a lesser cut than $3,000,000,000. As the gentleman will recall, I offered an amendment to increase the cut to $3,000,000,000, but the Members on that side of the aisle voted against it. They wanted to cut only $2,500,000,000. My vote was a protest that we had not gone as far as the House leadership said we could have gone.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. MICHENER. I was much interested in the very inconsistent speech of the gentleman from Missouri [Mr. CANNON]. First he said there was no possible way of arriving at any type of reliable budget estimate unless hearings on the budget were held. Then he said this resolution was all folderol, that is, it was useless and a waste of time. He told us how much it cost to print these proceedings in the RECORD and then proceeded for almost an hour to scold and harangue the House because it was complying with the law. Before he got through he said this cut was not large enough. He wanted to cut more. The gentleman is a member of the Appropriations Committee. He has no more and no less information than other members, yet a cut of two and one-half billion is wrong if proposed by the gentleman from New York [Mr. TABER], while a cut of three billion is all right if he offers it. This just does not make sense.

Now, I am wondering where the gentleman got his information. First he said there was no way one could tell the amount of money required; that the committee had just taken a rabbit out of a hat, that this resolution was presented for political purposes; yet he wanted to take a rabbit out of the same hat and make it a larger rabbit when he had no more information and could not have had additional information according to his own admission. Then he told us that it cost $71 a page to print the RECORD. He said we were wasting money, yet he proceeded to waste money at the rate of $71 a page for almost an hour. I hope the Members will look at his speech tomorrow in the RECORD, and see how much it cost, then evaluate its worth.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. CANNON. I am sorry the gentleman from Michigan did not listen more attentively. I did not take responsibility for the statements he quotes. I quoted the gentlemen on that side of the aisle, Mr. TABER and Chairman BRIDGES. They say this proceeding is futile and that it can accomplish nothing.

So far as the space consumed in the RECORD is concerned I take for granted the gentleman from Michigan [Mr. MICHENER] was absent from the Chamber when I expressed regret that it was necessary to answer statements from that side to keep the record straight. When the evaluation to which he refers is made I am certain the space consumed by the gentleman from Michigan at this time will be found to be worth a great deal more than its cost to the taxpayers.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Did I understand that the gentleman from Missouri is in favor of voting for a resolution to save $3,000,000,000, but when he cannot get that he refuses to vote for a resolution to save $2,500,000,000?

Mr. WIGGLESWORTH. That is my understanding of his statement.

Mr. Chairman, this country is not only confronted by the largest peacetime budget in our history, it is also confronted by a national debt commonly referred to in terms of $256,800,000,000, but which if contingent obligations are included,

amounts to over $420,300,000,000, or about $3,000 for every man, woman, and child in this country.

It is confronted also by proposals under which those on the Federal pay rolls are actually going to increase in the fiscal year 1949 as compared with the fiscal year 1948, to a figure of about 2,100,000 as compared with some 920,550 on June 30, 1939, and some 719,000 on June 30, 1935.

It is also confronted by requests for new legislation from President Truman calling for the expenditure of some $5,700,000,000.

It is confronted also by the threat of inflation at home to which I have referred and by enormous demands from abroad.

The proposed budget, Mr. Chairman, can and must be reduced.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I am interested in the gentleman's figure of $420,000,000,000 including contingent liabilities. Can the gentleman give us in a sentence or two how the difference between $256,000,000,000 and $420,000,000,000 is made up?

Mr. WIGGLESWORTH. The difference is made up of guaranteed loans, insurance, unliquidated obligations, and other contingent liabilities not included in the direct public debt.

Mr. BUFFETT. Who calculated that?

Mr. WIGGLESWORTH. That is information obtained in tabular form from the Bureau of the Budget in the recent hearings before the Subcommittee on Appropriations for the Independent Offices.

Mr. BUFFETT. I thank the gentleman.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. REED of New York. I understand that there is an office downtown in which they are taking applications for jobs abroad under the Marshall plan. Have they given the gentleman any indication of how large a pay roll they expect to build up over there?

Mr. WIGGLESWORTH. I cannot give the gentleman any information on that.

Mr. Chairman, it is true that reliable estimates are impossible at this time. It is true also, however, that some estimates are required, and required now by law.

The estimates before you have been approved, not only by the Joint Committee on the Legislative Budget but also by the Senate as a whole. I believe they are the best estimates that can be obtained at this time. I think the House should accept them, and then devote itself to reducing every appropriation bill as much as possible, consistent with efficient and humane administration.

The gentleman from Missouri [Mr. CANNON] has made light of the total reductions effected in the budget estimates of a year ago.

If the gentleman will refer to the CONGRESSIONAL RECORD of July 26, 1947, he will find there, recorded in detail by the chairman of the Appropriations Committee, the gentleman from New York [Mr. TABER], an over-all improvement in the budget picture presented by the President in January of 1947 to the extent of $4,480,624,303, and, in addition thereto, rescissions to the extent of $2,684,000,000, appropriated funds, which might have been spent had they not been rescinded by this Congress.

Those tremendous savings, Mr. Chairman, were put into effect despite continual fighting opposition on the Democratic side of the aisle.

The Appropriations Committee, in my opinion, is further along today in the disposition of bills for the fiscal year 1949 than any appropriations committee I can recall in recent years. I hope when the work of that committee is concluded there will be a much greater reduction in expenditure than the reduction of $2,500,000,000 suggested in the pending resolution.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I am sure that the hearts of the taxpayers of America were warmed this morning at the words of the gentleman from Missouri [Mr. CANNON]. It appears as though he has turned his back upon the course followed by him in the last session of Congress and in previous Congresses and is going to join hands with the gentleman from New York [Mr. TABER] in reducing the cost of government.

The gentleman from Missouri is a very able gentleman. He is learned in the parliamentary practices of the House of Representatives. If the effort that he put forth in previous Congresses on appropriation bills can in this Congress be alined with the majority on the appropriation bills, I am sure that great savings can be accomplished and that tremendous waste can be eliminated. The gentleman is also a great power in this administration, and I believe that if he is determined to cut the cost of government as he says he is, that he can go down to the departments and there secure their cooperation and recommendations for the elimination of a great many items that we are called upon to appropriate for. I am sure that the taxpayers of America welcome his conversion and hope that his religion lasts and sustains him in the coming months.

It should be borne in mind that when we talk about a legislative ceiling we are not talking about a ceiling on appropriations. It is a ceiling on expenditures. The Congress has control over expenditures, but it is a long range control. Money spent in a given year may have been appropriated 1 year, 2 years, 3 years, or 10 years before it is spent. Consequently the effort of a single Congress must be judged on the amount of new money it appropriates.

Now, the first session of the Eightieth Congress appropriated in new appropriations about $10,000,000,000 less than the previous Congress under the leadership of the gentleman from Missouri. I think the load of foreign relief was perhaps greater, yet the record shows that the new appropriations were much less. But, the actual expenditures were reduced somewhere between four and five billion dollars. That is a sizable amount when you consider the effort that was put forth by the gentleman from Missouri last year in resisting the effort of the majority in reference to this budget matter. It seems to me that in considering the expenditures of our Federal Government we have placed too great a burden on the Committee on Appropriations. If it eliminates all waste, cuts out extravagance, and causes this Government to operate as efficiently as possible, we still have too much government. We still have more than the taxpayers of America can pay for.

I believe that there is a responsibility resting upon every Member of Congress and every committee of the Congress to see what laws can be repealed and what legislative functions of government can be eliminated. We must choose not alone between the good and the bad, but we must eliminate some of the good things because we cannot pay for them and still carry the load that we have, such as the payment of our national debt and granting some tax reductions, so that there will be an inducement to build a strong, vigorous economy. I am thoroughly convinced that if the program of the majority of this House for a reduction in expenditures and tax reduction prevails, it will mean a stronger and more sustained economy that can pay the debt and carry the load.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I had thought I would not be put on until the gentleman from Missouri was present. My remarks are directed at his statement and the economic record of his party. I am amazed as my colleagues must be when the gentleman from Missouri [Mr. CANNON] states he and his party stood for reduced appropriations and that they claim a great record of reduction in Government expenses. Now, sir, let us look at the record since 1933, the first year of the New Deal. Let the record show and the American people know, the facts for they debunk all this double talk of Democratic economy. In 1933, when they came into power, there were 533,000 people on the Federal pay roll. The debt under the Republican leadership had been greatly reduced. The 533,000 people on the Government pay roll in 1933 cost $1,000,000,000, and our national debt was $16,000,000,000.

What does the record show happened under the leadership of the Democratic Party? It is revealing. In 1939, in just 6 years, there were 933,000 people on the Federal pay roll, their salaries costing $3,000,000,000, and the Federal debt had gone to $60,000,000,000. All this in 6 years. What was it in 1946? Sure, a war was on, so there was some excuse for that expenditure, but there were 2,400,000 people on the Federal pay roll in the United States and 351,000 outside the United States. Their salaries cost a total of $8,000,000,000. The national debt was $260,000,000,000. This was un-

der the Democratic leadership. During these 6 years, agency was piled on agency. The gentleman from Missouri [Mr. CANNON] and his party were in complete power of all branches of government.

The Republican Congress came into power and took some 500,000 people off the Federal pay roll in 1 year, and the budget was balanced for the first time in the last 15 years. That is what the record shows.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. No. The gentleman did not yield to me. I tried to get him to yield. I am sorry the gentleman was not here when I started speaking. I was just pointing out what a fine record he had as chairman of the Appropriations Committee, when the appropriations went up year after year under his and the Democratic leadership of the Congress. Perhaps I should yield because I have mentioned your name, but I have but 5 minutes, the gentleman had nearly 30 minutes and refused to yield. I did, with other Members, support fully war appropriations, but look at the record before the war and for 2 years since the war is over. Many, many attempts, by the Republicans in the Eightieth Congress to reduce Government costs, have been stopped by the gentleman from Missouri and his party. I would refer the gentleman to a Chinese proverb, "Oh, consistency, thou art a jewel." I hope and want to believe that the gentleman has been sincere in saying that he wanted these appropriations reduced.

I have been here only 6 years, but every time an appropriation bill comes up, the gentleman from Missouri and his party has been fighting for more and bigger appropriations. In his remarks he states that he will offer a motion to recommit the bill in order to make the cut $3,000,000,000. I am wondering, has he gone against the President or is this just a political attempt to establish a record.

Some people in the Democratic Party have done so much double talking about reducing Government expenses and pay rolls that it gets to be almost funny. Their record indicates anything but a desire for economy.

There is one exception—Senator BYRD, a good Democrat from Virginia, has consistently pointed out that Government costs were too high. Last year he issued a report showing there were 1,141 Government agencies, spending the taxpayers' money. In 1933 when the Republicans were in power there were less than 500 Government agencies.

Of the 1,141 agencies now in existence, 32 are engaged in housing; 93 in loaning the people's money; 26 are engaged in some phase of health work, and 15 have their finger in the sugar pie. That is a part of the record of the Democratic Party.

The Federal Government just grew by leaps and bounds. Even when the war was not on appropriations went up every single year. The Federal debt increased and the gentleman from Missouri knows it to be the truth. If the Members on the minority side of the House will just cooperate there will be more than a $3,000,000,000 cut in the President's budget. It can be done.

I hope the gentleman from Missouri is sincere; I really do. I repeat, "Consistency, thou art a jewel." I ask for sincere help from the Democrats in all sensible reductions in Government spending.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. The gentleman from Nebraska has referred to the legislative record of the gentleman from Missouri [Mr. CANNON] as chairman of the Committee on Appropriations. The gentleman from Missouri [Mr. CANNON] was not chairman of the committee in 1932, but he became chairman in 1941, and under his distinguished leadership the House of Representatives cooperated in a most brilliant way in the winning of the war. In some cases perhaps too much money was spent, but without doubt, by virtue of the way we handled our appropriations bills there are many American boys alive and going about their regular pursuits today who otherwise would be sleeping in cemeteries in this or in some foreign land. The gentleman from Nebraska said consistency is a jewel, and truly consistency is a jewel. It was impressed upon me more forcefully today than at any time in recent months. Yesterday I took the floor and spoke into this microphone and urged the Members of Congress to delay committing themselves to expend $180,000,000 in Federal money above the budget. I pleaded with the membership. But the gentleman from Nebraska and his colleagues who talk of economy today were not heard to vote with me yesterday to save $180,000,000 of the taxpayers money, which was not included in the budget for this project—not all the money for the completion of the project, of course, being included in the bill.

There will be many who will vote against this resolution. If they do so they can vote against it with complete assuredness. Somebody said:

> I hate ingratitude more in a man, than lying, vainness, babbling, drunkenness, or any taint of vice whose strong corruption inhabits our frail blood.

Well, I hate deceit and I hate hypocrisy and misrepresentation. When that misrepresentation and misinformation is broadcast to 140,000,000 Americans I hate it all the more. Let me read from the resolution upon which we shall vote:

> It is the judgment of the Congress, based upon presently available information, that revenues during the period of the fiscal year 1949 will approximate $47,300,000,000.

This Congress is today telling the country and the world that we expect Federal revenues this year to be $47,000,000,000 plus. The President and his advisers have said it will be $44,400,000,000. He said it would be $44,000,000,000, nearly $3,000,000,000 less. He based that on a national income of $200,000,000,000. Yet this optimistic resolution now being considered bases the Federal revenue upon a national income of $209,000,000,000, with the prices to the farmer falling and with the chance that there will be a greater contraction of national income in this country.

I am completely and wholly unwilling to stand before the American people as their elected representative as an official who ought to have some judgment in the matter and say that I think the Federal revenues are going to be $47,300,000,000, because I doubt that they will be.

What would you think of a farmer in the Middle West or anywhere else who would plant his seed and begin his crop operation and figure his expenditures upon making the maximum crop and getting the maximum price? You would think he was most unwise, and all the farmers I know have better sense than that. But in this resolution we are predicting the greatest national income in all history for our Nation, $209,000,000,000, and we are cutting the cloth accordingly. I cannot go along with that. I am going to vote for the resolution, having explained my complete disagreement with that feature of it.

Year before last when the Democrats lost the House and the Senate, the people thought that Federal spending would be slashed by the billions. The leaders of the Republican Party said that expenditures would be slashed by the billions, or else there would be a tremendous waste of Federal funds. They were not slashed materially. Now we are told that this present resolution is just a pious legislative ritual we are going through with today. But I am concerned in real economy, not formality. I know the Members on the Democratic side feel that way, and I hope there is a similar attitude on the other side. I believe in economy. I believe in reducing the budget whenever possible, but I find grievous fault with our Republican leadership for failing to have convened committees last fall and making a study of this situation. The leadership could then come in here and say, "We cannot afford to spend but so much for this or that function of government. Therefore, we believe we can intelligently predict a reduction of so much." But nothing like that was done. We have nothing whatever upon which to base our predictions.

I think it well to point out to my colleagues that while there have been some reductions in some of the bills that have been presented to the House thus far this year, those reductions unfortunately are somewhat meaningless. I have before me the figures on the bill we most recently considered, the civil functions bill we passed yesterday. It is greater this year than it was last year. Last year it was $502,000,000. This year it is about $608,000,000—$100,000,000 more. But what will the bill we passed yesterday be when the other body gets through with it? Last year they increased a similar bill which we had passed, by $200,000,000. The House finally agreed to an increase of $160,000,000. Last year when the military appropriation bill was under consideration, it was said we were saving money, making reductions. Finally I was able to get additional funds restored for the airplane program, with the help of my colleagues, but after that bill had been slashed in the House and went to

the other body, it was increased by $400,000,000, and when it went to the President, it had been increased over the House figure by $200,000,000. So it is easier to talk about economy than to achieve economy. It looks like the Congress under Republican leadership is going the same way this year. I deplore it. I will vote for economy on any bill where there is an opportunity for real economy, but I cannot go out and pick a figure out of thin air when it may result in cutting something that I do not want to have eliminated. I do not want somebody to say, "Yes, you voted for this. Now you cannot complain that we do not have a sufficient military aviation program. Now you cannot complain that soil conservation is being cut; now you cannot complain because the Federal road program is being drastically reduced." I think we are entitled, not to know every specific fact and figure as to the reductions that are to be made, but certainly we ought to have an over-all picture. Unfortunately we have absolutely no over-all picture upon which we can operate. That is not a sound way to operate. There was some reduction made last year in the Post Office Department appropriation. The Post Office Department was before the Appropriations Committee this week wanting over $150,000,000 they now need; and it now appears there will be a deficit of some three or four hundreds of millions of dollars between the expenditures of the Post Office Department and its income.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MAHON. This further thing ought to be considered, and I hope our Republican leadership will not yield to political temptation. It is completely possible to make drastic reductions in the President's budget this year prior to the November elections. It is easily possible to make these reductions because we are making appropriations for the period of time which runs from July 1, 1948, to June 30, 1949; so it would be easy, as has been done on some occasions in the past, drastically to reduce the annual appropriation bills as they are presented, and then come along after November and increase them, having in the meantime the benefit of claiming economy. That is a thing that should not happen; it must not happen. Last year when the Interior bill was before the House it was drastically reduced, but after the second Tuesday in November last year Congress was called into session. Of course, we had no national election. Yet, as I recall it, the party in power not only restored the budget but exceeded the budget on many of those Interior Department items.

The American people must look carefully at their Congress to see that this sort of thing does not happen again. Phony savings should not be sought or claimed. Real savings are in the public interest.

As a member of the Democratic minority I believe in economy, as do my colleagues on the Democratic side; and I for one am going to vote for the resolution, despite the fact that it contains misleading information, with the hope that the over-all effect of the resolution will be in the direction of economy.

Something was said about the number of people on the Federal pay roll.

The American people after November 1946 had a right to feel that the Federal pay roll would be drastically reduced. What happened? Before we lost control of the House and Senate as a result of the election we had reduced the number of Federal employees by 1,000,000. The party presently in power has made no such reduction. Perhaps a reduction of one-fifth that sum has been made.

In conclusion, let me again express the hope that real saving can be made and the President's budget reduced to $37,000,000,000. But cost what it may, I am not going to vote to deny the American people essential governmental service, destroy necessary domestic programs, nor will I vote to cripple our national-defense effort or impair our national security.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I do not believe I can add anything to what has already been said with respect to the pending resolution, which expresses the judgment of the Congress that for the fiscal year 1949 Government expenditures should not exceed $37,200,000,000. In other words, by the adoption of this resolution Congress will have expressed its intention to reduce the administration's 1949 budget by $2,500,000,000.

While I intend to vote for this resolution, if for no other reason than to be publicly recorded for a reduction in Government expenditures, I must state that insofar as I am personally concerned I believe that Government expenditures for the year 1949 can be reduced in even greater amount than $2,500,000,000. I am firmly convinced that this can be done without impairing a single essential function of Government.

I take the position that we simply cannot afford a wartime budget in peacetime. The administration's 1949 budget is over four times the budget before the war, when we were engaged in building up our national defense, and it should be borne in mind that the administration's proposed expenditures for 1949 are $2,000,000,000 greater than those proposed for the current fiscal year 1948.

The reason why President Truman's budget is so padded is that he is operating a political cafeteria, where he wants everyone to have exactly what he would like. If we continue to allow him to operate such an establishment, the inevitable net result is that there will be nothing for anyone. We will be bankrupt.

The pending resolution is at best nothing more than an expression of intent. With the adoption of this resolution, we are in effect merely stating what the objective is, for none of us can foresee the contingencies of tomorrow. In thus expressing our objective, I think we should focus our eyes on the maximum possible economy and with courage strive to realize the objective.

As all of us recognize, one of our great difficulties has been that the executive branch of the Government has opposed a reduction in Government expenditures. Whenever some bureau or agency learns that the Committee on Appropriations intends to cut some particular item, it immediately propagandizes the country in opposition. The bureaucrats are the vested interests of government. They fight to retain their jobs and their projects.

When the independent offices appropriation bill was before the House, I voted against it. I did so because, as a member of the Committee on Appropriations, I was personally convinced that we could have reduced the funds carried in that bill to a greater extent than we did. I believe that the Congress is doing a good job, for eliminating waste and extravagance in Government, but I also believe it can do an even better job. The trouble has been that everyone is for economy for the other fellow. In other words, all too frequently individual Members are urging a continuation of expenditures that directly affect their particular district, but are willing to have them reduced if they affect only some other locality. The inevitable consequence is that real economy—the kind the people really want—is not achieved.

But I want the people of my district to know that insofar as I am concerned, as their Representative and as a member of the Committee on Appropriations, I intend to vote strongly and consistently for economy. Doubtless every item of expenditure has some merit. The question is not what we can wisely spend but what we can afford.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, it is very difficult for many people in this country to understand why the Congress at this time of the year passes a resolution which states that we hope and expect to save two and one-half, four and one-half, or six billion dollars in expenditures. I wonder myself why the Congress takes the time today to consider this resolution. As the gentleman from Missouri [Mr. CANNON] stated, it is more than anything else a waste of time. However, after thinking it over I have come to the conclusion that the majority desires to pass this resolution in order to give the people of the country the impression that their party is actually saving $2,500,000,000.

The ordinary, average citizen thinks, well, the Congress passed a resolution providing for a saving of $2,500,000,000; the public thinks, well, the Congress is cutting down on expenses. There are some Members of Congress even who may be a little bit confused about the situation. Some Members of Congress believe that last year we saved $4,500,000,000.

In spite of all the pronouncements that were made last year, the actual cash expenditures estimated for this fiscal year amounted to more than $200,000,000 in excess of what was estimated by the President in his budget; yet many people of the country think this Congress has spent four or four and one-half billion dollars less. We cannot dispute the

figures of the Bureau of the Budget. If anyone took the time to study these figures, they would have to reach this same conclusion. I am sure no expert accountant would come here and say that the Congress saved four or four and one-half billion dollars.

Mr. Chairman, I call attention to the fact that every year the departments and agencies of the Government submit estimates to the President of the United States and the Budget Bureau as to how much money they feel they need to efficiently operate their various departments and agencies. Those estimates were submitted this year. Do you know that the Bureau of the Budget and the President of the United States have already cut down on those departmental estimates to the extent of $7,000,000,000? Seven billion dollars have already been cut from the estimates as prepared by the various department heads. In fact, the budget right now is down to the bone, to use a common expression.

In the budget as submitted, Mr. Chairman—and this has been mentioned on the floor of the House before—79 percent of the estimated expenditures for the coming fiscal year will be for items that it is impossible to cut and impossible to reduce. It was told on the floor of this House very effectively what this 79 percent was and what items it covers, but I will take the time to repeat it. First, veterans' benefits amounting to nearly $7,000,000,000, and there will be more this year; interest on the bonded debt amounting to over $5,000,000,000; tax refunds, which were estimated at about $2,000,000,000 and which will probably be $2,500,000,000 in the coming fiscal year; national defense for the maintenance of our Army, our Navy, our Air Force, and the commitments for foreign aid that have already been made. I do not include some requests that may come in the future and that we know nothing about, but commitments for foreign aid already made.

Now, those five items constitute 79 percent of the budget. Which one of those items is this Congress going to cut? Are they going to cut the veterans' benefits? They cannot cut the interest on the bonded debt. They have to pay the interest on the bonds. If anybody has any money coming from the Treasury, because they overpaid their taxes, it has to be paid back. That is tax refunds. On commitments already made for foreign aid, we cannot go back on promises and contracts that we have already made.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. EBERHARTER. And goodness knows, Mr. Chairman, we are not going to cut down on our national defense at this time especially in view of the news from Europe within the last few days. Now, what does that leave that you can cut? That leaves $8,000,000,000 wherein you can cut expenses for the various other departments like Agriculture, Treasury, Interior, and other agencies. Out of $8,000,000,000 this resolution would hope to cut $2,500,000,000; in other words, you are going to attempt a cut of about 30 percent out of the remaining $8,000,000,000. It is simply impossible.

As was mentioned by the gentleman from Texas, $47,300,000,000 is based on a $209,000,000,000 personal income. If anybody has talked to any businessmen within the last 3 or 4 weeks, he will know that there is a great fear in their hearts that business is going to become much worse than it has been. With the drop in the commodity markets, with the general fear in the hearts of the people, I doubt very much whether we will even have a $200,000,000,000 income instead of a $209,000,000,000 income.

Mr. Chairman, there is one other thing I want to mention. We note the bookkeeping transaction suggested in the other body a few weeks ago whereby they allocated $3,000,000,000 surplus of the 1948 fiscal year to apply on the surplus for the 1949 fiscal year. Now, what does that mean in actual practice? That means that they are borrowing money from this year's surplus to cut taxes next year. What else does it mean? It means that the bonds of the United States Government that would have been retired by this $3,000,000,000 surplus this year will not be retired. Our national debt will not be reduced by that much. The Government will continue to pay interest on this $3,000,000,000. So you are increasing the expenditures of the Federal Government by that much. Now, that is not economy in my mind. That is penny-wise and pound-foolish. It is bookkeeping in order to fool the public.

Mr. Chairman, I hope that the people of this country will see through the practices that the majority in this House and in the other body are following. I hope they make a little study of our fiscal affairs. I hope they will have a better realization of what is being done and inform the Congress as to their feelings in the matter.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the judgment of the Congress, based upon presently available information, that revenues during the period of the fiscal year 1949 will approximate $47,300,000,000 and that expenditures during such fiscal year should not exceed $37,200,000,000, of which latter amount not more than $26,600,000,000 would be in consequence of appropriations hereafter made available for obligation in such fiscal year.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LECOMPTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (S. Con. Res. 42) establishing the ceiling for expenditures for the fiscal year 1949 and for appropriations for the fiscal year 1949 to be expended in said fiscal year, he reported the resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. CANNON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. CANNON. In its present form, I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CANNON moves to recommit the concurrent resolution to the Joint Committee on the Legislative Budget with instructions to report it back forthwith with the following amendment: In line 6, strike out "37.2" and insert in lieu thereof "36.7."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CANNON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-four Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 73, nays 276, not voting 81, as follows:

[Roll No. 15]

YEAS—73

Abernethy	Folger	Peden
Andersen, H. Carl	Gary	Pickett
Andrews, Ala.	Gathings	Poage
Banta	Gossett	Rankin
Battle	Grant, Ala.	Rayburn
Beckworth	Gregory	Reeves
Bland	Hardy	Rich
Boykin	Harris	Sabath
Brooks	Harrison	Schwabe, Mo.
Buchanan	Hedrick	Sheppard
Bulwinkle	Huber	Sikes
Cannon	Jarman	Smith, Ohio
Chelf	Jones, Ala.	Smith, Va.
Church	Jones, N. C.	Stanley
Clark	Kilday	Stigler
Colmer	Lemke	Teague
Cooper	Lusk	Thomas, Tex.
Cravens	Lyle	Thompson
Crawford	McMillan, S. C.	Trimble
Durham	Mahon	Whitten
Engle, Calif.	Meade, Md.	Wilson, Tex.
Fallon	Miller, Nebr.	Winstead
Fernandez	Mills	Wood
Flannagan	Norrell	Worley
	Patman	

NAYS—276

Albert	Brown, Ohio	Davis, Ga.
Allen, Calif.	Bryson	Davis, Tenn.
Anderson, Calif.	Buck	Davis, Wis.
Andresen, August H.	Buffett	Devitt
Andrews, N. Y.	Busbey	D'Ewart
Angell	Butler	Dirksen
Arends	Byrnes, Wis.	Dolliver
Arnold	Camp	Domengeaux
Auchincloss	Canfield	Dondero
Bakewell	Carroll	Donohue
Barden	Carson	Dorn
Barrett	Case, N. J.	Doughton
Bates, Mass.	Case, S. Dak.	Douglas
Beall	Chadwick	Eaton
Bennett, Mich.	Chenoweth	Eberharter
Bennett, Mo.	Clevenger	Elliott
Bishop	Coffin	Ellis
Blackney	Cole, Kans.	Ellsworth
Blatnik	Cole, Mo.	Elsaesser
Bloom	Combs	Elston
Boggs, Del.	Corbett	Engel, Mich.
Bolton	Cotton	Feighan
Bradley	Cox	Fellows
Bramblett	Crosser	Fenton
Brehm	Crow	Fogarty
Brophy	Cunningham	Foote
Brown, Ga.	Curtis	Forand
	Dague	

Fuller	King	Poulson
Fulton	Kirwan	Powell
Gamble	Klein	Preston
Garmatz	Kunkel	Price, Ill.
Gavin	Landis	Priest
Gearhart	Lane	Rains
Gillette	Larcade	Ramey
Gillie	Latham	Redden
Goff	LeCompte	Reed, Ill.
Goodwin	LeFevre	Reed, N. Y.
Gordon	Lewis	Rees
Gore	Lichtenwalter	Richards
Gorski	Lodge	Riehlman
Graham	Love	Riley
Granger	Lynch	Rizley
Grant, Ind.	McConnell	Robertson
Griffiths	McCormack	Rockwell
Gross	McCowen	Rogers, Fla.
Gwinn, N. Y.	McCulloch	Rogers, Mass.
Gwynne, Iowa	McDonough	Rohrbough
Hagen	McDowell	Ross
Hale	McGregor	Russell
Hall, Edwin Arthur	McMahon	Sadlak
	Mack	Sadowski
Hall, Leonard W.	Macy	St. George
	Madden	Sanborn
Halleck	Mansfield	Sasscer
Hand	Marcantonio	Schwabe, Okla.
Harness, Ind.	Mason	Scott, Hardie
Hart	Mathews	Scrivner
Harvey	Meade, Ky.	Seely-Brown
Havenner	Merrow	Shafer
Hays	Meyer	Simpson, Ill.
Herter	Michener	Simpson, Pa.
Heselton	Miller, Calif.	Smith, Wis.
Hess	Miller, Conn.	Snyder
Hill	Miller, Md.	Spence
Hobbs	Monroney	Stefan
Hoeven	Morgan	Stevenson
Hoffman	Morris	Stockman
Holifield	Morton	Stratton
Holmes	Muhlenberg	Taber
Hope	Mundt	Talle
Horan	Murdock	Tibbott
Hull	Murray, Tenn.	Tollefson
Jackson, Wash.	Murray, Wis.	Twyman
Jenison	Nicholson	Vail
Jenkins, Ohio	Nixon	Van Zandt
Jenkins, Pa.	Nodar	Vinson
Jennings	Norblad	Vorys
Johnson, Calif.	Norton	Vursell
Johnson, Ill.	O'Brien	Wadsworth
Johnson, Ind.	O'Hara	Walter
Jones, Wash.	O'Konski	Weichel
Jonkman	O'Toole	Welch
Judd	Owens	Wheeler
Kearney	Pace	Whittington
Kearns	Patterson	Wigglesworth
Keating	Peterson	Williams
Kee	Philbin	Wilson, Ind.
Keefe	Phillips, Calif.	Wolcott
Kelley	Phillips, Tenn.	Wolverton
Kennedy	Ploeser	Woodruff
Kerr	Plumley	Youngblood
Kersten, Wis.	Potter	
Kilburn	Potts	

NOT VOTING—81

Abbitt	Fisher	Manasco
Allen, Ill.	Fletcher	Martin, Iowa
Allen, La.	Gallagher	Mitchell
Almond	Harless, Ariz.	Morrison
Bates, Ky.	Hartley	Multer
Bell	Hébert	Passman
Bender	Heffernan	Pfeifer
Boggs, La.	Hendricks	Price, Fla.
Bonner	Hinshaw	Regan
Buckley	Jackson, Calif.	Rivers
Burke	Javits	Rooney
Burleson	Jensen	Sarbacher
Byrne, N. Y.	Johnson, Okla.	Scoblick
Celler	Johnson, Tex.	Scott, Hugh D., Jr.
Chapman	Karsten, Mo.	
Chiperfield	Kean	Short
Clason	Kefauver	Smathers
Clippinger	Keogh	Smith, Kans.
Cole, N. Y.	Knutson	Smith, Maine
Cooley	Lanham	Somers
Coudert	Lea	Sundstrom
Courtney	Lesinski	Taylor
Dawson, Ill.	Lucas	Thomas, N. J.
Dawson, Utah	Ludlow	Towe
Deane	McGarvey	West
Delaney	McMillen, Ill.	Zimmerman
Dingell	MacKinnon	
Evins	Maloney	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Cooley for, with Mrs. Smith of Maine against.

Mr. Bonner for, with Mr. Bender against.

Mr. Courtney for, with Mr. Sunstrom against.

Mr. Evins for, with Mr. Rooney against.

General pairs until further notice:

Mr. Allen of Illinois with Mr. Delaney.
Mr. MacKinnon with Mr. Keogh.
Mr. Kean with Mr. Pfeifer.
Mr. McGarvey with Mr. Rivers.
Mr. Mitchell with Mr. Lea.
Mr. Towe with Mr. Manasco.
Mr. Thomas of New Jersey with Mr. Chapman.
Mr. Chiperfield with Mr. Buckley.
Mr. Clason with Mr. Boggs of Louisiana.
Mr. Cole of New York with Mr. Heffernan.
Mr. Coudert with Mr. Morrison.
Mr. Dawson of Utah with Mr. Multer.
Mr. Gallagher with Mr. Byrne of New York.
Mr. Maloney with Mr. Dawson of Illinois.
Mr. Knutson with Mr. Karsten of Missouri.
Mr. Jackson of California with Mr. Somers.
Mr. Taylor with Mr. Burleson
Mr. Short with Mr. Celler.
Mr. Hugh D. Scott, Jr., with Mr. Deane.
Mr. Sarbacher with Mr. Harless of Arizona.
Mr. Hinshaw with Mr. Johnson of Oklahoma.
Mr. McMillen of Illinois with Mr. Lucas.
Mr. Wilson of Indiana with Mr. Lesinski.
Mr. Scoblick with Mr. Passman.
Mr. Burke with Mr. Bell.
Mr. Hartley with Mr. Almond.
Mr. Martin of Iowa with Mr. Hébert.
Mr. Smith of Kansas with Mr. Abbitt.
Mr. Clippinger with Mr. Zimmerman.

Mr. HOFFMAN, Mr. ANGELL, Mr. LYNCH, Mr. KELLEY, and Mr. EBERHARTER changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the concurrent resolution.

Mr. TABER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 315, nays 36, not voting 79, as follows:

[Roll No. 16]

YEAS—315

Abernethy	Butler	Eaton
Allen, Calif.	Byrnes, Wis.	Elliott
Allen, Ill.	Camp	Ellis
Andersen, H. Carl	Canfield	Ellsworth
	Cannon	Elsaesser
Anderson, Calif.	Carroll	Elston
Andresen, August H.	Carson	Engel, Mich.
	Case, N. J.	Engle, Calif.
Andrews, Ala.	Case, S. Dak.	Evins
Andrews, N. Y.	Chadwick	Fallon
Angell	Chelf	Feighan
Arends	Chenoweth	Fellows
Arnold	Church	Fenton
Auchincloss	Clark	Fernandez
Bakewell	Clevenger	Fisher
Banta	Coffin	Flannagan
Barden	Cole, Kans.	Fletcher
Barrett	Cole, Mo.	Folger
Bates, Mass.	Colmer	Foote
Battle	Combs	Fuller
Beall	Cooper	Gamble
Beckworth	Corbett	Gary
Bennett, Mich.	Cotton	Gathings
Bennett, Mo.	Cox	Gavin
Bishop	Cravens	Gearhart
Blackney	Crawford	Gillette
Bland	Crosser	Gillie
Boggs, Del.	Crow	Goff
Bolton	Cunningham	Goodwin
Boykin	Curtis	Gordon
Bradley	Dague	Gorski
Brambiett	Davis, Ga.	Gossett
Brehm	Davis, Tenn.	Graham
Brooks	Davis, Wis.	Granger
Brophy	Devitt	Grant, Ala.
Brown, Ga.	D'Ewart	Grant, Ind.
Brown, Ohio	Dirksen	Gregory
Bryson	Dolliver	Griffiths
Buchanan	Domengeaux	Gross
Buck	Dondero	Gwinn, N. Y.
Buffett	Dorn	Gwynne, Iowa
Bulwinkle	Doughton	Hagen
Busbey	Durham	Hale
Hall, Edwin Arthur	McDonough	Robertson
	McDowell	Rockwell
Hall, Leonard W.	McGregor	Rogers, Fla.
	McMahon	Rogers, Mass.
Halleck	McMillan, S. C.	Rohrbough
Hand	Mack	Ross
Hardy	Macy	Russell
Harness, Ind.	Mahon	Sadlak
Harris	Martin, Iowa	St. George
Harrison	Mason	Sanborn
Harvey	Mathews	Sasscer
Hays	Meade, Ky.	Schwabe, Mo.
Hedrick	Meade, Md.	Schwabe, Okla.
Herter	Merrow	Scott, Hardie
Heselton	Meyer	Scrivner
Hess	Michener	Seely-Brown
Hill	Miller, Conn.	Shafer
Hoeven	Miller, Md.	Sheppard
Hoffman	Miller, Nebr.	Sikes
Holmes	Mills	Simpson, Ill.
Hope	Monroney	Simpson, Pa.
Horan	Morris	Smith, Ohio
Huber	Morton	Smith, Wis.
Hull	Muhlenberg	Snyder
Jackson, Calif.	Mundt	Stanley
Jenison	Murray, Tenn.	Stefan
Jenkins, Ohio	Murray, Wis.	Stevenson
Jenkins, Pa.	Nicholson	Stigler
Jennings	Nixon	Stockman
Johnson, Calif.	Nodar	Stratton
Johnson, Ill.	Norblad	Taber
Johnson, Ind.	Norrell	Talle
Jones, Ala.	O'Hara	Teague
Jones, N. C.	O'Konski	Thomas, Tex.
Jones, Wash.	Owens	Thompson
Jonkman	Pace	Tibbott
Judd	Patman	Tollefson
Kearney	Patterson	Trimble
Kearns	Peden	Twyman
Keating	Peterson	Vail
Keefe	Phillips, Calif.	Van Zandt
Kefauver	Phillips, Tenn.	Vinson
Kennedy	Pickett	Vorys
Kerr	Ploeser	Vursell
Kersten, Wis.	Plumley	Wadsworth
Kilburn	Poage	Walter
Kilday	Potter	Weichel
Kirwan	Potts	Welch
Kunkel	Poulson	Wheeler
Landis	Preston	Whitten
Larcade	Priest	Whittington
Latham	Rains	Wigglesworth
LeCompte	Ramey	Williams
LeFevre	Rankin	Wilson, Ind.
Lemke	Rayburn	Wilson, Tex.
Lewis	Redden	Winstead
Lichtenwalter	Reed, Ill.	Wolcott
Lodge	Reed, N. Y.	Wolverton
Love	Rees	Wood
Lusk	Reeves	Woodruff
Lyle	Richards	Worley
McConnell	Riehlman	Youngblood
McCowen	Riley	
McCulloch	Rizley	

NAYS—36

Albert	Holifield	Miller, Calif.
Blatnik	Jackson, Wash.	Morgan
Bloom	Jarman	Murdock
Donohue	Kee	Norton
Eberharter	Kelley	O'Brien
Fogarty	Klein	O'Toole
Forand	Lane	Philbin
Garmatz	Lynch	Powell
Gore	McCormack	Price, Ill.
Hart	Madden	Sabath
Havenner	Mansfield	Sadowski
Hobbs	Marcantonio	Spence

NOT VOTING—79

Abbitt	Fulton	Mitchell
Allen, La.	Gallagher	Morrison
Almond	Harless, Ariz.	Multer
Bates, Ky.	Hartley	Passman
Bell	Hébert	Pfeifer
Bender	Heffernan	Price, Fla.
Boggs, La.	Hendricks	Regan
Bonner	Hinshaw	Rich
Buckley	Javits	Rivers
Burke	Jensen	Rooney
Burleson	Johnson, Okla.	Sarbacher
Byrne, N. Y.	Johnson, Tex.	Scoblick
Celler	Karsten, Mo.	Scott, Hugh D., Jr.
Chapman	Kean	
Chiperfield	Keogh	Short
Clason	King	Smathers
Clippinger	Knutson	Smith, Kans.
Cole, N. Y.	Lanham	Smith, Maine
Cooley	Lea	Smith, Va.
Coudert	Lesinski	Somers
Courtney	Lucas	Sundstrom
Dawson, Ill.	Ludlow	Taylor
Dawson, Utah	McGarvey	Thomas, N. J.
Deane	McMillen, Ill.	Towe
Delaney	MacKinnon	West
Dingell	Maloney	Zimmerman
Douglas	Manasco	

So the concurrent resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Bonner for, with Mr. Keogh against.
Mr. Cooley for, with Mrs. Douglas against.
Mr. Sundstrom for, with Mr. Buckley against.
Mrs. Smith of Maine for, with Mr. Pfeifer against.
Mr. Hébert for, with Mr. Multer against.
Mr. Bender for, with Mr. Heffernan against.
Mr. Dawson of Illinois for, with Mr. Byrne of New York against.
Mr. MacKinnon for, with Mr. Somers against.
Mr. Boggs of Louisiana for, with Mr. Rooney against.
Mr. Courtney for, with Mr. Celler against.
Mr. Kean for, with Mr. Delaney against.
Mr. Coudert for, with Mr. Karsten of Missouri against.

Additional general pairs:

Mr. Knutson with Mr. Burleson.
Mr. Dawson of Utah with Mr. Lea.
Mr. Gallagher with Mr. Manasco.
Mr. McGarvey with Mr. Harless of Arizona.
Mr. Jensen with Mr. Almond.
Mr. Hinshaw with Mr. Dingell.
Mr. Hartley with Mr. Johnson of Oklahoma.
Mr. Chiperfield with Mr. Zimmerman.
Mr. Clason with Mr. Deane.
Mr. Cole of New York with Mr. West.
Mr. Fulton with Mr. Abbitt.
Mr. Clippinger with Mr. Bell.
Mr. Burke with Mr. Price of Florida.
Mr. McMillen of Illinois with Mr. Rivers.
Mr. Maloney with Mr. Johnson of Texas.
Mr. Mitchell with Mr. King.
Mr. Towe with Mr. Smathers.
Mr. Taylor with Mr. Lesinski.
Mr. Short with Mr. Smith of Virginia.
Mr. Sarbacher with Mr. Lucas.
Mr. Thomas of New Jersey with Mr. Passman.
Mr. Smith of Kansas with Mr. Allen of Louisiana.
Mr. Rich with Mr. Hendricks.
Mr. Scoblick with Mr. Regan.

Mr. LANE changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

House Concurrent Resolution 147 was laid on the table.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to announce the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. HALLECK. Mr. Speaker, I might say, first of all, that the Gearhart resolution, which was programed for action this week, will be called immediately, and it is expected that it can be disposed of this evening. If it is disposed of, it is our purpose to adjourn the House until Monday next.

On Monday of next week we will take up the Consent Calendar and on Tuesday the Private Calendar. Also on Monday and Tuesday we expect to call up House Resolution 461, creating an investigating committee on the election of Members of the House of Representatives; H. R. 1186, providing increased maintenance allowance for rural carriers; and House Resolution 462, creating a select committee to investigate certain fraudulent income-tax returns.

On Wednesday we expect to call up the State, Justice, Commerce, and Judiciary appropriation bill, H. R. 5607.

On Thursday and Friday we will continue the appropriation bill, if it is not concluded on Wednesday.

Then further, if rules are granted—and it is my understanding that the Committee on Armed Services will be before the Committee on Rules on Monday for the obtaining of rules—we expect to call up on Thursday and Friday of next week H. R. 5314, the synthetic rubber bill, and H. R. 2744, having to do with retirement and benefits of Army officers.

In addition, conference reports may be called at any time.

BEST YEARS OF THEIR LIVES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, 11 of the paraplegics, greatly disabled veterans from the Van Nuys Hospital, formerly at the Birmingham General Hospital in California, have been in the House gallery listening to the debate here. The New York Times of February 27 carries a very fine and true editorial which I would like to read:

The best years of the lives of the 23 paraplegic World War veterans who played a game of basketball from their wheel chairs at St. Nicholas Arena Wednesday night are behind them. Those best years were the ones when they were younger and strong and active, before the ill fortune of war brought the wounds and injuries that now chain them for the years ahead to their wheel chairs. But as they proved to a cheering crowd of 500 fellow veterans, the years to come are not going to be wasted in self-pity or vain regrets, in sitting on the side lines of life. They are going to be participants.

The agonies of the soul which these 23 hopelessly crippled young veterans must have gone through, as did the handless sailor in the moving picture, The Best Years of Our Lives, can only be imagined. There was little evidence of it on the basketball floor. According to our reporter, no quarter was asked and none was given. When a wheel chair overturned, the veteran righted it himself, crawled back in and got back into the battle with a shout. They crashed into each other and into poles or stanchions with an abandon that few able-bodied athletes would have permitted themselves.

What these 23 have done takes more courage, in a way, than any they were called on to display against the enemy. They had to conquer themselves. They had to learn laboriously to adjust themselves to this new condition. It is a thrilling thing to see to what heights the human spirit can rise to meet such a challenge.

Tonight those boys, from their wheel chairs, and strapped into their wheel chairs are going to play at Catholic University the boys that can play basketball on two legs. It is one of the most thrilling things that I have ever seen to watch those boys play basketball among themselves. It will be even more remarkable to watch them play a perfectly normal basketball team.

EXTENSION OF REMARKS

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include a portion of an address delivered by the Speaker of the House of Representatives, Hon. JOSEPH W. MARTIN, JR., on veterans' legislation enacted by the Eightieth Congress.

Mr. DEVITT (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD and include an article.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the RECORD on the subject of the powers of the President as Commander in Chief of the armed forces.

Mr. MACY asked and was given permission to extend his remarks in the RECORD and include some documents on the communistic processes.

Mr. STRATTON asked and was given permission to extend his remarks in the RECORD and include an address prepared for deliverey by Hon. RALPH A. GAMBLE, chairman of the Joint Committee on Housing, at the national meeting of the National Association of Home Builders in Chicago last Wednesday afternoon.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an address delivered by him before the American Association of School Administrators.

Mr. POTTER asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. FERNANDEZ asked and was given permission to extend his remarks in the RECORD and include an address delivered by Secretary Schwellenbach at Albuquerque at a Jackson Day dinner.

Mr. FALLON asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post and also a statement from the Federal Trade Commission.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the life and character of Hon. T. M. Hederman, Sr., owner and editor of the Clarion-Ledger of Jackson, Miss., who passed away on February 25, and to included his last editorial.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CARIBBEAN COMMISSION

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 231) providing for membership and participation by the United States in the Caribbean Commission, and authorizing an appropriation therefor, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 2, lines 14 and 15, strike out ", not more than $142,000 annually."

Page 2, line 16, strike out "For" and insert "Not more than $142,000 annually for."

Page 2, line 21, strike out "For" and insert "Such additional sums as may be needed for."

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to make an announcement in connection with a hearing before the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, a hearing will be held before the Committee on Ways and Means next Monday at 10 o'clock on bills introduced on the part of 38 States of this Union to provide for a means of notifying the tax commission of each State that has a tax on the sale of cigarettes of the cigarettes being shipped into that State. There are 10 States in the Union that do not have such a tax. Those 10 States are shipping cigarettes into the States that do have such a tax, and thereby these States are losing millions of dollars of revenue. These bills have been introduced by the gentleman from Ohio [Mr. JENKINS] and myself.

PERSONAL ANNOUNCEMENT

Mr. FULTON. Mr. Speaker, when the vote was taken on the concurrent resolution just passed, I was unable to be present, being detained on committee work. If I had been present, I would have voted "yea."

SOCIAL SECURITY

Mr. HARNESS of Indiana. By direction of the Committee on Rules I call up House Resolution 458, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 296) to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the joint resolution, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the joint resolution shall be considered as having been read for amendment. No amendment shall be in order to said joint resolution except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the joint resolution at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. HARNESS of Indiana. Mr. Speaker, this resolution provides consideration for House Joint Resolution 296, to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage.

The situation which necessitates this resolution is this. The Treasury Department has decided that more people should be covered by the social-security laws. Now, there was a time in American history when department heads would come to Congress and ask for legislation to change existing laws. But that day is passed—now department heads expand their own powers, and change existing law, simply by issuing an administrative regulation.

The principal question involved here is whether the Congress will continue to make the laws for the United States or whether we will lose this function by default to the bureaucrats. If Congress wants to retain its legislative functions, we must set up continual claim to this right—and resist every attempt to wrest the power from us. That is the purpose of this joint resolution, to reassert the power of Congress to legislate.

The situation which necessitated this resolution is, to my mind, one of the most flagrant and arrogant attempts to usurp the power of Congress that has yet been tried by a Government bureau.

Over the years, Congress has passed a number of laws involving employment taxes and social-security benefits. In all of these laws, certain clauses were applicable to employees while independent contractors were specifically exempted. At the time these laws were passed, the terms "employee" and "independent contractor" had definite meanings. Whether a person was an employee or an independent contractor was determined by certain well-fixed standards of the common law. Last year the Supreme Court handed down two decisions which rejected the traditional and long-standing test for determining whether an individual is an employee or an independent contractor.

The Bureau of Internal Revenue immediately seized upon the opportunity afforded by these two decisions to bring a large number of persons within the scope of the social-security laws. These persons were in a group which was specifically exempted by Congress at the time the law was passed. This group was the independent contractors. In making these laws, Congress had in mind the common-law definitions of the terms used. Any reasonable man would have recognized this. Anyone charged with interpreting the law should know that the common-law definition of terms at the time of the passage of the act is the meaning that should be construed as the intent of Congress. Although the intent of Congress should be obvious to anyone acting in good faith—the Treasury Department officials have interpreted the law otherwise. It is apparent that the bureaucrats are not interested in interpreting laws according to the intent of Congress—but they will seize upon every opportunity to defeat the will of Congress by giving meanings to words that Congress never intended.

The question involved here is not whether the scope of social-security coverage should be broadened—the question here is whether it should be done by the Congress of the United States, or by administrative orders from appointed bureau heads.

From time immemorial—regardless of which party was in the majority—all tax bills have come to the floor of the House under a closed rule. It is obvious to everyone that this is necessary. But, nevertheless, a cry of hurt surprise has always gone up from the minority on such occasions. We can expect to hear the same cry from the minority today.

Mr. Speaker, at this point in my remarks I would like to insert a copy of a letter which I received from a business firm operating in my district. It is a letter addressed to the Bureau of Internal Revenue, Department of the Treasury, under date of December 28, 1947. This firm, if such a regulation were to become effective, would be seriously injured. Their explanation of it is clear.

I ask unanimous consent to insert this letter as a part of my remarks, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HARNESS]?

There was no objection.

The letter is as follows:

THE WARD-STILSON CO.,
Anderson, Ind., December 23, 1947.

Re employment tax regulations with respect to employer-employee relationship.

BUREAU OF INTERNAL REVENUE,
Department of the Treasury,
Washington, D. C.

GENTLEMEN: Pursuant to section 4 (b) of the Administrative Procedure Act request is hereby made for consideration of the following statement of views prior to the proposed final adoption of the above-mentioned regulations.

The Ward-Stilson Co. is an Indiana corporation with its offices and factory at Anderson, Ind.

The corporation is engaged in the manufacture and sale of women's wearing apparel which it sells direct to the public throughout the United States by means of house-to-house solicitation. Most of these solicitors are women.

The solicitor's compensation is the commission earned by her on each sale.

The solicitor has a right to sell other lines both competitive and noncompetitive and is under no restrictions in this respect.

These individuals are self-controlled and, in fact, are small-business men completely in charge of their own economic success or failure and it is impossible for us to control their activities.

Notwithstanding these outstanding features or factors, which are typical, they cannot be established in the face of these regulations as proposed for final adoption.

These individuals have always been classed as independent. The State minimum wage acts have never been applied to them. They were left out of any application of the National Recovery Act by common consent.

They are expressly exempted from application of the Federal Fair Labor Standards Act.

Notwithstanding these important factors, these individuals may and probably will be included under the Social Security Act because of the context and purport of the proposed regulations.

Typically, in house-to-house selling, the company never has possession or control of any funds belonging to the solicitor. Furthermore, as no wages are paid, and as the earnings of the individual are not measurable by time or other available yardsticks, there is no practical means whereby the amount of taxable earnings can be established, and no means of definitely assuring collection of the Federal insurance contribution tax from the individual, although the company is responsible for such collection.

During the calendar year 1947 there were 37,430 persons who became inactive after selling some of our merchandise, and in addition to these persons there were approximately 95,000 who signed one of our application and agreement forms but never became active.

As most of these persons are housewives it would have been necessary for us to have secured social security numbers for each one of them for we had no way of knowing whether or not they would have any earnings.

Many of the sales made by the solicitors are to relatives or friends from whom they collect no deposit, so any estimate of earnings based on sales made by them would be merely guesses. This is hardly a sound basis for the establishment of the amount of the tax or the operation of tax administration.

We strenuously object to the resulting economic impact upon our business coming from matters outside of the social relations field which will be caused by adoption of the proposed regulations.

The coverage of these individuals would automatically revamp and change the legal and business status of our company, an effect which is difficult to believe that Congress intended.

We are not opposed in any way to such economic benefits as application of the act might give to these individuals. We believe, however, that there is a much better way to accomplish it without the terrific impacts coming from doing the same by way of broad regulations of this kind.

We are entirely in favor of granting independent contractors and self-employed persons in general the benefits of social security. This, however, is definitely a matter for legislation and not a matter of administrative rule making.

Congress has recently indicated an intention to clarify its own definition of the word "employee." It has also claimed the right to do this legislatively. It has also indicated that when the clarification comes it will be contrary to the concept announced by the United States Supreme Court.

The House Ways and Means Committee has already given serious consideration to the inclusion under social security of persons having self-employed status. The Treasury Department, itself, through a special study, has determined that this is administratively feasible. Legislation of this kind is undoubtedly imminent and should be passed with the least practicable delay. New legislation on the foregoing subject matters would eliminate the necessity of the present regulations and the objectionable results which would flow from them and at the same time accomplish every social purpose which the proposed regulations are aimed to produce.

It is respectfully requested, in view of the points and objections here raised, and the terrific impact that the adoption of these regulations would have on all companies who are doing business as we are, that the effective date of the proposed regulations be indefinitely postponed until such time as the Congress may pass new legislation which will avoid all of the uncertainties and difficulties of operating under the proposed regulations.

Respectfully submitted.

THE WARD-STILSON CO.,
W. R. CLASS, *Secretary-Treasurer.*

Mr. HARNESS of Indiana. The rule provides 2 hours of general debate on the joint resolution, and waives points of order against it.

I am certain that an overwhelming majority of you are in favor of this joint resolution to retain the prerogatives of Congress, and I urge you to support this resolution to provide for its consideration.

Mr. Speaker, at this time I yield one-half hour to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, personally I regret very much that I did not have sufficient time to familiarize myself with the action on the part of the majority in reporting and calling up this bill. I was in hopes that we would broaden social-security benefits instead of revising the law, as is now proposed. Personally I know I cannot do better than to restate what the minority Members have stated in their minority report. They state:

> In the first place the proposed resolution would not maintain the status quo but would change the law as pronounced by the Supreme Court in June 1947. In so doing it would deprive an estimated one-half to three-quarters of a million employees and their dependents of social-security coverage to which they are now entitled. Thus, the proposed resolution implies a disregard for the protection afforded by the social-security program, and would reverse the trend toward expanded coverage which the President and this department have repeatedly espoused.

Of course, I am not the least surprised at what you are seeking to do again because all that the people can expect from the Republican Party now in power is legislation against the best interests of those that need aid and protection from Congress.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I hesitate to refuse to yield to the gentleman from Michigan. I yield to him for a question.

Mr. HOFFMAN. Yes. The gentleman says the Republicans are depriving people of needed benefits and that that seems to be their sole objective. Does the gentleman believe that if we give these people across the seas $17,000,000,000 that is depriving the people of those countries of anything?

Mr. SABATH. What $17,000,000,000 is the gentleman talking about?

Mr. HOFFMAN. I say in view of the fact that bipartisan policy proposes to give to the needy people of Europe some $17,000,000,000, how does the gentleman get the opinion that anyone is depriving the people abroad of anything?

Mr. SABATH. I did not want to touch upon that and I have said nothing about bipartisan efforts or the coalition that existed during the last Congress and still exists in this Congress. Personally, I regret very much that the Democratic Party permitted itself to be used by the present Republican majority. I think it is unfortunate because it is not in the best interests of our country and the people; and I fear very much that some day those who instigated that coalition and bipartisan activity will see the error of their ways in permitting themselves to be used by the Republican majority. But what can I do? I am doing the best I can by trying to call attention to the unfortunate situation existing in the country today which is due to the fact that in 1946 the people listened to the false promises and pledges the Republicans made as to what they were going to do for the people when they assumed power. None of these promises, of course, have been kept. Nevertheless, at that time housewives were led to believe that they were going to get a lot of meat, meat products and butter at reduced prices. Instead, the meat was withheld from the public by the packers who went on strike and stopped slaughtering in order to force the repeal of the OPA, notwithstanding that the packers had thousands upon thousands of well-fed cattle in their feeding pens. However, the moment that your party repealed the OPA the packers immediately began to slaughter because they increased the price of their meat and all its byproducts. This the people should remember because instead of eliminating the black market as they promised, the packers themselves, through their various distributors, created conditions that were worse than during the life of the OPA.

In view of the conditions that prevail in the House I am not going to prolong the debate. I know what is going to be done, I know what the vote will be. I cannot stop you, gentlemen. As I have said many times, you will not listen to my advice. Now, in view of the conditions I am going to conclude my remarks.

Mr. HOFFMAN. Mr. Speaker, before the gentleman concludes, will the gentleman yield?

Mr. SABATH. To the gentleman from Michigan again? Yes; the gentleman has been pretty fair.

Mr. HOFFMAN. Do I understand that the gentleman is complaining because certain Republicans in the other body have gone along and voted with you on this foreign proposition? Is that what the gentleman is complaining about?

Mr. SABATH. I claim that the administration has permitted itself to be used by some of these leading Republicans. Let us not say anything about the Members of the other body; that is in violation of the rules of the House.

Mr. HOFFMAN. Then the gentleman thinks the present foreign policy advocated by the President is a Republican policy?

Mr. SABATH. Do you want my candid opinion?

Mr. HOFFMAN. I would not have asked the question had I thought it would be anything else.

Mr. SABATH. I will give it to the gentleman.

Mr. HOFFMAN. Yes; that is what I want.

Mr. SABATH. Personally, my own opinion——

Mr. HOFFMAN. Heart to heart, now.

Mr. SABATH. Heart to heart. I am of the opinion that President Truman—remembering what the Republican Senate, under the leadership of Senator LODGE, did to the League of Nations—when urged by the Republican leadership and the Republican press to cooperate, assured them of his cooperation because he realized that he would need the votes of the Republicans to have any treaty entered into with any foreign country approved.

The President assured his cooperation and in order to keep his promise he followed the advice of some of the Republicans and others on the Foreign Affairs Committee. But, unfortunately, because of the action of the Republican leaders under the leadership of former President Hoover, his collaborators, and his Republican advisers, he was hamstrung, and it is extremely difficult for him to separate himself from their influence. He is following really the foreign policies urged and advocated by the Republicans.

Mr. HOFFMAN. Does the gentleman mean that his President has been seduced by the wicked Republicans and that he has entered into what your national committeemen described as a sort of corrupt deal with them?

Mr. SABATH. I did not use the word "seduced" nor the word "corrupt." However, being as candid as I always am, I am obliged to concede that I do not know whether the Democratic national committeemen have made such charges, but if they have, they hit the nail on the head.

Mr. HOFFMAN. Well, let us say led astray.

Mr. SABATH. I will criticize Republicans but I will not be abusive. I will criticize when I feel they are to be criticized and when I feel my humble remarks might convince some of them to vote right in the interest of the people, but I have not succeeded and I do not think anybody can because you are set to do what the National Association of Manufacturers and certain great interests demand of you. They seem to have complete control over you. In view of that fact, anything I may say will not stop you from legislating against the interests of the deserving people, as you unfortunately are doing again in this bill.

Mr. HOFFMAN. Let me withdraw something. I will withdraw that word "seduced" to which the gentleman objects and say instead of that: As I understand the gentleman, the President has been deceived, misled, and overinfluenced, and we got him in the wrong place, have we?

Mr. SABATH. Yes; he has been influenced on foreign policy.

Mr. HOFFMAN. Did he not get there himself?

Mr. SABATH. Having the best interests of our country at heart, the President sought advice and cooperation from men whom he believed to be well informed. However, it seems to me that these gentlemen have been unable to divest themselves of their former connections or interests, especially those gentlemen who are vitally interested in oil and the rebuilding of the powerful interests of the Axis nations who attempted to destroy us. Unfortunately, quite a few of our corporations have vested interests in these cartels and industries.

Mr. Speaker, due to the interruptions and time taken in answering the gentleman from Michigan [Mr. HOFFMAN], I have not, as I intended, pointed out the underlying reasons why this legislation is unfair to approximately 800,000 persons who are entitled to social-security benefits, but I am satisfied that the gentleman from New York [Mr. LYNCH], the gentleman from Rhode Island [Mr. FORAND], and the gentleman from Pennsylvania [Mr. EBERHARTER], as members of the Ways and Means Committee, will point out the objectionable features of the bill.

Mr. RAYBURN. Mr. Speaker, the gentleman from Louisiana [Mr. HÉBERT] is not in the city. I understand by some mistake he has been recorded as voting on the recent roll call. I ask unanimous consent that his name be removed from the list of those voting.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HARNESS of Indiana. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, I am submitting today a further fuel investigation progress report of the Committee on Interstate and Foreign Commerce on petroleum and the European recovery program.

The committee is of the opinion from the lengthy examination which it has been conducting into the fuel situation with special attention to the future supply of petroleum to the United States that there are several questions in connection with the recovery program which properly should be resolved. One relates to the reliance which can be placed upon the Middle East as a source of supply of petroleum for Europe, and another relates to the availability of steel to consummate the world-wide expansion program required to meet the European petroleum demand.

The committee presents this discussion of the petroleum aspects of the European recovery program and their interrelationships with the petroleum situation of the United States and of the world in the spirit of helpfulness to an understanding of what is involved in the program insofar as petroleum is concerned.

It is my feeling that a full review of the proposals which depend upon an increased European use of petroleum properly is in order so that the United States does not fail in any obligations it may assume in connection with the proposed European recovery program.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I do not intend to make any argument for or against this resolution at this time. However, I am taking the floor because of some of the statements made by my good friend the gentleman from Indiana [Mr. HARNESS].

This bill is here not because of any desire of the Social Security Board or the Federal Security Administrator or the Treasury Department or anybody else to extend their powers. This bill is here because of an interpretation by the Supreme Court of the United States with respect to the definition of the words "employer" and "employee." The decision of the Supreme Court of the United States is the first complete over-all decision we have had which clarifies this whole subject, about which there has been much confusion, and there is certainly a misconception in the minds of many Members of Congress concerning the importance of this resolution here this afternoon.

I wish there were more Members on the floor. The purpose of the resolution before us today is to do only one thing, and that is to absolve a certain group of employers from the payment of social-security taxes. That is the only purpose of this bill, and I can prove it to you.

The bill was reported out by the Committee on Ways and Means before we had before us the report of the Treasury and the report of the Federal Security Administrator, which shows that proper consideration and thought as to the vast consequences of this resolution was not given to it by the Committee on Ways and Means.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Do I get it then that the purpose of this resolution is to overrule a decision of the Supreme Court?

Mr. EBERHARTER. Definitely. That is correct.

Mr. HOFFMAN. And to reestablish the original intention that the Congress had when it wrote the bill?

Mr. EBERHARTER. No. I am glad the gentleman asked me that question.

The original social-security bill passed in 1935, and its amendments passed in 1939, did not give any definition of the word "employer" or the word "employee." There are 48 States in the Union. There are about 48 different interpretations of what an employer is and what an employee is, both as respects contracts, as respects torts, as respects labor relations, as respects unemployment insurance, and as respects any number of different subjects. There are different interpretations in every State of the Union. Congress did not take it upon itself to say what it meant by "employer" and what it meant by "employee." Now we have a construction of the law which definitely and clearly states what those words mean. This resolution comes in here to create confusion and, in addition, as I said, to save some employers some money, and to take from certain people now on the rolls social-security benefits, such as unemployment compensation, and old-age and survivors insurance benefits. It will take these benefits away from about three-quarters of a million people who are now entitled to them under the law, under the decisions of the Supreme

Court, and under the proposed regulations of the Treasury Department. This measure has more importance than the majority have been trying to give the impression to Congress that it has.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SABATH. Mr. Speaker, I yield four additional minutes to the gentleman from Pennsylvania.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from New York.

Mr. LYNCH. Is it not a fact that the definition stated in the regulation of the Social Security Administration is exactly the same and almost word for word in accordance with the decision of the United States Supreme Court?

Mr. EBERHARTER. The gentleman is absolutely correct. The decision of the Supreme Court was practically unanimous. I think there was some difference of opinion as to which court should make findings of fact, but no Justice of the Supreme Court took exception to the basic opinion of the Court.

I hope the Members of the House are not misled by the title of this bill. The title is deceptive in the highest degree, more so than in any measure that has ever come before the House since I have been a Member. I do not believe it is in conformity with the Congresses of the past to give a bill a title such as they have given this bill. I have had many Members come to me and say "This bill states it is to keep the status quo." But it does nothing of the sort. It changes the status quo. When did you ever need legislation to keep the status quo? "Status quo" means "as is." Did you ever pass any measure to keep things as is? You pass laws when you want to change things. So it is the most deceptive title that was ever presented to a Congress.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Rhode Island.

Mr. FORAND. Will my colleague from Pennsylvania agree with me that this will do absolutely nothing to clarify the meaning of the common-law term "master and servant"?

Mr. EBERHARTER. It will not only do nothing to clarify it, it will make confusion worse confounded. There are 48 different interpretations of the term "master and servant" and "employer and employee."

Mr. FORAND. Then the gentleman confirms the statement I made in the committee that, should this bill pass, it means that it is a full employment bill for lawyers and not relief for employees?

Mr. EBERHARTER. The gentleman is absolutely correct.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from California.

Mr. GEARHART. The lawyers have done pretty well with all the cases that have been taken through all the courts up to the Supreme Court in connection with this matter.

Mr. FORAND. Under those circumstances they need no further relief.

Mr. GEARHART. That is why it is not that kind of a bill at all.

Mr. EBERHARTER. I agree with the gentleman from Rhode Island [Mr. FORAND]. There is not the slightest doubt in the world that this joint resolution will never become law. If by some miracle it should be put on the books, no administrator of unemployment compensation in any State in the Union would know where he stood.

Mr. BUCHANAN. If I understood the gentleman correctly, he stated that it will remove some 500,000 to 750,000 persons who are now on the rolls?

Mr. EBERHARTER. Absolutely, it will do that. It will take away from them the benefits to which they are entitled. It will make it impossible for some people ever to get the benefit of unemployment compensation. Right now they are entitled to it, but this will take some of them off the rolls. It will take away credits in the social security fund some of them already have. It will take them away from them, with no chance in the world of their ever getting them back unless by some future action of this Congress we recognize that we made a terrible mistake and give them relief in some respect; but we will have to pass a new law in order to do that.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I am very glad to yield to the gentleman.

Mr. LYNCH. Then the people have paid for these benefits?

Mr. EBERHARTER. Yes; the people have paid for them, both the employer and the employee have already paid and are entitled to the credit.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORAND. The truth of the matter is that these 500,000 or 750,000 employees referred to in the regulations that were issued which are being held up by the Treasury Department already are accruing benefits since the date that the Supreme Court decisions were handed down. The social-security law is written by sections, one section pertains to the accrual of benefits, whereas another section entirely distinct therefrom pertains to collections. Therefore the benefits are accruing to those people, but neither they nor their employers are contributing a penny toward the fund.

Mr. EBERHARTER. That is correct.

Mr. FORAND. Thus any benefit paid to those people will have to come out of the general fund which means that other people who are contributing to the fund will be paying for these additional employees who have been brought in under the social-security coverage.

Mr. EBERHARTER. That is absolutely correct. Whether or not their employer is paying taxes since the Supreme Court decisions were handed down, they are entitled to benefits.

Mr. FORAND. Not only are they entitled to benefits, but those benefits are accruing to them.

Mr. EBERHARTER. Yes, the benefits are accruing, but there are other types which have had an accumulation of benefits who will have their benefits wiped out if this resolution is passed. I hope that the matter will be gone into fully in committee, at which time I will be glad to answer any questions, but I do not wish to take up all of the time on a discussion of the rule.

EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to extend his remarks in the RECORD and include an editorial.

CALL OF THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 17]

Abbitt	Elliott	Mitchell
Almond	Fellows	Morrison
Bakewell	Fogarty	Morton
Bates, Ky.	Fuller	Multer
Bell	Gallagher	Murdock
Bender	Gathings	O'Toole
Bland	Hall,	Passman
Bloom	Leonard W.	Pfeifer
Boggs, La.	Harless, Ariz.	Phillips, Calif
Bonner	Hartley	Plumley
Buckley	Hébert	Price, Fla.
Burke	Heffernan	Reed, Ill.
Burleson	Hendricks	Regan
Byrne, N. Y.	Hinshaw	Rivers
Case, N. J	Horan	Rooney
Celler	Javits	Sarbacher
Chadwick	Jensen	Scoblick
Chapman	Johnson Okla.	Scott,
Chiperfield	Johnson, Tex	Hugh D., Jr.
Clark	Karsten, Mo.	Shafer
Clason	Kean	Short
Clippinger	Kennedy	Smathers
Cole, N Y.	Keogh	Smith, Kans.
Cooley	Kilburn	Smith, Maine
Coudert	Knutson	Somers
Courtney	Lanham	Sundstrom
Cox	Lea	Taylor
Crawford	Lesinski	Thomas, N. J.
Davis, Tenn.	Lewis	Towe
Dawson, Ill.	Lucas	Wadsworth
Dawson, Utah	Ludlow	West
Deane	McGarvey	Wilson, Ind
Delaney	McMillen, Ill.	Worley
Dingell	MacKinnon	Zimmerman
Dirksen	Maloney	
Domengeaux	Manasco	

The SPEAKER. On this roll call 322 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SOCIAL SECURITY

Mr. HARNESS of Indiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 5525) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses

thereon, and appoints Mr. BRIDGES, Mr. BROOKS, Mr. GURNEY, Mr. BALL, Mr. MCKELLAR, Mr. HAYDEN, and Mr. RUSSELL to be the conferees on the part of the Senate.

The message also announced that the Senate recedes from its amendment to the bill (H. R. 3726) entitled "An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions.

DEFICIENCY APPROPRIATIONS—1948

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments thereto; disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. CANNON. Mr. Speaker, reserving the right to object, can the gentleman from New York tell us when he expects to go to conference on this bill?

Mr. TABER. At 5:30 p. m.

Mr. CANNON. Does the gentleman expect to dispose of it this week?

Mr. TABER. I would expect to dispose of it on Monday.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. TABER, WIGGLESWORTH, ENGEL of Michigan, STEFAN, CASE of South Dakota, KEEFE, CANNON, KERR, and MAHON.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include an article by Henry J. Taylor entitled "Will You Buy the Marshall Plan?"

HOUSE JOINT RESOLUTION 296

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include excerpts from the regulations proposed by the Treasury Department.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, House Joint Resolution 296 is much more important than many seem to think it to be.

The effect of the resolution would be to exclude an estimated 500,000 to 750,000 persons from coverage under the social-security laws, to which they are now entitled. The people in question, by and large, are as much in need of social-security protection as are factory and office employees. The greater number of them are full-time insurance and other outside salesmen, each working for a single business concern. The dependence of such persons on their jobs, and the loss to them and their dependents if their earnings cease, do not turn upon the niceties of the common-law tests of employment.

The plight of the worker when he loses his job or retires, the plight of his family in case of his death, is no less real because the details of his activity were not controlled by the business to which he was attached. Such persons may be independent contractors in the technical eye of the common law, but in real life their independence is in most cases a myth.

To withdraw social-security protection from a half million or more people now entitled to it is a backward step, and a long one at that. Two years ago six Republican members of the Ways and Means Committee, who were then in the minority, bitterly complained that pleas for broader social-security coverage had not prevailed with the committee. Now, less than 2 years later, the present Republican majority of the committee not only make no move toward broader coverage but propose to restrict what we already have. At the behest of a few employers seeking to save a few tax dollars, they would oust more than a half million people from the coverage which they say ought to be expanded. One wonders if their support of social security is just lip service. In my opinion, this resolution is part of a plan to sabotage the social-security system.

In reporting out the resolution, the majority of the committee have made some very misleading statements.

First and foremost, they say that the Supreme Court "was evidently unaware of the legislative history" of the 1939 amendments to the Social Security Act. That statement is simply not true. If the committee had taken the trouble to look into the matter before writing their report they would have found that the legislative history, of which they make so much, was discussed on pages 41–45 of the Government's brief and was also discussed by the Government's opponents. So what now, in hindsight, looks so clear to the majority of the committee did not look at all clear to the Supreme Court of the United States.

If the Congress had been nearly as explicit in 1939 as the committee now thinks it was, of course this question would never have reached the Supreme Court at all. If Congress had made its intention plain in 1939, there never would have been the conflict of decisions in the lower Federal courts that was the only occasion for taking the matter to the Supreme Court. I, for one, refuse to take so dim a view of our judiciary as to suppose that the courts do not carry out the will of Congress when that will has been made clear.

If we look at what actually happened in the social security amendments in 1939, we find a confused and ambiguous record. The one thing that stands out clearly is that nobody in either House came out flatly and said that the common-law rules were to be the sole measuse of social-security coverage. The nearest that anyone came to that was in the report of the Ways and Means Committee, discussing an amendment which did not pass. So, at best, the majority of the committee are now relying on something that did not happen. And when the Senate Finance Committee decided to wash out that amendment, they were very silent indeed about whom they meant the word "employee" to cover.

The House amendment was designed to bring into the Social Security System salesmen who everybody agreed were not employees by any definition. The fact that Congress finally decided that these people should not be covered is a pretty weak argument to show that Congress did not mean to cover those salesmen who are employees by a liberal test.

Take, for example, the case of news vendors, who seem to be so much to the fore in this discussion. Under the House amendment proposed in 1939 probably all of them would have been covered except those under 18 who were specifically excepted. If a news vendor sells razor blades as a side line, the amendment would have made him an employee of the wholesaler of razor blades. Either at common law or under the Supreme Court decisions, on the other hand, most news vendors are classed as independent contractors, and certainly none of them are employees of a razor-blade company. Whether news vendors should be in or out of the system is not now the question, for this joint resolution (H. J. Res. 296) would affect few of them.

The point is that in 1939 Congress merely rejected a rule of thumb which would have covered all of them. That left wide open the question whether only those few should be covered who are employees at common law, or whether a few more should be covered under the Supreme Court interpretation. Actually, if the common-law rules are applied liberally, as the Ways and Means Committee in 1939 said they ought to be, the results would be pretty much the same on either theory. But the result would have been very different indeed if the House amendment had been passed in 1939 and had blanketed them all into coverage.

The history of what happened in 1939 has been argued before the Supreme Court, and that Court has spoken. Under our system, the Supreme Court is the final authority on what a statute means. If we want to change the statute we have undoubted authority to do it. But let us be frank enough to stop talking about maintaining the status quo and admit that what this resolution proposes to do is to take away social-security coverage from one-half million or more people who are entitled to it under the present law. Those who vote for this resolution should admit that they care less about impoverished old age than they do about saving a few taxpayers a little money.

EXTENSION OF REMARKS

Mr. JENISON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include a statement made by the chairman of the New York State Democratic Committee.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. Mr. Speaker, House Joint Resolution 296, which will be before the House in a few minutes, will be a disappointment to many people in this country. After all of the efforts made by certain groups in the Congress in the past few years to liberalize social-security benefits for the aged, we have for consideration this resolution, which attempts the exclusion of approximately three-quarters of a million people from those benefits. It represents a retrogression in the liberalization of the social-security program.

Certainly I have repeatedly urged increasing benefits for our aged people and lowering the age limit. That the time is long since past for such action is especially evidenced by the rising living costs seen in the last few years. Those who would be benefited under the program must content themselves with a mite. With rising life expectancy, more and more of our old people will be needing assistance, but there appears little hope for them when they are confronted with the small amount which will be theirs at the age of 65.

Instead of producing legislation narrowing the scope of those to be benefited, we should be directing our energies toward broadening the program and making it more adequate. Year after year it seems this problem comes before the Congress, and each time any liberalization has been denied. I hope the people of the country will realize the necessity of impressing their representatives with the urgency of supporting a liberal view on social security. Maybe then we will get somewhere. It remains one of the big problems to be dealt with by the Congress, and it will have to be faced.

EXTENSION OF REMARKS

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include a poem.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a magazine article.

SOCIAL SECURITY

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 296, to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 296, with Mr. JACKSON of California in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, the very recent developments which have made necessary the enactment of this joint resolution are simple and can be readily understood if I can have for but a brief moment the attention of those who are gathered here today.

As you will all remember, the Social Security Act was enacted in 1935. At that time it was clearly understood what the intent of the Congress was in reference to the definition of "employer" and "employee." There was no dispute about it at all. At that time the Social Security Board, now the Social Security Administration, wrote a regulation which clearly reflected the intent of this legislative body.

Everyone understood that the ancient common-law definition of "master" and "servant," or of "employer" and "employee," as you may choose to describe the relationship, should be the definition which should control coverage under the Social Security Act. Everything went along all right until in 1939, when some people—among them some influential and inordinately ambitious officials of the Social Security Administration—began to evince a restiveness under the restraining influence of this ancient definition. It was not as broad as they would have it. Sharing the views of these bureaucrats, the House of Representatives, in an amendment to the Social Security Act, offered to broaden the definition to include certain excluded groups. With House approval, such a bill was passed, but the Senate promptly disagreed, reiterating its preference for the common-law definition. In conference the House receded, and reembraced the ancient doctrine. By this joint action of the House and Senate, the Congress again revealed its intent that the common-law definition of "master" and "servant" should control coverage under the social-security program.

But the boys down in the executive departments, the bureaucrats, as we frequently refer to them, like all bureaucrats from the beginning of time down to this moment, simply could not control their desire to expand their operations. They frantically called upon the Congress from time to time to enlarge their responsibilities—coverage, as it is called. As all of the Members of Congress are anxious to extend the benefits of social security to as many people as possible, there was no opposition to the desires of the bureaucrats as long as there was no attempt by them to usurp the legislative functions of the Congress. But when they embraced the idea of accomplishing their objective, laudable though the ends they pursued undoubtedly were, by methods other than legislative, trouble for them, the courts, and the Congress immediately ensued.

Becoming a little impatient with the failure of the Congress to act as rapidly as they would have it, these bureaucratic officials of the Social Security Administration have been for years pressing propositions upon the attention of our courts which, if approved of by the higher tribunals, would greatly extend the definition of master and servant; extend it way beyond anything that this Congress ever intended. They were able to get a few decisions from the Federal courts, one of which gave them the courage to propose a new regulation which, if allowed to go into effect by reason of congressional inaction, will so greatly expand the definition of employer and employee that people who have always regarded themselves as independent contractors and, therefore, uncovered, will find that they are subject to pay-roll taxes and qualified for the benefits of the Social Security Act—without an opportunity to be heard on the question at all.

The confusion with which we are now beset arises out of the fact that the courts, after rendering a correct decision under the common law definition of master and servant, went on and, in what is regarded by lawyers as obiter dicta, gave expression to an idea for which there was no precedent to be found in the lawbooks, startling indeed to those of us who, from their law-school days, knew, or thought they knew, something about the common law and its definitions. In the so-called Silk Coal Co. case, the Supreme Court held:

> The term "employee" is not a word of art having a definite meaning. The relationship of employer and employee for the purposes of the social-security legislation and the regulations in this part is not restricted by the technical legal relation of "master and servant," as the common law has developed that relation in all its variations.

In other words, the Supreme Court of the United States, at the behest and in accordance with the urgings of the officials of the Social Security Board has announced, in obiter dicta, that is, in words which were not necessary to the decision on any of the main issues which were involved, that the ancient common-law definition of employer and employee is no longer controlling. In effect, the Supreme Court has in effect repealed the intent of this Congress as twice declared on this very legislative floor. In another part of the decision the Court very apparently accepts this thesis:

> In the application of the Federal Insurance Contributions Act and in the regulations of this part an employee is an individual in a service relationship who is dependent as a matter of economic reality upon the business to which he renders service and not upon his own business as an independent contractor.

Imagine that. Without doubt, that inept pronouncement would, if not corrected by this Congress, throw more confusion into the relation of master and servant and create a greater necessity for more court decisions than any other loose expression that has ever been given utterance to by any judicial body in the history of this country. Just think how this judicially manufactured

definition will operate upon the business relationships of the Nation. Anyone can be dealt with and treated as an employee who is dependent as a matter of economic reality upon the business to which he renders service. No wonder that every worker in the country, every businessman in the United States, every labor unionite in this land rises up to inquire: "What does that mean?"

Well, it means anything and everything. It means that the bureaucrats are going to begin to assess taxes against all sorts of people who have always believed that they were independent contractors. If that loose definition of employee-employer which is announced in this decision of the Supreme Court which has been seized upon by all of these expansionists is not repudiated by this Congress the ancient common-law definition which has controlled legal thinking for generations will become a thing of the past and the classification of independent contractor will become so restricted as to cease to exist for all practical purposes.

No wonder the hundreds of thousands of insurance solicitors of this country, gathered in their national organizational meetings, are wondering whether or not they are employees now or independent contractors which they have always considered themselves to be.

The consequences of this new situation are so numerous as to defy contemplation. Let us consider this one: If they are found to be employees under this strange definition it will mean that they will have to pay social-security taxes and the insurance companies with which they are connected, companies by which, I say, they are not employed, will also have to crack down pay-roll taxes. What is the result? Though they are stuck for the taxes, they will never be able to collect any benefits, this for the simple reason that an insurance solicitor is never out of employment and therefore can never qualify for unemployment insurance. Later, when he reached his 65 years of age he would never be entitled to receive his paid-for old-age and survivors insurance for the simple reason that he will continue to be employed until his dying day. They will always be employed because under the ordinary contractual relationship between insurance companies and insurance solicitors, the solicitors continue to receive a percentage of the renewal premiums as long as the policies are kept alive. These collections and remittances may go on for years and years, sometimes for years after the death of the insurance solicitor has occurred.

Think of the great horde of Fuller Brush people who run around this country. They have always regarded themselves as independent contractors. They buy their brushes at a low price and sell them for a higher price and live on the difference between the two. They are in jeopardy of being declared employees because they are indeed and in fact dependent upon the Fuller Brush Co. as a matter of economic reality. What can we say in defense of a system which collects taxes and then denies benefits?

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I am happy to yield to the distinguished gentleman from California.

Mr. JOHNSON of California. Will not the very thing the gentleman is telling us about the insurance agents apply to every kind of business and agency in the United States?

Mr. GEARHART. It applies to hundreds of thousands of people in the United States who now think they are independent contractors, whose business associates have always regarded them as independent contractors, but nobody will know, if this new regulation which the Treasury proposes goes into effect, whether they are employees or whether they are independent contractors. The chances are that all will be declared employees and that none will remain independent contractors. Only by so deciding can the bureaucrats expand their bureau, swell their pay roll, augment their power, feed their vanity.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I am pleased to yield to the very able gentleman from Ohio.

Mr. JENKINS of Ohio. That is the very reason we give the title of this bill as maintaining the status quo?

Mr. GEARHART. I thank the gentleman from Ohio. The adoption of my resolution will restore and maintain the time-honored definition which is years untold old, a definition that has come down through the years and stood the test of time, a definition which is based upon logic and common sense, one that simply says in so many words that an employee is a person who is engaged for hire, one who, in his employment, submits himself to the control of his employer in respect to how and why and when his service shall be performed. That is simple and it is understandable and that is exactly what this Congress intended to be the rule that would govern the actions of the Social Security Board, now the Social Security Administration, in its relation to that part of the public it was and is intended to serve.

I do not want to go into this subject matter so deeply as to make it appear complicated, for indeed it is not that at all. My resolution will restore simplicity and understanding. Under it, there will be no fictional relation of master and servant, only the factual, commonplace. Before concluding, with the indulgence of the membership, may I point out that if you do not pass this joint resolution today you will, by that act, be granting to 625,000 American people social-security benefits for which they will have paid nothing and contributed nothing. In all probability and in the last analysis, your failure to enact my resolution will impose upon the United States an obligation to pay out of our Public Treasury over $12,000,000,000; that is, $1,250,000,000 per year for 10 years. In other words, an obligation would devolve upon the Treasury of the United States to pay into the social-security fund the billions of dollars of pay-roll taxes which have not been collected from this vast horde in the days gone by which the Social Security Administration will scoop into its voracious maw—if this new definition is allowed to stand.

These people have never paid a cent for this security. All the other people have paid money for that security and we are perfectly willing they now shall have the benefits for which they paid; but I do not think it is fair to lift from the shoulders of 625,000 people the responsibility of paying for the social-security benefits they are to receive and to impose that obligation upon the shoulders of taxpayers who will receive nothing in return. How can we justify the taxing of all of the people for the benefit of a select few who never dreamed that they were covered under the social-security law? Is this not special privilege at its worst?

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I am happy to yield to my colleague of the Ways and Means Committee, the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I would like to ask the gentleman whether he believes that these hundreds of thousands who may be included under this court decision will not have a liability in addition to a benefit. If they did not pay taxes during the years when under that court decision they should have, they would be liable, and why may they not now be construed by the courts to be responsible? And will not every employer who under this court decision might be liable to pay the tax wake up some day to find millions of dollars of liability upon his shoulders?

Mr. GEARHART. There is no doubt in the world but what the gentleman from Pennsylvania is entirely accurate in the several points that he raises. I thank him for his interjection.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Nebraska.

Mr. CURTIS. The confusion is increased by the fact that the Treasury Department has the power to assess taxes retroactively. Although it has not been exercised, the power is there, and it would create untold chaos.

Mr. GEARHART. The gentleman is entirely right, and I would like to discuss that one phase. A moment ago I said that, in all probability, this liability will devolve upon the general taxpayers of this country—this for the simple reason that it would not be practical, perhaps impossible, to collect all of these back taxes from the people who owe them—that is, the employers and the employees themselves. But it becomes the duty of the Revenue Bureau, assuming the new regulation is issued, to try and collect those back taxes from the people who owe them, and that will involve checking up everyone who thought he was an independent contractor, but who now finds himself an employee; it will be the duty of the Treasury to double back and collect these back taxes, if it can. A lot of these people have little homes and

have, perhaps beyond that, accumulated a little property. These accumulations will be subject to a levy by the tax-collecting authorities of this country, and it may result in the wiping out of many a poor person because of the invoking of procedure of this kind.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from California.

Mr. BRADLEY. Would this new ruling bring the many thousand independent milk dealers in our district under the social-security law?

Mr. GEARHART. Well, it depends entirely on whether the Social Security Administration thinks they are dependent upon the business in the light of economic reality — whatever that means—as long as the Supreme Court of the United States continues to look with favor upon such loose definitions of master and servant as dependency upon a business in the light of economic reality. I think that probably all of the people concerning whom the gentleman has inquired would be held to be employees, and somebody will be stuck—either the Government, the taxpayers, the employer, or the employee—for all of the back taxes. They may go back 10 years in the absence of a statute of limitations.

Mr. BRADLEY. I conclude that we would not know where we stand.

Mr. GEARHART. Why, somebody suggested earlier in the day that this might be a bill for the relief of lawyers. This is a lawyer's opportunity, this regulation which is proposed by the Treasury Department. Every man, woman, and child who thinks he or she is today an independent contractor will suddenly be in jeopardy and will have to fight for his or her economic life. What a wonderful thing that would be for the lawyers.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I am pleased to yield to the able gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman has repeatedly made the statement that these taxes may be collected retroactively. Now, I want to call to the attention of the Members of the House that that statement absolutely is not in accordance with the facts, and as proof of it I will read from the proposed regulations:

PAR. 8. Pursuant to the authority of section 3791 (b) of the Internal Revenue Code, the amendments made by this Treasury decision to the respective regulations will be applied without retroactive effect to the extent that a taxpayer will not be required to pay taxes for periods prior to January 1, 1948, with respect to wages paid prior to such date to individuals.

Mr. GEARHART. Now, let us not get too far away from that.

Mr. EBERHARTER. If the rest of the gentleman's argument is as consistent as this, I submit that every other one of his arguments should fall.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REED of New York. Mr. Chairman, I yield five additional minutes to the gentleman from California.

Mr. GEARHART. The gentleman from Pennsylvania is a very profound and good lawyer. He knows of his own knowledge, or if he does not know it of his own knowledge he knows it from the testimony given before the Committee on Ways and Means by people who came to discuss these regulations, that the regulation to which he referred is subject to change from day to day and also is subject to attack by every taxpayer in this country, any one of whom might bring an action tomorrow to mandamus the collection of these back taxes. The law under which the regulation to which the gentleman from Pennsylvania has reference confers upon the Collector of Internal Revenue the right to go back 4 years. Translating that into dollars, that means that if he goes back 4 years, instead of it amounting to $12,000,000,000 it will total $5,000,000,000. And $5,000,000,000 is not chicken feed.

Mr. EBERHARTER. The gentleman knows of course that this regulation is made pursuant to the authority granted the Secretary of the Treasury and the Internal Revenue Bureau by this Congress. The gentleman cannot recall a case in the history of this country where an action for mandamus was brought by a taxpayer to make another taxpayer pay money.

Mr. GEARHART. But many actions in mandamus have been brought to compel tax collectors to do their duty. In fact the law clearly defines their obligation in this regard.

Mr. EBERHARTER. The gentleman cannot recall a single case.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I am glad to yield again to the genial gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. May I point out that in the event the method is used whereby an arbitrary date is set back of which the tax collector will not collect the taxes, the burden is imposed directly upon the individual taxpayers of the country and upon the other members of the social-security fund, which certainly does not seem fair.

Mr. GEARHART. The gentleman is entirely right. It is utterly unfair.

In conclusion, may I point out one thing which I think is far more important than anything which has been said up to now. I pose this question: Where rests the legislative prerogative? Under the Constitution, shall laws be enacted by judicial decision, bureaucratic regulation, or congressional action? That question is squarely raised by the intolerable situation which has arisen, to consider which we are assembled at this moment.

The regulation which the Treasury proposes, the regulation which sets up this new definition of "dependency" upon a business in the light of "economic reality," is legislation, legislation by regulation enacted in a bureau. The old common-law definition of employer and employee is a definition which has come down through the years. That was the definition which this Congress intended should be the one to guide the Social Security Administration. This regulation we now consider would repeal the rule this Congress has laid down and substitute another far broader in its concept, quite different from anything this Congress intended, and that constitutes legislation by Executive ukase, bureaucratic fiat.

Any Member of this body, no matter on which side of the aisle he may sit, ought to be ready to stand up and defend to his last breath the constitutional prerogative which is ours, to write the legislation of this country.

I, for one, have long favored the broadening of the base of social security, so that all may enjoy its benefits at a minimum of cost.

I, for one, have long favored extending social security to include all of those who because of reasons beyond their control find themselves unable to provide for themselves.

I, for one, have long favored the generous enlargement of annuities of all of the benefits for which provision has and ought to be made, so that the aged, the sick, the blind may seek the retirement of contentment which should be the reward of the worthy.

And in this connection, I should say that I feel that every member of the Committee on Ways and Means, Republican or Democrat, shares these sentiments with me. Within the next few months social security will be extended; the base will be greatly broadened; the benefits will be greatly enlarged; but it will be done by the duly constituted legislative authority of the United States and not by "the boys down below."

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Is it not true that the Treasury by its very action supported the contention of the gentleman until the Supreme Court rendered its decision, because the Treasury did not collect these taxes and left these 750,000 people untaxed? They must have believed just as the gentleman believes that under the law these people were not taxable. When the Supreme Court rendered its decision, then of course the Department felt that it must act under the decision of the Supreme Court.

Mr. GEARHART. The gentleman is entirely correct. There was no doubt in anybody's mind as to what the Congress intended at the time the Social Security Act was adopted. At that time, and again in 1939 and 1945, everybody understood it was the definition of the ancient common law which was to apply. The first regulation which was adopted, the one which is in effect at this moment is in strict accord with that intent. The members of the Social Security Board of that day, understanding our intent quite well, drew that regulation and reflected accurately and faithfully our views. It is up to them to get back on the beam, the sooner the better for all concerned.

Mr. EBERHARTER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I do not know whether my good friend, the gentleman from California, is criticizing the Supreme Court of the United States more than he is criticizing the Treasury Department or whether he is criticizing the Treasury Department more than he is criticizing the Supreme Court. He has been yelling bureaucrat in one sentence and in the next sentence blaming the Supreme

Court for its decision. I want to mention, Mr. Chairman, that the decision of the Supreme Court, on which there are nine Justices, was made without any dissent, insofar as the language of the decision was concerned. Justice Rutledge said that perhaps the case should go back for the District Court to make findings of fact, but he agreed with every definition and every word that was written in the opinion. So this is not a matter where there is a divided court.

Mr. Chairman, let me first call your attention to the title of this bill. It is called a joint resolution "to maintain the status quo in respect to certain employment taxes and social-security benefits pending action by the Congress on extended social-security coverage." What does status quo mean? Status quo in my dictionary means the position as it is today—the circumstances as they are today. I do not know of any time when it was necessary to pass any legislation or joint resolution except to change the situation as it is today. So that this title is the most misleading title that could possibly be attached to any measure. It is not a measure to maintain the status quo. It is a measure to change the present situation—to change the present law or the present statutes and to nullify an opinion of the Supreme Court.

If you are going to pass legislation, if you are not maintaining the status quo, then you are gong forward or backward. This legislation will make you go backward if you pass it. There is no question about that. The proper title of this resolution should be, Mr. Chairman, "a joint resolution to exempt from the payment of social-security taxes a certain favored group of employers." That is what it is. They are the ones who came to the Congress—a group of employers who will have to pay social-security taxes; who thought that they did not have to pay them, and who, under previous regulations, were not obligated to pay. The Supreme Court made a decision saying that those who are working for you that really have the status of an employee must be considered as such and you must pay social-security taxes according to the intention of the Congress. Whom does it affect, Mr. Chairman? Among others, it affects employees only—employees who receive regular pay of insurance companies who are under their employers' complete domination, control, and direction and can be hired and fired by them.

It affects industrial home workers; men and women, boys and girls who take work home and do so much work at home either on piece work or at so much per hour. They are an integral part of the business of their employer. It affects door-to-door salesmen of every type conceivable, who, as a matter of economic reality, are under the complete domination of their employers, on regular salaries or commissions. The employer fixes the hours of work and decides how much they must produce. Those are just a few who are affected by this resolution.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. KEEFE. The gentleman has laid great emphasis on the fact that it seeks to relieve certain employers from the payment of social-security taxes.

Mr. EBERHARTER. That is correct.

Mr. KEEFE. It would likewise relieve certain employees, would it not?

Mr. EBERHARTER. The gentleman is absolutely correct. I am glad the gentleman made that observation, because I have never yet found an employee who was not delighted to pay his share of the social-security taxes, in order to see that in the future, if he lost his job, he would get some unemployment compensation, or when he became 65 years old he would receive some old-age benefits. I have not known any employee who was not willing to pay his share; but I do know a great many employers who do not want to pay the taxes. Employers get no direct benefit. But they get a benefit in that the country as a whole has a better-stabilized economy. I am certain the gentleman will agree with me that there is no more forward-looking act for the benefit of this country, the standard of living of its people and the taking care of the aged and unemployed than the Social Security Act that was passed in 1935 and amended in 1939.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. SIMPSON of Pennsylvania. When the gentleman speaks of wanting the status quo continued, is he not criticizing severely the Internal Revenue Bureau for its failure in the past 10 years to collect the taxes they should have collected?

Mr. EBERHARTER. Well, it is a matter that had never been decided by the Supreme Court of the United States. There were disputes and arguments between industry on the one hand and the revenue bureau on the other, and even between the Treasury Department and the Social Security Board. They could not agree on what should constitute an employer and an employee. Anybody who has any experience knows that the terms "employer" and "employee" can cover many, many thousands of different situations.

Mr. SIMPSON of Pennsylvania. Is not the net result this: If we accept the Supreme Court's decision as being the proper interpretation, that we are milking the fund and taking these new payments out of the premiums that have been paid in by workers in the past years?

Mr. EBERHARTER. Oh, no; I do not think so at all. The Treasury estimates that the tax that these employers would have to pay would amount to about $25,000,000 a year. Now, this $25,000,000 a year they would begin to pay as of last January, I think.

Mr. SIMPSON of Pennsylvania. But the liabilities would have started to accrue back in 1937.

Mr. EBERHARTER. Well, those people who were in fact employees are entitled to some benefits. They are entitled to benefits under the intent of Congress when the act was passed in 1935. The committee and the Congress considered that matter very carefully. This resolution seeks to exempt these employers from the annual future payment of $25,000,000 a year in taxes that would be paid under existing law. It was the intent of Congress, and it is in the act in plain language, that if an employee is entitled to benefits and if for some reason his employer evades the taxes, that does not deny the employee the benefits of the act. That was very carefully considered. If an employer fails to pay his taxes, under the law that does not deny his employee the right to benefits. That matter was very carefully considered, and it was decided.

Mr. SIMPSON of Pennsylvania. The result is, however, that the money to pay the benefits must come out of the money paid in by other workers.

Mr. EBERHARTER. We have many billions of dollars in the fund right now, I may say.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORAND. Following through on the statement just made by my friend the gentleman from Pennsylvania [Mr. SIMPSON] might I not say that the passage of this bill will further delay the collection of those very taxes.

Mr. EBERHARTER. Undoubtedly it will delay the collection of taxes from the employee and the employer, both. It amounts to $25,000,000 a year.

Mr. FORAND. Therefore the supporters of this bill have no sound ground to criticize the collection of taxes.

Mr. EBERHARTER. The gentleman is absolutely correct.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. Yes; I yield to the gentleman from California.

Mr. GEARHART. A moment ago the gentleman said that he felt that these people would be very, very glad to pay these social-security taxes.

Mr. EBERHARTER. The employees; yes.

Mr. GEARHART. If they are employees. But how about these 625,000 that did not consider they were employees and have not paid any taxes whatsoever? Their employers, so-called, have not withheld these taxes. Does the gentleman believe they should be granted all these benefits back for 12 years without paying and without knowing they were covered?

Mr. EBERHARTER. I suggested to the gentleman from Pennsylvania [Mr. SIMPSON] that the matter was very carefully considered in 1935, and in its judgment the Congress of the United States decided that, if an employer cheated the Government out of taxes that made no difference, that the employee was entitled to his benefits anyhow.

Mr. GEARHART. The gentleman is talking all around my question.

Mr. EBERHARTER. Does not the gentleman agree with me on that?

Mr. GEARHART. My question is simply this: Does the gentleman believe that these 625,000 people who did not think they were covered and these employees do not think they were covered; they did not pay a cent of taxes; does the gentleman believe that at the expense of the

other taxpayers they should have all of the benefits the others get who have paid?

Mr. EBERHARTER. That was the intention of Congress when Congress passed the measure. It was debated in committee, it was debated on the floor of the House; it was debated in committee on the other side of the Capitol and on the floor of the other body. Now, if the gentleman wants to change what the intent of Congress was in 1935 and 1939 that is for him to decide. I never thought the gentleman would take the position of denying to an employee benefits which were intended that the 1935 act would bring him.

Mr. GEARHART. That we should give him benefits for which he had not paid, and to which he did not think he had any claim?

Mr. EBERHARTER. Absolutely; because that was the intent of Congress.

Mr. GEARHART. All right; does the gentleman think it is fair to those who did pay, the millions upon millions who did pay to drag in 625,000 and say they shall have the same benefits as these other people, when these 625,000 have paid nothing?

Mr. EBERHARTER. I will answer the question by asking the gentleman if he thinks it would be fair to deny these people benefits to which Congress intended they should be entitled when we passed the act in 1935 and amended it in 1939, just because the employer did not do his job?

Mr. GEARHART. Which Congress "intended"—that is the point of our argument in one word.

Mr. EBERHARTER. I refuse to yield further, Mr. Chairman.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I wanted to ask the gentleman how many millions or billions of dollars there is in the social-security fund to which he referred.

Mr. EBERHARTER. I am not certain of the amount but it seems to me it is around $17,000,000,000 in all.

Mr. KEEFE. Oh, no.

Mr. REED of New York. It is $9,000,000,000.

Mr. KEEFE. Which fund is the gentleman talking about? There is $9,000,000,000 in one fund and about $7,500,000,000 or $8,000,000,000 in the other.

Mr. EBERHARTER. I would appreciate it if the gentleman from Wisconsin would help me out in answering his colleague from Iowa.

Mr. KEEFE. The unemployment-compensation fund is one fund. The old-age and survivors trust fund is another.

Mr. LECOMPTE. There are billions in each of them?

Mr. KEEFE. My recollection is that there are approximately $9,000,000,000 in the OASI fund and between $7,000,000,000 and $8,000,000,000 in the other fund.

Mr. EBERHARTER. I thank the gentleman. I am glad he helped to properly answer the gentleman's question.

Mr. LECOMPTE. I thank the gentleman very much.

Mr. EBERHARTER. Frankly, Mr. Chairman, the title of this bill should be changed to read "A bill to narrow and restrict coverage." That is what it does. It narrows and restricts the coverage. Specifically, it will exclude nearly three-quarters of a million people who are now entitled to the benefits of the Social Security Act. Now, do you care to take that position? If this Congress wants to take that position, I would like them, and others, to know what position they are taking and exactly what they are doing. That is the reason I am taking so much time right now. So no one will be able to say: "I had no idea the resolution would have such an effect."

I am certain that this Congress, as a matter of fact I am certain that no one on either side of the aisle wants to go on record as narrowing the coverage or as restricting the coverage of the Social Security Act. If you pass this resolution that is what you are going on record in favor of.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. EBERHARTER. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, I call your attention to the fact that the act of 1935 and the amendments of 1939 made no attempt to define what was meant by the word "employer." It made no attempt to define what was meant by the word "employee." I suppose the job was rather difficult. It is a tremendous job when you consider how many years the two words have been used and how the relationship of employer and employee has changed over the years, as well as the various court decisions on the subject and the varied ramifications the words might have.

Congress, not having the time, or perhaps the inclination, to tie itself down by some strict definition of what is meant by "employer" and "employee", just left it open. So the Treasury Department issued some regulations. Always there has been constant friction between certain employers and the Treasury Department and between the employees and the Social Security Board and even between the Social Security Board and the Treasury Department as to what the two words connoted.

We have now a Supreme Court decision which clarifies the whole matter and gives a perfect guide under which practically every employer and every employee can determine who are employees and who are in the status of employers. Now, here is the guide and here is what the Court in substance says in the five cases handed down in three different decisions. The rule shall be about as follows: "Whether the services performed by an individual constitute him an employee as a matter of economic reality or an independent contractor as a matter of economic reality is determined in the light of a number of factors, including the following—although their listing is neither complete nor in order of importance: Degree of control over the individual, permanency of relation, integration of the indiivdual's work in the business to which he renders service, skill required of the individual, investment by the individual in facilities for work, opportunities of the individual for profit or loss." These are some of the facts or elements which may be considered.

Now, Mr. Chairman, the Court goes on to say: "No one factor is controlling." All of them should be taken into consideration. Each should be given its proper importance, and if a person is, in fact, an employee, his employer should pay social-security taxes regardless of any agreements that may be made between one or the other in order to absolve one or the other from the payment of taxes. In other words, if an employer, who is in fact an employer, would say to a laborer, "Well, I do not want to pay social-security taxes. We will just make an agreement. We will call you an independent contractor, because if I call you an independent contractor, then I do not have to pay any social-security taxes." The Court would say that that does not matter. What should be considered is whether or not an employee is in fact an employee, and these are some of the factors to be considered.

Now, let me call your attention, Mr. Chairman, to something else that was said by the Supreme Court:

> Generality of the employment definitions indicates that the terms "employment" and "employee" are to be construed to accomplish the purposes of the legislation. As the Federal social-security legislation is an attack on recognized evils in our national economy, a constricted interpretation of the phrasing by the courts would not comport with its purpose. Such an interpretation would only make for a continuance, to a considerable degree, of the difficulties for which the remedy was devised and would invite adroit schemes by some employers and employees to avoid the immediate burdens at the expense of the benefits sought by the legislation.
>
> Of course, this does not mean that all who render service to an industry are employees.

Further, the Court says:

> This, of course, does not leave courts free to determine the employer-employee relationship without regard to the provisions of the act. The taxpayer must be an "employer" and the man who receives wages an "employee."

Why, if this decision is studied, Mr. Chairman, it will be considered for decades to come as one of the most sound decisions ever rendered by the Supreme Court in one of the most difficult problems ever brought before the Supreme Court of the United States. Mr. Chairman, I repeat, it is one of the most difficult problems. How many decisions have been rendered in every State in this Union which conflict with each other on the question of master and servant, on the question of employer and employee, on the question of who is in control and who is not in control? Why, there are thousands upon thousands of cases, and in some States on the same set of facts the courts will rule differently as to whether or not in a contract case they are considered employer and employee, and in a tort case whether they are considered employer and employee.

The usual common rule. Why, there is no such thing and any lawyer in the

world will tell you that there is no such thing as the usual common rule governing master and servant in present-day law.

I am going to read you what has been said with respect to that:

In examining the vast body of decisions in this area, one is struck with the innumerable and frequently irreconcilable distinctions and refinements drawn in tort cases by the courts in determining whether a person is a servant or independent contractor for that purpose. In its application, there is not a single common-law master-servant concept but, rather, a large measure of variation as between the different States, and even within any one State it is frequently impossible to find any consistent line of decisions.

I also read one other thing that was said by a very learned court, referring to the question of employer and employee, master and servant:

The question raised is one which lends itself to endless debate and rather plausible argument on either side. Discussion of the question abounds in the books. Harmony is apparent in the statement of principles and in the platitudes and abstract phases of the subject. But in the application of the abstract to the concrete, and of the principles to the particular case in hand, there is much diversity and confusion of opinion in the precedents in different jurisdictions. In this state of the precedents we can only hope to maintain, if we may, consistency in our own decisions.

Mr. Chairman, there is nothing worse and that would cause more confusion than trying to substitute the usual common-law rule.

A lot has been said here about independent contractors. Do you know that these Supreme Court decisions strengthen the exemption of anybody who is an independent contractor? It says so in so many words, that, if you are an independent contractor, of course you pay no taxes. It says that it depends upon the facts in the case.

You see these freight trucks driving through the streets. One company has truckers that go into 38 States. The Supreme Court held in this very case we are talking about that those truckers are independent contractors, that their employer does not have to pay a social-security tax because the trucker has the actual status of an independent contractor. It hangs on several factors, according to the Supreme Court. The trucker owns the truck. He gets a commission based upon the charge made for the delivery of the goods. He carries his own insurance and he hires his own helpers, although he is under the direction of the company. But the Court in this case said these men are independent contractors because they have an investment, they have control over their own work, they get a commission on a certain basis, and they are able to hire their own employees. Therefore, the Court held, they are independent contractors, and the over-all company that operates in 38 States is not subject to the payment of the tax. So you see how fair the Court decision is.

I wish everybody had an opportunity to study this decision and see how sound it is. It really puts the Social Security Act on a firm foundation, as far as is possible, so there will be less dispute in one of the most vexing problems that has ever come before the Social Security Board in its administration.

I want to say, though, that I excuse the Ways and Means Committee to a certain extent in voting out this bill. They voted it out without due consideration. They voted it out before these court decisions were before the committee for study. They voted it out before we had the report of the Secretary of the Treasury before us. They voted it out before we had the report of the Administrator of the Federal Security Agency. They voted it out without any testimony to amount to anything. They did not know the importance of it.

We find that the Treasury is opposed to it, we find that the Social Security Agency is opposed to it, we find that the general counsels of both these agencies say it will cause endless confusion and entanglements and upset the administration of the act, and that it will deprive anywhere up to three-quarters of a million employees, honest-to-God bona fide employees, of protection. This Congress does not want to do that. I am certain you do not.

Let me read you one more thing. This is in the report of the Acting Secretary of the Treasury, Mr. Wiggins:

Thousands of workers would be deemed independent contractors under the Federal unemployment legislation, but employees under most of the implemental State acts. Employers would again be able to avoid their proper share of contributions to the social-security program, and the protection of the program would again be denied to more than 500,000 individuals whose coverage is assured under existing law.

I quote again, Mr. Chairman:

Accordingly, to legislate these workers into a self-employed status might forever deprive them of unemployment-insurance benefits.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. REED of New York. The gentleman made the statement that this bill was reported out without any report from the Federal Security Agency. That is not correct.

Mr. EBERHARTER. I said that the report was not before the committee. It was never considered before the committee. The resolution was voted on shortly after 12 o'clock. The clerk was asked, "Is the report from the Secretary of the Treasury here? Is the report from the Federal Security Administrator here?" He said, "No; it is in my office." Then we were told that we would take a vote. A vote was taken, and it was reported out. I remember very distinctly, Mr. Chairman. I remember who voted for it, and who voted against it.

Mr. Chairman, in view of the importance of this legislation and in view of the recommendations of the Secretary of the Treasury and in view of the recommendations of the Federal Security Administrator, I say that it certainly should not pass the House.

Mr. REED of New York. Mr. Chairman, I yield such time as he may require to the gentleman from Connecticut [Mr. FOOTE].

Mr. FOOTE. Mr. Chairman, our social-security system must be revised. When Congress passed the Social Security Act it specified coverage to certain types of employees and exempted many others. Within the limits of employees who were clearly covered and those clearly not covered, there lay a field wherein, as a matter of future policy, Congress might make inquiry for extended coverage at a later date. The excluded categories as, you know, include agricultural workers and domestics, and I recently received inquiries from several employees of Yale University in my own congressional district, inquiring why they were not included under the social-security system.

To assist in the administration of the Social Security Act and the Internal Revenue Act where it applies, the Treasury over 10 years ago, promulgated regulations which followed the intent of Congress in defining employees for coverage under the Social Security Act. In 1939 and again in 1946, Congress had these regulations before it when it amended the act, and so far has never acted to extend coverage to persons outside the definition of "employee" contained in these regulations. Under these regulations administration of the law has covered many millions of workers. The regulations provide the substantial test for determination of those who are to be covered and having the force and effect of the law, they have been followed throughout the country for many years.

In June 1947, the Supreme Court of the United States decided that the Treasury regulations did not exhaust the congressional intent as to who should be covered as employees and that the regulations then and now in force, must be basically changed to extend as far as the Supreme Court says the law goes.

On November 27, 1947, the Treasury published in the Federal Register proposed new regulations which it believed necessary to apply the reasoning of the opinions of the Supreme Court in this field. Under these proposed regulations, the Social Security Act will be interpreted not as Congress wrote it, not as the existing Treasury regulations stated congressional intent, but as the Supreme Court says the law should be construed. Congress should determine the extent of any changes of the social-security law and I shall therefore support the House Joint Resolution 296, introduced by the gentleman from California [Mr. GEARHART], which is designed to say that Congress, not the Court, not the Social Security Administration, shall state our national policy as to social-security coverage. If the resolution should not be adopted, the entire method of doing business under contract between thousands of enterprises and tens of thousands of people who deal with them, will be thrown into chaos. It affects situations where vendors part with title to their goods, to customers who may work few hours or long hours in reselling these goods at prices fixed by themselves, and where it is utterly impossible for the vendor to know the customers' costs or what their profits are, and it is utterly impossible to effectuate a proper withholding. It affects a multitude of people who buy cattle or corn or cut wood, and who regulate their own income by their

own efforts. It affects people whose enterprise is that of marketing petroleum products or selling insurance, or engage in other widely differing fields of normal independent operations. The pending regulations are said to apply to many such independent operations on the basis of economic dependency. The yardstick of economic dependence is uncertain and may result in employees who would make a concern qualify to do business within each State. They could make the concern liable for the torts of independent operators, for workmen's compensation for wages and hours and in many other ways. It is submitted that Congress should make inquiry into the extent of the disruption of the normal methods of doing business of thousands of concerns before the administrative agencies of our Government shall be permitted to make determination of coverage on any such basis as is contemplated by these proposed regulations.

Congress should act in this matter and not permit a haphazard extension of the social-security law through judicial legislation or administrative fiat. By this I do not wish to be understood that I am opposed to the liberalization of the Social Security Act to include certain additional designated employees and to an increase in the amount of benefits to those entitled to the same.

Mr. REED of New York. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I want to clarify the situation so that the House will not be confused by the speech made by the gentleman from Pennsylvania [Mr. EBERHARTER]. In the first place, all he has done is to talk about title I. He is trying to show that these people should come in under title I. Title I is the old-age assistance proposition who come in and are not required to pay a tax. But under title II, no person is to get a benefit unless he pays a social-security tax. It is perfectly obvious that under the Supreme Court decision in controversy which we are hoping to correct you wish to sweep these people in under section 1 and not under section 2, because they would not, under the Court decision, have to pay a tax. Title I relates to and requires a need test.

When Congress passed the Social Security Act it specified coverage for certain types of employees. It specifically exempted many other categories of employees. Within the limits of employees, those who were clearly covered and those who were clearly not covered, there lay a field wherein, as a matter of future policy, Congress might make inquiry for extended coverage at a later date. The excluded categories include agricultural workers, domestics, and certain others. There are others gainfully employed who are self-employed, doctors, dentists, many who are engaged in the field of direct selling, of logging, cattle buying, and other fields who are not employees but who are possible beneficiaries for whom Congress may make provision. The Treasury recently reported on a feasible method of covering these self-employed.

To assist in the administration of the Social Security Act and the Internal Revenue Act where it applied, the Treasury over 10 years ago promulgated regulations which followed the intention of Congress in defining employees for coverage under the Social Security Act. In 1939 and again in 1946 Congress had these regulations before it when it amended the act, and so far has never acted to extend coverage to persons outside the definition of "employee" contained in these regulations. Under these regulations administration of the laws has covered many millions of workers. The regulations provide a substantial test for determination of those who are to be covered, and having the force and effect of law, they have been followed throughout the country for many years.

In June 1947 the Supreme Court decided that the Treasury regulations did not exhaust the congressional intent as to who should be covered as employees, and that the regulations then and now in force must be basically changed to extend as far as the Supreme Court says the law goes.

As of November 27, 1947, the Treasury published in the Federal Register proposed new regulations which it believed necessary to apply the reasoning of the opinions of the Supreme Court in this field. These proposed regulations are now pending and will become effective in the near future. Under the proposed regulations the Social Security Act will be interpreted not as Congress wrote it, not as the existing Treasury regulations stated congressional intent, but as the Supreme Court says the law can be construed.

House Joint Resolution 296 is designed to say that Congress, not the Court and not the Social Security Administration, should state our national policy as to social-security coverage. The resolution does not prevent Congress from making inquiry into how far its policy should go. Quite the contrary, the resolution explicitly would continue in present force the Treasury regulations exactly as the Treasury wrote them, pending action by Congress on extending social-security coverage. The resolution simply reaffirms congressional intent that the term "employee" shall be construed under the usual common-law rules applicable in determining the employer-employee relationship. The term "employee" will not include a person who has the status of an independent contractor, construed under such rule. The resolution does not disturb benefit awards made any individual before January 1, 1948.

That is all there is to it. The resolution has no hidden purpose. It has no ulterior objective. The resolution simply restates congressional intent and insures that Congress shall determine any changes of coverage when it writes legislation. The resolution simply says that when changes or extensions in social-security coverage are to be made, Congress will make them.

If the resolution should not be adopted, the entire method of doing business under contract between thousands of enterprises and tens of thousands of people who deal with them will be thrown into chaos. It affects situations where vendors part with title to their goods to customers who may work few hours or long hours in reselling these goods at prices fixed by themselves, and where it is utterly impossible for the vendor to know the customers' costs or what their profits are, and it is utterly impossible to effectuate a proper withholding.

It affects a multitude of people who buy cattle or corn or cut wood, and who regulate their own income by their own efforts. It affects people whose enterprise is that of marketing petroleum products or selling insurance, or engage in other widely differing fields of normal independent operations. The pending regulations are said to apply to many such independent operations on the basis of economic dependency. The yardstick of economic dependence is uncertain and may result in employees who would make a concern qualify to do business within each State. They could make the concern liable for the torts of independent operators, for workmen's compensation for wages and hours, and in many other ways. It is submitted that Congress should make inquiry into the extent of the disruption of the normal methods of doing business of thousands of concerns before the administrative agencies of our Government shall be permitted to make determination of coverage on any such basis as is contemplated by these proposed regulations.

And that is what House Joint Resolution 296 is about.

Mr. Chairman, under unanimous consent, I ask to insert a brief in the law relating to the proposed amendments of Treasury Regulations 106, 107, 90, and 91, with respect to employer-employee relationship:

The Commissioner of Internal Revenue, pursuant to the Administrative Procedure Act approved June 11, 1946, published notice in the Federal Register of November 27, 1947, of proposed regulations amending the above-captioned regulations relating respectively to the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, title IX of the Social Security Act, and title VIII of the Social Security Act. The stated purpose of the amendments is to conform the several regulations "to the principles enunciated in *United States* v. *Silk* (1947), 67 S. Ct. 1463; * * * *Bartels et al.* v. *Birmingham et al.* (1947), 67 S. Ct. 1547; * * * and related cases."

I

In the Silk case the Supreme Court stated that the problem of differentiating between an employee and an independent contractor or between an agent and an independent contractor for purposes of applying social security legislation should follow the same rule that was applied by the Court in the case of *Board* v. *Hearst Publications* (320 U. S. 111 (1944)), which had involved a similar problem in the administration and application of the National Labor Relations Act. In the Hearst case the Court had held that the National Labor Relations Board had correctly ruled that independent news vendors who purchased newspapers from the publisher and resold them to the public through people hired by the vendors were employees of the publisher. To reach this result the Court rejected traditional and long-standing concepts and tests for the determination of the status of a person as an employee or as an independent contractor in favor of a construction of the word "employee" in the light of the mischief intended to be corrected and the end to be attained by the legislation in which the term appeared and which necessitated its construction. The application of a similar test for construction

of the term in social security legislation has similarly resulted in the rejection by the Court of traditional concepts and long-standing tests in this latter field.

The Court's approach to the problem as exemplified by the Hearst case received special congressional consideration recently in connection with the Taft-Hartley amendments to the National Labor Relations Act. The report of the House committee accompanying the Taft-Hartley bill (H. Rept. No. 245, 80th Cong., 1st sess., dated April 11, 1947, accompanying H. R. 3020) contains the following statement (p. 18):

"(D) An 'employee,' according to all standard dictionaries, according to the law as the courts have stated it, and according to the understanding of almost everyone, with the exception of members of the National Labor Relations Board, means someone who works for another for hire. But in the case of *National Labor Relations Board* v. *Hearst Publications, Inc.* (322 U. S. 111 (1944)), the Board expanded the definition of the term 'employee' beyond anything that it ever had included before, and the Supreme Court, relying upon the theoretic 'expertness' of the Board, upheld the Board. In this case the Board held independent merchants who bought newspapers from the publisher and hired people to sell them to be 'employees.' The people the merchants hired to sell the papers were 'employees' of the merchants, but holding the merchants to be 'employees' of the publisher of the papers was most far reaching. It must be presumed that when Congress passed the Labor Act, it intended words it used to have the meanings that they had when Congress passed the act, not new meanings that, 9 years later, the Labor Board might think up. In the law, there always has been a difference, and a big difference, between 'employees' and 'independent contractors.' 'Employees' work for wages or salaries under direct supervision. 'Independent contractors' undertake to do a job for a price, decide how the work will be done, usually hire others to do the work, and depend for their income not upon wages, but upon the difference between what they pay for goods, materials, and labor and what they receive for the end result, that is, upon profits. It is inconceivable that Congress, when it passed the act, authorized the Board to give to every word in the act whatever meaning it wished. On the contrary, Congress intended then, and it intends now, that the Board gives to words not far-fetched meanings but ordinary meanings. To correct what the Board has done, and what the Supreme Court, putting misplaced reliance upon the Board's expertness, has approved, the bill excluded 'independent contractors' from the definition of 'employee.'"

The act as finally enacted followed the House bill in this respect. In the conference committee report dated June 3, 1947, the conference report stated:

"(D) The House bill excluded from the definition of 'employee' individuals having the status of independent contractors. Although independent contractors can in no sense be considered to be employees, the Supreme Court in *N. L. R. B.* v. *Hearst Publications, Inc.* ((1944), 322 U. S. 111), held that the ordinary tests of the law of agency could be ignored by the Board in determining whether or not particular occupational groups were 'employees' within the meaning of the Labor Act. Consequently it refused to consider the question of whether certain categories of persons whom the Board had deemed to be 'employees' were not in fact and in law really independent contractors.

* * * * *

"(D) The conference agreement follows the House bill in the matter of persons having the status of independent contractors."

It is submitted that the foregoing expressions of congressional interest, in the light of the situation to which they were directed, are highly significant in relation to the proposed amendments to Social Security regulations. The promulgation of the conference committee report preceded by a few days the decision in the Silk case. For that reason and for the further reason that Congress was addressing itself only to the National Labor Relations Act, neither the report of the House committee nor that of the conference committee commented upon the Silk case. Since the Taft-Hartley bill was not enacted into law until June 23, 1947, similarly the Supreme Court did not have the benefit of the congressional statements when it decided the Silk case on June 16, 1947. If it had it is hardly conceivable that it would have applied a presumed congressional intention which Congress itself had expressly rejected.

It is believed that the amendments proposed in respect of the social-security regulations have been promulgated without a proper consideration of the developments which have taken place since the decision of the Hearst case. The purpose of administrative regulations is, of course, to provide rules and regulations for the efficient administration and enforcement of laws enacted by Congress in accordance with their intent and purpose. It is hardly conceivable that congressional intent as to the meaning of the term "employee" in the Social Security Act would differ from its intent as to its meaning in National Labor Relations Act. On the contrary the congressional attitude toward the approach adopted in the Hearst case undoubtedly applies to the Silk case reasoning also. To adopt regulations which purport to embody a construction of a term different from the construction which Congress definitely has indicated was intended is, it is submitted, not only not required—it is unjustified. It is believed that the Treasury Department would also avoid confusion and uncertainty in the administration of the Social Security Act if it were to abandon its proposed test for determining who is an employee. If the novel and uncertain test contained in the proposed amendments were to be adopted, the difficulties of its application would certainly result in greatly increased litigation, which in the light of the developments above outlined would in turn ultimately result in rejection of the test. It is submitted that the proposed amendments should be withdrawn.

II

Even aside from the fact that any attempted amendment on the basis of the Silk and related cases is, for the reasons already stated, ill-advised at this time, the regulations now proposed are open to the further criticism that they prescribe tests for determining who are employees, even more far reaching in scope than those recognized in the decisions on which the proposals purport to be based. Furthermore, the tests suggested are vague, illusory, and in some instances self-contradictory.

Subsection (a) of the amendments includes a statement that "In most cases in which an individual renders services to a person, general understanding, and usage make clear the status of that individual either as an employee of such person or as an independent contractor." With this statement there may be no quarrel. It is followed, however, by this sentence:

"For example, in most cases, miners, bus drivers, manual laborers, and garage, hotel, and other service workers, as well as factory, office, and store workers, whether skilled or unskilled, and whether the work is permanent or impermanent, are clearly employees of the persons for whom they render services, and such persons are clearly the employers."

This statement is subject to the criticism that it ignores two factors which the Supreme Court said should enter into the determination, namely, the degree of skill and the degree of permanence of the relationship. Under the quoted provision "service workers * * * whether skilled or unskilled, and whether the work is permanent or impermanent * * *" are said to be clearly employees in most cases. This generalization would include highly skilled workers who are engaged to perform only a particular piece of work. These, it is submitted, are in most cases clearly independent contractors and not employees. As the degree of skill decreases it may become less clear that such individuals are independent contractors, but this is only because of the fact that in terms of total numbers there are probably fewer unskilled workers operating for their own account than the number who are employed by others. However, the prevalence of totally unskilled laborers who hire themselves out by the job and who clearly are independent contractors would render unsafe any attempt to generalize even with respect to this class.

Subsection (a) also contains the following provision:

"The typical independent contractor has a separate establishment distinct from the premises of the person for whom the services are performed; he performs services under an agreement to complete a specific job or piece of work for a total remuneration or price agreed on in advance; at times and places and under conditions fixed by him, he offers his services to a public or customers of his own selection rather than a single person; neither he nor the person for whom the services are performed has the right to terminate the contract except for cause; he may delegate the performance of the services to helpers; he performs the services in or under his own name or a trade name rather than in or under that of the person for whom the services are performed; the performance of the services supports or affects his own good will rather than that of the person for whom the services are performed; and he has a going business which he may sell to another."

Again, the generalization is unwarranted either by general understanding and usage or by anything expressed in or to be implied from the opinions of the Supreme Court. On the contrary, many features of the definition conflict with the various situations affecting the truckmen in the Silk and Greyvan cases, and the leaders of the name bands in the Bartels case, all of whom the Court held to be independent contractors. Thus, in Silk, the truckers could refuse to make deliveries without penalty and they could and did haul for others; in Greyvan they were under contract to haul exclusively for the taxpayer, their movements were made on orders from the company, and they could not offer their services to the public. Both classes of truckmen were held to be independent contractors. In Bartels the leaders of the name bands had no separate establishments, and because their names were one of the important features rendering their services valuable they could not have delegated the performance of their particular services to others. They, too, were held to be independent contractors.

Other instances of typical independent contractor relationships in which many of the features enumerated in the regulation are absent readily suggest themselves. One rather clear example is afforded by the now common practice in large department stores under which various departments of the stores are operated by concessionaires under arrangements with the proprietors of the stores. Under such arrangements the concessionaires commonly have complete charge of the operation of their departments. Inventories, personnel, advertisement and all other matters relating to the operation of the departments are directly under their control. Obviously, such concessionaires are independent contractors and neither they nor their employees are employees of the stores.

However, some of the so-called typical features absent in such arrangements are a separate establishment, an agreement to perform a specific piece of work for a price agreed on in advance, and the performance of services under the name of the concessionaire. In addition, the activities of the concessionaire support or affect the good will of the store rather than his own good will, and either he or the proprietors of the store may or may not have the right to terminate the arrangement without cause.

Perhaps the chief objection to the paragraph quoted above is in the use of the word "typical." It is obvious that the factors listed in the definition are such that in any case where they exist in combination there would be no room for any possible doubt that the worker in question is an independent contractor. If this is all that is intended the statement should be revised to express the intent clearly and to eliminate the thought that the absence of one or more of the factors by itself will preclude the case from qualifying as a typical independent contractor situation.

Subsection (b) contains an enumeration of the various factors which the Supreme Court said were important and should enter into the determination of status. These are:

1. Degree of control over the individual.
2. Permanency of relation.
3. Integration of the individual's work in the business to which he renders service.
4. Skill required of the individual.
5. Investment by the individual in facilities or work.
6. Opportunities of the individual for profit or loss.

The integration factor is explained in paragraph (3) of subsection (d). Integration is said to exist if services are "merged into and performed in the course of" the business of another, the scope and functions of which must also be determined. The manner of ascertaining the scope and functions of a business is not explained, nor is any test suggested for determining when services are merged into a business. Instead, this paragraph continues and concludes with an enumeration of circumstances which may establish integration. The first of these is that the services are essential to the operation of the business of the person for whom they are rendered. This conveys little, if any, meaning since presumably services, whether to be performed by employees or by independent contractors, would not be contracted and paid for if they were not essential to operation of the proprietor's business. The second is that the services, though not essential to the business of the person for whom rendered, are performed in the course of such business. What is meant by this is not apparent. The rest of the circumstances listed are in large measure the same as those enumerated in subsection (d) (1) as tending to establish the existence of power of control. From this it would appear to follow that if the control factor exists the integration factor also exists and vice versa.

Subsection (c) entitled "Significance of factors" points out that no single factor is controlling; that all are to be weighed for their composite effect and that it is the total situation in the case that governs in the determination. This statement is in accordance with the Supreme Court's opinions. Subsection (c) concludes, however, with the following paragraph:

"One fact or element may establish or tend to establish the existence of more than one factor, and may even have an independent value of its own as tending to establish either the employer-employee relationship or the independent contractor relationship. For example, the fact that the person for whom services are performed has the right or power without cause or on short notice to terminate the relationship with the individual performing the services, is relevant not only to control as a factor but also permanency as a factor. Generally, the right or power to terminate the relationship without cause or on short notice also points directly to the existence of the employer-employee relationship."

This paragraph appears to conflict both with the previous statements in the same subsection already mentioned and with the Court's direction that no one factor is controlling, all should be considered and the determination made on the basis of the total situation. It is submitted that the right to terminate without cause or on short notice is relevant as to permanency but is irrelevant as to control. The concluding sentence in the statement last quoted is entirely unwarranted. Control is one factor; permanency of the relation is another. Not only are they independent of each other, and entitled each to separate consideration, but the separate existence of either of them or of any other single factor cannot constitute the total situation which the Court said shall be determinative. Some of the most obvious independent contractor relationships, especially in cases of performance of professional services, are subject to the right and power of the person for whom they are performed to terminate the relationship at any time. In most of them the relationships in fact continue for long indefinite periods. Certainly it cannot be said that such relationships are generally those of employer and employee. On the contrary they are almost universally independent contractor cases.

The last paragraph of subsection (d) (1) relating to the control factor expresses the same thought as the above-quoted paragraph in subsection (c) and is accordingly subject to the same criticism.

Subsection (d) (2) deals with the permanency factor. In Silk and Bartels the Court recognized that a permanent relationship is a factor tending to establish the employer-employee status. The regulation, however, contains a description of permanency which is apparently intended to cover situations comparable to that of the unloaders in the Silk case. It is submitted that the Court did not intend to characterize situations involving such floaters as constituting permanent relationship. The conclusion that the unloaders were employees did not carry with it a determination that the permanency factor existed. They were held to be employees because of the predominance of the other factors indicating that status, despite the absence of a permanent relationship, and the regulation errs in attempting to describe comparable situations as involving permanent relationships. Just as an employee status may exist in cases of impermanent relationships, so may an independent-contractor status exist where the relationships are continuous and of long duration.

Subsection (d) (4) relates to the skill factor. It begins with statements to the effect that the performance of services requiring a high degree of skill tends to establish an independent-contractor relationship, whereas the performance of services requiring little or no skill tends to establish an employer-employee relationship. Such a thought is apparently what the Supreme Court had in mind in mentioning this factor. The remainder of subsection (d) (4) is as follows:

"However, a requirement of little or no skill in the performance of the services is usually more indicative than is a requirement of a greater amount of skill in determining which relationship exists between the person for whom the services are performed and the individual performing them; that is, usually the absence of skill points more clearly toward an employer-employee relationship than the presence of skill points toward an independent relationship."

It is submitted that the quoted provision is entirely without justification. No explanation is offered why "the absence of skill points more clearly toward an employer-employee relationship than the presence of skill points toward an independent contractor relationship." It is believed that no rational explanation can be made. It may be that in terms of total numbers of workers in the Nation there are proportionately fewer unskilled laborers who are independent contractors than there are highly skilled workers occupying that status. To assume some figures for purposes of illustration it is conceivable that out of every 100 unskilled workers 99 are employees of others and only 1 is self-employed, whereas out of every 100 highly skilled workers perhaps only 10 or 20 are independent contractors and as many as 80 or 90 are employed by others. Such statistics, assuming their accuracy, only reflect a condition or factual situation which exists. They illustrate a result, not a cause. They would justify no more than the conclusion that as between a totally unskilled laborer and a highly skilled worker there is a greater probability under the law of averages that the former is an employee than there is that the latter is an independent contractor, but they furnish no premise whatever for the conclusion stated in the regulation. Again, the skill factor is only one of several entering into the determination of status. If the percentage of highly skilled workers who are employees is greater than the percentage of unskilled laborers who are independent contractors that is because material factors, other than the skill factor, predominate one way or the other and not because the absence of skill has more probative force than does its presence.

The discussion of the investment in facilities factor in subsection (d) (5) contains the statement that:

"* * * if the individual performing the services purchases a piece of equipment on a time basis either from the person for whom the services are performed or through the use of the credit of such person, and if the value of the individual's equity in the equipment is never substantial, the investment factor will have little or no significance as pointing to an independent contractor relationship. Likewise, the ownership by the individual of facilities which are inadequate to perform services of the nature involved independently of the facilities of another will have little or no significance in pointing toward an independent contractor relationship."

The above provision injects an element in this factor which is unwarranted under the Court's opinions. The fact that the purchase of equipment may be financed by the person for whom the services are performed does not derogate from the fact that there is still an investment by the purchaser. This investment should not become of little or no significance merely because the value of the purchaser's equity may never become substantial. Whether or not it does will depend largely upon the degree of financial success attained by his enterprise. Certainly the right to establish one's own business is not limited to those with means of their own sufficient to finance their undertakings, and in many small businesses outside financing at least initially furnishes the sole source of capital. They are nevertheless independent enterprises and they remain such whether or not they prosper and regardless of the sources from which necessary capital is borrowed.

One situation in which the facilities of independent contractors are commonly financed by the persons for whom they perform services is that existing with respect to lumber operations in the southern portions of the country. The owners of the timberlands commonly contract with others to cut timber on a cordage or board-foot basis. The timber owners frequently purchase the trucks and saws necessary for the operations and resell them to the cutters under contracts of conditional sale. Such arrangements have

been in existence long prior to the enactment of social-security legislation. The timber owners not only do not know the amount or basis of compensation paid by the cutters to persons engaged by them to do the actual work, but they do not even know and have no way of knowing who the workmen are. The persons contracting with the owners of the timber under such situations have always been regarded as the proprietors of independent enterprises and under general understanding and usage, which the proposed amendments recognize, they have been properly so regarded. It is submitted that this is not any less so merely because their equity in the equipment which they use may not become substantial.

The fact that facilities of others must be employed to perform the services in question also should not be of little or no significance in pointing toward an independent contractor relationship unless the facilities are owned by the person for whom the services are performed. The latter is not concerned with whether those with whom he does business own, rent, or borrow their equipment. The point is that facilities other than his are necessary for the work which is done for him, and if they are furnished and used by others than his own employees the fact that the persons so using them may not themselves own them does not detract from the independent contractor relationship.

There are even instances where the persons performing the services employ only facilities owned by those for whom the services are performed and yet clearly qualify as independent contractors. An instance of such situations may be found in the case of pilots engaged by the owners of ocean-going vessels to bring the ships into and out of port. The only facilities employed by such pilots for the performance of their services are the vessels themselves. Although the vessels remain the property of the owners at all times, it is recognized that the pilot from the moment he undertakes his duties until he completes them is in complete control.

Subsection (d) (6) dealing with the opportunities for profit or loss contains the statement that "profit or loss" generally implies the use of capital by the individual in a going business of his own. This statement entirely ignores the fact that personal-service businesses are no less independent enterprises than are those in which capital is a material income-producting factor.

This subsection also provides that:

"Opportunity for profit or loss may in particular cases be established, in varying degrees, by one or more of a variety of circumstances, such as the fact that the individual has continuing and recurring liabilities or obligations with risk of loss and opportunity for profit, depending upon the relation of receipts to expenditures and charges; the fact that the individual performing the services is assisted by helpers whom he is obligated to pay; the fact that the individual performs services under an agreement to complete a specific job or piece of work for a total remuneration or price agreed on in advance; and the fact that the services of the individual support or affect good will as an asset of his own rather than the separate good will of the person for whom the services are performed."

Many of the circumstances enumerated in this provision are the same as are listed in subsection (d) (3) as tending to establish the integration factor and the same as most of those enumerated in subsection (a) as characteristics of the typical independent contractor. This confusion of factors is subject to the same criticism which has been made with respect to other provisions of the amendments, namely, that the factors mentioned by the court are separate factors, independent of each other and entitled each to separate determination and consideration. In combination they comprise the total situation but one does not establish another and none of them alone can establish the ultimate question of status.

Mention should also be made of some of the specific provisions of subsection (e) entitled "Miscellaneous Provisions." For example, the fact that an individual performing services assisted by others of his own choosing whom he compensates and supervises is, it is submitted, a rather strong indication that he is an independent contractor and is not merely "in a doubtful case * * * some indication * * * of the existence of such relationship" as it is characterized in the amendments.

The last sentence in the second paragraph of this subsection states in effect that if an employee hires, supervises, or pays others to assist him in performing his services, his employer expressly or impliedly consenting to such arrangements, then the persons so hired are also employees of that employer. This statement cannot be accepted as a rule of universal application. In most instances, of course, an employee engaging assistants has authority to do so for the account of his employer and in all such cases those assistants are also employees of that employer. However, there is no reason in law or in fact why the employer cannot limit his consent to the hiring of assistants solely for the personal account of his employee and in the absence of such an arrangement being made solely for the purpose of shifting tax liability there is no reason why it should not be effective. The status of such assistants as between themselves and the employer of the person who engages them is to be determined in the light of the circumstances affecting the relationship between them. Again, all of such circumstances require consideration and there can be no absolute rule for determining the question of status.

As has been previously pointed out, the function of administrative regulations should be to provide rules which will serve to aid the efficient administration and enforcement of laws enacted by Congress in accordance with their intent and purpose. Employment-tax regulations should furnish, insofar as possible, reasonable and understandable guides for the employing public so that the status of a particular relationship can be determined in most instances without undue uncertainty. Under the existing regulations it is possible for employers to determine with some reasonable degree of certainty where they stand in most situations. The amendments propose now to discard the valuable experience of the 11-year period during which we have had social security legislation. They are so vague, illusory, and self-contradictory that they will serve to create vast areas of doubt and confusion in the place of existing certainty. Thousands of employers who have no doubt as to their status at this time will now have no reasonable idea where they stand under the proposed amendments.

III

The proposed amendments are open to criticism on the further ground that they attempt to prescribe rules of evidence and purport to state the findings which should follow where certain facts appear. This is scarcely the function of administrative officers charged with the duty of enforcing the statute. Rather it is the function of the courts and it is at least doubtful whether an attempt to thus foreclose the judicial branch of the Government by administrative regulations is valid or would be successful.

It has long been settled that a statute authorizing administrative regulations is not a delegation of legislative power. *U. S.* v. *Grimaud* (220 U. S. 506). Thus the authority to make regulations does not carry with it any power to declare that enumerated bits of evidence shall establish certain facts, even assuming the legislative power to do so. It has been repeatedly held that Treasury regulations cannot prescribe rules of evidence for judicial proceedings. *Second National Bank of Philadelphia* v. *Commissioner* (33 BTA 750, 755); *Safe Deposit & Trust Company of Baltimore, Executor* v. *Commisisoner* (35 BTA 259, 264, 95 F (2d) 806 (CCA 4)); *Commisisoner* v. *S. F. Shattuck* (97 F. (2d) 790 (CCA 7)).

Of course, the Commissioner may instruct his field force to give certain weight to certain evidence, but such instructions have no place in formal Treasury regulations. The reason is obvious. Appropriate Treasury regulations are given weight by the courts, but this practice is properly confined to regulations which merely state administrative procedures, exercise statutory discretion conferred upon the administrative officers by Congress, or state the administrative interpretation of the formal text of the statute. Congress attempted no definition of the term employee. Neither did it specifically delegate to the administrative officers the authority to supply an unorthodox definition. The Commissioner might well follow the example of Congress, as did the Supreme Court in a recent tax case—*Bazley* v. *Commissioner* (67 S. Ct. 1489). There the Court said:

"Congress has not attempted a definition of what is recapitalization and we shall follow its example. The search for relevant meaning is often satisfied not by a futile attempt at abstract definition but by pricking a line through concrete applications. Meaning frequently is built up by assured recognition of what does not come within a concept the content of which is in controversy."

In these circumstances the Commissioner should limit the regulations to the class of material which the courts recognize as a proper exercise of the rule-making power and not attempt to influence the courts by loading the regulations with other material which the courts should disregard. The inclusion of such extraneous matter can only serve to confuse and will at times result in a failure to distinguish between those portions of the regulations which are entitled to respect and those portions which should be disregarded as attempts to formulate rules of evidence.

Finally, it should be pointed out that the Treasury Department, contrary to its apparent belief, is under no compulsion as the result of the recent decisions of the Supreme Court to modify its existing regulations. Indeed, the Supreme Court in reaching its decisions in the recent cases before it cited the long-standing social-security regulations with approval in support of its decisions.

In no way did the Court express disapproval of those regulations or indicate that it believed them to require modification. In view of the respect which the Court has on numerous occasions shown to long-standing regulations of administrative agencies of the Government it would hardly have invalidated the existing regulations without making it plain that it was so doing.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, the question of whether or not social security should be extended or expanded is not before us this afternoon as we consider this resolution. I personally believe it should be expanded, and I believe that in due time the House Committee on Ways and Means will bring legislation to us bringing untold thousands of additional citizens under the Social Security Act. A great deal has been said here this afternoon about the well-known Fuller brush salesmen and insurance agents. It so happens that the home office and the main factory of the

Fuller Brush Co. is in the congressional district which I have the honor to represent. I cannot understand for the life of me how anybody can contend that under their contracts Fuller brush salesmen are employees of the Fuller Brush Co. They simply buy their brushes at the wholesale price and sell them for as near the retail price as they can. How can the Fuller Brush Co. withhold for social security from the earnings of the Fuller brush salesmen? The company holds no money of theirs. They ship them the brushes. They bill them for the brushes. Within 30 days they are paid for the brushes. Nobody at the Fuller Brush Co. knows whether a particular brush was sold for 75 cents or $1.50. Nobody at the Fuller Brush Co. knows what the earnings of any particular salesman is in any part of the United States.

As to insurance agents, if you will pardon a personal reference, except for the time I have been in the Congress I have earned my livelihood by selling insurance. I have many friends in the insurance business. I have yet to meet an insurance agent who has expressed any desire to me of being brought under social security, because that is one group in our country who, under the terms of their contracts, certainly do not need the protection of social security. If I may use my own case as an illustration, at the present time I am licensed by 14 different companies with home offices in 9 different States. Who is going to withhold for social-security purposes? Or if things go a little further and they require withholding for tax purposes, who is going to do the withholding? I am not an employee of any of those companies. With some of the companies I have a contract. With other companies I have no contract, but I am licensed by their authority and approval by the State of Connecticut. I am empowered under that license to bind that company for millions of dollars, to issue policies and to collect premiums, but I am certainly not their employee. They have no control over my time. I do not know, as a practical matter, how any of those companies would know what to withhold. Am I to start out in the morning with my little notebook and say, "For the first hour I will be an employee of the Philadelphia National Fire Insurance Co."? I make that one call. Now I say, "I guess I will work for the Travelers for half an hour." But my prospect crosses me up, and instead of wanting fire insurance he wants a life-insurance policy, so I have to get my notebook and become an employee of the Aetna Life Insurance Co. As a practical matter, it simply will not work. When a life-insurance agent reaches retirement age, his renewals go on, in most cases as long as he lives; in many cases to his widow. So he certainly could not draw benefits under that particular section of the act.

When is an insurance salesman unemployed? Never, as long as he is an insurance agent, because he can go out and work any time he wants to, day or night, Sundays or holidays, or holy days, if he wants to. So he would be contributing to that fund with never any likelihood or opportunity of collecting from it. I do not think any fair-minded citizen can contend at this late date that it was ever the intention of Congress when this law was enacted that men engaged in these types of occupation, who, for all practical purposes, are independent businessmen, were ever intended to come under social security. So I contend that the title of this resolution is correct. It is to maintain the status quo, as Congress wrote the law, and as Congress intended it should be interpreted.

I hope the resolution is overwhelmingly agreed to.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. MILLER] has expired.

Mr. EBERHARTER. Mr. Chairman, I yield to the gentleman from Arkansas [Mr. MILLS] such time as he may desire.

Mr. MILLS. Mr. Chairman, in studying House Joint Resolution 296, which would maintain the status quo of the existing Treasury regulations on social-security coverage, I examined into three major questions. The first was what the proposed regulations would do; the second was whether regulations such as are proposed are required under the Supreme Court decisions, and the third was whether House Joint Resolution 296 is justified.

I found that the proposed regulations are expected to reverse the status under the present regulations and rulings of between a half and three-quarters of a million individuals presently recognized as self-employed. This fact is disclosed by the letter of the Secretary of the Treasury, printed on page 13 of our committee report on the pending legislation.

I also found from studying the proposed regulations that no one could even hazard an intelligent guess as to what different types of independent contractors, brokers, and dealers would be considered employees. For, as stated by the Secretary of the Treasury, social-security coverage under the proposed regulations would be determined on the principles of economic reality instead of on the common-law principles reflected by the existing regulations. The Secretary refers to relative economic positions of parties to an arrangement. This emphasizes the uncertainty of the proposed test. I believe we can all agree on the relative economic positions of an automobile manufacturer and its dealers. However, I do not believe that many of us would conclude that these dealers are employees of the manufacturer because of their relative economic positions. The proposed regulations are so broad that no one can forecast just how the proposed economic reality test would be applied by the persons making administrative rulings. The concept is a new one, and there are no precedents.

The Treasury obviously must have determined already the more important types of arrangements which will be affected by the proposed regulations or it would have no basis for its estimate as to the number who will be affected. Nevertheless, the regulations themselves are so drawn that no one outside the Treasury can ascertain whether particular situations will be considered employment under the proposed yardstick of economic reality.

Before describing the important results which flow from retroactive features of the proposed regulations, I should like to point out why retroactivity is an inescapable feature whenever an attempt is made to extend social-security coverage by regulations instead of by amendment to the law. In case Congress decides to extend coverage, as it has in the past, for several important reasons it extends coverage prospectively, not retroactively. It changes the law so that certain employment will be covered after a certain date—so that wages from the newly covered employment will thereafter be subjected to the social-security tax, and will be counted for benefit purposes.

In contrast, the courts and administrative agencies can do no more than interpret the provisions Congress has written. They cannot go further than to state what Congress intended when it wrote and enacted the statute. As nothing has ever been enacted by the Congress changing the original definition of employee, any change in the regulations as to the employment relation is, therefore, necessarily retroactive to the beginning of the act. This is true of the proposed Treasury regulations. It must also be true of the identical new regulations which the Federal Security Agency will promulgate if the proposed Treasury regulations become effective. While Treasury proposes to exercise its authority to excuse social-security tax payments for past coverage as extended by the proposed regulations, Federal Security has no authority to exclude this past coverage for benefit purposes. These limitations on possible scope of action would result in an enormous amount of past wages being retroactively credited for benefit purposes, but no contributions payable.

After reading the provisions of the proposed regulations relieving employers from past taxes, I was struck by the fact that many taxpayers who had properly paid the employers' tax under existing regulations would be in a position to recover their payments if the proposed regulations are enacted, but that the person who would be substituted as employer under the proposed regulations would not be required to pay these back taxes. Recovery by the person who was ruled to be the employer under present regulations would be based on the fact that the proposed new regulations are made retroactive for coverage purposes. But the person held to be employer under the proposed regulations, by virtue of express provisions thereof, would be relieved from these taxes for past employment. Mention was made by the Secretary of the Treasury in his letter of selling agents, brokers, bulk oil operators, store managers, and motion-picture theater managers. It is easy to see that if such persons, who have been ruled to be the employers and who have paid the employers' tax on a large number of employees under existing regulations, are now held to be employees and accordingly entitled to recover these payments, there will be very large tax recoveries, but no offsetting amounts paid by those who would be substituted as the employers under the proposed regulations.

You will recall the recent Supreme Court case which held that an amusement company contracting for a name band was not the employer, as the "Petrillo" provision of the contract was a sham, and that the band leader was the employer. The amusement company can now recover its tax payments. The orchestra leaders must pay these back taxes. But under the proposed regulations, the orchestra leaders will be excused from paying them. The Government will be left holding the bag. This same result will follow in the case of the company and the truck operators in the Silk case and in the Greyvan case. The Treasury letter did not point out these results of the proposed regulations. The Treasury did not point out that if bulk station operators who have been held to be employers and subject to the tax are now held to be employees, they will receive not only free social-security coverage, but also a windfall social-security tax rebate.

Can anyone opposing House Joint Resolution 296 justify the tremendous total of free wage credit which would be provided for benefit purposes if it is defeated? The Treasury's letter estimates that wage credits under the proposed extended coverage amounts to a billion and a quarter dollars per year. Thus the total of retroactive credits will run to many billions. This free retroactive wage credit is important because it means that large amounts of free benefits will be paid based on the credits. How much these benefits will be was not estimated by the Treasury or the Federal Security Agency, but the total will obviously be a very large sum.

It is of deep concern to everyone who believes in the principles of the contributory system of old-age and survivors insurance that its basic principles be preserved. If we violate its basic principle by paying benefits for which no contributions have been required or paid, I am uncertain as to whether the contributory system can long endure. But that is exactly what will happen if the proposed Treasury regulations are put into effect. If we permit the proposed regulations to become effective we shall be giving billions of free wage credits to a fortunate half to three-quarters of a million individuals. If we thus give this fortunate group millions of dollars of free benefits at the expense of contributors, on what basis shall we resist the desire of other noncontributors to receive benefits out of the trust fund?

As I know that there will be ample discussion of the practical difficulties of the proposed regulations, their disturbing effect on large areas of business, and the unbridled administrative discretion in making coverage decisions which would result from the proposed regulations, I should like to pass on to the next major question—whether the proposed regulations are required under recent Supreme Court decisions.

I believe that reasonable men can come to different conclusions as to the effect of the Supreme Court decisions referred to in the proposed regulations—the Bartels case and the Silk and Greyvan cases. The conclusion one reaches depends upon whether he stresses certain language of the Court or of the Court's disposition of the actual issue before it.

In the Silk and Greyvan cases the Court said:

> Probably it is quite impossible to extract from the statute a rule of thumb to define the limits of the employer-employee relationship. The Social Security Agency and the courts will find that degrees of control, opportunities for profit or loss, investment in facilities, permanency of relation, and skill required in the claimed independent operation are important for decision. No one is controlling nor is the list complete.

It is quite apparent that the proposed regulations are based on this statement of the Court.

But in the Silk and Greyvan cases the actual issues before the Court were: First, whether certain coal shovelers were employees of Silk; second, whether certain coal truckers were employees of Silk, and, third, whether certain van operators were employees of Greyvan. In each of these situations the Commissioner of Internal Revenue had found that the persons concerned were employees under the existing regulations because of the direction and control vested in Silk and Greyvan over their activities.

In the case of the coal shovelers, who unloaded coal at so much per car on Silk's premises, the Court stated:

> Silk was in a position to exercise all necessary supervision over their simple tasks. Unloaders have often been held to be employees in tort cases.

This would have afforded ample basis for the actual holding, which sustained the Commissioner's ruling, as it brings them within the purview of existing regulations. The existing regulations certainly need no amendment to cover this type of situation as it is already covered.

In the case of the truck and van operators, likewise, there was very substantial direction and control. As stated in the majority opinion of the Court:

> There are cases, too, where driver-owners of truck or wagons have been held employees in accident suits at tort or under workmen's compensation laws.

The Court said of the employer-employee relationship in the Greyvan situation that—

> While many factors in this case indicate such control as to give rise to that relationship we think the most vital one is missing because of the complete control of the truckmen as to how many, if any, and what helpers they make use of in their operations.

The Supreme Court added certain additional reasons for holding the truck and van operators independent contractors despite direction and control, saying:

> We agree with the decisions below in Silk and Greyvan that where the arrangements leave the driver-owners so much responsibility for investment and management as here, they must be held to be independent contractors * * * they own their own trucks, they hire their own helpers.

In the Bartels case the Court held that, as the contract forced on the amusement operators by the musicians' union was a sham, Internal Revenue did not have the election of relieving the orchestra leaders of tax liability and imposing it on the operators. The fact that the Court referred to the Silk case in its opinion and repeated some of its dicta, of course, does not change what the Court actually held.

Thus the actual holdings in the Silk, Greyvan, and Bartels cases released from social-security coverage three of the four situations originally held covered under existing regulations. The question is whether the dicta in these cases require revised regulations extending coverage to a half millon or more persons previously held to be independent contractors.

It would seem to be at least a debatable question as to whether these decisions justify, let alone require, the sweeping changes of the proposed regulations. I do not say that there is no reasonable basis for scrapping the existing regulations and substituting the proposed new yardsticks for determining the employer-employee relationship. I do feel, however, that as the proposed yardsticks were announced in cases where direction and control was ample to sustain coverage, and were used as a basis of excluding from coverage persons who might have been otherwise covered, there is no clear and compelling mandate to apply the yardstick to situations where there is little or no actual or potential control. It would seem to be a reasonable precaution to wait until the court had considered one of these cases before proposing regulations which may be construed to relieve a large number of independent contractors of their obligations as employers and provide them with free past social-security coverage, and with windfall tax rebates at the expense of the Old-Age and Survivors Insurance Trust Fund. The court did not have this type of situation before it in disposing of the Silk, Greyvan, and Bartels cases.

Regardless of how we may feel about the Court decisions and the proposed regulations, I believe we can agree on two or three fundamental considerations.

First, that it is perfectly clear from the legislative history of the Social Security Act, set forth at length in the report of House Joint Resolution 296, that Congress has never intended to base coverage on the economic reality test set out in the proposed regulations.

Second, that when coverage is extended it should not be on the basis of free retroactive coverage, for this is inequitable to those whose contributions have built up the fund, and incompatible with the American principle of special favors toward none.

Third, that when coverage is extended, there will be no provision giving retroactive tax rebates to band leaders and others who are employers under the tests laid down by the present regulations.

Fourth, that when coverage is changed it should be changed after careful consideration by the Congress itself, and not by action of any other division of the Government.

To me, at least, these are compelling reasons to vote for House Joint Resolution 296, which expresses the original and continuing intent of the Congress that the employer-employee relationship shall be determined under the common-law rules and precedents, and which will insure against departure from the present long-established regulations and rulings thereunder until the

Congress considers and acts on changes in social-security coverage.

Mr. EBERHARTER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I believe we have not a more sincere or earnest Member of the House than the gentleman from California who has proposed this resolution. I believe that he has but one thing in mind, and that is to clarify the definition of master and servant, as used in our social-security laws. I do not believe that he has in mind to withdraw from coverage any substantial amount of those employees who are presently covered, either by reason of the plain terms of the law itself or under the recent decisions of the Supreme Court. I feel, however, that our distinguished colleague has done just the reverse of what he intended to do. Under this resolution, in my opinion, he does not clarify the definition of master and servant, but makes it so vague and uncertain as to insure further litigation. On the other hand, he does by his resolution do exactly what I am sure he does not want to do; and that is to take out from under coverage somewhere between a half and three-quarters of a million people.

This definition of "employee" and "employer," which he says is to be found under the usual common-law rule, requires an examination of the court decisions in the several States. Instead of referring to the "usual common-law rule," if he wants to give a definition that is clear and convincing, why does he not give a precise definition of what constitutes the master-and-servant relationship? The usual common-law rule in New York State as to master and servant may be entirely different from the usual common-law rule, if they have a common-law rule, in the State of Louisiana, or any other State in the Union. So I am in accord with what the gentleman from Pennsylvania has said; namely, that instead of making this law more clear and concise, it just opens the door to future litigation.

I listened to the gentleman from Connecticut with respect to the insurance cases that he mentioned. I believe the answer to this proposition of his is to do what I think the Ways and Means Committee will eventually do, and that is to recommend to this House further and more extensive coverage of persons, so that those who are certainly employed, those who are what might be called on the border line of employment, and the self-employed will all be covered under social security. When that is done, we shall not be faced with these litigious questions that are now before us.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. MILLER of Connecticut. I certainly would agree to that. There are groups in the insurance industry that I think should be covered; but I think it should be done by the committee and after giving the insurance companies a chance to change and revise their existing contracts, which I think would take months, rather than to do it by an order which came out unexpectedly and without warning.

Mr. LYNCH. I am glad the gentleman agrees with me in that respect, but this order has not come without warning, and this order follows the decision of the Supreme Court.

The gentleman from Pennsylvania [Mr. SIMPSON] asked whether the Treasury Department was not lax in not knowing what the decision was and in not collecting these taxes beforehand. I think it is common knowledge that on almost every piece of important legislation having to do with social welfare there has never been a final and ultimate decision until we got to the Supreme Court.

Mr. LYNCH. There is in all this social-welfare legislation, as I said, the necessity of going almost to the top court of the land before it is finally determined what the Congress had in mind. There is nothing unusual about that. That is why we have courts. They are the interpretative part of our Government. That is what the Supreme Court has done in this case. Of course, we can say, "Well, it was not the intention of Congress in 1935 that these border-line cases should be included, or the Congress in 1935 or 1939 did not go as far as the United States Supreme Court decision has indicated." The fact of the matter is that those decisions are the law of the land and the further fact that those persons who the Supreme Court has said are covered will be protected up until the time the resolution actually becomes law.

Whatever disagreement there may be about the pending bill, House Joint Resolution 296, it must be admitted that some 500,000 to 750,000 workers and their families entitled to social-security coverage under existing law will not have such protection if this bill is enacted.

Now, we could debate for weeks the question whether Congress back in 1935, when the Social Security Act was passed, considered these people to be employees within the scope of the act. The Supreme Court, the highest tribunal in the land, has finally decided that question for us.

So what is the question today? It is whether the Eightieth Congress is to curtail to a substantial degree the scope of social-security coverage provided by the Seventy-fourth Congress. If this bill becomes law, textile home workers—whose economic status is usually worse than workers in the sweatshops—will be denied coverage. Outside salesmen, who are just as much an integral part of a manufacturer's business as is the man in the foundry, will no longer be insured against the risks of unemployment and old age.

The majority report on the bill stated that coverage of persons engaged in delivery, distribution or sale of newspapers, magazines, and periodicals is an issue.

I find it difficult to understand why so many of those who are interested specifically in excluding newspaper and magazines vendors from social-security coverage are concentrating their support on House Joint Resolution 296. In the first place, to use a measure as sweeping as the one now before the House, which would deprive of social-security coverage anywhere from one-half to three-quarter million employees who have no connection with newspapers or magazines, in order to strike at the coverage of newspaper and magazine vendors is like using a blunderbuss to kill a sparrow or a sledge hammer to smash a gnat.

In the second place, it is doubtful to what extent the present resolution would accomplish these people's aim. Newspaper distributors under 18 are already excluded from coverage. Many, perhaps most, adult street vendors of newspapers and magazines are excluded even under the Supreme Court decisions which the resolution would nullify, because such vendors, even under a broad view, are independent contractors rather than employees of the publishers. On the other hand, even if this resolution should be finally enacted, some adult vendors would still be covered because they work under arrangements which make them employees of the publishers even at common law. For instance, in the case out in California which started all the excitement about news vendors, there was a great deal of control exercised by the newspapers and a minimum remuneration was guaranteed. I think it is very doubtful whether writing common-law rules into the law would exclude those vendors from the Social Security System. At any rate, the matter would have to be carried through the courts before anybody could be sure of the answer. Thus the most that could be said for the joint resolution is that it might reduce the number of vendors who would be held to be employees, but on the other hand might engender a great many lawsuits to determine just who is in and who is out.

It seems to me, therefore, that those who espouse the exclusion of newspaper and magazine vendors, and I am one, should concentrate on another bill, now pending in this House, which would accomplish specifically this aim and nothing else. This bill is H. R. 5052 which has been reported out by the Ways and Means Committee and is now on the calendar. In this way, Congress would have an opportunity to consider that question on its own merits, without being encumbered by the many questions and difficulties inherent in House Joint Resolution 296.

In my opinion, this bill should not pass.

Mr. GRANT of Indiana. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Indiana.

Mr. GRANT of Indiana. When the Congress passed the Social Security Act it intended that employees who pay taxes under the system should get the benefits under title II. Those who today oppose this resolution are in effect saying that many who made no contribution whatever through social-security taxes are to drain this fund built up under title II by social-security taxes; is that not correct?

Mr. LYNCH. I can see some logic to the question put by the gentleman, but I think the answer to it is that because the Treasury Department or the Social Security Administration did not collect the tax does not alter the situation regarding the rights of employees to benefits. I do not believe that because of the failure of the Government to collect and the employer to pay and withhold a tax, that those who are entitled under the Supreme Court decision to coverage should

be denied this protection. The Social Security Board would clearly under the Social Security Act be obliged to pay benefits to these employees even though they had not in fact contributed.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. EBERHARTER. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE of Illinois. Mr. Chairman, the Republican Party in national convention in Chicago in June 1944, stated in its platform:

> Our goal is to prevent hardship and poverty in America. That goal is attainable by reason of the productive ability of free American labor, industry, and agriculture, if supplemented by a system of social security on sound principles. We pledge our support for the extension of the existing old-age insurance and unemployment insurance systems to all employees not already covered.

The President, the spokesman for the Democratic Party, in his message on the State of the Union on January 7, 1948, said:

> Over the past 12 years we have erected a sound framework of social security legislation. Many millions of our citizens are now protected against the loss of income which can come with unemployment, old age, or the death of wage earners. Yet our system has gaps and inconsistencies; it is only half-finished. We should now extend unemployment compensation, old-age benefits, and survivors' benefits to millions who are not now protected. We should also raise the level of benefits.

Both parties are committed to the policy of extending social-security benefits to groups not now covered by the act. Yet, today, we find support for a measure that is diametrically opposed to these commitments. House Joint Resolution 296 would amend the Social Security Act to take away from almost a million people the right to accumulate wage credits for benefits. Instead of extending protection against the economic hazards caused by death or old age, as promised, the sponsors of this measure would have this Congress snatch away the security to which these men and women are legally entitled. They would have us wipe social-security credits off the records of thousands of commission salesmen, piece workers, and women who work in their own homes instead of in the factories of their employers. We promise security for all, but actually we strip security from those who have it. This is hypocrisy.

And what is the justification for this action? It is said that the issue is whether the scope of social-security coverage should be determined by Congress or by other branches of the Government. It is alleged that the administering agencies and the Supreme Court have arbitrarily expanded coverage by misinterpreting the intent of Congress.

The Social Security Act specifies that employment covered by the law shall be "by an employee for the person employing him." It is not unreasonable for the administering agencies and the Supreme Court to examine the employment relationship to determine if a worker is in fact an employee.

For example, there are many different arrangements between salesmen and the organizations for which they sell. Many are regular employees paid a salary and expenses who would continue to have social-security rights even if this resolution is adopted. Others are truly independent contractors; for example, those who purchase a stock of goods outright and maintain their own business establishments. They are not covered under the present social-security law. In between there is every gradation of dependence and independence just as there is in the other areas affected by this proposed legislation. There is no single clear-cut test that determines which are sheep and which are goats. All of the elements of the relationship must be examined, such as its permanence, the skill required in the performance of the work, the investment in the facilities for work, the opportunity for the salesman's profit or loss and, finally, the degree of control that can be exercised over his activities. The Treasury Department and the Social Security Administration are simply applying these tests in determining whether particular workers are in fact employees or independent contractors. This is not a capricious interpretation of the law; it is reasonable, and it is so recognized by the Supreme Court. If these agencies were to limit their examination of employer-employee relationships to any one factor in this arrangement, many of their decisions inevitably would be artificial. House Joint Resolution 296 would compel these agencies to look at only part of the facts.

It has been the practice of certain employers to alter the form but not the effect of their agreements with their employees for the specific purpose of avoiding the common law "control test" of employer-employee relationship. I am told that some oil companies have changed the managers of their filling stations into licensees; of course, the company retains title to the station and to all its products sold. The licensee is required to maintain his station at certain standards but he is paid according to the number of gallons of gasoline he sells. It was not the intent of Congress to allow employers to avoid their responsibility to employees and to deprive them of social security benefits simply by changing certain superficial details of an employment arrangement.

The argument that other branches of Government have extended coverage of the Social Security Act when using realistic tests of employer-employee relationships is simply window dressing. The real question is whether the advantage and convenience of a certain few employers is sufficient justification for depriving almost a million families of security to which they are now legally and morally entitled.

I challenge both parties to stand by their solemn pledges to the people. I ask each Member of the Congress to examine and weigh the real implications of this hastily conceived resolution. I urge that it be defeated.

Mr. EBERHARTER. Mr. Chairman, I yield 10 minutes to gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, the cunning and deception of House Joint Resolution 296 is suggested by its title: "A bill to maintain the status quo in respect of certain employment taxes and social-security benefits," and so forth. Now we never need legislation to maintain the status quo—legislation is required only to create change. Change can be of two varieties of motion—forward or backward. In this case it is definitely backward.

The pending bill would exclude from social-security coverage—old-age and survivors' insurance benefits and unemployment insurance protection—some 500,000 to 750,000 employees and their dependents. The Supreme Court has held that the Seventy-fourth Congress intended to give all these thousands of people and their families the security against death, unemployment, and old age provided by the Social Security Act. The Eightieth Congress now proposes to take away this protection.

Mr. Chairman, I am opposed to this bill. I do not think that the gentleman from California [Mr. GEARHART] is able to stand here today and interpret the intention of Congress in 1935.

Under our system of Government we have a separation of powers. Here in the Congress we legislate. The executive branch of the Government administers the laws which we pass, and the Supreme Court interprets the intention of Congress. It was clearly the intention of Congress in 1935, and I do not think anybody has disputed this, that all employees, with certain specified exceptions, were to be covered by the social-security bill that they passed. Because of the complexity of our business life it has sometimes not been easy to determine in certain cases who is an employee and who is an employer. So, the matter of interpretation of who is an employer or employee has gone to the Supreme Court and the decision has been handed down by the highest tribunal of the land. The majority, however, now presume to take unto the Congress the interpretative powers vested in the Supreme Court and without justification castigate the executive department for complying with their constitutional duty to follow the decisions of the Supreme Court.

Mr. Chairman, this is a shocking piece of legislation. During the past several months I have grown accustomed to the sight of this Congress turning back the clock—crippling where they do not dare repeal, or boring away like termites in an effort to undermine the progress of the preceding 14 years.

This attack on social-security coverage was something I, at first, did not understand. I was not a Member of Congress in 1935, when the Social Security Act was passed, but it had been my impression that the Congress was practically unanimous in recognizing the need and the wisdom of its provisions. I decided to look into the matter—to check the record. And, Mr. Chairman, this is what I found:

The entire Republican membership of the Ways and Means Committee filed a minority report in 1935 on the original social-security bill protesting that the old-age and survivors insurance titles of the act were unconstitutional, and ex-

pressing doubt whether the unemployment insurance provisions would result in a general national benefit at that time.

The present chairman of the Committee on Ways and Means filed supplemental views in which he emphasized:

> The two pay-roll taxes which the bill imposes will greatly retard business recovery by driving many industries, now operating at a loss, into bankruptcy, or by forcing them to close down entirely, thereby further increasing unemployment, which would greatly retard recovery.

Instead of establishing the Social Security Board, the gentleman from Minnesota would have vested the program for economic security in the Veterans' Administration.

The Republican platform of 1936 echoed this opposition to a broad, actuarially sound program by asserting that "the unemployment insurance and old-age annuity sections of the present Social Security Act are unworkable." By 1940, however, the Republican Party professed to see the light and half-heartedly favored "extension of necessary old-age benefits on an earmarked pay-as-you-go basis" and actually advocated "extension of the unemployment compensation provisions of the Social Security Act, wherever practicable, to those groups and classes not now included."

By 1944 Republican enthusiasm for the New Deal Social Security Act had reached white heat—and the national platform of that year asserted unqualifiedly:

> We pledge our support of the following:
> 1. Extension of the existing old-age insurance and unemployment insurance systems to all employees not already covered.

But Republican support of social-security expansion quietly died upon their assumption of control of Congress. Now, instead of extending coverage and benefits, they seek to take away the protection Congress has already granted.

Who are the people whose rights are now in jeopardy? Mr. Chairman, these workers, principally in the distribution and industrial home work fields, are subject to the same economic hazards as all other employees. These men and women want and need this insurance protection. For the most part, their work is similar to that of any other job holder except that they do not come to the plant when the whistle blows or report to the office promptly at 9 o'clock. They are to be found among the thousands of commission salesmen who faithfully canvas the wholesale and retail outlets of the Nation, selling the dresses, the cosmetics, the hardware, of our manufacturers. Many are insurance agents working a 12- or 14-hour day to serve the policyholders and prospective policyholders of the Nation. Others are miners who work the mines of others and have few of the characteristics of an independent businessman. Some are women who eke out an existence in home industries tying trout flies, doing fancy needlework on bedspreads or dresses for the many companies that buy their services on a piecework basis. All of these workers add to our national income; all of them either help produce or help distribute the products of industry and commerce; all of them are economically dependent on their employers; very few of them have been able to accumulate sufficient wealth to be able to provide for their families in case of retirement or death.

Let us take a closer look at a typical worker that would have his right to build credit toward a small social-security retirement check taken away from him by this resolution. Let us find out if he really is independent or if he actually is an employee who is paid by the piece or by a commission rather than by the hour or by the week. Perhaps he is a lumberjack—Ole Johnson—that agrees to cut pulpwood on a section of land owned by the ABC company. Johnson furnishes his own tools; he gets to work when he wants to in the morning and lays off a day or two if he feels like going hunting. He is paid by the number of cords of pulpwood that he delivers. He is independent of control. But is he? Can he cut that patch of seed trees that is so easy to reach? No. Can he sell the pulp to the XYZ company? No. Can he cut trees under 4 inches in diameter? No. Can he lay off a month if he wants to? Well, he could but two things would happen. He would not pay for his groceries and he would not cut any more timber for the ABC company because they want that pulp all cut before the snow goes. If Johnson lays down on the job, Irv Hansen, down the road, could be called in to cut it in Johnson's place. Perhaps the ABC company has a small portable mill that they let Johnson operate to saw up a patch of hardwood trees that are in the pulp stand he is cutting. The rent for the use of the mill depends on how many thousand feet of lumber he saws. If he saws a lot, the rent is high and if he saws only a little, it is low. But is he independent? If the mill wasn't properly used Johnson wouldn't have it long. He cannot use the mill to saw timber for another company. Is this piece-work arrangement any more than a device to gage payment? Ole Johnson is as much an employee in fact as if he worked with a regular cutting crew.

Typical also is the elderly woman home-worker who gets little clay dogs to paint from the local novelty company. They send her a model to follow; furnish her with paint brushes, paint, and a supply of the dogs. She works when she has time and if she wants to visit her niece for a day, she does, but if she fails to paint neatly or lays off for too long a period, the company will look for a more dependable worker. She has no opportunity for profit or loss; she is paid only for her labor. This woman's independence may be recognized under common law but it is not real independence in fact.

Certain classes of salesmen comprise the largest group that would lose the social-security wage credits that they now have, or could have, established to their individual accounts. Salesmen generally render responsible service to the concerns whose products they sell to the buying public. These men want social-security protection for their widows and children. They want the security of a regular income in their old age. The attitude of those salesmen who are aware of what House Joint Resolution No. 296 will do to their established rights is forcefully shown by a resolution adopted January 29, 1948, by the Atlanta Life Underwriters Association, of Atlanta, Ga. I want to read this resolution:

> *Be it resolved,* That—
>
> Whereas it has come to our attention through the insurance press that an effort is being made to block the inclusion under the Social Security Act of life-insurance agents compensated wholly by commissions; and
>
> Whereas Representative BERTRAND W. GEARHART, Republican, California, has presented a resolution known as House Joint Resolution 296, designed to deny the old-age and survivor insurance benefits of the Social Security Act to such commission agents; and
>
> Whereas this association of over 500 members has advocated and vigorously sought the rightful inclusion of such life-insurance agents under the Social Security Act; and
>
> Whereas the Social Security Board has approved, or now has pending, the individual applications of every such agent in our membership who has applied for the old-age and survivor benefits of the Social Security Act; and
>
> Whereas the Supreme Court of the United States has confirmed the rulings of the Social Security Board in that an employer-employee relationship exists and has existed and that such agents are entitled to coverage under the Social Security Act; and
>
> Whereas the exclusion from the Social Security Act of such commission life-insurance agents will represent gross discrimination: Therefore, be it
>
> *Resolved,* That this association opposes the efforts of Representative BERTRAND W. GEARHART, Republican, California, or any other person or persons, individually or collectively, to retard or delay the acknowledgment by the Treasury Department of the inclusion under the Social Security Act of life-insurance agents compensated by commissions, and, with equal emphasis this association opposes the effort by any person or persons to thwart the apparent mandate of the Social Security Board and the Supreme Court of the United States to the Treasury Department for the inclusion under the Social Security Act of such commission agents; be it further
>
> *Resolved,* That the inclusion under the Social Security Act of the life-insurance commission agents is of material interest and benefit to life-insurance companies as well as to the individuals involved, and by improving the efficiency and reducing the turnover of agency personnel the policyholders of life-insurance companies will benefit through improved service and reduced costs; it is further
>
> *Resolved,* That a copy of this resolution be forwarded immediately via air mail to our Senators WALTER F. GEORGE and RICHARD B. RUSSELL, and to Congressman JAMES C. DAVIS, with the request, and it is herein requested, that these gentlemen use their fullest influence against the resolution referred to, namely, House Joint Resolution 296.
>
> Adopted and approved at the regular monthly meeting of the Atlanta Life Underwriters Association, Atlanta, Ga.
>
> Approved:
>
> DUDLEY C. FORT,
> *President.*
>
> JANUARY 29, 1948.

Mr. Chairman, the door-to-door salesmen are fully as integral a part of the business as a stenographer in the office. A woman who does embroidery work or tailoring in her own home or shop may be just as much an employee, apart from technical, common-law concepts, as one who works in the factory production line.

We are discussing today something more than a theory. Economic insecurity because of death of the family breadwinner, old age, or unemployment is a tragically realistic problem for too many American families, even under existing law. As the President has so aptly said:

> The strength, security, and welfare of the entire Nation, as well as that of the groups now excluded, demand an expanded social-security system. * * * We must not open our social-security structure to piecemeal attack and to slow undermining.

Yet that is exactly what House Joint Resolution 296 would do. And, in view of the spotty initial record of the Republican Party on social security, which I have already reviewed, my fear is that this is just the beginning. There will be other holes in the dike against economic distress from old age and unemployment. How revealing of Republican sentiment on the social legislation enacted in recent years is the following extract from the majority report of the Committee on Ways and Means on the Knutson income-tax-reduction bill. That report states on page 16 that small businesses "are being bankrupted by competition of tax-free cooperatives, exorbitant Federal taxes, and strait-jacket regulations, like the wage-and-hour law. Providing Congress fails to recognize the urgency, and neglects to take prompt action to eliminate the cause for this crushing misfortune, commercial failures will not decrease but increase, and small manufacturers will in all likelihood be destroyed or obliterated."

This appears to be a clear recommendation by the majority membership of the Committee on Ways and Means for outright repeal of the Fair Labor Standards Act. Now, whether ultimate repeal of the Social Security Act also is recommended is not clear, but if the wage-and-hour law is a strait-jacket Government regulation, the social-security law may well fall into the same category. Only time can tell how far backward the Republican majority will turn, if that report reflects their views.

Now, instead of expanding the social-security system, we have a bill before us to take from 500,000 to 750,000 people out from under the social-security program.

You are either for social security or you are against it. This bill is the first attack on the social-security program by those who never really believed in it. A vote for this bill is a vote to begin the destruction of the greatest social program in the history of the country.

I think that is the issue before us, Mr. Chairman: Do we believe in social security or do we not?

Mr. HAYS. Mr. Chairman, this bill will correct injustices but if additional legislation is not passed other inequities will be created. Therefore, the debate points up the necessity for extending by congressional action social-security coverage for groups now deprived of it. If the House fails to work out a comprehensive plan for this extension our action today should give us slight consolation, though it appears to be necessary to correct a situation growing out of faulty interpretations.

Obviously additional legislation is required in order to provide for some groups not now receiving the benefit of social security laws and their coverage should be supported by specific legislation rather than questionable administrative regulations.

The Clerk read as follows:

Resolved, etc., That (a) section 1426 (d) and section 1607 (i) of the Internal Revenue Code are amended by inserting before the period at the end of each the following: ", but such term does not include (1) any individual who, under the common-law rules applicable in determining the employer-employee relationship, has the status of an independent contractor or (2) any individual (except an officer of a corporation) who is not an employee under such common-law rules."

(b) The amendments made by subsection (a) shall have the same effect as if included in the Internal Revenue Code on February 10, 1939, the date of its enactment.

SEC. 2. (a) Section 1101 (a) (6) of the Social Security Act is amended by inserting before the period at the end of each the following: ", but such term does not include (1) any individual who, under the usual common-law rules applicable in determining the employer-employee relationship, has the status of an independent contractor or (2) any individual (except an officer of a corporation) who is not an employee under such common-law rules."

(b) The amendment made by subsection (a) shall have the same effect as if included in the Social Security Act on August 14, 1935, the date of its enactment, but shall not have the effect of voiding any determination respecting eligibility for, or amount of, benefits of any individual under title II of the Social Security Act made prior to January 1, 1948, or of preventing any such determination so made from continuing to apply on or after January 1, 1948.

With the following committee amendments:

Page 1, line 6, after "under the", insert "usual."

Page 2, line 8, strike out "of each of the following" and insert "thereof the following."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JACKSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 296) to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage, pursuant to House Resolution 458, he reported the resolution back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EBERHARTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-four Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 275, nays 52, not voting 103, as follows:

[Roll No. 18]

YEAS—275

Abernethy	Elston	Landis
Allen, Calif.	Engel, Mich.	Lane
Allen, Ill.	Engle, Calif.	Larcade
Andersen, H. Carl	Fellows	Latham
Anderson, Calif.	Fenton	LeCompte
Andrews, Ala.	Fisher	LeFevre
Angell	Fletcher	Lemke
Arends	Focte	Lewis
Arnold	Fuller	Lichenwalter
Auchincloss	Gamble	Love
Bakewell	Gary	Lyle
Banta	Gathings	McConnell
Barden	Gavin	McCowen
Barrett	Gearhart	McCulloch
Bates, Mass.	Gillette	McDonough
Battle	Gillie	McGregor
Beall	Goff	McMahon
Beckworth	Goodwin	McMillan, S. C.
Bell	Gossett	Mack
Bennett, Mich.	Graham	Macy
Bennett, Mo.	Grant, Ala.	Mahon
Bishop	Grant, Ind.	Martin, Iowa
Blackney	Gregory	Mason
Boggs, Del.	Griffiths	Mathews
Bolton	Gross	Meade, Ky.
Boykin	Gwinn, N. Y.	Meade, Md.
Bradley	Gwynne, Iowa	Merrow
Bramblett	Hagen	Meyer
Brehm	Hale	Michener
Brooks	Hall, Edwin Arthur	Miller, Conn.
Brophy	Hall, Leonard W.	Miller, Md.
Brown, Ga.	Halleck	Miller, Nebr.
Brown, Ohio	Hand	Mills
Bryson	Hardy	Morris
Buck	Harless, Ariz.	Morton
Buffett	Harness, Ind.	Muhlenberg
Bulwinkle	Harris	Mundt
Busbey	Harrison	Murdock
Butler	Harvey	Murray, Tenn.
Byrnes, Wis.	Hays	Murray, Wis.
Camp	Hedrick	Nicholson
Canfield	Herter	Nixon
Carson	Heselton	Nodar
Case, S. Dak.	Hess	Norblad
Chadwick	Hill	O'Hara
Chelf	Hobbs	O'Konski
Chenoweth	Hoeven	Owens
Church	Hoffman	Pace
Clevenger	Holmes	Patman
Coffin	Horan	Patterson
Cole, Kans.	Jackson, Calif.	Peden
Cole, Mo.	Jarman	Philbin
Colmer	Jenison	Phillips, Tenn.
Corbett	Jenkins, Ohio	Pickett
Cotton	Jenkins, Pa.	Ploeser
Cravens	Jennings	Poage
Crawford	Johnson, Calif.	Potter
Crow	Johnson, Ill.	Potts
Cunningham	Johnson, Ind.	Poulson
Curtis	Jones, Ala.	Preston
Dague	Jones, N. C.	Priest
Davis, Tenn.	Jones, Wash.	Rains
Davis, Wis.	Jonkman	Ramey
Devitt	Judd	Rankin
D'Ewart	Kearney	Rayburn
Dolliver	Kearns	Redden
Dondero	Keefe	Reed, Ill.
Donohue	Kefauver	Reed, N. Y.
Dorn	Kerr	Rees
Doughton	Kersten, Wis.	Reeves
Elliott	Kilburn	Rich
Ellis	Kilday	Richards
Ellsworth	Kunkel	Riehlman
Elsaesser		Riley
		Rizley

Robertson	Simpson, Pa.	Vail
Rockwell	Smith, Ohio	Van Zandt
Rogers, Fla.	Smith, Va.	Vorys
Rogers, Mass.	Smith, Wis.	Vursell
Rohrbough	Snyder	Weichel
Ross	Stanley	Wheeler
Russell	Stefan	Whitten
Sadlak	Stevenson	Whittington
Sanborn	Stockman	Wigglesworth
Sasscer	Stratton	Wilson, Ind.
Schwabe, Mo.	Taber	Wilson, Tex.
Schwabe, Okla.	Talle	Winstead
Scott, Hardie	Teague	Wolcott
Scrivner	Thompson	Wolverton
Seely-Brown	Tibbott	Wood
Shafer	Tollefson	Woodruff
Sikes	Trimble	Youngblood
Simpson, Ill.	Twyman	

NAYS—52

Albert	Gordon	Marcantonio
Blatnik	Gorski	Miller, Calif.
Cannon	Granger	Monroney
Carroll	Hart	Morgan
Cooper	Havenner	Norton
Crosser	Holifield	O'Brien
Davis, Ga.	Huber	Peterson
Douglas	Hull	Powell
Eberharter	Jackson, Wash.	Price, Ill.
Evins	Keating	Sadowski
Fallon	Kee	Sheppard
Feighan	Kelley	Spence
Fernandez	Kirwan	Thomas, Tex.
Fogarty	Lusk	Walter
Folger	Lynch	Welch
Forand	McCormack	Williams
Fulton	Madden	
Garmatz	Mansfield	

NOT VOTING—103

Abbitt	Dirksen	Manasco
Allen, La.	Domengeaux	Mitchell
Almond	Durham	Morrison
Andresen, August H.	Eaton	Multer
	Flannagan	Norrell
Andrews, N. Y.	Gallagher	O'Toole
Bates, Ky.	Gore	Passman
Bender	Hartley	Pfeifer
Bland	Hébert	Phillips, Calif.
Bloom	Heffernan	Plumley
Boggs, La.	Hendricks	Price, Fla.
Bonner	Hinshaw	Regan
Buchanan	Hope	Rivers
Buckley	Javits	Rooney
Burke	Jensen	Sabath
Burleson	Johnson, Okla.	St. George
Byrne, N. Y.	Johnson, Tex.	Sarbacher
Case, N. J.	Karsten, Mo.	Scoblick
Celler	Kean	Scott, Hugh D., Jr.
Chapman	Kennedy	
Chiperfield	Keogh	Short
Clark	King	Smathers
Clason	Klein	Smith, Kans.
Clippinger	Knutson	Smith, Maine
Cole, N. Y.	Lanham	Somers
Combs	Lea	Stigler
Cooley	Lesinski	Sundstrom
Coudert	Lodge	Taylor
Courtney	Lucas	Thomas, N. J.
Cox	Ludlow	Towe
Dawson, Ill.	McDowell	Vinson
Dawson, Utah	McGarvey	Wadsworth
Deane	McMillen, Ill.	West
Delaney	MacKinnon	Worley
Dingell	Maloney	Zimmerman

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs of Louisiana for, with Mr. Karsten of Missouri against.

Mr. Bender for, with Mr. Delaney against.

Mr. Sundstrom for, with Mr. Keogh against.

Mr. Towe for, with Mr. Cooley against.

Mr. Kean for, with Mr. Rooney against.

Mrs. Smith of Maine for, with Mr. Klein against.

Mr. Clason for, with Mr. Lesinski against.

Mr. MacKinnon for, with Mr. Pfeifer against.

Mr. Case of New Jersey for, with Mr. Multer against.

Mrs. St. George for, with Mr. Dingell against.

Mr. Vinson for, with Mr. Dawson of Illinois against.

Mr. Norrell for, with Mr. Celler against.

Mr. Courtney for, with Mr. Somers against.

Mr. Sarbacher for, with Mr. Heffernan against.

Mr. Hébert for, with Mr. Buckley against.

Mr. Zimmerman for, with Mr. Sabath against.

Mr. Cox for, with Mr. O'Toole against.

Mr. Bonner for, with Mr. Buchanan against.

Mr. McGarvey for, with Mr. Deane against.

Mr. Hugh D. Scott, Jr., for, with Mr. Bloom against.

Mr. Coudert for, with Mr. Byrne of New York against.

Additional general pairs:

Mr. Andrews of New York with Mr. Manasco.

Mr. Knutson with Mr. Durham.

Mr. Lodge with Mr. Chapman.

Mr. McDowell with Mr. Burleson.

Mr. Maloney with Mr. Lea.

Mr. Eaton with Mr. West.

Mr. Dawson of Utah with Mr. Rivers.

Mr. Cole of New York with Mr. Abbitt.

Mr. Chiperfield with Mr. Bland.

Mr. Clippinger with Mr. Kennedy.

Mr. Hope with Mr. Morrison.

Mr. Mitchell with Mr. Lucas.

Mr. McMillen of Illinois with Mr. Clark.

Mr. Jensen with Mr. King.

Mr. Hinshaw with Mr. Flannagan.

Mr. Carl H. Andersen with Mr. Domengeaux.

Mr. Burke with Mr. Hendricks.

Mr. Dirksen with Mr. Combs.

Mr. Scoblick with Mr. Johnson of Oklahoma.

Mr. Thomas of New Jersey with Mr. Bates of Kentucky.

Mr. Short with Mr. Allen of Louisiana.

Mr. Smith of Kansas with Mr. Worley.

Mr. Taylor with Mr. Smathers.

Mr. Wadsworth with Mr. Stigler.

Mr. Hartley with Mr. Johnson of Texas.

Mr. Phillips of California with Mr. Almond.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the bills H. R. 3545, H. R. 2845, and H. R. 5433, and that they be referred to the Committee on Public Works.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to insert in the RECORD following his remarks on the joint resolution just passed a brief relating to certain amendments to the social-security law.

Mr. McCOWEN asked and was given permission to extend his remarks in the RECORD and include a Lincoln Day speech.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include certain extracts from the Marine News.

Mr. FENTON asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include an article from the Christian Science Monitor.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ALBERT, for Monday and Tuesday, March 1 and 2, on account of official business.

To Mr. STIGLER, until March 8, 1948, on account of official business.

To Mr. SARBACHER (at the request of Mr. PATTERSON), for today, on account of illness.

To Mr. THOMAS of New Jersey (at the request of Mr. CANFIELD), beginning January 21, 1948, on account of illness.

To Mr. JOHNSON of Texas (at the request of Mr. PATMAN), for today, on account of illness.

FOOT-AND-MOUTH DISEASE

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Speaker, foot-and-mouth disease is one of the most infectious and destructive livestock diseases known. It affects cattle, hogs, goats, deer, and other cloven-hoofed animals. The establishment of the disease in the United States would work almost incalculable damage to the livestock industry. The disruption of the normal interstate commerce, because of quarantines and other restrictions, which would inevitably be necessary, would be certain to result in scarcities and maldistribution of such products which would mean higher prices and perhaps even hardship for city consumers of meat, milk, and other livestock products.

Until it became apparent last November that efforts to eradicate by slaughter and burial the outbreak of foot-and-mouth disease in Mexico and could not succeed, there was the hope that strict quarantine and other sanitary measures, together with vigorous eradication on such outbreaks as might occur, would be able to keep the disease out of the United States. When it was seen, however, that it would be impossible to eradicate the Mexican outbreak, it became certain that the disease would be present on the North American Continent for many years, and

the United States was faced with the unpleasant necessity of facing the ever-present danger that the disease may spread into this country at any time. The Department of Agriculture's reassessment of the situation of this country and its views on the necessity for undertaking research on foot-and-mouth disease in the United States, is set out in the following excerpt of a letter from the Secretary of Agriculture, dated February 6, 1948, to Hon. ARTHUR CAPPER, chairman of the Committee on Agriculture and Forestry of the United States Senate, requesting the approval of a similar bill, S. 2038, introduced in the Senate by Senator THYE:

Foot-and-mouth disease has occurred in the United States six times within the past 50 years. Each time it has been eradicated by prompt and drastic action by Federal and State livestock disease-control officials at considerable cost of money expended and livestock destroyed. More frequent outbreaks have been prevented by the application of strict controls exercised over the importation of susceptible animals, the products of such animals, and other substances such as hay, straw, and the like, which might carry the virus of the disease. The last outbreak occurred in the United States in 1929.

As a further protection to the livestock of the United States the other countries of North America also have been free of foot-and-mouth disease until late in 1946 when the disease was diagnosed in Mexico. Since that time foot-and-mouth disease has spread over the central one-third of Mexico and is now endemic in that area. Large-scale cooperative efforts by the Governments of Mexico and the United States have been successful thus far to contain the disease within the central part of Mexico but have not been successful to stamp it out. Accordingly, we now have within 300 miles of our border a large area infected with foot-and-mouth disease from which the disease may escape and reach into the United States.

Research on foot-and-mouth disease has never been conducted in the United States because it was felt that the remoteness of the danger and the effectiveness of the control and eradication measures made it not worth while to assume the risks of experimenting with the disease in this country. Now that danger is no longer remote. It is close by. We are faced with the possibility of having to combat the disease regularly rather than at infrequent intervals. If the disease should come into the United States, the same eradication measures that have been used in the past would be energetically applied. However, it is also recognized that there is much that can be learned about this disease through research. The extent of the knowledge that can be thus gained can only be estimated at this time. It is quite possible that such knowledge will be of priceless value to this country in fighting the disease in the future. Although much research has been done in other countries and a great deal of information accumulated about the disease, we do not think it is sufficient to continue to rely upon the research of others. This country must throw its skills and researches into the endeavor to finally conquer foot-and-mouth disease.

Department scientists have in the past worked on this problem in the laboratories in other countries. However, since 1926, this has not been on a large scale. Under the proposal in S. 2038, it would be our plan to establish in the United States at a suitable location a modern research institute where full study of all phases of the disease could be undertaken. The most suitable location would be on a peninsula, from which traffic of the mainland could be carefully guarded. Taking full advantage of the experiences of others in protecting their research laboratories against the accidental escape of the virus, the institute to be established here would be equipped with every safeguard to give the livestock industry of this country an assurance that the virus would have no reasonable chance for escape. Preliminary plans for the laboratory have been sketched out and are being perfected.

In recruiting scientific personnel for the laboratory, it is essential, we think, that extreme care be exercised and employment given only to those who, in addition to having the requisite education and training, are also included toward research in their particular field. Likewise, selection should be made of those persons, otherwise qualified, who do not have family obligations which would mitigate against ready and continued acceptance of the restrictions of service in such a laboratory. As stated above, the laboratory would be operated with every possible safeguard against the escape of the virus, including very stringent sanitary measures, and absolute adherence to the safety provisions will be made a condition of employment. It is essential, therefore, that we be in position to terminate forthwith the appointment of any employee at the time of the first infringement of any of the established safeguards.

In order to accomplish these matters, it is suggested that S. 2038 be amended by deleting the sentence beginning on line 5, page 2, and substituting in place thereof the following:

"To carry out the provisions of this section the Secretary is authorized to make appointments without regard to the civil-service laws or regulations and, when in his opinion the protection of the livestock industry in the United States so requires, to terminate such appointments without regard to the provisions of law relating to the removal of Federal employees. The Secretary is further authorized in carrying out such provisions to employ technical experts or scientists without regard to the Classification Act of 1923, as amended: *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed $15,000 per annum."

This Department recommends that the bill, amended as above, be passed. A similar bill, H. R. 5098, has been introduced in the House by the Honorable GEORGE W. GILLIE, of Indiana. Department representatives appeared before the subcommittee on foot-and-mouth disease of the House Committee on Agriculture in favor of this latter bill at hearings held on January 26 and 27.

Hearings were held January 26 and 27, and February 3 and 4, by a subcommittee headed by Mr. GILLIE, of Indiana. At these hearings representatives of the Bureau of Animal Industry strongly urged approval of the bill and presented convincing argument why a research laboratory in Mexico or some other foreign country, or on an isolated island, would be unsatisfactory.

The amendment made by the committee will permit construction and operation of a research laboratory in a place where it will be completely under the control and jurisdiction of the United States, such as a coastal island, and yet will prohibit bringing the highly infectious live virus onto the mainland unless and until there should be an outbreak of the disease here.

LEAVE OF ABSENCE

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent that I be granted leave of absence beginning March 2 for 20 days, on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I want to bring certain incontrovertible evidence to the attention of my colleagues in connection with the question which lies ahead of us—whether or not we shall act in fulfilling our responsibility as the legislative branch in terms of legislation providing for at least a limited embargo on the shipments of petroleum and petroleum products from the Gulf ports during the next few days.

I have not received the telegram which I understand was transmitted this morning from the Acting Secretary of Commerce to those who sent the telegrams the other day requesting a 48-hour embargo, but I was advised by telephone from his office that such a telegram had been prepared, had been signed by Mr. William C. Foster and was being transmitted.

The telegram is as follows:

FEBRUARY 27, 1948.

In regard to your latest request for an embargo on shipments of petroleum or petroleum products from Gulf and west coast ports, the Department still feels, for the reasons stated in my telegram of February 19 to Chairman WOLVERTON, and as explained in frequent hearings before congressional committees on this subject, that such an embargo would not be in the national interest.

WILLIAM C. FOSTER,
The Acting Secretary of Commerce.

I can understand why anybody should send the first part of such a telegram, but it is completely beyond my comprehension to understand how any able servant of this Government could refer to the reason as one of national interest. Nothing could be further from the demonstrated facts. The telegram of the 19th, which is referred to in this telegram, reads as follows:

FEBRUARY 19, 1948.

Hon. JOHN W. HESELTON,
House of Representatives,
Washington, D. C.:

The following is copy telegram sent today to Chairman WOLVERTON:

"We have today announced a further reduction in petroleum export quotas as to be licensed for shipment. Your request that we impose an embargo on all shipments from west coast and Gulf ports appears inadvisable. One of the major problems today is transportation. World tanker situation is improving but still in precarious balance. An embargo even for several days would result in changes of schedules which would have serious consequences. We believe that it would result in disruption of movement into both domestic and foreign trade channels without producing any addition to supplies in shortage areas. We have no power whatever to direct products to any particular domestic use or area."

WM. C. FOSTER,
Under Secretary of Commerce.

The last phraseology constitutes weasel words in the worst sense of that expression. Everybody knows there is no power to direct products to any particular domestic area, but anyone with any common sense knows it follows as night follows day that if there is an embargo on the Gulf ports that the oil companies

will definitely transfer those products from the Gulf ports to places where they can be disposed of at fair prices, and that is in the northeast and east coast ports. I have read several telegrams indicating that this is an economic truth. It is my understanding that the average tanker costs approximately $100 an hour to hold in port. Obviously no sensible business is going to be operated on any such basis. Let me call as a witness Mr. B. S. Watson, vice president of the Cities Service Co., in a telegram to me of recent date, he said:

If export diversions mentioned your wire are effected, we would be interested in joining with other companies to purchase same to augment our supplies. Currently industry kerosene supply position is extremely tight because of abnormal demand during present heating season and fact that yields of this product cannot be increased substantially by changing refinery yields.

Another competent witness is Mr. William F. Humphrey, of the Tide Water Associated Oil Co. In his telegram of February 26, he states:

1. Under program of voluntary agreements approved by governmental agencies this company is cooperating to the fullest extent possible to meet the shortages which have occurred in special localities in the northeastern area where we operate.

* * * * *

5. In northeastern areas where we operate we are down to minimum working stocks and hope through our programs to be able to provide supplies to our own customers. We will be most happy to join with other companies in building reserves through utilization of cargoes diverted to northeastern area where we operate.

Now let us consider the following telegram:

NEW YORK, N. Y., *February 26, 1948.*
Hon. JOHN W. HESELTON,
Member of Congress, Washington, D. C.:

Referring to your telegram, February 21, our owned British-flag tankers *Voco* and *Sovac* and Norwegian time-chartered tanker *Mosli*, now engaged or about to engage in transporting petroleum products overseas from United States ports. *Voco* is due New York March 4 for repairs, then loads early April 45,000 barrels lubricating oils consigned British pool, destination United Kingdom supplier not yet determined. *Sovac* due Baton Rouge March 16 loads 70,000 barrels aviation gasoline supplied by Standard Oil Co. of Louisiana, consigned Socony-Vaccum, destination Greece, Turkey, Syria. *Mosli* due Port Arthur March 2, loads 80,000 barrels crude oil supplied by Texas Co. for our 50 percent owned company Ultramar S. A. P. A., destination Argentine. Have not as yet applied for export license for *Voco*. *Sovac* and *Mosli* licenses applied for but not yet issued. In reply to your telegram February 23, following tankers now engaged and will continue in United States east coast domestic service until March 31: *Calusa, Conastoga, Mobifuel, Mobilgas, Mobilight, Mobiloil, Sacona, Saconnet, Samoset, Satucket, Saucon, Shabonee, Siwanoy, Socony Vacuum. Colina* and *Syosset* are in continuous United States west coast domestic trade. *Comet* and *Daylight* were sold by us last year. *Sachem* loads Caribbean March 5 for West African ports. *Eclipse, Lacklan, Sovac, Tahchee, Tamaha, Toorak, Vacport* are all vessels registered under the British flag engaged in foreign trade, and as such their routing is controlled by British Government, with each voyage subject to licensing. In addition, this company owns American-flag vessels *Magnolia, Mobilube, Tatarrax,* and *Tascalusa,* first three of which are engaged and will continue in United States east coast domestic service, and *Tascalusa* loads February 28 in Persian Gulf for eastern Mediterranean ports. Also own British-flag tanker *Voco* subject to same trading conditions as previously mentioned British-flag vessels. Socony-Vacuum tanker position is such that we can move all our domestic requirements consistent with available supply, and we are giving complete tanker tonnage priority to our domestic markets.

SOCONY-VACUUM OIL CO., INC.,
By F. R. PRATT, *General Manager,*
Marine Transportation Department.

The 48 hours which we asked for expires tomorrow night. It is obvious we cannot act before Monday. I have every reason to believe that the House Committee on Interstate and Foreign Commerce is about ready to report a resolution, and I have confidence that they will report that resolution on Monday next.

The resolution I have advocated is House Concurrent Resolution 323. It provides for an inclusive embargo for a period of 30 days.

I am disposed now to concede that it might be well if we were to except aviation gasoline, which is an important item in our international air transport system, which is sold internationally and then drawn upon by our international air lines. I am also disposed to exclude lubricants, which, I understand, are in inadequate supply in this country. It is possible I would advocate confining the embargo to heating oils as we know them. But I do think that unless we place this power of control in the hands of people who have asked for it, who say they are competent to exercise it but who unfortunately have demonstrated a complete reluctance to act, in terms of our domestic economy, our domestic security, the health and welfare of the people of this country, we too will be derelict in our duty.

As far as I am concerned, the challenge is here and now. I do not propose to let the issue become clouded. I propose to see to it that we have an opportunity to say to the Department on Monday or as soon thereafter as possible: "Gentlemen, you asked for this decision by us. We have the will, and, more, the intelligence and the moral courage to act. You have intimated we should give you the authority to act. It is in your hands."

I am confident that the Secretary of Commerce and his assistants are now asking us to give them this power. I was told by a man who is presently in charge of this program that he felt we had reached an impasse between the legislative and executive branches. That is an open invitation for us either to perform our duty or throw up our hands. I think they want us to act. I am glad to be able to act, as far as an individual can act in this matter. I think industry wants us to act. Competent legal counsel in industry undoubtedly have written into these contracts a method of escape from the commitments which they may have undertaken. You put those two facts together and you find industry asking us to relieve them and you find Government agencies asking us to take over this burden. For my part I am willing to accept full responsibility and at least let my constituents know that I am not afraid to make a decision in their interests at this time. I am supremely confident that this Congress has the courage and the intelligence to step into this breach with a sound solution now.

As evidence of documented developments in parts of this Nation let me offer three further pieces of evidence. Each has a most direct bearing upon this prime issue of what we can, should, and must do. No one can dispute the fact that we need these heating oils still; that we have sample storage space for them, that we can undoubtedly arrange for sufficient transportation. I know that no one in the House wants to join the Department of Commerce in denying to their fellow Americans this small measure of insurance against discomfort, suffering, and possible illness. But if you refuse to act in their behalf now, you are saying: "No, we will not help you." Surely they would be justified in concluding that it is a matter of no interest to you. I cannot believe that you want to give any such answer to them or even to leave them with the impression that their welfare, their physical comfort, their very security is a matter of no consequence to you.

BOSTON, MASS., *February 27, 1948.*
JOHN W. HESELTON,
House Office Building,
House of Representatives:

Refer your telegram 26th and my preliminary report of same date. Complete survey shows storage space available at Massachusetts tanker terminals for kerosene 1,275,000 barrels; for No. 2 fuel oil, 2,000,000 barrels.

ROBERT F. BRADFORD,
Governor.

Let me offer the evidence of Mr. Hal Bourland, of the Washington bureau of the Journal of Commerce, who, in its issue of this date, under the headline "North Central States gas outlook poor," wrote:

Industry bidding on Government gasoline requirements for various 6-month periods, including the summer months, indicates that the North Central States are due to be hit by worse gasoline shortages than any other section, Federal Supply Bureau officials said today.

Later he also wrote:

A tabulation of bids on Government gasoline needs for various 6-month periods can be safely taken as a barometer of feeling in the trade as to general supply of petroleum products. If last year's pattern is followed, the North Central States will find themselves lacking in gasoline during the critical planting and harvesting seasons.

Such shortages of badly needed gasoline for farm equipment in the bread basket of the Nation, have already been predicted by Director Max Ball of Interior's Oil and Gas Division.

The same writer gives the following paragraph quoted from the District Petroleum Regional Advisory Committee report:

Nevertheless, the committee said, eastern fuel-oil stocks are extremely low, and the greater part of demand will have to be met from current production—emphasizing the need for continued consumer cooperation.

Has anyone any competent evidence to the contrary? I do not think so. If none is offered, failure to act now must rest upon doubts, unfounded suspicion, or concern about possibilities which cannot be explained. That would be a weak explanation for a negative vote.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1620. An act to establish eligibility for burial in national cemeteries, and for other purposes; to the Committee on Public Lands.

S. J. Res. 186. Joint resolution to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5391. An act to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; and

H. R. 5391. An act to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House, pursuant to its order heretofore entered, adjourned until Monday, March 1, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1337. A letter from the assistant to the Attorney General, transmitting a draft of a proposed bill relating to the rights of the several States in lands beneath inland navigable waters and to the recognition of equities in submerged coastal lands adjacent to the shores of the United States, and for other purposes; to the Committee on the Judiciary.

1338. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend an act entitled "An act to create a revenue in the District of Columbia by levying tax upon all dogs therein, to make such dogs personal property, and for other purposes," as amended; to the Committee on the District of Columbia.

1339. A letter from the Chairman, National Capital Park and Planning Commission, transmitting a draft of a proposed bill to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes; to the Committee on Public Works.

1340. A letter from the Director, Bureau of the Budget, transmitting a report of personnel ceilings for the quarter ending December 31, 1947; to the Committee on Post Office and Civil Service.

1341. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize the Secretary of the Navy to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of a water main in and under certain Government-owned lands comprising a part of the United States naval air station, Alameda, Calif.; to the Committee on Armed Services.

1342. A letter from the Acting Secretary of the Interior, transmitting, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, one copy each of various legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix; to the Committee on Public Lands.

1343. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend section 108 (b) of the Servicemen's Dependents Allowance Act of 1942, as amended, so as to eliminate the necessity for registering an allotment to dependents in certain instances; to the Committee on Armed Services.

1344. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Office of Vocational Rehabilitation, for the fiscal year 1947; to the Committee on Education and Labor.

1345. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Food and Drug Administration, for the fiscal year 1947; to the Committee on Interstate and Foreign Commerce.

1346. A letter from the Director, Administrative Office of the United States Courts, transmitting the Annual Report of the Director of the Administrative Office of the United States Courts; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 5310. A bill to authorize the admission into the United States of persons of races indigenous to Siam, and to make them racially eligible for naturalization; without amendment (Rept. No. 1432). Referred to the Committee of the Whole House on the State of the Union.

Mr. STEFAN: Committee on Appropriations. H. R. 5607. A bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 1433). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEONARD W. HALL: Committee on Interstate and Foreign Commerce. H. R. 3730. A bill to amend section 20 (12) of the Interstate Commerce Act, with respect to recourse, by an initial or delivering carrier, against the carrier on whose line loss of, or damage or injury to, property is sustained, on account of expense incurred in defending actions at law; without amendment (Rept. No. 1434). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 5448. A bill to amend sections 212 (b) and 231 (d) of the Internal Revenue Code; without amendment (Rept. No. 1435). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. S. 1486. An act to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service; with an amendment (Rept. No. 1436). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEONARD W. HALL: Committee on Interstate and Foreign Commerce. Report on United States air carriers' foreign and overseas operations (Rept. No. 1437). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. Progress report on full investigation pursuant to Public Law 601, Seventy-ninth Congress (Rept. No. 1438). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 3880. A bill for the relief of Ludwig Pohoryles; with an amendment (Rept. No. 1431). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 3 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 5433) to transfer jurisdiction over certain school buildings in Vanport, Oreg., to the Federal Works Administrator and to authorize an appropriation to rebuild a school building in Vanport, Oreg., which was destroyed by fire; Committee on Banking and Currency discharged, and referred to the Committee on Public Works.

A bill (H. R. 3545) to amend title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit the making of contributions during the fiscal year ending June 30, 1949, for the maintenance and operation of certain school facilities, and for other purposes; Committee on Banking and Currency discharged, and referred to the Committee on Public Works.

A bill (H. R. 2845) to amend the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended; Committee on Banking and Currency discharged, and referred to the Committee on Public Works.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEFAN:

H. R. 5607. A bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. GOODWIN:

H. R. 5608. A bill to amend paragraph 1007 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. PLOESER:

H. R. 5609. A bill to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes; to the Committee on Public Lands.

By Mr. WHEELER:

H. R. 5610. A bill to provide assistance by the Federal Government in the repair of damage caused by erosion by waves and currents to the shores of the county of Glynn,

State of Georgia, and in the prevention of future damage to such shores; to the Committee on Public Works.

By Mr. CHADWICK:

H. R. 5611. A bill to provide for the appointment of one additional district judge for the eastern district of Pennsylvania; to the Committee on the Judiciary.

By Mr. GRANT of Indiana:

H. R. 5612. A bill to provide for free importation of evergreen Christmas trees; to the Committee on Ways and Means.

By Mr. HAGEN:

H. R. 5613. A bill to authorize a further preliminary examination and a new survey of the Red River of the North between the States of Minnesota and North Dakota from a point north of East Grand Forks, Minn., and Grand Forks, N. Dak., northward to the boundary line between the United States and Canada, for flood control, for run-off and water-flow retardation, and soil-erosion prevention; to the Committee on Public Works.

By Mr. JENKINS of Ohio:

H. R. 5614. A bill to exempt from the tax on admissions and dues admissions to school entertainments; to the Committee on Ways and Means.

By Mr. McMAHON:

H. R. 5615. A bill to bar the Communist Party and other un-American parties from the election ballot; to the Committee on House Administration.

By Mr. MATHEWS:

H. R. 5616. A bill to insure granting of pension to certain World War I and World War II veterans unemployable due to disabilities; to the Committee on Veterans' Affairs.

By Mr. MERROW:

H. R. 5617. A bill making appropriations for and on behalf of the Department of the Air Force for the fiscal year ending June 30, 1949; to the Committee on Appropriations.

By Mr. RAMEY:

H. R. 5618. A bill to require the Veterans' Administration to make dual ratings in cases heretofore rated under the Schedule of Disability Ratings, 1925, and to award the greater benefit; to the Committee on Veterans' Affairs.

H. R. 5619. A bill to authorize service connection, under certain circumstances, of dental disabilities suffered by World War II veterans within 2 years after separation from the active service; to the Committee on Veterans' Affairs.

By Mr. ROBERTSON:

H. R. 5620. A bill to authorize a further preliminary examination and a new survey of Forest River, in the State of North Dakota, a tributary to the Red River of the North (Minnesota-North Dakota), for flood control, for run-off and water-flow retardation, and soil-erosion prevention; to the Committee on Public Works.

H. R. 5621. A bill to authorize a further preliminary examination and a new survey of Goose River, in the State of North Dakota, a tributary to the Red River of the North (Minnesota-North Dakota), for flood control, for run-off and water-flow retardation, and soil-erosion prevention; to the Committee on Public Works.

By Mr. SIKES:

H. R. 5622. A bill to authorize a preliminary survey to determine the feasibility of constructing a waterway to connect Santa Rosa Sound and East Bay, Fla.; to the Committee on Public Works.

By Mr. WOLVERTON:

H. R. 5623. A bill to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. COLMER:

H. R. 5624. A bill to provide for the deepening of the channel at Pascagoula Harbor and Horn Island Pass, Miss., and for other purposes; to the Committee on Public Works.

By Mr. GOODWIN:

H. R. 5625. A bill to amend the Social Security Act to permit an adopted child of a deceased individual to receive benefits thereunder without regard to the period during which he shall have occupied such status; to the Committee on Ways and Means.

By Mr. BARTLETT:

H. R. 5626. A bill to provide for the admission of Alaska, the forty-ninth State; to the Committee on Public Lands.

By Mrs. DOUGLAS:

H. R. 5627. A bill to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, with respect to farmer-debtor relief; to the Committee on the Judiciary.

By Mr. WEICHEL:

H. R. 5628. A bill to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5629. A bill to insure granting of pension to certain World War I and World War II veterans unemployable due to disabilities, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DORN:

H. Con. Res. 152. Concurrent resolution relating to the formation of groups of certain freedom-loving nations bound by mutual military assistance agreements; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER:

H. R. 5630. A bill for the relief of Johns Funeral Home; to the Committee on the Judiciary.

By Mr. CURTIS:

H. R. 5631. A bill for the relief of Louis J. Waline; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 5632. A bill for the relief of Wlodzimiers J. Denkowski; to the Committee on the Judiciary.

H. R. 5633. A bill for the relief of Stanislaw Charucki; to the Committee on the Judiciary.

H. R. 5634. A bill for the relief of Joanna Maria Wilusz; to the Committee on the Judiciary.

By Mr. PRICE of Florida:

H. R. 5635. A bill for the relief of Joseph Noel Roberts; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1445. By Mr. LANE: Memorial of the General Court of Massachusetts, office of the secretary, Boston, Mass., memorializing Congress to double the amount of benefits now authorized by Federal law on account of old-age assistance rendered by the several States to the eligible inhabitants; to the Committee on Ways and Means.

1446. Also, resolution of the House of Representatives of the General Court of Massachusetts, relative to the admission of Eire and all other peace-loving nations as members of the United Nations; to the Committee on Foreign Affairs.

1447. Also, memorial of the General Court of Massachusetts, memorializing Congress in favor of conferring United States citizenship upon aliens who served in the armed forces of the United States during the world wars and were honorably discharged from such service; to the Committee on the Judiciary.

1448. Also, memorial of the General Court of Massachusetts, memorializing Congress to increase the amount of benefits now authorized by Federal law on account of the aid-to-dependent-children program; to the Committee on Ways and Means.

1449. By Mr. MARTIN of Massachusetts: Petition of Howard P. Bozarth and sundry citizens of Massachusetts, in support of the European recovery program; to the Committee on Foreign Affairs.

1450. By the SPEAKER: Petition of Roy Farren, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

MONDAY, MARCH 1, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, by whose mercies we are spared and by whose power we are sustained, help us during this day to see life in the radiant splendor of its dignity and its greatness, its privileges and its opportunities.

Grant that we may sense the sanctity of all our duties and responsibilities. May we never be afraid of that which is high or hard, but may we pursue it with constancy and with courage.

May we count it our highest wisdom to enthrone Thy will in our lives and our highest calling to incarnate the spirit of our blessed Lord. Emancipate our minds and hearts from everything that is alien to that will and that spirit.

Hear us in Christ's name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 27, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On February 27, 1948:

S. 310. An act authorizing the issuance of a patent in fee to Jonah Williams;

S. 409. An act for the relief of Milan Jandrich;

S. 522. An act to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan;

S. 1485. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the Albuquerque Indian School, New Mexico;

S. 1591. An act to transfer certain transmission lines, substations, appurtenances, and equipment in connection with the sale and disposition of electric energy generated at the Fort Peck project, Montana, and for other purposes;

S. 1673. An act to authorize the promotion of James Y. Parker, Army serial No. O20712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes; and

S. J. Res. 173. Joint resolution to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

On February 28, 1948:

S. 311. An act authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.;

S. 312. An act authorizing the issuance of a patent in fee to Charles Kills the Enemy;

S. 313. An act authorizing the issuance of a patent in fee to Calvin W. Clincher;

S. 1133. An act providing for the per capita payment of certain moneys appropriated in settlement of certain claims of the Indians of the Fort Berthold Indian Reservation in North Dakota; and

S. 1454. An act to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 231) providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor.

The message also announced that the House had passed a joint resolution (H. J. Res. 296) to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 3726. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; and

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

NAMES AND COMPENSATION OF PERSONS EMPLOYED BY FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, a report showing the names and compensation of the members and employees of that Commission as of June 30, 1947 (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

LANDS BENEATH INLAND NAVIGABLE WATERS, ETC.

A letter from the assistant to the Attorney General, transmitting a draft of proposed legislation relating to the rights of the several States in lands beneath inland navigable waters and to the recognition of equities in submerged coastal lands adjacent to the shores of the United States, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate the following petitions and a memorial, which were referred as indicated:

A resolution adopted by the Tau Epsilon Rho Fraternity, Philadelphia, Pa., favoring the removal of the embargo on arms and munitions to Palestine; to the Committee on Foreign Relations.

The memorial of Arnold L. Couty, Coos Bay, Oreg., remonstrating against the alleged growing tendency of the Congress to infringe upon the constitutional power of the courts; to the Committee on the Judiciary.

A resolution adopted by the Gulf Coast Conservation and Drainage Association of Texas at Angleton, Tex., relating to the provision of the reclamation law exempting rice-producing areas of Texas and California from certain land limitations; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Gulf Coast Soil Conservation and Drainage Association of Texas at Angleton, Tex., favoring the enactment of the bill (H. R. 5198) authorizing preliminary examinations and surveys of the streams and their larger tributaries flowing through the Brazoria-Galveston soil-conservation district, the Trinity Bay soil-conservation district, the Coastal Plains soil-conservation district, and the Matagorda County soil-conservation district, in Texas; to the Committee on Public Works.

A resolution adopted by the Gulf Coast Soil Conservation and Drainage Association of Texas, and Angleton, Tex., favoring the enactment of the bill (H. R. 3538) to authorize the Bureau of Reclamation to investigate and report on projects for reclaiming lands by drainage; to the Committee on Agriculture and Forestry.

A resolution adopted by the Gulf Coast Soil Conservation and Drainage Association, of Texas, at Angleton, Tex., favoring the enactment of the bill (H. R. 4417) to provide for a national land policy based on the conservation of our soil and water resources and the orderly development and protection of the Nation's agricultural lands; to the Committee on Agriculture and Forestry.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 3742. A bill for the relief of Robert Wilhelm Gerling; without amendment (Rept. No. 948).

REPORT OF CONGRESSIONAL AVIATION POLICY BOARD (REPT. NO. 949)

Mr. BREWSTER. Mr. President, I ask unanimous consent that the report of the Congressional Aviation Policy Board, required by Public Law No. 287, Eightieth Congress, to be filed on this day, may be submitted at any time up to 6 o'clock this evening, and that it be printed, with an illustration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Subsequently, a letter from Mr. BREWSTER, chairman of the Congressional Aviation Policy Board, transmitting the foregoing report, was laid before the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GURNEY:

S. 2238. A bill authorizing the Secretary of the Interior to convey certain lands in South Dakota for municipal or public purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILEY (by request):

S. 2239. A bill to amend Public Law 663, Seventy-sixth Congress, so as to protect the badge, medal, emblem, or other insignia of auxiliaries to veterans' organizations (with accompanying papers); to the Committee on the Judiciary.

By Mr. WATKINS:

S. 2240. A bill to include certain lands within the Uinta and Wasatch National Forests, Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

S. 2241. A bill for the relief of Mr. and Mrs. Herbert L. Green; to the Committee on the Judiciary.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. FULBRIGHT submitted amendments intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which were ordered to lie on the table and to be printed.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 296) to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage, was read twice by its title, and referred to the Committee on Finance.

HOW TO WRITE YOUR CONGRESSMAN—ARTICLE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "How To Write Your Congressman," written by him and published in the March 1948 issue of the magazine Successful Farming, which appears in the Appendix.]

A LOW-COST HOUSING PLAN—PROPOSAL OF JOSEPH H. SELLIKEN

[Mr. MORSE asked and obtained leave to have printed in the RECORD a proposal entitled "A Low-Cost Housing Plan," proposed by Joseph H. Selliken, committee chairman, 2039 North Dekum, Portland, Oreg., which appears in the Appendix.]

FAIR-EMPLOYMENT PRACTICES BILL—EDITORIAL FROM THE CHICAGO DEFENDER

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Good Business Sense," published in the Chicago Defender under date of February 28, 1948, which appears in the Appendix.]

STATE DEPARTMENT POLICIES—ARTICLE BY CONSTANTINE BROWN

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an article entitled "State Department Scored for Patched-Quilt Policy," by Constantine Brown, published in the Washington Star, February 29, 1948, which appears in the Appendix.]

AMERICAN FOREIGN POLICY RESPECTING CHINA—ARTICLE BY ALEXANDER H. UHL

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an article entitled "China: Foreign Policy by Blackmail," by Alexander H. Uhl, published in the newspaper PM on Sunday, December 21, 1947, which appears in the Appendix.]

MEETINGS OF COMMITTEES AND SUBCOMMITTEES

Mr. BALL asked and obtained consent that the Joint Committee on Labor Management may meet later today while the Senate is in session.

Mr. WHERRY asked and obtained consent that the Committee on the Judiciary may sit this afternoon during the session of the Senate.

Mr. WATKINS asked and obtained consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs be permitted to hold a hearing during the session of the Senate today.

LEAVE OF ABSENCE

Mr. MURRAY asked and obtained consent that Mr. MAGNUSON be excused from attendance on the sessions of the Senate during the remainder of the week.

EUROPEAN RECOVERY PROGRAM

Mr. WHERRY. I move that the Senate proceed to the consideration of Calendar No. 978, Senate bill 2202.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Moore
Baldwin	Hatch	Morse
Ball	Hayden	Murray
Barkley	Hickenlooper	O'Conor
Brewster	Hill	O'Daniel
Bricker	Hoey	O'Mahoney
Brooks	Holland	Overton
Buck	Ives	Reed
Bushfield	Jenner	Revercomb
Butler	Johnson, Colo.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thye
Downey	McClellan	Tobey
Dworshak	McFarland	Umstead
Ecton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Magnuson	Wiley
Fulbright	Malone	Williams
George	Martin	Wilson
Green	Millikin	Young

Mr. WHERRY. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Utah [Mr. THOMAS] are absent on public business.

The PRESIDING OFFICER (Mr. CAIN in the chair). Eighty-one Senators having answered to their names, a quorum is present.

The Chair recognizes the Senator from Michigan.

Mr. VANDENBERG. Mr. President, for the sake of continuity I respectfully ask my colleagues to permit me to conclude my general statement on the pending bill without interruption.

Mr. President, with the unanimous approval of the Senate Foreign Relations Committee, I report the Economic Cooperation Act of 1948 in its perfected text. In the name of peace, stability, and freedom it deserves prompt passage. In the name of intelligent American self-interest it envisions a mighty undertaking worthy of our faith. It is an economic act—but economics usually control national survivals these days. The act itself asserts that "disruption following in the wake of war is not contained by national frontiers." It asserts that "the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations."

Every Senator knows that these dangers are even greater than they were when those words were written only two short weeks ago. The fate of Czechoslovakia, where any semblance of democracy has just been gutted by subversive conquest, underscores this solemn thesis. The kindred fate of brave little Finland may be adding to the ominous score this very afternoon even while we debate an axiom, namely, that aggressive communism threatens all freedom and all security, whether in the Old World or in the New, when it puts free peoples anywhere in chains.

The act asserts sound doctrine when it says that it is "the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions and genuine independence through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation." Mr. President, this act may well become a welcome beacon in the world's dark night, but if a beacon is to be lighted at all it had better be lighted before it is too late.

Nevertheless, Mr. President, the decision which here concerns the Senate is the kind that tries men's souls. I understand and share the anxieties involved. It would be a far happier circumstance if we could close our eyes to reality, comfortably retire within our bastions, and dream of an isolated and prosperous peace. But that which was once our luxury would now become our folly. This is too plain to be persuasively denied in a foreshortened, atomic world. We must take things as they are.

The greatest nation on earth either justifies or surrenders its leadership. We must choose. There are no blueprints to guarantee results. We are entirely surrounded by calculated risks. I profoundly believe that the pending program is the best of these risks. I have no quarrel with those who disagree, because we are dealing with imponderables. But I am bound to say to those who disagree that they have not escaped to safety by rejecting or subverting this plan. They have simply fled to other risks, and I fear far greater ones. For myself, I can only say that I prefer my choice of responsibilities.

This legislation, Mr. President, seeks peace and stability for free men in a free world. It seeks them by economic rather than by military means. It proposes to help our friends to help themselves in the pursuit of sound and successful liberty in the democratic pattern. The quest can mean as much to us as it does to them. It aims to preserve the victory against aggression and dictatorship which we thought we won in World War II. It strives to help stop world war III before it starts. It fights the economic chaos which would precipitate far-flung disintegration. It sustains western civilization. It means to take western Europe completely off the American dole at the end of the adventure. It recognizes the grim truth—whether we like it or not—that American self-interest, national economy, and national security are inseverably linked with these objectives. It stops if changed conditions are no longer consistent with the national interest of the United States. It faces the naked facts of life.

Within the purview of this plan are 270,000,000 people of the stock which has largely made America. These are 26 percent of all the literates of the earth. Before the war they operated 68 percent of all the ships that sailed the sea. They grew 27 percent of all the world's cereals. They produced 37 percent of the world's steel. They sold 24 percent of the world's exports and bought 39 percent of the world's imports. They are struggling, against great and ominous odds, to regain their feet. They must not be allowed to fail. The world—America emphatically included—needs them as both producers and consumers. Peace needs their healthy restoration to the continuing defense of those ideals by which free men live. This vast friendly segment of the earth must not collapse. The iron curtain must not come to the rims of the Atlantic either by aggression or by default.

I wish, Mr. President, swiftly to sketch the chain reaction of events responsible for the issue we here confront. It is a significant narrative which speaks for itself in behalf of the need and justification for this heroic adventure, the greatest ever initiated by any one nation for the sake of peaceful humanities. In

the background, of course, is the war itself; the military defeat of the Axis; the utter prostration of postwar Europe amid the ashes of its victory; the resultant tragedy of far-flung human want and suffering; the paralysis of the peace that has not yet come; the rise of new aggression reaching out for ominous conquest amid distraught and disintegrating peoples. I do not here assess whatever mistakes in statesmanship may have helped precipitate or prolong these catastrophies. It is enough, for the present consideration, that the tragedies occurred and that they still threaten the peace, stability, and security of this whole earth, the United States again emphatically included.

In the sanctuary of our relatively good fortune where not one bomb fell during all those desperate days when the skies of Europe were raining death, we promptly and willingly went to the postwar aid of our prostrate friends. We literally leaped with them from one crisis to another. Bill after bill went through Congress for their relief, and billion after billion went from us to them. Two years of this went by. Often the efforts failed of the desired results—although, despite all debits, I hesitate to think what would have happened in the absence of the efforts. But it became clear that the process could not indefinitely go on, first, because western Europe could not wait longer for real emancipation; second, because America could not longer afford to underwrite futility. We were both near the ends of our ropes.

Then came June 5, 1947. Secretary of State Marshall made a speech at Harvard. Just as at neighboring Concord in an earlier century, it proved to be "a shot heard round the world." At the moment it was just a few sentences in a quiet sequence. I quote:

> It is already evident that before the United States Government can proceed much further in its effort to alleviate the situation and help the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government. The initiative, I think, must come from Europe.
>
> The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all, of the European nations.

Mr. President, the responsive effect in Europe was electric. History wrote with rushing pen. It was a new call to the colors—this time a peace call to mobilize for self-help and cooperation in quest of mutual survival. The British Bevin and the French Bidault promptly summoned a European conference. They consulted the Russian Molotov. He met with them in Paris on June 27. As usual, his demands were impossible; and, as usual, treacherous Moscow propaganda charged us with iniquitous American "imperialism," a charge shockingly echoed by some of our own citizens. The Soviets vetoed concerted action, but Bevin and Bidault went ahead. They invited 22 European nations—all of them—to meet in Paris. All Soviet-dominated countries sent their refusals, including Czechoslovakia, which, after a hasty summons to the Kremlin, withdrew its previous approval and now finds itself forcefully communized against any further expressions of self-will. Sixteen nations accepted the invitation. Here they are: Austria, Greece, Norway, Switzerland, Belgium, Iceland, Portugal, Turkey, Denmark, Ireland, Sweden, United Kingdom, France, Italy, Luxemburg, Netherlands.

They met on July 12 and organized the Committee of European Economic Cooperation, known as CEEC. They met to coordinate the independent nations of Europe in a self-help effort to seek stability and preserve freedom in response to the dynamic impulse of what was then called the Marshall plan. They met to plan hopeful cooperation that might justify American assistance. And they met bravely, Mr. President—"bravely" because it was in virtual defiance of the Russian Bear, which promptly showed its teeth.

Within 4 weeks Moscow dictated new reprisal agreements and tighter affiliations with all her satellites, and quickly organized the Cominform, through which the Communists of nine nations speak for the Communist world. The "iron curtain" took on more "iron." The Cominform is a modern version of the supposedly defunct Comintern, which was communism's prior agent of world violence and revolution. It frankly calls upon Communists everywhere to wreck the Marshall plan and condemns it and us with a new intemperance of invective and distortion. It is indeed "cold war." It is pressure war against the independent recovery of western Europe. Obviously, it is also aimed at us. It is a conspiracy to prevent the emergence of order out of chaos, stability out of confusion, and western freedom out of hopelessness. Communists everywhere have responded. The great sabotage is under way. Let me make it completely plain that I do not suggest, even by the remotest inference, that all opponents to the plan are Communists. I have already expressed my complete respect for the honest opinions of citizens who disagree. I simply point out, as part of the record, that while every critic is not a Communist, every Communist is a critic, and the orders from the Kremlin are to wreck this enterprise. Thus, the postwar pattern continues in familiar and consistent form.

I said that the 16 cooperating nations in CEEC acted bravely, as I hope we, too, may do. I have in mind not only the implications of the Cominform, but also such threatening statements as that by Mr. Molotov saying:

> The Soviet Government considers it necessary to caution the Governments of Great Britain and France against the consequences of such action.

Yet, Mr. President, there is nothing in this plan which threatens the Soviet police empire with any sort of consequence which she does not herself choose voluntarily to invite. It is not a plan against eastern Europe, unless the independent survival of free peoples is on the blacklist. It is a plan for western Europe. It is not external conquest. It is not dictation. It is internal recuperation by self-chosen methods. Eastern Europe was invited in. It was her own decision that keeps her out. It seems obvious that at least three of these countries behind the curtain would have joined if left to their own free wills. But, Mr. President, there are no free wills in police states.

East-west flow of trade in Europe is necessary to both. Its resumption will be profitable to both. There is nothing in this plan which retards this resumption, unless Moscow itself so elects. The healthy recuperation of western Europe should facilitate this resumption for the good of all concerned, if we can have a peaceful world. All poisoned propaganda to the contrary notwithstanding, both at home and abroad, this is America's incentive and her dearest wish.

The honorable release of east-west tension would be the greatest boon of modern times. It can be released whenever there is mutual east-west fidelity to the objectives of World War II asserted by the united Allies on January 1, 1942, and whenever there is mutual east-west fidelity to the principles and purposes of the United Nations. It can be released whenever there is mutual east-west respect for the rights of free peoples to order their own lives. There is no consistent effort which the Government of the United States should withhold in pursuit of this objective. We must always be ready for any discussion to this end. Peace with justice is our utterly paramount concern. Any thought of another war is abhorrent to our souls. But peace and appeasement are not on speaking terms, and they have not been since Munich, after World War I, and Yalta, in World War II.

But let me resume the narrative. The CEEC met for 10 weeks in Paris, concluding on September 22. It has been cynically said that they met just to total up a bill to present to Uncle Sam. Nothing could be more cruel or further from the truth. They met to see what they could do to meet the Marshall self-help specifications, and they concluded mutual pledges of amazing portent and vitality. We did not dictate their ticket. They wrote it for themselves. They volunteered their pledges—to use all efforts to develop production up to agreed targets—to apply all necessary measures leading to the rapid achievement of internal financial monetary and economic stability—to cooperate in all possible steps to reduce barriers to the expansion of trade—to set up a joint organization to follow these objectives through and to insure them to the fullest possible extent. All these, and many other obligations, they offered to assume. It was a historic moment. Someday the United States of Europe may look back upon it as we do to the Annapolis Conference which preceded the Constitutional Convention at Philadelphia. It was a courageous and constructive answer to the United States. It offered the best chance for stable peace and for peaceful stability that there is on earth today—outside of a reinvigorated United Nations which it would immensely further. For myself, Mr. President, I assert the deep conviction that it is worth the wholehearted cooperation of the United States as the

cheapest and most promising peace investment in our own self-interest that we face. What we can "afford to do" is one thing—and never to be minimized. But what we cannot afford not to do is just as vital in the estimates of prudent statesmanship.

I comment, in passing, that these were not idle words at Paris. Our friends meant exactly what they said. They have already begun to prove it. "Benelux" already joins three of these countries in a customs union. Others are ready to come in. France has already performed major surgery on her currency. Italy and France have faced powerful Communist subversion and survived the test—a feat that might well have been impossible without our present and prospective economic aid. They, too, are negotiating a customs union. Bizonia in Germany is now well likely to become Trizonia in the spirit of new unity at the heart and core of European recovery. Britain's Bevin, backed by the united spokesmanship of his country, is calling for western union. These are new signs of the new times, Mr. President. If these trends are thwarted, if these hopes are dashed, I confess that I tremble for the consequences in this foreshortened world. This is not hysteria. It is simple candor. In my view, the approaching Senate roll calls are that important—to them and to us.

Now, Mr. President, make note of this: All these CEEC promises and pledges—importantly, including, by the way, the acquisition of essential strategic materials for stock piling in the United States—are to be written into agreements as a condition precedent to our cooperation. There will be specific bilateral contracts between the United States and each beneficiary country. There will be specific targets. There will be multilateral contracts in which all countries underwrite the common aim and the common cause. The obligations will be set down in black and white. This is no mere wishing well. For one example, in respect to the most vital commodity of all, coal production is pledged to go from 398,000,000 tons in 1946 to 495,000,000 tons in 1949 and 586,000,000 tons in 1952.

Your Committee on Foreign Relations has made every possible effort to protect all these expectations. Indeed, this legislation which the Senate is asked to approve categorically asserts that—

> The continuity of assistance provided by the United States should at all times be dependent upon the continuity of cooperation among the countries involved.

The act categorically asserts that—

> the Administrator shall terminate assistance under this act to any participating country whenever he determines that such country is not adhering to its agreement or is diverting from the purposes of this act assistance provided thereunder.

No law can guarantee its own success. No man has a right dogmatically to say that any plan will succeed in these dangerous days of flux. But here is a warrant for maximum confidence that we do not indefinitely undertake a failure. All the more it makes the chance worth taking.

Now let me return to the narrative again. The CEEC summoned its best minds abroad to the council table. They had been warned by the Harvard speech that America expected a self-contained plan which could reasonably progress toward the restoration of economic independence and the end of American assistance. They had been warned that a successful recovery program must take the place of everlasting relief programs. They set to work to meet the challenge. At the end of 10 weeks they produced the answer. It would take 4¼ years of intensive self-help and cooperation, with progressively decreasing American assistance during this term of years. Their original estimate was that it might require an over-all total of twenty-two and four-tenths billions of American aid for western Europe, including western Germany. Chiefly by the deduction of capital-equipment items, this figure came down to seventeen billions for 4¼ years. In other words, this peace investment might cost one-third as much in 4¼ years as we appropriated for war in just one bill that passed the Senate in 5 minutes and without a roll call one June afternoon in 1944. War has no bargains. I think peace has. I believe I am talking about one now.

I digress, however, to say that there is no seventeen billions or any other comparable figure in this pending legislation. It was in the first executive draft that came to us 2 months ago. I immediately asked for its deletion, and the State Department promptly acquiesced, because it could be no more than an educated guess of doubtful validity if we thus were to attempt to assess events and values so far in advance. Furthermore, it might be misconstrued abroad as a specific dollar commitment without their understanding that one American Congress cannot commit another. Yet the genius of the program, if we are to escape year-to-year relief, is sufficient continuity to encourage dependable long-range planning. We rightly demand continuity of performance from our friends as the price of continuity of aid. It is elementary and indispensable fair play, on the other hand, that continuity of aid similarly should follow continuity of satisfactory performance. It must be inherent and implicit in our purpose. Otherwise, I repeat, this is merely one more stopgap, "rat-hole" operation.

Your Committee on Foreign Relations has met this situation, Mr. President, by familiar statutory device. As is our standard practice when dealing with public projects overlapping into subsequent fiscal years, we have authorized to be appropriated from time to time for 4½ years such sums as may be necessary to carry out the provisions and accomplish the purposes of this act. But the only specific dollar authorization in the act is for 1 year, commencing next April. I shall discuss that later. Suffice it for the moment to point out that this has the effect of eliminating the necessity for subsequent annual authorizations. It thus simplifies the subsequent procedure. But it leaves each annual appropriation, as indeed it must, to the annual decision of the Appropriations Committees of the House and Senate and to the annual discretion of the Congress. The net of it is that the recovery program will pass in annual review. It will be tested annually for its promised accomplishments and for the continuity of its performance. It will be tested annually for its impact on our own economy. Each Congress is free to decide these subsequent issues for itself. But they will do so in the presence of the declared attitude and opinion of the Eightieth Congress, as expressed in this act, that the program, if successful, should carry through to whatever conclusion it proves to deserve. To withhold an expression of this purpose would be to repudiate our own thesis and to pitifully reduce this act to the status of just one more sterile dole. It would be to rob the act of all the cumulative values upon which we depend for net results and which can infinitely bless us all.

Now, Mr. President, let the narrative deal with equally significant events on this side of the ocean here at home. As soon as it became evident that CEEC intended to act upon Secretary Marshall's suggestion, the President began complementary studies at this end of the line. In my responsibility as chairman of the Foreign Relations Committee, I asked for his immediate appointment of an independent civilian group of seasoned and widely experienced citizens to survey the field and to report what America might wisely and safely do—I repeat those controlling words, "wisely" and "safely"—in connection with the contemplated program. As a result, such a group was named by the President on June 22, 1947, under the chairmanship of Secretary of Commerce Harriman, who was the only Government official on the panel. Its bipartisan membership was completely independent of the Government and its judgments were likewise. It had as fine and as representative a personnel as was ever gathered together to do an unselfish, patriotic job; and it labored with spectacular and unremitting zeal upon its complex task. Its ultimate report is one of the most comprehensive ever made in respect to a public problem. These credentials are important because, as a result, I think it is of paramount importance to us that this Harriman committee, despite occasional disagreement respecting details, came to the over-all conclusion that this recovery program not only is well within our American capacity but also that it is essential to the best welfare of the United States. This, remember, was the verdict of representative American citizenship. I do not know how any great problem in public policy could have been submitted to more competent audit. I commend this thought to prejudicial critics who do not and could not have comparable access to all the facts.

I quote one sentence from the Harriman committee's findings:

> The committee is convinced that a sound program for western European recovery should be formulated and adopted by the United States with the same boldness and determination, and the same confidence in the worthiness of the democratic cause, which characterized our action in World War II.

That is the target of private citizenship mobilized through the high spokesmanship of the Harriman committee.

I quote one other sentence:

The domestic consequences (of the fall of western Europe to Communist dominion) are such as no American could easily tolerate.

Does that require any application? I think not. But it is a timely reminder that the Senate cannot contemplate its decision on this pending act with complete and comfortable detachment, as if there may be no price for us to pay if we reject or emasculate this plan. We have no such complacent option. There is an alternative price. I simply suggest, in passing, for example, that Secretary of Defense Forrestal and Army Secretary Royall testified to our committee that in the absence of some reasonable prospect for the stabilization of western Europe they would find it necessary to urgently demand billions more for national military defense. That, however, is only a small part of what could be the alternative price in a Communist-dominated world. The Harriman committee says the total consequences could include, and I again quote the committee, the spokesmanship for the civilian population of this Nation, "the immediate and sweeping limitation of our economic and political life, perhaps extending even to our form of government."

Which might be the alternative.

But let me again take up the narrative. In addition to the Harriman report, we have the survey by Secretary of the Interior Krug on Natural Resources and Foreign Aid. I quote one sentence:

The aggregate productive capacity of the United States appears ample.

In the same vein we had the so-called Nourse report, from the President's economic advisers. We also had the exhaustive studies of the executive departments through a large committee headed by able Under Secretary Lovett.

Now, Mr. President, I want to make it plain that all of this exploration dealt preponderantly with the most critical of all considerations, namely, the impact of this plan upon our own domestic economy. Nothing could be of more importance because we all agree that the maintenance of a sound and solvent United States is as indispensable to the hopes of the world as it is to us. It would be final blunder to jeopardize our stabilities at home. We shall not do so. I am glad to echo the warning of the Harriman report that "it is not wise to underestimate the steepness of the climb," and that "the aid which the United States gives will impose definite sacrifice on the United States." That is obvious. This is no happy picnic. Heavy post-war peace expenditures involve a burden, just as did the infinitely heavier expenditures of the war-that-was, or the expenditures of another war which we propose, with every resource at our command, to prevent. Any drain upon our commodities not in surplus also is a burden, although it is significant to note that the contemplated exports under this plan at its very peak are substantially less than our average exports for 1947. But all authorities agree that the plan can be managed to avoid serious interference with our domestic economy. They agree that it would not precipitate domestic controls which would not be required by the domestic situation alone. For example, there will be no competitive exports of meat under this plan for at least 2 years. There will be no exports of metal scrap. Petroleum products, by the explicit terms of the bill itself, must be purchased offshore to the maximum practicable extent.

Sound administration of the act, Mr. President, will hold all these impacts to a minimum. The bill itself is explicit in these directives. In general terms it lays down the fundamental rule that "no assistance to the participating countries shall seriously impair the economic stability of the United States." In specific terms it lays down the injunction that—

The Administrator must provide for procurement in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the vital need of the people of the United States.

The proponents of this measure, in a word, are not riding rainbows. They recognize the calculated risk. They think it is worth taking in our own enlightened self-interest. They prefer it to the alternative risk. But they proceed with prudence. They recognize the priority which self-interest assigns to the protection of our own domestic situation. We are not to be committed beyond this legitimate boundary. But they believe that we can do both jobs—at home and abroad—and that we cannot afford not to take the preferable chance. In a word, they believe in America.

Now, Mr. President, we come to the act itself, which is unanimously endorsed by the Senate Foreign Relations Committee after 5 weeks of public hearings and 10 days of continuous executive sessions. I cannot speak too gratefully of the friendly patience and bipartisan unity with which my committee colleagues cooperated. If something of their spirit imbues those for whom this legislation is intended, the Economic Cooperation Administration, as it will be called, has hopeful augury.

We confronted many serious perplexities involving wide divergence of opinion in and out of Congress. Perhaps the greatest of these was the question how this gigantic trust should be administered. It is the universal opinion that the success of the enterprise is largely dependent upon the character of its management. It is the universal opinion that its overriding economic purpose requires the highest available type of seasoned business experience and the widest possible autonomous authority for those who patriotically assume these vast economic responsibilities. It is equally the universal opinion that the highest considerations of foreign policy are constantly involved and that, as I said upon a previous historic occasion, we cannot have two Secretaries of State at the same time.

To fit these conflicting specifications into common pattern was, indeed, a jigsaw puzzle. We invited the Brookings Institution of Washington, one of the most respected research laboratories in the country, to make an objective study of this enigma. I express our great obligation to the Brookings Institution for the masterly job it did. The provisions in the pending bill largely follow its recommendations. I am happy to say the result already enjoys well-nigh universal approval in and out of Congress.

We are creating the Economic Cooperation Administration. At its head will be an Administrator with Cabinet status. In him, under final Presidential control, is vested the responsibility for operating this enterprise. The Administrator and the Secretary of State will keep each other fully and currently informed. Whenever the Secretary of State believes that any action of the Administrator is inconsistent with the foreign policy objectives of the United States, he will consult with the Administrator and, if differences of view are not adjusted, the matter will be referred to the President for final decision. This is a paraphrase of the formula which has worked so well in the Atomic Energy Act involving somewhat similarly mixed functions.

Behind the Administrator, and his Deputy, will be the Public Advisory Board, headed by the Administrator, organized on a bipartisan basis, and consisting of not more than 12 members, to be appointed by the President and confirmed by the Senate, "selected from among citizens of broad and varied experience in matters affecting the public interest." Its functions are advisory. But its utility is profound.

Overseas a special economic mission will be established by the Administrator and under his direction in each participating country; and the chief of each such mission will cooperate with our Ambassador or Minister under a general rule of conduct reflecting the contacts set up for the Administrator and the Secretary of State to avoid inconsistent decisions by either. Meanwhile what might be called a roving ambassador will represent us in dealing with any European organization of participating countries as insistently envisioned by the act. The creation of this post underscores our firm conviction that the salvation of western Europe lies in consolidated self-help and cooperation. Dollars alone will not save them. American assistance alone will not save them. All through the bill we bluntly assert these axioms. What they do for themselves will save them. What they do for themselves is the only possible vindication of our aid. But without a roving ambassador there would be no way for us to hold these governments to strict accountability for these relationships upon which they and we must depend for the final basic success of the undertaking.

To keep the House and Senate, here at home, in intimate touch with the evolution of all these plans, the bill creates the Joint Congressional Committee on Foreign Economic Cooperation—again borrowing this device of proved utility from the Atomic Energy Act. It will consist of seven Senators and seven Representatives. It will be bipartisan. It is already familiarly known as the watchdog committee. Little added definition is required. It will make continuous studies of what goes on. It will provide

continuous and intimate congressional liaison with all these undertakings. In general sense it will represent the taxpayers of the United States. It will greatly simplify the subsequent annual responsibilities of Congress when, once each year during the life of this arrangement, it must determine in what degree yesterday's performance warrants tomorrow's continuing cooperation.

I omit further needless details. This is the picture and the pattern of administration. It gives every promise that previous errors in foreign aid will be avoided. It fixes and implements clear and specific responsibiiities. It umpires in advance functional conflicts between business management on the one hand and foreign policy upon the other. It is our best possible promise of efficient and effective results in restabilizing a broken world.

Now, Mr. President, we come to the specific figure asked by the President for the first authorization under this bill. It was $6,800,000,000 for 15 months from next April first. This was the result of rigorous screening by the executive authorities of the CEEC proposals for $8,400,000,000 and a realistic appraisal of domestic availabilities. It took full account of the Harriman, Krug, and Nourse reports. It was the composite judgment of diversified minds. Secretary Marshall said it was as near a precision figure as human judgments can foresee. Certainly it was sustained by the most complete studies and surveys I have ever seen in a congressional committee. It was further sustained by the independent investigation of the Harriman committee—composed, remember, of the best business brains available in our civilian life. The comparable Harriman figure was approximately the same. It was still further sustained by the head of the International Bank, who also examined the problem independently and concluded that the figure is a tight-fitting minimum. It was in no sense a stab in the dark. At the very least it is entitled to a presumption of relative dependability until more competent authority competently proves otherwise.

But I can fully understand, Mr. President, why this figure immediately became the subject of wide controversy. In the first place, there was a big gap between this figure and the President's budgetary estimate of actual cash disbursements for this purpose in the next fiscal year—a gap representing obligations and commitments which must be made in advance if our plans are to possess efficient continuity. In the second place, we have been overwhelmed with such a wealth and welter of supporting statistics that even our own experts—to say nothing of our committee members—have rivaled each other in their headaches. At such a moment it is dangerously easy to "lose sight of the forest for the trees." Busy pencils, playing with their decimals, can make objectivity impossible. The committee's unanimous recommendation escapes the horns of this dilemma by rooting itself in a few solid fundamentals which I commend to the common sense of my colleagues.

First. If this plan can succeed on the basis recommended by its authors, no well-wisher would allow it to fail at its inception through lack of original resources sufficient to its success. That would be "penny wisdom and pound foolishness." It could even be unwitting sabotage.

Second. Any estimate of these essential resources, in advance of experience with the plan, is problematical at best. In such circumstance we should start with figures which enjoy the preponderance of supporting evidence rather than to arbitrarily slice off what might be the difference between success and still-born failure.

Third. Therefore prudence recommends that we launch the plan with figures which offer no alibi for failure; but on a timetable which permits us to review the figures at the earliest moment when experience will permit us to deal with the realities.

On the basis of these sanities, the Committee on Foreign Relations unanimously cut the duration of this first authorization from 15 months to 12 and it reduced the figure from $6,800,000,000 to $5,300,000,000. This latter figure accurately reflects the estimated expenditures and commitments for the first 12 months of the original work sheet for 15 months. In other words, we have not undermined the resources for 1 year from April 1, 1948, which we are warned by the authors of this plan are essential to its success. We have not transferred from them to us the responsibility for a failure which might be charged to initial lack of funds. We have not impaired either the resources or the psychology upon which the plan depends. But we have made it imperative that the first task of the next Congress and the next administration next January shall be to resurvey this whole problem in the light of experience and reality; and thus we have reduced the first authorization by $1,500,000,000.

Mr. President, I attach the greatest importance to this change in the timetable. By next New Year's we shall have had 9 months' experience with this enterprise. We shall then know the efficiency of its all-important administrative management; and we shall have the benefit of the Administrator's advice. We shall also have the first-hand judgments of our own joint congressional watch-dog committee. We shall know whether a good crop overseas has lightened the CEEC deficit. We shall know much more about the nature and extent—or perhaps even the suspension—of the sabotage campaigns of the wrecking crews. Most important of all, we shall know to what extent self-help and mutual cooperation in western Europe are giving promise of the vitality upon which this plan inseverably rests. We shall know many things upon which today we can only speculate.

It seems to me that we have everything to gain and nothing to lose—assuming that we are entering upon this high adventure in good faith—by launching this hopeful enterprise full-steam-ahead; and reserving our seasoned and informed judgments for next January, as contemplated by the committee's recommendation, when we shall know whereof we speak instead of gambling now with unknown destiny. I beg of Senators to take this concept to their hearts. This is more than a problem of mathematics; it is a problem in peace, stability, and human freedoms. It may not work. I think it will. But if it fails, let the responsibility rest elsewhere. I say again—as I have said so many times before—these recommended figures are not sacred. But in the light of the powerful credentials they possess, unless the Appropriations Committee can strongly prove them wrong, let us give them the benefit of any doubts for the time being. Next January is not long to wait for the accounting with so much at stake.

One thing more about this figure of $5,300,000,000. It goes for loans and grants. The division rests with the Administrator, counseled by his own board and by the National Advisory Council, consisting of the highest officers of Government. The division will depend upon the beneficiary's ability to pay and upon the nature of the assistance. The loans will be serviced by the Export-Import Bank. It is roughly estimated that loans will represent from 20 percent to 40 percent of the grand total. Using the lower percentage in averaged application to the first year's authorization, its net cost to us is much nearer $4,000,000,000 than $5,300,000,000. It could be—we may hope it will be—even lower in its net effect.

At this point I interject another vital fact. While it is impossible to establish accurate categories at the moment, it is expected that 2 or 3 of these 16 countries in CEEC will be cooperators without any drain upon our dollar aid. They will pay their own way. It also is expected that three other countries will be exclusively on a temporary loan basis—without any grants. It is contemplated that only two countries will be exclusively on a basis of grants. The other eight countries will be on a variable scale of loans and grants. This is no loose give-away. In every instance the plan is geared to hardpan economics.

I now speak of the method used to arrive at this figure. It involves so-called balance of payments. For each country this is the difference between national income from exports, foreign services, and foreign investments, on the one hand, and essential imports of goods and services, on the other hand. This is the balance of payments, and when the former are insufficient to pay for the latter, and there is no gold or convertible currency to make up the difference, any such deficit country is in jeopardy. Under normal exchange conditions, surplus exchange with one country can be balanced against an exchange deficit with others. But this situation does not exist today, and will not until foreign currencies and international exchange are restabilized. This is one of the long-range objectives of this plan—important to every trading nation on earth, our own emphatically included. Meanwhile, the immediate and indispensable objective is to overcome these deficits in western Europe, including western Germany.

Current calculations accordingly were made by the following process: First, estimating each country's import requirements; second, deducting therefrom each country's exports and earnings from foreign services and foreign investments and from any other sources; third, deducting available imports from other Western Hemisphere areas. This final figure, translated into dollars, represents the amount of support from us to permit these 16 European countries, plus western Germany, to import from the Western Hemisphere the commodities essential to recovery. Import requirements of recipient countries were figured on a basis so close that they do not even restore full prewar living standards. In other words, the figures are down to bedrock.

Obviously, this brief description oversimplifies the process. There are many other factors influencing the net result. There are many imponderables, I say again and again. Only experience can demonstrate whether the realities will thrust upwards or push downwards the true evaluation. But this is generally accepted as the best measure of need. It was accepted by the Paris Conference, the executive departments, the Harriman committee, and the International Bank.

I do not undertake to demonstrate that the resultant 12-month figure of $5,300,000,000 in the bill is precisely accurate. I am content to point out that it is little short of amazing how close together all these estimates, independently made, proved to be. I am content to point out that the timetable in this act, as we have reported it, permits the earliest possible congressional review in the presence of reality. I am content to urge that the burden of proof falls heavily upon those who would argue that, pending this early review, the preliminary figure is too large. I have no sympathy with any "take this or nothing" attitude. But I do prayerfully believe that adequacy is the essence of what we do; and surely we can all agree that success with $5,300,000,000 in the first instance is preferable to failure with something less. I remind the Senate further that, under the bill's new timetable, we can balance out even the next fiscal year by the appropriations for the fourth quarter. If facts, as we will know them next January, require readjustments, we can make them in the final quarter. Then we can put them up or down with some degree of justified assurance. When we try to adjust them today, we play with danger to the lifeline of the plan.

Many other features of the pending bill will develop with the debate. At the moment I refer, finally, to only two.

First. Local currencies must be deposited by each beneficiary country to offset the value of any aid not furnished on terms of payment. The beneficiary country and the United States will agree on the local expenditure of these local currency accumulations in behalf of the purposes of this act. Thus our grants will not become a budgetary windfall in the beneficiary country but will virtually become a revolving fund to do double duty in behalf of the act's objectives.

Second. The investment of private American capital, in approved reconstruction projects in the 16 countries and western Germany, is encouraged by our guaranty of the subsequent convertibility of profits or original investment into dollars. This obviates the hazard most likely to prevent private investment. At the same time it is a highly practical invitation to American private initiative to join in this great adventure on a free-enterprise basis.

Now, Mr. President, with apologies to my colleagues for the length of this intrusion upon their good nature, I conclude. With a few desultory comments, I am done.

First. This act does not include some of our other unavoidable international obligations. We shall have to deal at this session with China, Greece, Turkey, and Trieste, and with the occupied areas for which we are responsible as a legacy from the war. These things must be remembered as we proceed. We must deal with over-all considerations. Particularly we must faithfully remember the superlative importance of effective solidarity in the Western Hemisphere in unhappy, uncertain days like these. Mutually happy and healthy Pan American relationships are indispensable. They must be conserved. It ought to be entirely possible to substantially improve these economical relationships through the triangular trade that should be possible of development in connection with this European recovery plan.

Second. This act largely depends for its success upon the quality of its administration. The choice of the Administrator and his associates is one of the most solemn responsibilities that has ever confronted a President of the United States. I beg of the President to search for the best and to be satisfied with nothing less. This act is a challenge to the best brains and to the best experience in the Nation. They responded in the crises of war. I am sure they will respond in this crisis of peace. The cause is no less vital to our destiny.

Third. This act depends, again, for its success upon the prompt restoration of western Germany to an effective place in the economy of Europe and the world. It must be decentralized. It must be demilitarized for keeps. But it must be restored to decent hope and productivity. The western occupying powers must quit their indecision and put Germany wholesomely at work again without delay. The Ruhr alone could spell the difference between success and failure.

Fourth. This act depends also and equally upon the energy and devotion with which these western European nations pursue the integration which they have volunteered to seek. Our dollars cannot substitute, I say again, for their own will to make common cause for the mutual defense of their own welfare. We do not presume to dictate the formula. But we relentlessly recommend the objective. Standing together, these nations can face every vicissitude with hope. Standing apart they may face collapse and even conquest. By its own warning, the wrecking crew awaits.

Fifth. This act seeks and depends upon peace. Peace requires the economic stabilities which are here addressed. Peace also depends upon security against aggression. Security depends upon preparedness. Preparedness depends upon rival arms until, dependably there is a better way. The better way is an undivided United Nations which is made to work in its present or some other form. Regional arrangements under its Charter can promote security. Unselfish mutual defense pacts, such as we have repeatedly offered, can promote security. Global disarmament—on a basis of rigid, instant, and conclusive discipline against bad faith—is the best security guarantee of all. We and the peace-loving sectors of the world must struggle on toward these ideals.

Sixth. The act has the amazingly unified support, according to their official voices before our committee, of practically all spokesmen in our own land for organized labor and capital and agriculture and industry, for veterans, for women's organizations, for American journalism and, by no means last, for the church. The friendly preponderance is overwhelming. I believe, Mr. President, that dynamic America is prepared to carry on.

Seventh. Whatever we are to do, Mr. President, let it be done without undue delay. Whatever our answer is to be, let it be made as swiftly as prudence will permit. The exposed frontiers of hazard move almost hourly to the west. Time is of the essence in this battle for peace, even as it is in the battles of a war. Nine months ago Czechoslovakia wanted to join western Europe in this great enterprise for stability and peace. Remember that. Today Czechoslovakia joins only such enterprise as Moscow may direct.

There is only one voice left in the world, Mr. President, which is competent to hearten the determination of the other nations and other peoples in western Europe to survive in their own choice of their own way of life. It is our voice. It is in part the Senate's voice. Surely we can all agree, whatever our shades of opinion, that the hour has struck for this voice to speak as soon as possible. I pray it speaks for weal and not for woe.

The committee has rewritten the bill to consolidate the wisdom shed upon the problem from many sources. It is the final product of 8 months of more intensive study by more devoted minds than I have ever known to concentrate upon any one objective in all my 20 years in Congress. It has its foes—some of whom compliment it by their transparent hatreds. But it has its friends—countless, prayerful friends not only at the hearthstones of America, but under many other flags. It is a plan for peace, stability, and freedom. As such, it involves the clear self-interest of the United States. It can be the turning point in history for 100 years to come. If it fails, we have done our final best. If it succeeds our children and our children's children will call us blessed. May God grant His benediction upon the ultimate event. [Applause on the floor, Senators rising.]

Mr. WHERRY obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. CONNALLY. Mr. President, the Senator from Michigan has delivered a very admirable address upon this subject, and has adequately covered it. I expect to speak on the bill, but I shall defer my remarks until the debate somewhat develops. During the course of that development, I shall address the Senate with respect to the pending measure.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for just a moment?

Mr. WHERRY. I yield.

Mr. VANDENBERG. Mr. President, with the indulgence of the Senator from Nebraska, I should like to make this suggestion to my colleagues: I am sure that despite any disagreements among us in respect to the terms of the act or the act itself, all of us are in agreement that the time has come for action, and I am sure we can have general cooperation to that end. To that end, therefore, Mr. President, I am taking the liberty of suggesting that it will tremendously facilitate events if those who contemplate offering amendments to the bill will have them promptly presented and printed, so that they may be before us for the earliest possible action when the debate lulls.

Mr. WHERRY. Mr. President, I wish to concur in the statement just made by the distinguished Senator from Michigan that time is of the essence, and therefore I humbly suggest that Members who may have amendments to offer, offer them as quickly as possible.

I feel that this bill is of such importance and is so momentous that we possibly would make time by now taking a recess until tomorrow. Unless there is some business which Members would like to have transacted at this time, I suggest that the Senate take a recess until tomorrow, if that meets with the approval of Senators.

In the meantime, let me state that it is the present plan, if it meets with the approval of the Senate, to have the Senate meet daily until the pending legislation is disposed of.

Mr. BARKLEY. Mr. President——

Mr. WHERRY. I yield to the distinguished minority leader.

Mr. BARKLEY. I would suggest that we have an executive session at this time, for the consideration of the nominations on the Executive Calendar.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1796) to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 551)

The PRESIDING OFFICER (Mr. CAIN in the chair) laid before the Senate a message from the President of the United States, which was read by the Chief Clerk and referred to the Committee on Finance.

(For President's message, see today's proceedings of the House of Representatives on p. 1934.)

MRS. BESSIE TWO ELK-POOR BEAR—VETO MESSAGE

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read by the Chief Clerk, and, with the accompanying bill, referred to the Committee on Interior and Insular Affairs:

To the Senate:

I return herewith, without my approval, S. 499, authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear.

The effect of this measure would be to enable Mrs. Poor Bear to terminate at will the trust under which the United States now holds the lands allotted to her on the Pine Ridge Indian Reservation, and to permit her to demand a conveyance of the lands free from the restrictions on alienation now imposed by law.

The situation here presented is one which involves the performance of trust agreements that the United States is bound faithfully to execute, as distinguished from the continuance of a personal disability. Mrs. Poor Bear, in common with other Indians, is entirely free to purchase lands or other property, and to sell the same as she pleases. What is here in question is land that forms a part of the ancestral tribal holdings of the Oglala Sioux Indians, and a part of an area which, pursuant to various arrangements with these Indians, has been divided among the individual members of the Oglala Sioux Tribe. Mrs. Poor Bear obtained a share in this division of the tribal patrimony solely because of her membership in the Oglala Sioux Tribe. Under the terms of the allotment arrangements, and the implementing statutes, she has no right to alienate the lands allotted to her without the consent of the United States, acting in its capacity as trustee of the lands. Such approval may now be granted by the Secretary of the Interior should it be found that Mrs. Poor Bear is competent to manage her affairs.

In the performance of the existing trust obligations, consideration must be given to the question of whether a sale of the lands would promote the best interests of all concerned. These include Mrs. Poor Bear, as the beneficiary of the trust, and the Oglala Sioux Tribe, as a party to its creation and maintenance.

The record in the present case clearly indicates that termination of the trust would be contrary to the best interests of Mrs. Poor Bear. The factors of her advanced age, business inexperience, nomadic habits, and lack of interest in agricultural or grazing pursuits, and the similar factors which exist with respect to her husband, combine to impel a conclusion that Mrs. Poor Bear is not competent to handle property transactions. Since she is dependent upon the land here involved, from which she now obtains a lease income, for a portion of her livelihood, loss of the value of the land through an imprudent sale, or through the improvident use of the proceeds of a sale, would adversely affect her future security. Yet, the discharge of her property from restrictions would invite the sale of the land and the dissipation of its proceeds by eliminating the safeguards which existing laws afford the Indians against short-sightedness on their own part or overreaching on the part of others. Particularly in the situation here involved, I believe it would be most unwise to abrogate these safeguards.

In addition, the approval of this bill might result in Mrs. Poor Bear being forced to accept whatever price is offered her for the land in order to avoid losing it through tax sale, since issuance of a patent in fee would terminate the present tax exemption.

In these circumstances it seems to me that the responsibilities of the United States for the faithful discharge of its trust obligations preclude the granting to Mrs. Poor Bear of the right to terminate at will the existing trust of the lands allotted to her.

I also wish to point out that the Congress has established, by general law, procedures under which cases such as the present may be adjusted in ways both equitable and practical, should a sale of part of the capital assets of Mrs. Poor Bear become essential for her support or for the better use of her other property. The procedures so established do not entail the disregard of Indian interests, and of Federal responsibilities for their protection, that is inherent in the present bill, however well-intentioned.

For these reasons, I am constrained to withhold my approval from S. 499.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 28, 1948.*

MRS. ELLA WHITE BULL—VETO MESSAGE

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read by the Chief Clerk, and, with the accompanying bill, referred to the Committee on Interior and Insular Affairs:

To the Senate:

I return herewith without my approval S. 542, authorizing the issuance of a patent in fee to Mrs. Ella White Bull.

The effect of this measure would be to enable Mrs. White Bull to terminate at will the trust under which the United States now holds the lands inherited by her on the Pine Ridge Indian Reservation, and to permit her to demand a conveyance of the lands free from the restrictions on alienation now imposed by law.

The situation here presented is one which involves the performance of trust

agreements that the United States is bound faithfully to execute, as distinguished from the continuance of a personal disability. Mrs. White Bull, in common with other Indians, is entirely free to purchase lands or other property, and to sell the same as she pleases. What is here in question is land that forms a part of the ancestral tribal holdings of the Oglala Sioux Indians, and a part of an area which, pursuant to various arrangements with these Indians, has been divided among the individual members of the Oglala Sioux Tribe. Mrs. White Bull obtained a share of this division of the tribal patrimony solely because of her membership, or that of her deceased son from whom she inherited this property, in the Oglala Sioux Tribe. Under the terms of the allotment arrangements, and the implementing statutes, she has no right to alienate the lands inherited by her without the consent of the United States, acting in its capacity as trustee of the lands. Such approval may now be granted by the Secretary of the Interior should it be found that Mrs. White Bull is competent to manage her affairs.

In the performance of the existing trust obligations consideration must be given to the question of whether a sale of the lands would promote the best interests of all concerned. These include Mrs. White Bull, as the beneficiary of the trust, and the Oglala Sioux Tribe, as a party to its creation and maintenance.

The record in the present case clearly indicates that termination of the trust would be contrary to the best interests of Mrs. White Bull. She is a full-blood Sioux Indian approaching 70 years of age, with only a very limited education, and no business experience. These and other pertinent factors impel a conclusion that Mrs. White Bull is not competent to handle property transactions. Since she is dependent upon the land here involved, from which she now obtains a lease income, for a portion of her livelihood, loss of the value of the land through an imprudent sale, or through the improvident use of the proceeds of a sale, would adversely affect her future security. Yet the discharge of her property from restrictions would invite the sale of the land and the dissipation of its proceeds, by eliminating the safeguards which existing laws afford the Indians against shortsightedness on their own part or overreaching on the part of others. Particularly in the situation here involved, I believe it would be most unwise to abrogate these safeguards.

In addition, the approval of this bill might result in Mrs. White Bull being forced to accept whatever price is offered her for the land in order to avoid losing it through tax sale, since issuance of a patent in fee would terminate the present tax exemption.

In these circumstances it seems to me that the responsibilities of the United States for the faithful discharge of its trust obligations preclude the granting to Mrs. White Bull of the right to terminate at will the existing trust of the lands inherited by her.

I also wish to point out that the Congress has established, by general law, procedures under which cases such as the present may be adjusted in ways both equitable and practical, should a sale of part of the capital assets of Mrs. White Bull become essential for her support or for the better use of her other property. The procedures so established do not entail the disregard of Indian interests, and of Federal responsibilities for their protection, that is inherent in the present bill, however well intentioned.

For these reasons, I am constrained to withhold my approval from S. 542.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 28, 1948.*

URGENT DEFICIENCY APPROPRIATIONS, 1948—CONFERENCE REPORT

Mr. WHERRY. Mr. President, on behalf of the Senator from New Hampshire [Mr. BRIDGES], I submit a conference report on House bill 5525, the urgent deficiency appropriation bill for 1948, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 5, 7, 8, 9, and 10, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"CONTINGENT EXPENSES OF THE SENATE

"Expenses of Inquiries and Investigations: For an additional amount for expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration, but not exceeding the rate of 25 cents per hundred words for the original transcript of reported matter, $300,000: *Provided*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the Subsistence Expense Act of 1926, approved June 3, 1926, as amended."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In line 5 of said amendment in lieu of the figure "$31,000" insert the figure "$10,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$850,000" and, on page 9, line 12, of the bill strike out the word "July" and insert in lieu thereof the word "June"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum of "$6,000,000" named in said amendment insert the following: "$5,000,000"; and the Senate agree to the same.

STYLES BRIDGES,
C. WAYLAND BROOKS,
CHAN GURNEY,
JOSEPH H. BALL,
KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
Managers on the Part of the Senate.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

EXPORTS TO AND IMPORTS FROM RUSSIA

Mr. KNOWLAND. Mr. President and Senators, I shall take but a few moments of the Senate's time, but I wish to ask unanimous consent to have printed in the body of the RECORD a report or table I have just received from the Department of Commerce showing by months for the year 1947, American exports to and imports from the Union of Soviet Socialist Republics. I ask that it be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

United States domestic exports to U. S. S. R., total and by principal commodities, monthly, January–December 1947

[Value in thousands of dollars]

Commodity	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total exports	24,435	15,737	7,218	9,281	27,106	7,613	15,712	4,047	3,030	9,157	10,371	15,423	149,129
Animals and animal products, edible:													
Pork, canned	(1)		(1)		379			(1)					380
Sausage, bologna, and frankfurters, canned	(1)	844			11	18		(1)					872
Tushonka, canned		1,313	470		9								1,792
Other meat products	(1)		31	54			(1)	1					86
Milk and cream, condensed, sweetened							34				47		81

[1] Less than $500.

United States domestic exports to U. S. S. R., total and by principal commodities, monthly, January–December 1947—Continued

[Value in thousands of dollars]

Commodity	January	February	March	April	May	June	July	August	September	October	November	December	Total
Animals and animal products edible—Continued													
Nonfat dry milk solids					127								127
Other dairy products	23	1	77		106	65		(1)					272
Other products	1		29			12							43
Animals and animal products, inedible:													
Leather manufactures	59	22			18	5						(1)	103
Other products	73			219	206		1	1					500
Vegetable food products and beverages:													
Grains and preparations	1				56	24							80
Vegetables and preparations	8	1				4							13
Other products			(1)		4			(1)			19		24
Vegetable products, inedible, except fibers and wood:													
Synthetic rubbers	57						41	5					103
Automobile tires (casings)	22	34		(1)				3	10				70
Rubber hose and tubing, except garden hose	22			10	81	(1)		(1)					113
Other rubber and manufactures	5	51	7		21	9	5	25	1	13	5	(1)	141
Vegetable oils and fats, inedible		14		42									56
Leaf tobacco, flue-cured, stemmed and unstemmed	444						715						1,160
Naval stores, gums, and resins	(1)			2						141	245		388
Other products	17	1			1		4						22
Textile fibers and manufactures:													
Twine, rope, and cordage	91												91
Other cotton manufactures	3	41	1							(1)	30		75
Sisal and henequen	8	24			429	143	48		403	84	155	74	1,368
Wool semimanufactures		40	88		228	44							400
Wool cloth and dress goods	76	73	(1)										149
Other fabrics wholly or chiefly of wool	58	5	(1)		5								68
Other fibers and manufactures	4	8		3				55		24			95
Nonmetallic minerals:													
Motor fuel, except antiknock and aviation	17				224	448	150						839
Kerosene							152				4		155
Gas oil and distillate fuel oil	38			128	294	136	762						1,358
Residual fuel oil		81			104	86							272
Lubricating oils	94			(1)	(1)	(1)	373	6	106	2	(1)	192	773
Lubricating greases			(1)			1	102	4	13	(1)		16	136
Other petroleum and products	1		(1)			1	5					7	16
Carbon or graphite products	54	28	87	29	64	2		38	32	102	126	79	639
Wheels of artificial abrasives	1		(1)			29	43	30		11	33	25	172
Sulfur, crude									55		156	130	341
Other nonmetallic minerals	207	30	12	36	205	1	22	2		2	1	2	520
Metals and manufactures, except machinery and vehicles:													
Iron and steel bars and rods	392	161		141	797	207	139	370		19		228	2,451
Tubular products and fittings	1,198	810	100	228	746	79	306	24	100	87	4	16	3,697
Wire rope and cable, not insulated	1,023	472	50	773	586	101	185	43	27	229	34		3,521
Other wire and manufactures	165	16	19	38	16	1	1						257
Railway-car wheels, tires, and axles	380	432	446	319	530	301	366	59	203	448	254	159	3,897
Other iron- and steel-mill products	256	221	7	213	137		217		6	21	20	336	1,436
Tools	132	22	25	26	54	27	13	35	1	2	25	6	367
Other iron and steel advanced manufactures	43	19	24	54	286	78	16	10		30	12	3	575
Copper wire and cable, insulated	288	13	50	34	55						(1)		439
Other copper and manufactures	35	8		3							(1)	9	57
Other metals and manufactures	73	1	1	6	26	110	6	3	1	25	9	9	274
Machinery and vehicles:													
Generators, accessories, and parts	527	359	378	291	764	73	85		53	87	48	20	2,685
Welding sets	5	22		(1)	77	78	122	7		16	7		335
Generating sets, powered by Diesel engines	96	714	8	2	75		65				8	719	1,688
Batteries		(1)		6		5	65			4	2	3	86
Transforming or converting apparatus	348	192	36	96	200	240	775	117	3	330	715	189	3,241
Transmission and distribution apparatus	274	276	162	99	565	70	621	137	187	411	372	496	3,672
Motors, starters, and controllers	1,148	433	96	167	990	61	337	19	31	323	438	487	4,530
Industrial heat-treating furnaces and parts	48	47	42	6	68	67	79	9		70	273	31	739
Radio apparatus	57	171	5	5	34	32	79	20	3	53	18	1	479
Other electrical machinery and apparatus	237	89	87	815	185	20	269	202	18	124	266	229	2,537
Steam locomotives	168	84	418	138	300					163			1,272
Internal-combustion engines, excluding locomotives	196	90	94	13	1,048		48			(1)	126	19	1,634
Accessories and parts for internal-combustion engines	120	155	44	62	248	77	9	58	1	69	36	148	1,024
Construction and conveying machinery	1,223	486	324	388	1,619	67	1,387	588	164	569	463	3,397	10,675
Mining, well, and pumping machinery	3,076	1,724	696	942	2,675	431	1,585	303	161	1,797	1,628	2,776	17,794
Power-driven metal-working machine tools, and parts	4,304	1,295	749	752	2,240	1,750	1,973	221	247	976	784	878	16,168
Metal-working machines, and parts, including power-driven	570	239	96	129	747	340	1,345	118	224	653	1,185	1,505	7,151
Air compressors	340	137	74	133	722	75	465	50	47	716	15	1,022	3,797
Pipe valves	164	268	39	314	145	67	50	16	(1)	184	69	8	1,325
Other industrial machinery [2]	3,539	2,074	830	1,326	6,474	1,476	903	527	449	741	1,131	767	20,240
Tractors and parts	615	329	5	626	302	28	58	24			16		2,203
Other agricultural machinery and implements	32	13	102		98	11	36	18	35	80	25	11	463
Motor trucks, busses, and chassis (new)	216	201	36	188	297		30				38	176	1,160
Station, warehouse, and factory trucks			50				51					6	107
Automobile parts for replacement	37	109	3	5	60	6	38	3	(1)	8	18		287
Other automobiles, parts, and accessories	4		20	28	14		1	7	5	8	7	27	123
Aircraft parts and components	2	26	2		108	8	60			119	2	95	421
Merchant vessels		652					589						1,241
Freight cars over 10-ton capacity				33	67	67	168	565	339		377	228	1,843
Other machinery and vehicles	146	2	5	10	127	48	24	1	3	2	5	4	373
Chemicals and related products:													
Medicinal and pharmaceutical preparations	38	14	11	2	49	1	1		(1)	2	9	2	127
Laundry soap	328	249	633										1,210
Other products	70	11	20	32	20	1	17	9	9	55	46	51	345
Miscellaneous:													
Scientific and professional instruments, apparatus, and supplies	178	225	80	51	254	344	423	88	25	172	659	594	3,094
Books, maps, pictures and other printed matter	146	20	27	1	41	14	101	9	3	9	9	27	408
Commodities exported for relief and charity [3]	756	215	134	17	430	129	93	86	36	134	55	89	2,174
Household and personal effects	13	16	350	8	62	68	33	44	11	29	335	68	1,038
Other miscellaneous exports	45	15	37	58	194	26	22	88	17	13	6	59	576

[1] Less than $500.
[2] Includes commodities not available separately.
[3] Shipments by private relief organizations.

Prepared in the Department of Commerce, by Special Programs Branch, Areas Division, Office of International Trade, from basic data of the Bureau of the Census, February 1948.

United States general imports from U. S. S. R., total and by principal commodities, monthly, January–December 1947

[Value in thousands of dollars]

Commodity	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total imports	9,006	1,047	1,245	6,325	4,466	10,499	9,956	2,508	13,994	7,835	5,102	5,026	77,102
Animals and animal products, edible:													
Sausage casing				55	116	104		151	8	56	127	237	853
Caviar and other roe	3	5	1	436	13	3	9		17	8		260	755
Other products													
Animals and animal products, inedible:													
Fox, other than silver and black	484	(1)	5	14	91	462	177	23	611	178	32	252	2,330
Hare	366		66	44	191	635	659	310	124	639	85	67	3,186
Persian lamb and caracul	3,109	37	13	142	18	215	2,353	7	7,267	2,869	679	37	17,946
Marmot	30			166	955	667	191		425	178	55	16	2,683
Marten	141		2	123	117	404	268	5	301	94	104		1,557
Muskrat	48			23	33	774	64	17	406	29	54	174	1,624
Sable	11	7			222	287	226	103	250	210	48	137	1,502
Squirrel	210	4	59	331	496	3,594	503		889	136	101	326	6,649
All other undressed furs	213	1		220	600	1,005	279	64	812	247	364	246	4,050
Furs, dressed	2				14	11			13	134	1	107	282
Fur manufactures	62			164	22	139	132	31	147	212	198	358	1,465
Other products					31	4		1	12	26		14	88
Vegetable products, inedible, except fibers and wood:													
Licorice root			71	56	13		72			72	28	41	352
Drugs of vegetable origin not edible, crude			11	6	9	6	10	2	1	4	1	4	55
Pine needle oil	28					45							73
Tobacco, cigarette leaf, unstemmed	1,977			776	12	285	1,198						4,248
Hops												245	245
Other vegetable products	2				14			1		8		11	38
Textile fibers and manufactures:													
Cotton linters	23		220	155	35	133	340		435	177	411	8	1,937
Cotton waste	108		26	12	76	20	64	7	185	75	101	214	889
Flax, hemp and ramie and manufactures	8	14	2	1		87	9	10		64	24	94	314
Wool, unmanufactured		419	48			151					267	105	991
Animal hair, unmanufactured	16	90		33	7				100	56	91	57	448
Other fibers, and manufactures	14	2			9				77	28	2	12	144
Wood and paper:													
Sulfite wood pulp						290		5		163			459
Other wood and paper	3				2			1	2	11	19		38
Nonmetallic minerals:													
Asbestos, unmanufactured						45	94		76	56	152	239	664
Diamonds, cut but not set					99		211		194	9	194	210	918
Other nonmetallic minerals				2				1					3
Metals and manufactures, except machinery and vehicles:													
Manganese ore	1,673	206		1,320	268	683	488	680	196	741	514	954	7,723
Chrome ore or chromite	209	255	410	1,073		285	1,649	1,084	1,222	1,288	881	599	8,956
Platinum ingots, bars, sheets or plates not less than ⅛-inch thick	220		262	572	710								1,766
Iridium				84	45				54				182
Osmium				76					76				153
Palladium	36			403	203	136					355		1,131
Other metals and manufactures				1	1		46			30		1	79
Chemicals and related products:													
Arsenic trioxide			35	15		14	2		60	23	7		156
Other products						6			22				28
Miscellaneous:													
Equipment and supplies for outfitting and repairing vessels	(1)		9		34	2		3	2	2	2		53
Books, maps, pictures, and other printed matter	5	7	3	22	4	2	5	2	3	11	3	2	
Other miscellaneous imports	2				6	7			2	1	1		21

[1] Less than $500.

Prepared in the Department of Commerce, by Special Programs Branch, Areas Division, Office of International Trade, from basic data of the Bureau of the Census, February 1948.

Mr. KNOWLAND. Mr. President, I also wish to have printed in the body of the RECORD at this point a letter I addressed on February 27 to the Secretary of Commerce, Mr. Harriman, and a copy of the letter I received this morning from the Acting Secretary of Commerce, Mr. Foster, in reply thereto, together with the Current Export Bulletin showing certain actions which have been taken by the Department of Commerce as of March 1. I wish to say, Mr. President, that at a later date I expect to present more extended remarks on this subject.

There being no objection, the letters and Bulletin were ordered to be printed in the RECORD, as follows:

FEBRUARY 27, 1948.

Hon. W. AVERELL HARRIMAN,
Secretary of Commerce,
Department of Commerce,
Washington, D. C.

DEAR MR. SECRETARY: I have received from the Special Programs Branch of the Department of Commerce a monthly break-down of the United States domestic exports to the U. S. S. R. and imports from that country into the United States. This was sent to me pursuant to my request.

On November 25, 1947, based on 6 months' figures then available to me, I called the matter to the attention of the Senate of the United States and pointed out what seemed to me to be major inconsistencies in certain policies this Government was following. At that time I had hoped that the executive branch of the Government would take adequate steps to rectify this situation without the necessity of further legislation by the Congress.

The figures that I have just received tend, in my opinion, to verify the inconsistencies previously noted and in fact to substantially magnify them.

This morning one of the wire services carried a story of which the following is an extract:

"Secretary of Commerce Harriman has warned Congress that Russian aggression is 'a greater menace than Hitler.' The disclosure was made by the House Appropriations Committee as it voted $503,420,263 to run the State, Commerce, and Justice Departments and the Federal courts during the fiscal year starting July 1. This is a net cut of $35,417,168 from President Truman's budget requests. The committee also demanded that the Justice Department step up its antimonopoly work, particularly in the fields of food, clothing, and housing. It gave the Department additional money for the work.

"Harriman, former Ambassador to Moscow, said at committee hearings that unless communism is stopped in western Europe, 'We will face a situation that we cannot deal with, and the balance of power, which now is predominantly in our favor, will be against us.' He was one of several top American officials, including Secretary Marshall, who criticized Soviet policy during the hearings. Their testimony was released only today.

"Marshall said the United States is 'basically friendly' to the Russian people. But, he said, Soviet officials are 'very slow to agree, rather difficult in negotiation, and I would say generally suspicious of our motives.'

"Harriman's statement was sparked by an observation by Representative CLIFF CLEVENGER, Republican, Ohio. The Congressman said he is not so much worried over Red expansion in Europe as he is over the chance the United States will go bankrupt. Harriman said 'most of our discomfort at home' stems from the European situation."

I fully recognize the importance of the economic rehabilitation of western Europe. Certainly it is neither in the interest of world peace nor in the security of this Nation to have additional nations go behind the iron curtain. For this reason, I am supporting the European recovery legislation in substantially the form recommended to the Senate by the Foreign Relations Committee.

This morning, I discussed these export-import figures with Senator VANDENBERG and presented my point of view to him. He agreed with me that this matter needed clarification. In order to get such clarification, if possible, I determined to address this letter to you.

Frankly, I do not understand how various high officials of the Government can point out the dangers to the peace of the world

which would result from western Europe going behind the "iron curtain" and urge upon Congress the support of the European recovery program and various emergency-aid programs, while at the same time substantial exports are permitted to the one country that is a threat to the peace of the world. On its face, the list your Department made available to me indicates that we have, among other things, been exporting large quantities of industrial equipment which is not only in short supply in this country, but is desperately needed for the rehabilitation of western Europe. In addition to this, such exports are building up the war potential of the U. S. S. R.

It is my intention to discuss this matter on the floor of the Senate, possibly late this afternoon, and no later than Monday. Therefore, I would appreciate having your views as to the consistency of the above-quoted statement before the House Appropriations Committee and the export policy this Government is following.

Sincerely yours,

WILLIAM F. KNOWLAND,
United States Senator.

THE SECRETARY OF COMMERCE,
Washington, March 1, 1948.

HON. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: In reply to your letter of February 27, 1948, to Secretary Harriman (who is away from the city), and supplementing my conversation with you on February 28, I should like to make the following observations:

The major items on the list of materials exported during the calendar year 1947 to the U. S. S. R. do not for the most part represent goods which are in short supply in this country, or which have been desperately needed in the rehabilitation of western Europe. They largely comprise commodities which have not been placed on the positive list of materials subject to special controls and quotas precisely because they were not considered in critical shortage here.

Naturally, as circumstances affecting the balance between supply and demand change, we have in the past not hesitated to add new items to the positive list.

Lately, however, we have announced a new policy affecting all shipments to European countries and to the U. S. S. R. The procedure under which this policy becomes activated will be effective as of today and requires the individual licensing of every article exported to Europe and to the U. S. S. R.

This new procedure will, it is believed, enable us to scrutinize all shipments to eastern Europe in a manner which has not heretofore been practicable. At no time, however, during our administration of export controls have we been unmindful of the importance of not exporting to the U. S. S. R. commodities which would have made a direct contribution to its war potential, and various limitations in that respect have always been strictly enforced.

The procedure to which I refer has been subjected to much criticism, but we feel that its establishment is justified in view of the political and economic realities which presently exist.

I am enclosing copies of orders establishing the two new procedures which I discussed with you.

Sincerely yours,

WILLIAM C. FOSTER,
Acting Secretary of Commerce.

SUBJECT: RECLASSIFICATION OF ALL DESTINATIONS INTO NEW COUNTRY GROUPS

A. Effective March 1, 1948, validated licenses will be required for the exportation of all commodities to destinations in Europe and certain contiguous areas. This action will enable the Office of International Trade to program exports of commodities essential to the economic recovery of Europe, to restrict exports of commodities of a nonessential character, and to provide adequate export quotas. Shipments of commodities which cannot be included within the programmed exports determined under this procedure will be considered for licensing on a hardship basis.

B. In order to implement this program, all destinations are reclassified into two new country groups to be designated as country group R and country group O. All European destinations (see Bureau of Census Schedule C, Code Classification of Countries, as revised) and certain areas contiguous thereto are included in country group R. Such destinations are listed in appendix A hereof; all other destinations are included in country group O.

C. All commodities, including those not on the positive list, will require a validated license for export to destinations in country group R, except as provided in part F. However, only those commodities included in the positive list will require a validated license for export to destinations in country group O.

D. Licenses authorizing the exportation of commodities which are not on the positive list will be issued for a validity period of 90 days from the date of validation, unless otherwise stated on the face of the license.

E. The provisions of Current Export Bulletin No. 431 relative to the licensing of commodities for export apply only to those commodities included in the positive list; if they are made applicable to any commodities which are not on the positive list, announcement will be made in subsequent bulletins.

F. General license privileges:

1. All general license provisions applicable to the former group K countries are made applicable to destinations in country group O.

2. Commodities not included in the positive list may be exported under general license GLV to group R destinations where, in a single shipment, the net value of all the commodities classified under a single schedule B number does not exceed $100. The GLV limitations for commodities on the positive list are as indicated for the former group K destinations.

3. The provisions of all other special general licenses applicable to the former group E countries are made applicable to destinations in country group R; these include general in-transit license (GIT); general licenses GUS and GAF for use of United States representatives and members of the United States armed services; general license for personal baggage (BAGGAGE); the general licenses for technical data and publications (TD–US, TD–GEN, and G–PUB); general licenses for the export of vessels (VMC), ship and plane stores, and fuel; general license for the export of dunnage (GLD); general license for the export of metal drums and containers (G–MDC); general license GLR for the return of commodities to countries from which exported, and the general licenses for gift and relief shipments. The provisions of the general license for shipments to prisoners of war which are applicable only to specified destinations are not affected by this action and remain in force.

4. The provisions of general license GCC (export of commodities sold at auction by Bureau of Customs) are extended to all destinations.

G. Information regarding processing codes and related commodity groupings for those commodities not on the positive list will be announced in a subsequent Current Export Bulletin; exporters are urged to await such announcement before submitting export-license applications covering these commodities. However, exporters should continue to submit export-license applications covering commodities on the positive list in accordance with existing instructions.

H. Exporters are reminded that the issuance of licenses authorizing the exportation of commodities to Germany remains subject to the import-permit requirement, in accordance with the provisions of Current Export Bulletin No. 424, dated October 27, 1947.

I. Shipments of commodities which, as a result of the provisions of this bulletin, require validated licenses to export, and which were on dock, on lighter, laden aboard the exporting carrier or in transit to ports of exit pursuant to actual orders for export prior to the effective date of this bulletin, may be exported under the previous general license provisions.

J. Additional information and necessary forms for filing export-license applications may be obtained from the Department of Commerce, Office of International Trade, Washington 25, D. C., or from any of the Department's field offices. For the convenience of exporters, these offices are listed, together with their locations, in Comprehensive Export Schedule No. 24, pages 26 and 27, section II, part 2.

FRANCIS MCINTYRE,
Assistant Director, Office of International Trade.

APPENDIX A—DESTINATIONS INCLUDED IN COUNTRY GROUP R

Aegean Islands (including the Dodecanese Islands); Albania; Andorra; Austria; Belgium; Bulgaria; Czechoslovakia; Denmark (except Greenland); Eire (Irish Free State); Estonia; Finland; France (including Corsica); Germany; Gibraltar; Greece (and its Mediterranean islands); Hungary; Iceland; Italy (and its Mediterranean islands); Latvia; Liechtenstein; Lithuania; Luxemburg; Malta, Gozo, and Cyprus Islands; Monaco; the Netherlands; Norway; Poland and Danzig; Portugal (including Azores and Madeira Islands); Rumania; San Marino; Spain and possessions (including Balearic Islands, the Canary Islands, Spanish Morocco, Ceuta, Melilla, Ifni, Rio de Oro, Spanish Guinea including Rio Muni and Fernando Po, Annobon, Corisco, and Elobey Islands); Sweden; Switzerland; Tangier (including the international zone); Trieste, Free Territory of Turkey (Asiatic and European); Union of Soviet Socialist Republics (European and Asiatic); United Kingdom of Great Britain and Northern Ireland; Vatican City; Yugoslavia.

INVESTIGATION OF OPERATION OF IMMIGRATION AND NATURALIZATION LAWS—EXTENSION OF TIME FOR FILING REPORT

Mr. REVERCOMB. Mr. President, on July 26, 1947, the Senate agreed to Senate Resolution 137, which authorized the Committee on the Judiciary, or any duly constituted subcommittee thereof, to study the general subject of the operation of the immigration and naturalization laws. Section 2 of the resolution provided that the committee should make a report of its findings to the Senate at the earliest practicable date, but in no event later than March 1, 1948.

The resolution also provided for a report on the subject of displaced persons, one of the subdivisions of the general subject which was to be studied. The time for filing the report on displaced persons has been extended twice, I believe, and that report is to be made today. I speak now of the general subject of the immigration laws. Most of the time of the committee and its staff has been devoted to the subject of displaced persons. The committee is not prepared today to make the report on its investigation of the immigration laws, and I am authorized and directed by the

Committee on the Judiciary to ask that the time be extended from March 1, 1948, to May 1, 1948, for a report upon any changes that may be suggested in the general immigration and naturalization laws.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. MORSE. Mr. President, I reserve the right to object.

Mr. WHERRY. Mr. President, what was the request, please?

The PRESIDING OFFICER. The Senator from West Virginia, on behalf of the Judiciary Committee, requested an extension of time within which to submit a report to the Senate. The Chair had merely stated that without objection on the order would be made. The Senator from Oregon is raising a question. The Senator from Oregon.

Mr. MORSE. Mr. President, I wish to discuss the matter with my good friend from West Virginia, so that I may fully understand the import of the extension of time. I want to know to what extent, if any, the extension of time, if granted, will delay consideration of the displaced-persons legislation now pending before the Senate.

Mr. REVERCOMB. So far as I know, it would not delay it in any respect. The resolution specifically provided that a separate report should be made on displaced-persons legislation. The Judiciary Committee this morning voted to report the bill respecting displaced persons, and it no doubt will be reported to the Senate today. That is the intent.

Mr. MORSE. Mr. President, with that helpful clarification on the part of the Senator from West Virginia, I shall not object. It is my understanding that the delay will in no way jeopardize early consideration of the displaced persons legislation. I repeat what I have said many times, that I think it is of great importance that we proceed without further delay in the handling of the displaced-persons problem. It is a part of the warp and woof of the whole European situation, and there rests upon us the obligation of seeing to it that long-delayed justice is done to the displaced persons who are confined at present in what may be called the concentration camps.

The PRESIDING OFFICER. The Chair understands the Senator from West Virginia to have stated plainly that his request will not delay the proposed legislation with respect to displaced persons.

Mr. REVERCOMB. Mr. President, the displaced-persons problem comes under an entirely separate bill, which was acted upon finally this morning by the Judiciary Committee, as I am advised. I am further advised that it will be reported today. The displaced-persons problem has nothing to do with the extension of time, which will deal with other subjects affecting the immigration and naturalization laws.

The PRESIDING OFFICER. Without objection, the request made by the Senator from West Virginia is agreed to.

LABOR EDUCATION

Mr. MORSE. Mr. President, I ask unanimous consent to have published in the body of the RECORD as part of my remarks an editorial appearing in this morning's Washington Post on the subject of labor education.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR EDUCATION

An education extension program for industrial workers on something like the pattern of the Agricultural Extension Service, which makes educational assistance available to the farm population, is so sensible an idea that it is a wonder it wasn't put into effect by Congress long ago. A Senate Education and Labor Subcommittee has just completed hearings on a bill to establish such a program—a bill introduced in the last session of Congress by Senators MORSE and THOMAS of Utah. The AFL, the CIO, and the Railway Brotherhoods joined in supporting the proposal, and such progressive industrialists as Charles Luckman and Cyrus Eaton gave it their indorsement. It is to be hoped that the House Labor Committee will find time to consider the measure soon.

The bill has been carefully drafted in such a way as to make Federal funds available as grants-in-aid for a labor-extension service while retaining effective control of the program in the hands of the participating universities and the industrial workers desiring its benefits. That great numbers of workers need and want such a service has been abundantly demonstrated. In point of fact, some 79 colleges and universities are now carrying on some sort of labor-education program—Wisconsin, Michigan, Bryn Mawr, Harvard, and Yale among them. But these cannot, of course, begin to meet the demands of 42,000,000 wage earners. Under the Morse-Thomas bill, Federal funds would be made available only when a local labor group, having worked out with a local institution of learning a program approved by a State labor-extension council, requested aid and when 25 percent of the funds required were made available locally.

This program is not aimed in any sense at vocational training. Neither is it supposed to take the place of high school or regular college education. Its concern is with labor problems and industrial relations—with the responsibilities of workers as union members and citizens. It would equip labor to carry out its share of the collective-bargaining process more effectively in its own interest and in the public interest. In doing this, it could serve greatly to promote more stable and peaceful relations between unions and managements.

EMPLOYMENT ACT OF 1946

Mr. MORSE. Mr. President, on February 20, 1946, approximately 2 years ago, the Employment Act of 1946 became the law of the land. As the record shows, I was an ardent supporter of that act, introducing at the time what became known as the Morse amendments to the bill, which were accepted by the floor leader [Mr. WAGNER]. They were known at that time as the Republican amendments to the bill.

As one goes back to the record of the debates on the bill and then studies what has transpired since its passage, I think it is very interesting to note that those of us who fought for the bill and succeeded in securing its passage by the Senate were on very sound ground at the time, because I think the act has been one of the great acts passed by the Congress in recent years. This important piece of legislation committed the Federal Government to a clear-cut responsibility for promoting a stable economy and established specific machinery in both the executive branch and the Congress for carrying out this commitment. The evaluation of the experience gained from the act since its inception has been facilitated, it seems to me, by the fact that a private publisher has consolidated and made available to the general public in book form the three economic reports of the President, which have been prepared with the assistance of his distinguished Council of Economic Advisers. These reports certainly deserve careful study and attention, not only by Members of Congress but by leaders in private life and students in our schools and colleges. Therefore, I am very happy, Mr. President, to place in the RECORD as a part of my remarks a review of the particular book dealing with the three economic reports of the President.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

MR. TRUMAN'S ECONOMIC ADVISERS AND HOW THEY WORK

THE ECONOMIC REPORTS OF THE PRESIDENT. WITH AN INTRODUCTION BY THE COUNCIL OF ECONOMIC ADVISERS

(Reviewed by George Soule)

Way back in 1946 there occurred an event which, though temporarily obscured by the many alarms and excursions since then, may in the end be recognized as one of the most momentous in the post-war years. Congress passed a law declaring it to be the responsibility of the Government to "coordinate all its plans, functions, and resources * * * to promote maximum employment, production, and purchasing power." Numerous qualifications were inserted in the declaration by meticulous legislators, and of course the customary obeisance to "free competitive enterprise" could not be omitted, any more than Russian documents can dispense with compliments to Lenin and Stalin. Yet a major failure in achieving the main purpose could endanger all other objectives of the Nation, foreign and domestic, including the promotion of free enterprise.

The Economic Reports of the President constitute the focal point of the procedure outlined by the Employment Act of 1946. As they have appeared from time to time, they have frequently been discussed as if the President had retired to his study and dreamed them up all by himself, with an eye on the political barometer. In fact they are drafted by a body set up by the law, the Council of Economic Advisers. The council is something brand new in the American order. It is the first official agency ever created in this country for the sole purpose of concentrating on the efficient operation of the economy as a whole. It is suppcsed to advise and consult, not only the President, but with business, labor, farmers, the citizens—in short, you and me.

The Council consists of only three men, who are nonpolitical economic experts. The total force of the agency comprises 28 full-time and 5 part-time employees. Although the budget granted it by Congress was but $350,000, it returned over $90,000 to the Treasury on June 30 last. These facts emphasize that its job is not to do research or to administer a bureaucratic machine, but to think. The United States is richer than any other country in material goods and in facts and figures concerning them; it is not always distinguished by the rarer but less expensive treasure of concentrated, consistent, and disinterested thought about what those facts mean and how they should affect policy.

Messrs. Edwin G. Nourse, Leon H. Keyserling, and John D. Clark, who compose the council, must be brave men to sally forth like David with only the pebble of reason to do battle against the Goliath of economic confusion. Reason, especially expert reason, is none too popular, except when it deals with physics and chemistry. The members of this team have some practice in casting their pebbles. Mr. Nourse was for many years vice president of the Brookings Institution, Mr. Keyserling was an economist at Columbia University and technical adviser to various Senate committees, Mr. Clark was vice president of the Standard Oil Co. of Indiana and dean of the School of Business of the University of Nebraska. Their opponents consist not only of the intrinsic difficulty of their assignment, but the ignorance, the self-interests, and the political irrelevancies which often determine what Government, business, labor, and agriculture do.

This book contains the first three economic reports—January 1947, July 1947, and January 1948—hitherto available only as official documents. Those who are concerned about their country's future should take a few evenings off to study them and see how we are getting on with this ambitious task. The reports are more comprehensible to the layman than the Smyth report on atomic energy, and the matter with which they deal harbors even greater potency for explosion or for human welfare, depending on what we do about it.

The first report, after analyzing the forces which had brought about the high employment, the large production and the rising prices, registered its disagreement with the then current opinion of many economists and businessmen that a recession was probable during 1947. But it did point out growing dangers which would bring a recession unless they were remedied before long.

Consumers' purchasing power, though far higher than before the war, was being reduced by rapidly rising prices. The average factory worker, taking home $46 a week in October 1946, could buy no more with it than with the $35 he had in April 1942. Those on the lower levels of income were eking out their resources by saving far less than during the war and by tapping such savings as they had—though 24 percent of American families had no war bonds or bank accounts in 1945, and 29 percent had less than $500. Unless wages went up without raising prices, or prices came down, consumer buying would soon begin to shrink, except in so far as breadwinners went into debt. But too great an increase of installment and other debt would in the end bring a sharper collapse.

A lot of money was being spent on housing, but prices were so high that the need could not be met. The most recent report points out that the physical volume of construction is less than in any year of the 1920's. High prices for houses inflate debt and limit the market.

Heavy demand for exports, large business investment, and expansion of bank credit would, the council thought, keep things going through 1947 even if inflation were not checked, but such supports could not continue indefinitely.

The second report, issued last July, reemphasized the conclusions of the first, though it observed with satisfaction a leveling out of prices which had occurred in the previous quarter. It noted the prospect of higher food prices on account of the short corn crop and pleaded with coal operators, steel makers, and others not to translate the recent boost of miners' wages into higher prices until they had time to find out whether it could be absorbed by more output per man-hour or otherwise. Coal, steel, and automobiles in succession promptly did the contrary.

The current report carries on the sad story of inflation with telling figures. Production, it demonstrates, cannot possibly be increased enough at the moment to obviate the necessity for anti-inflation measures, since there is now maximum employment. Added capital equipment and better efficiency may raise output 3 percent this year.

This brief summary does scant justice to the skill with which the reports have brought great masses of statistical information to bear on current problems. Overshadowing everything else is that remarkable new device for understanding our economy, the Nation's economic budget, which covers the receipts and spending of all of us.

This budget matches receipts against spending (or investing) under the four great heads of receivers and spenders—consumers, business, government, and foreigners. If the figures are correct, the receipts must always balance the expenditures for all taken together, since everything received by anyone is spent by someone else. The account is kept not to see whether there is a surplus or a deficit—either of which would be impossible—but to see what happens to total demand, and why, as a guide to policy.

One thing this budget shows is that markets and employment have been enlarged to the present size from the prewar level by a much greater growth in business investments, governmental outlays, and exports than by increase in buying on the part of individual consumers. In terms of real goods and services, consumer purchases have increased 48 percent since 1939, while business purchases of equipment have increased 170 percent. If in the next few years we are to have a falling off of business investment, of the export surplus and of governmental buying, there must be a tremendous increase in consumer spending to sustain employment, unless a drastic fall in prices occurs. But where will consumers get the money? This is not somebody's crack-brained theory; it is simple arithmetic.

Opinions of the excellence of the advisers advice differ; some think they have gone too far, others that they have not been nearly emphatic enough in their warnings or drastic enough in their proposed remedies. Whether the present American political structure and economic institutions will submit to the discipline of foresight is open to question. So far the council's (or the President's) recommendations have been adopted to perhaps 25 percent of full measure—and this includes retention of existing taxes so that substantial Federal-debt reduction could take place in 1947, a policy which required a Presidential veto to effectuate.

But one thing is certain. The hope of American democracy has in the past always rested and still rests on trust in the capacity of the people to understand major issues and exercise common sense in deciding them. In the major field of controversy and danger we now have a competent agency to illuminate the issues and focus attention on relevant proposals. Let us make use of it by paying close attention to its counsel.

CONTROL OF WILLAMETTE RIVER FLOODS

Mr. MORSE. Mr. President, for 2 or 3 minutes I should like to speak on a sectional subject, but it is one in regard to which I intend to continue to raise my voice in the Senate in an endeavor to help elicit a greater interest and a greater support on the part of the Congress of the United States for the prevention of tremendous waste resulting each year from floods. Senators have heard me in times past submit data and evidence concerning the annual destruction by floods in the Willamette River in my State. I have said before that the annual loss to the farmers of Oregon and to persons living in the cities of that State, resulting from floods, amounts to a sum sufficient to build some of the very much needed dams on the Willamette River which everyone who has gone into the subject agrees would prevent the floods. That is one of the most disturbing things in connection with the problem which faces the people of my State with relation to floods on its rivers. The flood danger is not peculiar to Oregon. I am one Member of the Senate who can always be counted upon to support flood control, be it in the East, the South, the Middle West, the North, or the Northwest. Our problem is to get many Senators from these sections of the country which do not suffer the type of loss from floods which the people of my State suffer each year, to develop an understanding and a comprehension of the millions of dollars' worth of irreplaceable topsoil that flows into the oceans which border our coasts.

One of the key dams in the Willamette River flood-control project is known as the Meridian Dam. We need $15,000,000, Mr. President, to complete that dam. I point out that no one can answer the position taken by the Army engineers, because I think it is almost unanimously recognized that from an engineering standpoint they are absolutely correct in pointing out that with the completion of the dams, of which Meridian is the key, the Willamette River will be brought under control. The $15,000,000 required for that purpose represents a real saving, in the long run, to the country.

I have received information that the loss from the two floods which have occurred this year in the Willamette Valley amounts to a little more than $15,000,000. I do not know what I can do that I have not done in the years in which I have been in the Senate to call the attention of this body and of the House of Representatives to the tremendous waste of which we are guilty, because we have failed to appropriate the necessary money to prevent unnecessary flood losses. I have heretofore presented the data. I recall that last year I stood on the floor of the Senate for more than 4 hours in the presentation of unanswerable engineering and economic data on the problem. I made them available to the Appropriations Committee of the Senate. I say now that there is not a member of the Appropriations Committee of the Senate who can come forward with a single argument in support of a failure to appropriate the necessary money to prevent the enormous loss from floods each year. No one can advance against it any argument in the name of economy, because any argument in the name of economy on this subject is an argument in support of false economy. It is an argument in support of a penny-wise-and-pound-foolish program, as I have stated many times on the floor.

The leaders of my party certainly cannot on the basis of sound politics support their action in regard to such appropriations. This being a democracy, political considerations should not be ignored, because the people have a right to have them recognized. The people of my State are saying in letter after letter and in telegram after telegram which

I am receiving, "When will the Congress of the United States take a look to see for itself that it cannot justify a loss of $15,000,000 in one small valley, which loss, say the Army engineers, can be prevented by the construction of a dam?" What am I going to say to them? What is my party going to say to them? No Member of this body was more moved by the masterful and statesmanlike speech we heard in the Senate today than was I. I have said to audiences all over this country for many months past that today the distinguished senior Senator from Michigan [Mr. VANDENBERG] stands out as a great, giant statesman in America. He recognizes, as the magnificent speech he made today shows, that America's destiny is in fact at stake in the course of action we follow in keeping faith with the peace. In order to keep faith with the peace, we must keep faith with liberty-loving people the globe around. But to keep faith with the peace and with other peoples, Mr. President, we must see to it that American economy is ever-expanding and that we have the wherewithal to enable us to foot the bill of billions of dollars necessary to win the peace.

Because I so sincerely believe in the fundamental principles the Senator from Michigan so ably and nobly expressed today, I have ever been willing, since I have been a member of the Senate, to follow some quite unpopular courses of action, including my opposition to unwise tax cuts, because I know that the unfettered freedom and the sound economy which it is our privilege to enjoy in our American democracy are worth paying for.

I know how impolitic it is for politicians to tell the American people, suffering as they are these days from a heavy burden of taxation, that, by and large, it is not safe to reduce their tax burden to any appreciable extent and retain any assurance that the economy of the United States can be preserved for generations yet to come, and that the peace will cost us probably more than the war. That, Mr. President, is why I think it important that those of us who occupy public office should be willing to get out into the country and take the facts to the people of the country.

What has that to do with flood control? It has a great deal to do with it, because only to the extent that we can keep the economy of the Nation stable, expand it, and create new wealth from which there may be obtained the necessary tax dollars with which to meet the burdens resting upon us can we hope to win the peace.

Thus, Mr. President, it was with great pain that I observed a penny-wise-and-pound-foolish policy on the part of the Congress. It is with serious misgivings that I see Members of Congress taking a narrow, sectional point of view when great issues come before the Congress, such as the issues of flood control, reclamation, and power development, because in some way, somehow, we must make the American people realize that only to the extent we preserve our present wealth, and direct it into channels of production, can we possibly sustain the great burden of peace which, for the next 50 years, will be imposed upon us.

Why are the politicians talking in terms of 2 or 3 or 4 or 5 years? Why do we not inform the people of the United States the fact that we have a half-century task ahead of us, and that if we are to avert world war III, then we must see to it that our economy is maintained in such a condition that depressions can be avoided and employment continued at a high rate. That is why I fought for the 1946 employment bill, to which I alluded a few minutes ago; that is why I insist upon keeping the tax structure, while eliminating its inequities, up to the point necessary to maintain the Federal revenues so as to enable us to meet our domestic and our international obligations; and that is why I believe that those of us who are in political life should have the courage to go before our electorate and say, "Yes, you are going to have to pay high taxes for many years to come if you think freedom is worth paying for."

Many things should be done before we adjourn come June 1, in order to protect the national economy. One of them is to stop playing politics with the great natural resources of America and recognize that the strength of our economy is bottomed upon those resources. We should conserve them, and, at the same time, expand them and put them to work so as to stop the enormous loss that is being suffered each year from unnecessary floods.

Mr. President, I admit that for me this is a different angle of approach from that I have made before in the matter of flood control, and I would not make this approach if I thought economic data and engineering facts would assure from the Congress the appropriations necessary to prevent the great losses which are being sustained. But I tried that, and it did not seem to work. The subject does not seem to elicit from the Congress the attention is deserves.

So, Mr. President, I say to the Republican Party, of which I am a member, that we in the West want more than a promise in the Philadelphia platform. We in the West want some action between now and the time of the convention by way of an appropriation bill that will give us the money necessary to prevent the very serious losses from floods which we are now suffering.

Of course, if we were asking something that was not in the interest of all the people of the United States, then my argument would be highly fallacious, but all we are asking for is that measures be taken to prevent the wastage of millions upon millions of dollars of value, of irreplaceable value in the form of top soil, which when once washed into the sea is gone forever.

The Committee on Appropriations of the United States Senate cannot present any set of figures which will not justify enacting adequate appropriations in an attempt to pacify the people of the West. The facts are before them. They now know that these flood losses can be prevented, and they know that the cost of preventing them is small in proportion to the total losses suffered. As I have said, in order to keep American economy stable so that we can win the peace, let us stop the unnecessary waste and loss that characterize the penny-wise and pound-foolish appropriation program of the Congress of the United States.

Mr. President, I ask unanimous consent to have incorporated in the RECORD as a part of my remarks a letter which I received from Maj. Henry B. Dixon, retired, showing rather clearly the type of problem the people living in the Willamette Valley suffer because of the failure up to this time of the Congress of the United States to appropriate the necessary funds to prevent the loss to which I have adverted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CORVALLIS, OREG., *February 10, 1948.*

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: You have, of course, heard particulars of the flooding waters in our Willamette River and its tributaries early in January just past. You may not have had direct information of the high water in the Clackamas River at the same time. Permit me, a flood sufferer, to relate here some particulars and then to ask you for your support in Congress of such flood-control legislation as only our Oregon Senators can give.

At the peak of the flood period between about December 31, 1947, and the end of the first week in January, the Clackamas River overflowed at a point on the south bank about 8 miles northeast of Oregon City (about 15 miles southeast of Madison Street Bridge in Portland) doing a very great amount of damage on my ranch located there and on my neighbors' agricultural, horticultural, and market-gardening properties contiguous.

As soon as I had notice of the break in the river bank, from my tenant living there, I wrote to the district engineer, flood-control engineers, at Portland, asking that an experienced field engineer be sent to inspect and to report to him; then that steps be taken to secure an allotment of funds and authority from the Chief of Engineers, United States Army, at Washington, to apply on an extension and strengthening of work done there last year.

The river overflowed at that point 2 years ago, scouring out a channel carrying at high water an estimated one-fourth of the total flow of the river current, carrying away a prodigious amount of fine soil (down to bed gravel) and enough fine fir and cedar timber from my place to build commodious dwellings, barns, and garages for many stock farms or for a whole town of small houses, and fuel enough to warm those dwellings for many winters; all that fine soil and a magnificent grove of trees lost forever; and a bed of gravel left that cannot be reforested nor turned into pasture or any other use on a small dairy-cow ranch. And that deep, wide, scoured-out channel cuts my 60-acre ranch in two; so that timber and wood cannot be got out from the twenty-some acres in the north end over to the thirty-some acres to the south without purchasing an easement, or, at least a license to go and come over neighbors' property to the west of me. All that devastation was done by the uncontrolled Clackamas River 2 years ago—on my place alone. My neighbors also suffered heavy losses: much fine soil washed away, channels cut, and market-garden grounds reduced in size.

At that time I wrote to the district engineer at Portland, giving details and applying on my own part and on the behalf of my neighbors for help to stop the destruction. We backed our effort (the best that we could do) by throwing in a considerable contribution (about $250 each) to start a bulldozer at work at relieving the main channel of

the river of a few small islands overgrown by small willows which impeded the free flow of the river in its proper channel. This work was suggested to us by the inspecting engineer from the district engineer's office 2 years ago. Without that advice from the flood-control engineer's office, it is inconceivable that a dozen small property owners could have settled upon a plan and carried it into effect. That was 2 years ago. Then the district engineer did the best he could for us; got an allotment of funds and authority from Washington and let a contract for work to be done, as far as the funds would go. The work done in consequence was of the right kind and was well done (so I am told by a man of good judgment). (I was under physical disability at the time—and for much time since; so, I could not go and see for myself and form an opinion of how the work done under contract under direction of the flood-control engineers conformed or measured up to existing requirements.) The test of the efficacy of the work done came in January 1948.

Early in January 1948 the Clackamas River at floodstage found a low place in the south bank some 35 yards beyond the end of the engineers' dike built in 1947 by funds allotted in 1946. At that low place the rising water poured through, scouring out a channel some rods behind the dike running from north to south, crossed the channel made 2 years ago and scoured out more land to the south, thus destroying more than 2½ acres of fine soil (down to bed gravel) along with more very valuable timber, fine soil, and excellent large timber being carried from my place westward across the fine farms of Mr. Ambrose Brownell and E. de Julies and Mr. Ledford and several market gardeners into the river again below, gone forever.

Again I appealed to the district engineer. Briefs of his replies to me here are given for your better information:

To my application in 1946 (extract copy):

OFFICE OF THE DISTRICT ENGINEER,
Portland, Oreg., February 11, 1946.

Mr. H. B. DIXON,
Corvallis, Oreg.

DEAR SIR: Your letter of January 7, 1946, describing conditions on the Clackamas River below the Carver Bridge has been received by this office. In response to your request, an engineer from this office made an investigation of the area. * * * As a result of the field investigation, it has been determined that funds with which to do a limited amount of work in the interest of flood control will be requested of the Office, Chief of Engineers, under the provisions of the Rivers and Harbors Act of 1945. Your cooperation in this matter is appreciated, and I assure you that this office will do whatever work that may be possible under existing authority and within the limit of the funds if allowed.

Very truly yours,
G. J. ZIMMERMAN,
Colonel, Corps of Engineers
(For O. E. Walsh, Colonel,
Corps of Engineers, District Engineer).

To my letter of January 1948 (extract copy):

OFFICE OF THE DISTRICT ENGINEER,
Portland, Oreg., January 26, 1948.

Maj. HENRY B. DIXON,
Corvallis, Oreg.

DEAR SIR: Your letter of January 15, 1948, concerning the damage caused by the recent flood on the Clackamas River in the vicinity of Carver Bridge is acknowledged. An inspection of the damage area was made on the afternoon of January 13, 1948, and it is agreed that the conditions are lamentable. * * * It is contemplated that a preliminary survey will be made of the area when the season of possible freshets is passed, and a study will be made to determine what steps can be taken to correct the situation. * * * It is desired to call your attention that the extent of any work which may be possible in the area will depend upon the allocation of flood-control funds by higher authority. As you know, funds for the work which was done in 1947 were requested in 1946, and circumstances over which this office had no control prevented work from being done until the following season. * * * It is regretted that your fir grove suffered the extensive loss it did, but the recent high water was within 1 foot of the all-time recorded high, and the volume of water was immense. * * * May I express my appreciation for your letter and state that this office is aware of the productivity of the land in your area and the seriousness of the conditions which you and your neighbors face.

Very truly yours,
O. E. WALSH,
Colonel, Corps of Engineers,
District Engineer.

On the foregoing statement for and on behalf of myself and compeers in misfortune by reason of the recent floods in an important agricultural and horticultural area in Clackamas County, Oreg., and on the corroborative statements in letters by Colonel Walsh, of the United States Corps of Engineers, we might here rest our case of claim on the interest of the whole United States in favor of the most effective flood control possible. No other agency is so well equipped or so well qualified to cope with those problems as the Corps of Engineers of the United States Army. It is their job, a very important one. All that is plain. We have the engineers, and they are waiting for us to do our part. But the sufferers must plead their cause by their elected Representatives and Senators before the committees in the two Houses of Congress that formulate and pass upon the budget. Then, if necessary, our advocates must find the proper time and the way to speak for us on the floors of the legislative halls, to show the justice and the expediency of the proposals, to support liberally and strongly the items in the budget that include conservation of our national resources which look to the supply of food and all other needs for ourselves and coming generations, with some besides for other lands and their people.

There, we producers, taxpayers, and voters must leave it to our Representatives and Senators.

Respectfully,
HENRY B. DIXON,
Major, United States Army, Retired
(of the Old Regular Army).

Mr. MORSE. I close, Mr. President, by saying that the people of my State—in fact, I think the people of the entire Pacific Northwest—will welcome any investigation any committee of the Senate of the United States may desire to make in verification of the position I have taken in the past and today in my fight for adequate funds for flood control in the great West.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CAIN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. WILEY, from the Committee on the Judiciary:

Leslie E. Given, of West Virginia, to be United States attorney for the southern district of West Virginia.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 2 o'clock and 11 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 2, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 1 (legislative day of February 2), 1948:

IN THE NAVY

The following-named midshipmen (aviation) to be ensigns in the Navy from the 4th day of June 1948:

Jack F. Andrus	Harold F. Knudsen
Wallace D. Baldwin	Francis P. Koval
Ernest M. Brides	Louis Kriser
Stanley H. Bueg	Louis F. Memoli
Samuel F. Catterlin	Thomas E. Reilly, Jr.
John A. Chalbeck	Ernest E. Rivers
Edward J. Cronin	Charles W. Safanda
Vernon L. Crow	Thomas W. Schaaf
William H. Elliott	William C. Sharp
Glenn E. Faucett	Donald K. Stitt
William M. Flynn	William R. Tappe
John C. Hammel, Jr.	Robert E. Tigner
Arthur W. Hanton	Craig McD. White
Harold R. Herndon	Eugene H. Whittlessey
Francis J. Hohl	George M. A. Willows
Lee S. Houchins	Arthur O. Wolf
Donald Hubbard	

The following-named (naval ROTC) to be ensigns in the Civil Engineer Corps of the Navy from the 4th day of June 1948:

William Kleck, Jr.
Raymond D. Phillips
Harry L. Rimmer, Jr.

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy:

John W. Randall
"J" F. Stuart

The following-named to be ensigns in the Nurse Corps of the Navy:

Billie J. Cole	Margaret E. Park
Joan T. Ernst	Elizabeth C. Riggs
Ferrell L. Greer	Agnes M. Roberts
Sarah C. Hargrove	Doris F. Travis
Betty J. Jones	Frances E. Weslowski
Elizabeth R. Meldahl	

The following-named officers to the grades indicated in the line of the Navy:

LIEUTENANT COMMANDER

Erik A. Johnson

LIEUTENANTS

Mitchell K. Disney	Carl E. Lundin, Jr.
Edward G. Grant	James H. Roberton
Frederic M. Lloyd III	

The following-named officers to the grades indicated in the Medical Corps of the Navy:

LIEUTENANT COMMANDER

Kenneth S. Scott

LIEUTENANTS (JUNIOR GRADE)

Garner L. Lewis	Robert E. Walsh
John B. Miller	Gilbert A. Webb
James T. Proctor	Arthur J. Wilets

The following-named officer to the grade indicated in the Medical Service Corps of the Navy:

ENSIGN

David R. Stutler

The following-named officers to the grades indicated in the Nurse Corps of the Navy:

LIEUTENANT

Emma L. Gamble

LIEUTENANTS (JUNIOR GRADE)

Jean B. Knecht
Mary E. Orlando
Mary A. E. Toepfer

ENSIGN

Elizabeth E. Clark Elizabeth G. Gaffney
Ethelyn E. England Anna M. Steinmetz

IN THE MARINE CORPS

The below-named officer for appointment to the temporary grade of major general in the United States Marine Corps:

Oliver P. Smith

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Paul Jackson Anderson, Anniston, Ala., in place of B. W. Pruet, deceased.

Joseph N. Cooper, Grand Bay, Ala., in place of L. W. Ramsey, transferred.

ARIZONA

Emma D. Guillet, Chinle, Ariz., in place of F. B. Borgman, resigned.

ARKANSAS

Jennie C. McDonald, Marvell, Ark., in place of J. W. Burton, retired.

E. Clay Bumpers, Wabash, Ark., in place of J. C. Howe, deceased.

CALIFORNIA

Evelyn K. Hodge, Florin, Calif., in place of B. V. Eaton, retired.

Lois M. Hartwell, Loyalton, Calif., in place of H. W. Rapp, resigned.

Boyd Beall, Monterey, Calif., in place of P. J. Dougherty, resigned.

Raymond E. Ledford, Talmage, Calif., in place of R. O. Foster, resigned.

COLORADO

Elmer Glen VanScoy, Westminster, Colo., in place of J. M. Hanks, resigned.

FLORIDA

Ray M. Coburn, Eagle Lake, Fla., in place of J. D. Coburn, deceased.

Merle P. Blanchard, Waverly, Fla., in place of E. A. Harrison, retired.

GEORGIA

Joseph R. Johnson, Coleman, Ga., in place of G. H. Harper, retired.

HAWAII

Mildred O. Kuwana, Pahoa, T. H., in place of Eva Lyman, resigned.

ILLINOIS

Ralph D. Waddell, Latham, Ill., in place of W. C. Howe, retired.

S. Jay Thomas, Oregon, Ill., in place of Henry Cottlow, transferred.

IOWA

Lawrence G. McMullen, Braddyville, Iowa, in place of Della Douthit, retired.

KANSAS

Lee R. Highland, Brewster, Kans., in place of M. L. Binkley, deceased.

George Floyd Hart, Copeland, Kans., in place of F. M. Belding, deceased.

Warren E. Harlan, Iola, Kans., in place of B. F. Scarborough, resigned.

Harold E. Hinnen, Potwin, Kans., in place of R. L. Hinnen, resigned.

LOUISIANA

Clarence P. Simmons, Georgetown, La., in place of W. P. Foster, retired.

John F. George, Oil City, La., in place of Donald Lavine, resigned.

Oliver W. Boyd, Jr., West Monroe, La. Office established July 1, 1946.

MAINE

Arnold L. Staples, Brooklin, Maine, in place of C. C. Cousins, resigned.

Vera M. McDonald, Sherman Station, Maine, in place of J. M. Perkins, deceased.

MASSACHUSETTS

Lorraine W. Russell, Sturbridge, Mass., in place of E. G. Barnes, retired.

MINNESOTA

Alfred C. Howe, Aitkin, Minn., in place of C. C. Young, deceased.

Peter B. Kiselewski, Browerville, Minn., in place of L. F. Masonick, resigned.

Anna C. Hite, Emily, Minn. Office became Presidential July 1, 1946.

Arthur M. Eykyn, Lamberton, Minn., in place of H. G. Haas, resigned.

Frederick W. Just, Mankato, Minn., in place of L. L. Champlin, resigned.

Alfred A. Nelson, Perham, Minn., in place of J. C. Grimm, deceased.

Jerome L. Chmielewski, Princeton, Minn., in place of C. E. Paulson, resigned.

Addie L. Ridenour, Steen, Minn. Office became Presidential July 1, 1947.

Vida B. Adams, Truman, Minn., in place of N. T. True, resigned.

MISSISSIPPI

Joseph A. Lewis, Dixon, Miss., in place of C. C. Roberts, deceased.

Odessa C. Cockerham, Gunnison, Miss., in place of M. C. Whitaker, resigned.

MISSOURI

Floyd R. Robertson, Harviell, Mo. Office became Presidential July 1, 1945.

NEBRASKA

Letha L. Craig, Fort Robinson, Nebr., in place of H. B. Gott, failed to qualify.

Gayle K. Conner, Glenvil, Nebr., in place of Walter Nowka, transferred.

Bernard E. Hess, Henry, Nebr., in place of E. M. Luby, resigned.

NEVADA

John Robert Corn, Pittman, Nev., in place of S. M. Myers, resigned.

NEW MEXICO

Mary L. Mitchell, Oil Center, N. Mex., in place of A. L. Nicholas, resigned.

NEW YORK

Alonzo L. Grasberger, Ashland, N. Y. Office became Presidential July 1, 1946.

Charles C. Vorhis, Brooktondale, N. Y., in place of A. C. VanDemark, resigned.

Richard A. Stahley, East Randolph, N. Y., in place of S. V. Woods, deceased.

Helen M. Woodin, Poughquag, N. Y., in place of L. B. Slocum, retired.

Margaret M. Fox, Purdy Station, N. Y., in place of Rose Bittner, resigned.

OKLAHOMA

Joseph C. R. Boyd, Granite, Okla., in place of J. R. Clem, transferred.

George T. Wilkinson, Hitchcock, Okla., in place of T. S. Hawkins, transferred.

Lewis E. Weeden, Washington, Okla. Office became Presidential July 1, 1943.

PENNSYLVANIA

William Debreczeni, Richeyville, Pa., in place of M. B. Williams, resigned.

Walter F. Walsh, Spangler, Pa., in place of M. F. Doran, resigned.

TEXAS

Thomas A. Vaughan, Caddo Mills, Tex., in place of I. W. Ingle, transferred.

Jesse L. Howard, Chester, Tex., in place of A. I. Veal, retired.

Halbert McQuinn, Jefferson, Tex., in place of R. H. Lemmon, transferred.

Quel A. Hughes, Vera, Tex., in place of R. C Spinks, retired.

VERMONT

John J. Burns, Burlington, Vt., in place of Patrick Mahoney, retired.

Ora John Slade, South Londonderry, Vt., in place of L. W. Sheldon, deceased.

Andrew P. Morrison, Springfield, Vt., in place of D. F. Aher, resigned.

VIRGINIA

Virginia M. Dent, Stafford, Va., in place of E. S. Moore, retired.

WASHINGTON

Gerald A. Emerick, Snoqualmie, Wash., in place of O. F. Reining, retired.

WEST VIRGINIA

Alice L. Maschal, Glen White, W. Va., in place of E. B. Wray, retired.

Hazel O. Harbert, Lumberport, W. Va., in place of W. C. Harbert, resigned.

Athaline H. King, Mabscott, W. Va., in place of E. L. Hedrick, deceased.

WISCONSIN

Gertrude C. Stanton, Clyman, Wis. Office became Presidential July 1, 1947.

Robert C. Biddick, Livingston, Wis., in place of O. W. Livingston, transferred.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 1, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou infinite One, source of our being, hear us as we confess our sins and ask for Thy wise guidance through the coming hours. In these despairing times which press us with questions and denials, keep the doors of our understanding open even to unwelcome truths, and in each problem show us the way of solution.

In all the decisions before the Congress, direct us, that, believing the best we know, the best our hearts have hoped for, we may raise our Nation to new heights of greatness. Built upon the determination for peace and good will, we would never sacrifice our bulwarks of devotion to free government, which is our priceless heritage. When the path of duty is a long road, the hill steep, and the valley forbidding, help us to carry our responsibilities to the end with fortitude of soul to administer our privileges as a sacred trust. Unmoved, above all storms, enable us to walk forward in strength for the sake and in the name of our Redeemer. Amen.

The Journal of the proceedings of Friday, February 27, 1948, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 19, 1948:

H. R. 1366. An act to facilitate procurement of supplies and services by the Departments of the Army, the Navy, and the Air Force, the Coast Guard, and the National Advisory Committee for Aeronautics, and for other purposes.

On February 25, 1948:

H. R. 2029. An act to provide for the free importation of synthetic-rubber scrap.

On February 26, 1948:

H. R. 3503. An act to permit the issuance of unrestricted deeds for town-site lands held by Alaskan natives, and for other purposes.

On February 27, 1948:

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition

of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments; and

H. R. 5390. An act to continue for a temporary period certain provisions of the Housing and Rent Act of 1947.

On February 28, 1948:

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; and

H. R. 5391. An act to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. ALLEN of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper item.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a resolution of the water commission of the city of Long Beach, Calif., and in the other a letter from the California State Federation of Labor.

Mr. ENGEL of Michigan asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a quotation from the Senate Committee on Small Business and in the other to include a newspaper clipping.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an article appearing in the New York Herald Tribune.

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include editorials.

SPECIAL ORDER GRANTED

Mr. ENGEL of Michigan. Mr. Speaker, I ask unanimous consent that on Monday next, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE HISTORY OF COMMUNISM

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, 100 years ago—in February 1848—the Communist manifesto was issued. Although all the prophecies have not been fulfilled, as we meet here this morning we cannot deny that communism has become one of the two great powers in the world about which we, as a nation, are rather inadequately informed.

Subcommittee No. 5 of your Committee on Foreign Affairs is charged with the study of world movements such as this. For many months material has been gathered which would bring together in an entirely objective manner the facts, the strategy, and the tactics upon which the Engel-Marx doctrines have become the tools of the most ruthless and powerful dictatorship the world has yet seen.

It is important that we in America should be vividly aware of the fundamental principles upon which the Communists have moved for 100 years and that we do not permit ourselves to forget that their ultimate goal is the complete control of the world.

We have just seen Czechoslovakia taken over and Finland moved into a new stage. The picture varies little.

Certain that we here in America have all too little factual knowledge of Communist principles and practice, this report has been most carefully prepared and is released today. The report itself is a three-part summary—a diagram, so to speak, of the objectives and methods of communism with some of the immediate implications.

With the report are two supplements: The first is a collection of authoritative Communist statements that express their course and their proposed future in unmistakable language. Supplement II is a collection of United States protests and the related documents. In many cases these documents give the best statement of detailed facts that are available. Further supplements will be put into your hands as the printers can give them to us.

It is my earnest hope that you will acquaint yourself with the material and will then see that it is put into the hands of all who can use it constructively.

THE DEPARTMENT OF STATE

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, I read the testimony appearing on pages 172 through 210 of the printed hearings on the Department of State appropriation bill for 1949 with much interest and with no little concern.

The apparent inability or unwillingness on the part of the State Department to really clean its own house is one more compelling reason why we should follow the principles recommended by the Herter committee as regards the administration of the European recovery program.

MAINTENANCE OF AIR SUPREMACY BY THE UNITED STATES

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, in view of the recent sinister moves of aggression by the Soviet Union we must reevaluate our foreign policy. The ERP is not the most pressing question for congressional action. The rapid achievement and maintenance of air supremacy is by far the most important issue before us, barring none. We must look to our armaments.

To acquire the absolute irreducible minimum air protection we should spend beginning immediately $6,000,000,000 a year on the United States Air Force alone. Last Friday I introduced H. R. 5617, a bill to provide for an annual Air Force appropriation of $6,000,000,000. This money should be appropriated before we even think of appropriating a single dollar for the ERP.

By doing this we will convince those who understand only the language of force that we mean business and if it becomes necessary we will resist aggression in the future just as we did in World War I and World War II. Complete United States air supremacy would be the most potent deterrent to future wars. It is the only road to peace.

EXTENSION OF REMARKS

Mr. McMILLEN of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DEVITT (at the request of Mr. GWYNNE of Iowa) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD in two instances and include in each newspaper articles.

Mr. DOMENGEAUX asked and was given permission to extend his remarks in the RECORD.

Mr. PEDEN asked and was given permission to extend his remarks in the RECORD and include editorials.

COMMITTEE ON PUBLIC WORKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DEMOCRATIC PARTY NOMINEE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, the great Democratic Party was formed by Thomas Jefferson for the purpose of protecting the constitutional rights of individual States to conduct and regulate their internal affairs free from Federal intervention, and to protect the people against an overcentralization of governmental authority.

Down through the years, real Democrats have held these principles to be inalienable to the welfare and best interests of our party. The dangers attendant to overfederalization are just as evident today as they were in the days of Jefferson.

But, Mr. Speaker, the President of the United States, the current titular head of the Democratic Party, has taken upon himself—without consultation with members of his party in the Democratic States most affected—through his recent civil-rights recommendations and other actions, to declare himself openly and unmistakably in opposition to those basic principles of his own party.

He has repudiated the support of genuine States'-rights Democrats, and has brought about conditions of chaos and discord within the Democratic Party. He has, either conscientiously or for purposes of political expediency, catered to certain elements which are enemies to Democratic Party ideology. This he has done at the expense of and to the detriment of real Democrats.

His actions have not been in the best interests of his party, and have served to eliminate any chance his party might previously have had to win the coming elections.

Mr. Speaker, I love and cherish the principles of the Jeffersonian Democratic Party.

It is my sincere belief that a Republican victory in the next elections would not inure to the best interests of our country, but that we need now, as never before in our history, an application of the teachings of Thomas Jefferson.

For these reasons, Mr. Speaker, I humbly suggest to President Truman that he sacrifice his personal ambitions to the welfare of his country and party, and gracefully withdraw his name from consideration as a candidate for the Democratic Presidential nomination, with the hope that our party may still be salvaged from the ruins which he has left.

DEMOCRATIC PARTY NOMINEE

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Speaker, the aroused, untrammeled, and unterrified Democrats of Fayette County in the Eighth Congressional District of Tennessee, which I have the honor to represent, met in mass meeting last Friday and adopted resolutions denouncing President Truman's civil-rights program, calling for the restoration of the two-thirds majority rule for nominating candidates for President and Vice President at National Democratic Conventions, and requesting that the Tennessee delegation to the National Democratic Convention to be held in Philadelphia next July be instructed to vote against the nomination of President Truman.

The resolutions are as follows:

Whereas the Democratic Party of Tennessee will soon hold a convention to select delegates to the Democratic National Convention, to be held in July in Philadelphia for the purpose of nominating a candidate for President of the United States; and

Whereas it seems to be the general opinion that Harry S. Truman will be a candidate for said nomination; and

Whereas Harry S. Truman, through his so-called civil-rights program, has deviated from and completely cast aside the very principle upon which the Democratic Party was founded, in that such a program virtually destroys the sovereignty of the individual State, thus leaving the State or States at the mercy of the mandates of the Federal Government; and

Whereas such legislation as proposed by Harry S. Truman is in direct contravention of our southern way of life and the principles and beliefs of every true Democrat; and

Whereas Harry S. Truman's persistent advocacy of such legislation has rightfully branded him as a deserter of the Democratic Party, and as a deserter of his party, he is a deserter of the South, and he no longer merits the respect, admiration, confidence, and support of true Democrats; and

Whereas at the 1936 national convention held in Philadelphia the two-thirds majority rule of nominating candidates was abolished; and

Whereas since the abolition of the above two-thirds majority rule of nominating candidates has placed the control of the method of nominating candidates in the hands of those who are opposed to the principles of southern democracy; and

Whereas from 12 years' operation under the present method of nominating candidates it has conclusively been shown that such a method is contrary to the best interest of the Democratic Party: Now, therefore, be it

Resolved by the Democrats of Fayette County, Tenn., here assembled, That—

1. That the Tennessee delegates to the National Democratic Convention be instructed to vote against, and do all that is within their power to prevent the nomination of Harry S. Truman as the Democratic nominee for the office of President of the United States;

2. That if such an undertaking is impossible, then in that event, the said delegation be instructed to place in nomination some true Democrat, to be agreed upon by the true Democrats of the South, as the Democratic nominee for the President of the United States;

3. That the Tennessee delegation be further instructed to resist, and to do their utmost to defeat any effort that the Democratic Party may make to incorporate in their platform the civil-rights program or any part thereof; now, therefore, be it further

Resolved, That the delegates to the national convention be instructed to take any and all necessary steps toward restoring the two-thirds majority rule in the Democratic Party; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of this meeting, and a copy furnished the press, and a copy be sent to Hon. Jim McCord, Governor of Tennessee, and a copy be sent to the chairman of the National Democratic Executive Committee, and the chairman of the State Democratic executive committee, and to Tennessee national committeeman and committeewoman, and to Senators McKELLAR and STEWART, and TOM MURRAY, Member of Congress.

Adopted this 27th day of February 1948.

DAVE GIVENS,
Chairman.
PRESTON PARKS,
Secretary.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on two subjects.

Mr. JACKSON of Washington asked and was given permission to extend his remarks in the RECORD and include two resolutions adopted by the Washington Cooperative Farmers Association.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD and include some correspondence.

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Hon. William Warne, Assistant Secretary of the Interior. I am informed by the Public Printer that this will exceed the legal limit by one-quarter page and will cost $159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection notwithstanding the cost, the extension may be made.

There was no objection.

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, the country at large and the South in particular is confronted today with problems as grave as those of reconstruction times.

At the moment I am thinking of the agitation for the enactment of measures or statutes carrying out the request of the President in his so-called civil rights message. The consequences of these constitutional invasions, if carried through, cannot be estimated. In our effort to stay the hands of those who would disturb, if not destroy, our way of life, we are heartened by fair, forthright, courageous editorials like the following which appeared in Sunday's Washington Star:

DANGEROUS LEGISLATION

Favorable committee action in the Senate on a bill to outlaw the poll tax and in the House on an antilynching bill marks the first step in the process of enacting the substance of the civil rights program advocated by President Truman. It is a dangerous step, and if it should be followed up by final enactment of the program, the stage will be set for developments that can be extremely serious.

There is no valid excuse for the passage of these bills, and if they become law, there will be ample justification for the inference that the motivation behind enactment was on a low political level.

The poll tax is on its way out in the South. It is effective today only in seven States—Virginia, South Carolina, Alabama, Tennessee, Arkansas, Mississippi, and Texas. Initial steps have been taken to give the people of Virginia opportunity to vote on repeal of the poll tax, and there is strong sentiment against it in Tennessee.

Much the same thing is true of lynching. There were 231 lynchings in 1892. But the total has been going down steadily, with the result that there was one lynching in 1945, six (including the mass murder of four Negroes in Georgia) in 1946, and again only one in 1947. Thus, while other crimes of violence, including murders not classed as lynchings, have been increasing in number, the crime of lynching is approaching the vanishing point.

One objection to these bills is that, in certain aspects at least, they probably are unconstitutional. There are those who are indifferent to this, who think the Constitution can and should be stretched to cover almost any situation. But even these people should hesitate a bit and reflect on the implications of the statement made by Senator MORSE in connection with his lynch bill: "I think we are entering a field of constitutional law that requires giving to the Constitution applications not previously given."

When the Constitution was adopted it was supposed that only limited powers were being conferred on the Federal Government, and that all other powers were reserved to the States. But over the years the Congress by legislation and the courts by a tortured process of interpretation have been steadily enlarging the Federal powers at the expense of the State powers. The so-called civil-rights program, if enacted and sustained, would be another big push in this direction.

Aside from the constitutional aspects, however, these bills are dangerous because they would project an unsettling Federal power into a situation which is being well handled, though not perfectly handled, by the States. Even a single lynching is one too many. There is no reason to believe, however, that enactment of a Federal lynch law would end all lynchings, while there is more than a little chance that it would aggravate rather than improve the situation. And this most certainly would be true of the Fair Employment Practices Act if that proposal should be become law.

The Southern States are making real progress in the elimination of abuses of civil rights. They have a long way to go, but that does not justify Federal intervention which is of dubious constitutionality and even more dubious wisdom. It will be better if none of these measures is passed.

SPECIAL ORDER GRANTED

Mr. CELLER. Mr. Speaker, I ask unanimous consent that on Wednesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE LATE JOHN M. ROBSION

Mr. CHELF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CHELF. Mr. Speaker, when David wrote the fifteenth Psalm, he described in it a citizen of Zion by saying:

Lord, who shall abide in thy tabernacle? who shall dwell in thy holy hill?

2. He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart.

3. He that backbiteth not with his tongue, nor doeth evil to his neighbour, nor taketh up a reproach against his neighbour.

4. In whose eyes a vile person is contemed; but he honoureth them that fear the Lord. He that sweareth to his own hurt, and changeth not.

5. He that putteth not out his money to usury, nor taketh reward against the innocent. He that doeth these things shall never be moved.

David could very easily have had in mind, at the time he penned these lines, a lovable character such as our distinguished and illustrious colleague, the Honorable JOHN M. ROBSION, of the Ninth District of Kentucky, who was summoned to his eternal reward by our Lord and Saviour on Tuesday evening, February 17, 1948.

Mr. JOHN, as I affectionately addressed him, was a gentleman and a scholar of the old school. He was a Chesterfield in his manner. He was courageous, sympathetic, energetic, truthful, honest, extremely intelligent, capable, sincere, and extraordinarily friendly.

Although we differed in our political beliefs, nevertheless, whenever and wherever the interests of Kentucky and Kentuckians were at stake—the party line evaporated into complete insignificance. I cannot recall a single instance where I appealed to him for support of any measure that meant a great deal to the good people of the Fourth District of Kentucky—which I have the honor and privilege to represent—that he did not join me in an all-out effort to get the job done. He worked with the entire delegation and we fought shoulder to shoulder as a team for the common good and general welfare of our native State.

The great people of the Ninth Congressional District have honored him by electing him to public office since the Sixty-sixth Congress. They have reelected him time and time again to fight their battles here in the greatest deliberative body on earth—the Congress of the United States of America. The day was never too long or too hot and the night was never too dark or too cold for Mr. JOHN to answer the call of duty. He loved his Nation, his State, his district, his constituents, and his fellow man with a religious devotion.

There were times in our work on the great Judiciary Committee—where he was the ranking majority member next in line to the chairman—that I knew he was ill, times when a much younger man would have refrained from attending our strenuous meetings in order to preserve his strength and vitality, but Mr. JOHN'S loyalty and devotion to duty and to service sparked his efforts and redoubled his determination to be present.

His sage advice and counsel, his fatherly interest, his quick wit and homespun humor, his grasp of the law, his analytical mind, and his extraordinary ability to express himself in debate upon the floor of the House caused him to be loved all the more by his friends and respected by his adversaries. If Mr. JOHN had a single enemy on Capitol Hill, I never heard of it. He was admired and respected by all respectable people. The House of Representatives—the Congress of the United States—can ill afford to lose a man of the character of JOHN MARSHALL ROBSION.

He was my good friend. We served, not only on the Judiciary Committee of the House of Representatives, but also together on the Subcommittee of Immigration and Naturalization and Subcommittee No. 1 on the Revision of the Laws, of which he was the chairman. There were days that we did not see eye to eye on a given piece of legislation but when the chips were down and the discussion or debate had subsided and the vote had been taken, his lovable disposition invariably brought about peace, harmony, and good will. As a result, no Member ever left Mr. JOHN'S committee meetings out of humor, out of patience, or out of sorts.

Truly, this outstanding American, this great Kentuckian, this towering oak of intellectual strength, this stalwart example of physical endurance from the mountain section of old Kentucky died like a soldier. He was cut down in the line of duty by the assassin of overwork. The service rendered by this good man to the people he represented was a constant source of inspiration to all of his colleagues.

Mr. JOHN needs no monument erected to his memory, for during the 75 years of his life, he, himself, has constructed a monument that shall live forever in the hearts and in the minds of all those who had the good fortune to know him.

May his bereaved family know some measure of satisfaction from the words of our Master: "Blessed are they that mourn, for they shall be comforted." May God bless and keep his loved ones forever and a day.

PUBLIC-HEALTH SERVICES

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, today I am introducing a bill in the House entitled "Local Public Health Services Act of 1948." This proposed legislation is introduced at the request and instance of the National Congress of Parents and Teachers. Senator SALTONSTALL, of Massachusetts, has introduced an identical bill in the other body.

By way of reassurance, let me say to the House that this bill does not set up any new bureau, commission, or agency. It is designed to strengthen the work of local public-health units throughout the country with special reference to the health of public-school children, through the United States Public Health Service.

The National Congress of Parents and Teachers and the local parent-teacher associations are vitally interested in this subject; and doubtless many Members of Congress will hear from your own local organizations with respect to this legislation.

The SPEAKER. The time of the gentleman from Iowa has expired.

TEMPORARY CONGRESSIONAL AVIATION POLICY BOARD

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that the Temporary Congressional Aviation Policy Board may file its report by 6 p. m. this evening whether or not the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD regarding a bill that he introduced today.

HOWARD UNIVERSITY AND GALLINGER HOSPITAL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, several days ago the gentleman from Wisconsin [Mr. KEEFE] took me to task for pointing out a scheme to force Negro doctors over white patients in Gallinger Hospital. He said that my statement was incorrect. In the Evening Star of February 27, there appears this headline: "KEEFE modifies stand on proposal for Negro doctors at Gallinger."

Then the newspaper goes ahead to quote from Mr. Ewing, who is head of the Federal Security Administration, and who has supervision over Gallinger Hospital and to some extent over Howard University. Mr. Ewing is quoted as saying that—

In all services operated in common, patients would be assigned to each medical school in regular rotation, according to order of admission, without regard to race.

There is a hotbed of communism at Howard University. It is doing the Negroes of this country more harm than any other institution I know.

This attempt to force Negro doctors over white patients in Gallinger Hospital is going to stir up race trouble in the District of Columbia. If you Republicans want to drag your party into that kind of a mess, just go ahead and follow the gentleman from Wisconsin [Mr. KEEFE] and Mr. Ewing in this matter.

I have read to you from the newspaper what Mr. Ewing said. Now just carry that on if you want to create race riots in the District of Columbia that you will never live to forget.

The SPEAKER. The time of the gentleman from Mississippi has expired.

INACTIVE DUTY TRAINING PAY

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 486, Rept. No. 1441), which was referred to the House Calendar and ordered to be be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 3227, a bill to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

RETIREMENT BENEFITS, ARMED SERVICES

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 487, Rept. No. 1442), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2744) to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROVIDING FOR THE NATIONAL SECURITY AND COMMON DEFENSE

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 488, Rept. No. 1443), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the Appendix of the RECORD with reference to a bill I have introduced, H. R. 5636, designed to amend the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. YOUNGBLOOD asked and was given permission to extend his remarks in the RECORD and include an article written on rent control.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include certain excerpts and articles.

HON. LEO ISACSON

The SPEAKER laid before the House the following communication, which was read by the Clerk:

FEBRUARY 27, 1948.

The Honorable the SPEAKER,
House of Representatives.

SIR: A certificate of election in due form of law showing the election of the Honorable LEO ISACSON as a Representative-elect to the Eightieth Congress from the Twenty-fourth Congressional District of the State of New York, to fill the vacancy caused by the resignation of the Honorable Benjamin J. Rabin, is on file in this office.

Very truly yours,

JOHN ANDREWS,
Clerk of the House of Representatives.

SWEARING IN OF A MEMBER

Hon. LEO ISACSON appeared at the bar of the House and took the oath of office.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—EXTENSION OF RECIPROCAL TRADE AGREEMENTS (H. DOC. NO. 551)

The SPEAKER laid before the House the following message from the President of the United States which was read by the Clerk and referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I recommend that the Congress extend the Reciprocal Trade Agreements Act in its present form for 3 years, until June 12, 1951. This act authorizes the President, under well-defined procedures and limitations, to conclude agreements with other countries for the reciprocal reduction of tariffs and other obstacles to international trade.

For 14 years the Reciprocal Trade Agreements Act has been an essential element of United States foreign policy. It was first enacted in 1934, and has been extended by the Congress four times, on each occasion after thorough study of its operation and results. It is well known to the American people and has drawn their constant and increasing support, regardless of party affiliation.

The basic reason for this constant popular support and repeated congressional approval is that the act has provided a sound method for increasing world trade through progressive lowering of trade barriers, to the benefit of living standards both here and abroad.

The importance of the act is greater today than it has ever been. Together with other nations we are engaged in a mighty endeavor to build a prosperous and peaceful world. The financial as-

sistance we have already contributed, and the further aid we shall give to nations in Europe and elsewhere, constitute a tremendous investment toward world economic recovery. The Reciprocal Trade Agreements Act, by stimulating an increasing flow of trade between nations, will contribute strongly to the achievement of this objective. Its extension is essential if we are to complete the work we have begun.

The trade-agreements program contributes not only to the restoration of a prosperous world economy; it also contributes directly to the welfare and prosperity of the people of the United States. Our people need to import many commodities from abroad; we need equally to export many of our products. Both needs are served by agreements which reduce or eliminate obstacles to commerce between the United States and other countries.

These agreements recognize the fundamental fact that trade is a two-way business, and that our foreign commerce depends upon a balanced relationship between imports and exports. Foreign countries must be able to sell to us if they are to have the dollars to pay for our exports and to repay our loans. Adequate markets for our agricultural and industrial producers depend upon the lowering of trade barriers by other countries. Imports of goods needed in this country improve the standard of living of our people as consumers at the same time that they make possible the maintenance of markets for our people as producers.

Currently, we are exporting far more than we are importing. But this is a temporary conditions made necessary by considerations of overriding importance. The trade-agreements program is a sound method for achieving a more balanced relationship in the future within the broader framework of the expanding world trade so necessary to economic reconstruction.

In addition, by contributing to the lowering of trade barriers the United States can support the expansion of private trading as distinct from Government trading. The existence of trade restrictions is too often accompanied by Government participation in trading operations—extending even to trading by Government agencies. The preservation of our private-enterprise system at home is closely bound up with the reduction of trade restrictions and the encouragement of private international trade.

The Reciprocal Trade Agreements Act is a proven instrument for achieving these objectives. Prior to 1945 the United States had concluded agreements with 29 countries, affecting about one-half of our foreign commerce. These agreements helped greatly to reduce trade barriers and to stimulate the foreign commerce of the United States and the other countries concerned.

Since 1945 we have continued our efforts to reduce the strains imposed upon the world economy by narrow concepts of economic nationalism. Last summer, at Geneva, the United States and 22 other countries concluded the most important and comprehensive trade agreement in history. By this agreement these 23 nations agreed to reduce their tariffs, or to maintain low tariffs or none at all, on a wide variety of products. The products affected accounted in 1938 for over half the world's international trade. In addition, the Geneva agreement included commitments to curb the use of other trade restrictions, such as import quotas and preferential treatment of imports from one country as against those from another.

This agreement is a landmark in international economic relations. Never before have so many nations combined in such an intensive effort to reduce barriers to trade. While it will be some time before the benefits of the agreement can be fully felt, it is clear that it will make a substantial contribution to the expansion of world trade and to the recovery of the world economy.

We expect that many other countries will wish to join the Geneva Agreement. The continuance of the Reciprocal Trade Agreements Act is necessary to enable the United States to play its part in extending this reduction of trade barriers to these other countries. Furthermore, we shall need the authority of the act to make appropriate revisions in the Geneva Agreement as they are made necessary by changing world conditions.

The trade-agreements authority will also be needed to enable us, in concert with other nations, to carry out the International Trade Organization charter, now being completed at Habana. The United States has actively sponsored the creation of this Organization to encourage the conduct of trade between nations on fair and liberal principles and to provide a forum where nations can consult on points of economic difference and on cooperative measures to solve common economic problems. The proposed charter, which will be presented to the Congress at a later date, includes as one of its cardinal points the undertaking that all member countries will stand ready to negotiate for the reduction of tariffs and other trade barriers on a reciprocal and mutually advantageous basis. The extension of the Reciprocal Trade Agreements Act will enable us to carry out this undertaking.

For all these reasons I am convinced that we should continue the Reciprocal Trade Agreements Act. The positive benefits to world trade, to United States export industries and agriculture and to our domestic consumers are beyond question. Furthermore, we need have no fear of serious harm to any domestic producer. An expanding foreign trade promotes the most efficient use of our productive resources and contributes to the growing prosperity of the whole Nation.

In addition, the interests of domestic producers are carefully protected in the negotiation of each trade agreement. I assured the Congress, when the Reciprocal Trade Agreements Act was last extended in 1945, that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept. It will continue to be kept. The practice will be continued of holding extensive public hearings to obtain the views of all interested persons before negotiations are even begun. The practice will be continued whereby each agreement before its conclusion will be carefully studied by the Departments of State, Treasury, Agriculture, Commerce, and Labor, the National Military Establishment, and the United States Tariff Commission. Finally, each agreement will continue to include a clause which will permit withdrawal or modification of concessions if, as a result of unforeseen developments and of the concessions, imports increase to such an extent as to cause or threaten serious injury to domestic producers.

The Reciprocal Trade Agreements Act is a tested and practical means, which has wide bipartisan support, for achieving the benefits of expanding world commerce for the United States and for other countries. It is a continuing evidence of the determination of the United States to contribute its full share to the reconstruction of a sound and growing world economy as the basis for enduring peace. As such, I strongly recommend that the act be extended for an additional 3 years.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 1, 1948.*

PRESERVATION OF THE FRIGATE "CONSTELLATION"

Mr. ANDREWS of New York. Mr. Speaker, I call up the conference report on the bill (S. 1796) to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes, and ask unanimous consent that a short statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The conference report is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1796) to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment, as follows: In lieu of the matter inserted by the House amendment, insert the following: "That the Secretary of the Navy is hereby authorized to repair, equip, and restore the frigate *Constellation*, as far as may be practicable, to her original condition, but not for active service, and to accept and use any donations or contributions which may be offered for the aforesaid purpose. Except so far as is necessary to incur expense to carry out the provisions of section 2 of this Act, no action shall be taken to repair, equip, or restore such frigate until the Department of the Navy shall have received by donation or contribution, or by sales made pursuant to section 2 of this Act, a sum not less than 75 per centum of the estimated cost of said restoration as certified by the Secretary of the Navy. The Secretary's certification will include the cost of all repairs and equipment, and will exclude the pay and allowances of naval officers and enlisted men engaged in the restoration.

"SEC. 2. The Secretary of the Navy is hereby further authorized to give or to sell, under such regulations as he may prescribe, such parts or pieces, including rigging, of the frigate *Constellation*, as are suitable for use as relics, souvenirs, or mementos, and which cannot profitably or advantageously be used in restoring this vessel to original condition, to clubs, associations, or individuals making donations or contributions for the restoration of the frigate *Constellation*. The cost of converting the aforesaid material into relics, souvenirs, or mementos shall be charged against, and the proceeds of such sales shall be added to, the fund created by authority of this Act."

And the House agree to the same.

WALTER G. ANDREWS,
W. STERLING COLE,
CARL VINSON,
Managers on the Part of the House.

LEVERETT SALTONSTALL,
RAYMOND E. BALDWIN,
HARRY FLOOD BYRD,
Managers on the Part of the Senate.

The Clerk read the statement, as follows:

STATEMENT

The only difference in the provisions of S. 1796 as it passed the Senate and the House version thereof through amendment was the amount of the estimated cost of the restoration of the frigate *Constellation* to be raised by public subscription. The House provided that 50 percent of the estimated cost of the restoration should be raised in this way. In conference the Senate receded from its disagreement to this amendment with an amendment providing that 75 percent of the estimated cost of the restoration be raised by public subscription before any action may be taken by the Navy Department—to which the conferees unanimously agreed.

W. G. ANDREWS,
W. STERLING COLE,
CARL VINSON,
Managers on the Part of the House.

Mr. ANDREWS of New York. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

URGENT DEFICIENCY APPROPRIATION BILL, 1948

Mr. TABER. Mr. Speaker, I call up the conference report on the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 5, 7, 8, 9, and 10, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"CONTINGENT EXPENSES OF THE SENATE

"Expenses of Inquiries and Investigations: For an additional amount for expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration, but not exceeding the rate of 25 cents per hundred words for the original transcript of reported matter, $300,000: *Provided*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the Subsistence Expense Act of 1926, approved June 3, 1926, as amended."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In line 5 of said amendment in lieu of the figure "$31,000" insert the figure "$10,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$850,000" and on page 9, line 12, of the bill strike out the word "July" and insert in lieu thereof the word "June"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum of "$6,000,000" named in said amendment, insert the following: "$5,000,000"; and the Senate agree to the same.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

STYLES BRIDGES,
C. WAYLAND BROOKS,
CHAN GURNEY,
JOSEPH H. BALL,
KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 inserts the word "Senate", as proposed by the Senate.

Amendment No. 2 authorizes the Sergeant at Arms of the Senate to employ Government employees for folding speeches and pamphlets at the prevailing rates provided by law notwithstanding the provisions of other law, as proposed by the Senate.

Amendment No. 3 appropriates $300,000 for expenses of inquiries and investigations in connection with contingent expenses of the Senate, as proposed by the Senate; and strikes out the provision proposed by the Senate that vouchers for personal services shall be paid by the Disbursing Office of the Senate.

Amendment No. 4 appropriates $10,000 for salaries and expenses, Office of Defense Transportation, instead of $31,000, as proposed by the Senate.

Amendment No. 5 increases the limitation on travel expenses for the Atomic Energy Commission, fiscal year 1948, from $1,430,000 to $2,430,000, as proposed by the Senate.

Amendment No. 6 appropriates $850,000 for salaries and expenses, Federal Mediation and Conciliation Service, instead of $800,000, as proposed by the House, and $950,000 as proposed by the Senate; and changes the date reference under the item "Control of forest pests, Department of Agriculture," from "July", to "June."

Amendment No. 7 continues available from March 1, 1948, to April 1, 1948, the operating receipts available to the United States Maritime Commission, for the purpose of carrying out such functions as extended by Senate Joint Resolution 173, Eightieth Congress, and increases the limitation on the use of operating receipts for "Cost of placing vessels into reserve fleet," from $5,500,000 to $6,103,000, as proposed by the Senate.

Amendments Nos. 8 and 9, in connection with insect investigations, Bureau of Entomology and Plant Quarantine, Department of Agriculture, inserts the words "for sawfly investigations and", as proposed by the Senate; and appropriates $115,000 for such insect investigations, as proposed by the Senate, instead of $100,000 as proposed by the House.

Amendment No. 10 appropriates $420,000 as proposed by the Senate, instead of $442,000, as proposed by the House, for control of emergency outbreaks of insects and plant diseases, Bureau of Entomology and Plant Quarantine, Department of Agriculture.

Amendment No. 11 appropriates $5,000,000 for an additional amount for use in connection with the National School Lunch Act, Production and Marketing Administration, Department of Agriculture, instead of $6,000,000, as proposed by the Senate. The $5,000,000 recommended by the conferees is to assure continuation of the school-lunch program during the remainder of the current school year and is not intended to pay obligations that the States may have incurred during the earlier part of the school year. The payment of such obligations from the additional funds recommended would not accomplish the purpose of the conferees.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

Mr. TABER. Mr. Speaker, this conference report represents an agreement in connection with the emergency appropriation bill that we had up here last week. Some of the items in the amendments have come up since we had the bill before the House and some of them relate to the Senate. The only large item is a $5,000,000 item for carrying on the school-lunch program for the rest of the fiscal year. I think that is all I care to say about it at this time.

Mr. Speaker, I yield 10 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, I was in attendance upon committee hearings recently when the announcement was

made on the floor of the award of distinction so deservedly conferred upon our colleague, the gentleman from Georgia [Mr. PACE], by one of the outstanding farm journals of the South; so, I am taking advantage of the first opportunity, Mr. Speaker, to express my pleasure and my acquiescence and approval, and I am certain the approval of the entire membership of the House, in richly merited tribute to our colleague. In my opinion, few men have rendered so invaluable and so distinguished a service to American agriculture, and thereby to the economy and prosperity of the Nation, over the last dozen years, as has the gentleman from Georgia. Certainly, no one today in the membership of either body of the Congress has a more comprehensive knowledge of the technical and legislative phases of agriculture or has been more arduous in the study or more successful in the practical alleviation of the many national problems of agriculture than the gentleman from Georgia [Mr. PACE].

Mr. Speaker, the appropriation for the school-lunch program carried in the bill and incorporated in the conference report is in keeping with the precedents of last year. Both last year and this year the Congress made an inadequate appropriation for the school-lunch program. Last year it was found necessary before the end of the year to make an appropriation of $6,000,000 to complete the program. Unfortunately it was made so late in the year that it was not possible to utilize the entire amount. Again this year an inadequate appropriation has been made. It now develops that there are insufficient funds to complete the program and many schools are already having to discontinue the program or greatly curtail the character and the amount of the food provided for the children of the Nation.

It was hoped that the full amount of the $6,000,000, approved last year, could be provided this year, and that was the amount inserted by the Senate. I regret to say that we are unable to secure the full amount. The appropriation was cut $1,000,000 in conference, as the report indicates, an arbitrary cut without any particular justification.

I have always been an advocate of economy on this floor. I believe in retrenchment of expenditures wherever possible. I am opposed to the disbursement of a single dollar beyond the absolute needs of the Government. But I am unwilling to economize at the expense of hungry children, and especially hungry American children. The $5,000,000 provided here will go at least part of the way, but the situation this year is more acute than it was a year ago, for the reason that the program has been so successful and its results have been so universally beneficial that more and more schools are enlisting in the program and more and more children are being benefited each year. Accordingly, the needs this spring are greater than last year. We are glad to be able to devote $5,000,000 to the needs of this important work. A part of the loaf is welcome if we cannot get the whole loaf.

Let us hope that adequate provision can be made for the program in the annual bill.

The remainder of the bill, Mr. Speaker, is in the nature of provision for emergency needs which should be taken care of in anticipation of the more comprehensive deficiency appropriation bill which is to follow later in the month.

Mr. TABER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include a radio speech by George Reedy.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD and include two articles.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

UNITED STATES GEOLOGICAL SURVEY

The Clerk called the bill (H. R. 3106) to reenact and amend the Organic Act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by redefining their geographic scope.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EMPLOYEES OF PANAMA CANAL

The Clerk called the bill (H. R. 2273) to amend the act of May 29, 1944, providing for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CHENOWETH. Mr. Speaker, I object.

AIRPORT, TERRITORY OF ALASKA

The Clerk called the bill (H. R. 3510) to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. CHENOWETH, and Mr. ROCKWELL objected.

AIRPORT, FAIRBANKS, ALASKA

The Clerk called the bill (H. R. 3509) to authorize the construction of a class IV airport for the city of Fairbanks, Alaska, and a public highway or bridge from the city of Fairbanks to the location of the airport.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. CHENOWETH, and Mr. ROCKWELL objected.

RESERVE OFFICERS' TRAINING CORPS

The Clerk called the bill (H. R. 4143) to provide for the effective operation and expansion of the Reserve Officers' Training Corps, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I am in favor of this bill, but it does not belong on the Consent Calendar; therefore I object.

PATENTS ON PUBLIC LANDS

The Clerk called the bill (H. R. 3628) to revise the method of issuing patents for public lands.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object when the Consent Calendar was called 2 weeks ago I asked to have this bill passed over because the report was not in accord with the Ramseyer rule. Since then I have received a supplementary report which is in order, and therefore have no objection to it at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all patents for public lands shall be issued by or under the direction of the Secretary of the Interior in the name of the United States. Such patents shall be recorded in the Bureau of Land Management, in books to be kept for the purpose.

SEC. 2. The following are hereby repealed:

(a) Section 450, Revised Statutes (43 U. S. C., sec. 8).

(b) Section 451, Revised Statutes (43 U. S. C., sec. 9).

(c) Section 458, Revised Statutes (43 U. S. C., sec. 15).

(d) That part of the act of June 19, 1878 (20 Stat. 178, 183), which reads as follows: "And the duties prescribed by section of the Revised Statutes No. 450 shall devolve upon and be discharged by one of the executive clerks, to be designated by the President for that purpose."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARK COUNTY, WYO.

The Clerk called the bill (H. R. 4462) authorizing the conveyance of certain lands in Park County, Wyo., to the State of Wyoming.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. RICH, and Mr. MILLER of Connecticut objected.

SUPERINTENDENTS OF NATIONAL CEMETERIES

The Clerk called the bill (H. R. 4515) to provide for selection of superintendents of national cemeteries from meritorious and trustworthy male members of the armed forces who have been disabled in line of duty for active field service.

Mr. ROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FRANCIS SCOTT KEY MANSION

The Clerk called the joint resolution (H. J. Res. 150) to provide for the restoration and preservation of the Francis Scott Key mansion, to establish the Francis Scott Key National Monument, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. KEAN. Mr. Speaker, I reserve the right to object.

Mr. BEALL. Mr. Speaker, will the gentleman from New Jersey tell the House why he objects?

Mr. KEAN. Mr. Speaker, I would say to the gentleman from Maryland that I have just looked up a book called Georgetown Houses of the Federal Period, published in 1944 by Davis, Dorsey, and Hall. In that book it is stated that "buildings no longer standing, unrecognizably altered, or containing a very slight portion of the original, as in the case of the Key mansion, have not been included" in the book. This was the case even before the building was torn down a year or two ago. This being just a replica, I do not think we ought to spend a lot of money on it.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. KEAN. Mr. Speaker, for the reasons I have stated above, I object.

GRAVES OF MEMBERS OF ARMED FORCES

The Clerk called the bill (H. R. 4272) to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to furnish appropriate Government headstones or markers for the unmarked graves of soldiers of the Union and Confederate Armies of the Civil War, and for the unmarked graves of all members of the armed forces of the United States dying in the service, or former members whose last service terminated honorably; and for all unmarked graves in post and national cemeteries.

SEC. 2. The Secretary of War is authorized and directed to make rules and regulations concerning the type, design, weight, and size of headstones erected in all cemeteries under his control and jurisdiction, and of all headstones or markers furnished pursuant to the provisions of this act.

SEC. 3. The Secretary of War shall cause to be preserved in the records of his office, the names when known, and places of burial of all persons for whom headstones or markers are authorized by section 1 of this act. The rank, organization, date of death, and such other information as the Secretary of War prescribes shall be included in the record.

SEC. 4. The following laws are hereby repealed: Act of February 3, 1879 (ch. 44, 20 Stat. 281, U. S. C., title 24, sec. 280); Act of February 26, 1929 (ch. 324, 45 Stat. 1307, U. S. C., title 24, sec. 280a); Act of April 18, 1940 (ch. 109, 54 Stat. 142, U. S. C., title 24, sec. 280b).

With the following committee amendments:

Page 1, line 3, strike out the word "War" and insert in lieu thereof the words "the Army."

Page 2, line 2, after the period, add "The Secretary of the Army is also authorized and directed to furnish appropriate memorial markers at the request of the next of kin for all members of the armed forces of the United States dying in service on or after September 3, 1939, and whose bodies have not been recovered. These memorial markers may be placed in a national cemetery at appropriate places designated by the Secretary at the request of the next of kin or may be delivered to the next of kin to be placed in some cemetery of his choice. In the event same is to be placed in a cemetery other than a national cemetery no expense will be borne by the Government other than the cost of the memorial marker and the shipping costs."

Page 2, line 3, strike out the word "War" and insert in lieu thereof the words "the Army."

Page 2, line 8, strike out the word "War" and insert in lieu thereof the words "the Army."

Page 2, line 13, strike out the word "War" and insert in lieu thereof the words "the Army."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORITY FOR CERTAIN EXPENDITURES FOR VETERANS' ADMINISTRATION

The Clerk called the next bill (H. R. 4478) to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That appropriations hereafter made for the Veterans' Administration shall be available, subject to such limitations as the Administrator of Veterans' Affairs may prescribe by regulations, (1) for furnishing and laundering such wearing apparel as may be prescribed for employees in the performance of their official duties, and (2) for transporting children of Veterans' Administration employees located at isolated stations to and from school in available Government-owned automotive equipment.

SEC. 2. Veterans Regulation No. 6 (a), as amended, is hereby amended by adding a new paragraph IX, as follows:

"IX. Subject to such regulations as he may prescribe, the Administrator of Veterans' Affairs is authorized to provide for the purchase of tobacco to be furnished to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes."

SEC. 3. The act of March 14, 1940 (54 Stat. 49; 38 U. S. C. 76), is hereby amended by adding thereto a new section as follows:

"SEC. 2. The Administrator of Veterans' Affairs is hereby authorized to provide for the purchase of printed reduced-fare requests for use by veterans when traveling at their own expense from or to Veterans' Administration facilities."

SEC. 4. Within the limitations of the appropriations made therefor the Administrator of Veterans' Affairs is authorized to provide for the preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures and other visual educational information and descriptive material, including the purchase or rental of equipment.

SEC. 5. Section 1500 of the Servicemen's Readjustment Act of 1944, as amended (38 U. S. C. 697), is amended by inserting "(a)" immediately following "SEC. 1500" and adding at the end thereof the following new paragraph:

"(b) When so specified in an appropriation or other act, the Administrator of Veterans' Affairs is authorized to make allotments and transfers to the Federal Security Agency (Public Health Service), the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration: *Provided*, That the amounts to be charged the Veterans' Administration for such care and treatment of patients in hospitals shall be calculated on the basis of a per diem rate approved by the Bureau of the Budget."

SEC. 6. Section 406 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (50 U. S. C. App. 546), is amended by adding the following new sentence at the end thereof: "Any moneys received as repayment of debts incurred under this article, as originally enacted and as amended, shall be credited to the appropriation for the payment of claims under this article."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF LIMITATIONS ON ISSUING PATENTS TO PERSONS WHO SERVED IN MILITARY OR NAVAL FORCES

The Clerk called the bill (H. R. 4304) providing for the extension of the time limitations under which patents were issued in the case of persons who served in the military or naval forces of the United States during World War II.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any person who served honorably in the military or naval forces of the United States at any time between December 7, 1941, and September 2, 1945, both dates inclusive, may within 6 months after the enactment of this act, or within 6 months after his honorable discharge if still in the military or naval forces of the United States at the time of such enactment, upon payment of a fee of $30, make application to the Commissioner of Patents, comprising a verified statement, accompanied by supporting evidence of the following facts:

(A) That he is the inventor or discoverer of an invention or discovery for which a specified patent was granted prior to the 2d day of September 1945, the original term of which remains unexpired on September 2, 1945.

(B) That between December 7, 1941, and the date of enactment of this act he was not receiving from said patent an income, or that his income therefrom was reduced, as a result of his said service.

(C) The names of all persons, firms, or corporations, if any, holding at the time of the passage of this act, by grant, transfer, license, or contract from him, any right or interest in the invention or discovery under the patent.

(D) The period of extension of the patent from the expiration of the original term thereof, for which he applies, which shall be for a further term equalling twice the length of his said service in the military or naval forces of the United States between the dates of December 7, 1941, and the date of enactment of this act, but exclusive of any reenlistment subsequent to September 2, 1945.

(E) That such extension shall in no way impair the right of anyone who before the passage of this act was bona fide in possession of any rights in patents or applications for patents conflicting with the rights in any patents extended under this act, nor shall any extension granted under this act impair the right of anyone who was lawfully man-

ufacturing before the passage of this act the invention covered by the extended patent. Any such person shall have the right to make, use, and vend the invention covered by such conflicting patent or application for patent, or to continue or resume such manufacturing, notwithstanding the extension of the patent, subject to the payment of a reasonable royalty for any period subsequent to the extension of the patent: *Provided, however,* That any licensee under a patent which is extended shall have the option of continuing the license for the period of the extension or any part thereof on the same terms and conditions as contained in the existing license, or of discontinuing said license on the expiration of the original term of the patent.

SEC. 2. In the case of a veteran, as described in paragraph 1 of this act, who dies, or has died, or who becomes insane or unable to act, which veteran owned an interest as described in this act in said patent at the time of his death or at the time he was declared mentally incompetent or became unable to act before said extension is granted, such application may be filed or proceeded with by his legal representatives substantially as provided in section 4896 of the Revised Statutes of the United States, as amended (U. S. C., 1940 edition, title 35, sec. 46), with respect to proceedings in such cases for obtaining a patent.

SEC. 3. On the filing of such application the Commissioner of Patents shall cause an examination thereof to be made, and if, on such examination, it shall appear that such application conforms, or by amendment or supplement is made to conform, to the requirements of section 1 of this act, the Commissioner shall cause notice of such application to be published at least once in the Official Gazette. Any person who believes that he would be injured by such extension may, within 45 days from such publication, oppose the same on the ground that any of the statements of the application for extension required by section 1 of this act is not true in fact, which said notice of opposition shall be verified before an officer authorized by the laws of any State or Territory or the District of Columbia to administer oaths. In all cases where notice of opposition is filed the Commissioner of Patents shall notify the applicant for extension thereof and set a day of hearing. If, after such hearing, the Commissioner of Patents is of the opinion that such extension should not be granted, he may deny the application therefor, stating in writing his reasons for such denial. Where an extension is refused the applicant therefor shall have the same remedy by appeal from the decision of the Commission to the United States Court of Customs and Patent Appeals as is now provided by law where an applicant for patent is dissatisfied with the decision of the Patent Office Board of Appeals. If no opposition to the grant of the extension is filed, or if, after opposition is filed, it shall be decided that the applicant is entitled to the extension asked for, the Commissioner of Patents shall issue a certificate that the term of said patent is extended for the additional period for which application has been made as aforesaid, and shall cause notice of such extension to be published in the Official Gazette and marked upon copies of the patent for sale by the Patent Office, in such manner as the Commissioner may determine.

SEC. 4. Thereupon said patent shall have the same force and effect in law as though it had been originally granted for 17 years plus the term of such extension: *Provided, however,* That in any action, at law or in equity, for infringement after the expiration of 17 years from the grant of the patent and during the period of such extension, the defendant may plead and prove on trial that any of the statements of the application for extension required by section 1 of this act is not true in fact; and if any one or more of such statements shall be found untrue in fact, judgment shall be rendered for the defendant, with costs: *Provided further,* That no person whose patent shall be extended under the provisions of this act shall be permitted to make any claim for damages against the United States for the period of the extension, and the rights of the United States shall remain in all respects as if these patents had not been extended.

With the following committee amendments:

Page 2, line 23, strike out "such extension shall" and insert "he will."

Page 4, line 20, strike out "Commisisoner" and insert "Commissioner."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STAMP COMMEMORATING ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF JOEL CHANDLER HARRIS

The Clerk called the next business, House Joint Resolution 304, to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the birth of Joel Chandler Harris, author of the Uncle Remus stories.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to issue, during 1948, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the one hundredth anniversary of the birth of Joel Chandler Harris, author of the Uncle Remus stories.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF NAVY OR COAST GUARD VESSELS

The Clerk called the bill (S. 1961) to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 3 of the act of December 3, 1945 (59 Stat. 590), is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIMIT OF APPROPRIATION EXPENDITURES FOR REPAIRS OR CHANGES TO A VESSEL OF THE NAVY

The Clerk called the bill (H. R. 4721) to remove the statutory limit of appropriation expenditures for repairs or changes to a vessel of the Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the proviso of the Naval Appropriation Act of March 2, 1907 (34 Stat. 1176), which appears in lines 43 to 51 of page 1195 of volume 34 of the Statutes at Large under the heading "Construction and Repair of Vessels" under the title "Bureau of Construction and Repair"; the proviso of the Naval Appropriation Act of March 3, 1909 (35 Stat. 753), which appears in lines 21 to 30 of page 769 of volume 35 of the Statutes at Large under the heading "Construction and Repair of Vessels" under the title "Bureau of Construction and Repair"; the paragraph of the Naval Appropriation Act of August 29, 1916 (39 Stat. 556), which appears in lines 45 to 49 of page 605 of volume 39 of the Statutes at Large under the heading "Construction and Repair of Vessels" under the title "Bureau of Construction and Repair"; and the act of July 18, 1935 (49 Stat. 482), are hereby repealed.

Mr. COLE of New York. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Insert at the end of the bill the following:

"SEC. 2. No funds shall be appropriated for the repair or alteration of any vessel if such repair or alteration may result in a change of the category or type of such vessel."

Mr. KEAN. Mr. Speaker, does the gentleman think it is good practice to add some amendment to something which has not been shown to those who have charge of the Consent Calendar?

Mr. COLE of New York. If the gentleman will permit an explanation he will see the reason why I did it.

This amendment simply writes into the bill an agreement contained in the report accompanying the bill with respect to the authority of the Navy Department. As the Members well know, the composition of the Navy is set up by statute in various categories or types of vessels. This bill would permit funds to be used to alter or to repair vessels in an amount greater than the present statutory limitation. It is conceivable that in the alteration or repair of a vessel, the type of vessel after the alteration takes place may be entirely different from the type of the vessel at the time the alteration began. The Department recognizes that this should not occur and declares that it is not intended that any alteration shall ever occur which will result in a change in the category or type of vessel. That policy of the Department is set forth in the report. This amendment carries into the statute what was declared to be the intention as represented in the report.

Mr. KEAN. Does not the gentleman think he should have called to the attention of those who have the responsibility for the Consent Calendar the fact that he was going to offer such an amendment?

Mr. COLE of New York. I confess to the gentleman that I probably should have conferred with him. I apologize for not having done so. I did, however, confer with members of the committee interested in the bill and it was purely an oversight that caused me to fail to confer with the gentleman from New Jersey and his committee, because I can understand fully the responsibility that he has in serving in this thankless capacity. I assure the gentleman, however, that it will not happen again.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. McCORMACK. Is this a committee amendment?

Mr. COLE of New York. It is to the extent that the subject was discussed in the committee and in the subcommittee. It was clearly understood by all the members of the committee that the substance of this amendment was what was going to be practiced.

Mr. McCORMACK. That is satisfactory to me. I feel, however, that had it been an amendment that had not had committee consideration, and by that I mean not necessarily formal committee action but discussed by the members of the committee and understood by them and satisfactory to them—other than that I would hesitate to see unanimous consent given to consideration of a bill, such action establishing a precedent for me as an individual Member—never mind anyone else—offering amendments that constitute surprise to the other Members.

Mr. COLE of New York. The gentleman from Ohio [Mr. HESS], chairman of the subcommittee handling this bill, is on his feet. I yield to him.

Mr. HESS. I may say that hearings were held on this question and that Admiral Mills, Chief of the Bureau of Ships, said he would have no objection to an amendment such as the gentleman from New York has offered.

Mr. McCORMACK. And the gentleman from Ohio will say that committee members discussed it and were aware of it and that so far as he knows it represents the views of the members of the committee?

Mr. HESS. It does.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANGES IN ORGANIZATION OF NAVY DEPARTMENT

The Clerk called the bill (S. 1252) making certain changes in the organization of the Navy Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That as used in this act—

(a) The term "Naval Establishment" means naval sea, air, and ground forces—vessels of war, aircraft, auxiliary craft and auxiliary activities, and the personnel who man them—and the naval agencies necessary to support and maintain the naval forces and to administer the Navy as a whole; the Marine Corps and, in time of war or when the President shall so direct, the Coast Guard, are parts of the Naval Establishment.

(b) The term "Navy Department" means the executive part of the establishment at the seat of the Government.

(c) The term "operating forces" means the several fleets, seagoing forces, sea-frontier forces, district forces, and such of the shore establishment of the Navy and other forces and activities as may be assigned to the operating forces by the President or the Secretary of the Navy.

CHIEF OF NAVAL OPERATIONS

SEC. 2. (a) There shall be a Chief of Naval Operations, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of not more than 4 years, from among the officers of the active list of the line of the Navy who are eligible for the exercise of command at sea and not below the grade of rear admiral. The Chief of Naval Operations shall take rank above all other officers of the naval service.

(b) It shall be his duty to command the operating forces and be responsible to the Secretary of the Navy for their use, including, but not limited to, their training, readiness, and preparation for war, and plans therefor. In addition, the Chief of Naval Operations shall be the principal naval adviser to the President and to the Secretary of the Navy on the conduct of war, and the principal naval adviser and naval executive to the Secretary of the Navy on the conduct of the activities of the Naval Establishment.

VICE CHIEF OF NAVAL OPERATIONS

SEC. 3. A flag officer of the active list of the line of the Navy, eligible for the exercise of command at sea, shall be appointed by the President, by and with the advice and consent of the Senate, to be Vice Chief of Naval Operations. The Vice Chief of Naval Operations shall exercise such executive authority with respect to the Naval Establishment as the Chief of Naval Operations may, with the approval of the Secretary of the Navy, delegate to him, and in case of the death, resignation, absence, or sickness of the Chief of Naval Operations shall, until otherwise directed by the President as provided by section 179 of the Revised Statutes, perform the duties of the Chief of Naval Operations until his successor is appointed or such absence or sickness shall cease. All orders issued by the Vice Chief of Naval Operations in performing duties assigned him shall be considered as emanating from the Chief of Naval Operations and shall have full force and effect as such.

DEPUTY CHIEFS OF NAVAL OPERATIONS

SEC. 4. There shall be in the Office of the Chief of Naval Operations not more than six Deputy Chiefs of Naval Operations, who shall be detailed by the Secretary of the Navy from among the flag officers of the active list of the line of the Navy. The Deputy Chiefs of Naval Operations shall be charged, under the direction of the Chief of Naval Operations, with the execution of the functions of their respective divisions. All orders issued by the Deputy Chiefs of Naval Operations in performing duties assigned them shall be considered as emanating from the Chief of Naval Operations and shall have full force and effect as such.

ASSISTANT CHIEFS OF NAVAL OPERATIONS

SEC. 5. Officers of the active list of the line of the Navy or Marine Corps, in numbers considered by the Chief of Naval Operations to be appropriate and necessary, shall, with the approval of the Secretary of the Navy, be detailed as Assistant Chiefs of Naval Operations. The Assistant Chiefs of Naval Operations shall perform such duties as the Chief of Naval Operations may prescribe.

NAVAL INSPECTOR GENERAL

SEC. 6. In addition to the divisions herein created, there shall be in the Office of the Chief of Naval Operations the Office of the Naval Inspector General. The Naval Inspector General shall be a flag officer of the active list of the line of the Navy. The Naval Inspector General shall be charged, when directed, with the inquiry into, and the report upon, any matter which affects the discipline or military efficiency of the Naval Establishment. He shall make such inspections, investigations, and reports as may be directed by the Secretary of the Navy or by the Chief of Naval Operations. He shall propose, periodically, programs of inspections to the Chief of Naval Operations, and he shall recommend additional inspections and investigations as may from time to time appear appropriate.

CHIEF OF NAVAL MATERIAL

SEC. 7. (a) There is hereby established in the Navy Department an Office of Naval Material which shall be headed by a Chief of Naval Material, who shall be detailed by the Secretary of the Navy from among officers on the active list of the Navy not below the rank or grade of rear admiral. He shall be entitled to receive the pay, allowances, and the privileges of retirement as are now or may hereafter be prescribed by law for chiefs of bureaus in the Navy Department.

(b) The Chief of Naval Material shall, under the direction of the Secretary of the Navy, effectuate policies of procurement, contracting, and production of material throughout the Naval Establishment, and plans therefor, and his orders shall be considered as emanating from the Secretary of the Navy and as having full force and effect as such.

VICE CHIEF OF NAVAL MATERIAL

SEC. 8. An officer on the active list of the Navy may be detailed as Vice Chief of Naval Material, and such officer, in case of the death, resignation, absence, or sickness of the Chief of Naval Material, shall, until otherwise directed by the President as provided by section 179 of the Revised Statutes, perform the duties of such Chief until his successor is appointed or such absence or sickness shall cease.

COORDINATING DUTIES

SEC. 9. In order that military operations and the support thereof shall be effectively coordinated, the Chief of Naval Operations, under the direction of the Secretary of the Navy, shall determine the personnel and material requirements of the operating forces, including the order in which ships, aircraft, surface craft, weapons, and facilities are to be constructed, maintained, altered, repaired, and overhauled, and shall coordinate and direct the efforts of the bureaus and offices of the Navy Department as may be necessary to effectuate availability and distribution of the personnel and material required where and when they are needed. The Chief of Naval Material, under the direction of the Secretary of the Navy, shall determine the procurement and production policies and methods to be followed by the Naval Establishment in meeting the material requirements of the operating forces, and shall coordinate and direct the efforts of the bureaus and offices of the Navy Department in this respect.

SEC. 10. During the temporary absence of the Secretary of the Navy, the Under Secretary of the Navy, the Assistant Secretary of the Navy, and the Assistant Secretary of the Navy for Air; the Chief of Naval Operations, and the Vice Chief of Naval Operations in that order, shall be next in succession to act as the Secretary of the Navy.

SEC. 11. The Vice Chief of Naval Operations, the Deputy Chiefs of Naval Operations, the Naval Inspector General, and the Chief of Naval Material may have the grade, rank, pay, and allowances provided under any provision of law heretofore or hereafter enacted which authorizes such grade, rank, pay, and allowances for officers so designated by the President to perform any special or unusual duty or duty of great importance and responsibility.

SEC. 12. (a) That portion of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1916, and for other purposes," approved March 3, 1915, which reads as follows: "There shall be a Chief of Naval Operations, who shall be an officer on the active list of the Navy appointed by the President, by and with the advice and consent of the Senate, from among the officers of the line of the Navy not below the grade of captain for a period of 4 years, who shall, under the direction of the Secretary of the Navy, be charged with the operations of the fleet, and with the preparation and readiness of plans for

its use in war" (38 Stat. 929), is hereby repealed.

(b) Section 2 of the act entitled "An act providing for the reorganization of the Navy Department, and for other purposes," approved June 20, 1940 (54 Stat. 494), is hereby repealed.

(c) That portion of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1916, and for other purposes," approved March 3, 1915, which reads as follows: "During the temporary absence of the Secretary and the Assistant Secretary of the Navy, the Chief of Naval Operations shall be next in succession to act as Secretary of the Navy" (38 Stat. 929), as amended by the act entitled "An act to amend the provision contained in the act approved March 3, 1915, providing that the Chief of Naval Operations, during the temporary absence of the Secretary and Assistant Secretary of the Navy, shall be next in succession to act as Secretary of the Navy," approved February 11, 1927 (44 Stat. 1086), is hereby repealed.

(d) The act entitled "An act to provide for an Assistant to the Chief of Naval Operations," approved May 27, 1930 (46 Stat. 430), is hereby repealed.

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHAFER. Mr. Speaker, the purpose of this legislation, S. 1252, is to establish by statute the status, duties, rank, pay, allowances, and retirement benefits of the Chief of Naval Operations and his principal assistants, and a Chief of Naval Material and his principal assistant. Under existing law the Chief of Naval Operations is charged, under the direction of the Secretary of the Navy, with the operation of the fleet and with the preparation and plans for use in readiness of war—act of March 3, 1915—and with the coordination of the Naval Establishment afloat, together with the determination of priorities relating to repairs and overhaul of ships in commission or about to be commissioned—act of June 20, 1940. During the war it developed that the Chief of Naval Operations did not have adequate statutory authority concerning the functions under his jurisdiction to see that these forces were properly supported.

Various Executive orders were issued to give him additional authority, and these resulted on September 29, 1945, in Executive Order 9635, which provides that the Chief of Naval Operations shall (a) be the principal naval adviser to the President, through the Secretary of the Navy, on the conduct of war, and principal naval adviser to the Secretary of the Navy on the conduct of the naval activities of the Naval Establishment; (b) shall have command of the operating forces comprising the several fleets, seagoing forces, sea-frontier forces, district and other forces, and the related shore establishments of the Navy, and be responsible to the Secretary of the Navy for their use in war and for plans and preparations for their readiness for war; and (c) shall be charged under the direction of the Secretary of the Navy with the preparation, readiness, and logistic support of the operating forces, comprising the several fleets, and so forth, and with the coordination and direction of effort to this end with offices within the Navy Department.

The authority under which the Executive order was issued will expire upon termination of title I of the First War Powers Act, which will be 6 months after termination of the war or at such earlier time as the Congress, by concurrent resolution, or the President, may designate. It is therefore desirable at this time that the duties prescribed in the Executive order be enacted into law. The proposed bill would accomplish this purpose.

Section 1 of the bill describes the terms "Naval Establishment," "Navy Department," and "operating forces."

Section 2 describes the duties of the Chief of Naval Operations. Under this proposed legislation the Chief of Naval Operations shall be appointed by the President, by and with the advice of the Senate, for a term of not more than 4 years and he shall be selected from among a list of line officers who are not below the grade of rear admiral and who are eligible for the exercise of command at sea.

Section 3 prescribes the functions of the Vice Chief of Naval Operations. He must be a flag officer of the line, eligible for the exercise of command at sea.

Section 4 provides for not more than six Deputy Chiefs of Naval Operations to be selected from among the flag officers of the line of the Navy. It will be noted that they do not have to be eligible for the exercise of command at sea but must be line officers.

Section 5 provides for Assistant Chiefs of Naval Operations without any limitation as to their number, who may be selected from officers on the active list of the line from the Navy and Marine Corps.

Section 6 creates the Office of the Navy Inspector General who shall be a flag officer of the line of the Navy. He shall be charged, when directed, with inquiring into any matter which affects the efficiency of the Naval Establishment and he may also recommend inquiries and investigations.

Section 7 creates in the Navy Department an Office of Naval Material and the Chief of Naval Material who shall be detailed by the Secretary of the Navy from among officers in the Navy not below the rank or grade of rear admiral. The proposed legislation gives him the same pay, allowances, and retirement privileges as now or hereafter may exist for bureau chiefs of the Navy Department. In effect, this section creates a central agency in which material procurement in the various bureaus will be coordinated. There is no statutory authority for such an agency, but one was created and functioned during the war as part of the office of the Secretary of the Navy and was known as the Office of Procurement and Material.

Section 8 creates the office of Vice Chief of Naval Material.

Section 9 makes provisions for coordinating military operations and the support of military operations. In effect this section provides that the Chief of Naval Operations shall determine the personnel and material requirements of the operating forces of the Navy and the various bureaus and shall coordinate the efforts of the Navy in distributing personnel and material. The Chief of Naval Material shall determine procurement and production policies and methods, and shall coordinate such efforts.

Section 10 provides for the successor for the present Secretary of the Navy during the temporary absence of the Secretary. The order established is the Under Secretary, the Assistant Secretary, the Assistant Secretary for Air, the Chief of Naval Operations, and the Vice Chief of Naval Operations. Existing law provides that the Chief of Naval Operations shall succeed the Secretaries in their absence, leaving the chiefs of bureaus to succeed when the Chief of Naval Operations is absent.

Section 11 provides that the Vice Chief of Naval Operations, the Deputy Chief of Naval Operations, the Naval Inspector General, and the Chief of Naval Material may have the grade, rank, pay, and allowances provided under any provision of law heretofore or hereafter enacted which authorizes such rank, grade, pay, and allowances for officers so designated by the President to perform any special or unusual duty or duties of importance and responsibility.

Section 12 (a) and (b) repeals old provisions of law which established the Chief of Naval Operations in the Navy Department and which prescribed his duties. Section 12 (c) repeals the old provision of law providing for the succession to the Secretary of the Navy during the Secretary's absence. Section 12 (d) repeals the law which provided for the Assistant Chief of Naval Operations.

For all practical purposes, enactment of the bill will not result in any additional cost to the Government.

It is felt that wartime experience has justified the enactment into law of the Executive order which established the various functions provided for in the proposed legislation. The Committee on Armed Services unanimously approved the adoption of the proposed legislation.

The bill passed the Senate on July 23, 1947.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING PAYMENT OF CERTAIN MEDICAL CLAIMS OF PERSONS IN NAVAL SERVICE

The Clerk called the bill (H. R. 1275) to authorize the payment of certain claims for medical treatment of persons in the naval service; to repeal section 1586 of the Revised Statutes; and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CRAWFORD. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Michigan [Mr. BLACKNEY] would explain the bill?

Mr. BLACKNEY. Mr. Speaker, under existing laws the officers of the Army and Navy Corps constitute the only group of personnel in the armed services who are not permitted to be reimbursed for the cost of medical services incurred while on authorized leave.

An existing statute provides that unless the medical services to officers of the Navy and Marine Corps were incurred while on duty they cannot be reimbursed. The Comptroller does not say that authorized leave would constitute authority for payment of such bills. The purpose of this bill is to put the officers of the Army and Navy in the same status as the rest of the armed services at an additional cost to the Government of approximately $10,000.

Mr. CRAWFORD. What provision does the bill contain that makes osteopaths eligible?

Mr. BLACKNEY. There is no provision in the bill, but the Department has stated that if an osteopath treats a serviceman he would be brought within the purview of the bill and would be paid the same as a regular practicing physician.

Mr. CRAWFORD. That leaves it, then, so that the patient, we will say, may use the type of professional service to which he has been accustomed.

Mr. BLACKNEY. That is it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1586 of the Revised Statutes (U. S. C. Annotated, 1940 edition, title 34, sec. 921) is hereby repealed.

SEC. 2. The Secretary of the Navy is authorized and directed to promulgate regulations providing for the reimbursement of persons in the naval service for the cost of emergency or necessary medical services, including hospital service and medicines, from civilian sources when the person receiving the service is in a duty status: *Provided, however*, That reimbursement will be made under this act only if it is determined that no medical service was available from a Federal source.

SEC. 3. For the purpose of this act a person shall be regarded as in a duty status in the naval service while on authorized liberty or leave, including terminal leave.

With the following committee amendment:

Page 2, line 6, substitute a period in place of the comma after the first appearance of the word "leave", and strike out the words "including terminal leave."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SUBSECTION 200 (c) OF SERVICEMEN'S READJUSTMENT ACT OF 1944, AS AMENDED

The Clerk called the bill (H. R. 3106) to amend subsection 200 (c) of the Servicemen's Readjustment Act of 1944, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, the Veterans' Administration is against this bill; it is therefore controversial and I object.

AMENDING ATOMIC ENERGY ACT OF 1946

The Clerk called the bill (H. R. 5216) to amend the Atomic Energy Act of 1946 so as to provide that no person shall take office as a member of the Atomic Energy Commission or as General Manager of such Commission until an investigation with respect to the character, associations, and loyalty of such person shall have been made by the Federal Bureau of Investigation.

Mr. COLE of New York. Mr. Speaker, the gentleman from Colorado [Mr. CARROLL] is interested in this bill. He has some questions to raise with reference to it, but is unable to be here today. I therefore ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LENGTH OF TOURS OF DUTY OF OFFICERS AND ENLISTED MEN OF THE ARMY AT CERTAIN FOREIGN STATIONS

The Clerk called the bill (S. 1195) repealing laws relating to length of tours of duty of officers and enlisted men of the Army at certain foreign stations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That that portion of the act of March 4, 1915, as amended (10 U. S. C. 17), which reads "No officer or enlisted man of the Army shall, except upon his own request, be required to serve in a single tour of duty for more than 2 years in the Philippine Islands, on the Asiatic station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone, except in case of insurrection or of actual or threatened hostilities and except in the discretion of the Secretary of War for temporary emergencies: *Provided*, That the foregoing provision shall not apply to the organization known as the 'Philippine Scouts,' is hereby repealed.

"SEC. 2. The Secretary of Defense shall advise the Committees on Armed Services of the Senate and the House of Representatives on the first of April and the first of October of each year concerning the regulations governing the lengths of tours of duty outside the continental United States of personnel of the Army, and Air Force, and of any changes therein."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARIES OF WAR, NAVY, AIR, AND TREASURY TO ACCEPT GIFTS

The Clerk called the bill (S. 1528) to authorize the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury to accept and use gifts, devises, and bequests for schools, hospitals, libraries, cemeteries, and other institutions under the jurisdiction of the Department of the Army, the Department of the Navy, the Department of the Air Force, or the Department of the Treasury, respectively, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury is hereby authorized in his discretion to accept, receive, hold, administer, and expend any gift, devise, or bequest of property, real or personal, made on condition that it be used for the benefit of, or in connection with, the establishment, operation, maintenance, or administration of any school, hospital, library, museum, cemetery, or other institution or organization under the jurisdiction of the Department of the Army or the Army, the Department of the Navy or the Navy, the Department of the Air Force or the Air Force, or the Treasury Department or the Coast Guard, respectively. The Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury, as the case may be, is further authorized to pay all necessary fees, charges, and expenses in connection with the conveyance or transfer of any such gift, devise, or bequest.

SEC. 2. Gifts or bequests of money or the proceeds from sales of other property received as gifts or devises pursuant to this act shall be deposited in the Treasury of the United States under the title "United States Department of the Army General Gift Fund," "United States Department of the Navy General Gift Fund," "United States Department of the Air Force General Gift Fund," or "United States Coast Guard General Gift Fund," as the case may be, and any funds so deposited shall be subject to disbursement by the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury, as the case may be, for the benefit or use of the designated institution or organization, subject to the terms and conditions of any particular gift, devise, or bequest.

SEC. 3. For the purpose of Federal income, estate, and gift taxes, any gift, devise, or bequest of property, real or personal, accepted by the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury under authority of this act shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

SEC. 4. The Secretary of the Treasury is authorized, upon request of the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or, in his own discretion insofar as the Coast Guard general gift fund is concerned, as the case may be, to invest, reinvest, or retain investments of the money or securities composing the United States Department of the Army general gift fund; the United States Department of the Navy general gift fund, the United States Department of the Air Force general gift fund, or the United States Coast Guard general gift fund, as the case may be, or any part thereof deposited in the Treasury pursuant to section 2 of this act, in securities of the United States of America or in securities guaranteed as to principal and interest by the United States of America. The interest and profits accruing from such securities shall be deposited to the credit of the United States Department of the Army general gift fund, the United States Department of the Navy general gift fund, the United States Department of the Air Force general gift fund, or the United States Coast Guard general gift fund, as the case may be, and will be available for disbursement as provided in section 2 of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT ENTITLED "AN ACT TO CODIFY AND ENACT INTO POSITIVE LAW TITLE 17 OF THE UNITED STATES CODE ENTITLED 'COPYRIGHTS'"

The Clerk called the bill (H. R. 4931) to amend the act entitled "An act to codify and enact into positive law title 17 of the United States Code entitled "Copyrights.'"

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to codify and enact into positive law section 211 of title 17 of the United States Code, entitled 'Copyrights,'" approved July 30, 1947, be amended as follows:

Amend section 211 to read as follows:

"SEC. 211. That the said printed current catalogs as they are issued shall be promptly distributed by the Superintendent of Documents to the collectors of customs of the United States and to the postmasters of all exchange offices of receipt of foreign mails, in accordance with revised list of such collectors of customs and postmasters prepared by the Secretary of the Treasury and the Postmaster General, and they shall also be furnished in whole or in part to all parties desiring them at a price to be determined by the Register of Copyrights for each part of the catalog not exceeding $25 for the complete yearly catalog of copyright entries. The consolidated catalogs and indexes shall also be supplied to all persons ordering them at such prices as may be fixed by the Register of Copyrights, and all subscriptions for the catalogs shall be received by the Superintendent of Documents, who shall forward the said publications; and the moneys thus received shall be paid into the Treasury of the United States and accounted for under such laws and Treasury regulations as shall be in force at the time."

SEC. 2. Amend section 215 to read as follows:

"SEC. 215. That the Register of Copyrights shall receive, and the persons to whom the services designated are rendered shall pay, the following fees:

"For the registration of a claim to copyright in any work, except a print or label used for articles of merchandise, $3; for the registration of a claim to copyright in a print or label used for articles of merchandise, $6; which fees shall include a certificate of registration under seal for each work registered: *Provided*, That only one registration fee shall be required in the case of several volumes of the same book published and deposited at the same time.

"For recording the renewal of copyright and issuance of certificate therefor, $2.

"For every additional certificate of registration, $1;

"For certifying a copy of an application for registration of copyright, and for all other certifications, $2.

"For recording every assignment, agreement, power of attorney, or other paper not exceeding six pages, $3; for each additional page or less, 50 cents; for each title over one in the paper recorded, 50 cents additional.

"For recording a notice of use, $2, for each notice of not more than five titles; and 50 cents for each additional title.

"For any requested search of Copyright Office records, or works deposited, or services rendered in connection therewith, $3 for each hour of time consumed."

With the following committee amendments:

Page 1, lines 3 and 4, strike out "the Act entitled "An act to codify and enact into positive law," and insert "section 211 of."

Page 1, line 5, strike "'Copyrights'", "approved July 30, 1947,", and insert "'Copyright',"; and after the word "amended", insert the words "to read."

Page 1, line 7, strike entire line.

Page 1, line 8, insert "Same; Distribution and Sale; Disposal of Proceeds.—" after the number "211."; strike "That" and capitalize the first letter of the word "the."

Page 2, line 17, strike "amend"; capitalize the first letter in the word "section"; insert after "215" the words "of said title 17 is amended."

Page 2, line 18, insert after the number "215." the word "Fees.—"; strike "That" and capitalize the first letter of the word "the."

Amend the title to read "To amend title 17 of the United States Code entitled 'Copyrights'."

Add a new section at the end of the bill as follows:

"SEC. 3. This act shall take effect 30 days after its enactment."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 17 of the United States Code entitled 'Copyrights'."

A motion to reconsider was laid on the table.

AUTHORITY OF THE ADMINISTRATOR OF VETERANS' AFFAIRS TO ESTABLISH AND CONTINUE OFFICES IN THE TERRITORY OF THE REPUBLIC OF THE PHILIPPINES

The Clerk called the bill (H. R. 4943) to extend the authority of the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law 91, Eightieth Congress, approved June 14, 1947, is hereby amended to read as follows:

"That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a), to establish regional offices, suboffices, contact units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary."

With the following committee amendments:

Page 1, line 8, after the word "establish", insert the words "and continue."

Page 2, line 3, strike the period at the end of the line and insert after the word "necessary" the following "but in no event after June 30, 1950."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Territory of the Republic of the Philippines."

A motion to reconsider was laid on the table.

DEFINING BOUNDARY OF THE UINTAH AND OURAY INDIAN RESERVATION IN THE STATE OF UTAH

The Clerk called the bill (S. 1698) defining the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the exterior boundary of the Uintah and Ouray Reservation in Grand and Uintah Counties, in the State of Utah, for the benefit of the Ute Indian Tribe of the Uintah and Ouray Reservation, is hereby extended to include the following area:

Beginning at the northwest corner of section 18, township 9 south, range 20 east, Salt Lake meridian, and running thence west to Green River;

Thence northeasterly up Green River approximately thirteen miles to a point where said river intersects the north line of section 11, township 8 south, range 20 east.

Thence east along said section line seven miles to the northeast corner of section 12, township 8 south, range 21 east, Salt Lake meridian;

Thence south along section line two miles to the northeast corner of section 24, township 8 south, range 21 east, Salt Lake meridian;

Thence east one mile to the northeast corner of section 19, township 8 south, range 22 east, then south one mile to the southeast corner of said section 19; thence east two miles to the northeast corner of section 28;

Thence south six miles to the southeast corner of section 21, township 9 south, range 22 east, Salt Lake meridian;

Thence west eleven miles to the northeast corner of section 27, township 9 south, range 20 east, Salt Lake meridian;

Thence south eight miles to the southeast corner of section 34, township 10 south, range 20 east;

Thence west one and one-half miles to the south quarter corner of section 33;

Thence north one-half mile to the center of said section 33;

Thence east one-fourth of a mile to the southwest corner of the southeast quarter northeast quarter, said section 33;

Thence north one mile to the southeast corner of the southwest quarter northeast quarter, section 28;

Thence west one-quarter of a mile to the center of said section 28;

Thence south one-fourth of a mile to the southeast corner of the northeast quarter southwest quarter, said section 28;

Thence west one-fourth of a mile to the north rim of Big Pack Mountain;

Thence southwesterly along said rim approximately one and one-half miles to the north quarter corner of section 4, township 11 south, range 20 east;

Thence south three-fourths of a mile to the southeast corner of the northeast quarter southwest quarter, said section 4;

Thence west one-fourth of a mile to the northeast corner of the southwest quarter southwest quarter, said section 4;

Thence south one-half mile to the southeast corner of the northwest quarter northwest quarter, section 9;

Thence west one-half mile to the southwest corner of the northeast quarter northeast quarter, section 8;

Thence south three-fourths of a mile to the southeast corner of the southwest quarter southeast quarter, said section 8;

Thence west three-fourths of a mile to the northeast corner of section 18;

Thence south along section line to the southeast corner of said section 18;

Thence southerly along the west rim of Big Pack Mountain approximately three and three-fourths miles to the northeast corner of the southeast quarter southeast quarter, section 1, township 12 south, range 19 east, Salt Lake meridian;

Thence south along the township line five and one-fourth miles to the southeast corner of township 12 south, range 19 east;

Thence following the north and east boundary of Indian Allotment Numbered 353 Uncompahgre on Hill Creek to the southeast corner of said allotment;

Thence along the east line of township 13 south, range 19 east, approximately one and one-half miles to the north rim of East Squaw Canyon;

Thence southeasterly along said rim and up said canyon approximately three and three-fourths miles to the northeast corner of section 33, township 13 south, range 20 east;

Thence south along the section line 6 miles to the northeast corner of section 33, township 14 south, range 20 east;

Thence along the north rim of Flat Rock Mesa approximately six miles to the west quarter corner of section 24;

Thence easterly along the north rim of Ute Canyon approximately two miles to the north quarter corner of section 19, township 14 south, range 21 east, Salt Lake meridian;

Thence continuing along the north rim of said canyon approximately three miles to the center of section 21;

Thence south one mile to the center of section 28;

Thence west one-half mile to the west line of said section;

Thence south one and one-half miles to the southeast corner of section 32;

Thence west along the south line of said township two miles to the southwest corner of township 14 south, range 21 east;

Thence south six miles along the east line of township 15 south, range 20 east, to the southeast corner of said township;

Thence east one-half mile to the center of the north line of section 33, township 15½ south, range 21 east, Salt Lake meridian;

Thence south approximately one and one-half miles to the south quarter corner of section 4, township 16 south, range 21 east, Salt Lake meridian;

Thence west one-half mile to the southwest corner of said section 4;

Thence north one-fourth of a mile to the southeast corner of the northeast quarter southeast quarter, section 5;

Thence west one-half mile to the northeast corner of the southeast quarter southwest quarter, said section 5;

Thence south two and one-fourth miles to the south quarter corner of section 17;

Thence west one-half mile to the northeast corner of section 19;

Thence south one-half mile to the east quarter corner of said section 19;

Thence west one-half mile to the center of said section 19;

Thence south two and one half miles to the south quarter corner of section 31;

Thence west one-half mile to the southwest corner of said township 16 south, range 21 east;

Thence south one and one-half miles to the east quarter corner of section 12, township 17 south, range 20 east, Salt Lake meridian;

Thence west one mile to the east quarter corner of section 11;

Thence south one-half mile to the southeast corner of said section 11;

Thence west one-half mile to the south quarter corner of said section 11;

Thence south one mile to the south quarter corner of section 14;

Thence west one-half mile to the southwest corner of said section 14;

Thence south one mile to the southeast corner of section 22;

Thence west one mile to the southwest corner of section 22;

Thence south approximately one and one-half miles to a point where the section line intersects the ridge between Supply Canyon and West Willow Creek;

Thence southwesterly along said ridge approximately two and one-half miles to the south quarter corner of section 8, township 18 south, range 20 east;

Thence south to the center of section 17;

Thence east one-half mile to the east quarter corner of said section 17;

Thence south to the southeast corner of said section 17;

Thence east approximately one-third of a mile to the top of the ridge between Clear Creek and West Willow Creek;

Thence southerly along the top of said ridge approximately three miles to the center of section 33;

Thence south one-half mile to the south quarter corner of said section 33;

Thence east one-fourth of a mile;

Thence south two miles to the southeast corner of the southwest quarter southeast quarter, section 9, township 19 south, range 20 east, Salt Lake meridian;

Thence east one-fourth of a mile to the northeast corner of section 16;

Thence south one mile to the southeast corner of said section 16;

Thence west three miles to the southwest corner of section 18;

Thence north two and three-fourths miles;

Thence west one-fourth of a mile;

Thence north one-fourth of a mile to the southwest corner of the southeast quarter southeast quarter, section 36, township 18 south, range 19 east;

Thence west three-fourths of a mile to the southwest corner of said section 36;

Thence northwesterly along the watershed divide of Book Cliff Mountains approximately twelve and one-half miles to the east quarter corner of section 6, township 18 south, range 19 east;

Thence southwesterly down Coal Creek Canyon approximately thirteen miles to Green River at a point approximately one-fourth of a mile west of the southeast corner of section 18, township 18 south, range 17 east, Salt Lake meridian;

Thence northerly up Green River to a point two and one-half miles north eighty degrees west from the southwest corner of section 7, township 12 south, range 19 east, Salt Lake meridian;

Thence southwesterly along the east rim of Main Tabyago Canyon approximately three and one-half miles;

Thence south five-eights of a mile to the rim of the ridge;

Thence southwesterly across West Tabyago Canyon approximately one-half mile to the ridge;

Thence southwesterly along the north rim of the ridge approximately two and one-fourth miles to Rock House Canyon;

Thence southwesterly across Rock House Canyon approximately three-fourths of a mile to the top of knoll in Rock House Canyon;

Thence southeasterly along the south rim of Rock House Canyon approximately two and three-fourths miles to a point approximately one mile north of Gray Knoll;

Thence south one-half mile across bench to north rim of Big Canyon; thence southeasterly along the north rim of Big Canyon approximately two miles to the head of draw approximately one mile east of Gray Knoll;

Thence southeasterly one-fourth of a mile across bench to the north rim of Big Canyon Flat;

Thence southeasterly along north rim of Big Canyon Flat approximately three and one-fourth miles;

Thence east approximately one-fourth of a mile across bench to the north rim of Big Canyon Flat;

Thence southeasterly along the north rim of Big Canyon Flat approximately one mile;

Thence east approximately one-fourth of a mile across bench to north rim of Big Canyon Flat;

Thence southeasterly along the north rim of Big Canyon Flat approximately two and one-half miles;

Thence east approximately one-fourth of a mile across bench;

Thence southeasterly along the north rim of Big Canyon Flat approximately one and three-fourths miles;

Thence east to northwest corner of section 31, township 13 south, range 19 east, Salt Lake meridian;

Thence east one mile;

Thence south one mile;

Thence east one mile to the southeast corner of section 32;

Thence east on section line to CCC road;

Thence northerly along said CCC road to point where said road intersects rim of a mesa south of the north line of township 13 south, range 19 east, Salt Lake meridian;

Thence northeasterly along said rim to the northeast corner of section 26 of said township and range;

Thence north one-fourth of a mile;

Thence east one-fourth of a mile;

Thence north one-fourth of a mile to the northwest corner of the northeast quarter southwest quarter, section 24;

Thence northerly along Hill Creek approximately one and one-fourth miles;

Thence west one-fourth of a mile;

Thence south one-fourth of a mile to the quarter corner between sections 13 and 14;

Thence west two miles to the quarter corner between sections 15 and 16;

Thence north along the section line one-half mile to the southeast corner of section 9 to the top of the ridge;

All of the foregoing descriptions being in township 12 south, range 19 east, Salt Lake meridian;

Thence northerly along the top of said ridge three and three-fourths miles to the center of section 28, township 11 south, range 19 east, Salt Lake meridian;

Thence northwesterly to the CCC road;

Thence northwesterly along said road to the top rim of Wild Horse Bench;

Thence northeasterly up Green River ap-Wild Horse Bench to the southeast corner of section 21;

Thence north one mile;

Thence diagonally northeast to the southwest corner of section 1;

Thence northeasterly to the north quarter corner of said section 1;

Thence east one-half mile to the intersection of CCC road at the northeast corner of said section 1;

Thence northeasterly along said road approximately four miles to where said road intersects the east line of section 20, township 10 south, range 20 east, Salt Lake meridian;

Thence north along said section line to the east quarter corner of section 8, township 10 south, range 20 east, Salt Lake meridian;

Thence northeasterly to the northwest corner of Indian Allotment Numbered 326 Uncompahgre;

Thence east to Willow Creek;

Thence northwesterly down Willow Creek to the west line of section 4, township 10 south, range 20 east, Salt Lake meridian;

Thence south along said section line to the southwest corner of section 4, said township and range;

Thence west one mile;

Thence north four miles to the northwest corner of section 20, township 9 south, range 20 east, Salt Lake meridian;

Thence west one mile;

Thence north one mile to point of beginning.

Valid rights and claims of individuals initiated under the public-land laws or otherwise involving any lands within said boundary shall not be affected by this act.

The foregoing reservation shall only include, in areas where there has heretofore been reserved by the Federal Government oil, gas, or oil shale, the nonmineral uses of the land.

There is hereby reserved, within the area above described, for the benefit and use of grazing-district permittees, a free right-of-way for trailing and watering purposes, subject to the usual and customary rules and regulations concerning stock driveways within grazing districts, the use of said right-of-way for watering purposes being limited to the usual and customary use of grazing-district permittees adjacent to said right-of-way, over the following lands:

(a) A stock driveway one mile wide along the north side of the White River Road running east from Ouray;

(b) A stock driveway described as beginning at the east quarter corner of section 3, township 9 south, range 20 east, Salt Lake meridian; running thence south eleven and one-half miles to the southeast corner of section 34, township 10 south, range 20 east, Salt Lake meridian; thence west to Willow Creek; thence northerly down Willow Creek to Black Bridge situated in the northwest quarter northeast quarter, section 22, township 10 south, range 20 east, Salt Lake meridian; thence northwesterly following the north and east boundaries of Indian allotments and tribal lands on east side of Willow Creek to the southwest corner of section 32, township 9 south, range 20 east, Salt Lake meridian; thence north five and one-fourth miles to Green River; thence up Green River and White River and on the south side of Indian allotments to point of beginning;

(c) A stock driveway one-half mile on each side of the road running southwesterly from what is known as Squaw Crossing on Willow Creek to the south rim of Wild Horse Bench insofar as said road enters or crosses the said reservation;

(d) A stock driveway running from the head of Brown Canyon near the northeast corner of township 11 south, range 19 east, Salt Lake meridian, southeasterly down Brown Canyon across Hill Creek to Big Pack Mountain;

(e) A stock driveway one mile wide across Hill Creek immediately south of Rock House situated in the south half of section 13, township 12 south, range 19 east, Salt Lake meridian.

There is also reserved a watering right on Hill Creek between the Black Bridge and the Brown Ranch for the permittee using the public domain immediately west of said water place.

SEC. 2. The Secretary of the Interior is hereby authorized and directed to revoke the order dated September 26, 1933, temporarily withdrawing in aid of legislation certain lands in the former Uncompahgre Indian Reservation.

SEC. 3. The State of Utah may relinquish to the United States for the benefit of the Indians of the said Ute Reservation such tracts of school or other State-owned lands, surveyed or unsurveyed, within the said reserved area, as it may see fit, reserving to said State, if it so desires, such rights as it may possess to any minerals underlying such State lands as may be relinquished, and said State shall have the right to make selections in lieu thereof outside of the area hereby withdrawn, equal in value, to the lands relinquished, from the vacant, unappropriated, nonmineral public lands, within the State of Utah, such lieu selections to be made in the manner provided in the enabling act pertaining to said State, except as to the payment of fees or commissions, which are hereby waived. The value of improvements owned by the State on lands relinquished to the United States for the benefit of said Indians shall be taken into consideration and full credit in the form of lands shall be allowed therefor. Authority is hereby granted for the purchase of privately owned and State-owned lands, including the improvements thereon, and improvements heretofore placed on public lands, together with water rights and water holes, within said boundary: *Provided*, That title to lands purchased under this authorization may, in the discretion of the Secretary of the Interior, be taken for the surface only.

With the following committee amendments:

On page 13, strike out all of lines 5 to 8, inclusive, and insert the following: "The foregoing reservation shall not extend to or include deposits of uranium, thorium, and other materials reserved to the United States by section 5 (b) 7 of the Atomic Energy Act of 1946 (60 Stat. 755, 762), and shall include surface rights only in lands withdrawn by Executive Order No. 5327 dated April 15, 1930, as interpreted by Circular No. 1220, dated June 9, 1930 (53 I. D. 127), and more particularly described in a letter dated April 22, 1931, addressed to the Register, Salt Lake City, Utah, by the Commissioner of the General Land Office."

On page 15, strike out all of lines 22 to 25, inclusive.

On page 16, strike out all of lines 1 to 3, inclusive, and insert the following: "Any funds now or hereafter on deposit in the United States Treasury to the credit of the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, are hereby made available, and with the consent of the Uintah and Ouray Tribal Business Committee, may be expended for the purchase of privately owned and State-owned lands, including the improvements thereon, and improvements heretofore placed on public lands, together with water rights and water holes, within said boundary. The title to lands purchased under this authorization may, in the discretion of the Secretary of the Interior, be taken for the surface only. Title to any lands and rights acquired hereunder shall be taken in the name of the United States in trust for the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, and such lands or rights shall be exempt from State or local taxation."

On page 15, line 13, after the word "value", insert a comma and the words "as determined by the Secretary of the Interior."

On page 16, following line 3, add section 4, which reads as follows:

"SEC. 4. In any suit now pending or hereafter brought against the United States by the Ute Indian Tribe of the Uintah and Ouray Reservation, or by any one or more of the separate bands comprising said Ute Indian Tribe of the Uintah and Ouray Reservation, in the Court of Claims, the Indian Claims Commission, or before any other tribunal, the United States may claim, as an offset against any judgment recovered therein, the fair market value as of the date of this Act of any interest in public lands conveyed by section 1 hereof, and any improvements thereon, and the fair market value as of the date of the transfer of title of the lands and improvements which may be relinquished by the State of Utah to the United States under section 3 of this act. The validity and amount of any such claim shall be determined by the court, commission, or tribunal in conformity with the provisions of section 2 of the act of August 13, 1946 (60 Stat. 1049, 1050)."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OREGON AND CALIFORNIA RAILROAD

The Clerk called the bill (H. R. 5049) to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, entry, and disposition under the general mining laws.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provisions of the act of August 28, 1937 (50 Stat. 874), or any other act relating to the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands, all of such revested or reconveyed lands, except power sites, shall be open for exploration, location, entry, and disposition under the mineral-land laws of the United States, and all mineral claims heretofore, located upon said lands, if otherwise valid under the mineral-land laws of the United States, are hereby declared valid to the same extent as if such lands had remained open to exploration, location, entry, and disposition under such laws from August 28, 1937, to the date of enactment of this act: *Provided*, That any person who under such laws has entered since August 28, 1937, or shall hereafter enter, any of said lands, shall not acquire title, possessory or otherwise, to the timber, now or hereafter growing thereon, which timber may be managed and disposed of as is or may be provided by law, except that such person shall have the right to use so much of the timber thereon as may be necessary in the development and operation of his mine until such time as such timber is disposed of by the United States: *Provided further*, That locations made prior to August 28, 1937, may be perfected in accordance with the laws under which initiated.

The owner of any unpatented mining claim located upon any of such lands shall file for record in the United States district land office of the land district in which the claim is situated (1) within 180 days after the effective date of this act, as to locations heretofore made, or within 60 days of locations, as to locations hereafter made, a copy of the notice of location of the claim; (2) within 60 days after the expiration of any annual assesment year, a statement under oath as to the assessment work done or improvements made during the previous assessment year, or as to compliance, in lieu thereof, with any applicable relief act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING STATES OF MONTANA, NORTH DAKOTA, SOUTH DAKOTA, AND WASHINGTON TO LEASE THEIR STATE LANDS FOR THE PRODUCTION OF OIL, GAS, AND OTHER HYDROCARBONS

The clerk called the bill (H. R. 4167) authorizing the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second paragraph of section 11 of the act relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, approved February 22, 1889, as amended, is amended by inserting before the last semicolon in such paragraph a comma and the following: "except that in the case of the State of Montana leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof may be for such terms of years, and on such conditions, as may be from time to time provided by the Legislative Assembly of the State of Montana."

With the following committee amendments:

Page 2, line 1, strike out "in the case of the State of Montana."

Page 2, line 5, strike out the words "State of Montana" and insert "respective States."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for

the production of oil, gas, and other hydrocarbons for such terms of years and such conditions as may be from time to time provided by the legislative assembly of the respective States."

A motion to reconsider was laid on the table.

ENGINEERING STUDY OF THE MINE-WATER PROBLEM OF THE PENNSYLVANIA MINING AREA

The Clerk called the bill (H. R. 4837) to provide an engineering study of the mine-water problems of the Pennsylvania anthracite-mining area.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I would like to inquire of any one who has knowledge of this bill just what the purpose and object of it is and whether this is the forerunner to something else to follow? We would like to get a little history or idea of it.

Mr. FENTON. Mr. Speaker, I may say to the gentleman that if something is not done the great national resource of anthracite coal will probably be ruined. At the present time there are about 2,000,000,000 gallons of water being pumped from the mines yearly. There is also a residual of eighty-three to one hundred billions of gallons of water left in the mines that the existing coal operators cannot take care of. Small operators are continually abandoning mines. That water is encroaching on other mines, so that it is a source of danger. In fact, I am very much concerned about the possibility of a disaster trapping miners like rats in a trap. Obviously the present coal operators are unable financially to take care of all the water that exists, and we have the assurance of operators and miners and the Department of the Interior, through the Bureau of Mines, that it is absolutely necessary, I might say to my colleague, to pass this legislation. We are concerned about saving an existing national resource.

Mr. McCORMACK. Is it contemplated that public funds will be later appropriated to meet this unfortunate situation?

Mr. FENTON. It is for a survey, I might say to my colleague.

Mr. McCORMACK. I know what surveys are. We know that.

Mr. FENTON. It means that what they advocate and recommend will, of course, have to be considered later on. The immediate job is trying to find out just what has to be done to meet this problem.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The fact of the matter is that surveys made by the owners and operators would not be sufficient in that the surveys each conduct would be on their own properties. The object of this bill is to have the Government make these surveys so as to cover the entire anthracite territory. It is not contemplated to do anything about the water that ordinarily flows into a mine, but there are subterranean rivers, and if they can be located and the waters diverted away from the operations, it will mean a saving of many millions of dollars.

Mr. JENKINS of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. JENKINS of Pennsylvania. I also happen to represent one of the anthracite counties and am, therefore, somewhat familiar with the problem which is involved in this situation. May I say to the gentleman that the proposal has been given the very hearty support of not only the operators but of the United Mine Workers, and the business interests of the communities concerned. It represents a serious problem with which, so far, the local interests have not been able adequately to cope, and this bill will at least give some indication of the extent of the problem and what is necessary to combat it.

Mr. FENTON. I might say, if the gentleman will yield further, in connection with the serious oil shortage that exists, the anthracite region does supply a great amount of coal to the New England States and the eastern seaboard, and if this supply is ruined, then you can imagine what problem we will have in the future.

Mr. McCORMACK. Mr. Speaker, I was very much interested to find out the reasons for this bill, because for years I have recognized the importance of our coal industry and the serious plight it was in and particularly of the workers and their families. I was one of those who strongly advocated the early recommendation of our late beloved President, Franklin Delano Roosevelt, in relation to meeting this problem and in establishing the Bituminous Coal Commission.

Mr. FENTON. Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. I yield.

Mr. FENTON. The gentleman will recall that in 1941 and 1942 there was an anthracite coal commission formed on which the late Congressman Boland and myself were represented, as well as Senators Guffey and Davis of the Senate, together with three representatives from the Executive Department. In their report they advocated this very thing.

Mr. McCORMACK. I was going to say that the statement of my three friends satisfies me that the bill should pass, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior, acting through the United States Bureau of Mines, is hereby authorized and empowered to make, or cause to be made, an engineering and cost-finding survey of the mine-water problem of the Pennsylvania anthracite mining area, the products of which regularly enter commerce or the operations of which substantially affect commerce. This survey shall be for the following purposes:

(a) To carry out the recommendation made by the Federal Anthracite Coal Commission in its report to the Congress (77th Cong., 2d sess., H. Doc. 709) that an engineering survey of the anthracite mine-water problem be started immediately, and that it cover the entire area;

(b) To obtain information relating to the anthracite mine-water problem, the causes of surface water infiltration, and the location and amounts of water accumulating in such mines that can be used to determine the remedial measures that would offer the best opportunities for the reestablishment of the anthracite industry on a sound basis in order thereby to stimulate prosperity in the anthracite producing and consuming communities, promote the health and welfare of large numbers of persons dependent upon the industry for their living, make possible the conservation of other fuels for the public use, help preserve the usefulness of the valuable transportation system serving the mining region, and prevent loss of life and property damage in major mine disasters; and

(c) To obtain information relating to the anthracite mine-water problem, the causes of surface water infiltration, and the location and amounts of water accumulating in such mines as a basis for the preparation and dissemination of reports, studies, statistics, and other educational materials pertaining to the prevention or control of surface water infiltration into such mines and to the protection of operating mines from the dangers and hazards of water accumulations against barrier pillars.

SEC. 2. The Secretary of the Interior, acting through the United States Bureau of Mines, is hereby authorized and directed—

(a) to report to the Congress, upon the basis of the information obtained under this act, comprehensive recommendations for remedial measures concerning the anthracite mine-water problem that will outline methods for its solution, costs thereof, benefits to the region, and methods of financing;

(b) to prepare, compile, analyze, and publish reports, studies, statistics, and other educational materials, based upon the information obtained under this act, together with findings, plans, and specifications for construction projects; and

(c) to make available for public inspection and use, either in summary or detailed form, the information obtained under this act, as soon as practicable after the acquisition of such information.

SEC. 3. In order to carry out the purposes of this act, the Secretary of the Interior, acting through the United States Bureau of Mines, is authorized—

(a) to engage by contract or otherwise, without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, consulting engineers and other technical or scientific experts, and any private industrial organization or any educational institution he deems suitable, to do all or any part of the work herein authorized;

(b) to cooperate with any other Federal or State department, agency, or instrumentality, including counties and municipalities, with any private person, firm, association, or corporation, and with any educational institution or technical or scientific society upon such terms and conditions as he deems advisable.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $560,000 to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREIGHT FORWARDERS

The Clerk called the bill (H. R. 3692) to amend the Interstate Commerce Act, as amended, with respect to ownership of stock interest in freight forwarders.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BREHM. I object, Mr. Speaker.

WEATHER BUREAU

The Clerk called the bill (H. R. 4112) to provide for the acceptance and use of funds for support of the national weather service supplementing the funds appropriated for the operation of the Weather Bureau of the Department of Commerce.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized to receive from States and political subdivisions thereof such funds as may be contributed by them to be expended in connection with funds appropriated by the United States for the preparation, issue, and dissemination of weather reports, forecasts and warnings, and of river and flood reports and warnings, and for the development and application of climatic reports and studies, whenever such work and expenditure may be considered by the Secretary of Commerce, on recommendation of the Chief of the Weather Bureau, as advantageous in the public interest.

SEC. 2. The Secretary of Commerce, on recommendation of the Chief of the Weather Bureau, is similarly authorized to receive from recognized associations of private business, industry, and agriculture, funds supplementing the appropriations to the Weather Bureau to be expended for specialized local applications of weather service and for the development and application of specialized studies or reports on weather and climatic conditions affecting particular localities or classes of interest.

SEC. 3. The nature and extent of the specialized or supplementary service to be performed by the Weather Bureau through use of any contribution to the funds appropriated by the United States for conduct of the national weather service, including the river and flood service, shall be established by agreements between the contributing agency and the Chief of the Weather Bureau subject to review and approval by the Secretary of Commerce or his authorized representative.

SEC. 4. Funds received for expenditure in accordance with the terms of this act shall be deposited in the Treasury of the United States and are hereby appropriated and held in trust by the Secretary of the Treasury for the benefit of the Weather Bureau. Such funds shall be available for expenditure in the operation of the Weather Bureau, including but not limited to the payment of salaries of regular personnel of the Bureau, and the performance of its functions, subject to the same examination and audit as is provided for appropriations made for the Weather Bureau by Congress. Any unexpended balance may be returned to the contributor in accordance with the terms of the agreement established under section 3 of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STOWAWAYS

The Clerk called the bill (H. R. 5119) to amend the immigration laws relating to stowaways, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, this bill requires study. There are some implications in this bill that are not quite clear. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING THE NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 5193) to amend the Nationality Act of 1940.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, as I understand, the purpose of this bill is to codify the naturalization laws. Is that correct?

Mr. KEATING. No. The purpose is to facilitate and make easier the naturalization of aliens who served in the armed forces of the United States.

Mr. MARCANTONIO. I withdraw my reservation of objection, Mr. Speaker.

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the requests of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, it gives me great pleasure to offer wholehearted cooperation and to urge the passage of H. R. 5193 introduced by my distinguished colleague and comrade, the gentleman from New York [Mr. KEATING].

This measure incorporates the provisions contained in my proposal, H. R. 4643, to extend the time within which persons who served honorably in the armed forces of the United States during World War I, World War II, and certain other periods may file petitions for naturalization. The instant proposal is all inclusive, attains the same worthy objective and for that reason I recommend and heartily endorse its passage, causing such amendment to the Nationality Act of 1940.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Nationality Act of 1940, as amended (54 Stat. 1137; 8 U. S. C. 907), be amended by adding a new section to be known as section 324A, as follows:

"SEC. 324A. (a) Any person not a citizen who is serving or has served honorably in an active-duty status in the military or naval forces of the United States during a period when the United States is or has been at war, or who, if separated from such service, was separated under honorable conditions, may be naturalized as provided in this section if (1) at the time of enlistment or induction such person shall have been in the United States or an outlying possession (including the Panama Canal Zone, but excluding the Philippine Islands), or (2) at any time subsequent to enlistment or induction such person shall have been lawfully admitted to the United States for permanent residence. The executive department under which such person served shall determine whether persons are serving or have served honorably in an active-duty status, and whether separation from such service was under honorable conditions: *Provided, however*, That no person who is or has been separated from such service on account of alienage, or who was a conscientious objector who performed no military or naval duty whatever or refused to wear the uniform, shall be regarded as having served honorably or having been separated under honorable conditions for the purposes of this section.

"(b) A person filing a petition under subsection (a) of this section shall comply in all respects with the requirements of this chapter except that—

"(1) he may be naturalized regardless of age, and notwithstanding the provisions of sections 303 and 326 of this act;

"(2) no declaration of intention, no certificate of arrival, and no period of residence within the United States or any State shall be required;

"(3) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner;

"(4) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test;

"(5) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certification of naturalization, if issued;

"(6) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States.

"(7) when serving in the military or naval forces of the United States, the service of the petitioner shall be proved either (1) by affidavits forming part of the petition, of at least two citizens of the United States, members of the military or naval forces of a noncommissioned or warrant officer grade, or higher (who may be the same witness described in clause (5) of this subsection), or (2) by a duly authenticated certification from the executive department under which the petitioner is serving. Such affidavits or certifications shall state whether the petitioner is serving or has served honorably in an active-duty status during a period when the United States is or has been at war;

"(8) if no longer serving in the military or naval forces of the United States, the service of the petitioner shall be proved by a duly authenticated certification from the executive department under which the petitioner served, which shall state whether the petitioner served honorably in an active-duty status during a period when the United States is or has been at war and was separated from such service under honorable conditions; and

"(9) notwithstanding section 334 (e) of this act, the petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the required witnesses shall have appeared before and been examined by a representative of the Service.

"(c) Citizenship granted pursuant to this section may be revoked in accordance with section 338 of this act if at any time subsequent to naturalization the person is separated from the military or naval forces under other than honorable conditions, and such ground for revocation shall be in addition to any other provided by law. The fact that the naturalized person was separated from the service under other than honorable conditions shall be proved by a duly authenticated certification from the executive department under which the person was serving at the time of separation."

SEC. 2. The eligibility for naturalization of any person who filed a petition for naturalization prior to January 1, 1947, under section 701 of the Nationality Act of 1940, as amended (8 U. S. C., supp. V, sec. 1001), and which is still pending on the date of approval of this act, shall be determined in accordance with section 324A of the Nationality Act of 1940, as added by section 1 of this act.

With the following committee amendments:

Page 1, line 8, after "during", strike out "a period when the United States is or has been at war" and insert "either World War I or World War II."

Page 4, line 7, after "during", strike out "a period when the United States is or has been at war" and insert "either World War I or World War II."

Page 4, line 15, after "during", strike out "a period when the United States is or has been at war" and insert "either World War I or World War II."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 5112) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Reserving the right to object, Mr. Speaker, will the author of the bill or some member of the committee explain exactly what this bill would do?

Mr. VAN ZANDT. Under the civil-service laws a Government employee who went into the service is credited for retirement purposes with all the time he spent in the armed forces, and is not required to make any contribution for that period. The Government takes care of all of it.

Mr. KEAN. If he returns?

Mr. VAN ZANDT. If he returns to the same position in Government.

Mr. KEAN. This bill does not say if a Member of Congress returns.

Mr. VAN ZANDT. It does; yes.

Mr. KEAN. It does not.

Mr. VAN ZANDT. The bill itself was drafted by the Civil Service Commission. It provides that the same privilege shall be granted Members of Congress as was granted Government employees.

Mr. KEAN. This bill states nothing about the fact of returning to his position.

Mr. VAN ZANDT. The gentleman with whom I talked at the Civil Service Commission informed me that unless a Member of Congress returned to Congress he would not be eligible for these benefits.

Mr. KEAN. It does not say so.

Mr. VAN ZANDT. That is the language; that is all I know.

Mr. KEAN. If he left Congress in the middle of the term and did not return, or if he left Congress voluntarily at the end of the term, would this include him? If he left Congress involuntarily, it seems to me he would be included also.

I think it is a good idea to have this bill passed over, to try to get clear exactly what it does do.

Mr. HAGEN. We had a hearing before the committee, and the bill definitely states that a person must be a Member of Congress to qualify.

Mr. KEAN. Where is that stated in the bill?

Mr. HAGEN. It says "any Member of the Congress." You have to be a Member of Congress to qualify; and if you are not in Congress, you do not qualify. That is in line 6.

Mr. KEAN. I would like to be sure of that, because that is not the way I read it, and it is not in the report.

Mr. HAGEN. It was discussed very thoroughly, and it was decided unanimously that one had to be a Member of Congress in order to qualify, and that is stated on line 6.

Mr. KEAN. I think that should be in the report so that other people might not possibly be involved. I am in favor of the idea if a Member leaves and comes back again. I am not sure that this bill actually means that. I think the bill should be passed over a couple of weeks so that we can get assurance on that; then I will be very glad to let the bill go through.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

POSTAL SERVICE

The Clerk called the bill (H. R. 5315) to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That if an employee in the field postal service was promoted, after September 15, 1940, and before January 1, 1948, to the position of special clerk or to any other position not then in an automatic grade, and the promotion was unauthorized by law only because the employee was then absent on military furlough, the promotion is hereby ratified.

SEC. 2. Such an employee is hereby relieved of all liability to refund to the United States any amounts paid to him as a result of the promotion; and in the audit and settlement of the accounts of any postmaster, or of any other designated disbursing officer of the Post Office Department or postal service, the amounts paid as a result of the promotion shall be considered to have been authorized. Any amounts heretofore credited to the employee or refunded by him to the United States on account of any overpayment made as a result of the promotion shall be repaid out of any money available for the payment of salaries of employees in the service in which he is employed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL WAR BATTLE STREAMERS

The Clerk called the bill (S. 703) to authorize the carrying of Civil War battle streamers with regimental colors.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in accordance with such regulations as the Secretary of War may prescribe, each regiment and other units of the Army of the United States is hereby authorized to carry appropriate Civil War battle streamers with its regimental colors or standards, upon verification in the War Department that it is entitled to such honors.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AWARDING MEDAL OF HONOR TO UNKNOWN SOLDIER

The Clerk called the bill (S. 1802) to authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is hereby authorized and directed to award, in the name of the Congress, a Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War, and who will lie buried in the Memorial Amphitheater of the National Cemetery at Arlington, Va., as authorized by the act of June 24, 1946, Public Law 429, Seventy-ninth Congress.

Passed the Senate January 26, 1948.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the call of the eligible bills on the calendar.

SPECIAL COMMITTEE TO INVESTIGATE THE ELECTION OF MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. RIZLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That a special committee of five members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1949, with respect to the following matters:

1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

2. The amounts subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1948 to which a candidate for the House of Representatives is to be nominated or elected.

3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

4. The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

5. The violations, if any, of the following statutes of the United States:

(a) The Federal Corrupt Practices Act.

(b) Title 18, sections 61 to 62b, inclusive, United States Code, 1940 edition, relating to pernicious political activities, commonly referred to as the Hatch Act.

(c) The provisions of section 304, Public Law 101, Eightieth Congress, chapter 120, first session, referred to as the "Labor Management Relations Act, 1947."

(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

6. Such other matters relating to the election of Members of the House of Representatives in 1948, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

8. The committee is authorized and directed to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper.

9. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1949, as hereinabove provided.

Mr. RIZLEY. Mr. Speaker, I yield myself such time as I may desire.

It will not be my purpose to take up much of the time of the House in connection with this resolution.

This is the same resolution, in substance, that has been passed by other sessions of the House of Representatives during the 8 years I have been here, with one exception: We have added this time to specific statutes that deal with elections, the provisions of section 304, Public Law 101, Eightieth Congress, chapter 1, referring to the Labor-Management Relations Act of 1947. Otherwise, this resolution is in substantially if not the exact language that has heretofore been contained in previous resolutions, setting up a special committee of five members to make an investigation, if necessary, in connection with the Federal Corrupt Practices Act, the Hatch Act, and various and sundry other matters pertaining to the nominations and elections of Members of the House of Representatives.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I will be glad to yield to the gentleman.

Mr. NICHOLSON. Will the gentleman from Oklahoma point out the change that is made in this bill?

Mr. RIZLEY. The only change in this resolution is at the top of page 3. There you will find section (c) which refers to the provisions of section 304, Public Law 101, Eightieth Congress, chapter 1, referred to as the Labor-Management Relations Act. As the gentleman knows, this is part of the law dealing with election activities that was passed since we had the last election. That is the only difference in this resolution and previous resolutions.

Mr. NICHOLSON. May I ask the gentleman what that law was?

Mr. RIZLEY. Well, I cannot remember all the details, but in substance it prohibits labor unions from actively participating as a union, by the use of union dues, in behalf of a candidate. It is now the law of the land. All this will do will authorize the committee to investigate violations of that law along with other alleged violations.

Mr. NICHOLSON. Is that the only change?

Mr. RIZLEY. That is the only change.

Mr. NICHOLSON. I am perfectly content with that.

Mr. RIZLEY. Mr. Speaker, I have no further requests for time and therefore I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE LATE MAURICE LANIGAN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks and include an article appearing in the Washington Star.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the article appearing in the Washington Star is with reference to the passing of one of the very much beloved photographers at the Capitol, and in all of Washington, Maurice Lanigan. He was known to us for a good many years, to others for just a year or two. He was able in his work, courteous, friendly, and helpful. He was one of the best photographers in Washington and in the country.

In talking with various Members of Congress the same comment was made, "He was one of the finest men that ever came into my office." In mourning his loss we sympathize deeply with his widow and little son to whom he left so fine a heritage.

MAURICE LANIGAN DIES, NEWS PHOTOGRAPHER

Maurice F. Lanigan, 40, a photographer for Acme News pictures for the past 14 years, died last night at his home, 1220 Allison Street NE. He had been ill for several months.

Mr. Lanigan was born in Washington and educated in the public schools here. He was first employed by the Washington Star and later joined the Associated Press photo bureau here.

He began taking pictures for Acme in 1934, covered the Roosevelt-Churchill-King Quebec Conference in 1943 and the swearing in of President Truman. He was a member of the White House Photographers Association.

Services will be held Wednesday morning from Hines Funeral Home. Mr. Lanigan is survived by his widow and a 3-month-old son.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BUFFETT, for 3 days, beginning March 2, on account of official business.

EXTENSION OF REMARKS

Mr. BYRNES of Wisconsin asked and was granted permission to extend his remarks in the RECORD and include a letter.

Mr. FOOTE asked and was granted permission to extend his remarks in the RECORD and include a resolution adopted by the Lithuanian-American Council of New Haven, Conn.

Mr. HESELTON asked and was granted permission to extend his remarks in the RECORD and include a report by George F. Hines.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent that after the expiration of other special orders I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The gentleman from Massachusetts [Mr. HESELTON] is recognized for 10 minutes.

Mr. HESELTON. Mr. Speaker, I have an interesting piece of news for you.

I obtained from the Office of International Trade last Saturday another list of export licenses issued between February 11 and 27.

Among other things, I find licenses have been issued for the export of 257 barrels of motor gasoline, 643 barrels of kerosene, 7,500 barrels of gas oil and distillate fuel oil to the Fiji Islands; for 1,262 barrels of kerosene and 875 barrels of gas oil and distillate fuel oil to Tahiti. Apparently, the grantors of these licenses are not a particle abashed by the reactions to their actions on licenses to these two tropical islands between January 1 and February 11.

In fact, they go even further. They now have granted licenses for 193 barrels of aviation gas, 39 barrels of motor gas, and 875 barrels of gas oil and distillate fuel oil to Samoa; 1,539 barrels of motor gas to Morocco; 200 barrels of kerosene and 300 barrels of gas oil and distillate fuel oil to Cook Island; and 2,571 barrels of kerosene and 1,672 barrels of gas oil and distillate fuel oil to New Caledonia.

A study of these licenses as now issued shows that a total of 17,419 barrels of kerosene has been licensed for export to British Honduras, Costa Rica, Denmark, El Salvador, Mexico, and Sweden beyond the amount set up in the revised country export quotas on February 19. Possibly this can be recaptured from the reserve item although it would be a very peculiar way to handle it.

The most interesting result is that licenses have been issued to February 27 for 73,921 more barrels of gas oil and distillate fuel oil than is set up in that reserve item. Mr. Bruce testified before the House Interstate and Foreign Commerce Committee that the Department anticipated issuing licenses to the full amount of the country export quota in each instance. Therefore, it is impossible for me to understand where this deficit is going to be handled.

But to make their performancee more intriguing, a study of the sources of these exports shows that they must come from the reserve items and you will find that licenses have been issued to February 27 for 29,661 more barrels of kerosene than is set up in that reserve and 59,645 more barrels of gas oil and distillate fuel oil than is set up in that reserve.

I do not know how the department thinks it can unscramble this omelet. I suspect it does not want to do so. Rather, it is my guess that if it can urge the use of these licenses before Congress can act to close the doors, it thinks it can then fool the Congress and the public by simply saying that it is too late to do anything about it.

I have asked for the Department's advice on this point, and I have also requested information as to how many licenses issued last year are still available. I wish I could also find out what the Department's plans are to as the issuance of licenses this month. But I am afraid I will have none of this information in time for you to consider it while we are debating the wisdom of embargoing shipments from the Gulf coast. But I submit that these facts, in the absence of some explanation, constitute the best kind of a reason why Congress must act now.

I confirmed with Mr. Bruce in committee this noon his statement made to me over the telephone Thursday that the legislative and the executive branches have now reached an impasse. I asked him what he meant by that and if it was a fair inference to draw that the Congress must accept the responsibility by acting in these premises. He was hesitant to say that he meant exactly that, but he promised me he would furnish me a full statement, and he hoped to have it by tomorrow morning.

Mr. Bruce has been good enough to furnish me with this statement over the telephone, as follows: "I felt the executive and legislative branches had reached an impasse with regard to the further curtailment of the export of petroleum products for this quarter. The executive branch does not intend to make a further reduction in this quarter in this regard." Mr. Bruce was concerned that this might sound abrupt, but I think we can all not only appreciate his position but be grateful to him for his frankness, even though we disagree violently with the policy of the executive branch. I do want to add that Mr. Bruce has always been ready to listen to any statement I have felt I should make and has answered every question I have asked. I have pressed these points only because of the fundamental disagreement between the Department and myself as to its responsibilities toward our domestic economy and our own citizens. I still feel that it has given much too great weight to the allegations of needs in other countries in the face of known facts in this country. Perhaps that is inevitable under the present operation of controls. If so, I think it should be corrected promptly, and I urge upon you that we should accept full responsibility at this time for correcting or curing this mistaken attitude on the part of the Department. Unless we are willing to do so, we know that we are gambling the security, the comfort, and the health of our own people, and, beyond that, while the Department is responsible for past loss of production, we shall be responsible for any lessening of production which may still result. Only this last week end has brought another cold wave to the Midwest and, to a lesser degree, to the Northeast. It is too soon to appraise the full effects of this weather, but it must be obvious to all, even those who enjoyed 83-degree weather here Saturday, that it has made a further inroad on the scanty supplies available in these other areas. I sincerely believe that the only insurance we can provide is to build up our stocks now to the extent of these 599,000 barrels other countries have said they did not need and do not want. We have the oils. We have the tankers. We have the storage. All we lack is the action we can take together this week in reversing this unwise decision until we can get those oils into storage in the Northeast and Midwest.

I hope very much that the Committee on Interstate and Foreign Commerce will report out to the floor House Joint Resolution 323 with certain limitations. I think now it is very definitely clear that we should exempt lubricating oils. I also think that we would be wise if we exempted aviation gasoline; and I give as my reason for the latter thought that our international air carriers have to draw on supplies of aviation gasoline which are deposited in other countries, and they would be forced to carry a double load in order to get back here if they did not have that available.

In the second place, I think it would be advisable for us to limit this to the Gulf coast rather than to the west coast. I have examined the subject of licenses granted for the west coast and find they are relatively insignificant. The main point is the licenses that have been granted and are being used out of the Gulf coast ports.

I have been asked by many whether I proposed to make this a mandatory and complete embargo. My reply has been that I see no other course.

If we are allowed to vote on this legislation soon after tomorrow I will be the first to come to this floor and urge the repeal of the legislation just as soon as we can clear four tanker loads out of Gulf coast ports for east coast ports.

I think Congress now is faced with a very real responsibility, and I am most hopeful that not only will the Interstate and Foreign Commerce Committee report out such a resolution but that the Committee on Rules will report out a rule at the first opportunity, so we can straighten this matter out. I think that is definitely the most important challenge before us at this time.

I submit several more wires and letters I have received from competent men in the oil industry.

I call your particular attention to Mr. McCollum's statement that "in our opinion diversion of tankers from foreign destinations to east coast ports will not jeopardize import possibilities."

I want to emphasize Mr. Gamble's report that—

> We estimate that not all of these available vessels will be required to meet our east coast requirements in March and to the extent not needed they will be assigned elsewhere to meet our other requirements.

That is a clear warning that if we do not act now, some of these tankers will go into foreign service this month instead of making three or four voyages north of Norfolk carrying the fuel now in Gulf coast ports to ample storage in the Northeast and Midwest. Certainly the continuance of four tankers on east coast service for one voyage, if the demand on all these tankers eases, will not upset the delicate balance so many have in their minds. If they are not scheduled now for foreign runs in March, how, in heaven's name, will their runs north upset things? I cannot help but think that is the figment of an overheated imagination. For one, I still insist that our first and primary duty is to see that we keep this economy running and the people who run it able to operate it.

The Navy offers no help. It has bound my hands against disclosing its report to you. But, although I have a very great admiration for the conservation work of the Navy, I cannot understand this de-

cision. We have been told that the Navy was committed to carrying petroleum to occupied areas. It has given me a list of 38. All but three are listed in the Register of Tank Vessels of the World compiled and published by the Standard Oil Co. of New Jersey as owned and operated by the Navy. The volume is in the Congressional Library. So there is nothing secret about that. All are over 16,000 dead weight tons and most over 18,000 dead weight tons. The former have a cargo carrying capacity of 107,408 barrels. The latter have a capacity of 143,374 barrels.

We know that on January 2, 2,470,000 barrels of petroleum products were authorized for shipment to Greece and the occupied areas of Japan and the Ryukus Islands and that on February 10, this was cut back to 970,000 barrels. No satisfactory explanation of the original allotment has ever been given but obviously it released 1,500,000 barrels in terms of shipping space. All we need and all we ask is that someone carry 559,000 barrels from the Gulf to east coast. That would mean four short voyages of the small tankers or five of the bigger ones, instead of the long voyages schedules for Greece and Japan. I certainly shall ask for an immediate review of this decision and hope we can work out our problem through the cooperation of the Navy Department.

The telegrams and letters follow:

PONCA CITY, OKLA, *February 28, 1948.*

Hon. JOHN W. HESELTON,
Member of Congress:

Replying to your wire twenty-first, we have no direct distribution of fuel oils in northeast or northwest areas, however, we see no reason to disagree with Rathbone's and Boatwright's conclusions. We have stocks of 178,000 barrels of heating oils at Baltimore, Norfolk, and Richmond. Estimated heating-oil demand through March, Baltimore, Norfolk, Richmond areas, 291,000 barrels. Present schedule same area expected supply 302,000 barrels, of which 180,000 barrels will not arrive until late March. We have 267,000 barrels total tankage capacity same area. We have no export commitments. Our opinion diversion of tankers from foreign destinations to east-coast ports will not jeopardize import possibilities. However, we have no tankers in foreign service and no imports.

L. F. MCCOLLUM,
President, Continental Oil Co.

STANDARD OIL CO.,
New York, N. Y., February 25, 1948.

Mr. JOHN W. HESELTON,
House Interstate and Foreign Commerce Committee, Washington, D. C.

DEAR SIR: Reference your telegram of February 23, the locations of tankers you requested are as follows:

Vessel	Previous discharge		Loading		Discharge	
	Port	Date	Port	Date	Port	Date
A. C. Bedford	New York	Feb. 20	Aruba	Feb. 27	Baltimore	Mar. 8
Beacon	do	Feb. 6	Caripito	Feb. 17	Everett	Feb. 25
Dartmouth	Jacksonville	Feb. 23	Atreco	Feb. 29	Baltimore	Mar. 6
Esso Annapolis	Paulsboro	Feb. 15	Port Arthur	Feb. 21	New York	Feb. 26
Esso Aruba	New York	Feb. 20	Aruba	Feb. 26	do	Mar. 5
Esso Augusta	Everett	Feb. 14	Baytown	Feb. 22	do	Feb. 27
Esso Baltimore	New York	Feb. 21	Harbor Island	Feb. 28	Baltimore	Mar. 6
Esso Bayonne	do	Feb. 22	Baton Rouge	do	Boston	Mar. 7
Esso Baytown	Baltimore	Feb. 12	do	Feb. 21	New York	Feb. 27
Esso Bayway	New York	Feb. 19	Harbor Island	Feb. 25	do	Mar. 3
Esso Buffalo	Baltimore	Feb. 24	do	Feb. 29	do	Mar. 7
Esso Camden	Philadelphia	Feb. 15	Baytown	Feb. 22	do	Feb. 27
Esso Charleston	Jacksonville	Feb. 24	do	Feb. 29	Port Tampa	Mar. 5
Esso Charlotte	Portland	Feb. 18	Beaumont	Feb. 24	New York	Mar. 2
Esso Concord	New York	Feb. 23	Baytown	Feb. 29	do	Mar. 8
Esso Cumberland	Baltimore	Feb. 18	Amesville	Feb. 22	Everett	Feb. 27
Esso Dover	Jacksonville	Feb. 12	Tampico	Feb. 20	Charleston	Feb. 25
Esso Elizabeth [1]	Portland	Feb. 9	Las Piedras	Feb. 16	Campana	Mar. 2
Esso Greenville	Charleston	Feb. 18	Baytown	Feb. 24	Sewells Point	Feb. 29
Esso Hartford	Galveston	Feb. 22	do	Feb. 23	Philadelphia	Do.
Esso Knoxville [2]	San Juan	Feb. 19	Point La Cruz	Feb. 22	New York	Feb. 28
Esso Little Rock	New York (rep.)	Feb. 7	Harbor Island	Feb. 21	do	Feb. 26
Esso Manhattan	Baltimore	Feb. 14	do	do	Baltimore	Do.
Esso Memphis	Point Everglades	Feb. 19	Baytown	Feb. 23	Charleston	Feb. 29
Esso Montpelier	New York	Feb. 16	Baton Rouge	Feb. 22	Boston	Do.
Esso Nashville	Jacksonville	Feb. 19	Baytown	Feb. 24	Everett	Mar. 2
Esso New Haven	New York	Feb. 17	Point La Cruz	Feb. 23	New York	Mar. 1
Esso New Orleans	do	Feb. 18	Aruba	do	Sewells Point	Do.
Esso Norfolk	do	Feb. 15	Baton Rouge	do	Paulsboro	Feb. 28
Esso Parkersburg	do	Feb. 22	Point La Cruz	Feb. 27	New York	Mar. 5
Esso Paterson	Morehead City	Feb. 19	Baytown	Feb. 25	Philadelphia	Mar. 3
Esso Philadelphia	Baltimore	Feb. 23	Harbor Island	Feb. 28	New York	Mar. 5
Esso Pittsburgh	Portland	Feb. 22	Avondale	Mar. 1	do	Mar. 7
Esso Portland	Buenaventura	Feb. 19	Aruba	Feb. 24	Norfolk	Mar. 1
Esso Portsmouth [1]	New York	Feb. 18	Harbor Island	do	Campana	Mar. 16
Esso Providence	New York (rep.)	Jan. 31	Tampico	Feb. 29	Charleston	Mar. 7
Esso Raleigh	New York	Feb. 24	Aruba	do	New York	Mar. 6
Esso Reading	do	Feb. 16	Las Piedras	Feb. 22	Portland	Feb. 28
Esso Richmond	do	Feb. 18	Avondale	Feb. 24	New York	Feb. 29
Esso Roanoke	do	Feb. 21	Baton Rouge	Feb. 26	Boston	Mar. 4
Esso Rochester	Baltimore	Feb. 24	Aruba	Mar. 2	Rio de Janeiro	Mar. 16
Esso Scranton	New York	Feb. 21	Point La Cruz	Feb. 26	New York	Mar. 3
Esso Springfield	Tiverton	Feb. 23	Baytown	Feb. 29	Sewells Point	Mar. 6
Esso Utica	New York	do	Corpus Christi	do	New York	Do.
Esso Wilmington	Wilmington	Feb. 22	Aruba	Feb. 26	Santos	Mar. 10
Fred W. Weller	New York	Feb. 11	do	Feb. 19	New York	Feb. 26
G. Harrison Smith	Galveston	Feb. 23	Harbor Island	Feb. 24	do	Mar. 3
John D. Archbold	New York	Feb. 17	do	do	do	Mar. 4
Paul H. Harwood [3]						
W. S. Farish	New York	Feb. 11	Baytown	Feb. 18	New York	Feb. 26
Wallace E. Pratt	do	Feb. 22	Baton Rouge	Feb. 28	do	Mar. 7

[1] Vessels owned by Imperial Oil Shipping Co., Ltd.
[2] Vessels owned by Panama Transport Co.
[3] Lake-Aruba service.

All of these tankers except the *Esso Elizabeth, Esso Portsmouth, Esso Rochester, Paul H. Harwood,* and *Esso Wilmington* are assigned to move our east-coast requirements in March.

We estimate that not all of these available vessels will be required to meet our east-coast requirements in March, and to the extent not needed they will be assigned elsewhere to meet our other requirements.

Yours very truly,

M. G. GAMBLE.

NEW YORK, N. Y., *February 27, 1948.*

JOHN W. HESELTON,
Member of Congress:

Re your telegram of February 21 to Mr. Klein. On February 24 Mr. Buchanan wired answer as to tankers. We have only two export cargo licenses, one issued January 27, 1948, for movement of residual fuel oil badly needed by sugar refiners at Matanzas, Cuba. The other license was dated December 30, 1947, for movement of 40,000 barrels of kerosene to be divided between Para, Recife, Rio, and Santos, Brazil. These products are moving from our refinery at Port Arthur and cannot be supplied by us from any other source. For your information we are presently importing crude and products from foreign sources and are making arrangements to increase these imports materially, which will more than offset our anticipated exports. This in effect means full utilization of our domestic production for domestic consumption.

JAMES H. PIPKIN,
Assistant to the President,
the Texas Co.

THE ATLANTIC REFINING CO.,
Philadelphia, Pa., February 25, 1948.

The Honorable JOHN W. HESELTON,
House of Representatives,
Washington, D. C.

DEAR SIR: We acknowledge your telegram dated Washington, D. C., February 23, 1948, requesting advice on the tankers named therein.

The information as requested for each vessel is shown on the attached statement. You will note these vessels are trading to United States Atlantic (east coast) ports, except for the *Atlantic Ranger,* presently in Aruba, N. W. I.-Brazil trade, which will return to the United States Gulf-United States Atlantic coast trade mid-April.

In each instance the shipper and consignee is the Atlantic Refining Co., 260 South Broad St., Philadelphia 1, Pa., except in the case of the *Atlantic Ranger,* the shipper is the Atlantic Refining Co., and the consignee is Atlantic Refining Co. of Brazil, Rio de Janeiro, Brazil.

With reference to your telegram dated February 20, 1948, addressed to the Atlantic Refining Co., Houston, Tex., the *Atlantic Exporter,* formerly named *Fort Caspar,* and the *Atlantic Producer* are in the United States Gulf-United States Atlantic (east coast) trade. Information regarding the *Atlantic Exporter* is shown on the attached statement. The *Atlantic Producer* loaded at Corpus Christi, Tex., February 21, a full cargo of crude oil for discharge Texas City, Tex., February 23. The shipper and consignee of this cargo is Republic Oil Refining Co., 221 Fourth Avenue, Pittsburgh, Pa. After discharging the crude oil at Texas City, Tex., vessel then loads at Texas City a cargo of fuel oil for discharge at Jersey City, N. J., arriving there, about March 2. The shipper of this cargo is the Atlantic Refining Co., and the consignee is Public Service Electric & Gas Co., Jersey City, N. J.

Yours very truly,

H. G. SCHAD.

Vessel	Last port		Destination		Kind of cargo	Shipper	Consignee
	Sailed from—	Date	Port	Date			
Atlantic Coast	Providence	Feb. 23	Atreco	Feb. 29			
	Atreco	Mar. 2	Port Everglades	Mar. 5	Gasoline		
			Wilmington	Mar. 7	Kerosene	Atlantic Refining Co.	Atlantic Refining Co.
			Brunswick	Mar. 9	Heating oil	do	
Atlantic Mariner	Corpus Christi	Feb. 22	Atreco	Feb. 23	Crude oil	do	Do.
	Beaumont	Feb. 25	Philadelphia	Mar. 1	Fuel oil	do	Do.
Atlantic Ranger	Rio Grande do Sul, Brazil.	Feb. 13	Aruba, Netherlands West Indies.	Feb. 25	Gasoline	do	Atlantic Refining Co. of Brazil.
	Aruba, Netherlands West Indies.	Feb. 27	Santos, Brazil	Mar. 9	Gas oil	do	
Atlantic Refiner	Atreco	Feb. 23	Philadelphia	Feb. 28	Crude oil	do	Atlantic Refining Co.
Atlantic States	Jacksonville	Feb. 23	Atreco	Feb. 26			
	Atreco	Feb. 26	Providence	Mar. 3	Gasoline, Kerosene, Heating oil	Atlantic Refining Co.	Do.
Atlantic Trader	Philadelphia	Feb. 23	Baytown	Feb. 28	Crude oil	do	Do.
	Baytown	Feb. 29	Philadelphia	Mar. 5			
E. H. Blum	Atreco	Feb. 24	do	Mar. 1	do	do	Do.
E. J. Henry	Magpetco	Feb. 21	do	Feb. 27	do	do	Do.
J. W. Van Dykn	Philadelphia	Feb. 19	Magpetco	Feb. 25	do	do	Do.
	Magpetco	Feb. 26	Philadelphia	Mar. 3			
Atlantic Exporter (ex-*Fort Caspar*)	Philadelphia	Feb. 24	Corpus Christi	Feb. 29			
	Corpus Christi	Mar. 1	Atreco	Mar. 2	Crude oil	Atlantic Refining Co.	Do.
	Atreco	Mar. 4	Philadelphia	Mar. 9	do	do	Do.
Robert C. Tuttle	do	Feb. 21	do	Feb. 27	do	do	Do.
W. C. Yeager	do	Feb. 20	do	Feb. 26	do	do	Do.

Vessel	Location	Last cargo loaded		Destination		Cargo	Shipper	Consignee	Remarks
		Port	Date	Port	Date				
Abiqua	Due Philadelphia Feb. 29.	Lake Charles, La.	Feb. 24	Philadelphia, Pa.	Feb. 29	49 M barrels gas, 40 M barrels No. 2, 34 M barrels Diesel.	Cities Service Refining Corp., Lake Charles, La.	Cities Service Oil Co., N. Y.	Vessel will transport 2 cargoes to east coast ports in March.
Chiwawa	At New York	Curacao	Feb. 21	New York	Feb. 27	15 M barrels Diesel, 92 M barrels No. 6.	C. P. I. M., Curacao, Netherlands West Indies.	Asiatic Petroleum, New York, N. Y.	Do.
Cities Service:									
Kansas [1]									
Koolmotor [1]									
Ohio [1]									
Oklahoma [1]									
Hagood [1]									
Council Grove	At Le Havre, France.	Aruba, Netherlands West Indies.	Feb. 11	Le Havre	Feb. 25	Crude and fuel	Lago Oil & Transport Co., Ltd., Aruba, Netherlands West Indies.	Groupement d' Achat des Carburants, Paris.	This vessel trading foreign approximately 1 year.
French Creek	En route Aruba	Lake Charles, La.	Feb. 15	New York	Feb. 22	No. 6 oil	Cities Service Refining Corp., Lake Charles, La.	Cities Service Oil Co., New York, N. Y.	Vessel will transport 2 cargoes to east coast ports in March.
Lone Jack	En route Casablanca, North Africa.	Abadan	Feb. 23	Casablanca	Mar. 10	Fuel oil	Anglo-Iranian Oil Co., Abadan, Iran.	Groupement d' Achat des Carburants, Paris, France.	This vessel has been trading foreign approximately 1 year.

[1] These vessels no longer owned by this company.

CITIES SERVICE OIL CO.,
New York, N. Y., February 28, 1948.

Mr. JOHN W. HESELTON,
Member of Congress, Washington, D. C.

DEAR SIR: In answer to your telegram of recent date, we have attached hereto statement giving the information we believe you require.

Very truly yours,
CITIES SERVICE OIL CO.,
By E. G. MADDOCK,
Assistant Manager.

BALBOA, *March 1, 1948.*

Mr. JOHN W. HESELTON,
Member of Congress,
Washington, D. C.:

Your message 21st just received here. As none of our tankers presently engaged Western Hemisphere trading, they are not loading from United States ports.

R. D. PARKER,
President, Petroleum Shipping Co., Ltd.

NEW YORK, N. Y., *February 25, 1948.*

Mr. JOHN W. HESELTON,
House Interstate and Foreign Commerce Committee,
Washington, D. C.

DEAR SIR: Your recent cable addressed to Panama Transport Co., Balboa, requesting information regarding tankers owned or chartered by them now engaged in transporting petroleum and petroleum products overseas from United States ports has been referred to this office for reply, and we list the following vessels which fall within that category:

Owned: *Livingston Roe,* due Corpus Christi March 22, loads 83,000 barrels Bunkie pine crude, supplied by Esso Standard Oil Co. (Louisiana division), sails 23d for discharge Havana. Consigned Standard Oil Co. of Cuba. No export license has as yet been obtained.

Bareboat chartered: *Fort Lane,* due New York March 4, repairs, sails 25th, due Baytown March 30, loads part cargo 30,000 barrels toluol, part cargo 30,000 barrels varsol, supplied by Humble Oil & Refining Co., sails 31st, thence proceeds Corpus Christi, due April 1 to load balance cargo 70,000 barrels motor spirits, supplied by Pontiac Refining Co. or Southwestern Oil Refining Co., sails 2d. The toluol and varsol portions of cargo are destined for Aruba consigned to Lago Oil & Transport Co., Ltd., and the motor spirits is destined for the United Kingdom consigned to the petroleum board (British). No export license has as yet been obtained.

Bareboat chartered: *Chemawa* at New York repairing, sails February 27, due Baton Rouge March 3, loads part cargo 25,000 barrels lubricating oils supplied by Esso Standard Oil Co., sails 4th for discharge Rio de Janeiro consigned to Standard Oil Co. of Brazil. No export license required for this shipment.

Yours very truly,
M. G. GAMBLE.

SAN FRANCISCO, CALIF., *March 1, 1948.*

JOHN HESELTON,
Member of Congress,
House Office Building:

Retel 24, tankers. During week ending February 29 French steamship *Minerve,* 6,301 net tons, cleared Curacao, N. W. I., 34,000 barrels gas oil. No others.

PAUL R. LEAKE,
Collector of Customs.

Mr. Speaker, I submit a very interesting letter from Mr. R. D. Swan, president of the Mid States Refining Co., of Falls City, Nebr.:

MID STATES REFINING CO.,
Falls City, Nebr., February 19, 1948.

Representative JOHN W. HESELTON,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE: We note in the current papers that you are making an effort to provide heating oil and other petroleum products in shortage areas.

We are in agreement with your statement that too much oil is being exported, and we

would like to say further that too much heating oil, tractor fuel, stove oil, and other primary products are being diverted by major oil companies into specialty products for export. Such specialties as aviation gasoline, special lube oils, petroleum coke, etc., all cut down on the amount of petroleum products available for local consumption. Road oils and asphalts should also be included in this category.

The writer has been in the refining business since 1924 and is familiar with and has seen oil refining change from a comparatively simple process to a complicated, exceedingly technical, expensive operation, requiring billions of dollars in equipment, which could only be afforded by a few of the large oil companies. Consequently, the tendency has been a gradual elimination of the independent and small refiner, until today a dozen major oil companies control all refining in the United States. Due to the previous surpluses of crude oil and previous lack of demand for products, such as tractor fuel, kerosene, Diesel oil, and heating oils, the tendency has been to build large plants which would convert these primary products into aviation gasoline, motor gasoline, special engine oils, waxes, coke, and various other special products, which process requires multimillion-dollar investments in refining equipment. In the 1920's the larger oil companies spent hundreds of millions of dollars installing cracking equipment to make gasoline out of furnace oil, for which furnace oil there was little demand. This was not done to save crude oil, of which there was plenty, but to increase profits. Prior and during World War II the major oil companies and the Government spent billions of dollars to install refining equipment for special aviation fuels and other petroleum products needed by the war effort, mainly gasolines and lube oil. Consequently, we have today in the United States a refining industry composed of a few major oil companies who have spent billions of dollars of their own and Government money to build up a refining industry which is mainly a gasoline-refining and specialty-products industry, which can turn out exceptional aviation fuels, wonderful high-octane motor gasoline, the finest of road asphalts, the best of lube and engine oils, and convert byproducts to a thousand useful purposes. However, this equipment is not flexible and can only be used for specialized processes; and in order to make the tractor fuels, burning oils, Diesel oil, and industrial fuels requires only simple distillation equipment. Therefore, since it is more profitable to make these special products, especially considering that the investment has been made, there is a shortage of the primary products, since it is obvious that these major plants will not shut down 90 percent of their equipment in order to manufacture sufficient burning oils, Diesel oils, and tractor fuel so long as there is more profit in making specialty products, even though some of these specialties must be exported to maintain full operation. It is not my intention to criticize this type of operation which has been necessary in the past, and these capacities will undoubtedly be fully utilized within the United States during the next few years' time. I do want to point out, however, that these major companies control, in one way or another, most of the crude oil in the United States, and it is impossible for the small plant with simple equipment to obtain necessary crude oil to operate and manufacture additional simple distillation products, such as tractor fuels, Diesel oils, burning oils, and industrial fuel oils. There are hundreds of these small plants scattered over the United States which have been run out of business due to lack of transportation facilities, financing, and cutthroat competition.

It is my opinion that, in view of the current situation, the time has come for the Government to encourage the operation of these small plants which are shut down, and to also encourage construction of additional small plants which can manufacture the above primary petroleum products in competition with the major companies, providing the monopoly is directed to provide crude oil in a free market, and providing pipe lines, water transportation, tank cars, and other transportation facilities are made available on a common-carrier basis.

Crude-oil production is more than sufficient to supply all refining capacity today, and there is a growing excess of production over refining capacity. Therefore, the quickest and least expensive—both in materials money—way to provide additional primary products is to encourage the construction of more simple distillation equipment for the manufacture of these products.

In my opinion, it is not necessary to build $9,000,000,000 worth of synthetic refining plants to manufacture petroleum products from coal and natural gas, and I can assure you that $100,000,000 spent for simple distillation equipment, either by the Government or private enterprise, will manufacture more tractor fuel, Diesel oil, burning oils, and industrial fuel oil within a few months' time than these proposed synthetic plants will make in the next 100 years. I am also convinced that if the Government will get busy and make available to the independent producers sufficient pipe and other material that crude production in the United States will more than take care of demand for years to come, and there is always the assurance that any small deficiency in United States production can be imported from South America and other sources.

In conclusion, I would like to say that there would be no shortage of these products today if a healthy independent oil production and independent refining industry had been encouraged during the last 10 years, rather than sabotage by Government directives, price fixing, and major company scalping during this time. If the Government will encourage a strong independent oil industry and police the major company monopoly sufficiently to keep the independents from being run out of business there will be no shortage of petroleum products. On the other hand, if the Government continues to allow a dozen or so major oil companies to continue the present monopoly, then you can be sure the public will get, and pay for, only what is available after sales are made to the highest bidder in the international petroleum market.

We heartily agree with your recommendation that the oil industry needs regulation and plenty of it, starting at the oil well and ending in the customers' tanks, but in addition an opportunity is needed for progressive independent business people to carry on individual parts of this work rather than allow the present monopoly to run everyone out of business except a few billion-dollar confederates.

Respectfully yours,

MID STATES REFINING CO.,
R. D. SWAN, *President*.

Copies to Senator KENNETH S. WHERRY, chairman, Senate Small Business Committee; Senator CHARLES TOBEY, chairman, Commerce Subcommittee, Oil Division; Representative CARL T. CURTIS, House of Representatives.

Mr. Speaker, I also submit a copy of a letter to the chairman of the Interstate and Foreign Commerce Committee from the Assistant Secretary of Commerce giving the Department's views as to the several bills now before that committee dealing with embargoes:

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, February 24, 1948.

Hon. CHARLES A. WOLVERTON,
Chairman, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D. C.

DEAR MR. WOLVERTON: This is in reply to the request made by Mr. HESELTON, of your committee, at our meeting last Tuesday, February 17, 1948, for an expression of our views with respect to the following bills now before your committee:

House Joint Resolution 310, to embargo petroleum exports, except for military purposes, until May 1, 1948;

House Joint Resolution 311, for 60 days, to reduce exports by 50 percent of export quotas originally fixed by the Secretary of Commerce for the first quarter of 1948;

House Joint Resolution 312, for 60 days, to permit exports, by country of destination, up to 50 percent of average shipments from the United States during 1935–40;

House Joint Resolution 316, introduced by Mr. BUSBEY, same as House Joint Resolution 311, above, introduced by Mr. HESELTON;

House Joint Resolution 317, for 60 days, to permit exports, by country of destination, up to 50 percent of average shipments from the United States during 1934–38;

House Joint Resolution 322, House Joint Resolution 323, and House Joint Resolution 324, providing for 15-, 30-, and 60-day embargoes, respectively;

H. R. 5217, to embargo exports of certain petroleum products during the calendar year 1948, until all domestic requirements are met.

After careful consideration of the purpose and effect of each of these bills, it is our conclusion that all are more or less objectionable.

To place an embargo of any duration is a very serious measure in terms of its effect on our political and trade relations with friendly foreign countries, and should not be authorized except as a last alternative. It is our conviction, for reasons and in the light of facts which we have already made known to your committee, that the present petroleum situation does not warrant such drastic action even for a few days. We are, therefore, most strongly opposed to House Joint Resolutions 310, 322, 323, 324, and H. R. 5217.

With regard to House Joint Resolutions 311 and 316, which would reduce petroleum shipments to 50 percent of the export quotas originally established for the first quarter of 1948 by the Secretary of Commerce, we have, as you know, already revised such quotas downward by almost 25 percent. This action was taken after consultation with our embassies abroad and the foreign governments concerned, and it is our judgment, for reasons previously made known to your committee, that no further reductions are now warranted.

Finally, it is our view that House Joint Resolutions 312 and 317, which would require using shipments of petroleum during 1935–40, and 1934–38, respectively, upon which to determine current exports, are not objectionable insofar as the establishment of over-all world quotas is concerned. In fact, either proposal would provide a more liberal basis of determining total exports than that now used. In the case of kerosene, for example, our annual average exports during 1934–38 were 7,741,000 barrels, and during 1935–40, 6,705,000 barrels; while our current exports are at an annual rate of about 2,000,000 barrels. Similarly, in the case of heating fuels—gas oil and distillate fuel oil—our annual average exports during 1934–38 were 20,800,000 barrels, and during 1935–40, 23,131,000 barrels; while our current exports are at an annual rate of 11,200,000 barrels. And, in the case of residual fuel oil, our annual average exports during 1934–38 were 13,055,000 barrels, and during 1935–40, 13,258,000 barrels; while our current exports are at an annual rate of 3,900,000 barrels.

However, if either of these historical formulas were used to determine quotas for individual countries, it would fail to take account of the changes which have taken place in the pattern of world oil trade during the 10 to 15 years involved, and would result in inequities, particularly with respect to countries whose prewar sources have since been cut off.

It is our conclusion, therefore, that we could not support House Joint Resolutions 312 and 317, because they would not necessarily result in reducing current exports, and would more or less arbitrarily require the distribution of exports by country of destination without regard to changes in other sources of supply, relative needs, etc.

In view of the urgency of this matter we have not been able to clear this letter with the Budget Director for conformance to the President's program. We believe, however, that the views herein expressed are generally in accord with administration policy.

Sincerely yours,

DAVID BRUCE,
Assistant Secretary of Commerce.

Mr. Speaker, I submit the two lists from OIT as to licenses issued from January 1 to February 27:

Licenses issued first quarter 1948, by country and commodity

[In barrels of 42 gallons]

	Aviation gas 501600	Motor gas 501700 120000	Kerosene 502700	Gas oil and distillate fuel oil 503000	Residual fuel oil 503100
Argentina		120,000			
Ascension Islands			280	280	
Australia				65,000	
Belgium		189,050		176,738	72,000
Brazil	450	79,253	404		
British Honduras		3,181	567	630	
China	55,000	293,948	6,920	99,727	
Costa Rica		30,000	4,000	2,000	30,000
Cuba	24,000	211,320			216,000
Curacao				200,000	
Denmark		84,450	4,500	131,949	
Dominican Republic			1,800	640	
Fiji Islands		2,610		7,500	
France				223,200	
Guatemala		595	1,197	630	55,000
Greece	13,500				
Haiti			960	2,900	
Honduras	164	894		5,275	
Mexico	3,820	290,785	250	3,500	126,000
New Hebrides		3,056	951	2,376	
New Zealand				35,000	
Netherlands				80,000	
Nicaragua				15,000	
Philippine Islands	12,000	233,000	57,750	82,620	
Salvador		595	4,095	7,500	40,000
Sweden		278,000		223,364	
Switzerland		20,000	6,000	60,000	
Tahiti	190	2,366	1,262		
United Kingdom	56,000	514,240	30,717	660,750	
Total	165,124	2,357,343	121,653	2,077,579	539,000
Shipments from—					
East coast			280	4,157	
Gulf	94,114	1,381,548	45,840	1,642,386	288,000
Mexican border	3,820	290,785	250	3,500	126,000
West coast	67,190	684,983	75,283	427,546	125,000
Total	165,124	2,357,316	121,653	2,077,589	539,000

First quarter 1948 petroleum licensing—Amounts licensed since Feb. 11, 1947, by country and commodity

[In barrels of 42 gallons]

CRUDE OIL, 501100

Country	Quantity	Port
Argentina	320,000	Gulf.
Cuba	43,000	Do.
France	210,000	Do.
United Kingdom	139,000	Do.
Total	712,000	

AVIATION GASOLINE, 501600

Bolivia	1,893	Gulf.
British Honduras	1,789	Do.
France	120,000	Do.
French West Africa	240	Do.
Mexico	65,514	Do.
Do	2,000	Mexican border.
Total for Mexico	67,514	
New Zealand	8,200	West coast.
Portugal	21,500	Gulf.
Philippines	7,285	West coast.
Paraguay	1,500	Gulf.
Samoa	193	West coast.
United Kingdom	64,000	Gulf.
Total	294,114	

First quarter 1948 petroleum licensing—Amounts licensed since Feb. 11, 1947, by country and commodity—Continued

[In barrels of 42 gallons]

MOTOR GASOLINE, 501700

Country	Quantity	Port
Argentina	100,000	West coast.
Australia	96,000	Do.
British Honduras	3,403	Gulf.
Belgium	17,000	Do.
China	25,000	Do.
Do	30,000	West coast.
Total for China	55,000	
Finland	35,200	Gulf.
Fiji	257	West coast.
Mexico	16,014	Do.
Morocco	1,539	Gulf.
New Zealand	99,200	West coast.
Portugal	47,100	Gulf.
Philippines	47,000	West coast.
Samoa	39	Do.
United Kingdom	505,000	Gulf.
Total	1,077,752	

KEROSENE, 502700

Brazil	630	Gulf.
British Honduras	2,268	Do.

First quarter 1948 petroleum licensing—Amounts licensed since Feb. 11, 1947, by country and commodity—Continued

[In barrels of 42 gallons]

KEROSENE, 502700—continued

Country	Quantity	Port
China	20,000	Gulf
Do	1,150	West coast.
Total for China	21,150	
Cook Islands	200	Do.
Dominican Republic	357	Gulf.
Fiji Islands	643	West coast.
Finland	19,375	Gulf.
Denmark	3,635	Do.
New Caledonia	2,571	West coast.
Sweden	30,104	Gulf.
Tahiti	1,262	West coast.
United Kingdom	15,000	Gulf.
Total	97,195	

GAS OIL AND DISTILLATE FUEL OIL, 503000

British Honduras	1,901	Gulf.
Curaçao	115,000	West coast.
China	11,344	Do.
Cook Island	300	Do.
France	76,800	Gulf.
Fiji	7,500	West coast.
India	8,000	Do.
Mexico	11,900	Mexican border.
Do	379	Gulf.
Total for Mexico	12,279	
New Zealand	6,900	West coast.
New Caledonia	1,672	Do.
Philippines	42,000	Do.
Samoa	578	Do.
Tahiti	875	Do.
Total	285,149	

RESIDUAL FUEL OIL, 503100

Denmark	30,000	Gulf.
Finland	7,500	Do.
Mexico	50,000	Mexican border.
Do	66,000	West coast.
Total for Mexico	116,000	
Sweden	60,000	Gulf.
Total	213,500	

UNLICENSED BALANCE OF QUOTA AS OF FEB. 27, 1948

Crude oil (501100)	88000
Aviation gasoline (501600)	200327
Motor gasoline (501700)	609464
Kerosene (502700)	278552
Gas oil and distillate fuel oil (503000)	175370
Residual fuel oil (503100)	322500

(Mr. HESELTON asked and was given permission to revise and extend his remarks and include certain tabulations.)

EXTENSION OF REMARKS

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a radio broadcast by Mr. Bowron, mayor of Los Angeles, and also letter from the mayor with a resolution attached.

THE OIL SITUATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to ad-

dress the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore (Mr. NORBLAD). Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, may I say to the House that it passed by unanimous consent several weeks ago a resolution which directed the Secretary of the Interior to notify the Congress as to the supply of oil in the United States and also to notify the Congress what the Interior Department would recommend in order to solve the fuel shortage.

At that time it was argued by the Department of the Interior and others that already it was before the various committees of the House. The resolution to which I refer happened to come out of the Public Lands Committee.

May I notify the House that up to date no information has been sent to the House of Representatives in response to this resolution, showing, in my opinion, that there is something very peculiar taking place in that the various departments of the administration are not trying to solve, during the present emergency, the coal and oil shortage. I am informed the Department has the information but has not submitted it to the House.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3726. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; and

H. J. Res. 231. Joint resolution providing for membership and participation in the Caribbean Commission and authorizing an appropriation therefor.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 2, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1347. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $1,500,000 for the Department of the Army (H. Doc. No. 550); to the Committee on Appropriations and ordered to be printed.

1348. A letter from the Chairman, Federal Power Commission, transmitting a statement showing the names and compensation of the members and employees of the Federal Power Commission as of June 30, 1947; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PLOESER: Select Committee on Small Business. Report on export controls (Rept. No. 1440). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 486. Resolution providing for consideration of H. R. 3227, a bill to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes; without amendment (Rept. No. 1441). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 487. Resolution providing for consideration of H. R. 2744, a bill to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes; without amendment (Rept. No. 1442). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 488. Resolution providing for consideration of H. R. 5314, a bill to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; without amendment (Rept. No. 1443). Referred to the House Calendar.

Mr. HINSHAW: Congressional Aviation Policy Board. Report pursuant to Public Law No. 287; Eightieth Congress, first session (Rept. No. 1444). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VAN ZANDT:

H. R. 5636. A bill to amend the Social Security Act of 1935; to the Committee on Ways and Means.

By Mr. KILBURN:

H. R. 5637. A bill to amend the Reconstruction Finance Corporation Act, as amended, so as to eliminate the exemption of certain real property of the Reconstruction Finance Corporation from State, Territorial, county, municipal, and local taxation; to the Committee on Banking and Currency.

By Mr. TOLLEFSON:

H. R. 5638. A bill for the purpose of erecting a Federal building in Gig Harbor, Wash.; to the Committee on Public Works.

H. R. 5639. A bill for the purpose of erecting a Federal building in Kirkland, Wash.; to the Committee on Public Works.

H. R. 5640. A bill for the purpose of erecting a Federal building in Enumclaw, Wash.; to the Committee on Public Works.

By Mr. WOODRUFF:

H. R. 5641. A bill to provide for the free importation of salt brine; to the Committee on Ways and Means.

By Mr. ANDREWS of New York:

H. R. 5642. A bill to authorize the Secretary of the Navy to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of a water main in and under certain Government-owned lands comprising a part of the United States naval air station, Alameda, Calif.; to the Committee on Armed Services.

H. R. 5643. A bill to amend section 108 (h) of the Servicemen's Dependents Allowance Act of 1942, as amended, so as to eliminate the necessity for registering an allotment to dependents in certain instances; to the Committee on Armed Services.

By Mr. DOLLIVER:

H. R. 5644. A bill to assist the States in the development and maintenance of local public-health units, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JENKINS of Ohio:

H. R. 5645. A bill to assist States in collecting sales and use taxes on cigarettes; to the Committee on Ways and Means.

By Mr. KEATING:

H. R. 5646. A bill to amend the Internal Revenue Code, as amended, to provide income-tax exemption for obligations of certain corporations engaged in providing low-rent housing for veterans of World War II, and for other purposes; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 5647. A bill to allow a special deduction of $600, for income-tax purposes, to an individual disabled by infantile paralysis; to the Committee on Ways and Means.

H. R. 5648. A bill to allow a deduction for income-tax purposes, in the case of a disabled individual, of expenses for transportation to and from work; to the Committee on Ways and Means.

By Mr. SIMPSON of Illinois:

H. R. 5649. A bill to provide for the prosecution of work on the flood-control project at Beardstown, Ill.; to the Committee on Public Works.

By Mr. STOCKMAN:

H. R. 5650. A bill to amend the Foreign Aid Act of 1947 and the Third Supplemental Appropriation Act, 1948, so as to eliminate certain provisions of such acts requiring the retention of a specified carry-over of wheat in the United States; to the Committee on Foreign Affairs.

By Mr. CASE of South Dakota:

H. R. 5651. A bill authorizing the Secretary of the Interior to convey certain lands in South Dakota for municipal or public purposes; to the Committee on Public Lands.

By Mr. KEFAUVER:

H. R. 5652. A bill making an additional appropriation to carry out the provisions of the Rural Electrification Act of 1936, as amended, for the fiscal year ending June 30, 1948; to the Committee on Appropriations.

By Mr. HARTLEY:

H. R. 5653. A bill to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on the Judiciary.

By Mr. DOUGHTON:

H. J. Res. 335. Joint resolution to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. HAGEN:

H. J. Res. 336. Joint resolution to provide for the issuance of a special postage stamp in commemoration of the nine hundred and fiftieth anniversary of the discovery of America by Leif Erikson; to the Committee on Post Office and Civil Service.

By Mr. KERSTEN of Wisconsin:

H. J. Res. 337. Joint resolution for the incorporation of the Ladies of the Grand Army of the Republic; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK:

H. R. 5654. A bill for the relief of William Mooney; to the Committee on the Judiciary.

By Mr. DOMENGEAUX:

H. R. 5655. A bill confirming the claim of Juan Berrar to certain lands in the State of Louisiana, County of Attakapas, now Parish of St. Martin, said claim being listed as No. B-690 in the report of the commissioners dated June 1811, so as to include section 2, township 11, south of range 6 east, Louisiana meridian, containing 139.62 acres; to the Committee on Public Lands.

By Mr. KENNEDY:

H. R. 5656. A bill for the relief of Augustyn Mystokowki and Janina Ludwika Mystokowki; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5657. A bill for the relief of William Troiano; to the Committee on the Judiciary.

By Mr. MILLER of Connecticut:

H. R. 5658. A bill for the relief of Lee F. Bertuccioli; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1451. By the SPEAKER: Petition of Adolph Edward Anglan, Lakeland, Fla., petitioning consideration of his resolution with reference to requested enactment and application of legislation extent intended to remove hardships and provide lawful recognition of rights under the Constitution of the United States of America; to the Committee on Veterans' Affairs.

1452. Also, petition of Orlo Vista Townsend Club, No. 1, Orlo Vista, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1453. Also, petition of H. F. Schroeder, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, MARCH 2, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, forgive the poverty and the pettiness of our prayers. Listen not to our words but to the yearnings of our hearts. Hear beneath our petitions the crying of our need.

Thou gavest men life and at the same time gavest them liberty, and Thou must help us who love liberty to keep it in these days when it is stolen and destroyed.

Help us to see that when other men lose their freedom our own freedom is threatened.

And may we meet the threats of this hour with courage and with boldness. Through Him whose truth makes us free indeed. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 1, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors;

S. 1195. An act to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations;

S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes;

S. 1528. An act to authorize the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury to accept and use gifts, devises, and bequests for schools, hospitals, libraries, cemeteries, and other institutions under the jurisdiction of the Department of the Army, the Department of the Navy, the Department of the Air Force, or the Department of the Treasury, respectively, and for other purposes;

S. 1802. An act to authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War; and

S. 1961. An act to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

The message also announced that the House had passed the bill (S. 1698) to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes, with amendments in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1275. An act to authorize the payment of certain claims for medical treatment of persons in the naval service, to repeal section 1586 of the Revised Statutes, and for other purposes;

H. R. 3628. An act to revise the method of issuing patents for public lands;

H. R. 4112. An act to provide for the acceptance and use of funds for support of the national weather service supplementing the funds appropriated for the operation of the Weather Bureau of the Department of Commerce;

H. R. 4167. An act to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States;

H. R. 4272. An act to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes;

H. R. 4304. An act providing for the extension of the time limitations under which patents were issued in the case of persons who served in the military or naval forces of the United States during World War II;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes;

H. R. 4721. An act to remove the statutory limit of appropriation expenditures for repairs or changes to a vessel of the Navy;

H. R. 4837. An act to provide an engineering study of the mine-water problem of the Pennsylvania anthracite mining area for the purpose of obtaining information and presenting a solution relating to the health, safety, and economic conditions of the area, State, and Nation as affected by the encroachment of water that progressively floods the mines, threatens to destroy the anthracite reserves of the Nation, contributes to a waste of a valuable natural resource, and seriously affects the whole economy of the anthracite mining area;

H. R. 4931. An act to amend title 17 of the United States Code entitled "Copyrights";

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws;

H. R. 5193. An act to amend the Nationality Act of 1940;

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; and

H. J. Res. 304. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the birth of Joel Chandler Harris, author of the Uncle Remus stories.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, and it was signed by the President pro tempore.

EXEMPTION FROM CERTAIN STATUTORY RESTRICTIONS OF CIVILIAN MEMBER OF PERMANENT JOINT BOARD ON DEFENSE

The PRESIDENT pro tempore laid before the Senate the following communication from the President of the United States, which was read and, with the accompanying paper, referred to the Committee on Armed Services:

MARCH 2, 1948.

Hon. ARTHUR H. VANDENBERG,
President of the Senate pro tempore, United States Senate.

DEAR MR. PRESIDENT: I recommend that the Congress enact legislation to exempt the civilian member of the Permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on the prosecution of claims against the United States by Government employees.

On October 7, 1947, I appointed Mr. Dean G. Acheson as civilian member and chairman of the United States Section of the Board to fill the vacancy caused by the death of former Mayor Fiorello H. LaGuardia, who was appointed to the position by President Roosevelt in 1940.

The Permanent Joint Board on Defense, United States-Canada, was established by President Roosevelt and Prime Minister Mackenzie King on August 18, 1940, to "consider in the broad sense the defense of the north half of the Western Hemisphere." The Board is wholly an advisory body which makes recommendations to the two Governments concerning measures that should be taken for the joint security of Canada and the United States against attack from

abroad. Practically all its recommendations, many of them of fundamental significance, have been adopted.

Membership of the United States section of the Board since 1940 has been composed of a civilian chairman, a representative of the Department of State who acts as secretary, and representatives of the Army, the Navy, and the Air Force. The civilian member and chairman serves without compensation and at the pleasure of the President; his position is not a statutory one and is not subject to Senate confirmation. His service requires about 2 weeks' work a year.

It was recently brought to Mr. Acheson's attention, and he promptly brought it to mine, that this advisory, uncompensated service might fall within the provisions of certain statutes (specifically sections 109 or 113 of the Criminal Code or section 19 (e) of the Contract Settlement Act of 1944) restricting the activities of officers or employees of the United States in cases in which the Government might be involved. Following his resignation as Under Secretary of State on June 30, 1947, Mr. Acheson returned to the practice of law. I believe the Congress will agree that his service on the Board is far indeed from those situations where the Congress feared there might be divided loyalty or the use of inside information for private purposes. Nevertheless, in view of the possible technical bearing of the statutes in question, Mr. Acheson has quite properly submitted to me, and I have accepted, his resignation as civilian member and Chairman of the Permanent Joint Board on Defense.

The civilian member and Chairman of the United States section of the Board represents me but also in a much larger sense the broad civilian interest in joint United States-Canadian defense plans. I know that the Congress will agree with me that we should find for this position a man of outstanding character, qualifications, and national reputation. I also venture to hope that the Congress will agree with me that Mr. Acheson fulfills these requirements, and will therefore understand my desire to reappoint him to the position of civilian member and Chairman. However, the problem which arises is broader than the appointment of any particular individual and will continue to be a serious impediment in the filling of this position. I, therefore, earnestly hope that the Congress will enact appropriate legislation which will exempt the position from the abovementioned statutory restrictions. I enclose a draft of a proposed bill which would achieve this end.

Very sincerely yours,

HARRY S. TRUMAN.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

ELECTRIC ENERGY GENERATED AT FORT PECK PROJECT, MONTANA

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, the fourth annual report covering the production, transmission, and sale of electric energy generated at the Fort Peck project, Montana, for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Interior and Insular Affairs.

ESTATE OF C. A. RAGLAND, SR.

A letter from the Chief Clerk of the Court of Claims of the United States, transmitting, pursuant to law, the findings of fact, conclusion of law, and opinion rendered by that court in the case of *First-Citizens Bank & Trust Co., a Corporation, as Administrator of the Estate of C. A. Ragland, Sr., Deceased,* v. *The United States,* No. 17846 Congressional (with an accompanying document); to the Committee on the Judiciary.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Olympia (Wash.) Chapter of the Reserve Officers of the Naval Services, favoring the enactment of legislation providing universal military training, which was referred to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 1307. A bill for the relief of Edward Trapier Rogers; without amendment (Rept No. 952);

S 1312. A bill for the relief of Jeanette C Jones and minor children; with an amendment (Rept. No. 953);

S. 1630. A bill for the relief of Louis L Williams, Jr.; without amendment (Rept. No 954);

H. R. 408. A bill for the relief of Lawson Ashby; Mrs. Ora Ashby; and Lawson Ashby, the legal guardian of Betty Mae Ashby, a minor; Darrel Ashby, a minor; Kenneth Ashby, a minor; and Vernon Ashby, a minor; without amendment (Rept. No. 955); and

H. R. 993. A bill for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb; without amendment (Rept. No. 956).

By Mr. REED, from the Committee on Interstate and Foreign Commerce:

H. R. 2293. A bill to amend the act entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters," approved February 8, 1895; without amendment (Rept. No. 957).

By Mr. MALONE, from the Committee on Public Works:

S. 1651. A bill to amend the General Bridge Act of 1946; without amendment (Rept. No. 958);

S. 1958. A bill to provide for the designation of the reservoir formed by the dam on the Grand River near Fort Gibson, Okla., as Lake Chouteau; without amendment (Rept. No. 959); and

S. 2201. A bill supplementing the act entitled "An act authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State," approved April 7, 1938; without amendment (Rept. No. 960).

PROHIBITION AGAINST DISCRIMINATION IN EMPLOYMENT — REPORT OF A COMMITTEE

Mr. IVES. Mr. President, from the Committee on Labor and Public Welfare, I ask unanimous consent to submit a report (No. 951) to accompany the bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry, heretofore reported by that committee.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

DISPOSITION OF DISPLACED PERSONS—REPORT OF A COMMITTEE (REPT. NO. 950)

Mr. WILEY. Mr. President, I ask unanimous consent to make a brief statement with reference to the displaced persons bill which was yesterday ordered reported favorably by the Committee on the Judiciary.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. WILEY. Mr. President, the Committee on the Judiciary yesterday concluded its deliberations on the displaced persons bill which has been the object of extensive study, investigation and recommendation from the special judiciary subcommittee which was created under Senate Resolution 137.

Many Members of the Senate have made noteworthy contributions in the consideration of the critical displaced persons problem. The subcommittee has had the benefit of advice and consultation of a number of Senators and has had available the bills which have been pending both in the House and in the Senate. I believe that it is only fair that particular mention should be made of S. 1563 which was introduced by the junior Senator from Michigan [Mr. FERGUSON] on his own behalf and on behalf of a number of other Senators.

The fact that it was eventually found necessary to draft an entirely new bill dealing with this critical problem in nowise diminishes the contribution by the many Senators who have manifested an interest in the general problem.

At this point, also, I should like to pay a well-deserved tribute to the junior Senator from West Virginia [Mr. REVERCOMB] and his distinguished subcommittee consisting of the senior Senator from Missouri [Mr. DONNELL], the senior Senator from Nevada [Mr. MCCARRAN], the junior Senator from Rhode Island [Mr. MCGRATH], and the junior Senator from Kentucky [Mr. COOPER], who had available to them the benefit of advice from the junior Senator from New Jersey [Mr. SMITH] and the senior Senator from Virginia [Mr. BYRD], who represented in an advisory capacity the Committee on Foreign Relations and the Committee on Armed Services, respectively.

After many months of conscientious study and investigation, which included conducting hearings in Europe, the subcommittee reported favorably to the full committee the bill which it is my privilege to report to the Senate today.

Since this bill represented a composite of the thinking of many persons, not all the members of the Judiciary Committee are necessarily in accord with all the provisions of the bill. Since the bill emerged from the views of many Senators, it was felt desirable that the bill should be presented as a committee bill, and should bear the names of all the members of the Committee on the Judiciary.

At an executive session of the committee yesterday, I was instructed to report the bill in this form. I am today advised by the Parliamentarian, however, that it is not the custom or practice of the Senate for the names of an entire committee to be placed on a bill when it is reported to the Senate.

As reported, therefore, the bill does not bear the names of the entire membership of the committee, but is reported by myself as chairman of the committee on behalf of the entire membership, and I make this explanation in order that the record may be clear on this point.

Pursuant to the provisions of Senate Resolution 137, from the Committee on the Judiciary, I ask unanimous consent to submit a report, accompanied by an original bill.

The PRESIDENT pro tempore. Without objection, the report will be received and printed, and the bill will be placed on the calendar.

The bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, reported by Mr. WILEY, was read twice by its title, and ordered to be placed on the calendar.

PRINTING OF ADDITIONAL COPIES OF REPORT OF CONGRESSIONAL AVIATION POLICY BOARD

Mr. BREWSTER. Mr. President, from the Congressional Aviation Policy Board, I ask unanimous consent to report an original resolution providing for the printing of Senate Report No. 949, dealing with the Congressional Aviation Policy Board, and I request its present consideration.

There being no objection, the resolution (S. Res. 207) was considered and agreed to, as follows:

Resolved, That 7,000 additional copies of Senate Report. No. 949, current session, submitted pursuant to Public Law 287, by the Congressional Aviation Policy Board on National Aviation Policy, be printed for the use of the said Board.

DEWITT L. PYBURN TO BE MEMBER OF MISSISSIPPI RIVER COMMISSION—EXECUTIVE REPORT OF A COMMITTEE

Mr. OVERTON. Mr. President, as in executive session, from the Committee on Public Works, I ask unanimous consent to report favorably the nomination of DeWitt L. Pyburn, of Louisiana, to be a member of the Mississippi River Commission, which was unanimously approved by the committee.

In connection with the nomination, I ask unanimous consent to have printed in the RECORD editorials from the leading daily newspapers of Louisiana, as well as from the Memphis Commercial Appeal, supporting the nomination.

The PRESIDENT pro tempore. Without objection, the nomination will be placed on the Executive Calendar and, without objection, the editorials will be printed in the RECORD.

The editorials were ordered to be printed in the RECORD, as follows:

[From the Shreveport Times of February 1, 1948]

A FINE NOMINATION

In nominating DeWitt L. Pyburn, former Shreveporter and now director of the State department of public works, for membership on the Mississippi River Commission, President Truman has made a magnificent choice, and Louisiana should be proud that it had such a man available for that highly important post. The Times happens to know that strong efforts were made up and down the Mississippi River—above Louisiana—to gain appointment for a middle westerner; but Mr. Truman obviously was impressed by the superior qualifications of Mr. Pyburn. Confirmation by the Senate is certain.

Mr. Pyburn originally served as parish highway engineer in Caddo, Ouachita, and Webster Parishes, leaving this work for service in the Navy in World War II. After his discharge he became director of the State department of public works, and he has brought to that department about as fine administration as could be found in a similar field in any State in the Union.

Not only has Mr. Pyburn become a thoroughly qualified expert and authority on all river matters affecting the entire Mississippi Valley, but he has been especially interested in our own Red River problems. It was under him that a tremendous amount of work was done in preparing data through which came congressional authorization for the proposed Overton Red River lateral canal. He drew praise both here and in Washington for the manner in which that work was done.

The Times, of course, is especially gratified over Mr. Pyburn's nomination. We congratulate him and Louisiana and commend Mr. Truman.

[From the New Orleans Times-Picayune]

NEW RIVER COMMISSIONER

President Truman's appointment of DeWitt L. Pyburn to the Mississippi River Commission deprives Louisiana of a capable public servant. Since 1941 when the State government was reorganized Mr. Pyburr has been director of the State public works department which has put life into the State's drainage and flood-protection projects.

With the help and encouragement of the State works department, about 20 parishes have set up detailed drainage and reclamation plans designed to fit into the over-all State drainage program for placing millions of acres of wasteland in cultivation or in pasturage. This program, involving many millions of dollars in State and Federal funds, is only one of the undertakings that will be deprived of the Pyburn guidance.

But what the State loses the Mississippi Valley flood district will gain. Then, after all, Louisiana is very much within the Mississippi flood area, and the State's flood and reclamation plans dovetail in some respects with the flood-protection efforts of the Mississippi River Commission. So while the new position takes Mr. Pyburn from the State, it does not entirely remove him from contact with the State's special problems.

[From the New Orleans States of January 27, 1948]

MR. PYBURN NAMED

Louisiana deserves congratulations on the nomination by President Truman of DeWitt L. Pyburn, director of the department of public works, for membership on the Mississippi River Commission. So does Mr. Pyburn deserve to be congratulated.

Louisiana has not been represented on the Commission as regularly or as fully as circumstances warrant. Yet no State in the Union has a greater interest in the Father of Waters, nor is so profoundly affected by its control, management, and utilization. The plain fact is that Louisiana should perennially be represented by a membership on the Commission instead of an occasional term.

Mr. Pyburn has excellent qualifications for the post. His confirmation by the Senate would reflect credit all around.

[From the New Orleans Item of February 2, 1948]

THE PYBURN APPOINTMENT

Nomination of DeWitt Pyburn by President Truman for membership on the Mississippi River Commission will meet almost unanimous approval in Louisiana, from the hills to the Delta. It has been many years since this State has been represented on the Commission by one of its citizens, despite the fact that geographically it holds the key to much of the lower valley's flood-control problem.

Apart from all such considerations, Mr. Pyburn's training and experience exceptionally qualify him to contribute services of the utmost value in meeting the responsibilities of the Commission's varied tasks. He is a civil engineer of recognized standing in his profession. For nearly 8 years he has been Louisiana's director of public works. In this capacity he worked out a comprehensive drainage program for the State to replace the odds-and-ends grab bag of individual drainage projects which complicated rather than clarified the general drainage situation.

Although confronted by many important tasks, the Senate should avoid needless delay in considering—and confirming—DeWitt Pyburn's nomination. The coming spring thaws may bring on one of the most serious tests our new flood-control works have ever had to withstand. In the face of such a possibility, the River Commission should be a complete and functioning body, with all the experience and talent that can be put at its disposal.

[From the Memphis Commercial Appeal of January 31, 1948]

GOOD APPOINTMENT

The economy of the lower Mississippi Valley being primarily dependent on the quality of its flood-control operations, composition of the Mississippi River Commission is a matter of extreme importance to the people of this area. The Commission is the supervisory flood-control agency of the War Department.

This considered, it is gratifying that President Truman did not go outside the lower valley area in appointing a member to fill the vacancy created by the death of the late Harry N. Pharr. His selection of DeWitt L. Pyburn, of Louisiana, ought to be eminently satisfying to all flood-control interests. While the names of a number of excellent men had been proposed, the President expressed conviction that Mr. Pyburn was best qualified. He has had vast experience in flood-control operations, is a thoroughly capable professional engineer, and, most fortunately, is possessed of an all-valley viewpoint. His record is an assurance that he will work for the good of the entire valley, and, therefore, he should be a most valuable addition to an agency which means so much to all of us.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. WILEY, from the Committee on the Judiciary, reported an original bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. ECTON:

S. 2243. A bill to direct the Secretary of the Interior to accord to the Crow Indians of Montana, certain measures of home rule and rights of self-determination; to the Committee on Interior and Insular Affairs.

By Mr. ECTON (for himself and Mr. MURRAY):

S. 2244. A bill authorizing the Secretary of the Interior to pay salaries and expenses

of the Crow tribal delegates when engaged in Crow tribal business at the seat of Government and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McGRATH:

S. 2245. A bill to provide for the naturalization of all persons lawfully admitted into the United States for permanent residence prior to January 1, 1925; to the Committee on the Judiciary.

By Mr. BUCK (by request):

S. 2246. A bill to increase the salary of the poundmaster of the District of Columbia to $5,000 a year; to the Committee on the District of Columbia.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. KNOWLAND submitted an amendment intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which was ordered to lie on the table and to be printed.

Mr. YOUNG (for himself and Mr. BUSHFIELD) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2202), supra, which was ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 1275. An act to authorize the payment of certain claims for medical treatment of persons in the naval service; to repeal section 1586 of the Revised Statutes; and for other purposes;

H. R. 4272. An act to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes; and

H. R. 4721. An act to remove the statutory limit of appropriation expenditures for repairs or changes to a vessel of the Navy; to the Committee on Armed Services.

H. R. 3628. An act to revise the method of issuing patents for public lands;

H. R. 4167. An act to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States;

H. R. 4837. An act to provide an engineering study of the mine-water problem of the Pennsylvania anthracite mining area for the purpose of obtaining information and presenting a solution relating to the health, safety, and economic conditions of the area, State, and Nation as affected by the encroachment of water that progressively floods the mines, threatens to destroy the anthracite reserves of the Nation, contributes to a waste of a valuable natural resource, and seriously affects the whole economy of the anthracite mining area; and

H. R. 5049. An act to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; to the Committee on Interior and Insular Affairs.

H. R. 4112. An act to provide for the acceptance and use of funds for support of the national weather service supplementing the funds appropriated for the operation of the Weather Bureau of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

H. R. 4304. An act providing for the extension of the time limitations under which patents were issued in the case of persons who served in the military or naval forces of the United States during World War II;

H. R. 4931. An act to amend title 17 of the United States Code entitled "Copyrights"; and

H. R. 5193. An act to amend the Nationality Act of 1940; to the Committee on the Judiciary.

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes; and

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines; to the Committee on Finance.

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; and

H. J. Res. 304. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the birth of Joel Chandler Harris, author of the Uncle Remus stories; to the Committee on Post Office and Civil Service.

AIR POWER—ADDRESS BY SENATOR HILL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address on the subject of air power, delivered by him at the opening of the Air Forces University, Maxwell Field, Ala., on September 22, 1947, which appears in the Appendix.]

ADDRESS BY SENATOR JOHNSTON OF SOUTH CAROLINA BEFORE SOUTH CAROLINA REGIONAL CONFERENCE ON UNITED JEWISH APPEAL

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an address delivered by him before the South Carolina Regional Conference of the United Jewish Appeal, at Columbia, S. C., on February 29, 1948, which appears in the Appendix.]

THE WALLACE CAMPAIGN—ARTICLE BY JIM CHANEY

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "Plans for Wallace Drive Outlined at Chapel Hill," by Jim Chaney, from the Raleigh News and Observer, which appears in the Appendix.]

KINGSTON, ONCE CAPITAL OF TENNESSEE—ARTICLE BY E. E. PATTON

[Mr. STEWART asked and obtained leave to have printed in the RECORD an article entitled "'Promise' to Indians Made Kingston Capital of Tennessee for 2 Hours," by E. E. Patton, published in the Knoxville (Tenn.) Journal of February 29, 1948, which appears in the Appendix.]

DEVIOUS WAYS OF COMMUNISM—EDITORIAL FROM THE NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Communism, A Sneak Enemy Betrays Its Hand," published in the Nashville (Tenn.) Banner of February 28, 1948, which appears in the Appendix.]

TRAGIC LESSON OF THE CZECHS—EDITORIAL FROM THE CHATTANOOGA NEWS-FREE PRESS

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Tragic Lesson of the Czechs," published in the Chattanooga News-Free Press, of February 25, 1948, which appears in the Appendix.]

A SALUTARY REFORM—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "A Salutary Reform," dealing with the subject of congressional investigations, published in the New York Herald Tribune of March 1, 1948, which appears in the Appendix.]

THE ANTILYNCHING BILL—EDITORIAL FROM THE WASHINGTON POST

Mr. OVERTON. Mr. President, I should like to take a few moments of the time of the Senate to read into the record an editorial entitled "Antilynching Bill," which appeared in the Washington Post this morning. It reads:

ANTILYNCHING BILL

Fifty years ago lynching was a grave problem in the United States. All during the 1890's mob murders were about as common as gang slayings became in the 1930's. In the single year of 1892 a total of 255 persons met death at the hands of murderers conspiring among themselves to take the law into their own hands. One hundred of the victims were white men. Lynching has been by no means confined to the colored race. Indeed, it was the customary method of inflicting punishment on horse thieves and cattle rustlers in the early days of the West. Since the 1920's, however, the number of white men lynched has been negligible, and last year the Tuskegee Institute recorded only one lynching of a Negro.

It is a sorry anachronism that just as the Southern States have almost completed the job of wiping out this disgusting crime Congress should be considering a bill to make the prevention of lynching a Federal responsibility. Half a century ago the use of Federal power against lynchers might have been justified by the tragic failure of the States to protect their citizens. Now most of the States have completely mastered the problem without any help from Washington, and we doubt that the Case antilynching bill would add in any way to the safety of citizens.

This measure, which is about to be pushed through the House of Representatives would transfer to the Federal courts the prosecution of lynchers and of local officials failing to protect prisoners or to move against mobs after a lynching has occurred. But trials would still be held before local juries, and it is probable that resentment against Federal intervention would complicate instead of easing the problem of securing convictions of accused mobsters. To be sure, there is another provision in the Case bill making every county, town, and other governmental subdivision responsible for any lynching in its jurisdiction. But this resort to the despicable doctrine of mass guilt because of the area in which one happens to live is so repugnant to democratic principles as to make the bill unpalatable to thousands who are devoted to civil rights in the North as well as the South.

We cannot help thinking that this vote-catching venture has no place in the present session of Congress. Its effect is to arouse animosities at a time when there is urgent

need for national unity. The lynching menace has already been put down, and we trust that the last vestige of it will soon disappear. Our problem today is the rise of a tyranny that seeks to destroy all civil rights, whether protected by State or Federal law. In the face of that menace we need to be mobilizing our strength—not to be opening old sores or frittering away energies on problems that have already been solved.

Mr. STEWART. Mr. President, it had been my purpose to place in the CONGRESSIONAL RECORD the editorial from the Washington Post dealing with the antilynching bill, which has just been read by the senior Senator from Louisiana [Mr. OVERTON]. I wish to add to the reading of the editorial by the Senator from Louisiana that it is one of the most timely and thoroughly sensible editorials dealing with the subject in question I have ever seen. I believe it expresses the feeling of most of the people of the country, which is that when the subject of antilynching is brought up we are in reality dealing with a subject which is now utterly unnecessary to be dealt with, because the people of the South are solving among themselves the racial question in a fine and high-class manner.

The men and women of both races in the Southern States are reaching an understanding which is being improved day by day. There is no need for any antilynching bill or any of the other so-called civil-rights legislation at this or any other session of Congress.

I commend the Senator from Louisiana for placing the editorial in the RECORD, and say that it is thought-provoking, and I hope every Member of the Congress will read it.

BOUNDARY OF UINTAH AND OURAY INDIAN RESERVATION IN UTAH

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1698) to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes, which were, on page 13, to strike out lines 5 to 8, inclusive, and insert:

The foregoing reservation shall not extend to or include deposits of uranium, thorium, and other materials reserved to the United States by section 5 (b) 7 of the Atomic Energy Act of 1946 (60 Stat. 755, 762), and shall include surface rights only in lands withdrawn by Executive Order No. 5327, dated April 15, 1930, as interpreted by Circular No. 1220, dated June 9, 1930 (53 I. D. 127), and more particularly described in a letter dated April 22, 1931, addressed to the register, Salt Lake City, Utah, by the Commissioner of the General Land Office.

On page 15, line 13, after "value", to insert a comma and "as determined by the Secretary of the Interior,"; on page 15, strike out lines 22 to 25, inclusive, and on page 16 strike out lines 1 to 3, inclusive, and insert:

Any funds now or hereafter on deposit in the United States Treasury to the credit of the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, are hereby made available, and with the consent of the Uintah and Ouray Tribal Business Committee, may be expended for the purchase of privately owned and State-owned lands, including the improvements thereon, and improvements heretofore placed on public lands, together with water rights and water holes, within said boundary. The title to lands purchased under this authorization may, in the discretion of the Secretary of the Interior, be taken for the surface only. Title to any lands and rights acquired hereunder shall be taken in the name of the United States in trust for the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, and such lands or rights shall be exempt from State or local taxation.

SEC. 4. In any suit now pending or hereafter brought against the United States by the Ute Indian Tribe of the Uintah and Ouray Reservation, or by any one or more of the separate bands comprising said Ute Indian Tribe of the Uintah and Ouray Reservation, in the Court of Claims, the Indian Claims Commission or before any other tribunal, the United States may claim, as an offset against any judgment recovered therein, the fair market value as of the date of this act of any interest in public lands conveyed by section 1 hereof, and any improvements thereon, and the fair market value as of the date of the transfer of title of the lands and improvements which may be relinquished by the State of Utah to the United States under section 3 of this act. The validity and amount of any such claim shall be determined by the court, commission, or tribunal in conformity with the provisions of section 2 of the act of August 13, 1946 (60 Stat. 1049, 1050).

Mr. WATKINS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

PRESERVATION OF FRIGATE "CONSTELLATION"—CONFERENCE REPORT

Mr. SALTONSTALL. Mr. President, I submit a conference report on Senate bill 1796, providing for the preservation of the frigate *Constellation*, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1796) to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: "That the Secretary of the Navy is hereby authorized to repair, equip, and restore the frigate *Constellation*, as far as may be practicable, to her original condition, but not for active service, and to accept and use any donations or contributions which may be offered for the aforesaid purpose. Except so far as is necessary to incur expense to carry out the provisions of section 2 of this Act, no action shall be taken to repair, equip, or restore such frigate until the Department of the Navy shall have received by donation or contribution, or by sales made pursuant to section 2 of this Act, a sum not less than 75 per centum of the estimated cost of said restoration as certified by the Secretary of the Navy. The Secretary's certification will include the cost of all repairs and equipment, and will exclude the pay and allowances of naval officers and enlisted men engaged in the restoration.

"SEC. 2. The Secretary of the Navy is hereby further authorized to give or to sell, under such regulations as he may prescribe, such parts or pieces, including rigging, of the frigate *Constellation*, as are suitable for use as relics, souvenirs, or mementos, and which cannot profitably or advantageously be used in restoring this vessel to original condition, to clubs, associations, or individuals making donations or contributions for the restoration of the frigate *Constellation*. The cost of converting the aforesaid material into relics, souvenirs, or mementos shall be charged against, and the proceeds of such sales shall be added to, the fund created by authority of this Act."

And the House agree to the same.

LEVERETT SALTONSTALL,
RAYMOND E. BALDWIN,
HARRY FLOOD BYRD,
Managers on the Part of the Senate.

WALTER G. ANDREWS,
W. STERLING COLE,
CARL VINSON,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, may I inquire of the present occupant of the chair what is the business before the Senate?

The PRESIDING OFFICER (Mr. IVES in the chair). The business before the Senate is the consideration of Senate bill 2202, the European recovery measure, which is now open to amendment.

Mr. WHERRY. Mr. President, before suggesting the absence of a quorum, I should like to state for the information of the Senate that it is the intention, after a roll call shall have been had to establish the presence of a quorum, to ask that, as in executive session, the Senate proceed to the consideration of nominations on the Executive Calendar.

I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Conor
Ball	Hawkes	O'Daniel
Barkley	Hayden	O'Mahoney
Brewster	Hickenlooper	Overton
Bricker	Hill	Pepper
Bridges	Hoey	Reed
Brooks	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	Wiley
Fulbright	Millikin	Williams
George	Morse	Wilson
Green	Murray	Young
Gurney	Myers	

Mr. WHERRY. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official committee business.

The Senator from Connecticut [Mr. BALDWIN] is necessarily absent in the State.

The Senator from Indiana [Mr. JENNER] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

Mr. LUCAS. I announce that the Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from South Carolina [Mr. MAYBANK] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

CONSIDERATION OF NOMINATIONS ON THE EXECUTIVE CALENDAR

Mr. WHERRY. Mr. President, as in executive session, I ask unanimous consent for the present consideration of the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered. The clerk will proceed to state the nominations on the executive calendar.

NATIONAL MEDIATION BOARD

The legislative clerk read the nomination of John Thad Scott, Jr., to be a member of the National Mediation Board, which nomination had been previously passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

RECONSTRUCTION FINANCE CORPORATION

The legislative clerk read the nomination of Harvey Jones Gunderson to be a member of the Board of Directors of the Reconstruction Finance Corporation, which nomination had been previously passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Henry T. Bodman to be a member of the Board of Directors of the Reconstruction Finance Corporation, which nomination had been previously passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Henry A. Mulligan to be a member of the Board of Directors of the Reconstruction Finance Corporation, which nomination had been previously passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John D. Goodloe to be a member of the Board of Directors of the Reconstruction Finance Corporation, which nomination had been previously passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harley Hise to be a member of the Board of Directors of the Reconstruction Finance Corporation, which nomination had been previously passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The legislative clerk read the nomination of Richard R. Atkinson to be a member of the District of Columbia Redevelopment Land Agency.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Harold M. Stephens to be Chief Justice of the United States Court of Appeals for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James M. Proctor to be an associate justice of the United States Court of Appeals for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Leslie E. Given to be United States attorney for the southern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. WHERRY. I ask unanimous consent that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. McMAHON. Mr. President, I submit an amendment to Senate bill 2202, the so-called European recovery bill. I propose to address the Senate at a later time on the amendment.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. McMAHON. I should like briefly to invite the attention of the Senate to the amendment, so that it may be considered by Senators before it is acted upon.

The amendment provides for the undertaking by the participating countries, in their agreements to join the plan, that they shall agree that there shall not be exported from their countries anything that we prohibit by law from being exported from this country, either by agreement of the Secretary of State, the Chairman of the Atomic Energy Commission, and the Secretary of National Defense or, (2) which is prohibited by any law of the United States.

Back in the 1930's we shipped scrap and oil to the Japanese, and at Pearl Harbor we got them back with dividends. Those shipments could have been defended, I suppose, as being somewhat in the nature of sensible appeasement, because thereby we did buy time. However, we must see to it, it seems to me, that there shall not be shipped out of the countries we are proposing to help anything that can be used to bring about our own destruction. In other words, we should not be required to finance what might be used to destroy us.

As I have said, Mr. President, I shall develop the theme at greater length in a few days, but I wanted the Senate to be aware of the amendment and to be considering it.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McMAHON. I yield.

Mr. WHERRY. Does the amendment provide for the definition of the materials to which the Senator from Connecticut has referred?

Mr. McMAHON. In the Atomic Energy Act, sometimes called by the name of its author, the senior Senator from Connecticut, there is a provision permitting the Commission to bar the export of articles that could be useful in the making of plants for the production of fissionable materials. Of course, if we are going to bar our own manufacturers from exporting to other countries certain things which could be useful in bringing about the production of atomic bombs—which of course we had to do—it goes without saying that we should not finance the manufacture and export of those articles from other countries to still other countries that might use them to destroy us.

Mr. WHERRY. I understand.

Mr. President, it is my understanding that on the side of the proponents of the measure no Member of the Senate is ready to proceed with a further discussion of this proposed legislation today.

Mr. VANDENBERG. Mr. President, the proponents of the measure are ready and anxious to proceed. I hardly feel under any sort of compulsion to provide an intervening program which would postpone a vote. I would be most happy to have any Senator who desires to discuss the matter take the floor.

It occurs to me that since we do have a meeting of minds, I think I am sure the Senator from Nebraska agrees with me that we should expedite the consideration of this measure to the last possible degree. I know the Senator agrees as to that.

Therefore, it seems to me that expedition recommends the submission of amendments immediately, so that we may proceed to work on them, because it is through the medium of amendments that we can develop whatever controversy remains in respect to the text of the bill, barring that basic controversy which is prepared to deny the bill in toto.

I beg of Senators that, whatever their ultimate attitude may be, they present amendments promptly, having that situation in mind.

Mr. WHERRY. Mr. President, let me suggest to the distinguished Senator that, so far, the prospects for the further consideration of this measure indicate that we should proceed, I suppose, to hear from Senators who wish to ask questions relative to any phase of the bill. The only amendments which have been submitted so far are those which have been presented by the able Senator from Arkansas [Mr. FULBRIGHT] and the able Senator from Connecticut [Mr. MCMAHON]. I understand that others are to be submitted, but not until tomorrow or following tomorrow. I am not sure, but I believe some will be ready then.

However, I have announced that I agree with the Senator from Michigan in toto relative to having the Senate meet every day for the consideration of this proposed legislation and proceed each day as late as the Senate feels it should proceed.

I should like to say to the distinguished Senator that I have contacted several Members who I thought would be interested in speaking on the bill, but apparently none is ready to make a speech this afternoon. Of course, that situation may change before the afternoon is over.

So, Mr. President, if the distinguished Senator from Michigan does not mind having me do so, I shall be glad to ask a few questions at this time. I have an open mind, as usual, on these important matters; and so I should like to inquire into some phases of them, if the Senator from Michigan will be kind enough to answer the questions I propose to ask, in the hope of thus making good use of this time, which I think is vital, by elucidating any problems which may be connected with the bill and seeing whether we can proceed during the remainder of the afternoon and on into tomorrow in the hope that an early disposition of the proposed legislation may be had.

Mr. VANDENBERG. Mr. President, I shall be glad to respond, in any degree I can, to any questions the Senator has in mind. It will seem more like home if the Senator will begin.

Mr. WHERRY. First, I should like to pay my profound respects to the distinguished Senator from Michigan for the very able presentation of this subject he made yesterday. Personally, I feel that although time is of the essence in connection with the consideration of this momentous piece of legislation, yet also time should be given to those who may feel that amendments should be offered, or even for studying such a comprehensive plan as this, so that no mistake will be made, if possible, in the future. I think the Senator from Michigan will agree with me that in the past, mistakes have been made in respect to our foreign policy; and certainly we do not want mistakes to be made in the future.

With that in mind, I should like to ask this question of the Senator: Why is it that there has to be a 4-year program? Why could not the Senate of the United States reduce the time from 4 years to 1 year? I understand there is much force to the argument, presented yesterday by the distinguished Senator from Michigan, that certainly if we are to go into this subject, it should be gone into with a program that has continuity, and that we shall have not only the Administrator but the watchdog committee at all times to check on the progress being made in connection with the program. Yet I submit to the Senator that a continuous program for 4 years certainly is in direct contradition to the traditions of this country as to entering into alliances with foreign countries.

Let me humbly submit this question to the Senator: Why could not the Senate of the United States approve this program, in whatever amount the Senate might decide, on a yearly basis, in view of the fact that it is not the province of one Congress to bind succeeding Congresses? In asking this question, I have the definite feeling that if the program is successful in its first year, there will be no hesitancy at all on the part of Congress in appropriating for a second year.

Mr. VANDENBERG. Mr. President, there is very little I can add to what I said yesterday upon that basic question. If we are to deal with this problem solely on the basis of 1 year, I consider in advance that our efforts will be a total failure, because if at the end of a year the program does not justify the continuation contemplated, then it has failed in its infancy, and does not deserve to grow up.

Under the terms of the bill, every Congress—even broader, every session of every Congress—is a free agent to pass its own judgment on the question of whether or not foreign cooperation is justifying the basis upon which the enterprise was launched. If we are to say in advance that we are not interested beyond 1 year, then it seems to me we shall have said in advance that we are again dealing with a relief bill and not with a reconstruction program. I do not believe that any Senator, including the Senator from Nebraska, wants to deal any longer with European problems on a year-to-year stopgap-relief basis; I certainly do not.

The Senator is on completely sound ground when he says that one Congress cannot bind another. The report of the Foreign Relations Committee has specifically taken that situation into account, and has met it fairly and squarely. It has shortened the period of the first authorization of an appropriation in order to bring the whole subject into the earliest possible congressional review, to wit, next January. Next January the Congress will be as free as the air to do what it pleases in respect to what has happened during the intervening months, and in respect to what may happen in the days that lie beyond that point. The Congress will be an absolutely free agent, confronting only the original contemplation that if our friends abroad live up to the hard agreements they are to make with us with respect to their own self-help and their own achievements, if they have justified a continuation of our confidence and cooperation, they are entitled to receive them. The only thing in the world that the Senator from Nebraska, if and when he votes for the bill, will have said to future Congresses is that we have taken up this question on the basis of 8 months of study, which contemplates that in 4¼ years, if the commitments of our friends abroad are carried out, there will be a reasonable chance of a restored western European economy, including western Germany. All in the world he will have said to future Congresses is that on the basis of the prospectus, which has been studied to a degree, I venture to assert, beyond any studies previously given to any problem ever confronting the Congress, and on the basis of those studies, it is the opinion of this Congress that if the beneficiaries of the measure live up to the hard and fast agreements they will make, it is the opinion of this Congress that future Congresses should carry on, leaving to future Congresses complete freedom of action to determine whether the beneficiary countries have lived up to their agreements, and to what extent the plans should proceed, and a free determination as to what from year to year shall be the subsequent progress.

I say to my friend from Nebraska that I know he wants us to say to the beneficiary countries as definitely and specifically as we can that the continuity of our aid depends upon the continuity of their cooperation, their self-help, their coordination, their effectiveness in helping themselves to put themselves upon their own feet. I know my friend wants us to write the bilateral contracts with the beneficiary countries on that basis. If we write them on that basis—and the bill certainly is written on that basis—I respectfully submit that there is such a thing as reciprocity in good will and cooperation, and they are entitled to say to us, "If we live up to our agreements, if we are on our way to self-stabilization, we want to believe that you will be prepared to proceed with us to the ultimate goal which we both have undertaken to reach." I submit that there is no obligation involved in the language of this bill which is not inherent in mutual fair play, and that if we are to expect our friends abroad to live up to the promises we are exacting from them, they have a right at least to the rather general prospectus which is here involved through the mere authorization of such subsequent appropriations as at each sequent Congress shall be decided by each sequent Congress is justified by the realities and the facts.

Mr. WHERRY. Mr. President, if the distinguished Senator will permit, I should like to state that in the main I can agree that if there is to be a program to rehabilitate western Europe, its continuity probably will measure its success. I think that is indisputable. I can agree entirely with the argument presented by the distinguished Senator. Still, that does not answer my question. This Congress cannot bind a succeeding Congress. We all agree on that. The only way in the world that appropriations for this purpose can be stopped, at least upon any moral grounds, is by negative action. If the proposed legislation is passed, we

agree that we shall go into the program until 1952; there is no doubt about that.

Mr. VANDENBERG. Upon what basis do we agree to go into it until 1952?

Mr. WHERRY. On condition that beneficiary countries carry out their undertakings. I agree to that, certainly. We have a watchdog, as I have already mentioned. Sometimes the watchdog is a good watchdog; sometimes it is not a good watchdog. It depends entirely, I think, upon the administration of the act. I agree with the distinguished Senator that the success of the program in the final analysis depends upon who is selected to administer it. Am I correct in that?

Mr. VANDENBERG. I tried to say that in words of one syllable yesterday.

Mr. WHERRY. Yes, I understood from the Senator's remarks that he could not guarantee the program under any consideration, that no matter how many conditions were imposed, if the program were to succeed its success depended on the Administrator. The Administrator is to be appointed by the President. Yesterday, the Senator delivered the finest speech he has ever delivered. It was eloquent, and all agree that it was a great speech. In that speech the Senator prayed that the President would select an Administrator who could discharge, in a satisfactory manner, the responsibilities imposed upon him under the act.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from California?

Mr. WHERRY. I shall yield, if I may finish with this observation. I want to point out to the Senator from Michigan that during the past 2 years, and even since VJ-day, the administration has appointed in the Department of State administrators of legislation who, to my mind, have demonstrated total inability to administer our foreign policy. The distinguished Senator mentioned in support of the program that such distinguished men as Dean Acheson have testified in its behalf, stating that in their opinion it was the solution to the European situation. The same Dean Acheson testified in support of the International bank, he testified regarding Bretton Woods. He testified to the Morgenthau plan, and he is the man whom the administration selected to carry it out. He also signed the International Aviation Agreements in Chicago, which agreements had to be repudiated by the Senate. In fact, if there is one man in the United States whose judgment I should not want to follow, it is Dean Acheson, whom the distinguished Senator suggests as one of the men who supported this measure. If he should be the administrator of the act, some of us would feel that its administration would be similar to the administration of another plan during the past 2 years, in connection with which more than $20,000,000,000 have been expended, and conditions are worse today than they were originally. The Morgenthau plan is out the window and Mr. Acheson is out of the Government, and I think that is a good thing.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHERRY. I agreed to yield to the Senator from California, but I yield to the Senator from Michigan.

Mr. VANDENBERG. Dissenting completely from the Senator's estimate of the services to the country rendered by Mr. Acheson, I fail to understand why I have precipitated this storm of denunciation, because I never mentioned Dean Acheson, either directly or indirectly, in anything I said on this subject.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment. Yesterday in the presentation of the great argument submitted by the distinguished Senator from Michigan one of the first witnesses he mentioned who had been called to testify was Dean Acheson.

Mr. VANDENBERG. I am sorry, but the Senator is greatly mistaken.

Mr. WHERRY. I will get the RECORD, and I think I can show the Senator that he mentioned the name of Mr. Acheson.

Mr. VANDENBERG. We shall look it up later.

Mr. WHERRY. Is it Aichison or Acheson?

Mr. VANDENBERG. Neither one was a witness. [Laughter.]

Mr. WHERRY. Then the committee heard Mr. Harriman. I suppose he has had great experience.

Mr. VANDENBERG. Mr. Acheson was not even a witness before the committee.

Mr. KNOWLAND. Mr. President, will the Senator yield for a moment?

Mr. WHERRY. I yield.

Mr. KNOWLAND. Mr. President, I wish to send to the desk an amendment to the pending bill for the consideration of the Senate, and make a few remarks on the subject.

The PRESIDING OFFICER. Does the Senator desire that it be printed and lie on the table?

Mr. KNOWLAND. I do.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. KNOWLAND. It is a very short amendment. First, I want to call to the attention of the Senate and of the Senators who are present the CONGRESSIONAL RECORD of yesterday, at page 1922, in which I placed a letter which I had written to the Secretary of Commerce, Mr. Harriman, a copy of the reply from Mr. Foster, the Acting Secretary, and a table which had been supplied me at my request, relative to the exports from the United States to Russia, and imports from Russia to this country.

The amendment which I have offered reads as follows:

On page 22, after line 20, insert a new subsection as follows:

"(d) No commodity shall be exported from the United States, its Territories or possessions, to any European country (including portions thereof located outside of Europe) which is not a participating country, if the Administrator shall have determined that the supply of such commodity available for procurement and transfer under this act is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements under this act of participating countries."

Mr. President, if the Members of the Senate will turn to page 1923 of the RECORD they will see a considerable list of exports which have gone from the United States to the Union of Soviet Socialist Republics. It is broken down into categories and also by months. I call the attention of the Senate to the subheading "Machinery and vehicles." The items under that subheading include generators, accessories, and parts; welding sets, generating sets, powered by Diesel engines; batteries; transforming or converting apparatus; transmission and distribution apparatus; motors, starters, and controllers; industrial heat-treating furnaces and parts; radio apparatus; other electrical machinery and apparatus; steam locomotives; internal-combustion engines, excluding locomotives; accessories and parts for internal-combustion engines; construction and conveying machinery; mining, well, and pumping machinery; power-driven metal-working machine tools and parts; metal-working machines, and parts, including power-driven; air compressors; pipe valves; other industrial machinery; tractors and parts; other agricultural machinery and implements; motor-trucks, busses, and chassis (new); station, warehouse, and factory trucks; automobile parts for replacement; other automobiles, parts, and accessories; aircraft parts and components; merchant vessels; freight cars over 10-ton capacity; and other machinery and vehicles.

This is only a part of the list. Mr. President, I speak as one——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. KNOWLAND. If the Senator will permit me to complete my thought, I speak as one who desires to commend the work of the Senate Foreign Relations Committee. I think the members of that committee have made a great improvement over the originally suggested legislation. I think they are to be congratulated upon bringing a unanimous report to the Senate. I intend to support the $5,300,000,000 proposal, together with substantially everything in the bill as reported. My only criticism is that we have not gone far enough. To me it does not make sense, at a time when we are attempting to keep western Europe from going behind the iron curtain, that this Government should permit to be exported to the one nation which is a threat to the peace of the world, material which I believe adds to its war potential and the exportation of which is detrimental to our own best interest.

It is true, Mr. President, that the Department of Commerce, as of March 1, put into effect certain regulations which apply to exports; but a regulation which has been established by the executive department could be rescinded by the executive department. At a time when the Congress of the United States is being called upon in the interests of the peace of the world and the national security of the Nation to make a substantial contribution to the rehabilitation of the war-torn world we have a right to expect that we will channel the basic essential equipment into those European nations which are participating in the program. None of it should go into the nations

which are attempting to obstruct the program.

I think that the Congress ought frankly to look at the picture. There is nothing in my amendment which would prevent in the future any other nation in Europe which might become a participating and cooperating country from getting equipment. We certainly have a right to say that any who are not participating or cooperating shall make no further drain upon the resources of the people of the United States.

Mr. President, if this were the only inconsistency we had followed in the past, perhaps I should not be so alarmed as I am today. But I was in Europe last summer. I happened to get behind the iron curtain, into Poland, and into Czechoslovakia, at the time Czechoslovakia was relatively free. Shortly before that time Mr. Petkov, the leader of the opposition in Bulgaria, had been executed. We had sent a half dozen notes in protest of the execution of that democratic leader in Bulgaria. Yet what did our Government do? Within 10 days of the day that a rope had been put around Mr. Petkov's neck and he had been dropped from the gallows, this Government gave full recognition to the Government of Bulgaria. That is not a consistent policy, so far as I am concerned.

I was also in Germany. Although the Russian Government had time after time violated the Potsdam agreement, we continued to ship from the western zones of Germany into the eastern zones of Germany industrial equipment which would add to the war potential of Russia.

When we take those two things into consideration, plus the continual export from this country to Russia during the whole year of 1947, it does not make sense to me.

I believe this amendment is a constructive amendment, and I hope it is an amendment which the able chairman of the Committee on Foreign Relations, after due consideration and deliberation, may be willing to accept.

In conclusion, I wish to repeat, Mr. President, what I have already stated, that I do not feel that we have gone far enough. I am willing to vote for the so-called Marshall plan, the European recovery plan, but I do not think we can rest on that alone. I believe the time has come when we must put the defenses of this country in first-class condition. That means having an air force in being, and not on blueprints.

Perhaps most of our people do not understand that in World War II there were no combat airplanes used in combat that had their original inception after Pearl Harbor. A long period of time elapses between the design stage and when the planes may be used wherever and whenever their use may be necessary.

I feel the same way about universal military training. I believe that this is also a necessary step in the national defense of the Nation. I personally believe that the Congress of the United States will be remiss in its duty if, in addition to the passage of the so-called European recovery program, we do not take immediate steps to put our own national defense house in order.

In the early days, when the pioneers went out from the east coast to the West, they went through a great many vicissitudes, but they had a pretty good philosophy. It was that they would continue to hope and to pray for peace, but they would keep their powder dry. I think we should do the same.

AUTHORIZATION FOR MEETING OF COMMITTEE ON FINANCE DURING SENATE SESSIONS

Mr. MILLIKIN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. I inquire who has the floor.

The PRESIDING OFFICER. The Senator from California did have the floor, but no longer has it.

Mr. MILLIKIN. I ask unanimous consent that the Senate Committee on Finance be permitted, when it deems it necessary, to hold hearings in the afternoon.

Mr. BARKLEY. Reserving the right to object, Mr. President, I am not going to object at the moment, but I do not think the Senator should ask for permission to hold hearings in the afternoon over a period of days. I realize the importance of the hearings on the tax bill. I am a member of the Committee on Finance, and also a member of the Committee on Foreign Relations, as are the Senator from Texas [Mr. CONNALLY] and the Senator from Georgia [Mr. GEORGE]. Naturally, if we are to obtain information in regard to the tax bill, we would hope to be able to attend the hearings. Otherwise we would lose out altogether, insofar as testimony heard in the afternoon was concerned. We know how difficult it is to take up the slack by reading testimony after it has been heard and printed.

I wish to make a comment which I hope will not be offensive to any Senator. I think the attendance in the Senate of the United States during this session has been the most meager I have observed since I have been a Member of the Senate. No matter how important the legislative proposal may be that is pending in the Senate, unless on a great day like yesterday, when the senior Senator from Michigan [Mr. VANDENBERG] delivered his masterly address on the European recovery program, we may look around in the Senate and find only a handful of Senators present. Day by day, in the last month or so, we have been giving consent that committees may hold hearings or sit during the session of the Senate. I realize the difficulty of holding hearings only in the morning, especially if there are many witnesses. But it seems to me that the place for Senators to be, when the Senate is in session, is on the floor of the Senate, not only that they may be here for the consideration of whatever is before the Senate, but in order that those who come here as our guests may not be completely disillusioned with respect to the procedure of the Senate of the United States, and the attendance of Senators on their duties.

It has so happened that two or three times important bills or resolutions have passed through the Senate when there were not more than half a dozen Senators on the floor, and it seems to me we should try to concentrate our efforts on the floor of the Senate when the Senate is in session.

Mr. President, this was one of the considerations we had in mind when we passed the Reorganization Act, and provided for the reduction of the number of committees, and the number of committees to which any Senator might belong. It was in order that Senators might give concentrated attention to the business on the floor of the Senate.

There has not been at this session, and will not be, a more important bill before the Senate than that now under consideration, involving a world situation and our involvement in that situation. It seems to me Senators should try to be present in the Senate not only when the bill itself is under consideration but when amendments are being considered, so that there may be a fair representation of the Senate on the floor when important legislation of this nature is being discussed.

Mr. President, these remarks may or may not be worth anything, but it has been a matter of common talk and common conversation on the floor of the Senate during this entire session, "What is the matter with the Senate? Where are Senators? Why can we not get them to attend the sessions of the Senate?" It has been a matter of great embarrassment on both sides, to those who are responsible for legislation, to look around and see only one or two present in the Senate.

I do not intend to object to the pending request. I hope the Senator, however, will limit his request to the present day, and not make it cover the entire field of the hearings before the Committee on Finance.

Mr. MILLIKIN. Mr. President, it would be somewhat impractical to agree to such a limitation, because we have to schedule witnesses who come from out of town. I should like to say, for the Senator's information, that we plan to hear but one witness this afternoon. If we can progress even slightly tomorrow morning, we should not have an afternoon session. We will not have an afternoon session on Thursday. We will do the very best we can, for all the reasons which the Senator has so ably presented, not to have afternoon sessions, or, if we must have them, to limit them as closely as possible.

Mr. BARKLEY. Mr. President, still under my reservation, I wish to add that I appreciate what the Senator has said, and I am not going to object to his request, but I serve notice, in my individual capacity, that hereafter in the Senate, if similar requests on the part of other committees tend to break down the attendance of the Senate when we are considering important legislative proposals, I shall exercise my right to object.

Mr. CONNALLY. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. CONNALLY. I concur in the comments of the Senator from Kentucky about the desirability of some of us who

are members of both committees having an opportunity to attend the hearings before the Committee on Finance. The bill which is now the unfinished business is the most important measure we have had before us at this session. Three or four members of the Senate Committee on Finance on this side of the aisle are also members of the Committee on Foreign Relations. I feel practically compelled to remain in the Senate Chamber during all the debate on the bill and on amendments; it is my duty to the committee and to the Senate. I hope the Senator from Colorado will be lenient in asking for sessions of the committee in the afternoon. I am perfectly willing to attend hearings in the morning, and will not let anything interfere with my attendance, but I trust the Senator will be more or less charitable in arranging for hearings.

Mr. MILLIKIN. I reassure the Senator that we will use the privilege as sparingly as possible. I thoroughly appreciate the importance of the members of the Senate Committee on Finance who are also members of the Senate Committee on Foreign Relations being on the floor of the Senate. I may say that in accommodation to the importance of the pending bill we have done practically no business in the Senate Committee on Finance for a month in a spirit of constructive cooperation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and the order is entered.

Mr. WHERRY obtained the floor.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FULBRIGHT. I merely wish to add one comment. I was very anxious to hear the opening address of the Senator from Michigan, but the Committee on the Judiciary was in session, and the committee could not be dismissed until a considerable time after the Senator from Michigan started. That is a very common occurrence. I wanted to be in both places, I may say to the Senator from Kentucky, and I tried to make a point of order, but I could not make a point of order because the chairman said he had permission to sit during the session of the Senate. That goes on day after day. But what can we do about it?

Mr. BARKLEY. I merely want to say that I am not criticizing Senators for making a choice between attending a session of a committee or the session of the Senate. I am saying that the practice of giving consent that Senate committees may hold hearings or have meetings while the Senate itself is in session has had a very bad effect on senatorial attendance upon the sessions of the Senate itself.

Mr. FULBRIGHT. I agree, Mr. President, but every time the subject has been discussed some Senator has announced that at some future time he is going to object to committee meetings being held while the Senate is in session, yet so far no Senator has actually objected to requests that committees may hold meetings while the Senate is in session.

Mr. BARKLEY. The Senator from Arkansas has the same right of objection that I have.

Mr. FULBRIGHT. I am not the leader of the minority, however.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 535. An act for the relief of Adelbert E. Tuller;

S. 641. An act for the relief of Mrs. Roberta Flake Clayton;

S. 922. An act for the relief of Ruth Grossman;

S. 939. An act for the relief of Charles Howard Richards;

S. 970. An act for the relief of Mr. and Mrs. Harold T. Prosser;

S. 1031. An act for the relief of Antonio Zamora; Mrs. Antonio Zamora; Antonio Zamora, Jr.; Mrs. Juan Chavez; John Chavez, Jr.; Roland Chavez; Selso Trujillo; Dr. M. G. Wright; and the heirs of Keith Lane;

S. 1267. An act for the relief of Eleonore M. Hannon;

S. 1716. An act for the relief of Mrs. Iola Veach; and

S. 1721. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of injuries sustained by G. R. Below, late of Seattle, Wash.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. Mr. President, prior to the remarks made by the Senator from California I had asked the distinguished senior Senator from Michigan a question relative to the conclusions reached by the committee that the proposed legislation should not be on a yearly basis, but on the basis of 4 years and a quarter. During the colloquy I made the remark that the distinguished Senator from Michigan had suggested in his speech yesterday that the success of the measure primarily—and I agree with him—is left to an administrator. I said it seemed to me that if the plan were dealt with by Congress on a yearly basis, if the countries coming under it would perform as they should perform and could perform, there would not be any doubt that succeeding Congresses would continue to make the appropriations necessary to carry on the program.

At that point the question of who would be the administrator was raised, and it was my opinion then, as I stated, and it is now, that each succeeding Congress, if it had something to say respecting appropriations, and the way the plan should be carried on during the year for which the Congress acted, would not be obliged to countenance or continue in office an administrator who would not carry out a program which would result to the benefit not only of the beneficiary countries but to the United States at large.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHERRY. If the Senator will permit me to finish my observation, I shall be glad to yield to him.

At that point I offered evidence to support what has been done by the State Department since VE-day in Europe. I mentioned the name of Dean Acheson, and said to the distinguished Senator from Michigan that he was one of the persons whom the Senator had called as a witness, or, rather, whose words he had used in support of the proposed legislation. I said I was one of those who felt that the distinguished Mr. Dean Acheson was not an authority whom I would particularly care to accept respecting the need for the plan or by whom it should be administered, by reason of Mr. Acheson's work in the State Department since VE-day.

At that point the distinguished Senator from Michigan said that he had not mentioned Dean Acheson in his speech yesterday. I thought perhaps I had misspoken, had used the wrong name, had referred to some other Acheson, and the Senator said, "Well, take your choice." My answer is that I do not want either of them, whether "Acheson" or "Aitchison." In dealing with the legislation we have reports to read, we have analyses to study, we have the bill itself to study, we have all sorts of documents in connection with it to read, and opinions by various individuals are contained in the documents. I take the word of the distinguished Senator from Michigan that he did not mention Dean Acheson in his speech. I will say that I found the name in the report on the bill. If Senators will turn to page 2 of the report submitted by the distinguished senior Senator from Michigan, in which is set forth the story of how the legislation came about, they will find these words:

> The present legislation was anticipated by two addresses, one by Under Secretary of State Dean Acheson on May 8, 1947; the second by Secretary of State George C. Marshall on June 5, 1947, in which both indicated that the United States stood ready to consider how far she might be able to help Europe help herself on the road to recovery.

Then the report proceeds to quote at length what the two men referred to stated should be done. While, technically, the distinguished Senator from Michigan is correct, yet for the sake of the argument I presented it does not make any difference whether Dean Acheson's language was quoted on the floor or whether he testified or did not testify before the committee, or whether language he had otherwise used was included in the report.

I return to the original observation, Mr. President, which is that the success of the measure depends upon the administrator, and whether the administrator who is to be chosen is an efficient businessman who has had experience and who can make loans or grants upon a basis which will secure good results in western Europe. To me that is an entirely different proposition than to have continued in position to carry out the plan some of those who have operated and promoted and been responsible for the foreign policy we have had during

the present administration. That is my point.

In view of that, Mr. President, I feel that if the plan were adopted and continued on an annual basis a succeeding Congress would not be embarrassed as it might be if we were now to authorize a continuing program for 4 years and 3 months. The only way a succeeding Congress could overcome the difficulty which might face them by way of taking action that might be necessary with respect to the plan would be to negative the action now proposed to be taken, or to repudiate what had already been done. I do not say I am right. I do not say I am wrong. I simply raise the point, as one who is interested in the program, and I asked the question in order to bring out the argument by the proponents as to why they wanted the plan to be established on a basis of 4 years and one quarter, when that is in direct contradiction to all congressional precedents. One Congress cannot bind a succeeding Congress, even though the first Congress may have authorized certain things. That is a point which is very pertinent to be considered in connection with the pending legislation. That is a fundamental matter. I think it should be considered in connection with the consideration of the legislation we are discussing.

Mr. President, in my State of Nebraska we built a capitol building. We think we have as fine a capitol building as there is in the United States. That is a subject of debate, of course, but I will say it is a splendid building. The building of that capitol was initiated by one legislature, and succeeding legislatures made annual appropriations for the work to be continued. The legislature which initiated the building did not try to bind any succeeding legislature with respect to appropriations for the construction of the building. The State of Nebraska has in its constitution a provision which I think it might be well for the Federal Legislature to study. That provision is that one legislature cannot bond the State for more than $100,000. We have no bonded indebtedness in Nebraska. I do not propose to make what might be termed a chamber-of-commerce speech, but I will say that Nebraska is a good State in which to live if one is interested in the subject of taxes. Nebraska has no sales tax, no estate tax, no bonded indebtedness. The reason therefore is that one legislature cannot bind a succeeding legislature. That is the principle to which I am now directing the attention of the Senate. It is something to think about. I am not alone in this thought as I read the report. I would not want to mistake anyone else's name. Perhaps I am wrong about this. Already volumes have been written on this subject.

We talk about time being of the essence. This is a subject which ought to be discussed from A to Z and back again, because whatever is done will have a terrific impact on the United States as it attempts to take its place of leadership among the nations of the world. The question is, What is the best thing to do under the circumstances? As I say, I am perfectly open-minded. I have no idea at this time of offering an amendment restricting the program to 1 year; but I think for the record we ought to see more than a speech about the continuity of the program. It involves departing from tradition and precedent. It involves getting away entirely from the legal proposition that one Congress cannot bind another Congress in a program which is continuous.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. VANDENBERG. I have no quarrel with the Senator for emphasizing his point of view. My only quarrel with him is on the basis of his statement that we are violating precedent. On the contrary, the committee has amended the bill so as faithfully to follow the precedents. As the bill came to us from the Department it contained an authorization for 4¼ years, calling for an expenditure of $17,000,000,000. The first thing the chairman of the Senate Committee on Foreign Relations did, upon his own responsibility, was to notify the Secretary of State and the President that the $17,000,000,000 figure had to go out of the bill, for the very reasons which the Senator from Nebraska indicates. Therefore there is no such figure, and there is no such commitment in the bill.

On the other hand, whenever Congress engages in a continuing operation of any character, there is a standard practice. Let us use for example the construction of a battleship, which requires 3 or 4 years, or let us use as an example a public-building project which requires 3 or 4 years. To meet the precise situation which the Senator from Nebraska indicates, and the precise situation which the Senator from Michigan challenged in the first instance when the bill was written, the Congress follows a standard practice. What is the standard practice?

The standard practice is to make an authorization for the total project, reserving the right of appropriation, as is absolutely required by the Constitution, to each Congress upon its own responsibility. This program is precisely comparable. This is an over-all project, which is set up on the basis of four and a half years, just as it might require four and a half years to build a battleship. If we authorize the construction of a battleship, we appropriate from year to year to cover whatever expenditure is involved from year to year. There is no way in the world, even in the construction of a battleship, for one Congress to bind another. However, it can set down a project, and in standard practice it does, in precisely the fashion we have undertaken with respect to this bill.

So I submit to my able friend in all fairness—and I think he will agree with me—that in the first instance the chairman of the Senate Committee on Foreign Relations was in complete agreement with him, that we must make no effort to commit subsequent Congresses, because it would be futile, and therefore might lead to misunderstanding if we even attempted it.

Having met his point of view at that point, I submit that we have also met his point of view at the latter point, and that he is not entitled to say that we are violating all the precedents in this method of procedure by making general authorizations subject to annual congressional appropriation review.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LODGE. Let me say to my able friend from Nebraska that there is ample precedent for making authorizations running over a period of years. The Senator from Michigan has referred to the construction of naval vessels. We make authorizations for river and harbor projects. We make authorizations for Federal road projects. We make authorizations regarding retirement. I do not know, but I presume that when the Nebraska State Capitol was authorized, it was probably contemplated that it could not be completed in 1 year. I believe that, in order to have the sense of proportion which we should have in this discussion, we ought not to consider the question solely from the viewpoint of our own experience in the United States. I think we ought to realize that in the past few weeks—I might almost say the past few days—Czechoslovakia has gone behind the iron curtain.

Mr. WHERRY. Mr. President, if I may interrupt the Senator, what would we have done if Czechoslovakia had been one of the 16 nations, and as such had gone behind the iron curtain? What would our responsibility have been if we had been operating under this program? What course could we take?

Mr. LODGE. That is the point I am trying to reach. In the past week we have seen Czechoslovakia go down. We are seeing Finland about to go down; and there is a strong possibility that Italy may fall a victim to the Russian fifth column known as the Communist Party. If those things happen, the type of action which we contemplate in this bill may not be anywhere near enough. I am not speaking in terms of dollars. We may face a situation in which dollars will not be enough to meet the situation.

With so much tragedy and crisis, and with so many somber threats in the air all over the world, it is somewhat out of proportion to talk about whether we can authorize something for 3 or 4 years, or whether we cannot. It is somewhat out of proportion to talk about whether the name is Acheson or Aitchison, because we are in an emergency situation in which we may not be able to take action like this and have it meet the needs of the situation.

Mr. WHERRY. Does the Senator think that the situation is as bad as that?

Mr. LODGE. It is very bad.

Mr. WHERRY. Does the Senator think we can accomplish anything by an economic program?

Mr. LODGE. I think we can still accomplish something by an economic program.

Mr. WHERRY. Does the Senator feel that we can avert the present situation by an economic program?

Mr. LODGE. In some places.

Mr. WHERRY. What would the Senator have done with respect to Czecho-

slovakia if this program had been in effect?

Mr. LODGE. We could not have done anything in Czechoslovakia, because Czechoslovakia is too close to the center of Russian military power. But there are other places where something can be done. I think we should realize that we are meeting in the shadow of a tremendous world emergency.

Mr. WHERRY. I am not a member of the Foreign Relations Committee.

Mr. LODGE. But the Senator can read the newspapers. He does not have to be a member of the Senate Committee on Foreign Relations to know what has happened.

Mr. WHERRY. Does the Senator believe everything he reads in the newspapers?

Mr. LODGE. I do not believe everything that appears in the newspapers; but I believe that the "snatch" has been put on Czechoslovakia. I believe that the "snatch" is about to be put on Finland.

Mr. WHERRY. And the "snatch" will be put on many other countries.

Mr. LODGE. I think it is very likely.

Mr. WHERRY. Then, what the Senator is telling the American people is that the situation is so bad that it might involve us in war. Is that what the Senator means?

Mr. LODGE. I think those things are all in the realm of possibility. I do not believe that any responsible statesman closes his eyes to that possibility.

Mr. WHERRY. Then why not tell the American people so?

Mr. CONNALLY. He has told them.

Mr. WHERRY. No one is telling them. The Foreign Relations Committee has not told me. There is nothing in the report which so indicates. We are led to believe that if we adopt the program we can give economic relief which will avert a war.

Mr. LODGE. I think we can give economic relief which will strengthen some of those countries materially, and be of great help. But I think the situation may develop in such a way that such action will not be sufficient.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. VANDENBERG. The Senator from Nebraska asked a question, and I think he is entitled to a direct answer. I agree entirely with what the Senator from Massachusetts has said, but he was not entirely responsive to the question asked by the Senator from Nebraska. As I understand, the question was, If Czechoslovakia had been one of the 16 countries when it went behind the curtain, what would have happened under the plan?

Mr. WHERRY. What can we do so far as Czechoslovakia is concerned? What can we do in the case of any other country?

Mr. VANDENBERG. I am about to answer the Senator's question. I invite attention to the following language of the bill on page 33:

> The Administrator shall terminate the provision of assistance under this act to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 15, or is diverting from the purposes of this act assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this act or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States.

I submit that under clause (1), a beneficiary country which was the subject of conquest would be unable to live up to its contract, and would be totally unwilling to live up to it; and, second, it would represent something in the nature of a direct impact upon our national policy, and the assistance would summarily cease.

Mr. WHERRY. I think that is a satisfactory answer. Of course, we would have the right to withdraw the aid, and that country would be out of this sphere of influence, and would be behind the iron curtain.

Mr. VANDENBERG. Not only would we have the right to do that, but the Administrator is ordered to proceed accordingly.

Mr. WHERRY. All right.

Mr. President, let me ask another question: Are there any other obligations which we would owe that country, if it got into such a situation, under the program we are proposing for western Europe?

Mr. VANDENBERG. Is the Senator from Nebraska asking me whether, under this program, there are obligations which run beyond the text of the bill?

Mr. WHERRY. That is right.

Mr. VANDENBERG. I think the answer to that question, so far as the text of the bill is concerned, is that the obligations are literally and specifically confined to the economic considerations here involved. Beyond that point, and entirely aside from this bill or any other legislation, I think the Senator's question has to be answered by each man in his own conscience, depending on what his viewpoint is.

Mr. WHERRY. For instance, Mr. President, Finland comes to my mind. If there is any country in Europe that has been true to its obligations, it has been Finland. But now, without any aid or help from us, apparently Finland is going to be taken over by the Russian sphere of influence. It seems to me that if any nation in Europe is entitled to aid, it is Finland. Yet I doubt whether there is anything in the world we could do or the Finns could do, unless we were to have an outright break with Russia, to avert what is happening there.

So I ask, what is our responsibility? Is there a moral responsibility, outside this proposed legislation, upon which these countries can depend—not a military alliance set down in writing, but is there any responsibility of any sort that might be claimed by such a country in asking the United States to come to its rescue in the event it could not help itself under this economic program?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. VANDENBERG. So far as Finland is concerned, first agreeing with everything the Senator from Nebraska has said about the character of the Finnish people and the record of the Republic of Finland, let me say that of course Finland is not included in this bill.

Mr. WHERRY. I understand that.

Mr. VANDENBERG. Finland was invited to join the CEEC countries. I have no doubt Finland would have loved to do so, but of course she was not permitted to.

If there is any moral responsibility on our part toward Finland—and personally I feel a very deep sense of responsibility toward Finland—whatever it is, it is outside of this debate. If there is any moral responsibility, it is outside the text of this bill.

But I wish to say to the Senator that I think there is a type of moral responsibility running through the entire world situation today, and I say to him now, as frankly and as humbly and as uncontroversially as I can, that I think the moral responsibility upon the Senate at this hour is almost beyond measurement, because, in my humble opinion, a failure to proceed with reasonable adequacy and reasonable promptness to offer our friends in western Europe some hope that they can successfully withstand the aggressor, would mean, I think, that we would confront a moral responsibility which I would not want to share.

Mr. WHERRY. That is right.

Mr. CAIN. Mr. President, will the Senator yield to me?

Mr. WHERRY. Yes; but first I have agreed to yield to the Senator from Texas. I yield to him now.

Mr. CONNALLY. Mr. President, the Senator has passed the point at which I really desired to intervene, which was on the question of the authorization and the annual appropriation.

Mr. WHERRY. Yes.

Mr. CONNALLY. The Senator said there was no precedent for that sort of procedure. Permit me to suggest to the Senator that we frequently authorize public works and authorize a program of public works extending over a long period of years. Yet the Congress makes the appropriations each year; and the Congress is free to continue the appropriation or to discontinue it, and of course the project has to abide the result.

Mr. WHERRY. Yes.

Mr. CONNALLY. In this case we have an authorization for a period of 4¼ years.

Mr. WHERRY. That is the point.

Mr. CONNALLY. But there is no commitment. There is absolutely no commitment.

Mr. WHERRY. The Senator means to say there is no continuing appropriation, I assume.

Mr. CONNALLY. No; I mean we shall have made an authorization, but we shall have made no commitment as to appropriations.

Mr. WHERRY. That is correct.

Mr. CONNALLY. Each year the particular foreign nations must have knowledge and take knowledge and accept knowledge of our constitutional system; and what is included in the bill indicates that we are not committed beyond its terms.

But what would be the sense of having each year of the 4 years—and we assume

that the program will run 4 years—two fights over this matter? Each year, then, we would have to have a new authorization, and we would have to chew on that and debate it and fool around with it; and thereafter, following the annual authorization, we would have to bring in a new appropriation bill and would have to go all over the same ground again and again and again.

Those were the reasons which prompted the Committee on Foreign Relations to make provision for an authorization. After all, an authorization is simply a permission to Congress to appropriate or not to appropriate, as Congress may see fit to do. In a way it is to evade the parliamentary rule to the effect that before an appropriation can be made there must be an authorization for it.

Mr. WHERRY. Yes.

Mr. CONNALLY. That is frequently done. We have many continuing projects, extending over a period of years, and yet they are absolutely contingent upon annual appropriations.

In the Committee on Finance, I think it was yesterday, or perhaps today, there was a case involving such a situation. A certain program was in effect, but the President stopped it.

Mr. WHERRY. Does the Senator mean that the President stopped an appropriation?

Mr. CONNALLY. After the appropriation had been made the President stopped the appropriation until a more convenient season, when more money would be available. He thought it was wise to cut it off. Those things happen all the time under our system.

I merely wished to state that in reply to some of the questions the Senator from Nebraska has raised.

Mr. WHERRY. I appreciate the reply which has been made by the Senator from Texas.

Of course, Mr. President, the bill does carry the authorization. I agree that under the bill there is no commitment for appropriations—not even as to the first year. Five billion three hundred million dollars is to be asked for, but that will have to pass the hurdle of the Appropriations Committee; will it not?

Mr. CONNALLY. The Senator is exactly correct. If we make this authorization, next week the Congress could refuse to make the appropriation, if it wished to do that.

Mr. WHERRY. Certainly. But the very point I make is proved by the argument of the Senator from Texas. In other words, once the authorization is made, there is an obligation to carry out the authorization; and the only way we could negative the action taken in making the authorization would be to fail to appropriate the money, or else, under the provisions of the bill itself, to vote to cut off aid from these countries.

Mr. CONNALLY. I do not agree at all that an authorization is a commitment. It is not a commitment. It is simply a permit to Congress to appropriate or not to appropriate, and Congress retains its sovereign power not to appropriate a cent under any authorization, unless it desires to make an appropriation. That is fundamental.

Mr. WHERRY. But the distinguished Senator from Texas will agree with me, I am sure, when I say that the authorization act is the legislation which sets up the program. Once it is made it is not necessary to return for further authorization, so far as the primary legislation is concerned. I agree with the Senator that it is not a commitment to appropriate either for this year, next year, the third year, or the fourth year. The Senator well knows that the moment an authorization is made the appropriations come to the committees in the House and Senate. The statement is made, "Congress has authorized this. It is for the Appropriations Committees to determine the amount of money that shall be appropriated." The Senator will agree with me on that. During my service on the Appropriations Committee time and time again the committee has attempted to withhold appropriations or to reduce appropriations. The argument that is always made is, "The Congress authorized it, therefore the committee is duty bound to carry out the act. The sole function of the Appropriations Committee is to determine the amount. The Appropriations Committee is foreclosed on the question of authorization, after it has once been made."

Mr. CONNALLY. No; the Senator from Nebraska is in error.

Mr. WHERRY. Of course, it can be repealed by way of repudiation.

Mr. CONNALLY. That may be the argument that is made, but neither the Senator from Nebraska nor any other Senator is compelled to follow that argument.

Mr. WHERRY. No; the committee may withhold the appropriation, but that is the same as repudiation of the act.

Mr. CONNALLY. If, through weakness, a member of the committee should yield to an argument of that kind, of course, he would support the appropriation.

Mr. WHERRY. Of course, when the distinguished Senator from Texas comes before the committee for an appropriation all the members of the committee probably become weak and yield, because the Senator will tell the committee it has been authorized and therefore the committee should make the appropriation.

Mr. CONNALLY. That is no answer.

Mr. WHERRY. I think it is a very good answer.

Mr. CONNALLY. It would not be true, if the appropriation were not authorized.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Washington.

Mr. CAIN. I should like to address a question to the senior Senator from Michigan, if I may.

Mr. VANDENBERG. Yes, indeed.

Mr. CAIN. Several Senators, including myself, would be very grateful to the Senator from Michigan if he would enlarge upon the reasons for providing for a special representative abroad, and if the Senator would at the same time enlarge upon the statement of his duties. The report seems somewhat vague on that subject.

Mr. VANDENBERG. Is the Senator referring to what we colloquially describe as the "roving ambassador"?

Mr. CAIN. Yes.

Mr. VANDENBERG. I am very happy to answer the Senator's question.

Mr. CAIN. The subject is referred to on page 18 of the report, and on page 11 of the bill.

Mr. VANDENBERG. I am very happy to answer the Senator's question, because I think there must be some misunderstanding about the function and purpose of what I shall call the roving ambassador, for simple identification. I am sure there must be some misunderstanding, otherwise I should be unable to understand how there could be a desire to eliminate the provision. I remind the Senator first of all that while this is a bill which contemplates specific economic projects over yonder, many of them, it is anticipated, will be identified in bilateral agreements, and, while a physical construction program of that character is not only inherent in the plan but is indispensable to its success, the fact remains that the fundamental purpose of the plan could never possibly be reached by any amount of construction or direct project billing, because the fundamental purpose of the bill is this:

> (2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and
>
> (3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

What I am trying to say to the Senator in the first instance is that while all project work is a practical necessity in building up the self-sustaining economy of these countries, in the final analysis the plan must succeed in creating governmental stability in respect to governmental economic policy, or it is all quite useless.

In seeking economic stability at the government level—and that is the only point at which it can be sought, in respect to stabilized currency and in respect to freedom of international trade, the balancing of budgets, and so forth—at the level of government economy it is absolutely necessary that there shall be diplomatic relationships as well as economic relationships. We provide for the economic relationships abroad through the economic missions which will operate under the Administrator and they can be exclusively responsible to him in respect to the economic aspects, but when we reach the problems which are a fundamental challenge to governments as such, it is necessary to deal with them at the diplomatic level.

That is only the preface to the story. Everyone, I think, who has studied the problem during the past 8 months—and I think it has had a greater and a more microscopic study than any other problem that has ever before been submitted to the Congress—I think everyone who has studied it agrees that if there is salvation for western Europe and western

Germany, it lies in the closest possible coordination, which will unify these areas to the last possible degree.

We speak about the United States of Europe as the ultimate ideal in this aspect. The entire bill is built upon the theory that every effort shall be made to encourage this coordinated unification of the 16 countries in CEEC. They have already set up their own integrating organization, which is known as CEEC. It is an organization of 16 governments. The organization is meeting again the 15th of March to proceed with further exploration of the projects and of the possibilities involved. The roving ambassador now comes into the picture, because there must be some diplomatic representative accredited to the group as a group, as well as representatives in the normal diplomatic relationship accredited to each individual country.

Mr. CAIN. Will the Senator permit me at that point to ask a question?

Mr. VANDENBERG. Certainly.

Mr. CAIN. It would be appreciated if the Senator would explain to a number of us the relationship of the so-called roving ambassador: first, to the State Department, and second, to the Administrator in this country. There is a fear that the roving ambassador might create more confusion than harmony in the relationships of the various agencies abroad.

Mr. VANDENBERG. The roving ambassador referred to on page 11 has a very specific and definite mission. I think that is perfectly clear. I quote, beginning on line 15:

> He shall be the chief United States representative to any organization of participating countries which may be established by such countries to further a joint program for European recovery—

That would be CEEC.

Mr. CAIN. That is correct.

Mr. VANDENBERG. I continue—

> and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this act.

I would say that that assigns to him responsibility for encouraging the work of coordination among the 16 countries, of following up any promising prospectus which they may develop for themselves, in cooperating among them and with them in any fashion possible, to achieve the objectives of the act. I remind the Senator that in the purposes of the act, on page 2, line 20, it is stated:

> Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is the hope of the people of the United States that these countries through a joint organization will exert sustained common efforts which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity.

Subordinate to that general statement of purpose, the Senator will find throughout the bill that its authors are constantly emphasizing the fact that those countries cannot hope to reestablish themselves in the old pattern, as individualistic, competitive small units, in that relatively limited segment of the earth. The fundamental concept is unity and coordination. The fundamental concept of the roving ambassador is to serve that concept of unity and coordination. I see no danger of collision of the nature which the Senator may have had in mind. So far as collision abroad is concerned, between the economic mission and the ambassador of the country, that is a point at which there might be some possibility of collision.

Mr. CAIN. In part, that is why the question was raised, in order to get the point of view of the committee.

Mr. VANDENBERG. I shall give the Senator the answer to that question. Collision, if it should occur, would be precisely the same type of collision which might occur between the Administrator and the Secretary of State at home, at a top level. So we can come back home and deal with the question at its top level and in its maximum example, which would be a disagreement between the Secretary of State and the Administrator respecting some fundamental policy upon which they were at odds.

Mr. CAIN. It would be resolved by the President.

Mr. VANDENBERG. Exactly.

Mr. CAIN. And the President, therefore, would resolve any fundamental difference which might arise between the roving ambassador and either one of the ambassadors in any 1 of the 16 countries.

Mr. VANDENBERG. That is correct. This was one of the original and highly irritating problems which confronted us. There was a very general feeling not only throughout the committee, but throughout the Senate, and, I think, throughout the country, that since the bill is economic in character, the emphasis in its administration and control should be in economic hands. It should be under business management rather than diplomatic management with respect to the evolution of our hopes. The committee and its chairman completely recognize that fact, and it was for that reason that I turned to the Brookings Institution, which is probably the finest objective research agency in the country, and asked it to make a complete study of all the frictions which had occurred in World War I and World War II and to submit a recommendation which, in its judgment, would offer the best possibility of a unified and effective relationship between economics and statesmanship in the management of this enterprise.

The Brookings Institution presented its report. The plan recommended by the committee in the bill is substantially that recommended by the Brookings Institution. It creates almost total economic independence in the Administrator of the plan in respect to all of its business aspects. In fact, he is pretty much monarch of all he surveys, keeping the Secretary of State constantly informed, of course, regarding his activities, unless and until the Secretary of State finds some policy which is contemplated is in divergence and, in the opinion of the Secretary of State, would violate the policy of the United States, at which point the Administrator simply stays his hand pending a reference of the dispute to the President of the United States, who is the umpire.

Mr. CAIN. And if there be a very serious dispute between the Administrator in America and the roving ambassador, the dispute likewise would be settled by the President, would it not?

Mr. VANDENBERG. Precisely.

Mr. CAIN. We should like to be as certain as we can that any roving ambassador or any other duly accredited agent of this Government will not put in jeopardy by actions abroad the responsibility which the Administrator will have in the eyes of America and the rest of the world. So it was a very serious question which was raised, and I am very grateful to the Senator for his explanation.

Mr. VANDENBERG. The statement which the Senator has just made as to his desires in respect to how the system shall operate is an exact statement of what I think this bill contemplates.

Mr. CAIN. I thank the Senator.

MEETING OF APPROPRIATIONS SUBCOMMITTEE

Mr. REED. Mr. President, I ask unanimous consent that the Independent Offices Subcommittee of the Committee on Appropriations be permitted to sit afternoons this week in order to get the independent offices appropriation bill ready to be submitted to the Senate and brought up on the floor by the time the debate on the Marshall plan is concluded.

The PRESIDING OFFICER. Without objection, consent is granted.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. Mr. President, I very much appreciate the patience shown by the distinguished Senator from Michigan for those of us who are interested in asking questions. The first and only question I have asked so far was relative to the length of the program. I am not convinced that there is a precedent established for loaning money to foreign countries on the basis provided by the bill; but whether there is or is not, I certainly think the question is worth going into, and if what is desired can be accomplished on an annual basis, with authority for a year only, it seems to me we should be in a better position to repudiate or terminate the program than we should be if we should authorize a program for 4¼ years. But I very much appreciate the information given us by the senior Senator from Michigan.

The second question which I should like to ask the distinguished Senator runs to the impacts upon our own domestic economy. I will state that I was present at the time he informed us that he expected to amend the bill by omitting

reference to the total of $17,500,000,000 which was originally contemplated. I think that has helped the bill tremendously, and I so stated at the time. At the same meeting I suggested to the distinguished Senator that it seemed to me that the impact upon the economy of the United States by reason of scarce materials, which had already been felt by small businessmen from one end of the country to the other, was of vital concern, and that I thought restrictions should be written into the bill beyond which the Administrator could not go in the exportation of a number of materials which are so scarce that they are causing a terrific impact upon the persons I have mentioned. The small businessmen have reached the point where it is almost an impossibility to get steel. Petroleum is also very scarce. Small business has done its level best, on quotas, historic basis, and everything else it could think of, to improve the situation; but so long as we continue to export steel, and petroleum, which is also listed, on the basis upon which they are being exported today, I will say to the distinguished Senator that I cannot agree in toto with the statements made by the authorities he quoted when he stated that controls upon materials would not be involved which otherwise would not be necessitated if the bill did not pass.

Mr. President, I quote the distinguished Senator from Michigan on page 1918 of the RECORD for yesterday. He stated:

> All authorities agree that the plan could be managed to avoid serious interference with our domestic economy. They agree that it would not precipitate domestic controls which would not be required by the domestic situation alone.

I inquire of the distinguished Senator what authorities he is quoting there.

Mr. VANDENBERG. Mr. President, I was speaking of the report of the Harriman Commission, the witnesses who undertook to interpret the Harriman report to us, and the comments—I cannot identify the witnesses by name—of those who, in the course of their testimony, referred in general to this subject.

If the Senator will yield further——

Mr. WHERRY. I yield.

Mr. VANDENBERG. I think it would be quite absurd for anyone to undertake to say that a program of this character will not have impacts upon domestic economy. Certainly I am not proposing to put myself in such a silly attitude, and I think the Senator will recall that I said yesterday that we must frankly face the fact that sacrifices may be involved. But the over-all conclusion—and I think it is based chiefly on the fact that the contemplated exports from the United States for the next fiscal year will be $1,000,000,000 less than the exports for 1947——

Mr. WHERRY. That is the over-all picture?

Mr. VANDENBERG. That is correct. On that basis it is felt that given adequate management—we are back again to the fundamental thing upon which the Senator and I totally agree—that given adequate management, management which comprehends not only the problem abroad, but the problem at home, it is possible to operate this aid without upsetting the domestic economy to a point which of itself would require controls.

Mr. WHERRY. Does the Senator feel in his own mind, based upon the testimony offered in committee, or adduced from any other source, that if the $5,300,000,000 figure shall be adopted, it will require the imposition of controls on, let us say, steel?

Mr. VANDENBERG. We are talking about domestic controls?

Mr. WHERRY. Yes.

Mr. VANDENBERG. Of course, there will be export controls, unavoidably, upon many things.

Mr. WHERRY. That is correct. I am talking about rationing business in this country. I am asking this question, from all the evidence that has been adduced—and the distinguished Senator has been the one in charge—does he have a personal opinion that in the event this appropriation shall be made in the amount of $5,300,000,000, the imposition of domestic controls in rationing steel will be required?

Mr. VANDENBERG. I am unable to answer the question of the Senator, because I doubt whether we had any specific testimony regarding steel. But I call the attention of the Senator to the fact that neither he nor I can separate this problem sharply between steel that stays at home and steel that goes abroad. What I am trying to say is that there might be steel going abroad from a short supply at home which might increase the necessity for controls at home. What the Harriman Commission, as I understand, has been trying to do, has been to indicate that, given efficient management, it is the opinion of this group, which certainly included the ablest business executives in the United States, that this program, adequately administered, would not of itself necessitate the imposition of controls.

Let me add one more word, with the Senator's permission. I am speaking again about underscoring the importance of management of the program. The fact that there is to be no export of meat for 2 years is merely a sample of what management can do to deal with short supply. The fact that there will be no export of scrap in the next year is another example of what I am speaking of as the intelligent use of intelligent judgment. The Senator is familiar with the fact that the bill itself requires that petroleum be purchased offshore to the maximum practicable degree.

I do not think there is any categorical answer to the question the Senator submitted.

Mr. WHERRY. Let me submit a further question, then. The bill provides, as just stated by the distinguished Senator, that there would be no exportation of meat for 2 years. Is that correct?

Mr. VANDENBERG. Competitive meat; only horse meat.

Mr. WHERRY. Horse meat?

Mr. VANDENBERG. Yes.

Mr. WHERRY. But there would be exportation of meat that is used at the family table, domestically or otherwise?

Mr. VANDENBERG. Does the Senator mean it will be exported under this plan?

Mr. WHERRY. Yes.

Mr. VANDENBERG. I understand not.

Mr. WHERRY. There will be no meat exported of any kind for 2 years. There will be no horse meat exported for 2 years?

Mr. VANDENBERG. Oh, no; horse meat may be exported.

Mr. WHERRY. Outside of horse meat, there will be no meat exported. Is that correct?

Mr. VANDENBERG. That is my understanding.

Mr. WHERRY. Very well. The Senator is writing into the bill a condition which the Senator will recall I proposed several weeks ago. No meat, except horse meat, will be exported for the next 2 years.

Mr. VANDENBERG. It is not written in the bill.

Mr. WHERRY. How does the Senator know it will not be exported, then?

Mr. VANDENBERG. How do we know what will happen under the prospective administration of any bill? That is one of the demonstrations that those who are planning this program are thinking in the terms in which the Senator from Nebraska wants them to think.

Mr. WHERRY. My experience with the officials in the departments is that, unless things are written out and spelled out in a bill, they can interpret them any way they choose.

If I correctly interpret the Senator's remarks, he says that all authorities agree that the plan can be managed. I will agree with the Senator that it could be managed. But if the individual who is to administer it does not manage it properly, and if it becomes necessary to impose controls on meat, steel, and petroleum, unless the export prohibition is spelled out in the bill, we have no assurance that meat will not be exported, or that steel will not be exported, or that even petroleum will not be exported, thus leading to a scarcer supply of what is already scarce in this country.

I wish to ask the Senator, then, is there any objection to writing into the bill conditions limiting the export of steel, or of meat, or of petroleum, or any other product, beyond a certain amount, so that the Administrator, even though he does manage well, will be guided by the Congress and by its interpretation of what the Congress feels is the formula under which further exportations should be made, if any are made. I have in mind something that has already been written into the interim-aid measure, about which the Senator knows.

Mr. VANDENBERG. Will the Senator identify what he refers to, so that we may know precisely what we are talking about?

Mr. WHERRY. If the distinguished Senator will permit, I have not a formula to offer; I do not know that one will even be offered; but certainly the impact of shipments abroad upon the domestic economy has been terrific during the past year. I have only to refer to meat. It is said it will not make any difference.

The statistics presented by Secretary of Agriculture Anderson reveal that in 1946 there were exported from the United States of America 1,241,000,000 pounds of meat. Prior to that time our greatest exportation was in 1939, when we exported only 117,000,000 pounds. That is a matter which makes a great deal of difference to me, Mr. President. The difference may mean a meat crisis in the United States of America.

I am happy to say that our exports this year will not reach the total of the exports of 1946. The exports have been curtailed considerably. Of course, we want to produce meat and sell meat. We want to secure all the foreign business we can. But I simply ask: Would the Senator be receptive to a formula, if one could be worked out, respecting the exportation of scarce products? I refer particularly to steel. The formula might provide that steel, for example, shall not be exported over and above a certain amount which the Congress determines to be the amount beyond which the Administrator cannot export steel? Would such a provision be acceptable to the Senator?

Mr. VANDENBERG. Mr. President, I am very glad to answer the Senator's question insofar as I can. I should like to lay a foundation for my answer by calling his attention to the instruction given the Administrator in the text of the bill so far as general policy is concerned:

> The Administrator shall provide for the procurement in the United States of commodities under this act in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

Then follows the specific requirement that petroleum shall be purchased offshore to the maximum practicable degree.

As I understand, the Senator asked whether it would be possible to spell this out.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. My answer to the Senator, Mr. President, is that I think it would be most unfortunate if we undertook to spell it out, because I very much doubt whether we have wit enough to spell it out on a basis which we can be sure will be satisfactory even to us in these days of fluxing economy, when one can hardly tell from one 20 minutes to the next 20 minutes what the basis of even our own economy is to be.

The Senator referred to the fact that he had in mind some such controls as we had in the interim-aid bill. That underscores the point I am making. In response to the expression of desires such as those the Senator now voices, while we had the interim-aid bill under consideration, we did write a specific provision in respect to the export of wheat, as I recall, and we specified that it could not invade a certain specific carry-over.

Mr. WHERRY. That is correct. The carry-over could not go below a certain point.

Mr. VANDENBERG. Yes. I not only agreed with that suggestion, but when the committee began to consider the pending bill it was one of the amendments I proposed to write int- the bill. I will tell the Senator why it was not written into the bill. On the very day when I was proposing to offer the amendment to the bill I noticed that the distinguished Senator from North Dakota was saying in the newspapers that he wanted the provision in the interim-aid bill eliminated, because the situation had materially changed in the course of 60 days. That is the reason, I will say to the Senator from Nebraska, why the bill does not contain the same language in respect to the wheat carry-over that is found in the interim-aid bill.

I use that merely as an example of what, I submit to the Senator, may be the dubious value, even to us, of trying to anticipate the world economy, or our own in times of such devastating uncertainty as we confront at the present time.

Mr. WHERRY. No doubt the change in world conditions, in the prospective American wheat crop and the wheat crop throughout the world, has altered the situation considerably. Even since the bill went to the Foreign Relations Committee, there has been a change. As I understood the proposed amendment—and I am not advocating it—it simply provided that the exportation of wheat should not continue if the visible supply should fall below 150,000,000 bushels. That would be a prohibition on exports in the event the situation should narrow down to the point where further exportation would cause higher prices in this country.

I am not sure the formula can be written. But certainly it is proposed to give extraordinary powers to one man, who is really the manager. Under the authority proposed to be given him he could determine not only what the needs are abroad, but also what amount of goods can be exported. That is rather broad authority to be granted one man. He could practically direct the domestic economy. I humbly submit to the distinguished Senator from Michigan that in view of the present short supply of steel in the United States, that is something to think about. Can the Senator tell me the specific projects in which steel is to be used in the 16 countries involved, or in some of them?

Mr. VANDENBERG. No; but I think the information could be obtained.

Mr. WHERRY. I think it would be interesting. Someone recently made a statement—I do not know whether it was on the Senate floor, or in committee hearings, or whether I read it in the press—that six times as much steel was going into multiple-purpose power projects and irrigation dams and laterals in the 16 countries in question as would be required for the St. Lawrence seaway. Is that correct?

Mr. VANDENBERG. It sounds fantastic to me.

Mr. WHERRY. It did to me. What would the Senator say about it?

Mr. VANDENBERG. I should say it was an utterly impossible prospectus.

Mr. WHERRY. Are the figures available on which the steel to be exported is justified project by project?

Mr. VANDENBERG. I think so.

Mr. WHERRY. I do not find them.

Mr. LODGE. But there is no hard and fast assurance, is there, as to any amounts or any uses?

Mr. WHERRY. Let me ask whether any of the steel proposed to be exported will go into any such projects as I mentioned in the 16 countries in question?

Mr. LODGE. My recollection is that power development can be undertaken under this program, but only on a completely self-liquidating loan basis. In other words, there will be no grant, no gift; only a loan.

Mr. WHERRY. Some projects in our own country for which we appropriate are not always self-liquidating.

Mr. LODGE. Some of us thought that the St. Lawrence seaway would not be self-liquidating.

Mr. WHERRY. Of course, that is still a debatable question. I should like to have the figures to which I referred. I think we are entitled to know if there are to be any provisions written into the bill respecting allocations of steel for specific projects. What is the steel to be used for? For example, is additional steel required to develop the Ruhr, and develop other parts of Germany, even in the face of the fact that we are still continuing the leveling off program of industry over there, that is, dismantling factories, and so forth?

Mr. LODGE. I think that is a very pertinent observation, a very cogent remark. I think the information ought to be made available insofar as possible. But I do not see how it can be done 100 percent, because we cannot tell exactly what projects the Administrator will approve. That will depend on circumstances. Does the Senator see what I am trying to get at?

Mr. WHERRY. I see. The statement was made by the Senator from Michigan that the steel will go for specific projects. From the figures so far available we can see that steel will go to one country or another on a deficit balance basis. We can see clearly that $2,000,000,000 of the total amount will be used for the purchase of food. We can see that $1,750,000,000 of the total will go to Great Britain. Those figures are available. I do not see in the report, however, the specific projects for which the steel is allocated. I think it is asking too much of the taxpayers of the United States to require them to pay out their money for steel to be used in Germany to rebuild industry there in view of the leveling-off program which is now taking place in Germany. I think such a procedure would be entirely wrong.

I do not know whether the so-called leveling-off program will be permitted to continue. I understand from some high military authorities that it is to continue until June. Perhaps I am wrong. I am not sure about that. But that is something about which we ought to know. It does not make sense to me that the American taxpayers should indirectly pay the reparations to countries that are now receiving industrial plants under the leveling-off formula, while we are required to rebuild Germany or Austria or any other country. That does not make sense to me. I should like to know

what steel is to be allocated, and the purposes for which it is to be used.

Mr. VANDENBERG. I think the Senator is entitled to all available information on the subject, and I shall undertake to secure it. The Senator will bear in mind, however, that until these bilateral contracts are written, until the Administrator and his economic mission in each country have had an opportunity to explore the situation, the only estimates which can be made are highly tentative, and it is not possible for anyone to give the Senator the net result.

Mr. WHERRY. I was informed that there were approximately 300 factories still to be removed from occupied Germany between now and June. Is that approximately correct?

Mr. VANDENBERG. I do not have the figure. I thought it was somewhat larger. Does the Senator from Kentucky remember those figures?

Mr. BARKLEY. Not offhand.

Mr. WHERRY. I think those figures should be made available.

Mr. VANDENBERG. I think they are available.

Mr. WHERRY. There is a great deal of dispute on the question. I received my information from a high military authority, who told me that this formula was still in full force and effect, and that we were still leveling off industry. He stated that there were 384 plants still to be removed; yet we are called upon to furnish steel to rebuild the industry which we are permitting to be dismantled under that formula.

Mr. VANDENBERG. I do not think that is true.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. Originally there were approximately 1,860 plants which were to be dismantled under the reparations agreement entered into in Paris among the 18 countries involved. Later there was a rise in the level of consumption permitted to Germany, to the basis of 1,936; and that rise in the level of production automatically eliminated all those plants except about 680. So raising the level of production automatically eliminated approximately 1,200 plants, which otherwise, under the original agreement, would have been dismantled.

Exactly how many of those 650 plants have been dismantled and how many remain, I am not certain. I obtained this information in Berlin during Christmas week. My recollection is that of those in our zone less than 100 still remaining of the original number were to be dismantled. I cannot give the Senator the figures with respect to the British zone, in the Ruhr Valley.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LODGE. On page 40 of the committee report we find this statement:

> Except for the remnants of three plants which have already been allocated to the Soviet Union and dismantled, no deliveries of plants and equipment are being made from the United States zone to the Soviet Union.

Mr. WHERRY. Still the Soviet Union got three.

Mr. LODGE. They got the remnants of those three plants.

Mr. WHERRY. What about France?

Mr. LODGE. I think the Senator will agree that paragraph 22 of the report of the committee, entitled "Availability of Iron and Steel"; paragraph 29, entitled "The Role of Western Germany in the Program"; and paragraph 30, entitled "Dismantling of Plants in Germany," might well be printed in the RECORD at this point.

Mr. WHERRY. I have no objection.

There being no objection, the paragraphs referred to were ordered to be printed in the RECORD, as follows:

22. AVAILABILITY OF IRON AND STEEL

The estimates of the executive branch on iron and steel import requirements of the participating countries recognize that an adequate supply of steel is a prime necessity for a thriving European economy. Steel requirements for European recovery exceed prewar consumption levels, since a substantial backlog of war damage and deferred maintenance of plant and machinery must be made up as rapidly as practical. Furthermore, increased output and export of metal products are essential to the achievement of equilibrium in the European balance of payments. Taking selected iron and steel products on a ton-for-ton basis, the executive branch estimates that 48 percent of the CEEC requirements of iron and steel might be met.

Current steel output of the participating countries together with western Germany is about 70 percent of the 1938 level. The CEEC finished-steel production target is set at 30,000,000 tons in 1948, or about 9,000,000 tons above the current rate. United States studies of European steel-production possibilities indicate that shortages of steel-making materials, particularly imported scrap, might prevent CEEC targets from being reached in 1948. The finished steel- and metal-fabricating industries of the United Kingdom and Italy will be principally affected by the unavailability of imported scrap, pig iron, and crude and semifinished steel.

In order to alleviate and partially offset the unfavorable effects of prospective deficits in steel-making materials, including semifinished steel, the executive branch estimated that finished steel might be exported in quantities larger than those indicated for finished steel by the CEEC report. This course of possible action was recommended after a thorough exploration of suggested alternatives.

One suggestion was that the participating countries might further reduce their programed exports of finished steel. Some reduction in programed exports of finished steel by the participating countries will undoubtedly occur, according to the executive branch estimates. Further reductions would gravely endanger the long-run position of the participating countries, which together were the major prewar exporters of steel to the rest of the world, to regain export markets and to earn vitally needed foreign exchange. Furthermore, in the world's presently disorganized markets, ability to export steel and related products to certain countries also confers on the participating countries an ability to obtain foodstuffs and raw materials on more favorable terms.

A second suggestion relates to the possibilities of expanding steel production and exports of bizone Germany. Examination of the situation, however, indicates that bottleneck factors ranging from transport to replacement-parts shortages will effectively limit output below the amount of steel-making capacity scheduled for retention in that area. The occupation authorities also have indicated that additional steel production, except for amounts already earmarked for export, will be needed to reactivate the economy of bizone Germany. However, the committee assumes that careful attention will be given to the possibility of increasing bizonal steel-ingot production.

Accordingly, the executive branch estimated that 1,150,000 metric tons of finished steel in addition to sheet and tin plate requirements might be made available from the United States to the participating countries in fiscal 1949. This country in 1947 exported about 4,000,000 tons of finished steel and about 1,200,000 tons of such exports were destined to the participating countries. Although production of finished steel in the United States for the first 9 months of 1947, according to the Harriman Committee report, was equivalent to an annual rate of 62,300,000 net tons of finished-steel products, exports of steel at the 1947 rate will continue to pinch the domestic economy. In view of all the circumstances, however, exports of finished steel to the participating countries in the amount estimated by the executive branch are essential to European recovery and will not significantly impair the strength and productivity of the American economy.

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29. THE ROLE OF WESTERN GERMANY IN THE PROGRAM

Throughout the hearings and during its deliberations in executive session the members of the committee attached great importance to the role of western Germany in a European recovery program. For many years prior to World War II Germany was the hub of the European industrial system. Its industrial production and its technical know-how have been instrumental in making western Europe a great manufacturing and trading center. Because of the devastation brought on themselves by the war and the resultant dislocation of the German economy, Germany has lagged far behind other States in its recovery program. At the present time their production is still less than 50 percent of its prewar figure. It is apparent that Europe cannot be vigorous and healthy again so long as Germany remains sick.

This does not mean that requirements for western Germany should be given priority in the European recovery program nor does it mean that steps would be taken which would result in the resurgence of Germany as a military power in Europe. Clearly United States assistance should be applied in a way as to obtain effective results. In line with this principle the committee believed that, where the recovery of Europe as a whole could be advanced more rapidly by supplying additional essential goods and services to Germany rather than to other participating countries, then such a course would seem justifiable. At the same time every precaution must be taken to prevent the rebuilding of German economy in such a way that Germany will ever again become a threat to the peace.

Inasmuch as the United States is one of the occupying powers our responsibility with respect to German participation in the European recovery program is great. Our representatives must cooperate fully with the other participating countries in matters of mutual concern. To this end it is expected that the zones of western Germany will be represented on the continuing organization to be established by the participating countries.

During the hearings Secretary Marshall announced that the State Department plans to take over from the Department of the Army on approximately July 1, 1948, the responsibility for the administration of United States occupation policies in Germany. Meanwhile, for the first year of the

recovery program the appropriations for those minimum essentials necessary to forestall disease and unrest will be sought by the Army. The additional funds necessary for rehabilitation and recovery are included as a part of the present authorization. These funds will be allocated by the Administrator in such a way as to insure the proper integration of the German economy into the total European recovery program.

In view of the special responsibilities of the United States as one of the occupying powers, it is recognized that the relationship between the Administrator and the officials of our Government responsible for our occupation policy in Germany will be unique.

The only government in the zones of occupation of Germany is a military government. In the case of the bizonal area of Germany, the military governments are arms of the United States and British Governments. The agreements establishing the fusion of the United States and United Kingdom zones give the United States administration in Germany ample power to assure the performance in the bizonal area of operations under this act.

The problem which the committee faced was to make certain that the Administrator would be in a position to discharge his responsibilities while at the same time assuring that the highly complex and vital administration of the occupied areas is clearly fixed in a military governor, whether he be a commanding general or a civil commissioner. The key importance of Germany to the success of the recovery program involves concentrated and energetic effort with respect to every aspect of the economic life of the area. Hence, United States administration in Germany is a single problem. The responsibilities of the military governor include, but are not limited to, operations under the bill. The Administrator will, of course, have full authority to perform, with respect to the occupied areas, all functions vested in him by section 11 (a) of the bill. However, in the light of the special problems discussed above, the committee concluded that administrative arrangements within the occupied areas for the conduct of operations under the bill should be left to the President. It is the intention of the committee that the administrative arrangements to be made by the President will assure full coordination between the Administrator and the occupation authorities in order that the Administrator may carry out his responsibilities, without impairment of the responsibility of the military government for the successful accomplishment of the occupation objectives. Similar considerations apply with respect to the zones of the Free Territory of Trieste, if either of these zones becomes a "participating country."

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30. DISMANTLING OF PLANTS IN GERMANY

During the debate in the Senate on the Foreign Aid Act of 1947, the chairman of the committee promised to investigate the policies and practices being applied in Germany to the dismantling of plants under the reparations program. Accordingly this question was examined thoroughly during the hearings on this bill.

The committee is satisfied that the policies of this Government with respect to dismantling of German plants are consistent with the European recovery program and that they do not jeopardize the vital role that western Germany is required to play under the program.

A part of the capacity scheduled for dismantling are war plants whose destruction or removal as producing units is required under the agreed program for the elimination of Germany's facilities for manufacturing war materials. The industrial capacity represented by the nonwar plants cannot be used in Germany within the period of the recovery program because of the shortages of raw materials, transport, manpower, and the other factors which hamper the expansion of German production. On the other hand, certain industrial capacity scheduled for removal from Germany is required by some of the participating countries in order to reach their production targets.

Except for the remnants of three plants which have already been allocated to the Soviet Union and dismantled, no deliveries of plants and equipment are being made from the United States zone to the Soviet Union.

Shipments are continuing to the member nations of the Inter-Allied Reparation Agency (in accordance with the terms of the Paris reparation agreement signed in January 1946 by all those nations, including the United States) entitled to reparation from Germany, except the Soviet Union and Poland. Most of this equipment is destined for countries expected to participate in the European recovery program, and that which has been received is already making a contribution to the industrial production of those countries. Continuation of deliveries will serve to meet some of the urgent requirements for capital equipment in connection with their programs for expanding industrial production. Much of this equipment could not be obtained elsewhere except by dollar payments and in some instances could not be obtained at all within the critical period. In addition, the committee finds that to discontinue dismantling would violate our international commitments under the Paris reparation agreement.

Mr. WHERRY. The Senator from Massachusetts has read the report. He is a member of the Committee on Foreign Relations. What about the plants which go to France? We have spoken about Russia. How many of them go to France, and how many are still to be delivered?

Mr. LODGE. The report does not show.

Mr. WHERRY. I should like to have the figures. Approximately 380 plants are yet to be delivered. As the minority leader has said, they are delivered under the terms of the reparations agreement. It seems to me that those countries can cooperate now. We are in a new situation. They are asking aid. They want a 4-year program. That being the case, why should they not be more lenient in their requests with respect to reparations? Why should we have to build up, with the money of the taxpayers, plants in Germany which must be sent to France or other countries by way of reparations? Why should we follow such a course from this time on?

Mr. LODGE. My quick answer to that is that if the Administrator is an intelligent man—and I think we must assume that he will be—he will have an idea in his mind as to how many plants of a certain kind France needs; and if France is getting those plants out of Germany, she should get that much less from us.

Mr. WHERRY. But we have to pay for it either way. What is the difference whether the plants are taken out of Germany, or are obtained directly from the United States? The American taxpayer is paying the reparations bill to the extent of those plants.

I am not objecting to what has been done, although I think it is wrong, and I have said so on the floor of the Senate. But from this point on we have a new program. Those countries are asking aid.

Mr. LODGE. Of course, the American taxpayer will have to carry the burden to the extent of $5,300,000,000, assuming that this bill is passed without a change. The use to which that money is put in the case of each country, and in the case of individual bilateral and multilateral agreements, is up to the Administrator, and it will not cost the American taxpayer any more or less, one way or the other.

Mr. WHERRY. But the Senator is not objecting to the carrying out of the formula, even though it involves taking 380 plants, requiring an appropriation for steel to replace those 380 plants in occupied Germany.

Mr. LODGE. I object to our feeding materials into Germany on the one hand, and having them go out to Russia on the other.

Mr. WHERRY. What about France?

Mr. LODGE. I think France is in a very different category from Russia.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. The Senator will realize that many of these plants in Germany were built under the impetus of war preparation. Many of them are really unnecessary in a peacetime German economy. Many of them produce things which Germany cannot either use or export. If under this agreement, which we cannot ourselves change, France is to get a plant which she needs in order that she may revive her economy, it may be a plant for which there is no particular need in Germany. The decision might be based upon the character and use of the plant. We cannot simply say that there are 380 plants, and let it go at that, because each plant stands on its own merit.

Mr. WHERRY. What the minority leader is saying is that plants of a certain type may be in surplus in Germany, and that plants of that type could well be sent to France, because they are not the type of plants which are needed to rehabilitate Germany.

Mr. BARKLEY. That is true; and that applies to a great many of them. A plant sorely needed for the restoration of France's economy might be removed from Germany to France. At the same time, we might have to expend some money to replace the plant in Germany. I think that would be a useless duplication of effort. However, we might have to spend that amount or more in France in the construction of a plant which she might otherwise obtain from reparations.

Mr. WHERRY. That argument is plausible. The information which I have received from a high military authority is to the effect that under the formula the productive capacity of France is to be brought up to a certain level, and that in order to do so it is necessary for the United States to permit the dismantling of steel plants in Germany and permit them to be transported to France, so as to build up the

productive capacity of France to a certain level, which I think is about the level of 1938. I am talking about one item, namely, steel. The point I am making is that the procedure seems to me to be very impracticable. Conditions are new.

The idea seems to prevail that we must carry out the terms of the agreements. It seems to me that America would have been better off years ago if we had found out what these agreements were and told the American people what we thought about them, and used our own judgment as to whether or not we should impose on the taxpayers a heavier burden to carry out such a formula. Today we are called upon to allocate and ship to foreign countries steel which is not only scarce but high-priced, and which has a profound impact on our own economy. I claim that it is in the form of reparations, because it is to be used in Germany to rebuild what is taken out to go to other countries.

Mr. BALL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALL. I agree with the Senator's position in opposing dismantling of any except strictly war plants. The Senator visited in Europe. I should like to ask him, or any other Member of the Senate who was over there, whether anyone has actually seen, or knows of, or has any report with respect to one of these dismantled plants which has actually been moved and which is in production in the new location at anywhere near its capacity level. I ask the question because I have talked with a great many plant managers in the United States about the dismantling program. There is not one who believes it is practicable. They say that when an attempt is made to move an entire plant, with all its machine tools and special tooling, almost inevitably enough things are lost on the way so that it is months, and even years, before it can begin to get into production at the new location.

I have seen no report indicating that any plant which has been dismantled and moved is actually in production and is helping out the economic recovery program in western Europe. I have been told by the Army that most of the plants which have been dismantled and shipped to Russia—and I am very happy this is the result—are still sitting on flat cars on railroad sidings, rusting.

Mr. WHERRY. The observation the Senator from Minnesota has made is parallel with my own experience abroad, and particularly is true with respect to plants that have been transferred to Russia from Russian-occupied Austria. I saw a plant that was dismantled and moved into Russia and never was erected again. In fact, the Russians did not know how to put it up. There are all kinds of arguments and reasons why the plan has been very impractical. The Russians simply do not have the know-how; they do not understand how to operate the plants.

However, it is another thing to say that from now on we must maintain that reparations formula. Today these plants are going to Soviet Russia. It does not make sense to me to send anything to Soviet Russia. Perhaps I am wrong. I suppose we should always keep faith with commitments. But I sat on the Appropriations Committee one afternoon, about a year ago, when under lend-lease we were exporting to Russia one of the most modern petroleum refining plants which could be purchased in the United States. It cost $16,000,000. We were doing that under the theory that we were keeping our obligations to Russia. Yet today that plant is needed here if we are to keep our country in a condition to defend itself; and if we were at war we would need it badly.

This is a new proposition, and it seems to me that France and the other countries should not now insist upon carrying out these reparations agreements, in view of the fact that they result in taking from the United States steel which is in such short supply here and shipping it abroad to be used to replace what is being taken away to Russia, and we also know that the Russians cannot efficiently operate the plants they get in that way.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. I simply wish to comment on the general observation of the Senator from Minnesota that these plants cannot be removed and thereafter reerected and operated economically. We know that in this country many plants have been removed and are being removed from one location to another. I refer to plants which have been sold as surplus property. I have in mind now two companies in the United States which buy surplus property in the form of plants and move them entirely across the continent of the United States, for instance. That does not happen as the result of any reparations agreements, but certainly those companies think it is economically feasible to move those plants from one State to another, in order that they may have the material, the buildings, the machinery, the tools, and so forth.

So it is not an irrefutable rule that a plant cannot be moved from one country to another, or from one State to another, without destroying its utility. So to that extent I think it might be possible to move plants in other parts of the world.

Mr. WHERRY. Mr. President, I do not wish to prolong the debate. The figures for which I have asked—and I think the Senate should have them—should show the allocations of steel to particular projects. In view of my suggestions, which have not been met, I think it proper to write into this bill a prohibition against the export of materials in excess of a certain amount during this period. My feeling is that if such exports are continued, they will result in the reimposition of controls in the United States. Of course, that will depend upon the management; but if we make the commitments and allocations of steel and other materials, as proposed for the first year's program under this measure, it seems to me that in view of the needs here at home, the result will be to put United States industries in a state of chaos.

Let me say that I suppose the amounts to be allocated, as set forth in the bill, are as proposed several months ago; and of course, as the Senator has stated, the situation changes. For instance, all the money which several months ago was needed for food may not now be needed for food, or, at least, that much food may not now be needed. No doubt that situation has changed in the last few months, and probably in another 2 months the situation will change again. From time to time the situation changes, either up or down. So I realize that it is impossible to fix upon one figure and say that so many gallons of petroleum or so many bushels of wheat or so many pounds of some material or another can be bought with that much money, and then come out exactly as planned, insofar as supplying the needs is concerned.

On the other hand, is it possible to reduce the allocations for aid from the amounts proposed by the measure now before the Senate?

Mr. VANDENBERG. Mr. President, it is the understanding of the Senator from Michigan that the allocations are made on the basis of prices as of October 1 or November 1, 1947—let us say October 1, 1947. It is my understanding that prices on the tentatively allocated commodities increased $400,000,000, to the peak of the market. So, to make quite plain what I am trying to say, in terms of market prices at the peak of the price rise, the $6,800,000,000 worth of supplies would have required $7,200,000,000 to purchase.

It is my further understanding that the recession in prices has recaptured all of that $400,000,000 except $145,000,000. In other words, today it would take $145,000,000 more than the $6,800,000,000 figure to achieve what the $6,800,000,000 figure is supposed to achieve. Does the Senator from Nebraska understand my point?

Mr. WHERRY. Yes; I think I do. Let me point out that the fact that the 3 months is taken off would bring the figure down, under a parallel procedure, to $5,300,000,000, approximately.

Mr. VANDENBERG. Yes.

Mr. WHERRY. Let me ask this question: Did not the allocations in October require appropriations for meat?

Mr. VANDENBERG. It is not my understanding that they did.

Mr. WHERRY. It was my understanding that there were to be allocations for meat.

Mr. VANDENBERG. Of course, there is no doubt that originally there was a contemplation of meat exports. But I am submitting the net result of what happened, and I submit it to the Senator as a rather consoling example of the fact that some sanity is being used even in connection with the preliminary estimates for this program.

Mr. WHERRY. Has that been accounted for, and have the proposed allocations for meat been removed from the bill? In other words, under this recommendation, as I suppose it may be called, no meat is to be exported for 3 years.

Mr. VANDENBERG. I assume that when the allocation for meat was removed—if it was; and for the sake of argument I am assuming that it was, originally—some substitute food was put into the allocations. I think the Senator is quite correct in his position that dur-

ing the next 12 months, events from month to month can and should substantially change the character of the allocations. For instance, a good crop season in Europe this summer would make a tremendous difference in the entire concept and impact of the burden for the next 12 months.

So I see no way by which the actual needs can be anticipated, beyond the creation of the best possible system to make the program work on a basis of sound economics. Like everything else in government, there is finally a collision with the human element, and there is no way in the world to avoid it.

Mr. WHERRY. That is correct.

Mr. President, I should like to ask the Senator another question: Is it correct that the cost of the food which is to be sent to the 16 nations abroad totals approximately $1,800,000,000, or nearly two-fifths of the total amount involved under this bill?

Mr. VANDENBERG. I confess to the Senator I am not trying to carry the figures in my head.

Mr. WHERRY. I think it is close to $2,000,000,000. Is that correct?

Mr. VANDENBERG. The head of the committee staff says it would run to about $2,000,000,000.

Mr. WHERRY. That is about two-fifths of the loan, grant, or aid, whatever it may be called. I should like to ask the distinguished Senator this question: Assuming we purchase food in this country to the extent of $2,000,000,000, will the Senator please trace in detail the handling of the food until the time it is eaten over yonder?

Mr. VANDENBERG. When it reaches the beneficiary country, under the direction and control of the American Economic Mission which is to be set up in the beneficiary country, and pursuant to the contract that has been written between the two of us, it moves into the domestic food distribution system of the beneficiary country and is sold. At the same time, the beneficiary government must cover the amount of the importation by a deposit of local currency equaling the value of the imports.

Mr. WHERRY. And then in turn, as it is distributed through the channels of trade, it finally reaches the consumer, who in turn pays for it in currency, which goes back to the millers, who in turn pay to the central government in its currency the amount of money available to buy the wheat or whatever the product is; is that correct?

Mr. VANDENBERG. That is correct.

Mr. WHERRY. The point in my question is, Where is the money deposited? Is it deposited with the central government? What is the name of the agency with which the local currency is deposited by the millers?

Mr. VANDENBERG. The local currency is then placed in a trust fund jointly controlled by the Government of the United States and the government of the beneficiary country, and the method and detail are set up in the bilateral agreement which is written between us and the beneficiary country.

Mr. WHERRY. Is that to be done after the legislation is approved?

Mr. VANDENBERG. That is correct.

Mr. WHERRY. Is that about the same as the basis on which the interim-aid program is being administered?

Mr. VANDENBERG. I should think so.

Mr. WHERRY. In other words, what happens is that when a boatload of wheat provided by the United States goes to France, the Central Government buys it and gives an I O U to the United States. The Central Government then sells it to the distributors, starting in with the millers, and processors, and finally it goes to the retailer or the corner grocery. In turn, the money flows back to the Central Government where it is deposited in a trust fund under a bilateral agreement which specifies what is to be done with the money. The Administrator then has as much to say about it as does the Central Government, is that correct?

Mr. VANDENBERG. That is correct.

Mr. WHERRY. Would the Senator be receptive to an amendment of the bill which would spell out what is to be done with the money by the Central Government? What I have in mind is that if there is to be any recovery in the 16 countries, there must be a stabilized currency, there must be a realistic medium of exchange. I think that is paramount. I have been told by financial authorities that the quickest way to get it is to provide that the Central Government shall use the money to buy up and thus help stabilize its own currency. Would the Senator feel that such a provision or condition would be acceptable?

Mr. VANDENBERG. I think it would be the saddest kind of judgment to write a requirement of that character into the bill, but I think the process the Senator describes is precisely the one which we all anticipate will be followed to a substantial degree.

Mr. WHERRY. May I ask the senior Senator from Michigan, what has been done with the interim-aid money?

Mr. VANDENBERG. I do not think we have had sufficient experience as yet to determine the use to which it is to be put. I have today asked for a memorandum on that subject to see if there is any comparable information which would be pertinent.

Mr. WHERRY. I think the Senate ought to have that information. During the debate on interim aid, the Senator from Illinois felt that the money ought to be used to help pay expenses, as I recall, in connection with the Voice of America, or some other Government agency abroad, I am not sure which. Other suggestions were made as to how the money should be used. We have come now to a question of stabilizing currencies. I have been told by a financial expert whose standing is beyond dispute, that if the money that is finally accumulated by the Central Government could be used to purchase the local currency of the beneficiary country, it would stabilize that country and would do more to promote recovery than any other one thing could do. While we get about a 50–50 say on what is to be done with the money, I should nevertheless like to see what the experience in the case of interim aid has been. What is being done with the money? To what use is it being applied? Is it being used to continue the subsidizing of governments, to further socialistic schemes, and for things of that sort, with which the American taxpayer is not in agreement? Or is it being used constructively to accomplish the purpose for which it was originally intended? I say to the Senator that when I was in Paris I found that more than 34,000 policemen were on the pay rolls of that city.

Mr. VANDENBERG. I have heard the Senator make that and kindred statements a good many times, and I have no doubt in the world the statements are correct.

Mr. WHERRY. I thank the Senator.

Mr. VANDENBERG. On the other hand, I see no connection whatever between 34,000 policemen in Paris and the intelligent American judgment that shall be used in respect to the disposition of local currencies. I am glad the Senator had a talk with his financial expert. I am not saying that invidiously with respect to the financial expert to whom the Senator referred. I am sure the Senator is not under the misapprehension that the pending measure has not had the intensive study of hundreds of financial experts.

Mr. WHERRY. I have read their testimony.

Mr. VANDENBERG. One might almost infer from the Senator's question that he thinks something has been hurriedly fabricated overnight, without the aid of financial experts. But that does not happen to be the situation.

Mr. WHERRY. May I suggest, however, that the best evidence of that is what has been done with the money already supplied? Interim aid has been in existence now for how many months?

Mr. VANDENBERG. Two.

Mr. WHERRY. What has been done with that money? The Senator says the 34,000 policemen in Paris have no relationship to the present discussion. I say that it does if the money is being used to subsidize governments.

Mr. VANDENBERG. The money cannot be used to subsidize governments under the language of the bill which provides for its collection.

Mr. WHERRY. But once the Congress authorizes an appropriation and makes the appropriation, any collateral agreement that is to be made is up to the Administrator, is it not?

Mr. VANDENBERG. Any use of the funds must be within the purview of the purposes of the act. Of all the things that would not be within the purview of the purposes of the act, I should say it would be the hiring of 34,000 policemen.

Mr. BARKLEY. Mr. President——

Mr. WHERRY. We have now something in the record to show that at least one Senator of the United States would like to use the money paid into the Central Government for a purpose that will accomplish what we hope will be accomplished in making the loan, which is to stabilize the currencies and to have a realistic medium of exchange in order that the beneficiary countries may be able to do business not only among themselves but with countries in the Western Hemisphere. Up until now there has not

been one act of the present administration looking to the accomplishment of that purpose. The best evidence of what will happen in the future is what has happened in the past, particularly the past 2 or 3 years.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHERRY. Yes. I think I perhaps should yield first to the Senator from Kentucky.

Mr. VANDENBERG. Let me make just one observation. I am disinclined to allow the Senator from Nebraska to enjoy the monopoly of being the one Senator upon the floor of the Senate who believes that the stabilization of currencies is the right approach to the creation of the stabilization we all want. I agree with the Senator completely that that is true, and so do most of those who have discussed the plan. But there is no reason in the world why that should be written down as an exclusive objective, inasmuch as there are many others which are equally appealing if the Senator will but consider them. For instance, there is no reason in the world why we should not charge all our expenses of local administration to those local funds. There are other exhibits of that character. What I am saying is that I am sure the Senator would agree, upon a complete survey of the problem, that it is inadvisable to try to write specifically into the bill what shall be done. The important thing is to write the general directive here and then require, as we have specifically required in the bill, that any ultimate residue may be disposed of only with the approval of the Congress.

Mr. WHERRY. I understand the Senator's position, but, after all, it depends upon the administration and upon the bilateral agreement as to what result is obtained. We seem to agree on many things except that my suggested amendments are acceptable. I cannot see any reason in the world why the Administrator would be hamstrung. I think it would give him strength if the Congress of the United States should provide that when we give food to those countries, which they sell for money, the money which accumulates should be used to retire a currency that should be retired. What is wrong with that?

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. I wanted to inquire whether the record in connection with the pending bill shows contracts made with foreign governments under the interim aid program.

Mr. VANDENBERG. I do not know. I do not think it is in the record. But I have one of the contracts in my hand, which I shall be very glad to put into the RECORD.

Mr. FERGUSON. I should like to have it put into the RECORD if possible. May I inquire as to whether the contract shows the place where the money is deposited? Is it in the Bank of France or in the Bank of Italy, for instance?

Mr. VANDENBERG. I shall put the entire agreement into the RECORD.

Mr. FERGUSON. That will be satisfactory.

Mr. VANDENBERG. It is the existing contract for interim aid to Italy. Section 1, paragraph 2, provides as follows:

2. The funds in such special account, or prior advances in agreed amounts, will be used for administrative expenses of the Government of the United States of America in Italian currency, incident to its operations within Italy under this agreement. The remainder of such funds may be used for the following additional purposes:

(a) For effective retirement of the national debt of Italy or for irrevocable withdrawal of currency from circulation; and

(b) For such other purposes, including measures to promote the stabilization of Italian currency, as may hereafter be mutually agreed by the two governments.

What I am saying to the Senator is that, first, this indicates the extent to which the system is operating in line with the general objective which he describes. I say to him, second, that there are many different ways of accomplishing the result of which he is speaking. We might want to have the currency destroyed and put out of circulation entirely. We might want to have the national debt retired. Whatever decision is made should be geared to the wisest fiscal judgment that can be applied to the event when it shall occur. I respectfully submit that there is nothing controversial or inconsistent, despite what the Senator says regarding the desirability of the one method to which he refers, in my saying that I think it would be most unwise to try to put down in textual language in the bill the precise method of use of local funds.

Mr. WHERRY. Mr. President, I do not ask for that. I have simply suggested that it could be used for the purpose of retiring currency.

Let me ask the distinguished Senator another question. The contract to which the Senator has referred is dated January 3, 1948. Is that the date upon which the agreement was entered into?

Mr. VANDENBERG. Yes.

Mr. WHERRY. Will the distinguished Senator have the contract printed in the RECORD?

Mr. VANDENBERG. Mr. President, I ask unanimous consent that the contract be printed in the RECORD.

Mr. FERGUSON. Mr. President, would it be possible to put all the agreements under the interim-aid plan into the RECORD?

Mr. VANDENBERG. I should think so.

Mr. WHERRY. If we can have all three, I suggest that it would be in order to have them printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the agreements were ordered to be printed in the RECORD, as follows:

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ITALY

The Government of the United States of America and the Government of Italy,

Considering the desire of the people of the United States of America to provide immediate assistance to the people of Italy, and

Considering that the enactment by the United States of America of the Foreign Aid Act of 1947 (hereinafter referred to as the Act) provides the basis of such assistance to the people of Italy, have agreed as follows:

ARTICLE I

1. The Government of the United States of America will, subject to the provisions of the Act and of appropriation acts thereunder and of this Agreement, aid the people of Italy by making available such commodities (including storage, transportation, and shipping services related thereto) or by providing for the procurement thereof through credits under the control of the Government of the United States of America, to the Government of Italy or to any person, agency, or organization designated to act on behalf of the Government of Italy, as may from time to time be requested by the Government of Italy and authorized by the Act and by the Government of the United States of America. This Agreement, however, implies no present or future obligation upon the Government of the United States of America to give assistance to the people of Italy, nor does it imply or guarantee the availability of any specific commodities or categories of commodities, nor shall it imply the payment by the Government of the United States of America for any storage, transportation, handling, or shipping services within Italy.

2. All commodities made available pursuant to this Agreement will be procured in the United States of America, unless permitted to be procured elsewhere under the provisions of section 4 of the Act and unless otherwise expressly agreed between the two Governments. Petroleum and petroleum products will, to the maximum extent practicable, be procured from sources outside the United States of America and will be transported to Italy by the most economical route from the source of supply.

ARTICLE II

The Government of Italy, having been fully informed as to the provisions of the Act, hereby affirms that it accepts and will perform the undertakings specified in section 5 thereof, as well as those provided for in section 7 of the Act insofar as action by it may be required for implementation of such latter section.

ARTICLE III

1. The Government of the United States of America, pursuant to the requirements of section 6 of the Act, reserves the right at any time to terminate its aid provided for under Article I, paragraph 1, of this Agreement.

2. This Agreement, together with the Annex attached thereto, shall take effect on the date of its signature and shall apply to all commodities made available to the Government of Italy under the Act. It shall remain in effect until December 31, 1948, or such earlier date as may be agreed by the two Governments.

In witness whereof, the undersigned, being duly authorized by their respective Governments for that purpose, have affixed their respective signatures to this Agreement.

Done at Rome, in duplicate, in the English and Italian languages, this second day of January, 1948.

For the Government of the United States:
JAMES C. DUNN.

For the Government of Italy:
ALCIDE DE GASPERI.
CARLO SFORZA.

ANNEX

SECTION I

1. In the case of any commodity made available pursuant to this Agreement or in the case of credits established under the Act being debited pursuant thereto in respect of the furnishing of any such commodity, the Government of Italy will, forthwith upon notification by the Government of the United States of America, deposit in a special account in the Bank of Italy in the name of the Government of Italy, an amount in Italian currency equivalent to the dollar amount stated in the notification. The amount so stated will be either the dollar cost in respect of such commodity (including storage, transportation, and shipping services related thereto) which is indicated as chargeable to appropriations under the

Act, or the amount of the debit, as the case may be. The amount deposited in Italian currency will be computed at the most favorable rate of exchange in terms of United States dollars, authorized under the Articles of Agreement of the International Monetary Fund, then applicable to imports of any commodity into Italy.

2. The funds in such special account, or prior advances in agreed amounts, will be used for administrative expenses of the Government of the United States of America, in Italian currency, incident to its operations within Italy under this Agreement. The remainder of such funds may be used for the following additional purposes:

(a) for effective retirement of the national debt of Italy or for irrevocable withdrawal of currency from circulation, and,

(b) for such other purposes, including measures to promote the stabilization of Italian currency, as may hereafter be mutually agreed by the two Governments.

3. Any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within Italy for such purposes as may hereafter be agreed between the two Governments, it being understood that the agreement of the United States of America is subject to approval by Act or joint resolution of the Congress.

4. The provisions of this section shall remain in effect until superseded by a further agreement between the two Governments.

SECTION II

Any commodities made available under this Agreement by the Government of the United States of America, unless substantially altered from the form in which furnished and substantially identical commodities within Italy from whatever source procured, will not be removed or permitted to be removed from the territory of the Government of Italy, unless it is agreed between the two Governments that such commodities are no longer needed in Italy or that the export of such commodities would yield a commensurate benefit, not inconsistent with the purposes of the Act as set forth in section 2 thereof, to the economy of Italy, or unless otherwise expressly agreed between the two Governments.

SECTION III

The Government of Italy will furnish such statements and information relating to operations under this Agreement as may from time to time be requested by the Government of the United States of America.

Following is the initial portion of the interim-aid supply program for Italy approved by Department. Procurement of these items, to start as soon as possible, is for the months of December 1947, and January 1948, with shipment to begin when feasible. This does not preclude the possibility of additional procurement in January 1948.

Product	Quantity (long tons)	Estimated cost and freight value
Cereals	152,000	$22,000,000
Soya flour	2,000	360,000
Pulses (United States)	4,000	1,244,000
Rolled oats	3,000	918,000
Coal:		
United States	600,000	12,000,000
Ruhr	256,000	5,500,000
POL from various countries		6,800,000
Blister copper from Chile		4,100,000
Phosphate rocks		2,200,000
Nitrates from Chile		1,000,000
Medical supplies		600,000
Total		56,722,000

INTERIM AID AGREEMENT WITH AUSTRIA

An agreement providing for interim aid to Austria under the United States foreign-aid program was signed in Vienna tonight. The agreement was signed on behalf of Austria by Chancellor Leopold Figl, and on behalf of the United States by Lt. Gen. Geoffrey Keyes, United States High Commissioner for Austria.

It is designed to cover the period before the full European recovery program can be brought into effect.

Immediately to be procured, among other things, will be 45,000 long tons of cereals, 3,000 long tons of lard, 5,000 long tons of sugar, and 240,000 long tons of coal. Also included are large amounts of soya flour, rolled oats, pulses, pesticides, fatty acids, and seeds.

This initial installment, and the others to follow, will be distributed throughout Austria "under control systems embodied in agreements between the United States High Commissioner for Austria and the other occupying authorities or the Government of Austria," which insure compliance with the Interim Aid Act passed by Congress.

Under terms of the agreement, the Austrian Government would deposit in its own name in the Austrian National Bank the schilling equivalent of the dollar value of goods made available, such money to be used to cover American expenses in Austria incident to operating the interim-aid program. All excess is available to the Austrian Government for retirement of its national debt, the stabilizing of the currency, or for other measures to strengthen the Austrian economy.

Under terms of the law on which today's agreement was based, Austria is free to purchase outside the United States any commodities she can obtain elsewhere at a delivered price lower than that from the United States. No more than 10 percent of the funds may be used to purchase, at prices higher than the American, any commodities produced in commercial quantities in the United States.

The agreement stipulates that no commodities made available shall be removed from Austrian soil unless both Austria and the United States agree that they are no longer needed in Austria or "unless substantially altered from the form in which furnished." The export of substantially identical commodities obtained inside Austria is also subject to agreement.

INITIAL PORTION OF THE SUPPLY PROGRAM

Following is the initial portion of the supply program for Austria approved by the Department. It includes January 1948 procurement, and cereals include two cargoes of wheat against February allocation for possible preshipment in January 1948. Shipment under all procurement will start as soon as feasible.

Product	Quantity (long tons)	Estimated cost and freight value
Cereals	45,000	$6,547,000
Soya flour	1,000	189,000
Rolled oats	3,000	690,000
Lard	3,000	2,318,000
Pulses	4,000	926,000
Sugar	5,000	930,000
Coal (offshore)	240,000	3,800,000
Pesticides		650,000
Seeds		4,000,000
Fertilizer		1,000,000
Fatty acids	300	244,000
Total		21,294,000

TEXT OF AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND AUSTRIA

The Government of the United States of America and the Government of Austria,

Considering the desire of the people of the United States of America to provide immediate assistance to the people of Austria, and

Considering that the enactment of the Foreign Aid Act of 1947 by the United States of America (hereinafter referred to as the Act) provides the basis of such assistance to the people of Austria, have agreed as follows:

ARTICLE I

1. The Government of the United States of America will, subject to the provisions of the Act and of appropriation acts thereunder and of this Agreement, aid the people of Austria by making available such commodities (including storage, transportation, and shipping services related thereto) or by providing for the procurement thereof through credits under the control of the Government of the United States of America, to the Government of Austria or to any person, agency, or organization designated to act on behalf of the Government of Austria, as may from time to time be requested by the Government of Austria and authorized by the Act and by the Government of the United States of America. This agreement, however, implies no present or future obligation upon the Government of the United States of America to give assistance to the people of Austria, nor does it imply or guarantee the availability of any specific commodities or categories of commodities, nor shall it imply, the payment by the Government of the United States of America for any storage, transportation, handling or shipping services within Austria.

2. All commodities made available pursuant to this Agreement will be procured in the United States of America unless permitted to be procured elsewhere under the provisions of Section 4 of the Act and unless otherwise expressly agreed between the two Governments.

3. The Government of the United States of America retains the right of possession of any commodities made available pursuant to this agreement, until, in the opinion of the United States High Commissioner for Austria or other designated official of the Government of the United States of America, such commodities should be released for distribution.

ARTICLE II

1. The Government of Austria, having been fully informed as to the provisions of the Act, hereby affirms that it accepts and will perform the undertakings specified in section 5 thereof, as well as those provided for in section 7 of the Act insofar as action by it may be required for implementation of such latter section.

2. The undertaking of the Government of Austria pursuant to paragraph 1 of this Article, to permit duly authorized representatives of the Government of the United States of America, including Congressional Committees, to observe, advise, and report on the distribution among the people of Austria of the commodities made available pursuant to this agreement, and also to permit representatives of the press and radio of the United States of America to observe and report on the distribution and utilization of the commodities made available pursuant to this agreement and on the utilization of the special account provided for in the Annex to this agreement, shall not be applicable so long as the Government of the United States of America determines that commodities made available to the Government of Austria pursuant to this agreement will be distributed under control systems embodied in agreements between the United States High Commissioner for Austria and the other occupying authorities of the Government of Austria which assure compliance with the objectives of the occupation and with the purposes of the Act.

ARTICLE III

1. The Government of the United States of America, pursuant to the requirements of section 6 of the Act, reserves the right at any time to terminate its aid provided for under Article I, paragraph 1, of this agreement.

2. This agreement, together with the Annex attached thereto, shall apply to all commodities made available to the Government of Austria under the Act. It shall remain in effect until December 31, 1948, or such earlier date as may be agreed by the two Governments.

In witness whereof, the undersigned, being duly authorized by their respective Governments for that purpose, have affixed their respective signatures to this agreement.

Done at Vienna, in the English and German languages, this second day of January, 1948.

For the Government of the United States:
LT. GEN. GEOFFREY KEYES.

For the Government of Austria:
CHANCELLOR LEOPOLD FIGL.

ANNEX

SECTION I

1. In the case of any commodity made available pursuant to this Agreement or in the case of credits established under the Act being debited pursuant thereto in respect of the furnishing of any such commodity, the Government of Austria will, forthwith upon notification by the Government of the United States of America, deposit in a special account in the Austrian National Bank in the name of the Government of Austria, an amount in Austrian currency equivalent to the dollar amount stated in the notification. The amount so stated will be either the dollar cost in respect of such commodity (including storage, transportation, and shipping services related thereto) which is indicated as chargeable to appropriations under the Act, or the amount of the debit, as the case may be. The amount deposited in Austrian currency will be computed at the most favorable rate of exchange in terms of United States dollars which is lawfully available in Austria to any legal personality and is then applicable to imports of any commodity into Austria.

2. The funds in such special account, or prior advances in agreed amounts, will be used for administrative expenses of the Government of the United States of America, in Austrian currency, incident to its operations within Austria under this Agreement. The remainder of such funds may be used for the following additional purposes:

(a) for effective retirement of the national debt of Austria or for irrevocable withdrawal of currency from circulation, and,

(b) for such other purposes, including measures to promote the stabilization of Austrian currency, as may hereafter be mutually agreed by the two Governments.

3. Any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within Austria for such purposes as may hereafter be agreed between the two Governments, it being understood that the agreement of the United States of America is subject to approval by Act or joint resolution of the Congress.

4. The provisions of this section shall remain in effect until superseded by a further agreement between the two Governments.

SECTION II

Any commodities made available under this Agreement by the Government of the United States of America, unless substantially altered from the form in which furnished and substantially identical commodities within Austria from whatever source procured, will not be removed or permitted to be removed from the territory of the Government of Austria, unless it is agreed between the two Governments that such commodities are no longer needed in Austria or that the export of such commodities would yield a commensurate benefit, not inconsistent with the purposes of the Act as set forth in section 2 thereof, to the economy of Austria, or unless otherwise expressly agreed between the two Governments.

SECTION III

The Government of Austria will furnish such statements and information relating to operations under this Agreement as may from time to time be requested by the Government of the United States of America.

TEXT OF AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND FRANCE

The Government of the United States of America and the Government of the French Republic, considering the desire of the people of the United States of America to provide immediate assistance to the people of France, and considering that the enactment by the United States of America of the Foreign Aid Act of 1947 (hereinafter referred to as the Act) provides the basis of assistance by the United States of America to the people of France, have agreed as follows:

ARTICLE I

1. The Government of the United States of America will, subject to the provisions of the Act and of appropriation Acts thereunder and of this Agreement, aid the people of France by making available such commodities (including storage, transportation, and shipping services related thereto) or by providing for the procurement thereof through credits under the control of the Government of the United States of America, to the Government of the French Republic or to any person, agency, or organization designated to act on behalf of the Government of the French Republic, as may from time to time be requested by the Government of the French Republic and authorized by the Act and by the Government of the United States of America. This Agreement, however, implies no present or future obligation upon the Government of the United States of America to give assistance to the people of France, nor does it imply or guarantee the availability of any specific commodities or categories of commodities, nor shall it imply the payment by the Government of the United States of America for any storage, transportation, handling or shipping services within France.

2. All commodities made available pursuant to this Agreement will be procured in the United States of America, unless permitted to be procured elsewhere under the provisions of Section 4 of the Act and unless otherwise expressly agreed between the two Governments. Petroleum and petroleum products will, to the maximum extent practicable, be procured from sources outside the United States of America and will be transported to France by the most economical route from the source of supply.

ARTICLE II

The Government of the French Republic, having been fully informed as to the provisions of the Act, hereby affirms that it accepts and will perform the undertakings specified in Section 5 of the Act, as well as those provided for in Section 7 of the Act insofar as action by it may be required for implementation of such latter section.

ARTICLE III

1. The Government of the United States of America, pursuant to the requirements of Section 6 of the Act, reserves the right at any time to terminate its aid provided for under Article I, Paragraph 1, of this Agreement.

2. This Agreement, together with the Annex attached thereto, shall take effect on the date of its signature and shall apply to all commodities made available to the Government of the French Republic under the Act. It shall remain in effect until December 31, 1948 or such earlier date as may be agreed by the two Governments.

In witness whereof, the undersigned, being duly authorized by their respective Governments for that purpose, have affixed their respective signatures to this Agreement.

Done at Paris in the English and French languages, this 2nd day of January, 1948.

For the Government of the United States:
JEFFERSON CAFFERY.

For the Government of the French Republic:
GEORGES BIDAULT.

ANNEX

SECTION I

1. In the case of any commodity made available pursuant to this Agreement or in the case of credits established under the Act being debited pursuant thereto in respect of the furnishing of any such commodity, the Government of the French Republic will, forthwith upon notification by the Government of the United States of America, deposit in a special account in the Banque de France in the name of Credit National an amount in French currency equivalent to the dollar amount stated in the notification. The amount so stated will be either the dollar cost in respect of such commodity (including storage, transportation, and shipping services related thereto) which is indicated as chargeable to appropriations under the Act, or the amount of the debit, as the case may be. The amount deposited in French currency will be computed at the rate of exchange in terms of United States dollars authorized under the Articles of Agreement of the International Monetary Fund, then applicable to imports of such commodity into France.

2. The funds in such special account, or prior advances in agreed amounts, will be used for administrative expenses of the Government of the United States of America, in French currency, incident to its operations within France under this Agreement. The remainder of such funds may be used for the following additional purposes:

(a) For effective retirement of the national debt of France or for irrevocable withdrawal of currency from circulation, and

(b) For such other purposes, including measures to promote the stabilization of French currency, as may hereafter be mutually agreed by the two Governments.

3. Any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within France for such purpose as may hereafter be agreed between the two Governments, it being understood that the Agreement of the United States of America is subject to approval by Act or joint resolution of the Congress.

4. The provisions of this section shall remain in effect until superseded by a further agreement between the two Governments.

SECTION II

Any commodities made available under this Agreement by the Government of the United States of America, unless substantially altered from the form in which furnished and substantially identical commodities within France from whatever source procured, will not be removed or permitted to be removed from the territory of the Government of the French Republic, unless it is agreed between the two Governments that such commodities are no longer needed in France or that the export of such commodities would yield a commensurate benefit, not inconsistent with the purposes of the Act as set forth in Section 2 thereof, to the economy of France, or unless otherwise expressly agreed between the two Governments.

SECTION III

The Government of the French Republic will furnish such statements and information relating to operations under this agreement as may from time to time be requested by the Government of the United States of America.

Following is initial portion of the interim aid supply program for France approved by Department under USFAP, PL 389: Program includes December and January grain allocations and December coal allocation to the extent of shipments delivered in France on and after December 17. Further items are under discussion and the full program will be developed in the near future.

Product	Quantity (long tons)	Estimated cost and freight value
Cereals	343,500	$47,700,000
Coal (United States)	1,000,000	21,600,000
Total		69,300,000

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator will recall that the interim-aid program was supposed to be for 3 months, up to the 1st of April. Until that time shall arrive it will be impossible to have a report upon it. I recall that in committee, when a definite date was fixed for the report to be made to the Congress, it was found necessary to amend it so that the report should be made as soon as practicable. It may be possible to get some information as to current expenditures, but there would be no way by which we could get complete information until the report had been made.

Mr. WHERRY. I simply wanted to know, if any allocations had been made, what had happened to the money, or if anything had happened up to this time. This is the first contract I have seen, the first indication of what was happening to any of the money in the central government of Italy.

I think we should ascertain what has happened in France. It seems to me that if the money is to be used to retire the debts of these foreign countries we might somewhat follow the same course here at home. In view of the fact that we voted for the plan, I think we should at least be able to insist that the money be used for the purpose for which it was intended, and not be diverted to some other use. If the Senator objects to my using the word "subsidize," I shall say "a further socialistic program to which we in this country do not subscribe." That is the point I make.

I do not wish to monopolize the floor. We are receiving light from the Senator from Michigan, and I hope other Senators will ask him questions. Would the Senator agree with me that the $5,500,000,000 required for servicing the debt should come ahead of the loan proposed in the pending bill?

Mr. VANDENBERG. I do not entirely understand the Senator's question.

Mr. WHERRY. Perhaps I did not make myself clear. Our Government has obligations to pay. I think the first thing it should pay is the $5,500,000,000 which is required to service our loans. Would the Senator agree with me on that?

Mr. VANDENBERG. Without any reservation.

Mr. WHERRY. Does the Senator think it comes ahead of the expenditure provided for in the proposed legislation?

Mr. VANDENBERG. It comes ahead of everything on the calendar. I see no relationship between the two, however.

Mr. WHERRY. Would the Senator agree with me that GI benefits in the amount of nearly $8,500,000,000 might be increased if some of the proposals on the agenda might come ahead of the particular measure now pending?

Mr. VANDENBERG. I should like to know what the Senator means by coming ahead of it.

Let me ask the Senator a question, if he will permit me. He can go through the budget, and call all the items, and ask me which one comes first. The maintenance of the solvency and the credit and the meeting of the obligations of the Government of the United States is the first charge upon every Member of the Senate, upon the Treasury, and upon the Government of the United States. Where we are going to assign the obligation to do what in my judgment is calculated to save us from serious jeopardy in respect to the national security is a matter which has to be decided by each Senator in his own conscience, and I do not know how we can possibly relate one item to the other. It entirely depends upon how pressing the necessities may develop to be.

The Secretary of Defense, and the Secretary of the Army, testified categorically before our committee that in the absence of some such plan as the one now before the Senate they will ask us at this session to double our appropriations for the Army, the Navy, and the Air Force. Suppose they ask us to double those appropriations, and say it is essential to the national defense. Would the Senator say that had a pretty high priority in our expenditure program?

Mr. WHERRY. I certainly would, and that is the very next item I am going to ask the Senator about, so as to the second item, the Senator agrees with me it should come ahead of the appropriation in the pending measure.

Mr. HATCH. There is no priority of appropriations, is there?

Mr. WHERRY. The Senator from New Mexico says there is no priority. No; but the Senator from Michigan said each of us has to solve in his own mind the question, where one item comes in and the other leaves off. I appreciate that, and I am merely asking the Senator's judgment.

My feeling is that the first obligation, as to which we are in total agreement, is the payment of the servicing on the debt, $5,500,000,000. That comes ahead of everything else. I think the GI benefits come next. They amount to $8,500,000,000, and they might amount to $10,000,000,000 before this session is over. Third comes national defense, and I think we are faced with that now.

Mr. THYE. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Minnesota.

Mr. THYE. The Senator speaks of the great national debt, the amount of money required to service it, and the amount of the appropriations necessary to take care of the GI's. All that indebtedness came about because we have just emerged from a great world war, which has cost us most of the money represented by our national debt, plus the obligations we owe to the GI's today.

If we could have prevented that war, we should not have either of these budget commitments with which we are confronted, and may God give us the wisdom now to take the necessary steps to prevent and to avoid the occurrence of another war. If we can avoid it, it will be the cheapest insurance we can take out.

Mr. WHERRY. Mr. President, every man on this floor will agree with the Senator's statement. It has not been very many months since some Members stood on the floor of the Senate and said, "Give this amount to Great Britain," and that it would accomplish what the Senator now suggests. It has been said time and time again that if we would spend the money under the Morgenthau plan, $20,000,000,000, the result the Senator desires would be brought about. We have raised the money and spent it, and we are nearer war today than we were when we authorized it.

It is said that what is proposed is a way to prevent war. Certainly all would subscribe to anything that would bring about that result. I would vote for an appropriation to avoid war just as fast as would anyone else. I was one of those who voted $50,000,000,000 in less than 5 minutes when the war was on, and I would do it again. But that is not the point. The economy of the United States has to be preserved. Its financial stability has to be preserved. Our Government owes $258,000,000,000, which is an enormous sum. There is no nation on the face of the earth which could even conceive of such a debt. It has to be paid, and it has to be serviced, and that comes first. The next item is the GI benefits, and there is not a man in the Senate who would want to take them back. Third is the military. I do not know what our defense is going to cost, but I shall go along with other Senators for whatever the military says is necessary. That suits me. We will vote the appropriations. If they are the same as last year they will run about $11,000,000,000, and if we appropriate $750,000,000 for scientific research, and add to that the amount the Air Corps is asking for, which I imagine all of us will support 100 percent, an amount in the neighborhood of $3,000,000,000, the least we can count on is $15,000,000,000. If we add fifteen billion and eight and one-half billion and five billion we have in the neighborhood of twenty-nine or thirty billion dollars.

I ask, with the national receipts we are now receiving, on the business our country is doing, which is around $156,000,000,000 a year—that is the annual taxable income of our people—can we, provide for 880 bureaus, and then, not only appropriate $5,300,000,000, for Europe, but, in addition, aid to China, and aid to the occupied areas? I do not know exactly what the total is now, but

it is about $9,333,000,000, less the difference between $6,800,000,000 and $5,300,000,000, which is $1,500,000,000. Take $1,500,000,000 from $9,333,000,000, and we have the amount of aid to the 16 countries and the aid we have to give the occupied areas, Japan, Korea, the Philippines, and the others.

Can we add that to the present budget, with our receipts as they are today, and have anything left to pay on the debt, or to reduce taxes, and come out even?

The committee has stated that we can do it, but we will have to make sacrifices. I should like to ask the distinguished Senator whether we can do it and come out with a balanced budget, taking into consideration the receipts we expect in the fiscal year. That is certainly a practical question. I am asking for information.

Mr. VANDENBERG. Mr. President, in the opinion of the Senator from Michigan we can.

Mr. WHERRY. Has the Senator analyzed the situation?

Mr. VANDENBERG. Insofar as it is analyzable, we have.

Mr. KEM. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. Just a moment. I think this matter is very important. If the man who is to be the Administrator is to be given the sole authority, with his advisory committee, subject only to the President, certainly the question I ask is one which should give him a great deal of concern. When we are proposing to appropriate these amounts, it should be done in the light of the ability of the Federal Government to pay not only the budget items, but to pay its way continuously down through the years.

I suggest to Senators present that before the war we had the largest taxable income in our history; I call it national taxable income—the volume of business on which income taxes and excise taxes could be figured. It ran ninety-eight and a half billion dollars in 1939, which was the largest volume of income the American people ever had before the war. Last year it amounted to $176,000,000,000. Have we any assurance we can maintain that level of income?

Mr. BARKLEY. Mr. President, I wish the Senator would correct his figures. The Department of Commerce a week ago issued a statement in which it said that the national income for 1947 was $197,000,000,000.

Mr. WHERRY. I deeply appreciate the suggestion of the minority leader. I was quoting figures the senior Senator from Virginia [Mr. BYRD] gave on the floor of the Senate not more than 6 months ago. Of course, if the income is larger, that is to be appreciated.

Mr. BARKLEY. Those are the official figures.

Mr. WHERRY. The point I make is that it is one thing to consider the needs of countries abroad, but it is highly important that we give consideration to the impact on the United States. I hear these matters discussed in the Small Business Committee. I know what the steel shortage is; I know what the petroleum shortage is; I know what the people of the country are saying.

I am merely asking for information. The question can be treated lightly, but the people of the Nation are going to expect the Congress to know where they are going—to know what they are doing financially to protect the business stability of the United States.

Mr. KEM. Mr. President——

Mr. WHERRY. I yield to the Senator from Missouri.

Mr. KEM. I desired to ask the Senator from Michigan whether in the calculations he is making he contemplates a reduction in the present income taxes.

Mr. VANDENBERG. I shall have to confess that the chairman of the Senate Foreign Relations Committee has not undertaken to act as a director of the Bureau of the Budget, or the Secretary of the Treasury, or as the chairman of the Joint Economic Committee in connection with this program. I think the Senator's question is justified, however, inasmuch as I allowed myself to be drawn into an answer to what was a quite impossible question from the Senator from Nebraska, as I saw it.

It is my understanding, let me say to the Senator from Missouri, after consultation with the chairman of the Finance Committee, with whom the chairman of the Foreign Relations Committee cooperated to the extent of putting an amendment into the bill which transfers $3,000,000,000 of the burden to the fiscal year 1948, that a tax-reduction bill—not passing upon its details or amount—is within the contemplation of the chairman of the Finance Committee in connection with the present legislation. That is the best answer I can make to the Senator. I think the chairman of the Finance Committee is the one to whom his question should be addressed.

Mr. WHERRY. Mr. President, there are other Senators who have some questions to propound.

Mr. HATCH. Mr. President, I rise to remark that, after having listened to the questions propounded by the Senator from Nebraska, of course the welfare and the solvency of the United States are and have been always the first concern of all of us. He is exactly correct when he says that. But I believe the Committee on Foreign Relations explored every possible source of information. We were not unmindful of the questions the Senator from Nebraska has raised. We were not unmindful of the debt of the United States. We were not unmindful of the carrying charges. We were not unmindful of the debt we owe to the GI's. We were not unmindful of our obligation to provide for the national defense. We did not separately state, "this one is prior to that one." As a matter of fact I think the Senator from Nebraska has made some mistakes in his enumerations of priorities.

Mr. WHERRY. Does the Senator mean of the figures?

Mr. HATCH. No, the order in which they came. But I do not think we need discuss that. My thought has been and is that we must take all our obligations, including the public debt, our debt to the GI's, the national defense, old-age assistance, and all others, and discharge so far as we can the obligation to each and all on an equal and equitable basis. That is what the committee has tried to do. There is nothing in the bill which conflicts in any way with such an approach, because after all, the safety, the security, the economic recovery, the stability and the peace of the world has a high order and rank of priority. I do not think the bill will guarantee any of those things. But it does enter into, and becomes an important part in those considerations.

I am quite sure the questions the Senator from Nebraska has asked are sincere, and that he means all he has said, but I am sure his questions can all be reconciled with the general welfare of our country as a whole, and of the world.

Mr. WHERRY. Mr. President, I appreciate the remarks of the distinguished Senator from New Mexico. I appreciate the fact that he feels the questions I asked were sincere and honest. They are. I have no dispute with the findings of the Foreign Relations Committee. I am simply trying to have an analysis made, so that we will know upon what basis the committee feels we can provide the proposed aid and at the same time meet our obligations at home.

It has been stated in the newspapers, and it is also indicated in the report, that those in authority believe that the proposed program can be carried out and that there will be sufficient money left to make some payment on the national debt, perhaps $2,500,000,000, which I think is the lowest figure used, and that we may possibly have a $4,000,000,000 tax reduction. That is what we hear. But the distinguished Senator will agree with me that as yet the general appropriation bills have not come before the Senate. I have not had information given me, nor has evidence been adduced by the Finance Committee on the subject. I supposed that when the Foreign Relations Committee suggested the authorization, it did so with the full knowledge that the program could be carried out on the basis I have outlined. I was simply asking the Senator from Michigan if he had an analysis of the figures involved.

I do not know whether the distinguished Senator from New Mexico was present—I know he is very busy with committee work—when I made the statement that the distinguished Senator from Virginia [Mr. BYRD] gave figures in the Senate not more than 6 months ago to the effect that our national taxable income for 1939, which was the largest national income we had enjoyed in any year before the war, was approximately $98,500,000,000. That was income from all sources. That income has been increased, and last year it was $176,000,000,000. The majority leader now states that the Secretary of Commerce has revealed that the income for the present fiscal year will amount to about $190,000,000,000.

Mr. BARKLEY. Not the fiscal year; the calendar year.

Mr. WHERRY. I beg the Senator's pardon.

Mr. BARKLEY. And the income for this year will be $197,000,000,000. A witness appeared before the Finance Com-

mittee this morning, former Under Secretary of the Treasury, John W. Hanes, who stated that the national income for last year was $209,000,000,000.

Mr. WHERRY. It seems that the figures of national income go up when we need to make large appropriations. I am glad to see them go up, for, as I stated in my remarks, prior to the remarks of the distinguished Senator from New Mexico, I was apprehensive of our being able to carry out the program. I wanted to obtain information from those in authority as to how the Foreign Relations Committee had arrived at the general statement that the program can be carried out with the money available, and that the Government can continue on a balanced budget, with some debt reduction and some reduction of taxes as well.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4023) to authorize the establishment of the De Soto National Memorial in the State of Florida, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors;

S. 1195. An act to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations;

S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes;

S. 1528. An act to authorize the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury to accept and use gifts, devises, and bequests for schools, hospitals, libraries, cemeteries, and other institutions under the jurisdiction of the Department of the Army, the Department of the Navy, the Department of the Air Force, or the Department of the Treasury, respectively, and for other purposes;

S. 1802. An act to authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War; and

S. 1961. An act to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. BALL. Mr. President, in line with the colloquy which has taken place between the Senator from Nebraska and the Senator from Michigan, I should like to ask the Senator from Michigan a question. In view of the fact that unquestionably, when we consider the authorization for the first year, there is going to be lengthy debate over the figures which, in the Senator's own words, are at best an "educated guess," and since the controversy will probably take place all over again when the Appropriations Committees of the House and Senate report the appropriation under the act, has the Senator considered the possibility of limiting the debate to just one round, instead of two, by eliminating completely any specific figure for the first 12 months, and having only one debate on the subject, namely, when the appropriation bill comes before the Senate? I ask that question because the bill provides that the RFC shall make immediately available for the purposes of the act $1,000,000,000. That means that the plan can operate for at least 2 or 3 months without any appropriation.

Mr. VANDENBERG. Mr. President, of course, the Senator is fully aware of the fact that we took out the over-all $17,000,000,000 figure from the authorization.

Mr. BALL. I congratulate the Senator on that. I agree with him that no one can anticipate what the program will cost over the years.

Mr. VANDENBERG. It would simply make no sense to include the total amount originally suggested. But in the absence of that figure, the Senator from Michigan feels very keenly that if the bill is to indicate any substance whatsoever, at least for the next 12 months, it should assert what in the judgment of the Congress should be the ceiling authorization.

I can fully understand how it would simplify matters if we were to take the figure out of the bill, and reduce the bill to a more or less anonymous character which would really cease to deserve much debate.

I think there are two different functions in respect to an authorization figure and an appropriation figure. I can very well understand, for example, how the Senator himself might vote for an authorization of $5,300,000,000 for the first 12 months of its operation, and subsequently confront in his committee testimony which indicated that a different figure would be appropriate. I think so far as the identification of a plan is concerned, we should put the $5,300,000,000 figure in the bill and submit it to a review by the Appropriations Committee. I do not mean to imply for an instant that in my opinion the Appropriations Committee thereupon is entitled to reduce it. But I am trying to say that I think there are two different functions served by the act of authorization and the act of appropriation. Otherwise we would not have this system in the law. I think the authorization as identified in the bill reported by the committee is necessary to identify what the plan of the Economic Cooperation Act of 1948 contemplates.

Mr. BALL. The Senator, then, thinks there is a drastically different situation between the first year under the act and the succeeding years, because in the succeeding years, as I understand the mechanics, there will be no additional authorization of specific amounts. The whole thing will be up to the Appropriations Committee, with the help of whatever recommendations are made by the joint committee. Incidentally, I wish to congratulate the Senator and the Committee on Foreign Relations on including that provision. I think it should help tremendously in keeping Congress abreast of what is happening.

Mr. VANDENBERG. I thank the Senator for his friendly observations. What he says is precisely correct, in the opinion of the Senator from Michigan. The action we take today fundamentally and initially setting up the basis for this program and system is totally different from that which each succeeding Congress will confront. So far as the Senator from Michigan is concerned, he believes that the Appropriations Committee in each succeeding year, being in the presence then of realities and not speculations and prophecies, will be amply qualified to make an adequate decision. But that is the appropriate procedure; and no subsequent specific authorizations are necessary.

Mr. BALL. I take it, then, that the Senator would be very much opposed to the procedure of having only one debate in the Senate on the amount. I see the Senator's point, which I think has considerable weight, but he was urging speed in passage.

Mr. VANDENBERG. I beg the Senator to restate his proposition. The Senator from Michigan is not opposed to having only one debate.

Mr. BALL. I was asking whether the Senator had considered eliminating the specific figure for the first year and leaving the blanket authorization for appropriations from year to year as it stands in the first part of that paragraph, suggesting to him that, since he is interested in speed in the passage of the bill, he would thereby eliminate the debate on the figure in the authorization bill and confine it to a single debate at this session on the appropriation.

Mr. VANDENBERG. The Senator from Michigan is interested in speed, for reasons which he has stated, and which the Senator from Michigan thinks are pretty obvious. The Senator from Michigan thinks the world is on fire. The Senator from Michigan thinks this is one hopeful fire extinguisher, and the Senator from Michigan would prefer to turn on the extinguisher before the fire entirely consumes its objectives.

Mr. BALL. I take it, however, from what the Senator has said, that he would be opposed to eliminating the specific authorization figure.

Mr. VANDENBERG. The Senator is correct.

Mr. KEM. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. KEM. Yesterday the Senator from Michigan spoke in very eloquent terms about Czechoslovakia and how every semblance of democracy had been gutted there. I should like to ask the Senator if he feels that the Marshall

plan would have prevented infiltration by the Russians into Czechoslovakia in the manner in which it has just occurred?

Mr. VANDENBERG. I do not know. I do not know how we can apply the Marshall plan retroactively for purposes of speculation.

Mr. KEM. Can we not look back on the record? Is it not a fact that Czechoslovakia received from us approximately $300,000,000, and that at the time this catastrophe occurred she had balances in our cotton fund and in other funds which she had not found it necessary or advisable to draw down? Is it not true that there was no evidence of any economic instability, or certainly no dire conditions in Czechoslovakia at the time this occurred?

Mr. VANDENBERG. I think the Senator totally overlooks the character of the Czechoslovakian Government. If there had been a Czechoslovakian Government which was resisting Communist infiltration successfully, and if it had said to us that its economic stability required certain factors of support and assistance, and we had given it, under those circumstances I would have hopefully anticipated that this thing might not have happened. But there are no comparable circumstances between what was the situation in Czechoslovakia before the recent disaster and the situation in France and Italy.

Mr. KEM. Is it not a fact that we have given to Czechoslovakia generously, and with unstinted hand?

Mr. VANDENBERG. I assume the Senator is referring chiefly to our share of an UNRRA appropriation which, in the Senator's judgment, was pretty sadly managed, as he has repeatedly said.

Mr. KEM. But Czechoslovakia's share amounted to approximately $300,000,000.

Mr. VANDENBERG. That is correct.

Mr. KEM. I notice in the testimony before the Senator's committee that it was developed that a large amount of farm machinery has been furnished to Czechoslovakia, and that it has been going forward up until almost the present time. I read from page 1332 of the proceedings:

> Czechoslovakia managed to get along on $110,000 worth of United States farm-machinery production in 1938, but required $1,329,000 worth in 1946, a percentage increase over 1938 of 1,108.2 percent, and in the first 5 months of last year received $1,133,000 worth, a percentage increase over 1938 totals of 930 percent.

I ask the Senator whether there is anything in the record which indicates that by this wall of dollars or American commodities or materials that he proposes to set up we can prevent the infiltration of communism.

Mr. VANDENBERG. Mr. President, I do not think there is the remotest parallel, I say frankly to my friend, the Senator from Missouri, between the two situations to which he refers. Neither do I think there is any wall of dollars by which we can keep communism out of western Europe. Neither do I think the Government of the United States is in a position itself to keep communism out of western Europe. But in the humble opinion of the Senator from Michigan, this plan is based upon a concept which involves agreements between 16 brave, struggling western European countries, many of whom are sitting literally under the gun of hazard this evening. It is based upon contracts with them, under which they agree to do certain specific things in pursuit of their own civilization, in pursuit of their own ability to stand on their own feet, in pursuit of their own ability to help sustain western civilization; and it is a concept which is as different as day is from night, from any parallel which my able friend can draw from the Czechoslovakian situation.

Mr. KEM. Mr. President, did I correctly understand my friend to cite Czechoslovakia as a warning to us to proceed with dispatch in the consideration of this bill?

Mr. VANDENBERG. The viewpoint of the Senator from Michigan is that the entire world is on notice in respect to the aggressive tempo with which the Cominform, recently organized, is proceeding in the direction of communizing vast areas of the earth. It is the opinion of the Senator from Michigan that the nations that have joined in the CEEC, under this plan, have voluntarily subscribed to brave and constructive purposes which contemplate the re-creation of independent, free peoples who can defend themselves against aggression. Not only is such a result hoped for, but the chance of bringing it about is well worth taking. I hesitate to think what the alternative would be.

Mr. KEM. When the Senator finished his reference to Czechoslovakia, he referred to the kindred fate of brave little Finland. I should like to ask whether he thinks the passage of this bill and the setting up of the proposed administration under it will give us any assurance that it will prevent a like fate to poor little Finland.

Mr. VANDENBERG. Certainly it will have no effect whatever on poor little Finland, because Finland is not within the purview of the plan.

Mr. KEM. Have we any reasonable assurance that it will prevent the spread of communism, by the process of infiltration, into any country which is subjected to it?

Mr. VANDENBERG. Can the Senator from Missouri give me any reasonable assurance as to what the plans of the Politburo are in the Kremlin tonight, regarding their conquest of the west? If he can give me a reasonable assurance, I shall try to reciprocate it.

Mr. KEM. Obviously I cannot; but in this debate, suggestion has been made, although perhaps not by the Senator from Michigan, that we are presented with the alternative of world war III or acceptance of this plan.

Mr. VANDENBERG. The Senator from Michigan never presented such an alternative.

Mr. KEM. No; I do not think the Senator from Michigan did. But the general argument is that we must pass this bill if we do not want world war III to come. I am interested in knowing whether there was developed before the Foreign Relations Committee any evidence which would give a reasonable assurance that if we do pass this bill, we shall not have world war III.

Mr. VANDENBERG. I think it would be utterly impossible to answer the Senator's question with any degree of candor or integrity.

Mr. KEM. Then, the Senator from Michigan does not mean to present this to us as a substitute for national defense, does he?

Mr. VANDENBERG. Most emphatically not, nor as a sure reliance, but as the best of the calculated risks we confront; and I have tried to put it upon that basis as frankly as possible at all times.

Mr. KEM. I should like to ask the Senator whether he feels there is a calculated risk on the other side—one of the risks Washington warned against when he referred to entangling alliances?

Mr. VANDENBERG. I do not think this program involves any calculated risks of an entangling nature in respect to alliances of the sort the Father of his Country referred to. On the other hand, I think a very grave entanglement is inherent in the entire world situation at a time like this.

Mr. KEM. As I understand the plan, we shall have executory contracts with each of these 16 countries.

Mr. VANDENBERG. I do not know what the Senator means by executory contracts.

Mr. KEM. I mean a contract that will be carried out over a period of time.

Mr. VANDENBERG. That is correct.

Mr. KEM. Very well. It will be supervised by a large staff and by a roving ambassador, I understand.

Mr. VANDENBERG. It will be supervised by a competent staff. I do not know how large it will be.

Mr. KEM. It is within the realm of reasonable contemplation that frictions may occur in such relationships, is it not?

Mr. VANDENBERG. I certainly think it would be within the bounds of reason to think that frictions would not be impossible.

Mr. BALL. Mr. President, in connection with this colloquy, I have been very much interested in the headlines regarding the very able and eloquent presentation of the ERP bill which the Senator from Michigan made here yesterday.

Mr. VANDENBERG. I did not write the headlines.

Mr. BALL. I know the Senator from Michigan did not. But every headline I saw was to the effect that "Vandenberg urges ERP in order to prevent world war III." Those words, or almost identical words, appeared in the headlines; and they were supported somewhat by the text of the Senator's speech. I was startled to see that, because I did not hear the Senator from Michigan make any such statement during the course of his remarks here yesterday. So I was glad to hear the Senator clarify that point.

I should like to ask him whether he thinks this program should be sold to the American people—and, Mr. President, unfortunately the headlines do a great deal of selling, as the Senator from Michigan, himself a former newspaper man, knows—as a program that in itself will prevent or will play a major part in preventing world war III.

Mr. VANDENBERG. It is rather difficult to funnel the cataclysmic events of today down to one simple, final question, and then give the Senator a categorical reply. I think I did say at one point in my address yesterday that I thought this was one of the best ways to stop world war III before it started. If that is the statement from which the inference has been drawn, I am quite happy to make this further statement to my able friend the Senator from Minnesota: In the opinion of the Senator from Michigan, it is highly essential that all remaining free and independent governments in the world—free and independent pursuant to their own form of freedom and independence—should continue to be free and independent and should continue to be autonomous. I think if they do continue to be free and independent, we shall be that much farther away from another world cataclysm, and that if they lose that independence and that freedom and that autonomy, we shall be that much nearer to some sort of a final clash in the world between the two rival ideologies. In the opinion of the Senator from Michigan, war is not only abhorrent to the American soul, it is not only violently repulsive to every native thought that we Americans have, but it ought to be totally unnecessary.

But in the opinion of the Senator from Michigan, the best way we can help influence the situation at the moment is to assist, within completely legitimate boundaries, the independent countries of western Europe to sustain the very gallant fight they are making in behalf of their own national survival.

It is also the opinion of the Senator from Michigan that if the Government of the United States and the people of the United States speak with finality in respect to its objectives and speak with a reasonably unified voice, the effect of that pronouncement will be very important and very persuasive and will be calculated to be a factor for peace instead of war.

Mr. BALL. It is but one factor.

Mr. VANDENBERG. That is very true.

Mr. BALL. Does the Senator agree with me that in the final analysis the decision as to whether the world finds some way of maintaining peace or is plunged into another war probably will not rest with the United States or with the free and independent nations?

Mr. VANDENBERG. I totally agree. But what I was trying to say to the Senator was that——

Mr. BALL. That the greater the strength that is built up on the side of free peoples the less the danger?

Mr. VANDENBERG. Yes; and the more strength we exhibit in the name of a united America the further we are away from disaster.

Mr. BALL. I may say to the Senator that the reason I want to emphasize the point is because in the years I have sat here in the Senate I have seen altogether too many foreign policy programs sold, or perhaps oversold, on a false basis. The United Nations Charter was sold to the American people as a sure means of preventing world war III. It has not worked out that way. The British loan was supposed to solve all the postwar problems of Great Britain. It has been exhausted within a year or so after it was authorized, and the problems are still there, perhaps intensified. Bretton Woods, the Monetary Fund, and the International Bank, we were told on the Senate floor, were going to meet the postwar rehabilitation problem. They are not meeting it. I am not accusing the Senator from Michigan, because I remember when we considered the Greek-Turkish loan program he characterized it then as he characterizes this program now, as a "calculated risk"—"not a very happy alternative but the best of the alternatives facing us." But I think it is very dangerous to have the idea implanted in the minds of 140,000,000 American citizens, particularly the mothers and fathers who are worried about their youngsters, that merely by appropriating billions of dollars for aid to Europe we thereby make sure that we shall not have another world war, that we can relax our national defense program, and that we can pigeonhole universal military training or whatever alternative the Congress may decide is necessary in order to maintain this country in a position of strength to resist aggression, if and when aggression should ever confront us.

Mr. VANDENBERG. I could not agree with the Senator more thoroughly. Everything he said is correct in respect to the impropriety and the hazard of attaching any guaranties either to this legislation or to legislation of a kindred nature. The world is in such a state of flux that we cannot tell from one week to another, aye, from one morning to another, what the headlines will report in respect to the latest disruption somewhere around the globe. I think that in presenting this plan yesterday I was very careful to say repeatedly that there is no guaranty on earth of its success. In fact, I remember I said in conclusion that we are simply making our choice of alternatives, that if this fails at least we may have the consolation of having made a final effort which offers a real substance of hope, and that if it succeeds, everybody will be grateful for generations to come. There is no guaranty. With this plan there may be a war some day. Without the plan there may be no war. I prefer not to discuss it in terms of war, and yet I think we must discuss it in terms of reality. It seems to me it is a simple statement of reality when discussing whether or not there is to be another war that the success of this plan very effectively retards the probability of world war III, because it builds back into effective reality that element which is so essential, namely, the resurgent stability of those nations which with us represent western civilization. I think that does discount a prospective war, if the plan is successful. I think that is a fair statement. When the Secretary of National Defense and the Secretary of the Army come before our committee and frankly say that in the absence of some such plan as this they would feel it necessary immediately to seek heavily increased appropriations for the national defense, I think the only conclusion anyone can logically draw from that testimony is that they too assign to the peaceful utility of this scheme a very substantial effect not only upon our national security but upon the probability that the world can be kept at a peaceful level.

Mr. BALL. Mr. President, I thank the Senator from Michigan for that statement. I was not even by remotest implication criticizing him, because as I listened to his speech he was scrupulous in making it very clear that this was a calculated risk, at the best it was one of two possible alternatives, neither one of which was a happy one. But I can assure the Senator from my own contacts with the people in my own State and in other States that unfortunately far too many people in America have the mistaken impression that this is a virtual guaranty that we can avoid war and perhaps relax our national defense effort. I am glad the Senator has corrected that misinterpretation by what he, I thought, very plainly said on the Senate floor yesterday.

Mr. VANDENBERG. The Senator understands that that does not detract for an instant from my feeling that this plan is equivalent literally to armies in its value by way of national security.

Mr. BALL. In that connection, as I read Secretary Marshall's initial statement to the Foreign Relations Committee, I understood him to say that in terms of national security and strengthening the cause of freedom in the world, the ultimate objective of this plan was, over a period of 3 or 4 or 5 years, to build sufficient economic strength and stability into the western European countries so that they could support some military power, and that one of the major difficulties in Europe today is that western Europe is a power vacuum with a tremendous Soviet war machine only 100 miles east of the Rhine. Of course if the plan would succeed in that purpose, then in 3 or 4 years when that power is there, of course the chances of those countries in a world war III and the security of the United States would be greatly strengthened. I unfortunately have not had time to read the record of the hearings conducted by the Committee on Foreign Relations, but in that connection I wonder if any member of the committee asked the Secretary of National Defense which in his opinion, would be the best investment and the best risk for the security of the United States, to invest billions of dollars in a recovery program in Europe which, if it is successful, will accomplish this building up of power at the end of 4 or 5 years, or the investment of a like amount in strengthening immediately our own armed forces.

Mr. VANDENBERG. I know of no such question being submitted to the Secretary. I hardly think the question is justified, because I believe there are many different elements involved in the two alternatives. I do not believe the Senator can make a parallel choice between the two. Yet I entirely agree with the Senator that the passage of this bill certainly will not authorize any citizen to go to sleep on the theory that our hazard is over and that our problem is solved. That is not true.

Mr. BALL. Three things have worried me in regard to this program. One is how long the United States can stand

the situation of having exports in excess of imports, which unquestionably weakens our economy and puts a terrific strain upon it. How much can we spend without seriously injuring our own productive strength and stability? I think the Senator will agree with me that if the United States ever faces economic bankruptcy, then the cause of freedom will be finished in the world, because no one will have a Marshall plan to bail us out.

Mr. VANDENBERG. That is axiomatic.

Mr. BALL. That is one thing that has worried me. Another thing is, what chance has this program of really achieving economic recovery and not being merely a dole, which, as the Senator himself said, would be "operation rat hole"? If we weaken our own economy over 3 or 4 years and at the end shall have built up no strength and stability, no counterbalancing power in western Europe, we shall be worse off than if we had never undertaken the program, because we shall be weak and have no compensating strength.

Mr. VANDENBERG. I do not know whether we shall be worse off. It depends on whether we have sense enough in the interim to attend to our own national-security needs.

Mr. BALL. There is a limit to how far we can strain our economy in peacetime when we reject the kind of totalitarian regimentation or mobilization that we might find necessary, and undoubtedly will, if there shall be another war.

I cannot accept the premise that the only reason for Europe's difficulties is war damage. That is undoubtedly the major part of it. I think our own mistaken policies in Germany which have deliberately held down the level of production in an area which always has been the workshop of Europe, particularly of western Europe, have been a major factor in bringing about the present economic difficulty in all of western Europe. It also seems to me that the policies of those governments, their exchange rates which were unreal in that they did not reflect actual purchasing power of their currency, together with the multiplicity of price controls, have contributed a great deal to the situation. Every time a producer turned around he had to get a permit from some Government bureau. As we found out for ourselves, that discourages production. Then there is the tendency, in spite of their economic weakness at the end of the war, to indulge in new experimentation programs in nationalization and social security which, in some cases, we do not think we are prosperous enough to afford.

I think that is one major reason why the nationals of those 16 countries have in the United States, according to the Treasury reports, $14,000,000,000 of bank accounts in short- and long-term assets which they are holding here. They are not themselves patriotic enough to invest those dollar funds in the recovery of their homelands, whereas we are asking American taxpayers to take risks with their money which the nationals in those 16 countries are not willing to take with their funds.

Mr. VANDENBERG. What was the figure which the Senator used?

Mr. BALL. Fourteen billion dollars is the figure I got from the Treasury.

Mr. VANDENBERG. And that is defined as what?

Mr. BALL. Bank balances, long- and short-term assets held in America by nationals of the 16 countries.

Mr. VANDENBERG. Does that include business operations of foreign corporations in the United States?

Mr. BALL. It includes stock holdings, bond holdings, and everything of that kind, as I understand.

Mr. KEM. Mr. President, will the Senator yield?

Mr. BALL. Not at the moment.

Mr. VANDENBERG. Does it include factory installations owned abroad?

Mr. BALL. Not owned abroad. They are assets held in this country.

Mr. VANDENBERG. I meant factory installations in this country.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. BALL. Not at the moment.

The PRESIDING OFFICER. The Senator from Minnesota declines to yield.

Mr. BALL. It seems to me that those nations obviously do not encourage their own nationals to bring their assets back and invest them in the recovery of their own countries. That is one major issue in the whole question. Another one is the political situation in Europe which the Senator himself referred to yesterday. In the 2 years since the end of the war one country after another has been picked off by Soviet Russia. In Hungary the Red army took control. In Czechoslovakia there was a ruthless minority that convinced the President of Czechoslovakia that if it got control it would either rule or ruin the country. Finland seems to be headed for the same kind of capitulation, because there is no way existing at the present time to stop this blotting out of freedom in one little country after another in Europe.

With such power as western Europe has—and from the testimony we have heard from our own Army officials we know what little resistance could be offered if the Red army decided to roll—it is apparent that all the peoples there and their governments are living in constant fear of tomorrow. They cannot possibly have confidence in the future in the presence of that tremendous, aggressive war machine which is 100 miles east of the Rhine. To me the events of the last 2 years have been too terrifyingly like what happened in 1938, 1939, and 1940, except that the timetable seems to be a little faster. Living in the shadow of such fear, how can we expect economic recovery?

I think the Senator would agree that confidence in tomorrow, confidence in the future, is essential if men and women are to invest their savings and their labor in building for the future. If there is no confidence in the future, either because of the fear of outside aggression or minority subversion within the country, the fear of ultimate socialization of the enterprise they might build, then, unless we can find some way by which to restore such confidence, at least to some degree, what chance of success has this program of economic recovery? It seems to me, in view of the events of the past few weeks, it is like asking men and women to build a factory on the side of a volcano which is already erupting.

Can the Senator tell me of any program, any policy, of this administration aimed at curing that political situation, restoring some confidence in the people of western Europe, so that they can build and work for tomorrow, and not live merely from day to day? I have not seen any evidence of it. It seems to me we are playing by ear, that we are drifting from one crisis to another, and each one catches us completely unprepared with any policy to meet it.

Mr. VANDENBERG. Mr. President, if the Senator is asking me to disclose the plans of the Executive in respect to the crises which the world now confronts, he has applied at the wrong window, because I have no information on the subject.

So far as the literal situation in which these people live is concerned, I think the Senator is quite correct that it requires an amazing degree of bravery for them, in the midst of their own continuing disintegration, to stand up against a threat which is as insidious as this threat is, as a result of its internal subversions, to say nothing about its hazards as an external threat to the sheer physical existence of countries and peoples.

The Senator says they must have some sense of security as a basis for economic hope. I think the Senator can sustain that thesis. On the other hand, I think that is somewhat true vice versa. I think that if they can have economic hope in any degree it is an equally substantial encouragement to continue resistance to subversion at home and threatened invasion from abroad.

The Senator has referred to the failure of some of the other devices which have been proposed during the past 2 years. To a considerable degree those devices have failed in many instances. I hesitate to think, however, where the world would be today if the devices had not been used and had not been available, because they at least contributed to the maintenance of a continuing situation to which we can address ourselves with hope.

Confronted as these western European countries are at the moment by the imminence of a repetition of recent events, I would think that nothing could strengthen their arms, encourage their hearts, put steel into their souls, to continue their self-reliant defense against invasion from abroad or subversion at home—nothing could encourage them quite so much as to hear that the Congress of the United States, with expedition and faith, was sending them word that we are prepared to cooperate with them for four and a half years on a basis of cooperative aid, to restore them to solvency and stability, if they through self-help and cooperation will undertake to join with us in the effort.

It seems to me that if they were to hear day after tomorrow that the Senate had abandoned the necessity for extraordinary debate over details, in the presence of the situation which we all know the world confronts, and had decided to at least make this authorization as a demonstration of our willingness to stand with western civilization in a common cause, I think it would have an utterly electric effect in the countries the program is designed to assist. Furthermore, I think it would have exactly the opposite effect beyond the curtain, where the powers that be may be making other plans.

In reverse, I ask the Senator whether he can contemplate a greater tragedy or calamity in the history of the last 100 years than the impact upon these western European countries on the rim of the Atlantic, struggling in the shadow of an ominous threat, living in almost day-to-day terror, if they were to hear tomorrow that the Congress of the United States had declined a plan of European cooperation. What does the Senator think would happen in western Europe, and how long does he think it would be before the curtain came down to the very beachheads of the Atlantic Ocean?

Mr. BALL. Mr. President, I will say to the Senator that I think it might be pretty discouraging. I do not know whether that would have been true if the Marshall plan had never been proposed. Unfortunately, the people abroad have grown to expect and perhaps be far more dependent than they should be on American help. Possibly the people of Italy, in the elections on April 18, may elect so many Communist members that they will come into the Russian orbit, or they may be taken in by force. But I do not see much chance of France and the lowlands going behind the iron curtain, except by the use of external force, and I would assume that such external force could not possibly reach them without colliding with American armed forces in western Europe. That might be tragic.

Mr. VANDENBERG. What the Senator is saying to me and what I am saying to the Senator finally come down to the fact that we are both realists in viewing the situation. I think that as realists we have very frankly to say to each other that there are utterly no guaranties available in respect to any plan anyone may propose or adopt in this very uncertain moment in the evolution of history.

I merely say to the Senator that in my final judgment, recognizing all the uncertainties to which he refers, declining to offer the Senator one single guaranty in respect to the proposed legislation, as I tried to make plain yesterday, still I think that as a human problem—and in the last analysis it is fundamentally a human problem—I would rather take the chance of one more effort for just nine more months, when we can review it all again in the presence of reality—one more effort for nine more months to help the bravest people on the face of this earth, as they are proving themselves to be by their struggles at the moment in the presence of peril—I would rather take a chance for nine more months to see if a reasonable degree of cooperation, put on a thoroughly practical basis and under realistic supervision, may not produce possible stabilities not only in western Europe but inevitably thereafter in most of the world. I would rather take that chance than do any other thing I can think of with $5,000,000,000 at the present moment.

I know of no bargains that war has. I think that peace does have a bargain once in awhile. Perhaps this is one. I am irrevocably of the opinion that it is well worth finding out.

Mr. BALL. Mr. President, I appreciate the Senator's position, and his deep sincerity, but I perhaps would not go so far as he does in believing that economic stability is so tremendously important in this picture, because as I have watched the onward sweep of Soviet tyranny in the past 2 years, it has seemed to me that the economic situation of the peoples who one by one were pulled behind the iron curtain had very little to do with what actually happened to them; that the threat of Communist aggression in the world is exactly identical with the threat of Nazi aggression in the thirties. It is a power threat. The Communist ideologies have no appeal to any people who have ever known freedom, however hungry they may be. That certainly was true in Hungary. I think it was true in Czechoslovakia, where, in the final analysis, one of the leaders of the Socialist Party sold his country down the river. It is certainly true in Finland. The people of Finland are hard up. They are working hard. They are hard up because of the reparations payments they must make to Russia. But it will not be because of economic hardship that little Finland goes under. It will be because she is facing a tremendous concentration of power with which she is helpless to deal.

Mr. VANDENBERG. I quite agree with the Senator.

Mr. BALL. The serious thing about the program is that I see no signs that the administration has any policy or program, either individually or in concert with other individual nations, or through the United Nations, to solve that problem of pure Soviet power aggression. It seems to me that until it is solved the chances of recovery in Europe or anywhere in the Old World are rather scarce.

This plan is, as the Senator says, a calculated risk. It seems to me that without some parallel program to solve the political problem in Europe it is not too good a risk in terms of achieving its objective of recovery and being more than a mere dole. Somehow there must be found some way, it seems to me, to give those people some confidence in tomorrow, some evidence that whenever the Comintern time table calls for it, they will not be ruthlessly rolled over.

I should like to know what is the thinking of the Senator from Michigan, who is in a position to know the whole picture much better than I do, as to what we can do in that picture. I have letters on my desk today from men who fought 4 and 5 years in the last war, in which they say, "What are we thinking of to let it happen all over again and do nothing?" They remember all too well how little Czechoslovakia was sold out at Munich, and later on we all became involved in World War II. What can we do? I realize the Senate cannot originate foreign policies, but what are we doing in that situation? What can we do? Should we be moving in the United Nations, where Russia, by the use of her veto, has made empty the United Nations' hope of developing real authority and power to preserve peace? Maybe it is time we moved there in some way to get rid of the veto, that obstacle to the nations who want peace, or at least want to get together. What is happening today is that one by one the Russian bear is pulling all nations into its lair. Until the nations can get together and unite their forces in some way, I do not see any real chance for economic recovery in western Europe. I should like to know what the Senator's thinking is on that point.

Mr. VANDENBERG. The Senator from Michigan will scarcely undertake to speak for the administration in respect to what plans it may have in mind looking down the long-range view in respect to the things to which the Senator from Minnesota refers. The Senator from Michigan has said time and again publicly that the United Nations must be made to work either within its present structure or within one which permits it to work. I would not undertake to spell that out on the floor of the Senate this afternoon under any circumstances. I would not even want to seem to intimate that I know how to spell it out. I simply say that in my view it must be spelled out.

I agree, as I tried to say yesterday, that it is indispensable that we should move swiftly into western Europe and consolidate and stabilize that situation. I am not at all sure, speaking of the United Nations, that the possibilities of regional arrangements do not offer something worthy of study in the aspect of the area to which the Senator refers. I completely agree that security is at the base of the whole necessity which we confront.

As my able friend from Minnesota knows, the plan which is in the bill persistently looks forward to the closest possible consolidation of the western European countries. The only consolidation which we dare identify at the moment, because it is the only one within our legitimate jurisdiction, is economic consolidation. I doubt whether some of the brave little countries associated in the CEEC would at the moment care to hazard an experiment in the way of expansion from economic to political consolidation as a part of this program. But in the long view the Senator has said nothing by way of objectives to which the Senator from Michigan does not subscribe.

On the other hand, Mr. President, it seems to me that every word my able friend from Minnesota has uttered underscores the fact that the problem here confronting the Congress of the United States calls for adequate and early action to indicate that from the one great available source of inspiration on earth in respect to the human rights and fundamental freedoms there is a plan and a purpose to cooperate on a practical basis toward the achievement of practical results.

Mr. President, all I can say is that I am still expecting that my able friend from Minnesota will argue himself into substantial agreement with my own point of view before he has finished, and when the clerk says "Mr. BALL" I am still looking forward to the probability that the Senator will say "yea."

Mr. BALL. Mr. President, I would be delighted, I may say to the Senator, to find myself on the same side as the Senator from Michigan on this issue, which I agree with him is tremendously vital, and I think is one of the toughest I have faced since I came to the Senate so far as its effect upon the future of the people of the United States is concerned. We cannot know all the answers and the alternatives that face us, none of them very happy.

I certainly shall be no party to delaying a vote on the bill. I agree with the Senator from Michigan that speedy action is essential, whatever the action may be. But I cannot agree with him that all we need to do is to evolve an economic policy aimed at stopping this steadily rolling avalanche of Soviet power, because I think it is power that is at the bottom of the whole thing. I am not so sure but that it is not the main reason why our other relief programs have failed so miserably to accomplish what we had hoped of them. I think the need for speedy action on the overriding-power problem is every bit as urgent as is the need for action on the economic problem. It seems to me that for too long now, 2½ years, we have been trying to stem the tide of ruthless power aggression of Soviet communism by dollars, by appropriating billions of dollars of American help. As nearly as I can see, it has not slowed up their timetable 1 hour. If anything, it may have speeded it up.

Mr. President, I shall not attempt to press the Senator from Michigan further as to what his ideas are with respect to the answer to that problem; but in my opinion it is far more important than the economic recovery program, because I cannot see that a single nation where the lights of freedom have been blotted out by Communist subversion or aggression has gone under because of economic difficulties. That has not been the root of the problem. Until we find and develop some policy to checkmate the onrolling avalanche of Soviet power—naked, completely ruthless power—frankly I am not optimistic about the chances of any recovery program for Europe succeeding.

Mr. President, I have some other questions and ideas about which I wish to talk, in relation to other features of the bill; but the hour is late, and we have given the Senator from Michigan quite a work-out today. I think I can postpone further discussion until tomorrow.

Mr. VANDENBERG. Mr. President, I should not want the Senator to cease firing on my account.

Mr. BALL. It is 25 minutes past 4, and I would rather discuss some of these questions in connection with amendments which I hope to have ready.

Mr. VANDENBERG. I think that is the sensible procedure.

RECESS

Mr. WHERRY. Mr. President, we have concluded the work of the Senate for this afternoon. I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 22 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 3, 1948, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 2 (legislative day of February 2), 1948:

NATIONAL MEDIATION BOARD

John Thad Scott, Jr., to be member of the National Mediation Board for the term expiring February 1, 1951.

RECONSTRUCTION FINANCE CORPORATION

TO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION FOR TERMS OF 2 YEARS FROM JANUARY 22, 1948

Harvey Jones Gunderson
Henry T. Bodman
Henry A. Mulligan
John D. Goodloe
Harley Hise

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Richard R. Atkinson to be a member of the District of Columbia Redevelopment Land Agency, for a term of 5 years, effective on and after March 4, 1948.

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Harold M. Stephens to be Chief Justice of the United States Court of Appeals for the District of Columbia.

James M. Proctor to be an Associate Justice of the United States Court of Appeals for the District of Columbia.

UNITED STATES ATTORNEY

Leslie E. Given to be United States attorney for the southern district of West Virginia (now serving under an appointment which expired October 2, 1947).

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 2, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Eternal Refuge, as we face the mysteries of life and its duties, let Thy spirit lead us to pledge a nobler dedication and render a more devoted service.

O Ruler of Nations, bless Thou our Speaker and all Members; give to them good health and wisdom; and sanctify the moral fiber of their lives that they may work and grow together through these uncertain times, devoting their time and talents to the exacting duties of their high and honorable office.

Blessed Master, open Thy fountain of mercy to all our homes; may no plague of illness or sorrow shadow their hearthstones. Inspired by Thy holy example, help us to be radiant in spirit, tireless in service, and joyous in seeking to do Thy will. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5525) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes."

CONGRESSIONAL AVIATION POLICY COMMITTEE

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I know well that every Member of Congress who believes in modern methods of warfare feels that they owe a debt of gratitude to the 10-man bipartisan Congressional Aviation Policy Committee for the great work they did regarding our national defense, covering a period of 7 months.

Holding that air power is our chief defense against modern weapons of warfare, they urge adoption of its plan for some 35,000 airplanes. The board urged the military and Atomic Energy Commission to give high priority to development of atomic propulsion for aircraft.

The report criticized the failure of the Joint Chiefs of Staff to submit a unified defense plan. The report says steps must be taken, first, to resolve the conflict that is delaying a unified military plan; second, to start building a 70-group air force with 20,541 planes and a naval air arm with 14,500 planes; third, to give top research priority to applying atomic power to aircraft; fourth, to develop a Federal airways system with ultramodern equipment for all-weather, large-volume flying, to serve both civil and military needs.

The board held that military and civil aviation are indivisible and recommended steps to strengthen the air lines and the manufacturing industry, along with improved education in schools and colleges, and wider participation in private flying.

In the current atomic age, the board found defense plans must take into account the possibility of an attack without warning on our centers of war potential. They declared that it is imperative that an air-warning network be extended in all directions from which an attack might be expected. In this connection, the board recommended "a realistic program of recruiting and training of air-reserve personnel in both air and ground echelons."

The Government should sponsor, the board said, the design and development of prototype transport and cargo aircraft intended primarily for commercial use, but suitable for certain military purposes, funds being earmarked for this specific purpose.

It is interesting to know that the board did not recommend the regimentation of the youth of America by forcing them, against their will, to military conscription during peacetime.

I want to go on record as giving my full support to the findings of this bipartisan board. In my opinion, their recommendations should have the full support of Congress.

EXTENSION OF REMARKS

Mr. FULLER asked and was given permission to extend his remarks in the RECORD on the late Honorable Clarence E. Hancock.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

CAPTAIN OR COMMISSAR

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, who runs an American merchant vessel—the captain or the commissar? Commodore Harry Manning, master of America's greatest merchant vessel, declares that the commissar possesses greater power and authority. I imagine Capt. W. R. Marson of the freighter *Augustine Victory* would testify similarly were he able. He was hospitalized last Sunday after having been beaten up by his crew.

After months of consideration, I have today introduced a bill by whose terms the Coast Guard may utilize criteria of character and record in the granting of tickets to merchant seamen similar to those already utilized in granting licenses to merchant officers. Its enactment will transfer control from the forecastle to the bridge.

ANTILYNCHING LEGISLATION

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial and other matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, it is a sad commentary that the Republicans in their eagerness to embarrass one Harry Truman are losing the only opportunity you ever had in your lives since we beat you in 1864 to make friends with the South. In your eagerness to embarrass Harry Truman you are lynching the Constitution and the Nation; in effect, you are burning down the house to get rid of the rats. You are shooting at the wrong bird, because Truman is already a dead bird. We in the South are going to see to that. When I said here on the 3d of February that the South was not as solid as the heads of some of the leaders, I was not kidding you. You will see that in the next election we are not going to vote for Truman. You had better make friends with the people in the South while there is still time.

This antilynching bill is not only unconstitutional, it is the most dastardly thing that ever emanated from the mind of any politically minded individual to sit in this House. I call to your attention an editorial that appeared in the Washington Post this morning. I seldom agree with Eugene Meyer, for generally he is on the other side, but I think you should read this editorial. You who are trying to embarrass Truman in your rush are alienating the friends who stood with you in the lean days when you needed a few votes to override vetos. I counsel with you, forget your eagerness to embarrass Truman. You are alienating those who are on speaking terms with you at this time. Read Eugene Meyer's article on antilynching. Things are very far to the left when Eugene Meyer calls it the left, because he is quite a distance to the left himself.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. RIVERS. I yield to the gentleman from Mississippi.

Mr. RANKIN. I exposed that gang of Communists that were running the Washington Post.

They now seem to have turned a mental somersault backward overnight.

Mr. RIVERS. It surprised me very much. That is the reason I call it to your attention. I shall include with my remarks also some interesting figures on lynching. I want you to read them. We have solved the lynching problem. Do not lynch the Constitution because you want to lynch one Harry Truman. "You are burning the house to get rid of the rats."

The editorial and figures I referred to are as follows:

[From the Washington Post]

ANTILYNCHING BILL

Fifty years ago lynching was a grave problem in the United States. All during the 1890's mob murders were about as common as gang slayings became in the 1930's. In the single year of 1892 a total of 255 persons met death at the hands of murderers conspiring among themselves to take the law into their own hands. One hundred of the victims were white men. Lynching has been by no means confined to the colored race. Indeed, it was the customary method of inflicting punishment on horse thieves and cattle rustlers in the early days of the West. Since the 1920's, however, the number of white men lynched has been negligible, and last year the Tuskegee Institute recorded only one lynching of a Negro.

It is a sorry anachronism that just as the Southern States have almost completed the job of wiping out this disgusting crime Congress should be considering a bill to make the prevention of lynching a Federal responsibility. Half a century ago the use of Federal power against lynchers might have been justified by the tragic failure of the States to protect their citizens. Now most of the States have completely mastered the problem without any help from Washington, and we doubt that the Case antilynching bill would add in any way to the safety of citizens.

This measure, which is about to be pushed through the House of Representatives, would transfer to the Federal courts the prosecution of lynchers and of local officials failing to protect prisoners or to move against mobs after a lynching has occurred. But trials would still be held before local juries, and it is probable that resentment against Federal intervention would complicate instead of easing the problem of securing convictions of accused mobsters. To be sure, there is another provision in the Case bill making every county, town, and other governmental subdivision responsible for any lynching in its jurisdiction. But this resort to the despicable doctrine of mass guilt because of the area in which one happens to live is so repugnant to democratic principles as to make the bill unpalatable to thousands who are devoted to civil rights in the North as well as the South.

We cannot help thinking that this vote-catching venture has no place in the present session of Congress. Its effect is to arouse animosities at a time when there is urgent need for national unity. The lynching menace has already been put down, and we trust that the last vestige of it will soon disappear. Our problem today is the rise of a tyranny that seeks to destroy all civil rights, whether protected by State or Federal law. In the face of that menace we need to be mobilizing our strength—not to be opening old sores or frittering away energies on problems that have already been solved.

[From the Evening Star]

LYNCHINGS NOT MANY

To the EDITOR OF THE STAR:

Lynching is murder, but it is the rarest form of murder occurring in the United States. The figures, according to the World Almanac for 1948, pages 450–451, are:

Total murders:	
1944	6,522
1945	6,847
1946	8,442
Total lynchings:	
1944	2
1945	1
1946	6

Furthermore, lynching is the only form of homicide which is decreasing in this country. In 65 years, from 1882 to 1946, 1,291 white persons and 3,425 Negroes were lynched, an average of 72.6 persons a year. During the 8 years, 1939–46, the average was 3.75 persons a year.

Of course, even one lynching is one too many; but it is clear that the several States have done a very good job in repressing this particular form of murder.

HOMER BRETT.

EXTENSION OF REMARKS

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Lincoln County (Miss.) Times.

SPECIAL ORDER GRANTED

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent that I may address the House for 30 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a partial report of the Subcommittee on Un-American Activities on the investigation of Dr. Edward V. Condon.

Mr. MILLS asked and was given permission to extend his remarks in the RECORD by including the script of a radio

program broadcast this morning by Mr. George E. Reedy.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include a letter from the Episcopal Church of Long Island.

LANDLORDS AND RENT CONTROL

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the Appendix of the CONGRESSIONAL RECORD, on page A1214, quotes the gentleman from Mississippi [Mr. RANKIN] as saying the extension of rent control is a long step toward communism. He supports his erroneous assumption with a letter from a New York landlord.

I am prompted to remark that, even though there is no way of compelling a Member of the House to read a bill before he votes upon it there should be a law requiring Members to read a law before they comment upon it.

If the gentleman will supply me with the name and address—thoughtfully omitted—of his correspondent I promise him that I will take him by the hand and escort him to the rent-control office having jurisdiction over his property and help him file an application in accordance with existing law, so that he can get possession of the apartment that he says he so badly needs. I promise not to ask him whether his heart trouble was caused by the fact that he learned that one of his tenants earned, in a highly skilled profession, more money in a year than he accumulated in a lifetime. Nor will I inquire whether his high blood pressure will be reduced by moving him from the second to the first floor. I volunteer my services solely to save this citizen from succumbing to communism, as feared by the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MULTER. Gladly.

Mr. RANKIN. I can think of no greater punishment I could render that individual than turning him over to the gentleman from New York [Mr. MULTER].

Mr. MULTER. If the gentleman from Mississippi [Mr. RANKIN] seriously believes that helping an American who does not know how to help himself is punishing that citizen, then he ought to refrain from calling the attention of Congress to the complaint.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Star of yesterday.

Mr. BYRNE of New York asked and was given permission to extend his remarks in the RECORD and include a eulogy on Clarence Hancock.

Mr. MURRAY of Tennessee asked and was given permission to extend his remarks in the RECORD and include an editorial from the Jackson Sun, of Jackson, Tenn.

Mr. MORGAN asked and was given permission to extend his remarks in the RECORD and include an editorial by Richard Ginder.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD in four instances, in one to include an address delivered by Hon. James A. Farley at Colgate University, Hamilton, N. Y., on February 17, 1948, at the opening of the university's 1948 series of lectures in human relations; in another to include an editorial which appeared in the Syracuse Herald-Journal of Friday, February 20, 1948; in another to include a statement issued by Hon. Paul E. Fitzpatrick, chairman of the Democratic State committee in connection with a four-point program submitted to the New York State congressional delegation with reference to the lifting of the United States embargo against the shipment of arms to Jews in Palestine; and in another to include a eulogy on Hon. Clarence Hancock.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

NATIONAL VETERANS' HOUSING CONFERENCE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, for the past 2 days the National Veterans' Housing Conference, called by representatives of seven major veterans' organizations, have held meetings in Washington, D. C. The veterans' organizations sponsoring the conference included Jewish War Veterans, Veterans of Foreign Wars, American Veterans of World War II, American Legion, Disabled American Veterans, American Veterans' Committee, and the Catholic War Veterans.

The T–E–W bill has come to be known as housing's "straw man." It has become a symbol, a standard for rallying the forces of good and evil. To one side all who favor it are Reds, bureaucrats, or long-haired visionaries who would destroy the American way of life; to the other, those who oppose it are grasping, predatory, selfish individuals, and groups of great power ready to thwart all human progress for their own enrichment.

The sad fact is that today they are fighting with undiminished fury over a "straw man." As a comprehensive overall housing program, the T–E–W bill is by now pretty much an empty shell. Of its 13 divisions, or titles as they are called, only 3 can be said to have much point or purpose in dealing with the immediate emergency or the long-range need for housing.

The other 10 titles have either been enacted into law or are obviously ill-advised under present conditions or no longer fit the situations with which they were intended to deal and therefore need comprehensive restudy.

T–E–W BILL BOX SCORE

Substantially enacted into law: Title II, creating permanent single housing agency by President's Reorganization Order No. 3; title III reestablishing individual legal status of FHA, FHLBA, and FPHA by President's Reorganization Order No. 3; title V, to facilitate mortgage-insurance operations of FHA and FHLBA—proposals of major importance enacted in separate bills; title XII, providing for disposal of Government-owned war housing—covered in separate bill which has been enacted.

Changed conditions require complete restudy: Titles X and XI, setting up farm and rural nonfarm housing programs.

Unworkable or unsound: Title VII, yield insurance, to stimulate financial institutions, particularly insurance companies, to build moderate rental housing—insurance companies say they will not operate under this plan; title VI, providing further credit liberalization to reach lower income families with new housing—even more inflationary than current FHA and veterans' loans.

Unimportant: Title I, policy preamble; title XIII, legal and perfecting provisions.

Live issues which remain: Title IX, public subsidized housing program for low-income families; title VIII, Federal loans and grants for urban redevelopment; title IV, Government research in housing and community development.

EXTENSION OF REMARKS

Mr. DEVITT. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article from Life magazine, notwithstanding the fact that the Public Printer advises me it will take two and one-quarter pages and cost approximately $159.75.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. DEVITT]?

There was no objection.

Mr. MACY. Mr. Speaker, on last Friday I received unanimous consent to have certain documents printed in the CONGRESSIONAL RECORD. The Government Printing Office advises me it is beyond the amount allowed, and the additional cost will be $426. I ask unanimous consent that it be printed notwithstanding.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MACY]?

There was no objection.

Mr. REED of New York asked and was granted permission to extend his remarks in the RECORD in two instances, and in each to include extraneous matter.

COMMITTEE ON PUBLIC WORKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

There was no objection.

SPECIAL ORDER

Mr. HESELTON. Mr. Speaker, I ask unanimous consent that I may address the House today for 30 minutes, after

any other special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I am very happy to report that the Committee on Interstate and Foreign Commerce has this morning voted out the embargo bill, House Joint Resolution 323, which I introduced on February 9, with certain committee amendments which I think definitely improve the legislation. With this constructive action having taken place this morning, I am hopeful that we will be able to prevail on the Rules Committee to give us a rule so that we can act within the next few days. In my judgment, it is imperative that we take this responsibility now and that we indicate that we very definitely propose to see that our constituents' homes, schools, churches, and other buildings and domestic economy are protected. The Department says we are at an impasse, and refuses to act. It is up to us to act now.

There will be a minority report filed on the resolution.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, having been chairman of the great Committee on Interstate and Foreign Commerce for several years, I am deeply disappointed that they would do what, in my opinion, is a gesture, and a harmful one; that is, to report the resolution presented by the gentleman from Massachusetts [Mr. HESELTON]. If we will just keep our patience and not get excited and not appear to be doing too much in the wrong way, I think this oil situation will straighten itself out.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may sit during the sessions of Congress this week, during general debate.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

THE FUEL-OIL SITUATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am extremely glad that the Committee on Interstate and Foreign Commerce has reported out a bill to declare an embargo on oil. I wish the President had done it on the 6th of December when I asked that it be done. Then we could have had the oil to tide the people over the cold weather, and we could have worked out an over-all program for a longer period. I congratulate the Committee on Interstate and Foreign Commerce. I am sure we will get good results.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include a speech which he made to the National Convention of Soil Conservation District Commissioners held at Des Moines, Iowa, on February 27.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the calendar.

MRS. MARTHA W. JOHNSON

The Clerk called the first bill on the Private Calendar, H. R. 2136, for the relief of Mrs. Martha W. Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Martha W. Johnson, of Celeron, N. Y., the sum of $200. The payment of such sum shall be in full settlement of all claims of the said Mrs. Martha W. Johnson against the United States on account of personal injuries sustained by her, on February 16, 1946, when she fell to the street while leaving the United States post office at Jamestown, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$200" and insert "$88."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOKE TCHAROUTCHEFF ET AL.

The Clerk called the bill (H. R. 4050) to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Madame Lucie Baptistine Tcharoutcheff and sons, Raymond and Robert Tcharoutcheff.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ADELBERT E. TULLER

The Clerk called the bill (S. 535) for the relief of Adelbert E. Tuller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Adelbert E. Tuller, lieutenant, United States Naval Reserve (inactive) of Elmwood, Conn., the sum of $320.55, in full satisfaction of his claim against the United States for the cost of shipping his household effects from the naval training center, Bainbridge, Md., to Hartford, Conn., in September 1944, payment of such claim having been denied by the General Accounting Office because of the fact that such household effects were shipped a few days prior to the effective date of orders requiring him to make a permanent change of station: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ROBERTA FLAKE CLAYTON

The Clerk called the bill (S. 641) for the relief of Mrs. Roberta Flake Clayton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed, for the purpose of paying amounts owing as arrears of pay and unearned premiums on national service life insurance in the case of James William Clayton, late a machinist's mate, third class, United States Navy, to consider Mrs. Roberta Flake Clayton, of Mesa, Ariz., the adoptive mother of the said James William Clayton, a legal heir within the meaning of the act entitled "An act to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates," approved February 25, 1946 (Public Law 306, 79th Cong.), and the payment to the said Mrs. Roberta Flake Clayton of an amount not to exceed $2,849.74 shall be in full satisfaction of the obligation of the United States to pay the same.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUTH GROSSMAN

The Clerk called the bill (S. 922) for the relief of Ruth Grossman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ruth Grossman, of Miami Beach, Fla., the sum of $5,463.09. The payment of such sum shall be in full settlement of all claims of the said Ruth

Grossman against the United States on account of personal injuries sustained on May 9, 1944, when a United States Army truck collided with an automobile at the intersection of Meridian Avenue and Sixteenth Street, Miami Beach, Fla., overturned and fell upon the said Ruth Grossman, a pedestrian: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES HOWARD RICHARDS

The Clerk called the bill (S. 939) for the relief of Charles Howard Richards.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Howard Richards, of Eugene, Oreg., the sum of $5,000, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him on December 14, 1941, while serving as a volunteer guard, Office of Civilian Defense, on duty at the Bonneville substation, Bonneville power project, north of Eugene, Oreg.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. HAROLD T. PROSSER

The Clerk called the bill (S. 970) for the relief of Mr. and Mrs. Harold T. Prosser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Harold T. Prosser, of Charlestown, R. I., the sum of $595 in full satisfaction of their claim against the United States for compensation for damage to their land resulting from a fire started by a flare dropped by a United States Navy airplane: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTONIO ZAMORA ET AL.

The Clerk called the bill (S. 1031) for the relief of Antonio Zamora; Mrs. Antonio Zamora; Antonio Zamora, Jr.; Mrs. Juan Chavez; John Chavez, Jr.; Roland Chavez; Selso Trujillo; Dr. M. G. Wright; and the heirs of Keith Lane.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Antonio Zamora, of Winslow, Ariz., the sum of $2,500; (2) Mrs. Antonio Zamora, of Winslow, Ariz., the sum of $1,500; (3) Antonio Zamora, Jr., of Winslow, Ariz., the sum of $500; (4) Mrs. Juan Chavez, of Winslow, Ariz., the sum of $1,000; (5) John Chavez, Jr., of Winslow, Ariz., the sum of $250; (6) Roland Chavez, of Winslow, Ariz., the sum of $250; (7) Selso Trujillo, of Winslow, Ariz., the sum of $500; (8) Dr. M. G. Wright, of Winslow, Ariz., the sum of $516; and (9) the heirs of Keith Lane (Gray Whiskers), Navajo Indian census No. 91989, the sum of $5,000. The payment of such sums shall be in full satisfaction of the respective claims of said seven first-named claimants against the United States for compensation for personal injuries sustained by them when the automobile in which they were riding was struck by an Indian Service truck about 5 miles east of Winslow, Ariz., on August 6, 1940, and in full satisfaction of the claim of the heirs of said Keith Lane against the United States for compensation for the death of said Keith Lane who was killed while riding as a passenger in such truck: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELEONORE M. HANNON

The Clerk called the bill (S. 1267) for the relief of Eleonore M. Hannon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eleonore M. Hannon, of Coquille, Oreg., the sum of $1,101, in full satisfaction of all claims against the United States for personal injuries to Eleonore M. Hannon as the result of the crash of a United States Navy airplane on October 15, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. IOLA VEACH

The Clerk called the bill (S. 1716) for the relief of Mrs. Iola Veach.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,186.55 to Mrs. Iola Veach, of Louisville, Ky., in full settlement of all claims against the United States for personal injuries, hospital and medical expenses, and property damage sustained as the result of an accident involving a United States Army vehicle on North Third Street, Louisville, Ky., on April 7, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

G. R. BELOW, DECEASED

The Clerk called the bill (S. 1721) conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of injuries sustained by G. R. Below, late of Seattle, Wash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim for compensation against the United States arising out of injuries sustained by G. R. Below, late of Seattle, Wash., who was injured on May 16, 1942, while engaged in the pursuit of his occupation as a fisherman, by a bullet fired during target practice at the Naval Section Base, Port Angeles, Wash.

SEC. 2. Notwithstanding the lapse of time or any statute of limitations, suit upon any such claim may be instituted at any time within 1 year after the enactment of this act. Notwithstanding any other provision of law, suit on such claim may be instituted and maintained by the widow of the said G. R. Below, and in the determination of such claim the United States shall be held liable for damages to the said G. R. Below, and for any wrongful acts or omissions committed by any of its officers or employees, to the same extent as if the United States were a private person and to the same extent as if such suit had been instituted and maintained by the said G. R. Below prior to his death, except that any judgment rendered therein shall be payable to such widow. Except as otherwise provided in this section, proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph "Twentieth" of section 24 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIZZIE REYNOLDS

The Clerk called the bill (H. R. 550) for the relief of Lizzie Reynolds, administratrix of the estate of Grace Reynolds, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lizzie Reynolds, administratrix of the estate of Grace Reynolds, deceased, of Orleans, Nebr., the sum of $15,000. The payment of such sum shall be in full settlement of all claims against the United States on account of the death of Grace Reynolds, who was killed on December 23, 1944, when her automobile was struck by a United States Army truck near Alma, Nebr.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$15,000" and insert in lieu thereof "$6,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAM FONG CHUN ET AL.

The Clerk called the bill (H. R. 911) for the relief of Kam Fong Chun, Mr. and Mrs. Jose Dias, Joseph De Souza, Mr. and Mrs. Kenneth Ayres, and Jose Oducado.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kam Fong Chun, husband of Esther P. Chun, and father of Donald K. Chun and Marilyn K. Chun, minors, the sum of $15,000; to Mr. and Mrs. Jose Dias, of Honolulu, Territory of Hawaii, parents of Charlotte Dias and Rosario Fe Dias, minors, the sum of $10,000; to Mr. Joseph De Souza, of Honolulu, Territory of Hawaii, husband of Agnes De Souza and father of Mildred De Souza, a minor, the sum of $10,000; to Mr. and Mrs. Kenneth Ayres, of Honolulu, Territory of Hawaii, parents of Kenneth Ayres, a minor, the sum of $5,000; and to Mr. Jose Oducado, husband of Margaret Oducado and father of Constance Oducado, the sum of $10,000. Such sums are in full settlement of all claims against the United States on account of the deaths of Esther P. Chun, Donald K. Chun, Marilyn K. Chun, Charlotte Dias, Rosario Fe Dias, Agnes De Souza, Mildred De Souza, Kenneth Ayres, Margaret Oducado, and Constance Oducado, who were killed as the result of an accident in which two bombers of the United States Army crashed in the Kalihi-kai district of the city and county of Honolulu, Territory of Hawaii, on June 8, 1944: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$15,000" and insert in lieu thereof "$8,000."

Page 2, line 1, strike out "$10,000" and insert in lieu thereof "$3,500."

Page 2, line 3, strike out "$10,000" and insert in lieu thereof "$8,000."

Page 2, line 6, strike out "$5,000" and insert in lieu thereof, "$2,410."

Page 2, line 8, strike out "$10,000" and insert in lieu thereof, "$5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HIRO HIGA AND KANA HIGA

The Clerk called the bill (H. R. 912) for the relief of Hiro Higa and Kana Higa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hiro Higa and Kana Higa (husband and wife), 1935 Dillingham Boulevard, Honolulu, T. H., the sum of $9,592.40, in full settlement of all claims against the United States on account of property damages caused by the collision of two United States Army aircraft which fell upon and destroyed their premises on June 9, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$9,592.40" and insert "$1,458.65."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY JANE HARRIS

The Clerk called the bill (H. R. 1088) for the relief of Mary Jane Harris.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Jane Harris, the widow of Richmond Glenn Harris, Sr., the sum of $5,000, in full settlement of all claims against the United States for compensation for the death of her husband, Richmond Glenn Harris, Sr., as a result of an accident involving a United States Army vehicle, on December 11, 1943, about 10 miles west of Cookeville, Putnam County, Tenn., on United States Highway 70, North: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. M. C. LEWIS

The Clerk called the bill (H. R. 1222) for the relief of Mr. and Mrs. M. C. Lewis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, $500 to Mr. and Mrs. M. C. Lewis, of Wildersville, Tenn., in full settlement of all claims against the United States for personal injuries sustained by them as a result of a collision involving a United States Army truck on the highway just north of La Vergne, Tenn., on August 14, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to, or received by, any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$500" and insert "$200."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

B. JOHN HANSON

The Clerk called the bill (H. R. 2070) for the relief of B. John Hanson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to B. John Hanson, Jamestown, N. Y., the sum of $500. The payment of such sum shall be in full settlement of all claims of the said B. John Hanson against the United States on account of personal injuries received by him on April 19, 1941, when the automobile in which he was riding was in collision with a Civilian Conservation Corps truck on Highway Route No. 18, 2 miles south of Cattaraugus, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DELAWARE FRUIT GROWERS

The Clerk called the bill (H. R. 2684) for the relief of sundry fruit growers of the State of Delaware who sustained losses as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese beetle quarantine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons the respective sums hereinafter indicated, in full satisfaction of their claims against the United States for compensation for losses sustained by them as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese beetle quarantine, such method of fumigation having been one of the methods suggested by the said Department of Agriculture: to C. L. Cannon, of Bridgeville, Del., the sum of $1,197.27; to W. H. Chandler, of Milton, Del., the sum of $16,618.63; to C. F. Fifer, of Wyoming, Del., the sum of $2,886.90; to W. S. Jones, of Bridgeville, Del., the sum of $2,436.32; to E. L. Kratz, of Greenwood, Del., the sum of $379.52; to Lord Brothers, of Dover, Del., the sum of $2,290.33; to Lord & Rickards, of Dover, Del., the sum of $930.08; to L. C. Newton, of Bridgeville, Del., the sum of $3,773.03; to O. A. Newton & Son, Bridgeville, Del., the sum of $1,968.07; to Frank W. Richardson, of Camden, Del., the sum of $4,095.75; to George B. Ruos & Son, of Bridgeville, Del., the sum of $3,742.66; to T. S. Smith & Sons, of Bridgeville, Del., the sum of $6,751.26; and to Townsend's, Inc., of Millsboro, Del., the sum of $1,161.96: *Provided*, That no part of the amount appropriated in this act with respect to any such claim in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOUNT VERNON, ALEXANDRIA & WASHINGTON RAILWAY CO.

The Clerk called the bill (H. R. 2698) to provide for an appeal to the Supreme Court of the United States from the decision of the court of claims in a suit instituted by the Mount Vernon, Alexandria & Washington Railway Co.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

JOSEPH M. HENRY

The Clerk called the bill (H. R. 2734) for the relief of Joseph M. Henry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be directed to pay from any unappropriated money in the Treasury, the sum of $546, in full payment of the claim of Joseph M. Henry for money belonging to him and paid by him to the patients' fund, Army Air Forces station hospital, McCook Army Air Field, McCook, Nebr.

With the following committee amendments:

Page 1, line 3, strike out "from" and insert "out of."

Page 1, line 4, strike out "unappropriated" and after the word "Treasury" insert "not otherwise appropriated."

Page 1, after line 8, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAY G. AND DOROTHY G. SCHNEYER

The Clerk called the bill (H. R. 2919) for the relief of Ray G. Schneyer and Dorothy G. Schneyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby authorized and directed to pay, out of the money in the Treasury not otherwise appropriated, the sum of $4,666.65 to Ray G. Schneyer; to pay the sum of $4,666.65 to Dorothy G. Schneyer, both of Whittier, Calif., in full settlement of all claims against the United States for personal injuries hospital and medical expenses, and property damage, sustained as the result of an accident involving a United States Army vehicle on Rosemead Boulevard, Rosemead, Calif., on September 30, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$4,666.65" and insert "$1,500."

Page 1, line 6, strike out "$4,666.65" and insert "$500."

Page 1, line 9, after the word "damage" insert "and loss of wages."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERTRUDE, MRS. G. OLIVE, AND CHARLES W. YERXA

The Clerk called the bill (H. R. 3027) for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gertrude O. Yerxa, Arcadia, Calif., the sum of $1,500; to Mrs. G. Olive Yerxa, Arcadia, Calif., the sum of $500; and to Dr. Charles W. Yerxa, Arcadia, Calif., the sum of $500. The payment of such sums shall be in full settlement of all claims of the said Gertrude O. Yerxa, the said Mrs. G. Olive Yerxa, and the said Dr. Charles W. Yerxa, respectively, against the United States for personal injuries and property damage sustained, and medical and hospital expenses incurred, as a result of a collision on May 30, 1945, on Riverside Drive, Los Angeles, Calif., involving an automobile owned and operated by the said Gertrude O. Yerxa and a United States Army vehicle, the driver of which was operating such vehicle in a manner not within the course and scope of his employment: *Provided*, That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$1,500" and insert "$1,175.39."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HELEN E. SCOFIELD

The Clerk called the bill (H. R. 3641) for the relief of Mrs. Helen E. Scofield.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to Mrs. Helen E. Scofield, of Milford, Conn., in full settlement of all claims of the said Mrs. Helen E. Scofield against the United States for personal injuries, hospital, and medical expenses, and loss of earnings sustained as the result of an accident involving a Coast Guard vehicle in West Haven, Conn., on October 20, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$5,000" and insert "$4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the

third time, and passed, and a motion to reconsider was laid on the table.

JERLINE FLOYD GIVENS AND OTHERS

The Clerk called the bill (H. R. 4129) for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Jerline Floyd Givens, and the sum of $10,000 to the legal guardian of William Earl Searight, a minor, both of Lexington, Ky., in full settlement of all claims against the United States for personal injuries sustained by them as the result of an accident involving an Army vehicle, which occurred in Lexington, Ky., on September 21, 1941: *Provided*, That no part of the sums appropriated herein shall be paid to any subrogee: *And provided further*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$5,000" and insert "$4,000."

Page 1, line 6, strike out "$10,000" and insert "$5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARL R. NALL

The Clerk called the bill (H. R. 4571) for the relief of Carl R. Nall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Carl R. Nall, postmaster at Sherman, Tex., is relieved of all liability to refund to the United States the sum of $6,548.98. Such sum represents the amount still owing to the United States as the result of various embezzlements, from 1933 to 1945, by one George L. Kolb, former assistant postmaster in the Sherman post office, in the total amount of $23,730.08, the greater portion of such total amount having been recovered from sureties of the said George L. Kolb. The Comptroller General is authorized and directed to credit the account of the said Carl R. Nall in the sum of $6,548.98. The sureties of the said Carl R. Nall are relieved of all liability to refund to the United States the whole or any part of such sum of $6,548.98.

With the following committee amendment:

Strike out all after the enacting clause and insert "That the Comptroller General is authorized and directed to credit the account of Carl R. Nall, deceased, former postmaster at Sherman, Tex., in such amount as will equal the balance determined by the Comptroller General to be due in such account, as the result of various embezzlements from 1933 to 1945 by one George L. Kolb, former assistant postmaster in the Sherman post office. The estate of the said Carl R. Nall, deceased, and his sureties are hereby relieved of all liability to pay to the United States the whole or any part of the amount credited to the account of the said Carl R. Nall as provided herein."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Carl R. Nall."

A motion to reconsider was laid on the table.

LUDWIG POHORYLES

The Clerk called the bill (H. R. 3880) for the relief of Ludwig Pohoryles.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to return to the bill (H. R. 4050) to record the lawful admission to the United States of Moke Tcharoutcheff and others.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MOKE TCHAROUTCHEFF AND OTHERS

The Clerk called the bill (H. R. 4050) to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Madame Lucie Baptistine Tcharoutcheff and sons, Raymond and Robert Tcharoutcheff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and is hereby, authorized and directed to record the lawful admission for permanent residence of Moke Tcharoutcheff, Madame Lucie Baptistine Tcharoutcheff and sons, Raymond and Robert Tcharoutcheff, who entered the United States at Savannah, Ga., on March 13, 1947, and that they shall, for all purposes under the immigration laws, be deemed to have been lawfully admitted as immigrants for permanent residence.

With the following committee amendments:

On page 1, line 5, substitute the words "his wife" for the word "Madame."

On page 1, line 6, substitute the words "his two children" for the word "sons"; and the name "Raymonde" for "Raymond."

On page 1, line 10, add the following:

"Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the immigration quota for Russia and three numbers from the immigration quota for France, for the fiscal year then current."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Lucie Baptistine Tcharoutcheff, Raymonde Tcharoutcheff, and Robert Tcharoutcheff."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KILBURN asked and was given permission to extend his remarks in the RECORD and include an editorial.

PETITION NO. 6

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the name of my predecessor, Leo F. Rayfiel, be withdrawn from Discharge Petition No. 6 and that I be permitted to sign in his place.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASING EQUIPMENT MAINTENANCE OF RURAL CARRIERS

Mr. ALLEN of Illinois. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 480 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 1186) to increase the equipment maintenance of rural carriers 2 cents per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, this resolution provides consideration for H. R. 1186, a bill to increase the equipment maintenance of rural carriers 1 cent per mile per day for a period of 12 months. At present the rate is 6 cents per mile traveled. This bill will increase the allowance to 7 cents per mile.

The purpose of this bill is to partially alleviate the financial plight of rural carriers. These carriers—who have an average salary of about $3,000 per year—are now called upon to spend a portion of their salary to maintain their automobiles. Such a situation was never envisioned by Congress when we passed the laws establishing salary rates and maintenance for the rural carriers. It was our purpose to give rural carriers a salary based on the general level of salaries for Government employees. In addition to this, we provided for payments on a mileage basis for the maintenance of their cars. This maintenance payment was calculated to be as nearly as possible the actual expenditures for such purposes—and when the law providing the mileage payment was passed, the rate provided was adequate. But since then, the costs of maintaining an automobile have increased enormously, and maintenance payments to rural carriers have

become woefully inadequate. Ordinarily, carriers bought a new car each year, and thereby eliminated many of the costs of repair which are incurred with an older car. But now it is difficult—and in many cases impossible—to get a new car. Therefore, more repairs are necessary in order to keep the older cars operating.

In addition to requiring more repairs, the repairs themselves have become much more expensive since the last adjustment of maintenance payments, and the actual cost of gasoline and oil has increased as much as 20 percent. All in all, maintenance costs for rural carriers have been increased as much as 30 to 40 percent in the past 4 or 5 years. The carriers must meet this increased cost out of their salaries. It was never the intention of Congress that the salaries for rural carriers should be spent in this way, and their net income thereby diminished. In effect, this additional expense borne by the carriers reduces their salary below the rate paid to other Federal workers in a like grade. Congress must eliminate this inequity immediately.

This is an open rule, which merely provides 1 hour of general debate on the bill. I am sure there will be no opposition to this rule, and I know that no Member of this House who is acquainted with the plight of the rural carriers will oppose this bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, there are many justifications for this legislation. In the first place, the high cost of living continues to increase and will continue to increase until the Congress and the administration take back the power to coin money and regulate the value thereof, and put a stop to the inflation of the currency through the Federal Reserve System.

The normal supply of money in this country was around $5,000,000,000 in times of peace. It is now approximately $28,000,000,000, and it decreased more than $700,000,000 during the month of January. I am not informed as to what the increase was during the month of February.

This measure will be a great boon to the men who carry the mail to the farmers of this Nation.

The people who work the hardest and get the least for it, and the least consideration of any people under the American flag, are the people living in the rural districts. I have said here time and time again for the last few years that I am in favor of putting a mail box in front of every farmer's house. I am for building a hard road to every farmhouse. I am for placing cheap electricity in every farm home.

We have just gone through a war in which the white farmers of my section of the country furnished the largest percentage of their sons of any people under the American flag. You gave our State a quota based on population, and then proceeded to take the white boys largely, and you did not give the cotton farmer any exemptions whatever.

You could reach every one of those farm homes with the draft, and I am in favor of taking every one of them the daily mail, providing a hard road to every one of them, and, above all things, providing cheap electricity for every farm home. By doing that we will make this country strong and powerful in the years to come as well as self-sustaining.

Rural electrification pays for itself. All we are asking the Congress to do is to loan the money to build the lines. The farmer wires his house and buys his own appliances. Every dollar of this money will come back with interest. If you will carry out the program I have been begging you to carry out, you will add untold billions to the wealth of this Nation.

Every one of the dead nations of the past whose skeleton marks the path of time has died in the big cities.

We have now reached the point in this atomic age when the large cities that are now overcrowded may find themselves blown to smithereens by the atomic bomb. It is time that we looked forward to the encouragement and prosperity of the people in the small rural communities, and especially the people living on the farms.

For these reasons, I shall not only support this resolution but I shall give my support to the bill.

Mr. Speaker, on Tuesday, February 24, 1948, I offered a motion to recommit the deficiency appropriation bill, H. R. 5525, with instructions to report back immediately with an amendment providing $300,000,000 for rural electrification for the balance of the fiscal year which ends on June 30, 1948. That motion was voted down on a roll call which appears on page 1640 of the CONGRESSIONAL RECORD.

Some of my friends in the House have criticized me for offering that amendment; but I call attention to the fact that it was the only way open to me to secure the necessary funds to carry on the rural-electrification program, as it should be carried on, to the end of the fiscal year.

In 1938, when we were spending money by the billions on activities of almost every kind, I offered an amendment for an additional $100,000,000 for rural electrification, which at that time was receiving only $35,000,000 a year—at which rate we could not have electrified the farm homes of this Nation in 100 years, and probably not in 500 years, for it was taking about all the amount provided for overhead expenses.

I won on that amendment by only six majority on a teller vote. A roll call was demanded by the opposition and I won by 121 votes. As a rule the Members who are still in Congress who voted against that appropriation then voted against my amendment on last Tuesday.

Every attempt has been made to lead Congress to believe that the Rural Electrification Administration had ample funds, and that this emergency appropriation was unnecessary.

At this point I am inserting a letter which I have just received from Hon. Claude R. Wickard, Rural Electrification Administrator, which reads as follows:

HON. JOHN E. RANKIN,
House of Representatives.

DEAR MR. RANKIN: In response to your request we are attaching a summary, by States, of pending loan applications on hand and in process as of January 31, 1948, in the amount of $296,379,500.

As of February 13, the latest date for which we have figures available, we had loan funds remaining in the amount of $73,017,126. Approximately $6,000,000 of this will be tied up until the next fiscal year because of the requirements in the act with respect to distribution of funds, so that we actually have available somewhere around $67,000,000 to satisfy outstanding loan applications.

New applications are being received at the rate of approximately $24,000,000 per month.

From that letter you will see that REA has applications for $229,379,500 more than it has funds to supply.

In order that each Member may see where this money is needed, I am breaking these applications down alphabetically:

ALABAMA

The applications now pending from that State amount to $5,562,000.

ARIZONA

The applications now pending from that State amount to $1,076,000.

ARKANSAS

The applications now pending from that State amount to $4,657,000.

CALIFORNIA

The applications now pending from that State amount to $315,000.

COLORADO

The applications now pending from that State amount to $5,303,000.

CONNECTICUT

The applications now pending from that State amount to zero.

DELAWARE

The applications now pending from that State amount to $150,000.

FLORIDA

The applications now pending from that State amount to $10,225,000.

GEORGIA

The applications now pending from that State amount to $17,913,000.

IDAHO

The applications now pending from that State amount to $1,705,000.

ILLINOIS

The applications now pending from that State amount to $9,045,000.

INDIANA

The applications now pending from that State amount to $2,186,000.

IOWA

The applications now pending from that State amount to $13,473,000.

KANSAS

The applications now pending from that State amount to $12,878,000.

KENTUCKY

The application now pending from that State amount to $10,497,000.

LOUISIANA

The applications now pending from that State amount to $2,914,000.

MAINE

The applications now pending from that State amount to $146,000.

MARYLAND

The applications now pending from that State amount to $800,000.

MASSACHUSETTS

The applications now pending from that State amount to 0.

MICHIGAN

The applications now pending from that State amount to $2,472,000.

MINNESOTA

The applications now pending from that State amount to $13,457,000.

MISSISSIPPI

The applications now pending from that State amount to $6,660,000.

MISSOURI

The applications now pending from that State amount to $29,797,000.

MONTANA

The applications now pending from that State amount to $8,942,000.

NEBRASKA

The applications now pending from that State amount to $18,099,000.

NEVADA

The applications now pending from that State amount to $80,000.

NEW HAMPSHIRE

The applications now pending from that State amount to $513,000.

NEW JERSEY

The applications now pending from that State amount to $98,000.

NEW MEXICO

The applications now pending from that State amount to $1,960,000.

NEW YORK

The applications now pending from that State amount to $157,000.

NORTH CAROLINA

The applications now pending from that State amount to $3,702,000.

NORTH DAKOTA

The applications now pending from that State amount to $23,948,000.

OHIO

The applications now pending from that State amount to $3,220,000.

OKLAHOMA

The applications now pending from that State amount to $9,337,000.

OREGON

The applications now pending from that State amount to $1,740,000.

PENNSYLVANIA

The applications now pending from that State amount to $2,161,000.

RHODE ISLAND

The applications now pending from that State amount to 0.

SOUTH CAROLINA

The applications now pending from that State amount to $6,765,000.

SOUTH DAKOTA

The applications now pending from that State amount to $14,962,000.

TENNESSEE

The applications now pending from that State amount to $10,552,000.

TEXAS

The applications now pending from that State amount to $20,802,500.

UTAH

The applications now pending from that State amount to $605,000.

VERMONT

The applications now pending from that State amount to $450,000.

VIRGINIA

The applications now pending from that State amount to $4,200,000.

WASHINGTON

The applications now pending from that State amount to $2,290,000.

WEST VIRGINIA

The applications now pending from that State amount to $53,000.

WISCONSIN

The applications now pending from that State amount to $6,802,000.

WYOMING

The applications now pending from that State amount to $3,710,000.

The total applications now pending from all the States listed above amount to $296,379,500; and applications are coming in at the rate of $24,000,000 a month.

Remember that every dollar of this money will come back with interest, and it will add untold millions, if not billions, to the wealth of the Nation.

I understand there is another deficiency bill pending before the Appropriations Committee, and I appeal to the members of that committee now to include this item of $300,000,000, in order that we may move forward with the greatest program ever instituted for the benefit of the American farmers, and keep moving forward with it until we electrify every farm home in America at rates the farmers can afford to pay.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. COMBS], and ask unanimous consent that he speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COMBS. I want to thank our distinguished Speaker, my colleague the gentleman from Illinois [Mr. ALLEN], and my colleague the gentleman from Tennessee [Mr. MURRAY] for yielding me this time.

The chairman of our Texas delegation, Mr. MAHON, has asked me to speak a few words in commemoration of Texas independence. The Texas Declaration of Independence was signed and published in another city named Washington—old Washington on the Brazos—112 years ago today.

If what I shall say sounds to some of you as boasting it is not so intended. It is with pride and yet with reverence that I recount a few facts in the history of our State. It is one of the glories of our Union that each and every State has made a great contribution to our common country and in doing so has made a glorious history. Whether we think of Plymouth Rock or Jamestown, Valley Forge, Lexington, or Gettysburg, the great history of each State and her people are the common heritage of us all. And we trust that each of you of other States sincerely share with us today our pride in our State.

Texas, as you know, has a colorful history. Perhaps because that is true and so many events connected with Texas history lend themselves to song and story is one reason why our children are taught the history of Texas in the schools before they take up the study of United States history. Yet our people are no less devoted to our great common country than the people of other States.

The sons of Texas have proved this on every battlefield of every war fought by this country since Texas became a part of it in 1845. On this day every year wherever we are we Texans pause and pay tribute to our State. That loyalty is deep-seated in the hearts of our people. One of the most touching incidents of Corregidor for Texans was that just before Corregidor fell, and when it was being pounded by Japanese bombs and shells, a handful of Texas boys climbed out on the rock, turned their eyes toward Texas, and sang The Eyes of Texas.

The Americans who first settled Texas came from every State of the Union that was then settled. At the Alamo, shrine of Texas liberty, the defenders refused to surrender and died to the last man. On the commemorative monument at Austin is inscribed: "Thermopylae had her messenger of defeat—the Alamo had none." At the Alamo Crockett, of Tennessee, died with Travis, of Alabama; Bonham, of South Carolina; Bowie, of Louisiana; and men from many other States—heroes all. Yes, at the Alamo and Goliad where Fannin and his men were massacred, and on the battlefield of San Jacinto, men from all over America contributed to Texas freedom.

Those who think that Texas was settled by ruffians who were driven out of other States are wrong. Many of the pioneer Texans were ambitious pioneering young men from the college campuses of other States. It is recounted by the historians that more college-trained men signed the Texas Declaration of Independence than ever signed a similar document. About 6 months before Travis fell at the Alamo he wrote the Christian Advocate, organ of the Methodist Church of New York State, requesting the Methodist conference to send two missionaries to Texas. And in that letter he said, and I think I can quote from memory accurately, "Do not send us ignorant preachers. Send young college-trained men, for Texas has the largest percentage of college-trained people of any pioneer region on earth."

It is interesting to note that in response to that letter the Methodist conference sent a brilliant and cultured young preacher, the noted Littleton Fowler, a Kentuckian. He founded the first Protestant church in Texas at San Augustine, located in the district which I represent. He was the founder of Methodism in Texas. Texas' great colonizers, who brought the first American settlers, included Lorenzo D. Zavalla, of Spain; Moses Austin, born and reared in Virginia; and his son, Stephen F. Austin, of Missouri, whom we affectionately call the father of Texas and for whom our capital is named. Texas' first president and military leader was the immortal Sam Houston, of Tennessee. Her second president was Mirabeau B. Lamar, of Georgia. He is known as the father of education in Texas, since by his first message to the congress of the republic he caused millions of acres of the great domain of Texas to be set aside for two

universities and for a public-school system. The result of that is the University of Texas and Texas A. and M., as well as our public schools, have largest permanent endowments of any schools in the Nation. It was in that message that he used the words that are used as the motto of the University of Texas: "A cultivated mind is the guardian genius of democracy." The last president was the cultured and able Anson Jones, who presided at the time the Lone-Star Flag was hauled down and the Stars and Stripes run up, signaling our entrance into the Union. He was born and reared in Massachusetts and educated in Philadelphia; and I may add a fact that many of you do not know, and that is that by the treaty under which Texas entered the Union she reserved the right to fly the Lone-Star Flag, as well as her public lands.

At the main entrance to the capitol of Texas stand two small brass cannon—one on either side—called the twin sisters. They were the only artillery the Texans had in the battle of San Jacinto. They were brought to Texas by Gen. Thomas Jefferson Chambers. Inscribed on them are the words: "Presented to the people of Texas by the citizens of Cincinnati, Ohio."

Time will not permit me to enumerate further the great men contributed to our State by other States. I will add, however, that the great industrial development that has occurred in Texas in recent years has drawn and is drawing an ever-increasing stream of splendid industrial leaders and fine solid citizens from practically every State in the Union. I thus express in small measure the debt we people of Texas owe to all of you. And I do so not merely to recount historical fact but rather to emphasize that in this great common country all of us are interdependent.

In these troubled times when so much of the world is in utter ruin and chaos, when men not only have lost worldly goods but in many a country have lost faith in the future and even hope, we need, more than ever, unity and common understanding among us. Today America is a symbol of hope and freedom to those who long to be free and to live in a world of decency and order. We are the last strong Nation able to lead the march of freedom and human progress. It is not too much to say that in this tragic hour of gathering war clouds and gloom we are the world's last hope. I trust and dare to hope that in these troubled times my State, proud in her glorious history and with her proven devotion to the principles of freedom upon which our Government is founded, can make some contribution to common understanding, unity, and good will.

Mr. RANKIN. I join in the applause and congratulations of the gentleman from Texas. I understood the gentleman to say that Colonel Crockett was from Alabama.

Mr. COMBS. No. I said from Tennessee.

Mr. RANKIN. That is correct.

Mr. COMBS. If I said Alabama it was an error. I meant to say Tennessee. Tennessee has sent us so many fine folks, including the distinguished former Speaker of the House and now minority leader, the gentleman from Texas, SAM RAYBURN.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

EQUIPMENT MAINTENANCE OF RURAL CARRIERS

Mr. COLE of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1186) to increase the equipment maintenance of rural carriers 2 cents per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1186, with Mr. SEELY-BROWN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Missouri [Mr. COLE] is entitled to 30 minutes and the gentleman from Tennessee is entitled to 30 minutes.

The Chair will recognize the gentleman from Missouri [Mr. COLE].

Mr. COLE of Missouri. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill affects some 32,000 rural mail carriers throughout the United States. At the present time they are allowed 6 cents per mile per day for equipment maintenance. They have had that allowance since about the middle of 1943. Prior to that time it was 5 cents per mile per day. In 1943 it was my bill that increased that allowance to 6 cents per mile per day. Since that time the cost of equipment and the cost of repairs and the cost of accessories has increased to such an extent that these costs for the rural carrier now average between 9 and 10 cents per mile per day. For that reason this legislation is urgently necessary.

Many of my colleagues, since the introduction of this bill, have contacted me and given me information regarding the greatly increased cost of equipment maintenance for the rural carriers in their districts. Many have contacted me many times. One of the most persistent was my good friend and colleague the distinguished gentleman from Missouri [Mr. PLOESER], who has come to me innumerable times to inform me that the rural carriers in his district are each spending from three to five hundred dollars more than their allowance each year for equipment maintenance. His is not an exceptional case. The same situation prevails throughout all rural districts in every State. Let me cite just a few other examples. Here is one from Virginia. The operating expense was $1,380, the allowance $720. Mississippi: Operating expense, $986.70; allowance, $506. Texas: Operating expense, $1,367.37; allowance, $602.28. Pennsylvania: Operating expense, $731.87; allowance, $407. California: Operating expense, $653.40; allowance, $252. I could cite thousands of such cases, in fact, I do not know of a single case where the carrier is breaking even.

The evidence before our committee showed that the cost of the automobile, where it is possible to purchase automobiles, has increased from 60 to 100 percent. Accessories, tires, chains, batteries, replacement parts, have increased from 75 to 100 percent. Labor costs and repairs have more than doubled. Gasoline and oil costs have increased some 40 to 50 percent. As I said before, new equipment is almost unobtainable, and for that reason most of these rural carriers are still using equipment of the 1940, 1941, and 1942 models, for which the cost of repair and maintenance is very high. The average length of a rural route is a little less than 45 miles. The average number of stops on that route is 250. The wear and tear on an automobile is great. It is true they do not need to make 25 stops each time they cover a route, but they will make most every stop and the starting and stopping even on paved roads is hard on the car and hard on the driver.

The Post Office Department realizes that the present equipment maintenance allowance is inadequate. Shortly after this bill was introduced a report on it was requested of the Postmaster General. This report is signed by J. M. Donaldson. Let me quote one sentence from it:

> I know that many rural carriers cannot adequately maintain their equipment on the basis of 6 cents per mile, because of their inability to obtain new cars or to have the old ones repaired at a reasonable cost.

Last June the Senate passed a companion bill, S. 203. Its provisions are the same as the pending bill with the exception that the Senate bill provides a period of 36 months. H. R. 1186 provides for only 12 months. Should this legislation be adopted, I intend to ask unanimous consent for the immediate consideration of S. 203, and if this is granted I will then move that all after the enacting clause of the Senate bill be stricken and the provisions of H. R. 1186 be substituted therefor. If this can be accomplished we should soon be able to adjust our differences with the other body and lay this legislation before the President for his signature.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, H. R. 1186, as introduced originally, provided an increase of 2 cents per mile for equipment maintenance of rural carriers for a period of 3 years or such earlier date as the Congress may by current resolution prescribe. The Committee on Post Office and Civil Service amended the bill so as to make the increase in equipment maintenance 1 cent per mile instead of 2 cents, and to reduce the maximum length of time the increase would be in effect to 1 year instead of 3 years.

Since July 1, 1945, rural carriers have been receiving a permanent rate of 6 cents per mile for equipment maintenance and, if this legislation is enacted,

they will receive a temporary increase of 1 cent per mile, or 7 cents per mile as long as the temporary increase is in effect. There are about 32,000 rural carriers in the service, and a standard rural route is 45 miles in length. If this bill is passed by Congress, then the rural carrier with a standard route of 45 miles would receive a temporary increase of 45 cents a day in his equipment maintenance or $2.70 per week.

The hearings upon this bill by your committee developed that it was costing rural carriers from 9 cents to 12 cents per mile for their equipment maintenance. All of the rural carriers in the United States are paying out more for the cost of operating their automobiles on their rural routes than they are now receiving for equipment maintenance. A survey made by the National Rural Letter Carriers' Association last year indicated that the cost of operating and maintaining the car of a rural carrier on his route averages nearly 10 cents a mile. This increase in the cost of operation during the past few years has been due to the additional cost of oil, gasoline, tires, batteries, repair parts, and labor charges. Repair parts have almost doubled in price; oil and gasoline have increased from 40 to 50 percent; tires and batteries have shown some increases, while labor charges for repairing cars have practically doubled. There is also a sharp increase in new automobiles, which many rural carriers are still unable to obtain. Since the great majority of the carriers have been compelled to operate their old cars for many years due to inability to get new cars, the upkeep on the old cars has been terrific.

The temporary increase of 1 cent per mile will cost the Post Office Department $4,388,000 for the 1 year. This is deserving legislation and should be enacted without opposition. The bill, as amended, was reported out for passage unanimously by the Committee on Post Office and Civil Service. It is certainly fair and just legislation. When the rural carriers are given the temporary increase of 1 cent per mile, they will still be losing money in the operation of their automobiles on their routes. In his report upon this bill the Acting Postmaster General stated that—

> I know many rural carriers cannot adequately maintain their equipment on the basis of 6 cents per mile because of their inability to obtain new cars or to have the old ones repaired at a reasonable cost.

Mr. COLE of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, this measure providing for a slight increase in equipment maintenance for the rural-mail carriers of the Nation, voted out unanimously by our committee is justifiable at the hands of this Congress. I have always regarded myself, and I believe the other Members of the House regard me, as being pretty careful about voting to raise the cost of Government. This will result in an increase in the cost of Government to the extent of only about $4,000,000 per year; at the same time it does result in doing partial justice to the faithful employees of our Government who carry the mail over bad roads in many instances throughout the United States of America in all kinds of weather.

This will mean an increase of about 45 cents a day to the rural-mail carriers. This is brought about, as pointed out by previous speakers, by reason of increases in the cost of cars, equipment, tires, chains, batteries, and repairs. There is much repairing to do on the old cars because the rural-mail carriers have not been able to buy new cars on account of the shortage of automobiles. Labor costs in installing repairs have increased over 100 percent.

In this situation we are faced with the question: Shall we give these people a part of what they are entitled to for 1 year, then take a look at it to see what conditions may be 1 year hence? In fact the increase should be double what this bill provides. Mr. Chairman, I hope that the Members of the House will give this very worth-while measure their support and that the bill will pass by a unanimous vote. As I stated, it means about 45 cents per day for each of the rural-mail carriers who are serving the public so well throughout this country.

Mr. BISHOP. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. BISHOP. Is it not a fact that these rural-mail carriers are really the servants of the people?

Mr. VURSELL. There is no question about that. They are rendering a splendid service. They are as fine a group of public servants as can be found in the Nation.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Chairman, I think it proper to call attention to the fact that this bill was reported out of the committee in July; consequently you are 6 months behind in effecting this increase. In addition to the $4,500,000 that it will probably cost, our committee is now considering salary increases which will run in excess of $1,000,000,000. You cannot intelligently vote on this measure unless you determine that some day you are going to have to face the issue of increasing the revenues of the Post Office Department. Costs, of course, are going up all the time to those who work; those who have to buy equipment, and those who have to carry the mails. They are having a very difficult time. But, it seems to me contrary to the best interests of the country to continue to so enthusiastically embrace all such measures as this and to shun the very direct responsibility of bringing the revenues up, which are now more than $300,000,000 in the red. Unless Congress soon meets that challenge and that responsibility, we must create a rate-making body in the executive branch of the Government and let them settle the rates. We cannot increase salaries and increase maintenance of equipment and continue to let the revenues stay where they are. Unquestionably this measure is justified; unquestionably it is necessary. It is unfortunate that its passage has been delayed since July. Perhaps 1 cent is not enough under the present picture; nevertheless, I think that you ought to, when you pass this measure, as you will, also take into consideration the responsibility that you are assuming in increasing the deficit of the Post Office Department.

Mr. COLE of Missouri. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. FOOTE].

Mr. FOOTE. Mr. Chairman, I doubt if any bill will be presented to the Congress that is more meritorious than this one. I happen to live in the town of North Branford, a town that is served by a rural mail carrier. I have several other towns in my congressional district that are also served by rural mail carriers. I know something about the hardships that they undergo and the additional expense to which they are subjected, especially during the winter months, with snow 5 feet deep and the temperature way below zero. I call your attention to two specific cases referred to by the postmaster in North Haven, Conn., which amply demonstrates the necessity for this legislation. He speaks of one rural carrier in his office who is purchasing a car to carry the mail at a cost of $2,000 and his salary is only $2,400 per year, and this particular carrier is not even assured of the job, as he is still a substitute. The postmaster refers to another case where tire-chain expense by a carrier was $31.75 in 9 days. Now, chains are almost impossible to get on account of the demand with the heavy snows, and when you do get them they cost some $20. Many mail carriers have burned up a set of chains in 1 day, getting in and out of mail boxes from which the snow has not been properly shoveled. I feel that this bill should be passed unanimously by the House.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. FOOTE. I yield to the gentleman from Georgia.

Mr. LANHAM. Why was the amount cut from 2 cents to 1 cent; just on the theory that half a loaf was better than none?

Mr. FOOTE. I am sorry I cannot answer the gentleman. I am not a member of the committee. Maybe a member of the committee can advise the gentleman.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I compliment the committee on bringing in this bill. I believe it is a step in the right direction, and I can wholeheartedly support it. If I have any misgivings with regard to the bill, they lie in the feeling that perhaps the allowance granted therein is not sufficient. In any event, as I said, I believe the bill is urgently needed to relieve as worthy and faithful a group of Government employees as there is in the country.

Personally, I do not believe that the increase is sufficient. It should be larger. It should be calculated to reimburse our capable and loyal rural carriers for all expenses incurred in performing their invaluable work. I will therefore support amendments raising the amount of

increase so as to provide a truly adequate measure of recompense to those who brave storm and all the elements to carry the mail to our farmers and rural citizens. Theirs is an unexcelled service and we must be sure that they are well paid, well equipped, well maintained, and well supported in their work by the Government. With deep gratitude from my constituents and from myself for the devoted, unceasing service of the rural carriers, I am pleased to vote for this salutary measure.

Mr. COLE of Missouri. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, I wish to thank the Committee on Post Office and Civil Service for the courteous and sympathetic attention which they have given to us who have been urging the passage of this legislation, and to commend them for bringing to the floor a bill which at least gives partial and temporary relief to a group most deserving of consideration.

It is to be regretted, however, that the committee did not find it possible to allow the rural carriers at least 2 cents a mile increase. In view of the present cost of providing and maintaining automotive transportation and equipment, an increase of 1 cent a mile, which at most is only 40 or 50 additional cents a day for the carrier, is entirely inadequate and only slightly reduces the daily loss which he sustains. I hope that long before the expiration of the period stated in this bill the committee will review the situation and give us a chance to vote for a measure that will give real relief.

We all realize the tremendous cost of government. I have voted consistently for reduction of government expenses. It is poor policy, however, for a great Republic that is extending financial help to the needy of the world, and is striving to increase the standard of living of labor and the income of the farmer, to be niggardly with its own employees.

We pay the least to those who do the most. We should reduce the number of employees in Washington and provide for those out in the field.

No group in all the vast army of Federal employees performs a greater task than the rural mail carriers or contributes more to the welfare of the Nation. We depend upon them to keep the remote farm house and country home in contact with the world. They preserve the health and happiness of those who live in the greatest part of our country, the crossroads and the grass roots.

Of them even more truly than their city brethren may be quoted the famous motto of the postal service:

> Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I am heartily in favor of this bill. Some time ago I received correspondence from my people in Louisiana regarding this measure and became interested in it. I know the rural carriers have been losing money operating on a basis we have set forth heretofore in the law. Frankly, I am a little disappointed that the bill does not allow us to give them a 2-cent per mile increase to the rural carriers. I understand, however, there is a practical obstacle here. The Senate has already passed a bill increasing the allowance by 1 cent per mile. The practical obstacle presented is that of getting this legislation through Congress without further delay. For this reason, the committee has seen fit to go along with the Senate version of this bill. I am disposed likewise to go along with the committee. It has thought this thing out and worked this plan through. I am glad to be here and aid in obtaining the passage of this measure. It is very worthy and should become the law immediately.

Mr. COLE of Missouri. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. YOUNGBLOOD].

Mr. YOUNGBLOOD. Mr. Chairman, as a member of the Subcommittee of the Committee on Post Office and Civil Service which held hearings on this bill, may I say I was the one who was instrumental in reducing the increase from 2 cents to 1 cent. I and other members of the committee took into consideration several factors. These hearings were held about 6 months ago. Had we known that prices were going to continue to increase since that time, we would have left the amount at 2 cents as in the original bill. However, inasmuch as the bill was reported out unanimously with a 1-cent increase, we have no choice but to let it go through in that way.

I have no rural mail carriers in my district but I subscribe to the theory that these carriers must be paid for the use of their equipment. I know of the cost of operating equipment because I own equipment. I have analyzed this thing in the light of my own business, and I know what it costs to operate my own vehicles. I would be very happy to see the other cent of increase put back into the bill, but I do say in all fairness that I think this bill should be passed unanimously without too much delay or further consideration.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. YOUNGBLOOD. I yield.

Mr. LYLE. It might be well to show for the RECORD that the bill came from the other body providing for a 1-cent increase, did it not?

Mr. YOUNGBLOOD. I believe the gentleman is correct, but the original bill called for 2 cents.

Mr. LYLE. Yes; but when the bill came over from the other body it called for a 1-cent increase.

Mr. YOUNGBLOOD. Yes.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE of Illinois. Mr. Chairman, I rise in support of this legislation to increase the equipment maintenance of rural carriers, but I am not satisfied with the measure as we find it today. As a matter of fact, I am greatly disappointed because we do not have the opportunity to approve the original proposal which would have given a 2-cent-per-mile increase for a period of 3 years.

I support the bill today only because it appears to be the best we can get from this session of Congress. It may give some measure of relief to the rural carrier, but it certainly will not give him relief in the amount necessary for him to meet his burdensome maintenance cost, which has risen far beyond any reasonable figure. This increase of 1 cent will still be inadequate to offset the inflated prices on gasoline, oil, tires, and repairs. We should also take into consideration that the rural carrier wears out his own family automobile in the service of the Government. Some attention should be focused on the fact that his equipment gets the roughest kind of usage, and the life of his vehicle is greatly shortened because of his work. Another reason why Congress should not have reduced this equipment maintenance allowance.

I will vote for this bill today, but I am disappointed that it does not provide the full 2-cent increase.

Mr. COLE of Missouri. Mr. Chairman, I yield to the gentleman from Indiana [Mr. MITCHELL] such time as he may require.

Mr. MITCHELL. Mr. Chairman, I had hoped the opportunity would come to vote for the bill that my good friend the gentleman from Missouri [Mr. COLE] originally introduced providing for a 2-cent increase over a period of 36 months. The gentleman from Missouri [Mr. COLE] himself in discussing his bill with me some time ago said, "MITCH, that is just about the best that we can do." I am sorry we can only give half a loaf. I would like to vote for the whole loaf because those boys sure need it.

Mr. COLE of Missouri. Mr. Chairman, I yield such time as he may require to the gentleman from Wisconsin [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, I commend the members of the subcommittee in their work in reporting H. R. 1186. Originally I was, and have always been, in favor of a 2-cent increase for equipment maintenance for rural carriers for the 36-month period.

In Wisconsin at the present time the rural carrier has to drive through 24 inches of snow and through snowdrifts several feet high. In a few weeks he will be driving through 6 and 10 inches of mud. Throughout the year he cannot maintain his automobile for 6 or 7 cents a mile. Eight cents to 10 cents is the very minimum to operate automobiles in the rural mail carrier service. I am sorry that the original proposed increase of 2 cents was reduced in order to comply with the request of the Postmaster General. The Postmaster General said that he could not go along with a 2-cent increase because the Post Office Department was already in the red, so to speak. However, the Postmaster General did admit that the rural mail carrier cannot adequately maintain his equipment on the present basis.

I want to emphasize that I do not consider that the services of the rural carrier are to be considered as a deficiency service. It is a service for the good of the public. The cost of maintenance of the

rural carriers' automobiles should be fully taken into consideration. He carries eggs, little chicks, and everything that the farmer receives or sends through parcel post. The rural mail carrier performs a great service for the Nation. Certainly he ought to receive the cost of maintenance of his automobile. I think the 1-cent increase is not enough; but under the circumstances, this bill should be passed by the House by unanimous vote today. I am very glad to offer my assistance to my friends in the rural mail service.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN of Missouri. Mr. Chairman, although the district I represent is entirely within the city of St. Louis and is not served by rural carriers, I can see the need for this legislation and I hope it will be adopted.

Under existing law rural carriers receive 6 cents per mile for equipment allowance. I would like to have seen the original proposal adopted which would have granted 2 cents per mile increase. When the matter was considered by the committee, however, they felt that a 1-cent increase would be sufficient. That was several months ago and since that time prices on almost everything have continued to advance. To my mind the 2-cent-per-mile increase is justified.

As the bill has been presented with a 1-cent-per mile increase it will partially relieve the hardship to which rural carriers have been subjected because of rising costs. I am supporting the bill because while it does not fully correct this situation it will be of help to the rural carriers.

At this time I would also like to call to the attention of the House that there is pending before the Committee on Post Office and Civil Service legislation which would provide a living wage for those in the Government service.

Having served as a Federal employee myself I know some of the problems of the Government workers. I began my Federal service 13 years ago as an employee in the Capitol under the late John J. Cochran at a salary of $120 a month. That was not a princely salary, even in those days, but it is still a pretty standard salary for many Government positions today. While it is true small increases were provided Federal workers during the period of the war, these have been more than offset by the great advance in the cost of living.

In my district there is a large Government office known as the War Department Administration Center. This installation employs over 10,000 people. Last summer I visited the administration center and talked with many of the employees. It was not uncommon to find high-grade, and sometimes technical personnel working in extremely low salary classifications.

Many Government employees are dissatisfied and are working in the Federal service only until they can find something better. According to a recent Census Bureau survey it requires a minimum income of $3,247 a year for the average American family of four in St. Louis at today's prices. Federal salaries in that area are not anywhere near this figure.

Many Government agencies have had to follow the practice of downgrading and reducing salaries of their employees in recent months. While this may have saved a few dollars, it has had a serious deteriorating effect on the Federal service. It is my observation that the morale of the Government workers is lower than it has ever been before.

In order to secure efficient service we are going to have to pay for it. Private industry has long recognized this principle and the personnel records of almost every Government department will show that many are leaving the Government service in order to go into other work, where their ability can be recognized. There is no question but that the salaries being paid Government workers are lower than those for comparable positions in private industry.

In supporting H. R. 1186, I would like to express the hope that the House will soon have an opportunity to vote on the other legislation pending before the House Committee on Post Office and Civil Service, which would provide an adequate living wage for those in the Federal service.

Mr. COLE of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, I am heartily in accord with this bill. Everyone knows that the cost of operating automobiles and oil and gas has increased much more than 16 percent, since the 6 cents per mile was fixed. The increase allowed in this bill is 1 cent plus 6 cents, which is 16 percent. I agree with the gentleman from Indiana [Mr. MITCHELL] and wish the original bill giving these rural carriers an increase of 2 cents a mile was the bill we were now adopting.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. PRICE].

Mr. PRICE of Florida. Mr. Chairman, I wish to say that I am wholeheartedly in favor of H. R. 1186 and I am sorry the bill does not call for a 2-cent raise as I realize at least 2 cents is needed. The rural route carriers deserve a rising vote of thanks from all the citizens of the United States.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I feel that the rural carriers are entitled to the benefits proposed in H. R. 1186 and I shall vote for the measure.

The purpose of the bill is to increase by 1 cent the present allowance to rural carriers for the use and maintenance of their equipment. The present allowance is 6 cents per mile. In consideration of the increased cost of automobiles and repairs we all know that rural carriers cannot come out on the present allowance. The rural carriers have to travel rough and difficult roads; they deliver mail during all kinds of weather; their equipment is exposed to greater hardships than that of ordinary civilian users.

The Committee on Post Office and Civil Service has held extensive hearings on this measure and it has been affirmatively established that they are entitled to at least the increase granted herein.

The Postmaster General, J. M. Donaldson, who has come up through the service to his present high position, is aware of the fact that in order for the rural carriers to continue their efficient operation they should have this increase. He states that "many rural carriers cannot adequately maintain their equipment on the basis of 6 cents per mile."

The rural carriers of the Nation are a high class, intelligent group of employees who are performing a vital service. Their compensation is not great and it is not fair to ask that they suffer a loss on maintaining their equipment. This legislation is fair and equitable and I think it is necessary. I hope that the House will pass it without a dissenting vote.

Mr. COLE of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, I cannot let this opportunity pass to speak on this measure, especially in view of the fact that the distinguished gentleman from the Second District of Connecticut, to whom I always refer as "my Congressman," since he is my Congressman in the district in which I reside, is presiding with such impartiality on this bill, keeping such good order and decorum in the House, and genially permitting each Member an opportunity to express his or her views.

As one who has served on the subcommittee considering this proposal to increase the equipment maintenance of rural carriers; I am fully aware of the matter. Our report was submitted to the House on July 18, 1947, recommending passage. Nearly 8 months have elapsed since that day, but the rural carriers continued their duties devotedly, rendering service with a smile in spite of losses in equipment maintenance. Because of the unusual hazards, increased expenditures for repairs, replacements of equipment, chains, and so on, that rural carriers have had in Connecticut and throughout the United States this last winter due to the unusual snows, sleet, and subzero weather, I am doubly happy to vote at this time for the passage of this bill, which was unanimously approved by my Committee on Post Office and Civil Service.

Mr. COLE of Missouri. Mr. Chairman, I yield such time as he may require to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, I shall vote for this legislation, although I regret that the increase was not 2 cents rather than 1 cent.

The costs of operation to our rural carriers have arisen greatly over the past several years, and this increase is, in my

opinion, long overdue. I hope that you, my colleagues, will also cast an affirmative vote for this legislation and do at least a partial measure of justice to the rural carriers of our country who have done such a fine and faithful job to those served on our far-flung network of farm mail routes..

Mr. COLE of Missouri. Mr. Chairman, I ask unanimous consent that all Members have five legislative days in which to revise and extend their own remarks on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLE of Missouri. Mr. Chairman, there are no further requests for time.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That each carrier in the rural mail delivery service shall be paid for equipment maintenance a sum equal to 2 cents per mile per day for each mile or major fraction of a mile scheduled in addition to the 6 cents per mile per day for each mile or major fraction of a mile scheduled as now provided by law. Payments for the additional equipment maintenance as provided herein shall be at the same periods and in the same manner as payments for regular compensation to rural carriers.

With the following committee amendment:

Page 1, line 4, strike "2 cents" and insert "1 cent."

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to this debate for some time. It seems to me a reasonable request to ask for 2 cents a mile in view of the fact that the cost of operating an automobile, the ordinary Ford, Chevrolet, or whatever the rural mail carrier may manipulate over the highways, has increased 100 percent. The cost of his gasoline has increased, his taxes have increased. It seems to me that a man who serves us while perhaps not 365 days a year, yet nearly that much, a man who is out on the road in all kinds of weather should have a little consideration. Of course, a great many of the Members listening to me do not come from rural districts and therefore do not understand the problem; but we people who do come from rural districts realize that the Federal Government pays the rural carriers less than they should have. As long as I can remember, the Federal Government has always had to make up a deficit for the Post Office Department. I do not think there should be objection to this because it is a public service to which we are entitled. If a man took a job as a rural carrier in 1935 when an automobile cost $800 but now finds in 1948 that the same car costs him $1,800, he is entitled to relief.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. NICHOLSON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NICHOLSON. I feel that these men are entitled to 2 cents a mile increase even though the committee recommends against it. I understand the bill will have to go to conference. Let it go to conference. Let us not say that they can have only 1 cent; let us give them 2 cents.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. DONOHUE. Mr. Chairman, I have listened to the report submitted by the distinguished chairman of the Post Office and Civil Service Committee on this legislation to increase the equipment maintenance of rural carriers, and I wish to compliment the committee upon giving serious consideration and approval to affording a measure of relief to our rural mail carriers who have been long neglected. Without wide publicity, these faithful public employees serve every village, hamlet, and town, in all kinds of weather and under the most adverse conditions.

We all know the virtual impossibility of obtaining new automobiles or trucks at any price these past several years and repair costs have been and are prohibitive. It is only a matter of simple economic justice, in the light of the extravagant operating and living costs facing us today, to grant an increase in the equipment maintenance allowed to rural mail carriers, and I urge my colleagues to support this legislation.

My only doubt about this bill is that it does not go far enough in providing an increase sufficient to compensate the rural mail carriers for their actual expenses in the operating and upkeep of their equipment. I think you will agree that people living in the outskirts of our villages and towns are entitled to prompt mail delivery and have a right to expect the same efficient service that is given to city inhabitants. These people are the ones who will suffer if we do not provide an adequate allowance to the rural mail carriers for equipment maintenance, and we should be mindful of the fact that unless we do meet the requirements that are necessary for the rural carriers to maintain their mail delivery service, we will have trouble finding efficient personnel to undertake this work.

Mr. COMBS. Mr. Chairman, I desire to say only that I regret that due to the large deficiency in the Post Office Department it is not possible to raise the allowance more. In my district the rural carriers of many sections have to travel over muddy roads in the wintertime. The expenses of maintaining their cars are much larger than carriers have on better roads and 7 cents a mile will not nearly do the job. However, it will help; and I favor passage of the bill.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. There are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this act.

SEC. 3. This act shall take effect on the first of the month following the date of its enactment and shall terminate 36 months from the beginning date or such earlier date as the Congress may by concurrent resolution prescribe.

With the following committee amendment:

Page 2, line 9, strike out the words "thirty-six" and insert in lieu thereof the word "twelve."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SEELY-BROWN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1186) to increase the equipment maintenance of rural carriers 2 cents per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, pursuant to House Resolution 480, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 12 months, and for other purposes."

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of S. 203, to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, a companion bill to the one just passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That each carrier in the rural mail delivery service shall be paid for equipment maintenance a sum equal to 1 cent per mile per day for each mile or major fraction of a mile scheduled in addition to the 6 cents per mile per day for each mile or major fraction of a mile scheduled as now provided by law. Payments for the additional equipment maintenance as provided herein shall be at the same periods and in

the same manner as payments for regular compensation to rural carriers.

SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this act.

SEC. 3. This act shall take effect on the first of the month following the date of its enactment and shall terminate 36 months from the beginning date or such earlier date as the Congress may by concurrent resolution prescribe.

Mr. COLE of Missouri. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Mr. COLE of Missouri moves to strike out all after the enacting clause of S. 203, and insert the provisions of H. R. 1186 as amended.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 1186) were laid on the table.

The title of the Senate bill was amended so as to read: "A bill to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 12 months, and for other purposes."

By unanimous consent, the proceedings whereby the bill H. R. 1186 was passed were vacated and the bill was laid on the table.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, there is a growing body of honest thought and courageous expression of it condemning as dangerous, or worse, the major planks of the so-called civil-rights platform.

Just day before yesterday, there appeared in the Washington Star a most challenging editorial. Today, the Washington Post carried one which is as thought provoking. They deserve careful reading. They cannot be so read without conviction of the truth so dispassionately set forth.

ANTILYNCHING BILL

Fifty years ago lynching was a grave problem in the United States. All during the 1890's mob murders were about as common as gang slayings became in the 1930's. In the single year of 1892 a total of 255 persons met death at the hands of murderers conspiring among themselves to take the law into their own hands. One hundred of the victims were white men. Lynching has been by no means confined to the colored race. Indeed, it was the customary method of inflicting punishment on horse thieves and cattle rustlers in the early days of the West. Since the 1920's, however, the number of white men lynched has been negligible, and last year the Tuskegee Institute recorded only 1 lynching of a Negro.

It is a sorry anachronism that just as the Southern States have almost completed the job of wiping out this disgusting crime Congress should be considering a bill to make the prevention of lynching a Federal responsibility. Half a century ago the use of Federal power against lynchers might have been justified by the tragic failure of the States to protect their citizens. Now most of the States have completely mastered the problem without any help from Washington, and we doubt that the Case antilynching bill would add in any way to the safety of citizens.

This measure, which is about to be pushed through the House of Representatives, would transfer to the Federal courts the prosecution of lynchers and of local officials failing to protect prisoners or to move against mobs after a lynching has occurred. But trials would still be held before local juries, and it is probable that resentment against Federal intervention would complicate instead of easing the problem of securing convictions of accused mobsters. To be sure, there is another provision in the Case bill making every county, town, and other governmental subdivision responsible for any lynching in its jurisdiction. But this resort to the despicable doctrine of mass guilt because of the area in which one happens to live is so repugnant to democratic principles as to make the bill unpalatable to thousands who are devoted to civil rights in the North as well as the South.

We cannot help thinking that this vote-catching venture has no place in the present session of Congress. Its effect is to arouse animosities at a time when there is urgent need for national unity. The lynching menace has already been put down, and we trust that the last vestige of it will soon disappear. Our problem today is the rise of a tyranny that seeks to destroy all civil rights, whether protected by State or Federal law. In the face of that menace we need to be mobilizing our strength—not to be opening old sores or frittering away energies on problems that have already been solved.

EXTENSION OF REMARKS

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in three instances and include a statement.

Mr. BRYSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include two articles.

Mr. BREHM asked and was given permission to extend his remarks in the RECORD in two instances.

DISCHARGE PETITION

Mr. ISACSON. Mr. Speaker, I ask unanimous consent to withdraw the name of my predecessor, Benjamin J. Rabin, from discharge petition at the desk and that I may be permitted to add my own name thereto.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDER GRANTED

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SELECT COMMITTEE TO INVESTIGATE FRAUDULENT INCOME-TAX RETURNS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 462 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That a select committee of seven Members of the House of Representatives be appointed by the Speaker of the House to investigate possible fraudulent income-tax returns filed with the collector of internal revenue at New Orleans, La., by individuals, corporations, copartnerships, and others charged by law with the duty of filing such returns with said collector of internal revenue.

The select committee shall report to the House as soon as practicable during the present session of Congress the results of its investigation, together with such recommendations for legislation or other action as it deems desirable.

For the purposes of this resolution the select committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, documents, and income-tax returns of individuals, corporations, copartnerships, or other persons or concerns, filed with said collector of internal revenue at New Orleans, La., and to take such testimony as it deems necessary. Subpenas may be issued over the signature of the chairman of the select committee, the chairman of any subcommittee thereof, or over the signature of any member designated, and may be served by any person designated by such chairman or member. The chairman of the select committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said select committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the matter herein authorized, shall be held to the penalties provided by sections 102, 103, and 104 of the Revised Statutes, title 2; sections 192, 193, and 194, United States Code.

Amend the title so as to read: "Resolution to appoint a select committee of the House of Representatives to investigate possible fraudulent income-tax returns filed with the collector of internal revenue for the district of Louisiana."

With the following committee amendments:

Page 1, line 4, strike out "New Orleans, La.," and insert "for the district of Louisiana."

Page 1, strike out lines 9 to 12 and insert in lieu thereof the following:

"The select committee shall make an interim report to the House (or to the Clerk if the House is not in session) as soon as practicable during the present session of Congress of the results of its investigation and study, together with such recommendations for legislation or other action as it deems desirable and shall file a final report not later than January 3, 1949."

Page 2, line 16, strike out "at New Orleans, La." and insert "for the district of Louisiana."

The committee amendments were agreed to.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, under the provisions of this resolution, a select committee of the

House of Representatives would be appointed to investigate possible fraudulent income-tax returns filed with the collector of internal revenue for the district of Louisiana.

The Bureau of Internal Revenue has requested $190,000,000 this year. I think that we should find out if a diligent effort is being made now to collect taxes, before we appropriate these additional funds. It has been suggested that certain collectors have been lax with respect to enforcing the law against some individuals. If this be true—if the Bureau of Internal Revenue is not taking full advantage of the money now appropriated to enforce the tax laws—then I certainly do not believe that $190,000,000 more should be made available to them.

One of our colleagues recently called to our attention that there might be some irregularities in the enforcement activities of the collector of internal revenue for the district of Louisiana. This Member offered some evidence to substantiate his charge, and, I believe, that a committee of the Congress should be appointed to look into the matter.

Whatever that situation is in Louisiana, nothing can be lost in attempting to expose fraud, and there is a possibility that an investigation may recover some money to the Treasury that might otherwise be lost. I think that the investigation proposed in this resolution might actually result in a profit for the Treasury, and I urge you to support this resolution.

Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, it occurs to me that the matter under consideration requires no extended discussion. It springs from certain open charges that were made on the floor of this House on the 15th of January by a Representative in Congress of the State of Louisiana, Mr. JAMES DOMENGEAUX. Those charges were openly made. They have become known to the country. They have been set out in full in the CONGRESSIONAL RECORD, the country, and the press, and every actual and potential reader of the CONGRESSIONAL RECORD has had an opportunity to make an examination thereof.

It occurs to me that when a charge of that kind is made here, that the Congress would be derelict in its duty if it did not accept it as a challenge, other things being equal, and make some kind of an investigation. That investigation cannot, however, be fruitfully made because of certain restrictions in the law. We did bring the Commissioner of Internal Revenue before the Subcommittee on Appropriations for the Treasury Department, and very properly and very rightly, under the prohibitions of the law, he could not, of himself, without the consent of the taxpayer involved, release any detailed information with respect to this file. Since that time, as I have pointed out before, the gentleman who made these charges waived his constitutional immunity and promptly became a codefendant in a libel suit aggregating $1,000,000 in the State of Louisiana. I stated then, and I reassert and I reaffirm now, that there is no way for him to defend himself, there is no way for him to supply proof, unless a competent committee of the Congress makes the necessary investigation so that proof of the charges or disproof of the charges may be very properly presented to such an appropriate committee.

Now, gentlemen of the House, there is something more involved than all this, and I am glad that no formal action has come on this resolution until the political contest in the State where this appertains has been disposed of. I have no interest in political contests in that State. It is of no concern to me who is elected to one office or another. I have stated often that I simply share the hope of any citizens of the country that they might have good, competent authorities to administer their government, and further than that I manifest no interest in the matter.

There is an additional item here, however, that I think is of very general concern to the Congress and to the country. We have scattered everywhere in the United States of America today and in its possessions and among the 56,000-odd employees of the Bureau of Internal Revenue, agents, agents-in-charge, and investigators. In the main they are very competent citizens who work at salaries far below what they would earn in private enterprise. They are essentially career men. A kind of devotion to Government service, a kind of patriotic devotion, keeps them going. It is their business to assess and assay and investigate evasions, alleged frauds, and all that sort of thing under the internal revenue laws of the country. When an investigation is made and for any reason it is in whole or in part covered up, or there is any kind of subterfuge, what does it do to the morale of those people for whom we appropriate $188,000,000 a year in order to keep the revenue structure of this country intact? I have said over and over that it is the most important agency of the Government of the United States, for without these sinews in the form of revenues the whole Government would quickly topple. So it ought to be an independent agency, completely removed from politics and so insulated that it can go about the business of providing fairly and impartially the necessary and indispensable revenues for the operation of this Government.

Of course, those revenues are adduced only in proportion as those men give patriotically and unstintedly of their service. When their morale is shattered on the theory that once an investigation is made something may happen to it at a higher level, how long can you preserve and maintain intact that degree of confidence on the part of the humble people working for the Government, upon whom we depend in order to get the necessary revenues with which to operate? So it is that morale factor that is involved here along with everything else.

It is a pretty dismal thing. We have been so busy estimating the political aspects of a recent congressional election in New York that perhaps we have forgotten to probe just a little bit deeper. Is there anybody here today who has any doubt that the tumult and the fever and the disconcert of spirit that you find on all hands today is in part a diminishing confidence in the structure of government? If there is any instrumentality here that has the power and the authority and the responsibility for repairing that deteriorated confidence, it is the Congress of the United States.

When we had hearings on the 1948 appropriation bill for the Treasury I read into the hearings an uncontested statement that was made by Mr. Pegler with respect to a case in New York involving a notorious character by the name of Joe Fay. He was tried before a judge who had found his way to the bench at the instance of Mr. Hague, of New Jersey. It is all there in the record, and it has been undisputed, strangely enough.

Mr. BROOKS. Mr. Speaker, if the gentleman will yield, is that the record that we cannot read at the present time because it is secret?

Mr. DIRKSEN. I am referring to hearings on the appropriation bill for the current fiscal year.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CANFIELD. The gentleman from Louisiana can read the record, because the record was released as part of the hearings on the Treasury appropriation bill for 1948. He can read the record. That was released here almost a year ago.

Mr. DIRKSEN. That is correct.

Mr. Speaker, it is abundantly clear that there was a rank miscarriage of justice in that case. General Counsel of the Treasury Department sat in the office in this Capitol Building and told the eight or seven members of that subcommittee that he was amazed at what had happened in one of these tax-evasion cases. Still another one came when a notorious character by the name of Benjamin Pross got out of his difficulty and his evasions which led the Attorney General of the United States to say that it was an outrage and that he was going to investigate the office of the district attorney in New York City. Now there are just too many of these things, and when the charges are openly made, I say to you it is high time that we snap out of our malaise and our inertia and do a little something about repairing that structure of confidence, for when the common man walks out on his government, then look out. We have let this thing run on too long. There is involved, of course, the efficacy of the appropriation that we made for this purpose of $188,000,000 for the current fiscal year. The request for the next fiscal year is $188,000,000. That is a great deal of money and if we expect to receive all the revenues that are due, it is high time that we take a look at this picture when open charges are made and see what the facts are and bring them before a proper committee of the Congress.

Mr. HÉBERT. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. HÉBERT. Will the gentleman tell the House whether or not Mr. Schoeneman told him in the hearings on the appropriations for the Treasury when you said you questioned him at some

length, I think an hour and a half—did Mr. Schoeneman tell you after you read the charges which the gentleman from Louisiana made—

He—

Referring to the gentleman from Louisiana—

made these same statements to me. I assured him the things he was going to say were not true—that the description of the case as he gave it was not in accord with the facts.

Did Mr. Schoeneman tell you that?

Mr. DIRKSEN. May I say to my friend from Louisiana that whether Mr. Schoeneman said that or not, the more vital thing that Mr. Schoeneman said was "unfortunately, gentlemen of the committee, under the Internal Revenue Code, I can tell you nothing about the details of the case because I am under a legal restriction."

Mr. HÉBERT. Mr. Speaker, will the gentleman yield further?

Mr. DIRKSEN. I yield.

Mr. HÉBERT. Will the gentleman deny that Mr. Schoeneman said that to him?

Mr. DIRKSEN. I will not deny that Mr. Schoeneman said that, even without examining the record, but the fact of the matter is that Mr. Schoeneman had, of necessity and very properly so, to take refuge in the restriction which he is under because it is a criminal statute and he could not disclose the details.

Mr. BROOKS. Mr. Speaker, will the gentleman yield? I want to ask the gentleman this question: I understand why Mr. Schoeneman could not reveal any information because he would be subject to a criminal penalty for violating the statute if he did reveal such information. But the thing that disturbs me considerably and which I have discussed with the distinguished gentleman from Illinois is why the secrecy regarding the hearings of his subcommittee? Why cannot the subcommittee reveal the hearings which the gentleman referred to when he made the speech on the floor of the House and which I hold in my hand? Why cannot that testimony be released by the Congress so that the Members can read what Mr. Schoeneman told the gentleman from Illinois in secrecy behind closed doors regarding this matter?

Mr. DIRKSEN. The answer, gentlemen, is very, very simple. Under the Legislative Reorganization Act it is within the power of the Committee on Appropriations and every subcommittee of that committee to determine within their discretion whether hearings shall be open or whether they shall be closed. All these hearings have been closed by a formal resolution which was adopted at the beginning of the Congress by the entire committee. In consequence those hearings have been regarded as confidential until the day that the committee makes its report to the full committee and the hearings and the report on the bill are released. That has been the invariable practice of the Appropriations Committee ever since I have been a member, and that goes back nearly 11 years. I have heard no Member protest against that procedure.

Mr. HÉBERT. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. HÉBERT. The gentleman on February 16, on the floor of this House—and I am referring to the hearings—referred to Mr. Schoeneman and said:

We raised the question as to whether there was any delay in this matter. He—

Meaning Mr. Schoeneman—

said he was at liberty to say there had not been.

I make this point to the gentleman from Illinois that he violated the secrecy of those meetings when he came to this floor and quoted what had taken place there, and yet denied to another Member of the House the same privilege to read those hearings.

Mr. DIRKSEN. Let me comment by saying this, that in connection with every question that was addressed to the Commissioner of Internal Revenue, a preliminary question was asked:

Do you feel free to comment upon the following question?

And the answer was "No."

Do you feel free to comment upon the following question?

And he said:

I am under a legal restriction.

And finally came this one question, whether he was at liberty to comment upon whether there had been any laches or lack of diligence or delay in dealing with the matter, and he said "No." That is the only thing that was alluded to.

Mr. HÉBERT. The gentleman from Illinois knows that that is not responsive to the point I raised. I am not questioning what Mr. Schoeneman said or what the gentleman from Illinois asked him. I am questioning the propriety of the gentleman from Illinois using his official capacity as the ranking member of that Appropriations Committee coming to the floor of this House and quoting from this Appropriations Committee hearing, and then when another Member attempts to look at that section of the record to see whether what has been said is true or not, that gentleman is denied the same privilege which the gentleman from Illinois exercised.

Mr. DIRKSEN. If the gentleman from Illinois made such a statement it can be set down as a mistake of the head and not of the heart.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CANFIELD. Do I understand that the gentleman from Louisiana [Mr. HÉBERT] read from a transcript of the hearings before our committee on the bill for fiscal 1949?

Mr. HÉBERT. I will say that I have read what is purported to have been said. I only wanted to see the record to determine whether this was really said or not. It took no congressional action at all to see that part of the record. And mind you I am in favor of the resolution. Let us keep the record straight. I am in favor of the resolution, because I am from Louisiana. If I were not from Louisiana I would not participate in this kind of legislation. The only reason I asked that was because the gentleman from Illinois had injected the hearings into the record here on the floor. I did not inject it. So, therefore, if he was allowed the privilege of quoting then I certainly should be allowed to see if what was purported to have been said actually was said. I do not know whether it was in there or not.

Mr. CANFIELD. I do not say that the gentleman obtained a transcript surreptitiously, but if it was obtained it was obtained that way.

Mr. HÉBERT. Then I will say to the gentleman that my friend from Louisiana whose information you are basing the resolution on definitely obtained his in an illegal manner.

Mr. DIRKSEN. Mr. Speaker, let me conclude my participation in this manner by saying that since I raised the question, I was absent in a hospital in Chicago when the resolution was introduced. It was introduced at my specific request by the chairman of the Appropriations Committee, the gentleman from New York [Mr. TABER]. It occurred to me on a number of occasions later while reflecting on the matter and after the resolution was pending that the proper thing for the parties in interest to do would have been to send a telegram to the Commissioner of Internal Revenue and to send a telegram to the Speaker of the House and say, "We are without blemish. We are without fault in this matter. So we freely endorse any investigation that may be made in order to clear the record." Unfortunately no such communication and no such telegram has come to me, but I am glad indeed that our good friends from Louisiana join wholeheartedly in asking for the passage of this resolution.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BROOKS. Let me say to the gentleman that I am going to support the resolution myself, and I will agree with the statement that his mistake is of the head and not the heart; and I would say the same in reference to my good friend and colleague the gentleman from New Jersey [Mr. CANFIELD].

A serious mistake has been made. You cannot go into an investigation charging fraud or law violation and start it with secrecy. You are starting in the wrong way. When one charges fraud, one should come out in the open. The very essence of fraud is undercover work and secrecy, and I believe the gentleman's committee has made a serious mistake in not giving us the testimony.

Mr. DIRKSEN. The issue is very simple. The essence of fraud, of course, is shown or disproved by the facts, and the facts cannot be disclosed. The Commissioner cannot disclose them lawfully because of a criminal statute which would make him subject to a penalty if he did so. As a consequence, this is the only way we have to get the facts. I am very glad that our friends from Louisiana support this action. If there is nothing to fear, and if there is a general interest in securing the whole truth, then this resolution should be adopted.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Speaker, I have very little to say on this proposition. I think it is signally and perhaps significantly unfortunate that the Congress of the United States, this House of Representatives, should have to get down to dealing with a matter of this comparative unimportance at so tragic a period and when we have so much to do. I intend to vote against this resolution. In my judgment, it has no business here. Among other things as a reason for my stand, I express the opinion, from the investigating resolutions that come to the Rules Committee and to this floor, that it is not going to be very long before the House will be faced with the necessity of appointing an investigating committee to try to investigate how many investigating committees it has in operation.

Mr. HÉBERT. Mr. Speaker, I had not intended to inject myself further into this matter because I thought it was settled after I took the floor and produced the documentary evidence which refuted beyond any doubt the charges made by the gentleman from Louisiana [Mr. DOMENGEAUX] against Governor-elect Earl K. Long. It was a closed incident as far as I was concerned when last week the people of Louisiana gave to Earl K. Long the greatest vote in the history of the State of Louisiana and the greatest majority ever obtained by any gubernatorial candidate. At the last count he was 220,000 votes ahead of his opponent, Sam Jones. He polled 450,000 votes. So I believe that in the minds of the people of Louisiana they are already convinced about which side of this argument is the proper side. They know the purpose and intent of this resolution and what it really was to be used for. By their votes at the ballot box they have expressed their confidence in Earl Long.

Now, I want to reemphasize what I said, and for the benefit of the gentleman from Georgia [Mr. COX] may I say that I think this is bad legislation. It would not be before us today if there had not been a political campaign in the State of Louisiana. I think this is not the proper place to discuss not only Louisiana politics, but politics of any other State or any of your congressional districts. I apologized to this House when I first took the floor for discussing this matter which concerns Louisiana, but as I indicated and explained at that time, I had no alternative, since the gentleman from Louisiana [Mr. DOMENGEAUX] had selected his own forum, and I merely met him on that forum.

Bear in mind that the only thing that can come of this investigation—and it is going to be a fair investigation, I know it—is a substantiation of the statement that I made on this floor, that is, that Earl Long has not defrauded the United States Government; that Earl Long has never agreed to pay a fraud tax; that the case was settled in 1944, and that an attempt to collect a 50-percent penalty has been resisted and will continue to be resisted by Earl Long. You gentlemen here, when I made my first presentation, heard the gentleman from Louisiana [Mr. DOMENGEAUX] stand up on this floor and ask me, "Will the gentleman show Earl Long's income-tax returns?" I did not consider that pertinent at the moment, because that was the beginning. I considered the conclusion, or the final part of the case, the answer. I told the gentleman that I did not have these returns in hand, but I told him I would be very happy to get them after I had Mr. Long's authorization. He repeated the question, "Will the gentleman show those returns?" He felt he had me in a pocket, and he said, "He will not show those returns, because across the face of Earl Long's income-tax returns of 1937, 1938, and 1939—and I quote—"Are written the word 'fraud'." Within 48 hours I had the returns; that is, I had photostatic copies handed to me by the Bureau of Internal Revenue, at the request of Mr. Long. I exhibited them to the gentleman from Louisiana and on the floor of this House, and there is no such word as "fraud" or any other writing of that nature on those documents. When I showed them to him he said, "That does not mean anything." Well, I believe if one of the apostles would come down and testify in favor of Christianity, he would say he was prejudiced.

So, again, gentlemen, I apologize for taking up the time of this House. I again apologize, because this is no place to wash Louisiana's political linen, and God knows they have enough political linen down there to wash up, although the people have started to do it in a big way in this past election. Keep in mind that in spite of all the trappings and all the trimmings which the eloquent gentleman from Illinois [Mr. DIRKSEN] has placed around this resolution, it would not be here on this floor today if there had not been a political campaign in Louisiana. So, it has been conceived in politics; it is born in politics; it is reared in politics; and it is going to grow to complete manhood in politics, and watch out lest you gentlemen are not building a Frankenstein that is going to haunt Democrats and Republicans alike through the years to come.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Speaker, I have tried to stay out of this controversial matter; however, I now rise in support of the resolution. I believe that I can furnish this House with some information that they have been deprived of heretofore.

Back in 1940 a man by the name of Jones said, "If you will elect me Governor of the State of Louisiana, within 90 days I will put a man by the name of Long under the jail." That statement is a matter of record in Louisiana. They elected this man Jones Governor. Governor Jones set up a crime commission and asked the legislature to appropriate half a million dollars, which they did. They then employed, I am told, 112 attorneys in the State of Louisiana, 26 of them being from the city of New Orleans. Mr. Jones said, "It is your job to help me put this man Long under the jail." They spent the half million dollars and they went back and secured an additional $125,000 and spent that. They investigated and reinvestigated. The report came back that they had checked this man from the cradle up to the present time, and they said, "We are unable to find sufficient evidence even to give this man Long a complimentary indictment." So the commission said, "The only thing we know that you can do to save face is to say that this man Long is too dumb to steal."

For the past 8 or 9 years in the State of Louisiana they have investigated and reinvestigated this man Long. I am informed that they called in the FBI and the Internal Revenue Bureau, and they too investigated him. And still his record was found to be as clean as a hound's tooth.

I wish you would check the record going back to November last year and read the several remarks that have been inserted in the RECORD relative to Louisiana politics, then you will understand the purpose of the Dirksen resolution. I am here today in effect representing Earl K. Long. Earl K. Long, the Governor-elect of the State of Louisiana, is very anxious for this resolution to pass. The man's record is absolutely clean and clear. He is particularly anxious to have this resolution passed and have the Speaker appoint the committee. If such a commission should go to Louisiana, it may be that our Governor-elect, the Honorable Earl K. Long, could and would be glad to give the committee several names, and with Governor Long's cooperation we should have a real investigation.

Mr. COX. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I think every Member knows that it is not my desire to get mixed up in any Louisiana politics, but I feel that I have to tell the Members here today that I am unable to support this resolution.

There were very, very good reasons for a previous Congress to put on the statute books a law which guarantees the secrecy of the income tax returns of the taxpayers of this country. That law was put on there for a good reason, and every Member who was in Congress at that time knows the reason for it. The Members today know the reason for it, the Members on this side of the Capitol and the Members on the other side of the Capitol. If we here are going to take time out to investigate the income tax returns of an individual because in a political fight he has been accused of fraud, I think this Congress is abdicating the dignity with which it should operate. Are we going to make ourselves revenue collectors, or are we going to make ourselves policemen, to take it upon ourselves to investigate the income tax returns of a single individual? Some say this will not be a precedent but it is a precedent, because it has not been done before. Why should we stoop to do anything like this? And if we do this today, who is next? Cannot somebody come before the country and say, "That financier is guilty of fraud in his income tax returns?" I

tell you, Mr. Speaker, any big financier of this country is a whole lot more important than a candidate for the Governorship of Louisiana, and there would be great resentment if this Congress then refused to investigate the returns of somebody accused of fraud who wields a great deal more power in the economic and social life of this country than any gubernatorial candidate, even if it be the gubernatorial candidate of a great State, like New York or Pennsylvania.

If this resolution passes, it is a precedent, and we then can all say, "Who is next?" You are going to be a candidate for reelection, I hope, every one of you. If your opposition says, "We can prove the internal revenue collector and the Justice Department did not do their duty, and the Congress should investigate and make public income tax returns of the candidates," what are we to say in the face of this precedent? We must say, "The charge is made and the Congress will have to investigate."

If you want to investigate, why not bring in a resolution completely investigating the Bureau of Internal Revenue? If that Bureau has not done its duty, it should be investigated. Then this and other cases can be brought in, but we should not be singling out a particular individual to investigate. This is not procedure in conformity with the dignity of the House of Representatives.

Mr. COX. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana [Mr. DOMENGEAUX].

Mr. DOMENGEAUX. Mr. Speaker, the election of Earl K. Long as Governor of Louisiana should not prevent the adoption of the Dirksen resolution, for the political aspect of the case is incidental to the real purpose. It is unfortunate that the entire exposé of Mr. Long's income tax file was not made before the election so as to allow the citizens of Louisiana to know the true facts with reference thereto. I did everything possible to bring this about. The gentleman from Louisiana [Mr. HÉBERT] blocked by dilatory and arbitrary action the consideration of this resolution.

The reasons for this action on the part of the gentleman from Louisiana are best known to himself. Had he not done this I know that the facts upon disclosure would establish substantially the correctness of my original charges, and the emptiness of Mr. Long's boast that he has been investigated and reinvestigated and nothing wrong has been found against him.

Be that as it may, the duty of Congress to act in this matter now is clear. The question is whether or not the Bureau of Internal Revenue has been diligent and not neglectful in the proper and adequate collection of income tax moneys; also whether the Bureau has been a party to the scheme in allowing the taxpayer, Mr. Long, to delay the consummation of the Bureau's fraud claim against him pending the outcome of the gubernatorial election.

I feel that the need is greater now than ever to go through with the investigation. There is a suspicion in the minds of many people throughout the country that persons in high office and with influence are frequently able to unreasonably delay or evade their tax responsibility.

We know that the case of Mr. Long has been pending over 7 years. We also know that the collector of internal revenue in the city of New Orleans issued a statement exonerating Mr. Long, which was misleading and not in keeping with the true circumstances. We know there are fraud cases pending against Mr. Long and that the Bureau of Internal Revenue has allowed this matter to remain in abeyance throughout these many years. To me the duty of this Congress is very clear and I hope the Dirksen resolution will be passed promptly.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. DOMENGEAUX. I am glad to yield to the gentleman.

Mr. PASSMAN. Mr. Long did publish his income tax returns from 1916 through 1947, and they were carried in most of the New Orleans newspapers.

Mr. DOMENGEAUX. What does that prove?

Mr. PASSMAN. The same thing that Mr. Jones proved when he published his returns, so they are even in that respect.

Mr. DOMENGEAUX. That is not the point at all. Is that all that the gentleman wants to ask me?

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, in this brief debate we have learned quite a little about the political troubles of Louisiana. They are interesting, but in my humble judgment they are not important when we come to the consideration of this resolution. I think I may say in no violation of any confidence that I opposed the reporting of this resolution as a member of the Committee on Rules, believing then as I do now that it points the way down a very dangerous road. It will not be denied by any sensible and observing person that this resolution had its origin in a political contest, a contest which has not been confined to the year 1948, but has been going on for some years, according to the story we hear. Its origin is political—I think that cannot be denied. It is now proposed that the House of Representatives through a select committee to be appointed by the Speaker shall investigate the charges and countercharges made in a political campaign against a candidate for office of a certain State. The plea is made that that should be done because a Member of the House of Representatives has joined in making those charges.

There are 435 of us and there will be that many as long as this Government lives. It is more than probable that in the future when a political campaign of extreme heat arises in some State or municipality, that Members of the Congress may be deeply involved in it. That is, their interests will be involved. If we once establish the precedent that upon the complaint of a Member of the House a situation of this sort should be investigated by the House, I do not know where we are going to go. In my humble judgment there will be no end to it. We will have justified tactics of that sort by the passage of a resolution like this.

I have no criticism to make of either of the gentlemen from Louisiana who have been so deeply interested in this situation. I do not have the slightest doubt but that both of them have spoken with the greatest sincerity, but the issue rises above their personalities. It rises above the situation in Louisiana. It rises to a point where the dignity of the House of Representatives is affected. It reaches a point where we must decide, in my humble judgment, whether or not the House of Representatives, this great institution of ours, shall embark upon journeys such as are suggested in this resolution.

Devoted as I am to this House of Representatives, for years and years, I hope it will refrain from doing any such thing.

Mr. COX. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. LARCADE] 2 minutes.

Mr. LARCADE. Mr. Speaker, of course I am going to vote for this resolution, because, coming from Louisiana, any other action might be misinterpreted, notwithstanding the entire matter, and the resolution was and is political. However, from the very beginning of this controversy, when this political question and other political questions were injected on this floor, I have taken the position that a political campaign has no place on the floor of Congress, whether it be from Louisiana or any other State.

I think, Mr. Speaker, it is a bad precedent for this Congress to establish, as has been pointed out by a number of other Members. I think the significant thing during all of this controversy is the fact that reference was made to the fact that this resolution was calculated to clear one of the members of the Louisiana delegation. Do you not think it is a significant fact that five members of the Louisiana delegation supported and voted for Earl K. Long for Governor, at whom this political resolution was directed? Do the Members of this House believe that five members of the delegation of the House of Representatives from Louisiana would have supported a man in his candidacy for Governor of the State of Louisiana, or for any other office, if they had believed that the charges leveled against him were true?

I believe, Mr. Speaker, that this matter has no place on the floor of this House. While I will vote for the resolution, I trust that never again will such a matter be brought up here from any State.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. COX. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, as I said before, I am going to vote for the resolution, but I want to rise at this point to condemn—yes; condemn—the action of the Appropriations Committee in not making available to this body at this time the 1½ hours of testimony of Mr. Schoeneman on this subject. We are here to legislate; we are here to legislate in an intelligent and enlightened manner; we are here to legislate on facts that are in our possession. A member of the

subcommittee of the Committee on Appropriations introduced a resolution based, I dare say, upon testimony which now is presently in the records of the subcommittee of the Committee on Appropriations. We, as Members of this House, are denied access to this same testimony. I do not know, Mr. Speaker, what is in the testimony. I do not know how relevant it may be, but I do say that if we are going to legislate intelligently and in an enlightened manner we ought to have the facts before us. I say it is most unfortunate that that committee has seen fit not to release the testimony taken before it in secret hearings containing a 1½-hour statement of Mr. Schoeneman, Chief of the Bureau of Internal Revenue, on this subject. As it is, we cannot see it today.

Mr. COX. Mr. Speaker, may I inquire as to the time remaining?

The SPEAKER. The gentleman from Georgia has 5 minutes remaining.

Mr. COX. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, nobody on earth regrets more than I do that matters like this should come into the House of Representatives in any form. Being a friend of all of the Members of the Louisiana delegation I must say today, the first time I have taken the floor about this matter, that their debate here some days ago on Louisiana politics was distressing to me.

Echoing what the gentleman from New York [Mr. WADSWORTH] so well said, I have been around here a long time. The dignity and the standing of the House of Representatives means as much to me as it could to any human being who lives. Are we going to embark upon this kind of thing?

I have always been opposed to exposing people's income-tax returns to the public and to their competitors, either in politics or in business. There are 48 States in this Union. Even the Democrats in those States do not agree, neither do the Republicans and Democrats agree in doubtful States; so somebody files a charge that some candidate or maybe some Member of the House of Representatives is getting more money from some source than he has reported. It comes to the House of Representatives to pass a resolution. A business competitor in the same kind of business says: "That fellow is making more money than I. I am going to find out how he is making it and how much. I will introduce a resolution in the House of Representatives to investigate and throw open his income-tax returns."

Now you are up against it. The issue is boldly in front of you. If you want to begin the campaign that will ultimately throw open everybody's income-tax return to everybody else, start today; you are on the road when you pass this resolution.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. HÉBERT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. HÉBERT) there were—ayes 47, noes 115.

Mr. HÉBERT. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 112, nays 239, answered "present" 5, not voting 75, as follows:

[Roll No. 19]

YEAS—112

Abernethy	Feighan	Mack
Allen, Ill.	Fletcher	MacKinnon
Andersen, H. Carl	Fogarty	Meyer
	Fulton	Miller, Conn.
Anderson, Calif.	Gamble	Miller, Nebr.
Andrews, Ala.	Gillette	Murray, Tenn.
Arends	Goff	Nicholson
Arnold	Goodwin	Nixon
Bates, Ky.	Graham	O'Hara
Bates, Mass.	Gregory	Owens
Battle	Griffiths	Passman
Bennett, Mo.	Hale	Phillips, Calif.
Bishop	Hall, Edwin Arthur	Phillips, Tenn.
Boggs, La.		Potter
Bramblett	Hall, Leonard W.	Potts
Brooks		Preston
Brophy	Hayden	Rankin
Brown, Ohio	Hébert	Richards
Bryson	Hendricks	Rivers
Buck	Heselton	Rogers, Fla.
Butler	Holmes	Rohrbough
Byrne, N. Y.	Hope	Sadlak
Canfield	Horan	Sarbacher
Cannon	Jackson, Calif.	Seely-Brown
Carson	Javits	Smith, Maine
Case, N. J.	Jennings	Stefan
Chenoweth	Jensen	Stevenson
Clevenger	Johnson, Ill.	Taber
Cole, Kans.	Johnson, Ind.	Talle
Cole, Mo.	Jones, Ala.	Tollefson
Colmer	Jones, Wash.	Vursell
Crow	Kee	Whitten
Cunningham	Keefe	Wolverton
Dague	Kersten, Wis.	Wood
Dirksen	Larcade	Woodruff
Dolliver	Lodge	Worley
Domengeaux	McCormack	Youngblood
Ellis	McDonough	
Fallon	McMahon	

NAYS—239

Angell	Courtney	Gavin
Auchincloss	Cravens	Gearhart
Banta	Crawford	Gillie
Barden	Crosser	Gordon
Barrett	Curtis	Gore
Beall	Davis, Ga.	Gorski
Beckworth	Davis, Tenn.	Granger
Bennett, Mich.	Davis, Wis.	Grant, Ala.
Blackney	Deane	Gross
Blatnik	Devitt	Gwinn, N. Y.
Bloom	D'Ewart	Gwynne, Iowa
Boggs, Del.	Dondero	Hagen
Bolton	Donohue	Hand
Bonner	Dorn	Hardy
Boykin	Doughton	Harless, Ariz.
Bradley	Douglas	Harness, Ind.
Brehm	Eaton	Harris
Brown, Ga.	Eberharter	Harvey
Buchanan	Ellsworth	Havenner
Burke	Elsaesser	Hays
Burleson	Elston	Hedrick
Busbey	Engel, Mich.	Hess
Byrnes, Wis.	Engle, Calif.	Hill
Camp	Evins	Hinshaw
Carroll	Fellows	Hoeven
Chadwick	Fenton	Hoffman
Chelf	Fernandez	Holifield
Church	Flannagan	Huber
Clippinger	Folger	Jackson, Wash.
Coffin	Foote	Jarman
Cole, N. Y.	Forand	Jenison
Cooper	Fuller	Jenkins, Ohio
Corbett	Garmatz	Jenkins, Pa.
Cotton	Gary	Johnson, Calif.
Coudert	Gathings	Johnson, Okla.
Johnson, Tex.	Merrow	Sadowski
Jonkman	Michener	St. George
Judd	Miller, Calif.	Sanborn
Karsten, Mo.	Miller, Md.	Sasscer
Kean	Mills	Schwabe, Mo.
Kearns	Mitchell	Schwabe, Okla.
Keating	Monroney	Scoblick
Kefauver	Morgan	Scrivner
Kelley	Morris	Shafer
Keogh	Muhlenberg	Sheppard
Kerr	Multer	Short
Kilburn	Mundt	Sikes
Kilday	Murdock	Simpson, Ill.
Kirwan	Murray, Wis.	Smathers
Kunkel	Nodar	Smith, Kans.
Landis	Norblad	Smith, Ohio
Lane	Norrell	Smith, Wis.
Lanham	Norton	Snyder
Lea	O'Konski	Somers
LeCompte	O'Toole	Spence
LeFevre	Patman	Stockman
Lemke	Patterson	Stratton
Lesinski	Peden	Sundstrom
Lewis	Peterson	Teague
Lichtenwalter	Philbin	Thomas, Tex.
Love	Pickett	Thompson
Lucas	Plumley	Tibbott
Lusk	Poage	Trimble
Lyle	Poulson	Twyman
McConnell	Price, Ill.	Van Zandt
McCowen	Priest	Vinson
McCulloch	Rains	Vorys
McDowell	Rayburn	Wadsworth
McGarvey	Reed, Ill.	Walter
McGregor	Reed, N. Y.	Weichel
McMillen, Ill.	Reeves	Welch
Macy	Regan	Wheeler
Madden	Rich	Whittington
Mahon	Riley	Wigglesworth
Maloney	Rizley	Williams
Mansfield	Robertson	Wilson, Tex.
Martin, Iowa	Rockwell	Winstead
Mason	Rogers, Mass.	Wolcott
Mathews	Ross	Zimmerman
Meade, Md.	Russell	

ANSWERED "PRESENT"—5

Hobbs	Marcantonio	Powell
Isacson	Pace	

NOT VOTING—75

Abbitt	Delaney	Morrison
Albert	Dingell	Morton
Allen, Calif.	Durham	O'Brien
Allen, La.	Elliott	Pfeifer
Almond	Fisher	Ploeser
Andresen, August H.	Gallagher	Price, Fla.
	Gossett	Ramey
Andrews, N. Y.	Grant, Ind.	Redden
Bakewell	Harrison	Rees
Bell	Hart	Richlman
Bender	Hartley	Rooney
Bland	Heffernan	Sabath
Buckley	Herter	Scott, Hardie
Buffett	Hull	Scott, Hugh D., Jr.
Bulwinkle	Jones, N. C.	
Case, S. Dak.	Kearney	Simpson, Pa.
Celler	Kennedy	Smith, Va.
Chapman	King	Stanley
Chiperfield	Klein	Stigler
Clark	Knutson	Taylor
Clason	Latham	Thomas, N. J.
Combs	Ludlow	Towe
Cooley	Lynch	Vail
Cox	McMillan, S. C.	West
Dawson, Ill.	Manasco	Wilson, Ind.
Dawson, Utah	Meade, Ky.	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Bender for, with Mr. Andrews of New York against.

General pairs until further notice:

Mr. Clason with Mr. Harrison.
Mr. Hugh D. Scott, Jr., with Mr. Pfeifer.
Mr. Ploeser with Mr. Price of Florida.
Mr. Chiperfield with Mr. Hart.
Mr. Allen of California with Mr Buckley.
Mr. Bakewell with Mr. Manasco.
Mr. Buffett with Mr. Rooney.
Mr. Herter with Mr. West.
Mr. Kearney with Mr. Gossett.
Mr. Hardie Scott with Mr. Delaney.
Mr. Ramey with Mr. Cox.
Mr. Hartley with Mr. Klein.
Mr. Dawson of Utah with Mr. Chapman.

Mr. Latham with Mr. Heffernan.
Mr. Knutson with Mr. Kennedy.
Mr. Taylor with Mr. O'Brien.
Mr. Vail with Mr. Morrison.
Mr. Simpson of Pennsylvania with Mr. Lynch.
Mr. Riehlman with Mr. McMillan.
Mr. Meade of Kentucky with Mr. Sabath.
Mr. Morton with Mr. Dingell.
Mr. Gallagher with Mr. Cooley.
Mr. Grant of Indiana with Mr. Celler.
Mr. Case of South Dakota with Mr. Almond.
Mr. Hull with Mr. King.
Mr. Towe with Mr. Dawson of Illinois.
Mr. Rees with Mr. Redden.
Mr. Wilson of Indiana with Mr. Allen of Louisiana.
Mr. Thomas of New Jersey with Mr. Clark.

Mr. JONES of Alabama and Mr. RANKIN changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

SPECIAL ORDER GRANTED

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to extend my remarks at that point in the RECORD where House Resolution 462 was under discussion, and also to extend my remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. SMITH of Maine asked and was given permission to extend her remarks in the RECORD and include two letters.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD in two instances and include in each excerpts and articles.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include two articles.

Mr. SADOWSKI. Mr. Speaker, last week I was granted permission to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material in each.

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the United Mine Workers Journal.

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD and include a statement.

DE SOTO NATIONAL MEMORIAL

Mr. WELCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4023) to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 17, after "sums" insert ", not to exceed $25,000."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of Illinois asked and was given permission to extend his remarks in the RECORD and include a short newspaper article.

Mr. O'HARA asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HAVENNER for 5 days on account of official business.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 30 minutes.

Mr. PHILBIN. Mr. Speaker, a new strategic concept of defense, based on air power, is required for this country. It is of the utmost importance now.

The advent of the 10,000-mile bomber and the introduction of atomic bombs, radio-controlled missiles, bacteriological warfare, and other weapons capable of wiping out whole cities and hundreds of thousands of people have made necessary a revaluation of our national defense. In view of present alarming world conditions, action to streamline our defense cannot further be delayed.

The airplane and the atomic bomb have revolutionized warfare. The modern bombing airplane with its range already at the 10,000-mile mark and no end in sight, travelling at speeds which will soon allow it to span the Atlantic in a matter of 4 or 5 hours, is putting squarely before us the definite possibility of horrible destruction without warning. Our ocean defense line, the Atlantic and Pacific, is little help to us now because the short route for hostile bombing aircraft from the Euro-Asian land mass, from Russia, if you will, is over the north polar region.

An important lesson of World Wars I and II, which I am sure that no future aggressor will miss, is the decisive effect in modern war of the great industrial potential of the United States. We, therefore, must realize that a nation attempting to gain world dominance may or must first attack this country and reduce and nullify our productive industrial capacity.

Assume that some future aggressor takes full advantage of secret preparation and the element of surprise as others have so recently. It does not take much imagination to see an avalanche of devastation launched across the polar regions to destroy our easily accessible centers of industry and population in a single well-conceived, well-directed mighty blow.

The Air Policy Commission believes, and I believe, that we must create at once the best conceivable defense against the possibility of such an air attack. This defense is an Air Force-in-being which is so powerful that any aggressor will realize that we are capable of retaliating with utmost speed, strength, and telling effect.

If we accept this new strategic concept, and I believe most thinking Americans do, we must recognize the fallacy of supporting yesterday's military establishment to fight tomorrow's war. The day of massed soldiery, Caesarian phalanxes, close-ordered foot soldiers is gone and air power and atomic power have taken the center of the military stage. The out-moded system of dividing the overall defense budget three ways will have to be revised.

The Air Policy Commission unequivocally stated that our Military Establishment is not in balance now because of the relative and absolute inadequacy of the Air Force.

I would like to quote a statement of Air Secretary, Mr. Symington, in order to illustrate the relative position of our air power. I quote:

> No longer are we the leading air power of the world. In quantity, we have slipped behind the Soviet Union; and qualitatively, both Russia and England have numerous developments that exceed our own efforts. England, despite her severe economic strain as a result of the war, is devoting a greater portion of her defense budget to an air force than we are.
>
> There is no doubt that Russia is going all out for air power. The Russians are reported to be producing aircraft at the rate of 75,000 to 100,000 a year.
>
> What kind of planes are these? In the last war the Russians were deficient in long-range heavy bombers. But this has been corrected. When Russia was our ally several of our B-29 Superfortresses, at that time the mightiest bomber in the world, capable of operating at a 4,000-mile range, were forced down in Soviet territory after attacks in Japan.
>
> We never saw them again, but now Russian-made copies of the B-29 have appeared in fairly sizable numbers. Manufacturing experts have estimated that Russia, with moderately aggressive production, could have at least 1,000 of this type of plane during the coming year. In December 1946 the Russians even tried to place orders for a number of sets of B-29 type tires, wheels, and brake assemblies right here in the United States.

I have introduced a bill today which is designed to restore and insure air supremacy to this country. The Air Policy Commission concluded that the United States Air Forces 70-group program are

the minimum requirement for air security. The elements of this 70-group program are—an Air Force-in-being of 70 combat groups, an adequately manned and equipped Air National Guard and Air Reserve, a vigorous research and development program second to none, and sound aircraft manufacturing and transport industries which are capable of rapid expansion in an emergency.

The 70 combat groups which I have mentioned is deemed by our experts to be the minimum force which will provide, first, an instantaneous air defense for this country; second, a long-range striking arm in readiness with the power and capacity to destroy the storehouse of enemy weapons and thereafter to reduce the enemy's industrial capacity and war-making potential; and, third, a trained nucleous which will allow prompt and rapid expansion from peace to war.

This force is an absolute minimum. It will provide only 700 long-range bombers, as compared to the 14,000 heavy bombers that operated against Germany during World War II, and a minimum number of interceptors for the country's air defense.

The Air Forces today have only 55 groups, and the national-defense budget which was submitted to Congress will not permit any increase. This 55 group Air Force, if engaged in action, could not carry out its mission because it lacks not only essential groups for effective combat, but also supporting units and equipment which only money can provide.

The civilian components, the Air National Guard and the Air Reserve, are an essential part of the program. The Air National Guard is expected to provide trained units for commitment to combat on M-day, and they will have a major responsibility for the aerial defense of the country. The Air National Guard should consist of 27 combat groups with 57,000 individuals. To date, I understand that 19 groups have been activated, partially equipped and manned, with a strength of 12,000 individuals.

The 1½ years which were required to train a civilian for Air Force combat duty in World War II will never again be available, and the Air Reserve units must furnish a pool of trained personnel. Although 148,000 individuals are required in this pool, to date, the Air Reserve is training only 31,000 or 20 percent of the required total, because of insufficient funds.

A major factor in maintaining the operational readiness of an air force-in-being is a vigorous research and development program. It is a pure waste to maintain an air force unless its weapons are kept modern and up to date, and equal or superior to those of any possible enemy. The determination of the 70 groups was based on the premise that our weapons would be superior to those of any foreign nation.

The cost of the research and development phase of the program has risen at a staggering rate. Not many years ago industry could design and build an experimental airplane for twenty to one hundred thousand dollars. Today, the development cost of the B–36 exceeds forty million.

Research and development work cannot be turned off during times of peace and turned on when an emergency arises. All of our aircraft types that saw action in World War II were designed before Pearl Harbor. Under the most intense wartime pressure, no effort was spared to speed the development of the B–29. Despite wartime impetus, the progress still seemed amazingly slow. Let me list a few milestones in the B–29 career:

First. Birthday, 1938—blueprint stage.

Second. First wind-tunnel test, 1940.

Third. First flown, 1942.

Fourth. Ready for combat over Japan, and in volume production, 1945. Even this would not have been possible but for the development of the engine and the supercharger started in 1935. The B–29 itself was made possible only after experience with earlier four-engine aircraft, the B–17, B–15, and B–19.

The Air Force must be logically supported by an aircraft industry with a healthy nucleus of testing and manufacturing know-how. The absence of a sound and expanding aircraft industry would prove fatal to our chances for victory in any future conflict. The industry has declined from an all-out high of 85,000 aircraft produced in 1945 to 1,700 aircraft in 1947. It has been estimated that the operating losses for the industry was about $100,000,000 for 1947.

The procurement requirements for the 70-group program are 6,869 for the 70 groups, 3,212 for the Air National Guard, 2,360 for the Air Reserves. This total amounts to 12,441 aircraft. It is also essential to maintain a reserve of 8,100 airplanes. The annual procurement of 3,200 aircraft will keep this force modern and will provide adequate production orders for the aircraft industry to survive.

I have briefly summarized the requirements for air supremacy and I want to restate that the air supremacy of this country is of such importance to the peace of the world and to our own immediate safety that we must not linger another moment before we insure this country with an Air Force superior to that of any other nation. While other nations seem to be taking positive action for war we must take positive action for peace.

The major aggressor nation in the world today—Russia—fully understands that an offensive air establishment-in-being is the one force which can reach and smash her industrial vitals. I am convinced that it is the one American program which the Soviet leaders really fear and the one force that will dissuade their aggressive intentions.

Yesterday it was Poland and Lithuania and other formerly free nations, today it is Czechoslovakia, tomorrow it will be Finland or France or Turkey or Italy or any other nation in which Red conspiracy has prepared a fertile ground for the launching of a Communist coup. It is the old Hitler technique—terrorize and divide and then conquer one by one. How long are we going to stand for these outrages against our civilization, our way of life, and our peace? Americans, the time has come to stop the Red conquest of Christian democratic nations. Let us build up our Air Force and every other essential adjunct of the national defense so we may protect our hard-won peace, our national safety, our free institutions.

Let us no longer be bluffed and deluded, deceived, misled, and betrayed by the forces of communism in the world which are scheming and working for our destruction and the destruction of all the values we believe in.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield.

Mr. PLUMLEY. Is it not also true that Russia has never admitted, but has always denied, the fact of our ownership of Alaska and has always contended that it was Russian territory rather than our territory?

Mr. PHILBIN. I am glad to have the gentleman's observation.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. McMAHON). Under previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

(Mr. HESELTON asked and was given permission to revise and extend his remarks and insert certain communications.)

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I reported briefly earlier today that the Committee on Interstate and Foreign Commerce had reported favorably what is known as House Joint Resolution 323 and as to certain amendments which I regard as perfecting and helpful amendments. I want to briefly describe their objectives. Instead of covering the full field of petroleum and petroleum products, the bill will only cover kerosene, gas oil and distillate fuel oil or residual fuel oil. Those are the principal heating oils. The reason for eliminating aviation gas, and for that matter, motor gas, is that we depend on aviation gas to supply our overseas airports to get our planes back after they have made trans-Atlantic and trans-Pacific flights. I am not so sure about motor gas, because I am convinced that we are going to run into a motor gas shortage and sooner and later we have got to deal with that problem. However, temporarily I think it is wise for us to keep it out of the embargo. In the second place, the amendment will place an embargo on the east coast and Gulf coast so far as shipments to any foreign country are concerned with two exceptions. The reason for putting the east coast in is that there now exists a departmental order which could be rescinded within a matter of hours. I believe it is felt that we should strengthen this on the basis of a legal and statutory prohibition on any shipments from either the east coast or Gulf coast.

The west coast is not included. The reason for that is that there is evidence that only a portion of the west-coast shipments are important.

There are two specific exceptions which I think are very vital. First, we do not seek to prohibit the exports of any of these products that are necessary for the use of the armed services of the United States. That is not armed forces. It is armed services. As was pointed out

by the gentleman from North Carolina [Mr. BULWINKLE] it should be broad enough to take care of all of our requirements in overseas stations.

Secondly, this joint resolution does not require any reduction in the exports now going into Canada under the voluntary import-reduction program. That program was recently extended not to March 31 but to the end of April. In my considered judgment they have done a splendid piecc of work and are to be commended for it.

Therefore, I can heartily recommend the bill as reported. I believe it is constructive legislation. I believe it is also necessary for us to act at once if we are to accomplish the purposes and objectives of the legislation.

I have before me a telegram from Charles S. Jones, president of the Richfield Oil Co. of California. He is the gentleman to whom the gentleman from Texas [Mr. RAYBURN] referred, commended, and said was an outstanding oil man. I heartily agree with our distinguished colleague. Mr. Jones says in this telegram:

LOS ANGELES, CALIF., *March 2, 1948.*

JOHN W. HESELTON,
Member of Congress,
Washington, D. C.:

Retel 26th, we are presently trying to arrange cargo from California to east coast for *Coxcomb Hill* on her arrival here, and if it would be helpful to put her in gulf north of Hatteras trade for a few voyages we would be glad to do it. We have no east-coast outlets and no business in Atlantic waters. I understand tonnage becoming available and that probably in 2 or 3 weeks there will be a surplus of tanker tonnage in the gulf north of Hatteras trade. Want you to know that our first consideration at all times is to use all of our facilities for the protection of domestic business.

CHAS. S. JONES,
President, Richfield Oil Corp.

That is a statement that could and should be repeated over and over again by other leaders in the oil business. I am confident that any such action on the part of Mr. Jones, of the Richfield Oil Co., by assigning north of Hatteras this tanker with a capacity of 138,335 barrels, can actually solve our problem. However, at the suggestion of our colleague [Mr. KEOGH], a message has been sent to one of the Commissioners of the Maritime Commission, Mr. McKeough. He has been requested to see if he could not arrange for three voyages of a Maritime Commission tanker. I intend to call him as soon as the House adjourns today. Having talked with Commissioner McKeough and Mr. Maguire I am greatly encouraged and can report that I believe we can have the necessary tankers in a matter of hours if we can only prevail upon the Department of Commerce to release the oil held in reserve to the amount of 774,522 barrels, or 174,522 more than we ask and need.

I think it can be safely said that we have the tankers now. We have the oil. We have the storage space for more than what we asked to be sent up into the Northeast and the Midwest. The only problem is will we accept our responsibility and will we act. In my revision of remarks I want to discuss briefly the situation with reference to the Alaskan Railroad. My office talked with the head of that railroad this morning. I mislaid the papers temporarily but it is my understanding that they propose to place 33 Diesel engines in the operation of that railroad. They say that is because they have to run Diesel engines through the tunnels. They also say that tonnage is piling up in the ports. But I maintain any such program as that should be considered in relation to the fact that a Diesel locomotive will consume the equivalent of 1 year's supply of fuel oil for 625 residences during the heating season. I do not think it is good judgment to embark on these dieselizing operations when we are told that we do not have enough oil to heat our homes and operate our essential industries.

I want to insert at this point an advertisement appearing in the Daily Hampshire Gazette of Northampton, Mass., on February 28, over the signature of the Norwood Ice Co., with reference to the comparative increase in the use of Diesels against the installation of oil burners:

DIESEL ENGINE = 1,250,000 GALLONS

The average triple-unit Diesel engine in use on railroads today uses an average of 1,250,000 gallons of Diesel oil in 1 year. Diesel oil is practically the same as No. 2 fuel oil and can be burned well in any power burner.

One Diesel engine unit is equal to 625 homes burning oil in New England. The reason being that the average home uses 2,000 gallons of oil in a heating season.

Now let's analyze the increase in use of power burners and Diesel engines in use.

Oil burners:	
1941	2,269,000
1947	3,200,000
Percent increase	140
Diesels:	
1941	1,032,000
1947	2,281,000
Percent increase	500

There are many who have tried to say that the fuel-oil shortage was due to installation of oil burners. The truth is that Diesel engines are the real cause of a tremendous increase in the use of oil as witnessed by over a 500-percent increase in their use in the last 5 years. Home owners were requested to cut their usage by the oil industry. Why wasn't the oil consumption on Diesel engines cut?

THE NORWOOD ICE CO.

I also want to include a letter from Harvey-Whipple, Inc., of Springfield, Mass., to all Master Kraft dealers, dealing not only with the problem of Diesel engines but other important phases of this shortage:

HARVEY-WHIPPLE, INC.,
Springfield, Mass.

To All Master Kraft Dealers:

I am writing this identical letter to all dealers handling the products of this company's manufacture. I write this as I personally feel that this industry has been singled out for discrimination which I consider a rank injustice.

Have the headlines in the press of this country dealt with any phase of this oil situation other than fuel oil? Why should the oil-heating industry be singled out with no reference to curbing automobile manufacturing or the sale of Diesel locomotives or the sale of power boats? I repeat the question: Why should the automatic oil-heating industry be singled out to the exclusion of all other industries who manufacture petroleum-consuming products? We have been told for many, many months that the reason for the shortage of fuel oil is the lack of transportation facilities. I remind you that the same transportation facilities are utilized for carrying gasoline and Diesel oils as the facilities which transport domestic fuel oil.

You, as an oil-heating dealer, have a stake in the oil-heating business and you know what the fuel-oil situation is doing to slow down new oil-heating installations.

Have you ever thought who might have the answers to these questions?

1. Plenty of gasoline. Why is it that you can drive up to any filling station anywhere in the United States of America and get all the gasoline you want? Yet gasoline and fuel oil come out of the same hole in the ground and are transported in the same tank cars and pipe lines.

There is no shortage of gasoline—but people are requested to turn down thermostats controlling their domestic oil burners to a low point.

2. Plenty of Diesel locomotive oil. Why should it be so difficult to sell a new oil-burner installation when the railroads can buy all the Diesel locomotives they want? Do you know that the actual figures on the increase in Diesel oil consumed are as follows:

	Gallons
During 1941 Diesel locomotives consumed	645,000
During 1947 Diesel locomotives consumed	97,000,000

Do you realize this means 97,000,000 gallons? One Diesel locomotive in 1 year consumed 800,000 gallons of oil, or more than the total consumption of 433 domestic oil burners. (Based on national average of 1,800 gallons per year per burner.)

Do we hear a single word about curtailing the sale of Diesel locomotives? No—there is plenty of Diesel oil—yet it comes from the same hole in the ground and uses the same transportation facilities as home-heating oil. What is wrong with this picture?

3. Clear-cut discrimination. If oil-burner installations should be curtailed—then why not curtail the sale of new automobiles, motorboats, Diesel locomotives, and every other form of oil-consuming apparatus?

4. Plenty of oil and gasoline for pleasure boats. Did you know that the total sales of pleasure powerboats in the motorboat show held in New York in January of this year is estimated at between five and six millions of dollars? Do you realize that these units are powered by Diesel oil or gasoline? Do we hear of any shortage here?

5. Why—we ask why is the oil-burner business singled out—to the exclusion of all others?

Certainly the home owner should be taken care of before the pleasure driver on the highways—the privileged motorboat owner—and if we are asked to change heating plants back to coal—then why are the railroads allowed to switch in the opposite direction—that is, from coal-burning locomotives to Diesels?

You can take action about this right now.

Write to your Congressmen and tell them you don't understand why one form of oil-burning apparatus is singled out for the cry of "shortage." Tell them you want them to get to the bottom of this discriminatory publicity sponsored by people who are more interested in selling gasoline than they are in supplying fuel oil.

Tell your Congressmen you are sick and tired of all this publicity about "not enough transportation and shortage facilities." This positively cannot be the true answer to the situation. If it were true—then how can all the gasoline be available? It uses the same transportation and storage facilities.

You can draw your own conclusions if you observe the above questions. Demand the answers from your Congressmen.

Demand that if they cannot answer these questions—that they find the answers and let you know the full story. They are your representatives. You elected them. They should certainly be willing to protect your interests by taking immediate action.

The first step is up to you—write your Congressmen—today.

HARVEY-WHIPPLE, INC.,
Springfield, Mass.

I have inquired of the Navy if it is not possible to get one of their 160,000 barrel tankers into a quick assignment to transporting this oil.

I am advised by the Acting Secretary that they are in a very tight situation and doubt that they can do it, but I am confident they will do everything they can to try to help us out. I am as sure as I am standing here now that we have this shortage licked if we will only pass this bill before the end of this week.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I shall be pleased to yield.

Mr. PLUMLEY. I wish to take this opportunity, speaking for New England with unwarranted assumption, to commend the gentleman from Massachusetts for his pertinacious, pugnacious, well advised, and his well-considered effort which has accumulated oil for New England and has resulted as he has stated. I am one of those who believe as he does that there is no real reason for the shortage which has threatened the prosperity and the lives and the comfort of New Englanders. I know that had it not been for the gentleman from Massachusetts who has fought so valiantly against almost insurmountable obstacles and barriers, the improved situation of today would not have been realized.

Mr. HESELTON. The gentleman is more than kind, too kind, I think.

Mr. PLUMLEY. I do not think so.

Mr. HESELTON. I want to make it perfectly clear that every Member of the New England delegation has stood shoulder to shoulder with me in this fight. It has been a long one but I think we can feel that our efforts were worthwhile.

As the gentleman indicates, and I know personally from the gentleman's cooperation with us in every single phase of this matter, that the people of Vermont are particularly fortunate that they had the gentleman from Vermont [Mr. PLUMLEY], in the House to take care of their interests. The same thing holds true for every Member of the New England delegation. And I would be remiss if I did not thank the members of the Interstate and Foreign Commerce Committee. Some of them differed with me, but they have been mighty patient and helpful about it. Those who voted with me, of course, I appreciate. Those who voted against this resolution did so having the opinion we might be tampering with something we should not touch. And so many of the Members cooperated. Over 200 of the Members of the House signed telegrams. I do not have the slightest doubt that that has been the main factor tipping the scales, for when the Department finally realized that more than a majority of the Members of this House were more than anxious to accept their responsibility, the Department passed the full responsibility to us. That is why I say I think it is important that we have an early vote on this resolution. Then our responsibility ends; we cannot be held responsible for what happens somewhere else.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield.

Mrs. ROGERS of Massachusetts. Does the gentleman believe our responsibility will end there? He must remember that we will have the administration to oppose us as we have ever since early in December. It means we have a very great responsibility.

The gentleman has done a marvelous, tireless job, and I should think he would be exhausted.

Does not the gentleman feel that the price of oil may come down now that the embargo has been declared?

Mr. HESELTON. Absolutely. I think with more than 559,000 barrels in their possession, there is going to be a slackening of demand; and, consequently, I think that the major oil companies should be willing to consider that and offer a price reduction instead of threatening the country with another increase, which statement has been made publicly before my committee.

Let me say further that I believe this oil should be placed in pools and be available to anyone, to a single householder who can get just as cold as the dozens of others who are comfortably heated by coal or wood. I think this should be placed in a public pool available to anybody. I think also it may effect a decrease in price. I think it could.

Mrs. ROGERS of Massachusetts. I should think it would be there to do it. That is one of the things that has been troubling me about the whole situation. There has been a great deal of mystery; the whole problem has been shrouded in great mystery through unwillingness to give us exact information. The reply has always been that some other committee has the information.

If they have this information why are they not willing to furnish it to the House? To my knowledge the information requested by me in a resolution directed to the Interior Department has not reached the House. Why not give us this information?

Mr. HESELTON. That is not my committee.

Mrs. ROGERS of Massachusetts. It cannot be an international matter. We discuss everything, on national defense, our national resources, and so forth, with the world. I sometimes think other countries know more about us than we in this country know about ourselves.

Mr. HESELTON. This particular exhibition is the best illustration of the absolute necessity to my mind of the Herter plan for the Marshall plan. I hope that will become clearer to everybody as the days go on. I may say to the gentlewoman that I cannot accept any responsibility for the administration and I do not think she needs to either. The administration has the responsibility to execute the laws that we pass. If we are going to run into a veto, that is one thing. If we are not going to run into a veto and the President signs the law, then he is bound under that law to enforce it. I am hopeful he will sign it. I believe he has regard for our domestic economy and our own citizens and will realize it is very unfortunate when thousands of people are out of work in one city alone in Michigan. He must realize we have had a difficult time in New England. I do not think he will lightly disregard those important facts and refuse, as the Chief Executive of this Nation, to do that which is proper and to do that which can absolutely, in my opinion, make it impossible for us to have a shortage barring a major catastrophe for the balance of the heating season. If he chooses not to, then I cannot accept any responsibility whatever for his act. I do not think any of us should take the responsibility for his action. We shall have done the best we can to the utmost of our ability. When that bill goes down to his desk he has to accept full responsibility for his action in terms of either signing the bill or not signing the bill.

Mrs. ROGERS of Massachusetts. It is difficult to find out how much oil has been shipped abroad.

Mr. HESELTON. Very difficult.

Mrs. ROGERS of Massachusetts. It is also difficult to find out how much oil is being consumed in this country.

Mr. HESELTON. If someone has the time he could give the gentlewoman that information. What they do with us is to come up there and put a stack of volumes that high on our desks. I confess I have no chance to go over them thoroughly. I have been able to pick out some points which I thought were important. On last Sunday afternoon I made an analysis of the latest licenses that were issued and if my mathematics are correct they have overissued the licenses in terms of residual fuel oils out of the reserve items. I talked to a gentleman in the OIT about that and he says that it may be that they gave me some wrong figures. He stated that they are working under pressure. Or it may be that my mathematics is not accurate. But I am perfectly willing to correct anything, if I can get the information about it. I cannot understand why it is, with 500 people in that office, they cannot come up here with some figures for us, when they know that both of us and every other individual in this Congress have worked to the limit on many other things. I do not understand why 500 people cannot do the job. It is rather peculiar to me. I do not know what their appropriation is going to be but I shall look into it.

Mrs. ROGERS of Massachusetts. There are also the oil and supplies we have been sending to other countries which will be used by those communistic countries against us.

Mr. HESELTON. I do not agree with the gentlewoman on that. I do not think we are sending supplies over there. We did send some supplies to Russia last year, which I thought was a mistake and we sent some to other satellite countries perhaps. I do not know whether we sent any to Czechoslovakia or not. But we must keep that exchange of goods going. I have seen a great many figures on the

exportation of goods to Russia and to her satellite countries. I am not so sure I want to see electrical machinery, steel tubing, and material that will go into building war potentials sent over to these unfriendly other countries.

Mrs. ROGERS of Massachusetts. The gentleman was not in Congress at the time we were shipping commodities of war to Japan.

Mr. HESELTON. No; I was not. I did not have any part in that and I do not propose to have any part now in sending goods to Russia or her satellites. I do not propose sending a dollar's worth of material for which we do not get a quid pro quo.

Mrs. ROGERS of Massachusetts. I warned of that situation at the time.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman from Massachusetts, after making the extensive study that he has, where the trouble lies, whether it is in the executive department or in the administrative section under the executive department? It seems to me that whoever is running this Government has fallen down, and I am wondering if the gentleman from Massachusetts can answer the question. I fully realize, as the gentleman from Vermont does, the extensive interest that the gentleman from Massachusetts has shown in this fuel emergency. Would the gentleman care to state who is responsible for this matter?

Mr. HESELTON. I have stated repeatedly in the remarks I have made about this matter, that the responsibility for what has happened, so far as our domestic economy is concerned, is necessarily vested and placed right squarely within the executive department. They are charged with partial responsibility for the overseas economy, but they are charged primarily with the responsibility of our own economy and the safety, comfort, and welfare of our own people and our own industries. It seems to me that they give altogether too much weight as to what might happen if they do not fill this want of critical articles overseas. That matter has not been satisfactorily screened. I have tried to develop it. We were told that 1,600,000 barrels of oil were to be shipped to Japan and the Ryukyus. That was cut down to 100,000 barrels, and to this moment no one has brought up any explanation as to how it could possibly have been that such a request would come in here, be approved, and within 30 days cut back by 1,500,000 barrels. It just does not make sense. If I understand the law correctly, the Secretary of Commerce by the act that we passed here last December is charged with the very definite responsibility of certifying that the export of no material should be undertaken which would mitigate against and be to the detriment of our own domestic economy. So far as I know, there is not a single certificate on record anywhere to that effect, and on the basis of that you and I have to explain to our people why it is that some homes are cool or cold; why they have to conserve; why industrial production is down in certain areas; why millions in wages were lost, and that sort of thing. I am convinced that up to now it has been the responsibility of the Executive, whatever has happened. From here on, as soon as this bill is reported, it is our responsibility.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Vermont.

Mr. PLUMLEY. I believe it is my responsibility to say that I am advised, and especially so in view of what I know, to notify any potential enemy of this country, that despite any shortage there may be with respect to fuel oil as regards conservation and the comfort of the people, nevertheless and perhaps because of the fact, we have plenty of it, if somebody wants to start a fight, to carry it on to a successful conclusion.

Mr. HESELTON. I think the gentleman is absolutely correct, and I am glad to have confirmation of that.

Mr. NICHOLSON. Mr. Speaker, if the gentleman will yield further, I would like to ask the gentleman from Massachusetts if the Department of the Interior is not supposed to tell us what the oil reserves in the United States are, instead of coming in, when we have not any oil, and telling us that we ought to do this or that? Is it not their duty and prerogative to tell us what our oil reserve is and what we may expect in the way of gasoline next August, or kerosene, or crude oil, or anything else, and do we not appropriate something like $500,000,000 for them to bring us that information?

Mr. HESELTON. I can only say in answer to that question from my experience with the Department of the Interior, particularly with Mr. Max Ball, of the Gas and Oil Division, he has been most cooperative and most farsighted; that he was the one who last July told us in the Committee on Interstate and Foreign Commerce that we would run into a fuel-oil shortage. In spite of that, other apparently qualified witnesses from industry indicated that there was going to be no such shortage. He repeated that last December, and again we received the assurance there would be no such shortage. He has consistently told us exactly what was happening. Therefore I have nothing but commendation for Mr. Ball. I think he is one of the outstanding men in the Government service. I think he calls a spade a spade when he sees it. I am sorry I do not have the information the gentleman may have as to any laxity anywhere else.

At this point, I wish to include two editorials appearing recently in the Springfield Daily News, of Springfield, Mass., one of the leading Democratic newspapers in the State of Massachusetts:

[From the Springfield (Mass.) Daily News of January 31, 1948]

THE OIL FIASCO

The fuel oil and kerosene shortage, which has come in the middle of one of the most severe winters southern New England has experienced in a number of years, is a disagreeable commentary on the failure of an industry to meet requirements it had every reason to anticipate

Several factors have been emphasized repeatedly to explain the fuel oil and kerosene shortages by the petroleum industry. Among them is the explanation that oil consumption has undergone a tremendous increase in the post-war period. Obviously, the petroleum industry should have anticipated that increase. The industry knew that oil-burner installations began to multiply by the thousands after the war ended. The industry knew that replacement of steam engines on the railroads with Diesels would require many millions of gallons of oil. The industry knew that greater use of oil by manufacturing plants would join in causing demands to accelerate. The petroleum industry encouraged every development, which would increase the use of oil at the same time.

Now the public is told in the midst of a shortage, that the facilities of the petroleum industry have been unable to keep pace with demands for oil. The public is assured that the petroleum industry is expanding its refineries and processing equipment so that one day, perhaps 2 or 3 years hence, it will be in a position to supply everyone with oil.

Not a very pleasant outlook for those people and businessmen who have committed themselves and their finances to the use of oil, certainly.

When John L. Lewis was pushing up the price of coal by enforcing wage demands for the miners under the threat of strikes, which would have paralyzed the Nation, many turned to oil for security. The Daily News editorially encouraged this trend, little realizing that in the space of a year or two the petroleum industry would leave many oil users in much the same position as if they had stuck to coal and Lewis had gone ahead with his strikes. The Daily News was not forewarned of the situation that has arisen now. If it anticipated a crisis in the future, the petroleum industry let no inkling of it fall where the oil situation could be brought into the proper perspective for the benefit of the public at large.

It is too late, of course, to do much about the situation now. Like the Pied Piper of Hamelin, the petroleum industry has lured many citizens down a road along which they must struggle as best they can, by maintaining an unwarranted attitude of complacency until the crisis virtually had arrived in many sections of the country.

Like the petroleum industry, the Government also has failed the public and has added to domestic problems by authorizing excessive shipments of oil abroad. This latter policy is checked, as of today, under an order of the United States Department of Commerce, drastically curtailing oil exports to Europe. That order is long overdue. The fact that it is made at this late date is strong evidence that the oil situation in many parts of America is more grave than most people have been allowed to know heretofore.

[From the Springfield (Mass.) Daily News]

PLENTY OF GAS, LITTLE OIL

Just so long as officials of the major oil companies remain silent and conceal the real reasons why a fuel-oil shortage has been foisted upon New England and many other sections of the country this winter, there is nothing left for the public to do but conjecture—and that is just what they are doing.

If the oilmen should start talking, they will have a difficult time trying to reconcile the plentiful supplies of gasoline with diminishing supplies of fuel and range oil, as retail dealers struggle to keep their customers satisfied—and warm.

A householder who has gone modern by installing an oil heating unit in his basement or a burner in his kitchen range is finding it next to impossible to obtain the quantity of oil he needs in order to keep his home comfortably warm. He has been told

that he must curtail his usual consumption by at least 15 percent, because the supplies are 15 percent below normal.

It is reasonable to assume that virtually every householder who has oil heat also owns an automobile. Does he have trouble getting his gasoline tank refilled when he is in need of fuel to keep his car in operation? Of course not. He can drive up to any filling station in the city, or in the area—whether he is a regular customer or not—and get as much gasoline pumped into his fuel tank as he wants and is able to pay for. He isn't asked to cut down his consumption of motor fuel. In other words, he finds that in petroleum circles there isn't even the remotest suggestion of a gasoline shortage. Why, then, must he shiver at home, he wants to know, when he can drive his car as much as he pleases and whenever he desires for pleasure purposes. It doesn't make sense.

He also knows that most of the gasoline filling stations are owned or controlled, or operated indirectly, by the major oil companies. He wonders, too, why they keep their filling stations brightly illuminated, many of them until midnight, when "brown-out" conditions should prevail, if the fuel conservation program is to be effective.

It apparently simmers down to a question of plenty of gasoline for pleasure driving, but a lack of fuel oil for heating purposes. Why? The obvious answer is that the margin of profit from manufacture and sale of gasoline is greater than from fuel oil, and the oil men apparently are more interested in profits than they are in the welfare and comfort of their customers.

It is highly encouraging to note, in dispatches from Washington, that an immediate ban on all exports of petroleum products has been recommended to the House Interstate Commerce Committee, and that Secretary of the Interior Krug has asked Congress to set machinery in operation to build an American synthetic oil industry so that ultimately it will not be necessary for the country to be placed at the mercy of the monopolistic oil interests.

The trouble is, however, that the Federal Government is a little tardy in initiating these moves. As a result, little, if any, relief can be expected this winter when fuel oil is badly needed to keep homes properly heated. Foresight on the part of our leaders could have prevented the present mess.

EXTENSION OF REMARKS

Mr. GWINN of New York asked and was given permission to extend his remarks in the RECORD on European relief.

SPECIAL ORDER GRANTED

Mr. HESELTON. Mr. Speaker, I ask unanimous consent that on every day this week the House is in session I may be permitted to address the House for 30 minutes, following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. REED] is recognized for 15 minutes.

PRICES HIGH? WHY?

Mr. REED of Illinois. Mr. Speaker, for months our people have faced a constantly increasing impending crisis in their domestic economy. Month after month since the end of the war, prices of all the necessaries of life—all the things we need to eat and wear, and everything connected with our homes—have risen constantly. While organized labor met these constantly rising prices through increased wages, millions of our citizens outside the ranks of organized labor have been forced to use up their savings or go without. These latter groups, which include our teachers, our pensioners, and hundreds of thousands of our veterans have been caught in the spiral of inflation created by the deficit spending of our Government and the increased cost of labor.

During recent months the conviction has grown that when Government enters the commodity markets it bids against all our citizens—rich and poor. When, in addition, employees of Government—high and low—possessing secret information about the future operations of the Government in our commodity markets avail themselves of such information to trade in such markets they contribute not only to the inflationary spiral but profit from their gambling operations at the expense of millions of needy men, women, and children. Aside from the principle of price support, adopted as a governmental policy, the present New Deal administration has been engaged for a long time in trading in our commodity exchanges. That trading program caused prices to rise. It did more. It drained away the supplies upon which our people depend, thereby creating actual shortages of foodstuffs. It did this by deficit spending. That is, either with money borrowed from our people or with anticipated taxes, having refused to reduce our onerous tax burden. I have opposed and consistently voted against every measure that has tended to promote or to continue such a program.

Despite all the denials, the effect of our continued aid to Europe, and to Asia—past, present, and future—whether for relief, rehabilitation, or reconstruction, has been to create and to maintain a spiral of inflation. It has created shortages. It has created high prices. It has imposed and continues to impose high taxes upon all our citizens. It is a sad commentary that during the past rigorous winter millions of our people were compelled to live in homes so poorly heated as to constitute a constant threat to health. It is an even sadder commentary that millions of American children are menaced with the constant threat of malnutrition. Whether deliberate, designed, or unintentional, the entire program of deficit spending carried on by the present New Deal administration threatens the economic security of all. I have consistently opposed such a program. This vast project of global welfare is a project that squanders our present wealth and destroys our future economy. Instead of devoting ourselves to the building of homes for our veterans and to the improvement of our domestic economy for the welfare of our own people, the present New Deal administration is destroying our wealth and dissipating our energies.

At the time when we were but emerging from the war effort and were engaged in the difficult process of reconverting to a peacetime economy, a few leaders of organized labor, each possessing vast power, disrupted our industrial progress by calling on millions of the Nation's workers to strike. They struck at our coal industry, and at our great steel industry. They threatened to paralyze the Nation's transportation system. They almost closed our ports. They tied up the Nation's communication system. Government appeared almost powerless to proceed.

When our entire economy appeared to be threatened with collapse and when the New Deal administration proved itself utterly incapable of dealing with the crisis that confronted us, our people turned to a Republican Congress for relief. A Republican Congress gave that relief. It enacted the Taft-Hartley law over the veto of a New Deal President. That law was intended to remove unwarranted power from a few individuals and return to millions of American workers a voice in the conduct of their own organizations. That it has succeeded is readily determinable from the fact that whereas the number of work stoppages reached an all-time high of 563 in July 1946, before the passage of the act, it fell to a low of 120 in December 1947—the latest statistics available—4 months after the passage of the act.

Under our present Federal income-tax system there has existed a long-standing tax discrimination against married couples residing in non-community-property States. The bill proposed by the Republican Committee on Ways and Means and passed by the House of Representatives permits married couples filing joint returns to divide their combined incomes equally in computing their taxes. Some States already have adopted laws that give their citizens such tax advantages. But in many States, including my own State of Illinois, such advantages do not now prevail. The new Republican tax bill, if enacted, will remove these inequities and result in a tax saving of more than $800,000,000 to our income-tax-paying citizens in this class.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5525. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors;

S. 1195. An act to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations;

S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes;

S. 1528. An act to authorize the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury to accept and use gifts, devises, and bequests for schools, hospitals, libraries, cemeteries, and other institutions under the jurisdiction of the Department of the Army, the Department of the Navy, the Department of the Air Force, or the Department of the Treasury, respectively, and for other purposes;

S. 1802. An act to authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War; and

S. 1961. A act to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 3, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1349. A communication from the President of the United States, transmitting a draft of a proposed bill to exempt civilian members of the Permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on outside activities; to the Committee on the Judiciary.

1350. A letter from the Under Secretary of the Interior, transmitting the Fourth Annual Report of Operations Under the Fort Peck Project Act of May 18, 1938, for fiscal year ended June 30, 1947; to the Committee on Public Works.

1351. A letter from the Chairman, District Unemployment Compensation Board, transmitting the Twelfth Annual Report of the District Unemployment Compensation Board, for the calendar year 1947; to the Committee on the District of Columbia.

1352. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated September 8, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel from Buzzards Bay to Buttermilk Bay, Mass., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 552); to the Committee on Public Works and ordered to be printed, with an illustration.

1353. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 3, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Beals Harbor, Maine, authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 553); to the Committee on Public Works and ordered to be printed, with an illustration.

1354. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated December 24, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Reno Beach, Lucas County, Ohio, authorized by the Flood Control Act approved December 22, 1944 (H. Doc. No. 554); to the Committee on Public Works and ordered to be printed, with four illustrations.

1355. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 2, 1947, submitting a report, together with accompanying papers and an illustration, on a review of reports on Cape Porpoise Harbor, Maine, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 19, 1945 (H. Doc. No. 555); to the Committee on Public Works and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOLMES: Committee on Ways and Means. H. R. 3229. A bill to repeal the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory; with amendments (Rept. No. 1478). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. S. 111. An act for the relief of Donat and Laura Laroche; without amendment (Rept. No. 1445). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 333. A bill for the relief of sundry residents of Alaska, veterans of World War II; with amendments (Rept. No. 1446). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 342. A bill for the relief of the heirs of Ida Londinsky; with amendments (Rept. No. 1447). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 344. A bill for the relief of Sylvester T. Starling; without amendment (Rept. No. 1448). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 345. A bill for the relief of Ollie McNeill and Ester B. McNeill; with an amendment (Rept. No. 1449). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 762. A bill for the relief of Dudley Tarver; with an amendment (Rept. No. 1450). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1218. A bill for the relief of Charles G. Meyers; with amendments (Rept. No. 1451). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1490. A bill for the relief of the United States Radiator Corp., of Detroit, Mich.; with an amendment (Rept. No. 1452). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1524. A bill for the relief of John J. O'Neil; with an amendment (Rept. No. 1453). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1659. A bill for the relief of Mrs. Elizabeth B. Murphy; with amendments (Rept. No. 1454). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1855. A bill for the relief of Elbert Spivey; with amendments (Rept. No. 1455). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 1955. A bill for the relief of Frank Victor Norall; with an amendment (Rept. No. 1456). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2329. A bill for the relief of Murphy & Wischmeyer; without amendment (Rept. No. 1457). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2372. A bill for the relief of George Cleve Williams; without amendment (Rept. No. 1458). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2602. A bill for the relief of the estate of the late Manuel Graulau Vélez; without amendment (Rept. No. 1459). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2728. A bill for the relief of Darwin Slump; with an amendment (Rept. No. 1460). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2897. A bill for the relief of the Marden Construction Co., Inc.; without amendment (Rept. No. 1461). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 2922. A bill for the relief of Charles B. Featherstone; without amendment (Rept. No. 1462). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3112. A bill for the relief of Mrs. Gertrude Westway, legal guardian for Bobbie Niles Johnson, a minor; with amendments (Rept. No. 1463). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 3244. A bill for the relief of Nellie M. Clark; with an amendment (Rept. No. 1464). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 3260. A bill for the relief of Clarence S. Osika; with an amendment (Rept. No. 1465). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3328. A bill for the relief of Mr. and Mrs. Russell Coulter; with an amendment (Rept. No. 1466). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3352. A bill for the relief of Emeline Lartigue; without amendment (Rept. No. 1467). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 3526. A bill for the relief of Mrs. Margaret K. Cahn; with amendments (Rept. No. 1468). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3867. A bill for the relief of Hal W. Cline; with an amendment (Rept. No. 1469). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 3914. A bill for the relief of James Leon Keaton; with an amendment (Rept. No. 1470). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 4315. A bill for the relief of the estate of the late Anastacio Acosta; with amendments (Rept. No. 1471). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 4317. A bill for the relief of the estate of Rafael Rebollo; with an amendment (Rept. No. 1472). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 4377. A bill for the relief of the Consolidated Steel Corp., of Los Angeles, Calif.; with amendments (Rept. No. 1473). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 4379. A bill for the relief of the Harbor Boat Building Co.; the Wilmington Welding & Boiler Works; and B & R Machine Works,

of Los Angeles, Calif.; with amendments (Rept. No. 1474). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 4399. A bill for the relief of James C. Smith, Charles A. Marlin, Andrew J. Perlik, and Albert N. James; with amendments (Rept. No. 1475). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 4441. A bill for the relief of the William J. Burns International Detective Agency; without amendment (Rept. No. 1476). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 4452. A bill for the relief of Douglas L. Craig; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 5659. A bill to exempt nonresident aliens admitted in this country for temporary employment from the withholding provisions of the Internal Revenue Code, and for other purposes; to the Committee on Ways and Means.

By Mr. BOGGS of Louisiana:

H. R. 5660. A bill to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. BUCK:

H. R. 5661. A bill to require good character as a prerequisite to the issuance of seamen's papers; to the Committee on Merchant Marine and Fisheries.

By Mr. CUNNINGHAM:

H. R. 5662. A bill to confer jurisdiction over the Fort Des Moines Veterans' Village upon the State of Iowa; to the Committee on Public Works.

By Mr. EBERHARTER:

H. R. 5663. A bill to provide for the loan or gift of obsolete ordnance to the Eightieth Division Veterans Association; to the Committee on Armed Services.

By Mr. RIZLEY:

H. R. 5664. A bill to amend the Interstate Commerce Act so as to permit the issuance of free passes to agents of carriers subject to part I of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. BARTLETT:

H. R. 5665. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for judicial review of orders of the Civil Aeronautics Board affecting the rights of domestic air carriers to engage in overseas or foreign air transportation; to the Committee on Interstate and Foreign Commerce.

H. R. 5666. A bill to provide for the admission of Alaska, the forty-ninth State; to the Committee on Public Lands.

By Mr. BUTLER:

H. R. 5667. A bill to provide additional compensation for postmasters and employees of the postal service; to the Committee on Post Office and Civil Service.

By Mr. BARTLETT:

H. R. 5668. A bill to amend section 3 of the act entitled "An act to revise the Alaska Game Law," approved July 1, 1943, as amended (57 Stat. 301); to the Committee on Public Lands.

By Mr. D'EWART:

H. R. 5669. A bill to provide for adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes; to the Committee on Public Lands.

By Mr. HALE:

H. R. 5670. A bill to amend section 201 (b) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNGBLOOD:

H. R. 5671. A bill to repeal the tax on oleomargarine; to the Committee on Agriculture.

By Mr. FLETCHER:

H. R. 5672. A bill to repeal the tax on oleomargarine; to the Committee on Agriculture.

By Mr. CASE of New Jersey:

H. R. 5673. A bill for the better assurance of the protection of citizens of the United States and other persons within the several States from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 5674. A bill to enable States and their agencies and political subdivisions to plan for the construction of public works; to the Committee on Public Works.

By Mr. GILLIE:

H. R. 5675. A bill relating to the meat inspection service of the Department of Agriculture; to the Committee on Agriculture.

By Mr. WEICHEL (by request):

H. J Res. 338. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1948, inclusive; to the Committee on Merchant Marine and Fisheries.

By Mr. PHILBIN:

H. Con. Res. 153. Concurrent resolution providing for a 70-group Air Force and insuring air supremacy; to the Committee on Armed Services.

By Mr. BEALL:

H. Res. 489. Resolution creating a select committee to conduct an investigation of the housing project in Montgomery County, Md., known as Viers Mill Village; to the Committee on Rules.

H. Res. 490. Resolution to provide funds for the expenses of the investigation authorized by H. Res. 489, Eightieth Congress; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS of Louisiana:

H. R. 5676. A bill for the relief of Mrs. Florence Trapolin; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 5677. A bill to provide for the advancement on the retired list of the Army of Brig. Gen. Wilbur E. Wilder; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1454. By Mr. COLE of Missouri: Petition of 213 citizens of St. Joseph, Mo., and environs, in favor of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1455. By Mr. HALE: Petition of Department of Maine executive committee, the American Legion, protesting against the reduction in Veterans' Administration personnel and demanding action to remedy the situation to the end that veterans will be assured the benefits they justly deserve; to the Committee on Veterans' Affairs.

1456. By Mr. HESELTON: Petition of Ernest Jaworski and 19 other residents of Adams and Cheshire, Mass., urging support of legislation establishing a system of universal military training as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1457. Also, petition of Robert F. Lawrence and 17 other residents of Pittsfield, Mass., urging passage of legislation to establish a system of universal military training as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1458. By Mr. MULTER: Petition of Stephen A. Gill and various citizens, urging the enactment of the Taft-Ellender-Wagner housing bill; to the Committee on Banking and Currency.

1459. By Mrs. ROGERS of Massachusetts: Memorial of the Commonwealth of Massachusetts, memorializing Congress to increase the amount of benefits now authorized by Federal law on account of the aid-to-dependent-children program; to the Committee on Ways and Means.

1460. Also, memorial of the Commonwealth of Massachusetts, memorializing Congress to double the amount of benefits now authorized by Federal law on account of old-age assistance rendered by the several States to their eligible inhabitants; to the Committee on Ways and Means.

1461. Also, memorial of the Commonwealth of Massachusetts, relative to the admission o. Eire and all other peace-loving nations as members of the United Nations; to the Committee on Foreign Affairs.

1462. Also, memorial of the Commonwealth of Massachusetts, memorializing Congress in favor of conferring United States citizenship upon aliens who served in the armed forces of the United States during the World Wars and were honorably discharged from such service; to the Committee on the Judiciary.

1463. By the SPEAKER: Petition of the Gulf Coast Soil Conservation and Drainage Association of Texas, petitioning consideration of their resolution with reference to enactment of H. R. 5198; to the Committee on Public Lands.

1464. Also, petition of Mrs. Katherin Swope, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1465. Also, petition of Mrs. W. E. Cook, Orlo Vista, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1466. Also, petition of Raymond S. Webster, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1467. Also, petition of R. Tattu, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1468. Also, petition of Eddie L. Monroe, Orlo Vista, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1469. Also, petition of St. Petersburg Townsend Club, No. 1, St. Petersburg, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1470. Also, petition of F. H. Patton, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1471. Also, petition of citizens of West Lebanon, Maine, petitioning consideration of their resolution with reference to enactment of S. 265; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, MARCH 3, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Thomas C. Mulligan, S. T. D., superintendent of Dover District Methodist Church, Dover, Del., offered the following prayer:

Our Father, Thy sacred word says of one of old, "The eyes of all Israel are upon you." May these who have been called to chart the destiny of our beloved Nation know the eyes of the world are upon them. May they have a consciousness of the fact that the God of our fathers has called them into authority for such a time as this. May political expediency not be the motivating impulse as they make momentous decisions, decisions which will affect unborn generations, decisions which may be the political and economic salvation of the race.

This Lenten season may they have an awareness of the sufferings of our Blest Redeemer as He beholds a baffled, bewildered world where hate and suspicion run at floodtide. Out of the darkened hour may they, following the Light of the World, lead us into a brighter world where love and brotherhood will cover the nations of the world as the waters cover the sea. For the task before them, make their bodies Thy temples, their hearts Thy altars, and Thy love the flame.

In the Master's name we ask it. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 2, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 550. An act for the relief of Lizzie Reynolds, administratrix of the estate of Grace Reynolds, deceased;

H. R. 911. An act for the relief of Kam Fong Chun, Mr. and Mrs. Jose Dias, Joseph De Souza, Mr. and Mrs. Kenneth Ayres, and Jose Oducado;

H. R. 912. An act for the relief of Hiro Higa and Kana Higa;

H. R. 1088. An act for the relief of Mary Jane Harris;

H. R. 1222. An act for the relief of Mr. and Mrs. M. C. Lewis;

H. R. 2070. An act for the relief of B. John Hanson;

H. R. 2136. An act for the relief of Mrs. Martha W. Johnson;

H. R. 2684. An act for the relief of sundry fruit growers of the State of Delaware who sustained losses as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese-beetle quarantine;

H. R. 2734. An act for the relief of Joseph M. Henry;

H. R. 2919. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 3027. An act for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa;

H. R. 3641. An act for the relief of Mrs. Helen E. Scofield;

H. R. 4050. An act to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Lucie Baptistine Tcharoutcheff, Raymonde Tcharoutcheff, and Robert Tcharoutcheff;

H. R. 4129. An act for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor; and

H. R. 4571. An act for the relief of the estate of Carl R. Nall.

REPORT OF UNITED STATES CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Post Office and Civil Service.

(For President's message, see today's proceedings of the House of Representatives on p. 2062.

ASSISTANCE TO FREE TERRITORY OF TRIESTE

The PRESIDENT pro tempore laid before the Senate a letter from the Under Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Aid Act of 1947 in order to provide for assistance to the Free Territory of Trieste, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Petitions of the St. Petersburg Townsend Club, No. 1, and the Orlo Vista Townsend Club, No. 1, both in the State of Florida, praying for the enactment of legislation providing for a uniform national pension system; to the Committee on Finance.

The petition of Harry Simonds, of New York City, N. Y., praying for the enactment of legislation to lift the embargo on arms and ammunition to Palestine; to the Committee on Foreign Relations.

The petition of Anne M. Larsen and Huldah Hanson, of Chicago, Ill., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolution memorializing the Congress of the United States to enact legislation and to provide adequate appropriations for the preservation of the security of the Nation by the creation of the world's strongest Air Force and Air National Guard and for the creation of a National Science Foundation for scientific research, to make available scientific discoveries and knowledge for the information and guidance of officials responsible for our national security

"Whereas in World War II the value and importance of the Regular Air Force and Air National Guard as component parts of our national defense and security program were demonstrated, and in the development of said Air Force, the need for scientific study in the field of science related to national defense and security was demonstrated and continues to exist: Therefore be it

"*Resolved*, That the General Court of Massachusetts hereby memorializes the Congress of the United States to enact legislation to provide for the world's strongest regular air force and air national guard and to provide for an adequate appropriation of funds to permit this to be done; and be it further

"*Resolved*, That the General Court of Massachusetts hereby memorializes the Congress of the United States to enact legislation providing for the establishment of a National Science Foundation, with the appropriation of sufficient funds to encourage scientific research to be conducted which shall be made available to the directors of the armed forces and insure national security in the future; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officers of each branch of Congress, and to the Members thereof from this Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolution memorializing the Congress of the United States to enact the Taft-Ellender-Wagner bill, so-called, facilitating the construction of housing for veterans of World War II and others

"*Resolved*, That the General Court of Massachusetts memorializes the Congress of the United States to enact into law the Taft-Ellender-Wagner bill, so-called, facilitating the construction of housing for veterans of World War II and others, as provided therein; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth."

RESOLUTION OF SUPREME COUNCIL OF LEAGUE OF UNITED LATIN-AMERICAN CITIZENS, SANTA FE, N. MEX.

Mr. CHAVEZ. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Supreme Council of the League of Latin-American Citizens, at Santa Fe, N. Mex., endorsing the President's civil-rights program.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution on civil rights passed unanimously by the Supreme Council of the League of United Latin-American Citizens

Whereas the civil-rights program outlined by President Truman is necessary and just and contributes to a fuller democracy;

Whereas the civil-rights program is parallel to the basic principles for which we are striving; and

Whereas we believe it is uniquely appropriate to express our support for President Truman's civil-rights program during Brotherhood Week.

Therefore, by unanimous decision of the Supreme Council of the League of United Latin-American Citizens, in session assembled at Santa Fe, N. Mex., on February 15, 1948, does hereby declare its wholehearted support for President Truman's program and calls upon all Congressional Representatives to offer their active and unqualified support to any and all measures designed to implement such a program.

Respectfully submitted.

Dr. JOSÉ MALDONADO,
President General.
DANIEL T. VALDÉS,
Secretary General.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 182. A bill for the relief of Sgt. John H. Mott; without amendment (Rept. No. 961);

H. R. 431. A bill for the relief of the Columbia Hospital of Richland County, S. C.; without amendment (Rept. No. 962);

H. R. 1152. A bill for the relief of Mrs. Inga Patterson, widow of F. X. Patterson; without amendment (Rept. No. 963);

H. R. 2268. A bill for the relief of Charles E. Crook and B. L. Fielder; without amendment (Rept. No. 964); and

H. R. 3964. A bill for the relief of Thomas D. Sherrard; without amendment (Rept. No. 965).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on March 2, 1948, he presented to the President of the United States the following enrolled bills:

S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors;

S. 1195. An act to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations;

S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes;

S. 1528. An act to authorize the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury to accept and use gifts, devises, and bequests for schools, hospitals, libraries, cemeteries, and other institutions under the jurisdiction of the Department of the Army, the Department of the Navy, the Department of the Air Force, or the Department of the Treasury, respectively, and for other purposes;

S. 1802. An act to authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War; and

S. 1961. An act to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARKLEY (for Mr. MAGNUSON):

S. 2247. A bill to provide for the conveyance of a certain housing project in Bremerton, Wash., to the Housing Authority of the city of Bremerton; to the Committee on Banking and Currency.

By Mr. LODGE:

S. 2248. A bill to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Armed Services.

By Mr. FERGUSON:

S. 2249. A bill to provide that temporary housing transferred to educational institutions under title V of the Lanham Act may be permanently retained by such institutions, and for other purposes; to the Committee on Banking and Currency.

By Mr. GURNEY:

S. 2250. A bill to exempt civilian members of the Permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on outside activities; and

S. 2251. A bill to authorize the Army and Navy Union, U. S. A., Department of Illinois, to construct a recreational park on the grounds of the United States Naval Hospital, United States Naval Training Center, Great Lakes, Ill.; to the Committee on Armed Services.

By Mr. McMAHON:

S. 2252. A bill for the relief of Lucile Georgette Basset; to the Committee on the Judiciary.

By Mr. McMAHON (by request):

S. 2253. A bill for the relief of Ruggiero Di-Costanzo; to the Committee on the Judiciary.

By Mr. BUTLER (for himself and Mr. WHERRY):

S. 2254. A bill authorizing the transfer of a certain tract of land in the Fort Robinson Military Reservation to the city of Crawford, Nebr., and for other purposes; to the Committee on Interior and Insular Affairs.

(Mr. McCARRAN introduced a bill (S. 2255) to establish a National Water Conservation Authority, and for other purposes, which was referred to the Committee on Interior and Insular Affairs, and appears under a separate heading.)

NATIONAL WATER CONSERVATION AUTHORITY

Mr. McCARRAN. Mr. President, it is apparent from the studies made by those who are interested in the subject of water for the grain, fruit, and vegetable-growing communities of the arid and semi-arid areas that they are largely becoming depleted to such an extent that the growing communities in some of the regions now find it is almost impossible to secure water for domestic purposes. Therefore groups which are interested in the subject have been interested in establishing a water conservation authority under the Federal Government with the idea of developing subterranean waters, and also conserving surface waters. In that connection, I ask unanimous consent to introduce for appropriate reference a bill.

There being no objection, the bill (S. 2255) to establish a National Water Conservation Authority, and for other purposes, introduced by Mr. McCARRAN, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a statement explanatory of the bill I have just introduced.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR M'CARRAN

I have sent to the desk for proper reference a bill to create a Water Conservation Authority. This would be a new Federal agency to study the problem of conservation and utilization of water resources (particularly including the study of subterranean waters with a view of bringing these waters to the surface for further development by irrigation of the arid and semiarid lands of the West), and land conservation, utilization, and development in connection therewith.

The basic problems of water conservation and utilization are not only national in scope but also involve the rights and interests of the several States, which rights must be recognized; and the determination and effectuation of policies in this field should follow careful study and thorough understanding, and should be aimed at accomplishing the highest use for the best economy of the Nation and in keeping with our traditional form of Government. The bill which I have just introduced so provides.

The Water Conservation Authority would be authorized and directed to investigate and explore the various facets of the subject, including the extent of the undeveloped water resources of the Nation; the existing Federal, State, and local laws, and agencies charged with development and control of water resources; the conflicts of jurisdiction, planning, and execution existing among or between these States and agencies; the effect upon the national economy, welfare, and safety of existing laws, and the policies and activities of the agencies concerned; and the relation of these factors to the other elements of the national economy such as industry, agriculture, and commerce.

The Authority would be specifically authorized to employ a staff adequately trained and experienced to conduct the necessary research, and to supplement this staff by the employment on a temporary basis, and without regard to civil-service laws, of expert consultants in the field of water use and related land problems. Consultants so employed should be exempted from any provisions of law respecting their other or subsequent activities.

The Authority would be instructed and authorized to confer with other agencies of the Federal Government and of State Governments, and with private organizations, such as engineering and industrial societies, interested in problems of water and land use and control; and would be authorized to utilize the services of any existing Federal agency, where suitable, upon request, and where the services to be performed by any other Federal agency are not a part of the normal duties of such agency, to reimburse such agency for services rendered or work performed, within the limits of appropriations made therefor.

The bill authorizes appropriations to the Authority for the conduct of its work, without any annual limitation, but subject to the approval of the Budget Bureau and of the Congress with respect to each fiscal year.

The Authority would be authorized and directed to recommend to the Congress from time to time policies and legislation within or connected with its studies and investigations; and relating to the future development, conservation, and utilization of the water resources of the Nation and the conservation and utilization of land resources in connection therewith.

The bill contains the necessary and usual provisions for such legislation, but has been kept as short as possible.

To insure proper composition of the Water Conservation Authority, the bill provides it

shall be headed by a three-man board, to be appointed by and with the advice and consent of the Senate.

I commend this bill to the attention of all Senators, and I earnestly hope it may have early and sympathetic consideration by the committee to which it will be referred.

PRINTING OF ADDITIONAL COPIES OF HEARINGS BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. WHERRY. Mr. President, on behalf of the Senator from North Dakota [Mr. LANGER], I ask unanimous consent to submit a resolution providing for printing of additional copies of the hearings by the Post Office and Civil Service Committee on salaries of Federal employees, and I request its present consideration.

There being no objection, the resolution (S. Res. 208) was considered and agreed to, as follows:

Resolved, That 1,000 additional copies of the hearings held before the Committee on Post Office and Civil Service on salaries of Federal Government employees be printed for the use of said committee.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. BALL (for himself and Mr. WHERRY) submitted amendments intended to be proposed by them, jointly, to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which were ordered to lie on the table and to be printed.

Mr. BALL (for himself, Mr. CAIN, Mr. HAWKES, and Mr. WHERRY) submitted an amendment intended to be proposed by them, jointly, to Senate bill S. 2202, supra, which was ordered to lie on the table and to be printed.

PRINTING OF REVIEW OF REPORT ON COOS AND MILLICOMA RIVERS, OREG. (S. DOC. NO. 124)

Mr. REVERCOMB. Mr. President, on behalf of the Committee on Public Works, I present a letter from the Secretary of the Army, transmitting a report dated January 21, 1948, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of the report on Coos and Millicoma Rivers, Oreg. This investigation was requested by a resolution of the Senate Committee on Commerce, adopted on September 24, 1945. I ask unanimous consent that the letter, together with the accompanying papers and illustrations, be referred to the Committee on Public Works, and printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the Judiciary:

H. R. 550. An act for the relief of Lizzie Reynolds, administratrix of the estate of Grace Reynolds, deceased;

H. R. 911. An act for the relief of Kam Fong Chun, Mr. and Mrs. Jose Dias, Joseph De Souza, Mr. and Mrs. Kenneth Ayres, and Jose Oducado;

H. R. 912. An act for the relief of Hiro Higa and Kana Higa;

H. R. 1088. An act for the relief of Mary Jane Harris;

H. R. 1222. An act for the relief Mr. and Mrs. M. C. Lewis;

H. R. 2070. An act for the relief of B. John Hanson;

H. R. 2136. An act for the relief of Mrs. Martha W. Johnson;

H. R. 2684. An act for the relief of sundry fruit growers of the State of Delaware who sustained losses as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese beetle quarantine;

H. R. 2734. An act for the relief of Joseph M. Henry;

H. R. 2919. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 3027. An act for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa;

H. R. 3641. An act for the relief of Mrs. Helen E. Scofield;

H. R. 4050. An act to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Lucie Baptistine Tcharoutcheff, Raymonde Tcharoutcheff, and Robert Tcharoutcheff;

H. R. 4129. An act for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor; and

H. R. 4571. An act for the relief of the estate of Carl R. Nall.

CHANGE OF REFERENCE

Mr. YOUNG. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be discharged from the further consideration of Senate bill 2158, to amend the Foreign Aid Act of 1947 and the Third Supplemental Appropriation Act, 1948, so as to eliminate certain provisions of such acts requiring the retention of a specified carry-over of wheat in the United States, and that it be referred to the Committee on Agriculture and Forestry.

Mr. VANDENBERG. Mr. President, I have no objection to that procedure. In fact, I think it is the appropriate one.

The PRESIDING OFFICER (Mr. CAIN in the chair). Without objection, the change of reference is made.

Mr. VANDENBERG. Mr. President, it is my understanding that under the order just made the Senator from North Dakota [Mr. YOUNG] will not offer the amendment intended to be proposed by him to Senate bill 2202. Is that correct?

Mr. YOUNG. That is correct.

THE ST. LAWRENCE SEAWAY—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on the St. Lawrence seaway, broadcast by him over Wisconsin stations, which appears in the Appendix.]

THE PARTITION OF PALESTINE—EXCERPTS FROM ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have inserted in the RECORD excerpts from an address delivered by him before a rally of the American Emergency Zionist Council, at Manhattan Center, New York City, on March 1, 1948, which appear in the Appendix.]

AMERICA'S HISTORIC GOALS—ARTICLE BY JAMES B. CONANT

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "America's Historic Goals," written by James B. Conant, president of Harvard University, and published in Think magazine for February 1948, which appears in the Appendix.]

PALESTINE, UNITED STATES, AND SECURITY COUNCIL: WHAT NOW?—ADDRESS BY DR. ISRAEL GOLDSTEIN

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an address delivered by Dr. Israel Goldstein, chairman of the World Confederation of General Zionists, and remarks made by him in introducing Dr. Goldstein, which appear in the Appendix.]

MUNICH: 1948—EDITORIAL FROM THE MANCHESTER (N. H.) EVENING LEADER

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Munich—1948," published in the Manchester (N. H.) Evening Leader of March 2, 1948, which appears in the Apendix.]

THE HOUR OF CRISIS IN PALESTINE—EDITORIAL FROM WASHINGTON EVENING STAR

[Mr. CORDON asked and obtained leave to have printed in the RECORD an editorial entitled "The Hour of Crisis in Palestine," published in the Washington Evening Star of February 25, 1948, which appears in the Appendix.]

NOTICE OF HEARING BY JUDICIARY COMMITTEE ON SENATE JOINT RESOLUTION 191, INTERSTATE COMPACT ON REGIONAL EDUCATION

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, March 12, 1948, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, on Senate Joint Resolution 191, giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948. At the indicated time and place all persons interested in the above resolution may make such representations as may be pertinent. The subcommittee consists of the Senator from Wisconsin [Mr. WILEY], chairman, and the Senator from Rhode Island [Mr. MCGRATH].

LEAVES OF ABSENCE

Mr. HATCH. Mr. President, because of a previous engagement, I shall be compelled to be absent from the Senate tomorrow and a part of Friday. I ask unanimous consent that I may be excused from attendance on the sessions of the Senate during the time I have mentioned.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. MILLIKIN asked and obtained consent to be excused from attendance on the session of the Senate tomorrow.

COMMITTEE MEETING

Mr. TOBEY asked and obtained consent that the Committee on Banking and Currency may meet this afternoon at 2:30 o'clock.

DR. EDWARD U. CONDON

Mr. CHAVEZ. Mr. President, of late the press has called our attention to the charges made by the House Un-American Activities Committee against Dr. Edward U. Condon.

It appears that the House Un-American Activities Committee has information that Dr. Condon is acquainted and has had some contacts with scientists of other countries, including some from Russia.

I take it that when we were friendly with Russia, and she was on our side helping to destroy the German Army, many an American Army and Naval officer, many an American diplomat and many an American scientist was acquainted with Russians. I cannot for the life of me be convinced that Dr. Condon is disloyal because of those circumstances.

Dr. Condon was born in my State, in the little city of Alamogordo. Information obtained from unimpeachable sources leads me to believe that he comes from a fine American family of a long American background. I do not believe that he is disloyal.

Mr. President, this morning the Washington Post column entitled "Washington Calling," by Marquis Childs, contained an article headed "Smear Against Condon." I ask that the article appear in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON CALLING

(By Marquis Childs)

SMEAR AGAINST CONDON

The current loyalty witch hunt is shown in its shabbiest and meanest form in the attack on Dr. Edward U. Condon by the House Un-American Activities Committee. The committee's report is about as un-American as anything could be.

It relies almost on guilt by association. Because Dr. Condon, head of the National Bureau of Standards, talked to the wife of the Polish Ambassador and to two or three attachés of Soviet and satellite embassies, the committee demands his discharge.

"It is known," said a letter quoted by the committee and purportedly from the FBI, "that in February 1947 Zlotowski (an attaché in the Polish Embassy) purchased 270 books on atomic energy which had been published by the Department of Commerce."

The childishness of this would be funny if it were not so tragic. Repeatedly scientists have said that with publication of the Smythe report on atomic fission 7 days after the first atomic bomb was dropped on Hiroshima the essential "secret" of atomic energy was released to the world. That report was published on the specific authorization of Lt. Gen. Leslie R. Groves. Most recently Chancelor Robert Hutchins, of the University of Chicago, in an article in the American magazine, said after the Smythe report even a set of bomb-making blueprints would be little additional help.

The Smythe report has been on sale in every book store for 2 years. So much for the childish assumption that there is a "secret" which an American scientist could hand to a foreign scientist.

In connection with Dr. Condon's personal loyalty, some background is revealing. His record was carefully and thoroughly examined by the loyalty board created in the Department of Commerce under President Truman's executive order on the loyalty of Government employees.

Chairman of that three-man board was Adrian S. Fisher, who was the then solicitor of the Commerce Department. The board had all the material available to the House committee, including the FBI reports on his and his wife's associates.

But unlike the House committee, which never once gave Condon a chance to answer the vague accusations made against him, the board let him appear in his own behalf. Condon presented evidence bearing on his background and on the associations held against him.

That was last September. After detailed consideration of all the evidence, the board found no question concerning Dr. Condon's loyalty.

This meant that they found he was not in thrall to any alien ideology or any foreign power. In other words he is an American with a belief in the basic principles of the American Government.

The board found in the course of its inquiry that Dr. Condon is a thoroughgoing maverick. That is to say he believes in speaking his mind, even though the opinion he expresses may not be popular or in accord with the view of the majority at the moment. Often he has spoken bluntly with what many would consider indiscretion in a time of insecurity and hysteria such as the present—not about scientific matters but about his political beliefs which are certainly not those of Representative J. PARNELL THOMAS of the Un-American Committee. His wife has also spoken freely and sometimes, by current interpretation, indiscretely.

This raises a pretty basic question. Is an American citizen, whether in Government or not, to be denied the right to any views other than those of the most narrow orthodoxy? To answer yes is to go against the broadest and deepest tradition of American freedom.

A postscript on the Commerce Department loyalty check is significant. Fisher, chairman of the board, was brought into the Department to be solicitor by the present Secretary, W. Averell Harriman. A week ago Fisher resigned that post to become general counsel of the Atomic Energy Commission. Approval for the latter position implies a most searching FBI examination which is a further assurance of the validity of the report clearing Condon, which was prepared by Fisher.

To fair-minded Americans it will seem clear that Condon is being persecuted because he was appointed head of the Bureau of Standards by Henry Wallace when Wallace was Secretary of Commerce. A second reason is the smear campaign conducted against him in a small section of the press.

The FBI report leans on the word of a "self-confessed Soviet espionage agent." This is a dubious source since self-confession seems to be a sure way to gain acceptance. To make such vague and tenuous accusations without giving the victim a chance to state his own case is to make ourselves into the image of the enemy we profess to despise.

EFFECT OF TIDELANDS BILL (S. 1988) ON DEVELOPMENT OF WATER RESOURCES

Mr. BUTLER. Mr. President, I ask unanimous consent for the insertion in the RECORD of a statement by Mr. Walter Johnson, attorney general of Nebraska and representative of the Association of Attorneys General, regarding the tidelands bill (S. 1988).

Mr. Johnson's statement is designed to quiet any fears that the tidelands bill will in any way affect the Pick-Sloan plan or the Federal development of our water resources. I believe Mr. Johnson's statement, together with his proposed amendment to the bill, answers fully the objections that have been made on that ground. Let me say further, however, that I have always been a very ardent advocate of the Pick-Sloan plan for the development of the Missouri Basin.

The successful completion of that plan is one of my principal interests. I believe my position on that question is supported by a tremendous majority of the citizens of my State, and I want to assure them that I shall certainly do nothing to endanger the plan. Certainly if the tidelands bill were to endanger the Pick-Sloan plan, I would not support it. I would oppose it.

I should like to say further that other interested groups and individuals are likewise giving careful study to the bill with a view to its possible effects on the program of Federal development of navigation, hydroelectric power, flood control, and so forth. The National Reclamation Association, among others, is studying the bill very carefully. I intend to be guided to a very large extent by the conclusions of such organizations as the National Reclamation Association. If that organization should feel that further amendments to this bill are necessary, I shall see that they are presented either in the committee, where S. 1988 is now under consideration, or on the floor when it is under debate.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF WALTER JOHNSON, CHAIRMAN OF TIDELANDS COMMITTEE OF NATIONAL ASSOCIATION OF ATTORNEYS GENERAL, REGARDING CRITICISM OF S. 1988 BY MISSOURI VALLEY DEVELOPMENT ASSOCIATION

Representatives of Missouri Valley Development Association have apparently started a movement in Nebraska in opposition to S. 1988, which is designed to restore and confirm titles to State property which were either taken or clouded by the Supreme Court decision in the case of *United States* v. *California*.

The Missouri Valley Development Association, through its representative, John Quinn, is quoted in the Omaha Morning World-Herald (February 18, 1948) as saying that S. 1988, would place "natural resources in all forms under the control of State law" and that this would mean that South Dakota rather than the Federal Government would have the right to dispose of all the waters and power generated at the Fort Randall Dam and that the 10 States interested, "jealous of their new rights," would be fighting among themselves as to the disposition of this water and power. Similar statements have been made by Mr. Francis P. Matthews, who even goes farther and says that S. 1988 is a "cunningly contrived plot to rob the people of Nebraska and the Northwest of Missouri River development benefits" and to block the Pick-Sloan plan.

I wish to assure those interested in the Federal control of the Missouri Valley development that their fears and suspicions are wholly unfounded. There is no secret plot to promote private interests connected with S. 1988. There was not the remotest intention on the part of the members of our committee, who drafted S. 1988, to interfere with Federal control of water and power at Fort Randall Dam, or to block the Pick-Sloan plan. It is the opinion of our committee that the bill as drawn would not in any way bring about that

result. However, the committee is quite willing to sponsor an amendment which would remove any possible doubt.

Copy of this amendment is set forth later in this statement. I should like, however, to point out the advantages which will be derived not only by Nebraska but by all the States from the passage of this legislation and also to show that, as now written, it does not affect the distribution of power.

Since the formation of the Union every State has been considered to be the owner of the lands beneath its navigable waters and of the resources within such lands and in the waters, including fish. These lands and resources have always been subject to State law, and all State courts, as well as the Supreme Court itself, in many decisions prior to 1947 have upheld the title and ownership of the States in these lands and resources. It is by virtue of this principle of law that Nebraska owns the lands under the Missouri River and the resources therein and controls fishing or other rights in said river, including riparian rights.

It is, of course, true that the United States has always had the constitutional power of regulation of navigable waters in the interest of interstate commerce and national defense. Under this power, the Federal Government has been held to have the power to control floods and to produce and distribute electric power.

When the Supreme Court said that California was not the owner of the lands beneath its navigable waters and the resources therein, it struck a blow at the property rights and sovereignty of every State in the Union. That is why the National Association of Attorneys General and the Governors Conference, representing the highest officials of all the States in the Union, have prepared and are actively sponsoring this bill. The bill was drawn by a committee of able attorneys general and has the backing of the American Bar Association, whose house of delegates examined it with the minutest care, and of the bar associations of numerous States.

Incidentally, the United States Chamber of Commerce, of which Mr. Matthews is a director, is wholeheartedly behind this legislation. Two years ago it adopted a strong resolution in favor of a similar measure. This measure passed Congress but was vetoed by the President. The policy of the United States Chamber of Commerce to support a quitclaim and release of lands beneath navigable waters and of the natural resources in such lands and waters to the respective States has not changed.

S. 1988 does not confer upon the States any new rights and does not place any natural resources under State control which have not always been under State control prior to the California decision.

Analysis of the precise language of S. 1988 will bear this out. This bill will recognize and confirm and vest in the respective States—

1. Lands beneath navigable waters within the boundaries of the respective States.

2. Natural resources within such lands and waters.

3. The right and power to control, develop, and use the said natural resources (i. e., the resources within the lands and waters) in accordance with the applicable State law.

These are precisely the property rights and powers the States have always possessed and ought to possess if they are to retain their sovereignty as States. The above language does not release or convey any waters, but only resources within the waters—which was intended to apply to fish, which are actually within the waters. The Federal Government would like to control the entire fishing industry, which has always belonged to the States.

I understand that the argument has been made that the reference to natural resources within the navigable waters would be held to include electric power. To our committee such a construction seems not only farfetched, but completely untenable. It is true that electric power is considered as a natural resource. But electric power does not exist within the navigable waters of a river. Electric power is generated by a dynamo and comes into existence at the output terminals of the dynamo. To generate electric power the dynamo must be rotated by some form of energy. This energy may be produced from coal or any other fuel or from water falling onto a wheel. The electric power does not exist within the water any more than it does within the coal. After the water has passed over the wheel it goes on its way. Nothing has been taken from it.

However, as I have stated, we can see no objection to any reasonable amendment which would remove even the suspicion that there is some plot to interfere with Federal control of Missouri River Valley development.

The following is a suggested wording for such an amendment:

Following line 19, on page 5, insert:

"Nothing in this act shall limit the powers of Congress in connection with the regulation of interstate and foreign commerce, to control the navigable waters within the States for the purposes of navigation, flood control, and the production and distribution of electric power."

The citizens of Nebraska ought to understand the background of S. 1988. The attack on California's property and sovereignty rights is part of the movement that has been going on in Washington for the last 16 years to centralize control of all natural resources of the Nation in the Department of the Interior and other Federal bureaus. These bureaus would like to take over the ownership, control, and administration, not only of California's oil but of fish and other resources throughout the Nation.

Employees of these bureaus who are promoting various Federal projects are fighting Senate bill 1988.

The wholly erroneous charge that this bill contained some secret design to take away Federal control of the distribution of water or power from the Missouri River is an example of the type of opposition which is encountered.

Nothing said herein is intended to reflect in any way upon the merits of the Fort Randall project or of the Missouri Valley development as a whole. The merits of these projects have nothing whatever to do with S. 1988. The citizens of Nebraska, however, should consider whether they wish to surrender their sovereignty as a State to the Federal Government. Perhaps they may feel that the beds of navigable waters in Nebraska are not of very much importance but that is not the real issue. The real issue is whether the Federal Government can come into a State as it has done in California and under the guise of exercising national power appropriate the State's natural resources which have always been under State control and subject them, against the State's will, to Federal control. Nebraska should realize that to undermine the sovereignty of one State is to undermine our whole Federal system. If the States do not stand together in resisting this new Federal encroachment on State property and State power, they will find themselves one by one reduced to mere dependencies of Washington bureaus. That is why the attorneys general, governors, and practically all State officers throughout the Nation are united in defense of State interests.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. HOEY obtained the floor.

Mr. WHERRY. Mr. President, may I inquire of the Senator from North Carolina whether he prefers to have a quorum called before he starts his remarks?

Mr. HOEY. That is agreeable.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Overton
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hatch	Murray	

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] is necessarily absent in his State.

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official committee business.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Colorado [Mr. JOHNSON] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from Maryland [Mr. O'CONOR], the Senator from Florida [Mr. PEPPER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDING OFFICER (Mr. CAIN in the chair). Eighty-five Senators having answered to their names, a quorum is present.

Mr. HOEY. Mr. President, before beginning the discussion of the European recovery program I wish to pay tribute to the masterly presentation of this cause by the able and distinguished Senator from Michigan [Mr. VANDENBERG], chairman of the Foreign Relations Committee. His address on Monday deserves to rank with the really great speeches delivered in the United States Senate and sustains the best traditions of this greatest forum of world thought and action.

Mr. President, the people of the United States have become accustomed to meeting crises. They are experienced in dealing with emergencies. From the latter part of the year 1939, when our Government, under the direction of the Congress, began feverish preparation for a defensive war against the aggressive powers, until the treacherous and cowardly attack was launched against us at Pearl Harbor on December 7, 1941, every resource of our Nation was utilized to meet what was manifest from the beginning would be an all-out death struggle.

The fateful days following witnessed the complete mobilization of the manpower and the material resources of the Nation for the sole and supreme purpose of achieving full and final victory with the definite goal of preserving our own liberty and freedom and assuring our allies the right to live peaceably in a world freed from totalitarian forces that would enslave mankind.

The achievements of America in that stupendous conflict made a new record in human history. Never had any country accomplished so much in such a brief space of time. Our production on the farm and in the factory amazed the world. We speedily transformed our country from peacetime activity to an over-all war basis, and we amassed an army of over 12,000,000 gallant men and women in an incredibly short time. We became the arsenal of democracy—the warehouse of the world—and the banker of the free peoples of the earth. We not only supplied our own 140,000,000 people with the necessities of life and equipped, trained, supported, and transported our vast army to every part of the earth to engage in bitter warfare on land, sea, and in the air, but we supplied ships, planes, tanks, artillery, and all the implements of war to our allies and aided in supplying them with food and clothing, while we still produced enough to help feed the suffering and starving peoples in many lands already devastated by war. That record has never been equaled in all the history of the human race.

Through the tremendous war effort of America and the might and power of her air force, army, and navy, and the courage and valor of her soldiers, in conjunction with the heroic efforts of our allies and their supreme sacrifices, Germany was brought to her knees and on May 8, 1945, she unconditionally surrendered after Hitler had abdicated and suicided. By the almost unaided efforts of the armed forces of the United States, plus the atomic bomb, Japan surrendered on August 14, 1945. The fighting war was over, but the war to obtain peace had just begun as later events have proved.

Before the surrender of Germany or Japan, President Roosevelt invited all the nations interested in establishing and maintaining world peace to assemble in San Francisco for the purpose of agreeing upon a great United Nations Charter. Fifty nations accepted the invitation and their representatives spent over 2 months in this world conference, which resulted after much debate, and the composing of many differences, in the unanimous adoption of this world covenant, the preamble of which recited that these nations solemnly agreed that they would not wage war against each other, but would settle and adjust their differences by methods short of war.

One of the significantly dramatic moments in our national history was when the Senate of the United States ratified the United Nations Charter, after weeks of debate, on July 28, 1945, by the overwhelming vote of 89 to 2. The premier Republic of the whole earth and the greatest democracy of all human history was leading the way to peace now and peace in the long future for our world.

A seriously wounded world needed sustenance. The destruction in many lands had been complete, the devastation was beyond description, the poverty, suffering, and want were so great that immediate steps had to be taken to save human lives and prevent people from dying like flies. The United States led the way in providing relief and through UNRRA contributed vast sums for virtually all the nations in distress. Certainly, the funds and supplies were not always wisely handled and distributed, but it can be said to the everlasting credit of our country that we supplied 71 percent of all the money and supplies for the relief of the suffering and starving of the world, while all of the other nations combined furnished only 29 percent. The generosity of the American people may not have been fully known or even appreciated by the people to whom the relief was sent, but I am quite sure that it pleased the Gracious Father of all as we undertook to minister to His children throughout the earth. It may yet prove to be as bread cast upon the waters in our endeavors for peace.

The Congress of the United States, in response to the requests of the President and the Secretary of State, appropriated large additional sums for the relief of the distressed and starving people in many lands and to enable them to organize a stable society and begin the task of rebuilding. Altogether we have loaned and donated a total of around $20,000,000,000 to other nations since the close of the war. The donations were to meet the pressing needs to save the lives of the people, and the loans were to help these friendly nations to get a start toward rehabilitation. In the special session of the Congress we passed a special bill for around $500,000,000 as stopgap relief to tide the nations of Austria, Italy, and France over the winter months and save them from intense suffering and starvation.

The United States realized that something would have to be done on a permanent basis. All of our help heretofore had been to meet the pressing temporary needs. It was manifest that our country could not afford to assume responsibility to feed and clothe millions of people in other lands as a regular obligation, and I may say that I do not believe many of these people would wish for us to give them this support. They are high-minded, industrious, and independent citizens in the main and what they wish is a chance to make a living for themselves, but in order to do so they must find some way to reconstruct their wrecked farms, to rebuild their destroyed industries, and to obtain facilities to restore their devastated countries. For the farms they need seed, fertilizer, and farming implements. For their industries they need machinery, materials, and raw products. Upon the whole, if they are to recover and become self-supporting members of society, these nations must have long-term help.

Out of these necessities the Marshall plan was born. There is nothing mysterious about it. There is nothing difficult to understand. There is no reason why it should be misunderstood. However, we hear from the man on the street, and many times from sources we would least expect, the bald assertion that "we have helped Europe enough—she never pays us back—and I am opposed to doing any more for any of those nations. Let them look after themselves. We ought to look after ourselves and let them do the same."

That sounds very much like the expressions we heard after the First World War, and that was exactly the policy which we followed. We found ourselves unhappily in a Second World War, thrust upon us without our procurement and against our will. Shall we wait to do anything about it until we are confronted with world war III?

The Marshall plan is as simple as it is sensible. We suggested to the nations of Europe that they meet in conference and do three things, namely: First, make a survey of their own resources; second, make a survey of their needs; third, ascertain what they can do among themselves by utilizing their own resources to meet their needs and then let us know how much help they would have to have in order to enable them to rehabilitate their severa nations over a period of 4 years and become self-supporting. That invitation was accepted by 16 European nations and they met in conference for weeks and carefully and conscientiously complied with our suggestions. Russia, with eight satellite nations, refused to attend the conference and participate.

The plan proposed by this conference of 16 nations was submitted to the United States and has been studied, pared down, readjusted and worked over by our specialists in all lines. After this careful and comprehensive study it has been presented to the Congress. The Senate Committee on Foreign Relations has given it intensive study, after having held extensive hearings and examined all the witnesses who wished to be heard. We have the unanimous report before us for consideration. The proposed appropriation of $5,300,000,000 is to cover the period from April 1, 1948, to April 1, 1949. The whole plan would cover a period of 4 years which all of the informed authorities believe is essential to accomplish the purposes of rehabilitation and to establish the nations upon a basis of self-support. After 1 year we can best determine whether the program should be continued. This proposition is now before the American people and is squarely in the lap of this Congress. The question is, What are we going to do about it? We cannot ignore it. We must either adopt it and make the effort to save these nations among the free peoples of the world, or we must refuse and take the consequences. The serious

question which confronts us is, Can we afford to risk the alternative of refusing to give this assistance? In making this decision, we should bear in mind that hunger produced a Mussolini, and despair created a Hitler. We should also remember that human experience and our knowledge of world conditions demonstrate that we cannot long maintain a prosperous America if the balance of the world is in poverty and want, that we cannot have an orderly and contented America if the other nations of the earth are in disorder and chaos, that we cannot have a peaceful America if the world is at war.

Mr. McMAHON. Mr. President, would the Senator mind an interruption?

Mr. HOEY. Not at all.

Mr. McMAHON. I am very much interested in the first observation the Senator made about what the effect on the United States would be if Europe collapsed. One of the other points that has occurred to me is that there will be no capitalism in America if there is no capitalism in the rest of the world. Does the Senator agree with that point of view?

Mr. HOEY. Absolutely.

Mr. McMAHON. If there is to be nothing but state trading all over the world, then we shall have nothing but state trading here in the United States, will we not?

Mr. HOEY. That is correct. We cannot maintain our free-enterprise, capitalistic system if all the rest of the world takes a toboggan slide.

Mr. McMAHON. I thank the Senator.

Mr. HOEY. Mr. President, I am in favor of adopting the European recovery program and giving support and sustenance to our sister nations. I shall give only two reasons for this position: One is economic and the other is philanthropic; one is selfish and the other humanitarian.

It is tremendously important that the United States continue to be prosperous, that we succeed in maintaining our economy upon the high basis of full production and complete employment, with a consistently high earning power for our people. The stupendous public debt makes it imperative that we maintain an economy which will insure good profits to industry and agriculture and high wages to labor. This is essential in order that we shall be able to meet our national obligations. We cannot afford to have a depression, with consequent reduction of earnings on the part of individuals and corporations.

In 1932 the total earnings of all the people and corporations in the United States was around $40,000,000,000. We pay more than that in taxes now. In 1946 the total earnings reached the astronomical figure of $174,000,000,000—until then, an all-time high. Yet, in 1947, the total earnings soared to the peak of $197,000,000,000—and this in the face of many gloomy predictions that we would begin a depression that year. Does anybody believe that we would or could have had any such record of earnings in the last 2 years if we had not made loans and donations to European nations and kept these nations as going concerns? Does anybody expect that our earnings will hold up to these high levels if we lose our export trade and the nations of Europe collapse? Viewed solely from a selfish point of view, is it not a good business investment to let Europe have five or six billion dollars for purposes of rehabilitation and maintain our total earnings around one hundred and eighty billions, when to refuse it would probably result in a slump of our earnings of from thirty to fifty billions a year? Our loss would not be confined merely to the amount of decrease in exports, but the reflex influence upon our economy would be felt in every line of business, and the general sag would carry all businesses down to a lower level.

Following the war, a great many planners were terribly concerned about the unemployment which they expected to result when the 12,000,000 soldiers returned to civilian employment and when our economy slowed down. Many were pressing for legislation to take care of unemployment. What are the facts? The Labor Department statistics show that we now have approximately 60,000,000 people gainfully employed in the United States, which is 22,000,000 more than were employed during the depression, and 10,000,000 more than a previous high. If our economy suffers the impact of having our trading nations eliminated as participants in our world trade, we may expect heavy unemployment and the consequent dislocation of our whole productive system in both industry and agriculture.

This argument could be extended to cover many other fields of activity to show the adverse effect upon our whole business which would result from our failure to come to the relief of these nations in Europe in an effort to save them. It may be asked whether the expenditure of this money will be a guaranty of our continued prosperity. I do not think we can safely hazard an affirmative answer, although I think the force of the logic of the situation fully supports that theory. However, it is perfectly manifest what the result will be if we do not provide the assistance, for we have our past experience to show us what happens when our foreign markets are lost and we are restricted in the production and distribution of our products from field and factory. All of this deals solely with the material issue—the selfish consideration of the benefits which we may derive from making the advances, and the losses to our economy by failing to make this investment in the security of other nations.

The other reason I urge in behalf of the Marshall plan is the humanitarian aspect, which should appeal mightily to the forward-looking and enlightened, peace-loving people of the United States. Will this plan preserve peace? No one can answer that question authoritatively; but everyone can reasonably hope that it will lead the way to a better understanding between nations, for greater mutual concern for their well-being, for a finer and broader conception of international relations, and for the common material betterment of all the people, and greater spiritual significance in the realm of the higher values of life.

In an all-out effort to win the war and preserve our liberty and freedom and win peace for ourselves and the world, we gave prodigally of men and money, and we laid a vast offering in blood and treasure upon the altar of world freedom. Now, while the sweet incense of that sacrifice is still ascending to high heaven, shall we abandon the altar, quench the fire, extinguish the flame, and walk away to our own complacent selves, muttering that we have done all that we intend to do, and that henceforth we shall look after ourselves and let the balance of the world do the same? That is not American; that is not humanitarian; that is not Christian.

The cost of the last war is staggering. We lost 295,000 brave and heroic sons and daughters in war; we had nearly 1,000,000 casualties, ranging from injuries causing only slight disabilities to a vast number resulting in total and permanent disabilities, such as the loss of hands, arms, legs, eyesight, and paralyzed limbs and body. In dollars and cents, the United States had spent, for all war purposes, up to the close of the war, over $340,000,000,000; and the total cost as of this date, including benefits and pensions to soldiers, is a total of around $385,000,000,000. If it was worth all this loss of life and injuries to our soldiers and the expenditure of these hundreds of billions of dollars to win the war, does it not stand to reason that it would be a good investment to risk a few billion dollars more to save the fruits of our victory and preserve the liberty, freedom, and peace for which we fought? The Marshall plan contemplates doing just this.

When we consider what service the United States should render the balance of the world from a humanitarian or world-brotherhood standpoint, we must be impressed by two outstanding facts: first, that our Nation is the richest and most powerful in the world; and, second, that it is the only really great nation that was not seriously devastated and rendered almost prostrate financially by the war. Not only is America the richest country in the world, but even in 1940, before the destruction of the industries and resources of the other nations, the commercial international census accredited our Nation with wealth greater than the combined wealth of Great Britain, France, Germany, Italy, Russia, and Japan. Now our wealth is far in excess of the prewar estimate, even though we have a stupendous public debt.

A nation, like an individual, is a steward of its material possessions. With wealth, prestige and power, there go corresponding obligations and responsibilities. God has generously bestowed his bounty upon us, but we cannot complacently assume that we merited this goodness at His hands. We shall have to account for our use of the power and wealth which we enjoy today, and failure to properly exercise and use it may witness the scepter of authority passing to a more worthy nation. America is a Christian nation in name, and somewhat Christian in practice. Be it said to the everlasting credit of the people of this land and their Government that however far short they may fall of the Christian ideal in their

daily living, they measure up splendidly in every hour of need of suffering and distressed peoples throughout the earth, and their response and assistance is always in accord with the finest Christian traditions. St. Paul, the greatest apostle of all time, would commend them as he did the early Christians for their generosity in helping their less fortunate brethren.

Nothing will so impress the balance of the world with our unselfish interest and concern for the world as the adoption of this policy of self-help and rehabilitation which would represent our conception of Christianity and the spirit of brotherhood in action. We have demonstrated our absolute unselfish attitude by trying to bring about peace in the world in which we are not asking anything for our own Nation. This further demonstration of our practical and sustained interest in the recovery of the war-torn nations must impress our friends and foes with our sincerity and high-minded purposes in dealing with our sister nations. We cannot deal with this whole question purely upon a material basis. The things of the spirit are still infinitely greater than the things of the flesh, and the triumph of goodness and justice must ultimately result from the well-directed efforts of even faltering humanity.

We must avoid another war. Preparation for defense alone will not be sufficient. Already we are spending $11,000,000,000 annually for our Army, Navy, and Air Force, and we are told that that is wholly inadequate. If we do not adopt the Marshall plan, we shall have to add that sum each year more than we would expend to carry out the whole recovery program. Our expenditures now for the purpose of maintaining our fighting forces is more than three times greater than our total cost of Government, including the cost of the armed services, prior to 1939. Instead of $11,000,000,000 we shall see the cost of defense advance to twenty or twenty-five billions of dollars—and there will still be the threat of war.

The question properly arises as to whether the adoption of the Marshall plan will preserve peace. Certainly no one can give that assurance, but we can all realize that it will represent a determined and practical effort to establish and maintain peace. It is worth trying and it has the virtue of being both economical and right.

Our people are much disturbed about the unfavorable attitude of Russia and the threat involved to world peace. The trouble with Russia is that she is suspicious of the United States and is not assured of herself. She knows of our might and power, of our wealth and resources, of our prestige and capacity to produce, and she knows that we could dominate the earth. Russia knows only too well if she had what the United States has she would undertake to subjugate the world, and she cannot understand why we do not have the same ambition.

Time will aid us in making crystal clear to Russia and all the world our own high purposes and the unselfishness of the course we are pursuing. This sort of vindication will add to our stature as a nation, to our long history of fair dealing with nations, and to our freedom from any charge of imperialistic designs, a charge some of our own disgruntled citizens have dared to assert in public addresses. The acquisition of territory on the part of the United States has met every test of honesty and peaceful bargaining. This was true of the Louisiana purchase, the annexation of Texas, the Oregon Territory, the Mexican Cession, the Alaskan purchase, and the various acquirements of territory in this country and our island possessions. When the whole matter is summed up, it can truthfully be said of the United States that in our contact with other nations and other lands we have touched them only to bless, we have conquered only to liberate. Cuba and the Philippines bear eloquent testimony to our love of liberty and freedom and our desire for other nations to enjoy that which we cherish for ourselves.

We are not only justified in doing everything possible to avoid world war III, but it is our solemn duty, representing the 140,000,000 free people of the United States who love liberty and freedom, to explore every avenue which leads to peace and employ all the means which will contribute to that end. I have previously mentioned the cost of the last war to the United States. The figure which I gave of $340,000,000,000 did not represent the whole cost of the war, but only the amount expended until the Axis nations surrendered. The added cost for soldier benefits, pensions, education, compensation, and other expenditures brings the total up to $385,000,000,000.

Gardner Cowles, editor of Look magazine, who made a trip around the world with Wendell Willkie, recently made another world tour visiting all the war-torn countries, gathering facts as to the total cost of World War II to the whole world, including money spent and the destruction of property in every part of the world. His estimate, supported by other fiscal authorities, places the total cost and loss at $1,000,000,000,000. Does anyone know how much money that is?

Well, it is a thousand billion, and a billion is a thousand million. The sum is so staggering that it passes all comprehension. Mr. Cowles follows this with a most revealing statement as to just what could be accomplished by the use of the money for peaceful purposes. For instance, he estimates that this sum is sufficient to build a five-room house for every family in the world—not merely in the United States, but in the whole world—and to provide school facilities for 400,000,000 children through elementary school for an average of 25 years and in addition to build a $1,000,000 hospital in every city of 5,000 people in the whole world. Yet all of this vast sum was destroyed in war and no benefits conferred upon the human race. This does not take into account the total world casualties of 15,000,000 as estimated by General Marshall in his summary of losses in battle and missing military personnel, as appears in "10 Eventful Years," the Encyclopedia Britannica's new four-volume history of the period 1937 through 1947 written by him. The losses by nations follow:

The United States: 295,904 lives, or 1 in every 500 of the 1940 population.

The United Kingdom: 305,770 lives, or 1 in every 150 of the population.

On the home islands alone; entire British Commonwealth's military losses totaled 452,570, or 0.08 percent of the population of the Empire.

Union of Soviet Socialist Republics: 7,500,000, or 1 in every 22 of its population.

France: 200,000, or 1 in every 200 of its population.

Germany: 2,850,000, or 1 in every 25 of its population.

Italy: 300,000, or 1 in every 150 of its population.

China: 2,200,000, or 1 in every 200 of its 1940 population (not including the 6 years of undeclared Chinese-Japanese hostilities that started in 1931).

Japan: 1,506,000 from 1937 on, or 1 in every 46 of its population.

General Marshall said:

The total cost to the principal belligerents, both Allied and Axis, in military personnel killed and missing in battle exceeded 15,000,000. The very considerable costs to the smaller countries, particularly Poland and the nations in southeastern Europe, added hundreds of thousands more to the total.

The statesmanship of this age and the enlightened thought of the world ought to be able to unite in enlarging the powers of the United Nations organization and implementing it with sufficient power and authority to make it effective in preventing war and preserving peace. The solution of the problem lies in finding means by which a war may be stopped before it starts, and in creating an atmosphere favorable to peace among all nations. It is my definite conviction that the adoption of the Marshall plan offers the best immediate means which we may adopt to further the cause of peace. I may say that I am not as pessimistic about our international relationships as many who speak over the radio or write articles for the papers and magazines. I realize the danger of war, but I also do not underestimate the forces that are battling for peace. The darkest hour sometimes precedes the brightest dawn and no night has yet been dark enough to put out the stars. My philosophy is that we should do our duty of the hour and trust our destiny to the God of individuals and nations.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Eastland	Kem
Ball	Ecton	Kilgore
Barkley	Ellender	Knowland
Brewster	Ferguson	Langer
Bricker	Flanders	Lodge
Bridges	Fulbright	Lucas
Brooks	George	McCarran
Buck	Green	McCarthy
Butler	Gurney	McClellan
Byrd	Hatch	McFarland
Cain	Hawkes	McGrath
Capper	Hayden	McKellar
Chavez	Hickenlooper	McMahon
Connally	Hill	Malone
Cooper	Hoey	Martin
Cordon	Holland	Maybank
Donnell	Ives	Millikin
Downey	Jenner	Moore
Dworshak	Johnston, S. C.	Morse

Murray	Saltonstall	Umstead
Myers	Smith	Vandenberg
O'Daniel	Sparkman	Watkins
O'Mahoney	Stennis	Wherry
Overton	Stewart	Wiley
Reed	Taft	Williams
Revercomb	Taylor	Wilson
Robertson, Va.	Thomas, Utah	Young
Robertson, Wyo.	Thye	
Russell	Tobey	

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Eighty-five Senators having answered to their names, a quorum is present.

SUPPORT OF THE UNITED NATIONS' DECISION ON PALESTINE

Mr. MURRAY. Mr. President, the shocking events which have taken place in Czechoslovakia make it more imperative than ever that the United States should stand firm in its support of the United Nations organization. Anything that tends to weaken or undermine the United Nations should call forth our prompt interest and determined opposition.

My interest in the Palestine question centers on the need to preserve the integrity of the United Nations, which I regard as the last best hope of peace for the peoples of the world. The United Nations, by a vote of more than two-thirds, decided on a Palestine-partition plan, with the city of Jerusalem remaining under the trusteeship of all the United Nations and open to the people of all faiths. That decision was a truly remarkable one, because it was intended to solve one of the most serious problems besetting the world.

Now, as I see it, the enforcement of the United Nations decision is not only a matter of honor, but involves the question of whether the United Nations can be made to succeed as an organization for world peace. If the threat of armed violence from a small number of Arab guerrilla bands can upset a solemn United Nations decision, then the future of this world-peace organization is indeed dark.

I believe, on the other hand, if the United Nations and the supporting countries clearly affirm their intention to carry out the decision, that it would be accepted by the Arab countries with a minimum of violence. I know, for example, that some of the Arab representatives at the United Nations have privately indicated their criticism over the bloodshed perpetrated by some of the Arab hotheads.

I am certainly aware that the United Nations' decision was not perfect. It would have required more than the judgment of a Solomon to settle the problem justly and to the satisfaction of all the conflicting parties to the dispute. But, Mr. President, all the troublesome questions presented in that difficult situation were carefully considered by the impartial United Nations Commission on Palestine before the General Assembly voted on it. That Commission, in effect, adopted a milder form of the proposal which the British had originally put forward about 10 years ago.

The historical claims of the Arabs and Jews to possession of the Holy Land cannot be answered with a flat yes or no. Obviously, the United Nations Commission took into account the fact that all the vast land of the Middle East belonged until 1918 to the Turkish empire, and the Arabs and the Jews were merely subject peoples in that land. Neither had any superior right. As a result of the allied victory in the First World War, the British turned over to the Arabs the vast lands which now comprise the states of Iraq, Syria, Lebanon, Transjordan, and Saudi Arabia—an area many, many times larger than the tiny territory granted to the Jews by the United Nations decision.

I am sure that if Turkey, prior to the First World War, had offered to turn over to the Arabs and the Jews this territory, confining the Jews to the tiny area now occupied by them, the ruling would have been universally approved.

The decision of the United Nations, in view of all the circumstances, is as fair and reasonable as could be expected. The attitude of the United States should be to give its full moral and persuasive support to a decision of the United Nations in the interest of world peace and order.

Last week, and again yesterday, former Senator Warren R. Austin, United States Representative at the seat of the United Nations, presented the United States position on the Palestine issue before the United Nations Security Council. Both speeches failed to meet the issue squarely. They constitute striking examples of the use of language of diplomacy which fails clearly and unequivocally to express a thought. Here was a case where our position should have been clearly stated. The action of the United Nations Assembly should have been completely supported.

The question is, Are we for partition or are we not? Mr. Austin says we are. We are behind partition, he says; but it is my impression that we are failing to make our position clear and definite. The entire world is waiting for a solution of the Palestine problem. The world is sick and disheartened with these diplomatic circumlocutions, and devious arguments and pronouncements, all appallingly underlined by violence, by bloodletting, and by the release of the bitterest racial and religious emotions. As the Secretary-General, Trygve Lie, with obvious dismay, has explained: "If nothing happens in Palestine and chaos results, it will have a bad effect on the United Nations."

On November 29 last, a high peak was achieved in the slow progress of the United Nations. After nearly 30 years of evasion and uncertainty which had led to an impasse in Palestine, the United Nations took a decision. I do not think anything is to be gained by legal hairsplitting as to whether it is a "decision" or a "recommendation." A group of nations voted; they decided; they came to a recommendation, or a conclusion, or a decision—call it what you will. It was something upon which they decided. It was a clear-cut act of deciding, in which 33 nations decided for and 13 decided against. I doubt if any international decision has ever been taken on the basis of a more exhaustive study of a problem, or a more careful weighing of the repercussions than in the case of the Palestine ruling.

What now is to be gained by going back, particularly when those who wish us to go back—the Arabs and certain oil interests—refuse any solution, save their hand-chosen one? It is not a case of meeting some objections of the Arabs. It is a case of acquiescing 100 percent in their total opposition. There can be no meeting of minds when one party says bluntly: "This is what we want. We will take nothing less. We will accept nothing else. The United Nations will do as we say or we shall have none of it."

Is the United Nations prepared to liquidate itself and become an instrument for its own destruction—an arm of the Standard Oil Co. of New Jersey, or of the ex-Grand Mufti of Jerusalem, who, if he had had his way less than 3 years ago, would have triumphantly partaken of a Hitler victory over the United States, Great Britain, and their allies?

Is the United Nations a force for good, a force beyond intimidation? Or is it like a balloon of gas, ready to be blown in this direction or that direction, or, even more likely, to be punctured and collapsed by the first threat of violence presented to it?

We are now involved in a question which goes beyond Jews and Arabs. It is a question which has to do with the confidence of organized mankind in its leaders.

If the United Nations now supinely submits to a scheme to turn the clock back; if the United States, regardless of its commitments, is to become a party to a scheme to turn back the clock, then there is no hope save in violence, save in the strength of dictators, and in the savagery of the doctrine "Might makes right."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 535. An act for the relief of Adelbert E. Tuller;

S. 641. An act for the relief of Mrs. Roberta Flake Clayton;

S. 922. An act for the relief of Ruth Grossman;

S. 939. An act for the relief of Charles Howard Richards;

S. 970. An act for the relief of Mr. and Mrs. Harold T. Prosser;

S. 1031. An act for the relief of Antonio Zamora; Mrs. Antonio Zamora; Antonio Zamora, Jr.; Mrs. Juan Chavez; John Chavez, Jr.; Roland Chavez; Selso Trujillo; Dr. M. G. Wright; and the heirs of Keith Lane;

S. 1267. An act for the relief of Eleonore M. Hannon;

S. 1698. An act to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes;

S. 1716. An act for the relief of Mrs. Iola Veach;

S. 1721. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of injuries sustained by G. R. Below, late of Seattle, Wash.;

S. 1796. An act to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced

parts of such vessel as souvenirs, and for other purposes; and

H. R. 4023. An act to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes.

THE EMPLOYMENT ACT OF 1946

Mr. MURRAY. Mr. President, I wish to speak for a few minutes on another subject.

It is now 2 years since the Congress enacted the Employment Act of 1946. At the time of its passage there were some who criticized the legislation as deficient in that it did not purport to achieve all of the objectives contemplated by the bill as originally filed. On February 8, 1946, the day the conference measure was approved by the Senate, I indicated that there was no basis for this negative point of view. Granted the basic concepts of the bill were not set forth in the same direct and effective language contained in the original measure that I and my associates had introduced in Congress a year earlier, nevertheless, I entertained no doubts at that time that the conference measure, and I quote from my remarks on the Senate floor, "contained all the essentials of a full-employment program, which, if properly and firmly administered, would constitute a real contribution to the successful operation of our economic system."

I believe my judgment has been confirmed by the experience of the past 2 years.

Mr. Walter Lippmann, the noted commentator, has described the Employment Act of 1946—in the Washington Post of December 26, 1946—as "one of the most significant enacted by Congress in this century."

The distinguished junior Senator from Vermont [Mr. FLANDERS], in an article in the autumn 1947 issue of the Public Administration Review, has described the Employment Act of 1946 as "the most significant administrative implementation to the formulation of public policy since establishment of the Federal budget system a quarter of a century earlier."

The act has also been hailed by such sober commentators on the national scene as the editors of Kiplinger Magazine. Let me quote from a special Kiplinger Magazine report entitled "Can We Prevent Depressions?"

> The Employment Act of 1946 is not a labor measure. It is not a law involving salvation by Government. It is a measure designed to insure the American economic system of a long and healthy life.

The Employment Act has also been recognized by leading economists of America as making a historic contribution to the solution of our economic problems. Let me quote from a statement made by Prof. E. A. Goldenweiser in his presidential address before the American Economic Association printed in the American Economic Review of March 1947:

> This act contains, in embryo, what is necessary to start the Government on a road to more effective action. It recognizes the unity of the problems handled by the different departments and agencies, it gives the President the kind of help and support that he requires and is entitled to in the discharge of his great responsibilities, and it improves the procedure for cooperation between the executive and legislative branches of Government. A stronger and more formal link must be forged in the near future, but the present law represents a step in the right direction.

In his recent book entitled "Taxation for Prosperity," Randolph Paul, former Under Secretary of the Treasury, made the following comment on the act:

> The important step forward is that the Employment Act of 1946 proceeds on the general assumption that the Federal Government has the ultimate responsibility for creating and maintaining a general framework for economic activity conducive to the achievement of maximum employment. The law assumes that the way to deal with depression is not to wait until it has progressed beyond control but to be forearmed with measures that will prevent it from becoming disastrous.

In his recent book entitled "Economic Policy and Full Employment," Prof. Alvin H. Hansen, of Harvard, made the following statement concerning this legislation:

> The procedures outlined in the act assure that the Government will continually take the pulse and temperature, so to speak, of the economy in order to measure how well its policies are succeeding in achieving one of its primary responsibilities. Thus the elected Government currently responsible for the conduct of national affairs must continually face up with the unemployment problem. The procedures provided in the act would focus the eyes of the Nation continuously on goals of economic progress and stability, on rising living standards, and on growth in real national income as rapidly as productivity and high levels of employment permit.

It is also very gratifying to note that this year, unlike last year, the Joint Committee on the Economic Report is planning to follow the procedures called for by the act. It is my understanding that the joint committee is now preparing a report analyzing the Economic Report of the President, which was transmitted to Congress on January 14 of this year, and presenting its own conclusions on each of the President's main recommendations. I am informed that this report will be presented to both Houses of the Congress no later than March 1.

Nevertheless, there is no reason to be complacent. The success of the act will depend not only upon its administration by the President, his Council of Economic Advisers, and the Joint Committee on the Economic Report, but also upon the support given to it by the people back home. As I stated 2 years ago when the legislation was finally approved by the Senate:

> If the American people fail to take a strong position back of this program and demand that this act be effectively enforced, it will become dormant and useless to carry our country through the dangerous days ahead. But if this legislation is given wholehearted support, it will provide a firm foundation upon which we may go forward to a golden age of full employment and prosperity. It will become the framework within which industry, agriculture, labor, State and local governments, and the Federal Government can work together to translate into a living reality our hopes and plans for a stronger and better America.

INCREASE OF EQUIPMENT MAINTENANCE OF RURAL CARRIERS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, which were, to strike out all after the enacting clause and insert:

> That each carrier in the rural mail delivery service shall be paid for equipment maintenance per day for each mile or major fraction of a mile scheduled in addition to the 6 cents per tenance a sum equal to 1 cent per mile per mile per day for each mile or major fraction of a mile scheduled as now provided by law. Payments for the additional equipment maintenance as provided herein shall be at the same periods and in the same manner as payments for regular compensation to rural carriers.
>
> SEC. 2. There are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this act.
>
> SEC. 3. This act shall take effect on the first of the month following the date of its enactment and shall terminate 12 months from the beginning date or such earlier date as the Congress may by concurrent resolution prescribe.

And to amend the title so as to read: "An act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 12 months, and for other purposes."

Mr. LANGER. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LANGER, Mr. BUCK, Mr. FLANDERS, Mr. CHAVEZ, and Mr. JOHNSTON of South Carolina conferees on the part of the Senate.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. Mr. President, it appears that amendments to be proposed will not be ready until tomorrow. It also appears that the work of the Senate has been concluded for the afternoon. Before I move a recess I ask unanimous consent that the Senator from Mississippi [Mr. STENNIS] be recognized when the Senate reconvenes tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. VANDENBERG. Mr. President, I realize the situation which the able Senator from Nebraska, in his capacity as acting majority leader, confronts at the moment. It certainly is not his fault, because I can testify that he has under-

taken to try at least to bring these issues to a head.

I very deeply regret that we shall have to chalk off one lost day. I may be mistaken, but I think that every day is of particular importance in the life of the world at the present moment, and I think every day is superlatively important in respect to the responsibilities of leadership which the Government and the people of the United States must assert if there is to be any hope of a restabilized world.

Blank days of this nature are unfortunate. They are even more than that, Mr. President. I cannot object to the Senator's purpose to recess until tomorrow, but I again urge Senators who intend to offer amendments to this program to present their amendments and have them printed so that we may proceed to business. A few amendments have been submitted today, and a few are available on our desks. I doubt if the country will understand what is going on here unless we can begin, at least tomorrow, in dead earnest to attend to the utterly desperate responsibilities which we confront. I hope that, beginning tomorrow, we can proceed expeditiously with the amendments to the bill and with the conclusion of the event.

Mr. BALL. Mr. President, I submit several proposed amendments, which I hope I can discuss tomorrow, and ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. BALL. Mr. President, I should like briefly to mention one of the amendments and call it to the attention of the Senator from Michigan.

Yesterday, in the colloquy between the Senator from Michigan and myself, I stressed what to me seems to be a very vital aspect in this program, namely, the constant fear of aggression or subversion on the part of the countries in Europe which are being pulled behind the iron curtain one by one under a timetable which seems to be speeding up. Such fear is a very important factor in this whole program for recovery. In my opinion, unless we begin to move very soon to seek some solution to the problem of steady Russian Communist aggression against the remaining free and independent peoples, their chances of recovery, even under this program, are rather remote, because we cannot expect people to rebuild their economies unless they have some confidence in tomorrow; and it is difficult to see how those peoples, particularly in such countries as Sweden, which, once Finland is taken over, is right next to the Russian orbit, can have much hope for tomorrow unless there is some action on the part of the remaining free nations of the world to counteract that pressure.

Mr. LODGE. Mr. President, will the Senator yield to me?

Mr. BALL. I shall yield in a moment.

Mr. President, I have submitted an amendment proposing that the Congress direct the President and the Secretary of State immediately to attempt to negotiate with whatever members of the United Nations will join them in an agreement establishing a supreme council without the veto power, and to which the member nations would pledge their armed forces and resources, which could act to stop aggression or subversion threatening the peace, freedom, and independence of any people.

I do not pretend that that is a perfect solution of the problem, or that it is the best solution; but I think it is urgent—just as urgent as the speed in acting on the program which the Senator from Michigan is urging—that the United States develop some policy to meet that problem of naked power aggression on the part of Russia, because I think until we do any recovery program is likely to be futile.

If the Senator from Michigan and the administration are opposed to the amendment I have proposed and the solution along the lines which are indicated in the amendment, then I believe that before the Senate acts on this program it is entitled to know what alternative solution to the problem of aggression they are proposing.

Now I yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, it occurs to me that Czechoslovakia was taken over by the pro-Communist activities of the inhabitants of that country, and that one of the possibilities is that Italy will be taken over by communism in a fair and free election. So I should like to know how the action and the armed forces to which the Senator from Minnesota refers would prevent that kind of subversive action.

Mr. BALL. I do not know the complete answer to the Senator's question; but I have known many people in my State who came from Czechoslovakia and I have read some of the writings of President Benes of that country, and I know a little about their history and their long fight for independence and freedom. I think the people of Czechoslovakia unquestionably are deeply devoted to the principles of individual freedom, and that if there had been any leadership there that felt there was the slightest chance of their survival in a fight to maintain their independence in the face of Communist pressure and, as I read in one report, Red army units massing on the borders of Czechoslovakia, the people of Czechoslovakia might have resisted. But there was no such hope.

Until we can give these small individual countries some hope that they will not stand alone in resisting this overwhelming aggressive power, I do not think there is much chance for a recovery program or much chance for stopping these relentless conquests one by one.

Mr. LODGE. But if those countries are taken over by fifth columns of their own fellow-citizens within each country, without a single Russian soldier having stepped across the north-south line running from Stettin to Trieste, what good would it do to have the nations pledged to unite against the use of armed force?

Mr. BALL. If the reports I have read are correct, it is true that the Communists' control led the secret police in Czechoslovakia, but the army was still loyal. If those who were loyal had had any hope to fortify their courage, on the basis of such an agreement pledging them outside help in case the Red Army should try to move in, then I think the story might have been different.

As has been said, there are too many imponderables, and we cannot run a control test in history. But the Communists never have won a free election, I may say. I do not think they will win a free election in Italy. They may create sufficient chaos in Italy, because of their complete ruthlessness in treating individuals and human lives, to enable them to seize power. But they never have won a free election.

Mr. LODGE. Does the Senator from Minnesota think the United States should mobilize or accelerate its preparations for war?

Mr. BALL. I think we must by all means put this country in the strongest possible position of preparedness for whatever may happen in the world, which looks rather grim at the moment.

Mr. LODGE. I share the Senator's belief in regard to the vital necessity of placing this country in a strong defensive position. But it still occurs to me that we are confronting a type of subversive war which in many cases cannot be successfully dealt with by military means.

Mr. BALL. Does the Senator from Massachusetts think that the Communists ever win a free election? Do not they always, even when it is an internal coup d'état, seize power by force or by the threat of force, but never by constitutional means—even though, unfortunately, President Benes' capitulation in Czechoslovakia has given them some semblance of legality?

Mr. LODGE. I think there have been such cases, for example, in France, where, of course, the Communists have not seized power, and I think the Communists in the French Chamber of Deputies were legally elected, although some of them may not have been.

But I should like to invite the attention of the Senator to the fact that, although there are situations which armed force cannot reach, many such situations can be reached by the type of economic aid which is contemplated by the pending measure. There are some countries that could not be helped by this act and could not be helped by military action. There are other countries that could not be helped by this act, but could be helped by military action, perhaps. But there is a third category of nations, namely, a group which I think can be helped, and can be helped most decisively, by the kind of aid at which this program is aimed.

Mr. BALL. I am not questioning that; but I say the chances of having this program succeed would be infinitely greater if the countries had some strong assurance—greater assurance than they have at the present time—of support in case they were menaced by aggression or subversion; and I say that the only place

they can look to for leadership in formulating such a policy or program is the United States.

As I have said, the amendment I have offered may not be the perfect solution, it undoubtedly is not the only solution, but before the Senate votes on the program I should like to know what the United States plans to do or what the Senators in charge of the bill think should be done to meet what seems to me to be a problem in this world every bit as urgent as economic assistance.

Mr. LODGE. Mr. President, will the Senator yield further, so that we may continue the colloquy?

Mr. BALL. I yield.

Mr. LODGE. I have not, of course, read the Senator's amendment, and this is the first I have heard of it, but, as I have understood his description, what he envisages is an understanding among the states of western Europe to proceed in a collective way.

Mr. BALL. It is not confined to the states of western Europe. It comprehends all the free countries of the world. The amendment provides the President shall try to negotiate an agreement with all members of the United Nations. As I said, it eliminates the veto, so I doubt if Russia and her satellites would go along with that. But it seems to me we are in a situation so very similar to the one that existed in the late 1930's, when the Nazi aggressor was picking off the countries of Europe one at a time, that if we do not hang together we shall all hang separately. It seems to me that is a truth so self-evident that no one can dispute it. Whether the amendment is the proper answer or not, I do not pretend to know. It is the best one I can devise. It at least raises the issue.

Mr. LODGE. I think the truth does indeed exist as the Senator says. All I am trying to do is to relate his proposal to what we are trying to do in the bill. I think the bill embodies that general concept very much in its spirit, first of all because the bill contemplates a joint organization of recipient nations, and because that joint organization, while it is on the economic basis of course, has potentialities that transcend the narrower field of economics. I submit to the Senator the thought that there will not me an organization of nations that is worth anything and that can accomplish anything or whose word is heeded with any respect at all, if those nations are lying flat on their backs because of economic prostration and that before it will be possible to get the type of collective economic action the Senator from Minnesota has in mind, it seems to me there must be a little first aid, the pulmotor has got to be applied a little bit, so that these countries can at least stand on their own feet and not continually be supported by other nations.

Mr. BALL. Until the Senator has read the amendment, I do not see that there is much point in debating any longer which comes first, economic assistance—we have been doing that for 2½ years, after all——

Mr. LODGE. We have not been doing it at all in the way contemplated here.

Mr. BALL. Let me finish what I was saying—or the solution in a political way of the problem of complete individual and national insecurity. It is like asking, which comes first, the chicken or the egg? I think they must go together. I think I can make quite a case for my point of view. But what I want to do is raise the issue here, and I want to know what the administration has in mind to meet that problem.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALL. I yield to the Senator from Michigan.

Mr. VANDENBERG. I do not care to debate the proposed amendment at the moment. Obviously we do not have it before us in printed form, but the Senator was kind enough to hand me a copy. I wondered if he would be good enough to make his prospectus a little plainer to me so that I could understand it as I study it. As the Senator's amendment is drawn it looks to me as though he requires that Soviet Russia shall be a member of the proposed Supreme Council.

Mr. BALL. No. The amendment says the President shall attempt to negotiate with all members of the United Nations, he shall invite them all to join the Supreme Council. As the Senator from Michigan studies it, I am sure he will see that the Supreme Council under that set-up actually is what we hoped the Security Council would be under the United Nations, except without the veto. If Russia wants to join such an organization, I should be extremely happy, because I think that if she accepts that kind of obligation and joins that kind of organization it would indicate that Russia really wants peace and not war in a Communist-dominated world. If she does not, then I figure it is high time the other nations that really want peace and security and independence should get together to do something about it.

Mr. VANDENBERG. I am simply trying to call the Senator's attention to the language of his proposal. I certainly do not intend to hold him responsible for the language, because I realize that it would be asking almost too much even of the Senator from Minnesota to write a new charter for the world overnight. But the language of his amendment which struck me is paragraph (b) (1):

> For the establishment of a Supreme Council to consist of 11 members, all signatories of the agreement who are elected or permanent members of the Security Council of the United Nations to be, ipso facto, elected or permanent members of the Supreme Council.

Does that not require Soviet Russia to be a member of the Council proposed by the Senator?

Mr. BALL. Not unless she signs the agreement. The Senator will notice that it says "all signatories of the agreement who are."

Mr. VANDENBERG. Is it the Senator's theory that the majority of the 11 nations on his proposed Supreme Council could declare a state of war?

Mr. BALL. Yes.

Mr. VANDENBERG. In other words, the Senator is perfectly willing to have 7 out of 11 countries declare us to be in a state of war; is that correct?

Mr. BALL. With a majority of the permanent members of the Council.

Mr. VANDENBERG. Could it be without our consent?

Mr. BALL. It could.

Mr. VANDENBERG. How could that be done constitutionally?

Mr. BALL. I think it would have to be done in advance.

Mr. VANDENBERG. At any rate, the Senator is willing to permit a majority, of which we are not one, to vote the Nation into war; he is willing that seven foreign countries may vote the United States into war. The Senator says he thinks that is all right. I do not believe I can agree with him. I think he is a little more internationalist than I am at that point.

Mr. BALL. I suspect I am. I think I probably always have been.

Mr. VANDENBERG. Until the Senator confronted the Marshall plan.

Mr. BALL. I do not think, by any means, that the test of internationalism is a Senator's willingness to spend American resources anywhere in the world.

Mr. VANDENBERG. Oh, I agree.

Mr. BALL. I never have thought that.

Mr. VANDENBERG. I agree. But I also think that it is interesting to be in favor of everything that is not available to us to vote on, and not in favor of anything that is. What I wanted to find out was how the scheme would work. Further down in the amendment I notice the Senator says, however, that armed forces can be used only through the exercise of the constitutional process.

Mr. BALL. That is correct.

Mr. VANDENBERG. Therefore, it would do no good. I am not being critical, I beg the Senator to believe.

Mr. BALL. I understand.

Mr. VANDENBERG. I am trying to find out how this proposal would work.

Mr. BALL. I should like to ask the Senator from Michigan a question. He was at the peace conference in San Francisco which drafted the charter of the nations, under which, because of the use of the veto, the Security Council has no means today of even making the first motion toward preventing aggression or wars. Would not the situation of the proposed supreme council be exactly the same as the situation of the Security Council, with the exception of the veto? That is what I intended.

Mr. VANDENBERG. The Security Council without any veto would be in precisely the situation the Senator indicates.

Mr. BALL. That is right.

Mr. VANDENBERG. I think there is not very much general support in this country for the elimination of the veto at the point where armed forces are to be called into action. I should very much doubt whether a majority of the Senate, I very much doubt whether a majority of the Senator's own colleagues, referring to those with whom he has been studying the problem, would for an instant vote to amend the United Nations Charter so that a majority of foreign countries could vote to send the United States into war.

My own feeling, which has been stated publicly many times, is that I think the veto should be completely removed down to the point where we reach sanctions by force. I do not see how we can go

beyond that point, because I do not see how we can commit the armed forces of the United States without the constitutional process. That is the point. The Senator seems to agree with that, further along in his amendment, because it provides, as I understand, that armed force cannot be used without the constitutional process.

Mr. BALL. Obviously, I think it could not. There is no time to amend the Constitution of the United States in order to meet this problem.

Mr. VANDENBERG. So, therefore, the previous provision is entirely contingent upon the ultimate action of the constitutional process with respect to the various countries involved.

Mr. BALL. That is the way it would be if the Security Council had functioned as it was intended to function. If the Security Council, even if there were no veto, voted unanimously to use force it would still be up to each individual nation to do something about it beyond the contingencies assigned in the United Nations treaty.

Mr. VANDENBERG. And which, unfortunately, has not been done.

Mr. BALL. That is correct.

Mr. VANDENBERG. The Senator envisions a rather long process. First, we would have to secure the consent of at least 11 nations virtually to withdraw from the United Nations and start over again. We would have to create for them a charter under which to operate. The Senator is proposing that they shall have summary power virtually to commit the entire membership to war. All this process must go on, and then, finally, before anything can happen, there must be congressional action which permits the use of the armed forces. I am simply asking the Senator, on the basis of his own vision, as to the present necessity for this proposal; whether he thinks he is offering, even if it would work, anything containing any degree of current or future hope of application to the conflagration which we already confront. Does the Senator think the fire department would be ready until long after the conflagration had burned up everything?

Mr. BALL. I am inclined to think so. I point out to the Senator that this agreement would be reached, if it should work out as I would hope, with members of the United Nations who are all signatories to a charter which is in existence and which is not working, largely because of the obstructive use of the veto. I would assume that the working out of an agreement should not be time-consuming. After all, I have noticed that the 16 nations got together very quickly last fall at Paris to develop a Marshall plan on the basis of a few sentences in Secretary Marshall's speech which the Senator read a day or two ago. But even granting that diplomatic negotiations take time, sometimes too much time when the world is burning up, the mere fact that the United States recognized this problem of security, and although realizing that the hour was late, began to do something about it and to move in the direction of the collective security which we envisioned when we adopted the Charter of the United Nations, which unfortunately has not materialized, I think would have the same kind of tremendously encouraging and hopeful effect on the peoples of Europe as the Senator hopes for from the speedy passage of this legislation, which obviously cannot be followed except at the end of several months by the actual delivery of supplies.

As I have tried to make very clear to the Senator, I do not claim this to be a perfect solution. I have no pride of authorship, but I do contend that the problem which it seeks to solve is tremendously urgent. I grant it is only a first step, a gesture toward the United States moving to do something in this field when we are drifting from crisis to crisis with no policy on this particular aspect of the problem.

If the Senator can figure out something better, or if the administration has something better to propose, I shall be perfectly willing to consider it. I agree completely that normally the formulation of any kind of foreign policy must be for the executive branch of the Government, but I think the hour is very late. I do not forget that the last country to go behind the iron curtain contains the city of Prague, in which the Skoda works are located. I have been informed that between the spring of 1938, when Hitler took over Czechoslovakia, and the time of his blitzkrieg in the Lowlands, most of the equipment with which he conquered the Lowlands and France was manufactured in the Skoda works. I think the hour is very late. I agree completely with the Senator from Michigan, but I think it is equally late with regard to the problem of collective economic action to meet the threat of aggression.

Mr. VANDENBERG. I want to say to the Senator this final word for today on this particular subject: We are in agreement at one or two points. I am happy to welcome the fact that the Senator underscores the urgency of the situation which confronts us. It is an urgency which I hope may be reflected in the expedition with which the Senate does whatever it is proposing to do. I would say that it is an urgency that requires adequate action in respect to anything we do. So I welcome the Senator's agreement as to the urgency of the situation.

I have long recognized the importance of prompt action, speaking only for the Senator from Michigan. I have no spokesmanship for the administration; I do not know what it is thinking about in this connection; but certainly for at least 2½ years the record is very clear respecting the attitude of the senior Senator from Michigan. Starting with January 10, 1945, from the very inception of the whole problem, I was urging a military alliance against aggression. So that my attitude in respect to the necessity for dependable security has existed as long and as faithfully as that of my able friend from Minnesota.

Furthermore, throughout the limited life of the United Nations I have constantly insisted, speaking for myself, that the procedural methods pursued in the Security Council should be amended and can be amended voluntarily by the members of the Council in respect to the identification of the precise portions of the Charter which are subject to veto. I am glad to say that finally, in the last General Assembly of the United Nations, the Government of the United States presented a proposal to eliminate the veto as a procedural matter, down to the final chapter of the Charter which deals with the use of armed force. So far as the Senator from Michigan is concerned, he feels that that one change would make all the difference in the world in the efficacy of the Charter, because the Charter is written on the theory that peaceful sanctions will succeed, and that through the exercise of peaceful sanctions which are all spelled out in the Charter, it will be unnecessary to reach a point where forcible sanctions are required. If the long list of peaceful sanctions which are spelled out in the first portions of the Charter ever had a chance to work without veto, there would be very few situations in which we would finally confront the ultimate necessity even to consider armed force.

There is the further development—and I am speaking personally now, because the Senator asked me virtually to state my own alternatives or my own theories in respect to reaching the results to which he addressed himself——

Mr. BALL. May I say that I was not pressing the Senator for an answer today?

Mr. VANDENBERG. I should just as soon answer today as tomorrow or the week after, because I have already answered in the RECORD time and time again.

I go to the further exhibit. The Senator from Michigan finds himself somewhat intimately associated with the results of the Conference last fall in Rio de Janeiro, where we set up the security belt in the Western Hemisphere under a regional agreement, which is completely within the purview of the United Nations Charter, and is directly and specifically authorized by the terms of the Charter.

Under that regional agreement the nations of pan America stand pledged, one for all and all for one, in the event of unexpected and precipitous armed attack. In the opinion of the Senator from Michigan, there is a very substantial possibility of developing the authority of the so-called regional pacts in the Charter of the United Nations to deal with sectional problems of the character into which the world problem frequently divides itself.

So, the record is far from sterile, at least so far as I am concerned, in respect to efforts to at least start to meet the problem which my able friend from Minnesota describes. I can assure him that in pursuit of these various possibilities—and there are still others to which I have not referred—it is not an easy and a simple matter to find an international meeting of minds in respect to a formula. That will probably explain why so little progress has been made in these directions, although I doubt whether until very recently the leadership of the United States has put any particular emphasis upon any of these suggestions.

I hope I have demonstrated it to the Senator that I recognize the problem precisely as he does. I do not know what

the answer should be in specific terms. I do know that there are methods of approach which seem to me to be encouraging by way of further exploration and perhaps early results. I do not believe, however, that it is possible to undertake to create an entirely new instrumentality for the preservation of the peace and for the armed repulsion of aggression with any hope of reaching a conclusion in time to be effective. I think our greatest hope is in an effort to utilize, through expansion, the existing instrumentalities upon which we can base our undertakings.

So, while it probably would be no news to the Senator that I could not possibly agree to the acceptance, in the pending bill, of the new Charter for the peace of the world which he and his earnest friends have written within the last few minutes, nevertheless I am saying that I recognize the problem, I agree with him in respect both to its importance and its imminence, and I think every effort of the Government should be made in the direction of trying to find the best answer.

Mr. BALL. Mr. President, I thank the Senator for his statement. He has suggested three possible alternative ways of meeting the problem, first, through strengthening the United Nations by removing the veto on all except the final use of force; second, some kind of regional organization or pact such as we have with our South American neighbors; or the possibility of a mutual defense pact against aggression similar to the one he proposed that we offer to Russia in the case of Germany. But he has also made the point that unfortunately the United States so far does not seem to be doing anything about moving in any one of these directions, or in any of the other directions which he mentioned as possibilities.

I do not care to press the Senator for an answer now, but I should like to suggest that if we cannot agree to my proposal—and I admit it is difficult, but I do not think it commits the United States to anything, as it merely directs the President to try to negotiate something which obviously would have to come back to the Senate—if we cannot agree to that, I should like to suggest to the Senator that he and his colleagues on the Committee on Foreign Relations try to draft some kind of an amendment which can be placed in the bill which will put the impetus of a declaration by Congress behind the administration in moving at least in some direction toward solving the problem.

Mr. BREWSTER. Mr. President, will the Senator from Minnesota yield?

Mr. BALL. I yield.

Mr. BREWSTER. I wanted to ask two or three questions in an effort to clarify the point raised by the Senator from Michigan. My discussion with the Senator from Minnesota and others had not been entirely in line with what I understood to be the conclusions drawn.

In the first place, with reference to the question of a declaration of war, I assume that now that is clarified, and that action by the Congress under the Constitution would be essential for any declaration of war. There were some of the earlier replies of the Senator from Minnesota which indicated possibly a different conclusion.

With that understood, I wanted to ask the Senator from Michigan whether he made a distinction between an obligation and a declaration. Under the proposal which I understood the Senator from Michigan to make on January 10, 1945, for a defensive alliance for collective security, I assume we were at least under some obligation to take action for the defense of those who were participants in the agreement. Was that correct?

Mr. VANDENBERG. Mr. President, the proposal was for a four-power guaranty to come to the immediate assistance of any victims of resurgent Axis aggression, the treaty, of course, being subject to ratification by the Senate.

I think I should say at that point, inasmuch as my able friend, the Senator from Minnesota, in his last conclusion suggested that no effort had been made in any of these directions, that it is true that for the past year and a half the Government of the United States has been officially urging and pressing for precisely this type of a mutual defensive obligation, and again it has failed solely because of a refusal of the Soviet Government to agree.

Mr. BREWSTER. That would have involved an obligation on our part, although still requiring affirmative action by the Congress for a declaration of war.

Mr. VANDENBERG. That is correct.

Mr. BREWSTER. So there was, in my reading of the proposal of the Senator from Minnesota, nothing other than that we would have an agreement among 11 nations, perhaps, instead of 4—welcoming the additional number—and we would associate ourselves in an agreement that in certain contingencies we would come to the assistance of those who might be in need. In principle and in theory is there a distinction?

Mr. VANDENBERG. I think there is a very definite distinction which I could point out when the text of the amendment is fully available. I do not have it at the moment.

The thing which shocks and overwhelms me in the contemplation of this proposal to ask the Congress on 24 hours' notice to accept a formula in respect to the most important single fundamental thing on earth, namely, organized international cooperation for peace and security, is the responsibility we would take in attempting to approve, no matter how nobly meditated and no matter how worthily intended, the overnight product of a few of my eminent colleagues, granting their supreme efforts, because it has been my experience that in attempting to put contracts of this nature together every word is of desperate importance. If the draftsmen are not microscopically careful in respect to what they are writing they will either find themselves involved in some sort of an obligation they did not remotely anticipate, or they may discover that they have left the back door and the side door open through which any remote possibility of success will evaporate.

I cannot quite contemplate the prudence of attempting to hold back the European recovery legislation to which 8 months of critical, intimate attention has been given, for the purpose of developing a military defensive program which would take just as many months to put in a form which would deserve the prudent approval even of those who might approve of the idea.

Mr. BREWSTER. I appreciate the fact that the Senator has moved from a few minutes to 24 hours. The Senator from Michigan suggested to the Senator from Minnesota a few minutes.

Mr. VANDENBERG. I did not intend to be invidious in that observation. I was slightly overwhelmed by the contemplation that we were to be asked to consider something which even if it had had weeks and weeks of consideration, nevertheless had not been explored in all its corollary aspects which inevitably require assessment in settling a question of this nature.

Mr. BREWSTER. I am sure the Senator from Michigan recognizes that in this period of gestation of international understanding it is necessary for all of us to take these feeble and halting steps, particularly when we are faced with so great a crisis as we now are, and when thus far the United Nations, of which we had such high hopes, does not seem to be able effectively to function. And so the possibilities are explored.

I should like to have a matter made clear. The amendment, as I read it, held greater attraction for me because it seemed to embody so much of what the Senator from Michigan had so long urged, particularly in its analogy to the Rio Conference and to the proposal for the agreement in Europe. So at first blush it seemed as though it might offer perhaps a constructive possibility to consider. I do not understand that it contemplates, as the Senator from Michigan said earlier, a withdrawal from the United Nations. Does the Senator conceive that it would be impossible to create a pact of this kind among 11 or more members of the United Nations inconsistent with their obligations or associations with the United Nations?

Mr. VANDENBERG. I should think that if it was undertaken to create a new and independent instrumentality for the exercise of cooperative force it would be necessary to choose between one or the other, because I do not think there would be any life fluid in either one of them if they were both attempting to function.

Mr. BREWSTER. But the analogy which immediately occurred to me was what the Senator from Michigan said about the regional arrangements.

Mr. VANDENBERG. That is a totally different matter.

Mr. BREWSTER. I do not know whether the Senator distinguishes it on the basis of region, but I am rather forcibly reminded that Moscow is considerably closer to Maine than it is to Rio, so that when it comes to "regional," the welfare of western Europe seems to be very intimately bound with us. Am I to understand that a regional arrangement comprising western Europe and the United States would not be within the contemplation of the provision in the United Nations Charter in chapter 8?

Mr. VANDENBERG. I would not be prepared to express an opinion as to whether a regional arrangement would qualify under the terms of the Charter which lacked the regional cohesion to which the Senator now refers—with an ocean between the segments of the regional arrangement.

Mr. BREWSTER. I should say that the air has abolished the ocean.

Mr. VANDENBERG. Yes; and it has also abolished isolation.

Mr. BREWSTER. For which we are profoundly grateful in the case of the Senator from Michigan.

Mr. VANDENBERG. Yes; and would that the example were more contagious.

Mr. BREWSTER. I was there some years ahead—in 1920.

Mr. VANDENBERG. I should not want to be understood as making any sort of a categorical statement respecting the applicability of the regional chapter of the United Nations Charter to any of these situations, because that is a highly controversial subject. The broadening of the application of article 51—or 52? Which is it?

Mr. BREWSTER. It is 52.

Mr. VANDENBERG. Of article 52, into the type of activity we are discussing, I think was first publicly suggested by Mr. Hamilton Fish Armstrong, the editor of the Foreign Affairs Quarterly, in New York City, which is a highly competent and authentic publication in that field, and it was dubbed, at first, at least, as "the Armstrong policy."

The extent to which that can be practically developed is a subject of controversy, and certainly requires exploration. But I refer to it as simply indicating that there are these divers and sundry alternative methods which must be conclusively explored before we finaly come to a conclusion as to what the best evolution is in behalf of the objective which we discuss.

Mr. BREWSTER. Let us suppose that the proposal of the Senator from Michigan made on January 10, 1945, regarding an arrangement among four nations to guarantee certain countries against aggression, were embodied in this proposal as a request to the President to seek to negotiate, would that in any way, so far as the administration of the so-called Marshall plan is concerned, militate against it? I do not now speak of the question of whether it would be endlessly discussed here. I speak of the question whether, if it were in the legislation we adopted, it would in any way impair the power or authority of the administration to go forward with the healing measures which the Senator has proposed.

Mr. VANDENBERG. I suppose not, because it refers to a very specific situation which can be identified, and involves four limited powers. But I think it would have no applicability to the pending measure, in respect to what we are here trying to do. I should think it would be what I believe lawyers call incompetent, irrelevant, and immaterial, or something of that sort.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. BREWSTER. I had understood that our entire objective was to secure stability in western Europe; and I had understood that the Senator from Michigan had urged that proposal on the very ground that it was the only way of giving reassurance to the people of Europe that they would have economic order and stability. I also understood that that was exactly the same objective which the pending legislation proposes.

Mr. VANDENBERG. I think the Senator is mistaken, to this extent: The four-power pact which we are discussing was aimed at the resurgence of hostile aggression against the signatory powers. Obviously, the present threat of aggression is from a totally different source.

Mr. BREWSTER. Does the difference in the source make a difference in the principle which may be applied? Does the fact that there might be 11 powers associating themselves against aggression make it less desirable?

Mr. VANDENBERG. That was not what I was discussing. I was discussing the logistic aspects of the question, and saying that it was a perfectly logical postscript to a war against the Axis aggression to propose a four-power treaty among the major allies which defeated that particular aggression, to defend in the future against any resurgence of such aggression.

Mr. BREWSTER. But by no means applicable to an association of 3, 7, or 11 powers to prevent the aggressive action of any other power which may similarly threaten the entire peace of the world. Why is there a difference in principle?

Mr. VANDENBERG. I am not saying that there is any difference in principle; and I am not saying that it is not perfectly appropriate to explore this type of formula as one of many which are available for exploration. I am by no means saying that suggestions of this sort ought not to be welcome to the powers that be, or that they do not deserve study. What I am trying to say is that, despite the fact that the Senate of the United States is the greatest deliberative body in the world, and possesses 96 towering geniuses in its membership, I still doubt whether it rises to such competence that it could be expected, in a few days of debate on another bill, to separate all the various alternative arrangements that can address themselves to this problem.

Mr. BALL. Mr. President, I wish to discuss this amendment tomorrow. I think this little discussion has been very helpful. We now have four possible alternatives pointed out. The Senator from Michigan says there are others. I only hope, Mr. President, that the powers that be in the United States Government are not still studying and exploring the various alternative possibilities of meeting this problem when the iron curtain clangs down on the western shore of Europe.

Mr. VANDENBERG. Mr. President, I join the Senator in that wish. I may add that I hope the Senate of the United States is not bogged down in collateral discussion so long that it is impossible to pass economic recovery legislation before it is too late.

(Manifestations of applause in the galleries.)

The PRESIDING OFFICER (Mr. IVES in the chair). The occupants of the galleries will be silent. Otherwise the galleries will have to be cleared.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Overton
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hatch	Murray	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

Mr. FULBRIGHT obtained the floor.

Mr. LUCAS. Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. I wish to inquire how many committees are meeting at this particular time.

The PRESIDING OFFICER. The Chair is absolutely without information on that subject, but will endeavor to obtain it as soon as possible.

The Chair has just been informed that three committees are meeting at this time.

Mr. LUCAS. I presume they have received unanimous consent for that purpose.

The PRESIDING OFFICER. Yes; they have received unanimous consent for that purpose.

Mr. LUCAS. I wish to serve notice that, in view of the importance of the Marshall plan to our country and to the rest of the world, the Senator from Illinois will, at all times when he is on the floor of the Senate, from now on object to any unanimous-consent request for any committee to meet during this debate in the Senate.

We have just had a quorum call, but now there are only about 10 Senators in the Senate Chamber to listen to one of the most important amendments which will be offered to the pending bill.

It seems to me shameful that more Senators are not here to listen to what will probably be one of the most historic debates in the history of our country. With all the implications of this measure as to our future and all that it portends, here we are, meeting day after

day, with only a small number of Senators present. No committee meeting, regardless of its purpose, is as important as it is that Senators should have full information about the bill now before us. If committee members are more interested in other subjects which are pending before their committees, the thing for the Senate to do is to vote on this bill promptly and get it out of the way.

Mr. WHERRY. Mr. President, will the Senator from Arkansas yield to me, to permit me to ask a question of the senior Senator from Illinois?

Mr. FULBRIGHT. I yield.

Mr. WHERRY. I wish to be sure I correctly understood the Senator. Did he say that he will object to any unanimous-consent request for any committee to sit and hold hearings during the debate on the measure now pending before the Senate?

Mr. LUCAS. The Senator from Nebraska is correct. I hope that if a unanimous-consent request of that kind is made at any time when I am not on the floor of the Senate, the absence of a quorum will be suggested, in order that I may get here.

Mr. FULBRIGHT. Mr. President, I wish to call up the amendment I have offered, which I believe is marked "A."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3 in line 2, after the word "cooperation", it is proposed to insert "and political unification"; on page 3, in line 4, after the words "United States", it is proposed to insert "to encourage the political unification of Europe, and."

Mr. FULBRIGHT. Mr. President, in order to place the amendment in its proper background, I should like to read the two sentences to which it relates.

However, first I should like to endorse what the Senator from Illinois has said, because it is a rather ridiculous performance for a Senator to attempt to make a speech before an almost empty Senate. I would suggest for the consideration of the leadership that we revise the rule as to the making of insertions in the CONGRESSIONAL RECORD, so that we could save the time of Senators by simply having them submit their speeches for printing in the RECORD, and cease having any Senate sessions at all.

The PRESIDING OFFICER. The Chair will observe that much more revision than that would have to take place in the rules before a situation such as the present one could be obviated.

Mr. FULBRIGHT. I have suggested that a solution of it would be to revise the rules so that it would not be necessary to have any meetings at all of the Senate, but simply have Senators submit their remarks for printing in the CONGRESSIONAL RECORD. That would solve the difficulty.

Mr. President, the amendments I have offered relate to section 2, which is entitled "Findings and Declaration of Policy." That is the portion of the bill which merely states what are our goals and our objectives in connection with this proposed legislation.

I wish to read the portion of section 2 which will include the amendment I propose:

> Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is the hope of the people of the United States that these countries through a joint organization will exert sustained common efforts which will speedily achieve that economic cooperation—

And at this point my amendment would insert—

> and political unification—

Then the language of the bill continues—

> in Europe which is essential for lasting peace and prosperity.

The next sentence, together with the amendment, reads as follows:

> Accordingly, it is declared to be the policy of the people of the United States—

And at this point my amendment inserts these words—

> to encourage the political unification of Europe, and—

That ends my amendment, and then the present text of the bill continues, as follows:

> to sustain and strengthen principles of individual liberty, free institutions, and genuine independence of Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation:

When one first looks at the language of the amendment alone it would appear that it is short and simple and that perhaps it might have little significance, but I think that if Senators will consider it seriously they will realize that it has considerable importance. The theory of the whole bill, beginning with its title, "The Economic Cooperation Act of 1948," appears to be that the economic rehabilitation of Europe is sufficient to insure the continued existence of a free and independent political community in that region. I do not think that is a sound theory. Economic rehabilitation of Europe certainly is essential, but it is by no means the whole story. I have often heard it said that the wars in Europe had grown out of the economic conditions of European countries. Senators have often been told that in World War I Germany's economic condition was responsible. I think our experience has shown there is very little truth in that. In fact, in 1914, before the war, I do not suppose there was any area in the world that was more prosperous than western Europe, not excluding this country. We had greater potential wealth, but the actually developed per capita wealth I think which was disposable in countries like France at that time was equal to our own. Of course, it is difficult to believe that now, but this suggestion of economic rehabilitation as being the solution of the difficulties is, I think, based upon an erroneous theory.

Secretary Marshall, at Harvard last June, among other things, said:

> Any assistance that this Government may render in the future should provide a cure rather than a mere palliative.

I think that was the key sentence of his speech.

It is my conviction that the revival of economic prosperity in Europe, without political unification, is a "mere palliative" and is not a "cure." I do not believe that the relatively small independent political sovereignties of Europe, as they now exist, can, under modern political and economic conditions, maintain their independence for very long. Customs unions can help bring people together, but unless they develop into political unions, they have little real strength.

I think our own experience as a country demonstrates that to be so. It certainly is the thing that has kept us together. It has not been our economic agreements. On the contrary, what has held us together and what holds us today is the existence of political agreements or the political structure of our Constitution. I dare say from reading the newspapers even within the last week, if we did not have the Constitution there would be great danger of a split-up in this country, and it would not be held together by whatever economic arrangements or agreements may exist among the several States.

The committee's report on this bill admits in a sense that economic rehabilitation is not enough when it says, on page 45:

> It is therefore implicit in the program that at its end lies, not only economic cooperation in the form of customs unions and the elimination of trade and economic barriers set forth in the CEEC report, but also closer political and cultural bonds. This need has already been stressed by British, French, and other leaders.

If this is implicit in the bill, I am unable to see any good reason why it should not be explicit, which is the purpose of my amendment.

Europe is sick, very sick indeed. It is not alone economic illness that afflicts her; her spiritual and moral illness is quite as serious. Europe needs to have an explicit goal worthy of great and sustained effort. The recreation of the same old crazy-quilt pattern of nationalistic sovereignties that resulted in two world wars in 25 years is not such a goal.

Prime Minister Smuts, of the Union of South Africa, one of the great statesmen of our time, a practical man of politics—not one of those who are so glibly referred to as "do gooders," as some of us are referred to—and who understands world affairs, as few men in the world today understand them, spoke just a few days ago about the so-called Marshall plan or the recovery program. I think it is well worth while to put it in the RECORD, especially since there are so few here to hear it. I think I shall read most of his statement. This was taken from the New York Times on February 29, so that it was only last week that he made the statement. I submit it as a very persuasive argument for making explicit the goal which the committee says is implicit in the bill. Marshal Smuts said:

> When I look at the world situation, I think first of the necessity for saving and rebuilding Europe. Europe is the heart of our world problem today. Europe is the traditional

center of the civilized world. It holds the great concentration of brilliant peoples who have made the modern world, the centers of commerce, the wells of culture. Beside it the problems of the rest of us are not of the same order of urgency.

But Europe is sick, very sick. And so long as that is so, so long as the danger exists of Europe sinking into revolution and chaos, there can be no real peace for the rest of the world.

That is why I think the Marshall plan is of the first importance. It brings the resources of the United States to the rescue of Europe where necessary, and will supply the materials to revive the Continent where she cannot help herself.

But the Marshall plan is not enough. It is only the beginning. Material aid alone will not save Europe. Europe needs a spiritual awakening—a hope to hold on to. That hope is closer cooperation and union—a western union such as Mr. Bevin (Ernest Bevin, British Foreign Secretary) has suggested and to which the British Government is now committed. A governing concept is needed, a vision of the new Europe which will appeal to the imagination and a new clarion call to its suffering peoples.

In that union Africa can also play her part. Africa is divided into territories nearly all of which belong to or are allied to the nations of western Europe. Africa and America are affiliated to Europe, to the western company of nations.

Africa, like America, can supply the resources needed to rebuild Europe, and the Union of South Africa in particular is rich in the things which Europe requires. Our special contribution here to the pattern for peace will be to protect and develop our agricultural, mineral, and industrial wealth and in collaboration with the great territories to the north of us, to produce the things which will help Europe to live again.

In the restoration of Europe, Russia is not excluded except by her own choice. She started her eastern bloc and is now resisting the Marshall plan and the economic restoration of Europe. She has chosen to isolate herself. In so doing she has set the stage for the possible division of the world into two or perhaps three blocs.

We may have the western union, made up of western Europe and Britain—the English Channel has ceased to have significance. Africa and North America have their links with that union. Then we may have the Slav bloc, consisting of European and Asian Russia and all her satellite countries. Thirdly, there may yet arise what you may call the far eastern bloc, the exact shape of which it is still too early to discern clearly.

But it would be a mistake to think that this division of the world means war. It does not make war any more or less likely. I do not think you, who are a young man, will see another world war in your time.

In the world picture, as I see it, there is no room for war. Nobody wishes or can afford it. The point is this: We must get clear in our minds what is actually happening, what are the natural world forces now shaping the future, and we must study and know them if we are to make a success of the peace organization. Our peace arrangements must then be made to fit into them. Then only can we make a success of that peace and only then need we have no fear of war.

You cannot say that the formation, for instance, of a western European union is an irritant to the world position. It is not a question of our ganging up against the Russians, because long before Mr. Bevin mooted it the Russians were busy forming their own bloc. It is a fact of history. But I do believe in the necessity for correct timing, for taking things at the tide. And that is perhaps the mistake we made with the United Nations. We anticipated events. We are ignoring the facts of history now developing before our eyes. And that is why I say we are looking at the world through the wrong end of the telescope.

Before peace has been made effective we have formed the United Nations and, by setting it up prematurely, we have imperiled its success, perhaps its existence. Because the peace had not been concluded, the United Nations, through the Security Council, got dragged into disputes which it was never designed or intended to deal with.

The fact that the United Nations might be held out as an ideal toward which to work has done nothing to lessen the bitterness of those disputes. It has provided them with a battleground, with world publicity. The platforms at Lake Success and Flushing Meadow have merely afforded stamping ground for selfish national aspirations.

As I have said, Europe is our first priority. We must first make peace in Europe a reality. When that is done and we can more clearly see the new international alinements which will emerge, we can concentrate the more effectively on building up a workable international organization and make it fit into the pattern of the factual world situation. The final shape of the peace plan may be very different from the instrument we have constructed in the charter.

I do not think the statement in the committee's report that the aim of closer political bonds is implicit in the program could arouse the imagination of the Europeans. Certainly it does not arouse my enthusiasm to have it in the report and to have nothing whatever in the bill relating to a closer political union.

Mr. President, in further support of this thought I wish to call to the attention of the Senate the testimony of Mr. John Foster Dulles before the Committee on Foreign Relations. After all, Mr. Dulles should and does rank, in my opinion, along with the first two or three or four men in our country of great experience and judgment in international affairs.

First, he quotes the President of France, at the time when Mr. Dulles had recently returned from France:

> Europe must unite herself if she wishes to recover and live, and if she does not want American assistance to be a gesture without future or a humiliating charity.

Mr. Dulles had this to say with reference to the unification of Europe:

> I think the situation is ripe for a really creative act in Europe.

I think that is the most encouraging sentence I have seen on this subject.

Mr. Dulles also had this to say with reference to the unification of Europe:

> I think the situation is ripe for a really creative act in Europe. We can play a very great part in promoting that if we handle ourselves skillfully. If we try to coerce it too strongly, too brutally, the reaction will be against it. If we do nothing and merely subsidize the continuance of the present disunity, and as you say, indicate a readiness to say to them in effect, "Well, if you stay disunited, if you take all the perils and economic weaknesses that go with that, nevertheless we will stand behind each of you"—if we say that, then the easy thing to do is to let the present situation continue. We have got to strike the correct balance between the extreme on one side and the extreme on the other side. It is a matter of great delicacy, but the situation, as I say, is ripe for a great creative act, and if that act takes place, then we don't need to bother any more about European recovery plans and putting up the "dough." That will cure the situation.

I think Mr. Dulles has exactly the same thought in that passage as I have. We must bring about a creative act.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. Has the Senator placed in the RECORD up to this time the amendment which he has offered?

Mr. FULBRIGHT. The clerk read it a few moments ago.

Mr. LUCAS. In view of the statement which Mr. Dulles made, in view of the fact that the Senator has such reliance upon his judgment and wisdom, which I share, and in view of the fact that Mr. Dulles said that it is a very delicate situation to meet, I suggest that, if the amendment is not too long, this might be a good place to reread it into the RECORD to ascertain whether the amendment meets the conditions laid down by Mr. Dulles.

Mr. FULBRIGHT. I think that is a very good suggestion. The difficulty is that in order to make sense we shall have to read the other two paragraphs, because my amendment is simply the insertion of three words in one place and seven words in another place, which makes specific the goal of the unification of Europe. That is all my amendment seeks to do. Does the Senator suggest that I read those two paragraphs, including my amendment?

Mr. LUCAS. All I had in mind was having the amendment which the Senator offers read in connection with the Dulles statement, because the Senator is relying on the Dulles statement, and a great number of Senators and many persons throughout the country are relying on the wisdom of Mr. Dulles on international matters. My only thought was that the Senator, following the statement he made about Mr. Dulles, might read his amendment, which would give Senators and other persons reading the RECORD an opportunity to measure the amendment with the words of Mr. Dulles.

Mr. FULBRIGHT. I have one further quotation from Mr. Dulles. Perhaps following that would be the proper place in which to insert it.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LODGE. I should like to say that I agree very heartily with the Senator from Arkansas that the political unification of Europe is something devoutly to be desired, and that the nations of Europe standing together can be strong and effective, whereas, separately they are subject to all kinds of victimization. I have drafted language, some of which is in the bill, which I submitted to Mr. Dulles, and if the Senator will permit me, I should like to read a quotation at page 623 of the hearings. I read this amendment to him:

> Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to Europe as

a whole, it is the hope of the people of the United States that the participating countries through a joint organization will exert sustained common efforts which will speedily achieve that economic integration of Europe without which lasting peace and prosperity are impossible.

That is the first sentence. The second sentence is:

Progress toward the effectuation of this European responsibility shall constitute a measure of the aid to be extended under this act.

Then I asked Mr. Dulles whether it went in the right direction, and on page 624, he said:

I think this is precisely along the line that we ought to go. In fact, in my statement I suggested even going a little further, where I said: "The degree of aid should, broadly speaking, be measured by the degree of cooperation."

In other words, I would like to get the thought expressed here that not only does progress toward the effectuation of this constitute a measure of the aid to be extended, but the more rapid the progress is the faster the aid will be, and the slower the progress made the slower the aid will be. I think it would be well if you could get that thought in there.

But I think yours is a very excellent expression of the kind of thing I had in mind.

Then he said a moment later:

That avoids the danger that Senator BARKLEY referred to: Of our seeming to be coercing them or putting upon them goals which they themselves have not freely accepted.

This language, with some modifications, is in the bill at the present time, and most of it is taken from the report which the European nations themselves wrote and signed in Paris in September of last year. So that what we are saying in the bill today is that the American people hope that the European nations will do the thing the European nations themselves say they want to do.

That, I think, is absolute proof against any accusation of imperialism, that we are trying to force something down their throats, or are trying to use this proposal to create a political alliance. Foreign Minister Bevin made his speech, and I proposed to the committee, feeling just as the Senator from Arkansas does, that we add the words "consolidation of Europe," which, of course, has the implication of political unification. The committee felt—and I must say that after listening to them I agreed with them—that if we inserted anything about political unification in the bill it would make it look as though we were deliberately trying to form an alliance, and that certain nations in Europe which are in a very precarious situation would thereby be debarred and frightened from joining, that the language we have at the present time, therefore, is just about as far as we can safely go. Bearing in mind always that I personally feel the way the Senator does, I think there are limitations as to what we can put in the bill.

Mr. HILL. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. As I understand, then, the committee did carefully consider the matter to which the distinguished Senator from Arkansas is addressing himself?

Mr. LODGE. The committee did not consider his specific amendment, because it was not before it, but the committee did consider the question of writing some language into the declaration of purpose on page 2 which would carry out the idea that we desired political unification, and the committee decided not to do it, not because the members of the committee were not in favor of political unification, but they did not think it was expedient to put it into the specific terms of the bill. The language beginning on line 20, it was felt, was as far as we could go. It really goes quite far, because it means that at the end of the first 12 months' period the Congress will see what progress the nations have made toward economic integration, how much vigor there is in the joint organization to be set up under the bill, and it serves notice on them that the amount of future aid will depend on the headway which has been achieved. In other words, while it is not set up in the bill as a condition precedent to writing a bilateral agreement, I think it is even more fundamental than that.

I thank the Senator for giving me this time.

Mr. HILL. Mr. President, will the Senator from Arkansas yield further?

Mr. FULBRIGHT. I yield.

Mr. HILL. Did the Senator from Arkansas see the report of Mr. Attlee's speech of yesterday or the day before?

Mr. FULBRIGHT. I wish to make a reference to that a little later.

Mr. HILL. If the Senator is to refer to that, I shall not intrude upon his speech longer. One reason why I interrupted was that I have been very much impressed by all the Senator has said, and I certainly share his feelings that we all want to do whatever we can to lend encouragement and to give emphasis to political unity in Europe.

Mr. FULBRIGHT. Mr. President, I was present the day the Senator from Massachusetts was questioning Mr. Dulles, and I later reread the testimony very closely, and I am unable to see that what is in the bill is the great "creative act" to which he referred several times. I do not see that the committee followed what Mr. Dulles had in mind. Mr. Dulles made several references to what the President of France had said about a union and what Mr. Attlee had said about a union. As I read Mr. Dulles' testimony, it is very strong toward the idea that if we do not get a union, which I take to be a creative act, we do not get much, if anything. What does the language I just read mean when he says—what I think we are doing:

If we do nothing and merely subsidize the continuance of the present disunity and, as you say, indicate a readiness to say to them, in effect, "Well, if you stay disunited, if you take all the perils and economic weaknesses that go with that, nevertheless, we will stand behind each of you."

That is exactly what the bill says—"It does not make any difference about political unity; we are going to stand behind you and subsidize you." When we take his language, although he did not have the benefit of this bill—this was said before the bill was finally drafted—it seems to me it exactly characterized just what the bill does. It is strictly economic. It carefully avoids any reference to any political unity. That is the way I read it.

Mr. LODGE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LODGE. I call the Senator's attention to page 624 of the hearings, where I asked Mr. Dulles for his opinion, and this is his language:

I think this is precisely along the line that we ought to go.

It seems to me that is a very definite indorsement of what is advocated, and I think his subsequent reference to what the Senator from Kentucky [Mr. BARKLEY] had said is an indication that Mr. Dulles did not want the United States to be put in the position of coercing anybody.

Mr. FULBRIGHT. He was speaking there, in that language, only as to the economic goals, but he by no means was limiting it to the economic goals. That is not the "creative act" he had in mind.

Mr. THOMAS of Utah. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. THOMAS of Utah. The Senator from Arkansas and the Senator from Utah have been striving for some time, in a legislative way, to have an expression from the American Government in favor of unity in Europe. Mr. Dulles' name has been mentioned, and I think there is another part of the record which should be cited to show that at the time he had in mind that this scheme ultimately would not work unless the kind of unity were reached which would make it possible for us to deal with the group of European states. He goes very much further even than that.

If the Senator from Arkansas will permit, I should like to place the testimony in the RECORD at this place, because I think it helps the argument, and when the wording of the amendment is inserted in the RECORD after Mr. Dulles' suggestion, I think it will make the matter very much clearer.

Mr. FULBRIGHT. Will the Senator give us the page to which he is about to refer?

Mr. THOMAS of Utah. It is page 613 of the record. I happened to be the one questioning Mr. Dulles at the time, and I said:

You mentioned three minimum unities which the 16 nations must have in order for this plan to work out: (1) The unity brought about by a mutual defense organization in some way; (2) the unity achieved by some sort of agreement in regard to the passage of goods back and forth, something like a customs agreement; and (3) the stabilization of moneys agreement.

Now, my question is this, and my point is this: All those three things I have stood for all the time, as everyone knows. If we do not have a unity in the 16 nations in the operation of this loan or gift or whatever it is, it will, of course, disintegrate very quickly as soon as something happens to any one of the 16 nations

You mentioned that these targets could be written into our law. I think that the

targets have got to be written in. You do not want to go through with this program—do you, Mr. Dulles—if there is any fear from the defense standpoint, that half of the 16 nations are going to be against you in the course of a year? That is certain; is it not?

Mr. DULLES. Yes, sir.

Senator THOMAS of Utah. Now, what are we going to use? If we are going to use American dollars for any loans, we want those dollars to carry the same equivalents in all 16 countries; do we not?

Mr. DULLES. Yes.

Senator THOMAS of Utah. As to the third one, with regard to the movement of customs, we expect that which we send to one country that has to be transported to another country to have free passage, because we want it to count for the full value that we give it at all times.

In other words, if you do not bring these minimum unities about, the very effect of anything we can do can be destroyed by the competition between the various 16 countries; can it not?

Mr. DULLES. Yes.

Senator THOMAS of Utah. Yes.

Mr. DULLES. Then you and I agree.

Senator THOMAS of Utah. We are in such complete agreement, one needs no further questions, except to emphasize: These things, in your opinion and mine, must be written into this act in order that the 16 entities now may operate and continue to operate as a unity and an entity.

Now, then, one more question, and I am through. Every witness has said that the economy of western Europe depends upon the German economy. Has not the time come when we should think, therefore, of 17 countries in this unity instead of 16? We cannot do it, technically, due to various reasons.

And then, of course, Mr. Dulles agrees that the seventeenth country should be one of those constituting the entity.

Mr. President, a person cannot state any more strongly the desire for political unity than when he stands for a union all the members of which will deal with money in the same way, when he stands for trade between the various states of Europe on such a basis that everything will have the same value in one state as it has in another, so that the American dollar will go as far as it can, and when he advocates provision being made for—to use the words of our own Constitution—"the common defense." Those were the suggestions made in the hearings, and if they do not mean the United States of Europe, I simply cannot understand what they mean.

Mr. FULBRIGHT. I thank the Senator for his contribution. I agree entirely with him.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. Is it not true that the distinguished Senator from Utah joined with the distinguished Senator from Arkansas in the last session of Congress in submitting a resolution expressing it to be the sense of the Congress that there be political unity; to wit, a United States of Europe?

Mr. FULBRIGHT. It is just a year ago this month the resolution was submitted.

Mr. HILL. That is a historical resolution.

Mr. McCLELLAN. Mr. President, will my colleague yield?

Mr. FULBRIGHT. I yield.

Mr. McCLELLAN. I notice the first minimum of unity mentioned by the Senator from Utah, referring to the minimum requirement mentioned by Mr. Dulles, is "the unity brought about by a mutual defense organization in some way."

What I want to inquire of my colleague, or of any other Senator, is whether the pending bill in any way provides for such a defense organization between the 16 European countries.

Mr. FULBRIGHT. I shall be glad to yield to the Senator from Utah to answer the question.

Mr. THOMAS of Utah. I would rather have the Senator from Arkansas answer that question. But I believe a consistent answer would be, first, in keeping with what the Senator from Massachusetts [Mr. LODGE] has told us. The bill contains a provision that any of the various unities may develop and carry on business in an effort to bring about their own recovery. We brought up the question of the international control of the Ruhr, an idea which delves very much into the future. We agreed among ourselves, in committee at least, that if, for example, an organization providing for the international control of the Ruhr should be developed, it would be perfectly feasible and perfectly proper to consider that as one of the unities with which we could deal. We brought up the question of colonies, since the old bill had referred to colonies. That provision was not included in the pending bill. We brought up the question in regard to Trieste to see whether we could deal with a free territory of that kind, and it is included in the bill, and it is assumed that we can move into that area and cooperate with them. The whole fabric of the European recovery plan will fall unless there is created a desire on the part of all the nations to bring themselves together in a customs union in such a way that they can all be treated alike and treated in the right way.

Mr. McCLELLAN. Mr. President, will my colleague yield further?

Mr. FULBRIGHT. I should like to comment a little further and then I shall be glad to yield. I do not mean to imply that the bill in any way prohibits these nations from working together. All I say is that there is no affirmative statement which expresses even our approval of a political unification. The bill always uses the adjective "economic." It is the "economic" recovery. In almost every sentence there is to be found the word "economic." The use of any other word was carefully avoided for the reason, I believe, that the Senator from Massachusetts gave—and with which I disagree as a matter of judgment—that at this late date we should be timid about expressing our views. I think 2 years ago, or 3 years ago when it still seemed as though we might be able to conciliate or appease the Russians it might have been good strategy, but it appears to me that at this late date we ought to say we approve of a union, because I do not see any other hope for the success of the program.

Mr. McCLELLAN. Mr. President, will my colleague now yield?

Mr. FULBRIGHT. I yield.

Mr. McCLELLAN. I compliment my colleague, and I assure him that I share, indeed, I more than share, the apprehension he is expressing by his amendment and by his effort to strengthen the legislation. All I have to say respecting what my colleague is undertaking to do is that I believe his amendment does not go far enough, because I am fully convinced that if the American people are to make the further investment now proposed in the stability of Europe and in the peace of the world, we had better be ready and willing, and make no mistake about it, to let the world know that as we make this investment we intend to protect it.

Mr. FULBRIGHT. I thank my colleague for his contribution. I am glad to know he feels as he does about the matter.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LODGE. I am obliged to the Senator from Arkansas for touching off this very interesting debate, and for his generosity in yielding. I think we are throwing a considerable amount of light on a very important subject.

The Senator from Arkansas says that we should not be timid about saying that we favor the unification of Europe, and that the time for being timid about Russia's feelings has passed. I agree with that. My reason for not wanting to write political unification into the bill is not because of timidity with regard to Russia. It is not a question of our being timid toward Russia; it is a question of our being tactful toward the small nations, because they are timid toward Russia. I believe that in the field of international affairs the question of tactfulness must always occupy a very high place.

Mr. FULBRIGHT. I agree that it should, and I think that the description of the way to handle it is the one that Mr. Dulles gave. It is quite appropriate. If Senators will note the language used, it is "we hope." I would not approve of saying, "You must do this or that before we will give you a nickel." The language used is, "we hope" that they will move toward unification. That is the first expression. Then later the statement is made that it is the policy "to encourage." I do not call that very untactful or very coercive language. It is about the least we could do to express our approval. The resolution which was referred to a moment ago merely expressed our approval of the formation of a United States of Europe. I do not know how much less coercive we might be.

I well understand how a country such as Sweden, which is confronted by Russia, might not want to participate, but the language in question does not say that all of them or any particular one of them must join. I think the way the plan should develop is that France, England, and the Benelux countries should get together in the first instance and work out the basis for union. That is the core of the situation. If they cannot get together there can be no union. If they can, they will have established

a core around which the others may gravitate. I would not blame the Swedes at all for not in the first instance joining, because of their particular situation vis-à-vis Russia. But if once a stable union is established among the countries I first mentioned, then there would be some place for the Swedes to turn. Now they have no place to turn. In fact, none of the countries in question have any place to turn for protection except to us.

The only way we shall ever be relieved of these continual demands for assistance is by creating a situation which is self-supporting. That is the very practical aspect from our point of view.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KEM in the chair). Does the Senator from Arkansas yield to the Senator from Illinois?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. It is my understanding that three of the small nations in Europe already have customs unions around which could be built the very thing about which the Senator is talking. In other words, a start has already been made among some of the smaller nations, and all that would be needed would be two or three of the larger nations to make this plan effective.

On page 2 of the bill, in line 20, there is the following language:

> Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is the hope of the people of the United States that these countries through a joint organization will exert sustained common efforts which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity.

It is my understanding from the Senator from Massachusetts [Mr. LODGE] that that language is adopted from the report submitted by the 16 nations.

Mr. LODGE. That is correct.

Mr. LUCAS. In other words, the committee has written into the bill the very language which the representatives of the 16 nations embodied in their report. For the life of me, I cannot see that the addition of the words proposed by the Senator from Arkansas could be construed as intimidating or coercing any nation, in view of the language of their representatives, found in the report.

Mr. LODGE. If the Senator will permit an interruption, the language of the 16 nations refers to economic matters and not to political unification.

Mr. LUCAS. That is true, but the language of the bill is:

> Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers.

What are they thinking about?. They are thinking about our United States of America, with no internal trade barriers between States. Consequently they must be thinking about their own countries and about the 16 nations involved eliminating the trade barriers which exist today between them. Otherwise they would have no reason to put that language into the report.

My only argument is that in view of the fact that they have seen fit to write this language into their own report, and recognizing, as they do, their own limitations with respect to the trade barriers which exist between those nations, certainly I think they would gladly accept a declaration of policy such as the Senator suggests, as helping them out with their own people, by reason of knowing what the policy of the United States is along this line.

Mr. FULBRIGHT. Mr. President, the last statement of the Senator is exactly what I think is the great benefit of this declaration. If we put ourselves in the position of an elected official in one of the states of Europe, the assistance of a declaration such as this coming from us would be tremendous, because it is a delicate matter for them to make any proposal which may infringe upon their own nation's sovereignty, purely as a matter of politics. Any Senator, if he will give thought to the question, will see the force of that argument. I shall come to it a little later. That is what I am confident Mr. Dulles had in mind when he said that what they want is a "little push." He meant President Auriol and Mr. Bevin. They want "a little push." As he says, it must be done skillfully and delicately. They do not want to be kicked, but they want "a little push" so that they can say to their people, "This is one of the goals of the entire proposal." As the Senator well knows, in England and other countries there is a great deal of opposition to the entire plan. I feel that that is what Mr. Dulles meant when he referred to a creative goal and what General Smuts meant when he said that we must have some kind of a hope, some kind of a goal toward which we are working, so that the idea can be sold to their own people.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. The key word in the sentence a part of which the Senator from Illinois has read is the word "hope."

Mr. FULBRIGHT. That is correct.

Mr. HILL. This does not say that anything shall be done, or that we insist that anything shall be done. It does not even say that we strongly urge, or even urge that such and such a thing be done. It is simply an expression of the hope which the Senator says General Smuts expressed in his speech. That is our hope.

Mr. FULBRIGHT. It seems to me that it is our hope. I cannot see any other hope in the whole program. Unless it results in unification, I think it is of no lasting value.

Mr. HILL. It is difficult for me to see how there could possibly be any dissent or disagreement, or demurring on the part of the people of Europe if we simply express the hope.

Mr. FULBRIGHT. That is true, with the qualification which the Senator from Massachusetts mentioned. I quite recognize that Sweden and Norway, being so close to Russia, might say, "We cannot enter into such an arrangement." That is perfectly all right. That would not offend us. We recognize their dependent position, certainly in the initial stages. But that still does not destroy the value of the program.

Mr. HILL. As to the Senator's second amendment, in line 4, on page 3, all that is proposed there is to declare our own policy. We do not say, "You must accept this policy." We do not even invite them to accept our policy. We simply say that in providing aid for the restoration of those nations it is our policy, speaking for the people of the United States, to do what we can to encourage political unification in Europe. That is our policy. We do not say, "You must accept our policy."

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BARKLEY. I merely wish to comment on the suggestion made by my friend, the Senator from Illinois [Mr. LUCAS], with regard to the language of the bill referring to the elimination of trade barriers. It was not in contemplation, and could not be in contemplation, that that language was used necessarily in connection with the creation of a United States of Europe, or in connection with the political unity of Europe, merging all governments over there and creating one nation, with the separate entities which now exist as independent nations—and which we hope will continue to exist as independent nations—as mere states. Of course, it is possible for all those countries to enter into agreements eliminating or reducing trade barriers, without any political amalgamation of the continent of Europe. It is that sort of thing which was contemplated in the language referred to.

There may be no virtue in the fact that a committee thrashes out exhaustively and decides what it will or will not do; but the committee did give consideration to the whole subject raised by the amendment of the Senator from Arkansas. While we may entertain the hope that there would be a merger or amalgamation of the nations of Europe into one country, we cannot by implication make that a condition upon which we make this aid available.

Reference has been made to the fact that Mr. Dulles said that Bevin and Bidault want to be given a little push, a little shove. That is what we are attempting to do in this bill. We are attempting to give them a big push. We are giving them the aid they asked for. We are giving them the push or shove they asked for, following the suggestion of Secretary Marshall in his speech, which was based, of course, upon the fact that we could not forever continue to keep Europe on the dole, and that if we were to help her to recover, she must find out first what she could do for herself, and what each of the countries could do for itself and for its neighbors. Following that suggestion, which I think was very wisely made, it became a European plan. It was called the Marshall plan, but it was not a Marshall plan. It had no blueprint. It was a mere suggestion of the Secretary of State that Europe herself get together and see how

much she could do that she was not then doing in the form of self-help. It had to be a European plan. We could not impose it upon other countries. We could not impose the aid we are offering in this legislation upon them, originally.

We could not initiate anything, except by way of making a suggestion, as General Marshall did, that they get together and work out a plan of their own.

Mr. FULBRIGHT. All this constitutes merely a suggestion.

Mr. BARKLEY. I think we have gone as far as we can wisely go in this legislation, to tell Europe what it ought to do. I grant that it is our money; but if we are assuming that we are doing it purely for Europe, we are living in a fool's paradise. We are as much interested in this recovery as Europe is, in that particular sense of the term.

Mr. FULBRIGHT. I agree with the Senator, and that is why I think there should be some goal besides the mere handing out of money. There ought to be some benefit to this country.

Mr. BARKLEY. When the 16 nations met over there to work out this plan, they were not called together to consider political unity. They were not called together to consider the amalgamation of those countries into one nation. They were called together to work out a plan by which, economically and industrially, they might recover their equilibrium and go forward.

Mr. FULBRIGHT. I should like to ask the Senator, Were our founding fathers called together at Philadelphia for the purpose of creating the Constitution which they wrote?

Mr. BARKLEY. No.

Mr. FULBRIGHT. They were not; and the fact that the 16 nations were not called together for this purpose is no argument at all, if we can accomplish the unification of Europe.

Mr. BARKLEY. A few of the founding fathers met in Annapolis, Md., to settle a question in dispute between Maryland and Virginia. They adjourned the meeting of their own accord, to meet in Philadelphia, and asked all the Colonies to send delegates.

Mr. FULBRIGHT. It was not within the terms of their instructions to draw up the Constitution, however.

Mr. BARKLEY. No; it was not. It was their purpose to try to amend the Articles of Confederation. But instead of doing that, they wrote the Constitution. Of course, we are grateful to them for their courage and foresight in doing that, even though they did not have specific instructions to do it.

But this situation is different. There was no definite federation of Europe. It was only a loosely knit confederation which came out of the war. The nations of Europe are independent entities.

Mr. FULBRIGHT. The State of Virginia thought it was an independent entity in 1787, and in some of the States I think there is evidence that the people still think they are independent nations. [Laughter.]

Mr. LUCAS. Mr. President——

Mr. FULBRIGHT. I yield to the Senator from Illinois.

Mr. LUCAS. I realize that I am not a member of the Committee on Foreign Relations——

Mr. FULBRIGHT. But the Senator from Illinois was a member of it for a number of years.

Mr. LUCAS. Yes; a few years ago I was a member of that committee, until the famous Reorganization Act reorganized me out of it.

Of course, I do not desire that we should do anything that would be distasteful to the European nations who are to get help from the United States.

Mr. FULBRIGHT. Mr. President, will the Senator from Illinois wait for a moment? I think I have some interesting material on that point, which I shall present a little later, if that is what is bothering the Senator from Illinois.

Mr. LUCAS. Yes; it does bother me to hear the Senator from Kentucky make the kind of statement he has just made. I have read carefully the language of the bill and I have tried to fairly construe the bill together with the amendment offered by the Senator from Arkansas. But I cannot yet see how the bill with the inclusion of his amendment would in any way be offensive to the European governments which are to receive the relief from the United States.

Mr. FULBRIGHT. The Senator from Illinois is entirely correct. I agree with him 100 percent.

Mr. LUCAS. In reply to my able friend the Senator from Kentucky, I say it is true that this part of the language of the bill, which is taken from the report submitted by the 16 nations, deals with the recovery program known as the Marshall plan. On the other hand, when the 16 nations in a report of that kind agree that internal trade barriers are a detriment to their economic recovery, and then cite the United States of America as an example of what has happened when trade barriers have been removed, which is what occurred in the United States following the time when the founding fathers gave us the Constitution, one cannot read that language without coming to the conclusion that once these economic barriers are eliminated, those countries will also gradually be driven toward the political unity which all of us hope will occur between those 16 nations or between a large number of them. As I view the situation, that development simply cannot be avoided. In other words, when those nations talk about the elimination of trade barriers, they are getting rather close to talking about political unity, because once all trade barriers are removed, there is a very fair chance for getting the federation of states in Europe that the Senator from Arkansas is talking about, and which all of us hope for.

Mr. FULBRIGHT. Mr. President, I say to the Senator from Illinois that in several places in the CEEC report of last September, there is language that is nearly as strong as the language of my amendment, and that language indicates, I think, that that is the direction in which those nations would like to go. I simply think we should respond promptly by saying, "Yes, we approve of that, that is our real hope."

Mr. LUCAS. Mr. President, if I thought for a moment that the language the Senator from Arkansas proposes would in any way be taken by the European nations concerned as an interference with their internal affairs or with their sovereign rights, I certainly would not wish to vote for its inclusion in the bill. Apparently the committee seems to think the language will be interpreted in that way. But as I read the amendment and as I observe what is occurring in Europe, judging from the reports in the press and statements from the leaders abroad, I think the leaders of these nations want this kind of a declaration, so that they can go to their people with it.

Mr. FULBRIGHT. I think that is correct. I think the Senator's great experience in politics leads him to that correct conclusion. That is exactly what I think, too. I suggest to the Senator that if he is able to find time to read the very detailed analysis of this proposal, he will find that it is not a new idea, but it has been occurring in Europe for 300 years. Also, it has been occurring among some of the leading people in our own country. It is not a new idea. For many years the leaders of those countries have been wishing to have something of this sort. I refer to the great thinkers and many of the political leaders in those nations.

The idea that such a statement would offend them or would be construed by them as an alien interposition is completely aside from the point, I think. It seems to me that the Senator from Illinois has put his finger directly on the essence of the amendment.

Mr. LODGE. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I shall, but I have hardly begun my own speech. However, I yield.

Mr. LODGE. I think this is a very interesting and important subject.

Mr. FULBRIGHT. I thank the Senator.

Mr. LODGE. And I am grateful to the Senator from Arkansas for bringing it up in this comprehensive way. Having had something to do with the language of the bill, his suggestion interests me very much indeed.

I suppose there is no Member of the Senate who is more enthusiastic than I am about the unification of Europe, or who believes more than I do that the Marshall plan must implement some new, constructive ideas, or else it will never get off the ground. I agree with that position, and I agree with the Senator from Illinois when he states that if internal trade barriers are eliminated in those nations, so that they have a large domestic market, just as we have, the result will be an inevitable move toward closer ties in other directions. Certainly our political strength and our military strength and all our other strength depend on that principle, and one thing of that sort leads to another.

But I also have the feeling that if we put into this bill any statement which might create the impression that it is a device to achieve political unification in Europe, we shall be playing right into the hands of the Bolshevik propaganda trap, not that they cannot tell a barefaced lie

without having any excuse for it, because they can; but we shall be giving them a peg on which to hang a hatful of distortions.

The genius of the Marshall plan is that it appeals to the European instincts of self-help. But if we include in this bill any suggestion that we are trying to create a unification of European nations, which is what the Russians constantly are saying we are trying to create, that will tremendously help their propaganda efforts. Europe must unify itself.

I thank the Senator for yielding to me.

Mr. LUCAS. Mr. President, if the Senator from Arkansas will further yield to me, let me say that the Senator from Massachusetts has spoken of this suggestion as a peg on which the Russians can hang their propaganda hat. But I submit they can take the language of this bill and can do the very thing the Senator has spoken of, even without inclusion of the amendment which has been offered by the Senator from Arkansas, because the language of the bill in question, which is now being considered by the Senate, practically does what the Senator from Arkansas wishes to have the bill do. It expresses the hope that certain things will be done. All that the Senator from Arkansas does by his amendment is to add a further declaration of policy.

So if the Russians want to use the language for propaganda purposes, they can find plenty of excuse for it in the bill as it now stands. As a matter of fact, they will not need to find anything in the bill for propaganda purposes, because they can manufacture propaganda much faster than we are manufacturing the Marshall plan.

Mr. FULBRIGHT. I think, when it is considered that the Russians have now by force put together under their own domination nine of the eastern European countries, that for them then to come along and say "You are trying to promote a federation in western Europe for your own purposes" does not present a very powerfully antagonistic piece of propaganda. But I do not believe that we should adjust all our expressions and actions in accordance with what we may think the Russians will say about it. I think the period for that is long past. I think we did too much of that. I want to get along and place in the RECORD a few other points.

I referred a moment ago to a further statement by Mr. Dulles. Unfortunately I used the page numbering of the transcript, citing page number 1205. I do not have the page in the regular volume, but I shall quote, from the transcript. Continuing, Mr. Dulles said:

> This plan is not going to work unless it is a creative plan. It has to do something. * * * And if I have a criticism of this program that has been submitted to you—

I should like the Senator from Illinois to listen to this further statement by Mr. Dulles, because there seemed to be some confusion about what he had in mind. This is a quotation from the last statement by Mr. Dulles. It reads:

> And if I have a criticism of this program that has been submitted to you, it does not put enough emphasis upon the fact that this is a program which is designed to create something.

What did he have in mind when he kept using that language? He continued:

> What is it that you are going to create? Well, I think the act of Congress itself ought in general to outline, to give a picture of what it is you are shooting at. If you are not able to do it and don't do it, I am afraid the thing will bog down along the line. This is the place to press this plan with a creative spirit, to draw a picture of the kind of a world we are trying to create by this. Do it temperately, realistically, in broad outline, but at least impress upon the plan a creative character and make the people who are administering the plan, who are receiving your goods, realize that they are a part of a great creative enterprise, and that aspect of the thing to my mind is not sufficiently impressed upon the plan as it comes to you from the State Department.

No, I do not think there can be any doubt about what Mr. Dulles had in mind. It was not simply and solely to send money to Europe, in order for them to reconstruct the same old order that has been there all the time. That simply cannot be read into it. I do not think there is any doubt about Mr. Dulles' views.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. The language that Mr. Dulles uses there is something above and beyond the Marshall plan that the committee were considering. In other words, he is not talking about the Marshall plan alone. That is one thing. In addition, he asks for something more, something that may be created out of the Marshall plan that will give us a base for permanent peace and security and stability in western Europe.

Mr. FULBRIGHT. I feel the same way. He seems to be referring to a goal toward which to work. I had a feeling when I read those statements, as the Senator did, that it was almost in line with what we are trying to do now. I do not think we can ignore what such men as Mr. Dulles say about those matters. I realize that after the Committee on Foreign Relations takes a position, all members are more or less obliged to follow it, but I still think this is not a matter which can be lightly brushed aside when men of the stature of Mr. Dulles have said as much as they have.

There is a great deal more in Mr. Dulles' testimony that I shall not take the time of the Senate to read, simply because I think we have made the point. I am sure that Senators who are interested will read his testimony in full. He is a man who is eminently competent and experienced in this field.

I do not wish to leave the impression that these gentlemen are the only men of wisdom and experience who have advocated political unification of Europe. As I said a moment ago, the idea is centuries old. One of the first suggestions of the kind in modern times, that is, since medieval times, was what is called the grand design of Henry IV of France in the Sixteenth Century. I may say that I recently placed in the RECORD, a very thorough examination of the history of the whole idea of unification in Europe. If anyone believes it to be an American idea or that it is something new, he can inform himself from that article. It appears in the RECORD of January 21, 1948.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. May I ask the Senator whether he proposes to place in the RECORD the statements which have been made by the leading statesmen of the various countries since the Marshall plan was suggested last June?

Mr. FULBRIGHT. The article I want to read now bears on that. It is a clipping dated March 2. It is entitled, "Attlee reveals talks will open Thursday on west Europe union." That is Thursday of this week, or tomorrow. I was intending to read this for the information of the Senate. It is an Associated Press article under the date line of London, March 2, reading as follows:

> ATTLEE REVEALS TALKS WILL OPEN THURSDAY ON WEST EUROPE UNION
>
> LONDON, March 2.—Spurred by developments in Finland and Czechoslovakia, conversations will be opened by Britain, France, and the Low Countries in Brussels Thursday on formation of a "western union" in Europe.
>
> Prime Minister Attlee, in a surprise announcement to the House of Commons last night, said the discussions will cover all aspects of such a union—economic, social, political, and defense problems.
>
> "There is this dangerous and chaotic state of affairs in Europe and there is fear in Europe—widespread fear—and that is due mainly to a spread of dictatorships being intensified by events of the last few days," the Prime Minister declared.
>
> MEANS OF COMBATING REDS
>
> His announcement, which came only a few hours after a foreign office spokesman said it would be a matter of weeks before anything concrete would be done to implement Foreign Secretary Bevin's union proposal of January 22, apparently reflected a new feeling of urgency in London.
>
> The feeling seemed to be sparked by a desire both for speeding economic recovery under the Marshall plan and for political unity in western Europe, especially in the light of the Communist victory in Czechoslovakia and the pressure on Finland.
>
> Mr. Bevin's proposal called for a close economic, political, and military alliance of Britain, France, and the Benelux countries—Belgium, the Netherlands, and Luxemburg—to form the nucleus for a larger, later grouping of western European nations. He termed it a means of combating ruthless efforts by Russia to dominate the Continent.
>
> WILL PRECEDE PARIS TALKS
>
> The Brussels talks presumably would be concluded before a meeting in Paris in mid-March of the 16 Marshall plan countries.
>
> There were reports in United States circles here that American policy makers were making a new study of Marshall plan details, with the idea of boosting dollar help to countries where communism is strongest. Informants said the plan itself might be revised to give it a stronger anti-Communist tinge.
>
> Mr. Attlee's announcement of the Brussels conference was made during debate on a defense white paper which proposed reducing Britain's armed forces to 716,000 members in all services by March 31, 1949—a cut of 224,000. The House approved it.

Mr. VANDENBERG. Mr. President, before the Senator leaves that subject, will he yield?

Mr. FULBRIGHT. I yield, certainly.

Mr. VANDENBERG. I suggest to the Senator there is a vast difference between a mutual discussion among the European nations respecting their military or political union and the situation that is confronted when we are proposing such a thing to them. I say to my distinguished friend very frankly that, deeply sympathetic as I am with his theme, and believing as he does that the alternate European necessities run in these directions, I am forced to say to him that the facts justify me in asserting, I believe, that it would be a source of maximum embarrassment to at least a few of the more exposed European countries, if there were anything in the bill which partakes of a political or military character. If these things evolve as a result of the economic contacts that are being created, that is another question; that is another prospect, and it is one of the happy prospects that it will evolve. But I say to my good friend from Arkansas that I think it would seriously jeopardize the possibility of the continuing cooperation of certain of the more exposed nations in CEEC if this legislation were in its text to depart from an economic character and textually move over into a military or a political atmosphere.

I think we have to leave that evolution to the initiative of those who are themselves involved in the ultimate coordination.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I will yield in a moment.

Mr. VANDENBERG. I am sorry to have to be so frank about it, but I think the Senator understands what I have in mind.

Mr. FULBRIGHT. Yes. I hope the Senator from Michigan will not think me presumptuous in expressing these views.

Mr. VANDENBERG. Certainly not.

Mr. FULBRIGHT. I cannot help recalling in the case of the so-called Marshall plan that the initiation of this legislation was not European. It started from what may have seemed at the time to be a rather insignificant speech. Yet out of it came what we thought was the first glimmer of hope in a most difficult situation. The aspect of it to which the Senator from Illinois [Mr. LUCAS] pointed precisely a moment ago has a very strong appeal to me as to the major countries. I recognize that we might lose the cooperation of Sweden or Norway.

Mr. VANDENBERG. I identified no country.

Mr. FULBRIGHT. I know the Senator did not. I identified them when the Senator was not here. We were speaking of those states which might not be able, because of their situation, to participate in any political union. But I think the aspect which the Senator from Illinois emphasized is largely the political judgment that one may have regarding the effect of such a statement. It is simply unfortunate. I have the feeling that this is nothing but an economic program which leads nowhere. I cannot help but feel that way. The Senator will recall that I voted for every major bill involving foreign aid which has been introduced. Looking back on them, beginning with the establishment of the United Nations, we were so anxious to get complete unanimity that we did not get much of anything, judging by the way in which it has worked out. I do not blame the Senator from Michigan, but I am only anxious that this measure should really mean something. That is the only motive I have for trying to express the hope that it will result in something substantial.

Mr. VANDENBERG. I understand the Senator's motive. It is laudable and worthy, and I know of his long-time fidelity to this objective. I am simply suggesting to him in very practical terms that by putting textually in the bill the language he proposes, and giving it a political trade-mark, he will not accomplish his purpose. As a result he will merely postpone the possibility of creating that purpose by evolution out of an original economic union, because that is where it will have to start.

So long as the record is as clear as it is—and the Senator is making it clear, as the committee report makes it clear—it is practically the universal opinion that the consolidation of the western European countries along the line of which the Senator is speaking is the pattern of realistic hope. So long as that is perfectly clear in the committee report and in the implications of the bill itself, I beg the Senator not to press for that final, specific, textual identification which, in my humble judgment, will do more harm than good and will, if anything, retard the objective to which the Senator addresses his thoroughly noble hopes.

Mr. FULBRIGHT. As I said, it is of course embarrassing to me to differ with the chairman of the committee. I have the greatest respect and admiration for the chairman of the committee and for the great work he has done, but, unfortunately, I cannot believe that an economic arrangement such as he envisions through this legislation will lead to a political union. I cannot recall in history that such an arrangement has ever led to that.

Mr. VANDENBERG. Does the Senator think it would lead to a political union by reading these words into the provision?

Mr. FULBRIGHT. I think it would encourage the creative act of unification. I find it very difficult to persuade myself, after our experience with the British loan, Bretton Woods, UNRRA, and so forth, which I supported, to have much hope regarding these programs. I am trying to generate some hope or feeling that this measure might amount to something. I confess I do not have the enthusiasm for this action that I have had for some of our past actions, because of the disillusionment which we have experienced.

Mr. VANDENBERG. I can understand the Senator's lack of enthusiasm. I have no enthusiasm when I see my neighbor's house on fire and undertake to help him put out the blaze. It is not a matter of enthusiasm. It is a matter of putting out the blaze.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. I should like to ask the able Senator from Michigan a question. As I understood him, in his reply to the Senator from Arkansas he was sure that certain exposed nations would find themselves extremely embarrassed if the language referred to were included in the bill. Am I correct in my conclusion from that statement that those exposed nations would not be embarrassed, from the standpoint of forming a political union, but would be embarrassed in connection with following through with the Marshall plan, or both?

Mr. VANDENBERG. I doubt whether I am in position to spell this out for the Senator, but what I am trying to say is that some of the more exposed nations which are exhibiting, in my judgment, a high degree of heroism in even being willing to discuss the European economic program, in view of their hazards and exposure, would, I think, find themselves under infinitely greater pressure if there were anything which textually links this program with a political or a moral objective. I very much doubt whether they could defend their relationship to it on anything except an economic basis, so long as we are writing the legislation. If they themselves wish, upon their own initiative, to move from economics to politics and to military defense, that is quite a different thing.

Mr. LUCAS. The Senator feels, I am sure, from his last statement, that the proposed language would weaken the position of these exposed nations, both with respect to the Marshall plan and with respect to a political union.

Mr. VANDENBERG. I think it would not only weaken it, but I think it might make it exceedingly difficult for some of them to continue in the economic plan.

Mr. LUCAS. That is the big question, and the one I hoped the Senator might answer. I feel very strong about the language in the amendment offered by the able Senator from Arkansas. I have been devoted to the idea for a long, long time, but if I thought for a moment that the language which is offered in the amendment of the able Senator from Arkansas would create a situation in which one of these exposed nations would be forced, through fear or some other reason, to withdraw from the Marshall plan, I certainly would hesitate to support it. The Senator from Michigan presents a new and rather persuasive argument. I was thinking solely from the angle of a union of European states, and not so much about any danger that such a declaration might raise against the Marshall plan.

Mr. VANDENBERG. I wish to make it quite plain that I share all these hopes for European unification. I see little long-range hope except as there can be a consolidation which is substantially more than economic.

In respect to the particular proposal before us, while I do not wish to be understood as saying that the addition of one or two words is going to make it

categorically impossible for some nation to come in, I say if we allow a political or military trade mark to be put upon a contract which was written as an economic contract, we create totally different circumstances abroad, and create an aspect which will have to be completely reviewed by the 16 countries involved before we can be sure that they will maintain the same position in respect to political and military commitments as they do with respect to economic commitments.

Let us consider the situation presented by the able Senator from Minnesota this morning in respect to the necessity for cooperative security. I think we would all have to agree that collective security is of the greatest importance to these 16 nations. So, in the first instance, I do not see how anyone would deny that political cooperation is of maximum importance to these nations. But, Mr. President, this happens to be a different kind of a contract. It is written exclusively as an economic contract, for the deliberate purpose of protecting it against the attacks which can be made upon it if it does possess political and military factors. If it is allowed to develop upon an economic basis, the natural evolution of cooperation is the surest chance that my able friend from Arkansas has for the achievement of his dream, in my humble opinion.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from Kentucky.

Mr. BARKLEY. I ask the Senator to yield in order that I may ask the Senator from Michigan a question.

We all know the degree of distortion and misrepresentation that is being peddled all over Europe from the outside to those who are on the inside of these 16 nations, against this program. To what extent, if at all, does the Senator from Michigan think that the insertion of the proposed language, involving a political consideration, would form a new basis for attack and distortion and misrepresentation as to our motives ultimately, if the language should be put into the bill?

Mr. VANDENBERG. Of course, anything which serves to justify attacks of the character to which the Senator from Kentucky refers, anything of that nature, adds a certain degree of apparent validity to that which is now sheer libel and slander. I think it is important to us, as well as to those with whom we are cooperating, that we should keep libel and slander in that classification, without lending any justification to it whatsoever.

Mr. BARKLEY. That is the very point I had in mind, and if I may make another observation, we are proceeding in the bill, and we have proceeded from the beginning, at least after the European conference, on the basis of an assurance given to us by 16 nations, acting together, that they were willing to cooperate in an economic field with us in order to bring about the results we hope for. But there is nothing in their proceedings, in their deliberations, in their conferences, or in the multilateral agreement which they signed in Paris, which hints at political unification of those countries. That is not what they were meeting for.

When I was in Europe last year we undertook to explore that field among all the governments with whom we talked. We found immediately, of course, what appeared to be insuperable difficulties in the way, although the representatives of the nations did express the hope that ultimately the goal might be reached. But in the conferences and in the resulting agreement, and in the bilateral agreements we will enter into with each of these countries, the political equation is not outstanding, it is not in language which anybody can identify, although we know that economic stabilization will have an effect upon political stability, though not necessarily upon political unification.

I thank the Senator from Arkansas for yielding.

Mr. McCLELLAN. Mr. President, will my colleague yield?

Mr. FULBRIGHT. I am glad to yield to my colleague.

Mr. McCLELLAN. I should like to know upon what we can possibly base a hope of success if what in the text is an economic contract to aid recovery in Europe, when we consider the danger which we know threatens European economy, and the war which has already been declared upon the program by the real threat to world peace. I want to know how we can be optimistic and hope that such a contract, standing alone, not supported and not fortified by the power and strength of this Nation, and of all the nations which have received benefits from it, will be carried out, and how we can hope to protect the proposed investment after it is made.

I think we should face the realities of the situation. I do not care what anyone else thinks, if American taxpayers are to be called on to make this investment they should know now, when they make it, that it is in danger of being sabotaged, and if we are unwilling to protect it after it is made, and are going to be timid about it as we make it, and not let the world know that we mean to protect it, then I think we had better hesitate a long time. I cannot share the optimism which some have that it will evolutionize into a unity. One nation after another can be clipped off, just as Czechoslovakia was a few days ago, and they will be, with the war that has been declared upon this program, if coercion and threat and intimidation can accomplish it.

We ought to know what we are doing when we vote this money and when we undertake this program, and we ought to say what we are going to do in the case of such eventualities as those I have mentioned.

Mr. President, I want to see this program succeed. I share the feeling of disappointment my colleague has expressed in the results which have been achieved in the past. I say that the crisis in the world today is such that American taxpayers should not be called upon for $17,000,000,000 to be invested in any timid sort of way. We ought to do it with the courage and with the moral power and strength of this Nation, or we should not do it at all.

Mr. VANDENBERG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I thank my colleague, the senior Senator from Arkansas, for his contribution. I yield to the Senator from Michigan.

Mr. VANDENBERG. I wish to comment first on the final statement of my able friend, the senior Senator from Arkansas [Mr. McCLELLAN]. We are not being asked to commit ourselves to $17,000,000,000. That estimate, or any other, was deliberately removed from the bill because the Senate Committee on Foreign Relations frankly recognized the impossibility of even an educated guess that was worth the paper it was written on respecting day after tomorrow. We are asked only to commit ourselves specifically to next January, as a matter of fact, when the whole subject matter, according to the committee's theory and the theory of the bill, will pass again in congressional review. At that time, if the results are not justifying the prospectus, the program can stop. The continuity of our aid, according to the specific terms of the bill, is dependent on the continuity of self-help and the continuity of efficient evolution of the plan abroad. Therefore, we are not confronting an obligation of quite the character and magnitude, at least in dollars, that the able Senator from Arkansas indicated, except that if the plan does succeed from year to year, of course, we shall be very happy to carry on with it to whatever ultimate total may be involved. But to say that to the Senator simply begs the question, because he is fundamentally correct that there are no assurances or guarantees of any nature whatsoever that go with this enterprise. All in the world we can do is to contemplate the fact that this situation is laden with dynamite up and down the area in question, and that what happens day after tomorrow is beyond the ken of any man to contemplate today. The best we can do is to take advantage of peaceful means of attempting to restore western Europe so long as there is even a reasonable chance that peaceful means will achieve the result.

I say to the Senator that I think there is some basis for discriminating between the types of hazards which have been confronted by these satellite states which one by one have been encompassed within the Russian orbit. I think there is some basis for discrimination between that situation and one which would involve the use of an army and armed attack in the further expansion of conquest.

I call the Senator's attention to the fact that all the expansion up to date has been by internal infiltration. There has never been an overt act of war. It is entirely generated by subversion and infiltration. Therefore, that is the objective to which we must for the time being turn our attention by way of attempt to defeat it. And I suggest to the Senator, therefore, that in the remaining countries in western Europe which have demonstrated, perhaps partially as the result of our own interim-aid legislation, that they have an internal capacity of their own to stand up against

infiltration and subversion and to defeat it and to maintain successfully their own independent right of self-determination, there is a hope that a reasonable degree of economic survival will so bulwark this inherent love of liberty which is characteristic of these countries that perhaps they can continue to succeed to stand up against subversion and infiltration. If they do, then the only danger of war which the world confronts is from an overt act.

There have been no overt acts, Mr. President. I very much doubt whether there will be except by accident, except by misfortune. I very much doubt whether there will be if we can succeed in renewing the stability of these great areas in western Europe which represent our type of civilization, from whence flows most of our civilization, and where there appears to be an inherent, grim, heroic purpose to survive.

Mr. FULBRIGHT. Mr. President, I should like to make two comments. The first deals with the remark made by the Senator from Michigan that inclusion in the bill of the proposed language might increase the pressure upon the exposed countries. I would gather from that remark, that he believes the Russians would interpret the Marshall plan as being of little significance, at least not of much significance, if the language were left out, and that therefore there would be no need to increase the pressure. I cannot quite understand why the Russians would increase the pressure unless they thought the plan would be effective if the proposed language were placed in the bill. If the language points definitely to anything it is that it would really give reason to believe that the undertaking is going to result in a unified western Europe. The great thing the Russians do not want, of course, is a united western Europe. I confess that the remarks by the Senator from Michigan that the addition of the proposed language would increase the pressure on the small countries at least fortifies me in the belief that the Russians would recognize that such language might lead to the successful creation of an independent and unified western Europe.

The other comment I desire to make is with respect to the point made by the Senator from Kentucky that there was nothing in the CEEC report of September which in any way went beyond pure, plain, bare economics. I simply do not agree with that statement. I do not read the report in that way. I do not have the report before me, but in my remarks on the European federation, which appear in the CONGRESSIONAL RECORD of January 21, 1948, I included a few excerpts from the CEEC report, which are to be found on page 390 of the CONGRESSIONAL RECORD. I need not read the report. The excerpts I placed in the RECORD describe the coordination and the development of hydroelectric projects, without regard to national boundaries—something quite beyond economic cooperation. It also mentioned the objective of removing the obstacles to the free movement of persons about Europe. Moreover, the report used the words "development in partnership of the resources of steel and coal." The point I make, Mr. President, is that I think the European nations in September did have in mind more than a bare economic program.

Another thing which disturbs me about the reasoning of the chairman of the committee is that there seems to be the assumption that if these nations can be put back on their feet we will then have a strong bulwark in Europe or, I will say, a self-sufficient Europe. If we go back before the first World War and look at Europe we find that it was a very prosperous Europe. I recall that France, for example, had as great or perhaps a greater per capita income in 1910 than the United States did. France having fewer people, and being highly developed industrially. Be that as it may, Europe was a very prosperous part of the world. Yet out of that area conflicts arose among the independent sovereignties of Europe, and we have had two world wars.

It has been said that the program in contemplation will be a long one. I am trying to look to the future. Even though we restore the countries of Europe to full economic prosperity we shall not have accomplished much. We will have reinstituted a condition which has led us into two wars already within 25 years. The only goal worthy of the proposed effort of the United States provided for in this measure is to do something substantial to cut out frictions which lead to war. It seems to me that is the way the problem should be approached.

I must proceed with the statement I was making. I want to call attention to the statement of a man whom many of us feel, due to his experience and demonstrated wisdom in many cases in the past should be heard with respect. Mr. Sumner Welles made a statement, published in the Washington Post of February 28, 1948, from which I will quote but one paragraph:

> I believe that the only permanent solution for the European problem is to be found in a United States of Europe. I do not believe that a united states of Europe can exist if we once more permit Germany to become a politically unified nation under a highly centralized government.

This statement suggests the question which I am coming to in a moment, about the disposition of Germany.

At this point I wish to insert in the RECORD, because of its reference to the recent statements of some of the leading men, such as Auriol of France, Bevin, Eden, Bidault, and others, an editorial entitled "The Great Design," from the St. Louis Post Dispatch of February 24. It contains some of the statements which I have already used.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GREAT DESIGN

Through the thick fog of words that surrounds the subject of aid to Europe, President Auriol of France has spoken with a voice of courage and realism.

"Europe," he says, "must unite herself if she wishes to recover and live, and if she does not want American assistance to be a gesture without future or a humiliating charity. * * * They (the free nations of Europe) will have to surrender some of their sovereign rights if they are going to make the organization a success."

A great many other statesmen—Marshall, Bevin, Eden, Bidault, de Gasperi—have spoken out in recent weeks for a "union of western Europe" or a "federation of western Europe." Too often their declarations have been vague and meaningless.

Last month, Foreign Secretary Bevin called for a "union of western Europe" to halt "the ruthless drive by Russia to control the Continent." But he did not mean, he added, a "political union." Nor did he propose even a general customs union.

Now a united Europe is, as it was called in the Middle Ages, the "Great Design." Perhaps it has to be achieved, not all at once, but by stages.

But a customs union or a military alliance, or both, is scarcely enough even for a good start. As President Auriol suggests, unless the participating nations pool some of their sovereignty and thus assure continuity and authority, a customs union or alliance will fall apart.

The abolition of tariffs by means of a mere customs union will hardly withstand the squawks that are bound to come from vested interests of capital and labor unions in the nations involved. That was demonstrated in the fate of the customs union of the Oslo group—Scandinavia and the Low Countries—in the period between the two world wars.

A military alliance also is a poor dependence. Czechoslovakia and Austria had alliances with the western European nations in 1938 and 1939, but what did it avail them against the ruthless determination of the Nazis?

Mr. Bevin declares: "We are entitled to organize kindred souls in the west just as they have organized kindred souls in the east."

Precisely. But does Mr. Bevin think that the Soviet organization of Europe east of the Stettin-Trieste line is a flimsy agreement from which the members can secede at any time? Russia has obtained firmness and permanence by political aggression backed by Soviet arms. Western Europe should obtain a permanent organization by a voluntary pooling of the required authority.

Given such a union, western Europe should, with Marshall-plan aid, be able to achieve military security, stability, and prosperity.

The 16 Marshall-plan nations comprise a population approximately twice as great as that of the United States. They are people of great energy, possessing a vast assortment of trades and technical skills, and their nations are collectively rich in agricultural and mineral resources.

What they lack at home, they have access to in their colonies and commonwealths across the sea. In its book, World Minerals and World Peace, the Brookings Institution shows that the European nations—Britain, France, and Holland in particular—are far from underprivileged as compared with the United States when foreign possessions are counted.

If these countries could join together to pool their resources and their markets, they would have the opportunity to achieve cheap mass production and a high standard of living, such as prevails in the United States. What they need is the assurance of political stability, military security, and a sound currency to protect enterprisers and investors.

President Truman's Committee on Foreign Aid estimates that foreigners, mostly western Europeans, have sequestered in the United States $16,000,000,000 or $17,000,000,000 in United States currency or gold. This is almost equal to the total of aid contemplated under the Marshall plan.

A stable union of western Europe—specifically, a United States of western Europe—should offer the conditions necessary for repatriation of much of this capital. Indeed, whatever organization of Europe is brought about, the United States should take steps to see that as much as possible of this fugitive capital is returned home. Americans

should not be asked to contribute their multiple billions unless Europe does its utmost to help itself.

This utmost in self-help ought to include a firm, permanent union of the nations of free Europe. World War II has not brought about the one world of peace and amity for which some had hoped. It has not brought about an international organization capable of enforcing world peace. Nor is it likely to do so, because of deep differences in political principles of Russia and the western world.

The one remaining hope of lasting gain from the blood and treasure expended in the war is the welding of western Europe into united power so strong that the United States shall not again be called upon to rescue the Continent from a war born of its disunited helplessness.

Mr. FULBRIGHT. Mr. President, the concept of a United States of Europe is not just a trick or political expedient to meet the present emergency. The unification of these European states is a condition absolutely essential to the future maintenance of peace and stability in that region. As I have pointed out, this was true long before the rise of communism in Russia. The difference between now and the era before the First World War is that now nearly everyone recognizes the need for unification. The world has suffered two world wars which originated among the clashing interests of the nation states of Europe. Surely it is not necessary to have a third in order to recognize what is wrong with Europe.

It would be encouraging, to say the least, to have the United States Government take a long-term view of this international situation. It is notorious that, generally speaking, we respond to the compelling necessity of the moment, both with respect to getting into war—as in both of the last wars—and with respect to planning for the peace. Rarely have we bothered to look far ahead and plan for the future. The reason for this is, I presume, our traditional reluctance to assume responsibilities or obligations in the foreign field. We are forever hoping in the back of our minds that we shall be done with all this troublesome business. It should be clear, however, that this time we shall not be done with the Communists unless and until a strong and free united Europe is created.

As Mr. Dulles says, the time is now ripe for a creative change. The history of peoples will show that rarely are changes in social or political relationships brought about simply because they are wise and sensible. As in our own case, so it has been in many others, that great steps forward have been the result of dire necessity, not calm and rational consideration. These changes usually come about in an era of revolutionary upheavals such as we now are in. I hope that we will not let this opportunity pass without some effort to bring about what wise men for centuries have advocated.

Mr. President, in addition to the general considerations affecting Europeans, there are other more specific reasons why this Congress should express its approval of the political unification of Europe. The United States has already assumed very heavy obligations respecting the support and government of a part of Germany. I am unable to see how we are going to find a real solution of the German problem, except within the framework of a federation of European states. On the one hand, if German production is held down in accord with the discredited level-of-industry policy—which I hope is being abandoned—we shall be called upon to pay the costs to the tune of hundreds of millions of dollars annually. I need not tell Senators how distasteful this is to our taxpayers. On the other hand, if we permit Germany to recreate her prewar industries so that she can be self-supporting, and remain an independent sovereign nation, she will inevitably menace the security of her neighbors. In fact, her neighbors have already registered their objection to the revival of a strong independent Germany. The only way out of this dilemma that I can see is to merge the German states into a federation of European states. As a part of such a federation the German people could safely be permitted to produce and to build again a prosperous life without danger of aggression against their neighbors. The production of these people is essential to the prosperity of all of Europe.

I think that aspect of the question also in some degree meets the objection that we are intermeddling and interfering in other people's business. After all, in a very real sense, we can be considered a sovereign nation in Europe, when we think of the responsibilities we have for the government and support of our zone in Germany. How are we going to get loose from that obligation if we continue to pay their bills and support them? So long as we support them—not in comfort, but at least to the extent of keeping them alive—there is not much progress made toward relieving us of that burden. In a sense we have as much right, from that point of view, as any of the countries involved, to propose that a reasonable and sensible organization be created to enable all those countries to stand on their own feet.

Mr. President, I suspect that one objection to this amendment being added to this bill is the feeling that advocating a federation of Europe is officious intermeddling by Americans. At the same time, however, we are told that we have a responsibility to use our power and our wealth to rehabilitate stricken Europe. These views are inconsistent. If we have this obligation, then we are also obliged to see that the rehabilitation is effective. We have no obligation to do a futile thing simply as a gesture of sympathy. We have no obligation to recreate or to sustain a condition in Europe from which have been generated two world wars.

We have a legitimate interest in the purposes for which the products of our land and the work of our people are to be expended. We have, I believe, consideration for the pride and self-respect of the Europeans, but as partners in undertaking to preserve in the world an opportunity for men to be free, we are entitled, if not obliged, to use our best judgment and all our powers of persuasion in behalf of that judgment.

I do not propose that we force our ideas upon any country, but I do propose that, insofar as we are able, we persuade the Europeans to follow the path to political unity. The concept of European federation is essentially European, not American, so I am not suggesting the imposition of an alien idea. The fact that we have enjoyed the fruits of the idea to a greater extent than any other people should not silence us regarding its merits.

Mr. President, the amendment which I offer is not intended to require unification as a condition precedent to the granting of aid. As a part of the declaration of policy, it simply expresses our hope that the participating countries will move toward unification. I do not think that all the CEEC countries could contemplate immediate steps. Probably Norway and Sweden could not. It simply expresses our approval of such unification to the same extent as did the resolution which was referred to earlier in the debate. I may add that that resolution received practically universal approval by the press of the country—at least of all those who interest themselves in such matters.

Mr. President, when we observe the relentless expansion of the Communists by their technique of infiltration and force, it is difficult to believe that any of the small nations remaining free in Europe can withstand such pressure. Even if they become prosperous individually none of them standing alone will be able to match the ruthless power of the Soviets. Their only hope for freedom from Communist domination lies either in their own collective strength or in the willingness and ability of this country to protect them. I doubt that this country will forever be willing to stand ready to protect them, so that the course of wisdom is for them to prepare to protect themselves. Together they have a population of 250,000,000 with vast, undeveloped resources in Africa and Asia. Together they can match the power of Russia. But individually not one of them could stand a month against a determined move by the Communists.

There is great danger to us in supplying the sinews of industry and transport to a community inherently so weak. The consideration in this whole undertaking that causes me the greatest concern is the possibility that soon after we have reequipped the factories, mines, and railroads of these 16 nations the Russians will move in and use these resources against us.

If these 16 countries were unified and could concentrate their power, I doubt that the Russians would attempt to conquer them or could do so if they tried. Standing alone, their conquest, one by one would be no more difficult than was the rape of Czechoslovakia.

Mr. President, I submit that if as a result of this plan, Europe is economically rehabilitated without political union, the urgency to achieve union will soon disappear, nationalism will revive, and the stage for future frictions and war will be set. In other words, by helping them first, without accepting union as a goal and an objective, we do not necessarily further union at all.

I think that particular aspect of the consequences of the Marshall plan is perhaps the most dangerous one. It reminds me somewhat of the great outcry

which was made as a result of our sending scrap iron to Japan. In other words, assume that we extend this aid for 1 year. Assume that in connection with that aid the European people will do everything we can expect them to do, and so we send the aid to them for two more years; that they thereby vastly increase their industrial power. Nevertheless if those countries remain independent, as they are today, I am unable to see how they would be able to resist the force and oppression of the Russians, if the Russians determined to apply it.

Personally, Mr. President, I am reluctant to take the responsibility of sending billions of dollars' worth of our goods, our finest machines, and our best equipment to people who, although they have no intention of voluntarily becoming subject to the Kremlin, yet individually, lack the power to maintain their independence of the Kremlin.

Further, I believe that the principal political leaders of the countries would welcome a federation; but few of them, if any, are in a position to assume the leadership in the movement. As Mr. Dulles so aptly put it, I think all of them would welcome a little push from us. This view is fortified by the experience last summer, when as a result of Secretary Marshall's speech at Harvard, the 16 nations with unprecedented enthusiasm gathered together and unanimously agreed upon the CEEC report. No one of them was able to initiate the movement alone; but as the result of the little push from Marshall, they were galvanized into action.

In conclusion, Mr. President, let me say that I did hope that the distinguished chairman of the Foreign Relations Committee, for whom I have the greatest respect and admiration, would accept this amendment. In his own magnificent address on March 1, I noticed that he had this to say regarding the CEEC report of September last:

> It was a historic moment. Some day the United States of Europe may look back upon it as we do the Annapolis Conference which preceded the Constitutional Convention at Philadelphia.

It seems to me that this simple amendment will assist in bringing to fruition an objective which all the civilized world strongly desires, a strong, united, and free Europe.

Mr. LODGE. Mr. President, let me say to the Senator from Arkansas that I would be profoundly disappointed if at the expiration of the Marshall plan the most we had done was to bring Europe back to the economic level of 1938. If the most that we could achieve would be simply to reconstruct the European crazy quilt, simply to rebuild the watertight compartments of Europe, which cannot support life, but which have created death twice within our lifetime, I would be tremendously depressed.

I have believed from the very beginning that if the Marshall plan is to rise to the expectations which all of us have for it, it must be keyed to an idea, and that idea must be what the Senator from Arkansas wants, namely, the political unification of Europe, or what Mr. Bevin, the Foreign Minister of Great Britain, calls the consolidation of Europe. All of us know what is meant by those words.

The difference between my position and that of the Senator from Arkansas is that I think the language of this bill goes as far as we can go in the bill, whereas the Senator from Arkansas thinks the language of the bill is not sufficient, and that we should go further. I believe that if we include his language, it will tend to defeat our purpose; but I heartily agree with him that the purpose which he so eloquently describes is the one toward which the Marshall plan should move.

Mr. FULBRIGHT. Mr. President, I appreciate very much the attitude of the Senator from Massachusetts. As a matter of fact, I was present last month when Mr. Dulles was before the committee, and I got the impression at that time, as well as later, that the Senator from Massachusetts was in favor of this objective. I realize it is very difficult to put it into words, and I realize that as a practical matter the goal is difficult to achieve.

However, I think it is true, not only in this country but in other countries, that economic customs unions do not have a tendency to achieve political unity. Therefore, I think we must take the bull by the horns. Certainly if the founding fathers had been very careful about their terms of reference at Philadelphia, we would never have had the Constitution. Someone must do what is almost ultra vires, or at least what is a bold and daring act. Significant movements simply do not generate themselves.

Mr. President, the Senator from Illinois [Mr. LUCAS] put his finger on an exceedingly important consideration which I wish to have the Senator from Massachusetts consider. I refer to the position of the European leaders. Just consider how diffcult it is for them to speak to their own people about such a plan as this, just as we realize how difficult it is for a Senator to talk to his constituents about the welfare of people in other nations. I know that is the situation. So someone must break the vicious circle that has been revolving in Europe for so many years. The leaders of Europe, all the way back to Henry IV, thought it was necessary to take this step. Our own George Washington thought so. William Penn even wrote a book about it. But no one has been able to accomplish it. Briand called conferences on the question three times after the last war. Nevertheless, no one as yet has been able to do anything concrete about it.

Today we are told that we are the only free nation in a position of leadership, and yet we refuse to act as a leader in this matter. Instead, we would say, "No; that is not our business."

As a result, Mr. President, I am inclined to think that what the Senator fears actually is going to happen. We have had too much experience with lending large sums of money and then being disappointed in the results.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 3, 1948, he presented to the President of the United States the following enrolled bills:

S. 535. An act for the relief of Adelbert E. Tuller;

S. 641. An act for the relief of Mrs. Roberta Flake Clayton;

S. 922. An act for the relief of Ruth Grossman;

S. 939. An act for the relief of Charles Howard Richards;

S. 970. An act for the relief of Mr. and Mrs. Harold T. Prosser;

S. 1031. An act for the relief of Antonio Zamora; Mrs. Antonio Zamora; Antonio Zamora, Jr.; Mrs. Juan Chavez; John Chavez, Jr.; Roland Chavez; Selso Trujillo; Dr. M. G. Wright; and the heirs of Keith Lane;

S. 1267. An act for the relief of Eleonore M. Hannon;

S. 1698. An act to define the exterior boundary of the Uintah Ouray Indian Reservation in the State of Utah, and for other purposes;

S. 1716. An act for the relief of Mrs. Iola Veach;

S. 1721. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of injuries sustained by G. R. Below, late of Seattle, Wash.; and

S. 1796. An act to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. BREWSTER. Mr. President, I venture to present amendments dealing with the transfer of some of our shipping to foreign countries under the terms of the pending measure.

Mr. BARKLEY. Mr. President, will the Senator permit me to make a parliamentary inquiry at this point?

Mr. BREWSTER. Certainly.

Mr. BARKLEY. I should like to inquire whether an amendment is pending at this time.

The PRESIDING OFFICER. The amendment of the Senator from Arkansas [Mr. FULBRIGHT] is pending.

Mr. BARKLEY. Then I assume that the Senator from Maine is going to present his amendments, to be printed and lie on the table. Is that correct?

Mr. BREWSTER. That is correct.

Mr. President, I venture to present these amendments, and I do so with less temerity than I did in connection with the one in regard to the broader aspects of the discussion, because in this instance the amendments deal with shipping, a subject which has always been the primary concern of the Committee on Interstate and Foreign Commerce. This particular provision has a rather interesting and somewhat curious history.

I present the amendments on behalf of my colleague, the senior Senator from Maine [Mr. WHITE], who is unable to be present at this time, and myself, as well

as certain other Members of the Senate whose names are indicated on the amendments. I ask that the amendments be printed, lie on the table, and be printed in the RECORD at this point.

There being no objection, the amendments intended to be proposed by Mr. BREWSTER (for himself, Mr. WHITE, Mr. BROOKS, Mr. BUTLER, Mr. CAIN, Mr. WHERRY, Mr. ELLENDER, Mr. ECTON, Mr. DWORSHAK, Mr. MAGNUSON, Mr. WATKINS, and Mr. HAWKES) to Senate bill 2202 were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 15, line 24, beginning with the word "merchant", strike out all through "subsection" on page 16, line 1.

On page 16, beginning with line 10, strike out all through line 20.

On page 16, line 21, strike out "(5)" and insert in lieu thereof "(4)."

Mr. BREWSTER. Mr. President, these amendments are very simple. They provide for striking out the provision of the bill which would authorize the charter under foreign flags of 300 ships of American registry.

I should like to address myself to certain of the rather unusual aspects of this matter. I might urge upon the Senator from Michigan that this is a subject which has already been concluded, inasmuch as during the past month the Senate considered the question, first through the appropriate committee and, following the deliberations of the committee on it, in the Senate; and in the Senate at that time there were at least as many Senators present as are now present, and at that time the Senate unanimously adopted this very provision which prohibits the transfer, by sale or charter, of American ships to foreign registry; and I point out that the Senate took that action in the full light of the problem we now face. That measure was also favorably and unanimously considered by the House of Representatives; and on last Friday, I believe, it was signed by the President of the United States and became a law. We now find ourselves considering a provision inserted in the proposed European recovery program nullifying a substantial part of that very recent act, so that I think in the interest of expedition it might properly appear that it should not be reconsidered at this time, particularly as I am sure it will not place serious obstacles in the path of the particular objective we have primarily in view.

The matter of selling or chartering ships to foreign registry has been under consideration for a very considerable time, not only by Members who join with me in this presentation, but by many others interested in the field, including certain of our great labor organizations that are vitally concerned with the American merchant marine, such as the American Federation of Labor, the Congress of Industrial Organizations, the American Federation of Shipping, the American Legion, the United States Chamber of Commerce, the Mississippi Valley Association, the Women's Patriotic Conference on National Defense, consisting of 60 women's organizations, meeting in Washington on January 15 to 17 of this year, the American Merchant Marine Conference, and the Twenty-first Annual Convention of the Propeller Clubs of the United States, who have all taken very strong action recommending against a course of this character, as calculated to strike a very serious blow at the vitality of the American merchant marine. I ask to have printed at this point in my remarks, a memorandum showing the attitude of various organizations regarding the matter.

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THOSE WHO HAVE TAKEN A STAND IN DEFENSE OF OUR MERCHANT MARINE BY OPPOSING THE TRANSFER OF A LARGE NUMBER OF OUR WAR-BUILT RESERVE FLEET TO FOREIGN NATIONS

United States Senate: Passed on February 25, 1948, Senate Joint Resolution 173; containing the following: "Nothing contained in this or any other act shall be deemed to authorize the United States Maritime Commission to charter any war-built vessel to any person who is not a citizen of the United States." (Authority to sell to noncitizens expired February 29, 1948, and was not extended.)

House of Representatives of the United States: Passed on February 24 1948, Senate Joint Resolution 173.

United States Senate Committee on Interstate and Foreign Commerce: Reported out, with "do pass" recommendation, Senate Joint Resolution 173.

House of Representatives Committee on Merchant Marine and Fisheries: Reported out with "do pass" recommendation on Senate Joint Resolution 173.

United States Maritime Commission: Letter to Congress December 4, 1947: "While in full sympathy with the over-all objectives of the ERP, the Commission believes that the sale, charter, loan, or outright grant to participating nations of any United States vessels, in addition to the large number already approved, for sale to them would be contrary to the best interests of the American merchant marine."

American Legion: Adopted resolution at annual convention, August 31, 1947: "We aggressively oppose any sales, charters or deliveries of American war-built vessels to nations, persons or organizations of those nations who were at any time enemies of the United States during the course of World War II." (Pre-Marshall-plan period.)

NOTE.—The issue at that time was the transfer of vessels to Germany, Italy, and Japan, primarily for the transportation of relief cargoes.

Labor—Congress of Industrial Organizations: CIO program for merchant marine December 17, 1947: "The authority to charter and sell American vessels for transfer to foreign flags must not be renewed after February 28, 1948."

Labor—American Federation of Labor: Resolution adopted at national convention, October 6, 1947: "A serious threat to the American merchant marine is embodied in Senate bill 1619—which would authorize the President to charter government-owned, war-built ships to any foreign operator: *Resolved*, That the American Federation of Labor go on record as being opposed to S. 1619, and do all in its power to defeat this bill."

United States Chamber of Commerce: Statement by President, February 4, 1948: "And we must guard against the creation of unwarranted low-cost competition with American shipping by the proposed transfer of ships to foreign countries as part of the European recovery program."

Mississippi Valley Association: Resolution adopted at national convention, January 27, 1948: "With special reference to the proposal of the State Department to transfer 500 ships to foreign nations, which we strongly oppose."

Women's Patriotic Conference on National Defense (consisting of 60 women's organizations), Washington, D. C., January 15-17, 1948, passed resolution: "Any further weakening of our national defense reserve fleet by additional transfers by sale, charter, or gift of United States vessels to foreign flag is vigorously opposed."

American merchant marine conference and twenty-first annual convention of Propeller Clubs of the United States, New York, October 15-17, 1947, passed resolution: "That the sale, lease, charter, or gift of Government-owned ships to foreign nations or nationals be stopped because these nations have been restored to their prewar tonnage status."

NOTE.—Notwithstanding this opposition, the State Department continues its effort to have authorized by Congress the charter to Marshall plan nations and transfer to foreign flag of up to 300 United States merchant ships. This in order to effect an estimated 1¼-percent saving in the over-all cost of the European recovery program. Such authorization is contained in bill, S. 2202, favorably reported by Senate Committee on Foreign Relations, and now being debated in the Senate.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BREWSTER. I am happy to yield to the Senator from Texas.

Mr. CONNALLY. May I ask the Senator from Maine if the views of the various organizations to which he has referred were expressed in regard to this bill, or were they on the general question of chartering under other circumstances?

Mr. BREWSTER. They were discussing the general proposition of whether or not we should sell or charter ships to operate under foreign flags.

Mr. CONNALLY. Exactly. So I do not think the Senator's point is well taken, because, generally speaking, the Committee on Interstate and Foreign Commerce might conclude it was wise not to charter or sell the ships, but when a situation arises in which the United States is appropriating billions of dollars in order to send food and equipment to Europe, the food and equipment must reach Europe before it can do any good. If we have the ships, it might be almost completely imperative that we let them be utilized, through charter or in some other way, as a means of transporting the food and equipment to Europe. I do not think the views of those organizations on the permanent policy with regard to the matter are exactly in point, since the organizations did not have in contemplation the emergency character of the legislation which is now before the Senate and the national desire to bring it into being.

Mr. BREWSTER. Does the Senator from Texas mean to intimate that the capacity of a ship to transport tonnage to Europe would be affected by whether or not the American flag or the flag of Greece was flying at the masthead? That is the only point here involved.

Mr. CONNALLY. That is a matter with respect to which I probably am not qualified to speak; at least I am not so well qualified as is the Senator from Maine, who lives near the sea and who hears the undulations of its waves each night as he retires.

Mr. BREWSTER. Maine has a rock-bound coast.

Mr. CONNALLY. Moreover, the Senator from Maine is a member of the Committee on Interstate and Foreign Commerce, and it is his business to study subjects of this kind. While I support what I deem to be appropriate recommendations of Senators who have considered such matters, I was merely rising to point out that the citation of authorities on the general question is not in point, when it comes to a conflict with the pending measure, which is admittedly of very great national importance.

Mr. BREWSTER. I appreciate the suggestion, and now we shall come to a recommendation from the authorities in the executive department dealing with the problem of our merchant marine and applying themselves directly to the European recovery program. I quote from the report of the Maritime Commission, page 9 of their transmittal to the Congress, as follows:

> While in full sympathy with the over-all objectives of the European recovery program—

Therefore, I take it they were considering that matter—

> the Commission believes that the sale, charter, loan, or outright grant to participating nations of any United States vessels in addition to the large number already approved for sale to them, would be contrary to the best interests of the American merchant marine.

Without minimizing in any way the omniscience of the State Department, that is responsible for this recommendation, or even questioning the competence of the Committee on Foreign Relations, I think that the recommendation of the Maritime Commission, as a qualified executive agency dealing as they point out here specifically with the problem of the European recovery program, is entitled to consideration, particularly as, under the point which the Senator from Texas made of the 300 ships, I am sure that their capacity to transport cargo to Europe would not be affected in any way by whether they were under the American or a foreign flag. They will be the same ships, carrying the same cargo. The only difference is that in one instance there will be 15,000 American seamen on them, while in the other instance there will be 15,000 foreign seamen on them.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. SALTONSTALL. The report of the committee on the European recovery program, at page 36, says that the chartering of the ships over a 4½-year period will save the American taxpayer approximately $240,000,000, based on July 1, 1947, freight rates. Can the Senator explain that, and would he state what he proposes to do about it in the event the ships are not chartered?

Mr. BREWSTER. I am somewhat puzzled by it, since it contemplates a 4-year use of these ships under the American flag. If the Senator from Massachusetts will turn to page 352 of volume 2 of the technical report, table A—the amount of United States flag bulk-carrying dry-cargo ships, including those already chartered, likely to be required over and above the normal provisions of United States shipping services—he will find that in the year 1949 it will require 3,000,000 tons. That is next year. That is the precise amount here involved. He will find in the next year it will be reduced to 1,700,000 tons, and in the following year to nothing at all. The program contemplates that the 3,000,000 tons of merchant shipping will not be required beyond the year 1949. So I am sure that those figures must be reduced by at least 50 percent if not 60 or 70 percent. I think it is unfortunate that there was not an opportunity for the Maritime Commission and others to present the other side of the problem to the Committee on Foreign Relations when it was considering the subject in executive session and heard a presentation by a representative of the State Department, who undoubtedly was qualified, was earnestly seeking to present all aspects, and was urging very sincerely that the charter provision should be carried out as well as a sales provision as to 200 ships, which was also included in the original recommendation.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McMAHON. Did not the Foreign Relations Committee have any testimony on the subject from either the Maritime Commission or the shipping unions?

Mr. BREWSTER. I cannot say as to that, except that I am sure they had before them a recommendation of the Maritime Commission. The person of whom I am speaking is Ambassador Douglas, who appeared before the committee in executive session. I cannot testify to all the volumes pertaining to the matter, but I know that the CIO and the American Federation of Labor then very strongly opposed it from the beginning as they appeared before the Committee on Interstate and Foreign Commerce, as the Senator from Connecticut will recall, earlier last month.

Mr. McMAHON. That is true, but I think the Senator will find somewhere in the record of the hearings before the Foreign Relations Committee the testimony of Bruce McNamee representing the American Federation of Shipping. There was another gentleman who appeared, representing the CIO. I think his name was Hodiac, if I am not mistaken. My point is that the Foreign Relations Committee did have before it, prior to reporting the pending bill, the testimony of representatives of both the shipping industry and the unions involved.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BREWSTER. Yes. I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. William Green, president of the American Federation of Labor, appeared before the Foreign Relations Committee and recommended and urged that all goods shipped from the United States to the recipient countries be shipped in American vessels employing American sailors. In view of the fact that there is provision and hope for the procurement offshore of large quantities of goods which will be sent to Europe, especially commodities which are in short supply in the United States, I asked Mr. Green the specific question whether he urged that commodities purchased outside the United States and sent to Europe be sent in American ships, or whether he thought they should be shipped in vessels belonging to the countries receiving the goods. He very frankly stated that he would not expect, ask, or require that offshore goods procured under the program should be sent in American bottoms.

The State Department, in its presentation, represented to the committee that there were approximately 2,000 American ships built during the war and now tied up, not being used at all. They are not being used by the Government, by the Maritime Commission, or by American shipowners. The Department recommended and urged that of these 2,000 ships 500 be made available for this program, 200 to be sold, and 300 to be chartered. When we came to that question in the committee we took note of the fact that the Senate had passed the bill referred to by the Senator from Maine prohibiting the sale or chartering of any ships to any foreign flag after a certain date.

Mr. BREWSTER. March 1, which was last Monday.

Mr. BARKLEY. Yes. There was an argument made in the committee that, inasmuch as the Senate had gone on record in regard to the matter, the committee ought not to fly in the face of that situation by authorizing the chartering of 300 ships and the sale of 200 ships. Of course, there was no knowledge as to what the House would do regarding it.

Mr. BREWSTER. Perhaps the Senator from Kentucky does not realize the House has passed it and the President has signed it.

Mr. BARKLEY. Yes. But when we voted on it in committee the House had not at that time acted. There was no way to foretell what the House would do. But they did act. Since the pending bill has been reported the other bill has been passed and the President has signed it.

This provision would take precedence over that act and would be effective in spite of the fact that the President signed the bill a few days ago. So the question is really whether, of the idle ships which are not being operated and which may not be operated, we are to charter to the recipient countries 300 of them, so that they may be operated to carry to those countries the goods which they buy in this country or elsewhere. That involves a considerable expense to the Treasury of the United States. As a matter of fact, when the committee deleted from the bill the provision for the sale of 200 ships we were asked to increase the authorization for the appropriation for the first year by approximately $50,000,000 in order to take care of the additional expense of transporting products in those ships to be paid for by the Government of the United States, because they were not to be operated by private shipowners or by the Maritime Commission. No one is now employed on them except to stand by and see that no damage is done to the ships.

Mr. BREWSTER. I should like to ask the Senator from Kentucky this question: When that sum was asked to take care of this change, were we also told that if the ships were operated under the American flag $27,000,000 would be paid by the American charterers to the American Government as charter hire under existing law? Was that presented to the committee?

Mr. BARKLEY. I do not recall. The hearings had been concluded and the committee was in executive session. If the figure of $200,000,000 represented as a saving out of the Treasury by reason of freight rates involved in the chartering of 300 vessels and the sale of 200 vessels is accurate, $50,000,000 for the first year's operation of the ships would not be far out of line.

Mr. BREWSTER. There were two comments on that, one of which I spoke of to the Senator from Massachusetts [Mr. SALTONSTALL]. The $240,000,000 contemplated a period of 4 years. As I pointed out, the use of the American ships was not contemplated after 1949 in any event. So that the figures obviously must be in error in that respect. The other item is $27,000,000 credit that will be paid per annum for charter hire by American operators.

Mr. BARKLEY. I do not know what the figure was as to the charter hire. That was not brought out before the committee. But it is easy to understand that if these ships are not being operated now, as they are not, and are not employing anyone, as they are not, the Government of the United States has to operate them in carrying the products which we are giving or loaning, and it necessarily involves additional expenditure from the Treasury over and above the loans and grants provided for in the bill.

I am, of course, very sympathetic to the suggestion made by Mr. Green that all the goods procured in the United States and sent to the recipient nations should be transported in American bottoms. In that case our shipping interests would receive the freight rate and our sailors would receive the wages involved because of the vessels being operated by private initiative. But from the way the matter was presented to us it involved operation of the ships by the Government of the United States, which would increase the cost of the program for the first year $50,000,000. As a matter of fact, they asked the committee to increase the authorization from $5,300,000,000 to $5,350,000,000 in order to take care of that, but the committee declined to do it, because $300,000,000 was an even and definite figure, and we did not want to complicate the proposal by adding something to it, even though it may cost that much to ship the goods to the other countries.

I do not care to go into the merits of the matter now, because the amendment was not actually offered, but inasmuch as the Senator has brought the question to the attention of the Senate, I thought it might be well to consider the fact that we did this in spite of the passage through the Senate, and the subsequent passage by the House of Representatives, of the prohibition against the sale or charter, because it involved expenditures from the Treasury of the United States, in addition to the $5,300,000,000 carried in the bill. If the amendment shall be actually offered, it may be that we will have more detailed facts which may shed some additional light on the subject.

Mr. BREWSTER. I appreciate very much the statement of the Senator from Kentucky regarding the circumstances. My primary objective was to have the amendments on the table, and I wanted to present certain tables to be printed in the RECORD so that when the proper time came to present the amendments, we might be fully informed.

Mr. BARKLEY. If I may make an additional statement, I was in complete sympathy with Mr. Green, and the other gentlemen who represented American Labor, in regard to the shipment in American bottoms of goods procured in the United States. When Mr. Green said very frankly and openly that he would not expect or urge that the requirement be made in regard to goods obtained in other Western Hemisphere countries, it seemed to me that that yoked itself up with the possible chartering of 300 of these ships which might be used by the recipient countries in obtaining outside the United States whatever goods they might get. Although we were paying for the goods, or providing for them, they might be able to have them transported in these ships.

Mr. BREWSTER. Would the Senator favor a provision which would require that shipments of American goods should go in American bottoms?

Mr. BARKLEY. I was sympathetic with that, but we did not put it in the bill, because we thought a situation might arise when it might be impossible to send the goods in American bottoms, because our own capacity is limited, unless we make use of some of the 2,000 ships, if that is the number, which are now idle and tied up in our harbors and rivers. Probably some of them would have to be reconditioned. They have been tied up ever since the end of the war, and it might be necessary to make extensive repairs to put them in shape.

Mr. BREWSTER. I will say, for the benefit of the Senator from Kentucky and others interested, that apparently American labor, and the shipping industry as well, will be very grateful if they can have a very much more limited provision; for example, that 50 percent of the shipments from America shall go in American bottoms. Unfortunately, in the recent months there has been a very sharp decline. About 65 percent was going in American bottoms. In October it fell to 47 percent. Now it is considerably below that. On Friday I expect to offer an amendment which will contemplate that approximately 50 percent of the shipments of American goods from United States ports shall go in American ships. I think it is easily possible of attainment, and I hope the Senator from Kentucky may feel that he will be able to go that far.

Mr. BARKLEY. I will consider the amendment on its merits when it is offered. I should not like to anticipate what I will do about it.

Mr. BREWSTER. Mr. President, I wish to refer to something that has been said by Mr. OTIS BLAND, of Virginia, who was for a long time chairman of the Committee on Marine and Fisheries, and who wrote a very strong letter to the senior Senator from Maine [Mr. WHITE], chairman of the Senate Committee on Interstate and Foreign Commerce, in which, after pointing out his long service of 27 years on the Merchant Marine Committee in the House—and I am sure his opinion is entitled to great respect—he said:

> I am so convinced that the proposal for the transfer of ships to foreign nations, individuals, or interests will do such irreparable damage that I shall be compelled to vote against the ERP bill if it provides for or permits transfer of ships to foreign powers, individuals, or interests. I believe such a course, in the present condition of the world, suicidal. We should do nothing now to impair our strength.

Mr. President, I ask that the entire letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 2, 1948.

Senator WALLACE H. WHITE, Jr.,
United States Senate,
Washington, D. C.

DEAR WALLACE: It has been proposed by the State Department that legislation be enacted to carry into effect the Marshall plan, and that the plan shall provide for the transfer of 500 merchant-marine ships.

I have been a member of the Committee on Merchant Marine and Fisheries since April 27, 1921; from 1933 to 1947 I was chairman of the House committee above mentioned, and I was privileged to secure the passage in 1935 of a merchant-marine bill which was subsequently amended in the Senate in 1936 and became the Merchant Marine Act of 1936.

I am so convinced that the proposal for the transfer of ships to foreign nations, individuals, or interests will do such irreparable damage that I shall be compelled to vote against the ERP bill if it provides for or permits transfer of ships to foreign powers, individuals, or interests. I believe such a course, in the present condition of the world, suicidal. We should do nothing now to impair our strength.

I enclose some remarks by me on this subject. I hope that you may find time to read the enclosures herewith, and that you may oppose the proposed transfer.

Yours very sincerely,

S. O. BLAND.

Mr. BREWSTER. Mr. President, the broader question, aside from the unfortunate effect on the 15,000 American seamen who would be put on the beach because of this transfer of American ships, the whole foreign shipping question should invite most careful attention. In 1938 the 16 European countries concerned had 48,000,000 tons of merchant shipping. Last year they had 44,000,000. In other words, there was a decline of only 4,000,000 tons.

The United States turned over to Europe, up to June 30, 1947, 670 ships, of a tonnage of 6,900,000 tons, and since that time 2,000,000 tons additional, making a total of practically 9,000,000 tons.

Meanwhile the American shipping picture is declining very rapidly, as in the

last 6 months of last year 372 American ships were obliged to haul down their flags and be "put in moth balls" in our ports. Those ships are now being retired at the rate of two a day. In other words, they are automatically being retired. It is proposed, on top of that enormous retirement of more than 400 ships up to the present, to take 300 additional ships out from under the American flag and turn them over to foreign registry for this purpose. It seems to me this should invite very careful attention.

Meanwhile foreign shipbuilding is going ahead apace, and that is what I think should be considered in connection with the whole Marshall recovery plan. It is proposed to increase the petroleum consumption in Europe by 250 percent over that of 1938. It is proposed to increase various other items from 20 to 200 percent. Meanwhile there is under construction in European shipyards today 4,500,000 tons of merchant shipping. There has been contracted for 5,000,000 tons more of merchant shipping, and it is contemplated that in addition to those two items, 6,200,000 tons more will be built, or a total of 15,700,000 tons of merchant shipping, which they propose to build, with scarce steel and scarce manpower, during the period when they are telling us that they are critically suffering.

There are plenty of ships in the water today under American and foreign registry to take care of every bit of cargo that can be offered, and will be for a long time to come.

The Marshall report showed that every country in Europe, outside of Italy, had a shortage of manpower. We certainly know there is a shortage of steel in both the United States and Europe. During this critical period, when we want recovery, when we are seeking to help Europe out, why should they divert all the materials and manpower required to build 15,700,000 tons of European shipping, largely at our expense?

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McMAHON. It seems to me that in the meeting of the Committee on Interstate and Foreign Commerce in which this question was discussed, it was pointed out that the shipping of which the Senator now speaks as being constructed in Europe consisted of smaller boats, which were useful on the canals of Europe, and that the shipyards there were not building freighters of 5,000 tons and over. In other words, while they have a pretty good allotment of freighters, they do not have the balanced fleet they need to avail themselves of the canal situation over the continent. Am I correct in that respect?

Mr. BREWSTER. The Senator is correct. An examination of the records which I have asked for as to how far that corresponds with the fact, I think will be very revealing. They show that of the tonnage which they now have under construction, some 2,000,000 tons are of passenger vessels, which certainly do not correspond with the description of the very largest tonnage. I queried that statement at the time, as it had been repeatedly made, and from what information I have now, it would appear that a very large proportion of the 15,000,000 tons consists of ocean-going types, rather than of small boats for local service.

Mr. McMAHON. Has the Senator the tonnage estimate on that?

Mr. BREWSTER. I have the totals, but I do not have the complete breakdown. I have asked for it, and I hope to have it before I discuss this question again, because I felt it was a very important point.

Mr. McMAHON. Of course, it is highly necessary that they have ships they can use on the European canals, and as I understood at the time, that is what they were supposed to be building.

Mr. BREWSTER. It may interest the Senator to know that in the last 3 days of last week, before the authority to sell or charter expired, 70 vessels of our fleet were sold to foreign countries, only 7 of which were of the smaller type to which the Senator has referred. The other 63 were of the larger type of both Liberty and Victory ships, which indicates that they were securing those types of ships as far as they were able to. The preliminary report which I received when I requested classification, indicated that by far the greater bulk of this foreign-built tonnage was of the larger type, but I hope to have that information by next Friday.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the statistics regarding the prewar United States merchant fleet and the present fleet. These are figures compiled from the Maritime Commission records. I find that I have some of the figures which the Senator from Connecticut requested, which are shown in the report of merchant-ship building in the ERP countries. I ask that the entire list be printed in the RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

PREWAR UNITED STATES MERCHANT FLEET

The oceangoing fleet consisted, as of June 30, 1939, of 1,398 vessels of 1,000 gross tons and over. These vessels aggregated 8,134,890 gross (11,698,840 dead weight) tons, distributed as follows:

Type of vessel	Number	Gross tons	Dead-weight tons
Combined passenger and freight	163	1,308,694	1,079,480
Freighter	851	4,121,955	6,363,780
Total dry-cargo	1,014	5,430,649	7,443,260
Tanker	384	2,704,241	4,255,580
Total	1,398	8,134,890	11,698,840

Three hundred and six vessels, aggregating 1,735,561 gross (2,390,712 dead weight) tons, were inactive. The active fleet—1,092 vessels, 6,399,329 gross (9,308,128 dead weight) tons—was employed in the following manner:

	Vessels	Gross tons
Nearby foreign	92	532,562
Overseas foreign	216	1,485,770
Foreign-trading foreign	11	75,880
Total foreign	319	2,094,212
Domestic	772	4,298,000
Special service	1	7,117
Total	1,092	6,399,329

Source: The Postwar Outlook for American Shipping, June 15, 1946.

Employment of United States-flag vessels as of Jan. 1, 1948, 1,000 gross tons and over [1]

	Foreign trade		Domestic trade	
	Number of vessels	Dead weight	Number of vessels	Dead weight
Freighter	1,610	16,650,500	194	1,782,000
Combination passenger and freighter	33	263,000	6	24,900
Tanker	137	2,199,000	311	4,606,800
Total	1,780	19,112,500	511	6,413,700

[1] Preliminary figures received from the Maritime Commission.

NOTE.—Not included in the above figures are 75 tankers, of 1,107,200 dead weight, and 177 dry-cargo vessels, of 1,627,500 dead weight, which were inactive on account of repairs and for other reasons on Jan. 1, 1948.

United States merchant fleet as of Jan. 1, 1948 [1]

	Dry-cargo	Tanker	Total
Active:			
United States privately owned	675	360	1,035
In active status under Maritime Commission	86	156	242
Bare-boat chartered under Merchant Ship Sales Act of 1946	1,134	------	------
Total	1,895	516	2,411
Inactive: In reserve fleet	1,269	100	1,369
Sales:			
Sold and delivered, since VJ-day, to—			
Foreign companies	891	122	1,013
United States private companies	405	197	602
Total	1,296	319	1,615

[1] Composed of dry-cargo vessels 1,000 gross tons and over, and tankers 1,600 gross tons and over.

Source: U. S. Maritime Commission, Feb. 3, 1948.

Vessels in reserve fleet, by type, [1] *as of Jan. 1, 1948*

[Dry cargo, 1,000 gross tons and over; tankers, 1,600 gross tons and over]

TOTAL NUMBER IN RESERVE FLEET	
EC2	750
Z-EC2	27
VC2-AP2	61
VC2-AP3	5
VC2-AP4	1
VC2-AP5	60
C1-A	13
C1-B	26
C2	25
C3	11
C4	22
S4-cargo	25

[1] Includes foreign lay-up.

Vessels in reserve fleet, by type, as of Jan. 1, 1948—Continued

S4-troop ships	11
P1-S2-L2	2
C1-S-AY1	7
Concrete	20
C1-M-AV1	23
N3	32
Cargo built prior to 1939	97
Passenger built prior to 1939	47
Miscellaneous	4
Total cargo	1,269
T1	11
T2	28
Z-ET1	36
Tankers built prior to 1939	21
Miscellaneous	4
Total tankers	100
Grand total	1,369

NOTE.—Includes information received through Jan. 7, 1948.

Source: U. S. Maritime Commission, Feb. 3, 1948.

Employment of U. S. Maritime Commission-owned vessels as of Jan. 1, 1948 [1]

	Foreign trade		Domestic trade	
	Number of vessels	Deadweight	Number of vessels	Deadweight
Tanker	56	887,100	69	1,083,400
Freighter	1,171	12,181,500	85	818,500
Combination passenger and freight	5	46,100	------	------
Total	1,232	13,114,700	154	1,901,900

[1] Preliminary figures.

Source: U. S. Maritime Commission, Feb. 11, 1948.

Employment of United States privately owned merchant vessels as of Jan. 1, 1948 [1]

	Foreign trade		Domestic trade	
	Number of vessels	Deadweight	Number of vessels	Deadweight
Tanker	81	1,311,000	242	3,523,400
Freighter	439	4,469,000	109	963,500
Combination passenger and freight	28	216,000	6	24,900
Total	548	5,997,800	357	4,511,800

[1] Preliminary figures.

Source: U. S. Maritime Commission, Feb. 11, 1948.

Inactive U. S. Maritime Commission-owned vessels as of Jan. 1, 1948 [1]

	Number of vessels	Deadweight
Tanker	48	730,600
Freighter	97	833,800
Combination passenger and freighter	10	113,800
Total	155	1,728,200

[1] Preliminary figures.

Source: U. S. Maritime Commission, Feb. 11, 1948.

Maritime Commission estimates on postwar size of American merchant marine [1]

	Ships	Dead weight (10,000)
FOREIGN TRADE		
Passenger	75	67
Combination		
Dry-cargo	383	405
Total	458	472
Tankers	33	55
Foreign trade subtotal	491	527
DOMESTIC TRADE		
Combination:		
Coastwise	7	2
Intercoastal	0	0
Noncontiguous	14	8
Dry-cargo:		
Coastwise	121	89
Intercoastal	101	117
Noncontiguous	56	48
Total	299	264
Tanker:		
Coastwise	225	329
Intercoastal	22	26
Noncontiguous	7	7
Total	254	362
Domestic trade subtotal	553	626
Grand total	1,044	[2] 1,140

[1] Bates Butler and Trade Route Committee Report.
[2] Difference from sum of individual categories due to rounding of figures.

Source: Report of the President's Advisory Committee on the Merchant Marine, November 1947, p. 53.

Comparison of United States-flag tonnage

[In thousands of dead-weight tons]

	Prewar, June 30, 1939		War, Sept. 1, 1945	
	Number of ships	Tonnage	Number of ships	Tonnage
ACTIVE FLEET	1,092	9,300	[1] 5,400	[1] 57,300
Privately owned	1,049	------	------	------
Domestic trade	772	------	------	------
Dry-cargo	415	------	------	------
Passenger-cargo	53	------	------	------
Tanker	304	------	------	------
Foreign trade	277	------	------	------
Dry-cargo	158	------	------	------
Passenger-cargo	71	------	------	------
Tanker	48	------	------	------
Government-owned (USMC)	43	------	[2] 5,400	[2] 57,300
Domestic-trade	None	------	------	------
Foreign-trade	43	------	------	------
Dry-cargo	36	------	------	------
Passenger-cargo	7	------	------	------
INACTIVE VESSELS [3]				
Dry-cargo	[4] 306	2,391	------	------
Passenger-cargo				
Tanker				
Total active and inactive	1,398	11,691	------	------

Footnotes at end of table.

Comparison of United States-flag tonnage—Continued

[In thousands of dead-weight tons]

	Present, Jan. 1, 1948		Projected (postwar)	
	Number of ships	Tonnage	Number of ships	Tonnage
ACTIVE FLEET	2,327	25,617	1,044	11,530
Privately owned	905	10,510	1,044	11,530
Domestic trade	357	4,512	553	6,260
Dry-cargo	109	964	278	2,540
Passenger-cargo	6	25	21	100
Tanker	242	3,523	254	3,620
Foreign trade	548	5,998	491	5,270
Dry-cargo	439	4,469	383	4,050
Passenger-cargo	28	217	75	670
Tanker	81	1,312	33	550
Government-owned (USMC)	1,386	15,017	------	------
Domestic trade	154	1,902	------	------
Dry-cargo	85	819	------	------
Tanker	69	1,083	------	------
Foreign trade	1,232	13,115	------	------
Dry-cargo	1,171	12,182	------	------
Passenger-cargo	5	46	------	------
Tanker	56	887	------	------
INACTIVE VESSELS [3]	252	2,735	------	------
Dry-cargo	177	1,628	------	------
Tanker	75	1,107	------	------
Total, active and inactive	2,411	26,600	------	------
LAID-UP FLEET	[5] 1,369	14,725	[2] 2,000	[2] 26,000
Dry-cargo	1,269	13,300	------	------
Passenger-cargo				
Tanker	100	1,400	------	------

[1] Government-controlled.
[2] As shown in Report of President's Advisory Committee on the Merchant Marine, p. 54.
[3] Temporarily inactive due to repairs or for other reasons.
[4] Including vessels in the laid-up fleet.
[5] Freight and passenger.

MERCHANT SHIPBUILDING IN ERP COUNTRIES

Shipbuilding projected by the 16 participating countries for the period 1947-51 will aggregate, according to their present plans as stated in the report emanating from Paris, approximately 11,231,000 gross (15,700,000 deadweight) tons. Approximately 4,500,000 deadweight tons of this shipping is now under construction, while contracts have been signed for an additional 5,000,000 tons. The shipping actually under construction and contracted for, therefore, amounts to a total of 9,500,000 tons. This leaves 6,200,000 tons as projected and on which action has not yet been taken.

It has been estimated that steel requirements for this building program would amount to approximately 6,000,000 metric tons. This is about 5 percent of the total steel requirements of the 16 countries (120,000,000 tons).

A summary of the projected programs in thousands of gross tons (dead-weight tons not available) is shown below:

	In own country	In other countries	Total
Passenger	271	92	363
Dry-cargo	5,603	2,466	8,069
Tanker	1,528	1,271	2,799
Total	7,402	3,829	11,231

In discussions with shipping representatives of the participating countries, it was pointed out that these building programs can be justified on the grounds that shipbuilding is, for some, a basic industry; that shipbuilding labor is not, generally speaking, interchangeable with other labor; that the fleets of most of these countries are still below their prewar level; that a considerable number of vessels must be scrapped or laid up on account of obsolescence within the next few years; and, finally, that shipping is the most economical and effective method by which certain of the participating countries can earn foreign exchange and can, at the same time, reduce their requirements for aid from the United States.

Passenger vessels projected by the participating countries for the recovery period aggregate 363,000 gross (approximately 200,000 dead-weight) tons. Passenger tonnage actually contracted for, as of June 30, 1947, consisted of 24 vessels, of 182,000 gross (48,800 dead weight) tons.

The participating countries have pointed out that they need passenger vessels to maintain communications with each other, to earn foreign exchange, and to keep in touch with distant possessions. They also point out that there is a shortage of space combined with a heavy backlog demand.

The shipbuilding program of the participating countries is, according to their statements, predicated on a high rate of obsolescence and, presumably, on the retirement of some 3,900,000 dead-weight tons of shipping during the next few years. Since the 16 countries are now operating some 11,000,000 dead-weight tons of vessels more than 20 years old, their plans for the retirement of tonnage would not appear to be unreasonable.

From information available in Washington, there is no indication, with the exception of the United Kingdom, of any cutback since July 1, 1947, in the shipbuilding programs of the participating countries. It is indicated that a reduction of 20 percent has been ordered in available steel for ship construction in the United Kingdom for 1948.

The following tables show the details of construction programs of the 16 countries.

TABLE I.—*Estimated construction of merchant type vessels for participating countries*

[Mid-1947 to end of 1951; in thousands of gross tons]

	Passenger	Dry-cargo	Tanker	Total
Belgium:				
In own country		194	10	204
In other countries				
Total		194	10	204
Denmark:				
In own country	15	185	80	280
In other countries	15	258	85	358
Total	30	443	165	638
Eire:				
In own country		15		15
In other countries		32		32
Total		47		47
France:				
In own country	73	592	160	825
In other countries	29	510	110	649
Total	102	1,102	270	1,474
Greece:				
In own country				
In other countries		50	50	100
Total		50	50	100
Iceland:				
In own country				
In other countries		10		10
Total		10		10
Italy:				
In own country	48	885	41	974
In other countries				
Total	48	885	41	974
Netherlands:				
In own country	81	628	118	827
In other countries		555	169	724
Total	81	1,183	287	1,551
Norway:				
In own country		100	100	200
In other countries	15	867	857	1,730
Total	15	967	957	1,939
Portugal:				
In own country		40	7	47
In other countries		80		80
Total		120	7	127
Sweden:				
In own country		145	115	260
In other countries		80		80
Total		225	115	340
Switzerland:				
In own country				
In other countries		20		20
Total		20		20
Turkey:				
In own country				
In other countries	33	4		37
Total	33	4		37
United Kingdom:				
In own country	54	2,819	897	3,770
In other countries				
Total	54	2,819	897	3,770
All countries:				
In own country	271	5,603	1,528	7,402
In other countries	92	2,466	1,271	3,829
Total	363	8,069	2,799	11,231

Source: Committee of European Economic Cooperation, Paris, 1947.

TABLE II.—*Construction of passenger vessels [1] by the participating countries*

[Vessels contracted for as of June 30, 1947; in thousands of tons]

	Number	Gross registered tonnage	Dead-weight tonnage	Passenger capacity	Remarks
France	10	84	20.7	6,748	For colonial trades; mostly to replace war losses.
Italy	1	8	1.5	300	*Ausonia.*
Netherlands	1	21.5	7.3	750	*William Ruys* (now completed).
Norway	1	15	8	600	No. 410, Nederlandsche Dock.
United Kingdom	11	53.6	11.3	15,800	*Caronia;* others for cross-channel and coasting services.
Total	24	182.1	48.8	24,198	

[1] Vessels of "no substantial cargo capacity."

Source: Committee of European Economic Cooperation, Paris, 1947.

TABLE I—Continued

[Mid-1947 to end of 1951; in thousands of gross tons]

	Passenger	Dry-cargo	Tanker	Total
Denmark:				
In own country	15	185	80	280
In other countries	15	258	85	358
Total	30	443	165	638
Eire:				
In own country		15		15
In other countries		32		32
Total		47		47
France:				
In own country	73	592	160	825
In other countries	29	510	110	649
Total	102	1,102	270	1,474
Greece:				
In own country				
In other countries		50	50	100
Total		50	50	100
Iceland:				
In own country				
In other countries		10		10
Total		10		10
Italy:				
In own country	48	885	41	974
In other countries				
Total	48	885	41	974
Netherlands:				
In own country	81	628	118	827
In other countries		555	169	724
Total	81	1,183	287	1,551
Norway:				
In own country		100	100	200
In other countries	15	867	857	1,730
Total	15	967	957	1,939
Portugal:				
In own country		40	7	47
In other countries		80		80
Total		120	7	127
Sweden:				
In own country		145	115	260
In other countries		80		80
Total		225	115	340
Switzerland:				
In own country				
In other countries		20		20
Total		20		20
Turkey:				
In own country				
In other countries	33	4		37
Total	33	4		37
United Kingdom:				
In own country	54	2,819	897	3,770
In other countries				
Total	54	2,819	897	3,770
All countries:				
In own country	271	5,603	1,528	7,402
In other countries	92	2,466	1,271	3,829
Total	363	8,069	2,799	11,231

Source: Committee of European Economic Cooperation, Paris, 1947.

Mr. BREWSTER. I have also the record of March 3, 1948, as to the final transfer of vessels to foreign registry under the Ship Sales Act, showing the number which were transferred in the 2 months since the first of the year following the earlier tabulation I have given. I ask unanimous consent to have that table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FINAL TRANSFER OF VESSELS, FOREIGN, UNDER SHIP SALES ACT

The following are the sales approved by the Commission to noncitizens prior to the deadline summarized by type of vessel and number going to each country:

N3:	
Philippines	3
Nicaragua	2
Italy	9
Finland	1
Argentina	2
Total	17
C1-M-AV1:	
Chile	2
China	8
Philippines	4
Sweden	1
Uruguay	2
Total	17
VC2-S-AP2: China	3
C1-SAY1: China	4
C1B:	
Ireland	2
New Zealand	1
Total	3
American Liberties (oil):	
France	1
Greece	1
Norway	1
South Africa	1
Mexico	4
Total	8
Canadian Liberties (coal):	
India	4
Iran	3
Italy	5
Pakistan	1
Uruguay	2
Total	15
C2-(M): Netherlands	1
T1-MBT:	
Argentina	2
Netherlands	3
Total	5

Mr. BREWSTER. There was another matter which was developed in this connection, and which I think also has an important bearing, as it was reported that the Dutch at the present time are transferring ships to Finland and Poland in return for products from those countries. If that sort of thing is going on, if European shipyards are constructing merchant ships for countries within the satellite zone behind the iron curtain, I think it has a further and a very important bearing. Six million tons of steel will be required to build those 15,000,000 tons of merchant shipping in Europe. I think it is incumbent upon someone to explain to us why, with the

critical shortage of steel, material, and manpower in Europe, and here in America, any such amount of material and manpower should be diverted to a purpose which, however desirable it may be ultimately, is utterly unnecessary so far as the recovery program is concerned. I shall hope that not only may we adopt the amendment to stop the foreign chartering of American ships, but that we may have an adequate explanation of why the expenditure of the millions upon millions of dollars which will be required for the purpose of constructing these ships in Europe should go on when we are straining our own resources so seriously in order to assist our friends in their recovery.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. KNOWLAND. Mr. President, along the general line of the subject discussed by the junior Senator from Maine [Mr. BREWSTER] I wish to call to the attention of the Senate the statement which was made before the Foreign Relations Committee on the Marshall plan, by Mr. Harry Lundeberg, president of the Seafarers International Union of North America, and secretary-treasurer, Sailors Union of the Pacific, affiliated with the American Federation of Labor. He appeared in favor of the Marshall plan before the committee, and stated:

At the outset I want to make it perfectly clear that the Seafarers International Union supports the general principles of the Marshall plan and recognizes the need for taking every reasonable step to rehabilitate the nations of Europe.

Further on in his remarks before the committee Mr. Lundeberg said:

According to the United States Department of Commerce, United States ships handled only 49 percent of all United States foreign cargoes in the first 9 months of 1947.

This situation is even worse on the west coast, where in August 1947 American ships handled only 42 percent of all United States imports and exports, and the share of United States ships in the haulage of our imports and exports is steadily declining. The effect of this situation is shown clearly in the seafaring employment on the west coast, which dropped nearly 2,000 jobs in the final quarter of 1947.

He ended his recommendation by saying:

We further ask that Congress insert a rider in the Marshall plan to the effect that not less than half of the cargo shipped to Europe under the Marshall plan will be carried in American bottoms.

I have had prepared for some time an amendment to the Marshall plan, the pending legislation, which is very brief. The amendment is as follows:

On page 22, after line 20, insert a new subsection, as follows:

"(d) In transporting commodities to participating countries, the Administrator shall require that at least 50 percent of the gross tonnage of all commodities transported shall be transported in vessels documented under the laws of the United States, whenever such vessels are available."

Mr. President, I submit the amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be printed and will lie on the table.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. BUTLER. Mr. President, in due course I shall address the Senate on the Marshall plan, but at this time I wish to present, for insertion in the RECORD, some material relative to the proposed extension of the Reciprocal Trade Agreements Act. I should like to have this material appear in the RECORD following the debate today on the Marshall plan.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

POPE, BALLARD & LOOS,
Washington, D. C., February 21, 1948.

Re trade agreement with Mexico.

Hon. HUGH BUTLER,
Senate Finance Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: I refer to my letter of February 19 and particularly to the last paragraph and the second postscript thereof stating that the Committee for Reciprocity Information (CRI) probably would not consider the fluorspar brief or permit the fluorspar producers to appear at the public hearing to express their views since they are not exporters.

At first the CRI decided not to permit us to express our views because the hearings are limited to expression of views by exporters. Other groups such as laborers and producers interested in imports from Mexico had been told by the CRI not even to submit their views in writing. Consequently fluorspar producers were stricken from the draft copy of the calendar prepared by the CRI staff on instructions from the CRI (probably from the State Department). The calendar of appearances at the public hearing published by the CRI on February 19, 1948, does not list fluorspar producers.

However, after publishing the calendar and advising me by telephone that the fluorspar producers would not be permitted to present their views because they were not exporters, the CRI reconsidered on February 20 and advised me by phone that afternoon that they would permit us to appear as the last witness on February 27. We have not yet been advised in writing, in answer to our letter and brief filed with the CRI on the morning of February 18, whether we will be permitted to appear.

At best, we are being permitted to appear only because the State Department and the CRI apparently saw the political dynamite in their previous decision not to permit us to appear. Probably we are the only group interested in imports from Mexico which is being permitted to appear. We have no assurance that they will pay any attention to what we will say. In fact, we are assured that they will not give any serious consideration to our views.

We are getting in only because we took the bull by the horns, kicked the door down, and walked in uninvited.

How about those producers and labor groups which wanted to appear but were told not even to submit written views, because the CRI was interested only in the views of exporters, and took it lying down? They are not being heard.

How about the millions of producers and laborers and others interested in imports from Mexico who would like to have appeared, but who read the public notice (December 30, 1947) by the State Department and said, "Oh, what's the use of trying to buck the State Department—they get away with anything they want to do anyhow, and it would be a waste of time and money for us to go to Washington and object"? They are not being heard.

The fluorspar producers and millions of other producers and laborers need the protection of Congress from deception such as this from the State Department—that is why they elected this particular Congress; that is why they returned a Republican majority to Congress November 1946; that is why they will return a Republican Congress in November 1948 and elect a Republican President if this Congress meets its obligation and mandate from the people; that is why millions of producers spent millions of dollars to come to Washington and appear before the CRI to vainly express their views and see their Congressmen before they were sold down the river at Geneva last year by the State Department; that is why they realized that the CRI was only window dressing to fool Congress and the public on a preconceived and predetermined State Department program to cut off most of the justified and necessary protection of American producers and laborers regardless of what foreign countries did to their import barriers against the United States, and in the guise of reciprocity; that is why those same producers and laborers spent still more millions of dollars to come again to Washington to testify before the Ways and Means Committee of their newly elected Congress in the hopes that the Geneva fiasco would be stopped or that Congress would beat some sense into the State Department and the President. Yet nothing was done; that is why we and many other groups supported the wool growers in their fight for reasonable protection; that is why Congress passed a bill in the last session to assure the wool growers a minimum of necessary protection to stay in business, only to have the wool pulled over their eyes again by a State Department-inspired Presidential veto.

Yet the Geneva fiasco was permitted to go through. And the worst of our fears expressed to the Ways and Means Committee were abundantly confirmed. The State Department outdid itself. It even went further than we had feared in selling the United States farmers and other producers and laborers down the river.

Practically every United States tariff of any consequence was cut at Geneva in return for more embargoes, quotas, license restrictions and many other hidden forms of import restrictions against United States exports imposed by almost every other nation in the world (Great Britain and Canada being notable examples) before, during, and after the Geneva trade conference. This is what the State Department calls reciprocity under the Reciprocal Trade Agreements Act, about which the State Department misleads the public by characterizing as a "Yankee trading proposition." No Yankee would condone that kind of trading. We hope there are a lot of Yankees in Congress. We have searched diligently for several years now and have failed to find a single Yankee in the State Department.

Two examples of the State Department's disregard for all factors going against their predetermined program of tariff cutting regardless of consequences should be cited.

The producers of wool and manufacturers of wool cloth opposed any cut in the tariff on raw wool and pointed out that the tariff should be increased or quota protection afforded. The Under Secretary of Agriculture repeatedly advised committees of Congress that added protection in the form of quotas or increased import fees were necessary. Congress passed a bill to provide for such additional protection when imports proved damaging to American wool growers. Will Clayton immediately jumped on a plane in Geneva, where he was negotiating a decrease in the already inadequate tariff, and talked the President into vetoing that bill. Then

Will Clayton jumped on another plane for Geneva and promptly cut the wool tariff for the State Department and agreed with 22 other nations not to impose a quota or any other form of import restriction on wool as had been suggested by Congress. To get the foreign countries to go along he had to say to them, "Don't you worry about Congress; we can handle those boys. Don't you see that I just stopped them by merely making a hurried trip to Washington? We'll keep them in line all right." Now the American taxpayers are supporting the American wool growers and the foreign wool growers, too, incidentally. The Government buys all the American wool and we wear foreign wool on our backs.

In the case of the tree-nut growers (walnuts, almonds, filberts, and pecans) we proved beyond any doubt that greatly increased imports were seriously injuring the American growers and that additional protection was needed. Our west-coast Congressmen appealed to Will Clayton for relief. After a passing study by the State Department, designed to brush us off, Mr. Clayton told our Congressmen, "You've got a serious problem and the growers are being injured, but we can't do anything for you—only Congress can provide you increased protection—our only mandate from Congress is to cut tariffs." At the CRI hearings before Geneva, both the growers and users of tree nuts recommended against a tariff cut. Only the small group of importers thought a cut should be made. The Department of Agriculture strongly recommended to the State Department that no tariff cut be made on walnuts. Yet it was decided to cut the walnut tariff 50 percent. The Secretary of Agriculture then called Mr. Clayton in and again protested the proposed tariff cut on walnuts and several other agricultural products. However, Mr. Clayton went to the President, and Secretary Anderson was overruled. The walnut tariff was cut 50 percent at Geneva (from 15 to 7½ cents). This has not gone into effect yet because China has not completed her ratification of the Geneva Agreement. After what Mr. Clayton had told them before the Geneva Conference, our west-coast Congressmen were shocked at this and on December 6, 1947, addressed a joint appeal (signed by every Senator and Representative from California, Oregon, and Washington, except Representatives MILLER and DOUGLAS, of California) requesting the President not to approve the cut on walnuts. The State Department has implied that the President will not withdraw his approval but to date the President has done no more than say to the Congressmen that he was glad to have their letter and views; apparently those views will be again disregarded, although we are still hopeful.

These are excellent examples of how far the State Department is willing and determined to go in selling American producers down the river while other countries pile up new embargoes and quotas and licenses against United States exports. Many more examples could be given.

Congress has sat by and watched all of this going on and has given a weak protest now and then but has done nothing to stop it. The State Department has interpreted this inaction as a go-ahead signal. They are marching merrily down their predetermined and fixed one-way road to completely free trade. They are getting more and more brazen in their disregard of congressional intent and all other factors. They no longer even consider it necessary to listen through their "window dressing" (the CRI) to the views of the American public or Congress, as required by the Reciprocal Trade Agreements Act, before they negotiate a foreign-trade agreement.. They announce intention to negotiate a foreign-trade agreement with Mexico and hold a public hearing to give the appearance of complying with the congressional mandate. But, they know that the exporters will agree with them so they say, "We'll only listen to the views of exporters—Congress has said 'go ahead' so we won't bother listening to those interested in imports—we never pay any attention to what they say anyhow—so why waste the time."

The State Department figures it can reach its goal and tie it down with the International Trade Organization Charter before Congress wakes up and discovers what is being done. Then they hope that they will have negotiated us into so many international entanglements that Congress will be unable to correct it.

The only way the fluorspar producers and the millions of other producers and laborers can get the protection of Congress from the State Department "give away" tariff policy—the protection for which they elected this Congress—is through your committee. If your committee does not advise Congress of the truth about the State Department policy and recommend corrective action, all hope is lost.

This most recent action of the State Department in the Mexican affair is the most open and brazen example of deception and defiance of Congress yet attempted. Its very brazenness, however, offers one hope—that Congress will begin to see through their deception and force the President to withdraw the concessions granted to Mexico in the now-terminated 1942 agreement. It is also to be hoped that Congress, through your committee, will see the wisdom of allowing the Reciprocal Trade Agreements Act to die a natural death next June 12 or, at least, of extending it only with adequate safeguarding amendments.

May I stress and reemphasize, as pointed out in the fluorspar brief enclosed with my letter of the 19th, that if the President is permitted to get away with this "Mexican fiesta of deception," it will means that all of the trade agreements which have been negotiated with foreign countries can be terminated by those countries while all of the tariff reductions made by the President under those agreements are left in effect if the President so desires merely by his failure to terminate the proclamations giving legal effect to those tariff reductions. If approval of this is given in this instance by congressional inaction, undoubtedly that is what the President will do, State Department professions to the contrary notwithstanding.

Very truly yours,

JOHN BRECKINRIDGE.

POPE, BALLARD & LOOS,
Washington, D. C., February 28, 1948.

Hon. HUGH BUTLER,
Senate Finance Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: One more chapter on the State Department's "Mexican fiesta of deception" under the Reciprocal Trade Agreements Act in the guise of a reciprocal agreement.

Our enclosed arguments made last Friday before the Committee for Reciprocity Information, we believe, prove beyond any doubt the soundness of the principle so ably stated by Representative DANIEL A. REED of New York in a statement in the CONGRESSIONAL RECORD, a copy of which is enclosed. Representative REED has uncovered and exposed to Congress and the public the most recent and most flagrant State Department violation of congressional intent and public interest. He deserves a lot of credit—his statement deserves a lot of attention, study, and repetition.

Mr. Loos made the argument on behalf of an American producer primarily interested in imports. I made the argument on behalf of an American producer primarily interested in exports. We believe you will agree that it is sound no matter which way you look at it.

These arguments were made at a public hearing before the CRI and particularly before Mr. Lynn R. Edminster, Vice Chairman of the Tariff Commission and Chairman of the CRI, and Merrill C. Gay, Assistant Chief of the State Department's Division of Commercial Policy. These men are two of the administration's leading advocates of free trade and administrators of the Reciprocal Trade Agreements Act. Their questions and remarks leave no doubt that the State Department's intent is to unilaterally reduce American tariffs regardless of effects on American producers or how much foreign countries raise their barriers against imports from the United States.

Mr. Gay's remarks clearly indicate that the State Department intends something other than reciprocal tariff reductions in these negotiations with Mexico—something that has not been announced to the public.

If you read carefully between the lines of the State Department notices concerning these negotiations, overlooking the fancy phrases, it is very apparent that the State Department intends unilateral tariff reduction (failure to withdraw American concessions) in return for embargoes and increased tariffs from Mexico—that the State Department expects nothing and really wants nothing from Mexico in these negotiations except some paper concessions which they can announce to the unsuspecting American public along with fancy phrases to save face with the big majority of the public which knows absolutely nothing about foreign trade.

The State Department actually thought that they could get away with this little scheme of deception before anyone realized what was happening. Thanks to Representative REED, the Congress and the public have been advised—another State Department scheme of deception has been exposed.

The State Department policy boils down to this: Discourage exports (except a few favored products such as automobiles), discourage American production of anything except what it favors and considers efficient; encourage imports at expense of American producers; encourage foreign production and export to United States; shift American producers to favored mass-production industries; encourage a specialized and centralized American industrial economy that is easy to control.

If that is a sound policy, and I will not argue the point here, the State Department should go to Congress, explain it and get legislative authority for it. They should not use the Reciprocal Trade Agreements Act, through deception, to implement such a policy. And Congress should not extend the act now that it knows what it is being used for. At least the act should be so amended as to prevent its being so used in the future.

This has been the State Department policy all along but they managed to cover it up and fool a majority of the public. This Mexican case is the first time they shipped enough to allow a clear revelation of their motives. They almost did in the Geneva negotiations but a majority of Congress did not quite catch on. This time there should be no misunderstanding—the public must be adequately informed.

I hope you will note carefully Mr. Loos' argument (enclosed) concerning the "notice of termination" required by the agreement. This was the one point not covered satisfactorily in our brief and previous letters. Mr. Loos' argument, I believe you will agree, removes any legal question as to the actual and complete termination by Mexico on December 20, 1947. In effect the point is this. If, in fact, Mexico did not give the required 6 months' notice of termination (which only the State Department's files

would show), the State Department's announced agreement to the Mexican withdrawal of all concessions (December 13, 1947) amounted to a waiver of notice by the United States and absolute termination on December 20, 1947, by Mexico. Otherwise, the agreement and the reduced Mexican duties could have been enforced in the Mexican courts for 6 months after December 20, 1947.

Why are we so vitally concerned with this matter? Because we represent several producer groups (agricultural and mineral) which are not on the State Department favored list. They are on the top of the list for elimination and transfer to the automobile, radio, or electrical industries. Even an extension of the act, as is, for only 1 year would result in serious damage to those producers and possible destruction.

The State Department has already planned negotiations with Italy, Turkey, and some other countries. They have already determined what tariff reductions they will make. I cannot prove that, but I know it is true from 2½ years of close work with State Department officials. I believe you realize this fact, too. I believe a careful examination of the State Department's secret files would prove it, although they may have carefully avoided the records' showing it.

Just as examples, many almond, filbert, walnut, and cherry growers would be put out of business by trade agreements with Italy and Turkey. There can be no doubt that their tariffs would be still further cut in such agreements. And I assure you that this is not just an idle fear. Other examples could be given.

If the Reciprocal Trade Agreements Act were extended, as is, for just 1 year, the tariff cuts that would be made by the State Department would include the full 50 percent authorized by the act on every commodity on which they could find a country to negotiate with. This would all be done before January 1949, if a Republican President should be elected in November. They would say that to do otherwise would be failing to carry out the intent of Congress, expressed in the Extension Act. Mr. Clayton has said so before the House Ways and Means Committee. A rash of public notices of intention to negotiate trade agreements would break out the day after the Extension Act was signed by the President. We hope this Congress will not let that happen.

Sincerely yours,

JOHN BRECKINRIDGE.

HEARINGS ON TRADE AGREEMENT NEGOTIATIONS WITH MEXICO

TESTIMONY (IN PART) OF MR. KARL D. LOOS ON BEHALF OF AMERICAN PRODUCERS OF FLUORSPAR

Mr. LOOS. Now, this treaty with Mexico which was entered into at the close of 1942 and which became effective, I believe, January 30, 1943, contains two clauses under which Mexico has acted. The treaty was to remain in effect for a period of 3 years and continue in effect until a period 6 months after notice of termination.

I mention that now simply to indicate that that is one of the methods for termination, and two other methods for termination are mentioned in article 10 and article 11.

Before I try to make any statement regarding the reasons for our views or make any argumentative statement, I would like to give a simple and concise factual recital of what has occurred since this treaty was put in force. We have as the basis for that recital of facts that exhibit 1 to which I referred a moment ago, attached to this mimeographed brief, and exhibit 2, which consists of a letter of February 24 from the Department of State, signed by Mr. Daniel M. Braddock, of the Division of Commercial Policy, and addressed to Mr. Breckinridge.

To summarize what we understand has happened, there was first an announcement in 1944, within a year or shortly over a year after the treaty was put into force, relating to some licensing provisions which the Government of Mexico imposed. I don't regard those as particularly material to this discussion, at least.

Then on July 11, 1947, acting under article 10, the Mexican Government announced the embargo or complete prohibition of importation of some 57 items of schedule I, and those items are listed by tariff number and description, Mexican tariff number and description, on the first four pages of our exhibit No. 1.

Then there are three additional items that were prohibited from importation or embargoed by a decree of December 16, 1947, those three items being listed on page 5 of our exhibit 1. Those 60 items were embargoed pursuant to the provisions of article 10, which authorizes either Government to make quantitative limitations on imports under certain conditions and after consultation; and we understand that there was consultation between the United States and Mexico as provided in article 10 and pursuant to the provisions of that article, the United States did consent and agree to this action that was taken.

I mention that because article 10 further provides that in the event one Government does ask for the privilege of taking action under article 10 and the other Government does not consent, that then the entire agreement may be abrogated by the nonconsenting Government within 30 days after such unilateral action is taken by the other.

About the same time—namely, December 15, 1947—the Government of Mexico also took action under article II, which is familiarly referred to as the escape clause by a good many of us—by the State Department I think it is referred to as the safeguarding clause—but whichever way you take it it means the same thing. That action covered 12 items of the tariff which are listed on pages 5 and 6 of our exhibit 1, and I might say that this exhibit 1 is a copy of the memorandum that was furnished to us by the State Department and accompanied that letter of February 24, which is exhibit 2.

Now, I assume that the American Government, through its duly authorized representatives in the State Department, also agreed to action under article 11. Article 11 carries the same provision for accelerated termination 30 days after an action by another government if the action is not agreed to by the government against whose interests the action occurs. I would like to suggest that had the Government of the United States not agreed to these actions under articles 10 and 11 by the Mexican Government, it would have been in position to have terminated the agreement within 30 days after the action taken by the Mexican Government in December; and it was quite obvious that the treaty was going to some pains to make provision for an accelerated cancellation in the event one government took action without the agreement of the other government. I hope that the pertinency of what I am saying may have a little bit clearer place in view of what I will now come to.

Up to this point we have this situation: There were 203 items in schedule I, 203 items on which the Mexican Government made concessions. Of these, 57 plus 3, 60, have been canceled or withdrawn by imposition of an embargo under article 10. Twelve had been withdrawn by the increase of duties, not by the imposition of an embargo on the last twelve—by the increase of duties to the ad valorem equivalent that had existed when the agreement was signed. That is, to the ad valorem equivalents of the Mexican duties prior to the effective date of the 1942 agreement. So that the fact that prices have risen, of course, means that in every case the duty imposed as a result of this action taken in December 1947, under article 11 not only restored the duties as they had existed before the treaty but imposed duties higher than they were before the treaty was adopted.

There then remained 131 items. There is a little confusion about the number. The State Department letter says 132 items are covered in the next action that I am about to relate, but the fact is that there were 131 additional items.

The one item that is mentioned in both schedules—in effect, it might be said that they withdrew this one twice—that was item 7.53.30, advertisements, calendars, etc., which was embargoed in the action of July 11, 1947, and which is again mentioned in the action that I am now coming to and that I have been leading up to all of this time—I am afraid I am taking awfully long in getting to it—and this is the important action.

On December 15 the Government of Mexico issued a decree to be effective 5 days later on December 20, withdrawing 132 items, which included all of the remaining 131 items on which the concessions had not been previously withdrawn, out of this schedule I.

In that action they imposed new duties that were both specific duties and ad valorem rates, the purpose of which was to increase to the ad valorem equivalents that were in effect prior to the 1942 treaty.

Now, what is the effect of that kind of an action? Here we have all of the concessions withdrawn. On 72 items, the concessions were withdrawn under article 10 and under article 11 in accordance with the procedure that is outlined in those articles, but they were withdrawn completely either by absolute embargoes being imposed or by duties being imposed higher than the duties which had prevailed prior to the effective date of the treaty.

This last action I have mentioned, the withdrawal of the concessions on the remaining 131 items, was not taken pursuant to any provision of the treaty, and no provision or item in the treaty can be found that will justify or authorize or excuse that action.

So we say that that action of December 1947 was a complete abrogation of the treaty.

Apparently Mexico did not give the 6 months' notice that is required by the treaty to terminate it. Apparently—and the press release issued by the State Department under date of December 13, 1947, referring to this last action says:

"The United States has consented to this action"—meaning the withdrawal of the concessions on these 131 items—

"The United States has consented to this action in recognition of the acute need of the Government of Mexico to correct the imbalance in its trade relations with the United States and to afford a more reasonable measure of protection for Mexican industries until such time as negotiations for a more definitive schedule I mentioned above can be concluded."

Now, it seems to me, if the committee please, that the effect of that consent is merely a waiver of the requirements of the treaty for 6 months' notice of the termination. Certainly, an action taken by the Mexican Government unilaterally without any basis for such action in the treaty itself, which results in the abrogation and withdrawal of concessions still remaining in effect that had been granted by the Mexican Government in the treaty—certainly, such an action is a termination and abrogation of the treaty. Had the United States not consented, it would have been just as much an abrogation and termination, but without having complied with the requirement for 6 months' notice, and probably it would have been possible to enforce for at least 6 months some observance of the treaty requirements, particularly if the Mexican courts would give

the same enforcement to treaties that that country has entered into that the United States courts give to treaties that the United States has entered into.

Chairman EDMINSTER. Mr. Loos, I take it that you probably intend to suggest, although I don't want to put words in your mouth, that it is hardly likely that with respect to some 130-odd concessions that should suddenly be discovered in regard to each and every one of those, that they were resulting in serious injury to Mexican industry within the meaning of the escape clause.

Mr. Loos. I don't think it could be or would be reasonable to make such a suggestion. Even if it were made, the fact remains that action was not taken under the escape clause under article 11, and the requirement of that article was not followed out.

Chairman EDMINSTER. I wasn't undertaking to dispute what you were saying, but just wanted to bring out a point.

Mr. Loos. You certainly have the privilege of disputing anything I say because I don't consider myself to be the final word on this by any means. I am simply making argument of what I think it is, and I hope you all will agree with me.

Now, if the Mexican Government had given notice 6 months before that it was going to terminate the treaty and then had taken the same action that it did take on December 15, that certainly would be recognized as a termination and abrogation of the treaty. The fact that it didn't give the 6 months' notice doesn't change the fact that the withdrawal of all these concessions does amount to a termination and abrogation of the treaty, and I emphasize again that the United States in consenting simply consented to a waiver of the requirement for 6 months' notice.

And so in every legal effect it seems to me the treaty with Mexico is no longer in existence. Certainly, schedule I is no longer in existence. The United States, therefore, is free to take any action at this time it may see fit to take, as a result of the termination and abrogation of the treaty.

It is not necessary that the United States should give any notice under the 6 months' clause because the treaty remains in effect only until it has been abrogated by one party. Once a contract is abrogated by one party, the other party does not have to do anything to terminate his liability or his responsibility under it. That is a simple axiom of the law of contracts, and it seems to me a treaty, particularly one of these trade agreements, must be construed the same as you would construe a contract.

Article 18, which provides for the termination by either party specifically states:

"This agreement shall enter into full force on"—such and such a day—"and remain in force and subject to the provisions of article 10 and article 11"—to which I have just referred—"shall remain in force for a period of 3 years thereafter."

And it provides for 6 months' notice before the termination of the 3 years, and if that isn't given, then the treaty provides that the agreement shall remain in force thereafter subject to the same provisions until 6 months from the date on which notice of intention to terminate it shall have been given by either Government.

If Mexico had given a notice and the agreement had been terminated, there wouldn't be any doubt about what this means. The treaty would be terminated.

Since Mexico didn't give the notice and the United States waived the notice, it seems to me that the 6 months' provision is out here also and the agreement having been terminated and abrogated, the United States is now freed from any responsibility or liability under it. If there is any doubt about it, certainly the action on December 15, 1947, by Mexico in making this abrogation, should constitute a notice of intention to abrogate and an immediate abrogation, too, and the United States would be freed from all responsibility and liability under the treaty at the very latest date 6 months after that notice of December 15, 1947.

Now, with that background, I submit that the negotiators for the United States cannot possibly hope, unless they are the wildest sort of optimists, to make any progress with the Mexican negotiators when Mexico has all of the concessions still remaining in effect that the United States granted under the 1942 Treaty; whereas, the United States has none of those concessions that Mexico made remaining in effect for her citizens.

It seems to me that the logical, the natural action for the United States to take is immediately to cancel the Presidential proclamation under which the reduced duties in Schedule II were put into effect, and thereby serve notice on Mexico that until Mexico restores or makes some concessions the equivalent of the concessions which the United States is prepared to make, that Mexico cannot enjoy the benefits of the concessions which the United States has made. That, it seems to me, is not only the natural and logical action to take, but it seems to me it is a necessary action to take, if the President of the United States and other officials of this country charged with protecting the interests of this country and its citizens perform their duties.

Now, I concede that there is probably not an automatic cancellation of these reduced duties upon the termination of a trade agreement pursuant to which the reductions were made because the act simply says that the President may at any time terminate the proclamation which put into force and into effect the reductions that the United States concedes in a trade agreement, but certainly it must have been the intention of the Trade Agreement Act, it must have been the intention of Congress, and it is the only logical construction to put on the whole theory of reciprocal trade agreement that once one contracting country withdraws its concessions, the United States will immediately withdraw the concessions that it has made.

So we urge that to put the United States negotiators in a negotiating position the first thing that should be done is to withdraw all concessions that have been made by the United States under article II and then we will be in the same position that Mexico is, neither one of the countries will have in force any concessions made under the agreement and in that position, it seems to me, the logic of the situation would be that you would simply have to start all over again to negotiate a new agreement, and you would have to follow the provisions of the Trade Agreements Act as to giving notice, holding hearings, etc., and then enter into negotiation, as a result of which a new trade agreement might be reached.

TESTIMONY, IN PART, OF JOHN BRECKINRIDGE ON BEHALF OF THE PARKER PEN CO.

Mr. BRECKINRIDGE. There is one more point that I would like to make, and that is the nature of these negotiations. The situation is this: Mexico has withdrawn all the concessions she made to the United States under the 1942 agreement, and on practically every item she has imposed a higher duty or a more stringent import restriction than was imposed in 1942 prior to the agreement.

The announcements of these negotiations say that they are to negotiate a revision of schedule I. We support the policy of the reciprocal trade agreements wholeheartedly, but we have some very definite ideas about how it should be administered.

We think the intent of Congress was, and the intent of everybody concerned with it, has been that it is a "Yankee" trading proposition. From that it would follow that when they sit down and negotiate that it is a bunch of people on both sides who are hard-boiled traders.

Our experience with the Mexicans, which Mr. Matthay can confirm, is that they are hard-boiled traders. We think they are going to be in this negotiation. But possession—there is an old saying about possession being nine points of the law. The Mexicans have our concessions; they have not anything to get. We do not have the Mexican concessions.

If we sit down with the Mexicans in our negotiations, if our negotiators sit down with the Mexicans and say, "Well, we would like concessions on these items," I don't think the Mexicans are going to talk turkey very much as long as they still have got nine points of the law on their side, that is, possession of the American concessions.

We feel, and we hope this committee will recommend to the State Department, that the concessions made by the United States under the 1942 agreement should be terminated before our negotiators negotiate with Mexico. That would be accomplished by the President's terminating his Executive order—rather his proclamation of December 28, 1942—which gives effect to the concessions under the Mexican agreement. That would make our rates go automatically back to the level before we negotiated the 1942 agreement, unless some other factor has intervened, such as a binding of that rate, or a reduction of that rate in another agreement. Then, we think you have got a basis for Yankee trading. We think you would then have a basis for doing what Congress intended, that we make reductions in our tariff, but only reciprocal reductions, only on the condition that the United States get in return for those reductions, reductions on the other side of equivalent value.

If you terminate them, and then sit down with the Mexicans and say, "Now, if you will cut the tariff on these items, we are prepared to cut the tariff on these items."

To boil it down to a selfish viewpoint only, we want to get that fountain pen and mechanical pencil duty or those duties cut. It means the very existence of the Parker Pen Co.—I would not say that—it means the very existence of 40 to 45 percent of their business, and that is an awful lot. It means the bread and butter for about 50 percent of the population of Janesville, Wis., of 25,000.

It means those dependent directly and directly on the pay roll of Parker Pen Co. That means a lot.

But we don't think the Mexicans are going to be very anxious to cut that duty unless you are going to give them something for it that they have not got. As long as they have got the concessions with nine-tenths of the law on their side, we don't think they are going to go very far in giving any concessions to the United States.

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Chairman EDMINSTER. Mr. Breckinridge, before you call on Mr. Matthay, I have just one comment and query on one point. I followed you clearly; your suggestion is that there ought to be some very strong inducement to Mexico to rectify this situation along the lines that you suggested.

If I understood you correctly, you were suggesting that the entire Mexican agreement should be first canceled, and then the negotiating should start from scratch, as it were.

Mr. BRECKINRIDGE. That is not right. It does not have to be canceled. I think it has already been canceled. The only thing that is left is the President's proclamation which gives legal effect to the duties under that canceled agreement.

Chairman EDMINSTER. I will accept that.

Mr. BRECKINRIDGE. There is nothing left in the agreement.

Chairman EDMINSTER. I will accept that legal correction, but the point is that the agreement would require, by its terms, 6 months' notice.

Mr. BRECKINRIDGE. I think the Mexicans gave us 6 months' notice.

Chairman EDMINSTER. The Mexicans, if I remember correctly, and I will be glad to be corrected by some of my colleagues here, acted under the escape clause, which does not require 6 months' notice.

Mr. BRECKINRIDGE. I don't believe they acted under the escape clause on the balance of the concessions that they withdrew on December 20, 1947. There was no provision in the agreement providing for the withdrawal of the remaining 131 concessions.

Chairman EDMINSTER. Well, be that as it may, there would be two ways in which to bring the pressure to which you refer. One would be to give them a 6 months' notice and then cancel the entire agreement, and the other way would be to use the privilege that is given to the other countries, as it were, under the escape clause, to make compensatory withdrawals or withdrawals of equivalent concessions that have been granted to them, and I would think that from the standpoint of prompt negotiation with Mexico, with a view to obtaining some readjustment of what she has done, that the use of the powers under the escape clause would be more promising from the standpoint of getting into negotiations at an earlier date, perhaps, if not sooner.

Mr. BRECKINRIDGE. I think that is entirely appropriate. I think certainly we have got to do it fast, and if you can do it under an agreement which, in my opinion, does not exist, withdraw under the escape clause, go ahead. I don't care how you proceed. But cancel the President's proclamation that put them into effect, and then say, "Boys, we are ready to sit down and talk turkey."

Chairman EDMINSTER. Well, there is a difference between canceling an entire proclamation—all the concessions have been granted to Mexico, on the one hand, and making some withdrawals under the proclamation of some concessions that are deemed to be equivalent in value to those which she has withdrawn from us.

Mr. BRECKINRIDGE. Well, I think we proved in 1942 that all of the concessions now in the agreement are equivalent in value to those made by Mexico, all of which have been withdrawn, because we made them on that basis. We said, "Here is an agreement. We reduce tariffs on both sides; they are of equivalent value. If you are going to withdraw an equivalent value, you have got to withdraw the whole thing."

Chairman EDMINSTER. Oh, no. Under the escape clause, you don't have to withdraw all of the concessions made. You don't have to cancel an entire agreement. You withdraw concessions that you deem to be equivalent in value to those which have been withdrawn in value by the other country. That might be a very small proportion of the schedules I, II, and III.

Mr. BRECKINRIDGE. That is right. But in this case, Mexico has withdrawn the whole of schedule I. There is not a single concession left to the United States under the 1942 agreement, and I don't understand how anybody can figure there is an agreement.

Chairman EDMINSTER. You still, however, could act more promptly, could you not, under the escape clause, than you could ask if you invoked the 6 months' clause?

Mr. BRECKINRIDGE. You mean in this instance?

Chairman EDMINSTER. Yes.

Mr. BRECKINRIDGE. Or the agreement?

Chairman EDMINSTER. Yes.

Mr. BRECKINRIDGE. I don't think you have to invoke the 6 months' clause. I think the Mexicans did that, and terminated it. We are free to terminate our concessions right now.

* * * * *

Mr. GAY. If I may address myself just very briefly to what Mr. Edminster was saying, I think it is true to say that the trade agreement organization which, as you know, is made up of various departments in the Government, has never yet agreed to a trade agreement which it did not feel was of mutual advantage. I think that it would probably be safe to say that that policy will continue. I think that there may be times when broader considerations may have to enter into the measuring of the totality of concessions back and forth.

Mr. BRECKINRIDGE. There again, sometimes I think maybe they should, but I don't think it is authorized under the Reciprocal Trade Agreements Act. But I don't think we should go into a deep argument there.

Mr. GAY. No, I don't think so either. I simply want to suggest the observation that there is no doubt but what in the final determination in our negotiations with Mexico that we would expect to reach an agreement, if possible, which would be conceived to be mutually beneficial.

Mr. BRECKINRIDGE. Well, my own personal view is that that is impossible. I don't think the Mexicans are going to give very much for what they have already got.

Mr. GAY. I suppose that necessarily remains to be found out in the course of negotiations.

Mr. BRECKINRIDGE. Thank you very much for the opportunity of appearing.

NOMINATION CONFIRMED

Mr. WHERRY. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to the consideration of the nomination on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nomination will be stated.

MISSISSIPPI RIVER COMMISSIONER

The legislative clerk read the nomination of DeWitt L. Pyburn, of Louisiana, to be a member, Mississippi River Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be so notified.

RECESS

Mr. WHERRY. Mr. President, under the unanimous-consent agreement, the junior Senator from Mississippi [Mr. STENNIS] will speak tomorrow at 12:15 p. m. This will be his maiden speech in the United States Senate.

Also, the Senator from New Jersey [Mr. SMITH] and the Senator from Nevada [Mr. MALONE] will speak upon the pending legislation.

Several amendments will be offered tomorrow, and I presume that statements will be made upon those amendments.

I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 4, 1948, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate March 3 (legislative day of February 2), 1948:

MISSISSIPPI RIVER COMMISSIONER

DeWitt L. Pyburn to be a member of the Mississippi River Commission.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 3, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty Father, from whom all thoughts of truth and peace proceed, kindle anew in our souls these abiding traits of character. Remove from us all impatience of spirit and disquietude of worry; rather we would give Thee unfeigned thanks and praise for our marvelous country, with its exhaustless sources of material wealth and comfort, ever watchful guardians of our countless blessings. As we speak with our voices, may our acts convince the world of the generous nobility of soul of America, seeking not to conquer but to direct it in the living way that leads to the city of our God. In the name of Thy Son and our Lord we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1698. An act to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1796) entitled "An act to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes."

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDOWELL. Mr. Speaker, from time to time the Committee on Un-American Activities has been requested by organizations, schools, and individuals for a guide to reliable reading matter on communism. The following list has therefore been prepared at my suggestion. While a great many more books can be recommended, I am sure that the following list will prove to be valuable as a starting point for anyone interested in the Communist problem.

It is regrettable that during the heyday of illusionment regarding the good

intentions of the Communists both here and within the Soviet Union outstanding pieces of literature on this subject were ignored. For this reason, it may be found that some of the literature listed herewith is out of print. It is quite possible that as a result of public demand some of these publications may be reprinted in cheaper and more available form. At any rate, the books are available in the public libraries and are therefore listed for reference purposes.

The books marked with an asterisk are most easily available and should serve as a suitable basis for a preliminary study.

I. COMMUNIST THEORY AND TACTICS FROM ANTI-COMMUNIST SOURCES

1. World Communism, by Franz Borkenau (Norton). A study of the Communist International.

2. The Red Prussian,* by Leopold Schwarzchild (Scribner's). A critical biography of Karl Marx.

3. This Is My Story,* by Louis F. Budenz (Whittlesey House). The experiences of a former American Communist editor.

4. I Confess, by Benjamin Gitlow (Dutton's). The experiences of a former American Communist leader.

5. The Yogi and the Commissar,* by Arthur Koestler (Macmillan). A critical study of Soviet moral and ethical ideals.

6. Darkness at Noon, by Arthur Koestler (Macmillan). A psychological study of the Russian Communist.

7. The Crowd, by Gustave LeBon (T. Fisher Unwin, Ltd.). A study of the popular mind.

8. Collectivism, a False Utopia, by William Henry Chamberlin (Macmillan).

9. Dictators and Democracies, by Calvin B. Hoover (Macmillan).

10. The Totalitarian Enemy, by Franz Borkenau (Faber & Faber).

11. Challenge to Karl Marx, by John Kenneth Turner (Reynal & Hitchcock).

12. Stalin's Russia—The Crisis in Socialism, by Max Eastman (Merton).

13. From Marx to Stalin, by J. E. LeRossignol (Crowell).

14. Marxism—Is It Science? by Max Eastman (Norton).

15. World Revolutionary Propaganda, by Harold Lasswell and Dorothy Blumenstock (Knapp).

16. American Communism,* by James O'Neal and G. A. Werner (Dutton).

17. My Life as a Rebel, by Angelica Balabanoff (Harpers). The biography of one of the founders of the Communist International.

18. In Stalin's Secret Service, by Walter G. Krivitsky (Harpers).

19. The Red Decade, by Eugene Lyons (Bobbs Merrill). A study of Communist penetration into American public life.

20. America, Russia, and the Communist Party in the Postwar World,* by John L. Childs, George S. Counts, and others (John Day).

21. Animal Farm,* by George Orwell (Harcourt Brace). A satire on communism.

22. Report of the Canadian Royal Commission. The study of Communist espionage methods in Canada.

23. The Soviet Spies—The Story of Russian Espionage in North America,* by Richard Hirsch (Duell, Sloan & Pearce, Inc.).

24. Stalin, by Boris Souvarine (Alliance, Longmans Green). A biographical study by a former Comintern official.

25. Out of the Night, by Jan Valtin (Alliance). A fictionalized study of the activities of an international Communist agent.

26. Trojan Horse in America, by Martin Dies (Dodd, Mead).

27. Pattern for World Revolution, by Ypsilon (Ziff & Davis).

28. World Communism Today,* by Martin Ebon (Whittlesey House).

29. Communist Infiltration in the United States* (United States Chamber of Commerce), 25 cents.

30. Communists Within the Labor Movement* (United States Chamber of Commerce), 25 cents.

31. Communists Within the Government* (United States Chamber of Commerce), 25 cents.

32. Communist Party as an Agent of a Foreign Power,* United States Government Printing Office, House Report No. 209, Eightieth Congress, first session, 15 cents.

33. The Communist Fifth Column,* by Andrew Avery (Chicago Journal of Commerce), 15 cents.

34. Communist Power in Industry,* by Andrew Avery (Chicago Journal of Commerce), 15 cents.

35. Communist Trade Union Trickery Exposed by Karl Baarslag (Argus, box 577, Benjamin Franklin Station, Washington, D. C.), 50 cents.

36. Communism, a World Menace,* by John F. Cronin (National Catholic Welfare Conference, Washington, D. C.), 10 cents.

37. The booklets on various phases of communism by leading authorities* (Catholic Information Society, 12–14 West Thirty-first Street, New York, N. Y.), $1 per set of 26. Treating varied topics, such as labor, religion, culture, minorities, etc.

38. Communism Exposed* (United States Chamber of Commerce), 6 cents each; 3 cents on 25 or more.

39. Report on American Youth for Democracy,* United States Government Printing Office, Report No. 271, Eightieth Congress, first session.

40. Report on the Southern Conference for Human Welfare,* United States Government Printing Office, House Report No. 592, Eightieth Congress, first session.

41. Report on Civil Rights Congress as a Communist Front Organization,* United States Government Printing Office, No. 115, Eightieth Congress, first session.

II. A CRITICAL STUDY OF LIFE IN THE SOVIET UNION

1. I Chose Freedom,* by Victor Kravchenko (Scribners).

2. Assignment in Utopia, by Eugene Lyons (Harcourt, Brace).

3. Report on the Russians,* by W. L. White (Harcourt, Brace).

4. I Speak for the Silent, by Vladimir V. Tchernavin (Hale, Cushman & Flint). Experiences of a Soviet scientist.

5. Russia's Iron Age, by William Henry Chamberlin (Little, Brown & Co.).

6. The Russian Enigma, by William Henry Chamberlin (Scribners).

7. I Search for Truth in Russia, by Sir Walter Citrine (Dutton).

8. I Was a Soviet Worker, by Andrew Smith (Dutton).

9. Russia After 20 Years, by Victor Serge (Hillman-Curl).

10. Russia's Postwar Economy, by Harry Schwartz (Syracuse University Press).

11. The Real Soviet Russia,* by David J. Dallin (Yale).

12. Afterthoughts on the U. S. S. R., by Andre Gide (Martin Secker & Warburg).

13. Management in Russian Industry and Agriculture, by Bienstock, Schwarz, and Yugon (Oxford).

14. One Who Survived,* by Alexander Barmine (Putnam).

15. Escape From the Soviets, by Tatiana Tchernavin (Dutton).

16. Why They Behave Like Russians,* by John Fischer (Harper).

17. Backstairs Mission to Moscow,* by Charles Cilibert (Booktab Press).

18. Forced Labor in Soviet Russia,* by David J. Dallin and Boris Nicolaevsky (Yale).

19. I Want To Be Like Stalin,* by George S. Counts and Micia P. Lodge. A study of Soviet education.

20. Prisoners of the Nights,* by Andrew Corvin Romanski (Bobbs, Merrill). A story of Soviet prison camps.

21. Communism in Action,* United States Government Printing Office, House Document No. 754, Seventy-ninth Congress, second session.

22. Life in the Soviet Union,* by Paul Ward (Baltimore Sun).

23. Behind the Urals, by John Scott (Houghton, Mifflin).

24. The Dark Side of the Moon,* anonymous (Scribners). A study of Soviet prison camps.

III. BOOKS ON SOVIET FOREIGN POLICY

1. Russia and Postwar Europe,* by David J. Dallin (Yale).

2. Soviet Russia's Foreign Policy,* by David J. Dallin (Yale).

3. The Big Three,* by David J. Dallin (Yale).

4. The Struggle for the World,* by James Burnham (John Day).

5. The Strange Alliance,* by John R. Deane (Viking).

6. The Great Globe Itself,* by William C. Bullitt (Scribners).

7. Nazi-Soviet Relations* (The Department of State).

IV. COMMUNIST POLICY IN OTHER COUNTRIES

1. Ally Betrayed, by David Martin (Prentice-Hall), Dealing with Yugoslavia.

2. Tito's Imperialism,* by Reuben W. Markham (Chapel Hill).

3. Last Chance in China,* by Freda Utley (Bobbs-Merrill).

4. Russia's Europe,* by Hall Lehrman (Appleton Century).

5. I Saw Poland Betrayed,* by Arthur Bliss Lane (Bobbs Merrill).

6. Defeat in Victory, by Jan Ciechanowski (Doubleday). Dealing with Poland.

V. COMMUNIST THEORY AND TACTICS FROM COMMUNIST SOURCES

1. Communist Manifesto,* by Marx and Engels (International Publishers).

2. The State and the Revolution,* by V. I. Lenin (International Publishers).

3. Principles of Leninism,* by Joseph Stalin (International Publishers).

4. Blueprint for World Conquest* (Human Events Publishers). The program and statutes of the Communist International.

5. History of the Communist Party of the Soviet Union* (International Publishers). An authoritative study of Communist theory and tactics as carried out in the Russian Revolution and now used as a guide for American Communists.

6. Capital and Other Writings,* by Karl Marx, edited by Max Eastman (Modern Library).

VI. ANTICOMMUNIST MAGAZINES

Plain Talk*, 240 Madison Avenue, New York, N. Y.; $3 a year.

Counterattack* (American Business Consultants, Inc., 55 West Forty-second Street, New York, N. Y.). Weekly, $24 a year.

New Leader,* 7 East Fifteenth Street, New York, N. Y. A Socialist weekly magazine, $3 a year.

EXTENSION OF REMARKS

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the RECORD on the subject of the national chicken-of-tomorrow contest.

SPECIAL ORDER

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that I may address the House for 15 minutes on tomorrow, Thursday, March 4, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

THE STATE OF THE NATION—WITH APOLOGIES TO THE LATE PETER FINLEY DUNNE

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, you ask me of the state of the Nation, Mr. Hennessy. Well, it is in a sad state, Hennessy. The pipe line is running empty again, and now Mr. Marshall says we must stop communism some more over in Europe. The $25,000,000,000 we have poured in is mere priming, he says.

The scene opens—Mr. Hennessy in the court of King Arthur—and have you heard of the grand building they are putting up for the new United Nations up in New York?

Mr. Rockefeller has shoved a lot of dead-end kids into East River, and they are building there a grand place, Hennessy—$65,000,000 it will cost, and then this grand debating society, unlimited, will just take over and the old Capitol at Washington will just be a memory as well as that old Star-Spangled Flag that for so long affronted the citizens of the world standing for capitalism and free enterprise as it did, Mr. Hennessy. Sure, a hundred or so may vote against this newest plan, but they will be just some midwestern isolationists, reactionaries, relics of the horse and buggy day, Mr. Hennessy.

You ask about all the noise in old Dixie, Hennessy. Well, in Virginia, Old Friar Tuck did gather a grand lot of hounds for the hunt, the best dogs in the Old Dominion, some from way up in the Shenandoah; after a grand run they treed right down on the bank of the James, and sure it looked like the brush was theirs. But in the absence of the President, Mr. Hennessy, some gentlemen from the Cabinet arrived in haste at the James—one fat one from Interior reminded them that stopping communism in Europe took a lot of coal—$300,000,000 worth in fact—and a lot of phosphate from Florida as well as oil from Texas.

The Florida hounds took off for home and not a hound from Newport News to Kentucky coal fields so much as gave voice, and the Texans took their prize dogs right along home.

After all they said, a lot of the commotion, Mr. Hennessy, was another gentleman from the Cabinet—this time from the State Department—not the first President trying to throw a dollar across the Rappahannock, Hennessy, but one trying to throw seventeen billion across the Atlantic; he suffers sometimes from touches of amnesia, they say, Hennessy, but he has a grand throwing arm. But the one who really interested them, Hennessy, was the one from Agriculture—did they not know, said he, that it took nine hundred and sixty million worth of tobacco, five hundred million worth of cotton, and six hundred million worth of oleo grease to ease the situation in Europe—they do say, Hennessy, that not a hound has bayed from the flue-cured area of Carolina to the Burley Belt in Kentuck, and to make matters worse the one from Commerce reminded them that it also took 4,000,000 tons of steel a year; at that, old Gen. A. P. Hill, from Montgomery, stood right up in meeting and said: "You other fellows can desert if you want to, but I am going to stick to the Confederacy, Mr. Hennessy."

And you ask me, Hennessy, Is the little man in the White House worried? Not at all, Hennessy—not at all. He just lies in the sun and flagrantly flaunts his fanny in Florida sand waiting, Mr. Hennessy, for the icicles to melt off his new balcony. After all, Hennessy, the one that really takes the fight out of the dogs is the man in Agriculture. He woggled his fingers in the grain pit, Mr. Hennessy, in January a year ago and wheat went up a dollar and two cents in 10 days, Mr. Hennessy, and cost the country $727,000,000 extra in the next 6 months. He wiggled them the other way on February 4, this year, and wheat went just the other way just as quick as it went up. Of course, Mr. Hennessy, he said it was a couple of guys name Pauley. But remember this, Hennessy, the hand that rocks the scale in the grocery store is the hand that rules the world.

COMMITTEE ON PUBLIC WORKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEWIS DESCHLER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, when our friends come to Washington and we take them to the gallery to observe the House of Representatives in action, I am quite sure that in pointing out the things of interest in the Chamber every one of us always points out the Parliamentarian and makes reference to his responsibilities and his work here in the House.

Today is Lew Deschler's birthday, and because of the fact that this year is the twentieth anniversary of his selection as Parliamentarian it seems to me quite appropriate to say to the Members for their information that Lew first came here on December 7, 1925, as messenger to the Speaker's table. On February 1, 1927, he was named Assistant Parliamentarian, and on January 1, 1928, was named Parliamentarian by the then Speaker, the great Nick Longworth.

Lew has served as Parliamentarian of the House ever since that time. He has served with distinction and with honor under all of the Speakers who followed Nick Longworth. He continues to serve us today with that fairness and great competence that has earned for him the respect and esteem of every Member of this House.

So I take this opportunity to congratulate him on this his birthday, to wish for him in the future every measure of success and happiness and prosperity, and to say to him that all of us thank him for the splendid, fine work he does here, for the help and assistance he gives to all of us whatever our position of responsibility in the House may be, whatever our political belief may be; and to say that the House of Representatives could hardly go on without Lew Deschler.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I am happy to have a word here and a part in this well-wishing for our distinguished Parliamentarian. I have known him, I might say, intimately ever since he was on the other side of the Speaker's chair. He was brought here by a great Speaker of the House of Representatives, not only a great Speaker but a fine fellow. There never lived a better man to serve in this House than Nicholas Longworth. I still remember him and am thankful to him for his splendid judgment in bringing Lew Deschler to Washington.

Lew's association and mine have been very intimate, especially since I became majority leader in 1937, Speaker in 1940, and minority leader in 1947. The gentleman from Indiana spoke the truth when he said the House of Representatives could not run without Lew Deschler or somebody like him—and where could that other man be found? I guess that is what I will say, because my deep personal affection for Lew Deschler is so great and of so long standing, and shall be as long as we are associated. He is a man of character, deep devotion to public trust, and of ability of a high order.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BROWN of Ohio. Mr. Speaker, I too am happy to join in this tribute to Lew Deschler. I appreciate the splendid description given by the gentleman from Indiana and the gentleman from Texas as to the capable and valuable services rendered by Mr. Deschler. For the benefit of the House, however, I wish to point out that both gentlemen failed to call attention to the fact that Mr. Deschler comes from the great State of Ohio. Ohio is proud of Lew Deschler and the outstanding public service he has rendered here. Chillicothe, the birthplace of Lew Deschler, is also noted as the first capital of Ohio. As a result of this unusual action of the House, today, in interrupting its work to pay this tribute to Mr. Deschler, I know there will be happiness and rejoicing in Chillicothe and in the Deschler family tonight. Incidentally, the mother and father of the Parliamentarian, who are the salt of the earth, also happen to be very good personal friends of mine. So I am especially happy to join in this tribute to Lew Deschler.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, I wish to join in what has been said with reference to our distinguished Parliamentarian, Lew Deschler, whom I regard as one of the most valuable men on the Federal pay roll.

I say that advisedly, because in the many years that I have served in this House I have probably been in as many parliamentary battles as any other Member of Congress; and I have seldom found Mr. Deschler wrong; I have never found him unwilling to give any Member accurate information.

He is the third Parliamentarian since I have been in Congress. The first one was our distinguished colleague from Missouri Hon. CLARENCE CANNON, the author of Cannon's Precedents, and one of the great parliamentarians of all time.

The other one was Mr. Lehr Fess, a very splendid and a very able parliamentarian, whose father was a Member of the House for some time, representing a district in the State of Ohio, I may say to the gentleman from Ohio [Mr. BROWN], and later a Member of the Senate.

I understand Mr. Fess is now a very successful attorney in Ohio.

Mr. Fess was succeeded by Lew Deschler, who has been in that position, as the gentleman from Indiana has stated, for 20 years. I can truthfully say, as I said a moment ago, that he is one of the most valuable men on the Federal pay roll today.

Mr. HALLECK. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I concur in everything that has been said by those preceding me about Parliamentarian Lew Deschler on this his birthday. Possibly I did not hear every word that has been said, but I know Lew Deschler and I know the Members of the House. There is not one among us, regardless of the section of the country from which he comes or the political party to which he belongs, who does not have absolute confidence in the ability and the integrity of our Parliamentarian. His is an endless job, but his talents are such that he is especially qualified for this position. We all have implicit confidence in him, and why? To begin with, he is a good lawyer, possessed of an analytical mind and capable of making prompt decisions. No one familiar with parliamentary procedure in the House will arbitrarily question his interpretation of the precedents. He is never partisan. He is always loyal. He believes thoroughly in the House of Representatives as an institution and is ever jealous of its rights, prerogatives, and dignity.

In performing his official duties, he calls the numbers as he sees them without fear or favor. We are especially fortunate in having as our adviser one so completely divorced from prejudice. I remember well when Lew Deschler first came to the Congress as a very young man at the invitation of former Speaker Longworth. He occupied the timekeeper's chair at the left of the Speaker. By hard work and study, he has moved gradually upward and, while there is no indispensable man, yet in these troublesome days, when new legislative fields are being explored and new precedents established, his services are vital to the national welfare. I only wish that all of our people could understand what a factor this particular Parliamentarian is in the functioning of Congress.

Mr. Speaker, I have spoken of Lew Deschler as an official and as a Parliamentarian. He is not only an official and a Parliamentarian to most of us, he is more—he is a friend in all that term implies. He is always genial, always courteous, and always obliging. We felicitate him on this his birthday, and hope that he will remain with the House down through the years unless perchance, as so often happens, he returns to the Congress as a Representative of the great district in Ohio of which he is so proud. Good luck and God bless you, Lew!

Mr. HALLECK. Mr. Speaker, I yield to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I should like to be permitted to bear witness to the fine character, the great ability, and the complete impartiality of this very extraordinary man. There is not a piece of faulty timber in his entire make-up. It is his love for the work that he is doing and his devotion for the membership of the House that has kept him here and that has him here now for there have been many attractive offers made him that would have taken a weaker man away.

Mr. HALLECK. Mr. Speaker, I yield to the gentlemen from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I rise simply to call the attention of the Members of the House to the fact that the gentleman from Ohio [Mr. BROWN] forgot to conclude his speech with these words: "When bigger and better Parliamentarians are produced, Ohio will produce them."

Mr. HALLECK. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I concur in everything that has been stated about Lew Deschler. When I came to the House it was thought that it then had one of the greatest Parliamentarians in its history in the person of the incumcent—Asher C. Hinds—who compiled a very extensive treatise on the parliamentary rulings and precedents of the House of Representatives. Unfortunately, while Mr. Hinds was a very capable Parliamentarian, he served under Speaker Reed, known as a czar, as well as Speaker (Uncle Joe) Cannon, another czar of the House, both of whom did not follow the parliamentary interpretations and ruling laid down by Mr. Hinds, and they ruled the House with an iron hand. Speaker Cannon, popularly known as "Uncle Joe," under whom I served, was a man of extraordinary ability, resourceful and determined. From my point of view his only deficiency or handicap was his eyesight whilst he was presiding over the sessions of the House. At such times he could only see with one eye—it being the left one—seeing only those on that side. By that explanation I do not wish to imply the Republicans as being leftists, but it is a fact that they sit on the left of the Chamber. However, at private evening sessions elsewhere Uncle Joe could see remarkably well with both eyes, as I personally observed.

Since that time we have had quite a few capable Parliamentarians, Crisp and Cannon who, like Asher C. Hinds, became members of this body, and Bennett Clark, who was even elected a Senator, and Mr. Fess, of Ohio.

Consequently, in view of Mr. Deschler's ability, I hope that he will emulate the advancement and progress of those who have preceded him in becoming Members of this body. His service and experience would be most useful in the considerations of the House and his welcome to membership, I am sure, would be unanimous.

I congratulate Mr. Deschler on his birthday and express the wish that he will continue to enjoy good health and that contentment and happiness will be his in the years to come.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. Mr. Speaker, I feel that I would be derelict to my own sense of duty and obligation were I not to say a word with respect to the fine services that have been and are being rendered by our present Parliamentarian, Lew Deschler. No words that I use can express my very high and great appreciation of his services to this House.

When I became a Member of the House on March 4, 1911, simultaneously with the election of Champ Clark as Speaker, my recollection is that Charlie Crisp was the Parliamentarian. He served with distinction. He was a great Parliamentarian. Later he was succeeded by Bennett Clark, Speaker Clark's son, who served well. He was very efficient and proficient. Then we had Hinds, who wrote Hinds' Precedents, who was a perfect Parliamentarian and a fine gentleman. Then we had Mr. Fess, and later the gentleman from Missouri [Mr. CANNON]. All have distinguished themselves and rendered outstanding services to this House. If I have missed any, I apologize. They have all been capable, efficient, courageous, and proficient, but none have served better than our present Parliamentarian, Lew Deschler. He is always capable, always efficient, and always courteous, always a gentleman.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Nebraska.

Mr. CURTIS. Mr. Speaker, I want to raise my voice in praising our genial and able Parliamentarian, Lew Deschler. He is a fine American and he is rendering an outstanding public service. I wish to congratulate him and extend to him and his every good wish.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. HUBER. Mr. Speaker, I want to join in the tributes paid to my fellow Ohioan, Lew Deschler. A moment ago I considered a parliamentary question, and

under the circumstances I could not propound the inquiry to Lew Deschler. I intended to request that he be permitted to address the House and respond to these tributes. The minority leader informed me that this was not permissible under the Rules of the House, and I think that under the circumstances it is just as well, because if Lew were up here making speeches on controversial subjects every day he would be unable to enjoy his splendid nonpartisan reputation for absolute fairness.

So, in his case, Mr. Speaker, "silence is golden." I sincerely hope that while this body may not hear his voice, nevertheless for many years to come we may be permitted to have the advantage of his wisdom, advice, and friendship.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, on the question of Lew Deschler as a parliamentarian, as a man, a husband, and a father, all the Members of the House join in a feeling of respect and friendship for him. We extend our best wishes individually and as the House of Representatives to him and Mrs. Deschler and their children. Lew Deschler in a sense is the right arm of the Speaker, whoever the Speaker may be, and both arms of the House. If there is any man who comes close to being an indispensable man in a particular position, it is our distinguished friend, our beloved Parliamentarian, Lew Deschler.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD in regard to Mr. Deschler.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RICH. Mr. Speaker, all Members of the House know Lew Deschler and his value to all the Members of the House. He is here the indispensable man. I agree with all the fine words said in reference to his fine character and believe in the following poem—the author I do not know:

TELL HIM NOW

If with pleasure you are viewing
Any work a man is doing—
If you know him and you like him,
Tell him now.

Don't withhold appreciation
'Till the parson makes oration
And he lies with snowy lilies
On his brow.

For no matter how you shout it,
He won't really care about it;
He won't know how many teardrops
You have shed.

If you think some praise is due him
Better stop and give it to him
For he cannot read his tombstone
When he's dead.

So Lew we all love you.

Mr. ARENDS. Mr. Speaker, I too, want to join with the other speakers in congratulating and extending best wishes to our good friend Lew Deschler, Parliamentarian of the House, on this his birthday. Lew is the friend and adviser of all the Members on both sides of the aisle. Without him the procedure in the House would slow down to a walk. Lew greases the wheels and makes possible the efficient steady movement of legislation by parliamentary know-how. We wish you many, many more happy birthday anniversaries and all good luck and good fortune for you and yours.

Mr. SARBACHER. Mr. Speaker, on behalf of the new Members of the Eightieth Congress I too would like to add my sincere best wishes and thanks to Lew Deschler on this occasion. His character, background and personal achievements are among the finest I know.

We all respect and admire our parliamentarian. Again, congratulations and good luck, Lew.

Mr. WORLEY. Mr. Speaker, there have been so many nice things said already about our Parliamentarian and friend, Lew Deschler, that whatever I say might be repetitious. But I would like to join in the well-deserved compliments paid to him, and to wish him and his gracious family the very best of everything, not only for this birthday, but for many, many more to come.

Mr. CANFIELD. Mr. Speaker, I desire to join in today's birthday salute to Lewis Deschler, House Parliamentarian, who has not only established a record in years of service in this assignment but has made himself unforgettable in the minds of hundreds of Congressmen because of his outstanding ability, his friendly demeanor, and his personal helpfulness in responding to inquiries bearing on the rights and privileges of Members.

As one who has been called upon by the gentleman from Massachusetts, Speaker MARTIN, to preside as Chairman over the Committee on the Whole House on the State of the Union, I know what it means to have close by this able Parliamentarian, whose mental processes are triggerlike and whose memory is amazing. His importance in our legislative system has not been overstated in the tributes of this day and it should be emphasized that he has been the right arm of distinguished Speakers during the most trying days of our Republic.

I love the House, and one of the reasons is Lewis Deschler.

COMMITTEE ON THE JUDICIARY

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that subcommittees of the Committee on the Judiciary may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FOOT-AND-MOUTH DISEASE

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 491, Rept. No. 1484), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5098) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PUBLIC AIRPORT IN THE TERRITORY OF ALASKA

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 492, Rept. No. 1485), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3510) to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include a radio address he made on February 27.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three instances, and to include in one an editorial that appeared in the Lynn Telegram-News, and in each of the other two a resolution from the General Court of Massachusetts.

JOHN W. McCORMACK FOR VICE PRESIDENT

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, to provide a balanced ticket that will appeal to the big city voters President Truman needs a strong running mate from the East.

The convention of the Democratic Party, which will choose its two standard bearers and draw up the platform on which it will present its case to the Nation, is only 4 months away.

The office of Vice President can no longer be considered as mere window

dressing. Twice within our lifetime it has meant that the understudy became principal. In selecting a nominee for Vice President, we should bear in mind that he is but a step away from the Presidency itself. Consequently, he must be thoroughly familiar with the functions of our Federal Government and must be favorably known by the people of the 48 States.

Meeting this bill of particulars is the All-American Congressman, the gentleman from Massachusetts, JOHN W. MCCORMACK.

He is no amateur drafted for the honor because he has made a name for himself in some other field.

Nor is he a sectional candidate with some knowledge of State government but untried in the larger and more difficult responsibilities of national and international affairs.

But JOHN MCCORMACK definitely is the work horse of the Democratic Party. Through a most strenuous period in our history, including depression, war, and reconstruction, he has carried the ball for the alert and progressive policies of our party.

A capable and trusted adviser to two Presidents, JOHN MCCORMACK has led the fight for the administration in this House of Representatives for many years. In company with the gentleman from Texas, SAM RAYBURN, he has provided positive leadership for Congress during its most trying years. Consulted on all matters by the White House, he has acquired a broad knowledge of both administrative and legislative problems that enables him to resolve the differences that frequently occur between these two branches of Government. With his legal training and experience, he understands the checks and balances which are the safeguards for our three-way form of government.

Other potential candidates for this position have individual abilities, but in none will you find the all-around, practical, and seasoned knowledge of the workings of Federal Government as that possessed by JOHN MCCORMACK.

Even before he was elevated to the high and exacting office of majority leader in the House of Representatives in 1940, he battled untiringly for such legislation as social security, the regulation of the stock market, the conservation of our natural resources, the establishment of great public power projects in the South, West, and Northwest, which government officials from all nations come to study in an attempt to duplicate, and for an agricultural program which has raised our farmers from the bankruptcy of the twenties and the Dust Bowl tragedy of the thirties to the highest level of progress and income they have ever enjoyed.

As our late President Franklin D. Roosevelt often commented: "I like John; he has guts."

Our Nation cannot take a chance with untried leadership. Stupendous problems lie before us. For their solution we need bold and imaginative leaders with the dynamic qualities of a JOHN MCCORMACK, who has the faculty of getting things done. This is the mark of a true executive.

If the Democratic Party is not to fail itself and the Nation, it must choose the strongest possible candidates at its July convention. They must be loyal Democrats whose records prove that they consistently believe in government of, by, and for the people, rather than the special interests who want invisible government. They must have the respect and confidence of all segments of our party. They must be well and favorably known to the Nation.

The popular Bostonian is the logical choice of our party for the Vice Presidency because he measures up to each and every requirement.

As a fellow Congressman from Massachusetts, I know of his absolute dedication to the welfare of our country. The high esteem in which he is regarded by the Members of this deliberative body confirms this opinion. He has what it takes to win national support.

After nearly 20 years of outstanding service in the House of Representatives, the time has arrived to honor our Democratic whip. I propose that we start now to work for the nomination and election of JOHN W. MCCORMACK as Vice President of these United States.

EXTENSION OF REMARKS

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an article.

ANTILYNCHING LEGISLATION

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, I am sure I am divulging no secret when I state that yesterday the House Committee on the Judiciary, of which I am a member, by a majority vote of 18 to 8 reported favorably on H. R. 3488 as introduced by the gentleman from New Jersey, Congressman CASE. These facts have already been carried in the press. I, of course, voted with the minority and shall continue to vigorously oppose all attempts to enact any such legislation. I sincerely trust that if, as, and when this so-called antilynching bill reaches the floor of the House a majority of us will vote against the measure.

No doubt other provisions of the President's so-called civil-rights program will be reaching the floor soon. Surely there is no justification for the enactment of such legislation. These hurtful measures are harmful, not only to our fair southland but to the entire Nation. Instead of being good for the country, the effort by the Federal Government to invade State's rights by the enactment of antilynching, antipoll tax, antisegregation, and the iniquitous FEPC legislation, is sure to result in great harm.

The potential dangers in the enactment of the so-called antilynching measure cannot now be estimated. This antilynching measure, as we all know, is only one phase of the general agitation for racial legislation. My northern friends in both parties have been endeavoring for many years to drive an opening wedge between the people of the South and their constitutional right to conduct their own local affairs without unwarranted interference on the part of the Federal Government.

The proposed Federal antilynching law is based on nothing but political expediency. It is a vote-getting measure pure and simple. In the name of politics, my friends of the Republican Party and many of my friends of the Democratic Party propose to place in the hands of the Federal Government the power to coerce the governors and the public officers of the individual States.

The justification for such a move is so slight as to be ridiculous. Every hearing that has been held on antilynching legislation during the past quarter century has brought out the fact that lynching is rapidly being stamped out. Lynching will soon be, if it is not already, a thing of the past. During the year 1947 there was only one bona fide case of lynching in the United States, and it is a source of deep regret that the incident took place in my own district in my own county of Greenville. But all of you know what happened. The suspects were promptly apprehended, tried, and acquitted. Had there been a Federal statute, and had the trial been held in a Federal court, there is no doubt that the same verdict would have been returned.

Since the year 1892, when lynchings reached their highest peak, the States on their own initiative have succeeded in virtually eradicating the lynch threat in America. The report of the Tuskegee Institute released early this year is significant. During 1947, the report states, there were 39 incidents that could have degenerated into lynchings. In all but one of these incidents, mob violence was prevented by the bold and resolute action of State and local officials. In other words, the States of the South have effectively protected their citizens from the crime of lynching. May I inquire of my friends in large northern cities if their citizens are equally well protected against equally horrible crimes?

No one deplores lynchings more than I do. No democracy can long endure when mob action supplants due process of law. We in the South detest lynching and mob violence of every type. And we have fought it so successfully that during the year 1947 lynching was the only form of crime that did not show an increase.

I do not say that lynching is at an end in America. I fervently hope it is. But I do say, and I say it with all the confidence and assurance that I have, that we have seen the beginning of the end. Lynching is on its way out. And it is on its way out, not as a result of any Federal legislation, but through the good sense and fixed determination of the several States. Whatever lynching problems the South has had, it has licked those problems. And it will lick its other problems involving questions of race without the necessity for interference by the Federal Government.

The antilynching measure is not only unnecessary but it is manifestly unconstitutional, as eminent lawyers have stated. Implicit in the very concept of our constitutional democracy is the idea that government starts with the individual and works up through the community, the State, and then to the Federal Government. We cannot challenge the power of the States to regulate their internal affairs without challenging the Constitution itself. To reverse the natural succession of authority is to endanger the very foundations on which representative democracy rests.

We have just concluded a long and bitter war to eliminate from the world the threat of authoritative ideas in government. We profess to be conducting a crusade, through the European recovery program, against what still remains of that totalitarian concept. How can we then, with any semblance of consistency, take steps in our own Nation to kick the props from under our own democracy by injecting Federal authority into matters that belong rightfully and constitutionally to the individual States? The people are the government. The people and the Government are resident in our States. If this legislation is enacted here, this body will be party to a lynching far more monstrous than any the act seeks to prevent—for this body, in passing this legislation, will have lynched the Constitution itself.

Consider again the importance of what you are proposing to do. Do you for one moment believe that we of the South are unaware of our racial problems, or do you believe that we do not recognize our responsibility and our capacity to deal with those problems? We are not blind. And those of you who know us at all know that we are not heartless. Do my northern friends think that they have a monopoly on consideration and sympathy for the Negro? On the contrary, sympathy can stem only from understanding, and understanding can result only from experience and association. This problem belongs to the South, and the South will solve it—the South is solving it. All we ask is the chance to complete this work. All we ask is that you take no hasty action which will jeopardize the work that has already been accomplished, the progress we have already achieved.

The South is moving toward a solution of its complex racial problems. It is moving more rapidly than most of us realize. Today, throughout the entire Southland, you will find a great majority of the people in what were formerly termed "lynch areas," who are denouncing this crime, fighting this crime, and stamping it out completely. No, my friends, the South is not the center of reaction that my northern friends seem to imagine. There is a progressive spirit in the South that is moving forward with force and effectiveness to erase the causes of tension and to uplift the living standards of the South. There is precious little real help coming from the outside. All the real work of progress is being accomplished by the South itself, because few people outside the South understand the problems or have sufficient insight to apply practical remedies. In spite of powerful economic forces that discriminate against southern agriculture and industry, in spite of the ill-advised invasion of northern labor agitators, in spite of consistent endeavors of our northern friends to foment malcontent and exaggerate racial tensions—in spite of all these things, the South is on the way up the social and economic scale. It is a bootstrap struggle, but it is a successful struggle.

We of the South have no need to be ashamed—rather, we should be proud—of the great strides our people have made, acting on their own initiative. We have had our isolated lynchings, but at least we have not had any governor to speak his blessings upon and offer his promises of pardon to members of lynch mobs. The public officials of the South are serving well the cause of justice. Mobs will never rule the South. The South will continue to dispense equal justice under law.

There is only one method whereby the barbarism of lynching can be eliminated from the American scene. That is the method of self-regulation, self-restraint. No compulsion from outside in the form of a Federal antilynching statute can ever prevent a single lynching. The only way to deal with mobs is through community responsibility, through the kind of local authority assured to the several States by the United States Constitution.

The people of the South are gravely concerned. They see no hope in the Republican Party, and they see the Democratic Party violating the vows of political wedlock. Ours is, however, less of a revolt than a protest. We shall continue to protest whenever any cherished rights and traditions of our people are menaced by the short-sighted actions of the leaders of either political party.

THE RENT-CONTROL SITUATION

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include a speech by Robert F. Wagner, Jr.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, I believe the problem this Congress faces on the continuation of rent control is one of the most serious domestic issues we have before us. I understand that the Banking and Currency Committee has delayed action on this important subject. I hope they will not leave action on this matter until the closing days of this month when the present law is about to expire.

In the current issue of Harpers magazine there is a feature article, The Coming Wage and Price Spiral and How To Stop It, by Stephen Raushenbush.

He lists eight main factors making for serious inflation. Second in order of importance, he states, next to an anticipated short winter crop "put close to a billion dollars in additional rents that may have to be paid out this year."

Thinking people everywhere are increasingly aware of the seriousness of this problem.

I was particularly impressed by a recent strong statement on this issue by Robert F. Wagner, Jr., son of the eminent Senator from New York, at the National Convention of Americans for Democratic Action on February 23, 1948. Mr. Wagner was commissioner of the housing department of the city of New York and knows from personal experience the serious nature of this problem.

Mr. Wagner's speech follows:

RENT CONTROL

Rent control must be continued. The hot potato of domestic politics today is the question of continuing rent control. Both Houses of Congress have taken the extraordinary step of meeting today on a national holiday at 12 noon to take action on this vital subject. The Eightieth Congress has been guilty of criminal neglect in their failure to resolve this problem by enactment of an extension of the present law or a new bill in adequate time so that millions of tenants and landlords would know their rights and equities on a continuing basis without being faced with premature expiration of a law which affects the personal lives of so many millions of our citizens. Both Houses of Congress are equally negligent. If this were not an election year it is very likely that the cruel cynicism of the Republican leadership would permit expiration of controls and cause a wave of evictions and an economic crisis in the budget of millions of American families. But the inflation-minded majority leaders in both Houses have come to the realization that they must continue rent control in this election year. These rent-raising Republicans are afraid to permit controls to expire because they know that would help bring about the formation of thousands of organizations of Tenants for Truman.

On this issue President Truman has had a distinctly good, consistent position. He has repeatedly urged Congress to pass an adequate bill providing for effective controls. They have met his repeated requests with delays and inaction. Senator CAIN, acting for the Senate Banking and Currency Committee, has fiddled along, changing his tune with each change of scenery in the national scene. Congressman WOLCOTT has faddled along putting every hindrance in the way of his own committee and giving inadequate consideration to the economic necessities which require continuation of this last bit of comparative economic stabilization in our economy.

It is 5 minutes past midnight for the liberals on this issue. We must rally every bit of support for adequate legislation by the Congress before the expiration of controls brings havoc and chaos to the little people of this country. We demand that Congress pass an immediate extension of the present law for 30 days.

We demand that Congress reject the kind of proposals which Senator CAIN made in the United States Senate and which was rejected by the Senate Banking and Currency Committee. The new law should provide adequate protection for tenants from hasty evictions. It should provide an adequately financed mechanism for the enforcement of its provisions. It should not provide a general increase in rents. Any adjustments which are needed can and should be made on a case-to-case basis.

I hope the ADA will set up its national ADA rent committee and rally the support of millions of like-minded people in persuading Congress that they cannot and must not give way to the greedy real-estate lobby which has publicly spent more money and been more successful in persuading Congress to vote its way than any other single interest in this country. On January 14 the real-estate lobby held its Washington sessions to tell Congress their program for stymying any housing legislation and their program to bring about the complete end of rent control. Over 130 Members of the Con-

gress came downtown in Washington to the Statler Hotel from Capitol Hill to hear their program and do their bidding. We must rally the people of this country to offset that kind of effective lobbying. We must match the threat of dollars and greed by the vocal expression of millions of voters. I cannot close without stating that this dire need can and will be relieved only when we adopt an adequate housing program. But that is another subject, though equally pressing. I refrain from discussing it here now because I believe the imminence of the action in Congress on rent control makes it the No. 1 issue in America today.

EXTENSION OF REMARKS

Mr. BRADLEY asked and was granted permission to extend his remarks in the RECORD and include an address made by the chairman of the National Young Republican Federation.

Mr. LODGE asked and was granted permission to extend his remarks in the RECORD and include an article from Plain Talk.

Mr. MACKINNON asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. FOOTE asked and was granted permission to extend his remarks in the RECORD and include an article published in today's Washington Times.

Mr. KERSTEN of Wisconsin asked and was granted permission to extend his remarks in the RECORD in two instances and to include articles in each instance.

Mr. DAVIS of Wisconsin asked and was granted permission to extend his remarks in the Appendix and to include his own remarks before the St. David Society of Washington.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. HESELTON]?

There was no objection.

Mr. HESELTON. Mr. Speaker, I have been asked by some of my colleagues why I did not try to pour a little oil on troubled waters. I am willing to do that if I can get some oil for that purpose, but lacking the oil, I am going to try to do it with words. Particularly I am asking our friends on the Democratic side to exercise the influence I know they have, which we do not have, with the Department of Commerce.

Yesterday, Mr. Charles S. Jones wired me. One of the most significant sentences in his telegram was this: "Want you to know that our first consideration at all times is to use all our facilities for the protection of domestic business."

As I said yesterday, that could be repeated over and over again by other leaders in the field of the oil industry; in fact, in all our industries.

Mr. Jones' prompt and constructive response will certainly win for him a place of high esteem in the minds of the people of the Northeast. Personally, I shall make it my business to tell as many as I can of his message, and I shall emphasize one sentence in it when he said, "We have no east coast outlets and no business in Atlantic waters." That makes his neighborly and friendly effort all the more appreciated by us all. For one, I hope he will find it possible to arrange for such outlets for the Richfield Oil Corp., for I am sure that we in that area would welcome him and it.

The Maritime Commission has assured me it would be able to furnish us with adequate tankers within a few hours after notice that we have the oil ready for shipment. So we have the tankers; we have the terminal facilities. All we lack is the oil. I know the Department can give it to us if our colleagues on the other side would try to prevail upon them to do so.

Even though you differ with the judgment of a majority of the House Committee on Interstate and Foreign Commerce in favorably reporting House Joint Resolution 323 yesterday, I hope you will not believe that they acted hastily or petulantly. They have lived with this problem for weeks. I think they showed remarkable patience. Even now I know they would welcome the cooperation of the Department. But I think there is a point when patience ceases to be a virtue. There is no evidence that we have any right to wait further in the hope that someone, somehow, will see that these shortages end. In my judgment, we have a very real personal responsibility now unless the Department will listen to and grant this final appeal. If it will not, I must accept the decision. Surely no one could expect us to sit idly by, knowing that our inaction means the inevitable loss of these heating oils our constituents need so much now. So that you may know the action I have taken in trying to arrange for the storage and best use of these oils, if we do obtain them, I am reporting a telegram I sent to the Governor of Massachusetts and his reply of today:

BOSTON, MASS., *March 3, 1948.*

Hon. JOHN W. HESELTON,
House of Representatives:

Refer your telegram March 3, necessary storage available. Arrangements now being studied by primary suppliers; will report fully tomorrow.

ROBERT F. BRADFORD,
Governor.

WASHINGTON, D. C., *March 2, 1948.*

Hon. ROBERT F. BRADFORD,
Governor of Massachusetts,
State House, Boston, Mass.:

House Interstate and Foreign Commerce Committee reported resolution out this morning. Request for rule tomorrow or Thursday. In the meantime have wire from president Richfield Oil advising he will be glad to assign tanker *Coxcomb Hill* to east-coast run north of Hatteras for several voyages. This is T-2 with capacity 138,335 gallons. Believe this fuel should go into storage for pool. May I have your advice whether you agree and whether you can make arrangements in tanker terminals for such storage? Believe these shipments should be reasonably concentrated but available to northeast areas.

JOHN W. HESELTON,
Member of Congress.

Similar reports are being made by other Members of the House as to arrangements at other east coast ports.

OLEOMARGARINE

Mr. FOOTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. FOOTE]?

There was no objection.

Mr. FOOTE. Mr. Speaker, I am pleased to be included among the members of my party who have introduced a measure to repeal the unjust tax and license fees on oleomargarine. With the present high cost of living, most housewives have had to use this product. Many of them have written to me from my own district, protesting the situation. This is the only item of food on which a tax is levied and for which a license must be obtained by the seller, both of which are undoubtedly passed on to the consumer. There is every reason why the housewives who cannot afford to buy $1 a pound butter should be relieved of this tax on oleomargarine. I was particularly impressed by editorials from the Wisconsin papers, the home State of our esteemed friend, the gentleman from Wisconsin [Mr. MURRAY]. These Wisconsin papers characterized the oleomargarine tax and I quote, "As a legislative monopoly." No one can afford to have his bread buttered on one side today, much less both sides. I do not mean to send cows to the slaughter house and I believe that argument is so much "bull." I wish to help the average housewife. She needs a new hat for Easter and the abolition of this tax under suspension of the rules today, would enable her to save enough money to get two feathers instead of one. It might even allow her to buy a dress. The abolition of the tax on oleomargarine will affect nearly every home in the Nation. It is unjust. It is unfair. It is discriminatory. This is the hour of nondiscrimination. Hearings on the bills are scheduled to commence before the Agriculture Committee on March 8 and continue to March 12. Let us demonstrate that we do not favor the cow as against the good housewife of America.

EXTENSION OF REMARKS

Mr. ROHRBOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

Mr. FULTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter on displaced persons.

UNWISE COURSE OF NEGRO AGITATORS—THE SO-CALLED ANTILYNCHING BILL—NERO FIDDLING WHILE ROME BURNS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, probably I should rise to a question of personal privilege. Letters are coming to me from all over the country that this Negro outfit up here which calls itself the National Negro Council, and which I think is a Communist-front organization, is circulating petitions in almost every Northern State asking that I be expelled from

Congress; and their mouthpiece, the Afro-American, a Negro paper published here in Washington, carries this headline: "Demand ouster of RANKIN."

It goes on with a vicious attack on me. This outfit of radical Negroes has filed with the Committee on the Judiciary of the House, large numbers of these petitions headed:

Oust Congressman RANKIN, of Mississippi. Cut down southern representation in Congress. Pass Federal antilynch bill, including death penalty, providing Federal civil rights and $25,000 damages from local county and State for lynch victims' families.

This propaganda is going on in the face of the fact that there have been only four Negroes lynched in the last 12 months. There has been a far greater number of white women raped by Negro brutes in Washington as a result of this agitation within the last 12 months, and one of them within sight of this Capitol; and the very ones who are pressing this crazy legislation have not done a thing in the world to protect the white women of Washington against these attacks.

I was chairman of the Veterans' Committee for 16 years. We have one or two Negro veterans' hospitals. Not a single time did this bunch of Negroes ever come before that committee to ask for assistance for those sick or otherwise disabled Negro veterans.

Today the representatives of the Booker T. Washington Foundation are backing a bill for a Negro veterans' hospital in Virginia, and this crowd is opposing it.

They say they want me thrown out because I say that the antilynching bill should be called "a bill to encourage rape."

I borrowed that expression from the Honorable Finis J. Garrett, one of the finest and ablest men who ever served in this House.

I am utterly surprised that this bunch of irresponsible Negroes has been able to mislead the Republican members of the Judiciary Committee into bringing this piece of crazy legislation to the floor of the House.

Under permission to extend my remarks, I am inserting a speech I made against this vicious so-called antilynching bill when it was up in Congress many years ago.

It reads as follows:

SO-CALLED ANTILYNCHING BILL—NERO FIDDLING WHILE ROME BURNS

Mr. RANKIN. Mr. Chairman, bringing this so-called anti-lynching bill in here at this time is one of the most ridiculous performances ever witnessed in the Congress of the United States, and one of which the American people, your constituents, have every reason to be ashamed. It is the old story of Nero's fiddling while Rome burned.

Seldom in the history of this country has there been a greater need for the exercise of statesmanship in this House. We are confronted with problems of grave importance to the people of the Nation and of the world; and yet this Congress, or the House of Representatives, is wasting its time on a vicious, stupid measure that everybody knows will never become a law.

Is that statesmanship? Is it the part of wise men to thus disregard the welfare of the Nation, only to stir up strife and discontent? You Members who are pushing this vicious measure are doing your country the greatest injury of which you are capable.

On yesterday I listened to the address of the distinguished gentleman from New York [Mr. WADSWORTH], in which he pointed out the fallacy of this measure and the impossibility of its enforcement. He and I do not agree on the great fundamental questions that separate the two national parties, but I want to pay my tribute to him as the outstanding member of the Republican Party in public life today. He is the best friend the Negroes have on the Republican side, because he is willing to tell them the unvarnished truth, and to openly oppose a measure that he knows would do them more harm than good. He is by far the ablest member of the Republican Party in the House. He is honest, courageous, and patriotic; and if the Republican Party is really interested in the welfare of the country, they can find no abler, no more worthy leader among the regular Republicans of the Nation as their candidate for President in 1940 than the distinguished gentleman from New York [JAMES W. WADSWORTH]. [Applause.]

This bill that you have dragged out here, by petition, and that a self-respecting committee of the House refused to report, should never be referred to as an antilynching bill. It should be called "a bill to encourage rape and to reelect Gavagan to Congress." It is nothing but a vicious attack upon the white people of the Southern States, and is fostered by a communistic element that has brought sufficient pressure to bear to force it to the floor of the House through the signatures of men who did not have the courage to resist that pressure.

I am going to speak plainly to you today, and especially to you Members on the Democratic side who are indulging in this nauseating spectacle. You are not only offending the white people of the Southern States, but you are proving yourselves to be the worst enemies the Negroes of this country have in public life. You are stirring up trouble for them and deeply offending Members from the South upon whose good will you must depend, not only for your committee assignments in the House, but for the success of any legislation you may sponsor.

Remember that southern Democrats now have the balance of power in both Houses of Congress. By your conduct you may make it impossible for us to support many of you for important committee assignments, and other positions to which you may aspire. The people you represent did not send you here to become the willing tools of a few Negro agitators and to engage in these offensive and useless attacks upon us. They may call you to account in the primary; they may want to know why you disregard their interests in order to serve a few Negro politicians.

The same thing applies to the Republicans. The chances are that they will take care of you alleged Democrats in the primaries, and then take care of the Republicans in the general election, and in that way send us a majority of good Democrats, with a healthy minority of good Republicans, who have the interest of all the country at heart. You Democrats who are pushing this vicious measure are destroying your usefulness here. Some of you ought to announce now that you will not be candidates for renomination, so that the real Democrats in your districts can nominate candidates who can regain for your districts the influences you have lost.

Without the South there would be no Democratic Party, and without the help of the southern Democrats you could not accomplish a thing. By reason of their long services in the House the southern Democrats now wield an influence all out of proportion to their numerical strength, and as a rule they occupy committee positions that give them added power and influence; and they will be here when many of you are gone.

These false tirades against the South must stop. If they are to be made at all, let them come from some irresponsible Members on the Republican side; but if you who sit on our side are going to assault your own ranks, then do it in the open, and do not be playing the roll of Judas Iscariot toward the southern Democrats.

This bill would not prevent a single lynching, and you know it. It is not intended for that purpose. You are being dominated by a few Negro politicians who are in league with the Communists, who, in turn, are attempting to destroy this Republic and are turning heaven and earth to stir up trouble between the two races in the Southern States.

You are not only giving them aid and comfort, but by your conduct you are doing President Roosevelt and his administration the greatest possible injury. The Republicans would be delighted to see you cut President Roosevelt's throat politically, and are therefore voting with you on this vicious measure. They want to see it laid in his lap. They know that if he signs it, it will ruin him in the Southern States; and that if he vetoes it, they can get the benefit of the Negro votes this vicious measure would influence in the North.

It is time to stop this silly, asinine, stupid performance, and get down to the business of the Nation. This stuff is beneath the dignity of men who are worthy to be Representatives in the Congress of the United States. Besides, the country is getting tired of the vicious, false insinuations against the white people of the South inspired, as I said, by the Communists, who are gloating over the damage such measures as this do to the peace and well-being of the people of both races throughout the country, and especially in the South.

The gentleman from New York, Mr. Fish, has been running for President on the Republican ticket on this issue for 20 years, and up to date he has only been able to get one vote, one time, in one convention in all those years, and that was a vote for Vice President and came from a State that does not have enough Negroes in it to do the cooking—and I am told that the delegate who cast that vote was a very old man who probably thought he was voting for the gentleman's grandfather. He does not stand any more chance to be nominated for President, even on the Republican ticket, on this silly issue than Gov. Bob Taylor's guttapercha dog did to "catch the asbestos cat in Hades." [Laughter and applause.]

In fact, if the white people in his district ever understand the stupidity of this measure, he will never even come back to Congress; he will not even be nominated. The white people of the district will want somebody down here who will represent them, and the Negroes in the district will certainly want somebody who will not be stirring up trouble for them all the time.

You are creating trouble here in the District of Columbia, coaxing Negroes in here by the thousands to fill the relief rolls, until they have become almost intolerable. Inspired by a bunch of Communists in Baltimore, Negroes have been picketing the Peoples Drug Stores here in Washington for the past 2 years, trying to force them to fill their stores with Negro clerks. I wish the people you are sent down here to represent could go down here and witness the disgusting spectacle of big, burly Negroes picketing white drug stores, day after day, for 2 years, in order to try to force themselves in there as clerks where decent white women have to trade.

They now have a plan worked out to move at least one Negro family into every white residential block in the city. That is not only laying the groundwork for serious trouble between the races, but it will ruin real-estate values in the District of Columbia. Look how the white people are moving out into Maryland and Virginia, where they can live in decent surroundings and where their women and children are protected.

These Communists are doing their best to force the Negro back into politics in the Southern States. One of their plans is to repeal the poll taxes in order to drag every ignorant Negro to the polls and bring back all the horrors of Reconstruction from which our people suffered in the years gone by.

These things are going to fail; you could not force Negro equality or Negro rule on the people of the South in a thousand years. As Henry W. Grady once said, we wrested the South from the Negro rule when Federal drumbeats rolled nearer and Federal bayonets hedged closer about the ballot boxes of the South than it ever will again in this Republic.

The more you stir this trouble, the more Negroes you coax into the Northern States to fill your relief rolls and add to the already perplexing problems with which you and your children will have to deal. A very distinguished gentleman from Ohio told me a day or two ago that in his city 90 percent of the Negroes were on a public pay roll—mostly on relief or WPA. Look at the relief rolls in the District of Columbia and note the thousands of Negroes that have crowded in here and become wards of the Federal Government. I am told that they are even inviting them to New York City in order to put them on the relief roll or the WPA roll and vote them in the next election.

Who is going to pay for all this? Who is going to bear this burden? If you repeal the poll taxes in the Southern States, in addition to all the other demoralizing results, it will take millions of dollars away from our school funds. Then who will pay our teachers? Are we going to be called upon to further tax the already overburdened white people of these States in order to furnish free education to these Negroes and to bring back a condition against which our people fought, bled, and died during the dark days of Reconstruction? Are you going to continue to agitate this question until you break the taxpayers of your States and your cities, or until the flames of race hatred burst into riots, with all their devastating consequences?

The Negro is a tenant at sufferance wherever he comes in contact with the white man. His very existence depends upon that friendly relationship which has so long existed between the whites and blacks in the South, and which you are now attempting to destroy. When you disturb that peaceful relationship, the Negro must move on. Look at the thousands of them in Arkansas and in southern Missouri that have been stirred up by these Communists and now cannot find employment because white people do not want them on their lands. What is to become of them? Would you keep a Negro on your place if your wife and children were afraid of him? Certainly not.

You voted down the amendment offered by the gentleman from Mississippi [Mr. COLMER] to make this bill apply to gang murders. Why did you do that? Why were you not honest enough to vote it in and protect the innocent people in your own States who are being murdered by thugs every year? By voting down that amendment you refused to protect the innocent white man or the innocent Negro. He must be charged with a crime before this law will protect him. In other words, you can lynch all the innocent Negroes and all the innocent white people you want to, and the law does not apply. But you would protect the Negro rapist and even remunerate his family at the expense of the family of his victim and their neighbors.

It has been brought out here that lynching is on the wane and has almost disappeared in the Southern States. The reason of that is that improved communication facilities, the vigilance of the white people of the South and that of the better element of the black race, together with the swiftness and certainty of punishment, have largely put a stop to the perpetration of those crimes for which Negroes have been put to death.

In the North you mob them en masse. There were more Negroes killed in one race riot in Springfield, Ill., the home town of Abraham Lincoln, a few years ago than have been lynched in Mississippi in all its history. There were more Negroes mobbed in one race riot in Chicago, Ill., than have been lynched in all the Southern States since the Civil War. The same thing occurred in East St. Louis, and the same thing will occur in Cleveland, Ohio; Detroit, Mich.; New York City; Pittsburgh, Pa., and all the other large cities of the North if this agitation continues. Instead of helping to do away with lynching, you are agitating race hatred and stirring up trouble for yourselves and your children.

But this law does not protect the innocent Negroes who are mobbed and whose houses are burned and whose children are killed by mobs in these riots in cities like Springfield, Ill., Chicago, or East St. Louis. It is designed to protect only the Negroes who outrage or murder innocent white women and children.

You try to leave the impression that the few Negroes who were put to death in the South were innocent. Let us take a few instances and see what actually occurred.

A few years ago in the suburbs of one of the leading towns in Mississippi a little woman was standing before the mirror dressing to go to a WCTU meeting—I see the gentleman from New York, Mr. GAVAGAN, laughs at that; I am not surprised. A Negro brute approached the house, eased up onto the veranda, and crawled through a window. She saw him, reached in the bureau drawer and picked up her husband's pistol and pointed it at him. He saw from her terror-stricken face and trembling hand that she was unable to pull the trigger. He walked up, took the pistol from her hand, stuck it in his pocket, choked her into insensibility, raped her several times, then took her husband's razor from the bureau drawer and cut her throat from ear to ear and left her weltering in her own blood in the parlor of her own home. There was no question about his identity. When they caught him, he confessed, told how it happened, and told them where to find both the pistol and the razor.

I wonder what would have happened if that had been your sister, or your wife, or your daughter? Probably the next one will be.

But you would have the country believe that this was a poor, innocent victim of the lawless white people of the community; and under this bill you would send the sheriff of the county to the penitentiary and then tax the county $10,000 to pay to the family of this vicious brute.

This encourages others to perpetrate the same offense.

I remember some years ago there was a Negro in jail in a little town in north central Mississippi. The jailer got sorry for him and made a trusty of him. He sent him out to his house on an errand, and while there he attempted to rape the daughter of his benefactor, a beautiful girl about 16 years old. The girl's mother rushed between him and his intended victim, when he produced a razor and slashed the mother's throat. With her lifeblood gushing between her fingers, she held her throat with one hand and fought that Negro with the other until her daughter could escape and help could arrive, when she fainted and expired.

I wonder what would have happened if that had occurred in your town? What would you have done if that had been your daughter? These are the things you are encouraging by your agitation of this measure.

When you had this measure up before during a Republican administration, after certain Members had delivered themselves of their usual tirade against the South, the telephone operator down at the Driscoll Hotel, right at the foot of Capitol hill, was waylaid on her way home and raped by a brutal Negro on the Capitol grounds—right in front of the Library of Congress.

Just the other day in one of the leading restaurants in Washington—less than four blocks from the White House—a young white woman, the wife of a prominent man from Pennsylvania, went into the washroom to wash her hands, when a brutal Negro followed her, slipped in, and locked the door, choked her into insensibility, and raped her and escaped. That is the kind of stuff you are encouraging by slobbering on these Negroes.

It is not safe for a white woman to walk the streets of Washington at night without an escort. The Negroes are driving the white women, and especially the white children, from the parks of this city. All this is building up trouble that is likely to burst into a race riot the like of which the country has never seen. You had better stop this foolishness before it is too late and pay some attention to people who know something about the subject. The Negro is not a sunburnt Yankee. He is of a different race and must be dealt with as such.

I remember some years ago, down near Memphis, Tenn., a little girl of 12 or 13 years of age had to walk to school something like a half mile. There was only one point along the road where she was out of sight of either her home or the schoolhouse. Her fond mother would stand in the door and watch her until she reached that point, knowing that when she had gone 50 or 75 yards farther she would be in sight of the schoolhouse.

A Negro man concealed himself at this point, waylaid this little girl, seized her, raped her, then took his ax and chopped her head off, and buried her head and her body at different places in an old slough.

What would have happened if that had been your child?

I am sorry to relate these horrible things, but somebody must tell the Congress and the American people the truth about this proposition, and you have not done it.

These are just a few of the bestial outrages that have brought summary punishment to the prepetrators of these crimes. I have not related some of the worst ones.

Now, we are going to protect the white women and children of the South at all costs, and we are going to protect the innocent Negroes, if you will let us. This law would hamper our State and county governments in their attempts to protect either of them.

About 3 years ago a white man living in one of the counties I represent had a Negro living on his place. One night this Negro came to his house, called him out, knocked him in the head, went into the house, locked the door and outraged his wife for 2 or 3 days, in a manner too horrible to relate.

He then killed her, wrapped the bodies in two sacks, buried them, got in the man's car and drove away. This home was somewhat isolated, and it was several days before these people were missed, and then people just thought they had gone away on a visit. They finally found this Negro driving this car in Alabama, and when pinned down he confessed and told where to find the bodies.

It was with the utmost difficulty, and at great expense, that the strong arm of the constituted authorities in both Alabama and Mississippi protected this wretch from the hands of an infuriated mob.

But these Negro-pandering demagogues never give us credit for the sacrifices we make to prevent mob violence, and which probably would not be prevented in other sections of the country.

At this very moment, the National Guard in my own State is protecting a Negro criminal, an outlaw, a murderer, until the court can try him, and it is costing the taxpayers of Mississippi thousands of dollars to do so. You do not give us credit for all the effort we have put forth, all the money we have spent, and all the peace officers of the South who have been killed or injured in trying

to prevent lynching; but as compensation for our efforts and our troubles, you drag this stupid measure in here and malign and misrepresent the white people of the South and stir these vicious Negroes to renewed attacks, endanger the lives of our women and children and make it impossible for Negroes to continue to live peacefully in many communities where they have been for generations.

The white people of the South are not enemies of the Negro. They are the best friends he ever had. We were not responsible for Negro slavery, nor would we have it returned. Those Negroes were sold to us by the people in the Northern States, largely in Massachusetts, and it has been a problem ever since what to do with them. Had it ever occurred to you that slavery never became immoral in some Northern States, and especially in Massachusetts, until they had sold all their Negroes and got the money for them?

We in the South did not reduce the Negro to slavery, as some people would have you believe. We elevated him from the position of savage to that of servant, started him on the road toward civilization, and showed him for the first time the light of a Christianity, through the unfortunate instrumentality of slavery.

For tens of thousands of years, the Negro had roamed at will over the continent of Africa, the richest country in all the world, feasting upon his fellowman, and had never even developed the art of agriculture to the extent of making his living out of the ground. For countless ages he had trod the sands of his native soil with diamonds beneath his feet, and never even dreamed of the theory of values.

He saw the dawn of civilization and watched the pageant of the centuries pass without so much as manifesting a desire to participate in progress. He bowed beneath his master's whip at the building of the pyramids, and watched succeeding civilizations rise and fall, and all he ever learned was to construct a rude shelter of bark and grass with which to shield his head from the beating rays of a tropical sun until he was brought to America and taught the rudiments of civilization and shown the sunlight of Christianity by the white people of the Southern States.

For 300 years he has enjoyed the richest blessings his race has ever known as a result of the care and training given him by his white friends in the South. This has been brought about by the only peaceful relationship that can ever exist between the whites and blacks living side by side, and that is a complete segregation of the two races.

Yet you would destroy this relationship, bring trouble to the white people and misery to the Negroes in order to placate a few communistic agitators or get a few Negro votes in your own districts.

God save the white people of this Nation from such Representatives!

God save the Negro from such "friends"! [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a speech I made on this subject years ago.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING ANNUAL REPORT OF CIVIL SERVICE COMMISSION

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the annual report of the United States Civil Service Commission.

This report deals with the men and women who, as Federal employees, are serving the people of the United States. The strength of our Government is in direct proportion to the character of those employees, and with knowledge of that strength, we can take just pride in our Federal workers and the job they are doing. I know them to be hard-working and sincere in their efforts to contribute to the well-being of the United States.

I desire to express my deep appreciation of the splendid service they have rendered during the very difficult transition from war to peace. The quality of this service has been such that I can say with emphasis that the investment we have made in the development of a career civil service over the last 65 years has paid, and is paying, real dividends in the form of loyal and efficient service to the citizens of this Nation. The advancement of those in the career service to positions of increased responsibility and highest rank on the basis of merit is ample evidence of the value of their service. I shall continue to see to it that the civil-service system is constantly strengthened and that merit and efficiency are rewarded by advancement.

I am convinced that if the Congress puts into effect the recommendations which are included in the Civil Service Commission's report it will be taking action which will serve to further strengthen the civilian career service.

The complete revision of the Classification Act as recommended by the Civil Service Commission is long overdue. The recommendations of the Commission in this regard if put into effect will correct the dislocation and many inequities in salary rates resulting from the enactment of piecemeal pay laws in the past. In addition, their recommendations will simplify the administration of the Classification Act. In my opinion, the Congress should enact these recommendations into law irrespective of what the final decision may be as to further pay increases for Federal employees generally. Any further patchwork amendments to the Classification Act will stand in the way of efficient salary administration.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 2, 1948.*

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION ACT, 1949

Mr. STEFAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1949, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill continue during the rest of the day, the time to be equally divided and controlled by the gentleman from New York [Mr. ROONEY], and myself. I may say this is agreeable to both the gentleman from New York and the gentleman from Virginia [Mr. GARY].

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Nebraska.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5607, with Mr. CURTIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. STEFAN. Mr. Chairman, I yield myself 45 minutes.

Mr. Chairman, the bill presented to the committee today is a very, very important one, and before proceeding to explain it in detail I wish to take this opportunity to pay a tribute to all members of this subcommittee and also to thank them personally for their cooperation and assistance. The members of the committee are the gentleman from Washington [Mr. HORAN], the gentleman from Pennsylvania [Mr. FENTON], the gentleman from Ohio [Mr. CLEVENGER], the gentleman from New York [Mr. ROONEY], the gentleman from Virginia [Mr. GARY], and the gentleman from Illinois [Mr. O'BRIEN].

I have never worked with a harder working aggregation of Members than these gentlemen. Of course, we differed on some items but the cooperation was splendid. May I say also that every member of this committee has traveled in foreign countries, many of them throughout the world several times, and are, therefore, very well acquainted with the subject matter we are presenting to the committee today.

I cannot let this time go by, Mr. Chairman, without letting you know of the tremendous amount of work that the executive secretaries and their assistants must perform in preparing a bill of this magnitude. These executive secretaries are known as clerks. I hope some time that that title will be changed to what it actually should be. Mr. C. D. Orescan, our executive Secretary, has labored for many, many months on the vast amount of detail, ably assisted by his assistant, Mr. J. Howe, and to them I want to express my deep appreciation for this very excellent work. Along with that the investigators who this year we had working in the various departments and agencies of the Government have rendered the committee information that would not otherwise have been provided to us.

My comments today will be in explanation of the bill before you, making appropriations for the Departments of

State, Justice, and Commerce, and the Federal Judiciary for the fiscal year 1949.

First of all, I want to state that the committee generally considered the estimates for the four agencies encompassed in this bill somewhat more sound than last year's, and was, accordingly, obliged to concur in the budget requests of a number of individual activities. As, undoubtedly, you have already noted, the bill provides something over $503,000,000 in direct appropriations and $75,400,000 in contract authority. Of the amount included for contract authority, $49,000,000 is in lieu of appropriations requested, and $26,400,000 is contained in the original budget submission. Accordingly, the reduction of $84,000,000 indicated on the last page of the committee report is more apparent than real. The actual cash reduction is approximately $35,400,000, or a little over 6 percent. I, personally, feel that the granting of contract authority in lieu of appropriations in the amount of $49,000,000 will eventually result in some savings, because when actual cash is on hand it is apt to be expended more readily, especially in the case of purchases of equipment.

The total of items in the bill in connection with which the committee felt it could take no action is $167,840,000. Items which may be placed in this category are the $35,000,000 for the foreign building program, $23,000,000 plus for our share in international organizations, $43,900,000 for the Federal Bureau of Investigation, $40,000,000 for the Federal-aid airport program, $780,000 for the Supreme Court, $4,700,000 for the salaries of judges, and many other minor items. In addition to this first category, there is a total of $188,400,000 representing budget estimates in connection with some of which reductions were made but wherein substantial savings were very difficult. There is included in this category such items as construction work on the Rio Grande which is based on international treaty, the Philippine rehabilitation program, a great number of items in the Department of Justice, such as the Tax, Criminal, Claims, and Antitrust Divisions, the salaries of district attorneys, salaries of marshals, and fees of witnesses. The Federal prison system is also included in this category since these estimates are based on the population of our Federal penal institutions. Also included in this second category are the three items in the Civil Aeronautics Administration totaling over $100,000,000, and an item of $3,000,000 for radio propagation and standards under the Bureau of Standards. Furthermore, there are a number of items in the Federal judiciary, such as the salaries and expenses of a number of the courts, salaries of clerks, fees of jurors, and so forth. The total of these two categories is in excess of $356,000,000. Accordingly, the total of the items to which the committee could and did give more detailed consideration is about $231,000,000.

DEPARTMENT OF STATE

Appropriations recommended for the Department of State total $197,200,000. In addition, the bill includes $26,400,000 in contractual authority for the Philippine rehabilitation program, or a total of $223,600,000. The comparable appropriation for the current year—that is, after deductions of nonrecurring items and the exclusion of $73,700,000 appropriated for the International Refugees Organization and for surplus-property disposal for the current year, which items are not included in this bill—is approximately $230,000,000.

With respect to the departmental service of the State Department, the bill contains $17,730,000, a reduction of $4,050,000. Of this reduction $4,000,000 is in the salaries and expense item for which $21,168,000 was requested. A reading of the report will indicate to the membership why in all conscience the committee could not recommend more. The Department appears to contain a conglomeration of various and sundry activities and is to my mind in a deplorable condition from an administrative standpoint. I am convinced that a smaller appropriation would force the Department to eliminate some of the duplication between its offices and divisions and between the State Department and other agencies of the Government, although this reduction is not being recommended as a form of castigation of the Department. Two studies of the organizational structure of the Department, both of which come to the same conclusion, and both of which confirm the existing opinions of most of the committee members, including my own, indicate a very bad administrative condition.

Both prior to and during the hearings, the committee made a sincere effort to analyze the organization of the Department of State through a study of the functional organization charts. We wanted to find out, if possible, what units of organization within the Department are responsible for specific functions. I am frank to admit that, in view of the almost imperceptible dividing lines between the functions of many of the units as compared with purported functions of other units, it was difficult to arrive at any clear-cut understanding as to the division of responsibility and authority between the offices and divisions comprising the Department of State. It appears to me that the responsible officials are still trying to operate the Department as one unit, even though it has quadrupled in size and has taken on, during the past few years, scores of activities which were not in the Department prior to the war. As I see it, effective organization would demand that the Department distribute its functions among a number of smaller but more manageable components.

I know it will be said that the committee is trying to sabotage the foreign relations of this country by this apparently excessive reduction, but from my contacts with the activities of the Department during the past years, I am sure that we will have rendered a service to the Department and to the country rather than caused harm or jeopardized the conduct of our foreign relations.

The committee appreciates the responsibility of the State Department during this crucial period in our history. This country has on two occasions during the past generation experienced death and destruction as a result of two major wars, and I, for one, would be the last to knowingly lessen the effectiveness of that Department of our Government responsible for maintaining the peace. I know that every member of the Committee on Appropriations and every Member of the House feels the same way. We must admit, however, that something has been wrong with the Department of State, especially since the ending of hostilities of World War II. I can say from personal experience that, individually, I consider most employees of the Department of State comparable in ability with any department or agency of the Government, barring none. However, organizationally, they have not been as effective as we had hoped. Of course, recent events have moved so fast that, perhaps, the Department has not had time to stop long enough to analyze its operations to more effectively coordinate its objectives and to generally inform the Congress and the Nation where it is going. These extenuating circumstances do not seem to justify the continuance of the present disrupted administrative procedure and the apparent lack of coordination between the numerous units of organization of the Department.

In its general investigation of the activities of the Department of State there was disclosed through committee investigators a rather lax procedure which it seems the Department is following with respect to the employment of individuals concerning whom there may be some doubt as to their being good security risks. I want to say that this was not a witch hunt and the committee had no idea of seeking this particular type of information. The information secured was run into more or less accidentally by our investigators in their routine examination of the operations of the Division of Security and Investigations. This examination disclosed a list of 108 former, present, and prospective employees concerning most of whom there was some doubt as to loyalty. Even after sufficient evidence was disclosed which would justify refusal of employment, applications were active and individuals were continued to be considered for employment. Others concerning whom there was considerable doubt as to loyalty were on the pay roll with no indicated action to be taken. It seems to me that at all times, and certainly during these troubled times, any doubts in connection with the employment of personnel in the Department should be resolved in favor of the United States. I understand and I hope that the proper legislative committees of the Congress having jurisdiction in this matter will further explore this situation in the Department.

For the Foreign Service the estimate of $100,200,000 was reduced to approximately $96,500,000. As with the departmental service, the greatest reduction was effected in the salaries-and-expenses item, for which $42,500,000 is being recommended. This is a reduction of $2,160,000. In the first place, it is felt that we may be overextending our activities abroad; and secondly, mere numbers do not mean effective foreign relations.

In fact, just the opposite is apt to be more true. It is hoped that the Foreign Service, rather than applying this reduction generally to the functions in which it is presently engaged, review the functions themselves with a view to eliminating those not of direct concern to the Federal Government and to the foreign policies of this Government. While many protective services for both industry and private individuals are required, I am afraid that some of them smack of paternalism. The percentage of the reduction in this item should be applied to the Office of the Foreign Service in departmental salaries and expenses.

The representation allowance was again reduced to $500,000. This is the amount that was carried in the bill last year, but the Senate increased it to $1,000,000, and a compromise figure of $700,000 was finally agreed to. I hope that the conferees will be a little more firm in this item this year in order that the $500,000 appropriation may be sustained.

We have also included the amount of the budget estimate, or $35,000,000, for the Foreign Service buildings program. This is used to purchase foreign currencies available under surplus property and lend-lease settlements and is deposited in the Treasury of the United States. The State Department feels that this is one of the best ways of getting some value out of these settlements. All of the purchases are buildings actually needed abroad.

The international activities item for which almost $83,000,000 is recommended provides for our participation in international organizations, the international information and educational program, and the Philippine rehabilitation program, to mention the major ones. The first item includes funds for the United Nations and UNESCO—something over $15,000,000 for the former and about $3,700,000 for the latter. While all of us may not be in agreement as to the past, present, and hoped-for accomplishments of these organizations, we did not feel that a reduction should be made at this time. Furthermore, it is very difficult to effect reductions in these international organizations in view of the fact that so many countries are involved, each of which is expected to contribute its share. While the joining of international organizations may be the solution to our international problems, it is my personal belief that the joining of this great number of organizations has the definite effect of taking the control of our foreign relations and the cost thereof out of the hands of the Congress and lodging it in the hands of the Department of State. This is a matter that the Appropriations Committee can do little about, although I think that individual Members of the Congress should examine the ultimate effects of these international organizations before authorizing our participation in them.

We allowed $28,000,000 for the information and educational activities, a reduction of $6,378,000. I, personally, am not happy with the present and immediately foreseeable administration of this program. The Eightieth Congress, however, determined by a heavy majority in the House and a unanimous vote in the Senate that such a program shall become a part of our foreign policy. Unfortunately, it appears that it is still a program of the Department of State, rather than a program of the American people.

Section 502 of the enabling act provides that the Secretary shall reduce Government information activities whenever corresponding private information dissemination is found to be adequate. Furthermore, section 1005 provides for the utilization to the maximum extent practicable of services and facilities of private agencies. The impression gained during the hearings is that neither of these two sections have been taken very seriously by the Department. Also, subsequent to the hearings, information was received by the committee which would seem to substantiate this impression. It appears to me that if this program is to be a success it should be based principally on coordinating and guiding the activities of private agencies with a supplementation of those activities by the Federal Government wherever necessary. I do not feel that it can become a lasting and effective program if it is to be developed solely as an activity of the Federal Government. Furthermore, while the enabling legislation was justified principally on the immediate information needs, much of the effort of this organization is devoted to long-term educational and cultural activities. While all of these are admittedly necessary to a proper international understanding, I feel that greater effort should be devoted to activities which would tend to produce more immediate effect. My attention has also been called to certain inadequacies of the program, resulting not from lack of money but from poor administration. We spend millions of dollars in making and purchasing motion pictures to be shown at embassies and consulates, and by the use of mobile motion-picture projectors, but are overlooking the greatest and most effective media for the display of these motion pictures; that is, the presently established theaters throughout the world. This situation was called to my attention with respect to two countries, namely, Austria and Italy. I know for a fact that certain distributors in Italy, for example, would be more than willing to show our films in conjunction with their regular showings, and thereby reach an estimated audience of 8,000,000 each week. To my knowledge, the State Department has made no efforts to effectuate such an arrangement. I should point out that the appropriation for the current fiscal year for this entire activity is more than doubled in the recommendation of the bill before you.

Before going into a detailed explanation of the Philippine rehabilitation matter, may I say that I personally have received considerable information from the Philippines on that program. Our former colleague, Emmet O'Neal, Ambassador to the Philippine Islands, sends to you his warmest greetings. From him also I have received considerable information as to the progress of this program. I have received information also from our former Commissioner from the Philippine Islands, Mr. Delgado, who also sends his greetings to his former colleagues in the House.

The Philippine rehabilitation estimates were approved in total, that is, almost $21,400,000 cash and $26,400,000 in contract authority. The appropriation and contractual authority contained in this bill will bring the total for this activity to within $1,400,000 of the total amount of $120,000,000 authorized in the Philippine Rehabilitation Act.

DEPARTMENT OF JUSTICE

There is little that I can tell you about the Department of Justice for which something over $116,000,000 is included in the bill. It is, primarily, a service organization whose work load has remained more or less constant during the past few years. The total recommended is actually less by almost $5,500,000 than the Department has this year, in view of the fact that in addition to the almost $115,000,000 that is actually appropriated there was an additional amount of $6,800,000 available to the Department from the Atomic Energy Commission for investigations by the Federal Bureau of Investigation. The amount recommended in the bill includes work for the Atomic Energy Commission.

More than one-third, or $43,900,000, of the total appropriations for the Department is for the Federal Bureau of Investigation. This Government continues to be fortunate in having as head of this vital Bureau Mr. J. Edgar Hoover, who served us very ably during the war and continues to protect our American institutions and our national security during these troubled times. His is an organization of which the country can very well be proud. The Congress, also recognizing its efficiency and effectiveness, continues through added legislation to grant it more responsibility and additional activities. The full amount of the budget estimate was allowed for this organization because of, first, the still unsettled world conditions, and, second, rise in crime in the United States.

I do want to call your attention to the action of the committee with respect to the Antitrust Division. We did something which we rarely do and something which is generally not too popular with the House Appropriations Committee, that is, to increase an amount over the budget estimate. It was felt that in view of the seriousness of the antitrust work during this present time the Department should have its original request of $3,411,700 rather than the amount of $3,250,000 approved by the Bureau of the Budget. Mr. Sonnet, Assistant Attorney General, heading this Division, told us that the concentration of economic power in American industry is at the highest point since the passage of the Sherman Act. To me, this is a rather serious statement. The President, in his State of the Union message on January 7 last, stated that the appropriation of sufficient funds to permit the proper enforcement of antitrust laws is essential. A similar statement was made by the President in his State of the Union message in 1947. I want to point out, however, that from the fiscal year 1933 to and including the appropriations recom-

mended for the fiscal year 1949, this Division requested of the Bureau of the Budget a total of $27,890,000. The budget reduced these annual requests to a total of $22,530,000, or a reduction of $5,360,000. On the other hand, during the same period the Congress on an average not only approved the amount requested through the Bureau of the Budget but increased these requests by $130,000. I can see no consistency in, on the one hand, advocating greater appropriations for this activity, and then, on the other hand, having the requests of this Division reduced by the Bureau of the Budget. It can be seen that regardless of the party in power, Congress has generally supported the requests of the Antitrust Division. Furthermore, the President in his last State of the Union message stated that additional legislation should be considered to implement our present antitrust activities. When queried as to this point, the Assistant Attorney General in charge of antitrust work, told the committee, and I quote:

I do not think, Mr. Chairman, that the problem as I see it, the broad problem, is one of additional legislation at this time. I think rather it is one of additional enforcement.

The Congress has in general approved the Bureau of the Budget amounts requested for this activity and is willing to go along with additional legislation, if needed, but it seems to me that what is now needed is a determined effort on the part of the Administration to ferret out these monopolies and prosecute them to the limits of existing law. I feel that it is the responsibility of the Administration to apprise the Nation of the threat of monopolies through vigorous prosecution and continuous publicity, rather than through the coming up to the Congress once a year and informing them that the antitrust situation is serious. Small business is the lifeblood of the economy of this Nation and the Congress must demand that it be protected.

The Immigration and Naturalization Service was allowed $26,900,000. While this appears to be less than the amount available during the current year, the deduction of certain nonrecurring items not required in 1949 gives this service an actual increase of $740,000. While the situation along one of our borders is rather serious, it is felt that no amount of money will prevent illegal border crossings. The increase allowed is to be used for the strengthening of our border patrol and for the extension of investigative activities of the Service.

The Federal Prison System is allowed about $21,500,000, a slight reduction over the amount available for the current year. Appropriations for this activity are based generally on the total number of prisoners housed in our Federal penal institutions. The average prisoner population is estimated at 18,500 in 1948 and 17,500 in 1949. The population as of the date of the hearings was 17,202.

DEPARTMENT OF COMMERCE

The bill contains about $171,000,000 for this Department which is a reduction of $65,700,000 in cash appropriations. We offset $49,000,000 of the reductions by granting contract authority in lieu of appropriations. The net reduction is about $16,700,000. I want to mention specifically that the committee eliminated $520,000 requested for technical and scientific services. In the first place, the majority did not feel that this activity was the proper function of the Department of Commerce, and, secondly, there is some doubt that the activity is authorized. As you may recall, one of their functions is to classify, translate, and disseminate information contained in German documents brought over to this country. Another function is the gathering, classifying, and disseminating technological data developed in other agencies of Government, particularly the Army and the Navy. A number of letters received from business firms indicated that little or no benefit was being derived from this activity and that nearly all of the information was available in scientific and technical magazines published privately.

Items in the Census Bureau were reduced from $10,968,000 to $7,142,000, most of the reduction being in the item of current census statistics. However, $800,000 of this reduction is included in the Bureau of Foreign and Domestic Commerce as a result of a transfer of foreign trade statistics from the Bureau of the Census to the Bureau of Foreign and Domestic Commerce which is being recommended. An analysis of the work of this Bureau by our investigators resulted in a recommendation that the foreign trade statistics activity be transferred to the Bureau of Foreign and Domestic Commerce. A similar recommendation was made by this committee last year, although no action was taken. The Bureau of Foreign and Domestic Commerce is the principal user of these statistics and it is felt that some economy and greater efficiency would result if this work were transferred out of the Bureau of the Census.

A new item of $2,676,000 for preparatory work for the Seventeenth Decennial Census is included in the bill.

I personally am not satisfied with the entire statistical set-up that exists in the executive branch of the Government. Year after year, the attention of this committee is called to actual and apparent duplication between the various and numerous statistical agencies.

Of course, when the individual bureau heads are queried concerning this duplication, it is denied. I hope the Bureau of the Budget will take it upon itself to clarify our statistical gathering processes with a view to establishing definite lines of demarcation between agencies and functions.

Approximately two-thirds of the Department of Commerce budget, or $155,000,000 out of a total of $236,000,000, was requested for the Civil Aeronautics Administration. In view of the recommendations of the Congressional Aviation Policy Board, of which the gentleman from Virginia [Mr. GARY] and I are members, which were released the other day, it was thought inadvisable to substantially reduce this request. These recommendations call for considerable increases for the Civil Aeronautics Administration, particularly with reference to the continued purchase of new and constantly improving equipment. Increased appropriations are also recommended by the President's air policy commission. I should further state that for the first time the Civil Aeronautics Administration, the Army, and the Air Force have gotten together and are now agreed as to the direction the development of our airways system should take and the types of equipment that should be installed. The aviation activities of the Government are, of course, expanding rapidly and the subcommittee has continually urged the administration to work out ways and means of distributing some of the costs of this activity among the airlines and others who derive some benefit from aviation. However, it seems that little, if anything, can be done along this line during the next few years in view of the present unstable condition in the aviation industry. I might add that the appropriation recommended includes funds for the continued operation of the air-traffic-control towers. The major reduction made in this item was for salaries and expenses wherein the budget estimates were reduced from $87,451,000 to $82,451,000.

For the Federal aid airport program for which $40,000,000 was requested, the bill includes $3,000,000 in direct appropriations and $37,000,000 in contract authority. It was not felt that cash should be appropriated out of the Treasury in view of the fact that at the time of the hearings there was actually expended a little over $2,500,000 and less than $14,000,000 obligated out of a total appropriation of $77,500,000 already made. The $3,000,000 direct appropriation is for administration and surveying and planning as provided for in the enabling act.

I want to say a word about the Civil Aeronautics Board for which the bill includes the amount of $3,450,000, an increase of $410,000 over the current year. The committee heard some startling testimony in connection with the operation of this activity. They appear to be about 2 years behind in their work and in very bad condition from an administrative standpoint. It was a surprising revelation to me to learn that so vital an agency on whom the entire aviation economy of this Nation rests should be so disorganized. The committee recommended in its report that they set their house in order and that, if they do not have within the Board the qualified personnel to accomplish this, that talent from other agencies of the Government or from private business be employed to correct the situation. The bill includes a recommendation to increase the salary of the Chairman of the Board from the present $10,000 to $12,000. If and after the present unsatisfactory condition is straightened out, consideration should be given to increasing the salaries of the other members of the Board, but, in my opinion, not until then.

FEDERAL JUDICIARY

The bill includes eighteen million seven hundred-odd thousand dollars for the Federal judiciary, a reduction of $968,000. The requirements for this activity have remained more or less constant during the past few years, aside from statutory salary increases. One major reduction—the elimination of

$502,000 for salaries for criers was effected. Testimony given before the committee last year and this year indicated that many of these criers were employed more as a personal service to the Judges rather than officials of the Court, although they do in most instances perform some official duty. The Department of Justice appropriation in this bill provides for the employment on a temporary basis of deputy marshals in lieu of bailiffs and criers. I think that definite economies will result from this change and the committee indicated in its report that if the $200,000 approved for this purpose proves inadequate justification for an increased amount can always be presented to the committee.

The dockets of the courts are generally up to date and the judiciary through the operation of the Conference of Senior Circuit Judges is making considerable progress in giving us a more effective judicial system. Mr. Chandler, who is the head of the administrative office of the courts, is doing an admirable job and certainly has the confidence of this committee.

This bill represents the production of nearly 2 months' effort. I believe it to be a good bill and I hope that the Congress will concur in the recommendations made.

RED TAPE IN DEPARTMENT OF STATE

Mr. Chairman, our investigators who went into the Department of State and the Department of Commerce were instructed to give this committee as much information as possible regarding the value of services performed as compared to the cost in tax dollars. Some members of the committee, were somewhat disturbed by the discovery of red tape, lack of coordination, and duplication. Your committee is anxious to aid in making these Departments and divisions of the Departments as efficient as possible. Our criticism is, we hope, constructive.

To get first-hand information about actual procedures, I requested one of our investigators, Mr. Robert E. Lee, to follow some of them in operation, and specifically to follow the course of one letter received by the Department of State to determine the number of steps involved in its processing. It required 2½ days for this investigator to follow through the 35 steps that affected this ordinary letter. At first glance, it might seem to you that the processing of a letter is a mere incident in the daily work of a Federal agency. In reality, it is a major operation participated in by a large number of workers consuming considerable time. I requested the investigators to have made a photostat copy of the letter, also, a chart to demonstrate more graphically the number of steps required in this particular instance.

This letter was an ordinary letter. The investigator went to the Department and requested one letter as it arrived from the mass that is received in the Department. It happened to be a letter written by a steamship agency. Enclosed in it was a money order for $100, with the request that the Department forward it to the American Mission in Europe for air passage from Bucarest to Prague for one individual. There was nothing extraordinary about the letter—it was a routine request.

Following is the result of the investigation:

The letter was received at State Department headquarters and delivered to its Twenty-second Street building.

Step 1: There it was received in the Protection Services Division.

Step 2: The letter was opened, and the date stamped and check stapled thereon.

Step 3: It was received in the card room for distribution.

Step 4: It went to the Public Service Branch for review and determination as to the acceptability of the check. It was also entered in the memorandum record to avoid responsibility if the letter were lost later on.

Step 5: A special messenger delivered it to the cashier's office, Division of Finance, in the State Department's Seventeenth Street building, with the memorandum record which the cashier receipted.

Step 6: The check was detached and a record of remittance—DS-408—was prepared in four copies, one copy being attached to the letter; the check was sent separately through channels to the Treasury for deposit.

Step 7: The letter was sent back again to the Twenty-second Street building, in the Public Service Section, with memorandum record of receipt. The memorandum of receipt of check was retained here.

Step 8: The letter was received in the card room.

Step 9: An abstract was pulled.

Step 10: A charge-out was made and assigned to the Drafting Office.

Step 11: The letter was received by the drafting officer with abstract attached.

Step 12: The flimsy file was pulled from the card room.

Step 13: A telegram to Bucharest was prepared and a confirming letter to Moscow was prepared.

Step 14: A letter to the steamship agency was prepared, acknowledging receipt of check.

Step 15: A memo to the Passport Division was prepared and an abstract card added.

Step 16: The letter was received in the Office of the Assistant Chief, abstracts were detached and sent to card room. The Assistant Chief signed the mail and kept a statistical record.

Step 17: The mail went to the mail distribution desk, where the letter was detached and sent to letter-folding room.

Step 18: The letter was folded.

Step 19: It went back to the Seventeenth Street building where it was received at the distribution desk and sent to the mail room. Memo record was also kept at the distribution desk of the telegram sent out.

Step 20: The letter was received in the mail room in a sealed envelope.

Step 21: The envelope was opened.

Step 22: The letter was received by the chief of special deposit unit who checked the original deposit remittance to see if it was actually deposited. He initialed the outgoing telegram and memorandums, also made another memorandum record of telegram.

Step 23: The assistant chief also initialed it.

Step 24: It then was sent back over to the main State building, where it was received in coordination review, where it was reviewed for protocol, and so forth, and to determine that all interested divisions had seen initials.

Step 25: It was received in the code room and telegram was dispatched.

Step 26: The file was received in mail room and confirming letter to Moscow was detached.

Step 27: It then went to the Division of Communication and Records.

Step 28: It was assigned to one of nine examining units.

Step 29: A file number was affixed in pencil.

Step 30: It was received by catalogs distribution point and assigned to one of six sections.

Step 31: It was received by the supervisor of section and assigned to carder.

Step 32: It was carded for each piece of correspondence showing (a) where sent, (b) date and number of instrument, (c) file number, (d) summary, (e) drafting officer's initials, (f) office where returned, (g) initials of clerk typing (this prepared in duplicate).

Step 33: It was then received for indexing where the file number previously affixed in pencil was typed in large type.

Step 34: A review was made of all file actions, index cards were sorted.

Step 35: The letter was filed in permanent folder, it being decided that no other routing was necessary.

In the course of these 35 steps of processing, this ordinary letter traveled twice through each of three buildings. While no count was taken of the actual number of hands, or man-hours involved, or estimate made of total cost of handling this one ticket agency's request, my best guess is that such processing would take 30 days.

The illustration referred to should help and encourage the Department to modify and simplify methods so obviously inept. The chart is available to any Member who might be interested in it.

Mrs. BOLTON. Mr. Chairman, will the gentlemen yield?

Mr. STEFAN. I am very glad to yield to the gentlewoman for a brief question.

Mrs. BOLTON. The gentleman has spoken of the need of having the administration of these things in one piece. We know that the gentleman has worked with the men at the State Department. Would the gentleman state his opinion of Mr. Peurifoy?

Mr. STEFAN. Does the gentlewoman mean Mr. John Peurifoy?

Mrs. BOLTON. Yes.

Mr. STEFAN. I think he is one of the finest men that I have ever met and one of the ablest men. I have a great admiration and affection for him.

Mrs. BOLTON. Then the gentleman has confidence in what Mr. Peurifoy is doing?

Mr. STEFAN. I have great confidence in him.

Mrs. BOLTON. And the gentleman has perhaps found that it is not always easy for Mr. Peurifoy to accomplish the things that he sets out to accomplish?

Mr. STEFAN. I want to say that he is the finest character that I have ever met and one of the most efficient men. I am very happy to make this statement here in the Halls of Congress.

Mrs. BOLTON. I thank the gentleman. We are most happy to have the gentleman's opinion because we know how you have studied the situation.

Mr. STEFAN. It is always an inspiration to see a man starting to work in the State Department and really doing something that we can really understand. Mr. Peurifoy has been a fine public servant.

Mrs. BOLTON. Then we must do our best to back him up.

Mr. STEFAN. We certainly shall do that.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I am simply trying to give a report on this appropriation bill. I will be open for interrogation when I have finished.

Mrs. BOLTON. Just for the RECORD, I understand that now all of these have been disposed of except 13.

Mr. STEFAN. The gentlewoman has more information than I have. All I know is that up to this morning there are only 11 cases left for investigation by the FBI. The Department of State has not informed me further.

Mr. ROONEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, a few days ago when this bill making appropriations for the Departments of State, Justice, and Commerce, as well as for the Federal judiciary, was acted upon in the full Committee on Appropriations, the newspapers carried the story that once again the budget-slashing majority had achieved a great success in that they had cut appropriations to the bone for the Departments of State, Justice, and Commerce and for the Federal judiciary.

Beyond chuckling to myself as I read these newspaper accounts there was not much that I could do about it except to analyze the figures.

I found that the actual cuts made in the amount requested by the Bureau of the Budget, $487,837,431, amounted to only $35,417,168, or 6 percent of the budget estimate; in other words, after the committee, like the mountain, labored for over 2 months it brought forth a mouse, having heard the justifications cut these items only 6 percent of the amount of the President's budget estimate.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. Not at this time.

The chairman of the subcommittee was accorded the privilege of proceeding without interruption. I hope I may be accorded a like privilege. I shall be glad to answer questions as soon as I have finished my presentation.

We find that with regard to the Department of State wherein the amount requested was $214,318,531, there was reduced only the amount $17,101,063, or 7½ percent; and this with all the nonsense and all the smokescreen that has been put forth over the radio day in and day out about Communists in the State Department, and we now have another corker about Dr. Condon, the head of the Bureau of Standards, and all such nonsense; still this committee in its judgment cut the amount only to the extent of 7½ percent.

In the Department of Justice with all the criticism of this Department and all the remarks continually made about spending and spending and taxing and taxing we find that they were able to cut but one-half of 1 percent from the appropriations requested for the Department of Justice.

Now, with regard to the Department of Commerce wherein there was requested a total of $236,843,500, the cut amounted in actual cash money to only $16,756,500, or 7 percent of the total requested by the Bureau of the Budget.

As far as the Federal judiciary is concerned the cut is as infinitesimal as the others, in that it amounts to less than 5 percent, although the majority of the committee disregarded the basic law and did away with the position of criers in the Federal courts because one or two judges somewhere throughout the country used to send the crier out to get the judge's lunch. They find that in courts in cities such as Chicago, New York, San Francisco, Boston, and other large cities of the country where the services of a crier are absolutely necessary, they should do away with the job completely, although there is basic legislation for the position and although among other things it is the duty of the crier to act as messenger. His presence is vitally required in the court room when there is a busy session of the court. The minority on this committee disagree with the majority in cutting entirely from this appropriation the small amount requested for the position of crier in the Federal courts.

Mr. Chairman, as the ranking minority member of this subcommittee, may I say on behalf of my colleagues, the gentleman from Virginia [Mr. GARY] and the gentleman from Illinois [Mr. O'BRIEN] that we again come before you with the statement that we personally enjoyed the privilege of serving with the chairman of this subcommittee, the gentleman from Nebraska [Mr. STEFAN] the gentleman from Washington [Mr. HORAN] the gentleman from Pennsylvania [Mr. FENTON] and the gentleman from Ohio [Mr. CLEVENGER]. Our relations were most cordial and it was a pleasure to have sat during the many and continued hearings with these gentlemen, as well as with the able gentleman from Virginia [Mr. GARY] and the able gentleman from Illinois [Mr. O'BRIEN]. Whatever disagreement we may have had was with regard to the functioning of our abilities in trying to find out what appropriations were necessary and what were not.

We have been hearing about budget slashing and "cutting to the bone" and about how the majority party is going to save the taxpayers money. The score on this one is ludicrous when compared with the score on the last bill which was acted on when the Democratic Party was in the majority in this House, because in the last fiscal year in which the present minority were the majority, the fiscal year 1947, the total requests by the Bureau of the Budget for the State, Justice, Commerce Departments, and the Federal judiciary, amounted to $415,017,688.

What did your spendthrift committee do? That is what the people of the country are being kidded with today when it comes to appropriations. What did your spendthrift committee do at that time? It cut the State Department to the tune of $23,101,900 or 18 percent, as compared with 7½ percent now cut by the majority of this committee. As far as the Department of Commerce is concerned, the other large item in the bill, the cut was $30,753,000 or 17½ percent of the amount requested by the Bureau of the Budget as compared with a 7 percent cut made by the committee this year.

To summarize the situation, the then Democratic committee cut the Democratic President's budget 14 percent as compared to the cut of the present committee in the Democratic President's budget of 6 percent.

Insofar as the cuts they made are concerned, let us inquire into that. We will just take one cut in the Department of Commerce for Technical and Scientific Services. The amount requested for this important organization was $520,000. This committee cut the item entirely out of the bill and put the Office of Technical and Scientific Services out of commission although at the present time there is an income to the Federal Treasury, as the result of the operations of this office, of approximately $1,000 a day, and for the past 2 years, according to the testimony, the sales of data which have been made throughout the country have been to the tune of $300,000 a year, and the estimate for the coming fiscal year is that there will be an income of $360,000. Yet, the chairman, expressing the views of the majority members of this committee, with very few words passes over the item and says, "Oh, well, this scientific information is available in magazines privately published." The only conclusion I can make is that there must be an awful lot of crazy people around this country who would be so silly as to pay $360,000 a year for this scientific information and data when they could readily read it for nothing in magazines that the chairman of the committee referred to a while ago. Here is an income of $360,000 a year, when the total amount requested to run the entire office is only $520,000. Well, you will recall that last year, when we had this bill as well as another bill under consideration, I said that the headless horsemen of economy were on the ride. And they are still on the ride.

Let us take another item with regard to international information and educational facilities. You know what this committee did to our information program last year. They just put it out of

business. When I traveled throughout Europe during the fall of the past year, I found in a number of locations movie film that had been purchased at a cost of many thousands of the taxpayers' dollars stored away in closets, put out of the way, because this committee refused to appropriate enough money to employ a man who would exhibit those pictures of the American way of life to the people of the foreign countries we visited. What is the situation today with regard to the Voice of America? The testimony shows that the action of the Committee on Appropriations last year was such that they cleaned out of the information service all the top-notch men in the movie business, in the broadcast business, and in the newspaper business who were identified with that Voice of America information program. Still they have not seen the light of day, because they have cut the appropriation to the tune of over $6,000,000, and we now have to start from scratch. We are in the same position as the Department of the Interior Subcommittee on Appropriations was a year ago, when reclamation after reclamation project in the West was cut out of the bill. The projects were reduced to the extent that work had to cease. The workmen building the dams and building these reclamation projects had to be laid off because the Republican Congress failed to appropriate money with which to pay them. Lo, and behold, that was, as I remember, in June or July of last year, and then Congress went into recess and the Members went home.

Our colleagues, particularly those in the great Pacific Northwest, certainly must have found out something about what was going on in their districts, because they came back here and post-haste, immediately after the special session reconvened on the 17th of November, appropriated more money than had been asked for in the first instance, in order to keep the projects going.

I notice that my distinguished friend and colleague, the gentleman from Iowa [Mr. JENSEN] applauds that statement. No one here knows that story better than he, because he was the ranking majority member at that time. He has now succeeded the gentleman from Alabama, BOB JONES, as chairman of that committee, but he helped his then chairman, which I would expect him to do.

Something must have happened. There is the record. The Reclamation Service was cut to the bone. They came back here in November and reversed themselves completely; and they not only reversed themselves completely, they evidently figured that that would not be enough so they had to give them more than the amount requested by the Bureau of the Budget.

Mr. JENSEN. Mr. Chairman, since the gentleman has mentioned my name, will he yield to me?

Mr. ROONEY. I yield to my friend from Iowa.

Mr. JENSEN. The gentleman would not expect a representative of the people to do other than the right thing after he learned the truth by going out and getting the truth, which we could not get in committee last year from the Department of the Interior.

Mr. ROONEY. The only conclusion I can make from that is that those who testified for the Department of the Interior last year were correct in their testimony, and you went out and verified that testimony. Is not that a fair conclusion?

Mr. JENSEN. They were right in one respect, but the Bureau of the Budget cut them twice as much as we cut them.

Mr. ROONEY. The Bureau of the Budget cut them down. That is the responsibility of the President and the Bureau of the Budget, and they are usually right. The gentleman wants to use the tool two ways, and he cannot do that. That is not in the rules.

Mr. JENSEN. I do not understand how I am using the tool two ways. You fellows from Brooklyn understand that, but we farmers from Iowa are not "hep" to that kind of business. We have to have "the McCoy," we have to know the truth, and the truth is always best. Then we act accordingly. That is what we did when we went out there and learned the truth. We acted accordingly.

Mr. ROONEY. May I ask the gentleman if it is not a fact that he went out to the grass roots with me a year or so before that? We traveled over Alaska. The gentleman seemed quite interested in everything that was going on. We traveled the entire Pacific Northwest. We visited most of the very projects the gentleman later cut. Apparently the gentleman was not convinced of the importance of these projects when we visited the Pacific Northwest. Maybe two fellows from Brooklyn should have gone, because, after all, this affects people in places such as Brooklyn, who pay a great deal of the taxes, who pay for these projects, and are willing to loan the money to the Pacific Northwest for them. You never hear anyone from Brooklyn kicking about developing our great country. You always have to go to the penny pinchers in the Middle West.

Mr. JENSEN. They furnish the money to Brooklyn so they can pay the taxes.

Mr. ROONEY. No; there is not an item in the Interior Department bill which affects the people of Brooklyn directly. The gentleman knows that better than I. It is the folks from Brooklyn who continually have to fight for lower power rates for the folks in the other parts of the country, because we cannot get them ourselves. We are in the hands of a monopoly. We want to develop our country, but when we come here representing our folks back home in Brooklyn we find our hands are tied by gentlemen who do not want to develop their own States.

Mr. JENSEN. Then the gentleman is criticizing us because we appropriate more money than the budget asks for.

Mr. ROONEY. The gentleman is a great friend of small business, as he has always stated. I know how his heart bleeds for small-business men. I have heard him speak of that.

Mr. JENSEN. Do you really mean that?

Mr. ROONEY. You know, I am beginning to feel better already.

Mr. NICHOLSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. I make the point of order, although I may be mistaken, that instead of following parliamentary procedure here, we are witnessing a dog fight between two Members of the Legislature.

The CHAIRMAN. The gentleman is not stating a point of order.

Mr. ROONEY. Mr. Chairman, I can assure the gentleman that this is not a dog fight between two Members of the Legislature. The gentleman from Iowa and I are the closest of friends and we have the greatest respect for each other.

Mr. JENSEN. Mr. Chairman, I want to O. K. what the gentleman from New York has just said. I have great respect for the gentleman from Brooklyn. We do have a lot of arguments, but generally when we get through arguing, we find out that we are pretty close together.

Mr. ROONEY. Except on one paramount thing.

Mr. JENSEN. Yes, and that is that the gentleman from Brooklyn wants Government-controlled business and I do not. That is the difference.

Mr. ROONEY. No. The difference is that I am a Democrat and you are a Republican.

Mr. Chairman, with regard to an item entitled "Departmental Salaries and Expenses, Bureau of Foreign and Domestic Commerce," we find a cut from the amount of $5,865,000 requested by the Bureau of the Budget to $5,300,000. In this cut there is the amount of $452,000, which is primarily and solely used as an aid to small business. I do not expect to be here tomorrow. I have a reservation at the Naval Hospital at Bethesda. I would like to be here to vote for the amendment. But there will be an amendment offered, which will come from the majority side of the aisle requesting that the amount of $452,000 for aid to small business in the Bureau of Foreign and Domestic Commerce be put back in the bill. I trust that by that time all those on the majority side will have had an opportunity to read the testimony in the hearings and ascertain for themselves the importance of this appropriation.

A while ago I mentioned a cut of $501,900 for the criers in the Federal court. The minority members of this committee voted to allow that appropriation. Somehow or another the majority members have an idea that this is some sort of economy. I mentioned a while ago and pointed out how it could not, by any stretch of the imagination, be any kind of economy. But I was successful in adding, with the consent of the chairman and majority members of the committee, the amount of $200,000 to the appropriation for deputy marshals to be used for the payment of per diem bailiffs with the idea that if the House of Representatives and then later on the other body persist in the deletion of that entire item for criers, that in communities such as New York, Chicago, Boston, Philadelphia, and other large cities of the country, there may be crier services uti-

lized by paying them as temporary bailiffs on a per diem basis.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. WALTER. I notice on page 34 of the report that the entire amount recommended by the Budget, $501,900 for criers has been entirely eliminated, apparently based on the fact that some judges have not requested the services of criers.

Mr. ROONEY. That is exactly what I said a few moments ago.

Mr. WALTER. But does not this amount, $501,900, represent salaries heretofore paid to criers who have been serving?

Mr. ROONEY. All but a few thousand dollars. As a matter of fact, most of the amount, $501,900, represents salaries being paid to men and women who are presently acting as criers and who have been for some time. The deletion of this entire item from this appropriation bill means that all those people are off the pay roll, to use the vernacular, and that those judges are to be without the services of criers.

Mr. WALTER. Mr. Chairman, will the gentleman yield further?

Mr. ROONEY. I yield.

Mr. WALTER. I notice that the appropriation for deputy marshals has been increased by $200,000 in order to provide criers in some instances. If a crier is provided by the United States marshal, and the marshal should feel that he had other duties of greater importance at the moment the judge was about to open court, that would mean that the judge would have to open court himself, would it not?

Mr. ROONEY. That is definitely so. Being a lawyer and having spent most of my life as a trial lawyer in and out of the courts, I do not like the idea of a Federal judge in one of these large cities where there is huge business, to come on the bench by himself. I do not believe he should be required to carry up an armful of books. I do not believe that if he happens to forget a book, the trial has to be interrupted while he goes down four or five floors and walks back a half a mile to his chambers in order to get the book which he forgot. The amount they are paid is only $2,200 or $2,300 per annum, if I remember correctly. Now it is not economy to take hundreds and hundreds of people who were getting $2,200 and $2,300 per annum off the pay roll. If you want to practice economy just go back to the action of the Democratic committee, when the Committee on Appropriations was in the hands of the present minority, as I pointed out, where a total cut of 14 percent from the 1947 bill for this appropriation was made as compared with only 6 percent in the instant bill.

In passing, the chairman also mentioned that they were going to strengthen the border patrol and the enforcement of immigration laws. A perusal of the testimony taken from the officials of the Immigration and Naturalization Service shows that the nonsensical cut made a year ago had such a great effect upon the patrol of our borders, upon the enforcement of our immigration laws, upon the procedure for the expulsion of undesirable aliens such as Communists, convicted felons, and such other people, that it was just all shot to pieces. So now this year they do not like to believe that these same officials of the Immigration and Naturalization Service mean it sincerely when they say, "We need so much money." This year the budget says, "We need, in order to strengthen our border patrol and keep these Communists and people that we do not want in America out of America, and to enforce our immigration laws, a total of $27,125,000."

The committee gave what is known in Appropriations Committee parlance as a token cut. A token cut is a cut which is designed merely to show those down in the departments that the committee really looked at the item. It therefore cut $225,000 from such a grand total as $27,125,000. I say this is not the proper kind of economy, it is not sensible economy, it is not the kind of economy that the American public wants.

Mr. Chairman, I conclude by requesting the gentleman from Virginia [Mr. GARY] to handle this bill for the minority side of the House during my absence; and at this time I yield 30 minutes to the gentleman from Virginia [Mr. GARY].

The CHAIRMAN. The gentleman from New York has consumed 31 minutes.

Mr. STEFAN. Mr. Chairman, I yield myself 1 minute and address my remarks to the gentleman from Virginia [Mr. GARY]. Would it be agreeable to the gentleman from Virginia if I yielded to the gentleman from Washington [Mr. HORAN] before the gentleman from Virginia uses his time? I wish to accommodate the gentleman from Washington.

Mr. GARY. That is agreeable to me.

Mr. STEFAN. Mr. Chairman, I want to express my deep sympathy to my colleague the gentleman from New York [Mr. ROONEY], who must undergo some medical treatment. In spite of his illness he has worked hard on this bill and he has been one of the most cooperative members of our committee. We wish him Godspeed.

Mr. ROONEY. I thank the gentleman from Nebraska.

Mr. STEFAN. Mr. Chairman, I yield 25 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I want to express my appreciation to the gentleman from Virginia.

Let me say, Mr. Chairman, that we were a very genial subcommittee and while we had differences they were all above the table, and we bring this bill to you today with a good deal of confidence. I want to say a word for the chairman of this subcommittee. I believe he realizes the full import of an appropriation bill and its presentation to the Congress of the United States. I was impressed with his desire not to limit debate. We feel that everyone who has anything on his mind in connection with the Justice Department, the Judiciary, the State Department, or the Department of Commerce should be entitled to ample time on the floor to express his position.

Mr. Chairman, I wish to discuss the growth of one of the items in this bill. Before doing so, however, I desire again to impress upon the membership of this body just what our position is with respect first of all to the people of the United States, and, second, to the people of the world.

I never bring visitors into the gallery without pointing out to them the only symbol of authority in America, the mace. When the Speaker is in the chair the mace is on top of that marble pedestal there on the rostrum, to the right of the Speaker's chair. When we are sitting in the Committee of the Whole House on the State of the Union, as we are doing now, the mace is dropped down to a position at the base of the column. That is the only scepter in America. It is not down in the White House, it is not on the other side of the Capitol. It does not rest in some closet in a bureau downtown. That mace and the responsibility that goes with it is right here in this Chamber where we are sitting.

Mr. Chairman, through appropriation bills we have an opportunity to review the work that is being done on legislation policies that have been developed by the Congress. We review the entire work of the departments during the past fiscal year and on that basis we pass judgment on whether or not their requests should be allowed, decreased or increased for the fiscal year we are then considering. It becomes our duty also to check and to see if the intent of Congress, of this body, is being carried out. To do that we have to understand the basic laws that set up these departments and the basic laws that have been passed by this body directing them not to do this or directing them to do that.

A budget is prepared in September before this body, the Congress, meets. That budget then goes to the Bureau of the Budget, which is an interesting body set up by this Congress designed to assist the Congress in weeding out unnecessary items in any departmental budget. It is not, however, answerable to the people. The men in the Budget Bureau have a tremendous amount of power, and probably they should have, but they do not have to face an election, they do not have to face the people and be responsible and answerable to them. A department of government is not the Government. It is merely the service body that carries out the administration of laws passed in good faith by the House of Representatives and the Senate of the United States. We have to check and to see that they do carry out this intent.

Mr. Chairman, at this time there is being carried on in the world a cold war. No one knows who declares a cold war. Certainly this body did not, the administration denies that it has; yet in Berlin, in Trieste, in Korea, in Palestine, in the Arab world, we are standing upon the brink of another shooting war and the spilling of American blood. It is going to affect our prosperity if it comes; it will affect the peace of the world if it comes; yes, and it will directly affect our future progress.

Mr. Chairman, I wish to make a point here, and I hope you will appreciate the purpose of this subcommittee in presenting the facts of the case to you today, because only through the medium of an

appropriation bill is the entire perspective, with all of its possibilities, brought before this body for consideration.

In this bill we have an item of $28,000,000 for what is known as the Office of Information and Education. The proponents of this bill worked long and hard telling us that "If you will just pass this legislation and spread it upon the books, then pass the appropriations to make it effective, peace and prosperity and love will more than engulf the world." We passed that bill a year ago. I personally had high hopes for it and supported the amount that the committee appropriated in the present bill for this purpose, $28,000,000. I think that one department, the Department of State, probably will have to make amends for some of the errors in another part of that Department, and maybe the diplomatic corpses that are strewn all over the landscape, in Berlin, Trieste, and Palestine, will have to be buried by the Office of Information and Education. They will have to recapture the good will we have lost overnight. But you will recall that we went into that fully last year. This committee forced the passage of that legislation because that bureau or division of the State Department, with all of its far-flung and ambitious programs, did not have an organic law to stand on, and we felt that it should have. And so we lodged a point of order against the program. Any department that presumes to spend better than $30,000,000 a year ought to be well wedded to substantive law. So, on five different occasions the Committee on Foreign Affairs brought that bill to the floor, and it was pushed around something awful before final passage. From our vantage point of understanding, this committee, as part of that bill, added two very, very important features. One was a feature calling for an advisory committee to advise this division of government, that advisory committee to be drawn from the proper parts of our American cultural, educational, social, and industrial life. The second amendment is one that I offered, and I am very proud of this amendment. It is section 1005 of Public Law 402. It directs the Office of Information and Education, wherever possible, to utilize private industry and private facilities. But, while the House passed that law last June, and while the budget for the Cultural and Educational Division, which is before us now, was prepared in September, the Senate did not finally act and pass that bill and make it part of the substantive law until January 27, almost identically the same day that we were holding hearings on this OIE to justify its budget before our subcommittee—a budget, mind you, that was prepared last September and one that still did not have a piece of policy legislation, showing the intent of Congress to guide it. It was a strictly war-born bureau budget.

Last year, when Mr. William Benton was the head of this department, I asked him a lot of questions which to me were pertinent. I thought they were pertinent because out of that I hoped to perhaps evaluate something that was peculiarly American. I asked him, for instance, how many newspapers and magazines in this country published foreign editions or had editions that were published in a foreign country. On pages 424 and on in the hearings of last year you will find the answers to my questions concerning the total number of American publications already in the foreign field and creating good will and doing good work. I asked him how many newspapers in this country had foreign correspondents, who certainly do create some influence, good or bad, the same as a diplomat abroad. I asked him how many American sponsored and supported schools there were in the world. The number, of course, runs way up into the hundreds. There is some discussion on a matter that has no place here excepting that we have in our hearts the determination to protect it as individuals, and that is the influence of churches and missionaries. They are probably the greatest workers for good will, peace, prosperity, and brotherly love that exist, yet they are not to be interfered with by the state with all of its prejudice and its restrictions based upon nationalism.

I asked what were the activities of the motion-picture industry, which has gone greatly into the foreign field. The industry has denied the exportation of such plays as Tobacco Road, Grapes of Wrath, and others. The Communists, of course, want these distorted exhibitions of capitalist life. In one instance the responsible film industry was overridden by the State Department itself. I asked about private exchanges of culture and artistic materials. I asked about the work of our archaeologists and free-lance educators and others. I asked a lot of questions. I am having prepared this afternoon a summary of this information, and shall include it in my remarks.

I do that for this reason. Certainly the most important thing that can possibly fall to the good of the people of the world is peace. I am not convinced that we are working in that direction. I am persuaded that there is a job for wise administration today to bring together all of these forces that do work for peace. I am not convinced at all that that has been the policy of the bureaucrats down in the State Department.

Mr. Chairman, I am certainly not partisan in this appeal. There is a job to do. I trust the minority will not come to the floor and make a big issue out of our cutting this item $6,000,000. Let me tell you why. The budget that was before us, I am convinced, was nothing more than an attempt to achieve the objective of a huge monopolistic division of cultural affairs in the State Department. Nowhere is there any evidence to support any claim that they have tried to weld together those things that are fundamental to our American life and part of the thing that today makes us great, because we are free. They are the things which express themselves as truly American automatically; you do not have to shout. So we cut it $6,000,000, because there is plenty of evidence to show that $1,000,000 could be saved here and another million there with wise cooperation and amalgamation of these things that already exist and whose record is so brilliant.

In my own State of Washington this spring Dr. Stephen B. Penrose, Jr., was chosen to become president of the American College in Beirut. We call him "Binks" Penrose. For years his father was president of the great university that gave us our colleague the gentleman from Washington, Mr. HAL HOLMES, and one of the Justices of the Supreme Court, Mr. William Douglas. That is Whitman College, named after a great American missionary. "Binks" is going over to Beirut in Lebanon to become president of a college that probably as a breeder of good will is not excelled anywhere in the world. We are very happy that a man from our State has been chosen.

I visited that college 2 years ago. It is a college credited with having educated thousands upon thousands of the leaders of the eastern Mediterranean area. While I was there I asked them how many different nationalities were there peaceably attending college, and was told that they taught the previous year in 16 languages and used 3 alphabets, because that is a place where east meets west, and who is going to evaluate the goodness of such an institution?

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. In looking over the report of the committee I was interested to see that an item in the State Department that would have to do in large measure with the successful operation of our fisheries in the North Atlantic is not included in the estimates this year. I know that the State Department for some considerable period of time has been working with the countries to the north of us in the Atlantic for a fisheries treaty and considerable work has already been done. This item was submitted by the State Department to the Bureau of the Budget and for some reason which I at this moment do not know was stricken from the budget. May I ask the gentleman, who I know is interested in fisheries on the western coast, whether there were any questions asked of the State Department officials as to why this item did not appear in this year's budget?

Mr. HORAN. Might I refer the gentleman to our able colleague the gentleman from Nebraska [Mr. STEFAN] with regard to that item, the details of which do not come to my mind at the moment?

Mr. STEFAN. There was no item there for Atlantic fisheries at all, and no estimates were submitted.

Mr. BATES of Massachusetts. That is my point, Mr. Chairman. There are no estimates and apparently no reason for the lack of them. This item was submitted by the State Department to the Bureau of the Budget and was stricken out. According to the language of this report, this item is being liquidated. That is the trouble today. There is not enough consideration being given to our domestic industries and fisheries. Last year we had the same story, and this year again, and apparently nobody is interested enough to even ask the question, "Why?"

Mr. STEFAN. Of course, the report does not say anything about that particular item.

Mr. BATES of Massachusetts. Oh, yes; it does. I read the report myself, where the item was liquidated last year.

Mr. STEFAN. Will the gentleman read it?

Mr. BATES of Massachusetts. The fiscal year 1948 includes two items or activities which have been liquidated. That is last year, 1948, I understand, because I have made the inquiry before with the Bureau of the Budget. This year they liquidated it. But what I think we should find out is why they liquidated it. I know we ought to put back the $25,000 to continue the work so that we can have a fisheries treaty with the nations north of us so that we can have a spirit of good will with those great nations of the north Atlantic.

Mr. HORAN. Did the gentleman appear before the committee? I would suggest that this be taken up after this bill leaves this body, and I assure you that any item of that nature will have my greatest consideration. I want you to know that I did make an effort, while it is not good practice to write anything of a legislative nature into this bill, that an Under Secretary of State be made responsible for the handling of all fisheries treaties, because I feel it should be on that level.

Mr. BATES of Massachusetts. I might say to the gentleman that I am asking for that information from the State Department today.

Mr. HORAN. I hope the gentleman will do that.

Mr. STEFAN. I would suggest that the gentleman take this matter up with the Budget because we are talking about matters which have not been presented to us by the Budget.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to my colleague the gentleman from California.

Mr. JOHNSON of California. I was very much interested in the very constructive and interesting speech on the various forces and elements making for peace, such as the interchange of students. Can the gentleman tell me whether or not the State Department works with a group like the University of California, which has an International House where we have students from all over the world living together in the same building and trying to understand each other? Is there any connection that the State Department has with activities like that out there or vice versa?

Mr. HORAN. Mr. Chairman, in conclusion of the remarks I am making at this time quite informally and which I have asked permission to revise and extend, may I say that the committee was impressed with both the spirit and cooperation that existed between all forces which include the State Department and UNESCO. Personally I was very highly impressed with the attempt that is being made in the operation and administration of that movement to really get the people in it. That would fit in much more closely with the international house you mentioned at the University of California. If we are going to have a Voice of America, we want it to be the voice of America and not the voice of a Government bureau. To achieve that the Government certainly will have to have a supervising influence. Certainly they will have to coordinate, and they will have to clear both individuals and programs; but they will not have to take the center of the stage and rant like a Shakespearean orator all the time.

Mr. JOHNSON of California. Is there any conscious effort to pull together the dozens or hundreds of forces that are making for orderly understanding between the peoples of the world?

Mr. HORAN. As I say, we are not completely convinced. Neither, since the Congress is not going to administer any agencies set up, do we feel that it is up to us to plan and spell out to the State Department what we consider to be the understanding and intent of the Congress.

DISCUSSION OF AMERICAN GOOD WILL ABROAD

Mr. HORAN. Everyone in the Government tells me that we have a tremendous backlog of good will abroad. Did that all come through the Information and Cultural Relations Division?

Mr. BENTON. We have both good will and ill will, as you know. It is a combination that varies greatly from country to country. It would be fair to say, I am sure, that all over the world there is enormous curiosity about us, and this curiosity and such good will as we have comes from a whole complex of reasons. I think, on the cultural side, it comes perhaps most notably from our missionaries, because our missionaries in certain parts of the world have made a tremendous contribution at the religious, educational, and cultural level to good will toward the United States.

Mr. HORAN. As a Government agency, with our unwritten doctrine of separation of church and state, it is difficult for you to do other than to just perfunctorily cooperate with the missionaries, isn't that right?

Mr. BENTON. I feel we have cooperated very closely with the missionaries, where we have the opportunity, in some countries.

I remember when I was in Bangkok, 10 years ago, I asked the men at the embassy there what they did in Bangkok, and they said, "Ninety percent of all we do here in the embassy centers around the missionaries."

So the State Department itself, entirely apart from our OIC end of it, is dedicated to American missionaries, in some countries as much as 90 percent of the Department's total activities in those countries.

Mr. HORAN. The church unquestionably has created a tremendous amount of good will for us throughout the world.

Mr. BENTON. As have many other factors.

Mr. HORAN. Without any doubt.

Mr. BENTON. As have the Hollywood motion pictures and many other American business enterprises.

Mr. HORAN. We have also created good will, have we not, through the exchange of Government facilities and advice and techniques, such as the exchange of agricultural workers between ourselves and the Czechs, as well as all over the world; isn't that right?

Mr. BENTON. It is illegal for such activities, with any element of Government support or interest, to be carried forward except in Latin America.

Mr. HORAN. We do, however, exchange technical workers with other parts of the world do we not?

Mr. BENTON. Our private commercial firms will enter into contracts with Russia to send American technicians to Russia——

Mr. HORAN. No. I had Czech horticultural workers working right out in my warehouse, in the State of Washington.

Mr. BENTON. Was it during the war, Mr. HORAN?

Mr. HORAN. It was before the war. I am talking about the background that we can either make or break. It already exists and creates a tremendous amount of good will for us.

We also exchanged educators all over the world, haven't we?

Mr. BENTON. Oh, yes; there is no question about it; we have exchanged professors, for example, between our universities and the British universities, but on a very small scale.

STATUS OF EXCHANGE-STUDENT PROGRAM

Mr. HORAN. What is the present status of the exchange-student program?

Mr. BENTON. We have about 350 Latin-American students here from the various Latin-American countries, in whose welfare the Government has taken an interest, and also about 50 professors from Latin America—isn't that right?

Mr. HOLLAND. Right.

Mr. BENTON. There are thus a total of about 400 people from Latin America here under the sponsorship of the Government, on our Latin-American program of exchange of personnel, and that is all for the entire world, Mr. HORAN.

Mr. HORAN. What about the arrangement under which we undertake an exchange-student program with China?

Mr. BENTON. About 2,000 students, I believe, have come in under the Boxer indemnity scholarships, and I think those who know most about these fellowships think they are as fine an example as can be picked anywhere of the great potential importance of this kind of exchange of personnel.

One sentence might interest you, Mr. HORAN, in World Report, of this week, and I subscribe to this sentence—this is a Dave Lawrence magazine, of which he is the editor, "Students and trainees from other countries probably will generate more trade in the long run than all the loans and relief together."

This is a pretty selfish way to look at students and trainees. It is a very materialistic way, that will confirm to many people abroad what they think our motives are, in activities of this kind. However, over the long pull it is an interesting observation, and I believe a true one.

Mr. HORAN. Will you supply for the record the total of all of the American educational institutions abroad, those that are supported in whole or in part by the good will of individual Americans, including Benton College on the eastern Mediterranean.

Mr. BENTON. It is only a primary school, but with that amendment I shall do my best, for the record.

(The information requested is as follows:)

"STATEMENT ON AMERICAN-SPONSORED EDUCATIONAL INSTITUTIONS ABROAD

"The Department is engaged in assembling a list of American-sponsored educational institutions abroad. No such list is now in existence. The following data represents the best information available to the Department on the subject. It should be noted here that some American-sponsored schools abroad are solely for the education of the children of American citizens and hence have no effect on the education of foreign children.

"In Latin America the Department has been conducting a program of assistance to such schools, based on a survey made in 1941–42 by the Office of the Coordinator of Inter-American Affairs and the Department. That survey established the existence of some 400 American-sponsored schools of all types in Latin America. Of that number, the Department is currently aiding 14 schools

with fiscal grants to enable them to establish themselves firmly on a self-supporting basis, is aiding approximately 2 schools to recruit American teachers, and is aiding approximately 270 schools with educational materials and professional advice.

"In the Near East the Department cooperated with American-sponsored schools by making possible important educational projects under grants from the Emergency Fund for the President and from funds appropriated under 'Cultural relations with China and the neighboring countries and countries of the Near East and Africa' (Public Law 61, 79th Cong.).

"In the Far East the Department has provided modest aid to approximately 19 American-sponsored schools and colleges in China from funds appropriated under Public Law 61, Seventy-ninth Congress, as cited in (b) above, as a contribution toward rehabilitating their war-devastated campuses.

"In Europe the Department has carried on no program of aid to American-sponsored schools."

Mr. HORAN. You will also——

Mr. BENTON. I wish it were a college.

Mr. HORAN. Will you also indicate, in a chart form, the extent of the education carried on there, the number of alphabets used, and, if possible, the number of nationalities educated in each?

Mr. BENTON. To the extent that we have that information, we will contribute it.

Mr. HORAN. Well, that information should be available.

Mr. BENTON. I think most of it is available. Is it completely available?

Mr. HOLLAND. I believe we can supply part of that.

(The information requested is as follows:)

"STATEMENT ON ENROLLMENT IN AMERICAN-SPONSORED SCHOOLS ABROAD, ON ALPHABETS USED IN THEIR TEACHING, AND DATA ON NATIONALITIES EDUCATED IN EACH

"1. There is appended an enrollment break-down on the nationality of the student bodies of the 14 American-sponsored schools in the other American Republics recently receiving grants-in-aid from the Department, insofar as such information has been made available to the Department.

"2. The Department is not in possession of comparable analyses of the student bodies of schools in the Near East and China which in the past have received aid through the Department.

"3. In the other American Republics, instruction is given exclusively in the Roman alphabet. In the Near East, schools use the Roman alphabet and Arabic script. In China, schools use the Roman alphabet and Chinese ideographs. Athens College, which has received books from the Department, presumably uses the Roman and the Greek alphabets.

"ENROLLMENT IN AMERICAN SCHOOLS IN OTHER AMERICAN REPUBLICS

"It is estimated that the 270 American-sponsored schools located in the other American Republics have a total enrollment of 55,000 students and that 5,000 of these are Americans."

Mr. BENTON. Of course, you appreciate that our scientific and cultural program by law has been confined to Latin America, in collaboration with other countries through the State Department.

Mr. HORAN. Let me advise you people that we members of this committee deal with more than one budget. My own work deals with at least five departments.

I am aware that if we are to protect the solvency of America, unfortunately we have to do it by maintaining as fiscally a sound approach as possible. Whatever is done by any one of the 140,000,000 people in America has its attack upon our one national income, out of which all of our taxes come.

Mr. BENTON. I concur with that.

Mr. HORAN. And, consequently, anything that is contributed out of the whole of American resources or wealth has a part in any program that we are considering, where we have to appropriate funds for it.

Mr. BENTON. I concur thoroughly with that.

Mr. HORAN. Consequently, I am very much interested in everything that America is doing.

If we go back as early as 1858, when a merchantman out of Boston founded Roberts College on the Dardanelles——

Mr. BENTON. Yes, sir.

Mr. HORAN. Unquestionably an anchor of our foreign relations.

Mr. BENTON. Yes, sir.

Mr. HORAN. One that we can destroy by foolish tripe, I would call it. This art doesn't appeal to me. I have some concept of what is good and true and beautiful, and that is supposed to be the foundation of art, but I don't see anything good and true and beautiful about that, certainly, and I don't think you do.

Mr. BENTON. I said I liked the circus girl better than some of the rest of you.

Mr. HORAN. That is a standard of awfulness, and what we want is a standard of better.

AMERICAN SPONSORED SCHOOLS IN THE EASTERN HEMISPHERE THAT HAVE IN THE PAST RECEIVED GRANTS FROM THE DEPARTMENT OF STATE

IRAQ

American School for Boys, Baghdad.

LEBANON

American Community School, Beirut.
American University of Beirut, Beirut.
International College, Beirut.

LIBERIA

Booker Washington Institute.

SYRIA

Damascus College, Damascus.

TURKEY

Admiral Bristol Hospital (nurses' school), Istanbul.
American College for Girls (women's college), Istanbul.
Robert College, Istanbul.

CHINA

Lingnan University, Canton.
West China Union University, Chengtu.
Fukien Christian University, Foochow.
Hwa Nan College, Foochow.
Hangchow Christian College, Hangchow.
Kikungshan School, Kikungshan.
Kuling American School, Kuling.
Ginling College, Nanking.
University of Nanking, Nanking.
Yenching University, Peiping.
Peiping American School, Peiping.
University of Shanghai, Shanghai.
St. John's University, Shanghai.
Shanghai American School, Shanghai.
Soochow University, Soochow.
Shangtung Christian University (Cheeloo), Tsinan, Shangtung.
Tsingtao American School, Tsingtao.
North China American School, Tungchow.
Hua Chung College, Wuchang (including the Yale School of Science, Yale-in-China).

AMERICAN-SPONSORED SCHOOLS AIDED AND OFTEN ADMINISTERED BY AMERICANS, EASTERN HEMISPHERE

BULGARIA

Pordin, Bulgaria.
Lovetch, Bulgaria; American High School for Girls.
Sofia, Bulgaria; American College and University (affiliated with Near East College Association).

EGYPT

American University of Cairo.
The American Mission in Egypt, Cairo.

ETHIOPIA

American Mission School, Addis Ababa.
American Pro-Falasha School, Addis Ababa.

GREECE

American College of Sophia.
Athens College.
Pierce College (for women).
Anatolia College.
American Farm School.

POLAND

Methodist School, Warsaw (has reopened).

IRAQ

Baghdad College, Baghdad.
American School for Girls, Baghdad.
American Reformed Church: American School for Girls and American School for Boys, Basra.
Seventh-Day Adventists, Mosul.

IRAN

American Community School, care of American Presbyterian Mission, Teheran.

PALESTINE

Hebrew University of Jerusalem, Jerusalem.
American School of Oriental Research, Jerusalem.

SYRIA

Aleppo College, Damascus.
Syria Mission of the Board of Foreign Missions of the Presbyterian Church of North America, Damascus.
American School in Damascus, Damascus.
The Tamer Agricultural School, Damascus.
Church of the Nazarene School, Damascus.
Church of the Nazarene School, Bludan.

LEBANON

Assyrian National School Association, Beirut.
Syria Mission of the Board of Foreign Missions of the Presbyterian Church in the United States of America, Beirut.
Bible Lands Gospel Mission, Beirut.
Church of God Mission School, Khurbeit-el-Hussan.
United Missionary Society, Beirut.
Seventh-Day Adventists, Beirut.
Seventh-Day Adventists, Beirut Training College.
Assemblies of God Mission School, Beirut.
The Daniel and Emily Oliver Orphanages, Ras-el-Metn.
Layyah A. Barakat Home for Orphan Girls, Abieh.

TURKEY

American College, Tarsus.
The American College, Talas-Kayseri.
Girls' High School and Boys' High School at Uskudar, Izmir, Tarsus, Talas.
American Community School, % Robert College, Istanbul.

CHINA

Keen School for Girls, Tientsin.
Hui Wen Middle School, Tientsin.
Hui Wen Primary School for Boys, Tientsin.
Hui Wen Primary School for Girls, Tientsin.

BURMA

The American Baptist Mission School, Taunggyi, Southern Shan States.

INDIA

The Woodstock School, Mussoorie, U. P., India.
The Community School, Kodai Kanal at Ootacamund, south India.
A school at Naini Tal, U. P. India.

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(Starred schools offer a part of the curriculum in English. Schools not starred use the language of the country in which they are located as the medium of instruction)

ARGENTINA

Dr. Herbert H. Peterson, American Grammar and High School,* Freire 1899, Buenos Aires.

Dr. Fred Aden, Colegio Ward, Ramos Mejia, FCO, Buenos Aires.

Mrs. Evelyne Barthe, Lincoln School,* Sucre 3012, Buenos Aires.

Rev. G. O. Kramer, Escuela Evangelica Luterana, Guatrache, La Pampa.

Sr. Fernando Chaij, Colegio Adventista del Plata, Puiggari, Entre Rios.

Rev. J. M. Armbruster, Instituto Evangelico Americano, Simbron 3160, Villa del Parque, FCP.

BOLIVIA

Mr. LeGrand Smith, Instituto Americano, Casilla 175, Cochabamba.

Dr. Carl S. Bell, American Institute, Cajon 9, La Paz.

Mrs. Ruth P. Martin, Anglo-American School,* Casilla 450, Oruro.

Miss Violet Upton, School for Missionary Children,* Quillacollo.

BRAZIL

Mr. Peter G. Baker, Colegio 2 de Julho, Caixa 850, Baia.

Miss Clyde Varn, Colegio Izabela Hendrix, Caixa Postal 46, Belo Horizonte, Minas Gerais.

Director Ginasio Noroeste, Birigui, São Paulo.

Mrs. S. R. Gammon, Escola Evangelica Armstrong, Campo Belo, Minas Gerais.

Mr. A. G. Edwards, Escola Agricola Evangelica, Caixa 41, Cuiaba, Mato Grosso.

Dr. Walter Swetnam, Colegio 15 de Novembro, Garanhuns, Pernambuco.

Mr. S. Irvin Graham, Colegio de Ponte Nova, Itacira, Baia.

Sr. Irineu Guimaraes, Instituto Granbery, Juic de Fora, Minas Gerais.

Rev. Frank F. Baker, Instituto Gammon, Lavras, Minas Gerais.

Rev. C. E. Hubbard, Instituto Americano de Lins, Lins, Sao Paulo.

Mr. William Richard Schisler, Instituto Educacional de Passo Fundo, Passo Fundo, Rio Grande do Sul.

Miss Candida da Rocha Leao, Ginasio Santa Margarida, Caixa Postal 300, Pelotas, Rio Grande do Sul.

Miss Rosalie Steward Brown, Colegio Piracicabano, Rua Boa Morte 1275, Piracicaba, Sao Paulo.

Miss Ruth Dewey Anderson, Colegio Americano, Dr. Laura de Oliveira 71, Porto Alegre, Rio Grande do Sul.

Mrs. W. C. Harrison, Ginasio Batista Americano Brasileiro, Caixa Postal 118, Porto Alegre, Rio Grande do Sul.

Dr. Ruy Lauer Simoes, headmaster, Ginasio Cruzeiro do Sul, Caixa Postal 174, Porto Alegre, Rio Grande do Sul.

Sr. Oscar Machado, Instituto Porto Alegre, Porto Alegre, Rio Grande do Sul.

Dr. Jose Alfredo de Menezes, Colegio Americano Batista, Caixa Postal 226, Recife, Pernambuco.

Miss Lina Boyce, Colegio Evangelico Agnes Erskine, Avenida Rui Barbosa 704, Recife, Pernambuco.

Mr. Victor E. Moore, Escola Americana do Rio de Janeiro,* Rua General Urquiza 223, Rio de Janeiro (Leblon).

Dr. Paul C. Porter, Colegio Batista, Jose Higino 416, Rio de Janeiro.

Miss Eva Louise Hyde, Colegio Bennett, Rua Marques de Abrantes 55, Rio de Janeiro.

Miss Louise Best, Colegio Centenario, Santa Maria, Rio Grande do Sul.

Dr. Silas Botelho, Colegio Batista, Dr. Homem de Melo 537, Sao Paulo.

Dr. Benjamin Hunnicutt, Instituto Mackenzie, Sao Paulo.

Miss Ruth Mary Moore, Sao Paulo graded school,* Rua Coronel Oscar Porto 208, Sao Paulo.

Dr. Pery Machado, Instituto Uniao, Uruguaiana, Rio Grande do Sul.

Miss Edith Foster, Escola Evangelica Americana, Varginha, Minas Gerais.

CHILE

Dr. Dillman S. Bullock, Escuela Agricola "El Vergel," Casilla 2-D, Angol.

Director, Antofagasta American College,* Casilla 530, Antofagasta.

Rev. J. H. Meier, Colegio Industrial Adventista, Chillan.

Mrs. Ruth J. McLaughlin, Escuela Americana,* Chuquicamata.

Mr. Domingo Vega R., Iquique English College, Casilla 251, Iquique.

Miss Nona E. Marsh, Escuela Americana,* Potrerillos.

Superintendent of Welfare, Braden Copper Co., Rancagua (for schools at Coya, Calotes, Sewell, operated by the company).

Mrs. John L. Donner, Andrew Carnegie College,* Avenida Manuel Montt 1759, Santiago.

Mother Mary Cornelia, Colegio de Villa Maria, Casilla 9195, Santiago.

Mr. A. Weldo Stevenson, Colegio "Nido de Aguilas," * Casilla 2761, Santiago.

Dr. Ivan Grimshaw, Instituto Ingles Casilla 77-D, Santiago.

Rev. William C. Harvey, C. S. C., St. George's College,* Pedro de Valdivia 1423, Santiago.

Miss Elizabeth C. Mason, Santiago College,* Casilla 130-D, Santiago.

Miss Agnes Graham, Colegio Bautista, Casilla 20-D, Temuco.

COLOMBIA

Mrs. Ethel B. Roa, Colegio Americano, apartado 106, Armenia, Caldas.

Miss Frances Hitchcock, Colegio Americano, Armero, Tolima.

Director, Tropical Oil Co. Staff School,* Barranca Bermeja.

Miss Miriam B. Dickason, Colegio Americano para Senoritas (airmail) apartado Aereo 158 (boat mail) apartado 200, Barranquilla.

Sr. Manuel Escorcia, Colegio Americano para Varones (air mail) apartado Aereo 258 (boat mail) apartado 100, Barranquilla.

Mrs. Clara Snyder Gavin, Karl C. Parrish School,* Barranquilla.

Mrs. B. F. Uhl, Colegio de Estados Unidos,* (air mail) Apartado Aereo 3631, (boat mail) Apartado 2760, Bogota.

Mrs. Edward G. Seel (girls' section), Mr. Robert Waggoner (boys' section), Colegio Americano, (air mail) Apartado Aereo 3604, (boat mail) Apartado 35, Bogota.

Mr. Forrest E. Totten, Colegio Nueva Granada,* (air mail) Apartado Aereo 3439, (boat mail) Carrera 3A. No. 76-06, Bogota.

Mr. and Mrs. Robert Lazear, Colegio Americano, Bucaramanga, Santander.

Rev. D. O. Bryson, Colegio Americano, (air mail) Apartado Aereo 173, (boat mail) Apartado 301, Cali.

Miss Esther Lazenby, Andian National Corp. Staff School,* care of Andian National Corp., Ltd., Apartado Aereo 3, Cartagena.

Director, Colombian Petroleum Co. Staff School,* Cucuta.

Director, Tropical Oil Co. Staff School,* El Centro.

Sra. Carmen Rosa L. de Gahona, Colegio Americano, Apartado 26, Giradot, Cundinamarca.

Sra. Carmen de Avales, Colegio Bolivar, Apartado 4, Ibague, Tolima.

Mr. G. W. Chapman, Academia Colombo-Venezolana, Medellin.

Mrs. Allen D. Clark, Colegio Colon, Medellin.

Rev. Raul F. Brown, Cumberland Presbyterian School, Apartado 39, Pereira, Caldas.

Mrs. Lucille Ewers Sawyer, Fruit Co. School,* Santa Marta.

COSTA RICA

Miss C. Sheetz, Limon School,* Limon.

Miss Martha Seuss, Quepos School,* Quepos.

Mr. W. A. Wild, Academia Adventista Hispanoamericana, apartado 1325, San Jose.

Mr. Ralph Kesselring, Escuela Metodista,* apartado 931, San Jose.

Mr. Dean T. Fitzgerald, Lincoln School,* apartado 1919, San Jose.

CUBA

Sr. Juan Sierra, Colegio Los Amigos, Banes.

Mrs. Belle Suarez, United Fruit Co. School,* Banes.

Dr. Gelasio Ortiz, Colegio Bautista, Baracoa.

Dr. Joel Lobaina, Colegio Bautista, Bayamo.

Miss Gertrude Cowan, Colegio Presbiteriano, Cabaiguan.

Mr. Jose Vasquez, Colegio Presbiteriano, Caibarien, Las Villas.

Mr. Paul Tate, Colegio Episcopal de San Pablo, Avenida de los Martires 217, Camaguey.

Mr. Joseph Green Board, Colegio Pinson,* apartado 354, Camaguey.

Dr. Emilio Rodriguez Busto, Colegio La Progresiva, Cardenas.

Miss Juanita M. Kelly, Eliza Bowman College,* apartado 66, Cienfuegos.

Sister Mary di Lourdes, OP., Our Lady of the Rosary American Academy,* Calle O'Donnell 148, Cienfuegos.

Rev. Wilbur E. Larson, Colegios Internacionales, El Cristo, Oriente.

Mrs. Edrie Santana, Cuban Mining Co. School,* El Cristo, Oriente.

Mr. Antonio Arjibay, Colegio Presbiteriano, Encrucijada, Las Villas.

Director, Colegio Los Amigos, Gibara.

Dr. Luis Molina, Colegio Bautista, Guantanamo.

Miss Eleanor L. Clancy, Colegio Sarah Ashhurst,* apartado 118, Guantanamo.

Mrs. Harley Sparks, United Fruit Sugar Co. School,* Guaro, Oriente.

Dr. R. P. Guitart, Kate Plumer Bryan Memorial, Calle Habana 43, Guines.

Mr. James D. Baker, Academia Ruston,* Calle G esquina A 5a, Vedado, Habana.

Mr. H. B. Bardwell, Candler College,* Miramar y Gutierrez, Habana.

Mrs. Bessie Sams de Casas, Cathedral School,* Paseo esquina 15, Habana.

Dr. Martin Rodriguez Vivanco, Colegio Bautista, Zulueta 502, Habana.

Miss Ione Clay, Colegio Buenavista,* apartado 5, Marianao, Habana.

Dr. Carlos Perez, Colegio Central Metodista,* Virtudes 152, Habana.

Sister Directress, Colegio Dominicas Americanas,* Avenida 5a, esquina D, Habana.

Father H. L. Daly, Colegio de San Agustin,* apartado 1056, Habana.

Mrs. Eva M. Anderson, Columbus School,* 907 Calle 19, Vedado, Habana.

Mother Thomas Voorhies, O. S. U., Merici Academy,* Linea 858, Vedado, Habana.

Mrs. C. E. Sargent, the Phillips School,* Avenida Central 24, Reparto Kohly, Habana.

Dr. R. Morrell Agramonte, Colegio Los Amigos, Calle Miro, Holguin, Oriente.

Director, American School,* La Gloria, Camaguey.

Mrs. Richard Colligan, Nicaro Nickel Co. School,* Lengua de Pajaro, Oriente.

Miss Clara E. Chalmers, Irene Toland School, apartado 94, Matanzas.

Dr. Moreno, Colegio Episcopal, Moron.

Mrs. Margaret Miller Smith, American Central School,* Nueva Gerona, Isle of Pines.

Dr. Augustin Gonzalez, Colegio Bautista, Palma Soriano.

Miss Stella Lee, Lee School,* Preston, Oriente

Miss Emma P. Martinez, Colegio Los Amigos, Puerto Padre.

Dr. Santiago Gallo, Colegio Carlos de la Torre, Sancti Spiritus.

Mr. J. S. Marshall, Colegio Adventista de las Antillas, apartado 329, Santa Clara.

Miss Emilia Lima, Colegio Presbiteriano, Union de Reyes, Matanzas.

Sr. Ernesto Sosa, Colegio Emelyn Craig, Narciso Lopez 12½, Versailles, Matanzas.

DOMINICAN REPUBLIC

Director, Calvert School,* care of American Embassy, Ciudad Trujillo.

Sr. Felix Rodriguez Quinones, Colegio Luis Munoz Rivera,* Dr. Baez 2, Ciudad Trujillo.

Director, Escuela del Central La Romana,* La Romana.

Mr. George F. Hodge, St. Stephen's School, Box 166, San Pedro de Macoris.

Director, Instituto Evangelico, Box 86, Santiago de los Caballeros.

ECUADOR

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Mr. Douglas S. Ward, the American School of Quito,* Calle Toledo La Floresta, Quito.

Miss Ruth I. Popejoy, Escuela Americana Evangelica, Casilla 157, Quito.

GUATEMALA

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Miss Barbara S. Bowman, American School,* 7 A. S. Prolongacion y 6 C. de Tivoli, Chalet Samayoa, Guatemala City.

Miss Elsie Weeks, Escuela Norton Hall, Guatemala City.

Miss Elsie Gleason, Colegio "La Patria," Quezaltenango.

Miss Sara B. Posey, Tiquisate School,* Tiquisate.

HAITI

Miss Edith Robinson, Ecole Baptiste, Cap Haitien.

Mr. Paul E. Evers, College Vertieres, Casier Postal A-115, Port-au-Prince.

Rev. Ruben Marc, Ecole Baptiste, Port-au-Prince.

Sister Claire Margaret, SSSM, Grace Merritt Stewart School, box 184-A, Port-au-Prince.

Mrs. Frederick Grau, Union School, in care of Cultural Attaché, American Embassy, Port-au-Prince (boat mail: American Ambassador, Haiti, in care of Howard Fyfe, United States despatch agent, 45 Broadway, New York City).

Miss M. Catherlene Shaw, Baptist School, box 20, St. Marc.

HONDURAS

Miss Estelle Watkins, Escuela Americana,* La Lima.

Mrs. C. E. Westphal, Escuela Americana,* Mazapan.

Mr. Harold I. Brosious, Escuela del Malcotal,* Minas De Oro, Comayagua.

Director, Escuela Americana,* San Juancito.

Miss Anna D. Bechtold, Escuela Evangelica, Apartado 17, San Pedro Sula.

Director, Miss Mary Quinland, Inter-American School,* in care of Inter-American Education Society of Tegucigalpa, Tegucigalpa.

Dr. Wilson Popenoe, Escuela Agricola Panamericana,* apartado 93, Tegucigalpa.

MEXICO

Director, Escuela Industrial,* Anahuac, D. F.

Director, Colegio Palmore, Chihuahua, Chihuahua.

Mr. Bryant R. Clark, Juarez Stake Academy,* Chihuahua, Colonia Juarez.

Mr. Clifton Whetten, Colonia Chuichupa School,* Colonia Chuichupa, Siudad Juarez, Chihuahua.

Mr. Kenyon Wagner, Colonia Dublan School,* Colonia Dublan, Ciudad Juarez, Chihuahua.

Miss Eda Farnsworth, Colonia Garcia School,* Colonia Garcia, Ciudad, Juarez, Chihuahua.

Miss Ella W. Jarvis, Colonia Juarez School,* Colonia Juarez, Ciudad Juarez, Chihuahua.

Mr. Halver Cluff, Colonia Pacheco School,* Colonia Pacheco, Ciudad Juarez, Chihuahua.

Mr. Paul A. Krafft, The American School,* Avenida Vallarta 1901 Guadalajara, Jalisco.

Director, Colegio Juarez, Guanajuato, Guanajuato.

Miss Eunice R. Blackburn, Colegio Americano, Calle 72, No. 499, Merida, Yucatan.

Mr. H. L. Cain, the American School,* San Luis Potosi 214, Mexico, D. F.

Mrs. Bonita Wrixon, principal, primary section, the American School,* San Luis Potosi 214, Mexico, D. F.

M. Mildred Knoebber, Colegio del Tepeyac,* Avenida Callao 842, Mexico, D. F.

Directress, Colegio de Guadalupe,* Sierra Vista y Calle P, Mexico, D. F.

Director, Escuela Agricola Industrial, Mexicana, Apartado 16, Montemorelos, N. L.

Mr. Roy V. Keyes, the American School of Monterrey,* Hidalgo 768, Pte., Monterrey, N. L.

Sr. Eliseo Villareal, Colegio Internacional, Monterrey, N. L.

Sr. Jose de la Luz Marroquin R., Instituto Laurens, Monterrey, N. L.

Director, Escuela de la Compania Real, del Monte y Pachuca,* apartado 3, Pachuca, Hidalgo.

Srta. Manuela M. Vargas, Escuela "Hijas de Allende," Pachuca, Hidalgo.

Director, Escuela Julian Villagram, Pachuca, Hidalgo.

Sra. Argentina S. de Vargas, Instituto del Pueblo, Piedras Negras, Coahuila.

Mr. H. Stephen Stockmeyer, Colegio Americano,* Calle 13 Sur No. 2102, Puebla, Pue.

Srta. Isabel de la Rosa, Colegio Howard, Avenida 5, Pte. 1301, Puebla, Pue.

Director, Escuela Benito Juarez, Puebla, Pue.

Sr. Francisco Cruz Aedo, Instituto Mexicano Madero, Puebla, Pue.*

Director, Instituto B. N. Velasco, Queretaro, Queretaro.

Srta. Maria Jesus Valero, Colegio Ingles, San Luis Potosi, San Luis Potosi.

Mr. Allen B. Finnell, Escuela Americana de Tampico,* apartado 407, Tampico, Tamaulipas.

Director, Colegio Elliott, Torreon, Coahuila.

Miss Ebba E. Fleming, Escuela de la Compania, Metalurgica Penoles, S. A.,* apartado 93, Torreon, Coahuila.

NETHERLANDS WEST INDIES

Mr. Ira P. Hoffman, Lago Community School,* Lago Camp, Aruba, N. W. I.

NICARAGUA

Miss Elizabeth Marx, Colegio Moravo, Bluefields.

Mr. Lloyd E. Wyse, Colegio Bautista, Managua.

Mr. Harold Becklin, Escuela Americana,* Managua.

PANAMA

Mr. Henry Arthur Blake, Christ Church Academy,* care of Rev. John R. Chisholm, post-office box 1124, Cristobal, C. Z.

Dr. M. D. Smith, Instituto Panamericano, apartado 1037, Panama City, Panama.

Director, Panama Industrial Academy, Panama City, Panama.

PARAGUAY

Mr. Fred W. Hughes, Colegio Internacional,* Casilla de Correo 241, Asuncion.

PERU

Mrs. Geraldine J. Sarmiento (girls' section), Mr. John E. Shappell (boys' section), Colegio America,* apartado 240, El Callao.

Sister Mary Leonilla, Colegio San Antonio,* Calle Miro Quesada 950, El Callao.

Miss Ella E. Forslund, Colegio Esperanza,* Cerro de Pasco.

Rev. Paul J. Schneider, S. M., Escuela Normal Rural, Chupaca.

Director, Escuela Andina,* Huancayo.

Mr. John R. Powell, Escuela Chulec, La Oroya.

Mrs. Elsieann Irvin, director, Colegio Franklin D. Roosevelt (the American School of Lima, S. A.), Casilla 1825, Lima.

Director, Colegio Industrial, Casilla 2102, Lima.

Mother Maria Pacis, Colegio Immaculado Corazon,* apartado 1758, Lima.

Miss Geraldine Farr, Colegio Mario Alvarado,* apartado 2144, Lima.

Rev. V. Albert Mitchel, S. M., Colegio Santa Maria,* Casilla 2473, Lima.

Mother Mary Regina, Colegio Villa Maria,* apartado 1987, Lima.

Mr. Howard W. Yoder, Escuela America de la Victoria, apartado 1386, Lima.

EL SALVADOR

Miss Evalena McCutcheon, Colegio Bautista, San Salvador.

Srta. Margarita Moreno, Escuela Adventista, San Salvador.

Mrs. Inez Terzian, American School,* care of American Embassy, San Salvador.

Miss Ruth Carr, Colegio Bautista, Santa Ana.

URUGUAY

Miss Jennie Reid, Instituto Crandon,* 8 de Octubre 2709, Montevideo.

Director, Instituto Adventista del Uruguay, Progeso, Canelones.

VENEZUELA

Miss Hilda Shoop, San Tome Staff School,* apartado 45, Barcelona.

Rev. Calvin H. Schmitt, Colegio Americano, apartado 294, Caracas.

Miss Margaret S. Dudley, Escuela Campo Alegre, S. A.,* apartado 1648, Caracas.

Mr. J. A. Clark, Senior Staff School,* Caripito.

Miss Juliann M. Jacobson, Colegio Libertad, Calle Colon 55, Maracaibo.

Sra. Rafaela Capo de Alsina, Colegio Sucre,* Avenida Guayaquil 2, Maracaibo.

Miss Margaret Ann Slote, supervisor, staff schools,* care of Caribbean Petroleum Co., apartado 19, Maracaibo.

Miss Margaret Brown, Quiriquire Staff School,* Quiriquire.

ASSOCIATION WITH PRESS SERVICES

Mr. HORAN. What is your relationship with the international press?

Mr. BENTON. I don't understand what you mean by international press.

Mr. HORAN. What is your relationship with the international press—the AP, United Press, International News Services——

Mr. BENTON. The three agencies?

Mr. HORAN. All of them. I use the term "press" all inclusively here, because I do feel that they are tremendous vendors and accumulators.

Mr. BENTON. You mean the wire services primarily?

Mr. HORAN. The whole press.

Mr. BENTON. The whole American press?

Mr. HORAN. The whole American press.

Mr. BENTON. I think it is fair to say that our relationship with the American press has improved very, very greatly in the past 12 months. One of the things that has encouraged me most about our program is the great progress we have made with the press in securing awareness and consciousness of what this problem is. The principal thing that has accounted for this better understanding was, paradoxically enough, the withdrawal of the wire service from the Department by the Associated Press and the United Press about 15 months ago.

Mr. HORAN. That was done because security measures were less and less important; isn't that right?

Mr. BENTON. I explained at some length this morning about that withdrawal, Mr. HORAN.

Mr. HORAN. You may have, but I wasn't here. I am sorry.

Mr. BENTON. Yes, sir; but that withdrawal helped precipitate the interest by the press.

The American Society of Newspaper Editors met in Washington last April and its resolutions committee brought out a resolution on the floor condemning this operation of mine in the State Department. That resolution was symptomatic at that time of the fear and suspicion of the press of the stigma and propaganda, the fear of attack on the integrity of private media, etc.

Mr. HORAN. That is all beside the point. What I am trying to do is to develop what our international relationships have been in the past.

Mr. BENTON. Well, just another sentence or two and I will get to that.

This resolution was defeated on the floor, I think most fortunately for the country, and the American Society of Newspaper Editors appointed a committee to study the whole problem. The report of that committee endorsed the OIC operation as needed and necessary and highly in the national interest.

A copy, by the way, of that report went to every Member of Congress. Very distinguished editors, from the leading newspapers of the United States, were on that committee.

That committee report was published in full in Editor and Publisher.

These men sat, not just for the 2 days, Mr. Chairman, that you hoped to give this program, but they met time after time over the months——

Mr. STEFAN. Just wait a minute. Who said we are confining these hearings to 2 days?

Mr. BENTON. It was a rumor that reached me. If it is longer it will be——

Mr. STEFAN. We have set no such schedule. We will use all the time needed for full and complete hearings.

Mr. BENTON. I apologize; whatever the time may be, Mr. Chairman.

Mr. STEFAN. We will take as much time as necessary

Mr. BENTON. Well, these men, with their background as newspaper editors and specialists in the news field, I think you would agree if you talked to them, spent more time studying the program than men who have five different appropriations are likely to be able to do.

Mr. HORAN Will you supply for the record——

Mr. BENTON. Their report endorsing the need for the OIC program has greatly helped us with the press right through the country.

Mr. HORAN Will you supply for the record the total number of foreign correspondents of all sorts?

Mr. BENTON. In this country?

Mr. HORAN. Employed by the American press, and when I say "press" I mean magazines, newspapers, weeklies, the total number of foreign correspondents employed by the American press, if you will.

Mr. BENTON. Outside this country?

Mr. HORAN. Outside this country.

Mr. BENTON. Of course, you remember, Mr. Horan, their job is to send the news back here, and not to send news from this country to the country where they are assigned.

Mr. HORAN. All right, my next question will cover that.

(The information requested is as follows:)

"UNITED STATES FOREIGN CORRESPONDENTS

"The Working Press of New York City, 1945, lists these war correspondents (latest figures available):

New York Herald Tribune	14
New York Daily News	5
New York Times	17
New York Journal-American	1
PM	1
New York Sun	4
AP	81
INS	20
UP	141
Newsweek (bureau chiefs and assistants only listed)	4
Bell Syndicate	5
McNaught Syndicate	1
NEA	2
Total	296

"The Overseas Press Club of New York states (as of Mar. 20, 1947) there are now 500 correspondents abroad but cannot furnish any break-down of that figure."

EXTENT OF PUBLICATION OF MATERIAL IN FOREIGN LANGUAGES

Mr. HORAN. How many of our magazines and newspapers are published in other languages?

Mr. BENTON. I have in my head a good deal about that, but if you want that for the record, I will do still better.

Mr. HORAN. I want it supplied. I know that some of them do. I want to know in how many languages they publish?

(The information requested is as follows:)

"STATEMENT ON AMERICAN NEWSPAPERS AND MAGAZINES PUBLISHED IN OTHER LANGUAGES

"According to information obtained from the New York offices of the American Newspaper Publishers Association, no newspapers published in this country in a foreign language are for overseas distribution. In varying amounts, a few such newspapers are known to have subscribers outside the United States. In recent months, some United States foreign-language newspapers in Polish and Hungarian have been denied entrance into Poland and Hungary by decrees of the respective Governments.

"The latest list issued by the Common Council for American Unity (June 1946), New York City, shows 1,000 foreign-language publications in the United States. These include 90 dailies, 52 semiweeklies, 402 weeklies, 72 semimonthlies, 295 monthlies, and 89 others. This includes both newspapers and magazines.

"A check made of the trade associations (National Publishers Association, standard rate and data service, and Publishers, Inc.) produced the following data on magazines:

"Reader's Digest publishes in several languages and distributes sizable amounts to many countries. Total circulation figures are not available.

"Norte Revista Continental, a monthly printed in Spanish, has a circulation of 94,435. This is not an American magazine in the sense of having United States circulation.

"Rotarian, the monthly magazine of Rotary International, has a Spanish edition of 17,000.

"Skyways, an aviation magazine, has a Spanish edition of 7,500."

Mr. BENTON. But publishing in English, as Newsweek, Time, and Life do, who have gone into the international field, is also tremendously helpful to this program.

ROLE OF THE RADIO AND MOVIE INDUSTRIES IN CARRYING OUT THE PROGRAM

Mr. HORAN. What is needed to make a better medium, for the representation of America, with the radio?

Mr. BENTON. I am not sure I am clear on your question.

Mr. HORAN. Well, the radio industry exists.

Mr. BENTON. Yes.

Mr. HORAN. It is a growing industry. I am concerned, of course, with some of the ethics of those who produce the broadcasts. I don't think they are fit to be sent abroad, particularly Murder at Midnight, and some of those more atrocious programs. However, it is a medium and it is one capable of disseminating and painting the cultural life of America outside of our boundaries.

Mr. BENTON. Yes, sir.

Mr. HORAN. It is capable of that. I believe that it can be valuable to the radio industry.

Mr. BENTON. It is now the most potent medium of all for us. It can be used quickly.

Mr. HORAN. That is right, and there should be some saving there, through a complete cooperation with the radio industry.

I am advised that the movie industry is spending about $2,000,000 of its own money—however, money out of the total national income of America—in their international work at this time, and I think this is something to build on—that you do have good relationships with the movie industry.

Mr. BENTON. I think our relationships are very good with both industries, Mr. HORAN.

Mr. HORAN. I want you to supply for the record the work being presently done by the movies, and in what countries they are particularly active, and also a brief résumé of the things that they are doing themselves, outside of Government interference, to maintain a good relationship for themselves, and incidentally for America.

(The information requested is as follows:)

"STATEMENT ON ACTIVITY OF THE UNITED STATES MOVIE INDUSTRY ABROAD

"(1) American-made entertainment films have in the past been actively distributed in all parts of the world. Following the war the overseas distribution of American films was for a time severely curtailed and was stopped completely in those countries in which Government film monopolies existed. At the present time American films are in distribution, or agreements have been made for their distribution, in all but three countries, namely, U. S. S. R., Bulgaria, and Yugoslavia. (Negotiations are presently taking place for distribution in Yugoslavia, and Ambassador Bedell Smith has, at his request, been supplied with feature films for embassy showings to which Russians are invited.)

"(2) Distribution of American films abroad is handled in a number of ways, of which the following are typical:

"(a) Some American companies maintain or own distribution facilities in certain countries;

"(b) Some companies operate through the Motion Picture Export Association in certain countries;

"(c) Certain individual American producers or producing companies enter into agreements which provide for the distribution by or outright sale of their films to companies owned or operated by the nationals of other countries.

"(3) The Motion Picture Export Association was organized under the Webb-Pomerene Act and its membership includes the following producing and distributing companies:

"Columbia Pictures International Corp.

"Loew's International Corp.

"Paramount International Films, Inc.

"RKO Radio Pictures, Inc.

"Twentieth Century-Fox International Corp.

"United Artists Corp.

"Universal International Films, Inc.

"Warner Bros. Pictures International Corp.

"The Motion Picture Export Association is prepared to handle the film distribution of its member companies in the following countries: Czechoslovakia, Bulgaria, Hungary, Netherlands, Netherlands East Indies, Poland, Rumania, U. S. S. R., Yugoslavia, and the occupied areas (Germany, Austria, Japan, and Korea).

"Certain companies, such as Republic Pictures, Monogram Pictures, Producers Releasing Corp., and a number of independent producers, do not belong to the Motion Picture Association of America or the Motion Picture Export Association.

"(4) Selectivity of product is being exercised for all countries served by the Motion Picture Export Association and the same service, on a voluntary basis, has been requested by the member companies for all other countries (those not now served by the Motion Picture Export Association).

"(5) The Motion Picture Export Association is composed of those members of the motion-picture industry which belong to the Motion Picture Association of America. The Motion Pictures Association's international division is in the process of expansion with a view to acting as 'antenna' for the industry. It now has established posts in London, Paris, Cairo, Bombay, and Latin America.

"(6) An International Information Center has been created in Hollywood and is operating as an advisory service to the motion-picture industry on motion-picture scripts and production matters. This center will,

upon request, offer advice to the industry as to the possible impact of their films on foreign audiences. All producers in Hollywood have access to this service and have voluntarily agreed to its establishment.

"(7) Several motion-picture companies are entering the 16-millimeter commercial field abroad and are distributing their feature films and short subjects in 16-millimeter versions. It is understood that the majority of these 16-millimeter operations are in general similar to theatrical distribution in the admissions charged for such 16-millimeter shows are the same as those charged at the nearest 35-millimeter theater. Several companies are developing plants to utilize films not normally included in their entertainment programs, such as pictures of an educational and information character which are of particular interest to the community being served by such 16-millimeter operations. Prints of films selected from the short subjects produced by the industry which can be used in educational institutions abroad have been requested and are being sent to South Africa and Canada.

"(8) The Motion Picture Export Association supplies the Army with prints for the four occupied countries and MPEA has estimated that the motion-picture industry has expended at least $500,000 for prints alone for these occupied areas.

"(9) The industry continues to supply its films to members of the United States armed forces in all parts of the world and includes in this service the troops of other countries, such as British and Belgium. Films are also made available to a number of centers which care for displaced persons.

"(10) Executives of the motion-picture industry are serving in various international organizations, such as Messrs. Eric Johnston and Donald Nelson, who have received appointments as honorary advisers to the United Nations Department of Public Information in relation to the film production and distribution of this organization.

"(11) The American motion-picture industry has in the past made many contributions to charitable organizations and projects abroad. A recent illustration of this is the offer to the Lord Mayor of London of a donation of £5,000 for victims of the flood in Britain.

"The above information was secured in personal interviews by staff members of the International Motion Pictures Division, OIC, from various individuals in the motion-picture industry."

Mr. BENTON. Could I say there is a very great difference in the problems of the two industries?

Mr. HORAN. I am aware of that.

Mr. BENTON. One of them has a profit incentive, sir, for the long pull. The motion-picture industry does not want to lose its German market and its Japanese market. It hopes to get back sometime into those markets, and wants to have the springboard from which to recapture these markets. So there is an incentive on the part of the motion-picture industry, during this period of chaos, blocked currencies, quotas, and confusion, to maintain its position and get ready for what the industry hopes will be better times. That is not true with the radio-broadcasting industry. Here there is no profit incentive in the international field.

Mr. HORAN. Mr. Secretary, might I ask you what is the incentive for the appropriations at all?

Mr. BENTON. On behalf of the Hollywood companies?

Mr. HORAN. For the American people. It is to maintain our own security through better relationships with other countries.

Mr. BENTON. Of course. But the radio-broadcasting industry sees no potential profit for itself at any time in short-wave broadcasting.

I have a letter here that may be appropriate, from Mr. Justin Miller, the head of the National Association of Broadcasters, to present at this time. I had expected to present it when we took up the broadcasting.

Mr. HORAN. I presume we will have Mr. Justin Miller up before us. I am not sure.

AMERICAN FIRMS OPERATING ABROAD

Will you supply for the record a total list of the American business firms? If that is too long, we can cut it down. But I want at least the numbers in each category who maintain international offices and who by the very nature of their existence create opinions of America abroad; what your cooperation is with them, and in what countries they operate. You might also include the total number of American export-import companies who are intensely interested in this.

Mr. BENTON. I think you are asking for something about the size of the telephone book, and I shall——

Mr. HORAN. No; you can just give me the total numbers.

Mr. BENTON. I shall attempt to develop the list for you to the best of our capacity, but I am not sure it will be at all complete, because business firms are springing back fast. They are moving back into the foreign field now, and new firms are developing——

Mr. HORAN. I am just asking for the numbers. I am not asking for a whole slew of names.

Mr. BENTON. I see.

Mr. HORAN. I want to get the total picture, if I can.

(The information requested is as follows:)

"STATEMENT ON AMERICAN BUSINESS FIRMS OPERATING ABROAD, NUMBER OF COUNTRIES IN WHICH THEY MAINTAIN OFFICES, AND OIC COOPERATION WITH SUCH FIRMS

"No complete list of American business firms operating abroad is available. The Department of Commerce in a survey of American direct investments in foreign countries for 1940 estimates that 2,000 American companies conducted business operations outside the United States, either through subsidiaries or branches in foreign countries.

"The Treasury Department estimates that 2,680 American corporations conducted operations abroad in 1943. In the same year it was estimated that 87 partnerships in 157 nonprofit organizations conducted operations abroad.

"As of March 24, 1947, the Department of Commerce reported that 21,974 American firms were registered with the Department of Commerce as exporters or importers; of this number 19,284 American firms were registered as exporters and 2,690 as importers.

"The Office of International Information and Cultural Affairs maintains liaison with important business firms operating abroad and with important nonprofit organizations conducting activities outside the United States.

"The Division of International Exchange of Persons has, in the conduct of its programs, financial and otherwise, received the cooperation or facilitated the programs of 170 schools, colleges, and universities, as well as 170 foundations and other nonprofit organizations and 168 private business firms in the United States. Many of these organizations and firms operate abroad or maintain overseas agencies, subsidiaries, or affiliates.

"The programs have also involved institutions, organizations, and business agencies in 58 countries.

"UNITED STATES BUSINESS FIRMS AND ALLIED GROUPS (TOTAL 175)

"Metal Specialties Co., Cudahy, Wis.

"Minneapolis Honeywell Heating Corp., Minneapolis, Minn.

"National Association of Photographic Manufacturers, New York, N. Y.

"Olympia Veneer Co., Olympia, Wash.

"Packard Motor Co., Detroit, Mich.

"Piper Aircraft Corp., Lock Haven, Pa.

"Radio Manufacturers Association, Washington, D. C.

"Shenango Pottery Co., New Castle, Pa.

"L. C. Smith & Corona Typewriters, Syracuse, N. Y.

"U. S. Rubber Co., New York, N. Y.

"Westinghouse Electric Co., Mansfield, Ohio.

"Willys-Overland Co., Toledo, Ohio.

"M & M Plywood Corp., Longview, Wash.

"Nash Kelvinator Co., Kenosha, Wis.

"National Radiator Co., Johnstown, Pa.

"Onondaga Pottery Co., Syracuse, N. Y.

"Philco Corp., Philadelphia, Pa.

"Radio Corporation of America, Camden, N. J.

"Reynolds Metals Co., Richmond, Va.

"A. C. Smith Corp., Milwaukee, Wis.

"Sun Beam Corp., Chicago, Ill.

"U. S. Time Corp., Waterbury, Conn.

"Wheeler Shipyard, Inc., Brooklyn, N. Y.

"Zenith Corp., Chicago, Ill.

"Aeronca Aircraft Corp., Middletown, Ohio.

"Alden Products Co., Brockton, Mass.

"Monsanto Chemical Co., St. Louis, Mo.

"Piper Aircraft Corp., Lock Haven, Pa.

"John Deere Co., Moline, Ill.

"Pan American Airways, New York City, N. Y.

"American Precision Product Co., Milwaukee, Wis.

"Boeing Aircraft Co., Seattle, Wash.

"Cadillac Motor Car Co., Detroit, Mich.

"Chris-Craft Corp., Algomac, Mich.

"Consolidated-Vultee Aircraft Corp., San Diego, Calif.

"Emerson Radio & Phonograph Corp., New York, N. Y.

"Firstone Tire & Rubber Co., Akron, Ohio.

"Friden Calculating Co., San Leandro, Calif.

"The Glenn L. Martin Co., Baltimore, Md.

"Finch Telecommunications, Inc., New York, N. Y.

"Technological Laboratory, Seattle, Wash.

"Graham-Paige Motor Corp., Willow Run, Mich.

"Aeronca Aircraft Co., Middletown, Ohio.

"Allis-Chalmers Manufacturing Co., Milwaukee, Wis.

"Beech Aircraft Corp., Wichita, Kans.

"Burroughs Adding Machine Co., Detroit, Mich.

"J. O. Dockery Air Service, Stuttgart, Ark.

"Flying Farmers of California, Inc., Director of California College of Agriculture, Davis, Calif.

"Traffic Institute, Northwestern University, Exanston, Ill.

"Photographic Society of America, 684 Park Avenue, Rochester, N. Y.

"Philharmonic Society of Tuscarawas County, New Philadelphia, Ohio.

"The National Grange, Springfield, Mass.

"Liller, Neal & Battle, Chamber of Commerce Building, Atlanta 3, Ga.

"Ingersoll-Rand Co., New York, N. Y.

"General Mills, Inc., Minneapolis, Minn.

"American Sugar Refining Co., New York, N. Y.

"National Cash Register Co., Dayton, Ohio.

"Warner & Swasey Co., Cleveland 3, Ohio.

"Lockheed Aircraft Corp., Burbank, Calif.

"Kaiser & Co., Inc., Richmond, Calif.

"Studebaker Corp., South Bend, Ind.

"Bridgeport Brass Co., Bridgeport 2, Conn.

"Anaconda Copper Mining Co., New York, N. Y.

"Endicott-Johnson Corp., Endicott, N. Y.

"Radio Corporation of America, New York, N. Y.

"Standard Brands, Inc., New York, N. Y.

"E. I. du Pont de Nemours Co., Inc., Wilmington 98, Del.

"Westinghouse Electric Corp., Pittsburgh, Pa.

"The Cudahy Packing Co., Chicago, Ill.

"Memorial Library, Cherry Valley, N. Y.

"Swift & Co., Chicago, Ill.
"Chrysler Corp., Detroit, Mich.
"Agfa Ansco, Binghamton, N. Y.
"Reynolds Metals Co., Inc., Richmond, Va.
"Eastman Kodak Co., Rochester 4, N. Y.
"Union Carbide & Carbon Corp., New York 17, N. Y.
"North American Aviation, Inc., Inglewood, Calif.
"Mergenthaler Linotype Co., Brooklyn, N. Y.
"Kaiser-Fraser Corp., Detroit, Mich.
"Revere Copper & Brass, Inc., New York 17, N. Y.
"Phelps Dodge Corp., New York, N. Y.
"Firestone Tire & Rubber Co., Akron 11, Ohio.
"Philco Corp., Philadelphia, Pa.
"General Show Corp., Nashville, Tenn.
"General Foods Corp., New York, N. Y.
"Western Electric Co., New York, N. Y."

"STATEMENTS ON SOURCES FOR PRINTS AND VOLUME, OBTAINED BY PICTURES BRANCH, INTERNATIONAL PRESS AND PUBLICATIONS DIVISION

"The average monthly inflow is about 1,200 pictures. These break down as follows: From Government, 250 pictures; from private sources, 400 photos; from schools, 200 pictures; from files, 250 pictures; and 100 pictures purchased.

"The pictures purchased by the Pictures Branch come from (1) small photo syndicates such as Pix, Cushing, Galloway, Monkmeyer, and Harris & Ewing. These syndicates are specialists rather than being organizations devoted to general photo distribution, (2) from individual photographers scattered throughout the country, and (3) from International News Photos and Acme Newspictures, both of whom place restrictions on photo use according to subject and source.

"The sources listed in the following page cover private business, schools, colleges, foundations, and public-relations groups. The only sources shown on this list are ones to which telegrams and letters have been directed in the past 9 months. Dozens of other organizations might be added if the list were to include groups contacted by phone or in person both in Washington and New York.

"UNIVERSITIES AND SCHOOLS (TOTAL OF 80)

"Georgia School of Technology, Atlanta, Ga.
"Sul Ross State College, Alpine, Tex.
"New York State Agricultural and Technical Institute, Alfred University, Alfred, N. Y.
"Pennsylvania State College, Mont Alto, Pa.
"University of Illinois, Urbana, Ill.
"Stevens Institute of Technology, Hoboken, N. J.
"University of Idaho, Boise, Idaho.
"Princeton University, Princeton, N. J.
"University of Nebraska, Lincoln, Nebr.
"Northwestern University, Evanston, Ill.
"Stanford University, Palo Alto, Calif.
"University of Notre Dame, Notre Dame, Ind.
"Washington and Lee University, Lexington, Va.
"University of Missouri, Columbia, Mo.
"University of Washington, Seattle, Wash.
"Swarthmore College, Swarthmore, Pa.
"Boston University, Boston, Mass.
"The Johns Hopkins University, Applied Physics Laboratory, Silver Spring, Md.
"Colorado School of Mines, Golden, Colo.
"George Washington University, Washington, D. C.
"Dartmouth College, Hanover, N. H.
"Ohio State University, Columbus, Ohio.
"University of Michigan, Ann Arbor, Mich.
"California Institute of Technology, Pasadena, Calif.
"Brown University, Providence, R. I.
"Mount Holyoke College, South Hadley, Mass.
"Indiana Technical College, Fort Wayne, Ind.
"Columbia University, New York, N. Y.
"Syracuse University, Syracuse, N. Y.
"University of New Mexico, Albuquerque, N. Mex.
"Rutgers University, New Brunswick, N. J.
"University of the State of New York, Alfred, N. Y.
"University of California, Berkeley, Calif.
"Duke University, Durham, N. C.
"Johns Hopkins University, Baltimore, Md.
"Cornell University, Ithaca, N. Y.
"Louisiana State University, Baton Rouge, La.
"University of Virginia, Charlottesville, Va.
"Carnegie Institute of Technology, Pittsburgh, Pa.
"Massachusetts Institute of Technology, Cambridge, Mass.
"William and Mary College, Williamsburg, Va.
"Harvard University, Cambridge, Mass.
"University of Pennsylvania, Philadelphia, Pa.
"University of Wyoming, Laramie, Wyo.
"University of Kansas, Lawrence, Kans.
"Texas A. and M., College Station, Tex.
"University of Texas, Austin, Tex.
"University of California at Los Angeles, Los Angeles, Calif.
"University of Kentucky, Lexington, Ky.
"Iowa State College, Ames, Iowa.
"Washington State College, Pullman, Wash.
"University of Utah, Salt Lake City, Utah.
"University of Georgia, Athens, Ga.
"University of Minnesota, Minneapolis, Minn.
"University of Wisconsin, Madison, Wis.
"Yale University, New Haven, Conn.
"University of Alabama, Tuscaloosa, Ala.
"University of Chicago, Chicago, Ill.
"University of Colorado, Boulder, Colo.
"Tulane University, New Orleans, La.
"University of Oklahoma, Norman, Okla.
"University of Pittsburgh, Pittsburgh, Pa.
"University of Arkansas, Fayetteville, Ark.
"State University of Iowa, Iowa City, Iowa.
"University of Washington, Seattle, Wash.
"University of Oregon, Eugene, Oreg.
"Ohio University, Athens, Ohio.
"University of Florida, Gainesville, Fla.
"University of North Dakota, Grand Forks, N. Dak.
"University of North Carolina, Chapel Hill, N. C.
"University of Maine, Orono, Maine."

Mr. BENTON. All right.

EXCHANGE OF ART BETWEEN COUNTRIES

Mr. HORAN. Aside from this art exchange, of the 79 pictures, through your office, what other exchanges of art exist? You can résumé this, if you wish.

Mr. BENTON. Yes.

Mr. HORAN. What is the picture of the art exchange between our country and other countries?

Mr. BENTON. We have a little exhibit of traveling lithographs, also an industrial art exhibit—traveling etchings, and so forth—but I would rather have Mr. Holland answer that more specifically.

Mr. HOLLAND. I mentioned before this catalog of 60 American paintings, since 1800, which was made available to us by the International Business Machines Corp.

There are also exhibits of water colors, and there are reproduction paintings of our portrait painters, our best painters, from the early days——

Mr. BENTON. Reproductions.

Mr. HOLLAND. Reproductions, yes; not the originals, of course.

There are collections of photographs, of prints, color slides of paintings in our great museums, and material of that type. In other words, the Advancing American Art show was only one in a series of seven. I mentioned before that we had sent literally hundreds of portraits of Washington, Lincoln——

Mr. BENTON. But it was the one that cost the money.

Mr. HOLLAND. That is right.

Mr. BENTON. That is, the Advancing American Art show was the costly one of the whole series.

Mr. HORAN. And as I understand, these exchanges have existed between American firms and have taken a part in the international field; is that correct?

Mr. BENTON. Yes.

Mr. HORAN. What is the history of our private exchanges on musical education and culture? We have some of that; haven't we?

Mr. HOLLAND. There have been some artists who have gone abroad under private managership, but so far as I know there has been no real exchange, for instance, of music. We, for the first time, I think, have made available some scores and recordings of American music to be used in those countries, but that field——

Mr. HORAN. Surely there have been exchanges of music. Many of our artists have studied abroad.

Mr. HOLLAND. That is true.

Mr. HORAN. And that sort of thing. That is what I am getting at. I would like to have that supplied for the record, Mr. Benton.

Mr. BENTON. We shall do our best.

(The information requested is as follows:)

"STATEMENT ON PRIVATE EXCHANGES OF MUSICAL EDUCATION AND CULTURE

"Throughout the world many of the principal orchestras, conductors, performers, choral groups, youth groups, schools of music, national conservatories, radio companies, music lecturers, and authors are asking for American music. Neither the music publishers nor organized music life in the United States have made any contribution of significance in meeting the demand.

"There are almost no commercial channels through which American music can be obtained abroad except by direct order from the United States, a procedure which has proved entirely impractical and unsatisfactory because of the delays and difficulties of transportation, the problems of money exchange, the lack of knowledge abroad of what is wanted (the music being largely unknown) or where it can be obtained.

"Very few American music-publishing houses have any agents whatsoever in either Europe or Latin America, and none has any representation in the Near or Far East. The most important American firm has one foreign agency in London where some of its material may be purchased or rented. The greater proportion of that material consists of the American editions of European music, not American music. That London agency, however, has done so little to promote the American works that its usefulness may be described as of minor importance. The second most important publisher has no foreign agency or outlet, and the music concern controlling the works of an outstanding group of American composers has no distribution center abroad where any of its works can be either bought or rented. The head of the American branch of one of the principal English music publishers which also publishes American music and which is active on the Continent has repeatedly asked the Department to make available in Europe the music of other publishers, rival firms, for he has felt that it was unfair to American music to have such one-sided representation.

"As a result of this situation, no appreciable amount of American music exists outside the North American Continent except in the Government's offices abroad—not even in libraries or conservatories—and this in spite of widespread demand to study, perform, and hear American music. There are no clearing houses of information about

American music, and most of America's finest musical contributions cannot, or probably will not, for practical reasons, become generally available abroad in the near future, except through the offices of the United States Government.

"Through those offices a large proportion of all significant performances of American music abroad have been arranged and the music obtained.

"Prominent conductors going on European and Latin-American tours have had to call upon the Government for assistance in obtaining American music (Karl Kreuger, Leonard Bernstein, Erich Leinsdorf, etc.). Karl Kreuger, conductor of the Detroit Symphony, on his recent European tour before the Department had undertaken its present program was unable to program any American music because there was no music available.

"Symphonic music is particularly difficult to obtain, for the orchestrations of the majority of the important works are unpublished and are obtainable only on a rental basis. Many publishers are unwilling to send unpublished material abroad except through the Government. For instance, there are only four sets of the Gershwin Concerto in F. No set has been sent abroad or will be sent abroad except through the Government.

"The only American organization which is actively engaged in an appreciable exchange of music with another country is the American-Soviet Music Society which sends some American music to Russia. The Department does not send any printed music to Russia.

"American jazz and popular music are known abroad, and in Europe some outlets for such music exist. The Department does not send jazz or popular music abroad except in response to specific requests for music that cannot otherwise be obtained.

"Within the past year and a half only one important art exhibition has been sent abroad by an agency other than the Department of State. This was the exhibition sent to the Tate Gallery in London by the National Gallery of Art during the summer of 1946. The only exhibition planned for the future is an exhibition of modern American paintings to be sent to Copenhagen in the fall of 1947 by the Whitney Museum of American Art. No other exhibitions of any importance have been planned, insofar as the Department is aware.

"Museums constantly approach the Department asking for assistance in international art activities which they are unable to finance. Should the Department receive funds, it intends to cooperate with such museums through sharing costs of such exhibitions.

"Only slight commercial activity exists. The most important showing along this line would be an exhibition in Paris sent by the Kootz Gallery of New York, which is a direct outcome of the successful showing of painters from this gallery in the Department's exhibition, Advancing American Art."

Mr. HORAN. It exists in considerable quantity.

Of course one of the troublesome ones, I presume, is the publishers. You have had some discussions on a certain one that was not very desirable. Have you had exchanges, however, in a field that should be profitable, of exchanges of cultural relationships, between publishing houses of the countries?

Mr. BENTON. I suppose you know that the American book business only exported 3 percent of its total production.

Mr. HORAN. It was 3 percent.

Mr. BENTON. Yes; in contrast to the 30, 35, or 40 percent exports of the French, British, and German book publishers. Our book publishers have never been active in the international field, except in a very minor way.

COORDINATION OF AMERICAN ART FACILITIES

Mr. HORAN. What have you been doing to coordinate, on an active program basis, all of these facilities of American cultural, artistic, and technical life?

Mr. BENTON. We have done a great deal in almost all fields, Mr. HORAN. We will never do enough. I am sure we can do more.

Mr. HORAN. Just what have you done?

Mr. BENTON. In the book field——

Mr. HORAN. No, no; I mean all of them.

Mr. BENTON. You mean bring them altogether into one package?

Mr. HORAN. Yes.

Mr. BENTON. Congress itself, as a matter of fact, has made a package, which I hope you will read about in your papers next week, that is actively interested in this coordination, and that is the United States National Commission, which is meeting next week in Philadelphia. It may interest all of you to know that I'm told that 500 to 1,000 organizations are sending 2,500 delegates to that meeting, which, under act of Congress, the State Department is ordered to listen to.

Mr. STEFAN. Mr. Chairman, I yield myself 1 minute in order to yield to the gentleman from South Carolina.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. DORN. I just wish to ask the distinguished gentleman if some question was asked about the distinguished gentleman from South Carolina, Mr. Peurifoy, and if the chairman said that he was one of the finest Americans he ever met?

Mr. STEFAN. In answer to the gentleman from South Carolina, the question was asked by the gentlewoman from Ohio [Mrs. BOLTON], and I stated that was my opinion and I am again very happy to repeat that in my opinion he is one of the finest Americans I have ever met.

Mr. DORN. We certainly appreciate that.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. HORAN. I want to share in the Chairman's appraisal of Jack Peurifoy. We both have a very high regard for him.

Mr. DORN. We appreciate that. We only wish we had more men in the State Department like John Peurifoy from South Carolina.

Mr. STEFAN. So do we.

I yield to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I would like to say this about Jack Peurifoy, that he happens to come from my district and that is one of the reasons why he has made such an outstanding Assistant Secretary of State. I have known him and his family for many, many years. I knew his father before him and his entire family. You have so generously stated that if the State Department had more Americans like that there would be much less criticism about those who have walked in and taken over.

Mr. STEFAN. I thank the gentleman very much. We have had very fine cooperation from Mr. Peurifoy.

Mr. RIVERS. I certainly thank the gentleman.

Mr. BOYKIN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. BOYKIN. We in Alabama appreciate what you have said about Jack Peurifoy. He is really and truly from Alabama. He just happened to go up to South Carolina but we are very, very proud of him. I think he is doing a fine job. Nobody knows it better than you. When I came and asked you about this, it was already in the RECORD. We do appreciate it very much.

I would like to ask unanimous consent to extend my remarks at this point, Mr. Chairman.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BOYKIN. Mr. Chairman, I have heard a lot of talk here today about the State Department and its personnel security operations. It would appear that some of the members of the Appropriations Committee and other Members of the House think that the State Department is lax and inefficient in conducting its personnel investigations, in evaluating the completed investigations and that the people in the Department charged with the responsibility for departmental security do not have the best interests of this country at heart. That, I know, is not true. It happens that the Secretary of State, General Marshall, is a man who needs no defense when it comes to loyalty to his country. I am sure I do not have to spend any time in defending his record before this body. All of us know of his outstanding achievements in behalf of his country and his unselfish service to his country. Who here would dare question his loyalty?

Now, as Secretary of State, General Marshall has a great deal to say as to who should serve as his assistant secretaries. The man in whom he has placed his confidence for the conduct of the security aspects of the Department's operations is Assistant Secretary of State John E. Peurifoy. I happen to know Jack Peurifoy well and have had an opportunity to observe his work for some time. Gentlemen, there is no one in whom I have more confidence than Peurifoy. His family has been in this country for well over a century. He has been raised in the traditions of true Americanism and because of his many years of service in the Department of State, is thoroughly acquainted with the operations of the Department and is fully qualified to assume full responsibility for the Department's security and loyalty programs. His appointment to head up the administration of the Department and the Foreign Service is an ideal one and reflects the well-known ability of General Marshall to select competent and capable people to assist him in carrying out his responsibilities regardless of what they may be.

In view of the fact that a man of General Marshall's caliber is Secretary of State and in view of the fact that Jack Peurifoy, who is well known to many of you, has been selected by the general to head up the security operations of the Department, I am frankly shocked and astonished to read the comments in the committee's report and to hear the criticism I have heard here today.

In fact, I have been so disturbed by this criticism that I have determined to

try to find out what this is all about. Great emphasis has been placed on the so-called 108 cases which, it is stated, involved disloyalty. Investigators from the Appropriations Committee spent several months investigating the entire Department. Part of this time was spent in checking and attempting to evaluate the security files of the Department. These investigators took certain files, made their own review, and submitted their own résumé of what they thought the files contained. In other words, all the committee has received is a résumé of the files written by the investigators who, I am sure, are not experienced in evaluating security information and who, I personally doubt, are as competent as Secretary of State Marshall and Assistant Secretary Peurifoy. As a matter of fact, I personally suspect that these investigators were probably instructed to go into the Department of State's security files and to do everything they could to find any information whatsoever on which a smear campaign could be conducted which would reflect upon the good name and reputation of Secretary of State Marshall and our good friend, Jack Peurifoy.

But let us be specific and examine the 108 cases. Here is the break-down: Only 64 were on the Department's rolls on February 4, 1948. The other 44 had either resigned or been terminated or were merely applicants for employment and had never been on the rolls of the Department. Just think, gentlemen, some of these 108 had never even been employed. Yet, they were brought forth as shining examples of cases where the Department had not exercised care in protecting the security of this country. Why were these cases mentioned? I will tell you why, and I repeat, because certain members of the committee and certain Members of Congress wished to carry on a smear campaign against Secretary Marshall and to discredit him wherever possible.

Now, let us go back to the 108 cases. As I said, there were 64 cases which represented people on the rolls on February 4, 1948. Of this number, I find that the Department had given security approval to 29 after a very thorough and exhaustive investigation and after a very thorough examination. The cases of 19 more had been referred to the FBI for a loyalty investigation. This leaves 16 cases to be considered. Of these, 3 were before the Personnel Security Board for decision and in the remaining 13 cases the security considerations were insufficient to warrant reference to the FBI for a loyalty investigation. Here I wish to explain very carefully that the action determination with respect to all these cases which I have mentioned was made after very careful consideration and thorough investigation. I happen to know that Secretary Marshall and Assistant Secretary Peurifoy have personally reviewed these cases and have agreed with the action taken on each and every one. Who here will dare say that in reviewing these cases, Secretary Marshall and Assistant Secretary Peurifoy had any other motive than to see that the security of this country was protected and at the same time make sure that the rights of the individuals involved were also protected?

It has been stated that the Department has not sufficiently exercised the prerogative given it under the so-called McCarran rider and has not rid itself of undesirable employees. I am sure that any person who loves his country and the Constitution on which it is founded is interested in seeing that the rights of the individual citizen are protected. In America we do not condemn a man until he has been proved guilty. To adopt the method of condemning a man before proof, which is in effect what has been recommended by certain members of the committee and others, would be to adopt a method used by totalitarian countries such as Russia. I am sure that Jack Peurifoy, who is one of the most honest public servants it has been my privilege to know, does not condemn a man as a Communist until he is sure of his facts. I am equally sure that General Marshall does not advocate such a policy and I am also sure that the right-thinking Members of Congress do not advocate such a policy. I would be shocked and would be the first one to condemn the Department of State if I felt that the McCarran rider was used in an arbitrary way to deprive any employee of the fundamental American right—and I repeat the words—American right—to obtain full opportunity to present his case as the security of our country permits.

For this reason, I am glad to know that the State Department, under the able guidance of General Marshall, has, as a matter of policy, adopted a procedure calling for fair play regardless of the efforts of those who would spare no effort in attempting to discredit the Department and to smear the names of such outstanding public servants as General Marshall and his able Assistant Secretary, Jack Peurifoy.

Mr. GARY. Mr. Chairman, there seems to be one question on which this House is unanimous and that is as to the outstanding abilities, the charm and personality of Jack Peurifoy. Certainly we minority members on this subcommittee will concur in everything that has been said.

I desire to express my regrets that my colleague, the gentleman from New York [Mr. ROONEY] finds it necessary to go to the hospital at this time.

I traveled with the gentleman from New York [Mr. ROONEY] this fall in Europe. I know that he was suffering throughout the entire trip. He has exhibited great stamina and courage in the way he has borne his sufferings. I wish he could stay with us until this bill is finished. I, however, will take over and do the very best I can.

Mr. Chairman, may I at the opening of this discussion pay my respects to the chairman, the ranking Democratic member, the gentleman from New York [Mr. ROONEY], and the other members of our subcommittee who framed this bill. My good friend and colleague, the gentle- from Nebraska, KARL STEFAN, the chairman, is one of the most industrious and hard-working Members of this body. His long experience as a member of the subcommittee has given him an insight into the workings of the various departments which was most helpful in our deliberations. We did not always agree in our conclusions, but our meetings were always impersonal and harmonious.

Last summer and fall the gentleman from Nebraska [Mr. STEFAN] and other Republican members of the committee travelled extensively in the United States viewing activities of the Justice and Commerce Departments, particularly the installations of the Civil Aeronautics Administration, while my Democratic colleagues, Messrs. ROONEY and O'BRIEN, and I visited 10 countries of Europe, where we investigated our foreign offices and studied the activities of the State Department. The entire committee was, therefore, able to approach its assignment with a rather full knowledge of the services for which appropriations were requested. Our labors were lightened to a large extent by our capable executive secretary, Mr. Orescan, who has served the committee with great efficiency for several years.

STATE DEPARTMENT

This bill, Mr. Chairman, in my judgment, is one of the most important appropriation bills which will be presented to this House. The State Department in times of peace occupies a similar position to that of the Army, Navy, and Air Force in times of war. The influence, prestige and leadership of our Nation in world affairs are largely dependent upon the activities of the Department. These activities have increased tremendously during the past few years because of the change in our foreign policy. We are particularly fortunate in that we have been able to maintain a nonpartisan foreign policy even during an election year, and irrespective of the party upon whom Dame Fortune may smile in the future, I trust that we may be able to keep our foreign affairs free of political bickering.

The enlarged activities of the State Department have necessitated a substantial increase in personnel and expenditures. I personally am committed to a policy of economy in the Federal Government, and I shall support the elimination of all expenditures which are not required for essential Government services. In my judgment, however, extreme caution should be exercised in reducing the appropriations of the State Department in these critical times. This caution impels me to view with alarm some of the cuts which have been made in this bill.

LOYALTY OF EMPLOYEES

Before discussing individual items, however, your attention is called to a statement with reference to the security phase of the Department which appears on page 3 of the report. According to this statement, the committee does not feel that the Department has been as diligent as it might have been in the selection of its personnel, and has not sufficiently exercised the prerogative given it under the so-called McCarran rider, contained in appropriation acts for this department for the past several years.

Reference is made to the employment history of 108 former, present, and prospective employees. Under the President's loyalty order, a name and fingerprint check is being made by the Federal

Bureau of Investigation of every employee and prospective employee of the Federal Government. If that check develops even a suspicion of disloyalty, a thorough investigation is made by the FBI. There are over 20,000 employees in the State Department. In the routine check of these employees and prospective employees, 108 suspicious cases have arisen. Of these, 24 are applicants who have never been employed by the Department. Of the remaining 84, 22 are not now with the Department. There are, therefore, only 62 employees in the list. Of these, 29 have been thoroughly investigated and approved which means that their names have been completely exonerated from any suspicion of disloyalty. In certain instances, these suspicions arose from cases of mistaken identity. Of the remaining 33 cases, 19 have been referred to the FBI for investigation, in compliance with the President's order; 3 are awaiting action of the Personnel Security Board, and 11 are under investigation within the Department.

Our committee is unanimous in believing it is imperative that utmost care be used in selecting and retaining employees of the State Department, and that the slightest disloyalty should not be tolerated. If, however, we are to continue to respect the constitutional rights of the individual, we must base our actions upon facts rather than suspicion. To me the record of the State Department in this particular is not unsatisfactory. It is doubtful whether any other department of the Government can boast one nearly so good.

DEPARTMENT SERVICE

The Department of State requested $21,168,000 for the fiscal year 1949, for salaries and expenses in the Department service in Washington. The bill recommends only $17,168,000, which represents a cut of $4,000,000. Secretary Marshall, when testifying before our committee emphasized that the foreign relations of the United States are in a more critical state than at any time in our past history. This fact is fully borne out by the developments of the last few days in Czechoslovakia and Finland. The Department of State in the conduct of our foreign relations today faces the most intricate and complex problems in its history. Notwithstanding its added responsibilities, the Department produced information showing substantial reductions in personnel during the past 2 years. In 1947 there were in the departmental service 7,920 positions. In 1948 this was reduced to 5,914 positions. Five thousand three hundred and forty-two were requested for the fiscal year 1949. The $4,000,000 slash in salaries and expenses will necessitate the discharge of nearly 800 present employees of the Department now engaged in work other than information. The committee states in its report that it is greatly concerned over the effectiveness of the State Department at the present time and it does not wish to do anything that would in any degree reduce that effectiveness. Yet it reduces the Department's staff in Washington by nearly 16 percent.

The effect of such a reduction on the efficiency and organization of the Department is apparent. The dismissal of these employees will result in the demoralization of the State Department service, and will necessitate the dropping of a number of functions by the Department. It will force upon the Department a major reorganization during a world crisis. The report of the committee indicates that the problem of the reorganization of the State Department is an extremely difficult one. It shows that experts who have studied the problem are not in agreement as to methods.

As a matter of fact, Secretary Marshall and his assistants have made great strides in improving the organization during the 1 year of his administration. During my inspection trip to Europe last fall, I was greatly impressed with the efficiency of the Foreign Service. Many of the Members of this body who traveled in foreign countries have stated to me that they gained the same impression. One member whom I met in Turkey told me that his respect for the State Department has immeasurably increased after he had visited its European installations. Would it not be unwise to throw this smoothly operating organization into chaos and confusion at this particular time?

FOREIGN SERVICE

While the committee's recommended cut of the Foreign Service is not as great as that applied to the departmental service, the effect is just as serious. On this item the Budget request for salaries and expenses has been slashed $2,165,830. The Department had already trimmed its estimates, cutting its personnel abroad 500 below the number authorized for this fiscal year, notwithstanding the fact that it is faced with the necessity for opening 22 new posts. In February 1948, there were some 750 Foreign Service officers and employees throughout the world working on strictly political functions. These were not enough to furnish the Secretary vitally needed timely reports on which to base important decisions, in furtherance of the national policy. The Department asked for a 9-percent increase in 1949. The committee proposal would not only refuse this urgent request, fully supported in the hearings, but would force a reduction of 2 percent in this important activity. An additional 123 overseas positions would be taken out of the economic reporting function by the proposed reduction. Together with the cut of the political reporters this would leave the Secretary without the data necessary for developing plans for world recovery. Further it would reduce the flow of information that is so important to other agencies of the Government, including the prospective European recovery program organization, on the economic status, plans and programs in all nations as they affect our own economy and the stability of countries which we are aiding. This is certainly no time to weaken and reduce the effectiveness of our aid.

In every country that we visited last fall we witnessed great activity in the consular offices. The consular services rendered by the Foreign Service, such as visa, passport, citizenship, and property protection, have greatly increased since the war. In fact this is the primary reason for the opening of new posts. This bill will cause a reduction of 6 percent in consular personnel, which will increase the already serious backlog of cases.

COOPERATION WITH THE AMERICAN REPUBLICS

In reducing the estimate for cooperation with the American Republics from $5,100,000 to $3,900,000, approximately the 1948 level, the committee states that with the expanding program for International Information and Educational Activities it is believed that the reduced sum should be adequate. There are several factors of general significance which should be taken into account in assessing the effect of this cut:

First. At a time when Communist influence is fast spreading throughout the world, including the other American Republics, the reduction of this Government's program of cultural and scientific cooperation to a stand-by basis represents a gradual process of attrition which can only weaken our political, economic, and social prestige in this hemisphere.

Second. As a result of the policy of the United States Government during recent years looking to active cooperation with the other American countries, both for joint security and for economic and social welfare, there now exists in this hemisphere a basis for unity unprecedented in history. It will take continued positive action and leadership on the part of this Government, however, to realize the full benefits of this unity. Recent events in Panama demonstrate that we cannot rest on our oars in the matter of developing understanding and confidence among the peoples of Latin America.

Third. The other American countries are increasing their pressure to secure economic assistance from this Government and are now preparing a Marshall plan for this hemisphere. Because of the critical needs in other areas, this Government has made it clear that it will not be possible to accede to these demands on the scale desired. In face of this situation it has been the hope of the Department that existing programs such as those conducted through the Interdepartmental Committee on Scientific and Cultural Cooperation would be strengthened somewhat by the Congress as evidence of good faith and as a basis for bargaining on the extent of any added assistance that may be required.

Fourth. As a result of more than 7 years of activity, this program has established a unique position among foreign-aid programs by the fact that other governments are investing increasingly greater amounts of their own money in this joint enterprise. During the 1947 fiscal year the estimated investments on the part of the cooperating governments and their peoples and institutions in connection with certain projects amounted to $6,868,244 as compared to an expenditure of $3,817,943 by the United States Government. If the present cut is not

restored, it must give the clear implication that the principle of self-help and mutual sharing of the expense of aid programs by the participants is not being supported by the Department and the Congress. This can only increase the pressure from the other republics for direct and unilateral dollar aid.

Fifth. The forthcoming conference to be held in Bogota, Colombia, will doubtless result in many multilateral undertakings in the implementation of which most of the other governments will look to the United States for leadership. This will mean, among other forms of aid, an increase in bilateral cooperative programs, with particular emphasis on economic activities. It would be especially unfortunate, therefore, if in the face of these additional potential responsibilities, this appropriation were to be reduced below the estimates submitted, which were based on a minimum program without regard to any obligations that may arise out of the Bogota conference.

INTERNATIONAL INFORMATION AND EDUCATIONAL ACTIVITIES

Last year I stood on this floor and urged adequate appropriation for the information and cultural program of the State Department. Those activities had not been authorized by the Congress and they were stricken from the bill on a point of order. A portion of the appropriation requested was restored by the Senate, and in the conference committee $11,000,000 was allotted to the program. This was less than half of the amount requested. Several months later I visited Europe, and there I witnessed the results of our handiwork. The Voice of America had become a mere whisper, while the Voice of Russia was bellowing insidious Soviet propaganda to all parts of Europe. The Communists were decrying what they termed our "dirty capitalistic" system, while our facilities for telling the true story of the system of free enterprise with accurate word pictures of the living conditions of free American citizens had been practically junked. A large number of the personnel of our information staffs which had been used to disseminate information through the press, magazines, radio, and other means of communication had been discharged. In one city we were shown copies of Communist newspapers containing bitter attacks on the United States, and when we asked that we be furnished translations, the staff was not adequate to accommodate us. We visited American libraries where there were numerous books and magazines with inadequate staffs to man them. We saw moving-picture films stacked in storerooms of numerous embassies, because there was no personnel to show them or to make them available to foreign audiences.

It was our privilege to join members of the Senate Appropriations Committee in a conference with a well-known public citizen of France. During the conference one of the Senators asked him why it was that when Russia sent a carload of grain into Paris, they practically declared a holiday, and it was distributed in the market place with great publicity, whereas the United States was sending shipload after shipload of grain and no one knew anything about it. His quick retort was, "Well, why don't you tell them. Our newspapers and radios will publicize the information if you will give them the copy." This naturally was somewhat embarrassing because our information service in Paris had been curtailed to the point that there was no one to prepare the copy. The Senator then asked, "Then you think that we are not doing all that we should in this respect?" to which the Frenchman replied, "Far be it from me to tell the United States of America what it should do, but I am telling you that if you will furnish our press the information, you will get the publicity."

I am certain that many of our Members who visited Europe last year shared my feeling that we had made a grave mistake in mutilating our information program abroad. This was evidenced by the fact that during the special session, the Mundt bill, authorizing the information and educational activities of the State Department, became a law.

The Department has requested an appropriation of $34,378,000 to implement the program. This amount has been reduced by the committee to $28,000,000, a cut of $6,378,000. Mr. Chairman, we are today engaged in a cold war, a war of ideologies. In that conflict between democracy and totalitarianism, words and ideas are as vitally important as bullets and bombs in a hot war of arms. Moreover, we are planning to send abroad huge sums of money for the economic rehabilitation and recovery of a war-torn world. This money will not accomplish its full purpose unless we tell the world through the Voice of America the purpose and aims of our benefactions. I submit that this is not the time to haggle over the Department's request for this vital activity.

DEPARTMENT OF JUSTICE

The committee has been extremely lenient with the Department of Justice, and with this treatment, the minority is in full accord. The importance of enforcing our criminal laws cannot be overestimated. We did not disturb the appropriation for the Federal Bureau of Investigation, which in my judgment is one of the most efficiently operated bureaus in the Federal Government. We even increased the appropriation for the Antitrust Division $161,700 over the budget estimates. This increase was in response to testimony presented to the committee to the effect that concentration of economic power in American industry is at the highest point since the passage of the Sherman Act. The $117,000,000 estimates for the entire department were reduced only one-half million.

DEPARTMENT OF COMMERCE

If we are to maintain our economic and fiscal stability, we must maintain the national income at substantially the present level. This means that our peak production and business prosperity must continue. In view of our staggering Federal debt, a depression would be disastrous to our national economy. The Department of Commerce provides aids to stimulate business activity. The work of the Department has been decentralized by the establishment of field offices throughout the United States, to provide information and assistance to business, both large and small. Large business is more able to provide research and to acquire information than small enterprises, which rely almost entirely upon the information and assistance of the Department of Commerce. I regard it as extremely dangerous to cut the appropriations of the Department as drastically as has been done in this bill. The total appropriations for the Department for 1948 were approximately $194,000,000. The budget request for 1949 was approximately $237,000,000, which was reduced by the committee approximately $66,000,000. This reduction is offset by $49,000,000 in the form of authorizations to the Department to enter into contracts and incur obligations in that amount.

TECHNICAL AND SCIENTIFIC SERVICES

The height of false economy is illustrated in the elimination of the Office of Technical and Scientific Services from the bill. During World War II, realizing that there would be little opportunity to collect reparations from a defeated and destitute enemy, we sent technical men with our advancing armies to collect scientific and technical information for the use of our citizens. A high-ranking Army officer once told me that by the time they subdued a city in Germany, these men of science were immediately on the job collecting their materials. So successful was the enterprise that a year ago a Russian newspaper complained that the United Statcs had collected billions of dollars in reparations through the technology that they had acquired in Germany. Some of the technical information thus collected has already been distributed to various business enterprises and is now being used for the benefit of our people, but the greater part of the material, which constitutes a veritable gold mine of information, is stored in warehouses where it is being assorted and assembled for distribution by the Office of Technical and Scientific Services. The Office is now receiving approximately 2,000 requests per month from businessmen throughout the Nation for the technical and scientific information at its disposal. Among its regular customers are: General Electric Co.; Westinghouse Electric Corp.; Standard Oil Co.; E. I. du Pont de Nemours & Co.; United States Rubber Co.; General Motors Corp.; Fisher Body Division; Chrysler Corp.; Ford Motor Co.; Borg-Warner Corp.; United States Steel Corp.; Allegheny Ludlum Steel Corp.; General Mills, Inc.; Park, Davis & Co.; Radio Corp. of America; Goodyear Tire & Rubber Co.; Eastman Kodak Co.; Aluminum Co. of America; the Texas Co.; M. W. Kellogg Co.; American Cyanamid Co.; Sherwin-Williams Co.; and numerous small business organizations. This information is not given free to business, but to the contrary, business is now paying at the rate of approximately $450,000 a year to the Department for the services. This almost equals the $520,000 appropriation which was requested. Nevertheless the appropriation has been

stricken from the bill which will mean the entire elimination of these services. Surely this is a case of being penny-wise and pound-foolish.

BUREAU OF THE CENSUS

The $11,000,000 request of the Bureau of the Census has been cut $3,250,000 and the recommended appropriation is over $4,000,000 less than the 1948 appropriations, notwithstanding the fact that the Bureau is beginning the preparation for the Seventeenth Decennial Census in 1950. The cut proposed by the committee allows only 52 percent of the amount requested. This follows an equally drastic cut in the present fiscal year and would reduce to a disastrous level the ability of the Census Bureau to meet the legitimate information needs of the Government, business, and the general public.

One of the outstanding losses due to the reduced sum recommended by the Committee for Current Census Statistics would be the elimination of much of the available information on the supply of manufactured goods. This is doubly serious at a time when, as everyone knows, it is more important than ever, both to business and Government, to be able to evaluate the impact of proposed foreign relief programs on the adequacy of the supply of manufactured products to meet domestic needs. For this item the committee proposes a reduction of 58 percent in the budget request, which will obliterate information on the current production of scores of basic commodities such as lumber, chemicals, building materials, and so forth. The statistics of retail trade and wholesale distribution would suffer even more violently, the amount requested being reduced by almost 60 percent from $882,000 to $380,000. It is self-evident that this sum is grossly insufficient to provide the country its only authentic information on the trend and composition of its nearly $120,000,000,000 worth of retail trade to say nothing of all wholesale trade activities in the United States. This cut disregards the vital interests of hundreds of local chambers of commerce and national trade organizations which have joined with the Census Bureau in cooperative programs to establish accurate measures of the retail and wholesale trade which represent the marketing channels for almost the entire output of the farms and factories of the country.

The curtailments of the committee which affect business are by no means limited to manufacturing and distribution statistics. It also proposes a reduction in foreign trade and shipping statistics of about one-third at a time when the interest of Congress and business concerns throughout the country is at an all-time high. To make matters worse, it is proposed to transfer the work from the Census Bureau to the Bureau of Foreign and Domestic Commerce, which by design does not possess the mechanical equipment and other facilities needed for processing millions of documents which must be compiled to provide the foreign-trade statistics of the country.

The Census Bureau has been collecting statistics on cotton ginning for nearly 50 years. Under the most recent law, passed in 1924, it is required to compile statistics for 12 dates each year on the amount of cotton ginned in the United States. This is one of the most crucial pieces of information affecting the price of cotton and the conduct of the cotton business from the grower to the textile industry and into the apparel trades themselves. Yet the committee denied the Census Bureau the funds needed to carry out this work which it is required by law to do.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

The bill reduces the budget estimate of the Bureau of Foreign and Domestic Commerce from $5,865,000 to $5,300,000. This apparent reduction, however, does not represent the full extent of the proposed cut in the Bureau's estimate inasmuch as $800,000 of the recommended amount of $5,300,000 is for foreign-trade activities transferred from the Census Bureau. I have discussed this item in connection with the Bureau of the Census, and it is my feeling that in the interest of greater efficiency, this activity should be retained in the Bureau of the Census.

The net effect of the committee's proposal is therefore a reduction from $5,865,000 to $4,500,000 for the present activities of the Bureau of Foreign and Domestic Commerce. This, in my judgment, will seriously handicap the efforts of the Department in servicing the business community.

Finally, I wish to lay particular stress upon the subject of small business, and the concern of the nearly 4,000,000 small business establishments of this Nation in this legislation.

The reduction in funds for the Bureau of Foreign and Domestic Commerce has the effect, when coupled with the recommendation of the committee shown on page 29 of the committee report that the Office of Small Business, as such, be abolished, of entirely eliminating the $452,000 requested for the operation of the Office of Small Business, which is a part of that Bureau. This amount represents $27,000 less than was appropriated to it for the fiscal year 1948. The organization of the small business office has been so adjusted as to permit it to come before the Congress for a reduced figure this year, which, in my opinion, is evidence of cooperation by that office.

On page 29 of the committee report the committee expresses its interest "in the protection of small business," and then it proceeds to recommend the elimination of the only office in the executive branch which is giving broad and effective attention to the problems and activities of the small-business segment of our economy.

Economists, educators, and large and small businessmen have, during the past several years, developed a definite trend toward greater emphasis on the preservation and support of small business in this country as the foundation of our free-enterprise system. This action by the committee runs completely counter to this trend.

On page 29 of the committee report it is recommended that the work of the Office of Small Business be transferred to another office of the Commerce Department, where "a small group of specialists" are "to study and keep in touch with the problems of so-called small business with a view to integrating their requirements with the services rendered to business generally." If we are only to "give attention" to the problems of this important segment of our economy, does this recommendation mean then that the separable problems of small business are to be disregarded by so-called integration into the services of the Commerce Department? In my opinion, small business will regard such merging as submerging their particular needs.

I do not believe that this Congress would knowingly abolish or deny funds—a small amount of funds, $452,000—to this small organization in the Commerce Department which is actively engaged in many activities designed to preserve the small-business segment of our economy and to guard the very basis of our free-enterprise system.

CIVIL AERONAUTICS ADMINISTRATION

Although the cuts in the appropriations of the Civil Aeronautics Administration have been substantial, in the main they are reasonable. Attention is called to the fact that, in 1938, the Congress, in the Civil Aeronautics Act, directed the Civil Aeronautics Administration to "foster and promote civil aviation," and among the ways of doing this it specified that it should "collect and disseminate information relative to civil aeronautics." The recent reports of the Joint Congressional Air Policy Board and of the President's Air Policy Commission highlight the importance of doing these jobs effectively.

The appropriation for the Office of Aviation Information, which is charged with the duty of performing these functions, has been cut by one-third. The staff of this Office is already one-third below the 1945 level. The recommended cut for this activity would seriously impair the valuable services which this Office is now performing in supplying information to the Congress, the military services, the aviation industry, and the public.

CONCLUSION

Mr. Chairman, I know that I have trespassed too long upon the time of the House, but I feel that the Members should be fully informed as to the import of the measure before them. While I would prefer to agree with the majority members of my committee, I am constrained to believe that the particular items to which I have called your attention in the Departments of State and Commerce have been cut too severely and that, unless some of the funds are restored, the work of those Departments will be seriously impaired. Let the ax fall, but let us spare the trees of Foreign Service and domestic prosperity.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Washington.

Mr. HORAN. May I point out that between the time the appropriation bill left the House and the time it went to conference the House acted on a bill which gave legislative foundation to the

information and cultural program of the State Department.

Mr. GARY. But this House did not restore the appropriation to the bill. That was done by the Senate.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. When the gentleman was in Europe did he notice the very loud voice of the American commercial films such as The Grapes of Wrath, and For Whom the Bell Tolls, that were being shown in Paris at the Gaumont Theatre? As many as 5,000 people sat in that theater and saw that film, and were told afterward by the Communist, "This is an American film; this is America." Does the gentleman think that helped to show the American way of life, and does the gentleman not think that it might be well, perhaps, even though we, of course, do not believe in censorship, if something could be done to prevent the showing of such films in Europe?

Mr. GARY. I agree with the gentlewoman absolutely, and thank her for her contribution to my remarks.

Mr. HORAN. Might I state at this time that Mr. Eric Johnston has been active in denying these films to those countries. But an interesting thing happened last year. He denied some of these films to Norway and somebody down at the State Department went over the heads of everybody and they got the films they wanted. There has got to be some coordination somewhere.

Mrs. ST. GEORGE. I know that. I know very well hat they got those films, because I have been told that by nationals of those countries.

Mr. GARY. I thank the gentlewoman for her contribution.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. MUNDT. The gentleman is now talking about the Department of Commerce. I do not know anything about the validity of the cuts in these appropriations but I do want to commend the gentleman on the very fine presentation he made about the State Department situation, especially in connection with the United States Information and Educational Service. I do feel that the phrase "penny-wise and pound-foolish" might well be applicable to those cuts, because certainly now when the intensity of the cold war is becoming greater it would seem that our efforts in the field of information should correspondingly increase. While I think we have some cause to feel gratified that the Appropriations Committee did not cut more sharply into the money which is essential and necessary to take care of America's part in this information program, I do feel that we would be much better off in the world picture if we had received an increase over the State Department's suggestion, rather than a decrease. I congratulate the gentleman on having pointed that out so effectively.

Mr. GARY. I thank the gentleman for his very kind remarks.

Mr. STEFAN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, we are here today considering the appropriations for the Departments of State, Justice, Commerce, and judiciary. Many days and weeks have been spent by the subcommittee of our Appropriations Committee in the study of the budgets as submitted to them after the habitual slashing in the budget, which, whether it is a good method or not, brings the spokesmen of these Departments to the Congress with the duty of justifying figures which do not express what they have considered as their need. It is probable that the budget does squeeze the water out, so to speak, bringing the figures close to bedrock amounts. In this case further drastic cuts may in the long run be poor economy. This we of the Congress must consider with the greatest care with whatever knowledge we may have. Our Committee on Appropriations must play the very difficult and onerous role of watchdog, an especially thankless task at this moment when the none-too-plentiful American dollars must do duty across the world.

May I take this moment to express to all the members of this great committee my personal appreciation of their efforts to keep within some form of reason the demands of all the branches of Government. My admiration for its hard-working membership is unbounded. I doubt if any group among us works longer hours upon a more arduous and in many ways a more thankless task. It is easy enough for the rest of us to bluster when our own pet projects are cut a bit unmercifully, but it is natural and right that we should make an effort in our turn to reinstate such items as seem to us unduly restricted if and when we have strong feelings in the matter.

Frankly, I come before you somewhat reluctantly, knowing with what conscientious earnestness the chairman and members of the subcommittees have considered these budgets. Realizing also that my party is committed to an economy program, yet I should consider myself derelict in my duties as a member of the Committee on Foreign Affairs of this House if I did not urge reconsideration of certain items pertaining especially to the Foreign Service Division of the Department of State.

As I read the bill before us and the accompanying report a reduction of $2,165,830 is recommended for this Division. It has been my understanding that under the pressure of the greatly increased responsibility the United States has assumed the Department of State of necessity has an expansion program and that its outposts in the field need to be greatly strengthened and increased. To this end the Foreign Service has built up its force within the 1948 budget to about 11,254. As I understand it, the present bill would necessitate a reduction of that number by 483 rather than the anticipated increase of 494. At the same time heavier work would be put upon the field because of synchronous reductions contemplated in the Department itself. It is my understanding that under the cut recommended, the service will have to eliminate plans for the recruitment of 35 additional service officers under the Manpower Act; abandon plans for the requirement of 50 Reserve officers for specialized programs; reduce the number of staff officers and employees from 4,046—February 27, 1948—to 3,611; and reduce the number of alien employees—a very necessary factor in the field—from 5,757—February 27, 1948—to 5,655. From my personal knowledge of some of the field problems I dread thinking of the slowing down in the necessary paper work involving the already difficult backlogs. The increases in staff made under the 1948 appropriation did much to relieve congestions of all sorts and lifted the morale at every point where relief was given. To me the harmful effects of reductions now may well far exceed the actual money involved, discouraging not only our already hard-working personnel but in many instances those they try to serve.

The committee assumes that the proposed number of new posts cannot be opened within the year. Knowing that certain emergency posts over and above the ones anticipated by the Department are now being opened I made special inquiry. The Department feels so keenly the immediate need for the new posts contemplated that every effort will be made to establish them within the year in spite of the cut. This will not be easy as in the original request no additional funds or personnel were requested for the 213 employees required. To absorb these in addition to reducing the total by 494 presents a more than difficult problem.

Having been deeply interested in the many problems of small business, I must call your attention to the objection voiced on page 7 of the report relative to service rendered to private individuals and business organizations which they can do for themselves. Digging into this phase of the work of our Foreign Service, I found that the larger American corporations have their own representatives abroad or can afford to employ foreign market research analysts, but the great majority of businesses interested in foreign trade do not do a large enough volume of foreign business to warrant such expenditures. It is to such businesses that a great bulk of the trade and commercial assistance work of the Foreign Service is directed. Through this service thousands of businessmen annually receive invaluable assistance which they could not otherwise afford. The Foreign Service staffs abroad answer approximately 10,000 trade letters a month, and the Department of Commerce receives approximately 25,000 inquiries per month which are answered with information furnished by the Service. It is this type of aid to small business that would be affected by a cut in this activity. Personally, on behalf of my small-business group, I should regret having this service cut off.

On page 7 also it is suggested that reductions in personnel and activity might

be effectuated in the Western Hemisphere to the benefit of other areas. To do this at a time when it is of particular importance to maintain the closest possible relations with Latin America would seem most inadvisable. If this House accepts the recommendations of our very able committee, it must do so with the full realization that the effect will be to reduce the personnel engaged in political negotiation and reporting from 824 to 744. It would be necessary to reduce economic and commercial negotiation and reporting, a total of 123 positions in addition to the 102-position reduction in services to business. It would be necessary to reduce the personnel working on consular services by 189 positions.

One other item should be discussed, and that is that of representation allowance which the committee recommends to be cut from $700,000 to $500,000.

Let me present one side of the picture which every Congressman who went overseas last fall should have become aware of—the effect upon our field officer's pockets of our descents upon them. One of the valuable results of many of these trips has been the contact made with the officials of other governments. This cannot be done casually, and in most countries must be done under the social aegis, nor can it be done at little cost. Frankly, I found it extremely embarrassing knowing that no matter how pleased our ambassadors or consuls were to be able to bring these contacts about, it left them with sadly depleted if not completely empty coffers.

Just in the routine of their work it is expected that a Fourth of July celebration be given each year, and it cannot be an affair of crackers and lemonade. There must be real refreshments—this depending upon the custom of the country—and there should always be fireworks or some entertainment. In many posts the small representation allowance is exhausted on July 5. Then how are the officers to make the contacts necessary to gathering information? To the everlasting glory of the Foreign Service be it said that these men of ours spend their money, money which should be going to schooling for their children, to security for their families, and so forth—they use this money to cover their country's needs. Oh, it does not seem much, perhaps, to take a fellow out of an evening, buy him a brandy—at a cozy little bistro, and he will not take it alone—maybe two or three, win his confidence in a series of these little friendly gestures. But it mounts up. Personally I think Uncle Sam should pay the bill in these little, vastly important contacts just as he should pay it for the larger front entertainments—all of them a definite and important part of the imperative contacts for which these men are responsible.

One more item and I am through, something which is not in the bill at all, but for which I am told there is provision in moneys appropriated for emergencies. It involves a situation not often occurring in the past, but a definite part of the present and a probable increasing part of the immediate future: Adequate allowances for the wives and families who because of grave personal danger have been evacuated and have to return to America. Fifteen hundred or a thousand dollars is hardly enough for a woman with two or even more little children. If the cuts recommended in this bill are such that the emergency fund is inadequate these women who have already scrimped and saved to make possible an atmosphere and an environment suitable for the representatives of the greatest country on earth will of necessity have to find jobs. Should this become their only way of meeting their needs I for one shall hang my head in shame.

Having brought these matters to the attention of the House, Mr. Chairman, I earnestly hope that great care will be exercised in considering the reductions recommended lest we tie our own hands at a moment when we must reach out under the obligations of our present world responsibility.

Mr. STEFAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, first of all I want to add to the testimony given our good friend, the Assistant Secretary of State, John Peurifoy, my sincere blessings. He is a very, very fine and courteous gentleman, and it was indeed a pleasure to work with him; he in the Department of State, and we on this committee.

Mr. Chairman, I am not going to take up very much time. It has been a great privilege to serve on this committee for the State, Justice, Commerce, and the Judiciary of the Appropriations Committee.

As the chairman has said in his remarks, there was full cooperation amongst all the Members, and the hearings were indeed harmonious.

The details of this bill have been pretty thoroughly covered by our chairman, the gentleman from Nebraska [Mr. STEFAN], the gentleman from Washington [Mr. HORAN], the gentleman from New York [Mr. ROONEY], and the gentleman from Virginia [Mr. GARY]. But I do want to say to you that we sat for many hours, days, and weeks, listening to the many witnesses for those four departments in our Government. I want to assure you that our very able chairman, the gentleman from Nebraska [Mr. STEFAN], and my colleagues on the committee scrutinized every item in this bill, and the amounts arrived at as shown in the bill are an honest endeavor to do what they thought was right.

Mr. STEFAN. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, I am making no particular comment on the appropriation for the department of the judiciary, because it is evident that that cannot be cut. Even with the Ramspeck promotions, it occasions some increases in some cases. We have cut some structural items that we thought might be delayed for a little while. As for the Department of Justice, we have been quite liberal with them.

My chairman covered the details of these justifications and I will confine myself to just a few remarks not having to do with the general appropriations but for specified items. Certainly, we have been generous with the Office of the Attorney General, with the administrative division, and the increased staffing at all levels.

I now comment on another rapidly growing division, that of the Antitrust Division that has been enlarged remarkably over 1940, the outlay being in that year $1,309,000. We have allowed $3,411,000 for 1949, an increase of $161,700 over the budget.

The Assistant Attorney General, Mr. Sonnett, testified that the present law provides all the needed authority to proceed against offenders, pleading only a lack of funds to enable him to act forcefully and effectively against trusts, cartels, and monopolies in restraint of trade in domestic commerce. The committee has provided funds in excess of those recommended by the President, and expects the Department to proceed to bring to book those charged with offense by the President in his recent messages, and thus justify our faith in them and their plea for funds.

The Federal Bureau of Investigation: The great increase in funds for Mr. Hoover's division is testimony to the faith the Congress has in his Bureau, growing as it has from $6,343,000 in 1940 to $43,900,000 for 1949. We all know of the great demands upon the FBI for the loyalty check-up on Federal employees in many branches of our Government. Our faith in some of our appointive officials is strained, however, when we know the reactions of some of them to material supplied by the FBI regarding the type and loyalties of men applying for license privileges as well as employment within our Government.

A perusal of the hearings on the independent offices appropriation bill and the reaction of Mr. Durr, Chairman of the Federal Communications Commission, give an example of this, a complaint that the FBI was laying unsolicited information before his Commission regarding applicants for broadcasting licenses, and saying further that even if the applicants were Communists, it would not make a difference to him unless the applicants had overtly tried to subvert our Government by force and violence.

Something about as shocking as this occurred to me at least over the general indifference in the Security Division of the State Department in regards to the revelations a spot check revealed there. Of all places there the loyalties of safety employees should be on a par with Caesar's wife. The administrative officer placed the employment rights of employees of however doubtful loyalties and affections to the United States above the safety and security of our Nation. Certainly here, of all places, any doubts ought to be resolved in favor of the United States. Of what good is all the patient work of Mr. Hoover and his men if the Justice Department neglects to act?

Making speeches to school children upon the menace of communism in the United States will not take the place of vigorous action by the Justice Depart-

ment to purge ourselves of disloyal termites that would destroy us from within.

Along that line it would seem that the State Department has grown so fast, from a $14,000,000 agency in 1940 to over $200,000,000 in 1948, and has created so many layers of insulation between these shocking conditions of employment personnel, that the story cannot make its way up through to the top, although there is evidence that little attention was paid to it when in some cases it did penetrate to top circles.

Surely there are millions of ex-servicemen of known loyalty and affection for our Government to make it unnecessary to gamble with our security and safety through the employment of these people of doubtful or divided loyalties.

We have certainly been open-handed with money for the Department of Commerce. The substitution of contractual authority in lieu of new appropriations makes the actual reductions very meager indeed. The Bureau of Foreign and Domestic Commerce receives 10 times the allotment of the fiscal year 1940. Certainly these agencies expand and expand. Often the research will overlap the same line of inquiry pursued in another agency. This condition the committee can only ameliorate, not abandon, as practically all these activities have been authorized by legislation. True it is, they often go far afield of the intention of Congress as the zeal of reformers and their enthusiasm for management leads them to spread out.

In the State Department the number of international activities Congresses in the past have authorized certainly allows the creation of bureaus and agencies to engage in all sorts of activities all over the world. In most of them American money is used for the greater part of the costs. In my opinion, a study should be made of the worth-while activities, these consolidated into fewer authorities, and the legislative ax laid to the rest.

The State Department should not become an international busybody or "Meddlesome Mattie" involving us in all sorts of maneuvering abroad. That is not the way of the good neighbor. America is entitled to at least a little peace and quiet to allow it to rebuild its resources along with its peace of mind. Certainly many of its releases give a too vague picture indeed of simplicity and the grandeur of a great representative Republic. Yet these people seldom, almost never, refer to the Republic. This Department should be staffed with personnel that is familiar with our peculiarly beautiful system of government. Only those with an affection for it, should interpret it for others. No alien-minded person should be allowed to pollute the wellsprings of American Government or to distort the American picture to the rest of the world. Miss Bucar is an example of an employee that leaves OIE service, renounces her American citizenship, embraces communism, and marries a Russian operatic baritone and continues her employment for 13 months before retirement, with the statement that she has come to a real understanding of the Russians.

The committee has heard from some of our minority members with some astonishment, one stating that we have effected no real economies, and the other that we have almost cut the gizzard out of the appropriations. We know that somewhere in between is probably the truth. I want to tell you that these members of the committee are wonderful gentlemen and I can subscribe to the words of praise for our very lovable Under Secretary of State, Mr. Peurifoy. We know that somewhere in between the point of view of the gentleman from New York [Mr. ROONEY] chiding us with not cutting deep enough and the point of view of our friend from Virginia [Mr. GARY] chiding us with cutting too deeply, is the truth and the fact that we tried to do a good honest job.

Mr. STEFAN. Mr. Chairman, I now yield to the chairman of the full Committee on Appropriations, the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the present state of the world has caused many people in many lands concern. Some people propose that the United States should embark upon enormous spending programs immediately. But the hearings which were held upon the State Department appropriations bill demonstrate beyond any question that the first thing for the United States to do is to clean up the State Department and get rid of those whose incompetency or disloyalty is a menace to the United States and to the successful prosecution of any type of foreign policy or conference with other nations.

Beginning on page 173 of the hearings, the gentleman from Nebraska, Chairman STEFAN, of the subcommittee, brought out many cases. Two cases of people who had not been employed and being known as case No. 99 and case No. 100 were still being investigated, although the records show that No. 99 was connected with many Communists and was a member of several organizations which are known to be Communist; that he was a subscriber to the New Masses.

Why does the State Department spend its time on such things as that? There are a tremendous number of such cases but what I am going to say now relates to people who are still employed.

Here is one who is now a translator and script writer with the Office of International Information and Cultural Affairs. She is clearly, according to the statement contained in the files of the State Department, communistic. She came to the United States in 1938. Why we need to keep such people on the roll is beyond me. Her case is still before the Personnel Security Board.

Another instance is case No. 5 on page 177: This man is employed in the Research and Intelligence set-up and in a position where he can do a lot of damage. He was formerly employed in the Foreign Economic Administration and investigative reports indicate that he has strong communistic sympathies.

Another case, No. 9, page 180, is presently employed in the Cultural Relations Division by the State Department and has not been dismissed. He was a member of various organizations including delegations to Russia in 1927; was a sponsor of the New Theatre Guild; a member of the American Civil Liberties Union; a member of the Chicago Branch to aid the Spanish Democracy; a member of the American Society for Cultural Relations in Russia and has been written up very favorably in the Daily Worker.

Another questionable case is No. 44, page 182: He was employed by the Soviet Purchasing Commission. He is an economic analyst in the Bureau of Research and Intelligence in the State Department, appointed January 2, 1947.

Case No. 52, page 182: He occupies a high diplomatic post. Is still employed.

Case No. 61, page 183: He is in the Office of Information and Educational Exchange. Investigation is still pending.

There are many others which could be cited.

The Office of Controls in the State Department is headed by Hamilton Robinson. He is one who passes upon the question as to whether these people should be dismissed. He has altogether too much control over the operations of the State Department. He can review and stop any action of the Visa Division and the Passport Division. A thorough reading of his testimony before this committee beginning on page 149 and running to page 214 would indicate total incompetence to carry his job.

The head of the Division of Information, William Treadwell Stone, is well known for his lack of capacity. The State Department needs a thorough reorganization—not only as to personnel but as to the manner in which its business is conducted. I hope that that will result before we are asked to embark upon any further programs.

I do not like to have to say these things, but the interests of the United States require that the State Department be set up in such a way that it goes in one direction.

If we are going to have a foreign policy where we are obliged, because of the actions of the Soviet Government, to take certain steps and certain responsibilities, we must have loyalty on our own side of the fence. There can be no excuse for the failure of the State Department to clean house—get rid of the incompetents and those about whom there is any question of loyalty.

I quote from the McCarran amendment, which is a part of the law:

> Notwithstanding the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Secretary of State may, in his absolute discretion, on or before June 30, 1948, terminate the employment of any officer or employee of the Department of State or of the Foreign Service of the United States whenever he shall deem such termination necessary or advisable in the interests of the United States—

And ask why the State Department has not cleaned house.

Why should we fiddle around on such a thing as an Executive order from the President and which was very evidently prepared for the purpose of blocking such things when the law provides a method for cleaning house and cleaning house is so terribly and vitally needed,

After listening for 1½ hours to the developments of the way the State Department has handled its security operations and to Mr. Robinson's answers, and

their failure to take advantage of the authority they have to clean the picture, I was compelled to say: The testimony that I have heard here makes me wonder whether the United States has any representation at all in the State Department. I regret to say that nothing has happened to change my opinion.

That is the first thing that the United States must do if we are to have the respect of other nations in our dealings with them.

The CHAIRMAN. The gentleman from New York has consumed 10 minutes.

The Chair at this time advises the committee as to the standing of the time, that the gentleman from Nebraska [Mr. STEFAN] has used 1 hour and 47 minutes; and the gentleman from Virginia [Mr. GARY] 1 hour and 12 minutes.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. WILSON].

Mr. WILSON of Texas. Mr. Chairman, I made a little talk Friday with regard to airport funds that are included in the Civil Aeronautics Administration appropriation. We down in Dallas, Tex., feel that the CAA has not dealt fairly with our city. We have the oldest municipal airport in the United States, in which we have an investment of approximately $12,000,000. As between the Dallas and Fort Worth areas, Dallas furnishes in-bound and out-bound 83 percent of the passenger traffic including that whole area; the Dallas area furnishes something like 87 percent of the cargo traffic of that whole area.

The CAA has apparently in setting up in this budget and earmarking $2,608,000 to create and build a new airport known as the Fort Worth International Airport which is 12 miles farther out than Love Field at Dallas, Tex., which is a total of 19.5 miles from downtown Dallas and 17.2 miles from downtown Fort Worth. They have indicated in their justifications for this appropriation the fact that they intend to relegate Love Field, which is a great airport, to a secondary position to be used as a feeder field for the Fort Worth International Airport. I may say that within the last 5 months there have been 60,000 passengers per month in and out of Love Field at Dallas; there have been millions of pounds of cargo in and out of Love Field at Dallas. We have a bus system which goes to Love Field which is only 6½ miles from downtown Dallas on the edge of the city, bus service at 10 cents per passenger. You can ride a taxicab from any of the hotels for $1.25. If Love Field is relegated to a secondary feeder auxiliary airport and an auxiliary airport, as they say in their report, notwithstanding its preeminent position in the field of air in the Southwest, it will result in a cost to the passengers who use the commercial air lines of from $1,000,000 to $2,000,000 per year in order to save the air lines $10,000 a month. That is the only reason given in the recommendations that is worthy of note. It will penalize the passengers who ride those commercial air lines from one to two million dollars per year.

Mr. Chairman, since the ox cart in this country there has been one criterion, one impelling motive that has moved the Interstate Commerce Commission and the various corporation or railroad commissions of the several States, and that is the question of convenience and necessity. To whom? To the majority of the traveling public, not to the air lines, not to the railroads, not to the bus lines, not to the truck companies, but to a majority of the traveling public.

Why should the air lines be exempt from any such rule? You ride an airplane in order to save time. If you have to travel 19.5 miles on a double-lane highway, which is said by the Texas Highway Commission to be already saturated with traffic, together with the attendant hazards that will go along with that additional mileage to the airport, you will save very little time by riding an airplane over a train, to say nothing of the hazards involved in going to and coming from such an airport. Convenience and necessity to the traveling public should be and is the No. 1 criterion by which railroads in removing depots or in taking off trains or putting on new trains are judged by the Interstate Commerce Commission and the commissions of the various States.

We in Dallas say that Love Field has property now sufficient to build 10,000-foot runways. We now have 6,750-foot runways and are a class 4 airport, being raised to a class 5 airport by this recommendation. But the land on this proposed midway field was bought by the American Air Lines and the Braniff Air Lines who have instigated this whole matter in order to save their investment in this cow pasture 19.5 miles from downtown Dallas. They have induced the CAA to try to destroy Love Field and they say in their report that is what they are going to do.

Mr. Chairman, all this has happened without Dallas having a hearing, without Dallas knowing anything about it or having an opportunity to produce any facts to anybody. You may ask, "Why did you not go before the committee?" We did not know about this until the plan was filed last week by the CAA that any such foolish expenditure of Federal money was to be made in an airport 19 miles from the best airport in the Southwest at Dallas, Tex. This is a waste of Federal money. I will say that I think I speak for 99 percent of the people of my district, Dallas County, when I make that statement. Dallas has an estimated population of 550,000. Greater Fort Worth has an estimated population of some 300,000 to 325,000, maybe 350,000. You can see from the actual facts and figures quoted by the CAA in its justification that out of every 10,000 people in Dallas County 871 of them ride airplanes. Out of every 10,000 people in the Fort Worth district, 341 ride the airways. Now, is there any justification under the sun for destroying Love Field and wasting Federal money in order to build another field that we will have to travel without bus service, upon narrow highways, take that extra hazard, travel 19.5 miles, and haul cargo at an estimated cost of 20 cents per pound additional from that air field to the downtown area? Is there any wonder that we do not favor this airport? Certainly we have a right to expect to be heard by the CAA before any such expenditure of money is made so that we can present the facts as they affect us.

Now there are no roads to this proposed airport excepting a double-lane road. There is a four-lane highway 7 miles south, but they put this 7 miles north on a two-lane highway that is already saturated with traffic. The only plausible reason that the CAA gives is to save the air lines money. As I said before, saving the air lines money should not be our prime purpose in building civilian airports. Our purpose should be, and I am sure is, to furnish, for the use of a majority of the traveling public, both cargo freight, air mail, and passenger, a convenient service so that we might save time in commercial transportation over the country.

I intend to offer an amendment tomorrow to knock this fund from this bill.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, I rise to speak on this same subject. I have the honor of representing Fort Worth, Tex., in the Congress of the United States, and this Fort Worth air field about which the gentleman from Texas [Mr. WILSON], was speaking. I regret that it is necessary in these perilous times that we should discuss such a relatively trivial matter in this important body when we have national and international problems facing us which we should be legislating upon. I regret that a municipal problem, affecting only a certain section of Texas, should demand our attention, and I apologize for it. I want to tell you, however, that it is none of my making.

Members of the House, the crux of this is only one thing: Dallas does not want Fort Worth to have an airport; that is all there is to it. Dallas does not want Fort Worth to get any Federal funds for an airport; that is all there is to it.

For the city of Dallas to in any way protest the allocation of funds by the CAA under the Airport Act to the city of Fort Worth for the construction of a municipal airport is preposterous.

Fort Worth has asked the Federal Government for assistance in the construction of a municipal airport for the city of Fort Worth. No attempt has been made to request funds beyond the amounts the CAA can approve legally under the Airport Act. This act was passed for the purpose of assisting cities in providing adequate, safe, and convenient facilities for the traveling public and for the purpose of carrying out an over-all airport plan for the entire United States.

We feel we have the same right to ask for help in constructing our own municipal airport as Houston, Chicago, Atlanta, or any other city in the United States. We do not feel that it is any of our business where the city of Atlanta, Ga., builds its municipal airport, nor do we feel it is any of our concern as to where any other city in the State of Texas builds its airport; neither do we feel that it is any business of the officials of Dallas, Tex., as to where Fort Worth decides to construct a municipal airport. Fort Worth is not blessed with the fine

airport Dallas, Tex., has—constructed to a class IV airport by the use of money provided by the Federal Government during the recent world war. Incidentally, this money was furnished on a 100-percent basis, whereas the maximum the city of Fort Worth can receive for its airport, under the Airport Act, is on a 50–50 matching basis. The people of Fort Worth should have the privilege of building an airport to serve its community—let Dallas build whatever they please and wherever they please.

At the time Fort Worth announced that its municipal airport would be built south of the city, no objections were raised by Dallas, or any other city in the State of Texas, but when Fort Worth started to build an airport in the eastern part of Tarrant County, the Dallas objections began. Why have we changed the location of our airport from the southern section of the county to the eastern section? This change has been made as a result of careful analysis as to the construction costs for a new airport. The city of Fort Worth investigated and found that it would be possible to obtain from the city of Arlington the use of an airport constructed under military justification during the war—an airport that already had much money spent toward completion of a class IV or V airport. The location of this field, although farther from the main part of the city of Fort Worth, is just as close in the matter of time, since there is a well-paved highway to the site which does not traverse along built-up sections of the county, whereas much delay would be occasioned in traveling from the main part of town to the site south of the city, due to the congested area through which it would be necessary to travel. Then, why is it not good business to take advantage of moneys already spent on the disputed site and thereby save both the city of Fort Worth and the Federal Government money in the construction of the field?

Dallas objects because Fort Worth has made a request, and application, for Federal funds to enlarge its own airport facilities. Let us just see how much money Dallas has received to enlarge her airport facilities.

Dallas received from the Civil Works Administration back in Roosevelt days $145,709. She received from WPA $387,898. She received from the Army $5,527,465—a total of $6,161,072. Those funds were spent by the Federal Government on the municipal airport in Dallas, Tex., Love Field, that the gentleman from Texas [Mr. WILSON] was talking about.

Let us see how much funds have been spent by the Federal Government on Meacham Field, the Fort Worth airport. Mind you, Love Field was purchased by the Army during the first World War and transferred for a moderate sum to the city of Dallas after the war. It was enlarged with Federal funds. It was enlarged during this last war with Federal funds. The Air Transport Command was stationed at Dallas, and because they were operating four-motored bombers they had to have an extended runway. The Army spent over $2,500,000 during this war to enlarge Love Field so that those four-motored bombers could land there.

The Navy was using Meacham Field and they were using these small planes. The Navy said, "If our pilots cannot get in on that small aiport of yours, we do not want them as pilots," so they spent no money to extend the runways at Meacham Field. All the money that was spent by the Federal Government during the war on Meacham Field in Fort Worth, Tex., was $64,104 for some aprons out at the side of the Meacham Field runways. The total funds which have been spent by the Federal Government and in large part matched on a 50–50 basis by the municipality of Fort Worth, Tex., amount to $1,150,192. Fort Worth has received slightly more than $1,000,000 on her airport. Dallas has already received over $6,000,000, yet she complains because the city of Fort Worth wants to enlarge her airport facilities and has asked for Federal funds under the act. She cries for hearings, she wants hearings so that she can present her side of the case, meaning that she wants to stop Fort Worth. Fort Worth did not cry for hearings when the Civil Works Authority allocated some money to be spent at Love Field; Fort Worth did not cry for hearings when WPA allocated some money for Love Field; Fort Worth did not cry for hearings when the Army spent $2,500,000 during the war on Love Field.

Can you see any reason why the city of Dallas should try to tell this Congress where it should spend its money, when we have a disinterested body, when we have the Civil Aeronautics Administration which is delegated with the authority to spend this money? Are we going to determine here on the floor of this House by voting in this House where Federal funds will be spent, down to the last dollar, on airports within the United States? We are not going to take on that task. We have disinterested engineers employed for that purpose, people who have recommended this airport, the greater Fort Worth airport, people who believe that the city of Fort Worth is entitled to airport facilities, people who have agreed to assist Fort Worth in a small measure in enlarging its facilities. Therefore, gentlemen, when this proposal of the gentleman from Texas [Mr. WILSON] is brought before us tomorrow, I shall ask you, speaking on this subject again, to vote it down, leaving that authority in the hands of those to whom such authority has been delegated by the Congress. When this matter comes before you, I hope you will thoroughly consider this subject and not vote to overrule the committee or overrule the engineers who know best about these matters.

Mr. STEFAN. Mr. Chairman, I yield myself such time as I may require.

Mr. FOOTE. Mr. Chairman, will the gentleman from Nebraska yield?

Mr. STEFAN. I yield to the gentleman from Connecticut.

Mr. FOOTE. The gentlemen from New York [Mr. ROONEY], on the floor the House this afternoon made the claim that there had been a very drastic cut in the appropriation for court personnel in our Federal courts. I believe he stated that the office of court crier had been done away with and that the court would be unable to have a messenger in attendance, and in effect he gave the impression that the entire decorum of the courtroom was going to be upset. Is it true as he charges that the orderly administration of justice is being interferred with?

Mr. STEFAN. In reply to the gentleman, may I state it is true that the committee did away with the item of criers, but they substituted funds for deputy marshals to be used instead of court criers. I doubt that the entire decorum of the court is being interfered with.

Now, Mr. Chairman, among other very important items in this bill is the appropriation for the Civil Aviation Authority which polices and controls 40,000 miles of airways. That has to do with the Civil Aviation Board and many other complex matters dealing with civil aviation. One of the Members of the House of Representatives, Hon. CARL HINSHAW of California, is the chairman of the temporary Congressional Air Policy Board of which Board Hon. OWEN BREWSTER, Senator from the State of Maine, is chairman. The Board recently completed a very important and, I believe, historic report and presented it to the Congress.

Mr. Chairman, at this time I yield 15 minutes to the gentleman from California, Mr. HINSHAW, who will have a very important announcement to make in connection with that report.

Mr. HINSHAW. Mr. Chairman, I appreciate the kind words of the gentleman from Nebraska [Mr. STEFAN]. He was a member of the Congressional Aviation Policy Board and sat through most of the hearings and work of the Board.

I would not take the floor at this time to discuss this report except for the fact that announcements have been made of it in the press, and I only take the floor because the Congress does not yet have the copies of the report of the Board and will not have them for several days to come because of difficulties in connection with printing. Obviously it takes some days to make the necessary changes in the prints, corrections of one sort or another, but they should be available within the next few days.

However, as statements have been made, and incidentally quite a flattering editorial concerning the Board in this morning's Post, I think it appropriate that we mention the report at this time.

Pursuant to Public Law 287 of the Eightieth Congress this Board was appointed shortly before our adjournment last August. Mr. BREWSTER, of Maine, was made chairman, and the Board did me the honor of electing me vice chairman. I was also appointed chairman of the Combat Aviation Subcommittee and as a member of two other subcommittees.

The Board began its hearings on the 15th day of September and has continued its deliberations and its studies until shortly before March 1, last Monday, when the report was filed in the Senate and in the House. Without going into the methods that the Board pursued in arriving at its conclusions, let me discuss with you briefly some of the conclusions.

In the first place, we discovered what to the Congress should be a very important thing. That is, that the budget for the armed services as presented to the House and to the Senate, particularly in respect to the aviation arm, was in amounts arbitrarily allocated by the Bureau of the Budget and that those amounts do not even approximate the stated requirements of the services. There is a reason for that, namely, that the Unification Act of 1947 was passed at about the time the budgets were being made up. Consequently the separate services perhaps did not have the full opportunity to present their cases before the Bureau of the Budget. While those budgets have no relationship to the requirements, it should be pointed out that the budgets presented to our Board and to the President's Air Policy Commission, were not directly related to the over-all budgets of the armed services. Those budgets were stated in figures that were related to the procurement of aircraft and the number of aircraft that were required.

Shortly after we began our studies it became evident from the figures submitted that quite probably we could not have all of the aviation that was asked for by those services in their separate presentations. There probably was a budget limitation, over-all. Therefore, before the conclusion of our considerations we asked of the services for unified plans of action, in the belief that such unified plans would reveal many overlaps and duplications, and bring about reductions in the over-all budgets. Such unified plans, however, are not in being. We have requested them repeatedly and yet they cannot be forthcoming because there are none. I do not mean to say that efforts are not now being made to prepare such unified plans, but certainly at the time the requests were made such unified plans were not in existence. We have therefore made certain statements in our report, one of which I wish to quote:

> Under the National Security Act of 1947, the Joint Chiefs of Staff are charged with the obligation of preparing such plans. It is our view that the Secretary of Defense and the President should exert whatever pressure is required to make certain of their accomplishment. We are not unaware of the fact that the Joint Chiefs of Staff who individually represent the three separate services may find it difficult to prepare duly coordinated and integrated plans. The loyalty of each service to its traditions is understandable, but unyielding adherence to service loyalties at the expense of national security is a luxury the Nation can no longer afford.

We are very firm about that statement because, as many of us know, much effort is being exerted by the separate services not to feather their own nests, as one might say, but to make the public and the Congress aware of their respective importance in the national defense picture. There is almost a battle for bigger budgets or bigger shares of the over-all budget on the part of the separate services. The services, however, are not alone responsible for that condition. When we passed the National Security Act in 1947 we established in that act a statement of certain roles and missions to be carried out by the services.

After that act was passed the President issued Executive Order No. 9877 which further defines the missions and roles of the various components of the armed forces. There is a basic conflict between the Executive order and the law as passed by the Congress; consequently, the Navy interprets the law to permit it to develop any type of weapon and to base its plans and requirements on the utilization of any weapon. The Navy contends that it is complying with the law in disregarding the Executive order because the law and the Executive order are in conflict. The Air Force view is that both the law and the Executive order give the Air Force exclusively certain missions; and there you have the basic conflict between the two forces. That conflict exists very largely over the question of which service shall perform what is called strategic bombing. Strategic bombing is an exceedingly important subject. The procurement of aircraft personnel, bases, and the various components required for strategic bombing constitute an exceedingly important part of the budget in either or both services. Until the law and the Executive order are brought into consonance with each other this conflict will continue. We make our very first recommendation to the effect that the law and the Executive order be brought into consonance.

The only way that we could proceed then to make a determination concerning the air arms of the services was to accept for the time being the statements of requirements as they were presented by the services and to add those figures together. It was obvious to us that there was duplication and overlapping in the figures.

We then went back and asked for a statement under a unified plan. They submitted another plan based upon a different concept which involved a smaller number of aircraft but still it was not a unified plan. In our report we have called these plans A and B. We call them that. The services have not given them any names. That made it exceedingly difficult for us to arrive at any conclusive recommendations for the air forces of the United States, the thing that we were most desirous of doing. So what we did was to take the figures presented to us and have them projected into what would be considered an over-all budget for the air services, then added to those budgets all of the balance of the budgets for the rest of the departments and agencies of the United States to find out what the over-all budget might be under either or both of these plans.

A week ago last Thursday night at 5 o'clock, for the first time I know of in my service in the Congress, we got together a series of budgets projected over a period of 5 years in which we must consider that the budgets for the ordinary operating expenses of the Governments are constant and that the variation is in the national defense picture.

Let me take these budgets for the national defense under the so-called plan A, which is a plan devised in such a way that we could win a war rather promptly. The present military budget is a little over ten and one-third billion dollars. Under plan A the 1949 budget would be $11,420,000,000; in 1950, $14,070,000,000; 1951, $16,000,000,000; 1952, $17,720,000,000; 1953, $18,720,000,000; with a leveling off at that point at $18,620,000,000.

Under the so-called plan B, which has a lesser number of aircraft but is designed to blunt an attack against the United States and to deliver a swift retaliation but not to conduct an immediate offensive campaign, the 1949 budget would be $11,000,000,000; 1950, $13,000,000,000; 1951, $14,800,000,000; 1952, $15,270,000,000, 1953, $15,420,000,000; with a leveling off at $14,720,000,000.

To these figures we have then added the other costs of Government, including the universal military training program and the European relief program.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. STEFAN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. HINSHAW. Under plan A it means a maximum budget in 1952, including universal military training, and the European relief program, of $47,200,000,000. Under plan B it means a maximum budget in 1951 of $45,420,000,000. That, of course, is considerably beyond anything that we have contemplated before. Hence, something has to yield. We must either increase the tax income—I do not mean by that increasing taxes, because it is my personal belief that a reasonable reduction in taxes may bring about an increase in tax income. Such was the experience, as I understand it, after World War I—or engage in deficit financing, or both, if we are to carry out either of these programs. There is another alternative of course, and that is to reduce the costs of national security or lop off other costs of government.

Therefore, it was the concern of the Board that there must be an immediate study made by the Joint Chiefs of Staff to eliminate all possible duplications and overlaps and extravagances on the part of the armed services, so that the United States could receive as nearly 100 percent in value for its security dollar as it was able to spend. We recommend that studies be made of the requirements of the United States over all, for its defense, for its security, and for its ability to retaliate. Those studies cannot be made in a day. They will require a period of time. We believe that that study should be completed, or very nearly so, by June 30 of this year, and sufficiently well completed then so that the Congress might be given figures as to what increases in the current 1949 Budget should be made in the interest of national security. We were unable, of course, of ourselves, to make that study, but we insist that it be made by the 30th of June in the belief that the Congress will still be here and can take such deficiency action at that time as appears obviously necessary.

We have gone on and studied a great many of the aspects of defense, including the relationship of commercial air transport of the Department of Commerce, of the Civil Aeronautics Administration

and the Civil Aeronautics Board to the over-all national defense picture. We believe that you will find this report to be interesting reading. It certainly has been the result of long and careful study on our part. We entrust it to you and hope that it will prove of value in the Congresses of the future as well as the current Congress.

Mr. STEFAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it is with great regret that I have learned of the resignation of Dr. Juraj Slavik, Ambassador to the United States from Czechoslovakia—a decision made public at his press conference this very morning.

Dr. Slavik has merited a reputation for integrity, wisdom, and sincere friendliness to the people and the Government of the United States while representing free Czechoslovakia in this country. He is admired and respected for himself, as well as for his long-time association with President Eduard Benes as a member of the heroic Czechoslovak Cabinet—in exile—during the late war.

The former Ambassador is a man with a conscience. He could not exist half slave and half free. His choice was freedom. Even in his departure he serves both his country and our country. His refusal to continue as the accredited representative of a communistic-subjugated government shows us that the Czechoslovak mind and soul are still free. It points forcibly to the fact that now, while no official Ambassador from Czechoslovakia serves in Washington, there are 984,591 Americans of Czechoslovak ancestry in this Nation whose law-abiding industry and patriotism are contributing to the welfare of the American people. Each of these Americans is an unofficial ambassador.

Dr. Slavik has resigned, but the eternal friendship between the American and Czechoslovak peoples will continue to exist, united by bonds of understanding and by a common determination that liberty must live.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from California.

Mr. HINSHAW. This very distinguished gentleman, as the gentleman from Nebraska well knows, is the latest of a distinguished line of men who have insisted upon freedom, and who as ambassadors to the United States and elsewhere in the world from countries upon which the iron curtain has fallen, have chosen freedom. The next to the last one was Aladar Szegedi-Maszak, the minister from Hungary, who is now a refugee in this country. I trust, and I know that the gentleman trusts, that our State Department will not now follow the pattern it has heretofore set by recognizing the Communist government of Czechoslovakia.

Mr. STEFAN. I appreciate the gentleman's contribution very much.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Virginia.

Mr. GARY. I know how seriously our chairman feels on this matter. I know his sympathy for the land of his fathers. I certainly extend my sympathy to him on the conditions in that land in its present crisis.

Mr. STEFAN. I thank the gentleman from Virginia very much.

Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, before I get into the subject I really want to discuss, I want to comment on the very splendid remarks made by the gentleman from Nebraska. I want to go a little further in regard to the loss of the Czechoslovakian Ambassador to the United States of America by virtue of his resignation. We are going to have another march of quislings to the Nation's Capital at Washington, D. C. Very shortly we will have what I said we would have when I made a speech here on the floor of the House 3 years ago, on February 13, 1945. I then denounced Yalta as the crime of the ages. At that time I warned the Congress and the people of America that you were going to have in Washington, D. C., what might really be called a Communist quisling row, and that is what you are going to have. You have Communist representation in the Polish Embassy in Washington and in the Rumanian, Bulgarian, and Yugoslavian Embassies, and now comes Czechoslovakia. Do not think for one minute that those individuals are sent to you with instructions only to represent their Communist cause within those respective countries. You are going to find those individuals coming with instructions to work among their national groups within this country. You have today representing the ambassadors of the various countries behind the iron curtain one of the most formidable and most highly financed fifth column Communist propaganda agencies within the United States of America and the Czechoslovakian Embassy is going to become just another one of them.

Mr. Chairman, I wish to talk about the appropriation bill before the Congress at the present time. I want to deal particularly with reference to what I consider to be the most powerful and strongest segment of our economy within the United States of America. I speak particularly of the more than 4,000,000 small-business establishments within the United States of America, and I am going to premise my remarks upon a statement with which perhaps each and every one of us is well acquainted, in asking the members of the Committee on Appropriations, "Brother, can you spare a dime?" The small-business establishments throughout the United States of America, numbering some 4,000,000, have asked for the continuation of the Office of Small Business, and they have asked for a very meager appropriation of $452,000. When you consider there are more than 4,000,000 small-business establishments in the United States of America, all they are asking of the Federal Government is a dime apiece. In other words, "Brother, can you spare a dime?" I regret very much to see that the Committee on Appropriations in reporting this bill has left out entirely and has completely cut out the Small Business Office, which has been so helpful to the lifeblood of our economy—the more than 4,000,000 small-business establishments in our country.

There are some very significant inconsistencies in the report put out by this committee. For example, the committee admits the importance of small business, and here is what they say:

> The economy of this country has been developed through the encouragement of small business, and the committee is interested in the protection of small business.

In one statement they make that very definite and very concrete admission, but then turn around and snap their fingers and say, "No; we are going to cut you out." I perhaps should be truthful and say that before that there is another statement which deals with the Bureau of Foreign and Domestic Commerce. In the report on the Bureau of Foreign and Domestic Commerce, they point out that the number of employees within that division has been increased and that they have been more or less finding work for themselves and really doing more than they ought to be doing. But instead of slapping the wrist of that particular department of our Government, they turn right around and slap the wrist of the Small Business Office and eliminate that. In other words, it is very much as if the Committee on Appropriations would say, "Well, we have been finding work for ourselves, and we have been doing altogether more than we should do, and because of that we are going to abolish the Committee on Ways and Means of the House of Representatives." In other words, there seems to be no consistency in the argument that has been made. According to the committee, the figures which they have given so far as the cuts are concerned are very confusing.

The comparative statement on page 45 covering the Bureau of Foreign and Domestic Commerce, item 1, "Departmental salaries and expenses," is wholly misleading in its implications. The figure of $5,865,000 covering "Estimates, 1949" includes the proposed operations of the Bureau of Foreign and Domestic Commerce exclusive of any operation "for the gathering and compiling of foreign-trade statistics," which was an item provided for in the estimates of the Bureau of the Census in the amount of $1,115,000, which was reduced by the committee to $800,000 and the function transferred to the Bureau of Foreign and Domestic Commerce.

The original Bureau of Foreign and Domestic Commerce budget estimate—$5,865,000—was reduced to $5,300,000 by the Appropriations Committee, including $800,000 for the added function, and the column of comparison—plus or minus—with 1949 budget estimates shows a minus figure of $365,000. This is a distinctly misleading presentation of the actual funds authorized for the present functions of the Bureau of Foreign and Domestic Commerce as shown in the narrative of the report on page 28, which states that "The net amount included for departmental salaries and expenses is $4,500,000, a reduction of $1,365,000 in the budget estimates," not $565,000 as shown in the comparative statement on page 45.

This action, coupled with the recommendation on page 29 as to the abolishment of the Office of Small Business as such, not only reduces the budget estimates for the Office of International Trade, the Office of Domestic Commerce, and the Office of Business Economics, $348,000 beyond the $565,000 stated as the reduction in the comparative statement, but also removes all funds—$452,000—from the Department of Commerce which were included in the budget estimates for "aids and services to small business" through the operations of the Office of Small Business.

The committee also points out that the reason why they are doing this is because they cannot see any difference between small business and big business. If that is the case, they are going absolutely counter to everything this Congress has done since I have been here. For instance, even under the Reorganization Act, we were supposed to have very few select committees. In spite of the fact that the purpose of that act was to cut out as many select committees as possible, still this Congress has, this last year, set up a Select Committee in the House of Representatives on Small Business. In other words, they recognized the fact that there is a definite distinction between big business and small business, and further emphasizing the fact that small business is in a category or condition that ought to be helped.

Let me go further. Not long ago I remember distinctly we passed a resolution in this Congress saying that every branch of the executive government should have on its membership a member representing small business. As a matter of fact, we issued that ultimatum to the President of the United States and in turn, in conformance with that resolution, he has appointed a representative of small business on each and every branch of our executive government.

The House of Representatives, particularly since I have been here, has been of a nature that we recognized that small-business problems are in a category by themselves and should be recognized as such. That has been the ultimatum of this Congress since I have been here. Yet the Appropriations Committee says that they see no difference between the problems of small business and big business. Therefore small business is not entitled to remain as such, in a category all by itself.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. PLOESER. I want to say to the gentleman that I support his concern and feel rather regretful that this action has been taken, despite the fact that I, too, am a Member of the Appropriations Committee, though not of this particular subcommittee. While the gentleman may not fully agree with the report, there are other sections of the report which demonstrate that this Subcommittee on Appropriations does have a very sincere interest in small business. If you do not mind my consuming a part of your time, I would like to comment a little further, even at the expense of requesting more time for you, and say that while there have been a great many services rendered by this department down in Commerce, and I would like to see it continued, it has always been my opinion that the entire operation of the Department of Commerce should be directed in the main toward small business. It should never have been necessary to have a small-business department within the Department of Commerce. After all, the principal commerce of the Nation is small business. Small business is the biggest business in the Nation. So the principal business of the Department should not be the setting up of a segment to try to paternalize small business, but on the contrary, its entire operation should be devoted first in the interest of small business. That does not say that I voice approval of the deletion of this fund at all. On the contrary, I would like to see this service continued.

There is another segment of the bill which, to my mind, is far more serious and that is the elimination of the funds for the Office of Technical Services, which is in the main, the dissemination of technical information—technological advancement, made available to all sorts of businesses, but principally some 8,000 small businesses who are applicants to this Department each month.

I hope you will forgive me for transgressing on your time.

Mr. O'KONSKI. I appreciate the gentleman's remarks very much. The report does point this out:

> However, there should be allocated within the Office of Domestic Commerce a small group of specialists to study and keep in touch with the problems of so-called small business with a view of integrating their requirements with the service rendered to business generally.

I do not feel that is enough of an ultimatum to the Department of Commerce to do something for small business. What this recommendation really says is, "We are still concerned about the progress of small business, but we will be satisfied if you will set up a few secretaries in your office to take care of this important segment of our Nation's economy," which is the biggest business, namely more than 4,000,000 small businesses within the United States of America.

I would be more satisfied if in conformance with the remarks of the gentleman from Missouri when the bill comes up the committee adopts an amendment setting aside definitely a certain portion of the appropriation to be used for the promotion of small business. I had first thought of offering an amendment to restore the $452,000 cut that was made but on reconsideration I think it would be more appropriate and effective if we said that a certain portion of this appropriation, whatever the appropriation is to be, that a certain portion of that appropriation shall definitely be set aside for the promotion of small business. Otherwise, I am afraid we are going to see small business gobbled up by big business within the Department of Commerce, which always happens. I would like to see a limitation placed in the bill that a certain amount, say $452,000, be definitely earmarked for this purpose. I am fearful that if the appropriation bill goes through as it is the Department of Commerce will use it as a reason for not setting aside any of the appropriation for small business, claiming it was completely eliminated by reason of the amount we cut from the bill; and I do not want to see that happen.

Mr. PLOESER. That would be a deplorable situation if the Department of Commerce attempted to use this as an excuse to preclude or exclude any provisions for small business. That would be a deplorable condition.

Mr. O'KONSKI. I thank the gentleman for his contribution.

Mr. Chairman, I merely want to say in closing since my time is up that all the way through in the contacts I have had—and this is my sixth year now—that the tendency seems to be the promotion and the progress of small-business institutions throughout the United States of America. We have throughout the United States of America now more than 30 small-business organizations on a national scale that represent more than 4,000,000 of these small-business establishments throughout the country. Many of the States—I know my State and the State of New York have—have set up special committees to be of help to small business within the State. The Veterans of Foreign Wars, the American Legion, and their local chapters each are setting up what they call a small-business committee to help small business. The same is true of the chambers of commerce. I feel that with this tendency going on all over the United States there must be an adequate and effective and well-managed clearinghouse in the Nation's Capital to which all these various organizations can turn and get the information and help they need. I am for it, but I am extremely fearful that if the appropriation bill passes in its present form you are going to see that segment of our economy neglected and ignored. You are going to see all these small-business interests and organizations gobbled up by big business. This is why I so vehemently disagree with the members of the Appropriations Committee when in one part of their report they speak of these so-called small-business organizations. They are not "so-called" because they are small business. There is a very definite distinction between small business and big business, and we have the highest authority for the fact because there is a select committee of the House dealing with small business, of which the gentleman from Missouri is chairman. I think the gentleman from Missouri said that the Department of Commerce should by its very nature be concerned with small business because small business is big business and there should not be any difference. The gentleman from Missouri wants the Congress to see the difference between small and big business—but not so with the Department of Commerce. Then I say that if he carries that argument to its logical conclusion we should abolish the Select Committee on Small Business in the House of Representatives, for if there is no difference between small business and big business then there is no reason for the House committee to exist. However, I contend there is reason for a

small-business committee in both the House and within the Department of Commerce. Brothers on the appropriation, please spare a dime—a dime for each small business in our Nation. Is that asking too much?

I do not believe that this Congress would knowingly abolish or deny funds—a small amount of funds—$452,000—to this small organization in the Commerce Department which is actively engaged in many activities designed to preserve the small-business segment of our economy and to guard the very basis of our free-enterprise system.

I therefore urge you gentlemen, in your consideration of the restoration of funds which I recommend, to consider most seriously this small-business feature. I urge you to restore the modest requirement of the Office of Small Business, in the interest of preserving and protecting the dynamic force of all small business in our national life.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STEFAN. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MITCHELL. Mr. Chairman, I have listened with a good deal of interest to the speeches by Members of Congress who want to keep the Federal antimargarine laws as they are now. I may say frankly that some of the arguments and contentions have amazed me. Generally speaking, the assumption is made that repeal or modification of the antimargarine laws would injure the dairy industry. Then follows a fierce defense of this industry. Some of the speeches have all the emotionalism and fervor that a mother might put into the defense of a child. They have pathos and drama in them. They are masterpieces of oratory. But they have very little to do with the issues in the margarine controversy.

First of all, I do not think the dairy industry has a single enemy in this House. Certainly, I have a high regard for it. So far as I am concerned, it is not necessary to defend milk as a food. I accept without question the fact that it is the greatest food and will continue to be so. I drink milk. I intend to continue to drink it and I recommend it to all my friends and such of my enemies as are willing to take good advice.

Nor am I advocating any proposal which will hurt the dairy industry. The production of milk has increased from 108,000,000,000 pounds in 1936 to 120,000,000,000 pounds annually in 1946. The demand for milk and milk products still is unsatisfied. Nutritionists estimate that we need at least 6,100,000 more dairy cows. The repeal of the Federal antimargarine laws will have little or no effect upon this demand for milk and milk products. I doubt that it will have much effect upon the butter industry. There is a deficit of both butter and margarine. But even if repeal should injure the butter industry, that does not necessarily mean that it would hurt the dairy industry.

While the consumption of fluid milk has been rising steadily, the consumption of butter has been dropping. In 1936, income from butter represented 29.5 percent of the total dairy income; in 1946, however, it represented only 14.7 percent.

In the 10-year period between 1936 and 1946, total butter production dropped from 2,131,000,000 pounds to 1,501,000,000 pounds, a decline of approximately 29 percent. I have already referred to the increase in milk production during the 10-year period. I do not have to point out that while there was more milk available for butter production, less and less of it was used for this purpose.

What do all these figures mean? As every informed dairyman knows, they mean only one thing. Butter is the least profitable commercial outlet the dairyman has for his product. The sale of the dairyman's product as butterfat for the manufacture of butter is a sale at the lowest price for that product. A sale as fluid milk is a sale at the highest price. In between fall other whole-milk products, cheese, ice cream, and so forth.

How wide is the gap between the lowest price and the highest price for butterfat? In the 10-year period, 1936–1945, the average price paid to farmers for butterfat sold as fluid milk or cream was about 74 cents per pound; for cream sold as butterfat about 37 cents.

To emphasize the point, it was twice as profitable to sell butterfat as fluid milk or cream than it was to sell it for the manufacture of butter. And as I have previously stated, other uses for butterfat fell in between fluid milk and butter. But every other use was more profitable than the use of butterfat to make butter.

The decline in the importance of butter to the dairyman is not confined to the industrial East. I listen to the fervor with which some of my Wisconsin friends preach the doctrine of butter and then look at the figures and am surprised at their feeling. In 1936, for example, the income from the sale of whole milk in Wisconsin amounted to 79 percent of the total dairy income for the State. Income from the sale of butter fat for the manufacture of butter and from the sale of farm butter was 21 percent.

What has happened within the past 10 years? In 1946, Wisconsin farmers got 98.64 percent of their total dairy income from the sale of whole milk; they got 1.36 percent from the sale of butterfat and farm butter. Let me repeat the figure from the sale of butterfat again. In 1936, Wisconsin farmers got 21 percent of their total dairy income from the sale of butterfat and farm butter. Within 10 years this figure had dropped to less than 1½ percent.

With less than 1½ percent of their total income coming from butter, I fail to understand the concern of my Wisconsin friends. Undoubtedly, Wisconsin milk is being sent all over this country. It is being shipped in glass lined tank cars as whole milk. It is being sent as cheese and as milk powder. Looking at the matter from a practical standpoint, it would seem to me that Wisconsin dairymen should be working for the repeal of restrictive laws which impede the free flow of products between States. It would seem to me they would be working for the repeal of Wisconsin's own antimargarine laws and of the Federal laws as well.

Can it be possible that Wisconsin and other dairymen have been hoodwinked and that the butter lobby is using them for cat's-paws?

I have been criticized severely by Indiana dairymen for proposing the repeal of the antimargarine laws. I would like to quote some figures for my own State to show a trend which is likely to continue. In 1936, Indiana farmers got 71.2 percent of their total dairy income from the sale of whole milk and 28.8 percent from the sale of butterfat and farm butter. In 1946, the percentage for whole milk had risen to 90.2 percent and for butterfat had dropped to 9.8 percent.

With butter the least profitable outlet for their product, I feel that I am doing my dairymen a favor by proposing repeal of the antimargarine laws. To me, it seems the part of wisdom to concentrate on the most profitable return for one's products and to eliminate, insofar as is possible, the unprofitable sales.

I think the following table sums up very well what has been going on in this country with regard to butter, and what is likely to continue:

	Farmer income from sale of whole milk as a percentage of total dairy income	Farmer income from sale of butterfat and farm butter as a percentage of total dairy income
Wisconsin:		
1936	79.0	21.0
1941	89.8	10.2
1946	98.64	1.36
Minnesota:		
1936	23.4	76.6
1941	27.4	72.6
1946	68.1	31.9
Illinois:		
1936	77.8	22.2
1941	82.0	18.0
1946	88.6	11.4
Indiana:		
1936	71.2	28.8
1941	80.2	19.8
1946	90.2	9.8
Michigan:		
1936	69.5	30.5
1941	77.5	22.5
1946	87.9	12.1
Kansas:		
1936	44.0	56.0
1941	42.5	57.5
1946	55.9	44.1
Ohio:		
1936	78.7	21.3
1941	87.4	12.6
1946	93.5	6.5
Iowa:		
1936	24.4	75.6
1941	23.3	76.7
1946	29.3	70.7
Washington:		
1936	71.8	28.2
1941	77.2	22.8
1946	90.6	9.4
9 North Atlantic States:		
1936	96.6	3.4
1941	97.9	2.1
1946	98.4	1.6
16 Southern States:		
1936	74.2	25.8
1941	77.0	23.0
1946	85.5	14.5
11 Western States:		
1936	73.6	26.4
1941	79.7	20.3
1946	91.3	8.7
United States:		
1936	70.5	29.5
1941	75.8	24.2
1946	85.2	14.8

As you all know, there have been many references to the price of butter. The product is high by comparison with prewar prices. I for one, however, do not intend to contend that butter is overpriced. The cost of everything which the dairyman uses has risen tremendously. I doubt that there is much profit in butter, even at a dollar a pound.

I want to call the attention of the dairyman to another factor, an economic factor which is difficult to overcome by legislation.

An acre of soybeans can be grown with 14 hours of man labor. Ordinarily it will produce about 225 pounds of margarine.

The dairyman raises an acre of grain, usually corn, and needs another 2 acres of hay or pasture to produce 225 pounds of butter. The acre of corn will take at least 30 hours work, to say nothing of the work in producing the hay or pasture, and care of the cows will involve another 150 hours in producing 225 pounds of butter.

A pound of butter therefore represents 10 times the amount of farm labor and 3 times the amount of farm land that is represented by a pound of margarine.

I have quoted almost verbatim from a statement by C. F. Christian, who is a farm-marketing specialist for Ohio State University.

There is and will continue to be a place for both butter and margarine. Many people prefer butter and will continue to buy it. But the vegetable oils can be produced much more cheaply. Furthermore, I predict the gradual removal of legislation aimed at margarine. I am referring to both Federal and State laws. These laws clearly are punitive in character and have one primary purpose: the restriction of competition. The newspapers of the country, the magazines, and other organs of public opinion are almost unanimously against these laws. They are on their way out.

Since, as I see it, their removal is a foregone conclusion, and since butter is increasingly of less importance to the average dairyman, I fail to understand why the dairymen and their spokesmen do not concentrate on the really profitable uses for milk.

I find at least one dairyman who agrees with me in this matter. He is Merrit Nash, a prominent dairy farmer in the State of Washington. Writing in the Western Dairy Journal, he says:

> Why don't we marshal our forces and launch a great campaign to sell fluid milk, for example, in the manner in which Coca-Cola, the Pepsi Cola, the beer, the liquor, the sparkling waters, and the ginger ale, and so forth, people sell their products in such tremendous quantities?
>
> Butter is not a practical or economically sound article to force upon the consuming public as the sole source of spread for their bread. During these times when as never before we should be conscious of the great and dire need for conserving the fast-dwindling resources of our great Nation, it seems almost unbelievable that my fellow dairymen, almost to a man, will stand up and fight against the idea of adjusting our thinking and our policies to fit a changing world's requirements.
>
> This is a day of specialization, a day when that individual or that industry or that country which is best suited to the production of a given product should devote their main energies to that line in which they are best equipped to serve their fellowmen. This, in the end, will be the most profitable for all. When it comes to the production of fluid milk, we have been graced by God with one of the most remarkable manufacturing plants imaginable, the dairy cow. Let us promote the tremendous possibilities of this little wonder * * * not by clinging to a byproduct such as butter, a fast-falling star, but by emphasizing a new and profitable price stabilizer—fluid milk.

But, the butter interests reply, butter is a balance wheel for the industry. It offers during periods of flush production or reduced consumption an outlet for milk that would not otherwise be available. Furthermore, it is the price stabilizer for most milk-marketing agreements since the price of other milk products rises and falls as the price of butter rises and falls.

I do not think the people who put forward this argument realize the importance of other byproducts. I predict a continued steady increase in the importance of byproducts other than butter. I think the trend clearly is indicated by the following table:

Utilization of milk in whole milk dairy products

[Amounts in pounds]

Product	Average 1935-39	1946	Percentage of 1946 increase
Fluid milk and cream	44,146,000,000	59,927,000,000	35.7
Ice cream	3,083,000,000	8,420,000,000	173.1
Cheese	6,690,000,000	10,990,000,000	64.2
Evaporated milk	4,024,000,000	6,098,000,000	51.5
Condensed milk	426,000,000	574,000,000	34.7
Dried whole milk	146,000,000	1,448,000,000	992.0
Total	58,515,000,000	87,455,000,000	49.8

The trend away from butter already has aroused concern about the position of butter as a price stabilizer. Merrit Nash, who already has been referred to, goes to the heart of the matter in his article in the Western Dairy Journal. He said:

> My interest in the oleomargarine question is primarily selfish. As a person who gets his entire income from a dairy farm, I felt that I have a right to voice my opinion regarding what I think to be the soundest way in which to improve that field of endeavor and to make it more profitable for myself. Butter is our price stabilizer * * * and I object to exactly that. It stabilizes our prices at levels which are generally most unprofitable. Why do we not select a dairy product that will reflect a more advantageous stabilizing effect? * * * Butter has been a very poor price stabilizer, I can tell you that.
>
> It is most unwise to stick longer with a product for a price stabilizer that has developed such a likely substitute and replacement as butter has in this product, oleo. It is time that we got as our price stabilizer a product which is subject to as little duplication and competition as is possible to select. There is no better item than fluid milk for this purpose, especially if we use some real merchandising in presenting it to the American consumer. Butter is as antiquated as a price stabilizer in the dairy industry as is the "surrey with the fringe on top" in the automobile industry. * * * We cannot get results by plodding along with butter which as a price stabilizer is a sinking ship, if there ever was one.

Perhaps even more significant is a report by the Boston Milkshed Pricing Committee, published in September 1947. This committee, composed of economists experienced in the field of milk marketing, including Dr. John D. Black, of Harvard, recommended that the butter formula for setting class I milk prices in the Boston milkshed be abandoned. Citing the fluctuations in the price of butter, the committee report states:

> As a result of these experiences the butter-powder formula has been steadily growing into disrepute in all quarters of the industry. Even if it could be shown that these two products (butter and nonfat drying milk solids) might serve as a reasonably accurate guide to class I milk prices in the future, the weight of producer, dealer, and public opinion would be against their use if anythings approaching a satisfactory alternative could be developed. * * *
>
> By and large, the Federal order markets from Ohio west and south are operating under the condensery-plus formula. In those markets the class I price each month is the average price paid to producers by a listed group of midwestern evaporated milk plants, plus a specified differential which usually varies between seasons. Most of the orders in those markets use the butter-powder value or a butter-cheese value, if one of them happens to be higher than the condensery price.
>
> Available evidence indicates that the producer groups in those Midwest markets and the Government are fairly well satisfied with the workings of this type of class I price formula.

Here I should like to emphasize that those particular Midwest and southern markets where, according to the report, milk producers are fairly well satisfied with the price-fixing formula, use the butter-powder or butter-cheese values only if they are higher than the condensery prices.

In sharp contrast—

The report states—

> the orders in the Federal markets east of Ohio have contained butter or butter-powder formulas, with the class I price bracketed in 20- or 22-cent intervals. Also, by contrast, there has been general dissatisfaction with the formulas, and serious proposals have been made to abandon them.

Let me sum up briefly what I have been trying to say here today:

First. The Federal antimargarine laws are wrong in principle and should be repealed regardless of other factors.

Second. Nevertheless, the repeal of the Federal antimargarine laws would not injure the dairy industry because:

(a) The sale of butterfat as butter is the least profitable outlet for the product.

(b) This is clearly shown by the decreasing production of butter accompanied by the increase in the production of fluid milk.

Some of my colleagues raise the filled-milk issue. They state that repeal of the Federal antimargarine laws will be followed by attempts to ship filled milk interstate. I am not familiar with the filled-milk controversy. Perhaps this industry has been discriminated against as has margarine. I do not know. But I do know that filled milk has no place in this debate. It is raised to confuse and becloud the issue. I would like to see this matter debated on its merits. I would like to see data to support the assumption

that repeal of the antimargarine laws would injure the dairy industry. I would like to hear some facts and figures instead of these paeans to the cow. To my way of thinking, the failure to use logic and the appeal to emotion illustrates what a poor case the opposition has. It illustrates that the time for repeal of the Federal antimargarine laws is long overdue.

Mr. STEFAN. Mr. Chairman, the gentleman from Iowa [Mr. MARTIN] had time reserved, but I understand he will discuss the matter of the Moline-Davenport Airport problem when we read the bill for amendment tomorrow.

The majority has no further requests for time, and I understand the minority has no further requests. It was agreed that we would read the first paragraph of the bill tonight, and that the bill would then be read for amendment tomorrow.

The Clerk read down to and including line 6 on page 1.

Mr. STEFAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Speaker having resumed the chair, Mr. CURTIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1949, and for other purposes, had come to no resolution thereon.

Mr. NICHOLSON. Mr. Speaker, a parliamentary inquiry.

THE SPEAKER. The gentleman will state it.

Mr. NICHOLSON. Do I understand correctly that the status of the bill now before us is that it is open for amendment from now on?

The SPEAKER. The bill will be read for amendment tomorrow.

EXTENSION OF REMARKS

Mr. HESELTON (at the request of Mr. STEFAN) was given permission to revise and extend his remarks and include therein certain articles.

Mr. DEVITT (at the request of Mr. STEFAN) was given permission to extend his remarks in the RECORD.

Mr. MURRAY of Wisconsin (at the request of Mr. STEFAN) was given permission to extend his remarks in the RECORD and include certain extraneous matter.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include certain excerpts.

Mr. HORAN asked and was given permission to revise and extend his remarks in the RECORD and include certain additional data to the speech he made this afternoon in Committee of the Whole at that point following his remarks in the RECORD.

CROW TRIBE

Mr. D'EWART submitted a conference report and statement on the bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today the Committee on Veterans' Affairs reported out a resolution asking General Gray to hold in abeyance his cut in personnel in the Veterans' Administration pending a further investigation by the subcommittee of our Committee on Veterans' Affairs. The subcommittee is doing very fine work. I think General Gray, who, I believe, has had no real knowledge of where the cuts are being made, having been in the Veterans' Administration such a short time, would be very much pleased if we had an opportunity to point out to him the real suffering that would ensue if the cuts were to go into effect. For instance, the rating boards which rate a man's claims for compensation would be eliminated, and it would take a longer time before the men could be rated. The contact men would be limited and the men in the hospital who are entrusted with the care of disabled veterans would be limited. Certainly we should have a supplemental appropriation if it is needed if there is not enough money. I am under the impression that they are doing this because they want to keep in line with the President's budget message for 1949.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4023. An act to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 535. An act for the relief of Adelbert E. Tuller;

S. 641. An act for the relief of Mrs. Roberta Flake Clayton;

S. 922. An act for the relief of Ruth Grossman;

S. 939. An act for the relief of Charles Howard Richards;

S. 970. An act for the relief of Mr. and Mrs. Harold T. Prosser;

S. 1031. An act for the relief of Antonio Zamora; Mrs. Antonio Zamora; Antonio Zamora, Jr.; Mrs. Juan Chavez; John Chavez, Jr.; Roland Chavez; Selso Trujillo; Dr. M. G. Wright; and the heirs of Keith Lane;

S. 1267. An act for the relief of Eleonore M. Hannon;

S. 1698. An act to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes;

S. 1716. An act for the relief of Mrs. Iola Veach;

S. 1721. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of injuries sustained by G. R. Below, late of Seattle, Wash.; and

S. 1796. An act to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on March 2, 1948, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3726. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions;

H. R. 5525. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; and

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, March 4, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1356. A letter from the Chairman, Federal Power Commission, transmitting copies of Consumption of Fuel for Production of Electric Energy and the Financial Record of the Electric Utility Industry; to the Committee on Interstate and Foreign Commerce.

1357. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to authorize the Army and Navy Union, U. S. A., Department of Illinois, to construct a recreational park on the grounds of the United States naval hospital, United States Training Center, Great Lakes, Ill.; to the Committee on Armed Services.

1358. A letter from the director, national legislative commission, the American Legion, transmitting the final financial statement of the American Legion, as of December 31, 1947; to the Committee on Veterans' Affairs.

1359. A letter from the Under Secretary of State, transmitting a draft of a proposed bill to amend the Foreign Aid Act of 1947 in order to provide for assistance to the Free Territory of Trieste; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 491. Resolution providing for consideration of H. R. 5098, a bill to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section; without amendment (Rept. No. 1484). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 492. Resolution providing

for consideration of H. R. 3510, a bill to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska; without amendment (Rept. No. 1485). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. S. 1733. An act to authorize payment to certain enrolled members of the Seminole Tribe of Indians under act of July 2, 1942 (Public, No. 645, 77th Cong.); without amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 1990. An act to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah; without amendment (Rept. No. 1492). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4455. A bill to authorize the conveyance by the Secretary of the Interior to the Richmond, Fredericksburg & Potoma Railroad Co. of certain lands lying in the bed of Roaches Run, Arlington County, Va., and for other purposes; with an amendment (Rept. No. 1493). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5118. A bill to authorize the sale of certain individual Indian land on the Flathead Reservation to the State of Montana; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the State of the Union.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1008. A bill for the relief of the county of Allegheny, Pa.; with ar amendment (Rept. No. 1497). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. Ninth intermediate report on investigation of the Civil Service Commission leads file; without amendment (Rept. No. 1498). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 817. A bill for the relief of Andres Quinones and Letty Perez; with an amendment (Rept. No. 1479). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 831. A bill for the relief of George Chan; with an amendment (Rept. No. 1480). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 926. A bill for the relief of Dora Greenbaum (Brenner); with an amendment (Rept. No. 1481). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1409. Abill for the relief of Frantisek Jiri Pavlik or Georg Pavlik; without amendment (Rept. No. 1482). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1749. A bill to amend the act entitled "An act for the relief of Johannes or John, Julia, Michael, William, and Anna Kostiuk"; with an amendment (Rept. No. 1483). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 400. An act authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top; with amendments (Rept. No. 1486). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 401. An act authorizing the Secretary of the Interior to issue a patent in fee to Clarence M. Scott; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 773. An act authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf; with an amendment (Rept. No. 1488). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 1407. An act authorizing the issuance of a patent in fee to Robert E. Doyle; without amendment (Rept. No. 1489). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 1517. An act authorizing the issuance to James Perry Doyle of a patent in fee to certain lands in Big Horn County, Mont.; without amendment (Rept. No. 1490). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2384. A bill for the relief of Colbert H. Cannon; with amendments (Rept. No. 1495). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3162. A bill for the relief of Carmen Morales; with amendments (Rept. No. 1496). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PRIEST:

H. R. 5678. A bill to assist the States in the development and maintenance of local public-health units, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BONNER:

H. R. 5679. A bill to provide for a preliminary examination and survey of the channel at Buxton, N. C.; to the Committee on Public Works.

By Mr. CROW:

H. R. 5680. A bill to provide for limiting participation as beneficiary under the National Service Life Insurance Act of 1940, as amended, and for other purposes, to the Committee on Veterans' Affairs.

By Mr. CUNNINGHAM:

H. R. 5681. A bill for the erection of a public building at West Des Moines, Iowa, and appropriating money therefor; to the Committee on Public Works.

H. R. 5682. A bill for the erection of a public building at Ames—College Station—Iowa, and appropriating money therefor; to the Committee on Public Works.

H. R. 5683. A bill for the erection of a public building at Adel, Iowa, and appropriating money therefor; to the Committee on Public Works.

H. R. 5684. A bill for the erection of a public building at Indianola, Iowa, and appropriating money therefor; to the Committee on Public Works.

H. R. 5685. A bill for the erection of a public building at Story City, Iowa, and appropriating money therefor; to the Committee on Public Works.

H. R. 5686. A bill for the erection of a public building at Woodward, Iowa, and appropriating money therefor; to the Committee on Public Works.

By Mr. DEVITT:

H. R. 5687. A bill relating to the jurisdiction of the circuit courts of appeals to review decisions of the Tax Court; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 5688. A bill to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders; to the Committee on Agriculture.

H. R. 5689. A bill to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. HORAN:

H. R. 5690. A bill to amend the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 5691. A bill to amend the act providing for the expedition for admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces; to the Committee on the Judiciary.

By Mr. ALBERT:

H. R. 5692. A bill to direct the Secretary of Agriculture to convey certain land to the State of Oklahoma; to the Committee on Agriculture.

By Mr. REED of Illinois:

H. R. 5693. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal subdivision (b) of section 64 and subdivision (h) of section 70 thereof and all acts and parts of acts inconsistent therewith; to the Committee on the Judiciary.

By Mr. BOGGS of Louisiana:

H. R. 5694. A bill to amend section 22 (b) (13) of the Internal Revenue Code; relating to income-tax treatment of compensation received by military and naval personnel; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 5695. A bill to authorize the purchase of a new post-office site at North Andover, Mass.; to the Committee on Public Works.

H. R. 5696. A bill to provide for the acquisition of a site and preparation of plans and specifications for a new postal building, and for other purposes; to the Committee on Public Works.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to enact legislation and to provide adequate appropriations for the preservation of the security of the Nation by the creation of the world's strongest air force and air national guard and for the creation of a National Science Foundation for scientific research, to make available scientific discoveries and knowledge for the information and guidance of officials responsible for our national security; to the Committee on Armed Services.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to enact the Taft-Ellender-Wagner bill, so called, facilitating the construction of housing for veterans of World War II and others; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 5697. A bill for the relief of Jean George Lipsman and his wife, Lydia Lipsman; to the Committee on the Judiciary.

H. R. 5698. A bill for the relief of Dr. and Mrs. Emil Zommerstein; to the Committee on the Judiciary.

H. R. 5699. A bill for the relief of Rose Quong; to the Committee on the Judiciary.

By Mr. BUSBEY:

H. R. 5700. A bill for the relief of Zora B. Vulich; to the Committee on the Judiciary.

By Mr. HILL:

H. R. 5701. A bill authorizing the Alien Property Custodian to return certain real property and water rights to Ernestine Block Grigsby and Josephine Block Miles; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 5702. A bill for the relief of Frederick W. Lass; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 5703. A bill for the relief of Mrs. Thelma Lee Rynaard; to the Committee on the Judiciary.

By Mr. REGAN:

H. R. 5704. A bill to facilitate naturalization of Jeanne Bouchet Dreyfus; to the Committee on the Judiciary.

By Mr. STRATTON:

H. R. 5705. A bill for the relief of Basile Cretsos, Chrissa Cretsos, and James Cretsos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the clerk's desk and referred as follows:

1472. By Mr. CANFIELD: Resolution of the Independent Lodzer Young Men, of Paterson, N. J., urging action for the immediate implementation of the Palestine partition decision of the United Nations; to the Committee on Foreign Affairs.

1473. Also, resolution of the board of commissioners of the city of Passaic, N. J., urging action for the immediate implementation of the Palestine-partition decision of the United Nations; to the Committee on Foreign Affairs.

1474. By Mr. GOODWIN: Memorial of the Massachusetts Senate, urging enactment of legislation to provide for the world's strongest regular air force and air national guard and appropriations therefor, and to provide for creation of a National Science Foundation for research to make available scientific discoveries and knowledge for guidance of officials responsible for our national security; to the Committee on Armed Services.

1475. Also, memorial of the Massachusetts Senate, urging enactment of the Taft-Ellender-Wagner bill, facilitating construction of housing for veterans; to the Committee on Banking and Currency.

1476. By Mr. HART: Petition of the West New York Liquor Dealers Association, West New York, N. J., presenting a resolution opposing the passage of S. 1842 and H. R. 4626; to the Committee on Banking and Currency.

1477. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging enactment of the Taft-Ellender-Wagner bill; to the Committee on Banking and Currency.

1478. Also, memorial of the General Court of Massachusetts, urging enactment of legislation to provide adequate appropriations for the security of the Nation; to the Committee on Appropriations.

1479. By Mrs. SMITH of Maine: Petition of Hervey S. Bean and other citizens of Vienna and Mount Vernon, Maine, to stop shipments of food, precision tools, industrial machinery, Diesel tractors, and other machinery to Russia and Russian-dominated countries; to the Committee on Foreign Affairs.

1480. By the SPEAKER: Petition of the city of Alexandria, Va., petitioning consideration of their resolution with reference to making housing available as low-rent housing for families of low income; to the Committee on Public Works.

SENATE

THURSDAY, MARCH 4, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Clarence W. Cranford, D. D., pastor, Calvary Baptist Church, Washington, D. C., offered the following prayer:

O God, our Father, out of the dim past we hear again the voice of Thy prophet, saying, "Eat the fat, and drink the sweet, and send portions unto them for whom nothing is prepared." Thou hast greatly blessed the tables of America with fatness and sweetness. Help the Members of this body as they try to decide what, in the light of our blessings, is America's responsibility toward the nations of the world. We pray in Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 3, 1948, was dispensed with, and the Journal was approved.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORTS OF FEDERAL POWER COMMISSION RELATING TO ELECTRIC ENERGY

A letter from the Chairman of the Federal Power Commission, transmitting, for the information of the Senate, copies of newly issued reports of that Commission entitled "Consumption of Fuel for Production of Electric Energy" and "The Financial Record of the Electric Utility Industry" (with accompanying reports); to the Committee on Interstate and Foreign Commerce.

TORT CLAIMS PAID BY ATOMIC ENERGY COMMISSION

A letter from the Chairman of the United States Atomic Energy Commission, transmitting, pursuant to law, a report of claims paid by that Commission, pursuant to the Federal Tort Claims Act, for the calendar year 1947 (with an accompanying report); to the Committee on the Judiciary.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the director, national legislative commission of the American Legion, transmitting the final financial statement of the American Legion as of December 31, 1947 (with an accompanying paper); to the Committee on Finance.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A petition of several citizens of the State of Virginia, praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

A letter from James E. Curry, of Washington, D. C., embodying a resolution adopted by the Council of Annette Islands Reserve, Alaska, protesting against the enactment of legislation to rescind certain orders of the Secretary of the Interior establishing Indian reservations in the Territory of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. CAPPER:

A petition signed by some 75 citizens of Cherryvale, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

COMMENDATION OF PUBLIC SERVICE OF COL. DAVIS GORHAM ARNOLD—RESOLUTION OF RHODE ISLAND GENERAL ASSEMBLY

Mr. GREEN. Mr. President, during the January 1948 session of the General Assembly of Rhode Island a senate resolution was adopted commending the public service of Col. Davis Gorham Arnold, manager of the United States Veterans' Administration regional office in Providence. It gives me great pleasure to ask unanimous consent to present the resolution for appropriate reference and request that it be printed in the body of the RECORD, since it expresses not only the opinion of the general assembly itself, but of the people of Rhode Island generally, as well as of the veterans and the general public.

There being no objection, the resolution was received, referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution commending the public service of Col. Davis Gorham Arnold, manager of the United States Veterans' Administration regional office in Providence

Whereas the veterans of Rhode Island have had the benefit of Col. Davis Gorham Arnold's years of experience in the Washington office of the former Veterans' Bureau, later known as the Veterans' Administration, who for 5 years has been the manager of the United States Veterans' Administration regional office in Providence; and

Whereas during his assignment in Rhode Island for this period the entire Veterans' Administration program has been subject to decentralization and authority delegated to the branch office for this area in Boston, which was intended to expedite action for the veterans, but instead proved an impediment, resulting in controversy when initiative was in order in the local office here; and

Whereas Colonel Arnold's deep personal concern for every issue affecting veterans and their families has been the subject of commendation in State and National resolutions by several veterans' organizations: Now, therefore, be it

Resolved, That the Rhode Island General Assembly places itself upon record as endorsing the service of Col. Davis Gorham Arnold as manager of the United States Veterans' Administration regional office in Providence, its confidence in him as a veteran of both World Wars, and pride in his achievement in veterans' affairs here in his native State of Rhode Island, earnestly requesting the Senators and Representatives from Rhode Island in the Congress of the United States to give consideration to this resolution, which embodies the sincerity of the feeling among the veterans in this State and bespeaks the desire of this legislature also to endorse the work of and continue in such office Col. Davis Gorham Arnold as manager of the United States Veterans' Administration regional office in Providence; and be it further

Resolved, That duly certified copies of this resolution be transmitted by the secretary

of state to the Senators and Representatives from Rhode Island in the Congress of the United States and to Col. Davis Gorham Arnold.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. J. Res. 187. Joint resolution authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs; without amendment (Rept. No. 966).

REORGANIZATION PLAN NO. 1 OF 1948—REPORT OF A COMMITTEE

Mr. BALL, from the Committee on Labor and Public Welfare, to which was referred the concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948, reported it adversely, and submitted a report (No. 967) thereon.

PROHIBITION AGAINST DISCRIMINATION IN EMPLOYMENT—MINORITY VIEWS (PART OF REPT. NO. 951)

Mr. ELLENDER. Mr. President, on behalf of myself and the senior Senator from Alabama [Mr. HILL] I ask unanimous consent to submit minority views to accompany the bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry, heretofore reported, and request that they be printed.

The PRESIDENT pro tempore. Without objection, the minority views will be received and printed as requested by the Senator from Louisiana.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEM:

S. 2256. A bill relating to the meat-inspection service of the Department of Agriculture; to the Committee on Agriculture and Forestry.

S. 2257. A bill to provide that the Soldiers' and Sailors' Civil Relief Act of 1940 shall not apply to divorce proceedings; to the Committee on Labor and Public Welfare.

By Mr. MARTIN:

S. 2258. A bill to amend the income limitation governing the granting of pension to veterans and death-pension benefits to widows and children of veterans, and for other purposes; and

S. 2259. A bill to provide minimum ratings for service-connected arrested tuberculosis; to the Committee on Finance.

S. 2260. A bill to enable States and their agencies and political subdivisions to plan for the construction of public works; to the Committee on Public Works.

By Mr. AIKEN:

S. 2261. A bill to amend section 602 (m) (2) of the National Service Life Insurance Act of 1940, as amended; to the Committee on Finance.

By Mr. UMSTEAD:

S. 2262. A bill granting the consent of Congress to Carolina Power & Light Co. to construct, maintain, and operate a dam in the Lumber River; to the Committee on Public Works.

By Mr. UMSTEAD (for himself and Mr. HOEY):

S. 2263. A bill to authorize the Federal Works Administrator to transfer and convey certain property to the city of High Point, N. C.; to the Committee on Public Works.

By Mr. STEWART (for himself and Mr. YOUNG):

S. 2264. A bill to supplement the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, to authorize appropriations for the construction of greatly needed rural local roads, and for other purposes; to the Committee on Public Works.

(Mr. MCCARRAN introduced Senate bill 2265, to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, as amended, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services, and for other purposes," which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

By Mr. DOWNEY:

S. 2266. A bill for the relief of Low Way Hong; and

S. 2267. A bill for the relief of the widow of Frank E. Chaffin; to the Committee on the Judiciary.

By Mr. IVES:

S. 2268. A bill for the relief of Dimitri Petrou; to the Committee on the Judiciary.

By Mr. REVERCOMB:

S. 2269. A bill to amend title II of the Social Security Act in order to reduce the qualifying age for old-age and survivors' insurance benefits to 60 and broaden the old-age and survivors' insurance system to include benefits on account of disability; to the Committee on Finance.

By Mr. EASTLAND:

S. 2270. A bill for the relief of Anna Rajmann; to the Committee on the Judiciary.

AMENDMENT OF CLASSIFICATION ACT OF 1923

Mr. MCCARRAN. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend the Classification Act of 1923, and I request that an explanatory statement of the bill by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Nevada will be printed in the RECORD.

There being no objection, the bill (S. 2265) to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, as amended, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services, and for other purposes," introduced by Mr. MCCARRAN, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The explanatory statement presented by Mr. MCCARRAN was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAT M'CARRAN

I have today introduced a bill to amend the Classification Act of 1923 so as to lay the foundation for a real career service for administrative and executive workers in the employ of the Federal Government.

My bill would accomplish this by creating a new administrative and executive service.

This would be a service of professional grade, on a par with the present probational service.

The new A. and E. service could be well used for graduates from the subprofessional, the CPC, and the C. and F. services. (The CAF service would become C. and F., with administrative positions transferred to the new A. and E.)

There has always been a need for higher grades to cover administrative positions which properly belong in the subprofessional service but which because grade 8 was the highest grade in that service, were allocated in the professional service, where they did not belong.

The new A. and E. service would provide a place for administrative personnel in the SP service, such as high-grade foremen, masters, supervisors, section chiefs, and superintendents, who have jurisdiction over subprofessional employees. The same is true in the CPC class particularly, and could be safely applied to the C. and F. service.

In considering and acting on this bill, I hope the committee will take advantage of the opportunity to even up the rates of pay so that they are devisible regularly by 2080, 260, or 26, so that pay tables can be computed simply and the work of pay-roll clerks, auditors, and accountants can be facilitated and eased. However, I have preferred not to make any changes in compensation rates myself, since I want it to be perfectly clear that this is not a pay-raise bill, but a bill for the purpose of improving the civil-service system by providing a service in which men and women of executive and administrative talent may rise to the very top without sacrificing their civil-service status, and in which top-grade executives and administrators will be available for transfer among and between departments.

I should be glad if the committee would consider using this bill as a vehicle for providing higher salaries in the upper brackets of Government professional, executive, and administrative work. Again, I have not initially included such provisions in the bill, because I feel the basic principle of a separate service for administrative and executive personnel is more important than pay raises; and I am not sure but what the committee might prefer to deal with the question of raises in separate legislation.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. REED. Mr. President, I send to the desk amendments intended to be proposed by me to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, and I ask unanimous consent that they may be printed, printed in the RECORD, and lie on the table.

There being no objection, the amendments were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 22, between lines 11 and 12, insert the following new subsections:

"(c) The procurement in the United States of grain and grain products under this act shall, to the maximum extent possible, and subject to the determination of the Administrator as to amounts which may be transferred to a participating country, be made by such country or its agents directly from commercial firms rather than through any department, agency, or establishment of the United States Government.

"(d) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour to be transferred to participating countries shall be so determined that the total quantity of wheat used to produce the wheat flour transferred to such countries under this act shall not be less than 50 percent of the aggregate of the

unprocessed wheat and wheat in the form of flour transferred to such countries under this act."

On page 22, line 12, strike out "(c)" and insert in lieu thereof "(e)."

Mr. KNOWLAND. Mr. President, I submit a perfecting amendment for the amendment which I submitted yesterday relative to exports to nonparticipating countries, intended to be proposed by me to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, and I ask unanimous consent that the amendment may be printed, lie on the table, and be printed in the RECORD at this point as a part of my remarks.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 22, after line 20, insert a new subsection, as follows:

"(d) No export shall be authorized pursuant to authority conferred by section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the Secretary of Commerce determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this act as determined by the Administrator: *Provided, however,* That such export may be authorized if the Secretary of Commerce determines that such export is otherwise in the national interest of the United States."

APPROPRIATIONS FOR CIVIL FUNCTIONS ADMINISTERED BY DEPARTMENT OF THE ARMY—AMENDMENTS

Mr. MURRAY (for himself and Mr. ECTON) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 5524) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 9, line 2, strike out "$321,282,000" and insert in lieu thereof "$321,782,000."

On page 9, line 22, before the period insert a colon and the following: *"Provided further,* That $500,000 of the funds appropriated herein shall be available only for construction and maintenance of the project on Milk River for local flood protection at Havre, Montana, authorized by the act of December 22, 1944."

COMPULSORY MILITARY TRAINING—STATEMENT BY SENATOR TAFT

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a statement dated October 1, 1947, issued by Senator TAFT in opposition to universal compulsory military training, which appears in the Appendix.]

THE MARSHALL PLAN—NEWSPAPER COMMENT ON ADDRESS BY PROF. THEODORE SCHULTZ

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an article entitled "University of Chicago Professor Tells Off Harvard on Marshall Plan," written by George Weller and published in the Chicago Daily News of March 2, 1948, dealing with an address delivered by Prof. Theodore Schultz, head of the department of economics of the University of Chicago, which appears in the Appendix.]

THE BATTLE FOR BREAD—EDITORIAL BY DR. CLINTON N. HOWARD

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "The Battle for Bread," written by Dr. Clinton N. Howard, editor of Progress magazine, which appears in the Appendix.]

CIVIL-RIGHTS AGITATION — EDITORIAL FROM THE NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "From the Grass Roots, the South Is Acting," published in the Nashville Banner on March 1, 1948, which appears in the Appendix.]

INTERNATIONAL RFC—LETTER FROM WILLIAM H. KRIEG

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a letter addressed to him by William H. Krieg regarding the international RFC, which appears in the Appendix.]

DEPRECIATION AS AN INFLATION PROBLEM—ARTICLE BY GEORGE ERICSON

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an article entitled "Depreciation to Fore as Inflation Problem," by George Ericson, from the Christian Science Monitor of February 21, 1948, which appears in the Appendix.]

STATEHOOD FOR HAWAII — EDITORIAL FROM THE CHESTER (PA.) TIMES

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Question of Hawaiian Statehood," from the Chester (Pa.) Times of February 21, 1948, which appears in the Appendix.]

MEETING OF A SUBCOMMITTEE OF THE ARMED SERVICES COMMITTEE

Mr. MORSE asked and obtained consent for a subcommittee of the Committee on Armed Services to meet at 2 o'clock today.

LEAVES OF ABSENCE

Mr. CAIN. Mr. President, I ask unanimous consent to be absent from the Senate on Friday of this week.

The PRESIDENT pro tempore. Without objection, and regretfully, consent is granted.

Mr. STEWART. Mr. President, with the permission of the Senate, I wish to ask to be absent for a few days. I am anxious to vote on the Marshall plan which is being debated, and I hope I shall be able to return before any crippling amendments, at least, have been offered. I expect to return the first part of next week, about Tuesday. Until then, I ask consent to be absent.

The PRESIDENT pro tempore. Without objection, consent is granted.

STATEMENT AS TO SATURDAY SESSION

The PRESIDENT pro tempore. The Senator from Mississippi [Mr. STENNIS] has the floor by order of the Senate.

Mr. WHERRY. Mr. President, will the Senator from Mississippi yield to me for a moment?

Mr. STENNIS. I yield.

Mr. WHERRY. Mr. President, several Senators have asked about a Saturday session. I think the Members of the Senate should hold themselves in readiness contemplating that we will continue the debate on the pending legislation at all times, if possible. Later on, either this afternoon or tomorrow, we will attempt to make an announcement that will be satisfactory to Members of the Senate as to a Saturday session this week.

TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF GEN. CASIMIR PULASKI

Mr. WILEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Wisconsin?

Mr. STENNIS. I yield.

Mr. WILEY. Mr. President, today marks the two hundredth anniversary of the birth of a great son of Poland and a great hero of the American Revolution, Gen. Casimir Pulaski. The facts about General Pulaski's life are so well known that they need bear only slight repetition. We are all familiar with the fact that Casimir Pulaski, born at Podolia, took a prominent share under his father, Count Joseph Pulaski, in the formation of the Confederation of Bar and thereafter in the military operations. Ultimately he became commander in chief of the Polish patriotic forces. Having been driven into exile in 1772, Pulaski came to America and joined the army of Gen. George Washington.

He distinguished himself in the Battle of Brandywine, was made a brigadier general and chief of cavalry by order of Congress. He fought at Germantown and in the battles of the winter of 1778. After that, he raised a mixed corps called the Pulaski Legion, with which he defended the city of Charleston in May 1779. We all know that General Pulaski was mortally wounded at Savannah and that he passed to his eternal reward on October 11.

Mr. President, I call attention to the birth of this great patriot of Poland and this great friend of the United States, not as a mere tribute to a man who has long since passed into the realm of history. Rather, I call attention to his magnificent life because the inspiration of his deeds is so important not only to the United States, but to all the sons and daughters of Poland—the inhabitants of that stricken land which was the first to fight in the Second World War, but which seems to have paid for its sacrifices only by continued enslavement.

The inspiration of General Pulaski, I am sure, will continue to give courage and confidence to all the friends and lovers of Poland, both within that ravaged land and beyond its boundaries.

It seemed as difficult in Pulaski's time as it does in ours that the forces of enslavement and tyranny would one day be driven back from the borders of Poland; but we are certain that that land shall indeed experience her freedom, that the dream of Pulaski and the dream of other Polish patriots shall be fulfilled.

Although the great state of Poland is now behind the iron curtain, the people of the United States have lost none of their friendship, none of their sympathy, none of their admiration for the heroic Poles. We are tied to that land not only

by bonds of gratitude for what Pulaski and other Poles did for us in our hour of need but we are tied by the bonds of kinship between the millions of Americans of Polish descent and their relatives abroad.

We are tied too by a common devotion to liberty, a fierce pride in independence, an unswerving desire to have each land work out its destiny through its own efforts rather than through the dictates of a foreign tyrant.

And so, today, on the anniversary of the birth of this patriot, America feels closer than ever to the land which gave him birth. We stretch our hands figuratively across the sea to shake the hands of the people of Poland and to bid them: Take heart; maintain your courage; your great ideals shall yet be realized; the dream of Pulaski of Polish independence and freedom shall not have been in vain.

Finally, I express the hope that early action will be taken on my joint resolution (S. J. Res. 41) for proclamation of General Pulaski Memorial Day on October 11, the anniversary of the patriot's death. This resolution passed the Senate last year although, unfortunately, it was tabled by the House Judiciary Committee last May. I am, however, hoping that the committee will reverse its action.

Will the Senator from Mississippi yield to me for a moment further?

Mr. STENNIS. I yield.

STATEMENT OF NORWEGIAN PRIME MINISTER ON THE THREAT OF COMMUNISM TO NORWAY

Mr. WILEY. Mr. President, I call attention to a statement made by the Norwegian Prime Minister, Mr. Gerhardsen, in a speech last Sunday referring to Czechoslovakia. This particular item was given to Mr. Lovett at the State Department to emphasize the importance that Norway attaches to the anti-Communist fight. I read this into the RECORD, Mr. President, because anyone who has eyes to see with knows that the world is lining up in two camps. We cannot get away from that fact. This little land up there toward the North, the Land of the Midnight Sun, whose people have always stood for liberty, and who made such a gallant fight when invaded by Hitler, now speak out in no uncertain terms.

This is the quotation from the Prime Minister's reference to Czechoslovakia:

> These events have awakened gloom and apprehension among us. As far as I can see, the problem for Norway is, first and foremost, of a domestic nature. The threat to Norway of the freedom and independence of the Norwegian people is the danger which the Communist Party represents at the present time. The most vital task in the fight for independence, democracy, and security under law in Norway is that of reducing the Communist Party and its influence to the greatest possible extent. We will fight against the Communists with the means and spiritual weapons of democracy. We will try to convince those who joined them in good faith during the war in the belief that the Communist Party was national and democratic. Today there is no longer anyone who has the right to nurture such a belief. Those who head the Communist Party in Norway today are Comintern Communists. Like their fellow workers in other lands, they are disciples of terror and dictatorship. No longer must well-worded declamations be allowed to prevent people from recognizing this brutal fact, even though for many it might constitute a sinister discovery.

Mr. President, this little land recognizes the menace, and their Prime Minister says they will not be caught napping. I trust that we will hasten the European recovery program. I shall have something to say in a few days on that subject, but the sooner we act the sooner we get the bill in operation under an appropriate administrator; the sooner we will strike a spark of encouragement to people like the little group of Norwegians, some 3,000,000 of them, who have the stamina and the courage to utter in no uncertain words how they look upon the threat of communism.

CONFERENCE REPORT ON CIVIL-SERVICE RETIREMENT BILL—MEMORANDUM RULING

Mr. FLANDERS. Mr. President, will the Senator from Mississippi yield?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Vermont?

Mr. STENNIS. I yield.

Mr. FLANDERS. Mr. President, it will be remembered that on February 26, when the Senate was considering the conference report on the civil-service retirement bill, the distinguished junior Senator from Delaware [Mr. WILLIAMS] raised, informally, a question of order. The question of order was as to whether the changes made in the conference report constituted germane modifications under the rules by which this body acts.

It is my understanding that, for the guidance of the President of this body, a memorandum was prepared by the Senate Parliamentarian, which he has placed in my hands. I ask, Mr. President, that the memorandum on that point be inserted in the RECORD, so it may be referred to on other similar occasions. I suggest that an appropriate place for inserting the memorandum in the RECORD would be on page 1741, near the center of the second column, after my paragraph of participation in the debate at that point. Unless there is some request for reading the memorandum at this time, I would simply ask unanimous consent to place it in the RECORD, at the point I suggested, merely stating that it sustains the action of the Senate in accepting the conference report. Therefore I ask unanimous consent——

Mr. WILLIAMS. Mr. President, reserving the right to object, I point out to the Senator from Vermont that no point of order was raised at that particular time.

Mr. FLANDERS. I said informally; not formally.

Mr. WILLIAMS. I have no objection to the Senator from Vermont inserting the statement in the RECORD today. I do have objection to having it inserted in the RECORD as of the previous date to which he referred, since the point of order was not then raised. I feel that any Member of the Senate who was on the floor at that time had the privilege of raising the point of order at the time, and of having a decision made on it. I would not want the memorandum to appear in the RECORD as a decision on that particular question, because the Parliamentarian was not asked to prepare a memorandum for a ruling on that occasion.

Mr. FLANDERS. I am glad, Mr. President, to yield to the suggestion of the junior Senator from Delaware. I ask that the memorandum be inserted in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

CONFERENCE REPORT ON H. R. 4127—THE CIVIL SERVICE RETIREMENT ACT

(Memorandum prepared by Mr. Charles L. Watkins, Senate Parliamentarian)

H. R. 4127, a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, was passed by the Senate with an amendment in the nature of a substitute. The House bill amended section 1 of said act by providing, among other things, in subsection (b) that an officer or employee between the ages of 55 and 60 years, under certain conditions, upon separation from the service, should be paid an annuity reduced by one-half of 1 percent for each full month such officer or employee was under the age of 60 years.

The Senate substitute contains no provision whatever dealing with said section 1, and therefore the only matter in controversy with respect to this section is the language in the House bill.

The conferees in dealing with subsection (b), in the annuity percentage reduction, substituted one-fourth of 1 percent for one-half of 1 percent, the effect of which is to increase the annuity to be paid to such officer or employee. The contention is made that the conferees, under the new conference rule, were prohibited from taking any action that would increase the annuity above that computed under the House provision, and that the action taken was not a "germane modification" of the matter in dispute.

The rule referred to, as contained in the Legislative Reorganization Act of 1946, approved August 2 of that year, is as follows:

"(a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to the conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement."

In the report accompanying the reorganization bill, submitted by Mr. LaFollette on May 31, 1946, the Special Committee on the Organization of Congress, in making an analysis of the foregoing rule, said:

"This section in effect makes specific the application to amendments in the nature of a substitute of the conference rules now applicable to numbered amendments, and will outlaw the expedient resorted to in recent years of conferees bringing back legislation not passed by either House."

The matter dealt with by the conferees, being in the House bill, is, of course, not new matter, and there being no provision in the Senate substitute affecting section 1 of the Retirement Act, the conferees, under the established procedure of the Senate, in making any change, modification, or amendment (by whatever term it may be described), were limited and restricted to the sole question of germaneness. They could increase or decrease the percentage reduction in any degree they deemed proper. If the Senate, in its substitute, had adopted a provision different from the amount in the House bill, the conferees would have been restricted to a

range from the lowest to the highest figures. The conferees in this case, however, had only the House provision before them for consideration.

The Senate as yet has made no interpretation of the phrase "germane modification," as contained in the new conference rule. Rule XXI of the Standing Rules of the Senate provides, among other things, that—

"Any motion or resolution may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays."

Under the practice of the Senate, a Senator, acting under this rule, is not limited or restricted as to the nature of the modification he desires to make. He may narrow or broaden the scope of his motion, resolution, or amendment in any manner and to any extent that he desires.

The following precedent of the House of Representatives of March 15, 1922, cited in Cannon's Precedents, volume VIII, section 3268, is in line with the present case: A point of order was made that the conferees had exceeded their authority by providing a limitation of $100,000 beyond which contracts must be awarded to the lowest bidder. The House bill made no limitation, and the Senate amendment fixed a limitation of $5,000. The Speaker pro tempore (Mr. Joseph Walsh, of Massachusetts) overruled the point of order, saying:

"It will be noticed that the original provision of the bill contained no limitation whatever providing for the purchase, repair, or reconditioning of any vessel, commodity, article, or thing on the part of the Government. The Senate struck out all of the language of the original House provision and inserted an amendment which required the reconditioning or repairs in excess of $5,000 to be done in Government yards under certain conditions. The conferees have agreed to substantially that language except that they have stricken out $5,000 and inserted '$100,000.' In the view of the Chair, the whole controversy before the conferees was whether there should be a limitation upon the amount of the repairs, and, if so, what the limitation should be; in other words, it was between $5,000 worth of repairs and no limit whatever."

After citing an applicable case in Hinds' Precedents (vol. V, sec. 6424), the Speaker pro tempore further said:

"It seems to the Chair that * * * the conferees were authorized either to agree to the provisions without any limitation whatever, or to a limitation of $5,000, or to any limitation between that and no limitation whatever, and that the point of order that they have exceeded their authority is not well taken."

A further precedent of the House of Representatives, shown in Hinds' Precedents, volume V, section 6411, is also cited as bearing on the interpretation of the term "germane modification," namely:

On March 3, 1871, a conference report was under consideration. The Senate amended a House bill to provide for the reference to the Quartermaster-General and the Commissary-General of certain claims. The conferees reported a provision to constitute a commission to deal with the subject.

The Speaker (Mr. James G. Blaine, of Maine) ruled:

"The provision reported by the conference committee is a germane modification of the (Senate) provision, and therefore it comes strictly within the purview and power of the committee of conference."

THE PROBLEM OF DISPLACED PERSONS—STATEMENT BY SENATOR O'CONOR

Mr. O'CONOR. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senate from Mississippi yield to the Senator from Maryland?

Mr. STENNIS. I yield.

Mr. O'CONOR. Mr. President, with the current debate on economic aid to Europe now focusing world attention upon the deliberations of this honorable body, it seems appropriate to discuss briefly another vital phase of the European problem. I refer to the matter of displaced persons, whose resettlement in some area where they could begin again to take roots and build for the future would seem to be a prerequisite to any genuine and final stabilization of European economy.

I have prepared a statement giving my views on S. 2242, to authorize admission for a limited time of certain displaced persons, which has been reported favorably by the Judiciary Committee and is now on the Senate Calendar. I ask unanimous consent that the statement be included in my remarks at this point.

America has ever been ready and more than willing to accept and discharge its humanitarian responsibility to victims of extraordinary misfortune throughout the world. In the case of the hundreds of thousands of displaced persons now patiently suffering in Europe, it seems to me there is no sound reason to defer longer the necessary action. I believe the time is here when we should act, and assume world leadership in the settlement of this vexing problem.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HERBERT R. O'CONOR

The American people have a test of their humanitarianism in their acceptance or rejection of the proposal to admit displaced persons into the United States. Favorable action by the Senate Judiciary Committee on S. 2242, to admit 100,000 displaced persons to the United States within a period of 2 years, is a welcome recognition of our obligation to a sadly neglected and most unfortunate group of war casualties. However, it does not discharge our full obligation, although it is a step in the proper direction.

No sadder picture ever has been presented to the people of the world than that of the millions of human beings who were torn from their homes in the turmoil of war, suffering untold privations, not the least of which was the knowledge that among all the peoples they had no place which they could call their own. Even with the cessation of hostilities some hundreds of thousands of them found their homelands still barred to them because they had dared resist dictatorship, had persisted in their search for freedom to live their own lives.

Now, approximately 800,000 or 900,000 of these displaced persons—men, women, and children—are living in various camps throughout western Europe, under conditions that are destructive of self-respect. Among them are many of Europe's most cultured inhabitants. By and large, all of them are imbued with a spirit of independence and determination to find liberty or to perish. It is for these reasons that they now cannot or will not return to their homelands. In many cases, where these homelands are under the iron rule of Russia or other despotic rulers, return to their homelands would mean imprisonment or possible death.

Officials of our Government, familiar with the situation in Europe, and thousands of our citizens have been agitated since the war's end for legislation that would permit entry of some of these displaced persons into our country. There has been, at the same time, opposition voiced to these proposals based on fear of undue competition for employment here and on various other contentions.

For the displaced persons, it has been argued that their admission not only would be a simple act of humanitarianism on our part but that they are the type of people America has always welcomed and the type that would most thoroughly and quickly take to American ways and fit into the American pattern. Secretary of State Marshall told the House Judiciary Committee that admission of a substantial number of displaced persons to the United States would remove one source of conflict with the Soviet Union. Other officials and Americans who have had opportunity to meet and observe these displaced persons in their daily lives throughout Europe have voiced high praise for their culture and abilities, for their ideologies, and for their abilities to contribute to the continued progress of American life if they should be admitted.

One of the greatest fears that has been raised against their admission, namely, that they would be tainted with the communistic teachings so prevalent in Europe now, is thoroughly refuted by the very fact of their being displaced persons. Representing countries like Latvia, Lithuania, and Estonia, which have been absorbed completely within the Russian sphere, and stemming from the Ukraine and other eastern European countries which, to some degree or other, are completely Communist-dominated, the very fact that these people refuse to go back is clear indication of their hatred for communism and all its works.

A great proportion of them are agricultural people, hard-working, conscientious types, who would be a valuable addition to many of our midwestern farming States, whose populations have decreased in the last 8 or 10 years. Others are skilled workers of many types who would bring with them to this country the same expert craftsmanship and the same devotion to traditional high quality of work that distinguished earlier settlers in America from those very same countries, and have helped to make America the greatest nation in the world.

To bring only 100,000 of the total number within the period of 2 years will not relieve the problem of the entire group. Likewise, the exacting conditions as to types of persons to be admitted, requirements for assurance of employment in this country, etc., may make it very difficult to assemble the number designated for admission.

I hope, and will certainly lend my efforts toward expansion of the numerical quotas for each year to a point at least double, but preferably even more than the present bill would permit. It is my conviction that United States leadership in this regard would spur other nations to welcome additional displaced persons so that the world might look to a settlement of this entire problem within the matter of a few years.

The objections raised to entry of this additional number by persons within our country are hardly reasonable, it seems to me, when it is realized that even under the reduced immigration quotas established more than 20 years ago it was planned to permit 154,000 immigrants a year. Just prior to World War II, and all through the years of that war up to now, immigration has been far below this 154,000 minimum. Any number of displaced persons that might be taken in now within the next 2 years would be less than we would have taken in regularly on the yearly basis during the past 10 years.

It is hard to understand how any American citizens, living here in luxury compared to

the rest of the world, could reject these unfortunates, who should be held up as examples before the entire world, for their steadfast refusal to accept communism rather than, as is presently the case, to be condemned to the most ignominious form of dependency and degradation. Here in America we have always held up as an inspiration the courage and indomitable purpose of our early colonists, who chose to dare the dangers and privations of life in a new world rather than to endure loss of personal liberty or of the right to worship God in their own way. What most of these displaced persons have done is strictly in accord with the heroic sacrifices of our colonial ancestors.

We here in America have never failed to respond to misfortune throughout the world. In common decency, we cannot longer reject the pleas of these suffering and hopeless displaced persons. To deny them aid is to stultify our own humanity. To refuse to recognize their sacrifices on behalf of freedom would be to turn our backs on all the principles of Americanism which have always been our greatest boast. America should accept at least enough of these displaced persons each year to bring our immigration quotas up to the 154,000 that was contemplated as a minimum by earlier legislation.

We talk about setting up a bulwark against the continued spread of communistic doctrine. I can see no better defense against such a doctrine than to admit to our country, for absorption into our citizenship, the heroic people who have given up everything and who have suffered beyond all endurance rather than to bow their neck to the communistic yoke.

FAIR PRICES AND FULL EMPLOYMENT—STATEMENT FROM TRAINMAN NEWS

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. MURRAY. Mr. President, I ask unanimous consent to insert in the RECORD a brief statement discussing fair prices and full employment, appearing in a recent issue of the Trainman News, official publication of the Brotherhood of Railroad Trainmen.

In it the Public Affairs Institute states that one of the most pressing problems confronting our economy just now is stabilizing prices at such a figure as will continue to provide full employment at fair wages.

The report points out the important fact that the individual farmer is a small factor in the total farm market and, having no effective organization to increase his strength, he is at the mercy of a food market which he cannot decisively influence. It is not so with most manufactured products and some essential raw materials, for here a relatively few big producers dominate an important segment of the total product and influence directly the price to be charged.

What that price will be, as demonstrated by the recent price advances in steel, is all too often not the adaptation of price to the requirements of the mass market but the price which the dominant big-business men think the traffic will bear. They seek the highest immediate profits without regard for the probable damage to the economy in the long run.

Rigid prices are so often found in industry where the concentration of control has assumed near-monopoly proportions that we find manufacturers meeting buyers' price resistance by curtailment of supply, to avoid the reduction in price to consumers which a really competitive market would dictate. This, the report of the Public Affairs Institute points out, is a serious threat to full employment. The report concludes with a most provocative statement that "the danger is that industrialists will maintain prices at such a high level that the economy will tend to become stabilized at a lower level of production, which will mean widespread unemployment."

Mr. President, I commend this brief statement to the Members of the Senate in the belief that this body through its appropriate committees will act to prevent further unbalance in our price structure which may well result in widespread unemployment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FAIR PRICES AND FULL EMPLOYMENT

(A report by the Public Affairs Institute, founded by the Brotherhood of Railroad Trainmen, Dr. Dewey Anderson, director)

The most pressing economic problem facing the American people is stabilization of the general level of prices at an appropriate figure.

By "appropriate" we mean a price level that will make it possible to provide continuing jobs at fair wages for all of our people who want to work—the major economical goal of our people since Roosevelt proclaimed that principle in his economic bill of rights.

However, the behavior of prices since scuttling of price controls in June 1946, and the recent near-panic that accompanied the slump in farm prices demonstrates that prices are not at that appropriate figure which will make possible continuing full employment. The slump in farm prices has again raised the specter of the post-World War I collapse.

Let's take a look at why farm prices broke when they did and why they broke so sharply.

We know that the demand for farm products has not by any means been satisfied so this cannot explain the break in prices. We know there are substantial numbers of American families who still have inadequate diets. Who need more meat, milk, butter, etc.—but can't afford them because of present prices. The same applies to housing, clothing, and other necessities that are required for an adequate standard of health and decency.

Why then did prices break?

The answer lies in the relationship between farm prices and the amounts consumers are willing and able to spend for food products.

As food prices continue to rise higher and higher at retail, more and more consumers, confronted also by increases in the prices of other necessities, found it increasingly difficult to finance their previous levels of food consumption at current prices. This led to a softening of demand and accumulation of stocks, which was finally carried back to the farm markets where prices broke.

The haste in advertising price reductions at retail long before the farm price declines could trickle down to the retailer, and in some cases reducing prices more than the drop at wholesale levels, points up a basic underlying weakness that broke prices at the primary markets—the weakening of consumer demand.

As we all know we've been paying out a lot more of our wages and salaries for food than ever before. The following figures from the Department of Commerce show exactly how much more food is taking.

In 1939, when our per capita spendable income was $536, we spent 22.6 percent for food. In 1947, despite the fact that per capita spendable income had more than doubled 1939, and rose to $1,219, we spent 29.1 percent for food.

The Department of Commerce's survey of current business for January 1948 recognizing the abnormal food-price pattern relative to other prices and consumers' income stated: "There is little warrant for the assumption that the present high ratio of food expenditures to disposable income and the resulting relatively high prices for food will continue indefinitely."

Although farm prices following the 2-week slump have shown a tendency to recover, it is doubtful whether this movement can continue in view of the fact that effective demand at the retail level continues to show signs of weakness.

Further postponement of the adjustment will pave the way for a more severe collapse when the adjustment takes place, as it surely must.

Farm prices fluctuate far more freely and frequently than other commodities, because the individual farmer is so small a factor in the total farm market that he must simply accept the price as he finds it. So when these prices get out of line with purchasing power, they respond in the form of downward readjustment.

But this is not the case with most manufactured products and some raw materials. Here we have a few big producers controlling an important part of the total output and exercising a very real voice in deciding what the price will be.

ALL TRAFFIC WILL BEAR

In these areas reaching an appropriate level of prices consistent with full employment is hindered by the absence of real price competition. What we have is not the lowest price consistent with a fair return but rather the highest price that the traffic will bear.

The recent announcement of increases up to $6 per ton in basic steel illustrates the decision on the part of the industry to extort what the traffic will bear, in order to realize immediate maximum profits, regardless of the effect upon the mass of American consumers.

Moreover, we do not get a response to softening of demand in the form of lower prices, but rather cut-backs in production in an attempt to maintain prices.

This arises from a policy of business that is primarily concerned with increasing profits. Because of the relationship between prices and profits, business is reluctant to adapt prices to the requirements of the mass market.

During the past year we have had indications of how business operates when demand for specific products soften. A good example is what happened to the production of cotton duck, drills, and jeans—goods used in the manufacture of work clothes. At the beginning of 1947 the textile industry found the prices were declining slightly in duck, drill, and jeans, but print cloth was rising steadily in price. So the industry cut down the production of the heavy-weight goods and gradually increased the number of looms on print cloth. The Journal of Commerce, January 16, 1948, commenting on this development stated:

"The significance of these loom changes can be realized when it is noted that whereas 6 months ago drills and jeans were in good supply and easing off slightly in price, today both of these constructions are very tight and have experienced several price rises in forward sales."

Similarly in the shoe industry, as demand tended to soften early last year, the industry resorted to production cut-backs, rather than permitting prices to respond to market conditions.

FULL EMPLOYMENT STRUCTURE THREATENED

The two cases cited are relatively insignificant when compared with the impact of rigid prices in such basic commodities as steel and building materials. The examples are important, however, in recognizing that the

psychology of resisting price adjustments in response to market conditions has become more and more widespread throughout the American economy and is currently wrecking the full-employment structure that emerged from the war.

Recognizing these danger signals, the President's Council of Economic Advisers in their Second Annual Report warned that "many industrial prices must come down, * * * many rates of profit must subside, * * * (and) better balances of income among sections, groups, and individuals must be attained."

It is particularly important to recognize in view of the developing weakness of effective consumers' demand that prompt adjustment of prices is necessary now.

During the initial period of a business downturn, a prompt readjustment of prices could retard the decline and provide time for compensatory factors to be brought into play. But if this is delayed and the recession sets in and wipes out much of our purchasing power through unemployment, then the effect of price readjustment will be very limited.

The danger is that industrialists will maintain prices at such a high level that the economy will tend to become stabilized at a lower level of production which will mean widespread unemployment.

COMPILATION OF INTERNATIONAL COMMITMENTS OR AGREEMENTS

Mr. LANGER. Mr. President, out of order I ask unanimous consent to submit for appropriate reference the following resolution:

Resolved, That the Senate Committee on Foreign Relations shall cause to be prepared and distributed to each Senator a compilation of all international commitments or agreements which have been entered into on behalf of the United States during the course of the last 10 years.

SEC. II. It is the sense of the United States Senate that the Senate shall not be bound to implement by appropriation or other legislation any international commitment or agreement which shall be made or entered into on behalf of the United States of America unless such commitment or agreement shall be transmitted promptly after its execution to the Senate.

There being no objection, the resolution (S. Res. 209) was received and referred to the Committee on Foreign Relations.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. LANGER. Mr. President, I wish to say a few words in connection with the resolution I have just submitted.

The Constitution of the United States provides that the President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur. It would seem safe to assert that the insertion of this provision in our basic law was prompted by the conviction that the representatives of the people were to participate in the consummation of international commitments, even though that participation should be only by acceptance or rejection of a document previously negotiated by the President.

During the course of the last several years, however, this provision of the Constitution has been little used. Instead, there have been scores of international commitments made and entered into on subjects of major importance which vitally affect the people of this country, but concerning which the Senate is not only denied the right to pass upon, but is denied information concerning their contents.

I hasten to admit, Mr. President, that the courts have recognized the power of the President to conclude international agreements. The courts have, in effect ruled that an international agreement shall have the same sanctity, the same force and effect and can cover the same subject matter as a treaty. It appears that the only difference between a treaty and an executive agreement is that if the document is submitted to the Senate for ratification, it is called a treaty, but if the document is not submitted to the Senate for ratification, it is called an executive agreement.

Mr. CHAVEZ. Mr. President, will the Senator from Mississippi yield to me so that I may ask the Senator from North Dakota a question?

Mr. STENNIS. I yield.

Mr. CHAVEZ. Does the Senator from North Dakota have in mind that commitments and agreements are made and entered into of which the Senate often has no knowledge whatever, and does not the Senator agree that the viciousness of entering into agreements or commitments in that manner is that the American people know nothing about them until perhaps 3 or 4 years later, when someone writes an article or perhaps a book about them?

Mr. LANGER. That is exactly the situation.

In recent years, Mr. President, there have been hosts of commitments made on behalf of the United States in the consummation of which the Senate had no participation but which are now arising to plague us and for which we are deemed to have responsibility by implementing them either by appropriation or other legislation. Cairo, Yalta, Casablanca, Potsdam, Teheran, Quebec, conferences of foreign ministers—in these and scores of other conferences, on various levels of officialdom, declarations and commitments have been and are being made affecting not only the United States but the world at large.

From time to time piecemeal information concerning some of these commitments heretofore made, concerning which the Senate had no knowledge, is brought to light and we are implored to implement them by appropriation or other legislative enactment.

At this very moment, Mr. President, there is in existence in the office of the Secretariat of the Joint Chiefs of Staff, in room 2E232 of the Pentagon, a complete compilation of the many decisions of the Combined Chiefs of Staff which involve global commitments by this Government made during and since the war. How many Senators in this Chamber today have ever seen the full text of any of these commitments? According to the memoirs of former Secretary of State Cordell Hull, not even he had access to or was consulted regarding many of these commitments. Just a few weeks ago we learned for the first time of an international commitment by which the Kurile Islands were granted to Russia by a decision of the Combined Chiefs of Staff as a consideration to that country for entering the war against Japan. Does any Senator in this Chamber know what other concessions were also made to Russia? Just a day or so ago a press statement appeared as follows:

> Back in December 1945 Mr. Truman and T. V. Soong, for China, came to a general agreement that the United States would furnish air aid to Chiang Kai-shek. On the basis of that agreement, our air experts worked out a deal to equip Chinese with 8⅓ air groups, consisting of 1,071 combat planes, plus spare and replacement parts, ammunition, and so forth.

Did any Senator know of this agreement?

Has any Senator ever seen the contents of a document known as JCS1067, which document contains the commitments for the partition of Germany into four zones? This document is now in the files of the Secretariat of the Joint Chiefs of Staff. It was by this document, Mr. President, that Russia was given the bread basket of central Europe, England was given the industrial region, and the United States was given the scenery and the obligation to finance the major portion of the total occupation costs.

Was any Senator ever consulted as to the decisions made in August 1945 at Potsdam, pursuant to which more than 10,000,000 people of German ethnic origin were divested of their property and driven from their homes in countries of eastern Europe and forced into Germany and Austria, to become unwilling wards of the United States Army of Occupation? Does the Senate know of the Potsdam decisions on reparations whereby the Russians are now confiscating millions of dollars of property and taking it to Russia? This, Mr. President, is not pursuant to treaty, because there is as yet no treaty, but is pursuant to executive agreement.

Was any Senator ever consulted as to the decisions which sounded the death knell of European economy by creating an economic vacuum in Germany as a result of which the American taxpayer is called upon for billions of dollars to sustain that which our own agreements have destroyed? Were these decisions, Mr. President, ever debated in this Chamber?

What are our present commitments to Russia, to Greece, to Turkey, to China, to Great Britain? Will any Senator know when he is asked by his constituents back home? What are our commitments on the Palestine situation, which presents issues which have arisen as a result of decisions made on behalf of the United States, but which again have not even been communicated to the Senate?

During the war, Mr. President, there was an organization, and a very effective one, called the Combined Chiefs of Staff. This organization, made up of representatives of the United Kingdom and the United States operating through their military leaders, prepared the agenda, wrote the papers, and implemented the decisions of the Big Two as well as the Big Three. The Combined Chiefs of Staff was divided into several organizations. I shall name

them, because, as history reveals itself, this organization will take on a new meaning and bring to light the activities and the decisions of those who were in command during the war years. Under the Combined Chiefs of Staff there are the following organizations: the Joint Chiefs of Staff, the Joint Logistical Committee, the Combined Administrative Committee, the Joint Military Transportation Committee, the Combined Military Transportation Committee, Joint Production Survey Committee, Joint Strategic Survey Committee, Joint Staff Planners, Combined Staff Planners, Joint Intelligence Committee, Combined Intelligence Committee, Joint Committee on New Weapons, Munitions Board, Army-Navy Petroleum Board, Joint Civil Affairs Committee, Combined Civil Affairs Committee, and State-War-Army Coordinating Committee.

In the files of the Secretary of the Combined Chiefs of Staff will be found the answers to the mysteries of all of the negotiations from Casablanca to Potsdam.

I have today directed a letter to Hon. James V. Forrestal, Secretary of National Defense, requesting that the decisions of the so-called Big Three be made available to the United States Senate. I have also requested that all documents of the organizations which I have listed, including the agenda, minutes of all meetings, companion papers, and maps be made available to the Senate.

I am determined, Mr. President, to make available to the American people the mysteries of our global negotiations and commitments both during and since the war. It is now more than 2 years since the end of the war, and the American people are yet uninformed as to the commitments made abroad during and since the war. Indeed, if it had not been for certain books which have been written by men who at that time occupied high official positions, many Members of this body would not know about important events which took place during the war.

How many secret "Munich" agreements have been executed? How much meat in addition to the Kurile Islands, Poland, and Manchuria has already been fed by these agreements to the Russian bear? What has happened to the principles of the Atlantic Charter? How long must it be before the people of this Nation can be let in on the secrets of our foreign policy—a policy evidenced by agreements which are known in the halls of the Kremlin but not in the Halls of the Congress?

We are in the midst of a debate on legislation calling for billions of dollars which represent the toil and sweat of the people of this Nation, and as yet we do not even know the full text of the agreements which have set the course for the chaotic condition the world finds itself in today. I call upon the Foreign Relations Committee to insist that every international commitment or agreement made or entered into on behalf of the Government of the United States in the course of the last 10 years be compiled and transmitted to the Senate. And I do not mean merely the statements of platitudes which have been made public from time to time as the text of formal agreements.

With the world situation as it is today—civil war in China, in Manchuria; trouble in Korea; insurrections in Palestine; troubles in the Balkans, Czechoslovakia, and Finland—surely now is the time to appraise past events. Surely there is something wrong with our foreign policy—for after having fought the greatest war in the history of the world, we are standing on the eve, perhaps, of world war III.

I repeat, Mr. President, we must take a reading of our foreign commitments made during and since the war. I have read with a great deal of interest the statements by James A. Farley in which he claims that part of the world's ills are a result of the negotiations made by Mr. Roosevelt when he was in ill health. Again, we must inspect these commitments. We must know what they say. We must know what they are doing to us. The documents, some 20,000 in number, include companion papers and contain the answers to the Canol project, oil in the Middle East, the rehabilitation of the Dutch East Indies, civil affairs functions in occupied areas, the disposition of territories owned by Hitler satellites, and the currency for occupation troops, about which much has been said.

They will reveal the entire strategical concept of both the war in the Atlantic and the Pacific and all directives to General Eisenhower, General MacArthur, and Admiral Nimitz.

As to the future, Mr. President, the time is long since overdue for the United States Senate to serve notice upon the President of the United States, the State Department, and other nations of the world, that the United States Senate will not consider itself bound to implement by appropriation or other legislation any international commitment or agreement which shall hereafter be made or entered into on behalf of the United States of America, unless such commitment or agreement shall be transmitted promptly after its execution to the Senate.

If the so-called bipartisan foreign policy means that Senators of both parties must be gagged and play deaf, dumb, and blind in the face of reckless international deals, I for one am ready to pronounce such policy a sham and a fraud on the American people, and I care not whether it involves Republicans or Democrats. I speak as an American representative of the American people. Perhaps, Mr. President, my voice will be the only voice raised in this Congress on this matter; but it is raised in earnest supplication, in the firm conviction that under our system of government the elected representatives of the people have a right to know of the actions of their Government, to the end that we shall maintain a government of the people, by the people, and for the people.

DISMANTLING THE CONSTITUTION

Mr. WHERRY. Mr. President, will the distinguished Senator from Mississippi yield to me?

Mr. STENNIS. I yield.

Mr. WHERRY. I do not wish to interrupt the procedure further, because there was the unanimous-consent order that the distinguished Senator from Mississippi should proceed at 12:15. But I should like to call to the attention of the Members of the Senate that the speech about to be delivered by the junior Senator from Mississippi is his maiden speech in the Senate. I know all of us are anxious to hear him. I wonder whether the distinguished Senator would like to have a quorum call at this time, or whether he would prefer to forego that, before he begins his maiden speech in the Senate.

Mr. STENNIS. I shall forego a quorum call, Mr. President. I thank the Senator very much for his thoughtfulness.

Mr. President, since recently coming to the United States Senate, I have been tremendously impressed with the lack of consideration or thought given that sound principle of government that places certain rights and responsibilities on the States, where they were expressly retained and reserved by the Constitution. Typical of many of the sentiments I hear expressed in loose statements around the Capitol is one to the effect that the Constitution must be interpreted to meet the times and conditions of a living age.

By contrast, I turned to and read the now neglected tenth amendment, which has these solemn and warning words:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Secondly, I have been greatly impressed with the far-reaching power and influence of the organized and well-financed pressure groups and blocs that operate so effectively over the Nation, and particularly in Washington. I am already convinced that, if permitted, these pressure groups will soon undermine and actually destroy the Constitution of the United States, bit by bit and line by line. This plan is in progress now, but it is without the knowledge or the consent of the American people. In the name of so-called civil rights, these pressure groups seek to destroy the Bill of Rights. They seek to gradually liquidate and totally blot out the great American principle of local self-government. They seek these things, not by the legal means of amendments to our Constitution, but by congressional acts through political intimidation of the present Members of the House of Representatives and the United States Senate.

These two considerations, Mr. President—lack of consideration for States' rights and the organized efforts of pressure groups—have washed upon our shores a so-called and misnamed civil-rights program that is already well on the way toward sowing seeds of strife and ill will that will afflict our people for many years to come.

And, Mr. President, I am amazed to find that these unconstitutional and revolutionary far-reaching proposals are unblushingly presented to the Congress by both major political parties purely as a political move in an election year.

I have been unalterably opposed to these bills as a matter of principle over the years. Since becoming a Member of the Senate, I have deliberately withheld

comment on the floor of the Senate until I could personally make a careful analysis of their legal basis, or lack of it, and also further consider their practical operation, not only in my area but in other areas of the Nation.

Also, I have taken time to determine and understand the spirit and the sincerity, or lack of it, with which these bills are presented to the Congress. Mr. President, I know there are individuals here in the Senate and elsewhere who are sincere in their purposes and high in their motives in sponsoring or supporting these bills. If so, I have no word of personal criticism for them, and I do not impugn their motives.

But, as to the over-all plan, Mr. President, I brand it and denounce it as purely a political fraud, presented here by both major parties, not in the interest of the welfare of the great masses of the people but as a brazen attempt to capture the vote of the misguided and misled rank-and-file Negro in the 1948 elections.

Some may expect me to say in the next sentence that the entire scheme is directed at the South. At first I suspected that it was; but on closer study, I am convinced that it is a well-organized and well-directed conspiracy, not merely against the South but against the people of the entire Nation. These proposals should be stripped of their lamb's clothing, and their true purposes and nature should thus be exposed. I believe they constitute a well-laid and far-reaching scheme to break down, bit by bit, the great, fundamental concepts of constitutional law that recognize and once protected the rights of the 48 States and the rights of the people.

Specifically, it is a well-laid and far-reaching scheme to gain control, bit by bit, of the election machinery of the Nation, so that the 48 States can no longer hold their own elections. Still further, it is a well-laid and far-reaching scheme to break down, bit by bit, the highly advantageous and necessary practice of reasonable and proper segregation regulations that are designed for the mutual benefit of the races and to preserve peace among them. Still further, it is a plan to subject private enterprise to the police power of the National Government in private employment and promotions and to deny to many employers of the Nation due process of law in a trial by jury when accused before a bureaucratic board. And still further, under the antilynch law we have the opening wedge that will place much of our State criminal law in a Federal strait-jacket for Federal supervision in matters down to petit street fights, while, at the same time, it revives the old idea of mass guilt, which was discarded in England over a thousand years ago.

I do not believe a majority of the membership of the Congress are individually in favor of these bills. I do not believe a majority of the people are in favor of them. But unless something is done, I believe they are going to become the supreme law of the land because of their iniquitous political nature and because the people of the Nation have not had a chance, and will not have a chance, to understand them.

And, if the present course continues, the people will not have a chance to understand these bills. The anti-poll-tax bill was referred to the Rules Committee of the Senate, and in turn to a subcommittee of three members, which did not include a Senator from the States most directly affected by the bill. The junior Senator from Mississippi, who is the only member of the Rules Committee from the entire South, requested the chairman of the Rules Committee to enlarge the membership of the subcommittee and to give the most affected States representation thereon. The junior Senator from Mississippi then requested the subcommittee to hold hearings on the bill, including hearings in the States that levy a tax as a prerequisite to voting. Thus the Senators could see conditions in their practical aspects, and the people could directly present the facts.

Mr. President, you will be shocked, and I am sure the entire membership of the Senate will be shocked, to learn that the subcommittee refused to hold any hearings. It refused to develop any evidence on the bill, and it has already concluded the entire matter so far as the subcommittee is concerned, by voting to report the bill to the full committee favorably. This was done in face of the fact that States affected most directly by the bill did not have a representative on the committee.

Thus it is, Mr. President, that the proposal to strike down a part of the time-honored and time-tested organic law of some of the sovereign States of the Union is approved by a subcommittee of the Senate without a hearing.

The last hearings by a Senate committee on such legislation were in the war year of 1943. Such testimony certainly does not reflect ideas and conditions of 1948. Since those hearings, 40 new individual United States Senators who were not then Members have taken the oath on the Senate floor. Certainly they have not taken part in, nor had the benefit of, any hearings, and apparently they will not, prior to voting time.

Furthermore, Mr. President, two of the honorable members of the subcommittee did not become Members of the United States Senate until more than 3 years after the last Senate hearings were held, and the third honorable member of the subcommittee did not become a Member of the Senate until 15 months after the hearings were concluded.

I cannot, and I do not, attribute malicious, evil, or arbitrary motives to the honorable gentlemen on the subcommittee, nor to the honorable chairman of the Rules Committee. I am therefore driven to the conclusion that their action is just a part of the pattern designed by the party leaders of both major parties, and that the word has been passed around: "For political reasons, these bills must pass."

Mr. President, on behalf of those who oppose this particular legislation, and those who also oppose this general type of legislation, we accept that challenge and we say, "These bills shall not pass." These bills and such methods used to pass them must be fought, and they shall be fought, to the very last ditch. Whether it is realized or not, I have a confident conviction that in keeping them off the statute books, we shall be serving not one area of our Nation but all areas, not just one group, but all groups. We believe in our cause and we shall never yield; we cannot compromise, and we shall not surrender.

The anti-poll-tax bill is one of the most far-reaching measures ever before the Congress. It involves far more than the question of paying or not paying a poll tax. It is a bold plan to start federalizing elections throughout the Nation. It provides in substance that in elections for President of the United States and for Members of the United States House of Representatives and the United States Senate, the payment of a poll tax shall not be a prerequisite to voting. The real question presented is not the mere matter of paying a small tax but the matter of permitting the Federal Government, through a mere act of Congress, to enter the field of prescribing qualifications of electors in Federal elections. The people or the States can do this by constitutional amendment, but that is not their proposed method.

I raise the specific point that Congress has absolutely no authority whatsoever to prescribe the qualifications of an elector in any State. And, moreover, they are expressly prohibited from doing so by some of the plainest language in the United States Constitution, which is section 2 of article I, which reads as follows:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

That language was reaffirmed by the people word for word as to the qualifications for electors when they adopted the seventeenth amendment for the election of United States Senators in 1914. And I submit that there is not one scintilla of respectable legal authority anywhere that can cast any kind of a shadow over that clear, concise language that has guided us now for 159 years.

As to Federal intervention I remind my Republican friends that just 12 short years ago the Democratic Party swept this Nation from coast to coast in a Presidential election which carried 46 of the 48 States. Their membership in the Senate was a mere handful, while now in 1948 their membership has grown to the respectable total of 51. They control every committee and every maneuver not only of this branch but of the other legislative branch of the Government. Suppose that after the elections in 1936 the Democrats with their crushing majority had passed laws prescribing the qualifications of electors and to partially control Federal elections, and that by subsequent amendments they had further regulated the elections in all States, putting them under Federal police power and assigning Federal officers to attend political gatherings to act as referees and censors of political speeches, as recommended now by the President's Civil Rights Committee.

I ask my Republican friends, how many of their group do they suppose

would be Members here now? From crushing and almost destructive defeat in 1936, they have come back and are in a position to control Federal legislation, and they are making a bid for the Presidency of the United States. In their calm moments, they might seriously consider that this is the beginning of a movement to put the elections in a Federal strait-jacket; that they were elected in an election conducted under State laws passed by their own people, and supervised by police operating under State law. In their calm moments, they might further consider whether or not they would or could have been elected if there had been Federal laws under which the party then in power could have controlled or partly controlled the elections.

I believe, anyway, that the poll tax is more of a stabilizing regulation of the voting franchise than it is a tax. The times are fair warning to me that instead of wanting to repeal all of our regulations of the franchise, we should be wanting to protect it more than ever before. And as a most reasonable and moderate regulation, I recommend it to all of the States in the Union. I recommend that they consider imposing a small poll tax, or some other fair regulating equivalent thereof, as a prerequisite to voting in all elections, with the aged and the lame exempt, of course.

I am not thinking of the Negro. I would strongly favor such a regulation in our State as a stabilizer of the ballot if there was not a Negro in the entire State. Our tax applies, of course, to all races alike.

But if after all considerations, Senators should favor abolishing all poll taxes, then in the name of constitutional government, let us approach the question in all sincerity and propose a constitutional amendment. Whether it be adopted or whether it be defeated, constitutional government will have been respected and will have survived.

Because they are a part of the same pattern, as they impress me, I am going to mention, but time does not permit a discussion thereof, the antilynching bill, the FEPC bill, and antisegregation question.

Lynching is a form of murder, condemned by all decent people. It is on the decline. It was down to one in 1947. That is, of course, one too many. All other forms of murder have increased over the years. The problem is almost solved, due to local interest, local pride, and local support of laws. Do not rebuke and then destroy the only true spirit of proper law enforcement, which is a lively local interest and pride.

Mr. President, this program, as it is better understood, is becoming more and more discredited in the eyes of the people. I refer to two recent editorials in Washington newspapers, the Times-Herald and the Post. I shall read but two sentences from one of them, the editorial in the Washington Post, on the antilynching bill:

> We cannot help thinking that this vote-catching venture has no place in the present session of Congress. Its effect is to arouse animosities at a time when there is urgent need for national unity.

The FEPC bill is so contrary to my conception of the God-given and constitutionally protected rights of a free citizen that I must admit I perhaps cannot impartially consider it. But it seems to me that if I wanted to convert a free government into a police state, I would start by enacting the FEPC bill.

I shall not discuss this bill in detail, but the following incident further covers my attitude thereon:

Some few weeks ago I received a letter from a German friend of mine who has always lived in Germany. He appealed to me strongly in the following words:

> They are dismantling our factories over here. Please help stop them.

In the calmness of an evening in my office, I wrote him, in part, as follows:

> DEAR HANS: We are dismantling over here, too. We are dismantling our Constitution. We are dismantling the time-honored and time-tested rights of the States to prescribe the qualifications of their electors, and are setting up the beginnings of federalized and Federal-controlled elections.

I knew my friend would understand this full well, because as a German he once had a constitution—back in the 1920's—and saw Hitler take control of the election laws, and thereafter he saw Hitler win all elections by a 99 44/100 percent majority.

My letter continues:

> We are also dismantling the heretofore full rights of a citizen to choose his business associates, and whom he will promote and whom he will discharge. We are about to pass the FEPC bill.

I was not sure Hans would understand that, but I knew he was near the Russian zone of Germany, that he had Russian friends there who came under Soviet Russia's law, and I knew they could fully explain the FEPC to him.

My consideration of this man's sad plight, and my consideration of what is about to happen to my own people through the passage of these bills, emphasizes to my mind all the more clearly that such laws will eventually sovietize our own Constitution. When this is done, our children will eventually be writing to someone in some other nation, if there be anyone left to write to: "They are dismantling our factories, our homes, our entire Government over here. Please help stop them."

Mr. President, I was greatly impressed a few days ago when the junior Senator from New York [Mr. IVES], on the mention of water power in connection with the natural resources of his State, with great confidence assured the Members of the Senate that the natural resources of his State were protected by the Constitution of the State of New York, and that the people had no fear that they would be tampered with. I wished at that time that I had the same assurance and confidence in the fact that the necessary regulation of our voting franchise which our people have found over the years to be absolutely indispensable and which is written into our Constitution would not be disturbed and cut down.

A few days later I had the shocking experience of seeing a bill voted out by a subcommittee of this group, without even a hearing, which bill would absolutely cut down a part of the organic law of my own State regulating our voting franchise, which affects my people in far more sacred capacities than would the water-power provision affect the splendid people of the great State of New York.

It is part of my political thought that both major political parties should look beyond the elections of 1948 and weigh the consequences of this legislation over the years.

Mr. President, I believe that the two present major political parties that have come down through the decades side by side for almost a century now have made a very definite contribution to the stability of our Government, and, on the whole, we have had strong government in this Nation for more than a hundred years. I believe in 2 strong political parties, as contrasted to our ill-fated sister nation, France, which I understand, had 21 parties competing for power during the period from World War I to World War II, to such an extent that no party could form a strong political government to rule for any appreciable time, with the well-known result that soon after the beginning of World War II the nation collapsed.

But now, just at the time we need the sound and constructive thought and leadership of both major political parties, wrestling with our foreign and domestic problems within the framework of our fundamental organic law, we find the leadership of both parties bidding for the vote of various small groups. They appear willing to scuttle the fundamentals of our freedom to get that vote. I cannot understand it. The people do not want it done. They ought to rise up and see that it is not done. I believe they will.

Passage of these bills will destroy the southern wing of the great political party which the South has followed for more than 80 consecutive years. It cannot, and will not follow any political party that helps put these bills, or any substantial part of them, on the statute books. I believe, Mr. President, that their passage would open the floodgates and lead to conditions that will destroy the Republican Party, or at least that part of it which stands for sound constitutional government.

Mr. President, I know as a practical matter that a great part of the so-called civil-rights program hinges around the racial problem, and when people think of the racial problem they sometimes think of the South first.

Many people have been led to believe that these misnamed civil-rights bills represent a question solely of right and wrong, and that the South is on the wrong side. It is partly, but not altogether, the fault of the South that our side has not been fully and effectively told, but before the fight on these bills is over our side will be told, and the people of the Nation will realize that this is not just a battle for the people of the South. They will realize that it is a battle for the people of the entire Nation.

This so-called civil-rights program is presented over and over again solely as an emotional and a humanitarian standpoint. All viewpoints are entitled to consideration, but I want to especially remind the Senate that this is a highly practical matter and must have a sound social and legal foundation.

I know there are some fine people in the Nation who are sincerely interested in the Negro of the South. They want to do something for him. They think legislation will help him. I think I should give the Senate my ideas on the subject.

Political parties as such will not help the Negro.

The only appreciable number of people in the Nation who will do anything worthwhile for the rank and file southern Negro and give him fair opportunities to develop are the southern white people who live where he lives. The white people protect the Negroes and respect them in the proper and mutually understood and mutually desired relations between the races. The southern white is the only one who really understands the southern Negro, and the real southern Negro understands only the southern white. Let them go their way in peace. Let them work out their salvation in this great section where the races live in the closest and friendliest contact and are happier together than are similar people anywhere else in the world under like conditions.

We in the South have no fear of our relations with the southern Negroes. We fear the paid agitators and the organizers who make their living by coming in and stirring him up, arousing his suspicion, inflaming the feelings of both races, and then skipping the country if trouble does threaten.

When we superimpose over the fine relations we have and the progress we are making in the South, the so-called civil-rights bills, including local segregation laws, which would destroy the necesssary customs of the South, we stir up civil strife and racial enmity that could well largely paralyze industrial and commercial development. We will also set the Negro back many years.

I want to call this threatened legislation to the attention of the business interests of the East and North that have plants and capital invested in the South. Relations are good. The Negro is making good wages, more money than he has ever made. This legislation will stir up strife, enmity, and jealousy. It would perhaps stop the wheels of your industry. You and your employees would pay the price.

If we pass laws which the upright, law-abiding people of any substantial area of our Nation cannot obey and properly respect, while retaining their self-respect, then we drive the very best part of our citizenship partly underground. We prepare the hotbed and plant the seed that lead to the eventually destructive methods of secret organizations which, once started, cannot be quickly curbed or controlled. Calmly consider for a long time before you again inflict on the Nation the destructive and far-reaching influence of such ill-advised and uncontrolled movements and organizations.

I believe, Mr. President, that the South is standing today at the threshold of the greatest era of development it has known for almost a hundred years, and that within the next 25 years it will make definite and far-reaching accomplishments on many fronts. The people have a forward-looking spirit. We have more local capital, and we are friendly to outside capital. Hundreds and hundreds of oil derricks arise amidst our young and growing forests. A cattle and dairy industry is developing rapidly. Smokestacks are dotting the horizon, and we are converting a large portion of our raw materials into finished products. There is new wealth and more wealth being created there. We are building new schools, new roads, and new hospitals in our cities, our small towns, and our rural communities. There is not time to present the facts and figures here now, but all races and groups are sharing in the profits of this development. Factual figures will be presented later.

There is a way to keep our racial relations adjusted in the South to the mutual benefit of the races. But Federal legislation is not the way. It will fail, and the Negro will be the serious victim of that failure. So I speak for all groups and races when I say, let us work out our own problems. We are making progress, and we have fear of only one thing that will disturb those relations, and that is outside interference.

Now, Mr. President, in conclusion, I remind my colleagues that there is more involved here than the mere passage of legislation proposed by pressure groups. We are not dealing in finance, or commerce, or things of the market place. There is involved the pride of a proud and spirited people. Their honor, their political soul, and their way of life, are at stake. They can take only so much and retain their self-respect. They will not take more. They are not indifferent or insensible to the problems of the times. They want to do their part toward solving them, and they are doing their part. Time is the only element needed. Give us time. Do not afflict all of us in our area with the irreparable injury that will come from Federal legislation on these most delicate subjects.

I close now with the theme of thought that will control much of my thinking so long as I am a Member of the United States Senate. Instead of afflicting the people of our great land with more and more bureaus and a greatly extended police power that will pry more and more into the political and private and personal affairs of our people, all operated from a centralized government at Washington, let us start putting the Government back where it belongs—let us put it back in the county courthouses—back in the hands of the people. That may not be the most efficient form of government, but it is the best. [Applause on the floor.]

Mr. SMITH obtained the floor.

Mr. RUSSELL. Mr. President, will the Senator yield a moment?

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Does the Senator from New Jersey yield to the Senator from Georgia?

Mr. SMITH. Does the Senator wish to make extended remarks?

Mr. RUSSELL. Only a very brief statement.

Mr. SMITH. I am very glad to yield.

Mr. RUSSELL. Mr. President, I merely wish to express my congratulations to the distinguished junior Senator from Mississippi [Mr. STENNIS] upon the able and well-reasoned address he has just delivered. I would that every citizen in other areas in this land who is interested sincerely in the grave problems of the South, other than from a political standpoint, might read and pay heed to the words the Senator has uttered.

I was shocked to hear that, regardless of any feeling which might have been engendered, any committee of this body would deny a hearing to a member of the committee on a matter which vitally affected his State. I am not impressed with the specious argument that the matter having been considered by the Senate before, there was no necessity for hearings. The Senate has just finished the consideration of the St. Lawrence seaway matter, which has been beating around the Senate since I have been a Member, but in each Congress a hearing on that subject was accorded.

Mr. President, there are many of us who feel that the attempt to remove the poll tax by Federal statute is unconstitutional. My State has no poll tax. I am glad it does not, because, as I have stated on the Senate floor in years past, I think it is outmoded. But article I, section 2, of the Constitution of the United States, and the seventeenth amendment, present the only instances where language is employed in the Constitution in identical terms; in other words, where language is repeated. The Federal Constitution, in specific terms, leaves the matter of fixing qualifications of voters to the several States in both of these provisions. There are seven States which have in their constitutions and laws provision for a poll tax. So I consider the action of this subcommittee in denying a hearing as being a lynching of the Constitution of the United States, of the constitutions and laws of seven States, of the rights of a Member of the Senate, and of the normal procedure of the Senate.

I might say further, if the Senator from New Jersey will indulge me only one moment more, that the door of the subcommittee may be closed, but those of us who are opposed to this high-handed and arbitrary action should not maintain silence on the floor of the Senate of the United States. I propose that those who are interested in this question, and who have been denied a hearing, prepare their briefs, including the statements which have been made by great men in years past, like William E. Borah, pointing out the unconstitutionality of such a measure, and that we read them on the floor of the Senate. We may not

be able to make the committee hear us, but we will at least put in the pages of the CONGRESSIONAL RECORD the views which in normal circumstances would be received by a committee.

Mr. President, I again congratulate the Senator from Mississippi.

Mr. SMITH. Mr. President, I intend to address myself today to the unfinished business, Senate bill 2202, but I wish to express to my friend the junior Senator from Mississippi [Mr. STENNIS] my appreciation of the temperate and thoughtful case he has presented from the southern point of view.

I should first like to correct one statement that was made which implies that the subcommittee of the Committee on Labor and Public Welfare did not give a hearing on the bill recently introduced by the Senator from New York [Mr. IVES]. Full hearings were had on the bill, and, so far as I am concerned, I did not know anyone else wished to be heard on it. If that was the bill referred to, I think the RECORD should show that full hearings were held, and the record of the hearing is available to anyone who wishes to read it.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. EASTLAND. I desire to correct the assumption of the Senator from New Jersey as to what the junior Senator from Mississippi said. The statement made by the Senator from Mississippi was that no hearings were held on the anti-poll-tax bill.

Mr. SMITH. I apologize. I thought the reference was made to the FEPC bill. I had sat in the hearings on that bill, and thought I should make clear that hearings had been held on it. I thank the senior Senator from Mississippi for his correction.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. RUSSELL. The only statement made by the junior Senator from Mississippi was in respect to the anti-poll-tax bill.

Mr. SMITH. I know nothing about that.

Mr. MAYBANK. Mr. President, I wish to commend the distinguished junior Senator from Mississippi for the clear, reasonable, and masterful constitutional speech which he has made on the Senate floor today. The reason why I rise to say these few words is that in 1946 the Senate appointed me, along with other Senators, as a special investigating committee in connection with the elections in Mississippi in that year. I had the opportunity of being there with distinguished Republicans as well as distinguished Democrats. Under the chairmanship of the Senator from Louisiana [Mr. ELLENDER], we studied the laws and the constitution. We believed in the rights of the people of Mississippi. We came back and said so. At that time Edgar Brown, colored leader, asked the President of the Senate to expel the Senator from Louisiana and me for our views.

I feel vindicated when I see the type of gentleman which Mississippi has sent to the United States Senate standing on the Senate floor and making one of the greatest and most statesmanlike speeches that has been made in many a year.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOLVERTON, Mr. LEONARD W. HALL, Mr. GILLETTE, Mr. BULWINKLE, and Mr. HARRIS were appointed managers on the part of the House at the conference.

AMENDMENT OF INTERSTATE COMMERCE ACT—RAILROAD REORGANIZATION

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. REED. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. REED, Mr. HAWKES, and Mr. MYERS conferees on the part of the Senate.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. SMITH. Mr. President, I am addressing myself to the unfinished business, which is the European recovery program. In considering what I should say on this matter, it seems to me that as a member of the Committee on Foreign Relations, which held 5 weeks of hearings, then 10 consecutive days of careful consideration of the matter, I should express myself from my own personal viewpoint on the impressions made on me by this whole study, and especially to reflect the impressions I received during a trip to Europe last summer, when I had a chance to make some personal observation of conditions in Europe, and the possible impact of those conditions on the legislative proposal which is now before the Senate.

Mr. President, in the light of the masterly presentation by the chairman of the Foreign Relations Committee, the Senator from Michigan [Mr. VANDENBERG], in outlining the bill, and his elucidation of the points raised by the bill, it is not my purpose to cover that phase of the subject at all. I do hope to cover some of the controversial aspects, and to reflect in my remarks some of my own personal observations and some of the reasons that have brought me to a very deep conviction to support the legislation.

First of all let me state briefly that much of the feeling I have, which is very deep within me, was developed during my trip abroad last summer. I can say that I had an experience that many of the others who went abroad did not have, because I not only was privileged to visit the countries we are discussing now, the 16 countries of western Europe, but the committee of which I had the honor to be chairman visited the curtain countries, the so-called satellite countries, where we saw first-hand the slow growth of the disease which we so much fear may now envelop Europe.

When I arrived home from that trip abroad—and as I said, we covered all the curtain countries, except Russia itself and Albania—I made a statement which I shall read again into the RECORD, because I was charged with being an exaggerationist, if that is a proper word; I was charged with being a warmonger, a scaremonger, of raising ghosts that did not exist. I simply want to reread the statement I then made with the fresh impressions of the things I had seen, and ask my colleagues to compare those fresh expressions of last October with what has happened within a few days in Czechoslovakia and Finland. My statement at that time was very brief. It is as follows:

The United States is facing the most challenging crisis of its entire history. We are the bulwark of freedom to whom the world looks for leadership. Europe is in a state of almost complete economic collapse, with consequent despair. The threat to modern civilization cannot be exaggerated. It is here and now. The Moscow policy is to divide and then absorb. Communism feeds on famine, cold, and despair. And the end is human slavery.

The trip of our committee to the capitals of Europe has revealed the facts of the situation and the issue. We visited the satellite countries and those still struggling to survive. The pattern is the same everywhere. Freedom is being treacherously destroyed. The police state is emerging with a totalitarianism that surpasses the nazism of Hitler. Freedom-loving men who have opposed have been and are being liquidated.

Mr. President, we saw it with our own eyes in those countries while we were there.

America and the remaining free nations of the world must decide and now. Time is running against the fundamental freedoms and the sanctity of the individual man.

If America withdraws now it means the immediate absorption of Europe by communism, controlled and directed by a small well-organized minority in Moscow, which has enslaved the Russian people and now seeks to enslave the entire world.

Our alternative is difficult, but must be faced. We have the responsibility to march

with the United Nations in bringing the world to freedom and peace. We must act with the United Nations and now.

Mr. President, I submit that that was not an exaggerated statement. We have seen what has happened since then—Czechoslovakia and Finland and the other liquidations that occurred both before and since our return. Mihailovich in Yugoslavia, Maniu and now King Mihai in Rumania, Petkov murdered in Bulgaria, Pfeffer in Hungary, Mikolajczyk in Poland, and now the liquidation of Mr. Benes in Czechoslovakia. I cannot express adequately my deep feeling of concern over the terrible issues that face us.

But anyone who has seen this naturally asks himself, What can be done about it? Are there any different forces that we have to choose from? I have tried to sum up merely a few of the possibilities.

The first one that occurs, of course, is that in the light of the experience we have had, in the light of the vast billions of dollars we have spent in an effort to help Europe in her despairing condition, to give relief to Europe, we might withdraw now and say that we have done all we can to help Europe to her feet. I do not think I need to argue that extreme isolationist position. Not one of my colleagues takes that position. Perhaps there may be some who do, but I have not heard of any who do. To take such a position is to my mind simply unthinkable. So I pass on further.

We might suggest that we could help develop private industry by getting the western European nations back on their feet without the need of making any vast commitments ourselves. I have explored such a possibility; our committee explored it. The persons I talked to in England, France, and other countries were thinking in terms of such an alternative. But any superficial examination of the immensity of the problem makes it clear that mere private trade could not possibly handle this job. The dollar issue alone, which has been talked about so much, would come right to the front, and without some stabilizing proceedings, some cooperative proceedings, some attempt to get together, such as contemplated in the pending bill, the problem of dollars could not be solved. I do not think I need to further elaborate that point.

The next thought is that we might use armed force to maintain order in Europe and prevent further Communist aggression. This might take the form either of unilateral action by the United States—and nobody would think of contemplating that, even though we have the resources, the so-called atomic bomb—or some form of joint action by the United Nations. In the last few days that matter has been discussed here on the floor. So far as I am concerned, I have felt that at the present juncture, enthusiastic as I am for the whole United Nations program, and strongly as I support it, this is not the moment of time when we can bring about a reorganization of the United Nations set-up with any hope of action in adequate time to be successful.

The subject is far too large to try and settle it by amendments on the floor of the Senate. I must say that with due respect to my distinguished colleague from Minnesota [Mr. BALL], for whom I have the highest regard. I share many of the feelings he has, and his eagerness to see something more effective done through the United Nations; but that is not within our province here. I have the greatest respect for the views of my colleagues who try to work out such a program as that, but, to use a slang expression, I feel it is not "in the cards."

So the difference I want to bring out is the difference between, on the one hand, a completely isolationist position, and, on the other hand, the use of force, which would bring on world war III at once.

Contrast those two possibilities with what has been the development of the so-called rehabilitation program which is the subject of the pending legislation. I am thinking in terms of an intelligent, positive, forward-looking program to reconstruct the countries of western Europe.

I do not believe my thinking is different from that of anyone else. I have talked to many persons about the matter. I talked to Secretary Marshall shortly after he had made his famous address at Harvard. He reviewed to me, I think, the very grounds I have just tried to go over as to what the alternatives were in this difficult situation. He pointed out that what he meant to say at Harvard—and I hope I am interpreting him correctly—was simply this: "We have spent billions of dollars in trying to help Europe since the end of the war. We cannot go on doing that indefinitely. We shall come to the end of our capacity to feed people and furnish relief. There is only one hope for the world, and that is for the world to get back on its own feet."

Therefore his logical conclusion was that the United States would be definitely interested in any attempt by Europe to get back on its own feet and become self-supporting again. In the process of doing so, we would be interested to talk business with them.

That is all I find in the Marshall statement. I think it is a perfectly natural statement. I feel confident that the Secretary did not feel, when he made it, that it was going to be a "shot heard round the world." It was; and it is an encouraging thing that it was. It meant that those people saw that what Secretary Marshall said was true. They received a "shot in the arm" at that moment from the knowledge that the United States would be there to do something about it, if they were able to get together and present a program which would offer some hope of bringing them out of their difficulties. That was the background of the CEEC plan which was evolved in Paris by the 16 nations.

Secretary Marshall did not limit his proposal to any special nations. It was an over-all proposal for the rehabilitation of Europe. Russia was included. The countries now satellities of Russia were included. He intended to have the whole of Europe together in this plan, in which we would be interested to participate. Unfortunately Russia misconstrued the proposal and tried to misrepresent our motives, and withdrew. The satellite countries also withdrew.

But there was a group of countries which did meet in Paris, and courageously presented a program after careful study, in a very brief period of 10 weeks, indicating what the resources of their countries were, and what their needs might be for rehabilitation, and suggesting what kind of aid they felt they must have from us, because we were the only country to which they could look for such a rehabilitation program.

I look upon that accomplishment as a miracle. I was abroad when it happened. I was in Paris when the group was meeting. Before I sailed for America I talked with Ambassador Caffrey and Ambassador Douglas in London. They told me about the conference, and the high spots of the CEEC report. I read the report with the greatest interest. Anyone interested in the subject would receive an enormous lift from the spirit of the report, the evidence of cooperation, the evidence of willingness on the part of those countries to merge their own differences, to give up their own private advantages for the common good, in the expectation and hope that we would work with them to bring about their salvation. So the report came to us.

The logical question, when such a report comes to us, is what to do with it. Not one of us is competent alone—the distinguished chairman of the Committee on Foreign Relations would be competent if anyone would be—to make a study of the problem. Yet he would admit that none of us alone is competent to make a complete study. The thing to do was to get the best expert advice we could obtain. Our committee alone was not competent to do it; but through the leadership of the Senator from Michigan we asked that certain committees be set up to study the problem, to determine what our resources were, and to see if the United States could afford to participate in a plan which would at least give promise of doing something to put those nations back on their feet.

First we had the Krug report, by the Secretary of the Interior, whose department has jurisdiction over our natural resources. Then we had the so-called Nourse report, from a committee headed by Dr. Nourse and consisting of a group of economic advisers to the President.

Both those reports might be looked upon as administration reports, and therefore might be subject to some suspicion that because the administration favored this legislation, possibly those reports were tinged in favor of the legislation to be proposed. So it was suggested that a completely impartial committee be created, which had nothing to do with the administration, although it was set up at the invitation of the administration. Secretary Harriman, of the Commerce Department, was asked to set it up. It was composed of businessmen, representatives of labor, and men in the field of economics, who were to make a completely independent report, not in any way influenced by the other reports

which had been made. The committee was to study the CEEC report, which had come from Paris, and check up on our resources, relying upon its own sources of information. In a moment I shall point out who the members of that committee were.

I think it is significant that this kind of a committee was asked to do the job, in order to give the Foreign Relations Committee the best expert advice we could get anywhere in the country, and advise us as to the practicability of the plan. So we have the Harriman report.

This report has been the keystone of my own study. I have not read it all, because it is too long. However, the way in which the report was made, and the importance of the men who participated in it, carry so much weight in my mind that I feel that every Member of the Senate should realize that we were getting the very best expert advice we could get in order to be on sound ground in advocating such a program.

It is worth taking a little time to point out the approach to this question. Again I wish to thank our chairman, the Senator from Michigan, for having seen the importance of this kind of an approach to the problem, comparing the figures of an independent, objective committee of American citizens, composed of members from all walks of life, with the figures which had been compiled by the Administration under the leadership of the Secretary of State.

Mr. President, I shall read into the RECORD the names of some of the members of the committee and the institutions with which they were connected. Later I shall ask that the entire membership list of the committee be printed in the RECORD, in order that it may be available, and so that Senators may see the type of men who studied the problem.

I point out that among the members of that committee were the presidents and heads of various important industries, as well as representatives of both the CIO and the American Federation of Labor. Two of the leading men in those two labor groups were members of the committee, James B. Carey, secretary-treasurer of the CIO, and George Meany, secretary-treasurer of the American Federation of Labor.

Another member of the committee was Harold G. Moulton, president of the Brookings Institution of Washington, which has access to a great mass of data and studies over the years relating to economic conditions in this country.

Another member was Owen D. Young, honorary chairman of the board of directors of the General Electric Co. This was the same Owen D. Young who, after World War I, was so active in the so-called Young plan for reparations from Germany. He is thoroughly familiar with the foreign situation, and was very active in developing the report.

At this point in my remarks I ask that the entire list of names of members of the committee be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S COMMITTEE ON FOREIGN AID

The members of the President's Committee on Foreign Aid, and their affiliations, are as follows:

Hiland Batcheller, president, Allegheny-Ludlum Steel Corp., Pittsburgh, Pa.

Robert Earle Buchanan, dean, graduate college, Iowa State College, Ames, Iowa.

W. Randolph Burgess, vice chairman, National City Bank of New York, New York, N. Y.

James B. Carey, secretary-treasurer, CIO Washington, D. C.

John L. Collyer, president, B. F. Goodrich Co., Akron, Ohio.

Granville Conway, president, Cosmopolitan Shipping Co., Inc., New York, N. Y.

Melville F. Coolbaugh, Colorado School of Mines, Golden, Colo.

Chester C. Davis, president, Federal Reserve Bank, St. Louis, Mo.

R. R. Deupree, president, Procter & Gamble Co., Cincinnati, Ohio.

Paul G. Hoffman, president, Studebaker Corp., South Bend, Ind.

Calvin B. Hoover, dean, graduate school, Duke University, Durham, N. C.

Robert Koenig, president, Ayshire Collieries Co., Indianapolis, Ind.

Robert M. La Follette, Jr., Washington, D. C.

Edward S. Mason, dean, School of Public Administration, Harvard University, Cambridge, Mass.

George Meany, secretary-treasurer, American Federation of Labor, Washington, D. C.

Harold G. Moulton, president, The Brookings Institution, Washington, D. C.

William I. Myers, dean, College of Agriculture, Cornell University, Ithaca, N. Y.

Robert Gordon Sprout, president, University of California, Berkeley, Calif.

Owen D. Young, honorary chairman of the board of directors, General Electric Co., Van Hornesville, N. Y.

SUBCOMMITTEES AND THEIR CHAIRMEN

Capital and durable goods, Hiland Batcheller.

Consumer goods, John L. Collyer.

Development and administrative and drafting, Robert M. La Follette.

Economic and financial analysis, Owen D. Young.

Food resources, Chester C. Davis.

Manpower, Paul G. Hoffman.

Mineral resources, Robert Koenig.

Transportation, Granville Conway.

EXECUTIVE STAFF OF THE COMMITTEE

Richard M. Bissell, Jr., executive secretary.

Max F. Millikan, William W. Remington, Herman W. Liebert, assistant executive secretaries.

John Davenport, Hector Prud'homme, Sam VanHyning, Herbert Hughes, Martha Davis.

SUBCOMMITTEE SECRETARIES

Richard M. Bissell, Jr., economic and financial analysis.

Kenneth R. Davis, consumer goods.

Adrian S. Fisher, development and administration.

Karl A. Fox, food resources.

A. Ford Hinrichs, manpower.

Herman W. Liebert, drafting.

S. Morris Livingston, capital and durable goods.

Max F. Millikan, transportation.

Richard Mote, mineral resources.

Mr. SMITH. Mr. President, in the list was our former colleague, Senator Robert M. La Follette, who was active all the way through. I wish to pay tribute to him for the excellent testimony he gave our committee in reporting to us.

To continue my emphasis of this report and its approach, because I think it is important to our colleagues to understand the way this question was looked into, to show how much more effectively it was studied than if we had tried to do these things ourselves, a group of experts worked for many weeks on this problem. They divided their work among a number of groups, so that every phase could be covered.

I should like to read the opening paragraphs of the report, to point out the approach which was made to the study when the committee undertook it. I quote from page 3 of the summary at the very beginning of the report:

The President's Committee on Foreign Aid was asked to determine the limits within which the United States could safely and wisely extend aid to western Europe. It has approached this assignment in a spirit of realism.

We believe that the future of western Europe lies very much in its own hands. No amount of outside aid, however generous, can by itself restore to health the economies of the 16 nations which met at Paris in July. Except in western Germany, where the United States has direct governmental responsibility, the success of any aid program depends ultimately on hard work and straight thinking by the people and the governments of the European nations themselves. The 16 nations and western Germany comprise over 270,000,000 men and women. They possess great agricultural and industrial resources. Even in its present depressed state the production of this area is vastly greater than any aid which this country can provide. Such aid must be viewed not as a means of supporting Europe, but as a spark which can fire the engine.

Mr. President, I have read that in order to show the spirit of the approach of the so-called Harriman committee, which was reflected very promptly to our Foreign Relations Committee, and which all of us felt. I wish to read the last statement again:

Such aid must be viewed not as a means of supporting Europe—

In other words, Mr. President, this is not a relief program—

but as a spark which can fire the engine.

There is another passage which I wish to read from this very interesting and important report. On page 11 of the summary, which is to be found at the beginning of the report, the following statement appears:

VI. SUMMARY

The basic conclusions of the President's Committee on Foreign Aid—

That is, the Harriman committee—

may be summarized as follows:

1. The hope of western Europe depends primarily on the industry and straight thinking of its own people.

2. The United States has a vital interest—humanitarian, economic, strategic, and political—in helping the participating countries to achieve economic recovery.

3. The aid which the United States gives will impose definite sacrifices on this country.

Mr. President, the third point is a frank recognition that this program will not amount to a mere giving of largesse out of our surplus, but that probably in

order to bring this about we shall have to tighten our belts.

I read further:

4. The magnitude of western Europe's deficit with the American Continent in 1948 will be of the order of $7,000,000,000, but when all possibilities of financing are taken into consideration, the approximate need for appropriations, past and future, to cover the calendar year of 1948 may be of the order of $5,750,000,000.

Mr. President, I may say that in light of the delay in enacting the legislation, I think all of us recognize that the year in question would not be the calendar year 1948—in other words, that would not be the year to which these figures would apply—but, rather, it would be the year beginning April 1, 1948, and running through March 31, 1949.

I read further from the summary:

5. The extension of such aid, now or in the future, calls for anti-inflationary fiscal policies on the part of this country, and a new agency to administer the aid extended.

Mr. President, I mention those points, as covered by the summary of the Harriman committee's basic conclusions, to show the approach they made to the subject and how nearly it coincides with the conclusions of our committee, which of course relied largely on this and other evidence, as so ably presented by the Senator from Michigan in his opening remarks.

I wish to read one other statement from the summary to which I have referred, which I think is so important in connection with the study of the subject before us. On page 35 we find a summary of essential recovery conditions in Europe, which indicates what this committee felt had to be required of these foreign countries in order that they might recover. Beginning at about the middle of page 35, I read the following:

It is the judgment of this committee that European recovery can be rapid provided that the essential conditions determining effective aid are met. In summary these are:

1. The central objective must always be to make Europe not independent of the rest of the world but self-sustaining with relation to the rest of the world.

Mr. President, I cannot emphasize that point too strongly, because it had a great bearing on the deliberations of our committee—in other words, that we should not attempt to make Europe independent of the rest of the world, but should attempt to make it self-sustaining with relation to the rest of the world. In short, the committee contemplated cooperation by each beneficiary country not only with the rest of Europe, but with ourselves and the rest of the world.

I read further:

2. American aid should be on a decreasing scale. A permanent underwriting of European deficits by the United States Government cannot be contemplated.

Mr. President, it has been charged many times by those who have questioned the wisdom of this program that by adopting it we would simply be putting ourselves in a position where we would go on indefinitely paying the deficits of foreign countries. But the Harriman committee says here, and this was our own view, in the Senate committee:

A permanent underwriting of European deficits by the United States Government cannot be contemplated. It is clear that as the aid program tapers off it will be imperative for the natural forces of private financing to resume their normal function and to restore the long-standing relationships between European and United States enterprises.

The report definitely recognizes, Mr. President, the importance of going back to the normal channels of trade.

I read further:

3. It should be realized that the conditions which the world confronts today are the very reverse of those obtaining in the thirties and call for very different policies. The participating countries, like most of the rest of the world, are in the grip of major inflation. Every added economic burden raises the pressure. The committee has seen no evidence that the participating countries are seeking too high a standard of living.

Mr. President, it has been charged in some quarters that we are trying to raise the standard of living of the people of the beneficiary countries beyond what they had before the war. That simply is not true. We cannot do it. We are simply trying to help them establish themselves on a self-sustaining basis, generally on the basis of their former standard of living.

I continue to read:

However, it must be emphasized that the attempt to accomplish too much capital formation, public or private, too soon could defeat the purpose of the program.

4. While Europe indubitably needs a large injection of working capital in the form of dollars, the consistent aim should be not only to accomplish recovery but to create the kind of national and international framework wherein such recovery can be sustained by the work and effort of individuals. Monetary and exchange stabilization, allowing for the gradual relaxation of hampering controls, are essentials to this end.

5. If the above conditions can be fulfilled, the United States should contribute generously but wisely to the program set forth at Paris.

Mr. President, those are the observations of the Harriman committee in its very valuable report.

I should like next briefly to point out the scope of this report, because many persons have said to me, "How could you possibly get the necessary information to enable you and the committee to make a favorable report recommending the program?" Mr. President, it can readily be seen merely from the table of contents that the Harriman committee report covers the whole field of the European recovery program, what its nature is, the requirements for and availabilities of specific goods, the magnitude of the program, the financing of European requirements, the economic impact on the United States, and then a chapter on the administration of the program.

In addition to that, there are special reports on individual commodities. I wish the Senator from Nebraska [Mr. WHERRY] were now in the Chamber, because he has raised questions about some commodities which might be in short supply. Let me point out that part 3 contains a series of special reports on every commodity that will be involved in this entire program. I shall not read the headings of all the special reports, but I point out that they are on such subjects as the special position of the bizone in Germany, and such items as food resources, agricultural machinery, and iron and steel. The last-mentioned subject has been discussed at great length here, Mr. President. So we should note that included in the Harriman report is a special, full report on iron and steel, not only as to Europe, but as to the entire world.

The titles of other of the special reports are as follows: "Petroleum and petroleum equipment"—

Mr. President, I point out that in our committee we had extended discussions in regard to petroleum and whether we should prohibit exports of petroleum, and should require Europe to obtain petroleum from the Near East, for example, so as not to reduce the reserves of petroleum available to our own people. I commend Senators for raising these various questions, but I suggest that every one of them has been carefully studied in the course of the report, and then definite conclusions carefully arrived at.

I simply refer to the report and point out the very careful way in which the subject has been studied from the beginning, starting with General Marshall's proposal, and following through with the report of the Paris meeting, and the reference of the proposal to the United States, and finally the Harriman report, which reflects the judgment of all types and phases of American life—business, labor, the educational field, economic experts, and all those who are best qualified to deal with a matter of this kind.

So, Mr. President, I find myself more and more—I do not like to use the word "enthusiastic," because the situation is too serious to speak quite in that way—but more and more convinced of the soundness of what we are trying to do. I believe that it was proper to try to do as we are doing now, and to submit to the Senate in legislative form the result of months of study, the result of the observation of the creeping paralysis in Europe due to the spread of communism, the result of our thinking on the crisis that faces the world and especially that faces America. I believe it was appropriate to present it in a form whereby we can say practically to the American people, "We have given you the best we have got in studying this problem and we are asking you to have faith and to accept this calculated risk"—that is the expression which has been used—"as the wisest of the many alternatives facing us in the present situation."

Let me say that I agree with those who say we can make no guaranties. I asked a number of the ministry in England when I was there whether, from their knowledge of the Marshall plan, they felt there could be any guaranty, for example, that England could be restored. They said, "No guaranty, but it is the only hope that

she sees ahead." In other quarters we have raised the same question. There can be no guaranty. It would be foolish to say there could be. The chairman of the committee was very careful to say there could be no guaranty. But it is, as has been stated, a calculated risk, which, in my humble judgment, we should be prepared to take.

But that is the material economic side. To my mind, the question goes far deeper than mere economic or material aid. The most serious problem we face in Europe is the rapid moral deterioration of the people. We have a problem affecting some 270,000,000 people who have gone through the agonies of war, the destruction of their property, malnutrition, despair, and complete destruction of what we have come to consider the basic spiritual values of life. I did not see anybody starving to death. I have been asked, "Did you see anybody starving to death?" I have replied, "No, I saw nobody starving to death." But I scarcely went anywhere, and especially in the countries in which we are so profoundly interested at the present time, that I did not see evidences of malnutrition and of something lacking in the snap and vigor that people have when they are on their toes and ready to go ahead with hope as distinguished from despair. They were living in a condition between hope and despair, waiting to see what might be done, what might be the result.

I believe it cannot be denied that the action we took last fall in the special session granting interim aid afforded a great impetus to those people to renew their courage, and, in France and Italy especially, to resist the surge of communism that might have overtaken them if we had not given them temporary aid to tide them over until this more extended program could be considered. With our help they are willing to pool their own resources and to undertake targets of production to put themselves back on their feet and to become self-sustaining once more.

I think all of us realize, as suggested in the report of the committee, and as the Senator from Michigan brought out very clearly, the wonderful progress that has been made by the people themselves, since apparently it was evident that some sort of rehabilitation program would be approved by the United States. What they have received is what the doctors call "a shot in the arm." We are now charged with the whole problem of implementing that "shot in the arm" through practical action.

I need not review the bill, because that has been done in great detail, but the bill contains safeguards which were carefully thought out, carefully discussed with every witness who appeared. I do not think it is any disparagement of the present administration or of the Secretary of State to say that we completely rewrote the bill that came to us from the administration. We completely changed the general approach to the whole subject of rehabilitation from what was first presented to us as the State Department's proposal to what we finally felt was wise, in the light of our conference with various members of the Cabinet and with the various experts appearing before us who were concerned with the bill, to protect us against the dangers which might attend a matter of this kind. We set up a separate administration. We provided for periodic reviews of progress, so that we need not continue the plan one moment if the conditions are not lived up to and if the progress is not made that the whole program contemplates. We provided for what has been called a congressional watchdog committee, so that Congress will be continuously in touch with the operations of the administrator who is to be appointed under the bill, and can be kept constantly advised. We would be advised well in advance before we are called upon next year for a second appropriation under the bill. Moreover, every protection has been given to the American economy.

I have heard a number of questions raised in the debate on the floor. I shall not deal with them all, because they have all been very well answered. I may mention only a few of them. Some question has been raised about the relationship between the Administrator in the United States and the so-called roving ambassador abroad. I can say in that connection in passing that it was necessary to invent a new type of machinery to take care of this program, and it seemed wise to provide for an independent administrator who would of course cooperate with the State Department, but who, on an economic basis as distinguished from a political basis, would be independent of that Department, and of diplomatic procedures. The bill provides for a roving ambassador abroad, representing both the economic side and the State Department dealing diplomatically with this group of nations.

The question was raised why we provided a 4-year authorization. Speaking for myself, I have never had any difficulty with that problem, because it seemed to me if we were thinking in terms of 4 years in which to accomplish the job, we should give indications at the very beginning that without committing ourselves as to how much we will expend, we are prepared to go through with it, and continue it until the time comes when it should be terminated.

The 4-year authorization seems to be the natural and proper action for the Congress to take. I cannot conceive of our making the proper approach in the matter by saying that we will adopt the program for 1 year and see what will happen. I think we must consider that this is a program looking to putting people back on their feet on a self-sustaining basis. It is going to require more than 1 year—we all know that to be so—and we are simply proposing by this bill to authorize the continuance of the program for the period of time we think will be necessary in order to accomplish what we want to accomplish. It does not, of course, fix an over-all appropriation for the entire period. All agree that we cannot see further ahead than 12 months, and, therefore, so far as appropriations are concerned, it is a 1-year proposition. I intend to discuss that in just a moment.

Other questions have been raised, such as limitations on the exportation of specific commodities. That question is naturally raised. Are we going to allow commodities to be exported which are in short supply here and which are needed for our own economy? Every safeguard has been provided in the bill to cover conditions of that kind. The export controls will still be maintained by the Department of Commerce, working closely with the Administrator, and the entire relation of the foreign program to our own economy will be constantly kept in sight. Frankly, I do not feel any concern on that phase of the problem.

There has been discussion of the question of dismantling plants in Germany. I think that question was raised by the Senator from Nebraska [Mr. WHERRY]. He raised the question very naturally. I had the same difficulty. In the hearings there was extended discussion of whether, in the light of the adoption of this program, so far as plants which had not been dismantled were concerned, it would not be possible to consider whether it would not be better to leave them in Germany rather than remove them to one of the other countries. That is left to be worked out with the different countries because, under the reparations agreement, they are entitled to have certain of the plants transferred. I think that matter is in splendid hands. I think it is being dealt with in the statesmanlike manner that it deserves. I do not share the view that the Government is open to attack on that score, as some have charged. I think I was one of the most critical persons with regard to that particular matter.

Mr. President, I desire now to advert briefly to one of the problems that troubles everybody, and which troubled me. I refer to the amount authorized in the bill for the beginning of the operation of the plan. I think we have all conceded pretty generally that the measure, possibly with some amendments, will be passed and that the debate will be regarding the amount involved.

The original bill provided for a period of 15 months and for $6,800,000,000 as the ceiling to be expended during that period. For reasons which I believe were eminently sound, the committee, under the leadership of the senior Senator from Michigan, decided that instead of trying a 15-month period we should try a 12-month period, because that would bring us to a check-up period early next year before the question of the next appropriation will come up. So we limited our operations in the first period to 12 months with a ceiling figure of $5,300,000,000 for that period. That figure corresponds practically with the $6,800,000,000 suggested for 15 months. We thought it was wiser to terminate the first experiment at the end of 12 months with the smaller figure. The Harriman report contained a corresponding figure of $5,750,000,000, which I am advised included some of the expense of the German occupation.

The suggestion has been made that the figures are too high and should be reduced. My good friend ex-President Hoover felt we could get larger credits from countries in this hemisphere than were allowed in our estimates, and he

thought there might be a saving in that respect. I checked it up as carefully as I could and discussed it with members of the State Department and members of other departments in Washington. I was especially impressed with the testimony of President McCloy of the International Bank in which he stated that, rather than our figure being too large, it is probably too small. That was an interesting bit of testimony, because the International Bank made an entirely separate study of the resources of all the countries of the world in connection with putting itself in position to extend sound credits to them. We were impressed with the fact that the International Bank had made a study from a different angle because of the situation, and therefore the committee asked Mr. McCloy if he would give a statement as to whether he thought the preliminary figures were too high. In a letter which he addressed to the chairman of the committee, under date of January 27, 1948, he made these two significant statements, after pointing out that, if anything, the Harriman figures were too low:

I believe it is fair to say that, considering the factors discussed in this letter—

And he has gone over the different factors having to do with making up the figures—

considering the factors discussed in this letter and the objectives sought to be achieved—i. e., helping Europe to become self-supporting at a standard of life somewhat higher than that prevailing today though below that of prewar—the amount recommended for appropriation by the administration is conservative.

In another part of the same letter he uses this language, after referring to what he calls annex III, containing detailed figures in arriving at his final estimates:

Analysis of annex III indicates the salient points of differences between the administration's figures and those of the bank, and the reasons why, in the opinion of the bank's staff, the proposed $6,800,000,000 appropriation recommended by the administration for the first 15 months of the program, far from being extravagant, provides a rather tight fit. A brief discussion of the more important figures in annex III may, therefore, be of value.

I have referred to that because I think no one has anything but the highest respect for the ability of Mr. McCloy and the efficiency with which he is operating the International Bank, and no one can possibly imagine any person being in a better position than he to get the best possible evidence with regard to the economic resources of the countries with which the bank has to deal. So I feel that his statement suggesting that these figures, rather than being too high, are, if anything, too conservative, is of great importance. It would suggest that if we are to revise the figures they should be revised upward rather than downward. The committee has felt that while the figure we have arrived at comes very close to the figures suggested by the studies of the Government, by the studies of the independent Harriman committee, and of Mr. McCloy of the International Bank, they all come so close together that we are on sound ground in suggesting a ceiling of $5,300,000,000 for the first period, and that we should not go below that figure. I am not saying that all the money has to be spent, but that is the ceiling which we estimate is the need. If Mr. Hoover is correct, any administrator appointed would have the responsibility of trying to get from the Western Hemisphere countries further credits. I am advised that Canada, because of her dollar position, has gone as far as she can in extending credits. I am advised that while Argentina has had large dollar credits in this country for a number of years, at this time she is down to a point where she is in great difficulty because of her dollar position. But it would not be possible for us arbitrarily to say to those countries, "You must extend further credits if you are to be a part of the plan." Any administrator dealing properly with the problem should be given sufficient leeway so that he will not be handicapped in his work. If we do anything less than that we had better do nothing. If this plan shall fail because we have not provided adequate leeway, it seems to me we are very culpable in connection with the responsibility which we have. We do not have to spend all of this amount. We shall see after the first year what the credit situation is. We shall see what loans may be repayable as distinguished from mere grants.

I urge on my colleagues not to think of cutting down the figure $5,300,000,000, which we have arrived at so carefully and as to which we have received the best expert advice we could obtain to put the plan on a sound economic basis as a start. Let us gain experience from that.

So, Mr. President, I shall now make a few over-all conclusions from my own observation of the situation. I am speaking now of the kind of considerations which have induced me to become a wholehearted supporter of the plan.

The threatening events in the world have left in my mind some indelible impressions and a challenge, as I see it, to the United States of America, to accept a responsibility that it has never had before in its entire history. That responsibility comes to us because we have emerged from the war as the strongest nation in the world and as the only nation left that can possibly give aid in substantial amounts to help restore what might otherwise be a dying civilization. So I plead for a sound, positive, aggressive foreign-aid policy that must be clearly and constantly explained to the world. It may be definitely related to the very survival of the United Nations organization.

In approaching this matter I see grave danger of mistakes on our part that might well spell disaster. Certainly if we contributed of our wealth to continue in existence an obsolete European structure, which has been the cause of two world wars within 25 years, our contributions would be wasted. Consequently, we are confronted with the fact that the mere giving of dollars or even of commodities is not sufficient to do the creative job that must be done. We must make it clear to the world that what we are trying to do is to help people help themselves, people who have voluntarily proposed to merge their political and economic differences in order that they may mutually recover from the terrible inertia and chaos that have overcome them. We all know that the small compartments of Europe for hundreds of years have made difficulties that prevented human understanding between people by which they could move forward. We have solved this particular problem in America by our economic unity and our political safeguards. Our experience may suggest an ultimate United States of Europe or at least a Federation of European States which would have the responsibility for the common welfare.

The distinguished Senator from Arkansas discussed that point yesterday, and he felt that we should make some suggestions along that line, but our committee felt we could not precipitate that, that we could not make it a condition to our participating in the program.

The problems, of course, are the trade barriers, the currency differences, the racial jealousies and prejudices, and all those things that tend to drive people apart rather than bring them together.

Now we have a gleam of hope in the amazing accomplishment of the Paris Conference, where these divided peoples have adopted goals for their respective accomplishments as conditions of their further aid from us. And let me add here, and emphasize especially, the vital importance of including western Germany, and by this I mean the bizonal areas, and also I hope soon the French zone, as a part of this entire program.

Mr. FERGUSON. Mr. President——

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from New Jersey yield to the Senator from Michigan?

Mr. SMITH. I yield.

Mr. FERGUSON. When the Senator states that western Germany would be united in the program of the 16 countries, does he have in mind the possibility, or even the probability, that the eastern part of Germany may always remain in the hands of the Soviet Government?

Mr. SMITH. I certainly hope not. I hope the time will come when we may organize all of Europe.

Mr. FERGUSON. What is the Senator's opinion?

Mr. SMITH. My opinion at present is that if Russia and eastern Germany and the satellite countries do not come into the plan, we are going ahead anyway. This is our answer, and is what we are trying to do. We are going to try to organize western Europe in this cooperative movement in order to keep free people on their own feet, taking care of themselves, and building their own civilization.

Mr. FERGUSON. Is there any thought in the able Senator's mind that the eastern part of Germany, and the land east of the iron curtain, will in any way come into the plan?

Mr. SMITH. I think inevitably the channels of trade will move back and forth, and I do not believe there will be a curtain between the new group I am speaking of, the participating countries,

and the bread basket of Europe, as it has been called, which is behind the iron curtain. It is natural for trade to move back and forth. I believe it will happen, even if there is some friction. Once this plan gets under way and once Russia realizes that we mean business, and that we mean to organize peoples so that civilization can move forward, I think their attitude will change.

Mr. FERGUSON. Will there be trade of such nature as to result in unity?

Mr. SMITH. The countries will not become a unit immediately, probably.

Mr. FERGUSON. Then the able Senator does have some hope that Russia's attitude will be changed?

Mr. SMITH. I do, indeed.

Mr. FERGUSON. Does the Senator feel that will be in the near future?

Mr. SMITH. I think that if this plan is inaugurated and operates successfully during the first 12 months, the attitude of Russia may well be changed.

Mr. FERGUSON. Will the Senator suggest the evidence upon which he bases his opinion?

Mr. SMITH. That is very difficult to state, because at the present moment it looks just the other way, but I suppose hope springs eternal, and I have a feeling of optimism within me, and believe that what we need to do is to arouse the spirit of enthusiasm and energy in the area in Europe to which I am pointing on the map, which is the area of the intelligentsia of Europe, the ability of Europe, and get them moving. Hundreds of people in that area would want to see the plan successful, because it would mean their ultimate liberation.

Mr. FERGUSON. The Senator's feeling, then, is based more on hope than on evidence?

Mr. SMITH. Of course, it could not be based on evidence, because the evidence at the moment tends to show that that part of the world is being lined up against the plan, but it is our calculated opinion that the plan will succeed.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. Along the same line, and for my own information, I should like to know what the situation with respect to Austria is. I notice that on the map Austria is shown as one of the recipient nations. Is not part of Austria occupied by the Russian Army?

Mr. SMITH. Yes. There is a Russian zone, an American zone, a British zone, and a French zone.

Mr. JOHNSON of Colorado. Will our relief go to that part of Austria occupied by the Russian Army?

Mr. SMITH. No; I do not so understand. I understand it will go to the part occupied by the participating nations—England, France, and the United States.

Mr. JOHNSON of Colorado. Does the Senator know where the line between the Russian occupation and the Allied occupation is drawn?

Mr. SMITH. I cannot point it out on the map. I was there last summer, but I cannot tell where the line is. Our part is toward the west, and the Russian part toward the east.

Mr. JOHNSON of Colorado. The Russians probably occupy the greater part of Austria, do they not?

Mr. SMITH. In territory?

Mr. JOHNSON of Colorado. In area; yes.

Mr. SMITH. I could not answer that question accurately. I do not know whether they do or not.

Mr. JOHNSON of Colorado. I thank the Senator.

Mr. SMITH. I think we can find that out for the Senator, and I shall be glad to try to do so.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. SMITH. I yield.

Mr. FERGUSON. Speaking of Austria, does the Senator believe that if today we did not have an army of occupation in Austria it would become a satellite of Russia?

Mr. SMITH. No doubt. When I was in Austria, I talked to native Austrians, and they said, "We are praying that the Army of the United States will not leave here before the last Russian departs." These countries are militarily occupied because there is no Austrian treaty. If there were a treaty, all troops would withdraw. Because of the absence of a treaty, the Russians keep their hand in the pie.

Mr. FERGUSON. For the record, would the Senator state the countries where the Red Army is located at the present time, where Russia has troops?

Mr. SMITH. Russia has troops in Bulgaria, in Rumania, in Hungary, and, of course, Tito has his troops in Yugoslavia. They are not Russian, they are Serbian, but they are under Russian control. I do not think they have any in Czechoslovakia.

Mr. FERGUSON. How many do they have in Austria?

Mr. SMITH. I cannot recall offhand. We can get that information. It is in the record.

Mr. VANDENBERG. Mr. President, I think the Red Army is out of Bulgaria, under the terms of the treaty.

Mr. SMITH. That may be correct.

Mr. VANDENBERG. The language of the treaty is "to protect their lines of communication," and the fashion in which they protect them is somewhat fantastic in its magnitude.

Mr. FERGUSON. Do the terms of the agreement specify that we are entitled to know the number of troops the Russians have there protecting their so-called lines of communication?

Mr. SMITH. I shall have to ask the Senator from Michigan.

Mr. VANDENBERG. I do not recall whether there was anything in the treaty on the subject of information or not. I think the information should be available, however.

Mr. SMITH. I think I have seen the information, but I do not now recall just what it is.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. HICKENLOOPER. I was going to suggest to the Senator from New Jersey that on the same trip he made last fall—and this is in answer to some question about the troops in Austria—I was in southern Austria, outside of Vienna, very close to the Yugoslav border, in the vicinity of the town of Klagenfurt, or just above it. That area is one of the main centers of the Red Army in Austria. So far as I can find, in most of these countries they have concentrated their headquarters and their troops in areas outside of the beaten path. We heard in Budapest and in Bucharest and in Warsaw this statement on a number of occasions made by taxi drivers or other persons, "In the last 2 or 3 days, since the American delegation is in town, we do not see Russian troops on the streets." In other words, they had pulled their troops out of the main centers and had put them in the country. But they had centers of troop concentrations outside the main towns. I especially know that because I was stranded on a trip by automobile for 6 hours in Klagenfurt, which was the headquarters of the Russian Army in that region, but the troops did not appear in that town. They did not make an appearance in Vienna. But they were occupying the entire country of Austria.

I might call the Senator's attention to the fact that under the guise of maintaining the lines of communication between Russia and Austria, the occupied zone, the information I received was that Russia had taken that excuse completely to invest the various countries and had scattered her troops all over them. They did not merely maintain a channel of communication through a country, but they invested the whole country. The troops were scattered around in the small towns. There were thousands of Russian troops scattered throughout the countryside. What they did in maintaining, as they said, their lines of communications, reminds me of the story of the man in the north woods who bought a tract of timberland far back from the main road, but with no road leading to his tract. However, he had inserted in the contract a clause which gave him the right to cut enough timber between the main road and his tract, so as to make an access road to his timber, so he cut off a strip of timber a mile wide in order to get access to his own tract. The Russians have done something similar to that in the maintenance of their lines of communication in all the countries in which they have their troops.

The Senator from Michigan said a moment ago that he understood that under the terms of the treaty the Russian troops were out of Bulgaria. I think the treaty provided that they were to be out of Bulgaria by this time, but I believe the Russians are merely giving lip-service to that provision of the treaty. We were told in Bulgaria that the Russians had not removed their troops in any great numbers. In fact, we were told—how accurate the statement was I do not know—that they were conducting maneuvers in the general direction of the Greek border, and in the general direction of the Turkish border.

When we flew from Sofia to Istanbul the flight pattern we had to follow was down the valley between the two ranges of mountains, one being the Stara Pla-

nina and the other the Rhodope Mountains on the south. We had to fly down that valley corridor and well out to sea above Istanbul, and then turn south. We were not permitted to fly over the land in that area. The excuse which was made, whether accurate or not, was that the Russian Army troops in conjunction with the Bulgarian troops were holding maneuvers and activities of that sort in the general direction of Istanbul, and also near the Greek border.

Mr. VANDENBERG. Mr. President, may I ask the Senator what that date was, generally speaking?

Mr. HICKENLOOPER. About the first day of October of last year.

Mr. VANDENBERG. To be exactly accurate, the Bulgarian treaty became effective on September 15, and the Soviets had 90 days from that date totally to withdraw their troops. The 90 days having now expired, I anticipate that the Red Army is out of Bulgaria.

Mr. HICKENLOOPER. I would not dispute that. I do not know. But at that time the Red troops were still reported to be there.

Mr. WATKINS. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH. I yield.

Mr. WATKINS. I should like to inquire of either Senator with respect to the withdrawal of Russian troops, if we can pay any credence to the reports we read occasionally that the Russian troops are still in the various countries in question, but they are not in uniform.

Mr. SMITH. Mr. President, I received information when I was in Rumania, Hungary, and Bulgaria from some of our embassy officials, and also from some local people, that the difference in the situation before a treaty was entered into and the situation after the treaty was entered into was that before the treaty was entered into the Russian troops would be in uniform, and after it was entered into they would be there, but out of uniform.

Mr. WATKINS. That is the information I have received.

Mr. SMITH. That was the information I received. It was hearsay, just as the Senator from Iowa said the information he received was. It was the statement made to us, however, and that that was what they expected. I was told that such a think would happen in Austria. After the Austrian treaty the Russian soldiers would still remain and carry on in civilian clothes.

Let me point out that the presence of troops in these countries has made it possible for the Communists to insist on their representation in what they call the coalition governments. That is the first step in their movement to infiltrate. They get control of the department of the interior first. By having control of the department of the interior they have control of the police, and when they obtain control of the police they control the next election. Then there will be another government. That is the pattern all the way down through every one of these countries. That is the very kind of thing we are talking about now.

Mr. WATKINS. It does not seem to make much difference whether a treaty exists or not.

Mr. SMITH. Apparently it does not make much difference if there is a treaty or not. It seemed to us that that was the pattern straight down the line, in Poland, Hungary, Czechoslovakia, Rumania, and, so far as we could observe, in Austria. We did not go to Yugoslavia or Albania. But the same sort of thing was moving down through the various eastern European countries, and, as we read in the newspapers, the Communists are now trying to engulf Greece. We are trying to save Greece at the present moment. Senators can see by looking at the map what dangerous positions Greece and Turkey are in, being right next to this movement. We flew from Bulgaria over to Istanbul and up to Ankara, and back by way of Greece and Italy, so we got the feeling of this whole area behind the curtain, and what was going on there.

Mr. WATKINS. Am I to understand the Senator to say that in Austria the people have the feeling that if the American troops were withdrawn the Russians would take over?

Mr. SMITH. Definitely. That is a very strategic area. Senators can see its relation to Italy and western Germany. If the Communists can move in and take over Austria, the situation will be critical. Austria is a sort of small hub in the whole territory. On the east and to the north are Czechoslovakia, Poland, Hungary, Rumania, Yugoslavia, Bulgaria, Albania, Greece, and Turkey, and on the other side are western Germany, Switzerland, and Italy. Senators can readily see how strategic Austria is to the whole program.

Mr. WATKINS. In view of the fact that the Russians have kept their troops there, even though a treaty exists, it would be to the interest of our country and of Austria not to have a treaty for the time being.

Mr. SMITH. Mr. President, I did not feel so badly when that treaty was not signed, because if we moved our troops out of Austria I knew what would happen in that area. That is the personal feeling I had.

Mr. WATKINS. I had the same feeling with respect to Italy when the treaty with Italy was before this body for approval. I felt that we would be put at a disadvantage if we signed the treaty and withdrew our troops, because with Tito across the border in Yugoslavia, and the Russians close by, they would practically have control of Italy, and we would not be there even to protect it in any way.

Mr. SMITH. That danger exists. I saw our troops leave Italy. I voted for the ratification of that treaty. But the Senator has made a good point.

Mr. WATKINS. I voted against the treaty for the reason that by entering into the treaty it would mean we would leave Italy undefended, while trying to stop the advance of communism. We have spent $400,000,000 in an effort to save Turkey and Greece, and to set up our line of communications, and then we moved our troops out of Italy, thus to that extent disarming Italy, so the Italians could not help themselves.

Mr. SMITH. For the moment I think the Italians are holding the fort. I think Italy will stay with us until the Marshall plan becomes effective.

Mr. WATKINS. The fact of the matter is that the President of the United States has served notice on the world to keep hands off of Italy.

Mr. SMITH. Yes.

Mr. WATKINS. That in itself is probably more effective than the use of money.

Mr. SMITH. Yes; and the statement applies also to Greece and Turkey.

Mr. President, I shall now continue my statement.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. SMITH. I yield.

Mr. WHERRY. I am interested in the answer the Senator from New Jersey gave to the junior Senator from Michigan relative to what knowledge the Senator from New Jersey had that the economic program would accomplish the purposes for which it is intended. As I understood the answer of the Senator from New Jersey it was that it was only a hope.

Mr. SMITH. No; the Senator misunderstood the question. The question was, What evidence did I have that if this program was put into effect we would establish trade between eastern Europe and western Europe? That is what I said was the hope. I did not know. With respect to the other, I have much more than hope. I admit that it is a calculated risk; but I think we have substantial evidence, from the people with whom we have talked, from the economy of the situation, and from the spirit of the people——

Mr. WHERRY. Does the Senator mean that the 16 countries are to trade with other countries beyond the territorial limits of the 16 countries?

Mr. SMITH. That is what I mean. My hope is that they will reach the point where they will be trading with all the world, as they did before.

Mr. WHERRY. During the life of this agreement, which is proposed to be continuous for 4 years and 3 months, let us assume that one of the 16 countries which we rehabilitate—for example, France—is permitted to reconstruct its factories, and that the output of steel in the third or fourth year is such that it has steel for export. Let us assume that production reaches the point it is intended to reach. Would France be permitted to do business with a satellite country, or with Russia, in exporting its steel?

Mr. SMITH. I think that would be a determination to be made by the joint action of our organization here and the group established in Europe to deal with us.

Mr. WHERRY. The only alternative we have is to terminate our aid to France when that time arrives.

Mr. SMITH. Does the Senator assume that France suddenly begins to do something that we think is out of line?

Mr. WHERRY. Not suddenly. Suppose the United States should enter into an agreement for a period of 4 years. Suppose that after the end of the third year, when the industry had been built up, France was able to export steel. If France should have export possibilities,

could she sell steel to any country in eastern Europe? Would we build up her plants to that position, and then say to France, "Now that you are doing business with Russia, we will cut you off?" Could that be the situation after we had built up the industries in France?

Mr. SMITH. That is a fair question. I would not expect that to happen.

Mr. WHERRY. Is it contemplated that France can deal with whomever she chooses at any time during the life of this contract?

Mr. SMITH. There are certain controls over exports.

Mr. WHERRY. What controls are there? Do we have anything to say about it?

Mr. SMITH. I shall have to refer the Senator to the provisions of the bill for the details.

Mr. WHERRY. I have looked through the bill, and I can find no restriction on any of the 16 countries which would prevent them from doing business with any other country in the world. If there is a restriction in the bill, I wish the Senator would point it out to me.

Mr. SMITH. We hope that they will be able to do that as soon as they get on their feet.

Mr. WHERRY. If that is the hope, does the Senator feel that we should build up the industries of France for 3 years, permitting the output of steel to reach the point where France can export steel, and then permit her to send steel to Russia?

Mr. SMITH. That is a difficult question to answer.

Mr. WHERRY. It is certainly a vital question. It is one of the most vital that I know of. There is no restriction in the bill. That is the point which I tried to make the other day.

Mr. SMITH. I shall try to point out——

Mr. WHERRY. The Senator is a member of the Committee on Foreign Relations, which has reported this bill unanimously. I am seeking information. We are called upon to vote for this economic rehabilitation. What worries me is this: Is this to be a mutual relationship among the 16 countries only? Are the 16 countries to interchange goods only with friendly countries, to the end that there may be political unification? I dislike to use those words, because they did not meet with too much approval yesterday. If this is simply an economic development which will enable those countries, within the next 3 or 4 years, to export their products and sell them to whomever they please, and we have no way to stop it, we are actually providing the wherewithal to build those industries so that the products can be sold wherever those countries choose to sell them. If that includes Russia, then the very purpose of the bill will be defeated.

Mr. SMITH. I do not agree with the Senator's conclusion.

Mr. WHERRY. What is the Senator's conclusion, if the steel is sold to Russia?

Mr. SMITH. I cannot conceive of selling the steel to Russia when the very program we are promoting is to organize those countries to protect them against the Russian menace.

Mr. WHERRY. We are supposed to be protecting them against Communist aggression. If we should raise the industrial production of France, and her output of steel, to the point where France can interchange goods with other countries, as the Senator hopes she will be able to do, would such interchange of goods extend beyond the limits of the 16 countries? The Senator said it would. He said that goods could be sold wherever those countries chose to sell them, to establish relationships with any other country in the world. Is there any restriction or limitation in the bill which would prevent France from selling her surplus steel to Russia? That is my question; and I understand the Senator to say that there is no such restriction.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator from Massachusetts.

Mr. LODGE. I think there is very clear language in the bill which would make it impossible for France or any other country to use the assistance provided for in this bill to aid any country which might be competitive or not in harmony with the United States. I shall try to point out the language in the bill which I think takes care of that situation.

On page 33, line 6, in section 17, the following language occurs:

SEC. 17. The Administrator, in determining the form and measure of assistance provided under this act to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 15. The Administrator shall terminate the provision of assistance under this act to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 15, or is diverting from the purposes of this act assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this act or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States.

What is section 15? I quote from section 15, on page 27:

SEC. 15. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this act.

What are the purposes of the act? The purposes of the act are stated on pages 2 and 3, and they very clearly indicate that "the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations."

If it is found by the Administrator—as I think he would find, because the Senator has found it already—that the action of Russia endangers the establishment of a lasting peace, that would be contrary to section 15; and under the termination section on page 33 the Administrator would be clearly within his rights in stopping aid to any country which sought to help Russia. In fact, it would be written into the agreement to begin with, that if any country used the aid in order to help a country which was dedicated to combating the purposes of the bill, such country would not receive aid in the first place. That is an entirely distinct proposition from trying to stimulate wholesome trade with eastern Europe. There is plenty of power in the bill to stop the thing to which the Senator from Nebraska refers.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WHERRY. That does not answer my question at all. To begin with, the termination section, section 17 on page 33, refers to section 15, which is found on another page, and which in turn refers to the purposes of the act. There is nothing in the purposes of the act which restricts trading of the sort described in the question which I propounded to the Senator from New Jersey. According to this provision, we could terminate aid the next day after negotiating an agreement. The Administrator could say that the other country was not complying with the purposes of the act, and terminate the aid.

Mr. LODGE. Does the Senator believe that Russia is devoted to "the restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence," or that Russia is devoted to "the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance"? No; the Senator does not believe that.

Mr. FERGUSON, Mr. KEM, and Mr. WHERRY addressed the Chair.

The PRESIDING OFFICER (Mr. ECTON in the chair). Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH. Mr. President, I prefer to complete my remarks, and then answer questions.

Mr. WHERRY. Mr. President, will the Senator yield for an observation on that point?

Mr. SMITH. I am glad to yield.

Mr. WHERRY. Certainly we have a right to propound questions to the Senator.

Mr. SMITH. Certainly.

Mr. WHERRY. When the Senator brings up these points which I think go to the very heart of the bill, if he does not mind having us propound questions in connection with them, I think that is the time for us to discuss these things and to ask the question.

Mr. LODGE. And it is a good question.

Mr. WHERRY. Certainly it is a good question. I appreciate the comment of the Senator from Massachusetts.

Mr. President, I shall not interrupt the Senator if he does not wish to be interrupted. He has a perfect right to decline to yield.

Mr. SMITH. Mr. President, I am willing to yield, but I was trying to say to the Senator that the point he brought up is not one which I was covering at exactly this place in my remarks.

Mr. WHERRY. But can the Senator mention a point more salient in the bill than the one I have raised?

Mr. SMITH. No; I do not think there is one.

Mr. WHERRY. I think the point is most pertinent. The Senator from New Jersey is a member of the Foreign Relations Committee, and he voted to report the bill from the committee.

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. KEM. I should like to interrogate the Senator from Massachusetts.

Did I correctly understand the Senator from Massachusetts to say that in his opinion, each of the 16 nations participating in the plan would be under contract not to deal with Russia during the period of the plan?

Mr. LODGE. I said that under the terms of the plan, each of the nations would be under obligation not to do anything contrary to the purposes of the plan, and that obviously at the present time Russia is diametrically opposed to the plan, and therefore, ergo, Q. E. D., they could not deal with Russia.

Mr. KEM. Stripping off all the verbiage, and getting down to brass tacks, I ask this question: Will the Administrator require that each of the 16 countries participating in the plan be placed under contract not to deal with Russia?

Mr. LODGE. I cannot speak for the Administrator, who has not yet been born, legislatively speaking.

Mr. KEM. But I wish to know the Senator's position.

Mr. LODGE. In my view, if Russia then has the administrative personnel she now has if she then continues to take the position she now takes, I would take the position that of course this aid should not be funneled through those nations to help Russia.

Mr. KEM. Do I correctly understand the Senator from Massachusetts to say that the Administrator should be able to coerce those nations into taking that position?

Mr. LODGE. I would not say that; but I think the Administrator is clearly bound, by the language I just read, to see to it that this aid shall not be used to help any country whose purposes are contrary to the purposes of this act. I think that is as plain as plain can be.

Mr. KEM. Let me be specific, so as to avoid any misunderstanding: Does the Senator from Massachusetts understand that under the terms of the bill, in carrying out its provisions the Administrator will be compelled to require that each of the 16 nations shall undertake not to trade with Russia during the period of the plan?

Mr. LODGE. I think the Administrator has in his hands the awful power of picking and choosing between nations, and I believe that under the terms of this bill if the Administrator thinks Russia is acting contrary to the purposes set forth in this bill and contrary to the principles of individual liberty, free institutions, genuine independence, sound economic conditions, stable international relationships, healthy economy, independence of extraordinary outside assistance, and all the other broad principles of the bill, then of course he will be obliged to include in these agreements a provision that they shall not trade with Russia.

Mr. KEM. Will that be a matter of discretion on the part of the Administrator? In other words, will he have the discretion to determine whether the beneficiary countries shall or shall not trade with Russia? Will that determination be at the mercy of his whim and caprice?

Mr. LODGE. I think it must be bound to depend on his discretion, because he will have to determine the conditions. Of course, we hope present conditions will change.

Mr. KEM. Does the Senator from Massachusetts think it is wise to vest such discretion in any man or woman in the world?

Mr. LODGE. I certainly do. I was in the Senate in 1937 when the Congress enacted the Neutrality Act. I was one of the six Members of the Senate to vote against it. That was an act by which we tied our hands in advance of an unpredictable event in foreign affairs; and there is no more imprudent thing that the Senate could do than to legislate in advance in regard to international affairs without knowing what will happen in that respect.

I think the Congress should lay down the precepts, the philosophy, and the principle, and then should have an efficient man to carry them out.

Mr. KEM. I understood the Senator from Massachusetts to say that they have not been specific as to that.

Mr. LODGE. They have not been specific insofar as individual countries are concerned, but they have been specific insofar as principles are concerned. The countries change. We have seen that happen in the last week. Does the Senator from Missouri want us to write into the bill a requirement to help Czechoslovakia and then find that Czechoslovakia is taken over by Russia? The Senator does not want us to help a country that has gone behind the iron curtain, does he?

Mr. KEM. But, Mr. President, the Senator pointed out only yesterday that there is nothing in the bill which would enable us to help Czechoslovakia or brave little Finland.

Mr. LODGE. But does the Senator from Missouri want this bill to require that we give help to a country that has gone behind the iron curtain?

Mr. KEM. I would oppose having in this bill anything that would vest in the Administrator or in any other citizen such unbridled power. Certainly we have seen mere whim or caprice work tremendous harm, even though sometimes they may work for good.

Mr. LODGE. Mr. President, the alternative to the present provisions of the bill, then, according to the position of the Senator from Missouri, would be to write into the bill, in so many words, the names of the countries we like and the names of the countries we do not like. Then, next year, when some of the countries we do like may have gone behind the iron curtain, according to the position of the Senator from Missouri, we would still have to send dollars to them, simply because here in Washington, in the month of March 1948, we thought it was a good idea to make such a provision in the bill. To my mind, that is an awful way to run a railroad.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. WHERRY. The answer the Senator from Massachusetts has given to the Senator from Missouri answers the question I propounded to the Senator from New Jersey, in that he has stated now that there are no conditions limiting the trade that France might have with any country outside the 16. That is the way I interpret his answer—in short, that no such limitation is written into the bill.

Mr. LODGE. I will say to the Senator that he misinterprets my answer.

Mr. WHERRY. Mr. President, has not the Senator from New Jersey yielded to me?

The PRESIDING OFFICER. The Senator from New Jersey, who has the floor, has yielded to the Senator from Nebraska.

Mr. WHERRY. The answer is that the Administrator has the power. I agree as to that. Of course, he has the power to do it, and he has to handle the administration. The State Department is the agency that negotiates the treaty. The agreement is to be made after the program is authorized, and section 15 gives to the State Department, in conjunction with the Administrator, the right to make agreements for the purpose of doing the very thing the Senator is talking about, namely, laying down the rules as to these countries.

My point is that, if conditions are to be written out, I think the Congress of the United States should have something to say about the ones that are written into this bill, instead of leaving that to the State Department and the Administrator, and especially so in view of the tremendous power given to the Administrator by the bill. No power that is given anywhere is greater than the power that this bill gives to the Administrator. Obviously, he will be able to dictate the economy of the United States and the economies of the other 16 nations. He would be able to tell a country to which we had committed ourselves for 4¼ years that we no longer wanted to assist it, and thus he would break our moral faith with that country. I think such action would do great harm to our relationship with these countries.

Again I ask the question, Is there in this bill any provision of the sort to which I have referred, namely, a provision to enable the Administrator, at the end of 3 years, let us say, to prevent France from selling steel to Russia or to any other country to which France might choose to sell steel, assuming that by that time France had gone ahead at full swing to build up her steel industry?

Mr. SMITH. Does the Senator mean cutting off our aid, or preventing them from selling?

Mr. WHERRY. I mean any provision that would preclude them. There is no political unification involved. All that is proposed is that we give the money with which to build up industry and to furnish aid. We have already done that for 2 years.

Mr. SMITH. Mr. President, if the Senator will allow me to answer, I should be glad of the opportunity, because I think I can answer.

Mr. WHERRY. Very well.

Mr. SMITH. I think it can be answered by section 15 (b) of the bill.

Mr. WHERRY. That has been read.

Mr. SMITH. All of it has not been read. It extends over two or three pages. I shall not read it all. The effort has been made to provide for multilateral pledges in the first place and also for bilateral agreements with a contracting country, under which, in the event certain things happen, aid is not to be continued. How is it possible to go further than that?

Mr. WHERRY. I agree with that. That is the proposal by the Secretary of State, with respect to maintaining relations among the different countries.

Mr. SMITH. That is correct.

Mr. WHERRY. I think it is a wise provision, but nothing contained in it directs the Secretary of State or the Administrator what to do in the situation I suggested to the distinguished Senator from New Jersey.

Mr. SMITH. I do not quite understand the Senator's position. Does he ask me the question, Shall we discontinue aid if certain things happen, or shall we say to France, after she has built up her industry, "You cannot sell things to Russia," and try to prevent it by force?

Mr. WHERRY. I asked the question, because the Senator said he hoped there would be inter-relations with respect to trade developed among the 16 countries. I think that is a good thing.

Mr. SMITH. I am speaking of trade, in the spirit of the provisions of the bill.

Mr. WHERRY. I think that is all right, but the point I make is respecting trade outside the 16 countries. There are no conditions whatever laid down relative to that.

Mr. SMITH. I do not agree.

Mr. WHERRY. I think that is very important. After we shall have contributed to the upbuilding of the industry of France, particularly her steel plants, she may then sell steel to whomever she pleases. She may sell it to Russia, she may sell it to any other country, even to a country having communistic tendencies or employing aggressive tactics or something of that kind against the United States. Am I not correct?

Mr. SMITH. I do not think the Senator is correct. If he will read the entire text of section 15, the provisions for agreements, he will see that France could do it, but it would be in violation of the agreement. It would not be within the spirit of the bill. I think the answer made by the Senator from Massachusetts was sound, if I construed his answer aright.

Mr. LODGE. Mr. President, we read, moreover, on page 3, in lines 4 and 5 of the bill:

> It is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation.

If resistance to dictatorships, resistance to police states, resistance to imperialism, resistance to communism, is not written through every line of the bill, then I do not think I can read the English language.

Mr. KEM. Mr. President, suppose the French people say that genuine independence in Europe requires their being able to maintain and continue associations with Russia that have existed for more than 150 years.

Mr. LODGE. The Administrator, I think, who would read this language just as the Senator and I read it, would say to the French people, "Very sorry, I do not agree with you." I do not think the French people would ever say that, but taking the Senator's assumption that they would, I think the Administrator would have the complete backing in refusing aid.

Mr. KEM. Within a year a great deal has been heard about the shipments of grain which have been sent from Russia to France, in accordance with the long-standing feeling of amity between those countries and the business associations which have existed for many years.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LODGE. I should like a second more. The Senator knows that world politics is in a state of flux. We ourselves have been sending machinery to Russia, so far as that is concerned, and nobody has known for the past year where they stand in regard to anything.

Mr. KEM. Exactly; and some of us want that stopped.

Mr. WHERRY. Does the Senator know how much is being sent?

Mr. LODGE. Less and less, I hope.

Mr. SMITH. Mr. President, I am now going to yield to the Senator from Illinois, who has been standing for some time.

Mr. LUCAS. Mr. President, I rise to ask the able Senator from New Jersey if I am correct in my understanding that the purport of the bill is that the 16 nations will have no authority under the bill to trade with Russia or with any of her satellite nations?

Mr. SMITH. No. My answer was just to the contrary. I think they will be able to trade definitely with any country in the world.

Mr. LUCAS. That was my understanding of the bill. But it seemed to me that certain questions that have been asked implied at least that we did not want France at any time to do any trading with any of the satellite nations of Russia, or with Russia itself. If I understand the bill correctly—I am not a member of the committee, and if I am in error I should like the able Senator from New Jersey and the able Senator from Michigan to correct me—under the Marshall plan we hope, as the Senator says, to rehabilitate the 16 western European countries and to bring about their economic recovery. Unless the 16 nations can do some trading and carry on commerce with certain of the satellite nations of Russia, it will be somewhat difficult, as I understand their economy, for them to get along. So we are attempting through this program ultimately to encourage trade at least with some of the satellite nations that are now under Russian domination.

If we take steel as an example, as my able friend from Nebraska did a moment ago, if it came about in 3 years from now that France sold steel, for instance, to Yugoslavia, I take it that France at that particular time would believe it to be in her interests and would help her restore herself economically to sell the steel. She would have the right to do it, in my humble opinion, under the pending bill. But the position must be taken now that if we do not want France to do that, either we have no faith in the ability of France to recover, or we have no faith in the future of France, and that France at the end of 3 years is going to sell out to Russia. I have faith in France. One of the nations over there in which I have faith, when it comes to carrying out the recovery program, is France. I merely rose for the purpose of trying to satisfy myself on this question, because certainly some of the questions asked by the able Senator from Missouri of the Senator from Massachusetts, as I understood them, indicated that he was attempting to have the Senator from Massachusetts admit that we were not going to permit trade at all with certain of the satellite nations. That is not the purpose of the bill, at all.

Mr. KEM. Mr. President, will the Senator yield?

Mr. LUCAS. I do not have the floor.

Mr. KEM. I should like to say that I was merely trying to clarify the statement made by the Senator from Massachusetts.

Mr. LUCAS. I am glad the Senator was attempting to clarify it, and it may be because of my own inability to understand him, but he muddied the waters for me, and that is the reason I rose to make this explanation.

Mr. KEM. I may say that the waters were already muddied.

Mr. SMITH. Mr. President, if I may, I want to make a statement myself. I have the floor. I wish to make a statement in answer to what the Senator from Illinois said, because it helped to clarify the situation, and I should like to take the time to make my own position clear. I think the whole purpose is to put the recipient nations back on their feet and in a position where they will be able to trade with the other nations of the world. We do not all agree that should be done, but that is my understanding. I should be glad to see France trade with Russia tomorrow, if she has to trade with Russia. But bear in mind that the 16 nations jointly will have to make an agreement in accordance with the spirit of the program to carry out the aims of the program. The

distinguished Senator from Massachusetts has read passages which indicate the spirit and purpose of the program.

Furthermore, an agreement is to be made with each of the participating countries by which terms are laid down providing what each country shall do for its own rehabilitation and to carry out the purpose of the program. If steel is made or if business is done with certain countries contrary to the spirit of the program, if, for example, something were done to strengthen Yugoslavia by supplying steel, or something which the Administrator felt was contrary to the spirit of the program, I insist that under the bilateral agreement to be made carrying out the spirit of the program, he would have a right to call a halt on France. But so far as freedom of trade is concerned, we are trying to encourage it all the way through, not only among participating countries, but with every other country in the world.

I think that is the only sound position we can take. I do not think it is possible to anticipate in advance what they may or may not do, but we have the two essentials: one is the encouragement of world trade, because that means the promotion of world peace and getting normal trade established again; the second is the making of arrangements whereby each country will do its part to carry out the program, according to the spirit of the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WHERRY. So that we may understand the remarks made by the distinguished Senator from Illinois, in which the Senator from New Jersey acquiesced, as I interpret the bill, it is the intention that the countries to whom aid is given shall enter into agreements according to section 16, to carry out the purposes laid down in the declaration of policy, and that the agreements shall include the right to do business with satellite countries or with any other nation in the world with whom they want to do business. Is that correct?

Mr. SMITH. With the limitation that they are bound by their agreement to carry out the spirit of the act in everything they do during the life of this arrangement.

Mr. WHERRY. The only restriction is that we can cut off the money in the event the Administrator feels that the terms of the act might be violated. Is that correct?

Mr. SMITH. That, and the additional point that they have an agreement with the countries as a whole.

Mr. WHERRY. But if the Senator from Illinois [Mr. LUCAS] is correct, we are providing money to build up industry so they can have that relationship, and we now know that is what they will do.

Mr. SMITH. I do not know what the Senator's implication is.

Mr. WHERRY. I understood the Senator from Illinois to say that it was the intention to help to restore the 16 countries with the hope, of course, that they will not only build their trade for themselves but will have the right to sell their exports to the satellite countries.

Mr. KEM. Mr. President, will the Senator yield?

Mr. SMITH. I yield now to the Senator from Missouri. He has been waiting for a long time.

Mr. WHERRY. Is that the Senator's understanding of the situation as it now exists?

Mr. SMITH. I do not understand the implication which I think I read into the Senator's question. We want to help those countries to get back on their feet, but we have imposed limitations and safeguards, so far as we could, by providing for an agreement with the countries as a whole, and that each separate country shall carry out the spirit of the plan and advance the objectives of the whole plan, which are certainly not communistic objectives.

I yield to the Senator from Missouri.

Mr. KEM. I understood the Senator from Massachusetts [Mr. LODGE] to say that under his interpretation of the spirit or genius of the plan, the Administrator would forbid any trade between France and Russia during the period covered by the plan. I should like to ask the Senator from New Jersey if he agrees with that interpretation of the bill.

Mr. SMITH. I may be mistaken in what the Senator from Massachusetts said, but I do not think that is what he said. I should like to ask the Senator to answer that question for himself.

Mr. LODGE. I think we are getting a very simple thing confused. It is obvious that we shall never get western Europe on its feet and off our necks unless it receives from eastern Europe some of the things it needs. If we can develop trade with eastern Europe, if we can wean a part of it away from communism and enlarge the borders of the non-Communist world, that is one proposition.

Mr. KEM. That is correct.

Mr. LODGE. The second proposition is that we must not sell a nickel's worth of anything behind the iron curtain if it would strengthen and help communism. As I understand the bill, the Administrator, in view of Russia's present frame of mind, would interpret the provisions to prevent France trading with Russia. But if conditions should change and it should appear that trade between France and Russia could be carried on in a way which would be advantageous to the purposes of the plan, it could be done. To me, the idea which is implied in the remarks of the Senator from Nebraska [Mr. WHERRY], that under no circumstances must there be any trade between eastern and western Europe, means that we shall have to support western Europe for the rest of our lives.

Mr. KEM. May I answer the Senator from Massachusetts by saying that the bill distinguishes between trade with Russia which will strengthen the forces behind the iron curtain, and trade which will not.

Mr. LODGE. I think in a broad sense it does. It refers to trade which will strengthen the principles of individual liberty, free institutions, genuine independence in Europe, and so forth.

Mr. KEM. Let us be specific. It is difficult for me to think in generalities. Would the Senator say that under present conditions the sale of steel by France to Russia would be inconsistent with the principles of the pending legislation?

Mr. LODGE. If I were the Administrator I certainly should not look with a very kindly eye on that, myself.

Mr. KEM. Would the Senator say that the Administrator would be in any way compelled to do that?

Mr. LODGE. I think it would be very clear that he would not.

Mr. KEM. What would the Senator say as to the sale of wheat or other foods?

Mr. LODGE. With the imperialistic and dominating attitude of Russia, I should think that any aid to Russia under this bill would not be possible.

Mr. KEM. Then I was incorrect when I interpreted what the Senator said to mean that under the spirit or genius of the legislation the Administrator would be compelled, under present conditions, to forbid any trade between France and Russia.

Mr. LODGE. "Under present conditions." The Senator did not have that phrase in his question the first time.

Mr. KEM. During the period of the plan?

Mr. LODGE. If there were a complete change of government in Russia or a complete change of outlook, the moral thing to do, perhaps, would be to send them wheat. I would not want to tie the hands of the Secretary of State or of the Administrator 10 months from now.

I apologize to the Senator from New Jersey.

Mr. SMITH. Let me say to the Senator from Missouri, in answer to his question, if I may have his attention for a moment, that a careful study of the plan and of the testimony before the committee indicates very clearly that the whole program is being operated primarily to put western European countries back on their feet. I cannot conceive of France being able tomorrow to sell a pound of steel to Russia. We are not compelled to let steel go to other countries of the world. All I am saying is that when we get the program operating it is our purpose to have those countries trade with other countries of the world. If there is any suspicion that Russia is moving in on them, the Administrator has ample power to control it. The Administrator may confer with the Secretary of State or the President. It is not as though one man were an autocrat. The Department of Commerce controls exports. Checks and safeguards are placed in the proposed legislation to build up a group of participating countries, hoping as soon as possible to have them, with other countries of the world, on a normal basis.

Mr. KEM. In order that we may not be unfair to our French friends, let me ask this question: What would the Senator say as to trade relations between the Socialist Government of England and the Socialist Government of Russia? Would that be permitted under the terms of the legislation?

Mr. SMITH. England would be one of the participating countries. As the Senator realizes, England is part of the whole program of trying to bring about restoration and self-recovery.

Mr. KEM. We read in the press that it is the purpose and intention of the present Government of England to stimulate and advance trade with Russia.

Mr. SMITH. We are trading with Russia today.

Mr. KEM. Yes, I know. I should like to remind the Senator that many Members of this body are very much outdone on that question.

Mr. SMITH. But it is a question of fact. At the moment we are not trying to head off any country in dealing with any other country in the world.

Mr. KEM. Does the Senator understand that it is the present policy of the Socialist regime in England to stimulate and advance business relations with Russia, a country which has somewhat the same ideology as that of the Socialist regime in England?

Mr. SMITH. I should be very much discouraged if I thought the Socialist regime in England had the ideology of the Communist regime in Russia.

Mr. KEM. They are somewhat the same, are they not?

Mr. SMITH. I think there is a great difference between socialism and communism.

Mr. KEM. The ideology is very much the same, is it not? It is all predicated on the doctrines of Karl Marx.

Mr. SMITH. I do not care to enter upon a long, extended discussion on that question at this time, and the Senator would not want me to. But when I was abroad the thing that "burned me up," to use a slang expression, was the destruction of human liberty. England has not reached such a point as that. Merely because she has moved to socialism and may be moving toward the nationalization of industry, I do not think it would be fair to England to put it into the same classification as Russia, which is a police state.

Mr. KEM. Certainly not. Is this a fair question to the Senator from New Jersey: Is it a sound policy of the United States to undertake to curb the spread of socialism throughout the world by financing the Socialist regime in England? Is that a sound approach to our objective?

Mr. SMITH. I do not think so. I do not think that in the consideration of our program we are dealing with the politics of the particular countries. I realize what the Senator has in mind, and what has been said by those who have stated we should not give a cent to England until she takes up free enterprise again and gets rid of socialism; but I do not think we are in a position to dictate her policy.

Mr. KEM. Does not this whole plan contemplate a transaction on an intergovernmental basis between the Government of the United States, on the one hand, and the Government of England on the other?

Mr. SMITH. Initially, but not ultimately, because we are working in the direction of operations by private enterprise just as rapidly as we can.

Mr. KEM. Is it not proper, under those conditions, for us to inquire as to what is the existing regime in each of the countries with which we are going to enter into executory contracts extending over a period of 4 years?

Mr. SMITH. I could not agree with the Senator if his implication is that we should deal simply with those countries with whose governments we are in accord and will not deal with those who have a little different ideology than ours.

Mr. WHERRY. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH. I yield to the Senator from Nebraska for a question he desires to ask.

Mr. WHERRY. Summing up the part of the colloquy I engaged in with the Senator, is there anywhere in the report any evidence on the subject, or does the Senator know whether or not there would be an opportunity for the State Department or the Administrator to negotiate trade agreements with the countries, without having difficulty with agreements which have already been made between the 16 countries and the countries of eastern Europe? Let me explain. Let us say that Great Britain has a trade agreement today with Russia, or that Great Britain has a trade agreement with a satellite country. Would not the Administrator be handicapped? Might it not be in direct contradiction to what the Administrator could put into an agreement afterward, so that it would be impossible to write agreements based upon the broad general provisions of the policy, and still meet the trade relations under agreements with these countries which have already been made by the satellite countries?

Mr. SMITH. That is a possibility, but that matter would come up before the bilateral agreements were made, and we could decide about it.

Mr. WHERRY. I did not mean to single out France as trading with Russia, and to say anything disrespectful of France. I have been in France, and I am just as anxious to see France recover as that any other country shall recover. I merely gave that as an illustration. England has a trade agreement with Russia now; has it not?

Mr. SMITH. I think it has.

Mr. WHERRY. If we vote these appropriations, is England to continue that trade agreement with Russia?

Mr. SMITH. I think she very possibly might. It could not interfere with the program we are setting up with England, and she could not use the material she gets from us for export.

Mr. WHERRY. Does the Senator mean we would be enough of a watchdog so that we could go down all the way through the industries that fabricate in England, to find out whether or not the goods we furnished them were going to Russia?

Mr. SMITH. I think we would be in pretty close touch with the program.

Mr. WATKINS and Mr. LODGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH. I yield to the Senator from Utah, and then I shall yield to the Senator from Massachusetts. But I should like to suggest that I still have unfinished part of what I prepared as an address. It has been interfered with, and I am afraid the continuity is lost. I should like very much to reach my peroration presently.

Mr. WATKINS. Mr. President, I wish to ask with respect to the trade agreement between Great Britain and Russia. Is it not a fact that a part of that agreement contemplates the shipping of steel products from Great Britain to Russia, in the way of tractors, and other vehicles and instruments into which steel enters?

Mr. SMITH. I cannot answer the Senator's question.

Mr. WATKINS. There is an account in the newspapers of a treaty which has already been entered into. Under the terms of the act, will the Administrator be required to ask Great Britain to abrogate that agreement, if they have already entered into one?

Mr. SMITH. We may have to do that. If we find in existence an agreement of that kind, which would upset an agreement worked out under the proposed program, we would have to say, "You will have to wipe that out." If I were the Administrator, I would not have any hestitation in doing that.

Mr. WATKINS. Under the bill, as I understand from the proponents, it has been considered all the time that a part of the policy is that the 16 nations shall obtain a portion of their necessary supplies, such as wheat and other commodities, from the satellite nations in eastern Europe, which will help the 16 nations to get along; but in order to obtain products from those nations, the 16 nations will, of necessity, be required to ship to them and exchange goods with them.

Mr. SMITH. I do not think there is very much prospect of getting supplies from the satellite countries in the immediate future.

Mr. WATKINS. Is not that a part of the program and a part of the plan itself?

Mr. SMITH. As I said before, we hope that ultimately there will be trade between all these countries.

Mr. WATKINS. It is understood the 16 nations are to get a part of their supplies from the satellite nations in eastern Europe, is it not?

Mr. SMITH. If the Senator is referring to the probability of the normal trade relations they had before, a survey is being made, and it is figured that a certain amount of goods will come from eastern Europe. I do not think that any considerable amount is relied on.

Mr. WATKINS. It may not be relied on, but it is a part of the program under the pending bill, is it not?

Mr. SMITH. I think it would be expected they would get foodstuffs from eastern Europe. I do not see why that should not be so. The Senator is suggesting that products may go from the 16 countries in exchange. Bear in mind, it has to fit into the handling of the overall program, and we are not going to sacrifice any of the participating countries to any of the other countries.

Mr. WATKINS. With relation to France, as I remember the report, it states that the steel industry of France is to be encouraged to increase production 20 percent more than it was in prewar times. Questions have been asked with respect to what France will do with

the steel. Is there anything in the bill which would prevent France from shipping that increased supply of steel to Russia, even though the United States might not be on good terms with Russia?

Mr. SMITH. I do not think there is anything specific, but if we knew that the plan was to ship to Russia, under conditions that would sabotage the whole recovery program, certainly we would object, and would not go into the program.

Mr. WATKINS. When they are increasing production 20 percent over that of prewar times?

Mr. SMITH. Let me remind the Senator that those targets of production were set by the countries themselves, representing what they are aiming at, but primarily the allocation of the commodities produced is going to be governed by the over-all plan for the participating countries in the first place. There is no provision requiring them to do that, except so far as the Administrator can control it from this end. They will not be shipping to other parts of the world large quantities, especially of materials which are in short supply, such as steel, if steel is still needed in the area we are trying to build up. I cannot anticipate every possible contingency that may arise, but it seems to me the pattern is clear with respect to what we are proposing to do.

Mr. WATKINS. It seems to me the pattern is clear that we expect these nations to do business with the satellite nations, and that we do not mean to tell them what they can sell or what they can buy. But if I understood clearly what the Senator from Massachusetts is contending for, that is what we are going to do.

Mr. SMITH. The Senator from Massachusetts will answer for himself, but what he has in mind is that we want to go along with the program of dealing with countries that are on friendly terms with this group. With respect to those who are not we will say, we are sorry, but that is not in line with the purposes of the bill. It is not in line with the purposes set forth on pages 1 to 3 of the bill.

Mr. WATKINS. I have read that language. I know the general objectives. It is easy to state the general objectives, but when one comes to apply them one sometimes finds he is fighting against the very thing he wants to accomplish by permitting certain things to be done. I call attention to the case of Great Britain.

Mr. SMITH. I concede that all kinds of possibilities can arise that could not be covered by any legislation. The point is whether we are going to have faith in what we are undertaking to do which will be done under an Administrator appointed to carry out the purposes of the act.

Mr. WATKINS. Should we not amend the bill so as to make certain that the Administrator cannot mistake the guideposts?

Mr. SMITH. We tried to do that so far as practicable within the limits of having the plan operate. The committee spent hours over that very thing, and if the Senator will read the bill carefully he will see the care we took in placing limits in the right place, and yet not go so far that the Administrator's hands would be bound so he could not operate under the plan.

Mr. WATKINS. I have read the bill, and I find that the bill and the report do not seem to be in harmony with each other. Apparently the interpretation now being given to the bill is that the 16 nations are not to trade with other nations if such trade will in any way help Russia. On the other hand, the report says that we contemplate urging these nations to enter into commerce with the satellites of Russia, nations which we might just as well contemplate as being a part of Russia. It makes no difference whether it is the satellites or Russia itself. Under those circumstances it seems to me we have a duty to clarify the proposed legislation if we are to pass a bill about whose terms there can be no mistake.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CONNALLY. I wish to say to the Senator from New Jersey and other Senators that there seems to be a misconception respecting the purpose of the bill. It is not the purpose of the bill to have an administrator over there to supervise every commercial transaction with other nations and say, "You cannot ship anything to this nation and you cannot ship so and so to the other nations." It is proposed to make a unilateral agreement with all of them as a group. We cannot go into details, but we do set out general principles which shall actuate them in undertaking to meet the program. Then we have individual agreements with each country setting out again the general principles. If at some time one of the contracting parties, one of the recipient countries, should do something which the Administrator regarded as being violative of its agreement, or as being violative of the spirit of the whole program, the Administrator could cancel and terminate the contract. He could quit giving money to them.

But, Mr. President, what is the purpose of the bill? The purpose of the bill is to restore these countries, to rehabilitate them, to help them resume their normal business transactions. We could not afford to write into the bill a prohibition that goods or foodstuffs cannot be sold to this country or to that country. The supposition is that even if something were sold to Russia, terrible as that might be—although we ourselves have been doing it for a long while—the country which makes the sale would get something back from Russia which it needed, which would tend to that country's economic rehabilitation and restoration. So I cannot see a great deal of point to many of the objections which have been leveled in the direction of the Senator from New Jersey.

Mr. WHERRY. Mr. President, will the Senator from New Jersey yield to me to ask a question of the Senator from Texas?

Mr. SMITH. I yield.

Mr. WHERRY. Let us assume that the unilateral agreements entered into by this country, through the Administrator, with the 16 countries, provide that certain allocations or shipments of steel to all the 16 countries shall be made, and then, for the sake of the argument let us assume further that there is an agreement between Great Britain and Russia, and in that trade relation there is the sale of goods manufactured from the steel which is furnished to Great Britain by the United States. Do I interpret the Senator correctly when I say that it would be his feeling that in carrying out the unilateral agreement Great Britain would be permitted to fabricate that steel and sell the goods made from it to Russia?

Mr. CONNALLY. I think that would be contrary to the spirit of the whole plan. The Senator's question was based on the assumption that Great Britain already has a contract with Russia?

Mr. WHERRY. Yes.

Mr. CONNALLY. We could not contemplate anything she is going to get from the United States in the way of steel; we could not cover that.

Mr. WHERRY. I am speaking about trade relations which would be entered into by a contract which would permit the sale and fabrication of steel goods for the future. I am trying to get the Senator's reaction to this one point: Should we provide the money to buy steel which is to be sent to Great Britain under the unilateral agreements which will be entered into between the Administrator and the 16 countries, with the full understanding that when we enter into the agreement under which we are to put up the money only Great Britain, through a trade arrangement, will sell fabricated goods to Russia during the lifetime of the unilateral agreement and the trade agreement between them? Is it the Senator's position that if we enter into such a unilateral agreement we are to furnish the steel which is to be fabricated, made into finished products, and sold by Great Britain to Russia?

Mr. CONNALLY. I think the Senator's question is a strained one. He talks about the United States entering into a contract with Great Britain. I do not know what provisions such a contract would contain. But let me suggest to the Senator that if Great Britain received steel from us on the theory that her own economy needed the steel, and then she turned around and sold it to some other country, that would be violative of the spirit of the plan and of the agreement.

Mr. VANDENBERG. And of the letter of the plan also.

Mr. CONNALLY. And probably the letter of the plan as well. If Great Britain should receive the steel on the pretense that she needed it in her own economy and then began to divert it and ship it to other countries for a profit, that would be a classic case in which the Administrator could say "You do not get any more of anything, Mr. England," if the Administrator should so decide.

Mr. WHERRY. I think the Senator did not understand the force of my question. I am talking about the raw steel which we export to Great Britain

under a unilateral agreement which certainly will be entered into, because the allocations of steel are based upon it.

Mr. CONNALLY. The same rule would apply whether it were raw steel or not.

Mr. WHERRY. I am talking about the raw steel we would send to Great Britain. Great Britain would fabricate that steel. The steel would lose its identity for when it is fabricated it cannot be identified. I am talking about goods which are fabricated, finished products from steel which Great Britain obtains from us, raw steel. What I ask, and I think it is a practical question, is on the assumption that allocations to Great Britain are made upon that basis, and the fabrication is made, and then, under the trade agreement between Great Britain and Russia, those goods are sold to Russia. Does the Senator think that we should furnish raw steel for that purpose?

Mr. CONNALLY. Mr. President, I shall try to answer the Senator. I think the Senator ought to be answered. I think the more he is answered the better off he will be, and the better off we shall be.

The Senator from Nebraska agrees with my original proposition, that the steel we send to England cannot be sent to Russia in that form.

Mr. WHERRY. I should not think so.

Mr. CONNALLY. It would be difficult to follow the processing of steel and pick out this nail, which was made in America, and that nail, which was made in Russia. But if England's purpose—either immediately or ultimately—were to divert steel in any considerable volume to Russia, the Administrator would have a right to stop it, and he ought to stop it.

Mr. WHERRY. We know from past experience that such an agreement might exist——

Mr. CONNALLY. We cannot supervise the agreement.

Mr. WHERRY. We cannot police the steel.

Mr. CONNALLY. No; we cannot police the agreement. If one agreement is in existence, and Great Britain makes another agreement, if there is any conflict between the agreements, they must be tested by their terms. We are a party to one of them, and if the terms of the agreement are violated, we can break it.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LODGE. I wish to make one remark, which is suggested to me by what the Senator from Utah, and the Senator from Nebraska have said.

First of all, a very elaborate system is established so far as shipments of goods from this country abroad are concerned. So if it is a question of diverting the actual raw steel, I do not think we need to worry about that. The Senator from Nebraska admits that.

Mr. WHERRY. I am not admitting anything.

Mr. LODGE. Then, the Senator does not admit it.

Mr. WHERRY. My question does not relate to the diversion of raw steel. I will not subscribe to any appropriation which would permit steel to be fabricated into an implement of war to be sold to Russia, any more than I would subscribe to sending to Russia under lend-lease a high-octane refinery plant.

Mr. LODGE. Of course, we all agree that we must not send any arms, munitions, or implements of war to Russia. We have no argument on that score.

This proposition is so simple that it surprises me that we can whip it around as much as we have done this afternoon. Under certain conditions trade with eastern Europe is desirable, and in the interest of the United States. Under certain other conditions trade with eastern Europe is not in the interest of the United States. We would be the greatest fools in the world if we were to write language into the bill prohibiting trade with eastern Europe, just as we would be the greatest fools in the world if we were to write language into the bill requiring trade with eastern Europe.

If the British were to take steel and convert it into forks and spoons, and if it were deemed by the Administrator, by the Senator from Nebraska, and by nearly everyone else—as it might be—that it would be very advantageous to send forks and spoons to the Russians in exchange for wheat which Europe needs because we have a bad crop here, and because the cost of living is going up here, the Senator from Nebraska might be the first to say that it would be a good thing to send English-manufactured forks and spoons, made from American steel, to the Russians. In fact, there might be fewer Communists if they began to use those particular implements. It would be a very silly thing for us to tie our hands simply because there is a bad possibility.

If the Administrator is a fool and a knave, then it makes no difference what we write into the bill. The administration of the law is to a great extent dependent upon the caliber of the Administrator.

Mr. WHERRY. I agree with the Senator.

Mr. LODGE. But if the Administrator is an intelligent man, and if he is a patriot, I do not think the Senator from Nebraska, the Senator from Utah, or the Senator from Missouri will have anything to worry about.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WHERRY. Let me answer the observation of the Senator from Massachusetts. It all gets back to two things. One is the ability of the Administrator, as to which we all agree. If we have the right kind of an Administrator anywhere we need not worry. If we had had the right kind of administration and the right kind of foreign policy for the past two and a half years, we would not be in the trouble which we are in today.

But when we come to the question of foreign policy, we really have no foreign policy. The only way in the world in which this plan can work is by policing Great Britain. We cannot even police our own country. After an exhaustive research we found the transfer and shipment of the high-octane plants.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LODGE. Does the Senator from Nebraska mean to say that we cannot get an agreement that there shall be no shipment of weapons to Russia? Of course we can.

Mr. WHERRY. I say that we cannot police Great Britain.

Mr. LODGE. We do not have to police Great Britain.

Mr. WHERRY. Then how are we going to find out whether the fabricated goods are exported, and who gets them?

Mr. SMITH. Mr. President, I regret that I cannot yield further until I finish my remarks. Then I shall be glad to yield the floor.

Mr. CONNALLY. Mr. President——

Mr. SMITH. I am sorry, but I cannot yield further.

Mr. CONNALLY. I shall not ask the Senator if that is his attitude, but I have had very little opportunity to participate in this discussion.

Mr. SMITH. I am always glad to do anything I can for my distinguished friend from Texas.

Mr. CONNALLY. I did not quite finish what I was trying to say a while ago. I really believe that it would be helpful to the Senator.

Mr. SMITH. I yield to the Senator from Texas.

Mr. CONNALLY. In rebuilding and restoring these countries we are supposed to make it possible for them to trade. Where have they traded all their lives? Western Europe has traded with eastern Europe. It has obtained its foodstuffs from eastern Europe. In return, it has sent manufactured goods to eastern Europe. In the future, under these agreements, if western Europe needs food, do we want to send it from the United States, and raise the prices which our people must pay for food? Or would we prefer to let western Europe get food from eastern Europe?

Mr. WHERRY. It costs dollars just the same.

Mr. LODGE. It would not cost any more dollars than are provided for in the bill.

Mr. CONNALLY. Of course we cannot send food anywhere without its costing something. But how much better it would be for western Europe to trade with eastern Europe, and buy the things which eastern Europe can provide, sending in return manufactured goods, and leaving our economy more nearly self-contained than it would otherwise be.

We talk about the iron curtain. One pretty good way of infiltrating the iron curtain and making it less powerful is to trade across the iron curtain. The people over there are human beings. They have a sense of economy. They know what is good for them. If they have a market across the iron curtain that is profitable, they are going to trade across the iron curtain. When they trade across the iron curtain, a little of the iron curtain will be worn off. There will be an abrasive effect, it will be whittled down.

Most of the people of the world are not concerned with high politics. They are concerned with their bodies, their health, their comforts, and conveniences. So I think it is a good thing to let western Europe trade with eastern Europe. We cannot carry on all the commerce with western Europe. If we should try to do so the Senator from Nebraska would be here demanding that we impose a tariff to shut out imports from France, Great Britain, and other nations.

Where else can western Europe trade, if not with eastern Europe and with other countries? We want to restore the economy of those countries. We want to make their normal activities come alive again. We cannot do that by shutting them off, putting them in a strait-jacket, handcuffing them, and saying "You shall sell a dollar's worth of goods to So and So."

I am willing to leave it to the sense of the Administrator under his contracts. If any of these dangers are lurking around, let him put provisions in the contracts prohibiting them—either in the unilateral contracts or the multilateral contracts. Then if any country violates those provisions, if it pursues a policy which is against the interests of the United States, it can be cut off from aid, and remain cut off.

A little later, probably next week, I expect to submit some further remarks on the bill. One of the things which I expect to stress is the heavy responsibility upon the European nations themselves. Unless they are determined to come out of their misfortunes, unless they have a mind to resurrect themselves, the United States will not continue with such a program as this. We cannot continue forever to be an eleemosynary institution. The European nations must get up and do their eternal damnedest if they want the United States to support them with this program or any other program. We are trying to enable them to help themselves. Let them manufacture; let them produce; let them sell; let them exchange, so long as they do not do any act contrary to the principles of the bill and of this system or contrary to the interests of the United States.

Mr. LODGE. Mr. President, may I ask the Senator one question?

Mr. CONNALLY. It is necessary to obtain the consent of the Senator from New Jersey, who has the floor.

Mr. LODGE. Then I shall stop.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. SMITH. Mr. President, I yield to the Senator.

Mr. LODGE. Mr. President, I have but one sentence to my question: Is it not true that if this bill works out 100 percent successfully and according to our high expectations for it, there will be a complete, flowing, abundant trade between eastern and western Europe, and that is how we would know it had been successful?

Mr. SMITH. Certainly, and that is how the situation was formerly, in large part.

Mr. CONNALLY. Mr. President, I thank the Senator from New Jersey for permitting me to interrupt him.

Mr. LODGE. I also thank the Senator from New Jersey.

Mr. CONNALLY. I have been waiting to be enlightened by his speech and to be stirred by the peroration to which he has referred. I appreciate his courtesy in permitting Senators to ask questions, and I particularly appreciate the high value of his speech.

Mr. SMITH. Mr. President, I wish to make a brief statement in reply to a question previously asked about the number of Russian soldiers in Austria. The figure given to me is that 45,000 Russian soldiers are in Austria at the present time, and the United States has between 10,000 and 15,000 there. I am also informed that there are no official Russian soldiers in Bulgaria today. I make that statement in reply to a question which was asked earlier.

Let me say here that I am grateful to the Senators who have asked questions. I think the questions which have been asked by the Senator from Nebraska and other Senators have been very helpful in bringing out the situation in regard to the various points which have been mentioned.

I was discussing the difficulties in various countries of Europe, and I started to say, when the inquiries began, that now we have a gleam of hope in the amazing accomplishment of the Paris conference where these divided peoples have adopted goals for their respective accomplishments as conditions of their further aid from us. Let me add here, and emphasize especially, the vital importance of including western Germany, and by this I mean the bizonal area, and also I hope soon the French zone, as a part of this entire program. We and Great Britain at the moment are the existing government of the so-called bizonal area. We can determine the future of this important part of the world, and we have the distinct responsibility to do so. It must be part of this rehabilitation plan. We should use the Ruhr and its industries, not alone to put Germany on a self-sustaining basis again, but also, and more especially, to make the German resources a part of the entire western European rehabilitation program.

So I want to suggest that in this program of aid for Europe, we are not dealing with a charity problem, but we are dealing with a problem that concerns the morale, not only of Europe, but of the entire world. The program brings out in bold relief hope versus despair. It suggests an over-all vision of a united world of mutual aid, as opposed to a divided world of selfish national pressure groups. To bring this about, the movement can and should be spearheaded by an enlarged vision of America's foreign-aid policy, which as I visualize it, would have, as I think this program does, the following characteristics:

First. It should be bipartisan and all-American.

The great majority of people today accept the fact of the interdependence of nations and the threat of communism. The extreme sacrifices in the late war made by our own boys have brought home to us again the values of our human freedoms. There can be no distinction between Republicans and Democrats when we are thinking in these terms. If we can have an American bipartisan foreign policy which is understood by the world—the sort of American bipartisan foreign policy which the chairman of the Foreign Relations Committee has been urging for so many years—we can remove the fear for the future that other nations might have if they felt that a change of administration might mean a change in that policy. In other words, I am pleading that no matter what the outcome of the election this fall may be, we should adopt now a program that will be carried out regardless of what party is in power next year.

Second. It should be positive and creative and not grudging.

We must move into our responsibility with enthusiasm, not with reluctance or suspicion or grudgingly. We must have care in our giving and in our lending; but in our relationships with other countries in dealing with this aid program, let us use the opportunity to raise the level of international understanding.

Third. It should help nations to help themselves. I have been emphasizing this point all through my remarks.

Our help must be designed to strengthen the economy and life of other nations, rather than to make them dependent. This means that they must have the primary responsibility to work out their own self-imposed programs of productivity. There must, of course, be adequate supervision to see that these programs are being carried out while we continue our aid, but fundamentally we must respect and support the spirit of independence and pride of accomplishment that is inherent in any free people. I think that is most important, and I believe that much will be lost if we try to impose too many shackles on these people, and if we do not encourage self-expression.

Fourth. It should be administered by the nations themselves under proper observation.

Technical help and professional advice should certainly be offered, and we should have observers to see that the aid is used as intended. Of course, we have the controls provided by the agreements for which provision is being made. But it is my judgment that ordinarily the workings of a free press, with its free criticism, should be our main reliance in connection with checking on the results. The extent to which we refuse responsibility to the Nation concerned to put its own house in order is the extent to which we invite suspicion and failure. I mean that they should work this out under the terms of the agreements made with us. If we do not find that the necessary progress is being made, we can cut off our aid, of course. But we should not put too many shackles upon them.

Fifth. It should be carried out, so far as possible, within the framework of the United Nations.

This "town meeting of the world," as John Foster Dulles termed the General Assembly, has amply demonstrated its usefulness in the uniting of public opinion of the free nations against the resistant imperialism of the rebel nations.

Let us move with the conscience of the world in all that we do in this matter.

In conclusion, Mr. President, let me emphasize that we must relate our living at home to these international responsibilities. This crisis in world affairs is a crisis for America in more ways than one. It is our way of life that is on trial, and not merely our ability to furnish material aid in dollars and commodities. The intensity of the existing world struggle will test our character of living.

We must prepare ourselves in every possible way. I am strongly in favor of keeping our armed strength at a readiness that will serve as a warning to potential aggressors and will support the objectives of the United Nations. But let us ever bear in mind that this is a war of ideas, and that the democratic system is on trial. Communism waits for our economic system to break down. Our inability, through selfish divisions at home, to aid in the rehabilitation of Europe at this critical moment will be the signal for communism to move in and take over. This is a direct challenge to each one of us.

But I will not close on a negative note. Under God, the people of America will not betray their destiny; rather, we will courageously overcome the negative defeatism of communism by saying to those nations of the world which are still free to listen: "We are embarking on the greatest venture in history—the building of true democracy. We do not have all the answers. We have made many mistakes. But we are on an upward pilgrimage. Let us battle together and make our distinctive contributions to a united world built on a true sharing of the material and spiritual benefits which are the heritage of the ages."

This, Mr. President, as I understand it, is the spirit and purpose of the so-called Marshall plan, which now has been translated into the pending legislation. This conception of our foreign-aid policy will proclaim to the world the dedication of America and its resources to creative, inspiring, and lasting peace.

Mr. President, I shall support the pending legislation with confidence and with enthusiasm.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SMITH. I yield the floor.

Mr. KNOWLAND. What I am about to say fits in with what has just been said, though I do not want to continue interruptions of the able Senator from New Jersey.

Mr. SMITH. I shall be glad to yield.

Mr. KNOWLAND. Mr. President, it seems to me the able senior Senator from Texas put his finger on a situation which is worthy of further consideration. It is with respect to dealings with the satellite powers by the 17 European beneficiary nations. If, for instance, Britain in her agreements presently in force had agreed to send tractors to Russia, and if, at the same time, she were asking for tractors from the United States, I should think the Administrator would have a right to take a very dim view of that type of situation. On the other hand, consider the situation in Poland. I was in Poland, as was the able Senator from New Jersey. It is true Poland is a satellite power. However, if Poland showed some inclination to trade with the western zone in Germany, if a quid pro quo agreement could be entered into whereby, in consideration of certain modern coal mining machinery being shipped to Poland, they in turn would agree to ship coal into western Germany or into western Europe to help implement the European Recovery Act, I should think that would be a satisfactory quid pro quo agreement that might well be encouraged in trade between the east and the west. But, as in so many other instances, it is going to depend on a matter of judgment. The Senator from Massachusetts has very ably pointed out that we cannot today, on the 4th of March, know what the conditions are going to be in October or November, when perhaps Congress will not be in session. The chief criticism I had in mind in the remarks I made on both the 2d and 3d of March, and on the 2d of March when I put into the RECORD the exports to Russia from the United States and the imports from Russia to the United States, was that it was not on a strictly quid pro quo basis. It is true that we receive from Russia certain basic materials, manganese, and chrome. Had we on a strictly quid pro quo basis traded certain things that they needed, for example $1,000,000 worth of what they need, for a million dollars' worth of what we need, I should not have had so much objection to it. But as I pointed out and as will be found at page 1922 of the CONGRESSIONAL RECORD of March 1, we are exporting to Russia a long list of basic materials and important industrial equipment, including generators, which are in short supply in this country and railroad cars, of which we do not have a sufficient number to move from the Pacific coast to the east coast our crops with which to help feed Europe. Three-quarters of what we get from Russia is not made up of items such as manganese and chrome, which add to our stock piles and would add to our own industrial strength, but three-fourths of our imports from that country in exchange for basic materials, the industrial equipment to which I have referred, has been furs and fur products. That simply does not make sense. We are importing, and as I say three-quarters of our imports are furs and fur products, at the very time when in the other House of Congress there is a bill to subsidize fur farmers in this country because they no longer can continue in business.

That is the type of situation in which I think judgment should be used on our part, but I do not think judgment has always been used. I am hopeful, as the able Senator from Texas has suggested, that the Administrator will use judgment in negotiating the agreements.

Mr. SMITH. Mr. President, I thank the Senator for his statement, which I think is very accurate. I agree with what he says. I think it brings out the nature of the problems the Administrator will have to face. It also suggests to me that the able Senator from California might be in line for the position of Administrator, in view of his capacity and his apparently extensive study of the matter. I yield the floor.

Mr. LODGE. Mr. President, this colloquy, I think, has shown that all depends on the nature of the trade. If we, or the recipient nations, are sending something overseas to Russia that we do not need or if we are sending something that they think we need but that we know we do not need, and if the recipient nations are receiving in return something very essential, then possibly it is a good thing.

I ask unanimous consent to have printed in the RECORD at this point paragraph 32 of the report on the European recovery program by the Committee on Foreign Relations. The paragraph is entitled "The Role of Eastern Europe and East-West Trading." I think it should be placed in the RECORD at this point in view of the discussion.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

32. THE ROLE OF EASTERN EUROPE AND EAST-WEST TRADING

The Soviet Union and Communist Parties elsewhere in Europe are in a position either to make substantial contributions to European recovery or to imperil its success. Recent developments indicate that the latter course might be taken. Through the Cominform, established in October 1947, the Communist Party has waged a "cold war" on the United States and has continuously distorted American motives behind the program initiated by the European countries themselves. Communist-inspired strikes and disturbances have already taken place in a number of ERP countries and might occur again, thereby greatly impeding the production effort of western Europe.

The Soviet Union, furthermore, is in an effective position to hinder the restoration of trade between eastern and western Europe. At present the over-all volume of trade between eastern and western Europe is about 30 percent of the prewar volume. The CEEC report, however, assumes that the westward flow of cereals from eastern Europe will reach prewar levels and timber will reach 75 percent of the prewar level in 1951. The restoration of this trade, which traditionally has consisted of food supplies, timber, and coal from the east and manufactured goods from the west, is one of the basic assumptions on which the participating countries predicated their import requirements from the Western Hemisphere.

The number of bilateral trading agreements concluded or being negotiated between eastern and western Europe is encouraging. On the other hand, Russia and her satellite states likewise have entered into a number of agreements which may have the effect of retarding the normal flow of trade. This web of trade agreements, together with the Russian grain and barter arrangements, constitute the Molotov plan which has the effect of tightening Russian control over the exports of the satellite countries and diverting their products from the west, where they normally flowed, to the east.

In the light of the Molotov plan and the attitude of the Cominform toward the European recovery program, there can be no certainty that the assumed restoration of trade will actually occur. Healthy trade relations within the European Continent will greatly aid the objective of ERP and the door is left open to the participation of eastern European countries in the program. If restoration of trade between the east and west of Europe does not occur, it is the opinion of the State Department that "recovery in the west of Europe will be much slower and more difficult, but not impossible of achievement."

The committee accepts and approves the assumption concerning the desirability of

restoring east-west trading. This is another clear indication which should destroy the misconception, ceaselessly propagated, that the economic cooperation bill is designed to split Europe into two economic camps.

Mr. LODGE. Mr. President, I believe the correct procedure now is the recognition of the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LODGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Bridges	Hoey	Reed
Brooks	Holland	Revercomb
Buck	Ives	Robertson, Va.
Butler	Johnson, Colo.	Robertson, Wyo.
Byrd	Johnston, S. C.	Russell
Cain	Kem	Saltonstall
Capehart	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Tobey
Dworshak	McFarland	Umstead
Eastland	McGrath	Vandenberg
Ecton	McKellar	Watkins
Ellender	McMahon	Wherry
Ferguson	Malone	Wiley
Flanders	Martin	Williams
Fulbright	Maybank	Wilson
George	Moore	Young
Green	Morse	
Gurney	Murray	

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. THYE] is unavoidably absent.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

RESTRICTED LANDS OF THE CROW TRIBE—CONFERENCE REPORT

Mr. CORDON. Mr. President, I submit a conference report on Senate bill 1317, relating to restricted lands of the Crow Tribe, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1317) entitled "An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: "That the last proviso of the first section of the Act of May 26, 1926, entitled 'An Act to amend sections 1, 5, 6, 8, and 18 of an Act approved June 20, 1920, "an Act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds and for other purposes."' approved May 26, 1926 (44 Stat. 658, 659), be amended to read as follows: '*Provided further*, That any Crow Indian classified as competent may lease his or her trust lands or any part thereof and the trust lands of their minor children for farming and grazing purposes: *Provided*, That any Crow Indian classified as competent shall have the full responsibility of obtaining compliance with the terms of any lease made: *And provided further*, That leases on inherited or devised trust lands having more than five competent devisees or heirs shall be made only with the approval of the Superintendent. Any adult incompetent Indian with the approval of the Superintendent may lease his or her trust lands or any part thereof and the inherited or trust lands of their minor children for farming and grazing purposes. The trust lands of orphan minors shall be leased by the Superintendent. Moneys received for and on behalf of all incompetent Indians and minor children shall be paid to the Superintendent by the lessee for the benefit of said Indians. No lease shall be made for a period longer than five years, except irrigable lands under the Big Horn Canal, which may be leased for periods of ten years. All leases made under this Act shall be recorded at the Crow Agency.'"

And the House agree to the same.

GUY CORDON,
ZALES N. ECTON,
CARL A. HATCH,
Managers on the Part of the Senate.

RICHARD J. WELCH,
FRED L. CRAWFORD,
JOHN R. MURDOCK,
WESLEY A. D'EWART,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

TWO HUNDREDTH ANNIVERSARY OF BIRTH OF GEN. CASIMIR PULASKI

Mr. CAPEHART. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. CAPEHART. Mr. President, I am wondering if, on this memorable day in Poland's history, the people of that nation are paying public tribute to that heroic Polish patriot and revolutionary soldier, Casimir Pulaski.

I am wondering about that tribute because 20 years after his birth in Podolia, Poland—200 years ago today—young Pulaski joined his father in open revolt against the foreign domination of Poland by Stanislaus II. Temporarily successful in his mission, Pulaski's forces for freedom were finally crushed, and he fled to Turkey in 1772. His spirit of freedom was not crushed, however, and he urged Turkey to fight Russian domination.

After his efforts failed there, Mr. President, freedom-loving Pulaski found his way to American shores, where he was welcomed into another fight for freedom.

Always anxious to do battle with the forces of imperialism, Pulaski rose to the rank of general, and fought courageously to make of America what he had hoped to make of his native Poland—a nation free of foreign domination. On October 9, 1779, he fell mortally wounded during the siege of Savannah and died 2 days later.

On this, the two hundredth anniversary of the birth of General Pulaski, we in America count it a duty and a privilege to pay our respects to a man whose own native land is today under the domination which he so completely abhorred.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. MALONE. Mr. President, the peace and safety of this Nation are seriously threatened at this moment through the complete absence of a definite foreign policy telling our own people and the nations of the world what we consider will threaten our ultimate peace and safety—and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

INTERNATIONAL POLICY

We have no basic international policy, having definitely ignored the 125-year-old Monroe Doctrine under which we had announced to the world in 1823 that we intended to protect the integrity of the nations, which we at that time considered necessary for our own ultimate safety—naming the areas to be protected.

In its place has been substituted a hodge-podge of executive orders and gifts of large sums of money to foreign nations, founded upon no principle at all and with no consistent thought as to where such actions might lead us in foreign entanglements.

BASIC SUBJECT NEVER DISCUSSED WITH THE AMERICAN PEOPLE

The basic subject of international policy has never been discussed with the American people, through two world wars and now the Marshall plan.

The basic subject at issue is now—and was in 1823 when the Monroe Doctrine was established—what nations in the European and Middle East areas including Asia and the South Seas is it necessary for us to currently protect for our own ultimate safety. Until this decision is made no plan to make it effective can be intelligently discussed.

When that issue is decided and the nations named whose integrity we must

currently protect for our own ultimate safety—then we have the 125-year-old precedent for announcing to the world and to our own people that if the integrity of these nations is threatened in a manner to disturb the friendly and established trade relations, through infiltration or military attack, it will be considered an overt act against the United States.

This pronouncement by President Monroe 125 years ago, later became known as the Monroe Doctrine.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. MALONE. I yield.

Mr. WHERRY. I am interested in the statement just made that we have no foreign policy. I do not know whether the Senator expects to develop that point in his speech or not. I have noticed in the press reports that we have marines in the Mediterranean, perhaps in connection with the question of the shipment of oil from Saudi Arabia to the continent, and the present situation existing in Palestine. Does the Senator know any reason for that in connection with a possible foreign policy on our part, or what does the Senator mean by his statement, in the face of the press reports we read every day?

Mr. MALONE. Mr. President, I thank the distinguished Senator from Nebraska for his question. I mean simply that we have no definite foreign policy in this regard. In other words, no one knows, least of all the American people and the United States Senate, what nations the State Department and the President of the United States feel it necessary for us to protect for our own ultimate safety, and no one has ever named the areas or the nations.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my distinguished colleague from Missouri.

Mr. KEM. It was said in the debate this afternoon that the President of the United States has indicated to other nations of the world that they must keep hands off Italy. Does that mean that he has extended the Monroe Doctrine in effect to Italy?

Mr. MALONE. The President did say that. He has said many things. He said, for example, early last year when we passed the bill giving $400,000,000 to Greece and Turkey, that the purpose was to stop communism at the Greek border. At that very moment we were sending high-octane gasoline, machinery, power machinery, and tool steel to Russia to help her cross the Greek border, if she so desired. Therfeore, there has been no consistent policy, not with respect to Italy or Greece, or anywhere else.

Mr. WHERRY. Mr. President, if we have no foreign policy, what is the Marshall plan?

Mr. MALONE. I do not understand the Senator.

Mr. WHERRY. If we have no foreign policy, then why do we need the Marshall plan?

Can the Senator reconcile the two things?

Mr. MALONE. That is exactly what we are trying to find out—what the Marshall plan is supposed to do. It is said we are giving the money to the 16 Marshall plan countries in the hope that it will stop Russia. Stop Russia where? And what will we do if we do not stop Russia at the designated place? That is what I want to find out if I can, for my own information.

In 1823 the empire-minded nations, including Spain, France, the Netherlands, and England, were looking toward South America for new areas to take over under the guise of protection—and to siphon the trade to the "mother" countries through imposing the well known "empire preferential rate" system. The Monroe Doctrine effectively stopped this trend and the South American nations are still free.

At that time we told the American people and the world frankly and specifically, through the Monroe Doctrine, what we considered would threaten the ultimate safety of the United States and what would cause us to fight, and as a result we were not involved in a major foreign war for more than 75 years.

THE MONROE DOCTRINE—125-YEAR-OLD INTERNATIONAL POLICY

We have, or rather had, an international policy, established in 1823 by President James Monroe, 125 years ago, known as the Monroe Doctrine. However, this important and well-established doctrine, which kept us out of a major war for more than 75 years was discarded 15 years ago, probably as being too simple and direct—certainly too effective to be successfully manipulated in plain sight of the American people.

This Nation has since had no clear-cut international or national policy.

We backed into the two world wars unprepared and protesting that we would not fight, evidently under the impression that the American people and the Congress of the United States could not be trusted to understand the necessity of protecting the integrity of the European countries for our own ultimate safety, or to judge the necessity of such protection. Certainly that assumption can no longer be held with 18,000,000 veterans in this country, including one-third of the Membership of Congress.

Unfortunately, two leaders of a major world power believed us during the past 30 years, the Kaiser and Mr. Hitler—and in addition each time they decided that in any case we could not prepare for war in time to influence its outcome. Therefore, we found ourselves each time in a bitter all-out world war.

If the decision should be, after a full review of the modern methods of warfare, that it is not necessary to protect the integrity of other areas, then we should come home and cease all interference with other nations' affairs, and build a military force spearheaded by an air corps that no nation or combination of nations dare attack, and tell our people frankly that this must be done until the United Nations takes over.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my distinguished colleague from Montana.

Mr. ECTON. I am very much interested in what the distinguished Senator from Nevada has to say respecting the Monroe Doctrine. I would very much appreciate if he would explain in a little more detail whether he is in favor of extending the Monroe Doctrine, or reinstating it, in view of the fact that he said the Monroe Doctrine was done away with about 15 years ago.

Mr. MALONE. I thank the distinguished Senator from Montana for his question. My answer to it is simply that the Monroe Doctrine policy should be continued There should be a frank discussion about it with the American people. We should frankly tell our own people and the world exactly what areas, and name the nations, which we consider we should protect currently for our own ultimate safety in the same manner as President Monroe handled a similar situation in 1823.

In other words, let us not back into another war as we have backed into two world wars. The Senator from Montana is as old as I am, and he remembers that in 1916 we reelected a President on the theory that he had kept us out of war. We were in war at that moment, and everyone knew it the day after election, and the President knew it at that moment. The same thing happened in 1940; we reelected a President when he was at that moment in war and knew it, but denied it. In answer to my distinguished friend and colleague from Montana I will say that I am in favor of telling our own people and the world the truth, and giving them the chance to conform.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. BALL. I think the Senator is touching on a very vital problem in foreign relations development of an American policy today. I wonder if he would tell us whether he thinks if the Government of the United States decides that the integrity and independence of certain nations in Europe, let us say, are essential to our ultimate security, it would be sounder policy to make a declaration to that effect unilaterally through a new Monroe Doctrine, a doctrine which was, after all, an American pronouncement in which the other nations in the Americas did not participate, or to work out some mutual declaration of some sort.

Mr. MALONE. In answer to my distinguished friend, the Senator from Minnesota, I would say that it would be a very fine thing to enter into bilateral treaties with each of the nations, as we have finally been able to do with the countries of South America. But that might take more time than we have available now. If, as we see in press reports, and as we hear whisperings going through the colleges, prompted by the State Department and whisperings in Rotary clubs and in various places, we are seriously threatened with war, and that, therefore, we must not delay the establishment of the great Marshall plan, then we must make up our minds

as to what area it is necessary for us to protect now, and announce that we will protect that area and name the nations—giving possible violators a chance to change their minds.

Further, it seems to me that this is a two-edged proposal. The first two world wars were started by people who thought we would not fight. On investigation they thought we could not fight. Therefore we ought not to give a probable opponent an opportunity to start a fight, without knowing what we will do—knowing our intentions.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my colleague from Minnesota.

Mr. BALL. The Senator fought in both world wars. Is it his opinion that the security of the United States would immediately be dangerously threatened—so dangerously as to justify immediate armed action—if Soviet Russia, either through the establishment of Communist governments in various countries or by outright aggression, took over all of western Europe and effectively controlled it and its resources?

Mr. MALONE. Let me say to my distinguished colleague from Minnesota that I am not in a position to answer the question, because I do not have all the information which the Secretary of National Defense should have, which the State Department should have, and which the President of the United States should have. Such information should be furnished to the Committee on Armed Services of the House and Senate. This is the decision of our generation. Whoever has such information—and if those to whom I have referred do not have it they are not fit persons to hold such positions—should make the decision, and make it now, if we are threatened to as great an extent as they claim. They should make the decision and inform the American people and the world.

What is it that is proposed under the Marshall plan, and what is the propaganda which is going out over this Nation? Tons of it are going out almost every day from every department of government.

It is proposed under the Marshall plan to discuss in one breath the feeding of hungry people, the stopping of communism, and the rehabilitation of industry. The result is that we mix our emotions with the facts and become unwilling victims of the greatest propaganda machine ever set up in Washington. Any intelligent discussion is impossible unless we consider these subjects one at a time.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. REVERCOMB. I am very much impressed with the break-down of thought expressed by the Senator and the triple-barreled appeal which is being made under the Marshall plan, first, for the feeding of hungry people; second, for stopping the spread of communism from Russia; and, third, rehabilitation of the governments of the countries which would be helped.

I believe it to be the natural impulse of the heart of America to go to the aid of people who are hungry and in need of shelter and medicine. That is a problem which we have always met. As I see it, meeting communism today is more or less a matter of meeting force with force.

The rehabilitation of industry is an entirely different question. It is a matter of business. Certainly there is a vast difference, both in the nature of the help and in the objective, between looking after needy people and rehabilitating the industry of a country. One involves an appeal because of immediate need to prevent starvation and physical suffering. As I say, the other is a matter of business. I shall be glad, indeed, to hear the Senator upon that question, particularly with respect to rehabilitation of industry, and whether or not this country can afford to give away its wealth to rehabilitate the industry of another country. Is not the building up of industry a subject which should be placed upon a business basis, upon some level which would call for a return, just as we deal with business problems in this country?

Mr. MALONE. I agree with the Senator entirely.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my friend the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from West Virginia if it is not true that the Marshall plan contemplates raising the production of various countries under the plan above any level heretofore attained in the history of those countries.

Mr. REVERCOMB. I do not know what level would be reached, but it would be at the expense of the American people if industries in other countries were built up. I say that it is all right to assist, if need be, but let the assistance be upon a businesslike basis, rather than as a gift.

Mr. KEM. To be more specific, I have heard it stated that production in England in certain lines today has already attained prewar levels.

Mr. REVERCOMB. Yes.

Mr. MALONE. The recovery of England upon a basis of the 1937 industrial index is 115 percent.

Mr. KEM. Is it true that the plans contemplate levels much above that?

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LODGE. Commenting upon what the Senator from Missouri and the Senator from West Virginia have said, I think it is noteworthy that it is expected that between 20 and 40 percent of the amount provided in the bill shall be used for loans. That means bankers' loans, and not the sort of "fuzzy" loans which have been made in connection with some past transactions, and which could not be distinguished from grants. I believe that such loans will probably cover most of the plans for construction of plants, and things of that kind. We shall get all our "bacon" back.

The Senator from West Virginia has stated that the only way to meet communism is by armed force. I should like to ask him how we can deal with communism by armed force when what we are afraid of is the Communists winning an election in a country, and thereby putting it at the mercy of the Russian fifth column. How can we deal with such a situation by force? I do not believe that weapons are very effective in that kind of a situation.

Mr. REVERCOMB. If weapons are not effective, certainly the method which has been used is not effective, because after spending some $22,000,000,000 in Europe, within the past few days we witnessed a bloodless coup in Czechoslovakia. The people of Czechoslovakia themselves adopted communism without force of arms. That is correct in that instance; but if we are going to prevent communism from moving in, if the Communists are going to move in and take those countries over by force, they should be met by force. However, if the people of those countries desire communism, nothing can stop them. We could not have stopped them in Czechoslovakia.

Mr. LODGE. It occurs to me that if we had not expended all the food, fuel, and medical aid which we have given since the war, there would be a great deal more communism in Europe today than there is.

Mr. REVERCOMB. Of course, that is a surmise.

Mr. LODGE. That is a surmise; but if this bill were entirely restricted to food and immediate relief, it would seem to me to involve much too much money to give for that purpose. Unless the bill could achieve some permanent change for the better, unless at the expiration of operations under the bill there could be a better condition existing in Europe than we have today, unless we do more than go back to the level of 1938, unless we have real rehabilitation instead of relief, I do not think this program is worth carrying out.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KEM. I should like to ask the Senator from Massachusetts a question. Several times during the course of this debate he has referred to the possibility of our getting back a substantial portion of the money which we are advancing under the Marshall plan. He has also referred to a certain class of loans or advances which he characterizes as "fuzzy." I should like to ask him about some of the past transactions.

A number of years ago a delegation came here from Britain, headed by Mr. Arthur James Balfour. After considerable negotiation they entered into a settlement of the debts of Great Britain to this country. Those debts were evidenced by documents as binding as any known to the Anglo-American system of law. So far as I know, those obligations have passed into the limbo. They have never been paid. I ask the Senator from Massachusetts if he would characterize them as "fuzzy" or "unfuzzy"?

Mr. LODGE. In the light of experience, it seems to me that they were extremely "fuzzy." I should like to say to the Senator that in this bill we have tried as hard as men can try to avoid the mistakes of the past. I know there have been a great many mistakes in the past. My able friend, the Senator from Nevada, who is yielding so generously, showed us one day a can of olives that he

found being sold on the streets of Athens, in a country where olives are raised.

We have tried to set up this program in such a way that we shall avoid the mistakes of the past, and we have tried to get into this bill language which will result in returning to us something tangible—not merely to provide for the payment of these loans, but to provide that we shall get strategic raw materials by barter, in exchange for our aid, thus giving us something we need.

Of course, Mr. President, I consider the intangibles which we shall get as the result of the program under the bill to be even more significant. I think the bill will buy us some time; and if we have the vision to use wisely the time we buy, that will be worth more than all the tangible things in the world.

But the bill is set up so that all that can be done.

Mr. KEM. Mr. President, can the Senator from Massachusetts suggest to us a standard by which we can determine whether the undertaking is "fuzzy" or not so "fuzzy"?

Mr. LODGE. Yes. We spent a month, recently, on the St. Lawrence seaway, as the Senator recalls. If it is decided to set up a great international power project in four or five of these European nations, binding them together and getting the maximum benefit out of the natural resources of those regions, and if that project is in truth a self-liquidating project as to which there is set up an ironclad system for paying back everyone, I think that would not be a "fuzzy" project; and if we have an administrator who believes firmly that we should have loans that are loans and gifts that are gifts, I do not think that will be a "fuzzy" project.

I do not think there will be any "fuzzy" projects under this bill, Mr. President.

Mr. KEM. Mr. President, several years ago our British friends got from us $3,750,000,000.

Mr. LODGE. I was not responsible for that.

Mr. KEM. Would the Senator from Massachusetts characterize that as fuzzy or unfuzzy?

Mr. LODGE. I was not a Member of Congress at that time; but I would not characterize it as a banker's loan or as the kind of loan that will be repaid.

Mr. KEM. Mr. President, I should like to ask the Senator from Massachusetts a further question——

Mr. LODGE. I shall be glad to answer, if the Senator from Nevada does not object to further interruptions.

Mr. MALONE. I yield.

Mr. KEM. Some years ago we put some billions of dollars into a pot known as the Bank of International Settlements, or something of that sort. Would the Senator from Massachusetts characterize it as a fuzzy or an unfuzzy undertaking?

Mr. LODGE. I do not happen to know much about that.

Mr. REVERCOMB. Mr. President, will the Senator yield to me?

Mr. MALONE. I yield.

Mr. REVERCOMB. I wish to address an inquiry to the Senator from Massachusetts. I know he is an able member of the Foreign Relations Committee. He has brought out the point that some of this money is to be in the nature of bankers' loans. I believe he said 30 or 40 percent would be. I wish to ask the Senator whether the terms of this bill require that that be done, or would not it be left largely to the discretion of the Administrator to determine just what shall be done in that respect and when it may be done?

Mr. LODGE. Yes; it is to be discretionary with the Administrator. But we have had the testimony of all the responsible Government witnesses that they will try to do it.

Mr. REVERCOMB. Yes. In other words, there is no requirement whatsoever on the part of the Congress that these loans shall be sound loans; is there?

Mr. LODGE. No.

Mr. REVERCOMB. There is simply the statement that the Administrator, if he sees fit to do so, may do it. To use the term that has been used so descriptively, when we deal with administrators those loans might be quite fuzzy; might they not?

Mr. LODGE. I think the Senator's statement is quite correct when he says that in this bill there is nothing which stipulates how much of the money shall be expended in the form of loans. But I sincerely think the Senator need not worry whether the loans will be fuzzy loans. I do not think they will be fuzzy loans.

Just what percentage of the total amount the loans will be, is another matter.

Mr. REVERCOMB. There is no requirement in the bill as to how much of these funds shall be loans; is there?

Mr. LODGE. That is true.

Mr. REVERCOMB. So the Administrator may in his own discretion give all of it away; may he not?

Mr. LODGE. I think that is true.

I repeat that I think the program under this bill will either rise or fall on the question of whether we have a really top man as the Administrator.

Mr. REVERCOMB. I should like to ask a further question, and I thank the Senator from Nevada for permitting me to interrupt at this point.

First, I say to the Senator from Massachusetts that there is one way to give protection, and that is by requiring in the bill what shall be loans and what shall be gifts. The Congress has that power.

Mr. LODGE. The Congress certainly has that power, but it is extremely difficult to write into the bill language that will not hamper the national interest of our country 10 or 11 months from now.

Mr. REVERCOMB. Has not one of the great difficulties, not only in our international relations, but in respect to our domestic laws, been too much vagueness in legislation? Should not the bill specify how much of the aid shall be in the form of loans and how much of it shall be in the form of gifts?

Mr. LODGE. Of course we could specify that 30 or 40 percent should be in the form of loans, and we could spell out what the loans should be for. In general, I am in sympathy with what the Senator from West Virginia says about legislating in a definite way and spelling out everything. But all of us have seen the European situation develop, just since January, in the most surprising and unpredictable way. Every time we try to legislate on the international situation, we get into trouble. After we passed the Neutrality Act, as we did in 1937, thinking it was a foolproof way to keep out of war, there was not a Member of the Senate who, 2 years later, did not sincerely wish we had not done it.

So I think it is impossible to shackle ourselves and prevent ourselves, in advance, from having freedom of action in regard to the foreign field.

Mr. MALONE. Mr. President, is the Senator suggesting dictatorship?

Mr. LODGE. No; and I do not think I have said anything that could be interpreted as suggesting it.

Mr. CAPEHART. Mr. President, I should like to go a little further than the Senator from Massachusetts has gone, and to make the point-blank statement on the floor of the Senate that every international scheme we have entered into during the past 30 years has been an outright failure. I agree with the Senator that in a few years after we enter into such a scheme, we are sorry we have done so. I also state that I am entirely in agreement with the Senator's statement with respect to rehabilitation and the long-range aspects of this bill.

Mr. President, within the next 48 or 72 hours I shall introduce a bill which will take the fuzziness out of these loans, and will put them on a sound basis, and will spell out exactly what is to be used for long-range loans and exactly what is to be used for gifts. I, for one, think the time has arrived——

Mr. BALDWIN. Mr. President, will the Senator yield for a question of the Senator from Indiana?

Mr. MALONE. I yield.

Mr. BALDWIN. Will the bill the Senator from Indiana proposes to introduce be based upon the factual study of any commission or committee?

Mr. CAPEHART. It will be based upon the common horse sense of an American individual, and on the policy this Nation has used for the past 15 years, and it will be based on a premise and on law, a tried and proven formula which we have used in our own Nation for the same thing we are proposing to do for these foreign countries.

Mr. BALDWIN. What is the agency or committee or commission which has provided the figures on which the Senator's proposal will be based?

Mr. CAPEHART. It is the whole study made by the Herter committee, which has been used by all the committees which have taken action on this subject.

Mr. MALONE. Mr. President, if the Senator from Connecticut would like to stay on the subject we have been discussing, I shall be glad to yield further; but I think we are going too far afield.

Mr. BALDWIN. I simply wish to make this comment: As I understand it, the estimate of from 20 percent to 40 percent repayment of loans is not only based on the studies made by some branches of the Government, which are in fact arms of this very Congress, but also is based in part upon representations which these people in Europe made when

they got together at the Paris Conference. I think there is some virtue in the fact that in their representations they did not say, as some might have said, "We will be able to pay back all these loans, or 90 percent of them, or 75 percent of them, or 50 percent of them." I think the fact that they indicated they might be able to pay back so little is good evidence of their earnestness and their truthfulness. In my opinion, in order to be realistic we might better be advised as we consider the question whether or not we shall pass this legislation that, after all, the representation is that probably not more than 20 to 40 percent will be repaid. That is based upon not only their representations but upon our own figures. I thank my distinguished friend for permitting me to make that statement.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my friend the Senator from Vermont.

Mr. AIKEN. Mr. President, let me say first to my friend the Senator from Nevada that it is very likely I shall disagree with the conclusions which he may draw in his speech, but a point has been raised as to which I think there should be a clear understanding. The point was raised by the junior Senator from Massachusetts. He says we may expect a large part of the money to come back to us in the form of raw materials and thus to be repaid for our expenditures. As I look at the map I am wondering how much hope there is in that direction, what raw materials we may expect to receive from Italy, France, Portugal, Belgium, the Netherlands, or Greece.

Mr. LODGE. The map, I may say to the Senator from Vermont, does not show the empires of the various countries. The bill covers the French Empire, the Dutch Empire, and the British Empire which possess vast quantities of materials which would be useful to us.

Mr. AIKEN. That is just what I feared. The only conclusion to draw is that the Senator thinks the future welfare of the world will depend on the European countries keeping vast areas and vast populations under control as colonies.

Mr. LODGE. No; I do not think that. I, personally having been in those countries, should like to see them develop independence, dominion status, and so on. Under those conditions there, I think there would probably be an even better chance of developing the raw materials than there is now, because we would have the good will and the desire of the people there to supply these resources. I do not think the bill in any way promotes imperialism in the empires. If it did, I should not be for that.

Mr. AIKEN. The point I should like to make is that if repayment is expected, we must expect it largely in the form of manufactured goods. We should face that fact.

Mr. LODGE. No; I do not think that is true at all, I may say to the Senator.

Mr. AIKEN. I do not think we should expect the Javanese to work for 8 cents a day for the Dutch in order to enable them to repay our loan. I should rather give the Dutch the help.

Mr. LODGE. The bill is very specific on that point, I may say to the Senator. It does not say manufactured goods. It says strategic materials.

Mr. AIKEN. Why should they not pay in manufactured goods as well as in raw materials and agricultural products, which will cut into another segment of our economy?

Mr. LODGE. It does not say agricultural products, either, if the Senator will bear with me. It merely says strategic raw materials. That, of course, is a well-known term developed by the Army and the Navy, and it applies to certain minerals and materials which we do not have in this country.

Mr. AIKEN. Would that include wool and rubber, the two largest agricultural products?

Mr. LODGE. I do not think wool is listed as a strategic raw material.

Mr. AIKEN. It should be.

Mr. LODGE. I do not think it is found on page 29, line 21, which says:

(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country.

Mr. KEM. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. KEM. It has been said by the Senator from Connecticut that the CEEC countries estimated they would be able to pay us from 20 to 40 percent of the amount we are asked to advance them. With that in mind I looked at the report of the Paris Conference, and the only thing I found under the index of repayment was the statement that "the problem of repayment is beyond the scope of this report."

Mr. LODGE. Yes; but if the Senator from Nevada will permit one more interruption, we have gone beyond that; we have written this language into the bill, and any nation that signs an agreement under the bill agrees to it. For the benefit of Senators who have taken part in this debate, and particularly the Senator from Vermont, I should like to call his attention to page 162 of volume 1 of the hearings, in which are listed the possible production increases and stock-pile acquisitions of selected strategic materials. I asked the executive branch of the Government for the information, and it is in this volume. It might be of interest to Members of the Senate to examine it.

Mr. KEM. Mr. President, if the Senator from Nevada will yield further, I have one more question. Do our business transactions with any of the European nations with the exception of Finland indicate the possibility that we can deal with them otherwise than on a "fuzzy" basis?

Mr. LODGE. I think Ireland did pay her debt to us after World War I just as Finland did and that they were the only nations to do so.

Mr. KEM. With the exception of those two countries, we are on notice that the engagement may deteriorate into a "fuzzy" one; is that correct?

Mr. LODGE. I think it is true that we have gone through a long period in which a number of other countries did not pay their debts, but history does not always repeat itself. There is such a thing as optimism, there is such a thing as a silver lining, and there is such a thing as a real, capable financial administration of this program which will see to it that the loans are really loans. I personally think we are going to get it.

Mr. KEM. There is such a thing as patience ceasing to be a virtue, too, is there not?

Mr. LODGE. Perhaps so.

Mr. MALONE. Mr. President, I think some of the problems about which the debate has centered will be answered from my standpoint by a continuation of the address. I would say to my distinguished colleague from Massachusetts, however, while the subject is under discussion, that he referred to the St. Lawrence waterway. That bill was not passed; therefore, we do have something to say about it. The same thing applies here. I should like to see included in the bill some specific rules which I shall describe later, that would apply to a percentage of the loans for the rehabilitation of industry in the same manner that I desired a Chief of Army Engineers report on the St. Lawrence waterway project before I was forced to a decision; we sent it back to committee.

Mr. LODGE. Mr. President, I do not like to interrupt the Senator.

Mr. MALONE. I am happy to yield.

Mr. LODGE. I should like to read one short paragraph from the committee report, which I think is pertinent:

While recognizing that a definitive answer cannot now be given to the question as to what percentage of assistance will be financed by loans and what percentage by grants, the committee believes it desirable to obtain an estimate. In response to its inquiry the National Advisory Council has estimated that, roughly, 20 to 40 percent of assistance will be in the form of loans, while 60 to 80 percent will be grants. Without attempting to make a determination, it is probable that in the early stages of the program the countries will be divided into four classes: (1) Countries such as Switzerland and Portugal, which will pay cash for commodities received—

In other words, they will pay dollars—

(2) countries to which assistance will be furnished by loans; (3) countries, like Austria and Greece, where assistance will be entirely by grants; and (4) countries, like France and Great Britain, where assistance will be partly by loans and partly by grants.

Mr. MALONE. Mr. President, I would just say in passing that we have a perfect 30-year record in reference to England and France, and right in the record proof that England and France made no repayment of any loan they have ever received over that period that equaled the interest on that loan.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I shall not take any more of the Senator's time, if he

will permit me to make one inquiry, which is based upon a statement by my friend the junior Senator from Massachusetts about his belief that the moneys expended and to be expended would help prevent the spread of communism in certain countries. I am very much interested in that subject, and I am interested in it generally in connection with reaching a conclusion on the pending measure. The Senator expressed the belief, to which I referred in passing as perhaps a surmise, that the money already advanced and loaned to certain countries had kept out communism. Certainly the Senator would not apply that to moneys advanced to the United Kingdom, would he? We do not believe for a minute that communism would have swept the united countries in the British Isles.

I will say that among those countries which are to be helped I notice Iceland, Ireland, the United Kingdom, The Netherlands, and Portugal are to receive moneys. The argument is being made that the purpose is to prevent communism from taking possession of those countries. I say to the able Senator from Nevada that I am impressed at this time with the fact—and I wish that someone would throw some further light on it—that the countries which I have named are not in danger of communism. I have seen no indication of communism taking over the United Kingdom, Iceland, Ireland, or Portugal.

Mr. LODGE. Will the Senator from Nevada permit me to answer that statement?

Mr. MALONE. I yield to my friend, the Senator from Massachusetts.

Mr. REVERCOMB. If money is to be loaned for that purpose, why is it that they are to receive such large grants, particularly the United Kingdom?

Mr. LODGE. I will say to my friend from West Virginia two things. First, some of the countries he has mentioned will not receive any loans or any grants, but will be required to pay cash for everything they receive. Some of the other countries will receive loans but will receive no grants at all.

Secondly, if we hope to see the economic integration of Europe, the creation of a joint organization, and the development of that area into a single unit which is strong and rich, where the present subdivided small units are weak and poor, we must in our plan include all of the countries in that area, whether they took part in the war and whether they were our allies. That is why some of those countries are included. I do not think we can merely spend money and stop communism. I do not think it is as simple as that. But I do think that one of the things that make men turn to the Communist doctrine is the fact that they have no hope for the future. Therefore, if we are trying to prevent the advance of communism by political means—I am not speaking of force—it stands to reason that one of the effective ways to do it is to give them some hope for the future. It is in that respect that I think this bill, if enacted, and if it is intelligently administered, will tend to prevent the advance of communism, because people will feel that it gives them some hope for the future, some chance to develop themselves, some chance to turn the crank and get the engine going again. Of course, if there is no engine, it does no good to turn the crank.

Mr. REVERCOMB. The Senator from Massachusetts made the statement that some of the countries which I have mentioned will not receive relief under the proposed legislation. With the possible exception of Ireland, I want to go over the list of those countries, so that the Senator may advise me. Of course, I am following the report as to which countries I name will not receive relief. Certainly the United Kingdom and dependencies will receive some relief.

Mr. LODGE. They will receive some grants and some loans.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my distinguished colleague from Nebraska.

Mr. WHERRY. I should like to inquire of the distinguished Senator whether or not he wishes to conclude his remarks this afternoon. It is now 3 minutes to 5. We have had a long session this afternoon. I am wondering if it would meet with his approval to take a recess, with the understanding that he may proceed tomorrow and be permitted to finish his remarks at that time.

Mr. MALONE. I should like to finish the subject which is now under discussion, which will require about 5 or 10 minutes.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. REVERCOMB. I was addressing a question, with the permission of the Senator from Nevada, to the Senator from Massachusetts, with reference to the countries I had named which will receive relief, and the Senator expressed the view that some of them would not receive relief. We talked about the United Kingdom, which will receive relief. As it is set forth in the report, that relief will amount to perhaps a fourth of the total amount to be appropriated.

Mr. LODGE. I do not think that is quite an accurate statement. The matter of which countries shall receive loans and grants, and the proportion of loans and the proportion of grants with respect to each country, cannot be foretold at this time with mathematical accuracy. It will be a matter for the Administrator to decide in each case. He will have to make up his mind how much a country can repay. It is obvious that in the case of certain countries they can repay all the money which has been loaned them, and it is obvious that in the case of other countries they will have to pay for everything they receive. In the case of most of the countries it is not possible to say how much of the amount will be loans and how much will be grants.

Mr. REVERCOMB. If the Senator will further yield, I want to call the attention of the Senator from Massachusetts to page 47 of the report, referring particularly to table 2, which is a recapitulation of illustrative distribution between relief-type and recovery-type commodities and services financed with new United States Treasury funds and imported by the participating countries from the western Hemisphere, April 1, 1948, to June 30, 1949. Is not that an estimate?

Mr. LODGE. That is an illustration. I do not consider that it binds the Administrator.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. REVERCOMB. There has been evidence before the committee as to what will probably be sent to each of the countries involved, and it appears in the report of the committee. I note that the United Kingdom and its dependencies, out of the total amount of $4,899,100,000, is to receive $1,490,900,000.

Let us turn to the other countries mentioned a while ago which will receive relief. In looking at that table, does it not appear that Belgium will receive relief?

Mr. MALONE. Two hundred and fifty-two million for that country.

Mr. REVERCOMB. And Denmark?

Mr. LODGE. They are to get some relief-type commodities, but I do not think it could be called relief. The purpose of the bill is recovery, and not relief. Obviously people cannot start working unless they eat and unless they have heat, but the purpose of the bill is not relief, it is a recovery bill, and I personally regard the use of the word "relief" as not entirely accurate.

Mr. REVERCOMB. Mr. President, I want to clear up the little exchange, and a very pleasant one, between the Senator from Massachusetts and myself when I mentioned countries that were not beset with communism, which would receive the contemplated help. I mentioned Belgium, Denmark, Iceland, Ireland, the Netherlands, Portugal, Sweden, Switzerland, and the United Kingdom.

I find that, according to the report, it is contemplated that all of them will receive relief under the pending measure, and I call attention to page 47 of the report.

Mr. LODGE. They will receive relief-type commodities, but that is not at all the same thing as receiving relief, in my opinion. We have to decide whether we are going to embark on a program which includes all these nations of western Europe in an over-all recovery effort out of which we hope will come a new integration of Europe, something strong and better than we have had before, or whether we are just going to take certain countries and give them piecemeal soup-kitchen treatment, so that at the end of the program they will be no better off than they were at the beginning. If we are to do something comprehensive, which will get us up out of the rut and onto the high ground, then I think we have to have a plan which will include the whole of Europe, because one European country's economy is dovetailed into the economy of another. For centuries one country has been dependent on the economy of the other, and there cannot be any kind of European recovery without treating all the countries as a unit.

Mr. MALONE. Mr. President, to throw a little light on the debate just concluded between my distinguished colleagues from West Virginia and Massa-

chusetts, the best estimate we can get from the references shows that France is to get $1,119,000,000 from the $5,360,000,000, and the United Kingdom is to receive $1,378,000,000. That is the estimate for the first 12 months, and it speaks for itself. It is roughly $2,500,000,000 out of this $5,360,000,000 or about 50 percent.

Mr. REVERCOMB. Would the Senator mind putting into the RECORD the names of the other countries, in view of the exchange and discussion which has just preceded the Senator's last statement?

Mr. MALONE. I submit for the RECORD, Mr. President, a table showing 16 nations benefiting under the Marshall plan. It shows their population, their area in square miles, and their allocation under the Marshall plan. That is the best estimate I can get from the Foreign Relations Committee hearings and other reliable documents. It also shows the Index of Industrial Recovery, 1937 being considered 100 percent, and the financial aid per capita.

As long as I have mentioned France and England, I may say that this table shows that the United Kingdom is now 115 percent recovered, compared to the industrial index of 1937. It shows that France is 106 percent recovered on the same basis.

I submit the table for the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Country	Population	Area	Allocation under Marshall plan (12-month period)	Index of industrial production (1937=100 unless otherwise noted)	Financial aid per capita
		Square miles			
Austria	7,000,000	32,369	$142,000,000	[1] 50	$20.3
Belgium and Luxemburg	8,687,000	12,774	252,000,000	[2] 84	29.0
Denmark	4,024,000	16,575	128,000,000	[3] 117	30.9
France	39,700,000	212,659	1,119,000,000	[4] 106	28.2
Greece	7,788,000	50,257	145,000,000	[5] 75	18.7
Iceland	127,800	39,709	10,000,000	([6])	78.0
Ireland	2,989,700	27,137	119,000,000	[7] 109	40.0
Italy	45,800,000	119,800	680,000,000	[8] 80	14.8
Netherlands	9,090,000	12,862	550,000,000	[9] 90	61.0
Norway	2,937,000	124,556	27,000,000	[7] 122	9.2
Portugal	8,132,900	35,466	None	([10] [11])	
Sweden	6,674,000	173,347	26,600,000	[7] 107	3.9
Switzerland	4,265,700	15,737	None		
Export				[12] [13] 101	
Import				[12] [13] 105	
Turkey	18,971,300	294,416	None	([14] [15])	
United Kingdom	47,889,000	94,279	1,378,000,000	[7] 115	29.8
Western Germany (United States, United Kingdom, French zones)	45,417,200	96,300	[16] 784,600,000	[7] [17] 42	17.3
Total	259,495,600	1,348,243	5,360,000,000		

[1] State Department, European Recovery Plan, Country Studies, Austria. Estimate, 1947.
[2] Monthly Bulletin of Statistics (United Nations, January 1948 issue): September 1947.
[3] International Financial Statistics, January 1948; p. 63.
[4] International Financial Statistics, September 1947.
[5] State Department, European Recovery Plan, Country Studies, Greece (1939=100).
[6] No data.
[7] Hearings, Senate Foreign Relations Committee, pt. 3, p. 1222. (Figures: End of 1947.)
[8] State Department, European Recovery Plan, Country Studies, Italy.
[9] State Department, European Recovery Plan, Country Studies, Netherlands (second quarter, 1947).
[10] State Department, European Recovery Plan, Country Studies. (No general industrial index available.)
[11] Full capacity.
[12] House Committee on Foreign Affairs Publication, entitled "Background Information on European Countries." (Restricted.) Aug. 21, 1947.
[13] 1938=100.
[14] State Department, European Recovery Plan, Country Studies, Turkey.
[15] Above prewar.
[16] Including Saar.
[17] United States zone, 48; United Kingdom zone, 37.

Mr. MALONE. As long as the Senator from Massachusetts has brought up the matter of strategic minerals, I should like to say that I happen to have worked on the matter of strategic minerals for about 25 years. I believe I was the first one to go to the Secretary of War in 1936 and 1937, Harry Woodring then being Secretary, and propose a definite program for purchase and stock-piling of those materials, and I have worked on the program almost continuously since that time.

In all the proposals which have been made at random, it has never been proposed, to my knowledge, that nations pay their debts through the production and turning over to the United States of strategic materials without cost, that they give them to the United States. We are always to buy these materials. Let me call the attention of the Senator from Massachusetts to this fact. I know that the suggestion has been made from time to time that we are going to be given these materials, but we have always bought for the stock pile and paid cash for them.

Mr. LODGE. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. LODGE. I agree with the Senator that in the early stages of the program we would buy these minerals, but I think that if it were not for this bill we probably would not be able to buy them, for two reasons. First of all, we would not get the priorities; the nations would keep the materials for themselves. Secondly, if it were not for this bill, there would not be the exploitation and the development of the materials. So, even if the bill provided only for the sale, I think it would be advantageous. In addition, it provides for barter, and I think the barter provision is going to be very effective over the years, but I agree not in the first 2 or 3 years.

Mr. MALONE. Then the Senator agrees with me that it will not be effective the first 2 or 3 years, and this is only a 4-year program.

Mr. LODGE. I think the barter provision probably will not be effective the first year. I think the sale provision will come into effect right away, and I think it is very advantageous to us. It is very easy to say, "All this bill provides is that they will sell us the raw materials," and at first blush that does not look like much, but from the talks I have had with men like the Senator from Nevada, who have spent their lives in this field, I think it means a great deal. It means we will get priority in obtaining these things, and it means they will develop natural resources, which they would not otherwise do.

Mr. MALONE. Just further to clarify the atmosphere, we have had provisions in other loans. Many of the Senators present remember about the loan to Britain of $3,750,000,000. I was not a Member of the Senate at that time, but there were many provisions in the loan, such as the Empire preferential rates provision, and other conditions which vitally affected this country, and which never have been thoroughly discussed on the Senate floor since I have been a Member of this distinguished body.

It will be remembered that, following the loan, English representatives went to the State Department for relief from carrying out the provisions of the act and were then and there relieved from the provisions of the loan that did not fit into their plans, without again submitting the matter to Congress in any way whatsoever.

No conversation has ever developed which would prove to anyone that we would be given these materials under the Marshall plan bill for the simple reason that the producers of these materials, just as producers in the United States, have to pay their help, they have to pay their workers, and if they make 5 percent as a net profit that is a good net profit, perhaps, as it is in the United States. How many of these strategic and critical materials and minerals must we consume in this country to get back any reasonable portion of the debt? If we got the entire profit of 5 percent, it would take $120,000,000,000 worth of strategic and critical minerals and materials to pay one-third of the debt, or $6,000,000,000. Therefore, it is not practical, and it would not be done under any conditions that can now be projected. It is simply a pleasant dream. It has been my ambition to answer this often propounded question on the Senate floor for many years. I thank the Senator for the opportunity.

When it comes to priorities, we have learned from sad experience that nothing written in a bill means anything when the parties come to the State Department and complain. They write it off without coming to Congress. In the case of the British loan they did write it off without coming to Congress, and if the distinguished Senator from Massachusetts has any information otherwise on the British loan, I should be very much obliged if he would tell us about it.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield further to my good friend from Massachusetts.

Mr. LODGE. I have no information otherwise on the British loan, but I will say that I agree with the Senator that we have made many mistakes in the past. We have gone into many things in a sort of left-handed, half-baked way, but I think the proposal before us is much more carefully worked out than anything I have seen in the years I have been a Member of the Senate, and that it has the benefit of the study of men of standing to an extent that I have never seen before.

Insofar as the possible acquisitions of materials and stock piling under the bill are concerned, the Senator will see on pages 162 and 163 that we expect to get 3,000,000 pounds of tungsten from Portugal—I am skipping around at random; we expect to get 2,000,000 pounds of nickel from New Caledonia and the Netherlands East Indies; we expect to get from two to three million pounds of industrial diamonds from the Belgian Congo, Angola, the Gold Coast, and Sierra Leone; we expect to get 50,000 pounds of copper from the Belgian Congo and Northern Rhodesia, and so forth and so on. I will not read them all, but we expect to get, according to official testimony which was given at my request, substantial amounts of things we need.

Mr. MALONE. Mr. President, does the Senator from Massachusetts expect that we shall get those materials in exchange, or shall we have to pay for it as usual?

Mr. LODGE. I think in the first year or so we will pay for it in dollars. In fact this whole computation of $5,300,000,000, in view of the unfavorable trade balances of these countries, is based on the assumption that they will sell us some of these materials, and if we stipulated that they had to give us these materials, then the unfavorable trade balances would go up that much greater, and add that much more by way of aid, or it would have to be furnished from outside. So I think in the initial stages we will pay for it. Under the bill it is possible to make agreements extending for a number of years, under which we will get substantial amounts of these materials without paying cash for them. Of course, we will pay something for them. We will extend our aid in exchange for it.

Mr. MALONE. I thank the Senator from Massachusetts sincerely for his contribution. Now, since he has raised the question, I refer him to the European recovery plan committee hearings held by the Senate Foreign Relations Committee, Part I, to pages 116 and 117. There are two tables there which are very interesting to me. Since the Senator has brought up the fact that if we did take these minerals without pay it would further unbalance their trade balances, I want to point out to the distinguished Senator from Massachusetts that it just happens—no doubt it is a coincidence—that the money which has been asked for under the bill, $6,800,000,000 for 15 months, corresponding exactly to $5,300,000,000 for 12 months, adds up to the unfavorable trade balances.

In other words, the $6,800,000,000 asked for by the President for 15 months under the Marshall plan corresponds exactly in proportion to the $5,300,000,000 for 12 months so the trade balance shortage of the 16 countries from all trade sources in the world for the 12 months exactly balances by the same coincidence the amount of the loan or gift—I hope that no one is so naive as to believe that any of it will be repaid.

Now the exact shortage in the trade balances of all these nations with all the countries of the world with which they trade adds up, as a mere coincidence, to $6,860,000,000 for 15 months, which is the exact amount asked for during that period. That, in the Senator's own words, is sufficient reason that we should never take these minerals without pay. I submit to the Senator that there could be a grave accusation made that this country has now established a certain policy with respect to loaning—and we mean by that gifts, because there is no one naive enough I hope in the Senate, and I think there are very few in the United States, who believe that we will get any money return out of this at all. The loan just adds up to their deficit in trade balances for the time that the loan is supposed to last, and it is an illustration of the policy we have adopted under the present administration, in the last 5 years. It is a dangerous policy, I submit and one that has already put us on the road to bankruptcy—how long would a business last with a policy like that—the board of directors would change the president of the company and quick.

Mr. LODGE. Let me say to my able friend from Nevada that I am not going to defend the policies adopted during this administration—during the last 5 years.

Mr. MALONE. The Senator is defending them if he backs the present legislation.

Mr. LODGE. No, sir; I am not. I insist that I am not defending the policies of the administration in the last 5 years. In fact, I do not consider I am defending the policies of the administration at any time. I am defending the policy which was adopted by the unanimous vote of the Foreign Relations Committee, which is a very different matter, indeed. The bill which the Foreign Relations Committee has reported out is a far different bill than the bill sent up from the executive branch.

Mr. MALONE. Let me interrupt the Senator at that point to say that the amount is just the same and the principle is the same—some of the words may have been changed.

Mr. LODGE. No matter how hard the Senator tries, and no matter how eloquent he is—and he is very eloquent—he cannot tie me up with this administration. I refuse to be tied up with it. The fact that the unfavorable trade balance is $6,800,000,000, as shown on pages 116 and 117 of the hearings——

Mr. MALONE. Six billion eight hundred and sixty million dollars.

Mr. LODGE. And the fact that the total amount requested for the Marshall plan is $6,800,000,000 is not a coincidence. It is deliberately arrived at. What we are trying to do is to bridge that gap in foreign exchange which has been caused in large part by the war. There is not any mystery about it. We have not uncovered a corpse here. It is exactly what we are trying to do. The Senator is quite right that if we were to insist on getting these strategic raw materials without paying for them in the first year, it would further upset the unfavorable trade balance of those countries, which is exactly why we are not going to do it. But when the time comes when these countries develop an export surplus—and I think some of them have great recuperative powers, and they will develop export surpluses—when that time comes, then we can get these materials by barter, and I think we should. I thank the Senator for yielding to me so liberally.

Mr. MALONE. I thank my distinguished colleague from Massachusetts. He has had longer experience in the Senate and has had a longer time to observe the actions of this administration. Therefore he would know more about it. I would like to withdraw the remarks I made that he is siding with the administration purposely so long as he is so vehement in stating that he does not like to have that said. I now believe that his agreement with them in principle is a coincidence.

The Senator said that when the various countries recover then we will collect these minerals without paying for them. I say to the Senator that the United Kingdom is now 115 percent recovered compared to the 1937 industrial index. I want to quote at this point what Sir Stafford Cripps said to me. I had a long interview with him. I intended to go into that later, but now seems opportune. He was very frank with me. He did not say or claim that Great Britain needed this money very badly. As a matter of fact he said they did not need it very badly for the recovery of Great Britain. What they needed was not money for recovery, but for the building up of industry in their colonies, notably in Africa. I asked him in a conversational tone of voice if it would not be all right if Americans, persons in the United States who have money to invest, should not invest it in Africa—since they are ready to invest it anywhere in the world where capital is safe from confiscation, where they just take the business risk. There is more private capital for such investment in the United States now than at any other time in the history of the world. Why not let private capital go in and do these things? "Oh, no," he said, "that will not do. We need the Marshall plan money so that the Government of the United States will give the Government of Great Britain the money to build up industry," not to rehabilitate it to the point at which it was prior to the war, not 25 percent above that, but double it and triple it. That is where Great Britain intends to come into market domination again. That is what this money is going for really, and it is, of course, in the British Empire where most of strategic and critical materials are found.

Let me make one more remark in that connection. I had a long discussion with Sir Ben Smith just before I went down in one of the British coal mines, and be-

fore I had visited the steel mills in Birmingham. Sir Ben Smith said several things. One thing was that we should continue lending them money on the lend-lease principle and expect no repayment at all. I do not remember the exact language he used, but he said it was way out of line for us to expect repayment; that we should continue loaning them money on the same lend-lease basis. I did not say anything. I was obtaining the information which I wanted. He said further: "You must remember"—I was a long way from home, and perhaps looked a little timid—"you must remember that we control in the British Empire three-fourths of the raw materials in this world, and if we have to we will close down on them." Those are his exact words, presumably in the nature of a threat if we refused such aid on that basis—if we were rash enough to expect any dealings on a business basis.

Mr. President, there is no time further this afternoon to continue the debate, but I should like to obtain unanimous consent to continue my address the first thing tomorrow after the Senate reconvenes. I intend to show at that time that by taking these measures into account separately it is possible to feed hungry people, to stop communism, and it is possible to loan money on a business basis for the rehabilitation of sound industrial enterprises.

Mr. WHERRY. Mr. President, I ask unanimous consent that, after the Senate reconvenes tomorrow, the junior Senator from Nevada [Mr. MALONE] may be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MARSHALL PLAN—ADDRESS BY SENATOR JOHNSON OF COLORADO

Mr. JOHNSON of Colorado. Mr. President, on March 2, I made a talk at Chicago before the North Park College forum. I ask unanimous consent to insert that talk in the RECORD, not in the Appendix, but in the body of the RECORD, for the reason that my talk dealt almost exclusively with the Marshall plan and related matters.

The PRESIDING OFFICER. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

To provide a subject for this address, my sponsors have assigned me the intriguing topic "If I Were President." The Monday noon quarterback has obvious advantages over the Saturday afternoon coach as do I. So tonight I shall let my imagination run riot with respect to the conduct of the most powerful and most respected office in all the world, and take you with me on a flight into the stratosphere of political speculation and hindsight.

Each year the President appears before Congress and delivers an historic address on the state of the Union. In this modern time, where a pin-drop is heard across every sea, there are no limits to the scope of this traditional address. For today the state of the Union is the state of the world. On January 7, 1948, President Truman, the world's foremost optimist, as well as its leading political figure, delivered a most reassuring state of the Union résumé.

I thought the President painted too bright a picture on January 7. As I view it, he might well have said bluntly the "state of the Union is bad, very bad, and the state of the world is positively terrifying." I am not an alarmist, but it is dangerous to not face the stern realities of these uneasy times. The people of the United States are tough and they can take a "blood, sweat, and tears" jolt when that is the medicine the doctor has ordered.

President Harry Truman is a patriot of the highest order. He is a devout man of deep religious convictions. No one loves his country more. There is not one dishonest hair on his head. He is a man of great courage, almost foolhardy courage. He has a warm, understanding, unselfish love for the people. He is a good man in every sense of the word. But if he had taken his hair down on January 7 and called a spade a spade, his words would have thrilled and inspired his people.

Had he said to the Congress, "There will be no political maneuvering at the White House, so stop thinking only of November the second, complete your difficult tasks without fanfare, and without playing politics, and get out of Washington!" Congress would have recognized the master's voice, and the country would have smiled its approval.

Had he said to industry, as General Eisenhower is reported to have observed, "Cut profits, lower prices," tumultuous applause in and out of Congress would have lifted his words to the stratosphere, and the other day steel would not have poured oil on the flames of inflation by its stupid and wicked action in advancing prices.

Had he said to organized labor, "The economic structure of our country is tottering. The vicious spiral of higher prices and higher wages must cease, and quick. For 12 months I demand freedom from wage increases." Had he added, "Gentlemen, inflation can be overcome only through the constant, unselfish, enlightened efforts of all of us. Only by high, uninterrupted production can your take-home dollar ever approximate 100 cents again;" organized labor in my opinion would have fallen in line and the confidence of the country would have been restored.

Had he said to American merchants, "Merchants, do your part to restore the integrity of the dollar. Slash prices, put on bargain sales, clear your shelves, reduce your inventory, get your house in order for a period of lower prices;" all of America would have rejoiced.

Had he said to all the people, "Europe is suffering its worst famine since the 1860's; eat less, waste less, and dispatch more to the starving children across the sea," a new spirit of consecrated sacrifice would have swept these United States.

In his state of the Union speech our beloved President missed a great opportunity because he spoke neither the language nor the thoughts of Harry S. Truman.

The world is on fire. Extraneous matters which divide our people and glittering generalities far beyond the President's own budget had no place in that speech. Recommendations of economic changes based on tough, cold facts would not have inspired incriminating debate and far-reaching political revolts. The American people are not little children who must be told that the Federal Government will fill their stockings with every good thing, including social and political preference, without any effort on their part. This is a time for concerted action, not fussing and feuding; a time of peril, not plenty; a time for hard work, not day-dreaming; a time for sacrifice, not mooching.

Today, if we will get November 2 out of our eyes, two very grave dangers may be seen sticking out like two very sore thumbs. I refer first to the constant and dangerous advance in the cost of living, and secondly, to the growing threat of World War III. We dare not relax for one split second until the general outlook on these two perilous fronts is greatly improved.

Gradually, in the United States, inflation has been gaining momentum day by day, month by month, and year by year. Like a thief in the night it has been creeping upon us. Inflation is not a new disease. It is as old as civilization. Its pattern and its causes are well understood by economists everywhere. It has been the source of more misery than any other phenomenon of the capitalistic system. It is the father of totalitarianism. It gave the world Napoleon, and it gave the world the unspeakable Adolf Hitler. Capitalistic democracy and uncontrolled inflation cannot live in the same house. One or the other must get out. The burning question in the United States is, which goes? It is as simple as that.

Today every country the world over is suffering in some degree from this virulent malady. In China, one cannot haul enough printing-press money in a wheelbarrow to pay for a meal. France and Italy, too, have an aggravated case of this economic plague. All of our neighbors in the Western Hemisphere are desperate because of it. The rich and the poor, the high and the low alike are ruined. It creates Communists faster than Joseph Stalin can drink vodka.

At no period in world history has any nation shown more capacity to wage total war than did the people of the United States during World War II. Our human and natural resources were mobilized to the nth degree to crush our cruel, relentless foes. Now we are nearly 3 years in the postwar era. In place of the perfect coordination and splendid cooperation among all groups which were so evident during the war, we see our leaders appeasing pressure groups and special privilege gangs; we see petty political maneuvering, and the selfish promotion of personal political ambition. Hitler and Mussolini and Tojo put the fear of God in us, and we moved as one man to destroy these monsters. If we could only realize it, the impending ruination of inflation and the threat of World War III are far more dangerous enemies today than those three vile creatures of yesterday. Hitler, like the foolish rattler, proclaimed his own perfidy, but inflation is slipping up on us like a snake in the grass.

If I were President, I would summon my economists and set them to work to list all of the direct and indirect causes of our march of inflation. After they had diagnosed and analyzed the situation thoroughly, I would give the Congress and the people a full, complete, and hard-boiled statement, and I would demand corrections all along the line, regardless of whom it might hurt. Furthermore, I would pound away on this theme day and night until I got results. For until we stop the spiral of inflation which is sweeping the United States over the precipice, our vaunted prosperity is but a house of cards built upon the quicksands of illusion. Manufacturers, merchants, farmers, consumers, bankers, management, organized labor, government, and many other elements of our society have contributed to the raging fires of inflation. Each of them faces ruin unless these fires are extinguished. Nothing short of Herculean coordinated effort with full and united cooperation among all segments will put that fire out. It is up to the President of the United States to provide the leadership in that kind of crusade.

The Federal budget for this year is two thousand million dollars larger than last year, and more than four times larger than the 1939 total. Right there would be an excellent spot for an inflation-fighting President to make his start. He might well contemplate the Government's whole fiscal policy. From 1940 to 1946 we expended $400,000,000,000 for war. Two hundred and fifty-seven billion of that vast sum is represented by outstanding interest-bearing bonds which under the law can be converted into credit

or currency any hour of the day. For all purposes and effects this vast bond issue is but one step removed from printing-press money. During the war period currency in circulation (printing-press money) increased $20,000,000,000. Deficit spending quite necessary during the war and the totalitarian device of printing-press currency have combined to debase our monetary system to the breaking point. There was dire necessity during the war to travel this dangerous road, but now that the war is over stupidity and political cowardice must not keep us traveling that tempting easy-come, easy-go highway to disaster.

Price control obviously is not the answer. This police-state method promises security but delivers confusion. It is true that it did work briefly during the war, but only briefly, for soon the laws of supply and demand, which no Congress and no government can repeal, asserted themselves through the black market, and the price controls had to be abandoned. They deal with symptoms anyway, and not the disease. Sitting on the lid of the volcano of inflation must eventually result in a violent explosion. If we are to build effective bulwarks against inflation something more fundamental is required. Federal fiscal policies, curtailed production through high taxes and labor disputes, loose credits, profiteering, exhaustion from public charity and foreign loans, and deterioration of money are its well-understood causes, and they must receive our united action to effect a cure. The danger which we face is that each of the elements in our economy will blame the other for the present wicked spiral and that inflation will continue unchecked and end as inflation everywhere has always ended, in economic collapse.

The State Department has a remedy for our inflation which I fear will be worse than the disease so far as we are concerned. They would stimulate production abroad with our capital; then they would lower our tariff wall and let cheaper goods flow in unrestrained. It would reduce prices here all right, but it would close our workshops and our factories.

In the early thirties the United States suffered the worst depression in history. The Federal Treasury had to pour out billions to get the wheels of industry turning. It was called pump-priming. The State Department is pouring twice that many dollars into Europe. Once European industry gets under way it will give American industry a run for its money. The cry will be for markets, and we cannot furnish them without creating idle smokestacks and devastating unemployment here at home. Thus we push ourselves along from one crisis to another. Lincoln was in error—you can fool all the people all the time.

I am convinced that some of the men occupying high places in our Government, while publicly complaining very bitterly about inflation, to more easily balance the budget privately desire it. But these men are living in a fool's paradise. Inflation, like alcohol and other narcotics, must be increased to register effect.

While our Government is ballyhooing about inflation, Sweden does something constructive about it. Industrial and business houses in Sweden will be required to deposit with the Central Bank 17 percent of the dividends paid last year and 27 percent of their undistributed earnings. These deposits will be blocked until 1950. By this arbitrary and drastic procedure the amount of money in circulation in Sweden will be reduced.

Keeping the United States out of world war III would be my other great passion if I were President. Since there is no possibility for keeping us out once a world war is started, world war III must be stopped before it starts.

Marcus Cato in ancient Rome ended every speech, every letter, and every conversation with these words, "Carthage must be destroyed." If I were President, every statement which I issued, every document which I signed, and every speech which I made would close with these words, "The world must not be destroyed."

Keeping such an objective ever before us might modify and change every short-range and every long-range domestic and foreign policy of this great country. But if that were so, then they would be changed. All ideas of "let's try this out" futility, all ideas of frenzied frustration, and all ideas of stupid appeasement and sloppy wishful thinking, which have characterized our dealings with Russia over the past 10 years, would most certainly have to go. That we would be required to remain strong and powerful all along the line goes without saying.

Modern war is total war. World war III will kill more women and babies than men in uniform. For mass destruction of civilians is the accepted technique of modern war. War will henceforth be directed toward civilians. They will be the first objects of death and destruction both by us and by our enemies.

To win such a diabolical war, we must remain strong in every phase of life, and especially so in its moral, spiritual, economic, industrial, and physical phases. If we are strong in these attributes, we will have attained the first potential of military strength. If we are lacking in any of these particulars, America cannot achieve military greatness.

In World Wars I and II th· United States demonstrated that it was the mightiest military power of all time. How could a nation with an overwhelming passion for peace attain such an exalted military status? It was no accident, my friends. American churches, Sunday schools, public and private schools, fraternities, luncheon clubs, labor unions, productive capacity, and our devotion to the free-enterprise system made this a great military power. For these things young American patriots from every cross roads and ·am·let fought, bled, and died. True, Annapolis and West Point and the ROTC and the National Guard made their vital contribution, but without the first-named fundamentals we could not have won these last two brutal wars. The armed forces, the usual yardstick, is only the token of our military strength.

Nevertheless, today the United States, forgetting this truth, is making the grievous mistake of spending three times as much money on its armed forces as all of its agencies—private and public—spend on all education from the kindergarten through its highest colleges and universities. There is something wrong with the head and the heart of a nation in these modern times that does that. The dangers of military fascism are very great in the United States today. The blatant insistence that our huge and swollen military appropriations be doubled at once is made without apology by our bloated militarists. One more victorious war and militarism will be in full bloom in the United States.

Radar, the proximity fuze, the guided missiles, and the other phenomena of electronics, the technique of mass production, aerodynamics and supersonic speeds, bacteriological warfare and chemical warfare, and even the atomic bomb itself are the product of the schoolroom. How foolish it would be to try to fight a modern war without regiments of chemical and civil engineers and chaplains. In the last war, we refused enlistment to all men who had not passed through the fourth grade, and until an extreme shortage developed in aviators, we required that all pilots have 2 years of college work. In the next war, we will not be able to use very many men outside of the labor battalions who do not have the equivalent of a high-school education.

Today, and for the foreseeable future, we have but one potential militafy opponent. Russia is the only other country on this earth with the capacity to engage successfully in total and modern warfare. Behind her iron curtain, she has twice our manpower. If we are to cope with her on an equal basis, our manpower must be equipped and trained until it is twice as effective as her manpower. We must have better guns, ships, electronics, planes, and pilots than Russia. We must have more devastating and deadly munitions and more machines of mass destruction. Some atomic scientists state that the radioactivity generated by the detonation of a thousand atomic bombs on this continent in a given time would destroy all life—plant and animal. Likewise, according to these scientists, a thousand atomic bombs dropped on Russia would destroy all life there. The only insurance against world war III getting under way is to have under our control those thousand bombs, more or less, plus the necessary bases and the planes to deliver them to the target. However, we would pray most earnestly never to be compelled to drop atomic bombs on anyone. Prevention of war is as simple and as horrible as that.

Many of our hysterical panic-stricken citizens and many of our professional militarists, doubtless with the best of intentions, have been whooping it up for universal military training. I wish we might rely on so simple an expedient as the conscription of our 18-year-old boys for our security, but the facts of modern war eloquently deny the adequacy of such a simple expedient. I am opposed to universal military training primarily because it would add nothing whatever either to our military strength or to our security. If we should be compelled to wage war against Russia, we would not dare have an American within hundreds of miles of that doomed land. Universal military training does not give immunity to radioactivity. They say we must have conscription to acquire occupation troops, but occupation troops have no business in a land sizzling with deadly radioactivity or sprayed with plague-producing bacteria.

When last year we anncunced the Truman doctrine of military intervention in Greece and Turkey, in so many words we challenged Russia in her own backyard to go to war. Outwardly she ignored our direct challenge, thus demonstrating that she was not ready for war with us.

Personally, I do not believe she will be ready for a hot war for 10 to 20 years, if then. Meantime, her cold war is being accelerated with a considerable element of success. Yesterday Czechoslovakia fell; tomorrow it will be Finland. Two years ago we should have known that these heartbreaking developments were inevitable.

However, Russia is caught between the two horns of the dilemma of education. She is 20 years or more behind the United States in educational facilities and attainment. When she catches up with us in these things her people will be too well informed to stand for her tyrannical and totalitarian system of war government. It is encouraging in this modern world that an ignorant nation cannot fight a modern war of aggression successfully, and that an educated people can find ways to avoid such a war. Thus the school plays the paradoxical role of preparing a people for war and at the same time filling people's hearts with the realization of the wickedness and futility of war. So our schools, the best bulwark of our defense, must press forward with increased vigor. I say again, it is short-sighted for any nation in peacetime to spend three times as much on the uniform as it spends on education.

War is caused primarily by hate and fear. These two complexes quite naturally develop the necessary military preparations to wage war. There you have the complete vicious cycle of destruction. Christ taught love instead of hate, and confidence instead of fear, and He said, "They that take the sword shall perish by the sword."

"To insure peace, prepare for war," must give way to "To ensure peace remove the causes of war," or to make war so revolting that no people will countenance it. Generally speaking, a way should be sought to substitute love for hate and confidence for fear. That is oversimplification perhaps, but it does put the finger on an idealistic goal which must be attained if civilization is to endure.

The very last words penned by Franklin D. Roosevelt were, "Today we are faced with the preeminent fact that, if civilization is to survive, we must cultivate the science of human relationships—the abilities of all peoples, of all kinds, to live together, and work together, in the same world, at peace."

Walter Lippmann points out that "our greatest danger is that we accept a false estimate of the European situation * * * and are frightened and violent when we should be confident, constructive, and magnanimous," and he goes on to suggest that our efforts in Europe should be directed toward "relaxing the tension, subduing the anxiety, and ending the panic."

Brooks Atkinson, the able representative of the New York Times, who resided many years in Moscow, sums up the present situation in these understanding words:

"We are afraid of Soviet Russia, which is afraid of us * * * two powerful nations shaking in their boots at each other and competing with each other in a tempest of rancor. * * * Russia is a large country populated by an admirable people with infinite potentialities, but led by a handful of fanatical doctrinaires who are scared. * * * Russia cannot fight an aggressive war now, nor can she risk provoking war, for she has hardly begun to recover from the appalling losses of the last war."

David Lawrence, an astute and popular American writer, observes:

"We must be ready to debunk our own course whenever it is palpably wrong. We deplore Russia's intervention in the Balkans, but we do not consider our own intervention in Greece as violative. We blame Russia for helping the Communists in China, but we help the side which the Russians call Fascist."

A well-known, well-informed American pacifist, Frederick J. Libby, recently suggested that our military forces are using Russia as a bugaboo to wheedle the American taxpayer out of $11,000,000,000 annually. And that the Russian politburo plays up the United States as a "warmongering, imperialistic enemy of the plain people of the world" to persuade her war-weary millions to accept meekly their present misery after winning a great victory.

Pearl Buck, who has spent most of her life in Asia and knows the oriental mind, comments:

"Every time an American talks about fighting Russia he hands a gun to the politburo. They run shouting with it to their people, 'See? I told you the Americans want to fight us!' " "I do not believe in appeasement," says Pearl, "but certainly I do not believe in helping the Communist leaders of Russia by saying what they want us to say."

In this age of anxiety, the rivalry for power between the United States and the Union of Soviet Socialist Republics has engendered a poisonous climate in which helpless humanity is drifting toward world war III. Whatever may be its causes, no one can deny that the present world climate is a war climate. But it is a man-made war climate. Man made it, and man can change it. The President of the United States has both the responsibility and the duty of leading a vigorous crusade for such a change. The world must not be destroyed.

Sixty-nine-year-old Stalin has been in poor health for 2 or 3 years. Robust and hard-boiled in his youth he has not grown old gracefully. Now he is old and lonely, with a weak heart, and periodically an invalid, and he spends most of his time in the health resorts of southern Russia.

The politburo, which has taken over more and more as his activity has subsided, still has confidence in the integrity and loyalty of Molotov to fulfill its precise orders with painstaking and faithful care, but it knows all too well that he is petty, dull, and uninspired, with an ambition greater than his ability. When Stalin goes to his everlasting reward, which may be soon, Molotov is not likely to succeed.

General Zhdanov and his crowd of Russian fanatical imperialists are in the saddle. They are dedicated to expansion through piecemeal aggression and the waging of a cold war. General Zhdanov, the favorite of the politicians, is well regarded also by Russian military leaders.

Marshal Beria, in charge of atomic research, is another very popular strong man of Russia who may succeed Stalin. Although General Zhdanov and Marshal Beria are political rivals, yet they work closely together.

Still another political leader of Russia who should be kept in mind is Andreyevich Andreyev, the Deputy Prime Minister. He is a cool-headed planner, shrewd, and solid.

Many observers believe that when Stalin passes on, the struggle for power in Russia will break wide open. I disagree. It will be a fierce struggle all right, but it will take place behind the closed doors of the politburo. Outwardly, all will be calm and decisive. Inwardly, smoldering fires may rage to be followed in time by purges, but the fatal movement toward world domination will go forward unimpaired. The cold war will progress on schedule without interruption.

No, Stalin's death will not herald communistic disintegration. It may even give impetus to the phenomenal growth of the Colossus of the North. Nothing indicates the slightest hint of a new spirit of conciliation toward the capitalistic democracies. Everything points to accelerated pressure on every neighboring country in Europe and Asia. Communism is on the march.

However, important and fundamental changes in the governmental structure of the Union of Soviet Socialist Republics are impending. Her tremendous postwar territorial expansion makes that positive. The problems of governing her vast empire are straining the old order and the old technique to the breaking point. Her utter lack of experience in governing diverse peoples having strange economics is revealing. Her contradictory policies in Germany are evidence of what I mean. The Communists want a strong, dominating alliance with Germany. This is the heart and soul of their present foreign policy. The Communists are positive that with a close alliance of Russia and Germany, nothing can stop them. Fortunately, they don't know how to proceed. The incredible clashes of brutality and flattery in her relations with the German people and the intermittent spasms of rehabilitation clashing with pillaging are the top international puzzles today and can only be explained by classing them as additional evidence of the well-known Russian inferiority complex.

Nevertheless, the chances that Russia eventually will make a success of her tremendous undertaking of consolidating eastern Europe are favorable. What she lacks in finesse she makes up in stubborn determination and ruthlessness. She can produce more food in her new empire than she can consume. Her manufacturing possibilities have no limits and her natural resources are adequate for all her present needs. Her economy is not only self-contained, but shortly she will have vast supplies of surplus food and other natural resources to offer western Europe. Russia can live and prosper without western Europe, but western Europe cannot live without her unless Africa is immediately and thoroughly developed. The overwhelming significance of that solemn truth needs to be hammered home to every Russian hater.

Germany, thanks to Hitler, is the saddest land in all the world. The mighty have fallen far and hard. Before the war the economy of Europe was based on German industries and German science. With her collapse, Europe is floundering. Most unfortunately, they can neither live with her nor without her. Our war policy of unconditional surrender and no separate peace, followed by the wicked, stupid, and indefensible Potsdam Agreement, has turned Germany, and perhaps all of Europe, over to Russia, lock, stock, and barrel. Arbitrarily dividing Germany into four zones was an evil day for the world. In the area of Tiflis, with the help of German technicians, is going up the reconverted Essen Krupp factory. Undernourished, frightfully abused, and discouraged, German slave labor is doing the heartbreaking job of dismantling, transporting to Russia, and there rebuilding war plants and other industrial plants. That is what goes on. Peacetime German factories are destroyed under the pretext that they might be used at some future date for wartime production. Fertilizer is Germany's and Europe's most crucial need. Nitrogen is the chief element in fertilizers. Nevertheless, the huge synthetic nitrogen plant at Oppau, Germany, is marked for dismantling. German wood and coal, the main natural resources left to her, are being recklessly exploited and exported both by Russia and Britain.

One-third of her agricultural land has been lost, and yet her total population in this reduced area is well over 65,000,000. The population of Greater Germany before the war was only 69,000,000 people. Forcibly expatriated Germans is the explanation. The diminished land area cannot support them. Big land holdings in the Russian zone have been split up into peasant properties much too small to permit a farmer's family to gain a livelihood. Starvation and certain failure will force these peasants eventually to accept the collective system.

The opposition to Hitler in Germany came largely from the landed classes, but the landed classes receive no consideration from either the Russians or the British and very little from the United States. Many former landowners have been deported to Siberia or pressed into slave labor. France, strangely enough, has committed less violence against them than the other powers.

Unemployment, starvation, and degradation have reached an unbelievable low. Lack of food, poor housing, and little or no heating have resulted in widespread epidemics. Tuberculosis is raging, syphilis has risen 250 percent over 1945, skin diseases have increased 10 times, and the general death rate is 30 percent above 1933. Medical supplies are very low and for political reasons many desperately needed doctors are not permitted to practice. Eighty percent of German cattle have tuberculosis. The decline in religious influence, plus the pervading hopelessness, is driving all classes and all age groups to immorality and crime. The ghastly decadence of Germany manifests itself in the sad, bewildered little children, with their big eyes set in their thin, starved faces. At a terrible cost to our Treasury, the Allies have made a flop of Germany, and Russia is cashing in on our tragic incompetence.

Prisoners of war, returning to Germany from Russian slave camps, are completely broken and unable to work; that is, unless they adopt communism, whereupon they enter the Russian Intelligence Service and are delegated to convert their fellow citizens in Germany to communism, or they may be assigned minor administrative duties in the Russian Government, or they may join the Russian-sponsored German Army.

Now, may we take a look at London? We like to believe that the United Kingdom's

precarious condition—just one step removed from total economic collapse—is a war casualty. It is nothing of the sort. True, it has been aggravated by the war and by the world-wide postwar currency debacle, but for 37 years straight, the balances between retained imports and exports of the United Kingdom have shown a huge deficit. In 1911 this deficit amounted to over $1,000,000,000, and each year thereafter it has steadily increased until now it has reached the dizzy height of $2,382,700,000.

For almost four decades the United Kingdom's adverse trade balance has been growing larger and larger. In one gulp the last war swallowed her last capital reserves and destroyed her numerous invisible exports, such as insurance and banking services as well as her income from foreign investments, and thus precipitated her present economic crisis. Britain is swapping a railway system she owns in Argentina, which cost her $1,000,000,000, for $600,000,000 worth of food. It is an act of desperation, but a nation must eat. During the war she lived on Canadian mutual aid and our lend-lease. Since the war she has survived on Canadian and American hand-outs.

The British people are bewildered. One day their politicians feed them statistics so bad that no one has the slightest hope. Then, for political purposes, without any basic change in her fundamental economic picture, the people are assured recovery is just around the corner. The truth is, recovery is not even around the next century. On the present basis, there will be no recovery.

Canadian and American aid have been nothing more than an opiate. The ghastly fact is, Britain has been and will be on charity for the foreseeable future. So long as our statesmen and her political leaders bury their heads in the sand and refuse to face cold facts, the United Kingdom is doomed to a permanent status of dependency on foreign charity. Her vast empire is being liquidated, her proud Navy is disappearing, and her once powerful air and land force is being reduced to a modest police status. Austerity for Britain is not for a day. It is for a century, yea, 10 centuries. There will always be an England we hope. I fear that it will not only be a tight little island, but a cold, hungry, more or less depopulated, little island as well. It is to be hoped that the United States will always have a soft heart, but it is too much to expect that she will always have a soft head. If I were President I would warn the United Kingdom to get her house in order without further delay, and come forth with a sound, constructive program that will click.

England's one escape is to build a new colonial empire in the undeveloped continent of Africa and closely integrate it into her economic system. Such an overseas expansion must, of course, be coupled with a drastic reduction in her home population. I am not talking about the exploitation of the native people of an African colony. I am suggesting a wholesale migration of her population to Africa. Africa has a tremendous undeveloped potential of production of food and other vital natural resources.

In fact, if Germany cannot be restored and trade resumed with eastern Europe, Africa offers the only way out for all of western Europe. Britain, France, Spain, and Belgium are already established there. Italian colonies, not including Abyssinia, of course, should be restored to her. The Dark Continent has plenty of room for the overflow population of western Europe. Multiplied millions of acres of idle, fertile soil, with semitropical and temperate climates, make Africa's agricultural potential supreme among the continents. Huge deposits of iron and coal are another happy combination. The possibility of hydroelectric power developments has no equal anywhere. Uranium, bauxite, manganese, chrome, diamonds, and precious metals are only some of the rich natural resources which abound in Africa.

When the United Kingdom and all of western Europe stop being sorry for themselves, snap out of their doldrums and take advantage of the most stupendous opportunities ever open to mankind, then and only then will world recovery be in sight.

The situation in Italy is downright disturbing. The Communists have a well-organized army of 100,000 men in Italy, armed and equipped with American and British automatic weapons and ammunition. Its military commander is Pietro Cecchia, and his chief of staff is Luigo Longo. The political leader of the Communist Party in Italy, which is very strong, is Palmiro Togliatti. He is perhaps the smartest, the ablest, and the most resourceful and most ruthless political leader in western Europe. Do not be surprised if violence gets under way in northern Italy prior to or just following the general elections which have been proclaimed to be held in April.

Each guerrilla roaming the hills of Greece last year cost the taxpayers of the United States $10,000. The cost per guerrilla goes up this year and very few guerrillas have been liquidated. In fact the reactionary Greek Government by its cruel economic policies has been creating guerrillas faster than our Treasury can destroy them. Heroic Greece is suffering from a combination of bad crops and bad government. The men who resisted the Nazi and Fascist invaders during the war are being hunted down in the hills like wild animals with our finances by the very royal family that fled Greece well ahead of the Nazi invaders. Our military mission there is the most contradictory venture of modern times. Why we should direct our money and our military efforts toward keeping a corrupt, imposed foreign monarch on the throne of Greece is the $64 question.

Yesterday the Senate started debate on the so-called Marshall plan. This plan is a grandiose scheme for the commendable and worthy objective of rehabilitating and restoring the 16 nations of western Europe to productivity and normal life. Five of the 16, Ireland, Portugal, Turkey, Switzerland, and Sweden, were not in the war. Denmark was not destroyed. Iceland was occupied by the United States and fully compensated for that contribution. Sweden and Switzerland are not asking for anything from the Marshall plan.

The three billion three hundred and seventy-five million so-called loan we gave Britain last year, which was to last her 5 years and put her back on her feet, will be expended by July 1. On that date she hopes to have a billion and a half drawing account against the Marshall plan available for her vital importations for the year. She receives one-third of our total Marshall plan contribution. Two years ago, when the original British loan was being considered, I pointed out to the Senate and the administration that this loan would cure nothing and that it would need to be followed year after year with additional gifts. The British allocation under the Marshall plan proves I was correct. And I am correct when I say that unless radical changes are made in the United Kingdom economics, the day will not come when they can live without a dole.

A few months ago, the London Evening Standard said: "This great country is in danger of being beaten down and impoverished by loans. * * * Living on tick is bound to sap not only the will of the people to work but the initiative and grasp of their rulers."

The same bitter words will be repeated by a thousand tongues from all of western Europe 4 years from now unless the Marshall plan is made permanent. To anticipate anything else is silly and unrealistic.

Of course, the food famine in Europe should be relieved to the fullest extent of our ability, and for free. Also, it would be to our advantage and in the interests of the peace and prosperity of the world to get the wheels of industry in Europe turning again. But I beg the people of the United States to not try to move a mountain with a wheelbarrow. Ten times the seventeen billions set up in the present Marshall plan will not be enough money to rebuild the economy of the 270,000,000 people of western Europe. Their money is debased until trade at home and abroad is at a standstill. Workers there are not paid enough of this current worthless printing-press money to buy food for their families. Local farmers refuse to sell food for this worthless money and impossible exchange rates and exchange systems halt foreign trade.

The best help we can give them is to stabilize their currency through the International Monetary Fund, which now has a capital of $8,800,000,000. We should direct this agency to issue them a new international currency good anywhere, including the United States. For until their currencies are stabilized, and exchange between them simplified, trade cannot be revived nor a sound economy restored regardless of 10,000 Marshall plans. First things must be done first.

Next, I should like to see thought given and action taken on Senator CAPEHART'S constructive suggestion to apply a simple expedient to Europe's industrial problem which already has proved effective in financing business and industry in the United States. In the early thirties, during our own severe depression, we created the Reconstruction Finance Corporation to get our stalled industry off dead center and started again. The RFC worked like magic here and it would work like magic in Europe. Senator CAPEHART suggests we create an international division in our RFC and that any of the 16 European nations seeking help likewise create a Reconstruction Finance Corporation of their own. Our RFC would be authorized to purchase 50 percent of the stock in the foreign RFC and extend additional credits. Equipped with these dollar credits, each European RFC would be prepared to aid in financing their domestic industry on a plant-by-plant basis. Senator CAPEHART points out we can do more with less money under this plan because interest and principal payments are used as a revolving fund to make additional loans. It is a plan not set up for a day, but for a century. The RFC worked so perfectly in our own great economic crisis and contributed so much toward whipping the late depression and preparing America for war, that it could not help but succeed abroad. The American Committee for the Marshall Plan says, "* * * self-respecting peoples, who believe in a free, democratic process, will not accept foreign dictation." One of my objections to the Marshall plan is that it is political and contemplates foreign political dictation. There would be no foreign dictation in Senator CAPEHART'S proposal. It would be handled in a businesslike way by local businessmen, and it could not fail unless they proved unworthy. The RFC was good medicine for America when we hit our all-time low in 1932, and it would be equally effective across the Atlantic. It is a flexible arrangement which could be adapted to almost any nation's economy.

There has been a lot of silly hoopla about the Marshall plan. It has been pictured as all things to all men. It contains a lot of sucker bait. American farmers favor it because it will push up the price of wheat, cotton, and tobacco; American humanitarians are for it because it will feed the hungry and clothe the naked; and American anti-Communists are for it because they think it will frustrate Russia—it is more apt to frustrate us; American militarists favor it because it is understood to be part of the Truman doctrine (which is a war doctrine) and they couple with it a tremendous in-

crease in our military machine; American pacifists are for it because they think it is a peace policy and in spite of the fact its proponents haven't faith enough in its peace possibilities to call for reduced military expenditures. Others favor it because it scratches their backs where they itch the most. The combination of all of this divergent support insures its passage. Outside of its humanitarian aspects and its possible tendency to draw the 16 nations of western Europe more closely together, I see very little merit in it. Most emphatically it is too puny to restore and rehabilitate the economy of western Europe and it is violently inflationary.

I have passed over scores of political controversies, not because they are not important, but until we win a victory over high prices and the threat of world war III, we should not permit any political thing to distract us. All else is secondary. The world must not be destroyed.

RESTRICTIONS ON EXPORT TRADE

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Today, the Handcuffs," published in the Omaha World-Herald of March 1, 1948. The editorial deals with licensing under the Office of International Trade, and its effect upon American businessmen and suppliers.

We have had so many complaints relative to these licenses that within the past week the distinguished Senator from Pennsylvania [Mr. MARTIN] has been appointed chairman of a subcommittee to investigate the impact upon small business. That investigation is already under way. If there are any Senators on either side of the aisle who have objections or complaints, we shall be very glad to receive them, because such objections are beginning to come in very rapidly on the policy now being pursued by the administration. This editorial is timely. What is said in the editorial is the situation as it now exists. Something will have to be done to eliminate the impact which this administration has caused upon small business, under the orders of the Office of International Trade.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TODAY, THE HANDCUFFS

Today, March 1, the Government in Washington is scheduled to put handcuffs on an important segment of American business—the export trade.

Henceforth, if the Office of International Trade of the Department of Commerce has its way, no American businessman will be able to sell goods to customers in Europe, and certain other sections of the world, unless he has a Government license.

And as a prerequisite to the issuance of licenses, the OIT will require that foreign purchasers take sealed bids from American suppliers on every desired item. Copies of the specifications and bids must be filed with the OIT.

In other words, the American Government is treating the foreign buyers (usually they are foreign government missions) as if they were complete imbeciles. They are saying to these visitors, in effect: "You can't buy in our American stores unless we, the bureaucrats in Washington, are convinced that you are getting a good deal."

Thus, foreign buyers will not be able to buy trade-marked goods of their own choice. They will have to buy what the OIT says they may buy, or go without. This, obviously, is a triumph for the bureaucratic mentality which, during the war, fought so tenaciously for grade labeling.

In explanation of its arbitrary action the OIT declares that control of exports has been authorized by Congress, and that it (the OIT) is simply trying to conserve the dwindling dollar supply of European nations.

All of which, no doubt, sounds convincing enough to the bureaucratic ear.

But it fails to take into account the undeniable fact that the European buyer of American goods—the Swiss businessman, for example, or the Swedish buying official—is just as anxious as anybody in Washington possibly could be to pick up bargains. Naturally, he will buy what he wants at the lowest price at which it can be obtained. Why, then, should he be harassed by moronic regulations? Why should he be told that he can't go shopping in the United States unless accompanied by a guardian?

A move is on foot in Congress to amend the export-control resolution in such a way as to outlaw the regulations referred to above. Hearings are scheduled to begin today.

Those who believe in the American competitive system will hope that Congress will act quickly and effectively.

RECESS

Mr. WHERRY. Mr. President, before moving a recess, I wish to announce that it is not the intention to have a session of the Senate on Saturday. I feel that that announcement should be made so that Senators may make their plans accordingly. I can give no assurance as to a session on the Saturday following. The plans will depend upon the situation of the debate at that time.

With that announcement, I now move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 5, 1948, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 4, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, whose blessings are exceedingly abundant, we pray to be made keenly aware of Thy purposes as we invoke Thy presence.

In the conviction of our God-given rights—namely, the right of choice, the right to work, and the rights of men as individuals—set us firmly against any group that would ultimately turn the course of human freedom into a pitiless struggle. We rejoice that whatever sinister teaching may try to engulf the American spirit, it cannot destroy nor swallow up the heart of the true patriot. We bless Thee that in our fair land Thy throne is no further from a poor man's cottage than from a king's palace.

O God of wisdom and Father of us all, be in the deliberations of this day; teach us the wise thing to do, and Thine shall be the glory. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 203) entitled "An act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LANGER, Mr. BUCK, Mr. FLANDERS, Mr. CHAVEZ, and Mr. JOHNSTON of South Carolina to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. ALLEN of California asked and was granted permission to extend his remarks in the RECORD and include a letter.

Mr. JONES of Washington asked and was granted permission to extend his remarks in the RECORD and include a statement made by him before the House Committee on Post Office and Civil Service on the subject of H. R. 4727 and H. R. 4773; also to extend his remarks in the RECORD and include a statement made today before a Senate committee.

Mrs. ST. GEORGE asked and was granted permission to extend her remarks in the RECORD and include an editorial from Plain Talk.

OUR AMERICAN FOREIGN POLICY

Mr. MATHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to to the request of the gentleman from New Jersey?

There was no objection.

Mr. MATHEWS. Mr. Speaker, we talk about our American foreign policy as if we had one.

How can we have such a foreign policy when we insist upon carrying out commitments made by one man at Yalta, Tehran, Potsdam, and all way stations, the full import of which we do not yet know; when we have turned over an unknown quantity of control over our foreign affairs to the United Nations, subject to the vote of about 53 other nations and the veto of 1; when the rest of this control seems to be distributed between the State Department, the Army, the Navy, the Treasury, and other departments? Henry Wallace resigned because the President pulled his finger out of the pie.

And, Mr. Speaker, in the State Department itself recent investigations have shown there are so many individuals who are against an American foreign policy and in favor of some kind of foreign policy for Americans.

It is no wonder we have no American foreign policy. Under the circumstances it would be a miracle if we had one.

The SPEAKER. The time of the gentleman from New Jersey has expired.

OLEOMARGARINE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, on yesterday one of our distinguished colleagues, the gentleman from the great State of Connecticut [Mr. FOOTE], took it upon himself to discuss the oleo situation. I think my friend should check up a little on the oleo situation in Connecticut. I am sorry for the lady up in Connecticut who cannot get an Easter hat because of the quarter-cent a pound tax on oleo. This 4-cent yearly tax will not buy much of a hat. The passage of the proposed oleo bill might result in higher milk prices as well as higher oleo prices. That just shows the extent to which the oleo group has gone in selling their imitation product to the American people. No one in the world wants to keep anyone from eating oleomargarine if he wants to deceive himself and do it. All we are trying to do is to have them sell it to the people for what it is. With all the money that is being poured into this propaganda now, I am not surprised that the gentleman makes the statement he makes. It is ridiculous, because in this speech he made yesterday he said that if more is produced it will not influence dairy cow numbers in the United States.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I cannot yield now. The gentleman's party was in power for 16 straight years. His party had complete control of both Houses of Congress, as well as the White House. Your party has been in power for 16 years, yet you did not bring out legislation to repeal this tax. Why all the interest so suddenly?

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a cablegram received from General MacArthur yesterday on the China-aid situation.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial from the St. Joseph (Mo.) Gazette.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Daily Tribune.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein the script of a radio broadcast entitled "Home Is What You Make It," dramatized in connection with the World Day of Prayer and entitled "Abide With Me."

I may say, Mr. Speaker, that the script may and does exceed the limit prescribed by the Joint Committee on Printing, but I ask that the script may be included in my extension of remarks notwithstanding the excess.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an article entitled "What Is the Administration Policy?"—and it is not the Republican administration I am talking about.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AID TO BRITAIN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I picked an article out of the March 3 Star entitled "Britain Exhausts American Loan in 19½ Months."

You will remember that Congress in 1945 gave Britain $4,400,000,000. That was to put them on their feet and start them out so that they would be able to get along and aid and assist in every way in their own economy. Notwithstanding that, in 19½ months they have spent all that money, although it was to last them 5 years. They have spent already $4,400,000,000 which the American Congress voted to give Great Britain. I did not vote for that loan, thank goodness. Now you are asked to give Great Britain under the Marshall plan $5,348,000,000 more. That makes $9,748,000,000. Some gift! The trouble with it is, it is so large very few people understand what it means. Watch for my later statements on this Marshall plan.

Mr. Speaker, I am going to show the Members of the House just what $10,000,000,000 really mean. None of the Members knows what $10,000,000,000 is. I am going to show you by a statement how many farms of this country would be covered by $10,000,000,000 and how many of our farms would be given away. Why, when you talk about $10,000,000,000 you are going to give away more than half of our farmland as a gift in order to pull these people out over there. Until Great Britain gets a different kind of a government than they have over there which is a socialistic government, we will just be pouring money down the rat hole by sending further money to them. I never heard of such nerve in my life as they have asking for it and I never have seen such recklessness on our part if you give it to them.

Mr. Speaker, these people who are giving this country away better wake up pretty soon or we will not have any country left, because it will all be gone, and there will be nothing left for the people of America. It is a fact. You know it as well as I do. So be wise, economize, and save our country from bankruptcy.

DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL, 1949

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow to file a report on the bill making appropriations for the Department of Labor, Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1949, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RAYBURN reserved all points of order on the above bill.

EXTENSION OF REMARKS

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. LYNCH. Mr. Speaker, I ask unanimous consent that on Tuesday next, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a summary on the Holloway plan by Admiral James L. Holloway, Jr., with a preface by Admiral C. W. Nimitz. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $195.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

UNDULANT FEVER

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, there was an interesting tirade here a while ago against the virtues of oleomargarine. Yesterday in reading the newspaper I was attracted to an article on the problem of undulant fever. Now, you do not get undulant fever from oleomargarine. You can only get it from cow's milk.

This article states:

> The malady is an even greater problem to the veterinarian and farmer. In Michigan, for example, Huddleson estimates that 10 percent of the 1,080,000 cows are suffering from its animal equivalent—Bang's disease. Since the milk production of each infected cow is decreased by 2,000 pounds, the annual loss in milk to the State amounts to 222,904,000 pounds, enough to supply 557,000 persons. In terms of butter, this could be translated into 11,140,200 pounds per year, which at today's prices is a young fortune.

I am glad to see that we have so many converts from the Republican side of the aisle. I stated the other day that the oleo tax is going to be repealed, and you can bet your bottom dollar that it is going to be repealed. The Committee on Agri-

culture will report it out this coming week; we will see to that. We are glad to have all of you converts. We are not overcrowded, and I am taking applications from any of you gentlemen who want to join us. We will be glad to have you.

DISMISSAL OF EMPLOYEES FROM VETERANS' ADMINISTRATION

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I have been informed that 10,000 employees are to be dismissed from the Veterans' Administration. I have also learned that veterans offices are being closed all over the country. In New York City over 1,000 employees will be dismissed. One office adjoining my own district has just been closed down.

This means a serious loss in service to the veterans. It means also a serious impairment in much-needed facilities for the veterans.

At the time we had up the appropriation bill for the Veterans' Administration last year I voted against the cuts, and what we predicted at that time would happen has happened. I do hope that the Committee on Appropriations will take notice of this very serious, in fact, this most disastrous situation which is occurring; the closing down of offices, the dismissal of employees, 10,000 of them, in the Veterans' Administration, and the consequent damage to the interests of American veterans. What is needed here is an appropriation bill to make up the money required to keep these offices going and to keep these people employed in order to give the American veterans the services for which the Congress has provided by legislation so many times.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances, to include in one a statement by Harold L. Ickes and in the other a letter from a constituent.

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD and include a letter and a report.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include a newspaper article and a letter.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. COLMER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GARMATZ asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. OWENS asked and was given permission to extend his remarks in the RECORD and include an article.

VETERANS' ADMINISTRATION

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I have previously called attention to the erroneous remarks that have been made heretofore on the floor by various Members with reference to the appropriations for the Veterans' Administration. So that there may be no misunderstanding, I desire to do that again at this time. Ample funds were provided by the Committee on Appropriations for the continuance of veterans' activities for this year. The cut in the Veterans' Administration has come entirely as the result of a letter which was sent out by the Administrator of Veterans' Affairs to all his branch and district offices on January 16, reducing the force down to the level of the budget estimate of President Truman for the fiscal year 1949, next year. Now, I simply desire to call attention to that so that the membership may know what the facts are and not be deceived any further with reference to that subject.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. MARCANTONIO. I think that what is important now is not as to who is to blame, whether it is the President's budget or whether it is the Committee on Appropriations not having met the budget request with reference to the Veterans' Administration.

Mr. TABER. The cut is not because they have not the money. It is because of cutting down the force to the level of the President's estimate for next year.

Mr. MARCANTONIO. Well, irrespective of that, the need is there, and I think we should meet the need.

Mr. TABER. You do not have to appropriate money to meet the need when the money has already been appropriated. You just have to have administrative operation, building up the force to the point where the need is met.

M . MARCANTONIO. We want those offices opened and these 10,000 employees retained.

Mr. TABER. Go after the Veterans' Administration.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the gentleman from New York failed to state that in connection with the appropriation for this year there was a very sharp cut made by the Committee on Appropriations, and that we fought that cut on the floor of the House.

I am talking about the appropriation for the fiscal year 1948. The hearings held by the gentlewoman from Massachusetts [Mrs. ROGERS] last December will confirm the fact. As a result of the reduction made in the appropriations recommended by the Bureau of the Budget and the President for the fiscal year 1948, 10,000 employees were let go shortly after the 1st of July last year.

Mr. PRICE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. They cut $30,000,000 off the administrative fund for the Veterans' Administration.

Mr. McCORMACK. We fought it here on the floor and tried to have it restored. The vote will show that practically all if not all the Democratic Members voted to restore the cut that was made at that time.

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, there is nothing new in the fact that the gentleman from Massachusetts, the leader on the Democratic side, fought against a cut of $25,000,000 in the veterans' bill last year. He has fought against every cut in the cost of Government when we were trying to bring about some semblance of economy in the interest of all the people, and the veterans, because the veterans are a large part of the American people and we need a soundly financed Government for them as well in this country. Governor Green's veteran service officers in every county, in cooperation with the Legion, Veterans of Foreign Wars, AMVETS, and other service organizations are the ones who are really helping to service the veterans in Illinois.

I yield to no one in my interest in the veterans, but the facts are that I received a letter from the Veterans' Administration in Chicago this past week, as well as one the week before, announcing that they had done away with some 16 veterans' contact offices in the State of Illinois, and that they still had plenty of field contact offices in connection with veterans' service organizations to service the veterans properly. The facts are that in the decentralization program under the able leadership of General Bradley and General Hawley they decentralized too far. I complained to them more than once that there were veterans' contact offices all over the Nation many of which were not needed, were not earning their salt and were giving the veterans no service; in fact, were doing them a disservice by the expenditure of money that ought to be kept in the United States Treasury in order to make this country financially sound for the veterans and their posterity.

There is nothing wrong with last year's cut and no one is to blame. On the other hand, the Republicans and the Democrats who were for this cut should be complimented by the Members of the House and by the veterans' leaders of the Nation.

CANDIDATE WANTED

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, I do not know what it is that has gotten the Democratic Party in this country into such disrepute unless it is the fact that they fight every budget cut and ridicule us when we try to save a dollar, but they are in a tough spot. Let me read what appeared this morning in a local paper of 40,000 circulation in one of the Democratic strongholds of Pennsylvania, in my county, where last year the Democrats routed every Republican except one in the election:

Wanted: A candidate for Congress. Ambitious applicant with fortitude to lead a dubious cause please contact Chairman George M. Leader of the York County Democratic Committee. Will entertain any reasonable offer.

Desperate Democrats today are looking for someone—they're not particular at this late date—to run against Congressman CHESTER H. GROSS this fall, assuming of course that the latter is the Republican nominee.

That is one of their strongholds in Pennsylvania. That is typical of the whole country, and they are not getting after the Democratic Party because they did not remove the oleo tax, but it is because of their spending and thriftlessness and recklessness with constitutional government and public funds.

They have broken faith with the country and the world. Hence the revolution.

EXTENSION OF REMARKS

Mr. BENNETT of Michigan asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. ROBERTSON asked and was given permission to extend his remarks and include an editorial.

SERGEI RUBENSTEIN

Mr. LATHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LATHAM. Mr. Speaker, I have received a letter from a veterans' post in my congressional district, which requests that a full investigation be made of the forces and the individuals which assisted in obtaining the numerous deferments from military service of the notorious Sergei Rubenstein.

It is my belief that all of the shameful details of this story should be exposed. We owe it to the American people, and particularly to the veterans, to identify those who assisted in this wholly un-American activity.

I request that the letter referred to be set forth in the RECORD following my remarks:

SACRED HEART POST, NO. 239,
CATHOLIC WAR VETERANS, INC.,
Glendale, N. Y., February 23, 1948.

Congressman HENRY J. LATHAM,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN LATHAM: In perusing the facts relating to the Sergei Rubenstein case, our interest has been aroused concerning the forces which assisted in obtaining his numerous deferments from military service.

Our post has gone on record to ask our Congressman, HENRY J. LATHAM, to attempt, if at all possible, to cause an investigation into the behind-the-scenes activity of this group of men in influential positions, who used such positions for such unwholesome and un-American purposes.

With every best wish, I am,
Sincerely,

VINCENT J. FERRARI,
Commander.

SOIL AND WATER CONSERVATION

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include therein an article.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, at long last, the people have become conscious of the necessity of soil and water conservation. They have come to realize the extent to which we have already depleted our natural soil resources. They have become conscious of the possibility of utilizing the water of this Nation at its source—first, in utilizing it for irrigation and domestic purposes, and second, in preventing it from destroying crops, livestock, and human life in its mad rush to the ocean.

There is a serious question as how best to conserve our soil and utilize our water. I wish to include in my remarks an article by B. Ashton Keith, A. B., B. Sc., director, the Institutes of Sciences, Kansas City, and Washington. Here is the article by Mr. Keith:

Soil and water constitute the main natural resources of this Nation, but the soils rapidly are being washed away; and development of our water resources constantly is being hampered by persistent use of antiquated, inefficient, and increasingly dangerous methods of flood control.

In colonial days many settlers were drawn to the Eastern States by the rich soils which then were thought to be inexhaustible. But the 1940 census showed that in the Appalachian States alone, more than 40,000 of the farms which, as late as the year 1900, were not only supporting farm families but also were producing foods and fibers for the Nation, now are idle and have been abandoned. So much of the topsoil has been carried away that even the best of farmers cannot make a living on that land. And each year the nonproducing areas are increasing in size.

In our much-vaunted Midwest, Milton Eisenhower, president of Kansas State Agricultural College, has stated that topsoil is being carried away at an alarming rate. One valley in one State lost 115,000,000 tons in a single recent flood. Calculations made by the writer in 1940 showed that the value of soils that have been carried down the Missouri River since 1860 must far exceed the total value of the gold that was mined in all the Rocky Mountains since that date. And another authority recently stated that the Mississippi River alone carries into the Gulf more than $495,000,000 worth of soil each year. Topsoil carried into the sea is lost forever.

Under the present system of stream management, the rivers alone slowly but surely are bleeding our Nation to death. But only a comparative few have, as yet, become aware of the true conditions, and the cause.

Intensive investigation of the official reports and other authoritative publications of our own and 11 other nations through a period of 3 years have uncovered numerous data which indicate conclusively that the primary cause of the growing evils of several kinds must spring from use of an erroneous system of stream management and water use. Officially and repeatedly this has been recognized in each of the other nations that long have employed these same methods.

These methods were developed long ago in Italy, and were spread into the Germanic countries, Spain, and for a time also France. Our democracy continues to permit the use of flood-control methods which gradually brought increased flood violence, increased expenses, increased soil erosion, and other increasing evils to each and every nation using them.

But a sound remedy has been found in the records of two other nations that for many decades have employed methods that were devised by men of science. These methods have the basic purpose of serving all the industries and all the people rather than mainly just a few. The scientific methods officially have been shown to be more economical and vastly more efficient in controlling floods and improving the living conditions generally. Yet this is being accomplished on a basis of complete refunding in 50 years with liberal interest steadily being paid on the entire amount expended. This paper is a brief summation of the information, gained from the reliable sources above-mentioned, on which a second report has been requested for use in the United States Congress. Nearly all these sources may be studied in the Library of Congress. Our earlier report[1] cited 128 authorities.

"SONG OF THE PLOW

"It was I who built Chaldea and the cities of the plain;
I was Greece and Rome and Carthage and the opulence of Spain.
When the courtiers walked in scarlet and the queens wore chains of gold,
And forgot 'twas I that made them, growing godless folk and bold,
I went over them in judgment and again my cornfields stood.
Where empty courts bowed homage in obsequious multitude.
For the nation that forgets me, in that hour her doom is sealed,
By a judgment as from Heaven that can never be repealed."

—*Harry Kemp.*

RAPID LOSS OF TOPSOILS IN THE EASTERN STATES DUE TO CONTINUED USE OF ERRONEOUS METHODS OF STREAM MANAGEMENT AND FLOOD CONTROL

It was George Washington who wrote "With reference either to the individual or

[1] Floodwaters: Our Second Greatest Natural Resource. A report on our investigations on the official reports and other authoritative publications of this and 11 other nations. Prepared in compliance with the written requests of the chairmen of three committees, and included as an appendix (pp. 13-43, H. R. 4795, December 1944).

to the national welfare, agriculture is of primary importance."

But, since the Father of Our Country penned those words, many thousands of the early farms have become utterly unprofitable, because of the loss of much of their soils. In Pennsylvania alone more than 9,000 farms which in the year 1900, were supporting farm families and also were helping to supply the Nation with foods and fibers, now stand idle and deserted. In the Old Dominion also several thousand farms have been abandoned. And in another State, production has fallen off so seriously on 50,000 other farms that even the best workers can no longer make a living without outside income.

It is time for everyone to face some hard, cold facts. Soil erosion is one of our Nation's most dangerous enemies. The really threatening enemies are not political but natural. Due to persistent use of the antiquated and undemocratic, Italo-German methods of flood control, which never in any country yet have proven to be effective on an economic basis, we have increasing soil erosion and increasing expenses, just as all the European nations that use these methods. These and other evils as well, were experienced in Italy, Germany, Austria, and Spain, and also by France until that nation carefully investigated, denounced, and discarded these dredging, diking, and sandbag methods in 1855 to adopt methods that had been devised by scientists. Comparison of the results secured since 1900, and especially since 1920, show vast superiority over the military methods.[1] This is especially true of results attained in certain parts of India, for the past 50 years, as elsewhere has been explained, by aid of data derived from numerous official reports from several nations.

OTHER RECENT STARTLING FACTS ON SOIL EROSION AND REMOVAL OF SOIL FERTILITY BY CROPS

The soils of Nebraska recently were reported as being exploited so badly that the formation of another Dust Bowl in that State may be expected during the next dry cycle.

A single river basin in central Iowa lost 115,000,000 tons of topsoil during one flood last spring. Yet despite the general need to plant few row crops, the agricultural college at Ames, Iowa, has reported that there was an increase of 28 percent in the acreage of row crops in the past 5 years.

Another State reports that in addition to losing 3,000,000 tons of topsoil by erosion, there also is a loss of 2,500,000 tons of phosphates from its soils by sale and removal of crops. But only 2,500,000 tons of these losses are being replaced by application of fertilizers, a considerable portion of which also is lost as far as new crop production is concerned.

These conditions largely must remain, or even grow worse, as long as we continue to use the Italo-German or military methods of stream management, for it is becoming well known that their principal aims[2] and purposes do not fit in a democratic nation. Instead of serving all the industries and all the people, the primary purpose here, even as in the old countries, is to aid navigation and power. The recorded long-time effects in all the Fascist countries, as well as in America, decade by decade, is increased flood violence, increased soil erosion, increased filling of stream channels with mud, increased expenses, and increased flood damages. Officially, these truths have been stated by J. Dumas, of France, 1856; by Government reports of Spain, Italy, Austria, and Germany; by G. Wex, imperial counsellor on streams; and by the United States Congress after a special investigation in 1936, as well as by numerous other authorities. Such are the results of fighting the floods by speed-up of the run-off, dredging, diking, and sand-bagging the streams. There is almost complete indifference to widespread water retention by means which would benefit every citizen. The latter is needed, with modern methods of water use which promote the general welfare.

DECREASE OF SOIL FERTILITY ALSO BY THE LEACHING ACTION OF GROUND WATERS

Measurements made recently by the department of geology of Alma White College at Zarephath, N. J., demonstrated that soil minerals, in surprising amounts, constantly are being dissolved by ground water, and are being carried away to the sea by the average clear-water flow of Millstone River. It was determined that the annual sum total of the materials transported in solution equals a trainload of 51 cars of 35 tons each. Although local people thought at first that this amount was too high, higher authority soon confirmed these figures, and even stated that they probably are too conservative; for larger amounts in proportion were determined in making similar measurements on another stream somewhat farther north.

Thus it may be seen why so few people understand how fast the farms must become nonproductive, unless something is done soon to meet the grave need to replenish the soils after nearly every crop is removed.

Nearly every citizen long has been aware that by far the larger part of the price that consumers pay the grocers for foods that originate on farms, does not go to the farmer—the man who has to stand nine-tenths of the risks as well as expense in growing crops and raising cattle and poultry—but to the middlemen.

Under the set-up that has existed in our democratic America for many years, the share of the farmers, taken on the average for 50 years, as shown by the records, has been so small, as compared with the share of middlemen, that little or nothing has been left each year with which to replenish the soils by purchase of fertilizers.

Ben Franklin made a statement that soon must be appreciated in a different and tragic way:

"Always taking out, and never putting back, means we soon must begin to scrape the bottom of the (soil fertility) barrel."

We may as well face the fact that if we are not to become hungrier and hungrier every year, as in several of the old countries, we must include enough extra per bushel or per pound on every farm product to pay for the fertilizer required to grow just as good a crop next year.

ANOTHER DANGER TO THE SOURCE OF OUR FOOD SUPPLY: "COMMERCIALIZED FARMING"

The widespread seizures of farms through foreclosures by mortgage companies, banks, and insurance companies during the hard times, started another influence that ultimately must hit another hard blow at food production. It has well been called commercialized farming; not because it heartlessly threw thousands of well-deserving toilers out of their homes, but because of other evils that quickly began to be apparent.

Instead of aiming primarily to maintain fertility or build up the soils, and to hold them safely in place in times of floods as well as droughts, the main purpose, or as it seems in many instances, the only aim, has been just to show a profit. Robbing the soil thus has been made a business; but it is a business that ultimately must bring hardships on everyone. A practical example of much earlier date was seen in a nearby State where some 20 years ago a money lender managed to get 14 farmers to put mortgages on their land. After money became tight, the mortgages all were foreclosed; and no sooner had the money lender come into possession than he began to save in every possible manner. While his economy prevented repairs of nearly every kind, the worst of his profits came from robbing the soil. Today all those farms except two stand deserted.

Such influences may be weighed quite accurately from the able description of Rev. L. G. Ligutti, who stated, "They live by exploitation and extraction, not by true husbandry. The roots of restraining grass, legumes, and even trees, are loosened and removed in the mechanical production of wheat and corn. The rootless land more easily drifts away in the wind and the water; and the rootless people herd themselves by the millions into the industrial slums."

So, between increasing soil erosion on the one hand, and the growth of commercialized farming on the other, readily it must be admitted that peonage and serfdom in America must increase—unless adequate provisions are made soon to remedy the difficulties of the millions of average farmers.

SOME AUTHORITATIVE STATEMENTS ON SOIL FERTILITY LOSSES

Investigations made by the Missouri State University, division of agriculture, show that in raising crops and feeding them to livestock, only four-fifths of the materials that are fed to the livestock are left somewhere on the farm as manure. And studies on nitrogen and humus control of Missouri soils already show an average decrease of 35 percent. A number of specialists have shown that nearly one-third of the cultivated area in this country fast is becoming useless for growing crops that pay.

In his paper, Make the Soils Productive, R. A. Hayne recommends the following quantities of plant food to be applied to the acre when freshly plowed:

Hill clay soils: Nitrogenous matter, 1,500 to 2,000 pounds; potash, 38,000 to 46,000 pounds; lime, none to 25,000 pounds; phosphoric acid, 1,000 to 2,000 pounds.

Black rich soils: Nitrogenous matter, 5,000 to 9,000 pounds; potash, 36,000 to 46,000 pounds; phosphoric acid, 3,000 to 4,500 pounds; lime, none to 50,000 pounds.

For good plant food he recommends humus, phosphoric acid, potash, lime, iron.

Of the amounts applied as above he figures that the following amounts may become available per acre:

Hill clay soils: Nitrogen, 30 to 50 pounds; potash, 80 to 120 pounds; phosphoric acid, 10 to 20 pounds.

Black rich soils: Nitrogen, 100 to 175 pounds; potash, 80 to 120 pounds; phosphoric acid, 30 to 45 pounds.

When 5 tons of alfalfa are hauled off, 255 pounds of nitrogenous matter, 55 pounds of phosphoric acid, 200 pounds of potash, and 400 pounds of lime are removed from the farm; but when those 5 tons are fed to livestock, only about 51 pounds of nitrogenous matter, 11 pounds of phosphoric acid, 40 pounds of potassium, and 8 pounds of lime are removed.

A FARMER'S SHARE IN THE LOAVES OF BREAD

We have heard a great deal about the high prices that farmers (recently) have been getting for wheat. A little investigation shows that only a comparatively very few

[1] Floodwaters: Our Second Greatest Natural Resource. A report on our investigations on the official reports and other authoritative publications of this and 11 other nations. Prepared in compliance with the written requests of the chairmen of three committees, and included as an appendix (pp. 13–43, H. R. 4795, December 1944).

[2] Comparison of the Records of Two Very Different Kinds of Stream Management, Flood Control, and Water Use. (Bulletin 291, Institute of Sciences, Washington, D. C. (December 1947).)

bushels changed hands at those figures. And nothing was said about those many years (e. g., 1931) when the price (25 cents), did not repay the cost of growing the grain. Also nothing was said about those many years when practically no wheat could be grown. Between droughts and dust storms in many areas, and floods in others, very many of the toilers considered themselves lucky if they were able to starve it out, until another crop could be grown.

Even when one banner crop finally was harvested (1931), the buyers and the millers held the price down to the pitiful sum of 25 cents per bushel—knowing quite well that many thousands of families had been living on a starvation diet; and that taxes and other payments made it necessary to sell. This, after four very bad crop years. The farmers met that test, only to meet worse conditions during the several years that followed. Droughts became so severe that pastures and ranges failed and cattle died, or had to be sold in starved condition.

Finally came years when some crops were raised and the price also went to 50 cents per bushel. Despite the fact that at various times considerably higher prices were quoted, the dealers held the prices down to much lower figures. And this was true not only of grain, but of fibers and other crops at very many places. Several times in different parts of the South, the growers could get only 4 or 5 cents for their cotton, when prices stated in the newspapers ranged from 8 to 14 cents.

When wheat shortage forced the price up to 50 cents, some farmers felt encouraged; but the fact remained that, as a class, the farmers had to keep on robbing themselves and their families, as well as the soils, in order to keep on going.

Instead of buying new farm implements that already were badly needed, the old had to be made to do. Instead of purchasing new clothes, the old were patched up. Instead of paying the payments as they came due on mortgages, extensions had to be asked, and usually at increased costs for the favor. Insurance policies lapsed by the thousands, and erection of new farm buildings as well as nearly all other improvements had to be put off indefinitely. Very largely the purchasing power of many millions of people was limited severely over a period of years. Skinning the farmers was a great game for the select few who would engage in it; but finally the entire Nation was made to feel the aftereffects through the worst depression in our history. It was during those times that the true relationships to each other of three classes of people began to be understood. The following comparison may serve to drive home the basic facts:

THE WHEAT GROWER AND THE LOAVES OF BREAD

On buying a loaf of bread for 10 cents at the store[3] a farmer found it weighed only 12 ounces. Also it was learned later that a bushel of wheat will make 80 such loaves. In other words, simply by grinding the wheat and making it into bread, the sale price had been raised from 50 cents per bushel for the wheat up to $8 for the bread that it would make, with the addition of a small cost for eggs, lard, baking powder, etc. Also the truth began to appear that with the price of wheat at 50 cents per bushel the farmer who raised the grain had been paid only eight-tenths of a cent for the 12 ounces of wheat that were required to make the loaf. In other words, while the farmer got less than 1 cent, the miller and the baker got more than 10 times as much. Also it became clear that only five loaves of bread could be purchased by selling a bushel of the grain that would make 80 loaves.

At that time the average yield of wheat over the United States was 14 bushels per acre. That would make 1,120 loaves of bread. But while the farmer had to sell his, say, 14 bushels at 50 cents for $7, the miller and the baker and the grocer got a total of $112, which was six times as much as the farmer got.

Or to put it another way, the man who raises the grain that makes 1,120 loaves can buy back only 70 loaves; yet the middlemen did only the least and the lightest of the labor and took very little of the risk. The rank unfairness and injustice of the entire set-up readily may be understood by almost everyone.

Unfairness to farmers—another comparison

RATIO OF PRICES RECEIVED FOR FARM PRODUCTS TO THE PRICES PAID FOR INDUSTRIAL GOODS

Year	Prices received	Prices paid	Buying power (in cents per dollar)
1921	125	152	82
1922	132	149	89
1923	142	152	93
1924	143	152	94
1925	156	157	99
1926	145	155	94
1927	139	153	91
1928	149	155	96
1929	146	153	95
1930	126	146	87
1931	87	124	70
1932	65	107	61
1933	70	109	64
1934	90	123	73
1935	108	125	86
1936	114	124	92
1937	121	130	93
1938	92	125	75

LAND-TAX DELINQUENCIES

Ligutti and Rowe have stated[3] that in many places the taxes are so high that every 10 to 15 years the landowners have paid into State and local government agencies, in the form of taxes, the full value of their farms.

Although taxes have been reduced somewhat since 1929, nevertheless, in 1940, taxes stood so high that they were double the land taxes of 1914. Taxes seldom or never drop back like farm incomes and farm values do. They take an ever-increasing percent of the farmer's income.

In this country, in the 10 years, 1926 to 1935, inclusive, nearly one-twelfth of all the farms were sold for taxes. In the Mid-Atlantic States, one-eighth. Most foreclosures of mortgages were on single-crop farms.

TAX SALES

1931: 1 percent of all the farms sold for taxes.

1932: 16 percent of all the farms sold for taxes.

1933: 24 percent of all the farms sold for taxes.

MORTGAGE FORECLOSURES

In the decade 1926 to 1935, 298 farms out of 1,000 were foreclosed on or were sold for taxes. In South Dakota, 50 percent; in Iowa, 40 percent; and in Minnesota and Montana, 33 percent. Foreclosures occurred for a time at the rate of 274 per day. But by 1940 more than 3,000,000 farm owners were located on the farms.

THE MOVERS

March 1 of every year is the time when several millions of sharecroppers change places. This is a part of their life-long effort to get ahead.

"The east wind whips the skirts of the snow with a passing shower; and over Iowa on the first of March wheels churn hub deep in mud, or grit their teeth across the icy roads.

"Home is only a shadow flying down the wind in a twisted swirl of snowflakes. It travels down the road now in an old lumber wagon drawn by two shaggy horses, whose bones are too big for their flesh.

"Even the wild goose is not as homeless as these movers, peering ahead through the sliding curtain of a March rain, they pass with the furniture of a home packed in a wagon, past corners, past groves to a hilltop they go until only chair legs point from the skyline like roots of trees torn from the earth and they are gone.

"This, the parade of the landless, the tenants, the dispossessed. Out of their Canaan they march with Moses asleep in the Bible.

"Who will call them back, who will ask: Are you the chosen people? Do you inherit only a backward glance and a cry, and a heartbreak? Are you the meek?

"But the early twilight drops like a pall on their shoulders and sullen water slowly fills the wagon ruts and the hoof prints." (James Hearst in Country Men.)

AMERICA MUST DEPEND ON HER FARMERS

In the opinion of Lincoln, "No other occupation opens so wide a field for the profitable and agreeable combination of labor with cultivated thought, as agriculture." And Holden has written, "The soil is a sacred thing. Out of it comes that which sustains life and supplies the commerce of the world.

"To leave a farm more productive than you found it is a blessing to humanity. To leave it less productive is only a little less than a crime, and especially a crime against your children who must farm the soil after you are gone. We are learning that it is just as necessary to feed our soils as it is to feed our livestock and ourselves. There is no more important question facing America today than that of making and keeping our soil productive.

"A desert has no industries, no homes, no life. Plant food, fertility, and making and keeping the soil productive is the foundation for national prosperity and strength."

VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am not going to go into the matter of whose fault it is that there was some cut in the Veterans' Administration appropriation. That is water over the dam. But we are faced now with the fact that there is not enough money for rendering service to the veterans, which service is very much needed. The Veterans' Administration has made many mistakes in its past operations and I have found that it is very difficult to understand what the budget officer of the Veterans' Administration means and what he is talking about, and frankly, what he has done with the money. I think the cuts that are being contemplated and to be put into effect very shortly in the Veterans' Administration are very unwise and very unfair. They are dismissing the men whom I call the production-line men, that is the contact men, and the rating-board men who rate compensation cases, and others. They are cutting hospital personnel. The Veterans' Administration say that they are not doing it, but they are doing it, as a matter of fact, and we have the facts and figures which were brought out in testimony before our committee to prove it. Our committee yesterday passed a resolution asking General Gray to hold these cuts in abeyance until the matter could be further investigated by the Commit-

[3] Rural Roads to Security (1940).

[3] Rural Roads to Security (1940).

tee on Veterans' Affairs. This resolution reads as follows:

Resolved, That the Committee on Veterans' Affairs, while appreciating efforts being made toward economical operation of the Veterans' Administration, directs that the Administrator of Veterans' Affairs, Carl R. Gray, be informed of its protest of the present reduction in force and requests that this reduction in force be held in abeyance until a detailed study can be effected by the Committee on Veterans' Affairs or any standing subcommittee so designated by the chairman, to insure that the service to disabled veterans will not be seriously impaired.

Further resolved, That the chairman be empowered to transmit this message in the most expeditious manner possible.

The veterans are entitled to service, and especially the disabled veterans. Under the present cuts they will not get that service. I say that they should cut out some of the supervisory personnel who are receiving very high salaries. Those who are receiving very high salaries are not being cut and are still working. A few of those high salaries would pay many salaries of the contact men and the men who are doing training work. They are cutting the training officers so that now 1 training officer has to train 1,000 disabled veterans. In New York the training officers were cut from 250 to 85. How can 1 vocational guidance officer counsel 1,000 disabled men who are taking training under Public Law 16? It just cannot be done.

EXTENSION OF REMARKS

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include certain excerpts.

CROW TRIBE

Mr. D'EWART. Mr. Speaker, I call up the conference report on the bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1317) entitled "An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment, insert the following:

"That the last proviso of the first section of the Act of May 26, 1926, entitled 'An Act to amend sections 1, 5, 6, 8, and 18 of an Act approved June 20, 1920, "An Act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds and for other purposes." ', approved May 26, 1926 (44 Stat. 653, 659), be amended to read as follows:

"*Provided further*, That any Crow Indian classified as competent may lease his or her trust lands or any part thereof and the trust lands of their minor children for farming and grazing purposes; *Provided*, That any Crow Indian classified as competent shall have the full responsibility of obtaining compliance with the terms of any lease made; *And provided further*, That leases on inherited or devised trust lands having more than five competent devisees or heirs shall be made only with the approval of the Superintendent. Any adult incompetent Indian with the approval of the superintendent may lease his or her trust lands or any part thereof and the inherited or trust lands of their minor children for farming and grazing purposes. The trust lands of orphan minors shall be leased by the superintendent. Moneys received for and on behalf of all incompetent Indians and minor children shall be paid to the superintendent by the lessee for the benefit of said Indians. No lease shall be made for a period longer than five years, except irrigable lands under the Big Horn Canal, which may be leased for periods of ten years. All leases made under this Act shall be recorded at the Crow Agency."

And the House agree to the same.

RICHARD J. WELCH,
FRED L. CRAWFORD,
JOHN R. MURDOCK,
WESLEY A. D'EWART,
Managers on the Part of the House.
GUY CORDON,
ZALES N. ECTON,
CARL A. HATCH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 1317) entitled "An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents," submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The purpose of this proposed legislation is to provide for the making of leases of trusts and restricted lands on the Crow Indian Reservation, Mont., more workable and to give to the individual members of the Crow Tribe, who are competent to manage their own affairs such rights. By amending the act of May 26, 1926 (44 Stat. 658), as suggested herein will liberalize this act with respect to the competency of these Indians and will substantially accomplish the purposes intended by the provisions of the bill as it passed the Senate and as it was amended by the House.

The text of the amendment herein recommended is the result of an agreement, after several conferences, between the tribal delegates of the Crow Reservation and the officials of the Bureau of Indian Affairs.

RICHARD J. WELCH,
FRED L. CRAWFORD,
JOHN R. MURDOCK,
WESLEY A. D'EWART,
Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TO AMEND THE INTERSTATE COMMERCE ACT

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2298, an act to amend the Interstate Commerce Act, as amended, and for other purposes, with a Senate amendment, disagree with the Senate amendment, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none and appoints the following conferees: Mr. WOLVERTON, Mr. LEONARD W. HALL, Mr. GILLETTE, Mr. BULWINKLE, and Mr. HARRIS.

TO AMEND THE INTERNAL REVENUE CODE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5448) to amend sections 212 (b) and 231 (d) of the Internal Revenue Code.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, I do not understand what this bill does. Will the gentleman explain it?

Mr. REED of New York. Mr. Speaker, the bill H. R. 5448 would extend to earnings of aircraft under foreign registry the reciprocal income-tax exemption now granted to earnings of ships under foreign flag. Under the Revenue Act of 1921, earnings derived from the operation of ships documented under the laws of a foreign country were exempted from Federal income tax in the hands of nonresident alien individuals or foreign corporations, if that foreign country granted an equivalent exemption to citizens of the United States and to corporations organized in the United States. This exemption has been continued without change under subsequent revenue legislation.

Under the income-tax regulations, foreign countries which impose no income tax are considered as granting the equivalent exemption demanded by the statute. Countries which do impose an income tax and which have been found to satisfy the reciprocal requirement pertaining to ships' earnings include Belgium, Brazil, Canada, Denmark, Finland, France, Great Britain and Northern Ireland, Greece, Iceland, Ireland, Italy, the Netherlands, Norway, Panama, Spain, and Sweden. In the case of the foregoing countries, the reciprocal exemption has been evidenced by a formal exchange of notes through diplomatic channels. In the case of the following countries, there has been no formal exchange of notes but the Treasury has ascertained that they also satify the requirement for reciprocal exemption: Andorra, Argentina, Dominican Republic, Egypt, Guatemala, Honduras, Iran, Monaco, Morocco, Nicaragua, Saint Lucia, Siam, Straits Settlements, Switzerland, Uruguay, and Venezuela.

The exemption proposed to be extended by the bill to income consisting of earnings from the operation of foreign aircraft has already been so extended

under income-tax conventions with Canada, Great Britain, France, and Sweden. The bill, therefore, would make generally available, on a reciprocal basis, the exemption of aircraft earnings already accomplished by convention with these four countries. Other tax conventions are in process, but negotiations leading to the final exchange of ratifications of such conventions are usually long and tedious, involving many controversial issues. Your committee believes, therefore, that it would be definitely in the public interest to facilitate the exemption of aircraft earnings in the manner provided by the bill. Substantially all the earnings of ships are exempt from taxation by foreign countries and it is anticipated that the same policy with respect to earnings from the operation of aircraft will continue to find international favor.

Your committee is informed that reciprocal exemptions like the one proposed by this bill for incorporation into our income-tax law are already on the statute books of a number of foreign countries. Exemption of our air carriers from income taxation in those countries, therefore, will become practically automatic upon the enactment of the bill. The resulting saving of the time and expense necessarily involved in bilateral convention procedure is immediately apparent.

The present world leadership of the United States in international air transportation leaves little room for doubt that the enactment of this measure will mean a net gain in revenue to the Treasury. The tax relinquished on income derived by foreign carriers from sources within this country will probably be less than the taxes which would otherwise be imposed on the foreign income of our own carriers and which, subject to certain limitations, would be allowed as a credit against the United States tax imposed on the entire net income of our carriers. During the 6 months' period from January through June 1947, according to a Civil Aeronautics Board analysis of trans-Atlantic passenger traffic out-bound from and in-bound to New York City by scheduled United States and foreign air carriers, the number of passengers on United States planes was 60,398, as compared with 19,710 carried by foreign planes. Based on these figures, the percentage of passengers carried by United States planes during that period was over 75. This is particularly noteworthy in view of the fact that it is in the trans-Atlantic service that foreign competition is keenest and most highly developed.

But of greater significance, in the opinion of your committee, would be the encouragement furnished by the bill to the further expansion of the fast growing, keenly competitive air-transport industry. Freedom from foreign taxation and the burdens of compliance with the diverse and unfamiliar administrative provisions of the laws that impose it will contribute much to the growth of our air-borne foreign commerce.

The Treasury Department is in accord with the policy of the bill, a policy which has been consistently followed in the negotiation of tax conventions with foreign countries since the development of commercial flying.

ANALYSIS OF THE BILL—SECTION 1

Subsections (a) and (b) of section 1 of the bill respectively amend in full sections 212 (b) and 231 (d) of the Internal Revenue Code.

The first of these code sections excludes from gross income and exempts from tax "the income of a nonresident alien individual which consists exclusively of earnings derived from the operation of a ship or ships documented under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States. Section 231 (d) of the code grants the same exclusion and exemption, on the same reciprocal basis, to foreign corporations.

As amended by the bill, each of these code sections is divided into two paragraphs, the first of which continues the existing exemption of the earnings of ships under foreign registry and the second adds the new exemption of earnings derived from the operation of aircraft under foreign registry.

SECTION 2

Under section 2, the amendments made by the bill are applicable with respect to taxable years beginning after December 31, 1947.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc, That (a) section 212 (b) of the Internal Revenue Code (relating to income of nonresident alien individuals) is hereby amended to read as follows:

"(b) Exclusions: The following items shall not be included in gross income of a nonresident alien individual and shall be exempt from taxation under this chapter:

"(1) Ships under foreign flag: Earnings derived from the operation of a ship or ships documented under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States;

"(2) Aircraft of foreign registry: Earnings derived from the operation of aircraft registered under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States."

(b) Section 231 (d) of the Internal Revenue Code (relating to income of foreign corporations) is hereby amended to read as follows:

"(d) Exclusions: The following items shall not be included in gross income of a foreign corporation and shall be exempt from taxation under this chapter:

"(1) Ships under foreign flag: Earnings derived from the operation of a ship or ships documented under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States;

"(2) Aircraft of foreign registry: Earnings derived from the operation of aircraft registered under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States."

SEC. 2. The amendments made by this act shall be applicable with respect to taxable years beginning after December 31, 1947.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARIFYING EMPLOYER-EMPLOYEE STATUS OF CERTAIN NEWSPAPER AND MAGAZINE VENDORS FOR SOCIAL-SECURITY PURPOSES

Mr. GEARHART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5052) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEARHART].

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 209 (b) (15) of the Social Security Act, as amended (U. S. C., 1940 edition, Supp. V, title 42, sec. 409 (b) (15)), and section 1426 (b) (15) of the Internal Revenue Code, as amended, are hereby amended to read as follows:

"(15) (A) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

"(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or."

(b) The amendment made by subsection (a) to section 209 (b) (15) of the Social Security Act shall be applicable with respect to services performed after the date of the enactment of this act, and the amendment made to section 1426 (b) (15) of the Internal Revenue Code shall be applicable with respect to services performed after December 31, 1939.

SEC. 2. (a) Section 1607 (c) (15) of the Internal Revenue Code, as amended, is hereby amended to read as follows:

"(15) (A) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

"(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back;".

(b) The amendment made by subsection (a) shall be applicable with respect to services performed after December 31, 1939, and, as to services performed before July 1, 1946, shall be applied as if such amendment had been a part of section 1607 (c) (15) of the Internal Revenue Code as added to such code by section 614 of the Social Security Act Amendments of 1939.

SEC. 3. If any amount paid prior to the date of the enactment of this act constitutes an overpayment of tax solely by reason of an amendment made by this act, no refund or credit shall be made or allowed with respect to the amount of such overpayment.

Mr. GEARHART. Mr. Speaker, by way of explanation, I should point out that the legislation I propose is purposed to clarify the status of certain newspaper and magazine vendors which has been recently thrown into confusion as a consequence of the rendition of several Federal court decisions.

At the time of the enactment of the Social Security Act in 1935, and again when certain amendatory legislation was under consideration in 1939, 1945, and earlier in this session—H. R. 3997 and House Joint Resolution 296—the Congress clearly revealed its intention that the common-law definitions of independent contractor and of master and servant—employee and employer—should govern insofar as social security coverage under old age and survivors and unemployment insurance was concerned.

Up until the rendition of the Federal court decisions I have referred to were rendered the status of the newspaper and magazine vendors was considered by everyone, and as this Congress clearly intended, to be that of independent contractors since they bought their periodicals at a low price and sold them at a higher price, deriving their livelihood from the profit in the operation.

By reason that is fantastic, these court decisions, in order to scoop them into the voracious maw of Social Security against their will and over their violent objection, these vendors were arbitrarily declared to be employees and therefore subject to the pay-roll taxes though the money they receive is not wages, as generally understood, but profits derived from an independent business operation of their own.

This did not suit anybody. The newspaper publishers protested that in many instances they did not even know the names of the men who had established their small businesses on the highways and byways of our cities and counties whom the courts had announced were their employees. The newspaper vendors were staggered by the number of employers they suddenly found themselves possessed of, for, under the same arrangement, many of them were handling hundreds of newspapers and magazines, this to say nothing of fruits, chewing gums, safety razor blades, "who done it" detective stories, and so forth, and so forth.

Realizing the utter unworkability of their newly defined situation, the confusion it would cause everyone engaged in the manufacture, sale, and distribution of newspapers and magazines, I have prepared this bill to take these self-employed independent contractors out of the Social Securtiy Act—as all newsboys under 18 years have long been excluded—at the request of the news vendors themselves, their labor union representatives and the Newspaper Publishers' Association, all of whom vigorously object to this surprising move to reverse the oft-manifested intention of Congress and to legislate a new rule of coverage by judicial decision and bureaucratic regulation.

The enactment of this legislation does not exclude anyone from coverage who was ever embraced in the social-security system. Its enactment would merely declare that none who is clearly outside of the system shall be dragged into it by judicial decision against his will and in violation of the revealed intent of the Congress of the United States.

When newspaper vendors are covered into the social-security system—and I believe they will be by act of Congress before this session ends—they will be brought in as the independent contractors which they actually are, as the self-employed, this in recognition of their true status, not as a consequence of a fictitious treatment which cannot be justified or defended on any logical or legal basis whatsoever.

I think that everyone understands the provisions and legal effect of the measure which I now offer for enactment. If there are any questions I would be glad to endeavor to answer them.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPROPRIATIONS FOR THE VETERANS' ADMINISTRATION

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, just to keep the record straight, I think the memory of my friend and colleague the gentleman from Massachusetts [Mr. MCCORMACK] is at fault in the statement which he has just made with respect to appropriations for the Veterans' Administration, for the present fiscal year.

The facts are that a cut of 5 percent believed to be moderate was made in respect to the over-all administrative expenses of the Veterans' Administration, as compared with budget recommendations for the fiscal year 1948, in the bill which passed the House on June 18 last.

It was made perfectly clear that not one penny of this cut was to apply to any benefit provided by the Congress for our veterans, to any financial assistance to the disabled, to the widowed, or the orphaned, or to hospital or medical care for those eligible.

In fact, the bill carried $20,000,000 more for hospital and medical work than was requested from either the Appropriations Committee of the House or the Appropriations Committee of the Senate.

The cut of 5 percent in administrative expenditure was made as a result of the unanimous vote, both Democratic and Republican, in the subcommittee in charge of the bill. It was made as a result of the unanimous vote, both Democratic and Republican, in the full Committee on Appropriations. It was made as a result, as far as I know, insofar as this item in the bill was concerned, of the unanimous vote, both Democratic and Republican, of those present and voting, on the floor of the House. I recall no dissenting voice in this connection in either body of the Congress.

Available information would appear to indicate that the present situation, at least insofar as New England is concerned, is the result of the failure to apply available funds in accordance with the intention of the Congress. For example, it appears that the administrative funds of the regional office in Providence were cut to the extent of 13.3 percent; that those of the regional office in Boston were cut to the extent of almost 10 percent; while those of the branch office in Boston were cut only to the extent of 0.04 percent.

The Congress will, of course, make available at any time such funds as may be shown to be essential to the humane and efficient operation of the Veterans' Administration.

STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1949

Mr. STEFAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5607, the State, Commerce, Justice, and Judiciary appropriation bill, 1949, with Mr. CURTIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday we had read the first paragraph of the bill.

The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF STATE

DEPARTMENT SERVICE

Salaries and expenses, Department of State: For necessary expenses, including personal services in the District of Columbia; salary of the Under Secretary of State, $12,000; salaries of the secretariat for the National Commission on Educational, Scientific, and Cultural Cooperation as authorized by the act of July 30, 1946 (22 U. S. C. 287o); health service program as authorized by law (5 U. S. C. 150); not to exceed $26,000 for expenses of attendance at meetings concerned with the work of the Department of State; purchase of uniforms for chauffeurs; hire of passenger motor vehicles and purchase of nine (of which seven, including one at not to exceed $3,000, shall be for replacement only); and dues for library membership in societies or associations which issue publications to members only, or at a price to members lower than to subscribers who are not members; newspapers (not to exceed $15,000); rental of tie lines and teletype equipment; stenographic reporting and translating services by contract and services for the analysis and tabulation of technical information and the preparation of special maps, globes, and geographic aids by contract, all without regard to section 3709 of the Revised Statutes, as amended; expenses as authorized by title VII (except sec. 705), of the Foreign Service Act of 1946; services

as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); refund of fees erroneously charged and paid for the issue of passports as authorized by law (22 U. S. C. 214a); not to exceed $43,000 for deposit in the Treasury for penalty mail of the Department of State (39 U. S. C. 321d); the examination of estimates of appropriations in the field; and maintenance and operation of passport and despatch agencies established by the Secretary of State; $17,168,000, of which $1,000 is for payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921): *Provided*, That not to exceed $3,000 of this appropriation may be expended for necessary expenses, except personal services, in carrying out the provisions of section 4 of the act entitled "An Act to Amend the Tariff Act of 1930," approved June 12, 1934, as amended (19 U. S. C. 1354).

Mr. GARY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY: On page 3, line 9, after the word "State", strike out "$17,168,000" and insert "$21,168,000."

Mr. GARY. Mr. Chairman, this amendment restores $4,000,000 which have been stricken from the departmental services of the Department of State.

Once again an aggressor nation is on the march. The names of the leaders are different, the ideologies are diverse, but the purposes and pattern of encroachment are the same. When we read in today's press the news of events which are transpiring in Czechoslovakia and Finland, our minds revert to the unhappy experiences in the Ruhr, Ethiopia, and Poland prior to World War II. In the light of these rapidly moving events, we must recognize that Soviet Russia has embarked upon a course of world domination, and that her leaders are just as ruthless as those of Fascist Germany. She seeks to extend her conquests by using force and spreading fear and terror which are the effective weapons of dictatorship and totalitarianism.

What is the answer to this situation? Frankly, I do not know, but I do know that the State Department today is facing the most intricate and complicated problems of international relations that have ever been presented in all history. Notwithstanding this fact, the personnel of the Department has been substantially reduced. There were 7,920 positions in the departmental service in 1947. In 1948 this was reduced to 5,914 positions. Only 5,342 were requested for the fiscal year 1949. The $4,000,000 slash in salaries will necessitate the discharge of nearly 800 present employees in this Department. It will reduce the staff of the Department in Washington by 16 percent.

Can we afford to take this chance under present conditions? I, for one, am not willing to assume that responsibility. I, therefore, offer this amendment to restore the $4,000,000 slash made by the committee, and I urge you to adopt it as a measure of national security.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. GARY].

Mr. Chairman, this is just the beginning of various attempts which will be made to rewrite this bill in committee. On yesterday during debate you heard the committee criticized for not decreasing appropriations. Now we have an attempt to increase an item.

I recommend a careful reading of the committee report, especially page 5, in which we call attention to the duplication of effort between offices and divisions and in the diffusion of activities and responsibilities to the extent that very few divisions have a clear-cut definition of their own responsibilities. Our investigators have been in the Department for 4 months in order to determine how we could save the taxpayer's dollar without injuring the efficiency of our various departments, divisions, and agencies.

I call attention to the fact that before the war and during the war the Department of State had less money with which to operate than it had last year and less than the committee is allowing for the next fiscal year.

In 1939 the appropriation was $2,437,000, with a supplemental appropriation of $66,000; in 1940, $2,425,000; in 1941, $2,695,000, with a supplemental and deficiency appropriation of about $800,000; in 1943, $5,415,000, with a supplemental appropriation of $343,000, plus $303,000 for overtime; in 1945, $11,056,000, with a deficiency and supplemental appropriation amounting to approximately $200,000.

Mr. Chairman, your committee is allowing the State Department this year $17,168,000. We think the committee has been very liberal.

I want to call attention also to an article by Felix Morley captioned "Our swollen State Department." I agree it is swollen. The committee has rendered a great service to the Department of State by making this modest reduction and calling attention to some of the deficiencies that exist down there.

Mr. Chairman, I hope the pending amendment will be defeated.

Mr. HERTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been quite seriously disturbed in noticing this cut of $4,000,000 for the personnel of the State Department. I have been disturbed even though I have sometimes been critical of the activities or the organizational setup of the State Department. On the other hand, efforts to force a reorganization within the Department through this very drastic cut of some 15½ percent in the total of administrative personnel in Washington is to my mind, the wrong way of going about it. We have today operating, and operating very thoroughly, a committee headed by former President Hoover, which is making a study of the entire organization of our Government with a view to making recommendations to us before the end of the year. That committee is, among other things, studying the entire organizational set-up of the State Department. I think it is a little dangerous for us here arbitrarily to make as large a cut as this at a moment when the unforeseen contingencies in our foreign affairs are disturbing many of us.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman referred to an investigation by a former President of the United States. Our committee of investigators made an investigation. General Nelson made an investigation. All of them admitted an endless amount of duplication.

Mr. HERTER. I am not going to quarrel with the gentleman, because I think that he knows very well that I have been critical of many of the operations of the State Department and of their organizational set-up. I am not sure that cutting a blanket amount out of the total appropriations, however, is going to settle that form of organization. What I am afraid of is that the money is likely to come out of the very operations in the State Department that are the most needed at the present time. If I might have the attention of the Chairman for one moment for a question, as I understand this cut is a lump sum cut that can be applied by the State Department within Washington wheresoever in its judgment it sees fit; is that correct?

Mr. STEFAN. There is no question about that.

Mr. HERTER. Is it also correct, Mr. Chairman, that in the review that may take place in the other body with reference to this appropriation, in the event that those gentlemen felt that the cut had perhaps been a little too deep, that there would be an opportunity of compromise?

Mr. STEFAN. There is always an opportunity of compromise in the other body.

Mr. HERTER. I thank the gentleman.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Virginia.

Mr. GARY. I will say to the gentleman that this amendment relates solely to the departmental services, and it would have to be applied within the departmental services, which means the personnel in the State Department in the city of Washington.

Mr. HERTER. Yes; I fully understand that it has only to do with that one item.

Mr. GARY. But it ties in with an amendment which I shall next propose restoring certain funds to the Foreign Service. Now, the Foreign Service has also been very materially reduced, but there is no point in restoring the personnel of the Foreign Service if you do not have sufficient personnel in the Washington office to give them supervision and direction.

Mr. HERTER. I will not quarrel with the gentleman, except to this extent, that if you give complete discretion to the department to make cuts of $4,000,000, running over some 15 to 20 different sections in the department, there is no control that the Congress has whatsoever over where those cuts are going to be made.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. DONDERO. I notice on page 2 of the report that the actual cash reduction is $35,000,000. Well, $35,000,000 on

a bill of $500,000,000 is less than 8 percent. I do not consider that a very radical reduction considering the amount of the appropriation.

Mr. HERTER. The appropriation I am speaking about is the reduction of $4,000,000 in a requested appropriation of $21,000,000. They reduced it to some seventeen-million-plus, which is a very substantial reduction.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. GARY].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 26, noes 51.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GARY and Mr. STEFAN.

The Committee again divided, and the tellers reported that there were—ayes 38, noes 55.

So the amendment was rejected.

The Clerk read as follows:

FOREIGN SERVICE

Salaries and expenses, Foreign Service: For necessary expenses of the Foreign Service, except as otherwise provided for, including those authorized by the Foreign Service Act of 1946 (22 U. S. C. 801–1158), except title VII, sections 701, 702, 703, 704, 706, 707, title VIII, and section 901 of title IX; repairs, alterations, preservation, and maintenance of Government-owned and leased diplomatic and consular properties in foreign countries, including minor construction on Government-owned properties, without regard to section 3709 of the Revised Statutes, as amended (41 U. S. C. 5); ice and drinking water for office purposes; the hire of passenger motor vehicles, and purchase of 23, including 2 for chiefs of missions at not to exceed $3,000 each; maintenance, operation, and repair of airplanes; maintenance, operation, repair, and rental of motorboats and launches for use at posts where determined to be necessary by the Secretary of State; insurance of official motor vehicles in foreign countries when required by law of such countries; excise taxes on negotiable instruments; purchase of uniforms; health service program as authorized by law (5 U. S. C. 150); purchase of household furniture and furnishings for Government-owned, rented, or leased buildings, except as provided by the act of May 7, 1926, as amended (22 U. S. C. 292–299), and the acquisition, by purchase or otherwise, of household equipment for the purpose set forth in section 912 of said Foreign Service Act of 1946, all without regard to section 3709 of the Revised Statutes, as amended; loss by exchange; radio broadcasting; payment in advance for subscriptions to commercial information, telephone and similar services, including telephone service in residences as authorized by the act of April 30, 1940 (31 U. S. C. 679); burial expenses and expenses in connection with last illness and death of certain native employees, as authorized by the act of July 15, 1939 (5 U. S. C. 118f); for relief, protection, and burial of American seamen, and alien seamen as authorized by the act of March 24, 1943 (57 Stat. 45), in foreign countries and in Territories and insular possessions of the United States, and for expenses incurred in the acknowledgment of the services of officers and crews of foreign vessels and aircraft in rescuing American seamen, airmen, or citizens from shipwreck or other catastrophe abroad; for expenses of maintaining in Egypt, Ethiopia, Morocco, and Muscat, institutions for incarcerating American convicts and persons declared insane by any consular court, rent of quarters for prisons, ice and drinking water for prison purposes, and for the expenses of keeping, feeding, and transportation of prisoners and persons declared insane; for every expenditure requisite for or incident to the bringing home from foreign countries of persons charged with crime, as authorized by section 5275 of the Revised Statutes (18 U. S. C. 659); and the operation and maintenance of commissary and mess service (not to exceed $200,000, without regard to section 3709 of the Revised Statutes, as amended; $42,500,000: *Provided*, That the Secretary of State may lease or rent, for periods not exceeding 10 years, offices, buildings, grounds, and living quarters for the use of the Foreign Service, which rental payments may be made in advance, and may furnish heat, fuel, light, gas, and electricity for Government-owned, leased, or rented offices, buildings, grounds, and living quarters, all without regard to section 3709 of the Revised Statutes as amended: *Provided further*, That pursuant to section 8 of the act of August 2, 1946 (Public Law 600), automobiles in possession of the Foreign Service abroad may be exchanged or sold and the exchange allowances or proceeds of such sales applied to replacement of an equal number of passenger vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed $3,000 in the case of the chief of mission automobile at each diplomatic mission and $1,400 in the case of all other passenger vehicles except station wagons, and such replacements shall not be charged against the numerical limitation hereinbefore set forth.

Mr. GARY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GARY: On page 6, line 7, strike out the sum "$42,500,000" and insert "$44,665,830."

Mr. GARY. Mr. Chairman, this amendment restores the $2,165,830 which the committee took from the budget of the Foreign Service.

While the committee's recommended cut is not as great as that applied to the departmental service, the effect is just as serious. The Department has already trimmed its estimates, cutting its personnel abroad 500 below the number authorized for this fiscal year, notwithstanding the fact that it is faced with the necessity of opening 22 new posts. All that has been said with reference to the amendment just disposed of applies with equal or greater force to this amendment. I offer it because I am convinced that the safety of America demands it. I trust that it will be the pleasure of this body to adopt it.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this committee will recall that Congress has been very, very liberal with our Foreign Service. I yield to no man in my admiration of this branch of our Government and my efforts to be of utmost service to it. I want the best Foreign Service in the world. I want the highest type of people in the United States representing our Government in every part of the world. But I call your attention to the fact that not very long ago the House, under suspension of the rules, passed a bill reorganizing the Foreign Service and giving them the best salaries in the Government service. They have a special retirement, which is not enjoyed by other employees of Government. We have taken very good care of our Foreign Service in foreign lands. The lend-lease money which we voted for, and the surplus material which we have been giving away to foreign countries is represented in benefits which we today are extending to our Foreign Service officials. In other words, our Foreign Service officers, in my opinion, are securing more benefits from our surplus property and lend-lease money than any other branch of our Government because we are now buying land and building buildings and residences and equipping them from the credits of lend-lease and surplus property. No other benefits have come to us, in my opinion, from lend lease or surplus property except the beautiful buildings and beautiful homes that we are constructing for these Foreign Service officers for whom this committee is appropriating in this bill $42,500,000 for salaries and expenses, and which my colleague from Virginia is attempting to increase by over $2,000,000.

This money is not entirely for personnel, Mr. Chairman. It is for equipment and all other items including travel, and including official residence allotments. What do we do for these Foreign Service officers? Let me give you a little information about what you did by passing that bill under suspension of the rules. Here is a Foreign Service officer whose salary is $25,000. Annual salary $25,000. His post allowance is $1,360. He lives in a Government-owned home for which he pays no rent. He gets $3,400 for entertainment. He gets $4,500 in addition as an official residence allotment, or a total of over $42,000 a year. That is very liberal.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. JAVITS. I just wish to ask how many such officers as the gentleman describes are there in the entire Foreign Service?

Mr. STEFAN. I have three sheets of them here. I can read them off.

Mr. JAVITS. Just the number who get $25,000.

Mr. STEFAN. Here is one who gets $15,000, plus $1,000 for post allowance and he lives in a Government-owned home. His entertainment allowance is $2,100 and his official residence allotment is $2,100.

Here is one who gets $21,500 salary. Here is another who gets $22,750.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. STEFAN] has expired.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STEFAN. That is about all I have to say about this. I hope the amendment will be rejected.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Yes, I yield.

Mr. REES. I notice on page 2 of your report, speaking about salary increases, you say you increased the salary of personnel in the State Department in some

cases as high as 3,085 percent. I would like to have the gentleman explain that a little.

Mr. STEFAN. I endeavored to explain that a little while ago.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. BULWINKLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize full well that my friend the gentleman from Nebraska [Mr. STEFAN] has given great study to this bill but I am doubtful if he has carefully gone into the matter of pay in the Foreign Service. He has spoken to you of the Ambassador or Minister who gets $25,000 a year; of the embassies the United States is building. This amendment raises the salaries which have been cut. The cut will affect in either one or two ways—reduced personnel or a reduced amount which they will receive if you keep all the personnel.

Now I wish to state those who have been in various parts of the world on these various congressional committees must realize, and I am speaking of the commercial attachés, as well as others of similar status and others not getting as much salary, that their expenditures during these days are enormous, even for their own personal expenses.

I cannot visualize that this great country of ours, the leading Nation in the world today, will be penurious with its servants in the foreign field. You gentlemen who went to these various foreign cities last summer and were entertained by various members of an embassy or legation staff or consulate staff must remember that that entertainment they gave to you came out of their personal pockets. So I say to you that in justice to our Foreign Service we should raise this appropriation. Support this amendment which the gentleman from Virginia has introduced.

Mrs. BOLTON. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentlewoman from Ohio is recognized for 5 minutes.

Mrs. BOLTON. Mr. Chairman, although recognizing the value and the great, the consecrated service of our Appropriations Committee, I should feel myself very delinquent if I did not give to the House something of my own knowledge of the Foreign Service and something of what this cut will mean. I realize there are perfectly logical and reasonable criticisms of methods; I do not like some of them myself. I am discussing them with members of the State Department who are responsible and I find they already know about them, that they have been pressuring to get certain things done. Unfortunately they are not always able to surmount the pressure of opinion from higher echelons.

I should feel very sorry to have us accept this recommendation because I know from personal knowledge that in addition to having it made very difficult for the consuls and vice consuls and so on who are in charge of important though not large posts, we have a situation where the wives of these men are using their own personal funds in order to give the parties they have to give—even for Congressmen, sometimes, when they come. Do we think there is no expense entailed in making possible the meetings between Members of Congress and members of the governments to which they go? In many of the countries it is very necessary that these be first on a social basis. I know there are Members of this House who have very strong feelings about these representation allowances. But how is a man going to be friendly with another man in another country unless he goes down with him to a little restaurant and buys him a dinner or a brandy? He has to buy himself one too, does he not? This he does because he is told by his office to go and get certain information. He cannot go out and take the foreigner off in a forest and hold a pistol to his tummy and tell him, "You tell me this, or else." He will get nothing that way. He has to first set up a spirit of friendliness and that friendliness follows certain formalities of the countries involved.

I realize these are only small matters, Mr. Chairman. I spoke yesterday for 15 minutes and I would suggest that you will find considerably more information if you will examine the RECORD. I do not feel that the only way to solve the problems of the Foreign Service or the State Department is by cutting them down in such way as will actually make a very difficult situation for us in the foreign field where we should be building character, building responsibility in the minds of the people of other countries. I regret very much that there has been so great a cut. I realize that it is much less in ratio for the Foreign Service than for the State Department as a whole, but it is enough to make it difficult in our outposts to follow those precedents, those regulations and those formulas that are understood in other countries.

Mr. Chairman, I trust that the amendment will be agreed to.

Mr. REES. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not think there is any Member of the House who wants to be penurious, as has been suggested, with respect to the salaries or the allowances of Government employees, especially as it may relate to the State, Commerce, and other departments included in the particular bill under consideration.

In reading the hearings and the report on this bill I have observed a rather liberal allowance for these employees, and that is so especially with respect to salaries. On page 2 of the report attention is called to a number of cases of salaries of individual employees since they have been in the service that have been increased up to 3,800 percent in some instances. It appears the Government has been pretty liberal in the payment of salaries and allowances of employees in the State Department. All appropriations for the State Department have been very generous, I think.

I should like to ask the chairman of the subcommittee about these employees. Unfortunately a lot of the information is not included in the hearings. There are tables, but, somehow, somewhere, we do not get them except by asking the Members. They are not in the printed hearings or in the report on the bill and not available to the Members of the House.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Nebraska. He will read from a table that is not in the hearings.

Mr. STEFAN. I merely read from a report showing the salary and allowance range from $18,000 up to $52,000. I should like to refer to another breakdown of the employees in the lower brackets.

Mr. REES. I would like to have some of those figures. In fact, they should be placed in the RECORD so the Congress and the people may have the information.

Mr. STEFAN. I may say to the gentleman that he will find in the lower ranks the salary range for 1938 from $4,000 plus to $6,600 plus. That is the average of the low-salaried group. This is the highest paid aggregation of Government employees in the entire Government.

This modest reduction that the committee has made does not affect the salaries. The salaries were fixed by law. This only affects travel, equipment, supplies, and official residence allowance. Certainly there will be a few personnel reductions, but the salaries will not be reduced because we are not reducing the salaries.

Mr. REES. I am interested in this proposition. Our Civil Service Committee has under consideration the question of increases of salaries of Government employees. It is rather difficult to deal with the question when we find employees upgraded and transferred from one place to the other within the agency with increases in salaries out of all proportion to those in other parts of the Government. In the higher grades rules and regulations of civil service are pretty well thrown out of the window.

Mr. STEFAN. Referring to the increase in salaries and the percentage jump from 300 to 380 percent, that included classified employees.

Mr. REES. That is entirely out of line, and shows abuse of authority on the part of officials who take the question of salary adjustment in their own hands. We seem to be condoning the thing in making these appropriations.

Mr. STEFAN. That is not for this service at all. You will find that explanation on page 2 of the report.

Mr. REES. I have that before me. It is very brief. Why not explain who they are and where employed? Let the record show who approved these big increases. Also why it was done.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Virginia, a very distinguished member of the committee.

Mr. GARY. May I ask the gentleman one question, and that is if he would like to serve in the Persian Gulf area where the temperature remains around 132 degrees in the shade for the salaries that are now paid by the State Department? Those are the salaries we are paying to these men who are giving up their homes and going to remote parts of the world where they are suffering in some instances untold hardships.

Mr. REES. I have not heard of a single instance where there is any demand on the part of anybody for help over in the Persian Gulf area or anywhere else. As a matter of fact, more people want to go abroad for the Government than want to work for the Government at home. There are many other places besides the Persian Gulf where Government workers are employed. The high-salaried employees are not in the Persian Gulf.

Mr. STEFAN. We also have many, many privates first-class who are serving in countries where the temperature average is 120 degrees who do not get $52,000 a year in salary and allowances.

Mr. REES. I thank the gentleman for his statement. If you will look into the matter you will not find the high-salaried employees with big allowances in the Persian Gulf or places of that kind. I think those who are required to pay the bill will feel that Congress is pretty liberal in salaries and allowances to those who represent our country in foreign lands.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. KEE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not often take the floor for the purpose of defending or opposing a proposition, but I am impelled to do so on this occasion because I believe that the cut made by the Committee on Appropriations for the Foreign Service is unfair, is unjust to the Service, and was ill-considered. The chairman of the committee spoke of the high salaries received by the representatives of the Foreign Service. He mentioned only ambassadors, the highest paid men in the Service, of which there are but a few. Up until the passage of the Foreign Service Act of 1946, the Foreign Service of our country was the best trained but the worst-paid men in the service of the United States Government. The salaries in the Foreign Service of our ministers, our consuls, and our ambassadors were fixed by this Congress in the year 1854 and remained unchanged until 1946. In 1854 the salaries of our ambassadors were fixed at $17,500 a year, and remained unchanged until the passage of the Foreign Service Act of 1946. The salaries of those men in the lower brackets in the Foreign Service were fixed in 1924 and remained unchanged until the passage of the Foreign Service Act of 1946.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Ohio.

Mr. VORYS. I had the privilege of serving on a subcommittee under the gentleman before he introduced the Kee bill which became the Foreign Service Act of 1946. At that time we found that when Lord Halifax was receiving $70,000 a year, tax clear, for salary and expenses, our Ambassador in Great Britain was receiving $33,000 a year for salary and expenses, tax-free. We felt at that time, in view of the accomplishments of British diplomacy as opposed to ours, that over-all we could possibly save more money in billions of dollars if we paid a little more money for both salary and expenses to our servants, and I believe the gentleman will agree that the policy which we wrote into that bill for increased salaries and expense accounts for our diplomatic officials is still sound policy, and this reduction is out of line with that policy.

Mr. KEE. I wholeheartedly agree with the gentleman from Ohio. He failed, however, to mention that in addition to the $70,000 a year that Lord Halifax received tax-free, he also, as I am advised, received an additional allowance for entertainment of an equal amount at that time.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Montana.

Mr. MANSFIELD. Will the gentleman ask the chairman of the subcommittee how much the embassies and legations in Europe this summer and fall had to spend entertaining congressional delegations?

Mr. KEE. I am afraid that would be impossible for the gentleman to answer.

Let us see for a moment what this cut will do. To absorb the recommended reduction of $2,165,830 in salaries and expenses in the Foreign Service, it will be necessary to make a reduction of 494 officers and employees. There will be a reduction of 35 Foreign Service officers, men who have been trained for years in the Foreign Service, the most highly trained officers we have in any Service of the Government.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. BLOOM. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEE. As I said, there will be a reduction of 494 officers and men. In that reduction, in addition to the 35 Foreign Service officers I have mentioned, there will be a reduction of 50 reserve officers, there will be a reduction of 257 members of the staff, and a reduction of 150 aliens employed in the different stations over the world.

If there is any time in the history of this country when we need a full and complete Foreign Service, it seems to me that that time is now.

I am advised that before the committee reported this reduction the Foreign Service officials had planned to screen the representatives in South America and select from those representatives, although they could ill be spared, 400 representatives of the Foreign Service who were badly needed for service in Europe and the Far East. That plan will have to go overboard if this reduction is sustained. During the first 8 months of this fiscal year the Foreign Service has been building up its force within the appropriations authorized for 1948. If the House committee's reduction is not restored, the Department will be forced to undo most of what has been accomplished to achieve a balanced staff during the last 4 months. I submit that this reduction is unfair and ill-considered, and this sum should be restored by the House.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Virginia.

Mr. GARY. May I ask the gentleman if he does not know that there are now under contemplation 22 new offices for the Department in the foreign field, which they contemplate opening during the next year?

Mr. KEE. That is true.

Mr. GARY. This will seriously handicap that program. That need arises largely from the tremendous increase in consular services such as visas and passports. There is now a tremendous backlog, and the backlog will be tremendously increased if this appropriation is cut.

Mr. KEE. That is true. Also 35 additional Foreign Service officers planned to be recruited under the Manpower Act cannot be employed and plans to recruit 50 reserve officers will have to be abandoned.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment for this primary reason: We are very careful on the floor, as the debate on appropriations for our military forces will show, that in the present state of what is euphemistically called the "cold war" between the ideologies, to consider our military forces a sacred cow. There is real justification for such a position. But are we saying there is so little hope left for peaceful accommodation, and that arms alone must settle the ideological issue? Are we willing, therefore, to hamper and dismantle our peace machinery which is our Foreign Service and our State Department?

Let us see why the committee says it cut this particular Foreign Service appropriation. It says, according to the committee's report, which I now read:

> This reduction is in part related to the reduction made in the departmental salaries and expenses and in part on the information of the committee that the Foreign Service organization is in many instances rendering services to private individuals and business organizations which they could do for themselves.

And the next sentence I ask the committee to note very particularly:

> Also it is the thought of the committee that the great number of additional posts proposed for the Far East cannot be established within the time limits indicated, coupled with the greater reductions in personnel and activity that might be effectuated in other parts of the world, particularly the Western Hemisphere.

Here we are considering the spending of $570,000,000 to aid China, and yet for the very front rank of the American position in the Far East, which is our own Foreign Service, we hesitate to vote the necessary money so that the establishment of offices in the Far East may be expedited. Whereas the one thing in the world we would want to supplement with relation to our policy there, and we would want to expedite rather than retard because we did not appropriate enough money, is the opening of offices there.

The report of the committee itself in its hearings is very illuminating on this question of cutting salaries. The House should know that the Foreign Service has asked for no more personnel, 11,265 positions, than they had in the fiscal year 1948. But, the testimony shows, and I am reading from page 318 of the hearings, that $547,000 more is needed for salaries due to automatic promotions by virtue of this very Foreign Service Act of 1946.

The chairman of the subcommittee has told us that this $44,665,830 asked for represents a lot of other things besides salaries, but it is a fact that over $29,000,000 of the $44,665,830 here cut, $42,500,000, goes for direct payment to all these employees according to the committee's own report.

One final thought. Right now we have a very restricted visa service in the United States occupied areas of Germany and Austria. But we have no appreciable visa service in the areas of Germany and Austria occupied by the British or French. A great many of us here in the House are very concerned about the fate of the displaced persons who have been very neglected, and who I have said here myself are suffering a "living death." It would take about a quarter of a million dollars in order to extend the visa service, so that the displaced persons in the British and French zones of Germany and Austria would also have a chance, but with the policy of cutting appropriations for the Foreign Service which we have here, even simple requirements of justice and humanity cannot be served. I therefore respectfully suggest that on the basis of the facts this amendment should be voted in the bill and the cut should not be made in the Foreign Service, which is our first line of defense for the United States. The amendment should be adopted.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. STEFAN. The item that the gentleman is talking about was considered. We took into consideration the opening up of offices in the Far East. I am just as interested as the gentleman from New York in having a strong, fine, efficient Foreign Service. But I call your attention to the fact that the amount of money we are allowing this agency for their permanent field forces, namely 11,265 positions, would cost around $29,452,000. You should know that they have approximately 202 vacancies which they cannot fill. You should know that, and the House should get some accurate information instead of a lot of information that is not absolutely correct.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. STEFAN. Will the gentleman yield?

Mr. HORAN. I yield.

Mr. STEFAN. I wonder if we can reach some agreement to close debate on this amendment?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. GARY. Mr. Chairman, I object.

Mr. STEFAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. HORAN. Mr. Chairman, I think we could all profit by a little perspective now and then. We are not treating the State Department as painfully as has been asserted. All of this heart-bleeding is entirely unnecessary in my opinion. The fact remains that in this appropriation bill we have got 10 times the sum that we had 10 years ago. It has risen from around $20,000,000 for the State Department until today it is over $190,000,000 in the bill before you. Where do we stop?

I also want to point out that in this particular item alone, for salaries and expenses of the Foreign Service, we appropriated in 1939 a little less than $10,000,000. As late as 1945, 2 years ago, we appropriated less than $25,000,000 for this. Today that item is more than $42,000,000. When and where do we stop?

A lot of sad words have been poured out here this afternoon about the small cut in an item that is about $20,000,000 more than it was 2 years ago. Where do we stop? We are not only considering salaries and expenses here. Let us look at the whole picture and not delude ourselves. Otherwise we might meet ourselves coming back some day. There is $7,000,000 in this bill for living quarters and quarters allowances. That is remuneration. If you do not think so, ask some veteran who would like to rent a house here in Washington. We also have a half million dollars for representation allowances. That is remuneration. If you do not believe so, ask somebody in the Foreign Service. We also have an item of $2,150,000 for Foreign Service retirement and disability fund. You are considering not $42,000,000, but about $52,000,000 when you vote on this matter. I just want to leave the question with you who have the responsibility of the fiscal soundness of this country. Where do we stop?

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. JENNINGS. Is it not a fact that there is just one way to reduce and that is to reduce?

Mr. HORAN. That is right.

Mr. JENNINGS. Then if we put in this $2,000,000, the hatchet boys will be out here in a few days asking where is the reduction program of the Republicans in this House.

Mr. HORAN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. GARY].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 56, noes 64.

Mr. GARY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. GARY and Mr. STEFAN.

The Committee again divided; and the tellers reported that there were—ayes 65, noes 93.

So the amendment was rejected.

The Clerk read as follows:

Representation allowances, Foreign Service: For representation allowances as authorized by section 901 (3) of the Foreign Service Act of 1946 (22 U. S. C. 1131), $500,000.

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES: On page 7, line 8, strike out "$500,000" and insert "$300,000."

Mr. REES. Mr. Chairman, in view of what has transpired thus far I assume it is unpopular to offer an amendment to cut any of these items because the effort seems to be to increase them. Not being a member of the committee, I realize there may be some criticism that I am not as familiar with this problem as those who have given this bill as much study as they have.

What I propose to do by my amendment is to cut $200,000 from the $500,000 allocation in this bill for representation allowance—entertainment, they call it. Your attention has been called to the fact that the amount of money spent for the Foreign Service has been increased by some $20,000,000 in 2 years. No wonder the cost of Foreign Service has reached such large proportions.

What was done last year was to not only allow $700,000 for this item but this House allowed several other items for the same purpose. I mean entertainment expenses. When we talk about entertainment allowance we mean allowances to various individuals for expenses of various kinds. Then to cap it off the committee throws in another $500,000, together with another $128,000 for so-called participation in international organizations and things of that kind. Last year this Congress allowed additional expense items, other than the regular expense items and the same thing seems to be done again this year. There are what is described as "contingencies" and other items amounting to several hundred thousand dollars.

All in the world I am asking you to do by my amendment is to save $200,000, a small amount. Just put it back somewhat in line with what the Congress did some 6 years ago and 8 years ago. Have you stopped to think $500,000 would buy a lot of bread for hungry people? It would do so much more good in reaching understanding with people in other parts of the world.

May I say incidentally that the members of the committee have not put in this report just what the money is spent for, but if you will ask any one of them, they will tell you the itemized account is sort of off the record. In other words, they come to this committee and off the record will tell how much money they are spending to buy liquors and things of that kind. Unfortunately too much of

the testimony of the State Department representatives is not on the record.

Let us cut out about $200,000 of this allowance. And while we are talking about this entertainment matter, and there is a tremendous amount of it, of course, we could well use the money that is spent for these various embassies and for representatives abroad for a more valuable purpose. Why not use some of this money to send over a number of teachers, a few lawyers, a few laboring men, ministers, businessmen who can really better represent the people of this country rather than spend this money on this particular group that just entertain themselves and other foreign representatives. Nothing is accomplished.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. REES. I am glad to yield to the gentleman from Tennessee, who has always supported me in an effort to reduce this appropriation.

Mr. JENNINGS. Has the gentleman any idea how many billions of dollars the people of this country have lost, and how much loss of prestige this entertainment has cost the people of this country? I know something of human history and I have observed my fellow man. I have never heard of a drunk hero or of any man who found wisdom at the bottom of a bottle. If we could be assured that our representatives would let the other fellow drink this liquor and wine that is to be bought with these funds and would themselves remain sober, this might be a good investment. Certain it is no drunk man and no partially drunk man should be entrusted with the interests of this country when it comes to determining whether our boys should fight and die in foreign wars. We will safeguard the interests of this Nation if we can keep our foreign representatives sober. You have only to turn back the pages of history and read the account of how much bourbon and Scotch whisky our representatives took to the conference between Roosevelt and Stalin at Yalta, and remember how much vodka and champagne the Russians took to that meeting, and then think of what happened to this country as a result of what took place there. Read Elliott Roosevelt's book As I Saw It. And when you have read of the drunkenness at Yalta as recited by Elliott Roosevelt, you will then understand why this Nation, England, France, and China came out losers and Russia gained the Balkans, Poland, Hungary, outer Mongolia, and Manchuria. You will see the stark and brutal truth of Will Rogers' statement that "This country never lost a war and never won a conference."

Mr. REES. The gentleman from Tennessee always makes a good statement. Anyway, we could use a little sobriety here and save a couple of hundred thousand dollars, and still spend more money than we should for this sort of thing. Last year Congress spent practically a million dollars, and the committee is proposing $500,000, which would buy a tremendous amount of food. In fact, if you spent the whole $500,000 for food, you would do a whole lot more good and bring about a better understanding with the people of other countries than attempting to do it by spending it for liquor.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. VURSELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kansas.

Mr. Chairman, the only way to reduce governmental expenses, which the people are praying this Congress will do, is to really reduce them. Here we meet again today on about the third appropriation bill, and every time we seek to reduce expenses there is a great cry coming up from the gentlemen on the Democratic side of the House in particular, that we should not do it, and they offer amendments trying to put back into the bill all that we have cut out. Two or three years ago they had this representation allowance up to about $1,000,000. Part of it could be seen, but part of it was unseen. Now, the gentleman from Kansas has asked, inasmuch as we have made considerable progress last year in reducing this to about $600,000, that we further reduce it by $200,000. I think it is a sound proposition. I agree with the gentleman from Tennessee that we need to keep our foreign representatives in a position to do the clearest thinking in these most serious times. When I look at the colossal blunders that have taken place in the State Department year after year, which have got us into a position where it looks like we are about to lose the peace of the world after the great sacrifice we made in the last war, I believe that we ought to have at least as clear thinking as possible on the part of our representatives in foreign countries. Consequently, I am supporting this amendment to reduce this appropriation by $200,000. In these serious times, when we hear so much about starvation and the lack of food throughout the countries of Europe, where many of our diplomats serve, you could take this $200,000, if we can save it, and buy 1,800,000 loaves of bread for the women and children in those countries. This amendment means more bread for hungry people and less liquor for well-fed diplomats. The gentleman from Kansas has not offered this amendment just as a matter of form; neither am I speaking for it just as a matter of form. Let us see if we cannot reduce the amount by a couple of hundred thousand dollars.

I hope that the Members of this House will vote to reduce this item, which will be spent largely for more liquor and for more entertainment than is necessary on the part of our representatives, and by our diplomats abroad. I think we ought to reduce this by $200,000. I hope the majority of the House will join in this request. I do not believe the American people who are supposed to control this Government through us, their elected representatives, would approve this excessive appropriation of $500,000, to be used for wasteful and excessive entertainment in foreign countries. I urge the Members of the House to support this amendment and save $200,000.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have had a Foreign Service ever since the days of Benjamin Franklin. This amendment would seek to reduce our representation allowance from half a million to $300,000.

The amendment would not do what the author of the amendment seeks to do. We have had representation allowances in our Foreign Service for many, many years, and every other government in the world has its representation allowance.

It is not the intention of the chairman of this subcommittee to sabotage our Foreign Service in spite of the fact that I am opposing certain amendments to increase amounts which in the judgment of the majority of the committee are fair. Other things are done with the representation allowance besides what is alleged. The committee went into this item very, very carefully last year; in fact, I had vouchers brought to Washington from all parts of the world giving me information on minute expenditures of money from this particular appropriation. We feel that this fund is well supervised, better than ever before. We cut the request from $700,000 to $500,000. Last year the request was for $1,000,000, and the item was increased in the Senate from $500,000 to $700,000 as a compromise between the Senate and the House committees.

Mr. Chairman, I hope the amendment will be defeated.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Kansas.

Mr. REES. I know the gentleman wants to be fair, but he well knows that this $700,000 item is not the only item that is going for the representation allowance. No only that, as the gentleman has suggested, he has the vouchers that indicate what the money is spent for. Unfortunately, we are not able to get those items in the hearings. We never have. The members of the committee get them and carry them around in their pockets, but we who are also entitled to the information just do not get them. If those figures could be placed in the hearings so we could see them, there is no question in my mind but that my amendment would carry.

We are still leaving $300,000 here for the representation, which is for liquor, and things of that kind. Not only that, you still have an additional $400,000 in here that goes for the same purpose, as the gentlemen of the committee well know.

I realize the gentleman has to sustain his committee, and I appreciate his viewpoint. Nevertheless, he knows as well as I do by reading his own hearings that there still is in this bill a further allowance of something around $400,000 that is going for the same purpose. If the gentleman did not happen to hold the important position he has here and did not have to sustain his committee, I think he really would agree with me.

I am sorry the gentleman cannot put in the record the complete story about the amount of money that is actually

spent for all kinds of high-powered liquor. I am not holding that against him any more than I hold it against the gentleman from Virginia, who also has the figures on that subject.

I give due credit to the chairman, the gentleman from Nebraska [Mr. STEFAN], for cutting it down to $500,000, but let us save a couple of hundred thousand more while we are at it. It will do us all good and be better for the State Department. My amendment puts this expenditure in line with what it was 6 years ago.

Again I want to commend the chairman for keeping the figure at $500,000 because I believe if it had not been for his efforts the State Department might have had their way. If the State Department's views on this item were approved, it would have been a million dollars. So, I commend the gentleman for his good work, even though I would like for him to go still further and cut it another $200,000.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is most unfortunate that every year when we reach this item in the bill we have a discussion in which the item is referred to as the liquor item. That is not true, and it conveys an entirely false impression to the people of our country.

I hear a lot of talk about putting business methods into government. There is not a business organization in the United States that sends its salesmen out to sell its products that does not give them a representation allowance. They may not call it by that name, but they give them an allowance with which they may entertain prospective customers. The State Department is engaged in selling the United States of America to the rest of the world. We charge them with the duty of selling our system of free enterprise. We must furnish them the machinery, the tools, with which it can be done. That is all this item does.

It enables the State Department to hold conferences to which they can invite representatives of other governments and sit down and discuss the various problems that arise.

It was my privilege to travel in Europe last fall. I have no doubt that I enjoyed the benefits of this very fund. Why? Because some of the most interesting and important conferences that we had while I was abroad were conferences at dinners or lunches or some occasion which had been arranged by the State Department or by the Army to gather together the important people of the country where we were visiting so that we might there discuss with them our problems and gain certain information which we were seeking. I think that a fund of this kind is of the utmost importance. Last year the State Department requested $1,000,000 for this fund. The House cut them to $500,000. We cut it exactly in half. It went over to the other body and there was increased to $700,000, and we agreed on that amount. The State Department did not request the $1,000,000 again this year, but only requested $700,000. We cut that back to $500,000, the same amount that the House approved last year. I trust it will be the pleasure of this body to keep it at that figure.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. REES. The gentleman well knows that we also have in this bill additional items under so-called contingencies that total something over $800,000. The gentleman well knows that. I am sure he knows it, although it is not marked for buying liquor. They always have had the items showing how much they spent for it. All that I am asking the gentleman to do is to just cut it a little bit. Let us cut it a small percentage. Let us cut it by about 25 percent. Let us save about $200,000, and let us use that now especially when the people abroad need to be fed. If you want to use $200,000 let us use it to feed the people who need it abroad, and in that way we will come much closer to creating good will among the people abroad than we will by a thing of this kind. Of course, they have to spend a certain amount of money for dinners and things of that kind, but they do not have to spend it on this kind of thing. Let us put it back to where it was some 4 or 6 years ago when we only used $250,000 for this. Let us put it back to $250,000. That is all I am asking the gentleman to do. I am not asking to cut it out completely.

Mr. GARY. My answer to the gentleman's question is that every item in this bill has been scrutinized very carefully by the subcommittee and we think that every one of these items is needed.

Mr. REES. Let us supervise these items a little more, then.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and the Chair being in doubt, the committee divided, and there were—ayes 10, noes 56.

So the amendment was rejected.

The Clerk read as follows:

International information and educational activities: For expenses necessary to enable the Department of State to carry out international information and educational activities as authorized by the United States Information and Educational Exchange Act of 1948 (Public Law 402, approved January 27, 1948), including personal services in the District of Columbia; employment, without regard to the civil service and classification laws, of persons on a temporary basis (not to exceed $50,000) and aliens within the United States; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946 (22 U. S. C. 801–1158), except title VII and title VIII; expenses of attendance at meetings concerned with activities provided for under this appropriation (not to exceed $6,000); rental of tie lines and teletype equipment; printing and binding, including printing and binding outside the continental limits of the United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); hire of passenger motor vehicles; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); purchase, rental, operation, and maintenance of printing and binding machines, equipment, and devices abroad; ice and drinking water for office purposes; acquisition, production, and free distribution of information materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes, of information and educational activities outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee); and the maintenance and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, and the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes; $28,000,000, of which not to exceed $2,500,000 may be transferred to the appropriations "Salaries and expenses, Department of State," "Printing and binding, Department of State," "Salaries and expenses, Foreign Service," "Living and quarters allowances, Foreign Service," and "Printing and binding, Foreign Service," under this title: *Provided*, That, notwithstanding the provisions of section 3679 of the Revised Statutes (31 U. S. C. 665), the Department of State is authorized in making contracts for the use of the international short-wave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further*, That in the acquisition of leasehold interests (which may be for one or more years) payments may be made in advance for the entire term or any part thereof: *Provided further*, That $4,400,000 of this appropriation shall be available exclusively for the purchase, construction, and improvement of buildings and facilities and the purchase and installation of necessary equipment for radio transmission and reception, including the acquisition of land and interest in land (by purchase, lease, rental, or otherwise) necessary therefor, all without regard to section 3709 of the Revised Statutes.

Mr. GARY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GARY:

On page 21, line 15, after the word "statutes", strike out "$28,000,000" and insert "$34,378,000."

And on page 21, line 16, after the word "exceed", strike out "$2,500,000" and insert "$3,450,000."

Mr. GARY. Mr. Chairman, this amendment restores the $6,378,000 which the committee struck from the budget of the information and educational activities of the State Department.

I do not intend to make another speech on this subject. The Congress has been carefully considering these activities for more than a year. I attempted to describe to the House on yesterday the results of our handiwork in reducing this fund last year. I had hoped that we had learned our lesson, but although experience is a great teacher, we do not all learn by experience. The State Depart-

ment requested $34,378,000 for the 1949 information program. The committee has reduced the appropriation to $28,000,000. Many of the Congressmen who traveled abroad last year think we should spend not less than fifty or one hundred million dollars a year on this vital activity. I am merely restoring the amount to the $34,378,000 requested by the State Department. I trust that it will be your pleasure to adopt this amendment.

Mr. STEFAN. Mr. Chairman, I wonder if we can come to some agreement on a limitation of debate on this item. Has the gentleman any other speakers?

Mr. GARY. Not so far as I know, Mr. Chairman.

Mr. STEFAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment. This is in reality two amendments, but they are tied together.

The gentleman from Virginia seeks to increase from $28,000,000 to $34,378,000 the amount for the Information Service, in which the Voice of America is included. He also seeks to increase the limitation of $2,500,000 to $3,400,000 for administrative purposes. I oppose both of the amendments for many reasons.

The information that the committee received from the Department as to their actual requests from the Bureau of the Budget was not correct. I wish to make the statement now that I am very much disappointed that we do not get the true information when we ask for it.

The committee is allowing this agency, which was not authorized during the last session but which is now authorized by law, $28,000,000, which is more than two times the present appropriation.

The activity, in my opinion, is not organized administratively to economically spend more money. Greater economies would result if more opportunity were given private firms and private organizations to operate abroad such as motion pictures, private magazines, and periodicals; and I have an amendment on the Clerk's desk which I shall offer for what it is worth in order to improve the service and in order to take care of the present emergency, one which will not require additional funds. Rather than spending money for portable motion-picture equipment, private theaters should be allowed greater opportunity to show our films. The State Department has done nothing along this line.

There is a request here for $4,400,000 for the purpose of constructing relay stations. It is admitted today that the Voice of America is a feeble voice. Our signals are not strong enough. So we must spend money to build relay stations in order to get our voice out so people can hear it; so, in reality, instead of an increase there should be a decrease, there should be a rescission. Some of the activities that are not effective today should be discontinued and something effective should be done. The $4,400,000 for construction of relay stations is too large a sum. I have received subsequent information after the hearings were held indicating that the $4,400,000 is too much to build the relay stations they are planning to build, that the price should be considerably less. Being somewhat acquainted with radio technology and radio theory, I know that $4,400,000 will build a lot of relay stations. I therefore suggest that the amendment offered by the gentleman from Virginia [Mr. GARY] be defeated.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. Does the gentleman take the position that so far as the Voice of America is concerned we definitely need a stronger Voice of America?

Mr. STEFAN. Yes; we do, and we are providing for it in this bill.

Mr. KERSTEN of Wisconsin. Is the amount the gentleman refers to in the bill the total amount appropriated for it?

Mr. STEFAN. We have appropriated $28,000,000, twice as much as last year, and in that is the $4,400,000 for relay stations to make the Voice stronger.

Mr. KERSTEN of Wisconsin. What can we do in this bill to make the Voice adequate for America? That is what we need, it seems to me.

Mr. STEFAN. Get better administration, sir, and more efficient people from private industry, who know the business, people who know the radio business, who know the newspaper and magazine business.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Virginia.

Mr. GARY. Is it not a fact that most of this radio business is now being handled by private industry?

Mr. STEFAN. Yes, but not to the extent possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. GARY].

The amendment was rejected.

Mr. STEFAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: Page 22, line 16, after the word "Statutes" and before the period, insert the following new proviso: *"Provided further,* That funds appropriated herein shall be available for payment to private organizations abroad in pursuance of contracts entered into for the processing and distribution of motion-picture films."

Mr. STEFAN. Mr. Chairman, I hesitate to offer amendments to an appropriation bill which contain legislation; however, I have spoken to my colleague, the ranking minority member of the subcommittee, the gentleman from Virginia [Mr. GARY], and he is agreeable to allowing me to offer the amendment. I have also taken the matter up with the gentleman from South Dakota [Mr. MUNDT], author of the Mundt bill, which authorized the information service, and he has agreed to allow me to offer this amendment.

Mr. Chairman, I want to be honest with the membership of the committee and say that this amendment is subject to a point of order because it is legislation on an appropriation bill. I have been one who has tried consistently and conscientiously to eliminate all legislation from appropriation bills. I want the prerogatives of the legislative committees to be preserved. However, this is an emergency. It has to do with one country, Italy, where elections will be held, as I understand it, in April.

One individual is given the monopoly on the showing of newsreels. He controls the newsreels in 8,000 theaters in Italy and he shows those newsreels to not less than 8,000,000 people every week. I understand that perhaps there is broad authority in the bill giving the Administrator of this item the power to contract with individuals in that country, however there is some fear that he will not take advantage of such authority and that special authority is needed. I have, therefore, offered this amendment in good faith in order to make the Voice of America a little stronger through private industry, through people who understand how to show it. Instead of showing these pictures to people in the embassies, to the rich people in consulates, we will have a chance here to show them to the rank and file of the people who go to picture shows of their own choice and run by their own countrymen.

I believe that the amendment which I offer should be accepted for the sake of a stronger Voice of America.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from South Dakota.

Mr. MUNDT. I might say that we have made some study of this amendment, and while we think the authority is now in the bill, it is also true that we face this urgent situation in Italy in April, and rather than take a chance that it might not be so construed by the legal authorities downtown, I think the amendment should be added at this time, and I certainly approve of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. STEFAN].

The amendment was agreed to.

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take 5 minutes, but I do want to bring to the attention of the House what I think is the intent of Congress, particularly those Members who were instrumental and active in passing what is now known as the Smith-Mundt bill, the so-called Voice of America program. While that bill was on the floor here I offered an amendment which was accepted by the committee. It is now known as section 1005 of the Smith-Mundt bill. That amendment was designed to do just one thing, and I want to take this time so that the departments downtown will know the feeling of Congress in this matter. We wanted those who were going to operate the so-called Voice of America, or more properly, the Office of Information and Education, to use every adequate and qualified American private facility in this Voice of America work. We wrote section 1005 into the bill. Since the hearings closed, I have been struggling

with an attempt to provide an amendment that would spell that out in this bill. That was not easy to do. But, I trust that taking this time and reading some expressions from Senator SMITH and from Congressman MUNDT may spell that out for the Department and make it unnecessary to write it into the bill.

After the bill was passed, Senator SMITH, in a complimentary broadcast over the Worldwide System, had this to say:

In this bill we will emphasize all the way through that as far as possible private organizations, private facilities, organizations such as your own, the existing educational foundations, shall be incorporated in this work, and so far as the Government can get cooperation from these private agencies, the Government itself will withdraw, because we want to encourage the private initiative in the way Americans do things in this entire enterprise.

At the same broadcast the gentleman from South Dakota [Mr. MUNDT] had this to say:

Mr. Lemmon, I think there is no question at all about that. You have done a grand piece of work in the past, and after all it must be emphasized over and over again, that this is not a propaganda program—simply a program of presenting the facts about freedom to the peoples of the world. For that reason, we are determined to use private agencies and private enterprise wherever possible, and you very fittingly qualify under that category.

I think that should make it sufficiently clear to the Department of State and those operating this program that they should bring into this program every qualified and able American facility, individuals, corporations, groups, or what have you.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the objection being made against placing the Marshall plan under the State Department is that this Department is so incompetent and so completely infiltrated with Communists that it would be dangerous to the security of the United States to trust it with this responsibility. In my opinion, both grounds are unimpeachable. The whole business ought to be abolished, entirely reconstituted and put in charge of real Americans. If that were done, the State Department could be operated with about one-tenth the force and cost now required. In addition, it would give us an American foreign policy instead of a foreign American policy.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, since food is such an important item in the world and since during the last 20 years in our foreign offices we have had what are known as agricultural attachés, I shall include with my remarks here a statement showing the individual histories of the agricultural attachés in the various legations throughout the world and a further statement showing the salaries they receive. There is no doubt but that their work is an important part of the work of every legation, especially when there is so much conversation about food as there has been during the war and since the war.

My only comment in connection with these men is that their service records indicate that most of them are men of agricultural training. This would not be a bad idea to put into effect once in a while in our own Department of Agriculture. There is no reason why as a group they should not be relied upon really to do some good so far as the agriculture of the world is concerned. Incidentally, I could mention that one of these men was not an American citizen until 1944. Possibly he has learned much and will make a good attaché.

The information I have referred to concerning these agricultural attachés is as follows:

BIOGRAPHICAL STATEMENT OF FOREIGN SERVICE OFFICERS, STAFF OFFICERS, AND RESERVE OFFICERS ASSIGNED TO FOREIGN SERVICE POSTS FOR FULL-TIME AGRICULTURAL WORK AS OF JUNE 30, 1947

ARGENTINA

Arthur T. Thompson: Wiota, Iowa, September 2, 1906; Iowa State College, bachelor of science, 1928–42; secretary, Combined Food Board, 1943–45; appointed agricultural attaché in the Foreign Service Auxiliary and assigned at Buenos Aires, September 20, 1945.

Richard O. Cromwell: Cass County, Nebr., November 25, 1890; Weeping Water High School graduate; Weeping Water Academy graduate; University of Nebraska, bachelor of arts, 1912, doctor of philosophy, 1918; State College of Agriculture and Engineering of the University of North Carolina, master of science, 1916; United States Forest Service, summer, 1913; assistant plant pathologist, North Carolina State Agricultural Experiment Station, 1918–20; director of commodity department for mercantile company, 1920–21, 1923–41; commodity analyst for grain merchants, 1921–23; senior agricultural economist, 1941–44, marketing specialist, 1944–45, Department of Agriculture; appointed assistant agricultural attaché in the Foreign Service Auxiliary and assigned at Buenos Aires, May 18, 1945.

AUSTRALIA

Llewellyn V. Toyne: Sedgwick, Colo., February 27, 1906; Logan County High School graduate; Colorado State College of Agriculture and Mechanical Arts, bachelor of science, 1927, summer school, 1927, 1930, 1933, 1937, 1938; county extension agent, 1934–45; appointed agricultural officer in the Foreign Service Auxiliary and assigned to the Department, December 16, 1944; at Sydney, February 21, 1945; also vice consul at Sidney, September 28, 1945; agricultural attaché and vice consul at Canberra, February 12, 1946.

AUSTRIA

Richard A. O. Schwartz: London, England, July 12, 1901; naturalized, 1944; schools in England and Germany; George Washington University, 1944; clerk and accountant in England, 1919–25; secretary-accountant, United States Department of Agriculture, Berlin, 1925–28; foreign correspondent for London bank, 1928–29; head clerk and office manager, United States Department of Agriculture, Berlin, 1929–39; transferred to American Embassy at Berlin, 1939; clerk at Oslo, September 22, 1939; at Ottawa, January 4, 1940; administrative assistant, British Food Mission, 1942–44; administrative assistant, Department of Agriculture, 1944–45; appointed assistant to agricultural attaché in the Foreign Service Auxiliary and assigned to office of United States political adviser on Austrian affairs, Commanding General, United States Army Forces, Mediterranean theater, January 13, 1945.

Frederick A. Motz: Crookston, Minn., September 12, 1893; Rock Island (Ill.) High School graduate; Oregon State College, bachelor of science, 1917; Virginia Polytechnic Institute, master of science, 1929; extension horticulturist and professor of horticulture, Virginia Polytechnic Institute, 1917–29; principal marketing specialist and agricultural commissioner, 1929–39, international commodity specialist and chief of horticulture branch, 1942–45, Department of Agriculture; appointed agricultural adviser in the Foreign Service Auxiliary and assigned to office of United States political adviser on Austrian affairs, Commanding General, United States Army Forces, Mediterranean theater, December 28, 1944.

BELGIUM

Jerome T. Gaspard: Minneapolis, Minn., January 18, 1907; St. Thomas Academy graduate; St. Thomas College, B. A. 1927; Sorbonne, diplome d'études superieures de philosophie, 1929; Harvard, M. A., 1933; instructor, St. John's University, 1931–32; economist, Federal Home Loan Bank Board, 1933–41; liaison officer, 1941–43; assistant to director, 1933–44; Department of Agriculture; appointed agricultural economist in the Foreign Service Auxiliary and assigned at Brussels October 23, 1944; agricultural attaché at Brussels November 1, 1945.

BRAZIL

Guy L. Bush: Gordon, Nebr., April 17, 1890; Cotner Academy graduate; University of Nebraska 1913–16; United States Navy 1917–18; farmer 1918–25; editor of farm publication 1925–33; supervisor of farm loan department for insurance company 1933–35; information specialist, Department of Agriculture, 1935–43; appointed agricultural attaché at Rio de Janeiro July 2, 1943.

Dwight R. Bishop: Winfield, Ala., June 11, 1914; Raymondville (Tex.) High School graduate; Texas College of Arts and Industries, B. S. 1937; Agricultural and Mechanical College of Texas, M. S. 1939; overseer for fruit company, Guatemala, 1939; adjuster for insurance company 1940; trainee, Department of Agriculture, 1941–42; United States Navy, 1942–45; lieutenant, overseas service; statistician in commodity brokerage company 1945–46; appointed agricultural officer in the Foreign Service Auxiliary and assigned at Sao Paulo January 7, 1946.

Jack E. Conner: Marfa, Tex., January 16, 1921; Henrietta M. King School (Kingsville) graduate; Texas College of Arts and Industries, B. A., B. S. 1939; University of Texas, summers 1936–40; University of Virginia, 1939; teacher in public schools 1940–41; ground instructor in private and Army flying schools 1942–43; United States Navy 1943–46, lieutenant; appointed Foreign Service officer unclassified, vice consul of career, and secretary in the diplomatic service July 25, 1946; to the Department September 22, 1946.

CANADA

Meade T. Foster: Franklin, Pa., September 27, 1900; Franklin High School graduate; Pennsylvania State College, B. S. 1922; University of Missouri, A. M. 1926; associate professor, University of Missouri, 1923–30; marketing specialist, Department of Agriculture, 1930–44; appointed assistant agricultural attaché at Buenos Aires May 24, 1944 (canceled); at Rio de Janeiro August 21, 1944; at Buenos Aires May 18, 1945; agricultural attaché at Ottawa, February 5, 1946.

Roy O. Westley: Panora, Iowa, April 9, 1892; Guthrie County High School graduate; Iowa State College of Agricultural and Mechanical Arts, B. S. 1915, M. S. 1918; instructor, Iowa State College of Agricultural and Mechanical Arts and Washington State College, 1915–23; agronomist 1923–38, supervisor 1938–42, Department of Agriculture; assistant manager, Office of Defense Transportation, 1942–43; agronomist, Office of the Coordinator of Inter-American Affairs, 1943–45; appointed agricultural officer in the Foreign Service Auxiliary and assigned to the

Department March 20, 1945; at Belgrade, Budapest, Sofia, and Tirana May 24, 1945; also at Bucharest October 16, 1945; assistant agricultural attaché at Belgrade, Budapest, Sofia, and Tirana March 12, 1946 (canceled); assistant agricultural attaché at Bucharest March 12, 1946; agricultural officer at Bucharest November 13, 1946.

Quentin, R. Bates: Fairfield, Iowa, March 28, 1919; Fairfield High School graduate; Parsons College, B. A. 1940, graduate work 1946; student instructor in history, Parsons College, 1937–40; United States Army 1941–45, first lieutenant, overseas service; appointed Foreign Service officer unclassified, vice consul of career, and secretary in the Diplomatic Service July 19, 1946; to the Department August 16, 1946.

CHILE

Eugene V. Harris: Kenmare, N. Dak., February 8, 1913; Minnesota State Teachers College, B. E. 1933–37; University of North Dakota 1940–41; Ohio State University, 1941–43; University of Chile 1943; assistant principal, public school, 1938–40; part time teaching, University of North Dakota, Ohio State University 1940–43; Maintenance Fellowship, Institute of International Education, 1943; appointed clerk (OEW) at Santiago, January 21, 1944; appointed assistant agricultural attaché, February 23, 1947.

CHINA (ALSO MANCHURIA)

Owen L. Dawson: Frost (Harrison), Mich., December 6, 1892; Joliet (Ill.) High School graduate; University of Illinois, B. S. 1920; South Dakota State College, M. S. 1926; Department of Agriculture Graduate School 1927–28; United States Army 1916, 1917–19, Mexican border and overseas service; farmer 1920–21; teacher in high school 1921–22; agricultural statistician and economist, Department of Agriculture, 1922–28; appointed assistant agricultural commissioner at Berlin January 1, 1929; delegate, International Congress of Agriculture, Bucharest, 1929, Congress of the Rose and the Orange of the Sahara, El Golea, French North Africa, 1929; agricultural commissioner at Shanghai, January 1, 1931; adviser, Joint Preparatory Committee on Philippine Affairs, Manila, 1937; agriculture attaché at Shanghai November 17, 1939–December 7, 1941; to the Department and detailed to the Department of Agriculture September 4, 1942; agriculture attaché at Chungking June 11, 1943; liaison secretary United Nations Conference on Food and Agriculture, Hot Springs, Va., 1943; liaison secretary, first session of the council, United Nations Relief and Rehabilitation Administration, Atlantic City, N. J., 1943; to the Department October 16, 1944; agriculture attaché at Chungking November 27, 1944; agriculture attaché at Shanghai March 25, 1946.

Alexander L. Peaslee: Oak Park, Ill., February 5, 1922; Defiance (Ohio) High School graduate; Miami University, A. B. 1943; Stanford, A. B. 1945; United States Army 1942–46; employment officer, United Nations Relief and Rehabilitation Administration, 1946; appointed Foreign Service officer unclassified, vice consul of career, and secretary in the Diplomatic Service June 3, 1946; to the Department June 17, 1946; vice consul at Shanghai September 11, 1946.

Willard O. Brown: Stanford, Tex., August 12, 1911; Abilene High School graduate; McMurry College, B. S. 1931; University of Texas, graduate work 1931–32; Louisiana State University, A. M. 1933; Iowa State College, graduate work 1934–35; Department of Agriculture Graduate School 1941–42; liaison work in farm management for Iowa State College of Agriculture and Mechanical Arts and Department of Agriculture 1934–35; assistant professor of agricultural economics, North Dakota Agricultural College, 1935–40; associate agricultural economist, Department of Agriculture, 1940–42; appointed agricultural economist at London June 2, 1942; staff of United States political adviser on German affairs, Supreme Headquarters, AEF, June 22, 1945; assistant agricultural attaché at Manila October 2, 1946; en route to post on June 30, 1947.

COLOMBIA

Kenneth Wernimont: Ohiowa, Nebr., August 30, 1909; Geneva High School graduate; Nebraska Wesleyan, bachelor of arts, 1930; American University, master of arts, 1937, graduate work, 1937–40; exchange fellowship, University of Rome, 1937–38; member of bar of Nebraska; farmer, 1930–34; with farm-loan association, 1934–35; with Agricultural Adjustment and Resettlement Administration, 1935–37; legislative planning analyst, Bureau of Agricultural Economics, 1938–42; administrative officer, Commodity Credit Corporation, 1942–43; appointed agricultural commissioner at Para, April 16, 1943; at Rio de Janeiro, June 6, 1944; at Bogotá, October 7, 1946.

John G. Gossett: Lawton, Okla., January 20, 1921; University of Oklahoma, bachelor of arts, 1936–40; Army of the United States (captain), 1942–47; appointed department, April 30, 1947; training in Department of Agriculture on June 30, 1947.

COSTA RICA (ALSO NICARAGUA AND PANAMA)

Dr. Theodore J. Grant: Newton, Mass., January 20, 1903; Newton High School graduate; Massachusetts State College, bachelor of science, 1926; University of Wisconsin, 1930–33; associate pathologist, 1933–40; senior pathologist, 1940–45, Department of Agriculture; appointed agricultural attaché in the Foreign Service Auxiliary and assigned at San Jose, Managua, and Panama, July 16, 1945.

CUBA

Dr. Paul G. Minneman: Sidney, Ohio, July 9, 1902; Sidney High School graduate; Ohio State University, bachelor of arts, 1924, master of science, 1926, doctor of philosophy, 1929; University of Breslau, Germany, 1926–27; first lieutenant, Officers Reserve Corps; research assistant, 1928, and instructor, 1929, Ohio State University; economist, Department of Agriculture, 1929–36; appointed assistant agricultural attaché at London, May 1, 1936; to the Department and detailed to the Department of Agriculture, September 15, 1939; member Joint Survey of Cuban Agricultural Resources, Habana, 1941; agricultural attaché at Habana, April 15, 1942.

Dr. Louis C. Nolan: Senoia, Ga., December 28, 1904; Senoia High School graduate; Emory University, bachelor of philosophy, 1926; graduate work, University of South Carolina, 1926–27, University of Chicago, 1929–30; Duke, doctor of philosophy, 1935; information specialist, Department of Agriculture, 1934–39; associate editor on agricultural publication, 1939–41; economics analyst, 1941–43, chief of Division of Foreign Information, 1943–46, Department of Agriculture; appointed assistant agricultural attaché in the Foreign Service Auxiliary and assigned at Habana, January 17, 1946.

Philip M. Davenport: Washington, D. C., December 21, 1915; McKinley High School graduate; University of Pennsylvania, bachelor of science, 1937; Fletcher School of Law and Diplomacy, master of arts, 1938; appointed Foreign Service officer unclassified, vice consul of career, and secretary in the Diplomatic Service, July 6, 1938; vice consul at Berlin, July 18, 1938; Foreign Service School, June 9, 1939; vice consul at Canton, January 8, 1940–Dec. 7, 1941; at Karachi, July 20, 1942; second secretary and vice consul at Habana, June 22, 1945.

DENMARK

John L. Stewart: Philadelphia, Pa., July 16, 1897; Bethlehem Preparatory School graduate; Pennsylvania State College, bachelor of science, 1922; Lehigh University, master of science, 1923; with Department of Agriculture, 1924–45; United States delegate, Fifteenth General Assembly of International Institute of Agriculture, Rome, 1940; appointed agricultural attaché at Copenhagen, May 28, 1945; adviser, United States delegate, second session of the conference, United Nations Food and Agriculture Organization, Copenhagen, 1946.

DOMINICAN REPUBLIC

Rollo P. Stovall: Gainesville, Ga., February 18, 1912; Miami (Fla.) Senior High School graduate; University of Florida, bachelor of science, 1935; Georgetown, master of science, 1938; Academy of International Law, The Hague, summer, 1938; supervisor of correspondence unit, Rural Electrification Administration, 1935–39; junior economic analyst, War Department, 1939; examiner's aid, Bureau of Customs, 1940–42; assistant chief and chief of mica section, War Production Board, 1942–45; appointed economic analyst in the Foreign Service Auxiliary and assigned at Ciudad Trujillo January 3, 1945.

ECUADOR

Hugo W. Alberts: Watertown, Wis., March 29, 1889; Johnson Creek High School graduate; Milwaukee State Teachers College, diploma 1914; University of Wisconsin, bachelor of science, 1918, master of science, 1920, doctor of philosophy, 1924; University of Illinois, doctor of philosophy, 1926; Harvard, 1926; teacher, 1908–11; principal of elementary school, 1911–12; assistant county superintendent of schools, 1914–15; principal of high school, 1915–16; instructor, University of Wisconsin, 1918–24; director, agriculture experiment stations, Alaska, 1926–32; specialist in northern agriculture, Lenin Academy of Agricultural Sciences, Leningrad, 1933; assistant crop and livestock estimator, Department of Agriculture, 1934; agricultural economist, Land Policy Section, Agricultural Adjustment Administration, 1934–35; regional director, 1935, associate agronomist, 1936–37; agronomist in charge of research station in Puerto Rico, 1938–43, Soil Conservation Service; appointed agricultural adviser at Lima February 16, 1943; at La Paz, Bolivia, temporary, September 26, 1944; at Lima November 10, 1944; agricultural attaché at Guayaquil and Quito May 10, 1946.

EGYPT (ALSO PALESTINE, TRANS-JORDAN, SUDAN, AND ETHIOPIA)

Robert B. Elwood: Omaha, Nebr., November 30, 1912; Napier (Iowa) High School graduate; Iowa State College of Agricultural and Mechanical Arts, bachelor of science, 1935, master of science, 1939; associate agricultural economist, Works Progress Administration, 1936–39; research assistant, Iowa State College of Agricultural and Mechanical Arts, 1939–40; extension specialist, University of Tennessee, June–December 1941; agricultural specialist, Foreign Economic Administration, 1943–45; appointed assistant agricultural officer in the Foreign Service Auxiliary and assigned at Cairo February 15, 1945; assistant agricultural attaché at Cairo March 5, 1946; at Athens, temporary, April 30, 1946.

FRANCE

Ben H. Thibodeaux: Breaux Bridge, La., December 13, 1903; Breaux Bridge High School graduate; Louisiana State University, bachelor of science, 1925; Iowa State College, master of science, 1928; Harvard, graduate work, 1932–33, 1940–41; instructor, Louisiana State University, 1925–28; agricultural economist, Department of Agriculture, 1929–43; United States Army, 1944–45, colonel, overseas service; appointed agricultural attaché in the Foreign Service Auxiliary and assigned at Paris, January 10, 1946.

Richard C. Desmond: Lynn, Mass., September 2, 1916; Leesburg (Fla.) High School graduate; Massachusetts State College, bachelor of science, 1937; Yale, master of forestry, 1939; forester, United States Forest Service, 1939–42; United States Army, 1942–46, captain, overseas service; to the Department, August 9, 1946.

Harry R. Zerbel: Appleton, Wis., February 17, 1920; Appleton High School graduate; University of Wisconsin, bachelor of arts, 1941, master of arts 1942; United States Army, 1942–45, overseas service; appointed Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service July 5, 1946; to the Department July 24, 1946.

GERMANY

Roy I. Kimmel: Las Vegas, N. Mex., March 19, 1901; Lamar (Colo.) High School graduate; Colorado College, bachelor of arts, 1926; Yale, master of arts, 1931; assistant to Administrator, Farm Security Administration, 1935–37; assistant, office of secretary, 1937–39, chief program analyst, 1939–42; Department of Agriculture; chief of industrial division, War Relocation Authority, 1942; head of United States lend-lease mission to New Zealand, 1943; United States Army, 1943–45, lieutenant colonel, overseas service; member, Combined Working Party on European Food Supplies, London, 1944; appointed assistant agricultural attaché in the Foreign Service auxiliary and assigned at London November 16, 1945.

GREAT BRITAIN (ALSO IRELAND)

Paul O. Nyhus: Chippewa Falls, Wis., April 18, 1894; Chippewa Falls High School graduate; University of Wisconsin, bachelor of science, 1923; United States Army, 1918–19; second lieutenant Officers Reserve Corps; county agriculture agent, Wisconsin, 1919–20; manager farm department of bank 1920–22; agriculture statistician, Bureau of Agricultural Economics, Department of Agriculture, 1922–26; agricultural commissioner at Shanghai, 1926–31; at Department of Agriculture in Washington, 1931–34, appointed agricultural attaché at Buenos Aires July 28, 1934; adviser, Pan American Commerical Conference, Buenos Aires, 1935; and Eighth International Conference of American States, Lima, 1938; agricultural attaché at London May 5, 1945; adviser, United States delegation, International Wool Talks, London, 1946.

Fred Taylor: In England, January 25, 1878; naturalized 1899, New Bedford Textile Engineering School graduate; associate professor, Clemson College, 1907–12; division chief 1912–19; agriculture commissioner 1930–44, Department of Agriculture; general manager of cotton mills 1919–30; delegate to International Cotton Conferences in Europe and Washington, D. C.; appointed agriculture commissioner in the Foreign Service auxiliary and assigned at London Oct. 20, 1944; at Tokyo February 8, 1946.

Irven M. Eitreim: New Underwood, S. Dak., July 1, 1910; Mount Vernon High School graduate; University of Minnesota, bachelor of science, 1932; Harvard School of Business Administration, 1936–37; administrative assistant, Department of Agriculture, 1933–36; with manufacturing company, 1937–38; agriculture economist, Department of Agriculture, 1938–40; appointed Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service September 3, 1940; vice consul at Nuevo Laredo September 7, 1940; at Mexico City March 19, 1941; to the Department, August 15, 1941 (Foreign Service School, November 3 to December 6, 1941); vice consul at Winnipeg December 3, 1941; at Fort William and Port Arthur, temporary, August 15, 1942; at Winnipeg September 22, 1942; third secretary and vice consul at Ottawa December 8, 1942; at London September 28, 1944.

GREECE

Jay G. Diamond: Lafayette Hill, Pa., December 27, 1891; Conshohocken High School graduate; University of Pennsylvania, 1909–11; United States Army 1918–19; agriculture statistician, Bureau of Agriculture Economics, 1921–45; appointed agriculture officer in the Foreign Service auxiliary and assigned to the Department August 29, 1945; at Berlin, October 10, 1945.

GUATEMALA (ALSO HONDURAS AND EL SALVADOR)

Graham S. Quate: San Diego, Calif., April 4, 1890; Baker High School graduate; University of Mexico, summer 1941; private tutors in Spanish 1943–44; forest ranger 1920–25; engineer 1927–33; planning engineer, United States Foreign Service 1933–34; agricultural engineer 1934–35; State conservationist for Utah 1935–42, Soil Conservation Service; with office of the Coordinator of Inter-American Affairs 1942–45; appointed agricultural attaché in the Foreign Service Auxiliary and assigned at Guatemala April 5, 1945; also agricultural attaché at San Salvador and Tegucigalpa April 5, 1945.

HAITI

Edward L. Tanner: Bunkie, La., April 2, 1892; Agricultural and Mechanical College of Texas, B. S. 1914; superintendent of schools 1914–15; entomological inspector, office of Texas Commissioner of Agriculture, 1915–16; United States Army 1917–19, captain, overseas service; instructor in agronomy 1920–21; county agent 1922–24; 1925–37 Agricultural and Mechanical College of Texas; director of schools, Tamaulipas, Mexico, 1921–22; rehabilitation assistant, Veterans' Bureau, 1924–25; assistant information specialist 1937–40; water facilities supervisor 1940–42; community manager 1942–43; senior agronomist 1943–45, Department of Agriculture; appointed agricultural attaché in the Foreign Service Auxiliary and assigned at Port-au-Prince January 1, 1945.

HUNGARY

Harry Le Bovit: Newark, N. J., April 12, 1915; West Side High School graduate; Rutgers University, B. S., 1939; American University 1940; Department of Agriculture Graduate School 1940; dairy plant manager 1940; analyst, Department of Commerce, 1940–42; industrial economist, War Production Board, 1942–44; marketing specialist, Department of Agriculture 1944–45; appointed agricultural economist in the Foreign Service Auxiliary and assigned to office of United States representative, Advisory Council for Italy, December 26, 1944; in office of United States political adviser, staff of Supreme Allied Commander, Mediterranean theater, February 17, 1945; at Budapest, April 10, 1945; assistant agricultural attaché at Budapest June 5, 1946; Foreign Service staff officer of class eight, November 13, 1946; agricultural economist at Budapest, November 13, 1946.

INDIA

Dr. Clifford C. Taylor: Loveland, Colo., May 15, 1895; Fort Collins High School graduate; Colorado Agricultural College, B. S., 1917; Iowa State College, M. S., 1923; Harvard, A. M., 1926, Ph. D., 1930; county agricultural agent, Colorado, 1917–18; research assistant, Department of Agriculture, 1918–20; farm management specialist, University of Idaho, 1920–21; research assistant, Iowa State Experimental Station, 1921–23; associate professor and head of department of agricultural economies, Virginia Polytechnic Institute, 1923–30; entered Bureau of Agricultural Economics November 15, 1930; agricultural attaché at Pretoria 1930–33; appointed agricultural attaché at London July 27, 1935; American representative, International Wheat Advisory Committee, 1936–39; technical adviser, International Sugar Conference, London, 1937; delegate, meetings of International Sugar Council, London, 1937–39; Foreign Service officer of class four, July 1, 1939; agricultural attaché at Ottawa, September 30, 1939; consular and secretary in the diplomatic service, November 16, 1939; adviser, United States delegation, first session of the conference, United Nations Food and Agricultural Organization, Quebec, 1945; class 1, December 17, 1945; consul of embassy for economic affairs at Warsaw, January 2, 1946. En route to post on June 30, 1947.

Cleveland B. McKnight: Atlanta, Ga., June 24, 1908; Emory University, bachelor of arts, 1932; with tractor and equipment company, 1924–30; with motor company, 1933–35; teacher in public schools, 1935–36; with Department of Agriculture; travel in Europe, north Africa, and Near East; appointed clerk in the Foreign Service and assigned to the Department, December 26, 1940; at London; April 26, 1941; vice consul at London, September 29, 1944; at Foynes, January 23, 1945; Foreign Service officer, unclassified, vice consul of career, and secretary in the diplomatic service, July 19, 1946; to the Department, July 29, 1946.

Henry W. Spielman: Chickasha, Okla., September 28, 1911; Classen High School (Oklahoma City) graduate; Oklahoma Agricultural and Mechanical College, bachelor of science, 1933, master of science, 1935; Department of Agriculture Graduate School, 1940; Brookings Institution, 1933–34; clerk, Agricultural Adjustment Administration, August–November 1934; supervisor of research, 1935–36; statistician, Farm Security Administration, 1936–37; junior agricultural economist, Agricultural Marketing Service, 1937–39; associate marketing specialist, Surplus Marketing Administration, 1939–42; appointed junior agricultural economist at Sao Paulo, February 10, 1942; agricultural economist at Bombay, December 10, 1945; also administrative officer at Bombay, July 1, 1946; agricultural economist at Bombay, November 13, 1946.

IRAN

Horace G. Bolster: Bufort, N. Dak., November 21, 1899; Plentywood (Mont.) High School graduate; Montana State College, bachelor of science, 1932; Iowa State College, master of science, 1933; appraiser, 1933, on loan commission, 1933–34, Federal land bank; extension economist, Montana State College, 1934–45; appointed agricultural attaché in the Foreign Service Auxiliary and assigned at Teheran, July 21, 1945.

ITALY

Dr. Howard R. Cottam: St. George, Utah, July 27, 1910; Provo High School graduate; Brigham Young University, bachelor of arts, 1932; University of Wisconsin, master of philosophy, 1938, doctor of philosophy, 1941; research assistant fellow, teaching assistant, and assistant to dean of men, University of Wisconsin, 1935–39; research assistant, Ohio State University, 1939–40; assistant professor, Pennsylvania State College, 1940–42; chief rent examiner, Office of Price Administration, September–November 1942; Chief of Program Appraisal Division, War Food Administration, 1942–44; appointed agricultural economist in the Foreign Service Auxiliary and assigned at Paris, October 21, 1944; agricultural attaché at Rome, April 8, 1946.

Nathan B. Salant: Scranton, Pa., July 28, 1910; Suffolk Law School; Kansas State College of Agriculture and Applied Science; Iowa State College of Agriculture and Mechanical Arts, master of science; assistant chief of division, Department of Agriculture; appointed agricultural officer in the Foreign Service Auxiliary and assigned at Cairo, September 14, 1945; at Rome, April 10, 1946; assistant agricultural attaché at Rome, November 13, 1946.

Robert A. Brand: Norwich, Conn., November 5, 1920; Norwich Free Academy graduate; University of Connecticut, bachelor of arts, 1941; production expediter with electric boat company, 1941–42; United States Army, 1942–46, captain, overseas service; appointed Foreign Service officer, unclassified, vice consul of career, and secretary in the diplomatic service, July 19, 1946; to the Department, August 14, 1946.

MEXICO

Jacobs B. Gibbs: Columbia, Mo., November 5, 1900; University High School graduate; University of Missouri, bachelor of science

1924; Columbia, master of arts 1930, graduate work 1939–40; United States Army, 1924–40, captain; junior statistician 1924–25, assistant statistician 1925–29, associate statistician 1930, assistant agricultural commissioner, 1930–39, international commodity specialist 1939–45, Department of Agriculture; chairman and secretary of Combined Food Boards Commission; appointed agricultural attaché in the Foreign Service auxiliary and assigned at Mexico City, January 22, 1945.

Don Stoops: Roosevelt, Okla., August 2, 1917; Roosevelt High School graduate; Oklahoma Agricultural and Mechanical College, bachelor of science, 1940; Ohio State University, graduate work 1940–41; Department of Agriculture Graduate School, 1941; junior agricultural economist, Department of Agriculture, 1941–42; appointed junior agricultural analyst at Buenos Aires, January 14, 1942; furlough for military service, December 6, 1943–January 1946; assistant agricultural attaché, January 13, 1946; at Mexico City, January 20, 1946.

John N. Smith: Mutoto, Belgian Congo, of American parents, October 10, 1916; Stuart Robinson (Blackey, Ky.) High School graduate; Davidson College, bachelor of arts, 1938; University of North Carolina, master of arts 1940; teacher in high school 1938–39; United States Army 1940–46, major, overseas service; appointed Foreign Service officer, unclassified, vice consul of career, and secretary in the diplomatic service, July 25, 1946; to the Department, September 21, 1946; Foreign Service officer of class 6, November 13, 1946.

NETHERLANDS

Dr. William H. Riddell: Fort Langley, British Columbia, June 19, 1897; naturalized 1940; King Edward High School (Vancouver) graduate; University of British Columbia, bachelor of science and agriculture 1922; University of Minnesota, master of science 1924, doctor of philosophy 1932; graduate fellow and instructor, University of Minnesota, 1926–29; assistant and associate professor, Kansas State College of Agriculture and Applied Sciences, 1929–39; professor and head of dairy department, University of Arizona, 1939–44; United States Army, May to December 1944, captain; appointed agricultural adviser in the Foreign Service Auxiliary and assigned near the Government of the Netherlands, established in England November 21, 1944; agricultural attaché near the Government of the Netherlands established in England, May 3, 1945; at The Hague, August 29, 1945.

NORWAY

Abner K. Chestem: Decatur, Nebr., May 13, 1892; University of Nebraska, 1910–15; Nebraska State Board of Control 1915–17; United States Army 1917–19; farmer 1919–35; chairman county corn-hog association, 1934–35; with Department of Agriculture 1935–44; appointed agricultural adviser in the Foreign Service Auxiliary and assigned near the Government of Norway established in England November 30, 1944; at Stockholm, February 5, 1945; at Calo, July 1, 1946.

PERU

Dr. Clarence A. Boonstra: Grand Rapids, Mich., January 5, 1914; Grand Rapids Christian High School graduate; Michigan State College, bachelor of science, 1936; Louisiana State University, master of arts, 1937, doctor of philosophy, 1942; auditor for milling company, 1937–38; economist, State agricultural experiment station January to September 1938, Department of Agriculture 1938–39; instructor, Louisiana State University, 1939–42; information and administrative officer, Department of Agriculture, 1942–43; appointed agricultural economist at Habana, February 13, 1943; assistant agricultural attaché at Habana, October 14, 1943; agricultural attaché at Manila, October 19, 1945; agricultural attaché at Santiago, November 20, 1946.

PHILIPPINES

George H. Maness: Pauls Valley, Okla., May 26, 1913; Ada High School graduate; East Central State College, bachelor of arts, 1933; Universidad Nacional de Mexico, 1935; Oklahoma Agricultural and Mechanical College, master of arts, 1936; private language study, Berlitz School of Languages, 1936; teacher of Spanish in high school, 1932–36; principal of high school, 1936–40; appointed Foreign Service clerk October 14, 1940; vice consul at Manáos October 26, 1940; at Rio de Janeiro April 19, 1943; at Sao Paulo, temporary, January 23, 1945; assistant agricultural economist at Chungking February 28, 1945; vice consul and administrative assistant at Nanking May 15, 1946; at Manila October 2, 1946.

POLAND

Edwin R. Raymond: Evansville, Ind., March 26, 1896; Ohio State University, bachelor of science, 1919; department manager on farm, 1919–20; county agent, Ohio State University, 1920–29; district manager of nitrate bureau, 1929–32; salesman for insurance company, 1932–33; farm appraiser for Federal land bank, 1933; field representative, 1933–40, assistant to general agent, 1939–40, Farm Credit Administration; secretary, Production Credit Corporation, 1940–45; appointed agricultural officer in the Foreign Service Auxiliary and assigned to the Department May 5, 1945; agricultural attaché at Warsaw May 24, 1945.

SPAIN

Joseph E. Wiedenmayer: Newark, N. J., February 16, 1905; Montclair Military Academy; Cornell, bachelor of science, 1929; administrative assistant, 1929–38, assistant manager, 1938–43 for dairy products company; officer and director of association of ice cream manufacturers, 1938–43; administrator of aviation education bureau New Jersey Council, National Aeronautic Association, 1939–41; president and public relations director of aviation ground-school program, 1941–43; member of board of directors and chairman of aviation committee, American Red Cross in New Jersey, 1941–43; aviation adviser, Civilian Aide Commission, United States Army Air Forces, 1942; United States Civil Air Patrol, 1942–43, captain; business analyst, 1943, assistant head of fluid-milk section, 1943–44, Office of Price Administration; at Montevideo September 10, 1944; agricultural officer at Montevideo August 1, 1945; senior economic analyst at Madrid September 14, 1945.

SWEDEN (ALSO FINLAND)

Eric Englund: Trehorningsjo, Sweden, April 1, 1893; naturalized, 1917; school in Sweden; high-school graduate; Oregon State College, bachelor of science, 1918; University of Oregon, bachelor of arts, 1919; University of Wisconsin, master of science, 1919; Harvard, doctor of philosophy, 1936; United States Army, 1918, second lieutenant; field agent, Department of Agriculture, 1919; assistant, University of Wisconsin, 1919–21; professor of agriculture and economics, Kansas State College, 1921–26; divisional head and assistant chief, Bureau of Agricultural Economics, 1937–42; branch chief, Office of Foreign Agricultural Relations, 1942–46; adviser, First West Indian Conference, Barbados, British West Indies, 1944, Second West Indian Conference, St. Thomas, V. I., 1946; appointed agricultural attaché in the Foreign Service and assigned at Helsinki and Stockholm, September 2, 1946.

SWITZERLAND

Dr. Einar Jensen: Copenhagen, Denmark, January 3, 1896; naturalized; Royal Agricultural College, University of Copenhagen; University of Wisconsin; University of Minnesota; Harvard, doctor of philosophy; general manager of agricultural laboratories, Copenhagen; lecturer, University of Alberta; agricultural economist, Agricultural Adjustment Administration, 1933–34; analyst, Board of Economic Warfare; international commodity specialist, Department of Agriculture; agricultural economist, United Nations Interim Commission on Food and Agriculture, 1944–45; appointed agricultural attaché in the Foreign Service Auxiliary and assigned at Bern, August 14, 1945.

TURKEY

Charles R. Enlow: Spivey, Kans., June 28, 1893; Harper High School graduate; Kansas State College of Agriculture and Applied Science, bachelor of science 1920, master of science 1927; United States Army, 1917–19, second lieutenant, overseas service; teacher and athletic coach, 1921–23; assistant agronomist, Kansas State College of Agriculture and Applied Science, 1924–27; agronomist, 1927–33, chief agronomist, 1933–45, Department of Agriculture; United States delegate, Fourth International Grassland Congress, London, 1937; appointed agricultural attaché in the Foreign Service Auxiliary and assigned to the Department April 3, 1945; at Pretoria, May 7, 1945.

UNION OF SOUTH AFRICA

Joseph L. Dougherty: Newcomerstown, Ohio, March 13, 1907; Newcomerstown High School graduate; Ohio State University, bachelor of science in agriculture 1930; manager of farm, 1930–33; assistant soil conservationist, 1933–43; superintendent of rubber plantation in Haiti, 1943–44; appointed agricultural analyst at Porto Alegre, August 26, 1944; assistant agricultural attaché at Ottawa, February 18, 1946.

U. S. S. R.

Joseph J. Bulik: New York, N. Y., February 25, 1916; High School of Commerce graduate; University of Wyoming, bachelor of science 1937; University of Minnesota, master of science 1939; research assistant, University of Minnesota, 1937–39; section chief, Bureau of the Census, 1940–42; agricultural economist, Department of Agriculture, 1942–44; secretary of commission, 1942–44, and Soviet liaison officer, 1943, Combined Food Board; appointed attaché at Moscow, March 30, 1944; agricultural attaché at Moscow, November 13, 1946.

VENEZUELA

James H. Kempton: Cincinnati, Ohio, April 14, 1891; high-school graduate; University of Minnesota, 1908–09; special agent, 1907–08, 1908–09, assistant plant breeder, 1910–24, assistant, associate, and senior botanist, 1924–42, Department of Agriculture; appointed agricultural adviser at Caracas, September 7, 1942; adviser, United States delegation, Third Inter-American Conference on Agriculture, Caracas, 1945; agricultural attaché at Caracas, May 15, 1946.

YUGOSLAVIA (ALSO ALBANIA)

William Kling: New York, N. Y., May 8, 1915; James Monroe High School graduate; College of the City of New York, bachelor of social sciences 1937; Massachusetts State College, master of science 1938; Clark University, doctor of philosophy, 1943; graduate assistant, Massachusetts State College, 1937–38, Clark University, 1938–39; instructor, College of the City of New York, 1939–40; agricultural economist, United States Department of Agriculture and War Food Administration, 1940–45; appointed agricultural officer in the Foreign Service Auxiliary and assigned to the Department, April 2, 1945; at Bucharest, Budapest, Belgrade, Sofia, and Tirana, May 14, 1945; agricultural attaché at Belgrade in addition to duties as agricultural officer at Bucharest, Budapest, Sofia, and Tirana, April 17, 1946.

Foreign Service officers, staff officers, and reserve officers assigned to Foreign Service posts for full-time agricultural work as of June 30, 1947

Country	Name	Title	Salary	Allowances[1]	Total
Argentina	Arthur T. Thompson (FSO)[2]	Attaché	$8,000	$3,076	
	Richard O. Cromwell (FSS)	Assistant attaché	7,380	2,240	
			15,380	5,316	$20,696
Australia	L. V. Toyne (FSS)	Attaché	6,660	1,101	7,761
Austria	Frederick A. Motz (FSS)	Adviser	9,120	546	
	Richard A. O. Schwartz (FSS)	Assistant attaché	4,500	382	
			13,620	928	14,548
Belgium	Jerome T. Gaspard (FSR)	Attaché	7,500	3,580	11,080
Brazil	Guy L. Bush (FSS)	do	8,580	4,610	
	Dwight R. Bishop (FSS)	Assistant attaché	4,860	2,280	
	Jack E. Conner (FSO)	Third secretary, vice consul	3,500	1,815	
			16,940	8,705	25,645
Canada	Meade T. Foster (FSR)	Attaché	6,900	1,965	
	Roy O. Westley (FSS)	Assistant attaché	5,760	None	
	Quentin Bates (FSO)	Third secretary, vice consul	3,900	1,200	
			16,560	3,165	19,725
Chile	Eugene V. Harris (FSS)	Assistant attaché	3,240	1,080	4,320
China	Owen L. Dawson (FSO)	Attaché	10,350	3,060	
	Alexander Peaslee (FSO)	Vice consul	3,500	2,700	
	Willard O. Brown (FSO)	Attaché	6,000	[3]	
			19,850	5,760	25,610
Colombia	Kenneth Wernimont (FSR)	do	6,600	3,680	
	John G. Gossett (FSO)	Vice consul	3,900	[4]	
			10,500	3,680	14,180
Costa Rica (also Nicaragua and Panama).	Dr. Theo. J. Grant (FSS)	Attaché	7,380	2,900	10,280
Cuba	Dr. Paul G. Minneman (FSO)	do	10,350	5,406	
	Dr. Louis C. Nolan (FSS)	Assistant attaché	7,860	4,060	
	Philip M. Davenport (FSO)	Second secretary consul	6,000	3,606	
			24,210	13,072	37,282
Denmark	John L. Stewart (FSR)	Attaché	8,900	3,470	12,370
Dominican Republic	Rollo Stovall (FSS)	Economic analyst	5,220	1,825	7,045
Ecuador	Hugo W. Alberts (FSS)	Attaché	7,380	1,726	9,106
Egypt (also Palestine, Transjordan, Sudan, and Ethiopia).	Robert V. Elwood (FSS)	Assistant attaché	6,120	2,627	8,747
France	Dr. Ben H. Thibodeaux (FSR)	Attaché	8,900	4,240	
	Richard C. Desmond (FSO)	Third secretary, vice consul	4,300	2,640	
	Harry L. Zerbel (FSO)	do	3,900	1,710	
			17,100	8,590	25,690
Germany	Roy I. Kimmel (FSS)	Assistant attaché	9,120	1,820	10,940
Great Britain (also Eire)	Paul C. Nyhus (FSO)	Attaché	10,700	4,513	
	Fred Taylor (FSS)	Commissioner	7,860	2,204	
	Irven M. Eitreim (FSO)	Second secretary, vice consul	6,000	2,527	
			24,560	9,244	33,804
Greece	Jay G. Diamond (FSS)	Attaché	7,140	None	7,140
Guatemala (also Honduras and El Salvador).	Graham S. Quate (FSS)	do	7,140	2,760	9,900
Haiti	Edward L. Tanner (FSS)	do	6,660	2,436	9,096
Hungary	Harry LeBovit (FSS)	Assistant attaché	5,220	3,540	8,760
India	Dr. Clifford Taylor (FSO)	Attaché	12,000	[3]	
	Cleveland B. McKnight (FSO)	Secretary	4,500	1,680	
	Harry W. Spielman (FSO)	Consul	6,000	3,205	
			22,500	4,885	27,385
Iran	H. G. Bolster (FSR)	Attaché	6,900	3,820	10,720
Italy	Dr. Howard R. Cottam (FSR)	do	7,900	2,857	
	Nathan B. Salant (FSS)	Assistant attaché	6,660	2,220	
	Robert A. Brand (FSO)	Third secretary, vice consul	3,500	1,212	
			18,060	6,289	24,349
Mexico	Jacob G. Gibbs (FSR)	Attaché	8,900	3,561	
	Don Stoops (FSR)	Assistant attaché	4,900	2,100	
	J. Newton Smith (FSO)	Third secretary, vice consul	4,300	2,100	
			18,100	7,761	25,861
Netherlands	Dr. Wm. H. Riddell (FSR)	Attaché	7,900	3,440	11,340
Norway	Abner Chestem (FSS)	Adviser	7,330	2,019	9,349
Peru	Dr. Clarence Boonstra (FSO)	Attaché	6,000	1,880	7,880
Philippines	Hubert Maness (FSS)	Assistant attaché	4,500	1,400	5,900
Poland	Edwin R. Raymond (FSR)	Attaché	7,800	853	8,653
Spain	Joseph Wiedemeyer (FSS)	Assistant attaché	6,120	1,430	7,550
Sweden (also Finland)	Erick Englund (FSR)	Attaché	10,000	4,240	14,240
Switzerland	Dr. Einar Jensen (FSS)	do	7,380	4,570	11,950
Turkey	Charles R. Enlow (FSR)	do	8,900	[3]	8,900
Union of South Africa	Joseph L. Dougherty (FSO)	do	6,000	[5]	6,000
U. S. S. R.	Joseph J. Bulik (FSR)	do	5,300	2,660	7,960
Venezuela	James H. Kempton (FSS)	do	8,820	7,140	15,960
Yugoslavia	William Kling (FSR)	do	6,300	4,304	10,604

[1] Allowances include cost of living and rental, when officers are entitled thereto, based on annual rates last reported by posts as having been established for each individual during the fiscal year 1947.

[2] FSO: Foreign Service officer; FSS: Foreign Service staff; FSR: Foreign Service Reserve.

[3] En route to post.

[4] Training, Department of Agriculture.

[5] Report not yet received.

Mr. CANNON. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, one of the surprising developments in the debate on this measure is the irresponsible character of some of the statements made here on the floor.

The gentleman from Ohio who has just left the floor said that if the Department of State were put in the charge of real Americans we would accomplish something. This is the first time I have heard General Marshall charged with not being a real American. I am certain the House listened to the statement with astonishment.

Yesterday we heard the chairman of the Committee on Appropriations, in the same vein, make a still more astonishing statement. He said he wondered if the United States had any real representation at all in the Department of State. It was so absurd that I thought I must have misunderstood him, but I note he has it in the RECORD this morning.

I want to ask you, my friends, what do you think of the serious statement made here on the floor and printed in the CONGRESSIONAL RECORD that the United States has no representation at all in the Department of State?

The gentleman from New York has a favorite phrase which he uses continually on the floor, "It is ridiculous." That phrase is certainly applicable here. The statement that he wonders if the United States has any representation at all in the State Department is ridiculous. What credence can be given to any argument prefaced by such a statement as that?

And he supports that absurd statement by argument just as absurd. He would have the world believe that the State Department is honeycombed with Communists and communism.

But in endeavoring to support charges that the State Department is employing Communists by advancing the highly novel argument that it has declined to employ two Communists, we are running true to form.

In the memorable effort to impeach the WPA in which the gentleman from New York was one of the leaders, and which incidentally, after an investigation lasting for months, completely exonerated the WPA of every charge, a Negro was brought down from New York who had been taken to Russia, from whence after a 6 months' course in street fighting and other subversive activities he was returned and planted in New York to await developments. There was no question about the trip to Russia and its purpose. And a facsimile of the man's membership card as a Communist was printed in the hearings—an unprecedented procedure. The only hitch was that the man had never worked for WPA, had never received any WPA benefits, and had never had any connection of any kind with WPA at any time. Yet he was brought down to Washington at the expense of the Government and testified before the committee and his testimony was printed in the hearings to prove that WPA was infested with Communists.

And here again when the charge is that the State Department is infested with Communists, the cases of two men who have never been identified with the work of the State Department in any way, case 99 and case 100, are submitted as proof. That is a fair sample of the logic and the tactics employed in an attempt to convince the American people and foreign governments that the American State Department is not American at all—that it is in charge of men who are not true Americans and that its employees are Communists seeking to undermine our form of government. Mr. Chairman, that is too high a price to pay for political advantage.

Mr. Chairman, I trust it is not necessary for me to take a position against communism or against the employment of Communists in Government positions. In the last Congress we had identically the same situation we have here. It was charged that there were three men in the Government who had Communistic leanings or were under Communistic influence. We took prompt action. I appointed a special subcommittee to investigate. And on the findings of the subcommittee we denied them their salaries. The Supreme Court intervened and awarded them back salary but their position was untenable and they have had no position or connection with the Government since that time.

The committee still has the authority to go into any Department and bring any employee up here and investigate him, and if the situation warrants, certify the evidence to the Justice Department. If there are Communists in the Department of State, why does not the committee bring them up here for questioning? The chairman of the committee cites the McCarran amendment and says the Secretary of State can arbitrarily fire anybody in his Department. As a matter of fact, the Secretary has exercised his authority under that law, and has had before him all the evidence adduced in an FBI investigation, and has acted on every case submitted.

But the Committee on Appropriations has not exercised its authority. It has not brought anybody up here or provided a subcommittee to look into these sensational charges. It has had FBI men investigating the employees of the State Department for months under instructions to produce evidence to convict any Communist found down there. After intensive screening of every employee of the Department by the ablest investigators to be found anywhere, they have produced no evidence that would warrant the committee in bringing anyone up here for questioning or certifying evidence to the Secretary of State or the Department of Justice.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Please let me conclude this statement and I shall be glad to yield.

Let us take another of the cases cited by the gentleman from New York. He brings up the case of No. 9, and in reading from page 190 leaves little doubt as to No. 9's disloyalty. No. 9 is apparently a dangerous character. But he did not refer to page 190 of the record where it is pointed out that No. 9 served for 3 years in the United States Army and received the Legion of Merit for his services. Part of the citation reads "by his resourcefulness, ingenuity, and dynamic energy, broad vision, and high efficiency," No. 9 "reflected great credit upon himself and the military service." No. 9 was also made a knight officer of the crown of Italy for his outstanding military service. It was surprising that in the charges made here this pertinent evidence has been overlooked.

The gentleman also read from page 182 of the record relating to case No. 52 as evidence of subversive disloyalty in the State Department. You will find, however, on page 190 that he considers No. 52 ineligible for his high diplomatic post on the basis of charges attributed to a high OSS official. That official has reported to the State Department that he has never made any such charges, and has never previously heard of them and that he was falsely quoted.

So far as Hamilton Robinson is concerned, notwithstanding the unsupported charges made against him, we can be safely guided by the opinion of Assistant Secretary of State John E. Peurifoy. I mention Jack Peurifoy because he is referred to by every member of the subcommittee in charge of this bill, on both sides of the table, in words of the highest praise. And knowing him as the Members of the House do I think all will agree that he deserves everything said about him. And he is free to say that he has every confidence in Mr. Robinson's competence and ability and in his absolute loyalty. And nothing is to be found on any of the pages of the record which have been cited here on the floor to cast any doubt on Mr. Peurifoy's judgment in the matter.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Is the gentleman from Missouri telling the Congress there are no Communists in the State Department?

Mr. CANNON. If I thought there were I would insist on calling them up as we did here in the last Congress and firing them. If the gentleman believes there are Communists in the Department why does he not do that?

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I am rather intrigued by the statement of the gentleman that in the last Congress the Appropriations Committee called some people up who were alleged to be Communists and fired three of them. I am a member of that committee and I never heard of any such procedure as that at all.

Mr. CANNON. We denied them their salaries.

Mr. KEEFE. Is the gentleman referring to the work of the Kerr committee, of which I was a member?

Mr. CANNON. Certainly.

Mr. KEEFE. That is an entirely different situation than what you have placed in the RECORD by your statement and the gentleman well knows it and I shall answer you in a few minutes.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. I would like to ask for five additional minutes, Mr. Chairman, so that the gentleman can answer me now.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. I now yield to the gentleman from Wisconsin [Mr. KEEFE] to tell me wherein the situation differs from the situation in the last Congress? It is charged that men in the State Department are Communists, and you have not done anything about it except to talk. In the last Congress when it was charged that employees of the Government were Communists, we called them up here and investigated them and refused to appropriate money for their salaries. The Supreme Court held they were entitled to back pay but we got rid of them. And the Committee on Appropriations can take action which will rid the Government of any disloyal employees whenever it can produce the evidence to sustain the charges.

Mr. KEEFE. I will answer the gentleman in a moment in my own time and I think you will be glad to stay here and listen. If you do, you will get some enlightenment because I was a member of that committee.

Mr. CANNON. Certainly. I appointed the gentleman on the committee myself.

Mr. KEEFE. I am glad you did.

Mr. CANNON. And the gentleman came in here and recommended that we take their salaries from them, and we did, and, although the Supreme Court held it to be unconstitutional, they have never held any office under the Government from that day to this. But we do not have to deny the salaries of disloyal employees to get rid of them. If the Committee on Appropriations will produce the evidence, Secretary Marshall will do the rest.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Minnesota.

Mr. JUDD. I would like to advise the gentleman that I happen to be a member of the subcommittee on the State Department of the Committee on Expenditures in the Executive Departments.

If the gentleman wants to know some of the facts regarding Communists in the State Department and will consult some of us privately he can find out. Unfortunately, I cannot reveal here, and no responsible American would reveal, some of the situations which we found. It would make us look too bad before the world. After all, the State Department must deal with other nations and we would like them to have some confidence in us.

Mr. CANNON. Whenever it is disclosed that there is a traitor anywhere in any department, whether the State Department or any other department of the Government, he should be promptly discharged and properly dealt with. And it is the duty of any loyal citizen to divulge any information which might lead to the apprehension of such persons.

Mr. JUDD. Will the gentleman please consult some of the members of our subcommittee?

Mr. CANNON. There is no reason why the gentleman should not tell us and why he should not disclose to the Committee on Appropriations or other appropriate committee, in executive session if he prefers, the name of any employee he believes to be engaged in subversive activities.

Mr. JUDD. We got rid of a good many more than has been publicized. The thing would look too bad if the whole story went abroad. I can repeat that a great deal has already been accomplished.

Mr. CANNON. If the gentleman's committee has been so successful in getting rid of Communists why has it left in the Department of State the Communists of whom the gentleman from New York has been complaining?

Mr. Chairman, the Committee on Appropriations has had the best FBI operatives obtainable at work on an exhaustive investigation of the State Department with instructions to ferret out any possible Communist in the employ of the Department. After months of investigation they have been unable to produce evidence which would justify the committee in bringing anyone up here for questioning or even appointing a subcommittee to handle such cases, or which would warrant the certification of such cases to the attention of the Secretary of State.

The cases I have cited here are a fair sample of the character of proof offered to show that there are Communists in the Department or that it is in charge of men who are not true Americans or that the United States has no representation at all in the State Department. It is not necessary to defend such men as Cordell Hull, James F. Byrnes, or General Marshall. No one believes that they would tolerate for an instant such a situation as has been charged here on this floor.

In these unsupported charges we have reached a new era in political partisanship.

Mr. TABER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, in view of the amazing statement made by the gentleman from Missouri, I feel that the House should have a fact or two. I am wondering how the gentleman voted when the question was presented to us to pay these people whose salaries had been cut out by the Congress after a Supreme Court judgment which was rendered in my opinion improperly and without fair consideration.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CANNON. I voted to cut out their salary and fire them. When the question came before us later as to whether we would follow the Constitution of the United States, I voted to abide by the decision of the Supreme Court.

Mr. TABER. Yes. Mr. Chairman, I decline to yield further. The gentleman voted to pay those salaries after voting that they should not be paid.

I just want to tell you that I do not go off half-cocked. The investigations of the Appropriations Committee indicated a very large number of Communists on the rolls of the State Department. The very least that they have there now is 14, and those cases, instead of resulting in immediate dismissal as the interests of the United States required, have been dragged on and dragged on for 6, and 8, and 10 months. I do not know whether anyone is entitled to wonder whether we are getting American representation in the State Department when that sort of people and their cases are not disposed of and they are not discharged in 8 and 10 months, but for my own part I believe that the interest of the United States requires that the State Department be clean, that it be loyal. Only just the other day we were given the picture of a blond United States Embassy "gal" over in Moscow in a strategic position going off and getting married to a Russian and then admitting her preference for Russia. I quoted four or five cases here yesterday; I described them. They are in the hearings. They begin at page 177 and run through to page 186.

They still have 13 cases of that kind pending and of those cases I do not believe a single one of them is loyal. On top of that they have employed people whose record according to their own files is not such that any loyal American would trust them.

I do not know how much longer the people of the United States can stand it to have such things as that go on in the State Department. We are not going to inspire the rest of the world with confidence in our foreign policy as long as we go ahead in this ridiculous way.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does not the gentleman feel that because Assistant Secretaries of State and heads of departments are obliged to spend so much time going about the country lecturing on the Marshall plan they cannot know what is going on in their own departments in Washington?

Mr. TABER. Well, I think it is a case of too much fear. They are afraid that they will offend people who are inclined to be liberal. They call themselves liberals. Oftentimes they get themselves out so far that they are absolutely a menace to the United States.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Chairman, the outburst of the distinguished gentleman from Missouri is indeed characteristic, but I am astounded that when he ought to be in a position to give this Congress the facts and the truth he would so garble his statement a reader of the CONGRESSIONAL RECORD would find difficulty in ascertaining the truth. The substance of his complaint is that the present chairman of the Appropriations Committee made a charge on the floor that certain Communists were retained in employment in the State Department. After giving great praise to General Marshall, dragging poor General Marshall into the situation, he rises up, pointing to himself as a former chairman of the Appropriations Committee, and exclaims that—

> In the last Congress when I was chairman of the Appropriations Committee we did something about it. Why have they not done something about it now? We brought these Communists up here and we fired them, we took them off the pay roll. Why have you not done it?

Did you hear him say that in substance?

What a pitiful statement in view of the facts. To some of you gentlemen who were not here, let me tell you the facts. In the last Congress and in several before that, since I have been a Member of the House, year after year when appropriation bills came before the House someone would offer an amendment to the appropriation bill containing a proviso that none of the funds should be used to pay the salary of this person or that person or the other person, naming them in the appropriation bill. Year after year appropriation bills were tied up with that sort of proviso. I had the privilege of standing here on the floor myself and making the suggestion that if there were people that were accused of having Communist affiliations in any department of government, why would it not be a good thing to set up a committee in the Committee on Appropriations and give these people an opportunity to be heard. That was done. The Speaker was authorized to appoint such a committee as a result of action of this House. Such a committee was appointed under the chairmanship of my very dear friend, the gentleman from North Carolina, Judge KERR. There served on that committee the gentleman from Tennessee [Mr. GORE], the present Secretary of Agriculture, Mr. Anderson, the gentleman from North Carolina [Mr. KERR], the gentleman from New Jersey, Mr. Lane Powers, and myself. Pursuant to that mandate we brought certain people who had been charged with having communistic affiliations before the committee to give them an opportunity to answer the charges that had been leveled against them. Then, what happened? We took three people and held extensive hearings. One involved a man by the name of Robert Lovett, another involved a man by the name of Dodd, and another involved a gentleman by the name of Watson. The latter two were employed by the Federal Communications Commission. As a result of those hearings, the KERR committee voted unanimously to report back to this Congress that Federal funds should not be used to pay the salaries of such people. The House passed such an amendment on an appropriation bill, and it went over to the other body, then in control of the Democrats, whom the gentleman from Missouri represents.

The contention was made that the House was usurping the authority of the executive and had in effect passed a bill of attainder and that the action of the House was unconstitutional, and so forth. So, that appropriation bill, as you will recall, was tied up until it got almost to the very last day. Finally, as the result of the influence of the gentleman from Virginia, Mr. Woodrum, we finally agreed upon a compromise which provided that those people would go off the pay roll unless the then President, President Roosevelt, reappointed them to their jobs by a certain date. The President did not veto that bill, but issued a statement on it in which he said to the departments of Government and to the judiciary to pay no attention to the action of Congress; that the action of the Congress was unconstitutional. The then Attorney General, Francis Biddle, rendered an opinion and held that he could not defend the action of Congress because he felt that our action was unconstitutional. So, they did not fire these three people at all. They stayed on their jobs. The Comptroller refused to approve payment of their salaries. They started suit in the Court of Claims against the Government of the United States for their pay. And, who defended the action of the Congress? The most unusual thing happened, perhaps, in the history of the Congress. We had no Attorney General to defend the action of Congress, and this Congress provided, by resolution, for the appointment of its own counsel to represent the Congress in those suits by these three people, whom the executive department had refused to fire in defiance of the Congress. That case was heard in the Court of Claims, and the Congress was represented by its own counsel. The Court of Claims sustained the claims of these three men and the cases went to the Supreme Court of the United States. The Supreme Court of the United States in effect held that the Congress could not do the very thing that the gentleman from Missouri is here asking that the Congress do. So we went through all that effort and spent all that money in a vain attempt to get three people off the pay roll that a committee of this Congress and the Congress itself had declared were unfitted longer to serve upon the pay roll of the Government.

There followed the McCarran rider, which in effect gave the departments themselves the right, after suitable investigation by the Civil Service Commission, to dismiss those people who were considered not to be good security risks. So when the gentleman from Missouri makes the speech he did this afternoon, he should get himself in accord with the facts of the situation and not have the charge made on the floor of the House that the Republican Party and the Republican Appropriations Committee, under the leadership of the distinguished gentleman from New York, are failing in their responsibility to get rid of the communism that exists in the State Department or any other department of Government.

I do not know how many Communists there are in the State Department, but I want you to know that when the gentleman from Missouri makes the bald statement that under his administration as chairman of that committee he got rid of three of them and challenges the present chairman to emulate him in doing the thing which he says he did, but which never took place at all, he is making a statement that is neither in accord with the facts nor in accord with simple, sound, common sense, and judgment as applied to the situation now at hand. I challenge the gentleman from Missouri or anybody else to dispute one single fact I have stated this afternoon. In view of these facts, I am sure the gentleman would feel compelled to stand up here on the floor and in good conscience state for the purposes of this record that he was in error in making the charges he made against the distinguished chairman of the Committee on Appropriations.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Chairman, the preceding discussion regarding the extent of communism in the State Department has been very interesting and informative. It is something which the Congress and the country should consider carefully. In my opinion the time has long since passed when those in charge of the executive departments, generally, and the State Department in particular, should hesitate to take bold and definite steps to rid their services once and for all of all Communists and their fellow travelers of every shade, tint, and variety.

In drafting the Mundt bill to establish a permanent and comprehensive United States information service abroad our subcommittee took positive and definite steps of an unprecedented nature in requiring that as a condition precedent for employment in our information service that all employees must first of all be checked and cleared for loyalty and security by the Federal Bureau of Investigation. Mr. Speaker, this may mean that it will take a little longer to recruit the necessary staff for this all-important information campaign, but it will also mean that once the staff is recruited and trained we shall be represented in this branch of the service by men and women whose loyalty to the United States is above and beyond all question. I wish the time would speedily arrive when we could be sure that this status of things existed in the State Department, generally.

While I regret that the full amount of money requested by the State Department for this new information service was not made available by the Appropriations Committee, I nevertheless do

want to congratulate the subcommittee and its chairman, Mr. STEFAN, on the fact that they have recommended a substantial figure for the first year of this program's operation. I do not believe it is sufficient to do the job satisfactorily, but it is a substantial start. I hope the other body, after hearing testimony as to what will be entailed by the reductions made by the Appropriations Committee, will restore all or part of these cuts. In fact, in view of the rapidly changing foreign situation, I dare to hope the other body will even increase beyond the State Department's estimate the amount of money to be utilized for this significant peace-preserving program in the next fiscal year.

Above all, I hope the deficiency committee of this House will act promptly to bring in a deficiency appropriation to be used during the remainder of the current fiscal year so that the vital work of recruiting adequate and efficient personnel can be started promptly and so that we can begin locating the office space and the technical facilities abroad which will be required to put this information program into full-scale operation immediately after next July 1. In fact, in my opinion it is simply common sense, good prudence, and action in our own self-interest to appropriate money within the next week or so to let the American information program get under way within the next 30 days to begin doing a man-sized job of publicity in those areas of the world which are today in such critical condition. If, for example, we fail to provide for prompt action in Italy and find that the Communists have won the election the middle of next month, we may never be able to forgive ourselves for our tardiness and our temerity.

Mr. Allen, the new Director of the United States Information and Educational Service, has taken over the administration of that Service only this week. A number of us are meeting with him in a planning session early next week. It is expected that his rich background of experience in the Foreign Service will provide him with knowledge which will stimulate him to move into action promptly and positively in today's critical areas. But without funds he can do little and without a deficiency appropriation, now, the Voice of America must remain a muffled whisper in a world in which it should be a strident call for decency. I hope, Mr. Speaker, that the Deficiency Subcommittee of the House Appropriations Committee will measure up to expectations and come to us very soon with recommendations for the immediate appropriation of funds to put our new information service into operation with emphasis and with efficiency.

Now for the first time in American history we have the machinery available under the terms of the so-called Mundt bill to wage a peace and to implement the leadership which only the United States is capable of giving a distraught and a distracted world. I have every confidence that this Congress will not fail to provide the money power required to put this machinery into action. I hope that we can do it promptly and adequately. The forces of aggression are moving rapidly and we must step up our action and increase our efforts in the field of information abroad if we are to prevent the eventuality of confronting a world which has been either coerced or corrupted against us. A few extra dollars spent within the next 5 or 6 months in getting the truth to the people abroad may well save us in the end many billions of dollars in war and the lives of many millions of human beings.

The Clerk read as follows:

Cooperation with the American Republics: For expenses necessary to enable the Secretary of State to meet the obligations of the United States under the Convention for the Promotion of Inter-American Cultural Relations between the United States and the other American Republics, signed at Buenos Aires, December 23, 1936, and to carry out the purposes of the act entitled, "An act to authorize the President to render closer and more effective the relationship between the American Republics," approved August 9, 1939 (22 U. S. C. 501), and to supplement appropriations available for carrying out other provisions of law authorizing related activities, including the establishment and operation of agricultural and other experiment and demonstration stations in other American countries, on land acquired by gift or lease for the duration of the experiments and demonstrations, and construction of necessary buildings thereon; such expenses to include personal services in the District of Columbia; not to exceed $150,000 for printing and binding; temporary services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); not to exceed $5,000 for entertainment; not to exceed $5,000 for expenses of attendance at meetings or conventions of societies and associations concerned with the furtherance of the purposes hereof; and, under such regulations as the Secretary of State may prescribe, tuition, compensation, allowances and enrollment, laboratory, insurance, and other fees incident to training, including traveling expenses in the United States and abroad in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended, of educational, professional, and artistic leaders, and professors, students, interns, and persons possessing special scientific or other technical qualifications, who are citizens of the United States or the other American Republics; and the actual expenses of preparing and transporting to their former homes the remains of such persons, not United States Government employees, who may die while away from their homes under the authority of this appropriation: *Provided*, That the Secretary of State is authorized under such regulations as he may adopt, to pay the actual transportation expenses and not to exceed $10 per diem in lieu of subsistence and other expenses, of citizens of the other American Republics while traveling in the Western Hemisphere, without regard to the Standardized Government Travel Regulations, and to make advances of funds notwithstanding section 3648 of the Revised Statutes as amended by the act of August 2, 1946, Public Law 600; traveling expenses of members of advisory committees in accordance with section 2 of said act of August 9, 1939; purchase (not to exceed three) and hire of passenger motor vehicles; rental of boats, $3,900,000; and the Secretary of State, or such official as he may designate is hereby authorized, in his discretion, and, subject to the approval of the President, to transfer from this appropriation to other departments, agencies, and independent establishments of the Government for expenditure in the United States and in the other American Republics any part of this amount for direct expenditure by such department or independent establishment for the purposes of this appropriation and any such expenditures may be made under the specific authority herein contained or under the authority governing the activities of the department, agency, or independent establishment to which amounts are transferred: *Provided further*, That this appropriation shall be available to make contracts with, and grants of money or property to, nonprofit institutions in the United States and the other American Republics, including the distribution of materials and other services in the fields of education and travel, arts and sciences, publications, the radio, the press, and the cinema.

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I refer you to the hearings on this item, cooperation with the American Republics. I believe the program could be far more efficient than it is. Your representatives on this subcommittee in going over the budget for the State Department did not fail to point that out to the State Department. They are not doing the job the work calls for. I trust that the justifications next year will reflect some of the advice we gave them that I think is altogether to the point.

Mr. COMBS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I regret that we find it necessary to turn aside in this appropriations debate to discuss how much each party has done to get rid of the Communists, and other subversive elements in the public service.

In the Seventy-ninth Congress the Committee on the Civil Service, of which I was a member, appointed a subcommittee of three, consisting of the gentleman from Maryland [Mr. FALLON], the gentleman from Kansas [Mr. REES], and myself, as chairman, to look into the question of what had been done about getting disloyal elements out of the Government service. A lot of talking had been done, but we decided to try to find out what had been done toward actually getting them off the pay roll, and to recommend some kind of machinery and procedures to screen employees and get them out without being unfair and doing an injustice to honest, loyal employees. As a result of our investigations, carried on behind closed doors and not in the newspapers, we made recommendations that led to the Presidential order many months ago setting up the Loyalty Board, in the Civil Service Commission which, with the cooperation of the FBI and under an appropriation made by the present Congress, is now engaged in a systematic, down-to-earth, honest-to-goodness, fair screening of the employees of our Government in an effort to separate the disloyal employees, who I am sure are only a small minority, from those who may be subject to suspicion, and to remove from the pay roll those found to be guilty of subversive acts or who are bad security risks.

A number have been fired or have resigned, so I understand, as a result of that investigation. I just thought that you would like to have that called to your attention.

A real job is being done when it comes to dealing with this question of communism or disloyalty to our Government. It is not a Democratic question or a

Republican question; it is an American question.

The Clerk read as follows:

SEC. 106. Appropriations under this Act available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel, shall be available for such expenses when any part of such travel or transportation begins in the fiscal year 1949 pursuant to travel orders issued in that year, notwithstanding the fact that such travel or transportation may not be completed during the fiscal year 1949.

Mr. MACKINNON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: On page 30, after line 17 and before line 18, insert the following:

"SEC. 107. No part of the sums appropriated by this title shall be used to pay any officer or employee who is found by the Department of State to be in violation of the Government policy set forth in Federal Personnel Manual, page C-2—27, by virtue of having participated directly or indirectly in any transaction concerning the purchase or sale of corporate stocks or bonds or commodities for speculative purposes as distinguished from bona fide investment purchases."

NEED FOR RESTRICTING SPECULATORS IN THE STATE DEPARTMENT

Mr. MACKINNON. Mr. Chairman, those of you who have been following the tremendous sums of money that have been expended by the Department of State in our foreign purchases which run into the billions of dollars should be tremendously concerned in the light of recent disclosures as to the effect of that particular activity in the State Department if we allow speculators to take any part, however small, in that program. I do not charge that there are any substantial number of people in the State Department who are engaged in speculative activities, but we know that some have in the past, and we know that our foreign-aid program is going to be seriously endangered unless it be honestly administered.

The Federal Government has a stated policy in its manual for all employees, which prohibits speculation by Federal officers and employees. This was promulgated in 1937. I have a letter here from President Truman in which he states:

It has always been my opinion that the policy set out by the letter of President Roosevelt to the President of the Civil Service Commission should be enforced, and that is what I have been trying to do.

This particular amendment would not do one thing more than to make it possible to enforce that particular policy which is presently contained in the Federal Personnel Manual. It is thus a matter of public knowledge open to all in the Government, but we have found that this policy is not being enforced. I include at this point the correspondence with the President and the Civil Service Commission on this subject:

JANUARY 17, 1948.

Hon. HARRY S. TRUMAN,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Enclosed herewith is copy of bill I have recently introduced to prohibit speculation by certain Government employees. In studying this matter I have come across a letter from President Roosevelt to the President of the Civil Service Commission dated April 22, 1937, in which the president stated it a matter of policy that no employee should be permitted to speculate in stocks, bonds, or commodities. On April 30, 1937, notice of this policy was forwarded to heads of departments and independent establishments. Copies of this letter of April 22, 1937, and the notice of April 30, 1937, are attached.

Since the statement of policy promulgated by President Roosevelt is somewhat broader than the bill I have introduced, and since it would be unnecessary to pass the bill if the policy were enforced, I would like to have made known to me the attitude of the Executive Department with respect to the policy enunciated by the letter and notice hereinbefore referred to. I would appreciate your informing me with respect to these matters.

Very sincerely yours,

GEORGE MACKINNON.

APRIL 22, 1937.

Hon. HARRY B. MITCHELL,
President, Civil Service Commission, Washington, D. C.

MY DEAR MR. MITCHELL: I believe it to be a sound policy of the Government that no officer or employee shall participate directly or indirectly in any transaction concerning the purchase or sale of corporate stocks or bonds or of commodities for speculative purposes, as distinguished from bona fide investment purposes. Engagement in such speculative activities by any officer or employee, whether under the competitive civil service or not, should be among the matters considered by the heads of departments and establishments and by the Commission in passing upon questions concerning his qualifications for retention or advancement.

I would appreciate it if you would take steps to make this known throughout the Government service.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., April 30, 1937.

To Heads of Departments and Independent Establishments:

In a letter dated April 22, 1937, the President requested the Commission to take steps to inform all officials and employees of the Government that speculation on their part or in their behalf in corporate stocks or bonds or in commodities is contrary to Government policy. The President said:

"I believe it to be a sound policy of the Government that no officer or employee shall participate directly or indirectly in any transaction concerning the purchase or sale of corporate stocks or bonds or of commodities for speculative purposes, as distinguished from bona fide investment purposes. Engagement in such speculative activities by any officer or employee, whether under the competitive civil service or not, should be among the matters considered by the heads of departments and establishments and by the Commission in passing upon questions concerning his qualifications for retention or advancement."

Accordingly, an official notice to this effect should be distributed to each officer under your jurisdiction, whether under the competitive civil service or not, for the information and guidance of the officials and employees therein.

By direction of the Commission.

Sincerely yours,

HARRY B. MITCHELL,
President.

H. R. 4826

A bill to prohibit certain officers and employees of the United States from engaging in transactions involving contracts of sale of commodities for future delivery

Be it enacted, etc., That no officer or employee in the Executive Office of the President, the National Military Establishment, the Department of State, the Department of Agriculture, and no member of the military or naval forces of the United States shall directly, or indirectly, through an organized commodity exchange, engage in any activity involving any contract of sale of any commodity for future delivery unless such activity is incident to the disposition of commodities grown or produced on land owned, rented, or leased by such officer or employee. As used in this section, the terms "contract of sale," "commodity," and "future delivery" shall have the same meaning as when used in the Commodity Exchange Act, as amended.

SEC. 2. Whoever violates the first section of this act shall, upon conviction thereof, be punished by imprisonment for not more than 3 years or by a fine of not more than $10,000, or by both such imprisonment and fine.

SEC. 3. This act shall take effect on the 30th day after the date of its enactment.

THE WHITE HOUSE,
Washington, January 20, 1948.

Hon. GEORGE MACKINNON,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN MACKINNON: I appreciated very much your letter of the 17th with the attached bill.

It has always been my opinion that the policy set out by the letter of President Roosevelt to the President of the Civil Service Commission should be enforced and that is what I've been trying to do.

Of course, I have had no opportunity to study your bill and can't pass on it for that reason. I appreciate very much your calling it to my attention, however.

Sincerely yours,

HARRY S. TRUMAN.

JANUARY 17, 1948.

Hon. HARRY B. MITCHELL,
President, Civil Service Commission, Washington, D. C.

DEAR MR. MITCHELL: Attached hereto is notice directed to heads of departments and independent establishments dated April 30, 1937. Will you kindly advise me whether this policy is being presently enforced, and if not, when this policy was changed. If you have any subsequent directives upon this same subject, I would also appreciate very much to receive them.

I desire this information in connection with my pending bill to prohibit certain employees in the Federal Government from speculating in commodities. Your early attention to this matter will be highly appreciated.

Very truly yours,

GEORGE MACKINNON.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., January 21, 1948.

Hon. GEORGE MACKINNON,
House of Representatives.

DEAR MR. MACKINNON: As the enclosures to your inquiry of January 17 show, the Commission by letter of April 30, 1937, transmitted to the heads of departments and independent establishments the letter of the President of April 22, 1937, as to speculation on the part of officers and employees of the Government. The Commission's letter stated that whether the employees were under the competitive civil service or not the President's letter should be brought to the attention of officials and employees for their information and guidance.

No jurisdiction was given the Commission to follow up on this letter; but the Commission, nevertheless, has done so by having included in the Federal Personnel Manual, on page C2-27, the following:

"SPECULATION

"I believe it to be a sound policy of the Government that no officer or employee shall participate directly or indirectly in any transaction concerning the purchase or sale of corporate stocks or bonds or of commodities for speculative purposes, as distinguished from bona fide investment purposes. Engagement in such speculative activities by any officer or employee, whether under the competitive civil service or not, should be among the matters considered by the heads of departments and establishments and by the Commission in passing upon questions concerning his qualifications for retention or advancement." (Letter of the President to the Commission, dated April 22, 1937.)

This Federal Personnel Manual is a publication of the Commission which is sent to all agencies of the Government and is maintained on a current basis by transmittal letters from the Commission. In its own information pamphlet, which is given to each employee of the Commission, specific information to this effect appears.

Furthermore, the Commission is preparing a letter to go to all the departments and agencies referring to the letter of April 30, 1937, and calling their particular attention to this provision in the Federal Personnel Manual, advising them that it continues to be in full force and effect and that its provisions should again be brought to the attention of all officers and employees.

Very sincerely yours,

HARRY B. MITCHELL,
President.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I am happy to yield to the distinguished chairman of the subcommittee.

Mr. STEFAN. The reason I did not make a point of order against the amendment is because I believe it is really a limitation, but I am wondering if the gentleman does not feel that would be quite restrictive. For instance, somebody in the employ of the Department and who has a farm might want to buy some corn or wheat as against a future crop. Would that affect him?

Mr. MACKINNON. No, I do not think so. I have gone into that matter quite thoroughly. Where he has a legitimate interest in it, where it is a hedging operation, it is not speculation.

I sincerely hope the Committee will give this very serious consideration. This proposed amendment only applies to the officers and employees in the Department of State and it is directed there because of the tremendous sums of money that are presently placed at their disposal to buy goods and materials for shipment to Europe. I feel it is absolutely essential that we throw every safeguard around this activity, to assure the American people that our foreign-aid program will be honestly administered and not in any way open to the charge that it is done for personal profit. If that condition arises, future support for the program will be jeopardized.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment, because it is too restrictive. I do not believe an amendment like this should be in an appropriation bill. I believe it should be studied by the appropriate committee and some legislation brought to the House for its full consideration for the protection of those who may be unfairly treated with this very restrictive amendment.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. HORAN. I interrupted the gentleman for the purpose of pointing out that there is a job to be done, undoubtedly, in the commodities-exchange markets, but I want to point out that the proper way to approach that would be through a strengthening of the possibilities in our already established commodity exchange authority, which is in the Department of Agriculture, and also the approach whereby we might get the business-conduct committees of the commodity exchanges themselves to operate more forcefully. I certainly know a wheat grower in my district would not like to restrict those who can buy in commodity exchanges. Even the Farmers' Union, which is certainly not a conservative organization, supports the commodity exchange. There is a job to be done here, but it cannot be done on an appropriation bill.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. MACKINNON. Is it your thought that Government employees ought to be free to buy in a speculative market on commodity exchanges, notwithstanding the present policy that has been announced since 1937?

Mr. STEFAN. Let me answer that. Certainly we believe in the objectives of the amendment which the gentleman has offered. Of course we do not believe that a Government employee who has first-hand information of how much corn the Government is going to buy, how much grain or how much meat is going to be shipped overseas, should be in the speculative market. No Government employee who is in position to get information ahead of the general public should be in the market. We believe in the objectives of the gentleman's amendment but I do not believe this belongs in an appropriation bill. I think we should adopt separate legislation. I would be glad to support it. I think the gentleman is doing a service to the country in looking into the matter, but I suggest that he write some legislation so that we can act on it in the regular way.

Mr. HORAN. I share in the objectives of the gentleman's amendment, but what we should do is to strengthen these facilities against those who may be speculating. We have got to do that rather than exclude people from dealing in speculative commodities.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. MONRONEY. I am in sympathy with what the gentleman from Minnesota is seeking to do, but the mechanics of it will encumber the audits of the General Accounting Office, will require that every voucher drawn against these millions of dollars appropriated herein will have to be covered by affidavits of the people receiving the money that they were not in a speculative position.

I think the amendment of our personnel acts or the Civil Service Act would do far more to correct the situation than could be done by adding an amendment to an appropriation bill which costs thousands and thousands of dollars to carry out.

Mr. STEFAN. I share the views of the gentleman from Oklahoma.

Mr. Chairman, I yield back the balance of my time.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to make a few observations on this proposition. The United States, if we can believe what the Congress is discussing these days, especially over in the other body, together with what has happened in the last few months in the way of the purchase of basic commodities by the Federal Treasury, you might say operating through the agents of the Government, we are rapidly getting into a position where Government agencies operating primarily under the direction of the State Department will set up the greatest buying, selling, distributive, and allocating agency of all history. I refer to the operations under the Marshall plan. We have reached the point where the employees of various agencies of Government can spend weeks and months planning a buying campaign, and after all of the reports are in and everything is tied up ready for action the Secretary of Agriculture, for instance, can make a decision entirely on his own judgment which may cost our people literally hundreds of millions, if not billions, of dollars incident to the costs of living, or by reason of the inventories which they happen to have on hand; and that goes right down to the little farmer himself who produces these basic commodities.

I will give you an illustration. We have seen and heard about this so-called speculation in commodities during the last several months. We have seen the gyrations of the market up and down. We know that those economic operations blow across the capital structures of individuals just like physical storms blow across fields and villages and tear them all to pieces. Within the last few weeks the sugar industry of this country, as an illustration, operating in the open market, voluntarily reduced the price of sugar to the American consumer first from $8.40 a hundred down to $8, and then to $7.75, making those reductions in the interest of decreased cost of living and for the benefit of the American people. After that second reduction, however, the sugar operators in Cuba came to the State Department and said: "Now, wait a minute! These reductions are hurting us, and we want you to support the market." The State Department and the Commodity Credit Corporation stepped into the picture and purchased a million tons of sugar from Cuba to support the market against 145,000,000 sugar consumers here in the United States and raised economic hell generally through the whole sugar industry here in the United States. That is the power of the State Department and Government employees carrying on transactions of that nature. That is why our friend has offered this amendment. If Govern-

ment employees are going to run the economy of this country and if Congress is going to permit loopholes whereby Government employees operating with inside information can raise these economic storms from time to time, you can bet your life our people are going to be economically bull-whipped all over the economic lot time and again, and you will have no stability in prices or cost of living or otherwise. Now, those are the actual difficulties we are up against in connection with considering this amendment. I do not know any way in which you are going to be able to legislate honesty and fair dealing at the hands of Government employees who have their special friends on the outside and who can tip them off to what is going to happen in these great economic movements when the departments of Government say what shall happen to this commodity price or that commodity price and so on down the line.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MACKINNON].

The question was taken; and on a division (demanded by Mr. MACKINNON) there were—ayes 6, noes 27.

So the amendment was rejected.

The Clerk read as follows:

Salaries and expenses of district attorneys, and so forth: For salaries, travel, and other expenses of United States district attorneys, their regular assistants, and other employees, including the office expenses of United States district attorneys in Alaska, $5,200,000.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to take a moment to make a brief statement in respect to an item that has not been submitted in the appropriation bill which would continue the work of a special commission established by the State Department looking to the enactment of treaties with various countries in the North Atlantic, a work that has been conducted over a period of many years with formal discussions already had by representatives of the State Department with officials of Canada and Newfoundland.

The State Department for years has been working on this information in order that we might be able to effectuate a treaty among those whose nationals ply the North Atlantic fishing grounds so that in turn we might be able to conserve perhaps one of the greatest fishing areas in the whole world. When I tell you that the New England fisheries alone last year produced over 750,000,000 pounds of fish in 1947 and that the fishermen themselves received in wages from that production over $50,000,000 I do not need to tell you of the importance that the fisheries play in the food emergency that we are facing. The fishing industry is an important one and we ought to give every consideration to it.

Last year, however, Congress included an appropriation of $25,000 for the purpose of expanding the facilities of the State Department so that it could put its representatives to work in making a complete study of the over-all situation confronting the fishing industry in the North Atlantic, with the idea of coming to some kind of an agreement not only with Canada and Newfoundland but with a number of other European countries whose nationals fish in the North Atlantic.

Now, with that appropriation last year of $25,000 they have been able to make considerable progress. This year they had hoped to receive another appropriation of $30,000 that the State Department recommended to the Bureau of the Budget, but the Bureau of the Budget struck it out entirely, and as the report says here, the activities have been liquidated. Well, here we find ourselves with an expenditure of $25,000 for laying the groundwork for these international agreements relating to our fisheries, and all of a sudden we find the appropriations are cut off, and all the work that has been done has practically been of no value.

I have spoken about this to the members of the committee, whom I do not in any way blame for this situation, because it did not come up in the form of an item from the Bureau of the Budget, but realizing the value of such a treaty with these various governments whose nationals fish in the North Atlantic, we are hopeful that the other body will provide an appropriation in the bill when it gets over there as was recommended by the State Department. On the other hand, the members of the committee have assured me that they will give the matter very serious consideration when it goes to conference so that this very important work, that is so vital to conserving the fishing industry in the North Atlantic, will go forward. These are the greatest fishing banks in the world, and some international agreements should be entered into between this country and Canada, Newfoundland, Norway, Sweden, Denmark, and others interested in this very important industry.

I just wanted to say these few words as the bill was drawing to a close, with no criticism toward the committee, but hoping that when the bill goes to conference, the situation will be recognized.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I join in the remarks made by my distinguished friend, the gentleman from Massachusetts [Mr. BATES], and if the other body should insert an amount in the bill, I hope that the members of the subcommittee who will be on the conference committee will weigh carefully the remarks made by the gentleman from Massachusetts [Mr. BATES] and my own observations, and that in conference they will allow an amount to remain in the bill, assuming the other body puts in an amount, that will enable the carrying on of the activity which was authorized by appropriation for this fiscal year.

The fishing industry is the oldest industry on the Western Hemisphere; as a matter of fact, in a sense it antedated the settlement of the Western Hemisphere. It is an industry that covers all parts of our country; all along the North Atlantic, the Atlantic, the Gulf, the Pacific, and the Great Lakes. I am very pleased to note that recently those interested in the fishing industry, both management and labor, no matter where located throughout the country, united in the interest of the justifiable strengthening and furtherance of this basic industry, not only in a proper way that Government should participate in, but in an educational program to show the people of this country and other parts of the world the value of fish as a food.

Within the last month or so I was pleased to have several gentlemen from the west coast call to see me in connection with a united proposal to urge the State Department to establish an Assistant Secretary of State for Fisheries, and to be contacted also by friends of mine interested in New England, I think that should be done. I say "united" because I refer to representatives of the fishing industry throughout the country, and in "industry" I include labor. I mean it in its broadest aspect.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Washington.

Mr. HORAN. The subcommittee in writing up the bill took that matter into consideration. We had some difficulty in approaching it in that way. I assure the gentleman that in all fisheries matters he certainly has a sympathetic member on that committee in the person of the gentleman from Washington. I do hope we can work things out. The gentleman and the gentleman from Massachusetts [Mr. BATES] provide a service to one of our major industries by bringing this matter to the floor at this time.

Mr. McCORMACK. The gentleman is correct. I know of the gentleman's keen interest in the furtherance of the fishing industry, and I know that he as a member of the subcommittee and all the members of that subcommittee view the proper progress of the fishing industry in not merely a sympathetic but a most favorable light. I hope the State Department will recognize the importance of this big industry, the first one in the Western Hemisphere, by providing for it recognition which will give it dignity and strength by placing in charge of this matter an Assistant Secretary of State or some high official in the State Department, so that the fishing industry as a whole will be given that recognition to which it is entitled, which will be beneficial not only to the industry but to the people of our country.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Can the gentleman from Massachusetts give some idea of the dollar value of the tonnage referred to by the gentleman from Massachusetts [Mr. BATES]?

Mr. BATES of Massachusetts. The fishermen themselves receive over $50,000,000 as their share of the cost of production of 750,000,000 pounds of fish in the New England area alone. There is a total of over 4,500,000,000 pounds of fish produced in this country.

Mr. CRAWFORD. What I was getting at was this: We have a salmon fishery in the Alaskan waters which last year had a production of about $66,000,000 in value. I am talking about dollar

value now. I was trying to get a comparison of that with the value of New England production.

Mr. BATES of Massachusetts. I think the New England fisheries production is far in excess of that, because the $50,000,000 is just wages.

Mr. McCORMACK. I know the value of the entire fishing industry in this country is hundreds of millions of dollars. I suggest to my friend the gentleman from Massachusetts [Mr. BATES] that he get the figures and put them in the RECORD. I think that would be a valuable piece of information.

Mr. Chairman, I join my friend the gentleman from Massachusetts [Mr. BATES] in regard to the particular item to which he has addressed himself, and I know he joins me in the hope that the State Department will take the necessary steps to see that an Assistant Secretary for Fisheries is appointed or that there is some high official of the State Department designated whose responsibility it will be to deal with those problems that are connected with the fishing industry.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Those of us who are interested in fisheries all know that the country north of us, Canada, has already made fisheries a part of the Cabinet set-up.

Mr. McCORMACK. That is correct. They have given them what would be the equivalent of Cabinet status here.

Mr. BATES of Massachusetts. They are constantly increasing the appropriations to maintain the fisheries, while we as a result of our action on appropriations last year and this year are actually decreasing the appropriations for the fisheries of this country.

Mr. McCORMACK. The gentleman is absolutely correct.

Mr. Chairman, I rise to show that this question is one that is of interest to various sections of our country. This is an important industry. It employs hundreds of thousands of persons directly and indirectly. It is an industry which, in order to strengthen our economic system, should be encouraged in every way that it properly can be encouraged through legislative and governmental action.

Mr. HALE. Mr. Chairman, I rise at this time to express my regret that the committee did not see fit to include in this bill an appropriation to continue the studies which were begun last year toward developing an international conservation agreement among interested countries on methods to conserve the Northwest Atlantic fisheries. A draft or treaty already exists. Studies conducted by William C. Herrington of the Fish and Wildlife Service published in 1901 clearly indicated that uncontrolled fishing was endangering the supply of haddock. There was also unmistakable evidence that conservation measures will soon be needed to protect the Atlantic halibut, cod, rosefish and other ground fish. A $25,000 appropriation was made last year and an additional $30,000 to the Department of State is needed this year to carry on the work. In no other manner are funds available.

The National Fisheries Institute, the Massachusetts Fisheries Association, and the Atlantic States Marine Fisheries Commission, an organization of State conservation officials, have for some time been insisting that there be such an international conservation agreement. Labor unions, trade associations, boat owner groups, and a number of individual operators have for several years been concerned at the apparent reduction in quantity and size and the possibility of depletion of some of the more important species of fish in this area, which includes Georges Bank, the Grand Banks, the Nova Scotian Banks and other smaller fishing grounds north as far as Greenland and east to the Flemish Cap.

While I am on the subject of fisheries, I should also like to call attention to the bills which I have introduced—H. R. 4907 and H. R. 4909—which authorize the Fish and Wildlife Service of the Department of the Interior to make a comprehensive continuing study of the softshell clam and the methods of its conservation in the States of Maine and Massachusetts. The State of Maine is said to have derived a gross revenue of $7,000,000 from the sale of its clams last year and we want to do everything possible to arrest depletion in existing productive beds, to restore beds formerly productive, and to develop new digging areas and new methods and techniques in digging, transplanting, and handling clams.

All of us have been much exercised in the last few years about existing and threatened meat shortages and high meat prices. Probably the best answer to these difficulties is to be found in more fish and I am decidedly of the opinion that we cannot be too industrious or too intelligent about dealing with the problem. Historically and currently the New England fisheries play a great part in the life of the district which I represent and in the life of the entire Nation.

I hope that the other body may make the appropriation lacking in this bill.

Mr. NICHOLSON. Mr. Chairman, representing as I do the city of New Bedford and Woods Hole in the town of Falmouth, and Provincetown that has large fishery interests, I endorse the remarks of the gentlemen from Massachusetts [Mr. BATES and Mr. McCORMACK] in respect to an appropriation to continue the work of the State Department in its efforts to negotiate treaties with those countries whose nationals engage in fishery operations in the North Atlantic. New England produces practically one-sixth of the country's freshfish supply. The three leading ports of New England are Boston, Gloucester, and the city of New Bedford which is in my district. There was a total of over 77,000,000 pounds of fish landed in New Bedford during 1947 and the fishermen received nearly $9,000,000 in wages as their share. There are 30,000 fishermen and shore workers with 800 vessels of five net tons and over, engaged in the fishery industry of New England. About 7,000 smaller craft also are employed in the catching of fishery products. The New England fishery industry is an important industry from the standpoint of the food supply of this country. The North Atlantic is one of the greatest fishing grounds in the world. Fishermen, not only from the United States, but also from Canada, Newfoundland, Denmark, Norway, and other European countries fish in these waters. If the total catch of the nationals of all these countries were known, no doubt it would run a way over a billion pounds per year. The New England fishermen alone landed 750,000,000 pounds last year. Because of these large catches, it is greatly feared these fertile fishing grounds will be depleted unless conservation programs are put into effect at the earliest opportunity. The money that the State Department needs to carry on the work of formulating treaties with the countries I have mentioned so that steps can be taken toward conserving these great national resources should be given and I trust that the Congress this year will give the State Department the $30,000 it has requested which was cut out by the Bureau of the Budget. These funds are needed so that this Department can continue the work already well advanced toward entering into an international agreement with other interested countries. This appropriation, if inserted in the Senate bill, will have my hearty support when it comes back into the House for consideration.

Mr. RICH. Mr. Chairman, I move to strike out the last three words and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Chairman, I want to call the attention of the Members of the House to the copy of a broadcast script of the State Department program sent over the facilities of the National Broadcasting Co. on February 16, 1948. This came to me as an authentic description of what took place in the Voice of America program. I want to just read a part of this script for you, and then if you think that we ought to spend the taxpayers' money in this way, then I will have nothing further to say. I just feel like resigning from the Congress, because I think we are doing so many things that are just so silly and nonsensical that they do not make any sense at all.

Following is copy of a broadcast script of a State Department program sent over the facilities of the National Broadcasting Co. on February 16, 1948:

KNOW NORTH AMERICA

(NBC Spanish)

Music: Up and under.

Announcer: The National Broadcasting Co. presents Know North America, a weekly program in which we relate the intellectual adventures of two travelers who are discovering the multiple surprises and present-day life in the United States.

Music: Up and out.

Train sounds—establish and to background.

Voice: What book is that?

Narrator: Inside the United States.

Voice: Illustrated?

Narrator: Yes, it has more than 300 photographs and several maps.

Voice: Let me see it.

Voice II: You are like children. You are more interested in the illustrations than in the text.

Voice: In books, yes, but in women I like the text better.

Narrator: Materialist.

Voice II: O. K. You win.

Voice: As always.

Voice II: You are a plastic master. [Laughs.]

Voice: When you want to flatter me, use plain words, I mean a simple one. Thanks for the plastic, but I warn you it does not sound good to me.

Voice II: You have a vivid imagination.

Narrator: Let's see, give me the book, and then go on with the discussion.

Voice: Wait, I want to see the pictures of Colorado.

Narrator: What for? We just left there.

Voice: No matter how long I live, I will never forget the city of Denver.

Narrator: Where, according to the chamber of commerce, the air vibrates like a bell.

Voice II: And it's the truth.

Voice: The mountain paths, the plains, the canyon, the Brown Palace Hotel, and that Zeit's Cafe, full of vivid memories of the conquest of the West.

Narrator: Its owner is the only survivor of Buffalo Bill's companions.

Voice II: Every time I heard him talk, I felt like a little boy.

Voice: That's exactly why I like these trips: one sees, hears, and touches.

Narrator: Not as much as you would like to.

Voice: Of course not. But these travels are a sort of—of moving geography.

Narrator: And of history with seasoning?

Voice: Well, yes; although sometimes we have to swallow it plain.

Narrator: Is that an insinuation?

Voice: If this man were a baseball player, he would call strikes curves.

Both laugh.

Narrator: All right, all right. One of these days I'll get my revenge.

Voice II: On us?

Voice: How?

Narrator: Forewarned is forearmed.

Train up and under again.

Narrator: Although we still have not covered the whole country——

Voice: We are not complaining.

Narrator: I suppose that by now you have a pretty good idea of the United States.

Voice II: Of course we have.

Voice: When I was in my country and I heard people talk about the Octopus of the North I trembled with rage. But now I'd give anything to have the octopus devour me.

Narrator: The great thing about this country is not its big cities, New York, Chicago, Philadelphia, Los Angeles, but the interior, the part a tourist almost never sees—above all, the interminable and unique West, where the most extraordinary things are commonplace, because nature is in a perpetual state of exaltation as if she wanted to outdo herself.

Voice: That's all true, and maybe very poetic, but, frankly, the thing that surprises me most about the United States is that everywhere one finds the same conveniences; there is no difference between New York and the smallest town.

Voice II (laughing): There is always a five and ten.

Narrator: And the price is always the same.

Voice: To me, who am a perfectly common man, civilization is comfort.

Narrator: That is the continual concern of the Government, to raise the standard of living in the whole country; because if some live better than others, there is inequality.

Voice: And inequality is not democracy.

Train whistle.

Conductor (going through car): Next stop, Cheyenne; next stop Cheyenne.

Voice: What is he saying?

Narrator: Cheyenne is the next stop.

Voice II: So soon?

Voice: Cheyenne is the capital of Wyoming, isn't it?

Narrator: Officially, but the inhabitants of Casper, Cheyenne's rival city, say that their town is the real capital of the State.

Music: Up and out.

Station noises, voices, etc. Up and in BG.

Voice: What does that sign say?

Voice II: Looks like verse.

Narrator: They are short, rhymed lines.

Voice: Go on, read it.

Narrator: Wait (as if reading):

Traveler, no more adventures.
Pitch your tent in those grand heights.
You are at the end of your journey.
You are in Wyoming paradise.

Voice: The part about the end of the journey would not concern me if there were Eve in this paradise.

Narrator: There are plenty to choose from.

Voice II: And all kinds of snakes—especially rattlesnakes.

Voice: Not for me.

Narrator: Ingrate. It was because of the serpent that the apple did not rot on the tree.

Voice: Hmmmm! What a bad opinion you have of father Adam.

Mexican (slightly off): Gentlemen, I have a very nice little car at your disposal.

Voice II: This guy is a Mexican. Put away your dictionary—you won't need it here.

Narrator: In the West it is not necessary to speak English. The traces of Spain and Mexico will never be erased from these lands.

(Up.) Listen, fellow, where is your car?

Mexican: Right out here, señor.

Narrator: All right, let's go.

(As they walk.)

Voice II: Are you a Mexican or a gringo?

Mexican: Well, I'll tell you, señor, I am both. My parents were from Chihuahua, but I was born here and, so, I am a gringo, although I am far from a blond.

Voice: You can tell that you are a gringo, because your language is different from ours.

Mexican: But we'll understand each other because the word "dollar" is the same in all languages.

(Laughter into.)

Music: Up and under.

Narrator: Wyoming is the Bolivia of the United States. High, naked lands, exposed to the snow and the sleet. In territory, it is one of the vastest States of the Union, and nevertheless it has only 250,000 inhabitants, that is to say, one-tenth of the population of Brooklyn.

Voice: How can that be?

Narrator: That's just the way it is. In this immensity of marvelous mountains, there are only 327 inhabited towns, and of these 171 have fewer than a hundred souls.

Voice II: Then, this is a place of the future.

Narrator: Of course, it is. Wyoming is a colonizable State, it is a land of the future.

Voice II: How is it possible that this State can be so rich having so few people?

Narrator: Wyoming is an endless pasture, full of cows, sheep, and horses; two-thirds of its inhabitants are ranchers.

Voice: That is to say, in Wyoming the important thing isn't the people, but the cattle.

Narrator: In addition to meat and wool, there are great oil wells, there is gold and silver, and the production of beet sugar is greater than that of Utah and Colorado.

Voice: By the way, we are going to buy a pound of beet sugar, for a souvenir. It must be very pretty.

Narrator: Just like any other sugar.

Voice: Do you mean to say it is not red? [Laughter.]

Narrator: Listen, if that is a joke, it is a bad one.

Voice: You laughed.

Narrator: And if you said it seriously, you deserve to be tarred and feathered.

Voice: What for? Every human being has the right to say a few stupid things. The difference between us is that you say them solemnly, while I—I can't think of the word.

Narrator: I can. I have it on the tip of my tongue, but I don't dare say it.

(Street noises, up and behind.)

Voice II: How many inhabitants has Cheyenne?

Narrator: Thirty-five thousand.

Voice II: Anyone would think that it had more. It seems like a big city.

Voice: The buildings are tall and modern.

Narrator: Here in the business section, yes; but on the other side the city is more primitive, more western.

Voice II: Cheyenne also had its tumultous periods, didn't it?

Narrator: Yes; like all frontier cities, this one was a center of vice and crime.

Voice: A sort of real-life cowboy movie, with shootings and killings and held-up stagecoaches?

Narrator: Cheyenne was the last stop of the famous Wells-Fargo Express. Farther than this no one dared go, except in caravans, and very well armed. [Laughs.] Imagine how that must have been, if an American historian says this: "There was a time when all the inhabitants of Cheyenne were outlaws, including the mayor." [Laughter.]

Voice: I suppose that he was elected by his own gang, like in the movies.

Narrator: Of course. The laws of the State, even to this day, forbid the treasurer-general to serve more than 4 years.

Voice: Why?

Narrator: The governing officials in those days gave a very original and a very human explanation: "Everyone has the right to get rich, but anyone who cannot do it in 4 years should look for some other business."

Voice II: It seems impossible that these towns, so well-ordered, and so law-abiding, were semibarbarous regions 50 years ago.

Voice: What do you mean? Look at those cowboys, every one of them carries two guns!

Voice II: Really!

Narrator: In Wyoming all citizens are allowed to carry firearms if they keep them in plain view, like these cowboys.

Voice: Then this is a situation made to order for the gangster.

Narrator: That's what they thought. But in 1929 a Chicago gang hid out here, and the ranchers hunted them down like wolves.

Voice II: You don't say.

Narrator: Another peculiarity of Wyoming is that here nobody needs a driver's license.

Voice: That's the way it ought to be everywhere.

Narrator: This State, furthermore, has the honor of being the first one to give the vote to women.

Voice II: Yes? When was that?

Narrator: In 1869 when it was still a Territory.

Voice: You see? They had to make a mistake somewhere.

Narrator: And that is not all. In 1925 Mrs. Nellie T. Ross was elected Governor.

Voice: It's unbelievable. Texas and Wyoming; two such masculine States, have allowed themselves to be governed by women. What's the matter with these cowboys?

Voice II: Nothing at all. The more masculine one is, the more he favors the women.

Music: Up and out.

Narrator: The longest and most bitterly fought war in the history of Wyoming was not between the Indian and the white man but between (mixed sounds of cows and sheep) the early cowmen and the upstarts who filled the State with sheep (sheep up and behind). The cowboys saw, with horror, how the grass of their pasture was disappearing, eaten to the ground by the sheep. That seemed to them an outrage, a humiliation. Nevertheless, at the beginning the struggle was fair and legal, but when they became

convinced that arguments were useless, acts of violence broke out. Many men died and thousands of sheep were killed by running them into rivers and gullies, and they blew up the most prosperous ranches with dynamite. That war, like all wars, was a disaster for both sides.

Voice: Especially for the sheep who had to work overtime to recover their losses.

Narrator: But today nearly all the ranches in the State are mixed. However, one of the most important ranchers of Wyoming has said this: "It is sure that sheep produce more, but in cattle there is something of legend, something romantic—I do not know, but perhaps it is the combination of man and horse."

Music: Up and out. Large crowd, music, etc.

Voice: We certainly are having wonderful luck.

Voice II: To happen to be in Cheyenne at this moment.

Voice: And what is that they are celebrating—so that I can get enthusiastic, too?

Narrator: The past—the good old days—when Cheyenne was a lady of the world.

Voice II: And not an honorable and rich woman, as now?

Voice: Imagine how those times must have been, when they still miss them.

Narrator: The Frontier Day celebration is the most extraordinary festival of the West. People come from everywhere—from California to the Canadian border.

Crowd up. Big applause.

Voice II: Look! What magnificent Indian girls.

Voice: Feathered and naked.

Voice II: What are they going to do?

Narrator: Let me see the program. It's the 100-meter race.

Voice: Bravo! I bet $10 that the one with the blue kerchief wins.

Narrator: Laughs.

Voice II: What are you laughing at?

Narrator: Listen to the names of the runners: Alice, of the Red Lake; Zena, the wounded; Zonati, the one afraid of horses; and Julia, the great eagle.

Voice: The one I like is the wounded.

Crowd up, yells, etc., into.

Music: Band up and out.

Narrator: So we say good-by to Wyoming, the most cordial State of the Union, the most fertile, and the most primitive—with its innumerable hills covered with sheep, its mountains full of mines, and its vast plateaus trembling under the hoofs of wild horses.

Music: Up and out.

Announcer: You have just heard Know North America, a weekly program in which we relate the intellectual adventures of two travelers who are discovering the multiple surprises of historic and present-day life of the United States.

The following persons took part in the program. The production and direction were in charge of Juan Jose Vasquez.

Music: Up and out.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to my colleague the gentleman from Pennsylvania.

Mr. EBERHARTER. Does that script mention Pennsylvania as it does Colorado?

Mr. RICH. You read it tomorrow and get the whole text of it. Then you will wonder why you voted for the Voice of America.

Mr. EBERHARTER. I would like Pennsylvania to get a little advertising, and I am sure the gentleman would himself.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. NICHOLSON. Does the gentleman want the United States to print all that stuff in the RECORD?

Mr. RICH. Yes. I want the Members of Congress to see how silly they have been in voting this money for the Voice of America.

The Clerk read as follows:

FEDERAL PRISON SYSTEM

Salaries and expenses, Bureau of Prisons: For salaries and travel expenses in the District of Columbia and elsewhere in connection with the supervision of the maintenance and care of United States prisoners, $400,000: *Provided*, That not to exceed $3,500 of this amount shall be available for expenses of attendance at meetings concerned with the work of the Bureau of Prisons when incurred on the written authorization of the Attorney General.

Salaries and expenses, penal and correctional institutions: For expenses necessary for the support of prisoners, and the maintenance and operation of Federal penal and correctional institutions and the construction of buildings at prison camps, interment or transporting remains of deceased inmates to their relatives or friends in the United States, transporting persons released from custody of the United States to place of conviction or arrest or place of bona fide residence within the United States or to such place within the United States as may be authorized by the Attorney General, and the furnishing of suitable clothing and, in the discretion of the Attorney General an amount of money not to exceed $30, regardless of length of sentence; including purchase of 15 passenger motor vehicles; purchase of one bus at not to exceed $5,000; purchase of one large bus at $25,000 for replacement only; not to exceed $10,000 for expenses of attendance at meetings concerned with the work of the Federal Prison System when authorized in writing by the Attorney General; traveling expenses; furnishing of uniforms and other distinctive wearing apparel necessary for employees in the performance of their official duties; not to exceed $35,000 for the acquisition of land adjacent to any Federal penal or correctional institution when, in the opinion of the Attorney General, the additional land is essential to the protection of the health or safety of the institution; firearms and ammunition; purchase and exchange of farm products and livestock; $17,800,000: *Provided*, That section 3709 of the Revised Statutes, as amended, shall not be construed to apply to any purchase or service rendered under this appropriation when the aggregate amount involved does not exceed $500: *Provided further*, That collections in cash for meals, laundry, barber service, uniform equipment, and any other items for which payment is made originally from appropriated funds, may be deposited in the Treasury to the credit of the appropriation for maintenance and operation of the institutions.

The Clerk read as follows:

Medical and hospital service: For medical relief for inmates of penal and correctional institutions and appliances necessary for patients including personal services in the District of Columbia and furnishing and laundering of uniforms and other distinctive wearing apparel necessary for the employees in the performance of their official duties; $1,497,000: *Provided*, That there may be transferred to the Public Health Service such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditure by that Service.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

I simply do this for the purpose of calling the attention of the House to the fact that the script which my friend the gentleman from Pennsylvania [Mr. RICH] just referred to in the RECORD was prepared by the National Broadcasting Co. and not by the personnel of the State Department.

The Clerk read as follows:

Current census statistics: For expenses necessary for collecting, compiling, and publishing current census statistics provided for by law; temporary employees at rates to be fixed by the Director of the Census without regard to the Classification Act; the cost of obtaining State, municipal, and other records; preparation of monographs on census subjects and other work of specialized character by contract; purchase, construction, repair, and rental of mechanical and electrical tabulating equipment and other labor-saving devices; tabulating cards and continuous form-tabulating paper; $3,729,000.

Mr. GARY. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. GARY: On page 46, line 21, strike out "$3,729,000" and insert "$7,120,000."

Mr. GARY. Mr. Chairman, this amendment will restore $3,391,000 cut from the budget for current census statistics, by the committee. The appropriations for the Bureau of the Census are $4,000,000 less than the 1948 appropriation, notwithstanding the fact that the Bureau has begun preparation for the seventeenth decennial census in 1950.

The proposed cut added to the very material reductions of last year will seriously impair the efficiency of the Bureau of the Census; in fact, very few of the activities of the Bureau will remain. I called attention on yesterday to the very great importance at this time of statistics for the guidance of business and even for the guidance of the Congress and Government departments; and yet here we are practically eliminating the sole means that we have of securing those statistics. One item that has been cut out has been statistics with reference to cotton. The Census Bureau has been collecting these statistics for 50 years. They are used not only by the producers of cotton but also by the textile mills and other people processing and handling cotton. Mr. Chairman, I am merely trying to restore the item, and I hope the committee will see fit to restore it.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there are some real reasons for the reduction in this item. The committee is providing $2,676,000 to prepare during this year for the seventeenth decennial census which is to be taken in 1950, and that will cost the taxpayers of the United States from $70,000,000 to $75,000,000. We are providing every possible assistance to the Census Bureau to get ready for that very important task. It will require thousands of people, part-time employees, to gather and compile that very census. Presently, many forms of current statistics are being gathered by private institutions. For instance, the Metropolitan Life Insurance Co. indicates that the population of the Pacific coast area has increased more than 40 percent in the past 7 years. Other companies and organizations are gathering current statistics. We also provide considerable money for

current statistics. Many of them are being gathered on a monthly instead of a quarterly basis. We are endeavoring to arrive at some means of saving just a little money in order to have sufficient on hand when we are going to be called upon to appropriate around $70,000,000 to $75,000,000 for gathering complete statistics in connection with the regular decennial census in 1950.

Regarding the cotton ginning statistics, it is true that not only the Census Bureau but also the Department of Agriculture is authorized to gather cotton statistics. We thought it was only economy to turn it over to the Department of Agriculture to perform. Why have two agencies of government gathering cotton statistics even though both were authorized to do so?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. GARY. My purpose is to ask about these cuts in statistics. I notice from the committee's report they agree that these statistics must be obtained.

Mr. STEFAN. We certainly want them.

Mr. GARY. We have just concluded the marking up of the Agriculture appropriation bill. No provision whatever has been made for the Department of Agriculture to take over this work. As I understand it, under the basic law the Bureau of the Census is charged with the duty of doing this work; and I just wondered how the mechanics of taking over from this agency could be worked out. Should a report be made to the Subcommittee on Agriculture?

Mr. STEFAN. I may say to my friend from Virginia that we studied this matter very carefully. The suggestion was made to us to consider the transfer of cotton statistics from the Commerce Department to the Department of Agriculture. The gentleman's statement is quite convincing. I have talked to the gentleman from Mississippi [Mr. WHITTINGTON] about it, and if it is satisfactory to the gentleman from Mississippi and the committee I will take the matter up with the Department and the members of the Senate Appropriations Committee. I am sure we can arrive at some satisfactory conclusion in the transfer we suggest. I may say to the gentleman that we certainly are not going to interfere with the gathering of cotton statistics.

Mr. WHITTEN. The agricultural bill will be up here in about 10 days for consideration, and there is no provision being made in it to take over this work.

Mr. STEFAN. I assure the gentleman from Mississippi that a very fine conclusion will be reached in connection with the cotton statistics item in this bill.

Mr. WHITTEN. I am glad to hear the gentleman say that this work will be carried forward.

Mr. STEFAN. Mr. Chairman, I hope the amendment will be rejected.

Mr. HORAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, last year we went into this matter of duplication of services quite fully with Mr. Capt, of the Census Bureau, and at that time he indicated to us something that does need clarification. On page 210 of last year's hearings, in reply to a question of mine, Mr. Capt stated:

> We know in a general way about what other agencies collect, but the Bureau of the Budget has a responsibility under the law to see that duplication does not exist and where it is found, to eliminate it.

We have nothing in the hearings, to my knowledge, that would indicate any clarification of the present position. I do know that the responsibility for collecting all sorts of agricultural statistics is claimed by the Department of Agriculture. I submit that the Congress could very well explore this matter and cut out duplication. As it is we have allowed for this one item almost as much as the whole Bureau of the Census received in 1937.

Mr. Chairman, I suggest that the pending amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. GARY].

The amendment was rejected.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Virginia [Mr. GARY] made the statement that the broadcast which the gentleman from Pennsylvania [Mr. RICH] referred to on the floor and read part of was not sponsored by the State Department nor paid for by the State Department, but was a National Broadcasting proposition. I want to say that that broadcast was furnished to me following my request to General Marshall for all broadcasts on the sixteenth day of February 1948, and that particular one was furnished me.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. May I say I did not make the statement that it was not sponsored by the State Department, I did not say that it was not paid for by the State Department. What I did say was that my good friend the gentleman from New York [Mr. TABER] has insisted throughout that the State Department should use the facilities of private organizations and that the script which was read on the floor, according to my information, was prepared by the National Broadcasting Co. It was one of the scripts which was given over the radio because the State Department is trying to follow out the instructions or views of the committee that it use private agencies. The script was prepared, as I understand it, by the National Broadcasting Co., and not by the State Department.

Mr. TABER. But it is just as bad. It does not make any difference. The State Department is just as blameworthy as they would be if they had prepared it themselves. They had it prepared, and they used it, and it was one of those that they submitted as having been issued under the so-called Voice of America when it is a type of thing that they are putting out themselves.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. STEFAN. I was informed, Mr. Chairman, that the Department of State not only O. K.'s these scripts, but they pay for them.

Mr. TABER. That is correct.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the State Department also pay for the time on the radio?

Mr. TABER. Oh, yes.

Mr. CRAWFORD. That is all paid for?

Mr. TABER. Yes.

Mr. CRAWFORD. In other words, it is a State Department proposition all the way through?

Mr. TABER. Yes.

Mr. CRAWFORD. The same as if you hired me as your attorney or accountant, or otherwise?

Mr. TABER. Yes.

Mr. CRAWFORD. You pay the bill?

Mr. TABER. Yes.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. RICH. The point that I make is that it is bad enough to have it go over the air, but when you think that we are taxing the American people to pay for such trash as that, then it is just too bad.

Mr. TABER. That is right.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITTINGTON: On page 46, line 21, strike out "$3,729,000" and insert "$3,899,000."

Mr. WHITTINGTON. Mr. Chairman, I am very grateful to the distinguished chairman of the subcommittee, the gentleman from Nebraska [Mr. STEFAN], for his statement that it was not the intention of the committee to eliminate the provision for collecting cotton-ginning statistics. But, I want to say this: In good faith, it does strike me that this amendment should be adopted in order to effectuate the assurance that the chairman has given to the committee. This amendment will add $170,000 to the amount in the paragraph and provide and be intended to provide for the collection of cotton-ginning statistics.

The report of the committee states on page 21 that it is intended to reduce the items, including: "Cotton statistics, $115,000."

I read further from page 21 of the report:

> Cotton (agriculture) statistics: The reduction in this item is predicated on the apparent duplication that exists between the Bureau of the Census and the Department of Agriculture with respect to statistics on cotton ginning and cotton production. It is believed that considerable economy would result if the collection of these statistics were transferred to the Department of Agriculture. It is realized, of course, that these statistics are necessary.

The mere elimination of this item from the bill, as stated by the committee in its report, will not result in a transfer of

this function to the Department of Agriculture.

I oppose duplication. The Department of Agriculture undertakes to collect statistics with respect to the production of cotton, of wheat, of corn, and of other products, and they do send out questionnaires. But I can recall as a cotton grower when the growers as well as the consumers of the country were dependent upon the reports as to ginnings, and upon the reports as to production by the cotton buyers, by the speculators, those who rigged the markets. The Congress provided in 1924, having previously provided more than 20 years before that, that there should be 12 collections of cotton ginnings from the cotton gins during the season. Visits have been made to those gins to collect for years. I respectfully submit that not only the cotton growers but that the users and consumers of cotton in this country ought to be protected, because without this provision now, which is not a duplication, which collection could not be transferred to the Department of Agriculture by a report of this committee, that a very great injustice is done to the people of the country, including both the consumers and the producers, because you set back the matter 50 years by making the people of the United States dependent, as I used to be as a cotton grower, upon what the cotton buyers and the speculators said as to how much cotton Texas was going to raise, as to how much cotton was going to be ginned, and as to how much the other States were going to produce, or had ginned.

I now read from the hearings. When this item was reached, the distinguished gentleman from Nebraska the chairman of this committee [Mr. STEFAN], who has very frankly stated that he does not want to interfere with this vital function, questioned the Director of the Census and his assistant, Mr. Eckler, and I read from page 127 of the hearings:

Mr. STEFAN. Let us go into agricultural statistics, item No. 6. That is $340,000. What is the reason for that?

Mr. ECKLER. One-half of that is for the preparation of cotton statistics for which there is specific legislation, which we will present for the record.

That specific legislation was presented for the record, and it is to be found in United States Code, title 13, paragraphs 71 and 72. That title of the code provides that the Director of the Census is authorized and directed to collect these cotton-ginning statistics. That act was amended just before I came here in 1924, by a Republican administration, because the virtue of the act was recognized. It was intended to protect those who use cotton as well as those who produce it, who had therefore been at the mercy of the speculators and those who rig the market.

The gentleman from Nebraska [Mr. STEFAN], the chairman of the committee, stated it was not the purpose to abolish the collection of these statistics. I state that the collection is made mandatory by the substantive law, as I stated, by title 13 of the United States Code, paragraphs 71 and 72. I state, as a lawyer, that the language of the committee report, that the function should be transferred to the Department of Agriculture, is not sufficient to transfer the function or to abolish the existing statute. The only way it can be transferred is by amendment to existing law.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Nebraska.

Mr. STEFAN. In answer to the gentleman's statement, may I say that the fact that an expenditure is authorized does not mean that we have to appropriate money for it. That is an argument about which I shall have something to say in my own time in just a minute.

Mr. WHITTINGTON. I agree with the gentleman. I say that every year there has been an appropriation for this purpose. The gentleman says that statistics should be collected, and he thus approves an appropriation. It is a small item, but I do not know of any item that is more beneficial to the consumers, those who buy as well as those who produce cotton than as to the amount of cotton ginned. There was a drop in the cotton market very recently of $20 a bale because of certain conditions, but it was not because of the production of surplus cotton.

If the statute ought not to be executed, the committee would be justified in not making an appropriation, but I rely upon the statement of the chairman made in the report that the statistics ought to be furnished. This is not an authorization for which an appropriation should not be made. I am most grateful to the gentleman from Nebraska [Mr. STEFAN] for saying that it is not the purpose of the committee to eliminate the function, but it is the duty of the House to correct the mistake if any mistake has been discovered. Let us insert the $170,000. If it is found then that it is not proper, it can be taken out in the other body. But this House has a duty to perform. That appropriation has been made through the years, and in view of the language in the report, the only way it can be provided for is by an appropriation for that purpose, by the adoption of my amendment, which I trust the committee will accept.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman is absolutely right when he states that the committee, and especially I as chairman of the subcommittee, agree on the value of these cotton statistics. I think the gentleman from Mississippi and I are aiming at the same objective: We are against duplication. For his information, may I say that the majority of the committee felt, after analyzing the situation in the Department of Agriculture and the Census Bureau, that the act of April 2, 1924, should be amended to consolidate the ginning and farm stock reports in one agency in the Department of Agriculture. It has been determined by conference with the officials of the Department of Agriculture, which department also collects statistics on cotton ginning and cotton production, that the Department of Agriculture could incorporate the present census activity into its endeavors at a modest cost and that elimination of duplication would result.

The cost of this series of cotton reports by the Census is extremely costly, over $100,000, and could be performed by the Department of Agriculture at a fraction of that cost.

The gentleman from Mississippi seeks to amend on page 46 the appropriation for the Department of Census, adding $170,000 to the total of $3,729,000, making a total of $3,899,000. The gentlemen from Mississippi [Mr. WHITTINGTON and Mr. WHITTEN], one being on the Appropriations Committee for the Department of Agriculture and the other having a great deal to do with the Committee on Agriculture of the House have convinced me that perhaps something should be done in the House on this very important item at this time. If there is any doubt in the minds of you gentlemen at all that this cotton ginning statistics program cannot be carried on and that we cannot get this matter into the Department of Agriculture so that we can eliminate duplication, I wish to state that so far as I personally am concerned, I will accept the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. WHITTINGTON. I assure the gentleman as a cotton grower that there is no duplication involved here, although I know there may be duplication in other instances.

Mr. STEFAN. I am accepting the amendment so far as I personally am concerned.

Mr. WHITTINGTON. The information collected by the Department of Agriculture has to do with cotton forecasts and there is no duplication on this very, very important item. I agree with the gentleman and thank him for accepting the amendment. I think you are doing the right thing.

Mr. STEFAN. I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The amendment was agreed to.

The Clerk read as follows:

CIVIL AERONAUTICS ADMINISTRATION

Salaries and expenses: For necessary expenses of the Civil Aeronautics Administration in carrying out the provisions of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 401), and other acts incident to the enforcement of safety regulations; maintenance and operation of air navigation facilities and air traffic control; furnishing advisory service to States and other public and private agencies in connection with the construction or improvement of airports and landing areas; and the disposal of surplus airports; including personal services in the District of Columbia; hire of aircraft (not exceeding $395,000); the operation and maintenance of 226 aircraft, but not more than 85 Government-owned aircraft shall be maintained or operated by the Civil Aeronautics Administration after September 30, 1948; contract stenographic reporting services; fees and mileage of expert and other witnesses; purchase (not to exceed 150) and hire of passenger motor vehicles; purchase

and repair of skis and snowshoes; and salaries and traveling expenses of employees detailed to attend courses of training conducted by the Government or other organizations serving aviation; $82,451,000, and the Departments of the Air Force, Army and Navy, are authorized to transfer to the Civil Aeronautics Administration without charge aircraft engines, parts, flight equipment, and hangar, line, and shop equipment surplus to the needs of such Departments: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, and other public authorities for expenses incurred in the maintenance and operation of airport traffic control towers: *Provided further*, That the Reconstruction Finance Corporation, as successor to Defense Plant Corporation and acting by and through the War Assets Administrator, is authorized and directed to transfer to the United States and jurisdiction of the Federal Works Agency (Public Buildings Administration) without charge a tract of land and the improvements thereon at Los Angeles, Calif., covered by lease dated January 1, 1947, between the Civil Aeronautics Administration and the Reconstruction Finance Corporation and surplus to the needs of the Corporation: *Provided further*, That the Civil Aeronautics Administration is authorized to transfer to the Departments of the Air Force, Army, and Navy, without charge, aircraft, aircraft engines, parts, flight equipment and hangar, line, and shop equipment.

Mr. NICHOLSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLSON: On page 48, line 9, strike out "$82,451,000" and insert in lieu thereof "$82,485,854."

Mr. NICHOLSON. Mr. Chairman, the committee had no cognizance of the necessity for this amendment until the last 3 or 4 days. This is an amendment to allow the operation of a control tower in the city of New Bedford, which is a city in the State of Massachusetts which I have the honor to represent. We already have authority from the CAA at the present time to have an instrument-landing system installed. I have no fault to find with the Committee on Appropriations. I think the chairman of the committee is about as strong an oak as there is in this country. I find no fault with him.

All I am asking is $34,000 in one appropriation and $40,000 in another. I would like to call to the attention of the Members who do not come from Massachusetts, that this is considered the summer playground of the world. We lose money and lives by not having equipment of this kind. I am asking the Congress to do something for Massachusetts and New England.

The committee has not considered this installation because they never had an opportunity. Since I came here recently, the CAA has advised me that the traffic at the New Bedford Airport justifies the need for the control tower. I am asking the Congress to appropriate an item of approximately $70,000 to give us the control tower which will serve southeastern Massachusetts, representing about a million people.

This year the New York, New Haven & Hartford Railroad has said it is going to abandon passenger service on the Old Colony line. How are we going to reach Cape Cod, one of the greatest resort sections there is in the United States? All I am asking, Mr. Chairman, is that we appropriate $34,000 under this item, which puts up the tower, and $40,000 under the next item, which will maintain it and carry it along. After all, the airport was built by the municipality.

I hope you will listen to me, because I think the chairman of this committee and other members, had they been advised of the situation, would probably have included it in the budget.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment. I appreciate very much the interest of the gentleman from Massachusetts [Mr. NICHOLSON] in civil aviation. I have discussed with him at great length the importance of New Bedford, Mass., as a place for visitors from all parts of the country and the world and its great importance regarding air traffic. New Bedford, because it is fog-bound a great deal of the time, has been given considerable encouragement by the Civil Aeronautics Administrator, who is going to install in New Bedford this year an ILS system in order to take care of the air traffic which cannot land there during zero weather.

The matter of control towers, however, is a very controversial one. Before the war the municipalities and States which had airports paid for the operation of the control towers themselves. During the war, when our armed forces needed airports, they took over quite a few airports in this country and paid for the operation of the control towers because they had to have a standard system of air traffic and air-traffic control. After the war, however, they released these airports and with them the control towers, and immediately officials of commercial air lines in the various cities bombarded the Congress, with the result that control towers for 125 locations came into the appropriation bill. We are appropriating money to operate 153 of them now. In this bill, however, we have added 15 more, at the recommendation of the Administrator. There are 15 others which meet the requirements, but for which no money was requested. As you know, they have to have a minimum number of control points before they are allowed to come into the program. However, we cannot appropriate money to provide the operation of a control tower in every town in the United States that wants one. I will assure the gentleman that there will be at least 100 towns in the United States which are perhaps presently or will soon be eligible with the minimum number of traffic points to come to Congress and ask for money to pay for the operation of their control tower.

This committee cannot designate a control tower here and a control tower there. It must be done by an administrator of an agency. The Administrator of the CAA has not recommended at this time the operation of a control tower at New Bedford, Mass.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The reason I offered the amendment was because the CAA had recommended this, had said after a thorough study that we had more points than they required.

Mr. STEFAN. Yes; the gentleman's town has 19,000 points, I understand. The CAA, however, did not come before the committee and justify the operation of a control tower at New Bedford, Mass., or at a hundred other points that would like to have control towers. Unquestionably the CAA told the gentleman that New Bedford met the requirements; but they have not told the committee which held hearings on this bill for many weeks, that they wanted a control tower located at New Bedford, Mass. Perhaps next year they will recommend New Bedford and we will give it consideration. This committee has provided a tremendous amount of money, I may say to my colleague from Massachusetts, for the operation of the CAA. Approximately $154,000,000 of the appropriation for the Department of Commerce goes for aviation.

The CHAIRMAN. The time of the the gentleman from Nebraska has expired.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not going to take much of the time of the House. I merely want to say that I agree with the remarks of the chairman of our committee and ask the members of the committee to support him in his opposition to the amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The chairman of the committee said that the committee had not been officially advised by the CAA in reference to the New Bedford control. Apparently the gentleman from Massachusetts [Mr. NICHOLSON] has had a talk and I assume from what has taken place they told him personally about this situation. Is that correct?

Mr. NICHOLSON. Yes.

Mr. McCORMACK. We know the predicament of the committee, of course. If between now and the time the bill is considered in the Senate the CAA should in writing or in the proper way notify the Senate committee and if these items should be inserted in the bill by the Senate, will the members of the House committee in conference give serious consideration to concurring?

Mr. STEFAN. I may say to the gentleman from Massachusetts, in answer to his question, that we cannot do that because it would be discrimination. There are fifteen or twenty others that have been waiting for years for the same service and some of them, I can assure the gentleman, are in very important locations in our country. They are in strategic areas. We have 40,000 miles of Federal airways and we are endeavoring to build these towers under a standard program in order to make air safety more certain. We cannot discriminate against those who are on the waiting list.

Mr. McCORMACK. In view of the statement that there has been no official

notification, and apparently the gentleman from Massachusetts has received verbal notification to him personally, I wanted to find out whether or not it would be possible to have favorable consideration given this year if later the Senate committee was notified and the item put in. However, I hope if the Senate puts an amount in while the bill is in that branch, the House conferees will act favorably on it and concur in the Senate amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. NICHOLSON].

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 9, noes 43.

So the amendment was rejected.

Mr. MARTIN of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have requested this time in order to ask the chairman of the subcommittee, the gentleman from Nebraska [Mr. STEFAN], about the policy of his Subcommittee on Appropriations regarding the administration of the Civil Aeronautics Administration.

On page 25 of the committee report, House Report 1433, Eightieth Congress, second session, appears the following statement:

> Instances have been called to the attention of the committee wherein approval for a certain class airport has been given despite the fact that a similar or nearly similar class airport existed in the immediate vicinity. It is not known, of course, how many instances such as this exist throughout the country, but the committee intends to go into this matter more fully in the future, and should it become warranted, it may be obliged to make appropriations on an individual project basis.

If I understand this statement correctly, it has reference to future appropriations and does not indicate a policy of earmarking by congressional action any funds provided for in the bill now under consideration or heretofore appropriated.

On page 723 of the hearings before the subcommittee the gentleman from Nebraska, Chairman STEFAN, made the statement that the committee had nothing to do with the administration of CAA in administering or carrying out the laws governing that administration. The bill now before Congress for consideration, H. R. 5607, provides on page 52 for the appropriation of $40,000,000 for the Federal aid airport program, and on pages 283 and 284 of the hearings the spread of the allocations planned by CAA is discussed. My question is this, Does the subcommittee of the Committee on Appropriations plan to exercise any jurisdiction over the allocation of these funds or any unexpended funds heretofore appropriated for the Federal aid program to the extent of directing CAA as to what specific projects CAA shall allocate the funds heretofore appropriated and the funds provided for in the bill now before the House for consideration?

Mr. STEFAN. We do not try to administer, but we take a great interest in the pattern that is being followed in order that the funds appropriated by Congress are spent judiciously and properly. However, the location and the selection of airports is a matter between the Administrator of the CAA and the municipal locality or the State or the group that is planning to build airports.

Mr. MARTIN of Iowa. I thank the gentleman for that information.

Whenever the Committee on Appropriations undertakes the study indicated on page 25 of the committee report referred to in the afore-mentioned quotation I will want to be heard by the committee and I will appreciate the committee having some of my constituents appear as witnesses before the committee to set out more fully the record of developments and proceedings concerning the proposed airport at the Mount Joy site near Davenport, Iowa, in my congressional district. Some of the statements made before the committee on February 5 and appearing in the committee hearings on pages 719–723 need considerable clarification whenever your committee undertakes this study. I will not take the time of the House of Representatives to discuss this matter in detail at this time, but I wish to endorse wholeheartedly the statement of the gentleman from Nebraska, Chairman STEFAN, appearing on page 723 of the hearings that "there must have been some reason for CAA recommending an airport in Iowa 9 miles away."

Mr. RIZLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to get the attention of the chairman of the subcommittee, or somebody who can furnish some information, a question with respect to this matter. Congress has heretofore shown that it is alert toward a proper program for aviation. I have been looking at this bill, particularly at page 52, where this committee recommends that we appropriate $37,000,000, of which $36,500,000 shall be for projects in the States in accordance with sections 5 (b) and 6 of said act and $500,000 shall be for projects in Hawaii and Puerto Rico. I have also examined the report attached to the bill and I cannot find either in the report, in the bill, or in the hearings, where this $37,500,000 is going to be expended.

Mr. STEFAN. I can tell the gentleman where it is going to be spent all right, because I recently requested a list from the CAA. If the gentleman is interested in Oklahoma, I can tell him now where it is planned to build.

Mr. RIZLEY. I am not asking about any control stations or any airports in particular, but I think this Congress has some obligation to see to it——

Mr. STEFAN. Mr. Chairman, if the gentleman will yield, all of that information is available from the Civil Aeronautics Administration, and all Members are entitled to that information. We passed a law setting up a Federal airport program. The reason we did not give them $40,000,000 in cash is because we found they had too much cash on hand now and had not spent it. They have had perhaps about $2,000,000 really allocated and spent. They have about $67,000,000 on hand. These are round figures and are not absolutely correct. Instead of giving them $40,000,000, we give them $37,000,000 more for contract authorization and $3,000,000 for administration, because they are just beginning to get into the program, and they will need that administrative money.

Mr. RIZLEY. I am not finding fault with this committee in not appropriating enough money; what I am attempting to do is to find out whether we are wisely appropriating this money.

I should like to know whether under the program of the Civil Aeronautics Administration, in which they propose to spend $37,500,000, they may be duplicating in many instances airports that have already been established and paid for by cities themselves. I am wondering whether now, just because we have a program for Federal aid for airports, we should appropriate money for specific airports, using Federal funds to build airports to satisfy the whims of some particular cities. It seems to me that Congress could better vote on this total amount of $37,500,000 if somewhere in the bill or the report it was set out where these airports are going to be built and who is going to get this money. Somebody might know of some city that is trying to get an airport by the expenditure of a lot of Federal funds, where it would duplicate an airport not needed at all. I am not criticizing the committee, but I cannot ascertain from reading the bill or the report where these airports are to be built, and I just do not know how to vote on these lump-sum appropriations. We have to take them on faith, I assume.

Mr. STEFAN. It was impossible to put into the record the thousands of airports with which the CAA is dealing. However, a record of what they are planning to do in 1949 has been furnished the committee and is available to every Member of the House. I have now turned to the page relating to Oklahoma.

Mr. RIZLEY. I am not talking about Oklahoma; I am talking about the overall program.

Mr. STEFAN. The information the gentleman is seeking is available here. As to the duplication of airports, where they are competing with one another, much of what the gentleman says is true. However, during the vacation last summer, some members of the committee made an exhaustive investigation and visited 20 or 30 States in regard to the problem the gentleman is now discussing. We feel that the matter now is much improved over what it was when the gentleman first got his information.

The Clerk read as follows:

> Federal-aid airport program, Federal Airport Act: For carrying out the provisions of the Federal Airport Act of May 13, 1946 (except sec. 5 (a)), $3,000,000, and in addition, the Civil Aeronautics Administration is authorized until June 30, 1953, to enter into contracts and incur obligations for purposes of this paragraph in an amount not exceeding $37,000,000, of which $36,500,000 shall be for projects in the States in accordance with sections 5 (b) and 6 of said act, and $500,000 shall be for projects in Hawaii and Puerto Rico in accordance with section 5 (c): *Provided*, That the amount of $3,000,000 appropriated herein shall be available as one fund for necessary planning, research, and administrative expenses; including personal services in the District of Columbia; and hire of passenger motor vehicles; of which $3,000,000 not to exceed $223,500 may be transferred to the appropriation "Salaries and expenses, Civil Aeronautics Administration," to pro-

vide for necessary administrative expenses, including the maintenance and operation of aircraft, and $18,000 may be transferred to the appropriation "Printing and binding, Department of Commerce": *Provided further*, That the appropriation under this head for the fiscal year 1948 is hereby merged with this appropriation.

Mr. WILSON of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILSON of Texas: On page 52, line 7, after "exceeding", strike out "$37,000,000, of which $36,500,000" and insert in lieu thereof "$34,392,000, of which $33,892,000"; and on page 52, line 23, after "appropriation" add the following: "*Provided further*, That no part of the appropriation herein made shall be expended on the development of Forth Worth International Airport in Tarrant County, Tex."

Mr. WILSON of Texas. Along the line the gentleman from Oklahoma and the gentleman from Ohio have been talking about, I have offered an amendment on page 52 to strike $2,608,000 from both of these items by marking the $37,000,000 down to $34,392,000 and the other figure down to $33,892,000. I have made two statements on the floor also in the past 3 or 4 days about this matter which many of you, I am sure, have not read or did not hear. I made a speech yesterday afternoon. Here in a nutshell are the facts. We have a great airport at Love Field. The citizens of Dallas have an investment of $12,000,000. The Army took that airport over during the last war and during the First World War. During the last war, that is World War II, the Army built certain hangars and extended the runways a little bit and spent some 4 or 5 million dollars in hangars, much of which is not material to the airport now. Fort Worth has an airfield by the name of Meacham Field. It is a fine field. But the CAA at the instance and request of the air lines went down into that part of the country right between Dallas and Fort Worth, a little closer to Fort Worth than to Dallas, and bought 632 acres of land. In order to save the air lines money, they propose to relegate Love Field and Meacham Field to auxiliary second-rate feeder airports. It was said on the floor yesterday afternoon by my friend and colleague from Tarrant County, the gentleman from Texas [Mr. LUCAS] that Dallas was sore because Fort Worth wanted an airport. He knows that is not the fact. Fort Worth has an airport and has received Federal aid for Meacham Field for years. Dallas has an airport and has also received, not from the CAA, but back in the leaf-raking days, money from the Federal Government and the Army during World War II, so that four-motor bombers could land, extended the runways, and built certain hangars and shops. But the CAA proposes now to spend millions of dollars of the taxpayers money building that new airport to be known as the Fort Worth International Airport proposing to destroy Love Field and build a useless airport 12 miles away so that they can move all the air lines over to that airport and cause the citizens of Dallas who furnish 83 percent of the air-line traffic and 87 percent of their cargo traffic in the Fort Worth and Dallas area and Dallas who gets and sends more air mail than San Antonio, Houston, and Fort Worth put together, a great deal of inconvenience.

My friends, as I say I have voted three times for tax cuts since I have been here, which is a year and a half. I voted to override the President's veto two times and I intend to vote to override it the third time. But I say in connection with that, that we must save some money and quit spending Federal money foolishly building airports where they are not needed and certainly not between Dallas and Fort Worth. My friends, the engineers' report itself says that this airport will only do for a few years, that is the International Airport at Fort Worth, and then a larger airport will have to be built a little farther out between Denton, Fort Worth, and Dallas. I say the engineers in Dallas are fair-minded people who are conversant with the facts, and they say that Love Field is big enough to take care of the traffic around Dallas and that whole area for the next 15 years.

Mr. JENKINS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield.

Mr. JENKINS of Pennsylvania. If I understand the gentleman correctly, the expenditure of this $2,600,000 will simply result in rendering useless the amount of money already put into both of these fields?

Mr. WILSON of Texas. That is right. That is entirely correct. That will only save the airlines $10,000 a month and it will increase the money which the passengers who travel the airlines from Dallas will have to spend between one and two million dollars in taxicab and limousine fares to go from Dallas to this new airport 19½ miles away. The postmaster at Dallas estimates that it will cost $54,000 per year more to handle the mail.

The CHAIRMAN. The time of the gentleman from Texas [Mr. WILSON] has expired.

Mr. WILSON of Texas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. STEFAN. Reserving the right to object, Mr. Chairman, there is a very important program of 1 hour to follow this afternoon, Pulaski Day. Judge SABATH is chairman of that program and I have been requested to move that the Committee do now rise.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. LUCAS. Mr. Chairman, reserving the right to object, I would like to speak on this matter. I know it will be important and I would like to listen to the ceremony but it is also important that Fort Worth get a new airport.

Mr. STEFAN. I think we could devote more time to it tomorrow. I ask unanimous consent, Mr. Chairman, that the gentleman from Texas [Mr. LUCAS], have 5 minutes at this time after which I will request that the Committee do now rise.

Mr. WILSON of Texas. Does the House object to my having five more minutes either now or tomorrow? I have not had an opportunity to discuss this.

Mr. STEFAN. I would not object to the gentleman talking from now on because I think he has a very important message. So has the gentleman from Texas [Mr. LUCAS]. I think both of those messages are very important. I am very happy that the Members of the House are taking an interest in aviation and that some of them know something about it. I think it is very healthy that this airport bill be discussed and aired in this House. I would like to devote considerable time to it, but I have been requested to move to rise at this time.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. GARY. I suggest that this matter go over until tomorrow, with the understanding that the gentleman from Texas [Mr. WILSON] have 5 minutes tomorrow and then the gentleman from Texas [Mr. LUCAS] have 10 minutes in reply.

Mr. WILSON of Texas. That is perfectly satisfactory to me.

The CHAIRMAN. Does the gentleman from Virginia make that as a unanimous-consent request?

Mr. GARY. I do, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. CRAWFORD. Reserving the right to object, Mr. Chairman, do I understand that that request provides that none of the rest of us may talk on this particular issue? I am in favor of the amendment and I want to discuss it.

Mr. GARY. No; I do not want to limit anyone else. I just wanted to make it plain that the gentleman from Texas [Mr. WILSON] will have 5 minutes tomorrow and that the gentleman from Texas [Mr. LUCAS] will have the same amount of time to reply.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. GARY]?

There was no objection.

Mr. STEFAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CURTIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5607, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROGRAM FOR TOMORROW AND THE WEEK OF MARCH 8

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to announce the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. On tomorrow, as has just been ordered, we will meet at 11 o'clock and proceed to the conclusion of the pending appropriation bill, after which the synthetic-rubber bill (H. R. 5314) will come up for action; and I am quite sure we can dispose of that in due time tomorrow afternoon.

As to the proposed program for next week:

On Monday we will have general debate on the Labor-Federal Security appropriation bill.

On Tuesday and Wednesday we will continue with the Labor-Federal Security appropriation bill, followed by H. R. 3227, training and pay of the Organized Reserve Corps; and H. R. 2744, retirement and benefits for the Army of the United States; H. R. 3510, the Alaska airport bill; also, if a rule is granted, House Joint Resolution 323, the oil embargo bill, may be called.

On Thursday we hope to take up the Treasury-Post Office appropriation bill.

On Friday we will continue with the Treasury-Post Office bill if it is not disposed of on Thursday, following which we may take up any unfinished bills and rules which have been listed.

The program for Saturday is undetermined.

Conference reports may be called at any time. I understand that it is probable the conference report dealing with the on-the-job training bill for veterans will be ready next week, and if so it is probable this conference report will be called up.

SPECIAL ORDER GRANTED

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ISACSON] may address the House tomorrow for 20 minutes following the disposition of the business of the House and the special orders heretofore granted for that day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. MACKINNON asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and to include therein correspondence with the President and the Civil Service Commission and attached matter.

Mr. PLOESER asked and was given permission to extend his remarks in the Appendix of the RECORD.

MACARTHUR: THE MAN OF THE HOUR

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that the 15 minutes I had for today be vacated, but that I may be permitted to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I am sure the Congress and the country will be interested in a letter that Gen. Douglas MacArthur sent to the Young Republican organization when they instituted their drive on 1,730 college campuses in an effort to stimulate interest in good government for our country. The letter follows:

GENERAL HEADQUARTERS,
SUPREME COMMANDER FOR
THE ALLIED POWERS,
OFFICE OF THE SUPREME COMMANDER,
December 22, 1947.

DEAR MR. BECKER: I am just in receipt of your letter of December 11, with its enclosed pamphlet designed to encourage political thinking and planning by university students. You cannot fail to find the university campus a receptive field for your purpose. The recent war is yet too close for students to forget the combat responsibility which inevitably becomes their lot if statecraft and diplomacy fail to maintain the peace. They thus will readily understand that in youth as in age, in peace as in war, there is a continuing responsibility which falls upon every citizen of the Republic to insure good and wise government dedicated invincibly to the preservation of our free way of life, immutable heritage from the past.

The Republican Party is peculiarly well fitted vigorously to espouse this laudable purpose to further arouse in the youthful mind the all-important concept of public responsibility, for the Republican Party has never deviated from the proposition that all political power resides in the people. It has never failed in its stanch advocacy for the maximum of personal freedom and individual responsibility, and has tenaciously held as a principle inviolate equality of opportunity. Emphasis should, of course, be placed upon the great American cause to be served, rather than the political benefit to be gained. The former is the rallying media which stirs the hearts of all Americans. Leadership, which through courage and vision and a dynamic approach to the issues and problems of the time, will find its own political reward through the following which it immediately commands.

I thank you for bringing your plans to my attention, and wish you and your colleagues every success in this purposeful American endeavor.

Faithfully yours,

DOUGLAS MACARTHUR.

It is interesting to note that approximately 65 percent of the 2,500,000 students in our colleges and universities, most of them World War II veterans, are of voting age. This group is a part of the 47,000,000 young Americans between the ages of 21 and 40 who will be eligible to vote this year. I have long felt that a good program of teaching Americanism in our schools and colleges was needed. College students today are serious minded and realistic. They must realize that the decisions we make here in Congress today will direct the fate of our Nation for many decades to come. The secret peace treaties and pacts made in the last 10 years certainly affect the destinies of our Nation. It is well that not only our young people but all of us be constantly alert in protecting our American institutions.

I have been very much interested in General MacArthur's career as a soldier—his feats and contributions to America. I have felt for some time that he is the one man who could be elected President of the United States and who would render outstanding service to our country. His appeal to the citizens of both parties is enormous and it is not based on sentiment, emotionalism, or hero worship but rather upon the knowledge that he, above anyone else on the horizon today, is better equipped to assume and fulfill the role as President of the United States.

General MacArthur has already held the highest military office in the United States Army. He served two terms as Chief of Staff under two different Presidents. His past experience in Washington has given him knowledge and insight into all types of foreign diplomatic affairs.

He is a magnetic personality; a born leader of men. He has vision, courage, and understands human nature. He is, by tradition, ability, character, and experience qualified to be President. He is an outstanding figure in public life, a statesman and a diplomat who has the courage of his convictions. He is a student of history and believes in the American people, because he said when he wrote me:

I am a firm believer in the American people; and if given the truth, they can be depended upon to meet any national crisis.

The general would certainly be the candidate of the people. He is not controlled by special interests and he might even be opposed by political parties. Some of the potential candidates for President have not been anxious for the general to return to this country and give testimony before committees of Congress. They realize the American people could well insist that this great man be our next President. I have written many letters and talked with the Senators and my colleagues on the Foreign Affairs Committee and the Committee on Appropriations, urging them to have the general return so that Congress and the people could benefit by his advice on China and Japan. I do not feel that Members of Congress can understand or legislate wisely for Japan without full information from General MacArthur. I have urged the general, as have others, that he accept the invitations and appear before congressional committees upon these important international problems. He will wisely guide our Nation through the rough international seas of this day.

He is the one man who understands Russia and has been able to tell them where to go when they tried to interfere in Japan. General MacArthur served in two wars. In the First World War he received 13 decorations for gallantry under fire. There were 7 citations for valor. He was the youngest Chief of Staff of the United States Army. He commanded the famous Rainbow Division and received the Distinguished Service Cross for extraordinary heroism against a determined enemy.

Gen. Hugh Johnson once said:

Douglas MacArthur is one of the most brilliant men in public service—one general who will not die in bed if there is half a chance to die elsewhere.

He further stated:

The man is simply born without the emotion of fear. He is generous, affectionate, considerate, and kind.

Senator VANDENBERG, in an article quoted in Collier's magazine on February 12, 1944, entitled, "Why I Am for MacArthur for President," said:

I know that MacArthur is the embodiment of loyalty to our American destinies at any

cost. The proof stands on the records. I know that he is as devoid of political entanglements as he was of reinforcements at Bataan. I know that he would come to the White House with no thought or purpose except to serve America at home and abroad in the climax of his devoted career. Any racketeers of any sort would last about 1 minute in his presence. I know that he has never shirked a tough job in his life or compromised with it. He is granite in the face of duty. I know that his training and experience produce an integrity of character which will persist in any assignment he accepts. I would like to vote for integrity of character. It means more to me than a thousand campaign promises. Isn't that what America needs? He has the know-how because he has dealt with government all his life. More than any other Presidential possibility he would be elected as a great unifying American, who would win his country's unified support by deserving it.

Senator VANDENBERG further said:

Although MacArthur has been a soldier all his life, I never knew a man in whom spiritual values are more predominant. He is definitely more than a soldier. This is important because the family hearthstone means more to us in our ideology than battlefields and it means infinitely more to him. He once said, at a reunion of his Rainbow Division, "No one deserves peace as much as a soldier, for he must pay the greatest penalty in war."

Further quoting Senator VANDENBERG:

I repeat that spiritual values rule his mind. This blossoms in every speech he has ever made and in every statement he ever uttered. I recall his thrilling, sanctified radio message from the hard-pressed Philippines, to the little church in Arkansas where he was confirmed as a boy. The message sent on a beleaguered Easter morning—a message eloquently suggesting that we need God on our side in this titanic struggle and humbly asking for his aid. I have lasting consolation and assurance in this simple Christian's reliance upon divine grace. That is the kind of a President I want, Mr. Editor. I believe General MacArthur has what it takes in full measure. He has the maturity and vast experience. If nominated he will be elected. If elected he will bring a great mind, a great heart, a great capacity, and a great devotion, to the proud leadership of a great Nation.

The Hearst chain of newspapers serving the Nation, on March 1, had the following front-page editorial:

MACARTHUR: THE MAN OF THE HOUR

More than at any time since Abraham Lincoln was summoned to the White House to save the Republic, the United States needs a statesman and not a politician at the head of the National Government.

None of the avowed candidates for Presidency meets the public need.

And the responsibilities that lie upon us are too grave and too consequential to be committed into feeble or uncertain hands.

Misled by vainglorious ambitions and false alien ideologies, we have departed dangerously from the sound traditions and the equally sound practices of our successful past.

We have become a debt-ridden commonwealth, with a debased currency, drifting like a rudderless bark in the shoals of inflation toward shipwreck on the rocks of depression.

The seeds of class hatred and class conflict have been sown in our soil and are bearing poisonous fruit.

The tribunals of justice have been debauched; arbitrary administrative edicts are taking the place of just laws justly enforced; and a vast bureaucracy is being erected over us to devour our substance.

Taxation has been made an instrument of pillage and persecution, so that the accumulation of generative and productive wealth is diminishing; the fountains of philanthropy are vanishing; the creative energies of our people are faltering; and the dependencies of the dole are being substituted for the virtues of self-reliance and self-respect.

Beyond our shores, our so-called diplomacy has been carried on in a disgraceful medley of secrecy and deception and usurped authority, until no man knows what our "foreign policies" are, or what they portend.

And meanwhile, in a world where the embers of unextinguished war still smolder and there is no peace anywhere, our defenses are permitted to decline and decay.

A free republic that is so beset with manifold errors and evils cannot—in Lincoln's historic phrase—"long endure."

The times are indeed critical, calling for saving leadership, and America would be indeed bankrupt if the leadership were lacking.

But fortunately for us and for posterity, the leadership awaits—the kind of virile leadership that democracy requires.

Above any man of his generation, Gen. Douglas MacArthur has demonstrated in many capacities his superlative qualities.

He has the statesman's touch along with the patriot's consecration; and he has the inspired and selfless "gift of command" which extreme exigencies always require.

In every call to duty that has been made upon him he has always responded—and he has never failed.

No difficulty, however great, has ever daunted him.

Knowing that we cannot believe that General MacArthur would fail his beloved country now.

We need him.

We need his experience and his judgment and his superb executive ability at Washington.

If we are to save ourselves from our own follies, we must draft General MacArthur for the Presidency.

For beyond any rivalry and any partisanship and any questioning, Douglas MacArthur is America's "man of the hour."

In June 1947, 16 American newspaper men and women, on a trip around the world, visited General MacArthur in Japan. Frank Gannett, one of the group, reported in part on the visit and dinner with MacArthur as follows:

The story that MacArthur told us was so intensely interesting that we hung on every word. He became eloquent when he talked about the two great needs of the world today—democracy and Christianity.

General MacArthur is deeply religious. He believes that a peace must be made in the hearts and minds of men and not with the sword. He condemns the idea of a preventative war and readily proves that any further world war would be disastrous. He is eloquent in his denunciations of the military minded. He hates war.

Mr. Gannett further stated:

MacArthur believes the sooner we make it possible for Japan to support herself the better it will be. His policy is in contrast with that pursued in Germany and Austria.

The Japanese people have come to adore MacArthur and to have the most friendly feeling toward Americans. The General talked to us for more than 2 hours with such earnestness and such eloquence that we were all deeply moved. I have heard many men in high positions speak on various occasions, but I do not exaggerate when I say that that talk which he gave us that afternoon was the most inspirational, the most stimulating, the most intensely interesting that I have ever heard. It was the general expression that the afternoon had been a memorable occasion, and we had listened to a great talk from a great leader.

General MacArthur is not a politician and does not desire to be an active candidate for President. I am certain that he will accept the nomination if it is tendered to him at Philadelphia. I believe the American people are ready to shelve the politicians, and it is in their power to do so. They want a man with moral courage, of nonpartisan leadership; a man of sterling diplomatic qualities, firm in his belief in democracy, strong in Christian stability, with a mind that grasps and holds firmly the solution of our economical problems; who possesses the strength and ability of unselfish leadership in domestic problems and world affairs, and whose words of wisdom will give hope and security to every American.

The general has a great public trust. His nobility of character is stamped on his features like a shining light. He is the man of the hour, awaiting the call of the people.

EXTENSION OF REMARKS

Mr. EVINS asked and was given permission to extend his remarks in the Appendix of the RECORD and include letters from constituents.

Mr. KELLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the current issue of Rubber.

Mr. RICH (at the request of Mr. TABER) was given permission to revise and extend the remarks he made in the Committee of the Whole this afternoon and to include therein the broadcast to which he referred.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the Appendix of the RECORD in five separate instances and in each to include extraneous matter.

Mr. HESELTON. Mr. Speaker, I have a special order following that of the gentleman from Illinois [Mr. SABATH]. I ask unanimous consent that I may extend my remarks in the body of the RECORD immediately following the Pulaski Day proceedings.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the body of the RECORD following the Pulaski Day proceedings.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LANDIS (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

The SPEAKER. Under a previous special order of the House, the gentleman from Illinois [Mr. SABATH] is recognized for 1 hour.

TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF GEN. CASIMIR PULASKI

Mr. SABATH. Mr. Speaker, two hundred years ago today there was born in

Poland a man to whose memory we have assembled to pay tribute.

Gen. Casimir Pulaski, though of noble birth, came to this country to help the American colonists gain their freedom and liberty. This was not strange considering that he had become famous throughout Europe for the defense of the liberties of his native Poland, from whence he had fled when the fortunes of his band of fighters for freedom was at low ebb.

With a price on his head he arrived in Paris, France, and met Benjamin Franklin, United States Ambassador to that country, who, impressed with his views on freedom and liberty, gave him a letter of introduction to Gen. George Washington, wishing him Godspeed to America. Shortly after his arrival he presented himself to General Washington who, impressed with the high recommendation given him and the reports concerning his military ability, gave him a commission in the Continental Army. History records that he fought with great valor and distinction in the battles of Brandywine, Warren Tavern, Germantown, Trenton, and Haddonfield.

With the courage and military genius that he displayed in these battles there followed his promotion to brigadier general and shortly thereafter the formation of his own legion—the Pulaski Legion—composed of volunteers, many of whom, like himself, had come to the shores of our country to actualize their love of freedom and independence. The bravery and the fighting ability of the Pulaski Legion in the battles at Little Egg Harbor, Charleston, and in other engagements, were most noteworthy. In the battle at Savannah, Ga., October 9, 1779, General Pulaski was mortally wounded and died on October 11, 1779, 3 days later.

How fateful were his words as contained in his last message to the Continental Congress when he wrote:

> I could not submit to stoop before the sovereigns of Europe, so I came to hazard all for the freedom of America.

The memory of this great champion who made the supreme sacrifice for American freedom and liberty will ever be revered by the people of America.

From Poland came not only Pulaski but Kosciusko, and others, who believed in aiding the peoples everywhere who sought their freedom and independence from oppression and the dictatorial laws of their monarchistic countries.

Our own country, founded upon the principle of offering refuge to those fleeing from oppression and persecution, with freedom of worship, became the haven of the oppressed peoples of the world, and because of that fact today stands as the greatest and most powerful nation in the world.

Being mindful not only of the services rendered by Pulaski, Kosciusko, and many others of Polish birth and descent who came to our country, I was also familiar with their love of freedom and liberty and of their deep loyalty and patriotism; I was familiar with their aims to help their kinfolk in their native Poland to be free of their oppressors—Austria-Hungary, Germany, Prussia, and Russia—the countries which had subjugated their ancestors in 1793 and divided the Polish kingdom between themselves.

I have followed with a great deal of pleasure and interest the activities of the Polish people from the very beginning of World War I, when thousands of them, together with the Czechs, were emulating Pulaski's aims for freedom and enlisted in large numbers in the Canadian, British, French, and Russian Armies. And the moment America joined the Allies, a large number began to desert from the Austria-Hungary and German Armies and organized regiments in France, Great Britain, and Russia to fight on our side.

Being then a member of the Foreign Affairs Committee, I was aware of the activities that were under way in Europe looking to the overthrow of Austria-Hungary, and was familiar with the purposes and ambitions of many of those nationals oppressed by these monarchistic countries.

Therefore, to help the cause I introduced a resolution in the House urging the recognition of the independent Polish regiments.

In the interest of our country and in view of President Wilson's declaration to aid the various aspiring nations in obtaining self-determination, freedom, and liberty, I prevailed upon him not to continue the negotiations for a separate peace with Austria-Hungary, feeling that it was not in accord with his or our country's original assurances to these richly deserving, liberty-seeking people.

Having reports and information from our former Ambassador to the Balkan States, as well as from the forces that were at work in Poland, Bohemia, and several other countries, President Wilson, in view of this evidence which I submitted to him, discontinued the negotiations, feeling that within a short space of time the Austria-Hungary Army, weakened by desertions and discontent, would effect its downfall, which in turn would weaken Germany and cause its early defeat.

True to our assurances for their self-determination, America made possible the uniting of all the Polish people and the creating of the Polish Republic. Thus, when Poland was recognized as an independent state, the purposes, ambitions, and dreams of her people became a reality, and nobody was more overjoyed than I.

Imbued with the regaining of its independence, Poland and its people progressed over the years to take their place as one of the recognized democracies of the world, until that fateful day in September 1939, when the Nazi hordes swarmed over its borders to destroy the freedom and independence which its liberty-loving people so dearly prized. The people of America, with sorrow in their hearts, were aghast at the dastardly attack and wanton destruction wrought upon that wonderful country.

It is my hope and I fervently pray that before long its freedom will again be restored and that it will once more enjoy complete independence without interference or domination by any other nation or nations. To that end I have insisted and shall continue to insist that Russia or any other nation shall not interfere in the right of the Polish people to have such form of government as they may desire which, to my mind, is a democratic form of government.

For years the Polish people have suffered at the hands of Russia, Germany, and Austria-Hungary, mainly in oppression and persecution by the Prussians and Nazis under Hitler, who robbed them of their freedom and liberty.

Today I am greatly alarmed and concerned with the proposal that we permit a rebuilding of its archenemy, Germany.

I have taken the floor of the House to protest giving the German industrial overlords, the corrupt I. G. Farben cartel, and the powerful Krupp interests, who built up Hitler's war machine, an opportunity to rebuild the German war potential so it can again become a threat to the peace of Europe and the whole world, especially to Poland and Czechoslovakia.

I appreciate that the Russian forces drove the Nazis out of Poland, but that in itself does not give them the right to dominate and shape in any manner or degree the destiny of proud, worthy Poland.

The Poles will not stand for any dictatorship from any power. Russia should know this from the history and background of the Polish people. Russia can and will have Polish friendship only when she ceases to interfere in Poland's internal affairs.

I believe the United States should help the Polish people and the Polish Nation with loans and credits to enable them to rebuild their nation that was so terribly destroyed by the Nazis. We should continue to send gift packages and other forms of assistance in every possible way. In this connection much credit is due Mr. Francis X. Swietlik, of Chicago, head of the American Relief for Poland, and Bishop Stephen S. Woznicki, of Detroit, and many others, for their noble and humanitarian efforts in supplying relief to the suffering people of Poland.

We must always remember that, although we may not approve of the present Polish Government, we must not let the Polish people or the Polish Nation suffer. They must be helped, rebuilt, and made strong so that they can again take their proper place with the freedom- and liberty-loving peoples and nations of the world.

Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Speaker, today is the birthday of Gen. Casimir Pulaski.

Pulaski is often referred to as "Count Pulaski" in historical works. He was born in Podolia, Poland, at a time when that nation was undergoing a severe internal political battle. With rapacious neighbors beginning to conspire against the freedom of his people, the boy Pulaski was consumed with an early desire to ward off danger, and evinced a keen interest in military affairs at a very young age. Long before he reached his majority Pulaski joined in the guard of Duke Charles, and thus gained a rigorous and practical experience in the art of warfare.

In 1769 he joined his father, Joseph Pulaski, in what was termed "The Confederation of Bar," this confederation being a conjointure of Polish noblemen, each one of whom pledged his time, his fortune, and his life to the salvation of Poland. Casimir Pulaski and his brother, Francis, became the active leaders in the movement. The older leaders were soon dispersed, some going abroad; others were confined in dungeons. Pulaski's father was one of those confined in a dungeon prison, where he later died.

But despite this Casimir carried on, and at the head of a small force of cavalry he performed heroic feats. With his brother he became a constant terror to the Russians, who were trying to capture him. Against overwhelming odds for 4 years this great patriotic organization under this great leader fought to oust the enemies of Poland from his country. But all their efforts proved fruitless. During this time one of General Pulaski's brothers was killed before his eyes, the youngest brother taken into captivity, and many of his countrymen were doomed to misery.

Gen. Casimir Pulaski was the leading spirit of his countrymen in this unequal struggle to preserve the country intact. Although but 25 years of age, he was the acknowledged leader and the hero of his countrymen. Heedless of his foe, which was much more powerful, he fought with a zeal and tenacity that made him renowned as a cavalry leader throughout the Continent of Europe.

General Pulaski not only lost his father and brother in this glorious attempt to save Poland from the first of her ignoble partitions, but his estates were confiscated and he was proscribed by King Stanislaus and had to travel to Turkey. Soon thereafter, in 1772, Count Casimir Pulaski issued his memorable manifesto, in which he said in part:

I am not astonished that the enemies of my country resolved on her ruin, should direct their shares against those who most firmly resist their impetuosity, and that they should regard as such the brave Poles whom they have sacrificed and who are still repelling their most cruel attacks. * * * My destiny was clear, when at the age of 21, far from yielding to the amusements of youth, I regarded every moment as lost which was not employed in repelling the enemies of my country. * * * I have endeavored to mark my course by an invincible fortitude. Neither the blood of one of my brothers, which was shed by the enemy before my eyes, nor the cruel servitude of another, nor the sad fate of so many of my relations and compatriots has shaken my patriotism.

Perhaps no better insight into the sturdy character of Pulaski, who is revered both in Europe and America, could be given than the above excerpt from his manifesto. He traveled to Turkey, but, repelled with the feeble notions of liberty entertained by the Sultan, he journeyed on to Marseilles, France, and from there to Paris. It was in the French capital that he made the acquaintance of Benjamin Franklin and young America's struggle for independence. Benjamin Franklin, writing from Paris to General Washington on May 29, 1777, said:

Count Pulaski, of Poland, an officer famous throughout Europe for his bravery and conduct in defense of the liberties of his country against the three great invading powers of Russia, Austria, and Prussia, will have the honor of delivering this into Your Excellency's hands.

General Pulaski landed in America the middle of July 1777, and, after presenting his letters to Washington and Congress, waited for Congress to take action. In the meantime, Washington's army passed through the streets of Philadelphia. Spurred by the sight of marching soldiers, Pulaski, restless and eager to aid our cause, decided not to wait for his commission, but to follow the army as a volunteer. In Europe a member of the nobility, an officer of distinguished prestige, in America a private in the ranks. Such was Pulaski. Not self, but service, was his life's motto.

The night of September 8, 1777, Washington assembled a council of war to decide which position the army should take in defense of Philadelphia. The upland, across the brook of Brandywine, was chosen. The army moved to this position at dawn. The enemy's attack was expected on the 11th and about 9 o'clock of that day the red uniforms appeared. The battle started. The vanguard, under General Maxwell, retreated under heavy pressure. The rest of the army was stretched out lengthwise for a considerable distance along the brook. The right wing was under the command of General Sullivan, and the left wing, to the south, was under the command of General Armstrong.

General Wayne and General Proctor commanded the cannon and the artillery. Washington remained with the reserve, which was commanded by General Greene, and Pulaski was stationed by the side of Washington.

Upon the withdrawal of General Maxwell the British kept up fire, but did not attempt crossing the creek. Washington was about ready to strike a blow at the enemy, but first wanted to be convinced that the opponents' main forces were not circumventing him for an attack at the rear. To that end, a detachment was sent out to explore the region. About 2 o'clock an orderly dispatched the news that the enemy could not be seen on any of the roads on the opposite side of the creek. An order of attack was about to be issued when a man in a cart was noticed waving his hat and striving to reach headquarters. The man turned out to be Squire Cheney, with the startling news that the main forces of the enemy had crossed the Brandywine to the north and were fast approaching the army's rear.

Washington immediately directed the division of Sullivan, together with the brigades of Conway, Stirling, and Stephans to meet the enemy. They hurriedly arrayed themselves for battle, just as the British were spied on the road. Thereupon the British vanguard showed itself on the plain. The American artillery opened fire. Hessian riflemen were playing havoc with the American front ranks. At the same time a column of infantry rushed to the upland occupied by the Americans. The center was holding up under the bombardment but both wings were fleeing. The enemy then concentrated on the center which soon wavered. Chaos reigned.

At this juncture Pulaski secured Washington's permission to use his bodyguard, some 30 horse, and launched a furious attack at the pursuers. With great skill he wedged into the side of the pursuing column. Swinging their sabers from left to right, this small detachment brought confusion to the ranks of the enemy. The pursuit was momentarily checked. Pulaski's forces took shelter with General Greene's army and together they held the enemy while the rear of the American Army retreated to Dillworth. There the road narrowed and the Americans gained a vantage point where they could withstand the onslaught of the enemy. Thus Washington's army was saved.

Within 2 months after his arrival, on September 15, 1777, Congress elected Pulaski "commander of the horse, with the rank of brigadier."

General Washington's letter to Congress recommending the appointment of Pulaski read as follows:

This gentleman has been, like us, engaged in defending the liberty and independence of his country and has sacrificed his fortune and his zeal for these objects. He derives from hence a title to our respect that ought to operate in his favor as far as the good of the service will permit.

Shortly afterward, Washington's army was saved from an almost inevitable destruction at Warren Tavern, near Philadelphia, only by the war craft of Pulaski. He also engaged in the Battle of Germantown. On the day of the Battle of Germantown he was sorely disappointed and mortified. There were but four regiments of cavalry raised and not one of them completed. Three of them only, such as they were, had joined General Washington's army, and on the day of the battle, guards were furnished out of those regiments to attend on the commander in chief and on other generals. This was a matter of deep regret and bitter chagrin.

When General Washington had taken his winter quarters at Valley Forge, the cavalry were sent over into New Jersey on account of forage and for other service on that side of the Delaware. Pulaski made his headquarters in Trenton.

Weary of the lapse in activity subsequent to these previous battles and dampened by the pettiness of the commander under whom he was stationed, as well as the tardy tactics of Congress in carrying out his suggestions for the improvement of the Infantry, Pulaski expressed a wish to return to Europe. Washington persuaded him to remain, however.

In March 1778 he asked permission from General Washington and Congress to organize an independent corps, later to be known throughout the Colonies as the "Polish Legion." In equipping it he is said to have spent $50,000 of his own funds. These horsemen, among other arms, bore the famous Polish lances, a new weapon on this continent. Rated as the most expert horseman in the American Cavalry, his service in leading and inspiring the Cavalry was of inestimable value. From the time Pulaski took command it became a notable weapon of offense and defense. It is

entirely possible that without it the cause of independence would not have been won.

Then followed the battle of Charleston, S. C., when the city was sieged by 900 British troops from General Prevost's army. Although not altogether successful in his assault, Pulaski held the city 2 days until the arrival of reinforcements.

Probably Pulaski's most distinguished service was rendered in the siege of Savannah, Ga., although this move was made contrary to the sound advice of Pulaski, who pleaded a delay of a number of days due to their unpreparedness. Pulaski was here made commander of the entire cavalry, both French and American. During the battle their scheme failed. The French became entangled and their Admiral D'Estaing was wounded. Chaos resulted in the ranks. Hoping to rally the men and regain order, Pulaski rushed into the thick of the battle. Leading his men in a desperate charge, he received a wound in his right thigh and was carried from the field of battle fatally wounded. Pulaski died 2 days later while on board the brig *Wasp*, leaving Savannah Harbor on the way to Charleston. According to his friend and companion in arms, Capt. Paul Bentalou, he was buried at sea, and funeral services were held afterward in the city of Charleston.

In this manner, at the age of 31 years, ended the life of one of the most active and greatest patriots of his time. A man well born, of handsome physique and liberal education, who abandoned a life of ease and complacency for a career of unnumbered hardships and much bitterness. His was a proud and magnanimous personality, but he had to contend with petty men and the crudeness of a nation in its genesis. His corps of lancers and light infantry, which were recruited mostly in Baltimore, has since become famous under the name of Pulaski's Legion. He is known as the founder of the American Cavalry. Pulaski, like Washington, could have chosen the easy course. They were both men of large means. But they recognized the responsibility of wealth and rank.

An equestrian statue, which stands between Thirteenth and Fourteenth Streets on Pennsylvania Avenue, Washington, commemorates this hero of two hemispheres.

The splendid funeral honors paid by the citizens of Charleston to the memory of the brave Pulaski—the united regrets of the people and of the Army at the loss of an officer no less beloved than he was useful—and the last tribute of respect offered to his memory by Congress have already evinced the sensibilities and gratitude of our Nation. The gallant son of Poland had enthusiastically espoused the cause of America. He served that cause with zeal, ardor, and fidelity.

Pulaski died as he had lived—a hero, but an enemy of kings. Since the time of Pulaski others have come from his native land to mix their blood with the blood of other peoples to make one common country and to build a single destiny. Many Americans of Polish extraction have offered their lives in defense of this country on many battlefields—in the Civil War, the Spanish-American War, and in the great World Wars. The blood of Pulaski still flows in the blood of his countrymen.

To the memory of Pulaski, William K. Palmer dedicated these beautiful words:

> Columbia! He died for thee
> Cheerfully, and for liberty!
> Honored forever more
> On this Atlantic shore

Since the American Revolution, many Poles immigrated to the United States. They have given their lives and contributed their sinews and toil for the freedom and development of this great country. They have become an integral part of America; they fought as soldiers of the United States on all battle fronts, as workers in the factories and in essential industries, and as farmers, miners, and lumberjacks. They shared the task in the war production, and as full citizens they hold all kinds of positions in the civic, social, political, cultural life in America. These American citizens of Polish extraction understand the plight of the Polish people; they resent Russian interference in Polish politics; they resent Russian domination or dictatorship over the Polish Nation and the Polish people.

Poland's record as a fighting member of the Allied Nations during the war is unassailable. Poland was the first to take up the fight with whatever weapons were available against the German-Nazi aggression for world domination. During the whole war she fought bravely and actively, and did not shrink from any sacrifice. Poland will not voluntarily give up her independence, freedom, and liberty. Poland fought at a time when other powers were conciliating and making overtures to Hitler.

Yes, Poland experienced more misery and devastation in human lives and material wealth than any other European nation. She lived through a literal inferno of Nazi occupation. To indicate the immensity of the problem facing the Polish people at the time of liberation from the Nazis, here are some figures on Poland's wartime losses: 6,104,990 Polish citizens killed; 10,000 factories and industrial plants destroyed; 300,000 buildings, hundreds of thousands of homes, and 400,000 farms totally or partly left in ruins; 100 percent of the machine-tool industry wiped out; 6,399 damaged schools; 15,900,000 books destroyed; approximately 6,500,000 children in need of medical care, homes, and food.

But, in face of these seemingly unsurmountable problems, the Polish people willingly turned to the enormous task of rebuilding their destroyed cities, renovating their factories, resowing their farmlands, reestablishing their transportation and communication lines, and countless other tasks. The accomplishments of the Polish people are nothing short of remarkable. Emerging from the dark chaos of war, the Polish people, through their undying love for their motherland, have instilled new life in their war-ravaged country.

The reconstruction of their ruined capital, Warsaw, is symbolic of the Polish people's achievements. The Germans had wantonly destroyed this once glorious city, burning its buildings and killing off the populace. Rising from the burning embers the few remaining Poles proceeded with the work of resurrecting Warsaw. A Supreme Council of Reconstruction, comprised of representatives of social, artistic, technical, and professional groups, was formed. Its task was to mobilize all the spiritual and material resources of the nation for the work of rebuilding the city.

During the past 2 years great strides have been made in rebuilding Warsaw. Electric plants have been rebuilt; the water system has been repaired; radio station reconstructed; surface transportation has been restored; and many other improvements have been instituted.

Warsaw is unlike other ruined cities of Europe. There is a spirit that transcends the sorrow and destruction. On the top of a heap of rubble, where a beautiful edifice once stood, there is now a flower shop. Farther down the street, on tops of similar heaps of crumbled stone, one will find a clothing store, a book mart, or other temporary shops. All over the city people are rebuilding and renovating. The Polish people do not believe in waiting for machinery, equipment, and so forth, they are rebuilding with their hearts and hands. Warsaw will live again, because the people believe in the inherent value of reconstruction; because the people love her dearly; and because the people are enthusiastic about the future of Poland and are willing to sacrifice to achieve a better life.

But, the spirit in Warsaw is not unlike the feeling of all Poland. People are working, learning, creating. They have faith and courage in what they are doing. They will succeed.

One of Poland's greatest achievements to date has been the reconstruction of its transportation and communication system. Before the war Poland had a well-organized railroad system. The Germans did their best during the occupation to change that. They confiscated railroad cars, locomotives, and engines. They destroyed about 30 percent of Poland's railway tracks—10,000 miles, 42 percent of her engines, 92 percent of her passenger cars, and 92 percent of her freight cars. At the end of the war Poland was left with 30 locomotives, 100 passenger cars, and 2,000 freight cars. These, without exception, were antiquated German cars, minus windows and doors, and locomotives which could not travel 100 miles without stopping for repairs.

Such was the legacy of German destruction which the Poles took over in the spring of 1945.

Perhaps the most striking example of the rapidity with which Poland is rebuilding her industries is her coal production. The losses sustained by the Polish coal mines during the war are estimated to be as high as $700,000,000. Despite this, the Polish people at the beginning of 1946 undertook the gigantic job of rebuilding their coal-producing industry.

So successful have they been that today Poland stands out as the No. 1 supplier of coal in Europe. Her total pro-

duction for 1947 was 60,000,000 tons, of which 27,000,000 tons were exported, as against 45,000,000 tons produced in 1946, of which 13,487,934 tons were exported. These figures have tremendous significance for the economic recovery of the continent. Europe's most urgent need today is coal. Poland, with its mounting coal production, is becoming the one shining light in an otherwise bleak coal picture in Europe.

One reason offered by many people for the increased coal production in Poland as compared to other countries is the high productivity and enthusiasm of the Polish miner—this, despite the fact that the Polish worker receives fewer calories than the German worker.

Poland's coal production would increase many more times if she could receive more modern mining equipment.

Patriotic Americans of Polish extraction request that the Polish nation and the Polish people receive a square deal. They cannot understand why billions of dollars are being appropriated as outright gifts to nations and people who have been our enemies, and the Polish nation and the Polish people, who have always been on our side in every struggle, are being ignored and discriminated against. They request specifically that the Polish nation and the Polish people receive loans and credits on a business basis, and some relief aid for the needy and destitute.

We must not drop the iron curtain on the Polish people who have always been our loyal friends. We should not shunt them aside and deny them even commercial loans that they desperately need in their struggle for reconstruction. Poland today has trade agreements with practically every nation in Europe.

To make factories run, you must have energy. Europe's source of energy is coal. The two greatest suppliers of coal for Europe are the United States of America and Poland. The Ruhr should be No. 1 source of supply. But Ruhr coal is being hoarded for Germany. Only about 5,000,000 tons of this coal was made available for other nations. Seventy-five percent of Polish export coal went to western European nations, such as Austria, eastern Germany, Italy, France, Sweden, Norway, Denmark, Belgium, Holland, England, Czechoslovakia. Poland's request for $60,000,000 to modernize her coal-mining equipment has not been acted upon. Why? Are they just interested in rebuilding Germany?

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. O'BRIEN].

Mr. O'BRIEN. Mr. Speaker, appreciating the great services rendered by Gen. Casimir Pulaski and his sacrifice to help our country obtain its freedom and liberty, I heartily subscribe to what has been said of his noble services by all the gentlemen who preceded me.

Pulaski actually gave up his life in battle in order that we might attain our freedom and independence, and I feel that we now, in turn, owe it to Poland, his native country, to help her obtain freedom and independence, to which she is justly entitled.

The Polish people are liberty-loving people who for years were oppressed by the Prussians and the Russians. After years of struggling, they gained their independence and then were again deprived of it by the Nazis. Now they are being deprived of their freedom for the second time by the Russians, who are taking advantage of their might and strength by interfering in Poland's internal and domestic affairs.

I hope that our Nation, in recognition of the services rendered to us, not only by General Pulaski but by many others of Polish descent who have so illustriously fought in our wars, will give Poland all the aid and assistance possible so that she may again attain her liberty and freedom, which, as I said before, rightfully belongs to her.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Speaker, today, Americans all over the country join their fellow citizens of Polish descent in paying tribute to Gen. Casimir Pulaski, whose name became the symbol of the deeply rooted ties which unite the American and the Polish people.

Pulaski's name became in two centuries the symbol and the banner under which humanity fights for freedom.

The memory of Casimir Pulaski, so widely honored in the United States, has a profound meaning for those who strive to keep alive the devotion of the American people for the ideal of human rights and democracy.

When but a young man of twenty-four, Casimir Pulaski was a veteran of the struggles for freedom, having fought gallantly beside his father in the patriotic uprising of the Poles against their Russian oppressors.

He fought a losing battle with the confederation for 5 years, and when the uprising was crushed he went into exile in France. From there he led an expedition of Poles into Turkey to join that nation in war against the Russians. This venture was doomed from the start for lack of promised support of the French. He was compelled to flee to France again and upon arrival in Marseilles was cast into a debtor's prison for failure to repay debts incurred in organizing the Turkey expedition.

At this time Benjamin Franklin arrived in France from America. Pulaski immediately offered his services to the Revolutionary cause and was accepted. He came to America to fight for the same liberties for which he struggled in Poland—the same liberties cherished by all of us—for which American armed forces have fought in the last two world wars.

Casimir Pulaski fought at Washington's side, first as a brigadier general in command of the Revolutionary cavalry and later as founder and leader of the famous Pulaski Legion. He died nobly in the American cause at the battle of Savannah, Ga., on October 11, 1779.

No true American can remain indifferent to the fact that the Poland of Pulaski and Kosciusko cannot speak for herself today. The voice of free Poland has been silenced. Americans of Polish blood are the only ones who can still speak for the enslaved Polish people.

We shall not stop reminding the world that the country whose war record made her, in President Roosevelt's words, "the inspiration of nations," is now entirely dominated by a hostile, foreign power, that Poland's most worthy sons and daughters are being exterminated or deported, that a foreign, godless, totalitarian philosophy is being forced upon a Christian people, which strains all its moral and material forces in order to sweep out the Soviet puppets who now enforce a rule of terror in that unhappy country.

It is our sacred duty to most solemnly pledge ourselves to the memory of Pulaski, that we will not rest until the promises of freedom and independence for Poland given to the Polish nation during the war while she was fighting and bleeding are redeemed. We shall not rest until Pulaski's motto, "For our freedom and yours," will be fully applied to Poland—the nation which practiced it during 10 centuries of its recorded history.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, it is refreshing in these days of confusion and of fear to recall the life of a man who packed into his short but brilliant career a steadfast devotion to freedom.

I refer to Casimir Pulaski, who battled tyranny both in Poland and America because he believed in that great human aspiration for liberty which is above all divisions of race, color or creed.

Today we honor the two hundredth anniversary of his birth.

It is good that we affirm a beginning instead of mourning an end. For the life of Casimir Pulaski was a struggle against fearful odds which never discouraged him. The tyrants of his day are gone, their names forgotten, but his is remembered with affection. Across time and space his name rekindles in us that spirit which never despairs. And we, who owe so much to men like Pulaski, cannot fail to be strengthened and to face up to our present tasks with his courage and his faith.

The headlines of our daily papers point to mounting crisis. And sometimes we feel that we are watching a tragedy which we are powerless to prevent. All over the world we see the middle-aged generation, exhausted by thirty-odd years of war and depression, stand by in apathy, bankrupt in leadership, unable to direct a world which must adapt itself to new conditions or die because it will not live and grow.

On the other hand, we see the young people latching on to the dazzling slogans of a new revolution and recklessly following the Pied Piper, not caring where he may lead them as long as he takes them away from the present which offers no chance for fulfillment.

Is there such an impassable gulf between the two? I think not. A few hundred years from now, as history judges our times, it may be able to establish the proportions of truth and error in each.

But we of the present must have foresight, not hindsight. We are pioneering the way, facing the unknown, and trying

to adjust our way of life to meet changing conditions without sacrificing our fundamental beliefs.

One of those beliefs is freedom, and by that I mean freedom for all and not just for a few.

Pulaski, being one of those men who are ahead of their times, sensed its meaning. He felt that along freedom's trail men would sometimes lose their way and go down blind alleys. Eventually they would find their true course again and go forward to a fuller life, enriched not only by a larger material return for their labors, but rounded out by a spiritual and mental awareness of life's greater meaning.

He knew that freedom might change its appearance but not its substance. Its dignity is rooted in the responsibility which individual men must assume for others as well as for themselves. The social order is imperiled when it is divided into "haves" and "have-nots." Men who live in want and fear are not free men. They are not the instruments of revolution which can lead to terror or progress.

Our Nation came into being through revolution against a system which was not flexible enough to solve the problems of its times in an orderly manner. In place of royalty we put a government of the people. Our forefathers recognized that it must be adaptable to changing needs, evolving like life itself, able to meet and overcome any challenge by an improved response.

If Pulaski were with us, I am sure that his actions would spur us to a more positive course of action. With his courage and resourcefulness, he would rouse us from our mood of indecision.

He would call upon us to build ourselves strong, materially, for one must have physical power to halt aggression. But do not forget that much depends upon the morale of your home base. Extend democracy among the people so that their cooperation is complete and voluntary. Aid the faltering democracies of Europe with the economic transfusion that is the Marshall plan. Use every medium of communications to sell the true facts of our freedom to the world. Alert all to the new techniques of infiltration so that men may save their representative governments from the Trojan horse of communism.

Two hundred years have passed down the river of time since the birth of a human being who had the democratic spirit in abundance.

We honor him not in idle memory but as if we were listening to him in this Chamber as he warns us to meet the challenges of today with resolution and with realism.

This anniversary of Pulaski's birth should be for us the day for reawakening. There is a common bond between the people who enjoy liberty in the United States and those who long to regain it in Poland. Some day we shall be able to help them as Pulaski helped us.

When the volunteer Pulaski arrived in the New World he had his share of disappointments. General Washington did not have the authority to give an officer's commission to the young Pole whose military reputation certainly merited such a badge of leadership. He discovered that he had to wait until Congress made up its mind.

The Congress of those days talked and talked while disaster hovered near. The war was being lost while the debate went on. The British were marching on Philadelphia. They defeated the Americans at the Battle of Brandywine. When the right wing of the American Army collapsed, the center was endangered. Pulaski could wait no longer. Even without official rank, he could be of help at this desperate moment. He begged of General Washington that he be put in charge of the small headquarters cavalry unit numbering some thirty men.

In this emergency, the hard-pressed commander of the American forces gave his consent. There was no time to wait for Congress to approve.

Pulaski's handful of men charged upon the enemy. The British were thrown off stride by this attack from a defeated and disorganized foe. The brief diversion slowed the British advance and gave Washington the opportunity to save the remnants of his Army.

Out of the gloom surrounding this defeat one encouraging fact stood clear. If we had more men like Pulaski, the battle might not have been lost. Pulaski believed in himself and in his cause. He had that positive faith which communicates itself to others. His was the inspiration of example.

Would that we had more of his type with us today.

His native land has been enslaved again, and many Americans wail and wring their hands and wonder, "What will happen next?"

Czechoslovakia falls and the landbridge to Poland is gone. In failing to support the independence of Poland, we have placed our own in jeopardy.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield.

Mr. McCORMACK. I congratulate my distinguished friend, the gentleman from Massachusetts [Mr. LANE] for the able address that he has just made. I join in every word that he has said in honoring this great man who is one of the outstanding figures of all time in the fight for liberty and independence.

Mr. LANE. I thank the gentleman for his able contribution.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY. Mr. Speaker, I feel it is a privilege and honor to express a few words in commemoration of that great soldier, General Pulaski. We, as a Nation, owe a great debt of gratitude to him for the service he rendered to us. Because of his great love for freedom and liberty, Gen. Casimir Pulaski came to this country to offer his time and talents in our fight for freedom, and he ultimately made the greatest of all sacrifices for his beliefs in surrendering his life at Savannah, Ga.

It is one of the tragedies of history that today General Pulaski's country should be without those liberties for which he fought. The Polish people, like the Irish in their desire for freedom, have suffered persecution perhaps more than any other people in Europe, but they have always carried in their hearts a devotion to freedom and liberty and justice that surely cannot be suppressed for long. Somehow, sometime, that devotion must be rewarded. The clouds are dark at the present time over Poland and their clearing cannot be seen immediately, but all peoples in the world who love freedom and social justice pray that the day will be hastened when Poland can live again under its own flag. The spirit of General Pulaski should serve as an inspiration to the Polish people and give them the courage to survive their present oppression.

Mr. SABATH. Mr. Speaker, I yield now to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Speaker, how glaringly vivid the shadowy past, how easily linked to the precarious present.

Countless changes have been wrought by the passage of time but the enemies of freedom remain little disturbed. And today as in the past the countenance of oppression crowds the mirror that would reflect a world at peace.

Today, even while we are paused during these brief consecrated moments to do honor to a valiant gentleman, a hero of another day, we are inescapably brought face to face with the similarity of conditions during the time of Casimir Pulaski and those of the present day.

Fitting it is indeed that we should dwell upon the illustrious deeds of this patriot of two worlds.

Each year this celebrated Chamber resounds with the expression of a people full of gratitude remembering the formative years of an infant republic and paying the profoundest tribute to a man who espoused a cause for which he paid the last and the highest price.

We have heard recounted again and again the story of his brief but active life devoted exclusively to the cause of his native land, Poland, and to the independence of our own Nation.

We know he was born to wealth but chose danger and privation. His sacrifice was complete. He gave unstintingly of time, of heart, and of devotion to principle.

And when our Nation, then young and struggling to gain independence, was engaged in the task of ridding its shores of an oppressor, it found in Pulaski a passionate supporter of its aspirations and a zealous warrior for its liberty. He came offering all, asking nothing.

With Benjamin Franklin's recommendation, he gained an introduction to Gen. George Washington. The summer of 1777 found him a volunteer in the Army, winning the commendation of the Commander in Chief for his military skill and his gallant conduct. His heroism, his earnest effort, and his constant desire to see the fortunes of a new nation unfold and gather strength for the future, his love of freedom were equally intense and steadfast in the land of his adoption; and the battlefields of America witnessed no lessening of his intrepidity.

Congress commissioned him brigadier general in command of cavalry, and he accomplished much to bring distinction to this branch of service. An experienced officer and a daring horseman, he was the first to hold this rank in the American Cavalry.

Every engagement saw him with that impatient zest for action and every minute that was not given to the cause of liberty irked him.

Came his final day of action at Savannah, and he was then but 31. He found his resting place in a land for whose freedom he fought, but never was to see glorified and great.

To the day of his death, General Pulaski hoped the opportunity would arrive when his hand would strike the blow for the resurrection of his beloved Poland. His expatriation was a bitter experience to him, and it was only the utter futility of resistance in a Poland torn by the vicious enemies along her borders which prompted this course for him.

Were he among the living today, General Pulaski would be welcomed by the ever-mounting number of oppressed peoples who are being shorn of their privileges of liberty. He would be accepted as a leader in a righteous fight against all despots who would deny that freedom is the universal property and the fundamental need of man.

Those who cry out from the deepening dark where the light of liberty is all but extinguished would find in Pulaski a resolute and stalwart champion unflinchingly standing his ground in the face of the engulfing monster we know as communism.

What a fierce and uncompromising opponent for the ruthless horde from Moscow. What a bulwark against the threats of the would-be world masters who are even at this moment engaged in their diabolical game of herding free peoples into one camp under one whip.

Today is only the past brought up-to-date. It is the same story and the characters new, but no less vicious. In the time of Pulaski it was Catherine II and the victim, Poland. This land whose people, long oppressed, knew little freedom is again the stage where is played the all too realistic drama involving the battle of right and wrong.

In that day Poland was the vanguard of civilization and time and time again repulsed the onslaughts directed against Europe.

Today, whether we realize it or not, the United States of America has inherited the unenviable position of standing guard over the destinies of all freedom-loving nations.

What has happened to Poland can also be the fate of America. We must ever be reminded to remain alert. We must never permit the complacent feeling that it cannot happen to us.

History and the exploits of such martyrs of freedom as General Pulaski should serve as beacons for our guidance with the issues of the future.

Let us hope that year after year as the representatives of the people gather here to memorialize the greatness of Pulaski and bear testimony to a Nation's appreciation of the services rendered by him, we as a people, indoctrinated in the ways of freedom, invoke each time the aid of the Almighty to spare us the devastation visited upon other nations and to endow us with the wisdom and the foresight to stand vigilantly prepared against any tyrant.

Let us permit the name of Gen. Casimir Pulaski, a patriot of two worlds, to become the watchword for positive action when our own liberties are threatened.

Mr. SABATH. Mr. Speaker, I yield to my colleague the gentleman from Illinois [Mr. GORSKI].

Mr. GORSKI. Mr. Speaker, today we celebrate the two-hundredth anniversary of the birth of Gen. Casimir Pulaski, a great Polish patriot, a freedom-loving man, a great soldier, and a defender of free governments. This great soldier volunteered his services to Gen. George Washington, and the American Colonies, in the dark days of the Revolutionary War, when our country was weak and poor and our fate hung in the balance. Shortly after joining Washington's forces, he distinguished himself in many battles. His ability as an outstanding soldier was soon recognized. He was given a command of calvary and was promoted by Congress to the rank of brigadier general. He fought valiantly in the siege of Savannah, where he was mortally wounded on October 9, 1779, and died 2 days later on the U. S. S. *Wasp* in Savannah Harbor.

He knew what freedom was, for his native land, Poland, had just a few years before been partitioned by Prussia, Austria, and Russia, the very same countries who in our own times have brought about the greatest human suffering the world has ever known. General Pulaski died 168 years ago fighting for freedom when democracy was young, but that struggle for freedom still goes on, and though it may have temporary set-backs, as it has in some countries today and the people are again in subjugation, it will eventually triumph, for the cause is just and, like any other great cause, it cannot be withheld very long from the people. The days are gone when a tyrant can impose his will on any nation for any long period of time. We hear today in our own and in other countries of the world those who are preaching other forms of government, yet there is no country where the people enjoy more freedom, have a higher standard of living than we have. They have nothing to point to except poverty, misery, want, and hardship. It has been said that "eternal vigilance is the price of liberty." This is the time for all loyal Americans to rally to the support of our constitutional American form of government to see to it that this priceless treasure of ours, the freedom which we enjoy here, is not jeopardized. We will not be misled or beguiled by promises such as were made to people of other nations, only to find themselves cheated out of what they possessed and today are actually enslaved.

We honor our great heroes, who through their bravery, foresight, and great sacrifice have bestowed upon us the finest form of government in the world. Our Nation is a beacon light to every freedom-loving person, and so long as our form of government exists, there will always be that hope of the enslaved people of the world, that their cause is not lost and that some day they, too, will become free and independent, a right to which they are justly entitled.

We honor the memory of General Pulaski and a grateful Nation pays tribute to him on the anniversary of his birthday for the great heritage he and other great patriots have bestowed upon us. He sacrificed his life so that we here may enjoy the greatest freedom and independence of any people on earth. Let us become alert and vigilant, so that no foreign ideology of government shall be forced upon us. Let us safeguard the kind of government that George Washington, the Father of our Country, fought so hard to attain and which General Pulaski died for.

We highly appreciate the services he rendered our country, the great sacrifice he made in our cause. We have named highways in his honor, set aside public lands as parks, and named many cities after him. We have erected splendid monuments to his memory. Our people will forever honor his memory as an outstanding American hero.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that all Members may be allowed to extend their remarks at this point of the RECORD on the life and character of Casimir Pulaski, and that all Members may have five legislative days in which to extend their remarks on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

CASIMIR PULASKI

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, I want to congratulate and compliment the gentleman from Illinois [Mr. SABATH] and all the other Members of the House who paid honor and tribute to a great lover of freedom. Two hundred years ago today there was born in what is today enslaved Poland one of the greatest military and political leaders of our times. A man who has been revered and remembered for as long a period as 200 years in all parts of the world must be known for some very splendid principles.

Casimir Pulaski, together with Kosciusko, has set an example that the world can well emulate today. It is only too bad that the world has not emulated their principles in the past 5 years. Casimir Pulaski was of the firm conviction that if freedom was in danger in one part of the world, freedom was in danger all over the world. In other words, it was his firm conviction and a conviction for which he laid down his life right here in the confines of our own country some 2,500 miles away from his homeland, giving his life freely because he felt in his heart that if the lamp of freedom were ever to be kept lit and burning in Europe that it must be lit and be kept burning within the United States of America. When, therefore, his country became enslaved and he saw no opportunity whatever to bring about freedom within his homeland because of the interference and action, even at that time, of all-powerful Russia, he went over to France and through

Benjamin Franklin got in contact with George Washington and came over to the United States of America with one thing uppermost in his mind, and that was that if freedom could be established within the United States of America the flame of freedom would spread so that eventually it would even take in the confines of his native Poland.

There was one other thing that Casimir Pulaski stood for, that the world could well emulate and that the leaders of the Government of the United States of America should have emulated in the last 5 years; and that is, Gen. Casimir Pulaski had the conviction that no nation could sell out the freedom of its neighbor and keep its own freedom secure. Pulaski was of the conviction that freedom was everybody's battle, and whenever he saw freedom falling in a neighboring country Pulaski was there to give a hand to help them maintain their freedom. Too bad that the United States of America had not followed that example at Yalta, where we absolutely went counter to everything that Gen. Casimir Pulaski stood for. The indulgence of the United States of America, the leadership of the United States of America, in their actions at Yalta was a poor reward for the great freedom-loving people of Poland and the great general and fighter for freedom as was Casimir Pulaski.

It is tragic that today again Poland is enslaved. Poland is enslaved because of the weakness of the leadership of the big powers, particularly the United States of America, in not having courage enough to stand up for what they thought was right and in not wanting to preserve freedom.

For instance, we are sending money and bullets to the people of Greece to keep the Greek people from being taken over by the Communists. Now I feel that the people of Poland and its great patriots like Casimir Pulaski have contributed far more to the freedom of the world than have the people of that remote area. Why did not the United States of America take as active an interest in freedom in Poland as it is now taking in Greece, and send arms and send financial help and send food to the people of Poland to help them maintain their freedom?

It must be remembered that Poland has paid a higher price per capita of population in this war than any country ever paid in the history of the world. Poland in this last war laid down more than 8,000,000 lives. Just think of that. When you consider that Poland before the war was a country of some 32,000,000 people, when it has given in blood and in life 8,000,000 of those 32,000,000, that means that 25 percent of the population of Poland perished in World War II. It would be tragic to see Casimir Pulaski today after the way the United States of America sold out Poland to the beast of communism.

At this time all hearts in America, all the freedom-loving people of America, the freedom-loving people all over the world, are honoring and commemorating the memory of Casimir Pulaski, the man who has set the example to the world that freedom is everybody's fight, that when it is endangered in one part of the world it is in danger all over the world, and who also set a moral example to the world that you cannot sell out the freedom of your neighbor and keep your own freedom secure.

In closing I want again to congratulate the gentleman from Illinois [Mr. SABATH] and all of his colleagues who have done such a fine job in commemorating the memory of so great a freedom-loving individual.

Mr. SABATH. Mr. Speaker, may I say at this time that the gentleman from Michigan [Mr. DINGELL] and the gentleman from Michigan [Mr. LESINSKI] desired to have some time, but unfortunately they are in the hospital and unable to join with the rest of the gentlemen in paying their respects to that great patriot, General Pulaski.

Mr. Speaker, I now yield to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, it is very fitting that the Congress set aside this time to do honor to the memory of Gen. Casimir Pulaski. General Pulaski was born on March 4, 1748, and today is the two hundredth anniversary of his birth.

On February 12, I spoke to the Members of the House about the outstanding patriotic accomplishments of another great Polish hero, Thaddeus Kosciusko, and generally speaking, the same words can be applied to the great Polish patriot, General Pulaski.

Their careers were very similar. America owes a great debt of gratitude to the man whose two hundredth anniversary we are celebrating today. His deeds and services toward aiding young America to establish freedom will forever be perpetuated in the minds of the people of our country. In the dark days of the Revolution, it took courage and bravery and one possessed of the true spirit of a patriot to accomplish the great deeds of heroism accomplished by General Pulaski. His presence as a leader in our Revolutionary Army also brought thousands of his Polish comrades to fight for the cause of American liberty. Today his name lives not only in the hearts of all Americans, but also in the hearts of all Polish people who believe in free, unfettered, and independent government, not only in their adopted home but also for their homeland. The love of self-government and free religious worship flows through the veins of all true Poles. The past centuries have demonstrated that the Polish people will never be submerged permanently by any power, no matter how great, because they have broken the shackles of tyranny before and will do it again. The spirit of America is behind the Polish Nation in its fight to regain its independence and liberty both civic and religious. The spirit of General Pulaski continues to live in the minds and hearts of all the Polish people and I know that the people of America share that spirit and will cooperate and work in harmony today as the pioneer Americans did with General Pulaski and other Poles back in the Revolutionary days. That spirit will reestablish Poland in its rightful place among all nations—a free, independent self-governing nation.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE of Illinois. Mr. Speaker, today we observe the bicentennial of the birth of Gen. Casimir Pulaski.

General Pulaski was born of noble birth, March 4, 1748, in one of the blackest periods of Poland's tragic history. It is significant that we come to the observance of the two hundredth anniversary of his birth as Poland is again crushed, as it was in his day, in a cruel conspiracy against the rights of man.

Pulaski fought for freedom in his own land but saw it go down to defeat. He escaped from Poland's conqueror and continued from afar to fight for the land he loved.

In Paris, in 1777 Pulaski met Benjamin Franklin and arranged to come to America. George Washington accepted Pulaski's service and without waiting for a commission the great Polish soldier enlisted in the Army.

Congress subsequently rewarded Pulaski's loyalty and heroism by commissioning him as a brigadier general and Washington made him the first commander of the American cavalry.

His qualities as a leader established, Washington in 1778 designated him as commander of the Pulaski Legion, an independent corps which contributed greatly to the success of the Colonies' cause in the war for independence.

As the heroic leader of this legion Pulaski distinguished himself for his valor and military genius until the time of his fatal wounding, October 9, 1779.

In an ill-fated assault on the city of Savannah Pulaski was hit in the thigh by a grape shot when trying to arrest the retreat of the French columns. On October 11, 1779 he died from the wound on board the U. S. brig *Wasp*.

This loyal son of Poland, unable to save the freedom of Poland, died for that of America.

Such spirit lights the way to liberty in the world.

I am confident his spirit still lives in Poland and somehow, someday will shine through to give his people the liberty and the freedom they as a nation have always cherished—though rarely enjoyed.

Poland's history has been a tragic one—her great sons numerous and always found where people were fighting for the rights of man. Certainly their sacrifices cannot have been in vain. Poland must someday live again as a free nation, where liberty and freedom shall ever be the watchword.

Mr. FOGARTY. Mr. Speaker, it is a cause for great pride for every American to take part, even in a small way, in commemorating the two hundredth anniversary of the birth of General Pulaski.

But the recollection of this immortal's great deeds will bring a heavy sadness to the heart of every lover of freedom.

General Pulaski occupies a very special place in the hearts of Americans because he contributed so much to the foundation of this Republic. In his heart burned the fierce fire of liberty. Poland was his first love—but wherever people thirsted for justice and liberty there General Pulaski saw his duty.

He was not content to remain in his motherland while the patriots of this infant Republic struggled against the might of the world's greatest empire. He

fled home and safety and helped lead his brave soldiers against the trained armies of Britain. He inspired all with his bravery and courage, with his love of liberty, and his will to win.

Today, throughout the country, Americans of all origins will join with descendants of Poland to pay tribute to his memory. Statues have been erected—public monuments have been dedicated to him. Flowers and flags will be brought forth as emblems of our respect for his memory.

But, tomorrow, perhaps all this will be forgotten and in his motherland history's greatest crime will continue to go unpunished. We shall continue to lament a condition which would have broken the heart of this immortal son of a once-proud and brave people.

I can recall other days in this House when Members rose to acknowledge their deep affection and great respect for the suffering people of Poland. All of us were shocked beyond measure when the armies of fascism drew Polish blood, shattered the proud cities, and scorched its countryside. Americans from all walks of life promised this great wrong would be righted and Poland once again would take her place among the free nations of the world.

Agreements were made between great statesmen, commitments were made that assistance of all kinds would be forthcoming; a great international parliament was created—all these things intended as guaranties that our pledges to Poland's brave dead would be redeemed.

Poland, throughout history, has been stabbed in the back, dismembered, her populations scattered, her cities laid waste. But always there has been the promise of a brighter tomorrow; always there has been the fire of liberty burning in the hearts of her sons and daughters. Always her leaders planned and worked for the day when Poland could again raise her head and assert her independence of foreign domination.

But despite all the noble sacrifices this proud people have made on the altar of freedom, she now lies prostrate, bleeding from many wounds. On her breast is perched the vulture of Red communism, sucking from her veins the last vestiges of her will to resist.

The end of World War II was the hoped-for day of Polish patriots. It was the tomorrow for which they had prayed and fought and died. But days have rolled into months, months into years, and the will to be free is being starved out of Poland as her people struggle for bread and clothing and cover.

This is what the memory of Pulaski must mean to Americans today.

His memory should awaken in all of us a determination to cling fast to the freedom and liberty and justice which is ours—and which Pulaski helped to make possible. That we will rededicate ourselves to making our democracy so function that we can be of some concrete assistance to the freedom-loving people everywhere, and, please God, we can keep alive in the hearts of Poland's brave sons the determination to throw off the yoke of communism which has forced Poland to her knees.

As God is in His Heaven the day will surely come when these brave people, the sons and daughters of Pulaski, will enjoy their full measure of reward for all their sufferings in freedom's name.

Mr. DONOHUE. Mr. Speaker, it is a privilege for me today to pay tribute to the memory of Gen. Casimir Pulaski.

His role in resisting the forces oppressing his beloved Poland has been celebrated by the historians of every freedom-loving nation. Every American schoolboy has been taught the debt of gratitude that our own country owes to the contributions and courage of this great patriot. As we revere his memory, we honor through him that love of liberty and that dauntless spirit, stemming from his Polish heritage, which sent him forth to fight for freedom in the New World.

Through the centuries Poland has had its great leaders—men of extraordinary capabilities, character, and courage. Yet all of the great men of Poland, no matter how varied their spheres of influence or different their fields of endeavor, have inherited several things in common which gave them their reason for being—their love of God and their religion, their love of country, and their burning desire for its eventual liberation.

At the beginning of modern times all of western Christendom owed a debt of gratitude to Poland when King John Sobieski drove the Turks back from Vienna in 1683 in one of the most decisive victories in history. Had the gallant Sobieski failed, all Europe would have been subjected to a yoke of slavery and Christian culture would have been destroyed.

Poland's contributions to the success of the Allies during World War II, and the fight of her people to preserve western civilization once again as they did in the battle of Vienna in the fifteenth century, make it mandatory that all true Americans support the demands for justice for Poland in the United Nations.

The heroic stand of Poland in 1939 in the face of aggression by superior force was an example of courage unparalleled in history. Poland's contributions to the military success of the United Nations in the drive to final victory and peace, and her sacrifice in the cause of humanity, merit every consideration. We must keep the sacred pledges that were made to Poland, not only because of the debt of gratitude which the other nations of the world owe to Poland, but because of the necessity of obtaining the wholehearted cooperation of all the smaller nations who look to us for justice.

The Americans of Polish ancestry, who have contributed so much to the development of the United States, I urge you to continue your efforts to restore Poland to its prewar glory. The buoyant idealism and splendid patriotism, together with the deep Christian concept of the right, which have characterized the Polish spirit in the past, have done much for our own country and should certainly do much for devastated Poland.

Civilization is based upon a reign of peace and justice, and for this reason America has been ennobled by the spiritual contributions of her citizens of Polish descent. By being true to their culture and their creed, Americans of Polish ancestry cannot help being true to their country. Their love of Poland and desire to make it free will only enhance their love of America. All of us might well be proud if we could contribute as much as Pulaski did to progress in the United States and peace in the world.

HOUSE JOINT RESOLUTION 323—OIL EMBARGO

Mr. HESELTON. Mr. Speaker, since the majority leader has announced that, if a rule is granted, this resolution may be called next week, I think it might be helpful to the Members if I report on the text of the resolution and the committee amendments and discuss briefly some of the reasons why I believe this is meritorious legislation which should be enacted promptly.

As amended, the title of the resolution would be "To prohibit temporarily the exportation of petroleum and petroleum products."

The text follows:

Whereas there are current and anticipated shortages in the United States of petroleum and petroleum products essential to satisfy fuel needs; and

Whereas, while such shortages continue, the health, safety, and welfare of the American people are threatened and industry is severely handicapped in the effort to attain production of commodities necessary (1) to the economic welfare of the United States, and (2) to insure the success of such program as may be adopted for aiding in the economic recovery of Europe; and

Whereas the Committee on Interstate and Foreign Commerce of the House has been conducting a study of this problem, and, in its preliminary report to the House on January 26, 1948, stated that the existing and threatened situation "is now so grave that exports should be stopped completely until it can be determined whether further exports are damaging to the economy of this country": Therefore be it

Resolved etc., That during the period of 30 days beginning with the day after the date of the enactment of this joint resolution, and notwithstanding commitments heretofore made, it shall be unlawful to export petroleum or petroleum products from the United States to any foreign country.

SEC. 2. Whoever violates the provisions of the first section of this joint resolution shall, upon conviction, be punished by a fine of not more than $10,000 or by imprisonment for not more than 2 years, or by both such fine and imprisonment.

SEC. 3. As used in this joint resolution the term "United States" includes the Territories and possessions of the United States.

The committee amendments to the text will be in the first section, where the words "petroleum or petroleum products from the United States to any foreign country" would be stricken and the following would be inserted in lieu thereof:

Kerosene, gas, oil, and distillate fuel oil, or residual fuel oil, from the East coast or Gulf coast of the United States to any foreign country; except that—

(1) exports of any such product necessary for use by the armed services of the United States may be made; and

(2) this joint resolution shall not require reduction of exports so as to reduce the imports into the Dominion of Canada from the United States below the amounts conforming with the voluntary import-reduction program heretofore undertaken by Canadian authorities and Canadian industry.

These amendments would restrict the embargo to what are known as heating oils, would confine the embargo to shipments from the east coast, where such

an embargo is now in effect under a departmental order, and from the Gulf coast, would exempt exports necessary for use by the armed services and would not affect the present voluntary reduction with our Canadian friends.

I doubt if anyone will question the wisdom of these amendments although there may be some doubt as to the extent of the exemption of exports for the use of the armed services. So far as they are needed by our armed services or for legitimate uses in occupation areas, such uses are imperative. But, in the light of the lack of sound screening of requests for use in occupation areas, some objections might be made to a flat exemption. However, these uses have been sharply restricted in the recent revisions. Although they first were submitted as absolute minimum needs, the reductions below those alleged minimums have been so substantial as to lead to a reasonable belief that a realistic minimum has now been established.

It is obvious that upon the passage of this resolution there would be an effective embargo on all shipments of kerosene, gas oil, and distillate fuel oil, or residual fuel oil from east and gulf coast ports in this country for a period of 30 days, with the exceptions noted.

The clear intent and the sole objective of the resolution is to divert to domestic use these critically needed fuel oils so that American homes, industries, churches, hospitals, schools, transportation systems, and other users of heating oils will be guaranteed, so far as humanly possible, against any further shortages during the balance of the heating season.

Some opposition has been expressed on the theory that the situation would straighten itself out and that, in fact, there is no further difficulty now with the coming of spring. These opponents overlook the facts. Although much has been accomplished in the way of diversion of oils through previously announced revisions in the export program and through conservation measures practiced by individuals in these areas, we are still suffering from abnormally low temperatures and are being buffeted by record snowfalls. Over this last week end, parts of New England had to dig out from a fall of between 9 to 12 more inches of snow. This was accompanied by freezing temperatures. A total of 85.5 inches has fallen on the Boston area to date. Only the winter of 1873–74 brought more snow to that area. In other parts of Massachusetts, all time records have been established with snowfalls of more than 131 inches. While I wish we could be as optimistic as some of the opponents of this resolution are, we have to face the facts. We know that our depleted stocks of heating oils are running out. We know that, unless we can secure effective action immediately, we will be in trouble. We can no longer remain patient with the continued refusal of our Department of Commerce to recognize these facts and help us. So far as we are concerned, every hour counts. And we certainly do not mean all this effort to be an idle gesture. It is the only course open to us and we believe it will be effective. In that connection, we have the testimony of many able men connected with the oil industry who have stated that such an embargo would result in the diversion of the heating oils to our areas.

So that there will be no doubt about the facts, let me quote from a news article appearing in the New York Journal of Commerce today:

EAST'S OIL STOCKS DANGEROUSLY LOW

Atlantic coast heating-oil stocks are at dangerously low levels, necessitating continued high production and consumer conservation.

This was the conclusion reached yesterday by the Petroleum Regional Advisory Committee for the east coast after studying a report made by its statistical subcommittee.

The report showed that east-coast heating-oil stocks at 7,940,000 barrels on February 21 were 43 percent below a year ago, a dangerously low level that must be further drawn upon to meet needs even under normal weather.

Kerosene supply, it added, is particularly acute because there is little hope of increased yields. To avoid further deterioration of the kerosene stock situation, the refining subcommittee said it was sending telegrams to refiners to maintain high yields. At the same time, the transportation subcommittee reported that barge movements are now in progress up the Hudson as far as Albany.

Concluding its report, the committee said that consumers must continue to save every possible drop of oil if hardship is to be avoided throughout the remainder of the heating season.

The resolution is based fundamentally upon the fact that a survey was made in other countries, upon instruction by Secretary Marshall, in early February. In his cables, the Secretary stated the domestic situation forcefully and accurately. Those portions of the cables were as follows:

Adverse weather conditions and abnormally low stocks have aggravated critical shortages of all petroleum heating fuels throughout large areas of the United States. The seriousness of these shortages has led the Department of Commerce to reduce first quarter export allocations, effective January 30, 1948, as follows—

Stating the reductions—

Concern is also increasing regarding diminishing United States stocks of aviation gasoline and motor gasoline. The course of events may shortly necessitate revisions of these allocations also. In the light of the revised first quarter allocations and continuing critical United States shortages of petroleum heating oils and aviation gasoline and motor gasoline, the consulate is requested to consult immediately with representatives of the * * * Government to determine what further reductions in the revised first quarter petroleum allocations to * * * can be achieved without probable serious economic disruption. It is urgent that OIT receive your reply not later than Wednesday, February 11, 1948. Information urgently required as to detail of essential end uses of petroleum from United States in China and the effect on the economy of the January 30 cuts and of possible further reductions.

These reports came back to this country. They resulted in a total offered reduction of 1,198,036 barrels of petroleum and petroleum products. Note that these offers were made without probable serious economic disruption.

In the face of this, the Review Committee discussed the possibility of further reductions on the afternoon of February 18. The following is from their minutes:

There was considerable discussion regarding further reductions in the first quarter 1948 export quotas covering aviation gasoline, other motor gasoline, kerosene, gas oil and distillate fuel oil, and residual fuel oil. OIT explained they had sent cables to our embassies in the countries receiving these products from this country, outlining the seriousness of the domestic supply and asking for a statement as to the minimum quantities which the various countries must have during the first quarter. They also discussed this subject with the foreign missions in Washington.

As a result of replies from these cables, discussions with the foreign missions in Washington, and a study of the unlicensed balances in the first quarter quotas, OIT felt the reductions listed below might be made in view of the serious domestic supply-demand situation.

The total cut recommended was 599,000 barrels. As I said, these countries had reported a total reduction could be achieved without probably serious economic disruption of 1,198,036 barrels. It is significant that this is almost exactly 100 percent more than the recommendation.

On February 19, OIT announced a reduction in the amount of 599,000 barrels. The bulletin included this statement:

It is hoped that it will not be necessary to use all the unallocated amounts. The amounts not used will represent a further saving, it was explained.

Parenthetically the bulletin of February 10 stated:

In order further to insure that no petroleum products in critically short supply are shipped from the area of greatest shortage in the United States, the Department of Commerce has prohibited the use of its petroleum export licenses to clear shipments from east coast ports, the Office of International Trade announced today. * * * Because of continuing petroleum shortages in the United States, importing countries are being asked to make further reductions in their requests for petroleum products in future quarters. In addition, they are being asked to review immediately the first quarter allocations * * * to determine whether further reductions can be achieved during the remaining winter months, OIT officials said.

And in its bulletin of January 2 the OIT stated:

This quota continues the policy of restricting exports of major petroleum products to the maximum extent possible until the current domestic shortages are alleviated.

Consider that last statement for a moment. It insists that this quota continues the policy of restricting these exports to the maximum extent possible. In spite of that, on February 10 this Office reduced exports of kerosene 125,000 barrels, of gas oil and distillate fuel oil 200,000 barrels, and of residual fuel oil 175,000 barrels. Then, on February 19 it reduced kerosene exports by another 106,000 barrels, gas oil and distillate fuel oil by another 5,500 barrels, and residual fuel oil by another 25,000 barrels. This reduction, in heating oils only, of a total of 636,500 barrels within 9 days either belies the statement of January 2 that the export quota then announced constituted a restriction to the maximum extent possible or it demonstrates the kind of faulty judgment which has been

primarily responsible for the existence of even spot shortages in this country this winter.

Nevertheless, when we know that 599,000 barrels of these heating oils are in terminals in the Gulf coast, when we know that we can have ample tankers to transport them north on a few hours' notice, when we know that we have ample terminal storage space in Boston, in Rhode Island, in Connecticut, in New York, in New Jersey, in Pennsylvania, in Delaware, in Maryland, in Virginia, in North Carolina, in South Carolina, in Georgia, and on the east coast of Florida. The same thing is undoubtedly true in the Midwest.

Yet the Department of Commerce is adamant in its refusal to either divert the additional 599,000 barrels to the east coast or to the Midwest or to issue the same order as to honoring licenses out of Gulf coast ports until that amount of heating oil shall have cleared for those points. It refuses positively to reduce the reserve item of 774,522 barrels by the amount of 599,000 barrels. In the meantime, since February 27, this office has issued four additional licenses for an additional 17,800-barrel export of these heating oils.

In order that you might have an official statement of the Department's position I requested Assistant Secretary Bruce to send me a message covering it. His telegram has just arrived and it is as follows:

WASHINGTON, D. C., *March 4, 1948.*

Hon. JOHN W. HESELTON,
House of Representatives:

Retel the position of the Department of Commerce on export of petroleum products to all destinations remains unchanged. The quantities established as petroleum product export quotas, which include country quotas as well as the reserve item, are the amounts which have been allocated for export and do not exist as a pool from which exports are made. We anticipate making no further reductions in such allocations, including the reserve item, for the remainder of this quarter the reserve item to which you refer is established for emergency uses and to cover the needs of small countries for which no country quotas are established no petroleum products are earmarked under any of these items including the reserve, and holders of licenses must seek them and contract for them where they can. The above does not however refer to exports of crude petroleum which was placed on the positive list on February 17. Already cases of extreme hardship have been referred to us under this ruling which we are taking under consideration, which is the usual procedure when a commodity is first put on the positive list.

DAVID BRUCE,
Assistant Secretary of Commerce.

Let me comment that I know and you know that the quantities do not exist as a pool. The point is that the oil is in existence and, if the Department licenses its exports, the holders of those exports can and will draw on existing stocks of heating oils for overseas shipments. We are not asking that this should not be done. We are asking that domestic needs be recognized and that, until we know we have these additional 599,000 barrels on their way to east coast and midwest terminals, overseas shipments of that oil should not be made. Boiled down we are only asking that our constituents be given equal consideration with our friends in other countries. They have not been given that consideration up to now. We know they have been in difficulty. We know they may still suffer hardships. We wish to insure against that. We can do so now by passing this resolution.

I submit that a vote for the resolution can only be interpreted as an honest, realistic, and constructive effort to prevent further hardships in this country. I think a vote against the resolution will be interpreted, at least by those who are thereby compelled to endure further hardships, as an indication of indifference to their comfort, their welfare and, perhaps, to their security.

At this point I include a tabulation furnished me by the Office of International Trade covering licenses issued since the date of my last report, which is printed at page 1954 of the RECORD of March 1. Read together they tell the story of the licenses issued up to today in the first quarter. They total 2,812,876 barrels of these heating oils, which is something of a contrast to the 599,000 barrels we insist our American homes and institutions ought to have and can have under this resolution.

Licenses issued for export of petroleum products, Feb. 27–Mar. 4, inclusive

	Barrels
Aviation gasoline (501600):	
Mexico	500
China	70,000
Total	70,500
Motor gasoline (501700): None.	
Kerosene (502700): Liberia	300
Diesel oil (503000):	
Honduras	5,000
Mexico	4,500
Residual fuel oil (503100): Mexico	8,000
Crude oil (501100): France	60,000

NOTE.—Figures in parentheses are schedule B numbers.

HOUSE REPORT NO. 1508

Mr. KERSTEN of Wisconsin. Mr. Speaker, the chairman of the Committee on Education and Labor [Mr. HARTLEY] today has filed House Report No. 1508, dealing with the investigation of sworn testimony of Harold Christoffel before that committee that he was not a Communist.

As chairman of the subcommittee appointed to investigate the matter I wish to state that the said Harold Christoffel has been tried by a jury in the District of Columbia and found guilty of perjury.

This jury verdict is a triumph for sound trade-unionism in America. Sound trade-unionists all over our land are realizing that a labor union cannot cooperate with Communists any more than the Benes government in Czechoslovakia could cooperate with Communists.

Regardless of the merits of the controversy between the union and the Allis-Chalmers Co. in Milwaukee, Wis., the activities of Communist influence in that union perverted the controversy. The UAW-CIO is to be congratulated for ousting Communist influence in that union.

EXTENSION OF REMARKS

Mr. ARNOLD (at the request of Mr. O'KONSKI) was given permission to extend his remarks in the RECORD and include a magazine article.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LANE, for Friday, March 5, 1948, on account of official business.

ADJOURNMENT

Mr. O'KONSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, March 5, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred, as follows:

1360. A letter from the Chairman, United States Atomic Energy Commission, transmitting a report of claims paid by the United States Atomic Energy Commission during the calendar year 1947 pursuant to the Federal Tort Claims Act; to the Committee on the Judiciary.

1361. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to authorize the Administrator of Veterans' Affairs to convey to the city of Cheyenne, Wyo., for public park and golf-course purposes, certain land situated within the boundaries of the Veterans' Administration center at Cheyenne, Wyo.; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HERTER: Select Committee on Foreign Aid. Preliminary Report No. 13 filed pursuant to House Resolution 296, Eightieth Congress, first session; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERTER: Select Committee on Foreign Aid. Preliminary Report No. 14 filed pursuant to House Resolution 296, Eightieth Congress, first session; without amendment (Rept. No. 1501). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERTER: Select Committee on Foreign Aid. Preliminary Report No. 15 filed pursuant to House Resolution 296, Eightieth Congress, first session; without amendment (Rept. No. 1502). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERTER: Select Committee on Foreign Aid. Preliminary Report No. 16 filed pursuant to House Resolution 296, Eightieth Congress, first session; without amendment (Rept. No. 1503). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERTER: Select Committee on Foreign Aid. Preliminary Report No. 17 filed pursuant to House Resolution 296, Eightieth Congress, first session; without amendment (Rept. No. 1504). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERTER: Select Committee on Foreign Aid. Preliminary Report No. 12 filed pursuant to House Resolution 296, Eightieth Congress, first session; without amendment (Rept. No. 1505). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4725. A bill to confer jurisdiction on the several States over offenses committed by or against Indians on Indian reservations;

with an amendment (Rept. No. 1506). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 4954. A bill to authorize the construction, operation, and maintenance, under Federal reclamation laws, of the Kennewick division of the Yakima project, Washington; with amendments (Rept. No. 1507). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARTLEY: Committee on Education and Labor. Report on investigation of Harold Christoffel and others as to whether perjury was committed; without amendment (Rept. No. 1508). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 5287. A bill to amend section 58d of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1509). Referred to the House Calendar.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. House Report No. 1510. Supplemental report to fourth intermediate report regarding investigation of participation of Federal officials of the Department of the Army in publicity and propaganda as it relates to universal military training. Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 5706. A bill to authorize the Army and Navy Union, United States of America, Department of Illinois, to construct a recreational park on the grounds of the United States naval hospital, United States training center, Great Lakes, Ill.; to the Committee on Armed Services.

By Mr. BECKWORTH:

H. R. 5707. A bill to provide increased subsistence allowance for veterans pursuing on-the-job and on-the-farm training courses; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H. R. 5708. A bill to exempt civilian members of the Permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on outside activities; to the Committee on the Judiciary.

By Mr. JENKINS of Ohio:

H. R. 5709. A bill to provide for the establishment and operation of an experiment station in the Hocking Valley coal region in the State of Ohio for research on the production, refining, transportation, and use of petroleum and natural gas from coal and oil shale; to the Committee on Public Lands.

By Mr. McGREGOR:

H. R. 5710. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; to the Committee on Public Works.

By Mr. SIMPSON of Pennsylvania:

H. R. 5711. A bill to amend the Railroad Unemployment Insurance Act, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Washington:

H. R. 5712. A bill to provide for automatic increases in compensation, in certain cases, for persons with temporary indefinite appointments; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Wisconsin:

H. R. 5713. A bill to amend Public Law 663, Seventy-sixth Congress, so as to protect the badge, medal, emblem, or other insignia of auxiliaries to veterans' organizations; to the Committee on the Judiciary.

By Mr. KNUTSON:

H. R. 5714. A bill to authorize the Secretary of the Interior to permit the prospecting, development, mining, removal, and utilization of the mineral resources of public domain lands not subject to the general mining laws or the Mineral Leasing Act; to the Committee on Public Lands.

By Mr. JONES of Washington:

H. R. 5715. A bill to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55; to the Committee on Post Office and Civil Service.

By Mr. BOGGS of Delaware:

H. J. Res. 339. Joint resolution to provide for the issuance of a special postage-stamp series in honor of volunteer firemen; to the Committee on Post Office and Civil Service.

By Mr. YOUNGBLOOD:

H. J. Res. 340. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of the American Turners Society in the United States; to the Committee on Post Office and Civil Service.

By Mrs. BOLTON:

H. Con. Res. 154. Concurrent resolution authorizing a reprint of the report and supplements 1 and 2 of the Subcommittee on National and International Movements of the Committee on Foreign Affairs, entitled "The Strategy and Tactics of World Communism"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENDER:

H. R. 5716. A bill to record the lawful admission to the United States for permanent residence of Patricia Schwartz and Bessie Schwartz; to the Committee on the Judiciary.

By Mr. BRAMBLETT:

H. R. 5717. A bill for the relief of Emmet Wood and Viola Wood; to the Committee on the Judiciary.

By Mr. DEVITT:

H. R. 5718. A bill to provide for the naturalization of Mary Gemma Kawamura; to the Committee on the Judiciary.

By Mr. GROSS:

H. R. 5719. A bill for the relief of Walter H. Boring; to the Committee on the Judiciary.

By Mr. HOBBS:

H. R. 5720. A bill for the relief of the estate of Cornelia Mayr; to the Committee on the Judiciary.

By Mr. PRICE of Florida:

H. R. 5721. A bill for the relief of Raleigh B. Diamond; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 5722. A bill for the relief of Cecil L. Howell; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1481. By Mr. FORAND: Resolution of the City Council of the City of Providence, R. I., urging the President and the Secretary of State of the United States to support certain measures to insure the partition of Palestine; to the Committee on Foreign Affairs.

1482. By Mr. BOGGS of Delaware: Petition of members of Olivet Presbyterian Church, of Wilmington, Del., consisting of 51 names, petitioning for aid and long-term plan for the proper education and other phases of care guaranteed by the terms of the treaty with the Navajos; to the Committee on Public Lands.

1483. Also, petition of Woman's Christian Temperance Union of Rehoboth Beach, Del., consisting of 20 names, petitioning for passage of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1484. By Mr. JENISON: Petition of Iroquois Post No. 503, American Legion, Loda, Ill., bearing the signatures of 20 residents of Loda, Ill., in support of H. R. 4482, to bar un-American parties from the election ballot; to the Committee on House Administration.

1485. Also, petition of Iroquois Post No. 503, American Legion, Loda, Ill., bearing the signatures of 20 residents of Loda, Ill., favoring the enactment of legislation by Congress establishing a system of universal military training, as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1486. By Mr. KEARNEY: Petition containing the signatures of 63 citizens of the city of Cooperstown, N. Y., in the Thirty-first Congressional District, recommending legislation establishing a system of universal military training; to the Committee on Armed Services.

1487. Also, petition containing the signatures of 32 members and friends of Whiteman-Hull-Snyder Unit, No. 1360, American Legion Auxiliary, of Cherry Valley, N. Y., recommending legislation establishing a system of universal military training; to the Committee on Armed Services.

1488. By Mr. McGARVEY: Resolution presented by Breen-McCracken Post, No. 270, American Legion, and unanimously adopted by the delegates of the Philadelphia County Council, American Legion, expressing their full agreement with H. R. 4278, a bill establishing a system of universal military training; to the Committee on Armed Services.

1489. By the SPEAKER: Petition of the national commander, American Legion, petitioning consideration of his resolution with reference to requested approval of the Veterans' Administration 1949 budget as submitted by the President, with added supplemental funds; to the Committee on Appropriations.

1490. Also, petition of Mrs. Glenn E. Walters, Muncie, Ind., and others, petitioning consideration of their resolution with reference to endorsement of Senate bills 985 and 1907; to the Committee on Agriculture.

1491. Also, petition of Missouri River States Committee, petitioning consideration of their resolution with reference to hearings before a joint session of all subcommittees considering appropriations for the Missouri River plan; to the Committee on Appropriations.

1492. Also, petition of the Council of Annette Islands Reserve, Alaska, petitioning consideration of their resolution with reference to protesting passage of House Joint Resolution 269 and Senate Joint Resolution 162; to the Committee on Public Lands.

1493. Also, petition of Mr. and Mrs. Ora L. Leslie and others, petitioning consideration of their resolution with reference to grain control regarding liquor interests; to the Committee on Banking and Currency.

1494. Also, petition of Coryl Cattell, New York, N. Y., and others, petitioning consideration of their resolution with reference to the clearance of Dr. Edward U. Condon by the Thomas committee; to the Committee on Un-American Activities.

1495. Also, petition of Mrs. Albina Bibeau, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1496. Also, petition of Charles L. Armstrong, Orlanda, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

FRIDAY, MARCH 5, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Grant, O Lord, that this assembly of freemen, chosen to lead a nation that loves and lives its freedom, may give hope and help to all those who, loving liberty, long to live in it.

May no cowardice or callous selfishness make us reluctant to assume the responsibilities of leadership in a world hungry for hope.

This we ask in the name of Jesus Christ, who is the hope of our salvation. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 4, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 3, 1948, the President had approved and signed the following acts:

S. 316. An act for the relief of Mary Sungduk Charr;

S. 402. An act to authorize and direct the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land;

S. 500. An act authorizing the issuance of a patent in fee to Tom Eagleman; and

S. 521. An act for the relief of Sang Hun Shim.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; and

H. R. 5448. An act to amend sections 212 (b) and 231 (d) of the Internal Revenue Code.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents, and it was signed by the President pro tempore.

DISPOSITION OF SURPLUS WAR PROPERTY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 558)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Expenditures in the Executive Departments.

(For President's message, see today's proceedings of the House of Representatives on p. 2264.)

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

TORT CLAIMS PAID BY TREASURY DEPARTMENT

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report of tort claims paid by the Treasury Department for the fiscal year ended June 30, 1947 (with accompanying papers); to the Committee on the Judiciary.

CONVEYANCE OF CERTAIN VETERANS' ADMINISTRATION LANDS TO CITY OF CHEYENNE, WYO.

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to authorize the Administrator of Veterans' Affairs to convey to the city of Cheyenne, Wyo., for public park and golf-course purposes, certain land situated within the boundaries of the Veterans' Administration center at Cheyenne, Wyo. (with an accompanying paper); to the Committee on Finance.

REPORT OF OFFICE OF EDUCATION

A letter from the Administrator, Federal Security Agency, transmitting, pursuant to law, the annual report of the United States Office of Education for the fiscal year 1947 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions, etc., were presented and referred as indicated:

By Mr. MAYBANK:

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Public Works:

"Concurrent resolution requesting the South Carolina congressional delegation to investigate beach erosion in South Carolina

"Whereas, by reason of high waters, unfavorable winds, and erosion, the beaches along the South Carolina coast are being severely damaged; and

"Whereas it appears that a thorough and prompt study of appropriate preventive measures is essential in the interest of the State: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the South Carolina delegation in the Congress do take the necessary steps to have this situation investigated by the Army engineers or other appropriate Federal agencies to the end that measures be taken to remedy this erosion.

"Further, that a copy of this resolution be sent to each member of the South Carolina delegation in Congress."

A resolution of the House of Representatives of the State of South Carolina; to the Committee on Finance:

"Resolution memorializing Congress to repeal the 10 cents per pound Federal tax on oleomargarine and to enact a tax of one-quarter of 1 cent per pound on oleomargarine

"Whereas the sale of oleomargarine is now taxed by Federal statutes at the rate of one-quarter of a cent per pound for white or colorless margarine and at the rate of 10 cents per pound for colored margarine, which legislation was enacted and is maintained by dairy pressure groups from the North and Midwest sections of the United States; and

"Whereas there is now pending before the House of Representatives of the Congress of the United States a bill proposing to repeal the present law and to enact a flat tax of one-quarter of 1 cent per pound on all oleomargarine; and

"Whereas some 5,000,000 pounds of oleomargarine per year are consumed and used yearly in this State, purchased primarily by low-salaried groups and individuals unable to pay high prices for butter; and

"Whereas the adoption by Congress of the above-cited legislation would result in a saving to South Carolina taxpayers of taxes conservatively estimated at in excess of $200,000 per year: Now, therefore, be it

"Resolved by the house of representatives, That the South Carolina delegation in Congress be urged to lend their influence and efforts toward the enactment by Congress of the above legislation known as H. R. 5292; be it further

"Resolved, That a copy of this resolution be sent to each member of the South Carolina delegation in the United States House of Representatives and Senate."

UNIVERSAL MILITARY TRAINING AND LIQUOR ADVERTISING—LETTER FROM MRS. M. W. WILLIAMS

Mr. CAPPER. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD the attached able letter from Mrs. M. W. Williams, of Kiowa, Kans., in which she sets forth her opposition to universal military training and to liquor advertising.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KIOWA, KANS., *February 25, 1948.*

SENATOR CAPPER:

I wish to express to you again thanks for the stand you are taking on UMT, as well as the firm stand against liquor advertising. You are surely the friend of the Christian forces of America and also the friend of the mothers and of all who wish to keep America free.

We do think that we need preparedness for our country, but we do not believe that UMT would be the solution for our defense. We would finally come (as Germany did) to a decay inwardly and a loss of our freedom. No people is prepared if the young men or boys of high-school age are forced to be schooled in vice, as our camps are noted for. It is a loss of faith in their fellow man, loss of faith in their mothers and sisters, by prostitutes and a breaking down of morals, through the persistent temptation of drink and gambling and what not.

A boy just out of high school is at the age where he hates to be known as or called a sissy and it is sometimes easy for him to do a flipflop and think his parents are old fogies and all is manly and O. K. in vice centers. May God be with us yet. You have many people behind you out here in good old Kansas.

MRS. M. W. WILLIAMS,
A Mother.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 1090. A bill to safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes; with an amendment (Rept. No. 968).

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 1871. A bill to restore certain lands to the town site of Wadsworth, Nev.; without amendment (Rept. No. 969).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 5, 1948, he presented to the President of the United States the enrolled bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL (for himself and Mr. GURNEY):

S. 2271. A bill to amend the act entitled "An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," approved April 4, 1944; to the Committee on Armed Services.

By Mr. BUTLER (by request):

S. 2272. A bill to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY:

S. 2273. A bill for the relief of Persephone Poulios; to the Committee on the Judiciary.

(Mr. MORSE introduced Senate bill 2274, to provide for an investigation by the Commissioner of Public Roads with respect to the damage done to certain roads in Polk County, Oreg., as a result of operations of the Army during World War II, which was referred to the Committee on Public Works, and appears under a separate heading.)

By Mr. TAYLOR:

S. J. Res. 194. Joint resolution to implement the UN Palestine partition decision to lift the arms embargo against Palestine and to build world peace; to the Committee on Foreign Relations.

ROADS IN POLK COUNTY, OREG.

Mr. MORSE. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill prepared at the request of the county court of Polk County, Oreg.

It refers to the situation in which that county finds itself as a result of the taking over of the highways in the Camp Adair Army Reservation during the war, which highways have now been returned to the county.

When the Government took over some 45,000 acres in Oregon for Camp Adair they included in this all the county roads with one exception, although no agreement was made with the Polk County officers.

Polk County has received no tax money from that area since 1942. Evidently the roads were left in bad shape by the Army, and lack of maintenance has caused further deterioration. People are now moving back into the area and Polk County has no money with which to rebuild and maintain the roads.

The county estimates that it will require about $2,500 per mile to rebuild the roads.

I am attaching to this statement a letter which I have received from the county court, setting forth the position of the county court in this matter. I ask unanimous consent to have the letter printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COUNTY COURT OF POLK COUNTY,
Dallas, Oreg., January 30, 1948.

Hon. WAYNE MORSE,
United States Senator From Oregon,
Senate Office Building,
Washington, D. C.

DEAR SIR: The shooting war is over, no more troops are being trained in Camp Adair, but the war of nerves still continues in Polk County concerning the condition of the roads in the camp area.

The county judge and the road commissioners of Polk County respectfully call to your attention the following facts and ask your consideration of our problem.

In Polk County the camp area consists of approximately 45,000 acres including all county roads and State highways. When the United States Government, for the War Department, took over the land from private owners they also took over all county roads, except one, without an agreement with the officers of Polk County. The single exception being that part of market road No. 7 from highway No. 99 at Suver Junction thence westerly through the town of Airlie and northerly to old State secondary highway at Maple Grove corner, a distance of approximately 8 miles.

When the area was taken over by the Federal Government and the landowners moved out, Polk County refunded to the dispossessed owners the amount of $19,279.88. Since August 1942 Polk County has not received any tax money from the area. The county road crews have done some work and have furnished some material for road maintenance. The roads were left in bad shape by the Army, and, with no maintenance, have broken through in many places.

Many people have moved back into the area and are now asking that the roads be improved. Many of the descriptions of the tracts of land sold shows the boundary lines in the middle of the old roads. These deeds make no exceptions for existing roads or highways. The new owners are claiming that they own the area of the road right-of-way and that the county has no right. These roads were established by agreement with the former owners, some without deeds, some by resolutions, some by actual purchase by the county, and others established by the Territorial Government. These roads are roads of record and belong to the public for general use.

The right-of-way of some of these roads is too narrow, some have poor location both for alignment and grade. They should be relocated for safety and convenience.

Our problem is this: The area is being resettled, the roads through the area are becoming badly rutted and broken, bridges and culverts have been neglected and are worn out, and Polk County has no money with which to rebuild or maintain even those roads which are on reasonable location and grade. There are in this area about 60 miles of county roads including several steel and timber bridges and many culverts. We estimate that, on the average, it will require $2,500 per mile to rebuild these roads to proper standards.

We ask you to make an investigation, either personally or through the Bureau of Public Roads, and then introduce legislation to provide funds to correct the condition left by the Army.

We will be pleased to cooperate and furnish any other information as needed.

Yours respectfully,

POLK COUNTY COURT,
HERMAN VAN WELL,
County Judge.
H. H. BRANT,
Commissioner.
W. E. KNOWN,
Commissioner.

Mr. MORSE. Also I should like to have printed in the body of the RECORD at this point as a part of my remarks the bill which I am introducing with regard to this situation, which in effect calls upon the Commissioner of Public Roads in the Federal Government to make an investigation of the situation to the end of taking the necessary steps to rebuild these roads at the expense of the Federal Government, and not at the expense of the county.

There being no objection, the bill (S. 2274) to provide for an investigation by the Commissioner of Public Roads with respect to the damage done to certain roads in Polk County, Oreg., as a result of operations of the Army during World War II, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Commissioner of Public Roads is authorized and directed (1) to make a full and complete investigation with respect to the extent to which the county roads and State highways within the camp area of Camp Adair, Polk County, Oreg., have been damaged as a result of their use during the period when such camp area was under the jurisdiction of the United States Army, and (2) to report to the Congress, on or before January 1, 1949, the results of such investigation together with an estimate of the cost of restoring such roads and highways to a condition equal to their condition at the time the camp area was taken over by the Army.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. MORSE. Mr. President, I ask unanimous consent to submit an amendment intended to be proposed by me to the bill H. R. 4790, to reduce individual income-tax payments, and for other purposes. The amendment seeks to reduce individual income-tax payments in the case of women who have children and who find it necessary to maintain a home and at the same time work. Today they find themselves confronted with the situation that in some instances they must pay between a half and three-quarters of their salaries in order to obtain the necessary domestic help and nurses to take care of their children. The result is another example of unfair discrimination against women in industry. I think it is only fair and proper that the tax laws be amended in such manner as I have proposed in the amendment which I am submitting.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. GEORGE submitted amendments intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which were ordered to lie on the table and to be printed.

Mr. BREWSTER submitted an amendment intended to be proposed by him to Senate bill 2202, supra, which was ordered to lie on the table and to be printed.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

PRINTING OF REVIEW OF REPORT ON OHIO RIVER AND ITS TRIBUTARIES (S. DOC. NO. 125)

Mr. REVERCOMB. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated January 12, 1948, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of report on the Ohio River and its tributaries at, and in the vicinity of, Rosiclare, Ill., and I ask unanimous consent that it may be referred to the Committee on Public Works and printed as a Senate document, with illustrations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PRINTING OF REPORT OF APPROPRIATIONS COMMITTEE RELATING TO ACCUMULATION OF SICK AND ANNUAL LEAVE (S. DOC. NO. 126)

Mr. BALL. Mr. President, on behalf of the chairman of the Committee on Appropriations [Mr. BRIDGES], I ask unanimous consent that the report of the Committee on Appropriations relating to accumulation of sick and annual leave in the executive branch may be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Finance:

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; and

H. R. 5448. An act to amend sections 212 (b) and 231 (d) of the Internal Revenue Code.

RENT CONTROL—ADDRESS BY SENATOR CAIN

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a radio address on the subject of rent control delivered by Senator CAIN, which appears in the Appendix.]

FEDERAL HOUSING—DISCUSSION BY SENATOR SPARKMAN AND COMMISSIONER WAGNER

[Mr. MCMAHON asked and obtained leave to have printed in the RECORD a transcript of a discussion on the subject of Federal housing between Senator SPARKMAN and New York City Housing Commissioner Robert F. Wagner, Jr., broadcast on March 1, 1948, which appears in the Appendix.]

POSITION OF SENATOR BROOKS ON THE MARSHALL PLAN—RADIO BROADCAST BY CEDRICK FOSTER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD the remarks of Mr. Cedrick Foster, radio commentator, over the Mutual Broadcasting System, March 3, 1948, which appear in the Appendix.]

SLUM-CLEARANCE ACTIVITIES OF SENATOR WAGNER—ARTICLE BY LOWELL MELLETT

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an article entitled "Senator WAGNER Undertakes One More Service for Slum Dwellers," by Lowell Mellett, published in the Washington Evening Star for March 2, 1948, which appears in the Appendix.]

PROTECTION OF CIVIL RIGHTS

[Mr. JENNER (by request) asked and obtained leave to have printed in the RECORD a letter addressed to the President of the United States, endorsing his civil-rights program, written by Clarence C. Smith, of Indianapolis, Ind., which appears in the Appendix.]

GOOD WAYS TO RUIN—ARTICLE FROM THE PATHFINDER

[Mr. ECTON asked and obtained leave to have printed in the RECORD an article by Wheeler McMillen, entitled "Good Ways to Ruin," published in the Pathfinder of February 25, 1948, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. YOUNG asked and obtained consent to be absent from the Senate until Friday of next week.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment presented by the Senator from Arkansas [Mr. FULBRIGHT]. Under the order of the Senate the Senator from Nevada [Mr. MALONE] has the floor.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Buck	Connally
Baldwin	Butler	Cooper
Ball	Byrd	Cordon
Barkley	Capehart	Donnell
Brewster	Capper	Downey
Brooks	Chavez	Dworshak
Eastland	Knowland	Overton
Ecton	Langer	Reed
Ellender	Lodge	Revercomb
Ferguson	Lucas	Robertson, Va.
Flanders	McCarran	Robertson, Wyo.
Fulbright	McCarthy	Russell
George	McClellan	Saltonstall
Green	McFarland	Smith
Gurney	McGrath	Stennis
Hawkes	McKellar	Taft
Hayden	McMahon	Taylor
Hickenlooper	Malone	Thomas, Utah
Hill	Martin	Tobey
Hoey	Maybank	Vandenberg
Holland	Millikin	Watkins
Ives	Moore	Wherry
Jenner	Morse	Wiley
Johnson, Colo.	Murray	Williams
Johnston, S. C.	O'Conor	Wilson
Kem	O'Daniel	Young
Kilgore	O'Mahoney	

Mr. WHERRY. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. THYE] is unavoidably absent.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Tennessee [Mr. STEWART], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

The Senator from Nevada [Mr. MALONE] has the floor.

Mr. BROOKS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. BROOKS. Mr. President, on behalf of myself, the junior Senator from Nebraska [Mr. WHERRY], the Senator from Kansas [Mr. REED], the Senator from Maine [Mr. BREWSTER], the Senator from Washington [Mr. CAIN], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Idaho [Mr. DWORSHAK], the Senator from New Jersey [Mr. HAWKES], the senior Senator from Nebraska [Mr. BUTLER], the Senator from Nevada [Mr. MALONE], the Senator from Montana [Mr. ECTON], and the Senator from Utah [Mr. WATKINS], I submit an amendment intended to be proposed by us to the pending bill (S. 2202).

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. BROOKS. Mr. President, I should like to speak briefly on the amendment, and I thank the Senator from Nevada for giving me the opportunity.

Mr. President, this proposed act is called an Economic Cooperation Act. Whatever is finally passed will become a burden upon all of our people, whether

they favor the act or not. One of the main requirements of recovery is food. One of the benefits from recovery is friendship on the part of those who receive the food for those who provide it.

During my recent trip and study in western Europe, I was convinced that few people over there knew that we were furnishing them with food free, because we furnished it to their government and their government sold the food to the people. The result was that they did not know we furnished it free; they thought we charged them too much for it, and thus we failed completely to gain any real personal friendship for our generosity and concern.

On the other hand, no less an authority than Gen. Lucius Clay, American commander in chief in Europe, himself stated that by far the greatest possible good, so far as gaining friendship and encouraging respect for our way of life and a willingness to oppose the miseries of communism are concerned, came from the individual packages sent from individuals in America to distressed individuals in western Europe.

Upon investigation, I am informed that more than 90,000,000 individual packages have been sent by American citizens to individuals in western Europe since the close of the war. In fact, there are today more than 26 different accredited agencies which are urging and helping individual Americans to ship relief food packages to western Europe. These agencies represent a complete cross-section of American religious, political, and economic life.

One of the great handicaps of this admittedly excellent form of cooperation voluntarily made by American citizens is the exorbitant cost of postage and transportation.

Therefore, this amendment provides for not to exceed 3 percent—$159,000,000—of $5,300,000,000, or whatever may be appropriated, in order to help carry this individual burden and encourage this truly traditionally American method of generous cooperation.

It will mean merely this: The individual American citizen will pay for the contents and postage of packages to a port designated by the Administrator, who will then provide free transportation from our shores to a port in the participating country. The Administrator will also negotiate an agreement that the postage in that country shall be paid from funds in that country which are derived from the sale of gift supplies which are sold for local currency and placed in the blocked account as provided by this proposed act.

By this method we shall not disrupt the postal systems of either our own or the participating country.

We shall merely encourage individual cooperation, which will mean that while all Americans must help pay for the cost of this entire program, the program will help finance the transportation cost of any additional individual contribution they wish to make from their own funds and effort.

This will get the individual packages to individuals in Europe who will receive them without cost, because of the generosity of some individual in the United States, plus the cooperation of all the people in the United States who, in the future, will share in providing approximately two-thirds of the cost of transportation of the package.

General Clay also told us that when he desired to obtain an increased production of coal in the Ruhr, he, with public funds, purchased 350,000 CARE packages and used them as incentives to induce the miners to produce more coal. Knowing that they would receive individually a package containing food which they could take home and share with their families, the miners immediately produced sufficient additional coal to meet the objective.

If individual packages have proved to be the most effective incentive for additional production of coal, they also will provide the additional incentive for appreciation of America's generosity, and a bulwark against the threatening miseries of communism.

Our Government is based upon the theory of individual dignity and human rights; and any program that does not promote the realization of individual appreciation, as against massed regimentation, falls short of the ideal and mark supposedly intended for this entire program.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. WHERRY. I have a unanimous-consent request to propound. I ask unanimous consent that the subcommittee of the Judiciary Committee considering the antimonopoly bill be permitted to sit during the session of the Senate today.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. LUCAS. I object.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Under the circumstances, inasmuch as objection has been made, is the only alternative, in order to permit the subcommittee to meet during the present session of the Senate, to move to displace the European recovery-program bill as the unfinished business now before the Senate?

The PRESIDENT pro tempore. That is the only alternative, as the Chair understands the situation.

Mr. WHERRY. I think the subcommittee of the Committee on the Judiciary would not want that done, and therefore I shall not take advantage of the opportunity to make such a motion.

Mr. MALONE. Mr. President, resuming where I left off last evening, I wish to remind the Senate that I said in the beginning that the peace and safety of this Nation are seriously threatened at this moment through the complete absence of a definite foreign policy warning our own people and the other nations of the world what we consider will threaten our ultimate peace and safety, and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

MILITARY POLICY

Mr. President, I call the attention of the Senate to the fact that our leading military authorities, including Generals MacArthur and Wedemeyer, agree that military aid must follow the dollars. General Wedemeyer, in testifying before the House Foreign Affairs Committee yesterday, agreed with General MacArthur, who had previously cabled the committee on Wednesday that China's problem is primarily a military one and bluntly told the committee that there is no use appropriating money for economic relief of China unless it is accompanied by substantial military aid.

General Wedemeyer, after saying that America "will pay in blood" unless it gives military as well as economic aid to nations threatened by communism, went on to agree in detail with General MacArthur when he said:

> I don't believe dollars alone will stop the spread of communism anywhere in the world.
>
> I predict that if we don't take appropriate steps to stop this communistic conflagration, we are going to pay in blood.

As reported in the Times-Herald, the New York Times, and the Washington Post this morning, and quoting from the Times-Herald:

> Secretary of State Marshall, who is still suppressing the 6-month-old Wedemeyer report on China, has asked Congress for a purely economic program totaling $570,000,000.

Wedemeyer goes on to say in his testimony:

> I believe we should give military aid to all countries and peoples whose politics and economic structures are compatible with our own and who are striving against totalitarian doctrines.

In other words, when we start slapping a big man around we had better get ready to fight or run. And these men are not the kind who run. We murdered a lot of our boys in the first two world wars because of unpreparedness. This time if, with all of the knowledge and experience gained through those two world wars and in observing the actions of the nations of the world, we are not ready, we will deserve what we get, but the boys and girls of military age, when the third world war comes, will not deserve what they get.

Give $17,000,000,000, earmarked in this bill for gifts to Europe, to the Air Corps for a 5-year program as recommended by the Congressional Air Board and the President's Air Board, and tell our own people and the world what we intend to do with it, and we will not need to give the $17,000,000,000 to the European countries under the Marshall or any other plan.

The House committee cabled General MacArthur for his opinion and heard General Wedemeyer. They are following the right course. It is time that we called on leaders with the knowledge and the sense to make up their minds, and the guts to tell the American people the truth, and warn any potential enemies of what we intend to do, thereby giving them a chance to stay out and our people a chance to get ready.

Mr. President, before proceeding further I want to quote a London dispatch to the Chicago Tribune dated March 4, to show that all is not so rosy in London and that all of the English people are not begging for more money. The dispatch reads as follows:

BRITAIN AWAITS NEW UNITED STATES ALMS, PAPER DECLARES

(By Kermit Holt)

LONDON, March 4.—Now that the last cent of the $3,750,000,000 American gift loan to Britain has been spent, the Evening Standard, owned by Max Aitken (Lord Beaverbrook), said in an editorial today that the nation's Socialist government is sitting back to await another American hand-out and thus save its nationalization schemes.

"The government is waiting for another dollop (lump) of charity from the American people," the newspaper said. "It is hoping that Congress will pass the Marshall aid program and thus save Britain from facing the harsh realities of her economic plight. Without another draft of dollars their nationalization policies would founder."

STEER OWN COURSE, IT SAYS

The Evening Standard said the British people should cast off the tow rope and think up ways of getting up their own steam and navigating their own course.

"Under American economic guidance they would forfeit their right to steer their own course in the stormy waters of the postwar world," the Standard continued. "That is not the way of self-reliance and independence."

Under the European recovery program, the Standard said, Britain would receive an enormous quantity of American tobacco and dried eggs. "But when this fresh gift of dollars is exhausted, Britain will still want tobacco and dried eggs. What will happen then?" the Standard asked.

CALLS NEW LOAN "FOLLY"

"Britain must learn to do without imports from hard-currency countries, which she cannot afford. Alternative sources of supply must be developed and the flow of trade diverted to bring Britain's dollar account into equilibrium.

"To accept more dollars when the experience of the first dollar loan proved so disastrous would be blind folly.

"The British people have a hard, long struggle ahead. If they can win through without American assistance, they will have achieved a victory as glorious as any in the history of this island race."

STRATEGIC AND CRITICAL MINERALS AND MATERIALS

I desire to discuss further the hope expressed yesterday that the United States would gain something in return for the money which it is to extend to Europe through the Marshall plan legislation.

The statement made here during this debate yesterday that it is contemplated by the Foreign Relations Committee that we should get strategic and critical minerals and materials in return for that part of our money listed as loans—in other words be repaid through minerals and materials from the 16 Marshall plan countries, which includes the Empire of Great Britain, France, the Netherlands, and Belgium—could leave a terrific impact on the raw materials and processed products produced in this country.

I point out to the Senate of the United States that the $17,000,000,000 we are now loaning and giving the 16 Marshall plan countries under the bill which is now under discussion could shut down every mining and textile enterprise in the United States for a period of more than 4 years, if the 16 nations banded together and furnished us such minerals and textile raw materials free of any charge whatever, since the total strategic and critical mineral production and such textile raw materials in this country totals approximately 4.3 billions annually.

Obviously they are not going to give us such minerals and materials without charge since they must pay their labor, pay their own taxes, and pay for the raw materials, except such part as we might furnish them free of charge. So the best they could possibly do, looking at it realistically, would be to give us the profit on their production of such raw materials and manufactured goods in their own countries and assuming a net profit of 5 percent for all such were paid, which is reasonable, I point out that 5 percent of the total amount would be $215,000,000 annually, and that this amount divided into $17,000,000,000 would require 80 years to repay. This could close the strategic mineral production and the textile raw-material production for a period of more than 80 years on the present rate of production.

Mr. President, none of these things are likely or even possible since anyone in business must keep a part of the profit in whatever country he resides. It is simply a delusion presented to the American people without thinking the problem through, leaving not only our people confused but, I fear, some of our own officials.

I point out that we here on the Senate floor could be, according to this line of reasoning, inaugurating a policy of appropriating Government money to buy foreign raw materials and manufactured goods to replace our own production. Where do we think we are heading in adopting such a policy? The first thing we know, there would be no taxable property left in the United States or incomes from which to collect taxes to furnish such appropriations. It is the road to bankruptcy, and not a very long road at that.

Mr. President, to continue from where I halted last evening when the Senate recessed, let me say that, in my opinion, it is impossible to consider the feeding of hungry people, the stopping of communism, and the rehabilitation of industry all in one breath or in one paragraph. We only confuse ourselves. The result is that we mix our emotions with the facts, and become unwilling victims of the greatest propaganda machine ever established in Washington. In any intelligent discussion of the subject we must take them one at a time:

First. Feeding the hungry people of Europe or of any other area is a matter of charity and must be so considered apart from other considerations. The Congress of the United States has appropriated nearly $1,500,000,000 during the past 12 months for that purpose alone, and has appropriated nearly $24,000,000,000 and handed it to the nations of the world without hope of repayment since the close of World War II in 1945.

The last appropriation of $597,000,000 is expected to carry on until March of this year.

Second. Stopping communism and protecting the integrity of the nations throughout the European and Asiatic areas that we decide, after full discussion and study, we must currently protect for our own ultimate safety, is a matter of our own integrity and frankness with our own citizens and with the people of the world.

In President Monroe's pronouncement on December 1, 1823, he left the door open to extend the doctrine when and if conditions changed, when he said:

> To this we have adhered and shall continue to adhere, provided no change shall occur, which in the judgment of the competent authorities of this Government, shall make a corresponding change, on the part of the United States, indispensible to their security.

The entire matter could now be reviewed in the light of experience gained through two world wars in our generation, and what additional areas and nations of the world we must now currently protect for our own ultimate safety, considering the improvements in the methods of waging defensive and offensive war.

If it should be decided that a threat to the integrity of any member nation of the United Nations by any other nation would constitute a threat to our ultimate safety, then President Monroe's exact words could be utilized in announcing the extension of the Monroe Doctrine, leaving out any reference to this hemisphere, to say in effect to the world and to the American people: "We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system, as dangerous to our peace and safety."

We should then build at once a military force spearheaded by an air corps that would bear silent evidence to all concerned that we were ready and able to enforce the extended doctrine, just as we have enforced the original Monroe Doctrine for 125 years. It is my opinion that we would, through this procedure, usher in another era of peace comparable to that following the original announcement of the Monroe Doctrine in 1823.

The Joint Congressional Air Policy Board has recommended a long-range military plane purchase program, which would provide a 35,000-plane striking force costing $16,800,000,000 over a 5-year program. The President's Air Policy Board's recent report closely parallels this document.

If we give $17,000,000,000 to Europe under the Marshall or any other plan, we still must expend approximately another $17,000,000,000 in setting up an effective air corps, while if we were to set up the Air Corps according to the specifications of the Board and extend the Monroe Doctrine then the $17,000,000,000 now headed for Europe could be diverted to the cost of the Air Corps.

Third. With respect to the rehabilitation of foreign industries, assume we have now protected their integrity through an extension of the long-established Monroe Doctrine, and fed them. This should be undertaken on a sound-business basis.

After the hungry people are fed and the integrity of the nations protected—no European industrialist, coal-mine owner, or veteran should be loaned money on easier terms than an American can borrow funds for the same purpose from the Reconstruction Finance Corporation.

A reasonable amount of money could be appropriated and made available to the RFC or to the World Bank, simply providing that the RFC rules and regulations covering loans to domestic industry be applied to any foreign loans. Their rules provide for an investigation of the feasibility of the industry.

For example, if we are to rehabilitate a steel plant, such as I examined in the Ruhr district in Germany, or in Birmingham, England, the first thing is to ascertain the feasibility of the industry in that particular location. Perhaps it should not be rehabilitated. The Congress will never know as to that, since they have no way of investigating it. Send an engineer or an economist or a steel man there to get the facts, just as the Reconstruction Finance Corporation proceeds in such matters. Then, when it is determined that the loan should be made, a mortgage is taken on the new equipment to be purchased by the loan, the stock or shares of the old organization is hypothecated for additional security and provision made for repayment. In the first place, the steel man or the engineer or the economist does not read the menu backwards and say, "We need $10,000,000 to rehabilitate a steel plant in the area," before he has made his examination. He ascertains what machinery and equipment are necessary and what the cost of each piece will be installed. Then he adds up and arrives at the total. He does not reach an answer first and then undertake to examine the plant.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my friend from Montana.

Mr. ECTON. Does the Senator feel that such a program could be established and the desired results accomplished without creating additional Government agencies to look into the situation? In other words, could it be handled under our present private enterprise system?

Mr. MALONE. I would say to my distinguished colleague from Montana that we now have more such machinery than we need. We have a world bank, at the head of which is an experienced man, a former Assistant Secretary of War. We could move the RFC rules of procedure or such parts of them as would be applicable, to the World Bank. I think the Senator would be surprised at the small amount of money which would be required by the 16 Marshall plan countries under those conditions.

Mr. ECTON. I thank the Senator.

Mr. MALONE. As I have said, the rules of the RFC provide for an investigation of the feasibility of the industry, a mortgage on the new equipment to be purchased by the loan, hypothecating the stock or shares of the old company for additional security, and for the individual to sign a note for the full amount borrowed.

The amazing thing with respect to the Marshall plan is that our Government is asked to give the foreign governments the money, in effect, to nationalize the industries of their respective countries, which is something we will not do in our own country, which subject was covered by the dispatch from London dated yesterday.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my friend from Missouri.

Mr. KEM. I should like to ask the Senator if he considers it a sound policy to undertake to stop the spread of socialism by aiding the socialist government in England?

Mr. MALONE. In answer to my distinguished colleague from Missouri I would simply say that apparently there is a great difference of opinion in England on that subject. I found that to be the case on my visit there in November. It is further justified by the dispatches coming from London.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield to my friend from Massachusetts.

Mr. LODGE. I should like to ask the Senator from Missouri, if he is not willing to aid the Socialist government in England, what government in England is he willing to aid?

Mr. KEM. I have in mind that if our descendants read in history that we undertook to stop the spread of socialism by upholding the socialist government in England, it would be very difficult for them to understand the intellectual or mental processes under which we proceeded.

Mr. LODGE. Does not the Senator think that our descendants will find it even more difficult to understand if we allow communism to spread all over Europe all the way out to the Atlantic coast?

Mr. KEM. I do not know that they will be able to find any way to stop it. The program is not presented to us as a method of stopping the spread of communism to the Atlantic coast. The question is, Will it work? As I understand, it is presented as a calculated risk, and we are asked to weigh the risk. Is that correct?

Mr. LODGE. I think it is not presented as a foolproof automatic panacea for anything. It is presented as a calculated risk. I think it is the belief of the proponents that the chances are that if we do not do what is proposed, then we and the world will be much worse off than if we do it. Of course, we never can be sure about anything in this life. I think it is important to realize, when we come to the word "socialism"—which I dislike as much as does the Senator from Missouri—that in the Old World the people have never known free enterprise in the way we know it. When a European speaks of "free enterprise" he does not mean the same thing we mean by it at all, and in a great many countries they have never had it. Yet they dislike communism as much as we do.

On the continent of Europe, for instance, the railroads, the telephone, the telegraph, and other services which do not occur to me now, have always been operated by the Government, which of course, is a form of socialism, and generations of Europeans have been born and have died and it has never occurred to them that these matters could be handled in any other way. In this country we think such activities are conducted much better by private initiative. But the fact that a European and an American do not agree on the question whether the government should or should not operate the telephone industry does not at all mean that they cannot agree in opposing communism, and it does not mean at all that they cannot agree in believing fervently in the dignity, the integrity, and the worth of man.

Mr. KEM. Before the Senator from Massachusetts spoke I should have supposed that the doctrines of Adam Smith were pretty well understood in England all during the nineteenth century, and fully accepted.

Mr. LODGE. I am not an expert on what has been happening in England. I merely read the newspapers, but I should say that a tremendous transformation has taken place in England since the days of Adam Smith. It is not necessary for me to go into all that has happened, but they have had frightful wars, for one thing; they have had the rise of other industrial powers which competed with them, for another; and they have had a very large growth in population, together with a political movement which has resulted in the population demanding a great many more things from the Government than were ever demanded before. All those things have resulted, I believe, in a change of attitude from that which marked the old British Liberal Party of the nineteenth century.

Mr. KEM. Until the Socialist Government of J. Ramsay MacDonald, England was a free enterprise country, was it not?

Mr. LODGE. Only in a very relative sense.

Mr. BUTLER. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to my distinguished colleague from Nebraska.

Mr. BUTLER. I think perhaps my inquiry should be directed to the Senator from Massachusetts in line with the debate which has been proceeding between him and the Senator from Missouri.

A year or two ago we made available to England approximately $4,000,000,000, and apparently a considerable portion of it was used for doing certain things along the line of the socialization of industry, coal mines, banks, and even farm ownership. I wonder if the Senator feels that the American taxpayers should make money available to put into effect a program, even in a friendly country like England, which we cannot possibly support for our own economy here at home.

Mr. LODGE. If the Senator from Nevada will permit——

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. LODGE. I do not think the American dollar should be used to promote all sorts of political schemes in any foreign country, and certainly not political schemes which we would not promote at home. I think the American dollar should be used to promote enterprises which will result in increased production of goods, and that it should be restricted to that. I was not a Member of the Senate when the British loan was voted, and consequently I am not familiar with the situation which the distinguished Senator from Nebraska describes, in which the money was used to socialize British industry. But certainly it would be my hope that, under the plan we are now considering, that type of expenditure would not occur. I should like to see these funds used to promote the production of wealth, the production of goods, the raising of the standards of living of the people in these countries, and not to advance any fads of the type the Senator describes.

Mr. BUTLER. The answer to the question, then, is that the Senator would favor the use of American taxpayers' money for the development abroad of a program for which we would not stand here?

Mr. LODGE. No. I will not say the Senator misunderstood me; I will say I did not make myself clear to him. I think these funds should be used to promote the production of wealth, of goods, and that they should not be used to promote some political scheme to which some politician abroad may be attracted.

Mr. BUTLER. To be more concrete, does the Senator believe the proposed socialization of land ownership will increase production in England?

Mr. LODGE. I certainly do not think our money should be used for that purpose. I do not think so at all.

Mr. BUTLER. Does the Senator think the nationalization of the coal mines increased production in the coal mines of England?

Mr. LODGE. I do not think it did so initially. I understand there has been an increase in the production of coal in British coal mines in the last few months. Of course, anything which could result in an increase in the production of British coal would be a good thing not only for Great Britain, but it would be a wonderful thing for Europe, because large areas of Europe have always depended on British coal. Coal is about the only surplus raw material Great Britain has.

Mr. BUTLER. But they were not producing it.

Mr. LODGE. They have not been producing it, but Ambassador Douglas testified—the testimony is in the record—that in the last 2 or 3 months production figures have begun to rise. I am sure the Senator will agree with me that that is the most important single thing that could happen over there.

Mr. ECTON. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Montana.

Mr. ECTON. I thank the Senator from Nevada. I should like to address a question, with his permission, to the distinguished Senator from Massachusetts.

When we speak of political schemes, socialistic schemes, and communistic schemes, and think of them in terms of political parties, should we not also connect them up and think of them as ideologies? Do we not necessarily have to?

Mr. LODGE. Yes; of course they are ideologies. What the Senator is driving at, if I understand him correctly, is that if a nation embraces socialism, then it is eventually sure to embrace communism. Is that what the Senator has in mind?

Mr. ECTON. That is the ultimate outcome, so far as my opinion is concerned; but in view of the fact that we must recognize that they are ideologies, the question naturally follows, how can we stop those ideologies by dollars or by building up industries in any of those countries?

Mr. LODGE. That is a very interesting question, and I am glad the Senator raised it, for I think in some of these countries the people do not go for socialism because it is an ideology or because they like it. They embrace forms of governmental control because they are so impoverished that they feel they have to—which is a very different thing. Now if we were all living on an island, and there was just so much food to go around, if we were to run the thing right, we would not let the two or three strongest men grab that food and go off and eat it themselves and let all the women and children starve. Therefore we would set up a system of rationing. That would be socialism, I suppose, or statism, or collectivism. Individuals do not do it because they like it, they do it because they are so poor that they are obliged to do it.

There are a number of countries in Europe in which the people have adopted statism or collectivism or socialism, or government regulation, not because it is an ideology which they like particularly, but because they are so hard up that they have to do it in order to secure an orderly, a fair, and a just distribution of what little there is.

Mr. President, I think we must draw a very sharp line of distinction between the person who has to do that, and the person who favors socialism as a matter of ideology and as a matter of theory and because he wants to lead into communism from there. I venture the guess—without, as I say again, being an expert on any of these subjects—that if the Conservative government had been continued in power in England they would have retained the rationing of food, the rationing of clothes, and the rationing of everything else they felt necessary, not because they liked it, but because they had to, in order that there could be a fair, an orderly, and a just distribution of what there was to be distributed.

What the Senator from Montana has in the back of his mind is, I think, that in Germany before the war Hitler established what he called national socialism, and, of course, that did lead to the abolition of democratic government. It did lead to dictatorship. It led to the abolition of individual rights. The Senator has the fear in the back of his mind that all the countries in Europe that have adopted socialism, often without any enthusiasm, will, inescapably, be led into dictatorship for that reason. That is an open question. We cannot tell. But I have a feeling that in western Europe the nations which have adopted socialistic measures, have done so because they felt they had to, and that their love for democracy is not any the weaker for it.

Mr. ECTON. The distinguished Senator has made a very logical explanation so far as some of the European countries are concerned, but now I should like to ask him what explanation he can give respecting people in our own country, who have not suffered the conditions he has enumerated, who have everything they need, and yet have embraced the ideologies both of socialism and communism.

Mr. LODGE. Oh, well, I think they are in a very different category, and I should have to search a long time to find words which would be adequate to express the feelings which I entertain for a man in this country who embraces communism. Offhand I cannot find words which are sufficiently strong to express the distaste which I have for a man who does that. Of course I should say of the man over here who embraces socialism that, in the words of the old song—

> He is more to be pitied than censured;
> He is more to be helped than despised.

Mr. ECTON. The point I want to make is that while we are dealing with political schemes we must recognize the ideology which goes with them, which amounts almost to a religion and a passion with some people, and which cannot be stopped by raising their living conditions, by giving them money or anything else. It is kind of like a fever; it has got to run its course.

Mr. LODGE. I will admit for the sake of argument that in western Europe—and when I say "western Europe" I include England—there are undoubtedly some people, particularly politicians, who like this socialistic business because it magnifies them in importance. If the Marshall plan, plus the effort of the people of these countries, should succeed in raising the standard of living, in reestablishing the free-enterprise system, in making jobs available for the people, in creating new occupations, and so forth, so that socialistic measures would become unnecessary, I am quite sure the Senator is correct in thinking that there would be some politicians over there who would want to hang onto the socialistic system, because the change would mean the loss of their jobs and loss of their personal importance. But I believe that the rank and file of people in England and in France and other countries—if it were not necessary to have these controls—would rise up in their wrath and throw such persons out of office the very minute they thought they could.

Mr. MALONE. Mr. President, so long as the question has been raised I should like to comment on it briefly. In the first place, I will say that I had quite a lengthy conference, and a very interesting one, with Sir Stafford Cripps, who seems to be the dominating influence in the economy of England. From my conference with him, and with Mr. Monnet in France, and with others, I have no

reason to suppose that there is any difference between the ideologies embraced by them.

Let us consider the production of coal. The Senator from Massachusetts says that the production of coal in England has increased. The United States at this time, Mr. President, is shipping coal to Newcastle, at least such shipments were being made until very recently. In the fourth reader we read, as an example of something impossible to happen, the carrying of coals to Newcastle. It has happened. We are doing just that. We are giving the coal to England. No one, I believe, is naive enough to believe that we will be paid for it. We are paying from $20 to $22 a ton for the coal we shipped to Newcastle, when coal can be produced in England for eight or nine dollars a ton; what is really needed is some West Virginia miners. We could double their wages and make money on the deal.

Before the war England exported more than 40,000,000 tons of coal annually. Beginning with the war and until 1948 England did not export a ton of coal, and if she is exporting coal at this moment it is a very small amount. England, along with Germany, furnished to the rest of Europe largely the coal needed there. When I was in England I went down into some of the coal mines with Mr. Collins, who was at that time in charge of the English coal mines. When I went to France someone there said facetiously—but I did not consider the remarks very facetious—that the English people did not produce enough coal to keep themselves warm, so they were placed in charge of the Ruhr coal mines. I found that to be literally true.

Sir Stafford Cripps was very frank with me, and said directly, with a slightly hostile note, probably thinking I would not entirely agree with him, that the steel industry was next on the program of nationalism, and he had told me not 5 minutes before that Britain had to have the Marshall plan money.

Mr. REVERCOMB. Mr. President, will the Senator yield to me at that point?

Mr. MALONE. I yield to the Senator from West Virginia.

Mr. REVERCOMB. The Senator from Nevada has brought up a very interesting question respecting coal. It was my privilege to be in England last fall, and the subject of coal production was discussed while I was there. Naturally I was interested in the subject of coal, for that is the fuel which is the very backbone of British industry. I was advised by men who should know—by men who I believe do know—that prior to the war England did ship coal abroad, and that product was one of her great exports. The present government of England took over, I believe, in July of 1945. Naturally during the war there was no shipment abroad of coal from England.

When I was in England, more than 2 years had passed under the present British Government, and Britain was not then mining sufficient coal to meet her own needs. I was advised that she bought 600,000 tons of coal from the United States in 1947. I have heard reports that today Britain is exporting coal. I have not been able to understand that, because as late as October, yes, as late as November of 1947, Britain was not meeting her own coal requirements, so I was advised while there. I was also advised that coal had been nationalized in July 1947. It is certainly an experiment for the advocates of nationalization of industry here to watch with care. This was an industry which, prior to the war, had produced sufficient coal to constitute a great product of shipment out of the country, an item of trade which brought dollars into England. But after the present government, the Socialist Government of England, took over, the British were unable to mine sufficient coal to meet their needs.

I have also heard it said by high authority that the steel industry would be taken over. Why I do not know, because it seems that the steel industry in England has done well, and has produced perhaps better than any other industry.

Why should this country, which stood so firmly against the nationalization of industries, now pour out money for the aid of a government which has declared itself bent upon going further into the nationalization of industries? The Government of England is a socialistic government. It is certainly not a communistic government. I have no fear of England falling to communism. I think she is entirely free from that danger. I believe that when we talk about putting money into England as a block to communism such talk does not ring true, because in that country there is no threat of communism. But there is socialism. The program of the present Government of England is a program of nationalization of industries. It seems to me a strange position for us to take to sustain that idea of government, which we would be doing by putting money into Great Britain.

Mr. LODGE. Mr. President, will the Senator permit me to say a word in response?

Mr. MALONE. I yield.

Mr. LODGE. In order to keep the record straight, I wish to say that since the question of British coal production has arisen I have made some inquiries. I am told that at the present time Great Britain is importing no coal from the United States. She is actually exporting some coal. I am told that the rate of British production increased in January and February, and that even greater production is expected in March, with an even larger amount of exports.

Mr. REVERCOMB. When did the production reach the point of meeting the British needs?

Mr. LODGE. The last shipment they got from us was last summer, and that was a small shipment of a certain special type of coal which they themselves did not produce. At a rough guess, imports from this country stopped last fall, and the exports began soon after that.

Mr. REVERCOMB. I must say to the Senator that I have been advised by men high in the Government of Great Britain that the British had bought as much as 600,000 tons of coal from this country.

Mr. LODGE. During what period?

Mr. REVERCOMB. That was in 1947. The months were not stated. We know that for more than 2 years they had not met the production of prewar days.

Mr. LODGE. I agree with the Senator that no coal should be sent under this plan where it is not imperatively needed. We should not send anything to any country which that country can produce for itself. The bill specifically provides that that shall not be done. We have the assurance of every official witness who appeared before us that coal would not be so sent.

Mr. REVERCOMB. It is not a question of sending coal. If the British need coal and want to buy American coal, well and good. I am taking a position in opposition to sending money or commodities which are not needed, or sending money to sustain a government which has not carried on with the efficiency of the government which was in office prior to the war. I do not think we should sustain that kind of a government.

Mr. LODGE. It is implicit in the bill that every recipient Nation will make the maximum effort to make the most of its own resources.

If the Senator from Nevada will permit me one further observation, the Senator from West Virginia has stated that, inasmuch as Great Britain was not threatened with communism, therefore there was no point in sending aid to Great Britain. I agree that Great Britain is not threatened with communism. However, the economics of the nations of western Europe are so interlocked that if there are countries in Europe which might be threatened with communism, and which are dependent upon exports from Great Britain, and dependent upon their economic relationships with Great Britain, the most effective thing to do to ward off communism is to see to it that Great Britain is in a position to discharge her normal economic function with respect to those people.

Mr. REVERCOMB. It seems to me that if we are to advance money to countries which are not threatened with communism, we should do so with the frank statement that we are doing it for the purpose of increasing our own trade. I want the products of this country to be sent to other countries, so long as we do not create shortages here. I believe that shipments abroad must be tied in very definitely with the needs of this country, so that we shall not have the shortages and high prices from which we have suffered for some time.

That is not the point I am making. If we are to advance money to the United Kingdom, let it be done upon a business-like basis, and upon the basis of shipping our products over there, within reasonable amounts, and not on the basis of stopping communism or rehabilitating the government. Let it be frankly stated that it is a trade proposition; and being a trade proposition and a business affair, let it be based upon business-like methods, and let the recipients pay in some manner for the products sent.

Mr. LODGE. Let me say as forcibly as I can that to my way of thinking this is not a trade proposition. The propaganda which comes out of Moscow is constantly saying that it is a trade proposition, and that we are doing it because America needs foreign trade and

cannot get along without foreign trade, and that therefore we are doing this to support our own economy. I do not think that is true. The purpose goes much deeper than that.

We have an interest in this program, but not because of trade. I believe that our interest is the interest that a country as large and great as ours has in having a peaceful world. That aim does not embrace merely trade. It embraces living human beings. For us to say that we are doing this simply as a matter of trade, simply as a matter of balance-sheet economics, and simply to get back to the level of 1938—as so many advocates of this plan have said—is to me not enough. If all we were doing were reviving American trade; if all we were doing were providing soup kitchens for Europe, I should not be in favor of the plan. I should say that it involved the expenditure of much, too much, money for such purposes. Unless this program would bring about a condition of peace in the world, unless it would lead to the creation of a joint organization in Europe, and lead to something new, rather than simply rebuilding the same old row of tenement houses which have caught fire and started international conflagrations twice in the lifetime of the Senator and myself—and the Senator fought in both wars—this program would have no interest for me.

Mr. REVERCOMB. I am interested in tying the program in with high purposes. However, I believe the Senator himself stated that trade was necessary to bring about peace in the world. Trade must be sustained on the basis of products which are needed over there.

If it be a question of trade—and I care not whether the charge may come from Moscow or somewhere else—let us get down to the facts. If it be a question of trade, let us call it that, and let us put it on a sound business basis. Let us say to those who come here for money, "You are not coming here for alms. You are coming here to deal with us as one nation with another. You are coming here to trade, and we are ready to trade, but let it be based upon business principles."

Speaking of Moscow, we are advised that England has made an agreement to send materials to Russia. I hope to have a summary of the agreement before this debate is concluded.

Mr. MALONE. I may say to my friend the Senator from West Virginia that I have a break-down of the trade treaty.

Mr. REVERCOMB. I shall be glad to have the Senator present it.

So, Mr. President, there is no reason for Senators to say on behalf of the United States, "Oh, no; this is not going to be on a trade basis; we are putting it on a higher plane than that," and then know that one of the countries to whom we are giving this aid—the United Kingdom, for example—is entering into a trade agreement with Soviet Russia. Certainly it is wrong, so far as our country is concerned, to put this proposed aid on the basis of one plane, namely, that we are giving the aid to these nations, including, for instance, the United Kingdom, and then have the United Kingdom return to the usual basis of trade with Russia. Why not let it be upon a sane, usual, solid basis between ourselves and Great Britain or any other country that deals with us?

Mr. LODGE. Mr. President, will the Senator from Nevada yield to me further, because I should like to comment at this point in view of the fact that the Senator from West Virginia is developing a very interesting line of thought.

Mr. MALONE. I yield.

Mr. LODGE. Of course, the Senator from West Virginia is quite correct when he says that the desirable thing would be for us to be able to trade with these countries in the normal way in which we always have. That would be the case today, if it had not been for the recent war. But the war has upset all economic relationships and had created tremendous dollar shortages, so that none of the currencies of those nations are convertible, which is a tragic situation in the case of European countries which are not self-sufficient and have to get goods from outside. Those are considerations we cannot overlook when we talk about the revival of trade. That is exactly the gap this bill is trying to fill, and that is the approach of those who favor enactment of the bill, believing, as either the Senator or I said yesterday—I forget which one of us it was—that the way to lead men away from communism is to give them hope. If men have no hope, they tend to go toward communism, because they try to think of the most awful thing they can do, and that is the most awful thing.

But if we wish to lead a man away from communism, we must give him hope. Of course, to all of us in this Chamber the thing that gives us hope is to be able to look into the future and see some decent living conditions for ourselves and our wives and our children. Of course that means jobs and economic revival, and that is what this bill is aimed at.

But the reason why the proposed aid is necessary is, not because these countries are finished, but because of the terrific dislocations and the terrific destruction which was visited on them during the war.

Mr. REVERCOMB. Mr. President, will the Senator from Nevada yield to me at this point?

Mr. MALONE. I yield.

Mr. REVERCOMB. I should like to make a brief reply about the hope that is held out by this bill. We sent millions of dollars into Yugoslavia. UNRRA put millions of dollars there, and that held out the hope to which the Senator from Massachusetts has referred, but it did not prevent Yugoslavia from going to communism.

Similarly, we helped Czechoslovakia, but only recently we have learned that the iron curtain has been rung down on Czechoslovakia.

That is why I am very much disturbed over the thought that perhaps under the provisions of this bill the United States will do something at great cost, but will find that the desired result is not achieved.

I say that the proper way for us to proceed is, not by way of gifts, but by way of helping these countries maintain themselves and have self-respect, without looking to us as a supporter and a giver, as proposed by this measure.

In this bill there is no provision requiring the return of 1 cent. The Administrator is to be given the power to make certain deals, but there is no requirement as to that. Vast powers are given to the Administrator, by the bill, either to give away the aid or to make terms on a businesslike basis. It seems to me that if we are really and genuinely going to help European countries and at the same time look after the welfare of our own country, we had better put this proposed aid on some kind of basis of businesslike dealing whereby the law, as enacted, will expressly provide that the Administrator must do these things in a businesslike way, with the expectancy of a return from the recipients of this help.

Mr. LODGE. Mr. President, will the Senator from Nevada further yield to me?

Mr. MALONE. I yield.

Mr. LODGE. The Senator from West Virginia is a very skillful debater, and he has shown that to be the fact by his reference to the gifts which went to Yugoslavia. I was not a Member of the Senate at that time, of course. I think what was done in that respect was a colossal mistake and a ghastly error. I think the way we have allowed ourselves to be slapped around and slapped in the face in that connection, and the way the Yugoslavian people have been treated, including the way Archbishop Stepinac has been treated, are terrible blots both on ourselves and on history.

I think we have made many mistakes, but I think we have learned something as a result. I think the program which now is before us embodies the lessons gained by experience; and I think that running all through the bill and the report and the hearings we find the belief which the Senator from West Virginia has voiced, namely, that this program must be carried out in a businesslike manner. Mr. President, I hope that the man who is appointed as Administrator under this bill will be the kind of man who could run General Motors or some other large enterprise, because this program must be handled in as business-like a way as possible.

I agree with the Senator that as much of the $5,300,000,000 as possible should be in the form of real loans which will be repaid. On the other hand, in that connection there is an element which cannot be treated as banker's loans, because of the destruction caused by the war. The war was not a constructive industrial enterprise, and consequently the results which have flowed from the war are not constructive from an industrial or economic standpoint, either.

Mr. REVERCOMB. Mr. President, will the Senator from Nevada further yield to me?

Mr. MALONE. I yield.

Mr. REVERCOMB. I am glad to have the Senator from Massachusetts agree with me that any money which goes to these countries under this program should go to them on a business-like basis. The Senator speaks of obtaining an administrator of great ability. That is well and good; of course we can hope for that; but that is only another hope that is in this entire proposal.

There is one thing we can do, and that is to write into this bill, which the Senator now supports, an exacting requirement as to how this shall be done. We are the representatives of the people of the United States, and we are here in Congress to look after the interests of our country and its well-being. I know that the Senator from Massachusetts feels he is doing that in any action he takes. But I say, Mr. President, that if we are really going to do what is right, we should write into this bill definite provisions as to what shall be done and the methods that shall be used, and we should not leave it to the wide discretion of an administrator.

Mr. MALONE. Mr. President, inasmuch as the steel situation has been mentioned——

Mr. MORSE. Mr. President, will the Senator yield to me for a moment?

Mr. MALONE. I yield.

Mr. MORSE. I ask unanimous consent that the subcommittee of the Armed Services Committee may meet at 2 o'clock today.

The PRESIDENT pro tempore. Is there objection?

Mr. McFARLAND. Mr. President, if the Senator from Illinois [Mr. LUCAS] were now present, he would object. So I ask the Senator from Oregon to withhold his request until the Senator from Illinois returns.

Mr. MORSE. I shall be happy to do so.

Mr. McFARLAND. Otherwise, I should have to suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. WHERRY. I should like to address a question to the Senator. From the observations the junior Senator from Massachusetts [Mr. LODGE] made on the floor of the Senate yesterday afternoon, I take it that the purpose of this measure is to permit the countries of western Europe not only to trade among themselves, but to trade with any other nation in the world. I think that was the conclusion which was reached here yesterday afternoon.

Mr. LODGE. If it is in the interests of the purposes of this act and the welfare of the United States to have them do so.

Mr. WHERRY. I thank the Senator for his contribution. I should have been glad to add that, but I did not wish in any way to state a premise to which the Senator might except.

I take it that it is also the purpose of this proposed act to provide that the trade-relations agreements are to be entered into by the Secretary of State, after consulting with the Administrator under this program. The provision to that effect is to be found in section 15 (a), on page 27 of the bill, reading as follows:

SEC. 15. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this act.

The purposes of the act are set forth in section 2, on page 2, beginning in line 17, as follows:

The development of economic cooperation including all possible steps to establish and maintain equitable rates of exchange—

This is the point to which I want to draw the Senator's attention—

and to bring about the progressive elimination of trade barriers.

That is pointed in that particular section, and it is also written into section 2 (b) on page 4.

Mr. LODGE. It is in Europe that the trade barriers are to be eliminated.

Mr. WHERRY. Just a moment. I refer to page 4, paragraph 3, section 2 (b), which reads:

Facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

There are at least two provisions I desire to bring to the attention of the Senator and I should like to ask a question in order to clarify the RECORD, for the reason that I am one who is very much interested in the schedules contained in our trade agreements. The Senator knows that the Reciprocal Trade Agreements Act expires this year. There is a question whether or not it will be extended. It has operated during the war when prices were high. In my opinion there has not been an opportunity to test the schedules now in operation. But the question I should like to propound is: If the pending measure is passed, does the Congress commit itself at least for the life of ERP to an extension of the present laws respecting trade agreements or similar provisions that might be determined by the Secretary of State in relation not only to the 16 countries, but to other countries? Does the Senator see what I mean?

Mr. LODGE. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. LODGE. I see what the Senator means, and I think it is a very legitimate question. I shall try to answer it in the order in which he presented it for consideration.

Mr. WHERRY. I realize it is a long question, but I wanted to make a premise, because I am vitally interested in the matter.

Mr. LODGE. I see what the Senator means, and I also am vitally interested. I have seen the Waltham Watch Co. go to the wall. That is not only a loss to the people of Massachusetts but a very serious loss to the people of the United States, because it is the watch companies upon which we must depend to make instruments in case of war. Because of unfair foreign competition, I do not want to see the abolition of our tariff barriers, although I recognize also that in certain cases reductions can be made, which can increase American exports.

With respect to page 27, the first point made by the Senator was that the Secretary of State would make the agreements. Let me say to the Senator that under our constitutional practice the Secretary of State must technically make the agreements, but it is a ministerial function in this case and the agreement would be in practice written and thought out by the Administrator. The other language to which the Senator referred——

Mr. WHERRY. Just a moment, please.

Mr. LODGE. Yes.

Mr. WHERRY. What I am asking relative to trade agreements is whether the Administrator is given blanket authority to negotiate those treaties between the countries, and to make agreements containing such schedules, without bringing them back to the Congress. Are we abdicating our power?

Mr. LODGE. No; I do not think we are. The language of section 15 applies to bilateral and multilateral agreements under the Marshall plan.

Mr. WHERRY. Certainly.

Mr. LODGE. And of course I do not think the Senator would want to have them come back here for ratification. Would he?

Mr. WHERRY. The trade agreements, however, that the Administrator is to execute after being given this blanket authority might involve the very thing I am talking about. That is my question.

Mr. LODGE. The Senator has asked me a question, and if he will be patient a minute I shall try to answer it. The language on page 2, lines 18, 19, and 20, to which he refers, relative to the progressive elimination of trade barriers, and the language on page 4, lines 5, 6, 7, and 8, about the growth of international trade of participating countries, including reduction of barriers which may hamper such trade, applies to the participating countries and does not apply to this country at all. It is my view, and I think I can speak with a good deal of confidence on the subject when I say that it is also the view of others besides myself, that that language applies to the participating nations and does not in any way involve a commitment on the part of the United States with regard to the trade-agreements program. Certainly I think it would not be right to introduce the trade-agreements program into the bill. I do not think it is anywhere in the bill at all, and I do not think it should be.

Mr. WHERRY. Mr. President, that is the sole reason for my asking the question. It seems to me as I study the language, knowing that the Trade Agreements Act will terminate this year if it is not extended, that section 15 gives the Secretary authority to carry out the purposes of the act. When I read sections 2 (a) and 2 (b), I think the reference is to trade barriers.

Mr. LODGE. If the Senator will wait a minute, and if I may say so, Mr. President, I think he is getting away off the track. Section 15 authorizes the Secretary of State simply and solely to carry out the bilateral and multilateral agreements. That is all that is set forth on pages 27 to 32, and that is all he is authorized to do. He is not authorized to monkey around with trade agreements.

Mr. WHERRY. What particular trade barrier would come under the unilateral, bilateral, or multilateral agreements that might be made between or among par-

ticipating countries? It says, "with other countries."

Mr. LODGE. I think the Senator is whipping the devil around the stump—something that he does quite well as a matter of fact.

Mr. WHERRY. Oh, no, no.

Mr. LODGE. In my view the language applies solely to bilateral and multilateral undertakings. There might be an agreement between two foreign countries which was disadvantageous to the welfare of the United States, and the Administrator might say to those countries, "Before I sign a bilateral agreement with you, I want you to eliminate that agreement." That would be a part of his bargaining power; in fact, that is what he ought to do. But there is nothing in section 15 (a) which gives the Secretary of State and the Administrator any power to do anything except to conclude bilateral and multilateral undertakings. It has nothing to do with the trade-agreements program at all.

Mr. WHERRY. Mr. President, I thank the distinguished Senator, and I also thank the Senator from Nevada for yielding the time. I would interpret the act as the Senator from Massachusetts does, provided it stopped on page 27; but when in that provision it is stated, "according to the purposes of the act," I respectfully say to the Senator that in sections 2 (a) and (b) certainly there is mention of trade barriers. They are to be reduced to a minimum. The trade barriers are to be reduced so that there can be an exchange of goods among the participating countries, and in other countries with which the Secretary of State might negotiate agreements which he thinks appropriate. All I am saying is this: If the Senator can give me assurance that the provision does not in any way have any effect upon any reciprocal-trade agreement, or any other agreement between this country and foreign countries, that the schedules are not to be considered by the Secretary, that the provisions of the reciprocal-trade agreements or similar provisions if the Trade Agreements Act is not extended, I would deeply appreciate it. I think it can be interpreted to mean exactly the construction that I place upon it.

Mr. LODGE. I am glad to assure the Senator that there is nothing which in any way affects any trade agreement which the United States may conclude between itself and any other country.

Mr. WHERRY. Did the Senator say "with other countries"?

Mr. LODGE. With other countries. But the bill emphatically expresses the hope that there will be a European customs union—a hope in which I trust the Senator shares.

Mr. WHERRY. Oh, certainly.

Mr. LODGE. Because the organization of a customs union is a cheap way to remove the barriers to trade which exist over there.

Mr. WHERRY. I was on the floor when the late David Walsh, the senior Senator from Massachusetts at that time, developed an argument with reference to the importation of Swiss watches.

Mr. LODGE. I made an argument on that subject last June.

Mr. WHERRY. The Senator was in the service at the time I am speaking of, as I recall. Does the Senator think there is anything in the language of the bill which has anything to do with the schedules or provisions of any trade agreements which now exist, or if the Trade Agreements Act should not be extended would the Secretary have any authority under any provision of this bill to have anything to do with trade relations between Switzerland and the United States relative to the importation of watches?

Mr. LODGE. No; I do not think so. There are times when I should like to think so, because there are times when I would be tempted to say to the Administrator, "I wish you would insist that they stop flooding America with some of these products." But I do not think I would be in order in making such a representation to the Administrator, because the provisions of the bill do not touch trade between America and those countries. Its purpose is to create an integrated Europe and to lead to the elimination of trade barriers between European countries.

Mr. WHERRY. Does the Senator think it has nothing to do with trade relations between those countries and the United States?

Mr. LODGE. That is my opinion. There is a matter of stock piling involved, but that is another subject. The matter of stock piling involves the receipt of strategic materials. That subject is in a different category.

Mr. WHERRY. I should like to have the Senator know that I have been deeply interested in the Reciprocal Trade Agreements Act since its beginning.

Mr. LODGE. I know the Senator has been very active in that connection.

Mr. WHERRY. I wish the Members of the Senate could have an opportunity to discuss the question and have something to say about the schedules and provisions involved.

Mr. LODGE. I agree with the Senator that it would be utterly reprehensible and inconceivable for us to enact tariff legislation as a rider to the pending bill.

Mr. WHERRY. I did not say tariff legislation; I said reciprocal trade agreements.

Mr. LODGE. Or reciprocal trade agreements. I do not think they are at all involved here.

Mr. WHERRY. I understand that the senior Senator from Michigan is in agreement with the Senator.

Mr. LODGE. I have not talked with the senior Senator from Michigan, but I see he is nodding his head, and I am pleased to see that gesture of approval.

Mr. MALONE. Mr. President, I must agree with my distinguished colleague from Nebraska that this loosely drawn bill may involve every industry in the United States. I want to say, since reciprocal-trade agreements have been mentioned, that the reciprocal-trade plan is a selective free-trade act. As a result of the operation of the selective free-trade acts—selective by the State Department, which is supposed to handle foreign affairs and not domestic affairs—just as one example—and it can happen with respect to any industry—90 percent of the mines in the United States have been shut down; 2,400 mines in California have been cut down to 350. In Nevada the proportion is about the same, and perhaps throughout the country. Based upon the record, I am convinced that that is what would happen. If the textile industry were treated as the mineral industry has been treated—and it could be done at any time—the Senator from Massachusetts [Mr. LODGE] might be very much interested. If he were here, I would make a further remark with regard to that, but I see he has left the floor.

Further to consider the matters which have been raised and in order to clear them up, I note that in the European recovery program prepared by the State Department the United Kingdom intends to import iron and steel, finished, crude, or semifinished, pig iron, scrap, and iron ore through 1948 and 1949. The finished product amounts to 1,204,000 tons; the crude and semifinished to 944,000 tons. I could continue to read from the report, but that report is evidence in itself.

I point out to the Senate that we are now, and for some time have been, exporting from 6,000,000 to 8,000,000 tons of steel annually. I shall cover that a little further along in my address and point out how we might stop some of that importation by a simple change in Executive orders, allowing that amount to be added to the German production.

An agreement was signed between the United Kingdom and the Union of Soviet Socialist Republics in Moscow, December 27, 1947, and I wish to give a short summary of that trade and payment agreement.

From the U. S. S. R. to the United Kingdom, out of the 1947 harvest, for delivery during a period of 8 months from February 1, 1948, to September 30, 1948, inclusive, 450,000 metric tons of barley, 200,000 metric tons of maize, and 100,000 metric tons of oats.

For the benefit of my colleague from Nebraska [Mr. WHERRY], maize is a sort of Kaffir corn, as it is called in Nebraska.

I point out further that Russia got paid for the amount of grain referred to perhaps from some of the money furnished under the Marshall plan.

From the United Kingdom to Russia there were shipped:

Light rails with fishplates, bolts, and nuts for narrow-gage railways, 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from United Kingdom military surpluses)—

It may be that United States surpluses have something to do with this also—

and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

I say to my distinguished colleagues that possibly much of this surplus belonged to Uncle Sam; but we gave it to them.

Schedules I and II give the details.

I read further from the summary:

In addition, negotiations will immediately be commenced with the object of supplying to the U. S. S. R. wool, rubber, aluminum, cocoa beans, coffee, and other goods to be agreed. * * *

Both governments in the near future will enter into additional negotiations concerning the question of obtaining supplies of

tin from the Union of Soviet Socialist Republics.

In the event that by May 31, 1948, the total value of Soviet orders placed for equipment provided for in the above-mentioned schedules I and II does not reach half of the whole value of this equipment, then the Government of the Union of Soviet Socialist Republics has the right to reconsider its undertaking relating to the making available to the United Kingdom of the last 200,000 tons out of the 750,000 tons of grain mentioned.

With reference to long-term arrangements, I read further:

The aim of the two governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics. * * *

The two governments will appoint representatives who will meet not later than May 1948 to draw up a balanced program of shipments between the two countries consisting of:

(a) Further supplies as itemized above.

(b) Supplies of the following goods:

(1) From the U. S. S. R. to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods.

(2) From the United Kingdom to the U. S. S. R.: Oil-well tubes, tinplate.

(c) Such further goods as may be agreed.

Provision is also made for further meetings, not less than once a year, to "make recommendations to the two governments designed to improve, develop, and widen the basis of trade between the two countries."

Schedule I: Equipment for delivery from the United Kingdom to the U. S. S. R.

I wish to point out that the steel goods I have mentioned and shall mention, and the various fabricated goods, can well be fabricated from the steel we are furnishing, it can well be that engines and other equipment going to the United Kingdom are merely relayed in trucks of various kinds to the U. S. S. R.

1. Narrow-gage 750-mm. locomotives. Quantity, 1,100.

Prospective period of delivery: Seventy-five in first 2 years from placing of order. Three hundred fifty per annum thereafter. Complete in 2¾ years from commencement of delivery.

2. Flat trucks.

I shall not read the details.

3. Winches (2 and 3 drums).
4. Excavators.
5. Caterpillar loading cranes.
6. Auto timber carriers.
7. Tugs.
8. Dredgers.
9. Locomobiles.
10. Fifty-kilowatt mobile Diesel electric generators.
11. Steam power turbine stations.

All of which we have been shipping to Europe in great quantities—equipment hard to get in this country.

12. Plywood equipment.
13. Timber mill equipment.

And so it goes.

I submit this list for the RECORD, Mr. President.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE TRADE AND PAYMENTS AGREEMENTS BETWEEN THE UNITED KINGDOM AND THE U. S. S. R. (SIGNED IN MOSCOW, DECEMBER 27, 1947)

SHORT-TERM ARRANGEMENTS

From the U. S. S. R. to the United Kingdom—Grain: Out of the 1947 harvest (for delivery during a period of 8 months from February 1, 1948, to September 30, 1948, inclusive): 450,000 metric tons barley, 200,000 metric tons maize, 100,000 metric tons oats.

From the United Kingdom to the U. S. S. R.: Light rails with fish plates, bolts, and nuts for narrow-gage railway, 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from United Kingdom military surpluses), and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

See also schedules I and II, attached.

In addition, negotiations will immediately be commenced with the object of supplying to the U. S. S. R. wool, rubber, aluminum, cocoa beans, coffee, and other goods to be agreed.

Both Governments in the near future will enter into additional negotiations concerning the question of obtaining supplies of tin to the Union of Soviet Socialist Republics.

In the event that by May 31, 1948, the total value of Soviet orders placed for equipment provided for in the above-mentioned Schedules I and II does not reach half of the whole value of this equipment, then the Government of the Union of Soviet Socialist Republics will have the right to reconsider its undertaking relating to the making available to the United Kingdom of the last 200,000 tons out of the 750,000 tons of grain mentioned.

LONG-TERM ARRANGEMENTS

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics.

The two governments will appoint representatives who will meet not later than May 1948 * * * to draw up a balanced program of shipments between the two countries consisting of:

(a) Further supplies as itemized above.

(b) Supplies of the following goods:

(1) From the Union of Soviet Socialist Republics to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods.

(2) From the United Kingdom to the Union of Soviet Socialist Republics: Oil-well tubes, tinplate.

(c) Such further goods as may be agreed.

Provision is also made for further meetings, not less than once a year, to make recommendations to the two governments designed to improve, develop, and widen the basis of trade between the two countries.

SCHEDULE I.—*Equipment for delivery from the United Kingdom to the U. S. S. R.*

Item No.	Description of equipment	Quantity or amount	Prospective period of delivery
1	Narrow-gage 750-millimeter locomotives	1,100	75 in first 2 years from placing of order; 350 per annum thereafter. Complete in 2¾ years from commencement of delivery.
2	Flat trucks, 750-millimeter	2,400	Commence 18 months after placing of order at 25 a month. This rate will increase to 100 a month and the delivery period will cover approximately 2¼ years.
3	Winches (2 and 3 drums)	2,400	Commence 12 months after placing of order. Delivery at rate of 1,000 units in 1949 and 1,400 units in 1950. One-half will be fitted with electric motors.
4	Excavators	210	In 1948, 30 units; 1949, 60 units; 1950, 120 units.
5	Caterpillar loading cranes (Diesel types in substitution for equivalent number of excavators).	54	In 1948, 4 units; 1949, 20 units; 1950, 30 units.
6	Auto timber carriers	250	2 a week commencing 18 months after placing of order.
7	Tugs	14	In 1948, 4 from surplus, 10 from new building starting 18 months after placing of order. Delivery 1 per month.
8	Dredgers	4	First, 24 months after placing of order; remainder at rate of 1 every 3 months.
9	Locomobiles	200 units	Commence delivery in 21 months from placing of order and complete in further 18 months.
10	50-kilowatt mobile Diesel electric generators	150	Fifteen 4 months from placing of order; 135 in further 12 months.
11	Steam power turbine stations, 500-kilowatt	24	First set would be delivered in 2½ years from placing of order and thereafter 1 set per month.
12	Plywood equipment	£1,050,000 value	1949, £100,000 per annum; 1950, £200,000 per annum; 1951, £200,000 per annum; and after at the rate of £200,000 per annum.
13	Timber-mill equipment	£400,000 value	1949, £50,000; 1950, £100,000; 1951, £100,000; and after at the rate of £100,000 per annum.

SCHEDULE II.—*Equipment for delivery from the United Kingdom to the U. S. S. R.*

Item No.	Description of equipment	Quantity or amount	Prospective period of delivery
1	Scientific and laboratory apparatus	£150,000 value	In 1948-49.
2	Pile drivers mounted on pontoons	4	Deliver first one in 2 years after placing of order and then one every 5 months.
3	Winding gear	4 sets	Start in 2 years after placing of order and complete in further 6 months.
4	Electro dredger	1	Delivery 2½ years after placing of order.
5	Ball mills for copper ore grinding	18	Start 2¼ years after placing of order. Deliver 4 mills a month.
6	Ball mills for grinding apatite	8	Start 2¼ years after placing of order. Deliver 4 mills a month.
7	Rod mills for grinding ores	3	Deliver in 2¼ years after placing of order.
8	Spiral type classifiers	8	Deliver in 2½ years after placing of order.
9	Gyratory crushers	2	Deliver in 2 years after placing of order.
10	Railway steam cranes	3	Delivery 2 years after placing of order.
11	154-kilovolt voltage transformers	48	Delivery to commence 2½ years after placing of order, and complete in further 12 months.
12	Complete distributing sets (13.8 kilovolts)	6	Delivery to commence 2½ years after placing of order, and complete in further 6 months.
13	Isolating switches (154 kilovolts)	45	Delivery to commence 2¾ years after placing of order and complete in further 6 months.
14	Oil-purifying apparatus	10	Delivery to commence 2 years after placing of order and complete in further 6 months.
15	100-kilowatt electric motors	300	Delivery to commence 2 years after placing of order at rate of 150 a year.

Mr. MALONE. Mr. President, I further point out for the RECORD—I think all Senators know it—that many speeches have been made as to the many restrictions put on in negotiations with Russia. We are at this moment engaged, possibly, in preparing for war with Russia, while our esteemed ally, the United Kingdom, is preparing a long-range trading program. The same is true of France and other nations. However, I do not have exact copies of their trade agreements.

It was made very clear by Mr. Bevin and Mr. Wilson that they wanted to trade with Russia, and they wanted to remain neutral, they wanted to be the "bridgehead," that was the exact word they used, between the Soviet Communist government and the capitalist government of America. I think perhaps they are in a fair way of doing just that. Their interests are with Russia, since they are primarily processors and manufacturers of goods, as we are in this Nation, while Russia can furnish mainly the necessary raw materials.

The question of the nationalization of industry in Great Britain was brought up a few moments ago and left open-ended—in a way, left up in the air. I have in my hand outlines of the nationalization schemes, and the progress made, of Great Britain, France, Belgium, and the Netherlands. I shall not go into detail, but reading from the description of Great Britain's plan—

The Labor Government was elected on a program calling for the nationalization within 5 years of the Bank of England and of key industries, including coal, power, and iron and steel. It also announced that it favored land nationalization. It also favored an expanded national insurance system and a broadened national health service, as well as a vast housing and rebuilding program.

Nationalization already accomplished:

The Bank of England came under public control in February 1946.

The coal industry passed to the National Coal Board on January 1947.

Telecommunications passed into Government hands, November 1946.

Inland transportation was taken over under the provisions of the inland transport bill, passed in late summer, 1947.

Civil aviation was nationalized on August 1, 1946.

Electric power industry (bill passed within last few weeks).

The histories of the French, the Belgian, and the Netherlands plans are much the same. I wish to submit the outlines relating to these four countries, that is, their programs for the socialization and nationalization of the property of their respective nations, and the status of the program, for the RECORD.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

NATIONALIZATION OF INDUSTRY IN GREAT BRITAIN

The Labor government was elected on a program calling for the nationalization within 5 years of the Bank of England and of key industries, including coal, power, and iron and steel. It also announced that it favored land nationalization. It also favored an expanded national insurance system and a broadened national health service, as well as a vast housing and rebuilding program.

NATIONALIZATION ALREADY ACCOMPLISHED

The Bank of England came under public control in February 1946.

The coal industry passed to the National Coal Board on January 1947.

Telecommunications passed into government hands November 1946.

Inland transportation was taken over under the provisions of the inland transport bill, passed in late summer 1947.

Civil aviation was nationalized on August 1, 1946.

Electric power industry (bill passed within last few weeks).

INCOMPLETED PLANS FOR NATIONALIZATION

Originally the Government planned to take over the iron and steel industry, but so much protest was aroused over this that it has been given up, at least temporarily.

Also, the Government stated in its original program that it intended eventually to nationalize all of the land. However, it has contented itself for the time being with working out extensive town and country planning.

It is estimated that approximately 20 percent of the British industry is now under direct Government control.

Sources: State Department, Background Information on European Countries, pages 14–15; State Department, European Recovery Program, Country Studies, United Kingdom, page 14.

NATIONALIZATION OF FRENCH INDUSTRY

All the major political parties in France have supported nationalization of many of the industries in France. They differ largely in the question of how rapidly this nationalization should be brought about. The Socialists and Communists have urged immediate nationalization of large banks, key industries, transportation and insurance companies. The MRP (Mouvement Republicain Populaire) has been willing to have this nationalization take place more slowly.

HISTORY OF FRENCH GOVERNMENT'S INTERVENTION IN INDUSTRY BEFORE WORLD WAR II

Before World War II, there were a number of nationalized enterprises, including the railroads, potash mines in Alsace, telephones, telegraph and postal services, radio broadcasting, virtual control of the moving-picture industry, gunpowder industry, match industry, tobacco industry, individual manufactories of porcelain, tapestry, and several thermal establishments.

RECENT STEPS IN NATIONALIZATION

Since the end of the war, nationalization has taken place in the coal-mining industry, gas, electricity, and aircraft industries. A large segment of the banking system has been nationalized, as well as 34 insurance companies. The Renault automobile works have also been nationalized, because of the collaborationist activities of the former owners.

SUPPLEMENTARY FORMS OF GOVERNMENT CONTROL

In addition, the Government has secured extensive controls over French industry through such media as subsidies, licensing and quota systems, and credit organizations.

Through subsidies, the Government has an important voice in controlling shipping, demanding a voice in their affairs in return for extensive subsidization. Similarly with the silk, hemp, and flax industries.

Through credit organizations, set up by the Government, the Government assists—and hence helps control—export trade, colonial enterprises, and the many manufacturers and merchants to which it extends loans.

Through licensing and quota systems, imports and exports are controlled.

The regulation of foreign exchange and manipulation of the value of the currency help to control the whole workings of the French industrial economy.

Sources: State Department, European Recovery Program, Country Studies: France, pages 19–20. Study by Mr. Billings, Legislative Reference Service.

NATIONALIZATION OF INDUSTRY IN BELGIUM

There has been comparatively little nationalization of industry in Belgium. Nationalization includes: National Bank of Belgium, postal and telegraph systems, railroads (most, not all), public utilities, Government commission for mines.

Belgium, like the Netherlands, has many powerful corporations, with subsidiaries in their dependencies, which are in monopolistic position. They also have important cartel tie-ups, such as Unilever, which are virtually supernational.

NATIONALIZATION OF INDUSTRY IN THE NETHERLANDS

Very little nationalization has been effected in the Netherlands. Where state controls exist, these go back for many years, most of them to the period before World War I, and follow the pattern of most stable European countries.

Nationalization includes: Railroad transportation (since before World War I); 75 percent of the coal mines; public utilities, either owned by Government or by the municipalities; Government control of iron and steel industry; and Netherlands Bank.

However, the largest industries in the Netherlands (Phillips, Unilever, Standard Oil, etc.) are privately owned. The Government's chief concern is over the monopolistic developments in such business growth, and it is encouraging small rival industries to be developed, to offer competition to the too-powerful companies.

Mr. MALONE. Mr. President, I wish now to complete my remarks about the way the rehabilitation of the foreign industries could be undertaken on a sound basis by merely transferring the RFC rules to the World Bank without providing new Government machinery of any kind. As a matter of fact, one thing the matter with the Government now is that it has too much machinery. Far from setting up more machinery, we could abolish a lot of it. The loans can be put on a sound basis, following the feeding of the hungry people, as we have been doing since the close of World War II.

The foreign governments to whom we have loaned money, in my judgment, on this basis should also be required in the event of nationalization of a particular industry to make repayment in kind. In other words, when and if they nationalize their industries, to which we have previously loaned money, then they should pay us back in our kind of money, and they should also undertake to maintain a free flow of currency without value manipulation.

It is well known and established that a large number of the governments of Europe included in the Marshall plan are grossly overvaluing and manipulating their currencies. France, for example, had an official exchange set by their Government of 117 francs to the dollar, when you could go out on the street and get 350 to 400 francs to the dollar. They are now in the process

of reducing the value of the franc to 214 francs to the dollar, which is still about twice its real value.

It is well established that, while England officially valued the pound at $4.03, on the exchanges in New York City or any street in London you can buy the pound for $2.25. Most of the other countries included in the Marshall plan are doing likewise. It is probably not well known that England has just completed a trade treaty with Russia which includes fabricated steel products—and that the Marshall plan includes raw steel for England.

When I was in Rome the lira was valued at approximately 500 to the dollar, while on the street the price was 650. It was the nearest to actual value of any of the principal countries. Since that time Italy has started to devalue the lira to actual value.

They announced just a few weeks ago that each month the lira will be revalued, not at what they think it should be worth, but what the exchanges of Italy are offering for it, which means a free exchange between the lira and the dollar for the first time since the war. They have made a start, and we hope that other European countries will follow their example.

What does all this mean, Mr. President? It merely means that whether we are spending dollars in France or buying products of France, we will be paying about three and a half times the actual value of the products. Now, with their devaluation, it will be about twice the value of the products. It means that if we pay in products, we are paying nearly twice what the products are worth.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. DWORSHAK. The Senator from Nevada has called attention to the vital need of stabilizing the currencies of some of the nations which will come under the proposed Marshall plan. As I recall, the Senator was in Greece last fall at about the time the Senate Committee on Appropriations was visiting in Athens.

Mr. MALONE. That is true.

Mr. DWORSHAK. The Senator made no reference to the currency situation in Greece. I might recall, to refresh his memory, that in June 1945, the drachma was officially quoted at 500 to the American dollar. Then Great Britain and the United States poured millions on millions of dollars into the Greek economy, and last October when a number of United States Senators visited Athens the official rate for drachma exchange was about 8,000 to 10,000 to the American dollar. So, in that particular case—and it is comparable to the situation in many other countries of Europe which are to be beneficiaries under the plan—the more money the United States has poured into Greece to build up and stabilize her economy, the more her currency has been weakened, until today there is a situation in Greece which is very crucial, because there has been little if any effort made to stabilize her currency. Will the Senator comment on that?

Mr. MALONE. I should be glad to do so for the benefit of the record and of the Senator from Idaho. We are pouring money into Greece. Through UNRRA we gave food and goods of various kinds to Greece, and the food and goods which we gave Greece under UNRRA were sold there and the money thus received was used to keep their own particular government in power.

The goods thus sold piled up in the warehouses of the wholesalers and the stores of the retailers, and anyone who had the money to purchase could buy them. As a matter of fact, I brought back a bill of canned goods to show what could be purchased—if one had the money. As the distinguished Senator from Massachusetts said, California olives were plentiful, and almost ran the Greek olives off the market, olives being the chief Greek crop.

The distinguished Senator from Idaho is entirely correct when he says that the valuation of the drachma was about 8,500 to 10,000 drachmas to the dollar. In that connection, I will say that the wages paid in a large factory in Greece which I visited were about 8,000 to 10,000 or 11,000 drachmas a day, or from 80 cents to a dollar a day. Those people, working for the currently low wages, could not possibly buy the canned goods on the market. Many persons were hungry, but those who had money could buy anything they needed, just as one may in the markets in Washington, D. C., or in San Francisco, Calif.

Mr. President, the attitude of the governments of Europe is entirely different toward their people than that of our own Government. They care nothing about hungry people or what they call the common people. If 10 percent of the population can get what they need, and can retain governmental power by means of the money we furnish, and the remaining 90 percent starve or go hungry, they care little about that. It has not changed very much over the ages.

When we examined the factory to which I just referred, we went with one of the workers to the home in which he lived. It was a large bare room. It contained a small stove on which was a pot of beans. The beans were about the size of the end of one's little finger. I do not remember the name of the beans. I asked, "Is this all you have to eat? Where is the rest of your food?" I was shown a couple of loaves of black bread. I asked, "Do you have anything else to go with the beans and the bread?" I was told no, unless someone in the family should make some more money during the rest of the week. They eat this same fare day in and day out—with few additions and those are infrequent. The wage earner, the only one of the family employed, was making 8,500 drachmas a day, about 85 cents.

Mr. President, it is well established that all we are doing by the money we are expending is keeping the various governments in power. While I am on the subject of the Greek Government—and I did not intend to discuss it at this time, and shall not discuss its merits or shortcomings—I will say that there were brought back to the throne a king of Danish blood and a queen of German blood. There is not a drop of Greek blood in the whole royal family. The 86-year-old Premier, Saphoulis, is the "grand old man" of Greece, like Premier Clemenceau was of France. He has no power in Greece and is very unhappy. The Vice Premier has the power under a parliament established there by the British, with a Danish king and a German queen as rulers. That is the kind of Government to which we are sending food and other products, which are bought by the wholesalers and the retailers from the Government and the money thus received by the Greek Government is placed in what is called a special fund. I leave it to the Senate to say how long the money will stay in any special fund. The people of Greece labor under the misapprehension that we are the ones selling them the food which we are actually giving them and which they are buying at high prices.

So far as I am concerned, I should like very much to have the Armed Services Committee get busy on an air corps program which would make this entire plan unnecesary. If that committee is meeting to consider a national defense program which will include such an air corps, I shall be very happy to meet with it.

Mr. President, there has just been presented to me a trade agreement negotiated between Russia and Belgium. I shall give a very brief outline of the agreement for the RECORD.

The agreement shows, among other things, that Belgium, which is to secure aid in buying steel and other raw materials from this and other countries, has agreed to export to Russia 50,000 tons of steel, an unspecified amount of copper, an unspecified amount of dump cars, and many other materials, including 300 tons of semi-manufactured copper products and alloys of copper, 25 tons of tin oxide, 10,000,000 Belgian francs worth of miscellaneous machinery and machines, 400 tons of zinc powder, and 60,000 tons of phosphate fertilizer. While we are shipping fertilizer from this country to Europe, fertilizer from that very area is going to Russia.

I ask unanimous consent to have this table printed in the RECORD at this point as a part of my remarks, in connection with the tables already presented on the empire-minded nations, outlining their trade treaties.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TRADE AGREEMENT NEGOTIATED FALL OF 1947 BETWEEN RUSSIA AND BELGIUM

Belgium will export to Russia the following: 50,000 tons steel, unspecified amount of copper, unspecified amount of dump cars, 3,000 to 5,000 tons of tin, no fabricated machinery.

Belgium will export to the Soviet military government in Germany, by a treaty signed November 10, 1947, of 1-year's duration: 300 tons semimanufactured and alloys of copper, 25 tons tin oxide, 10,000,000 Belgian francs' worth miscellaneous machinery and machines, 400 tons zinc powder, 60,000 tons phosphate fertilizer, 40,000 tons superphosphate, 500 tons rubber.

Belgium to Finland, May 28, 1947, and supplement November 5, 1947: Phosphate fertilizer, 5,600 BTO^5 units; machinery and equipment valued at 95,000,000 francs.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. BALL. Did I correctly understand the Senator to say that the agreement between Belgium and Russia has been concluded and is in effect?

Mr. MALONE. It has been concluded, and is now in effect.

Mr. BALL. And that under it Belgium will ship 50,000 tons of steel to Russia?

Mr. MALONE. Yes; that is what the trade treaty provides.

Mr. BALL. Mr. President, will the Senator yield for an observation?

Mr. MALONE. I am happy to yield to my friend, the Senator from Minnesota.

Mr. BALL. I have before me a table from the State Department, which I think was compiled about January 21, showing a break-down, by countries, of the anticipated exports from the United States under the European recovery program. The table shows that Belgium and Luxemburg will get $19,300,000 worth of finished steel and $9,400,000 worth of crude and semifinished steel under the European recovery program. I do not know what that would amount to if it were translated into tons, but I suspect that it would represent a substantial tonnage.

If I correctly understand the theory of the bill as advanced by the Senator from Massachusetts [Mr. LODGE] in the colloquy yesterday, that is entirely inconsistent with the aims of the measure as interpreted by the Committee on Foreign Relations. I wish some member of that committee were present to tell us what the committee thinks is the situation of this plan in respect to such a trade agreement with Russia.

Mr. MALONE. For the benefit of the RECORD and my colleague from Minnesota, I will state that the report of the State Department on the European recovery program with respect to Belgium and Luxemburg shows: Finished iron and steel, 140,000 tons, for the year 1948–49; crude and semifinished, 119,000 tons; and, of course, much fabricated equipment, most of which could be adapted from these shipments to Russia's needs.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. BALL. If the figure of 50,000 tons to Russia is correct, I would gather that at least one-fifth of the steel which, according to the tentative allocation, Belgium will get under the European recovery program from the United States, will go right on to Russia.

Mr. MALONE. One hundred and nineteen thousand tons of crude and semifinished steel.

Mr. BALL. There will be a total of approximately 259,000 tons, and 50,000 of that will go right on to Russia; is that correct?

Mr. MALONE. Yes; that is true.

Mr. BALL. Mr. President, if the Senator will further yield, let me say I think that is a most peculiar method of stopping Russian Communist aggression.

Mr. LODGE. Mr. President, let me ask where these figures can be found.

Mr. BALL. We got the information from the State Department. By the trade agreement negotiated in the fall of 1947 between Russia and Belgium, Belgium will export to Russia the following——

Mr. LODGE. I have just reentered the Chamber. Does the Senator contend that under the Marshall plan, the aid extended will be funneled through Belgium to Russia?

Mr. BALL. It could very easily go to Russia.

Mr. LODGE. I should like to say for the RECORD—of course I am only one Member of the Senate—but I think that is a totally impossible situation. I do not think we can consider for a moment that the Administrator would make an agreement with any country unless he had had prior assurance from that country that any assistance which it might be extending to a government which was hostile to the purposes of this act would cease.

Mr. MALONE. Mr. President, it is inconceivable to me that the Senate of the United States would agree to allow any administrator the latitude to do that, but this legislation does provide such latitude.

Mr. BALL. Mr. President, if the Senator will further yield to me, to permit me to ask a question of the Senator from Massachusetts——

Mr. MALONE. I yield.

Mr. BALL. I heard the Senator from Massachusetts make that statement in the colloquy yesterday, namely, that the administrator would shut off aid under this program to any country which, in turn, was sending materials which would be vital to building a war machine, let us say, to Russia, through whatever kind of trade arrangement it might be done. Did I correctly understand the Senator from Massachusetts to make that statement? If so, I should like to have him, if he can, point out the language in the bill under which he thinks the administrator is so directed. I must confess I have not been able to find it.

Mr. LODGE. First of all, there is the termination clause on page 33, which gives the Administrator the right to terminate the agreements under the following conditions:

> The administrator shall terminate the provision of assistance under this act to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 15, or is diverting from the purposes of this act assistance provided hereunder—

And so forth. The purposes are set forth in section 15, and they are very specific indeed. The purposes of this act are so clear and are so briefly stated that I shall mention them here. I read now from section 2, on page 3:

> Accordingly, it is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation—

And so forth. And in lines 7 and 8, on page 2, we find the following:

> The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independence of extraordinary outside assistance.

Of course, all through this bill we find set forth resistance to communism. I think everyone in the world understands that. Certainly, I think the Communists do and the Russians do, and certainly it is clear to me from that language that any recipient country which undertakes to send arms or munitions or implements of war or anything of value to a government which is hostile to the purposes of this act would not receive assistance from any conscientious or devoted administrator.

Mr. BALL. Mr. President, will the Senator yield at this point?

Mr. MALONE. I am glad to yield.

Mr. BALL. I can see how the Senator from Massachusetts would interpret in that fashion the language he has read, but I am somewhat doubtful whether anyone appointed by the President to administer the program would so interpret it, because, as a matter of fact, the United States is still shipping heavy machinery and electric generators to Russia, and the Department of Commerce is granting export licenses for that purpose. I read in the newspapers that the British Government recently concluded a barter deal with Russia, whereby in return for wheat and, I believe, some meat, the British are going to ship heavy machinery and locomotives to Russia.

Under the Senator's theory of the purposes of the bill and the directions to the Administrator, I would assume that in view of the existence of that agreement and in view of Britain's determination to carry it out, the Administrator could not give any assistance to Britain under this act, although, according to the break-down, she is slated to receive about one-third of the total.

Mr. LODGE. It is my belief that the Administrator would require that an agreement of that type, under which munitions of war would be sent, should be abrogated as a condition precedent to Britain's receiving any of this aid.

Mr. MALONE. Mr. President, I say to the distinguished Senator from Massachusetts that we now have the evidence that Britain has made a treaty positively guaranteeing that she will do just that.

Mr. LODGE. In that case Britain would not receive aid under the bill, in my opinion.

Mr. MALONE. Then why pass the bill?

Mr. LODGE. Because Britain is but one of the countries involved.

Mr. MALONE. But the four principal countries will receive approximately 80 percent of the entire amount.

Mr. LODGE. But there are 16 countries in all.

Mr. President, if the Senator will permit me——

Mr. MALONE. I am glad to permit the Senator from Massachusetts.

Mr. LODGE. I thank the Senator. It is very nice of him to do it, and I appreciate his courtesy.

Mr. MALONE. I am happy to do so.

Mr. LODGE. Let me say that it would be a great mistake for us to legislate in this bill in such a way as to require the

recipient nations to trade with eastern Europe. It would also be a great mistake to legislate in this bill in such a way as to prohibit those nations from trading with eastern Europe. As to the question of trade with eastern Europe, each case must be judged on its own merits, it seems to me. If we or the recipient nations are sending to Russia something we or they do not need, but which others think we or they need, even though that is not the case, and and are receiving from Russia something useful to us, of course, that kind of trade is in the national interest. I understand that at the present time we are getting manganese and chrome from Russia. I am not defending what the Senator from Minnesota spoke about, because I do not know the details. But all these shipments to Russia must be judged in the light of what we are getting back as a result.

As I said yesterday, if the British send Russia forks and spoons which are made out of American steel, and get back in return, things that we may not be producing in surplus quantity, things which, if sent to Britain from the United States at this time, might result in raising the cost of living in the United States, such an arrangement might be a good deal.

All these things have to be judged as they come along. The Senator knows very well, having been elected to the Senate and being a skillful man in politics, that many times in a political campaign the mere fact that his opponent says a certain thing does not mean that the Senator must necessarily get up and disagree with him. The opponent is not always right, and many times he wants you to do a certain thing, and the smart thing is to go ahead and do it. To me, to place in the bill a prohibition against trade with eastern Europe would be just as short-sighted as putting a directive in the bill that the countries must trade with eastern Europe.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield in order that I may propound a question to the Senator from Massachusetts?

Mr. MALONE. I yield.

Mr. WHERRY. Is there any difference, in the Senator's opinion, between the business that might be done with a satellite country of Russia and business that might be done with the guerilla forces in Greece? I refer to the principle of it, assuming it were followed to the end.

Mr. LODGE. I do not understand the Senator's question.

Mr. WHERRY. I shall repeat it. If the philosophy is correct that satellite countries should be encouraged to do business with Russia, there is no limitation on it, in fact. Is that correct?

Mr. LODGE. The satellite country? That is not the point that has been made here. The point that has been made is respecting recipient countries.

Mr. WHERRY. I am asking about a recipient country.

Mr. LODGE. The satellite countries are not going to be recipient countries.

Mr. WHERRY. Very well. Let us take the next step. Should we furnish money to a recipient country that is doing business with a satellite country, or one that does business directly with Russia? According to the Senator's interpretation, and if what I understand him to say is correct, we want to encourage that, we want to promote trade between the countries of western Europe and the countries of eastern Europe, even though the latter be satellites of Russia, or even though the country be Russia itself.

Mr. LODGE. Unless the particular trade is directly in the interest of the United States. Of course, the whole yardstick in all these things is the interest of the United States. Where it might be to the interest of the United States to get more out of them than we give them, then I think we ought to do it.

Mr. WHERRY. Then let me ask this question——

Mr. LODGE. Let me say that if the bill were to succeed 100 percent, and if it were to live up to the fondest hopes of all its proponents, what would be the result? There would be a flourishing trade all over Europe between east and west and everywhere. That would mean what? It would mean that the iron curtain had broken down; and that would be the greatest accomplishment that could possibly be hoped for from the program. It would be the reestablishment of communication and commerce and freedom to go and come, between all parts of the world.

Mr. WHERRY. On that philosophy and that answer, I ask this question: If we could get more out of the insurgents in Greece than we might give them, should we do business with the government of Greece or with governments that feed the insurgents? Through some satellite country?

Mr. LODGE. I think the insurgents of Greece are in an entirely different category.

Mr. WHERRY. The principle is the same, is it not?

Mr. LODGE. No, no; because we are making a special effort in Greece. Obviously any administrator who would approve a bilateral agreement which helped the insurgents in Greece ought to have his head examined.

Mr. WHERRY. It would be the same with respect to Russia, would it not?

Mr. LODGE. Yes, in its present condition. I do not think any administrator would approve any agreement which directly or indirectly helped Russia, so long as the present arbitrary, dictatorial, imperialistic crowd is in control of Russia.

Mr. WHERRY. If we take the interpretation given by several of the Senators in observations made yesterday, my understanding is that they want to encourage trade with Russia if it would in any way be of commercial advantage to the satellite countries and, therefore, to the United States, by removing the burdens from our shoulders. Is that correct?

Mr. LODGE. I think trade with eastern Europe is a constructive thing to bring about, provided it does not in any way assist any country which is hostile to the interests of the United States. If there can be developed a trade which will gradually wear down the barriers, which will establish freedom of communication in Europe, that is one of the ways by which to win a subversive war. We are not confronting the classic type of international conflict in which everybody is in uniform and where the lines are drawn on the map. We are in a subversive war, and this is one of the ways, and one of the most effective ways by which a subversive war can be won. If there could be established free speech, freedom of movement by tourists and students, and the movement of trade to and fro, of course, we should then have won the subversive war, and the present crowd of highbinders who are in power in Moscow would be out of jobs—which is precisely why they do not want us to take this action.

Mr. WHERRY. At the present time, could trade between this country and any satellite country be in the interest of the United States?

Mr. LODGE. I do not know of any case at the present moment.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. LODGE. It might open up a little here and there, and if the people were fast on their feet and alert and smart, they would want to take advantage of those opportunities.

Mr. WHERRY. It might open up how? Finland and Czechoslovakia have been lost. I understood from observations made on the floor yesterday that, if we were to move troops out of Austria and if we were to move out of Greece, Russia would take over those countries immediately. Is that correct?

Mr. LODGE. If the Senator from Nevada will allow me——

Mr. MALONE. I am very happy to yield further to the Senator from Massachusetts.

Mr. LODGE. I should like to furnish the Senator from Nebraska an illustration of how it might open up. It is a well-known fact, of course, that the standard of living in Russia is appallingly low and that wherever the Russians take over the standard of living at once becomes a great deal lower. Let us assume that it were possible for us to send into one of the countries behind the iron curtain, in exchange for their wheat, some of our manufactured goods. Let us assume we sent in some typewriters or some costume jewelry for women, or cigarette lighters, things that people like, things that they are most eager to have because the life is so drab in those countries. Immediately that would give rise to a feeling, "Well, things are not so good; this crowd that is running things is not so smart." That is an illustration of what I mean. What would we have lost by that? We would have lost a little costume jewelry, a few typewriters, a few cigarette lighters, something that certainly would have no military value. But those things might have some political value, because there are people in eastern Europe today who would commit murder for a package of Lucky Strikes or a bar of chocolate.

Mr. WHERRY. Let us consider Finland. Has not Finland been encouraged by the United States down through the years to resist with as much determination as any other country in Europe?

Mr. LODGE. Yes.

Mr. WHERRY. What good would it have done, had Finland been under the economic recovery program? What would we have done when we were told that they had negotiated a trade treaty and a defense treaty with Russia? What could they have done? What can be put into this program that will accomplish what is sought to be accomplished, when it is stated that we will not engage in trade with the satellite countries, and when at this time the Senator's own answer is that it cannot be done?

Mr. LODGE. All these countries are in slightly different situations. I agree that insofar as Finland is concerned she is so hard for us to reach, it is so hard for us to support her, that at the present moment a program like this would not help Finland. I have said from the very beginning of the discussion that there are countries in Europe that would not be helped by this program, but there are other countries that would be, and those countries are worth helping in our own national interest. I thank the Senator from Nevada, and I apologize for taking so much of his time.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. MALONE. I am happy to yield to my friend from West Virginia.

Mr. REVERCOMB. If I correctly understand the Senator from Massachusetts—and I want, of course, to understand him correctly—he said it would not be wise to deal with any country or to give aid under this plan to any country that might itself deal for the benefit of Russia. Am I correct in that understanding?

Mr. LODGE. In the present condition of things.

Mr. REVERCOMB. Then, may I point out to the able Senator that under the rule to which he subscribes it seems we are not going to be able to carry out the plan with respect to the United Kingdom. Under the plan as outlined in the report, the United Kingdom is to receive approximately $1,300,000,000 of the $5,300,000,000 to be appropriated this year, in the event the bill is passed, I am advised—and I want to call the attention of the Senator from Nevada to this point—that the United Kingdom has already entered into an agreement with Russia to furnish Russia with steel and similar supplies. Is not that correct?

Mr. MALONE. It is entirely correct. That is one of the principal reasons why I am opposed to it.

Mr. REVERCOMB. If the Senator follows out the idea of not giving help, under this plan, to anyone who would deal with Russia, under its present regime, we cannot give any aid to Great Britain. If we could not give any aid to Great Britain or the United Kingdom which, under the plan, would require one-fourth of all the money to be authorized, why consider this bill?

Mr. LODGE. My quick answer to the Senator—and it will have to be a quick one, because I have not had time to consider the background—would be that I do not believe the British will be overly anxious to build up Russia in her present mood when she is grabbing one country after another. I do not think there will be any difficulty about that, because I believe the responsible leadership in Great Britain will agree with our Administrator that military help to an overweening, aggressive, imperialistic power such as Russia should not be afforded under this bill, and he would simply have to say that unless that concept were agreed to there would be no bilateral agreement. Of course the figures which the Senator cites as being allocated to England are merely a guess. There is no obligation under the terms of the bill to give a certain amount to any particular country. That is left entirely to the Administrator. But I think we can assume that the purpose is to promote the interests of the United States; it is to promote our security. Consequently, any recipient country which wants to accept the money authorized under the bill in order to defeat our security is obviously not entitled to receive it.

Mr. REVERCOMB. I think the Senator has made the point quite strongly and in a correct way that no nation which receives a dollar under the terms of this bill should deal with Russia under her present regime.

The Senator says there is no obligation to give the United Kingdom any sum whatsoever. I call his attention to the report which contains a figure of approximately $5,000,000,000 which we are asked to authorize. That figure was arrived at by allocating the possible needs of the United Kingdom at approximately $1,300,000,000. That figure was not simply plucked out of the air. It is in the report and is the basis of fixing the amounts to be authorized.

I understand the United Kingdom has already entered into an agreement with Russia to furnish steel. If that be correct—and I hope to be enlightened upon that point during the course of the debate—and if we follow the viewpoint of the Senator from Massachusetts, which I think is the correct one, we would not need this authorization, because we would not be paying money to the United Kingdom, for example, if that nation had made an agreement to furnish steel to Russia.

If that be the set of facts, then this authorization is not required. I await with interest a discussion of the agreement made between the United Kingdom and Russia.

Mr. LODGE. Mr. President, will the Senator from Nevada yield further?

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. LODGE. I cannot discuss the agreement between the United Kingdom and Russia, because I have not seen it, but I do want to say to the Senator from West Virginia, who is a very able lawyer, which I am not, that under this bill, no nation has a right to any amount. It is true that Great Britain's dollar deficit and the dollar deficit of all the other western European countries were used as a means of determining what the amount should be; but they have no right to the money. No foreign country has a right to the money or has any business to claim that it is entitled to this or that. That is not at all the basis on which the program is to be carried out. The bill establishes a way by which nations can receive aid from us if, in our judgment, they adhere to a set of specific conditions which are outlined in the bill. It is entirely up to the Administrator to make the decision. He alone can make it. There is no foreign voice which has any part in it at all. So I do not think we need to worry about our being committed to make a certain sum of money available to any particular country, because we are not.

Mr. REVERCOMB. Mr. President, will the Senator from Nevada yield further at that point?

Mr. MALONE. I am glad to yield further to the Senator from West Virginia.

Mr. REVERCOMB. There is no promise made to give any particular country any particular amount, and there cannot be until after the bill is enacted into law. Then the amount will be fixed by the Administrator. That is a great power to be placed in the hands of one man. But in arriving at the amount which we shall authorize I want to point out to the Senator—and I take figures from the CONGRESSIONAL RECORD, where they were placed by the Senator from Nevada at my request—that the allocation under the Marshall plan for a 12-month period for the United Kingdom, is $1,378,000,000. That is the way it is broken down in order to arrive at the total figure of authorization.

The Senator will find on page 47 of the report filed by the Committee on Foreign Relations, of which the Senator from Massachusetts is a member, that the relief-type commodities and services to the United Kingdom and dependencies total $1,490,900,000.

There had to be some figure upon which to base the sum of $5,000,000,000 requested to be authorized. In reaching that figure that amount was set aside as the sum which would probably be needed for the United Kingdom.

What we say about our friends in the United Kingdom applies to any other country, but certain it is that before the committee arrived at a figure and reported the bill to the floor of the Senate and recommended that it be passed, the committee considered item by item and country by country the amounts to be allotted. The Foreign Relations Committee must have believed that $1,300,000,000 would go eventually to the United Kingdom. Now we are advised that the United Kingdom is making or has made an agreement with Russia to furnish steel. If I correctly understand the statement of the Senator from Massachusetts, he would not send 1 cent to a country which would ship strategic materials, such as steel, to Russia. If that be so, why authorize this money?

Mr. LODGE. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I am glad to yield to my friend from Massachusetts.

Mr. LODGE. The Senator cited certain tables, but he failed to point out that the tables are entitled table 1 and table 2, being a "Recapitulation of Illustrative Distribution," and so forth. The word "illustrative" is used. It is simply to illustrate and to give the reader an idea of how the distribution might possibly eventuate, all things being equal. Of course it is specifically set forth that it must not be used to defeat the welfare

and the security of the United States. It would be almost an act of treason—yes, I think it would actually be an act of treason—on the part of the Administrator if he should allow the act to be used in such a way as to build up in a military way any country which had hostile intentions against this Nation. I do not think for 1 minute that he would do it. I do not think it is necessary to write into the bill that the Administrator shall not permit treason, because I do not think he is going to do that.

Mr. REVERCOMB. Will the Senator from Nevada yield for just one more interruption?

Mr. MALONE. I yield.

Mr. REVERCOMB. Then, if the facts are as established in this discussion, if the United Kingdom has made an agreement to send steel, or some equally strategic product, to Russia, and the Administrator, under those circumstances, would, as the Senator says, be guilty of treason if he supplied money to the United Kingdom; and if, in arriving at the figure of $5,000,000,000 which we are asked to appropriate, the amount of $1,378,000,000 was set aside for Great Britain—if that state of facts exists, we are ready to strike out the figure $1,378,000,000, because that is one of the figures upon which the sum total is calculated.

Mr. LODGE. Not at all, Mr. President. The Senator from West Virginia is a very skillful debater, and goes galloping across country very fast, and he jumps over quite a few rather essential considerations in his progress.

Mr. REVERCOMB. It is time to gallop.

Mr. LODGE. What has been said does not in the least furnish any argument for cutting down the amount, because I do not think for a moment that any of the western European countries would desire that the Administrator give them any funds if they were engaged in helping a country that was hostile to us.

Of course, in considering this equation, we always have to consider what we are getting back. That is also something to be looked into. I do not think what the Senator cites affords any justification for reducing the amount whatever, because I do not see that countries like France, Great Britain, and the "Benelux" countries are going in for that kind of practice.

Mr. REVERCOMB. Mr. President, the Senator from Nevada has indicated that he will bring to the attention of the Senate the agreement between Great Britain and Russia.

Mr. MALONE. I have already submitted for the record the itemization of the amounts of certain kinds of steel and equipment going from Great Britain to Russia, and the raw materials from Russia to Great Britain.

Mr. REVERCOMB. Am I correct in understanding that there is such a trade going on at the present time between Great Britain and Russia?

Mr. MALONE. Yes; the agreement has been consummated.

Mr. REVERCOMB. There is an agreement?

Mr. MALONE. There is an agreement.

Mr. REVERCOMB. Does it affect steel?

Mr. MALONE. It affects steel.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Nebraska.

Mr. WHERRY. I address this question to the Senator from Massachusetts. In connection with the colloquy between the Senator from Massachusetts and the Senator from West Virginia, the sum of $5,300,000,000 was mentioned. I should like to ask the Senator from Massachusetts, who is a member of the Committee on Foreign Relations, whether any countries will be able to take advantage of the offer of assistance which have not been accepted as participants, but which might be accepted?

Mr. LODGE. In addition to the 16 nations in western Europe?

Mr. WHERRY. Yes.

Mr. LODGE. The countries which are eligible for the aid are set forth in section 3, page 4, from which I read:

SEC. 3. As used in this act, the term "participating country" means—

(a) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947.

That includes the 16 countries.

(b) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration.

That holds open the door to other countries. When Secretary Marshall made his proposal at Harvard last June, he held the door open, and, as the Senator may remember, Czechoslovakia wanted to join, and then was strong-armed out of it at the last minute. As I understand, the door is open.

Mr. WHERRY. What provision is made for additional financing in the event a dependency, or a colony, for example, the Indonesian Republic, should come forward and ask for aid? Is there any provision under which they would qualify, under the figures in the bill, so that their needs could be taken care of?

Mr. LODGE. It is rather difficult to answer that question, because it all depends on the countries. I can conceive of a situation in which some countries might come into it, under which the unit cost would be decreased, because there would be an increased convertibility of money and there would be a wider trading area. That would be one of the things which would have to be taken care of when it arose.

Mr. WHERRY. Is it the Senator's interpretation that the language "together with dependent areas" could possibly mean colonies of the countries which have already agreed, so that any colonies could ask for the same privilege that was accorded the mother countries?

Mr. LODGE. I hope it includes colonies, because in the colonies are found most of the things which we in this country need and have not got.

Mr. WHERRY. For example, rubber.

Mr. LODGE. And many other things. I have the whole list here. It is found on page 162 of the hearings.

Mr. WHERRY. Suppose a dependency should forward in and ask for the aid, and should get the benefit, are any mechanics provided so that the benefit could be taken out of the $5,300,000,000 or would we have to make an additional appropriaation?

Mr. LODGE. The Dutch East Indies would be included under subparagraph (a).

Mr. WHERRY. It would be necessary to prorate the money, would it not?

Mr. LODGE. It says:

Any country, together with dependent areas under its administration.

Mr. WHERRY. Are eligible for the aid?

Mr. LODGE. That is correct.

Mr. WHERRY. What aid—the aid the mother country gets, or the aid they themselves want? It seems to me the mechanics should be provided so as to cover other countries which have not accepted, whether they are colonies or not, if they qualify. We would have to provide an appropriation for it.

Mr. LODGE. No. Suppose one of the countries of Europe breaks away from behind the iron curtain, throws the Communists out, and says, "We want to join up with you." I think in that case there might be a need to readjust the figure. But if it is a question of the Dutch East Indies, or dependencies of any of the original 16 countries, that has already been taken care of in the estimate.

Mr. WHERRY. Does the Senator say it is taken care of in this very paragraph?

Mr. LODGE. Yes; it has been taken care of in the estimate. I am talking about section 3 (a).

Mr. WHERRY. It certainly does not say that.

Mr. LODGE. It says "together with dependent areas under its administration."

Mr. WHERRY. Certainly the Dutch East Indies could come under the provisions of the act and get a loan, in addition to what the mother country got.

Mr. LODGE. No; not in addition. It would be under the $5,300,000,000 estimate.

Mr. WHERRY. It does not say that.

Mr. LODGE. It says so in section 3 (a).

Mr. WHERRY. There is no allocation. The $5,300,000,000 is not based on any allocation.

Mr. LODGE. There is no allocation anywhere. All the figures about which the Senator is talking are merely illustrations. There is no allocation. No country can come before the Administrator and claim a single nickel as a matter of right, or say we have committed ourselves to a single definite amount.

Mr. WHERRY. They have established their needs on the basis of the allocations they expect to receive. For example, Great Britain is getting $1,750,000,000.

Mr. LODGE. There is not a scintilla or speck of a promise to that effect.

Mr. WHERRY. What would the Senator call it, a moral commitment?

Mr. LODGE. Not at all.

Mr. WHERRY. Then on what basis are we making the appropriation?

Mr. LODGE. There is no moral commitment or immoral commitment, or commitment of any kind.

Mr. WHERRY. It might be an immoral commitment.

Mr. LODGE. But it so happens it is not.

Mr. WHERRY. If the countries which establish their need are permitted to take what is provided in what I call the allocation—the Senator may call it whatever he cares to——

Mr. LODGE. Why does not the Senator call it what it is, "illustrative distribution"?

Mr. WHERRY. Will the Senator yield so that I may finish?

Mr. LODGE. I am not yielding; I do not have the floor. When I hear the Senator committing an error, I have a desire to dissuade him from straying further into error. I was pointing out that this is not a commitment, but an illustrative distribution, which is a very different thing.

Mr. WHERRY. After the authorization is made, there will be a request for an appropriation of $5,300,000,000, and the justification will be based upon the needs indicated in the break-down into what I call allocations going to these different countries. The Senator can call them anything he desires. In the Committee on Appropriations that is what I am going to call them; and I have had a little experience on that committee.

Now I want to ask a question of the distinguished Senator from Massachusetts, in whom I have the utmost confidence in the world. If the countries covered by the bill should use up all the money provided in the bill for their particular needs, whether it should be described as an allocation or a commitment, and the Dutch East Indies, for example, were to come forward and ask to be included under the provisions of the measure, although their needs have not been set forth under the plan, as have the needs of the 16 countries included within it—I am asking the question of the Senator from Massachusetts, not of the Senator's clerk.

Mr. LODGE. Mr. President, I will say to the Senator from Nebraska that I was asking the clerk of the Foreign Relations Committee to look up the Dutch figures so I can answer the Senator's question more intelligently.

Mr. WHERRY. In such a case would it be necessary to increase the appropriations to cover the needs of the Dutch East Indies, or would such a commitment or allocation come out of the $5,300,000,000?

Mr. LODGE. I shall be glad to try to answer the Senator's question. I myself have served on the Appropriations Committee, and I know how carefully they work such things over. I will say that if the worst should happen, and the Communists should gobble up these countries one by one, the figure of cost to the United States would drop each time a country ceased to be eligible.

Mr. WHERRY. Yes; I understand.

Mr. LODGE. In other words, we are not committed to spending this money regardless of what happens in each country. This thing is not a commitment; it is not an allocation. It is a method of distribution, and the money is only to be given to a country if that country conforms to certain precepts we have set forth in the law, and if the country does not conform we will say "Sorry."

Mr. WHERRY. Will the Senator from Massachusetts now answer my question?

Mr. LODGE. I am coming to the Senator's question. I must reserve the right to answer the Senator's question in my own way. I cannot answer any other way.

Now we come to the Dutch East Indies. The Netherlands' figure is set forth in the committee report, and the Netherlands' figure already includes the Dutch East Indies.

Mr. WHERRY. That is the point I wanted to make.

Mr. LODGE. That is what I am trying to answer.

Mr. WHERRY. Are there any colonies or dependent areas that might come into the plan which are not included in the mother countries among the 16 nations?

Mr. LODGE. I think all the colonies and dependencies of the 16 nations are already included in the present estimates.

Mr. WHERRY. Then, is it the Senator's opinion that no additional request would come in from any dependent area that is provided for in section 3? All I am trying to find out is this: Mechanically, is there need of additional appropriation in the event dependent areas take advantage of the bill, or are they provided for in the total sum of $5,300,000,000?

Mr. LODGE. I think they are all provided for in the total sum of $5,300,000,000. But if a country breaks loose from behind the iron curtain and wants to join, then I think we might have to reconsider the figure. But the Belgian colonies, the Dutch colonies, the French colonies, the British colonies, are all included in these computations.

Mr. WHERRY. Would Korea be entitled to a loan?

Mr. LODGE. No; Korea would not be entitled to a loan, in my opinion.

Mr. WHERRY. The danger with respect to Korea is as great or greater than that facing the Dutch East Indies, and if help is extended to the Dutch East Indies, how would the Senator justify failure to extend help to Korea?

Mr. LODGE. We simply have to draw the line somewhere. There is a good reason for that. We cannot gobble up all out of doors all at once. If we waited until we had everything in the bill so much time would have gone by that the situation would have deteriorated.

Mr. WHERRY. Then, under the provisions of the bill, Korea would not be entitled to relief, even though it exists in the same general geographical area as the Dutch East Indies, and though it would need help for the same reason that the Dutch East Indies would?

Mr. LODGE. I will say to the Senator from Nebraska that Korea is being taken care of now in the occupied-area program.

Mr. WHERRY. Yes; I simply gave Korea as an illustration.

Mr. LODGE. Yes; but we are not forgetting Korea.

Mr. WHERRY. But Korea does not come under the provisions of the Marshall plan?

Mr. LODGE. No; neither does China, neither do many other countries.

Mr. WHERRY. That is what I thought. Would those countries be entitled to participate even though they are not European countries? I understand the Senator to say no.

Mr. LODGE. That is correct.

Mr. WHERRY. It seems to me difficult to justify not including Korea, which is in the same general geographical location as the Dutch East Indies. If the Dutch East Indies are entitled to come under the provisions of the act, why should not Korea be entitled to come under them? Why should we turn down the one and provide for the other?

Mr. LODGE. Let me say to my friend from Nebraska that there is quite a difference, because the Dutch East Indies have been developed and worked over by the Dutch for a long, long time. The economy of Holland and the economy of Belgium and of England, for that matter, are very dependent on their colonies. There are all kinds of trade relationships and personal relationships, going back and forth for many years, between the colonies and the European mother nations, which do not exist in the case of Korea. So Korea and the Dutch East Indies do not rest on quite the same footing.

Mr. WATKINS. Mr. President, will the Senator from Nevada yield to me for a question to the junior Senator from Massachusetts?

Mr. MALONE. I yield.

Mr. WATKINS. I understood the Senator from Massachusetts to say that the Administrator would be guilty of an act of treason if he permitted the money under this bill to go to a country that was actually shipping strategic materials to Russia under the present circumstances.

Mr. LODGE. No; I did not say that. I said he would be committing an act of treason if he would allow the bill to be used to give aid and comfort to a nation which was acting against the interests of the United States. But I could well have answered that the sending of a few strategic materials into one country, and receiving in return a lot of things which we needed, would not be too bad, in my opinion.

Mr. WATKINS. I should like to call the Senator's attention to a report made

to the Senate through the Senator from California [Mr. KNOWLAND], from the Department of Commerce, in which the Department points out that during the year 1947 the United States sent to Russia $2,451,000 worth of iron and steel bars and rods and other materials made of iron and steel; we sent aircraft parts and components valued at nearly a half a million dollars and we sent automobile trucks. Any number of articles made of steel were sent directly to Russia that could be used in the bolstering up of her war machine. Has the Foreign Relations Committee considered a report of that kind or investigated it in connection with the over-all picture, in reporting the pending bill?

Mr. LODGE. Will the Senator from Nevada permit me to yield to reply to the distinguished Senator from Utah?

Mr. MALONE. I yield.

Mr. LODGE. In the first place, as I said yesterday, I am not going to be put in the position of trying to defend what the present administration has been doing in any field whatever.

Mr. WATKINS. But the Senator is recommending what the administration wants.

Mr. LODGE. No; I am not. I am recommending the pending bill, which came unanimously from the Foreign Relations Committee, and that is all I am recommending; and I am not going to be particeps criminis in anything else—I think that is a lawyer's phrase.

Mr. WATKINS. I should like to know how the Senator would characterize this kind of conduct on the part of the United States when it is asking the Congress for an appropriation of more than $5,000,000,000 to stop communism, and when we are sending these strategic materials to Russia.

Mr. LODGE. Does that statement show what we are getting back in exchange?

Mr. WATKINS. We are getting some furs.

Mr. LODGE. Is that all?

Mr. WATKINS. Some manganese, and other minerals. The total comes to about $16,000,000. We are sending them $149,000,000.

Mr. LODGE. I understood that we were getting manganese and chrome.

Mr. WATKINS. We are getting some.

Mr. LODGE. If as a result of that trade they are getting more out of us than we are getting out of them, I think it is an illustration of the most crass incompetence, and the official responsible for it ought to be dismissed.

Mr. WATKINS. I heartily agree with the Senator.

Mr. MALONE. Mr. President, there has been considerable discussion as to how these figures showing the trade balance deficit were arrived at in the first instance together with the amount asked for under the Marshall plan. I wish to submit for the RECORD, in view of its importance, table 1, on page 116, part I of the hearings, before the Committee on Foreign Relations on this bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Recapitulation of tables showing illustrative composition of imports of commodities and services from Western Hemisphere and possible sources and distribution of financing, Apr. 1, 1948, to June 30, 1949*

[At July 1, 1947, prices]

	Total imports [1]	Possible sources of financing		
		Dollar earnings [2]	Sources other than new United States funds	New United States funds [3]
	Mils. of dols.	*Mils. of dols.*		*Mils. of dols.*
Austria	233	39	12	182
Belgium-Luxemburg	853	334	196	323
Denmark	237	45	28	164
France	1,931	369	128	1,434
Greece	262	67	9	186
Iceland	23	10	----	13
Ireland	192	40	----	152
Italy	1,160	183	108	869
Netherlands	1,136	271	160	705
Norway	253	163	56	34
Portugal	144	144	----	----
Sweden	499	423	43	33
Switzerland	535	535	----	----
Turkey	69	69	----	----
United Kingdom	4,311	2,133	418	1,760
Germany:				
Bizone	1,014	100	----	914
French zone	93	13	----	80
Saar	14	3	----	11
Total	12,959	4,941	1,158	[3] 6,860

[1] Including net dollar payments for freight and other invisibles.

[2] Including drawings of $72,000,000 by Portugal on its gold and foreign exchange resources.

[3] This column includes funds being requested by the Department of the Army for prevention of disease and unrest in Germany. A reconciliation with the $6,800,000,000 being requested for the European recovery program is to be found on p. 5.

Column 1 indicates that the required imports of the participating countries of goods and services from the Western Hemisphere during the 15 months, April 1, 1948, through June 30, 1949, are expected to amount to $12,959,000,000 (in terms of July 1, 1947, prices). This total, after deducting $1,146,000,000 of payments for net freight and net other invisibles, equals the total commodity imports of $11,813,000,000 shown in the summary balance-of-payments table on page 97 of the committee print of the outline of a European-recovery program.

Of this total, it is estimated that the participating countries will finance $4,941,000,000 from their dollar earnings from exports to the Western Hemisphere and other dollar receipts (and, in the case of Portugal, by drawing down gold and foreign-exchange holdings).

Sources other than new United States funds are expected to finance (in terms of July 1, 1947, prices) $1,158,000,000 of the total. It is proposed that the balance of $6,860,000,000 be financed by new United States funds appropriated for European recovery and to the Department of the Army for prevention of disease and unrest in Germany (GARIOA). The following table presents a reconciliation of this balance with the authorization of $6,800,000,000 requested for European recovery.

Mr. MALONE. I also wish to submit for the RECORD that part of the tabulations appearing on page 117 of the hearings, showing the requirements for the first 15 months. The first table shows the trade-balance deficit, upon which the Senator from Massachusetts has said the figures are primarily based, while this second table shows the amount asked for under the Marshall plan, and it will be noted that they are too close to be a mere coincidence.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Millions of dollars
Goods to be purchased in Western Hemisphere with new United States funds (at July 1, 1947, prices) (column 4 of recapitulation)	6,860
Adjustments:	
Add: Adjustment for price increases [1]	482
Deduct: Savings on shipping [2]	100
	382
Adjusted cost of commodities and shipping services to be purchased in Western Hemisphere with new United States funds [3]	7,242
Authority to obligate funds for procurement of items to be delivered in subsequent years	200
Uncovered deficit of bizonal Germany with nonparticipating countries outside the Western Hemisphere [4]	200
Total being requested for European recovery program and by Department of Army for Germany (GARIOA)	7,642
Deduct: Appropriations being requested by Department of the Army for prevention of disease and unrest in Germany (GARIOA)	822
Total requirement for first 15 months, European recovery program	6,820
Authorization requested for European recovery program (preceding line in rounded amount)	6,800

[1] This figure is equivalent to the adjustment for higher prices of $565,000,000 shown in the summary balance-of-payment table, p. 97 of the Outline, after eliminating that portion of the increase attributable to sources other than new United States funds, such as the International Bank, and to Portuguese cash purchase.

[2] See p. 92 of the Outline. These are savings possible if additional temporary transfers of bulk-cargo carriers are made.

[3] This entry and the following entries in the reconciliation are shown in the tables on pp. 108 and 109 of the Outline and explained in the accompanying text, pp. 107–109.

[4] See footnote b, table 17.

Mr. MALONE. I wish to make one comment on that type of decision by any committee. The statement and admission in this debate that the money under the Marshall plan is really a loan or gift to make up the trade deficit of the 16 European countries is an open invitation for those nations to run wild in foreign purchases, relying on our policy to make up the deficits annually; and such gifts can only tend to level our standard of living down to their own.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield

Mr. LODGE. That statement was not made by me. I certainly never said that we were undertaking to level off their trade balances every year, and I certainly would not be in favor of that. I

think their lack of dollars is one index to be taken into consideration in computing the amount of money that is needed; but there is no commitment in this bill to make up dollar deficits every year. I agree with the Senator that it would be a most pernicious thing to do. It would be an encouragement to all the forces of irresponsibility and idleness in those countries. I would be very much against it.

Mr. MALONE. That is exactly what I think we are doing. I read from the Senator's own language of yesterday in this debate:

Mr. LODGE. And the fact that the total amount requested for the Marshall plan is $6,800,000,000 is not a coincidence. It is deliberately arrived at. What we are trying to do is to bridge that gap in foreign exchange which has been caused in large part by the war. There is not any mystery about it. We have not uncovered a corpse here. It is exactly what we are trying to do. The Senator is quite right that if we were to insist on getting these strategic raw materials without paying for them in the first year, it would further upset the unfavorable trade balances of those countries, which is exactly why we are not going to do it.

Mr. LODGE. I do not think there is anything very dreadful about that. It stands to reason that the purpose of the bill is to restore the damage that was done by the war. If there had not been a war those nations would have continued to trade in a normal way, as they have always done. They are all nations which, unlike the United States, cannot live on themselves. They have to get things from outside. Because of the war their currencies are no longer convertible. They must have international currency, and dollars are the only international currency left. They cannot get dollars. Therefore they cannot get from outside the things that they need in order to live. This bill is designed to bridge the gap. That is a very different thing from saying that we are going to guarantee their unfavorable trade balances every year.

Mr. MALONE. That is exactly what we are doing at the present time.

Further, I remind the Senator that if he will study the situation, he will find that there is no trouble in getting dollars for pounds if the pounds are properly valued. No one wants a pound at $4.03. Anyone will take a pound at $2.25. It is the artificial value that stops any stabilization or any convertibility cold.

Mr. LODGE. What the Senator is driving at, I think, is this: This program could be administered in such a way as to discourage industry, ambition, and production on the part of the recipient countries. There are those in the recipient nations who believe that as a result of this bill there will be people abroad who will say, "Old Uncle Sam is going to take care of us. We do not need to do anything further." If that is what the Senator is driving at, I agree with him that that is one of the dangers in this program. To me that is the greatest danger in the program—that those countries would lie back and say, "Uncle Sam is taking care of us; we do not need to try any further." I think that is one of the greatest challenges which the administrator confronts. But, as the senior Senator from Michigan [Mr. VANDENBERG] stated far more eloquently than I could state, there is nothing in life that is a cinch, or a sure-fire panacea. The Senator is putting his finger on one of the dangers; but I believe that an intelligent, experienced, competent administrator can allocate this aid in such a way that it will become available only in proportion as the recipient nation takes steps to help itself. There is a sentence at the beginning of the bill which reflects our conviction. Let me read it:

It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

That includes self-help. If at the end of the first year of the act we find—and we shall find it if such a situation exists, because it cannot be concealed—that any nation has been malingering, that it is not trying, and is merely living on a dole from America, this language puts such nation on notice that Congress will take cognizance of that fact so far as appropriations are concerned.

The Senator is correct in pointing out that this is a danger, but I do not think he is correct in asserting that inevitably the worst will always happen, because I think a good Administrator can avoid it.

Mr. MALONE. Mr. President, I wish to take time to point out that the Senator from Massachusetts no doubt had the same confidence in the UNRRA program——

Mr. LODGE. No; I did not.

Mr. MALONE. I know from his speeches that he had the same confidence in the Greek program.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. LODGE. I was not in this body when the UNRRA program started. I was still in the Army in Germany. I saw the beginnings of it then. I never had any confidence in it then, or at any other time.

I think the Greek program is in an entirely different category. I do not believe that Governor Griswold has wasted public funds in Greece, and I do not believe that the Senator thinks so, either.

Mr. MALONE. No such accusation has been made, but the same confidence has been shown by the sponsors every time one of these huge appropriations reaches the Senate floor set up to meet some great emergency and we seem to get very consistent results each time—all bad—even Secretary Marshall says that the Greek situation is worse than when we made the appropriation.

If the Senator from Massachusetts will permit me to go further, I wish to point out that on April 21, 1947, I addressed the Senate and, among other things, said:

We find that we shipped $233,000,000 worth of equipment to the U. S. S. R. following VJ-day, which included power transmission and conversion and generating equipment, pumps, mine and quarry machinery, cranes, machine tools, locomotives, and many things that we were unable to purchase in this country.

I invite special attention to the fact that this was on Monday, April 21, 1947, less than a year ago.

We also find that $16,696,000 worth of such equipment, including oil-refinery equipment suitable for manufacturing high-octane gas, is on the schedule, and is yet to the shipped to the U. S. S. R. All of this is being done while the President is making a plea to this body for money and material to train an army to stop Russia.

In view of the importance of this matter, Mr. President, I shall read this table into the RECORD:

The articles shipped to Soviet Russia after VJ-day and up to Dec. 31, 1946, were as follows:

Machine tools	$40,850,000
Steam locomotives (Russian gage)	30,634,000
Generator sets	22,800,000
Cranes, derricks, hoists, etc	8,129,000
Electric rotating equipment	8,633,000
Marine engines	6,824,000
Pumps	4,620,000
Crushing equipment	4,135,000
Valves and fittings	5,114,000
Gas-producing equipment	4,177,000
Secondary metal-forming machinery	4,956,000
Diesel electric locomotives (Russian gage)	3,001,000
Industrial trucks and tractors	3,768,000
Fan and blower equipment	3,182,000
Power-transmission equipment	3,162,000
Power-conversion equipment	3,117,000
Rolling mills and equipment	3,372,000
Mine and quarry machinery	3,690,000
Insulated wire and cable	3,765,000
Bearings	2,893,000
Metal melting and heating furnaces	2,079,000
Welding machinery	2,965,000
Metal-cutting tools	2,289,000
Mine-type locomotives	2,085,000
Leather	2,117,000
Various industrial equipment and materials	46,589,000
Total	228,946,000

The equipment remaining to be transferred to the Soviet Government under the agreement is made up as follows:

Oil-refinery equipment to expand refineries shipped to the U. S. S. R. before the cessation of hostilities Sept. 2, 1945	$6,972,000
Mine hoists	3,058,000
Locomotive storage batteries	1,777,000
Power equipment	1,272,000
Electrical equipment	945,000
Mining equipment	674,000
Electric motors and controllers	350,000
Miscellaneous machinery and equipment	1,648,000
Total	16,696,000

Payment for articles covered by the "pipe line" agreement as set forth above is to be made over a period of 30 years ending in 1975, with interest at 2⅜ percent per annum. The first payment of interest will be due July 1, 1947. The first payment of principal will be due July 1, 1954.

Mr. President, all that material was shipped to Russia at a time when it could not be purchased in the United States, and I invite the Senators' attention to the fact that all of this happened subsequent to the ending of World War II, and the last listed shipments following the passage of the act, which appropriation in the President's own words was to stop communism at the Greek border.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to my friend the distinguished Senator from Massachusetts.

Mr. LODGE. I agree heartily with the Senator that the list he has just read is utterly shocking, and I agree heartily that conduct of that kind on the part of our Government is most reprehensible. Not only do I offer no apology for it, but I condemn it as vigorously as he does.

Mr. MALONE. Mr. President, I believe it was my distinguished colleague the Senator from West Virginia [Mr. REVERCOMB], who stated that today the United States is still shipping material to Russia.

In this connection I point out that last year, when the Senate was considering making a gift of $400,000,000 to Greece, I voted against the $400,000,000 gift. I wish that statement to be a matter of record again. I have visited Greece twice since that time and find that even the Greeks like the speech I made, that is to say, the ones who support the Premier of Greece, those who really know the Greeks—not the Danish king or the German queen set up by British intervention. The administration policy was consistent. We were on both sides; we were furnishing war material to both Greece and Russia.

I should like to point out further that over the years I have had considerable information in regard to the purchase and production of strategic and critical minerals and materials. It so happens that the production of such materials are in line with my business. Mr. President, we can get plenty of manganese and plenty of chromite and other strategic and critical minerals and materials, including manganese, tungsten, mercury, and chromite from countries other than Russia, countries which in most cases are much closer to us than is Russia—for instance, from the Philippines, South America, Cuba, Africa, and many other sources.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. ECTON. I am well aware that the distinguished Senator from Nevada has made an extensive study of strategic minerals and materials, and I should like to call his attention to the fact that if we are lacking in strategic materials in the form of chromite, it is perfectly possible to get that mineral in my own State of Montana.

Mr. MALONE. I thank the distinguished Senator from Montana for his contribution.

Mr. President, it is well known—or perhaps not so well known—that we spent millions of dollars in constructing a plant in Montana to reduce the raw ore so that it could be used in stainless steel-manufacture. In stainless-steel manufacture we have a process whereby lower-grade chromite can be utilized. It is not necessary to make ferrochrome—the raw chrome ore goes directly into the furnaces, such as the process used at Baltimore by the Rustless Iron & Steel Corp., the largest stainless-steel manufacturing company in the United States, which is confined solely to such product. The Montana plant has been wrecked and sold for scrap right at a time when our country is buying chromite from Russia. Even if our officials did not wish to buy it in Montana at this time—and if we are to believe our Secretary of the Interior, that is the case, because he calls us a "have not" nation—there seems to be a deep-rooted objection to producing these materials in the United States, so we must wreck our domestic plants and obtain them abroad on the theory that we are saving our own for an emergency.

I observe that under present procedure it is the intention to secure such minerals and materials abroad in insufficient quantities, while the plants which could produce them in the United States would always be completed too late to enable us to use them in time of war—which is what has happened heretofore.

Mr. President, this is a reprehensible thing. No country ever should permit its materials to be sent to another country with which it is preparing to go to war. Statements are being made every othe. day on the floor of this Senate indicating just that. A few days ago the Senator from Michigan [Mr. VANDENBERG] pointed that out, when he said, "This is the thing we must pass. This is a great emergency." But today we could not back up our talk, Mr. President. Today we could not fight our way out of a paper bag, and we are not making the proper preparations. I have heard little emphasis on the necessary preparations.

Mr. President, the proposed extension of the Reciprocal Trade Agreements Act has been freely discussed today, and I am glad it has, because this country has no semblance of a national policy as well as no international policy. We have only a conglomeration of Executive orders under several laws including the Reciprocal Trade Agreements Act. We find that our Government purchases abroad large quantities of manganese, tungsten, lead, zinc, and other materials while it is being made practically impossible, through the administration of such laws and acts for American concerns producing such materials to stay in business. As the Senator from California [Mr. KNOWLAND] has pointed out, and as I have said, out of 2,400 mines in the State of California, only approximately 350 are left. That is the record which was placed in the National Resources Economic Committee hearings only a couple of weeks ago at Denver, Colo. Production in practically every other part of the United States has likewise been injured through the actions of the State Department in administering the Reciprocal Trade Act. But while we are closing our own mines, we are buying such minerals from a nation which we believe hostile to us, and while we are sending it material with which to build up its armaments. As has been stated by the Senator from Utah [Mr. WATKINS] and the Senator from West Virginia [Mr. REVERCOMB], at the same time we are doing that, we are talking about appropriating more money—$17,000,000,000 to send materials to the Marshall plan European countries—a large part of which will find its way to Russia and her satellite nations under the presently existing trade agreements between Russia and such European nations.

Mr. LODGE. Mr. President, I hope the Senator from Nevada will add my name to those of the Senator from Utah and the Senator from West Virginia, as being one of the Senators who violently disapprove of our sending munitions of war and essential pieces of machinery to a country that is as hostile to us as Russia evidently is, because I feel just as strongly about it as they do. In fact, it is because I do feel so strongly that we should resist communism that I favor the enactment of this bill, when properly safeguarded.

Mr. MALONE. I am sorry if I have misunderstood the Senator from Massachusetts; but I understood him to say that in his opinion when we are able to get back from Russia manganese and chromite and other critical materials, we may be justified in trading with the Russians. However, I point out that that is not necessary, because we can get these materials elsewhere, from friendly nations and in our own country if we will take into account the differential in the cost of production due to the difference in the cost of the standards of living.

Mr. LODGE. Mr. President, I shall not argue with the Senators who have spoken about manganese and chrome, because they know more about those materials in a minute than I would in a lifetime. But I say that the only kind of trade with Russia at the present time of which I would approve is a trade in which we get more than we give. That is all I say. I am sure the Senator from Nevada will agree as to that proposition.

Mr. MALONE. Mr. President, there is nothing in this bill that requires us to get anything back from this mammoth expenditure—and certainly nothing in our record to indicate that we might outtrade anybody.

Mr. LODGE. In the bill we have an entire provision as to strategic materials, which indicates that we shall get back a great deal of a tangible nature, entirely aside from the intangibles, which I think are very important.

Mr. MALONE. We can always get them by paying for them, and we are not likely to accept them in any other way. As I have suggested to the Senator from Massachusetts, if we were to accept textile materials as repayment for machinery and equipment sent to Russia, the result would be that the textile mills in the Senator's State of Massachusetts would have to shut down.

Mr. LODGE. But that could not be done. Nothing to that effect is set forth in the bill.

Mr. MALONE. Does the Senator from Massachusetts mean to say, and to leave the statement in the RECORD, that in this connection nothing can be done unless it is definitely set forth in this bill? There is certainly nothing in the bill to prevent it.

Mr. LODGE. I mean that the intent in regard to strategic materials and critical materials—is that we shall get bauxite, chromite, cadmium, asbestos, cobalt, copper, industrial diamonds, graphite,

lead, manganese, mica, nickel, tin, tungsten, vanadium and zinc, and all the other minerals we do not have.

Mr. MALONE. And, as a result, we would close the mines in the United States.

Mr. LODGE. Oh, no.

Mr. MALONE. That already has been done. Is it a matter of record and most of it accomplished by our own State Department through the selective free trade vehicle—the Reciprocal Trade Act.

Mr. LODGE. I do not think there is any intention to do that. I am talking about getting the things that we need and do not have. Of course, if we have them, we do not want to import them, but there are certain things we do not have in this country which we need, and certainly the Senator from Nevada is not opposed to our getting the things which we need but do not have. Will the Senator answer that question?

Mr. MALONE. Certainly we should secure the materials which we cannot produce in this country, but that is a much shorter list than that mentioned by the Senator from Massachusetts. Who made up the list? I suggest that the Senator get someone to make up the list who understands what we have in this country.

Mr. LODGE. This is a list that was made up by the National Security Resources Board. I do not have the name of the individual who made it up.

Mr. MALONE. Was it Mr. Hill?

Mr. LODGE. It is the official agency of the Government created to see that we have enough natural resources to enable us to fight a war successfully.

Mr. MALONE. Was it made up by Mr. Hill?

Mr. LODGE. I will tell the Senator exactly what happened, because there is no mystery connected with it. I took the list, and I asked Secretary Marshall, "Will you tell me precisely what we expect to get out of this bill in terms of these items that the head of the National Security Resources Board thinks are essential for war?" Let me make it clear, I am not an expert in this field. So I have to go to the best experts I can find, the officials who are charged by law with responsibility for such matters. That is how the list of strategic materials was obtained.

Mr. MALONE. I am very happy the Senator from Massachusetts has made that clear and definite statement. I want to point out to him that the chairman of the committee of the National Security Resources Board from whom he received the list has never been connected with the mining industry in his life.

Mr. LODGE. To whom does the Senator think I ought to go? I am only a humble worker in the vineyard here, and if I want to find out what we need in the way of natural resources it seems to me I ought to go to the man who is responsible by law for our natural resources. To whom else can I go?

Mr. MALONE. Does the Senator really want a suggestion?

Mr. LODGE. Yes, I should like a suggestion.

Mr. MALONE. I can suggest several names. I suggest that the Senator go to Mr. Bradley, of California, for one source of information. He is in the tungsten business, and the industrial field is alive with men who are specialists in the business. For another, I suggest that the Senator go to Mr. Ed Snyder, of Salt Lake City, Utah, for information on zinc and lead, which is in very short supply indeed, due to the policies inaugurated by the State and Interior Departments. The list is long and readily available.

Mr. LODGE. I do not know Mr. Bradley. I am sure if the Senator from Nevada recommends him, he is a very fine citizen.

Mr. MALONE. He is, and knows the mining business.

Mr. LODGE. But if Mr. Bradley is in the tungsten business, it is conceivable he might have a slightly personal interest in what happens in the tungsten business.

Mr. MALONE. That is absolutely true, and he might—that it is just possible that he might—know something about the business. But that would not be compatible with any Government procedure with which I have become familiar since entering this august body in matters pertaining to domestic production.

Mr. LODGE. I agree it would not hurt any if he knew something about it; that would be true.

Mr. MALONE. It seems to be a disqualification so far as the committees and Government bureaus are concerned. I want to wind up this particular discussion. I am very happy to have had the interruptions which have brought out the many points debated yesterday and this afternoon, but I may say that there is nothing in the bill that I can find on the subject that would prevent giving all of the appropriations away, and certainly nothing that would prevent a misguided department from using the Reciprocal Trade Act and this appropriation of $17,000,000,000 to break any business in this Nation including the mining and textile businesses. I should be very happy if the distinguished Senator from Massachusetts would point out to me any provision that would prevent the Administrator from doing exactly the same thing as has been done in the Greek situation, namely, under this bill to continue exports to Britain, the Netherlands, Belgium, and France, and other countries which have definite agreements to send the same minerals and materials, after further processing and fabricating to Russia or to some other of the Russian satellite countries. If he has any such information I should be glad to have it appear in the RECORD.

Mr. LODGE. I made the statement yesterday, and I have made it twice today. I do not want to take too much of the Senator's time to make it all over again, except, since that he has asked me to do so, I may say——

Mr. MALONE. It is not necessary to make it over again, because the Senator has never at any time pointed out that it is prohibited.

Mr. LODGE. I said that the purpose of the bill was——

Mr. MALONE. We understand the purpose. We also understood the purpose of UNRRA. We understood the purpose of the Greek loan. We understand the purpose of the spending of $24,000,000,000 since World War II.

Mr. LODGE. The Senator from Nevada knows very well that UNRRA was set up on a moment's notice. It was a shoestring operation that was not well thought out; it was half baked. This bill sets forth very definitely that its policy is to restore or maintain in European countries the principles of individual liberty, free institutions, and genuine independence, which rest largely upon sound economic conditions and stable international economic relationships. It speaks of this several times. That is the purpose of the bill. Consequently it is utterly inconceivable that the Administrator would authorize any activities under the bill which would be contrary to that purpose. He would be in violation of his oath of office.

Insofar as the danger is concerned of articles being shipped into the United States which would injure American business, to which the Senator referred, let me point out a provision on page 21. I will find the exact reference in a minute, but broadly speaking it says the Administrator shall administer the act in such a way as not to seriously impair the economic stability of the United States. Here is a portion of the language:

> Avoid impairing the fulfilling of vital needs of the people of the United States.

In other words, there is a direct mandate to the Administrator not to operate this plan in such a way as to injure the American economy.

Mr. MALONE. I suggest to the distinguished Senator from Massachusetts—and I admire him for standing up for such a weak instrument—that there is also such a provision in the Reciprocal Trade Act, but that did not and does not prevent the State Department from trading any industry down the river which they may themselves select.

Mr. LODGE. I think it is a strong instrument.

Mr. MALONE. I have suggested that the same provision in general language is found in the Reciprocal Trade Agreements Act. And many think that it is a strong instrument. I also want to point out, though I shall not take the time to thoroughly explain the methods used today, that most of the mining industry in this country has been shut down and that other industries are in a fair way to go the same way through action of the State Department.

While on the subject of reciprocal trade and flexible tariffs, I ask unanimous consent to place in the RECORD an explanation of the workings of the two provisions.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL POLICY

On national policy, the American public must make up its mind whether they want free trade through the so-called reciprocal trade program or whether they want to maintain a flexible import fee that would equalize

the differential of cost of production between the wage living standards in this country and in the country where our chief competition is situated on each specific product including the efficiency in methods of production.

Such a flexible import fee could be adopted and administered by the staff commission so that when any nation raised its wage living standards and production costs, then the flexible import fee on specific products would immediately be lowered in accordance with such raise, and when that nation reached approximately our own wage living standards and costs, then free and unrestricted trade would be the immediate and automatic result. They would be the sole judge of their own living standards.

Imports are not prevented by such an import fee, but such fees bring the goods in on the basis of an equal wage standard of living level and would protect our economic structure while we are assisting the lower wage living standard countries.

The workers in any American industry are entitled to protection from lower cost foreign labor equal to the differential of cost of producing such products in this country and the cost of production in such foreign areas where our chief competition is located.

I see no difference between importing the product of low cost labor and importing the low cost labor itself.

The objective, of course, is maintaining permanent peace while increasing the standard of living throughout the world.

It must be recognized, however, that the 57 different standards of living represented by the 57 member nations of the United Nations present a definite problem in trade relations.

The flexible tariff administered by the tariff commission on the differential of cost basis would immediately establish a definite basis of trade with each specific nation. It would also provide a definite incentive for the other 56 nations to raise their standard of living since they would immediately get credit for it in corresponding lowering of our import fee on the products furnished by such country and their own wage earners would benefit.

Mr. MALONE. To continue my discussion of overvalued currencies, the manipulation of currencies by the 16 foreign nations is a very dangerous thing. This well-known manipulation of their currencies by the foreign nations, together with the "empire preferential rates" imposed by the empire-minded nations, including England, France, and the Netherlands, and the sterling bloc procedure in the sterling-bloc areas utilized principally by England throughout the British Empire, effectively prevents any free flow and free exchange of currencies and goods, which is absolutely necessary before any effective help can be rendered to the European areas.

I want to point out in some detail the manner in which the manipulation of the pound of English currency reacts. When England's productive capacity is increased so that she has a surplus of manufactured goods which must be marketed abroad, there is nothing to prevent her from devaluing the pound below the current value, which is the same as cutting the prices on all goods for export. Devaluation would have the effect of wiping out any import fee or in fact any reciprocal trade agreement that might have been made through agreements between our country and their own. Only a flexible import fee would make it possible to protect ourselves from a flood of British imports of manufactured goods in such an event, and that could be done only through power placed in a tariff commission or through some arrangement under which it could be utilized. At the present time, any change must be approved by the President. He is not doing it. He has abrogated almost entirely the use of the 1930 flexible import fee and used in its place the Reciprocal Trade Act.

The Congress of the United States, under the 1930 Reciprocal Trade Act, divested itself of the obligation to approve such changes, and put such power into the hands of the Tariff Commission, laying down the principle under which such differential of cost of production of each specific product between this country and where our chief competition is located, due to the difference in the wage standard of living, could be equalized.

Without a flexible import fee, representing such differential of cost, British textile goods could wipe out New England's textile industries which in 1939 produced values of $750,000,000, the textile industries of the South, and, in fact, those of the entire United States. The same applies largely to the mineral and other industries of our country. It is a very dangerous threat.

The so-called Marshall plan is the most amazingly brazen and preposterous scheme for a world-wide redistribution of wealth which has yet been proposed, even by the socialistic European governments, to level our living standards down to their own, through continually siphoning off our wealth through making up of deficits in European trade balances and other methods of securing our money through gifts.

I want to point out that those countries are Socialist countries, and I want to bring to the attention of this august body that a Socialist nation does not necessarily remain a Socialist nation; it either goes Fascist or Communist. It rarely remains Socialist. So this legislation is a good start in helping to keep such governments in power. The Tito government is a good example. We gave the goods to Tito, which he sold. He kept the money, built up an army, and finally reached the spot where he thinks he belongs. For 15 years we have been making gifts of large sums of money to foreign nations in the guise of loans, culminating in the gift to England in 1946, also called a loan. The only difference between the loan to Britain and the Marshall plan is in the amount requested. It will be used for the purpose of maintaining individuals and Socialist governments in power.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Indiana.

Mr. JENNER. I should like to ask the Senator if he believes that ERP, as it is called—and properly so, in my opinion—is really for the purpose of financing socialism in Europe?

Mr. MALONE. That will be the effect of it. I have no doubt the Senators have good intentions. They are promoting it for other reasons, but there is no way specified in the legislation to prevent it.

Mr. JENNER. It may be that it is also financing Communist strikes in Italy and France.

Mr. MALONE. Those nations are financing social security, unemployment insurance, and various other activities with money which would not be available had it not been for the help we gave them.

Mr. JENNER. Will the Senator tell me the difference between communism and socialism?

Mr. MALONE. I am unable to explain the difference, except that it is well known that the objectives are the same. The approach is different, but the end—socialization and nationalization of industry is exactly the same.

Mr. JENNER. Is it not a matter of recorded history that there must be a totalitarian government in order to maintain socialism, just as in the case of communism?

Mr. MALONE. I have not studied the history of such governments sufficiently to answer that question, but I shall have to say to my distinguished colleague from Indiana that the officials perpetuate themselves in office, and it eventually leads to fascism or communism.

Mr. JENNER. If the Senator will yield further, I should like to ask him this question: What will happen to ERP—and again I say I think it is properly named—in the light of what has happened in Europe? Czechoslovakia fell last week to communism. Finland, I understand, is on the verge of falling to the extent of agreeing to a mutual pact, which is the same as domination by communism. What will happen to ERP if Austria and Italy fall to communism? Can the Senator answer that question? What will happen to this program?

Mr. MALONE. I think the discussion a while ago clarified that question, that if the money had not been received by such country up to that time they would be cut off the dole, or world WPA.

Mr. JENNER. It seems to me the only way that they can stop communism over there is to have the will to stop it.

Mr. MALONE. That is the only way anyone can stop anything.

Mr. JENNER. I do not believe that the few dollars which we propose to send to European nations will give them anything of a will to stop communism. I go back in history to one example of the will of the people, and cite the little nation of Ireland. There was dear old England—and there will always be an England so long as we finance her—which had for hundreds of years owned and controlled three-fourths of the world.

She tried to subdue Ireland, her next-door neighbor. There was a war between them every few years, but in spite of England's vast power and strength she was never able to subdue little Ireland. Why? Because Ireland had the will to resist.

I do not believe the Marshall plan or any other plan will stop the spread of communism in Europe, because the people do not have the will within their own hearts to resist it, particularly in those nations which have succumbed to the illusions of socialism, dictated economies,

and deliberately rigged totalitarian controls.

Mr. MALONE. I thank the Senator for his contribution. It is something for which our experience through two world wars has not presented a solution. At least it has not presented any solution that would make me believe the mere spending of money in other countries will prevent anything which the people themselves want to do.

I point out to the Senator that in my humble opinion it could be likened to an experience I had while serving on the Nevada Public Service Commission. In our State there were cattle ranges two or three hundred miles from the valleys where an abundance of feed was available so we worked out a feeding-in-transit rate, so that the cattle, when shipped, could be taken off the train at certain places, en route, fed until they were fat and ready for the market, and then be put back on the train and sent to San Francisco. It occurs to me, after my research staff secured the information that the empire-minded nations of Europe, such as Great Britain, France, the Netherlands, and Belgium, have completed industrial treaties with Russia, that much of the material which we are sending to those nations can be compared with cattle coming off the Nevada range and being fed in transit—on the way to market—the same rate applying to market. In this case we are applying a manufacturing-in-transit rate on commodities that will go on to Russia. That is where much of the goods, furnished by our money, will finally go.

Mr. JENNER. Mr. President, will the Senator further yield?

Mr. MALONE. I am happy to yield to the distinguished Senator from Indiana.

Mr. JENNER. Does the Senator remember that there was another emergency in world affairs in connection with the Greek-Turkish loan?

Mr. MALONE. I visited Greece and was very welcome there last fall, after they read my speech against the appropriations made in April 1947.

Mr. JENNER. The procedure followed at that time was announced to be the Truman doctrine.

Mr. MALONE. That is just about what it was like.

Mr. JENNER. I voted for the Greek-Turkish loan, I being a freshman Senator and wanting to follow the intelligent leadership which I assumed I should follow in this great and august body. I thought the doctrine, as it was explained to me, was designed to stop communism wherever it reared its ugly head. Did the Senator understand it that way?

Mr. MALONE. I voted against it because I did not think it would accomplish that purpose, or any other purpose, in our ultimate interest.

Mr. JENNER. I should like to ask the Senator from Nevada or any other Senator who can explain it to me, what has happened to the Truman doctrine, particularly when we think of what happened to Czechoslovakia last week? Why did we not send some money over there and stop communism from rearing its ugly head?

Mr. MALONE. The Senator has brought up a very interesting subject. This is the same administration which, in 1933, recognized Russia without any safeguards whatever, and started this whole fire which we are now trying to extinguish with seventeen thousand million dollars. In my humble opinion, this is just another ante in the greatest world-wide poker game in which the United States has ever sat. This is the same administration, I will say to the distinguished Senator from Indiana, which, prior to World War II, sent oil and scrap iron out through the Golden Gate to Japan, and then sent our kids out there to catch that same scrap iron in their bare hands as it came back out of Japanese guns. We are getting ready now for a similar situation. The administration is at least consistent—it is always on every side of every question.

Mr. JENNER. I tried to be sincere about our leadership. I wanted to do the right thing, but I have reached the conclusion that in order to follow our present foreign policy we would have to have St. Vitus dance. We would have to have a large amount of money, too.

Mr. MALONE. Yes, I think it will require a great deal of money, more than we are considering for ERP—more than we have, in fact.

Mr. JENNER. I should like to ask another question, and I shall be glad to have any Senator on the floor answer it. I have been led to believe that our foreign policy is sort of a bipartisan foreign policy. Is that the Senator's understanding? Does the Senator understand that this bill represents a bipartisan foreign policy?

Mr. MALONE. I will say in all seriousness to the Senator from Indiana that that is the idea which was given to the country. Unfortunately the country probably does not understand the devious ways in which we evolve our foreign policy in Washington.

Mr. JENNER. I do not understand it.

Mr. MALONE. If we are to have a bipartisan foreign policy which I can understand we must have a State Department which begins its authority at the water's edge. We cannot have a State Department which mixes national and international policy, a selective free-trade scheme set up in the Reciprocal Trade Act, which has been in effect for 15 years and has practically wiped out many of our industries—and a so-called international policy making money our chief commodity for export—through a world-wide redistribution of our wealth. We intend to go further into that subject at the proper time. The actions of the State Department itself prevent any bipartisan foreign policy or any other cooperative action. As the State Department now stands it is not bipartisan—it is a two-headed monstrosity.

Mr. JENNER. The Senator says it has two heads?

Mr. MALONE. It must be a two-headed thing, because it is trying to run both the national policy, and international policy. I also understood, we had a bipartisan reciprocal trade policy, that it was so announced about the time I took my seat in the Senate—but there is nothing bipartisan about it so far as I can observe.

Mr. JENNER. I asked the Senator that question because I returned from Indiana only last night, and when I arrived in Indiana I found that our distinguished colleague the junior Senator from Rhode Island [Mr. McGRATH] who also has a two-headed position, being chairman of the Democratic National Committee, appeared as the guest speaker at the Jefferson-Jackson $25 a plate dinner in Indianapolis, a few nights ago. He did not at that time refer to a bipartisan foreign policy. His only reference to the foreign policy was to the Truman foreign policy. So I want someone to explain what we have, and what has happened to the Truman doctrine, and whose policy this is, and who is going to get the $2.

Mr. MALONE. I am glad to say to my colleague from Indiana that I think it is well named the Truman policy, because I am unable to follow it at all, since it simply runs true to form—keeping on both sides of every important question.

Mr. JENNER. That is what the junior Senator from Rhode Island called it in Indianapolis a few days ago. I assume the bipartisan foreign policy is now a thing of the past.

Mr. MALONE. I may say to the distinguished Senator from Indiana, that in view of the fact that the four empire-minded nations have made definite treaties with Russia under which they are to ship that nation under a kind of a "shipment-in-transit" rate goods which are to be further processed and fabricated in the European nations before reaching Russia. Again we are consistent—as we have always been—we are on every side of every question.

Mr. JENNER. Another question, if the Senator does not mind trying to help me find out the truth—and I am seeking the truth. The people of my State asked me whether it was true that under the proposed ERP—and I again say it is properly named "ERP"—we were committed in these illustrative allocations to send about $200,000,000 worth of tobacco to these countries.

Mr. MALONE. We are sending $900,000,000 worth.

Mr. JENNER. Nine hundred million dollars?

Mr. MALONE. Yes; that is my understanding—out of the entire 4-year program.

Mr. JENNER. I like cigarettes, I smoke cigarettes, but I should like to have the Senator tell me what $900,000,000 worth of tobacco has to do with the rebuilding of the economy of western Europe to withstand the onslaught of communism.

Mr. MALONE. I may be wrong in my figure, and I should like to be corrected if I am; but it is a tremendous amount of tobacco.

Mr. JENNER. Another item in this program, as I recall, is lipstick, and another cold cream. Does the Senator know about that?

Mr. MALONE. The only lipstick in the Russian program that I recall read like power machinery—high-octane gas refineries, tool steel, and so forth.

Mr. JENNER. I know of the British loan, and the way it worked out. A great

percentage of the money, which in all amounted to approximately $4,000,000,000, was for movies, cigarettes, and cosmetics. In Indiana we like our women to look pretty, we like lipstick on them, and we like rouge on them, but again the folks there asked me—and I want the Senator to give me the answer—what lipstick and rouge have to do with the rebuilding of the productivity of a nation to withstand communism.

Mr. MALONE. I wish to make a correction. It was about $250,000,000 worth of tobacco from the first part of the appropriation.

Mr. JENNER. It was $900,000,000 in the 4-year plan, it is about $200,000,000 worth of tobacco under the present 12 months' program.

Mr. MALONE. I think that is correct.

Mr. JENNER. Does not the Senator think that if the ERP had remained in its original form, calling for $17,000,000,000, the American taxpayers would have saved money, rather than providing $5,300,000,000 for 12 months? Would not the Senator rather have it $17,000,000,000 for 4 years, than $5,300,000,000 for 12 months?

Mr. MALONE. I think it makes very little difference what the first amount is. It is the establishing of the principle in which I am interested.

Mr. JENNER. The Senator cannot answer many of the questions I have asked him, can he?

Mr. MALONE. I cannot say how the State Department's mind works, no.

Mr. JENNER. I thank the Senator.

Mr. KNOWLAND. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from California.

Mr. KNOWLAND. As to at least one part of the question raised by the Senator from Indiana, I think there is a legitimate place in the appropriations for some tobacco as incentive goods.

It so happened that I spent some time in Germany last year, and I ran into this very practical illustration. In the Ruhr, Germany, which, as the Senator knows, is the industrial heart of Germany—and I know the Senator visited the mines and industrial plants there—we found that one of the great problems was the high rate of absenteeism. I checked up on it, not only with the American officials and the British officials, but with the German coal managers, to ascertain whether they had made any investigation as to the reason for the high rate of absenteeism.

They told me that in making a survey in one of the large Ruhr coal mines, they went to the house of one of their miners to discover why he was working only 2 days a week, which was enough to give him the heavy miner's ration. A miner made about 10 marks a day, which, if he worked 6 days a week, would mean 60 marks a week. This is the reason why the man was absent, as was found on investigation. He owned a hen. The hen laid five eggs a week. He ate one egg to augment his meager diet. The other four eggs he traded in the black market, five cigarettes for each egg. That gave him 20 cigarettes. He then traded in the black market the 20 cigarettes for 8 marks apiece, and that gave him 160 marks. So his hen was earning two and a half times a week what he could earn by working in a coal mine.

I personally saw with my own eyes men who were laboring in the coal mines earning 10 marks a day going out and paying 5 marks for a cheap German type of tobacco in order to have a cigarette to smoke.

I believe there is a legitimate need in this program, in the way of incentive goods, for a certain amount of tobacco, because if we can increase the production and the productivity of the mines and industrial plants in the Ruhr Valley and in other sections of Europe, so that more coal and more steel will be produced, I think that will be a constructive solution.

As a matter of fact, General Clay testified before our committee, when we were in Germany, to the effect that in order to increase production in the mines in Germany they were taking what would correspond to CARE packages—and I do not know but they were actually CARE packages—which they had purchased with funds which had been earned over there by the German miners, in order to furnish them incentive goods.

Certainly the able Senator from Nevada knows that in the present condition of the German currency, when it has little value in buying consumer goods, anything we can give them in their economy to increase their incentive to produce may in the long run result in saving us many hundreds of millions of dollars over a long period of years, and in the final analysis, if we can get them back to a degree of substantial productivity, I think we will contribute greatly toward rehabilitating the war-torn world.

Mr. MALONE. I thank the distinguished Senator from California for his contribution. I point out, however, that there is no tobacco for Germany listed in the Marshall plan, and that we furnish that in addition, entirely outside the Marshall plan.

Mr. KNOWLAND. No; but if it would afford an incentive in Germany it might very well afford the same incentive in some of the other European recovery countries.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. I think the reasoning which the able Senator from California has indulged in to the effect that the furnishing of American cigarettes would increase production, also would apply to lipstick and cold cream, because I think the people of Europe would also like to have their ladies beautified. So I think it would be a further incentive for the people of Europe to produce more if we were to include lipstick and cold cream in what we furnish to them. I think it might be well to include those two items under the Marshall plan.

Mr. MALONE. Mr. President, in this connection I think it might be pertinent to point out that it is not the fault of anyone but the "trick" governments in Europe, in my opinion, that these incentives are not available. The reason why France was so short of wheat last year was not only the drought; it was the manipulation of the values which the farmers were supposed to receive for the various products they were to raise, and it was made more profitable to them, by the Government's manipulation and arrangement, to raise something else other than wheat, so that the acreage was materially short, and there would last year have been a shortage of wheat in France, even though no drought had occurred.

Mr. President, I was in France on three different occasions during my recent trip abroad, and the information given me while I was there on those occasions was that the "trick" money contributed very largely to the difficulties existing in that country. When I speak of "trick" money, I do so in all kindness, because the franc can be made respectable if its value is allowed to reach its proper level, as was the lira in Italy. There the value was fixed at what the stock exchange considered it (the lira) to be worth. They did not manipulate it. They tried to arrange free flow of currency, so the lira would be as acceptable as the dollar. That arrangement was made following my visit there. The same was not true in France while the distinguished Senator from California and I were there. The people were afraid of the franc. They were afraid of exactly what did happen—a deflation. There the farmers do not sell their wheat, or anything else they raise for the franc if they can help it. They trade what they produce, they barter for something they want in return. The farmers own their land, and they can trade for what they want. In other words, I want to point out that the situation is just like that under the Government we have had here in our own United States for 15 years. The Government may take certain restrictive steps to correct something they can see, but it is like throwing a stone into a pond, it may result in rocking a boat 150 feet away, which the thrower of the stone did not see at all. In other words, certain action taken with respect to one matter may throw everything else out of gear. That is exactly what has happened in Europe and to a large extent in this country.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KNOWLAND. I think the able Senator from Nevada has put his finger on something which none of us in the Senate should lose sight of. He has just mentioned that for 15 years we have had a certain kind of government, but I call his attention to the fact that 2 years ago, because of the fact that we in the United States maintained our free elections, and our democracy, in the sense that we and the Anglo-Saxon know it, the American people were able to change, by their own votes, the control of the Congress of the United States.

The able Senator from Indiana [Mr. JENNER] a little earlier asked whether there was any basic difference between the socialism of Great Britain and the communism of Russia. I think there is a vast difference between the two systems. I do not approve of, and if I were in England today I would not be a member of the Labor Party in that country; but I want to say that so long as the British people maintain their free elections and their high traditions of

freedom in the sense that the Anglo-Saxon people have known it, then they will be able, if the Labor Government is not performing satisfactorily at the next general election, to change the government and put in another government of their own choosing. But once a nation goes behind the iron curtain, it has lost that opportunity. Therefore, I say there is a vast difference between the Socialist government of Great Britain and the Communist government of Russia. I do not believe there is anyone in this Chamber who, if he seriously considers the basic differences, can honestly say that there is not a vast difference between the two systems.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. I do not say that I was asking for information, I will say to the Senator from California, but I do sincerely believe that socialism will ultimately reach the same end of the road that communism reaches.

So far as England and its free elections as an Anglo-Saxon country are concerned, I think I agree with the Senator 100 percent, except that were it not for this one thing, the financing of soft socialism in Britain, which we have done under the British loan to the tune of $4,000,000,000, there probably would have been a national election in Great Britain before now, and the people might have voted out the soft socialist government. But just so long as the American taxpayer digs down into his pockets and sends money over there to finance the Attlee government in Great Britain, there is going to be a continuation of socialism in England. Why? Sir Stafford Cripps only a few days ago said, and in his statement he included the money that would be made available to his country under the Marshall plan—"We are going to operate the present economy in England next year under a $1,000,000,000 deficit." But he also said, "We are going to keep our political promises. We are going ahead with socialization of steel next year."

Mr. President, I say we are silly, and we will get stomach ulcers if we continue to finance soft socialism with the expectation of stopping communism, and I further say that we are silly, and will get stomach ulcers if we call upon our taxpayers to dig down into their pockets and furnish the money to finance strikes in France and Italy. I say that if the people of Europe do not have the will to fight off communism, dollars will not be able to do the job.

Mr. MALONE. Mr. President, I thank the Senator from Indiana.

I want to point out in passing that England now has recovered to the point of 115 percent industrially, compared to what her industry was in 1937. Great Britain is not down industrially. Sir Stafford Cripps was very frank with me when I spoke to him. He said, "We do not need the money so badly for England. We need it to build up our colonies. We need it to develop industry and production in other of our possessions, including Africa." I pointed out to him that there was private capital available in my own country for safe investment in such industries. But he said that was not what they wanted. What they wanted was the Marshall money. I am not giving his exact words, but the only conclusion I could arrive at from what he said, was that they wanted our money so their own government could build up their industries and own them and take over the existing industries.

Mr. President, in view of the fact that this interesting point has been brought up I wish to make a statement which I had not intended to make. I had a 3-hour conference with Mr. Monnet of France. He is a man who has one of the sharpest, most quick-thinking minds I have ever known. He outlined the 5-year Monnet plan. I was very much interested in it. To me it made sense all the way through until he told me how he was—we were—going to finance the plan. He said, "We need the Marshall-plan money in order to install additional generators, additional steam-power equipment, additional machinery in our heavy industries. After he had spoken for about an hour, and concluded his statement, I said, "I can understand that your people need many of these things. But you are within about 95 percent of recovery industrially." Their objective, however, is 140 percent. That is their announced objective. In Africa they have very little industry, and there their objective is perhaps for a 200- or 300-percent increase. They are not trying to return to the position they were in before the war. They want to go far beyond that.

I said, "Mr. Monnet, I have been in the engineering business 30 years in my own country, and I can still learn many things about the business, but in building projects like Boulder Dam, now Hoover Dam, on which we spent $160,000,000, the Congress of the United States would not allow a steamshovel full of dirt to be moved out of that canyon until we had made contracts with the possible users of the power and water to repay every dime, except the very nominal amount that could be deferred, not written off, on account of flood control." I said, "I personally do not know, in all my experience in my country, and with a service of 8½ years on our Public Service Commission, where it was my duty to fix utility rates, of one piece of heavy machinery in my country, generating equipment, railroad steam engines, or anything of that nature, free of debt. What we do in my country is to amortize this equipment when we install it. If it costs $10,000,000, or $100,000,000, we amortize each piece of major equipment over a period of time just a little less than the life of the equipment. Then every time a generator turns over it is paying part of the amortization cost and the interest on the money."

I said, "How do you figure that an industry will be successful if you cannot pay for the raw materials? He had previously said that part of the money was to be used to furnish raw materials. The raw materials and labor must be paid for, or you should not have an industry in that particular spot."

I am not objecting to helping Europe. I believe that if those countries were to turn honest tomorrow and respect the integrity of private industrial investments in the same manner that we respect the integrity of the investments of their own citizens in this country, they would not need the Marshall plan or any other plan. I know of many individuals in this country who are looking for outlets for investment. I have one particular friend who started a stainless steel mill in England, and had it partly constructed when the last war came along. He would like to go back and complete the mill, but every dollar he puts into England stays there. He cannot get it out. We do not put that restriction on their investments in America and there is no profit in that sort of investment in Europe.

For example, I went up to the cashier's window to pay my bill at the Hotel Crillon in Paris. It cost me $25 for one night's lodging at the hotel, including dinner. It was a hotel similar to what we would call a third-class hotel in Washington. It was a very satisfactory hotel. It cost me $25 for one dinner and a room. That amount was on the basis of 117 francs to the dollar. If I had not been in the United States Senate and had had the time, I would have gone out on the street and obtained from 350 to 400 francs to the dollar. Then my room and dinner would have cost me about $8, which is approximately what it should have cost.

I pushed the money under the wicket, and I had a couple of dollars change coming. The cashier started to give me francs. I said, "I am sorry; I am going to Germany, and I cannot use francs." He said, "I am sorry, but I cannot give you any other kind of money." I had just seen an American judge, who was on his way to Nuremburg, pay his bill in dollars. I said to the cashier, "Just give me two of the American dollars out of the till." So long as there were only two of us there, I got it. That is the only way you can get it, however. That is why no one will invest any money in their country.

It is not well understood here, but is general conversation in the European countries themselves, that the Marshall-plan countries have driven more local capital underground through their announced nationalization and socialization of property schemes than the current appropriation asked for under the plan. Capital which is normally available for industrial investment has either been buried so deep it cannot be found, or has been transferred to other countries by the owners.

The Secretary of the Interior, in his report to the President, after a profound investigation, said that this Nation could successfully withstand the impact of an additional $20,000,000,000 worth of goods and materials to be shipped to the European countries without hope of repayment of any kind.

At the same time the Secretary was reporting elsewhere for the past 15 years that we are a have-not nation in the many strategic and critical minerals and materials necessary to produce and manufacture such goods, and that the soil of the agriculture areas of this country is fast deteriorating and washing away.

Of course I do not agree that we are a have-not nation, and that we must

import these materials, even though my distinguished colleague from Massachusetts is so convinced. Why is he convinced? Because he has read that sort of thing ever since he has been in the Senate; and the process was going on 3 or 4 years before he came here. The Secretary of the Interior should compare his own various reports and decide which side of the fence he is on.

The Secretary seems to have given little consideration to the fact that seventeen thousand million dollars added to the twenty-four thousand million dollars which the Congress of the United States has appropriated since World War II and passed out as gifts to the nations throughout the world is more money than the entire taxable value of the 11 Western States added to that of the 11 Southern States, which together make 64 percent of the area of the United States.

That is what we are giving away, and we are foolish to do so. It is proposed that we accomplish it in 2 weeks. At least, that was the time set. At that rate we would finish the job of giving the entire country away in a very short time.

The American people have apparently never been advised that the citizens of the Marshall plan countries have nearly as much money invested in the United States—the Wall Street Journal estimates it at $13,660,000,000, and my own research departments estimate it at between $8,000,000,000 and $14,000,000,000—as they are asking for under the Marshall plan. They have this money here. It belongs to them. It belongs to their citizens, and the integrity of those investments is protected under our Constitution. How far do the Senators think we would get, for example, if we were asking a loan of $5,000,000,000 from Great Britain, and our citizens had $10,000,000,000 invested in European industries? The Senators know exactly how far we would get—we would be ridiculed out of their country.

It has never been emphasized before to our people that there is at this moment more private capital in the United States available for investment in the foreign countries anywhere in the world than ever before in the history of our Nation. Our people are ready and willing to take the business risk, but they cannot and will not take the risk of nationalization and socialization of their investment once it is made. If the European nations should turn honest and respect the integrity of private industrial investments in the same manner that we respect the integrity of the investments of their own citizens in this country they will not need the Marshall or any other plan.

What do the Senators think would happen in this country if the Congress of the United States suddenly announced that the policy of our Nation henceforth would be the nationalization and socialization of all business and industry.

The Senators know exactly what would happen. Immediately every man, woman, and child in this Nation who had $2 of hard money would have it buried in a tomato can before nightfall so deep in the ground that it would be difficult for them to find it themselves. I think it will be agreed that there would be no more investments until the policy of the Government changed—our own Government would then be in the position of having to borrow money to carry our own industrial structure.

That, Mr. President, is exactly what has happened in Europe. The citizens of those countries will invest their money in this country, but will not risk it in their own.

So the heads of those governments see nothing wrong in asking our Congress to appropriate billions of dollars to give to their socialistic governments—surely no one is naive enough to believe that even one cent will ever be repaid—to go into business—to take the place of the local capital that they themselves have run out of their own market by their own actions. We are simply continuing a policy started with Tito in Yugoslavia financing socialistic governments whose announced objective is government ownership of property and control of the individual—communism by another name, since the objective is the same.

The proposed $17,000,000,000 European gift is more money than the combined assessed valuation of the 11 Western States—approximately 40 percent of the entire area of the Nation.

Coming from the West, it is hard for me to understand giving away to European countries as much as the entire assessed valuation of 40 percent of the area of the United States, and doing it in one bill in 2 weeks. It is still just a little beyond me—more than the assessed valuation of the entire 11 Western States.

In addition, there is a very grave question as to whether the Congress of the United States can create additional purchasing power by making appropriations above the amount required to meet the cost of the Government each year. It is my humble opinion that the economic system which required all of our people 140 years to build has been wrecked in the past 15 years. It has been wrecked by a succession of congressional acts and Executive orders leading to inflation. It has been wrecked by appropriations made by the Congress totaling approximately $260,000,000,000 more than has been paid into the Treasury during that period. At this moment the system is just as susceptible to inflation through additional appropriations above the amount required to operate the Government each year as a toy baloon is susceptible to air. The economic system simply inflates and absorbs any additional substantial appropriations in the same manner as a toy balloon inflates from additional air, and there is no noticeable additional purchasing power. In other words, whether we appropriate $17,000,000,000 or $70,000,000,000, the amount of purchasing power is what counts.

I merely cite the appropriation made to Great Britain last year of $3,750,000,000 as an example. Within a few months the British came back and said that they had missed their estimates and that because of subsequent inflation the money would purchase only about half of what they had estimated. They were entirely correct; Mr. President, I think the people of the United States are punch drunk on these appropriations, and this Congress is punch drunk, we could probably add three more ciphers to the appropriation referred to in the bill, and no one would notice the difference for some time. Evidently the impact of such an appropriation no longer affects us. It still affects me, but I have not been in the Senate very long. Perhaps I will get adjusted after I have been here longer.

Mr. Snyder said, early in 1947, that in terms of the 1939 dollar, the 1947 dollar was worth only 50 cents. To state his point in my own language, he said that in the short course of 8 years we had halved the purchasing power of every liquid asset in the United States—the purchasing power of every salary, the purchasing power of all the wages and all insurance and all veterans' pensions, and every other liquid asset in the United States had been reduced by 50 percent.

Mr. President, a good smokescreen is being thrown out by such bills as the Marshall plan gift, but if the sunlight ever reaches this situation the Congress will have in their hair something they will never forget. Today, in view of the inflated condition in the United States and the tremendous rise in prices, the veterans, the workers who are under civil service, and virtually all the workers on pay rolls will be asking for double their present wages.

Mr. CORDON. Mr. President, if the Senator from Nevada will yield to me, let me say that a few moments ago he made a statement which was in substance, as I recall, that the nationals of some of the 16 nations with which we presently expect to deal under the European-recovery program have approximately $13,000,000,000 or $14,000,000,000 of investments in the United States, and that they are rapidly going underground—I believe that was the term—with their money.

Mr. MALONE. They are not disturbing such investments in this country. A lot of their investments have moved here, as a result of the policies in foreign countries.

Mr. CORDON. I simply wish to call attention to something which seems to substantiate the Senator's statement: The teletype in the hall has just carried the information that, today, United States $20 gold pieces in France went up 300 francs, to a price of 21,500 francs per $20 gold piece. That would be a new price of 1,075 francs per dollar of United States gold. At the same time, United States paper-money currency remained in the free market at 305 francs per dollar, and on the black market it went up from 332 francs to 335 francs. That means that gold is worth substantially three times currency, as measured in our own dollars.

The only explanation I can make of that is the one the Senator has given, namely, that even at this moment in France there is so little faith in the currency of that country that every possible effort is being made to secure gold, as gold, for the purpose of holding it, because of the lack of faith in the French currency.

If I may make a further point, let me say this: That being the case, it seems that we have here the job of facing the fact that that process will continue unless we are able to do something to stop it.

So far as I am concerned, I say now to the Senator that in my consideration of this bill, I am directing my whole study to the one question of whether the proposed method is a reasonable method of approach to stopping the effects of that sort of loss of faith by the nationals of those countries in their own countries and the economy of their own countries.

Mr. MALONE. I thank my distinguished colleague, the Senator from Oregon, very much for that contribution.

Mr. President, a while ago when I said that the franc, when devalued at 214 to the dollar, was devalued only about half as much as it should be, obviously I was correct. The franc is still overvalued about twice its true value, as the Senator from Oregon has confirmed by his reference to the teletype.

Gold is selling at from $50 to $90 an ounce in many nations of the world, except the United States. Therefore, no doubt the value of gold has something to do with the price of the $20 United States gold piece. But the Senator from Oregon is entirely correct in pointing out that no one wants the paper money we are using in this country if he could get gold. It is true that our paper money is desired more than the paper money of other nations, because we have not yet reached their stage of inflation; but we are on the way; we are moving in the direction in which they have gone.

Mr. President, I am only a humble Member of this august body, and I have been here only a year. I wish to make it plain that I do not have all of the answers, but I wish to say that when I came to the Senate I took an oath—and that occurred recently enough that I remember it—to protect the Constitution of the United States, and I construe that also to mean the property of the United States. Certainly we do not protect our money and our property by scattering it throughout the world, in an attempt to reach a balance of trade for all of the countries of Europe, many of which already have recovered, as shown by the industrial index, beyond their 1937 positions, but which still want to buy in 1948 goods valued at $5,300,000,000 more than they are able to produce. In other words, these countries want to buy more than they sell, or to spend more than they earn, just as many families in the United States are inclined to do. Today, most families in the United States are out of the dollar balance. But our families have to pay their own way. That is what all our people have to do. Similarly, I point out that at some time in our national affairs we must come face to face with realities, and must pay the banker.

Now it is proposed that we say to these foreign countries, "You find out what you need, over and beyond what you are able to sell, and we will make up the difference." Mr. President, it now becomes apparent that that is what we have been doing for years, and are further establishing a precedent in this bill. Now we are trying to create more money by law. If we had all the money that is in circulation today—I cannot tell how much it is; it is so many billions of dollars, and such a staggering total as compared to what we had in 1935, that it is inconceivable to me—that if we had all of it in dollar bills, it would be waist deep from here to San Francisco.

My able friend the Senator from California explained the situation. He pointed out that when we get more money than we can use to buy goods with, money has no value. Today, Mr. President, the United States could be headed for a situation like that, which has occurred in many other countries; or we could be headed toward a situation like that in Germany after the last war, when it took a wheelbarrow load of money to buy a pair of ham and eggs. We could be headed for such a situation, unless the Senate of the United States has the gumption to set its foot down.

Mr. CORDON. Mr. President, will my colleague further yield?

Mr. MALONE. I am happy to yield again to the distinguished Senator from Oregon.

Mr. CORDON. I simply wish to express the hope that sometime during this debate, and at the very earliest moment, some of my colleagues who have served on the Foreign Relations Committee and who have had the opportunity of a thorough study of the problem, which only constant attendance on the committee gives, will give to me, and to others in the Senate who are interested in the same subject matter, their views as to what can be done, if we adopt this European recovery program, to stop the investment of foreign funds in gold.

It seems to me that one of the grave dangers that we face in this program is the danger that the fat of the nations with whom we expect to collaborate will be wasted by them by investment in gold rather than investment in their own future, a species of national suicide on their part.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to my distinguished colleague from Massachusetts.

Mr. LODGE. I thank the Senator from Nevada. The Senator from Oregon has asked for a word from someone who was on the committee, and it is in that spirit that I speak, particularly so because this happens to be one phase of the bill to which I personally gave a great deal of thought and study. If the Senator will look on page 29 of the bill, subsection 4, line 11, he will see that the agreements which the Administrator concludes with these countries shall make appropriate provision for "making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this act, which use shall include, to the extent practicable, taking measures to locate and control, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories, and possessions."

That language was very carefully drawn, I may say, after consultation of men who have spent their lives in this field and know what they are doing. The purpose of the language is to assist the governments of the recipient countries in making available to the service of the Marshall plan the resources of their nationals which may be invested in American assets. I understand that under this language the Secretary of the Treasury would be obligated to cooperate with the government of a recipient country in the effort which that government will be required to make to obtain the resources of its nationals that are invested in American assets.

Mr. CORDON. Mr. President, will the Senator yield for a question?

Mr. MALONE. I shall be very happy to yield to my colleague from Oregon.

Mr. CORDON. Is it the Senator's view that if a given one of the 16 foreign nations has within the United States of America, let us say for the purpose of the question, $1,000,000,000 of assets, owned by nationals of that country, and that the assets can be located and identified, that the agreement to be made with that country would be such that the assets might either (1) preferably be required first to be used for the purchase in this country of such commodities as that country is in need of for its current uses and its industrial recovery, or if not, that (2) it will be sequestered so that at some time in the course of the relief that may be granted those assets may be offset against what otherwise it is expected that we shall advance to such recipient country.

Mr. LODGE. I think I understand the Senator's question. The answer is "Yes," insofar as idle, hoarded, unproductive assets are concerned. One must distinguish, because all American assets that are owned by foreigners are not idle and unproductive, they are not all harmful, some are beneficial. There are certain very large enterprises in this country owned by foreigners, that are employing thousands of American citizens. To sequester and impound their working capital or to force liquidation of those assets would be a destructive thing to do. It is necessary to draw a line between the assets held by foreigners which are beneficial to this country and those which are not. But in the case of the assets which are hoarded and idle and unproductive, the assets of people who are trying to make themselves financial untouchables, I think such assets should be put into the service of the Marshall plan, that we should require the foreign governments to do it, and that we should help them in carrying out that purpose.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. MALONE. I should be very happy to yield to my colleague from Oregon.

Mr. CORDON. I am very glad to hear the Senator's views on that subject. Frankly, I cannot go quite all the way with him. We see eye to eye with reference to what the Senator terms hoarded and nonactive assets, such as balances in our banks, and the like, but I cannot quite follow him when he suggests it

would be destructive if we required that country to—let us make a practical application—to require that country to take over from its nationals and pay in its own currency—after all, the nationals in that nation have some interest or stake in their own country—to take over the assets of its nationals in this country, paying for them in its own currency, as we did in this country when we took from our own people their gold and paid for it in the currency of this country, using substantially the same operation, and turn those working assets into money and use that money for its own development and industrial recovery. I cannot see that that would be a liquidation. I am certain that this Government would go to any length to protect the full value of those investments and transfer them to people here, where we have uncounted millions of dollars seeking investment, and that country would to that extent use its own fat for its own recovery in its own land. Is that sound, or does the Senator question it?

Mr. LODGE. I think that is correct. I do not consider what the Senator describes is a liquidation. In fact, I do not think the Senator and I are so far apart, as a matter of fact.

Mr. CORDON. I hope not.

Mr. LODGE. It is a rather intricate matter, and it is very easy to become confused in discussing it. I started off, several months ago, before Christmas, with the idea that it was indefensible to require the taxpayers of America, the rank and file of every-day citizens of this country, to put up their money for the reconstruction of Europe, and not to require the well-to-do people of Europe to help. It seemed to me that was an absolutely indefensible proposition. That is what started me on this path. Let me say, by way of background, that this is one prong. The other prong is in the amendment which I have offered to the tax bill which is before the Finance Committee. I offered the amendment last Wednesday morning.

Mr. CORDON. That would be one step.

Mr. LODGE. Yes. In other words, I am making a two-prong attack. I agree that when the government of a foreign country says to a citizen who hold dollar assets, "For these dollar assets we will give you French bonds, English bonds, or bonds of our own country in return," that is not liquidation. The only remark I made to which I think the Senator took exception was that in the case of a business in this country which may be owned abroad, which is employing large numbers of Americans—and there are such businesses——

Mr. CORDON. I know of a number of them.

Mr. LODGE. Yes. It is a good thing. They employ many people and do a lot of good. They must meet their pay roll and their expenses in dollars. It would not be right, I think, to interfere with the working capital which they must have in order to operate their business.

Mr. CORDON. Mr. President, if the Senator will yield further——

Mr. MALONE. Yes; I yield.

Mr. CORDON. I suggest that any action taken should not be one that would disturb in any way the continued functioning of an industrial enterprise in this country. In view of the fact that the national wealth of any nation is represented in what that nation has in a productive way within its borders, and what it controls without its borders, and except where we might find complete state ownership, that is the sum total of the assets of its citizens. That being the case, the holdings in the United States by nationals of one of the beneficiary nations is as much a part of the basic assets of that nation as are any of the holdings of any of the nationals within the territorial limits of the nation.

Mr. LODGE. I agree with the Senator.

Mr. CORDON. Therefore, in view of the fact that what is needed is not money, but commodities, materials, and things with which those nations can produce, and the money is to be used solely as a measure of the amount of things required, if those nationals have outside of their borders title on paper which can be translated into things which that nation needs for recovery within its borders, then it would seem to me altogether proper and only fair, so far as our own people are concerned, that to the extent possible we translate paper titles held by such nationals and representing physical values in our own country into dollars, and those dollars, in turn, into the things which that nation needs. To that extent we can reduce the amount of money we must take from our own people to help that nation to help itself.

Mr. LODGE. I agree entirely with what the Senator has said. I think this language seeks to accomplish that. Certainly if we require, as we should require, the people of Europe to make a maximum effort, it includes the effort represented by their assets outside of their own country as well as the assets inside their own country. I agree with the Senator. I think we have covered it.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. GEORGE. Mr. President, I send to the desk two amendments to the pending bill and ask that they be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendments submitted by the Senator from Georgia will be printed and lie on the table.

Mr. LODGE. Mr. President, in conjunction with the colloquy which we have just had with the Senator from Oregon [Mr. CORDON], I think it would be helpful to have printed in the RECORD paragraph 51 of the committee's report, entitled "The use of foreign-owned United States assets," because I think it would make the RECORD more illuminative at that point.

Mr. MALONE. I have no objection.

There being no objection, paragraph 51 of the report of the Committee on Foreign Relations on the bill (S. 2202) was ordered to be printed in the RECORD, as follows:

51. THE USE OF FOREIGN-OWNED UNITED STATES ASSETS

The committee deemed it desirable that the participaing countries, to the extent practicable, should take measures to locate and control the assets held by their citizens in this country and the earnings from these assets so that the dollar incomes would be available to foreign governments to further the purposes of this act. This does not mean that the foreign governments must sieze or liquidate private assets held by their citizens. It is not considered desirable to require the liquidation of such assets and thus deprive European countries of reserves which they may need either to achieve economic stability or to meet inevitable emergency requirements for which the program does not fully provide.

In view of the cost of this program to the American taxpayer, it is the intent of the committee that all idle, hoarded, or unproductive assets should be put to use. The precise form of use will necessarily vary according to the circumstances of the particular country and the nature of the assets.

As of the middle of 1947, the CEEC countries held $7,094,000,000 in United States assets. The total long-term assets amounted to $4,930,000,000; about $2,200,000,000 of this represents stocks and bonds, the bulk of which are probably of a readily marketable character. Short-term assets amount to $2,164,000,000. In the present crisis many foreign countries have already drawn their reserves below what ordinarily would be regarded as a prudent level. Depletion of these reserves delays and jeopardizes the restoration of international convertibility of currencies and expanded international trade and investments.

It is important to distinguish between blocked assets and free assets. During the course of the hearings, the Secretary of the Treasury started to free $1,100,000,000 of blocked assets to help the recipient countries to obtain control of them. These assets have been concealed contrary to the laws and national interests of the countries concerned. The recipient countries can perhaps count on obtaining in the next 12 months a part of the $400,000,000 estimated to be held directly in the United States for resident nationals of these countries. The largest portion of the $400,000,000 of directly held assets, namely $100,000,000 to $150,000,000, is owned by French citizens, and the French Government is making every effort to mobilize these resources.

Two other related matters may be mentioned here: The pledging of foreign-owned assets and gold reserves. (a) The pledging of foreign-owned assets in the United States as collateral for loans is not without precedent. However, this would normally involve the nationalization or seizure of such assets by governments—a step which is contrary to the philosophy of the bill. (b) The CEEC countries held about $6,563,000,000 in gold reserves as of June 30, 1947. There have been serious drains on these reserves since that date. Most of the participating countries have already drawn their gold reserves below levels necessary to provide adequate working capital for their international trade or adequate backing to maintain sound currencies. It may be noted during 1947 the net increase in United States gold holdings was close to $1,900,000,000, a factor which has aggravated the exchange position of other countries.

Mr. MALONE. Mr. President, I wish to refer briefly to a copy of the United States News, dated February 13, 1948, containing a world report as corroborative evidence of the assets available, wherein it is said:

Europe, seeking $6,800,000,000 from the United States for the 15 months beginning on April 1, still is far from broke.

Gold, dollars and dollar investments of the Marshall plan countries are officially reported at $13,662,000,000. That is the estimate for June 30, 1947. Since that time, dollar resources have dropped by about $1,000,000,000,

but they remain within hailing distance of the $17,000,000,000 needed for the 4-year European recovery program.

Dollar resources of Europe furthermore, are at least as large and maybe larger than they were in 1937 or 1941. Besides gold, Europe is estimated to hold $7,094,000,000 in dollar assets; compared with $3,127,000,000 in 1941 and $6,730,000,000 in 1937. European gold holdings on June 30, 1947, were reported at $6,568,000,000. That is a larger volume of gold than Europe is believed to have held in 1940.

These are the known billions of dollars controlled by European nations. Other billions, variously estimated at $2,000,000,000 to $4,000,000,000, are hidden by private individuals, with most of this hoard in France.

Mr. President, I had just said, when the debate occurred, that the Secretary of the Treasury had stated that the United States dollar was worth early in 1947, 50 cents in terms of the 1939 dollar. What is it thought will happen when we appropriate the seven thousand million dollars asked for the first year of the Marshall plan? The dollar may not be a 50-cent dollar. It is more likely to be a 40-cent dollar. The ability to create purchasing power through appropriations by the Congress of the United States has been largely dissipated during the past 15 years.

We are not able to create substantial purchasing power above the amount required currently to operate the Government, for the very simple reason, or at least for one good and sufficient reason, that we cannot increase our productive capacity in proportion. I think the Congress is as helpless as a baby to create additional purchasing power, unless comparatively increased production results from such expenditure.

We could appropriate $70,000,000,000 and send it to the countries of the world as easily as we could appropriate seven billions, and probably have about the same relative purchasing power.

Of course, as the President has now recommended, we can put our finger back on the snout of the teakettle without pulling the fire from under it, through reestablishing price control, knowing full well we shall be scalded and that it is just a question of time.

We can start blowing on the thermometer again through reestablishing the rationing of goods and make ourselves feel warm, while our feet are freezing; but in the long run, the economic factors are building up and boiling up underneath, just as they always do. When the explosion comes this time I think we shall be just like the aviator who hit the Empire State Building. He has not yet been identified. When we wake up we shall be trying to borrow money from the European countries.

I point out at this time that it is just possible that the countries we are currently abusing in all this argument for the Marshall plan may be a little smarter than we conclude. It may just be that they think that by their oppostion to this loan the people of the United States may insist we pass the bill, and that when we do that, we will be on the way down economically, and when we are there will be no one left to support any other nation.

What did the President of the United States ask the Congress to do in the special session which he called in November? He said, "Rush back to Washington; there is a great emergency. You must stop inflation and keep on appropriating billions of dollars to give to the foreign nations of the world."

Of course, the two things are not compatible. Both cannot be done. We must make up our minds which is important, and get at the job. If Congress continues its wild orgy of spending, wages will double and triple, and few will be able to buy what they need to eat and wear because of retarded production.

Integrity is the crying need of the world today, integrity in our own Government, integrity in our national and international relations, the necessary stamina to tell our own people and the nations of the world the truth about what we intend to do.

There is more money and credit available in America today for sound investments abroad than ever before in the history of the world. Such investors are ready, willing, and anxious to take the necessary business risks in the rehabilitation of European industry, but they cannot and will not take the risk of nationalization and socialization of their capital once it is invested.

Therefore it is again my opinion that, if these governments would turn honest and again respect the integrity of private investments in the same manner in which we respect the investments in this country of their nationals, they would not need any capital furnished their own governments through action of our Congress under the Marshall or any other plan.

TRUTH AND PREPAREDNESS

Mr. President, we backed into two world wars in our generation unprepared and denying that we would fight. Let us try it once prepared to fight, and telling the world and our own people frankly what we will fight to maintain, through an extension of the Monroe Doctrine, a policy that kept us out of a major war for more than 75 years.

It is my personal opinion that, if we will now revert to this tried and proven principle, there will be no war in this or the next generation. Most people believe that, if this principle had been observed, neither the Kaiser nor Hitler would have gone to war.

Mr. President, I wish now to sum up briefly the points I have made. Let us consider these things on their merits. Let us consider feeding hungry people if there are still hungry people in Europe after the many appropriations we have made for them.

I point out to the Members of the Senate that the present crop is the third crop for the people of Europe since the war and that there is a prediction today that it will be one of the greatest crops ever raised in Europe.

Now the question of stopping communism, how is that to be done? I point out how General MacArthur thinks communism must be stopped, from an article by John G. Norris:

Gen. Douglas MacArthur, declaring that America's "frontiers" in the Orient and Europe are of equal importance, warned yesterday that China's military troubles must be settled before United States economic aid will help much.

The American occupation chief in Japan sent a long cable to the House Foreign Affairs Committee which seemed to take issue with key points of Administration foreign policy.

In General MacArthur we are dealing with a man who knows how to stop communism. He has demonstrated it, and he knows it will not be stopped unless we draw a line and say where and how we intend to stop its encroachment. I read further from the article quoting General MacArthur:

"We are prone," he said, "to overconcentrate on happenings and events to our east and to underestimate the importance of those to our west."

President Truman has proposed an outlay of five hundred and seventy millions for nonmilitary aid to China. That proposal, along with the European Recovery Program and two hundred and seventy-five millions in additional military aid to Greece and Turkey are before the committee.

MacArthur stressed the military problem in China and said that the need for internal reform there is infinitely less important than ending the civil war.

Mr. President, all I have asked is that this country make up its mind, that the State Department, the heads of our military services, the committees in charge of our military affairs in the Senate and the House, bend their efforts toward determining what we must do to protect our safety, and make their statement in so many words, with a twofold purpose, first, that we may prepare America for such an eventuality, and, second, to give the nations of the world notice that we mean business.

Mr. HAWKES. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the distinguished Senator from New Jersey.

Mr. HAWKES. Does not the Senator realize that there is a large group in the United States who are living in a dream world and who do not have any sense of reality in anything they are doing? Any sane man knows communism cannot be stopped with a few billion dollars, and any sane man knows we are not going to stop it by starting this program and continuing it for 1 year, nor are we going to stop communism after 5 years. Other countries are going on and on, and they are going to sap all they can out of this country, until they have gotten it to such a point that we will come to our senses and realize that we cannot give any more. Then they are going to hate us more than they hate anything on earth.

To me it is simply amazing that Members of the Senate and of the Congress generally cannot see the picture on the wall in any different light than they are seeing it. I read in a very fine report of a group of 6,000 farmers being questioned on the European recovery plan, and 52 percent of them had never heard of it. Think of that. The others did not know anything about it; they had heard of it, but they understood nothing about it. Yet here we are, voting taxpayers' money away. We are using the power to tax to destroy. We are taking their money without ever giving them a referendum.

Why in the world do not some of those in this body, some who have this matter in charge, say that the people of the United States are the stockholders of

America, and before the board of directors votes their funds away, gives them away, and plunges the people into a third World War, they are going to do the little, simple thing of putting a referendum on the ballot to this effect:

"Do you want your Representatives in Congress to give your money away, and destroy the Nation, and go through the process of leveling us off with the rest of the world? Do you want to destroy initiative, the only thing we have in the United States that protects us? Do you want to destroy the only thing we have that makes us different from all socialistic and communistic nations in the world?"

They have been to us twice already to save them, and we have done it. I would give them $5,000,000,000, I would label it as a gift. I would send a commission——

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HAWKES. No; I will not yield at the moment. I would send an American commission over there to administer these funds. I would serve notice on the world that they were to stand on their own feet from now on. I would say, "We are going to give you food and seeds and fertilizer, but are not going to be involved in entangling alliances that will threaten the future of our children and our children's children."

Mr. President, I wanted to say this to the Senator, and I am going to have a great deal more to say on this subject before I am through. I want my little grandson, the only male I have left in my family—for my son is buried in New Guinea—to know that I did not vote to sell the United States down the river.

Mr. LODGE. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. LODGE. Inasmuch as the Senator from New Jersey would not yield to me, I appreciate the Senator from Nevada being willing to yield.

I heard the Senator from New Jersey question the sanity of those who favor the proposal before the Senate. I heard him say that those of us who favor the proposal want to sell the United States down the river. I deeply regret his aspersions on us, because, very frankly, I think our patriotism and our judgment are as good as his, and that the RECORD will so demonstrate.

I also heard him say that he favors giving $5,000,000,000 to the nations of Europe without requiring them to do anything. I favor this bill providing $5,000,000,000, but I favor requiring the recipients to undertake the specific, constructive commitments which are set forth in this measure.

The Senator from New Jersey, who questions the patriotism and the sanity of the rest of us, wants to pour the money down a rat hole and require nothing for it, and he apparently opposes this constructive scheme to make the money available to the countries in question under specific conditions which will not result simply in rebuilding the old European crazy quilt which has involved us in two world wars, but which will get us out of the rut, and on to the high ground, and provide something different and constructive. That, Mr. President, is the American way of doing things. That is the kind of enterprise that has made this country great, and that has made the word "American" a symbol for optimism and dynamic effort the world over.

The Senator's solution to this dreadful challenge that confronts us is simply to give them money for food, without any expectation of a constructive result at the end of it. He is welcome to that solution.

Mr. HAWKES. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I am happy to yield to the Senator from New Jersey.

Mr. HAWKES. I think it will be found from the record that the Senator from Massachusetts has lost his poise. He has put words in my mouth that I did not say under any circumstances.

Mr. LODGE. Well, let us have the record read.

Mr. HAWKES. We will not have the record read at the moment. I am talking. I never said I would not require them to do anything at all. That is an absolutely false statement. The record will not show that. I said that in starting I would have this money administered by a fine American commission. I assume a fine American commission would use a little common sense in what they did. I would have faith in them. I have not questioned the patriotism of anybody in this Chamber. That is a word I did not use.

Mr. LODGE. The Senator said we would sell the United States down the river.

Mr. HAWKES. I did not say "You" would sell the United States down the river. I said this body would.

Mr. LODGE. The Senator was talking about the proponents of the bill.

Mr. HAWKES. I repeat, that if we do this thing, instead of agreeing with the Senator that we are stopping war, I claim that we are entering into the third world war. That is a difference of opinion. The Senator from Massachusetts is entitled to his opinion, and I am entitled to mine. I have lived through the two wars, and know a little about them. I thank the Senator from Nevada very much for yielding to me.

Mr. MALONE. Mr. President, I thank my able colleague from New Jersey for his contribution. I continue my summing up. Let us consider German coal production, and German steel production. What are we doing at the present time? We are sending six to eight million tons of steel annually to Europe. I just pointed out a moment ago, when we placed in the RECORD the terms of the treaties between the empire-minded nations and Russia, already completed and in effect, that a considerable amount of our goods furnished Europe will in fact be "in transit" to Russia. In other words, those goods may furnish the steel for the manufacture of the goods which Russia needs. Unless we send steel and other component parts and supplies to Europe they will be unable to fulfill their obligations under their treaties with Russia.

Now what could we do to save our steel for needed construction in this Nation. One simple Executive order would change the entire situation and allow the Germans to get back into production of six or eight million tons of steel annually. How long would that take? From my inspection of the plants in Germany, and the available description of those plants, the German steel production could be increased by the necessary seven or eight millions of tons annually within 6 or 8 months. Some of them are not damaged materially. The German plants have been held to less than 4,000,000 tons annually where the prewar capacity was 24,000,000 tons. The additional 7,000,000 annual tons say, would equal a total of German production of 11,000,000 tons of annual production. Instead of this simple procedure we are requiring our steel companies to increase their productive capacity through plant expansion, which would require the use of steel we need very badly here and leave many steel plants to go broke here in a few years when demand has caught up with supply—further ruining our own economy. There is a stop order on use of steel for certain purposes. Many buildings cannot be erected because they would require the use of steel in their erection. There is a priority on steel for certain uses.

Mr. President, the Germans want to put their steel plants into production. We are in charge of them. If that were done it would put an end to steel shipments from our country, and bring, within a year and a half, an end to the shortage of oil in our own Nation. The shortage of oil in the United States is due to several causes. One is the fact that 65,000 prospective wells have not been drilled over the past few years, which would have been drilled had it not been for the shortage of steel. Let us permit our steel to remain in this country, and use it to build tank cars, to build pipe lines to transport the Texas natural gas to the northern industrial areas, to build refinery plants, so that natural gas in Texas can be turned into gasoline. If that were done, I believe that in a year and a half there would no longer be even a spot shortage of oil in the United States.

There is another serious consideration, Mr. President. If Germany were permitted to produce that amount of steel, it would mean that she would be in a position to pay her "board bill" to the United States, which amounts now to more than $1,000,000,000 a year, including other material.

Mr. President, as I have previously said in summing up, we have wrecked the economic system of the United States. The Secretary of the Treasury bears evidence to that in his statement. How could that be stopped? It could be stopped by ending large appropriations of money above the amount currently needed to run the Government of the United States.

Truth and integrity are the commodities badly needed in the world today. If the United Nations, our State Department, and the Congress of the United States would bend their efforts toward reestablishing the integrity of

private investments by the other 56 member nations of the United Nations, then many of the pressing industrial problems would be automatically solved. The United Nations is dead at this time, but if we should extend the Monroe Doctrine to include the area and nations which we must currently protect for our own ultimate safety, then we would immediately revive that organization. The only nation on earth that can revive the United Nations and make possible ultimate world peace is the United States, and we are sidestepping that organization today.

Mr. President, I want to thank the Members of the Senate of the United States for their close attention during my address, and I also thank personally the Senators who have participated in the debate.

I now yield the floor.

MEETINGS OF COMMITTEES DURING SESSIONS OF THE SENATE

During the delivery of Mr. MALONE'S speech,

Mr. LUCAS. Mr. President, will the Senator from Nevada yield to me for a parliamentary inquiry?

Mr. MALONE. I yield to the Senator from Illinois with the understanding that these proceedings may appear at the end of my address.

Mr. LUCAS. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUCAS. Mr. President, may I inquire what the record shows with respect to standing committees or special committees which are now holding meetings under unanimous consent request?

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). The Chair would respectfully state that the Chair is unable to answer the parliamentary inquiry at the moment, but with the help of the Parliamentarian will check the matter and will inform the Senator when the parliamentary inquiry can be answered.

Mr. LUCAS. I thank the Chair. When that information is available I hope the Senator from Nevada will yield again in order that I may make a statement.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. WHERRY. I also should like to propound a parliamentary inquiry. Is it necessary for the Appropriations Committee to secure unanimous consent to sit during the sessions of the Senate? There is some question about it.

The PRESIDING OFFICER. The clerk will read the applicable rule, which is section 134 (c) of the Reorganization Act.

The Chief Clerk read as follows:

No standing committee of the Senate or the House, except the Committee on Rules of the House, shall sit, without special leave, while the Senate or the House, as the case may be, is in session.

Mr. WHERRY. Mr. President, will the Senator from Nevada further yield?

Mr. MALONE. I yield.

Mr. WHERRY. I understand the Parliamentarian now has the information desired by the Senator from Illinois.

The PRESIDING OFFICER. The Chair will answer the parliamentary inquiry of the Senator from Illinois by stating that the Parliamentarian informs the Chair that the only committee he knows of in that category is the Committee on Finance, which has leave permanently to sit during sessions of the Senate.

Mr. BARKLEY. It was not permanently. It was only during the hearings on the tax bill.

The PRESIDING OFFICER. The Chair is in error. It was during the hearings on the tax bill.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. The rule provides that—

No standing committee of the Senate or of the House, except the Committee on Rules of the House, shall sit, without special leave, while the Senate or the House, as the case may be, is in session.

If no objection were made, a committee would have the power to continue in session throughout the entire session of the Senate, providing unanimous consent was obtained.

The PRESIDING OFFICER. The Chair believes that is correct, and that if there is no objection by any Member of the Senate when the request is made, the order stands.

Mr. LUCAS. This provision is frequently abused, and apparently no Senator has any interest whatever in it. It seems to me that sooner or later we ought to reconsider this provision, because it is absolutely impossible to keep a quorum on the floor of the Senate while this debate is going on. I have tried for the past 2 or 3 days to object to such unanimous-consent requests. Notwithstanding that fact, I have understood that two or three committees have been meeting. Whether they have been meeting in regular session or not, I do not know. They may be meeting informally in some office.

I see no virtue in this provision, in view of the fact that committees pay little or no attention whatsoever to it.

Mr. MALONE. Mr. President, I would appreciate it very much if this statement could be placed in the RECORD following my remarks.

Mr. LUCAS. I shall be glad to have that done. I am only trying to help the Senator from Nevada, who is making a very important speech on one of the greatest pieces of legislation ever presented to the Senate for consideration. Notwithstanding that fact, it seems to make very little difference who is discussing this subject. A meeting of the Armed Services Committee, or some subcommittee, or a meeting of some special committee investigating something, or a meeting of any other committee, is apparently more important to Senators than the debate over the great issue now pending before the Congress.

Mr. President, I do not propose to follow this subject any further, because apparently it does no good to make objections. I had cause to make an objection today to a unanimous-consent request that a subcommittee of the Committee on the Judiciary, I believe, be permitted to meet for the purpose of considering the antimonopoly bill. We have been considering antimonopoly bills ever since I have been in the United States Senate, but this is the only time during my service that we have ever considered a program of this kind. Yet it is more important for a subcommittee of the Committee on the Judiciary to consider an antimonopoly bill than it is to consider the pending measure, which is so important to the country and to the world.

Perhaps Senators have made up their minds. Perhaps they do not care anything about these debates. If they have made a decision, and if they do not care anything about the debates, we ought to get down to the business of voting on the amendments and on the bill.

Mr. MALONE. Mr. President, I object to any further dissertation on this subject.

Mr. LUCAS. I thought I was helping the Senator. Perhaps I am not.

Mr. MALONE. The Senator is not.

Mr. LUCAS. I regret that I interrupted the Senator. Not more than eight Senators are in the Chamber listening to him.

Mr. MALONE. My remarks will appear in the RECORD.

Mr. LUCAS. I thought the Senator wanted to convince other Senators. What he puts in the RECORD will not convince anyone.

Mr. MALONE. I would appreciate it very much if the Senator from Illinois would postpone his dissertation.

Mr. LUCAS. I shall certainly cease and desist. The only thing I was trying to do was to help the Senator from Nevada. I perfectly understand the position of the Senator from Nevada. If he does not want any help in trying to get Senators to listen to him, that is perfectly all right with the Senator from Illinois.

EXPANSION OF THE SYNTHETIC-FUELS PROGRAM

During the delivery of Mr. MALONE'S speech,

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for a moment?

Mr. MALONE. Will the Senator state for what purpose he asks me to yield?

Mr. O'MAHONEY. I desire to ask unanimous consent that the Senate pass a House bill which practically duplicates the Senate bill to expand the synthetic-fuels program.

Mr. MALONE. I yield on the stipulation that what now occurs shall appear at the end of my address.

Mr. O'MAHONEY. Mr. President, I ask that these proceedings appear at the end of the address by the Senator from Nevada.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I ask the Chair to lay before the Senate House bill 2161.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 2161) to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190), which was read twice by its title.

Mr. WHERRY. Mr. President, I have no objection to the request of the Senator from Wyoming, with the understanding that the matter appear at the end of the remarks of the Senator from Nevada.

Mr. O'MAHONEY. Mr. President, I was about to say that early in February the Senate received from the Committee on Interior and Insular Affairs a report, without dissent, recommending the passage of Senate bill 134 to expand the synthetic fuels program by increasing the authorization by $30,000,000, and changing the period during which it may be carried on from 5 to 8 years. The bill was passed without dissent by the Senate, and went to the House. The House took up a companion bill, H. R. 2161, which was in all respects identical with the bill recommended by the Senate committee. The House Committee on Public Lands also recommended its passage, but on the floor an amendment was added providing that the original act should be amended by adding the words, "and that not to exceed $1,000,000 of the amount authorized by this act may be applied to a program of production research on secondary recovery from stripper oil fields and in refining processes." The Senate Committee on Interior and Insular Affairs has considered that amendment and is quite agreeable to it.

The chairman of the committee, the distinguished senior Senator from Nebraska [Mr. BUTLER], who is on the Senate floor now, presided at that meeting.

I ask unanimous consent that the Senate consider House bill 2161 as it came to the Senate from the House. By that request I would obviate the necessity of a conference. There is no dispute about the matter. The bill will then be ready to go to the President for signature.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 2161?

There being no objection, the Senate proceeded to consider the bill (H. R. 2161), an act to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coals, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes", approved April 5, 1944 (58 Stat. 190).

Mr. WHERRY. The distinguished chairman of the Committee on Interior and Insular Affairs is present. I understand the request meets with his approval.

Mr. BUTLER. It does, Mr. President. I requested the Senator from Wyoming [Mr. O'MAHONEY] to handle the presentation of the matter, because it was his bill which our committee recommended. The committee is entirely sympathetic to the request the Senator has made.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 2161) was ordered to a third reading, read the third time, and passed.

Mr. O'MAHONEY. I am very grateful, Mr. President, to the Senator from Nevada for permitting this action to be taken.

THE PARTITION OF PALESTINE

After the conclusion of Mr. MALONE'S speech,

Mr. MORSE. Mr. President, I wish to say that I regret very much to take any time at all at this late hour, but after all I feel there are some other matters of concern to the Senate of the United States, which we must take care of as the days go by. I have one matter I want to discuss for a few minutes tonight in spite of the lateness of the hour.

For a few minutes, for the purpose of the RECORD, I wish to make a few comments on the position in which I think we find our Government in its relationship to the United Nations, so far as the Palestine issue bears upon the policy of our Government in the United Nations.

The position which our Government has taken in the United Nations in failing to support the Palestine partition decision has not advanced the implementation of the United Nations' Palestine settlement which is supposed to be supported by our Government. Nor has it increased confidence in the United Nations as an instrument of peace which I had heretofore thought to be one of the keystones, if not the keystone, of our foreign policy.

Under clouds of legal sophistry, our Government has confirmed the fears of many of us that the State Department lacks the will to have our Government do its part to make the Palestine settlement work. It confirms the fears of many that the State Department is faltering in its support of the United Nations.

It is extraordinary that our Government should seem to be more concerned at this time in lecturing the Security Council on the limitations on its powers and on the powers of the Assembly than to discover the great potentialities for the development of law and peace which the Charter provides. Our Government seems more concerned to point out how little the Council could compel the member states to do, rather than to point out how much the member states could do to enforce law and peace if they had the will to enforce law and peace.

When Mr. Byrnes was Secretary of State, I was struck by the fact that in nearly every speech he made he emphasized not what the United Nations charter legally required us to do, but what the United Nations charter made it possible for us to do, in defense of law and peace. At the first meeting of the Assembly in London in January 1946, he said:

> The functioning of the United Nations will depend not merely upon the words of the charter or the rules or procedures we adopt here or upon the individuals we elect to hold office. It will depend upon the support it receives from the governments and the peoples of the nations which have created it and which must sustain it.

When the peace was threatened in Iran there were those who said that the United Nations was powerless because of the Soviet right of veto on the Security Council. Fortunately, that was not the view then taken by our Government. Secretary Byrnes, in a speech on February 28, solemnly averred:

> The United Nations will fail unless its members give it life by their confidence and by their determination to make it work in concrete cases and in everyday affairs. * * * The mere legal veto by one of the permanent members of the Council does not in fact relieve any state, large or small, of its moral obligation to act in accordance with the purposes and principles of the Charter. * * * As a great power and as a permanent member of the Security Council we have a responsibility to use our influence to see that other powers live up to their covenant. And that responsibility we also intend to meet. * * * In the interest of world peace * * * we must make plain that the United States intends to defend the Charter.

It has heretofore been the policy of our Government to defend the purposes, principles, and policies of the United Nations. I had hoped that it was our policy not only to support those purposes, principles, and policies with our strength and our resources, but to show alertness, initiative, and resourcefulness in the defense of those purposes, principles, and policies. Certainly before our Government spoke on the Palestine issue, it was not our policy to sit back and debate how little we were legally bound to do, rather than how much we legally and practically could do to make the United Nations live. When President Truman told the United Nations Assembly in the fall of 1946 that the United States will support the United Nations with all the resources we possess, he gave renewed hope to peace-loving peoples everywhere.

But there is a profound difference in the approach taken by our Government on the Palestine issue from the approach which has heretofore been the keynote of our policy toward the United Nations. Whereas the affirmative, constructive approach which we have heretofore taken has strengthened the United Nations, the negative, legalistic approach now taken threatens to destroy the United Nations as an instrument of peace. Whereas Mr. Byrnes' approach to the Iran issue led to a peaceful solution, our present, dilatory, equivocal approach to the Palestine issue has only served to encourage the Arab states, contrary to their solemn obligations under the Charter, to defy by force the declared policy of the United States in regard to Palestine.

It is difficult for me to understand the purpose of the State Department in de-

preciating the significance of the General Assembly's resolutions on Palestine. Certainly the situation was one likely to impair the general welfare or friendly relations among nations and consequently clearly within the authority of the General Assembly to recommend measures for its peaceful adjustment under article 14.

It may be true that the Assembly cannot compel the member states to assist in the implementation of the recommended measures. But it is certainly a violation of the Charter for any member state to threaten the use of force to obstruct the recommended measures. And I certainly should assume that there was a moral obligation on the states like the United States, which supported the recommended measures, to cooperate and aid in their execution. There is a lack of candor, if not of honesty, in any government's voting for measures which it is unwilling to support.

A special significance attaches to the Assembly's recommended measures for Palestine, owing to the fact that Great Britain has indicated its intention to abandon its mandate. Were it Britain's intention to retain the mandate, the Assembly probably would not have had the authority to require her to accept its recommendations. The Charter contemplates, if it does not require, that a state retaining a mandate should accept a United Nations trusteeship agreement, the terms of which should be agreed upon by the Assembly and the mandatory power, as set forth in article 79. While a mandatory power would under those circumstances be expected to give great weight to the views of the Assembly, it could not be obliged to administer a trusteeship on terms to which it had not consented.

But here Britain has indicated her intention to abandon its mandate, and has requested the Assembly to recommend a solution. Palestine, which under the mandate was a sacred trust of civilization, has no mandatory willing to carry out the terms of that trust. A vacuum of power has been created, I submit, in this mandated area. Palestine is not a sovereign state or a part of any sovereign state. If the member states of the United Nations do not cooperate to carry out the recommended solution, the future of Palestine will be determined by war and terror. It is disheartening to find our Government raising legalistic questions as the right of the members of the Assembly or the Security Council to collaborate to carry out the recommended solution which is the only alternative to war and terror. In the Italian treaty, the Security Council was made responsible for the security of the Free Territory of Trieste, and our Government never raised the legalistic questions which it now raises in the case of Palestine.

Both by reason of the Assembly's resolution and by reason of the terms of the Charter, the Security Council has the right and, I think, the duty to restore and maintain peace in Palestine if there is a threat to the peace or a breach of peace. Certainly it would be difficult to sustain the premise that the Arab states have not threatened a breach of peace in Palestine. And certainly peace cannot be maintained or restored in Palestine except on the basis of a regime of law. Peace and a political settlement in Palestine are one and inseparable, and no legal sophistry of the State Department can make it otherwise. It seems to me a shameful thing that this Government of ours, which supported the partition plan in Palestine as a means to peace, should now suggest that the implementation of that plan bears no relationship to the maintenance of peace in Palestine.

Mr. President, I think we want, above all, an honest policy toward Palestine. We have not an honest policy toward Palestine today. The Jews do not know where we stand. The Arabs do not know where we stand. The United Nations does not know where we stand. We do not want Palestine to become a football of domestic politics. Neither do we wish to use it as a pawn in a power-politics maneuver abroad.

Our interest and the world interest in Palestine are in peace. Peace in Palestine requires a political settlement. We cannot get away from that fact, Mr. President. It is not easy to devise and carry out a political settlement in Palestine. No settlement can be perfect. But through the United Nations we sought a settlement. The recommended settlement is based on the plan drawn up by a committee of smaller powers. I would emphasize that the plan was not a plan of the so-called major powers, but it was a plan of the smaller powers. The larger powers were excluded, so that there would be no suspicion that the settlement would be dictated by the pressures of power politics or domestic politics. No fairer and no more workable plan has been proposed. If there is a fairer plan or a more workable plan, then let the State Department or the United Nations come forward with it. But, Mr. President, I submit that we have here a problem that must be solved both in the interest of fairness and justice and in the interest of peace.

We have a chance now to carry through a settlement that is not a unilateral settlement, but is backed by the United Nations. Tearing up or casting doubt upon that settlement will not give us peace in Palestine. I think such action only kindles the flames of terror in the Near East. Such action not only threatens the survival of the United Nations, but it threatens our own national interests in the Near East, which depend upon peace in the Near East. And peace in the Near East, as peace everywhere, Mr. President, can never be secured by appeasement. Not only is appeasement morally wrong, but it will not work, for I am satisfied that the Jewish community in Palestine will fight to extinction for the rights which the United Nations have recognized as their just due, supposedly in the name of international justice through international law.

I would appeal this afternoon to President Truman to take prompt action to keep this situation from getting more out of hand than it already is. I would appeal to President Truman this afternoon to put to work on this Palestine problem some men with vision and understanding who are not hostile and apparently unsympathetic toward the United Nations Palestine settlement, and who have the will and resourcefulness to help make it work. General statements from the Defense Department and from the Army Department that they stand back of the United Nations Palestine settlement ring hollow to many ears in America today. It would appear that those now working on the Palestine question have not their heart in it. That very fact has given to our position a cynical turn which is contrary to our American traditions of honor and fair play.

I know the Palestine question is not easy to handle; but I am not convinced that it cannot be handled if we put to work on it men with vision, resourcefulness, and ingenuity.

The Palestine question is difficult, but it has been made more difficult, I think, by our own blundering. I resent the whispering, inspired by those in various echelons of our Government, about the American troops which will be required to enforce the settlement, and about the danger of anti-Semitism growing in this country. Whether it be the conscious purpose of the whisperers or not, they are in fact stirring up divisions which can only serve to obstruct our declared policy for Palestine and the one hope for peace in Palestine.

Mr. President, if we made a mistake in voting for a partition of Palestine, then I say we should admit it, and before the world we should take the position that we favor reconsideration and a change in our vote. But let us take action one way or the other, rather than follow the course of legalism and, I think, sophistry which characterize our policy as of this hour.

The need of outside troops, American or otherwise, has been largely created by propaganda which casts doubt on our support of the Palestine settlement. I am deeply convinced that the Haganah (the Jewish militia) can maintain peace in Palestine if we will support it with but a fraction of the energy with which we are supporting the Greeks. Such a militia properly equipped and directed could defend the United Nations settlement, and proper safeguards could be insisted upon to insure that the arms were not misused and did not fall into the hands of terrorists. Such a militia would need only a minimum of outside help even if the Arab states should continue to use force in violation of the UN Charter. It is highly doubtful whether the Arab states would use force if they did not get encouragement from the British and ourselves.

But are we examining the problem of the defense of Palestine with the Jewish Agency which had accepted the UN settlement which we supported? No, we treat the Jewish Agency as an outcast while our dilatory and confused policy encourages the Arab states to violence and terror. Our embargo denies to those

supporting the United Nations settlement the necessary means of self-defense.

It is time that we stop this diplomatic double talk and double dealing. It is time that we take a sincere and honest position on Palestine. And we should adhere to that Palestine policy by word and by action in this country, in the Near East, and before the United Nations. We should act energetically and resourcefully to make that policy effective and not act as if we were seeking excuses for its failure. It is for us to devise and initiate appropriate measures to make our Palestine policy, the United Nations Palestine policy, succeed, to seek the cooperation of the United Nations Commission and, if necessary, the Security Council in carrying through those measures.

Assuming as I do in this argument, Mr. President, that our Palestine policy is sound, I repeat that if it is not sound and we have belatedly discovered that it is not sound, then let us take the position before the world that our policy should be revoked and rescinded and that we should adopt a new policy. But we cannot it seems to me support partition and then permit the breach of the peace which is characterizing the Palestine situation today to continue without a demand on our part that the United Nations take the steps required by its Charter to be complied with in order to prevent that breach of the peace.

That is not what our State Department is doing. While terror and chaos threaten Palestine, our State Department stalls. The State Department knows that Britain is dragging her feet and will not help carry through the UN Palestine settlement. And to be frank, the State Department neither wants nor expects the help of the Soviet Union. Yet the State Department has failed to consider what we ourselves can do to cooperate with the United Nations Palestine Commission in order to provide it with a militia adequate to carry through the Palestine settlement.

An American foreign policy, a nonpartisan foreign policy, in this country is possible only if we adhere to principles of justice and are unflagging in our active support of the United Nations. Let cynicism and a low order of power politics enter in, and our unity, our effectiveness in world affairs, and our security will become gravely impaired. The issue of Palestine transcends by far little Palestine. It is a test of our vision and our good faith. It is a test of our devotion to the principles of the United Nations. We must not let people with little vision and little faith sway our deep faith and our loyal devotion to the principles which unite our Nation and give us our strength.

We must not, it seems to me, fail that great ideal for which we fought in this body when we put the Charter of the United Nations through the Senate, namely, the establishment of an international system of international justice through international law. So far as the Palestine issue is concerned, I submit that as of this hour we are failing our obligations to that great ideal.

ORDER FOR CALL OF THE CALENDAR ON MONDAY

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate reconvenes on Monday next at noon it proceed to the call of the legislative calendar of bills to which there is no objection, beginning with calendar number 952, which is the calendar number that follows the end of the last call.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO MONDAY

Mr. WHERRY. Mr. President, it appearing that the work of the Senate for the day has been concluded, I move a recess until Monday next at noon.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until Monday, March 8, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, March 5 (legislative day of February 2), 1948:

DIPLOMATIC AND FOREIGN SERVICE

Lincoln MacVeagh, of Connecticut, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Portugal.

IN THE ARMY

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be first lieutenants

First Lt. William Ross Reed, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 2, 1948.

First Lt. Lowell Russell Hutson, [redacted], Army of the United States (second lieutenant, U. S. Army), with rank from March 3, 1948.

First Lt. Thomas Arnot Mort, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 3, 1948.

Second Lt. Roger Stanley Walden, [redacted] United States Army, with rank from March 3, 1948.

Second Lt. John Hyatt Newell, [redacted] United States Army, with rank from March 3, 1948.

Second Lt. Eric Otto Alfred Miller, Jr., [redacted] United States Army, with rank from March 15, 1948.

First Lt. Harry Theodore Pierson, Jr., [redacted], Army of the United States (second lieutenant, U. S. Army), with rank from March 16, 1948.

Second Lt. Edward Paul Crovo, [redacted] United States Army, with rank from March 18, 1948.

First Lt. Owen Joseph Walsh, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 21, 1948.

First Lt. Kenneth Peter Fischer, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 24, 1948.

First Lt. Otto William Huebner, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 24, 1948.

First Lt. Jere Hill Dement, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 27, 1948.

Second Lt. John Maurice Barnard, [redacted] United States Army, with rank from March 27, 1948.

First Lt. Erwin Risley Brigham, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 29, 1948.

Capt. Eames Langden Yates, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 31, 1948.

To be first lieutenant, Medical Service Corps

First Lt. Roger Lee Cramer, [redacted], Medical Service Corps, Army of the United States (second lieutenant, Medical Service Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Robert Eugene Van Der Aa, [redacted] Medical Service Corps, Army of the United States (second lieutenant, Medical Service Corps, U. S. Army), with rank from March 15, 1948.

First Lt. Robert Levi Covington, [redacted] Medical Service Corps, Army of the United States (second lieutenant, Medical Service Corps, U. S. Army), with rank from March 21, 1948.

To be first lieutenant, Army Nurse Corps

First Lt. Jeraldine Frances Skidmore, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Mary Ellen Williams, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Mary Frances Imilda Haley, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Kathryn Ione Dixon, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 2, 1948.

First Lt. Mary Catherine Proctor, [redacted] Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 2, 1948.

First Lt. Helen Grace Kurutz, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 3, 1948.

First Lt. Jessie Melnik, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 5, 1948.

First Lt. Dorothy Jones, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 7, 1948.

First Lt. Nancy Leigh Limb, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 8, 1948.

First Lt. Mary Ann V. Hartnett, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 15, 1948.

First Lt. Christine Elizabeth Reinsch, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 17, 1948.

First Lt. Julia Choate, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 23, 1948.

First Lt. Lila Geneva Van Scoyk, [redacted] Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 27, 1948.

First Lt. Mary Agnes Azzalino, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 28, 1948.

First. Lt. Elizabeth Annerita LaRoche, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 29, 1948.

First Lt. Mary Ethel Doyal, [redacted] Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 30, 1948.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 5, 1948

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of hosts, whose mind embraces all lands and whose heart harbors no ill, we thank Thee that though the march of man stretches from dawn to dusk Thou wilt never forsake him. When wrong seems to triumph, may we know that Thou dost stand within the shadows, keeping watch above Thine own.

In all our works, give us consciences so fine that they shall be sensitive to all untruth that makes falsehood easy. If any discords, O change them to pulses stirred to generosity and to deeds of daring rectitude. Grant that with singleness of heart we may so serve our homeland and promote such concord and harmony that the nations of the world will be led into the ways of justice and peace. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 3, 1948:

H. R. 5525. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other deficiencies;

H. R. 1350. An act to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes";

H. R. 3726. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; and

H. R. 4141. An act to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits.

On March 4, 1948:

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 2298) entitled "An act to amend the Interstate Commerce Act, as amended, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REED, Mr. HAWKES, and Mr. MYERS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1317) entitled "An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents."

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include in each newspaper articles.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include a letter and certain data furnished by the writer of that letter.

HOUSE JOINT RESOLUTION 323—THE OIL-EMBARGO BILL

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, at this time I want to call attention to the program as announced by the majority leader yesterday at page 2172 of the RECORD, when he said:

> Also, if a rule is granted, House Joint Resolution 323, the oil-embargo bill, may be called.

That will be on Tuesday or Wednesday.

I also call attention to the text of the bill which I placed in the RECORD at page 2181, with certain factual material supporting it. I shall consult with the chairman of the Committee on Interstate and Foreign Commerce later today in an effort to arrange with the Committee on Rules for a hearing on the rule Monday or Tuesday.

The majority report is practically completed. However, those preparing the minority report were courteous enough to defer doing so when it appeared that there might be some possibility of favorable action by the Department of Commerce on Wednesday, after we had been assured of the use of one T–2 tanker by Mr. Charles S. Jones, of the Richfield Oil Co., and of sufficient other tankers by the Maritime Commission. Since our appeal to the Department was rejected, it will probably require more than today for that report to be prepared. If it is prepared, both reports can be filed during the day. If not, we will have to wait until Monday. I hope we will be able to advise you Monday afternoon that a rule has been granted and that we will be prepared for debate and a vote on the bill Wednesday.

During the special order granted to me today, I shall attempt to include some other factual material so that the membership may be fully informed as to the background and the necessity of prompt enactment of this bill.

I am confident that this will be a matter of very real interest to 216 Members of the House who joined in the telegrams urging a brief embargo. Since their requests were denied, this legislation is the only means now available to them to obtain relief for their constituents, and I sincerely hope that all of them will participate in the debate and join in passing this legislation next week. Of course, I hope that many others whom we were not able to reach and whose constituents are affected by this fuel-oil situation will also join in the debate and in the passage of the resolution.

EXTENSION OF REMARKS

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include a radio address by Jack Beall.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include newspaper articles.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD on two subjects and include in one a letter from a constituent on the post office pay bill and in the other an article.

LOANS FOR RURAL ELECTRIFICATION—APPLICATIONS BY STATES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, several days ago I tried to get a deficiency appropriation of $300,000,000 to carry on our rural-electrification program for the balance of this fiscal year.

My motion was voted down because the Members were misled as to the facts.

You will find in the RECORD of March 2 at page 1994 a list I inserted of applications showing the amount of money they need now to build rural power lines in the various States during the rest of this fiscal year.

If Congress merely makes the appropriation for the next fiscal year, and denies us this deficiency appropriation, our REA program will be slowed down almost to a standstill.

I am going before the Committee on Appropriations, if I can get a hearing, and I am sure I can, and urge that they either report this bill I have introduced for this $300,000,000 for a deficiency appropriation or include it in the next deficiency bill. I cannot understand why any Member of Congress would oppose it. Every dollar of this money will come back with interest, and it will enrich every State in the Union.

Here is what I said to the House on last Tuesday:

> In order that each Member may see where this money is needed, I am breaking these applications down alphabetically:
>
> ALABAMA
>
> The applications now pending from that State amount to $5,562,000.

ARIZONA

The applications now pending from that State amount to $1,076,000.

ARKANSAS

The applications now pending from that State amount to $4,657,000.

CALIFORNIA

The applications now pending from that State amount to $315,000.

COLORADO

The applications now pending from that State amount to $5,303,000.

CONNECTICUT

The applications now pending from that State amount to zero.

DELAWARE

The applications now pending from that State amount to $150,000.

FLORIDA

The applications now pending from that State amount to $10,225,000.

GEORGIA

The applications now pending from that State amount to $17,913,000.

IDAHO

The applications now pending from that State amount to $1,705,000.

ILLINOIS

The applications now pending from that State amount to $9,045,000.

INDIANA

The applications now pending from that State amount to $2,186,000.

IOWA

The applications now pending from that State amount to $13,473,000.

KANSAS

The applications now pending from that State amount to $12,878,000.

KENTUCKY

The applications now pending from that State amount to $10,497,000.

LOUISIANA

The applications now pending from that State amount to $2,914,000.

MAINE

The applications now pending from that State amount to $146,000.

MARYLAND

The applications now pending from that State amount to $800,000.

MASSACHUSETTS

The applications now pending from that State amount to zero.

MICHIGAN

The applications now pending from that State amount to $2,472,000.

MINNESOTA

The applications now pending from that State amount to $13,457,000.

MISSISSIPPI

The applications now pending from that State amount to $6,660,000.

MISSOURI

The applications now pending from that State amount to $29,797,000.

MONTANA

The applications now pending from that State amount to $8,942,000.

NEBRASKA

The applications now pending from that State amount to $18,099,000.

NEVADA

The applications now pending from that State amount to $80,000.

NEW HAMPSHIRE

The applications now pending from that State amount to $513,000.

NEW JERSEY

The applications now pending from that State amount to $98,000.

NEW MEXICO

The applications now pending from that State amount to $1,960,000.

NEW YORK

The applications now pending from that State amount to $157,000.

NORTH CAROLINA

The applications now pending from that State amount to $3,702,000.

NORTH DAKOTA

The applications now pending from that State amount to $23,948,000.

OHIO

The applications now pending from that State amount to $3,220,000.

OKLAHOMA

The applications now pending from that State amount to $9,337,000.

OREGON

The applications now pending from that State amount to $1,740,000.

PENNSYLVANIA

The applications now pending from that State amount to $2,161,000.

RHODE ISLAND

The applications now pending from that State amount to zero.

SOUTH CAROLINA

The applications now pending from that State amount to $6,765,000.

SOUTH DAKOTA

The applications now pending from that State amount to $14,962,000.

TENNESSEE

The applications now pending from that State amount to $10,552,000.

TEXAS

The applications now pending from that State amount to $20,802,500.

UTAH

The applications now pending from that State amount to $605,000.

VERMONT

The applications now pending from that State amount to $450,000.

VIRGINIA

The applications now pending from that State amount to $4,200,000.

WASHINGTON

The applications now pending from that State amount to $2,290,000.

WEST VIRGINIA

The applications now pending from that State amount to $53,000.

WISCONSIN

The applications now pending from that State amount to $6,802,000.

WYOMING

The applications now pending from that State amount to $3,710,000.

The total applications now pending from all the States listed above amount to $296,379,500; and applications are coming in at the rate of $24,000,000 a month.

Remember that every dollar of this money will come back with interest, and it will add untold millions, if not billions, to the wealth of the Nation.

I understand there is another deficiency bill pending before the Appropriations Committee, and I appeal to the members of that committee now to include this item of $300,000,000, in order that we may move forward with the greatest program ever instituted for the benefit of the American farmers, and keep moving forward with it until we electrify every farm home in America at rates the farmers can afford to pay.

Remember, these figures were furnished me by the Rural Electrification Administrator himself.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. If the gentleman can get the Rural Electrification people to stop building electric plants and using money in competition with private enterprise, in many places where it is unnecessary, and get them to adopt the principle that they are not going to spend money for that, I think the gentleman can get some place. He is not going to get any place if he does not do that.

Mr. RANKIN. I do not recognize the right of the power trust to monopolize the power business. In many places it is necessary for these farmers to build their own generating plants.

If we had waited for the power trust to electrify the farm homes of this country, the chances are that the average farmer would not have had an electric light in his house for the next 100 years.

I have led this fight for rural electrification for the last 15 years; and I will tell the gentleman from Pennsylvania [Mr. RICH] that we are going to keep up the drive until we electrify every farm home in America, at rates the farmers can afford to pay.

PUBLIC BUSINESS SHOULD BE PUBLIC

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MACKINNON. Mr. Speaker, today's paper carries the story that the Secretary of Commerce, Mr. Harriman, has refused to respond to a congressional subpena to supply information with respect to one Dr. Condon. I am not presuming to pass on the facts in that case, but I do wish to point out that this follows the same pattern of secrecy as the administration has been following with respect to congressional subpenas throughout this entire session. They did it on the Pauley matter, and they are doing it here. They always have an excuse. They always claim that public records are their private, confidential property and deny the public the facts. If there is one thing this Congress is going to have to do, it is to take some affirmative steps to see that its subpenas are respected. Otherwise it will be absolutely impotent to get the facts upon which to legislate. We will be prohibited from performing the duties vested in us by the Constitution. The people of this country expect the Congress to make all this information public and to open up these public files that the administration is constantly claiming are their private property.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. The Department of Commerce just had its attorney before the Committee on Un-American Activities, and, in response to my question, he

testified that this was the first man they had had to investigate who had to be confirmed by the Senate and who may be impeached by Congress.

It is about time we gave these bureaucrats of the Government to understand that the Congress of the United States was created by the Constitution, and it is not going to be sidetracked or kicked around by certain bureaucrats merely to protect somebody whose loyalty is questioned.

WHEN DO WE LEARN?

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, at the expense of the American taxpayers, our Nation has given over $2,000,000,000 to Russia and her satellite nations since the war. Russia has now pulled the iron curtain down over these nations. We have enriched and added to the power of Russia by $2,000,000,000 and weakened our Nation to the same degree.

Now we are asked to dump $20,000,000,000 more into the countries just west of Russia through the Marshall plan. I predict, if we do this, later Russia will pull her curtain down over the additional $20,000,000,000. If we keep building Russia up by weakening our own Nation, we are more likely to have to face her in a war. Why build Russia up in this fashion? We should not gamble another $20,000,000,000.

Mr. Speaker, since the shooting phase of World War II ended in Europe, this Nation has poured more than $2,000,000,000 into Russia and her satellite countries for the humanitarian purposes of relief and rehabilitation.

We have provided from the workshops and storehouses of the United States not only food, clothing, and footwear, but have given generously for medical and sanitation projects, for agricultural rehabilitation, and for industrial reconstruction.

We set out bravely, if you please, to put Europe, particularly the liberated areas, back on its feet, and we asked nothing but that some of the promises made during the war would now be kept.

In the light of these promises, Mr. Speaker, it was presumed by our taxpayers, who furnished the money, that with the coming of peace in Europe the common people of all the liberated countries, excepting Russia, would be allowed to set up governments of their own choosing, free from the absolutism of military dictatorships, and where the dignity of man could arise again like the phoenix from the ashes of a great despair.

Both Mr. Churchill and Mr. Roosevelt promised the world nothing less. Do you gentlemen of the Congress yet remember the Atlantic Charter?

Ten countries have already succumbed to the blight of Red socialism. The aid we provided and the money we furnished perhaps delayed the process, but the end results might have been expected when we were so naive as to continue with our aid, even when our own leaders knew that the Communists were using our supplies and our tools to further their own interests and spread their doctrines.

Mr. Speaker, our Government appropriated $2,700,000,000 to the United Nations Relief and Rehabilitation Administration. Of the funds so appropriated, Russia and her satellites received more than one-half.

As of September 30, 1947, the division was as follows:

Country:	*Total amount UNRRA relief*
Albania	$25,879,000
Czechoslovakia	258,999,000
Hungary	4,412,000
Poland	472,561,000
Yugoslavia	405,229,000
Byelorussian S. S. R.	59,962,000
Ukrainian S. S. R.	185,847,000
Total	1,412,889,000

Besides the relief furnished through UNRRA, our Government has made loans and property credits to several of the eastern European governments.

The loans outstanding as of September 30, 1947, were:

Export-Import Bank loans (as of Sept. 30, 1947)

Country:	*Amount*
Czechoslovakia	$21,979,428
Poland	17,409,249
Total	39,388,677

PROPERTY CREDITS

In addition to the outright gifts and the loans, we have also established property credits for countries in the Soviet sphere as follows:

Country:	*Property credits utilized*
Russia (11fc)	$198,779,452
Poland (OFLC)	29,760,012
Czechoslovakia (OFLC)	7,760,537
Hungary (OFLC)	16,560,741
Total	252,860,742

Of all the nations which were our allies in the war, Russia received one of the best deals of all. When the shooting had actually stopped, the lend-lease goods on order and in the pipe line for Russia amounted to $241,560,000. By the agreement of October 15, 1945, Russia was allowed to buy this material on credit, with interest at 2⅜ percent, with the first interest payment falling due July 1, 1947, and the first payment of the principal falling due July 1, 1954.

So, Mr. Speaker, to summarize, we have poured into eastern Europe the following sums:

Russia and satellites

UNRRA	$1,412,889,000
Property credits	252,860,742
Export-Import Bank loans	39,388,677
Lend-lease pipe-line credit to Russia	241,560,000
Total	1,946,698,419

Mr. Speaker, we now learn that Finland is next in line to feel the blow of the hammer and the sweep of the sickle. With Finland tottering on the brink of communism, it is well to include the aid we have furnished her in this compilation.

This aid consists of:

Export-Import Bank loan	$84,786,962
UNRRA	2,383,000
Property credits:	
Maritime Commission (ships)	816,000
OFLC (surplus property)	14,569,658
Total	102,555,620

Mr. Speaker, our investment therefore is more than $2,000,000,000. In thinking of our follies I am reminded of the advice of a great English economist, who after World War I devoted considerable thought and study to the postwar problems of Europe.

In his book the Economic Consequences of the Peace, this economist gave this timely warning:

> There is no guaranty that Europe will put financial assistance to proper use, or that she will not squander it and be in just as bad case 2 or 3 years hence as she is in now; M. Klotz will use the money to put off the day of taxation a little longer, Italy and Yugoslavia will fight one another over the proceeds, Poland will devote it to fulfilling toward all her neighbors the military role which France has designed for her, the governing classes of Rumania will divide up the booty amongst themselves. In short, America would have postponed her own capital development and raised her own cost of living in order that Europe might continue for another year or two the practices and the policy of the past 9 months. And as for assistance to Germany, is it reasonable, or at all tolerable that the European allies, having stripped Germany of her last vestige of working capital, in opposition to the arguments and appeals of the American financial representatives at Paris, should then turn to the United States for funds to rehabilitate the victim in sufficient measure to allow the spoliation to recommence in a year or two?
>
> There is no answer to these objections as matters are now.
>
> If I had influence at the United States Treasury, I would not lend a penny to a single one of the present governments of Europe. They are not to be trusted with resources which they would devote to the furtherance of policies in repugnance to which, in spite of the President's failure to assert either the might or the ideals of the people of the United States, the Republican and the Democratic Parties are probably united.

Those, Mr. Speaker, were the prophetic words of Lord J. M. Keynes, written in 1919, when all Europe was a tinder box, just like it is today.

It is sad to note, that our Government, with high and lofty ideals in mind, made loans of over $15,000,000,000 to European governments after World War I, and most of the loans remain unpaid as of this day and hour.

Mr. Speaker, in fairness to the taxpayers who are now called upon to furnish another $20,000,000,000 in aid to Europe under the Marshall plan, I ask, When do we learn from the past?

LEGISLATIVE PREROGATIVES

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the issue raised by the gentleman from Minnesota and referred to by the gentleman from Mississippi is a fundamental one. Congress appropriates money for these departments and they proceed to spend it and then they deny to the Congress the right to inquire as to whether they are spending it or have spent it in accordance with the law, where they have spent it and how they have spent it. So it comes about that now the committees of Congress are denied an opportunity to know where the money that they have appropriated is going, and whether or not those departments are acting lawfully. At the moment, one of your committees has had under consideration the granting of paroles to the notorious gangsters from the city of Chicago, and the FBI acting under instructions of the Department of Justice, refuses to tell us about the investigations which it has made and which will show us whether or not the Department has acted fairly and complied with the law.

To remedy that situation, a joint resolution has today been offered.

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I would like to say to the gentleman from Michigan and to the other gentlemen who have been talking here about trying to get information from these departments, and to the people of the United States, the only way that you are ever going to get anything good and sound here in Washington that is going to be for the benefit of the people of the United States is to clean house, and begin at the White House, and the people can only do that next November. If they do not do that, the country might as well be boxed up and shipped over to Russia. We just have to clean out the New Deal departments of our Government.

Mr. HOFFMAN. Mr. Speaker, if the gentleman will yield, we are not going to wait until November. If you will get over to the committee meetings and come along with me and get that resolution passed, we will get that information.

Mr. RICH. We have got to clean house. We have got to clean house in November. Soundness, efficiency, economy, good government demands that the American people get busy. Clean up this bureaucratic regime. To do it elect a Republican President, and I guarantee we will have a house cleaning.

EXTENSION OF REMARKS

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include a newspaper clipping.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an article from the Mine Workers Journal, together with certain charts.

FEDERAL MINE-INSPECTION LAW

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, I am inserting in the RECORD today the most telling argument I can give in support of legislation to put teeth into the Federal mine inspection law. I urge the membership of this House to study the report from the United States Bureau of Mines, which I am including with my remarks in the Appendix of the RECORD.

I have the feeling that when the majority of the Members of this body see in the RECORD that during the year 1947 there were 64,165 coal miners killed and injured—990 killed—they will want to have an opportunity to enact legislation to give the Federal Government the power to enforce the recommendations of its inspectors in matters of mine safety.

The record of mine fatalities for 1947 reflects clearly the laxity of State enforcement and the inadequacies of State safety laws.

There are measures pending in this Congress that would provide the answer to mine safety.

It is long past time for action on the part of Congress, lest the blood of future fatalities be on our hands.

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to revise and extend his remarks.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD.

PRIVILEGE OF THE HOUSE

Mr. MUNDT. Mr. Speaker, I rise to a question of the privilege of the House and ask that a subpena with which I have been served be read by the Clerk.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA, HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES *v.* GEORGE MARSHALL. NO. 367–47, CRIMINAL

The President of the United States to KARL E. MUNDT, 1206 New House Office Building, Washington, D. C.:

You are hereby commanded to attend the said court, Monday, the 8th of March 1948, at 10 o'clock a. m., to testify on behalf of the defendant, and bring with you the documentary material described in schedule A attached hereto and made a part hereof, consisting of one page, and not depart the court without leave thereof.

Witness the Honorable Chief Justice of said court, the 2d day of March, A. D. 1948.

[SEAL] HARRY M. HULL, *Clerk.*
By MARGARET L. BOSWELL, *Deputy Clerk.*

CHARLES A. HORSKY,
Attorney for George Marshall.

SCHEDULE A

1. Letter dated January 7, 1946, from Norman W. Schur to KARL E. MUNDT,

2. Copy of letter dated January 19, 1946, from KARL E. MUNDT to Norman W. Schur, Chairman, National Committee to Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

3. Copies of letter sent by KARL E. MUNDT, to Gov. Thomas L. Bailey (Mississippi), and approximately 99 others on or about January 20, 1945, relating to a suitable and working criterion to determine what does and what does not comprise an un-American activity, together with the data sheet mailed therewith and all replies received thereto and all further correspondence with the same individuals in connection therewith and such additional correspondence received from other individuals and/or organizations pertaining to the establishment of the working criterion above set forth as to the definition of the terms "un-American" and/or "subversive."

4. Copies of all letters sent by or on behalf of the committee or by any member thereof to the Brookings Institution between January 3, 1945, and April 15, 1945, relating to a working criterion for determining what constitutes un-American propaganda or activity, or relating to standards for determining what constitutes un-American activities, or relating to the definition of the terms "un-American" or "subversive," or relating to an analysis of letters received purporting to define un-American activities or propaganda; together with all letters received from the Brookings Institution in connection therewith.

5. Memorandum of six paragraphs sent to the committee or to KARL E. MUNDT by the American Civil Liberties Union during February 1945, relating to un-American activities, and letter accompanying same.

Mr. MUNDT. Mr. Speaker, I have been subpenaed to appear before the District Court of the United States for the District of Columbia to give testimony on Monday morning next at 10 o'clock in the case of United States against Marshall, which is a congressional contempt proceeding. Under the precedents of the House I find I am unable to comply with this summons without the consent of the House, the privileges of the House being involved. I therefore submit the matter for the consideration of this body.

PRIVILEGED RESOLUTION

Mr. MICHENER. Mr. Speaker, I offer a privileged resolution (H. Res. 493) and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas Representative KARL E. MUNDT, a Member of this House, has been served with a subpena duces tecum to appear as a witness before the District Court of the United States for the District of Columbia to testify at 10 a. m., on the 8th day of March 1948, in the case of the *United States* v. *George Marshall*, criminal No. 367–47; and

Whereas by the privileges of the House no Member is authorized to appear and testify but by the order of the House: Therefore be it

Resolved, That Representative KARL E. MUNDT is authorized to appear in response to the subpena duces tecum of the District Court of the United States for the District of Columbia on Monday, March 8, 1948, in the case of the *United States* v. *George Marshall* at such time as when the House is not sitting in session; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpena of the said court.

Mr. MICHENER. Mr. Speaker, I move the adoption of the resolution.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RANKIN. Mr. Speaker, we are getting right up to the issue involved. This is a defense subpena and the gentleman from South Dakota [Mr. MUNDT] is entirely correct up to that point, but they have no right to subpena the records of the Committee on Un-American Activities; and for that reason I think this motion or agreement should be limited to granting the gentleman from South Dakota [Mr. MUNDT], the right to answer that subpena, but as far as directing him to take the records of the committee is concerned I shall object to that, now and from now on.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. MUNDT. I am taking with me to the court only those records which I have in my office, in my own file. I am not taking anything from the committee files.

Mr. RANKIN. None of the committee files?

Mr. MUNDT. None whatever.

Mr. MICHENER. Mr. Speaker, I may say that the House has a privilege, that is, the right to have the Members in attendance, unless excused, which privilege is constitutional. Second, the staff of the House, that is the Clerk and the clerks to committees and others, do not enjoy the privileges of the House as far as personally responding to court subpenas is concerned. But the Clerk of the House or the clerk of a committee has no control over the files. He is an employee of the House and as such is the custodian of the files. He has no discretion as to whether or not he will present these official files in court. It takes action by the House to permit an employee of the House to take the files of the House away from the House or make them public.

Mr. RANKIN. That is exactly what I want to bring out.

Mr. MICHENER. There is no question about that; let us not take any time on that.

Mr. RANKIN. I do not propose for every criminal lawyer who comes here to defend somebody charged with disloyalty or contempt to subpena the records of the Committee on Un-American Activities.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman from Michigan yield?

Mr. MICHENER. I yield.

Mr. MARCANTONIO. First of all, the gentleman from Mississippi is incorrect. These men are not charged with disloyalty.

Mr. RANKIN. No; they are charged with contempt of Congress.

Mr. MARCANTONIO. Just a minute, the gentleman from Michigan yielded to me.

Mr. MICHENER. The gentleman from Michigan does not yield for a discussion as to the merits of the particular contempt case.

Mr. MARCANTONIO. I merely want to correct the record. These men are not charged with disloyalty; they are charged with contempt. Furthermore, it seems to me that the court should pass on the admissibility of records, not the gentleman from Mississippi.

Mr. MICHENER. The gentleman from New York is quite right, the court passes on the relevancy of the evidence. The Clerk may not take the documents from the House unless authorized by the House; and if and when documents are presented as evidence, then the court determines the materiality of the documents to the issue involved. I do not believe a defendant can secure all the files in the Clerk's office unless the court has passed on the question of materiality. If it were otherwise the functioning of the House might be prevented. If the Clerk and the files can be removed to court then the same rule would apply to all officers of the House.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Not on the merits. If it is a question as to procedure, I yield, but not on the merits of the case.

Mr. RANKIN. I just want to notify the gentleman from New York [Mr. MARCANTONIO] that we will protect the records of the Committee on Un-American Activities without consulting him.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. MICHENER. For a parliamentary inquiry? Certainly.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. What I want to know is whether or not I was in contempt of the House or had violated some statute or rule of the House when 4 or 5 years ago they asked me to go before the grand jury. I went down there without bringing the matter to the attention of the House. They have asked me to come down again. May I go down of my own will or must I have permission of the House?

Mr. MICHENER. If it is a parliamentary inquiry, the Speaker will have to answer it; if it is not, I will.

Mr. HOFFMAN. It is a parliamentary inquiry addressed to the Speaker.

The SPEAKER. The Chair does not care to answer the gentleman from Michigan at this time.

Mr. HOFFMAN. One word further; I am getting other subpenas to go down there. Must I come before the House every time? That is what I want to know.

Mr. MICHENER. If the gentleman was here when the matter was up a few days ago he would have the answer.

Mr. HOFFMAN. I read the record but I did not so understand it.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to revise and extend his remarks and to extend his remarks in the Appendix of the RECORD.

Mr. FOOTE asked and was given permission to extend his remarks in the Appendix of the RECORD and insert an editorial.

INCREASED AUTHORIZATION FOR COOPERATIVE FOREST-FIRE PROTECTION

Mr. SIKES. Mr. Speaker, I ask unanimous consent to insert my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, fire protection, a major public responsibility, is basic to successful long-range forest management. Farmers and other small owners, whose holdings comprise three-fourths of all private commercial forest land, are major beneficiaries of public protection.

Public fire protection on private and State-owned forest lands is administered under the well-established cooperative pattern of the Clarke-McNary law, whereby the State forester administers the activity with Federal financial aid up to 50 percent of the total cost. The present Federal authorization is limited to $9,000,000, the amount appropriated for fiscal year 1948. The program is deficient in two important respects:

First. Protection has not yet been established on hundreds of millions of acres that need it. It is in effect on 332,000,000 acres. During the calendar year 1946, approximately 16 percent of the unprotected area burned, as compared with less than 1 percent of the area under protection. Nearly three-fourths of the unprotected area is in the South, one of our most important forest regions.

Second. With the exception of a few States, the protection needs intensifying where it is already established.

In 1938 the cost of adequate protection for State and private forest lands was estimated at $18,729,000, not counting the amount needed for Federal supervision and inspection. Today the corresponding estimate is $40,662,000.

The major factor in this increase is the fact that it now takes much more money than it did 10 years ago to provide the same protection. In addition to inflationary increases in wage and salary rates and in equipment and other costs, State laws now require larger expenditures for retirement, accident insurance, unemployment compensation, and the like.

Also involved in the increase is the addition of 16,358,000 acres of watershed lands to the area in need of protection, bringing the total area to be protected up to 439,000,000 acres. Better information on what is needed in organization, training, supervision, equipment, and improvements has also led to some increase in the earlier estimates.

The Federal share of the present estimate would be $20,331,000 plus administration costs of about $553,000. Thus, $20,000,000, which might be reached by successive increases of $2,000,000 a year, would be a conservative limit to place on the Federal authorization.

For the present fiscal year, the 43 cooperating States and Hawaii are budgeting $18,250,000 of State and private money for forest-fire protection. Although they never spend the full amount

budgeted, the States could already match a major part of what ultimately might be called for. Past experience shows that increases in Federal funds stimulate increases in corresponding State appropriations.

CALL OF THE HOUSE

Mr. RIZLEY. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 20]

Abbitt	Gavin	Mitchell
Allen, Ill.	Gross	Morgan
Andrews, N. Y.	Hall,	Morrison
Bakewell	Leonard W.	Muhlenberg
Barden	Hart	Multer
Bell	Hartley	Murray, Wis.
Bland	Havenner	Norrell
Bloom	Heffernan	Norton
Bonner	Herter	O'Toole
Bryson	Hill	Owens
Buckley	Jenkins, Ohio	Patterson
Byrne, N. Y.	Johnson, Okla.	Pfeifer
Carroll	Jones, Wash	Phillips, Calif.
Case, S. Dak.	Kearney	Poage
Celler	Kee	Price, Fla.
Chiperfield	Kefauver	Rains
Clark	Kennedy	Ramey
Clippinger	Keogh	Rooney
Coudert	Klein	Sarbacher
Davis, Ga.	Lane	Sasscer
Davis, Tenn.	Lesinski	Scott,
Dawson, Ill.	Lichtenwalter	Hugh D. Jr.
Dawson, Utah	Ludlow	Simpson, Pa
Delaney	Lynch	Stigler
Devitt	McCormack	Stratton
Dingell	McCowen	Taylor
Dirksen	McCulloch	Thomas, N. J.
Domengeaux	McGarvey	Thompson
Dondero	McMahon	Towe
Douglas	Macy	Twyman
Eberharter	Manasso	Vail
Fernandez	Mansfield	Wadsworth
Fuller	Mathews	West
Gallagher	Merrow	Wilson, Ind.

The SPEAKER. Three hundred and twenty-seven Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that in the remarks I have made and will make in the Committee of the Whole today I may be permitted to include certain letters and extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1949

Mr. STEFAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5607, the State, Justice, Commerce, and Judiciary appropriation bill, 1949, with Mr. CURTIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 23 on page 52 of the bill and there was pending the amendment of the gentleman from Texas [Mr. WILSON].

Under the order of the Committee agreed to on yesterday, the gentleman from Texas [Mr. WILSON] is recognized for 5 minutes, after which the gentleman from Texas [Mr. LUCAS] will be recognized for 10 minutes.

Mr. STEFAN. That is satisfactory to the committee.

Mr. WILSON of Texas. Mr. Chairman, on yesterday I offered an amendment to cut $2,608,000 from the CAA appropriation and provide that no part of the whole appropriation should be used in developing Fort Worth International Airport. My good friend and colleague the gentleman from Texas [Mr. LUCAS], on the day before on this floor stated that Dallas was sore and did not want Fort Worth to have an airport. He knows this is not true. We do not care if Fort Worth builds 10 airports. As a matter of fact they have a municipal airport within 6 miles from downtown Fort Worth, the same distance as Love Field is from Dallas, and they can enlarge and develop that airport much more easily than they can build a new one.

What we object to in Dallas about this whole thing goes much deeper than petty jealousy. We think this whole matter will determine whether or not a Washington bureau is bigger than the Congress and whether or not a Washington bureau with Federal money, part of which was collected in Dallas, can connive and in an underhanded manner without even consulting Dallas and without giving Dallas an opportunity to be heard or to file a brief or to protest whether or not it can kick Dallas in the teeth, steal its airport when Dallas furnishes more than four-fifths of the traffic, both passengers, cargo, and air mail in the whole Fort Worth-Dallas area.

If the CAA and the air lines are permitted by this Congress to go through with this pernicious deal and wreck and ruin a $12,000,000 investment which Dallas has in Love Field, and we are forced to use Fort Worth International Airport at great inconvenience and great expense and great hazard, we will go farther to board a plane than any other city on the American or Braniff air line system except Detroit which is using Willow Run temporarily until they can build one closer in.

The postmaster of Dallas says that if this change is made it will cost the Post Office Department $54,000 additional per year to handle air mail.

I have voted three times for a tax cut and to override my own party's Presidential veto and I intend to do so again, but merely cutting taxes will not save the taxpayers' money. A tax cut must be coupled with a determined attempt to cut out useless governmental waste and extravagance such as represented by this expenditure.

To show you that our fight is getting some results, day before yesterday the CAA notified Dallas that the North Texas Airport's official name had been changed to Fort Worth International Airport and that it had been reduced from a class 6 airport to a class 5, equal with Love Field, but this does not cure the wrong but is merely an attempt on the part of the CAA to salve Dallas and to stop the fight on this appropriation.

Bear in mind that the regional office which decided to do this thing to Dallas and to Love Field is located in Fort Worth.

I am making no fight on the committee, because I think they have done a fine job on this whole bill with the exception of this appropriation, and I am sure they did not have the facts on it because only 10 days ago after the committee had closed the hearings and had had the hearings printed the CAA filed its airport plan that they intended to wreck Love Field and relegate it to an auxiliary airport.

We do not blame Forth Worth, and I do not blame my colleague the gentleman from Texas [Mr. LUCAS], but I do blame the CAA and the air lines when they make findings of fact not based upon the actual facts, and when they write conclusions of law that are not supported in any particular.

I ask that you vote with me to cut this appropriation out so that a fair hearing can be given both Fort Worth and Dallas and that whole area, and a fair, impartial decision reached.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Tennessee.

Mr. JENNINGS. How much will we save and reduce this proposed appropriation if the gentleman's amendment is adopted?

Mr. WILSON of Texas. Two million six hundred and eight thousand dollars for this year, and probably millions in the future, because they will be back here next year saying, "We have put in $2,608,000; we want $5,000,000 more."

Mr. JENNINGS. That is not hay, even in Texas.

Mr. WILSON of Texas. That is not hay anywhere.

If you vote this appropriation for the development of Midway Airport they will be back next year for $5,000,000 and they will claim then that it would be a loss to the Government because you have already $2,608,000 in the project and you cannot afford to quit. They are like the Fuller brush man. They want to get their foot in the door and they know that in doing so they have the sale made.

My colleague apologized because a frivolous matter was being discussed while more important matters could be discussed but I say I have no apology to make for demanding that Dallas not be discriminated against by a Federal bureau without an opportunity to be heard and to produce the facts.

If the CAA sought to emasculate the airport in your city and to discriminate

in favor of a neighboring city, I would not hesitate to vote against it and I would not hesitate to speak against it. Why did not the CAA put the National Airport that is so conveniently located to the city of Washington up around a halfway point between here and Baltimore? It is foolish in the extreme to allow the expenditure of this money when both Fort Worth and Dallas have airports that have been developed largely by local money and when Dallas recently voted a $5,000,000 bond issue for the development of Love Field and Red Bird Airports.

This is not a little local fight but this fight involves a philosophy of government and that is the right to be heard, the right to present the true facts and the right to have an honest and fair decision from an impartial judge and I might add that this is only the beginning of our fight if this discrimination is allowed to stand whereby the Dallas Airport, Love Field, will be emasculated and relegated to nonuse.

The large majority of citizens in Dallas, Highland Park, and University Park live east of the Trinity River and east of the downtown district. My own home in east Dallas will be 26 miles from the Fort Worth International Airport and I have landed a hundred times in airplanes on Love Field and I have also landed on Meacham Field at Fort Worth in American and Braniff airplanes and they are both good airfields, both being capable of development to meet any standard required by the CAA but do you think that I would wire my wife to meet me at the airport 26 miles away after dark when she would have to drive on a lonely country road that is already saturated with traffic, a two-lane highway? The answer is "No." I would have to pay $5 to ride to downtown Dallas in a taxicab and another $1 to get to my home.

The CAA has lost sight entirely of necessity and convenience, the yardstick by which other transportation facilities are measured by the Interstate Commerce Commission and by the various State commissions, and has sought by this expenditure to make it convenient for the air lines rather than the traveling public.

The engineer's report prepared by Fort Worth's own engineer, says that the Fort Worth International Airport will only serve for a few years and then another great airport will have to be built still farther away by the expenditure of millions of Federal dollars. Our engineers say that Love Field is ample in space and acreage for the developments for the next 20 or 15 years. The CAA found that Dallas only had 6 loading ramps and as a matter of fact we have 11. They found that we had 303,000 landings in 1946 and that we were overcrowded. The record shows 142,000 landings. These inflated figures gotten out of the thin air not based on fact nor upon the record are stated in their so-called justifications.

I ask that you and each of you aid a great city to maintain its airport that has been built primarily with local money even if we never get another Federal dollar because we are able to develop our own.

We care not how many airports Fort Worth may build and if they and the CAA do not try to ruin Love Field we care not how much Federal aid they get but as long as they seek to destroy our preeminence in the Southwest by the expenditure of a part of our own money, we are going to scream to high heaven and appeal to every fair-minded, conscientious citizen for fair dealing. I ask that you support this amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Texas [Mr. LUCAS] for 10 minutes.

Mr. LUCAS. Mr. Chairman, I repeat my apologies for such a matter as this coming on this floor. I am sorry that in such times as these we have to discuss municipal matters when we have such important matters, both national and international, to discuss and legislate upon. However, since this matter has been brought before us, it is incumbent upon me, representing Fort Worth, to answer the gentleman and give you some of the facts which my friend and colleague, the gentleman from Texas [Mr. WILSON] has failed to give you.

First, let me ask the chairman of the subcommittee, the gentleman from Nebraska [Mr. STEFAN] one question: Will the gentleman please tell us, from the plan which has been submitted to him by the CAA, the total amount of funds which are going to be spent within the next fiscal year on the Greater Fort Worth Airport.

Mr. STEFAN. We do not have it by that name, I will tell the gentleman from Texas. In the projected plan of the Civil Aeronautics Administration, the proposed plan for fiscal year 1949, if these funds are allowed in the bill, for Texas there are approximately 62 airports. I think Texas has more airports scheduled under this program than any other State in the Union. I think the total, including sponsored funds and Federal funds runs a little over $6,250,000.

Now, being specific in answering the gentleman from Texas, Greater Fort Worth International Airport sponsored funds for 1949 are $900,800.

Mr. LUCAS. That is about what Fort Worth herself will spend, is that right?

Mr. STEFAN. That is correct. The Federal Government proposes, for Greater Fort Worth International Airport $800,000 plus 25 percent of $201,600 in land. You know, the Federal Government, in allocating funds for airports, matches 50–50 on the development of land areas, but in the acquisition of lands the Federal Government shares 25 percent, so that 25 percent of this amount would be around $50,000, or a total of around $800,500.

Mr. LUCAS. Eight hundred thousand dollars is about all that is to be spent in the next fiscal year on the Fort Worth Airport. The amendment offered by my colleague from Texas reduces the appropriation by $2,608,000. That means, Mr. Chairman, that there is a general reduction of about $1,800,000 in this fund. That means, under the act which provides for a proportionate reduction and proportionate expenditure of these funds throughout the United States, that all districts in the United States will suffer to the extent of $1,800,000; is that not right, Mr. Chairman? This is under section 6 of the CAA Act.

Mr. STEFAN. I can give the gentleman what the Federal Government proposes to spend at Fort Worth during the fiscal year 1949.

Mr. LUCAS. That is all I want the gentleman to give me right now.

Mr. STEFAN. Can I help the gentleman by telling him how much we already have spent there? Five hundred and ninety-two thousand dollars. But owing to the law we passed in the Seventy-ninth Congress, May 13, 1946—the gentleman is reading from section 5 or 6?

Mr. LUCAS. Section 6 (a). I will answer it, Mr. Chairman. I thank the gentleman for the information he has given me.

This is no more than an attempt on the part of Dallas to prevent Fort Worth from having a modern airport. You should know the whole facts in this case. Going into the history of this matter, years ago, when aviation travel first became popular, both Fort Worth and Dallas naturally opened airports. Dallas was fortunate in her municipal airport, in that the Federal Government has expended large sums of money there. During the last war, for instance, Dallas received in benefits on Love Field, the Dallas municipal airport, over $5,000,000, while Fort Worth received during this last war only $64,000 on her airport. Dallas boasts of a magnificent airport, bought and paid for by the Federal Government on a 100-percent basis. Now Fort Worth wants to build an airport and pay for it on a 50–50 basis under the CAA program.

Just this morning the Dallas Morning News, my colleague's newspaper, arrived in Washington from Dallas, and it has this headline: "Airport wrangle ends in victory for Dallas."

Let me read what it says:

> Dallas has won the opening skirmish to keep Love Field as the premier airport of north Texas.
>
> Fort Worth's projected greater international airport (Midway) will become merely the principal airfield for that city.
>
> Original plans called for building the Midway Airport into the principal port for the Dallas-Fort Worth area, thus threatening to rob Dallas of the tremendous air-line operations at Love Field.
>
> The new plan does not contain any suggestion for joint use of Midway by Dallas and Fort Worth and does not propose removal of any air-line schedules from Love Field.

Why, then, Mr. Chairman, has this attack continued on this floor? Why, then, do they still insist upon reducing this appropriation and cutting Fort Worth out? I will tell you why. It is a typical attack by Dallas on Fort Worth. They do not want Fort Worth to get one red cent. That is true.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Minnesota.

Mr. MACKINNON. Is there any possibility of arriving at any compromise on this matter?

Mr. LUCAS. Of course, I cannot speak with authority for the people in Fort

Worth, but I think that one might assume that one cannot compromise with Dallas. Dallas would not want to compromise. Dallas has everything. Why should Dallas compromise? This amendment is the type of compromise she would offer. Compromise by cutting us out.

Our airport at Fort Worth will not accommodate four-motored planes. We did not have the benefit of Federal funds during the war to expand our airport, and so the CAA does not permit four-motored planes loaded to enter or leave the Fort Worth airport. Therefore it is necessary and essential that the city of Fort Worth build a larger airport. We wish to do it. We have made plans to do it. We have bought an airfield, which was used by the Army and Navy during the war for practice flights out east of Fort Worth, on which the Government spent $1,500,000. We are going to move out there and build our airport there, thus salvaging the Federal Government's $1,500,000 which has been spent there. We want to spend our own money on our airport, and we do not want Dallas telling us anything about where we shall build our airport. We did not tell Dallas anything about her airport. We have not called for hearings.

Let me tell you one other thing. I received yesterday morning a wire from the air-line pilots' chief in Texas reading as follows:

MARCH 4, 1948.

Hon. WINGATE LUCAS,
House Office Building,
Washington, D. C.:

Air-line pilots operating into Dallas and Fort Worth went on record in 1940 endorsing Greater Fort Worth Airport. Present airports now marginal. Both have runways not authorized for present operating equipment. Instrument-landing channels cannot be considered over safe terrain. I represent 140 pilots living in Fort Worth and Dallas. The pilots that operate the aircraft should be considered.

ROBERT J. RENTZ,
Chairman, Council.

Gentlemen, by voting for this amendment offered by the gentleman from Texas [Mr. WILSON] you will not only deprive Fort Worth of our right to build an airport of our own, but also deprive Fort Worth of the right to achieve an ambition which every city should be able to realize with her own tax funds. Fort Worth has voted a bond issue of $2,500,000 to build this airport. We want to build it. We do not want any opposition from Dallas. We did not offer any opposition to Dallas when she was building her airport. We think it comes with bad grace for Dallas to try to prevent us from building an airport, where we want to build it. By voting for this amendment, you will enlarge that monopoly of traffic which Dallas now has due to the great expenditure of Federal funds on the Dallas airport. You will be voting to overrule your committee, which has set this appropriation. You will be overruling the decisions of impartial engineers and administrators who have recommended this airfield, and you will be also disregarding the desires of the pilots who favor this proposed field, and you will be taking a long step toward logrolling on every airport plan that comes before this House. Gentlemen, I ask that the amendment be defeated.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope that the Representatives from Fort Worth and Dallas will not ask us to settle what is between them purely a domestic question.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. LUCAS. We are not asking the House to settle it, Mr. Chairman. We think it ought to be settled by an independent agency which was set up by this Congress and delegated with authority to determine such matters.

Mr. WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. We will now hear from Dallas.

Mr. WILSON of Texas. Mr. KNUTSON, do you believe in settling this airport squabble between Dallas and Fort Worth where the CAA proposes in their recommendations and in their justifications, that all air line movements shall be moved to the central airport where both cities have real airports and on which the Government has spent money? Do you think that now when material is high and when labor is high and when we have many thousands of obligations today in this country that it is the right thing to do in connection with your tax cut to throw away $2,608,000 which the gentleman from New York [Mr. ROONEY] told me was in that bill as reported to the House and when we find in the CAA $2,608,088 to be contributed by the Federal Government and $2,040,000 at Fort Worth. I do not know where the chairman gets his information, but that is what we found in the records at the CAA, and that is what we propose to cut off.

Mr. KNUTSON. I wonder if we could not compose the differences between the two great cities by eliminating both items.

Mr. WILSON of Texas. I will agree to that. Eliminate the Federal money from both. I agree that we will cut off all Federal money to both airports.

Mr. KNUTSON. My purpose in taking the floor was to see if I could not possibly bring back amicable relations between the two able Representatives from Texas.

Mr. WILSON of Texas. Will the gentleman yield further?

Mr. KNUTSON. I yield.

Mr. WILSON of Texas. There is no ill feeling between the gentleman from Texas [Mr. LUCAS] and I. Fort Worth and Dallas have been squabbling about this thing for 6 or 7 years. The air lines went out and tried to gain advantage, and bought 638 acres of land in order to put this airport in. Our engineers say they do not have enough ground. There is the Trinity River on one end of it, a State highway on the other end, and a railroad on the other side, and they cannot build a real airport there.

Mr. KNUTSON. We should impeach the engineers that laid it out.

Mr. LUCAS. Will the gentleman yield?

Mr. KNUTSON. We will now hear from Fort Worth.

Mr. LUCAS. I think we should be allowed to determine where our airport should be although we appreciate the interest of the citizens of Dallas in telling us that that is not the proper place for it. We are spending our own money and I think ought to decide where we should spent it on our airport.

Mr. WILSON of Texas. Will the gentleman yield again?

Mr. KNUTSON. I yield.

Mr. WILSON of Texas. I ask you, and I want to say that I am trying to help you save the taxpayers some money and I have been doing it. I say that if both cities have an airport already, most of which is the investment of public money—Dallas recently voted a $5,000,000 bond issue to complete the development of Love Field, and to run a landing strip 10,000 feet, if necessary; we own the property, we already have 1,280 acres, 1,030 already bought and 250 under option. Now do you think it is fair for the Federal Government to step in when Dallas furnishes 83 to 85 percent of all the traffic and 85 to 90 of all the cargo that goes into the whole Dallas-Fort Worth area, and when Dallas receives and sends out more air mail than Houston, San Antonio, and Fort Worth combined, do you think it is fair to wreck Love Field and build a new one at Government expense?

Mr. KNUTSON. Mr. Chairman——

Mr. LUCAS. Will the gentleman yield?

Mr. KNUTSON. I cannot yield further.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. KNUTSON] has expired.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. How far is Missouri from Fort Worth and Dallas?

Mr. SHORT. I never thought we would have two more distinguished and able gentlemen from Fort Worth and Dallas than Fritz Lanham and Judge Sumners, I am thoroughly convinced that we have two worthy successors here today.

Mr. KNUTSON. Mr. Chairman, my purpose in taking the floor was in the hope that I might pour a little balm of Gilead on this situation, but it appears that I have embroiled myself in a municipal development fight, and of course that presents a hopeless situation.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Very briefly.

Mr. JUDD. I am sure the gentleman feels quite at home in this kind of an argument. It is almost like the old days between Minneapolis and St. Paul but fortunately we have not had anything like that now for some time.

Mr. KNUTSON. I am thoroughly familiar with the way the two gentlemen from Texas feel. It was for the purpose of relieving their feelings I took the floor,

but I see I have failed miserably and I yield back the balance of my time.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us get back to the meat in the coconut. This amendment proposed by the gentleman from Texas [Mr. WILSON] will cut from this bill $2,608,000. I have enjoyed this friendly verbal bout, blow by blow, between these two good friends of mine from the State of Texas. "I could be happy with either were the other dear charmer away." It seems that the cause of this animated discussion and understandable rivalry between these two thriving cities of that great State grows out of the fact that the Representatives from Dallas and—what is that town next to Dallas?

Mr. WILSON of Texas. The gentleman means Fort Worth?

Mr. JENNINGS. Fort Worth. The real bone of contention is that there is watchful clashing of interests between the two cities.

Mr. WILSON of Texas. That little town?

Mr. LUCAS. Mr. Speaker, I demand that those words be taken down.

Mr. WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. It appears now that my good friend from Fort Worth is laboring under the impression that Dallas received more Federal funds than Fort Worth during the war period; and he takes the position that Congress ought to even the matter up, that Congress should state an account and see how much Fort Worth is behind Dallas in the receipt of Federal funds during the lavish expenditure of the last World War.

This amendment should be adopted on the ground of economy. We had an economical man in my town who practiced the economy he preached. He said that economy is doing without the things you are "obleeged" to have. Dallas has a model airport. It is big and they are going to make it bigger. Certainly the gentleman from Fort Worth would not admit for a single second that Fort Worth has a second-class airport. She has got a good airport. The inclusion of $2,608,000 in this bill is a proposal to build a third airport. Why not save this $2,608,000? We have had an entertainment that you could not get anywhere in any show house in the United States for any sum of money. Having been entertained, edified, if not informed, let us save this $2,608,000 and keep it in the pockets of our people. Later, should it develop that Fort Worth needs an additional airport, I would be willing to make a contribution to it, but why build a third airport when they have two? In addition, the airplane has eliminated distance, telescoped it, so to speak. One of these two rival cities of the plains, within 34 miles of each other and an airport at the edge of each, now proposes to build another at the expense of the taxpayers of this country of $2,608,000. Let us join with our fine colleague from Dallas, Tex., in practicing economy to the extent of $2,608,000.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the Aviation Policy Board has just finished a very difficult and long labor in order to bring a certain degree of guidance, if possible, to the Congress and to the Government in aviation matters.

It is quite obvious to us that it is necessary to provide ways and means of employing a great many more aircraft in civil undertakings than are now being employed. The reason for that is that aircraft employed in civil undertakings become auxiliaries in national defense; hence it is not necessary for the Government armed services to purchase aircraft and hold them in readiness for time of need in quantities that otherwise would be required.

We hope that the number of aircraft in the air in commercial undertakings may be quadrupled and quintupled and more in the next few years, and that they may be used and useful in the public service. We believe also that the number of airports required to serve the people in order that these aircraft may be utilized in the public service will be greater than the number now employed.

Mr. Chairman, insofar as this particular controversy is concerned, it is quite probable that in the course of the next century at least the cities of Dallas and Fort Worth will grow so greatly they will merge together and perhaps become one city. It is more economical that they have an airport between them than one on either side of these two cities; therefore, so far as this proposal is concerned, if that airport can be developed in such a place that it will serve not only Fort Worth but the west side of Dallas, that another airport may be used for Dallas, and still another airport may be used for Fort Worth, I do not think will result in there being too many. Already in the New York area we find it necessary to have six or seven airports in order to handle the traffic.

The bottleneck is airports. We need more runways and more facilities to provide for this additional traffic that must be developed for the air auxiliary of our national defense. If the Civil Aeronautics Administration has recommended this additional airport it has no doubt been approved by the Air Coordinating Committee and the military sides of our Government.

Mr. Chairman, in my opinion, regardless of the controversy between these two gentlemen, the other airport should be built.

Mr. BUSBEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to clear up one question between the two gentlemen from Texas. May I ask the gentleman from Texas [Mr. LUCAS] whether in the survey of possible locations for this new airport some other location could have been selected that might not have brought about this controversy with the people of Dallas?

Mr. LUCAS. First, let me say to the gentleman that there is no controversy between Fort Worth and Dallas. This is an attack by Dallas upon Fort Worth. Secondly, I will answer the gentleman's question by stating that there are other sites, and we have plains in all directions from Fort Worth. The Army and Navy have spent $1,500,000 on an airport between the two cities. Dallas has not chosen to develop it. Fort Worth needs an airport where four-motor planes may come in. We do not have such an airport now. So we had this opportunity to salvage that field which the Army and Navy have been using during the war and on which the Government has spent $1,500,000. We felt it was an economy measure to use a field which is already there.

Mr. BUSBEY. What is the distance from the proposed airport to Dallas and from the proposed airport to Fort Worth?

Mr. LUCAS. It is closer to Fort Worth than it is to Dallas.

Mr. BUSBEY. What is the approximate distance from each?

Mr. LUCAS. I think it is approximately 17 miles from Fort Worth and about 18 miles from Dallas.

Mr. BUSBEY. Would the gentleman from Dallas [Mr. WILSON] agree to that?

Mr. LUCAS. I do not know the exact figure.

Mr. WILSON of Texas. We claim it is 19.5 miles from downtown Dallas where the two main hotels are and 17.8 miles from the main hotels of downtown Fort Worth. But we claim also that the main part of Dallas is built east. I live 5 miles east, out toward White Rock Lake. The airport is 25 miles from my home, whereas Love Field is about 3 or 4 miles, and it is along a two-lane highway.

Mr. BUSBEY. If this new airport were permitted to remain in the bill, would that have any effect on Love Field over in Dallas?

Mr. WILSON of Texas. They say they are going to make a feeder airport out of both Meacham Field and Love Field.

Mr. BUSBEY. Just what do you mean by feeder airport?

Mr. WILSON of Texas. An auxiliary feeder airport. What that means to us is they are going to destroy Love Field and relegate it to a very small position and take us away from preeminence in air transportation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Chairman, I have great affection for the gentleman from Fort Worth and the gentleman from Dallas. I have visited both of these beautiful cities and all of the airports in that vicinity. I know how both of these gentlemen feel, but we are dealing not only with two airports here today; we are dealing with thousands of airports that are being sought by communities in every State of the Union.

I am very glad to have this Federal airport program brought up in debate in the way it has been brought up. It is a healthy thing; very healthy, because of the great importance of the Federal

airport program and its relationship not only to our economy and its relationship to the ever-expanding and ever-growing infant industry, air transportation, but mainly because of its great importance to national defense. So far as your committee is concerned, it takes no part in any local controversy. This, apparently, is a jurisdictional and administrative matter. However, I feel it is my duty, as chairman of this committee, to say something about airports and the Airport Act itself. You will recall—and I recommend your perusal of it—the Federal Airport Act of the Seventy-ninth Congress, passed May 13, 1946, Public Law 377. It authorizes the expenditure of $500,000,000 of Federal funds, to be matched by local funds over a period of years, in order to provide our country with a national network system of airports, for the promotion and development of air routes, of commercial airports for standard air transportation. The system, I assure you, has been carefully set up. No airport is selected, as I understand it, without the advice and consent of the Army and the Navy and all concerned, so far as aviation goes.

Mr. JENNINGS. Mr. Chairman, if the gentleman will yield, is there not a danger of collision between aircraft if you have three airports within a radius of 30 miles of each other?

Mr. STEFAN. Will the gentleman wait until I finish my statement, and then perhaps he will be enlightened on aviation. I say, we authorized an expenditure of $500,000,000, to be matched by the various States and municipalities over a period of years, to provide this Nation with standard networks of airports, plus Federal airways, of which there are over 40,000 miles, representing a Federal investment of over $100,000,000.

Now, this act provides for carefully planned airport classification standards, and I want to repeat now, before any location is finally decided upon, it is screened, approved by both the Army and the Navy, and as near as I can figure or as near as I can understand, the selection must have the approval of all services to make these airports or convert them at a time of emergency.

My purpose now is to merely explain how far we have gone in the present civilian airport program. In 1947 fiscal year we appropriated $45,000,000 toward the program and for fiscal year 1948 we appropriated $32,500,000, making a total of $77,500,000 which was merged together in fiscal year 1948.

Many of you will remember the plan of the former Administrator, Mr. Charles Stanton, who is in South America today working on improvements in airports and aviation. His plan was to increase our airports from approximately 3,000 to 6,000. I believe the basis of that plan is the heart of the present plan. It has been reorganized and reorganized and revamped time and time again.

However, there does develop from time to time considerable controversy in the various localities, such as the one with which we are confronted at this time. More emphasis seems to be placed on larger airports. I know how you feel about airports, and I know how badly you felt after the war to find many, many Army and Navy airports declared surplus. I know how you feel about the waste of the people's money on those airports. But you also must admit and agree with me that aviation made a great contribution to the winning of the war. War itself is wasteful. We wasted hundreds of millions of dollars in the construction of principal airports and auxiliary airports, which today are lying idle far away from any community which can afford to operate them. Yes, war is wasteful. How wasteful this last war was in casualties, 1,200,000 or more, four or five hundred thousand of which were fatalities.

Today aviation is so important that representatives of every country in the world are searching for new ideas in aviation. Today supersonic weapons, atomic weapons, are being searched for—and very successfully searched for—by representatives the world over. We are flying today 30,000 feet above the ground, at a rate of 500 to 600 miles an hour, in airplanes of a size of which we never dreamed about years ago, and we are successfully flying them. Many of the airports included in this plan today are dovetailed into the plan for the defense of your country and mine should an emergency arise tomorrow.

Civilian airports are not profitable. I do not know of many airports in the United States that pay a profit. I am told that perhaps Burbank, Calif., pays a little profit. I am told that perhaps the airport at Detroit, Mich., pays a profit. There is only one commercial airport in the entire United States that is operated by the Government of the United States, and that is located in the District of Columbia, and you are making appropriations for it in this bill. It does not pay a profit. So when you go into the construction of airports in your community do not expect to make a profit on the operation of the airports. The maintenance and the cost of construction are too large for the communities of today to undertake. Therefore, we must subsidize commercial air lines and civilian commercial airports.

The present bill before you carries a fund of $40,000,000 for the Federal airport program, of which $37,000,000 is in contractual authorization, and $3,000,000 are in cash for administrative purposes.

Of the funds appropriated, 25 percent are set aside as discretionary funds and used at the discretion of the Administrator, but the entire total is matched by the various States, localities and communities desiring to participate in the program.

The Federal Government matches 50 percent of the cost of development of landing areas, 50 percent for engineering costs and supervision, and 50 percent on administration buildings and purely functional construction. The Federal Government participates only to the extent of 25 percent in the purchase of land.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Wyoming.

Mr. BARRETT. My State is deeply interested in this appropriation. I commend the chairman of the committee for his work on this bill. I am wholly in accord with the provision for the appropriations for airports. As the gentleman well knows I have consistently supported appropriations for the construction of airports under the provisions of law calling for substantial contributions from local sponsors. Now I have been informed that England used about $100,000,000 of the British loan to build up a huge airport project in southern Europe. That represents an investment of two and a half times the amount involved here for airports.

Mr. STEFAN. If the gentleman will permit me to say so, that is an old sore with those of us who have been studying international aviation. However, to enlighten the gentleman it is my information, although I cannot talk regarding this with too much official information, it is my understanding that the loan we made to Great Britain of around $100,000,000 was used for aviation or for putting into operation an air line which is in competition with our own air line. On the one hand, a British air line in which there has been invested approximately $100,000,000 is losing approximately $40,000,000 a year and is competing with an American air line which is making a profit. Now take that for whatever it is worth, but that is an international matter. Let us talk about something nearer home.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska [Mr. STEFAN] may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. BARRETT. Is it the idea of the gentleman from Nebraska that we are going to continue taking $100,000,000 out of one pocket and give it to England to build up competing air lines and airports, and then at the same time restrict appropriations so as to hold down the development of our own airports.

Mr. STEFAN. I thank the gentleman for his contribution. If you will read the report of the Congressional Air Policy Board, you will find that some recognition has been taken regarding that matter. The report is available to you as well as to other Members.

Mr. Chairman, I will not take up much more time. Very few people know what it means to build an airport. They do not realize the tremendous amount of work in the construction and development of landing areas. There is new equipment like the GCA, that is the ground-control approach, the installation for instrument landing, the ILS, radar, and many other new things in radio, techniology, scientific discovery, and so forth, which we are now placing in airports in order to make travel by air as safe as it can be.

The details in launching upon this gigantic program are tremendous and the start in launching the program has been necessarily slow because of the voluminous detail of work, conferences, inspections, and financial arrangements locally and between the sponsors and the Federal Government. The result is that a very small amount of the original funds appropriated have been actually spent, but the records show that many of the details and obstacles have been overcome and a considerable portion of the money should be in the hands of many of the localities during the present and early part of the next fiscal year, which begins on July 1, 1948. Members of the committee have a list of the towns and communities suggested by the Administration for the proposed program in 1949. Due perhaps to the reason that the Administrator is continually negotiating the list of proposed construction projects may be subject to change.

Some of the members of your committee have visited many of the airports in our country in order to get a better picture as to how your funds are being expended. We know something about both the Fort Worth and Dallas airports. So far as I personally am concerned, both are very important airports, and I am told by the CAA that both cities need an airport because of the heavy air traffic enjoyed by both communities.

My many years of studies of airports and airport maintenance indicates that as of today there is not more than one of the thousands of airports in the United States which is operating at a profit. That will also include the Washington, D. C., National Airport, which is the only commercial airport that is operated by the United States Government. The commercial air lines today are operating under a deficit program. Subsidies are necessary to keep them going. The entire airport and aviation picture in our country is a pathetic one. However, the industry is so important to our economy and national defense that two committees or boards were recently set up, one by the Congress and one by the President, to study the entire picture and suggest some policies. Two important reports have been issued and are available to every Member of the Congress. I suggest a reading of the reports of the President's Air Policy Commission and the report of the Congressional Air Policy Board.

Mr. CRAWFORD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have no idea what will happen to this amendment, but I do have great respect for the taxpayers and bondholders of my district. I have a lot of respect for the gentleman from Fort Worth and the gentleman from Dallas. It was my privilege within the last 15 to 25 days to visit both of these airfields, and I have a little knowledge of the capital structures and industrial and agricultural structures that surround those two great cities of the Southwest.

If this Congress, and I mean the group that is now in the House and in the other body, is going to cut expenses and keep our pledge to the people of this country, I am convinced we are going to have to deal with small chickenfeed, because it is the small chickenfeed that sums up into these billions that we talk about cutting.

Here in my opinion, based upon personal observation and the arguments made, is a chance for us to eliminate $2,600,000 from this appropriation bill without hurting anybody, and give us a chance to show a little respect for the people in this country who in the coming fiscal year are requested to put into the tax box over $47,000,000,000 against a little over $5,100,000,000 put into the tax box in the prewar peacetime year 1939.

I am going to vote for this amendment and for every amendment where I am convinced the appropriation can be cut without seriously interfering with the progress of the people of the United States. That is the message I wanted to present this morning.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. STEFAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. WILSON].

The question was taken; and on a division (demanded by Mr. LUCAS) there were—ayes 72, noes 31.

Mr. LUCAS. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. LUCAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCAS: On page 52 line 23, strike out the period and add the following: "*Provided further*, That no part of the appropriation herein made shall be expended at Love Field, in Dallas County, Texas."

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. LUCAS. Mr. Chairman, is it not fair? The Members have spoken for economy. I admire their vote and respect it. If the Members believe in economy then they are going to stay with this amendment because they are not going to believe that Dallas ought to have its cake and eat it too. It is only fair, Mr. Chairman, that all appropriations in this act providing for expenditure of Federal funds be on equitable basis. You have cut off Forth Worth. It is only fair that you stand by my amendment; and I think you will in view of your expressed vote for economy.

I ask a vote in favor of the amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, it is not my purpose to get into this Texas family fight, even though I think both these gentlemen are justified in airing their views here today.

Somebody said that Dallas and Fort Worth had three airports between them. If that is the case, that is concentrating the airways a little too closely. In that event, I am going to call for a few funds to be spent on air progress up my way.

The fact that sectional topics seem to have been in order on this floor recently, and because we are talking about aeronautics in this bill, I am going to do some lobbying for my section.

In case you do not identify their names when I mention the Triple Cities, let me say I represent the great metropolitan area of Binghamton, Johnson City, and Endicott, which comprises the sixth largest industrial center in the greatest industrial State of the Union. We are located just halfway between New York City and Buffalo in what is known as the southern tier of up-State New York.

Last year, the Broome County Board of Supervisors authorized a large bond issue to build the Mount Ettrick Airport, a location north of Johnson City and the best site for miles around. Much public interest is evident, but ultimate success of the whole venture is predicated upon the extent of financial cooperation we can obtain from Washington.

As I realize economy seems to be the theme where domestic affairs are concerned, I will not at this time, take any legislative action to ask the House to appropriate funds to construct the Mount Ettrick Airport.

I am bringing this to the attention of Congress today, however, because I believe the Federal Government ought to assume a substantial share of such expense, so that the burden of taxation will fall just as lightly as possible upon our local citizens.

If Texas and Michigan and California can have airports, New York State certainly should come in for her share and the Mount Ettrick project is geographically and logically placed so as to be almost halfway between two great North American capitals, Toronto, Canada, and our own Washington, D. C.

In fact, I would call the Mount Ettrick site the natural air oasis for the bulk of sky commerce going north or south to the friendly capitals I have mentioned.

Locally, it is of the utmost importance to assure Broome County an adequate airport, especially for the sake of our expanding industries which employ 20,000 Endicott Johnson shoe workers, 10,000 International Business Machines people, 8,000 Ansco men and women, as well as other thousands of endeavors of diverse manufacturing lines.

Here is an airport in its embryonic stage which could be responsible for making the whole southern tier the industrial center of the State. It would also bring the country within easy reach of our superior quality goods such as shoes, business machines, cameras, and film which we make in our valley of opportunity.

So while the other sections of the land cry for allocations, we in the triple cities and Broome County deserve fair and equal consideration to help us build the Mount Ettrick airport, and bring New York's southern tier closer to all corners of America for the general benefit of everybody concerned.

Again, I say, we should distribute the airports equitably around the United States and I can think of no center of population more needful of such action

than the patriotic locality it is my honor and privilege to represent.

Mr. STEFAN. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. WILSON].

Mr. WILSON of Texas. Mr. Chairman, I am not going to oppose this amendment.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Nebraska.

Mr. STEFAN. Mr. Chairman, I think we better have the pending amendment read again.

The CHAIRMAN. Without objection, the Clerk will reread the amendment.

There was no objection.

The Clerk reread the pending Lucas amendment.

Mr. STEFAN. May I ask the gentleman, does that include the operation-control tower? Do you have a control tower there?

Mr. WILSON of Texas. Yes; we have a control tower, and we have as many employees down there as the four largest in the country, including LaGuardia, Chicago, and National Airport here. I am not going to agree to eliminate funds for the control tower. I said I was not going to oppose the amendment. I asked the chairman how much money Love Field will have; he looked it up and said $25,000 for lighting of runways.

Mr. STEFAN. That is in the airport program, but there is another item, I think, for Dallas which continues the operation of the control towers at the expense of the Government. I do not know exactly what there is there. I assume you have three crews.

Mr. WILSON of Texas. We have a 24-hour operation.

Mr. STEFAN. There are $42,000 and $35,000 and I believe the amendment ties both of them together.

Mr. WILSON of Texas. If the amendment seeks to cut out our control tower, I am against it. There is $25,000 for Love Field. I do not think there is anything in there for Meacham Field because Fort Worth was intending to abandon it anyway.

This is purely a safety measure, including lighting of the runways. That is one of my arguments; that is, the CAA ought to spend its time building and instituting radar equipment and other safety devices to keep these four-motored planes from falling and burning up.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Do I understand that the gentleman from Texas [Mr. LUCAS], who offered this amendment, wants to cut out the funds for the operation of these airports? I would like to have the gentleman ask him. I do not think he means that, although his amendment, apparently, does that very thing. Does he want to stop the operation of these airports down there?

Mr. WILSON of Texas. Does the gentleman mean the towers?

Mr. HOFFMAN. Yes; on the ones that exist. I do not think he does.

Mr. WILSON of Texas. The gentleman from Texas [Mr. LUCAS] and I have no ill feeling about this matter. We came here and presented our two sides of the case.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Nebraska.

Mr. STEFAN. As I understand the amendment, no part of this amendment would have anything to do with control-tower funds.

Mr. WILSON of Texas. Is there any question about it? Does the gentleman think there is any question that this amendment does not touch the operation of the control towers?

Mr. STEFAN. I suggest the gentleman ask the Chair for a ruling on that, and then he will be sure.

Mr. WILSON of Texas. I will ask the Chairman for a ruling as to whether or not this amendment would cut out of this appropriation the control-tower money that goes to two or three hundred major airports over the country.

Mr. STEFAN. I may be of some assistance to the Chair by pointing out page 47 under the heading "Civil Aeronautics Administration."

The CHAIRMAN. The Chair will state to the gentleman from Texas that it is the opinion of the Chair that this does not raise a matter that can be determined by the Chair. Having read the amendment and examined the question raised, the Chair declines to make a ruling on it.

Mr. WILSON of Texas. Mr. Chairman, then for that reason and that reason only—because I believe in economy; I have tried to vote for economy while I have been here, and it is not just a little measly fight between Dallas and Fort Worth—if there is any doubt about whether or not the money in this bill is going to cut out the operation of the control towers, I could not stand here and let an amendment like that go through without some protest. There is only $25,000 set up for lighting the runways, and really every runway of every major and little airport in the Nation should be lighted, and they should have radar equipment and other equipment for the safety of the passengers and pilots during the night and daytime. For that reason I cannot, of course, agree that this amendment be adopted, and I urge you to defeat this amendment, because it only involves $25,000, and it is on Love Field. I would certainly offer no amendment to cut out any money for Meacham Field, because I believe Meacham Field needs some development, and I think probably Love Field needs some development also. I have landed on all these fields except Midway. It has a gravel runway, and it has never been used except for training purposes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Missouri.

Mr. SHORT. There is an old saying that fools walk in where angels fear to tread. I wish to say that my brother was a colonel in the Eighth Army Air Force in England for 2 years. He spent 2 years in Dallas. He has never spoken or written a word to me, but I know that this additional fund is necessary in order to keep that field as it is today. I want to compliment the gentleman from Texas for the splendid battle that he put up here. As I have tried to say earlier today, the gentleman who succeeded Fritz Lanham is a worthy opponent, but I think this amendment is offered more in spite than anything else.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. LUCAS].

The amendment was rejected.

The Clerk read as follows:

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Departmental salaries and expenses: For personal services and other necessary expenses of the Bureau of Foreign and Domestic Commerce at the seat of government, including the purchase of commercial and trade reports, and not to exceed $50,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $5,300,000, of which $190,000 shall be transferred to the appropriation "Salaries and expenses" under the Office of the Secretary: *Provided*, That expenses, except printing and binding, of field studies or surveys conducted by departmental personnel of the Bureau shall be payable from the amount herein appropriated: *Provided further*, That $25,000 shall be available exclusively to carry out a study of hard fibers and hard-fiber products.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise for the purpose of making a slight correction in the RECORD of yesterday. On page 2166 of the RECORD the gentleman from Nebraska [Mr. STEFAN], in arguing against the proposal to increase the current census statistics appropriation, stated as follows:

Presently many forms of current statistics are being gathered by private institutions. For instance, the Metropolitan Life Insurance Co. indicates that the population of the Pacific coast area has increased more than 40 percent in the past 7 years. Other companies and organizations are gathering current statistics.

I hold in my hand the statistical bulletin of the Metropolitan Life Insurance Co. of January 1, 1948. In that bulletin on page 9 is a table which shows there has been an increase of more than 40 percent in the past 7 years in the population of the Pacific coast area. At the bottom of that table, however, there is a note which reads as follows:

Based on provisional estimates by the Bureau of the Census of the population of the United States on July 1, 1947, including armed forces overseas.

This illustrates the fundamental importance of census statistics, which are the basis for virtually all important statistical information published by private agencies. Without census information the country would be deprived of a great part of its basic knowledge.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Nebraska.

Mr. STEFAN. May I say that I was reading from a newspaper article quoting the Metropolitan Life Insurance Co. I shall place that article in the RECORD. I am very happy the gentleman has brought this matter up. I certainly would not want a misstatement to go into the RECORD.

Mr. GARY. I did it just for that purpose, Mr. Chairman. I am certainly not attempting to contradict the chairman of my committee. I am absolutely certain that under no circumstances would he mislead the House. I simply wanted to get the record straight.

Mr. STEFAN. The newspaper article to which I referred is as follows:

WESTWARD MIGRATION

The 1950 census of the United States is bound to show many changes in the placement of people. A recent check sponsored by the Metropolitan Life Insurance Co. indicates that the population of the Pacific coast area has increased more than 40 percent in the past 7 years. This represents about four and a half times the gain reported in other portions of the country. Depression prompted much of the movement westward; the war accounted for most of the rest.

Probably a majority of the new residents of California, Oregon, and Washington will remain there. At least no important trend to the East has been noted to date. In other words, the losses sustained by the Atlantic seaboard and the middle States must be regarded as permanent. New England especially has felt the disappearance of many of its younger men and women. The figures tabulated in Maine, Vermont, New Hampshire, and western Massachusetts in the next census may be startling. Metropolitan Boston, the industrial cities of Connecticut, and little Rhode Island doubtless will be discovered to have advanced, but other portions of the northeast corner of the Nation have fallen behind.

Of course, there is little new or novel about shifts in population in a westwardly direction. Long before Horace Greeley, in 1850, pointed out the advantages of growing up with the sunset half of the continent hundreds of families and thousands of individuals, acting independently, had started toward the Mississippi, the Rockies, and the gold fields of the Sierras. Some did not go very far. Their descendants are scattered over northern New York, Ohio, Indiana, Michigan, Illinois, and Wisconsin. Intermarried with German, Scandinavian, Dutch, Irish, and Scottish stock, they have put nearly a century of their labor into the processing of the Great Central Plains from the Canadian border to St. Louis.

Prosperity prompted whole colonies of those erstwhile New Englanders to move to California. It is possible to find large groups from Iowa in the suburbs of Los Angeles, transplanted wholesale, happy in their new environment, but not at all ashamed of the places from which they came. Their children make almost automatic adjustments. Meanwhile, in Texas, Oklahoma, New Mexico, and Arizona the spreading out of towns like Dallas, Tulsa, Albuquerque, and Phoenix suggests that the 1950 census will disclose a tremendous acceleration of population increase in the Southwest. Economic progress on this frontier has been stimulated by irrigation, improvement in communications and transportation, and the promotion of new industries of a local character yet of national significance.

Mr. PLOESER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PLOESER: On page 56, after line 5, insert the following paragraph:

"Technical and scientific services: For necessary expenses in the performance of activities and services relating to the collection, compilation, and dissemination of technological information as an aid to business in the development of foreign and domestic commerce, including personal services in the District of Columbia; not to exceed $25,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and not to exceed $50,000 for printing and binding, $520,000, of which $20,000 shall be transferred to the appropriation 'Salaries and expenses' under the Office of the Secretary: *Provided*, That the Secretary is authorized, upon request of any public or private organization or individual, to reproduce by appropriate process, independently or through any other agency of the Government, any scientific or technical report, document, or descriptive material, foreign or domestic, which has been released for public dissemination, and to sell such reproductions at a price not less than the estimated total cost of reproducing and disseminating same as may be determined by the Secretary, the moneys received from such sale to be deposited in a special account in the Treasury, such account to be available for reimbursing any appropriation which may have borne the expense of such reproduction and dissemination and making refunds to organizations and individuals when entitled thereto."

Mr. STEFAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, before speaking directly to the amendment which I have offered and which applies on page 56, line 5, I want to say something in behalf of the committee which has handled this bill. I think they have done an exceptionally good over-all job. While I may disagree with one or two portions of the bill, that certainly is no discredit to the exceptionally fine job that this committee has done. The interest to which I intend to speak today is that interest which helps to keep the free-enterprise system alive and in particular to encourage small enterprise. I want to say in that regard that the chairman, the gentleman from Nebraska [Mr. STEFAN], has certainly demonstrated his very sincere interest in small business when, in that portion of the bill which deals with the Department of Justice, they not only did not allow the Budget Bureau cuts on the anti-monopoly and trust provision, but instead restored the request made to the Budget Bureau. That is quite different from the custom in government. All of us over the years have heard a lot of lip service for small business and against monopoly. We heard it in the Presidential message this year when the President called for increased appropriations and for broadening of the law. The testimony as found in these hearings shows that even the Department of Justice feels that the law is sufficient and that what they need is adequate funds. Despite the Presidential message calling for increased appropriations, the President's own office, the Bureau of the Budget, cut the request of the Justice Department instead of increasing it, a demonstration of insincerity. This committee, in its wisdom and in its sincere interest in small and independent business, restored the cut and put it back to the original amount requested by the Department of Justice. There is not a great difference in dollars, but in principle there is a tremendous difference, and it is demonstrative of a sincere interest of the chairman of this committee and the committee members. I compliment them for what they have done. They deserve a tremendous amount of credit. The amendment I have offered is to the section of the bill which applies to the Department of Commerce and in particular to the Office of Technical Services, an office which was set up back in 1945 by Executive order. I am going to try to describe to the committee the service performed by that Office and then I want to say at the outset that after reading these hearings, you can see why the committee was probably justified in not giving any more consideration to the inclusion of this amount than it did. The hearings are weak despite the fact that I feel this office is doing a fine technical job. Obviously they have poor salesmen when they come to Capitol Hill, because they have not adequately described the job they are doing or the necessity of that job to our free competitive economy.

Mr. Chairman, the amendment may be subject to a point of order. It may be that a point of order does lie against the amendment. I am inclined to believe where the amendment has been applied in the bill that the authority granted in the law to the Secretary of the Department is sufficiently broad, but it is not for me to make that decision. The Office of Technical Development, as I said, was set up by Executive order during the war to be a place to pool technical information growing out of the war and in subsequent periods. To this Office has gone all of the material that we got in the conquered nations. There are tons of scientific data accumulated and gathered in Germany and Japan. Tons of it are still in bundle form and have not yet been analyzed, charted, or cataloged so that industry in America can get the benefit of them.

The functions of the Office are, first, digests, abstracts, research, and development reports of the United States Government, particularly the armed services, and captured technical documents of German and Japanese origin.

Second. It organizes and catalogs material for reference of business.

I think something ought to be said here. If this was an agricultural appropriation or a labor appropriation, most every Member of this Congress would feel very badly if it were being excluded; but here is business, equally the lifeblood of the Nation, affecting 3,700,000 enterprises in this Nation, paying for this service—not wholly; it has not become self-sufficient yet, but, according

to the figures I have before me, we estimate for this year $520,000 in the appropriation request here, it would make a net cost to the Government of $60,000, or a little more, because it is safely estimated that business will contribute about $460,000 in the coming year. It is the lifeblood of the Nation, a technological pool where we disseminate and make available to business this technical information.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. SHORT. Does not my colleague feel that in this age of scientific research, technological development, there is no money we can invest that will produce greater dividends than this particular thing that my colleague is now talking about?

Mr. PLOESER. I certainly agree; and I am going to talk a little more on that point as I go along.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. O'HARA. Does any of this money covered in the amendment the gentleman has offered include the Small Business Bureau?

Mr. PLOESER. No, not that bureau known as the Small Business Bureau, but this is mainly service to small business. Some 8,000 a month make inquiry to this Office.

The third thing, this Office sells information to American industry.

Mr. SHORT. Will the gentleman yield again?

Mr. PLOESER. I yield.

Mr. SHORT. It is more or less self-liquidating, is it not?

Mr. PLOESER. It has not become entirely so, but it can be made so. Six hundred thousand dollars was paid to the Government in the past 2 years, and they have already paid in about $300,000 a year for this service, and the present sales are running at a minimum of $30,000 a month. Then there is the additional annual sale of catalogs that is in excess of $30,000 a year. Those sales are on the increase, and rapidly so, indicating an expanding demand for this technical material.

The service of the Office is to answer inquiries about the Office as it applies to solving the technical problems of businessmen.

Now here are some startling facts. In 1930, 12 years prior to the war, all research in the United States being developed partly by the Government, partly by industry, and partly by little independents, 70 percent of all that research was developed by industry; 16 percent by others of miscellaneous category, and only 14 percent by the Government. It is a startling fact that in the year 1947, 54 percent of all industrial research done in America was done by the Government, and only 39 percent by industry, and 7 percent by all others. The Government spent $625,000,000 in 1947 on research, $500,000,000 of which was in the Department of the Army and the Navy, and yet we are concerned about an exchange of dollars with industry which probably will cause a net expense of somewhere between sixty and a hundred thousand dollars to the Government for a pool in which we can disseminate this information, so that industry may benefit from it. I am fully of the opinion that had these facts been properly presented to this committee, it would have been included in this bill.

I am not in any sense, not in the slightest degree, critical of the committee, because I have read the hearings, and had I been in their position without any further knowledge of the matter I would have acted the same way the committee did; so I am not criticizing the committee. Now, however, we have a proper set of facts before us, and I hope I am presenting it in a way that makes it acceptable.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Government research spending will be enormous from now on, and the technical data released from these activities will be invaluable to American industry, especially small and independent business. To efficiently organize and prepare this information for dissemination, one and only one organization should be charged with this responsibility. OTS is already in this business and its continuation is vital to the solution of crucial problems that industry is now and will be faced with. One repository of all technical and scientific information and data is mandatory.

New techniques, new methods, and new processes already turned over to industry by OTS is saving the American public millions and millions of dollars. Some examples are: First, the Fischer-Tropsch process for producing synthetic fuels and lubricants is the keystone of the American synthetic oil program; second, a preservation process for soybean oil is saving this industry millions of dollars a year; third, a new radio condenser has already saved the Navy more than $2,000,000; fourth, information and data on acetylene chemistry is saving the chemical industry millions; and many others. These are facts, not opinions. OTS activities is the best investment the United States ever made, and it has been evaluated by Russia, officially, as being worth $10,000,000,000, and by Britain as worth $5,000,000,000.

I do not know whether there is anything particularly accurate in these evaluations; they may be principally propaganda, but the fact remains that we have unlimited technical material in German and Japanese documents which should be made available to American industry. They are bundled by the tons awaiting dissemination and revision for work. This is the office that does it. Nothing is more vital to American industry today than the loosening and the dissemination and wide distribution of this technical information. So I ask for the adoption of the amendment.

The CHAIRMAN. Does the gentleman from Nebraska insist on his point of order?

Mr. STEFAN. Yes, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. GARY. Mr. Chairman, I wish to be heard on the point of order.

Mr. PLOESER. If the gentleman from Virginia wishes to be heard on the point of order, I will yield that he may proceed.

Mr. GARY. May I say that a point of order was raised against this item last year and it was eliminated on the point of order. At that time, however, the Department was engaged in some research which it was doing, in which it farmed out certain projects for research to the various colleges and institutions. It was not doing original research but was using other available research agencies to make the research for them. When, however, a point of order was raised in the House the research activities were eliminated.

The Office is now engaged only in furnishing technical and scientific information to business. The authority for the Department of Commerce to engage in such activities reads as follows:

> It shall be the province and duty of the Bureau of Foreign and Domestic Commerce, under the direction of the Secretary of Commerce, to foster, promote, and develop the various manufacturing industries of the United States, and markets for the same at home and abroad, domestic and foreign, by gathering, compiling, publishing, and supplying all available and useful information concerning such industries and such markets, and by such other methods and means as may be prescribed by the Secretary of Commerce or provided by law.

It is our contention that this is just exactly what the particular office is doing and that under the above language its activities are authorized.

The CHAIRMAN. Does the gentleman from Nebraska desire to be heard?

Mr. STEFAN. No, Mr. Chairman; I ask that a ruling be made.

The CHAIRMAN. The Chair is ready to rule.

It is the opinion of the Chair that the amendment does contain legislation and, therefore, the Chair sustains the point of order.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Chairman, may I say that I am indebted to the chairman of the subcommittee for yielding to me in order to say a word in connection with the matter just ruled on by the Chair. I would like to add my support and endorsement of Mr. PLOESER'S statement and join in supporting restoration of the appropriation for the Office of Technical Services.

I happen to have had considerable experience during the war with the National Inventors Council, one of the agencies of the Office of Technical Services, an activity which they support. I can say from my own personal experi-

ence as the officer who was assistant to the Chief of Operations of the Chemical Warfare Service, where we dealt with many technical matters, inventions, and ideas for inventions, that the work of the National Inventors Council in clearing for us civilian suggestions was absolutely invaluable. We would have been snowed under without their help. They turned up and evaluated some very interesting and some very useful suggestions for us.

Today my branch of the service is still engaged in the extremely difficult phases of chemical and bacteriological warfare, the use of incendiaries, and the use of smoke. The work of the National Inventors Council continues to be very important. I understand that both the Secretaries of Navy and Army have asked the Secretary of Commerce to continue this work of the National Inventors Council as a phase of work of the Office of Technical Services so useful to our national security.

It is my hope that we may find some way to continue this excellent work with which I have myself had such a direct experience.

Mr. STEFAN. Mr. Chairman, may I say to the gentleman that we have absolutely nothing against the Inventors Council. I know many of the people who are connected with it. I agree that they did do a wonderful work. We had to have them in order to win the war. The Inventors Council is composed of many distinguished scientists and this group rendered a great service during the war.

The amount requested for the Inventors Council is $25,000, representing the salaries and expenses of four or five employees. In view of the fact that the work of the Council is entirely for the armed services, the activity should be in the Department of National Defense. I want to repeat that many agree with the committee that this Department surely can provide four or five employees to service this Council.

Mr. JAVITS. May I thank the gentleman for his statement.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Chairman, this bill making appropriations for very important departments of our Government has been under consideration by your committee since last December. The report, the bill, and the hearings have been available to Members of the Congress since February 27. We delayed bringing it to the floor of the House on account of the illness of one of our able Members and the absence from the city of another. Therefore, the departments had opportunity to read the report, read the hearings, and the bill, with the result that we are bombarded by the agencies affected to make changes in the bill at this time. Much of the information which has been given on this matter of technical services was not available to us when the hearings were held. It is not fair to a committee to allow the departments to come into the House or the committee and attempt to rewrite a bill with information that was not provided to the members of the committee when we held exhaustive hearings.

Let me tell you the real story.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Missouri.

Mr. PLOESER. I think what the gentleman says is right, and he well knows that I agree with him and that is why I said what I said before.

Mr. STEFAN. I appreciate more than the gentleman from Missouri realizes what he said about the committee, because every member of that committee is just as interested in the success of small business as any man in the United States of America.

Mr. PLOESER. I know that.

Mr. STEFAN. It was this committee that had the audacity to increase the appropriation for the Antitrust Division in order to give small business some protection. Certainly, we want to help small business, but we want complete information on which to base our decisions for appropriations. Some information made available to you and other Members was not available to us, and I really think we should have the truth about some of the information and some of the misinformation given to you and which you transmitted to the House a little while ago, and upon which I will endeavor to enlighten you now if you will allow me to proceed.

Mr. PLOESER. If any of that is misinformation, I will be happy to have it.

Mr. STEFAN. I will give it to the gentleman.

Now let me tell you the real story on this Office of Technical Services. The hearings on this item will disclose that the basic argument for the continuance of this activity is that technical reports are being sold at the rate of about $30,000 per month, implying that this amount should be used to offset the requested appropriation of $520,000. Mr. Foster, the Under Secretary of Commerce, stated "this operation almost pays for itself as far as Government-wide operations go." It would appear that some of the officials of the Department did not feel inclined to give the committee all of the facts and others did not know all of the facts. The truth of the matter is, that not $1 of the receipts covering sales of these reports goes into miscellaneous receipts of the Treasury Department. All of this money—every cent of it—goes to three agencies of the Government and represents the actual cost of duplicating and processing these reports. These agencies are: The Library of Congress, the Department of Agriculture, and the Army Medical Bureau. Oh, yes, the Department of Commerce would have us believe that this money is deposited in the Treasury, and its officials confidently list in the hearings the month by month sales of these reports in terms of dollars. Gentlemen, this is just another example of the extent to which some officials of our executive branch will go in order to perpetuate themselves in office.

Furthermore, I am informed that the Department of Agriculture and the Army Medical Bureau, because of their limited supply of information, have now turned over to the Library of Congress all of their reports, and the Library of Congress is now in position to accept orders for all of the material that has been listed. Other material remains unlisted, which is primarily what the Department of Commerce has been doing and proposed to do with the $520,000 it requested. Even before this transfer of reports from Agriculture and the Army Medical Bureau the Library had in its possession nearly all of the documents, that is the so-called unclassified documents, which are on file with the Commerce Department. If not the originals, it had copies, and it was in position and now is in position to accept orders direct. There is no reason why the orders for this information had to be routed through the Department of Commerce.

The listing of the remaining material can be done by private industry, as a part of it is being so listed at the present time. Perhaps the fees might be increased sufficiently to permit the Library to add a number of people to list this material so that the entire operation could be performed at no cost to the Government.

Let us not be deceived when we hear that so many dollars' worth of these reports have been sold. This operation is costing the American taxpayer $700,000 today, and I propose to vigorously oppose an additional half million dollars to keep over a hundred unnecessary jobholders in office.

Now I will show you some more misinformation. At this point in the RECORD I shall insert a letter from the Library confirming what I have had to say, also the testimony of Mr. Green in connection with an item the Standard Oil Co. had to do with. You can take that record and see the names of people asking for this information. Small business wants it. One of my colleagues on the floor the other day said small business wants it, and he read letters from small business. Who was that small business? General Electric Co., Westinghouse Electric Corp., Standard Oil Co., E. I. du Pont de Nemours & Co., United States Rubber Co., General Motors Corp., Fisher Body Division; Chrysler Corp., Ford Motor Co., Borg-Warner Corp., United States Steel Corp., Allegheny Ludlum Steel Corp., General Mills, Inc., Parke, Davis & Co., Radio Corp. of America, Goodyear Tire & Rubber Co., Eastman Kodak Co., and Aluminum Co. of America. Is that small business?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Virginia.

Mr. GARY. I should like to correct the gentleman at this point.

Mr. STEFAN. I am reading from the gentleman's remarks.

Mr. GARY. Yes, but the RECORD shows, though, those organizations and thousands of small-business organizations. I wanted to show that this bureau

is not serving one class of business but is serving business both big and small.

Mr. STEFAN. The gentleman referred to Westinghouse. Do they want it?

Mr. GARY. Yes. That is big business.

Mr. STEFAN. Then business ought to get together. The gentleman says Westinghouse wants it. Here is a letter from Westinghouse:

In the hearings on the appropriation bills for the above Office—

Referring to the Office of Technical Services of the Department of Commerce, of which we are speaking—

I understand the statement has been made that this Office is of great importance to industry and should, therefore, be continued. So far as our company is concerned, I have investigated the situation and it is my personal opinion that this particular Government activity is of no value to us.

Mr. GARY. Then why do they use these services if they are of no value to them? They are one of the customers. I just gave a list of the customers, and I have some orders here from them.

Mr. STEFAN. Here are some more. I will put in the RECORD other letters.

This indicates, Mr. Chairman, how much information is available to us from the departments and how much is available after the departments want to increase appropriations that we have reduced in the interest of the taxpayers of America. Small business is going to get a good break out of this committee. I am glad the gentleman from Missouri [Mr. PLOESER], chairman of the Small Business Committee, is here, because he has done more for small business than any other man I know. I am glad he helped this committee to go along with items in the bill that make common sense. If you can get business to really get together, then let the Department go to the Senate and justify what they are entitled to, and maybe we can go along, because we do want to help small business.

Mr. Chairman, the letters and statements to which I have referred are as follows:

THE PUBLICATION BOARD PROJECT OF THE OFFICE OF TECHNICAL SERVICES, DEPARTMENT OF COMMERCE, AS IT CONCERNS THE LIBRARY OF CONGRESS

In accordance with agreements between the Librarian of Congress, the librarian of the Army Medical Library, the librarian of the Department of Agriculture Library, and the Office of Technical Services, which carries out directives of Executive Orders 9568, June 1945, and 9604, August 1945, materials processed by the Publication Board with the exception of medical items* are deposited in the Library of Congress Government publications reading room. These materials are made available to interested readers in the Library of Congress and photocopies of them are furnished to those requesting them. An average of five readers per day for the past 2 years have visited the Government publications reading room for the purpose of examining this material. To date 68,376 items have been deposited in the Library of Congress and 28,200 of these items have been photocopied, some of them as many as 100 times.

All requests from the general public for photocopies of Publication Board (OTS) items are directed to the Department of Commerce, which forwards all money to the Superintendent of Documents, who holds the money for payment to the library which performs the actual work. The OTS order section forwards an order card to the depository library holding the report requested. All orders for photocopies of reports held by the Library of Congress are directed to the photoduplication service. The photoduplication service secures the report from the Government publications reading room, makes the photocopy, mails it directly to the person or organization who has requested it, and bills the Superintendent of Documents on Government Standard Voucher 1080 for the work done.

To date some 159,600 orders for Publication Board materials have been completed by the Library of Congress photoduplication service and a total of $302,759.22 has been received in payment. All funds are deposited in the Treasury, in a special account for the operation of the Library of Congress photoduplication service.

JOHN C. L. ANDREASSEN,
Director of Administration.

MARCH 3, 1948.

TECHNICAL AND SCIENTIFIC SERVICES

Flow of moneys received from sale of technical documents

General

1. All remittances, in the form of checks or postal money orders, are received by the Order Section, together with orders for documents listed in the Bibliography of Scientific and Industrial Reports.

2. After orders are verified, correct amounts of moneys for orders are deposited with the Government Printing Office, which certifies receipt of the money on the face of the order to which it applies. Orders and moneys covering incorrect amounts are returned to customer with explanation as to why the order is incorrect. Refunds to customers covering reports which cannot be furnished are made by the Government Printing Office when requested by the Office of Technical Services in writing.

Photostat and Microfilm Orders

All moneys deposited with the Government Printing Office for orders covering photostat or microfilm reproductions are used to reimburse the depository libraries (Library of Congress and Army Medical Library) when they submit a 1080 voucher to the Government Printing Office covering completed orders. The vouchers when submitted by depository libraries have attached one copy of each of the order cards filled which total the amount shown on voucher.

Trust Fund Orders

All moneys deposited with the Government Printing Office for orders covering mimeograph, multilith, and other processed reports are used to reimburse the appropriation "Technical and scientific services" when a 1080 voucher is submitted by the Commerce Department's Division of Accounting Control to the Government Printing Office. To these vouchers are attached the individual order cards of filled orders which total the amount shown on voucher. Reimbursements in excess of expenditures are deposited in miscellaneous receipts of the Treasury.

Sale of documents

Procedure for Ordering Publication Board Reports

1. After reports are acquisitioned and pass through the numerous processes necessary, the public is notified of PB reports available for sale through the Bibliography of Scientific and Industrial Reports which is compiled, processed, and issued weekly.

2. Upon receipt of an order each document itemized therein is checked for (a) accuracy of PB number and title and (b) correctness of remittance by the Order Section.

3. Moneys received are turned over to the Government Printing Office, where the orders are receipted.

4. The Order Section then prepares an order card for each report listed in the customer's order (quadruplicate for photostatic and microfilm orders, triplicate for reports sold under the trust fund).

5. To utilize existing facilities, photostatic and microfilm work is performed by two depository libraries (Library of Congress and Army Medical—the Department of Agriculture is no longer serving as a depository library). These libraries receive a proportionate share of original PB reports from the Office of Technical Services. Upon order the particular library holding the report reproduces it. In placing such orders three of the order cards mentioned in paragraph 4 are sent to the library, one of which is returned to the Office of Technical Services indicating date order was filled, the second is used for preparing 1080 voucher to the Government Printing Office to reimburse for services rendered and the third is held by the library as a permanent record showing work done for the Office of Technical Services. The fourth card is held by the Office of Technical Services for control purposes.

Trust Fund

6. Order cards for mimeographed, multilithed and other processed reports which are handled under the trust fund are distributed as follows: One copy to the Commerce Department's Distribution Section, which fills the order from inventory on hand and returns cards to the Office of Technical Services with date order was filled; the second and third cards are transmitted to the Department's Division of Accounting Control, which prepares the 1080 vouchers to the Government Printing Office to effect reimbursement to the appropriation "Technical and Scientific Services" after receipt of dated card from Distribution Section. These vouchers are prepared monthly.

GOULD'S PUMPS, INC.,
Seneca Falls, N. Y., March 1, 1948.

Hon. KARL STEFAN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Have been hearing and interested in for many months the activities of the Office of Technical Services of the Department of Commerce, and have been on the mailing list to receive their continuing announcements of pamphlets describing German patent and technical information, etc.

From the form and nature of the announcements we have received from the Office of Technical Services would comment to the effect as a manufacturing businessman, I cannot comprehend the need for continuing the activities of this bureau and certainly the information which they have gathered has been currently distributed and without doubt the industries who might be interested have been fully informed of the situation in Germany. Such being the case I am at a loss to understand the urge of the Department of Commerce to continue this activity and would certainly approve its elimination.

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*NOTE.—When the project started in February 1946 all agricultural items were deposited in the Library of the Department of Agriculture and all medical items were deposited in the Army Medical Library. Agricultural items have since been transferred to the Library of Congress. Medical items, which consist of approximately 5 percent of the entire Publication Board collection, are still housed and serviced by the Army Medical Library.

Am glad to send to you my comments and shall hope in the near future to hear of the appropriation for the coming fiscal year being eliminated from the budget.

Yours faithfully,

N. J. GOULD,
President.

UNDERWOOD CORP.,
Hartford, Conn., March 1, 1948.

Re Office of Technical Services.

Hon. KARL STEFAN,
Chairman, Subcommittee on Appropriations, State, Justice, Commerce, and Judiciary, House of Representatives, Washington, D. C.

DEAR MR. STEFAN: From the Appropriations Committee meetings I have learned that some doubt has been expressed as to whether appropriation should not be made to carry on the Office of Technical Services for the reason that certain industrial units have expressed the opinion that the work of that division should be carried on at least to some extent.

I understand that your subcommittee has resolved not to appropriate any more of the taxpayers' money for this activity, and I feel sure that such action was only taken after a comprehensive study and full deliberation. I am writing you, however, in support of the judgment of your committee in the event that doubts in the full committee or pressure from other sources should arise to question or oppose the decision you have made.

I have observed considerable of the activity of the Office of Technical Services since the end of the war and have been in touch with a large number of representatives of both large and small industrial units, and I personally have failed to obtain a single favorable comment about these services except as they were confined to the gathering of technological information of enemy origin. I understand that this work is substantially completed.

It appears that the OTS has undertaken various additional services to perpetuate its tenure and to find a position for itself somewhere intermediate the already organized and well-developed contacts of industry, the Government, and the public. These services are duplicative and constitute an interference which is actually harmful because of the inexperience of the Office in the matters which they are undertaking to handle. In my opinion, business has not been benefited to any real extent by OTS, and certainly if there is a real desire on the part of the Appropriations Committee, and I know there is, to eliminate unnecessary Government expense, OTS is one place where a great saving can be effected and there will be no harm to anyone. If there is microfilm or other data that has been collected and should be made available to the public as a continuing service, it would seem that the Patent Office is the place where this operation should be transferred.

Yours very truly,

J. A. HOLTON.

AMERICAN MACHINE & FOUNDRY CO.,
Brooklyn, N. Y., March 1, 1948.

Hon. KARL STEFAN,
Chairman of House Appropriations Committee, Subcommittee on State, Commerce, and Justice Appropriations, House Office Building, Washington, D. C.

SIR: I learn that the appropriation to the Office of Technical Services has been refused by your subcommittee, which action I heartily approve.

I notice from the hearing reports that there is some question as to the value of this information. I have had some experience with the Office of Technical Services reports and information since I am director of patents of the American Machine & Foundry Co. and have had the duty of both passing on this material and finding out from our research departments how much value it was to them. In every case the report was that they could not make any real use of this material, and that the technical publications that were already available to them furnished the same information in more usable form.

In view of this, I was appalled that large sums of money were being appropriated to carry on this work, apparently to prolong the life of a wartime agency. I am correspondingly happy to learn that this type of made work has been eliminated from the appropriation bill.

Respectfully yours,

GEORGE S. HASTINGS.

Copies to Hon. JOHN TABER, Hon. FREDERIC COUDERT.

CHICAGO, ILL., *March 2, 1948.*

The Honorable KARL STEFAN,
House Office Building,
Washington, D. C.:

We respectfully urge that you use every effort to defeat the proposed appropriation to continue the Office of Technical Services. Since war's end there is no further need for this Office. Government and independent associations now adequately cover this field.

GOODMAN MANUFACTURING CO.,
W. E. GOODMAN, *President.*

NEW YORK, *March 2, 1948.*

The Honorable KARL STEFAN,
House of Representatives,
Washington, D. C.

DEAR SIR: I understand that in the hearings on the matter of continued appropriations for OTS the question has been raised as to the need on the part of industry to have OTS continue for the purpose of disseminating technical information.

It is my opinion that this is not necessary and it is my feeling that the decision not to appropriate further funds to OTS is wise.

Very truly yours,

RICHARD O. LOENGARD.

NEW YORK, N. Y., *March 1, 1948.*

Congressman KARL STEFAN,
Chairman, House Appropriations Subcommittee:

Banks are instructed to curtail loans to small-business men, thus cooperating in the effort to put the brakes on inflationary prices. Small-business men need conservative bank loans to carry on far more than they need technical information through bureaucratic offices eating into tax dollars. OTS should end its service in favor of numerous trade associations and the United States Patent Office that now supply needed technical information more efficiently than OTS could hope to do. Please face the economic facts as they exist today. Avoid needless duplication of services. Terminate OTS.

Respectfully.

W. C. HUEBNER,
Huebner Laboratory, New York City.

TECHNICAL INFORMATION SECURED FROM GERMANY

Mr. GARY. If I am not mistaken, last year you demonstrated before the committee a machine that you had gotten from Germany on which you were recording the human voice on a spool of wire. Is that correct?

Mr. GREEN. A plastic tape with iron fragments imbedded in the plastic, and you magnetize the fragments. It wasn't a wire, precisely but a plastic tape. It is being manufactured today by four concerns of which I have knowledge.

Mr. GARY. I saw one a few days ago in Richmond that records on a spool of wire.

Mr. GREEN. Yes, sir.

Mr. GARY. Is that the same?

Mr. GREEN. The same principle; the wire has a little less fidelity. It is the same magnetic principle. The wire has other advantages, but doesn't give you the same fidelity as if you substitute a plastic tape and imbed iron-oxide fragments in it. You would have the same thing on the wire, but you get a little more rigidity instead of higher flexibility. There are four companies to my knowledge putting that out.

Mr. FOSTER. All of them based on that principle of this information brought back by OTS.

Mr. GREEN. The biggest thing that I know of going on today is the plant which is being built in Kansas by the Standard Oil of Indiana. That is the synthetic gasoline from natural-gas process which will double our fuel reserves in this country.

Mr. GARY. Is that from a formula which you picked up?

Mr. GREEN. Yes, sir; the Fisher-Tropsch synthesis—two Germans, Fisher and Tropsch. As a matter of fact, we are still discovering more information in our collection, and finding German technicians to put into that work.

Mr. FOSTER. I think you recall, Mr. Gary, that the Russians in one of the conferences stated that the Americans had gotten more in reparations in this way than any other reparations that had been taken out of Germany. They estimated, as I recall, about $10,000,000,000.

Mr. GARY. Yes; I remember they made that statement.

Mr. GREEN. There was a British journal about a month ago where one of the British placed that estimate at $5,000,000,000.

Mr. GARY. Take the process you mentioned for which Standard Oil is building a plant.

Mr. GREEN. Standard Oil is in this and two or three other companies, but Standard Oil is putting up the big plant in Kansas.

Mr. GARY. Do they pay you for the process?

Mr. GREEN. No, sir. This is information turned over to anyone who wants to purchase it. Of course, when a big project like this comes up it is only a large concern that can use it.

Mr. GARY. You do not permit them to patent it; do you?

Mr. GREEN. No, sir; there are no exclusive rights in that.

Mr. GARY. There is no way they can get exclusive rights under patents based on this information?

Mr. GREEN. No, sir. You may have seen where American Cyanamid has now come out with a new insecticide they say is from 5 to 25 times stronger than DDT. The Chemical and Engineering News says of this discovery:

"Parathion was tested briefly in Germany where it was designated as E605, but a satisfactory method for its commercial production had not been developed when it was found by British and American scientific teams at the close of hostilities.

"According to Cyanamid, the versatility of parathion eliminates a problem encountered with DDT in that DDT, while killing certain insects that are natural enemies of others, permits these other insects to multiply more profusely than ever. For instance, the use of DDT for codling moth on apple and pear crops gives free rein to the multiplication of mites, thus substituting one insect problem for another. Parathion is said to be 5 to 25 times more potent than DDT."

Mr. GARY. Your department got that?

Mr. GREEN. Our investigator named Thurston found that.

Mr. GARY. And brought it over here?

Mr. GREEN. Yes, sir.

Mr. GARY. And it is being developed in this country now?

Mr. GREEN. Yes, sir. American Cyanamid is the only one who has released publicity on it, but it is being developed.

PUBLICATION OF BOOKLETS ON GERMAN SCIENCE

Mr. STEFAN. Mr. Green, you have handed to the committee copies of the FIAT Review of German Science, 1939–46. The one I have is marked "Anatomy, Histology, and Embryology." Do I understand from you you are supervising the editing and so forth?

Mr. GREEN. Under the military until we left Germany. Now the military government has taken it up.

Mr. STEFAN. Up to what year did you supervise the gathering of this information and the printing of these volumes?

Mr. GREEN. We never supervised the printing of the volumes, sir.

Mr. STEFAN. That is what I understand.

Mr. GREEN. No, sir. That is done by a German printing house.

Mr. STEFAN. No; according to the books you gave us it is done under the direction and supervision of three governments—the military forces of three governments—the British, French, and the United States.

Mr. GREEN. That is what it says on there, but actually——

Mr. STEFAN. It says so on there. You say that we cannot believe what we read on there? Then, going on to the front it says on the pages of the book the same story, that it is done by cooperation of three or four organizations.

Mr. GREEN. That is correct. It is done by cooperation.

Mr. STEFAN. Did you do the supervising of this information and the assembling of this information?

Mr. GREEN. No, sir.

Mr. STEFAN. Why are you presenting these books? For what purpose?

Mr. GREEN. To tell you about projects in which we are involved and which we will make available to American industry, but which have not reached this country as yet.

Mr. STEFAN. There is a program on the part of the war agencies of three governments to continue additional volumes of this book, according to this information here.

Mr. GREEN. There are 82 more volumes to come, and I am arranging right now to have the paper shipped to Europe to have it printed by the German house, which has no paper.

Mr. STEFAN. We understand the shortages of Germany not only for this particular thing but for other things. The interim aid that we appropriated just a short time ago included money for paper and other things. The thing I wanted the committee to know—and I want to be frank about it—is that we should be given frank information. I was led to believe that perhaps by denying you some funds last year you were unable to get this information.

Mr. GREEN. No, sir; I didn't say that.

Mr. STEFAN. This information is being gathered by the armed services of three governments.

Mr. GREEN. No, sir.

Mr. STEFAN. Doesn't it say so?

Mr. GREEN. They say so, but may I describe what the facts are, please?

Mr. STEFAN. Here it says it is presented by the United States Government and the British Government and the French Government. Those are the printed words here in the foreword. Can't we accept that printed word?

Mr. GREEN. The organization termed "FIAT," which is mentioned there, is no longer in existence; it was an organization——

Mr. STEFAN. That means Field Information Agency, Technical. That is what it means.

Mr. GREEN. Exactly; and its personnel were Department of Commerce personnel under the personal supervision of Col. Ralph M. Osborne, of the military government. In order to initiate the project it was necessary to get the cooperation of the British and French. In return, the British and French asked for stocks of copies of the documents when completed. It was a volunteer operation by German scientists to write up their research work during the war years. When we were forced to leave the theater, the military government assigned one man, Mr. Ted Shaefer, who is in Karlsruhe, who is now working on the editing and final assembling of these materials.

I don't want to give the impression this thing was done independently of the military government. Our entire operation was under the military government, and, as General MacArthur said, if we go to Japan, we go to Japan under his control. All of the thousands of reports prepared in Germany bear the authority of military government on the frontispiece.

Mr. STEFAN. We will put in the record at this point the foreword thereto.

(The foreword of the booklet entitled "FIAT Review of German Science, 1939–46, Anatomy, Histology, and Embryology," is as follows:)

"FOREWORD

"Military government of the British, French, and United States zones of Germany by means of their respective FIAT's (Field Information Agency, Technical) present this volume of the FIAT Review of German Science in the hope that it will assist in informing international science of research done in Germany through the war years. It is believed this and its companion volumes will present a complete and concise account of the investigations and advances of a fundamental scientific nature made by German scientists in the fields of biology, chemistry, mathematics, medicine, physics, and sciences of the earth during the period May 1939 to May 1946.

"The wholehearted cooperation of all persons assisting in the preparation of the reviews was most gratifying. Mention is made of the services rendered by both the numerous German scientists who furnished and arranged the contents of these reviews and the personnel of the scientific branches of the FIAT's who supervised the program.

"The manuscript from which this volume has been derived has been turned over to a committee of German scientists, which will make the arrangements necessary for printing other than this strictly limited edition. The latter is transmitted by the respective FIAT's to their government for distribution."

Mr. GREEN. The question was, Are there any projects going on abroad where we have no personnel abroad? and my answer is, This is one of them. United States FIAT was the military organization supervising our activities. When we left Germany, United States FIAT ended. We release the end products of that organization. Now, this exhibit, you won't find our name in that, either. That is one of the volumes prepared by German patent examiners and German patent officers. You won't find our name in there, either.

Mr. STEFAN. I suppose there are a lot of them that we won't find your name in.

Mr. GREEN. Very definitely; but we are the fellows getting and distributing the end product on that.

Mr. STEFAN. Are there any further questions? The committee stands adjourned until 10 o'clock tomorrow morning. Thank you.

STANDARD OIL CO.,
Chicago, Ill., March 1, 1948.

Re Office of Technical Services; Department of Commerce appropriation bill for 1949.

Hon. KARL STEFAN,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: I have just had the opportunity to read the testimony given on January 13, 1948, by Mr. John C. Green, Director of the Office of Technical Services, in connection with the above bill.

I was struck by his statements (at page 81 of the printed transcript) concerning the Kansas synthetic gasoline plant of Stanolind Oil & Gas Co. (a subsidiary of Standard Oil Co. of Indiana). Mr. Green's testimony plainly infers, if it does not state, that the Kansas plant had its origin in information brought to this country by OTS. This is not the case, and the matter appears to us to be important enough to warrant a direct denial.

The Fischer-Tropsch reaction to which Mr. Green referred was widely known in this country long before World War II. The basic principles of the process were common knowledge among American technologists as early as 1929, when the Bureau of Mines had already actively begun its development of the synthesis process. Not only was the reaction widely reported in the prewar German technical literature to which American industry had full access at that time, but it was also widely discussed in the technical literature of this country. Bibliographies prepared by our company in 1943 and 1944 included approximately 2,500 references to the technical and patent literature on this subject. Since well before World War II, American industry has been hard at work in its research laboratories and pilot plants developing commercial processes involving the basic and well-known reaction.

The commercial synthetic gasoline plant which is soon to be built by our subsidiary company in Kansas is based upon: (a) the basic information concerning the Fischer-Tropsch process which was common knowledge in this country before the war, and (b) American inventions and improvements upon that basic prewar information. While we have been fully aware of information released by OTS concerning the process, there is not to be included in this Kansas plant a single significant feature which we have derived from the OTS information.

Furthermore, it is to be noted that no "German technicians," as referred to by Mr. Green, have had any part in the development of the process to be embodied in the Kansas plant design.

Very truly yours,

BRUCE K. BROWN.

Copy to Mr. John C. Green, Office of Technical Services, Department of Commerce, Washington, D. C.

ALLOY MACHINE CORP.,
Elkhart, Ind., March 2, 1948.

Re proposed appropriation for OTS.

Hon. KARL STEFAN,
House Office Building,
Washington, D. C.

DEAR REPRESENTATIVE STEFAN: It is my understanding that an appropriation is being sought by the Office of Technical Services for the forthcoming year.

The company of which I am president is opposed to any appropriation for the OTS and I, personally, am equally against the grant of any money for such agency of the Government. The fact that our company is a small one employing about 25 people may be of interest to you in evaluating our views.

If time permitted further comment concerning the value of OTS, we could fill several pages. Suffice it to say, we are definitely opposed to the continued existence of OTS.

Very truly yours,

ALLOY MACHINE CORP.,
By JOHN A. DIENNER, Jr.,
President.

Copies to Hon. RALPH E. CHURCH, Hon. EVERETT M. DIRKSEN.

WESTINGHOUSE ELECTRIC CORP.,
Pittsburgh, Pa., March 1, 1948.

OFFICE OF TECHNICAL SERVICES OF THE DEPARTMENT OF COMMERCE

Hon. KARL STEFAN,
House Office Building,
Washington, D. C.

DEAR SIR: In the hearings on the appropriation bills for the above office, I understand the statement has been made that this Office is of great importance to indus-

try and should, therefore, be continued. So far as our company is concerned, I have investigated the situation, and it is my personal opinion that this particular Government activity is of no value to us. I thought you might be interested in getting my views.

Respectfully yours,

W. A. STEIGER,
Patent Attorney.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Missouri.

Mr. PLOESER. Let us not be naive about this thing. There are 8,000 inquiries a month in this office. There are not 8,000 big businesses the size of Westinghouse in the United States or in the world. It is only natural that a company like Westinghouse, with its huge laboratories, despite the fact that it has had its information gatherers in this office for the past several years working day and night getting all the technical information they could, does not give a tinker's whoop about what happens to the little fellow who cannot have a big laboratory.

Mr. STEFAN. I agree with what the gentleman from Missouri says, but do not justify this on the assumption that Westinghouse wants this with one mouth and comes to us with another mouth and says it does not want it.

Mr. PLOESER. I have never mentioned Westinghouse, and what they want bothers me never.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. HORAN. I would like to know if it is necessary for the Department of Commerce to have a designated office of small business in order to contact and serve small business.

Mr. STEFAN. I think we are coming to that item when the gentleman from Wisconsin offers his amendment.

Mr. O'KONSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI: On page 55, line 21, second paragraph, strike out "$5,300,000" and insert in lieu thereof the following: "$5,752,000 of which not less than $452,000 shall be exclusively used for aids and services to small business by the Office of Small Business at the seat of government and."

Mr. O'KONSKI. Mr. Chairman, when I first introduced this amendment, or thought of introducing it, I was very reluctant to do so because it involves such small sums compared to what we have been talking about, and I thought it would receive very little consideration. All this amendment asks for is a dime—"Brothers of the House, can you spare a dime?" That is a dime for every small business establishment in the United States of America. This amendment restores $452,000 which was asked by the Office of Small Business for the protection and encouragement of the more than 4,000,000 small businesses in the United States of America, that is more than 4,000,000 of them asking for the meagerly sum of $452,000, which amounts to about a dime apiece. Brothers, can you spare a dime—a dime for the encouragement and protection of small business?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield gladly to the gentleman.

Mr. SHORT. Did the gentleman run on a platform of economy when he was elected last?

Mr. O'KONSKI. Certainly I ran on a platform of economy.

Mr. SHORT. And it requires only a feather to tip the scales, does it not?

Mr. O'KONSKI. Certainly not a dime.

Mr. SHORT. But you are asking for a half a million dollars.

Mr. O'KONSKI. Yes; for the protection and encouragement of the most powerful segment of our economy, namely, 4,000,000 small businesses within the United States of America. This is in conformance with the policy of this Congress. I wonder if the gentleman from Missouri knows that he voted for the establishment of a Small Business Select Committee in the House of Representatives which spends quite a sum of money for the encouragement and protection of small business? I wonder if the gentleman from Missouri knows that he also voted for a resolution which called upon the President of the United States to appoint in each and every executive department of the Government of the United States of America a representative of small business. He also voted for that resolution. In other words, there is a very definite distinction between small business and big business. All this amendment asks for is a dime apiece for the more than 4,000,000 small businesses within the United States of America. Recently the chambers of commerce of the Veterans of Foreign Wars and the American Legion have incorporated in their bylaws the establishment of a small-business committee for the encouragement and protection of small business. Each and every one of them have done so. If you eliminate the Office of Small Business, which this appropriation bill does, then you will leave them entirely without any clearinghouse in the Nation's Capital. The only thing that this appropriation calls for in the committee report is that they hope that the Department of Commerce will set up within itself a few chairs and secretaries and employ a few people for the protection and encouragement of small business, but it does not compel the Department of Commerce to do so. All this amendment does is to restore the $452,000 cut to continue the Office of Small Business which amounts to a dime apiece. I ask you gentlemen if in your deliberations you cannot possibly spare a dime, one thin dime. I thank you very much.

Mr. STEFAN. Mr. Chairman, I wonder if we can come to some agreement as to time on this amendment?

I ask unanimous consent that all debate on this amendment and all amendments there to close in 15 minutes, the last 5 minutes to be reserved for myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. O'HARA] is recognized for 3½ minutes.

Mr. O'HARA. Mr. Chairman, I understood I was to have 5 minutes under the request. Otherwise I would have objected to the unanimous consent request.

The CHAIRMAN. If the gentleman wishes to propound a unanimous-consent request.

Mr. O'HARA. I ask, Mr. Chairman, that of the 15 minutes I may have 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. O'HARA. Mr. Chairman, it is indeed an unusual day when two Republicans get up and ask to increase an appropriation. As one Member of the House I have almost religiously followed the recommendations made by our Committee on Appropriation on bills of this nature because usually I do not have the information which they have. However, I wish to say now that I am supporting the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI]. I think we are making a serious mistake, from my own personal knowledge. There have been no telephone calls and no requests from the Department of Commerce for me to speak on this subject. It is simply based on my own experience and my own knowledge.

The Small Business Committee was a part of the national war agencies during the war. We had a congressional Small Business Committee in the House which did a splendid job, but on many occasions I kept some of my small business people in operation, not by reason of the aid and assistance I got from the House Small Business Committee but from the National War Agencies Small Business Committee. That was largely due to one or two individuals who are still employed in the Department of Commerce. I say to you that those are small businesses that would have gone out of business if I had not been able to get them tin, fats and oils, and things that they needed in order to operate, both during and after the war.

Perhaps you members of the committee have a peculiar knowledge of this situation. Let me say to you that generally I go along with you in cutting down personnel in departments, but I do say that you are making a serious mistake. It is a serious mistake to cut out this particular part of your appropriation. I am supporting the amendment because I think, after all, the people of the country are not going to be greatly overburdened if we have an efficient Small Business Committee, instead of just wiping it out. Perhaps it is oversupplied in personnel. I do not know, but do not wipe it out, because it is going to be a matter of regret if you do. They have rendered to small business a great service. That was done by the same personnel that is down there now. They have given the most helpful and most conscientious service, service which only they, by reason of the knowledge they have acquired in that office, were able to give, and which our congressional committee in the House was not able to give.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. PRIEST. I just wanted to emphasize what the gentleman is saying

and to call attention to the fact that the gentleman is a member of the Committee on Interstate and Foreign Commerce and by that membership has had a fine opportunity, particularly in recent weeks to make a study of the work of this office.

Mr. O'HARA. That is right.

Mr. PRIEST. I certainly agree with the gentleman's statement.

Mr. O'HARA. And may I say to my distinguished friend that there are some things about the Department of Commerce I would like to see cut out, but this is not one of them.

Mr. CHADWICK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. CHADWICK. Merely for the purpose of expressing my complete agreement in the thought the gentleman has advanced, that it is very important that we maintain this activity. It may not be perfect, but it has done a splendid job.

Mr. O'HARA. Let us not be inconsistent. I thank the gentleman for his remarks. We all say we are for small business. It is the backbone of the industrial competitive free-enterprise system of this country, and yet here we come in and find opposition to allowing a little miserable $450,000 when in a few days we shall be asked to vote billions to everybody, every Hottentot all over the world.

Mr. SHORT. The gentleman will not vote for it, and neither will I.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. PLOESER. I should like to point out that the Select Committee of the House has had good cooperation from the Department. I do not think we are in a position to fully appraise the value of its work, for we have not had sufficient time; but I am going to support this amendment because it is essential for small business. Certainly the Department of Commerce should devote its main interest to small business, for that is the main business of America. It should not be necessary to have a special committee of the House to convince it of that.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The gentleman from Virginia is recognized for 2½ minutes.

Mr. GARY. Mr. Chairman, I rise to support this amendment. I am not going to make a speech. I discussed this question fully day before yesterday. I do want to say, however, with reference to the appropriation for the Small Business Bureau of the Department of Commerce that the committee commented in its report on testimony which had been presented to it to the effect that concentrations of economic power in American industry is at the highest point since the passage of the Sherman Act. If this is true, then surely this is not the time to eliminate the activities of the Department of Commerce in behalf of small business, which is the foundation of our system of free enterprise.

The CHAIRMAN. The gentleman from Virginia yields back 1 minute.

The gentleman from Washington [Mr. HORAN] is recognized for 2½ minutes.

Mr. HORAN. Mr. Chairman, once again I want to bring the matter of relationships to the attention of this House with regard to this appropriation.

The Bureau of Foreign and Domestic Commerce, which is the division for which we are considering at this time and of which the Division of Small Business is a part, got in 1940 a little over a half million dollars. In 1941 they got a million and a third; in 1942, a little less than a million and a half; in 1944, with the war still on, they got a million and a third; in 1945, with the war ending they got a million and a half. Then Henry Wallace took over the Department of Commerce and he began to expand it. We granted them almost $2,000,000 that year, but they came back for $75,000 deficiency. Then Henry's effect was fully felt. Before the year was out they got another slice for $275,000. The next request went up to $6,000,000 plus—almost $7,000,000. We actually granted them almost $5,000,000 in 1947. Last year they got approximately the same amount which was about $5,000,000. This year they are asking for almost $6,000,000.

At some place, Mr. Chairman, we have got to call a halt on these expansions. Certainly if they were able to provide that wonderful service for one-half million dollars in 1940, with all the field services required, and so forth, they should do well 8 years later with 10 times that amount. My colleagues on the floor of the House here are pleading for something that they do not need.

The Department of Commerce is an American institution. It exists to serve small business in all of its phases. I suggest that it has all the funds that can be wisely expended.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Do I understand that the estimate of this year as approved by the committee is at least equal to the amount appropriated last year for small business?

Mr. HORAN. It is more.

Mr. BATES of Massachusetts. Then what is the real issue involved here?

Mr. HORAN. They have told certain people that they cannot serve small business with the amount of money we have allowed them. They have made it plain they will not serve small businessmen, apparently, because without this extra half million dollars, they say, they cannot talk to the small businessmen of the Nation.

Mr. BATES of Massachusetts. A telegram I have received states that the committee has abolished the Office of Small Business.

Mr. HORAN. There is no Office of Small Business. The Department of Commerce exists for all the people of the United States. Any time you start to classifying their services on a political basis, we are in danger, and I warn you of that.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Is it not true that there exists now an Office of Small Business?

Mr. HORAN. There exists a Department of Commerce to serve all of the people of the United States.

Mr. O'KONSKI. And in it an Office of Small Business?

Mr. HORAN. That is a political designation.

Mr. O'KONSKI. Is it not true that that Office has been eliminated in this appropriation bill? That is the question.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I want to make the committee's position perfectly clear in this matter of small business. Yesterday the report of the committee was quoted somewhat out of context. I want to quote from the report all of the matter dealing with the Office of Small Business:

> The economy of this country has been developed through the encouragement of small business, and the committee is interested in the protection of small business. However, it is not convinced that a functional breakdown between small-business functions and other business functions can be definitely established. Accordingly, the committee is recommending that the Office of Small Business, as such, be abolished, and its work transferred to the Office of Domestic Commerce. However, there should be located within the Office of Domestic Commerce a small group of specialists to study and keep in touch with the problems of so-called small business with view to integrating their requirements with the services rendered to business generally.

We are not abolishing services to small business. What we are abolishing is the duplication and the top-heavy administrative set-up within the Bureau of Foreign and Domestic Commerce. Big business is quite able to serve itself, and it is for small business primarily that the Bureau of Foreign and Domestic Commerce was created. A reading of the hearings will disclose to anyone interested enough to read them that considerable duplication exists between the Office of Domestic Commerce, which serves business generally, and the Office of Small Business. This work cannot be segregated and was not segregated before Mr. Wallace became Secretary of Commerce. This Bureau developed an enviable reputation as a servant of business—small business particularly—prior to the war, and on what appropriations? Let me tell you just to mention a few years since the Department of State took over the foreign activities of this Bureau through a Presidential Reorganization Act:

1941	$1,410,000
1942	1,403,000
1943	1,423,000
1944	1,450,000
1945	1,550,000
1946	2,330,000

And then Mr. Wallace came into the picture, so that for 1947 the Congress appropriated $4,900,000, and during this year the appropriation is $4,943,537—all of this excluding amounts for export control and for materials distribution for which estimates are now pending. For

1949 the committee is recommending $4,500,000 excluding $800,000 addition for the item "foreign trade statistics" which should be transferred to this Bureau from the Bureau of the Census.

There is ample money for this Bureau, and perhaps more than ample if it would go back to the original Bureau set-up. As you are aware Mr. Wallace broke the Bureau up into a number of offices and the Bureau, as such, no longer exists.

We want to foster small business, but we do not want to foster unnecessary job holders. As further proof, I want to refer to the committee's action in increasing the funds for the Antitrust Division of the Department of Justice over the Bureau of the Budget figure.

Now, then, I recommend your reading of page 19 of the committee report, which is as follows:

> One of the major offenders in the Department of Commerce in this respect is the Bureau of Foreign and Domestic Commerce. During the fiscal year 1939 the total average employment in the four classifications listed above was approximately 4, with a total personnel at that time of 853. In 1948 the total employment in these classifications is 156 out of a total employment of 1,730. Again stating these comparisons percentagewise, the total employment in 1948 represents 203 percent of the total employment in 1939; whereas the number of high-salaried employees in 1948 represents 3,805 percent of the number of such class employees in 1939.

What more do you want? Here is a list of employees. Here is a list of the salaries paid.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

The question was taken; and on a division (demanded by Mr. O'KONSKI) there were—ayes 26, noes 41.

Mr. O'KONSKI. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. HARLESS of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the committee some questions which I should like to have cleared up. I notice on page 3 of the committee report, with reference to the Statistical Division of the CAA, that they have limited the amount to $250,000.

Mr. STEFAN. I know about that. We have been bombarded by employees of that Department who have been talking to Members of Congress regarding that item, and in answer to the gentleman's question, as to aviation statistics, in which the gentleman is interested, we are allowing them a quarter of a million dollars for personnel and supplies and equipment. There is about $200,000 for printing and binding for the CAA, much of which can take care of this operation, so we are supplying them ample funds.

Mr. HARLESS of Arizona. I want it to be clear, then, that the Department would be perfectly justified in using funds from the general printing and binding fund in this particular Division? Is that right?

Mr. STEFAN. No. That is a separate item for the CAA, but they get a part of it. We cannot earmark it here.

Mr. HARLESS of Arizona. That is what I wanted to have clear, that that will not be limited.

Mr. STEFAN. That item is already passed in the bill, but I wanted to give the gentleman the information.

Mr. HARLESS of Arizona. I know the gentleman is air-minded, and he knows of the urgent need for safety records. In the event there are safety statistics that are necessarily curtailed by limitation of the funds, would the gentleman be of the opinion that these safety statistics might be kept by some other division in the Department of Commerce?

Mr. STEFAN. We think that for legitimate statistics a quarter of a million dollars is sufficient. I understand there is $200,000 additional for printing and binding for the CAA, much of which is for this particular office, but if they are legitimate statistics, the committee feels that a quarter of a million dollars is ample.

Mr. HARLESS of Arizona. But they will be able to use funds from the general printing and binding appropriation for this?

Mr. STEFAN. In accordance with the policy of the Department.

Mr. HARLESS of Arizona. I thank the gentleman very much for clearing up that point. There is one other point I wish I had time to speak on, in connection with the preceding amendment. I call your attention at this time to a situation that is developing that will affect every Member of this House, because if you have not already had correspondence on it you are going to have some in the future. That is the recent order of the Department of Commerce with respect to export controls.

Mr. STEFAN. One million five hundred thousand dollars was originally requested to go in this bill, but later it was taken out of the bill and is not in our bill now. I have over a hundred letters from California and a hundred letters from New York protesting against that.

Mr. HARLESS of Arizona. It has been my duty the last week or two to spend a great deal of time on it. I can tell the gentleman now that it is shaping up down there so that there will be a stranglehold on the export commerce of this country if you do not go into it very carefully. We have had members of the Commerce Department before the Committee on Interstate and Foreign Commerce this last week. It is a most serious situation.

Mr. STEFAN. The gentleman understands, does he not, that it is not in this bill?

Mr. HARLESS of Arizona. That is, what I want to make sure of.

Mr. STEFAN. It is not in this bill. It will perhaps come up in the deficiency bill. We did have some hearings on it.

Mr. HARLESS of Arizona. It is one of the most serious things that has ever been before this House.

Mr. STEFAN. Mr. Chairman, I move that further reading of the bill be dispensed with and that amendments be now in order to any point in the remainder of the bill.

The motion was agreed to.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on February 22, 1948, newspapers carried the following headlines: "Benes resists pressure of Communists—Red demands increase in Prague"; the next day the papers told us "Czech Communists issue threat of general strike—Czech labor leaders support Communists."

On the 25th of February, the press informed us that "Communists gain power in political shuffle—Reds rule Czechs in bloodless coup." On the 27th we learned that "Tension grows in Finland—pessimism felt in Scandinavia—Reds dominate Prague—Finland fears she will be next."

Then on March 1, we learned "Finnish President supports Red pact—Czechs launch expansion drive—Swedes look to defenses."

Surely these headlines sound familiar. Have we not been through all this before? Substitute "Nazis" for Reds and "Hitler" for Stalin and you have the headlines of a decade ago. In 1938 Europe was a seething hellhole of greed, hatred, and suspicion. Every country was riddled with quislings—those archtraitors who serve the enemy so well. They were not spies, they did not carry membership cards in the Nazi Party, they were nationals whose specialty was sabotage through the channels of government and communication. They excelled in the art of mental poisoning.

Remember when, in 1938, it was called a phony war, this bloodless match of wits? Then came the massacres. Millions of men, women, and children brutally murdered, hundreds of thousands legally killed in a world-wide debacle whose stench is not yet out of our nostrils.

But here we go again. It is 1948 in the calendar of time, our war dead, buried in the four corners of the earth, are not yet cold in their graves, and today we hear the warning that we are closer to war than we were at the time of Munich. In the handful of nations, which yet remain free, men and women are asking, "What comes next?" They look to the United States for guidance. They look to this Government for signs of strength, courage, and faith. They have been told, and they believe, that the United States Government is the bulwark of democracy, freedom, and liberty.

Well, what is the state of our Government today? How powerful is that strength? How robust is the courage? How deep is the faith? In view of the world situation, is it not practical to cast aside politics and consider the unvarnished truth—that the Federal Government today is in the worst shape it has been for many generations. No Congressman or Senator who has sat through the Appropriations Committee hearings in either House can deny the appalling, the fantastic state of disorganization, inefficiency, criminal waste of money and manpower which exists in department after department, agency after agency.

It is a sordid and discouraging picture with no possible solution other than the complete overhauling of the whole Federal structure. In recent years every attempt that Congress has made to clean house in the grotesque bureaucracy the Roosevelt-Truman administrations have developed has been prostituted by officials whose first loyalty is some political ism. This past week, for instance, the spotlight of publicity has been focused on the State Department. The report of Congressman KARL STEFAN, Republican, Nebraska, chairman of the House Appropriations Subcommittee, conducting hearings on the Departments of State, Justice, Commerce, and the Judiciary appropriations bill for the fiscal year 1949, should be read by every citizen of this country. It is too much to hope that the shocking revelations in the hearings themselves will ever be read by the public. Because of recent world developments, it might be wise to concentrate our attention on the State Department. Let us take a look at the record—no inflammatory oration, no fireworks, just facts:

The committee expressed its apprehension in the rapidly increasing number of international organizations of which the United States Government is a member—both authorized and unauthorized. In many instances the objectives of these organizations overlap the objectives of the United Nations and its subsidiary organizations. The State Department lists 92 major international conferences to which it sends delegates this year. This does not include the scores of United States missions on special assignment and the numerous delegations representing the United States at the seat of international organizations. It is difficult to determine the net value of a large percentage of these international conferences. The hearings indicate that the State Department has a great many employees who like to travel, and it is primarily this group which involves the Department in these endless international organizations and confabs.

The Appropriations Committee further reported that it is greatly concerned over the effectiveness of the State Department, pointing to the duplication of effort between offices and divisions. There are a number of units in the Department which contain as few as six employees, and in instances, a unit consists of one employee and a stenographer. The reason for this is self-evident. An employee can secure a higher salary and classification if he is the chief of a unit, rather than an employee of a larger grouping. An analysis of the State Department personnel for the years 1939 and 1948 reveals a disproportionate increase in employees receiving between $8,000 and $10,000 a year. There were approximately 1,000 employees in the Department in 1939. In 1948 there were 5,900. The jump in high-salaried personnel during the same period was from 47 to 379 or an increase of 806 percent.

Under the present system of pyramided authorities, the committee found that there were few actions which can clear the Department without being referred to anywhere from two to six or more divisions. The hearings revealed that the Department operates under an echelon of 37 interdepartmental and 26 Department committees, many of which are competitive rather than cooperative. The committee report states:

> The present structure is wasteful, costly, and inefficient. More effective work would result if the Department were reduced in size, with overlapping and duplication minimized, and the so-called liaison work and endless conferences substantially curtailed.

The committee has reiterated previous recommendations which have been completely ignored by State Department officials, namely, that the Department get out of the operating phases of activities for which other agencies of the Government are responsible and concentrate on the over-all job of foreign policy. There is no justification, the Congressmen said, for there being located in the Department an Aviation Division with 30 employees, or a Shipping Division with 21 persons, or a Telecommunication Division with 26 workers. These are a few of the glaring examples of State Department encroachment on the work of other governmental agencies.

The House Appropriations Committee held extensive hearings on the security phase of the Department's work and the employment of individuals that are considered poor risks from a security angle. Committee investigators disclosed and reproduced from the Department's files the employment history of 108 former, present, and prospective employees. It was revealed that employees of questionable loyalty remain on the State Department pay roll for many months, in some cases more than a year, while they are being investigated and reinvestigated, because no one in the long chain of case evaluators will take definite action. The key to the State Department's security program rests in the Office of Controls, which is the management office for six major divisions, namely: Visa, Munitions, Protective Services, Foreign Activities, Correlation, and Investigations. Throughout the hearings there was no indication that the Office of Controls, which costs $60,000 annually in salaries alone, makes any contribution to the proper administration and coordination of work in the divisions under its jurisdiction. On the contrary, there is real evidence that it is detrimental to the highest efficency in the divisions it supervises, and that it has systematically hindered the weeding out of inefficient and disloyal employees.

As far as could be ascertained, Mr. Hamilton Robinson, the Director of the Office of Controls, has had no investigative or other kind of experience which would qualify him for his present job. There is no indication in his past history that he has ever been associated with security matters. His testimony points up gross incompetency. Lack of experience would seem to be the rule rather than the exception insofar as this Office is concerned.

In the course of the hearings, the gentleman from Nebraska, Congressman STEFAN, questioned Mr. Robinson about his assistant, a Mr. Stanley Goodrich. Here is what developed:

> Mr. STEFAN. What is the background of Mr. Goodrich?
>
> Mr. ROBINSON. He was a colonel or a lieutenant colonel in the Army.
>
> Mr. STEFAN. What was he before that?
>
> Mr. ROBINSON. I think he was in the paint business, if I am not mistaken.
>
> Mr. STEFAN. In what capacity?
>
> Mr. ROBINSON. In the paint business, sir.
>
> Mr. STEFAN. Yes; a salesman or house painter?
>
> Mr. ROBINSON. I think he was a salesman. I do not think he was a house painter.

The gentleman from Nebraska, Congressman STEFAN, read into the official hearings less than a dozen of the 108 cases reported by investigators. That record would make our war dead turn in their graves. Case No. 1 was born in New York City in 1918. He was employed as an economist and analyst with the Office of Strategic Services—better known as Big Bill Donovan's Cloak and Dagger Boys—and with the State Department since June 1945. Previous to that he worked for the Treasury Department and the War Production Board. He is now employed in the Division of Research and Intelligence. In October 1947 a memorandum recommended that this man be terminated as a security risk. It revealed that he was an active member and officer of the American Student Union. He has been closely associated with several subjects in a Russian espionage case, and has two brothers who are Communist Party members. Confronted with this information, Mr. Hamilton Robinson, Director of the Office of Controls, said that the State Department Personnel Security Board decided that Case No. 1 was not a security risk.

Case No. 3 immigrated to the United States from Hungary in 1938, was naturalized in 1944. Her record shows her to be an active member of the International Workers' Order, which is a well-known Communist-front organization.

Two references on her application for citizenship were members of the IWO and contributors to Communist magazines. She, herself, was a contributor to the Hungarian Communist magazine known as NOK. One reference on her State Department application refused to recommend her, questioning her loyalty, and declaring she is inclined toward communism. A former employer stated that he discharged the subject for being argumentative and inclined toward communism. Another employer stated she was a radical and boasted of being a Communist. Two other witnesses testified that she said communism was a good thing and right for this country. A fifth informant said she was "oversympathetic to communism."

A review was given this case in June 1947. All informants were reinterviewed and reiterated their statements. In October, a State Department investigator advised that an unfavorable security recommendation was being prepared. Despite this record, compiled since 1944, this woman is still employed at the State Department.

Another case deals with a State Department employee who belongs and has admitted membership to five Communist-front organizations. Repeated recommendations have been made for her dismissal. She remains employed in the Department.

Another reveals the case of a man, employed by the Government since 1942. In 1945, he joined the staff of the State Department. A year later, testimony gathered from eight reputable citizens, including six members from the faculty of two great universities, a naval officer and business associate, indicated that this employee was either a Communist or fellow traveler. His past record revealed that he was discharged from a naval school for poor grades and pro-Communist activities. A memorandum dated May 15, 1946 attached to this individual's files reads as follows: "Investigation disclosed evidence of a material nature tending to affect adversely the subject's loyalty to the Government of the United States and its institutions. It reveals that the subject is unmistakably identified with Communist activities." Further Government investigations report this man to be lacking in ability, a disagreeable associate, work below par, mediocre, dull, and slow-thinking, weak as to ability, common sense, and public relations. These are official reports of this individual's supervisors. Four subsequent reports and investigations have been made, and despite the considerable derogatory information obtained, the subject was transferred in August 1947 to another division when his previous position was abolished. After a year and a half of investigation, no conclusion has been reached in this case and the subject remains employed in the Department. And so ad infinitum.

Not only did investigators turn up these cases of men and women actually employed but they made available to the Appropriations Committee, the records of persons who were presently under consideration for future employment by the Department. These records, if anything, were even more unsavory. Applicants for positions as Foreign Service officers, experts in information and education were found to have records as moral delinquents and mental hazards of one kind or another. Several had police records. As Congressmen questioned State Department officials regarding these subjects, their testimony became more evasive, erratic, and unsatisfactory.

Committee investigators reported that, though the State Department files were ostensibly open to them, papers containing important information were withheld. Sharp questioning of Mr. Hamilton Robinson by the gentleman from Nebraska, Congressman STEFAN, revealed that a central control book, containing personnel records, with potent documentation, was not made available to the investigators, despite repeated demands for its release.

According to Mr. Robinson, one of the most important working tools of the Office of Controls is a card index of 300,000 references on individuals and organizations. These cards are the key to information in the Department on subversive activities. Investigators reported that up to December 1947 no uniform method of indexing materials was used in that office, no one seemed to be familiar with the files or the references or symbols in the card index. A test check of the cards indicated that approximately 29 percent of them had insufficient information or faulty reference material. The gentleman from Nebraska [Mr. STEFAN] pointed out that "15,000 military and naval attaché reports on security matters were received and handled by the Division in the past year and that less than 5 percent of them were indexed," thus making the balance of 95 percent of negligible intelligence value.

No enemy of the United States could hope for a better ally than the complete confusion and disintegration of our governmental machinery. When the Nazis stalked Europe, they undermined and overtook the Governments of Poland, Denmark, Norway, Belgium, and France. Now Russia is on the prowl. So far she has pocketed Albania, Estonia, Latvia, Lithuania, Bulgaria, Rumania, Hungary, Czechoslovakia, Poland, and you might as well add Finland. This is no time to play Little Red Riding Hood. Any officers or employees of the United States Government who are suspected in the slightest degree of communism, or affiliation with Communist-controlled organizations or who are so lacking in discretion that they associate themselves with the enemies of this Nation should be forced out of the Federal employ. Let them earn their bread and board in other pursuits, not allied with the welfare of this Nation. Unfortunately, there is no law against their type of treachery. On the contrary they seek protection in the very laws they so despise. They cleverly plant the old cliches in the mind of the public—Red baiting, tyranny, witch hunts. It is an old story. The ending is up to the Congress and the American people.

Mr. SHAFER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have just finished reading Report No. 1433 from the Committee on Appropriations for State, Justice, and Commerce for the fiscal year 1949, and I am shocked at a comment made by the committee concerning the administration of the Office of Alien Property. That Office, as we know, is charged with the responsibility of vesting the properties of the enemy aliens in the United States under the Trading With the Enemy Act. The great responsibilities of that Office are placed upon the Honorable David L. Bazelon, Assistant Attorney General and Director of the Office of Alien Property.

Mr. Bazelon is a personal friend of mine and prior to his becoming a public servant he was engaged in the practice of law in Chicago, Ill. Like many of our public servants, Mr. Bazelon gave up a very successful practice and made many personal sacrifices in order that he might serve his Government.

Six months after assuming the responsibilities of that Office and on Tuesday, December 9, 1947, Mr. Bazelon appeared before the House Subcommittee on Appropriations to testify and justify the request for funds to carry on the activities of that Office for the 1949 fiscal year. At the hearing Mr. Bazelon answered all questions propounded by the chairman and the other members of the committee in an apparently satisfactory manner. The chairman and the members of the committee did not indicate to Mr. Bazelon at that time that they had any criticism of the manner in which the activity was being administered nor did they direct any questions to him with reference to the administration of his Office. However, on Friday, February 27, the report of the committee was made public and it contained the following statement:

> In this connection it may be stated that information brought to the attention of the committee indicates exceedingly poor administration of this activity. It is suggested that the Attorney General take immediate steps to survey the Office of Alien Property both from an administrative and operational standpoint and have the resulting information available for the consideration of this committee during the hearings on the bill for the fiscal year 1950.

This statement has been made without affording Mr. Bazelon with an opportunity to answer such charges or comment upon any of the alleged information which has been brought to the attention of the committee. There is not one iota of evidence contained in the hearing which would substantiate that statement. The criticism is unfair and unfounded. It cannot serve any useful purpose. Since no attempt is made to inform Mr. Bazelon of the nature of the information or its source, there is no opportunity for him to make useful investigation in his own organization nor to take any corrective action, if corrective action is called for.

The derogatory remarks which have been permitted to creep into this report can only serve to impede the progress and to destroy the efficiency and morale of our Government officials. If our committees are to follow this grossly unfair and improper procedure, we cannot expect men who have been successful in private life, such as Mr. Bazelon, to accept positions as public servants. Certainly the compensation awarded them for their services is no incentive.

In view of the difficulty the Government is having in retaining competent administrators, it is, in my opinion, far beneath the dignity of the Congress to criticize publicly these administrators in such an unfair manner.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WALTER: On page 72, line 10, after "referee", insert "appointed," and after "place" where it first appears in line 10 insert "created since June 28, 1946."

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. STEFAN. I want to inform the Members of the Committee that this particular amendment was brought to

the Committee with the full approval of the House Committee on the Judiciary, and so far as I am concerned I accept the amendment.

Mr. WALTER. Mr. Chairman, there are several others, perhaps, who may want to say something about it, but are willing to accept the amendment. I might say in connection with this amendment that it is designed to preserve the status quo of places where referees in bankruptcy sat before the enactment of the referee law on the 28th of June 1946. By the adoption of this language, the House will have shown beyond any question its desire to see that its responsibility is assumed and not passed on to some clerk in the administrative office. The enactment of this language in this amendment will preserve every place where terms of bankruptcy court have been held and will prevent an interference with arrangements that have been proved successful over a period of years. Unless this language is adopted some of you may find that some clerk has decided to abolish a place for holding terms of bankruptcy court. It is very important that this amendment be adopted.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. PRICE of Illinois. I am very happy that the Committee has accepted the gentleman's amendment. I know that without your amendment, a great hardship would be worked, not only on litigants, but on people generally in the legal field who handle these cases. I have a particular instance of my own with reference to my district where without your amendment, a referee was taken from my district in Madison County, a county of over 180,000 people and litigants and attorneys were forced to travel 100 miles to the next city, Springfield, Ill., where they hold terms of court.

Mr. WALTER. This amendment will guarantee to the gentleman's constituency that the present arrangements will not be interfered with.

Mr. PRICE of Illinois. I am glad to hear that. Prior to the war, we had a great number of bankruptcy cases in this referees court at Evansville, Ill. During and since the war we have not had very many. But if the people make the same mistake they did in the twenties, we may have a deluge of bankruptcy cases, and I want to see these people have every convenience possible.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GRAHAM. The gentleman's amendment applies particularly to places where referees in bankruptcy are now sitting and will preserve the status quo without any question. The amendment comes here with the full recommendation of the Committee on the Judiciary.

Mr. WALTER. I thank the gentleman.

Mr. HARRISON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HARRISON. Do I understand the effect of the gentleman's amendment is to provide that the referees in bankruptcy will sit where they are now sitting?

Mr. WALTER. Exactly.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MILLER of Maryland. Would your amendment take care of the situation where a referee might be in this situation? To be explicit, there are several small towns in my district, one of which has always had a referee in it. But he has not always been in the same town. If the present referee is in one of the small towns some 20 miles away from where the referee had been in 1946, but covering the same territory, of course, would your amendment take care of a case of that sort?

Mr. WALTER. I do not think it would, frankly. The amendment would take care of the situation where the referees are today holding terms of bankruptcy court in a particular place. However, if the referee is the same person, no matter where he sits, then the arrangement could not be disturbed.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. ALLEN of California. Would the gentleman inform me whether his amendment goes to the places at which the referee sits rather than to the particular referee?

Mr. WALTER. It goes to both. I know the gentleman's problem. Today, as I understand it, there are terms of bankruptcy court held in Oakland, Calif., and the terms of the United States court are held in San Francisco. Now because there was a referee sitting in Oakland on the 28th of June 1946, the administrative officer of the court cannot disturb that situation. We talk a lot about bureaucracy. We are continually complaining about the encroachment of the executive branch on our prerogatives. Here is an opportunity for us to demonstrate whether or not we mean it when we say that we intend to regulate the regulators.

Mr. LATHAM. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. LATHAM. Do I understand correctly that your amendment would keep in the present location the referee, who is presently in the post office away from the district court, with free rent and with adequate quarters, and so on?

Mr. WALTER. Precisely. That is one of the reasons why some of us on the Judiciary Committee felt that it was necessary to recommend the language that the Appropriations Committee adopted. During the depression years a great many Federal buildings were erected, and in most of them accommodations were provided for the holding of terms of court. It seems to many of us it would be the height of folly to permit a court to direct a place for holding terms of bankruptcy court at an additional expense to the United States.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HORAN. This subcommittee tries to carry out the intent of Congress when we know what that intent is. In this case there appears to have been some doubt. We do not spell it out correctly, and we are happy to make any contribution in clearing up the intent of this body.

Mr. WALTER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REED of Illinois. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of Illinois: On page 72, line 8, strike out all of lines 8, 9, 10, and 11.

The CHAIRMAN. The Chair would inform the gentleman that is not a proper substitute for the pending amendment. The gentleman may offer this amendment later.

Mr. STEFAN. Mr. Chairman, I ask for a vote on the amendment.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment.

As I understand the situation the only effect it would have would be to take the referee now holding court in Reading, Pa., and transfer that court to Easton, Pa. Easton is on the extreme eastern end of the five counties composing the northwest half of the eastern Pennsylvania district. There are good roads connecting Reading with every other part of the five counties. Reading is in the exact center of the geographical area served. The statistics of the filings of bankruptcy cases show that it is in the center of the case load to be carried. It is the result of a study made by the expert on bankruptcy of the administrative office of the courts. It has the approval of the Conference of Senior Circuit Judges. It is located in the exact center instead of on the farthest easternmost boundary of the area, and in the county in which there are fewer cases filed than in this center county alone. But be that as it may, I think the geography of the situation shows that the amendment ought not to be adopted. You will upset the law that we wrote 2 years ago and it has been the law ever since and there is no objection to it. It has the approval of the constituted authorities, including the Conference of Senior Circuit Judges.

Mr. WALTER. I know that the gentleman did not mean this particular situation.

Mr. HOBBS. I certainly did and I got my information from the gentleman from Pennsylvania.

Mr. WALTER. No; the gentleman did not get that information from me. This matter was discussed in the Committee on the Judiciary. The gentleman from Alabama himself pointed out that there were 18 different situations affected, situations all over the United States.

Mr. HOBBS. Mr. REED, the chairman of our Bankruptcy Subcommittee, was the one who made that statement and read the list of offices that would be abolished, but that statement was made with reference to a wholly different matter. Now, may I address myself to the amend-

ment for just 1 minute? The basic law governing referees is the result of a 10-year fight to remove the last vestige of the iniquitous fee system from our judicial system. We put the referees on a salary basis. We found six referees who were drawing over $100,000 a year. By leveling off such peaks of the "take" and by prescribing that no referee could get over $10,000, we have come to the place where the United States Government will make over a million dollars a year, as estimated by the experts in whom I have explicit confidence.

This is the law, and it was prescribed that the administrative office of the courts should make a careful study; and after conference with the district court judges these bankruptcy districts were set up for referees. No such area was created where the case load did not justify it. We have cut down the number of referees by about half, to where we now have 160 instead of 340. We have saved money. Money will be paid into the Treasury. The system will show a profit to the Federal Government instead of a loss. It costs the Government nothing except during the lag while the case fees are being collected.

So we submit that a careful study like this ought not to be upset. If you will look at the map of these districts you will find Easton, of course, in the eastern extremity, while the place where the experts put it is in the exact center of the bankruptcy district. The case load justifies it also.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JOHNSON of California. Mr. Chairman, I rise to propose a pro forma amendment; namely, to strike out the last three words.

Mr. Chairman, my only excuse for taking the floor in this matter is that I was a referee in bankruptcy at one time out in California, and relinquished the job at the end of my term, and recommended a successor, whom the court appointed.

I concede that the abolition of the fee system was a very good thing. The reason I should like to see adopted the amendment offered by the gentleman from Pennsylvania [Mr. WALTER] is that I am familiar with one case where it would be a strict disservice to abolish the office of referee or to remove the office to another city. The place I refer to is Oakland, Calif. This referee serves a community of over 1,000,000 people. They propose by this bill to eliminate that office and center it all across the bay in San Francisco. I think it would be a very great disservice to the number of people who had the use of the referee's office in Oakland. I do not know whether the average Member of Congress knows, but going through the office of a referee in bankrupty—and I was a referee in a small office comprising about six or eight counties—are a great many cases. In the Oakland office thousands of cases are considered each year. The referee out there was previous to his appointment, an experienced and successful trial lawyer. He has had the job for about 10 years and he receives $10,000 a year. I think it would be very bad for people who get into the unfortunate position of being bankrupts, and their attorneys likewise, to have to go over to San Francisco. Undoubtedly the work in San Francisco would catapult up so high there would be great delay in the disposition of these various estates. Also, there is no space in the Federal Building, so office space would have to be rented at a higher cost than in Oakland.

For that reason and based upon my knowledge of this one case, I hope that the amendment offered by the gentleman from Pennsylvania will be adopted.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Alabama.

Mr. HOBBS. The situation that the distinguished gentleman has recited will be taken care of by the Reed amendment to be offered by the chairman of our Bankruptcy Subcommittee in conjunction with 11 other places that are similarly affected.

Mr. JOHNSON of California. Does the gentleman mean that the office at Oakland, Calif., will be retained?

Mr. HOBBS. If we adopt the amendment that he is going to offer. The only reason that that is not up for consideration now is it was held out of order as a substitute for the Walter amendment.

Mr. JOHNSON of California. I understand that. I do not know anything about the Easton case, but I do know about this one case to which I referred and I think it would be a mistake to eliminate that office or move it.

Mr. HOBBS. We not only know about that case but we know of 11 other cases that would work the same kind of a hardship. The Reed amendment will take care of all of them.

Mr. JOHNSON of California. I thank the gentleman for his contribution.

Mr. STEFAN. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved for the chairman of the subcommittee.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I take this time to ask one question of the distinguished gentleman from Pennsylvania who has offered an amendment to the pending bill. The distinguished gentleman from Alabama [Mr. HOBBS] says that the only effect of the amendment offered by the gentleman from Pennsylvania is to provide a referee in bankruptcy at Easton, Pa., which is at the far corner of the judicial district, there being a referee in Reading. I would like to know whether or not that is the fact and if that is the full purport of the amendment offered by the gentleman from Pennsylvania?

Mr. WALTER. No, that is not the fact. In the first place, there has not been a referee in Reading for the last 4 years, nor has there been a case in bankruptcy in 5 years. There has not been a referee in bankruptcy in Easton for 2 years. All of the bankruptcy business in Easton, Pa., is being transacted in Philadelphia. The only purpose of this amendment is to prevent an administrative officer from interfering with situations that have proven satisfactory over a period of years.

Mr. KEEFE. Is it a fact that the gentleman's amendment is applicable to that one situation as charged by the gentleman from Alabama? I understand that an amendment is going to be offered by the distinguished gentleman from Illinois [Mr. REED] that would take care of some 11 or 12 situations that ought to be taken care of. I understand that the gentleman's amendment does not touch that situation at all.

Mr. WALTER. This amendment applies to every place in the United States where on the 28th of June 1946 terms of bankruptcy court were being held. That is, every place in the United States. As a matter of fact, I did not know that the situation at Easton, which happens to be my home town, was affected.

Mr. KEEFE. Does the gentleman mean by "bankruptcy court" the usual transactions before a referee?

Mr. WALTER. That is right.

Mr. HOBBS. Will the gentleman yield?

Mr. KEEFE. I confess I am very much disturbed because of this complete conflict that exists and I want to be sure that a situation that exists in my State is going to be taken care of also.

Mr. HOBBS. I welcome the challenge and I reiterate that the sole purpose of this amendment is to take the referee away from Reading and put him in Easton. The trick is this date that he has inserted, the date of the approval of the Referee in Bankruptcy Salary Act. Therefore, since there was a part-time referee working out of Philadelphia, sitting at that time in Easton but not in Reading, it would have the effect that I stated, and I am glad that the records bear me out, and they do not substantiate what the gentleman from Pennsylvania says.

Mr. KEEFE. It places the average Member of Congress in a rather embarrassing situation when we have two distinguished members of the Committee on the Judiciary endeavoring to interpret an amendment that is offered to this bill, which the chairman of the subcommittee in charge of the bill says he is willing to accept, and a third distinguished member of the Committee on the Judiciary trying to get recognition to offer an amendment and to speak on it which will have some other effect.

Before I vote on this matter I want to be sure that the amendment I am voting on will do the thing that we all have in mind. I do not want to vote for some tricky amendment that is simply going to make provision for taking care of a situation up in Pennsylvania, may I say, and not take care of similar situations that exist all over the United States. I think before we vote on this matter we better know what we are voting on.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, something has been said about embarrassment and something about the chairman of the committee being willing to accept an amendment to the bill. Now, let us keep the record straight because I, as

chairman of the subcommittee, also am embarrassed. I have told this House many times that I would go along with the leadership in fighting against legislation being written in an appropriation bill; that I will do everything I possibly can to consult the legislative committees, wherever I can, or wherever I think they would help me bring into the House or into the committee an appropriation bill which would have the approval of the Members on both sides of the aisle.

If you will look on page 72, you will find language that was not in the bill last year. That language reads:

No part of any appropriation in this title shall be used to pay the cost of maintaining an office or for the salary of a referee at any place other than at a place where terms of a district court of the United States are held.

This is an amendment which was brought to my committee by a member of the Committee on the Judiciary with a message stating that it was the unanimous opinion of that committee that this amendment should be placed in this bill, and for that reason you find this amendment in the bill. I assumed when the gentleman from Pennsylvania took the floor and offered the amendment, that the entire membership of the Committee on the Judiciary was unanimously in favor of that amendment. I thought it was merely an amendment to this amendment which was brought to my committee.

Now, I want to compliment the gentleman from Illinois [Mr. REED] and the gentleman from Alabama [Mr. HOBBS] for bringing into this House a bill placing referees on a salary basis and becoming officials of the United States District Court, because I agree with the gentleman from Alabama that eventually this will result in not only a saving of about $1,000,000 a year to the taxpayers of the United States, but will also result in better justice to those who appear in bankruptcy courts, and the public will not be gouged. Now you are proposing another amendment here today to do something else with these referees. I leave it to the judgment of this committee. Who are more entitled to ask that an amendment be placed in an appropriation bill than members of the committee that writes legislation relating to the judiciary?

Mr. REED of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Illinois.

Mr. REED of Illinois. The gentleman from Nebraska stated that he was approached by a member of the Committee on the Judiciary asking that this amendment be placed in the bill, and that it was the unanimous opinion of that committee that that should be done.

Mr. STEFAN. The gentleman is correct.

Mr. REED of Illinois. Would the gentleman be surprised to know that the first time the Committee on the Judiciary knew anything about this amendment was when it was called to their attention yesterday at a meeting of the committee?

Mr. STEFAN. I am very much surprised, because the chairman of that committee told me not very long ago he knew very little or nothing about it. The gentleman from Illinois knows of my high regard for the members of the House Committee on the Judiciary, and that I frequently consult with them on matters of legislation dealing with the Federal Judiciary and the Department of Justice.

Mr. Chairman, I ask for a vote on the amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished chairman of the Committee on the Judiciary.

Mr. MICHENER. I regret exceedingly to see this disagreement among the members of the Committee on the Judiciary. I learned of this provision in the bill, on yesterday. The full committee discussed the provision. My personal view is that the language in the bill should remain in the bill, although I did not have anything to do with putting it in the bill. The real trouble is that every time you start to cut appropriations anywhere someone is going to lose a referee in his territory, and when that happens—when the Members find that out—everybody starts a fight against the cut that affects his district. That is all there is to this. Those who are trying to change it are trying to keep certain persons in jobs in their districts. I should like to see the bill remain as it is.

The CHAIRMAN. The time of the gentleman from Nebraska has expired. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was rejected.

Mr. REED of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of Illinois: On page 72, strike out all of lines 8, 9, 10, and 11.

Mr. REED of Illinois. Mr. Chairman, my amendment strikes out the entire paragraph which provides that no part of the appropriation shall be used to pay the cost of maintaining an office or for the salary of a referee at any place other than a place where terms of a district court of the United States are held.

When the Referees' Salary Act was passed in 1946, we had in the United States some 330 referees in bankruptcy. These referees received their compensation wholly from fees collected from bankrupt estates. The act of 1946 provided that fees must be collected and turned into the Treasury and that the referees be placed on a salary basis. The number of referees to be appointed, the districts in which they shall serve, and the salaries they are to receive are fixed by the Judicial Conference, composed of the Chief Justice of the United States and the senior circuit judges of each respective circuit. The place at which such referees are to hold court and have their principal office is also fixed under that law by the conference. The referees themselves are appointed by the district judges.

The effect of the provision in the pending bill sought to be eliminated by this amendment will be that 18 referees, located at places where a Federal district court does not hold terms of court, will be legislated out of existence, their salaries stopped, their expenses denied, and their offices closed unless they are moved to places where the district courts now hold court.

Without doubt the intention of the Committee on Appropriations was to reduce expenditures by locating as many referees as possible in Federal buildings and thus reducing the amount of money that is paid for office rent. As a matter of fact, no appreciable reduction would be accomplished and only confusion would result. There are two full-time referees who would be affected by this provision, one in Jamaica, N. Y., and one in Oakland, Calif. The one at Jamaica, N. Y., now occupies quarters in the Jamaica Post Office Building. But inasmuch as the district court holds no terms of court there, his office would have to be vacated under this act, and if he still desired to serve as a referee he would be compelled to move to Brooklyn. In Oakland, Calif., where likewise no Federal district court sits, the referee occupies a rented office. This also would be closed and he would be required to move to San Francisco and secure rented quarters in that city because even now there is no available space in the Federal Building for their resident referee. The fact that rents are higher in San Francisco than in Oakland certainly means no economy here and the Oakland bar, litigants, and public will be put to the inconvenience of crossing the bay to transact bankruptcy business in San Francisco. The other referees affected are in small towns as a rule and serve a large area. The total amount of rent that is paid for all of the office space for all of these part-time referees, some 16 of them, is $5,329 per year.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. REED of Illinois. I yield.

Mr. SHORT. What are their salaries?

Mr. REED of Illinois. The salaries of these part-time referees are as follows:

Yonkers, N. Y., $3,500.
Poughkeepsie, N. Y., $1,500 a year.
Reading, Pa., $3,000.
Ebensburg, Pa., $3,500.
Salisbury, Md., $1,000.
Staunton, Va., $1,500.
Grafton, W. Va., $3,000.
Tupelo, Miss., $1,000.
Joliet, Ill., $3,000.
Dixon, Ill., $3,000.
Edwardsville, Ill., $2,000.
Gary, Ind., $3,500.
Manitowoc, Wis., $3,500.
San Bernardino, Calif., $1,000.
Corvallis, Oreg., $3,500.
La Grande, Oreg., $900.

Those are the salaries of all these part-time referees whose services must be performed either by other referees whose salaries would then have to be raised, or other referees would have to be appointed from the big cities to go into the country districts and perform the duties formerly performed by the resident referee. This, too, means additional mileage and expenses to say nothing of the inconvenience of the public.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. REED of Illinois. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlemen from Illinois?

There was no objection.

Mr. REED of Illinois. Mr. Chairman, there is one other thing I wish to call the attention of the committee to, and that is the provision that has been inserted in this bill is likewise objectionable because it is vague and uncertain. It is vague and uncertain because it says "that no part of this appropriation shall be used to pay the salary or maintain the office of any referee at any place other than at a place where the terms of the district courts of the United States are held." I am sure I do not know how the word "place" would be construed. It is a very vague and uncertain term.

Webster's Twentieth Century Dictionary, 1936 edition, page 1250, defines the word "place":

A particular portion of space considered as separate and distinct from rest of space; a particular locality, spot or location; position; that portion of space which anybody occupied or occupies; as anything in its place; a warm place.

Any particular location considered as distinct from others, relations, or use; region; site; abode; quarters; a building, village, town, city, or country;

Room that may be occupied; reception; ground;

Room made vacant as by the absence of former occupant;

Black's Law Dictionary, 1944 edition, page 1363, gives the following information:

Place: This word is a very indefinite term. It is applied to any locality, limited by boundaries, however large or however small. It may be used to designate a country, state, county, town, or a very small portion of a town. The extent of the locality designated by it must generally be determined by the connection in which it is used. (*Law* v. *Fairfield* (46 Vt. 432); *Henthorne* v. *State* (35 Okl. Cr. 197, 249 pp. 429, 430); *State* v. *White* (111 Kan. 196, 206 pp. 903, 904); *Roche Valley Land Co.* v. *Barth* (67 Mont. 353, 215 pp. 654, 655); *Carlin* v. *City of Chicago* (262 Ill. 564, 104 n. e. 905, 907, ann. cas. 1915B, 213); *Allison* v. *Hern* (102 Kan. 48, 169 pp. 187, 188); *Kansas City Breweries Co.* v. *Kansas City* (96 Kan. 731, 153 pp. 523, 524); *Robinson* v. *State* (143 Miss. 247, 108 So. 903, 905); *Hammell* v. *State* (198 Ind. 45, 152 n. e. 161, 163); *State* v. *Cahalan* (204 Iowa 410, 214 n. w. 612, 613).)

From Forty-eighth Corpus Juris, page 1211:

Place: A. As a noun—1. In general. A very indefinite term; a word of variable meaning, the particular meaning in any given instance of its use depending upon the connection and circumstances of its use. In its primary and most general sense it means locality, situation, or site; an area; an area or portion of land marked off or regarded as marked off or separated from the rest, as by occupancy, use, or character; any portion of space regarded as measured off or distinct from all other space or as appropriated to some definite object or use; a definite point or locality; a portion of space regarded as separate from the rest of space; region; space occupied by, or belonging to, a thing under consideration; space regarded as abode or quarters. It may be applied to any locality, limited by boundaries, however large or however small. Accordingly, among other things, the term may be employed as designating, including, or synonymous with, "archway," "automobile," "barbershop," "booth," "building," "city," "country," "county," "excavation," "farm," "homestead," "hotel," "hotel room," "house," "inclosure," whether covered or not, "interior of a railway station," "livery stable," "parish," "park," "part of an alley," "post office," "building," "receiving house for letters," "restaurant," "room," "steamboat," or "vessel," "street," "tent," "town," "trench," "vehicle," "weed or brush patch," "whole premises," "yard." The extent of the locality designated by the term must, generally, be determined by the connection in which it is used.

A place could mean a county; it could mean a city; it could mean a building; it could mean a part of a building. Here you have this situation in Jamaica, for instance, where you have a full-time referee. There is a Federal post office in Jamaica and if you address your mail you address it to Jamica, N. Y., yet Jamaica, like Brooklyn, is a part of the city of New York. If place means the building in Brooklyn where the district court holds court, then the Jamaica referee will have to move to Brooklyn, and the people of that part of the city of New York that he now serves will not get service in their own locality. If place means city, then obviously he can stay where he is. If these small part-time offices out in the country districts are abolished it means that the people in those country districts must go into the big cities to transact their bankruptcy business. I have in mind for instance my own State. The northern district of Illinois comprises in area about one-third of the State. Its population is about two-thirds of the State. There are three full-time referees in Chicago which lies wholly within the county of Cook. There are 17 other counties in the district that are served by two part-time referees. If this bill is not amended and becomes the law these two part-time referees will be done away with and all the litigants in those 17 counties will be required to be served by referees whose offices are many miles away in the city of Chicago.

Mr. Chairman, the pending amendment will leave the operation of the bankruptcy courts as they have been established by the Federal district and circuit judges. They will be more economical, more practical, more convenient. This is no time to hamper, harass, or embarrass the administration of justice by a synthetic economy that will amount to an extravagance and a hardship to the public.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. REED] has again expired.

Mr. STEFAN. Mr. Chairman, there is a very important rubber bill to follow the consideration of the pending bill. I wonder if we cannot arrive at some time to conclude the debate on this amendment.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes, the last 3 minutes to be reserved for the chairman of the committee.

The CHAIRMAN. The question is on the motion of the gentleman from Nebraska [Mr. STEFAN].

The motion was agreed to.

Mr. MILLER of Maryland. Mr. Chairman, I am deeply interested in seeing this amendment agreed to not only because it happens to vitally affect my district to the large extent of a $1,000 salary but because it happens that I served as a country referee for some 20 years. I think injustice and hardship will result in a number of communities, certainly the district which I represent, if this amendment is not adopted.

One of the things that I think has escaped the attention of the committee is the fact that one of the chief functions of a referee in bankruptcy is to make access to the bankruptcy court easy for people who have to come into that court. They are always unfortunate cases anyway. Many times people have reason to see a referee who cannot afford to take long trips. It would be upsetting an unbroken precedent that has existed since the bankruptcy law was first established many years ago. From that time uninterruptedly my district has had a referee. In the part of Maryland in which I live considerable travel and expense is involved for litigants to go to Baltimore, where the district court sits. We have had as many as three sitting referees in the days when bankruptcy was prolific. Today we have only one and his location is a great convenience to the members of the bar and to litigants and creditors who otherwise might have to make long journeys even to file a petition or have an order signed if there were but a single referee in the whole State. As I recall from the standpoint of money, for example, it would be much more expensive if this referee were removed. I believe the law still requires that the first meeting of creditors be held in the county where the bankruptcy originates. There are nine counties in my district. To reach some of them would require a 200-mile journey from Baltimore on the other side of the bay.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. JENNINGS. There is this additional reason for what the gentleman is proposing and advocating, in bankruptcy proceedings the creditors generally do not get much except the little blue slip that announces the "catastro-fee"; and why have him have to walk, wear out a pair of shoes, and lose all of his patience, and maybe most of his religion?

Mr. MILLER of Maryland. The gentleman is absolutely correct. The cost of a referee moving to and from Baltimore throughout the nine counties of this little district of mine—and it is not a little district geographically—would be more than the $1,000 a year in salary that is involved. We would also trespass on the prerogatives of the courts which have selected the places where referees are needed. It seems to me that if we cannot trust our fine judiciary to select the place where a referee should sit and see that he sits there, we are, indeed, going beyond our function in this bill.

On the basis of long experience as a referee in bankruptcy, I know that the referee should be near the people with whom he has to deal, and I very strongly urge that this amendment be adopted.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

The gentleman from New York [Mr. LATHAM] is recognized for 1½ minutes.

Mr. LATHAM. Mr. Chairman, I think it would be extremely unfortunate if this amendment did not pass.

It certainly would be very serious for my community and for several adjoining communities. The referee in my county serves not only my county but the adjoining county of Nassau, represented by the gentleman from New York, Congressman LEONARD W. HALL, and the next county of Suffolk, represented by the gentleman from New York, Congressman KINGSLAND MACY. Those counties, together with my county of Queens contain about 2,500,000 people. These are the people who use this referee's office.

If you move the office to Brooklyn these people would have to go long distances and at great inconvenience to Brooklyn. They should not have to do this.

The referee has spacious comfortable quarters in the Jamaica post office in Queens County. Down in Brooklyn they have a dilapidated old building about 100 years old filled to capacity. If the office is moved there the Government would actually have to go out and hire for about $5,000 a year, additional quarters for this referee. It would cost more money than the present setup.

Mr. LEFEVRE. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield.

Mr. LEFEVRE. I understood the gentleman from Illinois to say it makes the people of my county have to go to New York City. It would be a great hardship on my people.

Mr. LATHAM. I understand it would be very critical in the gentleman's area.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Virginia [Mr. HARRISON] is recognized for 1½ minutes.

Mr. HARRISON. Mr. Chairman, I rise in an effort to protect a good Republican referee from being abolished by a Republican Congress. Now, if you want to abolish him that is all right; we will put a Democrat in his place at the county seat courthouse.

The referee ought to sit where he can serve the convenience of the people. We have some good Republicans, and this Republican referee is a good referee. I am therefore here to try to save him.

It seems to me that the question of where a referee in bankruptcy should sit should not be determined by where a court is but by where the district judge under the supervision of the judicial counsel may determine they can best serve the interests of the people.

Incidentally this measure will not save a single dollar, because the people must be served and whenever referees are necessary they will be under the supervision of the court.

For the reasons set forth above I urge the adoption of the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MCMAHON].

Mr. MCMAHON. Mr. Chairman, I rise in support of the pending amendment because it vitally affects one and a half million people in the County of Queens. It is significant to me as Members have taken the floor they say, "Well, I have eight or nine counties in my district"; "I have three or four counties." But Queens is so large that the county itself has four Representatives. There are a million and a half people in this county. The referee in bankruptcy at Jamaica also serves the people of Nassau and Suffolk. The people of Suffolk, if the pending amendment does not pass, will have to travel 140 miles to get to Brooklyn. Those of you who were in New York during the recent snowstorm will realize the difficulty we had in traveling for most of the winter because of the tremendous snowfall, the resultant nonremoval by the city and the constant freezing creating ice ruts. To move the referee in bankruptcy to Brooklyn would work an undue hardship on the people of Jamaica and the rest of Queens. Therefore I urge that the Committee support this amendment and afford the two and a half milion people of Queens, Nassau, and Suffolk the relief to which they are entitled.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, I rise at this time because the gentleman from Alabama [Mr. HOBBS] has created an impression that this is a personal matter with me. A casual examination of the report of the Judicial Conference will disclose that the referee in bankruptcy is required to sit in my home city of Easton, Pa. I respectfully request those of you Members who had any doubt as to my integrity in this matter to look at the report of the Judicial Conference and you will find that to be the fact.

As to the amendment I offered that would preserve the status quo of situations that existed on the 28th of June 1946, I say to the distinguished chairman of the subcommittee that the Judiciary Committee did agree that that amendment, if adopted, would have taken care of every place in the United States where a referee sat at the time the bankruptcy law was approved. As to the original language which I submitted to the distinguished gentlemen of the Appropriations Committee, the Chairman of the Judiciary Committee and other members of the committee and I discussed this matter. As a matter of fact, the gentleman from Michigan [Mr. MICHENER] called my attention to the situation and after it was explained language designed to meet it was drafted and submitted to the distinguished chairman of the Judiciary Committee, who approved it.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Chairman, the District Court for the Northern District of California sits in San Francisco. It has two full-time referees. The population is divided roughly one-half on the San Francisco side of the bay and one-half on the east side of the bay, from which I come.

Each of the officers has existed for 20 years or more; each has given a very satisfactory and convenient service to the members of the bar and the litigants. There is no saving involved in abolishing the position at Oakland and transferring it to San Francisco. Each referee rents his quarters and each would have to be provided with rented quarters, as is the case now.

It is a great convenience to the attorneys on the East Bay side to have a referee situated in their midst, a great convenience to the people and a situation that has existed satisfactorily for a number of years.

Mr. Chairman, I ask that the amendment now pending be supported.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in support of the amendment and the sentiments just expressed by my colleague the gentleman from California [Mr. ALLEN]. I think that we should give the litigants in this county a break. They would have to go to San Francisco, where they would lose a great deal of time crossing the bay, and at great expense to themselves and the attorneys involved. I can see no reason why the situation in crowded metropolitan districts, where we have centralized the Department of Justice, should not be continued. I ask that the amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. LOVE].

Mr. LOVE. Mr. Chairman, I rise in support of the amendment. The present system is certainly a matter of convenience and I cannot see how any substantial saving can be made by the proposed change in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman and Members of the House, I wish you would give me your ears for a moment. This amendment offered by the chairman of the bankruptcy subcommittee of the Committee on the Judiciary will not cost anyone 1 cent, but, to the contrary, will save a considerable sum of money. In the first place, it all comes out of the costs taxed in bankruptcy cases, after the lag which will be necessary to collect the fees from the litigants. But, aside from that, it is copybook stuff to know that the shortest distance between two points is a straight line, and that the nearer you put courts to the people the more convenient attendance is and the less expense. So much for that.

In the second place I want to say this, that far from being unanimous on the part of the Committee on the Judiciary, we never heard of the amendment which was offered to and adopted by the Appropriations Subcommittee, until after the pending bill, so amended, was reported to the House.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Just one second. I want to finish this statement and then I will be glad to yield.

Mr. WALTER. I was talking about the amendment that was voted down. That was the one we discussed.

Mr. HOBBS. I realize that you showed that to me, privately, in the Committee on the Judiciary, and again on the floor, back of the rail yesterday, but each time I told you I was opposed to it. However, that was not the amendment now printed into the bill as reported by the Appropriations Committee which you gave the gentleman from Nebraska [Mr. STEFAN] and told him it had unanimous approval of the Judiciary Committee. I confidently believe that you were almost, if not absolutely alone, in your approval of that. I do not believe you, or anyone else, consulted with a single one of the seven members of the Subcommittee on Bankruptcy about that amendment and I am quite sure that none of us would have approved that amendment if he had been consulted. There are 27 members of the Judiciary Committee—find one of them who agrees with the gentleman from Pennsylvania [Mr. WALTER] if you can.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, this matter is too important to be juggled around here in committee, because notwithstanding the prosperity that is apparent in the United States, we had 13,000 bankruptcy cases in 1947, and the estimate for the fiscal year 1948 is that it will jump up to 20,000.

As I told you before, I am chagrined and embarrassed, as chairman of the committee which makes appropriations for the Federal judiciary. When I am given an amendment from the House Committee on the Judiciary, with an indication that it comes to me unanimously, I am prone to accept it. Notwithstanding that, the committee went into this matter carefully. We discussed it. But I feel, Mr. Chairman, in view of the situation existing in the legislative committee, the House Committee on the Judiciary, that some settlement of this very important matter should be made in that committee and not in the Committee on Appropriations or on the floor of the House at this time. Therefore, I assume the responsibility as chairman of this committee, and I believe I speak for the minority as well as the majority, of saying that we will accept the amendment offered by the gentleman from Illinois [Mr. REED], and I ask for a vote on it at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. REED].

The amendment was agreed to.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 74, line 23, after the word "law.", insert a new section 602:

"That no part of the appropriations contained in this act shall be used for the purpose of converting any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia, or for the installation of oil heating units in any new construction."

Renumber section 502.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes after the gentleman's time has expired.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HESELTON. Mr. Chairman, I am hopeful the committee may see fit to accept this amendment, having discussed it with Members on both sides, but I just want to explain briefly why I think it is necessary.

This bill contains a substantial appropriation for the Federal airport program. I discussed that feature with the Assistant Administrator for Airports. He advised me it would be almost impossible to give the full information as to the building program, but he thought approximately 60 buildings are involved, most of them relatively small. The function of the Administrator is solely to determine whether the plans submitted are appropriate and reasonable. I do not think any particular stress has been laid on the wisdom of conservation of oil.

I have also discussed the item covering the boiler at the Washington National Airport. I am told it is heated partially by oil and partially by coal. It is intended to provide heat for five new hangars. The work has actually been completed. There have been changes twice since 1944, largely dependent upon fuel conditions. The authorities do not feel that this would be of any great moment, relatively speaking. While I can agree with them on that, on an over-all basis, I still think that when individuals are urged to conserve and when some homes and buildings are actually cold, it is incumbent upon the Federal Government through its agencies to set the example of conservation. That is exactly what this amendment is intended to do.

Secondly, for those who may think we are out of the woods on this thing, let me call your attention to the fact that over the last week end, parts of New England had a fall of between 9 and 12 more inches of snow. That brought it up to a total of 85.5 inches in the Boston area. This is the only winter since 1873 there has been that much snow in that area. They had 131 inches in other parts of that State. That was true all over New England. That definitely is depleting the stocks we have.

Finally, here is an article that I think is of some moment on this point. It comes from the New York Journal of Commerce of yesterday and is headlined "East's Oil Stocks Dangerously Low."

It reads:

Atlantic coast heating-oil stocks are at dangerously low levels, necessitating continued high production and consumer conservation.

The Petroleum Regional Advisory Committee concluded its report by saying that consumers must continue to save every possible drop of oil if hardship is to be avoided throughout the remainder of the heating season.

The sole objective of this amendment is to make it necessary for the agencies which contemplate conversions or new installations to come back to our committee and justify it in terms of their ability to obtain the supplies in the face of the depleted supplies for our industries and our homes. I hope the committee may see fit to accept the amendment. It can do no harm and it may do a world of good.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Texas.

Mr. WORLEY. I am not exactly clear on the purpose of the gentleman's amendment. What buildings are affected by the amendment?

Mr. HESELTON. They would be buildings erected under the airport program, certainly. There are also several other construction items, which I have not detailed, warehouses that are being rented all over the country, and the like of that.

Mr. WORLEY. Does your amendment mean that an institution or one of the buildings would not be permitted to use oil or gas under any circumstances?

Mr. HESELTON. No, sir. It simply would mean that they could not go ahead as they did at the Boston Marine Hospital and convert from coal to oil. That is what they did in December, making it utterly impossible for us to arrange any reconversion back to coal when we have an ample supply of coal. Secondly, if they plan an installation, that is, a new installation, all we are asking them to do and all my amendment asks them to do is to be sure that they are not taking away from the short supplies of oil which go to heat the homes and industries of your people.

Mr. WORLEY. Would that be a permanent policy?

Mr. HESELTON. Only for the fiscal year 1949.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. HARRIS. Would that prevent a Federal airport building now under construction from installing gas equipment for heating purposes in gas areas?

Mr. HESELTON. I would have to say, "Yes."

Mr. HARRIS. That would be a very dangerous thing to do in areas where you have no coal or other fuel besides gas.

Mr. HESELTON. If the gentleman presses the point, I will ask unanimous consent to take out natural gas and just leave oil.

Mr. HARRIS. I would certainly ask you to do that. In my area we do not have any coal and we have only natural gas. The airport building now under construction certainly could not have any heat if this amendment were adopted.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to delete the words "natural gas", after the word "oil" in my amendment.

Mr. STEFAN. Mr. Chairman, will the Clerk read the amendment as it is proposed to be modified?

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 74, line 23, after the word "law", insert

a new section 502, "no part of the appropriations contained in this act shall be used for the purpose of converting any coal heating units to oil in any federally owned or rented buildings in or outside the District of Columbia or for the installation of oil heating units in any new construction."

And renumber section 502.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. MILLER of California. Mr. Chairman, reserving the right to object, may I inquire of the chairman of the committee if this amendment is adopted would this force the installation of coal-burning equipment all through the West where we have no coal and where we use oil and oil is the convenient fuel for us to use?

Mr. STEFAN. Mr. Chairman, I suggest that the gentleman direct his question to the author of the amendment.

Mr. HESELTON. I think it would, unless the proponents of such construction come to this committee and make a clear showing that they can obtain oil more conveniently and more economically.

Mr. MILLER of California. I am very sympathetic to the gentleman's situation in New England at the present time, but you would impose upon the people of the West a condition that is uneconomical and more expensive. They would have to transport coal out to the West to use for fuel.

Mr. JOHNSON of California. I wish the gentleman from California would include in his question the matter of natural gas. That is what we use as a fuel in my section.

Mr. BROOKS. Mr. Chairman, reserving the right to object, may I ask the gentleman further what would be the effect of his amendment on a situation in my locality where they use oil and gas and they might desire to use something like butane to heat a public building?

Mr. HESELTON. The amendment refers only to oil and not to butane. Butane is a petroleum product.

Mr. BROOKS. It is a derivative of petroleum.

Mr. HESELTON. Exactly, and this only applies to oil.

Mr. BROOKS. Then it would not cover butane?

Mr. HESELTON. Absolutely not.

Mr. BROOKS. In my community we use only oil and gas heat. You would rule out completely any use, for instance, of oil heat although that would be convenient and the normal method of heating.

Mr. HESELTON. If it is a new unit and unless you have adequate supplies, I would say it would be a very foolish undertaking in the face of a shortage nationally to equip a hospital with an oil-burning unit.

Mr. BROOKS. Of course, we have an adequate supply down our way.

Mr. HESELTON. Then that is the answer.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts to modify the amendment?

There was no objection.

The CHAIRMAN. The gentleman from Nebraska [Mr. STEFAN] is recognized.

Mr. STEFAN. Mr. Chairman, this amendment is not new to the membership of this House. A similar provision is in the deficiency bill. It is also in the independent offices bill. I notice the gentleman has limited it somewhat, so that perhaps we can use gasoline and gas in the administration buildings in airports. The gentleman might limit it to all east of the Mississippi River. I do not see how this committee can be called upon to pass judgment on what kind of fuel shall be used in one installation or one piece of construction. I feel that this amendment does not belong in this appropriation bill.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished gentleman from Texas.

Mr. RAYBURN. Does not the gentleman feel that this amendment, even though it appears innocent, might cause a great deal of confusion and a great deal of inconvenience, where people cannot get coal without hauling it hundreds and hundreds of miles?

Mr. STEFAN. Of course, the distinguished gentleman is correct.

Mr. RAYBURN. I think it is very far-reaching to offer an amendment like this without committee hearings and consideration.

Mr. STEFAN. I agree with the distinguished gentleman from Texas that there should be more hearings before the proper legislative committee. Although it looks rather innocent for one fiscal year, it might have a serious effect.

I request that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 69, between lines 20 and 21 insert "Salaries of criers: For salaries of criers as authorized by the act of December 7, 1944 (28 U. S. C. 9), and acts of March 3, 1911, and March 3, 1891, as amended (28 U. S. C. 224 and 547), $468,600."

Mr. STEFAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. The question is on the motion of the gentleman from Nebraska.

The motion was agreed to.

Mr. HOBBS. Mr. Chairman, the amendment which I offer at this point would simply insert into the Judiciary section of this bill an appropriation recommended by the budget agency for the courts, which is the Administrative Office of the United States Courts. The main purpose which I have in mind is to correct again a misapprehension which seems to exist in the minds of some members of the Appropriations Committee. The gentleman from Missouri [Mr. CANNON] a couple of years ago stated that all these criers do is to come into court once a day when court opens and say, "Oyez! Oyez! Oyez! God save the United States and this Honorable Court," when as a matter of fact and truth, I read from the law:

Each district judge may appoint a crier for the court in which he presides, who shall perform the duties also of bailiff and of messenger.

The history of it is that prior to the Economy Act of 1932 this was a regular practice and had been for years. In the Economy Act of 1932, however, it was killed. It has been restored by positive law. It is now, by limitation on an appropriation bill, killed again. It is suggested that in lieu of these triple-duty criers, deputy marshals under civil service, be substituted. That would cost twice as much. Yet they talk about economy. Under civil service you get a man whom you cannot fire and it costs you twice as much. It is a shame for us to leave a judge on the bench with no one even to bring him a book or a glass of water.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so happy to yield to the distinguished gentleman from Pennsylvania.

Mr. WALTER. Is it not a fact that these criers perform other duties, answer the telephone, receive communications from lawyers while the judges are engaged in writing opinions with their law clerks and stenographers?

Mr. HOBBS. That is true. They also run to the library for books at the call of the judge when he is on the bench when the lawyer gives him a citation. In that way it facilitates the administration of justice.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so glad to yield to the distinguished chairman of the Civil Service Committee.

Mr. REES. Is the gentleman suggesting that he wants to have these appointments made outside of Civil Service? Is that it?

Mr. HOBBS. That is not it. They are simply bailiffs and messengers of the courts. Their job is not of the importance to warrant civil-service examinations and status.

Mr. REES. Why cannot a deputy marshal announce the opening of court? What is the necessity for spending all this money for that?

Mr. HOBBS. Of course, a deputy marshal could open court. But that is the least of the duties of the criers. By law they must also perform the duties of bailiff and of messenger.

Mr. REES. We would save about $400,000.

Mr. HOBBS. No; you would not save a penny. On the other hand it would cost twice as much. That is what we are talking about now. At the present time they use an assistant marshal. The pay of the lowest assistant marshal is at least as much or more than the maximum salary fixed for this office, this messenger. It is $1,800 a year, fixed by law. As far as that is concerned, do not deny the courts, when you have only eight-tenths of 1 percent of the budget of this Nation

for the whole judicial system, do not deny them the messengers they need for their convenience, and the multiplication of the service the judge renders.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

The gentleman from Nebraska [Mr. STEFAN] is recognized for 5 minutes to close the debate.

Mr. STEFAN. Mr. Chairman, no Member of the House knows better than I do how jealously the gentleman from Alabama [Mr. HOBBS] guards the dignity of our courts.

Our committee has gone into this matter very carefully and we know something about the subject of criers in our courts. I do not want to abolish the work of the criers. What we are trying to do here is to add more dignity to our courts by putting into service deputy marshals on a per diem basis when the court is in session. Should the courts later feel that they do not have a sufficient number of these deputy marshals, they can always come back and request additional funds.

I recommend the reading of page 49 of our hearings on the Judiciary, the report of the Committee on Economies in Judicial Administration. This is signed among others by the junior Federal judge in my district in Nebraska.

Mr. Chairman, I have discussed this matter with judges all over the country. I have had the privilege of visiting many courts in order to see how your tax dollar is being administered and spent in our Federal courts. Taking it all in all, I have a great regard for our Federal judges. Some of them are the finest men I have ever met in my life and I am very happy to have them sitting on the Federal bench dispensing justice for mankind.

Now, let us see what the duties of these criers are. I asked one distinguished judge what his crier does. Incidentally, many judges do not ask for them. They do not want them, and would rather have deputy marshals, but some of the judges do request these criers. What did this judge say his crier does? What are his duties?

While the aid I receive from my crier is not well defined, it is of a varied and important character. In a very real sense he is the guardian of my chambers, as well as the protector of the personal safety of my secretary, my law clerk, and myself. His official station, most generally, is in the outer room of my office suite. He acts, as it were, as a receptionist to the persons who call to see me or someone of my staff. He receives callers, courteously ascertains their wishes, and arranges that they may see the persons who can attend to their needs.

In addition to this, he runs many of my errands. He takes care of my bank deposits and cashes my checks. If I wish to make a neighborhood purchase, he goes to the store and procures the article I wish. When I send out for my luncheon, as I frequently do, he crosses the street and returns with my food. He arranges it on one side of my table, and when I have eaten he carries away and washes the dishes.

That is from an eminent judge.

Upon occasions when I wish to secure rail accommodations and pullman reservations, my crier will go to the ticket office and procure them. If I should be at my appointment and want some papers from the court, or should I overlook something at my appointment when I go to court, he will travel from one place to the other and carry the things that I desire.

I will leave it to your judgment. If we can save $468,000 here and make the duties of a deputy marshal just a little more dignified than they are under the present system of criers, we will be rendering a great service to the judiciary of this country.

Mr. Chairman, I hope the amendment is voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to state at this time that I shall offer a motion to recommit this bill, when it is reported to the House, with instructions to report back the bill with two amendments, one dealing with the Foreign Service, merely restoring the $2,000,000 taken from the Foreign Service of the State Department, and the other restoring the $6,000,000 taken from the informational and educational program, known as the Voice of America.

Mr. STEFAN. Mr. Chairman, I move that the commitee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. CURTIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. STEFAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. GARY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GARY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GARY moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendments:

On page 6, line 7, strike out "$42,500,000" and insert in lieu thereof "$44,665,830."

On page 21, line 15, strike out "$28,000,000" and insert in lieu thereof "$34,378,000."

On page 21, line 16, strike out "$2,500,000" and insert in lieu thereof "$3,450,000."

Mr. STEFAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 41, noes 78.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXTENSION OF REMARKS

Mr. GARY asked and was given permission to extend his remarks in the RECORD and include an article appearing in the January 1948 Alumni Bulletin of the University of Richmond entitled "Hold That Crimson Tide."

RUBBER ACT OF 1948

Mr. RIZLEY. Mr. Speaker, I call up House Resolution 488, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this resolution makes in order the consideration of the bill (H. R. 5314) to strengthen national security and common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes. This bill was reported unanimously by the Committee on Armed Services.

During the late war, in order that we might have an adequate rubber supply,

we spent a lot of money building many plants so that we could make synthetic rubber. These plants were built in various and sundry places throughout the United States.

It was by developing the process of synthetic rubber production that we were able to obtain and maintain a sufficient supply of rubber to our national defense, and supply our war needs.

I hope and pray, of course, like everybody else, that we will not get into another world war. I do not even want to think about our getting into another world war. But if we do, petroleum products and rubber will be two of the most critical materials needed for our defense. I know the membership of this House wants to do whatever may be necessary to be sure we will not be caught short, and assure adequate supplies of rubber.

The Committee on Armed Services has given careful study to this bill. It is not a partisan bill. I think I am correct in saying there was not a dissenting vote in the Committee on Armed Services when the question of reporting the bill came up. We were so advised when the bill came to the Committee on Rules, and the Rules Committee reported the bill unanimously, so I see no need of taking further time under the rule. The Rules Committee has afforded the committee sponsoring the bill adequate time to explain the bill to the membership, and I am sure there is no objection to granting the requested rule.

Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, if the gentleman from Oklahoma is ready to move the previous question on the rule, we on this side will use no time on the rule.

Mr. RIZLEY. I have no further requests for time, Mr. Speaker, and move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SHAFER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 5314, with Mr. BARRETT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. SHAFER] is recognized for 1 hour, and the gentleman from Georgia [Mr. VINSON] is recognized for 1 hour.

Mr. VINSON. Mr. Chairman, the time on the minority side will be yielded by the distinguished gentleman from Texas, Mr. LYNDON B. JOHNSON.

Mr. SHAFER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this legislation, known as the Rubber Act of 1948, is brought to the House for consideration after long study and extensive hearings by the Organization and Mobilization Subcommittee of the Armed Services Committee.

You will recall that 1 year ago we passed House Resolution 118 which later, after amendment by the Senate concurred in by the House, became Public Law 24. Among other things, it provided that Congress make a thorough study of means of obtaining a technologically advanced and rapidly expandible domestic rubber-producing industry. This legislation is brought to the House as the result of that study.

First of all, Mr. Chairman, this legislation is to insure our national security. This must be kept in mind at all times during the consideration of this bill today. If it were not for this being a security measure, I would be the last to support it. No one in this House dislikes Government controls more than I but in this disordered world we must put national security and the safety of every American home and family ahead of the private interests of a few.

During the course of hearings spokesmen for the rubber industry endorsed the objective of this legislation. Harvey S. Firestone, Jr., president of the Firestone Tire & Rubber Co., testified before our committee to this effect:

I favor the maintenance of a substantial synthetic rubber-producing industry in the United States, and I favor the continuation of present controls of rubber consumption until our Government has had the opportunity to acquire a rubber stock pile of sufficient size to meet the requirements of national security. I wish to repeat, our synthetic rubber industry is the best paid-up insurance policy this country ever had. It is vital to our national security and to our economic independence that we maintain this synthetic rubber industry.

J. P. Seiberling, president of the Seiberling Rubber Co., was quite emphatic in his view that the Government ought to consider national security first and foremost in any legislation. He said:

I think that until this Government emergency stock pile is completed and the Government is sitting in an easy position, very definitely, the Government ought to continue this unified control and ownership of these properties.

John L. Collyer, president of the B. F. Goodrich Co., had this to say:

If a problem of rubber for vital military security did not currently exist, B. F. Goodrich would strongly recommend to Congress that the United States Government withdraw its participation from all phases of the rubber business, including stock piling of rubber and the ownership and operation of any and all rubber-producing facilities * * *. Government, industry, and the American people recognize, however, that rubber is a strategically indispensable material for our Nation's military security.

A. L. Viles, president of the Rubber Manufacturers' Association, the trade association of hundreds of rubber manufacturers throughout the Nation, had this statement to make to our committee:

The rubber-manufacturing industry, after thorough investigation and study, concludes that a continued Government rubber-control program is essential to national security. It asserts that this is the only reason for continued Government interference in the normal activities of industry. Therefore, it believes that all actions taken with respect to the program must be consistent with national security objectives.

Allen T. Grant, president of the Charles T. Wilson Co., of New York, an importer of natural rubber, but, nevertheless, a thoughtful and intelligent observer and a student of the synthetic-rubber problem, had this to say:

I would like to stress that I am a firm believer in the preservation of a sound and strong synthetic industry, which was so aptly described by Mr. Firestone as one of the best paid-up insurance policies we have.

George M. Tisdale, vice president of the United States Rubber Co., testified:

We are all agreed that it is to the national interest to maintain in use or stand-by an aggregate actual capacity of 600,000 long tons of GR-S type rubber.

Robert S. Wilson, vice president of the Goodyear Tire & Rubber Co., said, when asked by my distinguished colleague from Texas [Mr. JOHNSON] if he thought national security dictates continued operation of the synthetic-rubber plants, "That is what we believe; yes, sir."

That, Mr. Chairman, is exactly the kind of legislation we have written into this Rubber Act of 1948. It is legislation first and foremost to protect our Nation against another such condition as existed at the time of Pearl Harbor, when the Japanese Fleet ruled the Pacific Ocean and we were caught with less than a year's supply of natural rubber on hand for all our varied industrial and war uses. Through that experience, Mr. Chairman, we learned that we have an economy that really runs on rubber, and we must, for our own national good, be sure that we never jeopardize our economy like that again.

When your committee began its studies almost a year ago, we announced that we desired the advice of Government agencies, members of the rubber-manufacturing industry, and others in preparing this legislation. At that time we recognized certain problems that had to be solved, such as:

First. How much synthetic rubber should be produced annually in this country and, as a corollary to that, how great a quantity of rubber should we be capable of producing in stand-by plants.

Second. How we will assure production and consumption of the required amount of synthetic rubber.

Third. What method should we adopt in disposing of Government-owned plants, if it is determined that these plants are to be sold or leased to private industry.

Fourth. What steps must we take to assure technological development in the production and use of synthetic rubber.

Fifth. What protection against foreign imports of natural rubber products should be established.

Sixth. What must be done regarding specialty type synthetic rubber.

Seventh. What effect will a synthetic rubber program have upon the world market.

These problems and many others had to be solved. We requested all interested parties to prepare recommendations on the subject. We particularly pointed out to members of the rubber manufacturing industry since this legislation affected them more directly than any others, that, if possible, they should present their united views to the subcommittee. We especially desired the opinions of the small manufacturer of rubber products.

Our hearings and studies developed differences of opinion on many problems and unanimity on others. It was generally agreed that for national security reasons we must maintain a domestic rubber-producing industry. The size to be maintained in actual operation has been recommended all the way from over 300,000 long tons a year down to 100,000. The committee determined that a minimum production and consumption of 225,000 tons a year would satisfy the requirement of keeping in operation a diversity of production processes and allow for geographic dispersal for security reasons.

Statistical studies by Government and industry of requirements in a future emergency showed that we would require in existence a production capacity of about 600,000 tons. The proposed bill carries provisions for such production capacities.

Another point on which there is general agreement is that we must assure the consumption of what has to be produced, until such time as the quality of chemical rubber is improved so that it is equal or better than natural rubber in a majority of rubber products, especially in tires for trucks and heavy rolling equipment. The committee examined various ways in which this could be accomplished, including tariffs, import quotas, subsidies, complex certificate schemes, and specification control in products. There was rather general agreement that the continuation of specification control, which has proved to be workable during the war and reconversion period, was desirable.

Wartime patent pooling and exchange of technical information which is still in effect is a most complex subject. The committee finally concluded that more rapid advancement in technology would be possible under the traditional competitive private patent system and thus has recommended the negotiation of a termination of wartime agreements.

The greatest area of disagreement throughout the hearings was how the rubber-producing facilities could best be operated to provide the greatest national security and an equitable industry position for all consumers of chemical rubber. As written, the bill states a policy against disposal to private industry, but provides for possible eventual disposal with adequate safeguards, including final approval by the Congress through concurrent resolution.

This bill is legislation that stands on its own; it does not extend any complex emergency or wartime statutes. It is felt that H. R. 5314 is a practical bill that will provide for our national security in rubber. It establishes a national policy with regard to chemical rubber; it protects the consumer of rubber products; it assures fair distribution of chemical rubber to all compulsory users; it assures technological progress; and it does not prevent the eventual turning over of the entire industry to private persons. It is a departure from the accepted peacetime method of operation of private enterprise, but it is felt that national security, at this time, requires this. Perhaps individual members of the rubber manufacturing industry may take exception to certain sections; but in the overall consideration of the legislation your subcommittee had to be guided by the paramount issue, our national security. The bill is broad enough for liberal interpretation, and capable of amendment as the international situation clears itself. But until such time as we have acquired an adequate stock pile of natural rubber and until chemical rubber can compete fully with natural rubber it is felt that the Government cannot require the consumption of chemical rubber without protecting the compulsory consumers.

Section 2 of the bill establishes a policy of maintaining in the United States a rapidly expandible rubber-producing industry of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of chemical rubber to meet the essential civilian, military, and naval needs of the country. It makes certain that these Government-owned rubber-producing facilities will be maintained in constant readiness for any possible emergency, and to assure their availability the bill establishes a congressional policy of retaining the ownership of the facilities at this time.

Section 3 of the bill gives the President the power to exercise allocation, specification, and inventory controls over natural and chemical rubber. This section repeats the phraseology of Public Law 24. It permits the President to require, by regulation, the use of chemical rubber, in such specific percentages as he sees fit, of both general-purpose rubber and special-purpose types of chemical rubber. It should be noted that for the first time the President is clearly given the power to require the use of chemical rubber. Existing law, Public Law 24, has been interpreted so as to provide only for the limited use of natural rubber, which is an indirect way of requiring the use of chemical rubber. The section has one noticeable proviso, namely, that the President must require the use annually of minimum amounts of general-purpose chemical rubber and special-purpose chemical rubber. However, the President may determine percentages about these amounts. Thus, he can maintain the present percentages of rubber order R–1, increase them if he deems it necessary, or reduce them, but to no lower percentages than will result in the consumption of established minimums.

If you will take the bill, I will go through it section by section as rapidly as possible, explaining the report.

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Section 4 (a) of the bill permits the President to impose import restrictions on rubber products, so that manufacturers required to consume chemical rubber will not have to compete with all natural-rubber products.

Section 4 (b) permits the President to exempt from required chemical-rubber usage products manufactured for export exclusively.

Section 5 (a) establishes tonnages of 600,000 long tons of general-purpose chemical rubber and 75,000 long tons of special-purpose chemical rubber as the rated production capacity to be maintained continuously in the United States, either in active operation or in standby condition.

Section 5 (b) provides that at least 45,000 long tons of the special-purpose chemical rubber referred to in section 5 (a) shall be of a type suitable for use in pneumatic inner tubes. This will assure the availability, in an emergency, of a domestic source of rubber for inner tubes.

Section 5 (c) provides that the production capacity referred to in section 5 (a) may include privately owned capacity, as well as facilities owned by the Government. This section will permit the inclusion of any new chemical-rubber-producing facilities constructed by private persons in the total capacity of the Nation, and consequently may allow the discontinuance of certain Government facilities as they become obsolete because of technological progress.

Section 5 (d) requires the actual production per year in the United States of a minimum of 200,000 long tons of general-purpose chemical rubber and a minimum actual production per year of 25,000 long tons of special-purpose chemical rubber—such as butyl, neoprene, and so forth. This production may include the output from facilities owned by private persons, as well as from Government operations. Thus, if private industry builds or acquires chemical-rubber-producing facilities which will satisfy the requirements of sections 5 (a)

and (b), and are within the definition of chemical rubber, they may eventually supplant entirely the Government's rubber production. This, then, protects the required consumer and should encourage private industry to produce better and cheaper chemical rubber.

Section 5 (e) gives the President the power to determine what plants are to be operated and what plants are to be placed in stand-by. It permits the President to consider geographic dispersal of plants, as well as diversity of manufacturing processes, both essential to the national security.

Section 5 (f) is inserted to assure that there will always be available at least one alcohol-butadiene plant. This is essential from a raw-material-diversification position and for other reasons, such as possible priority demands on aviation fuel and possible new processes producing cheap alcohol.

Section 6 (a) and (b) stress the importance of research and development for the improvement of quality and production processes in chemical rubber. Since the Government is at present producing chemical rubber, and may continue to do so for some time, it is necessary in the interests of national security that the Government continue programs of research and development. The results of Government-financed research will benefit the consumer of rubber goods, as well as the private manufacturer. Costs of the research and development may be paid from direct congressional appropriations and thus need not be included in the Government's selling price of chemical rubber. This will permit an orderly, efficient research and development program, not dependent upon the volume of Government sales.

Section 7 (a) gives the President authority to produce and sell chemical rubber through such Government agency as he may designate.

Section 7 (b) permits the agency designated by the President pursuant to section 7 (a) to produce and sell the amounts of chemical rubber determined to be necessary to satisfy the mandatory tonnages prescribed in section 3. It also permits the President to authorize production for voluntary use. This latter provision makes possible the production of additional quantities of chemical rubber over and above the required usage to satisfy the demands for small amounts of chemical rubber in segments of the manufacturing industry which prefer to use these types of rubber in certain products. This will satisfy a preference for chemical rubber which is to be encouraged.

Section 7 (c) gives authority to the operating agency to make necessary capital expenditures from time to time in order to keep rubber-producing facilities up to date and in condition to operate at maximum efficiency.

Section 7 (d), subsection (a), permits the continued operation of Government-owned rubber-producing facilities by lease, by contract, or through operating agents. Thus, there need not be any change in the present methods of operating plants with private persons acting as agents for the Government.

Subsection (b) permits temporary leasing, not to exceed 1 year, of certain facilities not needed in current rubber-producing operations, provided the facilities leased are not used to produce chemical rubber. For example, at present a large power plant in Pennsylvania and another in Texas are under lease to local utility companies in order to increase the amount of power in those areas while the utility companies construct new facilities.

Subsection (c) allows the operating agency to grant to private persons certain property rights if such grants in no way interfere with the production of chemical rubber. For example, it would permit a private company to run a water line through Government property or it would permit the erection of a power line over Government land.

Subsection (d) permits disposal of obsolete equipment. This does not allow sale of complete rubber-producing units, but does provide for sale of such things as worn-out motors, valves, boilers, pipes, and so forth. No disposal under this subsection shall reduce the designated rated capacity of any facility.

Section 8 (a) authorizes the President to place in stand-by condition the facilities not required to be in operation but necessary to support the tonnages stated in section 5 (a).

Section 8 (b) authorizes the maintenance of stand-by facilities either by direct Government maintenance or by contract with private persons. This section also provides that cost of facilities in stand-by, including placing in stand-by, maintenance, and reactivation, may be by congressional appropriation. This will permit stand-by costs to be paid by direct appropriation. Thus they need not be included in the Government selling price of chemical rubber if it is deemed desirable.

Section 9 (a) prohibits the disposition by sale or lease of any Government-owned chemical-rubber facility except as provided in section 7, unless such disposition is approved by the Congress. This section offers the Congress an opportunity to scrutinize carefully any disposal, at such time as the Congress determines that disposal of any or all of the facilities is desirable.

Section 9 (b) provides a further safeguard in the disposal of the chemical-rubber facilities by requiring that no proposal for sale or lease of any facility, except as provided in section 7, shall be submitted to the Congress unless accompanied by a recommendation of the President, after consultation with members of the National Security Resources Board, a majority of whom have found that the proposed disposition will facilitate and advance national security.

Section 10, general: This section applies to administration. In this connection the Committee on Armed Services is of the unanimous opinion that the practice of appointing industry advisory committees to work in cooperation with the Government should be continued, and the committee strongly recommends the establishment of industry advisory committees in administering the Government rubber program. In the past these advisory committees have contributed greatly to the efficient administration of the chemical-rubber program, and their value to the Government cannot be overestimated. They may be reasonable and fair avenues for the expressions of industry with respect to policy matters that may arise in the administration of the Government rubber program.

Section 10 (a) authorizes the President to issue such rules and regulations as may be necessary to administer the act.

Section 10 (b) provides for Presidential delegation of authority to such Government agencies as he may designate to carry out the provisions of the act. This section also provides that the powers and authority conferred in section 12 may be delegated, along with other powers.

Section 10 (c) directs the President to consolidate, insofar as practicable, all of the Government rubber operations.

Section 10 (d): Should the President decide to consolidate any of the Government rubber operations, this section provides the authority to transfer to any existing or new agency property, personnel, and records. It also provides for the transfer of any available funds. Furthermore it provides that transferred personnel shall be exempt from civil-service laws and the Classification Act of 1923. This provision is necessary in view of the fact that many employees of the Reconstruction Finance Corporation are not under civil service. Rubber operations are highly specialized, requiring trained personnel for efficient administration.

Section 10 (e) requires that all Government agencies in the rubber program make an annual report to the President and to the Congress.

Section 11, as amended, deals with patent pooling, patent licensing, and exchange-of-information agreements to which the Government is a party, entered into in connection with its rubber program.

Section 11 (a) does not purport to alter by legislation any contractual rights under such agreements. It does, however, authorize the President to contract for their modification or release, with or without consideration, in order to achieve the purposes of the act. It should be emphasized that the provisions of section 11 (a) are permissive and are not mandatory. Section 11 (a) (1) authorizes the President, insofar as it is practicable and consistent with the purposes of the act, to take appropriate action to release in whole or in part any or all of the parties to the December 19 agreement from their respective obligations to continue to disclose private information and to give patent rights with respect to patents based on inventions conceived and reduced to practice after the modification or release date. But the Government shall retain all the benefits of such agreement which shall have accrued at the time any such agreement is modified or released.

Section 11 (a) (2) also authorizes the President, insofar as practicable and consistent with the purposes of the act, to take appropriate action in order to make available, both to the Government and to the public, information and patent ben-

efits now or hereafter exchanged under any patent pooling, patent licensing, and exchange-of-information agreements.

Section 11 (b) assures the Government the benefits to which it is entitled under its various agreements, and should information not be disclosed the development becomes public property if any effort is made to restrict the use of such development by suit on a patent based on information which should have been made available under any of the various agreements. Thus section 11 (b) provides a defense in patent-infringement suits if it can be established that the suit is based upon subject matter which the plaintiff should have disclosed under a Government agreement, or where the plaintiff without justification delayed reducing the invention to practice and thus prevented the invention from falling among the information or patent benefits inuring under a Government agreement.

Section 11 (c) permits a person who is sued for breach of confidence in the use of technical information in connection with the operation of a Government-constructed rubber plant to defend on the ground that the plaintiff was required by a Government contract to disclose such information but failed to do so.

Section 11 (d) assures the operating agency the benefits of the act of 1910, as amended. This act, in brief, permits the United States to use an invention without license from the owner and the remedy of such owner is by suit against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture. Thereby Government's freedom from injunction is extended unquestionably to the operating agency.

Sections 12, 13, and 14, general: In connection with the granting of the powers of allocation, specification, and inventory control, it is necessary to cover additional matters incident to the effective administration of the bill. Sections 12, 13, and 14 deal with such matters. Since the proposed act stands on its own and is not dependent on title III of the Second War Powers Act, as in the case of Public Law 24, they are repeated here substantially in the language of title III (secs. 2 (a), 3, 4, 5, and 6). Generally similar provisions are embodied in other acts such as the Federal Trade Commission Act, the Federal Communications Act, and the Securities and Exchange Act.

Section 12 gives the President the right to obtain information, require reports, and make investigations necessary to the enforcement or administration of the provisions of this bill. Without such power, intelligent and effective administration could not be accomplished. In addition, this section provides the power to administer oaths and issue subpenas, provides for witness fees, attendance of witnesses, and penalties for perjury.

Section 13 provides penalties for violation of the proposed act.

Section 14 confers jurisdiction on the district courts of the United States.

Section 15 exempts persons from liability for damages for default under any contract, directly or indirectly resulting from compliance with any rule, regulation, or order issued under the proposed act. This provision is required in fairness to persons who, in rare instances, find themselves obliged to break contractual relations by reason of the regulations issued under the proposed act.

Section 16 exempts the functions exercised under the act from the Administrative Procedure Act, except section 3 of that act, which requires the publication of rules, opinions, and orders, and section 10, which provides judicial review to any person adversely affected or aggrieved by action taken under the proposed act. Exemption from the other provisions of the Administrative Procedure Act is desirable by reason of the time-consuming requirements imposed by that statute, which militate against efficient day-to-day operations. This provision is inserted since it is not clear that this result was accomplished by section 5 of Public Law 188, Eightieth Congress (Second Decontrol Act).

Section 17 is the customary separability clause and preserves the validity of the remaining provisions of the bill in the event one provision is held unconstitutional.

Section 18 defines special terms used in the bill that may not be widely known or have universal acceptance.

Section 19 provides for the authorization of necessary appropriations for the purpose of the bill, and, pending such appropriations, authorizes expenditures in order to carry out the provisions of the act.

Section 20 gives the effective date of the proposed act, April 1, 1948.

The proposed legislation has been approved in principle by various Government departments and agencies, including State, Army, Navy, Air Force, Commerce, Agriculture, Munitions Board, National Security Resources Board, War Assets Administration, and the Reconstruction Finance Corporation.

It should also be noted that the proposed legislation carries out, substantially, the request of the President in his message of February 7, 1947, that the Congress draft legislation for the purpose of maintaining a chemical-rubber industry in the United States.

The proposed legislation stands on its own; it does not extend any complex emergency or wartime statutes. It is felt that H. R. 5314 is a practical bill that will provide for our national security in rubber. It establishes a national policy with regard to chemical rubber; it protects the consumer of rubber products; it assures fair distribution of chemical rubber to all compulsory users; it assures technological progress; and it does not prevent the eventual turning over of the entire industry to private persons. In the over-all consideration of the legislation the committee had to be guided by the paramount issue—our national security. The proposed legislation is broad enough for liberal interpretation, and capable of amendment as the international situation clears itself. But, until such time as we have acquired an adequate stock pile of natural rubber, and until chemical rubber can compete fully with natural rubber, it is felt that the Government cannot require the consumption of chemical rubber without protecting the compulsory consumers.

Passage of the proposed legislation is necessary in view of the fact that existing authority to produce and sell chemical rubber ceases on March 31, 1948.

The proposed legislation was unanimously approved by the Armed Services Committee, and its prompt passage is urged.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Louisiana.

Mr. BROOKS. Mr. Chairman, I want to pay tribute to the gentleman from Michigan, the chairman of the subcommittee, for his steadfast and faithful work in the management of this bill. I was on the subcommittee, and I witnessed his work in the months that lie behind us. He has been most persistent and most consistent and most faithful in the performance of his duties in pushing this bill through. I think he deserves a vote of gratitude of the House for his interest in this synthetic-rubber program.

Mr. SHAFER. I thank the gentleman very much. I assure the gentleman, however, that I had a great amount of help in the program from men whom I will later pay tribute to, including John Russell Blandford, the committee counsel.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from California.

Mr. JOHNSON of California. I also want to compliment the gentleman on the very fair hearings held on this bill. I also wish the House to know that I agree with every one of his arguments, and I am going to adopt those arguments as my own in behalf of this bill.

Mr. SHAFER. I thank the gentleman very much.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Has the gentleman resolved all the objections of the various branches of industry concerning this measure?

Mr. SHAFER. The principal objection of industry to this bill was what they thought was the lack of a termination date. We had originally written into the bill a provision making possible a review of this program at any time, by the President, within 5 years. But, because of misinterpretation, we have fixed a definite termination date, June 30, 1950.

Mr. PHILBIN. As of June 1950?

Mr. SHAFER. As of June 30, 1950.

Mr. PHILBIN. Let me also commend the gentleman for the splendid hearings he has given the matter and the splendid manner in which he has presented this matter.

Mr. SHAFER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JOHNSON of Texas. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the gentleman from Michigan has very fully and very adequately described the provisions of H. R. 5314, and it is not necessary, in my judgment, to further discuss the bill section by section.

I should like to say at the outset, however, that in the six terms that I have served as a Member of this body I know of no legislation—certainly no legislation that has come from the committee of which I have been a member—that has received more thorough consideration than this bill to provide for the continued operation of our synthetic rubber industry. I personally feel I owe a debt of gratitude to the able gentleman from Michigan [Mr. SHAFER] and the members of the majority for the fair manner in which they conducted the hearings, for the thoroughness with which they went into this problem, and the diligence and earnestness exercised over a period of several months.

I should like to emphasize to the Membership the policy which really underlined this legislation and to touch very briefly upon the background of that policy. I hope the Members of Congress from time to time will read the hearings, and certainly the report, on this, one of the most important industries in this Nation.

Our subcommittee was charged with deciding what we should do with the chemical rubber industry. To put it as simply as I can, we went into this war with a very limited amount of natural rubber.

During the war we found it necessary to construct 51 synthetic rubber plants. Except for the production from those plants, we well might not have been the victor. Today we have declared 13 of those plants surplus and most of them have been sold by the War Assets Administration. Sixteen of those plants have been placed in stand-by condition in case we should need them in a future emergency. So the thing that we are here to talk to you about actually is the 22 plants that are in operation.

We were presented various recommendations from all the members of the rubber manufacturing industry. The most frequent may be broadly described as an insistence that, in the name of free enterprise, the Government get out of the synthetic rubber business and as quickly as possible.

Many witnesses were examined. As the hearing progressed, we found that some witnesses, a very few, but some, who talked about free enterprise actually wanted something else altogether. They did not want the Government to step completely out. What they wanted was for the Government to step out of their end, the producing end, while still keeping control over the consuming end. They suggested that we were to sell the plants on what to my notion was a rather fantastic proposition. They had a method of selling them that went by a rather intriguing name. They called it the write-off, the peel-off, the walk-away plan. The Government would write off its investment, it would peel off the plants one at a time over a protracted period, and then give the purchaser the right to walk away if he did not like his investment. It was fantastic because no private business would consider such a method of sale, particularly if that private business was as efficient and self-sustaining as the Government's chemical-rubber industry.

We had a total investment of a little over $700,000,000 in the synthetic-rubber industry, and for the 2 years from September 1945 to September 1947, the Government made a net profit of $109,000,000 out of those plants they had in operation.

But the Government was to stay in the business. We would not manufacture any chemical rubber but we would require every user of rubber to consume synthetic rubber. Obviously, only the larger companies could manage the write-off, peel-off, walk-away deal. The smaller ones would be compelled under that type of plan to buy from their competitors.

Bear in mind that not a single witness recommended the abandonment of the synthetic-rubber program. They all agreed that synthetic rubber is an imperative of national defense. The committee's decision, therefore, was how best to keep this instrument of national defense with fairness to all components of the rubber industry, our free competitive system, and the Nation's taxpayers.

It was the view of all the witnesses that we must continue stock piling natural rubber. It is so declared in the declaration of policy in section 2 of this legislation. Reading further in this declaration, we say that we must keep the synthetic rubber industry in first-class operating condition, ready for any national emergency.

At this point I should like to read you a section from the Baruch report that was written 10 months after we entered World War II:

> Of all the critical and strategic materials, rubber is the one that presents the greatest threat to the safety of our Nation and the success of the Allied cause. Production of steel, copper, aluminum, alloys, or aviation gasoline may be inadequate to prosecute the war as effectively as we would wish, but at the worst we are still assured of sufficient supplies of those items to operate our armed forces on a very powerful scale. But if we fail to secure quickly a large, new rubber supply, our war effort and our domestic economy both will collapse. Thus, the rubber situation gives rise to our most critical problem.

Our committee felt that the most important consideration of any government is its own security. That, incidentally, was the opinion of the rubber people who testified. So we declared in this bill that security will be best served by the Government continuing this program and continuing to operate these 22 plants. We also declared there are no compelling reasons of security that have been submitted to change the method of operation. This legislation does not foreclose the possibility that security could be better served in some other way. To me the possibility seems quite remote that it could be, but the bill does cover that possibility. You will find in section 7 and again in section 9 the provisions that govern lease or sale. It has been determined that our chemical-rubber industry may be maintained by producing a minimum of 225,000 tons a year. This minimum is required in order that all the suppliers of the various components shall be maintained. So we provide that plants that are not essential to that minimum may be sold off. However, the committee felt we wanted that power to sell abundantly safeguarded. Therefore it is provided that such sale or lease must first be recommended by a majority of the National Security Resources Board. That Board must make a positive finding that the disposal will facilitate and advance the cause of national defense, and I underline for the benefit of the Members, the words "positive finding." The committee experienced considerable difficulty in getting some to make that recommendation. That is the first safeguard. The second is that prior to any such sale, a concurrent resolution must be passed by the Congress approving such sale. Congress is one agency responsible for the national security. Our feeling was that any step which might impair our national security should first pass the collective judgment of the Congress. As I have said, witnesses unanimously recommended that a quota system be continued requiring the use of synthetic rubber and an annual production of 225,000 tons was deemed a wise minimum. The amount of natural rubber used will depend of course upon the demand for such products. So this bill leaves to the executive department the determination of the ratio between natural and chemical rubber providing a minimum amount of 225,000 tons of chemical rubber is used.

In summary, the philosophy of this legislation is like this: maintenance of the chemical rubber industry is vital to the national security. It is scarcely less important than the atomic energy industry. To maintain consumption of a minimum of 225,000 tons government allocation is required whether those plants are publicly or privately operated. However, the proposed plan of private operation—the write-off, peel-off, and walk-away plan—combined with the system of forced consumption would make possible the use of these Government-built facilities as an instrument of unfair competition. For the protection of smaller companies and the protection of the investment of the taxpayers and for the paramount protection of the national security of this Nation, Government operation of the plants seems preferable to selling them to one or two potential buyers in an industry already dominated by five giant enterprises. We believe this bill is drawn to protect free competition in the rubber industry. We believe it is the most vital cornerstone in our national defense structure.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. JOHNSON of California. I compliment the gentleman on his very able argument. I think it ought to appear in the RECORD and I will state it right here that the retention provisions in this bill are alone due to the cross-examination by Mr. Johnson of Texas during the hearings of witnesses who appeared before the committee. I agree with the position that the bill takes. The gentleman from Texas is the one who by persistent examination of all witnesses brought out the various factors that led us to believe

that the provisions of our bill are the right ones to retain with reference to the synthetic plants. I concur in the argument made by the gentleman from Texas at this time, as I do not expect to speak on the bill, and I wish again to tell him that I appreciate his efforts tremendously in the committee in the examination of the various witnesses.

Mr. JOHNSON of Texas. I thank the gentleman.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. MURDOCK. I agree with the gentleman that this is one of the most important bills we have had under consideration, involving our national defense, as it did our national security during the war. Would the gentleman explain a little about the relation between the amount of synthetic rubber produced from petroleum and from agricultural alcohol? How many plants are kept in operation involving each of those processes? Can the gentleman tell us that?

Mr. JOHNSON of Texas. No; I do not have the information by plant breakdowns. I do know that we are presently operating 22 plants. I believe we provide that at least one of those is an alcohol plant.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. SHORT. Most of the synthetics are produced from butadiene and styrene, which are byproducts of coal and are not from alcohol that comes from grain. However, you can get the ingredients of synthetic rubber from agricultural products, and that is under experimentation at the present time.

Mr. MURDOCK. I thank the gentleman, but did we not during the war have at least one plant producing synthetic rubber from alcohol?

Mr. JOHNSON of Texas. I do not have the plant break-down, but it is my impression that we had three such plants.

Mr. CRAWFORD. Will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. CRAWFORD. I will say to our friends from the farming districts particularly and the gentleman from Arizona [Mr. MURDOCK], to take alcohol from agricultural products through the fermentation process at the present time when we need grain so badly for food supplies, and when grain prices are so high, would bring into operation a cost much higher per pound of rubber than you have by taking it from petroleum products as at the present time. So the alcohol plants have not been in operation in recent months.

Mr. MURDOCK. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Texas [Mr. JOHNSON] has expired.

Mr. SHAFER. Mr. Chairman, I ask unanimous consent that the chairman of the committee, the gentleman from New York [Mr. ANDREWS], may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ANDREWS of New York. Mr. Chairman, I wish to make a few general remarks with respect to H. R. 5314, the so-called Rubber Act of 1948.

Since March of 1947, Hon. PAUL W. SHAFER, chairman of the subcommittee that prepared H. R. 5314, ably assisted by Hon. DEWEY SHORT, Hon. CARL VINSON, Hon. LYNDON JOHNSON, Hon. STERLING COLE, Hon. CARL DURHAM, Hon. C. W. BISHOP, and other members of the subcommittee, have spent long hours, studying and analyzing the entire synthetic rubber problem. The subcommittee made an extensive investigation of many of the Government-owned synthetic rubber producing facilities. They conducted hearings as they went to the various cities where these industries were located. At all times they had to consider the problems of industry and the problems of the American consumer; but above all, they had to constantly bear in mind the problems of national security. What they have presented to the House represents in my opinion, a sincere, carefully analyzed answer to these problems. I would not care to let this opportunity pass without paying special tribute to these gentlemen for a job exceptionally well done.

In this connection I feel that it is only proper that we should also recognize the extremely valuable contributions made in this long study by such persons as John Russell Blandford, staff consultant, Mr. John Caswell of the Office of Materials Distribution, Department of Commerce, who acted as liaison between the committee and the Department of Commerce; Mr. J. P. Brown, Counsel for the Office of Materials Distribution, Department of Commerce, and Mr. Leonard Ralston, Chief Counsel of the Office of Rubber Reserve, Reconstruction Finance Corporation, all of whom devoted many hours to this subject. I wish to also express my appreciation to Mr. John R. Steelman, Assistant to the President, for his cooperation in analyzing and providing constructive comments on the proposed legislation. In addition, the committee is grateful for the many helpful suggestions made by the Munitions Board and other agencies of the Government.

Nor should we overlook the many valuable suggestions made by industry. I believe that a careful study of the hearings will indicate that this bill is based upon the facts, as they were disclosed to the subcommittee. Honest men with honest motives may differ with some of the provisions of the bill; nevertheless, it represents the impartial judgment of a committee whose principal duty is to safeguard the national defense.

I again commend these gentlemen and all others who participated in bringing this highly important legislation to the floor.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I first wish to express my appreciation to the chairman of the subcommittee, the gentleman from Michigan [Mr. SHAFER], for permitting me to participate in this program which is before us this afternoon. I shall support this bill. There may be a few amendments that the conferees will want to put into the bill after it clears through the other body and back to the conference committee, and then to the House, but altogether I think the committee is making a very fine presentation today. While it may not, in the form as here presented, completely satisfy the members of the industry out in the field—and by that I mean those who produce petroleum products and those who produce the synthetic rubber in the various grades and those who take the synthetic rubber and convert it into manufactured rubber goods—they do have a chance to effectuate amendments in the other body and those amendments can go to the conference committee, and a very satisfactory bill, in my opinion, will come forth, that will be practical, will meet the national emergency and take care of the industry and the desires and responsibilities of those who make up the Congress of the United States. So there is not a thing in this bill that disturbs me in the least, because provisions unacceptable can be eliminated from the bill as it goes through the legislative machinery.

I have great faith in the synthetic-rubber industry of this country as it has been operated by agencies of the Government during the war period, and as it is now being operated by industry that runs the plants for the Government agencies under operating agreements. In my opinion an excellent job has been performed. The people of this country have the rubber, and they have the rubber goods at a reasonable price. When you can go out and buy a first-class, high-grade 16 x 20 tire or 650 x 20 tire that will run from 25,000 to 40,000 miles at from $9.75 to $12.50, you are getting good service for your money in this man's day and age; and the synthetic-rubber industry operated by the agencies of the Government and by the rubber industry which carries on under these operating agreements are giving the people these rubber goods. So I do not see that the public of this country has any great kick coming at this particular time under the program that is now being operated.

I can fully understand how the Defense Committee which has brought this bill to the House feels its responsibility with respect to national defense. The Far East, from which we draw our big supply of natural rubber, is not in a healthy state at the present time.

I do not believe any man knows how long we can draw crude rubber from that area. I am particularly pleased with the provisions of this bill which provides that we must maintain in stand-by and operating condition, installations that will produce not less than 600,000 tons of GRS rubber per year, and not less than 75,000 tons of butyl rubber per year. I am also pleased with that portion of the bill which provides that not less than 200,000 of the 600,000 tons and not less than 25,000 of the 75,000 tons shall be used by our people under what might be termed the direction of government; because, if there is anything in the world we need in this country to satisfy our people outside of food it is rubber, it is the products of petroleum in the form of gasoline or motor fuel, and fuel oil, and

all the goods which come from our metals. Here in this effort you have the petroleum industry, the great chemical industries of this country, the great plastic industries of this country, the great rubber-producing industries of this country, and the rubber goods manufacturing industries all tied together. I see no way you can separate them. We will move on into the synthetic or liquid fuel from oil shale and lignite coal; and that great and new basic industry comes into this picture and further ties together these industries. I shall support this bill, to get it on its way, and I hope the House will do likewise.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JOHNSON of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I think we are here today discussing what is probably one of the most important problems connected with our national defense, second only to the development of atomic energy. Most of us who served in the House during the last World War remember the situation which we were in in 1929. It was my privilege to begin serving on the subcommittee which handled such matters from a military standpoint. We faced great difficulties. We all recall the so-called Baruch report, which has been referred to here by the gentleman from Texas [Mr. JOHNSON], warning this country of what we faced not only from the standpoint of our military but also what might be an economic collapse of our whole economy here on the home front. It will be recalled that when Pearl Harbor came on we had around 600,000 tons of rubber. Due to the foresight of certain of our leaders and such men as Mr. Baruch, there was initiated a synthetic-rubber program which proved itself in taking care of and carrying on the greatest war ever waged by any nation. It also sustained and carried out on the home front an economy which was kept going thereby.

Later on the Congress after observing what the situation was in regard to the stock piling of strategic material wisely adopted Public Law 520, which was passed by the Seventy-ninth Congress. That and various other reasons are assigned for the present legislation. May I quote from that act:

> The Secretary of War and the Secretary of Navy shall submit to the Congress not later than 6 months after the approval of this act, and every 6 months thereafter, a written report detailing the activities with respect to stock piling under this act, including a statement of foreign and domestic purchases and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

Mr. Chairman, in my opinion, this is one of the best and most important parts in carrying out our national defense program that the Congress has ever adopted. During the last 12 months we have been endeavoring to build up our stock pile of rubber and although we have made much more effort than was made in 1946 and prior to that time, we have not had the success that I had hoped we would have in building up stock piles under this act. We have accumulated during the last 12 months around 22,000 tons of rubber.

Mr. Chairman, this is somewhat alarming to me. At the present time we have in our stock piles in this country, and this is pretty general knowledge, around 200,000 tons or more. That is one reason why the committee felt it necessary to carry out a program to protect and keep this synthetic industry going because if we do not, in my opinion, we will not only face difficulties from the national defense standpoint but we will face difficulties in the way of a price rise which would be similar to the one we all remember in 1922 and 1923 when rubber went to over $1 per pound. Today that would be disastrous to our economy in this country because I am sure every individual realizes already the high price of automobiles and the high price of things that go into the manufacture of that almost necessary commodity in carrying on our economic life here in America.

The gentleman from Michigan [Mr. SHAFER] has made a very fine explanation of the details of the bill, and the gentleman from Texas [Mr. JOHNSON] has likewise made a very fine explanation of it. I will therefore not attempt to explain the details of the legislation. I am glad to note here today that there is very little objection to what I feel is one of the most important pieces of legislation that will come before the Congress in its present session.

Mr. JOHNSON of Texas. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, as a representative of a district that embraces nearly one-third of the rubber manufacturing industry in the United States, I have followed with closest interest the progress of rubber legislation in the House.

I am not familiar with all the technical aspects of this problem, as they relate to national security. But as one who has lived in Akron, Ohio, the rubber capital of the world, all my life, I do know this industry. I have first-hand knowledge of its special creative talents and of the exceptional vitality that enabled it to pick up the challenge of national defense in World War II and to discharge its wartime obligations to the Nation in an exceptional degree.

By reason of this background, I am sensitive to the long study and hard work that the Armed Services Committee has devoted to a solution to the rubber problem as it relates to security.

But before this issue reaches a vote, I am compelled to register the vigorous objections that the rubber manufacturing industry has directed at this legislation.

Before the impression is gained that H. R. 5314 has the general approval of the industry—even though it carries a termination date—I wish to call attention to the vigorous messages of protest that I have received from my district.

I have learned that neither the Government nor the rubber industry have had an opportunity to express their views in public hearings on H. R. 5314.

But to me personally the industry has voiced direct and unanimous protest to many provisions of this bill. Their opposition is directed in particular at the policy clause on the grounds that it bluntly espouses the doctrine of Government control over industry.

In contrast, I point to a somewhat similar bill now before the Senate Banking and Currency Subcommittee on rubber, S. 2187. In its purpose clause, the Senate bill lays down a clear-cut statement of policy that expresses faith in private initiative, a statement voicing confidence that national security is best served by a dynamic, highly competitive industry unfettered by Government red tape and regulation.

The rubber manufacturing industry indorsed this clause. It carries the indorsement, expressed in public hearing of the Munitions Board, of the National Security Resources Board. It has the approval of the rubber trade, the rubber reclaiming industry, and a number of other Government agencies involved in the rubber problem; namely, the Department of State, the Office of Rubber Reserve and the Department of Commerce.

The bill before the House today declares that—

> In order to make certain that Government-owned rubber-producing facilities are held in constant readiness against a possible emergency, it is essential, notwithstanding any other provisions of this act or any other provisions of the law, that the Government, in the interests of national security, retain its rubber-producing facilities, except as authorized in section 7 of this act.

This, I assert, is the philosophy of statism. It is foreign to the American way. It is repugnant in its assumption of dependence of a strong vital industry upon the artificial props of bureaucratic control.

I contend that this assumption cannot be squared with the record of the one American industry that was stock piled and geared for the war from which we have just emerged, with a record of an industry that has led all others in reconversion to peacetime production.

I want to recall to the House that I warned of the implications of this act in an extension of remarks which I had inserted in the RECORD of February 24. The committee has amended the bill to provide a termination date—removing my first objection.

My foregoing remarks have been directed at the philosophy expressed in the purpose clause of H. R. 5314.

I sincerely hope that my objections to this bill will be given serious consideration when the measure comes to the attention of the other body.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I want to compliment the distinguished chairman of the subcommittee and the subcommittee for the concise and comprehensive manner in which they have handled this very complex problem. Six of these synthetic-rubber plants are located in my district.

Mr. Chairman, I would like to take this short time to explain the problem in which one of these plants now finds

itself. I have in my district a plant for the manufacture of a product known as neoprene. This plant is owned by the Government but operated by the Du Pont Co. The Du Pont Co. developed neoprene in 1932. In 1940 they started planning additional facilities and decided on Louisville as the location. In 1941 they built a plant in Louisville. The war came along, and early in 1942 the need for synthetic rubber in large quantities was apparent. Du Pont then sold their plant to the Government at their invested cost. The plant was greatly expanded by the Government, and has been run by Du Pont for the account of the Government.

I agree with everything that the gentleman from Texas had to say that these plants that require subsidy or require aid should be run for the account of the Government. Neoprene, however, is a product that will take care of itself under free competition, in competition with not only natural rubber, but all other synthetics. It needs no subsidy. It needs no protection. War Assets declared it surplus, and the proper jurisdictional board and the Du Pont Co. arrived at a price in December last. However, the Administrator, and rightly, I think, knowing that this legislation was pending, held it up until the Congress would act. Now, this legislation precludes the sale of that plant to private industry. As I have said, Du Pont wants no help, it wants no subsidy, and the people of my district want them to own the plant. They will also guarantee to keep it in operating condition, and as relates to present tonnage, they will be ready to go into the production of similar tonnage on a 120-day notice.

There is a bill on this subject in the other body which permits that, and I take this time in the hope that the conferees will bear this point in mind when the bill goes to conference.

This is a very comprehensive, concise, and well-written bill. National defense and security is of the utmost importance. I would not think of attempting to amend this bill to accomplish my purpose. I merely want to point out that I know it is the feeling of the committee that if national security can be safeguarded and even improved, at the same time releasing any portion of this industry to private hands, that the committee would desire to do so, and I feel in connection with this one product, Neoprene, that that can be accomplished. They do not need any help. Neoprene represents only about 5 percent of the synthetic rubber consumption of this country. It is a Du Pont patent, just as Victrola belongs to RCA or as Frigidaire belongs to General Motors; so Neoprene belongs to Du Pont. It does not enter into the transportation field. It is not a GRS product. It does not go into tires. It is a special product that is resistant to oil and to sunlight. It is used for the outer layer of garden hose, for instance. It has great sealing qualities, used in gaskets and similar uses of that kind. If it is returned to private enterprise, the plant will be kept up-to-date, modernized, and the research continued. There are two existing plants for the manufacture of this Neoprene; one in New Jersey, owned and operated by Du Pont, and one in Louisville, owned by the Government and operated by Du Pont. Already the New Jersey plant is becoming more efficient than the Louisville plant because Du Pont has every incentive, in a free-enterprise system, to spend the money to modernize that plant. On the other hand, if they want to change a valve or change something around at Louisville, that money is for the account of the Government and appropriations of Government funds have to be made available for it. So, Mr. Chairman, I ask the committee that when these bills go to conference they give consideration to that fact.

Mr. JOHNSON of Texas. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I take this opportunity to tell you a little about the work of this subcommittee. As a member in whose district is the largest synthetic rubber set-up in this Nation I saw them work out in the field getting first-hand information to bring in their report and this bill for your consideration. I may say that I favor the bill wholeheartedly and think the committee has done an outstanding job.

During the months that the subcommittee had this question under consideration, the subcommittee, headed by its distinguished chairman, the gentleman from Michigan [Mr. SHAFER], and my colleague from Texas [Mr. JOHNSON], joined by the distinguished gentleman from Michigan [Mr. CRAWFORD], who, though not a member of the subcommittee, was so interested in the subject that he came down there himself, visited the synthetic rubber set-up in Jefferson County at Port Neches. I want to tell you briefly what they found and what they did.

They found there five great refineries that supplied the basic products to the synthetic rubber plant at Port Neches, that is located in the center of the refining area. Not one of the great refineries is more than 10 miles away, so that each one that supplies the base stock can pipe it directly into that plant. The synthetic rubber plant itself is operated by the Neches Butane Products Co., which is a nonprofit corporation organized under the laws of Texas, and is staffed through the cooperative effort of the refineries and chemical plants of the area, who contributed their skilled men and industrial leaders to set up that plant without a dime of profit to them on the operation. There are two synthetic rubber plants, one operated under lease to the Goodrich Rubber Co. and the other under lease to the Firestone Rubber Co., and these plants process the products of the butane plant into its final stages.

When the committee came down there they were met by the representatives of the five great refineries, the Texas Co., the Gulf Co., the Atlantic Co., the Pure Oil Co., and the Magnolia Refining Co., which is a Socony Vacuum subsidiary; and by representatives of the butane plant and each of the rubber plants. They went into a closed-door hearing in which the scientific men explained to them the operations of that plant, how much they could supply in case of emergency, what the capacity of the plant was, and how it was treated, and the plan of its operation all the way through. Then they took them through those plants, that they might see for themselves that set-up.

These men by their questions and their activities in viewing and appraising that plant throughout the day showed their extreme interest in getting to the bottom of the questions involved in the investigation. I can say to those gentlemen who came down there that they did a service to the Congress of the United States, because after they left I heard any number of people who came in contact with them and saw their activities express great approval of that kind of investigation by our Congress, by representatives of it, men who would go down there and without any spirit of partisanship, but working together as Members of Congress and Representatives of the people, go to the bottom and recommend laws for the successful continued operation and preservation of a great war-born industry, essential to our security and of great peacetime value to our economy.

Finally let me say this, that the synthetic rubber set-up there, and I assume the same is true perhaps throughout our country, is a fine example of the cooperation between industrial leaders and their Government to do a great job. When we were confronted with the rubber shortage following Pearl Harbor, and you will remember we had no synthetic rubber industry at all at that time, the scientific men and engineers from our great chemical plants and oil refineries and others pooled their knowledge and their resources of skill and patents and their trained and skilled men, and built the synthetic rubber industry from the very beginning. That chemical rubber industry is one of the miracles of the war, in my opinion.

When we went through that great plant and walked in the control room, we saw a panel board filled with a thousand instruments, it seemed. We were told that some of the processes are so delicate that if the temperature varied only a few degrees inside those great retorts, or if the pressure varied but a few pounds, it might seriously affect the quality of the product. We were then told that the engineers, scientists, and men who designed that great plant had to start without even a blueprint and design every bit of it. Not only God was with us, but the knowledge of our great scientists and industrial leaders with their know-how. They did such a fine job that they produced that great plant which has been working marvelously ever since. That is what these gentlemen found who went on the ground and studied this problem of the continued operation of our great synthetic rubber industry. They saw that although this is an industry born of the war, it is a great peacetime industry and has resulted in the producing of better automobile tires in most respects than we had before the war, and has kept the prices down. Scientific men have told me down there that they have hopes that with a little further experimentation they may be

able to produce automobile tires that will last as long as your car and perhaps not have to be inflated at all. That is one of the possibilities that has come out of the marshalling of the brains and knowledge of private industry in the doing of a great task.

I think those who have cooperated so well in this job need to be complimented. Remember that the continuation of this present operation in its present form, so long as the emergency exists, is essential, because if you sold these plants to private industry or if you shut them down even in a stand-by condition for too long a time and their great staffs are dissipated and go back to other fields of employment, it will take months to assemble them again in case of emergency. I think the committee has done a marvelous job.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT] a member of the committee.

Mr. SHORT. Mr. Chairman, at this late hour at the end of a hard and busy week I have no desire or disposition to trespass upon the time or impose upon the patience of Members, but because of this highly important subject I am constrained to say only a few words.

After returning from Europe the Near East and north Africa last fall I was expected to join the subcommittee which visited these synthetic plants in Texas, Kentucky, and Ohio. But because of the serious illness of my father, I was denied that privilege. However, I have followed the hearings more or less, and I might say more rather than less, though I have been chairman of another subcommittee considering petroleum which is closely allied to this one.

I want to state to the Members of the House now that when the Japs struck at Pearl Harbor we had 533,000 long-tons of rubber in this country in our stock pile and about 100,000 tons afloat in shipment to our country. I am sorry to say to you that we have less than half that amount at this hour. I could say a lot more but I do not want to reveal secrets. It is something that should alarm every Member of this House.

Now the reason we are passing this bill unanimously out of the subcommittee and out of the full committee and the reason there is no opposition to it is for two reasons: One, the Government spent $700,000,000 building synthetic plants, which saved our necks. America is a nation on wheels. Rubber is a strategic and critical war material. Without it in peacetime our domestic economy would be wrecked, not only your passenger cars and trucks and busses on the highways, but tractors on the farm, and in modern mechanized warfare rubber is almost as indispensable as is oil. We are continuing this program at least until June 30, 1950, after our taxpayers have invested $700,000,000 in it in order to be assured and guaranteed that with the greatly troubled and unsettled conditions that hang over us like a pall today we will not be caught short as we were on December 7, 1941.

That is the first thing and the big thing. National security or national defense is the peg on which we hang this bill. The second thing is, we will protect the little fellow, every individual consumer in this country, because today you can buy synthetic for about 18 cents a pound. Natural rubber will cost you twenty-one or twenty-two cents a pound. Synthetic rubber is almost as good as natural rubber when it comes to tires for automobiles and heavy rolling equipment. It is becoming better all the time, as the gentleman from Texas [Mr. COMBS] pointed out. We will not only protect and defend our Nation by the enactment of this legislation but we will guarantee to the individual consumer in America, all these citizens in the gallery, as good or a better product for as low or a less price than they paid before the war.

Speaking on that point, automobile tires or rubber is about the only commodity that I can think of that you can buy as cheaply today as you bought before the war. Why? You can call it socialistic and all that. We believe in private enterprise. There is nothing in this bill that denies private enterprise anything. If private industry can purchase these plants and manufacture rubber more cheaply than the Government, they are welcome to do it. There is nothing to prohibit them doing that, but we are interested that they use 225,000 tons a year, and that they maintain stand-by plants with a capacity for production of 600,000 tons per year which is the minimum requirement for the national security of this Nation. That is all we are doing.

In closing may I say, sir, I want to add with those gentlemen who have preceded me my compliments and tribute to the chairman and his colleagues on this subcommittee, who worked so long and faithfully, since May of last year. Of course I am prejudiced. I love PAUL SHAFER as I love a brother, but I know that with the ablest assistance of Russell Blandford, our committee member of the professional staff, they have brought forth a bill that has met with universal approval, notwithstanding some minor objections. Of course, you cannot satisfy everyone.

This subcommittee under the untiring and long labors of PAUL SHAFER, who heard all arguments, finally decided this complex issue. PAUL SHAFER, a friend of private enterprise, has worked unceasingly to protect our country and help everybody who buys a tire. They have brought forth a bill that has met with approval of the representatives of government, of industry, and I think of the general public.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JOHNSON of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I shall not detain the Committee. I am happy to see the spirit of cooperation and unanimity expressed here on the floor and I have the same feeling of appreciation for the work of the committee that has already been better expressed than I can express it.

I recall, Mr. Chairman, that at the outbreak of the war when we found ourselves so short of rubber there was consideration by a number of committees as to what we should do by way of creating a synthetic-rubber industry. I recall that we brought an eminent chemurgist before one of the committees of the House and he pointed out the possibility of agricultural products being used for the production of synthetic rubber. I think it was Dr. Hale, formerly of the University of Michigan and of the Dow Chemical Co. It was one of the best presentations I have heard. I am not a scientist myself.

It has been satisfactorily explained to me by the gentleman from Missouri [Mr. SHORT] and the gentleman from Michigan [Mr. CRAWFORD] this afternoon why we are paying little attention now to agricultural material for synthetic rubber with present high prices of grain and world-wide hunger. At first I thought that we ought to have more agricultural, replaceable products used instead of using nonreplaceable petroleum, but as time passed during the war and we saw how hungry the world was and how short of food grains it was and all that sort of thing, it became apparent that we must get our main supply of synthetic rubber from petroleum and not attempt to use the expensive grain for the production of alcohol. I am happy to be informed now by the committee that there are stand-by plants that can be called into use.

Today, as the gentleman from Michigan [Mr. CRAWFORD] said, we cannot expect to use grain which the world needs for food in this program, and it may be a good many years to come before there will be a surplus; but, Mr. Chairman, remember there was an agricultural surplus, so-called, at one time; at least we had a surplus, and we may again have a surplus. I believe that the chemurgist has the idea that we can, by the use of industrial alcohol in the production of synthetic rubber and synthetic motor fuels, take good and proper care of any possible surplus that may develop in agricultural products in the future. That would be a safety valve so we need not limit production.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. DURHAM. I may say to the gentleman that the committee went into that matter quite fully. The bill provides, I may say to the gentleman, that one of these alcohol plants actually be operated. Also, we are much concerned about the future scientific work in research on new uses of farm products and naturally we want to keep one of these plants in operation for research work.

Mr. MURDOCK. I thank the gentleman.

Mr. JOHNSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. JOHNSON of Illinois. I may say there are two bills pending, one introduced by me in this body and another bill in the other body at the request of the Department of Agriculture on this very subject. For the past 10 years, ever since I have been in Congress, I have been interested in synthetic fuels. These bills provide for the maintenance by the Government of the alcohol plant at Muscatine, Iowa, that it be not sold. It

has been declared surplus. This bill would let it be turned over to the Department of Agriculture for use in connection with the regional laboratory at Peoria in connection with research in synthetic liquid motor fuels. No one knows when the time may come—it can come within a 2-year period—when we will have very great surpluses of grain, when the needs of the people of Europe have been fully met. That can come about in a couple of years, and do not forget it.

Mr. MURDOCK. I thank the gentleman.

In the urgency of war we had to look after our national defense with all the means we had at hand. Of course, petroleum was the thing to use at that time and is now the thing to use under the circumstances, but we must train ourselves to be in readiness under all conditions so that our national defense may be further supplied by surplus agricultural commodities. One way to do that is to get ready in peacetime.

Mr. JOHNSON of Illinois. Back in 1942 if we had not had some foresighted people down here in the War Production Board who bought large amounts of alcohol and large stock piles of other things and built these alcohol plants, we might have lost the war on account of a lack of rubber because we did not have the alcohol facilities to make rubber.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Missouri.

Mr. SHORT. Since the gentleman from Iowa served on the old Military Affairs Committee, I trust he will tell of the chaotic state we were in when Big Bill Jeffers brought order out of chaos, when we had come dangerously near losing the war.

Mr. MARTIN of Iowa. I thank the gentleman for bringing that up. I had in mind referring back a bit to the history behind this bill.

First of all, I want to compliment the committee for its great devotion to this matter. It has been one of our major problems.

Back in 1939 I had the privilege of serving on the conference committee between the House and Senate on Public Law 117 of the Seventy-sixth Congress. At that time we had no stock-pile legislation at all, and we had no supply of rubber except what we got from the Far East. Ninety-five percent of our rubber supply at that time was secured from the Dutch East Indies, and, as you know, that involved shipping over a long and dangerous sea lane.

On July 21, 1941, the committee investigating the stock-pile program, on which committee I was then serving, brought out some rather startling and amazing findings regarding our helplessness so far as the national defense was concerned, particularly as to rubber. Ninety-five percent of it came from British Malaya and the Netherlands East Indies. As the gentleman from North Carolina [Mr. DURHAM] stated here today, our supply on hand at that time was inadequate. We also were at the mercy of other interests so far as the price of rubber was concerned. May I read you one short sentence here out of that report in 1941:

> The price of rubber is regulated by the international rubber cartel composed nearly 100 percent of British and Dutch interests.

Mr. Chairman, at that time we had a schedule of purchases to buy more than two-thirds of the world's entire production for the following 12 months. That is also shown in the committee and minority report of 1941.

What good did those orders do? Did we fight the World War II with these supplies that were on order but undelivered to us? We found that the blueprints did not shoot. We found that undelivered orders for rubber did not help win the war. We could not get delivery over those long sea lanes. That is why I feel so relieved at the great development of our domestic production of rubber that has taken place. In my opinion, next to the atomic bomb development of World War II, the development of synthetic rubber is the greatest accomplishment we have had industrially growing out of the late war.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Ohio.

Mr. BENDER. Is it not a fact that 49½ percent of the rubber that was used last year was synthetic rubber manufactured by our own American industries?

Mr. MARTIN of Iowa. That is a very interesting contribution and I thank the gentleman for it.

It means a great deal to us to have this development grow as strongly as it has, but it could not have attained the place it now occupies if it had not been for the attention of this committee which helped build a system guaranteeing an adequate rubber supply for the national defense. In my opinion, one of the greatest stock-pile assets we can build in any product or in any item is a good dependable domestic source of supply If it were not for this development of synthetic-rubber production capacity in our Nation today, I would be terribly alarmed at the figure given by the gentleman from North Carolina [Mr. DURHAM] and by the gentleman from Missouri [Mr. SHORT] concerning the very small natural-rubber stock piles that have been acquired. One of the greatest problems I have witnessed and one of the most vital points in our national defense is the matter of acquiring adequate stock piles of strategic and critical materials. I would recommend to every Member of the House that he take a copy of the hearings and a copy of the report on the bill H. R. 5314, which we now have under consideration, and put them in his permanent library, because you will have occasion to refer back to them. I have such a compilation of documents dating back to 1939, not only concerning rubber, but other strategic and critical materials, especially minerals and wool. I think it behooves us to follow this committee's recommendation very conscientiously and carefully in the great work they are doing. I want to commend the chairman and the committee particularly for their great work in the interest of our Nation in our hour of need.

I can make no better statement of the ideals that should control and guide the work of the Committee on Armed Services than the statement made by the committee itself on page 3 of the committee report, House Report No. 1409, accompanying this bill now under consideration, as follows:

> However, it was also agreed * * * that the United States must never again be dependent upon a foreign source for all of its rubber. It was agreed, and it is even a stronger belief today, that the United States must maintain and develop a chemical-rubber policy and program.

More power to the committee in the great task of building an adequate national defense for our great Nation.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the committee has done a good job here, and I shall not take all of the time allotted to me. But, I do want to ask the chairman a question or two. We need not be reminded that responsibility for the defense of the country rests with the Congress. Is it the intent of this legislation that the Congress, and not any administrative agency, foreign country, or international body shall determine our rubber policy, and that our American synthetic rubber industry shall be preserved as a vigorous going concern?

Mr. SHAFER. That is right.

Mr. CURTIS. Does this measure retain in the Congress the right to determine the future of our synthetic rubber industry and take advantage of future scientific progress?

Mr. SHAFER. That is correct.

Mr. CURTIS. The rubber industry certainly is one that is essential to the welfare of this country, and no department of government or no international agency should determine the future of that great industry in this country. We are indebted to this committee for legislation that definitely retains the control of this potent industry in the hands of the Congress of the United States.

This synthetic industry is a monument to an outstanding Nebraskan, William Jeffers.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Rubber Act of 1948."

DECLARATION OF POLICY

SEC. 2. It is the policy of the United States that there shall be maintained at all times in the interest of the national security and common defense, in addition to stock piles of natural rubber which are to be acquired, rotated, and retained pursuant to the Strategic and Critical Materials Stock Piling Act (Public Law 520, 79th Cong., approved July 23, 1946), a technologically advanced and rapidly expandible rubber-producing industry in the United States of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of chemical rubber to meet the essential civilian, military, and naval needs of the country. It is further declared to be the policy of the Congress that the security

interests of the United States represent by far the most important consideration in dealing with the Government-owned rubber-producing facilities. There are no compelling security reasons why the Government-owned rubber-producing facilities should be sold or leased, except as authorized in section 7 of this act, to private persons.

In order to make certain that the Government-owned rubber-producing facilities are held in constant readiness against a possible emergency, it is essential, notwithstanding any provisions of this act or any other provisions of law, that the Government, in the interests of national security, retain its rubber-producing facilities, except as authorized in section 7 of this act.

AUTHORITY TO EXERCISE CERTAIN CONTROLS OVER NATURAL RUBBER AND CHEMICAL RUBBER

SEC. 3. To effectuate the policies set forth in section 2 of this act, the President is authorized to exercise allocation, specification, and inventory controls of natural rubber and chemical rubber, and products containing natural rubber and chemical rubber, notwithstanding any changes in the supply or estimated supply of natural rubber or chemical rubber; and he shall exercise such controls by issuing such regulations as are required to insure (a) the consumption in the United States of general-purpose chemical rubber in a specified percentage of the combined total estimated annual consumption of natural rubber and general-purpose chemical rubber consumed within the United States, and (b) the consumption in the United States of any or all types of special-purpose chemical rubber in specified percentages of the combined total estimated annual consumption of natural rubber, general-purpose chemical rubber, and special-purpose chemical rubber consumed within the United States. Such percentages shall be established so as to assure the production and consumption of general-purpose chemical rubber and special-purpose chemical rubber in quantities determined by the President to be necessary to carry out the policy of section 2 of this act, and the provisions of Public Law 520, Seventy-ninth Congress, approved July 23, 1946: *Provided*, That the minimum percentages established by the President shall result in a total annual tonnage consumption of chemical rubber of at least the amounts specified in section 5 (d) of this act, and that any mandatory consumption in excess of the quantities specified in section 5 (d) of this act shall not be more than is deemed by the President to be necessary in the interest of national security and the common defense.

IMPORTATION AND EXPORTATION

SEC. 4. (a) The President may impose such import restrictions on finished and semifinished rubber products as he deems necessary to assure equality with like or similar products produced within the United States in accordance with regulations issued under this act.

(b) The President may exempt from the regulations of this act finished and semifinished rubber products manufactured in the United States exclusively for export outside the United States.

DOMESTIC RUBBER-PRODUCING CAPACITY

SEC. 5. (a) There shall be maintained at all times within the United States rubber-producing facilities having a rated production capacity of not less than 600,000 long tons per annum of general-purpose chemical rubber and not less than 75,000 long tons per annum of special-purpose chemical rubber.

(b) Of the 75,000-long-ton rated-production capacity for special-purpose chemical rubber, specified in section 5 (a) of this act, at least 45,000 long tons shall be of a type suitable for use in pneumatic inner tubes.

(c) The facilities specified in section 5 (a) of this act may include facilities owned in whole or in part by the Government and in whole or in part by private persons.

(d) Facilities in operation by the Government or private persons shall produce annually not less than one-third of the rated production capacities specified in section 5 (a) and (b) of this act.

(e) The facilities to be maintained in operation by the Government and those to be maintained in adequate standby condition shall be determined from time to time by the President.

(f) At least one facility for making butadiene from alcohol shall be maintained in operation or in adequate standby condition.

RESEARCH AND DEVELOPMENT

SEC. 6. (a) To effectuate further the policies set forth in section 2 of this act with respect to a technologically advanced domestic rubber-producing industry, continuous and extensive research is essential. The powers, functions, duties, and authority of the Government to undertake research and development in rubber and allied fields shall be exercised and performed by such departments, agencies, officers, Government corporations, or instrumentalities of the United States as the President may designate, whether or not existing at the date of enactment of this act.

(b) The cost of undertaking and maintaining the research and development authorized in section 6 (a) of this act, may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this act.

OPERATION OF RUBBER-PRODUCING FACILITIES BY THE UNITED STATES GOVERNMENT

SEC. 7. (a) The powers, functions, duties, and authority to produce and sell chemical rubber conferred in section 7 (b) of this act shall be exercised and performed by such department, agency, officer, Government corporation, or instrumentality of the United States as the President may designate, whether or not existing at the date of enactment of this act.

(b) The department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this act, shall have the powers, functions, duties, and authority to produce and sell chemical rubber, including the component materials thereof, in amounts sufficient to assure the production of chemical rubber as required by the President in section 3 of this act: *Provided*, That the President may authorize such production of chemical rubber, including the component materials thereof, as may be necessary to satisfy voluntary usage of chemical rubber, including the component materials thereof.

(c) The aforesaid powers, functions, duties, and authority to produce and sell include all power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to do all things necessary and proper in connection with and related to such production and sale, including but not limited to the power and authority to make repairs, replacements, alterations, improvements, or betterments to the rubber-producing facilities owned by the Government or in connection with the operation thereof and to make capital expenditures as may be necessary for the efficient and proper operation and maintenance of the rubber-producing facilities owned by the Government and performance of said powers, functions, duties, and authority.

(d) Nothwithstanding the provisions of section 9 of this act, the aforesaid powers, functions, duties, and authority to produce and sell include the power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to (a) lease for operation for Government account all or any part of the Government-owned rubber-producing facilities in connection with the performance of said powers, functions, duties, and authority to produce and sell; (b) lease, for a period not exceeding 1 year, Government-owned rubber-producing facilities for private purposes if such lease contains adequate provisions for the recapture thereof for the purposes set forth in section 7 (b) of this act and if such lease prohibits the production in the leased facilities of chemical rubber or component materials for use in the production of chemical rubber for private purposes; (c) grant permanent easements or licenses for private purposes in, on, or over land comprising part of the Government-owned rubber-producing facilities if such grant provides that such easement or license shall not interfere with the use at any time of the rubber-producing facilities involved; and (d) sell or otherwise dispose of obsolete or other property not necessary for the production of the rated capacity of the particular plant to which such property is charged.

STAND-BY FACILITIES

SEC. 8. (a) To effectuate further the policies set forth in section 2 of this act, the President is authorized to place in adequate stand-by condition such rubber-producing facilities as he shall determine necessary to maintain the continued existence of rubber-producing facilities capable of producing the tonnage of chemical rubber required by section 5 (a) of this act.

(b) Rubber-producing facilities placed in stand-by condition by the President pursuant to section 8 (a) of this act may be maintained by such department, agency, officer, Government corporation, or instrumentality of the United States, whether or not existing on the date of enactment of this act, as the President may designate: *Provided*, That nothing contained in section 8 (b) of this act shall preclude such department, agency, officer, Government corporation, or instrumentality of the United States from entering into contracts with private persons for the maintenance of stand-by facilities: *Provided further*, That the cost of placing facilities in stand-by condition, maintaining such facilities in adequate stand-by condition, and, when necessary reactivating such facilities, may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this act.

DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

SEC. 9. (a) No disposition by sale or lease of any Government-owned chemical rubber-producing facilities shall be made until approved by a concurrent resolution in Congress.

(b) No proposal for the disposition by sale or lease of any Government-owned chemical rubber-producing facility shall be submitted to the Congress for approval by concurrent resolution, unless it shall provide adequate safeguards for national security and consumers of chemical rubber, including, but not limited to, a recommendation by the President, after consultation with the National Security Resources Board, stating that the proposed disposition by sale or lease has been considered by the members of the National Security Resources Board and that a majority of said members have found that the requirements of national security and common defense will be facilitated and advanced by such proposed disposition.

ADMINISTRATION

SEC. 10. (a) The President may issue such rules and regulations as he deems necessary and appropriate to carry out the purposes of this act.

(b) The President may exercise any or all of the powers, authority, and discretion conferred upon him by this act, including but not limited to the powers and authority conferred in section 12 of this act through such departments, agencies, officers, Government corporations, or instrumentalities of the United States, whether or not existing

at the date of the enactment of this act, as he may direct.

(c) The President, whenever practicable, shall consolidate all of the powers, functions, and authority contained in this act in one agency, officer, Government corporation, or instrumentality of the United States, whether or not existing at the date of enactment of this act.

(d) The President may transfer to the departments, agencies, offices, Government corporations, or instrumentalities of the United States, or to any of them, which he directs to exercise the powers, authority, and discretion conferred upon him by this act, such rubber-producing facilities, personnel, property, and records relating to such powers, authority, and discretion, as he deems necessary; and he may so transfer all appropriations or other funds available for carrying out such powers, authority, and discretion. To the extent deemed necessary for the discharge of the responsibilities under this act, any personnel authorized to be transferred may be employed and their compensation fixed without regard to the civil-service laws and the Classification Act of 1923, as amended.

(e) Each department, agency, officer, Government corporation, or instrumentality of the United States to whom the President may delegate any powers, authority, and discretion conferred by this act shall make an annual report to the President and to the Congress of operations under this act.

(f) The President shall report to the Congress within 5 years from the effective date his recommendations for revisions of this act, particularly as to any changes in the mandatory annual tonnage consumption, and the rated production capacity of rubber-producing facilities which must be maintained in the United States.

PATENT POOLING AND USE OF TECHNICAL INFORMATION

SEC. 11. (a) To effectuate further the policies of this act, the President is authorized to take such action as may be appropriate with respect to patent pooling, patent licensing, and exchange of information agreements sponsored by the Government as a part of the wartime chemical-rubber program, insofar as practicable and consistent with the purposes of this act, to—

(1) effectuate cessation of further accumulations of patents or technical information to such pools or under such agreements;

(2) for the advancement of the rubber-producing industry, make available to and preserve for the Government, and others, information, and unrestricted, unconditional patent licenses and immunities under the patents, now or hereafter covered by or exchanged under such pools or agreements or developed under operating agreements or arrangements with or sponsored by the Government;

(3) maintain and encourage the competitive development of technology for the advancement of the chemical-rubber industry.

(b) No person, corporation, or legal entity shall be liable for the infringement of any patent or for any claim for damages thereunder where there was failure to disclose the subject matter covered by any claim of said patent as required by any patent pooling, patent licensing, or exchange of information agreement sponsored by the Government, or where there was unjustifiable or purposeful delay in actual or constructive reduction to practice of the invention set forth in a claim of said patent as contemplated in any such agreement; and any such patent, any claim of which shall be found to fall in one of the above categories on an action for infringement, damages, or declaratory judgment, shall be invalid.

(c) No person, corporation, or legal entity shall be liable for any alleged violation of trust with regard to the use of technical information in the operation of a Government-constructed facility for the production of chemical rubber or its components or the use or sale of the products thereof, where there was failure to disclose the subject matter entrusted as required by any patent pooling, patent licensing or exchange of information sponsored by the Government.

(d) Any department, agency, office, Government corporation, or instrumentality of the United States as the President may designate to perform the powers, functions, duties, and authority referred in section 7 (b) of this act, shall be entitled to the benefits of the Act of June 25, 1910 (36 Stat. 851), as amended July 1, 1918 (40 Stat. 705), or any similar act.

INFORMATION, REPORTS, SUBPENAS, WITNESSES, AND TESTIMONY

SEC. 12. (a) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, any person and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this act.

(b) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to section 12 (a) of this act, the President may administer oaths and affirmations, and may require by subpena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof, or physical evidence, in obedience to any such subpena, or in any action or proceeding which may be instituted under this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment, or to any penalty or forfeiture, for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and, upon conviction thereof, shall be fined not exceeding $1,000 or be imprisoned not exceeding 2 years, or both.

PENALTIES

SEC. 13. Any person who willfully performs any act prohibited, or willfully fails to perform any act required by any provision of this act or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

JURISDICTION OF THE JUNITED STATES COURTS

SEC. 14. (a) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall have jurisdiction of violations of this act or any rule, regulation, or order or subpena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of this act or any rule, regulation, order, or subpena thereunder.

(b) Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the alleged violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpenas for witnesses who are required to attend a court in any district in any such cases may run into any other district. No costs shall be assessed against the United States in any proceeding under this act.

EXCULPATORY CLAUSE

SEC. 15. No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this act or any rule, regulation, or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 16. Functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act except as to the requirements of sections 3 and 10 thereof.

SEPARABILITY

SEC. 17. If any provision of this act or the application thereof of any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

DEFINITIONS

SEC. 18. For the purposes of this act—

(1) The term "natural rubber" means all forms and types of tree, vine, or shrub rubber, including guayule and natural rubber latex, but excluding reclaimed natural rubber;

(2) The term "chemical rubber" means any product of chemical synthesis similar in general properties and applications to natural rubber, and specifically capable of vulcanization, produced in the United States, not including reclaimed chemical rubber;

(3) The term "general-purpose chemical rubber" means a chemical rubber of the butadiene-styrene type generally suitable for use in the manufacture of transportation items, as well as any other type of chemical rubber equally or better suited for use in the manufacture of transportation items as determined from time to time by the President;

(4) The term "special-purpose chemical rubber" means a chemical rubber of the types now known as butyl, neoprene, or N-types (butadiene-acrylonitrile types) as well as any chemical rubber of similar or improved quality applicable to similar uses, as

determined from time to time by the President;

(5) The term "rubber-producing facilities" means facilities, in whole or in part, for the manufacture of chemical rubber, and the component materials thereof, including, but not limited to, buildings and land in which or on which such facilities may be located and all machinery and utilities associated therewith;

(6) The term "rated production capacity" means the productive capacity assigned to any rubber-producing facilities at time of authorization of construction or as thereafter amended in authorizations of additional construction or alterations thereto and used in published reports and in the records of the Office of Rubber Reserve, Reconstruction Finance Corporation, or successor agency, or privately owned plants, as determined by the President;

(7) The term "component materials" means the material, raw, semifinished, and finished, necessary for the manufacture of chemical rubber;

(8) The term "stand-by condition" means the condition in which rubber-producing facilities, in whole or in part, are placed when determined to be not needed for current operations, but are maintained so as to be readily available for the production of chemical rubber or component materials;

(9) The term "person" means any individual, firm, copartnership, business trust, corporation, or any organized group of persons whether incorporated or not, and any Government department, agency, officer, corporation, or instrumentality of the United States; and

(10) The term "United States" includes the several States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 19. (a) There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

(b) Until such time as appropriations herein authorized are made, any department or agency may, in order to carry out its functions, powers, and duties under this act, continue to incur obligations and make expenditures in accordance with laws in effect on March 31, 1948.

EFFECTIVE DATE

SEC. 20. This act shall become effective on April 1, 1948.

With the following committee amendments:

On page 10, line 23, after the word "one", add the word "department."

On page 11, line 2, strike out the word "offices" and insert in lieu thereof the word "officers."

On page 12, line 5, strike out the words "sponsored by" and insert in lieu thereof the words "entered into with."

On page 12, strike out all of lines 9, 10, and 11 and insert in lieu thereof the following:

"(1) Effectuate cessation of further accumulation of technical information or rights to patents under the agreement dated December 19, 1941, as supplemented June 12, 1942, between the Government and others."

On page 12, line 21, strike out the words "or sponsored by."

On page 13, line 6, strike out the words "sponsored by" and insert in lieu thereof the word "with."

On page 13, line 21, strike out the words "sponsored by" and insert in lieu thereof the words "agreement with."

On page 13, line 23, strike out the word "office" and insert in lieu thereof the word "officer."

On page 20, line 7, after the word "and", add the words "except for the provisions of section 13."

The committee amendments were agreed to.

Mr. SHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAFER: On page 11, strike out all of lines 20 to 25, inclusive.

The amendment was agreed to.

Mr. SHAFER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAFER: On page 20, line 25, strike out the period after "1948", insert a comma in lieu thereof, and insert after the comma "and shall remain in effect until June 30, 1950."

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BARRETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, pursuant to House Resolution 488, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the committees in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. BENDER asked and was given permission to revise and extend his remarks.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter from the AMVETS regarding the cut in the Veterans' Administration.

VETERANS' ALLOWANCES AND COMPENSATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may have until midnight Saturday night to file a conference report and statement on the bill (S. 1393) to raise the ceilings on wages and allowances payable to veterans undergoing training on the job, and for other purposes.

May I state that I expect to call the conference report up for action on Monday next.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore granted, I may be permitted to address the House for 45 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. JENISON asked and was given permission to extend his remarks in the RECORD in two instances and include therein an article and an editorial.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a radio speech he recently made.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an article by Mark Sullivan.

Mr. ROSS asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. DORN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech by the late Honorable William E. Borah, of Idaho, in opposition to antilynching legislation. The Public Printer estimates that the cost of printing will be $284. Mr. Speaker, I hope that every Republican Member of the House reads this great speech.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr BUCHANAN, Mr. KING, and Mr. HOLIFIELD (at the request of Mr. KARSTEN of Missouri) were given permission to extend their remarks in the RECORD and include extraneous matter.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—LIQUIDATION OF TEMPORARY ARRANGEMENTS FOR DISPOSING OF SURPLUS WAR PROPERTY (H. REPT. NO. 558)

The SPEAKER laid before the House the following message from the Presi-

dent of the United States, which was read and referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

In accordance with the Government's settled policy of eliminating temporary war agencies as soon as practicable, I recommend that the Congress now provide for the liquidation of the temporary arrangements for disposing of surplus war property and for the completion of the remaining disposal activities within the permanent Federal establishment. At the same time, the Congress should provide for a number of improvements in the permanent system for procurement, use, and disposal of Government property.

For a number of years the Federal Government has needed a better system of property management. The present arrangements, which have been developed under piecemeal legislation dating as far back as 1870, are inadequate to meet the present requirements of the Government. That legislation contains many obsolete provisions and does not provide for the central leadership and direction necessary to coordinate the complex activities concerned with the procurement, use, and disposal of Government property.

The Congress has considered basic revisions in the Government's system of property management in the past. The Seventy-seventh and Seventy-eighth Congresses devoted much attention to this subject. This work was interrupted, however, by the more urgent need for emergency legislation to provide for the disposal of surplus war property.

The Surplus Property Act of 1944 was enacted for this purpose. The War Assets Administration and its predecessor agencies have been responsible for the disposal of surplus war property at home. The Department of State has been responsible for disposing of surplus property located abroad.

The Surplus Property Act was not designed to be permanent property-management legislation. Rather, its purpose was to achieve a number of special objectives which would make the disposal of the huge war surpluses a constructive force in demobilization and reconversion.

An effective job has been done in achieving these objectives. Disposal operations have been carried on without the uncontrolled dumping of surplus stocks which would have created hazards to business and employment. Many thousands of veterans have been assisted in establishing or improving their own business, professional, and agricultural enterprises. The competitive position of small business has been protected and strengthened. State and local governments and schools throughout the country have received substantial benefits. Our surplus property abroad has been disposed of in a manner which would make the greatest contribution to world recovery efforts.

The critical period in disposing of war surpluses is now drawing to a close. By June 30, 1948, the total amount of war property declared surplus, both at home and abroad, will have reached nearly $40 billion, in terms of original cost. By that date, it is expected that all but about $6 billion in property will have been disposed of.

Of the original $40 billion total, property costing about $11 billion was located abroad, of which about $600 million will be left next June. This small remaining inventory, which is widely dispersed, can be liquidated most efficiently by transferring responsibility for its disposal from the Department of State to the owning agencies—primarily the Departments of the Army and Navy. Where appropriate, the disposal of this property would continue to be conducted so as to assist our international programs.

About $29 billion, of the $40 billion total, represented property located in the United States and its Territories and possessions.

The greatest number of buyers has been interested in consumer and producer goods which constitute the main types of surplus personal property useful in a peacetime economy. It is estimated that on June 30 only about $500 million of a total of almost $10 billion of such goods will remain. Much of this small remainder will have limited sales appeal and all of it will face increasingly stiff competition from the record output of our industries. As inventories of surplus goods decline, unit costs of disposal will necessarily rise. Furthermore, disposal costs are held at high levels by the rigid priority and preference provisions of the present law. Unless the law is changed, we will soon reach the point at which it will cost the Government more to dispose of these goods than it receives from their sale. We should therefore simplify the disposal procedure and make possible reduced costs by providing for the elimination of these cumbersome provisions when the remaining quantities of this property are no longer of sufficient size to justify their maintenance.

The same considerations apply to aircraft, aircraft components, electronic equipment, and other miscellaneous items, of which about $1.2 billion, mainly aircraft components, are expected to remain on June 30 from a total of nearly $10 billion. No useful purpose would be served by retaining the present priority and preference provisions of the law for these items, for which there is very limited demand.

A different situation exists with respect to surplus real property. Of a total of somewhat more than $9 billion of such surplus there will remain on June 30 a substantial amount—some $2.6 billion of property awaiting disposition and an additional $1.1 billion under lease. A long-range program will be required for the ultimate disposition of this property. Removal of preferences and priorities applying to this type of property would not result in substantial economies but would, on the other hand, confuse a large number of current negotiations for the orderly sale of important assets.

The War Assets Administration has served well as an emergency agency for the disposal of surplus war property. It would not be suitable, however, to maintain a large independent agency to liquidate the remaining personal property and to deal with the longer-range disposal of real property. The War Assets Administration, therefore, should be terminated at the end of this fiscal year and the remainder of the war-surplus-property-disposal program transferred to a permanent agency.

At the same time that these actions relating to surplus war property are taken, we should improve our permanent system for the procurement, use, and disposal of property. The problem of providing for orderly liquidation of the surplus-war-property program and the problem of establishing a new and better system for administering the property-management functions of the Government are intimately related. Both should be considered together.

Efforts to achieve permanent improvement should be directed toward two main objectives. First, such procurement, disposal, and other property-management functions as can best be performed at a central point should be consolidated in a single Government agency. Second, adequate provision should be made for the coordination throughout the Government of those property-management activities which are not to be performed by this central agency.

Government supply activities with respect to personal property, such as procurement and warehousing, are now centralized to a considerable extent in the Bureau of Federal Supply of the Treasury Department. Certain exemptions from these central supply activities are made, as in the case of the National Military Establishment, for reasons of national security. Moreover, some items are purchased for the Government not by the Bureau of Federal Supply but by other agencies with special competence. Appropriate exceptions for such cases as these should, of course, be continued.

At the present time, Government procurement and disposal functions are not in the same agency. They should be brought together. Common direction of purchasing and disposal activities will permit the establishment of an efficient system to insure that equipment no longer needed by one agency is made available to other agencies and to prevent the purchase of new equipment when surplus equipment is already available.

Furthermore, the centralized services concerned with personal property are closely related to centralized services concerned with real property, and they should be brought together in the same agency. At the present time, central services with respect to real property are primarily the responsibility of the Public Buildings Administration of the Federal Works Agency.

Taking all these considerations into account, I am convinced that the Federal Works Agency should be made the central property-management agency of the Government, by transferring to it the Bureau of Federal Supply and the remaining war-surplus-disposal functions of the War Assets Administration. Placing the

Bureau of Federal Supply and the surplus-disposal functions of the War Assets Administration in the same agency will make possible common direction of purchasing and disposal operations, thus presenting obvious opportunities for economies. Placing the Bureau of Federal Supply in the same agency with the Public Buildings Administration will facilitate the procurement of utility services, the operation of repair shops, and the provision of other common services affecting both real and personal property.

To improve the administration of those property-management activities which are not centralized, each executive agency should be required by law to maintain an adequate inventory control of its property, to shift property which has served its original purpose to other uses within the agency when appropriate, and to report to the Federal Works Administrator any property no longer needed. Furthermore, the Federal Works Administrator should be given authority to establish a uniform system of identifying and classifying property, to make surveys of Government property-management activities, and to prescribe uniform policies.

To accomplish these objectives, I recommend that the Congress enact legislation for the following purposes:

1. To terminate the War Assets Administration and transfer to the Federal Works Agency the function of liquidating the remaining domestic surplus war property. The priorities and preference requirements of the Surplus Property Act applying to personal property should be eliminated in the near future. Those applying to real property should continue in effect until December 31, 1949.

2. To transfer the responsibility for liquidating the remaining surplus war property abroad from the Department of State to the owning agencies.

3. To transfer the Bureau of Federal Supply and its functions to the Federal Works Agency.

4. To provide on a permanent basis for the orderly and economical procurement, use, and disposal of Government property, under the central leadership and direction of the Federal Works Administrator. It is especially important that the Federal Works Administrator be given responsibility for developing improved methods, and that sufficient flexibility be provided in the law to permit the adoption of new methods without delay.

I have requested the Federal Works Administrator to submit to the appropriate committees of the Congress proposed legislation to carry out this program.

The enactment of such legislation will abolish our largest remaining war agency and provide for an orderly liquidation of the present war-surplus-disposal program. It will establish an improved system for managing the Government's property, and mark a major advance toward the development of a central service agency for the Federal Government. These steps will make an important contribution to the efficient and economical conduct of the Government.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 5, 1948.*

PRIVILEGE OF THE HOUSE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 5, 1948.

The honorable the SPEAKER:
House of Representatives.

SIR: From the District Court of the United States for the District of Columbia, I have received a subpena duces tecum, directed to me as Clerk of the House of Representatives, to appear before said court on the 8th day of March 1948 at 10 o'clock a. m., as a witness in the case of the *United States* v. *George Marshall* (No. 367-47 Criminal Docket), and to bring with me certain and sundry papers therein described in the files of the House of Representatives.

The subpena contains 39 paragraphs descriptive of the papers in question. A limited number of paragraphs are specific in their description and such papers may readily be identified. The greater number are general, lack specific description, embrace a voluminous quantity of records, and in some instances papers which are not part of the file at all. Such of the papers as may be identified as being under the control of the House are the files of the Committee on Un-American Activities and as such are under the unqualified control of the House.

Your attention and that of the House is respectfully invited to a resolution of the House adopted in the Forty-sixth Congress, first session (CONGRESSIONAL RECORD, p. 680), upon the recommendation of the Committee on the Judiciary, as follows:

"*Resolved*, That no officer or employee of the House of Representatives has the right, either voluntarily or in obedience to a subpena duces tecum, to produce any document, paper, or book belonging to the files of the House before any court or officer, nor to furnish any copy of any testimony given or paper filed in any investigation before the House or any of its committees, or of any paper belonging to the files of the House, except such as may be authorized by statute to be copied and such as the House itself may have made public, to be taken without the consent of the House first obtained."

And to a resolution adopted by the House in the Forty-ninth Congress, first session (CONGRESSIONAL RECORD, p. 1295), from which the following is quoted:

"*Resolved*, That by the privilege of this House no evidence of a documentary character under the control and in possession of the House of Representatives can, by the mandate or process of the ordinary courts of justice, be taken from such control or possession but by its permission.

"That when it appears by the order of a court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House."

These resolutions result from the issuance of subpena duces tecum upon the Clerk of the House to produce certain original papers in the files of the House.

Permission to remove from their place or file or from the custody of the Clerk, any papers was denied by the House but court afforded facilities to make certain copies of papers to be secured from the House. This seems to be the uniform procedure in the case of subpenas duces tecum served upon the Clerk of the House of Representatives to produce original papers from the files of the House.

The subpena in question is herewith attached and the matter is presented for such action as the House in its wisdom may see fit to take.

Very respectfully yours,

JOHN ANDREWS,
Clerk of the House of Representatives.

[Duces Tecum—Defendant]

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES VS. GEORGE MARSHALL, NO. 367-47, CRIMINAL

The President of the United States to John Andrews, Clerk of the House of Representatives, P-42 United States Capitol, Washington, D. C.

You are hereby commanded to attend the said court on Monday the 8th day of March 1948, at 10 o'clock a. m., to testify on behalf of the defendant, and bring with you the documentary material described in Schedule A attached hereto and made a part hereof consisting of 4 pages, which documents are in the files of the Committee on Un-American Activities, and not depart the court without leave thereof.

Witness, the Honorable Chief Justice of said Court, the 4th day of March A. D. 1948

HARRY M. HULL,
Clerk.

By MARGARET L. BONWELL,
Deputy Clerk.

CHARLES A. HORSKY,
Attorney for George Marshall.

Let this writ issue:

----------,
Justice.

MARSHAL'S RETURN

Summoned the above-named witness ----

JOHN B. COLPOYS,
United States Marshal.

By ——— ———,
Deputy.

SCHEDULE A

1. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Federation for Constitutional Liberties.

2. Letter dated January 2, 1946, from George Marshall, chairman, to Ernie Adamson, counsel.

3. Copy of letter dated January 3, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

4. Letter dated January 7, 1946, from George Marshall, chairman, to Ernie Adamson, counsel.

5. Copy of letter dated January 10, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

6. Letter dated January 19, 1946, from George Marshall, chairman, to Congressman JOHN S. WOOD, together with statement enclosed entitled "Answer to the Un-American Committee" (statement of executive board dated January 18, 1946).

7. All letters, actions letters, releases, statements, newspaper clippings of or concerning the National Federation for Constitutional Liberties which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

8. All card records and all compilations, and all documentary material upon which said records and compilations are based, concerning the National Federation for Constitutional Liberties and George Marshall which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

9. Transcript of the testimony of George Marshall before a Subcommittee of the Committee on Un-American Activities on April 8, 1946, given at United States Courthouse, New York City, and before the said committee on April 11, 1946, at Washington, D. C., together with the exhibits offered and marked in evidence in connection with said testimony, including but not limited to, exhibits Nos. 1–46, inclusive.

10. Copy of letter dated January 31, 1946, from Ernie Adamson, counsel, to Corliss Lamont.

11. Copy of letter dated February 11, 1946, from KARL E. MUNDT, member of the committee, to Corliss Lamont.

12. Copy of letter dated November 14, 1945, from Ernie Adamson, counsel to Mrs. L. C. Shuttleworth, 1445 Outlook Avenue, New York, N. Y.

13. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel to Carl Dreher, Bald Hill Road, Wilton, Conn.

14. Copy of letter dated December 20, 1945, from Ernie Adamson, counsel, to Mr. and Mrs. Robert Lippin, 40 Monroe Street, New York, N. Y.

15. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to American Civil Liberties Union.

16. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Committee to Combat Anti-Semitism, Room 601, 22 East Seventeenth Street, New York, N. Y., together with copy of petition by said national committee, referred to in said letter.

17. Copy of letter dated January 19, 1946, from KARL E. MUNDT, member of the committee, to Mr. Norman W. Schur, chairman, National Committee to Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

18. Copy of letter dated March 22, 1946, from Ernie Adamson, counsel, to Mr. Stanley B. Moss, c/o Moss and Arnold, 7 East Forty-fourth Street, New York, N. Y., together with copy of New York Times advertisement referred to therein.

19. Copy of letter dated between February and August 1946, from JOHN S. WOOD, chairman, to all Members of Congress enclosing copy of report of Committee on Un-American Activities and summarizing its work and policy.

20. Letter dated July 17, 1946, from Clyde Doyle, Representative from California, to Ernie Adamson, counsel.

21. Copy of letter dated July 18, 1946, from Ernie Adamson, counsel, to Clyde Doyle, Representative from California.

22. Copies of letter sent by KARL E. MUNDT, member of the committee, to Gov. Thomas L. Bailey (Mississippi) and approximately 99 others on or about January 20, 1945, relating to a suitable and working criterion to determine what does and what does not comprise an un-American activity, together with the data sheet mailed therewith and all replies received thereto, and all further correspondence with the same individuals in connection therewith and such additional correspondence received from other individuals and/or organizations pertaining to the establishment of the working criterion above set forth as to the definition of the terms un-American and/or subversive.

23. Copies of all letters sent by or on behalf of the committee or by any members thereof to the Brookings Institution between January 3, 1945, and April 15, 1945, relating to a working criterion for determining what constitutes un-American propaganda or activity, or relating to standards for determining what constitutes un-American or subversive, or relating to an analysis of letters received purporting to define un-American activities or propaganda; together with all letters received from the Brookings Institution in connection therewith.

24. The report or memorandum submitted to the committee by the Brookings Institution between January 3, 1945, and April 15, 1945, relating to or entitled "Suggested Standards for Determining Un-American Activities," and other data and material submitted in connection therewith.

25. Memorandum of six paragraphs sent to the committee or to KARL E. MUNDT, committee member, by the American Civil Liberties Union during February 1945, relating to un-American activities, and letter accompanying same.

26. Stenographic transcript of all meetings of the House Committee on Un-American Activities or any subcommittee of the same from January 3, 1945 to February 6, 1946 at which the definition or content of the phrase "un-American or subversive propaganda activities" was considered, discussed or acted upon.

27. Minutes of all meetings of the House Committee on Un-American Activities or any subcommittee thereof between January 3, 1945 and August 11, 1946 at which investigation of the National Federation for Constitutional Liberties was considered, referred to, acted upon, or its propaganda activities were discussed.

28. All releases and statements issued by or on behalf of the House Committee on Un-American Activities, whether to the press or otherwise, between January 3, 1945 and August 1, 1946, which refer to or discuss the National Federation for Constitutional Liberties, and also all such releases and statements between such dates relating to or discussing the investigation of organizations, groups or individuals which issue propaganda or influence or attempt to influence public opinion.

29. Press release on or about June 22, 1945 by the House Committee on Un-American Activities or its chairman dealing with the definition by said committee of the words "un-American" and/or "subversive".

30. Transcripts of committee meetings or executive sessions after 11:15 a. m. April 8, 1946 and August 1, 1946 at which the committee considered and/or acted upon the refusal of George Marshall to produce documents and/or to answer any questions.

31. Telegram from Joseph Sweat, director, American Committee for Spanish Freedom, to John S. Wood, chairman, dated December 20, 1945. Copy of telegram in reply from Ernie Adamson, counsel, to Joseph Sweat dated December 26, 1945.

32. Minutes and transcripts of meetings and executive sessions, not limited to but including, committee action on or about February 21, 1945 relating to a request to the Brookings Institution to analyze the replies to MUNDT's letter of January 20, 1945 concerning a working criterion of what comprises an un-American activity, and to suggest standards for determining un-American activities.

33. Document or documents of the Special Committee on Un-American Activities dated March 29, 1944, citing and/or listing associations, organizations, including the National Federation for Constitutional Liberties, and publications as Communist fronts or other party line publications, respectively.

34. Copy of letter from John S. Wood, chairman, to President Harry S. Truman on or about September 25, 1945, enclosing a resolution requesting the personnel records of agencies being terminated, together with the resolution, and the minutes and transcripts of all meetings at which this resolution and this subject was acted upon or discussed.

35. Plan or report of three-man subcommittee, including Representative MUNDT, prepared on or about June 1, 1946, dealing with the expansion of the committee's staff to approximately 18 or 20 people on a monthly budget of about $12,500 under a director, and its separation into three divisions.

36. Each and every item listed under the column "publication" in connection with the committee record of Clifford (T.) M'Avoy, as contained in extension of remarks of Hon. HADWEN C. FULLER, dated August 2, 1946, appearing at 92 CONGRESSIONAL RECORD, Appendix, 5230 (Aug. 12, 1946).

37. Each and every item listed under the column "source" in connection with the committee record of Corliss Lamont as put into the RECORD during congressional debate by Representative J. PARNELL THOMAS on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7593.

38. Each and every item of source material in connection with the committee record of Clyde R. Miller, as contained in the speech of Hon. J. PARNELL THOMAS, dated February 19, 1946, appeared at 92 CONGRESSIONAL RECORD A838.

39. Each and every item listed under the column "source" in connection with the committee record of Michael J. Quill, as contained in the extension of remarks of the Hon. J. PARNELL THOMAS, dated February 27, 1946, appearing at 92 CONGRESSIONAL RECORD A1007.

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 5, 1948.

Hon. JOSEPH W. MARTIN, Jr.,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I enclose herewith a supena duces tecum which was served upon me on February 27, 1948, calling for my appearance, as a witness for the defense, before the District Court of the United States for the District of Columbia, at 10 a. m., March 8, 1948, in the case of the *United States* v. *George Marshall*, who was cited for contempt by the House of Representatives, and to produce documents from the files of the Committee on Un-American Activities which are set forth in schedule A, attached to the subpena.

I am informed that as Clerk of the House Committee on Un-American Activities, I cannot produce these documents without the express approval of the House of Representatives.

I therefore respectfully request that I be instructed by the House as to what action I should take in response to this subpena.

Sincerely yours,

ROBERT E. STRIPLING,
Clerk and Chief Investigator.

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES *v.* GEORGE MARSHALL, NO. 367–47, CRIMINAL

The President of the United States to Robert E. Stripling, individually and as clerk of the House Committee on Un-American Activities, 226 Old House Office Building, Washington, D. C.

You are hereby commanded to attend the said court on Monday the 8th day of March 1948, at 10 o'clock a. m. to testify on behalf of the defendant, and bring with you the documentary material described in schedule A attached hereto and made a part hereof consisting of 4 pages, and not depart the court without leave thereof.

Witness, the Honorable Chief Justice of said Court, the 27th day of February A. D. 1948.

[SEAL] HARRY M. HULL, *Clerk.*
By MARGARET L. BOSWELL,
Deputy Clerk.

CHARLES A. HORSKY,
Attorney for George Marshall.

SCHEDULE A

1. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Federation for Constitutional Liberties.

2. Letter dated January 2, 1946, from George Marshall, chairman, to Ernie Adamson, counsel.

3. Copy of letter dated January 3, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

4. Letter dated January 7, 1946, from George Marshall, chairman, to Ernie Adamson, counsel.

5. Copy of letter dated January 10, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

6. Letter dated January 19, 1946, from George Marshall, chairman, to Congressman JOHN S. WOOD, together with statement enclosed entitled "Answer to the Un-American Committee" (statement of executive board dated January 18, 1946).

7. All letters, action letters, releases, statements, newspaper clippings of or concerning the National Federation for Constitutional Liberties which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

8. All card records and all compilations, and all documentary material upon which said records and compilations are based, concerning the National Federation for Constitutional Liberties and George Marshall which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

9. Transcript of the testimony of George Marshall before a subcommittee of the Committee on Un-American Activities on April 8, 1946, given at United States Courthouse, New York City, and before the said committee on April 11, 1946, at Washington, D. C., together with the exhibits offered and marked in evidence in connection with said testimony, including but not limited to, Exhibits Nos. 1–46, inclusive.

10. Copy of letter dated January 31, 1946, from Ernie Adamson, counsel, to Corliss Lamont.

11. Copy of letter dated February 11, 1946, from Karl E. Mundt, member of the committee, to Corliss Lamont.

12. Copy of letter dated November 14, 1945, from Ernie Adamson, counsel, to Mrs. L. C. Shuttleworth, 1445 Outlook Avenue, New York, N. Y.

13. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to Carl Dreher, Bald Hill Road, Wilton, Conn.

14. Copy of letter dated December 20, 1945, from Ernie Adamson, counsel, to Mr. and Mrs. Robert Lippin, 40 Monroe Street, New York, N. Y.

15. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to American Civil Liberties Union.

16. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Committee To Combat Anti-Semitism, room 601, 22 East Seventeenth Street, New York, N. Y., together with copy of petition by said national committee, referred to in said letter.

17. Copy of letter dated January 19, 1946, from KARL E. MUNDT, member of the committee, to Mr. Norman W. Schur, chairman, National Committee To Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

18. A copy of letter dated March 22, 1946, from Ernie Adamson, counsel, to Mr. Standley B. Moss, care of Moss & Arnold, 7 East Forty-fourth Street, New York, N. Y., together with copy of New York Times advertisement referred to therein.

19. Copy of letter dated between February and August 1946, from John S. Wood, chairman, to all Members of Congress enclosing copy of report of Committee on Un-American Activities and summarizing its work and policy.

20. Letter dated July 17, 1946, from Clyde Doyle, Representative from California, to Ernie Adamson, counsel.

21. Copy of letter dated July 18, 1946, from Ernie Adamson, counsel, to Clyde Doyle, Representative from California.

22. Copy of letter sent by KARL E. MUNDT, member of the committee, to Gov. Thomas L. Bailey (Mississippi) and approximately 99 others on or about January 20, 1945, relating to a suitable and working criterion to determine what does and what does not comprise an un-American activity, together with the data sheet mailed therewith and all replies received thereto, and all further correspondence with the same individuals in connection therewith and such additional correspondence received from other individuals and/or organizations pertaining to the establishment of the working criterion above set forth as to the definition of the terms "un-American" and/or "subversive."

23. Copies of all letters sent by or on behalf of the committee or by any members thereof to the Brookings Institution between January 3, 1945, and April 15, 1945, relating to a working criterion for determining what constitutes un-American propaganda or activity, or relating to standards for determining what constitutes un-American activities, or relating to the definition of the terms "un-American" or "subversive," or relating to analysis of letters received purporting to define un-American activities or propaganda; together will all letters received from the Brookings Institution in connection therewith.

24. The report or memorandum submitted to the committee by the Brookings Institution between January 3, 1945, and April 15, 1945, relating to or entitled "Suggested Standards for Determining Un-American Activities," and other data and material submitted in connection therewith.

25. Memorandum of six paragraphs sent to the committee or to KARL E. MUNDT, committee member, by the American Civil Liberties Union during February 1945, relating to un-American activities, and letter accompanying same.

26. Stenographic transcript of all meetings of the House Committee on Un-American Activities or any subcommittee of the same from January 3, 1945, to February 6, 1946, at which the definition or content of the phrase "un-American or subversive-propaganda activities" was considered, discussed, or acted upon.

27. Minutes of all meetings of the House Committee on Un-American Activities or any subcommittee thereof between January 3, 1945, and August 11, 1946, at which investigation of the National Federation for Constitutional Liberties was considered, referred to, acted upon, or its propaganda activities were discussed.

28. All releases and statements issued by or on behalf of the House Committee on Un-American Activities, whether to the press or otherwise, between January 3, 1945, and August 1, 1946, which refer to or discuss the National Federation for Constitutional Liberties, and also all such releases and statements between such dates relating to or discussing the investigation of organizations, groups, or individuals which issue propaganda or influence or attempt to influence public opinion.

29. Press release on or about June 22, 1945, by the House Committee on Un-American Activities or its chairman dealing with the definition by said committee of the words "un-American" and/or "subversive."

30. Transcripts of committee meetings or executive sessions after 11:15 a. m. April 8, 1946, and August 1, 1946, at which the committee considered and/or acted upon the refusal of George Marshall to produce documents and/or to answer any questions.

31. Telegram from Joseph Sweat, director, American Committee for Spanish Freedom, to JOHN S. WOOD, chairman, dated December 20, 1945. Copy of telegram in reply from Ernie Adamson, counsel, to Joseph Sweat dated December 26, 1945.

32. Minutes and transcripts of meetings and executive sessions, not limited to but including, committee action on or about February 21, 1945, relating to a request to the Brookings Institution to analyze the replies to MUNDT's letter of January 20, 1945, concerning a working criterion of what comprises an un-American activity, and to suggest standards for determining un-American activities.

33. Document or documents of the special Committee on Un-American Activities dated March 29, 1944, citing and/or listing associations, organizations, including the National Federation for Constitutional Liberties, and publications as Communist fronts or other party-line publications, respectively.

34. Copy of letter from John S. Wood, chairman, to President Harry S. Truman on or about September 25, 1945, enclosing a resolution requesting the personnel records of agencies being terminated, together with the resolution, and the minutes and transcripts of all meetings at which this resolution and this subject was acted upon or discussed.

35. Plan or report of three-man subcommittee, including Representative MUNDT, prepared on or about June 1, 1946, dealing with the expansion of the committee's staff to approximately 18 or 20 people on a monthly budget of about $12,500 under a director, and its separation into three divisions.

36. Each and every item listed under the column "publication" in connection with the committee record of Clifford (T.) McAvoy as contained in Extension of Remarks of Hon. HADWEN C. FULLER, dated August 2, 1946, appearing at 92 CONGRESSIONAL RECORD 4942 (August 12, 1946).

37. Each and every item listed under the column "source" in connection with the committee record of Corliss Lamont as put into the RECORD during Congressional debate by Representative J PARNELL THOMAS on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7543 (June 26, 1946).

38. Each and every item of source material in connection with the committee record of Clyde R. Miller as contained in the speech of Hon. J. PARNELL THOMAS, dated February 19, 1946, appearing at 92 CONGRESSIONAL RECORD A838.

39. Each and every item listed under the column "source" in connection with the committee record of Michael J. Quill as contained in the Extension of Remarks of the Honorable J. PARNELL THOMAS, dated February 27, 1946, appearing at 92 CONGRESSIONAL RECORD A1007.

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 5, 1948.

Hon. JOSEPH W. MARTIN, Jr.,
The Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I enclose herewith a subpena duces tecum which was served upon me on February 27, 1948, calling for my appearance, as a witness for the defense, before the District Court of the United States for the District of Columbia, at 10 a. m., March 15, 1948, in the case of the *United States* v. *Richard Morford*, who was cited for contempt by the House of Representatives, and to produce documents from the files of the Committee on Un-American Activities,

which are set forth in schedule A, attached to the subpena.

I am informed that, as clerk of the House Committee on Un-American Activities, I cannot produce these documents without express approval of the House of Representatives.

I, therefore, respectfully request that I be instructed by the House as to what action I should take in response to this subpena.

Sincerely yours,

ROBERT E. STRIPLING,
Clerk and Chief Investigator.

[Duces tecum—defendant]

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES *v.* RICHARD MORFORD, NO. 366–47, CRIMINAL

The President of the United States to Robert E. Stripling, individually and as clerk of the House Committee on Un-American Activities, 226 Old House Office Building, Washington, D. C.

You are hereby commanded to attend the said court on Monday, the 15th day of March 1948, at 10 o'clock a. m., to testify on behalf of the defendant, and bring with you the documentary material described in schedule A attached hereto and made a part hereof consisting of three pages, and not depart the court without leave thereof.

Witness, the honorable chief justice of said court, the 27th day of February A. D. 1948.

[SEAL] HARRY M. HULL,
Clerk.

By MARGARET L. BOSWELL,
Deputy Clerk.

CHARLES A. HORSKY,
Attorney for Richard Morford.

SCHEDULE A

1. Letter dated November 19, 1945, from Corliss Lamont to Ernie Adamson, counsel.

2. Letter from Corliss Lamont to Ernie Adamson, counsel, dated November 27, 1945.

3. Letter dated November 27, 1945, from Corliss Lamont to John S. Wood, chairman of the House Committee on Un-American Activities, and similar letters of the same date to John E. Rankin, J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, the members of the House Committee on Un-American Activities.

4. Letter dated December 6, 1945, from Corliss Lamont to JOHN S. WOOD, chairman.

5. Letter dated December 9, 1945, from Corliss Lamont to JOHN S. WOOD, chairman.

6. Letter dated December 9, 1945, from Corliss Lamont to John E. Rankin, member of the House Committee on Un-American Activities, and similar letters of the same date to J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, the other members of the committee.

7. Copies of letter dated December 9, 1945, from Corliss Lamont to Sam Rayburn, Speaker of the House, sent to John S. Wood, chairman, and John E. Rankin, J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, members of the committee.

8. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to Carl Dreher, Bald Hill Road, Wilton, Conn.

9. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to American Civil Liberties Union.

10. Copy of letter dated December 20, 1945, from Ernie Adamson, counsel, to Mr. and Mrs. Robert Lippin, 40 Monroe Street, New York, N. Y.

11. Letter dated January 10, 1946, from Corliss Lamont to JOHN S. WOOD, chairman.

12. Copy of letter dated January 19, 1946, from KARL E. MUNDT, member of the committee, to Mr. Norman W. Schur, chairman, National Committee to Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

13. Letter dated February 8, 1946, from Corliss Lamont to JOHN S. WOOD, chairman, and similar letters of the same date to JOHN E. RANKIN, J. PARNELL THOMAS J. HARDIN PETERSON, KARL E. MUNDT, J. W. ROBINSON, GERALD W. LANDIS, JOHN R. MURDOCK, HERBERT C. BONNER, members of the committee.

14. Letter dated February 19, 1946, from Corliss Lamont to KARL E. MUNDT, member of the committee.

15. Minutes of all meetings of the House Committee on Un-American Activities or any subcommittee thereof between January 3, 1945, and February 6, 1946, at which investigation of the National Council of American-Soviet Friendship, Inc., was considered, referred to, acted upon, or its propaganda activities were discussed and transcripts of any testimony taken about or concerning the National Council of American-Soviet Friendship, Inc., during that period.

16. Transcript of the testimony of Corliss Lamont before the committee on February 6, 1946.

17. All releases and statements issued by or on behalf of the House Committee on Un-American Activities, whether to the press or otherwise, between November 13, 1945, and August 3, 1946, which refer to or discuss the National Council of American-Soviet Friendship, Inc.

18. All publications and documents relating to the National Council of American-Soviet Friendship, Inc., submitted to the House Committee on Un-American Activities between January 1, 1946, and March 15, 1946, by Corliss Lamont and by Richard Morford, together with all statements submitted to the committee by said individuals, in connection with their appearances before said committee.

19. Transcripts of committee meetings or executive sessions after 11:15 a. m., March 7 to June 13, 1946, at which the committee considered and/or acted upon the refusal of Richard Morford to produce documents and/or to answer any questions.

20. Letter from Carl Dreher to Ernie Adamson of December 19, 1945.

21. Letter from Frederic G. Melcher, president, Publisher's Weekly, to JOHN S. WOOD of December 11, 1945.

22. Letter from John Rothschild to JOHN S. WOOD or the committee of December 17, 1945.

23. Minutes and transcripts of hearings of the committee at which Corliss Lamont appeared and concerning National Council of American-Soviet Friendship held on January 23, 1946, and January 24, 1946, a. m.

24. Minutes and transcript of meeting and executive session of committee on February 6, 1946.

25. Minutes and transcripts of committee meetings or executive sessions between November 27, 1945, and December 3, 1945, relating to the National Council of American-Soviet Friendship, Inc., including but not limited to action of the committee directing or instructing the chairman to request access to the books and records of said council.

26. Report of an investigator of the committee referred to by Congressman THOMAS during congressional debate on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7593 (June 26, 1946), which report contained references to Corliss Lamont.

27. The evidence referred to by Congressman RANKIN during congressional debate on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7595 (June 26, 1946), which allegedly establishes an alliance between the National Council of American-Soviet Friendship, Inc., and the traitor who tried in the United States and Canada to steal the secrets of the atomic bomb.

28. All card records and all compilations, and all documentary material upon which said records and compilations are based, concerning the National Council of American-Soviet Friendship, Inc., and Corliss Lamont and Richard Morford which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SARBACHER (at the request of Mr. GILLETTE), indefinitely, on account of illness in family.

EXTENSION OF REMARKS

Mr. HESELTON asked and was given permisison to extend his remarks in the Appendix of the RECORD and include a speech made at Yale University February 13, 1948, by the gentleman from Maine [Mr. HALE].

Mr. HESELTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include certain communications.

The SPEAKER. Under the previous order of the House the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I shall not take anything like 30 minutes and hope I can finish in 3 or 4 minutes.

I simply want to express my regret again that we did not this afternoon take protective action against unnecessary waste of heating oil anywhere in this country. It seems crystal clear to me that a gallon saved anywhere becomes a gallon available elsewhere. I recognize, however, the fears of those who do have the oil in ample supply that we might have been going too far, and I want to say that, after having discussed the matter with some of my colleagues from Texas and Oklahoma, I propose to redraft the amendment so that it will be confined exclusively to some 24 States which are now in trouble, have been in trouble, and probably will be in trouble again next winter.

With reference to the presentation of these amendments to the Committee of the Whole House I feel compelled to continue to do so. There has been some criticism about presenting the amendments on the floor and the suggestion made that they more properly should be placed before the Committee after full hearings. Obviously it is utterly impossible for a Member of Congress who is not a member of the Appropriations Committee to do that. I have tried however, to substitute a procedure of communications to the chairmen of subcommittees prior to the conclusion of their hearings when bills are reported out without such a restriction in them. It seems to me that in fairness at least to my constituents and to the constituents of other Members who are affected by this problem I should present an

amendment on the floor for the consideration of the Committee. If the Committee sees fit to reject the suggestion that is their entire privilege. If they approve it, as did the committees under the chairmanship of the gentleman from New York [Mr. TABER] and the gentleman from Massachusetts [Mr. WIGGLESWORTH], I think they set a fine precedent which other committees might well follow.

However, if a committee declines to accept the responsibility, undoubtedly the House will not force it upon them. All that can be done is to make the record clear that the opportunity was created and that the committee refused to accept the responsibility. I am glad that when we are faced with further shortages, as we certainly will be, no one will be able to charge the members of the subcommittees on Independent Offices and Deficiencies with any responsibility. So far as the other two appropriation bills are concerned, I can imagine that the agencies involved can well interpret the debate and the vote as an open invitation to convert to oil as much as possible and to install oil-burner equipment to the limit. If that is the result, the owners of heating units in homes, hospitals, churches, schools, industries, transportation systems, and other like groups, will find themselves facing tough competition for scarce and high-priced heating oils next winter. And the farmers, dependent upon other oils and gasoline from the Rockies east, as well as in the South, are going to have the same kind of competition with their own Federal Government, which has given so much free advice to everyone else about the need for conservation. I could understand resistance to the idea of Federal conservation, if it came from those who want to continue these shortages to keep these skyrocketing prices frozen or who want to build a false claim of justification for another increase. But I have yet to hear a Federal official who has not expressed a profound concern about the increased cost of living. One might comment that actions speak louder than words or by their deeds you shall know them.

In connection with the bill which will be before us next week, the Labor-Social Security bill, I would like to read from a letter which points out clearly the type of thing that has happened, the type of thing that could happen again, and the type of thing that I predict will happen unless this House is willing to act affirmatively in prohibiting it. This is a letter from Otis L. Anderson, medical director, chief, hospital division of the Federal Security Agency. It reads as follows:

FEDERAL SECURITY AGENCY,
UNITED STATES PUBLIC HEALTH SERVICE,
Washington, D. C., March 5, 1948.

HON. JOHN W. HESELTON,
House of Representatives,
Washington, D. C.

DEAR MR. HESELTON: I have your letter of March 4, 1948, making inquiry regarding the conversion of the heating plant at the United States Marine Hospital, Boston, Mass., from coal- to oil-burning equipment. The work was undertaken during July 1947 by the Public Buildings Administration, which agency is charged with the construction, remodeling, and maintenance of marine hospitals, on recommendation of this office.

The contract covered the conversion of three boilers, two of which were completed by December 4, 1947. Because of the fuel-oil shortage, this office recommended that the conversion of the remaining boiler be omitted, and the Public Buildings Administration is now in the process of obtaining a proposal from the contractor for its omission.

During the months of January and February 1948, the daily average consumption of oil was 1,378 gallons and 1,275 gallons, respectively. The quantity estimated for use during a full heating season is 359,625 gallons.

The oil used is Bunker C, No. 6, which is a heavy oil appropriate for industrial boilers but not adapted for household use. The Public Buildings Administration has advised that the cost of reconverting the two oil-fired boilers would be approximately $18,000, and it would require about 6 months' time.

The conversion of heating plants at other hospitals operated by the Public Health Service is not contemplated.

Sincerely yours,

OTIS L. ANDERSON,
Medical Director,
Chief, Hospital Division.

I want to remind you that this service operates some several dozen such hospitals. It makes a partial acknowledgment of mistakes in this letter. But can you guarantee, after reading this letter, that it will not decide to continue the conversion of the remaining boiler or to contract for the conversion of other boilers out of 1949 funds? I know you will agree with me that it is a tragedy that these two units will burn up 359,625 gallons in calendar 1948, more than a third of a million. If I had my way, they would start now, using funds to be appropriated to them, in reconverting those two boilers to coal. But I doubt if I could get such an amendment adopted and think it might be better to concentrate on trying to prevent other instances.

I heartily recommend a careful reading of the progress report of the Committee on Interstate and Foreign Commerce on petroleum and the European recovery program now available as House Report No. 1438.

I commend for your particular consideration the following sentences:

In the total energy balance of these countries, oil has always played a much less prominent role than it has in the United States. In view of the uncertainties as to supply, it appears that this may not be the time for encouragement of any large-scale conversion in European countries from coal to oil. This would appear true, for example in France, in the conversion of railway power from coal to oil; in Greece, in the allocations of gas oil and fuel oil to industrial use; in Portugal, in the conversion of the fishing fleet to motorboats and oil-burning trawlers; in Holland, in conversion to motorboats and tugs on the inland waterways; in Italy, in expansion of motorships; and in various countries in the expansion of highway transportation.

The executive branch makes some suggestion that part of the European oil deficit, especially insofar as it is caused by the use of oil as fuel in industry, can be made up by increased supplies of coal, from European production or imports. In this connection it is noted that European requirements for coal from the United States are stated to drop from 3,417,000 metric tons per month in second quarter 1948 to 231,000 metric tons in fiscal 1952.

The committee has not undertaken to ascertain whether additional coal production in European countries could be programed under the recovery plan, nor whether adequate imports from the United States may be feasible.

REDUCTION IN REQUIREMENTS

The State Department estimated European requirements appear to have been predicated on the assumption that less essential European uses, as motor-vehicle use, would continue to be restricted, and that large-scale coal-to-oil conversion planned in many European countries would not be carried out. It appears that many foreign countries now ration gasoline for private motoring and some ration some or all of the other petroleum products. It also appears that foreign commercial and industrial oil consumption is not to be subjected to the same restrictions.

If we can take such a practical, realistic attitude toward these problems overseas, why should we remain blind to the same sort of an inexcusable practice in our Federal Government which could be stopped, without any harm to anybody except those who are counting on keeping these shortages in existence to justify exorbitant prices for fuel oils?

Mr. Speaker, may I say that the Bunker C, No. 6 oil is also appropriate for the heating of hotels, apartments, and large industries, and has been desperately needed by those buildings in Massachusetts and the Northeast and Midwest this year. This is exactly the sort of flagrant practice that should be stopped.

The above is a perfect example of closing the door too late. Eighteen thousand dollars and 6 months. Think that over.

Mr. Speaker, I suggest we can make certain this is not contemplated or undertaken by the passage of a restrictive amendment. Would it not read better if the letter said, "No conversion of heating plants will be undertaken in fiscal 1949?"

Let me close by saying that there has been some suggestion that the situation has been cleared up not only in the East but in the Midwest. I understand there have been very heavy snowstorms in the Midwest this past week. I further report that before the Committee on Interstate and Foreign Commerce there appeared Dr. Wilburn C. Schroeder, Chief, Synthetic Fuels Branch, Bureau of Mines. I inquired if we could anticipate a shortage in gasoline. He said that we must. I asked him if it would be worse than it was last year. He said that on every bit of evidence now available it will be worse. I asked him where that would be most apparent and he said it would be most apparent in the great States in the Midwest which are concerned with the production of food in this country in large measure. In other words, it would affect the Dakotas, Kansas, Iowa, Nebraska, Ohio, Illinois, and Indiana. I think in terms of that prediction we might pay a little bit more attention to the conservation of fuel oil by the Federal Government, for it can do the best job possible among all users of fuel oil if it is given

the order to do so by us. I am not responsible primarily to the farmers of the Midwest, but I do not like to have them forced to face such a situation if we can do anything to prevent it. I rather think they may have just cause to complain about what will seem to them, perhaps, comparative indifference to their difficulties. Consequently I repeat that, in spite of any criticism that has been or will be made of an effort to get the Federal Government to practice what it preaches, to get it out of the oil heating and conversion business for at least 1 year, I shall offer this revised amendment to every appropriation bill which does not contain it, and if it appears of sufficient importance as to any item, I shall seek the opportunity of submitting a motion to recommit with a roll call, if possible, so that we may have a full vote of the entire membership.

I want to conclude these remarks by including an analysis of the reduction announced on February 16, which shows clearly the timid, inadequate result of that revision. I can assure you that in many instances when you read the word "none," those governments offered to the American people substantial quantities of petroleum and petroleum products, which offer was declined by our Government. Your opportunity to undo that damage will come, I hope, next Tuesday or Wednesday when House Joint Resolution 323 comes before us for a vote. If that is the case, I must inform the membership that I have been requested by many of my colleagues to protect their right to a record vote by asking for a roll call. I think theirs is a fair request, and I shall make it. I hope that, whether you are for or against the resolution, you will help me give them that opportunity.

Revised allocation of kerosene—Reduction announced Feb. 19 compared with reduction announced Feb. 10 [1]

[In barrels]

Country	Announced Feb. 19	Reduction
Argentina		None
Australia		50,000
Belgium	8,000	None
Brazil		None
British Honduras	2,000	None
China	85,000	None
Costa Rica	3,500	None
Cuba		None
Denmark		None
El Salvador	1,500	None
Eire		None
France		None
Guatemala	2,000	None
Honduras		2,000
Italy		None
Mexico		None
New Zealand	20,000	None
Norway	7,000	None
Panama, Republic of	7,000	None
Paraguay		None
Philippines	60,000	None
Portugal	30,000	None
Sweden	25,000	25,000
United Kingdom	55,000	25,000
Netherlands		None
Iceland		None
British West Africa	25,000	None
Switzerland	6,000	4,000
French West Africa	10,000	None
Subtotal	347,000	106,000
Reserve	147,000	
Total	494,000	106,000

[1] Reduction in varying percentages in exports to 5 countries. No reduction in exports to 24 countries.

Revised allocation of gas oil and distillate fuel oil—Reduction announced Feb. 19 compared with reduction announced Feb. 10 [1]

[In barrels]

Country	Announced Feb. 19	Reduction
Argentina		None
Australia	95,000	5,000
Belgium	175,000	None
Brazil		None
British Honduras	2,500	500
China	100,000	None
Costa Rica	10,000	None
Cuba		None
Denmark	120,000	None
El Salvador	3,500	None
Eire		None
France	300,000	None
Guatemala		None
Honduras		None
Italy		None
Mexico	75,000	None
New Zealand	35,000	None
Norway		None
Panama, Republic		None
Paraguay		None
Philippines	135,000	None
Portugal	10,000	None
Sweden	250,000	None
United Kingdom	1,000,000	None
Netherlands	60,000	None
Iceland		None
British West Africa	20,000	None
Switzerland	50,000	None
French West Africa		None
Subtotal	2,441,000	5,500
Reserve	353,500	
Total	2,794,500	5,500

[1] Reduction in varying percentages in exports to 2 countries. No reduction in exports to 27 countries.

Revised allocation of residual fuel oil—Reduction announced Feb. 19 compared with reduction announced Feb. 10, 1948 [1]

[In barrels]

Country	Announced Feb. 19	Reduction
Argentina		None
Australia		25,000
Belgium	70,000	None
Brazil		None
British Honduras		None
China		None
Costa Rica	20,000	None
Cuba	200,000	None
Denmark	60,000	None
El Salvador	40,000	None
Eire		None
France		None
Guatemala	55,000	None
Honduras		None
Italy		None
Mexico	250,000	None
New Zealand		None
Norway	25,000	None
Panama, Republic	25,000	None
Paraguay		None
Philippines		None
Portugal	19,000	None
Sweden	60,000	None
United Kingdom		None
Netherlands		None
Iceland		None
British West Africa	10,000	None
Switzerland		None
French West Africa	15,000	None
Subtotal	824,000	25,000
Reserve	151,000	
Total	975,000	25,000

[1] Reduction in exports to Australia. No reduction exports to 28 countries.

Revised allocation of aviation motor fuel—Reduction announced Feb. 19 compared with reduction announced Feb. 10, 1948 [1]

[In barrels]

Country	Announced Feb. 19	Reduction
Argentina		None
Australia	20,000	None
Belgium		None
Brazil		None
British Honduras	2,000	None
China	60,000	None
Costa Rica	2,400	None
Cuba	25,000	None
Denmark		None
El Salvador		None
Eire	15,000	None
France	120,000	None
Guatemala	5,000	None
Honduras		None
Italy	30,000	None
Mexico	70,000	10,000
New Zealand	10,000	None
Norway		None
Panama, Republic	100	None
Paraguay	1,500	None
Philippines	20,000	None
Portugal	20,000	None
Sweden		None
United Kingdom	120,000	None
Netherlands		None
Iceland	35,000	None
British West Africa	5,000	None
Switzerland		None
French West Africa	10,000	None
Subtotal	571,000	10,000
Reserve	119,000	
Total	690,000	10,000

[1] Reduction of 3.45 percent in exports to Mexico. No reduction in exports to 28 countries. Reduction accomplished by drawing from reserve.

Revised allocation of other motor fuel—Reduction announced Feb. 19 compared with reduction announced Feb. 10 [1]

[In barrels]

Country	Announced Feb. 19	Reduction
Argentina	220,000	None
Australia	100,000	200,000
Belgium	175,000	None
Brazil	80,000	None
British Honduras	5,000	None
China	350,000	None
Costa Rica	30,000	None
Cuba	200,000	None
Denmark	70,000	None
El Salvador	12,500	12,500
Eire		None
France		None
Guatemala	8,000	None
Honduras	1,000	2,000
Italy		None
Mexico	350,000	None
New Zealand	140,000	None
Norway	10,000	None
Panama, Republic	40,000	None
Paraguay		None
Philippines	280,000	None
Portugal	50,000	None
Sweden	225,000	None
United Kingdom	1,175,000	225,000
Netherlands		None
Iceland	27,000	3,000
British West Africa	70,000	None
Switzerland	20,000	10,000
French West Africa	60,000	None
Subtotal	3,698,500	452,500
Reserve	399,000	
Total	4,097,500	452,500

[1] Reduction in varying percentages in exports to 6 countries. No reduction in exports to 23 countries.

Mr. Speaker, these should be combined with the analysis I placed in the RECORD on February 5 at pages 1157–58, as to the previous reduction, in order to have the full story.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. ISACSON] is recognized for 20 minutes.

BETRAYAL OF PALESTINE

Mr. ISACSON. Mr. Speaker, I wish with all my heart that the occasion of

my first speech before this honored body could be a happier one. But I must speak the truth no matter how harsh—no matter how bitter—about the shameful betrayal of Palestine by the administration.

I rise to speak not only as a Jew, not only as an American, not only as a supporter of the United Nations, not only as a Congressman who has received an overwhelming mandate from the people of his district, but as a human being who is outraged by this most infamous betrayal.

For it is a betrayal thrice damned: It is damned because it is a betrayal of the hopes and aspirations of the long-suffering Jewish people. It is damned because it is a betrayal of our American concept of morality and justice. It is damned because it is a betrayal of the United Nations, the one hope for world peace.

The people not only of this country but of the world know that if the administration does not lift its shameless embargo against shipping arms for the defense of Palestine, if it does not unequivocally declare its full and wholehearted support of the partition decision of the United Nations by voting for a United Nations police force to enforce partition in the Holy Land, if, in short, the administration does not reverse its present policy of legalistic hocus-pocus and juridical mumbo-jumbo deliberately designed to conceal betrayal, it will have dishonored this Nation forever.

What is the truth about Palestine? The facts are simple, although the press, with a few distinguished exceptions, has failed to make them clear.

On November 29, 1947, the Assembly of the United Nations approved partition of Palestine between Jews and Arabs. At best, this was a poor compromise of the long-standing hopes of the Jews. But it was a final compromise. And the Jewish leaders accepted it as the end of a long struggle as the means of providing a home at last for those who for centuries have been emigrés from oppression wandering from homelessness to homelessness until they reached the hallowed ground of Palestine, where for them there is no homelessness.

Partition was made possible only because of the decisive cooperation of the two greatest powers on earth, the United States and the Soviet Union, accomplished within the framework of the United Nations. Without such cooperation, neither partition nor peace was possible.

The Assembly appointed a commission to work out the plans for partition. But almost as soon as the Assembly acted, the shabby work of betrayal began. Forces within the Truman administration worked to block any effective implementation of the work of the Commission. The British refused their cooperation to the Commission. And encouraged by these signals, the Arab leaders openly revolted against the partition decision and began their armed attacks on Jewish settlers. At least it must be said for the Arabs that their resistance was in the open, it did not hide behind lofty phrases and pious declarations. And then, even while the Arab attacks were increasing in fury the Truman administration imposed an embargo on the shipment of arms for the self-defense of the Jews.

The Palestine Commission has now reported back to the Security Council of the United Nations. It has recommended that partition must be implemented by setting up a United Nations police force to maintain order in Palestine when British troops withdraw on May 15. Without such specific implementation, partition is a hollow, empty word that will be the epitaph for peace, even as the embargo is a death sentence for Judea.

The world looked to the United States for leadership when the Security Council met to consider the report of the Commission. Warfare had broken out in Palestine. Arab guerillas, encouraged by American inaction, were killing Jewish settlers. Arab guerillas, encouraged by American inaction and whispers of reversal, were massing for full-scale massacre. Determined Jewish settlers resisted as best they could. But the British continued to arm the Arabs while the Jews were handcuffed by an unconscionable embargo invoked under a spurious neutrality which deprived them of arms.

The Security Council met in an atmosphere of increasing tension. A great responsibility hung on Mr. Warren Austin, the American delegate, as he rose to speak. All over the world, men and women prayed that the United States would stand by its commitment to partition and speak out forthrightly to give it substance.

And then, on February 24, at long last, Mr. Austin spoke. And as he spoke the hope of millions in Palestine, the hope of millions all over the world, for a strong United Nations, the very hopes for peace itself, were slowly strangled in a tortuous legalism that could not serve to hide a shabby betrayal.

The United States, said Mr. Austin, would not urge the Security Council to implement the partition decision because the Security Council could not act except in matters threatening the peace. The United Nations Security Council, said Mr. Austin, could not set up a United Nations police force to enforce partition, because the decision had been made by the Assembly of the United Nations.

It is difficult to adequately describe the shock and disbelief, the bewilderment and disillusionment, that followed Mr. Austin's speech. Instead of forthrightness, here was a mass of indirection. Instead of a simple declaration of support, here was involved legal reasoning. Instead of urging action to prevent further bloodshed, here was counsel for interminable delay.

Instead of implementing partition, the United States was destroying partition.

The American position was a monstrous dodge. It was so poor a piece of legal legerdemain that even the British, who opposed partition, repudiated it. Even the British were forced to state the simple truth that the Security Council had the power which Mr. Austin would deny it in this case. The British recognized that the Security Council had the power to enforce both partition and peace. Mr. Austin by depriving them of this power, would kill both.

The American position is all the more indefensible in the light of the American position on Trieste. The decision on Trieste had been made, not by a vital part of the United Nations, but by the Ministers of the Four Powers. But the Americans were not deterred at that time from demanding that the Security Council act to set up a police force to enforce the foreign ministers' decision.

What lies behind this betrayal? Why has the United States reversed partition? Why has the United States struck this blow at the United Nations?

The story has now begun to unfold. Several weeks before Mr. Austin spun out the tangled web of American policy, there was, according to the press, a bitter battle raging in the Cabinet over the partition decision.

The battle raged, we are told, not on how best to use the great moral leadership and force of the United States for peace by implementing partition; not on how to go forward with peaceful partition, but on how to go back. The great struggle was whether we should continue to do nothing for partition or whether we should boldly take the lead in reversing the partition decision.

Apparently a skillful compromise was brought about. Both sides were appeased. Their compromise was Mr. Austin's speech. The American position was to reverse partition by doing nothing.

It is as simple as that. Mr. Speaker, the position taken by the Truman administration is to reverse the partition decision. No pious protestations of its devotion to partition, no finely spun legal arguments, no massing of propaganda can conceal the fact that the Truman administration has turned its back on partition and by doing so, is killing the partition decision.

Once Mr. Austin has spoken, the nations which follow our lead as they feed at our bounty one by one took up their places in the firing squad that has its gun sights trained on partition and peace in Palestine.

Mr. Speaker, the action of the Truman administration constitutes a shameful betrayal. It is a betrayal not only of the brave Jewish pioneers, whose blood will once again stain the desert sands they sought to reclaim with their work. But even more, it is a betrayal of the United Nations hope for peace and justice.

Why has the administration condemned this Nation to the role of betrayal? The answer is on everyone's lips. There is no concealment possible. It is because the administration has replaced the foreign policy of 140,000,000 Americans with the foreign policy of a handful of oil companies. It is because the administration would rather protect the profits of oil monopolies than the lives of helpless men, women, and children. It is because the interests of a few power hungry profit-mad men are placed above peace and justice and national honor. It is because the real power behind the Truman administration is not the people who elected them but the representatives of an oil monopoly driving for world control.

To those who have been concerned with the gradual unfolding of the Tru-

man foreign policy, the betrayal in Palestine dealt by Mr. Austin on February 24, shocking as it is, comes as no surprise. The cumbersome legal reasoning of Mr. Austin was only the last step in a long process. The betrayal was foreshadowed in the Truman embargo which would disarm the Jewish settlers who, having shown their fighting qualities with the desert armies that beat back the Nazis at Tobruk and Alamein, and not unlike our own American pioneers, will fight with their bare hands for freedom.

Did the embargo prevent warfare in Palestine? Can it? Of course not. It promotes warfare. It is a signal to ruthless Arab sheiks that they may with impunity resist the United Nations, that America will not lift a hand to stop them. But worse, in the very same week that the Truman administration disarmed the Jews by an embargo, the British blandly announced that they were turning over to the neighboring Arab states over $25,000,000 worth of arms "pursuant to contractual obligations."

This was the basest treachery, cloaked in the fancy dress of diplomacy and the gilt edge of commerce. But Truman's disarming the Jews while the British armed the Arabs were not unrelated and accidental. Those who debated the British loan and will debate the Marshall plan do not need to be told by me that Britain's gracious gesture to the Arabs was made possible only through American subsidies. And if the Arabs have been sold American lend-lease arms by the British, we shall have paid twice for the British ability to fulfill their contracts with death. We shall have paid twice; once in cash and again in the national honor and trust of a whole world in our reputation for fair play and decency.

Mr. Speaker, it is far too easy to blame the British for the warfare in Palestine. The British, it is true, have armed the Arabs. The British have trained Arab troops. British officers lead the only trained Arab forces in the Middle East, the troops of neighboring Transjordan. And the British have openly resisted the work of the Partition Commission.

But, Mr. Speaker, the British could do none of these things if they did not have the support and aid of the Truman administration. The British could not pay for their own troops in Palestine, let alone waste American money on arming Arab troops, without the assistance of the Truman administration. Behind the policies of Britain are the policies of the Truman administration. And it is these policies, not the British, which are properly our concern, the concern of all who love peace and justice.

But who makes the policies of the Truman administration? Who is responsible for this moral blindness which disarms Jews while it arms Arabs? Who is it that counsels inaction and delay for partition? Who is it that now has driven the Truman administration to repudiate its solemn support for partition? Who is it that would drive the knife into the United Nations, destroy our moral leadership before the world, and plunge the world into a war that will spread out from the sands of the desert?

Clearly it cannot be minor officials in the State Department however bold their views. No, neither these nor cabinet officers could do these things if they were not part and parcel of a whole policy approved from top to bottom of the Truman administration, a policy sired by oil monopoly with the aid of the military.

Are the oil interests and their representatives throughout the administration at all levels so powerful that they can dictate the entire foreign policy of the American Government? Is the lust for profits and the greed for world control so great as to overwhelm the last remnants of decency in the tottering Truman administration?

The administration has answered this with an unmistakable affirmative. The whole of the Truman foreign policy bears this taint of oil. The betrayal of Palestine is but another chapter. The Truman doctrine poured money into reactionary Greece and even more reactionary Turkey solely to protect those oil interests. And now the administration, in proposing its so-called European Recovery Program would conceal from the American people the vast expenditures it plans for the sake of these same oil interests.

Mr. Speaker, I charge that the administration has kept carefully hidden from the American people, even from the Members of this body, the huge expenditures it plans to make in the Middle East on behalf of American oil companies. I charge that the Truman administration plans to spend over half a billion dollars under ERP to enrich the coffers of feudal Arab sheiks and fatten the profits of American oil companies, without ever having plainly stated this fact to the American people.

It is no accident that Palestine is betrayed at this time, in the week before the European recovery program goes to the floor of the Senate with this huge expenditure for oil concealed in it. It is an integral part of the same foreign policy.

Mr. Speaker, the United Nations decision on partition was made possible by the unity of the United States and the Soviet Union. This was probably the high point in the relations of our two great countries. It was the token of a new-found strength for the United Nations and for peace.

But this new American policy toward Palestine, enunciated by Mr. Austin, and rubber-stamped in sunny Florida by Mr. Truman, would almost seem to be designed to destroy the partition decision as the one basis of unity we have found with the Soviet Union. It is as though the Truman administration were determined there would never be any basis for cooperation with Russia on any issue.

If this is the policy and the aim of the Truman administration, if it would destroy any basis for cooperation, if it would destroy the United Nations, if it would destroy the last hope for peace, it could have chosen no better battleground than the blood-stained hills and plains of the Holy Land. It could have chosen no better victims for its game of oil and power politics than these helpless people who escaped the barbarism of Hitler and journeyed through the night of Europe to a last resting place in the land of their fathers.

Mr. Speaker, this Congress cannot permit this policy of destruction to continue. I am therefore offering a resolution today in which I ask the concurrence of both Houses of Congress to direct an immediate reversal of the Truman administration's policy.

I ask that the Government announce at once its wholehearted support of the partition decision. I ask that Mr. Austin be instructed by the President to support in the Security Council every measure appropriate to implement the partition decision, including the establishment of an international United Nations police force and the arming of local militia in Jewish Palestine for self-protection.

I ask that the President lift the embargo so as to permit shipments of arms for the self-protection of Jewish Palestine.

And I ask that the President use the great power of the United States and its preeminent world position to enlist the support of other nations, including Great Britain, in implementing the partition decision.

Mr. Speaker, this resolution would repair an intolerable and ever worsening situation. The continuance of the present policy of the Truman administration is leading to certain war in Palestine. The reversal of that policy will bring peace.

Which feudal Arab overlords would dare to stand up against the might of the United Nations backed by the United States, Russia, and Great Britain? Which is the more powerful deterrent to war: a firm American policy in support of the United Nations and its decision for partition, or an American policy that supplies the sinews of war to Arab sheiks?

Mr. Speaker, peace, justice, and national honor hang in the balance. I call on the Congress, at this critical moment, to state emphatically to the Truman administration that in Palestine this Nation will redeem its honor, maintain justice, and preserve the peace.

Under the previous order of the House, the gentleman from Ohio [Mr. SMITH] is recognized for 45 minutes.

THE MARSHALL PLAN

Mr. SMITH of Ohio. Mr. Speaker, the foreign-aid proposal before Congress, called European-recovery plan, would extend and implement the policy of sharing the fruits of American labor and military resources primarily with England, and secondarily with certain other countries for various and sundry purposes. It would serve as a buffer for maintaining domestic prosperity, though a false and capricious prosperity, and to aggrandize the power of the political authority of this Nation. This policy had its inception with World War I, and has been in effect in various degrees throughout nearly all of the years since that episode, and its principal backers intend that it shall become a permanent policy.

The steps the political authority took which led the country into World War I were duplicated, though on a larger scale, in the course pursued that finally led the Nation into World War II. The

current behavior of the political authority is a replica of the conduct that took us into the late war, but on a still larger scale.

The post-War I aid to England and other countries, first by direct Government loans, then by the purchase of foreign securities by private investors encouraged by the political authority, and finally the payment by it of large premiums to foreigners on purchases of gold, all have their counterpart in the numerour foreign-aid schemes that have been put into effect since the close of World War II hostilities.

Following World War I the political authority undertook to interfere with the internal affairs of Russia by furnishing troops and money to one political faction against another, allegedly to combat communism. The undertaking was a fiasco. What damage it did to the prestige of this Nation, not only in respect of Russia but other countries as well, is not possible to know. But such intervention in the sovereign affairs of other countries as we undertook in Russia cannot help harming the prestige of any nation that practices it.

We are now duplicating that procedure, but on a much larger scale, and in respect not only to one country but many. The political authority is now intervening and taking sides in the strife between political factions in Greece, Italy, France, China, and elsewhere. It is supplying some of those factions with munitions of war and military personnel, as well as economic aid. All this again ostensibly in the name of fighting communism.

It should be unnecessary to mention that this action will cause a malignant breach in the relations, not only between the United States and the "recalcitrant" political factions of the different countries, but the factions receiving the aid as well. Indeed, this policy of meddling with the internal affairs of other countries will bring down upon the people of this land ill will from every nation on the globe, with what ultimate effect heaven alone knows.

This so-called European recovery program departs from the previous foreign-aid plans in one particular which is important to note. This proposed scheme for expropriating the fruits of American labor and gratuitously passing them on to the political authorities of other countries postulates a 4-year politically planned program for our domestic economy. The President has urged the adoption of the devices he believes necessary for carrying out this 4-year program here at home.

This left-handed proposal for formally setting up in this country a 4-year politically planned program like the multi-year planned-economy schemes of Russia should give us not a little food for thought, especially in view of the proposal being made by the President's so-called Council of Economic Advisers to inaugurate a 10-year program of political planning of the domestic economy.

Definition is of the essence of a clear understanding of this projected foreign-aid scheme. Those supporting it affirm that its adoption will halt the spread of the communistic advance against civilization, and they paint a portentous picture of things to come unless Congress approves it. What prospects are there that this scheme will stop communism?

Marx used the words "communism" and "socialism" interchangeably, the latter more often than the former. Lenin used them synonymously. Stalin so uses them now.

Morris Hillquit, who was an outstanding champion of international socialism referred to Russia as socialist state.

> That which is usually called socialism—
>
> Said Lenin—
>
> is termed by Marx as the first stage or lower phase of Communist society.
>
> Socialism—
>
> Said Bukharin and Preobrazhensky—
>
> is communism in course of construction; it is incomplete communism.

Said Bernard Shaw, who ought to know, if anybody knows:

> Communism is the same as socialism, but better English.

The Russian state is officially designated Union of Socialist Soviet Republics, not Union of Communist Soviet Republics.

The basic concepts of communism and socialism completely identify themselves with each other, as does also this common ideology with new dealism. The difference between these isms is essentially one of degree only. All substitute a politically planned and managed economy for a privately planned and managed economy; political capitalism for private capitalism; politically forced cooperation for voluntary cooperation; political-profit motive for private-profit motive; political laissez faire for private laissez faire; political promise to pay money for real money—gold.

England is outstandingly the most important country with which the so-called Marshall foreign-aid plan is concerned. It is officially a Socialist state. It has already gone far in expropriating the industries of that country and regimenting its citizens. The central policy of the political authority of that country is to indefinitely extend political ownership of and control over industry and the life of the individual citizen. Is the Marshall plan intended to be used to stop further communitarian ownership of property in England and the regimentation that necessarily goes with it?

France is the next important country to receive aid under the plan. Who would presume to claim that France is a free-enterprise nation? That the political regime of that country has adopted an all-out program for a planned-economy system will hardly be disputed. The difference between the De Gaulleists and the faction referred to as Communists is not one of kind but degree; and the wall that separates them is thin and fragile indeed. Both are essentially communitarian. Every indication is that conditions in that country favor further development in the direction of an absolutist state.

But why dwell upon the obvious, since every country in Europe, as Virgil Jordan, president of the National Industrial Conference Board, says, "is already a collectivist dictatorship of some shade or color," which makes ridiculous the claim that the Marshall plan is even intended to halt the growth of communism in Europe?

Not one of the political authorities that would receive aid under the Marshall plan has asked this country to save it from communism, or in any way indicated it wants to be saved from communism. Indeed, if any one of them had even the faintest idea that there was any thought on the part of the political authority of this Nation to use the Marshall-plan aid for that purpose, it would bitterly resent it.

But the political authorities of the countries scheduled to receive aid under this plan have not the slightest suspicion that it is being provided them for any such purpose. Why should they?

They know of the great headway made by the political forces of this Nation in undermining constitutional government and freedom of contract, of the planned and dictatorial mode of life such forces are imposing upon our citizens.

And have not the political authorities of the countries to receive aid under this scheme been given express assurance that their ideology will be religiously respected? But did they need this, considering the sympathetic and helpful attitude this political authority has displayed toward communism throughout the world during the last 15 years?

Birds of a feather flock together. Communitarian-minded political regimes are no exception to this rule. They may—and, indeed, are very apt to—fall out with each other; not, however, on grounds of doctrine, but on who shall rule the roost.

To stop communism in Europe or elsewhere is one thing. To check Russian expansionism is something else. Since all of western civilization has become immured in communism, and there are some who believe immutably, it is a deception, if not an outright fraud, to claim the purpose of the Marshall plan is to arrest the growth of communism. The Marshall plan, instead of curing communism, will aggravate it both in Europe and at home. We ought to tell our people the truth, that whatever else may eventuate from this foreign-aid plan, the stopping of communism anywhere will be no part of it. Indeed, we ought to go a little further and apprise them that the plan, if adopted, will fan the flames of communism, not only in the countries receiving the gratuity, but in our homeland as well.

Self-preservation being the first law of every political authority, be it designated Socialist, monarchial, Republican, New Deal, or what not, as it is of life itself, we should recognize the cruel fact that the political authorities receiving the aid and the political authority dispensing it would inevitably use it primarily to enhance their power over their respective peoples.

That is the natural thing to be expected. It is exactly what has happened in connection with the flow of foreign gifts from this country to other lands since 1914.

We should not overlook the fact that the transactions and procedures involved in carrying out the foreign-aid schemes are in their very nature themselves communistic. The transactions are not between private enterprisers of this country and private enterprisers of foreign countries, but between this political authority and the political authorities of other countries.

The procedure used by the political authority of this Nation to obtain the wherewithal for effectuating the scheme, and the manner by which the foreign political authorities distribute such goods are communistic. Let us briefly look into the matter and see if this is not true.

Top officials point with gleeful pride to the high income of farmers, to the increased rate of pay of wage earners, to the great savings, and to the roaring business in general. They tell us that exports, huge amounts in excess over imports, are an important factor in producing prosperity and that if such exports are not kept up, the economy will collapse and we will all lose our shirts. Hence, one of the imperatives for adopting the Marshall plan, and the solemn warning that failure to do so will mean economic paralysis.

No doubt many who make this allegation believe it to be true. The motley crew of "economists" in the service of the political authority—not the Government, for that is something else—whose brains are cluttered up with "multiplier" and "compensatory spending" concepts and other Keynesian hallucinations seem to believe it too.

Of course, the political authority in Washington loses no opportunity to exploit the prosperity illusion to promote the Marshall plan as it does everything else it believes will help keep it in power.

Let us briefly trace, in a general way, the transactions that are involved in expropriating the produce of American labor for foreign political authorities and note some of their more important implications.

From whence does the political authority derive the funds to pay for the wheat and other products it purchases from farmers and makes available gratis to foreign political authorities? As yet, from one source and one only, taxes. Taxes either from levies made directly on incomes, excises, capital gains, and so forth, or by resort to printing-press money.

Those taxes are paid by every producing segment of the economy, including, of course, the farm community itself and each person pays in proportion to his share of the taxes that make up the total sum levied for all purposes.

In turn, farmers and all other producing groups are taxed to pay for the nonfarm products purchased for foreign shipment. So on through the whole gamut the individuals comprising every group are compelled to contribute toward the purchase of the articles produced by the individuals of every other group for export under the foreign-aid program.

In this reciprocal or merry-go-round fashion the political authority taxes the farm worker and the white-collar worker and the factory worker and all the other workers to pay for the goods it buys from the farm worker and the white-collar worker and the factory worker and all the other workers.

The whole business simply adds up to a minus quantity for all the workers. The pie goes to the political authorities of other countries, but not all of it. Some, quite a sum, of it is reserved for our home politicians as handling charges.

The high priests of the "new era" have assured us we need not worry about the size of the public debt because, "We owe it to ourselves." It would be nice if they could allay the concern workers of this Nation have over the goods they give away to the politicians abroad and at home by making them believe they themselves pay for producing them.

Since the close of World War II hostilities, the political authority has expropriated and is authorized to expropriate roundly $25,000,000,000 worth of goods, the vast bulk of which it has already freely handed over to the political authorities of other countries. With what results? Surely, no one will argue that the goods supplied to foreign political authorities has had any effect in checking the Communist menace in the countries receiving the goods. No one is even going to contend that the political authorities having the disposition of the goods had any intention of using them to combat communism.

Have the political authorities receiving the goods used them to produce productive facilities as was so vehemently alleged would be done by the leading proponents of foreign aid?

The economic condition of the producing population of England, measured by her yardstick of well-being, namely, her foreign trade balance condition, has greatly deteriorated since the gift loan was made available to her political authority.

The most recent official statement shows that Britain will have an adverse trade balance for 1947 of $2,700,000,000, as against $1,400,000,000 in 1946.

The very basis of the arguments put forth to promote the foreign-aid plan under consideration belies that the foreign political authorities have used the gifts supplied them for increasing production capacity; for are those gifts not allegedly predicated on the proposition that the peoples of the countries to whom the Marshall plan aid would go are in a more desperate condition than they have been since the close of hostilities?

First it was UNRRA which was given $1,300,000,000. It was to do the job of rehabilitating the war-torn countries and putting them back on their feet. That was later run up to $2,700,000,000 and another $332,000,000 for post-UNRRA and still an additional $135,000,000 for pre-UNRRA in Italy.

That international agency became a notoriously colossal political scandal, and about the only thing it rehabilitated was communism, especially in the Soviet Union and its satellites.

Then came the International Monetary Fund and Bank, which we were told was the real panacea for curing just about all the monetary, financial, and economic ills the human race is heir to, besides serving as a pillar for permanent universal peace.

The International Monetary Fund was to eliminate trade barriers, empire preferences, bilateral trading, multiple currencies, and so forth. It was to stabilize the currencies of practically the whole world. It failed to achieve any of its alleged objectives, as it was bound to do. The currencies of practically every country participating in it, including that of our own, were much more debauched when the International Monetary Fund was discredited by one of its principal members, France, a few days ago than when it was put into operation.

When the International Monetary Fund was being proposed, its proponents strongly protested that there would be no further requests for funds for International projects. That was to be the last. But the ink on the paper for establishing it was hardly dry before the $3,750,000,000 gift loan to Britain was being proposed. When this was being put through Congress, its promoters solemnly avowed that it would rehabilitate Britian's production tools and start the people of England back on the road to self-sufficiency.

The $3,750,000,000 was to be drawn down over a period of 5 years, but the political authority of Great Britain sunk much the greater part of it within about 1 year, and with her economy in a more weakened condition than before receiving the gratuity.

Permit me now to discuss another phase of the proposal before Congress, the importance of which cannot be overemphasized. I refer to the serious shrinkage of our production facilities and the disappearance from the market of risk capital.

So serious has been the shrinkage of our tools of production in the last two decades, and so slim at the moment are the prospects for reversing or even stopping this trend, that the situation created thereby is appalling. Unless this trend is soon reversed, a serious decline in the standard of living becomes inevitable. The very security of the Nation is threatened.

I am not indulging in any overtones, as I believe every person cognizant of the facts will agree.

However, before discussing this matter, I wish to briefly advert to the three reports to the President on the so-called Marshall foreign-aid plan, namely, the report by the President's so-called Council of Economic Advisers on "the impact of foreign aid upon the domestic economy", the report by the President's committee, headed by Mr. William Averill Harriman, Secretary of Commerce, on "European recovery and relief", and the report by Mr. J. A. Krug, Secretary of the Interior, "on national resources and foreign aid", all of which wholeheartedly endorse the scheme.

Except for certain statements by the President's so-called Council of Economic Advisers and Mr. Krug, and the

omission by all three of any discussion whatever of a single important phase of the Marshall plan proposal, these reports are just so much hogwash and do not deserve any consideration whatever. They are simply a rehash of the usual bureaucratic propaganda for putting through foreign-aid plans. They are essentially but a ponderous pretense to justify an accomplished fact. A mere glance at their contents should convince anyone that the persons who made them simply said what they were told to by the powers that be, though perhaps they did not need to be told.

More than 150,000 words and 150 graphs, charts, and tables, and about 5 pounds of paper were used in compiling each set of these reports. Yet, as stated, none of them discusses any of the important aspects of this foreign-aid proposal.

The report of the President's so-called Council of Economic Advisers, and that of the Secretary of Interior, barely refer to our production tools and then only to state what is obviously not true or grossly misleading. This is remarkable to say the least, considering the high positions occupied by the persons responsible for these reports and the profound bearing this subject has on the Marshall foreign-aid proposal.

On page 72 of the report of the President's so-called Council of Economic Advisers there appears the following language:

> But it has not in view of the tremendous increase in American productive capacity, during and since the war, prevented the American consumer from enjoying—

And so forth. On page 3 of the Krug report appears the following statement:

> The fact is that, with our production, our employment, capital investment, and personal consumption at the highest levels ever reached in times of peace—

And so forth. Mr. A. W. Rucker, president of the Tool Owners' Union, Lexington, Mass., a private organization which gives special attention to matters relating to capital formation, wrote Dr. Nourse, Chairman of the so-called Council of Economic Advisers requesting that he furnish data to substantiate his statement. Dr. Nourse replied as follows:

> The phrase which you underscore was a somewhat unfortunate one in the particular context and it would have been much better if the word "production" had been used instead of "production capacity." * * *
>
> Referring to your more specific question, whether the Council has any measures of percentage of increase in American productive capacity, the answer is that we do not have and we do not think it would be feasible to construct such an index.

Dr. Nourse's statements are anything but clear. If he intends by the second sentence quoted that there are no measures of percentage of increase in American production capacity, he is mistaken. The fact is there are such measures and this is recognized by all informed persons. They are not highly refined measures, expressible in exact mathematical terms; they are rough measures but of such quality as to give them the highest practical value, except perhaps to the devotees of a politically planned mode of life who apparently believe all history is the bunk and that all programing and budgeting for the future should be based solely upon the political exigencies of the hour.

I wrote Mr. Krug asking him to furnish me with a statement showing the basis for the assertion that capital investment is at the highest level ever reached in time of peace. To this he replied as follows:

> In its context the statement is intended to show that we are using more manpower and materials than ever before in peacetime, and this is why capital investment was included with personal consumption. In short, our national output is greater than before and our use of the output greater.

This but confuses the issue. It evades entirely answering my question. He is aware that the increased manpower and materials and output during and since the war are not related to or accompanied by an increase of capital investment.

It should be mentioned here that Mr. Krug attached to his letter a memorandum prepared by the Department of Commerce in response to a request that he furnish me with a statement showing the basis for his assertion that capital investment is at the highest level ever reached in peacetime. The data supplied therein are wholly inadequate and cannot serve to substantiate his claim. This memorandum is appended to my statement for your evaluation.

Why this evasive and ambiguous attitude on the part of key political functionaries on so vital a question as this? Why do they completely evade discussing it at all? Ironically enough, the President's so-called Council of Economic Advisers would have us believe there are no means for measuring our production capacity, while Mr. Krug, representing the Department of the Interior, says there are such measures and furnishes figures in proof thereof.

Both the Commerce Department and the Federal Reserve maintain departments devoted to the study of this subject, and regularly publish statistics relating to it.

Dr. Simon Kuznets, with the National Economic Council, is generally regarded as an outstanding authority on this subject. He is recognized as such by the Federal Reserve and the Department of Commerce. It is my understanding that Dr. Kuznets set up the section in the Department of Commerce that is engaged in this line of work.

According to Dr. Kuznets, gross capital formation, that is, savings invested in tools, during the period 1920–29, averaged $15,840,000,000 yearly.

According to the United States Department of Commerce, gross private capital formation during the period 1930–45 averaged only $7,540,000,000 annually, a reduction of 52.4 percent.

From 1920 to 1929 approximately 18½ percent of the national private production values went into the production of tools and less than 5 percent was spent by the Federal Government. In the period 1930–1941 about 10½ percent went into the production of tools, while nearly 10½ percent was spent by the Federal Government. From 1942 to 1946 only about 6½ percent went into the production of tools, while 46 plus percent of the national production values was spent by the Federal Government.

These figures point up a situation that is nothing short of shocking. What they mean is that the production plant, the tools and machinery used to produce the necessaries of life, are wearing out faster than they are being replaced. The terribleness of this picture may become a little clearer when it is pointed out that "as of January 1, 1946, the total net value measured in 1929 dollars of the private tools of production in the United States was $17,000,000,000 under January 1, 1930 * * *", while the per capita decline was from $1,646 to $1,302, the level for the year 1909. The Tool Owners Union, from whom I obtained most of my data, estimates that $53,000,000,000 1929 dollars would be required to be invested in the production of tools to restore the 1930 per capita tool value at our present population. That amount would be needed "over and above the capital steadily being consumed by depreciation, obsolescence, liquidation, fire, and flood. In current inflated dollars the sum needed is perhaps a third greater, or a minimum of $71,000,000,000."

It is not generally recognized that the high level of production achieved during and since the war years was entirely due to increased use made of existing tools and to an increased labor force, that there was no increase in our production capacity but a marked decrease instead.

The prospects for reversing the downward trend of America's production capacity and putting this Nation safely back on the road of progress are about what the outlook is for restoring the ratio of taxes to political spending that generally prevailed at a period sometime prior to 1929 and ridding the Nation of the socialism which has been imposed upon it.

This is not a bright picture to contemplate, but it is one the United States is squarely facing today. It has the profoundest bearing upon the subject before Congress and no rationalization, or propaganda, or wishful thinking is going to make it otherwise.

It is an illusion to believe, as most people seem to, that the shortages of commodities which generally prevail of steel, oil, building supplies, transportation facilities, and so forth, are merely acute shortages and that they will soon pass away. The fact is that the shortages we are now experiencing are chronic shortages and are here to stay and will become progressively aggravated until the domestic economy is restored to a condition of soundness. Since it does not appear that anything like this will be done in the near future, the impact of the Marshall plan upon the economy would be to further aggravate the shortage situation.

To cope with the worsening of inflation which the Marshall plan would cause and to further aggrandize its power and the political authority pertinaciously urges completion of what by its principal

spokesman's definition constitutes a police state.

The effect of any additional powers given it will be to further destroy the risk-capital market, enervate private enterprise by Government financial assistance to capital formation—a euphemistic expression for expropriation of private property—aggravate shortages, increase international friction, dampen the hope of achieving peace at all, and, withal, weaken our national security.

This particular foreign-aid program starts out by expropriating $17,000,000,000 worth of the fruits of American labor to be handed over to foreign socialist regimes. Judging by past experience, this would be just a starter.

At this point I should like to quote from testimony I presented to this committee in opposition to UNRRA, page 192 of the hearings on House Joint Resolution 192:

> Personally, I should not be surprised if the cost of the program would go to five billion, or ten billion, or twenty billion dollars.

Well, the figure has already exceeded twenty billion, and now seventeen billion more is being asked. Let me now make another prediction. If this measure goes through, let no one be surprised if the ultimate cost reaches thirty billion, or fifty billion, or one hundred billion dollars, assuming the Nation can stand that much before it goes completely bankrupt.

It is difficult to conceive how anyone can believe it possible to purchase good will and military support from a bloc of political authorities in Europe, presumably outside the Russian sphere, with gifts expropriated from American workers. Surely there is no warrant in history for such thinking. It is beyond the capacity of mortal mind to say what could be expected from this course of action. But, one thing is certain: Every political authority concerned will always do precisely what the exigencies of the situation demand, irrespective of gifts, military aid, or anything else. To expect it would be otherwise is to indulge in abnormal thinking.

Precisely what is it the proponents of this foreign aid plan propose to accomplish? Just what ails the countries to whom this elixir of rejuvenation is to be administered?

Surely, we ought to make a diagnosis of the disease, and its cause if possible, before we undertake to cure the patient.

Well, that is not a difficult task. Each one of the Marshall plan countries is a welfare state, and a welfare state is one in which politics eats the producers' "seed corn."

As the European countries went welfare, politics consumed more and more production leaving less and less to be plowed back for new plant construction. Hence, the sorry plight in which the peoples of those countries now find themselves.

Those political authorities being "seed corn" eaters, the gratuities that would be supplied them, regardless of quantity or kind, whether in the form of consumer goods or capital goods, would not alter their nature. They would still remain "seed corn" eaters.

Since ours is also a "seed corn" eating state and the political authority consumes so much of the produce of labor that an insufficient amount is left to keep up production facilities, the foreign gratuity would, in large part, have to come out of what might otherwise go to the production of new tools, thus further intensifying the shrinkage of our production facilities.

So, to "take from the mouth of labor the bread it has earned" and feed it into the insatiable maw of politics at home and abroad, as the proposal before you provides, becomes a self-consuming process, a sapping of the very life blood of our social organism.

The fundamental cause of Europe's troubles is by no means altogether attributable to the world wars. It goes even deeper than that.

Basic to the disease that afflicts the peoples of Europe is the virus of political security, which was first implanted in the social organism of Europe by Prince von Bismarck, 64 years ago. He slyly called it social security.

In 1910 David Lloyd George, feeling he needed a little more political security to hold on to his job, sought help from the bureaucrats operating the wily Chancellor's stratagem. The upshot of it was the passage, in 1911, by the so-called liberal government of England, of a law patterned after Bismarck's. That law was progressively expanded until it culminated in the grandiose womb-to-the-tomb political security artifice of Sir William Beveridge. Who in England, pray tell, but the politicians and public functionaries have any security today?

Much fussing is going on over who should operate the Marshall plan, whether this should be done by the State Department or a newly created so-called independent agency.

Those favoring the latter do so on the ground that the State Department has proven itself too incompetent to do the job and they allege, both publicly and privately, that it is infiltrated with Communist elements and unsuited from that standpoint to undertake the task.

Independent of what? Surely no one believes it could be operated entirely independent of the State Department. Any scheme that might be contrived would have to embrace a degree of cooperation with that Department, unless it is intended to take it, including Secretary Marshall himself, clear out of foreign service.

However, the matter of who should operate this scheme is of little or no importance because, in any event, it would not be independent of politics. The very nature of the scheme is political. That in itself damns it. Contrive ever so ingeniously to devise an organizational structure to properly operate the Marshall plan and in the end it will turn out to be a political improvisation, have all the basic faults that are inherent in such inventions, and in the end political expediency will control.

We are here reminded of the saying of the great historian, M. Guizot:

> The great delusion, faith in the sovereign power of political machinery.

Whichever device may be chosen to operate the Marshall plan, it could never be proven that another would have been better. Judging from past experience, assuming the plan is adopted and carried out, when it is all over it will probably be agreed that no other could have done worse.

Be that as it may, there is a still more basic objection to the scheme. The cardinal objection to it is that it is outright communism. As previously stated, it starts out by expropriating the produce of American labor. What could be more communistic? Then the political authority of this Nation freely hands such produce over to foreign political authorities. Another communistic step. Those political authorities being basically communistic would use it primarily to further their ideology. As the whole foreign and domestic policy of the political authority of this Nation shows, it would also use the scheme to complete the police state and further enslave our producing population. Thus the Marshall plan would, by its very nature, coerce the producing element of the United States to support and pamper communism abroad and at home.

Is it supposed Stalin is ignorant of the perilous conditions that beset this country, the tragic shrinkage of our tools of production and the social paralysis that is creeping over the Nation? Can it be that we are so naive as to believe that he does not know the adoption of the Marshall plan would aggravate these conditions, further weaken the Nation, and lessen its ability to resist Communist expansion?

Has not Stalin made it a practice to take every possible advantage of our policy makers? With the recognition given him in 1933, gold purchase program, lend lease, Atlantic Charter, Quebec Conference, war and reparations policies, Teheran and Yalta and Potsdam agreements, United Nations, Nuremberg trials, and so forth, he has outwitted them at every turn ever since they joined hands with him.

He has succeeded in doing this, not so much because of superior brain capacity, but rather because he was dealing with a visionary, egocentric, and condescending mentality, one so completely enamored with the Russian ideology and so thoroughly antagonistic to free enterprise that it was almost totally blind to the interests of the United States.

Have not the people managing our foreign affairs handed over to Stalin on a platter a veritable empire, Manchuria, Korea, the Kurile Islands, Poland, Finland, the Baltic States, Eastern Germany, the Balkans, Czechoslovakia, part of Austria, and so forth?

Where would Stalin be today without the ideological, military, and lend-lease support given him? Military aid to him after we had entered the war? That was in the cards and could not be avoided. But giving him ideological support, and the loose manner in which lend-lease was made available to him was, in my judgment, a betrayal of the very principles that made the United States of America.

No help whatever should have been given Stalin except on the implacable condition that—come victory—the beast remain confined to its den. Self-preservation of this Nation demanded nothing less.

That the social body of Europe is gravely ill cannot be questioned. The diagnosis is not too encouraging, but that being in the nature of things, we are inevitably bound to face it.

It is afflicted with a deep seated and pernicious constitutional malady caused by the virus of socialism and no amount of blood transfusions, such as would be provided by the procedure being considered by your committee, can possibly have the least effect in killing that contagium. It will only serve as an additional culture medium for its further growth.

Nothing in the world will eradicate that virus but the natural, spontaneous curative process within the social body itself.

Germany, being an organic part of the social body of Europe, there can be no real recovery of England or any other part of Europe without recovery of Germany. The Communistic peace being imposed upon Germany will only serve the purposes of Stalin and sink England and the other countries deeper into the mire of despond. Let us mark this well. It will have profound repercussions upon the United States.

All of Europe and the rest of the world will rise again only as politics are bypassed by the producing populations, and as they succeed in freely dealing with one another; that is, as the ascending national and international communism reverses its trend and God's laws are respected.

Alleged supporting data provided me by Secretary of the Interior, J. A. Krug, prepared by the Department of Commerce, for his statement that capital investment is at the highest level ever reached in time of peace.

Private domestic investment (excluding inventory change)

[Billions of 1939 dollars]

	New construction		Producers' durable equipment	Total
	Total	Residential		
1925–28	8.8	4.3	4.8	13.6
1929	7.5	2.7	6.1	13.6
1941	5.1	2.5	7.2	12.3
1947 (preliminary)	5.5	2.5	12.5	18.0

Because of the difficulties in allowing adequately for price changes all of these figures should be treated as rough estimates, and those for producers' durable equipment are not official statistics of the Department of Commerce. (M. Joseph Meehan, Acting Director, Office of Business Economics, Department of Commerce.)

Note that Mr. Krug selects the single year 1947 to prove his point. He gives no consideration to change in population. A true picture of the situation can be had only by averaging the amounts over periods of years. To show how misleading his figures can be I am herewith also appending a statement prepared for me by the Tool Owners' Union, which is self-explanatory.

Gross capital formation

[In millions of dollars]

Year	In current prices	Yearly average	In 1929 prices	Yearly average
1920	$20,600		$14,600	
1921	10,200		9,600	
1922	11,700		11,900	
1923	17,000		16,400	
1924	14,200		13,800	
1925	17,900		17,600	
1926	18,500		18,100	
1927	17,300		17,300	
1928	16,800		16,800	
1929	20,100		20,100	
1930	12,900		13,700	
Total 1920–30	177,200		169,900	
Yearly average 1920–30		$16,109		$15,445
1931	8,200		9,400	
1932	2,700		3,100	
1933	3,200		3,600	
1934	4,000		4,400	
1935	7,800		9,000	
1936	11,100		12,600	
1937	13,300		13,900	
1938	9,300		10,000	
1939	13,500		14,700	
1940	16,900		18,500	
Total 1931–40	90,000		100,100	
Yearly average 1931–40		9,000		10,010
1941	20,800		21,400	
1942	8,900		8,100	
1943	3,300		2,900	
Total 1941–43	33,000		32,400	
Yearly average 1941–43		11,000		10,800
1944	7,615		5,077	
1945	10,280		6,850	
1946	20,918		13,945	
Total 1944–46	38,813		25,872	
Yearly average 1944–46		12,938		8,624

Source: Years 1920–43 Gross Capital Formation in Current Prices and in 1929 Prices, S. Kuznets, National Product Since 1869, p. 50.

1944–46 Gross Capital Formation in Current Prices. National Income Supplement to Survey of Current Business, July 1947, p. 21, table 7.

Gross Capital Formation in 1929 Prices: National Income Supplement to Survey of Current Business, July 1947, p. 21, table 7, reduced by one-third

New investment in tools, per annum

[In millions of dollars]

	1929	1937	1940	Percent decline 1929–40
Equipment:				
Manufacturing	$1,777	$1,534	$1,619	[1] 8.89
Utilities	1,177	930	980	[1] 16.74
Other equipment:				
Agriculture	613	700	710	15.82
Mining	102	107	99	[1] 2.94
Business motor vehicles	985	788	794	[1] 19.39
Construction machinery	166	125	137	[1] 17.47
Professional and scientific equipment	112	101	150	33.93
Equipment outlay charged to current expenses	800	800	1,000	25.00
Miscellaneous	1,594	1,200	1,112	[1] 30.24
Total	7,326	6,285	6,601	[1] 9.90
Plants:				
Manufacturing	962	626	684	[1] 28.90
Utilities	1,563	620	645	[1] 58.73
Other equipment:				
Agriculture	348	275	320	[1] 8.05
Mining	683	705	681	[1] .29
Miscellaneous	1,187	380	378	[1] 68.16
Total	4,743	2,606	2,708	[1] 42.91
Grand total (equipment and plants)	12,069	8,891	9,309	[1] 22.87

Footnote at end of table.

New investment in tools, per annum—Con.

[In millions of dollars]

	1929	1937	1940	Percent decline 1929–40
Plants—Continued				
Per person employed (including agriculture)	$260.70	$196.27	$200.19	23.21
Per capita population	99.31	69.02	70.55	28.96

[1] Decline.

Source: For investments: U. S. Department of Commerce, Confidential Memorandum A Technique for Analysis of Private Investment Expenditures, July 10, 1942, No. 2-14046, July 15, 1942, No. 2-14167.

For employment: U. S. Department of Labor.

For population: U. S. Department of Commerce.

TO INCREASE THE EQUIPMENT MAINTENANCE OF RURAL CARRIERS

Mr. REES. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, insist on the amendments of the House, agree to the conference requested by the Senate and appoint conferees.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. REES, COLE of Missouri, SADLAK, MURRAY of Tennessee, and LYLE.

EXTENSION OF REMARKS

Mr. REES. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include a report on the Civil Service Retirement Act.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1317. An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on March 4, 1948 present to the President, for his approval, a bill of the House of the following title:

H. R. 4023. An act to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes.

ADJOURNMENT

Mr. SMITH of Ohio. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes, p. m.), under its previous order, the House adjourned until Monday, March 8, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1362. A communication from the President of the United States, transmitting a draft of a proposed provision and a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $325,000 for the Department of State (H. Doc. No. 556); to the Committee on Appropriations and ordered to be printed.

1363. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $46,000 for the Department of Commerce (H. Doc. No. 557); to the Committee on Appropriations and ordered to be printed.

1364. A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed joint resolution declaring the National Zoological Park, in the District of Columbia, to be an institution of national character, etc.; to the Committee on Public Works.

1365. A letter from the Secretary of the Treasury, transmitting a list of claims paid under the Federal Tort Claims Act for the fiscal year ending June 30, 1947; to the Committee on the Judiciary.

1366. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Office of Education, for the fiscal year 1947; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEEFE: Committee on Appropriations. H. R. 5728. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending Jun 30, 1949, and for other purposes; without amendment (Rept. No. 1519). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 338. A bill for the relief of Amin Bin Rejab; with an amendment (Rept. No. 1511). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. R. R. 1724. A bill to legalize the admission to the United States of Sarah Jane Sanford Pansa; without amendment (Rept. No. 1512). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2152. A bill for the relief of Paul Boulanger; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3608. A bill for the relief of Cristeta La-Madrid Angeles; with an amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3640. A bill for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang; with an amendment (Rept. No. 1515). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3824. A bill for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter) without amendment (Rept. No. 1516). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4130. A bill for the relief of Dennis (Dionesio) Fernandez; with an amendment (Rept. No. 1517). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4266. A bill for the relief of Virginia Nunes; with amendments (Rept. No. 1518). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAGEN:

H. R. 5723. A bill to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. HARLESS of Arizona:

H. R. 5724. A bill to provide free postage for members of the armed forces while serving outside the continental limits of the United States; to the Committee on Post Office and Civil Service.

By Mr. ROSS:

H. R. 5725. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

H. R. 5726. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 5727. A bill to authorize appropriations for carrying out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended; to the Committee on Agriculture.

By Mr. KEEFE:

H. R. 5728. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. BUCHANAN:

H. R. 5729. A bill for urban low-rent housing; to the Committee on Banking and Currency.

By Mr. HAGEN:

H. R. 5730. A bill to provide for an air parcel-post service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HART:

H. R. 5731. A bill to amend section 213 (52 Stat. 1067, as amended by 53 Stat. 1266) of title 29 of the United States Code, the same being a section of the Fair Labor Standards Act of 1938, as amended, so as to eliminate the exemption of small telephone exchanges from the overtime and minimum-wage provisions of the Fair Labor Standards Act; to the Committee on Education and Labor.

By Mr. McMAHON:

H. R. 5732. A bill to prohibit unqualified individuals from receiving compensation for preparing or assisting in the preparation of income-tax returns; to the Committee on Ways and Means.

By Mr. PICKETT:

H. R. 5733. A bill to authorize the appropriations for carrying out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5734. A bill to authorize the Administrator of Veterans' Affairs to convey to the city of Cheyenne, Wyo., for public park and golf-course purposes, certain land situated within the boundaries of the Veterans' Administration center at Cheyenne, Wyo.; to the Committee on Veterans' Affairs.

By Mr. BREHM:

H. R. 5735. A bill to provide that service in a State guard, the Coast Guard Temporary Reserve, and the Civil Air Patrol may be counted in determining eligibility for enlistment in the Reserve components of the armed forces, and for other purposes; to the Committee on Armed Services.

By Mr. HARNESS:

H. R. 5736. A bill to amend the Federal Unemployment Tax Act to permit a 100-percent credit against taxes collected by States, to return to the States control over the administration of their unemployment-compensation laws and of their public employment offices, and for other purposes; to the Committee on Ways and Means.

By Mr. BEALL:

H. R. 5737. A bill to provide additional compensation for teachers, school officers, and other employees of the Board of Education of the District of Columbia; to the Committee on the District of Columbia.

By Mr. LEMKE:

H. R. 5738. A bill to promote maximum employment, business opportunities, and careers for veterans in a free competitive economy; to the Committee on Banking and Currency.

By Mr. TOLLEFSON:

H. R. 5739. A bill to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on the Judiciary.

By Mr. LEWIS (by request):

H. R. 5740. A bill to extend the jurisdiction of district courts to patent suits against the United States and to other suits against the United States where the amount claimed exceeds $10,000, and for other purposes; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 5741. A bill relating to the eligibility for pensions of certain widows and children of veterans of World Wars I and II; to the Committee on Veterans' Affairs.

By Mr. TABER:

H. R. 5742. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Auburn, N. Y.; to the Committee on Banking and Currency.

By Mr. CURTIS:

H. J. Res. 341. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of Fort Kearney in the State of Nebraska; to the Committee on Post Office and Civil Service.

By Mr. HOFFMAN:

H. J. Res. 342. Joint resolution directing all executive departments and agencies of the Federal Government to make available to any and all standing, special, or select committees of the House of Representatives and the Senate information which may be deemed necessary to enable them to properly perform the duties delegated to them by the Congress; to the Committee on Expenditures in the Executive Departments.

By Mr. ISACSON:

H. J. Res. 343. Joint resolution to implement the United Nations Palestine partition decision, to lift the arms embargo against Palestine, and to build world peace; to the Committee on Foreign Affairs.

By Mr. WOLCOTT:

H. Con. Res. 155. Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes; to the Committee on Rules.

By Mr. BOGGS of Louisiana:

H. Res. 494. Resolution creating a select committee to attend the meeting of the Parliamentary Congress for the Constitution of a United States of Europe; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of Puerto Rico, memorializing the President and the Congress of the United States to include Puerto Rico in the Housing and Rent Control Act of 1947; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROPHY:

H. R. 5743. A bill for the relief of Mrs. Priscilla Louise Davis; to the Committee on the Judiciary.

By Mr. McMAHON:

H. R. 5744. A bill for the relief of Perec Poniemonski; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 5745 A bill for the relief of Oliver F. La Tour and Marie L. La Tour; to the Committee on the Judiciary.

By Mr. REDDEN:

H. R. 5746. A bill for the relief of Mrs. Grace B. Jones; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1497. By Mr. BRADLEY: Petition of Mrs. H. E. Applegate and 27 other residents of South Gate, Calif., urging the enactment of a system of universal military training; to the Committee on Armed Services.

1498. By Mr. ELSTON: Petition of 33 employees of the inquiry section, post office, Cincinnati, Ohio, in support of a $1,000 increase in compensation for postal employees, retroactive to January 1, 1948; to the Committee on Post Office and Civil Service.

1499. Also, petition of Steven E. Steffan and 47 other citizens of Cincinnati, Ohio, and vicinity, supporting S. 1813, a bill to reduce postage rates for relief packages to Germany and Austria; to the Committee on Post Office and Civil Service.

1500. By Mr. FORAND: Resolution of the Rhode Island General Assembly, commending the public service of Col. Davis Gorham Arnold, manager of the United States Veterans' Administration regional office in Providence; to the Committee on Veterans' Affairs.

1501. By Mr. HARLESS of Arizona: Petition of the Arizona State Legislature relating to ground-water development on Government lands; to the Committee on Public Lands.

1502. By Mr. LEFEVRE: Petition of Leonard J. Supple and other residents of Dutchess County, N. Y., concerning the Palestine question; to the Committee on Foreign Affairs.

1503. By the SPEAKER: Petition of Thomas A. Crowley Post, No. 104, American Legion, Walpole, Mass., petitioning consideration of their resolution with reference to endorsement of universal military training; to the Committee on Armed Services.

SENATE

MONDAY, MARCH 8, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Eternal God and our loving Father, we come to Thee this day in the name of Jesus Christ, who is the lover of our souls and the Saviour of all mankind.

May we feel His love and respond to it.

May His Spirit shine into lives that are darkened by worry, doubt, or fear.

Strengthen and guide all those who are sincerely trying to do what is right, and make it plain.

Make us more mindful of the needs of our fellow men and less absorbed in selfish concerns, that Christ may approve and bless what we do here this day.

We ask these things in His name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 5, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 5, 1948:

S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes; and

S. 1961. An act to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

On March 6, 1948:

S. 970. An act for the relief of Mr. and Mrs. Harold T. Prosser.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REES, Mr. COLE of Missouri, Mr. SADLAK, Mr. MURRAY of Tennessee, and Mr. LYLE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; and

H. R. 5607. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1949, and for other purposes.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I am sure the RECORD reveals that the business before the Senate today will be the calling of the Legislative Calendar, starting with Calendar No. 952. Prior to that, however, two or three Senators would like to offer insertions for the RECORD, and, if there is no objection, may we not hold the calling of the calendar in abeyance for a few moments?

The PRESIDENT pro tempore. Without objection, that procedure will be followed.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF SECRETARY OF STATE RELATING TO EDUCATIONAL EXCHANGE PROGRAM WITH FOREIGN COUNTRIES (H. DOC. NO. 562)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Foreign Relations.

(For text of President's message, see proceedings of the House of Representatives on p. 2339.)

REPEAL OF TAX ON OLEOMARGARINE—RESOLUTION OF SOUTH CAROLINA HOUSE OF REPRESENTATIVES

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the House of Representatives of the State of South Carolina regarding oleomargarine.

My bill, S. 985, providing for the repeal of all Federal taxes on oleomargarine and intended to be proposed as an amendment to some pending revenue measure is now in the Committee on Finance. Today I am informed the House Committee on Agriculture began hearings on the various pending bills which would eliminate such Federal taxes. It is my sincere hope that such a bill will reach the floor of the Senate for a vote in the near future.

There being no objection, the resolution was received, referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution memorializing Congress to repeal the 10-cents-per-pound Federal tax on oleomargarine and to enact a tax of one-quarter of 1 cent per pound on oleomargarine

Whereas the sale of oleomargarine is now taxed by Federal statute at the rate of one-quarter of a cent per pound for white, or colorless, margarine, and at the rate of 10 cents per pound for colored margarines, which legislation was enacted and is maintained by dairy pressure groups from the North and Midwest sections of the United States; and

Whereas there is now pending before the House of Representatives of the Congress of the United States a bill proposing to repeal the present law and to enact a flat tax of one-quarter of 1 cent per pound on all oleomargarine; and

Whereas some 5,000,000 pounds of oleomargarine per year are consumed and used

yearly in this State, purchased primarily by low-salaried groups and individuals unable to pay high prices for butter; and

Whereas the adoption by Congress of the above-cited legislation would result in a savings to South Carolina taxpayers of taxes conservatively estimated at in excess of $200,000 per year: Now, therefore, be it

Resolved by the house of representatives, That the South Carolina delegation in Congress be urged to lend their influence and efforts toward the enactment by Congress of the above legislation, known as H. R. 5292; be it further

Resolved, That a copy of this resolution be sent to each Member of the South Carolina delegation in the United States House of Representatives and Senate.

CONVEYANCE OF CERTAIN SURPLUS MILITARY POSTS — REPORT OF A COMMITTEE

Mr. ROBERTSON of Wyoming. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report an original bill providing for the conveyance to States and local governments of certain surplus military posts, and I submit a report (No. 970) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

There being no objection, the bill (S. 2277) to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic monument sites, and for other purposes, was received, read twice by its title, and ordered to be placed on the calendar.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing several nominations, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. ELLENDER introduced Senate bill 2275, to authorize appropriations for carrying out the provisions of sections 1, 2, and 3 of the Act of June 7, 1924 (43 Stat. 653), as amended, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. MYERS:

S. 2276. A bill to permit the importation free of duty of racing shells to be used in connection with preparations for the 1948 Olympic games; to the Committee on Finance.

(Mr. ROBERTSON of Wyoming, from the Committee on Armed Services, reported an original bill (S. 2277) to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas and historic monument sites, and for other purposes, which was ordered to be placed on the Calendar, and appears under a separate heading.)

FOREST-FIRE CONTROL

Mr. ELLENDER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill relating to forest-fire control, and I request that the bill together with an explanatory statement by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the bill and explanatory statement will be printed in the RECORD, as requested by the Senator from Louisiana.

There being no objection, the bill (S. 2275) to authorize appropriations for carrying out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended, introduced by Mr. ELLENDER, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, ordered to be printed, and to be printed in the RECORD, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated annually not more than $20,000,000 to enable the Secretary of Agriculture to carry out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended: *Provided,* That the appropriation under this authorization shall not exceed $11,000,000 for the fiscal year ending June 30, 1950, $13,000,000 for the fiscal year ending June 30, 1951, $15,000,000 for the fiscal year ending June 30, 1952, $17,000,000 for the fiscal year ending June 30, 1953, and $19,000,000 for the fiscal year ending June 30, 1954.

The explanatory statement presented by Mr. ELLENDER was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELLENDER

The Cooperative Forest Fire Control Act, Public Law No. 270, approved June 7, 1924, had as its purpose encouraging States in the protection of State and private forest lands from destructive fires.

This law, as originally passed, provided $2,500,000 for the operation of sections 1, 2, and 3, which dealt with the fire-protection program. As time progressed and a more comprehensive understanding of the fire problem was obtained, the need for raising the authorization was felt and Mr. McNary introduced the bill, S. 45, during the first session of the Seventy-eighth Congress which was passed in 1943, raising the authorization to $6,300,000 for that year and by annual increments of $1,000,000 in succeeding years until the fiscal year 1948, when a $700,000 inerease brought the allotted funds to the full authorization under the above-mentioned amendment (S. 45).

In 1945 the United States Forest Service and the States cooperated in making a comprehensive study of the fire problem noting the areas under protection and the amount still needing protection. They also made a careful estimate of the cost to afford the entire area of 439,000,000 acres with the proper type of protection. The results of this study which were announced early in 1946 showed that $32,000,000 annually would be required to do the job. This included wages, emergency labor, equipment, tools, and operating expenses. The cost of all of these has increased appreciably and the present cost for doing the same job today would be in the neighborhood of $40,000,000.

The Clarke-McNary Act, as amended, operates on a 50–50 basis between the Federal Government through its Forest Service and the State governments through their forest services, with some additional participation by private owners. However, with the present authorization the State and private owners are now contributing approximately two-thirds of the amount being spent as shown by the following summary:

State funds (60 percent)	$16,187,488
Private funds (7 percent)	2,029,869
Federal funds (33 percent)	9,000,000
Total	27,217,357

The proposed amendment to increase the authorization of Federal funds to $20,000,000 will do much toward completing the necessary job in setting up adequate protection and will spur the States to even greater effort in fulfilling their share or more of the cooperative arrangement. In conclusion the following justification is made for this Federal financial aid to State and private owners.

(a) 90 percent of our lumber and other forest products come from State and private forests.

(b) Nearly three-fourths of our Nation's commercial forests are in non-Federal ownership.

(c) Our most accessible and productive source of home-grown lumber comes from these lands.

(d) 90 percent of all fires are caused by the careless public.

As of January 1, 1947, the status of State and private organized protection was as follows:

	Acres
Needing protection	439,000,000
Now protected (73 percent)	319,000,000
Unprotected but needing it (27 percent)	120,000,000

Greatest current needs are:

(a) Extend protection to the 120,000,000 acres now needing it but without the benefit of organized protection.

(b) Intensify protection in those areas where protection is now spread too thin and where, although given some protection, fire losses are too great for successful forest management.

(c) Intensify State and Federal efforts to reduce the number of man-caused fires. Each year about 90 percent of all fires are man-caused and, therefore, preventable. It is better business to prevent a fire than to have to fight one.

INVESTIGATION OF SHORTAGE OF PETROLEUM, ETC.

Mr. McMAHON submitted the following resolution (S. Res. 210), which was referred to the Committee on Interstate and Foreign Commerce:

Whereas in recent months the United States has experienced a shortage of petroleum products, and particularly a serious shortage of heating fuels, which has brought distress and suffering to many families in large areas of the United States; and

Whereas it now appears that a shortage of these products is likely to occur again during the winter of 1948–49; and

Whereas it is reported that the country soon will be confronted with a gasoline shortage and that supplies of gasoline will be inadequate to meet the needs of the civilian economy and the national defense: Therefore be it

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the shortage of petroleum and petroleum products and natural gas. The committee is authorized to investigate all matters affecting or related to this problem, including:

(1) The desirability of establishing a national petroleum policy;

(2) Estimated petroleum reserves (a) of the United States, (b) of the Western Hemisphere, (c) outside the Western Hemisphere;

(3) Present and estimated future demand for petroleum and petroleum products;

(4) Adequacy of facilities for the production, refining, transportation, and marketing of petroleum and petroleum products;

(5) Availability of steel and other material and equipment necessary for drilling new oil and gas wells, building additional refinery capacity, and constructing transportation facilities, including pipe lines, tankers, and tank cars;

(6) Imports and exports of petroleum products;

(7) Substitute fuels, including alcohol;

(8) The advisability of extending or relaxing governmental controls over the production, refining, transportation, and marketing of petroleum and petroleum products;

(9) Federal and State conservation policies;

(10) The price factor;

(11) Freight rates and pipe-line tariff rates; and

(12) The desirability of a coordinated development and use of petroleum reserves of the Western Hemisphere.

The committee shall report its findings to the Senate at the earliest practicable date, together with such recommendations as it may deem desirable.

The committee is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATIONS—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 4, between lines 2 and 3, insert a new paragraph as follows:

"North Atlantic fisheries: For necessary expenses of completing surveys, discussions, and other preliminary activities incident to the negotiation of an international agreement relating to conservation of the North Atlantic fisheries, $30,000."

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

TITLES TO LANDS AND RESOURCES BENEATH NAVIGABLE WATERS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 1988) to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; which was referred to the Committee on the Judiciary and ordered to be printed.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. THYE submitted an amendment intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which was ordered to lie on the table and to be printed.

Mr. TAYLOR submitted amendments intended to be proposed by him to the bill S. 2202, supra, which were ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; to the Committee on Banking and Currency.

H. R. 5607. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

FOREIGN RELATIONS—ADDRESS BY HON. JAMES F. BYRNES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address delivered on November 6, 1947, at Winston-Salem, N. C., by former Secretary of State James F. Byrnes to the House of Bishops of the Episcopal Church, which appears in the Appendix.]

JEFFERSON-JACKSON DAY ADDRESS BY SENATOR McGRATH

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a Jefferson-Jackson Day address delivered by Senator McGRATH at Indianapolis, Ind., February 29, 1948, which appears in the Appendix.]

THE NEED FOR COMPULSORY ARBITRATION—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement regarding the need for compulsory arbitration, prepared by him, which appears in the Appendix.]

JEFFERSON-JACKSON DAY ADDRESS BY THE SECRETARY OF THE TREASURY

[Mr. McMAHON asked and obtained leave to have printed in the RECORD the Jefferson-Jackson Day address delivered by Hon. John W. Snyder, Secretary of the Treasury, in Newark, N. J., February 19, 1948, which appears in the Appendix.]

COMMENTS BY PHILIP W. PORTER ON RENT CONTROL AND ON SENATOR CAIN'S SPEECH

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an article on the subject of Senator CAIN'S speech in the Senate on the rent-control extension bill, by Philip W. Porter, published in the Cleveland Plain Dealer, March 1, 1948, which appears in the Appendix.]

TIDELANDS OIL—EDITORIAL FROM THE NEW ORLEANS TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial entitled "More Tidelands Suits," from the New Orleans Times-Picayune of March 4, 1948, which appears in the Appendix.]

THE CIVIL RIGHTS PROGRAM—EDITORIAL FROM THE NEW ORLEANS TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial relating to the proposed force bill, from the New Orleans Times-Picayune of March 1, 1948, which appears in the Appendix.]

LAUGHING WITH CONGRESS—EDITORIAL FROM THE BESSEMER HERALD

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial on Senator WILEY'S book, Laughing With Congress, published in t February 26 issue of the Bessemer Herald, of Bessemer Mich., which appears in the Appendix.]

PENSIONS AT SIXTY—EDITORIAL FROM THE WHEELING INTELLIGENCER

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an editorial entitled "Pensions at Sixty," published in the Wheeling Intelligencer for March 3, 1948, which appears in the Appendix.]

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a letter dated March 5, 1948, addressed to him from John Breckenridge dealing with the proposed extension of the Reciprocal Trade Agreements Act, and a portion of a statement made by Hugh W. Taylor, dealing with trade-agreement negotiations with Mexico on burley and dark-leaf tobacco, which appear in the Appendix.]

CIVIL GOVERNMENT FOR PACIFIC TRUST ISLANDS—ARTICLES FROM THE MANILA (PHILIPPINE ISLANDS) EVENING NEWS

[Mr. CORDON asked and obtained leave to have printed in the RECORD two articles published in Manila Evening News of February 10 and 11, 1948, dealing with the trust islands in the Pacific, which appear in the Appendix.]

TWO POINTS FOR CONGRESS—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Two Points for Congress," published in the Indianapolis (Ind.) Star of February 23, 1948, which appears in the Appendix.]

PRACTICAL PROPOSALS—EDITORIAL FROM THE LA FAYETTE (IND.) JOURNAL COURIER

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Practical Proposals," published in the La Fayette (Ind.) Journal Courier of February 17, 1948, which appears in the Appendix.]

UNIFIED REGULATION—EDITORIAL FROM THE NEW YORK TIMES

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Unified Regulation," published in the New York Times of February 28, 1948, which appears in the Appendix.]

THE CIVIL RIGHTS PROGRAM—RESOLUTION OF VIRGINIA DEMOCRATIC STATE COMMITTEE

Mr. BYRD. Mr. President, on Saturday, March 6, in the city of Richmond, the State Central Democratic Committee of Virginia met and adopted a resolution in condemnation of the action of the President of the United States in recommending unconstitutional legislation which, if adopted, would virtually mean the end of States' rights and self-government.

The Virginia State Central Democratic Committee is the governing body of the Democracy of Virginia and is elected from all sections of the State, with representation given to every congressional district.

It is very significant that this resolution was passed without a single dissenting vote.

Another resolution was also passed, withholding from the Democratic National Committee the collections from the Jefferson Day dinner, amounting to some $17,000.

I ask unanimous consent that the resolution adopted by the Virginia State Central Democratic Committee be printed in the RECORD as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the President of the United States, and the titular head of our political party, has urged the Congress of the United States to adopt certain laws repugnant to our fundamental concept of the rights of the several States as reserved in the Constitution, in that he—

Has proposed the enactment of a so-called Fair Employment Practice Act under which a Federal police might determine the legality of the act of a citizen in selecting the agents, employees, or servants of his choice and might punish him for exercising and acting upon his individual judgment;

Has proposed a law which would limit our right of appeal and would deprive us of the due process of law guaranteed by the fourteenth amendment of the Constitution;

Has proposed a law to penalize and punish the political subdivisions of the several States, and the innocent citizens thereof, for acts of lawlessness committed within their confines;

Has proposed to abolish the barriers of segregation and social division recognized by the leaders of both races to be most conducive to the maintenance of peaceable and friendly relations between the races;

Has undertaken by Federal law to censor and condemn the customs of the South and has sought to impose upon it the restraints, inequities, and injustices of the period of reconstruction; and

Whereas after years of patience, education, and mutual effort on the part of both races the said races are now living together in this State with an amity and forbearance unknown in the annals of history; and

Whereas it is the hope and earnest desire of the people of Virginia and of the members of the Democratic Party therein that no act be taken which will in any way endanger this peaceable and friendly relation of the races: Now, therefore, be it

Resolved by the State central committee of the Democratic Party of Virginia—

1. That it condemns and deplores the efforts of the President and the leaders of the National Democratic Party to gain political favor by espousing laws tending to disrupt and disturb the friendly relation now existing between the races in Virginia and in the South.

2. That it condemns and deplores the patent effort on the part of the President and the national Democratic leaders to out-Wallace Wallace.

3. That while we are not unmindful of the political pressure on the President from the radical elements within and without the Democratic Party, we remind him that while many of these policies and proposals have long appeared in the platforms of the Communist and the Republican Parties, that they are contrary to the fundamental principles of the party of Jefferson and Jackson, and in violation of the rights reserved to the States, in the Federal Constitution.

4. That the people of the South have not borne the brunt of the battles of the Democratic Party over the years to be made a sacrifice on the altar of political expediency.

5. That the leaders and members of the National Democratic Party who are interested in its success at the polls are respectfully requested to refrain from taking any action which would jeopardize or endanger its success in the South, where it has been nourished and sustained throughout its existence.

6. That the Representatives of Virginia in the Congress of the United States be urged to oppose and seek the defeat of such legislation with every means within their power.

7. That we approve and commend the courageous stand taken by the Governor of Virginia; be it further

Resolved, That copies of this resolution be sent to J. HOWARD MCGRATH, chairman of the national committee of the Democratic Party, and to our Representatives in the United States Congress.

KANSAS CITY ELECTIONS—RESOLUTION OF MISSOURI REPUBLICAN STATE COMMITTEE

Mr. KEM. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of a resolution offered by Hon. C. R. "Ted" Hawkins, a member of the Missouri State Senate, at a meeting of the Missouri Republican State Committee held on February 28, 1948. This resolution was unanimously adopted by the committee. I ask that it follow the resolution just offered by the senior Senator from Virginia.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Be it resolved by the Republican State committee, That we respectfully request that the Committee of the United States Senate for the Investigation of Executive Departments give consideration to the investigation of the following facts:

The crime of stealing elections exceeds all other offenses against the peacetime welfare of this Nation, but the offense most certain to destroy the confidence of the people in our Government is the misuse of power by highest Government officials, to wreak vengeance upon their political opponents and personal enemies as a means of whitewashing and covering up the venal and criminal acts of their intimates and colleagues of a brutal and ruthless political machine.

President Truman ordered his old cronies of the Pendergast machine to purge Congressman Slaughter. The people voted for Slaughter, but the machine stole the election and counted him out. Truman's Attorney General Clark hamstrung official investigators with instructions which resulted in a whitewash. The Kansas City Star dug up and published the evidence and the election thieves were indicted. President Truman went to Kansas City. While he was there, and within a few blocks of his hotel, the election board safe was dynamited and the evidence stolen. Our own Senator JAMES P. KEM insisted on a thorough and complete investigation.

The FBI has cracked a thousand tougher crimes than this one, but not with Truman in the White House and his Pendergast cronies involved.

The chairman of the Republican State committee publicly demanded a clean-up, and called for a probe of election irregularities in certain counties where prizes of great value were offered as lures for voters. Senator KEM's investigation was stopped by filibuster.

Finally, Truman and Clark went into action—and what action. To divert attention from the stinking Kansas City scandal which was rocking the Nation, they mobilized the famous FBI, as though for war.

From thousands of American counties, Truman and Clark selected two of the smallest and ordered an all-out invasion. Little Butler County, Mo., was selected because it is the home county of the Republican State chairman. They decided that he must be taught better than to needle the big shots at the National Capital with public statements.

Then Truman and Clark had another inspiration—and still more crafty and vengeful. In the neighboring county of Scott, there lived a prominent family of Democrats whom Truman and Clark hated. The family patriarch and leader was that great Democrat, that great American, Charley Blanton.

With his newspaper, he was fighting the battles of the Democratic Party long before Tom Pendergast made a United States Senator out of a county judge. But Charley Blanton had flayed the misdeeds of Truman and Clark with his trenchant editorial pen, soundly and often.

And here, as though made to order, was their opportunity for revenge. If the Blanton family could be humbled before the invasion of Republican Butler County, another enemy would have been punished, and the charge of partisan politics avoided. So the invasion was ordered. The record does not show how many detectives Clark sent to big Kansas City, but when they came to little Butler County they traveled in squads and platoons. Pharaoh's locusts were scarcely more numerous, and almost before the flowers had faded on Charley Blanton's grave his son and successor had been indicted. We doubt if there is an American county where a swarm of FBI men could not find a few old Negroes who could be frightened into saying that their votes had been bought. But election laws are to be observed and enforced, and we pledge all of the resources of the Republican State committee to that end.

But what of the other offense? Hitler brazenly and brutally exterminated his opponents. Stalin does the same. Back to Nero we must go to find a ruler whose favorite dodge was to point a cowardly, accusing finger at humble citizens to divert attention from his own misdeeds; also Neroesque was the fiendish timing by which indictments from Republican Butler County were released by publication to shock a great State-wide gathering of Republicans at St. Louis.

Under Democratic and Republican Presidents, the FBI had been kept upon a high plane and had won the admiration and respect of the people.

It remained for Messrs. Truman and Clark to smudge its fine record. Only the present occupant of the White House and his sycophant would use the FBI to whitewash the Kansas City election steal and ballot burglary. Only a disciple of Tom Pendergast would use the FBI to visit personal vengeance upon those who dared to speak out against official misconduct.

We cannot retaliate in kind. We would not if we could. Pray God that no President ever will again. Our only recourse is to lay this record before the people through a fair and courageous press, and to ask your committee to investigate this record as a basis for such action as the Congress may deem proper, including possible impeachment.

SECRET RUSSIAN ACTIVITIES IN THE UNITED STATES

Mr. WILEY. Mr. President, when I was in London last summer it was my privilege to meet a very distinguished Englishman by the name of Kenneth de Courcy. He publishes what is known as the Intelligence Digest, a review of world affairs. In Europe and Canada, and throughout the British Empire, this Intelligence Digest is held in high regard by those who desire to know what is going on in the world.

Mr. De Courcy publishes an American edition of the Intelligence Digest.

Mr. De Courcy and his nephew, Michael, are now in America. They will spend several days in Washington.

I was interested to note that in the March issue Mr. De Courcy brings out Russian activities in the United States. He speaks of Mr. Oumansky, who, when living, ranked above the Soviet Ambassador in Washington, and who, from Washington, went to Mexico. Mr. De Courcy says that just before his death, Oumansky wrote an important secret report dealing with espionage and sabotage against the United States. In this report he said the Germans had failed miserably in their organization of a fifth column in the United States, that no effective German sabotage took place, and that the secret agents of Germany who landed in the United States effected nothing because they did not go at their task in the right way.

Oumansky, in his report, showed how the FBI had tracked these agents down. He stated there was no effective internal German organization in the United States. He brought out the need of the Russians' perfecting an internal organization here. He proceeded to state that there was no country in the world where it was easier to organize a spy system than in the United States, and that the Union of Soviet Socialist Republics must learn from the mistakes Germany had made.

He stated further that the United States had two vulnerable points—the Panama Canal and the locks at the Sault Ste. Marie—that if these two points were attacked, it would seriously hamper America's war effort. Mr. Oumansky thought preparation should be made at once for sabotaging these two main strategic points.

He stated that Germany had made a mistake which Russia must avoid, namely, the open creation of a bund. It will be remembered that the Germans had a German bund in this country. He said that important people should be excluded from any Russian activity along this line. He strongly advocated the limitation of each agent to one particular activity.

Mr. President, I am bringing this matter to the attention of the Senate because this is a report by a former Russian Ambassador to his country, telling why Germany failed in its sabotage, and what is necessary in the creation of a successful Russian agency in this country, so that if and when an emergency arises, they will have an adept and efficient organization.

Soon after Oumansky's death the Soviet Government gave orders for this work to start. In November 1945 two officers of the Russian Intelligence traveling under the names of Vladimir Novak and Joseph Erdman arrived in Mexico City. They soon left on their mission, which included extensive travels in the Panama Canal Zone. In May 1946 they showed up in Cuba; how long they stayed there is not certain. Traveling under other names, they went in August 1946 by air to Florida. Later they went north and west and eventually returned to Mexico.

The report of this extremely important trip was submitted to the MVD in December 1946, and presently the Intelligence Division of the Russian General Staff examined the conclusions of the report with very great care.

On the whole, they recommended Oumansky's memorandum. They pointed out that deterioration in the relations between the U. S. S. R. and the United States already made it urgent to act without delay.

By February 1947 Moscow had a complete geographical survey of the whole problem worked out, based on Oumansky's memorandum and the special intelligence report of those agents. The whole organization has since made a great deal of progress, and is now being increased by every possible means in the power of the Soviet Government.

Since the spring of 1947, Russian agents have been arriving in considerable numbers in Latin-American countries, especially Costa Rica, Cuba, Haiti, Mexico, and Colombia. The discoveries made in Canada revealed only a part of the great system of spies which is being organized to undermine the defenses of the United States.

Mr. President, when we face what is before us in the world today and reflect on what took place in Czechoslovakia, and what it is prophesied will take place in Italy in the next few weeks, the question which arises in my mind is whether or not we are adequate to meet any of the impacts of these effective Russian plans. To me that is the issue we must face today. We may continue quarreling about our internal differences and perhaps fall asleep to the serious threats from this area of the world—the Russian manner of penetration.

Mr. President, I trust and hope that we are not so blind as not to realize that we must meet head-on the plans of the shrewdest international manipulators in world history.

THE TAX ON OLEOMARGARINE

Mr. MAYBANK. Mr. President, there appears in the current issue of Life magazine an editorial entitled "Margarine versus Butter." While I do not submit this article in opposition to any dairy interests, I feel that it presents an excellent argument against the present unjust restrictions and taxes placed upon this product.

As is well known, I have repeatedly asked that these restrictions against margarine be removed.

In 1943 I introduced Senate bill 1426, designed to suspend, for the duration, the existing 10 cents per pound tax on margarine containing yellow color, whether artificial or otherwise, and to restrict the definition of the term "manufacturer" for the duration, so that restaurants, boarding houses, hospitals, and so forth, could color margarine and serve it to their patrons, guests, and employees without incurring the $600 annual license fee now imposed upon them.

The war is over, and although butter is now more plentiful than at the time this bill was introduced it is still outside of the financial reach of many. On Wednesday I shall again appear before the Senate Finance Committee with my proposed amendment to H. R. 4790, which would accomplish the same purpose now as S. 1426 would have done during the war.

I, therefore, ask unanimous consent to have this editorial printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MARGARINE VERSUS BUTTER—A GOOD FIGHT TO GET IN ON

There's a good fight shaping up in Congress in which all American housewives have a stake. If their side wins they can save at least $6,000,000 a year on grocery bills and an estimated 88,000,000 woman-hours a year in the kitchen. The country would also save 52,000,000 bushels of grain, which could be exported to a hungry world instead of being fed to cows and churned into butter. At least that is what the makers of oleomargarine figure. Even if they exaggerate, there is no doubt that their side in this fight is the side of the housewife, of justice, and of common sense.

For the first time in over 60 years the margarine makers have a fighting chance to reduce or repeal the discriminatory taxes on margarine which have been imposed on consumers by the butter lobby. Margarine is the only modern case of a perfectly respectable commodity being taxed directly by the United States Government just to keep down its sales for the benefit of a rival product. In addition to this direct tax a licensing law keeps half of all grocers from handling margarine; the sale of colored margarine is prohibited entirely in 23 States; and the United States Army and Navy are forbidden by law to use any kind of margarine, as are the public hospitals, jails, etc., of 17 States.

In spite of this the per capita consumption of margarine has gradually gone up, especially since 1940. Such is the achievement of the patient margarine makers, whose product, made from vegetable oils instead of milk, is no less nutritious than butter, and whose prices, despite the tax handicap, are a whole lot lower. Most housewives who can get margarine for 30 cents or 40 cents aren't going to pay 90 cents for butter, even if they have to waste time mixing in the color. So

the tax is just a senseless penalty and an empty monument to the power of the butter lobby.

Whether you like margarine or not, you must agree that this is a fairly outrageous situation. When the first antimargarine tax was passed in 1886, there were enough fraudulent margarine makers to lend a slight pro bono publico flavor to the legislation. That hasn't been true for years. The butter lobby's main argument for the tax nowadays is that dairy farming is a great national asset. Representative MURRAY of Wisconsin brings a toy Holstein into the House, describes the miraculous food-producing powers of her species, and calls her "the foster mother of the human race." No doubt she is all of that, but the soybean and the cottonseed are productive little assets too. Indeed, the soybean has recently been winning more new congressional friends than the cow. And this year the soybean and cottonseed Congressmen, sparked by a Republican freshman from Indiana named MITCHELL who used to peddle margarine from a truck, have organized a lobby which is as loud and enthusiastic as the butter lobby is quiet and smooth. They have been promised hearings on some of the many justice-to-margarine bills now in the House Agriculture Committee. This committee is dairy dominated and has smothered many such bills before. It may smother them again but, as we say, there is a fighting chance. So if you are tired of having margarine discriminated against, write to your own Congressman or to Representative EDWARD MITCHELL. Incidentally, did you know that in the wintertime butter is artificially colored too?

CALL OF THE ROLL

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Moore
Ball	Hatch	Morse
Barkley	Hayden	Myers
Brewster	Hickenlooper	O'Conor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Overton
Buck	Ives	Pepper
Butler	Jenner	Reed
Byrd	Johnson, Colo.	Revercomb
Cain	Johnston, S. C.	Robertson, Va.
Capehart	Kem	Robertson, Wyo.
Capper	Kilgore	Russell
Chavez	Knowland	Saltonstall
Connally	Langer	Smith
Cooper	Lodge	Sparkman
Cordon	Lucas	Stennis
Donnell	McCarran	Taylor
Downey	McCarthy	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Ecton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent because of the death of the Governor of Connecticut.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from New Jersey [Mr. HAWKES] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of elections in his State.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON] and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Tennessee [Mr. STEWART] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

Under the unanimous-consent agreement, the Senate will proceed under the 5-minute rule.

EUROPEAN RECOVERY PROGRAM

Mr. McKELLAR. Mr. President, when the Marshall plan was first announced and I read it, I tried to read it with some care. After reflection I rather came to the conclusion, because of the enormous loans, or gifts involved, and especially after we had made so many already, that I would vote against it when it came up for a vote in the Senate.

In the last few weeks, however, conditions have arisen which have caused me to reconsider the opinion I then reached on the European recovery program, or Vandenberg bill, S. 2202, and I am obliged to say that a careful reconsideration in connection with facts that have developed in Europe since that time and the specific fact of Russia taking over Czechoslovakia last week or week before last, and her efforts to take in Finland last week and this week, have caused me to change my mind. At this time I believe that I should vote for the Vandenberg bill, putting into effect the Marshall plan.

Mr. President, like every other good American citizen, when the late World War II was over, I joined in the hope that we would never have another war. I hoped we could have an agreement among the nations of the earth to keep the peace for all time—those nations which had been so sorely afflicted as to be in the war and those which were not in the war but which had seen its devastation. It seemed that the world was tired of war.

I know I felt that way with all my heart. I voted for the United Nations, and I hoped that it would be able to set up machinery that would forever stop war—and I believe the people of most other nations felt the same way.

Russia as a nation did not seem to agree with that view. Her statesmen have made every effort and have taken every step possible to prevent the making of an agreement to keep the peace. Instead of being opposed to war, I am convinced that her leaders feel that she is not exactly ready for war, but they are hoping that the time will soon come when they can go to war and perhaps take over the world.

Twenty or more years ago I visited Russia. I met a number of her prominent men. I saw her people. I saw large portions of the country. She has a large area, but she did not seem to me to rank with the British nation, or the French Nation, or the German Nation, or our own Nation, or many other nations, and I do not think she ranks with them now. I think she is determined to take over Europe and put it under the banner of communism, if it is humanly possible.

I am utterly opposed to communism. I am opposed to its every principle and to its every tenet. I believe that today it is the greatest enemy that freedom has or that humanity has.

Last year, and even this year, I had thought that we ought to reduce our Army to a skeleton of an army, as we have always done after other wars were over, and let our people go back to peaceful and free pursuits. But Russia's actions in taking over and in continuing to take over free nations of Europe have made me believe that America has another duty at this time.

We ought to put our Army in condition, our Navy in condition, our Air Corps in condition, our Marine Corps in condition, and every other like agency in condition with one distinct purpose in view: That if Russia takes over another nation or attempts to do so, our Nation will take the lead in defending that nation and all the other free nations of Europe.

Mr. President, I am a peaceful man. I do not believe in making war, but when I see another nation not only preparing to make war on us but taking over other nations that will add to her strength, I think we ought to look the facts squarely in the face and let it be known that America will help the free nations of Europe—England, France, the part of Germany that England, France, and America control, Spain, Italy, Switzerland, Holland, Belgium, Denmark, Norway, Sweden, Greece, Turkey, Austria—and all other nations that want to join us, and give Russia notice that if she undertakes to take over any more European territory we are at the service of those nations and will help them maintain their individuality and their independence.

These two facts—Russia taking over Czechoslovakia and Finland, together with Russia's taking over such a large part of Germany, and her failure even to negotiate on a peace treaty settling the status of Germany and the various other nations of Europe, as well as her action toward Greece and her solicitations in Italy, seem to me to make it apparent that Russia's definite plan and purpose is to take over the remaining nations of Europe which she has not already taken over—and, I might add, perhaps some of the far eastern nations.

In my judgment, for her to do this would be hurtful to herself, it would be hurtful to every one of the nations taken over in Europe, and it would be enormously hurtful to America in interfering with our peaceful trade and commerce with the nations of Europe and with the other nations of the world.

To be perfectly frank, these considerations have caused me to reach an entirely different conclusion; and when the Vandenberg bill comes to a vote I expect to vote for it.

Mr. FULBRIGHT and Mr. KEM addressed the Chair.

The PRESIDENT pro tempore. With the consent of the Senate, the Chair will

recognize the Senator from Arkansas for 5 minutes, inasmuch as he must leave the Chamber.

Mr. FULBRIGHT. Mr. President, in the course of the debate on March 3, it became clear that although the chairman, the distiguished senior Senator from Michigan [Mr. VANDENBERG] and other members of the Committee on Foreign Relations, approve of the objective and purpose of the amendment which I have offered, at the same time they strongly object to its inclusion in this legislation.

The distinguished chairman of the committee said during the debate:

So long as the record is as clear as it is—and the Senator is making it clear, as the committee report makes it clear—it is practically the universal opinion that the consolidation of the western European countries along the line of which the Senator is speaking is the pattern of realistic hope.

Later he added:

I wish to make it quite plain that I share all these hopes for European unification. I see little long-range hope except as there can be a consolidation which is substantially more than economic.

In view of these statements of the chairman of the committee, and out of consideration for his request that this amendment be not pressed at this time, I am withdrawing it. I am withdrawing it, however, with an understanding with the Senator from Michigan that within the near future and before the adjournment of this Congress the Committee on Foreign Relations will hold hearings and consider Senate Concurrent Resolution 10, which expresses the approval of the Congress of a United States of Europe.

Although I am withdrawing the amendment at this time, I wish to reaffirm my conviction that the unification of Europe is essential to the future peace of the world, and that this country should do everything in its power to promote such a union. I am confident that if the Committee on Foreign Relations considers the matter it will act favorably upon the expression of our approval of European union.

Mr. President, within the last few days five of the principal western European countries have sent delegates to Brussels to consider plans for bringing about a closer union of their respective countries. In view of all the circumstances which now prevail it is obvious the time has arrived for decisive action. The opportunity is here now and it will be a great tragedy for Europe and for us if this opportunity is missed because of hesitation and timidity. Without the unification of western Europe there is little hope for that larger unity envisioned by the United Nations, without which the endless repetition of devastating wars is inevitable.

It is with reluctance that I withdraw the amendment, but in view of the opposition of the committee, and therefore its almost certain defeat by this body, and the probability that such a defeat would be interpreted as this Nation's disapproval of European unity, I feel compelled to follow this course. I can only hope that the debate which has taken place will strengthen the determination of the Europeans and will induce the Congress, before it adjourns, to give its blessing to the efforts of the Europeans to bring order and unity out of their present chaotic nationalism.

It is extremely unfortunate that at this critical period in the affairs of the world, we find ourselves in this country divided and torn apart by internal quarrels which distract our attention from the danger arising from Soviet aggression.

Mr. President, the lack of unity is the greatest weakness of the democracies. I had hoped that through this bill we might take at least a small step in the direction of unity. I still feel that unless the CEEC countries can achieve political unification during the next few years, the ERP program not only will fail to bring peace and stability to Europe, but, on the contrary, if those countries succumb one by one to the Communists, it will actually result in a tremendous subsidy at our expense to the growth of Communist power.

Mr. President, last Wednesday the St. Louis Post-Dispatch carried an editorial relating to this subject, which I ask unanimous consent to insert in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BRUSSELS CONFERENCE

The falling of the iron fist on Czechoslovakia and Finland gives new importance and urgency to the conference opening in Brussels today on the formation of a union of western Europe.

While Britain, France, and the United States have been talking about a United States of Europe, Russia has been creating one. Russia now has eastern and central Europe firmly under its hand and is rumbling at the gates of the western European nations.

As far back as 1943, Winston Churchill proposed to Washington the creation of a confederation of Europe. But the State Department evinced no interest. The Senate has been equally dilatory. It has taken no action on the year-old Fulbright resolution favoring the formation of a United States of Europe within the frame-work of the United Nations.

While the Senate neglects the Fulbright resolution, with its limited and realistic objective, a group of Republican Senators headed by BALL, of Minnesota, and BREWSTER, of Maine, confuse the picture with a proposal for an entirely new international organization with the power to bind its members to military action. It is more than a little strange that Senators who have not become interested in encouraging a union of western Europe would now—in an election year—raise an issue involving the impairment of American sovereignty.

Prime Minister Attlee and Foreign Secretary Bevin are more realistic. They are apparently throwing the still large influence of Great Britain into the organization of a firm federation of free Europe. Prime Minister Attlee says the Brussels meeting will cover all aspects of European union—economic, social, political, and military. Only Britain, France, and the Benelux countries are represented at the current meeting, but the object is to enroll the rest of western Europe within a year.

Mr. Attlee has long advocated a United States of Europe. More than 2 years ago, he said, "Europe must unite or perish." It may have sounded then like a slogan. Now, it seems a cold, bare, immutable fact.

Even the Scandinavian countries, which until last week had followed the Czech line of trying to serve as a bridge between Russia and the west, are now openly denouncing Russia and calling for a western Europe which can place herself as a strong partner by America's side.

Scandinavia's peril consists in being geographically so close to Finland and Russia. In Italy and France, political conquest is the greater danger.

The Communists are gaining strength in Italy, where they polled 38 percent of the votes in the last general election. If the Communists do not win the general election in April, they may try a general strike or an uprising by their carefully drilled private army.

In France parliamentary government walks a tight rope between the Communists and the De Gaullists.

In this alarm and confusion, Congress moves toward the appropriation of billions of dollars for economic aid to western Europe. But dollars alone cannot do the job. For 2 years America has been aiding Italy at a rate comparable to that contemplated under the Marshall plan, and yet the Italian situation has apparently grown worse.

To Britain we have given or lent some five billions since the war, but Britain has had to dig into its own gold and dollar reserves by an additional four billions. The bottom of the barrel is in sight.

Something more is required than loans from the United States. Though loans may temporarily stave off disaster, they do not restore self-confidence, revive buoyancy and hope, or stir the imagination of the recipients.

How can western Europe possibly become inspired or invigorated as long as it clings to a division and disunion—a worship of petty nationalism—which compels it to rely on the United States for economic assistance and military protection?

In the air and atomic age, the massed billions necessary for a powerful armed force are simply not within reach of small or medium-sized nations. These exist solely on sufferance of the great powers. That sufferance, in the case of Russia, is so small as to be virtually nonexistent.

So if the United States is ever to be able to lay down its burden of guardianship over western Europe, there must come into existence a firm political, economic, and military union of the part of the Continent which is still free to make its own destiny.

The overpowering need of Europe, both from its own point of view and that of America, is a restoration of the balance of power. And there is no chance of achieving a balance against Russia except by uniting Europe in the West.

The idea of European union is now present, the climate of opinion is favorable, and the firm support of the United States could very well prove decisive.

Mr. FULBRIGHT. Mr. President, I now ask to withdraw the pending amendment.

The PRESIDENT pro tempore. The Senator from Arkansas withdraws his amendment to Senate bill 2202. With the indulgence of the Senate, the senior Senator from Michigan would like to express his thanks to the able Senator from Arkansas for his cooperation and to assure him that his resolution will have every possible consideration in the committee.

Mr. FULBRIGHT. I thank the Senator.

Mr. CONNALLY Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Texas?

Mr. FULBRIGHT. I yield for a question.

Mr. CONNALLY. Mr. President, I want to comment very briefly on the Sen-

ator's statement and on his amendment which he has now withdrawn. It seems to me that however desirable the objectives of the Senator from Arkansas, which objectives are shared no doubt by many other Members of the Senate, if there is to be a western association of nations it must essentially come by their own initiative and through their own action. It is true that under the Charter of the United Nations they may, within the United Nations, form a regional arrangement, but for us to undertake in the pending bill or otherwise directly to suggest and advance the idea, it seems to me, might injure the objective and might retard the movement itself, on the plea that we are going beyond our proper function and are undertaking to influence the action of these nations. All Senators share the view that we should like to see the nations of western Europe that have the same democratic ideals and purposes as this Nation has, unite in forming an organization to resist the encroachments of totalitarianism upon their territories and among their people. But I congratulate the Senator for withdrawing his amendment at this time. As a member of the Foreign Relations Committee I shall most cordially hear him on the question. It is a question of tremendous importance; it has many delicate aspects and phases, and it, therefore, requires the most studious attention and consideration. I am sure the Senator can rely upon the committee's giving him his day in court. What the result will be I cannot, of course, foretell.

Mr. FULBRIGHT. I thank the Senator.

Mr. CONNALLY. It is, however, a question that we ought not to permit to become entangled in the pending measure, which is based entirely upon the theory of extending temporary relief and furnishing facilities to certain nations with which to rebuild their broken fortunes, and to strengthen them, in order that they may stand upon their own feet. That is the very heart of the bill. The beneficiary European nations should be told and should be reminded, as I am sure they will be after the Administrator is appointed, that unless they employ strenuous measures, militant measures, hard-headed measures, to do for themselves and to marshal every resource at their command to aid in their own reestablishment and their own strengthening, it will be in vain, and the United States, of course, cannot continue the course upon which it is embarking unless it receives the wholehearted cooperation and vigorous support of the countries of Europe that will become beneficiaries under this measure. I thank the Senator.

THE CALENDAR

The PRESIDENT pro tempore. Under the order of the Senate, the Chair must ask for a call of the calendar. Any Senator can be recognized for 5 minutes on any bill as the calendar is called. The clerk will proceed to state the measures on the calendar, beginning with Calendar No. 952.

ANASTASIOS PANAGE IOANNATOS

The bill (H. R. 1298) for the relief of Anastasios Panage Ioannatos (known as Anastasios Panage Ionnetos or Tom Panage Yanatos) was considered, ordered to a third reading, read the third time, and passed.

ALIEN FIANCÉS OF MEMBERS OF THE ARMED FORCES

The Senate proceeded to consider the bill (H. R. 4838) to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States, which had been reported from the Committee on the Judiciary, with amendments, on page 1, after line 6, to strike out:

SEC. 2. Clause (b) of the proviso of the first section of the act approved June 29, 1946 (60 Stat. 339), is hereby repealed.

And on page 2, in line 1, after "Sec.", to strike out "2" and insert "3."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. PEARL COLE

The bill (H. R. 2012) for the relief of Mrs. Pearl Cole was considered, ordered to a third reading, read the third time, and passed.

BERTHA M. ROGERS

The bill (H. R. 4331) for the relief of Bertha M. Rogers was considered, ordered to a third reading, read the third time, and passed.

STANLEY-YELVERTON, INC.

The bill (H. R. 2373) for the relief of Stanley-Yelverton, Inc., was considered, ordered to a third reading, read the third time, and passed.

NITA H. STANLEY

The bill (H. R. 2374) for the relief of Nita H. Stanley was considered, ordered to a third reading, read the third time, and passed.

JESSE F. CANNON AND OTHERS

The bill (H. R. 4541) for the relief of Jesse F. Cannon, Jackson Jones, and the estate of John Halstadt was considered, ordered to a third reading, read the third time, and passed.

JOHN E. PETERSON AND GUY F. ALLEN

The bill (S. 1654) for the relief of John E. Peterson and Guy F. Allen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That John E. Peterson, an employee of the Federal Public Housing Authority, and Guy F. Allen, former Chief Disbursing Officer, Department of the Treasury, are hereby relieved of all liability to the United States for the payment of the sum of $1,542.31, together with the interest due on such sum or any part thereof, representing the aggregate amount stolen in two robberies which occurred at project CAL-4905, Los Cerritos Trailer Courts, Long Beach, Calif., on May 6, 1945, and November 4, 1945, such sum having been stolen from the premises of such housing project offices and from the custody of the said John E. Peterson without fault on the part of either the said John E. Peterson or Guy F. Allen.

FIRE DISTRICT NO. 1, COLCHESTER, VT.

The bill (S. 1263) for the relief of Fire District No. 1 of the town of Colchester, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fire District No. 1 of the Town of Colchester, Vt., the sum of $30,190.16, in full satisfaction of its claim against the United States for reimbursement of expenses incurred by it in repairing damage to a sewer line, such damage having resulted from improper construction by Army authorities, who installed the sewer line pursuant to an agreement between the fire district and the Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CLAIM OF CHARLES L. BAKER

The bill (H. R. 1131) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker, was considered, ordered to a third reading, read the third time, and passed.

Mr. CORDON. Mr. President, I ask unanimous consent that the vote by which House bill 1131 was just passed be reconsidered, and that the bill be temporarily passed over. I have not yet had an opportunity to examine it carefully. I think there will be no objection.

The PRESIDENT pro tempore. Without objection, the vote by which the bill was passed is reconsidered; and, on objection from the Senator from Oregon, the bill will be temporarily passed over.

Mr. CORDON subsequently said: Mr. President, so far as as I am concerned, I withdraw any objection to House bill 1131, and am glad to have it considered at any time during the call of the calendar.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 1131) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. The clerk will state the next measure on the calendar.

DORIS D. CHRISMAN

The bill (S. 1164) for the relief of Doris D. Chrisman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Doris D. Chrisman, of Daytona Beach, Fla., the sum of $5,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her, and for reimbursement of hospital, medical, and other expenses incurred by her, as a result of an accident which occurred when the automobile in which she was riding collided with a United

States Army vehicle, on United States Highway No. 1, 3 miles south of Oak Hill, Fla., on November 12, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

HOWARD A. YEAGER

The bill (H. R. 4570) for the relief of Howard A. Yeager was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF MRS. ELIZABETH CAMPBELL

The bill (H. R. 1654) for the relief of the estate of Mrs. Elizabeth Campbell was considered, ordered to a third reading, read the third time, and passed.

E. W. STRONG

The bill (S. 1588) for the relief of E. W. Strong was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. E. W. Strong, of Gasque, Ala., the sum of $1,500, in full satisfaction of his claim against the United States for compensation for the destruction of his oyster bed in Oyster Bay, Baldwin County, Ala., as a result of dredging operations performed by the Corps of Engineers, United States Army, in 1943.

ESTATE OF FRANCIS D. SHOEMAKER

The bill (S. 1875) for the relief of the estate of Francis D. Shoemaker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. P. S. Newman and Richard J. Taggart, as executors of the estate of Francis D. Shoemaker, the sum of $54.49, which sum was awarded to Francis D. Shoemaker by the Supreme Court of the District of Columbia on December 24, 1925, as compensation for land condemned for streets in the District of Columbia and was paid into the court but was returned, under the rules of the court, to the United States Treasury when it was not claimed, the said Francis D. Shoemaker having died before collecting the sum: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MRS. ESSIE N. FANNIN AND OTHERS

The bill (H. R. 697) for the relief of Mrs. Essie N. Fannin, Miss Helen Hicks, Miss Marie Hicks, Miss Frances Fannin, William O. Thompson, and Mrs. W. D. Thompson was considered, ordered to a third reading, read the third time, and passed.

MRS. FLORENCE BENOLKEN

The Senate proceeded to consider the bill (S. 69) for the relief of Mrs. Florence Benolken, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$4,257.48" and insert "$306.43", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Florence Benolken, of Omaha, Nebr., the sum of $306.43, in full satisfaction of her claim against the United States for reimbursement of expenses and compensation for losses incurred by her as a result of having been erroneously advised by representatives of the War Department that she was not entitled to have her household goods shipped at Government expense from Seattle, Wash., to Omaha, Nebr., subsequent to the death in October 1942 of her husband, Lt. Francis John Benolken, while serving on active duty in the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAN C. RODGERS

The bill (S. 576) for the relief of Dan C. Rodgers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dan C. Rodgers, of Coquille, Oreg., the sum of $213.12, in full satisfaction of his claim against the United States for compensation for damage to his automobile which occurred when a United States Navy airplane crashed near his residence in Coquille, Oreg., on October 15, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MRS. RAIFORD D. SMITH

The bill (H. R. 1864) for the relief of Mrs. Raiford D. Smith was considered, ordered to a third reading, read the third time, and passed.

CHARLES G. MEYERS

The Senate proceeded to consider the bill (S. 148) for the relief of Charles G. Meyers, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$10,000" and insert "$4,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles G. Meyers, of Lyman, Wash., the sum of $4,000, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him and for reimbursement of hospital, medical, and other expenses incurred by him as a result of having been hit, while engaged in the pursuit of his occupation as a fishing guide, by a bullet fired by an Army officer during target practice at Camp Lyman, Wash., on February 14, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any amount not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAYMENT TO MEMBERS OF MESCALERO APACHE INDIAN TRIBE

The bill (S. 1468) providing for payment of $50 to each enrolled member of the Mescalero Apache Indian Tribe from funds standing to their credit in the Treasury of the United States was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to withdraw from the Treasury so much as may be necessary of the trust funds on deposit to the credit of the Mescalero Apache Tribe, and to make therefrom payment of $50 to each enrolled member of such tribe. The money paid to such members under this act shall not be subject to any lien or claim of any nature against any of such members.

KLAMATH INDIANS IN OREGON

The Senate proceeded to consider the bill (H. R. 2502) to provide for the general welfare and advancement of the Klamath Indians in Oregon, which has been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, beginning in line 8, to strike out:

Notwithstanding the provisions of any prior act or acts relating to the enrollment of members of the Klamath Tribes, the Secretary of the Interior is authorized, by and with the consent and recommendation of the General Council of the Klamath Tribes or its duly authorized representative, to eliminate from the roll any member or class of members for such cause as, to the Secretary and the said General Council or its representative, shall be found just and reasonable upon such investigation or hearing as the Secretary may determine.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COMPENSATION OF COMMISSIONERS FOR THE TERRITORY OF ALASKA

The bill (H. R. 3973) relating to the compensation of commissioners for the Territory of Alaska was announced as next in order.

Mr. KNOWLAND. Mr. President, may we have an explanation of this bill?

Mr. BUTLER. Mr. President, as stated in the title, this bill relates to the compensation of commissioners for the Territory of Alaska. The purpose of the bill is to increase from $3,000 to $5,000, as annual compensation, the net fees which may be retained by United States commissioners in Alaska. The present limitation of $3,000 was established in 1900, and never has been changed. It now has become apparent that it is impossible to secure good men for these positions at the $3,000 figure. The occupants of these positions have not benefited at all from the various pay-increase acts which have made increased pay available to other Government employees.

The bill does not require any increase in appropriations, inasmuch as the revenues with which to pay these fees are derived from the fees earned.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CONNALLY. Mr. President, I should like to ask the Senator a question. Of course, if the commissioners do not earn the fees, they do not receive any pay; is that correct?

Mr. BUTLER. That is correct.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ACQUISITION OF LANDS WITHIN GLACIER NATIONAL PARK

The bill (H. R. 4980) relating to the acquisition by the United States of State-owned lands within Glacier National Park, in the State of Montana, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ADDITION OF LANDS TO SHASTA NATIONAL FOREST

The bill (H. R. 3175) to add certain public and other lands to the Shasta National Forest, Calif., was considered, ordered to a third reading, read the third time, and passed.

ARRESTS WITHIN CERTAIN FEDERAL RESERVATIONS

The bill (H. R. 3936) to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. LANGER. May we have an explanation of the bill, Mr. President?

Mr. BUTLER. Mr. President, this bill would authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia where no other police jurisdiction applies. The United States Park Police would thus be authorized to make arrests on roads, parks, parkways, and other Federal areas in adjoining counties—for instance, in Virginia—over which the United States has acquired exclusive jurisdiction. The bill does not apply to the District of Columbia.

Although the United States has acquired jurisdiction to these areas, its officers do not have power to make arrests therein. Neither do the State officers. As a result, considerable difficulty has been experienced in numerous cases.

The proposed legislation has been taken up with the Federal Works Agency, the Department of Justice, and the law-enforcement officials of the State of Virginia; and they have no objection.

The House of Representatives has added an amendment declaring that the jurisdiction of the FBI shall not be affected in any way.

Mr. CONNALLY. Mr. President, what are these Federal territories? Is one of them, for instance, the highway to Mount Vernon?

Mr. BUTLER. In the consideration of the bill, I remember distinctly that one of the illustrations used was land in the vicinity of the Pentagon Building. That is adjoining territory lying adjacent to the District of Columbia.

Mr. CONNALLY. Where can we find authority for holding these lands to be Federal territory? Does that authority appear in acts of Congress, or does it simply come from usage?

Mr. President, it seems to me that if we act too hastily in regard to giving Federal authority over portions of the States of Maryland or Virginia, we may cause considerable conflict with the State authorities from time to time.

Mr. BUTLER. The fact is that these matters were taken up with the Federal Works Agency, which has charge of considerable construction and other work in this area, and also with the Department of Justice and the law-enforcement officials of the State of Virginia. All of them were consulted, and none of them filed any objection to the proposed procedure.

Mr. CONNALLY. How about the State of Maryland? Was it consulted?

Mr. BUTLER. If Maryland is included, the officials of that State were consulted.

Mr. CONNALLY. Maryland is still a part of the Union.

Mr. BUTLER. As I previously stated, the United States has acquired exclusive jurisdiction to the areas in question. The State of Virginia ceded to the Federal Government the land upon which the Pentagon Building now stands, and also the area surrounding it. It is testified that at the present time no one has jurisdiction over that land. The purpose of the bill is to give the Federal Government jurisdiction over land which falls in that category.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. CORDON. I should like to throw a little further light on the question asked by the Senator from Texas. There is no jurisdiction given to police officers of the Federal Government except in those areas in which the United States has or shall hereafter apply exclusive and concurrent criminal jurisdiction. Either the jurisdiction exists or it must exist before the Park Police would have authority to make arrests. The reason for the bill arose because a question was raised as to just where the line of jurisdiction of officers of different types lies. This bill would simply broaden and clarify authority with reference to Park Police in those areas in which jurisdiction exists.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 3936) was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF FEDERAL AIRPORT ACT TO VIRGIN ISLANDS

The bill (S. 2081) to extend the provisions of the Federal Airport Act to the Virgin Islands was announced as next in order.

Mr. BREWSTER. Mr. President, I should like to inquire why an amendment to the Federal Airport Act should not be referred to the committee which sponsored the legislation. I thought that was the rule of the Senate.

The PRESIDENT pro tempore. If the Senator from Maine is addressing his inquiry to the Chair, the Chair will say that the reference was made because it primarily involved the Virgin Islands, which are under the jurisdiction of the Committee on Interior and Insular Affairs.

Mr. BREWSTER. I thought there was a rather long-standing practice that any amendment to existing legislation should be referred to the committee which handled it in the first place.

The PRESIDENT pro tempore. The Chair thinks the Senator has made a very persuasive argument upon that point. This, again, is one of the borderline cases, for which we have few precedents under the Reorganization Act. It was the opinion of the Parliamentarian that the appropriate jurisdiction was as indicated.

Mr. BREWSTER. I will simply ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. BREWSTER subsequently said: Mr. President, when Senate bill 2081 was first reached during the call of the calendar, I objected. That bill is Calendar No. 979.

I now understand that this bill merely extends the provisions of the Federal Airport Act to the Virgin Islands. I think reference to the Virgin Islands probably was omitted by inadvertence at the time when the original legislation was enacted.

I did have a serious question as to the appropriateness of the reference; and I

would not wish the action of the Senate in this connection to establish any precedent to the effect that amendments dealing with the Federal Airport Act should not be referred, normally, to the Committee on Interstate and Foreign Commerce.

But under the circumstances, I do not deem the point to be of sufficient importance to warrant a continuation of the objection.

The PRESIDING OFFICER. The Chair understands that the Senator from Maine has withdrawn his objection to the present consideration of Senate bill 2081, the title of which will be stated.

The CHIEF CLERK. A bill (S. 2081) to extend the provisions of the Federal Airport Act to the Virgin Islands.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, after line 8, to strike out

(2) Adding a new subsection (e) to section 5 thereof to read as follows:

"ANNUAL APPROPRIATIONS FOR PROJECTS IN THE VIRGIN ISLANDS

"(e) For the purpose of carrying out this act with respect to projects in the Virgin Islands, annual appropriations amounting in the aggregate to $1,000,000 are hereby authorized to be made to the Administrator over a period of 7 fiscal years beginning with the fiscal year ending June 30, 1948. The appropriations for any such fiscal year shall remain available until June 30, 1954, unless sooner expended. Not to exceed 5 percent of any such annual appropriation, as specified in the act making such appropriation, shall be available to the Administrator for necessary planning and research and for administrative expenses incident to the administration of this act with respect to projects in the Virgin Islands; and the amount so available shall be deducted from such appropriation for the purpose of determining the amount thereof available for grants for projects therein."

And on page 2, in line 19, before the word "Adding", to strike out "(3)" and insert "(2)", so as to make the bill read:

Be it enacted, etc., That the Federal Airport Act of 1946 is hereby amended by—

(1) Adding after the words "Puerto Rico", wherever they appear in paragraph 7 of section 2 (a) and in sections 3 (a), 7, and 9 (c) thereof, the phrase "and the Virgin Islands."

(2) Adding after the word "Alaska", appearing in section 10 (c) the phrase "and the Virgin Islands."

The amendments were agreed to.

Mr. BUTLER. Mr. President, in connection with this bill, Senate 2081, which was referred to the Committee on Interior and Insular Affairs, I agree with the Senator from Maine that that reference should not establish any definite precedent as to the reference of bills in the future. I think the committee in question has very proper jurisdiction at this time; but had the bill been referred to the committee ordinarily having charge of Federal airport legislation, I would have had no objection; and I shall have no objection in the future if such bills are so referred.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry was announced as next in order.

Mr. CONNALLY. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

DIONISIO R. TREVINO

The bill (S. 188) for the relief of Dionisio R. Trevino was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is directed to cancel forthwith any warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of Dionisio R. Trevino, and is directed not to issue any such further warrants or orders in the case of such alien insofar as any such further warrants or orders are based upon the same grounds as the warrants or orders required by this act to be canceled. For the purposes of the immigration and naturalization laws, the said Dionisio R. Trevino, who arrived at Brooklyn, N. Y., on or about April 25, 1934, as a seaman on the steamship *Mave Mar*, which he deserted on or about April 25, 1934, shall, upon the payment of the required head tax, be held and considered to have been lawfully admitted to the United States for permanent residence at such place and on such date. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that such quota becomes available.

MARY GEMMA KAWAMURA

The bill (S. 675) to provide for the naturalization of Mary Gemma Kawamura was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the racial limitations contained in section 303 of the Nationality Act of 1940, as amended (sec. 1, Public Law 483, 79th Cong.; ch. 543, 2d sess.), Mary Gemma Kawamura, if otherwise admissible to citizenship, may be naturalized as a citizen of the United States upon full and complete compliance with all of the requirements of the Nationality Act of 1940, as amended.

MRS. JACINTA SANTOS HARN AND OTHERS

The bill (S. 1046) for the relief of Mrs. Jacinta Santos Harn and others was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of Public Law No. 483 of the Seventy-ninth Congress, requiring that persons of the Filipino race, born in the Philippine Islands, who desire to migrate to the United States, shall secure immigration visas chargeable to the Philippine quota, Mrs. Jacinta Santos Harn, Dr. Charles S. Harn, Helen Harn, Winifred Mary Harn, and James Harn, may, if otherwise admissible, be admitted to the United States without such visas: *Provided*, That at the time of their admission a quota deduction of one for each alien admitted shall be made from the Philippine quota for the fiscal year then current or the next following.

ANNA PECHNIK

The bill (S. 1142) for the relief of Anna Pechnik was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Anna Pechnik, of Los Angeles, Calif., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last actual entry into the United States, upon payment by her of the visa fee of $10 and the head tax of $8.

SEC. 2. Notwithstanding any other provision of law, the Attorney General is authorized and directed to cancel any outstanding warrant of arrest, order of deportation, and bond issued in the case of Anna Pechnik, of Los Angeles, Calif. From and after the date of enactment of this act, the said Anna Pechnik shall not again be subject to deportation by reason of the same facts upon which any such warrant and order have issued.

JOHN FREDERICK FIRTH-HAND

The bill (S. 1742) for the relief of John Frederick Firth-Hand was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, John Frederick Firth-Hand shall, upon application at a port of entry into the United States, be admitted for permanent residence without an immigration visa, provided he meets all the other requirements of the immigrationn laws. Upon his admission into the United States, the Secretary of State shall deduct one number from the quota for India for the year in which the admission occurs or from the quota of the first available succeeding year.

JOHN CLARK SHARMAN

The Senate proceeded to consider the bill (S. 1550) for the relief of John Clark Sharman, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and to insert:

That John Clark Sharman, the son of Hilda Hartwell Sharman, a native-born citizen of the United States who lost her United States citizenship by voting in a foreign election on July 5, 1945, but who reacquired it on May 1, 1947, shall be held and considered to have acquired United States citizenship at birth under the provisions of section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAMIAN ARRUTI

The Senate proceeded to consider the bill (S. 969) for the relief of Damian Arruti, which had been reported from the Committee on the Judiciary with an amendment, to strike out section 3, as follows:

SEC. 3. Notwithstanding any other provision of law, the said Damian Arruti may be naturalized as a citizen of the United States by taking the oath of allegiance, in the manner prescribed in the naturalization laws, before any court having jurisdiction of the naturalization of aliens.

So as to make the bill read:

Be it enacted, etc., That in the administration of the immigration laws Damian Arruti, of Mountain Home, Idaho, shall be held and

considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8.

SEC. 2. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANCES ETHEL BEDDINGTON

The Senate proceeded to consider the bill (S. 1331) for the relief of Frances Ethel Beddington, which had been reported from the Committee on the Judiciary with an amendment, to insert a new section at the end of the bill, as follows:

SEC. 2. Upon enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for white persons born in India of the first year that said quota is available.

So as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Frances Ethel Beddington as of December 16, 1945, the date she was admitted temporarily to the United States.

SEC. 2. Upon enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for white persons born in India of the first year that said quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VERA FRANCES ELICKER

The bill (H. R. 621) for the relief of Vera Frances Elicker was considered, ordered to a third reading, read the third time, and passed.

DR. GISELA PERL (KRAUSZ)

The bill (H. R. 1139) for the relief of Dr. Gisela Perl (Krausz) was considered, ordered to a third reading, read the third time, and passed.

EDWIN OSGOOD COGAN AND OTHERS

The bill (H. R. 1929) for the relief of Edwin Osgood Cogan and others was considered, ordered to a third reading, read the third time, and passed.

ROBERT WILHELM GERLING

The bill (H. R. 3742) for the relief of Robert Wilhelm Gerling was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2242) to authorize for a limited period of time the admissions into the United States of certain European displaced persons for permanent residence, and for other purposes, was announced as next in order.

Mr. LANGER. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

REGULATION OF GREAT LAKES NAVIGATION

The bill (H. R. 2293) to amend the act entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters," approved February 8, 1895, was announced as next in order.

Mr. WHERRY. Over.

Mr. REED. Mr. President, I hope the Senator will withhold his objection to House bill 2293. The purpose of the bill is to amend the rules of navigation on the Great Lakes and their connecting and tributary waters, and it is desired that the legislation go into effect immediately, because the navigation season will open the latter part of March or by the first of April. This is a bill as to which all parties are agreed. It was unanimously passed by the House of Representatives, and was reported unanimously by the Senate Committee on Interstate and Foreign Commerce. All the changes are agreed changes, with one slight exception as to which there is a small difference of opinion. The committee considered it carefully, and I urge that the bill be passed at this time because of the urgency of making the changes before the lake navigation season shall open.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

EDWARD TRAPIER ROGERS

The bill (S. 1307) for the relief of Edward Trapier Rogers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward Trapier Rogers, of Raleigh, N. C., the sum of $25,000, in full satisfaction of his claim against the United States for compensation, in addition to that provided by other provisions of law, for personal injuries sustained by him as a result of an explosion which occurred while he was mixing certain ingredients in the course of an experiment which he was performing as a civilian employee of the War Department at Edgewood Arsenal, Md., on October 31, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ESTATE OF NORMAN C. COBB AND OTHERS

The bill (H. R. 993) for the relief of the estate of Norman C. Cobb and others was considered, ordered to a third reading, read the third time, and passed.

LOUIS L. WILLIAMS, JR.

The bill (S. 1630) for the relief of Louis L. Williams, Jr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Louis L. Williams, Jr., of the Public Health Service, is hereby relieved of all liability, both as to principal and interest, under the claim of the United States arising out of the reimbursement to him of the sum of $560.16 from the appropriation "Preventing the Spread of Epidemic Diseases, Public Health Service, 1940," for payment made by him in December 1939 for one Ford coupe automobile purchased in Kunming, China, and for various items incident to repair, maintenance, and operation of the automobile; and the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louis L. Williams, Jr., an amount equal to the aggregate of any amounts which may have been paid by Louis L. Williams, Jr., or which may have been withheld from amounts otherwise due him, in partial satisfaction of such claim. In the settlement of the accounts of Louis L. Williams, Jr., as a disbursing officer of the United States, full credit shall be given him for such sum of $560.16.

LAWSON ASHBY, AND OTHERS

The bill (H. R. 408) for the relief of Lawson Ashby and others was considered, ordered to a third reading, read the third time, and passed.

JEANETTE C. JONES AND MINOR CHILDREN

The Senate proceeded to consider the bill (S. 1312) for the relief of Jeanette C. Jones and minor children, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriate, to Jeanette C. Jones, of New York, N. Y., widow of Paul Jones, late a veteran of the World War (XC-1032188), for herself and her minor children by said Paul Jones, the sum of $4,971.33, in full settlement of all claims of the said Jeanette C. Jones and the said minor children for losses sustained due to erroneous advice gratuitiously furnished by the Veterans' Administration with regard to her entitlement to death compensation benefits for herself and minor children, and as retroactive payment of death compensation benefits for the period from April 16, 1932, to June 11, 1939: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT TO GENERAL BRIDGE ACT OF 1946

The Senate proceeded to consider the bill (S. 1651) to amend the General Bridge Act of 1946.

Mr. WHERRY. Mr. President, I should like to have an explanation of the bill. Does it relate to a bridge in Ohio?

Mr. REVERCOMB. Mr. President, I am very glad to give an explanation of the bill to the Senator. The bill is to amend the General Bridge Act of 1946,

which provides that where consent is given for the building of a toll bridge over a federally controlled stream, navigable river, or lake, the bridge must be paid for within a certain time, and the financial structure must require that the debt be paid off in 20 years. This bill would change the requirement to 30 years, because of the costs of construction.

Mr. WHERRY. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the General Bridge Act of 1946 be, and the same is hereby, amended by striking out section 506 thereof and by inserting in lieu of said section a new section to be designated as section 506 and to read as follows:

"SEC. 506. If tolls are charged for the use of an interstate bridge constructed or taken over or acquired by a State or States or by any municipality or other political subdivision or public agency thereof, under the provisions of this title, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of completing or acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested."

LAKE CHOUTEAU, OKLA.

The bill (S. 1958) to provide for the designation of the reservoir formed by the dam on the Grand River near Fort Gibson, Okla., as Lake Chouteau, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the reservoir formed between Salina and Fort Gibson, Okla., by the impounding of the waters of the Grand River by the dam now under construction north of Fort Gibson shall be known and designated on the public records as "Lake Chouteau" in honor of Maj. Jean Pierre Chouteau, who established the first white settlement in Oklahoma and was the first white man to navigate the Grand River which was named by him.

BILL PASSED OVER

The bill (S. 2201) supplementing the act entitled "An act authorizing the State of Maryland by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate bridges," was announced as next in order.

Mr. O'CONOR. Mr. President, in requesting that the bill go over, I will say that the senior Senator from Maryland [Mr. TYDINGS] is vitally interested in this proposed legislation but cannot be present today.

The PRESIDENT pro tempore. The bill will be passed over.

THOMAS D. SHERRARD

The bill (H. R. 3964) for the relief of Thomas D. Sherrard was considered, ordered to a third reading, read the third time, and passed.

SGT. JOHN H. MOTT

The bill (S. 182) for the relief of Sgt. John H. Mott was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sgt. John H. Mott, of Denver, Colo., the sum of $83, in full satisfaction of this claim against the United States for refund of a forfeiture of pay which was imposed upon him on November 11, 1944, by the commanding general, Second Air Force, who subsequently determined that he had erroneously punished the said John H. Mott: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

COLUMBIA HOSPITAL OF RICHLAND COUNTY, S. C.

The bill (H. R. 431) for the relief of the Columbia Hospital of Richland County, S. C., was considered, ordered to a third reading, read the third time, and passed.

CHARLES E. CROOK AND B. L. FIELDER

The bill (H. R. 2268) for the relief of Charles E. Crook and B. L. Fielder was considered, ordered to a third reading, read the third time, and passed.

MRS. INGA PATTERSON

The bill (H. R. 1152) for the relief of Mrs. Inga Patterson, widow of F. X. Patterson, was considered, ordered to a third reading, read the third time, and passed.

EXPORTATION OF SURPLUS AGRICULTURAL COMMODITIES

The joint resolution (S. J. Res. 187) authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs was announced as next in order.

Mr. SALTONSTALL. Mr. President, may we have an explanation of the joint resolution? I make the inquiry because last December, if I remember correctly, the Committee on Appropriations reported a measure providing fifty-seven and one-half million dollars additional for the Commodity Credit Corporation, in order that food might be sent abroad at caloric value. That affected fruit in California and certain other commodities. I should like to know what this joint resolution would do, and if it would add to the appropriation for the Commodity Credit Corporation.

Mr. AIKEN. Mr. President, as the Senator from Massachusetts has stated, the emergency relief bill of last December authorized the Commodity Credit Corporation to incur a loss of up to fifty-seven and one-half million dollars in shipping perishable foods overseas at the caloric value. The loss was incurred very rapidly. For instance, potatoes delivered overseas were worth $1.11 a hundred at the caloric value. The transportation costs were $1.07, leaving only 4 cents to be returned to the Government.

Other obligations have been made for the shipment of eggs, citrus fruit juices, and dried fruits. The fifty-seven and one-half million dollars has been entirely obligated, and there is still a great need for supporting the price of dried fruits and citrus juices. Only this morning the Committee on Agriculture and Forestry held a hearing on a certain bill, and it was brought out at the hearing that grapefruit and orange growers are now getting anywhere from 5 to 25 cents a box for their fruit. There are about 70,000 tons of dried fruit, principally prunes and raisins, on the Pacific coast with which something must be done, or they will have to be dumped. At the present time the Department of Agriculture cannot even dispose of what it has left on hand, to say nothing of supporting the price any further. Therefore it is asking for the restoration of the $40,000,000 of section 32 funds, which were taken from it last summer by the appropriation bill.

The joint resolution further provides that these surplus perishable commodities shall be sold at the cost price, but the Secretary of Agriculture may contribute half the cost. In other words, they will be turned over to the European relief recovery program, not at caloric values—and of course citrus fruits have no caloric value whatsoever, although they have other values—at half the cost which the Department has been put to in attempting to support the prices.

Mr. SALTONSTALL. Mr. President, this measure restores $40,000,000 of the Department of Agriculture appropriation which was cut off by the Budget. If that $40,000,000 is restored, it will permit the Department of Agriculture, or the Commodity Credit Corporation, to sell at half price, the other half to be put up by the War Relief Agency of the War Department, to make up the full parity price in sending these commodities abroad.

Mr. AIKEN. The full amount of the support price. The Department has not been supporting citrus fruits, raisins, prunes, and so forth, at 90 percent of parity. It has been supporting potatoes at 90 percent of parity, as was required by the Steagall amendment. They have been purchasing raisins at 6½ cents a pound. I do not know what they have paid for grapefruit juice. They bought prunes at 9 cents a pound. Of course, that is not anywhere near parity. Whatever the cost, the relief agencies will pay half, and the other half will be charged up to the support price.

Mr. SALTONSTALL. If this is not done, then is it the opinion of the Senator that this food may have to go to waste, or be used for nonfood purposes?

Mr. AIKEN. It is my understanding that if the proposed action is not taken, the food may go to waste, because the only other outlet for it is in the normal channels of trade in this country, and it cannot be sold in that way at less than cost. The prices of citrus fruits and dried fruits generally have become so completely demoralized that they have practically no value on the market. They are selling in the open market for less than the support price, which was extremely low.

Mr. SALTONSTALL. So it is not a question of war relief in any way, or relief to foreign countries. The issue, is it not, is as to whether the Commodity Credit Corporation shall have an additional $40,000,000 to support the market prices of certain commodities?

Mr. AIKEN. The Senator's understanding is correct.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Vermont yield to the Senator from Texas?

Mr. AIKEN. I yield.

Mr. CONNALLY. I congratulate the Senator from Vermont. He will recall that section 32 was adopted some years ago. I think I offered the amendment in the Senate.

Mr. AIKEN. The Senator is correct.

Mr. CONNALLY. It was for the purpose of stimulating the exportation of agricultural commodities. We were at that time seeking measures to help agriculture. So that this is not a departure; it is simply making use of the policy we then adopted, which was arrested by the taking away of the funds. Is that correct?

Mr. AIKEN. The Senator is correct. Section 32 funds, which, under the law, would be available to the Department of Agriculture for this purpose, amounted to $149,000,000. Out of that the Committee on Appropriations allocated $65,000,000 to the school-lunch program, and then appropriated $44,000,000 to the Department of Agriculture for the purpose of supporting prices. That left $40,000,000, which ordinarily would have belonged to the Department of Agriculture to use for this purpose anyway, and that is what they are asking for now.

Mr. CONNALLY. As I recall, section 32 provides that 30 percent of the revenues from import duties may be set aside for the use of the Department of Agriculture, or some other agency, in paying what some would call export bounties to aid in the exportation of agricultural commodities to Europe and elsewhere.

Mr. AIKEN. That is correct.

Mr. CONNALLY. The pending measure merely provides that we shall return to a policy heretofore ordained and maintained by the Congress.

Mr. AIKEN. The Senator is entirely correct.

Mr. CONNALLY. We are doing it only in a limited way. Forty million dollars is a very small part of what ordinarily would be available.

Mr. AIKEN. One unfortunate effect of the provisions of the emergency relief act which was passed last December has been that countries of Europe were purchasing limited amounts of the commodities affected through the normal channels of trade. However, when Congress enacted the legislation providing that they should be paid for at the caloric value of wheat, it is my understanding that the foreigners stopped their purchases through the normal channels of trade. They waited for these products to be delivered naturally at the caloric value, and, of course, the Senator knows that grapefruit and oranges, prunes and raisins, have other values, but very small caloric values.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

The PRESIDING OFFICER. The Chair does not like to interpose in the debate, but the Chair would observe that the Senator from Vermont has had the floor for about 10 minutes, and that the Senate is proceeding under the 5-minute rule. Therefore the Chair recognizes the Senator from Massachusetts.

Mr. AIKEN. The Senator from Vermont assumed that the questions were being asked in the time of the Senators asking them.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Vermont one more question. Is it the Senator's understanding that if the joint resolution shall be enacted, $40,000,000 will become available, or will it have to go through the Committee on Appropriations?

Mr. AIKEN. I should prefer a parliamentary ruling on that question. I think it would have to go through the Committee on Appropriations.

Mr. SALTONSTALL. I ask the question because the explanation in the report says:

> Senate Joint Resolution 187 also cancels the rescission of the remainder of section 32 funds by the act of July 30, 1947, and thereby makes available an additional $40,000,000 for the purposes of section 32 for the fiscal year ending June 30, 1948.

Mr. AIKEN. There was a question in my mind as to whether the Committee on Appropriations had the authority to rescind the $40,000,000 in the first place.

Mr. SALTONSTALL. But is it the understanding of the Senator from Vermont that the matter does have to go through the Appropriations Committee?

Mr. AIKEN. I would think not. I should prefer, however, that someone who has had more experience than I have had in parliamentary procedure answer that question.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CONNALLY. I have not reviewed the subject recently, but it is my recollection of the provisions of section 32 that when the revenues came in they were, under section 32, automatically transferred to the fund we are speaking of. Therefore, action by the Appropriations Committee would not be required.

Mr. AIKEN. I agree with the Senator from Texas. There always was a question in my mind as to whether the Appropriations Committee had the right to take away the funds through legislation attached to an appropriation bill.

Mr. WHERRY. Mr. President, will the Senator yield for a question in my time?

Mr. AIKEN. I shall be glad to answer the Senator in his own time.

Mr. WHERRY. Will the Senator restate the reason why it is that these surplus agricultural products cannot be sold in the United States?

Mr. AIKEN. Because they cannot be sold for less than the support price, which is 90 percent of parity in the case of fruit, and because the market has become so demoralized that the support price, even low as it is, of 6½ cents a pound for raisins and 9 cents a pound for prunes, is still higher than the market price.

Mr. WHERRY. Does the surplus the Senator from Vermont is speaking of include only dried and fresh prunes? Are not some dried eggs included, which we cannot sell?

Mr. AIKEN. Yes; but I think the eggs which were on hand have been largely disposed of.

Mr. WHERRY. Not long ago there were some $30,000,000 worth of eggs on hand.

Mr. AIKEN. Fifty million dollars' worth.

Mr. THYE. Mr. President——

Mr. WHERRY. Just a minute, please.

The PRESIDING OFFICER. The Senator from Nebraska has the floor. Does the Senator yield to the Senator from Minnesota?

Mr. WHERRY. I shall be glad to do so in a moment. The point I want to make is that these products which are now surplus are so low in price as to be below the support price, and they cannot be sold in the United States below the support price. Therefore we are selling them abroad.

Mr. AIKEN. The Senator from Nebraska is correct.

Mr. WHERRY. Some agricultural products are becoming so low in price that we cannot even sell them here, because the price of the products in question is below the support price, low as it is.

Mr. AIKEN. Yes.

Mr. WHERRY. Mr. President, I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I wanted to ask the Senator from Vermont a question concerning the eggs, a commodity of which the Senator from Nebraska was speaking when I first asked him to yield. There were on hand 60,000,000 pounds of frozen United States No. 1 eggs, and 29,000,000 pounds of powdered eggs, which the Commodity Credit Corporation had purchased, and which, under the various foreign-relief measures, it could not send abroad. The fact is that there were on hand 29,000,000 pounds of powdered eggs and 60,000,000 pounds of frozen United States No. 1 eggs which the Commodity Credit Corporation had offered for sale last October, and for which they had not obtained a buyer. The current value of those eggs was just a little lower than what the Commodity Credit Corporation

actually had invested in the eggs. Therefore this joint resolution was introduced in the attempt to have these eggs moved into the channel of European relief foods, and not have them charged up as an item of subsidy to the farmer in the support price Steagall amendment provision. The joint resolution is very timely and helpful, but I wanted to ask the Senator from Vermont whether he believes its enactment would affect the legislation contained in Senate bill 2202? Or should we attempt to amend the pending European recovery program legislation so that the question we are now discussing will not be a further question in the months and years to come?

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Vermont to reply?

Mr. WHERRY. I yield for that purpose.

Mr. AIKEN. I think the joint resolution is necessary now, because the citrus fruit is spoiling. I do not think there is any time to lose. If the pending European recovery-plan measure means what it says, I cannot see how it would be effective with respect to the commodities we are discussing. There is a possibility of an ambiguous construction of the language of that bill. Its language would not be ambiguous at all if the pending joint resolution were passed.

Mr. THYE. If I may ask a further question, would the joint resolution extend even over into the provisions of Senate bill 2202? If it would do so, I would not offer an amendment; but if not, then I should like to offer an amendment to correct the situation.

Mr. WHERRY. Mr. President, I believe I have 1 minute left?

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. I simply want to point out to the Members of the Senate that in the case of certain agricultural products the prices have fallen so low that they cannot be sold in the United States, because the price of the products is below the support price. Therefore, we have to sell them across the water.

Mr. SALTONSTALL. Mr. President, will the Senator from Nebraska yield?

The PRESIDING OFFICER. The Senator from Nebraska has 15 seconds left.

Mr. WHERRY. I yield the 15 seconds to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to make a brief statement. It seems to me, Mr. President, that the whole question of agriculture-support prices should be examined. I believe that if the food to which reference has been made is in a marketable shape, it should be used for human food rather than be put to uses other than those of human consumption. Therefore, I believe the joint resolution should become law, but I hope the total subject will be reviewed, and reviewed carefully.

Mr. BREWSTER. Mr. President, I should like to inquire of the Senator from Vermont about the effect of the proposed legislation on the potato situation, which is, of course, of very great concern to us. I am familiar with the point which the Senator made about the caloric value of potatoes. We do not quite like the comparison with wheat, as we think potatoes are perhaps in some ways a better food. But I should like to know what the impact of the pending measure will be when it provides that this is going to be "basis free along ship or free on board vessel, United States ports." The great difficulty with potatoes has been the cost of transportation.

Mr. AIKEN. That is correct.

Mr. BREWSTER. Because unless they are dried they contain some water.

Mr. AIKEN. In the time of the Senator from Maine I will say that the legislation does not affect the obligation on the Government to support the price of potatoes at 90 percent of parity, as it has been doing. It would do away with the necessity for disposing of the potatoes at 4 cents a hundred pounds. In fact, they are worth more than that for many other purposes. If the measure passes it will permit them still to be shipped for food to the central European countries which need them, without at the same time making the expense so great that the Department of Agriculture could not afford to use them for that purpose.

Mr. BREWSTER. Does the Senator have any indication that those responsible for feeding the people of Europe would take advantage of this provision in order to use whatever surplus commodities we have?

Mr. AIKEN. I understand that those responsible would probably reach an agreement with the Department of Agriculture whereby they would go 50–50. Of course, those in charge of the program in Europe would not be obliged to take these prunes, raisins, citrus fruits, and potatoes, and if there is any money left over, I understand that they hope to purchase a little tobacco for shipment overseas. They want to keep the perishables from spoiling first, however.

Mr. BREWSTER. Would the authority of the Administrator of the European relief program, assuming we should pass the ERP bill, also be included under the provisions of the measure we are now discussing, in the matter of procurement?

Mr. AIKEN. I would expect that is intended. If that is not covered by the joint resolution it certainly would be covered by the passage of the measure dealing with the European relief program, the so-called Vandenberg bill.

Mr. REVERCOMB. Mr. President, I desire to address a question to the Senator from Vermont on the subject of potatoes, the subject which has just been raised. I am advised that more than 25,000,000 bushels of the 1946 crop of potatoes were lost entirely, and that nearly one-half million bushels of the 1947 crop were destroyed.

Mr. BREWSTER. Twenty-six million bushels were destroyed, not lost.

Mr. REVERCOMB. Then they were destroyed and purposely lost. When we speak of potato-support price, it seems to me that so far as that program has been administered by the Department of Agriculture there is oversupport when it is administered in a manner so as to create such a surplus that potatoes in this country have to be destroyed. I wish to ask the Senator from Vermont in what way the passage of the joint resolution would remedy the situation with respect to the loss of potatoes?

Mr. AIKEN. It would permit them to be used as food overseas rather than fed to stock at the rate of $5 a carload in this country, or converted into alcohol at a very low price.

Mr. REVERCOMB. What prevented the potatoes which were lost or destroyed from being shipped abroad?

Mr. AIKEN. The law prevented it. There was a prohibition against shipping them overseas or selling them for human consumption at a cost less than the support price.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. REVERCOMB. I shall be glad to yield in a moment. I have only a limited time. I should prefer to have the Senator speak in his own time.

Mr. AIKEN. The support of potato prices has not cost anywhere near as much for the 1947 crop as for previous crops. Up to January 31 approximately $6,000,000 had been spent. A year ago, of course, there was very heavy production which had to be supported.

Mr. REVERCOMB. I simply wish to make the observation that it appears from the figures that, instead of support, we have a great oversupport. We have a waste of money, the growth of too many potatoes and the destruction of food when we are talking about the need of food. I do not see how this measure could relieve that situation if the administrators of the act under the Department of Agriculture are to continue to oversupport the price of potatoes to the extent that too many potatoes will be produced, resulting in their destruction. That is one of the most wasteful things that has occurred in the Government.

The Senator says that the joint resolution would permit the shipment of potatoes abroad.

Mr. AIKEN. That is correct; and the Government is obligated to support the price of potatoes for this year. A number of potato growers appeared before the Committee on Agriculture and Forestry and stated that the 90-percent-of-parity support constituted an incentive price, and they suggested that it be reduced. We are now working on a new agricultural bill, and I can assure the Senator from West Virginia that this subject will be given consideration. The potatoes dealt with by the joint resolution are the potatoes which are already on hand and which we own, or potatoes which we are obligated to buy.

Mr. REVERCOMB. I am certainly glad to hear that some consideration will be given to the question of limitation of support. I am not objecting to the support, but I am objecting to the administration of it, which creates a situation of oversupply and too high support.

Mr. AIKEN. In the past few years we have learned how to grow so many potatoes to the acre that the support price does constitute an incentive to overproduction.

Mr. REVERCOMB. Does the Senator from Vermont feel that the passage of the joint resolution would relieve the situation with respect to the waste of potatoes?

Mr. AIKEN. I think it would prevent potatoes from being destroyed. I am speaking of potatoes which we already have to buy under the law. I think it would relieve the situation.

Mr. REVERCOMB. I am also advised that the problem will be further taken care of by legislation which would stop the oversupport of potato prices.

Mr. AIKEN. We hope to have a bill ready before long which will provide for the production of more commodities of which we are short, and do away with the overproduction of those which are already in surplus.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. I might reassure the Senator from West Virginia by stating that under the operations of the law the potato production of the country has declined by more than 75,000,000 bushels during the past year. That is about 20 percent. So potatoes are not a conspicuous example of this evil. A year ago they were. That was when the unfortunate episode of destruction occurred. This year potatoes are being used, and are in much more limited supply.

Mr. REVERCOMB. As I understand, half a million bushels of the 1947 crop were destroyed.

Mr. AIKEN. Those were early potatoes which could not be transported.

Mr. WHERRY. Mr. President, I should like to direct a question to the distinguished minority leader [Mr. BARKLEY] in his time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I am not seeking recognition.

Mr. WHERRY. Mr. President, the Senator from Minnesota [Mr. THYE] raised a very important question. I should like to have his attention. The Senator from Minnesota raised an important question while I was detained from the Chamber, a question which I think might be involved in Senate bill 2202. On page 22 of that bill, in subsection (c) of section 12, beginning in line 12, the following language appears:

> (c) In procuring from sources within the United States any agricultural commodity not in short supply in the United States for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this act, provide for the procurement of an amount of each class or type of any such commodity in approximate proportion to the total exportable supply of such class or type of such commodity.

That is the reason why I am addressing this question to the minority leader. For the life of me I cannot understand that provision. I understand that the Senator from Kentucky can give us an explanation. If I interpret the provision correctly, it seems to me that in the event the bill should become law, if potatoes were in surplus, it would be necessary for the Administrator to see to it that each variety of potatoes, in proportion to the whole, was shipped. That provision might affect in some way different crops of potatoes throughout the country.

Mr. BARKLEY. The Senator is now speaking of a provision in the European Recovery Act?

Mr. WHERRY. Yes.

Mr. BARKLEY. The object of that provision was to make it possible to direct the attention of the Administrator to the procurement and distribution of surplus agricultural products wherever they were found, in proportion to the exportable supply of such agricultural products, without attempting to force on any country a commodity which it does not desire and is not in the habit of using. That is why the provision is so worded as to take into consideration the requirements of the recipient country. That is the reason for the provision that the Administrator "shall, insofar as practicable and where in furtherance of the purposes of this act, provide for the procurement of an amount of each class or type of any such commodity in approximate proportion to the total exportable supply of such class or type of such commodity."

The purpose is, in furnishing aid, to work off some of our surplus commodities.

Mr. WHERRY. I agree that that was what was intended. I raise the point only because the Senator from Minnesota made the point with respect to potatoes. If I correctly understand the minority leader, when potatoes are to be procured, the Administrator shall take out of the surplus—it must be a surplus commodity to begin with—a certain percentage of the varieties in surplus, in proportion to the total exportable supply of each variety of potatoes. If I correctly understand the provision, the same thing would be true of wheat.

Mr. BARKLEY. I do not see how the pending proposal would have any particular effect on wheat.

Mr. WHERRY. I am speaking about the recovery bill.

Mr. THYE and Mr. BREWSTER addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Minnesota.

Mr. THYE. Mr. President, as I understand, the primary purpose of the joint resolution is to relieve or ease the situation so far as the Commodity Credit Corporation and its administrative restrictions are concerned. As I understand—and if I am not correct I should like to be corrected—there is a provision in the European relief bill which restricts food shipments involving commodities with a higher calorie cost than that of wheat. Naturally potatoes, eggs, and fruits all have a higher calorie cost than wheat. If we are so restricted a false demand is created upon the wheat market by creating a shortage in that cereal. On the other hand, at the same time we have more than 60,000,000 pounds of frozen eggs, and more than 29,000,000 pounds of dried eggs. We have potatoes in surplus, which are a problem. We also have the citrus problem. There is no reason for making ourselves short in the cereal crop while at the same time we have a surplus of other food crops. Why not amend the bill in such a way that potatoes, eggs, and citrus fruits may be shipped abroad in relief food shipments, rather than confining such shipments to wheat? That is the only purpose of the joint resolution. I think it is an absolutely sound measure; and I believe that the emergency relief bill, Senate bill 2202, should have some such safety provision in it.

The PRESIDING OFFICER. The Senator from Kentucky has 30 minutes remaining.

Mr. BARKLEY. I yield to the Senator from Maine.

Mr. BREWSTER. I assume, Mr. President, that the words "class or type" are a technical term which the Senator has inserted.

Mr. BARKLEY. Yes.

Mr. BREWSTER. And I also assume it would also include Maine potatoes.

Mr. BARKLEY. Yes.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. WILLIAMS. Mr. President, I am inclined to agree with the Senator from Minnesota in regard to the measure; but inasmuch as it is of so much importance, I ask that it go over until we can discuss it further.

The PRESIDING OFFICER. Objection being made, the joint resolution will be passed over.

Mr. HOLLAND subsequently said: Mr. President, if I may have the attention of the junior Senator from Delaware [Mr. WILLIAMS], let me say I sincerely hope he will withdraw his objection to the present consideration of Senate Joint Resolution 187, because, if it is not passed, I understand it will put the Senate in the position of insisting that surplus supplies of potatoes on hand shall be converted into animal food or into alcohol, although there is a pressing need for them for human food.

So I sincerely hope the junior Senator from Delaware will recede from his opposition to present consideration and passage of the joint resolution.

I wish to associate myself clearly with the statement made by the junior Senator from Minnesota [Mr. THYE] as to the desirability of having the Senate immediately pass this joint resolution, without the enactment of which there will have to be a conversion into animal food or alcohol of potatoes and other food suitable for human consumption.

Mr. WILLIAMS. Mr. President, I do not think anyone has criticized any more than I have the policy of the Department of Agriculture about storing these potatoes. I understand there is nothing which now prohibits the Department of Agriculture from selling these potatoes in Europe if it sees fit to do so. This joint resolution merely provides that they may be disposed of at a reduced price. For instance, during the last year, a considerable number were sold in Argentina at a 50-percent reduction in price, while at the same time there were widespread protests in the United States about the cost of living in this country. I do not see why we should keep the cost of living to our citizens high and at the same time permit these potatoes to be sold to citizens of foreign countries at a 50-percent reduction in price. That does not seem to me to be a sensible thing to do, so I wish to study the matter a little further.

The PRESIDING OFFICER. Under the objection which has been made, the joint resolution has been passed over.

REORGANIZATION PLAN NO. 1—CONCURRENT RESOLUTION PASSED OVER

The PRESIDING OFFICER. The next measure on the calendar will be stated.

The concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948, was announced as next in order.

Mr. WHERRY. Mr. President, this measure is under the Reorganization Act, I believe.

Mr. BARKLEY. It is.

The PRESIDING OFFICER. The Senator's statement is correct.

Mr. WHERRY. This measure will have to be passed over at this time. I wish to announce that if it appears that the unfinished business, the European recovery bill, cannot be terminated one way or another by possibly Thursday or Friday of this week, the Senate will have to take action on this measure sometime soon. The Members of the Senate should recall that this reorganization plan, Concurrent Resolution No. 1, must be acted on by the 19th. Some determination regarding it must be made by that time. So I feel that we should hold ourselves in readiness to consider the concurrent resolution, if we find that the unfinished business, the European recovery bill, is not to be concluded by Thursday or Friday of this week. If we find that to be the case, one of those afternoons will have to be set aside for the consideration of this concurrent resolution.

Mr. BARKLEY. Mr. President, I certainly hope we shall dispose of the European recovery bill this week, even if we have to remain in session on Saturday. A number of Senators who now are absent have planned to return whenever they think the Senate is about to vote on the European recovery bill. Of course, it is desirable to have as large an attendance as possible when the Senate votes on the reorganization plan as well.

Mr. WHERRY. That is correct.

Mr. BARKLEY. So it occurs to me that we might arrange for a vote on this concurrent resolution relating to the Reorganization Act at such time, when a large number of Senators will be present in connection with the vote on the European recovery bill.

I realize that the reorganization plan concurrent resolution must be voted on by the 19th; but I suggest that it be passed over at this time until the Senate has either passed the European recovery bill or has exhausted every effort to have it passed promptly.

Mr. WHERRY. Today is March 8.

Mr. BARKLEY. Yes; and the concurrent resolution relating to the reorganization plan must be acted on by the 19th, which is 11 days from now.

Mr. WHERRY. Mr. President, I shall attempt to cooperate in every possible way with the Senator from Kentucky in regard to this matter. I have made the announcement so that the Senate may be in readiness.

Mr. BARKLEY. Of course, I have no desire to postpone action on the concurrent resolution relative to the reorganization plan, or to take any advantage of the situation in regard to the present unfinished business—the European recovery bill.

Mr. WHERRY. Certainly.

Mr. BARKLEY. Moreover, we realize that the reorganization plan concurrent resolution is a privileged matter which may be taken up at any time.

Mr. WHERRY. That is correct.

The PRESIDING OFFICER. Objection being made, the concurrent resolution is passed over.

SUPERIOR NATIONAL FOREST, MINN.

The PRESIDING OFFICER. The next measure on the calendar will be stated.

The Senate proceeded to consider the bill (S. 1090) to safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 8, in line 3, after the word "paid", to strike out "annually by the Secretary of the Treasury to the State of Minnesota such sums as shall be certified to him by the Secretary of Agriculture as equaling, as of the first day of the preceding fiscal year, the number of acres of national-forest land situated within the areas described in section 2 of this act multiplied by 12 cents per acre; and such sums" and insert "at the end of each fiscal year by the Secretary of the Treasury to the State of Minnesota the amount, if any, by which the payment made under the above-cited acts for such year is less than the sum certified to him by the Secretary of Agriculture as equaling, as of the first day of such year, the number of acres of national-forest land situated within the areas described in section 2 of this act multiplied by 7½ cents per acre; and such amount", so as to make the bill read:

Be it enacted, etc., That to protect and administer more effectively the publicly owned lands within certain parts of the area described in section 1 of the act approved July 10, 1930 (46 Stat. 1020), and to accomplish certain public purposes explicit and implicit in sections 2 and 3 of said act, the Secretary of Agriculture is authorized and directed to acquire any lands or interest in lands, and appurtenances thereto, situated within the area described in section 2 of this act, where in his opinion development or exploitation, or the potentialities for development or exploitation, impair or threaten to impair the unique qualities and natural features of the remaining wilderness canoe country: *Provided, however*, That under the authority of this act no contiguous tract of land in one ownership, not exceeding 500 acres in the aggregate, shall be condemned if at the time of the approval of this act it is encumbered with a structure or structures of a permanent type suitable for human occupancy and if the owner thereof files written objections before expiration of the time for answering the petition in the proceedings.

SEC. 2. That the authority granted in section 1 of this act shall be supplemental to the authority granted by existing acts relating to the acquisition of lands for national-forest purposes and shall not be deemed as repealing any portions of those acts; and said supplemental authority granted by section 1 of this act, but not the authority granted by existing acts, shall be confined to the following-described areas in Cook, Lake, and St. Louis Counties, State of Minnesota:

Township 63 north, range 2 west, fourth principal meridian, sections 5 to 8, inclusive.

Township 63 north, range 3 west, fourth principal meridian, sections 1 to 12, inclusive.

Township 63 north, ranges 4, 5, 6, 7 and 8 west, fourth principal meridian, entire townships.

Township 63 north, range 9 west, fourth principal meridian, south half section 19 and sections 20 to 36, inclusive.

Township 63 north, range 13 west, fourth principal meridian, section 6.

Township 63 north, range 14 west, fourth principal meridian, sections 1 to 12, inclusive, and 14 to 22, inclusive.

Township 63 north, range 15 west, fourth principal meridian, sections 1 to 3, inclusive.

Township 63 north, range 16 west, fourth principal meridian, sections 1 to 3, inclusive, 10 to 15, inclusive, and 22 to 24, inclusive.

Township 64 north, range 3 east, fourth principal meridian, south half section 7.

Township 64 north, range 2 east, fourth principal meridian, sections 1 to 12, inclusive.

Township 64 north, range 1 east, fourth principal meridian, sections 1 to 4, inclusive, south half section 7, sections 8 to 12, inclusive, 15 to 17, inclusive, and east half section 18.

Township 64 north, range 1 west, fourth principal meridian, sections 17 to 20, inclusive, and 29 to 32, inclusive.

Township 64 north, range 2 west, fourth principal meridian, sections 7 to 11, inclusive, and 13 to 36, inclusive.

Township 64 north, range 3 west, fourth principal meridian, sections 7 to 36, inclusive.

Township 64 north, range 4 west, fourth principal meridian, sections 6, 7, and 10 to 36, inclusive.

Township 64 north, ranges 5, 6, 7, and 8 west, fourth principal meridian, entire townships.

Township 64 north, range 9 west, fourth principal meridian, sections 1 to 24, inclusive.

Township 64 north, range 10 west, fourth principal meridian, sections 1 to 18, inclusive.

Township 64 north, range 11 west, fourth principal meridian, sections 1 to 4, inclusive, and 9 to 16, inclusive.

Township 64 north, range 13 west, fourth principal meridian, sections 5 to 8, inclusive, 15 to 22, inclusive, and 28 to 32, inclusive.

Township 64 north, range 14 west, fourth principal meridian, sections 6 to 36, inclusive.

Township 64 north, range 15 west, fourth principal meridian, sections 1 to 3, inclusive, and 10 to 36, inclusive.

Township 64 north, range 16 west, fourth principal meridian, sections 22 to 27, inclusive, and 34 to 36, inclusive.

Township 65 north, range 2 east, fourth principal meridian, entire township.

Township 65 north, range 1 east, fourth principal meridian, sections 19 to 30, inclusive, and 33 to 36, inclusive.

Township 65 north, range 1 west, fourth principal meridian, sections 19 to 30, inclusive.

Township 65 north, range 4 west, fourth principal meridian, sections 1 to 3, inclusive, 10 to 14, inclusive, and 31.

Township 65 north, range 5 west, fourth principal meridian, sections 6, 7, and 18 to 36, inclusive.

Township 65 north, ranges 6, 7, 8, 9, 10, and 11 west, fourth principal meridian, entire townships.

Township 65 north, range 12 west, fourth principal meridian, sections 1 to 17, inclusive, 20 to 27, inclusive, and 34 to 36, inclusive.

Township 65 north, range 13 west, fourth principal meridian, sections 1 to 3, inclusive, and 10 to 12, inclusive.

Township 65 north, range 14 west, fourth principal meridian, sections 18, 19, 30, and 31.

Township 65 north, range 15 west, fourth principal meridian, sections 13, 14, 23 to 26, inclusive, 35 and 36.

Township 66 north, range 4 west, fourth principal meridian, sections 3, 9, 16, 21, 22, 26 to 28, inclusive, and 33 to 36, inclusive.

Township 66 north, range 5 west, fourth principal meridian, sections 2, 8, 9, 16 to 20, inclusive, 30 and 31.

Township 66 north, range 6 west, fourth principal meridian, entire township.

Township 66 north, ranges 11, 12, and 13 west, fourth principal meridian, entire townships.

Township 66 north, range 14 west, fourth principal meridian, sections 1 to 28, inclusive, and 33 to 36, inclusive.

Township 66 north, range 15 west, fourth principal meridian, sections 1 to 17, inclusive, and 20 to 24, inclusive.

Township 66 north, range 16 west, fourth, principal meridian, sections 1 to 5, inclusive, and 9 to 12, inclusive.

Township 67 north, ranges 13, 14, and 15 west, fourth principal meridian, entire townships.

Township 67 north, range 16 west, fourth principal meridian, sections 6 to 8, inclusive, 16 to 18, inclusive, 20, 21, 28, 29, and 32 to 34, inclusive.

Township 67 north, range 17 west, fourth principal meridian, those portions of sections 1, 12, and 13 east of Crane Lake.

Township 68 north, ranges 13, 14, 15, and 16 west, fourth principal meridian, entire townships.

Township 68 north, range 17 west, fourth principal meridian, that portion of section 36 east of Crane Lake.

SEC. 3. That lands shall be acquired by purchase or condemnation under the supplemental authority granted in section 1 of this act only with prior approval of the National Forest Reservation Commission created by section 4 of the act approved March 1, 1911 (36 Stat. 961), as amended, and lands so acquired shall become parts of the Superior National Forest and be subject to the provisions of said Act (36 Stat. 961), as amended, and of such other laws as apply to land acquired under the provisions of said act (36 Stat. 961), as amended, except as hereinafter provided.

SEC. 4. That upon finding and determination by the Secretary of Agriculture that the public purposes and objectives explicit and implicit in the act approved July 10, 1930 (46 Stat. 1020), more effectively can be accomplished by exchanging lands of the United States situated within the boundaries described in said act for other lands in State, county, or private ownership situated within the said boundaries which are more suitable for public ownership, management, and use, for the purposes contemplated by said act, such lands of the United States shall be subject to exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), as amended, or the provisions of the act of March 3, 1925 (43 Stat. 1215).

SEC. 5. That in addition to the payment to the State of Minnesota under the provisions of the act of May 23, 1908 (35 Stat. 260), and of section 13 of the act of March 1, 1911, as amended (36 Stat. 961; 38 Stat. 441), there shall be paid at the end of each fiscal year by the Secretary of the Treasury to the State of Minnesota the amount, if any, by which the payment made under the above-cited acts for such year is less than the sum certified to him by the Secretary of Agriculture as equaling, as of the first day of such year, the number of acres of national-forest land situated within the areas described in section 2 of this act multiplied by 7½ cents per acre; and such amount shall be expended for the benefit of the counties in which said national-forest lands are situated in the manner prescribed by State law for the expenditure of payments made under the acts cited above or in such other manner as the State legislature may hereafter prescribe: *Provided, however*, That the first payment to the State of Minnesota under the provisions of this section shall not be due until the close of the first full fiscal year after approval of this act.

SEC. 6. That there are hereby authorized to be appropriated annually such sums as are necessary to carry out the provisions of this act: *Provided, however*, That the total appropriations under the authority of this act shall not exceed $500,000 for the purchase and condemnation of land.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TOWN SITE OF WADSWORTH, NEV.

The bill (S. 1871) to restore certain lands to the town site of Wadsworth, Nev., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That those portions of the town site of Wadsworth, Washoe County, Nev., which were added to the Pyramid Lake Indian Reservation by order of the Acting Secretary of the Interior, dated January 12, 1939, are hereby restored to and made a part of such town site. All proceeds from the disposition of lots within the lands restored to the town site of Wadsworth by this act, which shall be sold at a price of $25 per lot, shall be deposited in the Treasury of the United States to the credit of the Pyramid Lake Paiute Tribe of Indians of the Pyramid Lake Indian Reservation, Nev.

The PRESIDING OFFICER. That completes the call of the calendar.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended.

The PRESIDING OFFICER. The calendar having been completed, the Senate now reverts to the consideration of the unfinished business.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KNOWLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, after line 20, it is proposed to insert a new subsection, as follows:

(d) No export shall be authorized pursuant to authority conferred by section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the Secretary of Commerce determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this act as determined by the Administrator: *Provided, however*, That such export may be authorized if the Secretary of Commerce determines that such export is otherwise in the national interest of the United States.

Mr. KNOWLAND. Mr. President, this is the perfected language of the amendment I offered on March 2, perfected after consultation with the chairman of the Foreign Relations Committee, who, in turn, discussed the matter with the Department of State. I think there are ample safeguards in it now to protect the United States on a matter of policy where it would be in our national interest to make such exports. But at the same time I think it will clearly indicate the congressional intent that at least we should be getting a full quid pro quo for the exports that go out of this country into Russia or the satellite powers. As I pointed out the other day when I placed in the RECORD the list of exports to the U. S. S. R. and the list of imports from that country, it is true that we are getting certain basic materials from Russia, namely, chrome and manganese. But I call the attention of the Senate to the fact that while the value of metal imports from Russia to the United States in 1947 amounted to less than $20,000,000, we were, in turn, exporting to them last year more than $149,000,000 worth of materials—a large part of which consisted of industrial equipment—this added to her economic abilities and her war potentials. I think that this may at least serve notice on the administrative officials that we should be getting a full quid pro quo and should stop building up the one nation trying to obstruct the Marshall plan.

Mr. VANDENBERG. Mr. President, in the present form submitted by the able Senator from California, I believe there is no objection to the amendment. Personally, I should be very glad to have it agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from California.

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, I send to the desk an amendment and ask that the clerk read it.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of section 11 (a) (2), it is proposed to insert:

The Administrator shall, in providing for the procurement of commodities under authority of this act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 percent of the gross tonnage of commodities, procured within the United

States out of funds made available under this act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

Mr. KNOWLAND. Mr. President, I offer the amendment and again perfected it after consultation with the chairman of the Foreign Relations Committee. The chairman I understand has had the matter up with the Department of State. It seems to me that the maritime industry and maritime labor should not be called upon to submit to an undue disadvantage under the Marshall plan. Certainly we are not importing low-paid foreign labor and putting the workers at work producing in American plants in order to give a reduction in the price of the commodity. Those in the maritime industry, and particularly labor in the maritime industry, do not feel that they should be unnecessarily or unjustifiably discriminated against in the program. The amendment provides that insofar as practicable at least 50 percent of the cargoes procured in the United States shall be shipped in American vessels, providing such vessels are available at market rates. I think there are ample safeguards in it to prevent the Government or the participating countries from having to pay an excessive rate on the shipments. But I want to call attention to the fact that while at the present time, according to the information furnished by the State Department, more than 50 percent of the cargoes are being carried by United States bottoms, though the percentage varies from month to month, that is true only so long as the bulk movements of coal and grain continue. When they drop off, as the European program succeeds, the percentage is very likely to drop to about 33 percent, which was a peak reached during the prewar period, over the 10 percent carried in 1914. I believe it is a constructive amendment and one that furnishes ample safeguards.

Mr. VANDENBERG. In the form finally submitted by the able Senator from California, which has the approval of all the authorities I have consulted on the subject, I think the amendment is entirely satisfactory. I hope it may be agreed to.

Mr. BREWSTER. Mr. President, I may say that I had an amendment very similar in character which I proposed, and which was pending, dealing with 50 percent of the commodities being procured within the United States. Under the change in the form of the amendment presented by the Senator from California, I understand he has now reduced it so it applies only to commodities procured within the United States. In that form it seems to me entirely agreeable, so that I withdraw the amendment now on the table, which I had proposed.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

Mr. WHERRY. Mr. President, I should like to add for the RECORD that inasmuch as my name was also on the amendment of the Senator from Maine, because of the showing made in the Small Business Committee relative to the need I am in total agreement with the amendment that is now submitted by the Senator from California, which is in reality the same as the one that was submitted by the distinguished Senator from Maine and myself.

Mr. BALL. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 29, line 2, it is proposed to strike out the words "valid rate of exchange" and insert in lieu thereof the following: "rate of exchange which will reflect with reasonable accuracy the relative purchasing power of such currency."

Mr. BALL. Mr. President, I rather expect this amendment to be controversial. Before I proceed to discuss it, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Moore
Ball	Hatch	Morse
Barkley	Hayden	Myers
Brewster	Hickenlooper	O'Conor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Overton
Buck	Ives	Pepper
Butler	Jenner	Reed
Byrd	Johnson, Colo.	Revercomb
Cain	Johnston, S. C.	Robertson, Va.
Capehart	Kem	Robertson, Wyo.
Capper	Kilgore	Russell
Chavez	Knowland	Saltonstall
Connally	Langer	Smith
Cooper	Lodge	Sparkman
Cordon	Lucas	Stennis
Donnell	McCarran	Taylor
Downey	McCarthy	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Ecton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	

The PRESIDING OFFICER. Eighty-three Senators having responded to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL].

Mr. BALL. Mr. President, the amendment which I have offered, and which has been read, is the one submitted by me and the Senator from Nebraska [Mr. WHERRY] and lettered "B" with one change in line 4, in place of the word "actual," to insert the word "relative."

Mr. President, This is an amendment to section 15 of the pending bill, which deals with the bilateral and multilateral agreements to be negotiated by the Secretary of State, and to be the basic contracts, I understand, under which the whole program will operate.

Subdivision (b) of section 15 directs the Secretary of State to negotiate these agreements, and provides, reading from page 28:

> Such agreement shall provide for the adherence of such country to the purposes of this act and shall, where applicable, make appropriate provision, among others, for—
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> * * * * *
>
> (2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system.

The amendment I have offered would strike out the words "a valid rate of exchange" at the top of page 29, and substitute the words "rate of exchange which will reflect with reasonable accuracy the actual purchasing power of such currency."

Mr. President, I think the purpose of the amendment is apparent. It merely seeks to correct the situation which every businessman with whom I have talked about the program says is one of the serious deterrents to speedy recovery in Europe, namely, the existence of legal, and valid I might say, rates of exchange which do not reflect accurately the relative purchasing power of the currencies involved.

France, for example, up until its recent action, had the franc pegged, as I recall, at 120 to the dollar, whereas in the free or black market, and in the free market maintained in Switzerland, the rate was about 300 to the dollar. Obviously in that kind of situation an American importer seeking to buy French goods had to pay more than twice as many dollars for the francs as the free market in foreign exchange indicated the francs were actually worth in terms of purchasing power. Therefore, when he finally got the French goods to America, he had to charge more than twice as much in dollars as he would if the foreign exchange rate had reflected the actual relative purchasing power of the two currencies.

Mind you, Mr. President, all the 16 countries in the CEEC program are suffering, we are told, from a shortage of dollars. The effect of these rates of exchange which are in excess of relative purchasing power is to price out of America many of their products, which otherwise might be exported to this country and provide dollar exchange.

As nearly as I could figure out, the only French goods that were coming into America in any quantity prior to the recent devaluation of the franc, were luxury goods, with respect to which price was a minor consideration.

I was informed this morning that the British pound is currently quoted on the Swiss foreign exchange, which is a free market for foreign exchange, at $2.50, whereas its legal rate in Britain and the price which any American importer must pay for a pound is $4.03, or thereabouts. I question whether the actual relative value of the British pound is that low, but it is considerably lower than the current exchange, which in turn tends to price British imports into the Americas right out of the market at the very time when, we are told, these countries must expand their exports in order to build up the dollar exchange necessary to pay for their essential imports.

I think the same situation is true with respect to several other countries.

Mr. CONNALLY. Which amendment is the Senator discussing?

Mr. BALL. The one lettered "B" dealing with the rate of foreign exchange.

Mr. President, I took the trouble to look up the meaning of the word "valid"

in legislation and, according to Webster's Dictionary, and to the lawyers I consulted, in law all the word "valid" means is "legal, sound, and sufficient." All the present rates of foreign exchange are valid, according to that definition. So it seems to me the language in the bill as it now stands does not direct the Administrator or the Secretary of State to do anything at all to correct this foreign exchange situation which businessmen have been unanimous in telling me is one of the major difficulties in the way of building up the exports of the countries affected so that they may become self-sufficient and pay for their necessary imports.

It seems to me that what we are seeking is to have these countries as rapidly as possible adopt rates of foreign exchange "which will reflect," as the amendment provides, "with reasonable accuracy the relative purchasing power of such currency."

Mr. President, I realize that it may be impossible for other reasons for these countries to move immediately the full way in that direction, but I call attention to the language on page 28, at the beginning of all the specific provisions which the Congress directs the Secretary of State to try to obtain in these bilateral and multilateral agreements:

> Such agreement shall provide for the adherence of such country to the purposes of of this act and shall—

And this is the important language—

> where applicable, make appropriate provision among others, for—

And so forth. It seems to me that that language "where applicable" and "make appropriate provision" provides the Secretary of State and the Administrator with extreme wide discretion in implementing the directives of Congress in the succeeding subsections. So, I think we are fully justified in spelling out much more clearly what we mean in terms of foreign exchange rates than does the present language in the bill, which merely says that these agreements shall, where applicable, make appropriate provision for a legal rate of exchange.

Mr. President, I submit that that provision as it stands is completely meaningless, and might just as well have been left out of the bill. I hope the amendment will be adopted.

Mr. VANDENBERG. Mr. President, the difficulty which the able Senator from Minnesota confronts is the difficulty in spelling out a definition of the appropriate basis for international exchange. I know of no subject which is more completely controversial than that. Definitions as to what constitutes appropriate international exchange differ with varying philosophies and schools of thought. For instance, I am told that the definition submitted by my able friend from Minnesota is essentially the philosophy of the so-called exchange school of thought in respect to what the definition of exchange ought to be, namely, that exchange should reflect the internal purchasing power of currency, instead of requiring as a basic obligation that countries should maintain their currencies in such a fashion as to stabilize the international rate—the exact reverse of the rule submitted by the able Senator from Minnesota.

The text of the Senator's own amendment proves the precise point I am making, namely, that the Senate dare not undertake to put down in words what an accurate rule for international exchange in this world of flux is. When he wrote his amendment he proposed to say that the rate of exchange shall "reflect with reasonable accuracy the actual purchasing power of such currency." He does not want it that way this afternoon. He has changed it to read "rate of exchange which will reflect with reasonable accuracy the relative purchasing power of such currency." Perhaps upon reflection and further study we might want to change the rule again by tomorrow. I am very sure that it is a very dangerous thing for us to attempt to put down in black and white a rule of international exchange which we are going to propose to have enforced as the result of this legislation.

For instance, let us undertake to apply the definition submitted by the able Senator from Minnesota, "will reflect with reasonable accuracy the relative purchasing power of such currency." Well, if you are in France, is that the relative purchasing power relative to the American dollar or is it relative to the British pound? Precisely what does the phrase mean? There is no way, I respectfully submit, to safely undertake to put into words what a valid rate of exchange is.

The able Senator from Minnesota says that the word "valid" simply means "legal." I differ with him about that, and if he will consult the only dictionary that is available to the Senate at the moment, he will find that the word "valid" means—

> Supported or defended by evidence which is sound and convincing; * * * capable of being proved; sound; just; good; * * * possessing not only formal correctness, but real cogency, so that the conclusion is as true as each of the premises.

We considered this problem in the committee. The bill as it first came to us, as I recall, contained the word "proper" at this point. The committee felt that the word "proper" did not carry quite enough——

Mr. CONNALLY. Validity.

Mr. VANDENBERG. Yes; validity; that it did not indicate the basic values of the validity which ought to be undertaken in establishing a rule of exchange. After a discussion of many words, the best word which the committee could find was the word "valid," as carrying the general directive as to what is being sought and what is being undertaken.

I respectfully submit, Mr. President, that the Senate should not undertake to write a rule in respect to the appropriate rate of exchange which is to be required under the terms of the proposed act. It must be left to the judgment, and particularly to the judgment of those who are expert in the business of dealing with exchange, which I certainly am not. I strongly doubt whether any Member of the Senate is. So I am forced to ask for a rejection of the amendment.

Mr. BALL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BALL. First, let me say that I changed the word "actual" to "relative" not because I thought it changed the meaning of the amendment as I intended it, but it seemed to me a better word, in that we are dealing with two currencies. As between the franc and the dollar, and between the franc and the British pound, what we are seeking is a rate of exchange which will reflect the relative purchasing powers of the two currencies involved. That was the only reason for the change. "Actual" did not seem to relate to two currencies as well as the word "relative." But let me ask the Senator, first, if he thinks this is spelling things out too specifically, in view of the language which I quoted from lines 12 and 13 on page 28 of the bill, which modifies all these subsections, and which seems to me to give the Secretary of State the broadest kind of discretion possible in negotiating these agreements. The language to which I refer provides that—

> Such agreement shall provide for the adherence of such country to the purposes of this act and shall, where applicable, make appropriate provision—

And so forth. I believe that the word "appropriate" in any law has always been a word denoting quite a bit of discretion.

Mr. VANDENBERG. I completely agree with the Senator that the back door and the side door are open at this point, and that a definition inserted in the language of the bill at this point would find itself with considerable elastic in it.

But that is not the point which I submit to my able friend and to the Senate. I submit that there are different methods of approach to the problem of measuring appropriate exchange rates. The Senator is asking us to choose one of several different methods of appropriately measuring exchange rates. The other day, after I had talked with the Senator, I tried to find a rule. I wanted to see what the consensus of opinion seemed to be on the subject. The rule to which I found the most adherence is the rule that the rate of exchange shall most effectively contribute to equilibrium in the balance of payments. That is a totally different approach. I asked some others, and got some other definitions.

What I am saying to the Senator is that I think we find ourselves at this point in a highly technical field of definition. I do not believe that the Senator should ask the Senate to select one of several methods of approach to the definition of "appropriate international exchange." I repeat that between the time when the Senator from Minnesota had his amendment printed and the time when he offered it on the floor, he himself found it desirable, for perfectly sound reasons, to change the wording of his own proposal.

I do not think this is a question which will determine the destiny of the world one way or the other; but summing the matter up, it seems to me that the Senate should be satisfied to require a valid rate of exchange to be established, without undertaking to prescribe the rule and method by which it shall be done.

The word "valid" has a very definite connotation.

Mr. BALL. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. BALL. The Senator read the entire definition of the word "valid" in Webster's International Dictionary. I agree that that definition is much broader than the definition under the heading "Law." It seems to me that in law the word "valid" has a much more restricted meaning than all the connotations which the Senator has sought to give it on the floor. As I understand, in law it means legally sound and legally sufficient. That is a much narrower and more restricted definition than that which the Senator read.

Like the Senator from Michigan, I am a former newspaperman. In a story or article the word "valid" means something very different, in my opinion, from what it means in a statute the meaning of which has been passed upon by the courts many times. As I understand, in law the meaning is quite narrowly restricted. It does not mean all the things the Senator suggested, such as "susceptible of valid and sufficient proof that it is adequate," and that sort of thing. I agree that that is a much wider definition.

Mr. VANDENBERG. Mr. President, I think that is all I can say on the subject. I do not believe that the Senate, in the absence of any dependable, concentrated opinion regarding an appropriate definition of exchange, should be asked to accept one definition as against several others which could be offered by way of alternative approach.

I believe that the entire spirit of the section of the bill to which the amendment attaches is perfectly clear:

> Taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system.

That is the sum total of a formula requiring intelligent and dependable stability and solvency. I think it would be most unfortunate if we were to undertake to spell out and embrace for ourselves one of several controversial definitions of what stable international exchange is.

Mr. BALL. Mr. President, the Senator from Michigan has made his usual convincing presentation. He has presented, as one of the alternative definitions of an acceptable rate of foreign exchange, one which will contribute most to the stability of the international balance of payments. I am somewhat in the dark as to just what that means.

Mr. VANDENBERG. I did not offer that definition. I feel the same way about it as I feel about the Senator's amendment. I do not know what it means. I do not know what the Senator's amendment would mean, if finally it should begin to operate. I do not want to be compelled to choose between half a dozen different formulas.

Mr. BALL. Mr. President, it seems to me that before the Western World embarked upon experiments in managed economy and managed currency, world trade was on a pretty stable basis. The free market pretty much fixed the rate of foreign exchange as between any two currencies. That free market was the best judgment of those who were making purchases, as to the relative purchasing power of the currencies involved. When that particular theory of international trade and commerce prevailed, I think we had one of the most prosperous and progressive periods in the world's history.

Personally, I think the language which we have quoted at the beginning of this section leaves the administration plenty of leeway to adjust the directive of Congress to special situations which may occur in any individual country. But I, for one, in spite of the force of the argument of the Senator from Michigan, am perfectly willing to go on record as urging that, insofar as practicable, or where applicable, these agreements should make provision for a rate of exchange which will reflect with reasonable accuracy the relative purchasing power of the currencies involved. From my admittedly not expert or vast grasp of what goes on in trade and commerce, it seems to me that until that situation is achieved the beneficiary countries will be laboring under a terrific handicap in building up the exports which are so essential to balance their vital imports.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. KEM. Mr. President, I should like to ask a question of the Senator from Michigan. I have listened carefully to the colloquy between the Senator from Michigan and the Senator from Minnesota. I am afraid I do not understand what a valid rate of exchange would be.

I should like to ask the Senator from Michigan whether that means these contracts would specifically fix the rate as to each of the beneficiary countries. I refer, of course, to the rates of exchange between their currencies and our dollar.

For example, would it fix the rate in France at 100 francs to the dollar, and the rate in Italy at 200 lira to the dollar, and so forth?

Mr. VANDENBERG. I do not think so. I should think they would merely consider and take the financial and monetary measures required to accomplish the desired result, namely, a stabilized currency and a valid rate of exchange, balanced budgets, and so forth.

Mr. KEM. Do I correctly understand that the obligation would be to maintain a valid rate of exchange?

Mr. VANDENBERG. That is correct.

Mr. KEM. How would we tell whether they were maintaining a valid rate and how would we tell what a valid rate was? For instance, in the case of France, would it be 100 francs to the dollar or 50 francs to the dollar?

Mr. VANDENBERG. I would not have the slightest idea in the world, I say to the Senator. That is a decision which would involve the facts of the situation and the application of judgments which are expert in respect to such problems. I do not pretend to have the remotest expert information on the subject.

Mr. KEM. Under this language, would the Administrator be permitted to adopt one rule in the case of one country and another rule in the case of another country?

Mr. VANDENBERG. I suppose he would be permitted to do so; but I assume he would proceed under a general formula reflecting the policy of the administrator and his advisory board.

Mr. KEM. I should like to ask the Senator from Michigan whether the use of the word "valid" in this case is not so indefinite and so lacking in specificness that it might be considered to be one of the words which Talleyrand referred to as a word to conceal thought?

Mr. VANDENBERG. The Senator from Michigan does not think so, but obviously the Senator from Missouri does think so.

The word which came to us originally in this connection was "proper." But the committee considered that the word "valid" had connotations far stronger than the word "proper" did.

Mr. KEM. Before we enact this measure into law, should not we know with some definiteness the rule we are laying down? If it is a rule of reason, should not there be some standard to guide the Administrator in connection with such a grave responsibility?

Mr. VANDENBERG. The Senator from Michigan does not think so. The Senator from Michigan feels that this is one of those situations in which all the Congress can do is assert a general objective through general directives, and that if we were to undertake to spell out every obligation that is involved in the legislation, the net result would be pretty much of a hodgepodge.

Mr. KEM. I am not suggesting that it be spelled out. I am simply suggesting the advisability of a standard to guide the conduct of the Administrator.

I should like to ask the Senator another question if he does not mind.

Mr. VANDENBERG. I shall try to answer the Senator's question.

Mr. KEM. In view of the difficulty, not to say the impossibility, that we ourselves are encountering in respect to stabilizing our own currency, does the Senator from Michigan believe it is practicable for us to undertake to place our friends abroad under contract to stabilize theirs?

Mr. VANDENBERG. The purpose of the entire measure is an objective. The objective is sound. Its approach involves no guarantees of success. An honest effort must be made. The hope is that within a reasonable time, definite identifiable progress will have been made toward the general objective. That is the only answer I can give the Senator. Certainly I am not suggesting that this bill says that on October 16 at the hour of 3 o'clock in the afternoon the objective must be met. I am saying that the objective is set up, and in doing so, we describe the fundamentals which are essential to the restabilization of the economy of these nations and their international relationships. The extent to which they shall ultimately demonstrate that they have succeeded will be a matter of judgment and reason.

Mr. KEM. I should like to ask the Senator from Michigan another question.

Mr. VANDENBERG. Yes, indeed.

Mr. KEM. I hope I do not try the Senator's patience.

Mr. VANDENBERG. Oh, no.

Mr. KEM. In view of the very laudable objectives of the bill, of course the Senate and the House of Representatives want to go as far as they possibly can go toward their attainment. I should like to ask the Senator whether he believes that the laudable character of the objectives should lead us to abandon the cardinal rule of legislation, namely, that every act should be reasonably definite and specific in its terms.

Mr. VANDENBERG. The Senator from Michigan wishes to abandon nothing by way of legitimate legislative protections; but in the present instance he is completely of the opinion that the language of the bill goes as far as it is rationally possible to go in an area of high controversy.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Missouri yield to the Senator from Kentucky?

Mr. KEM. I yield.

Mr. BARKLEY. In the first place, the Administrator has no power, under this proposed act or under any other act, to stabilize the currency of any country. All we are seeking to do is to obligate the countries themselves to stabilize their own currencies and to fix rates of exchange between their currency and other currencies that will be valid and acceptable and will fairly represent the monetary situation in all those countries.

If we undertake to lay down a hard-and-fast rule by which the Administrator would be instructed to insist upon any particular rate of exchange, not only would we put him in a strait-jacket, but, through him, we would put the countries involved in a strait-jacket.

For instance, let us consider the French currency. Until a few weeks ago, the official rate of exchange was, I believe, 119 francs to the dollar, but on the black market the rate was approximately 300 francs to the dollar. The French Government, exercising its power to stabilize its own currency, fixed the value thereof—just as we do, under the Constitution, with respect to our own currency—and changed that rate to 214 francs to the dollar, and also provided a free market in which the exchange rate is approximately 275 francs to the dollar. They were exercising their own power and their own right to do that. It was not very acceptable to one or two other countries, but they had the right to do it.

All we are seeking to do in the bilateral agreement, as I understand, is to give the Administrator authority to require that the recipient country shall go as far as possible and practical to fix an exchange rate and to stabilize its currency so that in the markets of the world as well as internally it shall have recognition as an acceptable rate of exchange between that country and not only our country but other countries. The relative purchasing power might translate itself into the relationship between the dollar and the franc, or the dollar and the pound, or the dollar, and the lira, or the pound and the lira, or the franc and the lira.

Mr. VANDENBERG. Or between the black market and the free market.

Mr. BARKLEY. Yes, absolutely. So it is impossible to deteriorate the currency in any one country during the entire life of this agreement.

Mr. KEM. Mr. President, will the Senator yield for an inquiry at that point?

Mr. VANDENBERG. I yield.

Mr. KEM. I should like to ask the Senator from Kentucky or the Senator from Michigan this question: In the opinion of the Senator, is the language sufficiently definite and specific so that in case of a variation from norm the contracting country could be convicted of a breach of contract? Taking the example mentioned, that of the French franc, would it be possible under the pending measure for the Administrator or for the Congress or for the public generally to say that a rate of 150 was an invalid rate, and that a rate of 250 was a valid rate, or vice versa? Or would it be possible to hold that any specific rate was valid or invalid, as the case might be?

Mr. VANDENBERG. If the Senator is asking the Senator from Michigan, his answer would be that in such a situation, under the specifications of the act, the facts would constitute factors to be considered by the Administrator in determining his judgment as to whether the beneficiary country in good faith was living up to its undertakings. I do not think it is possible to come any closer to a categorical reply than that.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Washington.

Mr. CAIN. I should like to ask a question, if I may, of the Senator from Minnesota. I wish to determine if my understanding of the Senator's position is correct. I take it that the Senator is pointing with some measure of alarm and concern to the fact that in most European countries there are two rates of exchange, so-called free rate of exchange, commonly called a black market rate of exchange, and a legal rate. The Senator from Minnesota is therefore of the opinion, if my understanding is correct up to this point, that the words as used in the ERP bill will only continue and maintain those differences, whereas the Senator is desirous and hopeful that the currencies of Europe may move toward the free exchange and the legal exchange becoming one and the same. Is that correct?

Mr. BALL. The Senator has stated it correctly. I think the definition of the word "valid" given by the Senator from Michigan, which will be a part of the legislative history of this measure, has probably broadened it out somewhat beyond merely meaning legally sufficient, which is the definition of it as a term of law given in Webster's dictionary. But I still think after all this is a directive from Congress as to what the Administrator and the Secretary of State should seek wherever applicable and wherever appropriate in the opinion of the Secretary of State, which gives him plenty of leeway or judgment as to the kind of undertakings by the respective governments which he should seek in the bilateral agreements. It is my conviction that the sooner we get reasonably close to a free market in foreign exchange fixed by free trade and commerce and the value which the various purchasers of goods and services are willing to place on a country's currency, the sooner normal world trade and commerce will stand a chance of being resumed.

Mr. CAIN. May I ask if there is any reason to believe that the use of the word "valid" as it appears on page 29 is an encouragement to the Administrator to try to secure through agreements a move in the direction of synchronizing the free and legal rates of exchange abroad? I do not understand that to be the case.

Mr. BALL. I do not so understand it myself, even under the broad definition given by the Senator from Michigan.

Mr. CAIN. The issue, then, that we are trying to resolve, and certainly we are all trying to understand it, is whether or not we in a sense want to encourage a continuance of the differences as they presently exist between free and legal exchanges, or whether we want to say in substance that whenever it is possible to have a piece of exchange reach its true free-market level, that precisely is the encouragement this country gives to the countries we seek to help through ERP.

Mr. BALL. That is my understanding.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. COOPER. A moment ago I understood the Senator from Minnesota to state that it is his belief the Administrator in fixing the rate of exchange would be limited by the use of the word "valid," because in the opinion of the Senator it had a very limited legal connotation.

Mr. BALL. I said it was my understanding of the definition in law as I read it in Webster's International Dictionary that it means "legally sound and sufficient." In my committee work in the Senate it has always been my understanding of the word "valid" that it meant legally sound and sufficient. The Senator from Michigan, I think, by his definition on the floor has clearly broadened the meaning of the word "valid" insofar as the bill is concerned, certainly, because what he has said as chairman of the committee is a part of the legislative history of the bill.

Mr. COOPER. Mr. President, I should also like to suggest to the Senator that even from the legal viewpoint I believe the definition of "valid" is much broader than the Senator has suggested. "Valid" in reality means not only effective because of some procedural steps which have been taken, but because of the very substance of the arrangement, the mutual obligations under the situation, and the circumstances which surrounded a certain course of action. If that definition, and I believe it is the true legal definition of valid, is applied, it would be as broad as the definition which has

been suggested by the Senator from Michigan.

Mr. BALL. I defer to the Senator from Kentucky, although it still seems to me the connotation by law is always legally capable of proof and sufficient and binding, rather than the broader one.

Mr. DWORSHAK. Mr. President, if the Senator will yield, while we are discussing provisions concerning the stabilization of currency in western European countries, I should like to call the attention of the Senator from Minnesota to an Associated Press dispatch from London which appeared in the Wall Street Journal on March 5, from which I quote:

> Sir Stafford Cripps said Britain does not intend to cheapen the pound sterling as a way of fighting her economic crisis. "Complete nonsense," was the treasury chief's comment on the devaluation rumor.

So obviously we are merely wasting the time of the Senate when we discuss the possibilities of stabilization of currency in England and other countries in the light of such statements made by the British Chancelor of the Exchequer.

Mr. BALL. I thank the Senator.

Mr. President, if the amendment I have proposed were included in the bill, I do not think it would require the Secretary of State to insist that Britain devalue the pound. I think there are other circumstances that enter into it, but I do not think a situation is sound economically or can long promote real recovery or can really promote recovery, when the currency of one nation is artificially pegged at a rate which gives it in terms of foreign countries a higher purchasing power than it actually has. I think we will reach a situation when the free movement of trade and commerce in the free market will determine largely the relative values in terms of foreign exchange of the various currencies.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Michigan one or two questions. Is it correct to say that the rate of exchange applies or will be applied by the Administrator among participating countries and with other countries?

Mr. VANDENBERG. The Administrator does not apply rates of exchange.

Mr. WHERRY. I mean the validity is recognized by him, is it not?

Mr. VANDENBERG. Yes. It is one of the factors which he will take into consideration when he is determining whether or not a good faith offer is being made to stabilize currency, balance budgets, and so forth.

Mr. WHERRY. Does he make that determination when one of the participating countries transacts business with a satellite country?

Mr. VANDENBERG. I assume it is an over-all judgment.

Mr. WHERRY. Even with respect to Russia?

Mr. VANDENBERG. Yes, on the record for the year.

Mr. WHERRY. I read with some interest yesterday afternoon a report on the same question relative to the difficulty which the eastern Russian countries have in determining validity. That was the word used in the report. I consulted the dictionary, which in that connection used the word "legal." I think the statement made by the senior Senator from Kentucky has broadened it, which I think is a good thing. The statement was that it was impossible to establish a rate of exchange between the satellite countries and Russia in trading among themselves except it be translated into terms of American dollars. For instance, if steel or machinery were to be allocated as between one country and another, it would be impossible for them to arrive at a rate of exchange. They would have to barter with regard to what the material was worth in American dollars. Am I correct in that statement?

Mr. VANDENBERG. I would not know, but I should think such a situation could exist.

Mr. WHERRY. If that premise be correct, it is my feeling, in joining in the amendment, that we are seeking to accomplish what the Senator has said will be accomplished by the bill. It broadens the situation so that the Administrator would have the right to insist that the rate of exchange with participating countries and satellite countries, or even with Russia, should be based with legal accuracy upon a realistic dollar. My feeling is that in order to make that determination, if we are to translate it into tons of steel or millions of feet of lumber, or whatever commodity may be involved, it would have to be done by translating it into American dollars and then into the different commodities and values which the Administrator would interpret, regardless of the exchange rate on currency between France and England, Italy and England, or as between any other European countries.

I attended a farm sale in France within the past year and a half and saw a 2-year-old colt sell for 187,000 francs. In American money, at the then rate of exchange, it would amount to approximately $1,500.

Under the terms of the definition, certainly the Administrator, if he should apply this rule, would require that the colt's price should be based upon a realistic dollar, and that an artificial rate of exchange be not paid for the animal. If it can be done under the original wording, if it is broad enough to accomplish what is said will be done, that is an entirely different situation from the interpretation of the definition which I have gathered as to the valid rate of exchange. Possibly we are all trying to accomplish the same thing. We are asking the Administrator to determine the value of a realistic dollar in trade between not only participating countries, but satellite countries as well.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Texas.

Mr. CONNALLY. May I suggest to the Senator that the matter of exchange in the disturbed and chaotic condition through which the world is now passing—I hope it is passing through—is a very difficult question. The language of the bill provides that countries shall make agreements to do what? Among other things, to establish a valid rate of exchange. What is a valid rate of exchange? It means an honest rate of exchange, one which is not artificial, not manipulated.

Mr. WHERRY. Of course a valid rate of exchange has to be determined by the Administrator.

Mr. CONNALLY. No.

Mr. WHERRY. That is his power and right.

Mr. CONNALLY. In the final analysis, yes.

Mr. WHERRY. That is what I mean.

Mr. CONNALLY. If he should find that the government which made the contract was not undertaking to establish a valid rate of exchange, he could cancel the contract.

Mr. WHERRY. Or if the rate of exchange did not properly reflect the value he believed it should reflect, he could insist that it do so.

Mr. CONNALLY. That would probably be included in the broad term of "validity." The point I make is that we cannot here fix the rates of exchange. They change every day. They fluctuate just as do other commodities. Money is a commodity on the market. All we can do, as I see it, is to require the countries involved to make an honest effort to stabilize their currencies at some fixed value, and it should be a value which will be fairly representative of the value of commodities in other currencies. When they make such an honest effort to stabilize their currencies and adopt a valid currency, that is all they can do. If they seek to avoid that and to manipulate their currencies and indulge in operations in the black market our remedy is to cut them off.

Mr. WHERRY. I agree with the Senator.

Mr. CONNALLY. I think the word "validity" is much more desirable than the other language which is proposed.

Mr. WHERRY. Cannot all that be established through the amendment which is being offered, which simply provides for a rate of exchange which will reflect with reasonable accuracy the real purchasing power of the currency involved?

Mr. CONNALLY. The relative purchasing power.

Mr. WHERRY. That is correct.

Mr. CONNALLY. How is the Administrator to pass on the relative purchasing power of such currencies?

Mr. WHERRY. In arriving at the validity of the rate of exchange he would have to pass on that question anyway. If he should not do that, he would not be doing what is expected under the power given him, because if there be any invalidity he must make that determination.

Mr. BALL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALL. It seems to me that in determining the relative purchasing power of the dollar versus the franc it is a very simple matter. The Senator from Texas [Mr. CONNALLY] was asking how the Secretary of State or the Administrator would determine whether the mild directive in the amendment was being met if

it should become a part of the bill. I think that would be a very simple matter. Every country maintains commodity exchanges where basic commodities are bought and sold, and the relative purchasing power of the dollar versus the franc could be easily determined by comparing the average prices of commodities in this country with the average cost in dollars of a ton of wheat, for instance, on the French exchange. I do not think that would present any difficulty whatever. I agree that there might be other considerations which might enter into the question, but I think necessary flexibility is well taken care of by the language in lines 12 and 13, on page 28, which modifies all of the directives.

Mr. CAIN. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. CAIN. I should like to pose a situation to the Senator from Nebraska. In section 2 of the committee bill, participating countries are encouraged generally to restore and maintain confidence in their monetary systems. We have a right to take it as a fact that if the differences between a free rate of exchange and a legal rate of exchange can be done away with, there will be a terrific acceleration in the public acceptance of, and confidence in, the monetary system.

Mr. WHERRY. I should certainly think so. That is the purpose of the amendment.

Mr. CAIN. If we had in this country a black market, or a free market, and a legal market, for American dollars, we would not have very much confidence in our own system would we?

Mr. WHERRY. No.

Mr. CAIN. I take it that the amendment offered by the Senator from Minnesota is but America's declaration of a very positive encouragement to other countries to work as rapidly as they can to get away from their prevailing legal and free monetary rate differences.

Mr. WHERRY. Certainly. The countries arranging this stabilization do everything they can in their power to bring about the very suggestions made by the senior Senator from Michigan, but instead of letting the Administrator or anyone else say, "That is a valid rate of exchange," the amendment offered goes the other way, and encourages them to establish their rate of exchange, which reflects the reasonable accuracy of the relative purchasing power of the currencies involved. I cannot see anything wrong with that. I think it is encouragement. I think it eliminates the black market rather than encourages it, and although it might be spelled out in four or five different terms, it certainly would accomplish the very thing the senior Senator from Michigan is attempting to accomplish, to broaden out the terms of the word "validity."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent because of the death of the Governor of Connecticut.

The Senator from Delaware [Mr. BUCK] is detained on official committee business. If present and voting, he would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] who is necessarily absent, is paired with the Senator from Tennessee [Mr. STEWART]. The Senator from South Dakota, if present and voting, would vote "yea," and the Senator from Tennessee, if present and voting, would vote "nay."

The Senator from Kansas [Mr. CAPPER] is unavoidably detained. If present and voting, he would vote "nay."

The Senator from New Jersey [Mr. HAWKES] is necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official State business. If present and voting, he would vote "nay."

The Senator from Minnesota [Mr. THYE] is unavoidably detained. If present and voting, he would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent because of elections in his State.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Iowa [Mr. WILSON] is unavoidably detained. If present and voting, he would vote "nay."

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. HOEY], and the Senator from Rhode Island [Mr. MCGRATH] are absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business at one of the Government departments.

The Senator from South Carolina [Mr. JOHNSTON] is absent on official business at a conference committee meeting.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Tennessee [Mr. STEWART], who is absent by leave of the Senate, is paired with the Senator from South Dakota [Mr. BUSHFIELD]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from South Dakota would vote "yea."

If present and voting, the Senators from New Mexico [Mr. CHAVEZ and Mr. HATCH], the Senators from North Carolina [Mr. HOEY and Mr. UMSTEAD], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 19, nays 53, as follows:

YEAS—19

Ball	Butler	Capehart
Brooks	Cain	Dworshak
Ecton	Malone	Robertson, Wyo.
Jenner	Moore	Watkins
Johnson, Colo.	O'Daniel	Wherry
Kem	Reed	
Langer	Revercomb	

NAYS—53

Aiken	Hayden	Myers
Barkley	Hickenlooper	O'Conor
Brewster	Hill	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Connally	Kilgore	Robertson, Va.
Cooper	Knowland	Russell
Cordon	Lodge	Saltonstall
Donnell	Lucas	Smith
Downey	McCarran	Sparkman
Eastland	McCarthy	Stennis
Ellender	McClellan	Taylor
Ferguson	McFarland	Thomas, Okla.
Flanders	McKellar	Thomas, Utah
Fulbright	McMahon	Vandenberg
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Morse	

NOT VOTING—24

Baldwin	Hoey	Thye
Buck	Johnston, S. C.	Tobey
Bushfield	McGrath	Tydings
Byrd	Magnuson	Umstead
Capper	Martin	Wagner
Chavez	Murray	White
Hatch	Stewart	Wilson
Hawkes	Taft	Young

So Mr. BALL's amendment was rejected.

Mr. BARKLEY. Mr. President, a few days ago during the course of a colloquy between the Senator from Nebraska [Mr. WHERRY], the Senator from Michigan [Mr. VANDENBERG], and myself, information was sought with reference to a program of dismantlement of plants in Germany and reparations under the Berlin agreement to nations which suffered from the German aggression. I have secured some data which I think might be interesting to the Senate, and which, it seems to me, will clarify the situation in some respects. It is for that purpose alone that I am taking the floor at this time.

Senators will recall that after the surrender of the German armies in the spring of 1945 various meetings took place in regard to the occupation of Germany and in regard to the destruction of Germany's war potential, and how compensation or reparations to the nations which had been invaded or which had suffered on account of the German invasion in the war might be paid.

In March of 1946 there was issued what is called the Berlin Protocol, which was an agreement among the three nations, Great Britain, the United States, and Russia, with reference to the dismantlement of German plants. The question of reparations was tied into that. They entered into an agreement which is entitled "Allied Control Authority. The Plan for Reparations and the Level of Postwar German Economy."

The plan contained in the pamphlet under the heading as I have just read it, was agreed to in March, 1946. Under that plan the plants in Germany were divided into categories, and the production of commodities was divided into categories. One was the "Prohibited Industries," those which were not to be allowed to be resumed, and whose plants should be destroyed; the other category was "Restricted Industries," those which might be restricted either in their production or in some other fashion.

The number of plants involved in the first plan, which were to be destroyed or

removed, was approximately 1,850, as I stated the other day in the colloquy between the Senator from Nebraska and myself.

Mr. President, in order that the Senate may have all the facts involved in the agreement, which sets forth the categories, and also the Report of the Tripartite Conference of Berlin, which was signed by J. V. Stalin, Harry S. Truman, and C. R. Attlee, I ask that at this point in the RECORD the compendium I have spoken of may be printed as a part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE PLAN FOR REPARATIONS AND THE LEVEL OF POSTWAR GERMAN ECONOMY IN ACCORDANCE WITH THE BERLIN PROTOCOL

1. In accordance with the Berlin Protocol the Allied Control Council is directed to determine the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations.

The guiding principles regarding the plan for reparations and the level of Germany's postwar economy in accordance with the Berlin Protocol are:

(a) Elimination of the German war potential and the industrial disarmament of Germany.

(b) Payment of reparations to the countries which had suffered from German aggression.

(c) Development of agricultural and peaceful industries.

(d) Maintenance in Germany of average living standards not exceeding the average standard of living of European countries (excluding the United Kingdom and the Union of Soviet Socialist Republics).

(e) Retention in Germany, after payment of reparations, of sufficient resources to enable her to maintain herself without external assistance.

2. In accordance with these principles, the basic elements of the plan have been agreed. The assumptions of the plan are:

(a) That the population of postwar Germany will be 66,500,000.

(b) That Germany will be treated as a single economic unit.

(c) That exports from Germany will be acceptable in the international markets.

PROHIBITED INDUSTRIES

3. In order to eliminate Germany's war potential, the production of arms, ammunition, and implements of war, as well as all types of aircraft and seagoing ships, is prohibited and will be prevented.

4. All industrial capital equipment for the production of the following items is to be eliminated:

(a) Synthetic gasoline and oil.
(b) Synthetic rubber.
(c) Synthetic ammonia.
(d) Ball and taper roller bearings.
(e) Heavy machine tools of certain types.
(f) Heavy tractors.
(g) Primary aluminum.
(h) Magnesium.
(i) Beryllium.
(j) Vanadium produced from Thomas slags.
(k) Radio-active materials.
(l) Hydrogen peroxide above 50 percent strength.
(m) Specific war chemicals and gases.
(n) Radio transmitting equipment.

Facilities for the production of synthetic gasoline and oil, synthetic ammonia, and synthetic rubber, and of ball and taper roller bearings, will be temporarily retained to meet domestic requirements until the necessary imports are available and can be paid for.

RESTRICTED INDUSTRIES

Metallurgical industries

5. Steel:

(a) The production capacity of the steel industry to be left in Germany should be 7,500,000 ingot tons. This figure should be subject to review for further reduction should this appear necessary.

(b) The allowable production of steel in Germany should not exceed 5,800,000 ingot tons in any future year without the specific approval of the Allied Control Council, but this figure will be subject to annual review by the Control Council.

(c) The steel plants to be left in Germany under the above program should, so far as practicable, be the older ones.

6. Nonferrous metals:

The annual consumption of nonferrous metals, including exports of products containing these metals, is fixed at the following quantities:

	Tons
Copper	140,000
Zinc	135,000
Lead	120,000
Tin	8,000
Nickel	1,750

Chemical industries

7. (a) Basic chemicals: In the basic chemical industries there will be retained 40 percent of the 1936 production capacity (measured by sales in 1936 values). This group includes the following basic chemicals: Nitrogen, phosphate, calcium carbide, alkalis, sulphuric acid, and chlorine. In addition, to obtain required quantities of fertilizer for agriculture, existing capacity for the production of nitrogen through the synthetic ammonia process will be retained until the necessary imports of nitrogen are available and can be paid for.

(b) Other chemicals: Production capacity will be retained for the group of other chemical production in the amount of 70 percent of the 1936 production capacity (measured by sales in 1936 values). This group includes chemicals for building supplies, consumer goods items, plastics, industrial supplies, and other miscellaneous chemical products.

(c) Dyestuffs, pharmaceuticals, and synthetic fibers: In the pharmaceutical industry there will be retained capacity for the annual production of 80 percent of 1936 production (measured by sales in 1936 values). Capacity will be retained to produce annually 36,000 tons of dyestuffs and 185,000 tons of synthetic fibers.

Machine manufacturing and engineering

8. (a) Machine tools: For the machine-tool industry there will be retained 11.4 percent of 1938 capacity, with additional restrictions on the type and size of machine tools which may be produced.

(b) Heavy engineering: In the heavy engineering industries there will be retained 31 percent of 1938 capacity. These industries produce metallurgical equipment; heavy mining machinery; material handling plant; heavy power equipment (boilers and turbines; prime movers; heavy compressors; turbo blowers, and pumps).

(c) Other mechanical engineering. In other mechanical engineering industries there will be retained 50 percent of 1938 capacity.

This group produces constructional equipment; textile machinery; consumer goods equipment; engineering small tools; food processing equipment; woodworking machines; other machines and apparatus.

(d) Electroengineering. In the electroengineering industries there will be retained 50 percent of 1938 production capacity (based on sales in 1936 value). Capacity to produce heavy electrical equipment is to be reduced to 30 percent of 1938 production or RM 40,000,000 (1936 value). Heavy electrical equipment includes generators and converters, 6,000 kilowatts and over; high tension switch gear; and large transformers, 1,500 kilovolt-amperes and over.

Electroengineering other than heavy electrical equipment includes electric lamps and light fittings, installation materials, electric heating and domestic appliances, cables, and wires, telephone and telegraph apparatus, domestic radios, and other electrical equipment.

Export of specified types of radio receiving sets is forbidden.

(e) Transport engineering:

(i) In the automotive industry capacity will be retained to produce annually 80,000 autos, including 40,000 passenger cars and 40,000 trucks, and for 4,000 light road tractors.

(ii) Capacity will be retained to produce annually 10,000 motorcycles with cylinder sizes between 60 and 250 cubic centimeters. Production of motorcycles with cylinder sizes of more than 250 cubic centimeters is prohibited.

(iii) In the locomotive industry available capacity will be used exclusively for the repair of the existing stock of locomotives in order to build up a pool of 15,000 locomotives in 1949. A decision will be made later as to the production of new locomotives after 1949.

(iv) Sufficient capacity will be retained to produce annually 30,000 freight cars, 1,350 passenger coaches, and 400 luggage vans.

(f) Agricultural machinery: To permit maximization of agriculture, capacity will be retained for an annual production of 10,000 light agricultural tractors. Existing capacity for the production of other agricultural equipment, estimated at 80 percent of 1938 levels, is to be retained, subject to restrictions on the type and power of the equipment which may be produced.

(g) In estimating capacities there will be taken into account the production of normal quantities of spare parts for transport and agricultural machinery.

(h) Optics and precision instruments: Capacity will be retained to produce precision instruments in the value of RM 340,000,000 (1936 value), of which RM 220,000,000 is estimated as required for domestic use and RM 120,000,000 for exports. A further limitation for this industry is possible subject to the recommendations of the Committee for Liquidation of War Potential.

MINING INDUSTRIES

9. (a) Coal: Until the Control Council otherwise decides, coal production will be maximized as far as mining supplies and transport will allow. The minimum production is estimated at 155,000,000 tons (hard coal equivalent), including at least 45,000,000 tons for export. The necessary supplies and services to this end will be arranged to give the maximum production of coal.

(b) Potash: The production of potash is estimated at over 100 percent of the 1938 level.

ELECTRIC POWER

10. There will be retained an installed capacity of 9,000,000 kilowatts.

CEMENT

11. A capacity for the production of 8,000,000 tons of cement annually will be retained.

OTHER INDUSTRIES

12. The estimated levels of the following industries have been calculated as shown below as necessary for the German economy in 1949:

(a) Rubber 50,000 tons, including 20,000 tons from reclaimed rubber and 30,000 tons imports.

(b) Pulp paper, and printing 2,129,000 tons based on 26 kilograms per head per annum in 1949, plus 400,000 tons for export.

(c) Textile and apparel 665,000 tons of fibers based on 10 kilograms per head in 1949, including 2 kilograms for export.

(d) Boots and shoes 113 million pairs based on 1.7 pairs per head in 1949 (figure excludes needs of occupying forces).

Production may exceed the above estimates in this paragraph (other industries) unless otherwise determined by the Control Council.

13. Building. No level will be determined for 1949. The industry will be free to develop within the limits of available resources and the licensing system.

14. Building materials industries (excluding cement). Existing capacity for building materials will be retained. Production will be in accordance with building licensing and export requirements.

15. Other unrestricted industries. For the following industries no levels have been determined for 1949. They are free to develop within the limitations of available resources. These industries are as follows:

(a) Furniture and woodwork.
(b) Flat glass, bottle and domestic glass.
(c) Ceramics.
(d) Bicycles.
(e) Motor-bicycles under 60 cubic centimeters.
(f) Potash.

GENERAL LEVEL OF INDUSTRY

16. It is estimated that the general effect of the plan is a reduction in the level of industry as a whole to a figure of about 50 or 55 percent of the prewar level in 1938 (excluding building and building materials industries).

EXPORTS AND IMPORTS

17. The following agreement has been reached with respect to exports and imports:

(a) That the value of exports from Germany shall be planned as RM 3,000,000,000 (1936) value for 1949, and that sufficient industrial capacity shall be retained to produce goods to this value and cover the internal requirements in Germany in accordance with the Potsdam declaration.

(b) That approved imports will not exceed RM 3,000,000,000 (1936 value) as compared with RM 4,200,000,000 in 1936.

(c) That of the total proceeds from exports, it is estimated that not more than RM 1,500,000,000 can be utilized to pay for imports of food and fodder if this will be required with the understanding that, after all imports approved by the Control Council are paid for, any portion of that sum not needed for food and fodder will be used to pay for costs of occupation and services such as transport, insurances, etc.

DETERMINATION OF CAPACITIES AVAILABLE FOR REPARATIONS

18. After approval of this plan the existing capacities of the separate branches of production shall be determined, and a list of enterprises available for reparations shall be compiled.

19. After decisions have been given on the matter now referred to the Coordinating Committee, the Economic Directorate would propose to prepare the final plan embodying those decisions and including a description of the various features of the plan such as disarmament, reparations, postwar German economy, and the German balance of trade.

BERLIN, *March 1946*.

LEVEL OF INDUSTRY

I. PROHIBITED INDUSTRIES

A. Production of the following will be entirely prohibited:

1. War materials as specifically defined by the Allied Control Authority, including but not limited to arms, ammunition and implements of war, as well as all types of aircraft, specific war chemicals and gases.

2. Sea-going ships (not interpreted to include small fishing vessels).

3. Magnesium.

4. Primary aluminum and alumina for the purpose of producing aluminum.

5. Beryllium.

6. Vanadium produced from Thomas slags.

7. Radio-active materials.

8. Hydrogen peroxide above 50-percent strength.

9. Radio transmitting equipment.

10. Heavy tractors above the limits of capacity determined by the Allied Control Authority.

11. Heavy machine tools of the sizes and types prohibited by the Allied Control Authority.

B. Production of the following items will be permitted only until sufficient imports will be possible and can be paid for:

1. Synthetic gasoline and oil.

2. Synthetic rubber.

3. Ball and taper roller bearings.

C. Production of synthetic ammonia will be permitted until exports can be found to pay for required imports of nitrogen as well as for all other necessary imports. To the extent to which synthetic ammonia production is not eliminated, it will be limited to not more than that amount necessary to meet Germany's peacetime requirements.

II. INDUSTRIES FOR WHICH NO LEVEL WILL BE DETERMINED FOR 1949 AND WHICH ARE FREE TO DEVELOP WITHIN THE LIMITS OF AVAILABLE MATERIAL AND FINANCIAL RESOURCES

1. Building and building materials (excluding cement).

2. Furniture and woodworking.

3. Flat glass, bottle and domestic glass.

4. Ceramics.

5. Bicycles.

6. Motor-bicycles under 80 cubic cetimeters.

7. Potash.

TABLE 1.—*Industries, the levels of which are determined or estimated for 1949*

PART A. INDUSTRIES FROM WHICH PRODUCTION CAPACITY WILL BE TAKEN FOR REPARATIONS

Serial (1)	Item (2)	Production or supply in prewar years (3)	Estimated level in 1949 (4)	Percentage of prewar year considered in column 3 (5)	Remarks (6)
1	Steel	19.2 million tons (1936)	7.5 million tons (capacity).	39	Permitted level of industry subject to annual review (for permitted production (see par. 5 (*b*) of the plan): (*a*) Figures for nonferrous metals are for consumption including consumption in exports containing these metals; (*b*) It is estimated that in 1949, 40,000 tons of copper, 20,000 tons of lead, and 45,000 tons of zinc will be used in the manufacture of exports containing these metals; (*c*) Figures for nonferrous metals include secondary metal and scrap; (*d*) Estimated that to meet the requirements of 8,000 tons of tin it will be necessary to import 6,000 tons of tin.
2	Copper	292,000 tons (1936)	140,000 tons	48	
3	Zinc	225,000 tons (1936)	135,000 tons	60	
4	Lead	223,000 tons (1936)	120,000 tons	54	
5	Tin	16,000 tons (1936)	8,000 tons	50	
6	Nickel	9,500 tons (1936)	1,750 tons	18	
7	Aluminum (consumption)		30,000 tons		
8	Magnesium (consumption)		1,000 tons		
9	Mechanical engineering (excluding agricultural engineering and ball and taper roller bearings): (*a*) Heavy engineering, comprising metallurgical equipment, heavy mining machinery, material handling plant, heavy power equipment, boilers and turbines, prime movers, heavy compressors, turboblowers and pumps.	RM. 1,394 million (1938)	RM. 432 million	31	
	(*b*) Light engineering and constructional equipment, comprising constructional equipment, textile machinery, other consumer-goods equipment, food-processing equipment, chemical and refining equipment, general engineering materials processing equipment, small tools, wood-working machinery, gas welding and cutting machinery, miscellaneous machines.	RM. 2,291 million (1938)	RM. 1,145 million	50	
	(*c*) Machine tools	RM 645 million (1938)	RM 74 million	11.4	Machine tools to be limited as regards type and size by the Allied Control Authority.
	Total, mechanical engineering	RM 4,330 million (1938)	RM 1,651 million	38.1	
10	Precision instruments and optics	RM 491 million (1936)	RM 340 million	70	Including an estimate of RM 120 million for export. A further limitation is possible for this industry depending on the recommendation of the Committee for Liquidation of War Potential.

TABLE 1.—*Industries, the levels of which are determined or estimated for 1949*—Continued

Serial (1)	Item (2)	Production or supply in prewar years (3)	Estimated level in 1949 (4)	Percentage of prewar year considered in column 3 (5)	Remarks (6)
11	Agricultural tractors	13,900 (1936)	10,000	72	Limited as regards capacity and type.
12	Private cars	245,000 (1936)	40,000	16	
13	Commercial vehicles	59,000 (1936)	40,000	67	
14	Light road tractors		4,000		
15	Motor-bicycles		10,000		Cylinder capacity 60 to 250 cubic centimeters. Motor-bicycles with cylinder capacity over 250 cubic centimeters to be prohibited.
16	Electrical engineering	RM. 3,000 million (1938)	RM. 1,500 million	50	
	Of which heavy electrical engineering.	RM 130 million (1938)	RM. 40 million	30	Heavy electrical engineering comprises: (i) Generators and convertors 6,000 kilowatts and over; (ii) high tension switch gear; (iii) large transformers 1,500 kilovolt-amperes and over.
17	Basic chemicals	RM. 920 million (1936)	RM. 368 million	40	Nitrogen, phosphates, calcium carbide, sulfuric acid, chlorine, alkali. Production of synthetic ammonia to continue for the time being. [See table 1 (*C*).]
18	Miscellaneous chemical products	RM. 2,112 million (1936)	RM. 1,478 million	70	Building supplies, consumer goods, plastics, industrial supplies, other chemicals.
19	Pharmaceuticals:				
	(*a*) Domestic	RM. 288 million (1936)	RM. 212 million		
	(*b*) Export	RM. 125 million (1936)	RM. 120 million		
	Total	RM. 413 million (1936)	RM. 332 million	80	
20	Dyestuffs:				
	(*a*) Domestic:				
	RM. millions		73		
	000 tons		20		
	(*b*) Export:				
	RM. millions		58		
	000 tons		16		
	Total:				
	RM. millions		131		
	000 tons		36		
21	Cement	11.7 million tons (1936)	8.0 million tons	68	
22	Electric power:				
	Installed capacity in million kilowatts.	15.2 (1936)	9.0	60	

PART B. INDUSTRIES FROM WHICH REPARATIONS ARE NOT ANTICIPATED; BUT THIS POSSIBILITY IS NOT EXCLUDED IF THE CONTROL COUNCIL DECIDES THAT SURPLUSES OF INDUSTRIAL CAPITAL EQUIPMENT ARE NOT REQUIRED IN GERMANY OR FOR EXPORT AND ARE SUITABLE FOR REPARATIONS

Serial (1)	Item (2)	Production or supply in prewar years (3)	Estimated level in 1949 (4)	Percentage of prewar year considered in column 3 (5)	Remarks (6)
1	Coal	208 million tons (1936)	155 million tons	75	Figures in hard-coal equivalents. Until the Control Council otherwise decides, coal production will be maximized as far as mining supplies and transport will allow. The minimum production is estimated at 155 million tons (hard-coal equivalent), including at least 45 million tons for export. The necessary supplies and services to this end will be arranged to give the maximum production of coal.
2	Main-line locomotives	285 (1936)			Post-war level not fixed; all capacity to be engaged exclusively on repairs until 1949.
3	Railway wagons		30,000		
4	Passenger coaches		1,350		
5	Luggage vans		400		
6	Agricultural machinery other than tractors.	RM. 323 million (1938)	RM. 258 million	80	
7	Textiles	856,000 tons (1936) (weight of fiber).	665,000 tons (A) synthetic, 185,000 tons (B) natural, 480,000 tons.	77	Based on 10 kilograms per head in 1949, including 2 kilograms for export.
8	Rubber	80,000 tons (1936)	50,000 tons	62.5	Minor adjustments are possible.
9	Paper	3,149,000 tons (1936)	2,129,000 tons	65	Based on 26 kilograms per head in 1949 plus 400,000 tons for export.
10	Boots and shoes	160 million pairs (1936)	113 million pairs	70	Based on 1.7 pairs per head in 1949 (figure excludes needs of occupying forces).
		Production can exceed the estimates in table 3 part B (with the exception of locomotives and wagons—serials 2, 3, 4, and 5) unless otherwise determined by the Control Council.			

REPORT OF THE TRIPARTITE CONFERENCE OF BERLIN

I

On 17th July 1945, the President of the United State of America, Harry S. Truman, the chairman of the Council of People's Commissars of the Union of Soviet Socialist Republics, Generalissimo J. V. Stalin, and the Prime Minister of Great Britain, Winston S. Churchill, together with Mr. Clement R. Attlee, met in the Tripartite Conference of Berlin. They were accompanied by the foreign secretaries of the three governments, Mr. James F. Byrnes, Mr. V. M. Molotov, and Mr. Anthony Eden, the chiefs of staff, and other advisers.

There were nine meetings between 17th July and 25th July. The conference was then interrupted for 2 days while the results of the British general election were being declared.

On 28th July, Mr. Attlee returned to the conference as Prime Minister, accompanied by the new Secretary of State for Foreign Affairs, Mr. Ernest Bevin. Four days of further discussion then took place. During the course of the conference there were regular meetings of the heads of the three governments accompanied by the foreign Secretaries, and also of the foreign secretaries alone. Committees appointed by the foreign secretaries for preliminary consideration of questions before the conference also met daily.

The meetings of the conference were held at the Caecilienhof, near Potsdam. The conference ended on 2d August, 1945.

Important decisions and agreements were reached. Views were exchanged on a number of other questions and consideration of these matters will be continued by the Council of Foreign Ministers established by the conference.

President Truman, Generalissimo Stalin, and Prime Minister Attlee leave this conference, which has strengthened the ties between the three governments and extended the scope of their collaboration and understanding, with renewed confidence that their governments and peoples, together with the other United Nations, will insure the creation of a just and enduring peace.

II. ESTABLISHMENT OF A COUNCIL OF FOREIGN MINISTERS

The conference reached an agreement for the establishment of a Council of Foreign Ministers representing the five principal powers to continue the necessary preparatory work for the peace settlements and to take up other matters which from time to time may be referred to the Council by agreement of the governments participating in the Council.

The text of the agreement for the establishment of the Council of Foreign Ministers is as follows:

1. There shall be established a Council composed of the foreign ministers of the United Kingdom, the Union of Soviet Socialist Republics, China, France, and the United States.

2. (i) The Council shall normally meet in London which shall be the permanent seat of the joint secretariat which the Council will form. Each of the foreign ministers will be accompanied by a high-ranking deputy, duly authorized to carry on the work of the Council in the absence of his foreign minister, and by a small staff of technical advisers.

(ii) The first meeting of the Council shall be held in London not later than 1st September 1945. Meetings may be held by common agreement in other capitals as may be agreed from time to time.

3. (i) As its immediate important task, the Council shall be authorized to draw up, with a view to their submission to the United Nations, treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland, and to propose settlements of territorial questions outstanding on the termination of the war in Europe. The Council shall be utilized for the preparation of a peace settlement for Germany to be accepted by the Government of Germany when a government adequate for the purpose is established.

(ii) For the discharge of each of these tasks the Council will be composed of the members representing those states which were signatory to the terms of surrender imposed upon the enemy state concerned. For the purpose of the peace settlement for Italy, France shall be regarded as a signatory to the terms of surrender for Italy. Other members will be invited to participate when matters directly concerning them are under discussion.

(iii) Other matters may from time to time be referred to the Council by agreement between the member governments.

4. (i) Whenever the Council is considering a question of direct interest to a state not represented thereon, such state should be invited to send representatives to participate in the discussion and study of that question.

(ii) The Council may adapt its procedure to the particular problem under consideration. In some cases it may hold its own preliminary discussions prior to the participation of other interested states. In other cases, the Council may convoke a formal conference of the state chiefly interested in seeking a solution of the particular problem.

In accordance with the decision of the conference the three governments have each addressed an identical invitation to the Governments of China and France to adopt this text and to join in establishing the Council.

The establishment of the Council of Foreign Ministers for the specific purposes named in the text will be without prejudice to the agreement of the Crimea Conference that there should be periodic consultation among the Foreign Secretaries of the United States, the Union of Soviet Socialist Republics, and the United Kingdom.

The conference also considered the position of the European Advisory Commission in the light of the agreement to establish the Council of Foreign Ministers. It was noted with satisfaction that the Commission had ably discharged its principal tasks by the recommendations that it had furnished for the terms of Germany's unconditional surrender, for the zones of occupation in Germany and Austria, and for the inter-Allied control machinery in those countries. It was felt that further work of a detailed character for the coordination of Allied policy for the control of Germany and Austria would in future fall within the competence of the Allied Control Council at Berlin and the Allied Commission at Vienna. Accordingly it was agreed to recommend that the European Advisory Commission be dissolved.

III. GERMANY

The Allied armies are in occupation of the whole of Germany and the German people have begun to atone for the terrible crimes committed under the leadership of those whom, in the hour of their success, they openly approved and blindly obeyed.

Agreement has been reached at this conference on the political and economic principles of a coordinated Allied policy toward defeated Germany during the period of Allied control.

The purpose of this agreement is to carry out the Crimea declaration on Germany. German militarism and nazism will be extirpated and the Allies will take in agreement together, now and in the future, the other measures necessary to assure that Germany never again will threaten her neighbors or the peace of the world.

It is not the intention of the Allies to destroy or enslave the German people. It is the intention of the Allies that the German people be given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis. If their own efforts are steadily directed to this end, it will be possible for them in due course to take their place among the free and peaceful peoples of the world.

The text of the agreement is as follows:

"THE POLITICAL AND ECONOMIC PRINCIPLES TO GOVERN THE TREATMENT OF GERMANY IN THE INITIAL CONTROL PERIOD

"A. POLITICAL PRINCIPLES

"1. In accordance with the Agreement on Control Machinery in Germany, supreme authority in Germany is exercised on instructions from their respective Governments, by the Commander-in-Chief of the armed forces of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics, and the French Republic, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, in their capacity as members of the Control Council.

"2. So far as is practicable, there shall be uniformity of treatment of the German population throughout Germany.

"3. The purposes of the occupation of Germany by which the Control Council shall be guided are:

"(i) The complete disarmament and demilitarization of Germany and the elimination or control of all German industry that could be used for military production. To these ends—

"(a) All German land, naval, and air forces, the SS, SA, SD, and Gestapo, with all their organizations, staffs, and institutions, including the general staff, the officers' corps, reserve corps, military schools, war veterans' organizations, and all other military and quasi-military organizations, together with all clubs and associations which serve to keep alive the military tradition in Germany, shall be completely and finally abolished in such manner as permanently to prevent the revival or reorganization of German militarism and nazism.

"(b) All arms, ammunition, and implements of war and all specialized facilities for their production shall be held at the disposal of the Allies or destroyed. The maintenance and production of all aircraft and all arms, ammunition and implements of war shall be prevented.

"(ii) To convince the German people that they have suffered a total military defeat and that they cannot escape responsibility for what they have brought upon themselves, since their own ruthless warfare and the fanatical Nazi resistance have destroyed German economy and made chaos and suffering inevitable.

"(iii) To destroy the National Socialist Party and its affiliated and supervised organizations, to dissolve all Nazi institutions, to insure that they are not revived in any form, and to prevent all Nazi and militarist activity or propaganda.

"(iv) To prepare for the eventual reconstruction of German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany.

"4. All Nazi laws which provided the basis of the Hitler regime or established discrimination on grounds of race, creed, or political opinion shall be abolished. No such discriminations, whether legal, administrative, or otherwise, shall be tolerated.

"5. War criminals and those who have participated in planning or carrying out Nazi enterprises involving or resulting in atrocities or war crimes shall be arrested and brought to judgment. Nazi leaders, influential Nazi supporters, and high officials of Nazi organizations and institutions, and any other persons dangerous to the occupation or its objectives shall be arrested and interned.

"6. All members of the Nazi Party who have been more than nominal participants in its activities and all other persons hostile to Allied purposes shall be removed from public and semipublic office, and from positions of responsibility in important private undertakings. Such persons shall be replaced by persons who, by their political and moral qualities, are deemed capable of assisting in developing genuine democratic institutions in Germany.

"7. German education shall be so controlled as completely to eliminate Nazi and militarist doctrines and to make possible the successful development of democratic ideas.

"8. The judicial system will be reorganized in accordance with the principles of democracy, of justice under law, and of equal rights for all citizens without distinction of race, nationality, or religion.

"9. The administration of affairs in Germany should be directed toward the decentralization of the political structure and the development of local responsibility. To this end:

"(i) Local self-government shall be restored throughout Germany on democratic principles, and in particular, through elective councils as rapidly as is consistent with military security and the purposes of military occupation.

"(ii) All democratic political parties with rights of assembly and of public discussion shall be allowed and encouraged throughout Germany.

"(iii) Representative and elective principles shall be introduced into regional, provincial, and state (Land) administration as rapidly as may be justified by the successful application of these principles in local self-government.

"(iv) For the time being no central German Government shall be established. Notwithstanding this, however, certain essential central German administrative departments, headed by State secretaries, shall be established, particularly in the fields of finance, transport, communications, foreign trade,

and industry. Such departments will act under the direction of the Control Council.

"10. Subject to the necessity for maintaining military security, freedom of speech, press, and religion shall be permitted, and religious institutions shall be respected. Subject likewise to the maintenance of military security, the formation of free trade unions shall be permitted.

"B. ECONOMIC PRINCIPLES

"11. In order to eliminate Germany's war potential, the production of arms, ammunition, and implements of war as well as all types of aircraft and seagoing ships shall be prohibited and prevented. Production of metals, chemicals, machinery, and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved postwar peacetime needs to meet the objectives stated in paragraph 15. Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the Allied Commission on Reparations and approved by the governments concerned or, if not removed, shall be destroyed.

"12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts, and other monopolistic arrangements.

"13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

"14. During the period of occupation Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to—

"(a) Mining and industrial production and allocation.

"(b) Agriculture, forestry, and fishing.

"(c) Wages, prices, and rationing.

"(d) Import and export programs for Germany as a whole.

"(e) Currency and banking, central taxation, and customs.

"(f) Reparation and removal of industrial war potential.

"(g) Transportation and communications.

"In applying these policies account shall be taken, where appropriate, of varying local conditions.

"15. Allied controls shall be imposed upon the German economy but only to the extent necessary—

"(a) To carry out programs of industrial disarmament and demilitarization of reparations, and of approved exports and imports.

"(b) To assure the production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of standards of living of European countries. (European countries means all European countries excluding the United Kingdom and the Union of Soviet Socialist Republics.)

"(c) To insure in the manner determined by the Control Council the equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for imports.

"(d) To control German industry and all economic and financial international transactions, including exports and imports, with the aim of preventing Germany from developing a war potential and of achieving the other objectives named herein.

"(e) To control all German public or private scientific bodies, research and experimental institutions, laboratories, etc., connected with economic activities.

"16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German authorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. Thus it should be brought home to the German people that the responsibility for the administration of such controls and any breakdown in these controls will rest with themselves. Any German controls which may run counter to the objectives of occupation will be prohibited.

"17. Measures shall be promptly taken—

"(a) to effect essential repair of transport;

"(b) to enlarge coal production;

"(c) to maximize agricultural output; and

"(d) to effect emergency repair of housing and essential utilities.

"18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not already under the control of United Nations which have taken part in the war against Germany.

"19. Payment of reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stock shall be available in the first place for payment for such imports.

"The above clause will not apply to the equipment and products referred to in paragraphs 4 (a) and 4 (b) of the reparations agreement."

IV. REPARATIONS FROM GERMANY

In accordance with the Crimea decision that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations and for which the German people cannot escape responsibility, the following agreement on reparations was reached:

1. Reparation claims of the U. S. S. R. shall be met by removals from the zone of Germany occupied by the U. S. S. R. and from appropriate German external assets.

2. The U. S. S. R. undertakes to settle the reparation claims of Poland from its own share of reparations.

3. The reparation claims of the United States, the United Kingdom, and other countries entitled to reparations shall be met from the western zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U. S. S. R. from its own zone of occupation, the U. S. S. R. shall receive additionally from the western zones:

(a) 15 percent of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical, and machine-manufacturing industries, as is unnecessary for the German peace economy and should be removed from the western zones of Germany, in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, and such other commodities as may be agreed upon.

(b) 10 percent of such industrial capital equipment as is unnecessary for the German peace economy and should be removed from the western zones, to be transferred to the Soviet Government on reparations account without payment or exchange of any kind in return.

Removals of equipment as provided in (a) and (b) above shall be made simultaneously.

5. The amount of equipment to be removed from the western zones on account of reparations must be determined within 6 months from now at the latest.

6. Removals of industrial capital equipment shall begin as soon as possible and shall be completed within 2 years from the determination specified in paragraph 5. The delivery of products covered by 4 (a) above shall begin as soon as possible and shall be made by the U. S. S. R. in agreed installments within 5 years of the date hereof. The determination of the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations shall be made by the Control Council under policies fixed by the Allied Commission on Reparations, with the participation of France, subject to the final approval of the zone commander in the zone from which the equipment is to be removed.

7. Prior to the fixing of the total amount of equipment subject to removal, advance deliveries shall be made in respect of such equipment as will be determined to be eligible for delivery in accordance with the procedure set forth in the last sentence of paragraph 6.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the western zones of occupation in Germany as well as to German foreign assets in all countries except those specified in paragraph 9 below.

9. The Governments of the United Kingdom and United States of America renounce their claims in respect of reparations to shares of German enterprises which are located in the eastern zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania, and eastern Austria.

10. The Soviet Government makes no claims to gold captured by the Allied troops in Germany.

V. DISPOSAL OF THE GERMAN NAVY AND MERCHANT MARINE

The Conference agreed in principle upon arrangements for the use and disposal of the surrendered German fleet and merchant ships. It was decided that the three Governments would appoint experts to work out together detailed plans to give effect to the agreed principles. A further joint statement will be published simultaneously by the three Governments in due course.

VI. CITY OF KOENIGSBERG AND THE ADJACENT AREA

The Conference examined a proposal by the Soviet Government that pending the final determination of territorial questions at the peace settlement, the section of the western frontier of the Union of Soviet Socialist Republics which is adjacent to the Baltic Sea should pass from a point on the eastern shore of the Bay of Danzig to the east, north of Braunsberg-Goldap, to the meeting point of the frontiers of Lithuania, the Polish Republic, and East Prussia.

The Conference has agreed in principle to the proposal of the Soviet Government concerning the ultimate transfer to the Soviet Union of the city of Koenigsberg and the area adjacent to it as described above, subject to expert examination of the actual frontier.

The President of the United States and the British Prime Minister have declared that they will support the proposal of the Conference at the forthcoming peace settlement.

VII. WAR CRIMINALS

The three Governments have taken note of the discussions which have been proceeding in recent weeks in London between British, United States, Soviet, and French representatives with a view to reaching agreement on the methods of trial of those major war criminals whose crimes under the Moscow Declaration of October 1943, have no particular geographic allocalization. The three Governments reaffirm their intention to bring those criminals to swift and sure justice. They hope that the negotiations in London will result in speedy agreement being reached for this purpose, and they regard it as a matter of great importance that the trial of those major criminals should begin at the earliest possible date. The first list of defendants will be published before September 1.

VIII. AUSTRIA

The Conference examined a proposal by the Soviet Government on the extension of the authority of the Austrian Provisional Government to all of Austria.

The three Governments agreed that they were prepared to examine this question after the entry of the British and American forces into the city of Vienna.

IX. POLAND

The Conference considered questions relating to the Polish Provisional Government and the western boundary of Poland.

On the Polish Provisional Government of National Unity they defined their attitude in the following statement:

"(a) We have taken note with pleasure of the agreement reached among representative Poles from Poland and abroad which has made possible the formation, in accordance with the decisions reached at the Crimea Conference, of a Polish Provisional Government of National Unity recognized by the three powers. The establishment by the British and United States Governments of diplomatic relations with the Polish Provisional Government has resulted in the withdrawal of their recognition from the former Polish Government in London, which no longer exists.

"The British and United States Governments have taken measures to protect the interest of the Polish Provisional Government as the recognized Government of the Polish State in the property belonging to the Polish State located in their territories and under their control, whatever the form of this property may be. They have further taken measures to prevent alienation to third parties of such property. All proper facilities will be given to the Polish Provisional Government for the exercise of the ordinary legal remedies for the recovery of any property belonging to the Polish State which may have been wrongfully alienated.

"The three powers are anxious to assist the Polish Provisional Government in facilitating the return to Poland as soon as practicable of all Poles abroad who wish to go, including members of the Polish armed forces and the merchant marine. They expect that those Poles who return home shall be accorded personal and property rights on the same basis as all Polish citizens.

"The three powers note that the Polish Provisional Government in accordance with the decisions of the Crimea Conference has agreed to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates, and that representatives of the Allied press shall enjoy full freedom to report to the world upon developments in Poland before and during the elections.

"(b) The following agreement was reached on the western frontier of Poland:

" 'In conformity with the agreement on Poland reached at the Crimea Conference the three heads of government have sought the opinion of the Polish Provisional Government of National Unity in regard to the accession of territory in the north and west which Poland should receive. The President of the National Council of Poland and members of the Polish Provisional Government of National Unity have been received at the conference and have fully presented their views. The three heads of government reaffirm their opinion that the final delimitation of the western frontier of Poland should await the peace settlement.

" 'The three heads of government agree that, pending the final determination of Poland's western frontier, the former German territories east of a line running from the Baltic Sea immediately west of Swinemunde, and thence along the Oder River to the confluence of the western Neisse River and along the western Neisse to the Czechoslovak frontier, including that portion of east Prussia not placed under the administration of the Union of Soviet Socialist Republics in accordance with the understanding reached at this conference and including the area of the former Free City of Danzig, shall be under the administration of the Polish state and for such purposes should not be considered as part of the Soviet zone of occupation in Germany.' "

X. CONCLUSION OF PEACE TREATIES AND ADMISSION TO THE UNITED NATIONS ORGANIZATION

The conference agreed upon the following statement of common policy for establishing, as soon as possible, the conditions of lasting peace after victory in Europe:

"The three governments consider it desirable that the present anomalous position of Italy, Bulgaria, Finland, Hungary, and Rumania should be terminated by the conclusion of peace treaties. They trust that the other interested Allied Governments will share these views.

"For their part the three governments have included the preparation of a peace treaty for Italy as the first among the immediate important tasks to be undertaken by the new Council of Foreign Ministers. Italy was the first of the Axis Powers to break with Germany, to whose defeat she has made a material contribution and has now joined with the Allies in the struggle against Japan. Italy has freed herself from the Fascist regime and is making good progress toward the reestablishment of a democratic government and institutions. The conclusion of such a peace treaty with a recognized and democratic Italian Government will make it possible for the three governments to fulfill their desire to support an application from Italy for membership of the United Nations.

"The three governments have also charged the Council of Foreign Ministers with the task of preparing peace treaties for Bulgaria, Finland, Hungary, and Rumania. The conclusion of peace treaties with recognized democratic governments in these states will also enable the three governments to support applications from them for membership of the United Nations. The three governments agree to examine each separately in the near future, in the light of the conditions then prevailing, the establishment of diplomatic relations with Finland, Rumania, Bulgaria, and Hungary to the extent possible prior to the conclusion of peace treaties with those countries.

"The three Governments have no doubt that in view of the changed conditions resulting from the termination of the war in Europe, representatives of the Allied press will enjoy full freedom to report to the world upon developments in Rumania, Bulgaria, Hungary, and Finland.

"As regards the admission of other states into the United Nations Organization, article 4 of the Charter of the United Nations declares that—

" '1. Membership in the United Nations is open to all other peace-loving states who accept the obligations contained in the present Charter and, in the judgment of the organization, are able and willing to carry out these obligations.

" '2. The admission of any such state to membership in the United Nations will be effected by a decision of the General Assembly upon the recommendation of the Security Council.'

"The three Governments, so far as they are concerned, will support applications for membership from those states which have remained neutral during the war and which fulfill the qualifications set out above.

"The three Governments feel bound, however, to make it clear that they for their part would not favor any application for membership put forward by the present Spanish Government which, having been founded with support of the Axis Powers, does not, in view of its origins, its nature, its record, and its close association with the aggressor states, possess the qualifications necessary to justify such membership."

XI. TERRITORIAL TRUSTEESHIPS

The Conference examined a proposal by the Soviet Government concerning trusteeship territories as defined in the decision of the Crimea Conference and in the Charter of the United Nations Organization.

After an exchange of views on this question it was decided that the disposition of any former Italian territories was one to be decided in connection with the preparation of a peace treaty for Italy and that the question of Italian territory would be considered by the September Council of Ministers of Foreign Affairs.

XII. REVISED ALLIED CONTROL COMMISSION PROCEDURE IN RUMANIA, BULGARIA, AND HUNGARY

The three Governments took note that the Soviet representatives on the Allied Control Commissions in Rumania, Bulgaria and Hungary, have communicated to their United Kingdom and United States colleagues, proposals for improving the work of the Control Commission, now that hostilities in Europe have ceased.

The three Governments agree that the revision of the procedures of the Allied Control Commissions in these countries would now be undertaken, taking into account the interests and responsibilities of the three Governments which together presented the terms of armistice to the respective countries, and accepting as a basis the agreed proposals.

XIII. ORDERLY TRANSFERS OF GERMAN POPULATIONS

The Conference reached the following agreement on the removal of Germans from Poland, Czechoslovakia, and Hungary:

The three Governments, having considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia, and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

Since the influx of a large number of Germans into Germany would increase the burden already resting on the occupying authorities, they consider that the Allied Control Council in Germany should in the first instance examine the problem with special regard to the question of the equitable distribution of these Germans among the several zones of occupation. They are accordingly instructing their respective representatives on the Control Council to report to their governments as soon as possible the extent to which such persons have already entered Germany from Poland, Czechoslovakia, and Hungary, and to submit an estimate of the time and rate at which further transfers could be carried out, having regard to the present situation in Germany.

The Czechoslovak Government, the Polish Provisional Government, and the Control Council in Hungary are at the same time being informed of the above, and are being requested meanwhile to suspend further expulsions pending the examination by the Governments concerned of the report from their representatives on the Control Council.

XIV. MILITARY TALKS

During the Conference there were meetings between the Chiefs of Staff of the three Governments on military matters of common interests.

Approved:

J. V. STALIN.
HARRY S. TRUMAN.
C. R. ATTLEE.

Mr. BARKLEY. Mr. President, after that was done it became obvious that it would not be in the interests either of German economy or of European economy or recovery to go through with the

program involved in the first understanding at Berlin. We understand, of course, the attitude and the circumstances surrounding the position assumed by the victorious nations at that time. Germany had inflicted untold injuries upon all the countries in Europe, and they were necessarily laboring under the impetus of victory and smarting under the injury which had been caused by German aggression.

During the period from March 1946 until the fall of 1947, it became obvious that that original program could not be carried out without making the German people and the German economy totally short of self-sufficiency, and without at the same time injuring the recovery program in Europe itself. So that plan was revised.

I have here a statement issued by Gen. Lucius D. Clay, general of the United States Army, and by Marshal Douglas, of the British Royal Air Force and military governor of the United Kingdom zone in Germany, which I think it would be interesting to read. It is very short. It was issued on October 16, 1947, and is as follows:

OCTOBER 16, 1947.

MESSAGE TO THE GERMANS FROM THE BRITISH AND AMERICAN COMMANDERS IN CHIEF

On August 29, 1947, at a joint conference of the world and German press, we announced the adoption of a revised plan for the level of industry in the British and American zones of occupation in Germany. We stated that the list of plants to be made available for reparations under the new plan would be made public without delay. This list has now been completed and is being issued today. It does not contain plants in certain prohibited industries, the future of which is under review.

We have been conscious of the importance of enabling German industries to have the certainty which is the basis of sound planning, and the list now published will clear away the doubts which have previously existed. It contains plants which have already been removed, as well as those which still must go. It includes war plants of the two zones containing equipment suitable for reparations, although a large proportion of these have already been dismantled or destroyed, and also the advanced reparations plants which were made available by the zone commanders in the fall of 1945.

Between the surrender of Germany and the entering into of the original agreement which I mentioned a moment ago, certain advance dismantlings took place in the fall of 1945.

It now names in addition those plants which are not required to support the new level of industry, and which will now be declared to the Allied Control Council as available for reparations to those countries which suffered from the war of aggression.

The surplus capacity has been chosen with great care to insure that a balanced industrial economy, capable of self-support and of making a large contribution to the economic rehabilitation not only of Germany but also of Europe, is left in Germany. In the selection of plants particular care has been taken to avoid wherever possible the creation of local unemployment.

While the plan must be regarded as a firm one, well-founded suggestions for the substitution of equivalent individual plants will be considered if they are submitted within the next 14 days by the appropriate German economic agencies in the various lander and city states.

The very substantial increase in the bizonal level of industry and the corresponding reduction in the number of plants to be made available for reparations reflect the importance attached by military government to the reestablishment of a viable economy in Germany. Conversely, the fact that it has been necessary to curtail the reparations due to the victims of German aggression makes it imperative that the surplus plant capacity as now determined be made available without delay.

In announcing these decisions, we wish to make it clear that all necessary steps for the speediest possible fulfillment of the program will be taken so that on the one hand German industry may get ahead with its constructive tasks, and on the other hand that the nations receiving reparations of capital plant and equipment may be able to turn these resources to good account during these next few years when the economic recovery of Europe must be expedited by every possible means.

LUCIUS D. CLAY,
General, United States Army, Military Governor, United States Zone.

SHOLTO DOUGLAS,
Marshal of the Royal Air Force, Military Governor, United Kingdom Zone.

With this release by the two commanding officers of the two zones there was also released a list of the plants which would be available for dismantling and for payment of reparations in the two zones. It is too thick a document for me to ask that it be printed, but I have it in my possession if any Senator wishes to see it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I had an interview with General Clay after this release, in which the dismantling program was to be revised. It was my information, as I recall, that there were still 380 plants in Germany that were to be dismantled.

Mr. BARKLEY. I shall give the exact figures.

I happened to be in Germany during Christmas week. On the 31st of December last, which was 2 months ago, a letter was addressed to me by the director of the dismantling plan. The day before I had asked General Clay and Ambassador Murphy to give me the facts in regard to the reparations situation and the dismantling of plants in Germany, because there was a good deal of confusion and misunderstanding in the United States, and various statements had been given to the press. I stated that I would like to have the facts as they existed on that day. On the 31st of December, I received a letter from Mr. Wilkinson, the director of the dismantling program and the reparations program. Under the direction of General Clay, Mr. Wilkinson obtained the facts and gave me this letter, which I shall read. I think it contains the information to which the Senator from Nebraska has reference. The letter reads as follows:

DECEMBER 31, 1947.

Hon. ALBEN W. BARKLEY,
Care of Military Governor,
Berlin, Germany.

DEAR SENATOR BARKLEY: The following information is presented regarding the reparations program:

OLD LEVEL OF INDUSTRY PLAN—MARCH 1946

In March 1946 the four occupying powers, acting through the Allied Central Authority, adopted a plan for reparations and the level of postwar German economy. The objectives of the plan were to eliminate Germany's war potential, to provide reparations and yet to leave within Germany the necessary plant and equipment to permit the rebuilding of a visible, peaceful economy.

Experience has shown the necessity for revision of the plan, which was based on specific assumptions that have not been fulfilled. Neither the bizonal area nor all of Germany can regain economic health under the plan. Moreover, it has become increasingly apparent that with such limitations Germany could not contribute her indispensable part to the economic rehabilitation of Europe as a whole.

There is attached a copy of the original level-of-industry plan and a list of the plants that were selected under it.

I have that list before me, and I have obtained consent to have the plan printed in the RECORD.

BIZONAL LEVEL OF INDUSTRY PLAN, AUGUST 1947

On August 29, 1947, the revised plan for the level of industry in the United States-United Kingdom zones of Germany was announced, and on October 16, 1947, a list of plants was published under the new bizonal plan. In addition to surplus industrial plants, this list also included war plants (although a large portion of these have already been dismantled or destroyed) of the two zones, containing general-purpose equipment suitable for reparations and the advanced reparations plants which were made available by the zone commanders in the fall of 1945—

To which I have already referred.

There is attached a summary of the plants and part plants listed for reparations from the United States-United Kingdom zones under the revised plan.

VALUATION OF REPARATIONS

Under the March 1946 plan for the level of industry, the plants selected for removal in the United States zone had an estimated value of 385,000,000 reichsmarks. The revised plan has reduced this figure to approximately 240,000,000 reichsmarks, and inventory and evaluation work for the plants listed for the United States zone have been completed. The evaluation of these plants was made under a quadripartitely approved formula based on the 1938 reichsmark replacement value of the equipment in Germany less war damage and depreciation.

The inventory and evaluation work for the plants selected in the British zone has not been completed, but it is believed that the value of the plants will approximate 600,000,000 to 800,000,000 reichsmarks, which would probably be 50 percent of the value of the plants as listed under the 1946 plan. In other words, plants with a value of some 800,000,000 to 1,000,000,000 reichsmarks are scheduled for removal under the new plan, as against the 1946 plan, which, for both zones, would approach 2,000,000,000 reichsmarks.

In other words, the value in reichsmarks under the revised plan reduced the value of the plants from approximately 2,000,000,000 reichsmarks to between 800,000,000 and 1,000,000,000 reichsmarks.

I read further:

DISMANTLING

Out of the 105 category I war plants in the United States zone which contain reparations equipment, 81 have been completely dismantled and work is in progress on the remaining 24 plants. Ten of the advance delivery plants have been completely dismantled and work is being performed on the two remaining.

The schedule for completion of dismantling of all of the 186 plants in the United

States zone listed under the new plan provides that 70 percent of the dismantling will be completed by March 31, 1948, with the dismantling of the remaining plants to be completed before the end of the year 1948.

In other words, of the total of 662 plants left under the revised plan to be dismantled, 186 of them are in the American zone, and 70 percent of them were to be completely dismantled by the end of March, and the other 30 percent during the remainder of 1948.

I read further:

Out of the 476 plants made available from the United Kingdom zone which include the plants originally selected as advance delivery category I war plants and the other plants, approximately 70 of these plants have been dismantled, and work is being performed on 123 other plants.

It is estimated that dismantling work will be completed in the United Kingdom zone during the latter part of 1949 or the early part of 1950.

It seems to me, Mr. President, that in both cases 70 percent of the dismantling provided for under the revised plan had been accomplished at the time when this letter was written—the 31st of December—or would be accomplished during the month of March.

I read further:

ALLOCATION OF PLANTS

Under the Potsdam agreement, 25 percent of the reparation equipment from the three western zones is allocated to the U. S. S. R. and Poland, and 75 percent to the western nations, as represented by the Inter-Allied Reparation Agency at Brussels.

Mr. WHERRY. Mr. President, will the Senator repeat that statement as to Russia?

Mr. BARKLEY. Twenty-five percent of the reparations to be taken from Germany were to go to Russia and Poland; but the agreement did not state the proportion to go to either Russia or Poland. That was left to be determined by agreement between Russia and Poland.

I read further:

Since the Inter-Allied Reparation Agency must suballocate its share to the member nations and this has taken considerable time, deliveries to the western nations have lagged behind those to the Union of Soviet Socialist Republics, where no suballocation was necessary.

Of course, it was simpler to carry out the allocation of the 25 percent to Russia and Poland than the 75 percent to the other 16 nations which were to be the beneficiaries of this reparations program.

I read further:

As a result, 95 percent of the equipment already allocated to the Union of Soviet Socialist Republics and Poland has already been delivered, and the balance will be shipped within a few weeks.

As a matter of policy, no deliveries will be made to the Union of Soviet Socialist Republics and Poland of any future allocations of plants on the reparations list until the problem of economic unification of Germany is solved.

That letter was signed by Mr. L. Wilkinson, director of the reparations and dismantling program. I ask that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 31, 1947.

Hon. ALBEN W. BARKLEY,
Care of Military Governor,
Berlin, Germany.

DEAR SENATOR BARKLEY: The following information is presented regarding the reparations program:

OLD LEVEL OF INDUSTRY PLAN—MARCH 1946

In March 1946 the four occupying powers, acting through the Allied Control Authority, adopted a plan for reparations and the level of postwar Germany economy. The objectives of the plan were to eliminate Germany's war potential, to provide reparations and yet to leave within Germany the necessary plant and equipment to permit the rebuilding of a viable peaceful economy.

Experience has shown the necessity for revision of the plan, which was based on specific assumptions that have not beeen fulfilled. Neither the bizonal area nor all of Germany can regain economic health under the plan. Moreover, it has become increasingly apparent that with such limitations Germany could not contribute her indispensable part to the economic rehabilitation of Europe as a whole.

There is attached a copy of the original level of industry plan and a list of the plants that were selected under it.

BIZONAL LEVEL OF INDUSTRY PLAN—AUGUST 1947

On August 29, 1947, the revised plan for the level of industry in the United States-United Kingdom zones of Germany was announced and on October 16, 1947, a list of plants was published under the new bizonal plan. In addition to surplus industrial plants, this list also included war plants (although a large portion of these have already been dismantled or destroyed) of the two zones, containing general-purpose equipment suitable for reparations, and the advance reparations plants which were made available by the zone commanders in the fall of 1945.

There is attached a summary of the plants and part plants listed for reparations from the United States-United Kingdom zones under the revised plan.

VALUATION OF REPARATIONS

Under the March 1946 plan for the level of industry, the plants selected for removal in the United States zone had an estimated value of 385,000,000 reichsmarks. The revised plan has reduced this figure to approximately 240,000,000 reichsmarks, and inventory and evaluation work for the plants listed for the United States zone have been completed. The evaluation of those plants was made under a quadripartitely approved formula based on the 1938 reichsmark replacement value of the equipment in Germany, less war damage and depreciation.

The inventory and evaluation work for the plants selected in the British zone has not been completed, but it is believed that the value of the plants will approximate six hundred to eight hundred million reichsmarks, which would probably be 50 percent of the value of the plants as listed under the 1946 plan. In other words, plants with a value of some 800,000,000 to 1,000,000,000 reichsmarks are scheduled for removal under the new plan as against the 1946 plan, which, for both zones, would approach 2,000,000,000 reichsmarks.

DISMANTLING

Out of the 105 category I war plants in the United States zone which contain reparations equipment, 81 have been completely dismantled, and work is in progress on the remaining 24 plants. Ten of the advance delivery plants have been completely dismantled, and work is being performed on the two remaining.

The schedule for completion of dismantling of all of the 186 plants in the United States zone listed under the new plan provides that 70 percent of the dismantling will be completed by March 31, 1948, with the dismantling of the remaining plants to be completed before the end of the year 1948.

Out of the 476 plants made available from the United Kingdom zone, which include the plants originally selected as advance delivery category I war plants and the other plants, approximately 70 of these plants have been dismantled, and work is being performed on 123 other plants.

It is estimated that dismantling work will be completed in the United Kingdom zone during the latter part of 1949 or the early part of 1950.

ALLOCATION OF PLANTS

Under the Potsdam agreement, 25 percent of the reparation equipment from the three western zones is allocated to the U. S. S. R. and Poland, and 75 percent to the western nations, as represented by the Inter-Allied Reparation Agency at Brussels. Since the Inter-Allied Reparation Agency must suballocate its share to the member nations, and this has taken considerable time, deliveries to the western nations have lagged behind those to the U. S. S. R., where no suballocation was necessary. As a result, 95 percent of the equipment already allocated to the U. S. S. R. and Poland has already been delivered, and the balance will be shipped within a few weeks.

As a matter of policy, no deliveries will be made to the U. S. S. R. and Poland of any future allocations of plants on the reparations list, until the problem of economic unification of Germany is solved.

L. WILKINSON,
Director.

(Three inclosures: Inclosure 1, old plan; inclosure 2, list of plants under old plan; inclosure 3, new plan—list of plants.)

Mr. WHERRY. Mr. President, the conversation I had with General Clay took place after this letter was written. I refer to the letter the Senator from Kentucky now has placed in the RECORD. To attempt to harmonize the figures, as I recall the answer to my question to him, it was stated that there were, in all—not only in the American zone and the United Kingdom zone, but also the French zone—380 plants which were to be dismantled, at the time I talked to him, in keeping with the new revised list which the minority leader has just presented for the RECORD.

According to the figures submitted, there would be 123 plants yet to be dismantled, to go from the United Kingdom zone, and 55 out of the American zone, if I correctly recall the figures; and to them should be added the plants which should go to France, I suppose, not including those to go to Russia and Poland.

So to a great extent that letter almost bears out the figures he gave me.

Mr. BARKLEY. The Senator saw General Clay early in February, I believe.

Mr. WHERRY. That is correct.

Mr. BARKLEY. And this letter was written on December 31. There is no disagreement as to the total number.

Mr. WHERRY. I think not. I agree that there is not.

Mr. BARKLEY. The total in the British and American zones is 662.

Mr. WHERRY. That is correct.

Mr. BARKLEY. And of them, 186 were in the American zone.

Mr. WHERRY. That is correct.

Mr. BARKLEY. And 476 were in the British zone.

Mr. WHERRY. Yes, and 70 percent of that number had been dismantled.

Mr. BARKLEY. Yes.

Mr. WHERRY. Or at least their dismantling had been begun.

So it still leaves 123 in the British zone and 55 in the American zone which had not been touched at the time when that letter was written.

Mr. BARKLEY. They had not been at that time; yes.

Mr. WHERRY. I wish to ask the Senator a question, and once again I desire to point out something which I have read in the report of the House Committee on Foreign Aid. This was set forth in detail, and they recommended as late as the beginning of this month that no further dismantling be made until we decide what we shall do under this foreign-aid program. I think that is a good recommendation.

So in view of the allocations of steel which are to bring the production of France and the United Kingdom up to certain levels, and in view of the fact that last year France obtained 90 percent of its production on the basis of the 1938 level, would it not be possible to discontinue the dismantling of these plants, or else figure them in the allocations of steel going to the recipient countries, so that under the foreign-aid program we shall start with the allocations of new steel predicated upon the continuance of the dismantling, or else have no dismantling until we know what the industry level is going to be?

It seems to me that to pull Germany down and to build France up to a level that goes far beyond the prewar level of 1938 is one thing, but in addition to that, more than 50 percent of the allocations of steel under the foreign-aid bill goes to Great Britain and France. Are we to seek to build up those two countries to a level far beyond the 1938 level by adding to the reparations program and by insisting upon the additional allocation of steel, which today is so scarce in this country? I submit to the distinguished Senator, who is on the committee, this proposition: Would the Senator accept an amendment to the pending bill providing that no further dismantling shall be done under the leveling-off agreements until after there has been a determination of ERP legislation which the Senate is now considering?

Mr. BARKLEY. I have no authority to accept or reject an amendment, but I would not favor that sort of amendment if the Senator asks me for my own view.

Mr. WHERRY. Yes; that is what I was asking for.

Mr. BARKLEY. I did not rise to get into any argument over the merits of whether any given plant in Germany should be dismantled and sent into one of the allied countries under an agreement for reparations.

Mr. WHERRY. I appreciate that.

Mr. BARKLEY. I wanted to dissipate the confusion as to the number of plants subject to being dismantled under the revised program. It is about one-third of those originally designed to be dismantled.

Mr. WHERRY. I think that is correct.

Mr. BARKLEY. I refer to the action of the Allied control, especially within recent months. I would have to exclude Russia from that because they have not cooperated, not having been particularly impressed with the need for reconstructing the economy of Germany. They had to consider, of course, how many plants had been built in Germany during the increase of industrial activity for war purposes, and how many of those plants were absolutely necessary for the peacetime economy of Germany, obliterating any idea of war or war preparation. I think that they have shown their wisdom in revising the original plan, which was probably made in the vindictive atmosphere of war victory, so that approximately one-third of the plants originally intended for dismantling have now been settled on as the number which should be subject to some further revision as they review the situation.

We have an agreement with other nations in regard to the matter. We cannot unilaterally decide that France or Belgium or Holland or Luxemburg or Norway or Denmark is not entitled to reparations. We agreed that 75 percent of the dismantled plants and their equipment should go to the western allies, 25 percent to Russia. Due to the simplicity of the Russian situation they have gotten a larger proportion of their reparations than have the other countries, but I could not take the position that we can ourselves violate an agreement which we have made in connection with the distribution of the equipment. I may say, however, that if they get all of that which is intended for them under the reparations agreement, certainly the Administrator would be authorized to take that into consideration in determining how much more of the same sort of equipment they should receive under the program we are now considering.

Mr. WHERRY and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I am still yielding to the Senator from Nebraska. I will yield to other Senators in a moment.

Mr. WHERRY. I want to thank the minority leader for his explanation and for the facts he has contributed. I think his statement is highly beneficial.

Mr. BARKLEY. I thank the Senator.

Mr. WHERRY. My feeling is we are making this agreement with the very countries that are taking the reparations.

Mr. EASTLAND. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I do not have the floor.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. BARKLEY. I yield.

Mr. EASTLAND. The Senator speaks of the agreement. Who has authority to speak for the United States?

Mr. WHERRY. What I am saying is that in the new legislation now proposed 16 participating countries are to become recipients of its benefits. Those countries are ones of which the Senator from Kentucky has been talking in connection with reparations and what they are entitled to. I humbly submit to the distinguished minority leader that the reparations that these countries are to obtain through the dismantling of German plants should be taken into consideration in connection with rebuilding those countries under the reconstruction program. Since bringing this question to the attention of the Senate recently I have read the recommendations of the group in the House that further dismantling be discontinued until complete revision is made and until the matter is reconsidered in the light of the pending legislation.

Mr. BARKLEY. Of course, that involves an arbitrary unilateral violation on our part of an agreement we entered into. The question may be raised as to who entered into the agreement. There had to be some arrangement made immediately after the surrender of Germany in regard to the occupation of Germany and what should be done. Everyone agreed that Germany should be disarmed, that her war plants should be destroyed, that whatever equipment might be in those war plants, or in a second category, that would be useful for peacetime purposes, should be transported to the Allied Nations. That agreement was entered into by all sides. Of course, it was not in the form of a treaty which would have to be ratified by the Senate, but it was a wartime agreement, which is customary in determining the question of occupation of a conquered country. That was the Berlin agreement, entered into and signed by Stalin, Truman, and Attlee, which I sent to the desk for printing.

Mr. WHERRY. That is the so-called Potsdam agreement, is it not?

Mr. BARKLEY. No; it was the Berlin agreement. There was a consultation at Potsdam, but the agreement was made in Berlin.

Mr. WHERRY. That is the so-called Potsdam agreement?

Mr. BARKLEY. It is the so-called Potsdam agreement.

Mr. WATKINS and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I do not want to monopolize the floor by discussions with the Senator from Nebraska. I yield to the Senator from Utah [Mr. WATKINS].

Mr. WATKINS. Mr. President, I wanted to ask the Senator from Kentucky a question. He has spoken a number of times of agreements. Does the Foreign Relations Committee have the number of agreements which have been entered into with respect to reparations in Germany?

Mr. BARKLEY. I do not know whether the committee has that information or not.

Mr. WATKINS. Has the committee ever investigated the number?

Mr. BARKLEY. There may be information filed with the Foreign Relations Committee. It is not a part of the hearings on the pending measure, as I recall. I am not certain whether a complete list is in the committee's possession.

Mr. WATKINS. I am seeking information. I have heard the agreements referred to from time to time. The statement is continually made that we cannot break any agreements which have been made. It seems to me the Senate of the United States ought to have information as to how many agreements there are, what they are, and what they contain. We have never yet had them.

Mr. BARKLEY. There were various agreements made, first at Yalta, then at Teheran, and then at Potsdam. The so-called Potsdam agreement, the one referred to here, is the Berlin protocol. Potsdam is just outside Berlin.

Mr. WATKINS. Is it the same agreement, by whatever name?

Mr. BARKLEY. It is the same one, whatever the name, yes. It is the only agreement entered into by Stalin, Truman, and Attlee, because I think that is the only conference that President Truman has attended at which Stalin and Attlee were present.

Mr. WATKINS. The Senator has referred, or there was a reference by a general, to subsequent changes in the plans. Who made those changes?

Mr. BARKLEY. Those changes were made by the interallied control in Germany.

Mr. WATKINS. By what authority?

Mr. BARKLEY. By the authority of each agency. General Clay had the authority of his Government to enter into negotiations with the other members of the Allied Control Commission, to determine what should take place in relation to the original agreement about the dismantling of some 1,800 or 1,900 plants.

Mr. WATKINS. Were those agreements reduced to writing?

Mr. BARKLEY. I presume so.

Mr. WATKINS. Does the Senator think we could obtain a list of them?

Mr. BARKLEY. I imagine we could.

Mr. WATKINS. And a copy of each of them?

Mr. BARKLEY. I imagine we could.

Mr. LANGER. Mr. President, I may say to the Senator that on March 4, at page 2101 of the RECORD, I submitted for appropriate reference a resolution calling for a compilation of international commitments or agreements, of which I understand there are about 20,000. It has been impossible to get a list of them.

Mr. BARKLEY. Oh, there are not 20,000 of them.

Mr. WATKINS. I wrote a letter to the Secretary of State not more than 10 days ago in an effort to obtain a list of them and to find out something about them. I have not even had a reply. I thought possibly the Senator from Kentucky could enlighten us.

Mr. BARKLEY. I do not remember all the agreements. I have not seen all the agreements, but there were four or five general agreements, one at Yalta, before the war ended, one at Teheran, and one at Potsdam, or Berlin. There was one at Paris involving the question of reparations. There have been various conferences in Paris, London, Berlin, Moscow, Yalta, Teheran, and so forth.

Mr. WATKINS. Are they what might be called executive agreements?

Mr. BARKLEY. They are military agreements made in consequence of occupation of conquered territory. The authority of the respective governments was required. I cannot tell the Senator specifically, because I have not seen the letters of commitment.

Mr. WATKINS. What bothers me in connection with the question is that one of the things which could not be agreed on was the matter of reparations.

Mr. BARKLEY. That is in regard to the treaty.

Mr. WATKINS. I understand. But they have been proceeding with reparations and making one agreement after another.

Mr. BARKLEY. There had to be an arrangement made following the conquest of Germany in order to dispose of war plants, and, in some way or other, to work out the situation involving reparations. Those who met on the subject had to decide whether they would undertake to pay reparations out of capital stock, capital investment in equipment, or out of current production. Inasmuch as Germany was not engaged in any current production, there was no possibility of using production as a basis, unless we were to pay the money out of the Treasury ourselves, which we did not see fit to do. So it was decided to pay reparations so far as possible out of capital investment in equipment in Germany.

Mr. WATKINS. Does the Senator think the committee can get for the Senate a list of the agreements involved and copies of them with regard to the whole problem?

Mr. BARKLEY. I suppose that the Committee on Foreign Relations could obtain any information which is available. I have not seen the documents myself.

Mr. WATKINS. I imagine the Senate would like to see those agreements. They have been referred to many times.

Mr. BARKLEY. It would be a futile thing to try to get the details of every agreement which has been entered into or to try to get the conversations between General Clay and the commanders in the different zones, but I have no doubt that the major agreements entered into can be obtained. So far as I am concerned, I shall be very glad to try to obtain them.

Mr. WATKINS. I shall appreciate the assistance of the Senator from Kentucky, because I have been unable to receive replies to my letters on the subject.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Mississippi.

Mr. EASTLAND. As I understand, the dismantling program of which the Senator from Kentucky speaks will, when it is concluded, leave Germany a production equal to that of 1936. Is that correct?

Mr. BARKLEY. That is correct. The level was revised upward so as to give Germany the level of production which she enjoyed approximately at a time when she was not stepping up production in contemplation of war. In other words, it was a normal production.

Mr. EASTLAND. Today western Germany has 17,000,000 more inhabitants than she had in 1936. So if she is to be held at a production level equal to that of 1936, the standard of living will be much lower than it was.

Mr. BARKLEY. It is a minimum production level. It shall not be less than that of 1936. I am not sure that the Senator is correct as to the number of inhabitants in the part of Germany now known as the trizonal region, namely, British, American, and French Germany. I imagine it takes into consideration displaced persons who have come from other parts of Europe. The figure given by the Senator is probably not far out of line. It is stipulated in the document which has been filed here that arrangements shall be made so that Germany may contribute to the recovery of Europe.

Mr. EASTLAND. The Government departments give out those statements. I know that whatever the Senator says is in absolute good faith, but I have talked to a former property custodian in the American zone in Germany, who was outraged because of the fact that in an area where little children were dying from diseases caused by dirt and their inability to keep clean, there was dismantling of a soap factory there in spite of the fact that not a single allied country had requested the factory or its machinery.

Mr. BARKLEY. Certainly there is more than one soap factory in Germany. We were originally told that soap factories could not be used for war purposes. As a matter of fact, we know that soap factories in Germany were being used to manufacture glycerin, which is a very important war material. I have put the report into the RECORD. Whether the figures are accurate, I do not know; but persons on the ground have made a survey, and I think every Senator will concede that General Clay is a man of integrity——

Mr. EASTLAND. But these things are below General Clay.

Mr. BARKLEY. The report states that there are many factories in Germany, more than she needs either for her own economy or for contribution to the world, whether they be war plants or not. It is claimed that some of the products of the plants cannot be sold in Germany and cannot be exported from Germany, and, therefore, such plants are suitable for reparations in payment for damage done to other nations.

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Illinois?

Mr. BROOKS. I should like to make an observation. When these agreements were made involving the level of industry to which we would allow western Germany to rise, we did not know we would be met with the need of feeding Germans in our zone. Now we are confronted with that proposition. Part of the British loan went to feed the Germans in the British zone. We are paying reparations to that extent.

We shall have to finance the French. They will use some of the money in their zone. There are millions more Germans

in Germany than there were before the war. Their breadbasket has gone. If we allow them to come back only to the level of 1936 they still cannot meet their obligation and will not get off the backs of the American people.

I desire to make one further observation. We shall make agreements, and when we try to bring about a change in policy because other nations have not done what they said they would do, that is the time to say to them, "You have not lived up to your full promises." The Senator knows, because of his visits and contacts, that we have a much greater problem in western Germany to rebuild western Germany and let the Germans feed themselves than we ever thought we would have at the end of the war. There is a shortage of manpower, and it almost indicates insanity to use that manpower to tear down plants at a time when manpower is needed in other parts of Germany in order to enable her to get off the backs of the American people.

Mr. BARKLEY. I agree with much the Senator has said. As an occupying power we did not contemplate anything comparable to the obligation we have been compelled to accept. We did not contemplate that we would have to contribute to the support of the British zone. We did not contemplate that Russia would refuse to enter into any agreement to cooperate with any of the Allied agencies. The very agreement to which I have referred was based upon the economic unity of all Germany, to which Russia agreed, but Russia has not cooperated to bring about such unity. Many things have happened which we did not contemplate. Whether the level be that of 1936 or 1938 or some other level, I think we must work toward the rehabilitation of Germany so that the German people can be self-sustaining within their own boundaries and, at the same time, make all contributions possible to the recovery of her neighbors in Europe. In that connection it should be stated that Germany never was self-sustaining, so far as food was concerned, even before the war.

Mr. BROOKS. That is correct.

Mr. BARKLEY. When all Germany was intact and Russia had none of it, Germany had to import quite a large percentage of her food in order that the German people might be fed comfortably, because Germany was essentially an industrial nation, not an agricultural nation primarily; although that part of Germany which is now in Russian hands was the breadbasket of Germany, so far as they had one was concerned.

Mr. BROOKS. Let me make one further observation. There has been a change in conditions, such a drastic change that we are asked now to approve another 4-year program. So why can we not take this program and revise it and say, "Hold it for the present." But there is always resistance when we try to change something that was done before, and if we are not careful, we are going to pile one mistake on another.

Mr. BARKLEY. It is not resistance. The Allied Nations themselves have changed their own programs, as I have indicated.

Mr. LODGE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield to the Senator from Massachusetts.

Mr. LODGE. I think it might be of interest to make a few observations from the record on this subject, if the Senator will permit me to do so, because I think they will shed a little light on the discussion.

First, I take it we are all agreed that we are opposed to dismantling the plants in Germany and sending them to Russia.

Mr. BARKLEY. That question is not before us, because that process has ceased.

Mr. LODGE. So that we can clear the air to that extent.

Mr. WHERRY. It has not ceased completely, because the report says there are still being shipped to Russia parts of plants which it was agreed should be dismantled.

Mr. BARKLEY. That is merely carrying out what was agreed to. There are no more allocations.

Mr. LODGE. So that we can all agree that the Russian phase of this matter is not in dispute.

Now we come to the question of dismantling plants and sending them to other nations in western Europe, and I think the record shows that a very strong argument can be made for the statement that to dismantle those plants and send them to western territory is in the interest of the United States.

In connection with the remarks the Senator from Nebraska made, let me observe that the removal of those plants from Germany was taken into account in determining the amount of money which should be allocated to these various countries. On page 40 of the report the statement is made:

> Certain industrial capacity scheduled for removal from Germany is required by some of the participating countries in order to reach their production targets.

Often in this discussion the argument has been made that the only nation we have to support and assist financially in Europe is Germany. The fact is that all these countries are dependent on us in varying degrees. So our interest is not simply confined to the reconstruction of Germany.

Now I wish to quote Secretary Royall, as his testimony appears on page 456 of the record.

Mr. BARKLEY. If the Senator will permit me there, what he has quoted from the report confirms my reply to the Senator from Nebraska a while ago that account should be taken of the materials we are discussing in determining how much should go to the beneficiary nations, and account has been taken of that in determining these figures.

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. A report was issued on March 3, or about that time, within the past few days, showing that an exhaustive investigation of the dismantling of the plants had been made. The report recommends what should be figured into the allocations of steel, but apparently there is a feeling that that has not been done, and there is a suggestion that a revision be made and the dismantling be held up until it can be seen whether or not it can be figured into this program.

Mr. LODGE. Mr. President, will the Senator from Kentucky yield a moment longer?

Mr. BARKLEY. I yield.

Mr. LODGE. It certainly is my understanding that the assets which these 16 nations were to get in the form of dismantled plants from Germany were taken into account in figuring their production targets.

We have the testimony of Secretary Royall, as it appears on page 456 of the hearings, that—

> These plants that are now declared excess * * * could not be placed in operation, probably, in Germany within the next 4 or 5 years. * * *

I think that is an important consideration. He said further:

> As to the plants which have been marked for dismantling, that is a definite list now, and there is no element of uncertainty, unless it is changed. We feel that those plants can be dismantled and removed without any adverse effect on the present German economy, or the German economy over a 4- or 5-year period.

Then he said:

> Another factor, Senator, is that Germany, its transportation, its raw materials, and its other conditions, has a limiting consideration as to its ability to manufacture.

In other words, many of these plants are of greater use in the general European economy if they are in western European countries, where they are close to the raw materials and close to transportation, than if they were in Germany.

Mr. WHERRY. Will the Senator permit a question?

Mr. LODGE. Certainly.

Mr. WHERRY. Would the Senator from Massachusetts state that there are no allocations, either in the bill or in the direct relief going to Germany, which provide for steel that will rebuild the German economy?

Mr. LODGE. No steel is to be sent to Germany, according to my understanding.

Mr. WHERRY. Not any?

Mr. LODGE. That is my understanding. I shall have to verify it, but my quick response to the Senator is that no steel at all is to go to Germany under this program.

I have one more excerpt I should like to read, from a document printed on page 504 of part 1 of the hearings, and which I commend to Senators interested in this problem, because it has in it a great number of questions on the subject of dismantled plants, and answers them in great detail. I quote this part:

> Possible contribution of removed plants to German and European reconstruction: While full information is not available, it is known that a large proportion of the plants and equipment already removed from Germany are now in operation in the recipient countries, and are contributing to their reconstruction. Of particular importance has been the receipt from Germany of critical types of machines, not procurable elsewhere within less than 2 or 3 years, which have served to break industrial bottlenecks, and

have thus resulted in increases in output throughout an entire segment of industry.

French De la Haye automobiles shown in 1947, for example, were equipped with crankshafts produced with German reparation equipment, procurement of which through commercial channels would have required at least 2 years. German equipment has permitted a significant increase in output of heavy steel castings for shipbuilding in the United Kingdom, and has helped to break bottlenecks throughout the entire British steel industry.

The Netherlands Government has estimated that one group of 320 machines from Germany will result in increased industrial production during 1948 worth about $400,000; and that optical machinery from the German Hensoldt plant, used to replace equipment looted by the Germans, will afford the basis for an increase in production of about $100,000 during 1948. A number of similar examples could be cited.

In other words, what is taking place, in many respects, at least, is a process which is of advantage to the United States from an economic standpoint, and this does not even raise the question of the agreements which we have made on the subject of dismantling plants.

Mr. BARKLEY. Mr. President, I yield the floor at this time. I have taken more time than I had intended.

Mr. BROOKS. Mr. President, I send to the desk two amendments to be printed and lie on the table. They have to do with section 8 and section 9 of the bill.

The first amendment provides that instead of creating a roving ambassador, the bill shall provide for an agent general for the Administrator to supervise the program. Many of us have been arguing that the State Department and the military are not equipped or qualified to handle such a vast program, and to bring about the results which the American people expect the program to bring about, when it is called an economic recovery program.

We have provided for an Administrator on this side of the water. The bill provides for missions in each country, but in rank and authority they are to be under the Embassy in each country. They are to be supervised by a roving ambassador, who shall constantly be keeping them informed of his activities, and not the activities or desires of the Administrator.

In my judgment, unless we provide for a business overseer and manager, we are merely giving lip service to business management and we are fooling the American people, pretending to change our course by encouraging some constructive activity on the part of business brains, which might be helpful in restoring Europe to its feet.

Mr. LANGER obtained the floor.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BREWSTER. Mr. President, I have today received from W. C. Hushing, chairman of the national legislative committee of the American Federation of Labor, a letter dealing with the proposed chartering of 300 American ships to foreign registry under the European recovery program presented in Senate bill 2202. He indicates that any use of the telegram of the American Federation of Labor approving the European recovery program in Senate bill 2202 is not to be construed as indicating the Federation's sympathy with this proposal, which they opposed before the Senate Committee on Foreign Relations, and to the inclusion of which in the bill they have registered their very strong opposition. I ask unanimous consent that Mr. Hushing's letter to me, together with the telegram from William Green to the Senator from Michigan [Mr. VANDENBERG], be printed at this point in the RECORD as a part of my remarks.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 8, 1948.

Hon. OWEN BREWSTER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: This morning I called one of your secretaries and advised her that we were wholeheartedly behind your amendment to S. 2202, the European recovery bill, which eliminates from the bill, on page 16, paragraph 4, which as reported permits the leasing of 300 merchant vessels owned by the United States to beneficiary nations under the bill.

Our maritime organizations appeared before the Committee on Foreign Relations of the Senate and opposed the gift or chartering of our merchant marine vessels to beneficiary nations under the bill and were of the impression that their prayer would be granted. However, the above-mentioned paragraph, on page 16, which, in part, meets their views and the views of the American Federation of Labor, does permit the leasing of 300 merchant vessels.

On March 4, President Green sent the attached telegram to Senator VANDENBERG, chairman of the Senate Committee on Foreign Relations, and also to Chairman EATON of the House Committee on Foreign Affairs. This telegram is being improperly used by putting your amendment in the category of crippling amendments.

I, therefore, am advising you, at the suggestion of President Green, that we fully support your amendment eliminating the chartering of the 300 dry-cargo merchant vessels owned by the United States to the foreign nations beneficiary under the act, and I am furnishing you this letter so that our attitude may be fully known.

With best wishes, I am,

Sincerely yours,

W. C. HUSHING,
Chairman, National Legislative Committee.

President William Green, of the American Federation of Labor, today sent the following telegram to Senator ARTHUR H. VANDENBERG, chairman of the Senate Committee on Foreign Relations, and Representative CHARLES A. EATON, chairman of the House Committee on Foreign Affairs:

"The American Federation of Labor has been a leading advocate of speedy enactment of European relief program adequate to meet the needs of reconstruction of the democratic nations of Europe. We strongly urge that separate treatment be accorded to aid to China, Greece, Turkey, and to other necessary aid abroad. European recovery program has reached present formulation after months of searching study and patient effort. There is no justification for further delay, nor must there be congressional acceptance of a cut in the amount of the program. Any reduction in the funds to be made available under the Marshall plan will impair the confidence of the free peoples of Europe in the good faith of the United States and imperil the program itself. At this critical hour it is of paramount importance that the aid be provided in full so that the recovery of European nations may be the result of the concerted effort of the countries concerned unifying their economies in achieving recovery and reconstruction. We strongly urge the approval of S. 2202 without crippling amendments and press for simultaneous consideration of the program by the House of Representatives."

Mr. KNOWLAND. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, because it pertains to the particular subject under discussion, an editorial entitled "Electioneering in Italy," published in the Washington (D. C.) Post of this morning. I want to call to the attention of the Senate this very able editorial published in the Post, which sets forth that the Communists in Italy are trying to make the point that even though they may win the elections in April, they will still continue to receive aid from us. I think if they are working under any such misconception they should change it now, because I feel reasonably well satisfied that if the Government of Italy becomes communistic in the elections of April, the Administrator will have a clear obligation to cut off aid to that country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ELECTIONEERING IN ITALY

It is the tactics of counteraction to Soviet aggression that will count in the great west-Russian grapple. And tactics involve priorities—priorities which should be determined by the limitations of American resources, the significance of menaced situations, and the time table. Use of influence in the right place at the right time is axiomatic. Looking over the world today, this newspaper feels that Italy, key to the Mediterranean, is the live front in the cold war. Italy is locked in an electoral struggle, and international communism is concentrating upon it. All reports that come to this office conclude on the grim note that the communized popular front, after having been on the defensive till a couple of months ago, may triumph when the Italians go to the polls on April 18. The De Gasperi government has not been able to match the aggressiveness that Communist leader Togliatti, backed by Moscow, has imparted into his campaign.

Time must be taken out of the present preoccupation with our own election to cope with the threat to the free world in Italy. April comes before November, and what happens in Italy in April is of the highest consequence to all fighters for liberty, particularly Americans. Without a doubt the consequences of a Togliatti victory in Italy would be reflected in our nominations and in our own election. How could it be otherwise? A Togliatti victory would mean that the Italians by their own volition had dragged the iron curtain to the west and opened their country to Moscow's rule. The implications of any such revolution should be well pondered. Not only would the Mediterranean be severed; the map of Europe would be changed. And in present circumstances this would mean a dagger into the heart of Marshall Europe while it is aborning.

This country simply cannot afford to lose Italy. Nor can Italy afford to lose America. But it will be too late to do anything about

a Communist victory after the event. To be sure, such a victory in present circumstances would be a demonstration of what Professor Namier calls Caesarian democracy. But that explanation would not justify action in the eyes of the American people. There would be no disposition to come to the aid of a people who had simply exchanged black for red slavery. This, it seems to us, should be made known to the Italian people. It should be a contribution to the electioneering that this country should embark upon in Italy—to let them know exactly where we stand, so that no illusions are entertained by the voting population.

Of course, there is need also to show Italy that our policy is still sympathetic with Italy's desire to return to the family of nations with self-respect. This newspaper opposed the ratification of the peace treaty with Italy both because of the changed world situation and because certain clauses were, in our opinion, unjust. The administration chose the path of ratification. At the same time enough evidence of good will has been shown in the amelioration of the treaty provisions. Italy's case for admission to the United Nations has been pressed over Soviet opposition. Italy's colonial aspirations have had sympathetic attention. These matters, along with the unsettled question of Trieste, should be reviewed for the Italian people, and reopened in the Security Council. Congress and the Latin-American nations could help by some action to relieve the pressure of population caused by the piling up of unused quotas. But, over and above all, there must be left with the Italian people the plain reminder that a Soviet-dictated vote against the Marshall plan—which would be what a vote for Togliatti would amount to—would mean a sacrifice of the benefits of the Marshall plan. For Togliatti's apparent headway seems to be due not only to his new patriotic pose but also to his assurances that the Italian people would get the same aid from America no matter how they voted.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MYERS. Mr. President. I recently received a communication signed by Mr. William L. Batt, chairman of the Philadelphia Committee for the Marshall Plan To Aid European Recovery. To that plan was attached a resolution, which was adopted by the committee, and I ask unanimous consent that the resolution may be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Philadelphia Committee for the Marshall Plan To Aid European Recovery recognizes in the world situation today that a special responsibility is imposed on all Americans because: (1) Democratic peoples on every hand now look to us for help in their preservation; and (2) the economic collapse which confronts the world will, if it occurs, have a serious and far-reaching effect on us; and recommends, therefore, that the Congress support a program based upon:

(1) Acceptance by Europe of responsibility to initiate self-help in a sustained and cooperative manner, including resolute efforts to seek difficult but attainable goals, both in industrial and in agricultural production as well as sound currencies—goals which, if attained, will constitute true recovery;

(2) Continued comprehensive and realistic analyses of European needs and American resources;

(3) Prompt and adequate provision of enough goods and credits to make up as far as possible the remaining European deficit; and further recommends to the American people the wholehearted acceptance of the program which Congress deems appropriate so that Europe may be inspired to face its difficult task in the confident expectation of a sympathetic and understanding America.

Mr. LANGER. Mr. President, in view of the statement made by the distinguished Senator from Massachusetts [Mr. LODGE] that there is no steel provided for in the bill, I will say that I have here a confidential report from the Federal Power Commission, which I shall make available to him, which shows exactly how much steel, cast iron, cement, lime, gypsum products, tile, roofing, steel plates, earthenware, piping, sanitary fittings, valves, steel bars, and so forth, are going to be used in Germany alone along administrative lines. It also shows the quantity of iron and steel bars, copper, lead, aluminum, tin, zinc, German silver, mercury, silver, chromium, tungsten, and other metals which are going to be used over there. I shall make the report available to the Senator from Massachusetts now, because I cannot put it into the RECORD in view of the fact that the report is confidential. I shall gladly hand it to the Senator so he may look at it.

Mr. LODGE. Can the Senator state what is in it? The Senator from Massachusetts does not want to be in receipt of anything that is top secret.

Mr. LANGER. I should be glad to do so, but the report is marked "confidential." It has been sent to me in confidence by the Federal Power Commission.

Mr. LODGE. Does it refer to the Marshall plan or some other plan?

Mr. LANGER. It specifically says it refers to the Marshall plan.

Mr. LODGE. With all due respect to the Federal Power Commission I do not think they know as much about what is going to be sent to Germany under the Marshall plan as does the State Department. We must accept the word of the responsible authorities that no steel is going to Germany under the Marshall plan.

Let me say to my friend from North Dakota that it is true that agricultural machinery, mining machinery, and some trucks, and some freight cars, are contemplated to be sent to Germany, but it is not contemplated that any finished iron and steel, crude and semifinished pig iron, scrap iron, iron ore will be sent. I can assure the Senator of that, and the authority from which I obtained the information is the State Department. I think their word must be accepted as much more authoritative than that of the Federal Power Commission on a matter of this kind.

Mr. LANGER. I might say to my distinguished friend from Massachusetts that not only do they say how much they are going to send but where they are going to send it.

Mr. LODGE. Then it must be a pipe dream, because nobody knows that.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MALONE. I may say to my colleague from North Dakota that the reports all show that the production of steel in Germany this year will be below that of last year. Last year it was under 4,000,000 tons. It has been cut to less than 4,000,000 tons and held there, presumably under the Morgenthau plan, from about 24,000,000 tons annually prior to the war. Of course a considerable part of the 24,000,000 tons was war production—perhaps not over ten or twelve million tons however. Now it would be very easy to produce an additional six or eight million tons of steel in Germany. Those plants were examined by experts. I myself saw some of them which were not injured materially. Some of them could be put back into production merely by sweeping out the plants and starting the men working. It is estimated that within 6 or 8 months an additional 7,000,000 or 8,000,000 tons annually could be produced, putting the total production up to 10,000,000 or 11,000,000 tons, which would make unnecessary the major part of our annual shipment of steel to Germany. It is a terrible thing to hold those plants idle and ship our own steel to Germany, crowding our own steel producers into creating additional steel production, which requires from 2 to 3 years and a vast amount of steel for such increased production which will probably be unnecessary in the future, and rendered idle at some early future date after the pressing demands had been met. By keeping our own steel at home the spot shortage of oil can be overcome within a very reasonable time and also furnish the necessary steel for building construction.

Harking back to the debate about 10 or 15 minutes ago, when my distinguished colleague from Massachusetts [Mr. LODGE] stated that the plants that were being dismantled were not necessary, let me mention one particular plant. This is one incident, which could be multiplied many times. I was in a coal mine, 2,000 feet below the surface of the earth, and about a mile and a quarter back from the face, at a 3-foot vein. It was a wet mine and I was lying there in the water discussing the plan of operation with the miners and the shift boss. They were setting up a new coal cutter. There were steel shaker conveyors delivering the coal to the web conveyors on the 5-percent dip of the vein and then by the web conveyors to the automatic loaders. There was a string of 35 3½-ton steel cars moving up automatically and everything working efficiently and well. I said, "This looks fine. Why do you not have more coal cutters." The shifter replied, "We would like to get more coal cutters, but the only factory in Germany which makes these cutters is on the reparations list."

So I would remind my distinguished colleagues that it is not merely a question of the plants themselves, and the amount of production; but that they produce things which other plants need for repairs and replacement; and when we remove those plants we may put many other plants out of business because they are unable to get repairs and replacements unless and until such plant machinery can be replaced by American-made equipment and then spare parts and replacements can be supplied from this country, but it is a long, slow, expensive process, little understood ex-

cept by men experienced in the particular business of coal mining.

Mr. LANGER. Mr. President, in connection with what was said by the senior Senator from Kentucky relative to the dismantling of plants, I invite the attention of the Senate to a report by Christopher Emmet and Fritz Baade, which has a foreword by former President Hoover. I read from Mr. Hoover's foreword:

At a time when the world is crying, and even dying, from lack of industrial production, we apparently pursue the policy of destruction of the gigantic productive equipment in the western zones of Germany. It means less essential goods to all Europe, greater delay in recovery of the world, and larger drains on the American taxpayer. I can only repeat a statement in my report of 10 months ago. "The removal and destruction of plants (except arms plants) should stop. * * * We can keep Germany in economic chains, but it will also keep Europe in rags." And, I would add, it will keep food scarcity and high taxes in America as we vainly spend a billion a year to keep alive these millions of idle Germans.

The foreword, dated December 27, 1947, is signed by Herbert Hoover. He refers back to a report which he made 10 months before that, which would be in the month of October 1946.

What I am interested in, Mr. President, is what our Foreign Relations Committee of the Senate has been doing. I intend this afternoon and tomorrow, time and time again, to try to find out what this committee of the Senate has or has not done in behalf of the American people. Let the chips fall where they may. If we have a bipartisan policy, if the Republicans and the Democrats are together, I want to know whether the bipartisan policy is for the American people or against the American people.

I invite attention to page 8 of the report to which I have referred. I read:

A list for the American zone, merely giving the names of the firms and the products in which the reparations agency is interested, but not indicating all the products or the number of workers employed in each plant, was finally issued in Washington in mid-November 1947. But even then Senators and Congressmen who were directly concerned with aid to Europe were unable to get the list in the British and French zones.

Even Senators and Representatives who were directly concerned with aid to Europe were unable to get the list in the British and French zones. The Department would not even give us a list of the men in England who were working in the British-occupied zone. Our Senators could not get it. Our Representatives could not get it. That situation is analogous to other situations in which we have been unable to get information.

Only this afternoon the distinguished Senator from Kentucky said that only a few agreements were involved. I invite the attention of the Senate to the speech which I made on this floor just 4 days ago. I wish to read again what I said, because when I said there were 20,000 agreements the Senator from Kentucky threw up his hands and said that there was nothing to it. I quote from page 2102 of the RECORD:

I repeat, Mr. President, we must take a reading of our foreign commitments made during and since the war. I have read with a great deal of interest the statements by James A. Farley in which he claims that part of the world's ills are a result of the negotiations made by Mr. Roosevelt when he was in ill health. Again, we must inspect these commitments. We must know what they say. We must know what they are doing to us. The documents, some 20,000 in number, include companion papers and contain the answers to the Canol project, oil in the Middle East, the rehabilitation of the Dutch East Indies, civil affairs functions in occupied areas, the disposition of territories owned by Hitler satellites, and the currency for occupation troops, about which much has been said.

I repeat that the documents number 20,000, and I am prepared to show it. I wrote a letter to the Secretary of National Defense and received a reply this morning to the effect that he could not produce them, that I would have to get them from the President of the United States or the Prime Minister of Great Britain. I have this letter before me.

I continue to read:

They will reveal the entire strategical concept of both the war in the Atlantic and the Pacific and all directives to General Eisenhower, General MacArthur, and Admiral Nimitz.

If they are produced, they will number 20,000. Why are not the specific ones for which I have asked produced? I have asked for them by number. I have described them in my requests. Why are they not produced?

Let me go back for a moment to the question of dismantling of plants. That subject is dealt with in the report from which I have read under the heading, "How Dismantling Contributes to Shortages and Inflation in America." The title of the report is "Destruction at Our Expense. How dismantling factories in Germany helps inflation in the United States and sabotages the Marshall plan." I call attention to the fact that nearly a year ago the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Mississippi [Mr. EASTLAND] submitted a resolution endeavoring to stop the dismantling of plants in Germany, and they got exactly nowhere. We were promised at that time by the chairman of the Foreign Relations Committee that no more plants would be shipped out of the United States zone into Russia, and that the good offices of the United States Government would be used so that no more plants would be shipped out of the British or French zones of occupation to Russia. All I can say is that such operations have continued, as every Senator knows.

More food is vital but men do not live by bread alone. They must have hope. And if the dismantling program does not make sense to so many experts in Britain and America, it is hardly surprising that it is opposed by German workers, who are asked to continue the process of destruction amid the ruins which surround them, in many cases destroying the source of their own jobs.

Mr. President, I quote now from page 7:

Unfortunately, the State Department's pledge only applies to plants from the American zone, one-fifth of those involved. A British Foreign Office spokesman has announced that they plan to continue shipping dismantled plants to Russia regardless of what America does.

Mr. President, I wish to repeat that statement. It appears in the report which has a foreword by former President Herbert Hoover:

Unfortunately, the State Department's pledge only applies to plants from the American zone, one-fifth of those involved. A British Foreign Office spokesman has announced that they plan to continue shipping dismantled plants to Russia regardless of what America does. However, Senator VANDENBERG reported that the State Department is making representations to the British about this and, in view of the Marshall plan, there is no doubt of the United States Government's power to end or reduce dismantling in all the western zones if it really wants to. But meanwhile the program continues.

Mr. President, Herbert Hoover is quite a statesman. Sometimes I wonder whether he is not a better statesman than any Senator upon this floor.

I continue to read from page 7:

Such is the present position and such are the general arguments. It is not merely the shipment of plants to Russia but shipping them anywhere which is in dispute. Enough has been said to indicate that there is no moral obligation on the United States to continue or to tolerate dismantling, at all, if we consider it against the interests of the Marshall plan. We have the right and the power to end it—regardless of past agreements which have been superseded.

Mr. President, just as the distinguished Senator from Nebraska has said, "Why has it not been ended a long, long time ago?"

I read further:

The question should be decided by the American Government and the American people strictly on its economic merits, and only a detailed analysis of the actual plants involved can enable the United States Congress or the general public to form an intelligent opinion about those merits.

Listen to this, Mr. President:

The capital value of these factories is estimated at approximately a billion dollars and even in these times, wherever Government action involving an investment of a billion dollars is concerned, the United States Congress should be given full details—

But we do not have them. Yet they ask us to go ahead and give them $5,300,000,000 more, when we have absolutely nothing in the way of information as to what they have done or what they propose to do—

including a list of the products of each factory, figures on the amount of production and labor employed, as well as an estimate of the repercussions of these transfers on domestic and foreign markets. Yet in this case, where not an investment but the largest devestment in history is planned, even the list of the factories concerned was not until recently available to the man who pays the bill, the American taxpayer. A list for the American zone, merely given the names of the firms and the products in which the reparations agency is interested, but not

indicating all the products nor the number of workers employed in each plant, was finally issued in Washington in mid-November 1947. But even then Senators and Congressman who were directly concerned with aid to Europe were unable to get the list in the British and French zones. Now, at last, the British list has also been published, thanks to the House Foreign Affairs Committee—

Not to the Senate Foreign Relations Committee, Mr. President, but to the House Foreign Affairs Committee of this Congress—

so that we can begin to analyze the whole dismantling program as it will affect European reconstruction and the American economy.

There are three territories involved, the United States, the United Kingdom, and the French zones of Germany, and factories earmarked for dismantling are classified either as "war plants" or "surplus" industrial plants. The term "war" plant needs some explanation.

Mr. President, I ask unanimous consent to have this entire pamphlet printed at this point in the RECORD, because of its great importance relative to the matter now under discussion. I also ask that the foreword by former President Herbert Hoover be printed.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

DESTRUCTION AT OUR EXPENSE—HOW DISMANTLING FACTORIES IN GERMANY HELPS INFLATION IN THE UNITED STATES AND SABOTAGES THE MARSHALL PLAN

(By Christopher Emmet and Fritz Baade)

FOREWORD

"At a time when the world is crying, and even dying, from lack of industrial production we apparently pursue the policy of destruction of the gigantic productive equipment in the western zones of Germany. It means less essential goods to all Europe, greater delay in recovery of the world and larger drains on the American taxpayer. I can only repeat a statement in my report of 10 months ago: 'The removal and destruction of plants (except arms plants) should stop * * * we can keep Germany in economic chains but it will also keep Europe in rags.' And, I would add, it will keep food scarcity and high taxes in America as we vainly spend a billion a year to keep alive these millions of idle Germans.

"HERBERT HOOVER.

"DECEMBER 27, 1947."

I

On October 16 the United States and British occupation authorities in Germany announced a new plan for dismantling 682 plants in the American and British zones for reparations delivery. Later 236 plants in the French zone were added to make a total of 918.

In addition to arousing wide protests among labor unions and other democratic groups in Germany, this announcement has inspired a growing debate in both Britain and America, a controversy which has increased with the break-down of the London Conference. There is no criticism of the dismantling of nonconvertible war plants but there is strong opposition to removing facilities available for peaceful production, including the nearly 600 factories involved which are not even listed as war plants.

Criticism has focused on two main points: First, that many of the plants have been allocated for shipment to the Soviet zone of Europe and, second, that in all three zones in Germany from which the factories are to be removed, there is at present a huge economic deficit which is being met, directly or indirectly, by the American taxpayer. This takes place either through appropriations for occupation costs, which now also cover the British zone, or through appropriations for France under the emergency relief program.

The dismantling program has been defended by Under Secretary of State Robert A. Lovett, who emphasized that these plants were either established in connection with the German war machine or determined by the United States and United Kingdom authorities to be unnecessary for the German peacetime economy. On December 16, Gen. Lucius Clay said in Berlin that the factories on the dismantling list were surplus because the German production goals under our new level-of-industry plan could be achieved without them. He added:

"For the next 3 or 4 years there is no prospect that enough raw material, electric power or coal will be available in Germany to make these factories run. However, since the plants are being transferred to countries which can put them to work in the next few years, they will make a contribution to the general recovery of Europe."

On December 7, 1947, the New York Times magazine printed an article by Alfred Z. Carr, a member of the Inter-Allied Reparations Agency in Brussels, of which Russia is a member, which explained the history of Allied agreements in regard to dismantling. Mr. Carr defended these agreements, stressed the utility of the plants to our Western Allies, claimed that the Germans lacked skilled labor and raw materials to run many of them, and argued that they would be more useful to European production if dismantled.

On the other hand, all these arguments have been disputed by outstanding American economists and political leaders, including the Hoover mission and most of the Senators and Representatives who visited Europe to study aid for reconstruction. They contend that Germany is now the danger point of western Europe and that German production lags far behind that of other western nations, with an estimated German production in the western zones of 35 percent of 1938, while that of France before the recent strikes was close to 100 percent of 1938. The same thing is also true of Britain in recent weeks, as well as Belgium and Holland. The appalling overcrowding of western Germany, with nearly 10,000,000 refugees expelled by Russia and her satellites in the East, makes the German production lag all the more disastrous. Therefore, it is not a question of giving Germany priority over our Allies but of curing the economic plague spot of Europe.

The critics point out that while it is true that many of the plants scheduled for dismantling are not working to full capacity now, due to lack of raw materials, electric power, transportation or skilled labor, in many cases the same difficulties would apply if they were moved, not to speak of other complications.

Obviously, it is usually easier to get a plant back into production where it was originally built for profit than to go through the costly, prolonged and hazardous process of moving it. Many of the plants on the list are already producing on a reduced scale. The burden of proof is on those who would move them, especially as experience shows that the average plant loses 50 percent of its productive value when removed, while in some cases the loss is as high as 85 percent. The sales record of the United States War Assets Administration confirms this. It is not just a question of damage and deterioration in the plant but of the dislocation of markets, the reallocation of raw materials and transport facilities, the securing of adequate housing and skilled labor, and other factors involved in shipping the plant from one industrial complex to another.[1]

[1] See note at end of article.

Critics also emphasize the waste of the limited supply of skilled labor and already overburdened transport facilities in the nonproductive process of dismantling, moving, and reassembling these plants, a process which would continue throughout the next two or three critical years in Europe's battle of production.

The discouraging effect of the dismantlings on German labor and on other democratic elements, on which we must rely to build democracy and resist communism in Germany, is also emphasized. Lewis H. Brown in his report to General Clay underlined the importance of increasing incentives to German workers to overcome apathy and defeatism. More food is vital, but men do not live by bread alone. They must have hope. And if the dismantling program does not make sense to so many experts in Britain and America, it is hardly surprising that it is opposed by German workers, who are asked to continue the process of destruction amid the ruins which surround them, in many cases destroying the source of their own jobs.

As for allied agreements, the opponents of dismantling point out that the whole reparations program of which dismantling is a part was conditioned upon the economic unification of Germany. When Russia violated that pledge all the reparations agreements became subject to reexamination, including those with our western allies which were based on the over-all agreement. As long as we must meet the cost of the huge German deficit, not only in our zone but in the British and French zones (through the new Anglo-American agreement and through our emergency aid to France), it is the United States which will pay for any reparations taken out of western Germany. This is what the New York Times had in mind when it closed its editorial on November 13 with the words:

"Let the plants stand and get to work. America has more than paid for them."

It is natural that some of the allied nations which had suffered at German hands originally put in claims for plants even if they could only hope to salvage a small part of their value, especially as Russia would have demanded them if the western allies had not. But the situation is completely changed now that America has proposed a plan for over-all aid. It will be hard enough for the European recovery program to succeed, and hard enough to persuade the American Congress to appropriate the money, without wasting a single factory. The United States is in the best position to take the long-range view of where these plants can be of most use to the production of western Europe as a whole. Yet the dismantling lists in the French and British zones were originally selected by British and French officials, although America will foot the bill for any mistakes involved.

It is not as though we were asking our western allies to abandon their reparations claims forever, but only for as long as Germany's poverty is a danger to Europe and a burden to the United States. By taking less now our allies may get more later.

The desire to remove more German industry now as a means of preventing future German aggression may be natural but it is unwise and unnecessary. For the period of the present crisis, and for as long as the Allies occupy western Germany, it is utterly irrelevant. As for the future, there are other and better ways of preventing aggression, such as disarmament and disarmament inspection; treaties to provide joint action against future aggression from Germany or elsewhere; the building of a democratic Germany, and, above all, the building of a real international organization with its own police force.

As the third Hoover report says: "Almost every industry on earth is a 'war potential' in modern war. No industry (except direct arms manufacture) is a war potential if the

energies of a people are confined to the paths of peace." The present inability of German industry to support the overcrowded areas of western Germany on a bearable standard of living is the greatest danger to peace and democracy, the surest way to promote Communist or Nazi aggression.

There are encouraging signs that a reexamination of the dismantling program will find influential support within the countries of our western allies themselves. In January 1947 the Dutch Government stated: "It is inadvisable to lay down maximum quotas for German industries, including the iron and steel industries." On November 26, 1947, a joint statement by the Governments of Holland, Belgium, and Luxemburg, which are joined in a customs union called Benelux, also indicates doubt about dismantling on the present scale.

The former British Cabinet Minister in charge of occupied Germany, John Hynd, Member of Parliament, made a long and moving speech against dismantling anything but real war plants in the House of Commons debate on October 27. He declared that German recovery is being wrecked by the removal of necessary productive facilities, such as farm machinery, tractors, mining machinery, railroad locomotives, and soap, without any corresponding benefit to the countries which are to receive these factories as reparations. After 4 or 5 years, he said, they would get rusted machinery whereas it would be easier to build new factories.

He expressed grave doubt that the proposed new level of industry for Germany, including the planned total of steel production, could be attained under the dismantling program. His speech was supported by leading conservatives, including former members of the coalition cabinet, and by liberal and labor members as well. This debate occurred before the failure of the London conference on German unity, so that the British Government's refusal to modify its policy may not be final.

It was the force of similar arguments and expert testimony which led Congress to pass unanimously the Case resolution at the close of the emergency session, a resolution which voices some of the above doubts about dismantling and calls upon the War Department to supply Congress with detailed answers to a long series of searching questions.

An even stronger resolution was introduced in the Senate by Senators BRIDGES and EASTLAND. The Senate Appropriations Committee, led by Senator BRIDGES, also attached an amendment to the emergency appropriation for our occupation forces, specifying that none of the money should be used in the dismantling process. This amendment was only withdrawn after Senator VANDENBERG reported a pledge by the State Department that there will be no shipment of dismantled plants from the United States zone to Russia, and gave the personal assurance that the Foreign Relations Committee of the Senate would "ruthlessly explore" the whole question of dismantling when Congress reassembles.

Unfortunately, the State Department's pledge only applies to plants from the American zone, one-fifth of those involved. A British Foreign Office spokesman has announced that they plan to continue shipping dismantled plants to Russia regardless of what America does. However, Senator VANDENBERG reported that the State Department is making representations to the British about this and, in view of the Marshall plan, there is no doubt of the United States Government's power to end or reduce dismantling in all the western zones if it really wants to. But meanwhile the program continues.

II

Such is the present position and such are the general arguments. It is not merely the shipment of plants to Russia but shipping them anywhere which is in dispute. Enough has been said to indicate that there is no moral obligation on the United States to continue or to tolerate dismantling at all, if we consider it against the interests of the Marshall plan. We have the right and the power to end it—regardless of past agreements which have been superseded. The question should be decided by the American Government and the American people strictly on its economic merits, and only a detailed analysis of the actual plants involved can enable the United States Congress or the general public to form an intelligent opinion about those merits.

The capital value of these factories is estimated at approximately a billion dollars and even in these times, wherever Government action involving an investment of a billion dollars is concerned, the United States Congress should be given full details—including a list of the products of each factory, figures on the amount of production and labor employed, as well as an estimate of the repercussions of these transfers on domestic and foreign markets. Yet in this case, where not an investment but the largest devestment in history is planned, even the list of the factories concerned was not until recently available to the man who pays the bill—the American taxpayer.

A list for the American zone, merely giving the names of the firms and the products in which the reparations agency is interested, but not indicating all the products nor the number of workers employed in each plant, was finally issued in Washington in mid-November 1947. But even then Senators and Congressmen who were directly concerned with aid to Europe were unable to get the list in the British and French zones. Now at last the British list has also been published, thanks to the House Foreign Affairs Committee, so that we can begin to analyze the whole dismantling program as it will affect European reconstruction and the American economy.

There are three territories involved, the United States, the United Kingdom, and the French Zones of Germany, and factories earmarked for dismantling are classified either as "war plants" or "surplus" industrial plants. The term "war" plant needs some explanation. It does not mean that these plants could not be converted to peacetime production, for even plants already successfully converted are listed as "war plants," at least in the British zone. An example is the Holmag-Werke of Kiel. This former war plant was converted to produce diesel engines for fishing boats, and had received many foreign orders at the Hanover Export Fair. The unanimous protests of the Government of Schleswig-Holstein as well as of the population and the workers seem to have saved part of this plant. Nevertheless, it is still on the dismantling list (No. 425), classed as a "war" plant, and there are many other less publicized cases of a similar nature.

The following table sums up the division of "war" plants and "surplus" industrial plants in the three zones:

	United States zone	British zone	French zone
Total number	186	496	236
War plants	104	198	36
Surplus plants	82	298	200

This table proves that only in the United States zone a majority of the plants earmarked for dismantling are listed as war plants and only a minority as surplus industrial plants.

The ratio is the opposite in the British zone where only two-fifths of the plants are classed as war plants and nearly three-fifths as surplus industrial plants. In the State of North Rhine-Westphalia (identical with the Ruhr), of the 294 plants to be dismantled only 43 are officially classified as primarily concerned with armaments. In the French zone only a total of 36 plants are marked as war plants; the bulk of the list, 200 plants, are dubbed surplus.

The yardstick for surplus industrial plant is the new level-of-industry plan that provides for an industrial capacity in the western zones equal to that of 1936, which is supposed to be sufficient to support the present German population. Unfortunately, the fine statistical job done in figuring out this level-of-industry contains a tremendous economic error, so common amongst all purely statistical investigations. The calculation is based on a wrong assumption concerning the economic problem involved. It considers a static economy which is a fiction and ignores the dynamics of actual economic life. The industrial capacity of 1936 reflected a going economy with all factories in full production, no scarcities of essential raw materials and skilled labor, no war damages, no housing problems, etc. Today, western Germany is wrecked by the impact of war and postwar developments and is still in the initial phase of reconstructing its basic production capacity. Everybody will agree that it would be more than foolish to remove from a burning house the statistical surplus of fire extinguishers—but that is exactly what the dismantling of surplus plants amounts to with regard to the Germany economy today.

A detailed analysis of the factories earmarked for dismantling reveals astonishing facts with regard to the European-recovery program. Certain groups of these factories obviously deserve top priority in any European-reconstruction program since they produce top-scarcity goods. The Herter committee, in its preliminary report of November 13, 1947, pointed out that steel in general, especially rolled- and drawn-steel products like sheet, tin, strip, and—with a high priority—pipe for oil and gas transmission, is extremely scarce throughout Europe. This report shows that fulfillment of the urgent needs of the 16 nations participating in the Paris Conference, would mean "raising the minimum steel deficit in the United States from 1,600,000 to 5,000,000 net tons—a staggering deficit to impose on the consumers of steel in the United States."

The Herter committee further reports that: "Potential United States supplies of sheet, strip, and tin plate promise to remain inadequate to meet domestic demand through 1948. * * * The demand for large-diameter electric welded and seamless pipe for domestic oil and gas transmission lines is currently in excess of American mill capacity and promises to continue so through 1951. In addition, there is a large export demand for such material, part of which will be necessary to enable middle-eastern sources to provide Europe with critically needed tonage of petroleum products."

In view of these critical shortages the Herter committee recommends:

(a) Added production of German ingot steel.

(b) Some diversion of European semi-finished steel from presently planned use to increased sheet production in idle or underutilized German sheet or strip mills.

(c) Suspension of all plans to dismantle or otherwise render inoperable such units until it is known that they will be unable to relieve the pinch in sheet and strip.

(d) Stoppage of any reduction in German capacity for pipe production and instead supplying adequate amounts of large tube rounds and wide plates for the pipe mills proper.

Therefore, following the recommendations of the Herter committee, three groups of plants in Germany must be regarded as vital from a European point of view: steel production plants, steel rolling mills, and pipe producing or assembling plants. To these three

vital groups we should add others. Due to the transportation bottleneck in western Europe, priority must be given to all factories producing transportation equipment, such as accessories for railroad cars, locomotives, trucks and road-building machinery. Even higher priority should be given to all factories producing mining equipment, especially for coal mines.

In the interest of the American taxpayer, who covers the deficit of western Germany, we must add yet another group of industries: all plants producing goods exportable against hard currency, or against vitally needed foodstuffs and raw materials. Factories producing machinery, spare parts, accessories, industrial equipment, cutlery, small dies, and tools are savers of United States dollars.

Now, let us see, how many factories of these vital groups are included in the list of surplus industrial plants to be dismantled. The result of such an analysis is very discouraging.

Vital "surplus" plants in the bizone earmarked for dismantling

	United States zone	British zone
1. Steel-producing plants	5	49
2. Steel-rolling mills		31
3. Pipe-producing or assembling plants		53
4. Road-building machinery plants		14
5. Mining-equipment plants		47
6. Plants producing exportable goods	49	90
Total	54	284

However, this very instructive table tells only a part of the whole story, as it refers only to the quantity, but not the quality of the plants concerned. Quite naturally only outstanding factories are picked for dismantling.

Among the 31 steel rolling mills slated for dismantling in the British zone we meet a parade of western Europe's foremost plants in this field. Thirteen of them are complete rolling mills with the most up-to-date equipment; 18 are parts of big steel plants, both steel-producing and steel-rolling mills. According to reports from German papers, the doomed rolling mills represent 55 percent of the total capacity for strip and tin plate and as much as 65 percent of the capacity for medium and heavier sheet. There can be no doubt that the dismantling of these factories will defeat the constructive proposals of the Herter committee to "increase sheet production in idle or underutilized German sheet or strip mills." It will therefore create an unncessarily inflationary impact of the Marshall plan on the American economy by aggravating and prolonging our scarcity of steel products.

One of the doomed mills (No. 88: Bochumer Verin für Gusstahlfabrikation) is described in the dismantling list as especially equipped for the production of railroad wheel rims. This seems to be the same plant mentioned by the distinguished British writer, H. N. Brailsford, in the New Statesman and Nation of October 25, 1947, as "one big firm due to be dismantled, which is so vital for the repair and construction of rolling stock that it had been given top priority for coal and electric current in the worst days of the present crisis."

Among the doomed pipe-producing plants are some of the most modern and most efficient units in Europe, i. e., four large units of "Mannesmann" in Gelsenkirchen, Duisberg, Düsseldorf and Witten. As to No. BS 68 (Mannesmann-Werke in Duisberg), BS 93 Deutsche Rohrenwerke in Mülheim-Ruhr) and BS 110 (Press and Walzwerke Düsseldorf-Reissholz) the official dismantling list points out that these plants are especially equipped for the welding of large diameter pipe. This type of plant is given top priority by the Herter committee as essential to alleviate the delivery shortage of oil and gas in the United States, as well as to provide Europe with critically needed oil products from the Middle East.

Of one factory, No. BS 86, the dismantling list itself admits that it is equipped with 22 gas-welding machines for the fabrication of special piping. No less than 33 plants are officially listed as producers of boilers, tank work, and pipe lines. According to reports from German papers, the pipe-producing plants earmarked for dismantling represent 46 percent of the total capacity of this industry in the western zones and even near to 100 percent of the capacity for large diameter pipe. Since the plants with the most modern equipment are on the dismantling list, there is no doubt that the cream of this industry in Germany—and that means an important section of this industry in western Europe—will be doomed if the dismantling is not prevented.

The scarce data in the dismantling list only permits classifying 47 plants as producers of mining equipment. But in his article, Mr. Brailsford tells the human story:

"On Saturday at the office of the T.U.C. for the western zone in Düsseldorf its wise old chairman, Hans Bockler, who wins everyone at a first contact, was explaining to me how closely interwoven are the industries of the Ruhr: 'You can't decimate the machine-tool and heavy-machine industries without threatening others on which our life depends.' At that moment his words came to life with the entry into the room of the miners' leader, August Schmidt, who took from his pocket a typed list of no fewer than 97 firms marked down for dismantling, which supply machines of one sort or another to the Ruhr mines. These ranged from winding gear, pumping machinery, and conveyor belts to the latest cutting devices. The mines, he said bluntly, could not carry on without some of these doomed firms—more especially 'Demag' of Duisburg."

Thus our figure of 47 mining-equipment producers on the dismantling list (see foregoing table) proves to be very conservative including only the chief producers of such equipment. Among these chief producers are no less than three factories of the "Demag": one for mining equipment; one for compressed air engines, pumps, compressors, and conveyor belts; and the third for general equipment. Another factory in this group is officially listed as a producer of equipment for coal mines. The two plants BS 240 (P. Pleiger, Hammertal-Nord) and BS 250 (Rotelmann & Co., Werdohl) are indispensable suppliers of accessories for pneumatic mining tools, representing not less than 90 percent of the total production of these small but vital parts. The plant No. BS 185 (Gewerkschaft Eisenhütte Westphalia) holds another key position in coal mining equipment for the Ruhr, since this firm specializes in the production of complicated conveyors for steep seams, found very often in Ruhr mines.

The list of 14 producers of road-building machinery is also very instructive. As the Manchester Guardian pointed out, the detailed decisions concerning the dismantling list were made by lower officials of the military government who cannot be expected to have a full understanding of the extraordinarily complicated mechanism of German production. The case of plant No. BS 253 (Ruthemeyer-Sost) seems to confirm the statement of the British paper. This firm is an outstanding and important producer of road-building machinery. When Germany was an economic unit, 40 percent of the whole production of road rollers was located east of the Oder-Neisse line. Another 25 percent of the production was in what is now the Russian zone and these plants (Orenstein & Koppel and Schwartzkopf) have already been dismantled by the Russians. Of prewar production 17 percent was in the present French occupied zone but this plant was severely damaged. Therefore the plant Ruthemeyer-Sost is practically the only supplier of the bizone for road rollers, with a share of 100 percent in the production of steam rollers and 80 percent of motor rollers.

The transportation bottleneck in western Europe is well known but even in the United States we are facing a serious shortage of road-building equipment. In the New York Times of December 5, 1947, a report by Bert Pierce, from Washington, says:

"Lack of road-building equipment, due chiefly to the prevailing shortage of steel and potential demands for this type of machinery by the Marshall plan, will reduce the scope of 1948 highway construction in this country by at least 30 percent when highways are sorely needed, Charles M. Upham, engineer-director of the American Road Builders Association, said today."

There is no need for further comment about this kind of aid for the Marshall plan. Yet in answering Senator STYLES BRIDGES' criticism of the dismantling, an official of the military government in Berlin stated bluntly:

"The dismantling and reparations program will proceed on schedule since the decision represents the culmination of years of careful planning and statistical work."

So much for the dismantling program in the bizone. For the French zone the published dismantling list published in German papers does not permit the classification of the surplus industries in the subdivisions set forth in the above table. The 200 surplus plants (against only 36 war plants), however, can be broken down as follows:

Surplus industrial plants in the French zone

	Number of plants
Steel and iron	2
Nonferrous metals	12
Mechanical and electrical industry	70
Optical industry and fine mechanics	32
Chemistry	34
Pharmaceutics	2
Dyes	36
Inorganic chemistry	10
Cement	1
Electricity	1
Total	200

These factories belong to the best export currency producers of German industry. The 70 plants in the group Mechanical and Electrical Industry are not members of big cartels or trusts, but small or medium-sized family-owned firms, characteristic of southwestern Germany. They were among the most successful exporters in peacetime. This applies, too, to the group Fine Mechanics. More than half of the 32 plants in this group produce watches, including the world-renowned Junghans watches.

One of the pharmaceutical firms is Knoll-Ludwigshafen, whose famous alkaloid plant is to be dismantled completely. Another is Boehringer-Ingelheim, with a complete line of caffeine, papaverine, and derivatives of quinine. On the list of chemical plants we find no less than seven factories making soap or synthetic fats. The cement factory listed is a complete unit with two turning furnaces and a capacity of 300,000 tons. Cement is essential in the German housing shortage now and for a long time to come.

United States policy aims at integrating the French zone into a trizonal unit. Thus, after the proposed dismantling of the best dollar producers of this zone the American taxpayer will be called on to carry the greatly increased economic deficit of this territory not once but every year for a number of years.

On the dismantling list for the French zone there is one case so monstrous as to be hardly believable—the dismantling of Europe's big-

gest nitrogen fertilizer plant, at Oppau. According to the official list, not just a single factory is marked for removal but an entire industrial center; three partial plants plus three complete units for the production of synthetic nitrogen.

In 1945 the vital role of fertilizer, and especially of nitrogen, in the fight against world hunger was not yet fully recognized. In the year 1948 all responsible men in the United States Government as well as in the World Food Organization are fully aware that only enlarged production of fertilizer can overcome starvation in Europe and help America share its bread with the hungry. There are a number of excellent reports compiled by outstanding American specialists in the planning of European recovery; the Nourse report, the Krug report, the Harriman report, and the report of the Herter committee. Each of these reports focuses on the crucial problem of inadequate fertilizer production.

To quote from the Krug report:

"World production (of fertilizer nitrogen) today is meeting only about three-quarters of world requirements. * * * It is understood, however, that considerable nitrogen capacity is currently unutilized in western Europe, primarily for lack of coal. The gains to be made from full utilization of this capacity, by making coal supplies available, may be much greater than those which can reasonably be expected from the actions necessary to increase exports of nitrogen from the United States.

"In summary, the foreign-aid program should be designed to increase production of nitrogen by employing unused capacity in Europe and elsewhere to help meet the current world food shortage and to minimize imports of food to aided countries. To this end coal and industrial equipment shipments for nitrogen fertilizer production should be given high priority."

Or from the Harriman report:

"The committee feels strongly that top priority should be given to the provision of steel and equipment to repair war-damaged nitrogen fertilizer plants as rapidly as possible, and to the allocation of adequate supplies of coal to operate them to capacity."

In prewar times Germany was by far the world's largest producer of synthetic nitrogen, with more than half of European production providing not only her own agriculture but also that of many European countries with this vital plant food. According to a statement by Herbert Hoover in his third report to President Truman:

"At the end of the war Germany had a very large nitrogen capacity. Despite losses from war destruction, its potential production was still about 700,000 tons per annum. This capacity, if it had been preserved, would have supplied not only her own needs but large exports to neighboring countries as well."

After the Morgenthau policy was introduced, this capacity was successfully reduced, partly by dismantling, partly by nondelivery of essential materials, and partly by red tape. When the crucial question of fertilizer production for feeding Germany was recognized in its full importance, the monthly reports by the United States military government repeatedly complained that the plant in Oppau in the French zone failed to deliver semifinished products such as ammonia water to the finishing plants in the United States zone.

Even the full reversal of the fertilizer policy of the United States military government was unable to overcome the disastrous effects of its insane start. Actual nitrogen production for the 1946 crop was only 100,000 tons, and even for the 1947 crop only 127,000 tons could be produced by the bizone. Part of this deficit was covered by nitrogen exports from the United States to Germany, in spite of the fact that the American farmer is desperately short of fertilizer, too.

Under average weather conditions 1 ton of nitrogen produces 600 bushels of additional grain crop. Therefore, the 500,000 tons of nitrogen production in Germany lost in consequence of dismantling and red tape in each of the years of 1946 and 1947 correspond to an approximate loss of 30,000,000 bushels a year in western Europe's food production. This is, yearly, three times the amount the American consumer was called upon to save in the Luckman food conservation program.

This illustrates how directly every economic folly in western Europe affects every home in the United States. The evil ghosts born from destruction of fertilizer plants are eating our meat on Tuesday, our poultry and eggs on Thursday, and are busy turning the inflation spiral.

If the dismantling of steel-rolling mills, pipe-making or assembling factories, plants producing road-building machinery or coal-mining equipment does indeed proceed on schedule, this scourge of invisible, unwelcome guests will have some newcomers. Those ghosts produced by the dismantling of pipe factories will siphon the gas from our automobiles and the oil from our oil burners. Others, born from the dismantling of steel-plate-producing mills, will steal the plates destined for new cars or washing machines and veterans' houses. All of them together will have their merry-go-round on the inflation spiral.

CONCLUSION

It follows from the above analysis that the planning and timing of the dismantling of German plants is uneconomic and unrealistic. The removal of large productive assets from western Germany cannot, under present conditions, contribute to the recovery of the Old Continent. It would, however, aggravate the existing bottlenecks in Europe and the United States as well. It would throw an additional burden on the American taxpayers. Starting Operation Removal now means deliberately knocking out vital European production facilities for years, because it will take years to complete the gigantic job of dismantling, moving, reassembling, and starting the production of large plants.

A new approach to the whole problem of reparations in capital goods must consequently be found—an approach which respects the justified claims for security and compensation on the part of the European victims of Nazi aggression, but at the same time does not jeopardize the outcome of the Marshall plan for European recovery and the economic order in the United States. The 16-nation report, which largely ignored western Germany's potential contribution to the Marshall plan, was drawn up before the breakdown of the London Conference when it was still necessary for the western nations to assume that the Allied reparations agreements, including the dismantling program, would be carried out. But by thus omitting the steel products which could be produced in Germany, the 16 nations were compelled to make demands for United States steel which it will be impossible for us to meet without increasing inflation and bottlenecks in vital areas of American production, such as freight cars, automobiles, and farm machinery.

On the other hand, if Europe required less United States steel, we could manufacture more freight cars which would permit increased transportation and export of coal. A moratorium on dismantling, plus a slight increase in American coal exports to supply fuel for the now unused German, as well as French, steel capacity, would greatly reduce Europe's need for United States steel under the Marshall plan.

It can be estimated that for every ton of increased United States coal exports, at the f. o. b. value of $10, we can save 1 ton of steel products, at the f. o. b. value of $100—or a total probable saving of $3,000,000,000 over the 4-year period of the Marshall plan, without any loss in the plan's efficiency.

As the United States, Great Britain, and France have already recognized that reparations from current production should not be given precedence over western Germany's recovery, it is about time to make similar adjustments for reparations in capital goods. Germany's existing industrial capacity can be the tool for stepping up current production in the interest of the rehabilitation of the western European community as a whole. This potential should be put to work at once and where it is now located, without prejudice to the political aspect of reparations. All we need for a constructive solution is the application of old-fashioned business principles.

NOTE.—Concrete examples of the terrific economic losses involved in dismantling are revealed in article of December 10, 1947, by the Neue Zuericher Zeitung, the greatest newspaper in Switzerland.

The newspaper gives the capital value of certain plants before dismantling as appraised by the Allied Reparations Agency—a figure which is based on the original investment value, with allowance for depreciation and additions—and compares this figure with the official value assigned to the plant by the Allied Reparations Agency after dismantling.

1. The Deschimag Shipyards, No. A. S. 184 on the American dismantling list, published by the House Foreign Affairs Committee, had a capital value of 60 million marks before dismantlement. The value after dismantlement was 4.8 million marks, 8 percent of the value.

2. The Borbeck steel plant, No. B. S. 54 on the British dismantling list, had a capital value before dismantlement of 120,000,000 marks. The sales value after dismantlement was 9,500,000 marks, or 8 percent of the value. The Neue Zuericher Zeitung explains that it took 3,000 workers 2 years to dismantle the plant which has been allocated to Russia.

3. The Düsseldorfer Werkzeug Maschinen Fabrik, No. B. S. 258, of Schiess & Co., Düsseldorf, had a capital value of 30,600,000 marks and a sales value of 12,500,000 marks, or 40 percent, but this was the highest figure and the sales value of most of the plants after dismantling was between 8 and 20 percent.

It is to be noted that these sales figures do not include the cost of reassembling and rebuilding the plants in new locations. These figures fully confirm the gloomy view which John Hynd, Member of Parliament, expressed as to the utterly negligible value of dismantled plants to our allies compared to their real worth.

Mr. LANGER. Mr. President, I wish to call the particular attention of the Senate to the summary of contents of this pamphlet. As I have said, there is a foreword by Herbert Hoover. Then comes part I, including the following chapter headings:

Summary of the arguments on dismantling, pro and con, page 2.

The dismantling claims of our western allies, page 5.

British and Dutch criticisms of dismantling, including debate in the United States Congress, page 6.

Action against dismantling in the United States Congress, page 7.

PART II

Reveals for the first time:

How facts about dismantling were withheld, page 8.

How the dismantling program conflicts with the Marshall plan and the Krug, Harriman, and Herter Reports, page 10.

How dismantling contributes to shortages and inflation in America, page 16.

Conclusion, page 19.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. In the report is there anything in the form of a recommendation which former President Hoover suggests relative to the dismantling program?

Mr. LANGER. No. Mr. Hoover had all that in the first report, 10 months before.

Mr. WHERRY. Was that submitted to the Foreign Relations Committee?

Mr. LANGER. Oh, yes.

Mr. WHERRY. Does the Senator know what it was?

Mr. LANGER. Mr. Hoover went into the matter of how much food there was in Germany, how many people were there, how to take care of them, and how much want and suffering and starvation existed. He went into those matters in the most minute detail, and presented a remedy for the situation.

Mr. WHERRY. Did the remedy relate to the dismantling program?

Mr. LANGER. He said German plants should not be used in that way, except such as might be used for making a third world war.

Mr. WHERRY. Are the plants set forth in this report?

Mr. LANGER. Yes.

Mr. WHERRY. This is the first time they have been revealed; is it not?

Mr. LANGER. It is the first time that former President Hoover was sure of the number, so far as I know.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield, to permit me to ask a question of the distinguished junior Senator from Massachusetts?

Mr. LANGER. I yield.

Mr. WHERRY. Mr. President, I should like to ask the Senator from Massachusetts whether Herbert Hoover was a witness at the hearings. He was, was he not?

Mr. LODGE. No, he was not.

Mr. WHERRY. Did he present a statement to the committee?

Mr. LODGE. He filed a statement, which is printed in the hearings.

Mr. WHERRY. Does his statement include any reference to the dismantling of war plants?

Mr. LODGE. I cannot answer that question from memory. I should have to look up the matter.

Mr. WHERRY. Was any thought given by the committee to recommendations by Mr. Hoover about the dismantling of plants?

Mr. LODGE. A great deal of consideration was given by the committee to the subject of dismantling plants; yes.

Mr. WHERRY. Did that relate to Mr. Hoover's recommendations?

Mr. LODGE. I do not recall that Mr. Hoover's recommendation was considered by itself; no.

Mr. LANGER. Mr. President, I have before me the Potsdam agreement, which I obtained this morning. The agreement is signed by Joseph Stalin, Harry Truman, and C. R. Attlee, without any designation as to whom they represent. Only the three names are affixed to the document. Therefore I quote them in exactly the same manner.

Mr. WHERRY. Is that the same agreement that was placed in the RECORD this afternoon by the Senator from Kentucky [Mr. BARKLEY]?

Mr. LANGER. It is the same agreement.

Mr. WHERRY. Is it the first time to the Senator's knowledge that it has been placed in the CONGRESSIONAL RECORD?

Mr. LANGER. To my knowledge it is the first time. I particularly call attention to paragraph XIII, reading as follows:

ORDERLY TRANSFERS OF GERMAN POPULATIONS

The Conference reached the following agreement on the removal of Germans from Poland, Czechoslovakia, and Hungary:

The three governments, have considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia, and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

Since the influx of a large number of Germans into Germany would increase the burden already resting on the occupying authorities, they consider that the Allied Control Council in Germany should in the first instance examine the problem with special regard to the question of the equitable distribution of these Germans among the several zones of occupation. They are accordingly instructing their respective representatives on the Control Council to report to their governments as soon as possible the extent to which such persons have already entered Germany from Poland, Czechoslovakia, and Hungary, and to submit an estimate of the time and rate at which further transfers could be carried out, having regard to the present situation in Germany.

The Czechoslovak Government, the Polish Provisional Government, and the control council in Hungary are at the same time being informed of the above, and are being requested meanwhile to suspend further expulsions pending the examination by the governments concerned of the report from their representatives on the control council.

Mr. President, what does that mean? There have been extended arguments in the Senate about displaced persons. A bill was reported by the Judiciary Committee to take care of 1,323,000 displaced persons. We say we are going to take 50,000 of them a year.

Mr. President, I submit an amendment intended to be proposed by me to the bill—S. 2242—to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed and will lie on the table.

Mr. LANGER. Mr. President, on March 4, I submitted Senate Resolution 209, directing the Senate Committee on Foreign Relations to cause to be prepared and distributed to the Members of the Senate a compilation of all international commitments or agreements which had been entered into on behalf of the United States during the course of the last 10 years. The resolution further provided:

It is the sense of the United States Senate that the Senate shall not be bound to implement by appropriation or other legislation any international commitment or agreement which shall be made or entered into on behalf of the United States of America unless such commitment or agreement shall be transmitted promptly after its execution to the Senate.

Mr. President, some of the agreements we are trying to get are 10 years old, but the United States Senate is not even trusted with them. There are a few fellows at the top who are sacrosanct. The idea of trusting a common, ordinary Senator from New York or Massachusetts or North Dakota or Nebraska! The common people of this country are not supposed to know about such things. All they are good for is to pay the bills and furnish the boys for cannon fodder. At the time of presenting my resolution, I pointed out that over the course of the past few years there have been consummated and there are now being consummated international commitments and agreements vitally affecting not only the United States but the world at large, and that many of the commitments have been consummated without the knowledge of the Senate. The amendment which I am proposing to the Displaced Persons Act of 1948, which has been favorably reported by the Senate Committee on the Judiciary, is prompted by an international outrage of staggering proportions which has been perpetrated by one of the international agreements and implementing commitments.

Mr. President, the conscience of the world was shocked by the savage treatment inflicted by the barbarous Nazi machine on helpless civilians. There is little that I can add to what has already been said to condemn the moral degeneracy which swept Europe in the wake of Hitler's armies.

On August 1, 1945, there was signed in Berlin by Joseph V. Stalin, Harry Truman, and C. R. Attlee, a document, together with implementing decisions and commitments in which representatives of the United States Government participated, pursuant to which some 16,000,000 men, women, and children in eastern Europe were forcefully dislodged from their homes; their property was confiscated and they were driven into the various zones of Germany and Austria. I speak, Mr. President, of the Potsdam agreement, and the implementing decisions of the International Control Council.

With the possible exception of the cruelty and depravity of Hitler's legions, these forced migrations have exceeded in extent any episode in the history of Europe since the days of the Mongolian invasion.

I doubt whether the Mongolian invasion was as bad as what we are witnessing at the present time.

It is mockery, Mr. President, in speaking of these outrages, which were sanctioned and agreed to by representatives of this Government, to mention the lofty precepts of the Atlantic Charter, and

yet, on interrogation about this matter, the Chief of the Division of Central European Affairs of the State Department, offers as an excuse this statement:

> The Atlantic Charter, it may be noted, disapproves of territorial changes contrary to the wishes of the people concerned, but is silent on transfers of populations.

Thus it was, Mr. President, that the spokesmen of this country, blinded by wartime passions and hatreds, after the successful termination of a war presumably against similar outrages, let loose sentiments of revenge against the innocent and guilty alike. In the negotiations, decisions, agreements, and commitments they decided to adjust populations to geographical areas, instead of geographical areas to populations, even though the plan called for the mass expulsion of millions of innocent human beings.

Pursuant to the agreement, Mr. President, some 16,000,000 persons, who were then living in countries that are now curiously enough behind what is now called the iron curtain, whose chief crime against humanity was that they had traces of German blood pulsing in their veins, were heartlessly assembled like cattle and dumped into Germany and Austria.

It is estimated, Mr. President, that between 20 and 25 percent of these persons perished in the process of expulsion from lack of food, shelter, or from maltreatment.

That is what the United States Government agreed to, Mr. President, that is the unholy record of the United States Government. I am not talking about the Huns. I am not talking about the Mongolian invasion. I am talking about Americans and what their Government is thinking in the twentieth century.

But that is not all of the story, Mr. President. On December 16, 1946, the General Assembly of the United Nations Organization approved a constitution for the International Refugee Organization, pursuant to which there has been established an international organization of which the United States is a member and which costs this country approximately $73,000,000 a year for the purpose of caring for refugees and displaced persons. According to the provisions of that constitution, Mr. President, persons of German ethnic origin, or the German nationals and members of German minorities in other countries who have been transferred to Germany, are expressly excluded from the care and concern of the International Refugee Organization.

Mr. President, the very man who placed the dome on this Capitol, the very man who drew the design for the Congressional Library, the very men who painted the two great pictures of Washington Crossing the Delaware and Westward the Course of Empire Takes Its Way, which hang upon the walls of this building, were foreign-born persons who came to the United States of America. Under such a constitution as that to which I have referred some of the men who helped to save this country at Valley Forge would have been barred from coming to the United States of America. Not only that, Mr. President, but the largest ethnic population in the world, with the exception of Great Britain, would be barred from ever coming to this country. I cannot imagine my voting for the bill as reported by the committee. I would rather cut the tongue out of my mouth than to vote "yea" for such an infamous bill.

I repeat, Mr. President, that according to the provisions of that constitution, persons of German ethnic origin or the German nationals and members of German minorities in other countries who have been transferred to Germany, are expressly excluded from the care and concern of the International Refugee Organization.

I see sitting in the Senate the distinguished Senator from Minnesota [Mr. THYE]. I think he will agree with me that in the great Northwest there are no finer, better citizens when it comes to maintaining order, when it comes to hard work, when it comes to being loyal to the United States of America, than are the men of foreign birth who are scattered throughout Montana, Kansas, North Dakota, South Dakota, Minnesota, Wisconsin, and Missouri. There and in Ohio and Pennsylvania they have a record of which they can be very proud indeed. In World War I there was a little county in North Dakota in which 95 percent of the people were foreign born. They won the McAdoo prize for buying the most Liberty bonds in drive No. 3.

It is too late, Mr. President, for us to undertake to rectify this international outrage. The amendment which I have offered proposes, however, a measure of justice and relief. Senate bill 2242, the Displaced Persons Act of 1948, does not embrace as displaced persons these men, women, and children of German ethnic origin concerning whom I have been speaking. I understand that since these people are expressly excluded from the care and assistance of the IRO and are not accepted in IRO camps, it would be exceedingly difficult from the standpoint of administration to undertake to embrace them within the group technically known as displaced persons. The aggregate immigration annual quota for Poland, Czechoslovakia, and Hungary, from which these persons were driven, is only a little over 10,000. The annual immigration quota for Germany, however, is approximately 26,000. The effect of my amendment would be to permit these persons of German ethnic origin who are now lingering in Germany to have available to them, along with all other German nationals, the present German quota. These persons would, of course, be obliged to comply with all of our immigration laws. This does not, Mr. President, constitute a solution or atonement for the conditions which representatives of this Nation participated in creating, but it is at least recognition, perhaps too late, that there is rooted in this country some semblance of justice.

I have not spoken of the 3,000,000 Poles from east of the Curzon line who have been forced into the areas from which the persons of German ethnic origin had been expelled. I have not spoken about the half-million Ukrainians who were resettled in Poland or expelled to the Soviet country. I have not spoken of the 700,000 Hungarians in Czechoslovakia who are being dislodged from their homes. Nor have I spoken of the 700,000 Balts who are being deported into the interior of Russia. Concerning each of these cases volumes could be written which would stagger the imagination.

To speak of these people in the term of numbers is a heartless approach, but no less heartless, Mr. President, than the decisions, commitments, and executive agreements which have been made on behalf and in the name of the United States of America, and which are even now hidden from the view of the American people.

I have not yet spoken, Mr. President, of the hundreds of thousands of refugees who are now lingering in Denmark, Norway, and Sweden, who are also outside the purview of the international refugee organization, and who, I am reliably informed, are being picked over by representatives of the Russian Government who take the able-bodied forcibly back to Russia for slave labor. There would be no displaced-persons problem today were it not for the fact that these displaced persons cannot return home to those countries which are now under Russian domination. Why are they under Russian domination? A study of the decisions, agreements, and understandings which were entered into on behalf of this Nation will serve as an answer, Mr. President.

I assert that when we see the full text of the agreements, understandings, and commitments which have been made on behalf of the United States—made behind closed doors and without the knowledge or consent of the American people—it will be found that the position of Russia today in world affairs is directly traceable to these agreements. We have appropriated millions of dollars to ferret out subversives who are even now in positions of authority in the Government of the United States. I contend that many of these agreements and commitments will be shown to be their handiwork. I further contend that it will be shown that the blueprint for the iron curtain was partially drafted in Washington and that the materials from which the iron curtain has been fabricated are largely from the production of American workmen, just as the bullets which so lately slaughtered our American boys in the Pacific were forged from American steel.

We have recently viewed with alarm the absorption, by Russia, of Czechoslovakia. I suggest, Mr. President, that if the record were brought to light it would be shown that this coup did not just happen in the course of a few weeks or months, but that the groundwork was laid through certain international understandings and agreements during the war. Was it mere coincidence that the Soviet forces were the liberators of Prague, while the American forces were ordered to halt at Pilsen, some 50 miles away?

We have, Mr. President, appropriated thousands of dollars to investigate war contracts of persons who were thought to

have committed frauds in the production of the implements of war, but as yet we have not dared to peek behind the curtain which hides the international contracts and agreements and their execution. I submit that investigation in this realm will make the frauds of war contractors seem like child's play. These may appear to be rash statements, but I challenge the Foreign Relations Committee and the Senate itself to test them against what is hidden from our view but could, through the insistence of this body, be revealed.

Mr. President, I say, in conclusion, that if the Senate of the United States is to maintain the respect and confidence of the American people, which it has enjoyed for over a century and a half, the Senate will relentlessly insist that there be brought to light the full text of all international agreements, decisions, and understandings which have been entered into on behalf of the United States in the course of the last several years, and then let the chips fall where they may.

Now, Mr. President, I go back to the eloquent opening address made by the chairman of the Committee on Foreign Relations, the senior Senator from Michigan [Mr. VANDENBERG], because he so thoroughly agreed with what I have just been saying. Toward the end of his address the distinguished Senator made this statement:

> Third. This act depends, again, for its success upon the prompt restoration of western Germany to an effective place in the economy of Europe and the world. It must be decentralized. It must be demilitarized for keeps. But it must be restored to decent hope and productivity. The western occupying powers must quit their indecision and put Germany wholesomely at work again without delay. The Ruhr alone could spell the difference between success and failure.

Mr. President, time and time again we have been told by our experts that if Germany goes communistic all of Europe will go communistic. I submit, in view of what I stated a few moments ago, that frequently by our actions we have hurt them instead of helping them.

Consider the denazification program in Germany. It has been in progress now for 2 years. A little while ago there were still a million to be denazified, and when a man or woman has been denazified, it does not mean he or she is through, because if other complaints are made, they have to be denazified a second or third time. Over there school teachers, ministers, professors who have been high in the universities, are still locked up in some of the camps waiting to be denazified, and they cannot even get jobs.

In a political campaign a few years ago Frank E. Gannett, of Rochester, N. Y., was a candidate for President, and I believe he received 79 votes on the first ballot. That is my recollection.

I hold in my hand a communication I received this morning from Mr. Gannett, a statement which I believe to be of tremendous interest, relative to the Marshall plan. He says:

> Seldom has there been before Congress an issue as important to the future of America as the Marshall plan.

This eminent statesman, whether we agree with him or whether we do not, but who at least in America is considered by some as one of the outstanding authorities on those things in which he believes, states:

> Some eminent persons have discussed the question. We are familiar with the arguments that have been advanced. And I hope you will not be misled by the propaganda that has been let loose upon the Nation.
>
> These facts cannot be overlooked.
>
> 1. No amount of money that we may pour into Europe can stop the spread of communism.
>
> 2. The large sums that we have poured into Czechoslovakia through UNRRA did not save that country; the government was taken over by a minority, 38 percent.
>
> 3. We have, according to the President, spent $15,000,000,000 in Europe. To what advantage?
>
> 4. We are now asked to send more money, or war material, or men, to Greece. Will the begging never end? Are we already in world war III in Greece?
>
> 5. Five hundred million dollars are now asked for China. I was in China last summer, and became convinced that money cannot save the Chinese Government.
>
> 6. Our resources are not limitless. We can raise these staggering sums from only two sources; from additional taxes upon the overburdened taxpayers, or by running the printing press, causing inflation, and reducing the value of our dollar.
>
> 7. Do you realize what $1,000,000,000 is? If we printed a dollar every minute of the day and night, it would take 2,000 years to print $1,000,000,000. To print $17,000,000,000 would require 33,000 years.
>
> 8. Anyone who reads the financial pages today sees alarming, dangerous symptoms and signs of an approaching depression. It is no time to spend—or commit ourselves to spend—billions in Europe, when we face a serious financial problem here at home.
>
> 9. With the Russian situation very tense, it is time to put our own house in order, to make America prosperous and strong enough to save itself. Only then can it hope to help the world. We must not weaken ourselves with costly and futile efforts in any direction.

Mr. President, I address myself now to the distinguished acting majority leader. It is now after 5 o'clock, and I had thought I would start earlier today than I was able to. I ask unanimous consent that I be allowed to take the floor and complete my remarks when the Senate meets tomorrow.

Mr. WHERRY. If it is the desire of the Senator that he discontinue now and proceed tomorrow to complete his remarks, that is agreeable.

The PRESIDING OFFICER. Without objection, the order is entered.

Mr. MALONE. Mr. President, in view of the fact that my remarks relative to the Marshall plan and our foreign policy were extended over a couple of days last week, March 4 and 5, which normally would have required probably 20 or 25 minutes to deliver except for the extended debate, I ask unanimous consent to insert in the RECORD a summary of my address as a part of my remarks at this point.

The PRESIDING OFFICER. Following the present statement the Senator is making?

Mr. MALONE. Yes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

PEACE AND SAFETY OF THE UNITED STATES

1. The peace and safety of this Nation is seriously threatened, through the complete absence of a definite foreign policy, telling our own people and the nations of the world what we consider will threaten our ultimate peace and safety, and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

2. The basic subject of foreign policy has never been discussed with the American people, through two world wars, and now the Marshall plan is in the same category. The basic subject at issue (as it was in 1823 when the Monroe Doctrine was established to protect South America and the Western Hemisphere from encroachment from the European empire-minded nations) is what areas—and naming the nations in the European and Middle East countries, including Asia and the South Seas—is it necessary for us to currently protect for our own ultimate safety? Until this decision is made no plan to make it effective can be intelligently discussed.

I challenge the State Department to name the nations of the 56 member countries of the United Nations Organization, whose integrity we must currently protect for our own ultimate safety, to tell the world and the American people the truth, so that any empire-minded nations may be apprised of our intentions and thus avoid what could well develop into a third devastating world war, and that our own people may prepare for their own defense, through rebuilding our military organization spearheaded by an air corps that could keep any other nation on the ground in the event of war.

HUNGRY PEOPLE—COMMUNISM—REHABILITATION OF INDUSTRY

3. It is impossible to consider the feeding of hungry people—the stopping of communism—and the rehabilitation of industry as one subject. We only confuse ourselves.

As a result we mix our emotions with the facts and become unwilling victims of the greatest propaganda machine ever established in Washington; let us take them one at a time:

(a) Feeding emergency hungry people of Europe or of any other area is a matter of charity and must be so considered apart from other considerations. The Congress of the United States has appropriated nearly $1,500,000,000 during the last 12 months for that purpose alone, and has appropriated $24,000,000,000 and handed it to the nations of the world without hope of repayment since the close of World War II in 1945.

The December 1946 appropriation of $597,000,000 is expected to last into March of this year; and the Congress is ready to consider further reasonable gifts for food, until Europe completes its third crop, to the extent that our own resources will withstand the impact without further inflation.

(b) Stopping communism through protecting the integrity of the nations of the world that we decide, after full discussion and study, we must currently protect for our own ultimate safety, is a matter of our own integrity and frankness with our own citizens—and with the nations of the world.

If we should decide, after full consideration of our experience through two world wars—and our improved methods of defense and offense—that a threat to the integrity of any member nation of the United Nations Organization, by any other nation would constitute a threat to our ultimate safety—then President Monroe's exact words could

be utilized in announcing an extension of the established Monroe Doctrine, leaving out any reference to the Western Hemisphere, and say, in effect, to the world and to the American people that:

"We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system, as dangerous to our peace and safety."

We should then build at once a military force, spearheaded by an air corps that would bear silent evidence to all concerned that we were ready and able to enforce the extended doctrine, just as we have enforced the original Monroe Doctrine covering the western hemisphere for more than 125 years, and which had kept us out of a major war for more than 75 years.

The Congressional Air Policy Board has recommended a long-range military plane purchase program, which would provide a 35,000-plane striking force costing $16,800,000,000 over a 5-year program. The President's air policy board's recent report closely parallels this document.

The Armed Service Committees of Congress should immediately check these reports and if found correct recommend their adoption and the appropriation of the necessary funds by the Congress of the United States for the entire 5-year program.

Congress could apply the Marshall plan 4-year funds of $17,000,000,000 to the $16,800,000,000 5-year plane purchase program and have approximately enough left to continue the necessary European nations' feeding program until they raise a third crop and to furnish the necessary funds to the RFC or the World Bank for the rehabilitation of the European nations' industry under the Reconstruction Finance Corporation rules, as applied to American citizens.

(c) The rehabilitation of the industries of the 16 Marshall plan European countries, entirely separate from feeding hungry people, can then be accomplished as a purely business transaction in the same manner as such industrial plants were financed in this country by the Reconstruction Finance Corporation during depression and World War II years.

A reasonable amount of money, say $1,000,000,000, could be appropriated and made available to the RFC or to the World Bank for that specific purpose, simply providing that the RFC rules and regulations be applied to any foreign-business loans.

Their rules provide for an investigation of the feasibility of such an industry by an experienced investigator in the respective field, with an estimate of cost, together with a list of the needed machinery and supplies. They further provide for a lien or mortgage to be taken on such equipment—the stock or shares of the existing organization to be hypothecated as additional security for such loan, and then the signature of the applicant is required.

It will prove a pleasant surprise to both the Congress and to the State Department the relatively small amount of funds that the European nations will require for industrial plant refinancing, if such loans must be secured on a business basis.

4. The entire thesis and point of my argument is that the feeding of hungry people, whether located in this or any other nation—the international policy of protecting the integrity of foreign areas in the interest of our own ultimate safety—and the rehabilitation of industrial plants in such foreign nations, must be considered separately to make sense and to be understood by our own people.

The extent that we can and should feed the hungry people of the world—and the amount of money we may loan for rehabilitation of industrial plants on a business basis throughout the world—is the particular business and responsibility of the Congress of the United States—while the international policy, the determination of the areas and nations of the world that we must currently protect for our own ultimate safety is a State Department matter.

5. On March 4 the London Evening Standard (Lord Beaverbrook) said editorially, "that the nation's Socialist government is sitting back to await another American handout and thus save its nationalization schemes."

It said further that "to accept more dollars when the experience of the first dollar loan proved so disastrous would be blind folly." It may be understood—and I found the English people divided at the time of my visit there in November 1947—that the English people are far from agreeing as a unit upon the advisability of their own nation accepting further gifts from this country—many feeling that such gifts merely retained the Socialist government in power.

6. General Wedemeyer, in agreement with General MacArthur, testifying before the House Foreign Affairs Committee on March 4, said, "I don't believe dollars alone will stop the spread of communism anywhere in the world." General Wedemeyer further testified—and General MacArthur had previously wired substantially the same statement to the committee—that "I predict that if we don't take appropriate steps to stop this communistic conflagration, we are going to pay in blood."

Neither agrees with General Marshall when he continues to suppress the year-old Wedemeyer report on China and recommends a purely economic program totaling $570,000,000 for that nation. We have no reason to suppose that General Marshall is more nearly right when he recommends a purely economic approach to the European problem than he has been right in his policy toward China.

7. Spokesmen for the Marshall plan bill made the shocking admission that the amount asked for during the first 12 months was arrived at by determining the total unfavorable trade balances of the 16 Marshall-plan countries for that period with all of the countries of the world and providing them with the necessary cash to continue their unbalanced operations regardless. We simply export to them the necessary cash to make up the deficit, which, I submit, is a dangerous precedent, and if such a policy is to become our accepted method of dealing with the areas necessary to our ultimate safety, why are not the Middle East, Asiatic, and South Seas areas included, which competent authorities may decide are also necessary for our own safety? It is also an open invitation for unbridled spending on their part with assurance that this country will pay their bills.

8. The sponsors of this legislation have also said that a large amount of the funds advanced to foreign countries will be returned in the form of strategic and critical minerals and materials, indicating that we are now appropriating the money for which we would import the necessary strategic and critical minerals and materials with no thought or safeguard against closing our own industries in these fields through competition provided by appropriations by our own Congress.

An analysis of this statement shows that to get back one-third of the $17,000,000,000 would require the importation of approximately $120,000,000,000 worth of such strategic and critical minerals and materials, since naturally such debtor countries could only return their net profit on producing such materials, which would probably not exceed 5 percent. If this were done, which is very unlikely, it could result in shutting down all of the strategic and critical mineral industries, including the textile industry, of the United States for approximately 25 or 30 years. There are no strategic or critical minerals available in Russia that cannot be secured elsewhere just as readily.

9. The provisions of trade agreements already signed and in operation between the United Kingdom and Soviet Russia, and Belgium and Soviet Russia, provide for furnishing fabricated steel and other goods direct to the U. S. S. R. and it is well known that we are at this time shipping from 6 to 8 million tons of steel to these European countries and that such trade agreements could well prove to be a "manufacturing in transit" rate meaning that the raw steel and other supplies from this country would find their way direct into the U. S. S. R. in the form of fabricated and manufactured steel goods and materials.

We are at this time shipping large amounts of steel and aluminum to Canada, much of which is finding its way behind the iron curtain in the form of manufactured products.

10. It is impossible to stabilize trade or currencies in Europe as long as they continue the established practice of manipulating the value of their currencies to favor their own particular country, and as long as the empire-minded nations, with particular reference to Great Britain, follow their established practice of directing trade to the "mother" countries through their empire-preferential rates and the use of the sterling bloc.

11. There is a grave question as to whether the Congress of the United States can create additional purchasing power by making appropriations for gifts to foreign nations above the amount required to meet the cost of our own Government each year, unless there is comparable increase in our production. This was thoroughly illustrated in the $3,750,000,000 loan to England in 1946, when almost immediately they complained that due to subsequent inflation their estimates of the amount that could be purchased for the loan was almost cut in half. Any further such appropriations would probably have the same general effect.

12. Truth and integrity are the commodities badly needed in the world today. If the United Nations, our own State Department, and the Congress of the United States would bend their efforts toward reestablishing the integrity of private investments throughout the other 56 member nations of the United Nations, in the same manner as we respect the investments of their nationals in this country, then many of the pressing industrial problems would be automatically solved through such private investments.

This is the same administration that:

(a) Recognized the country, about which they are now complaining, in 1933 without any safeguards whatever.

(b) Continued to ship the oil and scrap iron to Japan almost up until Pearl Harbor.

(c) Always claimed prior to World War II that military help was not necessary; that furnishing the money and equipment to the enemies of Germany would do the job.

(d) They are now claiming that the Marshall plan may well stop any threat to the integrity of any other nation in Europe, while competent military authorities have presented their testimony to congressional committees that without military assistance loans will be of little value.

13. The administration has treated General de Gaulle, of France, like a stepchild from the beginning of World War II and has generally opposed his authority in France, while at this moment he is recognized in that country as perhaps the strongest man and is at this moment asking for the

military help of this country on the basis that little else will be of value. They have also effectively ignored Franco, of Spain, a very effective enemy of communism, in the same manner.

14. The $17,000,000,000 asked for under the Marshall-plan bill, added to the $24,000,000,000 already expended throughout the world since World War II, added together is $5,000,000,000 more than the assessed valuation of the entire 11 Western States and the 11 Southern States combined, and all of this expenditure made without any definite international policy.

15. The additional $17,000,000,000 for the Marshall plan is requested from Congress without any agreement or treaty with the separate nations involved in the matter of a nonaggression pact such as has been consummated with the South American countries, and in the face of a definite statement made by leaders in England, that they were undecided as to what action they would take in the event of a war between United States and Russia—that what they wanted to do was to become the bridgehead between communistic Russia and capitalistic United States—and without any definite statement of international policy by the State Department as to what areas it is necessary for us to currently protect for our own ultimate peace and safety.

16. Seven of the sixteen Marshall-plan countries are more than 100 percent recovered, compared to the 1937 industrial index—England 115 percent, Denmark 117 percent, Norway 122 percent, France 106 percent, Ireland 109 percent, Sweden 107 percent, Switzerland 101 percent, and all others are well on the way to such recovery, with the exception of Germany and Austria, which are listed as 42 and 50 percent, respectively.

17. Sir Stafford Cripps was very frank in our London discussions last November—that they do not require the Marshall plan gift so much for England, but needed the money for building up their colonial possessions, particularly in Africa where they want to build up new industry including transportation systems—and opposed my suggestion that private investments from my own and other countries might largely undertake the necessary development if the integrity of such investments could be assured.

18. Mr. Monnet, of France, was also very frank in his outline of the Monnet 5-year plan—that their Government wants the Marshall plan money to purchase power-plant equipment and other new industrial plants to be installed and to be owned by the Government. They are not interested in guaranteeing the integrity of private investments for that purpose.

In addition Mr. Monnet was very clear that they expect to be furnished much of the raw materials free through the Marshall plan.

19. The American people have not been advised that many of the Marshall plan countries have driven more local money underground in their own countries through their nationalization and socialization schemes than they are asking for under the plan. Also that the nationals of the Marshall plan countries have nearly as much invested in this country as they are asking for, and in addition have effectively stopped all private investments from this Nation by the same official nationalization policies.

The American people have not been advised that the German steel production has been held to under 4,000,000 annual tons from a near 24,000,000 tons, and that the German plants could be utilized to produce an additional six to eight million tons which we are now shipping to Europe, and in that event could hold our steel here and overcome the existing spot oil shortage, and cease forcing our own steel companies to expand their production—also the Germans could then repay our Nation for the more than $1,000,000,000 annual board and general supervision cost for their country.

20. There can be no effective bipartisan foreign policy, first, until there is a definite foreign policy, and second, there can be no bipartisan foreign policy starting at the water's edge until the State Department stops its activities at the water's edge. It now largely controls national policy through the reciprocal trade act and its many ramifications through Executive orders and departmental edicts.

Mr. MALONE. Mr. President, I further ask unanimous consent that there be printed in the RECORD at this point in my remarks an outline of the trade agreements made between the Marshall-plan countries and eastern Europe. This has particularly to do with the Netherlands agreement with the countries behind the iron curtain.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TRADE AGREEMENTS BETWEEN MARSHALL-PLAN COUNTRIES AND EASTERN EUROPE

We have already reported the fact (CONGRESSIONAL RECORD, March 4 and 5) that England and Belgium have trade agreements with Russia and are shipping steel and products made of steel to Communist Russia.

Further investigation reveals that France has a trade agreement with Russia and trade agreements with seven other countries in eastern Europe which are dominated by Communist Russia. These seven other countries are Bulgaria, Finland, Hungary, Poland, Rumania, Czechoslovakia, and Yugoslavia.

All of this simply amounts to a "manufactured in transit" rate from our country to Russia and her satellite countries—which corresponds to our shipments of scrap iron and oil to Japan almost up to Pearl Harbor and World War II.

Appendix I shows the date these agreements were entered into and the expiration date of the agreements.

Although the Netherlands do not have a trade agreement with Russia itself, they do have trade agreements with seven countries which are dominated by Communist Russia entirely, plus Austria and eastern Germany, which are partially dominated by Russia.

The seven Communist-dominated countries with which the Netherlands has trade agreements are as follows: Bulgaria, Finland, Hungary, Poland, Rumania, Yugoslavia, and Czechoslovakia.

The Department of Commerce is engaged in analyzing these trade agreements to see whether steel and products made of steel are being shipped from the Netherlands to the various countries concerned. Not all of the trade agreements have been made public. The trade agreements between the Netherlands and Bulgaria for the period from June 1, 1947, to May 31, 1948, shows that the following products, among others, are being shipped to Bulgaria: Electrical material, radio articles, various chemical products, ships, rubber, and transport material (including auto-busses and Diesel motors).

No export license is required to ship raw materials and manufactured goods to Canada and no account is taken as to the ultimate destination of such goods and materials.

We have been and are now shipping large amounts of raw steel and aluminum to Canada, and that nation is furnishing processed goods behind the iron curtain—a sort of "manufactured in transit" rate from our country to the nations behind the iron curtain.

APPENDIX I

Trade agreements with eastern European (iron curtain) countries

FRANCE

Country and type of agreement	Date concluded	Expiration date
Bulgaria: Trade and payments agreement	June 10, 1947	June 15, 1948
Finland:		
Payments	Feb. 2, 1946	Mar. 1, 1949
Trade agreement	Mar. 14, 1947	Feb. 2, 1948
Decision of mixed commission	Sept. 22, 1947	Do.
Hungary:		
Payments	Nov. 22, 1947	Oct. 31, 1948
Trade agreement	do	Do.
Poland:		
Payments	Aug. 1, 1946	Aug. 1, 1950
Trade agreement	Aug. 20, 1947	Aug. 31, 1948
Rumania: Trade arrangement	July 6, 1946	[1]
Czechoslovakia:		
Financial	July 29, 1946	July 29, 1949
Trade arrangement	do	[2]
Decision of mixed commission	Feb. 3, 1947	
Do	July 29, 1947	
U. S. S. R. (Russia): Commercial arrangement	Dec. 29, 1945	May 1, 1951
Yugoslavia:		
Payments agreement. Commercial agreement. Prolongation of agreement.	June 12, 1946	Apr. 30, 1948

[1] Not specified.
[2] Dec. 31, 1947 (extended to Apr. 1, 1948).

NOTES

The trade agreements listed above are short-term agreements (usually 1 year) but were concluded with the idea that they would either be prolonged at the end of the period or replaced by a revised agreement altering the lists of products to be exchanged. They are in most cases accompanied by payments agreements which generally provide that clearings accounts are to be set up with no actual transfer of cash except of amounts needed to balance the 2 sides of the account (or, in some cases, payment only when the balance exceeds a stipulated amount in favor of one or the other party). Payment agreements are sometimes of longer term than the commercial agreements, indicating the expectation that the latter will either be replaced by another before the expiration date or prolonged in its original form.

Trade arrangements differ from trade agreements in being of a somewhat more comprehensive nature. The arrangement with Russia, for example, involved reciprocal tariff treatment, navigation, and the status of legal and physical persons engaging in the trade; that with Rumania provided for improvement of transportation facilities as well as with commodity exchanges. The trade arrangement with Russia differed from most of the other arrangements and agreements in not specifying lists of commodities to be exchanged.

Decisions of mixed commissions in the above table are changes effected during the life of an agreement usually a revision of the lists of products to be exchanged.

Mr. WHERRY. Mr. President, in the Evening Star of yesterday there appeared an article written by Richard L. Stokes entitled "Nations on United States Aid Lists Are Far From Mendicants. Only Three Countries Designated for Help Would Probably Perish Without It; Eight Already in the Black."

I think this article should be read by every Senator. Mr. Stokes very forcefully sets out that—

A country able to survive in postwar Europe should succeed anywhere, at any time. On that theory, statesmen and economists are hoping to draw some kind of lesson from the Marshall plan group, consisting of 16 Paris Conference nations and western Germany.

It has been repeated here time and again, and the statement goes forth to the country, that unless money is subscribed to all 16 of the nations in Europe and aid is sent to them, they will fall, that there will be nothing left of the 16 or 17 countries which make up the nations of western Europe. Mr. Stokes very forcefully

points out that Switzerland, Portugal, and Turkey are in excellent condition.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment. I suppose the distinguished Senator from Massachusetts will now say that they are not to get aid, that they will be eligible for loans.

Mr. LODGE. Will the Senator from Nebraska permit me to express my ideas in my own words?

Mr. WHERRY. That they will be eligible for loans. Now will the Senator please express the idea in his own words?

Mr. LODGE. I notice that the Senator from Nebraska says that the word is going out all the time that these 16 nations are in desperate condition and need help. It is not going out from me and it is not going out from the Foreign Relations Committee. There are enough difficulties in this problem; there are enough legitimate objections to it. The whole world is creeping toward the abyss fast enough without dragging any red herrings across the path. We do not need to do that. We have enough trouble as it is. It is obviously true that Portugal is in good shape, that Switzerland and several other countries are in good shape.

Mr. WHERRY. And Turkey is in good shape.

Mr. LODGE. What?

Mr. WHERRY. And Turkey is in good shape.

Mr. LODGE. Yes; Turkey is in good shape.

Mr. WHERRY. And it is also true, is it not, that Belgium, Denmark, Luxemburg, and Sweden are in good shape?

Mr. LODGE. And it is precisely for that reason that they are not going to get any gift under the Marshall plan. Why not be candid about this thing and not drag red herrings around, and pretend that we are going to give a lot of money to Switzerland and Portugal when it is a fact that we are not going to do any such thing?

I thank the Senator from Nebraska for yielding to me in such a generous manner.

Mr. WHERRY. Mr. President, I want to compliment the distinguished Senator from Massachusetts for the able work he has done on the Committee on Foreign Relations; but I wish to say that it is not my purpose to drag red herrings across the road on which we are now traveling in the matter of aid to Europe. It seems that when anyone rises to his feet and even intimates that he could say anything that would be at all in contradiction to the report of the committee, or what it has done, some Members feel that it means tramping upon their toes, and that they should rise and defend each and every act and every bit of work done by the committee.

I did not say that the story originated with the Senator from Masssachusetts [Mr. LODGE] or with the Senator from New Jersey [Mr. SMITH] or even with the Foreign Relations Committee. I said word has been broadcast over the country that all sorts of direful things may happen to these 16 nations which need aid. I submit that is a practical statement, and it is a truthful statement.

I will put it this way, Mr. President, that the supposition is very strong that all these nations are going to fall, and that unless they receive aid through the Marshall plan it is all over, and the only alternative is too terrible even to contemplate. That is the theory.

Now I should like to say to my distinguished and able friend from Massachusetts, for whom I have the highest regard, that the article to which I am referring sets forth in a very forceful manner a situation which is entirely different from that. I think the article is very fair in its approach. As I understand, the article does not oppose the Marshall plan. The writer of the article gives his ideas respecting the conditions of some countries and their need for aid. The writer says that the countries he considers to be in excellent condition are Switzerland, Portugal, and Turkey.

I think the distinguished Senator from Massachusetts will recall that when he was in Switzerland last year he found it to be the only country in Europe where he had to discount the dollar. Is it not correct that Switzerland was the only country of Europe in which the dollar was at a discount? One could not get 100 cents on the dollar?

Mr. LODGE. That is perfectly correct, yes, and I hope the Senator from Nebraska will agree that we cannot integrate Europe without integrating all the nations of Europe,

Mr. WHERRY. The writer says that Switzerland, Portugal, and Turkey are in excellent condition. He says that there are only three countries which are likely to fall in the event aid is not forthcoming. He says that already eight of them are in the black so far as restoration is concerned. The writer says that countries which are in good shape are Belgium, Denmark, Norway, Luxemburg, and Sweden.

He says countries in a rather difficult situation are the Netherlands, Ireland, and Iceland.

Mr. LODGE. What is the authority on which he bases his statement?

Mr. WHERRY. The writer says the countries in poor condition are the United Kingdom, France, and Italy. I agree that from my own observations possibly the United Kingdom, France, and Italy are in what I would call a desperate situation, but even though the Marshall plan should fail, still negotiations could be carried on between the United States and those three countries to see that they were brought out of the dark and into the light by giving them aid, even if the Marshall plan did not succeed in doing so.

Mr. LODGE. Will the Senator tell us the authority from whom he is reading.

Mr. WHERRY. I stated in the beginning of my remarks that I only asked to place in the RECORD an article written by Richard L. Stokes in the Sunday Star, giving his version of the situation in Europe, and what nations he thought needed aid, and that his conclusion is that they are far from being mendicants.

Since the Senator raised the question respecting the authority from which I quoted, I will say that I also read completely the report issued by the Committee on Foreign Affairs of the House. If the distinguished Senator from Massachusetts has read it he will agree with me that its recommendations are almost in line with what is set forth in the article. I will bring the report to the Senate and place some of it in the RECORD, because I feel that the public is entitled to know all the aspects of the question. I believe that the impression which has gained headway throughout the whole United States that these 16 nations are in such a terrible plight really does not reflect the actual situation of some of the countries.

Mr. President, I ask that at this point in my remarks there may be printed the article written by Richard L. Stokes and published in the Sunday Star. I recommend that all Members of the Senate read the article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONS ON UNITED STATES AID LIST ARE FAR FROM MENDICANTS—ONLY THREE COUNTRIES DESIGNATED FOR HELP WOULD PROBABLY PERISH WITHOUT IT; EIGHT ALREADY IN THE BLACK

(By Richard L. Stokes)

A country able to survive in postwar Europe should succeed anywhere, at any time. On that theory, statesmen and economists are hoping to draw some kind of lesson from the Marshall-plan group, consisting of 16 Paris conference nations and western Germany.

Contrary to what may be a common impression, they by no means form a homogeneous crew of mendicants. Eight of the seventeen peoples have passed already to the credit side of the ledger. Six others expect to reestablish themselves in the next few years. Only three are in straits so hazardous that most likely they would perish without American aid.

FALL IN FIVE CATEGORIES

Such are the conclusions to be drawn from a study of the State Department's recent report, in 17 volumes, upon the European Recovery program. In exhaustive detail are recorded the past, present, and prospective circumstances of each participating region.

According to relative stages of well-being, the countries may be divided into five categories. In descending order, they are as follows:

1. Excellent: Switzerland, Portugal, Turkey.

2. Fair: Belgium, Denmark, Norway, Luxemburg, Sweden.

3. Difficult: The Netherlands, Ireland, Iceland.

4. Poor: United Kingdom, France, Italy.

5. Desperate: Greece, Austria, western Germany.

Taking the eight countries of the two upper groups, it may be observed that they have three factors in common:

Their economies suffered little or no war damage.

Their political governments are notably stable.

They have no Communists or only futile Red minorities.

MADE MONEY ON WAR

Switzerland and Portugal remained neutral throughout the war. Turkey did not join hostilities against Germany and Japan until February 21, 1945, 2½ months before VE-day. All escaped war damage and turned the conflict to profit. They are the only Marshall plan countries which are expected to

pay cash in full for benefits received and to reinforce the United States in extending credit.

With brief interruptions, the Swiss Confederation has endured four and a half centuries. Portugal's Prime Minister, Antonio Salazar, has been in power for 24 years. Turkey's President, Ismet Inonu, is serving his fourth 4-year term. Portugal is a single-party corporative state, and Turkey a democracy with absolutist overtones. Switzerland is a bourgeois republic devoted to free enterprise. Its Government is dominated by conservative business and agrarian interests.

The Communist Party has been outlawed in Turkey and is illegal in Portugal. There are seven Communist deputies in the lower house of the Swiss Legislature. In the upper chamber there is none. The three most prosperous nations in the Marshall plan group are not merely non-Communist but anti-Socialist.

TURKS DENY SOLVENCY

Portugal has served notice that it will require no financial help under the European recovery program, and will extend credits to member nations purchasing its exports. Switzerland has asked no monetary aid and is expected to request none. It has granted credits of $145,000,000 to the United Kingdom, France, Belgium, Luxemburg, the Netherlands, and Norway. Its standard of living is the highest on the Continent. The only currency in the world against which the dollar sells at a discount on the open market is the Swiss franc.

Turkey is accused of solvency by the United States, but has repelled the charge with indignation. Its circumstances would be flourishing, acknowledgment is made, if the Government were not compelled to devote half its budget to military defense. During the war 600,000 troops were maintained under arms. By geographical position, Turkey is custodian of the Dardanelles and next-door neighbor to the Soviet Union. On top of that, its principal treasury holdings are pounds sterling, which are no longer convertible into dollars. The State Department hopes, nevertheless, that Turkey will be able to offer moderate credits to some of the participating countries.

No cash outlays are earmarked for Switzerland, Portugal, and Turkey under tentative proposals for the distribution of Marshall plan funds during the first 15 months. Compared with the over-all estimate of $6,800,000,000, allotments for the five countries rated as enjoying fair recovery are bagatelles—Sweden, $33,000,000; Norway, $34,000,000; Denmark, $164,000,000; and Belgium-Luxemburg, $323,000,000.

BELGIUM MOST PROSPEROUS

A neutral and profit-taker during the war, Sweden has a stable government, unendangered by domestic Communists. Its chief difficulty, which a few millions will counteract, is imputed here to unwise fiscal measures which depleted its hard currency assets in a giddily brief period. Under Nazi occupation, the four other countries of this group were treated with studied benevolence. Their industrial and agricultural facilities emerged almost intact. Norway, the worst sufferer, lost half of its merchant fleet, a key factor in its economy, but the ships are being replaced.

All of these countries, except Luxemburg, have already driven production beyond prewar levels. With 1938 taken as basic, the 1947 percentages for Denmark, Norway, and Sweden were respectively, 133, 117, and 125. The figures for Belgian textile and iron-steel output were 108 and 110. With ample food and light goods, Luxemburg is known as the consumers' paradise.

The most prosperous of the group is Belgium. Unlike Britain, France, and the Netherlands, it has experienced no colony trouble. The Belgian Congo supplies the mother country with gold and uranium, for the latter of which there is a bottomless dollar market. Unlike many other European currencies, the Belgian franc's depreciation has not been too drastic. It was valued formerly at a bit more than 3 cents. The official rate is now 2.3 cents.

HOLLAND HARD HIT

The fact that all these countries are constitutional monarchies may have some bearing on their undoubted political security. Belgium, Norway, Sweden, and Denmark are kingdoms. Luxemburg is a grand duchy. All are ruled by strong right-wing Socialist coalitions, with mere fringes of opposition at extreme left and right.

On descending to the third group, the circumstances of which are listed as difficult, one encounters in the Netherlands the first case of severe war damage, and in Iceland the first important Communist influence.

Of all the countries in western Europe, Holland was most ruthlessly despoiled by the Nazis, in reprisal against its indomitable underground. The country has since lost its great German market and its income from the rubber plantations and tin mines of the Dutch East Indies. The initial Marshall plan allotment for the Netherlands is $705,000,000, fifth highest in the scale. Holland and Britain are today the foremost exemplars of the policy of salvation through austerity.

According to the formula outlined above, Ireland should rank in prosperity with Switzerland, Portugal, and Turkey. It underwent no war damage and has few if any Communists. But the Emerald Isle is nothing if not paradoxical. Politically it is hostile to England. Yet Ireland's economy is bound directly to the British treasury. The fate of the Irish pound is tied to that of the pound sterling. England's restrictions on imports have worked havoc with Ireland's market. Its first Marshall plan quota is $152,000,000.

FOURTH GROUP THE PROBLEM

Iceland also experienced no war damage. But its government of merchants, farmers, and Socialist workmen is confronted by strong Communist opposition. Using the familiar tactic of boring into labor unions, the Communists of Iceland, though ousted from the government, exert a power out of ratio to their number. American troops stationed in Iceland during the war left it overflowing with money but without sufficient goods for which to spend it. The result is an acute attack of inflation. Only its small population of 133,000 limits the island's first Marshall plan allotment to $13,000,000.

With the fourth group of countries, the status of which is rated as poor, one arrives at the heart of the foreign-aid problem. The United Kingdom, France, and Italy are slated to receive nearly two-thirds of Marshall plan funds. Without them over-all estimates for the first 15 months would be only $2,800,000,000.

France suffered widespread physical damage from the war. In Italy it was grievous. Both are notoriously unstable in politics. They possess the largest Communist parties outside Russia. Great Britain, on the contrary, is politically sound and is menaced by no Communist coup from within. But it was a war victim on a colossal scale, particularly in the theater of finance.

UNITED KINGDOM DOWN FOR LION'S SHARE

Britain's trade recovery may be described as phenomenal under the circumstances, but its precarious financial position was shown by the truth that last year its adverse foreign balance reached an all-time high of $2,400,000,000. The cause of this giant deficit may be stated in simple terms. Britain draws 42 percent of its imports from the two American Continents, and sends only 14 percent of its exports to Canada, the United States, and Latin America. In other words, it is compelled to buy in hard-money countries and sell in soft-currency ones—and that at a moment when its gold and dollar resources are well-nigh bankrupt.

For the above reasons American observers regard Britain's restoration to be the most arduous of all foreign-aid problems, not excluding Germany, and the one most likely to remain chronic. On that account Britain's quota for the first 15 months of the Marshall plan is a lion's share of $1,760,000,000, or about one-fourth of the whole.

France has one capital advantage over most of the Paris Conference countries. Normally it is close to self-sufficiency in production of food. But from one of the best-fed nations in the world it has become one of the worst—owing in part to political turbulence growing from the fact that the French Communist Party has been impressed as chief spearhead of Russian aggression in western Europe.

Other factors in the national plight were wholesale looting by the Nazis, grave war damage, bad weather, shortage of labor, raw materials, and fertilizers, and in particular a steep rise of foreign-trade deficits which compelled France to liquidate $2,000,000,000 of its capital resources. It has already obtained $2,026,000,000 in credits from the United States, and is to receive $1,434,000,000 more as its first Marshall plan allotment.

TRIBUTE TO FRENCH COURAGE

In view of these difficulties, there is a tribute to French courage and steadfastness in an official report that the general index of industrial production rose in 1947 to 102 percent of the prewar level. In some fields—such as electricity, the metalworking, and glass industries and chemicals—the figures of increase ranged from 101 to 130. This was offset by a decline of consumer-goods output and so low a production of food that only American help averted catastrophe.

Despite tribulations worse than those of France, Italy managed by desperate effort to push its industrial production up to 80 percent of the 1938 level during the third quarter of 1947. But the record was struck down by strikes fomented by Communists in obedience to Moscow's command that the recovery program must be wrecked. Like France, Italy is plagued by shortage of raw materials and fuel, decline of food output and foreign-trade deficits. It bears the added burden of excessive overpopulation. The initial Marshall plan estimate for Italy is $869,000,000.

After allowance for bomb damage, the war left western Germany with an operable industrial plant greater than that of 1936. Daily coal production in the Ruhr-Aachen district rose from 158,000 tons in 1946 to 270,000 tons in November 1947. With factories, manpower, and skills at hand, the industrial restoration of western Germany is regarded as thoroughly practicable. But to get on its feet the area requires large-scale supplies of food and raw materials, a responsible currency and stable government.

LOWEST ON THE SCALE

Western Germany, Greece, and Austria, lowest in the scale of well-being and the most depressed economies in Europe, exhibit to an extreme the components of disaster. All are subject to intensive Communist pressure, which in Greece has mounted to civil war. Germany and Greece underwent fearful war devastation. Eastern Austria has been mercilessly plundered by the Soviets. The Government of Greece is dubious; Germany and Austria are distracted by warring occupation regimes.

It is reckoned that Austria, if let alone, would be steady politically and develop a sound economy. Western Germany is held capable of industrial output that in time would balance its imports of food and materials. But recovery for Greece, always the neediest country in Europe, is expected to be

a long and difficult process. Fifteen-month quotas under the Marshall plan are as follows: Western Germany, including the French zone and Saar, $1,005,500,000; Greece, $186,000,000, and Austria, $182,000,000.

To sum up, three of the Marshall plan countries require no more than allocations of imports, for which they can pay. Eight need only marginal assistance. The next three, which were formerly great powers, have struggled valiantly to climb erect, but will demand strong support for several years until they are able once more to walk alone. Western Germany, Austria, and Greece range from tragic to all but hopeless.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. WHERRY. I yield.

Mr. HOLLAND. I have read with a great deal of interest the article to which the Senator has adverted, but I came to a completely different conclusion from the one which he seems to have reached.

Mr. WHERRY. Whom does the Senator mean; the writer or me?

Mr. HOLLAND. If the Senator will let me make my statement——

Mr. WHERRY. I have the floor.

Mr. HOLLAND. The Senator yielded to me.

Mr. WHERRY. I yield to the Senator, but I ask the Senator a question. The Senator made the statement that he came to an entirely different conclusion "than he." If the Senator means me, I did not come to any conclusion. I simply inserted the article in the RECORD.

Mr. HOLLAND. I was trying to ask a question. Apparently the Senator wants to ask me a question, which I shall be perfectly glad to answer. But I was going to ask the Senator a question. The conclusion which I reached from reading the article was that the writer made a very fine case for the possibility of mutual help among the nations of western Europe, because he divided them into four classifications, saying that the first or most favorable groups were in splendid shape, and so on down the line to the least favorable situation, showing that there was ample room for self-help or mutual help amongst the nations of Europe. It seems to me that the classification in that article made a powerful case for mutual help amongst the nations. I was going to ask the Senator if he had considered the article from the standpoint that there was a real chance for some of the nations of western Europe materially to help others of them if they chose to come in mutually under the terms of the pending measure?

Mr. WHERRY. Mr. President, the article speaks for itself. I simply had it inserted in the RECORD for the information it contains. I did not insert it in the RECORD with the idea that I would come to any of the conclusions arrived at by the distinguished writer. I think it helped me to understand the situation as the writer presented it, and I thought it was certainly a worth-while article which it would be interesting to all Senators to read. I still think it is very interesting, and I know that it brought facts to my attention which should be discussed. I thought it was a very fine article.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. WHERRY. I yield.

Mr. HOLLAND. The purpose of my remark and my question was this: I understood the distinguished Senator to state—and I think he did state, and I think the RECORD will show that he stated—that a reading of the article brought to his attention the fact that some of the nations did not need help. In my question and in my remarks I was trying to ask the distinguished Senator if the article did not make clear to him, as it did to me, that there was an opportunity for the giving of mutual aid among the nations of western Europe. It seems to me that the article made very clear the point that great help could be extended by some of the nations of western Europe which are in favorable financial circumstances, to some other nations which are not, thus supporting the approach in the measure which is being debated.

Mr. WHERRY. No doubt that interpretation is possible.

Mr. HOLLAND. I am glad that the Senator agrees that that interpretation is a reasonable interpretation to place on the article.

Mr. WHERRY. In order that I may not be misunderstood, I will say that that is an interpretation which one could get from the article.

Mr. HOLLAND. I thank the Senator.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2161) to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190), and it was signed by the President pro tempore.

RECESS

Mr. WHERRY. Mr. President, it is my understanding that an order was agreed to that when the Senate convenes tomorrow the distinguished Senator from North Dakota [Mr. LANGER] shall have the floor.

The PRESIDING OFFICER. The Senator from North Dakota obtained a unanimous-consent agreement to that effect.

Mr. WHERRY. If the Senate has concluded its work for this afternoon, I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to and (at 5 o'clock and 21 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 9, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 8 (legislative day of February 2), 1948:

HOME LOAN BANK BOARD

Oscar Kent La Roque, of North Carolina, to be a member of the Home Loan Bank Board for the remainder of the term expiring June 30, 1949.

DISTRICT COURT OF THE VIRGIN ISLANDS

Hon. Herman E. Moore, of Illinois, to be judge of the District Court of the Virgin Islands of the United States. (Judge Moore is now serving in this post under an appointment which expired February 10, 1948.)

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be major generals

Maj. Gen. John Taylor Lewis, O7000, Army of the United States (colonel, U. S. Army.)

Maj. Gen. George Price Hays, O7149, Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. William Lynn Roberts, O3597, United States Army.

Col. Vernon Edwin Prichard, O3882, United States Army.

Col. Paul Vincent Kane, O4452, United States Army.

Col. Julian Wallace Cunningham, O4922, United States Army.

Col. Rex Webb Beasley, O5246, United States Army.

Col. John Lloyd McKee, O5613, United States Army.

IN THE AIR FORCE

PROMOTIONS IN THE UNITED STATES AIR FORCE

To be first lieutenants

First Lt. Joseph Cary Wheeler, AO50326, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 1, 1948.

Capt. Jack David Elliott, AO56455, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 1, 1948.

First Lt. Henry Simon, AO50325, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 1, 1948.

First Lt. Hubert Dale Ehrlich, AO50329, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 2, 1948.

First Lt. Robert Anderson Gambell, AO38437, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 2, 1948.

Capt. James Anthony DeYonker, AO56456, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 3, 1948.

First Lt. David Wallace Wicks, AO56458, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 4, 1948.

Second Lt. Edward Joseph Saylor, AO56457, United States Air Force, with rank from March 4, 1948.

First Lt. Richard Keith Brown, AO50331, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 5, 1948.

First Lt. Robert Benire McMurray, AO38445, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 5, 1948.

First Lt. Ruffin Walker Gray, AO38421, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 6, 1948.

Capt. Edward Patrick McNeff, AO56459, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 7, 1948.

Second Lt. Cornell Robert Christenson, AO50332, United States Air Force, with rank from March 7, 1948.

Capt. Charles William Getz 3d, AO56461, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 8, 1948.

First Lt. Herbert Leroy Pickett, AO56460, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 8, 1948.

Second Lt. Jack Allen Robinson, AO50333, United States Air Force, with rank from March 8, 1948.

Capt. Werner George Goering, AO38425, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. William Ralph Wright, AO50335, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Russell James McElroy, AO56462, Air Force of the United States (second lieutenant, U. S. Air Force) with rank from March 11, 1948.

Second Lt. William Murray McDonald, AO50336, United States Air Force, with rank from March 11, 1948.

First Lt. Thomas Lowell Huddleston, AO56463, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Aubrey Clinton Adcock, Jr., AO56464, Air Force of the United States (second lieutenant U. S. Air Force), with rank from March 11, 1948.

First Lt. Philip Fetler, AO50337, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. John Henry Griffin, AO56465, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Donald Gordon Shirley, AO56466, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Calvin Gilbert Bass, AO50338, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

Second Lt. Orin Emsley Nutting, AO50339, United States Air Force, with rank from March 11, 1948.

Second Lt. John Francis Jamieson, AO38424, United States Air Force, with rank from March 11, 1948.

Second Lt. Edward John Kinney, AO56467, United States Air Force, with rank from March 11, 1948.

Second Lt. Alvin Glenn Kouts, AO56468, United States Air Force, with rank from March 11, 1948.

First Lt. Denis Ray Edwards, AO56469, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

Second Lt. Harry George Skinner, AO56470, United States Air Force, with rank from March 11, 1948.

Second Lt. Charles Eugene Daly, AO56471, United States Air Force, with rank from March 11, 1948.

Second Lt. Charles Brandon Gresham, AO50340, United States Air Force, with rank from March 11, 1948.

Second Lt. John Patrick Gaffney, AO50334, United States Air Force, with rank from March 11, 1948.

First Lt. William Francis Sullivan, AO50341, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 13, 1948.

First Lt. Anthony Benedict Gallo, AO56472, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 13, 1948.

Second Lt. Curtis Lloyd Utterback, AO56474, United States Air Force, with rank from March 13, 1948.

Second Lt. John Edwin Smith, AO56473, United States Air Force, with rank from March 13, 1948.

First Lt. Donald Jack Seed, AO38426, Air Force of the United States (second lieutenant, U. S. Air Force) with rank from March 14, 1948.

First Lt. Willard Wendell Yockey, AO56475, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 15, 1948.

First Lt. Duke Cameron Horner, AO56476, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 16, 1948.

First Lt. Ernest James Ticknor, AO38428, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 17, 1948.

First Lt. Arthur Milton Gray, AO50344, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 17, 1948.

First Lt. Herbert Smith McKinney, AO38429, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 18, 1948.

Second Lt. Lonnie Otis Ratley, Jr., AO56477, United States Air Force, with rank from March 18, 1948.

Capt. James Roy Starnes, AO38431, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 19, 1948.

First Lt. Orville Ralph Gravelle, AO56479, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 20, 1948.

First Lt. Robert Francis Myers, AO38433, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 20, 1948.

First Lt. Vaughn E. Denning, AO56478, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 20, 1948.

First Lt. Frank Floyd Cannon, AO56480, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 21, 1948.

First Lt. Michael John Nisos, AO41321, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 22, 1948.

First Lt. John Robert Stoner, AO38434, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 23, 1948.

First Lt. Rex Kirkland Stoner, Jr., AO38435, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 23, 1948.

First Lt. Paul Pearson Taylor, AO56482, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 23, 1948.

Second Lt. George Villard Frost, AO56481, United States Air Force, with rank from March 23, 1948.

Capt. James Thomas Weldon, A038436, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 26, 1948.

First Lt. Howard Alexander Courtney, AO50348, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 30, 1948.

Second Lt. John Kessler, Jr., AO56485, United States Air Force, with rank from March 31, 1948.

Second Lt. Forrest Richard Miller, AO50349, United States Air Force, with rank from March 31, 1948.

IN THE NAVY

The following-named officers for appointment in the Supply Corps of the Navy in the grades hereinafter stated:

LIEUTENANTS

Thomas G. Lewis
Jack W. Welty

LIEUTENANTS (JUNIOR GRADE)

James W. Herb
Herbert F. Mills, Jr.

ENSIGNS

James H. Forbes, Jr.
Albert P. MacDonald, Jr.
Robert A. Weir

WITHDRAWALS

Executive nominations withdrawn from the Senate March 8 (legislative day of February 2), 1948:

POSTMASTERS

Mrs. Gertrude F. Foster to be postmaster at Whitney, in the State of South Carolina.

Donald L. Vance to be postmaster at Fairview, in the State of Utah.

Mrs. Pauline B. Hatfield to be postmaster at Hurley, in the State of Virginia.

Daniel B. Killion to be postmaster at Bryn Mawr, in the State of Washington.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 8, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O great is the depth of the mercy and wisdom of our God; Thy holy name is greatly to be praised. Help us to learn from Thee the way and to write Thy law in all our hearts.

We ask Thee, dear Lord, to grant unto us such calm and measured insight that we shall admit the light of truth and understanding, and thus bring us in closer relationship with Thee and our fellow men, bearing the yoke of service with steadfastness.

As we wait in the holy hush of Thy presence, O speak to us in the spirit of wisdom; preserve us from vacillation and from unwise and empty decisions. Grant that our Republic may more and more be the torch bearer to all lands.

In the spirit of Him whom heaven and earth adore. Amen.

The Journal of the proceedings of Friday, March 5, 1948, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 5, 1948, the President approved and signed a bill and joint resolution of the House of the following titles:

H. R. 2159. An act to authorize the Secretary of the Interior to prepare plans and estimates for a sewage-disposal system to serve the Yorktown area of the Colonial National Historial Park, Va., and for other purposes; and

H. J. Res. 61. Joint resolution to provide for the designation of the Park River Dam and Reservoir project in Walsh County, N. Dak., as the Homme Reservoir and Dam.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 2161. An act to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase

the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190).

THE LATE GOV. JAMES L. McCONAUGHY

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, it is my sad duty to announce to the House the death yesterday of James L. McConaughy, Governor of the State of Connecticut. The Governor's unexpected death occurred yesterday afternoon, at the age of 61.

The shock caused by this news makes it difficult for me to refer adequately to his fine character and many achievements. I do want to extend my sympathy to his widow and to their children. Governor McConaughy was a molder of character in our young people and a leader of men. He contributed much in the field of education. For several years he served as president of Wesleyan University in Middletown, Conn.

In 1938 he secured a leave of absence from Wesleyan and was elected Lieutenant Governor of Connecticut. Soon after completing his term of office, he undertook the difficult task of organizing China relief in the United States. The full story of his war service has not as yet been told. Few individuals contributed more to the winning of the war than did Governor McConaughy.

Unbeknown to even his intimate friends, he set up and supervised the program for training of the personnel for the Office of Strategic Services, the war's most secret organization. His duties with that organization took him to every far-flung part of the world.

Governor McConaughy had an excellent grasp of world affairs. He was a firm believer in the United Nations organization.

Governor McConaughy had a very sensitive nature. He was honest and forthright. He tried to find the right course and, having made that determination, he followed that course without wavering. He died in the service of his State.

Mr. SEELY-BROWN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Mr. Speaker, those of us who are privileged to represent the State of Connecticut here in the Congress of the United States were deeply shocked at the tragic death of our Governor, James L. McConaughy. All of us who knew him loved him. As schoolmaster and college president, he was always an inspiration to those who studied with him. As Governor, he was always quick to share the pleasures of his office with others; the burdens and responsibilities he carried along cheerfully. I extend my deepest sympathy to the members of his family. All of us in Connecticut share in their sorrow.

Mr. FOOTE. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Connecticut.

Mr. FOOTE. Mr. Speaker, the sudden passing of Gov. James McConaughy is a tremendous personal shock to me. Connecticut has lost its first citizen in the prime of his career. Governor McConaughy was never a Member of this body but he was both a national and international figure. His many years as president of Wesleyan University, his world-wide work as head of China relief, and his war career with the Office of Strategic Services placed him in a paramount position in the public eye even before he became Governor. He was a patriotic American who had the courage of his convictions and always did his duty as he saw it regardless of the cost to himself. I have lost a good friend, and the people of Connecticut a great chief executive.

The unknown poet expresses my feeling at this time in these words:

There is no death! The stars go down
To rise upon some other shore,
And bright in heaven's jeweled crown
They shine forevermore.

Mr. PATTERSON. Mr. Speaker, yesterday the State of Connecticut lost not only a valued and sincere leader, but the services of a wonderful husband and father. James L. McConaughy, in his everyday demeanor, personified the "land of steady habits." His winsome smile, erect bearing, and attentiveness to others' problems endeared him to the people he served. The abrupt end of his stewardship left undone many of the plans that Governor McConaughy had sought to put into effect. Connecticut and its citizens would have prospered more greatly had he remained with us to complete his term of office. An excellent administrator, Governor McConaughy had an insight which placed a value on his services that exceeded measurement.

Perhaps I knew him better than most for two reasons: Living in the Fifth Congressional District, he always referred jokingly to me as his Congressman, and I also had the opportunity to observe his worth in the OSS during World War II. His strenuous efforts in this capacity undoubtedly hastened his untimely death. I shall miss him, as will all the people of Connecticut, who had come to know that his actions as Governor were based upon his belief of what was good for the greatest number of our people.

May God grant to his family the strength and the courage to carry on as he would have wished.

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD, on the death of Governor McConaughy.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include a statement on the thirtieth anniversary of the independence of Lithuania.

Mr. ENGEL of Michigan asked and was given permission to extend his remarks in the RECORD and include certain quotations from newspaper articles and committee hearings.

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD and include a speech made by Gardner Cowles, editor and publisher of Look magazine.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter from General Bradley regarding the cuts in the Veterans' Administration.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article entitled "Fuel Shortages Increase Columbia's Value."

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks.

Mr. REEVES asked and was given permission to extend his remarks in the RECORD and include a statement by one of his constituents.

COMMITTEE ON PUBLIC WORKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Rivers and Harbors of the Committee on Public Works may meet this afternoon during general debate, and during general debate for the rest of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

WE MUST STEP UP THE COAL PRODUCTION IN THE RUHR—FOOD WILL DO IT

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, the basic need for the reconstruction of western Europe is coal.

Why do we not realize that the coal miners need plenty of food to produce plenty of coal. I spent some time in the Ruhr district late last fall among the miners and observed the quality and quantity of food allotted to them. Gentlemen, they are not getting enough to eat. They must have more food if we want them to mine more coal. I repeat, they must have more food if we want them to mine more coal.

Today I received a letter from Mr. R. R. Estill, United States chairman of the United Kingdom-United States Coal Control Group. It speaks for itself. With the Russian menace trying to wreck Europe, everything should be done to assist western Europe to get on its feet.

The men working in the railroad repair shops likewise need extra food—and clothing. If they get more food they can repair more railroad cars. Railroad cars are the greatest lack in transportation. If there are more railroad cars they can haul more coal from the mines at greater distances. It is as simple as that—food. You would not expect a railroad locomotive to run without coal. Neither can muscles work without food.

Following is the letter:

BIPARTITE CONTROL OFFICE,
UNITED KINGDOM-UNITED STATES
COAL CONTROL GROUP,
Villa Hugel, Essen, APO 757,
United States Army, March 4, 1948.

The Honorable CHARLES J. KERSTEN,
Member of Congress,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Inasmuch as our Ruhr tonnage is showing some improvement in spite of the fact that our food situation is still in a rather serious condition, I thought I would drop you a line and give you a concise picture of the situation as it stands today.

On March 3 our production in the Ruhr was 290,821 tons, which is an all-time high since the end of the war. It might be of interest to you to know that on January 5 we implemented a new incentive scheme which we hope will bring the production to 325,000 tons per day by March 31. This, incidentally, will be approximately 73 percent of prewar production, and if we can better our food situation I have no fear but what this target can be met. We are beginning to purchase foods from the dollars accrued under phase III, of the first incentive scheme, but so far we have only received 352,000 CARE packets on these purchases. There is one thing definite—and that is that men cannot mine coal without proper nourishment regardless of what some of our powers-that-be think. In my 35 years of experience in and around coal mines I personally have found mining coal with plenty of men, plenty of food, plenty of materials, and sufficient railway cars for transportation; it is still a hard job and, of course, here in the Ruhr we have none of the above-named factors.

I shall keep you advised from time to time and would enjoy having a letter from you at your convenience as to the congressional reaction to the job we are trying to do under most difficult circumstances. With kindest personal regards, I remain

Very truly yours,

R. R. ESTILL,
United States Chairman, United Kingdom-United States Coal Control Group.

THE DONKEY HAS TWINS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, the donkey has twins. It is the so-called Democratic donkey I am talking about. It is no wonder and no surprise that the donkey has twins.

That is to be expected from the disunited Democratic Party, whose New Deal administration faces both ways—right and left—simultaneously and blandly promises everything to everybody under the New Deal philosophy of spend and spend and tax and tax.

The Democratic platform of 1948, when born next July, has a good chance of being disidentical twins. Here is a preview of the party's positions on major issues:

HIGH COST OF LIVING

President Truman: "Price controls and rationing are needed to lower prices."

Truman administration: "Government must buy commodities to keep prices from falling."

FOREIGN TRADE

Mr. Truman: "Export commitments had only a small bearing on the domestic economy."

Secretary Harriman: "Export commitments have a tremendous effect on domestic prices."

FOOD MARKET

Mr. Truman: "Greed of speculators and gambling on the food market is a major factor in the high cost of food."

News headline: "Secretary Anderson buys grain; prices rise."

Special Assistant to Army Secretary, Mr. Edwin W. Pauley, continued in office after admitting profits of nearly $1,000,000 from gambling on grain market.

CONCERNING OPA

Mr. Truman: "Price control and rationing are the methods of the police state."

Mr. Truman: "We must restore wartime powers to control prices and institute rationing."

LABOR POLICY

Mr. Truman: "Strikers in essential industries should be drafted—May 1946."

Mr. Truman: "The Taft-Hartley law—for peaceful relations—is too severe."

CORPORATION TAXES

Mr. Truman: "Increase corporation taxes enough to permit individual taxpayers a reduction of $40 each."

Secretary Snyder: "We should do something about eliminating double taxation of dividends."

BUSINESS EXPANSION

Mr. Truman: "Corporations should spend $50,000,000,000 for expansion."

Mr. Truman: "Corporations should pay higher wages and taxes."

THE 1948 ELECTION

James A. Farley: "Democrats will win, because voters always return the party in power in good times."

Howard McGrath: "The people will blame the Republicans for the present hard times."

CIVIL LIBERTIES

Mr. Truman: "United States should establish Civil Rights Commission, FEPC, outlaw Jim Crowism, lynching, poll taxes," and so forth.

Seventy Congressmen and five Governors, all southern Democrats, promise to use every means to block High-Tax Harry's civil-rights program.

COMMUNISM

Mr. Truman: "We must make conditions in Europe unwholesome for communism."

Mr. Truman—through Secretary Marshall: "Communists should be taken into the Government of China."

Mr. Speaker, those are a few of the donkey twins. There are many more. Altogether, they spell election of a Republican President and Republican Congress November 2, 1948.

EXTENSION OF REMARKS

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD.

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, in one to include an article from Look entitled "Who Gets Our National Income?" by Rev. Edward A. Keller, C. S. C., of Notre Dame University, and also an editorial from the Williamsport (Pa.) Gazette and Bulletin entitled "A Poor Investment." It refers to the Tennessee Valley Authority. I would like the gentleman from Mississippi to read this, so that when he finds out that it is a poor investment he will ask them to raise the rates so that Uncle Sam will not be going in the hole all the time in carrying on the work of that great organization.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RANKIN. Mr. Speaker, reserving the right to object, if the gentleman from Pennsylvania will educate the people in his State as to what they ought to pay for electricity, then I will have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HELP EUROPE AND CHINA TOO

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the wide divergence of views as between Generals Wedemeyer and MacArthur on the one hand, and General Marshall on the other, as regards the Chinese situation has intensified the worry of some of us about the soundness of the political views of General Marshall. No one questions his great ability or that he is one of the world's most outstanding military men, but his mission to China was one that he should never have accepted. It has been said that finding Chiang Kai-shek too strong to be broken and too wise to be fooled, that the general came home nursing an angry hostility to the generalissimo.

As to this I do not know, but I do know that the State Department has manifested slight interest in extending help to China in her fight against being drawn behind the iron curtain.

I think the time has come when Congress and the country should do some independent thinking on this subject and not blindly follow the leadership when to all appearances that leadership is traveling in the wrong direction.

There is no sense in trying to stop communism in Europe and let it overrun China without resistance on our part.

Help Europe, of course, but help China as well. If this help that we are extending Europe and promising China does not consist of more than money, then we had best keep the money and try to make our own country strong.

Mr. Speaker, what this country needs at the moment more than anything else is another Grover Cleveland.

CIVIL RIGHTS, NEGROES, AND THE SOUTH

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include an editorial from the Montgomery Advertiser.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, if the greatest of all Negro leaders, Booker T. Washington, were living today he would repudiate President Truman's so-called civil-rights program. On many occasions he admonished politicians and do-gooders to let the Negro as well as the South solve its own problems. As far back as the year 1884 in a speech which he delivered at Madison, Wis., he warned his listeners to let the Negro and the South alone. Would that the President and leaders of our two major parties heed the admonition of Booker T. Washington, and turn their efforts as forcefully toward a legislative program for all races as they do to stir strife and discord between them.

As a part of my remarks I include an editorial from a recent issue of the Montgomery (Ala.) Advertiser, which incidentally so properly refers to the misnamed civil-rights proposal as the civil-disturbance proposal. The editorial follows:

BOOKER WASHINGTON'S COUNSEL

Booker T. Washington, that wisest of Negro leaders, has something to say to the proponents of Truman's civil disturbance proposal, and he has something to say to a certain element of southerners.

Washington, founder of Tuskegee Institute, made a speech in 1884 at Madison, Wis., before the National Educational Association. He said:

Brains, property, and character for the Negro will settle the question of civil rights. The best course to pursue in regard to the civil rights bill in the South is to let it alone. Let it alone and it will settle itself.

Good school teachers and plenty of money to pay them will be more potent in settling the race question than many civil rights and investigating committees.

Other words spoken by Washington in St. Louis in 1904 embody an eloquent message to the South:

"At every point at which the Negro has touched the white man the Negro has had the wisdom to get something that has made him a stronger and more useful citizen.

"In the midst of the uncertainties and perplexities, a few strong, definite, and unbeatable facts stand out clear and convincing; and these should strengthen our faith and our activities for the future. Centuries ago the Negro began life in America in paganism; today there are nearly 10,000,000 Christians.

"He began life without a language, today he speaks the English tongue.

"From a slave he has grown into citizenship and the ownership of property.

"Into hands formerly bound by the fetters of bondage he receives today the Bible, the spelling book, the hatchet, the plow, the trowel, the college diploma. These constitute distinct and potential signs of progress and high citizenship."

These words were spoken a half century ago. But their wisdom is applicable today more than yesterday. All sections could ponder Washington's words with profit.

EXTENSION OF REMARKS

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address by Mr. El-Khouri, Syrian statesman, before the United Nations Security Council. I have secured an estimate from the Public Printer and find that it exceeds the limit and will cost $378.67. The speech is of historic interest and contains much factual matter which I think will be of great interest to the Congress and the country. Therefore I ask unanimous consent, notwithstanding the cost, that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CIVIL RIGHTS PROGRAM

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I was encouraged by the action of the House Committee on Appropriations last Friday in striking from the Labor Department-Federal Security Agency appropriation bill the so-called civil rights amendment which was embodied as a rider to the bill in section 207. I was among those who spoke against and voted against the so-called civil-rights provision in the committee.

It was encouraging to me to see members of both parties join together on a nonpartisan basis in striking out this offensive provision in the bill, a provision which may have prevented segregation of the races in the schools and hospitals and which could have been used as the basis for placing into operation a sort of Fair Employment Practice Commission—FEPC.

Mr. Speaker, on previous occasions and in former years I have consistently condemned and voted against this so-called civil-rights legislation. I again wish to register my emphatic protest against and opposition to Federal antipoll-tax legislation, Federal antilynching legislation, legislation designed to prevent segregation of the races, and to set up a Fair Employment Practices Commission—FEPC.

Such legislation is dangerous, unconstitutional, against the public interest, and it should not even be considered by Congress, much less enacted into law. We need unity at this time in our history and an application of all our energies to the great national and international questions which press down upon us.

The House committee has made a good start in striking out section 207, and other committees should follow the same pattern.

I am glad to have been among those responsible for the defeat of the obnoxious provision in the appropriation bill and I respectfully request, and demand if I may, that no more legislation of such kind and character be presented to the floor of the House of Representatives. Both Democrats and Republicans should join together in such a course of action.

During the consideration of the appropriation bill today I hope no effort will be made to restore section 207 which was deleted from the bill last week.

The SPEAKER. The time of the gentleman from Texas [Mr. MAHON] has expired.

EXTENSION OF REMARKS

Mr. BARTLETT asked and was granted permission to extend his remarks in the RECORD and include an editorial from the New York Herald Tribune.

Mr. BECKWORTH asked and was granted permission to extend his remarks in the RECORD and include a letter from the War Assets Administration and some information he had received.

Mr. LANHAM asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Atlanta Journal.

Mr. HESELTON (at the request of Mr. MICHENER) was granted permission to extend his remarks in the RECORD in three instances and in each instance to include a newspaper article.

Mr. SCHWABE of Oklahoma asked and was granted permission to extend his remarks in the RECORD in three instances, in two of which to include editorials and in one an address by his colleague, Mr. GLENN DAVIS, of Wisconsin, delivered before the Oklahoma Young Men's Republican Convention on last Friday.

Mr. SCHWABE of Oklahoma. Mr. Speaker, I also ask unanimous consent to extend my remarks in the RECORD and include an article entitled "Yesterday, Today, and Tomorrow in Vocational Education," which is in excess of the amount allowed. I have submitted it to the Public Printer and he has estimated the cost to be $266.25. Notwithstanding it exceeds the cost in that amount I ask unanimous consent that it be extended in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

TWEEDLEDEE-TWEEDLEDUM ON EUROPEAN RECOVERY PROGRAM

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include therein three telegrams from leading citizens.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JARMAN]?

There was no objection.

Mr. JARMAN. Mr. Speaker, I regret exceedingly the necessity of realizing the probability that the time is approaching when another tweedledee-tweedledum speech should occur.

It will be recalled that the European countries concerned followed Secretary Marshall's suggestion and met in Paris last September after which a report of their requirements occurred which was

substantially reduced by the State Department. Realizing the necessity of doing something for several of these countries before the Marshall plan or European recovery program could become law, the President called a special session in November which provided interim aid for three of them through March. All figures and plans on the long-range program have assumed that it would commence on April 1.

On January 12 the House Foreign Affairs Committee commenced hearings thereon, and the Foreign Relations Committee of the other body did so at about the same time. As you know, a week of debate has already occurred there and the passage of the legislation this week or early next week is hoped for.

When our committee was practically through with the hearings, perhaps 2 weeks ago, the President happened to send up a request for economic aid for China. Instead of continuing hearings on the European recovery program and bringing it to the floor so that we could commence action thereon, Secretary Marshall was requested to appear before our committee on the next day relative to this entirely different matter. The motion which provided that this occur also stipulated that the committee would commence marking up the European recovery program bill on March 2 which has not occurred 6 days later. The President later sent up a request for further aid for Greece and Turkey. Somebody apparently was stricken with the bright idea that further delay could result from adding that and the China economic relief to the bill which we had practically completed. You see, many more days of hearings would be required. Now this morning's press quotes our able Speaker as saying that military aid for China should also be included.

I repeat what I said during what I regarded as the unconscionable and unnecessary delay on the interim-aid bill last fall:

When will the Foreign Affairs Committee discontinue this boring, laborious, unnecessary tweedledee and tweedledum?

The people of this country are naturally aroused over the very apparent determination of some that this legislation not become law by April 1 or at any reasonable time thereafter. It is but natural for them to wonder about this apparent determination to delay this important matter until after the pipe lines have run dry, particularly in view of the approaching election in Italy. If the Republican leadership of our committee or this House do not wish this legislation passed, I challenge them to frankly say so. If not, I urge a discontinuation of this tweedledee and tweedledum and the bringing of the measure to the floor at an early date.

I quote several telegrams from responsible people of this country who you will observe are considerably exercised over this matter, as well they may be:

WASHINGTON, D. C., *March 8, 1948.*

Congressman PETE JARMAN,
Foreign Affairs Committee,
House Office Building:

All our information leads us to believe ERP may determine whether Communists lose or win Italian election April 18 and therefore urge immediate action ERP. China and Greek aid are equally important but should be considered separately because of timing.

OSCAR JOHNSTON,
Chairman of the Board, National Cotton Council.

WASHINGTON, D. C., *March 8, 1948.*

Hon. PETE JARMAN,
House Foreign Affairs Committee,
House Office Building:

Strongly urge on behalf of the Friends Committee on National Legislation that the proposals for military aid to Greece, Turkey, and China be excluded from the European recovery program. Such provisions weaken the moral foundations of true relief and recovery. Extension of unilateral military intervention can only further undermine the United Nations.

E. RAYMOND WILSON,
Executive Secretary.

WASHINGTON, D. C., *March 4, 1948.*

Hon. PETE JARMAN,
House Office Building,
Washington, D. C.:

As advocates of a speedy and adequate European-recovery program, we strongly protest inclusion of China-Greece-Turkey or other aid features in ERP bill. Cut in interim aid is evidence of what end result would be. European-recovery program has reached maturity after months of patient effort. Surely importance of China, alone, requires some time for separate debate. To delay passage of ERP while this necessary deliberation takes place is unnecessary and dangerous. Further delay and the threat of cut in amount imperils the start we have made in bolstering confidence of free nations in Europe at a most critical time. We urge you to approve S. 2202 immediately, and press for House action at once.

Miss Anna Lord Strauss, President, National League of Women Voters; Mrs. Norman Der. Whitehouse, National Chairman, Women's Action Committee for Lasting Peace; Mrs. J. L. Blair Buck, President, General Federation of Women's Clubs; Dr. Kathryn McHale, General Director, American Association of University Women; Miss Rose Schneiderman, President, National Women's Trade Union League; Mrs. Joseph Welt, President, National Council of Jewish Women; Mr. Chat Paterson, National Chairman, American Veterans Committee; Mr. Edgar C. Corry, National Commander AMVETS; Mr. Bernard Weitzer, Jewish War Veterans of the United States; Miss Ruth Manning, Catholic War Veterans; Mr. Ray Gibbons, Legislative Committee Council for Social Action, Congregation Christian Churches; Mr. J. M. Dawson, Executive Secretary, Joint Conference Committee on Public Relations, Baptists of the United States; Mr. Paul Gebhard, Legislative Representative, Division on Social Education and Action, Presbyterian Church, U. S. A.; Judge Joseph M. Proskauer, Chairman American Jewish Committee; Mr. Russell Smith, Legislative Representative, National Farmers Union; Mr. A. F. Whitney, President, Brotherhood of Railroad Trainmen; Mr. A. E. Lyon, Railway Labor Executives Association; Mr. H. W. Brown, International President, International Association of Machinists; Mrs. Annalee Stewart, President, Womens International League for Peace and Freedom.

The SPEAKER. The time of the gentleman from Alabama has expired.

EXTENSION OF REMARKS

Mr. O'KONSKI asked and was given permission to extend his remarks in the Appendix of the RECORD and include a news item.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

THE LATE HONORABLE JAMES L. McCONAUGHY

Mr. LODGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. LODGE. Mr. Speaker, the untimely and tragic death of the Governor of Connecticut, James L. McConaughy, leaves me with a deep sense of personal grief and leaves the State of Connecticut and the country a great deal poorer.

Jim McConaughy, as Lieutenant Governor and Governor of Connecticut, as the president of Wesleyan University, and as civilian deputy to General Donovan during the war, distinguished himself by his vigorous intellect, his high integrity, and his sense of public service. The country can ill afford to lose the services of this honorable and able American at such a critical and threatening time.

I extend my deepest sympathy to the members of his family.

In the words of William Shakespeare:

His life was gentle and the elements so mixed in him that Nature might stand up and say to all the world: "This was a man."

WHEN DO WE BEGIN TO LEGISLATE FOR THE FOLKS AT HOME?

Mr. SCHWABE of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SCHWABE of Missouri. Mr. Speaker, over half of the time of the Eightieth Congress has already been spent. In fact if we are to adjourn this session as many believe in the early summer, we shall have only a few months remaining. It seems to me that too much of our time and effort has been given to legislating for the needs of people in other lands. Hardly do we finish a program of appropriating our millions or billions of American dollars, until another emergency comes along and then we have to start all over again. One emergency follows another emergency, and in all of them we see the same pattern. International good will, peace, and security among the nations is always the issue that is at stake, and in

every international arrangement, of whatever nature, or regardless of what nations are involved, it always becomes necessary for Uncle Sam to dig down in his jeans and appropriate money. It is always a cooperative arrangement among nations. It is always give and take. But, it is always for us to give and for the other nations to take.

Many of us believed that when this Congress convened this pattern which had plagued us for so many years would change. We thought we had had enough of world-wide do-gooders and boondogglers. But, lo, here we are again. We just do not seem to be able to get down to business and even consider the needs of our home folks at all. We are just too busy taking care of one emergency after another for other nations. Whether it is in Europe, Asia, Africa, it seems that there is always a new one coming up. It has reached a point now, Mr. Speaker, where a number of us are going to insist that we at least take time out from our worries about the troubles of other peoples and at least give a day or two to consider some of the urgent needs of the people in this country.

BETTER PAY FOR OUR SCHOOL TEACHERS

There has been considerable reference made to the needs for better pay for those who train our children. I have not heard even a question raised by a Member of the House about the acute need for better pay for teachers. But what have we done about it? The fact is if the Federal Government would not take so much money away from taxpayers for the purpose of using it in foreign countries there would be more for local and State authorities to pay school teachers more adequate salaries. Why should people in foreign lands take precedence and enjoy a priority over our own school teachers?

OLD-AGE PENSIONS

It is generally agreed also that our pensions for the aged are entirely inadequate. How are our honored elders to live against the present high cost of living on the mere pittances we have made available for them? Certainly before going further about the great needs to feed the hungry in other lands this Congress can and should give consideration to these extremely important and pressing needs of our own citizens. Many of us have been thinking seriously about these matters, Mr. Speaker. Time after time it has been referred to here on this floor. Time is running out on us and if we are going to do anything about it in this Congress, it is time to get busy.

CLARE, HOW CAN YOU BE SO STUPID?

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I have asked permission to extend my remarks in the RECORD so that I might answer a question which has been asked me by some smart, capable, political strategists. Here is the question and the answer:

Clare, how can you be so stupid?

One day recently, after certain Governors, Senators, and Congressmen representing Southern States had announced their bitter opposition to President Truman's so-called civil-rights program and demanded that the Congress pass anti-poll-tax, antilynching, and FEPC legislation, from the floor of the House I suggested that, if Republicans wanted to be recognized in the politically solid South, they forget for the time being those three measures. That, in return, when the members of the electoral college cast their vote, those from the South—and they will number from 100 to 157, or more than one-fourth of the whole—support a Republican candidate for the Presidency who was not, with his proposals, slapping the southern Democrats in the face. That then Republicans go along with the southerners and solve these three problems in a common-sense, educational way, rather than continue fruitless efforts to accomplish by law and by force what can be done only by education.

The idea was given rather wide publicity. Certain news agencies or the papers which publish their dispatches in headlines stated that the proposal "Draws Rebuke From Two Parties"—"HOFFMAN Rebuffed on 'Deal.'" Maybe so, but let us analyze the situation and the proposal.

There must have been something to it, for immediately the publicity division of the Democratic National Committee, with brazen hypocrisy, issued a release characterizing the proposal as a dishonest and contemptible bid for votes—just as though it was not clearly bidding for votes; charged that it was an insult to the honor of the South.

My suggestion, coming after the vigorously expressed indignation of southern Democratic leaders to President Truman's demand that these three measures become law, undoubtedly hit a raw and touchy spot on the hide of the Democratic donkey. Naturally it responded with a vicious, unparliamentary, and senseless bray and kick.

Is it not true that every platform of both the Democratic and the Republican Parties for, lo, these many years, has been the result of a deal? Or if you prefer a more usual word, a compromise?

In the Congress it is established practice, when Senate and House disagree, to send both measures to conference, and there we make a deal or, if you prefer, a compromise.

So Democratic national committeeman, Senator MCGRATH, who knows all about deals, is being not only silly, but absurd, when he charges that the proposal is dishonest, contemptible, and an insult to the honor of the South; an insult to the Republican Party.

At the moment, is not the administration trying to get support for the Marshall plan from the South, and as bait, is not the word slipping down the line that the bait, more than a billion dollars' worth of tobacco, peanuts, and cotton will be purchased with tax money—a large part of it furnished by the North—if the plan goes through?

Is not the administration asking for the expenditure of billions upon billions of dollars in Greece, Turkey, China, and other countries in return for those countries' opposition to the Communists?

Is not the Marshall plan a deal where it is proposed that we exchange goods and dollars for opposition to Russia and communism?

What about those Democratic politicians who stole the votes in Kansas City, Mo., which on one occasion enabled Mr. Truman to become Senator, and on another defeated Democratic Congressman Slaughter, whom the President opposed?

Has Senator MCGRATH forgotten that a number of those convicted of fraudulent practices at elections were pardoned by the President? Was there a deal?

Just when does a deal become obnoxious? Apparently, when it makes sense and has some chance of defeating the administration's pet schemes. When, if carried out, it may promote the general welfare.

In the first place, the proposal was not made by the Republican Party. I made it on my own, for everyone who pays any attention to matters political knows very well that I have never assumed to speak for the Republican Party or any segment of it. I leave that to the leaders; to the politically wise strategists, even though they have failed to win the last four Presidential elections.

Of that failure I have no criticism, for they were matched against the all-time champion political dealer, who had no scruples when he made promises; apparently, no regrets when he failed to keep them.

Now for a look at the situation:

Ever since the War Between the States, Republicans have been trying to break into the Solid South, and, with one exception—that was when Hoover was a candidate—we have always failed miserably.

One reason we have failed is because, when there seemed a chance of success, we deliberately, with legislation—and I use a colloquial expression—kicked the South in the teeth.

To catch the vote of the colored people in the North, Republicans have supported national anti-poll-tax legislation, although they know full well that the Constitution, article I, section 2, leaves the prescribing of qualifications of electors to the respective State legislatures.

To corral the same vote, the President now demands so-called antilynching legislation, knowing very well that the prevention of crime, the enforcement of laws to punish it—except as to Federal offenses—rest with the States. Some Republican leaders with the same knowledge go along with him.

It is a matter of common knowledge that most of those lynched in the South were Negroes charged with the raping of white women. In 1947 there was just one lynching in the South. That was one too many. During the same period, there were, speaking literally, hundreds of women assaulted and raped in the cities of the North. Recently, in one section of Chicago, a group of veterans, after one had been killed attempting to capture a Negro who was assaulting a white woman, told the law-enforcing officers that, unless girls and women were protected, they would take the law in their own hands.

Have we heard of any proposal for a Federal law to punish rape? To stop the activities of habitual criminals who gang up and practically legalize vice and corruption in some of our cities?

The fact that we have not proves that the suggestion for an antilynching law, as well as for an anti-poll-tax law, is offered primarily for political purposes; i. e., to catch the vote of the colored folks in the North.

The FEPC—the fair employment practices bill—is a political measure. It is also an attempt to do away with the right of an individual to express his preference in the selection of his employees, companions, associates.

I have never advocated discrimination because of race, creed, or color. I believe that everyone, regardless of race, creed, or color, should have equality of opportunity. As a corollary of that proposition, I believe that every individual, so long as he does not interfere with the right of another, should have the right, when engaged in his own business or in the pursuit of happiness, to follow his own preferences, regardless of race, creed, or color.

History teaches us that we cannot, by law or force, control thought or ideology. Education and Christianity, if practiced as taught, will, quicker than will law, end whatever discrimination now exists.

FROM A PRACTICAL STANDPOINT

Moreover, Republicans as well as Democrats in both House and Senate know that for the last 15 years or more none of these proposed bills has succeeded in getting through the Congress.

True, the anti-poll-tax and the antilynching law have both passed the House, but they bogged down in the Senate, and there is ample evidence that the same thing may happen in 1948.

So why hold out to the northern colored folks, as a bid for their political support, fraudulent political propositions which are highly controversial, which many believe to be without merit, which many believe will not be adopted and, if enacted into law, cannot be enforced.

WE SHOULD PRESENT A UNITED FRONT

This country is entitled to an opportunity to vote for a Presidential candidate who believes in a sound, conservative policy, the primary purpose of which is the welfare of the United States of America and her people.

Ever since the honeymoon days of the New Deal, many a Southern Congressman has voted with the Republicans when the welfare of the Nation was, in their opinion, at stake. They did it in both House and Senate to override the veto of their party's President. They did it on numerous other occasions.

So I ask, is it good political sense now, when we are told the welfare—yes, the future existence of our Nation—is at stake; when we need a President who will restore the government to the people, give us a sound economic policy and a foreign policy which will enable us to meet the wiles, the chicanery, of a Stalin, or the statesmanship, if you call it that, of those who speak for other nations?

The so-called Solid South has one-hundred-and-fifty-odd votes in the electoral college, which has 531. That is more than one-quarter of the whole. When the individuals elected to that college cast their votes, with those southern votes and the right kind of a candidate, Republicans could win, even though we lost New York, Pennsylvania, California, and Illinois.

The deal which I proposed not only looks toward the welfare of our country; it gives promise of establishing a two-party system in the Solid South; of ending the threat of a Wallace and his communistic supporters; of giving us a Republican President, a house cleaning in Washington where Communists are still found in the executive agencies—recently a score in the Army, more than a hundred in Secretary of State (General) Marshall's State Department.

During the last year or two, we have heard a lot of praise of a bipartisan foreign policy which, to date, has netted us nothing except trouble and the expenditure of billions of dollars and apparently is leading us toward a Third World War. Few have referred to that deal as a dishonest, contemptible scheme, or as an insult to either political party.

So why this squawk out of the Democratic National Committee? Why this lack of enthusiasm from Republican leaders?

Why not try a plan which promises the country and the party something tangible; something good, rather than three highly colored legislative balloons to be released by the House, punctured by the Senate?

Often on Sunday night, Edgar Bergen says to Mortimer Snerd, "Mortimer, how can you be so stupid?" So the political wise-guys say to me, "Clare, how can you be so stupid?" And I can only answer, "Geniuses and wizards, I just happened to think of it." And may I add—of my country and its future.

REVIEW OF DISHONORABLE DISCHARGES

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, the White House and certain elements in both the Democratic and Republican Parties are attempting to force down our throats infamous legislation for so-called civil rights. Not only are FEPC, antilynch, antipoll tax, and antisegregation a violation of States' rights and a constitutional infringement upon the States—they are actually an insult to intelligence. I am very happy indeed that the Appropriations Committee of this House has deleted section 207 from the Labor Department's Federal security bill, which is pending in the House today. Section 207 would have provided operational machinery for the administration of some of these atrocious provisions and I am glad it has been stricken from the bill. I expect to support the committee in their action.

Now, Mr. Speaker, in the midst of all this tub thumping being done by the administration and both major political parties for the appeasement of vocal minorities whose vote they hope to have in this political year, there is one nonvocal minority who has no one to speak in their behalf. The victims composing this group are not organized, they are not popular and they have no political influence. I refer to those boys of World War II who received discharges less than honorable.

Now to you on both sides of the aisle, both Republicans and Democrats, if you really want to champion the cause of a minority which needs protection under the law, you are going to have the opportunity of promoting the real civil rights of a great number of boys who served in this last war, by providing machinery which will remove from many, and ameliorate the condition of a great many more, the injustice imposed upon them by an archaic, outmoded, kangaroolike court martial under a system resembling Prussian militarism.

I have introduced a bill which will set in motion machinery for the review of all courts martial resulting in a discharge less than honorable during this last war period, except for those individuals who are now actually confined in prison. The number of the bill is H. R. 5520. Today there are boys walking the streets of our cities and towns who cannot hold a job, because to do so they must produce an honorable discharge. It is the policy of many corporations that the employee must produce an honorable discharge before he can work. I venture to say there is not one within the hearing of my voice who does not at this time have in mind the case of a boy who received unjust treatment to some degree. I know of young boys 17, 18, and 19 years of age who were incorrigible while in service, but who were not criminals. Some of them, after receiving disciplinary action by those courts less than general or special courts martial, later received a general court martial and a bad-conduct discharge. I know some of them, although at fault, were simply boys who were away from home for the first time and who fell under a bad influence and eventually got into minor trouble. Many of them pleaded guilty at a court-martial trial and accepted a decision of guilt without presenting any defense, unaware of the future consequence of a discharge less than honorable. It was the easy way out.

Under these conditions some boys are today deprived of their rights as citizens. They are deprived of GI benefits including schooling and hospitalization. Some instances can almost be compared to the incident when stones were about to be cast at the woman at the well. Who are we to ignore the circumstances of a boy who got into petty trouble while giving service to this country, and who would now be a good citizen if given the opportunity.

The bill I have introduced provides for the review by an impartial body, with the power to set aside, reduce, or amend, in any manner found proper, discharges less than honorable. The body shall be composed of men independent of the military, but with each branch of the service represented, including the chaplain's office, to be headed by a civilian.

This is briefly the outline of the measure I propose, and you who are really

interested in civil rights are particularly invited to study this bill. If such can be enacted into law, I think the whole country will be surprised and dismayed at what will be found in such a review and investigation of these past procedures.

I plead with you, Members of this Congress, to take an interest in this matter, which I know by the dictates of conscience should be done immediately. It is a sad commentary that this body will indulge and tolerate the consideration of these insincere and politically baited issues on so-called civil rights when these conditions affecting so many young men exist.

EXTENSION OF REMARKS

Mr. BREHM asked and was given permission to extend his remarks in the RECORD and include an editorial relating to the postal employees.

PRESCRIBING PROCEDURES OF INVESTIGATING COMMITTEES

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I take the floor for the purpose of calling the attention of the Members to H. R. 4641, a bill which I introduced December 4, 1947.

The purpose of this bill is to prescribe the procedures of investigating committees of the Congress and to protect the rights of parties under investigation by such committees.

If this bill could be enacted, it would extend to a world-famous scientist, such as Dr. E. U. Condon, the same protection which is now available to a chicken thief or a traffic violator; that is, the right of defense against his accusers.

Character assassination under the cloak of congressional immunity by a Member of Congress or a congressional committee is a dangerous and abominable travesty on every principle of Anglo-American justice and sense of fair play.

The bill is as follows:

H. R. 4641

A bill to prescribe the procedures of investigating committees of the Congress and to protect the rights of parties under investigation by such committees

Be it enacted, etc., That it is hereby declared to be the purpose and policy of the Congress that all legislative committees and subcommittees shall conduct their proceedings with the utmost fairness to all who may be affected by them and shall make every effort to avoid the abuse of their proceedings as a forum for the making of charges detrimental to the persons involved, which are not supported by convincing evidence. To this end the following specific regulations are prescribed.

SEC. 2. (a) All witnesses at hearings of the committees, whether public or private, shall have the right to have the aid and assistance of counsel and such other assistance as may be necessary to protection of their rights and to a full and fair presentation of the matter under investigation.

(b) Every witness who testifies in a hearing shall have a right at the conclusion of his testimony either to make an oral statement or at his option to file a sworn statement which shall be made part of the record of such hearing, but such oral or written statement shall be relevant to the subject of the hearing.

(c) If a committee, or any member thereof, shall make public any report furnished to it by its staff or others, or if any witness shall make, by oral testimony or documentary evidence, any statement reflecting adversely upon the character or reputation of any other person (including governmental officials or employees) the committee shall either at once strike such material from the record or shall grant to the person referred to an opportunity to cross-examine the person responsible for the report or making the statement, and to present countervailing evidence. Such cross-examination and evidence shall be relevant to the interests of the individual who is involved, and may be subject to such reasonable limits of time and duration as the committee may impose. In addition, the persons concerned shall have the right, but unless subpenaed shall have no obligation to file with the committee any denial, defense, or explanation they may see fit and they shall have the right to testify in person.

SEC. 3. The Congress hereby reaffirms the right and the duty of the press to comment on the activities of the Congress and individual Congressmen, whether favorably or adversely, and declares that it is contrary to this fundamental principle of a free society for editors, publishers, and reporters to be called into question before any committee of Congress unless it is deemed essential by a full committee to the conduct of a legislative inquiry. And it is further declared to be the policy of the Congress that, except at his own request, no reporter, editor, or publisher shall be called to testify before a committee to be questioned concerning any publication by him, unless upon vote of a majority of the committee or subcommittee before whom he is called to testify: *Provided*, That no such person shall be called before any committee or subcommittee having less than five members.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, if the resolution introduced by the gentleman from California [Mr. HOLIFIELD] is in keeping with his silly speech, it will not stand any more chance to pass this Congress than an elephant would to hang to a horizontal bar by his eyebrows.

Of all the stupid attacks I have ever heard, it is accusing the Committee on Un-American Activities of persecution, when all in the world we have asked for is a letter written by the head of the FBI, that every Member of this Congress ought to see. If the FBI were out from under the Department of Justice, if it were an independent agency, so that Edgar Hoover could make his report directly to the Congress, it would relieve the members of the Committee on Un-American Activities of a great deal of the work that now devolves upon them.

The Committee on Un-American Activities has not smeared or slandered anybody, and when you read the letter of the FBI you will all say the same thing.

We are trying to protect this country against un-American or subversive activities of all kinds.

INCREASING VETERANS' TRAINING RATE OF ALLOWANCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I call up the conference report on the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the House amendment insert the following: "That paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is hereby amended to read as follows:

"'6. While enrolled in and pursuing a course under this part, (including an institutional on-farm training course) such person, upon application to the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year: Except, That (1) while so enrolled and pursuing a course of full-time institutional training, such person, shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month if he has one dependent or $120 per month if he has more than one dependent, and (2) while so enrolled and pursuing a course of part-time institutional training, including a course of institutional on-farm training, or other combination course, such person shall be paid, subject to the limitations of this paragraph, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in (1) hereof as the institutional training part of such course bears to a course of full-time institutional training. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of his apprentice or other training on the job at institutions, business or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances as may be determined by the Administrator: *Provided*, That in no event shall the rate of such allowance plus the compensation received exceed $210 per month for a veteran without a dependent, or $270 per month for a veteran with one dependent, or $290 for a veteran with two or more dependents: *Provided further*, That only so much of the compensation as is derived from productive labor based on the standard workweek for the particular trade or industry, exclusive of overtime, shall be considered in computing the

rate of allowances payable under this paragraph.'

"SEC. 2. So much of paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, as precedes the first proviso, is hereby amended to read as follows:

"'3. While pursuing training prescribed herein and for two months after his employability is determined, each veteran pursuing a course under this part, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents: Except, That (1) each veteran pursuing a course of full-time institutional training under this part shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month, if he has one dependent, or $120 per month, if he has more than one dependent, and (2) each veteran enrolled in and pursuing a course of institutional on-farm training or other combination course, under this part shall be paid, subject to the limitations of this paragraph, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in (1) hereof as the institutional training part of such course bears to a course of full-time institutional training.'

"SEC. 3. This Act shall take effect on the first day of April 1948."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the House amendment insert the following: "An Act to provide additional subsistence allowances and to raise the ceilings on wages and allowances pertaining to certain veterans"; and the House agree to the same.

EDITH NOURSE ROGERS,
BERNARD W. KEARNEY,
ALVIN E. O'KONSKI,
J. E. RANKIN,
W. M. WHEELER,
Managers on the Part of the House.

WAYNE MORSE,
ELBERT D. THOMAS,
LISTER HILL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

The substantial differences between the House amendment and the proposed conference substitute are noted in the following statement.

The House amendment amends paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, but does not incorporate the increased rates of subsistence allowances provided in Public Law 411, Eightieth Congress, approved February 14, 1948, for veterans pursuing courses of full-time institutional training under the Servicemen's Readjustment Act, as amended (Public Law 346, 78th Cong.), or Public Law 16, Seventy-eighth Congress. The conference agreement incorporates these increased rates and provides further that a veteran pursuing a course of part-time institutional training, including a course of institutional on-farm training, or other combination course, shall be paid, subject to the limitations of paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in section 1, of Public Law 411, Eightieth Congress, for full-time institutional training as the institutional training part of such course bears to a course of full-time institutional training.

The bill as agreed to in conference also provides that a veteran enrolled in and pursuing a course of institutional on-farm training or other combination course under paragraph 3 of part VII of Veterans Regulation No. 1 (a), as amended, shall be paid, subject to the limitations of said paragraph 3, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in section 2 of Public Law 411, Eightieth Congress, for full-time institutional courses as the institutional training part of such course bears to a course of full-time institutional training.

The bill as agreed to in conference inserts the following "(including an institutional on-farm training course)" after the words "under this part," in line 1 of paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended. These words were included in the law prior to the enactment of Public Law 411, Eightieth Congress.

The Senate bill increases the amount of subsistence allowance plus compensation that a veteran may receive while enrolled in and pursuing a course of education and training under title II of the Servicemen's Readjustment Act for a veteran without dependents from $175 to $200 a month, and from $200 to $250 per month for a veteran with dependents. The House amendment provides for $250 per month for a veteran without dependents, $325 for a veteran having one dependent, and $350 for a veteran having two or more dependents. The conference agreement represents a compromise within the limits of the two versions. As agreed upon, the ceilings are fixed at $210 per month for a veteran without a dependent, $270 for a veteran with one dependent, and $290 for a veteran having two or more dependents.

Under existing law in computing ceiling amounts regularly scheduled overtime is included as wages but incidental or irregular overtime compensation is not so included. The Senate bill has no provision on this subject but the House amendment provides for the exclusion of all overtime, whether regular or irregular, and the conference agreement accepts the House provision.

The present law provides that in order to receive subsistence allowance for training on the job, the job shall customarily require a period of training of not less than 3 months and not more than 2 years of full-time training. The House amendment extends this provision by two additional years to make the limit 4 years of full-time training. There is no corresponding provision in the Senate bill. The bill as agreed to in conference omits this provision of the House amendment.

The title of the bill as amended by the House reads "An act to raise the ceilings on wages and allowances payable to veterans undergoing training on the job, and for other purposes."

The amended title as agreed to in conference reads "An act to provide additional subsistence allowances and to raise the ceilings on wages and allowances pertaining to certain veterans."

EDITH NOURSE ROGERS,
BERNARD W. KEARNEY,
ALVIN E. O'KONSKI,
J. E. RANKIN,
W. M. WHEELER,
Managers on the Part of the House.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD, and I further ask unanimous consent that all Members may have five legislative days to extend their remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the bill as agreed upon by the conferees sets ceilings for a veteran without dependents at $210, or one with one dependent at $270, and $290 for one having two or more dependents. This contrasts with the House-approved figures of $250, $325, and $350 for the same classes. The Senate figures, as you will recall, were $200 for a veteran without dependents and $250 for a veteran with dependents. The present ceiling is $175 for a veteran without dependents and $200 for a veteran with dependents.

I feel that the House managers obtained the best compromise between the two versions that was possible. We did succeed in raising the ceiling substantially over the present level and I believe this will greatly benefit the veterans who are taking training on the job and attending school while working on a part-time basis.

The House bill provided for the exclusion of all overtime in the determination of ceilings, and this provision has been retained by the conferees. In other words, a veteran may work as much overtime as it is possible for him to do without having this added amount count against the ceiling. There was no provision for this subject in the Senate bill.

The 2-year limit for training on the job was retained and it was felt that this will result in quite a substantial saving to the Government.

The bill, as agreed to in conference, also provides that a veteran enrolled in a course of institutional on-the-farm training or a part-time institutional course shall be paid a subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates of Public Law 411—increased subsistence rates—as the institutional training part of such course bears to a course of full-time institutional training.

Mr. KEARNEY. Mr. Speaker, it is not my intention to take the time of the membership in speaking on the provisions of the conference report. The original bill was thoroughly discussed in the House during debate prior to passage. It might suffice then to make a few observations on the conference report, which is the bill in its final form and presented for your approval today. In the preparation for passage by both Houses, the provisions of the so-called subsistence bill, S. 1394, raising the allowances for veterans attending educational institutions, was placed in the conference report, as it was felt that by its omission Public Law 411 might be nullified due to the fact that both bills pertained to an amendment of paragraph 6, section VIII of Veterans Regulation No. 1 (a) as amended.

The conferees agreed to the increased rates and provided further that a veteran pursuing a course of part-time institutional training, including a course of institutional on-farm training, or other combination course, shall be paid, subject to the limitations of paragraph 6 of part VIII of Veterans Regulation No. 1 (a) as amended, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in section 1 of Public Law 411, Eightieth Congress, for full-time institutional training as the institutional training part of such course bears to a course of full-time institutional training.

The report also provides that in pursuing a course of institutional on-farm training, a veteran shall be paid additional subsistence allowance in an amount bearing the same relation to the difference between the basic law and the increased rates as provided in Public Law 411 for full-time institutional courses as the institutional training part of such course bears to a course of full-time institutional training.

The bill as agreed to inserts the words "including an institutional on-farm training course" after the words "under this part" in line 1 of paragraph 6 of part VIII of Veterans Regulation No. 1 (a) as amended.

Reconciling the different views of both Houses on the ceiling amounts, the conferees compromised and the ceilings are fixed at $210 per month for a veteran without a dependent, $270 per month for a veteran with one dependent, and $290 per month for a veteran having two or more dependents.

The bill also provides for the exclusion of all overtime, with the House conferees receding on the extension of the on-the-job training to 4 years, leaving the length of time for training as now in the law—namely, 2 years.

The act shall take effect April 1, 1948.

Mr. RANKIN. Mr. Speaker, we on this side have no requests for time. We all signed the conference report and we are willing to vote on it now.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the current issue of the Christian Advocate.

Mr. FOGARTY. Mr. Speaker, on behalf of my colleague the gentleman from New York [Mr. ROONEY], who is in the hospital at the present time, I ask unanimous consent that he be permitted to extend his remarks in the RECORD and include an article from Il Progresso of June 29.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a clipping on increased wages for postal employees.

REVIEW OF COURTS MARTIAL

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, I listened with much interest to the remarks of the gentleman from Texas [Mr. BURLESON], in which he stated that he has introduced a bill which would provide for the automatic review of all courts martial, and that the present reviews of such courts are in the nature of a farce, or something of that description, I do not recall his exact words. Certainly I would have no objection to the review of courts martial. The Navy makes mistakes; the Army makes mistakes; we all make mistakes. If there is an opportunity to give them further review, it should be done.

But I believe the gentleman is entirely mistaken when he says there has been no adequate review of courts martial provided in the military departments of the Government. I do not want to comment on such reviews by the Army, but insofar as the Navy is concerned it has had a special Board of Review, composed of civilians, set up for such cases; and I, from my own personal experience, know that it operates efficiently. I have had several courts martial reviewed by this Board, and in at least two cases the verdicts and the findings were set aside. That, Mr. Speaker, is justice according to the highest standards of the American way of life.

In our most laudable desire to protect the rights and the interests of every American, we should not allow our enthusiasm to cast discredit on agencies of the Government which are now doing all that seems possible to protect every right of citizens who come under their jurisdiction.

EDUCATIONAL EXCHANGE PROGRAMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 562)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State on the operations of the Department of State under section 32 (b) (2) of Public Law 584, Seventy-ninth Congress, as required by that law.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 8, 1948.*

(Enclosure: Report from the Secretary of State concerning Public Law 584.)

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1949

Mr. KEEFE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5728) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1949, and for other purposes; and pending that motion, I ask unanimous consent that the time for general debate be equally divided between the gentleman from Rhode Island [Mr. FOGARTY] and myself, that we continue general debate without limitation of time, and that the bill be read for amendment if the debate is concluded early this afternoon.

Mr. FOGARTY. Reserving the right to object, Mr. Speaker, I personally have no desire to have the bill go over until tomorrow. As far as I personally am concerned, I would just as soon finish the debate today and start reading the bill for amendment. But there is one question in my mind, whether or not all the Members of the House realized that the bill would be read today and would be ready to have the bill considered under the 5-minute rule. That is a question I cannot answer, but if I do not hear anything from this side of the House I am not going to object to the request.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I ask the gentleman from Wisconsin if it is contemplated to finish the bill today?

Mr. KEEFE. That is my expectation. We have no requests for time in general debate.

Mr. McCORMACK. I want to cooperate with the gentleman, but assuming there is a roll call—I do not know that there will be one, but assuming that there might be one—what would be the procedure?

Mr. KEEFE. If there is a roll call, in view of the usual and ordinary exigencies that occur in the House, I would have no objection to having it go over until tomorrow.

The SPEAKER. The Chair would feel in the event that a roll call were to be had that the vote should go over until tomorrow.

Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin [Mr. KEEFE].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5728, with Mr. HARNESS of Indiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KEEFE. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, this bill makes appropriations for the Federal Security Agency and the Labor Department. I shall not attempt any technical discussion of the details of this bill, but I shall attempt to outline in broad terms those things I believe the membership of the House is interested in. Those who have studied the bill will observe that for the first time, at least, in the years that I have been a

Member of the Congress, we are submitting this bill with some very important parts eliminated. We expect to bring in a subsequent appropriation bill to cover those departments that have been left out of this particular bill. The reason for that is obvious. As you all know, the President's reorganization program which proposes to transfer the Bureau of Employment Security to the Labor Department is under consideration in the other body at this time. The House has already voted disapproval of that program. It makes a great deal of difference to this particular appropriation bill as to where the Bureau of Employment Security is to be located, whether in the Labor Department or in the Federal Security Agency. Should the Senate take action such as is taken by the House, then automatically within 6 months after the termination of the war and a declaration to that effect, the Employment Service would automatically be transferred back to the Federal Security Agency, there to be combined in one operation in some way with the Bureau of Employment Security. The question as to what agency should have control of the Veterans' Employment Agency also becomes a matter of great concern. So the subcommittee decided that we would not bring in this bill with provisions for the employment service in the Labor Department, or provisions for the Veterans' Employment Service, which is now in the Labor Department, or for the Bureau of Employment Security, which is in the Federal Security Agency. When we got into the thing we discovered that the whole Federal Security Agency is being reorientated and reorganized and shifted about, and we found that the justifications which were submitted to the committee for the Federal Security Agency in many of its aspects, specifically the Social Security Agency and the administrative office, were so out of harmony with what they are doing down there and what they propose to do that we could not intelligently survey the needs and provide funds for the program as it is to be reorganized by the new Administrator. So we have left out of consideration in this bill the entire appropriation for the Social Security Administration, which includes all of the aspects of social security, including the Children's Bureau. We have left out one phase of the activity of the Public Health Service, namely the mental health service, because we want to have a very much more extended hearing than we have had to date on that program.

We have also left out of the bill the Employment Service, Veterans' Employment Service in the Labor Department. We will bring in a subsequent bill as soon as we know what the status of those agencies is to be, under the President's reorganization program.

This bill is a very comprehensive one and covers a great many agencies. For instance, in the Federal Security Agency, the new Administrator, Mr. Ewing, is trying to put into force and effect some administrative changes and groupings of functions in the Federal Security Agency that may have a tendency to better integration of the various programs of the Federal Security Agency. So there is the Administrator's office, and the question arises as to what shall be placed directly under the Administrator. Shall the whole personnel problem of the entire Federal Security Agency be lifted out of the various subagencies and bureaus and transferred to the Administrator's office? Shall all of the audit divisions of the various grant-in-aid programs be lifted out of the various bureaus and transferred to the Administrator's office? Shall we have a direct line of authority from the Administrator of Federal Security extending to the Social Security Administrator, Mr. Altmeyer, and through him to the various bureaus and subbureaus of the Social Security Administrator? Shall there be a direct line from the Administrator to the Pure Food and Drug Administration, to the Office of Education, to the Public Health Service, to the Office of Vocational Rehabilitation? Each of those various and sundry activities are more or less uncoordinated, having been thrown together under the general head of Federal Security Agency. And that problem now presents itself to the new Administrator and he is struggling with it. So we expect to have long and continued hearings on the appropriations for those agencies in an effort to see if we cannot only get better administration but save some money. So I shall eliminate from my discussion those agencies that have been eliminated from this bill.

Everybody wants to save money. You all get letters from your constituents complaining because the Congress does not cut appropriations deep enough. Now, here is a pretty good illustration of the difficulty that confronts the Congress, and I want to call your attention to it. If you will turn to page 21 of the hearings you will see a description of the 1949 estimates of appropriations for the Federal Security Agency, totaling $1,175,608,779. Now, that is a lot of money. Some people say, "Now, why don't you just cut that in two. Just slash it right down the middle." If you will turn to this table you will see what is involved. American Printing House for the Blind; Bureau of Employees' Compensation; Columbia Institution for the Deaf; Food and Drug Administration; Freedmen's Hospital; Howard University; Office of Education; Office of Vocational Rehabilitation; Public Health Service; St. Elizabeths Hospital; Social Security Administration; and Office of the Administrator. Out of that total of $1,175,000,000, over $1,079,000,000 is represented by grants and benefits under existing law, old-age pensions, old-age and survivors' insurance, and a host of other grants and benefits that are provided by existing law; and neither the Subcommittee on Appropriations nor this Congress can change the amount of the funds required, unless you change the organic law and say you are going to stop these grant-in-aid programs. Of that total amount of $1,079,000,000, $1,020,000,000 is absolutely mandatory. There is only $58,000,000 in which we have any discretion and that is in the Public Health Service. So that out of a total of 100 percent you have 98.1 of grants and benefits, and of the balance, $29,534,000 is for the operation of hospitals; $2,472,000 for the operation of educational institutions; and so on. When, therefore, we got into the field of an attempt to cut appropriations as some people would believe was possible, as far as the Appropriations Committee was concerned, its hands were tied, effectively tied, by this whole grant-in-aid program.

Is there anyone who would want to cut out the Federal contribution to old age pensions?

Is there anyone who wants to cut out the grants to States for maternal and child welfare? Or for crippled children? Or for the blind?

Is there anybody who would ask us to default on the appropriations necessary to finance old-age and survivors' insurance?

Is there anybody who would ask us to default in the payment of the sums necessary under the Railroad Retirement Act?

Would anybody be so brave as to suggest that we stop paying unemployment compensation? I think not.

Therefore, so far as this particular bill is concerned it becomes very difficult to make the large reductions in public expenditures that some people seem to think ought to be made. This particular bill provides a lot of money. If you turn to page 4 of the report you will see a table which will show by titles just how much has been deferred to the next bill and how much is involved in the bill that is now before us.

Let me discuss the Labor Department. In the Labor Department we have the Secretary's office, the Solicitor's office, the Bureau of Labor Statistics, the Women's Bureau; we have the Bureau of Labor Standards, and we have the Apprenticeship Division of the Department of Labor. The contention is made by certain people that because the subcommittee scrutinizes the requests for appropriations rather carefully and have made some very substantial reductions in the funds for certain divisions of the Department of Labor, that the committee was antilabor and was out to destroy the Labor Department. I want to say with all the vehemence at my command that nothing could be further from the truth. We are endeavoring to work out a harmonious working relationship with the Department of Labor to the end that they will have confidence in the committee and in the Congress, and know that they can come up with their estimates and that they will be given a very fair hearing. This year every bureau that came before the subcommittee indicated that they had had a most fair and most complete hearing on their estimates. But it is a funny thing, that any time you want to save a little money emotionalism creeps into the picture, and it is so easy to build a case for your own bureau and make the suggestion: "Well, make your cut over here some other place, but leave me alone; I am so necessary."

So we come to the Women's Bureau. That was established years ago under Republican administration. It has a valuable function to perform, but like most other bureaus they want to expand, and expand, and expand; and despite the fact

that we are giving them in this bill a lot more money than they had in 1939 and the early 40's, they complained that the committee was out to destroy the Women's Bureau. Nothing could be further from the truth. The fact is that we refused to provide funds for maintaining six regional offices throughout the country for the Women's Bureau, and we refused to grant them funds to set up another Women's Bureau regional office down in the South, in Atlanta. Much can be said on both sides of the argument. The committee heard the testimony that was given and pressed the cut for those regional offices. Those who ask the money, of course, build up a case of necessity in every instance. You would not expect them to claim anything else. But we are charged with the responsibility of trying to evaluate the expenditure of public funds and to see that where no proper showing of necessity has been made we do not intend to make provision for that activity.

So, the committee, at least a majority, determined that no proper showing had been made before this committee for the maintenance of seven regional offices for the Women's Bureau. We have provided money that will enable the Women's Bureau to maintain its primary function as stated in the organic law that set it up. They have plenty of funds with which to carry out the functions that they ought to be carrying out. But, like every other agency of Government that once gets started, they all seem to have this idea that they cannot function unless they set up regional offices all over America. I challenge anybody that has a sense and a spirit of fairness to read the hearings on the necessity for regional offices, as indicated by one of the regional directors who came before the committee, a Miss Wolf from St. Louis, who was given every opportunity to explain the nature and character of her work and what she was doing, and if any Member of Congress on either side can read out of that testimony the necessity for maintaining seven regional offices for the Women's Bureau, then you are better than the majority members of the subcommittee.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Illinois.

Mr. VURSELL. I want to compliment the gentleman who is making a very able explanation of this bill for refusing to further extend bureaucracy in this Bureau, by refusing the money for such further expansion. I think we all know that the gentleman is very interested in public and social welfare, women's work and children's work, yet he understands and is acting under that understanding to protect them and to protect the Federal Government and the Federal Treasury as well. I commend him.

Mr. KEEFE. I thank the gentleman for those remarks.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr. WALTER. What function presently being performed by the Women's Bureau would be interfered with if larger appropriations were not made?

Mr. KEEFE. It is contended on the part of the Women's Bureau that they would be able to render service throughout the country and cover seven or eight States with one lady, located some place in a regional office, and bring to the people of the country the benefits of the research and statistical material, and so on, of the Women's Bureau. Now, I challenge the gentlemen to read the testimony. This lady was brought before us to typify the workings in these regional offices, and I am very frank to say that while I can conceive that one of these regional directors who join the University Women's organization, or the League of Women Voters, or belong to the Parent-Teacher Association, is called on to go out and make speeches and all that sort of thing, after all, the fundamental function of the Women's Bureau is to protect the rights and develop the rights and standards of women in industry and to gather here in Washington, in a bureau, legislation throughout the country affecting the rights of women and to disseminate that information throughout the country, and that can well be done within the limits of the appropriations which we have provided.

Mr. WALTER. I have examined the testimony and I cannot see where the work they are now performing would in any wise be interfered with by not increasing the appropriation.

Mr. KEEFE. Anybody who reads the record, who has an unprejudiced mind, must come to that same conclusion.

I shall not have time to discuss all of the items, but I want to talk a little bit about the Bureau of Labor Standards. Now, there is an illustration of a bureau in the Department of Labor that gets started as the result of an administrative order of the Secretary of Labor, and they start to build up a new bureau, and like every other bureau, after it once gets started and gets an allocation of funds, it starts to grow and grow and grow. So, the Secretary has been particularly careful to assign to the Division of Labor Standards some functions which, in my opinion, have been utterly and completely unjustified; for example, the assignment by the Secretary of Labor to the Division of Labor Standards of the function of recording and receiving contracts, labor-union contracts, as stipulated by the provisions of the Taft-Hartley law. That was a function of the Secretary of Labor, and he set it up in his office. But when he saw perhaps that there was some need for bolstering this rather tenuous thing called the Division of Labor Standards, he transferred that function out of his office to the Division of Labor Standards. What does that have to do with the organization that is designed and set up to promote safety and sanitation in the factories of this country? This committee is transferring that money back to the Secretary's office and saying, "You handle that where it was intended to be handled, in your office."

At first the committee was inclined to take away the entire appropriation for the Division of Labor Standards, but on reconsideration we decided that we would give them a couple of hundred thousand dollars.

The man that is head of it, Mr. Connolly, is a fine fellow, but like everybody else he comes down here with great zeal to do a job. They are looking around for things to do, "What activity can we get into that we can make a showing on and thus start to build up?" There are some things that they could do, and we are encouraging them to go ahead and do those things, the specific things provided for in the report, and nothing more.

I call your attention to the fact that a number of years ago I discussed with Miss Perkins, when she was Secretary of Labor, the consolidation of the Public Contracts Division, Walsh-Healey, and the Wage and Hour Division, as far as their inspection service was concerned. I was successful in getting Miss Perkins to see the benefits that would accrue from the consolidation of those two services, and she did it administratively and threw them together, and appointed Mr. Walling as the head of the combined agencies. He had formerly been the head of the Wage and Hour Division.

I went a step further with her and suggested at that time, several years ago, "Why don't you set up a training program by which the inspectors of the Wage and Hour Division can be trained in the rudiments, at least, of factory inspection, safety, and sanitation, so when these six or seven or eight hundred inspectors, scattered all over the land, are making their inspections in these plants they can have the State factory inspector go along with them and offer help with suggestions and advice—and that is all it could be in any event—to the States in the matter of safety and sanitation?"

I am glad to say that this year, in the budget estimate, the Wage and Hour Division is now embarking upon that program. We have a number of trained factory inspectors and experts and they are going to train all the inspectors of the Wage and Hour Division to go out into these plants and make recommendations where they find that a basic safety requirement is not being complied with, and offer suggestions to the State factory people. That is a step in the right direction of providing service and getting away from the possibility of some other agency having a bureau of inspectors going out and performing perhaps an identical service. I want to compliment the head of the Wage and Hour Division on his efforts in bringing that about.

There is another thing in here. You will remember that in the selective-service law there was a provision setting up what were then called the veterans' reemployment rights. It was a very good law. Congress passed it and said, "When you take a person under selective service and put him in the armed services and take him out of his job, he ought to be entitled to his job, with seniority, and so on."

Now see what has happened. The selective service is over with. Every single man that was taken by selective service into the armed services of this country has been discharged long ago from the

service. There is no one in the armed services today that is not a volunteer. Yet the Solicitor of the Labor Department wrote an opinion that the benefits of the veterans' reemployment rights extend to every person from now on and forever. A man can quit his job, voluntarily decide he wants to enlist for 6 years, and reenlist for 6 years more, no matter how long he is in the service, and leave his job, and their concept is that that man is entitled to his reemployment rights whenever he gets out, and he can come back and claim his rights and bump somebody else off that may have been working in that job all these years.

I took that matter up with the chairman of the Committee on the Armed Services. We had General Hershey before us. I discussed it with the subchairman of the Armed Services Committee. They had legislation all prepared, I was advised, to do away with that situation, because it never was the intent of Congress at any time that those reemployment rights should apply to anyone except those who were taken into the armed services under selective service.

When we did away with selective service that Veterans Reemployment Rights Division that was set up pursuant to the law was transferred to the Labor Department. There they have a bureau established now, and it was considered, due to this opinion of the Solicitor of the Labor Department, that the Bureau should continue. They are in here asking for $500,000. Their work load has gone way down. There are some 3,500 county service officers and veterans' officers scattered all over the United States to advise veterans on every problem, including problems of reemployment.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I yield myself 30 additional minutes.

With all this help that is given, if a situation arises that is troublesome, then the veteran must go to the United States district attorney in his district in any event to start a lawsuit to get his rights back. I really did not believe that the head of this agency himself ever had any idea that the Congress would continue and we stopped it by giving it no more money and we are recapturing the money that we gave them for last year. It ought to be stopped. There is absolutely no reason for it at all.

While on that subject, may I jump over to another subject and that is the Railroad Retirement Board. The situation there is the same as it is with social security. Very properly Congress legislated so as to see that the priority rights of those who were employed in the railroad industry and who left and went into the armed services should be protected under the railroad retirement law by a direct appropriation out of the Treasury to keep up his payments and keep up his record while he is in the armed services. We did the same thing under social security. While the railroad retirement is financed by taxes on the employees and upon the carriers, here is a direct appropriation of $24,000,000 or $25,000,000, which is required to pay into the fund the amount necessary to keep in good standing and keep up the insurance credits of a man who voluntarily leaves the railroad industry, who decides he can get a better job in the Army, and voluntarily quits, goes into the Army, and stays there for 10 years. Then under the veterans' reemployment rights he comes out and says to the railroad company, "I want my job back." Not only that, but under this provision of law, he says, "I want my benefit credit built up for all the years that I have been in the service." The Railroad Retirement Board came before us themselves and said that that was wrong and ought not to be done and that it was causing them untold trouble, statistically and otherwise, to try to figure these credits. So this bill contains language which will eliminate that difficulty.

Referring to the Bureau of Apprenticeship, may I say to many of you who are interested in that, that this committee is very much of the opinion that the Bureau of Apprenticeship is doing a splendid job. I have been one of its proponents for many years. We are practically giving them the amount of the budget estimate for the next year.

With reference to the Wage and Hour Division, we are giving them substantially the budget estimate, because we feel they are doing a very splendid job.

Now we get over into the Federal Security Agency. I shall not discuss the American Printing House for the Blind and the Bureau for Employees Compensation. I just want to say this in reference to the latter. You know that we used to have a Bureau of Employees Compensation, which sat up in New York. We had a Commission and they had a secretary. Under the President's reorganization plan they did away with that Commission and transferred the outfit to the Federal Security Agency. They just have a Director now, but they set up an appeal board here in the Federal Security Agency consisting of the same people who used to be the Commissioners. They are getting the same salary and are doing the same job. We have called attention to the situation in this report. I think the proper legislative committee ought to get busy and find out whether it is necessary to have three Commissioners sitting here as an appeal board at big, fat salaries, too, and doing very little.

I shall not spend time on the Columbia Institution for the Deaf. I shall not spend time on the Pure Food and Drug Administration except to say that while in Dr. Dunbar, the head of that agency, we have one of the finest examples of a man devoting himself to the public service that it has been my privilege to know since I have been in Washington, a man who is really doing an honest job. I wish the situation in the country was such that we could give to Dr. Dunbar all of the money that he requests. I do not think that he would spend it injudiciously, but the fact of the matter is that we must show some retrenchment in this program, and so, despite the fact that we have such a high regard for the work of the Pure Food and Drug Administration, we have seen fit not to give them all of the funds that they asked for.

I shall not discuss Freedmen's Hospital. I want to say a word about Howard University. We have been trying to develop Howard University, which is the outstanding institution in America, financed by the Federal Government in large part, devoted to higher education for the Negro. I challenge the statement made on the floor of this House that it is a cesspool of communism. I wish every Member of this House could have been out there at Howard University as I was privileged to be there a few days ago, when they celebrated their annual charter day observance. If you had seen the magnificent program that I witnessed there under the supervision and direction of Dr. Johnson, head of that great institution, you would never have gained any impression that there was any cesspool of communism. I say to you that your committee has for a number of years recognized the fact that if we are going to provide education for the Negro in this country, in the higher levels of education, in medicine, in law, in pharmacy, in dentistry, and in engineering, there is no practical place in America where a colored man can go for a higher education except to Howard University.

I shall say more on that subject at some later date. But I want you to know that this committee is not acting foolishly. We are attempting to build that institution to provide doctors and dentists and technicians who can go out and fill the most tremendous need among the colored people that ever existed in any land.

I want to discuss the Office of Vocational Rehabilitation just a moment. Do you know that there is a program over which there is absolutely no ceiling whatsoever and it can grow and grow and grow until it is easy to conceive an annual appropriation of $200,000,000 or $300,000,000. What is the vocational rehabilitation division? It operates pursuant to laws passed by this Congress. It is a Federal-State program, in which the Federal Government pays 100 percent of the cost of administration in the States; 100 percent of the cost of counseling services in the States, and 50 percent of the cost of the prosthetic appliances, medical operations, and so on. Anybody in the United States, any civilian in the United States that is presently disabled from gainful employment as a result of injury or a congenital condition, is the object of the work of this vocational rehabilitation group. They are doing a magnificent job and they can justify the money they ask and they could justify several times the amount of money we appropriated in the number of people that they are rehabilitating and putting back into gainful employment. I have no objection to the program, but I think it is time that the Congress itself took a look at the picture and decided how far you expect us to go; how much money you expect to ultimately put into this program. The committee decided to maintain the program in the next fiscal year at the level at which it operated this year. Good arguments could be made for appropriating twice as much money, but it seems to me the Fed-

eral Government has got to stop some place in this grant-in-aid program if we are not going to bankrupt the Federal Treasury.

Let me say just a word about a situation that I know many of you are interested in. That is the program of vocational education, which is found in the Office of Education. May I say at the outset I have been one of the strongest supporters of vocational education, and my record in the Congress will so indicate. A couple of years ago the Congress passed the George-Barden Act, and they set up a maximum limit of appropriations in four different categories with a formula for distribution among the States, of about $29,500,000. The Congress last year appropriated something over $18,000,000 and told the Commissioner that it wanted every State in the Union to receive this present fiscal year as much money as they had available under the allocations made.

The deficiency committee has approved an additional amount to bring the total cost and total payments to the States up to something in excess of $19,000,000. They come in this year and they want the full $29,000,000 because the George Barton Act says that is the limit of authority. They immediately jumped to the limit.

They have done a remarkable job in promoting vocational education all over this country and they can do a remarkable job with the money we have given them in this bill. This maintains their funds at the same level they had for expenditure this year. Now, again, the Congress has got to determine whether or not just because Congress has said: "Now, here is the utter limit you can go," are you going to jump to that limit right away, or are you going to wait until the fiscal condition of this country gets so that we can afford to make such tremendous jumps?

I would like to spend 2 hours discussing the work of the United States Public Health Service. It is very close to me and I want to say at the beginning that one of the finest men it has ever been my privilege to know and work with is Dr. Thomas Parran. It was a great shock to me that Dr. Parran was not reappointed. He was before our committee and justified the entire appropriation. I consider him to be one of the most distinguished men in the world in the field of public health and what he has done in the field of public health in directing this great operation all over America and throughout the world has been of remarkable benefit to the people of this country. I am sure that the work which he has carried on during the last 12 years and during all of the years I have been on this committee will be carried on by Dr. Scheele, his successor as surgeon general. He is a very able and splendid man.

This committee has provided the funds to carry on the cancer program at an accelerated rate. We are bound and determined to do everything that can be done by the Federal Government wisely and judiciously to aid the researchers throughout America and throughout the world in an effort to find the cause and cure of cancer, and we are working very closely with the Atomic Energy Commission in the experiments that are being conducted there in the use of radioactive isotopes in this fight on cancer. I believe that the time is not too far distant when with the impetus that we are giving this and is being given by private grants, by donations and by the solicitation of the American Cancer Society and other interested people, we are going to get behind the movement to the extent that we will develop the scientists and the researchers and the clinicians and the hospitals with clinical facilities, so that we will conquer that dread disease. We have got money in here to build a great clinical hospital out here in Bethesda where we are bringing the clinicians and the technicians and the researchers together in the matter of cancer research. We have money in this bill to bring such people together in 12 of the great research institutions in our country, by direct grants, to provide the clinical facilities necessary in this field of cancer research.

We have gone ahead with the heart-control program. Last year this committee set up $500,000 to establish the program for research in the field of cardio-vascular and circulatory diseases. We are carrying that program forward at a greatly accelerated rate this year, and I hope that before long Congress will adopt the full program for the whole set-up on heart disease and its control that is embodied in legislation now pending before the Committee on Interstate and Foreign Commerce. Let us move in on that front as we are moving in on tuberculosis, and syphilis, and gonorrhea, on typhus, and on malaria and cancer and all these other things, for statistics show conclusively that when the Federal Government and the State public-health services act in cooperation to make a simultaneous attack upon these situations, the death rate and death incidence go right straight down. It is expected that within the next 10 years tuberculosis will be of no importance in America as a cause of death.

We are providing the funds in this bill to carry on this important intensified cancer-education program all over America. We are now giving funds to carry on a program in the use of BCD virus, which threatens to eliminate tuberculosis in this country. I wish I had the time to talk about the work of the venereal-disease-control board and what it is doing. I wish I had the time to tell about the efforts that are being made to purify the water in this country, a most important thing, and other sanitary provisions; efforts pertaining to ship inspection, plane inspection, raft inspection, rodent control, DDT, the extermination of rats and lice and flies; a tremendous program, and every one of those programs being carried on as a cooperative venture between the States and the Federal Government. We go into no State unless the State public-health authorities ask for it.

Let me tell you just one more thing. Great publicity has been given recently to one of the discoveries that the people of the Public Health Service think is one of the greatest contributions that has been made to public health in the last 50 years, and that is the simple discovery for the application of sodium fluoride to the teeth of children which will relieve the incidence of disease and cavities in the teeth of children from 40 to 60 percent. It has been proven medically, accepted by the medical and dental societies, and we propose in connection with that program to see to it that the people of America are given the benefit as quickly as possible in order that the children of this country may have their teeth protected. The dental profession has accepted it with full favor throughout the country, and what we need is to get the process widely disseminated. Now, they came before us and asked for $1,500,000. They did not have a program, and they admitted it. The committee, on the face of the record, could not vote a $1,500,000 appropriation for that program when there was no program submitted. I want to make this statement, that I have requested the Public Health Service to bring up to date their proposed program and define a program that will bring to the people of America the benefits of sodium fluoride properly applied to the teeth of children, and present that program to the Senate, and I am serving notice now that so far as I am concerned that if that program is submitted to the Senate—and I know that it will be—and the Senate in its wisdom places money in their bill to carry out that program I, as one member of the committee, and its chairman, will do what I can to see that funds are thus provided.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I am very happy to hear the chairman of our subcommittee make that statement because, as he knows, in the full committee I was much concerned about not giving the dental health program this $1,500,000. I know the gentleman from Wisconsin has been very outspoken on behalf of this program, and I am very happy, as one member of the committee, to hear the announcement that he has just made in the hope that the Senate will restore the amount that has been left out of this bill.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from North Carolina.

Mr. DEANE. Would the chairman wish to discuss the fact why this information has not been made available?

Mr. KEEFE. May I say to the gentleman that, like every other discovery in public health or in medicine, it takes quite a long time before it is fully accepted by the profession. This one now has been fully accepted by the profession, and all of the dentists of America, through their publications, have the information available. Now, then, the thing is, How are we going to get this in a mass manner to all of the children and to all of the people of America? It is especially designed only for children starting at the age of 3. We are trying our best to see to it that, through the States, demonstration programs are set

up in which clinicians, public-health nurses of various kinds, dental assistants, and dental technicians, can all be trained in the technique of the application.

Mr. DEANE. One further question. What effect will this have upon the dental profession, the new dentist, that will be entering the profession?

Mr. KEEFE. I think it is a most remarkable field myself. I find no resistance among the dentists. The only situation I find among the dentists is that if they try to sell it to a fond mother who brings her little child into the dental office, the mother sometimes, without knowledge as to what this is, thinks the dentist is trying to sell her something, do you not see? So we are trying to carry on this great program over the country, and I want to pay tribute to one of our great commentators who has seized upon this, apparently after reading the records in this case, and has given to the people some knowledge and information on it, and if my mail is any indication, from one end of this country to the other it is about as important a thing as has been done in a long time.

Mr. DEANE. Does the gentleman feel that the program will require fewer dentists in the future?

Mr. KEEFE. No; it will require more dentists. There is a shortage of dentists all over the country. There will be no diminution in the number of dentists. They will have plenty of work to do.

I see that my time is rapidly going away, but I have been asked by many people to discuss for just a moment the hospital-construction program. There seems to be some interest in that program. You will recall that the Hill-Burton law passed by the Congress recognized a dire shortage of hospital beds throughout the country. Congress very properly and wisely decided to do something about it, so as an impetus to the States they said to the various States, "If you set up a State program"—such, for example, as was done in the State of my friend from North Carolina, and which practically every State in the Union has now done—"under the control of a State authority set up by your legislature, and bring to us a program for the construction of hospitals, we will match $1 for every $2 that you put up."

The bill provided for $75,000,000 a year. Last year this committee gave them contract authority to go ahead for the full $75,000,000, and there is a deficiency in here now that has been passed on for $15,000,000 that will take care of all the cash outlay they need at the Federal level for 1948. In this bill there is $60,000,000 to take care of the Federal share in this hospital-construction program.

In the years I have been in Congress I do not know of a single program that has had such tremendous acceptance all over America as has this hospital program. You ask the question, "Where are the hospitals to be built?" They are to be built in the location and at the sites fixed by the State hospital authority. Necessarily they will build in the places designated by the State authority, and first build, at least, at the spots where the need is the greatest. The Federal Government does not dictate where these hospitals shall be built. That is a function of the State hospital authority. Many of the States are proceeding apace, and you can see the greatest hospital-construction program all over America that has ever been dreamed of as a result of the impetus given through the passage of the Hill-Burton law.

If anyone has a question with respect to that further than what I have said, I would be very happy to try to answer it.

As you understand, in this bill we have a number of independent agencies. We have the Federal Conciliation and Mediation Service, the National Labor Relations Board, the Railroad Retirement Board, and the Railroad Adjustment Board. These are all independent agencies of the Government, thrown together for the purposes of budget making in this bill. It certainly presents a great variety of interest, and I can assure you requires a great deal of work and understanding to be able to encompass it.

In conclusion, the committee tried to do a decent job. Without the services of my very distinguished clerk, Paul Wilson, we would not have been able to do it. He has rendered wonderful service. The members of the committee have worked indefatigably on the preparation of this bill, and we have had perfect and complete harmony on the bill in an effort to bring a real bill to you, as I believe the gentleman from Rhode Island [Mr. FOGARTY] of the minority, will be able to state to you. He believes that there are some things in this bill that have been cut too much. He thinks the Bureau of Labor Statistics has been cut too much. He thinks we should not have cut the 7 people out of the Office of the Secretary of Labor who are supposed to be indulging in foreign affairs. It is a mere matter of honest judgment, as to where the cuts shall be made and if it appears that justification is possible, why then there is a possibility of fair and honest difference of opinion. The committee has tried to bring to you the result of the opinion of the majority of the members of this subcommittee.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FOGARTY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I regret very much I have to announce to the membership of the committee today that the ranking minority member of this subcommittee is not able to be here to present the case for the minority. The gentleman from New York [Mr. ROONEY], who is the ranking minority member, has been laid up for the past 2½ weeks and since last Wednesday afternoon has been in the Naval Hospital in Bethesda with a very serious sciatic condition. So I hope with the indulgence of the committee to try to take his place and attempt to justify these appropriations this afternoon. I realize that I perhaps cannot measure up to his ability and his experience on this committee and perhaps I may have a difficult time, as one who comes from the ranks of labor, to be a worthy foe of my chairman, who was a prosecuting attorney in the State of Wisconsin.

Mr. Chairman, I would like to join with my chairman in praising the diligent work of our efficient and able clerk, Paul Wilscn. Because of his hard work and ability and diligence and application to work and service to the committee, we have been able to have this report made available to you Members this afternoon.

Mr. Chairman, I think perhaps I may have an interest in the Department of Labor which is not general in the House of Representatives. The year I was born, in 1913, the Department of Labor was established as a function of the Federal Government. Not having had an opportunity of going to college and earning a college degree it was my lot after graduating from high school to enter the ranks of labor. I worked with labor for 10 years, from 1930 to 1940, and although I could not say I had a college degree or that I had been a successful prosecuting attorney in some particular State, I could say in 1940 that I had been laying brick for 10 years and I thought that by that time I was a pretty fair bricklayer. But then I was elected to this honorable body. Outside of that, the Department of Labor to me has been a Department with which I have been in very close association. Because of my activities in the union affairs during the years 1930 to 1940, activities which have been continued up to this moment, I have been brought closer to this Department of Labor.

Mr. Chairman, the chairman of our subcommittee in his opening remarks referred to what this subcommittee did to the appropriations for the Department of Labor in the fiscal year 1948. When this bill was before the House 1 year ago we cut the appropriations for the Department of Labor by 44 percent. In this year, the fiscal year 1949, in the appropriation that we are considering today, it is proposed to cut the appropriation or the budget request by 25 percent. We have cut what they had in the fiscal year 1948 by 20 percent. If that is not "doing a job" on the Labor Department, I would just like to know what you would call it; because of the three appropriations that have been passed this year nothing compares with the job done on this bill. In the appropriation bill which the House passed last week, the State, Justice, and Commerce bill, the cut was only 6 percent; in the War Department civil functions appropriation bill the cut was about 12 or 13 percent; and in the independent offices bill, which was passed a couple of weeks ago, the cut was about 9 percent, and here we come along with the Department of Labor appropriation bill, after a cut last year of 44 percent, there is another cut of 25 percent. Then the statement is made that this committee last year was accused of being antilabor; that we were cutting the feet from under the Labor Department by denying them the necessary appropriations; and that they were able to turn back this fiscal year in the neighborhood of three or four hundred thousand dollars of unexpended funds. They did turn back three or four hundred thousand dollars of unexpended funds, but there is a good reason for it. The appropriation bill for the year 1948 did not go into effect until a month after the fiscal year had started. It did not get out of this House until July 26 last year, and because of the tremendous cuts

that we made in the Department of Labor, the amount of reorganizing the Department had to do set them back another month or two. A majority of the funds that they turned back in unexpended balances was $300,000 for travel expense, and that might be the fault of this very committee, because when we cut the functions of that Department we did not make comparable cuts for the travel expense for the various functions which we cut.

I believe the Labor Department should not be cut as drastically as it has been. I think a strong Labor Department is needed now more than ever in the history of this country. We have working now the biggest labor force in history. It seems to me, by drawing these comparisons of cuts in previous appropriations and with the cuts in appropriations we have already voted upon this year, there is something to the rumor that the Department of Labor is getting into a position where it will eventually be swallowed up by the Federal Security Agency. If the Senate follows the same procedure that the House followed in the President's reorganization plan in putting the USES and the Unemployment Compensation Commission in the Federal Security Agency, it looks to me like you are going a long, long way in building up a Cabinet post in the Federal Security Agency which will eventually be one that will be uncontrolled by this House, and that in the near future, because of the tremendous power it will have and the money it will have in its hands to expend.

I hope this committee this afternoon will not go along with these drastic cuts. I hope we shall all realize that the Labor Department is a Cabinet position; that there is a place for it in these times, and that rather than weaken it we should do what we can to make it a strong Department; one that will have the confidence of all the people of the country, not only organized labor but the millions of unorganized labor, and employers as well. I am confident that can be done if we will all work together, but I am confident that that type of leadership we have had in the past, which has been of the highest caliber, cannot be continued indefinitely in face of the huge cuts that have been made year after year in their annual appropriation bills.

This year we cut the Secretary's office $150,000 below the budget estimate. We cut $80,000 below what they had in 1948. There is one function in the Secretary's office called the Office of International Labor Affairs. I think one of the greatest mistakes that this subcommittee has made in this appropriation bill is to deny the request for eight additional positions in the Office of International Affairs, at a cost of some $38,000. I think those of you who had the opportunity last summer of going to Europe, and who realize the state of the world at the present time, must appreciate the folly of denying these eight positions. I think the majority of this Congress will eventually vote for the Marshall plan. I think the outstanding majority of this Congress is willing to do everything they possibly can to help stem the flow of communism in Europe and in this country.

I sincerely believe there is no agency of Government that is doing more today with 8 or 10 men than the International Labor Office in helping stem the flow of communism in Europe at the present time. When Mr. Morse, the Under Secretary of Labor, appeared before our committee, and Mr. Kaiser, the head of this particular office, to justify the need for these eight additional positions, I thought the whole subcommittee believed sincerely in what these men had to say. Mr. Morse asked for the opportunity of speaking off the record. I only wish I could tell you here this afternoon exactly what Mr. Morse told this subcommittee about the work these men are doing in places like France and Italy today, countries which need every bit of help we can give them to stem the flow of communism.

When I picked up the New York Times yesterday the first thing I read in the editorial section was "Italy now preparing for crucial elections. Communists are running very clever campaign to increase strength in parliament next month. Czechoslovakia is just a shadow. Communists in France are far from defeated." They are shifting their approach now to a policy of infiltration. What sort of policy is that? It is a policy of infiltrating the ranks of labor; and that is where these men come in. That is why it is necessary for this committee to give honest consideration to the additional eight positions asked for by the Under Secretary of Labor. It was because of the infiltration of Communists into the labor movement in Czechoslovakia that it was possible for Russia to take over in Czechoslovakia. It is the policy of Taglioti in Italy, one of the most clever Communist leaders in the world, to do what he can at the present time to infiltrate the ranks of labor in Italy, to sow discord among those good people who do not really believe in communism but who, because of the chaos and destruction that exist in their country are being drawn into the cauldron of these very able manipulators and underlings of Stalin at the present time.

I can, I think, say and be very frank about it, that the strikes that were perpetrated by the Communists in France last summer would not have been broken had it not been for this office and because of the participation of these men in the ranks of labor. Only 2 or 3 months ago—I think this statement was made in the papers of yesterday—one of the labor leaders in Paris withdrew some 2,000,000 of his men and formed another labor party because he found that the Communists were using his men in this infiltration scheme to take over the Government of France.

Those are some of the things this office is doing. How in the world can we sit here and tell our constituents we are willing to do everything we can to stop the spread of communism in all the world and then deny an appropriation of $38,000 to get eight new men to do what they can in the ranks of labor over in Italy and France at the present time?

Only today there is a meeting of the labor leaders of the 16 Marshall plan countries. They are meeting in London in an attempt by the labor forces of those countries to sell the labor unions and their officials on the democracy that we love here in America; to try to sell them that anything communism stands for is no good for the individual, organized or unorganized, or for the labor movement as a whole. They are meeting today in London to formulate what plans they can in an over-all and an all-out effort to stop the forces of communism that are infiltrating the ranks of labor in other countries. They need our intelligent leadership, and I intend to offer an amendment, when the proper time comes, to restore these eight additional positions in the Secretary's office.

The Librarian appeared before our committee, and although I will admit I have never been in the library of the Department of Labor, I understand it is one of the finest libraries in Washington.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. FOGARTY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, maybe I cannot talk with too much authority on libraries, but I have been told by responsible men and women that a library is a very essential thing in the Department, and that the library that we have in the Department of Labor is perhaps one of the best in the world in labor affairs. The new Librarian they have in the Department of Labor appeared before our subcommittee and asked for seven additional persons because they were so far back in the cataloging of the articles that they have down there; that they just cannot keep up with the work that they have. She gave the figures on how they are continuously running behind and have been for the last 4 or 5 years. In my opinion, she was one of the most capable administrators that I have ever listened to or ever heard testify before our subcommittee. She has put her life into library work, and I was convinced after listening to her talk and to her testimony that to increase her force of 20 to 27 would not not break the Treasury of the Federal Government. This great Department of Labor has 20 employees in its library. They are asking for 7 additional employees, which would bring it to 27. By comparison, the Department of Agriculture has in its library 200 employees, and here they are asking for 7 additional employees, and that is being turned down by the subcommittee.

Take the Office of the Solicitor. We are cutting the Office of the Solicitor of the Labor Department by $106,000. We are not even giving them what they had to operate on in 1948. We are cutting the Office of Solicitor $68,000 below what they had this year. One of the additional employees that he asked for was an attorney who knew something about international labor matters to keep abreast of this world-wide situation that confronts us at the present time. But, that has been denied.

Now we come down to the Veterans' Reemployment Rights Division. You heard the Chairman go into this very extensively. He and I do not agree; we do not reach the same conclusions, but

we do agree and I agreed in subcommittee on one point—that it was not the intent of Congress to have these rights continue on indefinitely. I believe as he does, that a man volunteering now, today, to enter the armed forces of this country, should not be given the same preference or the same rights that were given to those who were drafted under selective service, or who served their country during time of war. We agree on that conclusion, but we do not agree on the means for gaining that end. I think he said that he took this problem up with the chairman of the Armed Services Committee, but nothing was done about it. So, the way the Subcommittee on Appropriations took care of the situation was to cut out the entire amount for the Veterans' Reemployment Division, and that is their way of settling the whole thing.

Mr. Chairman, I just do not like to go about things that way. Regardless of whether it was the intent of Congress or not, it is a fact that we have Public Law 26 which was passed by this Congress only a year ago this month. That still guarantees to every man entering the armed services his reemployment rights after he has been discharged or given an honorable discharge from the Army. It still guarantees the rights of those who served during wartime and who perhaps have reenlisted: it gives them the very same rights for a year after they have been discharged. Mr. Chairman and members of this committee, if we refuse to appropriate a dime for the Veterans' Reemployment Division, we are not keeping faith with those men in the services at the present time. We have guaranteed them by statute of this Congress, the Eightieth Congress, that they shall have these rights when they return. Oh, it can be argued, yes, they still have the rights. We have not taken any rights away from them. But, we are abolishing a division that was set up specifically to take care of these veterans when they return to civilian life, to see to it that they got their old job back if there was any trouble about it.

Some might say there are only a few coming out now. I will admit there are only a few, but the cases that are being handled at the present time are the most difficult cases. They inherited from selective service last fall, when they took over this division, some 2,000 or 3,000 cases. There are now 50 cases in the appellate courts, and there are 200 cases now pending in the district courts. Every time a decision is given in any particular case it may affect not one veteran but thousands of veterans who have some reemployment rights. It is not only a matter of trying to get veterans old jobs back again. The majority of cases we have now are cases that have come up perhaps a year after they have returned to civilian life, involving their problems of seniority, problems of vacations, problems of lay-offs, problems of rehiring after a lay-off to see that these men have their seniority rights when they are being rehired again.

I do not like this way of going about "taking care" of any agency by denying it funds. We had General Hershey before our committee and questioned him extensively and went into every phase of these laws. And he agreed it was still a responsibility of Congress to provide these services. There is some conflict in the law but the fact of the matter is that Public Law 26 is still on the books, and it guarantees the veterans these rights and sets up the veterans' reemployment divisions. When General Hershey appeared before our committee, as I recall, he testified that he did not believe it was the intent of Congress to have these benefits extend as long as they have, but he said it was a responsibility of Congress to these men who have entered the armed services.

The Solicitor of the Labor Department has handed down a ruling that this law is still in effect. The only way we can do anything about it is to do it by legislation. It takes a resolution of both Houses of Congress to terminate the Veterans' Reemployment Division that now rests in the Department of Labor, and that was taken over from the Selective Service 1 year ago.

I am going to offer an amendment to restore the funds they have asked, because as to this liquidating proposition, it would be up to the proper legislative committee of this body to introduce legislation and have it passed by the House and the Senate. That is the real way of getting at the crux of the situation. In that way you are not breaking faith with those men who have gone into the armed services and who have been guaranteed this service under Public Law 26. That is the proper way to go about taking care of a situation like this, not cutting out the funds from this particular division.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. FOGARTY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, the only bright spot that I see in the Department of Labor is the apprenticeship-training program. We gave them everything they asked for, because we were all agreed that it is a very necessary division that is needed now more than at any time in the history of the country. They have shown splendid results and they are doing a good job.

Now we come to the Bureau of Labor Statistics. This Bureau asked in its budget this year for $5,389,200. The committee has allowed the Bureau of Labor Statistics $2,500,000, a cut of approximately 54 percent. Are we giving them as much as they had in the fiscal year 1948, this year? No. We are cutting them $1,315,406 below what they had to operate on this year.

Members of Congress constantly are asking the Bureau of Labor Statistics for figures and information of many kinds to help them in preparing legislation. Several committees of Congress are continually going to the Bureau of Labor Statistics asking for their help and cooperation in their consideration of some of the bills that are brought before the Congress. The employers of this country are the biggest users of the Bureau of Labor Statistics. Labor organizations throughout the country are 100 percent behind this Division. I do not know of any employer in this country who would not say that this is a very important function of the Government. If a questionnaire was sent out to them, I am sure even to the National Association of Manufacturers or the chambers of commerce, the answer would come back, "This is a vital function of Government today. It is something that we need at the present time because of the economic situation in our country and because of unstable conditions everywhere." Gentlemen, this is a very necessary function and should be given serious consideration.

Mr. Chairman, I hope when the time comes to offer an amendment not to restore all of the amount asked for by the Bureau of Labor Statistics in the 1949 budget, but just to restore that portion of it which will give them the same amount as they had in 1948.

The next item is the Women's Bureau. Our chairman went into this division quite thoroughly and justified the work of the majority of the subcommittee in cutting out all the field offices in the Women's Bureau. He said the Women's Bureau was established under a Republican administration. Now we have a Republican Congress that is going to start in whittling it down. The Department of Labor was established by a Republican President. Here we have a Republican Congress this year and last year, knocking down the work of one of their great Republican Presidents. We have in the bill now before you cut out all of the field offices for the Women's Bureau in the amount of some $62,000. Gentlemen of the committee, when this last war started we were not hesitant in calling upon the women of this country to go into the factories and plants and shipyards and Navy yards and do a man's work. Those of you who have had the opportunity of going through a shipyard or a Navy yard have seen women time and time again doing the best they possibly could to help in the war effort, and they were doing a man's job. We did not say to them at that time, "You are not needed in this all-out effort of war production." Yet here is a very insignificant appropriation of $336,000 which was asked for by the Women's Bureau, the only division of government that has anything to do with the working conditions or wages or benefits for women in this country, and we find ourselves in a position where we are cutting out the measly amount of $62,000 and doing away with all the field offices in the country, when we have the largest labor force of women in the history of the country. Today we have a labor force of 18,000,000. All they are asking for is $336,000 in a bill which amounts to $1,000,000,000.

Mr. Chairman, I hope when the proper time comes to offer an amendment to restore the $62,000 which will enable them to restore all their field offices and include an additional one in Atlanta, Ga., which they are asking for in this appropriation bill. We left the Wage and Hour Division, as the chairman told you, practically as is. In consideration of some of the other tremendous cuts we made in some of the other divisions, we did not cut it too much. They asked for $5,121,000 and we decided to lop off that $121,000. We all agree it is a good di-

vision. It is something that is necessary, but, in this day and age, I wish someone would tell me, when the minimum wage is 40 cents an hour, why the Wage and Hour Division is running continuously into employers who are not living up to the wage and hour laws of this country. I would not have believed it unless I had heard it from the lips of Mr. McComb, Administrator of the Wage and Hour Division. Day in and day out they are continually running into this sort of proposition. We have 500,000 plants in this country to which this Wage and Hour law pertains. All that this agency of government can visit now is 40,000 plants a year. Out of those 40,000 plants we have a comparison of figures that I would like to call to your attention for just a moment. In the fiscal year 1947 they were able to inspect only 40,000 plants out of 550,000.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. FOGARTY] has again expired.

Mr. FOGARTY. Mr. Chairman, I yield myself 10 additional minutes.

At the same time there are 50,000 business establishments that would be affected by the wage and hour law that are coming in and going out of business every year, and that is where the most offenders would be. Now they cannot even inspect the new plants that come into operation every year. This is what they did in 1947. They had 40,000 plants inspected and there were 20,570 establishments found in violation of one or more of the major provisions of the wage and hour law; $18,575,000 in back wages were found due. The number of employees affected was 311,236. The restitution, made through voluntary agreement or court order, 312,000 employees, in an amount of $8,864,000.

In other words, here is an agency of Government that is asking $5,121,000, which can show in cold cash refunds that have been given to employees under voluntary agreement, because there is no way the Federal Government can enforce these employers to pay these back wages; it is up to the employee himself to bring suit; but on a voluntary basis they got back $8,864,000. There were $10,000,000 more that were found due, but it is up to the individual employee to get it if he can.

I think it is being penny-wise and pound-foolish to knock out $121,000 from this $5,000,000 on a division of Government which everyone is convinced is a necessary division; a division that is looking out for the small individual in the individual plants. There is legislation before this Congress to raise the minimum wage from 40 cents an hour up to 60 or 75, and when that legislation passes, as I hope it does in this Congress, it will mean more work for this Wage and Hour Division in the next 3 or 4 years.

The Food and Drug Administration is one of the most necessary things in this country. It affects every individual. It affects you and me, your families and your children, every individual in this country. We did not give them what they asked for in 1949. We cut off $275,000. That is a Division of Government that is looking out for the health and welfare of all of the people of the country.

Because we have to cut something we cut them $275,000; and their job is a bigger job now because of the increased imports of food and drugs that are coming into this country from war-devastated areas which have not been able to get back on their feet and do not have the healthy, sanitary conditions that we are working under in this country.

Another thing I do not like in making reductions in the appropriation bill is that in vocational education we are cutting about $10,000,000 although the law states that we must match State funds. The committee, however, decided that there must be a level reached somewhere, so they justified it this way. I believe myself, and I so stated before the subcommittee, that we have got to reach some level in all these grants-in-aid to States so that we will know where we are, but should we as a subcommittee on appropriations attempt to do something in the way of fixing policy that was not fixed and authorized by legislation passed by Congress? To allow only the $19,000,000 we are allowing at the present time is something that should be taken care of by legislation, not through appropriations.

There is one more item I want to speak of, and then I am going to sit down. That item is one of the most important in this bill, the Office of Vocational Rehabilitation. This Office this year asked for $21,475,000, which this subcommittee stated in its report is $3,475,000 over the $18,000,000 they had in 1948. The committee report is not quite correct. The committee report reads:

> The committee has recommended $18,000,000 for this item which is the same as the amount presently available for the current fiscal year.

It is true they have $18,000,000, but they are at the present time before the Deficiency Subcommittee asking for an additional $2,000,000. If this additional sum is granted they will have $20,000,000 to work with in 1948, which is not the same as the $21,475,000.

I have agreed to some of the cuts in this bill but in the majority I have not; and this is a cut that I again say is penny-wise and pound-foolish. So I want you to listen for just a couple of minutes.

According to the statistics that they gave us, in 1947 they rehabilitated 44,000 handicapped persons in this country. In 1948, this year, they estimate if they get this $2,000,000 in the deficiency bill they will rehabilitate 53,000 persons; and if they could get what they ask for in this appropriation they would rehabilitate 64,000 persons.

What do we mean when we say "rehabilitate" these people? We mean just this, that this agency rehabilitates these people, unfortunately handicapped through accident or otherwise, who in a great many cases are on relief in local communities and States, who cannot take care of themselves or earn a living for themselves. These men and women are helped by this agency and are being given a new lease on life. They are once again made able to earn their own way in this great country of ours. The best figures available are that for every dollar we expend in an agency like this the Federal Government gets back in taxes $10—ten for every one that we appropriate. The 44,000 persons rehabilitated in 1947 now have an earning capacity of $70,000,000 and a yield to the Federal Treasury of some $5,000,000 or $6,000,000 in taxes. What sense is there in taking action of this kind, crippling an agency that returns $10 for every $1 expended?

It means help to all of these 44,000 people. It means tremendous help to every community in the United States, to every State of the Union and to the Federal Government itself to help give these poor unfortunates a new lease on life so that they can take their place in society and earn their own way. And who of us here would not want that opportunity if we were one of those? Would you or I, back in some small town in the South or Midwest or the West, reading the testimony of this committee, say, "We agree it is a grand thing to do"?

The CHAIRMAN. The time of the gentleman from Rhode Island has again expired.

Mr. FOGARTY. Mr. Chairman, I yield myself five additional minutes.

"That it is a wonderful program, but we have got to level off at some point; we cannot keep going on or we will break the Federal Treasury."

What would you or I think if we were sitting out in some wheel chair on a farm down South or a farm in the Midwest and listen to that type of reasoning, that we have got to stop somewhere? Well, I know that if I was an invalid who had been given a chance by this Federal agency, that I would not be a ward of my community; that I would be earning my own way in life; and I could hold my head in any group of society that I would want to communicate with or to live with. But, no, the committee is denying them the $3,475,000 that they are asking for in view of all of these statistics, in view of the wonderful work that this Department has done. I hope, at the right time in the reading of this bill, to offer an amendment to restore this $3,475,000 for what I think is one of the most worth-while projects in the entire Federal set-up in this country.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Colorado.

Mr. CARROLL. I note from reading the report of the committee that the committee admits that there are 1,000,000 disabled persons in this country who need rehabilitation services.

Mr. FOGARTY. That is correct.

Mr. CARROLL. As I understand, in this appropriation it takes care of 64,000.

Mr. FOGARTY. No. The budget that was asked for of this committee would take care of 64,000 people. The budget that is being allowed them by cutting $3,475,000 will let them rehabilitate maybe 48,000, 49,000, or 50,000. It will not even allow them to rehabilitate the number that they rehabilitated in this year of 1948; they so cut below that motion.

Mr. Chairman, concerning the over-all public-health program, I think the chairman of our committee has gone into that very fully. He is, I believe, one of the greatest advocates in this country of public health. We believe we are all agreed on this. I know my colleague the gentleman from New York [Mr. ROONEY] was in favor of everything that was done by this subcommittee in giving the Public Health Service practically everything that they asked for, because we all believe it is a very worth-while agency of Government.

Mr. KEEFE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. GAMBLE].

Mr. GAMBLE. Mr. Chairman, as I understand it, the Committee on Appropriations has recommended a reduction of nearly 40 percent in the operating funds of the Bureau of Labor Statistics for the next fiscal year, after having cut almost 40 percent out of its budget last year. This means that the services that the Members of Congress and the great mass of the home-building industry, including labor and the manufacturers of factors in the home-building program and the people of the United States have been receiving from the Bureau will be severely cut.

Mr. Chairman, I am wholeheartedly in favor of cutting the Federal budget to the bone, but I regret a further cut in the budget of the Bureau of Labor Statistics again at this time. It is a relatively small agency, but, as chairman of the Joint Committee on Housing, I know that it provides most of the economic statistics that come out every month on home building, on prices, on employment, on wages, and other important building and housing.

I have, as chairman of the Joint Housing Committee, in recent months had to call upon the Bureau of Labor Statistics repeatedly for facts on housing, on labor costs, and on prices of building materials. My committee has found that the Bureau's reports are universally regarded as accurate, impartial, and significant. Our only complaint has been that the Bureau has been unable to supply much of the information we needed, because of its limited current budget. In our investigation of the housing shortage situation we have called upon the Bureau constantly for information on the amount of housing being supplied, housing costs, labor costs, and other important facts. When we held hearings in Chicago, in New York, in Miami, in Atlanta, in New Orleans, and in many other cities, we were able to bring out the facts about the local situation in each case because the Bureau of Labor Statistics could and did supply the information we needed. The Bureau has already been forced to discontinue gathering much of this vital information because of its reduced budget for the current year. How can we deal intelligently with the country's housing problems if we do not have these facts?

The Bureau of Labor Statistics has requested a total appropriation of about $5,000,000 for 1949, including about $500,000 for construction statistics. I have endeavored to bring to the committee the extreme importance of the Bureau's housing statistics. I am sorry, much as I am in favor of a reduction in the budget, that the budget problem of the Bureau of Labor Statistics has not been given the consideration it should receive in view of the very serious housing shortage.

Mr. FOGARTY. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, there are two subjects I intend to discuss today. The first is with reference to the so-called section 207 that the full committee has eliminated from the bill. I shall direct my remarks to that subject at the proper time, when the bill is being read for amendment.

In the meantime, I want to utilize this time to call the attention of the House to what I deem to be a serious impairment of the political rights of the American people, the utilization of deportation proceedings for the purpose of intimidating and disrupting, if possible, a new political movement that is being led by Mr. Henry Wallace.

We have read of the arrest of five people in New York and their being brought to Ellis Island and detained there without bail up until last Saturday. They were kept there without bail on the insistence of the Department of Justice. They were finally released when a courageous judge fixed bail temporarily.

I make the charge that those arrests were political, and I am ready to substantiate it. The complete substantiation came last Friday, when, after a conference that Mr. Harry Bridges had with other leaders of the CIO, he announced he would insist upon his continued support of Mr. Wallace, the country was informed that the Department of Justice was considering denaturalization proceedings against Mr. Bridges. It is most obvious that if Mr. Bridges had changed his political support, if he had announced that he would support Mr. Truman, Mr. Bridges would not now be subjected to the harassment of having the Department of Justice agent in San Francisco seeking to find ways and means to denaturalize Mr. Bridges.

Now, with respect to the people who were arrested in New York, three of them are leaders of labor organizations—Ferdinand Smith, Doyle, and Potash. They had announced their support of Mr. Wallace. Soon thereafter they were taken to Ellis Island. It is significant that, in the case of Ferdinand Smith, he was picked up and arrested with a great deal of fanfare and publicity, with front-page photographs on the Monday after he appeared on the same platform at a meeting in Harlem, in New York City, with Mr. Wallace. The pictures were plastered on the front pages of the tabloids of New York City on the day before the special election in the Twenty-fourth Congressional District of the Bronx. These people are not subversive. They have lived in the United States for many years and have been honored by election to places of leadership in their unions.

If these men are subversive, as the Government charges, what has the Government done about it in past years? Why is it that all of a sudden, after the 29th day of December, the day when Mr. Wallace announced his candidacy, these men who have subsequently announced their support of Mr. Wallace suddenly are considered subversive, suddenly are dragooned to Ellis Island, and suddenly the Government insists that they shall be detained without bail?

This is political. It is political from beginning to end. I think it is high time that Members of Congress of all parties who proclaim that they believe in the political freedom about which we hear so much, stand up for political freedom with respect to the followers of Henry Wallace. Intimidation is not going to succeed in this case. The American people will repudiate these tactics of the administration. We have had a similar situation before in our history. Back in the 1790's the Federalist Party enacted the alien and sedition laws. At that time Thomas Jefferson was seeking to establish in this country a new political party known as the Republican Party. The followers of Jefferson were arrested. They were harassed and investigated. They were incarcerated and in some cases also held without bail. But that kind of practice has always been repugnant to the basic democratic instincts of the American people. Jefferson was elected. His party was firmly established and the Federalist Party disappeared.

I repeat, I wonder if this persecution would have taken place against these men if, instead of announcing their support of Mr. Wallace, they had announced their support of Mr. Truman. I do hope that some committee of Congress, and particularly the Committee on the Judiciary, will look into this matter so that political freedom will be made a reality during the campaign of 1948, so that the Department of Justice will be deterred from using its powers to intimidate and harrass men and women who are striving for a new political party in this country. You have a perfect right to disagree with us and vote against our new political party, but we have a right to establish it, and we have the right to fight for it. All we are asking of the Congress is that our followers be protected against this persecution. It is a sordid procedure in a democracy. It is indecent and low when our Department of Justice can be injected into a political campaign to intimidate men and women because of their political activity. Let me say to the Department of Justice and to those who are responsible for this practice that you are not going to succeed any more in 1948 than the reactionaries succeeded back in the days of Jefferson when the Jefferson Republican Party was established by him and his followers.

I now yield to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. I am asking for information. With reference to this man Smith you refer to, was he not the same Smith who campaigned all over the country in the last campaign in support of President Truman, and is not Harry Bridges the same Harry Bridges who gave his support to those who are now in power?

Mr. MARCANTONIO. There is no question that Harry Bridges and Ferdinand Smith did support the Demo-

cratic candidates in 1946, and at that time they were not picked up and they were not held without bail and nobody attempted to denaturalize Harry Bridges.

Mr. VURSELL. And did not Phil Murray, who was then head of the CIO, campaign with them at the same time for the same people?

Mr. MARCANTONIO. I do not know if they campaigned at the same identical places, but they all did support Democratic Party candidates and it is clear that those labor leaders who are now supporting Mr. Wallace are being subjected to political persecution and the administration is using the Department of Justice as a political weapon.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that the bill may be considered as read and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 2, line 14, strike out "$975,000" and insert "$1,026,200."

Mr. FOGARTY. Mr. Chairman, this amendment combines two amendments that I had intended to offer. I intended to offer an amendment providing $38,000 for eight additional jobs in the International Labor Office, and to attempt to restore seven positions that were asked for in the library of the Department of Labor. However, this amendment combines the two. I do not think I was ever more sincere in my life, having been in Europe this past summer and having seen conditions there with my own eyes and realizing how far this web of communism has spread all over Europe, being taken back only a week or 10 days ago to the quick collapse of Czechoslovakia, and with the imminent collapse of Finland perhaps during the next week or two; with the elections coming up in Italy next month and the infiltration of Communists into the labor movement in Paris; here is an authorization that can do something to stop this infiltration. Here is an organization of eight or nine men. It is not a great organization that is spread out all over the country, but eight or nine men who have done a tremendous amount of work, working with the labor leaders in France and Italy for the past 6 or 8 months, and they have shown results by their work. We have seen the splitting up of the great labor movement in Paris when the labor leaders took 2,000,000 of their members out of the Communist forces in Paris only 2 or 3 months ago. This is the type of work that can be accomplished by men of this caliber if we only give them the opportunity to go ahead. How can we sit here with any sense of fairness or justice to our own conscience and be against communism on the one hand and then deny a small appropriation of $38,000 that will go a long way toward fighting communism in foreign countries, which is infiltrating into the labor movement? We are going to fight fire with fire. Let us use men with labor experience to talk with labor men. As I mentioned before, it is only today that the labor leaders of 16 countries are meeting in London, having their first meeting with the leaders of labor, trying to get organized and get together and be united. Our labor leaders are over there now attempting to sell them on the democracy that we work under here in America; to sell them the idea that communism is no good for themselves or the country they represent.

This amendment will go a long way in our over-all fight against communism, by allowing our international labor organization in the Department of Labor to hire eight additional experts on international labor affairs to work with these leaders of labor where the strength and force of communism exists now, in France and Italy. I think everyone knows it was the infiltration of Communists into the ranks of labor in Czechoslovakia that made it so easy for Russia to take over 10 or 12 days ago.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. FOGARTY] has expired.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment. I think it may be said that the argument which has been so vigorously made by my good friend, the gentleman from Rhode Island, was the argument which was made by the Under Secretary of Labor before the subcommittee, in behalf of these eight additional jobs. They have nine people now engaged in this activity and they are asking to build it up. It is just another one of those attitudes that I described in my remarks on the bill. Now if there is such need to fight communism as the gentleman would say, then certainly the army of occupation in the occupied area in Germany, and certainly the State Department, have almost limitless funds with which to bring any labor leader that they want to into the field to discuss labor activities.

It does seem to me without dragging in the old red herring of sending someone over there to fight communism to elicit support of the idea that we are going to build up this agency here to fight communism, that this when broken down is just another illustration of the attempt to start with a couple of men in the Secretary's office devoted to international affairs, build it up to eight, and then the next year double it so that you will have 16 or 20 men, and finally you have got a full-fledged international bureau in the Department of Labor.

The subcommittee considered this thing very carefully and we felt that we were acting according to reason and common sense.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. FOGARTY. I am surprised to hear the gentleman use the argument that he has, that our occupational forces have plenty of opportunity to call any man, that our State Department has plenty of opportunity to call any labor experts. Why, the gentleman has been one of the strongest advocates of getting labor operations into the Labor Department, State Department operations into the State Department, and keeping these other agencies out of places where they do not belong.

Mr. KEEFE. That is exactly right.

Mr. FOGARTY. In the State, Justice, Commerce bill passed last week efforts were made at every point to put labor operations in the Department of Labor.

Mr. KEEFE. The gentleman does not seem to realize that the program he is talking about is an international program for the State Department and for the occupation forces. The program that I was endeavoring to work on here was in our own country to bring labor operations to the Department of Labor, to lodge there the facilities that ought to belong there.

I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I offer an amendment:

Amendment offered by Mr. FOGARTY: On page 3, after line 3, insert the following:

"Salaries and expenses, Bureau of Veterans' Reemployment Rights: For expenses necessary to render assistance in connection with the exercise of reemployment rights of veterans under the Selective Training and Service Act of 1940, as amended (50 U. S. C. App. 308), and, under the act of June 23, 1943, as amended (50 U. S. C. App. 1472), of persons who have performed service in the merchant marine, including personal services in the District of Columbia, $509,000."

Mr. FOGARTY. Mr. Chairman, this is an amendment to restore to the appropriation bill the Division of Veterans' Reemployment Rights. This is an amendment that you can either adopt or not adopt. You are either going to adopt this amendment to keep faith with those veterans who are in the service now or refuse to adopt it and tell the veterans that they can take care of themselves when they get back out of the service, after they have been guaranteed the rights by this Congress only a year ago when this Division was taken over from what was left of the Selective Service Act and what is now called Public Law 26. This Division inherited certain duties prescribed by the Selective Service Act, and every veteran who goes into the service or those who have reenlisted who served during World War II and those now entering the armed services are guaranteed these services and rights, call them what you may. I know you will say we are not taking away rights, but we guaranteed them the services of this Division, and we are breaking faith with them if we do not give it to them now.

The major portion of their work is not their reinstatement to the job they held at the time they went into the service, but most of the cases that come up now relate to the questions of wages, seniority rights, and vacations with pay, sometimes a year after they have been reinstated to the job they held. There are 50 decisions now awaiting final action in the appellate courts and 200 pending in the district courts.

I know what the argument of the chairman is going to be, that we are not taking away any rights, that he still can

have the right to go to the district attorney. How many individual veterans are going to fight their cases all the way up from the bottom to the district attorney? If we allow that to be the case, the district attorneys of this country would be swamped with all sorts of cases. This is no way to do anything. The gentleman knows quite well that to do away with this division it takes a joint resolution of both the House and the Senate. General Hershey has admitted that. The Solicitor of the Labor Department has handed down a decision. No one has denied it, not even the chairman of the subcommittee. But this is a back-door move of doing away with something that we just do not like. The real way to do it, the human way to do it, is by legislation. This law is still in effect. We are denying the veterans the services to which he is entitled under law. Now, the gentleman may use the same type of argument he made against my last amendment. This division has only seven men here in Washington. They have 82 in the field all over the country, working with 3,300 voluntary committeemen all over the country to help the veterans build up their cases and present them to the district attorney, if they cannot get it straightened out before it gets there. There are thousands of these cases that they have straightened out without any record of it ever being kept. The district attorney is not being bothered with them at the present time. But taking this division away from them, by not appropriating funds to it, you are denying the veterans the promises that were made by this Congress that this was a service for them. It was a service that they could rely on when they received their honorable discharges and went back to the job they held before they entered the service.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, because the vehement statement made by my good friend may leave some erroneous impressions, at least so far as the RECORD is concerned, I think that I ought to state the action of the committee quite clearly. As is quite characteristic in the well of this House, whenever the opportunity presents itself to declaim about the rights of the veterans, why, advantage is always taken and it has been made to appear that the committe has not the interest of the veterans at heart, and that this is going to be a stab in the back of the veteran, and all that sort of thing.

Now, I explained this situation in my general statement. What happens? Why Selective Service contains this provision setting up this Board for veterans who were taken out of jobs that Selective Service said were to have reemployment rights, and they set up in Selective Service a little group designed to offer facilities to the veteran who found himself in a jam with his employer, not being able to get proper and suitable reemployment rights. It was testified clear as a bell, and I know because I was in Congress when that law was written, that it was the clear intent of the Congress that when the last Selective Service selectee was out of the Army, that function and that right should stop. Unfortunately, the Solicitor in the Labor Department—and he is always solicitous, of course—rendered an opinion that this right extended on and on and on to everybody for 100 years to come, as he interprets the law; that anybody that leaves a job and goes into the Army, voluntarily enlists, and stays in for 10 years, or 20 years, or 50 years, and then comes out, could demand of his old employer reinstatement and rights. There is not a veteran in the United States that believes any such thing as that.

Now then what are the rights that are protected by this great organization we hear tell about? All they can possibly do is to advise the veteran, and we have 3,500 such agents scattered all over the United States in the form of county service officers, employment services, veterans' counselors, and all that sort of thing to counsel and advise. Suppose they get into a jam with an employer. What happens? This organization cannot do anything for the veteran. The only thing they can do is to refer him to the United States district attorney, and from then on they stay out of the picture, because the activities in promoting the rights of veterans in the field of reemployment then fall within the purview of the activities of the various and sundry United States district attorneys. The action of the subcommittee has not taken away a single right of a veteran. Every right that any veteran has to reemployment is preserved, and if he cannot get along with the advice of these county service officers, with all of the employment counselors which are contained in all of the thousands of employment offices throughout the country, and with all the counsel and advice from all of the veteran posts in America—if he cannot get that counsel and advice in all those places, then it is, indeed, a sad situation.

We propose simply to say that here is an office that is carrying on, and they know themselves mighty well and I do not expect that this Congress is going to give them the money to continue, because it is a very rapidly declining outfit.

Just to show you how unfair this situation is, last year we gave them $500,000 for this activity. This year they are asking for $509,000, according to the amendment offered by my friend from Rhode Island. In this very bill we have a rescission of $52,000 on their own statement that they are not able to spend the $500,000 we gave them last year.

Mr. Chairman, I ask for a vote to sustain the action of the committee.

Mr. FOGARTY. The gentleman should tell the whole story on that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 8, line 20, strike out "$2,500,000" and insert "$4,073,700."

Mr. FOGARTY. Mr. Chairman, this is to restore not all that the Bureau of Labor Statistics has asked for but just to give them what they had for the fiscal year 1948. I suppose when I get through with this amendment the chairman of my committee will come down here and make some half statements as to what the actual facts are, and then ask for a vote without giving anyone an opportunity to answer.

There are members of this committee who are going to vote against this amendment today whose committees are using these statistics every day in the week, and depending on these statistics. There are several committees in the House that day in and day out are going down there and asking for statistics of various kinds, and using them in providing the legislation that comes before this body, yet they try to sit back and complain today that the statistics they get from these 34 cities in their cost-of-living index are not worth a whoop because it does not give enough coverage. I do not agree with them, I know they are used extensively by labor, management, and others.

One of the biggest problems we have today is home construction. The Joint Committee on Housing of the Senate and the House have used these statistics extensively. It is the only way we now have of getting an idea as to how many homes are being built throughout the country. The only statistics we ever had before were the number of permits that were being granted in the large cities, but now because of the tremendous growth of home building in the outlying districts, in the small towns and communities where there are no permits issued, this is the only way we can get those statistics. They are doing a good job of it.

You say these statistics are old. When the price break came 6 weeks ago in the stock market and commodity markets, it was only a couple of weeks later that the Bureau of Labor Statistics had a breakdown of just what the cost of living was, how much it had gone down. Some of this information is on a daily and weekly basis. One of the most concrete examples I think they could offer was the last cost-of-living index they offered here for a workingman's family of four—they broke it down item by item as to how much was paid for rent and how much for his car, and so forth.

Illustrations of the bedrock character of the Bureau's present program are:

First. Cost of living: All that is left of this cost-of-living program is the national consumer price index, monthly, and indexes for 34 large cities, of which 10 are available monthly, and the other 24 only quarterly. Up to the summer of 1945, indexes were available for 73 cities, including 20 small cities. Now, there are no indexes for small- or middle-sized cities. Eleven of the cities for which indexes were produced monthly until July 1947 are now available only quarterly. This infrequent timing has caused considerable inconvenience where wage contracts were based on the monthly index. The Joint Congressional Committee on the Economic Report used the Bureau's information extensively and wanted it for more cities than were available. In view of the current price rise, this index is used in thousands of cities throughout the country, yet there are no cost-of-

living indexes in the whole of the Rocky Mountain and Great Plains States except for the cities of Denver and Houston. Approximately 30,000 copies of current data on the consumer price index and food-price data are furnished each month in response to requests. Seven thousand five hundred copies of the recently issued city workers' family budget have been distributed in response to requests. In a 10-day period the Superintendent of Documents received orders for the purchase of 3,500 copies of this publication. The Bureau has asked for more funds to do indexes for 24 additional cities so that there will be one in every State. In order to maintain quality and reliability of the index, it is requested that the number of cities included in the consumers price check be increased from three to six. A small increase is also requested for one calculation of the city workers' family budget in 1949.

Second. Wholesale prices: Only the national indexes of wholesale prices are now being produced, and a much-needed program of revision has been greatly slowed up. The official weekly and monthly indexes are still published on the same schedule as before. All special indexes have been discontinued, including the widely used information on prices charged by dealers in building materials to contractors in 53 localities. These reports were begun by the Bureau before the war. They are needed now for estimates of the rise in construction costs and would be restored under the proposal for an index of home construction costs requested for next year. This information is used primarily by business and research organizations. Approximately 20,000 copies of current data are furnished each month in response to requests.

Third. Wages: The regular wage-rate program of the Bureau has been cut in half this year. Only six or seven big industry-wide studies of wage rates by occupations can be made. This means that shortly there will be little up-to-date information on the numbers of persons receiving various hourly wage rates in our major industries. The Bureau is concentrating on wage rates for key occupations in key industries in about 33 large cities, available once a year, and is getting these figures out promptly for immediate use in wage contracts between industry and labor. Much less detail is obtained than formerly and there is criticism of this lack of detail. During 1947 inquiries were received for wage data at an annual rate of approximately 85,000, of which 53 percent originated with employers and employers' organizations.

Almost no information is being obtained on wages in small cities or in white-collar and semiprofessional occupations. An increase is requested for this purpose in order to measure the pinch of high living costs on white-collar workers and to meet urgent requests from employers for a basis for setting wages.

Fourth. Productivity: The Bureau now prepares indexes of productivity and labor cost for about 35 industries. A request for additional funds has been made to permit use of 1947 Census of Manufactures data and restore coverage to the prewar figure of 65 industries. Productivity indexes for durable-goods industries—like machine tools, industrial equipment—cannot be compiled from census data but are prepared by using cost-accounting data supplied voluntarily by manufacturers who are willing to go to considerable expense so that the BLS can compile industry-wide reports. The Bureau is now able to schedule less than half as many such studies as last year. A small increase is requested to supplement the field staff working on these reports. A small increase is also requested for the Bureau's studies of interindustry relationships, extensively used by the Council of Economic Advisers and all other agencies concerned with national economic policy.

Recent events have made it clear that wage changes must be related to changes in productivity unless undesirable inflationary influences on price levels are to result. These data are used mainly by persons in strategic policy positions for collective bargaining, price and marketing decisions, and for the formulation of national and international policy.

Fifth. Occupational outlook: This work, initiated at the request of Congress in 1938, has been reduced substantially from last year so that studies of occupations in only six major industries will be made this year as compared with nearly twice that number last year. These studies are best-sellers that are used for vocational guidance in schools all over the country. Over 30,000 copies of these studies have been sold by the Superintendent of Documents. The Bureau's program this year also includes brief surveys of the occupational outlook for jobs in which veterans are interested, done at the request of the Veterans' Administration.

Sixth. Employment, pay rolls, and earnings: The national statistics of employment, pay rolls, man-hours, average hourly earnings, and average weekly earnings are virtually all that remain of the Bureau's employment and pay-rolls program. The technical soundness of these basic statistics, which the Bureau of Labor Statistics has produced since the last war, is threatened unless the Bureau can reclassify the firms reporting to it on the Government's new standard industrial classification so that these employment figures will be on all-fours with the 1947 census of manufacturers and the social-security data. If this reclassification and the accompanying revisions are not made, the usefulness of these basic statistics to industry, chambers of commerce, labor, and Government will be seriously impaired. They are obtained in part through cooperation with some of the States. Last year there was a Federal-State cooperative program in operation in which the Bureau did much of the work in obtaining sound and comparable employment statistics, by States, for all of the 48 States, not only for manufacturing but for all nonagricultural employment as well. This State program has been remnant in the cut of the current fiscal year. A slow extension of cooperative arrangements with the several States is now under way. The proposed increase for next year would put this cooperative BLS-State-UC program on a sound basis for all States alike. Over 15,000 copies of the monthly report on employment are distributed each month in response to requests.

Seventh. Construction: The current program covers in the main national figures only on the dollar volume of construction and the number of new dwellings. Approximately 4,700 organizations and individuals receive these data monthly in response to requests. Many of these requests are for data on local areas, and for information about housing costs and selling prices.

Last year the Bureau had information on the production of new housing in 65 local areas. The Joint Congressional Committee on Housing made use of these data in its hearings in various sections of the country. The reduced budget for this year made it necessary to discontinue the local series, but our budget request for next year proposes the restoration of housing-production data for 20 local areas.

There exists at present no official information on the change in housing costs from time to time. The Bureau's budget request for next year proposes to establish a housing-cost index and an analysis of the relative magnitude of labor costs, material costs, and other elements entering into the total cost of constructing new homes.

Eighth. Accident statistics: These statistics on industrial injuries, reported by industrial firms, are issued quarterly and are a long-standing basic series. In addition, two field studies of causes of industrial accidents are made each year in industries with high accident rates, and the results are used by these industries in safety campaigns. It is requested that funds be granted to do four studies next year, not two, as for several years past. Work injuries disabled 2,000,000 workers in 1947. Of this number 200,000 were in industries proposed for study in 1949.

Ninth. Strike statistics and other industrial-relations work: Monthly statistics of strikes and lock-outs are issued by the Bureau on the same basis as for many years, with an annual summary giving strikes by industries, by States, by union organization, and so forth. This program is unchanged from last year. These statistics are standard and the Bureau is the only source for them.

The Bureau now has responsibility under the Taft-Hartley Act for assembling and maintaining the official file of collective agreements between employers and unions. This is absorbing an increasing amount of time. Consequently, the Bureau has found it necessary greatly to reduce the rate at which it publishes provisions of collective-bargaining agreements which have been a standard part of the Bureau's program for many years. Over 9,600 copies of one bulletin, No. 686, on union agreements have been sold, and over 10,000 copies of sections of a revised edition have been furnished in response to requests. An increase is requested in order to expand the staff handling the file of collective agreements sufficiently to keep the file current. Agreements are renegotiated annually now for a wide range of industries, where previously

they were continued more or less unchanged from year to year. With a great increase in the number of unions and in their membership, the job of maintaining the current file is growing constantly. Some addition to the staff will be necessary if the Bureau maintains its statutory responsibilities.

Why, almost every employer in the country uses this agency. All labor organizations use it. The National Association of Manufacturers wants this agency kept intact. The chambers of commerce throughout the country want this agency kept intact. I know there may be one or two items on which they may disagree, but in the over-all this agency is one of the most worth while in our Government at the present time, especially in view of the unstable economic conditions that exist today.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment. I sympathize a great deal with this distinguished Committee on Appropriations in searching for places to reduce the overhead of government. But I am afraid that in this cut of $1,500,000 for the Bureau of Labor Statistics, they are genuinely being penny-wise and pound-foolish.

I do not know of a single agency in the entire bill whose services are so widespread and generally accepted by everyone working in statistical information or handling news items. The amount of money involved in this amendment is vital for the Bureau of Labor Statistics if they are properly to carry out their job of furnishing reliable reports.

Last year the newspapers of this country conducted a poll to see what were the 10 big stories of the year. If I am not mistaken, I believe the cost of living ranked No. 2 as the biggest story of the year.

Yet here is an agency being greatly reduced that collects this data from the cities and coordinates it so that the people of this country can have some valuable gage or yardstick that they can depend upon as to the state of our economy, employment, and the important relationship of wages and prices. This agency is being drastically cut.

This agency is trusted by the Associated Press, the United Press, the National Association of Manufacturers and the chambers of commerce. It is trusted to a very large degree by the labor organizations although they have questioned its accuracy more than any other group in this country.

Now to come along now with this 38-percent cut, taking over $1,500,000 out of their budget this year, after having given them a 40-percent cut last year, I think you are destroying the value and reliability of the product. Anyone familiar with such matters knows that statistical information is only as good as the base or the number of figures upon which it is founded. By cutting out from the Bureau of Labor Statistics the money necessary to gather sufficient factual statistics, you are going to still have something that is called the Reports of Bureau of Labor Statistics, but the public in general are going to be the ones that are gypped in the process. They will lose faith in the accuracy and reliability of the reports. Let me read to you some of the subjects they furnish Congress information on and furnish to all elements of business and labor life of the country: Employment, pay rolls, hours worked, earnings, wage rates, wholesale prices, cost of living, rent, volume of housing, number of strikes, the number of industrial accidents and their causes, and so on.

Gentlemen, is not this factual information worth $4,000,000 a year for a country whose $200,000,000,000 economy in these troubled times must have some accurate gage to know exactly what is going on. We dare not fly blind in these times.

No one has produced any information or evidence to show that the industries, labor, all of the people relying on those statistics do not want it or that they distrust it. All that I can see is that in a blind effort to effect economies they have picked on this small agency to make a major cut, which will destroy the value of the product itself.

To show you how penny-wise and pound-foolish this can be, the Congress itself has authorized over $3,000,000,000 in 90-percent Government-insured housing, yet when this cut goes through you will not be able to collect any statistics on construction costs or wages or cost of materials, and so forth, on housing costs. We will not be able to go beyond the very simple totals of building permits that are issued by the cities for this housing.

Every person within the sound of my voice knows that the big housing developments today are going on in the perimeter of the cities and do not come through the city building permits. You heard the chairman of the subcommittee on housing, a member of your majority party, say that they had relied strongly on the Bureau of Labor Statistics for the facts in the housing survey that they were making.

In my own Committee on Banking and Currency, it is one of the most important services we have. One of the things we found in Europe in trying to collect data to consider the Marshall plan was that the European statistical data did not have a sound base.

Yet we are wrecking a chance to get a sound base for our own statistics. These figures on costs and prices, once lost for 1948, cannot ever be regained, or if they are attempted to be regained, will cost 60 to 100 percent more to try to put them back together in a factual way. The value of this type of reporting is that it covers a long span of years in its records. If one year is weakened, the whole structure is damaged.

You undoubtedly know that the wages of more than 8,000,000 employees in this country are involved. The employer and employee wage agreements between labor organizations and management are based on this cost of living data that the Bureau of Labor Statistics produces.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I rise in opposition to the amendment.

Briefly I suggest there are some figures here that it might be well to have in mind.

In the first place, the Bureau of the Budget has approved and this Bureau had requested $5,389,200. That is to take care of 298 new positions, added to the approximately 1,000 already on the pay roll of the Bureau of Labor Statistics. Let us see what happens. This outfit is another member of the Topsy family. In 1937 the regular appropriation for this Bureau was $850,000; in 1938, $784,000; in 1939, $828,000; in 1940, $1,012,500; in 1941, $1,107,580; in 1942, $1,080,590; 1943, $1,207,203; 1944, $1,312,300; 1946, $1,492,420.

This year they are asking for $5,389,200.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SCHWABE of Oklahoma. I yield.

Mr. MONRONEY. Will the gentleman also read to the House the amount of money that was furnished to the Bureau of Labor Statistics by the war organizations to carry on the necessary tabulations?

Mr. SCHWABE of Oklahoma. Yes; but the war is over, and if you will read the hearings, you will see that all of this housing statistical information you have spoken about is absolutely guesswork and does not furnish any reliable basis for information. That is due to the fact, as the hearings disclosed, and as the Bureau officials themselves revealed, that they had thought they could get this information from building permits, but they found they had to go out in the country, because most of the houses are out there. They found it is not anything that is reliable on housing and their witnesses so testified, and as a matter of fact, their information, as we all know and as the hearings reveal, is out of date—of little or no use generally when received. But they want 298 more positions to add to this crowd they have been accumulating there.

In the words of the committee in its report, I think I might conclude "As to certain of the activities there appears to be reasonable basis for question as to whether they have any substantial value at all."

I ask for a vote.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUBER. Mr. Chairman, I rise in favor of the amendment of the gentleman from Rhode Island [Mr. FOGARTY]. I should like to talk briefly about the Appropriations Committee's recommendation for the 1949 appropriation of the Bureau of Labor Statistics. This cut of $1,500,000 is, in my opinion, absolutely unjustified. The public uses the figures of the Bureau and wants more of them, not less. This is especially true of the cost of living and prices.

As a member of the Joint Congressional Committee on the Economic Report, during September and October of last year, I traveled with subcommittees throughout the Midwest, the far West, and the Pacific Northwest. We went out for the purpose of gaining an insight into the grass-roots feeling and thinking of citizens on the high cost of living, the responsibility for currently high prices,

and the possible ways in which the problems of high prices might be met. We visited Cleveland, Chicago, Denver, Salt Lake City, Los Angeles, San Francisco, Portland, and Seattle. In each city, we heard from representatives of labor, management, veterans, farmers, consumers, and citizens' groups.

All witnesses were fortified with detailed information on the high prices of consumer goods and the resulting lowering of standards of living. Most of them quoted published data of the Bureau of Labor Statistics on prices, wages, employment, and housing whenever they had it, and many of them described their own personal experiences or the experiences of members of the groups they represented.

It was perfectly clear from this testimony that the public in general knew about and used the figures of the Bureau of Labor Statistics. There was criticism from the public because the Bureau's reports were not as frequent nor as timely as they had been during the war. There was even some direct criticism of the Congress for the cuts in the Bureau's appropriation last year. These people depended upon those reports. In some cities they had had to be cut out.

We found that the Bureau's information was the only accurate and reliable and unbiased price information that we could get for comparisons with individual testimony that were sometimes exaggerated. In fact, the committee itself would have been at a loss to appraise accurately the local situation in each city as far as retail food costs were concerned, had not the Bureau conducted special surveys in each city 2 or 3 days prior to the time of the hearing. Without fail, we had a report of retail food costs covering the current week in each city as we opened hearings. This service was invaluable not only to the committee but also the various organizations which testified.

It was very enlightening to me, during these hearings, to learn that the information released by the Bureau of Labor Statistics was so important and was being used so extensively by labor, management, and the public in general.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield.

Mr. HAYS. My district does not use the agency as much as some but it is my impression that the professional standards developed by this agency are very high, unusually high, and the facts the gentleman has quoted seem to indicate that their figures and statistics are very dependable. That has been my experience. I wonder if the gentleman's observations on this trip, to which he referred, do not confirm the impression that here is an agency that has done extremely good work, nonpartisan, nonpolitical, but a good job professionally.

Mr. HUBER. The gentleman is entirely correct, and that opinion is shared by members of both political parties making up this joint committee of which I am a member.

Mr. MONRONEY. And is it not also a fact that if this cut goes through, this monthly report on the cost-of-living index will not be continued and we probably will go back to a report once every 3 months?

Mr. HUBER. The gentleman is exactly right.

Mr. KARSTEN of Missouri. We are on a quarterly report basis now. If this cut goes through it will not be even on a quarterly basis.

Mr. HUBER. The figures furnished will be so old as to have practically no value.

It seems to me that during a period of critical economic developments, such as we are going through at present, the Federal Government should provide reliable, current, and accurate economic statistics. This is no time to cut off what we have.

Previous to July 1947 the State of Ohio had two cities, Cleveland and Cincinnati, for which a consumer's price index was put out monthly by the Bureau. Now the index for Cleveland is computed on a quarterly rather than a monthly basis. This has caused considerable inconvenience where wage contracts in Cleveland were based on the monthly index. But what about those States in which there is no index? Will they be required to use the national index for their wage negotiations? Has any provision been made for this by the committee?

As a result of the big reduction in its appropriation last year, the Bureau was forced to cut in half the number of large cities for which its cost-of-living index was issued monthly, from 21 large cities to 10, and to get them out quarterly. Cleveland was only one illustration. The Bureau also had to eliminate many important services which may result in the deterioration of the quality of its other information—on employment, wages, and housing which have always been accepted without question previously.

This is an old Bureau. It goes back to the 1880's. It helps industry and labor alike. It plays no favorites. It renders a broad public service. This is not a partisan issue. In my opinion, the research function of the Bureau of Labor Statistics is of extreme importance to the Congress, to the executive branch of the Federal Government, to labor and management, and to the general public. We should not overlook the important need for current and reliable economic information during this period of inflation and uncertainty.

The proposed program of the Bureau of Labor Statistics is vital to the postwar period. Instead of cutting their appropriation further, I firmly believe that we should consider the ever-increasing public need for their work—and grant them adequate funds to meet this need.

I hope the gentleman's amendment will be approved.

Mr. CARROLL. Mr. Chairman, I rise in opposition to the pro forma amendment.

I should like to ask the gentleman from Oklahoma [Mr. SCHWABE] if he will respond to a question or two?

Mr. SCHWABE of Oklahoma. Certainly.

Mr. CARROLL. The gentleman has stated there were 298 additional positions cut out in this bill. Will the gentleman tell the Members of the House how many positions were lost as a result of the cut in the 1948 appropriations?

Mr. SCHWABE of Oklahoma. I do not recall, but it was not as great as it should have been.

Mr. CARROLL. Let me ask another question: In addition to the 298 positions that have been taken from this budget what has the further cut in appropriations done with reference to positions?

Mr. SCHWABE of Oklahoma. They were asking 298 in addition to the 1,000 they already had.

Mr. CARROLL. The gentleman has not answered, probably he did not understand my question.

Mr. SCHWABE of Oklahoma. Possibly I did not.

Mr. CARROLL. The bill is cut $1,300,000 below the budget estimate, but in addition to that a further cut of $1,500,000 was made. I am wondering how many other positions have been taken from the Bureau of Labor Statistics.

Mr. SCHWABE of Oklahoma. I do not have the compilation here, I could not answer that question. The number left, however, was considered ample.

Mr. CARROLL. I thank the gentleman very much.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize the necessity for the Bureau of Labor Statistics just as well as any one who has spoken. I have known this work now for 10 years and have been quite intimately associated with it. I have known three directors of that great Bureau during that time, starting with Dr. Lubin, and then Dr. Heinrichs, and now the present Commissioner, all of whom were able men. But, you get the impression by listening to my friend the gentleman from Oklahoma [Mr. MONRONEY], and one or two others, that this committee has destroyed the Bureau of Labor Statistics. Emphasis has been placed upon the fact that we should have this cost-of-living index maintained. The cost-of-living index will be maintained under this appropriation very, very definitely. The one thing that this appropriation cut does is to eliminate out of the Bureau of Labor Statistics some of the activities that have been built up as wartime activities, when we are trying to get it back to something of the size that it operated on during peacetime.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KFEFE. I yield to the gentleman from Missouri.

Mr. KARSTEN of Missouri. The gentleman says this cost-of-living index will be retained. Will it be retained on a quarterly basis or a monthly basis?

Mr. KEEFE. It should be retained on the basis that it is presently operating, provided they spend the money for that purpose.

Mr. KARSTEN of Missouri. I would like to point out that in my home city of St. Louis it was placed back on a quarterly basis, because sufficient funds were not provided last year.

Mr. KEEFE. Well, they perhaps have utilized the funds that were provided for

other purposes. That is a characteristic in any Government service when you attempt to build up an appropriation, but these people who are shedding such great crocodile tears over the Bureau of Labor Statistics ought to note that right down to 1946 the regular appropriation estimate for this Bureau was only $1,492,420. They always got their funds. I served on this committee under Judge Kerr, Judge Tarver, and Butler Hare. It was well understood during the wartime period, when great allocations of funds were being made to these agencies for war activities, that they would set those up budgetwise as separate activities, and when the war was over it was the understanding that their budget was to be cut back.

Mr. KARSTEN of Missouri. We need it worse now than we ever did.

Mr. KEEFE. Well, that is what the gentleman says. That is what every bureaucrat says who wants to build up appropriations.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 34, noes 75.

So the amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 2, line 4, strike out the sum "$274,200" and insert "$336,000."

Mr. FOGARTY. Mr. Chairman, this is for the operation of the Women's Bureau, of which this subcommittee has cut out sixty-two-odd-thousand dollars which means, in effect, that the subcommittee has seen fit to do away with all of the field offices of the Women's Bureau. As I said in my opening statement, I do not think anyone in this country denies that the women played a large part in our all-out war effort from 1940 until the termination of the war. In every shipyard in the country, in every manufacturing plant in the country, women were doing their part and taking a man's place at the machine and the wheel. They played a tremendous part in the building up of this country and supplying the materials of war. Are we to come along now and take away a measly $62,000, which does away with every field office in the country? All my amendment does is restore the $62,000, so that they will have the field offices they have for 1948, plus one more which will be located in Atlanta, Ga.

There are 18,000,000 women today working in industry. They no longer work for pin money. It is an economic necessity for them to work in view of the high cost of living. Many of these women are widows of veterans. This is the only agency of Government that gives them any recognition of any type or kind. This is the only agency of Government that the women of this country can look to for advice and for protection in connection with wages and hours and working conditions; yet we want to be small and measly and take away this small sum from an outfit that is asking only $336,000 out of a billion-dollar budget. Mr. Chairman, they are not asking for anything at all. They ask for only $336,000. I should think, Mr. KEEFE, in the name of the women of this country, that you would relent on this particular item and give in just a little bit by going along with this amendment.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would not even take the time to reply to such an argument as has just been made except for the last remarks of my friend from Rhode Island. It is a great thing to be chairman of a subcommittee of the Committee on Appropriations or to be chairman of the full committee. You are the butt of all the abuse that can be heaped on you by those who are seeking special favors.

I am simply astounded that my friend from Rhode Island would make the statement he just made and appeal to me personally and ask me to relent in behalf of the good women of America and try to make it appear that the chairman of this subcommittee does not like the women of America. Why I love them all. I have lived with one woman for 36 years and raised a few of them that are out raising grandchildren for me and for them. This argument that the gentleman has made is puerile and small, in asking for the incorporation of the Women's Bureau field office.

The gentleman says there are over 20,000,000 women engaged in industry. I have been around this country and spoken to thousands of them that never heard of the Women's Bureau and do not even know it exists. There are women all over this country that do not know there is such an organization and care less about it. We are being mighty generous with the Women's Bureau when we give them the money we are giving them in this bill.

All we have done is simply to say to them, "You perform the functions the law puts upon you here at Washington, but you are not going to start building up a great lot of regional offices scattered all over this country that can operate through the teletype as a vehicle by which to rouse up the country to get bigger and bigger and better appropriations." That is the kind of influence that has been brought to bear upon your subcommittee. As far as we are concerned, we are giving the Women's Bureau all the money they need to carry on their functions. I would suggest to them that they get out and demonstrate to the women of this country where they are doing some benefit to them and where the women of this country are getting some benefit from them.

I see that my friend from Rhode Island himself laughs. I think he should laugh after making the argument he did make.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 4, line 17, strike out "$5,000,000" and insert "$5,121,800."

Mr. FOGARTY. Mr. Chairman, the Wage and Hour Division this year asked for $5,121,800 for the fiscal year 1949.

I think everyone in this body will agree that this is one of the most worth while agencies in Government. It seems quite strange in this day and age when we have a minimum wage law of 40 cents an hour that we are continually finding violations throughout the country. In this year out of only 40,000 establishments visited, they found violations in 20,500 of them. They found that there were $18,000,000 due in back wages and under a voluntary agreement with the employers themselves, they willingly paid back $8,500,000, which is over three and a half million dollars more than we are appropriating for this agency. Yet we are cutting this agency that only has enough money now to cover not more than 40,000 out of 550,000 establishments existing at the present time. We want to cut an agency now that cannot do one-tenth of the work that should be done and cannot make one-tenth of the coverage that should be made of these establishments, and when even under a 40-cent-minimum-wage law we are still finding these violations when most of the employers are not paying less than 75 cents an hour.

Just observe the significance of this item I clipped from a periodical entitled "Everybody's Digest":

SLAVE LABOR IN AMERICA

(By William B. Smith)

"So you're that Federal man, are you?" The mill owner lifted his voice above the strident noise of a band saw that was ripping its way through a pine log.

"Yes, I am," the wage-hour inspector smiled carefully. "You've got a nice operation here, Mr. Hornbeck."

"Not bad for a peckerwood." The owner pointed to a walled-off cubby hole. "I reckon you'll want to look at the books, so we might as well go into the office. I don't keep very fancy records, but I think you'll find everything's O. K. I'm paying better than 30 cents an hour, and time and a half for what overtime there's been."

They were talking, of course, about the Fair Labor Standards Act, which put a floor under wages and a ceiling over hours for employees who were covered by the act. These basic requirements are well known today but back in 1940 not all employers understood them.

Mr. Hornbeck's pay roll was small and his accounts were simple. He was paying better than 30 cents, except for two employees—week after week they had drawn only 22 cents an hour.

"Mr. Hornbeck, what about these two men?" the inspector asked, "William Washington and Andrew Jefferson? They haven't been getting 30 cents."

The mill owner looked surprised. "You mean to tell me that this wage-and-hour law applies to colored men?"

"It certainly does—and I'm afraid you'll owe those boys quite a little back wages—restitution, as we call it."

Such incidents were rather rare, even in the early days of the Fair Labor Standards Act, but every veteran inspector can cite cases where ignorance, prejudice, or willful violation cut into the earnings which employees were legally entitled to under the act. They helped to make up a restitution bill amounting to more than $108,000,000 since the law took effect October 24, 1938.

The act also contains provisions to curb one of the ugliest of industrial inhumanities: child labor. Take the case of a war contrac-

tor in a southern community. To avoid arousing public opinion, this concern had its youngsters—some of them only 12 years old—report for work on the midnight shift, when most of the townspeople were asleep. And, believe it or not, this company actually rounded up old Bibles and wrote in names and birth dates to convince inspectors that the children were old enough to work.

The Fair Labor Standards Act applies generally to 20,000,000 employees engaged in commerce or in the production of goods for interstate commerce. During the first year of the act, covered employees, as they were called, were entitled to 25 cents an hour and time and one-half their regular rate of pay for all hours worked beyond 44 a week. On October 24, 1939, the minimum wage was increased to 30 cents an hour and overtime began after 42 hours. One year later the overtime provision took effect after 40 hours. By July 1944 the legal minimum had been raised to 40 cents an hour for all industries covered by the act.

In every case these increases were based upon the recommendation of industry committees representing employers and employees in the industry and the general public. The purpose of gradual steps was primarily to enable employers in the low-wage industries to adjust to higher wage scales.

Today, especially, we are apt to think that a 25-cent or even a 40-cent floor under wages would never have affected more than a handful of workers. But the record tells a very different story. Behind that total of $108,000,000 in restitution lie thousands of minimum-wage violations in every branch of industry covered by the act.

And in case you imagine that wartime wage boosts ended the need for legal minimum, just remember that in the fiscal years 1941 and 1942 wage-hour men found minimum-wage violations in more than 30 percent of the covered establishments which they visited. And even last year, fiscal '47, the rate of violations was 9 percent.

The legal minimum brought direct wage increases to about 3,500,000 workers. These men and women were at the bottom of the economic ladder. Largely unorganized, they and their families got the first real taste of the American way under the wage and hour law.

Many of these workers were getting as little as 10 cents an hour before the act was passed. And some of them continued below the poverty line.

The logging camps of Minnesota furnished the background and the evidence for the first criminal case that this enforcement drive uncovered.

When the evidence was finally presented before Federal Judge Nordbye at Minneapolis he fined three owners of two interlocking lumber companies a total of $10,000 and ordered them to pay some $35,000 in restitution to 700 employees.

This was no casual misinterpretation of the law. Youngsters 8 years old were peeling pulpwood, piling brush, or slash, or even cutting brush. Boys of 12 were swinging axes or pulling saws, piling logs, loading lumber, and felling trees—dangerous work for grown men. Girls from 12 to 20 were doing men's work.

Pay checks were scanty—to put it mildly—and living conditions in the shacks where families crowded together were almost unbelievable. Whole families worked and the average pay check—made out to the father of the family—was found to be $6.18 a week in the winter months and $9.66 in summer.

Child labor has an ugly sound and it is ugly in fact. That is why the Fair Labor Standards Act contains provisions which have curbed many of the old abuses which had taken root in some sections of American industry.

One of the worst forms to detect and correct is industrial homework, where often the pay was so low that whole families worked far into the night to keep body and soul together. Frequently the attitude of the mothers themselves made these cases hard to crack. Women who needed money and knew nothing about the Fair Labor Standards Act were afraid to admit the long hours their children worked. Piecing the evidence together was slow business.

But wage-hour men can point to many cases like that one in Chicago where a hairpin manufacturer agreed to pay restitution totaling more than $100,000 to several hundred families. Their kids ate better and dressed better after that case was settled.

Though Congress took a year to consider and finally pass the wage-hour law, more than one company challenged its constitutionality in the courts. Several Supreme Court rulings upheld the act and definitely established the right of Congress to protect the welfare of workers under the "commerce clause."

The administration and enforcement of this far-reaching act rests with the Wage and Hour and Public Contracts Division of the United States Department of Labor—a big mouthful and a big job. The field work is directed from 13 regional offices strategically located from coast to coast.

With half a million establishments covered by the act, inspectors can reach only a fraction each year. In the 12 months ending June 30, 1947, they visited 40,000 establishments.

Obviously anything like full compliance would be out of the question unless employers themselves were willing to obey the law. Today the vast majority are willing—and they want their competitors to toe the line as well. They know that compliance means protection. Protection from the kind of competition that wage-hour men found in a Georgia mill town.

Women workers were the victims this time. The cotton mill which employed them was managed by a man who was familiar with the wage-and-hour law. So familiar, in fact, that he kept books showing that he had paid the full minimum wage for every hour these women worked.

But the number of women on his pay roll seemed small in comparison with the size of the plant and the number of machines in operation. So the inspector did what wage-hour men frequently do. He got in touch with the employees themselves.

They were cautious at first.

"I wouldn't like to say anything—"

"It might cost me my job—"

"Why don't you ask Mary Scanlon—she quit last week. Mary could tell you a thing or two."

And Mary did. The inspector learned that each woman whose name appeared on the pay roll had a helper and was forced to split her minimum wage two ways—half for herself, half for her helper.

When that case was finally settled in court, fines totaling $1,500 had been imposed and the corporation was put on a year's probation. This was to insure compliance in the future. The court also ordered payment of $5,000 in restitution.

When the wage and hour law first took effect there was a good deal of honest doubt and some consternation. Our economy was spotty, jobs were not easy to find and purchasing power was low. To some groups, especially in the South, even that first minimum of 25 cents an hour sounded like the death knell of free enterprise.

Now we know better, of course. The Birmingham (Ala.) News wrote:

"This newspaper, frankly, was dubious of the wage-hour proposal when it was enacted, chiefly on the ground that it would impose economic difficulties which we feared would cause so many dislocations that it would do more harm than good. This fear has not been borne out, and there are many evidences, on the contrary, of beneficial results of the act."

But neither these evidences, nor the vast increase in industrial production since 1938, seem to convince some people. They have consistently fought any and all attempts to increase the minimum wage or broaden the act by bringing several million more low-paid workers within its protective standards. A few die-hards are asking for outright repeal of the law.

Today families with a breadwinner making far more than 40 cents an hour find it almost impossible to meet expenses. Today 40 cents buys less than 25 cents would buy in 1938, when that first minimum took effect.

For millions of wage and salaried employees, the Fair Labor Standards Act is their only anchor to windward, their only protection against spiralling prices and other economic hazards.

Can we afford to take away that protection now? On the contrary, we need a higher minimum wage to lift these families above the poverty line and prove once more that security begins at home.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment, merely to say that the committee well recognizes the work of the Wage and Hour Division and that is why we are giving them $5,000,000 to carry on that activity. The reduction that the committee has made represents less than 1 percent below the current appropriation for 1948. We think that they can well afford to absorb this little cut in their appropriation of $121,800.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 13, line 5, strike out the sum "$18,000,000" and insert "$21,475,000"; and in line 6, strike out the sum "$200,000" and insert "$282,925."

Mr. FOGARTY. Mr. Chairman, this amendment restores $3,475,000 to an agency which I sincerely believe is doing more to bring money into the Federal Treasury than any other agency of Government. In order to take advantage of this service that is rendered, a person first must be of employable age. Second, an occupational handicap must exist by reason of disability, and third the individual must be subject to being rendered employable or more advantageously employable through the assistance to be provided.

Mr. Chairman, we have 1,000,000 persons who are in that category in this country at the present time. They need rehabilitation. In the fiscal year 1947, this agency rehabilitated 44,000 of these people. In the fiscal year 1948, they anticipate that they will rehabilitate 53,000 people, and if they get what they are asking for this year, they anticipate that they will rehabilitate 64,000 people. In 1947 when they rehabilitated 44,000 people, it meant that they created annual earnings to the tune of $70,000,000. That is the amount in wages earned by these 44,000 persons. It meant in returns to the Federal Government in Federal taxes alone $5,500,000 to say nothing about the taxes paid into the States and to say nothing also of the relief load that was

taken off the shoulders of the local communities or States where those persons might have been on relief. This is one of the best programs that I have ever come in contact with in the Government.

In 1949, if they get the money they are asking for, they will rehabilitate 64,000 persons, who will earn at an annual rate of $100,000,000. If that is not a worth-while program, I would like to know what we do call a worth-while program, one that is advantageous to the Federal Government itself.

The committee report says, "We will give them $18,000,000, what they had last year." That is not so. They had $18,000,000 but they are before the Deficiency Committee now asking for $2,000,000 more, and they must have that $2,000,000 in order to rehabilitate the persons they want to rehabilitate in 1948. If we allow $18,000,000 and make the claim that is what they had last year, we are in effect reducing what they had last year, because the cost of machinery, medical supplies, and hospital supplies has gone up to such an extent that it will mean a reduction of two or three million dollars over what they had in 1948.

Mr. Chairman, I do not think we are asking for too much. I think we can be a little humane about this particular item. This is something that is worth while to a million persons and it is worth while to every community and every State in our Union. It is worth while to the Treasury of our Federal Government.

I hope the amendment will be agreed to and that we will give them this additional $3,475,000.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. FOGARTY] has expired.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment.

My colleagues, I want it definitely understood that I agree thoroughly with the contention that vocational rehabilitation is a splendid thing. I have consistently endorsed that program by implementing it with money since 1945.

I want to call your attention to the fact that in 1945 this agency had $8,000,000. In 1946 approximately $11,700,000; in 1947 $12,347,000 and last year the committee of which I have the honor to be chairman, gave them $18,000,000, an increase of nearly $8,000,000 over what they had the previous year under the administration of my friend from Rhode Island. Do not talk to me about humaneness, if you please. Humanity has been injected into this program under Republican control of appropriations for this particular objective.

Now this year, faced with the tremendous situation we face in the Federal Treasury, we decided to maintain this activity practically at the level at which it is operating this year and we are giving them for 1949 substantially the same amount that they have had available for expenditure this year. I think that is treating vocational rehabilitation exceedingly well, and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 27, after line 22, insert a new section:

"SEC. 207. No part of any appropriation under this title shall be paid as grants to any State or educational institution in which, because of race, color, or creed, discriminatory practices deny equality of educational opportunity or employment to any one to pursue such educational courses or employment as are provided for by such a grant."

Mr. RANKIN. Mr. Chairman, I make a point of order against the amendment that the amendment is not germane and it is not in order at this point in the bill. I will reserve the point of order if the gentleman wants to discuss the matter.

Mr. MARCANTONIO. No. Let us have it decided now.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. MARCANTONIO. Yes, Mr. Chairman. The amendment certainly is germane. It is simply a negative limitation. It restricts the use of the funds and it is clearly in order.

The CHAIRMAN (Mr. HARNESS of Indiana). There is no question but that the amendment is germane. This is an appropriation bill and the amendment deals with an appropriation made in the bill. Therefore the Chair overrules the point of order.

Mr. MARCANTONIO. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman——

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. After I have made my statement. Not at this time.

Mr. Chairman, I find that we have here a most unusual situation this afternoon.

Never for a long time have I seen so many Democrats from below the Mason and Dixon's line on the floor as I see this afternoon; and never have I seen so few Republicans in any session of the Eightieth Congress as I see this afternoon.

This amendment has a history, and I wonder whether it is because of the history of the amendment that I am honored by this distinguished attendance or whether it is because I have doubled my delegation in this House or because the whip was on strike on the Republican side and the Democratic whip was over-busy on the Democratic side calling his southern Members to the floor of the House?

This amendment is not my product—I wish it were, I would be very proud of it; this amendment is the product of the gentleman from Wisconsin, the chairman of the subcommittee [Mr. KEEFE]. He had this amendment become part of the language of the subcommittee bill and it was proclaimed throughout the Halls of this Congress that for once something was going to be done. Then suddenly a full meeting of the Appropriations Committee took place, and speeches that have been made in public by the leading candidates for the Presidency on the Republican side were suddenly forgotten. This time Lee did not surrender, it was the followers of Grant who surrendered; and by a vote of 25 to 6, a combined vote of Republicans and Democrats who are here in such great numbers this afternoon this language was stricken from the bill. Incidentally, I also wonder where are the Truman Democrats this afternoon? The President sent a message to Congress, a civil-rights message. Those who are opposing this civil-rights program, are here in good number. Are the other Democrats as mild about Mr. Truman's program as the Republicans have been in the Committee on Appropriations? Why are we, who have consistently fought for civil rights, confronted with this kind of tactics this afternoon? It is because nobody, neither Republicans nor Democrats want this language in this bill; it is because both of you are rendering lip service on this question of civil rights. I can understand the gentlemen from the South fighting civil rights, they have publicly proclaimed their opposition to this type of legislation. They are fighting it and I am fighting them; and it is not just today that we have been fighting over this, it has been throughout the 12 years I have been here.

The Republicans go out to the country, in the press and on the radio, and tell the people they want this legislation, yet we find them with the southern Democrats in the Committee; and the other Democrats are prominent by their absence.

This amendment is an infinitesimally small part of the civil-rights program. I do not see how reasoning men can quarrel with this amendment. It simply provides that when you take money out of the Treasury of the United States, money that comes from Negro and white, Jew and Gentile, money that is collected from people of all races, color and creed, that when by legislation you provide that some of this money is to be used by educational institutions as aid to these institutions, that those institutions must provide equality of education and job opportunity to everybody irrespective of race, color, or creed. How can anybody quarrel with that? Where is your States' rights argument? You cannot raise that question against this proposition in all sincerity. This is not State money. This is money of the United States taxpayers from every State in the Union to be used by the various States to carry out their educational program.

All that this amendment says is that when you spend Federal money for this purpose that you do so without any discriminatory practices. Now, the test is here, gentlemen, and in all seriousness this test can be brought about in only one manner. The responsibility rests on all of you Republicans and northern Democrats. If you believe in what you say, if it is not just campaign oratory, then I say do not hide behind the procedure of the Committee of the Whole. Stand up and vote and pass this amendment. If you do not mean what you say, then re-

peat the performance of last Friday that took place in the Committee on Appropriations and vote against this in the Committee of the Whole. That responsibility rests with the Republican majority. They have the votes to put it over. This is the time to show it. Now, if the majority fails in this responsibility, then I call on the Democratic minority who have it within their power, the northern Democrats on this committee, if they believe in implementing Mr. Truman's request with action, to offer a motion to recommit, containing this amendment. It lies within your power to offer a motion to recommit containing this amendment if the Republicans fail to discharge their responsibility by exercising the will of their majority to vote this amendment up. We cannot preach equality just in campaign times. America today is being judged by the entire world. The Congress of the United States today is being judged by the entire country. The sincerity of men who profess to believe in the principles upon which this amendment is based is being tested here this afternoon. I call upon honest men to stand up for the convictions that they express.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 40, noes 119.

Mr. MARCANTONIO. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. KEEFE. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARNESS of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5728) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. KEEFE. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. HENDRICKS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HENDRICKS. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HENDRICKS moves that the bill H. R. 5728 be recommitted to the Committee on Appropriations.

Mr. KEEFE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BREHM (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KLEIN (at the request of Mr. BLATNIK) was given permission to extend his remarks in the RECORD and include two articles.

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Fort Worth Press.

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD and include two editorials.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STIGLER, until Tuesday, March 9, 1948, on account of official Government business.

To Mr. HESELTON (at the request of Mr. MICHENER), for today, on account of illness.

SPECIAL ORDERS GRANTED

Mr. RICH. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ROGER NASH BALDWIN

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, this morning I received in the mail a letter from Roger Baldwin, director of the American Civil Liberties Union, at 170 Fifth Avenue, New York City, in which he enclosed a copy of a letter to my colleague, the chairman of the Committee on Rules, the gentleman from Illinois, and urging me to vote against the $200,000 appropriation approved by the Committee on House Administration for the Standing Committee on Un-American Activities.

Mr. Speaker, I wish to call the attention of the membership of this House to the record of Mr. Roger Nash Baldwin, particularly the fact that he, like Earl Browder, served a penitentiary sentence during the last war for obstructing the draft.

Mr. Baldwin has had a long and checkered career of affiliation with radical, leftist, and Communist-front organizations. The front organizations for the Communist Party were described by Lenin as part of the solar system of organization of Communist organizations abroad as agents of the Comintern, the political bureau of the Third International, with headquarters in Moscow.

These organizations are organized, financed, and directed by agents of the Communist Party; but, in order to deceive the public and gullible persons, they ostensibly have no connection with the Communist Party, but it is easy to discern that they are arms of the Communist Party, because they invariably follow the Communist Party line.

Mr. Baldwin has been associated with a number of these organization, which are listed as follows:

Member of the executive committee of medical bureau, American Friends of Spanish Democracy.

Among 60 signers of letter to President Roosevelt asking neutrality amendment, as printed in the Daily Worker, official organ of the Communist Party of the United States, for February 16, 1938, at page 2:

Member of National Peoples Committee Against Hearst.

Member of National Committee of American League for Peace and Democracy.

Member of the American Committee for Struggle Against War.

Member of National Peoples Committee Against Hearst of the American League Against War and Fascism.

Endorser of the congress called for refugee scholarship and peace campaign at American League for Peace and Democracy.

Member of national bureau of the American League Against War and Fascism. Note: Earl Browder, secretary-general of the Communist Party of the United States, was vice chairman of this league, and Clarence Hathaway, editor and general manager of the Daily Worker, was also a member of the national bureau of this league, along with Mr. Baldwin.

Speaker at protest meeting under the auspices of the American League Against War and Fascism and the American Civil Liberties Union against so-called gag legislation pending before Congress and forty-odd State legislatures.

Member of arrangements committee of the National Organizing Committee of the United States Congress Against War.

Member of advisory board of Russian Reconstruction Farms, Inc.

Member of sponsoring committee of dinner sponsored by the American Student Union to fight for social justice.

Member of advisory board of the American Student Union.

Member of the national advisory committee of the American Youth Congress.

Member of advisory council of Book Union, Inc., established by Alexander Trachtenberg, member of the national committee of the Communist Party and head of the International Publishers, official Communist publishing house, as the publishing and distributing apparatus of the Communist Party in the United States.

Signer of advertisement and appeal to the press, published in the Washington Post of March 12, 1942, demanding that Earl Browder be released from the Federal penitentiary in Atlanta, Ga., where he was serving a sentence for passport fraud.

Sponsor of the Consumers National Federation, one of the transmission belts of the Communist Party, organized ostensibly to fight the high cost of living, but the actual purpose was to attack established businesses and destroy the capitalistic system.

Endorser of the national committee, Friends of the Soviet Union, appearing in Soviet Russia Today, December 1933, page 17.

Member of the reception committee for the Soviet fliers.

Officer and director of the Garland fund of Baltimore, Md. Young Mr. Garland gave several million dollars to the Communist cause, and the fund was legally constituted as the American Fund for Public Service. Elizabeth Gurley Flynn, member of the central committee of the Communist Party; Benjamin Gitlow, who was ousted by the Comintern for refusal to obey orders from Moscow; and many other well-known Communists and radicals, served on the board of the Garland fund.

Speaker at the Greater New York Emergency Conference on Inalienable Rights. This organization arose during the period of the Stalin-Hitler 1939 nonaggression pact, and it interlocked with many other Communist organizations which followed the line of "no comment" regarding Hitler during the time that he and Stalin were in agreement.

Signer of a cable to the Brazilian Chamber of Deputies on behalf of Arthur Ewert, a former Communist deputy of the German Reichstag and also a Comintern representative from Moscow who had been arrested in Brazil in 1936—Daily Worker, June 12, 1936.

Member of a committee of the Labor Defense Council, organized to aid the Communist defendants in the Michigan criminal syndicalist case in the early days of the Communist movement in this country, the defendants having been arrested in Bridgman, Mich., in April 1923.

Participant in mammoth mass meeting in Madison Square Garden, New York City, in October 1937—"China today! United States tomorrow!"—sponsored by the American League Against War and Fascism and American Friends of the Chinese People, both organizations Communist-organized and dominated.

Member of National Council of Action for Tom Mooney in 1933.

Member of prisoners relief fund, organized under the auspices of the International Labor Defense To Help Political Prisoners and Dependents. International Labor Defense is the legal arm of the Communist Party and was so found by Attorney General Francis Biddle in the Harry Bridges case.

Sponsor of banquet in 1936 in New York City in honor and on the occasion of the Seventy-fifth birthday of Mother Ella Reeve Bloor, a member of the central committee of the Communist Party in the United States and unquestionably the best known woman member of the party. Also present and sponsoring this banquet were: Earl Browder, Jerome Davis, William Z. Foster, Adolph Heller, who was subsequently arrested in Philadelphia for carrying a bomb during the Republican national convention; Mike Gold of the Daily Worker staff, and many other well-known Communists.

Member of the National Committee to Abolish the Poll Tax of 127 B Street SE., Washington 3, D. C.

Supporter of National Committee to Aid Victims of German Fascism, of 870 Broadway, New York City, of which committee Foster and Browder and other Communists were members.

Signer of a call to a national congress for unemployment and social insurance in 1935 in the Washington Auditorium, Washington, D. C. Max Bedacht, Israel Amter, William Z. Foster, and many other well-known Communists also signed this call.

Member of the National Sponsoring Committee for a National Congress for Unemployment and Social Insurance, of 799 Broadway, New York City, of which the persons named immediately above were also members.

Member of the National People's Committee Against Hearst—William Randolph—of the American League Against War and Fascism, 268 Fourth Avenue, New York City, in 1937.

Member of the national reception committee to the Russian delegation to the United States, who came to this country to explain away the execution by the Soviet Government of two Jewish Polish trade-union leaders, Ehrlich and Alter, who were Social Democrats. The Russian delegation sent to the United States were Itzik Feffer and Solomon Michoels, also Jewish, their visit being obviously for the purpose of counteracting the harmful effects of the aforementioned executions.

Member of the executive committee of the National Scottsboro Action Committee in 1933.

Signer of a call for support to National Student League, which was organized by the Young Communist League as an auxiliary arm of the Communist Party. The National Student League was subsequently merged with the Student League for Industrial Democracy and became eventually the American Student Union, which was subsequently denounced on the floor of Congress as a Communist organization.

Speaker at the New York Professional Workers Conference on Social Insurance in 1934. This conference was organized by Harry Lurie and Herbert Benjamin, who were delegates from the United States to a meeting of the Communist International in Moscow.

Sponsor of the New York Tom Mooney Committee, being associated with Mike Quill, Stanley M. Isaacs, Jerome Davis, Vito Marcantonio, and other leading lights of the Communist Party, principally in New York.

Contributing editor to the Liberator in the January 25, 1930, issue, the Liberator being the first official publication of the Communist Party of the United States, which was first published in 1919.

Trustee of Political Prisoners Bail Fund Committee, of 154 Nassau Street, New York City, along with Joe Brodsky, personal attorney for Earl Browder and other known Communists.

Supporter of the Anti-Nazi Federation of New York to combat German fascism and Nazi activities in the United States and to aid victims of Nazi persecution, affiliated with the National Committee to Aid Victims of German Fascism, which committee was organized by the Communist Party, and many leading Communists were members thereof.

Trustee of the Robert Marshall Civil Liberties Trust, a Communist organization, cited by the Attorney General and the Special Committee on Un-American Activities.

Author of Liberty Under the Soviets.

Editor of Kropotkin's Revolutionary Pamphlets, 1928.

THE MARCANTONIO AMENDMENT

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, the action of the House a few moment ago in defeating the so-called Marcantonio civil rights amendment is most gratifying. Many of us had hoped that both Democrats and Republicans would join together in defeating Federal anti-poll-tax, antilynching, antisegregation, and FEPC legislation. I hope the nonpartisan action of the House this afternoon in defeating the amendment of the gentleman from New York [Mr. MARCANTONIO] is a good omen and that we may have such cooperation on both sides of the aisle in the defeat of the other so-called civil-rights legislation to which I have referred.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. RICH] is recognized for 10 minutes.

OUR FOREIGN POLICY

Mr. RICH. Mr. Speaker, I have been trying to read and come to some conclusion as to what our foreign policy is, but it is difficult for me to understand what the foreign policy of the Nation now is or what it might be or what it is intended to be. No one seems to know.

Those in high Government offices differ greatly in their judgment on the subject. One thing sure, most of our high officials have a foreign policy which, to me, seems to transcend our domestic interest. Oh, for Americans who would be for America first—America, the home of the free and the land of the brave, where liberty and freedom is uppermost in our minds and hearts.

You know many people have the idea that you can spend a lot of dollars and buy good will from the nations of the world. I do not think that is possible. I do not think you can buy friends, and I do not think you can buy anybody worth while with money. You can buy friends for a while, but after the money runs out, your friends run out too. I have come to the conclusion that what we are trying to do now is put up a glorified WPA all over the world. I have heard so much about $1,000,000,000 and about spending $17,000,000,000 now under the plan that has been advocated to help Europe. I question very much whether the membership of the House knows just what $1,000,000,000 is. I am going to try to explain what $1,000,000,000 is. I am going to try to explain what $1,000,000,000 is and what $17,000,000,000 are, if that is possible. In the first place, let us take the Treasury statement on March 3. You will find that we are in debt to the extent of $254,250,000,000. We have a population of 140,000,000 people. I asked the Library of Congress to furnish me with the names of the countries that are supposed to be dealt with under the Marshall plan. I have that chart here showing the countries and the populations in those countries. Also the extent their industries are operating today. It shows that the national debt of those countries is $161,082,000, and the population of those countries to be 326,000,000 people. In other words, the debt of the United States is $84,000,000,000 more than the national debts of all those countries put together, and they have a population of 186,000,000 people more than we have. So they are not so bad off as one might have you believe.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the statement that I received from the Library of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Selected statistical information concerning nations included in European recovery program

Country	Population 1947	National debt 1946 internal	National debt 1946 external	National debt 1946 total	Industrial production, 1947 (1937=100)
Austria	7,000,000	$1,336,000,000	$90,000,000	$1,426,000,000	Summer, 45.[1]
Belgium (Luxemburg)	8,400,000	5,594,000,000	196,000,000	5,790,000,000	September, 84.
Denmark	4,300,000	1,779,000,000	158,000,000	1,937,000,000	December, 120.
France	40,900,000	16,257,000,000	906,000,000	17,163,000,000	October, 100.[1]
Greece	7,500,000	102,000,000	599,000,000	701,000,000	July, 67.[2]
Iceland	130,000	6,000,000	1,000,000	7,000,000	Note A.
Eire	3,000,000	310,000,000	1,000,000	311,000,009	June, 109.
Italy	45,600,000	3,202,000,000	659,000,000	3,861,000,000	September, 72.
Netherlands	9,600,000	5,460,000,000	642,000,000	6,102,000,000	November, 106.[3]
Norway	3,100,000	1,313,000,000	82,000,000	1,395,000,000	October, 122.[4]
Portugal	8,300,000	367,000,000	34,000,000	401,000,000	1945, 102.[5]
Sweden	6,800,000	3,167,000,000	----------	3,167,000,000	October, 108.
Switzerland	4,500,000	2,684,000,000	----------	2,684,000,000	October 1946, 97.
Turkey	18,900,000	391,000,000	268,000,000	659,000,000	Note B.
United Kingdom	49,200,000	100,052,000,000	3,097,000,000	103,149,000,000	Note C.
Prewar Germany	[7] 69,317,000	----------	----------	[8] 12,339,000,000	
Bizone	42,600,000	----------	----------	----------	September, 44.[9]
French zone and Saar	6,500,000	----------	----------	----------	September, 85.[10]
Total	325,647,000	----------	----------	161,082,000,000	

NOTE A.—Index numbers not available. Value of fisheries 1938, $5,170,490; 1945, $21,359,000.

NOTE B.—General index number not available. In 1945 cement production was 106; glass production was 136 using 1939 as 100.

NOTE C.—General index number not available. Representative index numbers as follows: 1937=100; coal (September 1947) 95; steel (October 1947) 110; cotton yarn (August 1947) 49.

[1] 1938=100 October index of France probably slumped later due to labor troubles.
[2] 1939=100.
[3] Manufacturing, mining and public utilities.
[4] Adjusted for number of working days.
[5] 1938–39=100. In 1947 the American Embassy reported that "the general industrial situation of the country may be regarded as better than a year ago with prospects of further advancement." United States American Embassy, Lisbon. Annual Economic Review, Portugal, 1946, p. 7.
[6] 1929–39=100.
[7] 1939.
[8] 1939. Debt on April 21, 1945, when Administration of Public Debt closed down was 389,200,000,000 reichsmarks, dollar value unknown.
[9] American zone 50; British zone 37.
[10] Normal output.

Sources: Financial Report on Germany, I. Currency and the Public Debt. The Statist, vol. CXLVI (Nov. 1, 1947), p. 438.

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[E. E. Billings, General Research Section, Feb. 25, 1948.]

Mr. RICH. Mr. Speaker, what is a billion dollars? It is a thousand million dollars. I called the assessor's office in the District of Columbia, today. I asked them what the assessment was of all the property in the District of Columbia, and that includes a lot of hotels. Just let me enumerate some of them: The Annapolis Hotel, the Broadmoor, the Burlington, the Carlton, the Continental, the Essex, the George Washington Inn, the Hamilton, the Hay-Adams, the Harrington, Ambassador, the Mayflower, the Roosevelt, the Statler, the Willard, the Occidental, Roger Smith, and so forth. Then there are many apartments, such as the Alban Towers, the Broadmoor, Francis Scott Key, Fairfax, Meridian Park, the 2400, the Westchester, Woodley Park Towers, and a thousand more apartments in the District of Columbia. Then think of all the stores that you see up and down F Street, and up and down Connecticut Avenue—some of the finest stores in the country. Hundreds of them—Garfinkles, Woodward & Lothrop, Hechts, Rich's, Young Men's Shop, Jelleffs, Lansburgh's and so forth. Then look around and see all these nice office buildings in the District. There are many of them. You could name them by the dozens. Then look around and see all the business enterprises that are in the District of Columbia, and all the homes owned by the thousands of people who live here. You find that the assessed valuation of all those properties, according to the assessor's office, as given me today is $1,572,527,504. Now, that is what a billion dollars is.

Let us get down to figures and see what the $17,000,000,000 is. You know $17,000,000,000 is the figure that they are talking about giving away to these foreign countries. So I thought I would show the Members of Congress what $17,000,000,000 means by taking the United States Census of Agriculture in 1945, issued by the Department of Commerce, W. A. Harriman, Secretary. I took this record of the farms and farm properties of the whole United States. I am going to show you what $17,000,000,000 is and what you have been talking about giving away. You are not talking about making a loan to some countries and getting something back for the American taxpayers. No, you are talking about giving that money away and taxing our people for it. That is what you have been doing lately, seems silly does it not?

Now this does not include the $570,000,000 that they want to give to China or $275,000,000 more to Greece, or a lot of these other gifts that have been made. What I am talking about now is just what is supposed to be given away under the Marshall plan or New Deal State Department plan. Here are the farms that you are going to give away under the New Deal plan, that is the value of the farms, and if you were asked to give these farms away, you would not get one vote in this whole country, but when you talk about a million or a billion dollars, those are figures that the Members of Congress do not know what they mean, and they are doing things that they do not know what they are doing, and I say

it is about time that we wake up and realize just how far we are going in giving this country away from our people without their consent and getting nothing back, because when we are ruined we are not a bit of good to ourselves and we are no good to anybody else. Here is the list of farms by States, the number of farms and the estimated value that make up $17,000,000,000:

Farms and farm property (1945), United States Census of Agriculture

Region, division, and State	Number of farms	Value of farms (land and buildings)
New England States:		
Maine	42,184	$159,680,897
New Hampshire	18,786	80,394,869
Vermont	26,490	134,575,897
Massachusetts	37,007	265,232,462
Rhode Island	3,603	35,609,900
Connecticut	22,241	263,023,415
Middle Atlantic States:		
New York	149,490	1,087,522,090
New Jersey	26,226	292,980,843
Pennsylvania	171,761	1,008,573,540
South Atlantic States:		
Delaware	9,296	72,693,794
Maryland	41,275	354,806,789
District of Columbia	40	4,961,340
Virginia	173,051	868,806,343
West Virginia	97,600	341,008,205
South Carolina	147,745	440,632,183
Florida	61,159	498,399,612
East South Central States:		
Kentucky	238,501	1,015,796,276
Tennessee	234,431	870,947,702
Alabama	223,369	559,742,689
Mississippi	263,528	647,562,141
Mountain States:		
Montana	37,747	517,890,663
Idaho	41,498	493,331,235
Wyoming	13,076	232,042,912
Colorado	47,618	564,503,888
New Mexico	29,695	326,750,718
Arizona	13,142	287,876,225
Utah	26,322	261,817,649
Nevada	3,429	71,955,968
Pacific States:		
Washington	79,887	900,184,222
Oregon	63,125	697,775,183
California	138,917	3,484,548,812
Total (31 States)	2,492,237	16,942,643,462

Mr. Speaker, I ask unanimous consent to insert this statement in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. The point I want to make is this, that by one stroke of the pen, when the President signs the bill that he asks under the Marshall plan, we are giving away in value all those farms in those 31 States to these foreign countries. I think it is about high time that America began to think about America, before we give ourselves away to any foreign countries. I want to help foreign countries but I want to tell you what the trouble is. There are a lot of people in our Government right now that have been educated in colleges, and they wear the Phi Beta Kappa key, but they would not know how to farm. They are theorists, no practical experience. They do not know how to run a mill or a business. All they know is about books and figures and they have a lot of theories. Those are the fellows that we send over to these foreign countries to see what those people are doing over there; what they need in their judgment. What do they find? They find that a lot of those people do not have things as good as we have them in America but they want those people to do everything like Americans do, and they want to bring them up to the same high standard of living as Americans, within a year or two. In this country we have reached that high standard of living through our private industry system and by hard work and determination and ambition to advance. We have gone ahead in good shape. But why should we destroy America to save any foreign country? I do not care what country that is. I say that deliberately.

In 1945 we gave $4,400,000,000 to Great Britain. That was to put them on their feet over a 5-year period. In 19½ months they squandered all that money socializing their Government, and by socializing their Government what have they got? They are in worse shape today than when we gave them the money. What happened to them? Britain is in a deplorable condition—not from the standpoint of the things they ought to do but because of doing things they should not be doing. Mr. Churchill should get up there and tell a lot of these Socialists about spending tears and sweat and blood working for their own country, go to work, then let them get back on their own feet. Their industries are all operating pretty good. Time will bring them back if they work.

Then we have given the Czechs $440,445,000, and what happened to that? Well, Russia has got that. You will find there are a lot more countries might be going to do the same thing. That is only building up Russia. When we find out what has happened we are going to be taken for a joy ride. We will wreck America and then we will have nothing for ourselves and our people. If we remain strong, we can defend ourselves and others; then no country can do anything with us.

Mr. Speaker, let us not let the House of Representatives vote $17,000,000,000 to give away foolishly. Do not permit it, Mr. Speaker. With your leadership and counsel we can guide the destiny of America, we can keep foreigners from starving, we can show them how they can help themselves by working, sweating, and laboring to accomplish things. Let us stop the hand-outs. Let us pay no attention to foreign beggars. Let us team up with the countries of the Western Hemisphere as a one-man team working one for all and all for one.

Keep our house in order; keep America strong. We have many of our people who want help—the aged, the sick, the dependents, many without jobs. Oh, many, many of our own people need attention. Let us give them the things that make life happy. You cannot stop communism with dollars. You cannot buy friends with dollars. You can wreck our country by giving dollars away. Then what have you? Stop—look—listen—17,000 million dollars, a lot. Where are you going to get the money?

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2161. An act to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190).

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 9, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1367. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Public Health Service, for the fiscal year 1947; to the Committee on Interstate and Foreign Commerce.

1368. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Federal Security Agency, for the fiscal year 1947; to the Committee on Ways and Means.

1369. A letter from the assistant to the Attorney General, transmitting a draft of a proposed bill to amend section 332 (a) of the Nationality Act of 1940; to the Committee on the Judiciary.

1370. A letter from the District Court of the United States for the District of Columbia, Justice Letts, transmitting a report showing the proceedings had and the findings of the court in the case of United States of America against Joseph Groen et al.; to the Committee on the District of Columbia.

1371. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated August 20, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Falmouth Harbor, Mass., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 558); to the Committee on Public Works and ordered to be printed, with an illustration.

1372. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 10, 1947, submitting a report, together with accompanying papers and an illustration, on a review report on St. Andrews Bay, Fla., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 13, 1945 (H. Doc. No. 559); to the Committee on Public Works and ordered to be printed, with an illustration.

1373. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated January 19, 1948, submitting a report, together with accompanying papers and two illustrations, on a review of reports on Port Aransas-Corpus Christi waterway, Texas, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on May 10, 1945 (H. Doc. No. 560); to the Committee on Public Works and ordered to be printed, with two illustrations.

1374. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 31, 1947, submitting a report, together with accompanying papers and six illustra-

tions, on a review of reports on Galveston Harbor, Houston Ship Channel, Texas City Channel, and Galveston Channel, Tex., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on May 10, 1945 (H. Doc. No. 561); to the Committee on Public Works and ordered to be printed, with six illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOOTE: Committee on the Judiciary. H. R. 238. A bill for the extension of admiralty jurisdiction; with an amendment (Rept. No. 1523). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. House Joint Resolution 242. Joint resolution to direct the Secretary of the Interior to issue a patent for certain land to Joel D. Minor; with an amendment (Rept. No. 1521). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2418. A bill for the relief of Luz Martin; with an amendment (Rept. No. 1522). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 5747. A bill to provide recognition as veterans of the Indian wars for persons who took part in the capture of the Ute Indians in 1906, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CLASON:

H. R. 5748. A bill to provide means for financing a United States program of reconstruction in China and to create agencies to carry out such a program; to the Committee on Foreign Affairs.

By Mr. FORAND:

H. R. 5749. A bill to provide for a service credit for veterans for the purposes of title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. McDONOUGH:

H. R. 5750. A bill to provide for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes; to the Committee on Public Works.

By Mr. MACK:

H. R. 5751. A bill to extend the coverage of the Federal old-age and survivors insurance system to the self-employed, employees of nonprofit institutions, and, under voluntary agreements, employees of State and local governments; increase the benefits payable under such system; lower the age requirements for female beneficiaries; and liberalize the eligibility provisions of the system; and for other purposes; to the Committee on Ways and Means.

By Mr. MUHLENBERG (by request):

H. R. 5752. A bill to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare; to the Committee on the District of Columbia.

By Mr. PHILLIPS of Tennessee:

H. R. 5753. A bill to provide that any veteran who has at any time suffered from service-connected advanced tuberculosis shall receive compensation of not less than $100 per month for the remainder of his life; to the Committee on Veterans' Affairs.

By Mr. TRIMBLE:

H. R. 5754. A bill authorizing a completion of the improvement of the Arkansas River and tributaries, Arkansas and Oklahoma; to the Committee on Public Works.

By Mr. STEVENSON:

H. R. 5755. A bill to amend section 14 of the Veterans Preference Act of 1944 (Public Law 359); to the Committee on Post Office and Civil Service.

By Mr. BARTLETT:

H. R. 5756. A bill to amend section 2 of the act entitled "An act to authorize an appropriation for the establishment of a geophysical institute at the University of Alaska," approved July 31, 1946 (60 Stat. 750); to the Committee on Public Lands.

By Mr. LANDIS:

H. R. 5757. A bill to eliminate the war-tax rates applicable to certain miscellaneous taxes; to the Committee on Ways and Means.

By Mr. POTTER:

H. R. 5758. A bill to amend further the Armed Forces Leave Act of 1946, as amended, to permit certain payments to be made to surviving brothers and sisters and nieces and nephews of deceased members and former members of the armed forces; to the Committee on Armed Services.

By Mr. VAN ZANDT:

H. R. 5759. A bill to increase all benefits under the Railroad Retirement Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H. R. 5760. A bill to extend section 12 of the Pay Readjustment Act of 1942 to cover travel of dependents in anticipation of orders of permanent change of station; to the Committee on Armed Services.

By Mr. MILLER of Nebraska:

H. R. 5761. A bill authorizing the transfer of a certain tract of land in the Fort Robinson Military Reservation to the city of Crawford, Nebr., and for other purposes; to the Committee on Armed Services.

H. R. 5762. A bill relating to custom duties on articles coming into the United States from the Virgin Islands; to the Committee on Ways and Means.

By Mr. WELCH:

H. R. 5763. A bill to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.; to the Committee on Public Lands.

By Mr. CHURCH:

H. Res. 495. Resolution to rescind the citation for contempt against Joseph P. Kamp, vice chairman of the Constitutional Educational League, Inc.; to the Committee on Rules.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Republic of Guatemala, memorializing the President and the Congress of the United States in protest against sending British warships to Belize; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York:

H. R. 5764. A bill for the relief of Eileen Burrell; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 5765. A bill for the relief of Mrs. Victor V. Greg; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 5766. A bill for the relief of Walter E. Miller; to the Committee on the Judiciary.

By Mr. LEA:

H. R. 5767. A bill for the relief of the Sonoma County Farmers' Mutual Fire Insurance Co.; to the Committee on the Judiciary.

By Mr. MILLER of Nebraska:

H. R. 5768. A bill for the relief of Clinton E. Johnson; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 5769. A bill for the relief of Mrs. Rose A. Mongrain; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1504. By the SPEAKER: Petition of Miss Cecelia J. Rowland, Miami, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1505. Also, petition of Mrs. Applegate, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1506. Also, petition of St. Cloud Townsend Club, No. 1, St. Cloud, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1507. Also, petition of George F. Hackett, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1508. Also, petition of Sammuel B. Pryfroyle, of Ohio, and others, petitioning consideration of their resolution with reference to legislation for disabled veterans; to the Committee on Veterans' Affairs.

1509. Also, petition of A. J. Shundledakar, of Lima, Ohio, and others, petitioning consideration of their resolution with reference to support of universal military training; to the Committee on Armed Services.

1510. Also, petition of Francis J. Reuter, of Washington, D. C., petitioning consideration of his resolution with reference to delinquent high-ranking officers of the Army Air Forces; to the Committee on Post Office and Civil Service.

1511. Also, petition of Iva O. Smith and others, petitioning consideration of their resolution with reference to opposition to H. R. 4278; to the Committee on Armed Services.

1512. By Mr. LEWIS: Petition of 44 women who are opposed to the Taft-Wadsworth bill as being unfair to female labor, and who are in favor of equal rights for women; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 9, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, to whom all mankind is dear, if we feel frustrated in efforts to

achieve a just and lasting peace, how must Thou feel that men so long and so willfully refuse to heed Thy laws and live in Thy love.

We have found that peace does not come when the guns are silenced, for the war is not really ended.

The job is not done when the fire engines drive away.

So deliver us from the blasphemy of optimism that is mere wishful thinking.

Save us from the delusion of health that we may find the cure for our sickness.

Teach us, O God, that what is needed is not new things, but new spirits.

Give us the uplifted face and the flashing eye that express a purpose in life that will make sacrifice a joy and discipline peace.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 8, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 5728) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1949, and for other purposes, in which it requested the concurrence of the Senate.

PROGRAM FOR SENATE SESSIONS

Mr. WHERRY. Mr. President, I think it should be announced that it is the intention of the leadership to continue the debate on the pending measure and terminate it as quickly as possible. In view of the fact that there have been so many notices of desire to speak and of amendments which are to be offered, I think it is only fair to say to the Members of the Senate that it is the intention, if it shall meet with the approval of the Senate, to hold a session on Saturday, and possibly night sessions Thursday and Friday. I am not stating definitely that there will be a night session Friday, because it depends on the will of the Senate, but I think that, in full cooperation with the program to speed up consideration of the pending bill and with the attempt to terminate its consideration as quickly as possible, I should inform Senators of the possibilities which may arise in the effort.

ORDER OF BUSINESS

Mr. LANGER obtained the floor.

The PRESIDENT pro tempore. In accordance with the unanimous-consent agreement of yesterday, the Senator from North Dakota has the floor.

Mr. LANGER. I ask unanimous consent that I may be allowed to yield to the junior Senator from Missouri [Mr. KEM].

The PRESIDENT pro tempore. Does the Senator from Missouri wish to address the Senate?

Mr. KEM. Very briefly.

The PRESIDENT pro tempore. Will the Senator from North Dakota yield for the transaction of routine business first?

Mr. LANGER. I yield.

Mr. BREWSTER. Mr. President, I wish to offer an amendment to the pending bill and ask that it lie on the table.

Mr. WHERRY. Mr. President, that takes unanimous consent, does it not?

The PRESIDENT pro tempore. Will the Senator repeat his inquiry?

Mr. WHERRY. I ask the Senator to yield because I wish to reserve the right to object. I do not object to the Senator from North Dakota yielding for the insertion of any routine matters in the RECORD, but, because many have attempted to gain the floor through the Senator entitled to the floor yielding, I shall be forced to object to the request of any Senator who asks the Senator from North Dakota to yield for statements or for short speeches, because they usually develop into long speeches.

If the Senator from Maine desires to have the Senator from North Dakota yield for routine business, I have no objection; but if he desires to make a speech, I ask that the request not be made and the time taken from the Senator from North Dakota, but that we adhere to the rules. After the Senator from North Dakota shall have concluded, Senators can present their other matters when they get recognition.

The PRESIDENT pro tempore. Under the rules, the Senator from North Dakota can yield only for a question without unanimous consent.

Mr. BREWSTER. The Senator from Maine is very happy to cooperate with the Senator from Nebraska and hopes he will continue to be as vigilant as time passes. I am most happy to conform.

Mr. KNOWLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from California?

Mr. LANGER. I do not yield.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. LANGER. I ask unanimous consent that I may yield, without losing the right to the floor, to the distinguished junior Senator from Missouri, who wishes to say a few words because of the death of the mother of the senior Senator from Missouri [Mr. DONNELL].

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and the Senator from Missouri is recognized.

Mr. THOMAS of Utah. Mr. President, reserving the right to object, surely when a Senator wants merely to introduce a bill or ask for the insertion of matter in the RECORD, objection should not be made. It means delay in the business of the Senate. All I want the floor for is to introduce a bill. If there is no objection, I should like to do that.

The PRESIDENT pro tempore. The Chair is obviously bound by the rules, and the rules require that the Senator from North Dakota shall not yield except for a question. At this point, however, the Senator from North Dakota asks unanimous consent that he may yield to the junior Senator from Missouri to make a brief statement regarding a death in the family of his colleague. Is there objection to that request? The Chair hears none, and the Senator is recognized.

DEATH OF MRS. JOHN CARY DONNELL

Mr. KEM. Mr. President, it is my sad duty to inform the Senate of the death of Mrs. John Cary Donnell, the mother of the senior Senator from Missouri, which occurred today at her home in Kansas City, Mo.

Mrs. Donnell was a native daughter of our State, and the people of Missouri have long had a deep affection for her. They have admired her devotion and helpfulness to her late husband and to her son. They have known her charm, her humanity, and her strong qualities of character and intellect, which they have seen reflected in her distinguished son. Throughout her life Mrs. Donnell maintained a lively interest in governmental affairs, both foreign and domestic, and to the end followed the proceedings of the Congress, and particularly of the Senate, with keen interest and intelligent attention.

Mr. President, I desire to express my sorrow and the sorrow of the people of Missouri at the news of the passing of Mrs. Donnell, and to extend heartfelt sympathy to our colleague.

I ask that the senior Senator from Missouri be excused from attendance on the Senate until next Monday, March 15.

The PRESIDENT pro tempore. Without objection, the order is made.

MEETING OF CIVIL FUNCTIONS SUBCOMMITTEE OF APPROPRIATIONS COMMITTEE

Mr. KNOWLAND. Will the Senator from North Dakota yield without losing his place on the floor? I ask unanimous consent——

Mr. WHERRY. Mr. President, I am forced to ask the Senator from California why he desires to have the Senator yield.

Mr. KNOWLAND. I merely wish to make a request that the Committee on Appropriations may meet.

Mr. WHERRY. I have no objection.

Mr. KNOWLAND. I ask unanimous consent that the Subcommittee on Civil Functions of the Committee on Appropriations be permitted to meet during the sessions of the Senate while the civil-functions bill is before it.

The PRESIDENT pro tempore. Without objection, the order is made.

INTRODUCTION OF BILL

The PRESIDENT pro tempore. Without objection, the Senator from North Dakota will be permitted to yield to the Senator from Utah to introduce a bill and to present matters for insertion in the RECORD.

(Mr. THOMAS of Utah introduced a bill and presented matters for insertion in the Appendix of the RECORD, which appear elsewhere in the RECORD under their appropriate headings.)

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 125 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on the Judiciary.

REPORT OF FEDERAL SECURITY AGENCY

A letter from the Administrator, Federal Security Agency, transmitting, pursuant to law, the annual report of that Agency for the fiscal year 1947 (with an accompanying report); to the Committee on Finance.

REPORT OF PUBLIC HEALTH SERVICE

A letter from the Administrator, Federal Security Agency, transmitting, pursuant to law, the annual report of the United States Public Health Service, for the fiscal year 1947 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL PARK TRUST FUND BOARD

A letter from the Secretary of the National Park Trust Fund Board, transmitting, pursuant to law, a report of that Board for the fiscal year 1947 (with an accompanying report); to the Committee on Interior and Insular Affairs.

UNITED STATES v. JOSEPH GROEN ET AL.

A letter from F. Dickinson Letts, Justice, District Court of the United States for the District of Columbia, transmitting, pursuant to law, his report in the case of *United States v. Joseph Groen et al.*, Equity No. 31578 (with accompanying papers); to the Committee on the District of Columbia.

PETITIONS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A resolution of the Senate of Puerto Rico; to the Committee on Banking and Currency:

"Senate Resolution 2

"Whereas the Legislature of Puerto Rico passed the Reasonable Rents Act, approved April 25, 1946, which provides control over the rents of dwellings and buildings for commercial and industrial purposes; restriction of ejections to cases which are really justified; and other measures for the protection of tenants during the present emergency;

"Whereas the Puerto Rico Act, as respects the control of rents, follows the same standards as the Federal statute, but is more restrictive than the Housing and Rent Control Act of 1947 as regards proceedings for ejectment, and protects tenants more effectively;

"Whereas the general counsel of the Office of the Housing Expediter in Washington, in an opinion rendered January 5, 1948, gave the following interpretation:

" 'Section 209 of the Housing and Rent Act of 1947 places restrictions upon the evictions of tenants. It does not, however, set forth affirmative grounds for the eviction of tenants. In order that a tenant be evicted the landlords must have a cause of action under local law and in addition must comply with the provision of section 209.'

"Whereas notwithstanding the interpretation to the contrary given by the Office of the Housing Expediter, the Supreme Court of Puerto Rico in the case of *Avila v. District Court of San Juan*, certiorari No. 1729, held on January 13, 1948, that the causes for the ejectment of tenants are those fixed by the Housing and Rent Control Act of 1947 and not those fixed by local law, thereby exposing 135,000 tenants living in rented houses in Puerto Rico to unjustified ejectment proceedings;

"Whereas in case the Housing and Rent Control Act of 1947 is extended, it would be most desirable to exclude Puerto Rico from the provisions thereof, inasmuch as on the basis of the interpretation of the Supreme Court of Puerto Rico in the aforesaid case of Avila, tenants in Puerto Rico do not enjoy the protection contemplated by the Federal act, and, what is worse, also do not enjoy the protection given by the insular act, the provisions of which as regards ejectments, have been declared suspended by the Supreme Court of Puerto Rico while the Federal statute is in force;

"Now, therefore, the Senate of Puerto Rico hereby resolves:

"1. To request of the Congress of the United States that, in case the Housing and Rent Control Act of 1947 is extended, Puerto Rico be excluded from the provisions thereof to the end of ensuring full protection to tenants in Puerto Rico under the provisions of the local laws.

"2. To transmit copies of this resolution to Federal authorities."

A joint resolution of the General Assembly of the Commonwealth of Virginia; to the Committee on Foreign Relations:

"House Joint Resolution 29

"Joint resolution approving strengthening the United Nations

"Whereas the General Assembly of Virginia in 1944 passed Senate Joint Resolution No. 19, approving the principle of world federation; and

"Whereas all the world deeply desires durable peace; and

"Whereas the United Nations was created as an instrument to preserve the peace of the world, and

"Whereas experience increasingly indicates that the United Nations, in its present structure, is not fully adequate for this task, and

"Whereas article 109 of the United Nations Charter provides a procedure whereby the Charter of the United Nations may be revised and amended: Now therefore

"*Resolved by the house of delegates (the senate concurring)*, That it is the sense of the General Assembly of Virginia that permanent world peace can and must be achieved through a strengthened United Nations, and to that purpose we believe that action should be taken under the provisions of the Charter of the United Nations to propose and adopt amendments and revisions, including eliminating the veto, that will strengthen the United Nations as an instrument to prevent war and maintain world peace.

"*Resolved further*, That it is the sense of the General Assembly that the Congress and President of the United States should be requested to urge the calling of a general conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

"*Resolved further*, That copies of this resolution be sent to the President of the United States, to the Secretary of State, and to the President pro tempore of the Senate, Speaker of the House of Representatives, and the Senators and Representatives from Virginia in the Congress.

"RICHMOND, VA., *March 8, 1948.*"

The petition of the St. Cloud (Fla.) Townsend Club No. 1, praying for the enactment of legislation to provide a uniform national pension system; to the Committee on Finance.

A letter in the nature of a petition from the Past Grand Masters Council, No. 94, Grand United Order of Odd Fellows, of Charlotte Amalie, V. I., favoring the enactment of the so-called Crawford bill to return annually to the Virgin Islands the internal-revenue tax collected on goods exported from the Virgin Islands to the United States; to the Committee on Interior and Insular Affairs.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. CAIN, from the Committee on Public Works:

H. R. 3506. A bill to provide for the acquisition of a site for a new Federal building in Huntington, W. Va., adjoining existing Federal buildings there, as an economy measure, before land values have increased as a result of improvements; without amendment (Rept. No. 971);

H. R. 4836. A bill to authorize the purchase of a new post-office site at Omaha, Nebr.; without amendment (Rept. No. 972); and

H. R. 4967. A bill to provide for the acquisition of a site and preparation of plans and specifications for a new postal building and for remodeling of the existing main post-office building in Portland, Oreg., and for other purposes; without amendment (Rept. No. 973).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah (for himself and Mr. WATKINS):

S. 2278. A bill to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.; to the Committee on Interior and Insular Affairs.

By Mr. GREEN:

S. 2279. A bill to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55; to the Committee on Post Office and Civil Service.

By Mr. FERGUSON:

S. 2280. A bill authorizing the Secretary of the Interior to convey certain lands to the State of Michigan for public-park purposes; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 2281. A bill to provide for air parcel-post service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BYRD:

S. 2282. A bill to make Virginia fire-cured tobacco, comprising type 21, a separate kind of tobacco from other fire-cured tobacco, comprising types 22, 23, and 24; to the Committee on Agriculture and Forestry.

(Mr. ELLENDER introduced Senate bill 2283, to amend the Social Security Act, as amended, so as to increase the amounts of Federal contributions to the States for old-age assistance and aid to the blind, which was referred to the Committee on Finance, and appears under a separate heading.)

CONTROL AND REGULATION OF BANK HOLDING COMPANIES—AMENDMENTS

Mr. BUCK submitted amendments intended to be proposed by him to the bill (S. 829) to provide for control and regulation of bank holding companies, and for other purposes, which were ordered to lie on the table and to be printed.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. CAPEHART submitted an amendment in the nature of a substitute, intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which was ordered to lie on the table and to be printed.

Mr. MYERS. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON] I submit an amendment intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Subsequently,

Mr. MYERS. I ask unanimous consent to have printed in the RECORD a statement by the senior Senator from Washington [Mr. MAGNUSON] with reference to the amendment I submitted for him early today to Senate bill 2202, which is now the unfinished business.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WARREN G. MAGNUSON IN SUBMITTING PROPOSED AMENDMENT TO SECTION 12 (C) OF THE ECONOMIC COOPERATION ACT (S. 2202)

My amendment to S. 2202 relates to the use of surplus agricultural commodities in our foreign-aid program. It is in the nature of a substitute for section 12 (c) appearing on page 22 of the present bill. My amendment, however, retains certain language presently contained in section 12 (c), language which I understand has the particular support of the senior Senator from Kentucky.

This amendment seeks to insure that surplus agricultural commodities will be utilized in our foreign-aid program when the Secretary of Agriculture finds that the supply of the particular commodity is in excess of domestic requirements and the Administrator finds the commodity appropriate for use under the act.

The amendment states that where possible the Administrator shall utilize normal channels of private trade in the procurement of such commodities. I deem this requirement necessary and desirable because as the European recovery plan achieves its objectives, private trade between our businessmen and their former customers in the participating nations should be progressively strengthened. As this program to aid the nations of western Europe achieves success in restoring their economy, a concomitant result will be the progressive substitution of private trade for United States assistance.

The Foreign Relations Committee recognizes this principle in its report on S. 2202. On page 33 the committee states: "Private procurement and normal channels of commerce, trade, and transportation are to be used to the maximum extent practicable."

When the Secretary of Agriculture finds that the supply of a number of commodities is in excess of domestic requirements and the Administrator finds these same commodities appropriate for use under this act, the question arises: "How much of each shall be procured?" My amendment seeks to give the Administrator some guidance in making this decision. It stipulates that in making this decision the Administrator shall ask himself these questions:

"Did the participating countries express a need for these commodities in the reports of the Committee on European Economic Cooperation; and if so, in what amounts?"

"What is the extent of our domestic surplus of each?"

"To what extent historically did growers rely upon markets in the participating countries?"

Let me explain briefly why these questions are pertinent. First, it is clear the needs of the participating countries must be considered; second, while helping others, we can help our own economy most by furnishing the participating countries those commodities which are most plentiful in the United States. I think it justifiable while focusing our eyes on the main objective of this act, to take a look in the rear-view mirror to insure that the assistance we are giving has a minimum impact upon our own economy; third, the bulk of our export trade with European countries—for a time at least—will be carried on under the Economic Cooperation Act now under discussion. Consideration, therefore, must be given to those branches of our agricultural economy which have spent time and money developing markets for their product in the participating countries and who historically have relied upon such markets for the normal movement of their products.

In my judgment, the guide posts which I have just described are sufficiently flexible to avoid tying the hands of the Administrator. They are sufficiently broad to insure consideration of all agricultural commodities, and classes or types thereof, in surplus supply. Yet they avoid the obvious impracticality of trying to force unneeded commodities upon the participating nations.

The last part of my amendment deals with the relationship between price-support programs and foreign aid. Direct purchases of agricultural commodities under the recovery program may not absorb the entire domestic surplus of some farm products. To some extent, therefore, price-support purchases of eligible commodities will no doubt be undertaken by Commodity Credit Corporation. Commodities so purchased will be of value to participating countries and will no doubt be desired for use in the foreign-aid program by the Administrator. Because such commodities will be acquired with domestic price support as a prime objective, but at the same time will be used in our recovery programs, I believe it is appropriate to divide the cost of such commodities between funds appropriated for the two purposes. My amendment, therefore, provides that Commodity Credit Corporation may dispose of appropriate acquisitions to the Administrator at not less than 50 percent of actual cost. This provision is within the framework of S. 2202 and conforms to a principle already tested under the Foreign Aid Act of 1947.

I know that every Senator on the floor is interested in assisting those branches of agriculture confronted with a serious surplus. I think this amendment provides an opportunity for each of my associates to assist in a solution of such problems, insofar as solution is practicable in this Foreign Aid Act.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENTS

Mr. McCARRAN. Mr. President, I ask unanimous consent to submit two amendments which I intend to propose at the proper time to the bill (H. R. 4790) to reduce individual-income-tax payments, and for other purposes, now pending before the Committee on Finance. I ask that these amendments be printed and referred to that committee, and that they be printed at the appropriate place in the explanatory statement I have prepared, and which I request be printed in the RECORD.

The PRESIDENT pro tempore. Without objection the amendments will be received, printed, and lie on the table, and, without objection, the explanatory statement will be printed in the RECORD as requested by the Senator from Nevada.

The statement presented by Mr. McCARRAN was ordered to be printed in the RECORD, as follows:

Mr. McCARRAN. It is not my purpose to discuss these amendments at length today; but I do wish to call them to the attention of the Senate, with the hope that Senators may have opportunity to become familiar with them before the tax bill comes to the floor.

One of these two amendments is aimed at correcting the inequities resulting from the fact that our present system of taxing corporate dividends as income is double taxation.

My proposed amendment would deal with this problem of double taxation by allowing a credit to each stockholder in a corporation for his pro rata share of taxes paid by the corporation on its earnings.

This would not involve any complex formula, nor any substantial amount of bookkeeping. So far as the taxpayer is concerned, the bookkeeping involved would be negligible; and all that would be required of a corporation would be to report, to all of its stockholders, the amount of taxes paid and the proportion of the total corporate stock, issued and outstanding, which is represented by one share of stock. The taxpayer could then multiply that percentage by the number of shares he held, and he would know exactly how much of the corporate tax he was allowed to take credit for.

Two principal arguments have been made against this proposal. The first of these arguments is that in some cases the taxpayer might find that the credit to be allowed him for taxes paid by the corporation or corporations in which he held stock was greater than the tax which he would otherwise be required to pay, and that he would therefore be entitled to a refund; and it is argued that there is something terrible about the very thought of any such refunds.

It is also argued that the making of such refunds would be a terribly complicated process. That argument is not credible. The making of such refunds would not be any more complicated than the making of refunds on withholding taxes. But however that may be, if the Government has collected taxes from any citizen in excess of the taxes to which the Government is entitled, there should be a refund; it is neither honest nor plausible to argue that a refund to which a taxpayer is entitled should be withheld just because it would cost the Government a certain amount of effort to return what it took improperly.

More than half of all the dividends received in the United States are received by people whose total incomes are less than $5,000 per year. Many of these people live wholly, or almost entirely, on dividends. With the dollar shunken in buying power, as it is today, many of these people are having great trouble making ends meet. My amendment to eliminate double taxa-

tion would give these people immediate and effective relief, and relief to which, in equity, they clearly are entitled.

(The amendment dealing with the problem of double taxation submitted by Mr. McCARRAN is as follows:)

"At the proper place in the bill, insert the following:

"'ELIMINATION OF DOUBLE TAXATION

"'SEC. . Section 23 (d) of the Internal Revenue Code, as amended, is further amended by renumbering the matter now contained therein as clause (1) and by adding thereto a new paragraph as follows:

"'(2) The deduction for taxes allowed by subsection (c) shall be allowed to a stockholder of a corporation in the case of taxes imposed upon the earnings of the corporation and paid by the corporation: *Provided*, That such allowance in no case shall exceed that proportion of such taxes bearing the same ratio to the total taxes so imposed and paid as the shares of stock owned by the stockholder bear to the total corporate stock issued and outstanding.'"

Mr. McCARRAN. The second amendment which I have proposed to the pending tax bill is designed to permit, and to encourage, the plowing back of business profits into increased production, through the expansion, improvement, and modernization of plant facilities.

(The second amendment submitted by Mr. McCARRAN is as follows:)

"At the proper place in the bill insert the following:

"'BUSINESS PROFITS FOR EXPANSION

"'SEC. . Section 23 of the Internal Revenue Code (relating to deductions from gross income) is hereby amended by adding at the end thereof a new subsection to read as follows:

"'"(bb) Capital Expenditures for Trade or Business.—At the election of a taxpayer, all expenditures (subject to limitations prescribed below) paid or incurred during the taxable year for the acquisition, construction, or improvement of any real or personal property to be used in a trade or business. Total deductions under this subsection in any 1 year shall not exceed $125,000 or 50 percent of the taxpayer's net income as computed without the benefits of this subsection, whichever is the lesser. If in any year expenditures deductible under this subsection are less than the total of such expenditures, the balance may be added to the expenditures of the immediately succeeding year and be considered for the purposes of this subsection as having been made in such immediately succeeding year. Such expenditures shall be allowable as deductions only under rules and regulations prescribed by the Commissioner, with the approval of the Secretary."

"'SEC. . Section 24 (a) (2) of the Internal Revenue Code (relating to items not deductible from gross income) is hereby amended to read as follows: "Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except as provided in section 23 (bb);".

"'SEC. . Section 113 (b) (1) of the Internal Revenue Code (relating to adjusted basis for property) is hereby amended by striking out the period at the end of subparagraph (H), and inserting in lieu thereof a semicolon and by adding after subparagraph (H) a new subparagraph to read as follows:

"'"(I) for expenditures deducted under the provisions of section 23 (bb)."

"'SEC. . The amendments made by sections —, —, and of this act shall be applicable only with respect to taxable years beginning after December 31, 1947.'"

Mr. McCARRAN. The centralization of industrial power in the United States is growing yearly. One of the factors working toward a constantly greater and greater centralization is the inability of small business to grow in the traditional American fashion.

In a capitalistic democracy such as ours, it is vitally important to have a constant infusion of new blood at the bottom of the business ladder, in all fields of endeavors; and to give those who start new enterprises every reasonable opportunity and inducement to grow.

Our present tax structure does not provide such opportunity and such inducement.

The profits from a business, which the proprietor invests in new plant, machinery, or equipment, to increase his production, are taxed just like any other profits. Such expenditures are not deductible expenses in the year in which made. They have to be capitalized, and then the capital expenditure must be amortized over a period of years.

The amendment which I have proposed would permit capital expenditures, within certain limitations, to be allowed as a deduction in computing taxable income.

To put it another way, this proposal amounts to 100 percent depreciation on capital expenditures, within certain limits.

The amendment suggests a limitation of not exceeding $125,000, or 50 percent of the taxpayer's net income, whichever is the lesser, in any given year.

Perhaps this figure is too high, though I have heard many contend that it is too low. I am particularly interested in helping small business; and if it should be the judgment of the Senate that this dollar limitation should be reduced, I would be content, provided the limit should not, in an excess of caution, be set too low. I do not believe it should go, in any case, below $50,000 as the maximum limit. Many small businesses would be greatly helped by the opportunity to make even that much of an expenditure, for expansion or plant improvements, on a tax deductible basis. But with costs in all lines as high as they are today, the maximum limitation should be set higher than this in order to provide the maximum relief and the maximum benefit.

We still have in this country today an excess of demand over supply in many fields, including still many items of consumer goods. General tax relief will only increase that demand, without doing anything to increase the supply. This amendment which I have proposed would do something about increasing the supply, since it would provide incentive for expanded production.

This proposal would afford particularly effective relief to the small, unincorporated businessman. The present tax rate for corporations ranges from 21 percent to 38 percent, with profits below $50,000, and rests at 38 percent where profits are larger. But the small-business-man who is unincorporated runs head-on into an even greater tax barrier, because under the present law a small-business man with an income of $50,000 pays out more than 50 percent of his income in taxes. Under those conditions, it is almost impossible for a man to build a business.

Big business has the financial contacts—the contacts with banks, with underwriters, with large investors—to borrow the money it needs for expansion. In many cases a small-business man has only one source of money—the profits on his business.

This country needs small business. It needs small business that has a chance to grow and play a real part in our economy. But small business cannot grow unless it has the money to finance expansion. And even if a small-business man is able to get the capital he needs from outside his business, he often runs the risk, in getting it, of losing control of his business to outsiders, or, more particularly, to his big-business competitors.

My proposed amendment would give him an opportunity to plow back into the expansion of his business some of the profits from that business.

Taxes that reduce the funds available for plowing back into a small business handicap the growth of small business in general, and continue to assist big business in retaining its superior position.

It is apparent that if this amendment is adopted there will be a reduction in tax revenues, in proportion to the increase in capital investments, for expansion and increased production which would be brought about.

It must be remembered, however, that what is proposed here is simply a taking of depreciation all at once, and that no further deductions for the same depreciation will be allowed in future years. Tax collections, therefore, will tend to even out, and in the long run it is hard to see how the Government would lose any money. In fact, I anticipate that the gains in taxable production, through the stimulation of business which this measure would bring about, will yield a substantially increased tax revenue in future years.

The important fact to remember is this: Whatever this proposal would cost the Government in anticipated tax revenue would necessarily be only a fraction of the amount by which it would increase capital expenditures, for expansion of business, and for increased production. I count that one of the strongest possible arguments in favor of the proposal.

I have received many letters about this proposal, from all over the country, since I first offered it as a proposed amendment to the tax bill which was considered at the last session of the Congress.

One of those letters was from Mr. Bernard M. Baruch. I quoted from Mr. Baruch's letter when I addressed the Senate on this proposal last year. Let me quote from it again, in closing. Mr. Baruch wrote: "I just want to say that the general purpose of your plan is good. I would rather do something of this kind than to reduce taxes in any other form."

Referring to the effect of the present tax situation on unincorporated small business, Mr. Baruch wrote:

"No unincorporated business can get ahead. It is bad enough for a small incorporated business. That is the quarrel I had as regards the previous tax reduction—that the corporations got the benefit, placing the individual at a greater disadvantage than ever."

Mr. Baruch, of course, does not favor any tax reduction at this time; but I think it is significant that, even though he holds that view, Mr. Baruch wrote, in his letter to me that—

"Such a plan as yours will stimulate business, thus stimulating volume and bringing our economy more into balance."

That is one of the strongest arguments for this amendment which can be made.

HOUSE BILL REFERRED

The bill (H. R. 5728) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1949, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

ADDRESS BY MRS. PEARL S. BUCK AT GANDHI MEMORIAL

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address delivered by Mrs. Pearl S. Buck at the Gandhi memorial held in Washington on February 11, 1948, which appears in the Appendix.]

CONDITIONS IN SPAIN—ARTICLE BY FRANK C. WALDROP

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled

"Spain?" by Frank C. Waldrop, from the Washington Times-Herald of March 9, 1948, which appears in the Appendix.]

ADDRESS BY SENATOR JOHNSON OF COLORADO ON PLACING A WREATH ON THE JOHN ERICSSON STATUE

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address delivered by him on the occasion of placing a wreath on the John Ericsson statue, which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF HERMAN E. MOORE TO BE JUDGE, DISTRICT COURT OF THE VIRGIN ISLANDS

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, March 16, 1948, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Herman E. Moore, of Illinois, to be judge of the District Court of the Virgin Islands of the United States. Judge Moore is now serving in this post under an appointment which expired February 10, 1948. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Michigan [Mr. FERGUSON], chairman; the Senator from Oklahoma [Mr. MOORE]; and the Senator from Arkansas [Mr. FULBRIGHT].

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. LANGER. Mr. President, yesterday I was discussing the question of displaced persons, and the connection that has with the Marshall plan.

I am sure every Senator will be interested in an article which appeared in the Legislative Bulletin, of which John Thomas Taylor is the Director, a publication issued by the American Legion.

Mr. President, there is on the statute books a lobby law, and one who comes to Washington to advocate a bill pending in Congress must register. I am sure all Senators will be interested in knowing how many are registered as lobbyists in behalf of the displaced persons bill.

I read from the Legislative Bulletin, to which I have just referred:

In addition to numerous organizations registered with the Senate and House of Representatives who are working in behalf of the admission of displaced persons, either by relaxing immigration quotas or otherwise, during the past quarter the following persons have been registered with Congress as legislative representatives of the Citizens Committee on Displaced Persons.

In other words, Mr. President, for this one committee, the Citizens Committee on Displaced Persons, the following persons are registered, and I shall state their salaries as they appear in the records of the Senate and the House of Representatives:

Name	Annual salary
James M. Kiernan	$15,000
Thomas M. Cooley	12,000
Leo J. Margolin	12,000
Jack Wasserman	12,000
Vinton E. Ziegler	8,000
William S. Bernard	7,500
Curtis Edward Johnson	7,500
Myron Ray Ely	6,000
Robert W. Pearson	6,000
Helen Alcott Shuford	6,000
Clara Leiser	5,220
Pearl Richardson	5,220
Peggy Harris	5,220
John T. D. Franzen	5,040
Eric Kocher	5,040
Blossom Steinart	5,040
Beatrice Wellington	5,040
Meredith Selby	4,800
Elizabeth Buck	4,320
Patricia Ritter	4,080
Elizabeth Gardiner	4,020
Charlotte E. Abbott	4,000
Harry L. Bennett, Jr	3,000
Total	152,020

Mr. President, a total of $152,020 is paid to these lobbyists by one organization, the Citizens Committee on Displaced Persons. But that is not all. I continue to read from the Legislative Bulletin:

In addition to salaries, these people also receive "actual amount of out-of-pocket expenses," which includes such items as air and railroad fares, hotels, meals, telegraph, telephone, and postage. As they are operating from two different addresses in New York City, which no doubt requires much traveling to Washington in connection with their lobbying activities, these expenses are no doubt very extensive.

That is a statement which also appears, Mr. President, in the Legislative Bulletin of the American Legion. So we have the spectacle that the Citizens Committee on Displaced Persons has hired lobbyists who are paid $152,020 in order to lobby a bill through the Congress of the United States.

Mr. President, I submit that these are not all the lobbyists we have, because other organizations, aside from the Citizens Committee on Displaced Persons, also have representatives in Washington. Last evening I read an article in the Washington Evening Star, by Joseph Young, entitled "Federal Leave System Abuse Needs Change, BRIDGES and BALL Say."

I wish to say in connection with the article that I was delighted and very happy indeed to note in it that some Senators have at last awakened to the fact that Federal employees are human, that they are not machines or robots; nor men and women, boys and girls, working under a narcotic influence which prevents them from becoming ill, sick, or tired.

Mr. President, I ask unanimous consent that at this point in my remarks the article by Mr. Young may be printed in the RECORD.

The PRESIDING OFFICER (Mr. LODGE in the chair). Without objection, it is so ordered.

The article is as follows:

[From the Washington Evening Star of March 8, 1948]

FEDERAL LEAVE SYSTEM ABUSE NEEDS CHANGE, BRIDGES AND BALL SAY

(By Joseph Young)

A sharp attack on the Government's sick- and annual-leave system was made today by Chairman BRIDGES, of the Senate Appropriations Committee, as he called on Congress to review the entire Federal leave system.

Senator BALL, Republican, of Minnesota, who headed a Senate appropriations subcommittee which conducted a study of Federal employees' leave privileges, joined with Senator BRIDGES in asking that the whole system be reviewed "with a view to eliminating abuses and tightening up what may be a too-liberal leave system."

The subcommittee study showed "a widespread abuse of sick-leave privileges" among Federal employees, the Senators declared.

CALLED HIDDEN OBLIGATION

"Sick and annual leave constitute an extremely sizable financial obligation of the Federal Government and, in a sense, one of the hidden appropriations in the total that make up the budget for each fiscal year," the Senators declared.

They said that more than 73 percent of all Government employees use sick-leave privileges during the 9-month period in which the study was made. In some agencies the average was close to 100 percent, Senator BRIDGES declared.

The subcommittee's report declared "many departments and agencies, the larger ones particularly, report frequent abuse of the privilege. Most frequent among these were absences immediately preceding or immediately subsequent to a week end, absences for longer periods than are actually required for medical, dental, or optical treatment, and absences when a reduction-in-force order is about to be effected."

Government employees are allowed 26 days' vacation each year and 15 days of sick leave, if necessary.

PRIVATE WORK COMPARED

Turning to annual-leave provisions, the subcommittee's report stated that, in comparison with private industry, the Government is unique in the amount of leave benefits it grants its employees.

The total sick- and annual-leave accumulations in the Government represent a potential obligation of $1,100,000,000, the report declared, referring to the fact that when Federal employees leave the service they are entitled to cash payments for their unused leave privileges.

Senator BRIDGES said that Federal employees who availed themselves of all their leave privileges worked only 212 days a year, or only 58 percent of the time.

AVAILABILITY POWERFUL LURE

He cited the remark made by a bureau head to one of the committee's investigators, in which the official declared:

"As long as sick leave is available, most employees will use it upon the slightest malaise."

Most frequent abuses of sick-leave privileges are noncareer employees, especially those whose work is monotonous or distasteful, the report asserted.

In an effort to eliminate abuses of sick-leave privileges, the Civil Service Commission recently gave Federal agencies the power to require doctors' certificates from employees who utilize them.

Mr. LANGER. Mr. President, during the long years of the war, long, long, tedious hours, from early in the morning until late at night, the patriotic

efforts of our Federal employees continued unabated. Possibly they were exceeded in their zeal only by the railroad workers, who with their younger men in the armed forces, with 21 percent less employees than they had had before the war commenced, moved twice as much freight and did twice as much work, with twice as much profit to the railroads. One of the great sagas of the war was the work done by the railroad employees.

It is indeed refreshing to note that the distinguished Senator from New Hampshire, the chairman of the Appropriations Committee, and his associate, the distinguished senior Senator from Minnesota, have conducted a study of Federal employees' leave privileges. From the newspaper account, I note they studied only for a 9-month period. Now, I do not know just what 9 months they were, but I am satisfied that, if they will investigate, they will find that those in the higher brackets—commencing about $10,000 a year—leave Washington for a 3-month vacation. It may be a judge, tired—very, very tired and worn out from his arduous duties. In North Dakota there was a Federal judge who not only went to the lakes in the summertime, but went to Florida in the wintertime. Apparently he worked so hard during 5 or 6 months that he was obliged to go away both during the summer and the winter. It may be a Member of the Senate, who after working hard from January until July must leave the disagreeable climate of Washington during July, August, and September to regain his health, possibly, or to find out how things are going in Greece, Germany, Austria, Iran, or South America. And I remember one Senator well who used to investigate Yellowstone National Park regularly every summer—in fact, he had a suite of rooms assigned to him at the hotel near Old Faithful.

Rarely, Mr. President, have I seen such trembling solicitude for Federal employees as we find here in the Senate at the present time, when we are voting five or six billions of dollars to foreign countries and are anxious to see that at the same time we take care of our own employees who had not had a pay raise until 1945. Of course, when they got that pay raise, an Executive order promptly took away overtime so that, with the income tax, the employees got less than they got before. Just think of it—Government employees are allowed 26 days' vacation each year and 15 days of sick leave, if necessary. Of course, it is not as much as they get in Russia, but then Russia is a barbarous country. I mention Russia because it is asserted that the Marshall plan is necessary to be adopted in order to stave off communism. In Russia the Government gives them 30 days, buys them a ticket, sends them off to a nice fresh-water lake with all members of their families. All their expenses are paid while they are at the lake, and they get their ticket back home.

There are thousands of GI's who went out to fight for their country, who receive but $1,900 a year as mail handlers, for example, in the post office department. If they work real hard they will get a raise of $100 the next year. But when they get to the point where they are paid $2,500 they receive no further increase. As mail handlers, or in similar jobs, they must work those 41 days additional to keep body and soul together. Testimony before the subcommittee of the Committee on Post Office and Civil Service shows that hundreds of these men work after hours, at night, because they cannot possibly live on $1,900 a year with the cost of living what it is at the present time.

It is said that the total sick and annual leave accumulations in the Federal Government represent a potential obligation of $1,100,000,000. Worse yet, when Federal employees leave the service they are entitled to cash payments for their unused leave privileges. In just a moment I will come back to the question of cash payments for unused leave privileges.

There are 52 Sundays and 52 Saturdays in 1 year. That makes a total of 104 days. There are 8 holidays, which added to the 104 days, make a total of 112 days. There are 365 days in 1 year, and when we subtract 112 we have left 253 days. If we deduct 26 days of vacation, we have 227 days left, and when we take off 15 days sick leave, we have 212 days left. It is just as simple as that.

Of course, it must be understood that these Federal employees are not regular citizens. For example, no matter how bad conditions become, they have no right to strike. They have no right to take part in politics. If they want to better their conditions by getting together politically, they automatically lose their jobs. In addition, a man or woman who has put in 25 or 30 years of his life may go to work some morning to find that he has no job, because some GI or WAC, under veterans' preference, has come in during the night and taken his desk, even though the Government employee has a 100 percent efficiency rating and has civil service status. That happens to men and women who have worked 25 or 26 years for the Government, who have a 100 percent efficiency rating, who have rendered good service, and who have an excellent status. No one wants to employ women who are 51 or 52 years old. Employers would rather have a girl of 19, 23, or 24. A Government employee may be thrown out of a job overnight because some WAC or GI, under veterans' preference, has a right to take that job away from him, no matter how efficient he has been. No matter how honest or patriotic he has been, he is out. That is the law which the Congress of the United States has enacted.

I wonder how many Senators would be inclined to take sick leave if tomorrow some young man or woman could walk in and say, "Mr. Senator, I have preference. You are out and I am in."

We now have a situation in which Government employees take more sick leave than they did before. Because of the war, when hours meant nothing to them, they are tired. Some of them have not yet recovered from the long hours they worked patriotically for our Government. Also, of course, the average age is higher. They are 5 or 6 years older than they were when the war started. So they take a little more sick leave than they used to take.

As a rule young folks will not take Government jobs if they can possibly avoid it. As chairman of the Committee on Post Office and Civil Service, I would say to any young man or woman, "You are smart not to take a Government job, because at the present time there is very little future in a Government job."

It seems that nearly everyone hounds the Government employee. For example, take a person working in the post office. I have the records here. I wrote to every single postmaster in the United States. I sent 42,000 of them each a letter. I wanted to find out the working conditions. I wanted to find out about their equipment. I have the replies in my office. I have copies of some of them before me.

Sometimes post-office workers must work with the snow blowing in the window because there is no glass in the window. Sometimes post-office workers must work with so much water on the floor that they are required to wear overshoes. Others have to work with typewriters more than 30 years old. Some work with complicated machines which they must borrow. If any Senator is interested, I have the names of these people.

As chairman of the Committee on Post Office and Civil Service I can assure every Senator, from first-hand knowledge and correspondence, that postmasters are pleading for some of the most rudimentary equipment with which to transact the business of the Post Office Department.

Come with me to a little city of 3,500 people in Minnesota, and see the 7-foot-long board which is the post-office desk, counter, or whatever one chooses to call it. Across this board the postmaster and his assistants sell $25,000 worth of stamps every year, as well as conduct $75,000 worth of general business, including money orders, postal savings, and the like. Yet we indulge in international double-talk, and tell how much we must spend, and how much we want to pay, for other nations to enjoy. If I do not mistake the signs, we have almost become a "have not" Nation. Certainly we have not attempted to put our domestic house in order.

Here is a town in Pennsylvania whose post office needed a safe in which to keep valuables. The safe was not supplied by the Government. The Government would not buy a safe. The safe was supplied by a citizen. The doors of that post office were so flimsy that a strong wind, not a storm, might blow them apart. They hung loosely on their hinges.

In a second-class post office at Fairbury, Ill.—I might as well give the names of these places, so that if any Senator wishes to make an investigation he can do so—the postmaster reports:

> Our most urgent need is a safe room for the protection of valuables and stamp stock, with sales drawers to maintain individual responsibility.

Have Senators ever visited Beaver Dam, Wis., where Postmaster John L. Cunningham makes the following statement?

We are badly in need of a parcel-post desk in our post-office lobby. You can see from the enclosed picture that parcel post has to be lifted and pushed through a 17 by 24-inch opening. If anything larger than 17 by 24 inches is presented, the window clerk has to crawl under the counter and open a small door to take in the package. Our building is 30 years old, and there has never been any change in the original screen-line installation. Our receipts this year will run about $130,000, and since the express company raised its rates we get a great volume of parcel post. The window clerks are not permitted to paste stamps on patrons' parcels, so they have to have large parcels rated up and then take them away from the window, put on stamps, then get back in line to present them. Our window is 48 inches from the floor. You can see from the picture that the women at the window cannot paste stamps on a large package without taking it away.

Can it be that the material for this equipment has already gone to Europe?

Let us look at the situation in Westford, Mass., where Henrietta R. McNiff is acting postmaster. This lady says:

We are badly in need of all equipment, as the only things we have here are a few odds and ends picked up to make it possible to carry on. In general, everything here is obsolete and in need of repairs. We most certainly could use a new outfit in general for this office.

Mr. President, in order to make the survey geographically more complete, I now turn to Saguache, Colo., where Mrs. Esta M. Fuson is postmaster. She makes this statement:

Our equipment is roughly made as to tables, etc. The canceling machine, typewriter, and adding machine are old, but I can't afford to replace them. The office itself is a disgrace to the Department. It is filthy, dirty as to walls, some of the plaster has fallen. In spots the lighting is dangerous, as it is merely dropped cords hung from one double socket to another and is a fire hazard. The Department has sent in an inspector several times to check on the conditions of the office. They all agree something should be done but nothing happens. And after 7 years of working in such unsightly surroundings.

Now let us turn to Connecticut, where the postmaster at Poquonock declares:

When I took over this office in June 1946 I had to buy the post boxes, which according to hearsay are 100 years old. I also had to buy a stove, safe, desk, and two chairs, besides other equipment. The Department refused me a sorting case, therefore I had to build one at my own expense and at my own time. We have no filing cabinets, typewriter, calculator, or many other things that would make this a modern office.

Can it be, Mr. President, that we have sent all our available typewriters, calculators, filing cabinets, lockers, and sorting cases, as well as lock boxes, to some other nations, along with our money, and at the same time find that it is necessary to curtail our governmental expenditures, so that we do not even leave ourselves the money with which to buy such necessities, even if they were available?

Let us look at Bridgehampton, N. Y., where Marjorie Dickinson is postmaster. This is a second-class post office. Miss Dickinson reports as follows:

There are no cabinets or cupboards for keeping permanent records; they are piled in card boxes in the cellar covered with ashes and dust and being chewed up by mice.

Those are Government records which the United States at almost any time may be called upon to produce in the case of claims or other instances which can easily cost the Government money. Yet rats and mice are making their private recovery program out of such records.

If there are Members of the Senate who have not visited a third-class post office, I would have them go with me to Gardendale, Ala., and talk to the postmaster there, and they will learn what I have already learned, which is reported as follows:

For years an unattractive and unpainted shack has been the only representative of the United States Government in our community. If there isn't enough funds to carry out the program, permit me to thank you again for your letter. It did my heart good and I received your letter in a most appreciative manner.

In the same State of Alabama, at Hacklebury, we shall be greeted by Fannie K. Frederick, the postmaster, who states:

More than anything else, we need a decent post-office building. The one we are now occupying is shameful. It once was wrecked by a storm and is in very bad condition. The owner refuses to repair it unless the Post Office Department will pay more rent. Anything Congress can do will be appreciated and remembered by us.

I have before me other communications from post offices in Alabama, including one from Mobile, and I have one from Aberdeen, Idaho, and so forth.

Here is one from Georgia. The postmaster at Milan, Ga., says:

The roof has leaked for the past several years, so that the employees are forced to wear overshoes when it rains.

That is the condition in that post office of the United States Government. When it rains there, the roof leaks, and all the help has to put on overshoes.

I read further:

It has leaked for so many years that it has caused the overhead wood framing to damage and sway down, making it very unsafe for the public and the postal employees. The windows and doors are so badly misfitted with cracks on the floor that it is impossible to keep the office force comfortable in the winter. I feel that upon inspection the building would be condemned as unsafe and a health menace, as attested by the number of cases of Brill's fever among the employees.

Mr. President, when an employee of the Federal Government gets Brills fever because of roof leaks and because the water comes down through the roof, forcing the employees to put on overshoes, but finally they become sick, then I maintain that 15 days a year of sick leave is not enough.

At Niagara, Wis.—and this is not a third-class or fourth-class post office, but it is a second-class post office—the acting postmaster declares:

The thing we need here mostly is a new post office. The antiquated shack that we are conducting business in is an eyesore to the community. Not only that, but we are constantly wondering if the roof is going to fall in, or the floor drop from beneath our feet.

At Russellton, Va., Delia Saloman, postmaster, declares she has 400 lock boxes rented and that "the task of replacing them is more than I can afford." She adds that:

In my 13 years of service, I have practically worn out my typewriter and could use a new one, since there are phases of the work that must be done by typewriter. I have one small filing cabinet for current business, but no place for old records. A new filing cabinet and adding machine would be a time saver but is not a necessity.

At Annandale, N. J., Mr. Cecil R. McConnell is postmaster. Mr. McConnell reports that:

We could use just about everything and anything. A great need, as I see it, is a safe, as the last one I provided was badly damaged when this post office was robbed the night of December 20, 1940. I have since kept a book of this office's postage-stamp stock and valuables in my home and cart most of the rest of the stock in valuables to and from my home nights and mornings, this being the best sort of protection I am able to afford.

He further says:

I also would like to point out that our post-office building's present condition is inadequate for postal service, with no toilet facilities and no heating plant, necessitating our relying upon oil burners because of high ceilings and no insulation against the weather. The post-office building needs, among other things, repainting inside and out, as it has not been painted since I received my postmaster appointment back in 1935. Contributing my services, I have once painted the interior of the post-office building myself while I was postmaster under the late Woodrow Wilson. All secure fastenings on the doors of the post-office building, a plain structure, and a different lock on the front door are among other needs.

I mention all these different States, Mr. President, so that the situation may be shown to be the same all over the country. This one is from Texas. The acting postmaster, Grace G. Sandelin, of Flatwood, Tex., reports:

I have 131 lock boxes. All of them with the exception of 6 are extremely old and out of date. They are so old I cannot get parts to repair them. I really need to have them replaced with new ones and could use 25 more if I had them. I have 3 chairs in the office. One of them is a fairly nice swivel chair, but the other two are old and really worn out. I could also use a large locker to keep my records in, thus eliminating the mice getting at them.

We now go to California. At Riverdale in that State the acting postmaster there is Mr. D. B. Dadasci. He says:

The adding machine we are using is borrowed from one of the postoffice clerks, who would like very much to have it back. It is of a very ancient vintage. The serviceman for the Burroughs Adding Machine Co. says it is one of the oldest machines in use.

The Burroughs Adding Machine Co. began business a little over 50 years ago.

The second-class postoffice at Downsville, La., reports through its postmaster, Mr. T. Oliver Thibadeau, as follows:

At the end of every quarter and often at the end of the month I have had to resort to

borrowing a machine from a department store, a parish house, and so forth, wherever a machine is available.

Mr. President, I have taken the time briefly to look at the progress of the rural electrification program, particularly in my own State of North Dakota. I find that conductors, poles, and wire, and almost every other material going into the lines has been slow in coming through. Mr. Ted V. Byzewski, of Marvel, N. Dak., still gropes around his farm in the darkness, unable to get kerosene or gasoline, and of course his most menial chores have to be done by hand. America still is not lighted up.

From Ashley, N. Dak., Mr. Theophil Haas writes:

I wish to say that if you Senators would live on a farm the way we people do, you would see that the service of REA is urgently needed; indeed, it is very urgently needed. The farmer is the man who feeds the world. We farmers would be willing to pay a price for this service if we could only obtain it. The 32-volt plants are good for light and for a few quarter-horsepower motors, but they don't seem to hold out.

It is apparent that while Russia and other nations are going forward headlong into high-tension electrical programs, America is still dragging its feet.

Here is a letter from Gideon Oldenburger, of Napoleon, N. Dak.:

I think the farmer's wife would say it was a godsend if she could have running water, refrigeration, and many other things that are too numerous to mention. I and other farmers here in North Dakota wish to take this oportunity to thank you for doing your best to get our State electrified.

The electrification program throughout the United States is still far behind. The other day I gave certain figures relating to rural electrification. As I said then, before the war, 95 farmers out of every hundred in Japan had light and power, and 95 out of every 100 had light and power in Germany, Norway, Sweden, and Denmark. In America, but one State, the State of Rhode Island, had attained a percentage of 95 when the report was published 2 years ago. The State of Washington, from which my distinguished colleague [Mr. CAIN] comes, is 85 percent electrified. In the great State of Washington a remarkable piece of work was done, because the bill of the average farmer in that State is $1.50 a month, something entirely beyond the conception of farmers in so many other States, as for example, Montana, where 25 out of every 100 farmers have light and power, or Minnesota, where 40 out of every 100 have light and power, or North Dakota, where 7 out of every 100 have light and power, or South Dakota, where 9 out of every 100 have light and power, and where the bills run from five to six or seven dollars a month. In the State of Washington the average monthly bill is $1.50. So I say, we have a situation that affects not merely post offices. But I care not what governmental agency is mentioned, there is a need of money, money, and more money, in order to take care of our own people. We talk about keeping communism out of Germany and other countries. I suggest it would be a good thing for the Senate to see that we do not let communism enter America, provided the men who want to stop its spread so badly are really concerned about it.

Let me cite a few figures. A few days ago Maj. Gen. Philip B. Fleming, Administrator of the Federal Works Agency, issued a release to the press, in which he said:

We need $75,000,000,000 for a 15-year program for Federal roads and buildings alone.

That is $5,000,000,000 a year.

A few days ago in the House of Representatives, Representative KEEFE, chairman of a subcommittee dealing with matters of public health, announced that $8,000,000,000 was needed in order to protect the public health. I remember that during the war more than 600,000 boys were refused admission into the Army because of physical defects or because of a lack of education. So, for public-health purposes $8,000,000,000 is needed over a period of 5 years.

Mr. President, I have here a report made by a subcommittee of the Committee on Post Office and Civil Service. The report makes it clear that if the proposal to reduce the budget is to be carried out, there must be a cut of 25 percent of the increase of $1,500,000,000 a year in the pay of Federal employees.

What about veterans? My mail is filled with communications from veterans. They are not receiving sufficient money when disabled. I do not know what the cost will be over the next 5 years, but of one thing I am certain, that is, that it will be very materially increased as the money is set aside for educational purposes. Certainly an increase of $7,000,000,000 is bound to come, and that within a very short time.

Then we come to Federal aid for schools. I have here a table bearing on this subject. I ask unanimous consent that the table be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State	Expenditure per pupil in public elementary and secondary schools for 1944-45	Estimated per pupil expenditure with proposed Federal aid [1]
United States average	$125.[illegible]	$140.42
Alabama	56.93	93.57
Arizona	127.55	146.69
Arkansas	60.26	99.50
California	163.38	169.83
Colorado	129.47	136.66
Connecticut	159.50	167.11
Delaware	133.05	140.92
District of Columbia	161.02	170.28
Florida	94.55	101.55
Georgia	64.92	97.39
Idaho	112.34	123.20
Illinois	169.32	177.20
Indiana	131.29	138.11
Iowa	124.83	131.32
Kansas	130.85	137.69
Kentucky	80.94	119.74
Louisiana	95.31	125.49
Maine	97.75	105.81
Maryland	113.98	122.52
Massachusetts	166.67	174.76
Michigan	127.73	134.69
Minnesota	144.29	151.43
Mississippi	44.80	82.66
Missouri	113.07	120.60
Montana	163.42	170.35
Nebraska	127.28	134.00
Nevada	$155.88	$162.91
New Hampshire	131.48	142.59
New Jersey	198.33	205.89
New Mexico	119.98	155.89
New York	194.47	202.14
North Carolina	68.91	100.92
North Dakota	132.55	148.97
Ohio	138.25	145.29
Oklahoma	96.61	120.74
Oregon	144.56	150.94
Pennsylvania	137.00	144.70
Rhode Island	148.96	157.93
South Carolina	65.17	103.44
South Dakota	144.62	159.43
Tennessee	69.70	98.71
Texas	102.46	120.89
Utah	120.24	132.78
Vermont	117.90	130.34
Virginia	83.49	100.76
Washington	159.78	165.99
West Virginia	93.18	121.82
Wisconsin	140.41	148.06
Wyoming	164.84	171.63

[1] Does not include any increases in local and State expenditures for the years 1944-45 through 1947-48.

Mr. LANGER. The table shows exactly how much money each State of the Union will need in order that its children may obtain even a minimum education. Certainly if there is any class of people underpaid today it is the school teachers of the United States.

Mr. President, we come now to Federal housing. No one seems to know how much that is going to cost. Certainly it is badly needed. Housing bills have been pending in Congress for a very long time. I noticed in one newspaper it was estimated the amount ought to be $8,000,000,000 for the next 3 years.

Then of course we come to universal military training. If there is any vote of which I am proud, it is the vote I cast against the adoption of the United Nations Charter. It is now 2 years since former Senator Shipstead and I voted against that measure. After we, together with men such as former Senator Wheeler, pleaded and pleaded, some of the Senators now upon this floor afterwards voted for the bill. I wish to refresh the memory of Senators by rereading a portion of what I said when I voted against adoption of the United Nations Charter.

I said on the 28th day of July 1945:

Mr. President, during my service in the Senate in behalf of the common people, I have never sold the truth to serve the hour. I have no quarrel with the vote of any honest Senator upon this floor. Each one took the same oath that I took, namely, to defend and uphold the Constitution of the United States of America.

Practically all Members of this body have indicated that they will vote for the Charter. Under my oath, Mr. President, and under my conscience, I cannot so vote. If I did I would feel that I was betraying the hundreds of thousands who have died in this war for the United States, and the hundreds of thousands who have sacrificed their loved ones and their treasure. I would be willing to vote for the appropriation of the last dollar in the United States Treasury, and the last dollar that we could borrow if, by spending that money, we could eliminate war, which we all abhor and hate. I would unhesitatingly vote for the Charter if I felt that it offered even the tiniest hope of a permanent peace. But, in spite of that, Mr. President, I feel from the bottom of my heart that the adoption of the Charter—and, make sure, we are going to implement

it—will mean perpetuating war. I feel that it will mean the enslavement of millions of people from Poland to India, from Korea to Java, as well as people in many other places on this earth.

Who would have believed, Mr. President, that a President of the United States could affix his signature to an agreement that provided for the enslaving of millions of human beings? There they are today, Mr. President—hundreds of thousands of slaves in some places and millions in others, brought to that condition by the signatures of three men; and this in the twentieth century of civilization.

I read further:

Mr. President, I feel that the adoption of the Charter will be one step more toward compulsory and military conscription, and all that which goes with war.

A few days ago I called before a subcommittee of the Committee on Post Office and Civil Service a high-ranking Army officer who stated that in Knoxville, Tenn., there has been operating for a year and a half a military college which already has had 1,800 graduates, young men who have taken military training. The authorities are not satisfied with that. They want military training in all the schools of the United States. They are begging young boys to leave school in my State. I put into evidence one of the pamphlets sent to the normal school in Ellendale, N. Dak., in which boys were urged to leave the normal school and go to Nashville, Tenn., to take military training, because it is so nice. On inquiry as to who had ordered it, it was said that it was done at the order of General Eisenhower, and that he had established the school in Tennessee.

I said at the time the United Nations Charter was adopted, Mr. President, that I felt that its adoption would be one step more toward compulsory military conscription and of all that goes with it. I can only say today that I was a good prophet. What will it cost? The figures range all the way from $2,000,000,000 a year to $6,000,000,000 a year. We shall have universal military training. We shall not have money for education, for health, and for some of the other things which I have mentioned.

I continued in my speech, Mr. President, as follows:

In my opinion, the charter is not at all similar to the Constitution of the United States which was adopted by the Original Colonies. I may say at this point that I agree with what the distinguished Senator from New Hampshire [Mr. BRIDGES] said earlier in the day, when he stated:

"Most important of all, the American Constitution went to great length to guarantee genuine equality to States entering into the Union. Neither Ben Franklin nor the other members of the Constitutional Convention would have tolerated a constitution by which two or three or five of the States were given a veto power over all of the rest."

I shall not quote the remainder of it. Within 12 months after we adopted the Charter, one of the most distinguished Members of this body, a Senator who had argued long for it, rose and said it should be amended and that the veto power should be eliminated. But, Mr. President, at the very time we adopted the Charter it was pointed out that it could not be amended. There is no provision for amendment. So, without being disrespectful at all to the distinguished Committee on Foreign Relations of the United States Senate, I say to them that on their past record I cannot and will not follow, because I have no confidence. In San Francisco, after it had been stated that we would carry out the Atlantic Charter, Australia's distinguished statesman said, just as did our Thirteen Colonies when they got together, "We will have a constitution." But there were representatives from the United States and from England voting "no" and saying, "We must have the veto power."

So, Mr. President, there must be another war fought at some time, I suppose, before we can sit around the peace table and get together and see to it that there shall be no more war.

Mr. President, I now desire to call the Senate's attention to the situation of the aged. At the very time when we increased our own salaries, when we raised our salaries from $10,000 to $12,500 and arranged for $2,500 additional money for expenses for which we did not have to account in our income tax returns, I made a motion that the social security payments which the aged were receiving from the Government should be increased, and suggested that $100 a month would be a fair increase, in view of the high cost of living.

We increased our own salaries, and we gave the aged the great sum of $5 a month additional. In some of the States the pioneers, men who were not drunkards, men who were patriotic, hard-working men or women, fine, splendid specimens of womanhood, put their money in banks. Those banks were being examined under both State and Federal authority. Surely those old-timers had a right to rely upon the safety of those banks. But apparently the banks were not very sound, because when President Roosevelt came into office, overnight he declared a bank holiday, and in hundreds and hundreds of banks all over our Nation not 1 cent was paid out to depositors. So we found the old people with their money in closed banks.

I see my distinguished friend, the junior Senator from Nebraska [Mr. WHERRY], sitting before me. His State is close to my State of North Dakota. In North Dakota my constituents lost $61,000,000 in 65 closed banks, in that one little State alone. In Nebraska the situation was worse than it was in the State of North Dakota. But there were those old people, those men who trusted the United States Government, those who believed that when the Federal bank examiner examined a bank it meant something, and they were broke, at a time when we raised our own salaries from $10,000 to $12,500, and provided $2,500 more in an expense account, for which we do not have to account in our income tax. I voted against that bill. I refused to support it unless others also got a corresponding increase.

Mr. President, we find some of these people trying to live on $25 or $30, $35 or $40, $45 or $50, $55 or $60, $65 a month, depending on the particular State, because the Federal Government matches only 50 percent.

I know people who are trying to live on $28 a month, and they get a letter, we will say, from the welfare board, stating "We took off another dollar," or "We took off another $2." If any Member of the Senate does not credit that, let him come to my office and I will show him not one, not a dozen, but hundreds of letters from aged people who are trying to get along on these insignificant pittances.

Mr. President, we have money for everybody except the old people of America, who made this country.

I forgot to mention the Indians. We have robbed the Indians ever since I can remember. When I was on the Committee on Indian Affairs I asked the distinguished chairman, the Senator from Oklahoma [Mr. THOMAS], to name just one treaty, just one, the white man had made with the Indians that had ever been observed, and he could not name one, because there was not one.

There are the Indians starving in New Mexico and California, in my State, and in South Dakota. In New Mexico this year the people of the towns were giving the Indians food and clothing, taking it out to them by truck. In North and South Dakota, when the snow was high, when it was almost impossible to get through, and the Indians were starving, the people tried to help them. In Benson County and in other places the people got together and collected food and clothing so that the Indians would not starve or freeze to death.

Mr. President, I have in my hand an article upon this subject which is most illuminating. It appeared in the Reader's Digest, condensed from the original article in Harper's magazine by Oliver La Farge. I believe the article explains the situation among the Indians about as well as it could be stated. It is entitled "They Were Good Enough for the Army." And the Indians were. Among the Navajos, where the Indians are starving to death, hundreds went into the Army. In Sioux County, N. Dak., the smallest county in my State, 250 Indians volunteered.

Mr. President, let me show how the Indians are treated. I take this from the article in the Reader's Digest. Suppose you are an Indian, poor and old, and your son comes back from the war. Your boy wants an education, but with only three grades he could get into no school except those the Government provided for the Navajo children. Now I read from the article:

With 25,000 children of school age and room for only 6,000, he didn't have a chance. He wanted on-the-job training, but the few jobs on the reservation were filled, and people off the reservation didn't want an ignorant Indian. He wanted to buy a truck and go into freighting, but banks would not lend him money. He wanted to buy cattle and start ranching, but the reservation was already overstocked, and he could not get a grazing permit. He worked on a railroad gang for 6 months and made a little money harvesting carrots; that was all he had been able to find since he was mustered out.

Mr. President, that is the kind of treatment the sons of those Indians have been getting all over this great Nation. I ask unanimous consent that the entire article from which I have been reading, entitled

"They Were Good Enough for the Army," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THEY WERE GOOD ENOUGH FOR THE ARMY

(Condensed from Harper's Magazine)

(By Oliver La Farge)

The young man sat listlessly on the ground in front of a one-room log shack. With a bony finger he made aimless marks in the dirt. Inside the shack his wife was trying to sleep, since there was nothing to cook. As the baby was not crying he knew that it had fallen asleep, for which he was grateful. They had eaten up their monthly relief check of $15 from the United States Government. There were still 4 days till the end of the month. He wondered how they would get through next month, how they would get through the winter.

This man is a Navajo Indian—one of thousands who have gone this far toward the end of the trail America has laid out for them. As a boy he had 3 years of schooling, in which he was luckier than most Navajo children, who have none. He failed to contract tuberculosis (which accounts for 45 percent of recorded deaths among Navajos over 20), and thus became one of the 3,600 Navajos who went willingly to war. When he came back he spoke better English; he had seen the world, had lived and fought as an equal among white men. With his mustering-out pay and the GI bill of rights, he was going to do great things.

Slowly he drew a square on the ground, then he made a dot in the middle of it. That was he—boxed in. He wanted an education, but with only three grades he could get into no school except those the Government provided for the Navajo children. With 25,000 children of school age and room for only 6,000 he didn't have a chance. He wanted on-the-job training, but the few jobs on the reservation were filled, and people off the reservation didn't want an ignorant Indian. He wanted to buy a truck and go into freighting, but banks would not lend him money. He wanted to buy cattle and start ranching, but the reservation was already overstocked and he could not get a grazing permit. He worked on a railroad gang for 6 months, and made a little money harvesting carrots; that was all he had been able to find since he was mustered out.

This young man's situation is typical of what the Government and Congress and people of the United States have done to the greatest of our Indian tribes. These are the Navajos, famous for their warlike qualities, their songs, their weaving, and silverworking.

When the Navajos, defeated by Kit Carson, signed the Treaty of 1868, they were settled upon a part of their old homeland. They numbered between 9,000 and 10,000. Under the treaty each Indian received two sheep. They settled down to herding, farming, and the development of their arts. The United States agreed to provide medical care, and to furnish adequate school facilities and a teacher for every 30 Navajo children between the ages of 6 and 13.

The Navajos increased, as they are still increasing, at the rate of about 2 percent each year. Today there are more than 60,000 of them. As the tribe overflowed its reservation, additions were made until the area now comprises 25,000 square miles. By a deal among Senators a law forbids further extensions of their territory.

For 20 years the Indian Service has known that there were nowhere near enough schools or hospitals for the existing Navajo population, yet never has it made a real attempt to secure from Congress the necessary appropriations. As a result, at no time did the United States fulfiill its pledges in regard to education and medical service. Never have as many as half the children been in school. Never have we approached anything like adequate public health and medical service.

Furthermore, the Indians' enormous flocks of sheep, cattle, and horses grossly overstocked their poor grazing land. The land began to deteriorate. In 1933 the Government awoke to the fact that reduction of stock was urgent. Coupled with soil conservation, the reduction program has adjusted the number of animals to somewhere near the carrying capacity of the land, and slowed erosion. But to achieve this, a large part of the Navajo tribe was deprived of its capital.

Without overgrazing, not more than 2,500 Navajo families can earn a poor but tolerable livelihood by herding. As for agriculture, only 23,500 acres can be farmed at present, much of it poor land. About 5,300 of the eleven-thousand-odd Navajo families were able to farm in 1946, and these averaged only $189 in crops consumed or sold. Of this tribe of 60,000, the present resources of the reservation all combined can support only 35,000. The remainder, 25,000 American citizens, is surplus.

Today the food intake of the average Navajo is several hundred calories below that of the Germans in the territory we occupy. When a Navajo came into a Red Cross office to apply for relief, the worker asked, "Why don't you get a job?"

"I can't. I feel tired all the time."

"I can't put that on the record. What do you mean?"

"Well, you see, sometimes I don't eat for 2 or 3 days."

Many Navajos, in desperation, have consumed their crops while they are still green. This practice tends in one way to alleviate the situation; it kills off many children from colic and diarrhea.

The excess 25,000 Navajos are not idle through choice. They jump at every chance of employment. But these ignorant, underfed, and diseased people cannot even compete equally in the field of common labor. They are the last hired, the first let go. Recognizing that education is the only permanent solution to their problem, their tribal council has sent delegations to Washington to plead for schools. But Congress would not listen and the American people did not care.

This situation could have reached so appalling a point nowhere except in Arizona and New Mexico. They are the only States in the Union in which, by trick devices in their constitutions, Indians are denied the vote. These States also deny all social security to Indians, although Federal funds allotted to them, based on population, include the Indians.

If only as a matter of economy, we should remedy the Navajos' plight. So long as Indians are unable to take care of themselves, they will remain a burden upon the taxpayers at large. The only solution is to build up their health, their economic condition, and their competence until they no longer need special care and Federal protection.

The Navajo Service, a branch of the United States Office of Indian Affairs, has developed a broad program which it is urging upon Washington. It envisages a circle of boarding schools and hospitals in communities around the edges of the reservation, where power, light, and housing are available.

The Service also plans for a careful development of small industries. This is largely an educational project, which can play no important part in the tribe's economy for many years, but should eventually be part of the long-term solution of its problems. The plan further calls for a large-scale development of all irrigable land. This would be a 10-year project, adding 150,500 acres of fertile land to the 23,500 the reservation now possesses. It would provide permanent, stable livelihoods for some Navajo families. All these projects must be accompanied by the building of roads.

If the whole program is completed, there is good hope that at its close, the trible will be tolerably self-supporting, with a range of skills and semi-skills which will enable the Navajos to compete for jobs outside the reservation. From that time on, education must take over. Steadily increasing numbers of Navajos must be made capable of getting on without artificial aids and protections in the white man's world.

Mr. LANGER. Mr. President, we now come to consider demands for more money. I picked up the newspaper last night and noted that South American countries want half a billion dollars. The day before, I picked up the paper and noticed that the President expressed a desire to give Greece and Turkey some additional hundreds of millions of dollars.

I thought I had a pretty good education when I left Columbia, but I have found that in giving out relief money there are countries benefiting which I did not even know existed. There is a little island some place in the ocean, for example. It is said we need that island because a base may be put on it at some time, so there is a request for a few hundred million dollars more.

The symbol of some of the major political parties should be a scoop shovel instead of some other implement, to show how we scoop out the money and give it away, under the bipartisan policy of the United States Government.

Now, Mr. President, we come to the blind, and find a little miserable pittance given the blind and the physically handicapped. When I was Governor of my State there were 241 physically handicapped people in the State, and a miserable little wage was paid to a man to go around and call on them once in a while. Time and time again he said he was unable to get even the equipment to educate a physically handicapped boy or girl; and that was long before the war started.

Then, Mr. President, we come to REA. I repeat what I stated on this floor a few days ago. A year and a half ago, when I was campaigning in my State, no matter whether the audience was large or whether it was small, when I invited questions, the questions were not, "Are we going to balance the budget?"; they were not, "Are we going to have tax reduction?"; but from one end of the State to the other the men and women, especially the women, asked, "When are we going to get REA upon our farms?"

I venture to say, Mr. President, that the distinguished Senator from Nebraska [Mr. WHERRY], the acting majority leader, has had the same experience in the State of Nebraska. He has spoken, as I have, to many farmers who wanted to know when they were going to be able to get refrigerators so their meat would not spoil. They wanted to know when electricity would be furnished to them, so they could have electric light in their homes instead of smoking lamps. The farmers wanted to know when they would get lights in their stables and barns so that they could take proper care of their livestock; they wanted to know when they could secure power to turn the wheels of the various machines used on the farm. I do not need to mention the need for electric power in connection with radios.

Do Senators know how many little motors there are on an average farm? There are 40. Believe it or not, on an average farm there are 40 little motors used for dishwashing machines, for vacuum cleaners, for implements, and machines of various kinds. Yet it was said that all we could have for REA was $300,000,000. Believe it or not, $45,000,000 was cut off from the amount provided in the bill, and $300,000,000 finally given. Mind you, Mr. President, that money is not poured down a rat hole the way some money has been sunk in rat holes in foreign countries since we have been giving it away. I myself one day heard the distinguished chairman of the Foreign Relations Committee say that aid to a certain country would never be paid back. But every penny of the money provided for REA is paid back to the Government. At the present time, $17,000,000 not yet due has been paid back in advance to the Government under REA. Of all the REA cooperatives in the United States, only one is now in default. Yet with that marvelous record, our Government will not provide sufficient funds to give the farmers the chance to get the power they need through REA. If the money were appropriated so that REA could furnish to the farmers the power and light which they need, it would be paid back with interest. Before the war 95 out of every 100 farmers in Germany had electric power. The same was true in Finland, Sweden, Norway, and some other countries. The men over there took good care of their women, while we in America do not take good care of our farm women. That is the record.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LANGER. I yield for a question.

Mr. WHERRY. Is the Senator going to place in the RECORD at this point the amount of money which is to be allocated for the purposes of reconstruction in western Europe while money for like purposes has been denied here in America?

Mr. LANGER. If the Senator will furnish it to me I shall be glad to place it in the RECORD.

Mr. WHERRY. The Senator's statement has been quite revealing to me. My understanding is that for the projected 4-year period the allocations to the 16 countries in question will be $5,000,000,000 for power and $5,000,000,000 for electrical distribution, and out of the first year's appropriation the allocation for the 16 countries is $300,000,000 for power and $300,000,000 for electrical distribution—to come out of the money the United States contributes, which is more money than the United States is allotting to its own citizens for the same purpose.

Mr. LANGER. I thank the Senator from Nebraska. There is no Senator upon the Senate floor who, in my opinion, is better informed about farm conditions than is the Senator from Nebraska.

Mr. President, over the period of the next few years, as I said, $75,000,000,000 should be provided for roads and buildings, $8,000,000,000 for health, $1,500,000,000 for Federal employees each year for 15 years, or a total of 21 or 22 billion dollars; $15,000,000,000 over a 5-year period for the veterans; $2,000,000,000 for Federal aid for school teachers over a 3-year period; $8,000,000,000 for Federal housing over a 4-year period, at $2,000,000,000 a year.

Then we come to universal military training. General Eisenhower says he wants it. General Bradley says he wants it. Almost without exception the military authorities want universal military training. The only general I have found so far who has opposed it is, according to rumor, General MacArthur in Japan. He has certainly not publicly endorsed it, as I am informed.

Let us look at all the billions of dollars we are going to give to foreign countries. I do not know how many hundreds of millions of dollars or billions of dollars we will provide to foreign countries, but I shall be conservative and say we will give $5,000,000,000 in addition to the Marshall plan, scattered among the 35 or 40 countries which, it is claimed, are eligible to receive aid. Of course, Japan, we can understand, wants a few billion dollars also. I do not want to forget Japan.

Then, Mr. President, a couple of billion dollars should be provided for the aged. I hope a billion dollars can be provided for REA.

At the present time there are literally a hundred million dollars' worth of claims filed with the Indian Claims Commission. We created that Commission a long time ago, but we have not paid out any money; so sooner or later we shall have to pay the claims which may be adjudicated.

Then, of course, there is the post-office equipment I described a while ago. There are 42,000 post offices; so one can figure how many million dollars that is going to take.

Mr. President, I do not want to take up much more of the time of the Senate. I desire to place in the RECORD, however, an article by Alexander Boeker, published in the Progressive, of Madison, Wis. The article is entitled "The Last Laugh Is Hitler's—Allied Expulsion of 20,000,000 Europeans From Their Homes Shows How Heavily We Have Borrowed From the Nazism We Hate."

I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LAST LAUGH IS HITLER'S—ALLIED EXPULSION OF 20,000,000 EUROPEANS FROM THEIR HOMES SHOWS HOW HEAVILY WE HAVE BORROWED FROM THE NAZISM WE HATED

(By Alexander Boeker)

Hitler's armies were smashed on the field of battle, but many of nazism's most savage political weapons remained to dominate the victors. The mass expulsion of helpless civilians was one of the most barbarous of Nazi instruments of terror and upheaval. Today, nearly 3 years after the successful conclusion of the war to crush Hitlerism, 20,000,000 human beings in Europe are penned up on alien soil against their will. They have been forcibly expelled from their ancestral homes and accustomed places of work in eastern Europe by the victorious powers.

Little is written and nothing is said by the leading statesmen of the world on this peacetime crime which rivals the war crimes of the Nazis. Perhaps there is good reason, for the magnitude of the problem staggers the imagination. Moreover, there is the psychological factor of guilt. Many of our leading statesmen are deeply implicated in the decisions which have produced so much human suffering and such social chaos. Any mention of the subject, even for the purpose of finding constructive remedies, is therefore distasteful to them.

It has been left to the churches—Protestant and Catholic—and to a few private individuals and organizations, like the Committee Against Mass Expulsions, to face the issue frankly. Said Pope Pius XII in his Christmas address of 1947:

"Men of the postwar period could have easily confronted this degeneracy—i. e., that of the Nazis—with their own moral superiority. Unfortunately, in not a few instances they have let slip this golden opportunity. * * * Dante * * * would have shrunk from depicting the reprisals wrought upon the innocent. There followed forced migrations and compulsory hard labor, defying the most elementary laws of humanity as well as the letter and the spirit of the law of nations."

Heartening as such protests are, they will avail nothing until the political leaders of the great powers, notably the United States, are prepared to admit their past mistakes and search honestly for new and honest solutions. The problems caused by the policy of mass expulsions in Europe are too great to take care of themselves. To delay decisive action now can only result in making the problem more difficult and complicated.

What is the issue?

Anxious to appease territorial designs and nationalist aspirations of the Soviets and their satellites, and blinded by wartime passions and sentiments of revenge, the leaders of the United States and Great Britain consented to the redrawing of frontiers in defiance of all ethnographic, historical, or economic factors.

Aware of the iniquity of such arrangements, they agreed with the Soviets that a clean sweep should be made of the troublesome populations that stood in the way of the settlement. Whereas all civilized statesmen of the past, particularly Woodrow Wilson, had tried to fit frontiers to populations, the wartime leaders of the Big Three decided to fit populations to frontiers. Whoever lived on the wrong side of an arbitrary new border was to be expelled.

The forced migrations thus brought about exceeded in scope and cruelty anything that had happened in Europe since the dawn of history—excepting only Hitler's war of extermination on the Jews. Even the Nazi attempts at the resettlement of Volksdeutsche and Poles, grim as they were, were merely a mild foretaste of what has happened under Allied auspices since the end of the war.

Nearly 3,000,000 Poles from east of the Curzon line have been pushed westward and dumped into areas from which Germans had been expelled; about half a million Ukrainians were resettled within Poland or expelled to the Soviet Union; some 700,000 Hungarians in Czechoslovakia are being dislodged from their century-old homes; several hundred thousand Balts are being deported into the interior of Russia.

The most staggering problem of all, in terms of magnitude, is the uprooting of some 16,000,000 Germans in eastern Europe, of whom about 11,000,000 have so far been dumped into decimated Germany—7,000,000 in the western zones and 4,000,000 in the Soviet zone. Between four and five million or between 20 and 25 percent of the total, are simply missing.

In the heartless language of officialdom, these missing millions represent the rate of attrition. To you and me this means that that many people have perished in the process of expulsion, from lack of food or shelter or from maltreatment. Included in this figure may be as many as a million who were deported eastward as slave laborers, where their life expectancy is small indeed. A few hundred thousand may still be living in their old homes, waiting to be expelled, or for the hurricane of nationalist fury and hate to subside.

The great majority of these German expellees, approximately 10 million, come from what had since time immemorial been eastern Germany—the ancient provinces of Silesia, Pomerania, Brandenburg, and East Prussia. Another three million are Sudeten Germans, many of whom had been loyal citizens of Czechoslovakia up to the day of their expulsion. The remaining three million are made up of scattered German-speaking minorities from the Baltic to the Black Sea—people who had never been German citizens. Their ancestors had migrated to Eastern Europe to clear forests and drain swamps or to rebuild areas shattered by Mongolian and Turkish invasions.

As the Red army swept westward into the heart of Europe, establishing Communist puppet regimes along its path, the long and fearful agony of these people began. They were deprived of their civil rights, stripped of their property, and finally herded into concentration camps or driven westward into the occupation zones of Germany and Austria. All reports agree that maltreatment and sadistic cruelties were—and still are—an everyday feature of these expulsions. A new chapter has been added to the tragic story of man's inhumanity to man, rivaling the worst excesses of Nazi barbarism.

On arrival in western Germany or Austria, these refugee hordes are far from finding a warm welcome. In a hungry, cold, and shattered country, with is economy artificially throttled, there is little room for human compassion and Christian charity. Everyone is out for himself, and the local population often bitterly resents that it has to share its scarce food, its cramped living quarters, and its few household goods with destitute strangers from the East, who may be their uninvited guests for an indefinite time to come.

Differences in accent and in cultural traditions aggravate the problem. Thus the expellee feels an outcast in his new surroundings which he is told will henceforth be his home. In all too many cases no room at all can be found in private houses; hence hundreds of thousands of expellees still live in unsanitary camps, 10 and 20 to a room, with no prospect at all of finding new homes of their own.

It has been suggested that the only solution for the problem is a vast program of overseas emigration. Such a plan, if speedily carried out, would no doubt provide much relief. But the imagination balks at the shipping space and capital needed to transport more than 10,000,000 people to distant places; the very magnitude of the problem would require that it be extended over a decade or more. There is also considerable doubt that enough countries would be willing to absorb so large a mass of needy immigrants. Last but not least, the expellees themselves, for the most part, do not wish to go overseas, but back to their old homes.

While emigration could thus provide relief, it cannot provide a solution. More promising is the suggestion that western Germany be sufficiently reindustrialized to permit the absorption of the expellees. There is no doubt that a plan of this sort would substantially alleviate the present problem. Pauperization in its most acute form could be averted. But few who advocate this idea seem to realize the extent of reindustrialization required. Sober estimates show that Germany would have to double her prewar and predepression exports to be able to buy enough food and raw materials to take care of her swollen population. Yet, even under the Marshall plan, the volume of German industrial production is to be substantially below prewar standards.

German steel production, the basis of Germany's chief export industry (machinery, tools, etc.), is to be held down to 60 percent of the 1928–29 level. It is manifestly impossible to accomplish the absorption of the expellees, or even a major portion of them, on this basis. Nor is it at all likely that so expanded an export industry would find sufficient markets for its goods throughout the world, especially at a time when Great Britain is also forced to expand her export volume far beyond prewar limits.

The only real and lasting solution can come through the return to their homes of the great bulk of the expelled populations and through just territorial arrangements that will guarantee that they shall live as equal citizens under the law. If this solution is impossible immediately, it must, nevertheless, be our constant aim. Otherwise sham solutions will be adopted, capable only of lulling the world into a false sense of security.

Meanwhile, the expellee problem must be lifted out of the category of unmentionable subjects. A bold and adequate relief scheme must be devised. Since the constitution of the International Refugee Organization (IRO), sponsored by the United States Government and adopted by the Senate, bars refugees of German ethnic origin from the benefits of that organization—Hitler's Aryan clause in reverse—a new organization, specially devoted to ethnically German expellees must be created. The tasks to be faced by this organization are as vast as they are important.

As emigration overseas and to such underpopulated countries as France gets under way, relief needs can be slowly reduced. Further, and greater, reductions will come as Germany's industries again reach, and finally exceed, their peacetime production figures. Under present plans, however, this will not be the case for many years to come. It is woefully clear, therefore, that if the Marshall plan is to bring stability to western Europe, it must take full account of the economic and political problems caused by the ruthless expulsion from their homes of millions of people.

Mr. LANGER. I wish to read one or two paragraphs from the article, so that the many Senators upon the floor will clearly understand what the article contains. Mind you, Mr. President, these people are not included in the displaced persons legislation which was reported by the Committee on the Judiciary by a vote of 9 to 1, I being the only member who voted against it. There are 1,323,000 displaced persons in Europe, as the word "displaced" is defined in the measure upon which we are going to vote in a few days. Who does it not include, Mr. President? I shall read a few paragraphs from the article which appeared in the Progressive. I read from page 9:

Anxious to appease territorial designs and nationalist aspirations of the Soviets and their satellites, and blinded by wartime passions of sentiments and revenge, the leaders of the United States and Great Britain consented to the redrawing of frontiers in defiance of all ethnographic, historical, or economic factors.

Mr. President, my mind goes back to a speech made by the late Franklin Delano Roosevelt in the month of October, a year and a half before the war ended. He said, "We are not fighting the women and children of Germany. We are fighting Hitler."

What happened when the war was over? The President of the United States signed the document which I placed in the RECORD yesterday, a document consenting to the enslavement of millions of white people. I am against the enslavement of anyone, whether he be red or black, yellow or white. I thought it was the policy in the United States to be against slavery of every kind, character, or description.

But in the document which I placed in the RECORD yesterday, we consented to the enslavement of millions of people. Let me read the first paragraph of it again:

The three governments, have considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia, and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

So, Mr. President, because a man had German blood in him, even though for 500 years he and his ancestors may have been living in Poland, Czechoslovakia, or Hungary, he is taken away—with what results? Let me continue and show with what result. I read from the article in the Progressive magazine:

Aware of the iniquity of such arrangements, they agreed with the Soviets that a "clean sweep" should be made of the "troublesome populations" that stood in the way of the settlement. Whereas all civilized statesmen of the past, particularly Woodrow Wilson, had tried to fit frontiers to populations, the wartime leaders of the Big Three decided to fit populations to frontiers. Whoever lived on the wrong side of an arbitrary new border was to be expelled.

The forced migrations thus brought about exceeded in scope and cruelty anything that had happened in Europe since the dawn of history—excepting only Hitler's war of extermination on the Jews. Even the Nazi attempts at the resettlement of Volksdeutsche and Poles, grim as they were, were merely a mild foretaste of what has happened under Allied auspices since the end of the war.

Listen to this:

Nearly 3,000,000 Poles from east of the Curzon line have been pushed westward and dumped into areas from which Germans had been expelled; about half a million Ukranians were resettled within Poland or expelled to the Soviet Union; some 700,000 Hungarians in Czechoslovakia are being dislodged from their century-old homes; several hundred thousand Balts are being deported into the interior of Russia.

Listen carefully, Mr. President:

The most staggering problem of all, in terms of magnitude, is the uprooting of some 16,000,000 Germans in eastern Europe, of whom about 11,000,000 have so far been dumped into decimated Germany—7,000,000 in the western zones and 4,000,000 in the Soviet zone. Between four and five million, or between 20 and 25 percent of the total, are simply missing.

So our Government has to feed 7,000,000 more; and the $73,000,000 we

have appropriated to feed those people over there is entirely insufficient.

In the heartless language of officialdom, these missing millions represent the rate of attrition. To you and me this means that that many people have perished in the process of expulsion, from lack of food or shelter or from maltreatment. Included in this figure may be as many as a million who were deported eastward as slave laborers, where their life expectancy is small indeed. A few hundred thousand may still be living in their old homes, waiting to be expelled, or for the hurricane of nationalist fury and hate to subside.

The great majority of these German expellees—

This is important, Mr. President. It is frightfully important, because whether we listen to the testimony of General Clay or whether we listen to the testimony of some of the other outstanding citizens of this country, we are continually and everlastingly reminded that Germany must not go communistic; that if it does, all of Europe is gone. If our great leaders do not want Germany to go communistic, then certainly they have a very strange way of treating these people. Here is a country of, roughly, 60,000,000 people, who have not enough to eat. Our country is already feeding those people. Then come 10,000,000 more. When we pass the displaced persons bill, unless it is amended, not a single one of those 10,000,000 can be brought to this country, no matter how fine a record he may have had in the past. Although next to people of British origin, the largest population we have in America is of Teutonic origin, we cannot bring in a single one.

The great majority of these German expellees, approximately 10,000,000, come from what had since time immemorial been eastern Germany—the ancient Provinces of Silesia, Pomerania, Brandenburg, and East Prussia. Another 3,000,000 are Sudeten Germans, many of whom had been loyal citizens of Czechoslovakia up to the day of their expulsion. The remaining 3,000,000 are made up of scattered German-speaking minorities from the Baltic to the Black Sea, people who had never been German citizens. Their ancestors had migrated to eastern Europe to clear forests and drain swamps or to rebuild areas shattered by Mongolian and Turkish invasions.

As the Red army swept westward into the heart of Europe, establishing Communist puppet regimes along its path, the long and fearful agony of these people began. They were deprived of their civil rights, stripped of their property, and finally herded into concentration camps or driven westward into the occupation zones of Germany and Austria. All reports agree that maltreatment and sadistic cruelties were—and still are—an everyday feature of these expulsions. A new chapter has been added to the tragic story of "man's inhumanity to man," rivaling the worst excesses of Nazi barbarism.

Yesterday we were solemnly assured that steel would not be affected if we were to pass the pending bill. I took the trouble to look over the report of the Herter committee of the House of Representatives. What does that committee say, Mr. President? It says this:

Unless * * * means can be found to raise significantly the level of production in western Germany, very heavy, and perhaps intolerable, sacrifices will have to be made by American consumers of steel (in 1948).

There you have it. That is from the Herter Committee Report No. 6, of November 12, 1947.

What about the steel situation in the United States? At the very time when we need it, we are going to ship it away.

I read now an article from the New York Herald Tribune of February 10, 1948, which, among other things, says:

RECORD DEMAND

Plans to build 7,600 more miles of pipe line have been announced in the United States. But pipe is so short that probably not more than 1,500 miles will be built by the end of this year.

Again I appeal to the distinguished acting majority leader, who is chairman of the Small Business Committee, and I ask him whether the demand for any other commodity has been any greater than the demand for steel for pipe during the past 2½ years.

Mr. WHERRY. Mr. President, if that question is directed to me as chairman of the committee referred to, I should like to state that I think the commodity in shortest supply in the United States today is steel. It was in such short supply last summer that the distinguished Senator will recall that the Small Business Committee made superhuman efforts to get pipe sent to North Dakota, South Dakota, and other States during the drought, for watering purposes.

I also say for the RECORD now that we are behind 67,000 oil wells in the United States, by which we would otherwise get oil production, which includes wildcat wells and wells in proven areas, for the reason that we do not have the pipe to supply the wells.

I simply wish to impress upon the Members of the Senate, as chairman of the Small Business Committee, that I concur in the statement made by the Senator from North Dakota that today steel is in very short supply in the United States.

Mr. LANGER. Mr. President, here is an article from the New York Times of February 12:

The Transcontinental Gas Pipe Line Co. is prepared to pay a $20,000,000 premium, if necessary, to obtain 400,000 tons of steel.

That was the substance of sworn testimony before the Federal Power Commission, as reported in the New York Times on February 12.

If there is anyone within the sound of my voice who wishes to make $20,000,000 this year, all he has to do is find 400,000 tons of steel, and the Transcontinental Gas Pipe Line Co. will gladly pay him a $20,000,000 premium.

The following article appeared in the New York Times on February 20, just 2 or 3 weeks ago:

Present steel production (in western Germany) is 3,000,000 tons annually, against the prewar figure of 18,000,000 tons.

The article is by Anne O'Hare McCormick, in the New York Times for February 20.

Here is another article:

PRICES SOAR

All domestic producers of steel announced yesterday price increases of approximately $5 a ton (which) may be reflected ultimately in higher prices for a broad line of industrial items, ranging from automobiles to small appliances.

That is from the New York Times of February 20, 1948.

Meanwhile, Mr. President, the Senate is planning to investigate why steel went up in price. Here is one explanation. It is the height of economic folly to continue to dismantle plants. But we can get steel by stopping at once the dismantling of plants. That is one way to get steel.

Here is an editorial from the Christian Century, of February 25, 1948:

Such a letter as Secretary Marshall wrote to Senator VANDENBERG on February 4 raises a question as to whether there is any such thing as a Marshall plan for the rebuilding of Europe or, if there is, whether the Secretary of State knows about it.

The Marshall letter defended the policy of dismantling industrial plants in western Germany on the ground that these plants had been promised to our allies as reparations under the Potsdam agreement, that they would produce more for the benefit of general European and world trade in their new locations, and that if we halted dismantling, our French and British allies would then demand "extensive reparations out of current production."

The Potsdam agreement was an attempt to reduce Germany to the Morgenthau "goat pasture" economy. Russia has already ripped it to shreds. If the State Department is still following the Morgenthau-Potsdam blueprints, then the Marshall plan is a fake, and a hopeless fake at that.

It is simply not true that dismantled and relocated industrial plants produce more. Only machinery can be moved; installations take time. And industrial engineers agree that production is cut by as much as 90 percent.

So far as additional demands from France and England are concerned, hasn't Mr. Marshall heard that the United States is getting ready to provide those countries with billions to restore their productivity? If there is to be an ERP, continued destruction of the productive capacity of western Germany must stop.

When the Marshall plan bill comes to the floor of the Senate, a prohibition against any more such folly should be written into it immediately.

Mr. President, there is one other matter which I should like to place in the RECORD. It is an editorial by William B. Ziff, perhaps the leading authority in the United States on aircraft. This editorial appeared in the magazine Flying for November 1947. I ask unanimous consent to have it placed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. MARSHALL SUFFERS A LAPSE OF MEMORY

It is difficult to understand what has happened to George Marshall.

As a general, he was known as a tough, hard-hitting guy whose good sense was unchallengeable. He knew that in the jungle of international lawlessness, after the politicians finished trying to out-slick each other, the issue would be determined by American strength and nothing else.

But the moment Mr. Marshall found himself in striped trousers, he seemed to forget all the hard lessons he learned when he was Chief of Staff. Today we are right back where we were before Pearl Harbor Day.

Reduced to a capsule, what are the simple facts of our present situation? They are these:

1. An undeclared state of war exists between the Government of the United States and that of the U. S. S. R.

2. As matters now are going, this sooner or later will develop into a shooting war.

Our Nation seems to have a choice of two courses.

1. We can abandon all the play-acting and enter into direct conversations with the Russians on the frank thesis that we and they are the only two powers in the world that matter, and try to find some way of getting along with them.

2. We can lay down the law saying, "Look, Joe, it's either this or else."

In any case, the answer will not be given by hand-outs and bribes to two-bit kings, parasitic politicians, and Marxist fanatics, whose antics have all but bankrupt their own states. If we cannot protect ourselves and our way of life by our own will and power, this gentry certainly will not do it for us.

In a world jungle infested with cynical and conscienceless self-seekers, there is only one real protection—the power of the national arms. Our most convincing argument in any case will be an invincible air force backed by a strong and healthy industry, and linked with an air-transport system capable of laying down whole armies on enemy territory within a matter of hours. Whatever funny kind of thinking may course through Russian skulls, it can be deemed certain that they possess at least a normal aversion to suicide.

Of all men, Mr. Marshall must know that today the United States is fat, rich, and unready. Our aviation industry, on which the national security must utimately rest, is for all good intents and purposes, busted. Its irreplaceable engineers are rapidly drifting away. Its plants are shutting down. We are turning out fewer airplanes today than we did in the bitter days before the war when the advocates of air power were looked upon as so many wildeyed zealots. Our Air Force has dwindled to the point where we could hardly put two whole squadrons of first-line aircraft in the field at one time. To say that it has become third-rate, is no exaggeration.

Since we are facing the prospect of a fight with someone both big and tough—perhaps bigger and tougher than anyone we have ever tangled with in the past—it would seem reasonable that when Mr. Marshall announces that he has a plan, the plan will be something to make us strong and unbeatable.

Instead it turns out that Mr. Marshall has developed a banker complex. The great plan comes down to a scheme for bigger and better hand-outs.

Mr. Marshall has simply found himself outmatched. The do-gooders, the social lads, and the slick boys in the diplomatic department, have taken him over.

The whole record of the State Department's policy scheme has been one of screwball politics and even worse economics. It has played its hand from weakness, inconsistency and illogic. Its estimates have continually gone awry. Its assurances to the American people have been empty of sound thinking. Every proposition it has stated has turned out to be wrong. Had any of the men responsible for these policies been employed in private enterprise, or in the magnificent Army Mr. Marshall once built, they would have been turned out to pasture long ago.

The record speaks for itself: Yalta and Teheran; Russia is a democracy; the United Nations will solve all; Bretton Woods will solve all; the British loan will solve all; and so on and on.

No part of this vast program of money spending has produced any sound result. These great sums simply have been piddled down the drain.

Take the case of the British loan, for example:

This was supposed to put Britain on her feet. It was to have been used to modernize British industry and relieve us of the conspiratorial strictures aimed against American trade in the operations of the so-called sterling bloc. Instead the money was used for imperial adventures all over the world, on profligate spending everywhere, British troops in Egypt, Palestine, North Ireland, eastern Asia and elsewhere—1,500,000 in all. It went to underwrite the fiscal deficits of Burma and such barbaric states as Saudi Arabia, for the support of the dangerous Moslem bloc, for world-wide propaganda operations, and for vast schemes of social experimentation which have not worked out.

Meanwhile 1 in every 10 workers is on the Government pay roll. Production has dropped disastrously.

Another instance is the loan to Greece and Turkey. These little nations, with their tissue-paper armies, are supposed to protect the United States against communism. Today we learn that they are to be armed with obsolete Spitfires and other outmoded war material coming out of British surplus equipment. This is with the full consent of the American State Department.

Mr. Marshall should know that in war second-class equipment is a first-class invitation to disaster.

Meanwhile, the American aircraft industry, which is well capable of turning out superior equipment and machines, is disintegrating for lack of orders.

Not satisfied with what we have already done, Mr. Bevin publicly condemns us for not throwing the Fort Knox gold into his share-the-wealth program. He also thinks there should be a new American lend-lease program.

Yet, at a time when we are arguing with the Russians, he thinks it is all right to negotiate a trade deal with them by which they would be supplied with heavy machinery they would need badly in case of war with the United States.

Mr. Bevin, of course, is not alone in his ideas. He is joined by representatives of many other nations in the general expectation that Uncle Sam has an obligation to take care of them. If the British miners under their acknowledged Communist chief, Arthur Horner, refuse to work, American miners must work harder. If the Dutch wanted to shoot up Indonesia, America should produce more in order to foot the bill; or if the French and British want to turn all Asia against us by their conscienceless exploitation of subject peoples, America should pay for this, too.

All that anyone needs to do these days is to yell "communism" in a loud voice, in order to blackmail our State Department into handing out almost anything they ask for.

The beneficiaries of these hand-outs are, for the most part, frankly devoted to social systems destructive to the American principle of free enterprise. Each of them is involved in a morass of trade and currency conspiracy aimed at smashing each other's commerce. They are ruled for the most part by cynical and calculating politicians who hold the ordinary restraints of decent conduct in contempt where gain is concerned.

The plain fact of the matter is that if Europe would drop its selfish, greedy dog-eat-dog tactics and come together in some sort of a political and customs union, it could produce what it needs.

A reasonable program would involve our advising Europe to quit all this horsing around, drop their sterling blocs and other monetary conspiracies, abandon the trade embargoes and water-tight nationalisms which make doing business there a horror, eliminate their expensive and dangerous imperial adventures, and join with us in building an honest free-trade world economy. Along with the other self-seeking hokum, European states could quit subjecting our people to this incessant barrage of propaganda. That costs money, too, which could better be put to productive purposes.

Of course, this would be doing it the hard way.

If it isn't done, however, even the astronomical amounts asked by Messrs. Bevin and Marshall will not last long.

The fact is that in the case of Britain alone there is an annual gap of at least $4,000,000,000 between what she produces and sells and what she needs. Other countries in Europe are relatively in a similar situation.

As long as these states continue with their present tactics, the situation will grow worse, not better.

If we are to be in a real struggle with the Russians, there is no reason to believe that any of these states will be on our side. We have already become Uncle Shylock to many of them. There is at least a 50–50 chance that Britain itself will be neutral. The miners have served notice that they will not mine coal in a war against Russia. They are joined in this view by other powerful factors in British public life.

If the intention is to halt communism, the record shows that this banking scheme will not work. Since we began this vast system of WPA politics, communism has not been pushed back, but has gained heavily in Europe, and in Britain itself.

The vast amounts Mr. Marshall now mentions are not trick figures on a Monopoly board. They represent at a conservative estimate some 20 years' income tax on the part of every taxpaying American. They will have to be paid for in real, tangible values—the sweat and labor of men, the stuff grown from the earth, or mined from its bowels. They represent irreplaceable wealth and the toil of hard-working Americans. This scheme means that every American must work harder. If this program is instituted on the scale proposed by Mr. Marshall, it means the reinstitution of all the old war-time controls. There will be less of everything for every American, less farm machinery, fewer automobiles and houses, less food.

The plain fact is that we would not be handing out these sums abroad from a surplus. A nation which lacks 12,000,000 homes in which to house its workers, and whose most important security industry, aviation manufacturing, is facing bankruptcy because of lack of orders, has no surplus.

If it were true that some fine moral purpose could be served by this design, and if the scheme itself took second place to expenditures aimed at making America strong at home, some kind of help-the-world plan might be feasible.

But America is not strong at home. Our internal problem presents serious difficulties. We have not yet made the transition to a healthy peacetime economy. Our essential machinery is obsolescent and badly needs replacement. Our building industry is at a standstill.

As far as good old Uncle Sam is concerned, he can have sympathy for whom he pleases, but he also is duty bound to look out for himself. To be safe against the Communist menace, both on the outside as well as within our borders, America must be strong and prosperous, not bled white. Even three or four billion dollars spent on building up a top-notch air service would be sufficient to give us security and the authority which goes with power.

If trouble with the Russians is really expected, we have to be in a position to deliver instantaneously a blow of such staggering proportions that no one in his right mind would dream of challenging us.

A sensible plan would be to examine our own situation, not to see how much we can give away, but to determine how we can put our own house in order, how we can feed and house our own people, and how we can best serve notice on would-be aggressors that if there is to be a war, it will be fought over their territory, not ours.

This brings us back inevitably to the need for the biggest air establishment we know how to make. It brings us directly to the need for placing a firm floor under the aircraft industry which is now dying.

As for Europe, it either should make some sense out of its own internal processes, or we should get the hell out of there.

WILLIAM B. ZIFF.

Mr. LANGER. Mr. President, in the editorial which I have just had placed in the RECORD I notice that Mr. Ziff says:

Meanwhile 1 in every 10 workers is on the Government pay roll.

He refers to the workers in Britain. I hope the distinguished chairman of the Appropriations Committee, who is so worried about a few days of sick leave for Government workers, will read that editorial carefully.

Finally, Mr. President, I have before me a document entitled "The United Nations Charter." First of all, I want to make it clear that I did everything in my power to keep Edward R. Stettinius, of the house of Morgan, from becoming Secretary of State. His father had been a member of the house of Morgan, as I have previously said upon this floor, during World War I, when the house of Morgan made $30,000,000 by representing England. I said upon the floor at that time that he had been chairman of the United States Steel Corp. For 3 hours I talked against the confirmation of the nomination of Edward R. Stettinius to be Secretary of State. I said then that he was not fitted for that position, and, sure enough, he so utterly showed his incapacity at San Francisco that, within a few weeks after he returned from that city, he was no longer Secretary of State. The administration got rid of him. The pity of it is that his nomination was ever confirmed.

It will be peculiarly appropriate today, in examining the Charter of the United Nations, to look at article I, paragraph 3. I shall read it, because I am sure many Senators have forgotten it. Through the adoption of the Charter we were all to become sisters and brothers all over the world. Let me read the purpose of the United Nations, for whose charter the Senators who are here today, with the exception of myself, voted to ratify. It reads as follows:

To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for the fundamental freedoms of all without distinction as to race, sex, language, or religion.

Mr. President, that is what was voted for on the floor of the Senate. Not only were we all to become brothers and sisters in America, regardless of color, race, or creed, but America was to set an example for the other nations of the world. In the city of New York, Puerto Ricans were no longer to be discriminated against; their children were to be allowed to attend school with the little children from Harlem and from the area around One Hundred and Twenty-fifth Street, One Hundred and Twenty-sixth Street, and Amsterdam Avenue. No longer was there to be any discrimination against the Japanese citizens in California, or against Mexicans in California, or against East Indians in California, some of whom up to that time did not even own land and could not even obtain a driver's license in California, Arizona, and certain other States. All were to become brothers and sisters, red, white, yellow, and black. That was the purpose of the Charter for which the Senate voted. When Russia's veto power is mentioned, I wonder what certain of the people in China and Africa and India think about the citizens of the United States whose representatives approved this Charter, and then, within a few weeks very conveniently forgot all about it.

In order that we might all become brothers and sisters, in order that we might walk arm in arm with everyone else, red, yellow, and black, and become real brothers and sisters, it is said that the fourth purpose is "to be a center for harmonizing the actions of nations in the attainment of these common ends."

The buildings of the United Nations Organization were located in the city of New York, so that we in America could become shining examples of how people should love each other, and to show that in this country there is no discrimination because of race, sex, language, or religion.

Mr. President, I appeal now to the record. The United States has had charge of Puerto Rico for a long time. Go there and look at its slums. Look at them, and consider that the United States Government has had charge of that country for so long a time. They are the most filthy, the most unspeakably dirty slums in the world. But we expect to take care of the whole world. We expect to take care of Korea, Manchuria, India, wherever we are afraid of communism, which is found almost everywhere, including our own country. We expect to take care of everyone. But in little Puerto Rico we cannot even wipe out the slums.

With reference to Alaska, we have had that Territory under our care for more than 75 years. When I introduced a bill providing for statehood for the Territory of Alaska, believe it or not, certain men said that Territory was not fit to govern itself.

It is significant, Mr. President, that in his opening speech the distinguished chairman of the Foreign Relations Committee said:

Many other features of the pending bill will develop with the debate. At the moment, I refer, finally, to only two.

* * * * *

Second, the investment of private American capital, in approved reconstruction projects in the 16 countries and western Germany, is encouraged by our guaranty of the subsequent convertibility of profits or original investment into dollars. This obviates the hazard most likely to prevent private investment. At the same time it is a highly practical invitation to American private initiative to join in this great adventure on a free-enterprise basis.

Our representatives go into South American countries where there are graduates of Harvard, Columbia, Princeton, the University of Pennsylvania, and all the other large schools of the United States. Why, in heaven's name, is it necessary for American dollars to go in and control the banks there? Why establish branches of the Chase National Bank? The people of Puerto Rico are our brothers, as are the people of Colombia or Guatemala, or any other of the South American countries. In Puerto Rico there are 2,000,000 people, but because Puerto Rico is a Territory of the United States we establish American banks there. We should get those people together and say, "You are smart enough to run your own bank. We will loan you money, but you yourselves should establish your own bank. We are not imperialists." Instead of that, we are establishing branch banks of the Chase National Bank or the National City Bank, or branch banks of any of the other great chains in this country. Wherever we go we find the large banks of New York establishing branch banks. The Puerto Ricans, who were great leaders in the arts and sciences, are fully capable and are competent to operate their own businesses if we loan them money and do not give it to them. They can establish their banks and their financial centers for themselves.

I voted against the British loan of $3,750,000,000. I voted against the loan to Greece and Turkey. That money has since been wasted. I voted against sending money to China, which a leading Senator said was a "rat hole" operation. I voted against the $497,000,000 sent to Italy, Austria, and France—not to the people, but to their governments; which change overnight. But I voted to send any necessary food or clothing where it was needed. I would vote to keep any man, woman, or child from starving; but, Mr. President, I have had too much experience in this world not to know that the governments which receive the money will be just as bitter as was England when we shut off lend-lease. Some of the statesmen over there are like Bevin, who said they wanted us to make a gift of American gold which is now stored in Kentucky. I know that no matter how much we do, no matter how much of a gift we make, we shall not make friends of the recipients of the gift. If it be to the best interests of any one of those countries to be against the United States of America, they will be against us. The giving of this money will not tie them to us. If the money were loaned through the Export-Import Bank there might be a different story.

Finally, Mr. President, I want the RECORD to show that I believe the United States should use the money for the benefit of the underprivileged one-third of our population. I believe we should pay Indian claims, some of which are over 100 years old. I believe we should provide for REA. I believe we should provide generously for education. I believe we should take care of our veterans in a much better way than we are now doing. In short, I believe we ought to take a survey of what is needed in the United States before we send any money across the water, no matter to what country we expect to send it. No such survey has been made. We look in vain through the record which has been made as to what amount of money is needed to take care of our own people. Our

aged are still hungry, cold, and unclothed. Money is apparently being shoveled out with a scoop shovel to everyone who has time to board an airplane and fly to this country and request it.

So, Mr. President, I regret that I cannot go along with the unanimous report of the Committee on Foreign Relations. I simply find it impossible to do so. I think as time goes on my vote against the Marshall plan will be justified, just as today my vote against the United Nations Charter is justified.

PROPOSED ANTILYNCHING LEGISLATION

Mr. EASTLAND. Mr. President, I offer several amendments to Senate bill 42, the antilynching bill, to be referred to the Committee on the Judiciary for consideration by the committee.

The PRESIDING OFFICER. Without objection, the amendments will be received and referred to the Committee on the Judiciary.

Mr. EASTLAND. Mr. President, the first amendment provides that whenever there has been committed a crime which is a felony according to the laws of the State where committed, and a State officer neglects or refuses to make diligent efforts to solve it, he shall be convicted of a felony, and, upon conviction, shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding 5 years, or both.

The first amendment also provides that every governmental subdivision of a State to which the State shall have delegated police functions shall be civilly liable for any crime which is a felony according to the laws of that State, which occurs within its territorial jurisdiction, and which remains unsolved for a period of longer than 3 years, in every case in which any officer or officers of that governmental subdivision charged with the duty, or possessing the authority, to solve such crime, neglects or refuses to make diligent efforts to do so. The amendment further gives a person injured because of the State officer's neglect or refusal a cause of action for damages against the county or municipality in a sum not less than $2,000 or more than $10,000.

In other words, Mr. President, the amendment seeks to broaden the antilynching bill, which merely provides a civil liability against a county when a person is lynched within the county. The bill applies only to lynching. That is a hollow, useless, worthless attempt to get votes from a certain minority in this country, and does not seek to give Federal protection to the people of the United States which its authors claim it will do.

Mr. President, there is only one-thirtieth of 1 percent as many lynchings in this country as there are murders. The statistics show that in 1900 there were 115 lynchings; in 1910 there were 76; in 1920 there were 61; in 1930 there were 21; in 1940 there were 5; in 1944 there were 2; in 1945 there was only 1 lynching; in 1946 there were 6 lynchings; and in 1947 there was only 1 lynching.

There are practically no lynchings in this country, yet the Congress, at the darkest hour in the history of our country, is asked to take up days and weeks in an attempt to influence the votes of a minority group in the coming election by action on such a measure as the antilynching bill.

The bill does not seek really to give protection to the people involved. What are the facts? In 1946, in the country as a whole, there were 8,444 cases of murder and manslaughter, 12,117 women were raped, there were 62,782 cases of robbery, there were 229,920 automobile thefts, there were 357,991 burglary cases, there were 941,738 larceny cases.

Much of the agitation for a Federal antilynching act comes from the city of New York, and in that city in 1946, 325 murders, 14,525 lesser felonies, and a total of 698 other crimes were committed in that one city. These figures are for one city, and for 1 year. In the entire United States in 1946, with 140,000,000 people, there were only 6 lynchings. Yet, no cry comes to us to give the people of the city of New York adequate police protection.

Mr. President, I hold in my hand an editorial which appeared in the New York World-Telegram of February 16, about conditions in the city of New York, which quotes the Allen Keller crime report. Let me read what it says describing one area in the city of New York. It describes back yards piled high with garbage, and also an area so infested with drunks, marijuana smokers, brawlers, hold-up men, and insulters of women that decent citizens, and even the police, deliberately avoided it. The paper asks, "Why should the police shun an area where they are most needed?"

Mr. President, my amendment would give to a person in the city of New York, where police protection in areas has broken down, who is injured as a result of their negligence or of their malfeasance, the right to sue for damages against the city of New York, and it would make a police officer there who neglects or fails to do his duty criminally liable, as is attempted in the antilynching bill. The theory underlying the two measures is the same.

It is said that police protection in the South has broken down, and therefore that Federal action is necessary, but here is a crime report for the city of New York and a great paper says editorially that in a certain area of the city there is no police protection because police do not go into that area. If we are to have a person injured because the police refuse or fail to act, or fail to exercise due diligence, when a lynching is committed, a person who is robbed, or maimed, or the relatives of one who is killed, in the city of New York, or in any other great city in this country, should also have the right to sue for damages against the municipality or against the county in which it is located. The amendment is submitted to the Senate Committee on the Judiciary for is consideration.

Mr. President, there is another amendment, which I shall read. On page 2, line 11, after the word "thereof", I propose to insert the following: "And any unlawful violence of one or more persons, including but not limited to members of a group of lawbreakers such as are commonly designated as gangsters or racketeers, which results in murder or any other felony."

Last year there was one lynching in the United States, there were six the year before, there was one the year before that, and at the same time there were dozens of gang murders. Yet gentlemen come here and say, "Let us pass an antilynching bill," and are sure to have that bill so worded that it will not give the people of Chicago, or the people of New York, or of any other great metropolitan area, Federal protection against gang killings. The killings in Chicago during the Capone era caused shame all over the world.

Mr. President, the Capone organization, if reports are true, controlled the police department. It was a supergovernment of criminals by which men by the score were murdered, and no convictions for those murders were returned because the police conspired with the Capone gang.

A few nights ago I read the story of the Berger gang in southern Illinois. Forty men were murdered by that gang. Not a single conviction was returned in the courts of Illinois against the gang. That gang even possessed tanks and machine guns and cannon and airplanes with which to commit murder. It had a hired army. The gang even had a fort, and one of its hired armies attacked another which was entrenched behind the fort. Nothing was done by the Illinois authorities about it. The police officers were controlled by the gang, and refused to give to the public of that area protection.

Mr. President, if by law, such as the law proposed by some with respect to lynching, we are going to have Federal action, why should not people who are in danger of being murdered by criminal gangs be protected by the authorities? When the police do not do their duty why should not the heirs of a person killed have the right to a civil suit for damages in the Federal court, and why should not the police officer who is owned by the gang, who fails and refuses to do his duty, be liable for criminal damages in the Federal court?

It is shocking to public decency that the greatest gangster of all time, Mr. Al Capone, the greatest murderer in the history of this country, was never convicted in the courts of Illinois for crime, but was merely convicted for income-tax violation by the Federal court under action brought by the United States Government.

I have another amendment which provides that the heirs of a man who is killed and injured during a race riot—and such a crime is certainly caused by reason of race feelings—if the police fail to do their duty, a civil suit for damages shall lie just as is provided in a case of lynching.

Mr. President, what are the figures with respect to such crimes? In 1943, in the city of Detroit, there were 35 persons killed in one race riot. Think of it. More persons were killed in 1 day in the city of Detroit in 1943 than have been lynched in the United States in the past 20 years. Oh, no, we do not

cover such cases in the bill. Of the 35 persons who were killed, 28 were colored and 7 were white. The official figures show that there were 700 persons injured in that riot. There the police failed to do ther duty. I have seen pictures of Negroes injured in the riot, one of a bloody Negro on the ground being beaten by white men, while police stood there and refused to interfere.

I hold in my hand a Detroit newspaper, the Detroit Tribune, dated Saturday, June 26, 1943, from which I should like to read a few lines. It gives a report of the conduct of the police in that riot. A man was pulled off a streetcar and attacked by a mob. This statement appears in the newspaper:

> Izzard stated that two white policemen stood there and saw the crowd of men, women, and children stoning him, but did not raise a hand to prevent it.

Again in the Saturday, July 3, issue of the same newspaper there is, under the heading of Comments, the following:

> Civil Rights Federation: "Many Detroit policemen not only refused protection to colored people, but actually participated in and aided and abetted the mob violence against Negroes."

Mr. President, in the month of August that year, in the Harlem section of New York City, there was a race riot. No one knows how many people were killed in the various race riots which have occurred, but in Harlem the lowest figure of dead was placed at five Negroes. The lowest figure of persons injured was 500, and the property damage was assessed at $5,000,000.

Why in the name of reason, Mr. President, when police fail to do their duty in Harlem and in Detroit, should they not be criminally liable? There was the crime caused by race feeling. If Congress is going to say that in respect to lynchings the county shall be liable, why does not the same reasoning apply to the cases I have cited, and why should not the cities of New York and Detroit be held liable in damages, as it is proposed to hold liable for civil damages counties in which a lynching occurs?

Mr. President, I read a few days ago a very able discussion of the antilynching bill. But before I come to that I wish to say that there are two additional amendments which I shall present, one of which provides, after the word "persons", to insert the following: "or which interferes with, or presents, or attempts to present by physical violence, occurring during the course of picketing or boycotting or in connection with any 'labor dispute' as that term is defined and used in the Labor-Management Relations Act, 1947, or otherwise, and without authority of law, the employment, or the right of any citizen or citizens, person or persons, to work."

Some say a man is denied his civil rights to a trial when he is lynched; therefore it is proposed to pass the antilynching bill. By the same reasoning a man is denied his God-given right to work under certain circumstances. I submit that when police connive, where the police refuse to take action on a picket line, the county or city in which that occurs should be held liable in damages, if Congress is going to place liability against counties in which lynchings occur. Also the officers who refuse to do their duty in such cases should be liable criminally.

Mr. President, I think it is a sad condition when our country is on the brink of war, when the war clouds become more menacing, that the Congress of the United States should be called upon to drop all consideration of great questions and take off after an antilynching bill, in order to secure some votes in the election this fall. That is especially true when the facts show that the crime of lynching has disappeared in the United States.

Mr. President, we saw in the newspapers an announcement by the President of the United States made on yesterday. I have no comment to make about the two men who announced the candidacy, but I say that what the people of this country want more than anything else is a man who can unite America in the face of a common foe, a man who is bigger than partisanship, a man who will not cater to groups in order to get votes, but who will protect the Constitution of the United States, who will protect the liberties of the people of the country, who will protect the sovereignty of the States, and who will not sacrifice the national interest for political gain in behalf of organized pressure groups. The people of the country want a candidate for President who will be fair to all groups and conduct the affairs of the country for the benefit of its people.

I think both political parties would do well to drop this movement which creates hatred, strife, and discord in America. We have more sectional feeling in this country today than we have had at any time since the reconstruction era. We have class hatred; we have racial prejudices; and we have politicians fishing in the troubled waters to get votes. I think our domestic scene today is at the all-time low. The people of the country want a leader to conduct the affairs of the country for the welfare of its citizens.

In the primary in the State of New Hampshire there are two candidates for the Republican nomination. They are both good men. I am not a Republican; but, Mr. President, the people of this country want neither of those men to lead them for the next 4 years. They want a man who will rise above party, who will rise above petty matters, who will not sacrifice the national interest to appease pressure groups on each side. When we find such a man he should be nominated by both political parties to lead this country in the face of a common foe, and to take a stand for decency against further aggression from the Soviet Union.

The PRESIDING OFFICER. The amendments submitted by the Senator from Mississippi will be received, printed, and referred to the Committee on the Judiciary.

CONSIDERATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. WHERRY. Mr. President, it appears that it is necessary to act upon certain military nominations at this time. Therefore, I ask unanimous consent that, as in executive session, the Senate proceed to the consideration of such nominations, which will be presented by the distinguished Senator from South Dakota [Mr. GURNEY]; and I ask that the Chair recognize the distinguished Senator from South Dakota.

The PRESIDING OFFICER. Without objection, the Senator from South Dakota is recognized.

Mr. GURNEY. Mr. President, from the Committee on Armed Services, I report favorably certain routine nominations sent to the Senate by the President and carefully considered by the committee. They are reported unanimously. They total in number 1,791 officers, all in the grades below that of general. I present Executive nominations M, N, O, 101, 102, 108, and 113 and ask unanimous consent for their immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota? The Chair hears none.

Without objection, the nominations are confirmed, as in executive session.

Mr. GURNEY. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

FEDERAL CONTRIBUTIONS FOR OLD-AGE ASSISTANCE AND AID TO THE BLIND

Mr. HILL obtained the floor.

Mr. HILL. Mr. President, the distinguished Senator from Louisiana [Mr. ELLENDER] would like to introduce a bill. He has a statement to make, which I am informed will require about half a minute. I ask unanimous consent that he be recognized at this time.

Mr. WHERRY. Mr. President, I have consistently objected earlier in the day to such requests. I should like to comply with the request of the distinguished Senator, because I have great admiration for him. How long will the statement require? Will it require more than half a minute?

Mr. ELLENDER. It will require about that length of time.

Mr. HILL. Under the circumstances, I ask unanimous consent that I may yield to the Senator from Louisiana without losing the floor.

The PRESIDING OFFICER (Mr. LODGE in the chair). Is there objection? The Chair hears none.

Mr. WHERRY. Of course, if the privilege is abused, the rule will be invoked.

Mr. ELLENDER. Mr. President, I would have been through by this time.

Out of order, I send to the desk a bill for appropriate reference. The bill is to amend the Social Security Act, as amended, so as to increase the amount of Federal contributions to the States for old-age assistance and aid to the blind.

Under existing laws the Federal share with respect to each individual receiving old-age assistance amounts to $10 for the first $5 spent by the State, plus $1 for each additional dollar spent by the State, up to $15. Under the present law it would be possible for the beneficiaries of old-age assistance to receive a total

of $45. The purpose of this amendment is to increase the Federal Government's share $5. That is, the Federal share would be $15 for the first $5 of State money, plus $1 for each additional $1 spent by the State, up to $15. In other words, should this amendment be adopted, it would be possible for each State to contribute, with what it receives from the Federal Government, up to $50 for each aged person entitled to it, $30 of which would be made available by the Federal Government and $20 by the State.

Under existing law the rate of the Federal contribution in the case of aid to the blind is the same as the rate for old-age assistance. The amendment makes a change in this rate corresponding to the change in the old-age contribution rate.

Since Federal contributions are made on a quarterly basis, the amendments are made effective as of April 1, 1948, the beginning of the next calendar quarter.

I thank the distinguished Senator from Alabama.

There being no objection, the bill (S. 2283) to amend the Social Security Act, as amended, so as to increase the amounts of Federal contributions to the States for old-age assistance and aid to the blind, introduced by Mr. ELLENDER, was received, read twice by its title, and referred to the Committee on Finance.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. HILL. Mr. President, if there is one thing of which I am certain as I stand here today, it is that the people of the world desperately want peace. The suffering nations are weary and sick of war. And yet, the world is being pushed toward war by a gigantic conspiracy—dictated from Soviet Russia—against order and security and freedom for mankind.

Any lingering doubts about Russia's lust for world domination have now been swept away—in the pitiful story of Czechoslovakia—in the pressure on Finland—in the growing tension in France and the immediate threat in Italy—in the brazen and arrogant words of Foreign Minister Molotov warning other sovereign states against participation in the Marshall plan:

> The Soviet Government considers it necessary to caution the Governments of Great Britain and France against the consequences of such action.

Mr. President, the pattern is clear. In the 2 years since the end of the Second World War, every act by Soviet Russia has been an act of calculated aggression, of greed for power and ambition for new domain. Where Moscow's aims are best suited by delay, efforts to build the peace have met with obstruction. Now when swift action advances the Russian plan, the world sees ruthless and instant resort to the most despicable methods of Adolf Hitler.

Through a coldly planned program of infiltration and subversion, power politics and military pressure, Russia has created a network of puppet states across Europe—Lithuania, Estonia, Latvia, Poland, Rumania, Yugoslavia, Hungary, Bulgaria, Albania, and Czechoslovakia. Finland is next, and the Scandinavian nations are trembling. France girds herself for a new Communist-led general strike; and in Italy, Premier de Gasperi warns that if the Communists are not defeated in the general elections, the iron curtain will fall.

Russia has blocked the peace terms for Germany through the device of exorbitant reparations demands and has willfully prevented the restoration of German industrial production so necessary to European recovery. In Korea, Russia has abandoned all pretense of seeking agreement and strengthens Korean communism for the day when American and Soviet occupation troops will depart.

Russia has issued orders to all Communists—wherever they may be—to wreck the Marshall plan because it holds forth the promise of food and economic restoration, security, and political independence to the people of western Europe. Russia desires hunger and poverty, division and confusion, among these people so that they may finally feel forced to trade freedom for bread—that they may provide fertile soi for communism.

With force and fear ruling so much of the world, I know well that America must maintain her military strength. Throughout the recent war, in serving on the Senate Military Affairs Committee, I had impressed upon me day after day the necessity for thinking and planning and acting ahead. I take pride in the part I have played in trying to help to keep America's ramparts guarded. But as one who has for many years shared responsibility for our Nation's military preparedness, let me say that American security cannot rest upon arms alone, no matter how strong our weapons.

We are in a new age of science, of warfare, and of world relationships. We cannot escape the realities of this world—of the jet plane, the guided missile, and the atomic bomb. Our Nation cannot live unto itself alone, no matter how much we might desire to do so. When the knell of freedom sounds for any nation, we need not ask for whom the bell tolls. The death of freedom and democracy anywhere in the world threatens freedom aond democracy in America.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield to my friend the Senator from Mississippi for a question.

Mr. EASTLAND. The Senator from Alabama has mentioned the possibility that the Marshall plan might fail. What does the Senator think would be the result in the United States if the plan failed?

Mr. HILL. I shall come to that point in a moment, if the Senator will permit me to proceed at this time.

Mr. EASTLAND. I should like to hear the Senator's discussion of that point. He is making a very able argument.

Mr. HILL. I thank the Senator.

Mr. President, no man in America has given more of his thoughts or of himself to the building of peace than has Cordell Hull. Last Saturday, in the final chapter of his memoirs, he declared:

> The American people, Congress, and the Executive must keep sharp watch lest the United States return again to the dangerous policy of isolation. Two major wars within a generation should have convinced all Americans that we are an important part of the world, that conflict abroad cannot but affect us, and that our welfare, peace, and security are tied to those of other nations. We have responsibility for leadership and cooperation which we cannot avoid, if we would.

We cannot know for certain that the Marshall plan will succeed. But we do know that if we would remain a great and free nation we must recognize that we live in the new age and we must make use of all our strength and all our powers. We must learn to exercise our great economic strength, for economic weapons are often more powerful and more effective than military weapons. Through our economic strength, we may forestall military conflict and win the victory without the back-breaking toil, the appalling waste in treasured resources, and the dreadful toll of lives which war makes inevitable for both victor and vanquished. The Marshall plan is such an undertaking.

Through economic aid, the United States helps to restore and rebuild the exhausted democracies of Europe. In the language of the act itself, we help to "sustain and strengthen principles of individual liberty, free institutions, and genuine independence through assistance to those countries of Europe who participate in a joint recovery program based on self-help and mutual cooperation."

When we give the European democracies the aid they must have, we help them to move from weakness to strength, from doubt to self-reliance, and from fear to independence. We help freedom-loving men in western Europe to stand firm and resolute, holding the frontiers of democracy for us, as well as for themselves.

In restoring the productivity and economic strength of western Europe, the Marshall plan will lighten our own staggering burden of armament. The democratic nations will become active and helpful partners in preserving the peace.

Inadequate American aid would leave the European democracies easy marks for Communist infiltration and domination, America's armament burdens would heavily increase, and we would find ourselves more and more encircled by totalitarian enemies of democracy.

Last year the United States spent more than $10,000,000,000 on its armed forces. If the westward tide of Russian expansion is not checked, this will soon be inadequate to provide security. Secretary of National Defense Forrestal testified before the Senate Foreign Relations Committee that unless there could be reasonable hope for the stabilization of western Europe, the military services would be compelled to ask many billions more for military security.

The increase in military expenditures would be only a part of the price. Life in an armed camp would mean lowering

our standard of living. More than this, it would mean regimentation of our economic and political life; the loss of many of our freedoms. And in the face of steadily mounting tension and competitive armament, the final explosion of war would come.

Even without war, the failure to help rebuild western Europe would see our domestic economy cut off from the foreign markets we must have.

Foreign trade is essential to a vigorous and expanding American economy. Foreign trade is essential to a strong and free America. The Marshall plan will help to restore the profitable markets which a thriving western Europe with its 270,000,000 people and its industrial economy, second only to that of America, can provide for our agricultural commodities—cotton, lumber, peanut oils, naval stores, tobacco—and for our manufactured products—machine tools, farm equipment, automobiles, and other mass-production goods.

Mr. EASTLAND. Mr. President, will the Senator yield at this point?

Mr. HILL. I yield to my friend the Senator from Mississippi.

Mr. EASTLAND. The Senator has spoken of the loss of those markets. Of course, if Russia takes over western Europe, we shall have permanently lost those markets. But does the Senator think for one moment that if we permanently lose our historic markets in western Europe, we shall be able to maintain the private-enterprise system in the United States?

Mr. HILL. I do not think so. I support the Marshall plan for the same reason that I supported the repeal of the arms embargo, the repeal of the Neutrality Act, the enactment of lend-lease, and the passage of the selective service bill. I felt if we permitted totalitarian aggression by Hitler and the Japanese war lords to encircle us we could not maintain our free American domestic economy and preserve our free-enterprise system. I feel the same way today about Russian totalitarianism.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield to my friend.

Mr. EASTLAND. The point is that if we were to lose permanently those markets, it would be followed, first, by Government control of business in this country. The Senator has spoken of the cotton business. If those markets for American raw cotton were to be permanently lost to us, the United States would have to begin with drastic acreage control and a subsidy program much greater than that ever undertaken before. There would be Government control of every farmer in this country who is engaged in the production of cotton. That is true of other lines of business. There would first be Government control, and then American industry could not profitably operate with the loss of those markets, as it cannot profitably operate unless it can run at capacity or near capacity. Foreign markets are essential to that. Within a period of a few years we would be driven to some form of socialism in this country. So when we support this program and follow it by armed force if necessary, we are saving the capitalistic system in the United States, because Russia knows that she could destroy our economy and our system without firing a shot simply by refusing to do business with us.

Mr. HILL. I thoroughly agree with the Senator. It is exactly what I sought to say, though the Senator has said it better and in more detail, when I spoke of the fact that if we permitted the western democracies to go down and if we lost our trade, we would be forced into such a system of governmental regimentation that we would lose many of our freedoms, and, to a greater or lesser degree, we would ourselves be forced into some form of totalitarian government. We strive today to prevent war, to preserve and build the peace and also to maintain our free private-enterprise system. Exports mean profitable business for American industry and American shipping. They mean jobs for American workers. In many American industries between 10 and 20 percent of the jobs are dependent upon the maintenance of foreign trade.

Foreign trade provides a strong support for agricultural production and prices. Last year this country sold abroad more than three and a quarter billion dollars' worth of agricultural commodities. Of these farm exports, more than $2,000,000,000 worth—about 65 percent—were exported to the Marshall plan countries. To lose these foreign markets would mean a sharp reduction in income for farm families, particularly in the South.

The United States normally exports nearly half of its cotton crop each year and some 57 percent of this cotton has gone into the countries which will share in the Marshall plan. Without foreign markets for several million bales a year, cotton producers will have to depend on domestic consumption. This means that huge cotton surpluses will accumulate and drive prices down. The purchasing power of the Cotton South will be sorely hit.

The Marshall plan offers the best and most immediate chance we have today for peace and reconstruction in a war-torn world. It is worth the wholehearted support and cooperation of all the people of the United States.

Europe has responded with vigorous action to the Marshall plan. The 16 Marshall-plan countries have pledged—and are now achieving—increased production, growing financial and economic stability, and joint steps to expand trade.

But the nations of western Europe wisely recognize that if their recovery is to be made permanent—they must go on to some more creative enterprise than simply restoring their individual economies through the Marshall plan.

The same old Europe, divided by illogical tariff walls and torn by jealousies, will not bring permanent recovery and permanent peace. To preserve this crazy quilt is to perpetuate the irresistible economic pressures and political differences which twice in the last 25 years have exploded into war.

Europe can make its full contribution to world production and world peace only by fitting the jigsaw puzzle of European states into some reasonable pattern of unity and cooperation. The people of Europe must pool their assets and join together in their productive efforts. They must have access to electric power, fuel, navigation, transportation, and communication free from artificial restraints and artificial barriers.

In the past European unity has been ignored or thrust aside by short-sighted jealousies, power politics, and the dead hand of tradition.

Now new compulsions drive the peace-loving nations toward unity. Prime Minister Attlee of Great Britain has said: "Europe must federate or perish."

At this moment five nations—Britain, France, Belgium, Holland, and Luxemburg—are preparing to sign a 50-year agreement which can lay the basis for the economic and military union of western Europe.

The agreement goes far beyond old-fashioned military alliance and provides for joint action upon common economic, political, and military problems. The new agreement follows the way pointed by the existing customs union of Belgium, Holland, and Luxemburg.

Italy may be brought into the pact if democratic government is maintained in the approaching Italian elections.

The federation is committed to western ideas of democracy and freedom which no totalitarian nation could accept. But the door should not be closed to those nations now dominated by Russia. Two of those nations showed their desire to participate in the Marshall plan before Moscow forbade them to take part. Eastern Europe needs the manufactured products of western Europe, which in turn needs the raw materials and agricultural commodities of the east. We may find, as western Europe is restored to productivity under the Marshall plan, that the natural pressures for trade and commerce will be stronger than the iron curtain of communism.

The idea of a united Europe is not new. It has been the goal of enlightened men since the Middle Ages. It was the great design of Henry IV of France in the seventeenth century. Victor Hugo pleaded for union at the International Peace Congress in 1849. After the First World War, Aristide Briand, of France, and Gustav Stresemann, the German democratic leader, tried in vain to implant this vision in the minds of the treaty makers.

I urged a year ago that the nations of Europe strive for a real and effective federation.

Through the Marshall plan we may hope that the United States—out of her experience and her rich heritage of union—can give inspiration and encouragement to Europe's efforts to achieve economic and political federation.

We may hope that in the very rubble and ashes of Europe today there shall be laid the foundations for the structure of a new, united, and strong Europe which in the years to come will play its part in guaranteeing peace and security for the world.

There are those who claim that the Marshall plan will impoverish the United States and sap her resources. There are others who would reduce the funds for

the program and make the Marshall plan into a gigantic and costly relief program.

But it is my judgment that we have done all that it is humanly possible to do in charting our course. We have calculated the risks and explored the alternatives. There is ample evidence that we are not underwriting a bankrupt Europe, nor exhausting America.

The foundation of the Marshall plan is the report by the independent civilian committee with Secretary of Commerce Harriman as chairman. The members of this committee in their experience and their outlook represent the varied tapestry that is the American economy—business and industry, agriculture, labor, and government. They include former Senator Robert M. La Follette; Owen D. Young; Paul Hoffman, of the Committee for Economic Development; Chester C. Davis, wartime Food Administrator, farm expert, and banker; William I. Myers, dean, College of Agriculture of Cornell University; Edward S. Mason, of Harvard University; George Meany, of the American Federation of Labor; James B. Carey, of the Congress of Industrial Organizations; and others known and respected throughout America.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Arkansas.

Mr. FULBRIGHT. Mr. President, I wish to compliment the Senator from Alabama on his reference to and discussion of the unification of Europe. I am thoroughly in accord with his views on that question, but I should like to ask him if he does not believe that unless some commitment of a fairly definite nature is made toward political union at this time, the result of the Marshall plan, assuming that it rehabilitates Europe economically to some extent, will be to prevent or to remove the necessity for political union? That is what bothers me.

Mr. HILL. I will say to my friend from Arkansas that I should like to see such a commitment, but I must also frankly say, after having heard the distinguished chairman of the Committee on Foreign Relations speak on this matter a few days ago, I doubt the wisdom of attempting to write into the legislation which is now before the Senate a requirement that the beneficiary nations shall make such a commitment.

Mr. FULBRIGHT. If the Senator will further yield, that question was settled yesterday as to this particular measure. What I have in mind is the question of unification, which is not yet settled. According to this morning's newspapers, it does not seem that the powers gathered in Brussels are considering political unification. It seems to be a question of alliance, with which we have been familiar for many years. Alliances never have any lasting value so far as promoting unification is concerned.

Mr. HILL. Of course, we do not know what is being agreed on or what has been agreed on, if there has been any final agreement. Until we have that information we cannot know just what the situation is as a result of the conference; but from what I have seen in the press—and I have in mind particularly an article which appeared on the front page of the Sunday morning Washington Post—there is great encouragement to believe that the agreement will go much further than alliances such as we have known in the past. The agreement will go not only to the question of an economic federation, with certain limitations, of course, but there will be definite political aspects to the agreement.

Mr. FULBRIGHT. I am not at all clear about it. I know of no case in which economic federations have ever been permanent or successful.

Mr. HILL. I look forward to some form of political federation. I think there is an economic federation now. Surely, if we want it to last we must move to the next step, which is some form of political federation.

Mr. FULBRIGHT. The idea that a customs union or an economic federation means anything is confusing. If I understand the Senator rightly, he does not feel it is significant except as a step.

Mr. HILL. I think it is significant as a step. I do not think it is the final step which should be taken, but I think it is a very wholesome and encouraging beginning.

Mr. FULBRIGHT. Does the Senator know of any analogous cases in history in which there has been an economic federation among any sovereign states which has resulted in permanency?

Mr. HILL. My distinguished friend, who is the former chairman of the Committee on Foreign Relations [Mr. CONNALLY], and a man of great erudition and knowledge of history, suggests the Hanseatic League.

Mr. FULBRIGHT. What happened to that league?

Mr. CONNALLY. It lasted a long while. It was very effective, but it finally dissolved.

Mr. HILL. No federation has lasted all through the centuries. It is an interesting thing to note that one of the oldest governments in the world today is our American Government.

Mr. FULBRIGHT. I never understood that it was an economic federation.

Mr. HILL. It is basically a political federation, with a strong tying together of our economy. It is tied in to one mighty network, economically as well as politically. Our Government is about the oldest political federation in the world today.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Texas.

Mr. CONNALLY. I do not want to interrupt the Senator from Arkansas if he wishes to go ahead.

Mr. FULBRIGHT. The Senator is talking about political federations. Of those which have been created in modern times the most substantial ones are Canada and the Union of South Africa. The Senator does not leave in my mind an impression that they are not a healthy form of government.

Mr. HILL. The Senator is entirely incorrect if he has any idea that I do not think they are healthy, stable governments. They certainly are. But the Senator was talking about history—

Mr. FULBRIGHT. Let us consider the Hanseatic League. That was certainly a very loose league of relatively small towns which were spotted all over Europe. The league did not result in any political organization which came to life at all.

Mr. HILL. I think the Senator is bound to agree that our Federal Union grew out of basic economic needs and economic compulsion. Problems of waterways, roads, commerce, and trade between the States compelled and brought about the formation of the political union which is the Government of the United States.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Connecticut.

Mr. McMAHON. Has not the Senator really made an argument for the federal unions of which he has been talking?

In other words, the American Union is a success because it is a combination of States economically, politically, and militarily which fact has given them, as the Senator has pointed out, greater strength than that possessed by any other union in history.

I am moved to observe, in view of the remarks of the Senator from Texas and the Senator from Arkansas, that the political unions about which they talk are really nothing but political alliances. History is strewn with the wreckage of alliances between sovereign states, and I suppose that so long as history continues alliances will be made and broken. I call the attention of the Senator to the fact that, reading some recent history of the Locarno Pact, France and England both pledged each other that they would come to one another's assistance, and the demilitarized status of the Rhineland was to be preserved. English public opinion was not ready to back up the Government, and the Government did not have any stamina, anyway, and it ran out on the French Government, and broke the alliance. I merely offer that as a comment on the validity and strength of alliances between sovereign states.

Mr. HILL. I thank the Senator for his helpful contribution.

Mr. CONNALLY. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to the Senator from Texas.

Mr. CONNALLY. I agree with what the Senator observed a moment ago about the inadvisability of including in the bill any suggestion or anything in the way of persuasion or compulsion. I think that would be most unfortunate. If the peoples of Europe want to form a union on their own, and make a start, as they are now doing in conferences they are holding, it may grow into something with which the United States can deal. But I suggest that if the recipient countries live up to their obligations under the pending bill they will be brought more nearly in contact with each other than they have ever been, economically, at least. I think that will contribute

very mightily to probably a future political arrangement or union of some character.

Mr. HILL. Does the Senator know of anything which contributes more to political union than economic necessities and economic compulsions?

Mr. CONNALLY. I agree with what the Senator said a little while ago, that most political action, after all, has its roots in some economic situation.

Mr. HILL. That is correct.

Mr. CONNALLY. Even the Revolutionary War had a little something to do with a tea party in Boston, and a stamp act in Virginia, and things of that kind, which perhaps were not primary causes, but they contributed to a political revolution.

Mr. HILL. Surely our Union grew out of such things.

Mr. CONNALLY. What happened about the Federal Union? It was controversy between New Jersey, Pennsylvania, and New York over the navigation rights on the Hudson River. It was difficulty between Virginia and Maryland over the fishing rights in the Chesapeake Bay. The first meeting which eventually resulted in the calling of a Constitutional Convention was held at Alexandria, in the old Carlisle House, because Virginia and Maryland were quarreling over the use of the Potomac River and the Chesapeake Bay with regard to fishing and navigation, and kindred matters, economic things. That convention was then adjourned to Annapolis, where it was very sparsely attended. Then it adjourned to Philadelphia, and the Constitution of the United States was the result. So it is not possible to dissociate economics from political actions, because many times union has its roots in some economic quarrel or disagreement.

If under the pending bill the countries to be benefited are able to work in harmony, and are brought more closely together, and see the mutual advantages to accrue to each of them from the action of the others, it may germinate, it may initiate, it may stimulate some political union in the years to come. I just drop that as a suggestion.

Mr. HILL. The Senator has made a very fine contribution, because certainly economic federation, to say the very least, makes fertile soil for political federation.

Mr. PEPPER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to the Senator from Florida.

Mr. PEPPER. Those who have prevented the inclusion in the bill of anything that looks like any more coercion than what is already in it, even relative to a laudable purpose like the unity of the European nations, were very wise in what they did. If the people of Europe desire, in the face of necessity or adversity, to form their own union, as we did, in a situation which seems to demand such unity, then well and good, but a union imposed upon Europe by the financial power of the United States would hardly last longer than the unions which military conquerors have imposed by force of arms in periods past.

I should like to submit one reservation about the thought of European union in a formal sense. I have the feeling that when we talk about building up new entities and new unities in the world, it is at the expense of the whole universal unity which we hope to achieve through the United Nations organization. Probably the very fact that we are facing this problem today as we are, the very fact that there is so much talk of this kind of union, arises from the fact that the United Nations, which we thought would be a union of all people, has fallen into a period of decline, which is temporary, I hope. But I have a feeling that it would be better to build a magnificent edifice where there would be room for all, than to decentralize the international organization, as it were, into mere regional organizations. It is my fervent hope that we are going to find some way to reconstruct an effective international organization, with its functioning social and economic council, which will keep something like what we are now dealing with going on all the time.

In fact, just western Europe working together, or working with the United States, is not the answer even to their or our economic problem. Neither of us can exist prosperous without access to the other trade markets and peoples and resources of the world. We would all have to suffer a very serious decline in our level of living if we were cut off from access to the rest of mankind, if we were torn out of the world economy.

So when we are talking about what might be a laudable thing, if these people desire to undertake it, I hope we will not lose sight of the fact that we hope to have some time an international organization in which every nation and every people will have a harmonious home, and where international working together on economic matters, and matters of security, will not only preserve prosperity, but peace for the whole race of man.

Mr. CONNALLY. Mr. President, will the Senator from Alabama yield further?

Mr. HILL. I yield.

Mr. CONNALLY. I agree with much the Senator from Florida has said; but, on the other hand, there is another consideration to be thought of. Many of these nations are little nations; they are powerless, on their own, to resist either armed intervention or economic infiltration, and from that aspect—and I am not suggesting it, I think they should decide it themselves—it might be very desirable, if they could, to form little groups of somewhat identical interests, to aid them and to sustain them and to give them strength in hours of peril. That is what is happening today. In the east, Russia, with its tremendous prestige and power and influence, has gathered about itself many satellite nations. They are small. They could not resist. I think some of them would have resisted if they had been able to. Take the case of Czechoslovakia. Czechoslovakia has had a very glorious history. It has been a country of democracy. It has had splendid ideals. It will be remembered that John Huss lived away back in the fifteenth century—a hundred years ahead of Martin Luther. So the Czechoslovaks for centuries have been that kind of people.

What could they do under the circumstances which existed? Before a great country like Russia, with the Red Army with banners waving and bayonets glistening, Czechoslovakia had to collapse, notwithstanding the fact that in the last elections that were held it was indicated that the people were not in favor of totalitarianism, were not in favor of communism. From that standpoint, a league of a number of small nations, which might give to each other strength and stability and stamina—if I might use that word—might be a desirable thing. But after all, I do not withdraw my other statement that they must want to do it, and they must begin the movement before the United States can afford definitely and directly to suggest it, especially in connection with a finance bill; and many propaganda agents would begin to pump out the material that it was a scheme to bribe them into doing it, or to coerce them under the pressure of economic need.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PEPPER. Mr. President, it seems to me that everything that could be said for a union of the countries of Europe applies to the union of all the countries of the world. The way to keep aggression down is for an international force effectively to resist it, and protect those who are the victims.

Mr. HILL. Mr. President, the Senator from Florida does not more fervently wish this magnificent structure of union for all the peoples and all the nations than I do. But as I see the situation, we sought to build that structure with the United Nations. We have, at least for the present, been stalemated in that work. Unable to build at this moment that great over-all structure for all nations, and for all peoples, we turn to building the structure section by section, hoping that we may finally arrive at the magnificent building for all the peoples and all the nations. If we can build this federation in Western Europe, it will simply be one section that we have built to fit into, to be a part of, this great over-all structure for all the nations and all the peoples.

Mr. President, the Department of the Interior surveyed the Nation's natural resources and reported that American productive capacity was ample to carry out the plan. The President's Council of Economic Advisers reported favorably on the strength of the American economy to meet the impact of European aid. Exhaustive studies were made by the executive departments.

The 16 nations of western Europe participating in the Marshall plan have submitted extensive data on their resources and needs, on the help they can give themselves, and the help they must have from the United States.

The Senate Committee on Foreign Relations and the House Committee on Foreign Affairs held extensive hearings, giv-

ing witnesses of every opinion the opportunity to record their views.

Secretary of State Marshall declared that the funds requested represent the minimum requirements for a successful recovery program. Mr. John J. McCloy, president of the International Bank for Reconstruction and Development, testified:

> The amount recommended is conservative. Far from being extravagant, it provides a rather tight fit.

Under the astute and statesmanlike guidance of the Senator from Michigan [Mr. VANDENBERG] as chairman of the Senate Foreign Relations Committee, the bill has been given the unanimous approval of the committee, obtaining the concurrence of both Democratic and Republican Members representing all shades of thought.

The unanimous conclusion of the Senate Foreign Relations Committee was that the program outlined and the funds requested cannot be revised or reduced without serious danger to the objective of the program—the rebuilding of a western Europe that can pay its own way in the world and play its part in preventing war and building the peace of the world.

From over the Nation as a whole, support of the Marshall plan and its objectives is practically universal. Approval has come from business, labor and agriculture, teachers, churchmen, youth organizations, and women's groups—the American Farm Bureau Federation, the National Farmers Union, the American Federation of Labor and the Congress of Industrial Organizations, the United States Chamber of Commerce and the National Junior Chamber of Commerce, the League of Women Voters, the General Federation of Women's Clubs, the National Federation of Business and Professional Women, the National Intercollegiate Christian Council; veterans' organizations, such as the American Legion, the Veterans of Foreign Wars, the AMVETS, and many other organizations representative of America.

The final verdict, after the most thorough bipartisan scrutiny, may be summed up in these words from the report of the independent Harriman committee:

> The committee is convinced that a sound program for western European recovery should be formulated and adopted by the United States with the same boldness and determination, and the same confidence in the worthiness of the democratic cause, which characterized our action in World War II.

This is the choice. Now we must move ahead. The essential first step is to assure sufficient funds to give the recovery program a fair trial. We must not skimp or indulge in false economy. Halfway measures will hazard the success of the venture, if not assure its defeat from the very beginning.

Help for the exhausted nations of Europe cannot come through the United Nations. The United Nations is stalemated today by the veto of the very dictator nation which would overpower the countries we seek to help.

We have accepted the fact that America must act independently of the United Nations if the reconstruction program for Europe is to be carried out. We know that the Russian bloc would defeat the program if they could. We cannot make European recovery subject to the veto of a hostile Russia and her satellites.

But the European recovery program can be carried out by America in association with the United Nations and always in accordance with the spirit and principles of the United Nations.

And finally, as the Marshall plan goes forward, America can bear ever in mind that as the peace-loving and peace-living nations grow in strength and independence—speaking the will of their peoples instead of the echo of ruthless power—the United Nations grows in strength and independence.

For the democracies, where human rights and freedoms are nurtured and cherished, have never been the war makers of this earth. Their strength is the strength of peace.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. McMAHON. The Senator spoke in his peroration about the fact that we could not go to the United Nations and hope for success. If I am not mistaken, the Senator from Alabama was a cosponsor of a joint resolution introduced last June or July, calling for changes in the United Nations Charter. Am I correct?

Mr. HILL. No; the Senator from Connecticut is not correct. My distinguished colleague [Mr. SPARKMAN] was one of the cosponsors of that joint resolution, as I recall.

Mr. McMAHON. With due deference to the senior Senator from Alabama, I would say that that was almost as good.

Mr. HILL. I quite agree with my distinguished friend from Connecticut.

Mr. McMAHON. Does not the Senator think that we had better be getting to the business of undertaking to see what we can do to make the United Nations effective? If every time there is a crisis we say, "We must do this by ourselves, because the United Nations cannot do it, and it is subject to the veto," then is it not high time that under section 109 of the Charter we invited the nations of the earth in for the purpose of seeing whether the United Nations is to be an effective organization for keeping the peace of the world, or whether we must be reconciled to the fact that all we can get out of it is veto, veto, and veto, and no, no, no, while furnishing an auditorium and an audience before whom people who are doing the best they can to maintain the peace of the world can be called warmongers?

Mr. HILL. I share with the Senator his great desire and eagerness to do all in our power to make strong and effective the United Nations. I certainly believe that the thought which he has thrown out is one which is worthy of the most earnest, thoughtful, and immediate consideration.

Mr. McMAHON. Before this debate is concluded I intend to devote myself to a further exposition of that subject. I had intended to do so as quickly as I could, but I find that I must go to Connecticut to attend the funeral of the Governor of our State, who unfortunately passed away. As soon as I return, I intend to devote myself to a further exposition of that subject, and to point out that if anyone thinks that we can pass the pending bill and then retire, he is very much mistaken. We need to do many other things, and do them very quickly, or we are not going to insure the maintenance of peace.

Mr. HILL. I quite agree with the Sentor that we cannot simply pass this bill and stop. We must continue. We must move forward. I shall await with interest the exploration of the subject which the Senator has projected here today. I am sure that other Senators, like myself, are eager to have the Senator from Connecticut, in his fine and able way, throw any light he can on the subject of what we can do to meet the great desire of our hearts to act now to strengthen, fortify, and make effective the United Nations.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. CONNALLY. We must all bear in mind that the United Nations is a new body. As yet we have not had a great deal of experience with it. For myself, I favor the abolition of the veto, except in the one case involving taking up arms or going to war. I think that that is a question which we cannot very well turn over to someone else. We cannot afford to allow someone else to order us to send an army somewhere. But in all other matters I believe that the veto ought to be abolished, and provision should be made for a two-thirds vote, or a majority vote, or whatever is deemed best. But that can only be accomplished either by withdrawing from the United Nations and forming a new organization or working out the problem under the United Nations, in the constitutional methods which have been adopted.

I will say to the Senator from Connecticut that personally I welcome his views and suggestions. There are certain other respects in which the Charter could be improved. I am hoping that as we gain further experience under its operations we shall find where the rough places are, and in the course of time eliminate them. However, I do not believe that we ought to despair. I do not believe that we ought to throw up our hands and surrender.

Mr. HILL. The Senator knows the history of our own Federal Union. We started with the Articles of Confederation. It was a number of years before we finally found what is termed the "more perfect union."

Mr. CONNALLY. That is true. We lived under the Articles of Confederation for 8 or 9 years.

Mr. HILL. For some years we lived under the Articles of Confederation.

Mr. CONNALLY. It was during our experience under the Articles of Confederation that the weaknesses and errors of the Articles of Confederation became apparent. We then saw the necessity for a stronger and greater union, which eventuated in the Constitution of the United States.

Mr. HILL. After we agreed on the Federal Union and the Constitution, we had to agree on the first 10 amendments.

Mr. CONNALLY. We had to take 10 amendments which had been suggested and advanced in the Virginia convention, and with respect to which there had been some tacit agreement among the members that they would support ratification of the Constitution provided the 10 amendments, or their substance, should be afterward adopted. It was Mr. Madison himself, who had been so dominant in the convention, who, as a Member of the House of Representatives in the First Congress, introduced the first 10 amendments and secured their adoption.

Mr. HILL. Mr. President, we know that in all the 160 years since the ratification of the Federal Constitution our Government has continued to grow and develop. We have adopted a number of amendments to our Constitution.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. HILL. I am about to yield the floor.

Mr. TAYLOR. I should like to ask the distinguished Senator from Texas a question, if the Senator from Alabama will yield for that purpose.

Mr. HILL. I yield.

Mr. CONNALLY. If it is an easy question, go ahead.

Mr. TAYLOR. This is an easy question.

The Senator from Texas has just stated that he was in favor of abolishing the veto.

Mr. CONNALLY. Except as to one subject.

Mr. TAYLOR. I should like to ask the Senator this question: If suddenly a number of countries should go Communist—enough to give the Communist bloc a majority of votes in the United Nations, the Security Council, and the Assembly—would the Senator still want to abolish the veto?

Mr. CONNALLY. That is speculation. In the first place, the majority of them are not going Communist. That is speculation on which I do not care to venture an opinion, because the Senator is so much better advised than I am as to what the Communists have in mind.

Mr. TAYLOR. I was not trying to find out what the Communists have in mind. I was trying to find out what the distinguished Senator from Texas has in mind, but inasmuch as he does not care to answer the question——

Mr. CONNALLY. I will say this, if it will be an answer: Even under those circumstances I would probably favor it, because, instead of 15 or 20 Communists, each one with a veto in his pocket on every question, we could whittle them down to the one issue of going to war.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. McMAHON. I was very much interested in the comments of the Senator from Texas about the way in which we perfected our Federal Union and how the Bill of Rights became attached to it. I am reminded that we lived under the Articles of Confederation for about 14 years. I believe that the difficulty in the thesis of the Senator arises in the framework of reference, because we have not that much time in which to solve the problem. Let me say to the Senator from Alabama and the Senator from Texas that if I thought we had 14 or 15 years to solve the difficulties which the veto has raised and the difficulties in the operation of the United Nations, I would be the most optimistic and pleased person on the face of the earth. I may be wrongfully filled with the conviction that this world is marching to a crisis in seven-league boots. That crisis is not going to wait for trial and error over a period of years to enable us to devise the mechanics to avoid a third world war.

Mr. HILL. Mr. President, the distinguished Senator from Connecticut is a member of the Joint Committee on Atomic Energy and former chairman of the Senate Special Committee on Atomic Energy; and I know that he is impressed with the terrific speed with which events move today. I agree with him in his implication that we must move with all the speed possible in strengthening, fortifying, and making effective the United Nations.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McMAHON. Mr. President, will the Senator yield for one further observation?

Mr. HILL. I yield.

Mr. McMAHON. At the time referred to the farthest point on the earth was not 48 hours away by airplane and one-tenth of a second away by radio.

Mr. HILL. I now yield to my friend from Illinois.

Mr. LUCAS. Mr. President, I should like to say one word in connection with the last statement made by the Senator from Alabama. The able Senator opines that we ought to move with speed. That is exactly what we ought to do with the debate upon the Marshall plan.

We apparently are going to extend the debate in the Senate, and so will the Members of the House of Representatives, until finally April 1 will go by and April 15 will pass; but all the time while we are debating in Congress, under our democratic way of life, Stalin is moving with speed.

Mr. HILL. I agree with the Senator.

Mr. LUCAS. I do not wish it understood that I am making any of these remarks as a criticism of the magnificent speech the Senator from Alabama has made today. But when I listen day after day to the statements that are made upon a lot of technicalities and a morass of arithmetic that has little or nothing to do with the great, fundamental principles and objectives which are involved in the Marshall plan, I cannot help but feel that we are losing time, Mr. President, and losing it fast.

I pray and hope that something will stir this Congress to such an extent that by April 1 we shall not only finish our discussion of the question of the passage of the authorization bill in both Houses, but we shall be able to tell our friends in the western European democracies that we have passed the Marshall plan and the appropriations for it. Not only will that give to those who cherish freedom in their breasts the psychological boost they need to have in order to carry on, but it will have a determinative influence toward dissuading Stalin and his associates from their attempts to expand their movement in the world today.

Mr. HILL. Mr. President, I share so wholeheartedly the feelings which have been expressed by the Senator from Illinois that I now yield the floor.

Mr. SALTONSTALL. Mr. President, let me state from the seat which I now occupy that I agree entirely with the sentiments expressed by the Senator from Illinois; and I hope that regardless of whether we agree with each other or not, positive action will be taken as quickly as possible.

Mr. FLANDERS. Mr. President, I propose to address myself briefly to the support of Senate bill 2202, the measure pending before this body.

What are the purposes to which this bill addresses itself? This is not a relief measure. Heaven knows that relief is needed by tens and hundreds of millions of people. Relief is needed by practically every nation which suffered the ravages of war. Other tens and hundreds of millions are chronically in need of relief. Even the thought of them arouses our sympathies. But to carry the relief burden of the world is beyond our powers. Should we try to undertake it, we would pull ourselves down to a point where we could not give the assistance which in times past we have always been glad to bring to populations who were suffering under some serious and special calamity.

Nor does the assistance planned in this bill seek a reward in gratitude. We had best immediately write gratitude off the books as an expected asset in the transactions we are considering. Gratitude in relationships of this sort is a shallow and short-lived sentiment. Only those who are inexperienced in the ways of the world or incurably optimistic expect such a result from the program of assistance which is before us.

It is true that we may properly expect favorable relationships to grow out of this undertaking. They will not arise from the emotions transiently felt by a beneficiary toward a benefactor. There is a chance that we may generate in a large degree those emotions of mutual trust and respect which are the normal result of business transactions which are profitable to both parties to a bargain. This is the usual and proper result of such transactions, and at least to that extent the undertakings contemplated in this bill can accomplish friendly relationships on each side of the ocean. Such feelings are stronger and more durable than gratitude.

This country is not looking for prestige. It has all it can use. It is not looking for power. It has, likewise, all of that it knows how to use.

The hard core of necessity to which this undertaking addresses itself is simply this: Are we willing to entrench ourselves behind a Maginot line or a Great Wall of China here on the North American Continent, and trade or travel in the rest of the world only as permitted by a power stronger than we are? That is the direction in which the world is moving. That is the ultimate fate we are facing. That is the question which

we must answer with a "Yes" or "No." There seem to be those who answer "Yes." I, at least, am not among them; and I doubt whether there are any on this floor who give that answer. Our answer is "No."

This is the harsh materialistic aspect of the problem we are facing, but it is deeply related to our cherished ideals, as well. We believe in the worth of the individual. We believe in the freedom of the individual man. We believe that a government and a society based on those concepts will provide greater material, intellectual, and spiritual blessings than will any other form of government which the mind of man has conceived. Not only do we believe this, but we have proved it.

The prospect we are facing is one in which those ideals are extinguished in country after country after country. The midnight of the human soul rolls on toward us. What shall we do about it?

We all know that there is no surety of success in this proposal for economic cooperation with the 16 nations. We all know that it may be too late. But the chances of success are good. We know that if this undertaking is not sure, the alternative of the extinction of civilization in Europe is as sure as anything human can be.

Mr. President, my plea is for speed in this matter. This is not the first time in the few months I have been a Member of this body that we have been urged on to speed in the passing of legislation of this sort; notably, the Greek and Turkish loan was urged upon us as a sudden crisis. The situation in Palestine is a sudden crisis. Other requests for our action have been based on the appeal to crisis psychology. This case is different. The crisis argument is not one carefully prepared by the administration and suddenly unveiled to us in all of its terrifying possibilities. This is a crisis which we ourselves can see. This is a crisis which the people of this Nation can see. There is a headlong rush to the course of events which all can observe.

There are those in this country who live behind a curtain. It is not an iron curtain. It is a curtain of fog which a certain type of midwestern journalism has drawn around a great area in this Nation. On February 11, I chanced to be in the great capital of the Midwest. On the front page of a local newspaper was a cartoon which showed, in an upper half, a figure representing the beggar nations appealing to Uncle Sam for money, and threatening, if the money was not forthcoming, to throw itself off the cliff into the abyss of communism. The lower half of the cartoon showed Uncle Sam refusing the appeal and walking away without concern, whereupon the European suppliant shudderingly and fearfully crawls away from the edge of that abyss.

Surely, Mr. President, even those who are subjected to this kind of propaganda day by day, week by week, month by month, year after year, must by now realize that the sinister advance of communism is a reality; that it has swallowed up nations like Czechoslovakia, and is swallowing Finland, the majority of whose people have no stomach for it and are fundamentally freedom loving.

Surely even these mistaught fellow citizens must realize that the cloud of darkness is rolling toward Italy and France. Surely they must realize that their nation and ours is living in a world whose limits are being contracted about us.

Mr. President, this bill represents the acceptance of a calculated but still hopeful risk. Delay will make that hopeful risk hopeless. There is a dead line set. That dead line is April 18, when the Italian Nation holds its elections. That country has made a brave endeavor to meet in letter and in spirit the fundamental requirements on which this bill is based. They have endeavored to stabilize their currency. They are endeavoring to build up their production. They have undertaken to hold conversations with their one-time enemy, the Republic of France, in an endeavor to establish economic and possibly political cooperation.

Within the past few weeks similar conferences for economic and political cooperation have been taking place between other nations of western Europe. They are straining every nerve to qualify themselves for the support and cooperation which this bill provides. We cannot fail them. We must not even loiter by the way.

Mr. President, the slow progress of this bill is a mutual and international calamity. Can we not do something about it? For one thing, we can shorten our speeches. To set such poor example as lies within my power, this is a short speech.

Can we not do more? On the St. Lawrence seaway question, unanimous agreement was reached as to a last day on which amendments could be offered. I am told this was an almost unprecedented action. Does not the seriousness of this situation suggest that the unprecedented precedent is repeated? Can we not therefore and at a date not too much later obtain unanimous consent for a vote? Hour by hour, day by day, April 18 is hurrying toward us. We cannot delay its implacable advance. We must not fail to do our part long before it reaches us.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 408. An act for the relief of Lawson Ashby, and others;

H. R. 431. An act for the relief of the Columbia Hospital of Richland County, S. C.;

H. R. 621. An act for the relief of Vera Frances Elicker;

H. R. 697. An act for the relief of Mrs. Essie N. Fannin, Miss Helen Hicks, Miss Marie Hicks, Miss Frances Fannin, William O. Thompson, and Mrs. W. D. Thompson;

H. R. 993. An act for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb;

H. R. 1131. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker;

H. R. 1139. An act for the relief of Dr. Gisela Perl (Krausz);

H. R. 1152. An act for the relief of Mrs. Inga Patterson, widow of F. X. Patterson;

H. R. 1298. An act for the relief of Anastasios Panage Ionnatos (known as Anastasios Panage Ionnetos or Tom Panage Yanatos);

H. R. 1654. An act for the relief of the estate of Mrs. Elizabeth Campbell;

H. R. 1864. An act for the relief of Mrs. Raiford D. Smith;

H. R. 1929. An act for the relief of Edwin Osgood Cogan, his wife Helen Olga Cogan, and his daughter Isabel Joan Cogan;

H. R. 2012. An act for the relief of Mrs. Pearl Cole;

H. R. 2268. An act for the relief of Charles E. Crook and B. L. Fielder;

H. R. 2293. An act to amend the act entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters," approved February 8, 1895;

H. R. 2373. An act for the relief of Stanley-Yelverton, Inc.;

H. R. 2374. An act for the relief of Nita H. Stanley;

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3742. An act for the relief of Robert Wilhelm Gerling;

H. R. 3936. An act to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia, and for other purposes;

H. R. 3964. An act for the relief of Thomas D. Sherrard;

H. R. 3973. An act relating to the compensation of Commissioners for the Territory of Alaska;

H. R. 4331. An act for the relief of Bertha M. Rogers;

H. R. 4541. An act for the relief of Jesse F. Cannon, Jackson Jones, and the estate of John Halstadt;

H. R. 4570. An act for the relief of Howard A. Yeager; and

H. R. 4980. An act relating to the acquisition by the United States of State-owned lands within Glacier National Park, in the State of Montana, and for other purposes.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. TAYLOR. Mr. President, I rise to speak against this so-called European recovery program, more familiarly known as the Marshall plan. I expect this bill to pass. I do not expect to be able to stop its passage. Nevertheless, I do not believe that what I have to say is a rear guard action in a hopeless cause.

This is not part of a strategic retreat, but rather I conceive it to be an advance skirmish for battles yet to come, battles that will be won in an all-out fight against a foreign policy the underlying purpose of which I believe to be the economic domination of as much of this world as we can possibly bring into our sphere of influence by the most extravagant expenditure of billions of dollars and a great show of military strength.

The Senator from Florida asked if I should like a quorum call. I would not.

There is no reason in the world to ask for a quorum call. I shall talk for some time, and I do not want anybody to listen to me unless he wants to listen voluntarily. It is a well-known fact that very few opinions are changed on the floor of the Senate. We talk to the people generally, in the hope of changing their outlook upon matters, and eventually of changing the Congress by changing its composition.

But, Mr. President, I should like to say that those of us who are not on the Foreign Relations Committee are at somewhat of a disadvantage when we are vitally interested in matters of foreign affairs. We have our own committees, upon which we must be in attendance at all times. We then have to try to catch up with the experts who are on other committees. I should like to show the disadvantage under which we labor. Hearings were held upon the pending bill for a good many weeks. The bill was written, a report was prepared, and the evidence compiled. I hold in my hand three bound volumes totalling 1,470 pages. They were placed upon the desks of Senators simultaneously with the distribution of the bill itself, which contains 39 pages, and with the report which contains 69 closely printed pages. It is necessary for us to start from scratch. The debate begins immediately. It is very difficult. I have heard in the Senate today a great deal of criticism of the processes of democracy. It has been said that they should be speeded up. That is all very fine. I am for speed if possible, but it seems to me that in a question of the importance of what we are considering, when there is such a mass of evidence, Senators should have an opportunity to study the matter. After the evidence is compiled and the report distributed, we should have at least a week in which to study the matter before it is brought out on the floor.

I have stated that for a long time I have thought the Marshall plan to be a continuation of our foreign policy, the object of which is to extend economic domination over as much of the world as we possibly can. I want to apologize, Mr. President, for not having been in attendance on the Senate floor to hear more of the debate. I was preparing the talk that I intend to deliver now. Incidentally, it is quite a long talk. I apologize for that; but as the minority leader within the minority, I can say that this will be the only speech delivered by my party on this subject. [Laughter.]

I was saying, Mr. President, that I arrived in the Senate Chamber just in time to hear the senior Senator from Alabama [Mr. HILL] speak. I have always had a high regard for the Senator from Alabama. He is a liberal. I have conceived him to be a liberal. Coming from the South, that is saying a great deal about a man. He must indeed be courageous. One must be courageous to be a liberal, coming from Idaho, but it requires even greater courage to be a liberal coming from the South.

Certain of the remarks that passed between the Senator from Alabama and the Senator from Mississippi [Mr. EASTLAND] distressed me greatly. Of course, they confirmed completely within a very few moments what I have contended right along, that this is a bill for economic exploitation. Let me quote from the colloquy of the Senators:

Mr. EASTLAND. The Senator has spoken of the loss of those markets. Of course, if Russia takes over western Europe, we shall have permanently lost those markets. But does the Senator think for one moment that if we permanently lose our historic markets in western Europe we would be able to maintain the private-enterprise system in the United States?

That is one page, and the word "democracy" or the name "United Nations" does not appear. It is merely a matter of markets and private enterprise.

The next page has this to say:

Mr. HILL. I may say to the Senator, I do not; and I may say to the Senator further that I support the Marshall plan for the same reason that I supported the repeal of the arms embargo, the repeal of the Neutrality Act, the enactment of lend-lease, and the passage of the selective service bill. I felt that if we permitted totalitarian aggression on the part of Hitler and the Japanese war lords we could not maintain our free American domestic economy—

Nothing about our democratic way of life.

We could not preserve our American freedoms.

That is the nearest we come to mentioning democracy.

I feel the same way today about Russian totalitarianism.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield to my friend.

I should like to say, Mr. President, that I told the Senator from Alabama I was going to comment upon what had transpired, but the Senator is not present.

I read further:

Mr. EASTLAND. The point is that if we were to lose permanently those markets, it would be followed first by Government control of business in this country. The Senator has spoken of the cotton business. If those markets for American raw cotton were to be permanently lost to us, the United States would have to begin with drastic acreage control and a subsidy program much greater than it has ever undertaken before. There would be Government control of every farmer in this country who is engaged in the production of cotton. That is true of other lines of business. There would first be Government control, and then, American industry could not profitably operate with the loss of those markets, as it cannot profitably operate unless it can run at capacity or near capacity. Foreign markets are essential to that. Within a period of a few years we would be driven to some form of socialism in this country. So, when we support this program and follow it by armed force, if necessary, we are saving the capitalistic system in the United States, because Russia knows that she could destroy our economy and our system without firing a shot simply by refusing to do business with us.

Mr. HILL. I thoroughly agree with the Senator. It is exactly what I sought to say, though the Senator has said it better and in more detail, when I spoke of the fact that if we permitted these western democracies to go down and if we lost our trade, we would be forced into such a system of governmental regimentation that we would lose many of our freedoms, and, to a greater or lesser degree, we would be forced ourselves into some form of totalitarian government.

We strive today to prevent war, to preserve and build the peace, and also to maintain our free private-enterprise system.

That is all of the discussion between the two Senators.

It is exactly what I have contended for approximately 2 years, that our foreign policy has set out to guarantee our domination of other countries in order that we may have places to which to export our manufactured and other goods.

We are stupid, Mr. President. There are those in this country who are too selfish to permit us to figure some way to permit American workers to share in the full product of the things which are produced by their labor. We must export in order to keep this so-called private-enterprise economy growing, or at least if it is to remain private enterprise. I think we can modify it with some socialism. We could have an area of some private enterprise for some entrepreneurs. We could keep our democracy, and we would not have to fight a war. But these bipartisan foreign-policyites are willing to risk the extermination of mankind with atom bombs and bacteriological warfare in order to preserve the monopolist domination of American big business all over the world.

I expect this bill to pass, not because it is right and not because the people want it or because of the power-politics approach which it represents, but because the Congress has drifted far from the thinking of the people. This state of affairs is not new to America. It has happened before—1932 is the most recent example. At that time, even as now, big business was in the saddle.

I cannot say that they were riding high—they had been riding high, but their selfish disregard of the general welfare had brought us to the verge of ruin. However, then as now, their stooges in places of power in the Government had shut their eyes and refused to read the handwriting on the wall, and a great political upheaval sent big business to the dog house and their political hangers-on to oblivion.

Mr. President, the bipartisan coalition which is inexorably driving this vicious and stupid piece of legislation through the Congress will, I am convinced, meet its Waterloo, come next November. I have described this piece of legislation as being vicious because I believe it makes infinitely more remote any possibility of reversing the present trend toward war and of preserving the peace of the world. I have called it stupid, at the same time, because I do not believe it will accomplish the desired object of those who sponsor it, namely, buying the friendship of western European nations with a view to their becoming our allies in an expected war against Soviet Russia. Friends cannot be bought, and we do not make allies of nations by interfering in their internal affairs.

This piece of legislation is vicious because it masquerades as unselfish aid for others when it is becoming more evident each day that its object is to use the taxpayers' dollars to aid American big business economically to dominate the so-called free-enterprise areas of the world.

It is stupid because it may well wreck our economy at home in a futile attempt to guarantee our economic supremacy abroad.

Mr. President, I believe I am as sincere as any man in my desire to feed hungry people and help rehabilitate the economy of stricken nations.

I am for aiding all those who need help, to the reasonable limit of our ability and resources. But I believe that all help should be channeled through the United Nations.

I believe in the United Nations. It is our only hope. The people of Idaho believe in it. They want to see it grow and become strong. They elected me on my promise to support such an organization to keep peace in the world.

In setting up all these schemes and plans like the Truman Doctrine as applied in Greece, and now the Marshall plan for all of Europe, we are not only failing to help the United Nations grow; we are positively undermining, weakening, and will eventually destroy the United Nations by such tactics.

The people of America have placed in the United Nations, all their hopes for peace, but they are coming to realize day by day that the architects and the planners of our foreign policy have no real interest in the United Nations.

The bipartisan coalition pays lip service to the United Nations, yes, as politicians are prone to pay lip service to any cause which they feel is popular with the people, whether it be old-age pensions, lower taxes, or development of natural resources in the West.

NO LOVE FOR UN

But they have no real interest in the United Nations.

The first concrete proof we had of this was when our Government took unilateral action in Greece and got this Nation into one of the worst messes in which America has ever found itself.

The latest proof of the lack of genuine interest in the United Nations on the part of our politicians with the bipartisan approach is the sell-out of Palestine.

Both old parties must take responsibility for these tragic fiascos because the leadership of both old parties boasts that they are as one on foreign policy.

The distinguished senior Senator from Michigan is hailed far and wide for his very able work in dissolving party lines in the Senate.

The distinguished senior Senator from Texas would doubtless like to take full credit if he could but figure some way to do so.

However, the glory of spending money to fight communism commands such attention in the press of America that even to bask in the reflection of the spotlight, throws an aura upon all those who can even get close to the center of the stage.

PROPAGANDA CONFUSES PEOPLE

The reactionary press, the generals and admirals, big figures in the finance and business world and, of course, those politicians who like to go with the tide, have created such a furor, hubbub and hullabaloo over the desirability of giving away billions and billions to try and bribe people not to be Communists, that our own people are utterly confused.

Mr. President, the word "Communist" reminds me of something. I realize that by taking the position I am assuming, namely, that the Russians are not absolutely hopeless, that it is possible to get along with them, I am laying myself open to the charge of being a Communist—a Communist sympathizer, at least. The distinguished senior Senator from Texas made that very plain a moment ago when I asked him whether he would want to see the veto abolished if a majority of the members of the United Nations were Communists. He retorted that he was not as much of an expert on communism as I was.

Mr. President, I dare say I may be subject to that, as I have stated, but I have made up my mind to that, and I warn all my colleagues, that I am not going to take it lying down. If they want to accuse me of being a Communist sympathizer, if they want to call me "red," and one thing and another, by insinuation or innuendo, Mr. President, I say, let them beware, because I shall come back in kind.

Mr. CHAVEZ. Mr. President, will the Senator from Idaho yield?

Mr. TAYLOR. I am glad to yield to my very good friend from New Mexico.

Mr. CHAVEZ. I believe I shall vote for the measure before the Senate, but I desire to say to the Senate now that I do not believe the Senator from Idaho is a Communist.

Mr. TAYLOR. I thank the Senator from the bottom of my heart. I appreciate his remark.

Mr. CHAVEZ. If the Senator will permit me, if the pending proposal is directed against communism, if its proponents are fighting communism, and they really mean it, why leave out Spain? The only country out of the whole group of the nations which fought the Russians right along was Spain. There are more Communists in Italy, more Communists in France, and more Communists in Greece than there are in all of Spain.

What I should like to see is a little sincerity of purpose. If the legislation is intended to protect the United States, I am for it absolutely; but let us not hear about it being against communism, because I do not believe it.

Mr. TAYLOR. I do not believe the bill is designed to fight communism in order to protect democracy. Rather, it is designed to fight the socialism of communism to protect capitalism, monopoly capitalism.

Mr. CHAVEZ. Mr. President, if it is to fight for democracy, why take in Portugal? Does any Member of the Senate believe that Portugal and many of the other countries which will be participants under the program are democracies?

Mr. TAYLOR. It has no relation to democracy, I am sorry to say to the Senator, just as relief to Greece has no relation to democracy, but is one of the most frightful chapters in the history of America, if not in the history of the world.

Even the politicians have become muddled by this great extravaganza of tub-thumping.

They have become so addled by the adulation of the press that many of them honestly believe that it is good politics to get rid of billions of dollars no matter how ruthless and corrupt the scoundrels may be who receive it if they can but make our people believe they are fighting communism.

Even our Republican friends, long known for their economy talk—mostly talk—have succumbed to the great delusion.

However, the Democrats have beaten them to the punch.

They were giving away money all over the world with the exception of one place—China.

Of course, they had already given several billion dollars to China, but even the most extravagant spenders had decided that no possible good could come from pouring billions into China, so they had decided to let Chiang Kai-shek meet his just, though unhappy fate.

This was the opportunity the politically minded Republicans had been looking for.

Amid all the din and furor even they, with all their vaunted conservative good business judgment, have been overcome and, like children, fighting for a place to throw peanuts to the monkeys, the erstwhile tight-fisted cohorts of TABER have elbowed themselves a place near the money bags with loud shouts of "More money for Chiang. Billions for China."

They have taken advantage of this coveted opportunity with all the desperate enthusiasm of a month-old suckling pig scrambling for a vacant teat.

JOKER IN DECK

The joker in the deck of this supposed enthusiasm on the part of the American people for this great spending orgy is this:

All of the propaganda for this Marshall plan or this bipartisan European recovery plan, otherwise known as BERP, most recently rechristened ECA, all of this propaganda has insidiously conveyed the idea to the American people that this scheme would in some way strengthen the United Nations.

Of course, the truth of the matter is that it insolently bypasses the United Nations without so much as a by-your-leave to that fast expiring last hope of mankind.

Mr. President, I should like to quote here some testimony delivered before the Senate Foreign Relations Committee by Mr. William Batt, Sr., which I culled from the voluminous reports of the hearings.

Mr. Batt is chairman of the Philadelphia branch of the Stimson committee dedicated to the unholy purpose of trying to convince the American people that in some way the ECA, otherwise known as BERP, originally the Marshall plan and before that the Dulles plan, will help the United Nations keep peace in the world.

But the truth will out, Mr. President, and in his testimony before the committee, Mr. Batt confirmed something that I have known for a long time but which may be surprising to some of my colleagues.

He told about how his committee, together with other organizations, such as

the Foreign Policy Association and the League of Women Voters, had taken polls in Philadelphia.

They found that people wanted to help Europe.

In fact, they wanted to help hungry people everywhere.

They were willing to be taxed for that purpose.

They did not want us to tell anybody that they could not have any more socialization, which revelation of incipient liberalism doubtless sent cold chills up the spine of industrialist Batt.

PEOPLE FOR UN

But the thing about this poll that is most significant and that a great many politicians seem to have overlooked is this—and I quote Mr. Batt:

As to administration of the plan, a majority would have this accomplished through the United Nations.

Yet, there is a distinct minority who would have the United States administer this aid alone.

Mr. President, that distinct minority doubtless includes Mr. Batt and his fellow industrialists who are looking for markets all over the world and see in the Marshall plan an excellent way securely to fasten their talons in prospective customers everywhere outside the zone of Russian influence.

It would also include John Foster Dulles and his moneyed friends in Wall Street.

With a few notable exceptions, this category would also include the generals and admirals who, because of its threat to their way of life, fear peace worse than a rattlesnake.

Then, of course, there are the politicians who like to go along with the big boys and have the press pat them on the back.

These people represent that distinct minority referred to by industrialist Batt.

The American people, Mr. President, are not going to be happy when they find out what has been done to them; how they have been fooled; how the United Nations has been bypassed, undermined—almost destroyed.

The time has come when lip service to the United Nations, no matter how loud, is no longer fooling the American people.

Palestine has brought these bipartisan, bypass-the-United-Nations foreign policy boys face to face with that awful question so well expressed in the boogey-woogey term, "is you is or is you ain't" for the United Nations.

BETRAYING PALESTINE

The oil interests and therefore the money interests and naturally therefore Mr. Forrestal because he represents the money interests and, of course, the military because of their natural inclinations and the more compelling reason that Mr. Forrestal is their boss, all these interests want us to betray Palestine for oil.

By their indecision in this matter the friendly mask of the United Nations has been drawn from their bipartisan countenances, and their two-faced duplicity is exposed for all the world to see, Mr. President.

I am going to discuss our foreign policy in general because anyone who stops to think for a moment must realize that this European-aid scheme is not something set apart.

It is some more of our foreign policy and to be understood it must be fitted into its proper place as part of our overall foreign policy.

It is naive to think for one moment that we can have a foreign policy which is a desert barren of Christian principles and studded with the cacti of the Truman doctrine and aid to reaction and then suddenly find an oasis in the midst of all this labeled ECA.

It is foolish to imagine that the scheme we are considering is any different than what has gone before.

It is the offspring of the same parents, Mr. and Mrs. Bipartisan Coalition.

Now, if as I have said, the American people want us to work through the United Nations, if they want to get along on friendly terms with the Russians, how in the world did we happen to be saddled with this get-tough foreign policy?

It is all really very simple, Mr. President.

All we have to do is put ourselves in the other fellow's place.

I have found that that is the best way to understand why people do certain things or why certain things happen.

Just put yourself in the other fellow's place.

Try to figure out what you would do in his place and generally it will be pretty easy to see why he behaved as he did.

Let us go back to the closing days of the last war.

Victory was assured.

Already there was brave talk of disarmament.

Not just a little disarmament, but total disarmament.

A glorious new organization had come into being, dedicated to the proposition of peace on earth.

The United Nations had been born.

CORPORATIONS AND GENERALS

Suddenly, the generals realized that their way of life was in grave danger of joining the dodo.

Now how would you feel under those circumstances, Mr. President, if you were a general?

How would any ordinary human being feel?

They had always been a privileged class, but during the war their power and prestige knew no bounds.

They were wined and dined, toasted and toadied to.

Honors were heaped upon them for the great victories they had won.

They did win great victories, Mr. President.

Of course, the GI's helped out a little but the generals won great victories and we want to give them all due credit.

They had billions to spend with no questions asked.

They spent most of it, of course, with the big corporations, General Motors, the Steel Trust, du Pont, and the others.

If the little fellows got a contract it was generally second-hand after the big boys had taken their cut out of it.

Of course we will not complain, Mr. President.

There was the war to be won and there was no time to worry whether or not we were strengthening monopolies.

But all of a sudden the war ended and all this talk of peace and disarmament.

If there were peace, there would be no more need for big armies.

Gone the privileges and honors, the brass and the braid.

Many of these generals were utterly unprepared for any other way of life.

They would have to start all over again, right at the bottom of the ladder, possibly.

Now how would an average man react under those circumstances?

I think he would do just what the generals did.

After all you cannot blame the generals for wanting to see their jobs continued.

The Bible says, "Where your purse is, there also is your heart," and if you have sufficient reason to want to believe something, if your very livelihood depends on it, it is the most natural thing in the world to rationalize the proposition until you actually become convinced that what you want to believe is right—even if you are trying to convince yourself that there should be armies and generals.

So that is what the generals did.

They wanted to stay generals but if they were to remain generals they would have to have a big army.

If they were to have a big army they must convince the American people and the Congress that the Army was necessary so that they could get billions of dollars to make the big army possible.

But in order to get the taxpayers to cough up the money for the big Army they had to convince the people that they were in danger of being attacked by somebody.

They had to have a bogeyman, Mr. President.

And who was the logical candidate?

There was only one—just one.

Just one country left sufficiently strong and big enough to be dressed up as a bogeyman.

That country was Russia.

PROPAGANDA AGAINST RUSSIA

So the generals started issuing statements about the danger of our being attacked.

They started pointing out how strong Russia had become.

They conveniently forgot that Russia had been devastated.

According to the experts, a devastation so great that to be equaled in this country we would have to be totally destroyed from Kansas City east.

They also conveniently forgot that Russia had lost somewhere in the neighborhood of 15,000,000 people in their great fight against the Fascist legions of Adolf Hitler.

But, Mr. President, the statements continued to emanate from high military authorities.

Politicians picked up the hue and cry.

The press, always looking for something sensational, was happy to join in.

Almost overnight, if you will go back and read the headlines, as I have recently done, the heroes of Stalingrad became the villains of the Kremlin.

It was as simple as that, Mr. President.

Nor were the generals without friends in other high places.

The big corporation and cartel boys were happy to throw their influence behind any scheme to prevent peace and calm from settling upon the world.

They had become used to noncompetitive, lucrative armament contracts.

And while they dearly love private enterprise, it is nice to have Uncle Sam hand you millions and billions for heavy war equipment that the little fellows just cannot build at all.

So Wall Street was happy to join in.

Some of these anti-Russian agitators might not actually want war, but they do want to keep the tension just short of war so they can keep the armament racket rolling.

The trouble is, Mr. President, it is difficult to keep just the right tension.

As the distinguished and able senior Senator from Georgia [Mr. GEORGE] recently said, "Americans are not so constructed that they can hate any power for 4 years without being at war with it."

We gave the armed services eleven and a quarter billion dollars last year, Mr. President.

That is a great deal of money for the generals to spend with their corporation friends; and in the spending of eleven and a quarter billion dollars many attitudes can be influenced and even created.

A great deal of support cooked up in many different places.

So we are on our way again.

The United Nations is almost at the end of its rope.

The "get tough" foreign policy is rolling toward destruction like a streamlined train without an engineer.

Wall Street has taken over the Government and is keeping the surplus generals temporarily employed as civilian administrators in countless posts that never before have known the ponderous hand of the military.

HITLER'S IDEA

Remember, Mr. President, that both old parties must share the responsibility for this state of affairs.

This war economy is something so much to the liking of their moneyed masters that they are equally enthusiastic for the program.

In the matter of foreign affairs, Mr. President, there is no longer a two-party system in America.

We have a one-party system just as certainly as Hitler did, and it is beginning to appear that the only difference between the old parties in domestic policies is a matter of talk and messages on the state of the Union.

Now the bipartisan Wall Street military clique knew that their scheme was full of holes and wide open to criticism.

They knew it would be bad if the American people got wise to their schemes.

So what did they do, Mr. President?

They just took a page from Adolf Hitler's book and started a Red hunt.

Anybody who disagreed was a Communist.

They were in an excellent position to make it stick because they had most of the press. Mr. President, in the last 2 years the names of the liberal commentators who have disappeared from the radio, those who might have criticized and exposed this nefarious plot against the peace, but who have been booted off the radio for one excuse or another, are legion.

SCIENTISTS DISSATISFIED

It is very difficult, Mr. President, to stand up against this diabolical witch hunt.

Witness the attack on Dr. Edward Condon the last few days.

Here is a great American scientist, one of the greatest, who had already been cleared of suspicion; but in this witch hunt business, Mr. President, there is such a thing as double jeopardy.

If one of these committees or the FBI gestapo make up their mind to get a man, they will come at him again and again from every angle until either they get him thrown out or the tension becomes so great that he gives up and bows out.

We are going to wreck our atomic program with these methods, Mr. President, because scientists are self-respecting people who refuse to be hounded and shadowed and have the finger of suspicion constantly pointed at them.

Unfortunately, it takes brains to do scientific research, and men with brains just simply refuse to be kicked around.

However, that is beside the point.

Let us get back to the Red hunt.

Seeing the headlines given to the congressional Red hunters, politicians all over the country are going in the red-hunting business everywhere.

They have their own local Red hunt out in Los Angeles County.

Yes, it has gotten down to the county level now.

Out there the local edition of the Thomas committee, headed by a man by the name of Tenney, is going full blast.

Better than our big committee here, in fact.

Mr. Tenney personally made up a list of 150 organizations which he declared to be subversive.

Some of them have since been taken off the list when Mr. Tenney found out they had considerable numbers of voters on their membership rolls.

But in the beginning, Mr. President, anybody who belonged to any one of those 150 organizations was ineligible to hold a county or municipal job in Los Angeles County.

Perhaps it is important to be sure county employees are not Red sympathizers.

One of the employees of the sewer department in Los Angeles might tell the Russians the size of the sewer pipes, and they could conceivably sneak up through a sewer pipe in Los Angeles and sabotage the whole business.

The spectacle the American press is making of itself is a disgrace to the traditions of American journalism.

It is a bad day indeed when the word "Red" or "Russia" is not prominently displayed in a headline.

It is not an uncommon day when three or four headlines on the front page are devoted to "Reds," "Russia," or "Stalin," 999 times out of a thousand in a derogatory manner.

Last year I went on a meet-the-press program.

One sits at a table and is questioned by four or five newspaper reporters or columnists.

I like to get on that program.

It is a good place to have one's ego deflated.

I have forgotten exactly what the subject was.

I remember that the word "Russia" appeared in it somewhere.

But I knew that they would be asking me many questions about Russia.

You see, I have gone on the assumption that conditions between the Russians and us are bad enough without my trying to make them any worse, so I have refrained from seeking publicity by denouncing Russia every day of the week.

As a consequence of that, I guess, they have just put me down as a Russian sympathizer; and every time I get on a radio program in the nature of a debate or a question period, they always try to prove, either by questions, insinuations, or innuendoes, that I have my last check from Joe Stalin in my hip pocket.

I knew that would happen on that program, so I just tore the front page off the Washington papers for a few days before the broadcast, and took them along with me.

We had not gotten very far with the program when one of my inquisitors came at me with a question something like this:

Now, Senator TAYLOR, do you actually believe that it is possible for us to get along with the Russians?

SENSATIONAL PRESS

I said:

Yes; I think it might be possible if the press would just start telling the truth and quit sensationalizing every disagreement with the Russians.

Of course, Mr. President, that got the boys all excited. They all tried to get at me at once. Finally the moderator got them quieted down a little and designated one to chew me up.

He said:

Why, Senator TAYLOR, do you mean to insinuate that the great American press doesn't present the facts as they are? Do you mean that we're not fair? What do you mean?

So I just pulled those front pages of the Washington papers out of my pocket and said, "Here is what I mean." And I started reading the headlines. I would read an anti-Russia headline and a little of the article, and then ask them if they could not have put a more truthful and a less sensational anti-Russia headline on the article. Well, sir, they did not have much to say.

I remember one page I had particularly. It was off the Times-Herald, as I remember. It was just a few days after a girl had been murdered out in Los Angeles—the Black Dahlia murder case. This particular front page had an article in the upper left-hand corner, about three columns wide, "Reds stealing election in Poland." Down in the middle of

the page was another article with a border around it to attract attention, and it said, "Reds refuse to return lend-lease ships." Over on the right-hand side was another headline, "Red butchers Black Dahlia."

I had been reading about the Black Dahlia, and when I saw that headline I thought, "Oh, my goodness, what has this Communist done now?"

That is what most anybody would think when they saw a headline like that, Mr. President, is it not?

However, it is a well-known fact that a great many Americans do not read past the headline. They do not have time to. They come home after a hard day's work, pick up the newspaper, read the headlines, turn over and see what Dick Tracy is doing, and how Li'l Abner is getting along, and it is time to go to bed.

But I try to read the papers to keep up on what is going on in the world; so when I read that headline "'Red' butchers Black Dahlia," I started to read the article. It said:

Police today are searching for Charlie "Red" Johnson, wanted in connection with the murder of the Black Dahlia.

Well, of course, when you read that, it was plain that "Red" was not red; and as it turned out, he did not even murder the Black Dahlia. But the headline had done its dirty work.

Mr. President, misleading headlines are conditioning the American people every day for another war which will mean the end of the world.

Oh, yes, Mr. President, on that same front page, on the back side, on the inside column, down about the middle of the page, was a little article about 4 column-inches, that said, "Russia demobilizes 4,000,000 men."

MISLEADING HEADLINES

I asked those newspaper reporters if their paper could not have put "Russia demobilizes 4,000,00 men" across the front page, and if that would not have been a little more conducive to peace, and then let "'Red' butcher the Black Dahlia" over in the middle some place. They did not have much to say. They could not have much to say, Mr. President, because the American press, either maliciously or for the sake of a little additional circulation based on sensationalism, is getting the American people in a frame of mind something like that of a man who has been sentenced to hang, and has no recourse. He says, "Oh well, it's got to be. Let's hurry up and get it over with."

That is what some people want, Mr. President. If they can get enough people to feel like that, they can lead them on this holy crusade against communism. There will be no enthusiasm for it, of course. People know that another war means the end of everything. They will go because they would rather get it over with than sweat out the headlines, day after day, month after month.

THE HEARST PRESS

Mr. President, for a long period of time, the Hearst press banged away at the idea that we must eventually fight Russia. Finally, Mr. Hearst decided he had the people in the frame of mind to fight his war. So he put this editorial in his newspapers, in the form of a letter to his editors. It had a border around it, on the front page—appropriately enough, a heavy black border. Here is what it had to say:

R. T. VAN ETTISCH,
Managing Editor,
Los Angeles Examiner.

DEAR MR. VAN ETTISCH: Almost everybody knows the evils of communism nowadays.

Almost everybody knows the impudence and the insincerity of Russia.

We no longer have to give so much space to Russia—to the danger to our free institutions from communism, to the probable destructive attack upon our Nation by Russia.

The thing of importance now, is the plan for the protection of our country, particularly the plan of universal military service.

We must awaken the public and the Government to the importance of this plan.

Mr. Hearst feels himself bigger than the Government. He has this to say:

Every American must be a soldier ready at a moment's notice to defend his country and to defend it not merely from invasion but from annihilation.

There will be no time to make soldiers when war comes.

They must be prefabricated.

WILLIAM RANDOLPH HEARST.

Prefabricated soldiers! Imagine, Mr. President, even before we can build prefabricated houses for the heroes of the last war, we are asked to make prefabricated soldiers for the next war.

Immediately the Hearst papers stopped harping so much on the inevitability of fighting Russia, and started an all-out campaign for universal military training.

Here are two headlines from different editions of the Los Angeles Examiner of October 18, 1947: "Los Angeles Leaders Demand Nation Leaders Prepare Against Red Attack," and "Arms Training Demand Grows."

O Mr. President, Mr. Hearst can get many people to dance to his music wherever he controls things, especially politicians.

Such propaganda is criminal, Mr. President, and there should be laws to severely punish those who seek to inflame the public mind. I tell you, Mr. President, you cannot beat this Red hunt. They will get you coming and going.

ROYALL WITCH HUNT

I remember when Secretary Royall was up for confirmation. His name fits him well. He is of the elite. He belongs to the upper crust. But this committee found out that Mr. Royall's half sister was married to Johannes Steel. Johannes Steel, as Senators know, is a New York radio commentator—or he was, and he was accused of being pinkish. So the committee had Royall up posthaste. They wanted to know what about this.

"What about this, Mr. Royall? Is it true your sister is married to this pink commentator, Johannes Steel?" Mr. Royall coughed and spluttered and turned as red as Johannes' reputation. He said she was only his half sister, but he had to admit she was married to Johannes. Aha! They had him!

But Mr. Royall tried to wiggle out of it. He protested that it was his sister's privilege to marry anybody she wished. After all, he was not married to Johannes and he was not responsible for his political beliefs.

In fact, he did not know Johannes very well, did not associate with him very much. The truth of the matter was, the last time he had seen him was last Christmas, and that was at a party at his mother's house where the whole family had gotten together to celebrate Christmas. One of the committee members leaned over the table and said, "Well, what kind of man are you, Mr. Royall, that you don't love your brother-in-law?"

So you see you cannot beat them. No, sir, they have got you, Mr. President.

Mr. President, we all know that the Communists generally oppose anything this bipartisan, Wall Street, military clique is for, so if you happen to be against it also you are following the party line and they nail you to the cross. It is getting so, Mr. President, that thousands upon thousands of loyal Americans are afraid to express any opinion at variance with the line laid down by the bipartisan moguls for fear of being called Red or subversive. They are afraid to join the most innocent-appearing organization, like a book club, for fear they will see their names in the paper some day as belonging to a Red-front organization.

CROSS-COUNTRY RIDE

Mr. President, a number of Senators have jokingly asked me how my cross-country horseback ride turned out. I might dwell on that for a moment, because some of the things I discovered on that trip may be enlightening to my fellow Senators. I became convinced about 2 years ago that this bipartisan foreign policy was not all it was supposed to be. I was very hesitant to criticize it, because everybody of any consequence seemed to be for it, and I, like most other people, want to be on the popular side if I possibly can. But the more I studied the matter the more I became convinced that this wonderful bipartisan foreign policy was leading us toward war.

I would just about make up my mind to speak out against it and then I would turn on the radio or pick up a newspaper, and there would be Senator Claghorn saying, "It is no use—sooner or later we will have to fight the Russians." I would think, well, that fellow is pretty smart, who are you to argue with him? You never had much schooling; you were just a showman before you came to the Senate. Where do you get off, criticizing this fellow? So I would get out the books and I would read the history of our relations with Russia for the past two or three decades since the revolution—it is very important to do that—and I would look at the foreign policy with all its ramifications. I have a great many newspaper clippings, and I would look at them. It is possible to obtain information from the newspapers if you read beyond the headlines. I would go over it all again and I would say, "Well, I am right, I do not care what that smart fellow says. This foreign policy is no good." I would make up my mind to speak, and then I would look at the newspaper and Bishop Holier Than Thou would be saying, "We should fight the Russians, there

is no other way out of it." I would think, well, that fellow is honest, he ought to know what he is talking about; maybe there is something the matter with your line of reasoning, TAYLOR; maybe you had better look it over. And I would. I guess I did that a half dozen times, and I would come up with the same conclusion that the Russians were not entirely to blame and that our foreign policy certainly had its faults. Finally, I definitely made up my mind that our foreign policy was so bad that I had to actively oppose it. I realized what the consequences would be—how I would be Red baited and according to the polls, I would have very little popular support, but regardless of that I decided to bow my neck and go ahead.

First, I went to Idaho to talk to the people there so they would not get a second-hand version of what I had to say. I had planned this tour of my home State early last fall, but Mrs. Taylor was taken ill and I had to call it off. However, my secretary was already in Idaho, so I told him to go ahead and take a trip around the State and find out what the people were thinking.

BETTER GO ALONG

He made a thorough canvass of the situation and after 2 or 3 weeks he called me in California, where we had gone for Mrs. Taylor's operation, and he said to me, "Senator, you had better just forget your opposition to the foreign policy. I have been all over the State—the politicians are all for it. They have been reading the Gallup poll. Truman's stock is up." That was last fall, Mr. President. "They have the smell of patronage in their nostrils—foreign policy is sort of abstract—it is way across the ocean. Their advice is that if you cannot go along you had just better keep quiet."

So I said, "All right," and I tried to forget it for a week or so, and then I got to thinking, "well, what is the difference whether you are reelected or not? If we go ahead and get into a war it will be the end of everything anyhow—this is no time to hedge—you had better fight for what you think is right and let the future take care of itself or there may be no future."

So I called some of my friends in Idaho on a Saturday night and asked them to arrange six meetings for me, starting the following Monday, with a meeting in our capital city of Boise.

The only advertising we had was one ad in the newspaper in the nature of an open letter from the Senator to the people of Idaho, in which I said that I had become convinced that our foreign policy was leading us toward war and I wanted to talk it over with them and get their advice and reactions to what I had to say, and what they wanted me to do. With only 1 day's advertising I did not think there would be a hundred people at that meeting, but the Crystal Ballroom of the city's largest hotel was packed and people were turned away.

PEOPLE AGAINST POLICY

After I had finished speaking I put up to the audience the question of whether I should continue fighting our foreign policy. I asked those who wanted me to go ahead and carry the fight against this bipartisan foreign policy as vigorously as possible to stand up.

I cautioned them not to stand if they did not think I should go ahead. They would merely have me work hard for no good reason. I wanted their honest reactions. I estimated that 85 percent of those present stood. I estimated very conservatively because I did not want the local press, which is bitterly anti-Taylor, to be able to say that I had fudged. A more accurate estimate of those who favored my stand would have been 90 or 95 percent.

But what was even more significant than the rising vote of confidence was the behavior of that representative Idaho crowd after the meeting was over. At most meetings I have held in Idaho in the past, considerable numbers of people would stay to shake hands with the Senator when it was over, but after 10 or 15 minutes a good many of them would become discouraged and leave—but not that night. I shook hands for an hour and those who came up to greet me not only shook my hand but they clung to it and asked God's blessing upon me in the fight that I was undertaking. The people want peace. They realize what war means.

This happened at every meeting in Idaho—bigger crowds than I had ever talked to—and the same fervor was apparent everywhere.

I was astonished. Of course, I was pleased and happy, but it was a revelation to find the totally different attitude displayed by the people as against the attitude of the poliicians.

Inasmuch as they had given me a mandate I decided to do what I could to implement it.

PRESS INFLAMMATORY

Observation and experience had shown me that the press was only too willing to give generous publicity to any third-rate administrator or politician who would make an inflammatory statement against Russia.

However, those who spoke out for a policy of trying to get along with the Russians were either called simpletons or "Red sympathizers" in the briefest possible space on the fourth page.

I realized that if I was to get any attention for what I had to say I would have to have some other approach besides the time-honored method of making speeches.

So I decided to ride a horse across the Nation.

I intended to ride from San Francisco to New York originally, but I couldn't get started in time because of Mrs. Taylor's slow recovery, so I moved south to Los Angeles, intending to take the southern route across the Nation to Atlanta.

My reason for riding a horse was simply this: In order to rate attention in the press, a thing must either be sensational, sexy, or represent conflict. Of course, you can get attention if you are an elder statesman, like the senior Senator from Michigan.

Certainly what I had to say in behalf of peace was neither sensational, sexy, or in the nature of a conflict, and I was not an elder statesman but just a comparatively young, unknown Senator.

I decided to ride the horse because that would be sensational.

A Senator riding a horse across the Nation would be out of the ordinary.

It is not every Senator that can get on a horse.

Of course, Mr. Truman called a special session about that time and spoiled the effectiveness of my ride.

It is a pity, too, when we consider that nothing was accomplished in the special session.

I had planned to make the trip in 3 months or a little longer by having two horses and riding each one a half-day. I flattered myself that I was as tough as two horses.

I thought perhaps I would not get much attention for the first 60 days or 1,500 miles but most of that time would have been spent in the cactus or antelope country anyhow and it was my hope that by the time I reached a more populous section of our country the people would begin to become interested—the press would pick it up—and quite possibly in writing about the Senator who was riding across the country on a horse they would slip in a line or two now and then of what I had to say. I felt strongly about it. I still feel strongly about it.

RODE 275 MILES

As I say, the special session spoiled my plans.

We had to hurry and haul the horses most of the way.

In fact, I was in the saddle for only about 275 miles.

But I did hold a number of meetings, arranged on brief notice, with little advance publicity.

The first one was at the University of Arizona, at Tucson, under the sponsorship of the University International Relations Club, the AVC, and United World Federalists.

We had a crowd of over a thousand on the university campus in a large hall there—students, townspeople, and faculty members.

When I finished talking, I told the listeners that it was the first talk on this subject I had made outside my home State.

I wanted to know how they felt about what I had said—whether they felt I should continue trying to arouse the people against our bipartisan foreign policy. I told them that if no one was interested, I was wasting my breath. I was convinced that we were heading toward the end of everything, and if they wanted to do nothing about it, I would go out and play golf until we were all blown up.

I asked the vice president of the university what percentage of the people were standing, and he said, "Well, at least 95 percent."

After the meeting I again had to stay to shake hands with great numbers of people, most of whom said, "Senator, we agree with you and we want to help. What can we do?"

I was at a loss.

I had to say, "Well, I do not know that there is anything you can do. Both parties are for this foreign policy. There is no way for you to express your opposition at the polls. About the only thing

you can do is to write a letter to your Congressman."

Some of them had had experience writing to Congressmen before and were not very enthusiastic about it.

But that was all I had to offer at that time.

I held several other meetings in El Paso; Fort Worth; Austin; Norris, Tenn.; Oak Ridge, Tenn.; and Washington, D. C.

In El Paso we met in a Y. M. C. A. meeting room seating approximately 350 people. Friends had arranged the meeting on short notice. I sent them no money. They were folks who believed as I did. They got busy. They said, "If we have 50 people present it will be good." The audience came up to the meeting room on an old, decrepit elevator, and the room was packed.

I looked forward to the meeting in Norris, Tenn., partly because of my admiration for Senator Norris and because I thought this would be a very good meeting, since it would be attended by people at Norris working for the TVA.

I thought they should be quite liberal in their political leanings.

At the close of that meeting I again asked those who agreed with my criticism of our foreign policy, if they wanted me to continue my fight against it, to stand.

The chairman said there was just a little over 50 percent standing, and he was right.

After what had happened at my previous meetings, with 90 percent and 95 percent urging me on, I was somewhat surprised.

I thought perhaps I knew the reason for this poor showing, and my suspicions were confirmed.

PEOPLE AFRAID

After the meeting, when my listeners came up to shake hands with me, nearly everyone of them moved in close as they passed by and said, in a whisper, "Senator, you would have had 90 percent or 95 percent—or maybe 100 percent—standing here tonight, but we all work for the Government and we are being investigated."

Mr. President, that is a sad commentary on the state of affairs in America.

I never thought I would live to see the day in this supposedly free country when people would be afraid to stand up and be counted for the things in which they believe.

Mind you, Mr. President, I had not asked them if they thought we ought to have a revolution.

All I was doing was criticizing our sacred bipartisan foreign policy.

All this, of course, is a result of the vicious witch hunt and smear technique that our native fascists have lifted from the files of Herr Goebbels.

In Oak Ridge, Tenn., I spoke to the atomic scientists and excused them from any expression of opinion.

I told them what had happened at Norris and said "if those people at Norris who work for the TVA are under such pressure one can only imagine what a strain you are under here at Oak Ridge."

So I did not ask them to stand.

I got a considerable round of cynical laughter and excellent applause.

However, in Washington I had an experience that compensated for the sad state of affairs existing at Oak Ridge and Norris.

I rode in from Mount Vernon horseback. Everyone was very cooperative. Those in charge cleared the Mall for me. That was not necessary. I could steer a horse in the midst of pedestrians. We arranged a meeting at the Interior Auditorium.

It was on a Sunday night.

Everyone said it would be impossible to get a crowd on that night and besides Senators were a dime a dozen in Washington.

The auditorium was packed and they turned a great many people away.

And, in ending the meeting, I told them what had occurred at Norris and that I had excused the audience from voting at Oak Ridge.

I said that I realized that probably more than half of my listeners were Government employees and that although I would like to know how they felt I could not put them on the spot by asking a rising vote.

They laughed and applauded and then somebody jumped up and the whole audience, without one exception, stood and gave me one of the finest ovations I have ever received.

That convinced me that the American people were ready to fight against these attacks on their civil liberties; their constitutional privilege of saying and thinking what they please; that they were eager and anxious to boot out the bipartisan war-policy makers—if only they had fearless leadership.

Later, I found out there were five FBI agents in the hall that evening busily spotting those who came to hear me as I spoke not to urge violence against our Government, but in criticism of this dastardly bipartisan foreign policy.

Mr. President, this is America—1948 style, Mr. President—but we are going to change all that in November.

I have recited this brief account of my cross-country trip to document my contention that the American people are living in fear not so much of Russia but of their own Government.

Anyone who dares oppose this thing that has become a one-party state—at least insofar as foreign affairs are concerned—anyone opposing this, gravely jeopardizes his political future, and any person who works for wages in or out of the Government runs a grave risk of losing his job, and indeed, his opportunity to earn a living at all.

Thank goodness we still have a secret ballot in America and, unless a crisis is provoked and that last freedom taken away from us before November, the people are going to speak with a voice so loud that it will shatter the glass houses of those who profess to believe in freedom for all people, but who would deny it to our citizens here at home.

COMMUNIST STRENGTH

While we are on this question of the Red hunt that is trying to scare people out of their wits with the Communist bugaboo, I would like to read into the RECORD some figures on communistic strength in this country:

In 1928, just at the close of the so-called "golden twenties," the Communist vote in America was one-eighth of 1 percent of the total vote cast.

In 1932, when we were in the very depths of despair, the Communist vote rose to the very dangerous figure of one-fourth of 1 percent.

In 1936 conditions had improved somewhat and the Communist strength receded to one-sixth of 1 percent.

By 1940, people were eating more or less regularly and the Communists lost still more ground and their vote was one-eleventh of 1 percent.

This graphically illustrates the fact that communism only thrives, if you can call the one-fourth of 1 percent that they received in 1932 thriving, when people are hungry—unemployed—or otherwise dissatisfied.

Mr. President, all this Red scare is designed solely for the purpose of preventing criticism of this bipartisan foreign policy, the real purpose of which is to keep generals employed, pass out juicy plums for a continuing armament program to the vested interests of America, and of course to protect the foreign investments of our cartel monopolies.

That was admitted by two very distinguished Senators on the floor of the Senate just before I started speaking.

As I said in a radio address the other evening, Mr. President, when the big steel companies raised their prices they did more to disillusion the honest common people of America, they did more to aid the cause of communism than all the efforts of all our Communists throughout all the years.

I shall discuss the question of how the American people are being bullied and coerced by investigating committees and our native gestapo at greater length at some future time.

RUSSIA HAS REASON TO BE SUSPICIOUS

Now, to get back to our relations with Russia. To understand how the Russians might feel toward us—toward the rest of the world for that matter—it is necessary to review briefly what has transpired between the western powers and Russia since the days of their revolution.

They had a revolution.

Of course, I guess everybody knows that we had a revolution, too, Mr. President.

Not so long ago—only yesterday in the perspective of history.

We fought against tyranny and economic oppression.

We were called Communists and the statesmen of older, established governments pointed with alarm to our radicalism.

The Russians revolted against the tyranny of the Czar.

He was in the habit of passing out juicy concessions to his friends in England and France who came in and exploited the Russian people mercilessly.

The nobles had a pleasant custom of taking the virgin daughters of peasants on their estates to help entertain their distinguished guests.

If ever a people were ground down and oppressed, the Russians were.

The church in Russia aided and abetted this un-Christian state of affairs.

It was not a church as we think of churches, Mr. President, rather it was part of the Czar's machinery for keeping the people in ignorance and subjection.

So, naturally, when the Russians overthrew the Czar they also kicked out the corrupt clergy.

This, of course, gave the western world a great opportunity to holler about the godless Bolsheviks.

Their real reasons, of course, were that they were losing their lucrative concessions, their sources of raw materials, and cheap labor.

But, nevertheless, the Russian people went ahead with their house cleaning.

They were called all sorts of vile names—just as we were cursed when we rose up under the leadership of George Washington to assert our rights and threw off our shackles—but the rest of the world did not stop with calling the Russians names.

OUR INTERVENTION IN RUSSIA

Armies of 14 nations invaded Russia.

We helped rearm the recently defeated Germans so they could send an army into Russia. The British and French made an agreement to divide the rich Crimea and the oil-rich Caucasus between them and they sent armies into Russia to try to overthrow the revolution.

We sent an army into Russia.

Of course, Congress did not authorize it but then, as now, the Army had just finished a victorious war and did not bother with a little thing like asking Congress.

They just sent the soldiers in to fight the Russians on one pretext or another.

Albeit, to their everlasting credit, some of the generals and many of the soldiers did not like the idea and raised considerable fuss about it; but, if I remember correctly, it remained for Senator Borah finally to call the matter to the attention of Congress so forcefully that our army of intervention was withdrawn.

Then, as now, the American people had contributed generously to feed the hungry peoples of Europe.

Herbert Hoover subverted large quantities of that food to help feed the armies of intervention.

But, in spite of all this interference, the outside world failed to break the spirit of the Russian people and finally the invaders had to withdraw.

TERRITORY TAKEN FROM RUSSIA

Of course, in the process they did take large slices of Russian territory in which so-called free governments were set up as a cordon sanitaire around Russia.

I want to make the flat statement right here and now that not one of those governments was a whit more democratic than the government the Russians set up, and the common people generally fared worse economically than they would have under Russian rule.

The one exception was Finland.

Their General Mannerheim, a Swedish nobleman, trained by the Germans, came into power.

Of course, he had to line up some 20,000 women, men, and children, and shoot them down in order to establish democracy—but he did it—and the Finns had a pretty good government, according to western standards.

Now, Mr. President, there has been a great deal of fuss because the Russians have reabsorbed the territories that were taken away from them.

Might I ask this question:

Suppose the Japs had whipped us in this recent war.

Suppose they had taken Oregon, Washington, and California away from us and set them up as jumping-off places in case they wanted to fight us again; that they had made each of those States an independent sovereign nation with a government acceptable to the Japanese.

Mr. President, what do you think we would do under those circumstances the first time the opportunity presented?

If I know the American people, I think we would take Washington, Oregon, and California back into the Union.

But some people will say, "The Lithuanians, the people of Latvia, and all of those other hapless people did not want to be taken back by the Russians."

I wonder if California, Oregon, and Washington would want to come back into the United States after they had enjoyed sovereignty for 20 years or so.

The first thing the Japs would have done would have been to purge the history books in order to make us appear as the terrible exploiters of the Pacific coast, and in each of these sovereign States there would be a full complement of Federal office holders, a president of California, a senate of California, a congress of California, a supreme court of California, cabinet officials, a judiciary, all the Federal bureaucrats whose livelihood and way of life would depend on the continuing independence of California.

Can you not hear the speeches that would ring out in the capitol of that great and sovereign nation if they were threatened by aggression from the imperialist United States pushing from the east?

I will wager that they would have hollered, "Help, Japan! Help, Germany! We are about to be taken over. The big, bad United States is invading us, and is going to destroy our Japanese democracy. Save our Japanese democracy."

PLOTS AGAINST RUSSIA

Now, Mr. President, whether that is a fair analogy or not, the fact remains that the Russians did reabsorb these territories.

After the treatment the Russians received during that trying period at the hands of the rest of the world, is it not conceivable that they have a right to be suspicious?

If you were a Russian, Mr. President, do you not think you would be a little mistrustful of the good intentions of capitalist countries?

The plots and schemes that were hatched against the Russians in the years between the two World Wars were many and fantastic.

High government officials were bribed to participate and subverted with promises of power when the Russian Government was overthrown.

Fabulous amounts of money were poured into these plots by the governments and individual capitalists of the outside world. They wanted then, and they still want, to overthrow the Russian Government so they can exploit the vast resources of that rich country for private gain.

Many generals of the Red Army were bribed to turn traitor and give military information, aid, and assistance to the capitalist powers.

Mr. President, if we had gone through what the Russians have had to suffer in the way of intervention and fifth-column activities, we would have reason indeed to be suspicious.

The Russians are suspicious and mistrusting, and I believe they have a right to be.

The same people—Wall Street and the military—are in power in America today that were jointly responsible for the sabotage of Russia's economic plans and the plots against her sovereignty, and in addition they have the atomic bomb.

At present we are busily engaged in rounding up every displaced monarch, every person of any stature who could possibly be useful in forming governments in exile.

I want to give sanctuary to the oppressed and the exiled, but we are openly financing and publicizing these outs with the avowed intention of using them for further fifth-column activity.

Now, let us review Russia's record between wars.

Have they behaved in those years like people who want chaos in the world?

Did they behave like people who wanted wars in the hope that they might spread their doctrines in the confusion that inevitably follows war?

Is that the way they behaved in 1933?

Litvinoff, at the League of Nations at Geneva, urgently proposed that the world disarm.

Did we take him up on the proposition?

Nobody paid any attention to him. He was called that Bolshevik, Litvinoff.

Who protested most vehemently over the invasion of Ethiopia and when Czechoslovakia was invaded? The Russians offered to fight if the western world would help, but again they were given the cold shoulder.

When they asked for military consultation with a view to stopping Hitler the western powers sent underlings to engage in conversations with them.

Finally, the Russians signed a nonaggression pact with Hitler.

The apologists for Russia contend that there was nothing else they could do under the circumstances.

They realized that they would inevitably have to fight Hitler—probably alone.

They were stalling for time.

Mr. President, I believe that our recent publication of secret documents was the most senseless piece of war-mongering one can possibly imagine.

With relations already severely strained, I can reach no other conclusion than that they were published with the diabolical purpose of increasing the tension and conditioning our people for war.

However, even those documents, which were so evidently intended to inflame our people and help the bipartisan schemes get this bill through Congress, disclosed that Hitler's last bitter complaint before

he invaded Russia was that Stalin had double-crossed him, had not lived up to the pact, and had used that time to build his defenses against Germany.

The Russia haters say that the pact was indefensible—a dirty, low-down, yellow-dog-hound-pup trick.

I am not arguing the point.

You can take your choice.

At any rate, they fought fairly well, and shortly we found ourselves fighting as their allies.

ERA OF GOOD WILL

Roosevelt had started an era of good feeling between us by recognizing the Russians in 1933.

The bond of friendship between us continued to grow and expand until the time of Roosevelt's death.

Mr. President, a double tragedy struck the people of the United States and the world on April 12, 1945.

President Roosevelt died and Harry Truman became President of the United States.

Up until that moment, our relations with Russia had been improving.

I have a graph which I clipped from a newspaper showing how the line went up and up.

In fact, it went up until Potsdam.

That is where Mr. Truman first met with Stalin.

From there on the line descends to the vanishing point in the lower right-hand corner.

Is there any wonder, Mr. President? Here is a man charged with the responsibility of guiding our foreign affairs. The only hope of keeping peace in the world is to find some way to get along with the Russians. Is it any wonder that he has failed to get along with the Russians? When Hitler invaded Russia, Mr. Truman was then a Senator, and he is reported by the New York Times to have said, "If we see that Germany is winning we ought to help Russia and if Russia is winning we ought to help Germany. In that way, let them kill as many as possible."

If you were a Russian—Joe Stalin—or any Russian—would you have much confidence in the good intentions of a man who had made such an intemperate, blood-thirsty statement?

I am afraid we are laboring under an insurmountable handicap in this field.

BEGINNING OF MISUNDERSTANDING

It seems that the real beginning of our misunderstanding was when the Russians engineered a coup in Rumania and the Communists took over. But, Mr. President, why put all the blame for this on the Russians?

In his book, Speaking Frankly, Mr. Byrnes has this to say:

> In the fall of 1944, Churchill and his Foreign Minister, Anthony Eden, had visited Moscow and, while there was no formal agreement, we knew they had reached the informal understanding that, if the British found it necessary to take military action to quell internal disorders in Greece, the Soviets would not interfere. In return, the British would recognize the right of the Soviets to take the lead in maintaining order in Rumania.

No wonder the British hesitated to protest later, when we asked them to do so, when the Russians started fixing things up to their liking in Rumania.

After all, the Russians were acting under an agreement which the British had suggested.

Let us see what Cordell Hull has to say in his book about this arrangement. I quote from chapter 30:

> When the Russian Army began to push into Rumania, in April 1944, the relationship between the Soviet Union and the Balkans came to the forefront of our diplomacy. Suddenly British Ambassador Halifax inquired of me on May 30, 1944, how this Government would feel about an arrangement between the British and Russians whereby Russia could have controlling influence in Rumania and Britain a controlling influence in Greece.
>
> He handed me a written communication from his Government asking whether we had any objection to an agreement between Britain and Russia whereby, in the main, Rumanian affairs should be the concern of the Soviet Government and Greek affairs the concern of the United Kingdom.

Mr. Hull says he objected to any such agreement because he did not believe spheres of influence would be conducive to peace.

However, Mr. Churchill was persistent.

In speaking of Churchill's further efforts in this direction, Mr. Hull goes on to say:

> It seemed reasonable to him (meaning the Prime Minister) that the Russians should deal with the Rumanians and Bulgarians and that Britain should deal with the Greeks, who were in Britain's theater of operations, were Britain's old allies and for whom Britain had sacrificed 40,000 men in 1941. The same, he added, was true of Yugoslavia.

I quote further from Mr. Hull's memoirs:

> This telegram was important in that it brought in two countries not hitherto mentioned by the British—Bulgaria to be dealt with by Russia, and Yugoslavia to be dealt with by Britain.

When we read further, Mr. President, we find that this arrangement was agreed to.

The only fly in the ointment was that Yugoslavia refused to behave and broke their ties with Britain by setting up a government of their own choosing.

It is really too bad that the Yugoslavs were so short-sighted, Mr. President. Otherwise they might now be enjoying under King Peter all the aid and comfort that we have given to Greece. It is disturbing.

But a further aspect of the matter is this: Mr. Churchill did not consult us prior to the time he approached the Russians.

This is brought out where Mr. Hull tells of writing a letter to the President about the matter.

> I sent him (meaning the President) a letter on June 17, in which I pointed out that Mr. Churchill openly applied his proposition to the entire Balkan region by mentioning Bulgaria and Yugoslavia, in addition to Rumania and Greece, and that he advanced our position in South America as an analogy.

You see, Mr. President, even our good friend Winston Churchill does not hesitate to call attention to the fact that we dominate our neighbors—so why should not other people?

But to return to Secretary Hull's story:

> I also called attention to what I termed an "extremely disturbing aspect of this matter," namely, that the British had not discussed a proposal of this nature with us until after it had been put up to the Russians and the latter inquired whether we had been consulted.

So, you see, the Russians were better behaved than the British. They insisted on living up to their agreement by making certain before they made any deals with wily old Churchill, that we had been consulted. At that time, at least, Mr. President, the Russians were not the double-crossers we have since been led to believe they are.

A NO-GOOD FOREIGN POLICY

Mr. President, I think everyone will agree that a foreign policy should be good for something. I contend that our foreign policy is good for nothing. If we want war, if we want to fight the Russians, then our foreign policy should make friends of every possible nation which might be of help to us in such a struggle. If we want peace, then our foreign policy should be aimed at the goal of getting along with the Russians. I contend that it has done neither of these things. We have alienated the Russians, and we are busily engaged in making enemies of people all over the world.

Just suppose we want to fight the Russians or that we are convinced that war with Russia is inevitable. We should be making friends all around the world, should we not? And, when I say making friends, I mean making friends of the common people, because cardboard governments, bolstered up with our dollars and arms would be of little use in any conflict unless the people were behind the governments and friendly toward us.

TRIP AROUND THE WORLD—THE PHILIPPINES

Let us take a quick trip around the world and see what goes on.

We shall head west to the Philippines.

If anybody is going to be our friend and ally, it should be the Philippines. Did not we give them their independence? Did not we save them from those awful Spaniards? Have not we generously purchased their sugar and hemp? Yes; the Philippines should be our friends. I am sorry to say, Mr. President, that the picture is not quite that rosy.

We took the Philippines from the Spaniards, but we left the same feudal exploiters in control. But, you say, did not we give them their independence? That is right; but before we permitted them to embark upon the seas of international strife as a sovereign nation, we made them rewrite their constitution. They had prepared a constitution in anticipation of that great day. They doubtless thought it was a good constitution. But it had a provision in it saying that no foreigner could own more than 49 percent of any business in the Philippines.

They did not mind being helped by outside capital, but they did not want

to be exploited; so they wrote that provision in their constitution.

Did we wish them luck in seeking economic self-rule, as well as political freedom? No, Mr. President; instead, we said, "Look here, you Filipinos, we have done a lot for you. We do not mind your keeping out other exploiters and promoters, but an American businessman can do anything he pleases in the Philippines, understand? If you want your freedom, change that constitution * * * that provision does not apply to Americans."

So the Filipinos changed their constitution.

I wonder how we would have felt, Mr. President, if some great power had told those men who wrote our Constitution—Madison, Jefferson, Adams, and the rest—what to put in it. I wonder if they would have liked it? I do not believe so.

The plain fact of the matter is the Filipinos did not like it, either. They still do not like it. But they had to take it.

We also made them let us keep military bases in the midst of their newfound sovereignty. We could occupy their islands in a few brief days. What kind of sovereignty is that? But they accepted that, too.

Then, we got behind a man we wanted to be their President. We like to have friendly governments in our sphere of influence, too, Mr. President. Did we select a great Filipino patriot, a man whose record was above reproach? I am sorry to say we threw our influence behind a gentleman by the name of Roxas, an evil opportunist who collaborated with the Japanese. Of course, that is not surprising, in view of the fact that we are supporting Hitler's henchmen in Greece.

So, the Filipinos were free; but some of them did not like this arrangement. Some of them, the common people, the same type of people that composed Washington's army in the main, decided to fight Roxas. They wanted real freedom. They wanted to break up the great estates, so the little people could have land. They wanted a loyal Filipino for their President, and not a Japanese collaborator. These little people were called the Hukbalahups. They are the same patriots who sneaked from the jungle to give aid and comfort to our boys on the long march from Bataan. They are the same little people who carried our downed flyers out of the jungles, over tortuous mountain trails, on stretchers. They are the same people who carried on guerrilla warfare against the Japanese—shoulder to shoulder, side by side with our own boys who succeeded in escaping or eluding the Japs.

What has happened to these Filipinos, equivalents of our patriots at Valley Forge? Roxas is using our machine guns to hunt them down and destroy them.

What justification does Jap collaborator Roxas put forward for his slaughter of these people? Mr. President, he is using the same excuse that Hitler used to torture and cremate people, the same pretext that is being used here in America to silence opposition to this present betrayal of the American people to the monopolist crowd. Roxas says that anybody who opposes him is a Red. In yesterday's newspapers he admitted he had no proof that they were Communists, but that they were saying they were determined to resist until Russia should one day rescue them.

I am afraid, Mr. President, that by our actions in aiding Fascist-type rulers of colonial peoples we are fast losing, perhaps have lost, the high place we once occupied as the champion of the oppressed, the haven of the downtrodden.

We have handed this priceless asset to the Russians. The good will of the little people is a power greater than dollars or guns or even atom bombs in any war, Mr. President, any war, cold or hot.

When I made these statements about the Philippines at the University of Arizona, at Tucson, someone applauded vigorously and I thought, "Who is so interested in the Philippines here in Arizona?" After the meeting a young Filipino who was a student there came up to me, and, with tears in his eyes, blessed me for telling the truth about what was happening to his people. No, Mr. President; I am afraid the Filipinos might not help us if we get into a war with Russia. We would probably have another government in exile on our hands to add to the gala collection we are accumulating here in Washington.

JAPAN

Now, what is going on in Japan? Those people were terribly oppressed, and we were going to free them, we were going to destroy the Zaibatsu, the few big families that had a tight cartel control of Japanese industry. From all I can find out, things have not changed much in Japan. We have made some half-hearted efforts, but even those feeble attempts have been severely criticized on the floor of the Senate. Now we have set out to rebuild Japan as a great military power to help us against Russia. Maybe it will work, but I would not count too heavily upon the support of the Japanese people in the event of war against Russia.

KOREA

Let us go to Korea. From all I can find out, the common people in the Russian zone are faring much better and are more contented than their brothers in the southern zone, which we are occupying. I am sorry to say that, but that is what I hear.

We have left the power in the hands of the same reactionary exploiters who held the people in bondage during the long years of Japanese rule. We are sitting on a powder keg over there by force of arms. Of course, we do not need to worry much about them. They would not amount to much in a war with Russia. Twenty million downtrodden people—a bagatelle!

CHINA

What have we done in China? There is Chiang Kai-shek, whose most ardent friends affectionately call him a "benevolent dictator." It seems that in their eyes a dictator can be benevolent or a tyrant, depending which side of the fence he may be on at the moment. From people who have been there, from books I have read—yes, and even from reading the press—I am convinced that Chiang is one of the most ruthless tyrants the world has ever known, corrupt, greedy, brutal, and without an ounce of patriotism insofar as seeking the welfare of the people of China is concerned.

I am also convinced that the so-called Communists of China are rather mild Socialists with a program of agrarian reform; that they make a sincere effort at honest government in the areas they hold, and that they have the confidence of the Chinese people. Secretary Marshall and others have repeatedly stated, up until very recently at least, that they have received no appreciable direct aid from Russia. It is a civil war, and it has been going on for almost 20 years, with not even time out for the big war. Nevertheless, we gave Chiang Kai-shek billions of dollars in cash and in the form of armaments. However, his regime is so corrupt, the people have so little confidence in Chiang and the robber barons who surround him, that they will not support the war effort, and his soldiers do as little fighting as they possibly can. Chiang's outfit is so corrupt they even sell to the Communists the armaments we provide them. We made the so-called Communists angry with us because we helped Chiang; now we have made Chiang angry because we quit helping him, so all the Chinese are mad at us. Chiang is threatening to go over to Russia if we do not give him more help, which only goes to prove that you cannot buy friends, and after you think you have bought them they will not stay bought.

The Chinese mess is one of the most unworthy adventures upon which this Nation has ever embarked. By the aid we have given Chiang Kai-shek we have betrayed every principle in which we profess to believe. I shall have more to say about China at some length when our Republican friends bring forth their contribution to the great give-away in the form of aid to China.

I am sorry to say it, Mr. President, but I do not believe that even the Chinese under Chiang Kai-shek have any reason to love us after the misery and suffering we have been so largely instrumental in inflicting upon them. I am convinced they would see us rot before they would raise a hand to help us in any conflict, no matter who our enemy might be. Every day there are reports in the press of riots by students, of demonstrations against the United States all over China.

INDOCHINA

Let us go on down to Indochina. Its good people also shared with us the greatest of all virtues, the love of freedom. They have been exploited by the French since 1870. When the Japs chased the Frenchmen out, they continued the exploitation of the hapless Indochinese, but when the Japs were finally defeated, the Indochinese thought they were at last free. The Japs were done and surely the Frenchmen could not come back after what Adolf Hitler had done to them, so the Indochinese set

up a government and started in business for themselves. But the Frenchmen did come back and they had plenty of guns, ammunition, and all kinds of modern war equipment. Where did they get them? Captured from Adolf Hitler's defeated legions? I wish that were true, Mr. President, but it is not. The French had American guns, and they are using those guns mercilessly to annihilate all opposition and to reenslave the Indochinese. Do you think, Mr. President, those people would help us in a war with Russia? Any person who knows anything at all about human emotions does not need an answer to that question.

INDONESIA

Let us go across the water to Indonesia, a group of islands containing several million energetic, intelligent, and, worse luck again, liberty-loving people. After countless years of enslavement at the hands of clever Dutch exploiters, these people also thought they were free when the Japs gave up the ghost.

However, the Dutch reappeared on the scene and, after considerable fighting, they decided the Indonesians were too much for them, slapped them on the back, figuratively speaking, and said, "You are good fellows. You licked us fair and square. We are going home now. More power to you and good luck with your new-found freedom."

The Indonesians were very happy.

However, their happiness was short-lived.

The Dutchmen came back. They came back with the blitzkrieg technique. They had Patton's tactics and Patton's armaments which we had provided them. They went through the poor Indonesians like a hot knife through butter.

After they had the situation well in hand, we decided to let the United Nations step in, which resulted in the freedom of the Indonesians being severely circumscribed, and the Dutch once more are firmly ensconced in Indonesia.

I cannot bring myself to believe that those people would be very enthusiastic about helping us in any war.

INDIA

What about India?

We have never done anything to them.

Of course, we all remember that when they were having their terrible communal riots not so long ago the newspapers carried headlines saying that our businessmen were all set to flee the country by airplane.

The press told the reason why, also.

It seems that the representatives of our big business were in the habit of living lavishly—luxurious quarters, retinues of Hindu servants.

They lived like rajahs, while out in the streets men, women, and children in untold numbers quietly laid down to die of starvation.

So, to say the least, the Hindus do not love us.

They are not much as fighters, anyhow—they never get enough to eat.

They might not help the Russians, but they would not be much of an obstacle if the Russians set out for the Indian Ocean.

We can pass up Africa.

Everything is not so happy and harmonious there as it might be, but we are not too deeply involved, and the war potential of the Dark Continent is not much to brag about.

ARABIA

We now come to Arabia.

The situation there is one of the blackest in all our involvements.

OIL

There is a large quantity of oil in Arabia, and we have it.

Of course, when I say "we," I do not mean us; I mean Standard and Texaco.

Our oil companies have working agreements with old Ibn-Saud to exploit the oil in Arabia.

They pay him a nominal sum in the way of royalties.

I think I read somewhere that it amounted to two-hundred-and-seventy-odd-million dollars for a 2-year period.

Of course, that is not much, considering what the boys are getting, but it is a lot for old Ibn-Saud.

He does not have to divide up with anyone.

He is an absolute monarch and runs the show all by himself.

But he is nobody's fool, Mr. President.

In addition to his oil royalties, he insists on a little extra help from the United States Government, or he will not play ball with the oil companies.

In other words, the taxpayers of America have to "cough up" additional millions to get him in the right humor to play ball with the oil companies.

Old Ibn-Saud wanted the Reconstruction Finance Corporation to furnish the money to build him a railroad.

He did not have a railroad—not one. He had never ridden on a train and he wanted to see what it was like.

Our boys told him that "railroads are awfully expensive so we would be glad to build you a little railroad around your palace grounds to joy-ride on." If he really wanted roads that went some place, why not highways? They are much cheaper.

But Ibn-Saud was adamant. He wanted a railroad and nothing else would do.

So the Export-Import Bank "coughed up" $50,000 of the taxpayers hard-earned cash as a starter to survey a railroad for Ibn-Saud.

But really, Mr. President, he did have an excellent reason for wanting a railroad.

He has a summer place in the mountains and a winter place on the coast. He has a harem at each place, and Ibn is old and time is fleeting.

He wanted the railroad so he could get back and forth from one harem to the other without any delay.

May Allah bless old Ibn-Saud.

PALESTINE

Palestine is nearby. Perhaps it would be best if we did not mention Palestine but it is really quite important, Mr. President. It is not because of the numbers of people involved.

There are not so very many Jews in Palestine.

But Palestine has become a symbol to the world, a symbol of the lack of sincerity on the part of America's bipartisan foreign policy moguls—proof positive that they do not have and never did have a genuine interest in the fate of the United Nations.

Our country was a party to the United Nations agreement calling for the partition of Palestine.

Of course, our politicians did not take into account what might be the consequences of a decision to partition Palestine.

They had their eyes on the more immediate goal of trying to win the Jewish vote in America, so they blindly voted for partition.

That pulled the cork out of the magic bottle, and the Arabian genii rose up and towered above the politicians and frightened them with dire threats of what they would do to their oil if they did not call off this Palestine partition.

It seems, Mr. President, that there is nothing that rends the soul of a politician so sadly as to be faced with a choice of choosing between oil and votes, because the oil boys furnish the grease which oils the wheels of political campaigns, but if you play ball with them you are liable to lose the Jewish vote.

A terrible dilemma, is it not, Mr. President?

It is something Pendergast never foresaw and therefore failed to give advice to cover the situation.

The bipartisan boys on the Republican side are also in the same fix.

To further confuse the situation, a Wall Street banker is in charge of the armed services, and he says the armed services must have the oil.

What to do—oil or votes?

But regardless of what eventually may happen, it is plain for everyone to see that the bipartisan politicians do not and never did care anything about the United Nations.

Oil is all mixed up in the Marshall plan, too, Mr. President.

We wish to wean the Europeans away from coal, of which they have plenty, and start them on a diet of oil.

Of course, when they once get to using oil it will be difficult to convert back to coal, and our boys have the oil there in the Middle East.

None of it comes to this country to be sure. But with a little help from the Marshall plan—just a few hundred million dollars, or maybe a billion dollars, or two or three—they can build up markets for the Middle East oil in Europe.

Of course, this argument that we must have the oil never did hold water, because if we should get into this much-talked-about war with Russia it would not take them long to overrun the Middle East and its oil fields.

It does cost the American taxpayers several billion dollars a year to defend the holdings of our oily boys over there, but then they make a lot of profits and we must help American business.

The funny part of this whole business, Mr. President, is that we do not need that oil. Processes have been developed to extract oil from coal. After the oil is extracted the coal is just as good and better than it ever was; it is smokeless.

The coal should be sold for enough to pay for the oil operation and we would practically have the oil for nothing.

There is enough coal in my State of Idaho to furnish our petroleum needs into the unforseeable future.

But we cannot develop those resources, Mr. President, because the oil companies have not got all the patents corralled yet and they do not want to develop something where strangers might muscle in.

I might say that the new administration that will take over next January will develop these domestic oil resources and not for the benefit of the big oil companies as has been suggested, but for the benefit of the American people.

Right at this moment I do not believe the Arabians love us, and I have heard that the Jews are not too happy with our double dealing, either.

ITALY

Now let us skip Greece and Turkey.

I shall come back to them later.

Let us go to Italy.

How are we getting along there?

It is the same old story—trying to support the government of our choice with dollars, loud talk, and a show of military strength, or, more accurately, naval strength.

Recently the De Gasperi government had to ask us, would we please, pretty please, get all those battleships out of Italian ports, just until after the election, because the Italian people had a little pride. They liked to kid themselves that they were running their own affairs and our battleships, cluttering up their harbors, might jeopardize the chances of our boys in the coming election.

O Mr. President, how the atomic bomb has gone to our head.

The atomic bomb and this new idea that has infected even our dear Republican friends, that we can spend billions and billions and billions any place and every place forever and ever, I guess, to fight communism.

SPAIN

We do not have to worry about Spain. Franco will be on our side. He likes the way this bipartisan gang is running things, and the hints are getting stronger in the press every day, Mr. President, that we will soon be helping dear, old Franco. We helped him once before by refusing aid to the legally constituted Republican Government of Spain. Of course, that was when fascism went out of style for a few years. However, it seems as if the new look in international affairs is to have a distinct Fascist flare.

FRANCE

We are having some trouble in France. It seems that every measure the Government undertakes is designed to increase the hardships of the workers. The workers of France are in a terrible condition, and they had some bad strikes last winter. From what I read in the papers, Communists led all those strikes.

If one believed everything he read in the papers, Mr. President, he would think the Communists were the only people on earth who were interested in the welfare of the workers at all. I do not believe everything I read in the papers.

All the Communists I know I could probably count on one hand, but I know literally thousands of Americans who are genuinely interested in the welfare of the little people—the workers.

If the press does not quit giving credit to the Communists for every measure in behalf of the common people—price control, rent control, the demand for housing legislation, the fight for a sensible foreign policy, the people will begin to believe there is something in communism.

In Idaho recently the City Council of Twin Falls, in a county which has been Republican since before the beginning of time, passed an ordinance raising the percentage of the "take" from the slot-machine operators. I saw a big headline in the newspaper stating that the slot-machine operators said the councilmen were all Communists. I repeat, if the press does not quit giving credit to the Communists for being the only fighters for these measures, the people are going to begin to believe it one of these days and then we might get communism.

But I am getting away from France. They devaluated their currency recently and threw a monkey wrench into the international monetary agreements. If the Russians had done a thing like that, it would have been good for headlines for at least a week.

In fact, the Russians did devalue their rubles, but they were not in on the international monetary agreements so it was really nobody's business, but I remember now it was good for headlines for 2 weeks. But we passed over the French episode without much notice because our friends are in power in France at the moment—even though the Frenchmen broke their word by their action.

From what I read in the papers it seems we are having quite an argument with the French at the present time because we want to build up Germany and they do not want Germany built up. But they will come around to our way of thinking.

They have got their arm in the Marshall grab bag and we have got the draw string pulled tight and will not let them get their hand-out until they promise to be good and let us build up their old friend, Germany.

I do not know what the Frenchmen would do if there were another war.

They would probably have a war of their own right at home and not join in the main bout.

GERMANY

Now we come to Germany.

I shall not stay on that subject too long because I expect to make a speech about it in a few days.

Suffice to say that we are doing exactly what we did after World War I—instead of dismantling any large number of German plants and turning them over to the people they devastated, we are breaking our word and going to leave them in Germany where our cartel boys can build them up with the help of their old friends who so recently were helping Adolf.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. TAYLOR. I yield.

Mr. KNOWLAND. I should like to say to the Senator from Idaho that I have been in attendance on the session of the Senate all afternoon.

Mr. TAYLOR. I appreciate that.

Mr. KNOWLAND. I have carefully followed the Senator's speech with the exception of periods of a few brief moments when I was called from the floor on a few occasions. Aside from those periods I have been present on the floor of the Senate all afternoon. As I have listened to the Senator from Idaho, the sum total of his speech up to the moment has been that he is critical of the United States Government, he is critical of the United States foreign policies, he is critical of the American economic system, and he has been critical of the American press.

Mr. TAYLOR. In what way?

Mr. KNOWLAND. Let me finish. He has been critical of the United States military leaders and authorities who led our Nation to the successful conclusion of the war.

Mr. TAYLOR. I have not been critical of them.

Mr. KNOWLAND. He has been critical of the American Nation and America's Allies. I was wondering if any place in his speech he is going to be critical of the Soviet government for the attempts they have made to subject neighboring peoples, to put them behind the iron curtain, to take away their liberties, to execute their democratic leaders. I wonder if any place in the Senator's speech he is going to be critical of them, and not entirely of the Government of the United States?

Mr. TAYLOR. I may say, Mr. President, that the Senator from California did not truly represent what I have said. I have not criticized our military authorities. I gave the generals full credit for winning great victories. I said the GI's had helped them some, but I gave the generals most of the credit. I was not critical of our American system at any point in anything I have said. The Senator from California has misrepresented absolutely.

So far as my pointing out what is the matter with Soviet Russia, Mr. President, I can only say, that there are at least 90 Senators in the United States Senate who every day, several times a day, many times, tell us what is the matter with the Soviet Union and the things they have done. The press is ready to tell us what is the matter with the Soviet Union, and frequently tells us things that are not true respecting what is the matter with the Soviet Union. Because I do not want this world destroyed by atom bombs and bacteriological warfare I am trying to point out that the Russians are not all bad; that they have some good in them. There may still be hope to reach a rapprochement with them. That is what I am trying to do, Mr. President. I do not need to criticize them. I shall leave that for the Senator from California and others who are happy to receive the plaudits of the press by criticising Russia. I shall try to point out that there are two sides to this matter, and I will take the consequences, but I will not take them lying down. I will fight back every time my position is misrepresented, as it was misrepresented by the Senator from California and by

the distinguished senior Senator from the State of Texas [Mr. CONNALLY].

Of course, I will bet our boys have a controlling interest this time.

The Germans made a mistake by teaching our businessmen all the ins and outs of cartel manipulation.

Our boys are pretty smart when they once catch on.

So we will build up Germany again.

That will prevent the other European nations from ever becoming very prosperous, but we will have quite a war potential there for this party the boys are cooking up for Joe.

Of course, any fool can see that the Russians will take all that over in 24 hours if any trouble starts, but these bipartisan boys are no fools so they cannot see it.

It is said, Mr. President, that experience is the best teacher.

I sometimes doubt that.

We built up Germany once before.

It will be remembered that our big business boys and Churchill's moneyed friends loaned the Germans the money to build up all that great war potential.

Without their help Hitler never could have done the things he did.

Of course, they had an understanding with their cartel buddies that all this would be used against Russia, but "the best laid plans," Mr. President—

So, when Hitler got all his airplanes, cannons, and tanks, and everything ready he climbed into one of those nice, big tanks and raised up the lid to take a last look around, and it dawned on him.

He said, "Why, nobody has any of these tanks, airplanes, and guns but me."

"I will just take care of Joe later."

So he double-crossed our boys, his cartel friends, and, like Corrigan, he headed in the wrong direction.

We had an awful time stopping him, too, but you have to give our cartel boys credit.

I should like to have the Republicans notice that I am giving the cartel boys credit.

They pitched right in and helped us whip their old pal. Well, maybe they did not pitch right in.

They stalled a little.

We had to give them cost-plus and agree to build their factories for them and a few little things like that.

If there is anything those cartel boys do not like, it is nazism or fascism.

That is, of course, when it is the other fellow's fascism.

They would not mind having some here at home if they could run the thing.

In fact, I think home-grown fascism is the biggest danger to America right now.

But, anyhow, we are building up Germany again and it probably will all be used against us again.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. TAYLOR. I yield to my friend from Washington.

Mr. CAIN. The Senator from Idaho has suggested that America is building up Germany. I wonder if the Senator would give us his idea of what we should do as an American nation within Germany.

Mr. TAYLOR. We should leave Germany just the minimum necessary to let her people have a decent standard of living, but not a standard of living as good as their neighbors whom they devastated—whom they have ruthlessly destroyed twice in 25 years. Just leave them a decent standard of living, and remove the excess plants to the neighboring countries—the ones they have overrun and devastated.

Mr. CAIN. I wonder if that means that the Senator thinks the so-called Morgenthau plan should prevail in Germany, which as I understand was simply a declaration that an industrial nation should become for all time a rural and agricultural nation, where peoples were to live on the soil, and have no other means of livelihood?

Mr. TAYLOR. I am glad to correct the misrepresentation under which the Senator from Washington is laboring. I am not and never have been an advocate of the Morgenthau plan. That is one thing; and leaving Germany a minimum of industrial equipment to have a decent way of life is another.

Mr. CAIN. I should like to ask the Senator one further question. Does he believe it is possible to bring about economic reconstruction and adequacy in western Europe without reconstructing Germany economically?

Mr. TAYLOR. I think it might be done. It might be more expensive, but I think it would be cheap in the long run to move those plants out of Germany, leaving the Germans no more than they absolutely need. I would rather put the money into such a program now and save us trouble in the future. We certainly should have learned by now, although, as I have said, I doubt if experience is the best teacher. It does not seem to work. We seem bent on doing the same thing over again.

Mr. President, I have come to England in this trip around the world to see how our foreign policy is working out. I cannot for the life of me understand why my friends are critical of me because I point out that our foreign policy has lost for us practically all our friends all over the world. If I wanted to fight Russia, as so many others seem to want to do, if I were all-out for fighting Russia, I would probably be more against our foreign policy than I am now, because if I wanted to fight Russia I would want us to have friends; and we have lost practically all of them.

ENGLAND

Now England ought to be our friend.

She would surely help us in a war against Russia.

We speak the same language and we fought together twice—but I do not know.

I saw in the newspapers last week that the British had spent the last of the loan we gave them.

It is all gone.

Do you remember when that question was before the Senate, Mr. President?

I was against it.

I said, "Let us not loan the British this money because when you loan people something generally you make enemies out of them.

"They cannot repay it.

"There is no hope of them ever repaying it."

I further said:

"Now they are pretty good people. They put up a great scrap against Hitler.

"They held the fort until we were ready and they took a lot of punishment.

"I think they have earned this three billion seven hundred and fifty million that they are asking for, so let us just give it to them.

"Let us give it to them and forget it."

But, no. All the smart businessmen in the Senate said people do not appreciate anything if we give it to them. They said:

"Make them pay it back.

"Make them pay interest."

Of course, that is where I am at a disadvantage, Mr. President.

I have never made a business of loaning money and I have never collected any interest from anybody.

But did that loan make the British love us?

Mr. President, almost any day one can read in the newspapers that some Briton called us Uncle Shylock or the Yankee Imperialists.

Not only the labor people, Mr. President, but Churchill's boys say things like that about us, too.

I do not know whether the British would be with us in another war or not.

I suppose they would try desperately to keep out of it because they know what would happen to them in this atomic age on their tight little isle.

They would be more of a liability than an asset in such a war, anyway.

SOUTH AMERICA

How about South America, our sister republic to the south?

It will be remembered that we negotiated a mutual-assistance treaty with those good people last year.

It provides that if anybody attacked any one of us, all the rest would pitch in and help.

Of course, Peron introduced a substitute resolution that said that in case anybody was attacked we would all consult each other.

That would be a big help, would it not? There is nothing like consulting one another if someone attacks us.

Peron was a little ahead of his time with this consulting business.

That idea has just now come into its own in connection with the Palestine situation, so maybe he did not have such a bad idea after all. Perhaps Peron was not so far off base.

But we voted him down—by a narrow margin.

We got him to promise to render mutual assistance.

However, the day they signed up, I read in the newspaper that our embassy in Bogota, Colombia, was stoned; and quite regularly one can read in the newspapers that some South American dictator or even some President that we have recently helped elect has called us the "Colossus of the North" or the "Yankee Exploiters."

It is hardly surprising that they do not like us, Mr. President, when we consider how our businessmen behave down there.

They act as if they owned our Government. There might be some argument on that point, but we will not go into it.

They had some trouble with Communists down in Chile awhile back. They cracked their heads, locked some of them up in a mine, and let them starve for a few days.

The President of Chile wanted to outlaw the Communist Party, as some of our 100-percent red-blooded patriots want to do up here.

So let me read what went on down there.

This is from that great liberal publication, Time; liberal with abuse for Henry and me; which says:

But not all Chileans wanted to be as tough as their volatile President.

The Socialists, in Chile no friends of Communists, opposed outlawing the party, as a blow to civil liberties.

Pink-cheeked old Senate President Arturo Alessandri, a Liberal, twice Chile's President and still a great power in politics, let it be known that he was against the idea.

Besides, it might not be necessary.

According to Santiago gossip, Gonzales' anti-Communist action had already won the promise of a badly needed $40,000,000 World Bank loan.

Gonzalez is the President.

Ah, Mr. President, who would not hunt Communists for $40,000,000? The business of hunting Communists has become the biggest business in the world. It is profitable for everyone except us. We are the suckers.

Continuing with what Time magazine has to say about our industrialists:

Visiting United States industrialists—

Mind you, Mr. President, this does not refer to visiting diplomats, but visiting United States industrialists. They talked to the President and told him where to head in.

Visiting United States industrialists, who have told Gonzalez that they would be interested in investing in Chile if ever he got the best of his Commies, could watch the rapid climb of Chile's stock market last week and draw their own conclusions.

Lota coal shares were up 10 points in 5 days.

Our businessmen are a big help.

They go around telling those cheap little 10-cent South American boys where to head in.

I am not convinced, Mr. President, that our sister republics to the south would have any great enthusiasm—that is, the people—for any part of a war against Russia.

CANADA

Now, of course, we come to Canada.

We just take Canada for granted.

We have Canada in our vest pocket, so to speak.

She is so closely tied to us economically and in other ways that anybody would think that she would have to go along with us in almost anything we undertake.

There is another article from Time which casts a little doubt on the question of whether the Canadians love us or not.

This little article starts out in the typical Time fashion.

It is about a Canadian criticizing the United States. It says:

The man who leveled this blast was no third-rater.

Gregarious, graying Leslie Roberts, 51, a long-time newsman, was executive assistant to Canada's Minister of National Defense in the early years of the war, later a war correspondent.

I shall skip most of the article, and get right down to the meat of what "gregarious, graying Leslie" had to say:

Canada is caught in the pincers of America's new power.

Down to here you have not shown aptitude to use it with wisdom, consideration or humility. * * *

You move in on people, not just people in Europe, but on your own good neighbors, militarily, economically, and, by indirection, politically. * * *

You can't run other people's lives, Uncle. * * *

We simply do not enjoy being pushed around. * * *

Your technique is terrible.

So it seems, Mr. President, that the Canadians are not altogether pleased with us. They would probably be forced to help us in a war against Russia, but I doubt if their heart would be in it 100 percent.

So if we intend to fight the Russians, it would seem that we have made a kind of botch of winning friends and influencing people around the world. We had better make up our minds that we are going to have to do the job alone, and quit dissipating our resources all over the globe, and start digging holes in the mountains here at home.

A PEACEFUL POLICY

On the other hand, suppose we wanted to take the other road—the sensible road of continuing and building up the friendly relations with Russia bequeathed to us by Franklin D. Roosevelt. That is what we should have done if we want peace in the world.

But what did we do? We got angry because Stalin and Churchill agreed on spheres of influence and started carving things up. We did not get angry with Winnie, just Joe. So how did we show our displeasure? As I pointed out previously, our press and generals could not even wait for the war to end to start warning us of the terrible menace of Red Russia. The hate campaign of misrepresentation and exaggeration and sensation has gone on endlessly ever since.

HATRED IN THE PRESS

Mr. President, at the beginning of my talk I cited some examples of the hate campaign against Russia that goes on in the press.

Here is another that is typical, and I should like to call it to the attention of the Senate. It is an article in the Washington Post for Tuesday, January 22, 1948. The Post is probably the most calm, cool, and collected newspaper in Washington; so if it will do a thing like this, there is no doubt its competitors will spread it on even thicker. But this is bad enough, Mr. President.

As I say, this is an example of the drive toward war being conducted by the American press. It is a very wicked thing. It is morally criminal, although not legally punishable. These lords of the press are making the end of the world almost certain with their misrepresentation and inflammatory treatment of news that is none too good at best.

But here it is, Mr. President. Here is an article, two columns wide and about 10 inches deep—20 column inches, appearing in the Washington Post. It has a bold headline on it, as you Senators can see, and it says:

Tito sees war soon, paper says.

The subhead is:

Maybe in weeks. Boasts of weapon deadlier than atom bomb.

Then follows an account of a long harangue Tito is supposed to have delivered threatening to sink our Mediterranean fleet and to do all sorts of terrible things to us. But well down in the article, further down than most readers would care to pursue the matter, is this enlightening statement:

Pierre G. S. Dumas, assistant editor of the pro-De Gaulle newspaper, Dissidence 40, which published the same purported speech on December 15, said today, however, that he was convinced the report was a fabrication.

Dumas said the story was first printed in good faith.

Since then, he added, he had received reports from Balkan correspondents which convinced him despite his anti-Communist feelings that the alleged speech was never made.

Mr. President, it is almost unbelievable that the American press would do things like this to endanger the peace of the world. They knew the article was false when they printed it, and yet they gave it prominent headlines and wrote it up as fact, with the exception of that buried acknowledgement that it is pure fabrication.

Having seen things like this happen before, I searched the newspaper carefully the next day to see if there would be any further correction or any denial by Tito. Sure enough, there it was—this little article here, about three column inches buried away over next to Dick Tracy, some place. Here is what it said, Mr. President:

European newspaper reports quoting Marshall Tito as saying Yugoslavia was going to use her own atomic bomb and sink the Anglo-American Mediterranean fleets were dismissed by Tito's ambassador yesterday as "fabricated and utterly absurd."

Yugoslavia Envoy Sava N. Kosanovic said Tito had never made such statements, as claimed by some European papers.

"They constitute a malicious provocation, aimed not only at harming Yugoslavia but at poisoning the atmosphere and at hampering the efforts of all those who are working for a better understanding among nations," Kosanovic declared.

Mr. President, if these newspaper people realized what another war will mean—the scientists tell us it will mean the end of the world, literally—you would imagine the newspapers would never have printed a thing like that, knowing it to be a lie. But if it had been a mistake, then you would think they would have printed this denial by Tito with a big headline on it, to reassure the people that this warlike speech had never been made. You would imagine that they would have humbly apologized for printing an erroneous report in the first place, and would have fired the man who was responsible for having it printed.

Instead of that, Mr. President, the press slips a dagger, dipped in the poison of hatred, suspicion, and misunderstanding,

into the heart of a distraught American people, and each day continue to twist it with sadistic malevolence.

If this thing goes on, Mr. President, and war eventually comes, and if there is anyone left to write history, I cannot see anything for the historian to write except that the American press in the period just before the last great war that destroyed civilization was the most irresponsible and powerful criminal that ever existed, not even barring Adolf Hitler, and that it was due to the machinations of this monster that disguised itself as a free press more than any other factor that twenty-century civilization came to its catastrophic end. Lately I have seen a few signs that this mad-dog complex is wearing itself out. Recently the New York Herald Tribune published a series of articles on Russia by John Steinbeck, which sought to give a fair picture of the Russians as people—human beings like ourselves. The Saturday Evening Post had a series of objective articles by Edgar Snow. Recently the Ladies Home Journal had a splendid article, beautifully illustrated, showing how the Russians live, that they are not monsters, but every-day people very similar in many respects to our own fine American stock. I hope this is indicative of a reversal in trend.

Mr. WHERRY. Mr. President, will the Senator yield for one or two questions?

Mr. TAYLOR. I am happy to yield to my good friend.

Mr. WHERRY. Does the Senator feel that there is a prospect of his concluding tonight, if the Senate is kept in session?

Mr. TAYLOR. If the Senate is kept in session, I will conclude.

Mr. WHERRY. I am consulting the Senator's wishes in the matter.

Mr. TAYLOR. I am perfectly willing to quit at any time, unless it is customary to run late in this manner.

Mr. WHERRY. No. My thought was it is past 6:30 and I hoped that possibly by remaining in session, even until now, the distinguished Senator could conclude his speech without breaking it up. I am asking the Senator if he can conclude tonight, or how nearly through he is, in order that I may propound a unanimous-consent request that the Senator be recognized tomorrow in the event he cannot conclude tonight. But if it is the Senator's wish that he be permitted to conclude tonight, I shall be glad to remain and keep the Senate in session until that can be accomplished.

Mr. TAYLOR. No. I should appreciate the opportunity of going over until tomorrow. I shall require at least another hour.

Mr. WHERRY. Will the Senator yield, then, for a unanimous-consent request?

Mr. TAYLOR. I am happy to yield.

Mr. WHERRY. Mr. President, could the Senator tell me now, so that I may plan for tomorrow, how much further time he will take? Of course, I understand the Senator can retain the floor as long as he wishes. Would the Senator say he is halfway through, or give some indication of that kind?

Mr. TAYLOR. I have another hour, but less than 2 hours, I guarantee.

Mr. WHERRY. I want to cooperate with the Senator, and if he will permit, I ask unanimous consent that when the Senate recesses tonight it may be understood that the senior Senator from Idaho shall be recognized when the Senate convenes tomorrow.

Mr. TAYLOR. I may say——

Mr. WHERRY. Let us get the request put.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, I shall now be glad to yield.

Mr. TAYLOR. I may say to the Senator—at the moment I do not recall the Senator's State.

Mr. JOHNSON of Colorado. Nebraska.

Mr. WHERRY. That is in the middle of the United States. It is a great State, I may say to the Senator from Idaho.

Mr. TAYLOR. Yes, I know it is. It is really the hub of things in that area. My wife is sitting in the balcony, but she has been here before and she heard the Senator from Nebraska help me out on some occasion—I have forgotten just when it was. I was being hard pressed, when the Senator came to my rescue.

Mr. WHERRY. I can tell the Senator when it was, if he wishes to know. It was one night when he was speaking on the Taft-Hartley bill.

Mr. TAYLOR. Very well. At any rate, Mrs. Taylor thinks the Senator from Nebraska is very fine. I do not know whether it is the good looks of the Senator from Nebraska, or his good deeds, but I am sure after this she will entertain an even higher opinion of the Senator. In fact, I do not think I shall allow her to visit the Senate any more.

Mr. WHERRY. It is nice to know that the sentiments of the senior Senator from Idaho concerning the Senator from Nebraska are shared by the better seven-eighths of his family.

The order is, then, by unanimous consent, that when the Senate reconvenes tomorrow, the distinguished Senator from Idaho may continue his speech. Would the Senator like to continue further this evening, or is it perfectly agreeable to him to have me make a motion to recess?

Mr. TAYLOR. I should be perfectly happy to have an opportunity to go home and get something to eat.

RECESS

Mr. WHERRY. Mr. President, before making the motion, I should like to make a statement. The way the debate is now proceeding, with so many wanting to speak—I have requests now from innumerable Senators who desire to deliver speeches—and with so many amendments pending, I feel that the announcement I made earlier in the session today that we would have a Saturday session, if it met with the approval of the Senate, and also a session on Thursday night and Friday, if it became necessary, should stand. I really feel now that such sessions have become necessary. Of course, it is understood that they will be held if the suggestion meets with the approval of the Senate. If it does, as I am sure it will, because this is such an important piece of legislation, it is hoped that with sessions on Thursday night and on Friday night, and on Saturday, the pending bill can be disposed of by the end of the week. If not, we shall continue into next week.

I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 10, 1948, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 9 (legislative day of February 2), 1948:

IN THE ARMY

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Louis Simmons Stickney and 1,270 other officers to be colonels in the Regular Army of the United States, which were confirmed today, were received by the Senate on February 9, 1948, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Louis Simmons Stickney shown on page 1199 and ending with the name of Peter Christian Schroder on page 1213.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 508 of the Officer Personnel Act of 1947.

To be first lieutenants

Earl Warren Fletcher
Frank Winston Tippitt
Gordon James Rieger
Earl Barnette Broome, Jr.
Robert Maitland Polz
Gordon Joseph James
Richard Harriman Maeder
Robert Vernon Shirk
Robert Hunter McCleary
Austin Wayne Turner
George Bunyon May
Loren Ray Lester
Herman Stein
Adolph Clarence Fossum
Kenneth Richard Hintz
Melville Jewell MacDonald, Jr.
Gilbert Hermann Foltz
William Raymond Homiller
Fred Olen La Fevers, Jr.

Medical Service Corps

To be first lieutenants

Gordon Falconer Weighton
Jack Alexander Creech

Army Nurse Corps

To be first lieutenants

Dorothy Annette Goeller
Olga W. Gull
Ruth Alice Kegler
Betty Arline Klingensmith
Loraine Helen Droxler
Jean Harriet Donahue
Shirley Mae McCoy
Margery Evelyn Cheers

APPOINTMENTS IN THE REGULAR ARMY IN THE ARMY NURSE CORPS AND APPOINTMENTS IN THE WOMEN'S MEDICAL SPECIALIST CORPS IN THE GRADES SPECIFIED

To be captains

Vida L. Buehler
Mary C. Burnham
Elizabeth S. Carloss
Mildred S. Carter
Mary L. Gill
Norine O. Ginder
Frances M. Horr
Alice T. A. Knox
Katharine Leonard
Erma G. Lord
Hilda M. Lovett
Alene V. Ness
Helena D. Quinn
Winifred G. Riley
Barbara M. Sleddon
Mary E. Stack
Carol Stange
Ruth G. Strain
Ethel M. Thielmann
Helen Tremback
Anita V. Williams

To be first lieutenants

Melba L. Adams
Mary L. Albright
Johanna M. Anderson
Juliet M. D. Anton
Agnes M. Arrington
Elizabeth A. Askegaard
Margaret F. Bagar
Doris L. Bailey
Marjorie L. Baker
Geraldine R. Baldwin
Adele M. Ball
Dorothy E. Baltzo
Wilma R. Barney
C. Barbara Bean
Evelyn M. Bedard
Angela R. Benda
Clara R. Bentley
M. Pauline Bettinger
Loretta M. Bevins
Jean B. Bissonette
Louise F. Bitter
Inez H. Blossman
Martha M. Boger
Ada E. Boone
Thelma K. Bormann
Olive J. Boxa
Ruth E. Breneman
Esther Brians
Gertrude E. Brooks
Marjorie T. Brown
Billie E. Bryson
Martha M. Cameron
Virginia A. Cameron
Margaret H. Cannoles
Helen M. Carbonneau
Virginia L. Carroll
Mary J. Carsey
Constance G. Catalano
Jennie L. Caylor
Hazel C. Chadwick
Christine M. Chesnik
Jeannette E. Churchill
Leota H. Clark
Mary E. Clark
Mary S. Clark
Ethel Claxon
Flora L. Clymer
Belle K. Cohen
Betty L. Colyer
Dora M. Coover
Lena J. Cricco
Patricia L. Crocker
Doris J. Crouser
Doroth M. Cunningham
Florine H. Cutts
Alice B. Davidson
Robertine E. Davies
Elizabeth M. Dean
Dorothy M. DeHart
Elaine H. Deliman
Helen C. Dembeck
Janet L. Demy
Anna T. DeNegri
Maryelle Dodds
Marion M. Donaldson
Madelyn F. Donnedy
Kathryn T. Driscoll
Rita R. Dulisse
Rose J. Dull
Cleo E. Durkee
Colatine Dyas
Julia C. Eastwood
Virginia H. Echerd
Anna M. Evans
Hazel L. Evans
Anna E. Fairley
Mary C. Fanning
Maxine H. Fell
Miriam J. Fickes
Wanda I. Fill
Jane C. Flanagin
Edythe M. Fleck
Dorothea V. Fleischer
Margaret C. Flynn
Evelyn Folmar
Eunice M. Ford
Marguerite W. Foster
Emily K. Frailey
Catherine E. Francis
Miriam E. Fuller
Anna D. Funk
Mildred M. Furlong
Ruth E. Fussell
Gladys L. Fusselman
Margaret L. Gattis
Sara J. Gephart
Phyllis M. Gervais
Elnora L. Geyer
Pattie R. Gibbs
Willie C. Gilliam
Katherine S. Gillies
Sheila M. Gillman
Margaret Gist
Agnes C. Glunt
Joyce Goodwin
Eleanor M. Gorman
Patricia Greenan
Catherine R. Grogan
Emma C. Groh
Mary E. Guerdette
Marjorie A. Haley
Anna D. Harkins
Paulanna R. Harkins
Cleo S. Harrod
Willie E. Hart
Mary E. Hartley
Mary B. Hartman
Lillian E. Haws
Sally C. Hayes
Bernice I. Heath
Margith H. Heide
Marie A. Heine
Dorothy A. Helwig
Evelyn M. Henrich
Alice P. Hill
Katheryne J. Hills
Phyllis J. Hocking
Maralee R. Hodgson
Ann E. Hogan
Bernice E. Holsinger
Helen C. Hooverson
Margaret L. Hornberger
Elizabeth R. Horne
Marjorie O. Horton
Lucy E. Houghton
Matilda Howard
Vivian Howell
June L. Hudson
Agnes T. Hulme
Barbara M. Hutchins
Elizabeth J. Ingram
Sallie H. Ingram
Agnes M. Jackson
Florence S. Jacobs
Margaret L. Jacobson
Dorothy E. Jaeger
Johanna H. Jakubaitis
Helen C. Jansen
Alice C. Jeffreys
Lillian Jones
Mildred C. Katich
Mary E. Keefe
Lelia M. Kehoe
Arlene E. Kind
Eleanor A. Klensch
Helen S. Kloss
Gladys N. Knowles
Rita M. Kopp
Ethel R. Kovach
Helen S. Koziol
Bernice H. Kress
Ruth B. Krieser
Ruth A. Kruger
Lucile Krumperman
Blanche F. Kuchar
Katherine R. Kurutz
Helen M. Landis
Anna M. Lanzendorfer
Theresa J. Larivee
Caryl R. Lawrence
Mary Lawrence
Marietta Levy
Minalie M. Lindo
Lulu M. Lines
Irene Lionais
Josephine A. Lo Cicero
Esther M. Lockwood
Martha E. Lohman
Agnes B. Lohrmann
Imelda H. Lohrmann
Lela M. Lovelace
Hazel J. Lovett
Etta M. Lowe
Mary S. Lowe
Eddie R. Loyd
Mary E. Lynch
Mary K. Lynch
Patty J. Mann
Angelena I. Mariano
Alice S. Marks
Helen M. Martin
Coletta M. Masterson
Kathryn Maurice
Christine Maxwell
Kathryn J. McCann
Dorothea M. McCarty
Helen A. McCloskey
Mercedes A. McCort
Agnes B. McGann
Eleanore McIntyre
Catharine G. McNiven
Mary V. Menold
Catherine A. Merat
Charlotte M. Meyer
Florence J. Mikowski
Esther M. Miller
Kathleen F. Miller
Mae E. Miller
Anne D. Mitchell
Hannah T. Mohr
Mary A. Moles
Esther J. Moran
Marion M. Morris
Ida B. Morrison
Mary E. Morse
Mary F. Morse
Dorothy H. Murray
Rowella H. Newell
Charlotte L. Nolan
Irene B. Norkus
Walburga G. Nyez
Evelyn R. Ordway
Margaret L. Ormand
Naomi I. Osborne
Esta C. Ott
Mary E. Ouimet
Jewell A. Outlaw
Reverdy M. Overbey
Susie W. Page
Margaret T. Paolilli
Joline D. Parente
Alice S. Patterson
Isabel S. Paulson
Irene M. Pawlowski
Mildred M. Peace
Mildred Perkins
Loraine W. Perteit
Mabel E. Pierce
Carrie E. Pittman
Alice E. Planty
Mary K. Platt
Audrae A. Quintini
Constance H. Ramsey
Margaret E. Remington
Ellen M. Respini
Bertha D. Richardson
Catherine M. Riney
Sue H. Robertson
Pauline Robinson
Alta P. Rogers
Mary M. Rollins
Lucille I. Ross
Dorothy L. Rundle
Georgeann E. Russell
Helen A. Rydzewski
Juanita H. Scalf
Sophia M. Schadt
Eleanora M. M. Scheessele
Mary M. Schultz
Martha J. Seidel
Mildred M. Shaner
Clarice J. Shannon
Evelyn E. Silbert
Martha A. Simpkins
Blanche I. Sipple
Betty F. Smith
Frances K. Smith
Mary E. Smith
Ruth G. Smith
Gloria E. Snyder
Anna M. Solberg
Eleanore M. Soppa
Venice Spendlove
Julia Stark
Edna L. Staton
Sylvia M. Stivlen
Pauline Stokes
Sarah C. Stradley
Cecilia A. Sulkowski
Mary L. Sutton
Marion D. Sweigart
Garnet A. Sykes
Bernice V. Taylor
Georgia V. Teater
Lois R. Thompson
Mae Thompson
Margaret J. Thornton
Sara M. Tippett
Annie Townsley
Helen L. Tucker
Ruth E. Tucker
Vida J. Tucker
Florence E. Turney
Louise Tyner
Edith E. Uhl
Gladys M. Webster
Nell O. Welborne
Harriet H. Werley
Ida A. Werner
Margaret E. Wesely
Martha M. West
Alta M. White
Agnes L. Williams
Rebecca S. Williams
Sarah L. Williford
Gladys H. Wilson
Fleeta O. Worthington
Elizabeth A. Wright
Frances E. Wright
Doris Yopp
Elizabeth A. Zettel
Anne M. Zizon
Delores V. Zuelke

To be second lieutenants

Frances Aragon
Audrey P. Atkinson
Dorothy R. Bonsall
Gladys I. Breault
Mary M. Breunig
Opal T. Cameron
Erin E. Cannon
Claire D. Cardinal
Anna G. Casey
Olga L. Chernak
Muriel E. Clapper
Helen S. Comac
Catherine N. Cotsones
Therese E. Daley
Dolores A. Damberger
Grace M. Dickson
Muriel E. Eckelberg
Janice W. Feagin
Rose M. Ferrelli
Mary E. Fetters
Enola S. Flowers
Bertha G. Goodfellow
Phyllis A. Hall
Myra J. Hanlon
Katherine Henningsen
Marian Horner
Ethel M. Inglis
Margaret M. Kish
Frances C. Knipe
Marilouise Knott
Marybelle J. Lacey
Amalia R. Lazaro
Ruth M. Leahy
Mabel D. Lewis
Catherine M. Loeffel
Beulalys Masterson
Maxine Miller
Catherine E. Paight
Ruth M. Pray
Bernadette L. Reider
Mildred E. Schapiro
Marie J. Schmahl
Kathryn E. Schultz
Virginia M. Shaffer
Marian F. Sindoni
Roberta W. Smith
Artrude M. Stark
Marilynn C. Stevens
Phyllis R. Strobel
Harriet Ter Borg
Jane M. Valine
Alma E. V. Wallsten
Rosemary Witt
Harriet L. Wood
Donna P. Zimmerman

IN THE AIR FORCE

PROMOTIONS IN THE UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of section 508 of the Officer Personnel Act of 1947:

To be first lieutenants

Wilbert Edward Habakangas
Rowland Douglas Smith, Jr.
James Morton Bush
Oscar Wallace Lincoln Brown
Travis Ervin Koch
Hugh Munsey Smith
William Jackson Rand
Darrell Glenn Williamson
Joel Charles Lee
Carl Walters, Jr.
Ray Lorentzen Barry
Robert Leonard Vandiver
Roger Treat Jackson, Jr.
Kenneth Ballard Smith
Hollon Howard Bridges
James Tipton Barnes
Arthur Wallace Augustine, Jr.
Charles Arthur Sherman
Albert Verne Works, Jr.
Edward Robert Brandt
Harry Leroy Bates
Charles Edward Limbird
Thomas Edison Ivey
Robert Ervin Nash, Jr.
Erling Orvin Wehlander
George Elmer Hedge
Maston Adolphus O'Neal, Jr.
Edwin Cole Walker
James Harris Mize
Paul David Lehman
Mark Edward Wilt
Milton Kenneth Kegley
Jack Bonds Robbins
Donald Edward Greer
Wallace Reid Watson
Remer LaVerne Harding
James Carson Taylor
Charles Clancie Yates
Walter Bennett Forbes
Robert Edward Gordon
William Monroe Bomar, Jr.
Felix Asla, Jr.
Robert Meade Ryan, Jr.
Irl Duane Johnson
Giles Anthony Robb, Jr.
Ziba Bennitt Ogden
Myron Belmont Goers
Earl Lewis Suneson
Miles Edsel Taylor
Peter David Summer
George Zane Schroeder
Howard Mac Lane
William Joseph McMahon
Robert William Maloy
Malcolm Albert Stewart
Hawood Estle Kornegay, Jr.
Lawrence Kenneth Ricker
Richard Albert Atkins, Jr.
Stanley Joseph Buinicky
Marshall Rae Duncan
William Doyle Taylor, Jr.
Robert Harry Cline
Lawrence Vincent Bach, Jr.
Robert Edwin Vickers, Jr.
James Francis Ward, Jr.
Rodger Sheridan Elliott
John Patrick Walsh
Charles Evans Beardsley
Herman Arthur Hammel
Louis Rae Harris
Kenneth Ray Van Zandt
William Henry Perkins
Edwin Raymond Kellogg
Robert Newton Fidler
William Cullen Schwitzgebel
Paul Bryan Monroe, Jr.
William Albert Seward, Jr.
Harry Frank Greenhow
Donald Michael Walters

IN THE NAVY

APPOINTMENTS IN THE SUPPLY CORPS OF THE NAVY, IN THE GRADES INDICATED

Lieutenant commander

Edward C. Sockerson

Lieutenants

William R. May
George S. Rawson

Lieutenant (junior grade)

Howard D. McPike

Ensigns

Alan J. Frankel
Calvin D. Landis
Roger M. Wilsie

To be ensigns in the Navy

Morrison D. Ismond
John D. Shaw

To be ensign in the Supply Corps of the Navy

William F. Cecil

To be a lieutenant (junior grade) in the Chaplain Corps of the Navy

Ernst A. Wolfram, Jr.

To be ensigns in the Nurse Corps of the Navy

Marguerite Asci
Anna M. Belaire
Ruth M. Bowers
Marian J. Bricker
Catherine P. Clarke
Theresa T. Clarke
Arlene B. Cressman
Josephine L. Croftchik
Constance R. Esposito
Alice C. Fogarty
Yoshiko Tanigawa

The following-name officers to the grades indicated in the Medical Corps of the Navy:

Commander

John J. Brown

Lieutenant commander

William L. Roberts

Lieutenant

Thomas D. Yocum

Lieutenants (junior grade)

Charles E. Boonstra
Elbert C. Brinning, Jr.
John W. Howard
John H. Liles, Jr.
Thomas W. Stewart
Louis Sussman
Richard K. Williams

The following-named officer to the grade indicated in the Medical Service Corps of the Navy:

Lieutenant

Bernard G. Platt

IN THE MARINE CORPS

APPOINTMENT TO THE MARINE CORPS

To be a second lieutenant in the Marine Corps

James J. Gorman

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 9, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious Lord, Thou who hast brought us to the light of this day, we pray that we may never falter in our devotion to Thee and to our country.

Do Thou send us forth glorying in our material and spiritual blessings; forbid that we should waste them in riotous living or in those follies which are the foretoken of regret, of poverty, and a barren home life. Do Thou keep our people frugal and yet generous in dispensing their good fortune. Grant that the discipline of life, which comes from economy, from industry and its tasks, may teach us to shun vain delights and to labor zealously for the good of our people and for the restoration of a sane and wise understanding through all this yearning world.

Hear us for the sake of Thy dear Son, Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 408. An act for the relief of Lawson Ashby; Mrs. Ora Ashby; and Lawson Ashby, the legal guardian of Betty Mae Ashby, a minor; Darrel Ashby, a minor; Kenneth Ashby, a minor; and Vernon Ashby, a minor;

H. R. 431. An act for the relief of the Columbia Hospital of Richland County, S. C.;

H. R. 621. An act for the relief of Vera Frances Elicker;

H. R. 697. An act for the relief of Mrs. Essie N. Fannin, Miss Helen Hicks, Miss Marie Hicks, Miss Frances Fannin, William O. Thompson, and Mrs. W. D. Thompson;

H. R. 993. An act for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb;

H. R. 1131. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker;

H. R. 1139. An act for the relief of Dr. Gisela Perl (Krausz);

H. R. 1152. An act for the relief of Mrs. Inga Patterson, widow of F. X. Patterson;

H. R. 1298. An act for the relief of Anastasios Panage Ioannatos (known as Anastasios Panage Ionnetos or Tom Panage Yanatos);

H. R. 1654. An act for the relief of the estate of Mrs. Elizabeth Campbell;

H. R. 1864. An act for the relief of Mrs. Raiford D. Smith;

H. R. 1929. An act for the relief of Edwin Osgood Cogan, his wife Helen Olga Cogan, and his daughter Isabel Joan Cogan;

H. R. 2012. An act for the relief of Mrs. Pearl Cole;

H. R. 2268. An act for the relief of Charles E. Crook and B. L. Fielder;

H. R. 2293. An act to amend the act entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters"; approved February 8, 1895;

H. R. 2373. An act for the relief of Stanley-Yelverton, Inc.;

H. R. 2374. An act for the relief of Nita H. Stanley;

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3742. An act for the relief of Robert Wilhelm Gerling;

H. R. 3936. An act to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia, and for other purposes;

H. R. 3964. An act for the relief of Thomas D. Sherrard;

H. R. 3973. An act relating to the compensation of commissioners for the Territory of Alaska;

H. R. 4331. An act for the relief of Bertha M. Rogers;

H. R. 4541. An act for the relief of Jesse F. Cannon, Jackson Jones, and the estate of John Halstadt;

H. R. 4570. An act for the relief of Howard A. Yeager; and

H. R. 4980. An act relating to the acquisition by the United States of State-owned lands within Glacier National Park, in the State of Montana, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2502. An act to provide for the general welfare and advancement of the Klamath Indians in Oregon; and

H. R. 4838. An act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 69. An act for the relief of Mrs. Florence Benolken;

S. 148. An act for the relief of Charles G. Meyers;

S. 182. An act for the relief of Sgt. John H. Mott;

S. 188. An act for the relief of Dionisio R. Trevino;

S. 576. An act for the relief of Dan C. Rodgers;

S. 675. An act to provide for the naturalization of Mary Gemma Kawamura;

S. 969. An act for the relief of Damian Arruti;

S. 1046. An act for the relief of Mrs. Jacinta Santos Harn, Dr. Charles S. Harn, Helen Harn, Winifred Mary Harn, and James Harn;

S. 1090. An act to safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes;

S. 1142. An act for the relief of Anna Pechnik;

S. 1164. An act for the relief of Doris D. Chrisman;

S. 1263. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.;

S. 1307. An act for the relief of Edward Trapier Rogers;

S. 1312. An act for the relief of Jeanette C. Jones and minor children;

S. 1331. An act for the relief of Frances Ethel Beddington;

S. 1468. An act providing for payment of $50 to each enrolled member of the Mescalero Apache Indian Tribe from funds standing to their credit in the Treasury of the United States;

S. 1550. An act for the relief of John Clark Sharman;

S. 1588. An act for the relief of E. W. Strong;

S. 1630. An act for the relief of Louis L. Williams, Jr.;

S. 1651. An act to amend the General Bridge Act of 1946;

S. 1654. An act for the relief of John E. Peterson and Guy F. Allen;

S. 1742. An act for the relief of John Frederick Firth-Hand;

S. 1871. An act to restore certain lands to the town site of Wadsworth, Nev.;

S. 1875. An act for the relief of the estate of Francis D. Shoemaker;

S. 1958. An act to provide for the designation of the reservoir formed by the dam on the Grand River near Fort Gibson, Okla., as Lake Chouteau; and

S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands.

TRANSFER OF OFFICERS BETWEEN THE SERVICES

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, the National Security Act of 1947 provides for the transfer of officers between the Army and Air Force, but no provision is made for transfer between the Air Force and the Navy. The Army to Air Force transfers were made possible because, of course, the Air Force was being separated from the Army. However, in that transfer provision there was a limitation upon top rank of officers that could be transferred, which was to grade of major.

As chairman of the Combat Aviation Subcommittee of the Congressional Aviation Policy Board, it is my firm belief that this limitation should be removed and that, in fact, all limitations should be removed for transfer among the armed services. There is a serious shortage in the armed forces between the ages of 43 and 53 years.

The older officers who have made a career of military aviation are retiring rapidly, and there is a dearth of experience in the age level immediately below them.

On the other hand, there is a considerable number of naval aviators in the 43 to 53 age level, including Marine Corps aviators, who have excellent experience and whose opportunities for service and promotion are less than those of opposite numbers in the Air Force. Authority to make transfers from one organization to another might well correct this situation and result in greater equity as well as greater effectiveness in the two arms.

Moreover there is a great need for the exchange of ideas and knowledge of each others techniques and problems, which if effected, would bring about greater understanding between the two services, and which would serve to advance the art of combat aeronautics.

The Navy Department is opposed to this legislation, according to expressions before the Combat Subcommittee of the Congressional Aviation Policy Board, but in my opinion, as chairman of that subcommittee, their opposition is an expression of weakness in position rather than in strength. It should serve the Navy Department very well indeed to make such transfers possible and from at least two standpoints:

First. Such transfers would inject into the armed forces some of the fine training experience and understanding of naval problems, which is needed by the Air Force, in order to effect a greater unity between the two air arms, and secondly, such transfers would open the promotion list in the Navy to the advancement of some of the younger officers who may find promotion quite slow in the Navy, thereby bringing in a more youthful spirit into the higher grades of rank.

One of the greatest needs we have today in the armed services is common understanding between the several arms. This lack of understanding was set forth clearly in the Board's report when we said:

> The loyalty of each service to its traditions is understandable but unyielding adherence to service loyalties at the expense of national security is a luxury the Nation can no longer afford.

EXTENSION OF REMARKS

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD and include certain excerpts from MacArthur, the Man of the People.

Mr. SMITH of Kansas asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. JONES of Washington asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a statement made by him on March 8, 1948, before the Subcommittee on Appropriations, and in the other a letter from Mrs. Wilson, of Seattle, relative to pay increases for postal and other Federal employees.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a letter to Secretary Anderson by the Ohio Farm Federation.

COMMODITY EXCHANGE SPECULATION

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Speaker, despite efforts of the Congress to bring back orderly and normal trading on the commodity exchanges, the overshadowing influence of government purchases continues to dominate the market. Let us take the case of cotton. Despite the fact that thousands of textile workers engaged in making low-cost cotton textile garments have been laid off due to the terrific price of cotton textiles and the increasing buyer resistance against paying exorbitant prices for cheap garments, and despite the fact that sales resistance is growing in the Far East and sales are falling off, the price of raw cotton on the exchanges continues to mount. This is also in spite of the fact that the present crop season throughout the world indicates that there may be over-production of raw cotton. Certain big interests that are gambling for tremendous stakes in the cotton market are forcing the price up. In so doing they are forcing the textile manufacturers to exact unconscionable prices from the consuming public not only here in America, but in foreign lands as well. The great cotton trading firm headed by Mr. Will Clayton has made enormous profits in cotton and if prospective deals for deliveries of cotton under the various Marshall plans go through, they will reap another golden harvest at the expense largely of the people of America.

On March 1, 1948, the Dow-Jones news ticker contained this significant item:

> Cotton has rallied into new high ground for the day on general buying attributed principally to the belief the Marshall plan will be readily adopted and touch off a substantial export in cotton. Projected figures on cotton exports assuming the program is adopted have been placed at 780,000 bales for the April-June period this year. Mills also have been covering contracts more aggressively on the possibility that the supply situation in raw cotton may suddenly tighten up further.

Thus it is clear that the present high price of raw cotton is being maintained by huge speculators who see in the proposed government purchases of cotton an opportunity for another collossal clean-up. I am not here to condemn the commodity exchanges. They are a very necessary part of our economic life. The difficulty, however, arises when the government projects itself into the commodity picture and makes huge commitments that the boys on the inside get wind of in time to clean up on the market. In this situation they are gambling that the proposed commitments for cotton exports under the Marshall plan and under the relief-in-occupied-areas program of the Army will go through as planned. I think it well to state that if the Marshall plan is ultimately adopted it cannot operate until it has been implemented by appropriations. As a member of the House Subcommittee on Deficiency that will no doubt conduct the hearings on the estimates for appropriations, I want it distinctly understood now that this cotton export program is going to be thoroughly checked into. I for one do not intend to be a party to promoting government buying of domestically produced commodities at inflated prices made possible by the controls exercised by huge speculators in commodity futures.

The United States Government should never be used for the purpose of permitting Will Clayton and his crowd of cotton speculators to reap another terrific profit that must ultimately come from the people of the United States.

THE LATE MISS EMILY P. BISSELL

Mr. BOGGS of Delaware. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. BOGGS of Delaware. Mr. Speaker, to my great sorrow I learned that yesterday Miss Emily P. Bissell, a beloved and distinguished Delawarean, passed on to her eternal reward. Her loss to the citizens of Delaware and people throughout the world is immeasurable.

As everyone knows, Miss Bissell's outstanding contribution, among many other influences for good, was the founding of the first antituberculosis Christmas seal in December 1907. From very small beginnings the annual Christmas seal has aided substantially in financing the organized fight against tuberculosis in every State and has resulted in saving thousands upon thousands of lives.

Miss Bissell was a grand and gracious lady whose untiring devotion to the needs of humanity will always be remembered with gratitude, and her life will prove an inspiration to all mankind, today as well as in generations to come.

I extend my deepest sympathy to the members of her immediate family. All of us share in their sorrow.

VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to

address the House for 1 minute and to revise and extend my remarks and include a resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am today introducing into the House, as is also the gentleman from Massachusetts [Mr. MCCORMACK], a joint resolution to the effect that the personnel-reduction program in the Veterans' Administration, effective March 31, 1948, and affecting approximately 8,500 employees, be terminated. Each employee released under such program shall be restored to the Veterans' Administration rolls to the position vacated by such employee. The resolution appropriates the sum of $6,000,000 to take care of that cut of 8,500 employees up to June 30. A great injustice is being done to the veterans in the curtailment of essential services, because the Veterans' Administration does not have enough money to perform those services. I believe the House Committee on Appropriations, realizing the needs, will approve the $6,000,000 and that the resolution will pass the House unanimously.

The resolution is as follows:

Be it resolved, etc., That the personnel-reduction program of the Veterans' Administration, effective March 31, 1948, and affecting approximately 8,500 employees, is hereby terminated, and each employee released under such program shall be restored to the Veterans' Administration rolls, to the position vacated by such employee, effective the date of release from such employment. For the foregoing purposes, there is hereby appropriated out of funds in the Treasury not otherwise appropriated the sum of $6,000,000, which is hereby made available for expenditures for the last quarter of the fiscal year ending June 30, 1948.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1949

Mr. CANFIELD, from the Committee on Appropriations, reported the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes (Rept. No. 1532), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. GARY reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a poem and a letter.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a resolution from the South Carolina General Assembly and two editorials.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by John D McCall, a prominent attorney of Dallas, Tex., in behalf of the American Bar Association, before the joint meeting of the Senate and House Judiciary Committees, on February 27, 1948, on the tidelands and submerged land bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include in one a statement made by Hon. Thomas Dorgan, clerk of the superior court in Boston, and in the other a letter and a resolution from a constituent.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the United Veterans Council, of Providence, R. I., protesting the cut-back of personnel in the Veterans' Administration.

Mr. COOPER asked and was given permission to extend his remarks in the RECORD and include an editorial on the reciprocal trade-agreement program.

Mr. KEFAUVER (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. JAMES C. AUCHINCLOSS, of New Jersey.

Mr. DAGUE asked and was given permission to extend his remarks in the RECORD and include a letter he had just received from Palestine.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and in each to include some printed material.

SPECIAL ORDERS GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

"DEAD MAN VOTED"

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, I hold here a clipping from the Kansas City Star-Times of Thursday, March 4.

The headline reads: "Dead Man Voted."

Knowing the Star to be a factual paper—printing the facts—you would be justified in assuming the story under that headline disclosed a miracle.

It was no miracle. It is merely the sordid story of "ghost voting" as practiced by the Pendergast political machine.

The subhead states: "Name of Abraham Lundzers was used in 1946 primary, Phelps charges—Died 2 years before—Poll book and death certificate are in evidence at conspiracy trial."

PRESIDENT TRUMAN AND THE CIVIL-RIGHTS PROGRAM

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, in the light of his recent actions, it certainly came as no surprise to the southern Democrats that President Truman was a candidate for reelection. We knew that the day he came out with his civil-rights recommendations. According to Mr. MCGRATH, the President has been very fair in stating specifically what he wants: He wants the civil-rights program passed; he wants the South throttled; and most of all he wants to be President again. Now southern Democrats are going to play fair with the President and tell him he is not going to get a thing that he asked for. Frankly, I would suggest that he quit now while he is just 20,000,000 votes behind.

PRESIDENT TRUMAN AND THE SOUTH

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, I have authority only to speak for the First Congressional District of South Carolina. It is first in many respects. We were the first to unmask Mr. Truman's hypocrisy and we will be the last to join him. We regard President Truman as a bankrupt politician. Consequently, we will not subscribe to any of his stock at any price. There is no price at which we can be bought, and we subscribe to none of his stock. As my friend, the gentleman from Mississippi has said, he is now only 20,000,000 votes behind. As far as I am concerned, he is still hitched to the post. All of the people in the Democratic National Committee who have stolen our party label from the South, who made Truman's accident a possibility cannot corral us and time will not heal the wound into which they have rubbed salt.

That wound is a gaping one today and we are bleeding profusely. When we stop that wound, it will be at our own price, and not at the price of somebody who thinks that we will come in the back door and forget these assaults upon our dignity and the traditions of the people who kept the Democratic light burning during the darkest hours of our country's political adversity.

EXTENSION OF REMARKS

Mr. HART asked and was given permission to extend his remarks in the RECORD and include a statement of the Polish-American Congress.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 484) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by rule XI (1) (Q) incurred by the Committee on Un-American Activities, acting as a whole or by subcommittee, not to exceed $200,000 additional, including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee and signed by the chairman thereof, and approved by the Committee on House Administration.

Mr. LECOMPTE. Mr. Speaker, this resolution provides money for the research and investigations by the Committee on Un-American Activities of the House. This committee was originally provided for in a resolution of January 3, 1945. Previous to 1945 we had the old Dies committee, named for Martin Dies, the chairman. Therefore we had really had an Un-American Activities Committee for over 10 years. When the Reorganization Act was passed a year and a half ago the committee having jurisdiction of that bill as well as the House included the House Committee on Un-American Activities as one of the regular standing committees of the House. The resolution speaks for itself, Mr. Speaker. It provides $200,000 and it is presumed that that will cover the expenses for the balance of this year.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I believe the attitude and the action of the Un-American Activities Committee toward a very famous scientist, Dr. Edward U. Condon, has been very unjust and unfair. The conduct of that committee on the Condon case is typical. Dr. Condon has been deliberately made a victim of popular hysteria against Russia. He has not been heard by the Un-American Activities Committee. He requested a hearing twice before, and again last week; but his requests have been denied. Even a common felon is given a hearing. As a result of the campaign of proscription and impassioned propaganda stirred up by the Un-American Activities Committee, foremost scientists generally have warned that they will not undertake any research work for the Government because they believe their honor, their patriotism, and their loyalty would be questioned by these unfair tactics of the members of the Un-American Activities Committee, and they feel their positions would be placed in jeopardy, for no good reason, but merely by unsubstantiated opinion and trials in the newspapers unfortunately conducted by members of this committee. They should not be made to risk public condemnation without even a hearing, or on evidence that would be thrown out in any court of common law or equity. A subcommittee of the Atomic Energy Committee has been authorized to go into this matter. Dr. Condon properly requested study by that subcommittee, asserting:

> The public smears of scientists were endangering the whole scientific future of the Nation.

I believe that the Un-American Activities Committee has done great harm and has rendered disservice by unfounded accusations against the innocent and by condemnation by suspicion and by association. I believe the committee deserves sharp and condign criticism. It does not merit any support by way of the added appropriations involved in the pending bill. I fear that with that appropriation more harm than good will be done. I am one of those who believe with the famous English writer, William Bolitho, who said:

> Justice must never use injustice in its fight on unjustice—for fear of making it just.

And that is exactly what this committee has done. In its fury to get at communism it has used methods that smack of totalitarianism. The committee deliberately disregarded the views of the FBI, which said in effect that there was no evidence of disloyalty of Dr. Condon. Apparently through misguided zeal and unjustifiable methods the agents of the committee, if not committee members, developed a sort of phobia against Condon. Such practices have justified my continued objection to the committee. I shall not support the bill before us. It involves a useless as well as harmful expenditure of $200,000. I have not the figures, but my estimation is that this sum will mean well nigh a total appropriation to this committee of a million dollars—and for what? Certainly no genuine service to the Nation—only disservice.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LECOMPTE. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN], a member of the House Committee on Un-American Activities.

Mr. RANKIN. Mr. Speaker, the Committee on Un-American Activities will not lose anything at all by the opposition of the gentleman from New York [Mr. CELLER]. He has never supported it and I do not think he ever will.

The vicious, unjust attacks, and the erroneous statements made by the gentleman from Illinois [Mr. SABATH] are enough to shock the honest, patriotic Members of the House who know the facts.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois.

Mr. SABATH. What statements does the gentleman refer to?

Mr. RANKIN. All of them. He had introduced a bill to abolish this committee. Let him call it up, and let us call the roll on it, and he will not get 1 vote out of 10.

The Members of this Congress who have taken the most abuse from the enemies of our country, and who have worked harder to try to protect this Nation than anybody else connected with this Government have been the members of this Committee on Un-American Activities.

They bring up this Condon case. The Condon matter was taken up a year ago, not by our committee, but by the FBI.

There is a letter from the FBI in the files of the Department of Commerce about three pages long that every Member of both Houses of Congress ought to read.

I have not seen all of that letter, but I have seen enough to know that every Member of Congress should read it. Yet they presume to withhold it from a congressional committee. If there is nothing wrong, then why withhold that letter?

Mr. Speaker, there are enemies in this country today plotting to get their hands on the atomic bomb. Every one of those enemies hates the Committee on Un-American Activities almost as much as the gentleman from New York [Mr. CELLER] and the gentleman from Illinois [Mr. SABATH] do.

Let us see what it might mean if they did get their hands on the atomic bomb. They could place 12 of those bombs in 12 of the large cities of America with time fuses and blow this country almost to smithereens.

Suppose one were planted in New York and exploded. An atomic bomb exploded in Washington would burn to a crisp everything from Silver Spring, Md., to Alexandria, Va. I have on my wall a picture of a steel mill in Nagasaki, Japan, that was a mile from where the bomb fell. That picture was taken by an American soldier from my home county. It is just a twisted mass of steel girders. Never on earth has there been such a devastating instrument in the hands of man.

Put one of them in New York and you would never hear from the gentleman from New York [Mr. CELLER] again. And what a calamity.

But that is not all. It would leave that great city a wreckage of ruin and ashes.

Let them plant one in Pittsburgh, Pa., one of our greatest centers of steel production; one in Baltimore, Md.; one in Boston, Mass.; one in Philadelphia; one in Detroit, Mich.; one in Chicago; one in New Orleans; and one in Los Angeles, and explode them all at one time, and it would wreck this country almost to the point of national demoralization.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. CELLER. Why does the gentleman leave out the State of Mississippi?

Mr. RANKIN. We have no large cities in Mississippi. I was going to say we would have room for many of the refugees, but I should think the gentleman from New York [Mr. CELLER] would want to go the other direction if he should survive.

Whenever anybody begins to tamper with the secrets of the atomic bomb, I say it is time for a committee of Congress to look into it.

You remember 2 or 3 years ago the Committee on Un-American Activities, when it was getting the same opposition it is getting now, was trying to run down some spies who were seeking the atomic-bomb secrets in this country. They got away from us and got into Canada. If it had not been for one thing that occurred in Canada, the secrets of the atomic bomb would be in the hands of the enemy today.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. LECOMPTE. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. RANKIN. This committee is rendering one of the greatest services ever rendered by any committee of the Congress of the United States. We are not out to persecute anybody, but we are trying to protect this country.

I trust that there will only be two votes against this resolution—the gentleman from New York [Mr. CELLER] and the gentleman from Illinois [Mr. SABATH].

Mr. LECOMPTE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, the gentleman from Mississippi has been attempting to frighten this Congress into voting this appropriation by raising an atomic-bomb scare. I agree that we have had a great deal of atomic activity. We have had atomic activity against the civil liberties of the American people, and that atomic activity against the civil liberties of Americans has come from the Committee on Un-American Activities. There is fear in this land, fear of war, fear of depression, fear of the future because of present shortages and high prices. Government employees being subjected to a loyalty purge fear loss of their jobs; fear in the offices, mines, mills, and factories is rampant throughout this Nation. The endangering of American civil liberties, caused by the activities of this committee, has contributed largely to this fear. Americans, whose birthright is freedom, have been subjected to fear, fear of investigations of Government employees, of factory workers, clerks in business offices, scientists; in fact no one is safe from investigation. I think the time has come when Congress must courageously state that the loyalty of Americans does not have to be questioned or investigated. Rather than trust the biased investigations of this committee, I prefer to trust the common sense and intelligence of the American people. The security of this Nation can better be safeguarded by the people themselves than by this committee which has, for 10 years, existed in violation of the Bill of Rights of these United States.

Fundamentally what is this all about? Congress can investigate only in those fields in which it can legislate. Congress cannot investigate in those fields in which it cannot legislate. Certainly, Congress cannot legislate in violation of the first amendment. It cannot legislate in the field of freedom of speech, and freedom of the press, and right of assembly, and since it cannot legislate in those fields it cannot investigate in those fields. I trust that soon the highest Court of this land will cease to evade the issue and will pass on it squarely. I have every confidence to believe that when that issue is determined it will be determined to the effect that this committee's investigations have been in violation of the first amendment. I am confident that the day is not far off when the American people will repudiate the activities of this committee as repugnant to America's democratic traditions. Therefore, you will find that all the money the Congress has appropriated for this committee for the past 10 years will have been completely wasted and will have been expended in violation of the Constitution of the United States.

Of course, Red baiting is a very convenient instrument in the hands of reactionaries. It is used to evade the real problems that confront the people. It was used against the unemployed in the past, it was used against labor and it is still being used against labor, it is being used against progressive political movements, it is being used every time a real effort is made for progress in America. Red baiting is the underlying technique of this committee.

The basic difficulty with this committee is that this committee would have us believe that monopoly capital and Americanism are synonymous, and that anybody who questions monopoly capital, anybody who in any form disagrees with the operations of monopoly capital, is to be condemned as subversive. The committee's concept of loyalty is at variance with progress.

Let us go a step further. Let us examine another standard that this committee has set. You take the standard set by the gentleman from Mississippi [Mr. RANKIN], himself. Any person who advocates the FEPC, according to the gentleman from Mississippi, is subversive. Any person who advocates the abolition of the poll tax, according to the gentleman from Mississippi, is subversive.

Mr. RANKIN. He is not subversive, he is just off.

Mr. MARCANTONIO. There is an example of what I mean. He does not now call them subversive as he has done on other occasions, today he calls them off. The gentleman has merely modified his atomic activities.

Mr. LECOMPTE. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS], a member of our committee.

Mr. MORRIS. Mr. Speaker, there is no substitute for fairness, there is no substitute for common sense and there is no question in my mind but that we in America today should check ourselves a little bit and see if we are either going on a witch hunt or bordering on such a journey. As far as I am personally concerned, I am against our going in that direction.

I intend to support this resolution because I think that any committee we have in the House should be reasonably supported by appropriations. In my judgment it is not a proper method to deal with this matter involved to cut off appropriations. Certainly they ought to have sufficient appropriations to function properly and I expect always to support such appropriations to the best of my ability as long as the committee exists.

On the other hand, I think this Congress ought definitely to fix some kind of rules and regulations, not only for this committee, but for all committees that investigate, and to see that every person who is charged with any kind of subversive activity or with any kind of wrong doing that will cast contumely upon him or hold him up to public hatred or ridicule is in all fairness given his so-called day in court, as it were; a chance to be heard.

Gentlemen, it is not fair, it is not just, it is not American, for any of us in authority to so conduct ourselves as to not even give a criminal a fair hearing. When we start out on any program other than one of fairness and justice it may lead eventually to the destruction of my country and your country that we all love and for which I would give my life in a minute and for which I offered it once. I, for one, protest some of these unfair things that are being done in the name of patriotism. We ought to formulate some kind of rules to guide our committees. I am in favor of that. But certainly on the other hand, common fairness and common sense ought to teach us that we cannot obtain the desired result by refusing appropriations to a duly constituted committee.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. CELLER. How much has been appropriated to the Committee on Un-American Activities up to date, and what will the total amount be, taking into consideration the present appropriation of $200,000 that they are asking for?

Mr. MORRIS. I am sorry I cannot answer that question.

Mr. CELLER. Perhaps the chairman of the committee may be able to answer the question if the gentleman will be kind enough to yield to him.

Mr. MORRIS. I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. This request is for $200,000. In 1947, the committee had $100,000. Does that answer the gentleman's question?

Mr. CELLER. What is the total amount to date of all appropriations for the Committee on Un-American Activities?

Mr. LECOMPTE. In order to answer that question the gentleman knows, of course, that I would have to explain that previous to 1945 the Committee on Un-American Activities was more or less gen-

erally known as the Martin Dies committee, and was not a regular committee of the House. I can give you all of the figures by years if that is what you want, beginning from its very inception.

Mr. CELLER. I would like to have the figures roughly.

Mr. LECOMPTE. I would have to add the figures up. Previous to 1945 it was $652,000. That was before the resolution of January 1945, making the committee a regular standing committee of the House.

Mr. MORRIS. Mr. Speaker, I beg of the Members of the House to be fair with this committee and make a fair appropriation for it. But I beg that committee and all committees to be fair, whether there is any specific mandate from the Congress to that effect or not, to be fair with any and all, who are charged with any improper action, coming within the purview of that particular committee. If any of them are not, then I beg of you that we at once prepare rules that will require all committees of the House to be fair in dealing with everyone.

Mr. LECOMPTE. Mr. Speaker, I yield 4 minutes to the newest Member of the House, the gentleman from New York [Mr. ISACSON].

Mr. ISACSON. Mr. Speaker, as a new Member of this House, I am about to cast my first important record vote. It will be a vote against the proposed appropriation of $200,000 for the continuation of the activities of the House Committee on Un-American Activities.

The tenth anniversary of the committee, there are no telegrams of congratulations, no messages of good wishes, but instead there is an overwhelming avalanche of protests from prominent Americans including scientists, educators, artists, and businessmen, Americans such as Dr. Frank Aydelotte, Van Wyck Brooks, Henry Seidel Canby, Olin Downes, Albert Einstein, Dean Christian Gauss, Dean Erwin N. Griswold, Fannie Hurst, Helen Keller, Dr. Wesley Mitchell, Prof. Ernest M. Patterson, Dr. Maurice Visscher, Dean Payson S. Wild, Rabbi Stephen S. Wise, Henry Wallace, Walter Lippmann, Philip Murray, and many others, who join with the late Franklin Delano Roosevelt, Wendell Willkie, in condemning this committee.

I am certain my colleagues will be interested to know that I made the terminating of this committee and its activities one of the major issues in my campaign for this office only a few weeks ago. In that campaign I stated flatly that I believed the activities and procedures of this committee to be at variance with every concept of civil rights and repugnant to the basic belief of Americans in fair play.

As the gentleman from New York, Congressman MARCANTONIO, had demonstrated, the very existence of this committee invades the rights of all Americans under our Constitution—under the first amendment, guaranteeing freedom of speech, freedom of thought, and freedom of assembly; under the fifth amendment, which guarantees citizens against deprivation of life, liberty, or property without due process of law, and provides for certain normal judicial procedure.

It is undoubtedly for that reason that the committee in its 10 years has not proposed any legislation whatsoever.

As a matter of fact, this committee rears its collective head only when it seeks renewed appropriations. Always it manages to uncover some dastardly plot or crisis which has materialized suddenly, to give seeming urgency to this committee's work.

In January of 1939 the public was duly alarmed by the charge of the House committee that our Government was honeycombed with subversives. In February 1939, Congress granted $75,000. In January of 1940, labor was publicly declared to be honeycombed and a month later the committee got another $75,000. In November 1940 there was an alleged exposé and in February 1941, Congress surrendered $150,000. And so it has gone, in 1942, 1943, and in every year in which the committee has sought new expense appropriation.

Now in 1948 as we gather today to consider this appropriation—we are confronted with an attack by this committee on a most respected and notable American scientist, Dr. Edward U. Condon, Director of the National Bureau of Standards and one of the stanch and intensely patriotic group of scientists who guarded the secret of our Nation's development of the atomic bomb to end the war against Japan.

Dr. Condon's patriotism and devotion to his country is beyond question, beyond suspicion—his patriotism and devotion to country are attested to, indeed, after the most exhaustive inquiry and investigation by agencies legally constituted to make such inquiries.

It is no coincidence that this attack on Dr. Condon—an attack abhorred and shamed in all responsible opinion of press and science comes at this particular moment—at this moment when the House Committee on Un-American Activities seeks the most swollen appropriation it has ever ventured to ask of a Congress.

But the significance of this latest attack by the committee is even more far-reaching: I think the gentleman from Mississippi, Congressman RANKIN, let the cat out of the bag:

First. It is an attempt to get atomic-energy control out of the hands of scientists and back into the hands of the military.

Second. It is a shabby but futile political attempt to paint Henry Wallace as a sinister figure because he sponsored Mr. Condon.

Third. It is an attempt to heighten among the people of America a psychosis of hysteria, completely abandoning the Rooseveltian principle of freedom from fear.

Fourth. It is an attempt to divert the attention of the American people from the problems of housing and rent control and decent labor laws and more schools and the end of bias and bigotry and anti-Semitism and Jim Crow.

For these considerations we must vote against this appropriation.

It is ironic that this expenditure should be seriously considered by us while there are demands before the Congress for the reduction of Federal expenditures, for public housing, for educational aids to the States.

Mr. Speaker, I am convinced, in view of the considerations I have raised that we cannot now afford, we can never afford, an appropriation of $200,000, or any sum so that Congress may look under the beds of an erstwhile free America.

Mr. LECOMPTE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HOLIFIELD].

CHARACTER ASSASSINATION SHOULD NOT BE PROTECTED BY CONGRESSIONAL IMMUNITY

Mr. HOLIFIELD. Mr. Speaker, when the previous appropriation for this committee was considered I stated that I would continue to oppose future appropriations for the Committee on Un-American Activities unless it changed its methods and procedures.

The committee has not changed its procedures and continues to attack the integrity and loyalty of witnesses through newspaper headlines without giving those witnesses a chance to defend themselves against their accusers.

The technique used by the committee counsel is biased and prejudiced, and the reports which he files are full of errors and misstatements of fact. Parts of FBI reports are "carelessly" omitted which refute the conclusions sought. We have a flagrant example of this "carelessness" in the partial report on Dr. Condon, which was inserted in the RECORD of March 2. I want to comment here on the use of the word "partial." The word, in my opinion, is properly used both as to content and attitude. After using a portion of the FBI letter which seemed most favorable to the "guilt by association" motif, the committee counsel omitted a line of the letter which made a definite statement, as follows:

> There is no evidence to show that contacts between this individual and Dr. Condon were related to this individual's espionage activities.

Of course, the use of this statement would have blasted the whole tissue of suspicion, innuendo, and prejudiced assumptions and conclusions. The chairman of the committee, I understand, later apologized to the newspaper reporters for this "careless" omission by the committee counsel. But the damage had been done. The newspaper headlines throughout the Nation had carried the charges which blasted the good name of one of America's greatest physicists. This is not an isolated example of "carelessness." I have secured a special order for this afternoon. I expect to analyze this "partial" report and expose numerous errors and examples of "carelessness," bias, and assumptions based on the typical procedures of this committee. I invite those interested in truth to remain and listen to the exposure.

On July 22, 1947, I analyzed a "smear" article against Dr. Condon which was printed in the Washington Times-Herald of July 17, 1947. I also answered certain statements attributed to Chairman PARNELL THOMAS in the newspaper article and authored by the gentleman from New Jersey [Mr. THOMAS] in the American magazine of June 1947. My speech can be found in the CONGRESSIONAL RECORD of July 22, 1947.

After this article appeared in June 1947 issue of the American magazine, an article which Dr. Condon resented as an unwarranted attack on his loyalty and professional standing, he wrote a letter on July 9 to the chairman of the committee, the gentleman from New Jersey [Mr. THOMAS], asking for the privilege of appearing before the committee to defend his good name. This request was ignored, and Dr. Condon tells me that he never received even an acknowledgement from the gentleman from New Jersey [Mr. THOMAS], Mr. Stripling, or the committee clerk.

Mr. Speaker, this is the issue that I deem important; not the fate of Dr. Condon, be he innocent or guilty, but the real issue.

Shall the dignity of Congress be upheld by the exercise of fair American procedures, or shall the respect of the American people for all congressional committees be forfeited?

I say that this question should be answered today. A committee which continuously blasts the reputations of American citizens, without giving those citizens their day in court, should have its operational funds denied.

COMMITTEE PROCEDURE BILL TO PROTECT CIVIL LIBERTIES

Mr. Speaker, during the 1 minute period yesterday I secured permission to have printed in the RECORD a copy of H. R. 4641 which I introduced on December 4, 1947. The Members may find the copy printed on page 2337.

The majority of the committees of the House, as a matter of common decency observe the rules of fair play and courtesy toward their witnesses. They usually allow a witness to:

First. Make a statement in his own defense, either oral or written.

Second. They refrain from sensational news releases based on rumor, hearsay testimony, or future intentions.

Third. They do not make statements based on suspicion, innuendo, or partial presentation of alleged evidence.

The purpose of my bill is to guarantee the civil liberties of the witnesses summoned before congressional committees. It would give as a matter of right, the protection against the abuse of citizen witnesses by the occasional congressional committee, subcommittee, or committee member.

Occasionally a committee chairman or subcommittee chairman or a committee member acts so arbitrarily and in such an unfair manner that civil rights are denied. When this occurs there is widespread condemnation in the press and on the radio of Congress as a whole. If such condemnation were confined to the person or committee that violates the civil rights, it might not be so bad, but Congress as a whole is criticized and condemned and rightly so, because we are responsible for the rules of the House. We are in a public and moral sense responsible for the procedures of each committee.

Mr. Speaker, previously I secured a special order for this afternoon of 1 hour, in which time I intend to take up the case of Dr. Condon and the subcommittee's partial report, analyze it, and tell the Members of this House facts, facts which will be based upon evidence, the givers of which, are willing to come before any congressional committee and certify by affidavit.

The SPEAKER. The time of the gentleman from California has expired.

Mr. LECOMPTE. Mr. Speaker, I yield one additional minute to the gentleman from California.

Mr. HOLIFIELD. Mr. Speaker, I want to point out the fact that this man, Dr. Condon, has been pilloried before the American people now for over 8 months. He has asked for a chance to tell his story; that chance has been denied by the Committee on Un-American Activities. I hope that he is going to get that chance, but if he does not get that chance, then I will put the facts into the RECORD this afternoon to allow the Members of this House an opportunity to judge of the fairness or unfairness of the procedure with which Dr. Condon has been treated. Remember, when I do that I am not doing it to defend Dr. Condon as the man, I am doing it to defend the principle that any American who is brought before a committee of Congress or is damaged by a Member's slanderous insinuations in the press, should be given an opportunity to stand up and defend the most precious thing in life, that is his character.

The SPEAKER. The time of the gentleman from California has again expired.

Mr. LECOMPTE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I have been deeply troubled ever since I have been here by the very same situation that has troubled the gentleman from Oklahoma—the propriety of the methods and procedures of the Un-American Activities Committee.

The resolution before us necessitates a very difficult decision. I have thought it through very carefully, and have come to the conclusion that there is one way to protest these improper methods and procedures of the Un-American Activities Committee, and that is by standing against this resolution.

Mr. Speaker, there are three things that are threatening the peace and well-being of the American people. First, the onrushing tide of the police state; and I believe that I have shown by my position on foreign policy, and by supporting assistance to western Europe, Greece, Turkey, and China, that I intend to do everything an American can do to stop this onrushing tide. Second, the threat to our own constitutional democracy and to our freedoms. At some place we must hold a balance between the threat to our freedom which comes from violations of the civil rights of citizens, and the third threat to our peace and well-being—the termites who bore from within.

I believe that the Un-American Activities Committee has gone over on the balance of overriding civil liberties, in such a way that I cannot stand for what they have done and give them the money to help them to do it; that a vote against this resolution is the way before us today to register an effective protest.

I have proposed a joint House and Senate committee to look into and investigate national and international movements and to replace the Un-American Activities Committee; other Members have proposed the adoption of procedures by which the committee could deal fairly with witnesses and other citizens whom it affects. I think such a reform, at least, is urgently called for.

Mr. Speaker, as I said, this is a difficult decision, but I can see open to me now, no other way to try to bring about the needed reform than by voting against this resolution.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LECOMPTE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Speaker, I have steadfastly opposed the Un-American Activities Committee from its inception, not because I did not believe that there was room in our Government, in our House of Representatives, for such a committee, but because of its methods, and because of its one-sided investigations. I said last year, and I say again today, that when this committee really investigates un-American activities on all fronts, then I will vote for an appropriation.

This committee has not investigated the terrorism of the Ku Klux Klan in Johnston County, Ga., last week, when the Klan prohibited 400 duly registered Negroes who had paid their poll tax, from voting the next day. When it investigates that type of un-Americanism, then I will vote for it.

When this committee investigates the recent wave of police lynch murder in Mississippi, in the area of Jackson, and in the capital itself——

Mr. RANKIN. Mr. Speaker——

Mr. POWELL. Mr. Speaker, I do not yield.

Mr. RANKIN. Mr. Speaker, I demand that those words be taken down. He is accusing my State of lynch murder. I demand that the words be taken down. There is not a word of truth in that statement, and everybody familiar with the situation knows that there is no truth in it.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

When this committee investigates the recent wave of police lynch murder in Mississippi in the area of Jackson, the capital——

The SPEAKER. The Chair does not think those are unparliamentary words.

Mr. RANKIN. Mr. Speaker, I would like to be heard.

The SPEAKER. It is a matter for the Chair to determine.

Mr. RANKIN. I understand; but I would like to be heard on the matter. We have a right to be heard.

The SPEAKER. The Chair has held that the words are not unparliamentary. The gentleman from New York is merely expressing his own opinion. The gentleman from New York will proceed.

Mr. POWELL. Mr. Speaker, to continue, when such an investigation takes place I will gladly support an appropriation by this committee. Our Nation is in need of a committee at all times to stand as a watchdog safeguarding this people's democracy against un-American

activities of all types. I have voted against this committee, its contempt citations, and appropriations for two terms, and I will continue to vote against it until one-sided investigations are done away with, and the committee investigates all versions of un-Americanism in our country.

I am against any form of Red baiting, Negro hating, and anti-Semitism. That is what is real un-Americanism. Ferret out the Ku Klux Klan, the Gerald Smiths, the police lynchers, the Jew haters, and all the rats of our land, and and then I will vote for real Americanism.

Mr. LECOMPTE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Speaker, I intend voting in favor of this measure because of my belief that the committee could perform a real service to the Nation. In casting my favorable vote, however, I do so in the hope that the committee in the future will gain its publicity from jobs well done rather than shouting from housetops before jobs are even undertaken.

Mr. LECOMPTE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Speaker, if there was ever a time in the history of our country when we need a real American committee in the House of Representatives to ferret out these Communists and other subversive elements, it is now. Everyone in the administrative departments, from the President of the United States on down, is coming up here and telling this Congress, "We must combat communism." The Committee To Investigate Un-American Activities in the United States has done a constructive and patriotic job for the House of Representatives and the people of this country. Yes, some people will say, "Well, you have the FBI, you have the Secret Service, the various departments have their investigating agencies, why do you need another investigating agency?" I will tell you. The Committee on Un-American Activities is the only committee or agency of Government that can make its finding public. It is the only committee that is in a position to shed the light of truth on what is going on in this country regarding these subversive elements. Why should any real, redblooded, patriotic, true American, who has the interest of our country at heart, shudder at a committee investigation of un-American activities any more than a real law-abiding citizen should be afraid of the police department of his city? It is people who have something to hide, people who are trying to undermine and overthrow our representative form of republican government who are opposing the Un-American Activities Committee so vigorously all over the United States.

Mr. Speaker, I hope that there will be a roll call on this resolution, because with the threat of a third war facing us, with the President appearing before us and pleading with us to do everything possible to stamp out communism and prevent the spread of communism, certainly we should not be afraid to stand up here on a roll call and be counted as to whether we are for Americanism or whether we want communism to run prevalent over this country. No loyal American should shirk his duty in this hour of need. Let us stand here before the public and let it be known that we are 100 percent behind the continuation of the Committee on Un-American Activities.

Mr. LECOMPTE. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Speaker, I was a Member of this body when the Dies committee was created. I voted for the resolution at that time creating that committee. I voted for the first appropriation for this committee. However, I had to stop supporting this committee when I saw that the purpose of the committee was being abused and that it was only being used as a vehicle for publicity for certain members of the committee. I do not like the clowning and circus barkers that have become a part of this committee. I do not believe that as a Member of Congress I should be appropriating money to add to somebody's political advertisement in this body, and I refuse to do that further. If the committee had gone on with its work the way it should have, certainly I, and many others, would have supported it, because the original objectives of the committee were good. But, that purpose has not been met by the membership of this committee. It seems like the good men in this House, men who will stand up and do a good job, refuse to act on this committee. It seems to me that people who want publicity look for a position on this committee. Our Committee on Interstate and Foreign Commerce has legislative jurisdiction over the Bureau of Standards. Dr. Condon has appeared before our committee and we have inspected his department. We are agreed that he is doing a fine job. He has modernized the Bureau and it is operating efficiently and in a businesslike manner. When this Condon matter first came up, the name of Mrs. Winiewicz, the Ambassador's wife, was brought into the picture. Now, I know something about Mrs. Winiewicz. Mrs. Winiewicz is a Catholic; she is a member of Bishop Hlond's church in Warsaw, who has recently been designated a Cardinal; she is a good Christian woman and mother. She is not a Communist, she is not even a Socialist. She comes from a wealthy and highly respected family in Poland. None of her family are Communists. Mrs. Winiewicz had two children, a boy and a girl. She went through both bombings of Warsaw. She went through the terrific bombing of 1939, and she was also there during the beastly bombing of 1944, when the Germans were retreating. It was during this time that the Germans leveled Warsaw to the ground. It was the worst destruction suffered by any city in the whole history of the world. She lived through both of those terrific bombings. That would be too much for a man to take, yet this woman took this alone without her husband. Her daughter, who was 20 years of age, and a very beautiful girl—I saw her picture—was killed in the bombing of Warsaw.

When Mrs. Winiewicz came to this country I met her. She was the most pathetic figure, shaken and nervous. There were tears in the eyes of all of those present who heard her story. Any individual who had gone through anything like that you could understand that they must have lived through hell. Our own boys who went through the war and through the bombings today are lying in hospitals with shattered nerves. Dr. Condon made a visit to the Polish Embassy and met and talked with Mrs. Winiewicz. So did I. What is wrong about it? The charge that is made is the most unfair charge anyone could level against any man. Is this committee going to assume the power to tell me or any American whom we can see or to whom we may speak?

The press release issued by this committee stated that someone attached to the Polish Government had made a request for 270 pamphlets regarding nuclear energy. I checked into that. I am advised there are not 270 pamphlets available from the Department of Commerce, there are only 27 of these pamphlets that are available to anyone. You can get them in the Congressional Library. They have to do with nuclear physics, and the information is not secretive. The man who made the request is a doctor with 20 years of experience as a scientist, who is interested in nuclear physics. He made the request the same as any other scientist would make it.

Why did they issue such a statement to the press and say someone was trying to get secret information and made a request for 270 secret documents? They were not secret and there were not 270 of them. They are open documents that are made available by the Department of Commerce.

It definitely seems to me that before a member or a clerk of this committee make such statements to the press the Speaker of the House should decide first whether or not they should be permitted to do so. They have shown that they are reckless and irresponsible. They have no respect for men's characters or reputations. They have brought disgrace and discredit to this Congress. This $200,000 appropriation should be awarded to Dr. Condon as damages for the harm and evil committed against his name, character, and standing in his profession.

Certainly we should appropriate no more money for character assassination.

The press of the Nation, every respectable editor has raised his pen in protest against these unethical tactics practiced by a couple of men on this committee. Here are some editorials taken from the local press:

[From the Washington News]

A JOB FOR FIRST-RATE MEN

The House of Representatives soon will be asked to vote its Committee on Un-American Activities a 1948 appropriation of $200,000—double the amount provided last year.

Before granting this request, we believe, the House should act decisively to strengthen and improve the committee.

Investigation of un-American activities is a proper and essential function of Congress, more so now than ever before. The task is

one of great difficulty. It calls for the services of first-rate men; men of wisdom, fairness, and sound judgment; men soberly interested in finding facts rather than in creating sensations and obtaining personal publicity.

Too few such men have served as Members of the House Committee on Un-American Activities. For that reason, the committee has not commanded the high degree of public confidence it needs and often has laid itself open to damaging criticism.

Most recent case in point is that of Dr. Edward U. Condon, scientist and Director of the Government's Bureau of Standards. He was accused this week, in a report made public by the committee's chief investigator, of being "one of the weakest links in our atomic security." The report actually was that of a three-member subcommittee and had not yet been considered by the full committee.

If Dr. Condon is a loyal and discreet public servant, this charge obviously has done him unjust and irreparable injury. The charge, it seems to us, was based on incomplete investigation and partial evidence—for example, on one sentence lifted from its context in a letter written by FBI Director J. Edgar Hoover. Little or no effort apparently was made to get the full facts, or to give Dr. Condon an opportunity to defend himself before being publicly accused.

Both Dr. Condon and the American people clearly are entitled to a thorough investigation which will bring out the complete truth and determine whether he is or is not a trustworthy guardian of atomic information. But, just as clearly, the Committee on Un-American Activities disqualified itself to conduct such an investigation when some of its members prejudged the case without getting all the evidence.

The remedy is not, as Communists and others say, to abolish the committee. The remedy is to renovate the committee, raise the caliber of its membership, and make it more effective.

[From the Washington Evening Star]

THE CONDON CASE

At this stage of the controversy over the criticism which has been made of Dr. Edward U. Condon, Director of the Bureau of Standards, one should be wary of leaping to conclusions. There are at least three conclusions, however, which seem clearly indicated and which can safely be drawn.

One is that there should be a full public investigation of the accusations against Dr. Condon.

This is essential because of the importance of the position held by Dr. Condon and because the published evidence against him, while one-sided and highly inconclusive, is still enough, standing alone to raise doubt as to the wisdom of retaining him in a key position affecting our national security.

The second conclusion is that this public investigation should be conducted by the Joint Congressional Committee on Atomic Energy, and not by the House Committee on Un-American Activities or any subcommittee of the latter group.

The House group should step out of the picture because its subcommittee has handled the Condon case in such a way as to destroy confidence in any findings it might make, even after a public hearing. The essential facts supporting this contention are that the subcommittee on March 1 published its blast against Dr. Condon without giving him any opportunity to be heard in self-defense, that the subcommittee's report did not disclose that the Department of Commerce Loyalty Board had exonerated Dr. Condon of disloyalty, and that, by omitting a significant sentence, the subcommittee statement gave an inaccurate picture of an FBI report on Dr. Condon. A further reason is that the Atomic Energy Committee is the congressional agency most directly concerned with atomic energy, and should therefore take jurisdiction of this important matter.

The third conclusion is that the Department of Commerce has acted properly in refusing to make its confidential file on the Condon loyalty investigation available to the House Committee.

This refusal is justified on the same ground as the refusal to turn this information over to persons accused of disloyalty—namely, that the life of the loyalty program depends upon keeping secret the identity of individuals and other sources of information drawn on by the loyalty boards. When one considers some of the irresponsible performances of the House Committee on Un-American Activities it would be unwise, not to say downright foolish, to suppose that confidential loyalty information, once in its possession, would long remain secret.

As for other conclusions, especially any conclusion as to the loyalty or discretion of Dr. Condon, judgment should be suspended until after the public hearing has been held.

[From the Washington Post]

DEFAMING CHARACTER

The irresponsibility of the House Committee on Un-American Activities is illustrated anew in the extravagant charges made against Dr. Edward U. Condon, director of the National Bureau of Standards. It is worth examining these charges in some detail and with dispassionate detachment for the sake of the insight they afford into the committee's morals and tactics. The Condon case offers abundant proof, we think, that the Committee on Un-American Activities has become an embarrassing liability to Congress, a threat to the rights of citizens who are its victims and actually a handicap to the maintenance of effective security in the sensitive agencies of the Federal Government.

Let us look first at the way—the typical way—in which the charges against Dr. Condon were made. They emanated from a contrivedly theatrical subcommittee meeting held by the side of the chairman's hospital sickbed and were released without even taking time to refer them to the committee as a whole. The justification offered for this haste was urgency—although there was nothing in these charges that the chairman did not divulge at least by innuendo last summer. They were made in such haste, indeed, that the committee never found time even to question Dr. Condon himself, although he had long ago requested a chance to appear before it.

Now let us turn to the nature of the charges. They were sensational in the extreme—sensational and so vague as to be virtually meaningless. They implied, without directly asserting, that Dr. Condon was engaged in espionage activities, that he constituted a menace to the security of the Nation's atomic secrets. Then, after having stated the case with such extravagance and having done irreparable injury to Dr. Condon's reputation, the subcommittee retreated from its original position and declared it was accusing the scientist of nothing more than indiscretion in some of his personal associations.

And what of the basis for these charges? Well, they were based principally upon a letter from J. Edgar Hoover to W. Averell Harriman which declares that Dr. Condon was in contact with "an individual alleged, by a self-confessed Soviet espionage agent, to have engaged in espionage activities with the Russians in Washington, D. C., from 1941 to 1944." Rather, it is based on part of this letter. For Representative THOMAS, the subcommittee chairman, has now acknowledged that his report neglected—inadvertently, he says—to include a sentence from the Hoover letter asserting Dr. Condon's contact with the alleged spy constituted no evidence of disloyalty whatever.

So far as Dr. Condon's discretion as distinct from his loyalty is concerned, this is clearly not within the jurisdiction of the House Committee on Un-American Activities. It is in the jurisdiction of the Secretary of Commerce. Secretary Harriman appears to be satisfied with the director of his Bureau of Standards, and the American public can have confidence, we think, that the former Ambassador to Russia is quite as alert to the dangers of indiscretion as Mr. THOMAS.

Secretary Harriman has satisfied himself, too, as to Dr. Condon's loyalty. For Dr. Condon himself asked the Secretary to have an exhaustive investigation made of his character and conduct. The result of that investigation was a unanimous report by the Commerce Department Loyalty Board that "no reasonable grounds exist for believing that Dr. Condon is disloyal to the Government of the United States." This report, it seems to us, is the definite answer to the Thomas committee's demand for Dr. Condon's immediate dismissal or an explanation of why he is being retained. The explanation is altogether clear. What is still to be explained—what Congress owes it to the American people to explain without delay—is why it permits a committee acting in its name so meanly and groundlessly to defame an American citizen.

[From the Washington Evening Star]

ON THE OTHER HAND—HOW THOMAS COMMITTEE HAMPERS OUR COUNTRY'S PREPARATION FOR WAR

(By Lowell Mellett)

The case of Dr. Edward U. Condon, now under attack of the House Un-American Activities Committee, and its irresponsible chairman, may have a salutary effect on Congress. It may bring the Members to see what their own timidity is costing the country.

Year after year, since the days of Martin Dies, the House has voted appropriations to enable this committee to carry on its reckless operations. Many Members have protested privately and some have protested publicly but on the show-down only a minority has ever voted to cut it off or curtail it. The reason is simple: Fear of being charged with or suspected of un-American sympathies or activities.

So the timid Congress Members have allowed the committee to have its way and its way has become dizzier and dizzier. Now, it may be, we are about to see the pay-off.

CONSCIOUS OF WAR THREAT

The Congress Members are conscious of the threat of another great war, more conscious perhaps than average citizens. They want this country to be prepared. Most of all, they want it to be prepared in the field of science, having in mind the atomic bomb and other wonders of the last war. A majority of them, judged by their resistance to universal military training, believe the day of the foot soldier has passed and that the next war will be won with mysterious new weapons they don't even hope to understand. All effort, they feel, should be expended to make certain that our country shall not be behind any other country in the development of such weapons. Research has become a magic word.

Which is where the case of Dr. Condon comes in. The director of the United States Bureau of Standards, one of the world's great scientific institutions has, by the very nature of his job, an important place in this program of war preparation. He should be above suspicion, and he was until last Monday. He had an excellent record of service in education, industry, and government. The Un-American Activities Committee undertook to dispose of that in one of its typical blasts, designed to smother Dr. Condon in a cloud of suspicion.

The committee may be able to prove that Dr. Condon is a disloyal and dangerous citizen. Thus far it has proved nothing. It

has only damaged his reputation and caused him to wonder why he ever accepted a Government appointment.

BEST BRAINS WANTED

The Government, including Congress, wants the best of America's scientific brains applied to research and technical advance. Men with brains of that kind are apt to be shy of publicity. They haven't the hides of professional politicians. Criticism hurts. They prefer to be left alone in their laboratories and not dragged out on the muddy playing field of politics.

Dr. Hutchins, of the University of Chicago, understands this. Recently he announced that he would not recommend Government work to any student or faculty member. Other university presidents, less outspoken than Dr. Hutchins, are known to share his view.

Where, then, are we to find the brains we need? Well, we have brought 200 over from Germany, some of the same men who helped develop V–2 rockets and jet planes for Hitler. Senator HARRY BYRD tells all about it in the current American magazine. These Germans work on aerodynamics, thermodynamics, supersonics, ballistics, ram jets, rocket fuels, bomb-sights, guided missiles, and so forth. The Senator intimates, however, that they do not work on projects where our progress is already more advanced than the German, especially in the development of atomic energy.

What we are doing the Russians are doing. They also are using German scientists.

All this seems to assure is that, come the war, we will be just as good as the Russians. Just as good may not be good enough. If Congress decides it is not, Congress may at last summon up the courage to muzzle its mad-dog committee.

[From the Washington Evening Star]

WASHINGTON CALLING

(By Marquis Childs)

SMEAR AGAINST CONDON

The current loyalty witch hunt is shown in its shabbiest and meanest form in the attack on Dr. Edward U. Condon by the House Un-American Activities Committee. The committee's report is about as un-American as anything could be.

It relies almost on guilt by association. Because Dr. Condon, head of the National Bureau of Standards, talked to the wife of the Polish Ambassador and to two or three attaché of Soviet and satellite embassies, the committee demands his discharge.

"It is known," said a letter quoted by the committee and purportedly from the FBI, "that in February 1947, Zlotowski (an attaché in the Polish Embassy) purchased 270 books on atomic energy which had been published by the Department of Commerce."

The childishness of this would be funny if it were not so tragic. Repeatedly scientists have said that with publication of the Smyth report on atomic fission 7 days after the first atomic bomb was dropped on Hiroshima, the essential "secret" of atomic energy was released to the world. That report was published on the specific authorization of Lieut. Gen. Leslie R. Groves. Most recently Chancelor Robert Hutchins, of the University of Chicago, in an article in the American Magazine said after the Smyth report even a set of bomb-making blueprints would be a little additional help.

The Smyth report has been on sale in every book store for 2 years. So much for the childish assumption that there is a secret which an American scientist could hand to a foreign scientist.

In connection with Dr. Condon's personal loyalty, some background is revealing. His record was carefully and thoroughly examined by the Loyalty Board created in the Department of Commerce under President Truman's Executive order on the loyalty of Government employees.

Chairman of that three-man Board was Adrian S. Fisher, who was the then Solicitor of the Commerce Department. The Board had all the material available to the House committee, including the FBI reports on his and his wife's associates.

But unlike the House committee, which never once gave Condon a chance to answer the vague accusations made against him, the Board let him appear in his own behalf. Condon presented evidence bearing on his background and on the associations held against him.

That was last September. After detailed consideration of all the evidence, the Board found no question concerning Dr. Condon's loyalty.

This meant that they found he was not in thrall to any alien ideology or any foreign power. In other words he is an American with a belief in the basic principles of the American Government.

The Board found in the course of its inquiry that Dr. Condon is a thoroughgoing maverick. That is to say he believes in speaking his mind, even though the opinion he expresses may not be popular or in accord with the view of the majority at the moment. Often he has spoken bluntly with what many would consider indiscretion in a time of insecurity and hysteria such as the present—not about scientific matters but about his political beliefs which are certainly not those of Representative J. PARNELL THOMAS of the Un-American Committee. His wife has also spoken freely and sometimes, by current interpretation, indiscreetly.

This raises a pretty basic question. Is an American citizen, whether in Government or not, to be denied the right to any views other than those of the most narrow orthodoxy? To answer yes is to go against the broadest and deepest tradition of American freedom.

A postcript on the Commerce Department loyalty check is significant. Fisher, chairman of the board, was brought into the Department to be Solicitor by the present Secretary, W. Averell Harriman. A week ago Fisher resigned that post to become general counsel of the Atomic Energy Commission. Approval for the latter position implies a most searching FBI examination which is a further assurance of the validity of the report clearing Condon, which was prepared by Fisher.

To fair-minded Americans it will seem clear that Condon is being persecuted because he was appointed head of the Bureau of Standards by Henry Wallace when Wallace was Secretary of Commerce. A second reason is the smear campaign conducted against him in a small section of the press.

The FBI report leans on the word of a "self-confessed Soviet espionage agent." This is a dubious source since self-confessions seem to be a sure way to gain acceptance. To make such vague and tenuous accusations without giving the victim a chance to state his own case is to make ourselves into the image of the enemy we profess to despise.

Mr. RANKIN. Mr. Speaker, will the gentleman yield for a question?

Mr. LECOMPTE. I yield.

Mr. RANKIN. I just wanted to ask if the gentleman knew that this Condon case has been up ever since last June, and that as far as I know the Committee on Un-American Activities never had anything to do with it until within the last few days?

Our committee did not originate this investigation.

Mr. LECOMPTE. I presume that is correct.

Mr. RANKIN. The statement the gentleman from Michigan [Mr. SADOWSKI] referred to was made by the FBI.

We are simply asking that the FBI's letter be furnished to the committee, so that Members of Congress may learn what has been going on relative to the secrets of the atomic bomb. I do not see how any patriotic American can object to Congress having that information.

Mr. LECOMPTE. Mr. Speaker, the Dies committee, during its existence, had $625,000 altogether. Since the adoption of the resolution on January 3, 1945, there has been $225,000 additional provided, which makes $850,000. When this resolution is passed, over the whole period of the existence of this committee they will have had only slightly more than $1,000,000.

Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from California.

Mr. HOLIFIELD. May I ask the chairman of this committee if this committee has brought any legislation to the floor of the House during that period of 9 years?

Mr. FOLGER. Mr. Speaker, this is my last year in the Congress, by my own volition. I have been here since the middle of 1941. Having appraised the manner of the operations of what was known as the Dies committee, I opposed it from the first to the last. Its methods have not improved. I am standing here today speaking because of my devotion to the House of Representatives of the United States. I have no personal interest and have had none in the investigations that have been made as to any man living, but I am convinced that the manner of the operation and the methods pursued by this committee have consistently been contrary to our American form of government and our institutions. In my opinion, these operations have not accorded the men charged the rights that the Constitution provides—that no man shall be disseized of his property and other rights except by due process of law. I believe that we as a House of Representatives stand in a dangerous position in the opinion of the people of the United States. I call the attention of the Members of the House to an editorial appearing in the Washington Post of this morning, respectfully and humbly suggesting a set of rules for the conduct of the activities of the Committee on Un-American Activities in order to bring the House to the enjoyment of a sense of security among all the American people. Such rules are in order, for the protection of those to be investigated and the Congress. I cannot vote for this appropriation.

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CHADWICK. Mr. Speaker, in the light of the criticisms directed against

our Committee on Un-American Activities, I think it desirable to make part of our RECORD, at this point, a portion of certain remarks I made before that committee some weeks ago.

That statement was entirely spontaneous and unsolicited; it represents my sober appraisal of the committee's responsibilities and possibilities. It was as follows:

Mr. Chairman and gentlemen, I had no thought when I entered the room that I would be moved to asked you to take any statement from me, because I had no thought that I could add anything particularly to the consideration of these matters that you have given.

In part, I sought this opportunity, therefore, to commend, not as a Congressman but as an American citizen and as a lawyer, what I have observed of the activities of this committee.

Before I came to the Congress, I was fully convinced and much disturbed about the importance of this problem. I have the feeling that it is almost first in order of priority of our national problems; at least, it is not far down in the scale.

I have taken occasion in my district to explain to a very liberal and forward-looking group of constituents that I had no patience with the criticism of this committee in its activities, notably in the investigation of the witnesses from Hollywood.

Incidentally, I find that when that view was presented to groups of that sort, it is received respectfully and progress can be made in clearing up the public misunderstanding that had been aroused by the extraordinary newspaper and radio reports of those proceedings.

I remember in the last session of the Congress having mentioned to one of your colleagues, who honored me with a discussion of the possibility of legislative procedures, that I feared that they were beyond the reach of the legislative authority, and that nothing but a constitutional amendment could give us real implementation for the very necessary defense of our institutions.

The reason I have not introduced such an amendment in the House, is because I did not propose to be the first American to have my name associated with the idea that the splendid genius of the American democracy would have to abandon so important a sector of its forward-looking program under outside attack. That, however, does not change my view that that conclusion would be reached, and that somebody else would some day introduce the amendment which I believe will have to become the law of the land.

At every opportunity, particularly in those groups which are either themselves young or who contact the youth of America, I try to persuade them that we must build a public opinion on this subject which will have some of the validity and some of the emphasis and some of the energy of the devotion to liberty which marked the beginnings of our Nation, and I phrase it this way: That the greatest adventure of the human race is still, as it was in the days of Valley Forge, the adventure of democracy; and that properly presented to our young people, it will be as appealing to them now as it was then, and as it always has been; but I think that appeal is not being made. The threat that is inherent in conspiratorial communism is not understood either by the youth of our country or our mature people.

I believe that the impression is still at large that this is some kind of a witch hunt. Now, it is true that if anybody had told me 7 years ago that I would fear, have a deadly fear, of the enlargement of communism, I would not have believed it.

I have observed communism in all the years since we saw it explode in Russia, I know something about it, I know some Communists, I know something about the measures that are taken to oppose Communists, and I did not fear it in America because I believed that we had a prophylactic here which would correct it. I no longer entertain that view. I know that we can develop a prophylactic, but I do not think we have it.

I wish that someone would raise his voice in America, the voice of real leadership, to make real and emphatic this threat and to remind our people that something more is necessary even than legislation emanating from the Congress, after the deliberations of your committee, that this responsibility belongs to the people at home, just where it always has belonged. America has been defended at its grass roots. In the past it was defended in its institutions of learning. It was defended in its churches, and democracy was a shibboleth.

Now, it tends to become uninteresting. We have assumed it to be like the air we breathe. When I was a boy and a young man, no one ever doubted democracy. We knew there were kings and we knew there were autocracies, but we believed they were just vestiges of a past world. Democracy was the answer.

We know that is not true any more. Democracy may be the answer, but it is attacked by an ideology which is, at least, dangerous, and presently more active than the ideology which is ours.

Therefore, I chose this occasion on an impulse in order that I might have in the records of this committee a statement of my personal views on this subject. I want to know that somewhere in the records of America I have had the privilege of making this statement to your committee as an appraisal by an experienced, I think I may say, a conservative lawyer, and I hope, a very devoted American.

Thank you very much.

Mr. BLATNIK. Mr. Speaker, I rise to urge that this further appropriation of $200,000 for the House Committee on Un-American Activities be denied. I shall vote against this appropriation, and I hope that I may be given the opportunity some day to vote for termination of this committee, whose practices have been condemned from all sides as being contrary to the provisions of the Constitution of the United States. The activities of this committee has tended to make Congress a laughing-stock among students of Government everywhere, and to undermine the prestige of this distinguished body.

The amount of the appropriation requested is larger than any sum ever granted to a single committee by this House. This enormous expenditure cannot be justified on the basis of past accomplishments of the committee—neither has any effort been made to show a need for this amount during the next year. This bill—House Resolution 484—was introduced on February 26, but apparently no hearings were ever held on the proposal. Now this privileged resolution is being brought to the floor under a rule which gives opponents of the measure little time to express their opposition. In other words, the Members of the House are expected to approve an appropriation of which they have no knowledge.

I also condemn the practice of the committee in deliberately creating an atmosphere of hysteria and emotionalism to obtain ever-larger appropriations from the House. It has been the custom of the committee, whenever its funds run low, to release sensational charges against some public figure. The identity of the victim does not matter—you will recall that even Shirley Temple was slandered during the chairmanship of Martin Dies. During the last week one of the outstanding scientists in the Government service has been smeared in the front pages of daily newspapers by the Committee on Un-American Activities. This man is Dr. Edward U. Condon, whose record as a loyal and faithful public servant has been established to the satisfaction of every American. His contributions to scientific thought, and his distinguished service as head of the Bureau of Standards, have earned him the thanks of the American people.

But the committee has singled this man out for attack. I believe that it is no accident that an outstanding scientist was the object of this attack, just as the timing of these charges with the request for more funds is no coincidence. Scientists, who know better than anyone else the destructive forces which might be let loose by another war, sometimes feel it their duty to speak their minds. The Committee on Un-American Activities has taken it upon itself to guard the American people from such uncensored statements from men whose opinions might command respect. The committee aspires to become a thought-police agency to silence the voices of such men.

The scientists and the educators, like the majority of the American people, want peace. Some of them want to speak for peace, and for the implementation of the United Nations. They seek, not to give away atomic secrets which anyone may read in the Smyth report, but to remind us that we are going down the road to war. If the scientists and students can be intimidated into silence, the objectives of this attack upon Dr. Condon will have been accomplished.

In conclusion, I oppose this request for funds for two reasons. In the first place, the committee has presented no facts to justify this expenditure, and I refuse to vote a blank-check to any committee on the basis of a few sensational newspaper headlines. In the second place, the past activities of the committee, and its recent irresponsible attack upon Dr. Condon, has completely dissipated my confidence in the committee itself, and given me serious doubts whether these funds will be expended for any worth-while purpose.

Mr. COMBS. Mr. Speaker, I do not desire to make any extended remarks. I simply want to state my position in regard to the pending resolution which is to appropriate money for the Committee on Un-American Activities.

I would call attention to the fact that the Committee on Un-American Activities is a permanent committee of the House. The original Committee on Un-American Activities was not a regular committee of the House but was a special or select committee, established at the beginning of each session of Congress. But in the opening session of the Seventy-ninth Congress all that was changed and the committee was made a permanent committee. I voted against making it a permanent committee as the record will show. But now it is a permanent committee of the House and

occupies the same status as that of any other regular committee. And precisely because that is so, the question which confronts us here is not whether we approve of the methods and procedures followed by the committee in conducting its investigations. If the House wants to revise those, it can do so by appropriate measures. The question here is simply one of making an appropriation for that committee. To my way of thinking, for this House to set up a permanent committee, then to deny it the funds it needs for its operation, would be wholly inconsistent. I shall, therefore, vote for the resolution.

Mr. MADDEN. Mr. Speaker, the resolution under consideration, requesting a $200,000 authorization for the Committee on Un-American Activities, if passed, will make a grand total of around $800,000 which this committee has expended in the last 9 years.

I think the great majority of the Members who have been voting for the continuation of this committee fully realize that its methods of procedure are unorthodox and in violation of the very spirit of our Constitution. I do not believe Congress originally intended that the functions of this committee were to indiscriminately charge citizens with being subversive and un-American without giving them every opportunity to present their defense in open hearing before their names would be publicized in every newspaper in the country.

I distinctly remember, when I first came to Congress, I heard Congressman Martin Dies, the then chairman of this committee, openly charge on the floor of this House that over eleven hundred governmental employees were either Communists or Communist-fellow-travelers. The then chairman of this committee mentioned the names of a considerable number of American citizens whom he charged with being subversive. The names were immediately publicized in all newspapers and on the radio air waves as being Communist-fellow-travelers without giving them the American right to present evidence to the contrary. Chairman Dies' statement was so explosive and incriminating not only against these individuals but also the national administration that the Congress saw fit to establish what was known as the Kerr committee to investigate these charges of the Un-American Activities Committee. This committee was headed by Congressman KERR, of North Carolina, and its membership was selected from outstanding Members of this House. After several months of open hearings and investigation the Kerr committee recommended that but three employees of the so-called eleven hundred which Chairman Dies accused be severed from the Federal pay roll.

The inflammatory and unwarranted charges made by Chairman Dies at that time, in order to get an appropriation to carry the Un-American Activities Committee for another year, caused me to lose all confidence in the purposes and operations of this committee.

The newspapers, during the last few days, have been carrying headlines regarding Dr. Edward U. Condon, one of the outstanding scientists of the Nation, as being suspected of "un-American" sympathies or activities. I understand that innuendos and aspersions have been cast against Dr. Condon over the last 8 months. During this time, he has been clamoring for an opportunity to appear before this committee in his own defense, but to date he has been unable to secure a hearing.

A great number of other incidents could be narrated where individuals and citizens have been indiscriminately smeared and accused by members of subcommittees or the Un-American Activities Committee. During the past 10 years of this committee's existence, numerous cases and incidents could be cited of citizens whose characters have been smeared and reputations ruined through unwarranted and unfair insinuations and aspersions concerning their liberal thoughts or associations.

I think the time is ripe for the House of Representatives to draw up a set of rules and procedures for a committee of this type to come under some kind of orderly supervision. The Government already has departments to supervise and control disloyal and subversive elements. The Federal Bureau of Investigation under J. Edgar Hoover, the President's Loyalty Board, the Attorney General's Office, and the Atomic Energy Commission are all arms of our Government which can adequately bring to justice disloyal persons and subversive elements within our borders.

If the leadership of this Congress cooperates in setting up rigid rules of procedure and a method of presenting evidence in a legal and just manner, I would be glad to vote for the appropriation of money to a House Un-American Activities Committee.

I agree that our Government should use every legal method possible to control and curtail subversive elements within our country, but we should rigidly guard against violating the provisions of our Constitution in so doing.

Judging from the past actions and procedures adhered to by individuals, subcommittees, and the Un-American Activities Committee generally, I cannot vote for the pending resolution.

Mr. MULTER. Mr. Speaker, during the 9 years that the Committee on Un-American Activities and its predecessor have been in existence not a single piece of legislation has been proposed by either committee. Congressional committees are intended to conduct investigations and hearings to the ultimate end that appropriate legislation may be submitted to Congress for action. I am convinced that this committee is not conducting hearings with that in view.

I am sure the Congress would never authorize a committee to conduct investigations solely for the purpose of exposing to public scorn those with whom it disagrees. If I am wrong in that assumption the Congress should authorize such action by direct legislation and not by indirection.

Despite the fact that Members of Congress, regardless of their political affiliations, have repeatedly pointed out the violations of American tradition by the un-American manner in which this committee is conducting its hearings, the committee has in no instance indicated any intent to revise its procedure.

It apparently has no intention of stopping the practice of pillorying persons intended to be investigated, even before they are investigated, nor does it seem to have any intention of giving persons it intends to accuse, the right to be heard in self-defense.

I will support any movement that will attempt to expose totalitarianism, by whatever name. At the present time, I am convinced that this committee's activities can only serve to strengthen rather than to destroy the forces of communism in this country. I accordingly will vote against this resolution.

Mr. CARROLL. Mr. Speaker, I have been following the debate on this resolution with extreme interest and attention. Admitting the sincerity of those who have presented conflicting viewpoints, I do not agree with much that has been said. For example, I do not concur in the views expressed by the gentleman from New York [Mr. MARCANTONIO]. His opinion is that the resolution creating this committee and the activities of this committee under that resolution are unconstitutional. I do not concur in this viewpoint. In my opinion, a constitutional democracy has the right to investigate and to expose any subversive element which threatens the very existence of that constitutional democracy. Therefore, the resolution which created the committee was constitutional in its inception. In a recent case, the Supreme Court refused to consider the constitutional points raised here in debate by the gentleman from New York.

I believe that the Supreme Court of the United States will uphold the power of Congress to create such a committee within the terms of the present resolution. However, it is also my opinion that as and when the manner in which this committee has conducted itself is properly presented to the court, the powers of the committee will not only be limited but the committee will be condemned for the method in which it has carried on its investigations.

My opposition to the appropriation today, therefore, is not directed to the purpose for which the committee was created but as an expression of my strong disapproval of the manner in which it has attempted to carry out its mission.

In this great democracy Americans demand that every investigation be based upon the principle of decency, justice, and fair play. This is particularly true of congressional investigations where witnesses are not charged with the commission of a crime but can very easily suffer the loss of that which is most precious to them—their honor and reputation. Time after time we have witnessed, through the radio and newspapers, the assassination of character of prominent men in the Nation who have been summoned to testify before this committee. In nearly every case the witness has not had an opportunity to either cross-examine his accuser or present his defense. No citizen in public or private life is safe if such procedure is permitted to continue.

This is not the first time that this intolerable situation has been called to the

attention of the Committee on Un-American Activities, and yet there has been no change in its procedure with reference to the examination of American citizens. Therefore, I shall vote against this appropriation and will vote against the committee itself until such time as the members of that committee or this branch of the Congress establishes a code of fair procedure, safeguarding not only the rights of those who are called upon to testify before the committee but safeguarding the integrity of this branch of the Congress.

My sole aim is to reinforce the faith and confidence of the people in government. One of the ways in which this can be done is to make congressional investigation committees more useful; but never permitting their use as a dangerous instrument of democracy.

In this body we have many capable lawyers who, within a very short time, could establish such a code of fair procedure. This code would be extremely helpful to members of congressional investigation committees, many of whom are not lawyers and know nothing about the rules of procedure nor, may I add, very much about due process of law. In addition it would provide the press, radio, and the public with a yardstick in order that they could measure the performance of every congressional investigating committee.

It is best summed up in an editorial appearing today—Tuesday, March 9, 1948 in the Washington Post:

That is the democratic way. We do not see how a Congress that has provided a code of procedure for administrative agencies can longer resist the enactment of a code designed to assure fairness on the part of its own investigators.

Mr. Speaker, until such time as the Committee on Un-American Activities conducts its investigations in the democratic way, it will not have my support.

Mr. LECOMPTE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 189, noes 29.

Mr. MARCANTONIO. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 337, nays 37, not voting 57, as follows:

[Roll No. 21]

YEAS—337

Abernethy	Beall	Buffett
Albert	Beckworth	Bulwinkle
Allen, Calif.	Bender	Burke
Allen, Ill.	Bennett, Mich.	Burleson
Allen, La.	Bennett, Mo.	Busbey
Almond	Bishop	Butler
Andersen, H. Carl	Blackney	Byrnes, Wis.
Anderson, Calif.	Bland	Camp
Andresen, August H.	Boggs, Del.	Canfield
Andrews, Ala.	Boggs, La.	Cannon
Angell	Bolton	Carson
Arends	Boykin	Case, N. J.
Arnold	Bradley	Case, S. Dak.
Auchincloss	Bramblett	Chadwick
Bakewell	Brehm	Chapman
Banta	Brooks	Chelf
Barrett	Brophy	Chenoweth
Bates, Ky.	Brown, Ga.	Chiperfield
Bates, Mass.	Brown, Ohio	Church
Battle	Bryson	Clason
	Buck	Clevenger
	Buckley	Coffin
Cole, Kans.	Horan	Plumley
Cole, Mo.	Hull	Poage
Cole, N. Y.	Jackson, Calif.	Potter
Colmer	Jarman	Potts
Combs	Jenison	Poulson
Cooper	Jennings	Preston
Corbett	Jensen	Price, Fla.
Cotton	Johnson, Calif.	Priest
Coudert	Johnson, Ill.	Ramey
Courtney	Johnson, Ind.	Rankin
Cox	Johnson, Okla.	Rayburn
Cravens	Johnson, Tex.	Redden
Crawford	Jones, Ala.	Reed, Ill.
Crow	Jones, N. C.	Reed, N. Y.
Cunningham	Jones, Wash.	Rees
Curtis	Jonkman	Reeves
Dague	Judd	Regan
Davis, Ga.	Kean	Rich
Davis, Tenn.	Kearney	Richards
Davis, Wis.	Kearns	Riehlman
Dawson, Utah	Keating	Riley
Deane	Keefe	Rivers
Devitt	Kennedy	Rizley
D'Ewart	Keogh	Robertson
Dolliver	Kersten, Wis.	Rockwell
Dondero	Kilburn	Rogers, Fla.
Donohue	Kilday	Rogers, Mass.
Dorn	Knutson	Rohrbough
Doughton	Kunkel	Ross
Durham	Landis	Russell
Eaton	Lane	Sanborn
Elliott	Lanham	Sarbacher
Ellis	Larcade	Sasscer
Ellsworth	Latham	Schwabe, Mo.
Elsaesser	Lee	Schwabe, Okla.
Elston	LeCompte	Scott, Hardie
Engel, Mich.	LeFevre	Scrivner
Engle, Calif.	Lemke	Seely-Brown
Evins	Lewis	Shafer
Fallon	Litchtenwalter	Short
Feighan	Lodge	Sikes
Fellows	Lucas	Simpson, Ill.
Fisher	Lusk	Simpson, Pa.
Flannagan	Lyle	Smathers
Fletcher	Lynch	Smith, Kans.
Foote	McCormack	Smith, Maine
Fuller	McCulloch	Smith, Ohio
Fulton	McDonough	Smith, Va.
Gallagher	McGarvey	Smith, Wis.
Gamble	McGregor	Snyder
Garmatz	McMillan, S. C.	Spence
Gary	McMillen, Ill.	Stanley
Gathings	Mack	Stefan
Gavin	MacKinnon	Stevenson
Gearhart	Macy	Stigler
Gillette	Mahon	Stockman
Gillie	Maloney	Stratton
Goff	Martin, Iowa	Sundstrom
Goodwin	Mason	Taber
Gore	Mathews	Talle
Gorski	Meade, Ky.	Teague
Gossett	Meade, Md.	Thomas, Tex.
Graham	Meyer	Thompson
Grant, Ala.	Michener	Tibbott
Grant, Ind.	Miller, Conn.	Tollefson
Gregory	Miller, Md.	Towe
Griffiths	Miller, Nebr.	Trimble
Gross	Mills	Twyman
Gwinn, N. Y.	Mitchell	Vail
Gwynne, Iowa	Monroney	Van Zandt
Hagen	Morris	Vinson
Hale	Morton	Vorys
Hall, Leonard W.	Muhlenberg	Vursell
Halleck	Mundt	Wadsworth
Hand	Murray, Tenn.	Walter
Hardy	Nicholson	Weichel
Harness, Ind.	Nixon	Welch
Harris	Norblad	Wheeler
Harrison	Norrell	Whitten
Hart	O'Brien	Whittington
Harvey	O'Hara	Wigglesworth
Hedrick	O'Konski	Williams
Hendricks	Pace	Wilson, Tex.
Herter	Passman	Winstead
Heselton	Patman	Wolcott
Hess	Patterson	Wolverton
Hobbs	Peden	Woodruff
Hoeven	Peterscn	Worley
Hoffman	Philbin	Youngblood
Holmes	Phillips, Tenn.	Zimmerman
Hope	Pickett	
	Ploeser	

NAYS—37

Blatnik	Granger	Madden
Bloom	Harless, Ariz.	Mansfield
Buchanan	Havenner	Marcantonio
Carroll	Holifield	Miller, Calif.
Celler	Huber	Morgan
Crosser	Isacson	Multer
Douglas	Jackson, Wash.	Powell
Eberharter	Javits	Price, Ill.
Fernandez	Karsten, Mo.	Sabath
Fogarty	Kee	Sadowski
Folger	Kelley	Somers
Forand	King	
Gordon	Kirwan	

NOT VOTING—57

Abbitt	Heffernan	Nodar
Andrews, N. Y.	Hill	Norton
Barden	Hinshaw	O'Toole
Bell	Jenkins, Ohio	Owens
Bonner	Jenkins, Pa.	Pfeifer
Byrne, N. Y.	Kefauver	Phillips, Calif.
Clark	Kerr	Rains
Clippinger	Klein	Rooney
Cooley	Lesinski	Sadlak
Dawson, Ill.	Love	St. George
Delaney	Ludlow	Scoblick
Dingell	McConnell	Scott, Hugh D., Jr.
Dirksen	McCowen	Sheppard
Domengeaux	McDowell	Taylor
Fenton	McMahon	Thomas, N. J.
Hall, Edwin Arthur	Manasco	West
Hartley	Merrow	Wilson, Ind
Hays	Morrison	Wood
Hébert	Murdock	
	Murray, Wis.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Jenkins of Ohio for, with Mr. Klein against.

Mr. Thomas of New Jersey for, with Mr. Dawson of Illinois, against.

Mr. Hugh D. Scott, Jr. for, with Mr. Pfeifer, against.

Mr. Wood for, with Mr. Dingell against.

Mr. Kefauver for, with Mrs. Norton against.

Mr. Hébert for, with Mr. Lesinski against.

General pairs until further notice:

Mr. Andrews of New York with Mr. Murdock.

Mrs. St. George with Mr. Bonner.

Mr. Sadlak with Mr. Manasco.

Mr. Owens with Mr. O'Toole.

Mr. Phillips of California with Mr. Domengeaux.

Mr. McMahon with Mr. Hays.

Mr. Nodar with Mr. Barden.

Mr. Fenton with Mr. Morrison.

Mr. Love with Mr. Abbitt.

Mr. McConnell with Mr. Rains.

Mr. Jenkins of Pennsylvania with Mr. Sheppard.

Mr. Scoblick with Mr. Delaney.

Mr. Taylor with Mr. Clark.

Mr. Edwin A. Hall with Mr. Byrne of New York.

Mr. Hill with Mr. Ludlow.

Mr. McDowell with Mr. West.

Mr. Wilson of Indiana with Mr. Kerr.

Mr. Merrow with Mr. Bell.

Mr. McCowen with Mr. Cooley.

Mr. Hinshaw with Mr. Heffernan.

Mr. RAMEY and Mr. LUCAS changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. STOCKMAN asked and was given permission to extend his remarks in the RECORD and include an article from Hon. Ralph T. Moore, of Oregon.

REREFERENCE OF BILL

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of the bill H. R. 5509, and that the same be rereferred to the Committee on Public Works.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON ARMED SERVICES

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged reso-

lution (H. Res. 455) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expense of conducting the studies and investigations authorized by House Resolution 447, Eightieth Congress, incurred by the Committee on Armed Services, acting as a whole or by subcommittee, not to exceed the unexpended balance authorized by House Resolution 303, Eightieth Congress, including expenditures for the employment of experts, special counsel and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee and signed by the chairman of the committee or subcommittee and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION WITH RESPECT TO PROCUREMENT AND BUILDINGS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I desire to call up House Resolution 479 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations with respect to procurement and buildings authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments, acting as a whole or by subcommittee, not to exceed $110,884.15 additional, including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee and signed by the chairman of the committee or subcommittee, and approved by the Committee on House Administration.

With the following committee amendment:

Page 1, line 6, strike out "$110,884.15" and insert "$40,000."

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISPOSITION OF SURPLUS PROPERTY

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 478 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations with respect to the disposition of surplus property authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments, acting as a whole or by subcommittee, not to exceed $25,000 additional, including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee and signed by the chairman of the committee or subcommittee, and approved by the Committee on House Administration.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INDIVIDUAL TAX PAYMENTS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I desire to call up House Resolution 469 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed 1,000 additional copies of the report (H. Rept. 1274) accompanying H. R. 4790, the bill to reduce individual tax payments, for the use of the Committee on Ways and Means.

With the following committee amendment:

Page 1, line 1, strike out "one thousand" and insert "twenty-five hundred."

Mr. LECOMPTE. Mr. Speaker, I yield 7 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, the gentlewoman from Massachusetts [Mrs. ROGERS] and I today introduced companion joint resolutions in an effort to meet the situation that exists in the Veterans' Administration, where 8,500 employees throughout the country have received notices of the termination of their services.

Our resolution provides for the appropriation of $6,000,000 for the remainder of the present fiscal year. If that is appropriated the 8,500 employees who have received their notices will be retained, or the Veterans' Administration will have the funds with which to retain them. When the regular appropriation bill for the fiscal year 1949 comes before the House it is my understanding it will require about $25,000,000 for the entire year. If the services of the 8,500 employees are terminated it will result in a most unfortunate situation in the Veterans' Administration, in that the service to our veterans and to the widows and orphans of our deceased veterans, already somewhat affected, will be very seriously adversely affected. None of us wants that to happen.

The resolution will go to the Committee on Appropriations, and I respectfully urge and sincerely hope that the subcommittee to which it will be referred will give early hearings thereon, and report it favorably. It is true that there is no Budget recommendation, but despite that we can act to meet this emergency situation; we have done it in the past, true, on rare occasions, but the House has done it. I think a situation exists under which we are justified in immediate action. Forgetting who is to blame, we are trying to meet this situation and appropriate $6,000,000 for the remainder of this fiscal year. This amount, according to the information received by the gentlewoman from Massachusetts and myself, will meet the situation.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield.

Mr. KEARNEY. This is also true, is it not, that these men are the contact officers who have direct contact with the veteran; it is not the administrative employees but the contact employees. They are needed.

Mr. MCCORMACK. Exactly.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield.

Mr. KEEFE. Has the gentleman any information as to why the Veterans' Administration has not sent up a deficiency request or received a deficiency estimate on the item?

Mr. MCCORMACK. We have none; but I did not want to inject that in it because that will introduce a note that there might be a difference of opinion about the thing we are seeking, the gentlewoman from Massachusetts [Mrs. ROGERS] and myself. We seek to take partisanship out of it by having a Member on each side of the aisle introduce a similar resolution to take care of the situation for the remainder of the fiscal year. It involves $6,000,000.

Mr. KEEFE. Has the Veterans' Administration itself requested this legislation?

Mr. MCCORMACK. No; we are introducing it ourselves.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I sincerely hope we can get speedy action on the resolution of the gentlewoman from Massachusetts and the gentleman from Massachusetts. I have received repeated complaints not only from veterans in my section but elsewhere as to their not getting proper attention. Also, these loyal, faithful employees who have worked for years for the Veterans' Administration are being discharged at the end of this month.

Mr. MCCORMACK. On the 26th; it will be done before the end of the month.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield.

Mr. PHILBIN. I wish to compliment the gentleman on this excellent resolution that has been introduced by him and the gracious gentlewoman from Massachusetts, chairman of the Committee on Veterans' Affairs, to prevent harmful personnel cuts in the Veterans' Administration.

Does the gentleman have any assurance that by the enactment of this resolution the proposed reduction in force will be frozen so that it will not occur on March 26?

Mr. MCCORMACK. This $6,000,000 will enable Veterans' Administration to continue the services of the 8,500 employees.

Mr. PHILBIN. Without r duction?

Mr. MCCORMACK. Yes.

I realize I am trespassing on the valuable time of the House and the pressing business which must come up for action today and appreciate the courtesy of the Speaker and the gentleman from Iowa in letting me have this time. There is great interest in this matter; otherwise, I would not continue.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield.

Mr. RAMEY. I want to compliment the gentleman from Massachusetts, and as a member of the Committee on Veterans' Affairs, I believe I can assure him of speedy action.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LYNCH. I wish to express my compliments to the gentleman from Massachusetts on this resolution and to assure him that I have had many communications from veterans' associations in the Bronx relative to this very thing; I am happy he has introduced this resolution.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LANE. It is also important to note that although this resolution is introduced by Members from Massachusetts, its passage will affect the interests of 8,500 employees who come from every State in the Union.

Mr. McCORMACK. That is correct.

Mr. LANE. Where service of the Veterans' Administration has been curtailed as a result of this lay-off.

Mr. DONOHUE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DONOHUE. May I join in complimenting my distinguished colleague from Massachusetts. I wish also to call the attention of the gentleman from Massachusetts to the fact that a poll of the members of the Veterans' Affairs Committee shows they are heartily in favor of the resolution.

Mr. McCORMACK. There is no doubt about it. I hope that the subcommittee of the Appropriations Committee will give early consideration and early action on the resolution introduced by the gentlewoman from Massachusetts, my resolution being a companion one to hers.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. LeCOMPTE. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Speaker, I am heartily in accord with this resolution as filed by the gentlewoman from Massachusetts [Mrs. ROGERS], and also sponsored by the gentleman from Massachusetts [Mr. McCORMACK].

There is one thing we must keep in mind with respect to the over-all picture. I am not here to discuss who is or who is not to blame, as the gentleman from Massachusetts [Mr. McCORMACK] said.

The fact is that these so-called district offices, these contact offices, are being closed up throughout the country. There are a great number of these in the heavily congested State of Massachusetts. Those are the boys who are doing a real job. The high-salaried employees are not being affected by these lay-offs. They are being kept on the pay roll. The boys out in the field, the low-salary group, the ones who are nearer to the veterans, are being laid off and the offices are being closed up.

We have the emergency situation here today and may I say that the $6,000,000 may be sufficient to keep these offices open until say the 1st of July, but when we examine the record and we find that the Veterans' Administration is asking for next year about the same amount of money they had this year and we find that the Bureau of the Budget sliced the estimate $1,800,000,000—from $7,000,000,000 to a little more than $5,000,000,000—it means that these 8,500 in the contact offices will be there only until the 1st of July.

Mr. LeCOMPTE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RURAL MAIL CARRIERS

Mr. REES submitted a conference report and statement on the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes.

INACTIVE DUTY TRAINING PAY

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 486 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 3227, a bill to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, this resolution provides consideration for H. R. 3227, a bill to provide for inactive duty training pay for the organized Reserve Corps, and to provide unifrom standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes.

I would like to point out that this is one of a series of bills the House has passed recently to insure our national defense. All competent military observers agree that the Air Force is the most important factor in our national defense. Next in the order of importance to our national defense is the Regular armed services, and their Reserve components. The third element is scientific research and development, and, fourth, a program of stock-piling strategic materials. I would like to point out how closely the legislative program of the House has followed this pattern of a national defense plan.

To insure our supremacy of the air, Congress is now considering a plan to expand the Air Force to 35,000 planes. In addition to this the Rules Committee has passed out special rules recently making an airport bill privileged for consideration.

To implement the second point of the national defense program, the House is now considering two bills which will strengthen our Regular armed forces, and their components of Organized Reserves. H. R. 3227 is such a bill.

In regard to the third point of the national defense program, the House has recently passed a bill authorizing research on synthetic liquid fuels, and another bill to maintain production of synthetic rubber. We have also passed legislation recently to authorize and continue stock-piling programs of strategic materials.

I would also like to point out that every one of the bills of which I have just spoken has come to the floor of the House under a special rule from the Rules Committee. Everyone of these bills has fitted into the over-all picture of national defense, and has filled an existing need. As chairman of the Rules Committee, I am particularly cognizant of our defense requirements. I realize that national defense can be assured only under a well-laid plan. With this in mind, I have tried to secure speedy action on all bills which had a legitimate claim of being in the class of national-defense legislation.

The purpose of this bill is to provide inactive duty training pay to Army Reservists. Such pay has already been granted by the Congress to members of the National Guard and the Naval and Marine Corps Reserve.

In view of our present national defense requirements, the need for this legislation is apparent. The Army must maintain active Reserve components, or else, in time of emergency, the Nation will have to depend exclusively upon the Regular services for its defense. It is very doubtful that the Regular services would be adequate for defense. So, in order to vitalize the National Guard and Reserve components, and in order to get more people to participate, this bill gives inactive-duty pay to participants at the rate of one-thirtieth of one month's base and longevity pay for each training period of 2 hours or more. In this way, it is hoped to guarantee a larger Reserve, and a Reserve which will fit promptly and effectively into the mobilization-day plans of the Army.

Besides the purposes which appear on the face of this bill, it has another purpose which is more subtle, and that is to direct the attention of the Army to the potential strength of the Army Reserve. By passing this bill Congress will make it clear that it regards the Reserve as important to the Nation's defense, and by passing this bill Congress should make it clear to the Army that it is the intent of Congress that the potential strength of the Reserves should be utilized. Because of neglect and disuse, the efficiency of the Reserve components has been impaired since the cessation of hostilities. To correct this condition and to assure maximum operating efficiency of the Reserves the War Department must pro-

vide a well organized program to integrate Reserve activities and to coordinate them with similar Army programs. There have been many reasons given for the Army's past neglect of the Reserve components. One such reason is the jealousy that has existed for a long time past between the Regular Army and the Reservists. Such petty jealousies, which were inexcusable in the past, become intolerable in this period when national defense is of primary importance to our Nation.

The need for this legislation is apparent to all of us. I believe this bill should be passed without delay, and I urge you all to vote for it.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. TOWE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3227) to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3227, with Mr. MACKINNON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TOWE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it is unnecessary to take an extended time in explaining this bill, H. R. 3227, because it is simple in concept and is explained fully in the committee's report, which you perhaps have already read.

You should note, however, that the report is a unanimous one and that the Senate companion bill, S. 1174, has unanimously passed the Senate and is now pending on the Speaker's desk.

The bill concerns principally the Organized Reserve Corps of the Army and the Air Forces, although it is so drafted as to apply also to the reserve components of the other services and to the National Guard. The most important thing it is designed to do is to put all civilian components of the armed services on the same pay status for inactive duty training. The bill does this by giving Army Reserves and Air Force Reserves training pay on inactive duty on the same basis as that authorized for many years for members of the National Guard, Naval Reserve, and Marine Corps Reserve.

To be perfectly frank about it, I and the members of my committee did not look with great enthusiasm, as our committee report indicates, on the additional cost this legislation will incur. But after hearing witnesses who covered the field thoroughly and satisfying ourselves that the vitality of the Army and Air Force Reserves is involved directly in this, we concluded unanimously that enactment of this bill is the only proper way to proceed.

I may say here that, in all equity, and throwing aside for the moment the national security elements prompting this bill, our alternatives in considering this bill are rather obvious: We must either withdraw inactive duty pay from those now authorized to receive it—that is, take it away from the National Guard, the Naval and Marine Corps Reserves—or we must, in simple fairness, extend it to the Army and Air Force Reserves. Since the withdrawal of such pay from those now authorized to receive it not only would contravene a congressional policy of many years' standing but, of more importance, would severely damage our national security by removing perhaps the most compelling incentive now available to keep our civilian components trained and interested, it is apparent that we can only authorize inactive duty pay for Army and Air Force Reserves, who must likewise have adequate incentives to perform their functions adequately.

Briefly, the bill sets up the Army Reserves in three main groups that are to be kept in training during peacetime. They are class A units, which will be organized on the same basis as the National Guard, that is, with full complements of officers and enlisted men. These units will be required to train once a week and go to summer camp for 2 weeks each year.

Next are the class B units, which are organized with a full complement of officers and cadre of key enlisted men. These units will train once every 2 weeks and go to summer camp once every 3 years.

The next are the class C units, composed of officers only. They will be trained and paid on the same basis as class B units.

These units, with some specialists such as pilots, radar technicians, and so forth, make up the Reserve force envisioned in this bill. Most of the units are to be service type units, with the National Guard furnishing most of the combat type units. Together, the National Guard's combat units and these Reserve units are to make up a balanced supporting force for the Regular Army and Regular Air Force in the event of a sudden emergency.

And that is the basic concept of this important bill—to give incentives now granted to the National Guard and the Naval and Marine Corps Reserves also to Army and Air Force Reserves, so that the Nation can be reasonably prepared for a sudden war. Here I think I must point out two collateral questions before finishing. First, there are other costs, such as for armories already authorized for the Navy but not for the Army, which must follow this legislation later on, and which costs, like those contemplated in this bill, I cannot see how we can in any way avoid. Secondly, it is only fair to say that this legislation itself cannot hope to provide adequate manpower for the Services' civilian components, although this program is vitally necessary in keeping active reasonable numbers of such personnel. Between the last two wars the National Guard was never able to recruit more than about 220,000 men, even though it had this inactive-duty pay and Army Reserves were not authorized to receive it. Now, with a postwar need for at least three times as many Guardsmen and a much larger Organized Reserve, we must face up to the limitations of this effort we are making here and not consider it in any way a panacea.

What it properly is, is a reasonable effort to keep as many Reservists active as we possibly can, whether it turns out to be enough or not. And it also removes an inequity against certain civilian components by giving them the same pay other civilian components have received for a long time.

In conclusion, I may say that we have certain minor committee amendments which will be necessary to bring the bill in line with the unification law passed last year. These amendments do not effect substantive changes in the bill but merely add the Air Forces and change the words "Secretary of War" to "Secretary of the Army" in the various places such words appear.

Mr. Chairman, I shall yield next to the distinguished gentleman from Florida [Mr. SIKES], whose zeal on behalf of the Reserves and continued interest in this legislation have had a very great deal to do with its now being before us for consideration.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield.

Mrs. ROGERS of Massachusetts. Does this include safe provisions for the Naval Air Reserves?

Mr. TOWE. The Naval Air Reserves and the Navy and the Marine Corps now have inactive duty training pay.

Mrs. ROGERS of Massachusetts. So they are all protected?

Mr. TOWE. That is correct.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield.

Mr. COLE of New York. It occurs to me that it might be well to point out to the Members of the House or at least raise the question of the effect that this bill might have on our National Guard.

Mr. TOWE. Mr. Chairman, I yield myself five additional minutes.

Mr. COLE of New York. As the gentleman has explained, the main purpose of this bill is to extend inactive training duty pay to Army reservists, which is a benefit that has been available heretofore to our National Guard and to the Naval Reserve. It occurs to me that if this advantage is extended to the Army Reserve, which is not subject to call at any time such as are the National Guard men, it might have the effect of seriously discouraging enlistment activity among our male civil population in the National Guard, and over a period of time wither up that source which has been the backbone of our national defense. I wonder if the gentleman has considered that possibility, or would care to comment on it.

Mr. TOWE. Yes; I think that is a very good question. The National Guard at the present time does not have its full complement, the complement which it is hoped it might reach. On the other hand, it ought to be pointed out that there are now available for active or inactive duty under this bill, in Reserve

units, many thousand men in this country who have come out of the last war, who are anxious, we are informed, to associate themselves in these Reserve units. The guard is open to them if they care to join it but apparently they have not joined it, at least not in sufficient numbers to bring it up more rapidly to the strength we had hoped it would reach.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield.

Mr. KEARNEY. In this set-up there is proposed to be constituted Reserve units for regular military training, the same as the National Guard.

Mr. TOWE. Yes, that is correct.

Mr. KEARNEY. Even down to the enlisted man?

Mr. TOWE. That is correct.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. TOWE. I yield.

Mr. VAN ZANDT. Is it not true that this legislation has the support of the National Guard Bureau?

Mr. TOWE. That is correct.

Mr. VAN ZANDT. Is it not true that the National Guard is composed mostly of combat units?

Mr. TOWE. That is correct.

Mr. VAN ZANDT. This type of reserve will be composed of some heavy combat units but mostly service units.

Mr. TOWE. That is correct.

Mr. VAN ZANDT. Is is not true that the service units will be eligible for Federal call to duty just the same as the National Guard?

Mr. TOWE. That is true.

Mr. SCRIVNER. Will the gentleman yield?

Mr. TOWE. I yield.

Mr. SCRIVNER. I doubt if the gentleman meant to say exactly what is implied by his response to the gentleman's question, that the Reserve will be subject to call the same as the National Guard, because they will not. We are talking about the National Guard being subject to call of the governor 24 hours a day, 365 days in a year, which the Reserve is not called upon to perform. Given a choice of service there could only be one choice and that would be the Reserve. It is my studied opinion that this particular measure will do much to dry up your National Guard, because there will be but one choice and that will be the Reserve.

Mr. TOWE. Does the gentleman favor not passing the bill, and take that incentive from those who want to become active?

Mr. SCRIVNER. I think it should have been studied a little more thoroughly from the point of view of the effect upon the National Guard, and modified in the allowances made. If I had time I could explain it from the point of view of many years of experience in the National Guard.

Mr. TOWE. I will be glad to give the gentleman time when I have finished.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield.

Mr. SMATHERS. Is there any provision in this bill which provides that if an Organized Reserve goes out for active-duty training for less than 30 days, and is injured, that he has the same rights of disability and retirement that the Regular Army officer would have?

Mr. TOWE. I do not think so.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. TOWE. I yield.

Mr. VAN ZANDT. At the present time, if a Reservist on active duty is injured he comes under the Workmen's Compensation Act. However, legislation now pending will give the Reservist the same privileges as a member of the Regular Establishment.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield to the gentleman from New York.

Mr. KEARNEY. Did I understand the gentleman to say that the National Guard Association testified in favor of this bill?

Mr. TOWE. I am not sure they testified in favor of it, but they are in favor of the bill.

Mr. KEARNEY. On the record?

Mr. TOWE. Yes.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield.

Mr. CARROLL. Are we giving the National Guard men the same amount of pay as those who go into the Reserves?

Mr. TOWE. Comparably, the same as given in drill.

Mr. CARROLL. I wish to ask another question or two, if the gentleman will permit. In Colorado the Governor has recently stated that they have been having great difficulty in recruiting men for the National Guard. If this legislation passes, will it help the various States in bringing their National Guard units up to proper strength?

Mr. TOWE. I do not think it would affect it. As the gentleman from Pennsylvania pointed out a few moments ago, the Reserve units contemplated under this bill are not combat units, whereas the National Guard is a combat type of service. If a young man wishes to go into a combat troop, he would go into the National Guard. If he desired a service troop, he would go into the Reserves.

Mr. CARROLL. Will the gentleman distinguish for the benefit of the Members here between the type of training they get in a service unit and the type they get in a combat unit in the National Guard?

Mr. TOWE. There are various types, the Quartermaster Corps, mechanics—this is the general-service type of unit that they need in the Military Establishment.

Mr. CARROLL. The reason I asked the question was that I wondered what type of training they would be getting in the Reserve Corps. I was under the impression that the purpose of the Reserve Corps was in the interest of national defense and that it would be general training.

Mr. TOWE. We need service units, of course, to support the others.

Mr. CARROLL. In the Reserve Corps are there combat units? Is that the purpose?

Mr. TOWE. I did not hear the last question.

Mr. CARROLL. Is not the purpose of this bill to set up combat units in the Reserve Corps also?

Mr. TOWE. No; largely service units.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. TOWE. Mr. Chairman, I yield myself three additional minutes.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield.

Mr. SIKES. I would like to call attention to the fact that in the hearings on the bill H. R. 3227, which are printed and available, there are statements from Col. W. H. Abendroth, of the War Department General Staff Committee on the National Guard; a statement by Col. L. B. Weeks of the National Guard Bureau, and various others; the statement of Col. Charles H. E. Scheer; all favoring the enactment of this legislation, speaking for the National Guard.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TOWE. I yield.

Mr. CASE of South Dakota. I would like to ask the gentleman if the purpose of this bill is to make the inducement to join the Reserves equal to the inducement to join the National Guard?

Mr. TOWE. The fact of the matter, of course, is that they are already signed up in the Reserves. The testimony is that in order to keep and maintain their interest they ought to have this inactive duty training pay such as they now get in the National Guard for the same type of service.

Mr. CASE of South Dakota. I will agree that they ought to have some recognition for their duty training, but I happen to have served in the Reserves and I joined the Reserves because the work I was doing did not permit me to take the regular training of the Guard unit at that time; in other words, it was easier for me to join the Reserves than the Guard. I favor the general purpose of this bill, but I would make the observation that if you make the inducements even as between the Reserves and the National Guard, you will fill up the Reserves at the expense of the guard. The duty liability is less.

Mr. BROOKS. Mr. Chairman, will the gentleman yield to a member of the committee?

Mr. TOWE. I yield.

Mr. BROOKS. I should like to call the gentleman's attention to the fact that the National Guard and Reserve are entirely different organizations. One, of course, is under the control in normal times of the States—that is the National Guard; the other is under the control of the Federal Government. It is a fact that the National Guard at the present time is below strength, and I doubt that the time will ever come when the National Guard will have the strength we would like it to have. The States are not concerned, however, with creating an enormous National Guard; they simply want a force that is large enough properly to police the State in times of emergency. I doubt if the States can ever be induced to spend enough money to create a very large National Guard; they do not want it.

Mr. TOWE. I thank the gentleman.

Mr. SIKES. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the measure before us is one of the two main legislative supports which appear necessary if we are to develop a strong Organized Reserve program. The bill, H. R. 3227, simply provides for drill or training pay during inactive duty periods for the men in the Organized Reserve just as drill pay is now given to the National Guard and to Navy Reservists. It puts all Reserve forces on a uniform footing. Actually, it means that each man will get 1 day's pay for drilling or training 1 night a week or at other stated periods during the year.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California.

Mr. JOHNSON of California. Does that include those taking correspondence courses?

Mr. SIKES. No; it is my understanding that directly supervised training, study, or drill is required.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Colorado.

Mr. CARROLL. I should like to ask the gentleman whether he concurs in the viewpoint of the preceding speaker, who stated that the Organized Reserve Corps is being established only for the purpose of setting up service units? Before the gentleman answers that, may I read from page 6, line 22, of the bill:

> Organized Reserve Corps units shall be of three classes, varying in degree of organization, as follows:
>
> 1. Those combat and service types organized with a full complement of officers and men.

Does that not mean the Reserve Corps is really set up for the purpose of protecting the national defense of this Nation and that they will receive combat training?

Mr. SIKES. Of course, some of the Reserves will receive combat training. This is particularly true of the class A or fully organized units. I realize the distinguished chairman of the subcommittee left a different impression a few moments ago, but I am confident he did not clearly understand the question asked him. There are many types of Reserve units and some of them are going to receive combat training. Many of the Reserve units are going to be service units, for modern warfare requires highly organized service units in great numbers. A great backlog of trained men is required for rapid and effective mobilization. I will treat on that further in a moment.

Mr. CARROLL. That is the point I wanted to make.

Mr. SIKES. I do not think any of us question the importance of the Reserves in our military program. We know that at the beginning of World War II there were in the Army about 100,000 Reserve officers. I do not have accurate figures for the Navy. About 90,000 of these 100,000 Army Reservists were available for active duty. Bear in mind that Reservists were not then highly organized or trained. Yet those men formed a very important nucleus around which to build and train the great army which we sent into combat and they saved us highly important time—months, maybe years—in getting ready for the big push that won the war.

The Reserves today—and I include the National Guard as a part of the Reserves—constitute the only backlog of trained men that we have outside the services. They are the only backlog of trained men that we are likely to have for several years. The strongest advocates of UMT recognize the delays confronting the adoption of that program. It is extremely unwise not to take advantage of the fact there are many men who already have military training and who want to continue their training and to keep themselves abreast of military science and tactics. It is also important to have an active and strong reserve military organization into which young men who want to participate can be integrated. We cannot have a balanced national defense without a strong Organized Reserve and a strong National Guard.

H. R. 3227, which provides inactive duty training pay, is probably absolutely essential to the maintenance of a strong Enlisted Reserve. After all is said and done, we do not offer much in the way of inducements for enlisted men to keep up their activity in the Reserves. They do not have the advantages of promotion and rank that an officer has. But if we can pay enlisted men even a small sum for their time, they do have an inducement for taking part in the weekly or semimonthly drill periods which are necessary to keep reservists abreast of what is taking place militarily.

As I said a moment ago, we seek to put the Army Reserve and the Air Force Reserve on the same basis as the National Guard and the Navy, both of which now get inactive duty training pay.

There has been some discussion about the possible competition with the National Guard. There is, of course, the possibility of competition with the National Guard in those cities which are supporting a National Guard unit, but the National Guard is limited in scope and activity. It is primarily a State organization. The size envisioned for the National Guard is much smaller than the total manpower reserve needed.

There are, at the moment, a total of 222,000 officers and enlisted men in the National Guard. It is contemplated that in time there will be three-quarters of a million officers and men in the guard. Obviously, that is not enough to form the backlog of trained men that we need for modern warfare. The National Guard units by and large tend to be larger tactical or combat units; the Reserve units tend to be smaller service units although they include all sizes and types of units. An Organized Reserve unit can be established in many towns which cannot support a National Guard unit, and that is an important consideration.

I think it has been pointed out that there are three types of Organized Reserve units. One is the class A unit, which seeks full strength of officers and enlisted men, and is required to have 80 percent of officer strength and 40 percent of enlisted strength. These organizations are organized in the same category as the National Guard for immediate mobilization. I think you will be interested in knowing that there are at the moment only 52 class A units in the Army, in the entire Nation, whereas we hope to have eventually 5,000 class A units. We have a long ways to go before we make the Reserve what we would like it to be.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Before we leave the class A units it might be well to explain that they are only going to be heavy combat units. The gentleman might tell us how many tanks, and so forth, that they will employ.

Mr. SIKES. Will the gentleman continue his contributions?

Mr. VAN ZANDT. In other words, the class A units will perfect themselves in your combat units that will employ weapons not employed by the National Guard; is that not true?

Mr. SIKES. Basically, yes. They will supplement the Guard, but I believe it obvious that there may be duplication of types of combat units.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. About what number is contemplated to be in that classification by this authorization?

Mr. SIKES. I have a break-down here which will be a little difficult to follow. If the gentleman will bear with me, I think I can bring out the desired information in a way that will be satisfactory to him. I will now go through the entire table of present and proposed strength. I will be happy to yield to the gentleman further as I go along.

Mr. MARTIN of Iowa. Before the gentleman goes to that, is the general plan here to provide enough pay for the Reserve force, as indicated in Mr. Patterson's letter, totaling 809,756?

Mr. SIKES. Eventually.

Mr. MARTIN of Iowa. It is enough to cover those?

Mr. SIKES. When the program has reached full strength over a period of several years, it is hoped the Congress will provide sufficient funds for a total of 778,000 officers and men in the Army Organized Reserve and 147,000 Air Force reservists.

I would like to point out that the Army now has about 450,000 enlisted men in its reserve and about 283,000 officers. Two hundred and sixteen thousand of those Reserve officers have been assigned to units A, B, or C. One hundred and twenty-six thousand enlisted men have been assigned to units. Unfortunately nearly all units thus far activated are class C units, which are largely paper organizations. I stated that there are 52 class A units. There are 706 class B units and 6,054 class C units. To continue defining my terms, a class B unit is a unit which must have 80 percent of its commissioned strength and 80 percent of its enlisted cadre or key personnel. A class C unit is required to have

60 percent of its commissioned strength under the appropriate table of organization.

The Air Force Reserve contains 238,000 officers and 190,000 enlisted men, but unit assignments are proceeding slowly. A small percentage are in units which are receiving training. Actually the Air Reserve has 269 activated units and its program calls for about 1,000 units.

The present planning aims at an Army Reserve of about 11,000 units, of which more than 5,000 would be Class A units; upwards of 3,000 in Class B, and approximately 3,000 in Class C.

I believe it will be helpful if we can understand what is expected of the Organized Reserves, in the way of training.

Class A or full strength units, ready for mobilization, will have 48 weekly drill or training periods per year, with a 15-day summer encampment. This is the basis on which the National Guard operates.

The Class B and C units will have 24 or fewer drill or training periods during the year, and require a summer encampment period at least once in 3 years. Combat personnel and scientific and technical specialists, regardless of the kind of unit to which they are assigned, may have as many training periods as it is felt are necessary to keep them abreast of conditions.

We seek under the terms of the bill to help insure training in the field and in the classroom, and to keep our reserves strong and in position to take the field when needed.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. Is it mandatory on the part of all members of the Reserve to participate in a minimum number of periods, as the gentleman has indicated here?

Mr. SIKES. Once this program is in operation it will be mandatory for all Reserve personnel who maintain an active status to take part in whatever training periods are assigned to their particular unit.

Mr. MARTIN of Iowa. They must maintain that average in order to retain their rating in the Reserves?

Mr. SIKES. That is correct.

Mr. MARTIN of Iowa. I am interested primarily in giving the Reserve forces an opportunity to do this training, and then next in seeing that they do it or else give up their Reserve status.

Mr. SIKES. The gentleman is right, and I pay tribute to the fine work he has done in former years to help keep our forces strong.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from New York.

Mr. KEARNEY. Is it also in this bill that unless the Reserve components maintain a certain percentage as far as their 100-percent strength is concerned they will lose recognition by the War Department?

Mr. SIKES. That is required under departmental regulations, authority for which is contained in this measure.

Mr. KEARNEY. The same as the National Guard?

Mr. SIKES. That is correct. It puts the Reserves substantially in the same basis for pay and training as the National Guard.

I would like to point out that this bill has passed the Senate. If we complete action on it affirmatively today we will have given the Organized Reserves one of the strongest boosts we could possibly give them. Our action comes at a time when Reserve activity and morale are dangerously low in this country, and perhaps it comes at a time when they need to be very high.

The program is going to cost some money. It is costing about $100,000,000 a year now to keep up the Reserve programs in the Navy, the marines, and the National Guard. It will cost about another hundred million dollars a year to add the Air Force and the Army Reserve training programs on a similar basis.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that for every dollar we spend on the Reserves we save a couple of dollars on the Regulars?

Mr. SIKES. I am glad the gentleman has brought that up. Of course, we save money where we are able to utilize Reserves instead of Regulars.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Missouri.

Mr. SHORT. Is it not also true that this measure will eliminate certain existing discrepancies, and it will now equalize opportunities in benefits, giving the Army reservists the same consideration and treatment as we already give the naval reservists?

Mr. SIKES. That is right, and my distinguished friend knows they need the changes he refers to.

Mr. SHORT. It preserves the National Guard.

Mr. SIKES. It does not interfere with the National Guard.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Georgia.

Mr. PRESTON. I served in the National Guard and am presently a member of the Organized Reserves. There is no competition between these two units. This legislation will not encourage any competition between the units but it will strengthen the civilian component of our military forces. This is vital legislation, it is important, and I hope there will be no serious controversy about it because it is apparent that there is no assurance that we are going to have universal military training any time soon. In view of that attitude which is prevalent here in Congress it is imperative and urgent that we enact this legislation.

Mr. SIKES. I know of my distinguished friend's fine record and appreciate his present interest in this important program.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. CARROLL. Is it not true that the real purpose of this legislation is to stimulate the incentive of the men to get in the Reserve Corps?

Mr. SIKES. Exactly.

Mr. CARROLL. They are not coming in under the present system.

Mr. SIKES. They are not receiving vitally needed training under the present system.

Mr. CARROLL. What is the authorized strength of the Reserve Corps today, offhand, if the gentleman can give us an approximate figure?

Mr. SIKES. That question is a little difficult to answer because of the fact that many men joined the Reserves when they left active military service. That is the last many of them have heard about it. Only a few have been assigned to a functioning class A or class B unit. The majority have not been given any active training. Actually the Reserves in the main are out of touch, discouraged, and rapidly losing interest in the program. For all intents and purposes the functioning Army and Air Reserve today is a very small organization and morale is dangerously low.

Mr. CARROLL. The simple fact is that as far as the enlisted man is concerned, they are not coming into the Reserve unless they receive some pay incentive, and we are not going to build up an officer personnel which will give us a trained Reserve unless we do give them some pay incentive.

Mr. SIKES. The gentleman has shown a fine understanding of the problems confronting the Reserve and he is to be commended for his interest.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my distinguished leader.

Mr. McCORMACK. The passage of this bill will not accomplish the desired objectives unless it is followed up by adequate appropriations to put it into actual operation, is that not correct?

Mr. SIKES. Of course. This is an authorization bill only.

Mr. McCORMACK. This is a very fine bill, but unless the Congress makes the necessary appropriations to make it a real and living and active part of our national defense, then it will be inactive and dormant. In other words, this bill is necessary but it is also vitally important to make the necessary appropriations.

Mr. SIKES. It is most necessary to follow through with the necessary appropriations.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my distinguished friend.

Mr. HORAN. Along the line of the observation made by the distinguished minority whip, we heard the President's message in January in which he indicated, I believe, that 79 percent of the entire budget was for war or for military purposes. Obviously that is a very large portion of the taxpayer's dollar. The observation has been made by the distinguished gentleman from Pennsylvania, a member of the committee, that a dollar spent here would result in a saving of $2 in the Regular Army costs. I think

that that observation should not be passed over lightly. We should like to be illuminated on that point as to just how this would result in a saving of money in another place. Probably it would go a long way in providing for the appropriations to implement this program that we are now discussing. I think you have something here that the American people and American taxpayers would like to have fully explained by the Committee on Armed Services. Just how will this result in such a twofold savings?

Mr. SIKES. May we not put it this way: We know we must maintain our armed forces at a strength commensurate with the world-wide commitments that this Nation has made. We are doing that, but that in itself is not enough. That force is not big enough to take care of an emergency condition if an emergency to world peace should develop. For effective defense and rapid mobilization, we must have a trained backlog of men to call on in case of an emergency and this, it appears, is the cheapest and most effective way, certainly, at the moment of providing for that trained backlog of men.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. JAVITS. I myself am a Reserve officer. I have taken pains to look into this question because I feel as the committee does. The committee say that they consider the need for this program to be apparent, even though it may be unfortunate that the country must resort to it. As I say, I checked into this, and I find that that is so. If we want adequate Reserve components, we must pass this bill. Therefore, I would like to tell the gentleman that I am in favor of the bill.

Mr. SIKES. I thank the gentleman for his contribution. Everyone who has had any part in the Reserve program or who has followed the progress of the Reserves knows that this program is necessary to a strong and effective organization.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Is it not true there is already an organized function in the United States among units of the Army Reserves, where officers and men drill 1 night weekly and they receive no drill pay whatsoever, but they are looking to the future when this resolution becomes a reality?

Mr. SIKES. The gentleman is correct.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. BROOKS. The gentleman has made a splendid exposition of this very very important bill. I want to ask the gentleman this question, however: This bill maintains, does it not, the time-honored policy in this country of maintaining a reasonably small standing Army and at the same time drawing for its additional strength from the citizen soldier? Is that not true?

Mr. SIKES. My distinguished friend is exactly right, and may I say he has contributed much to make this legislation possible.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my able colleague from Florida.

Mr. SMATHERS. Does the gentleman not feel that in addition to this legislation we should even have more incentive by passing at some subsequent date, legislation which will give to the person who is having Organized Reserve training, in the event of injury, the same protection and disability insurance that the Regular Army personnel has now?

Mr. SIKES. I am heartily in favor of that type of legislation. I think the gentleman is correct in calling it to the attention of the House. The reservist who is called to duty for a short period is entitled to the same protection from hazard which is given to any other member of the armed forces. I do want to point out this fact, however, such legislation is now before the Armed Service Committee, and I am hopeful that action can be taken on it in the not too distant future.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. GOFF. Is it not true that the Congress has heretofore been very generous in regard to its Reserve appropriations, but that the Department of the Army has actually so far failed to utilize the funds we have appropriated?

Mr. SIKES. It is my understanding that the Congress has granted funds that were requested for National Guard and Organized Reserve activities, and I personally have been disappointed at the apparent tardiness of the War Department in pushing the Organized Reserves program.

Mr. GOFF. Can this not be taken then by the Department of the Army to mean that the Congress is determined that the War Department shall pay some attention to our Organized Reserves?

Mr. SIKES. I do not believe it can be interpreted in any other light, and I feel that the Army and Air Force are now ready to give more vigorous support to Reserve activities.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my good friend from Mississippi.

Mr. WINSTEAD. With reference to the dollar spent here saving $2 on the Regular Army appropriation, I think we should make this clear. If I understand it, we are not expecting to save money for the Regular Army at its present strength, but the Reserves and the National Guard is a part of our military set-up at this particular time, and unless we strengthen the Reserves and the National Guard, it will be necessary to appropriate additional funds for the Regular Army. If this bill passes, we cannot expect to cut the appropriation for the Army.

Mr. SIKES. The gentleman has made a sound observation.

Mr. GOFF. Mr. Chairman, will the gentleman yield further?

Mr. SIKES. I yield.

Mr. GOFF. Somebody has inquired whether I was in favor of this bill or not. I do not want to give any impression that I am not in favor of the bill. I think this is the finest thing we can do to build up our Reserve.

Mr. SIKES. There was not any question in my mind about the gentleman's support of this legislation.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield again?

Mr. SIKES. I yield.

Mr. VAN ZANDT. The gentleman from Florida, by reason of his service on the Committee on Armed Services and during the last war knows that during the interim between World War I and World War II we had some very difficult times in trying to keep the Reserve components of our Armed Forces alive. Is that not true?

Mr. SIKES. That is true.

Mr. VAN ZANDT. Now we are capitalizing on that experience, and especially do we hold up the Navy Reserve as an example.

Mr. SIKES. The Navy Reserve is doing good work and entitled to much credit. The gentleman has had an important part in that work. I would like to emphasize again that the Navy has inactive-duty training pay.

Mr. VAN ZANDT. Is it not true that the Naval Reserve, instead of resorting to drills, and so forth, now resorts to classroom work; they train specialists. Is that not correct?

Mr. SIKES. That is correct. This is an age of specialists in as well as out of uniform.

Mr. VAN ZANDT. Molders and pipe fitters and radar men, and so forth.

Mr. SIKES. The gentleman is correct; and the same will be true for other branches of the service if this legislation is passed.

Mr. VAN ZANDT. And this program provides for exactly that type of work?

Mr. SIKES. That is true.

Let me say again, Mr. Chairman, inactive-duty training pay is one of the two main legislative supports we must provide if we are to maintain a strong Reserve. We have already neglected that important part of our national defense program much too long for our own welfare and safety.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. KEATING. Mr. Chairman, I favor this legislation heartily, and I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, I heartily favor the passage of this legislation. The Army Reserve has lagged behind the National Guard and Naval Reserve in development, largely because there was no program to provide for payment to personnel such as these other units have had for years.

Particularly appealing is the provision for pay for enlisted men. While a fair proportion of the officers who have had a tour of active duty have retained Reserve commissions, there has been almost no incentive to induce enlisted men to manifest interest in Reserve activities,

as a result of which it has been nearly impossible to organize so-called class A units. In these times of high living costs, men who might have a keen desire to serve in Reserve units, enlisted men especially, but many officers also, have felt unable to sacrifice the time and effort required without any compensation whatever.

Although the total pay contemplated in this measure is extremely modest and will never induce anyone to engage in defense activities for profit, it will prove a valuable asset by way of argument to those who are seeking to build up our Reserve components and are expending long hours of devoted service in that task.

In these days of dangerous uncertainty the fervent prayer on all our lips must necessarily be that God will spare our Nation and the world the scourge of another armed conflict, horrible to contemplate. The soundest guaranty we can devise to make that prayer a reality is national strength, firm without aggression, adequate without militarism.

If this Nation is ever attacked, all military authorities agree that such aggression will be swift and destructive beyond our power to comprehend. We shall not have time to afford ourselves the luxury of leisurely training and preparation. In the feverish chaos attending a lightning attack, one can conceive of scarcely any factor equally effective to a disciplined cadre in the various centers of population, trained, even though inadequately, to meet an emergency with calm courage such as that developed by a balanced Reserve-training program for those who volunteer to serve their country in that capacity.

Mr. TOWE. Mr. Chairman, I ask unanimous consent that the chairman of our committee, the gentleman from New York [Mr. ANDREWS] may be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ANDREWS of New York. Mr. Chairman, I feel that I cannot let this moment pass without paying tribute to my distinguished colleague, the gentleman from New Jersey, the Honorable HARRY L. TOWE, chairman of the subcommittee which produced this legislation after thorough hearings and extended study, and to the entire membership of his subcommittee, which is charged by the Committee on Armed Services with the initiation of legislation concerning the civilian components of the armed services.

H. R. 3227, the inactive duty training pay bill, is of tremendous importance to Army and Air Force reserves. It provides, for the first time in our history, an immediate inactive duty pay incentive to these men to keep their reserve status active. It insures that, as far as the country can properly go at this time, the citizens of this great country will recognize, by actual money investment, the great amount of patriotic devotion and dedication, as well as personal sacrifice, the maintenance of an active reserve status requires in the Army and Air Forces as well as in the other civilian components of the services.

By bringing to the Army and Air Force Reserves substantial incentive to maintain currency with military advances over the years ahead, this legislation dovetails closely into the basic, strategic, mobilization planning of the armed services. And by equalizing the pay received by the various civilian components of the armed services, the bill removes one more of the unnecessary disparities between the services, so that what we have here is another major advance in our constant efforts to give like reward for like service, regardless of whether the service is rendered in the Army, Navy, Air Force, or the Marine Corps.

In my opinion, Mr. Chairman, this bill is one of the very basic legislative items that will come before us in the course of our efforts to give our Nation an adequate national defense. Again I say that the members of the Subcommittee on Education and Training who have brought the bill to this stage in the House of Representatives, are entitled to the plaudits of the House and the country. Their action reflects credit on the House of Representatives and on the Committee on Armed Services, from which this legislation has come.

Mr. SHORT. Mr. Chairman, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mrs. SMITH of Maine. Mr. Chairman, today is one of the most gratifying days that I have experienced in my 8 years in Congress, because today the House is voting on Reserve legislation which I started more than a year ago, in January 1947.

On January 16, 1947, I introduced the first Reserve inactive-training pay bill, H. R. 1059. Three and one-half months later, the principal provisions of my original bill were incorporated in H. R. 3227, the bill before the House today.

In January 1947 I introduced the initial Reserve retirement legislation—a nondisability Reserve retirement bill, H. R. 786, on January 10, 1947, and a physical-disability Reserve retirement bill, H. R. 1059, on January 16, 1947. The principal provisions of my original bill, H. R. 786, have been incorporated in H. R. 3227, the bill before the House today.

Nothing in my congressional service and experience, particularly as a member of the Armed Services Committee and the Naval Affairs Committee, has given me greater satisfaction that I was acting in the best interests of my country than the Reserve legislation which I have introduced, sponsored, and fought for.

In time of war it is our civilian reservists who are the real backbone of our fighting. We need the best possible trained and manned Reserve. But we have neglected the Reserve too long. We need to give them incentives of, first, training pay; second, security; third, better equipment and facilities; and, fourth, recognition for Reserve service.

We are beginning to give them the first two incentives with, first, H. R. 3227 on training pay; and, second, H. R. 2744 on security retirement. That is why today is such a gratifying day to me, for it signifies to me that at long last we are realistically building America's future national security by building up our Reserve.

Previously the Congress has enacted my Reserve legislation of, first, military leave for enlisted personnel; second, compensation coverage for Reservists injured while training; and, third, benefits for heirs of Reservists killed while on active duty.

I hope that the Congress will enact my other Reserve measures of, first, H. R. 306 and H. R. 307 for Reserve service decorations aimed at the incentive of Reserve recognition; second, H. R. 1059 for disability coverage for reserves on a par with regulars; third, H. R. 3590 for hospital coverage for Reserve trainees; and, fourth, H. R. 1898 for granting of post-exchange and commissary privileges to reservists.

We are a free Nation today because of war victories produced by the blood and courage of our reservists. Let us insure our future freedom by strengthening our Reserve through realistic and equitable Reserve legislation.

Mr. TOWE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, it is with some hesitancy that I participate in this discussion, knowing the background and the sincerity of purpose of every member of the Armed Forces Committee. As far as my attitude on Reserve and civilian components is concerned, you may be interested in knowing what some of you do not know, that I was one of the members on the Army Appropriations Committee who insisted that the amount recommended by the Bureau of the Budget be granted in 1948 to both the National Guard and Reserve, even though the President had seen fit to freeze the spending of funds appropriated the year before. I support the activities of both.

I hesitate to make any personal references, but it so happens that out of the experiences I had overseas as an enlisted man in the First World War I came back with a firm conviction that there would again arise a great national emergency, that the youth of America must be prepared to meet it, and if they were not prepared that the emergency might overwhelm us. With that belief and that ideal, or whatever you may want to call it, after having received waivers for physical disability, which incidentally made service impossible in World War II, I obtained a commission with the National Guard of the State of Kansas, which I held more than 15 years, giving up service-connected compensation in an amount greater than drill pay. I did it because I knew that we had a job to do in strengthening our national defense.

My views have been borne out, for World War II did come. During that period of time, in Company G, One Hundred and Thirty-seventh Infantry, Thirty-fifth Division, I probably trained

actively on the armory floor and in camp more than 2,500 young men in that community, young men who went out and made for themselves a marvelous record. In this Second World War, out of a company of 64, 42 of them were commissioned, three of them battlefield commissions. A great bunch of youngsters—some not so young! Some still sleep in foreign lands. That I had some part in their training is a source of unending pride.

I am strong for the National Guard of the United States. It was the backbone of American defense when this last war hit. One shudders to think what our situation would now be, had it not been for National Guardsmen. I am not disparaging the effort made, the time put in by the members of the Officers' Reserve, for they, too, made a magnificent contribution. They, too, did a splendid job.

Let me give you the picture if I can, in these brief moments. When you become a member of the National Guard of the United States and of any State in the Union, you are subject to call of the governor for emergency duty 24 hours a day, 365 days out of the year. I have upon four, possibly five, occasions answered that call, closed my office and gone on duty for periods of from 72 hours to 43 days at a time. You know what I am talking about. It is the most thankless kind of duty there is; and, yet, when it is needed it is the thing that is needed above everything else, because everything else has failed.

Mr. Chairman, I looked for hearings; I found none. I do not know how much discussion, if any, was made as to the possible harmful effect of this measure upon the National Guard. I can only express my own opinion, which is that you will cause the National Guard to shrivel or dry on the vine.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. Gladly.

Mr. VAN ZANDT. I wish to quote from the hearings.

Mr. SCRIVNER. I looked for hearings but I could find none.

Mr. VAN ZANDT. On page 3189 this statement is made by Brig. Gen. Arthur J. Trudeau, of the Personnel and Administration Division, War Department, member of the War Department General Staff:

> There has been a question raised as to whether a paid Organized Reserve Corps would have a harmful effect on the National Guard personnel procurement program. The War Department is making every effort to prevent unreasonable competition for personnel between the National Guard and the Organized Reserve Corps.

Mr. SCRIVNER. That is General Trudeau, of the Regular Army.

Mr. VAN ZANDT. Yes.

Mr. SCRIVNER. That does not answer the problem at all.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. If I can get some more time.

Mr. SIKES. I just want to call attention to the record.

Mr. SCRIVNER. I stated that I tried to get copies of the hearings but was told none was available.

Mr. Chairman, I am concerned with the future defense of America, for the next time we will have no time. I have never yet doubted that if we had had an adequate national defense we would not have been in the First World War and if we had had a strong national defense, we would not have been in the second one either. I am not opposed to measures designed to strengthen the national defense.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TOWE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SCRIVNER. Mr. Chairman, as I stated, members of the National Guard are subject to call 24 hours a day, 365 days out of the year. Members of the Reserve do not have that obligation.

Put this up to any man who was or contemplates becoming a member of the National Guard and you will get the same response from him. You may ask the same question of the gentleman from Kansas [Mr. SMITH], who has put in more years in the National Guard than I have, and he will tell you the same thing. There is only one choice. Have in the same community these two services, National Guard or Organized Reserves, with the same pay and allowances and there is only one reasonable choice, and that is the Reserves. This is because you do not have hanging over your head at all times this call to immediate service by the Governor of the State. Given that choice there would be just one result. Those who are desirous of participating in the civilian training to prepare this country against any emergency that may arise in the future would make only one choice and that is the Reserves.

If this bill had contained some provision in it which would insure the strength of the National Guard before the Reserve components were to receive this pay, gratuities and so forth, that would be one thing, but this bill does not do that. I do not like to be a gloomy Gus, but I feel so deeply down in my heart and so sincerely this thing has not been thought through thoroughly as to the effect on the National Guard that I cannot help but call it to your attention. Of course, an imperfect bill which would bring forth some strength in civilian defense, is better than none. I still maintain you are making a tragic mistake, that you are weakening the National Guard at the cost of strength for the Reserve.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. SIKES. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, the thing that we should look at in connection with this bill is the fact that it provides for interest in the citizen solder. Whenever we come to a time of emergency we have to fall back on the citizen soldier and whatever you do to promote interest in the citizen soldier of either category the better off we are as a nation.

We realize that between the two wars we had an Officers Reserve Corps. This was set up by divisions, regiments and what not, but there were no enlisted men. This bill would create some incentive for enlisted men to join the Organized Reserve.

The pay does not amount to a whole lot. It is not very much money in the pocket of any individual, but it gives him a sense of "belonging" when he realizes that the Government thinks that night a week is important because the Government pays him for it. I would not support this bill for a moment if I thought it would in any wise prejudice the National Guard. We must remember that the only military organization in the United States which is protected by the Constitution is what we call the National Guard. Every State has the absolute right to maintain its militia, and the National Guard is the militia.

I have been disturbed recently at some of those who have been attempting to have the Reserve absorb the Guard. I would like to remind them that if you ever have any absorption there, the National Guard is going to absorb the Reserve and not the Reserve the National Guard, because whatever you create must be in essence a militia, and a militia must be an organization created by States, officered by men chosen by the Governor of the State, and subject to the call of the Chief Executive of the State without waiting for somebody on the national level. As to whether men would join the National Guard if the Reserve were equally paid, I think that there is still throughout the country a strong feeling of responsibility of citizenship, and those who join the National Guard or the militia have in mind the fact that they are always in a position to render service to their State. There is not a State in the Union which would agree to give up its militia; there is not a State in the Union in which the Governor, in the event of civil commotion, could not call on a force in being subject to his absolute control. There would still be the incentive of those men in every State to be members of the National Guard or the Militia, those men being substantial citizens of the community, who are always ready to stand guard in the event of civil commotion, no matter what its type may be, just as you have men respond to the sheriff's call for a posse comitatus, they will always respond. I think this bill does something that has been needed for a long period of time. It will not injure the National Guard. I think it will promote it. Of course, there will be the natural rivalry in the community between the National Guard outfit and the Reserve outfit, but the American people will never be without a militia.

We can visualize different types of commotion that we want an organization in being, to take care of in the event any such situation will arise, and there will always be those fine substantial people that will take on that burden.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the distinguished National Guard member of the State of New York.

Mr. KEARNEY. The reason I asked those few questions pertaining to the National Guard was not in a spirit of fear but, let me say, in a spirit of pride.

I am very proud of the National Guard of this country, and I think everybody in the House is, and I want to be sure that under this bill there is nothing in it that will ruin the National Guard.

Mr. KILDAY. I think the gentleman can be content on that. My remarks are rather addressed to the observation made by the gentleman from Kansas that he is afraid that this bill might cause the National Guard to die on the vine. I do not believe that that is true. I think that it will supplement and reinforce the National Guard, and I think there will always be the same patriotic influence in every community for those who are willing to take on those heavy burdens.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Kansas.

Mr. SCRIVNER. With that assurance on the gentleman's part, may then I, in turn, rest assured that if the gentleman, as a member of the Committee on the Armed Forces and I, as a member of the Subcommittee on Appropriations, find that this program is having a serious affect on the National Guard that the gentleman will institute measures to correct it so far as he is able to do so?

Mr. KILDAY. It is rather difficult to choose your side before the issue arises. But, I want to assure the gentleman from Kansas that I will never take any part in any legislation that will handicap the militia of the several States. I am still old fashioned enough to believe that it is just as important today as it was in the days when they wrote into the Constitution that the militia shall be maintained.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SIKES. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr KILDAY. I yield to the gentleman from California.

Mr. JOHNSON of California. Will not the effect of this law be this? In the National Guard we have only combat units. In the modern Army we have military government, we have the ordnance unit, and we have the administrative unit, and they will have a chance to learn something outside of the 15-day active-duty period. In the past, all the Reserve officers and enlisted men got was 15 days at camp. In between times, some take correspondence courses and some do not take anything. This will give them a job to do, and pay them a nominal sum for the whole year, so they will get the maximum benefit out of the 2 weeks' duty in the summertime.

Mr. KILDAY. I think the gentleman is correct. I do not think the amount of money the man gets is going to be the deciding factor. It is a little something that makes him realize that the Government at least thinks that what he is doing is important. The idea of going down there for 2 hours once a week may be simply a waste of time to a young fellow who might be out on a date or something of that kind, but it does give him a position and standing in his organization and his community.

Mr. SCRIVNER. If the gentleman will yield further, to follow up the observation made by the gentleman from California, I understand what the gentleman means. I attended drills for over 15 years, and I do not know that I ever missed one. The thing that he pointed out is exactly what makes me apprehensive, that is, that the National Guard units are your combat units. There is not much thrill there, there is not much glory to looking forward to handling a rifle, machine gun, or bayonet. On the other hand, these special units to which the gentleman has referred that have the specialized training in themselves have an added incentive and added glamor. That is one of the reasons I am afraid of the effect this measure will have on the National Guard.

Mr. KILDAY. I cannot agree with the gentleman from Kansas that any of those Texans in the Thirty-sixth Division will take the position that there was not a great deal of honor and maybe glamor to the fact that they were members of the Thirty-sixth Division. I think they are quite proud of it, and I think those of every other State are proud of the fact they went with men from their own State. That State pride is something that still exists.

Mr. TOWE. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, I am so in favor of this bill that I almost did not take the time to interrupt the discussion and air my views. However, in view of some of the misunderstandings that seem to be in the minds of some of the Members, I feel it is only right to call attention to one or two things that have developed in my experience over the thirty-some years that I have been connected with the civilian component of the Army.

In the first place, I should like to make one correction in the minds of some of the Members in regard to the function of the Reserves who in the past have served or will serve in the future. Do not get the idea that the Reserve components are not in some very important cases combat units. The present plans contemplate, as they did in the past, shock troops of all types as well as the service troops. I do not think the gentleman that spoke last need worry about the pride of the infantry doughboy, whether he is a National Guardman, in the Regular Army, or a Reserve soldier. The glamour of the foot soldier is still as strongly in the minds of all those who served in the Infantry as the hardships and heartaches that go with it.

There is one thing, however, that makes it rather hard on any doughboy or any other member of the Reserve; that is, to feel that he is in an organization that is losing ground and does not have the full strength of membership it needs. In our experience over the 20 years prior to the last war the greatest difficulty the Reserves always had was not in getting colonels, field officers, and the like. It was to give some incentive to keep GI Joe, the private, and noncommissioned officer interested and sure that his job and training were as essential to the success of the Reserves in peacetime as in time of war.

The way this act will fit into the picture to give the American taxpayer one, two, or even $3 in value for every one of his tax dollars so spent is this: We have millions of fine, battle-trained veterans who have 1,000, 2,000, 3,000, or more hours of the training which it takes to make a first-class soldier or airman. We have to do something to keep those people in harness and not let them get entirely out of the picture, or we will be throwing away some of our finest assets from the standpoint of national defense.

It is generally admitted by our experts that until a man has had 1,000 hours of training he is hardly more than a rookie. It is of the utmost importance that we do something to hold in the service a sufficient number of the millions that have had long hours of training for which the cost already has been paid.

The officers who made up the Reserve Corps in the past were always handicapped by having to borrow troops from the Regular Army or the CMTC with which to practice. If we can hold enough veterans actively in the Reserve, for the next few years, we will have done more to strengthen our organized defenses than any other thing I know of at the same price. The passage of this bill is an important step in that direction.

Mr. SIKES. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. PRICE].

Mr. PRICE of Florida. Mr. Chairman, I wish to urge the Members of the House to support H. R. 3227. It is simply a request for equal treatment for all members of our Reserve organizations regardless of the branch of service in which they may have served. The small incentive offered to the former members of our Army to join and serve in the Reserve organizations is the best and cheapest insurance this country can have. We have already provided such pay for the National Guard and the Naval Reserve. The Government should fully equip these Reserve units and provide this incentive for the full development of this program.

The passage of H. R. 2744 will further strengthen this program and give incentive for our veterans to give their time and efforts to keep our country fully prepared in case of an emergency.

Mr. SIKES. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I think it is tragically important that we pass this legislation which is before us today. I want to recall to your mind the conditions prevailing at the time of the demobilization of our armies and navies immediately after the Japanese surrender. At that time, of course, we had reached the peak of our power, both military and naval, and then began to demobilize. At that time also the services asked each officer and enlisted man when he left the service whether he would be interested in future Reserve activity, whether it was in the Guard, the Fleet Reserve, or the organized Reserve of the Army—and in addition the Air Forces. By additional recruitment, found that roughly 2,400,000 peo-

ple indicated that they would be interested in future service for our country in some of the Reserve components of the armed services. Everything looked to be in pretty good shape at that time because of the large and enthusiastic response from these people. But the years have slipped by and too little has been done in respect to the utilizing of the services of those who volunteered. The officers and men have drifted away and in many cases not even their present addresses are known. Some effort has been made to build up a National Guard and an effort has been made to give our Reserves a program; but those efforts have not been sufficient. One of the main reasons is the lack of our ability to pay a man who has responsibilities of business some compensation for the time he puts into the Reserve activities.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. VAN ZANDT. Is it not true that there are no billets in the National Guard for many of these highly trained citizens who were officers and enlisted men during the last war?

Mr. BROOKS. That is true. I thank the gentleman for his valuable observation.

Mr. Chairman, I want to follow this argument just a little bit further. The Navy had roughly 800,000 people in this classification. The Navy has done fairly well in its Reserve program. Why? Because the Navy is able to pay its Reservists some inactive duty pay. The National Guard had a goal set with the thought that Universal Military Training would become law, of about 680,000 members. Of course, this figure has not been reached. Roughly speaking, we have about 250,000 members in the National Guard. Unless Universal Military Training is passed by the Congress, it is doubtful that this larger figure will be reached. If you ask why, the reasons are obvious. The several States are interested in the National Guard for the purpose of maintaining law and order in times of extreme emergency in the several States. The States want a force large enough to do this job. The several States are not interested primarily, but only secondarily, in overseas emergencies and outside dangers—waging war is the prime responsibility of the national Government.

Someone indicated the other day that a State had been assessed 8,000 National Guard men as the State quota. The governor of that State was asked why it was that only 3,000 had been recruited. He said, "In my State we have no need for more than 3,000. Why would my State be interested in State expenditures sufficient to recruit and build up and maintain National Guard service of more officers and men than we feel we need within the confines of the State to meet State responsibilities?" When you think about it, there is no actual competition between the Reserves and the National Guard on this basis. The National Guard is set up under a constitutional provision which gives the several States the power to maintain police authority within their confines. Operating under that provision, we have helped to finance the National Guard to the extent of aiding the States in maintaining the high standards of the guard, so that in time of extreme emergency we can call the National Guard into federalized service. Otherwise, it remains a State guard. So I think we can proceed with safety to build up our Reserves without feeling that it is competitive with the National Guard, which has a distinct duty and responsibility of its own.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BROOKS] has expired.

Mr. TOWE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, like many members of the committee, I have served in the Reserve components of our armed forces. If I live until the 29th day of April, I will have completed 31 years of Reserve service with the Navy. So it is with great enthusiasm that I support this legislation which provides drill pay for Army Reserves.

I like to look back on the Reserves of our country during the period between World War I and World War II, and there recognize in them the lack of efficiency, principally due to lack of equipment and organization. When World War II had its beginning, instead of having a well-organized and trained Reserve Corps, we had just a handful, but still they took their places in the armed forces of our Nation, and around them was built the greatest Army, Navy, and Air Force ever known to the world.

This legislation, as I see it, results from our experience between World War I and World War II. I like to take the Navy, for an example, and convey to you just what I meant when I said that this legislation results from our experience in the period between World War I and World War II. From 1919 to 1941 the Navy Reserves were scattered throughout the United States in units. There we trained units to man a destroyer, a submarine, or a submarine chaser, or possibly as a division on a cruiser or a carrier or a battleship. However, when World War II began, we found that the idea in general was obsolete. This was due to the advanced methods of modern warfare. We found that the Navy required a group of specialists and each individual had to have specialized training to take his place in the crews of various ships or in station complements.

World War II has been concluded. The Naval Reserve is now reorganized. Instead of reorganizing it along the lines of a unit to man a destroyer, a submarine, or to take a division aboard a battleship or a cruiser or a carrier, we are now organized using class-room technique to train specialists' ratings. Through this method of class-room instruction the Navy trains pipefitters, welders, radar technicians, molders, and other ratings. Every line of endeavor needed by the Navy today is trained to fill a specific billet regardless of where he is assigned. Instead of having an entire division assigned to a ship, we can take any man of a reserve unit and assign him to the battleship *North Carolina*, in the rating for which he has been trained.

I am pleased to see that the legislation that we are now considering provides a similar program for the Reserve of the United States Army.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. JOHNSON of California. Is it not a fact that of all the men we take into the Army or the Air Forces, less than 20 percent ever get into the combat zone or exposed to combat conditions? This means that all that great group of men are needed to supply the men in combat, and the better trained the men in these service corps, the mechanics and those who support the men in the front lines, the better support they can give the men in combat.

Mr. VAN ZANDT. That is correct. The Army alone, I believe, had twelve or thirteen million men and women in the last war, and a great many of them had specialist training. Many of them, officers and men, cannot join National Guard units now because the National Guard does not need their kind of background and training. This group therefore has to go somewhere else. If this legislation is enacted to provide a Reserve Corps it will bring together that group of men so they can be refreshed on warfare as it is modernized from day to day and prepare them for any emergency with which we may be faced in the future.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. HORAN. I am very much impressed by the presentation of this subcommittee, but I am still quizzical about one thing which the gentleman from Kansas, a member of the Appropriations Subcommittee that handles the Army and the Navy, said. The gentleman made the assertion, and I would like to have more enlightenment on it, that a dollar spent here meant the saving of $2 for the regulars. In other words, we have a reason to expect more efficiency, better preparation for the taxpayer's dollar than under a heterogeneous attempt and the situation we now find ourselves in with Reserve legislation of this type. I wonder if the gentleman would enlarge upon that phase of it?

Mr. VAN ZANDT. Under the National Defense Act of 1925 that has been amended several times, the responsibility for giving to the American people the security they are entitled to rests on the shoulders of the Chief of Staff of the Army and the Chief of Staff of the Air Force and the Chief of Staff of Naval Operations. When they ask the Congress for funds to provide a certain type of an Army, an Air Force, or a Navy, they take into consideration that part of what they ask for is represented by Reserves, and the other part is represented by members of the Regular Establishment. Now, if no Reserve force were authorized it would simply mean that the Chief of Staff of the United

States Army instead of asking for appropriations to maintain an Army composed of Regulars and Reserves, would have to ask Congress to appropriate funds for a much larger standing Army. The Reserves engage only in part-time training. We contend therefore that it is not as expensive to the Government or to the taxpayers as a Regular Army soldier who works 365 days a year as a soldier.

Mr. HORAN. Is it possible for us to get a commitment out of the Chief of Staff that they would present their case to the Congress and to the Appropriations Committee in that form?

Mr. VAN ZANDT. I cannot, of course, speak for the Chief of Staff of the United States Army. I base my statement on my own knowledge of the Military Establishments of our Government and by simply saying again that were it not for the fact that we have a Reserve Establishment we would have to replace that Reserve Establishment by a much larger standing Army. I say that it is cheaper to have a standing Army plus a Reserve Establishment than to have a standing Army alone.

Mr. HORAN. I agree with the gentleman, and I would like to make this observation if he will permit me. When we are spending about 80 percent of the taxpayers' dollar on the armed services, it is high time that we consider the organization of our Military Establishment and make every logical, safe, adequate saving we can.

Mr. VAN ZANDT. Of course, in answer to the gentleman, and this is for the informaiton of the committee, we are all acquainted with the technical training required of a pilot or of an enlisted man in the Air Forces. I believe that the legislation now under consideration by the time it has passed the House will provide the Army Air Forces with a Reserve Establishment with the authority of maintaining a Reserve organization. We will have in the Air Force Reserve, pilots, copilots, mechanics, and other categories on whom we have already spent millions of dollars. Therefore we should make the Reserve Corps attractive to the trained servicemen in this country.

If we are able to bring them together and integrate them as a part of this Reserve Establishment, we will by training and drilling keep them refreshed as to what warfare is today. We will be taking advantage of their past experience and thus preparing them for any future emergency. Therefore, we are saving money on an investment already made by the American people.

I want to answer at this time the gentleman from Kansas [Mr. SCRIVNER] about the National Guard's attitude toward this legislation. I hold here a copy of the hearings and quote from a statement attributed to Col. L. B. Weeks, National Guard Bureau, as presented by Major Van Kirk, National Guard Bureau. We all know the National Guard Bureau is an agency of the War Department that supervises the activities of the National Guard, as far as planning is concerned, providing them with equipment and likewise giving to them the necessary curricula for drills. Certainly when a spokesman for the National Guard Bureau, in appearing before a committee of Congress, makes the statement that Colonel Weeks has made, he is speaking for the National Guard of the United States.

First, he says, at page 3193 of the hearings:

The Chief of the National Guard Bureau has carefully reviewed H. R. 3227 and supports the bill as now printed.

That, to me, is an unqualified endorsement of this bill by the Chief of the National Guard Bureau. Major Van Kirk continued Colonel Weeks' endorsement by saying:

The total number of National Guard troops now contained in the current War Department troop basis is approximately 682,000. These troops are primarily of combat type, such as infantry and armored divisions, antiaircraft brigades and separate field artillery battalions, cavalry reconnaissance squadrons, with appropriate higher headquarters to provide coordinated training and tactical control. In the troop basis there is provided a considerable number of service-type units to provide support for the combat-type units, but there are not nearly enough of the service-type units in the National Guard troop basis to entirely meet the needs of the combat units. The major effort of the Organized Reserves is to provide additional service-type units to meet the deficiency of this type units required for the Regular Army and for the National Guard.

The officers and men most suited for these service units will be drawn from personnel in corresponding occupations in civil life. This personnel is better suited for this duty than for duty in the National Guard combat-type units. The Chief, National Guard Bureau, therefore, feels that the well-deserved provision of pay as contained in this bill will encourage the prompt organization of these Reserve troops, and yet there should result no material interference with the prompt organization of the National Guard.

So that the membership of the House may have a clear understanding of H. R. 3227, I want to call attention to its general provisions, which are as follows:

GENERAL PROVISIONS

1. Removes restriction in present law on pay and allowances to Army Reserves except when on active duty (sec. 2).

2. Full pay and allowances (including longevity) for Reserve personnel when participating in full-time training duty. In the Army this is now granted only to the National Guard but would be extended by this bill to cover all Reserve components of all services (sec. 3).

3. With their consent, Reserves may be given additional duty without pay if authorized by the appropriate Department head. In such cases transportation, subsistence, and quarters may be furnished in the discretion of the department head (sec. 3).

4. Reserve personnel of all components will receive one full day's active duty base and longevity pay for each regular period of instruction or duty in which they engage for 2 hours or longer, provided they meet certain requirements to be prescribed by the department head (sec. 3).

5. Directs heads of departments to prescribe requirements as follows:

(a) Minimum standards which must be met before a drill or other equivalent period of training or duty may count for pay purposes. Thus, the Secretary may require that a certain minimum number of officers and troops be present for duty for a specified period of time and that they participate in a specified type of training (sec. 3).

(b) Maximum number of drills or equivalent duty periods which may be counted for pay purposes in each fiscal year (sec. 3).

(c) Maximum number of drills or equivalent duty periods which may be counted for pay purposes within periods of less than a year, i. e., within 6 months or 3 months, etc. (sec. 3).

(d) Minimum number of drills or equivalent duty periods which must be completed within specified periods of time before the personnel of organizations or units can qualify for pay (sec. 3).

NOTE.—The rules to be prescribed by the department heads may differ as between the services and between the different classes of organization within each service (sec. 3).

6. In addition to drill pay, officers of any Reserve component who command organizations with administrative functions shall receive administrative pay for the faithful performance of their administrative functions. Departments heads may divide these officers into classes and fix the amount of administrative pay for those in each class, but in no case shall it exceed $240 per year (sec. 3).

7. Combines the Officers' Reserve Corps, Enlisted Reserve Corps, and the Organized Reserves into a single component to be known as the Organized Reserve Corps and directs the Secretary of the Army to prescribe necessary regulations governing recruiting, organization, administration, training, inspection, mobilization, etc., and to provide necessary uniforms, equipment, supplies, etc. (sec. 4).

8. Organized Reserve Corps units will be of three classes:

(a) Combat and service types organized with full complement of officers and men. (Only those units considered necessary for prompt mobilization may be included in this category.) (sec. 4.)

(b) Combat and service types generally organized with a full complement of officers and an enlisted cadre (sec. 4).

(c) Combat and service types generally organized with a full complement of officers only (sec. 4).

9. Members of Organized Reserve Corps assigned to fully organized units (see 8 (a) above) will be required to meet the same minimum standards with respect to drills or equivalent duty and attendance at camp as are now or hereafter required of the National Guard (sec. 4).

10. The total number of drills or equivalent duty periods which may be counted for pay purposes by personnel assigned to units which are not fully organized (see 8 (b) and (c) above) is limited to 50 percent of the number authorized for personnel assigned to similar positions in the National Guard. The same applies to Organized Reserve Corps personnel not assigned to table of organization units who may, however, be required to participate in regular periods of instruction or duty (sec. 4).

11. Members of the Organized Reserve Corps with scientific or specialist classifications and also those designated for a mobilization-day assignment, regardless of whether assigned to a unit or not, may receive credit for regular drill periods for pay purposes on the same basis as members of fully organized units (sec. 4).

12. Members of the Organized Reserve Corps who are in receipt of drill pay may be required to perform active duty or training duty up to 15 days annually. With their consent they may be given additional training or other duty, with or without pay, by direction of the Secretary of the Army. When authorized duty without pay is performed transportation, subsistence and quarters may be furnished in the discretion of the Secretary (sec. 4).

13. Section 5 merely amends other existing statutes to bring them into conformity with the provisions of H. R. 3227.

Mr. Chairman, in conclusion, H. R. 3227 is without doubt one of the most important measures affecting national defense that this Congress will consider. Because of its great importance, I am certain that the House will approve it unanimously.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SIKES. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, H. R. 3227, to provide inactive duty training pay for members of the Organized Reserve Corps should be passed. I should like to commend members of the committee for reporting this measure for consideration and passage. I am also in favor of the Brooks bill, H. R. 2744, to provide for the retirement of both Regular Army and Reserve personnel and to strengthen the Organized Reserve Corps. Both of these bills are designed to strengthen our Reserve forces and therefore in the best interests of America.

It is time these bills and others intended to strengthen our country be passed.

Mr. Chairman, the iron curtain recently has been lifted enough to permit others to see the performance and activities of those behind it. Czechoslovakia has been taken over by the forces of tyranny and communism. The annexation of Czechoslovakia and the virtual ultimatum issued to Finland a few days later has shocked and awakened the entire world. This more recent revelation of the hidden plans of the Soviets, aimed at world revolution, has stirred free peoples everywhere. All this has occurred in a little less than 3 years since the shooting stopped following World War II. It will soon be 3 years since VE-day, but throughout the world there continues a feeling of uneasiness and insecurity—a recognition that a lasting peace has not yet been attained. Therefore, it is of the greatest urgency and importance that we be alert to the problem of insuring the strength of our own country. This Congress has not gone forward in great strides toward building up the strength of our own armed forces and assuring the strength of America. The so-called Marshall plan, European recovery program, intended to strengthen free democratic countries of Europe—all in the best interest of America, has not as yet been adopted. Bills providing for systems of universal military training languish in the Rules Committee of the House and the Armed Forces Committee of the Senate. The recommendations of the President's Air Policy Commission, on building up the air forces and air arm of our country has gained as yet but little ascendency.

Mr. Chairman, another great force which has in the past and which can in the future render great service to our country is the Organized Reserve Corps—the Reserve Forces of the Army, Navy, Marine, and Air Corps. We should not lose sight of the greatness and importance of the Reserve Forces of our country—organizations composed of those patriotic citizens who compose our home guard and who "stand guard" ready to defend America in any future emergency. Our Regular Army and Navy serve to provide needy leadership but it is our citizen soldiers—not the mercenary soldiers—who have won our wars in the past. Realizing this fact, we should not ignore our Reserve Components and relegate the Reserve Corps to a position of unimportance. On the contrary, we should strengthen and build up the Reserve Corps and encourage those who are presently members of the Corps or who may become members of the Reserve Forces of America.

Following the end of World War I there was a rapid demobilization of men from the service. Those that left the service were given an opportunity to show their interest in the reserve components of the Army, Navy, and Marine Corps by enlisting in the reserve organizations. It is my information that the Army alone obtained over a million volunteer enlistments in its organized reserve, from both officers and enlisted men and that when demobilization ceased we had available more than 1,000,000 Army reservists—men who had been trained and had seen combat; men with military experience. Today, however, through lack of interest and through lack of a program, the number has dwindled greatly. Our Army and our country are losing the benefits of valued training and experience because the Reserve Corps is not being built up and strengthened. The two bills being considered here today will go a long way toward encouraging those in the reserve components and in giving position and standing to the Organized Reserve Corps to which it is justly entitled. These bills, provide for inactive duty pay and nondisability retirement pay in a very limited and modest way for our reserve components. The benefits provided by this legislation together with a better training program for reservists will result in a large and well-trained reserve component. These bills propose to offer some incentive to men who devote their time to the reserve service by encouraging them to remain in the Reserve Corps and not drop out. Lengthy and continuous service in the Reserve Corps will entitle the men to some retirement pay. This pay will be modest but it will be an incentive for men to stay in the reserves. These measures are strongly recommended by members of the regular army and reserve components and will give incentive for persons to remain in the reserve and devote time and effort toward the defense and security of our country.

Mr. TOWE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CROW].

Mr. CROW. Mr. Chairman, I am glad to rise on this floor in support of this bill. I would like to speak to you for just a few minutes as a member of the Organized Reserve. I have served in the Organized Reserve since 1925; in fact, I was a charter member of the Organized Reserve unit in my home town, and I know about some of the difficulties that we had in trying to build up our Reserve. We had to buy our own uniforms and we had to travel as far as 100 to 120 miles in order to attend our lecture courses. We did that for nothing, and I will tell you it is mighty hard to get a very large group of patriotic men to go out and try to build up a reserve organization. I am greatly in favor of this bill because today we have in the neighborhood of 15,000,000 men, well trained, who are eligible for the Reserve, either the Officers Reserve Corps or the enlisted men's Reserve. We, at this time, are vitally interested in building up our national security, and I think that this bill is the one way to do it.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CROW. I yield to the gentleman from California.

Mr. JOHNSON of California. As I understand, the gentleman was a member of the Ordnance Department?

Mr. CROW. That is correct.

Mr. JOHNSON of California. If the gentleman had wanted to join a National Guard outfit, how would he have gotten in there, being a member of the Ordnance Department?

Mr. CROW. Well, I can answer that pretty well, because I was invited to become the ordnance officer of the Twenty-eighth Division of Pennsylvania.

Mr. JOHNSON of California. Were there any ordnance units, whole companies, available to do the specialized job that the gentleman mentioned?

Mr. CROW. Well, with my rank of colonel, there was no assignment available. I would have been required to take a demotion to lieutenant colonel.

Mr. JOHNSON of California. Have not special branches of the Army developed very rapidly during the war and just before the last war?

Mr. CROW. That is correct.

Mr. JOHNSON of California. Is that one of the fields that the gentleman is trying to get into the Reserve Corps?

Mr. CROW. There is no ordnance unit assigned to the division. Of course, you have your ordnance section on the division commander's staff.

Mr. JOHNSON of California. Does not this group of specialties, running into the dozens, open a big field for Reserve officers?

Mr. CROW. That is correct, and that is where they will be used. They will not interfere with the National Guard in any way.

Mr. JOHNSON of California. That is the point I want to make. The gentleman would say that is a fact, from his experience?

Mr. CROW. I agree with the gentleman and do not believe that this bill will interfere with the National Guard.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. CROW. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. A moment ago the gentleman mentioned that some 15,000,000 men were engaged in World War II and all are highly trained. It may be of interest to the committee to know that the average age of World War II veterans is 29 years, and about 500,000 of them are becoming unfit for military

duty annually; therefore, we can look ahead for years and years to having a large reservoir of trained men available for the Officers' Reserve.

Mr. CROW. That is correct. What I was trying to bring out was more to strengthen the point the gentleman from Pennsylvania [Mr. VAN ZANDT] has already mentioned, that we need these men to strengthen our national security over and above the National Guard.

I personally hope that the House will pass this bill. I think it is vital. I feel that if we do not pass a bill of this kind it will be absolutely impossible to build up our national security without building up our Regular Army to immense proportions. If we have to do that, it will cost the Government a great deal more money. So I ask that the House support and pass this measure so that the Reserves can receive training-duty pay.

Mr. SIKES. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, my experience with the Reserve components dates back to the First World War. I became a member of the Marine Corps Reserve in the middle twenties, and I served in various commissioned capacities; first, as what we called a volunteer Reservist, or one who is not attached to any particular group or organization, and who is not paid.

Finally, I organized a Reserve battalion in 1936. We had just completed 4 years of paid militia training when the mobilization orders came. We went on active duty, and in accordance with the Marine Corps plan our people were integrated into the Fleet Marine Force. Subsequently, some of my people fought in every action of the Marine Corps.

It is particularly noteworthy that out of this battalion, which was the largest Reserve organization in the Marine Corps except for that which was organized here in Washington, all except 13 returned safe and are now either at home or following such pursuits as may suit their fancies. Certainly this one fact proves the efficacy of the militia system as practiced by the various National Guards, the Naval, and the Marine Corps Reserves.

My own experience included service in the field at the beginning of the war and later, close to 3 years, as head of the Division of Reserve and the officer-procurement program of the Marine Corps. I had the honor of participating to a very considerable extent in the drafting of the postwar Reserve, and I am particularly pleased to see it functioning according to plan today.

Perhaps some of you may wonder why I inject the feelings of an old marine into this particular debate which concerns primarily the Army and Air Force and does not involve the Marine Corps since that branch already has drill pay, the item which the other components now seek. I explain my position merely by saying that my interest in the armed forces extends to them all.

I believe that the principle of unification has a great many advantages and that since we have adopted that principle we should now apply it to the civilian components. I believe that without the adoption of this bill it would be impossible to have an Organized Reserve in either the Army or the Air Force. Certainly we could not have done it in the Marine Corps or the Navy.

I am especially interested to note the absence of apparent opposition on the part of the Members on the floor today and to note further that with almost no exceptions they are themselves old soldiers. I trust that the Congress will follow the leadership of these old soldiers who have "been there" and who know what they are talking about; and I hope that the bill will pass without a dissenting vote.

Mr. SIKES. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE. Mr. Chairman, much has been said recently about stock piling strategic materials in order that we may be prepared in time of war. This bill is a step toward stock piling trained manpower, and trained manpower is needed very much at this time. The most respected leaders of our country have said that we will not have years or even months to prepare for the next war. Therefore, we must have trained manpower available constantly. George Washington once said, "To be prepared for war is one of the most effective means to preserve the peace." History has taught time and time again that strong words and righteous protests mean nothing without force to back them up. Undoubtedly one cause of our present difficulties with Russia is the lack of an effective force. Mr. Chairman, the Reserve officers of this Nation proved themselves in World War II, and in my opinion this bill will be an effective inducement to serve in the Reserve components of the Army and the Air Corps. Mr. Chairman, I urge enactment of this legislation.

Mr. SIKES. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, a question has been raised here this afternoon as to the most service we may get for the national defense dollar spent. First, I think this committee since the end of the war has been trying to build up what we think is an adequate and necessary force from the national defense standpoint. Of course, we are concerned about the amount of service we get out of the national defense dollar, but above all we must convince ourselves and the public that we have what is necessary, what is an adequate defense.

The picture today is the matter of securing enough manpower to take care of and run our armed services. As most Members know, today the Army, Navy, and Marine Corps have requested manpower of around 1,736,000. There is quite a bit of disagreement as to what is necessary. You have all noticed that in the press, in magazines, and in practically every issue of the service magazines. Of course, we face a problem because we feel that the Army has to fit into our economic life both from the standpoint of how much manpower we can spare and how much can best be used in the armed services. So it becomes very apparent as to the character and composition of these forces. We are trying to get the best information we can in the Committee on Armed Services. We cannot rely entirely upon the atomic weapon as some believe we can. We know how important this weapon is in our national security program, but I am one of those who feel that we cannot be entirely dependent on that alone. We must have manpower. To fit that manpower into both our armed forces and civilian life is one of the important problems in this committee. So we have concerned ourselves with legislation such as this before you today, which I strongly favor and which, I believe, will be money well spent. There will also be coming up this afternoon another piece of legislation which this committee has worked on for over 4 years to my knowledge, which I feel is important, and which the gentleman from California [Mr. JOHNSON] also knows is important, and which will be an incentive so far as securing manpower for our defense. I think most of us recognize the potentialities of the atomic weapon and its devastating possibilities so far as destruction is concerned in the event of an attack. I think it is necessary to have ground forces which will be adequately trained. I see no better way to work toward that coal than through the National Guard units and Reserve units and ROTC and other units. I think that is the easiest way and least expensive. Recently I have spoken with many of the leaders of the National Guard in my State as well as Reserve officers. I know that they are pretty low in spirit at this time. They must have some incentive if we expect those organizations to grow and be in a healthy position to assist in the defense of this country in the event the occasion should arise.

Mr. TOWE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Chairman, the existence of trained men scattered throughout the population of the United States is of small importance and small value to the country in the event of an emergency, in comparison to the advantages of having those same men brought together into groups, or organizations, or divisions in which they are able to continue the study of their respective skills, or to perfect themselves in the duties which they might have on shipboard.

During the years between the First and Second World Wars, the Navy built up its Reserve into divisions for specific purposes, and in each of those divisions they had the men necessary to perform the duties to be expected by that division in the event of war. I cannot quite go along with the gentleman from Pennsylvania [Mr. VAN ZANDT] in his statement that these divisions did not work out well, because I am very proud of the 19 divisions of the Reserve, from the West and Central States, which reported to me in September 1939 for the purpose of commissioning a similar number of destroyers and getting them into the conflict.

Without these divisions we could not have succeeded in our efforts. I realize full well that the changes which have

since come about are such as to now make that specific method outmoded, but I do want to pay this small tribute to those Naval Reserves who worked together during the years before World War II, and who did the job as it should be done.

The Navy has had this proposed system of payments for Reserves since 1926. I want to concur completely with the gentleman from Massachusetts [Mr. McCORMACK] in saying that such legislation as this is of no use unless it is implemented with funds to pay the individuals concerned. During the years I had the pleasure of being executive officer of the Naval Reserve Division in the Navy Department we usually felt that we got only a very small percentage of the funds we needed to build up an efficient reserve force.

Mr. Chairman, I think this is good legislation and that it should be passed. Until recently, I did not appreciate that the Army has not had this same privilege as the Navy. I think any such discrimination should be removed.

Mr. TOWE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Chairman, recognizing as I do after many years of service with the National Guard the value of this legislation, I heartily endorse the provisions of H. R. 3227. I understand that the bill has received strong endorsement not only from the Organized Reserve but also from the National Guard, veterans' organizations, and others.

The membership of this House knows that a strong reserve is necessary in any military program we set up. I do not have the exact figures on the strength of the Officers' Reserve Corps at the beginning of World War II, but I am of the opinion it is around 100,000. Under the situation as it exists today, the civilian components of our armed forces are the Reserves and the National Guard; and they are the only trained men we have outside of our Regular Establishment. We must encourage young men to join the Reserves, and one of the proper ways to do this is for the Congress to lead the way in the passage of H. R. 3227, which in substance provides inactive duty training pay, so essential to the maintenance of a strong, well-trained Reserve. All we are doing by the passage of this bill is putting the Reserve and Air Force Reserve on the same basis as the National Guard and the Naval Reserve, both of which are on a pay status. While the program will cost money, it is money spent in our Nation's defense.

Mr. TOWE. Mr. Chairman, I have no further requests for time.

Mr. SIKES. Mr. Chairman, I yield such time as she may require to the gentlewoman from New Mexico [Mrs. LUSK].

Mrs. LUSK. Mr. Chairman, I urge support of this bill because I think it is an important step to further strengthen the defense of our country.

The passage of H. R. 3227 would be a step toward the necessary tightening up of our national security program. I have favored this action and I favor other measures which will bolster the strength of our manpower reserves. The voluntary organized reserves have been the mainstay of our national defense program since the days of the revolution. In the war just concluded the organized reserves formed the superstructure upon which our powerful army was built. The voluntary Reserve program is recognized by our military leaders as the foundation upon which our future security rests.

To preserve the strength of our Reserves it is necessary that incentives be provided our citizen soldiers to maintain their interest in continued training. This is the democratic way. It has been recognized in the National Guard program and in the Naval Reserve program. Payment for inactive duty training is essential to the success of the Reserve program. It will be compensation for our reservists for the time they must spend, and incentive for them to continue training.

Mr. SIKES. Mr. Chairman, I yield such time as he may require to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I am not one to go along with some of this fancy thinking that another world war would be all push buttons and atomic power. My views follow those of the most thoughtful of our military leaders that another war, even in the atomic age, will call for many, many thousands of foot soldiers, airmen, artillerymen, Navy men, all trained in modern scientific warfare.

I do believe this, however, that the day is past when we can have the time to prepare for a war as we had after Pearl Harbor. War is no longer a slow process. War and attack will progress as fast as it is in the power of our military men to build the planes to fly with supersonic speeds.

It is for that reason, and for the reason that each day the newspapers bring us the news that the peace we enjoy now is a tenuous proposition, that I urge passage of this bill (H. R. 3227) which would be nothing less than a shot in the arm to our potential defense as well as the feeling of security of every man, woman, and child in this country.

The distinguished committee which reported this bill declared flatly that the Army and Navy must maintain active Reserve components or else, in time of a war emergency, we will have to depend exclusively on the Regular services for our defense. And the Regular armed forces, however gallant and fine, the committee declared, are patently incapable of doing such a job alone.

During the war we spent millions and millions of dollars to train our men and boys in modern warfare. In the Air Force alone there were some 3,000,000 men and officers on whom the Government spent thousands of dollars individually to fit for their duties. These men, many of them, are drifting back into civilian life. They are taking up other lines of endeavor in which, in most cases, their war-acquired skills are not needed. These men are taking back into civilian life with them—and literally laying up on a shelf—some of the finest talents, skills, and training that it was in the power of this Government to give them. These men, many of them, do not want to abandon their training skills. This country cannot afford, in these critical times, to let them do it. Such a course, in my opinion, would constitute the real "operation rathole" that we hear so much about.

But these men must be given some inducement to continue to keep their hand in in radar, flying, navigation, radio and other fields. They cannot be expected to surrender their time and efforts without just compensation from the Government which needs them so much. No. These men must be induced.

This bill before us today is that inducement. What it will cost in money is not to be counted in the worth it will produce. By providing a just system of inactive duty training pay for the Organized Reserve Corps, the country would be buying insurance—and at a very small premium. Here we have all these men, men trained at great cost, who can form the nucleus of a fine and efficient army in time of emergency. Are we going to let their skills and talents and their potential worth as teachers of the younger, untrained men who are coming on become rusty? Are we going to dissipate the greatest potential defense that any country in the world can imagine?

I certainly hope we are not that imprudent and short-sighted.

Let us figure all the angles on this thing. Let us forget the push buttons for a while and realize that the next emergency is going to take men, trained men. We will not have them unless we do something to create a desire in these men to stay in the Reserve, take refresher courses to keep abreast of progress and keep their skills. Only a decent training pay is going to do that. It will be too late after the next Pearl Harbor—which heaven forbid that it will ever come—to begin gathering together our manhood for training.

Mr. SIKES. Mr. Chairman, I have no further request for time.

The CHAIRMAN. There being no further request, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the National Defense Act, as amended, be further amended by striking out the words "the Officers Reserve Corps, the Organized Reserves, and the Enlisted Reserve Corps," and inserting in lieu thereof the words "and the Organized Reserve Corps."

SEC. 2. That section 37a of the National Defense Act of 1916, as amended, is amended by deleting therefrom the following sentence: "A Reserve officer shall not be entitled to pay and allowances except when on active duty."

SEC. 3. That section 14 of the Pay Readjustment Act of 1942, as amended, be amended to read as follows:

"SEC. 14. Reserve and National Guard personnel: (a) Officers, warrant officers, and enlisted personnel of the Reserve components of any of the services mentioned in the title of this act, when on active duty in the service of the United States, shall be entitled to receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service.

"(b) Officers, warrant officers, and enlisted personnel of the Reserve components of any of the services mentioned in the title of this act, when participating in full-time training or other full-time duty (provided for or authorized in the National Defense Act, as amended, or in the Naval Reserve

Act of 1938, as amended, or in other provisions of law, including participation in exercises or performance of the duties provided for by sections 94, 97, and 99 of the National Defense Act, as amended) shall receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service: *Provided*, That they may be given additional training or other duty as provided for by law, without pay, as may be authorized by the head of the Department concerned, with their consent, and when such authorized training or other duty without pay is performed they may in the discretion of the head of the Department concerned, be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished with subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned.

"(c) Under such regulations as the head of the Department concerned may prescribe, and to the extent provided for by law and by appropriations, officers, warrant officers, and enlisted personnel of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, shall receive compensation at the rate of one-thirtieth of the monthly base pay including longevity pay, authorized for such persons when on active duty in the armed forces of the United States, for each regular period of instruction, or period of appropriate duty, at which they shall have been engaged for not less than 2 hours, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the head of the Department concerned: *Provided*, That personnel required to perform aerial flights, parachute jumping, glider flights, or submarine duty shall receive the increases in pay provided for by law for personnel in such status: *Provided further*, That for each of the several classes of organizations prescribed for the National Guard of the United States, the Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, the rules applicable to each of which services and classes within services may differ, the head of the Department concerned: (1) Shall prescribe minimum standards which must be met before an assembly for drill or other equivalent period of training, instruction, or duty or appropriate duties may be credited for pay purposes, which minimum standards may require the presence for duty of officers and enlisted personnel equal to or in excess of a minimum number or percentage of unit strength for a specified period of time with participation in a prescribed character of training; (2) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties, which may be counted for pay purposes in each fiscal year; (3) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties which can be counted for pay purposes in lesser periods of time; and (4) shall prescribe the minimum number of assemblies or periods of other equivalent training, instruction, or duty or appropriate duties, which must be completed in stated periods of time before the personnel of organizations or units can qualify for pay: *And provided further*, That the provision of this paragraph shall not apply when such persons are entitled to receive full pay and allowances as provided for in paragraphs (a) and (b) of this section.

"(d) In addition to pay provided in paragraph (c) of this section, officers of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, commanding organizations having administrative functions connected therewith shall, whether or not such officers belong to such organizations, receive not more than $240 a year for the faithful performance of such administrative functions under such regulations as the head of the Department concerned may prescribe; and for the purpose of determining how much shall be paid to such officers so performing such functions, the head of the Department concerned may, from time to time, divide them into classes and fix the amount payable to the officers in each class: *Provided*, That the provisions of this paragraph shall not apply when such persons are entitled to receive full pay and allowances as provided for in paragraphs (a) and (b) of this section."

SEC. 4. That section 55a of the National Defense Act of 1916, as amended, be amended to read as follows:

"SEC. 55a. Organized Reserve Corps—Organization and training: The Organized Reserve Corps shall include the personnel and units of the Officers Reserve Corps, the Enlisted Reserve Corps, and the Organized Reserves. The Secretary of War shall prescribe all necessary and proper regulations for the recruiting, organization, government, administration, training, inspection, and mobilization of the Organized Reserve Corps, and shall detail such officers and enlisted personnel of the Regular Army and Organized Reserve Corps, and shall make available such material, uniforms, arms, supplies, equipment, and other facilities of the Army, or procured from funds appropriated for the purpose as he may deem necessary and advisable for the development, training, instruction, and administration of the Organized Reserve Corps and the care of Government property issued to the members and units of the Organized Reserve Corps. Any or all members of the Organized Reserve Corps may be formed into military organizations, which in turn may be sponsored by civilian organizations as affiliated units.

"Organized Reserve Corps units will be of three classes, varying in degree of organization, as follows:

"1. Those combat and service types organized with a full complement of officers and men: *Provided*, That there will be included in this category only those units which are considered necessary for prompt mobilization.

"2. Those combat and service types generally organized with a full complement of officers and an enlisted cadre.

"3. Those combat and service types generally organized with a full complement of officers only.

"Under such regulation as the Secretary of War may prescribe, personnel of the Organized Reserve Corps shall assemble for drill, training, instruction, or other duty and shall participate in encampments, maneuvers, or other exercises: *Provided*, That assemblies for such duty under such regulations for members of the Organized Reserve Corps assigned to fully organized units shall be on the same minimum basis as now or hereafter prescribed for the National Guard: *Provided further*, That other units of the Organized Reserve Corps may be assembled, under such regulations, for such duty; however, personnel of these units may not receive pay in any one fiscal year for a total number of regular periods of instruction, or periods of appropriate duty, at which they shall have been engaged for not less than 2 hours, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the Secretary of War in accordance with subsection (c), section 14, Pay Readjustment Act of 1942, as amended, in excess of 50 percent of the number of such assemblies authorized for personnel assigned to similar positions in the National Guard: *Provided further*, That members of the Organized Reserve Corps not assigned to table of organization units may be required to perform duties as prescribed by such regulations and receive credit for regular periods of instruction or duty, for pay purposes, up to the same maximum as prescribed herein for members of units of the Organized Reserve Corps, other than fully organized type units: *And provided further*, That members of the Organized Reserve Corps classified in scientific or specialist categories, or members of the Organized Reserve Corps, whether or not assigned to a unit, who, under regulations prescribed by the Secretary of War, are designated for a mobilization day assignment, may be required to perform duties as prescribed by such regulations and receive credit for regular drill periods for pay purposes on the same minimum basis as prescribed herein for members of the Organized Reserve Corps in fully organized type units.

"Under such regulations as the Secretary of War may prescribe, personnel of the Organized Reserve Corps may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending periods of instruction, or periods of appropriate duty, duly prescribed under the authority of the Secretary of War, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of War.

"Members of the Organized Reserve Corps in receipt of pay for the performance of drills, or other equivalent training, instruction, or duty or appropriate duties, may be required to perform such active duty or training duty, not to exceed 15 days annually, as may be prescribed by the Secretary of War: *Provided*, That they may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of War: *Provided further*, That when authorized training or other duty without pay is performed by members of the Organized Reserve Corps they may in the discretion of the Secretary of War be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned."

SEC. 5. (a) That section 92 of the National Defense Act of 1916, as amended, be further amended by changing the period at the end of said section to a colon and adding the following: "*Provided further*, That members of the National Guard of the United States may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of War: *And provided further*, That when authorized training or other duty without pay is performed by members of the National Guard of the United States they may in the discretion of the Secretary of War be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the Secretary of War."

(b) That the portion of section 109 of the National Defense Act, as amended, which precedes the final proviso of such section, be amended to read as follows:

"SEC. 109. Pay for National Guard officers: Under such regulations as the Secretary of War may prescribe, officers and warrant officers of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of instruction, or periods of ap-

propriate duty, duly prescribed under the authority of the Secretary of War, including drills performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of War."

(c) That the portion of section 110 of the National Defense Act, as amended, which precedes the first proviso of such section, be amended to read as follows:

"SEC. 110. Pay for National Guard enlisted men: Under such regulations as the Secretary of War may prescribe, enlisted men of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of duty and instruction duly prescribed under the authority of the Secretary of War, including those performed on Sundays and holidays."

Mr. TOWE. Mr. Chairman, I have a series of amendments that will make this bill conform to the Unification Act and I ask unanimous consent that they be considered en bloc. They do not affect the substance of the bill. They are matters of form.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey [Mr. TOWE]?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. TOWE:

Page 5, line 5, substitute the word "provision" for the word "provisions."

Page 6, line 7, substitute the words "the Army" for the word "War."

Page 7, line 7, substitute the words "the Army" for the word "War."

Page 7, line 7, substitute the word "regulations" for the word "regulation."

Page 7, line 23, substitute the words "the Army" for the word "War."

Page 8, line 13, substitute the words "the Army" for the word "War."

Page 8, line 19, substitute the words "the Army" for the word "War."

Page 8, line 24, substitute the words "the Army" for the word "War."

Page 9, line 3, substitute the words "the Army" for the word "War."

Page 9, line 9, substitute the words "the Army" for the word "War."

Page 9, line 12, substitute the words "the Army" for the word "War."

Page 9, line 15, substitute the words "the Army" for the word "War."

Page 10, line 3, substitute the words "the Army" for the word "War."

Page 10, line 6, substitute the words "the Army" for the word "War."

Page 10, line 10, substitute the words "the Army" for the word "War."

Page 10, line 15, substitute the words "the Army" for the word "War."

Page 10, line 21, substitute the words "the Army" for the word "War."

Page 10, line 24, substitute the words "the Army" for the word "War."

Page 11, line 4, substitute the words "the Army" for the word "War."

Page 11, line 9, substitute the words "the Army" for the word "War."

Page 11, after line 10, add a section 6, reading as follows:

"SEC. 6. The provisions of this act shall be applicable to the Department of the Air Force: *Provided*, That all references therein to the Secretary of the Army, the Department of the Army, the Regular Army, the National Guard, and the National Guard of the United States, the Organized Reserve Corps, the Officers Reserve Corps, the Enlisted Reserve Corps, and the Organized Reserves, shall be construed for the purposes of this section as referring to the Secretary of the Air Force, the Department of the Air Force, the Regular Air Force, the Air National Guard, the Air Force Reserve, the officers section of the Air Force Reserve, the enlisted section of the Air Force Reserve, and personnel of the Organized Reserves transferred to the Department of the Air Force, respectively."

The CHAIRMAN. The question is on the amendments.

The amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MACKINNON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3227) to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive-duty training pay for all Reserve components of the armed forces, and for other purposes, pursuant to House Resolution 486, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. TOWE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1174) to provide for inactive-duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive-duty training pay for all Reserve components of the armed forces, and for other purposes, a companion bill, strike out all after the enacting clause of said Senate bill and insert the provisions of H. R. 3227 as amended.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 1 of the National Defense Act, as amended, be further amended by striking out the words "the Officers Reserve Corps, the Organized Reserves, and the Enlisted Reserve Corps," and inserting in lieu thereof the words "and the Organized Reserve Corps."

SEC. 2. That section 37a of the National Defense Act of 1916, as amended, is amended by deleting therefrom the following sentence: "A Reserve officer shall not be entitled to pay and allowances except when on active duty."

SEC. 3. That section 14 of the Pay Readjustment Act of 1942, as amended, be amended to read as follows:

"SEC. 14. Reserve and National Guard personnel: (a) Officers, warrant officers, and enlisted personnel of the reserve components of any of the services mentioned in the title of this act, when on active duty in the service of the United States, shall be entitled to receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service.

"(b) Officers, warrant officers, and enlisted personnel of the reserve components of any of the services mentioned in the title of this act, when participating in full-time training or other full-time duty (provided for or authorized in the National Defense Act, as amended, or in the Naval Reserve Act of 1938, as amended, or in other provisions of law, including participation in exercises or performance of the duties provided for by section 94, 97, and 99 of the National Defense Act, as amended) shall receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service: *Provided*, That they may be given additional training or other duty as provided for by law, without pay, as may be authorized by the head of the Department concerned, with their consent, and when such authorized training or other duty without pay is performed they may in the discretion of the head of the Department concerned, be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished with subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned.

"(c) Under such regulations as the head of the Department concerned may prescribe, and to the extent provided for by law and by appropriations, officers, warrant officers, and enlisted personnel of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, shall receive compensation at the rate of one-thirtieth of the monthly base pay, including longevity pay, authorized for such persons when on active duty in the armed forces of the United States, for each regular period of instruction, or period of appropriate duty, at which they shall have been engaged for not less than 2 hours, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the head of the Department concerned: *Provided*, That personnel required to perform aerial flights, parachute jumping, glider flights, or submarine duty shall receive the increases in pay provided for by law for personnel in such status: *Provided further*, That for each of the several classes of organizations prescribed for the National Guard of the United States, the Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, the rules applicable to each of which services and classes within services may differ, the head of the Department concerned: (1) Shall prescribe minimum standards which must be met before an assembly for drill or other equivalent period of training, instruction, or duty or appropriate duties may be credited for pay purposes, which minimum standards may require the presence for duty of officers and enlisted personnel equal to or in excess of a minimum number of percentage of unit strength for a specified period of time with participation in a prescribed character of training; (2) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties, which may be counted for pay purposes in each fiscal year; (3) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties which can be counted for pay purposes in lesser periods of time; and (4) shall prescribe the minimum number of assemblies or periods of other equivalent training, instruction, or duty or appropriate duties, which must be completed in stated periods of time before the personnel of organizations or units can qualify for pay: *And provided further*, That the provision of this paragraph shall not apply when such persons are entitled to receive full pay and

allowances as provided for in paragraphs (a) and (b) of this section.

"(d) In addition to pay provided in paragraph (c) of this section, officers of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, commanding organizations having administrative functions connected therewith shall, whether or not such officers belong to such organizations, receive not more than $240 a year for the faithful performance of such administrative functions under such regulations as the head of the Department concerned may prescribe; and for the purpose of determining how much shall be paid to such officers so performing such functions, the head of the Department concerned may, from time to time, divide them into classes and fix the amount payable to the officers in each class: *Provided*, That the provisions of this paragraph shall not apply when such persons are entitled to receive full pay and allowances as provided for in paragraphs (a) and (b) of this section."

SEC. 4. That section 55a of the National Defense Act of 1916, as amended, be amended to read as follows:

"SEC. 55a. Organized Reserve Corps—Organization and training: The Organized Reserve Corps shall include the personnel and units of the Officers Reserve Corps, the Enlisted Reserve Corps, and the Organized Reserves. The Secretary of War shall prescribe all necessary and proper regulations for the recruiting, organization, government, administration, training, inspection, and mobilization of the Organized Reserve Corps, and shall detail such officers and enlisted personnel of the Regular Army and Organized Reserve Corps, and shall make available such material, uniforms, arms, supplies, equipment, and other facilities of the Army, or procure from funds appropriated for the purpose as he may deem necessary and advisable for the development, training, instruction, and administration of the Organized Reserve Corps and the care of Government property issued to the members and units of the Organized Reserve Corps. Any or all members of the Organized Reserve Corps may be formed into military organizations, which in turn may be sponsored by civilian organizations as affiliated units.

"Organized Reserve Corps units will be of three classes, varying in degree of organization, as follows:

"1. Those combat and service types organized with a full complement of officers and men: *Provided*, That there will be included in this category only those units which are considered necessary for prompt mobilization.

"2. Those combat and service types generally organized with a full complement of officers and an enlisted cadre.

"3. Those combat and service types generally organized with a full complement of officers only.

"Under such regulation as the Secretary of War may prescribe, personnel of the Organized Reserve Corps shall assemble for drill, training, instruction, or other duty and shall participate in encampments, maneuvers, or other exercises: *Provided*, That assemblies for such duty under such regulations for members of the Organized Reserve Corps assigned to fully organized units shall be on the same minimum basis as now or hereafter prescribed for the National Guard: *Provided further*, That other units of the Organized Reserve Corps may be assembled, under such regulations, for such duty; however, personnel of these units may not receive pay in any one fiscal year for a total number of regular periods of instruction, or periods of appropriate duty, at which they shall have been engaged for not less than 2 hours, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the Secretary of War in accordance with subsection (c), section 14, Pay Readjustment Act of 1942, as amended, in excess of 50 percent of the number of such assemblies authorized for personnel assigned to similar positions in the National Guard: *Provided further*, That members of the Organized Reserve Corps not assigned to table of organization units may be required to perform duties as prescribed by such regulations and receive credit for regular periods of instruction or duty, for pay purposes, up to the same maximum as prescribed herein for members of units of the Organized Reserve Corps, other than fully organized type units: *And provided further*, That members of the Organized Reserve Corps classified in scientific or specialist categories, or members of the Organized Reserve Corps, whether or not assigned to a unit, who, under regulations prescribed by the Secretary of War, are designated for a mobilization day assignment, may be required to perform duties as prescribed by such regulations and receive credit for regular drill periods for pay purposes on the same minimum basis as prescribed herein for members of the Organized Reserve Corps in fully organized type units.

"Under such regulations as the Secretary of War may prescribe, personnel of the Organized Reserve Corps may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending periods of instruction, or periods of appropriate duty, duly prescribed under the authority of the Secretary of War, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of War.

"Members of the Organized Reserve Corps in receipt of pay for the performance of drills, or other equivalent training, instruction, or duty or appropriate duties, may be required to perform such active duty or training duty, not to exceed 15 days annually, as may be prescribed by the Secretary of War: *Provided*, That they may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of War: *Provided further*, That when authorized training or other duty without pay is performed by members of the Organized Reserve Corps they may in the discretion of the Secretary of War be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned."

SEC. 5. (a) That section 92 of the National Defense Act of 1916, as amended, be further amended by changing the period at the end of said section to a colon and adding the following: "*Provided further*, That members of the National Guard of the United States may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of War: *And provided further*, That when authorized training or other duty without pay is performed by members of the National Guard of the United States they may in the discretion of the Secretary of War be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the Secretary of War."

(b) That the portion of section 109 of the National Defense Act, as amended, which precedes the final proviso of such section, be amended to read as follows:

"SEC. 109. Pay for National Guard officers: Under such regulations as the Secretary of War may prescribe, officers and warrant officers of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of instruction, or periods of appropriate duty, duly prescribed under the authority of the Secretary of War, including drills performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of War."

(c) That the portion of section 110 of the National Defense Act, as amended, which precedes the first proviso of such section, be amended to read as follows:

"SEC. 110. Pay for National Guard enlisted men: Under such regulations as the Secretary of War may prescribe, enlisted men of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of duty and instruction duly prescribed under the authority of the Secretary of War, including those performed on Sundays and holidays."

Mr. TOWE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOWE: Strike out all after the enacting clause and insert the provisions of the bill H. R. 3227 as amended.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

By unanimous consent, the proceedings whereby the bill (H. R. 3227) to provide for inactive-duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive-duty training pay for all Reserve components of the armed forces, and for other purposes, was passed were vacated and the bill (H. R. 3227) and a motion to reconsider were laid on the table.

GENERAL PERMISSION TO EXTEND

Mr. TOWE. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the bill just passed, H. R. 3227.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. FLETCHER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Rochester Democrat and Chronicle.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. Lothair Teetor, State representative from Wayne County, Ind., at the annual economic conference, Rollins College, Winter Park, Fla.

Mr. LUCAS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Fort Worth Star-Telegram.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD in two instances, in one to in-

clude an editorial and in the other to include resolutions passed by the Private Mackall Post, Disabled American Veterans, Berlin, Germany.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill H. R. 5470.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SELECTION FOR ELIMINATION AND RETIREMENT OF OFFICERS OF THE REGULAR ARMY

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 487 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2744) to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

This resolution provides consideration for H. R. 2744, a bill to provide for the selection and for the elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes.

This bill does three things. First, it provides a system whereby the Army can rid itself of inept and substandard officers. Secondly, it establishes a new retirement system for officers, warrant officers, and enlisted men of the Regular Army. The retirement system proposed in this bill will provide annuities based on years of service. The provisions of titles I and II of the bill are mostly modifications of present Army procedure, but title III of the bill establishes a new policy. It provides retirement benefits to Reserve components, such as the Reserve Corps of the Army, the National Guard, and the Naval Reserve. Heretofore, the only type of retirement benefits paid to this group has been disability benefits, and then only if the injury was incurred in line of duty while performing active military service.

As I see it, title III of this bill is of major importance to national defense—and it will eliminate an inequity that has existed for some time—and which has been a serious disadvantage to the Reserve components. These Reserve components are composed of men who have been highly trained, and tried in wartime combat. In time of national emergencies these men stand ready for immediate call into active service. It is the Reserve components which are the real backbone of our armed forces.

In addition to these extra duties which the members of the Organized Reserves impose upon themselves, they are also called upon to undergo regular periods of training which take them from their homes and limit their leisure time. The Government pays them of course—but the amount is so small that it is properly considered a token payment. The only thing that keeps most members in the Organized Reserves is patriotism.

Patriotism will continue to be the most important factor in keeping the Organized Reserves intact—but as the men in the Reserves grow older, marry, and assume family obligations—a greater sacrifice will be required of them to undergo their Reserve training. Therefore, we must provide an additional incentive. And this is done by H. R. 2744, in extending retirement benefits to them.

To be eligible for the retirement benefits of this bill, a member of the Reserve must be 60 years old, and must have satisfactorily performed at least 20 years of service in the armed services of one of the Reserve components. In addition, he must fulfill certain stipulated requirements as to minimum periods of active Federal service as distinguished from inactive duty service in a Reserve component.

Retirement pay to Reserves under this bill will be at the rate of 2½ percent of the active duty base and longevity pay of their highest temporary or permanent grade which they held satisfactorily during their period of service. This 2½ percent figure will be multiplied by the number of years the Reserve has spent in active Federal service, to compute his annual retirement benefit. In addition to this, he will receive one-half of 1 percent of such active-duty pay for Federal service other than active service.

Now, as I have pointed out, this bill can properly be considered as a national defense measure. Its purpose is to make the Army more efficient, and to maintain a strong Reserve component. We all recognize that world conditions today require this action immediately, and I urge every Member of this House to vote for it.

This is a simple rule which merely provides consideration for the bill, and 2 hours of general debate on it. I am sure there can be no valid objection to the rule. I am equally sure that we can all see the justice and the necessity of the bill, and I hope no serious opposition to it will develop.

Again I say, Mr. Speaker, I hope the Members of this body will support this bill in regard to a proper Reserve to train men, men who did their bit under fire, men who will be of paramount value in the event of another emergency in this country.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. JOHNSON of California. Mr. Speaker, is it the wish of the Speaker that we consider the bill H. R. 2744 tomorrow?

The SPEAKER. This bill will be considered the first thing tomorrow.

EXTENSION OF REMARKS

Mr. DORN asked and was given permission to extend his remarks in the RECORD and include a commentary by George E. Reedy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HINSHAW, for the balance of today and tomorrow, on account of official business.

To Mrs. NORTON, for 2 days, on account of official business.

To Mr. EDWIN ARTHUR HALL (at the request of Mr. ARENDS), on account of illness.

To Mr. PHILLIPS of California (at the request of Mr. HALLECK), for Tuesday and Wednesday, on account of official business.

To Mr. SADLAK, Mr. SEELY-BROWN, Mr. FOOTE, Mr. LODGE, and Mr. PATTERSON (at the request of Mr. MILLER of Connecticut), for Wednesday, March 10, to attend the funeral services of the late Gov. James L. McConaughy, of Connecticut.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. LYNCH] is recognized for 30 minutes.

LIFT THE ARMS EMBARGO NOW

Mr. LYNCH. Mr. Speaker, as the clock inexorably ticks off the minutes we draw closer to the fateful day of May 15, when the peace of the world will hang in the balance. On that day those who have placed their hopes and aspirations for peace in the United Nations organization will learn whether their hopes have been in vain and whether their aspirations will be but the duplication of the despair of those who a quarter of a century ago saw the failure of the League of Nations as an instrument of world peace. It is not a pleasant picture to envisage.

The United States today is a world leader, whether we will it or not. As a leader we have responsibilities that weigh heavily, but which nevertheless must be carried if we are to be the hope of the world and are to lead a half-destroyed civilization along the road of permanent peace. This is the time for courageous leadership in the cause of world peace. We as a Nation cannot be a party to international duplicity. We must be forthright in our dealing with other people and I therefore regret to state that in the unhappy and unfortunate handling of the Palestine question, we have shown neither courage nor integrity.

It is my considered opinion and deep conviction that the Palestine question is not solely a Jewish question. It transcends any such limitation—it is an American question; it is a world problem.

Those who say it is solely a Jewish question are hiding their heads in the sands of prejudice and with myopic vision are unable to see that if the recommendations of the United Nations General Assembly are to be disregarded and disdained by those who are in disagreement with the decision, while the members of the United Nations either complacently or confusedly stand by, then the United Nations might as well cease to function.

Mr. Speaker, I shall not dwell upon the long years during which Palestine was mandated to Great Britain. Suffice to say that Great Britain never saw fit to fulfill the terms of the mandate it approved and accepted, but for a quarter of a century she apparently has played the Jew against the Arab. When, on April 2, 1947, the United Kingdom delegation to the United Nations requested that the United Nations take jurisdiction of the issue, it was believed by those unfamiliar with the duplicity of diplomacy that the United Nations could and would amicably adjust the difference. At that time Sir Alexander Cadogan, the British representative, said:

> We have tried for years to solve the problem of Palestine; having failed so far, we now bring it to the United Nations in the hope that they can succeed where we have not.

The United Nations General Assembly voted on November 29, 1947, to partition Palestine between Zionists and Arabs, with a trusteeship over Jerusalem. The recommendation was purely a compromise, rejecting the theory of a single independent state, either under Arab or Jewish domination.

There is no doubt that the influence of the United States was no small factor in the decision of Great Britain to place the question before the United Nations and there is little doubt that the prestige of the United States was sufficient to swing the balance heavily in favor of partition. Immediately upon the promulgation of the recommendation violence broke out in Palestine. Arab elements within and without Palestine announced plans to resist by force any attempt to carry out partition. Then our Government took the first step to render ineffective the decision of the United Nations and chose to follow the course of Great Britain—do nothing and watch developments.

We have not only failed within the United Nations to take proper steps to see that its recommendations are enforced, but on December 5, 1947, the State Department took definite steps to ensure the nonenforcement of the recommendations when it placed an embargo on the shipment of arms to Palestine. The announcement of the State Department read, and I quote:

> In view of the current disorders in the Middle East, the United States is discontinuing, for the present, licensing of all shipments of arms to the troubled area.

When that announcement was made our Government knew that the Arabs intended to resist by force the recommendations of the United Nations; our Government knew that the United Nations had no available force to enforce its recommendations and our Government took no steps then and has taken no steps since to initiate the establishment of an international police force of all members of the United Nations, so that the recommendations of the General Assembly might become effective. As matter of fact in the face of all that we deprive the Zionists of the opportunity to obtain arms to defend themselves and to enforce the very recommendation of the United Nations, for the adoption of which we, in no small part, were responsible.

Furthermore, the British Government promptly announced that it would surrender the mandate over Palestine on May 15, 1948, and would immediately commence evacuation of its troops, which would be completed by August 1, following. Mr. Speaker, what is going to happen to the Zionists in Palestine after May 15? They number approximately 600,000 against 1,200,000 Arabs. Since the November partition vote 2,778 Arabs and Jews, as well as many British soldiers and others have been killed in attacks and reprisals. As the British withdraw, strife and bloodshed will reach unprecedented proportions, so that the pogroms of the past will appear insignificant.

As far back as 2 months ago it was admitted that Great Britain was supplying arms to the Moslem countries of Egypt, Iraq, and Transjordan. I understand that Great Britain claims that these shipments are being made in fulfillment of previous "contractual obligations." I fancy that the family of a Jew killed by an Arab with one of those British rifles that found its way to Palestine would find little solace in the fact that the rifle had been shipped under previous "contractual obligations."

The British announced over the weekend that over 1,000 of their troops sailed from Haifa on last Saturday. I assume that the British evacuation will progress rather rapidly, but as the British withdraw, what provision has the United Nations made to hold the lines of partition intact. We know that our own Government by its embargo on arms has definitely placed the Zionists at a disadvantage thus far. The question that is of great concern, not only to Jews, but also the world is—whether the United States will continue its policy of downright nullification of the recommendation of the United Nations by refusing to take courageous leadership within the framework of the United Nations organization to enforce the recommendations of that body, and by refusing to give aid to the Zionists to make those recommendations effective. The fate of the United Nations is at stake. Today it is Palestine; next week or next month it may be the Falklands or Finland, or any other country. Strong, courageous leadership alone can save the United Nations organization. Certainly it will not be worth saving if it deteriorates into a second impotent League of Nations. That leadership must be such as to impress and convince the other world powers that for the sake of world peace, the recommendations of the United Nations must be enforced. Anything less—any further compromise—will only lead to further and greater loss of prestige of the United Nations organization and a correspondingly greater threat to world peace and our own national security.

I contemplate only with the deepest feeling of anxiety the plight of the thousands of Jewish people in Palestine today, many of whom escaped the concentration camps of Europe only to be faced with possible annihilation by the Arabs, as the United States and the other world powers, members of the United Nations, with unparalleled hypocrisy say, in effect: There is no outside aggression. This is a Palestinian domestic problem. There is no threat to world peace in Palestine.

On May 15 the United Nations Commission will take over from Great Britain the government of Palestine. What a travesty! A government without authority or without the power to enforce its authority. It will be no government—it will be chaos.

Mr. Speaker, in conclusion let me say, it is nothing new in world history for Great Britain to decline to fulfill its obligations to other countries. That, however, is not the American way. I say we cannot welch on our commitment to the United Nations, particularly as this country was the decisive factor in the ultimate decision. As a nation we advocated the establishment of a Jewish state in Palestine since the Balfour Declaration in 1917, as one of the Supreme Council of the Allied Nations at San Remo in 1920 we mandated Palestine to Great Britain in line with the statement of the great Woodrow Wilson, who, on March 3, 1919, said:

> I am persuaded that the Allied Nations, with the fullest concurrence of our own Government and people, are agreed that in Palestine shall be laid the foundations of a Jewish Commonwealth.

We cannot now turn our backs on our former declared policy and leave Palestine to the depredations of marauding Arabs, and refuse the Zionists arms to defend themselves. There is no middle road to travel. National honor and national integrity, so dear to every American, point the course either to an international police force to enforce the recommendations of the United Nations, or the lifting by the United States of the embargo on arms to Palestine, so that the Zionists can defend themselves and by their courage and their sacrifices achieve the fulfillment of their aspirations.

With Britain's refusal to participate in any enforcement of the decision of the United Nations, unless the decision is acceptable to both sides, it is obvious that an international policy force, composed of elements of all members of the United Nations, or at least the permanent members, cannot be established by May 15. It is likewise obvious that the only other honorable alternative is for the United States to at once lift the embargo on arms to Palestine and permit the Zionists to defend themselves and to preserve for themselves the area which the United Nations has, by an overwhelming vote, decreed should be the long-cherished Jewish state.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

THE UNIFICATION OF IRELAND

Mr. LANE. Mr. Speaker, I quite agree with the previous speaker, my colleague

the gentleman from New York [Mr. LYNCH], in reference to his subject matter; but I wish to offer to this House another subject that I think of much importance.

Abraham Lincoln led the fight to save the Union of the United States.

If he had failed in that effort, the Nation would have been divided into two parts, and the whole course of history would have been changed.

The great material progress and democratic influence of an integrated United States would not have been available to come to the rescue of European civilization in 1917 and again in 1941.

On the contrary, divided and weakened at home, we might even now be slaves to a Fascist or Communist dictatorship.

In this is a lesson and a warning to freemen everywhere. We cannot hope to stop the spread of communism with nations which are half slave and half free. Unless we practice what we preach and set our own houses in order, we shall present the Kremlin with the disunity on which it thrives.

Take the case of Ireland.

The Irish are one people with a common language and a common culture, living on an island. But their unity is severed by an artificial border line which has been drawn across the face of this old nation by an alien power. Divide and conquer was the policy by which British imperialism oppressed the Irish and drove millions of them to seek their freedom elsewhere. The age of imperialism is behind us and the British are on the side of the freedom-loving nations; yet, in Ireland's case, they make no move to right an ancient wrong.

Perhaps this is due to strategic considerations? If so, there is little time left in which to delay. I suggest that the United States guarantee that a United Ireland shall never serve as a base to threaten the security of the British Isles, and in return for this arrange for the immediate unification of Ulster and Eire as one free and independent nation.

As an immediate step in this direction, I am introducing a joint resolution to provide for the American Joint Commission to assist in the unification of Ireland.

It reads as follows:

Whereas the fictitious border between the north and south of Ireland constitutes a threat to the peace and security of the world; and

Whereas there is no justification in law, decency, or equity for the continued existence of this artificial border; and

Whereas the people of Ireland have an unalienable right to have a free, independent, and united nation; and

Whereas the ending of partition and the unification of Irelad will remove the most important barrier to free and complete understanding between England and the United States; and

Whereas a complete understanding between England, Ireland, and the United States is important and necessary to maintain peace and support the great democracies in their fight against communism: Therefore be it

Resolved, etc., That the President of the United States is hereby requested to appoint, within 30 days of enactment of this joint resolution, a commission of 10 members to be known as the American Joint Commission, and to authorize and direct the members of such Commission (a) to consult with the British Government and make such arrangements as shall be necessary to meet with representatives of the British Government, either in the United States or in Great Britain, to consider and to recommend an immediate and final settlement of the Irish question leading to the abolition of the border between north and south Ireland, and (b) to sign on behalf of the people of the United States a settlement agreed on between the representatives of the United States and Great Britain. Members of the Commission shall serve without compensation and shall select a chairman from among their number.

Within 30 days.

Because time is of the essence.

Czechoslovakia was taken over by the Communists without a blow in a perfect application of their deadly technique. Either our State Department was completely misinformed concerning possible developments in that country or was the victim of its own note of protest traditions.

It could not even extend moral support to the Czechs and as a result, the last great democracy in central Europe is gone and the iron curtain has moved nearer to those free nations which remain.

Again the complacent democracies offer so little and so late, losing ground before the Communist offensive.

Wake up. Rally the forces of free men by completing the job of democracy instead of straddling the issue.

Begin with Ireland.

Nation after nation has given in to Soviet Russia. There are economic, social, and political reasons for such capitulations but the basic one is spiritual. Europe has lost its belief, its morale. But Ireland, whose culture was the gem of European civilization before her cruel enslavement, does not despair. We need her Christian faith and her indomitable love for freedom. We need all of it, not half of it.

Through the medium of the Marshall plan, the United States is striving to strengthen what is left of free Europe materially. This is important as far as it goes, but what are we doing to correct those injustices which weaken our position?

Nothing.

Ireland is the first stop in Europe. Here is the logical place to initiate our counteroffensive in the ideological war with communism. By restoring her separate parts to unity and complete freedom, we shall show to the world that we mean what we say when we preach the doctrines of liberty.

Not in the distant future but now.

Positive statesmanship on our part can bring about a united Ireland whose brain and brawn and faith will be on our side in the struggle to save and reinvigorate our Christian civilization.

The pressing need for such statesmanship is at hand. And the margin for delay is shrinking rapidly.

SPECIAL ORDER

The SPEAKER. Under previous special order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and have such portions of my speech as already appeared in the Committee on Un-American Activities partial report that was extended in the Appendix of the RECORD printed at the appropriate place.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SABOTAGE OF AMERICAN SCIENCE: THE FULL MEANING OF ATTACKS ON CONDON

Mr. HOLIFIELD. Mr. Speaker, in the period between approximately 4 p. m., Monday, March 1, 1948, and this moment, we have seen a fantastic renewal of the attempts to discredit the scientists who worked on the atomic bomb. All of these attempts have exploded in the past, as I commented on the floor of this House, at length, on Tuesday, July 22, 1947, when I analyzed the attacks which were made almost a year ago against Dr. E. U. Condon, Director of the National Bureau of Standards, in an article appearing on page 1 of the Washington Times-Herald for July 17, 1947.

Let me comment at once that the recent charges leveled at Dr. Condon in the Report to the Full Committee of the Special Subcommittee on National Security of the Committee on Un-American Activities—referred to hereinafter as the subcommittee report—represent essentially nothing new. The charges are little more than regurgitations of the charges made in the Washington Times-Herald on July 17, 1947, and I urge Members of the House to examine that article, which was reproduced completely with an analysis by me in the Tuesday, July 22, 1947, issue of the CONGRESSIONAL RECORD. I would like also to call the attention of the gentlemen of the press to an analysis of this same article entitled "The Smear Technique," which appeared in the Nieman reports for January 1948, published at Harvard University.

I urge the distinguished Members of this body and all conscientious and loyal citizens to read this address of July 22, 1947, for two simple reasons:

First, as conscientious Americans, honestly believing in the democratic way of life, in the truth and justice and fair play upon which we pride ourselves as Americans, and in ordinary human kindness and decency—for these reasons, each American should make this minimum amount of effort to get at the facts—to read the charges carefully and to examine the pertinent evidence.

Second, all Americans should read this earlier analysis because it is very germane to the present charges and the manner in which they were made. You will recall the press reports of the manner in which the subcommittee report was released. We had the dramatic bedside scene of the gentleman from New Jersey, Chairman THOMAS, consulting with his investigator, Mr. Stripling, and members of the subcommittee, followed by the sudden release of this report to the press with a release time of about 9 p. m., Monday, March 1. No sooner had the wire services begun transmitting the missile than sudden instructions were issued advancing the release time to 6:30 p. m.

Then, in the second paragraph of the report, the subcommittee states:

"The subcommittee feels that it should submit a preliminary report, particularly on one aspect of this matter which is of such importance that it demands immediate attention."

Note that the subcommittee is talking about releasing this report to the full committee, as the title of the whole report indicates.

It is very interesting, in conection with the procedures of the subcommittee, to note that at least one member of the full committee reported to the press that he had not received a copy of the report as of March 3, 1948, 2 days after the theatrical release to the press.

Then, too, it is significant, in view of that statement of the urgency of the matter, that the subcommittee and the full committee have been aware of these allegations against Dr. Condon for almost a year. It is, again, for this reason that I refer to my address of July 22, 1947, printed in the CONGRESSIONAL RECORD of that day. My present question is simply this: If there were a real reason for all this alleged urgency in the release of this recent report, then why did not this committee act last July—or even earlier—for as long ago as last March attacks of this nature were made on Dr. Condon. It is a fact that essentially no new charges and essentially no new alleged evidence have been submitted in the recent report, as an examination of my full quotation of the charges and my analysis will show to all who take the trouble to examine the congressional report of July 22, 1947.

The devious motivations behind the earlier charges, the present charges, the procedures used in presenting them—all of these are matters of legitimate concern to Members of this House and to every good, thinking citizen.

If these charges and attacks were legitimate charges and attacks, if they were anything but cheap means of securing publicity for certain individuals, then I say that the members of the committee should have undertaken immediate and vigorous action against this man, for he has continued in his post of tremendous importance to the national security and welfare during the last year. Yet for at least 8 months, a matter that demands immediate attention slumbers. For at least 8 months this monstrous attack has been gestating in the womb of the attackers.

I would like to propose a few important questions to the Members of this House and to the American people:

First. Why is this committee bent on attacking Dr. Condon? Their charges were analyzed, as I have pointed out, last July, and were shown to be utterly without foundation, reality, or meaning. Is it that the committee has been unable to justify its existence since their last appropriation, and that they are now thrashing about in desperation for publicity that will appear to justify their continued being?

Second. Are there forces behind the committee—evil forces—bent on undermining the position of science and scientists in this country? In my analysis of July 22, 1947, I pointed out that we were seeing a renewal of attempts to discredit the scientists who worked on the atomic bomb, but these have all exploded. I am convinced that the current attacks are a part, at least, of this same pattern. Rumors are rife that other scientists will be impaled on the spit of such attacks. It is significant that the question of reappointment or replacement of the present members of the Atomic Energy Commission comes up this August. I wonder if a certain clique of the military is working closely with the chairman of the House Committee on Un-American Activities, in an effort to so discredit civilian control that the Army will be handed back the atomic energy project on a platter appropriately stained with the sacrificial blood of the lopped-off heads of our scientists who advocated civilian control.

So much for the background.

As the distinguished Members of this House are aware, Dr. Condon is one of this country's most capable and brilliant scientists. His record of accomplishments and his achievements are a matter of historical fact. His contributions to this Nation's war effort, while he was Associate Director of the Westinghouse Electric Corp. Research Laboratories are also a matter of record, in radar, in rockets, and in atomic energy. He is now Director of the National Bureau of Standards, by Presidential appointment. Let me add that this position has never before been slurred with considerations of politics, and the Congress has recognized its nonpolitical nature; in its almost 50 years of existence, the Bureau has had only three directors before Dr. Condon; Dr. Condon himself was chosen solely because of his unquestioned outstanding scientific ability and leadership; Dr. Condon is a nonpolitical figure; he is a Presidential appointee. To drag Mr. Wallace into this scientific arena is contrary to the tradition of Congress with respect to the Bureau. I happen to know that Dr. Condon was not acquainted with Mr. Wallace prior to negotiations for his appointment and that his name was recommended by a group of administrative officers within the Department of Commerce who were requested to find the best potential candidates for this important position. It is interesting that at the time the appointment was made, leading industrialists were publicly outspoken in praise of the appointment, for Dr. Condon is not only a leading physicist of the Nation, but one of the leading scientific figures in industrial and corporate research. As a matter of fact, in many corporation quarters, the appointment was construed as a wooing of big business and as an indication that the then Secretary of Commerce was swinging to the point of view of big business. As evidence in support of these statements, I want to read a short letter which Dr. Condon received last Wednesday from Col. Bradley Dewey, of Cambridge, Mass., a man who served his country during the war as head of our great synthetic rubber program. I do not quote in part. The letter in full is:

Dr. EDWARD U. CONDON,
National Bureau of Standards,
Washington, D. C.

DEAR CONDON: This is just to tell you how completely disgusted I am by the ridiculous stories in this morning's papers—disgusted and mad.

I want you to know that I am in your corner, first, last, and always.

Good luck and my warm regards.

Very sincerely,

BRADLEY
(Bradley Dewey).

Dr. Condon is also, by Presidential appointment, a member of the National Advisory Committee on Aeronautics; he is Chairman of the Federal Specifications Board. He was also appointed as scientific adviser to the Special Senate Committee on Atomic Energy, under the chairmanship of Senator BRIEN MCMAHON, the distinguished Senator from Connecticut. It was this Senate committee which reported out the McMahon bill establishing the present Atomic Energy Commission. This bill was passed unanimously by the Senate and by the House on a voice vote, with not a single recorded vote against it.

In my considered opinion, the only reason for the attacks on Dr. Condon is that he made the unfortunate error of permitting himself to become adviser to this special Senate committee and thus became associated with the civilian control of atomic energy. There is no doubt in my mind about this. The forces behind the May-Johnson bill, the forces behind the military clique lobbying for the May-Johnson bill and military control—these, I am confident, have never forgotten that Dr. Condon served his country as adviser to the special Senate committee providing for the present Atomic Energy Commission. And so we have the spectacle of a distinguished scientist and citizen being attacked because he served his country and Congress.

Returning to Dr. Condon: During the summer of 1946 I became acquainted with Dr. Condon because we were both serving together on the President's Evaluation Board for Operation Crossroads at Bikini. As a member of the Joint Congressional Committee on Atomic Energy, I am vitally concerned with the recent subcommittee report. Even more than that, as a member of this body and as a citizen of this Nation, I am vitally concerned with any matter affecting the welfare and security of this country. For these reasons, I again summoned Dr. Condon, as I did last year, for questioning. I then made, as I did last year with the essentially similar charges, a paragraph by paragraph analysis of the subcommittee report. It is this analysis which I wish to lay before the House and the people of the United States. Let me point out that in the course of this analysis, every work of the subcommitte report is quoted in full. I have added nothing; I have deleted nothing.

The subcommittee report is entitled "Report to the Full Committee of the Special Subcommittee on National Secu-

rity, of the Committee on Un-American Activities."

Members of subcommittee: Hon. J. PARNELL THOMAS, chairman; Hon. RICHARD B. VAIL; Hon. JOHN S. WOOD.

The subcommittee report begins—paragraphs 1 and 2:

"When the Committee on Un-American Activities was reorganized in January 1947 it adopted an eight-point program of investigation. The fourth point of that program stated: "Those groups and movements who are trying to dissipate our atomic bomb 'know-how' for the benefit of a foreign power will have the undivided attention of our committee agents, as well as those who are seeking to weaken other aspects of our national security." While your subcommittee is fully aware that it is not our responsibility to detect and counter the espionage activities of foreign countries in the United States, nevertheless in our continuing investigation of the extent and character of communism here, we necessarily have to check on the activities of Soviet agents, because of the integration and tie-up between so-called domestic Communist activities and that of the official Soviet Government.

That the Soviet Union and her satellite nations have been desperately attempting to not only secure our complete atomic know-how but also to weaken or destroy our hold of this important knowledge, is plainly evident to this subcommittee. As the full Committee is aware, for over a year now, agents of the Committee have been assigned to special investigations in this field, and while their investigation is not yet completed, the subcommittee feels that it should submit a preliminary report, particularly on one aspect of this matter which is of such importance that it demands immediate attention. It has to do with Dr. Edward U. Condon, Director of the National Bureau of Standards. From the evidence at hand, it appears that Dr. Condon is one of the weakest links in our atomic security. In substantiation of this statement the subcommittee respectfully submits the following information."

I respectfully ask the House and the American people to watch carefully and evaluate fully the material presented by the subcommittee in all of the ensuing paragraphs as to whether the material presented in any way warrants the use of the last sentence:

"In substantiation of this statement, the subcommittee respectfully submits the following information."

The question, in brief, is this: Does the information presented in the subcommittee report, in fact, substantiate the charge in the second to the last sentence of the above paragraph, which states:

"From the evidence at hand, it appears that Dr. Condon is one of the weakest links in our atomic security?"

This is the basic charge: Everything else is alleged evidence substantiating this charge. Examine the mere alleged evidence presented by the subcommittee itself in the remainder of the report first, aside from the data in my analytical comments, and see whether the charge is, in fact, substantiated.

The subcommitee report continues—paragraphs 3 and 4:

PERSONAL HISTORY AND EDUCATION OF DR. EDWARD U. CONDON

"Dr. Edward U. Condon, Director of the National Bureau of Standards, was born at Alamogordo, N. Mex., on March 2, 1902. On November 9, 1922, he married Emile Honzek, an American-born woman of Czechoslovakian descent. Dr. Condon is a graduate of the University of California, having received a bachelor of arts degree from that institution in 1924, and a doctor of philosophy in 1926. During the years 1926 and 1927, Condon studied at the Universities of Munich and Gottingen in Germany. In 1928, Dr. Condon was a lecturer on physics at Columbia University in New York City. In 1929, Condon was a professor of physics at Princeton University, and during the years 1930 to 1937, he was associate director of the physics department at the institution. From September 1927, through November 4, 1945, Dr. Condon was employed by the Westinghouse Laboratories at Pittsburgh, Pa. While with the Westinghouse Laboratories where he was employed as director, Condon was a consultant on war research projects, being performed at the radiation laboratories of the Massachusetts Institute of Technology, Cambridge, Mass., and the University of California, at Berkeley, Calif. Condon is principally regarded as a theoretical physicist which involves radar, nuclear physics, radioactive tracers, mass spectroscopy, and the elastic properties of metals. On November 5, 1945, Dr. Edward U. Condon was appointed Director of the National Bureau of Standards. Dr. Condon was recommended by Henry A. Wallace, who was then Secretary of Commerce. The Bureau of Standards is a Bureau in the Department of Commerce.

In addition to the employment mentioned above, it should be noted that during the year 1940 Condon was a member of the National Defense Research Committee and that during the year 1941 he was a member of the Roosevelt Committee on Uranium Research. During the Seventy-ninth Congress, Dr. Condon was scientific adviser to the Special Committee on Atomic Energy. In July 1946 Dr. Condon was a member of the President's evaluation committee, which was formed for the purpose of observing the effects of the atom-bomb test made at Bikini Atoll. Condon has also served as an adviser to the National Advisory Committee for Aeronautics."

Most of this material is obtainable from Who's Who or American Men of Science or from the numerous questionnaires which Dr. Condon has filled out at one time or another. Even in so simple a factual matter, however, the number of inaccuracies, errors, and omissions are revelatory. For example:

First. Mrs. Condon's maiden name is misspelled; it should be Honzik, as given correctly in Who's Who.

Second. There is no such post as associate director of the physics department of Princeton University. Dr. Condon was associate professor of physics.

Third. An amusing omission, in this superficially meticulous report, is that no mention is made of the year 1929–30. For the sake of filling this gap, let me point out that Dr. Condon was professor of physics at the University of Minnesota. I would like to add that it is a most unusual academic distinction for a man to be given a full professorship in a major university at the age of 27.

Fourth. Dr. Condon was not director of the Westinghouse Research Laboratories; he was associate director.

Fifth. The sentence which explains what theoretical physics is about is rather inadequate; educated people will smile, but let that pass.

Sixth. Dr. Condon was never a member of the National Defense Research Committee, which was the high-level board that directed the country's research in the physical sciences. He was consultant to it and a member of various of its subcommittees from the period of November 1940 onward.

Seventh. It is also glaringly inaccurate to refer to Dr. Condon as an adviser to the National Advisory Committee for Aeronautics. He is a member of this important body by Presidential appointment. This could have been learned by consulting the Congressional Directory—or by asking any of the NACA members, including Dr. Condon.

Now I do not want to belabor the House and the American people with these errors and inaccuracies. But they have an auxiliary significance which is vital: If errors of this kind—about seven in two short paragraphs—which required no effort either for discovery, copying, or interpretation, crop up in the subcommittee report, what can we expect of any other statements made in this report? What are the implications as to the competence which pervades any of the staff work underlying this report?

The subcommittee report continues—paragraphs 5 through 8, inclusive:

INFORMATION REGARDING THE NATIONAL BUREAU OF STANDARDS

"The National Bureau of Standards is the principal agency of the Federal Government for research in physics, mathematics, chemicals, and engineering. It acts as custodian of the Nation's basic scientific standards and serves Government and industry in an advisory capacity on any scientific and technical matters in the physical sciences. The Bureau's direct appropriations for the fiscal year totaled approximately $6,800,000, which was supplemented by approximately $10,800,000 in funds transferred by the Army, Navy, the National Advisory Committe for Aeronautics, the office of the Secretary of Commerce, the Bureau of the Census, and other Federal agencies.

"The bulk of the Bureau's work is conducted at its laboratories in Washington, D. C. However, it has several field testing stations located at various points within the United States and its territorial possessions. Included in the research work presently being conducted by the Bureau of Standards is the field of radio propagation, which relates to guided missiles. In conducting its radio propagation activities, the Bureau of Standards maintains field stations in Sterling. Va.; Adak, Alaska; Punnene, Maui, T. H.; Palmrya Island; Guam Island; Trinidad, British West Indies; and Las Cruces, White Sands Proving Ground, N. Mex. Research projects engaged in by the Bureau of Standards at the present time concern atomic energy, radar proximity fuses, instrument-landing systems, and radiosonde. During the year 1947, the Bureau of Standards conducted research work on classified projects for the War Department, the Navy Department, and the Atomic Energy Commission.

"With reference to the work performed under the auspices of the Atomic Energy Commission, it should be noted that the background for this activity extends to the early years of the twentieth century, for in the atomic energy field, the National Bureau of Standards has had the responsibility for conducting basic research associated with the scientific standards, the physical constances, and properties of substances and methods of measurement and instrumentation. The atomic bomb project itself originated in the Bureau in 1939.

"Other national-defense work carried on by the Bureau of Standards during the year 1947, particularly for the Army and Navy, consisted of basic studies of the properties of electromagnetic radiation in connection with communication and radar activities, the development of related instrumentation, and radio-propagation research. The Bureau also conducted special research regarding jet fuels, the design and construction of new types of optical range finders, and methods of retarding gun erosion"

I am sure that Dr. Condon, as Director of the National Bureau of Standards, is deeply appreciative of the splendid account of the importance of the work of the Bureau given in these paragraphs. The work of the Bureau is conceded to be fully as important to the national welfare as this statement makes it out to be. If anything, not enough was said about its importance, more could have been included. It is interesting that while this committee must have been in process of preparing these passages on the Bureau, the House Appropriations Committee was cutting the Bureau's vital budget, and I understand that at the very time this report was released to the press Dr. Condon was preparing a report to the Senate, requesting restoration of these cuts in view of the critical importance of the Bureau's work to the national economy and security.

The subcommittee report continues—paragraph 9:

"The Bureau of Standards is one of the most important national defense research organizations in the United States. Because of this it has become the target of espionage agents of numerous foreign powers."

What does this last sentence mean? The reference to the Bureau as the "target of espionage agents of numerous foreign powers"? Is this a reference to foreign visitors? Does it mean to imply that every visitor to America who comes from foreign shores is an espionage agent? The question of foreign visitors is dealt with later. I would like merely to note at this point that the Bureau has an assistant to the Director who looks after matters affecting those foreign visitors who come to the Bureau, coordinating carefully with the State Department and the Department of Commerce; and that the Bureau has a full-time security officer who spends all his time working with corresponding officers of the armed services in seeing that a continuing and careful check is kept on the security of all records and data involving classified material.

It must be remembered that there are two phases of the Bureau's work: The classified part and the unclassified part. One important phase of the latter has to do with standards of measurement. How many of these are dependent on international agreements, in which the Bureau represents the United States. Much of the interest of foreigners centers in such matters, and it would be foolish to imply that their interest is any more vicious than the interest of those scientists whom we continually send and even now have abroad, visiting foreign laboratories.

As to the classified work, it is not only the foreigners who are excluded: Americans, including Bureau employees who are not actually engaged in these projects, are kept out. The bulk of this work centers in specially guarded buildings—in addition to the regular Bureau guards—where all of the security measures of the sponsoring Army, Navy, or Atomic Energy Commission are observed. The Bureau of its own accord does not engage in direct military projects; only when the Army, Navy, Air Forces, or Atomic Energy Commission wish it, does it undertake such projects—in accordance with its congressional authorization and limitations. These agencies determine and establish the security conditions.

The subcommittee report continues—paragraphs 10 and 11:

"The subcommittee has in its possesion a list of employees of the National Bureau of Standards who have been cleared by the Atomic Energy Commission to perform work on atomic projects. Because of the fact that this list contains restricted data, it is not being included in this report. However, it is to be noted that when this list was issued at the end of November 1947, the name of Dr. Edward U. Condon was carried in a pending status. This list contains the names of all of those persons who are qualified to work on atomic-energy projects from a loyalty standpoint. The fact that the name of the Director of the Bureau of Standards was carried in a pending status by the Atomic Energy Commission as late as November 1947, becomes a matter of serious concern to us when it is recalled that he had, as early as 1941, held several important positions in the United States Government which related to the development of atomic energy. For instance, in 1941, he was a member of the Roosevelt Committee on Uranium Research, and in July 1946 he was a member of the President's Evaluation Committee which, as stated previously in this report, was formed for the purpose of observing the effects of the atom-bomb test made at Bikini Atoll.

"It is of interest to note that in May 1947 Dr. Condon reorganized the Bureau of Standards and set up 14 separate divisions. Despite the fact that he had not been cleared to perform work on atomic-energy projects for the Atomic Energy Commission, he appointed himself head of the Atomic Physics Division, one of the divisions involved in the reorganization."

Talk of a pending status with respect to the Atomic Energy Commission strikes me as so much double talk. Here are the facts: Dr. Condon was cleared for numerous projects during the war. He was cleared for every one of the several military projects on which he worked, as, indeed, were all individuals who worked on such projects. In particular, he was cleared for the atomic-bomb project while it was under the supervision of Major General Groves. More recently, under the Atomic Energy Commission, Dr. Condon has filled in all the forms required from everyone, anew, by that agency.

As recently as this last October 1947, Dr. Condon was invited by the staff of the Commission to participate in a special 3-day secret atomic-energy conference at Oak Ridge, Tenn. Although very busy with his work at the Bureau, Dr. Condon, at the urgent request of members of the staff of the Atomic Energy Commission, attended this secret session.

Moreover, important phases of research in atomic energy are going on at the National Bureau of Standards. The atomic-bomb project itself started at the Bureau before Dr. Condon became its Director. As a matter of fact, throughout its long history, and today, the Bureau has been engaged in phases of atomic and subatomic physics. Currently the work for the Atomic Energy Commission alone has a budget of about $350,000 a year. Note, it is all secret work and all of the reports concerning this work pass over Dr. Condon's desk.

It is true that there is a great deal of the work of the Atomic Energy Commission to which Dr. Condon does not have access, but that is because an individual is given access only to those phases of the Commission's work with which the individual is properly concerned. This is a necessary policy of the Commission, for obvious reasons. Those phases of the Commission's work in which neither Dr. Condon nor the Bureau of Standards is involved are naturally not made available to them: this included information about atomic weapons, which is an area to which Dr. Condon does not need to have access and, as a matter of fact, has not sought access.

So much for this nonsense about "pending status."

In the last paragraph above, reference is made to the reorganization of the Bureau. This was purely a routine administrative matter, in which the associate directors of the Bureau, staff members of the Bureau of long experience, concurred, as a means of improving the Bureau's organization in terms of the modern subdivisions of the physical and mathematical sciences. That Dr. Condon assumed the direction of the Atomic Physics Division is insignificant from the point of view of the charges: whether he did or not means nothing, for as Director all the divisions fall under his supervision. However, from the point of view of the success of the work of this Division, this fact reveals the care of Dr. Condon for his country's interest. For no one will question—perhaps I should say no scientists, since no other group is competent to discuss this point—that Dr. Condon is one of the best qualified men in the world for directing such work.

The subcommittee report continues—paragraph 12:

"That the Atomic Energy Commission had reason to doubt the loyalty of Dr. Condon is evidence by a letter, the original of which the subcommittee has in its possession, which letter was dated July 11, 1946, and is addressed to a Member of Congress, who at that time was a member of the Joint Committee on Atomic Energy of the Congress. This letter was written by a person who held a high post in the security division of the Manhattan project, and who is now a ranking official of the Atomic Energy Commission. The first paragraph of this letter is quoted in part as follows:

"'Attached is a very hurried attempt which may be of some help. Unfortunately, the * * * group has loaded me down in preparation for Friday's meeting. May I suggest that you demand Dr. Condon's record of the FBI. It would be enlightening.'"

Here we have a letter written by an individual alleged to have held an important security post in the Manhattan district, addressing an alleged Congressman. Concerning this letter "quoted in part" by the subcommittee, first note that it contains nothing derogatory; it states that the FBI has an enlightening file on Dr. Condon. Second, note that the let-

ter is dated, according to the subcommittee report, July 11, 1946, and is said to be addressed to a member of the Joint Committee on Atomic Energy of the Congress. There was no Joint Committee on Atomic Energy in the Seventy-ninth Congress. That joint committee was established by the Atomic Energy Act of 1946, which had not yet passed the House in the Seventy-ninth Congress, then in session. The joint committee was first organized in the Eightieth Congress, considerably after the letter "quoted in part" was written.

Nevertheless, I would like to make a few observations on this letter, "quoted in part." For the innuendo is clear that the FBI file contains derogatory information—that is, the alleged writer, in his choice of words and phrases, seems to be insinuating something unpleasant.

First, let us reflect on the position in which this puts the man who wrote this letter, described as holding a high post in the security division of the Manhattan district. If this latter description is true, this man had an unusual and direct responsibility for atomic energy security. It is apparent that he had access to FBI files; in any case, he must have had access to the extensive Manhattan district security files. He knew that Dr. Condon was Director of the National Bureau of Standards and had in his possession a large file of secret documents on atomic energy and that a steady stream of such material flowed across Dr. Condon's desk in connection with his position. He knew that as adviser to the Special Senate Committee on Atomic Energy, Dr. Condon attended and arranged secret hearings of the executive sessions of that committee, by which the Senators acquired classified information concerning atomic energy, invaluable and necessary as background for the development of the legislation on which the special committee was working.

This individual, writing the letter "quoted in part," must have also known that there were other projects which, although less publicized, were just as vital to the national security as atomic energy, to which Dr. Condon had and has continuing access as Director of the National Bureau of Standards and as a member of the National Advisory Committee for Aeronautics. It was clearly his responsibility, if he felt any serious doubts about Dr. Condon, to communicate them in a responsible way to his superiors in the armed services. There is no evidence that this was done: for neither the Army or Navy has ever questioned Dr. Condon's reliability or trustworthiness in regard to any of the secret projects—atomic energy, the proximity fuze, guided missiles—at the National Bureau of Standards. Yet this high security officer writes a letter containing a nasty innuendo to a Member of Congress, and this letter is quoted in part nearly 2 years later by the Subcommittee of the House Committee on Un-American Activities.

Where does this leave the Member of Congress who received that letter in July 1946? Did he ask for a report from the FBI at the time? Did he take other responsible steps to assure himself that the national security was not in jeopardy? Or did he merely file the letter away for use in the spring of a Presidential campaign year? Or to justify a $200,000 committee appropriation?

Where does this letter leave the FBI? Does anyone seriously believe that if the FBI had in its files at that time any material which it regarded as seriously adverse to Dr. Condon, that its Director, Mr. J. Edgar Hoover, would not have taken proper steps to bring this to the attention of those officials in Government who should know about it? If Mr. Hoover has had such material, what has he done with it? Where has it been all these many years since Dr. Condon has been at work on the radar program, the atomic bomb program, the rocket program, the guided missile program? My answer is that the FBI has no material adverse to Dr. Condon, for I cannot and do not believe that Mr. Hoover is incompetent.

Then what about the writer of the letter "quoted in part," and his stooping to vile innuendo? The conclusion seems rather inescapable that this letter was written by some rather irresponsible employee of the Army, who unfortunately is said to be now on the staff of the Atomic Energy Commission. I would venture to say that the letter was written in the heat of the very bitter fight over the Atomic Energy Act of 1946, in an irresponsible and vicious attempt to discredit Dr. Condon for his work in assisting the Special Senate Committee in preparing the act which is now law, in substantially the same form as it was unanimously recommended to the other body, by that special committee whose membership included some of the most distinguished members of that body.

Such vile, irresponsible, yellow tactics are nothing new to those of us who have been active in the political life of our country; we in the Congress almost inevitably have opponents and sometimes unavoidably make enemies. I would venture that few of us have not at some time or other received crack-pot letters of violence—of this nature is the above letter, "quoted in part."

The subcommittee report continues—paragraphs 13 and 14:

"The association of Dr. Cordon and his wife have been cause for great concern to the agencies charged with the security of the United States. Dr. Condon, knowingly or unknowingly, entertained and associated with persons who are alleged Soviet espionage agents, and persons now reported to be under investigation by a Federal grand jury. So serious have Dr. Condon's associations been, that on May 15, 1947, J. Edgar Hoover, Director of the Federal Bureau of Investigation, sent a confidential letter to W. Averill Harriman, Secretary of Commerce. The letter is quoted, in part, as follows:

" 'The files of the Bureau reflect that Dr. Edward U. Condon has been in contact as late as 1947 with an individual alleged by a self-confessed Soviet espionage agent to have engaged in espionage activities with the Russians in Washington, D. C., from 1941 to 1944.

" 'Mr. and Mrs. Condon associated with several individuals connected with the Polish Embassy in Washington, D. C. Among these are Mrs. Joseph Winiewize, wife of the Polish Ambassador; Virginia Woerk, a clerk employee of the Polish Embassy; Helen M. Harris, secretary of the Polish Embassy; and Ignace Zlotowski, former counselor of the Polish Embassy and presently a Polish delegate to the United Nations.

" 'Helen Harris is identified as a former secretary to the American Soviet Society during the time it was known as Science Committee of the National American Soviet Friendship Society. She went to work for the Polish Embassy in the fall of 1946.

" 'Zlotowski is identified as a nuclear scientist who studied under Joliet Curie, known member of the Communist Party. He was ex-secretary of the American Soviet Society. It is known that in February 1947 Zlotowski purchased 270 books on atomic energy which had been published by the Department of Commerce.

" 'It is also known that Mr and Mrs. Condon were in contact with several other persons closely associated with this alleged Soviet espionage agent. It is also reliably reported that in March 1947, Zlotowski offered the use of the Polish diplomatic pouch to scientific groups as a means of transmitting scientific material outside the United States, dissemination of which had to be restricted because of security reasons by military authorities.

" 'Zlotowski was in contact with Anatole Gromov, First Secretary of the Soviet Embassy, who has since returned to Russia. Mrs. Emily Condon applied for passports for European travel in 1926, and passport for travel to Russia in 1945. Passports were withdrawn, Condon issued passport 276319 on October 11, 1946, to travel and study in Germany, France, Holland, Italy, Czechoslovakia, Great Britain, Denmark, and Switzerland. He applied for passport June 4, 1946, to Russia which was issued but was later cancelled by the Army.'

"There are other instances in which Dr. Condon and his wife have been guests at the home of persons who are attached to the Embassies of Soviet satellite nations. Also present were the representatives of official Soviet agencies."

As further evidence of the subcommittee's incompetent staff work, note the misspelling of the middle name of the Secretary of Commerce, Mr. W. Averill—instead of the proper Averell—Harriman.

The first paragraph immediately above presents "quoted in part" a letter which has become not only nationally, but by now internationally famous in view of the article published in the Washington Post on Thursday, March 4, 1948, in which the Post supplied the egregious, and no doubt quite fortuitous, omission of the subcommittee. According to the Post, the sentence omitted by the subcommittee in its "quoted in part" letter runs as follows:

"There is no evidence to show that contacts between this individual and Dr. Condon were related to this individual's espionage activities."

On this omission, let me ask the House and the American people two simple questions: What does this deletion or omission mean in terms of a full and careful presentation of evidence? What is this if it is not deliberate character assassination, without regard to truth, justice, the democratic processes, honesty, integrity, or fair play?

Confronted by the press with this omission, the chairman of the committee has announced that this sentence was omitted "inadvertently."

Let me return to the letter itself, quoted in part. While Dr. Condon does not know what led Mr. Hoover to write this letter to Mr. Harriman, the date suggests that it may have been in response to a formal request from Mr.

Harriman. For when Dr. Condon became the object of local newspaper attacks, based on information said to have been obtained from the House Committee on Un-American Activities, Dr. Condon asked Secretary Harriman to make a thorough investigation in order to be satisfied—or otherwise—about his trustworthiness and total integrity. This request was made in April of 1947 in a letter which provided a great deal of information about himself which he thought would be helpful to the Secretary in the conduct of such an investigation. Note that this request was made by Dr. Condon before the United States Loyalty Board procedure had been established. The Secretary made his investigation and subsequently assured Dr. Condon that he was entirely satisfied. After the United States Loyalty Board was established and after other attacks on Dr. Condon in June of 1947—by the chairman of the committee in popular, slick magazines—Dr. Condon requested that the Loyalty Board also conduct an investigation. It is now public knowledge that this Board has upheld Dr. Condon and that the Secretary of the Department of Commerce, well known for his international views, his conservative position, and his unimpeachable character as one of the most prominent industrial and commercial men in the Nation, concurred in the finding of the Loyalty Board. Mr. Harriman, you may remember, was our Ambassador to Russia.

Dr. Condon does not have the slightest idea about the identity of the "individual, alleged, by a self-confessed Soviet espionage agent, to have engaged in espionage activities with the Russians in Washington, D. C., from 1941 to 1944."

I would like to examine the first sentence of this letter "quoted in part." Its tortuous construction is typical of governmentese. It says, first, that "Dr. Condon has been in contact with an unidentified individual." Second, that a "self-confessed Soviet espionage agent" alleged that this unidentified individual was engaged in espionage activities. The nasty innuendos are obvious. There are two sets of considerations which must be analyzed.

The first set concerns the information presented in the letter itself. What does this information mean? How good is it? What is its validity?

In the first place, how much reliance can be placed on the statements of a "self-confessed Soviet espionage agent?" My own reaction would be that a Soviet espionage agent, self-confessed or otherwise, would be quite a shady character. I would hesitate to place any reliance whatever on anything such an individual said. Even more reluctant would I be to place reliance on the statements of a "self-confessed agent," for the premium to make a good showing in tearing others down would be high in the mind of such a nefarious creature. In the words of the noted writer, Marquis Childs, in the Washington Post, March 3, 1948:

"The FBI leans on the word of a self-confessed Soviet espionage agent. This is a dubious source, since self-confession seems to be a sure way to gain acceptance. To make such vague and tenuous accusations without giving the victim a chance to state his own case is to make ourselves into the image of the enemy we profess to despise."

Second, what do we have, even in the characterization of this self-confessed agent? Well, even this shady character does not say that the unidentified individual was engaged in espionage activities; he furnished no evidence, no proof; if there were the slightest semblance of truth in the allegation, then the FBI has been remiss in not seizing, arresting, and prosecuting this individual.

Third. J. Edgar Hoover's letter, quoted in part, says that the FBI files reflect that Dr. Condon has been in contact with this unidentified individual.

In short, we have nothing here. The effect, however, is to smear Dr. Condon by a reflection that he associated with an individual alleged by a shady character to have engaged in nefarious operations. The only way to sum all this up is to repeat Mr. Ed Hart, who in his national broadcast, Is Congress Doing Its Job, said that this charge against Dr. Condon is worse than the old charge that a man is alleged to beat his wife because he is alleged to know a man who is alleged to beat his wife.

In all seriousness, I ask Mr. Hoover, in the name of God and your country, what kind of files does the FBI maintain? What kind of alleged evidence do your agents obtain? What old wives' tales? What slander? What gossip? What kind of mentality do your agents have that they clutter the already cluttered files and records of this Government with such irresponsible, disgusting, meaningless, vicious, unsubstantiated, slanted filth and nonsense? What have you done about this Mr. X? What are you doing to protect this country in this critical period, aside from permitting the files to become cluttered with such rubbish directed against so eminent, distinguished, and time and again proved loyal and trustworthy citizen, Dr. E. U. Condon? This House and the American people want an answer to these questions.

Let me now examine the second set of considerations here. This set has to do with Dr. Condon's—or any individual's—associations. It is important to note that acquaintance of one individual with another provides no grounds for believing that the association was in any way improper. That applies to the Mr. X as well as the Polish individuals. It is just as improper to communicate classified information to Americans of any kind who are not authorized to receive it as to foreigners. There is no evidence that Dr. Condon has ever been anything but completely and totally discreet in all his dealings, with Americans, with foreigners, with everyone.

I repeat: There is no evidence that Dr. Condon has ever been anything but completely and totally discreet in all his dealings, with Americans, with foreigners, with everyone.

Dr. Condon finds it somewhat disturbing to find that the FBI report, the alleged letter "quoted in part," contains inaccurate statements, for like most Americans he has confidence in this investigating agency. But the fact is that neither he nor his wife, as stated, have ever met the wife of the Polish Ambassador, nor have they ever heard of Virginia Woerk, described as a clerk employee of the Polish Embassy.

It is true that they are acquainted with Dr. Zlotowski and Miss Helen Harris. They have also met various members of the staffs of the Polish, Czechoslovak, Yugoslav, and Russian Embassies in connection with the official social life of Washington, as well as members of the staffs of the British, French, Canadian, Mexican, Spanish, Indian, and possibly other embassies.

There was the occasion of more than a year ago when Dr. Zlotowski and Miss Harris were dinner guests of Dr. Condon. The other guests included the distinguished Congressman GEORGE SADOWSKI, of Michigan, the Congressman's wife, a high civilian employee of the office of Naval Research, and the latter's wife.

Dr. Condon knows nothing about the allegations made about Dr. Zlotowski's alleged suggestion about the Polish diplomatic pouch. The linking of Zlotowski and Gromov was, in all probability, as even a simple investigation would probably have brought out, a result of the fact that both of these individuals were members of the United Nations Atomic Energy Commission.

It is interesting to note that one of the occasions on which Dr. Condon met Dr. Zlotowski was at Bikini, when the President's Evaluation Board, under the chairmanship of Senator CARL A. HATCH, gave a reception on the deck of the Navy vessel, the U. S. S. *Haven*, in honor of the official delegates of the United Nations to the atomic bomb tests at Bikini. I was there, as was Senator HATCH, and so were other Members of Congress and many other prominent Americans. Does this mean that our association with Dr. Zlotowski was improper or indiscreet?

As long as the United States has diplomatic relations with foreign governments it is part of the official duties of Members of Congress and Government officials—and, indeed, of all Americans—to show official and civilized courtesy to accredited representatives of such governments. There is nothing furtive about such activities. In the present case information about them has been and freely is accessible to Dr. Condon's superiors in the Government. It is not necessary to spend public money hiring investigators—whose trustworthiness is highly questionable in view of all the errors pervading the subcommittee report even on simple, factual matters—to investigate such matters.

The statements about passports issued to Dr. and Mrs. Condon are garbled in a way which makes it evident that the person who prepared this report is not competent even to make an accurate copy of the records of the Passport Division of the State Department. I need not comment on the vicious "slanting" of the "quoted in part" letter where the discussion of passports is in the same paragraph and follows immediately on statements made about Zlotowski, Gromov, the Soviet Embassy, and Russia—with which the passports had nothing to do.

The stupid errors in this matter are, first, that Mrs. Condon did not apply for a passport to travel to Russia in 1945—in fact, she has never applied for a passport to Russia; and second, Dr. Condon did not apply for nor was he issued a passport on October 11, 1946.

These errors raise again the questions: What can be said about the reliability of the subcommittee report? What can be said about the competence of the staff of investigators of the House Committee on Un-American Activities? What can be said about the competence of the staff of Mr. Hoover's FBI? When facts such as these are so easy to get and to verify, what can we conclude about the veracity of alleged facts which demand great perspicacity and judgment of the investigator with respect to the integrity of the informer? The House, the Congress, and the American people are entitled to a prompt and full reply to these questions.

Now for the actual facts on the passport question. Dr. and Mrs. Condon spent a year (September 1926–September 1927) abroad. Most of the time was spent as a research fellow studying at Gottingen and Munich, in Germany, under the auspices of the Rockefeller Foundation. In the typical manner of American tourists of that day and even this, the Condons toured through Europe; the countries visited were France, Czechoslovakia, Switzerland, and England.

A passport for Dr. Condon was issued in June 1945 for a trip to Russia, but it was canceled by the State Department at the request of the Army before it was used. I have already gone into that trip in my address of July 22, 1947. The full story was also submitted by Dr. Condon to the Department of Commerce Loyalty Board. It is of interest to note that Dr. Condon is being attacked for having accepted a formal invitation to go to a scientific congress in Russia; but no public attacks have ever been made on the 16 Americans—equally distinguished—who did go, two of whom were Government officials, and who went in a transport plane provided by the Army on orders of the President of the United States.

So much for all the vicious rubbish in paragraphs 13 and 14 of the Subcommittee Report, including the infamous "quoted in part" letter, alleged by the subcommittee to have been written by J. Edgar Hoover, chief of the FBI.

The subcommittee report continues—paragraphs 16 through 19, inclusive:

"In order to accommodate foreign visitors shortly after his own appointment as Director of the Bureau of Standards, Dr. Condon appointed Demetry I. Vinogradoff, a Russian-born scientist, as the liaison representative of the Bureau. Vinogradoff, prior to his affiliation with the Bureau of Standards, was employed by the Westinghouse Laboratories at Pittsburgh, Pa. During the wartime years, he was in charge of liaison between the Westinghouse Electric Co. and the representatives of the Soviet Purchasing Commission.

"During the period July 1946 through March 31, 1947, a total of 238 visitors and 64 delegates from foreign nations, including Russia and Poland, visited the National Bureau of Standards. During this period, a total of 39 Russians and 3 Polish nationals visited the Bureau. Among these visitors, were the Naval Attaché and the Assistant Naval Attaché of the Russian Embassy, and three representatives of the United Nations Relief and Rehabilitation Administration. Since March 1947 a total of 666 persons representing foreign governments have visited the Bureau. Very few Russians or Russian satellite nation representatives are included in this number. The reason for the decline in the number of Russian visitors to the Bureau of Standards is unknown to this subcommittee. However, it should be noted that during the month of December 1946, Demetry I. Vinogradoff, liaison officer of the Bureau of Standards, made arrangements with F. T. Orekahov, the first Secretary of the Russian Embassy in Washington, D. C., to discuss the problem of exchanging books, pamphlets, and other written material. The arrangements for the discussion were made by Vinogradoff at the request of Dr. Condon, and it was agreed that the discussion between Orekahov and Vinogradoff would be informal because, otherwise, it would be necessary to obtain a clearance from the State Department.

"It is also known that Vinogradoff has been in close touch with Capt. A. F. Belikov, assistant naval attaché of the Russian Embassy.

"Your subcommittee would like to point out to the full committee that the exchange of scientific material with the Soviet Union is a one-way street, and that our Government is pursuing a dangerous and foolish policy of making scientific data available to the Soviet Union, since they will not permit us to inspect any of their bureaus, nor will they exchange any information with us. Early last year, the chairman of the committee, Mr. THOMAS disclosed that the Soviet Union, acting through its fronts, had secured hundreds of thousands of patents from our patent office and our present investigation along these lines reveals that even today they are continuing to order thousands of patents. We are convinced from the information we have that what the Soviet Union is actually doing is setting up her own patent bureau by obtaining all of ours, at the rate of 10 and 25 cents each. We should like to point out that the Russian Government has refused to give the United States a single patent since 1928."

The fact that the National Bureau of Standards is visited by many representatives of foreign countries and has been since its founding in 1901 derives from the Bureau's custody of the national standards of measurement and related work. It is important to note that such standards are in most cases international in nature and are arrived at by international agreements in which the State Department of the United States participates. The Bureau represents the United States and the Nation in these matters from a scientific point of view, and its scientists represent the Government officially on many international bodies bearing on such matters. If we did not participate, as scientists know, we would be handicapped not only scientifically but in the export of manufactured goods. Not only do visitors come to this country, this Bureau, other bureaus of the Government, private and university laboratories, our scientists, both officially and unofficially, visit foreign laboratories, and many of our scientists are even at this moment on missions abroad for the Government and for industry.

It is important to point out that those parts of the work of the National Bureau of Standards which deal with secret or classified matters are in special areas, with special guards, and operate under security regulations established and enforced by that division of the Armed Services or Atomic Energy Commission or other agency for whom the work is being done. Not only are foreign visitors, but—and this is equally important—unauthorized Americans, including unauthorized Bureau employees—that is, those employees not directly at work on those projects and specifically cleared for them—are prevented from having access to such work. The details of this operation are worked out by the agency for which the work is done and continuous cooperation between the representatives of such agencies and the project leaders at the Bureau as well as the Security Officer of the National Bureau of Standards, who is a full-time man with no other duties.

Further, in connection with foreign visitors, it is worth nothing that the American Government, under authority of Congress, is pursuing a policy of cooperation with other countries in intellectual and scientific and cultural matters, through, for example, our membership in the United Nations Educational Cultural and Scientific Organization, and as recently extended even further by Congress with the passing of the Smith-Mundt bill. Incidentally, on passage of the Smith-Mundt bill, Dr. Condon wrote both to Senator SMITH and Congressman MUNDT, reporting on the visitors to the Bureau. Regular reports on these visitors are and have been prepared monthly for the State Department and the Department of Commerce.

As to Mr. Vinogradoff. This elderly, distinguished gentleman of some 70 years left Russia during the Kerensky regime, being sent by the Lvoff's government; he came to this country shortly after the Bolshevik revolution on a purchasing mission for the Russian Government which was resisting the Communists. He has been an American citizen for many years. He has had long and valuable experience with the Westinghouse Electric Corp. as manager of its foreign engineering department, a position in which he demonstrated his capacity for a position of trust and discretion. In that position and in his subsequent employment with the Westinghouse International Co., during the war, he had many occasions to work closely with the armed services and with other war agencies, supplying them detailed engineering information about crucial electrical installations in the countries which were to be invaded, in a way which was a great help to our Army. He became available for Government service only because he had reached the retirement age at Westinghouse, and thus Dr. Condon was able to secure the service of a man than whom, he is confident, there is none better qualified in the country for the particular position.

The situation with regard to exchange of scientific literature with Russia and Mr. Vinogradoff's activities in this matter that are alluded to in the report is one deserving careful consideration, if the full absurdity of the subcommittee report is to be apparent.

First. What is this literature we are dealing with? Now there are two general classes of scientific literature: First, classified literature of various levels of classification affecting American security; and, second, unclassified literature which is on a par with all the textbooks and journals published in this country on a variety of subjects and available for sale to anyone. Classified literature is never sent by the Bureau to anyone: this material is handled as the security provisions of the armed services and the Atomic Energy Commission determine: no unauthorized person gets this literature.

So we are dealing with material of the type that anyone can purchase publicly or consult in almost any library—material that does not affect the security of the United States. Now what is the situation at the Bureau—or elsewhere, for that matter—with respect to such literature?

Simply this: For many long years, it has been the custom of great scientific laboratories to exchange their published and commercially available publications with other laboratories, here and abroad. This is done partly as a matter of courtesy and partly as an economical way of acquiring needed scientific publications of other laboratories. This practice has been encouraged in the United States by the Government, and I know of no Federal research agency which does not utilize this procedure to some extent. Economy has been, perhaps, the prime motivation of our Federal research agencies, for we have been notoriously poor supporters of research. The mechanics of handling and shipping such exchange material, by the way, have been handled by the venerable Smithsonian Institution.

Because of the desirability of acquiring for the Federal Government as much Russian scientific material as possible, Dr. Condon particularly asked Mr. Vinogradoff to look into the exchange situation with this country. Mr. Vinogradoff found that relatively little material was coming. The mailing lists of such exchanges with Russia, established over a period of many years prior to the war and established long before Dr. Condon ever came to the Bureau, called for sending publications of this unclassified, public kind to some 70 institutes in Russia. While there was some return of material from Russia, it was trivial compared to that prior to the war. Routine checks, on standard forms, elicited negligible response. Dr. Condon requested Mr. Vinogradoff to press the matter. Mr. Vinogradoff, who had been in close touch with the State Department, called the Soviet Embassy to inquire why replies were not forthcoming on the exchange arrangements. The answer was that many of their research institutes had been totally destroyed by the German invasion. Embassy officials explained they were anxious to see the old basis of cooperation restored but that nothing would be forthcoming from many of these institutions until reconstruction. On the basis of these assurances, it did not seem wise to alter an old and traditional arrangement, affecting publications that could be readily purchased and that did not affect the national security, in the hopes of eliciting Russian material.

Toward the end of 1947, however, Dr. Condon reopened the subject, for there were reports that the Russians had adopted an official policy of not sending material. He instructed Mr. Vinogradoff to press the matter through the State Department. As a result of such conferences, Dr. Condon wrote letters last year to each of the Russian institutes on the mailing list, inquiring about their policy and stating that in view of the uncertainties the Bureau could no longer send our material to them. These letters were written with the approval of the State Department, in proper language, and were transmitted by the State Department. In accordance with the decision communicated in these letters, publications are not, in fact, being sent to the Russian institutes by the National Bureau of Standards.

Let me repeat that the issue here is only that of continuance of mutual exchange: the material under discussion is unclassified, is printed by the Government Printing Office for the public, and is on sale by the Superintendent of Documents.

The subcommittee report continues—paragraphs 20–24, inclusive:

"Your subcommittee, by a very diligent investigation, has determined that Dr. Condon has in the past 5 years been in personal contact and communication with a number of individuals who are American citizens, but who are members of the Communist Party. There is no evidence in our possession that Dr. Condon is a member of the Communist Party, however, but as a member of the executive committee of the American-Soviet Science Society, which is affiliated with the National Council of American-Soviet Friendship, Inc., and which was recently cited as a subversive organization by Attorney General Clark, he has lent his name and influence to one of the principal Communist endeavors in the United States.

"The extent to which he has aided and abetted this Communist front is illustrated by the following letter, dated March 7, 1946, addressed to certain employees of the National Bureau of Standards by Samuel Gelfan, for the membership committee of the American-Soviet Science Society:

AMERICAN-SOVIET SCIENCE SOCIETY

(Affiliated with National Council of American-Soviet Friendship, Inc., 114 East Thirty-second Street, New York 16, N. Y.; Murray Hill 3-2082)

MARCH 7, 1946.

——— ———,

National Bureau of Standards,
United States Department of Commerce, Washington, D. C.

"DEAR ———: It has been suggested by Dr. Condon, who is a member of our executive committee, that you might be interested in the activities of our society and membership in same.

"We are, therefore, enclosing a brief statement concerning the objectives and activity of our organization, and under separate cover are also mailing you a copy of our latest Bulletin.

Sincerely yours,

SAMUEL GELFIN,
For the Membership Committee.

"In response to this letter, 10 scientists of the Bureau of Standards joined this subversive organization. The subcommittee is cognizant, however, of the implied pressure which Dr. Condon, as Director of the Bureau, applied to his subordinates, and therefore it should not necessarily reflect upon these 10 employees. It does, however, indicate the dangerous extremes to which Dr. Condon has gone in an effort to cooperate with Communist forces in the United States.

"Speaking before the Fifth Annual Scientific Institute, March 5, 1946, Dr. Condon stated, in speaking of Russia:

" 'We must welcome their scientists to our laboratories, as they have welcomed ours to theirs, and extend the base of scientific cooperation with this great people. Of course, we must behave this way toward the scientists of all nations. I only mention Russia because it is right now the target of attack by those irresponsibles who think she would be a suitable adversary in the next world war.'

"This subcommittee is in possession of no evidence or information which indicates that the Soviet Government has in the past, or will in the future permit the scientists of the United States in their laboratories or to make available to them any information of any scientific importance. Any Government official who is not aware that the Soviet Union is bent upon the Stalinization of the world is not qualified to hold a strategic position which affects the security of the United States."

First, the reference to the American-Soviet Science Society. I would have thought that that frail ghost has been laid last year when I presented the facts about this society on the floor of the House on July 22, 1947. The least that might have been expected from the subcommittee would be to have included those remarks in their report, but this obviously did not suit them. For, in brief, the charges against this society are ridiculous beyond imagination; it is neither Communist nor Communist front. I do not want to repeat again what I said on July 22, 1947. Every Member of this House who is really interested in the truth—as well as every citizen—should be willing to take the trouble to look up that analysis in the CONGRESSIONAL RECORD of that date. This society is not affiliated with the National Council of American-Soviet Friendship. It is true that the society grew out of a committee connected with the national council at that time of the war when Russia was our ally and the council was then sponsored by such eminent Americans as the Honorable ELBERT D. THOMAS, Senator from Utah; Hon. ARTHUR CAPPER, Senator from Kansas; Hon. LEVERETT SALTONSTALL, Senator from Massachusetts; Harold L. Ickes; the late Fiorello H. LaGuardia; Bishop W. J. Wells; the Reverend J. F. Fletcher; Bishop Malcolm Peabody; Mrs. J. Borden Harriman; Dr. Frank Aydelotte; Dr. Karl T. Compton, Dr. Albert Einstein; Dean Christian Gauss; and others. The American-Soviet Science Society long ago severed connections with the national council. Full information about this society—including a complete list of its less than 400 highly eminent Federal, university, and industrial scientists has been available from the officers for the asking at any time. For more than a year such information has been on file in Washington with the Bureau of Internal Revenue, in connection with the society's application for tax exempt status in order that it can avail itself of a $25,000 grant in support of its work made in two successive fiscal years by the trustees of the Rockefeller Foundation. The society has undertaken work

for the Army and the Navy, which were interested in certain Russian developments, and the securing and translating for American use of such research abroad has been the principal objective of the society.

It is almost a year since Dr. Condon offered all the information about this society in his possession to the House committee investigators and directed them to the officers of the society in New York; the investigators have never bothered to call upon the society or its officers.

The aim and objectives of the society and the character of the men involved is well attested by the fact that the Rockefeller Foundation in July 1947 renewed its offer of support, even after the society had come under public notice of Chairman THOMAS, of the Committee on Un-American Activities. The House committee, therefore, finds itself in the position of charging the trustees of this foundation, including Winthrop W. Aldrich and John Foster Dulles, of having aided and abetted this Communist front.

Under the circumstances it seems foolish to comment further on the fact that Dr. Condon called this society to the attention of his staff by a routine letter in which infinitely less pressure to join was even implied than in the letters which he is officially expected to write to his staff on behalf of various Community Chest and Red Cross drives. If doubt exists on this point, statements from those members of the Bureau staff who did join should be sought. This has not been done.

In passing, I would like to point out that these attacks on this society, aside from their utter absurdity and untruth, have resulted in hindering an activity of vital interest to the security and defense of this country, for the society was doing work for the armed forces.

The quotation from a speech delivered by Dr. Condon refers to a speech which he delivered to an audience of many hundreds of persons, including many Congressmen, at a large dinner sponsored by the Westinghouse Electric Corp. In March 1946, shortly after the close of the war, we all were anxious to see a period of peace and cooperation develop throughout the world. Dr. Condon's address was in full accord with the wishes of every peace-loving American. The address was greatly applauded. It was in fact printed in the CONGRESSIONAL RECORD, having been introduced into the RECORD by the Honorable H. LEROY JOHNSON, a friend and colleague of mine from California with whom I had the honor of serving on the Military Affairs Committee during the war, and whose loyalty is unquestioned, although now that it appears that he inserted Dr. Condon's address in the RECORD, he too may be suspect, on the "guilt by association" yardstick of the Committee on Un-American Activities. Copies of this address—so in keeping was it with our national program—were, I have learned, distributed by the State Department to our cultural attachés abroad as an example of the friendly and cooperative spirit of the United States of America.

In view of the performance of the committee—in particular the errors, omissions, and foolish accusations made in this very report—it does not seem that the conclusions that are based on "no evidence or information" are worth any attention. In any case Dr. Condon is aware of the difficulties in this area, mentioned in the last paragraph above (paragraph 24 of the subcommittee report). This awareness is amply demonstrated by his action in regard to the exchange of unclassified, publicly sold publications with Russia. His entire career, replete with responsible positions and associations with secret projects, has been uniformly one of distinction, trust, and discretion.

The subcommittee report continues and concludes—paragraphs 25 to 29:

CONCLUSIONS AND RECOMMENDATIONS

"In considering the case of Dr. Condon, we wish to emphasize that what is involved is not a question of freedom of speech or research. The ruthless rush of Stalin through Europe, in the opinion of this subcommittee, necessitates a revision of the policy and thinking of this Government and the people of the United States, regarding communism. We should bear in mind, that the Government is charged not only with the administration of public affairs, but it is also charged with the security of the people and the institutions of the United States. Whether we like it or not, we are now engaged in a great epochal struggle; not a struggle with guns, because the Communists don't fight that way. They didn't take over Czechoslovakia with guns, they merely employed the strategy of getting a few men in the government and then a few more, and then they took over the entire government without firing a single shot or calling out a single regiment of soldiers.

"They are conducting exactly the same kind of campaign in other countries. In this country they haven't gotten as far as they have in Czechoslovakia, but they got pretty far, because they got a man as Vice President of the United States, and he is now their candidate for President, and he is the same man who recommended Dr. Condon as Director of the Bureau of Standards.

"It is the unanimous opinion of this subcommittee that Dr. Condon should either be removed or a statement should be forthcoming from the Secretary of Commerce, setting forth the reasons why he has retained Dr. Condon, in view of the derogatory information which he has had before him.

"We further recommend that the full committee address a communication to the President of the United States, calling to his attention, the fact that the situation as regards Dr. Condon is not an isolated one, but that there are other Government officials in strategic positions who are playing Stalin's game to the detriment of the United States. It should also be pointed out to the President that the evidence before our subcommittee and the evidence which we are sure should be available to him, indicates very strongly that there is in operation at the present time in the United States an extensive Soviet espionage ring, and to permit this ring to continue, in view of the high atomic prizes which they are seeking, is folly, and can only lead to ultimate disaster.

"We recommend that all of the evidence in the committee's possession be forwarded to the President for his consideration."

With regard to the conclusions and recommendations, it is my opinion that no evidence has been adduced in this report or any other which merits a breath of support to the conclusion that he should be removed. Dr. Condon, I know, concurs fully in the recommendation that all the evidence should be forwarded to the President for his consideration.

As a matter of recorded fact, he has made every effort to secure the fullest possible investigation to remove any and all doubts concerning him, in view of the great responsibilities associated with his position. When the chairman of the House Committee on Un-American Activities attacked him in two—no doubt lucrative—articles in the American Magazine and in Liberty magazine, he wrote the chairman offering his help and cooperation. This was on July 9, 1947. The chairman never replied, nor did any of the committee's staff approach him. Dr. Condon, some 10 days later, practically forced himself on the attention of members of the committee in letters offering full cooperation and help; from several of them he received polite letters of acknowledgment, but nothing came of it. More recently, on March 5, 1948, 5 days after the release of the report to the press, Dr. Condon again, this time in person, practically forced himself on several members of the committee at the conclusion of a subcommittee hearing, renewing his standing offer to help, appear, cooperate, and so forth, and so forth, which he first made in July of 1947—8 months ago. How much longer must he wait in this matter—so urgent that we have a press release staged at the hospital bedside of Chairman THOMAS about a matter on which the committee has rested for at least 8 months?

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 69. An act for the relief of Mrs. Florence Benolken; to the Committee on the Judiciary.

S. 182. An act for the relief of Sgt. John H. Mott; to the Committee on the Judiciary.

S. 188. An act for the relief of Dionisio R. Trevino; to the Committee on the Judiciary.

S. 576. An act for the relief of Dan C. Rodgers; to the Committee on the Judiciary.

S. 675. An act to provide for the naturalization of Mary Gemma Kawamura; to the Committee on the Judiciary.

S. 969. An act for the relief of Damian Arruti; to the Committee on the Judiciary.

S. 1046. An act for the relief of Mrs. Jacinta Santos Harn, Dr. Charles S. Harn, Helen Harn, Winifred Mary Harn, and James Harn; to the Committee on the Judiciary.

S. 1090. An act to safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes; to the Committee on Agriculture.

S. 1142. An act for the relief of Anna Pechnik; to the Committee on the Judiciary.

S. 1164. An act for the relief of Doris D. Chrisman; to the Committee on the Judiciary.

S. 1263. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.; to the Committee on the Judiciary.

S. 1307. An act for the relief of Edward Trapier Rogers; to the Committee on the Judiciary.

S. 1312. An act for the relief of Jeanette C. Jones and minor children; to the Committee on the Judiciary.

S. 1331. An act for the relief of Frances Ethel Beddington; to the Committee on the Judiciary.

S. 1468. An act providing for payment of $50 to each enrolled member of the Mescalero Apache Indian Tribe from funds standing to their credit in the Treasury of the United States; to the Committee on Public Lands.

S. 1550. An act for the relief of John Clark Sharman; to the Committee on the Judiciary.

S. 1588. An act for the relief of E. W. Strong; to the Committee on the Judiciary.

S. 1630. An act for the relief of Louis L. Williams, Jr.; to the Committee on the Judiciary.

S. 1651. An act to amend the General Bridge Act of 1946; to the Committee on Public Works.

S. 1654. An act for the relief of John E. Peterson and Guy F. Allen; to the Committee on the Judiciary.

S. 1742. An act for the relief of John Frederick Firth-Hand; to the Committee on the Judiciary.

S. 1871. An act to restore certain lands to the town site of Wadsworth, Nev; to the Committee on Public Lands.

S. 1875. An act for the relief of the estate of Francis D. Shoemaker; to the Committee on the Judiciary.

S. 1958. An act to provide for the designation of the reservoir formed by the dam on the Grand River near Fort Gibson, Okla., as Lake Chouteau; to the Committee on Public Works.

S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 408. An act for the relief of Lawson Ashby, and others;

H. R. 431. An act for the relief of the Columbia Hospital of Richland County, S. C.;

H. R. 621. An act for the relief of Vera Frances Elicker;

H. R. 697. An act for the relief of Mrs. Essie N. Fannin, Miss Helen Hicks, Miss Marie Hicks, Miss Frances Fannin, William O. Thompson, and Mrs. W. D. Thompson;

H. R. 993. An act for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb;

H. R. 1131. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker;

H. R. 1139. An act for the relief of Dr. Gisela Perl (Krausz);

H. R. 1152. An act for the relief of Mrs. Inga Patterson, widow of F. X. Patterson;

H. R. 1298. An act for the relief of Anastasios Panage Ioannatos (known as Anastasios Panage Ionnetos or Tom Panage Yanatos);

H. R. 1654. An act for the relief of the estate of Mrs. Elizabeth Campbell;

H. R. 1864. An act for the relief of Mrs. Raiford D. Smith;

H. R. 1929. An act for the relief of Edwin Osgood Cogan, his wife Helen Olga Cogan, and his daughter Isabel Joan Cogan;

H. R. 2012. An act for the relief of Mrs. Pearl Cole;

H. R. 2268. An act for the relief of Charles E. Crook and B. L. Fielder;

H. R. 2293. An act to amend the act entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters," approved February 8, 1895;

H. R. 2373. An act for the relief of Stanley-Yelverton, Inc.;

H. R. 2374. An act for the relief of Nita H. Stanley;

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3742. An act for the relief of Robert Wilhelm Gerling;

H. R. 3936. An act to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia, and for other purposes;

H. R. 3964. An act for the relief of Thomas D. Sherrard;

H. R. 3973. An act relating to the compensation of commissioners for the Territory of Alaska;

H. R. 4331. An act for the relief of Bertha M. Rogers;

H. R. 4541. An act for the relief of Jesse F. Cannon, Jackson Jones, and the estate of John Halstadt;

H. R. 4570. An act for the relief of Howard A. Yeager; and

H. R. 4980. An act relating to the acquisition by the United States of State-owned lands within Glacier National Park, in the State of Montana, and for other purposes.

ADJOURNMENT

Mr. MACKINNON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 10, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1375. A letter from the Attorney General, transmitting a report reciting pertinent provisions of law in the cases of 125 individuals whose deportation has been suspended for more than 6 months; to the Committee on the Judiciary.

1376. A communication from the President of the United States, transmitting a proposed provision pertaining to an existing appropriation of the United States Maritime Commission for the fiscal year 1948 (H. Doc. No. 563); to the Committee on Appropriations and ordered to be printed.

1377. A letter from the Secretary, National Park Trust Fund Board, Department of the Interior, transmitting a report covering the fiscal year 1947 for the National Park Trust Fund Board; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANFIELD: Committee on Appropriations. H. R. 5770. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 1532). Referred to the Committee of the Whole House on the State of the Union.

Mr. LECOMPTE: Committee on House Administration. House Resolution 434. Resolution providing for further expenses of conducting the studies and investigations authorized by rule XI (1) (Q); without amendment (Rept. No. 1533). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 455. Resolution providing funds for the expenses of conducting the studies and investigations to be continued under the authority of House Resolution 447, Eightieth Congress; without amendment (Rept. No. 1534). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 479. Resolution providing for the further expenses of conducting the studies and investigations with respect to procurement and buildings authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments; with amendments (Rept. No. 1535). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 478. Resolution to provide additional funds to carry on investigations of surplus property under the Committee on Expenditures in the Executive Departments; without amendment (Rept. No. 1536). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 469. Resolution authorizing the printing of additional copies of House Report No. 1274 for the use of the Committee on Ways and Means; with amendments (Rept. No. 1537). Referred to the House Calendar.

Mr. HESELTON: Committee on Interstate and Foreign Commerce. House Joint Resolution 323. Joint resolution to temporarily prohibit the exportation of petroleum and petroleum products; with amendments (Rept. No. 1539). Referred to the Committee of the Whole House on the State of the Union.

Mr. MARTIN of Iowa: Committee on Ways and Means. H. R. 5065. A bill to amend section 1700 (a) (1) of the Internal Revenue Code so as to exempt hospitalized servicemen and veterans from the admissions tax when admitted free; without amendment (Rept. No. 1540). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 1006. An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, so as to increase the acreage of sodium leases which may be issued in any State to a person, association, or corporation; with amendments (Rept. No. 1541). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 183. A bill to transfer lot 1 in block 115, city of Fairbanks, Alaska, to the city of Fairbanks, Alaska; with amendments (Rept. No. 1542). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 5470. A bill to repeal subsection (b) of section 3 of the act of December 30, 1947; without amendment (Rept. No. 1543). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOOTE: Committee on the Judiciary. H. R. 761. A bill for the relief of Mrs. Anthony D. Chamberlain; with amendments (Rept. No. 1524). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary: H. R. 814. A bill for the relief of Mrs. Effie S. Campbell; without amendment (Rept. No. 1525). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1308. A bill for the relief of H. C. Biering; with amendments (Rept. No. 1526). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2264. A bill for the relief of Frank E. Blanchard; with an amendment (Rept. No. 1527). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3113. A bill for the

relief of Bessie B. Blacknall; without amendment (Rept. No. 1528). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3805. A bill for the relief of Thomas A. W. Elder; with an amendment (Rept. No. 1529). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 4048. A bill for the relief of William Price; with an amendment (Rept. No. 1530). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 5208. A bill for the relief of Dimple Benoit; with an amendment (Rept. No. 1531). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 3 of rule XXII, the Committee on Banking and Currency was discharged from the consideration of the bill (H. R. 5509) to authorize Defense Homes Corporation to convey to Howard University certain lands in the District of Columbia, and for other purposes, and the same was referred to the Committee on Public Works.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD:

H. R. 5770. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. BARTLETT:

H. R. 5771. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for judicial review of orders of the Civil Aeronautics Board affecting the rights of domestic air carriers to engage in overseas or foreign air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 5772. A bill repealing certain provisions of the Internal Revenue Code relating to the tax on oleomargarine, and for other purposes; to the Committee on Agriculture.

By Mr. BENDER:

H. R. 5773. A bill to provide for the acquisition of a site and preparation of plans and specification for a new postal building in Cleveland Heights, Ohio, and for other purposes; to the Committee on Public Works.

By Mr. BYRNES of Wisconsin:

H. R. 5774. A bill to repeal the war tax rate on the retail sale of furs; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 5775. A bill to permit the importation free of duty of racing shells to be used in connection with preparation for the 1948 Olympic games; to the Committee on Ways and Means.

By Mr. ENGLE of California:

H. R. 5776. A bill to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes; to the Committee on Public Lands.

By Mr. FLETCHER:

H. R. 5777. A bill to strengthen national security and the common defense by authorizing the construction and operation of demonstration plants to produce potable water from sea water or other liquids, elements, or substances, in order to promote the general welfare of the Nation and to conserve and increase the national water resources, and for other purposes; to the Committee on Armed Services.

By Mr. FORAND:

H. R. 5778. A bill to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55; to the Committee on Post Office and Civil Service.

By Mr. HAGEN:

H. R. 5779. A bill to make Friday, December, 24, 1948, a holiday for all Federal officers and employees; to the Committee on Post Office and Civil Service.

By Mr. HAVENNER:

H. R. 5780. A bill to permit certain persons who served in the armed forces of the United States or in the merchant marine in World War II to enter or remain in the United States for permanent residence; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 5781. A bill to authorize the interservice transfers of officers; to the Committee on Armed Services.

By Mr. MILLER of California:

H. R. 5782. A bill to amend the act of July 6, 1945, relating to the classification and compensation of employees of the postal service, so as to provide equitable compensation to supervisors in post offices, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. POTTS:

H. R. 5783. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 5784. A bill granting additional allowance for military and naval personnel; to the Committee on Ways and Means.

By Mr. SOMERS:

H. R. 5785. A bill to amend the Nationality Act of 1940 to preserve the citizenship status of citizens of the United States serving as members of certain armed forces, groups, or organizations established to maintain peace in Palestine; to the Committee on the Judiciary.

By Mr. BATTLE:

H. R. 5786. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

H. R. 5787. A bill to increase World War I and II disability and death compensation and pension rates; to the Committee on Veterans' Affairs.

H. R. 5788. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, to provide homes for veterans through veterans' homestead associations and the public facilities essential therefor; to the Committee on Veterans' Affairs.

H. R. 5789. A bill relating to the compensation of certain railway postal clerks; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. J. Res. 344. Joint resolution to appropriate additional funds for the Veterans' Administration; to the Committee on Appropriations.

By Mr. McCORMACK:

H. J. Res. 345. Joint resolution to appropriate additional funds for the Veterans' Administration; to the Committee on Appropriations.

By Mr. LANE:

H. J. Res. 346. Joint resolution to provide for the American Joint Commission to assist in the unification of Ireland; to the Committee on Foreign Affairs.

By Mr. STEVENSON:

H. Res. 496. Resolution to authorize the Committee on Post Office and Civil Service to investigate and study the operations of private interests in transmitting and delivering mailable matter of the first class without payment of postage thereon; to the Committee on Rules.

By Mr. HOPE:

H. Res. 497. Resolution for the relief of Jessie Josephine Tibbits; to the Committee on House Administration.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virginia, approving the strengthening of the United Nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Louisiana:

H. R. 5790. A bill for the relief of Edgar Barbre; to the Committee on the Judiciary.

By Mr. GRANGER:

H. R. 5791. A bill to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.; to the Committee on Public Lands.

By Mr. LESINSKI:

H. R. 5792. A bill for the relief of Gasper Piacza; to the Committee on the Judiciary.

By Mr. O'BRIEN:

H. R. 5793. A bill for the relief of George Eldred Morgan; to the Committee on the Judiciary.

By Mr. SADOWSKI:

H. R. 5794: A bill conferring jurisdiction upon the United States District Court for the Eastern District of Michigan to hear, determine, and render judgment upon the claim of Edward Gray, Sr.; Edward Gray, Jr.; Bertha Mae Gray; Bertha Patmon; and Lindsay Gardner, all of the city of Hamtramck, Wayne County, Mich.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1513. By Mr. HART: Memorial of the Board of Commissioners of the City of Newark, N. J., urging Congress to declare a moratorium on evictions in Federal low-cost housing projects in Newark; to the Committee on Banking and Currency.

1514. By Mr. SHORT: Petition of 67 members of the First Baptist Church of Webb City, Mo., urging the passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1515. Also, petition of 55 members of the Presbyterian Church of Webb City, Mo., urging the passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1516. Also, petition of 37 members of the Latter-Day Saints Church, Webb City, Mo., urging the passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1517. Also, petition of 26 members of the Christian Church of Webb City, Mo., urging the passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1518. Also, petition of 29 members of the Emanuel Baptist Church, Webb City, Mo., urging the passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1519. Also, petition of 22 members of Assembly of God Church of Webb City, Mo., urging passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1520. Also, petition of Mrs. Chloe Zell King, vice president of WCTU of Clear Springs

Union, and other citizens of Ozark County, urging the passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1521. Also, petition of 82 members of the Central Methodist Church of Webb City, Mo., urging the passage of S. 265; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, MARCH 10, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, our Father, let us not be content to wait and see what will happen, but give us the determination to make the right things happen.

While time is running out, save us from patience which is akin to cowardice.

Give us the courage to be either hot or cold, to stand for something, lest we fall for anything.

In Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 9, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 8, 1948:

S. 1195. An act to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations.

On March 9, 1948:

S. 703. An act to authorize the carrying of Civil War battle streamers with regimental colors;

S. 1267. An act for the relief of Eleonore M. Hannon; and

S. 1802. An act to authorize the President to award the Medal of Honor to the unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

RATIFICATION OF PROPOSED AMENDMENT TO CONSTITUTION RELATING TO TERM OF OFFICE OF PRESIDENT

The PRESIDENT pro tempore laid before the Senate a certified copy of a joint resolution of the General Assembly of the Commonwealth of Virginia ratifying the proposed amendment to the Constitution of the United States relating to the term of the office of the President, which was ordered to lie on the table.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENTS OF HOME OWNERS' LOAN, FEDERAL HOME LOAN BANK, AND NATIONAL HOUSING ACTS

A letter from the Administrator, Housing and Home Finance Agency, transmitting two drafts of proposed legislation to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, and to amend section 19 of the Federal Home Loan Bank Act and subsection (c) of section 402 of the National Housing Act (with accompanying papers); to the Committee on Banking and Currency.

REPORT CONCERNING COURTHOUSE IN THE DISTRICT OF COLUMBIA

A report made to Congress pursuant to the provisions of Public Law 80, Eightieth Congress, by the committee appointed thereunder, concerning the proposed construction of a building in the District of Columbia for the use of the United States Court of Appeals and the District Court of the United States for the District of Columbia; to the Committee on Public Works.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

The petition of S. B. Cooperthwaite, of New Haven, Conn., praying for the enactment of the so-called Marshall European recovery program; ordered to lie on the table.

A resolution adopted by the assembly of the Gran Logia, Regional No. 1, de la Orden Fraternal de Odd-Fellows Latinos, Rio Piedras, P. R., relating to the Organic Act of Puerto Rico; to the Committee on Interior and Insular Affairs.

PROHIBITION AGAINST LIQUOR ADVERTISING

Mr. CAPPER. Mr. President, I have received a letter from the National Antivice Crusade, with headquarters at Lincoln, Nebr., expressing their support of the so-called Capper bill to prohibit the advertising of alcoholic beverages. I ask unanimous consent to present the letter for appropriate reference and request that it be printed in the RECORD.

There being no objection, the letter was received, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

THE NATIONAL ANTIVICE CRUSADE,
Lincoln, Nebr., March 6, 1948.

Hon. ARTHUR CAPPER,
United States Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: We, the undersigned national officials for the organization known as the National Antivice Crusade, do tender to you for your records the following resolution:

Resolved, That we, the National Antivice Crusade of these United States of America, are in accord with the Capper bill to prohibit the advertising of all alcoholic beverages.

Authorized this 6th day of March by the official board of the National Antivice Crusade as by the president of said organization.

ISAAC B. FLINT
(Evangelist Isaac B. Flint),
First Vice President and Executive Secretary-Treasurer.

For the National Antivice Crusade:
Rev. EDGAR J. WRIGLEY,
President.
Rev. JOSEPH RICHARDS,
Executive Vice President.
WALLACE MEMMER,
Assistant Executive Vice President.

TAX AND CONTROLS ON BUTTER SUBSTITUTES

Mr. CAPPER. Mr. President, I have received a resolution adopted by the Kansas Inter-Breed Dairy Cattle Council in special session February 25, 1948, at Manhattan, Kans., urging that the Congress keep the present tax and controls on butter substitutes in order that the best interests of the entire population be served over a long period of time. I ask unanimous consent to present the resolution for appropriate reference and request that it be printed in the RECORD.

There being no objection, the resolution was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolution adopted by Kansas Inter-Breed Dairy Cattle Council in special session February 25, 1948, at Manhattan, Kans.

Whereas the State of Kansas ranks thirteenth in total milk production among the States of the Nation; and

Whereas the dairy industry is the third largest source of agricultural income in Kansas, with a total of about $90,000,000 annually; and

Whereas 87 percent of the farmers of Kansas depend on the dairy business for a part of their income; and

Whereas the dairy industry is the largest single source of agricultural income exceeding wheat, cotton, and soybeans combined; and

Whereas the butter industry is the backlog of the dairy industry representing nearly half the total butterfat marketed; and

Whereas disturbance of the butter industry would seriously jeopardize the other phases of the dairy industry such as the marketing of milk, ice cream, etc., to the detriment of the nutritional welfare of the Nation and particularly such segments of the consuming public as children and pregnant mothers; and

Whereas the removal of taxes and other existing controls of butter substitutes threatens to seriously affect the welfare of a large segment of the agricultural population which represents all the best standards of agricultural community life, and also threatens to jeopardize the welfare of the consumer: Be it

Resolved, That the Kansas Inter-Breed Dairy Cattle Council, representing six dairy cattle breed associations in Kansas, go on record as urging the Congress of the United States to keep the present taxes and controls on butter substitutes in order that the best interests of the entire population may be best served over a long period of time. Particularly do we urge that the representatives of the State of Kansas in both the Senate and House be specially on guard that the best interests of Kansas which is primarily an agricultural and exporting State be served effectively.

Prof. F. W. ATKESON,
Chairman.
JOHN WEIR, JR.,
ROSS ZIMMERMAN,
Committee.

OPERATIONS OF RECONSTRUCTION FINANCE CORPORATION—REPORT OF A COMMITTEE

Mr. BUCK. Mr. President, pursuant to Senate Resolution 132, Eightieth Congress, first session, from the Committee on Banking and Currency, I ask unanimous consent to submit a report accompanied by an original bill relating to the operations of the Reconstruction Fi-

nance Corporation, and I submit a report (No. 974) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

There being no objection, the bill (S. 2287) to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes, was read twice by its title and ordered to be placed on the calendar.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. LANGER, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAIN:

S. 2284. A bill to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. BRIDGES:

S. 2285. A bill relating to the fixing of wage rates for employees in navy yards; to the Committee on Labor and Public Welfare.

By Mr. HATCH (for himself and Mr. CHAVEZ):

S. 2286. A bill to provide for nonreimbursable allocations on the Carlsbad Federal reclamation project; to the Committee on Interior and Insular Affairs.

(Mr. BUCK, from the Committee on Banking and Currency, reported an original bill (S. 2287) to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes, which was read twice by its title, and ordered to be placed on the calendar.)

(Mr. WILEY (by request) introduced Senate Joint Resolution 195, authorizing the President of the United States of America to proclaim June 20, 1948, as Emblem Day, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

EMBLEM DAY

Mr. WILEY. Mr. President, it was on the 20th of June 1782 that the Continental Congress selected the American bald eagle as the official emblem of the United States of America. As every Senator knows, the bald eagle constitutes a part of the great seal of the American Republic, and also appears on the President's flag. This emblem is indeed a symbol of the American ideals of courage, trustworthiness, and ability to get things done. The eagle can fly above the storm and can see what goes on, so to speak. It was indeed a historic and striking event, when we contemplate it, when the founding fathers selected the bald eagle as an emblem of the young Republic.

All through the years of man's growth toward the light, Mr. President, man has indulged in the use of symbols. Back in the early days of the Christian era, we remember that the Christians would recognize each other by drawing a fish on the sand. We also remember that the church was symbolized by a ship, and that the peacock stood for immortality, and the phoenix for resurrection.

I may say, Mr. President, that there is in the United States a great organization known as the Eagles. This year they are celebrating their fiftieth birthday. Their national symbol is the American bald eagle. That organization is the only fraternal organization in the world bearing the name "Eagles," and whose cardinal principles are symbolized by the eagle.

Their principles are liberty, truth, justice, and equality. Judge Albert H. Schmidt, one of Wisconsin's distinguished citizens, residing at Manitowoc, is in the National Capital today. He is national chairman of the national emblem committee of the Grand Eyrie of the Fraternal Order of Eagles. It was a Wisconsin idea—one of Wisconsin's many pioneering concepts—that there should be a National Emblem Day.

Mr. President, I am introducing a joint resolution at the request of my distinguished friend, and on behalf of the Eagles, an American patriotic institution that has stood foursquare for the things that we know comprise the American idea. I ask unanimous consent to introduce the joint resolution for appropriate reference, and request that it be printed in the RECORD.

There being no objection, the joint resolution (S. J. Res. 195) authorizing the President of the United States of America to proclaim June 20, 1948, as Emblem Day, introduced by Mr. WILEY (by request), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the bald eagle, commonly known as the American eagle, was on the 20th day of June 1782 selected by the Continental Congress as the official emblem of the United States of America; and

Whereas the bald eagle thus became the symbolic representation of a new nation under a new government in a new world, imprinted on the Great Seal of the new Republic, carried in brass effigy above the colors, and appearing on the President's flag; and

Whereas the American bald eagle, by the act of that Congress, and by tradition and custom during the life of this Nation, has come to be recognized as a symbol of the American ideals of freedom: Therefore be it

Resolved, etc., That the President of the United States is authorized and requested to issue a proclamation designating the 20th day of June 1948 as Emblem Day, calling upon officials of the Government to display the flag of the United States on all Government buildings on such day, and inviting the people of the United States to observe the day with appropriate ceremonies in commemoration of the American eagle, the official emblem of the United States, and of the great principles and ideals which it represents and symbolizes, and to renew and rededicate their faith in such principles and ideals.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENTS

Mr. TAFT submitted amendments intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

THE TAFT-HARTLEY ACT—ADDRESS BY SENATOR TAFT AT PHILADELPHIA

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address on the subject of the Taft-Hartley Act, delivered by Senator TAFT at the Philadelphia Bulletin Forum on March 9, 1948, which appears in the Appendix.]

THE SOUTH AND THE PRESIDENT'S CIVIL-RIGHTS PROGRAM

[Mr. EASTLAND asked and obtained leave to have printed in the RECORD a statement issued March 9, 1948, by Senator OVERTON regarding the attitude of the South toward the civil-rights program which appears in the Appendix.]

SENATOR HATCH'S MESSAGE—EDITORIAL FROM THE NASHVILLE TENNESSEEAN

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Senator HATCH's Message," from the Nashville Tennesseean of March 6, 1948, which appears in the Appendix.]

JUSTICE FOR POSTMEN—EDITORIAL FROM THE NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Justice for Postmen," from the Nashville Banner of March 5, 1948, which appears in the Appendix.]

THE TAFT-HARTLEY ACT—SUMMARY BY NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION

[Mr. BALL asked and obtained leave to have printed in the RECORD a summary of the Taft-Hartley Act, prepared by the National Cooperative Milk Producers Federation, which appears in the Appendix.]

MEETINGS OF COMMITTEES DURING SENATE SESSIONS

During the course of Mr. TAYLOR's speech, subsequently delivered,

Mr. WHERRY. Mr. President, will the Senator from Idaho yield for two or three unanimous-consent requests, with the understanding that he will not thereby lose the floor?

Mr. TAYLOR. I am happy to yield on the suggestion of my friend the Senator from Nebraska.

Mr. WHERRY. I thank the senior Senator from Idaho for the courtesy. I am sorry to interrupt him, but I wanted the unanimous-consent requests to appear at another place in the RECORD.

Mr. MARTIN. Mr. President, I ask unanimous consent that the Subcommittee on Exports of the Special Committee To Study Problems of American Small Business be permitted to meet this afternoon. There are several witnesses here from the Pacific coast who are anxious to start back tonight.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. WATKINS. Mr. President, in behalf of the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs, I ask unanimous consent that the subcommittee may meet this afternoon. Witnesses are present from a distance, and we should like to continue with the hearing.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. TOBEY. Mr. President, I ask unanimous consent that the Senate Committee on Banking and Currency may sit this afternoon and tomorrow during the sessions of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. REED. Mr. President, the Subcommittee of the Senate Appropriations Committee handling the independent offices bill is trying to get that bill ready for action on the Senate floor at the time when the debate on the ERP bill now before the Senate is concluded. In order to do so, we must work both mornings and afternoons. As chairman of that subcommittee, I ask unanimous consent that we may have the consent of the Senate to sit this afternoon and tomorrow afternoon, if necessary.

The PRESIDENT pro tempore. Without objection, consent is granted.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, I call the attention of the Members of the Senate to the announcement made at the close of the session last night, about a quarter of seven, with respect to holding sessions of the Senate Thursday night and Friday night.

As I understand, at this time the Senate will proceed with the unfinished business, and, under the unanimous consent order, the distinguished senior Senator from Idaho [Mr. TAYLOR] has the floor.

The PRESIDENT pro tempore. The Senator is correct. The Chair recognizes the Senator from Idaho.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. TAYLOR. Mr. President, before I proceed with my prepared remarks, I should like to read into the RECORD an excerpt from a British publication entitled "The Electrical Review." I believe that what is recorded here is emblematic of the entire so-called Marshall plan and its inconsistencies. I read from this British publication:

> It is somewhat surprising to learn that the Marshall plan for aid to Europe includes an item of $141,000,000 worth of electrical equipment for Great Britain spread over the next 4 years. This represents an annual average value of nearly £9,000,000; the total value of our imports of electrical machinery and apparatus during 1947 was of the order of £3,000,000. So far we have been unable to obtain particulars of the kind of equipment which the United States proposes to send us but it would have to be of a very special character to be acceptable. It would be absurd for us to continue to deprive home industries of much-needed electrical apparatus for the sake of export trade and then take similar equipment from America. It is true that we will not be expected to pay dollars for these goods—immediately at any rate—but the principle seems to be all wrong.

It seems to me, Mr. President, that we are simply trying to find ways and means of dumping our excess production abroad in the hope that by so doing we will get foreign nations accustomed to our products, and, as I have said previously, find markets for the day when home consumption can no longer take up the slack.

At the close of my remarks yesterday I had just finished pointing out that the press of America has seemed to go out of its way to inflame the minds of the American people against the Russians, but at the time I concluded yesterday I had pointed out that I had noticed a number of articles recently in the press and in other places indicating that this trend was changing. I pointed out several articles I had recently seen seeking to present a fair picture of the Russians as people, not as ogres or devils with horns. I hope this is indicative of a reversal in this trend.

David Lawrence has written some excellent articles calculated to ease the tension between ourselves and the Russians.

God knows we need cool heads who will start throwing at least a little water on the flames of hate and prejudice and misunderstanding that threaten to engulf us and the world. But enough of this. I set out to castigate the press for their sins. I am happy that I was able to wind up with a good word or two for some of them.

THE FULTON, MO., SPEECH

Now, Mr. President, I wish to call attention to the Fulton, Mo., speech. I am sure everyone knows to what I refer without further elaboration.

To add to the bitterness engendered by the hate campaign in the press and over the radio, Mr. Churchill came to America and he went to Fulton, Mo., as the guest of the President of the United States, and there he made a speech that did more to undermine our relations with Russia than any one thing that had occurred up to that time. He suggested a military alliance against the Russians, for obviously there was no other nation against whom an alliance could be aimed.

Up to that time, Mr. President, there had been a certain freedom of access to our people in finding out what went on in Russia. I talked to many members of UNRRA missions, press representatives, and just plain citizens, who had been to Russia before that time, and they said there was no iron curtain. They said they went where they pleased and saw what they pleased.

I might interpolate that one of the gentlemen with whom I talked, who had been to Russia as head an UNRRA mission, was a Republican lawyer of New York, so he could not have been expected to be pro-Russian; but he stated that he had been allowed to go where he pleased, and to see what he pleased, and that his freedom of action had not been interered with.

Churchill likes to coin new phrases and make daring suggestions and hold the spotlight. Certainly, after the damage he did to the hopes of mankind on that one day at Fulton, Mo., he should have his belly full, he should be satisfied to rest on his laurels to his dying day.

But he is not satisfied. He still goes about, coining his phrases and cooking up his schemes. Among all the elder statesmen of all the nations his only rival in creating distrust and suspicion is Herbert Hoover.

MILITARY INFILTRATION

Mr. President, what would we have thought if, with the end of the war, the Russians had made Marshal Voroshilov, their war hero, their Foreign Secretary? Then suppose they had sent old Budenny, the general with the handlebar mustaches, over here as their Ambassador to Washington. And suppose they had sent generals hither and yon to represent them in the various capitals of the world. What would we have thought?

Would we have thought their intentions were peaceful? Or would we have been alarmed and distrustful? I am happy to say they did not do that. I wish I could say as much for us. No, the Russians did not do these things. One might almost wish they had because then our own actions would not appear in such an unfavorable light by comparison.

What were our actions in this regard? Our greatest war hero, our wartime Chief of Staff, became our Secretary of State on January 21, 1947.

Mr. President, I have a high regard for General Marshall, as a general, but is it reasonable to expect a man who has spent his adult life as a professional soldier suddenly to forget that background simply because he has been appointed to a civilian administrative position, indeed, the most important civilian post in America, aside from the Presidency?

The Secretary of State is ordinarily thought of as possessing the characteristics of a diplomat, a pourer of oil on troubled waters, a man who can engage in long and difficult negotiations without becoming impatient or exasperated—one who can compromise, cajole, give and take. Certainly, a military man is not schooled in any of these things. He is taught to run rough-shod over all opposition, to give orders and have them obeyed without question, and not to compromise with the enemy.

I think the military type of mind can best be summed up in the actions of General McAuliff at Bastogne when he was called upon to surrender and answered, "Nuts!" Very admirable behavior for a military man, but hardly the proper attitude for the conference table.

I think General Marshall is as well qualified, and no better qualified to be Secretary of State than would that master diplomat, Sumner Welles, be qualified to be Chief of Staff.

One day General Marshall was Chief of Staff, planning, and capably, I will

warrant, how we could keep such a military advantage over other nations as to guarantee our military security absolutely—no job of planning for peace through negotiations, kindly overtures, or disarmament proposals—but the next day he simply moved into a different chair where he was supposed to be a changed man completely. I just do not believe that can happen. I do not believe it did happen, with all due respect to General Marshall.

But, to continue with the story of our military: General Bedell Smith became our envoy to Moscow. Could that be construed by any stretch of the imagination as a friendly, peaceful gesture toward our wartime ally?

I wonder what the Russians thought. I wonder what the whole world thinks of all the military men we have sent into many foreign countries to fill diplomatic positions which have traditionally been the province of civilians.

I do not believe that it was a happy decision to embark upon such a course.

Certainly, the collapse of our vitally important relations with Panama, which it is largely agreed was the result of the bungling and incompetence of a general who, while he may have been a good general, was utterly lost in the field of diplomacy, should make us stop and consider.

As I say, the results of this policy have been to create suspicion and mistrust of our motives among the nations of the world and insofar as I can see, without compensating advantages. Certainly, it has not helped to win the confidence of the Russians. There are other things we have done which have not been conducive to good relations with the Russians.

IRAN—OIL AND GUNS

For example, we are in Iran exploiting their oil resources, that is, our private companies are.

As we all know, Iran is situated with relation to Russia quite similarly to the position that Mexico occupies geographically with relation to us. How would we feel if the Russians came into Mexico and started carting away the oil—oil that we need. Would we be happy about it?

And suppose we went down to Mexico and said, "Now look here, we do not mind Russia having some of this oil but we want some, too." And suppose we negotiated a lease for oil concessions in Mexico? We thought we were all fixed up, but then the lease came up for ratification by the Mexican Congress. And then if we can imagine such a thing, the Russians sent a message to Mexico and said, "You do not need to ratify that lease of Uncle Sam's unless you want to and we will back you to the hilt."

Well, Mr. President, that thing has happened in Iran.

The Russians did negotiate an oil concession with the Iranian Government. They may have used questionable tactics in doing so.

I do not know as to that. I doubt if they were any more questionable than the tactics we used in getting the Panama Canal right-of-way, for example.

And the Iranians could have appealed to the United Nations if they did not like it. Nevertheless, when that treaty came up for ratification by the Iranian Parliament we sent the Iranians a note and said, "Do not sign that agreement with the Russians unless you want to, and we will back you to the hilt."

When I read that, Mr. President, the words "to the hilt" were in quotation marks, to give them added emphasis, and of course, everyone knows that when we say "to the hilt" we mean the atom bomb.

I am afraid that if the Russians had done a thing like that to us it would have meant war.

The only reason our actions have not brought war is because the Russians are too devastated, too unprepared to fight.

Now, we have a military mission in Iran, training the Iranian Army. Doubtless, we are sending in military equipment. The Army does pretty much as it pleases about such matters nowadays without bothering to ask Congress. Witness the recent disclosure that we have been secretly sending our airplanes to Chiang Kai-shek. There might never have been a word said about that but all of a sudden the Republicans went crazy and started yelling for aid to China, so our supercolossal military boys gave forth with the good news, the glad tidings, that they had been black-marketing aid to Chiang right along without bothering to ask that silly old man with whiskers otherwise known as Congress.

Suppose the Russians sent a military mission into Mexico—started training a Red Army and supplying them with military equipment. Do you think we would like it? I would not. I would be one of the first to insist that such unfriendly action should cease immediately.

Perhaps the reason the Russians have not been so bold as we might be is because they do not have an atom bomb; although I read in the newspapers the other day that some scientist said that one other nation did have the atom bomb. I do not know what nation that may be. He said, however, that the the other nation did not have enough atom bombs to start an atomic war yet, and therefore there was no object in our reaching any agreement as to the control of atom bombs, because it would simply whittle down the advantage we had at the present time. In other words, this one gentleman thought evidently that when the Russians got enough atom bombs so they could talk turkey on equal terms, then we might come to some agreement limiting the use of atom bombs or abolishing their use.

Their country is devastated. They are not in the position to be as tough as we would be under the circumstances.

TURKEY

Now, let us take a look at Turkey.

The Turkish Government is utterly reactionary. Its people have no more political freedom and much less economic security than the people of Russia. Nevertheless, we are backing up that Government. We are in Turkey dredging the harbors and building roads.

What would we think if the Russians came into Mexico and started building roads and dredging harbors? I know what we would think and I know what we would do.

We would drop an atom bomb on them before they even got the dredge unloaded. We might not drop an atom bomb on them, but we would drop some kind of a bomb on them.

The proper procedure would have been for us to ask the United Nations to protect Turkey if we thought she was in danger and then let it be known we intended to back the United Nations to the hilt.

GREECE

Now, let us look at Greece.

Some of my colleagues may remember that I have been utterly opposed to the whole Greek-Turkish undertaking. God knows that events have amply justified my opposition.

A few of us contended that the Greek situation should be handled through the United Nations—that truly free elections should be held under the supervision of the UN.

It was our suggestion that we provide the money we intended to appropriate for Greece to the UN to help them in carrying out a policy of genuine self-determination and rehabilitation for the Greeks. That is my contention with respect to the pending bill. But we were overruled.

Our Government resumed its old role of pulling British chestnuts out of the fire. The British were in position to keep the Greeks under control no longer and so we took over in their stead—not exactly in their stead—they have kept a few military advisers down there and to the best of my knowledge they pretty much run things in their suave British way.

I am convinced that our action in Greece has caused those people more misery, hunger, and suffering than if we had kept out of there entirely. I never was in favor of leaving the Greeks to stew in their own juice. But, I repeat, they would be better off today if we had done that.

Some people will say, "Oh, the Russians would never permit the United Nations to solve the Greek situation." How do we know? We did not ask.

The fact is pointed to that the Russians have refused to participate in the UN border watch on Greece and have vetoed several resolutions to set up border patrols.

Mr. President, having the UN handle the Greek situation in its entirety and having us go in to support a Fascist regime and then asking the UN to hold the door shut while we kicked the people around are two different things. We would be in a much stronger position if we had asked the UN to handle the Greek situation in the first instance. I know for a certainty that the UN wanted desperately to handle that affair, and I believe they could have handled it.

If Russia had tried to stop it, we could then have gone ahead with a clear conscience. As it is, we are in the position of interfering unilaterally in the affairs of a country far from our borders.

Greece and Turkey are in key positions with relation to the Dardanelles—a strategic waterway and very vital to the Soviet Union.

Suppose there were a government friendly to the Russians on the South

American shore at the very narrowest point to the outlet of the Gulf of Mexico, and suppose that outlet were much narrower—comparable to the Dardanelles—I think we would like to have a friendly government in that country in a position comparable to Turkey. Would we like it if there were a government there friendly to the Russians and the Russians came over and bolstered up that government to keep it in power?

Suppose Cuba were on the other side of those imaginary straits out of the Gulf of Mexico and suppose Cuba were in a terrible political ferment and the decision as to whether there should be a government friendly to us or to the Russians were in grave doubt. Then suppose the Russians moved into Cuba and by force of arms supported a government friendly to them. I believe we would go to war, Mr. President. I believe it is very fortunate for the peace of the world that the Russians are not prepared to go to war. Some day, of course, they will be prepared.

They are getting ready just as fast as they can and using their ideological and infiltration tactics to better advantage than we have been able to use dollars, arms, and the threat of the atomic bomb. Now we come along with the so-called Marshall plan.

We must have known that the Russians could not participate—neither could they permit their satellites to participate. This plan calls for a degree of supervision and intervention in the affairs of other nations that the Russians or any other self-respecting nation could not tolerate and would not tolerate if they had any other recourse.

NEW LEADERS NEEDED

So you see, Mr. President, our foreign policy has accomplished no good objective in the past, and I do not believe that it will in the future until our whole approach is completely changed.

At this late date I believe the only solution is to take the formulation and guidance of our foreign policy out of the hands of those who hate Russia and place it in the care of statesmen who genuinely desire to get along with Russia and in whose sincerity of purpose the Russians could have confidence.

I believe that the most statesmanlike utterance that has been made on the floor of the Senate during this debate was the wish and the hope expressed by the senior Senator from Texas [Mr. CONNALLY] that we might increase and expand our trade with Russia.

TRADE WITH RUSSIA

For a long time I have been convinced that trade with Russia would be one of the surest ways to minimize and iron out our political differences. If our moneyed interests which are so bitter against Russia and so fearful of communism should suddenly find themselves engaged in profitable commercial intercourse with Russia, I am convinced that their attitude would undergo an astonishing transformation. Today Russia is the best prospective market in the world for our manufactured goods. The Russians have gold and raw materials with which they could pay for the goods received.

There is very little prospect of any great volume of trade with other nations of the world once we quit—that is, if we ever do quit—giving nations all over the world billions of dollars with which to purchase our products. Our capitalistic economy is going to find itself in dire straits whenever we quit giving things away.

Ironically enough, I believe that Russia by her purchases from us—if we can forget our prejudices and trade with her—might be very instrumental in delaying for a considerable period of time that showdown for capitalism which they are supposed to be hopefully awaiting.

RUSSIA'S ACTIONS

I have had people argue with me that nothing the Russians have ever done has shown any desire to cooperate and live at peace with us, and that they are out to conquer the world. I deny that. I should like to point out that the Russians were in Manchuria and they could have stayed there if they had wanted to do so. It is a rich, populous, and vast territory. If the Russians were bent on world conquest I think they were fools to evacuate Manchuria.

To be sure, they took a great many industrial plants with them when they left, but it was their contention, and I think not without some merit, that these were Japanese-owned and therefore could rightfully be considered spoils of war.

But whether we agree with that contention or not, the fact remains that they did go home. If they were out to conquer the world, they would have been well on their way if they had chosen to remain in Manchuria.

The Russians were in Iran. Oil is very important to conquerors. There is oil in Iran.

To be sure, the Russians were a little slow in getting out. They were there, of course, as part of the war strategy; but when the matter was called to the attention of the United Nations, the Russians did go home. If they had had no regard for world opinion, or the United Nations and if they had been hell bent on conquest, I cannot feel that they would have left Iran.

RUSSIAN VETOES

Then, of course, there is the question of the Russian vetoes in the Security Council. The plain fact of the matter is, Mr. President, that we have an overwhelming control of the United Nations and the veto is the only weapon the Russians have. I am not trying to justify all their vetoes, by any means; but, at the same time, it is a fact we insisted on having the veto included as part of the United Nations machinery. Doubtless, we expected to use it if circumstances had been reversed. It is widely acknowledged that the UN Charter would never have been approved by the Senate had not the veto been included.

During the time the United Nations has been in existence, the Russians have used the veto 22 times. A great to-do has been made about this. I asked the Legislative Reference Service of the Library of Congress to prepare me a list of these vetoes and the reasons the Russians gave for using the veto. I think it might be enlightening, if not to my colleagues, at least to those who read the CONGRESSIONAL RECORD, to run through this statement, which was prepared for me by the Legislative Reference Service. It was very enlightening to me; it astounded me.

Veto No. 1 occurred February 16, 1946. It was a veto of a United States proposal that, in effect, would have dismissed Soviet charges against Great Britain for having troops in Syria and Lebanon. The Russians vetoed this dismissal of the charges against Great Britain, giving as their reason disapproval of the wording of the proposal. The fact remains that the charges were pressed and Great Britain was forced to get out of Syria and Lebanon.

Veto No. 2 occurred on June 18, 1946. It was a veto of a resolution to refer the question of the Franco regime to the General Assembly. The Soviets vetoed that resolution. They maintained that the Security Council should order a world-wide break in diplomatic relations with Spain, instead of leaving the matter for the Assembly. Personally, I agree with them. Anything that can be done to embarrass Mr. Franco, I am in favor of, and I believe millions of Americans would take the same attitude.

Then on June 26, 1946, they used the veto for the third time, vetoing a British-Australian resolution to keep the Spanish question on the agenda without prejudice to the rights of the General Assembly. This was very similar to the previous veto. It was the same question, approached from a different angle. This makes two vetoes on the same question, and marks the beginning of what I believe was a western drive to discredit Russia as seeking to undermine the UN by a reckless use of the veto. I believe the western powers were equally guilty of undermining the UN by indulging in such tactics.

On June 26, 1946, came veto No. 4. It was a veto of a contention that the British-Australian resolution on the Spanish question was procedural, and therefore not subject to vote. That makes three vetoes on this one question of Spain. In using the veto this time, the Russians justified their position by quoting from the San Francisco agreement, which stated that:

> The decision regarding the preliminary question as to whether or not a matter is procedural must be taken by a vote of seven members of the Security Council, including the concurring votes of permanent members.

The experts whom I have consulted assure me that the Russian contention had merit at least equal to the arguments of the proponents of the resolution.

Mr. CHAVEZ. Mr. President——

Mr. TAYLOR. I am happy to yield to my good friend the Senator from New Mexico.

Mr. CHAVEZ. I am not criticizing the Senator's position so far as the Russian stand in regard to Spain is concerned; but inasmuch as the pending bill is for the purpose of fighting communism, does not the Senator feel that there is a little inconsistency in the position now taken in connection with this subject?

Mr. TAYLOR. Certainly. I pointed out yesterday that the object of this bill is not to fight totalitarianism. They do not care about Peron's totalitarianism or Franco's totalitarianism. Russia's totalitarianism is all that worries them, and not because it is totalitarian, but because when countries become Communist, our big business interests can no longer go in and sell their goods and invest their capital.

Mr. CHAVEZ. Suppose I doubted the sincerity of purpose of those who would now fight communism. Is there any purpose in leaving Spain out of the picture?

Mr. TAYLOR. I do not think so. If they want to fight communism, they should fight it wherever it appears.

Mr. President, veto No. 5 was on June 26, 1946, of a reintroduction of the previous resolution.

So that makes five times the Russians vetoed proposals calculated to get Franco off the hot seat. Frankly, I would have done the same.

What I want to point out is that when we kept putting the same proposition up to them over and over, the conclusion reached at least by those antagonistic to Russia was that the Russians were using the veto recklessly.

Veto No. 6 was on August 29, 1946, of a recommendation that Transjordan be admitted to the United Nations. The U. S. S. R. maintained that admission could not be recommended because it did not have diplomatic relations with Transjordan. Regardless of whether there is any validity to that argument, I should like to point out that a number of speeches were made on the floor of the Senate at the time criticizing Great Britain for seeking admission to the UN for Transjordan because its government was so completely subservient to Great Britain.

The next two vetoes are identical with the one to which I have just referred—veto No. 7, of a recommendation that Ireland be admitted to the United Nations; and veto No. 8, of a recommendation that Portugal be admitted to the United Nations. We evidently knew that the Russians would veto these two proposals, inasmuch as they were identical with the Transjordan question insofar as the nonexistence of diplomatic relations was concerned. Nevertheless, we put them forward and got those two extra vetoes—three on the same subject.

Mr. CHAVEZ. Mr. President, I should like to interrupt the Senator at this point.

Mr. TAYLOR. Yes; I am happy to yield.

Mr. CHAVEZ. I do not do so for the purpose of interfering with the Senator's line of thought. But I should like to clear up our understanding of this policy of ours, if possible, even during the debate, to some extent.

Something has been made of the fact that we are fighting communism and totalitarianism throughout the world and we are sticking with our friends and we are fighting for democracy. Was there anything democratic in Portugal at the time when Portugal tried to get into the United Nations?

Mr. TAYLOR. No. Portugal is an out-and-out Fascist dictatorship.

Mr. CHAVEZ. Very well. Suppose we go a little further. The pending bill would take care of Eire and also Sweden. Were they in the war any more than Spain was?

Mr. TAYLOR. No.

Mr. CHAVEZ. I call attention to these things merely to clear the atmosphere.

Mr. TAYLOR. I have much less objection to helping Eire and Sweden, with their democratic governments, than to helping Spain.

Mr. CHAVEZ. Possibly so. The Senator is now talking of governments, not people, is he not?

Mr. TAYLOR. I have great sympathy for the Spanish people.

Mr. CHAVEZ. The philosophy of it is good. We are going to stick by France and those who fought with us. Is there any greater reason for helping Portugal or Sweden than there is for helping Spain?

Mr. TAYLOR. No; not a bit more, so far as I can see.

Veto No. 9 was on September 20, 1946, an American resolution calling for investigation of frontier incidents along the northern border of Greece. The Soviet Union held that no charges had been brought against Bulgaria and Yugoslavia and that to name an investigating committee would "cast a certain shadow on them" as well as on Albania.

Mr. President, why did we not ask the United Nations to take over the whole Greek question in the beginning? That is what I wanted at the time. All we want to make of the United Nations is a part-time "sweetie."

Veto No. 10 was on March 25, 1947, of a British resolution stating that the Corfu mine field could not have been laid without the knowledge of the Albanian authorities. The Soviet Union could not agree that the resolution represented the true situation in connection with the mine incident and again used the veto. I have not had time to plow through all the testimony, and I probably never shall. It is very voluminous. I have too many other things to do. It is a technical question on which I am not prepared to pass judgment or even to express an opinion. The veto was used, in any event.

Veto No. 11 was on July 29, 1947, of a United States resolution to maintain the Balkan Investigating Commission in power for two more years and to vest it with powers of conciliation as well as investigation. Russia vetoed this resolution, contending that the Security Council had no power to compel any country to admit an investigating commission and that the resolution could only create additional complications. Of course this all goes back to the fact that we had already taken unilateral action in Greece, had bypassed the United Nations, and only wanted certain actions taken when it suited our convenience.

The next three vetoes, Nos. 12, 13, and 14, are identical with 6, 7, and 8, the question of admitting Transjordan, Ireland, and Portugal to the United Nations. The Russians had once vetoed these proposals. We evidently knew they would veto them again, but it added three more vetoes, six vetoes on one subject.

Veto No. 15 was on August 19, 1947, of a resolution introduced by Australia calling on Greece and Bulgaria, Albania and Yugoslavia to cease all acts of provocation and to enter into direct negotiations to settle the border proposal. If the United States had been included as one of the culprits in that resolution and the resolution had insisted that everybody get out and keep hands off and let the United Nations take over, then it would have been a good resolution in my opinion. As it was, Russia vetoed the resolution, which in effect was very similar to two previous resolutions calling for investigation of frontier incidents along the northern border of Greece. That makes three vetoes on one subject again.

No. 16 was on August 19, 1947, of a United States resolution fixing responsibility on Yugoslavia, Albania, and Bulgaria for Greek border difficulties and calling on these nations to cease aiding Greek guerrillas.

Well, that strikes me as the height of hypocrisy on our part when we are interfering in Greece 10,000 times more than anybody else, at least, if you judge by the money spent in interfering. The Russians vetoed the resolution, which was similar to three previous resolutions dealing with the same subject. That makes four vetoes on a similar subject, again.

Veto No. 17 was on August 21, 1947, of a resolution to recommend the admission of Italy to the United Nations. Russia contended that Italy was not eligible for membership pending ratification of peace treaty, so they vetoed the resolution. I am assured by our experts that there was sound reasoning to support the Russian veto, although the issue was certainly debatable and there was merit on both sides.

Veto No. 18 was on August 21, 1947, of a resolution to recommend admission of Austria to the United Nations, and this compilation prepared for me by the Legislative Reference Service says same as veto 17—that is the one we just mentioned on the admission of Italy. So another veto was built up against Russia identical with the previous one.

Veto No. 19 was on September 15, 1947, of a United States resolution requesting the General Assembly to consider the Greek border problem and to make recommendations on its solution. U. S. S. R. contended that adoption of this resolution would be a confession of the Security Council's inability to solve the problem and an evasion of its responsibility. This resolution is a close relation of four previous resolutions which the Russians vetoed and makes five vetoes on one subject again.

Mr. President, in order to be consistent with my original stand on the question of Greece, namely, that the United Nations should have been given the whole problem, I would have vetoed all these myself until the United Nations took full charge of the whole problem of Greece, including border policing duties, and removed all outside interference. This made a total of five vetoes on the Greek question.

Veto No. 20, on September 15, 1947, was on the question as to whether the United States resolution above was procedural or substantive. Russia had vetoed similar resolutions previously and it was probably a foregone conclusion that they would veto this one which simply questioned their right to veto the resolution on the Greek border problem. But you see, Mr. President, it added one more to the number of vetoes chalked up against the Soviet Union, making six vetoes on this Greek question. All of them, of course, were given inflammatory headlines in this country.

Veto No. 21 occurred October 1, 1947, on a resolution to recommend admission of Italy to the United Nations. Union of Soviet Socialist Republics contended that it would at any time admit Italy, together with Finland, Hungary, Rumania, and Bulgaria at one time, but would never vote for any of them separately. I dare say, Mr. President, that Russia is as justified in seeking to have her friends admitted to the UN as is the United States or Great Britain.

On October 1, 1947, the same day as the twenty-first veto, came the twenty-second, on a resolution to recommend admission of Finland to the United Nations. The Russians did us a favor, it may appear. The notation opposite that entry in this summary prepared for me by the Legislative Reference Service says, "Same as Veto 21." So by clever maneuvering, we managed to get the Russians on record with 22 vetoes.

As I say, Mr. President, when I was provided with this documentation I was astounded to find that this alarming number of vetoes concerned only four issues. And if we look at the question candidly, it would seem to me that our position in relation to these questions could well be carefully examined.

I hope the Congress never decides to put the President at a disadvantage by following this procedure. It might reduce his popularity in the same proportion that Russian prestige fell last year because of this veto question, but I am afraid the Congress would wind up in nearly as bad shape as the United Nations now finds itself. I think this whole business reeks of power politics and is a significant testimonial to the way the United Nations has been kicked around by the various nations in an effort to gain selfish advantage rather than peace for the world.

Mr. President, I should like to insert at this point in my remarks a brief documentary study of the Russian vetoes.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

Use of the veto in the Security Council by the U. S. S. R.

Date	Veto No.	Issue	Soviet-stated reason for use
Feb. 16, 1946	1	United States proposal that, in effect, would have dismissed Soviet charges against Great Britain for having troops in Syria and Lebanon.	Disapproval of the wording of the proposal.
June 18, 1946	2	Resolution to refer the question of the Franco regime in Spain to the General Assembly.	U. S. S. R. maintained that the Security Council should order a world-wide break in diplomatic relations with Spain, instead of leaving the matter for the Assembly.
June 26, 1946	3	British-Australian resolution to keep Spanish question on the agenda "without prejudice to the rights of the General Assembly."	Same as in veto 2.
Do	4	A contention that the British-Australian resolution on the Spanish question was procedural and therefore not subject to the veto.	U. S. S. R. vetoes this contention on the basis of a San Francisco agreement which stated that: "The decision regarding the preliminary question as to whether or not * * * a matter is procedural must be taken by a vote of 7 members of the Security Council, including the concurring votes of permanent members."
Do	5	Reintroduction of previous resolution [veto]	Same as veto 4.
Aug. 29, 1946	6	Recommendation that Transjordan be admitted to the United Nations	U. S. S. R. maintained that admission could not be recommended because it did not have diplomatic relations with Transjordan.
Do	7	Recommendation that Ireland be admitted to the United Nations	Same as veto 6.
Do	8	Recommendation that Portugal be admitted to the United Nations	Do.
Sept. 20, 1946	9	American resolution calling for investigation of frontier incidents along the northern border of Greece.	Soviet Union held that no charges had been brought against Bulgaria and Yugoslavia and that to name an investigating committee would "cast a certain shadow on them," as well as on Albania.
Mar. 25, 1947	10	British resolution stating that the Corfu mine field could not have been laid without the knowledge of the Albanian authorities.	Soviet Union could not agree that the resolution represented the true situation in connection with the mine incident.
July 29, 1947	11	United States resolution to maintain Balkan Investigating Commission in power for 2 more years and to vest it with powers of conciliation as well as investigation.	U. S. S. R. held that the Security Council had no power to compel any country to admit an investigating commission and that the resolution could only create additional complications.
Aug. 18, 1947	12	Recommendation that Transjordan be admitted to the United Nations	Same as veto 6.
Do	13	Recommendation that Ireland be admitted to the United Nations	Do.
Do	14	Recommendation that Portugal be admitted to the United Nations	Do.
Aug. 19, 1947	15	Resolution introduced by Australia calling on Greece and Bulgaria, Albania, Yugoslavia "to cease all acts of provocation" and to enter into direct negotiations to settle the border problem.	U. S. S. R. contended that nothing had transpired to alter its views on the Greek situation.
Do	16	United States resolution fixing responsibility on Yugoslavia, Albania, and Bulgaria for Greek border difficulties and calling on these nations to cease aiding Greek guerrillas.	U. S. S. R. pointed out that if action on the Australian proposal above [veto 15] was inacceptable, then this proposal "should be considered inacceptable even to a greater degree."
Aug. 21, 1947	17	Resolution to recommend admission of Italy to the United Nations	Russia contended that Italy was not eligible for membership, pending ratification of peace treaty.
Do	18	Resolution to recommend admission of Austria to the United Nations	Same as veto 17.
Sept. 15, 1947	19	United States resolution requesting the General Assembly to consider the Greek border problem and make recommendations on its solution.	U. S. S. R. contended that adoption of resolution would be a confession of the Security Council of its inability to solve the problem and an evasion of its responsibility.
Do	20	Whether the United States resolution above was procedural or substantive	See veto 4.
Oct. 1, 1947	21	Resolution to recommend admission of Italy to the United Nations	U. S. S. R. contended that it would at any time admit Italy together with Finland, Hungary, Rumania, and Bulgaria at one time, but would never vote for any of them separately.
Do	22	Resolution to recommend admission of Finland to the United Nations	Same as veto 21.

Mr. TAYLOR. Mr. President, the point which I have tried to bring out is this: That while the Russian use of the veto certainly caused many people to doubt seriously whether the Russians wished the United Nations to function, at the same time it seems to me that the Western Powers went out of their way to bring about situations calculated to force the Russians to use the veto.

Mr. President, let us summarize this imposing number of vetoes briefly. It boils down to this:

There were five vetoes on issues relating directly to the situation along the Greek border.

The resolution on Corfu is closely associated, making really six vetoes on this one subject.

What it amounts to is this: We had bypassed the United Nations by taking unilateral action in Greece and we were trying by parliamentary maneuvers within the Security Council to force the Russians to endorse our actions in Greece, which I have always contended were indefensible because of the fact that we were bypassing the United Nations and because of the undemocratic and collaborationist nature of the Greek Government which we were supporting.

If we reverse the circumstances and put the shoe on the other foot, we find that the reason for the very first veto was our endeavor to have dismissed charges against Great Britain for having troops in Syria and Lebanon.

In that very first issue put before the Security Council we set a pattern by trying to protect our friends.

Then, Mr. President, there were five vetoes on Spain. Frankly, I wish that our country had been on the other side of this issue and had taken the initiative in seeking concrete action against Mr. Franco. I do not believe that our position in seeking an out for this Fascist dictator has enhanced our standing among the peoples of the world as a defender of democracy.

Finally, Mr. President, there are 10 vetoes around the admission of different countries to the United Nations. On each occasion we and Britain were seeking admission for nations friendly to us and the Russians insisted that the nations seeking admission and friendly to

them be included and that all should be voted upon at one time.

Every time there was a Russian veto, the press put it in banner headlines. The headlines did not say, however, that the vetoes were so often on the same matters.

TERRITORIAL EXPANSION

I come now to the question of territorial expansion. A great deal has been made of who has been expanding, and where. The question has been raised as to whether the Russians' behavior is proof that they want to engulf the world.

I do not believe it can properly be said that the Russians expanded when they regained territories which hostile powers had separated from them by armed invasion. However, it cannot be denied that the Russians have now included several other nations in their sphere of influence, not by direct military action, perhaps, but by techniques of ideological infiltration in much the same way that we use dollar diplomacy.

In accordance with an agreement with Great Britain to which I have previously referred, governments friendly toward Russia were established in Rumania and Bulgaria.

In direct contravention of that agreement, Yugoslavia, which was to be in the British sphere of influence, failed to behave according to Churchill's plan and it set up a government friendly to Russia.

Czechoslovakia now has a Communist government and is in the Russian sphere, but it was in the Russian sphere before the change of government.

At any rate the Russians are not alone in their expansion of their spheres of influence.

Despite our protestations that we do not want any territory, we have taken possession of a number of Pacific islands without anyone's permission but simply by informing the United Nations we were going to do it.

We are firmly established in Okinawa.

Japan is certainly under our influence.

We occupy half of Korea.

Turkey has come under our domination to a large extent. We are in Greece with armaments and increasing numbers of military personnel.

We are in China at least as much as are the Russians.

We are exploiting the oil of Iran and have a military mission and a sizable economic mission there.

We are still in Greenland despite the vigorous protests of Denmark.

We are establishing air bases in north Africa.

Arabia would certainly be classified as being under our sphere of influence.

We have aided and abetted the Dutch in their nefarious subversion of Indonesian freedom, and we have furnished the military supplies that enabled the French to reestablish themselves in Indo-China.

The western zone of Germany is under our domination, as the eastern zone is under Soviet domination.

The question of who has expanded the farthest from home, of which power is closer to the frontiers of the other, can be easily settled by taking a tape measure and a globe and measuring from the borders of the United States and likewise from the borders of the U. S. S. R. to the farthest point of each country's occupation or domination.

Another good comparison is to measure from the farthest point of the other country's domination, for instance, from Yugoslavia at the present moment to the United States, and from our German zone or from our Korean zone to Russian territory, and then easily establish which country is closest to the homeland of the other.

I contend that we are at least equally guilty in the matter of expansion.

RUSSIANS NOT GANGSTERS

One more point, Mr. President, in this argument as to whether the Russians are the only menace to peace in the world. I have heard people say that we cannot deal with the Russians because their leaders are gangsters and tyrants. I cannot agree with that premise. I never heard of tyrants who worked long hours to improve the economic condition of their subjects.

This seems to be one of the most serious complaints that Mr. Kravchenko has to make against Russia in his book I Choose Freedom. Mr. Kravchenko, a former Russian official, complains at length over the fact that Russian Government executives must work long hours trying to make their economy work ever better and thereby raise the standard of living of the Russian people.

The Russians have improved the living standards of their people to an unprecedented degree in a very brief period of time. I have read in the press recently that their progress in the last year has been phenomenal. The Russians spend more money for education than any other nation in the world. I never heard of a gangster or a tyrant educating the people they intended to exploit. It is contended, of course, that they do not truly educate their people because they fill them full of Communist propaganda.

AMERICA IS BEST

I got quite a bit of pro-American propaganda along with my schooling. I think it is only natural and proper that a nation should bring up their young to believe that their country is the best in the world. As I said, I was taught to believe that, and the older I grow the more I become convinced that this is by far the best country on earth.

That is why I am arguing here today, Mr. President, that the Russians are not so bad as they have been painted, that it is possible to get along with Russia. In trying to point out that the Russians are not all bad I am aware that I am laying myself open to what I know will be a campaign of vilification which will certainly be hard to stand up under. If I did not love my country, if I were willing to see it destroyed, I would skip the whole thing.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Idaho yield to the Senator from New Mexico?

Mr. TAYLOR. I am happy to yield to the Senator.

Mr. CHAVEZ. I stated yesterday, and I repeat, I want the American people to have freedom of expression, and so far as I am concerned, the fact that the Senator might be running for a political office, the fact that he might have some views different from my own, does not make me feel that he is not just as good a Senator as sits in the United States Senate.

Mr. TAYLOR. I thank the Senator from New Mexico. I am only sorry to say that his belief that every man in this country has a right to say what he thinks, and even think what he thinks, is not shared by many people, and the freedoms which we have considered to be traditionally American are becoming severely circumscribed. I am afraid that if the trend is not stopped, we shall be in a very sad state, so far as our civil liberties are concerned.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from Idaho yield to the Senator from Florida?

Mr. TAYLOR. I am glad to yield.

Mr. PEPPER. It is not necessary for the Senator from Idaho to have testimonials as to his patriotism and Americanism, but I wish to say that I do not want the moment to pass without attesting that I subscribe to every word and sentiment just expressed so well by the Senator from New Mexico. In my opinion there is not a better American in the United States Senate, or in America, than the Senator from Idaho.

Mr. TAYLOR. I thank the Senator from Florida sincerely, from the bottom of my heart. He knows the high regard I have for him without my saying it.

Mr. President, if we admit that Russia is as bad as so many among us seem to think she is, we might as well give up and prepare for atomic war, and we are told that would mean we might just as well go out and dig graves for ourselves and our families. I am not prepared to do that, regardless of the consequences to myself. While there is life, there is hope.

Mr. President, to admit that the Russians are as bad as they have been painted would leave but one alternative—a show-down fight, which the experts say would mean not only the end of Russia, but the end of us—the end of civilization, and probably the extermination of all life on this planet.

FOR LOVE OF COUNTRY

I am making this presentation and inviting the violent abuse that will probably be heaped upon me as being pro-Russian because I love my country and its people. I shall go beyond that, and say that I love all people everywhere. If I did not love my country, if I did not place the welfare of its people above my own welfare, quite frankly, I would be on the other side of this argument. I would join in the brave, breast-beating against Russia, because, Mr. President, the handwriting is clear on the wall. It will take something little short of a miracle to push us back from the brink of destruction where we stand at the present moment.

I know full well that if we become engaged in this conflict, if war comes to this continent as it surely will this time, there will be a great wave of hysteria and

a search for goats to sacrifice to appease the wrath of the people. I am convinced that, if that comes to pass, I will indeed be fortunate if I do not wind up behind the barbed wire of a concentration camp. Indeed, my life may well be forfeit for the stand I am taking here today.

If I were easily terrified, frankly, I would turn my back on what to some may seem a hopeless struggle to preserve sanity in this world, and make my peace with those who will be shouting "We were right!" should war break out. I cannot do that. For the sake of my wife and children, I almost wish I could. But it is not that simple, really. We cannot save ourselves by hiding in the mob and joining in the clamor because in another war the mob will be destroyed—all of us.

ONLY COURSE

Frankly, this is the only course I see open to me that presents the faintest avenue—the slightest gleam of hope—for the survival of those I love and those many others who trust and believe in me. I believe it is not too late to change the course of events and reestablish understanding between ourselves and the Russians. I believe it, if for no other reason than that to believe otherwise is to adopt the fatalistic Chinese attitude and prepare for the inevitable end.

We cannot make this change for the better with a President who has made plain his hatred of Russia. We cannot reverse the grim march of events with the present Congress when so many of its Members have tried to see who could outdo the other in stirring up the hatred of the people against Russia.

I believe these conditions will be changed. I have unbounded confidence in the good judgment of the American people.

I shall continue fighting for peace because unless peace is preserved there well may be no life; and without life certainly there is no hope.

While I cannot bring myself to the faith in nonviolence of Mahatma Gandhi, I would like to point out that, by faith and individual effort, with no finances, no armies, and no violence, Gandhi conquered the British Empire and won freedom for his people.

I am no pacifist; no advocate of peace at any price. I do not believe in appeasing any nation. As David Lawrence pointed out in his column a few days ago, a great and powerful nation such as ours cannot appease a weak nation such as Russia. We could be magnanimous and try to find some solution, but it remains for the weak to appease the strong.

I refuse to resign myself or my people to atomic destruction until every other recourse is exhausted. Until one real and honest effort has been made to reach an understanding with the Russians—when a sincere attempt at peaceful cooperation has been made and failed—there is time then for this grand final gesture of dying gloriously.

When I put myself in the place of the Russians, I can see why they have many reasons to mistrust and fear us and our intentions. But it is quite possible that only an expression from the American people demanding that an all-out, sincere effort be made to rescue the United Nations and to convince the Russians that we have no designs against them, is the only thing that will save the world from destruction. I have confidence that the American people will deliver such a mandate at the first opportunity.

Mr. President, I have introduced a bill in the nature of a substitute for the measure now under consideration. It has been printed and is on the desks of Senators.

I should like to discuss both measures for comparative purposes.

I shall take up the bipartisan measure first.

There is not a great deal I have to say about this so-called Economic Cooperation Act of 1948. When I told my wife the other day that the name had been changed, and now it was E. C. A.—ECA—she asked, "What does that stand for? European Corporation of America?" I think that would be a good name for it, Mr. President.

It will create a host of new bureaucrats, some of whom will have almost kingly power over the lives of people in foreign countries.

They will have power to guarantee investments, presumably, of course, on a basis of the necessity of the project to the success of our plans.

In the past it has all too often turned out that friends and business associates profit from such arrangement.

Although I am not a lawyer, it seems to me that the strings attached to our help are more embarrassing and the compliance requirements more stringent than when our Federal Government grants aid to our States here at home.

I have been trying to find out just what this Marshall plan, ERP, BERP, or ECA is all about. I have been wading through the mountain of stuff the Government committees have gotten out and I have read some of the testimony, obviously not all of it, for it was presented to us the first of this week.

Most of the witnesses seem to talk all around the plan, but they never quite let us in on what it does.

They tell how much we need to help Europe—but never just how much this plan really does help Europe.

I think I have now figured out what the plan is all about and how it works, what it is going to mean for us and for the French or Italian farmer and worker and his family.

Western Europe is like a bottom-land farmer who has been hit by a flash flood. His fields have been flooded, his barn washed away, his machines rusted, most of his cattle drowned, the food in his cellar spoiled by the spring flood coming down the river. He is really in bad shape. And most of the other fellows living near him are in the same shape. So they go to the banker in the next town and ask for help, for a loan to buy flour and seed and the machines they need to get back on their feet again. The banker calls in one of the farmers, Ernie we might call him, and says:

"Ernie, I'll be glad to lend you money. You have a good reputation with all the merchants in town and you've always been a good risk. And besides you and most of the other boys are in the same church that we belong to."

"But you know, Ernie," says the banker, "this is a big thing. We get these floods every couple of years and we've got to do something about that river besides just helping you boys get over this year's trouble.

"You know, even while the flood was on the board of directors of the bank met and we decided we ought to get everybody in town to pitch in and help out. We're putting on a big show for your benefit. Everybody is donating something and promises to help out. In the meantime, why don't you get together with all the other fellows on your side of the river and draw up a careful estimate of what you all need to get back into production."

Ernie thinks that is a good idea. So he goes home and talks it over with his wife, and she thinks it is a good idea, too. So they start calling all the other farmers on their side of the river to get together and draw up an estimate of what they all need so they can submit it to the banker.

But Ernie's wife suddenly says: "Ernie, what about the farmers on the other side of the river? They're worse off than we are, and if we do anything on this side, they'll have to do something on the other side or it won't do any of us any good. Besides we do quite a little horse trading with them. And some of them are my kinsfolk."

Ernie, who has never liked the boys on the other side of the river, especially his wife's family, reluctantly agrees it might be a good idea to invite the fellows on the other side of the river. But he remembers the banker told him to invite just the boys on his side of the river. So he asks the banker about it.

The banker says, "Well, go ahead and invite them, but you might tell them we're going to have some drastic changes in the way they run their farms if they want to join up with us on this thing."

So Ernie invites them and tells them what they are going to have to do. When they hear of some of these intended changes, they walk out, which makes Ernie feel just fine, because he never liked them anyway.

So Ernie and all the boys on his side of the river get together. They sit around a while figuring how little they can get along on and must borrow from the banker. We will call the banker Harry. So a couple of weeks later in they all come to see Harry, the banker. Ernie brings his wife along, because she has always been the manager in their home.

The banker, Harry, takes a look at their estimate and goes into a huddle with his board of directors, which includes all the businessmen in town. Then he calls Ernie and Henri and Rocco and all the other boys in and tells them, "Fine, boys. We've cut your figures here and there a little, but they looked good to us. This looks like a real job. Now there are only a couple of things to do before you all sign up for your loans."

Then Harry begins to tell them about the conditions of the loan.

By this time the boys and their families are pretty desperate; things are get-

ting tougher. They are not in the mood to bargain or argue much.

Harry says, "First, boys, we're not going to be able to let you have all the seed you need, and we'll have to cut down on any tractors. Ernie can't have that hay baler, and Henri can't get that manure spreader, and Rocco can't have that plow, and it looks as though we won't be able to let any of you have any of the milking machines."

"You see," says Harry, "we're sending the tractors and the seed and the plows and the milking machines over to Heinz over there, the guy who lets his pigs through your fences to run all over your cornfield every couple of years to fatten them up free of charge. He's in a bad way, but it looks like he can get back on his feet faster than any of you other fellows."

"But don't worry," says Harry, "we've got some flour ready for you and we've got some cases of bran flakes for your families. And I'll tell you what—we'll let you have some new oil burners.

"We just got in a shipment straight from the East, from a factory I have an interest in, best little oil burners you ever saw. Once you put these in, none of you will have to go out and cut wood for your stoves, and we'll be able to send in oil trucks regularly so you can buy oil from us."

"Now, let's see," said the banker, "this isn't just a matter of tiding you boys over the next harvest. It's a big plan so you can get out of debt and get back on your feet in four years. It looks to me like you'll have to sell more milk and raise more wheat for sale. You won't be able to keep any of that wheat for seed. And you'd better cut down on your kitchen gardens for the next couple of years and stick to raising the things you can sell. You'll have to sell all your milk and butter in town. Besides you can buy canned food, anyway."

So Ernie says, "Well, I guess that's all right but we could help ourselves out a bit by trading with the boys across the river—they will grow good vegetables as soon as they can get some cultivators and clear the muck off their land."

But Harry has an answer to that. He says, "Sure, go ahead and trade with them, but you cannot help them clear the muck off and you cannot sell them anything we send you even if they can use it better than you—and we are going to make mighty certain they will not be able to buy any of these things from us here in town."

That is all right by Ernie, but his wife starts to do a little figuring. Without the milking machines and the tractor and the cultivator, that means the kids and she will have to work night and day; the kids will not be able to go back to school. And without the food from across the river, that means they are not going to get as much to eat.

"And then, what about repaying the loan?" Ernie asks the banker.

"Oh, that is all right," says Harry. "We know it will take a long time to pay this, so we have worked out a long-term arrangement. We will let you have most of the things you need free out of donations by the people who work here in town and the rest you can pay for by building a special crib on your farm and putting aside a part of your crop or some of your butter every month for us."

"And what do we do with the stuff we put aside that way?" asks Ernie.

"Well," says Harry, "we have not quite figured that out. We do not want it in town here—it might make prices drop. But maybe some of the merchants who will be selling you things can come in and take it—or swap it for a partnership with you. We have not got that quite figured out. Anyway, you will not have to worry about it."

"Oh, and there is something else," says Harry.

"After all, this is a kind of new idea. We have got to see that it works right, so we are sending a man to live with you to see that everything is done right, and that you do not waste the stuff we are sending you.

"He will keep a record of everything we send you and he will see to it that you do not trade with the boys across the river, and that you put aside the right amount to keep up payments to us.

"We will just move him right in and he can live with your family.

"Looks like you will have to give up your bedroom for a while.

"Be sure to feed him well. He is our agent, and he will tell you just exactly what you have got to do every day."

Ernie begins to scratch his head at that idea.

But that is not all. The banker then goes on to say, "Of course, we will take a mortgage on your farm and your house and your cattle."

Ernie's wife pipes up just then and says, "And how long do you think we will take to start paying off the mortgage and getting out of debt?"

"Oh," says the banker, "by the end of 4 years, you'll be just a little worse off—we figure 10 percent worse off—than you were in 1938."

"Yes," thinks Ernie's wife, "that's the year two of the boys had to be kept out of school because we couldn't buy shoes and we couldn't afford a doctor for me when I was sick."

Ernie is a little puzzled by this generosity. But Harry has a couple of other little strings in his pocket.

"In the first place," says Harry, "we want to see you boys on this side of the river form yourselves into a little association for your own protection against the boys on the other side of the river."

"What for?" speaks up the missus.

"Well, you never can tell," says Harry. "They're a bad crew over there. It's true they're worse off than you are, but they're up to no good. And we've got to protect ourselves. So we're forming a little protective association.

"And," he adds, "we've already made Heinz treasurer of the association because he's got a bigger farm and he's getting a bigger loan from us."

By this time Ernie is in no position to argue. Of course, he remembers that Heinz came over one time and mistreated his daughter. He let his stock overrun the farm, and one thing and another; but Ernie is in no position to talk back. He needs that sack of flour and a hoe—since he cannot get a tractor and cultivator to replace his old one—and a couple of cords of wood—or rather, the oil burner. Besides, he never liked the fellows across the river anyway. So he agrees.

But just as he is ready to sign on the dotted line, the banker leans over, pats him on the back and says, "Oh, by the way, there's one other thing. You know, I have some farm lands myself, the other side of town. My farms also turn out butter and wheat and cattle. I sell my stuff right here in town, so you boys will have to market your stuff somewhere else, not in this town."

Just then Ernie's missus, who has been sitting there all this time pretty quiet, pipes up and says, "By the way, Harry, what do we need that new protective association for when we have that big new United Neighbors Cooperative that we set up right after the last flood? Everybody on both sides of the river belongs to it, except for Heinz and a couple of others who won't act neighborlike. We were getting all set to build a dam and dikes on both sides of the river to hold the floodwaters. We can't build a dike just on our side of the river. Whatever's going to happen to that big co-op which we all joined to build that dike? You're a member, too, you know."

"Oh, you mean that big United Neighbors Co-op," says Harry. "That's just window dressing. That's no good for our kind of people."

By this time Ernie is so weary of all these conditions that he is in no shape to say anything more. So he signs the mortgage and the agreement—and despite the fact that they have to form a new protective association, each farmer has to sign a separate agreement with the bank.

Just as Ernie is going out the door of the bank with a slip to get a sack of flour, a hoe, and the oil burner the banker calls out to him:

"Oh, Ernie, by the way, there's just one other thing. I'm afraid you're going to have to divorce your wife. She's a Red. She wants to work with these people across the river in that big United Neighbors Co-op. She's not our kind."

Mr. President, that is the Marshall plan, ERP, BERP, or whatever we choose to call it. What we are telling the people of Europe is that they cannot have the machines they need to rebuild their industry, but they must export more anyway.

We tell them that they cannot have as much food as they will need, but we will send them plenty of tobacco.

We call this a recovery program, but admit that at the end of it they will be 10 percent worse off than in 1938. We tell them they can trade with eastern Europe, but we make it impossible for them to do so except by bootleg trade between the two areas.

Instead of lending money to Poland or returning Yugoslavia's gold so they can produce more coal and grain for western Europe, we shall be shipping the coal and grain to Europe. We are making Europe convert to oil burners so that our Standard Oil and Texaco concessions in the Middle East can make more money selling oil to Europe. We tie them up in such tight controls that they cannot breathe without calling on the American

administrator. They cannot export or import without getting his permission. We demand a separate plan and agreement for each country. We make them adhere to our ideas on currency, credits, and tariffs. We make them open up their industries to American monopolies.

Our administrator will have supreme control over growing blocks of their currency which he can use in any way he wishes, to buy out control of their industries, to cause inflation or deflation, or to help favorite sons.

What happens at the end of 4 years? The experts themselves admit that at the end of this 4-year program, Europe will be eating less than it did in 1938. A for recovery, by limiting the kinds of goods we are sending them, we are indefinitely postponing recovery.

At the same time, we are doing the reverse for Germany.

We are sending Germany more machines and capital goods and helping to rebuild Germany as the center of a western federation which we are forcing down the throats of the people she devastated.

American big business moves into western Europe and can take over control, lock, stock, and barrel. All we ask is that they join us in fighting the cold war.

Earlier I pointed out that the people wanted and still want this program to be administered through the United Nations.

I was very happy to find the United Nations mentioned on page 2, and again on page 34, where there are three brief paragraphs devoted to the United Nations.

I am glad the paragraphs are devoted to the United Nations, inasmuch as there are very few in high places who are devoted to the United Nations.

The bill provides that the President is authorized to request the cooperation of or the use of the services and facilities of the United Nations. The United Nations enters into the picture in a positive way not at all.

Oh, yes, we will send the United Nations copies of our report to Congress on the operations conducted under this act and will send them copies of agreements concluded by the United States and participating countries if such registration is required by the Charter of the United Nations. We are not going to give the United Nations anything we do not have to.

That is all for the United Nations.

The bill calls for the creation of an advisory committee to be paid on a day-to-day basis, which means, of course, that the membership will have to be people of independent means, free to come and go and not be encumbered with the embarrassing necessity of holding down a regular job. That will insure that they are from the upper crust.

The bill establishes another joint congressional committee. That will mean another chairman's job and another committee staff. We will beat the Reorganization Act yet. It is already in almost as bad shape as the United Nations. That is very desirable, of course.

What I should like to point out particularly about this bill is the use of fine language and phrases in the declaration of policy, such as "the restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence" and "it is declared to be the policy of the United States to sustain and strengthen principles of individual liberty, free institutions and genuine independence."

As I have said, Mr. President, these are fine, high-sounding phrases; but how well do they stand up when we look at the actual operation of the Truman doctrine abroad?

Frankly, Mr. President, as I have previously stated, I do not believe that anyone truly thinks that this program is going to be any different in operation than the so-called assistance we have been giving to foreign nations up to now.

So let us see how we sustain and strengthen the principles of individual liberty and free institutions when we move in.

In the New York Herald Tribune of Monday, March 8, there was an article, almost a full column in length, written by Homer Bigart from Athens. It begins like this:

> Nicholas Kolyvas, former Minister of Justice, said today that the current wave of mass arrests, deportations, and executions was the result of the Greek Government's interpretation of the Truman doctrine. It believes, he said, that Washington desires ruthless suppression of the left as an implementation of President Truman's containment of communism theme.

Mr. President, for many months I have seen accounts in our press, with monotonous regularity, stating that 30, 40, or 50 Greeks had been shot that day—not killed in battle, Mr. President, but lined up and shot because they did not agree and see eye to eye with the government that is presently in power in Greece. That government, which we are supporting, Mr. President, is under the domination of people who collaborated with the Nazis—stooges of Adolf Hitler. The people who are being killed by hundreds, yes, by thousands, are the ones who fought against Hitler's occupation.

To return to Mr. Kolyvas, the former Greek Minister of Justice, he has this to say:

> "I suppose I'll be labeled a Communist and a traitor for saying this, but I believe these convictions should have been reviewed."

Poor Kolyvas. He will be next.

I read further:

> "Remember, some of these crimes were committed in a period of extreme political upheaval and at a time when both British and American broadcasts were urging the EAM to neutralize and repress all elements collaborating with the Germans."

In other words, the government we are supporting in Greece is now shooting the people who fought against them when they were governing for Adolf Hitler.

Mr. Bigart has this to say about the present government, or rather he is still quoting Mr. Kolyvas, and he says:

> In the matter of individual freedom, the coalition government of Liberals and Populists—

Of course, the Populists are the Royalists—

> this government created last September by Loy W. Henderson, State Department Director of Near Eastern and African Affairs, has proved far more repressive than even the predominantly rightist governments which preceded it, Mr. Kolyvas maintained. He said thousands of suspected leftists have been deported without trial, journalists arrested for criticizing the government, and civil servants purged for disloyalty without benefit of the right of appeal.

Of course, Mr. President, we shall not let the last item, the one about the dismissal of civil servants without the right of appeal, bother us too much. We are in the same boat here at home. I wonder if the perpetrators of our bipartisan foreign policy are using Greece as an experimental laboratory to see just how far you can go in kicking people around, with an eye to applying the lesson learned here at home later on.

Also, I should like to refer back to this person, Loy W. Henderson. It seems that he is the ringleader in the nefarious scheme to have us back down from our stand on Palestine. Also, I understand, Mr. President, that a Vice President does not have a great deal to do, so I hope I shall be allowed the pleasure, after January 20, 1949, of personally carrying to Mr. Henderson a note saying, "Loy, we disaffiliate."

Just below the article to which I have been referring is another, the heading of which is: "Van Fleet escapes blast plot."

It seems, Mr. President, that the top military man we have in Greece, Maj. Gen. James A. Van Fleet, narrowly missed being blown up.

One of these days somebody is going to get blown up—someone important. What shall we do then, Mr. President?

Below that article is another one with this heading: "Turkey wants United States aid to take economic form."

The article points out, strangely enough, that the Turks, who have always been known as more or less bloodthirsty fellows, feel that we are sending them too many guns, and they would like to have something to eat and wear, if we do not mind.

Let us read from the dispatch:

> Ankara sources who cannot be quoted said that the military aid program was drawn up in haste. They said the general staff had no time to consider all the aspects of the program suggested by the first American mission.

At the time when aid to Turkey was first proposed, Mr. President, I heard stories to the effect that the Turks did not want any aid; that we practically had to threaten them in order to make them accept any aid at all. This dispatch would seem to bear these stories out, because it speaks of the program suggested by the first American mission. We just made them take it, Mr. President. We are making everyone take something. Perhaps they do not have enough money with which to buy it; but by heavens, someone must take it.

Now, Mr. President, I should like to quote from an editorial from the New York Herald Tribune of Saturday, March 6, 1948, to further bolster my contention that the bipartisan coalition is absolutely insincere in its protestations that we are seeking to spread democracy all over the world.

But first let us understand that the Herald Tribune is supporting the ERP—or the Marshall plan or ECA or whatever we call it. They have not yet come to the realization that what they are supporting is just some more of what they are condemning in this editorial. The editorial has this to say:

At the same time that the information division of the American aid mission—

That is the one in Greece—

was reassuring the world to the effect that the Greek press enjoys as real a freedom as that existing in the United States, two Athens editors were being jailed for expressing criticism of a type that could never have been questioned in this country, even in wartime. These editors, who are Socialists (but anti-Communists) had attacked the government for executing political prisoners who had been in jail since 1944. The crimes they were accused of had been committed against the German Nazi and Italian Fascist occupation forces. Since they had been in jail for more than 3 years they could obviously have had no part in the recent and current guerrilla activities.

Imagine that, Mr. President. Those poor devils had been in jail since 1944. They were thrown in jail by Hitler's and Mussolini's boys, for crimes they had committed against the occupation. In other words, they were patriots. But now the Greek Government which we are supporting over there takes those poor fellows out of jail—that is to say, the ones who are still alive—and shoots them.

I read further:

The reasons given for their execution at this time are hardly flattering to the United States. During the period when the British were advising the Greeks, it was felt that the death sentences would not be carried out because of the likelihood of unfavorable reaction by British public opinion and the British Labor Government. Now that the British have been replaced by the Americans, this consideration apparently no longer holds.

So they take the boys out and shoot them.

Do you not think, Mr. President, that we are just a little off base when we criticize what goes on in any other country while these things are happening in Greece? Do you not think we are just a little bit hypocritical when, in writing a bill which will enable us to carry our Greek-Turkish program to other countries, we put in words and phrases, such as these, which I quote from the bill we are considering?

To sustain and strengthen principles of individual liberty, free institutions.

I cannot and I will not vote to inflict on other people the sad fate that has overtaken the Greeks since we set out to teach them about democracy.

Mr. President, are the American people and the American mission in Greece condoning brutality and murder, or are they not? Where is there an American note to Greece like the one our State Department sent to Czechoslovakia last week? And where, incidentally, is the British Labor Government, and what is it doing about Greece? Which American spokesmen for the Truman doctrine and its successor, the Marshall plan, have spoken out in the name of this Government against what is happening in Greece? We have an American economic mission in Greece. We have an American military mission there too, guiding and instructing the Greek Army, which is responsible for arrests and executions. We have an American Ambassador in Greece. We have just sent over another top American general. Do you think for a moment, Mr. President, that the arrests and executions could be possible unless the American Government representatives approved them?

In contrast to the bill before us, which I believe is a wasteful and war-breeding continuation of the Truman doctrine, I have presented a bill which is on the desks of the Senators. It embodies the Wallace-Taylor program for genuine foreign aid through the United Nations. It calls for a halt to the cold-war hysteria of the Truman doctrine and proposes immediate steps toward world disarmament.

While we are on the subject of the cold war, Mr. President, I should like to digress to call the attention of the Senate to an article which appeared in the United States News World Report, on March 5, 1948. The heading reads as follows:

Rejection of Russian feelers—Truman decision to fight on.

To leave the United States News article for a moment, it would seem that Mr. Truman is a great "fighter-on-er." I see that he has just announced that he intends to fight on, on another front here at home.

The United States News article has this to say:

Czech coup as aftermath of United States refusal to meet.

In other words, Russia wanted to talk things over. Hard-boiled Harry refused, and Czechoslovakia was the goat.

Let us follow the United States News a little further:

Premier Stalin proposed, was turned down on a Truman meeting.

You will note, Mr. President, that there is no equivocation about these statements. David Lawrence, the editor of the United States News, is not one to make such flat statements unless he can back them up.

To continue:

United States decision is to go on with cold war, to try to win back gains Russia makes in Europe.

I digress here, Mr. President, to say that that, in my opinion, is absolutely asinine. Unless we are prepared to use everything we have, right down to the atom bomb, we are not going to win back any gains that Russia has made or may make. The only sensible thing to do is to get together, end the cold war, and make a serious and sincere effort at cooperation. I do not believe that will be done so long as we have a Government so completely under the domination of big business and the military.

The News article has this to say about the matter:

Now moves are expected as Mr. Stalin, rebuffed, goes along with plans to shove United States out of Europe and nail down victory.

United States isn't doing so well in getting the world straightened out, isn't making expected gains.

I imagine there were those who expected gains from the Truman doctrine as applied in Greece and Turkey, and who expect gains from the extension of that doctrine under the name of ECA. I did not expect gains at the time of the Greek episode. I voted against it. I knew that no good could come from bypassing the United Nations. I do not expect gains from the new adventure we are considering except financial gains for the big business interests that will be running this program.

The article goes on to say unequivocally that the Russians asked for a conference looking toward the ending of the cold war. Mr. Truman said he would not go to Russia. Stalin offered to meet him in Stockholm. Truman said no, he would not go any place; that if Joe wanted to meet him, he would have to come to the White House. If we are not absolutely determined to carry the cold war to its hot conclusion, why did we not suggest a meeting in Cuba. The President spent the last 2 weeks down there fooling around.

However, if the President has a dread of meeting Mr. Stalin except on his own doorstep, I have a suggestion to make. Let us just saw off the balcony, put it on a warship, haul it out in the ocean some place and let them talk things over, sitting on Harry's balcony. If any good came of such a meeting, that would be the best suggestion I have heard of for getting our money's worth out of this piece of second-story work. In such a setting the event would make great headlines. In fact, its fame might be so great that the episode of Romeo and Juliet would be erased as the top balcony incident.

The News article points out that Finland and Italy may be the next to pay the price of Mr. Truman's well-known mulishness. It also says that Austria is very wobbly, and we all know that France can just as easily go one way as the other. The conclusions drawn by the United States News are these:

Shooting war, however, remains improbable. The United States does not start shooting and is not likely to start shooting because of knowledge that shooting would lead to Russian troops pouring out over all of Europe and much of Asia.

I agree that the Russian troops would fan right out if we were to start a shooting war. I am sorry I am not so complacent as the United States News appears to be when they say we are not going to start a shooting war. I will agree with the last part of the sentence quoted, Mr. President, but as to our not starting a shooting war, I am not so sure. After all, the same man is still in the White House, who, against the advice of most of America's scientists, ordered the atomic bomb dropped on Hiroshima. There is not much telling what he might do.

He is in a very precarious position politically. Frankly, I would have to have a lot to boot to trade my political prospects for his right now. When the new party really gets up steam, there is no telling what might happen. There

are some people who would rather have an atomic bomb dropped on them than to see Henry Wallace elected President. So I think we do have to worry a great deal about whether or not we will start a shooting war.

The News article goes on to say:

> Russia does not start shooting for several reasons. One is that she is unable to get at the United States directly unless in a sneak attack. Another is that she fears the effect of an atomic-bomb attack when she is unable to hit back in kind. A third reason is that Russian industry is weak and the Russian people tired.

I agree with those conclusions, Mr. President.

Then the News article winds up in this way:

> At some stage short of a shooting war one side or the other may tire of the fight and offer to talk when the other side too is in the mood to talk. If not, then the irritations that are building in a cold war eventually are to end in shooting war. Mr. Truman showed that he is not yet ready to talk.

I shall put this postscript on it; I do not believe it makes much difference whether Mr. Truman is ready to talk or not.

If we can prevent him issuing the orders for another Hiroshima until after the next election, I believe there will be a man in the White House in whom the Russians would have confidence and who could settle this matter very satisfactorily and honorably to everyone concerned.

But, Mr. President, I got away from the subject in hand, which was a brief description of the foreign aid bill I have introduced. My bill simply recognizes that we had better turn back to the United Nations now if we do not want war. The bipartisan Truman doctrine and the ECA would bypass the United Nations permanently, divide the world, and lead to war. My bill is based squarely on the Charter of the United Nations, which is the last best hope for peace. It will maintain these through international cooperation. It will provide real economic aid without intervention and interference with the right of nations to self-determination.

I believe the bill before us is doomed to certain failure.

It will weaken and distort the European economy at tremendous cost to this country, and it will result in American big business grabbing control of European industry.

Right here I should like to say that I am not seeking, neither shall I try, to weaken the measure which is now being considered. As I have said, I expect it to pass. I shall cooperate with the distinguished senior Senator from Michigan to try to make the bill the best bill possible. I think it will fail, but it will fail without my trying to hamstring it. I do not want that responsibility placed upon me.

My bill, "the peace and reconstruction act of 1948," provides that the United States shall take the lead through a $5,000,000,000 contribution in setting up within the United Nations a Reconstruction and Economic Development Administration for Europe with contributions from all nations.

It provides for an emergency program to help Europe with food, fuel, and materials until the machinery of the United Nations Reconstruction Administration is ready to operate.

It would set up an ever-normal world food granary within the United Nations to assure a constant and continuing market for everything American farmers and all other farmers can produce and provide food for hungry peoples everywhere.

It would bar the use of the United Nations Reconstruction Fund for any military expenditures.

Money would be made available to all European nations in need without political strings, after each country had obtained approval of its own plan from the United Nations Reconstruction Administration.

My bill would permit universal disarmament to prevent war.

Mr. President, I believe a foreign policy for peace must look forward eventually to cutting military expenditures to 10 percent of the current rate if we are to stop the wasteful spending of an ever-increasing part of our budget in a hopeless arms race and save ourselves from becoming a totalitarian military state.

My bill is a bill for peace and reconstruction. The Truman doctrine in ECA is a bill that prepares for war and puts Europe on a permanent dole.

If the American people could choose freely, they would choose for peace, not war; for genuine reconstruction, not permanent poverty. I am convinced they will choose our way in November.

[Manifestations of applause in the galleries.]

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. VANDENBERG. The able Senator from Idaho has submitted a substitute bill, and of course he is entitled to a vote upon it. Under the rules a substitute cannot be voted upon until all amendments which are pending shall be disposed of. I think it would be logical to vote upon the substitute at this time. I therefore submit the following unanimous consent proposal:

I ask that the rule be suspended, that the substitute submitted by the able Senator from Idaho be immediately presented to the Senate, and that without amendment or further debate the Senate shall proceed by yea-and-nay vote to vote upon it.

Mr. CHAVEZ. Mr. President, I object.

The PRESIDING OFFICER. The Senator from New Mexico objects.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Georgia.

Mr. RUSSELL. I merely wished to propound a parliamentary inquiry, but I shall wait until the Senator has concluded.

Mr. VANDENBERG. Mr. President, I know the Senator from New Mexico shares my desire to proceed to a conclusion with reference to this situation. Certainly there could be no fairer time to vote on the substitute offered by the able Senator from Idaho than at the conclusion of his address. I am not even asking for an opportunity to discuss his substitute. I think it will greatly facilitate the proceedings, and it would be highly logical, if the vote should occur immediately following the Senator's address. I think he is in agreement with the suggestion, and I very earnestly request my friend from New Mexico to permit us to proceed in that fashion.

Mr. CHAVEZ. Mr. President, I have noticed that there were very few Senators present and listening to the Senator from Idaho when he delivered his interesting address, and I am sure that the Senators are so much interested in doing the right thing that they would prefer at least to read in the RECORD the remarks of the Senator from Idaho. Notwithstanding my great desire to cooperate with the Senator from Michigan and conclude the proceedings in connection with the subject with as little delay as possible, I think Senators should have an opportunity to read in the RECORD the remarks of the Senator from Idaho.

Mr. VANDENBERG. I submit another unanimous-consent request. I ask that when the Senate convenes at noon tomorrow, the substitute offered by the Senator from Idaho shall be submitted to the Senate, and that without amendment or further debate at that time the Senate shall proceed to vote by yea-and-nay vote upon the substitute.

The PRESIDING OFFICER. Is there objection to the request?

Mr. RUSSELL. Mr. President, reserving the right to object, I should like to inquire whether or not there is an amendment to the original committee bill pending at the present time.

The PRESIDING OFFICER. At the present time there is no amendment to the original bill pending.

Mr. RUSSELL. Then, I should like to know of any rule which prevents an immediate vote on the substitute.

The PRESIDING OFFICER. In the opinion of the Chair there is nothing that would prevent the substitute being voted on at this time.

Mr. RUSSELL. Under my construction of the rules, Mr. President, if a substitute has been offered and is pending, and there is no amendment to the original bill pending, the Senate must vote on the substitute, and there is no reason on earth for avoiding a vote on the substitute which has been submitted and is now pending. There is no amendment to the original bill pending, and there is no parliamentary way to avoid a vote on the substitute, unless some Senator wishes to address himself to the question.

Mr. VANDENBERG. Of course, even if the substitute is pending, it could be the basis of continuing speeches this afternoon, which we know are contemplated in respect to the bill itself, and the program of speeches probably would continue without voting on the substitute. The very earnest desire of the Senator from Michigan was to bring this particular phase of the matter to a definite conclusion.

Mr. RUSSELL. I share the desire expressed by the Senator from Michigan, and if Senators who have speeches ready would restrain themselves for a moment, a vote on the substitute would be in order, and the Senate could pro-

ceed to vote on it without any delay whatever.

Mr. VANDENBERG. The Senator is quite correct about that. I am assuming, however, in view of the objection to the unanimous-consent request, that there would be objection to the procedure the Senator has indicated, and of course Senators have ample resources at their command to prevent the result.

Mr. RUSSELL. I wanted to make clear that there was no parliamentary obstacle to an immediate vote on the substitute.

Mr. VANDENBERG. I think my second request meets the desire of the able Senator from New Mexico, and on that basis I am hoping it may be agreed to.

Mr. CHAVEZ. Mr. President, I will go further than that. My reason for objecting was only in order that Senators might have an opportunity to familiarize themselves with the substitute, but if the parliamentary situation is such that the Senate can vote now, I am willing that the vote may be taken at this time.

Mr. VANDENBERG. I understand the Senator withdraws his objection to my original request.

The PRESIDING OFFICER. Is there objection to the original unanimous-consent request of the Senator from Michigan? The Chair hears none, and the order is made.

The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. TAYLOR] in the nature of a substitute.

The amendment in the nature of a substitute is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this act may be cited as the 'Peace and Reconstruction Act of 1948.'

"FINDINGS AND DECLARATION OF POLICY

"SEC. 2. The Congress finds that after the horror and devastation of World War II the victorious coalition, responding to the highest and noblest hopes of mankind everywhere, established the United Nations for the promotion and maintenance of peace. It is the declared purpose of the United Nations to maintain international peace and security; to take effective collective measures for the prevention and removal of threats to the peace; to develop friendly relations among nations based on respect for the principle of equal rights and the self-determination of peoples; to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character; to employ international machinery for the promotion of the economic and social advancement of all peoples; and to be a center for harmonizing the actions of nations in the attainment of these ends. Realization of these principles through the United Nations remains the world's last best hope for peace. The United States as initiator of the United Nations and a signatory to its Charter has the high responsibility of strengthening its organization and, through it, building the foundations of an enduring peace.

"Yet the foreign policy of the United States as embodied in the Truman doctrine and as practiced continuously since the announcement of that doctrine has seriously weakened the United Nations as an instrument for world peace and collaboration, and negated the high purposes of its Charter. Instead of taking collective measures, through the United Nations, for the prevention and removal of threats to the peace, unilateral action under the Truman doctrine has divided the world into hostile blocs. Instead of employing international machinery for the promotion of the economic and social advancement of all peoples, the Truman doctrine has employed the economic might of the United States unilaterally for political ends. Instead of respecting the principle of equal rights and the self-determination of peoples, the Truman doctrine has intervened in the internal affairs of other nations. Instead of making use of the United Nations as a center for harmonizing the actions of nations, the Truman doctrine has bypassed the United Nations and provoked international suspicion and tension which, if unchecked, can lead only to war.

"It is therefore declared to be the policy of the Congress that the United States take immediate steps to repudiate the Truman doctrine and reassert leadership in the great task of establishing and maintaining peace through the United Nations. It is the further policy of the Congress to respond to the desperate need of the European victims of Axis aggression for the reconstruction and economic development of their war-devastated lands by providing aid through the instrumentality of the United Nations and in accordance with the purpose of its Charter to employ international machinery for the promotion of the economic and social advancement of all peoples, while guaranteeing their right to determine for themselves the forms of their social, political, and economic institutions, without intervention or interference.

"UNITED NATIONS EUROPEAN RECONSTRUCTION AND ECONOMIC DEVELOPMENT ADMINISTRATION

"SEC. 3. (a) The Congress calls upon the President to request the Secretary General of the United Nations to convene a special session of the General Assembly of the United Nations at the earliest possible date.

"(b) The Congress calls upon the President to instruct the representatives of the United States in the General Assembly, upon the convening of that body, to submit a proposal for the establishment of a European Reconstruction and Economic Development Administration (herein referred to as the 'Administration') within the United Nations, based upon the following principles:

"(1) The Administration shall include representatives of the United States and of all European members of the United Nations.

"(2) The Administration shall be charged with the administration and distribution of a European Reconstruction and Economic Development Fund (herein referred to as the 'fund').

"(3) The fund shall be made up by voluntary contributions from members of the United Nations, or by quotas determined by the Administration on the basis of ability to pay and shall be in the aggregate amount of at least $25,000,000,000 over a period of 5 years.

"(4) The fund shall be available to provide loans or grants to individual European nations for the purposes of rehabilitation, reconstruction, and economic development, to the end that the immediate human suffering of their people may be alleviated and their industry and agriculture restored and placed on a self-sustaining basis at the earliest practicable time. In addition, loans and grants may be made available for industrial development, with special emphasis on the industrially backward nations, to raise the living standards of their people, provide for the full utilization of their natural resources and promote economic cooperation and world trade.

"(5) Priority in the allocation of funds shall be given to those nations which suffered most severely from Axis aggression. All allocations of funds shall be based solely on this consideration and on the basis of need, without regard to the character of the political and social institutions of the recipient nation and without the imposition of any political conditions or any economic conditions other than those necessary to insure that the allocated funds will be expended for the purpose for which the allocation was made, without waste or inefficiency.

"(6) The entire fund shall be used exclusively for peaceful purposes, and no allocation shall be made to finance the purchase, manufacture, or maintenance of any military establishment, armaments, munitions, military supplies, or equipment of any kind or character whatsoever.

"(7) Special attention shall be given to raising the levels of food production, providing an ever-normal world food granary and raising the minimum nutrition and shelter standards of all recipient nations.

"SEC. 4. There is hereby authorized to be appropriated the sum of $5,000,000,000 for the fiscal year commencing July 1, 1948, and a like sum for each of the four fiscal years next following, which shall be available for payment by the United States to the European Reconstruction and Economic Development Administration from and after the date it is established.

"EMERGENCY AID

"SEC. 5. In order to provide immediate emergency relief to the peoples of the war devastated European nations pending the establishment of the United Nation's European Reconstruction and Economic Development Administration, the President, acting through such departments, agencies, or independent establishments of the Government as he shall direct, may make grants to the governments of European nations to finance the procurement, from any source determined by the recipient of food or fuel or any commodity, machinery, or equipment required for the production of food or fuel. In determining the nations to which grants shall be made under this section, and the amounts of such grants, the President shall be bound by the provisions of subdivision (5) of section 3 of this act and no economic, political, or other conditions shall be attached to such grants except for the united purpose expressly provided in subdivision (5) of section 3 of this act.

"SEC. 6. There is hereby authorized to be appropriated not to exceed $500,000,000 to carry out the provisions of section 5 of this act: *Provided*, That no funds shall be obligated under such appropriation subsequent to January 1, 1949, or the date of the organization of the United Nation's Reconstruction and Economic Development Administration, whichever is earlier.

"REDUCTION OF ARMAMENTS

"SEC. 7. From and after the effective date of this act, and notwithstanding any other provision of law, the United States shall not in time of peace, unless the Security Council of the United Nations shall otherwise determine, give or sell to any other nation any military or naval equipment, munitions, arms, armament, or supplies, or finance the purchase of the same by any other nation, and any moneys heretofore appropriated by the Congress for any such purpose shall not be obligated therefor.

"SEC. 8. It shall be the declared policy of the United States to promote universal disarmament as a means of preventing war and removing the crushing burden of mounting armament appropriations from the people of all lands, including our own. To that end, the Congress calls upon the representatives of the United States in the United Nations to propose to the Commission for Conventional Armaments the immediate reduction by all nations in their armament and military expenditures for all types of armaments to an amount not in excess of 10 per centum of the current rate."

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. A parliamentary inquiry. I am prepared to vote, but it occurred to me that it might be well to have a quorum called.

Mr. VANDENBERG. Will the Senator yield?

Mr. RUSSELL. I yield.

Mr. VANDENBERG. The Senator from Michigan understands that the order is entered for an immediate yea-and-nay vote, and therefore I suggest the absence of a quorum, with the understanding that the Senate will immediately vote thereafter.

The PRESIDING OFFICER. The Senator from Michigan suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Capehart	Kem	Smith
Capper	Kilgore	Sparkman
Chavez	Knowland	Stennis
Connally	Langer	Stewart
Cooper	Lodge	Taft
Cordon	Lucas	Taylor
Downey	McCarran	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	Martin	Vandenberg
Ferguson	Maybank	Watkins
Flanders	Millikin	Wherry
Fulbright	Moore	Wiley
George	Murray	Williams
Green	O'Conor	Wilson

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent because of the death of the Governor of Connecticut.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is detained on official committee business.

The Senator from New Jersey [Mr. HAWKES] is unavoidably detained.

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

Under the unanimous-consent agreement the question now recurs on agreeing to the amendment offered by the Senator from Idaho [Mr. TAYLOR] in the nature of a substitute. The clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent because of the death of the Governor of Connecticut. If present and voting, he would vote "nay."

The Senator from New Jersey [Mr. HAWKES] and the Senator from Iowa [Mr. WILSON] are unavoidably detained. If present and voting, the Senator from New Jersey and the Senator from Iowa would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Nevada [Mr. MALONE], and the Senator from Oregon [Mr. MORSE] are necessarily absent. If present and voting, the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. MORSE], and the Senator from Nevada [Mr. MALONE] would vote "nay."

The Senator from Washington [Mr. CAIN] is detained on official committee business. If present and voting, he would vote "nay."

The Senator from Missouri [Mr. DONNELL] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH] and the Senator from Arizona [Mr. MCFARLAND] are absent on official business.

The Senator from Wasington [Mr. MAGNUSON] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Connecticut [Mr. MCMAHON] is absent attending the funeral services of the late Governor of Connecticut, Hon. James L. McConaughy.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

If present and voting, the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. MCFARLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Connecticut [Mr. MCMAHON], the Senator from Maryland [Mr. TYDINGS], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 3, nays 74, as follows:

YEAS—3

Langer	Pepper	Taylor

NAYS—74

Aiken	Green	O'Conor
Ball	Gurney	O'Daniel
Barkley	Hayden	O'Mahoney
Brewster	Hickenlooper	Overton
Bricker	Hill	Reed
Bridges	Hoey	Revercomb
Brooks	Holland	Robertson, Va.
Buck	Ives	Robertson, Wyo.
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Capehart	Johnston, S. C.	Smith
Capper	Kem	Sparkman
Chavez	Kilgore	Stennis
Connally	Knowland	Stewart
Cooper	Lodge	Taft
Cordon	Lucas	Thomas, Okla.
Downey	McCarran	Thomas, Utah
Dworshak	McClellan	Thye
Eastland	McGrath	Tobey
Ecton	McKellar	Vandenberg
Ellender	Martin	Watkins
Ferguson	Maybank	Wherry
Flanders	Millikin	Wiley
Fulbright	Moore	Williams
George	Murray	

NOT VOTING—19

Baldwin	McFarland	Umstead
Bushfield	McMahon	Wagner
Cain	Magnuson	White
Donnell	Malone	Wilson
Hatch	Morse	Young
Hawkes	Myers	
McCarthy	Tydings	

So Mr. TAYLOR's amendment in the nature of a substitute was rejected.

Mr. BREWSTER. Mr. President, on behalf of the senior Senator from Maine [Mr. WHITE], the Senator from Illinois [Mr. BROOKS], the senior Senator from Nebraska [Mr. BUTLER], the junior Senator from Nebraska [Mr. WHERRY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Montana [Mr. ECTON], the Senator from Idaho [Mr. DWORSHAK], the senior Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. WATKINS], the Senator from New Jersey [Mr. HAWKES], the junior Senator from Washington [Mr. CAIN], and myself, I offer the amendment which I send to the desk and ask to have stated. It deals with the authorization in the bill providing for the possible charter foreign of 300 dry cargo ships.

The PRESIDING OFFICER. The amendment offered by the Senator from Maine on behalf of himself and other Senators will be stated.

The CHIEF CLERK. On page 15, line 24, beginning with the word "merchant", it is proposed to strike out all through "subsection," on page 16, line 1.

On page 16, beginning with line 10, it is proposed to strike out all through line 20.

On page 16, line 21, it is proposed to strike out "(5)" and insert in lieu thereof "(4)."

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. BREWSTER. Mr. President, I should like to explain very briefly what the amendment involves.

There is a provision in the bill that 300 American ships may be chartered foreign. We have already adopted an amendment that 50 percent of the American products going into this project shall be carried in American bottoms. This amendment will complement the other very well because, according to present figures, foreign-flag ships now have approximately sufficient capacity to carry 50 percent of the freight, and Americans now have a similar capacity in operation under the Maritime Commission. Consequently the adoption of this amendment will simply confirm the status quo and enable the intent of the 50-percent amendment properly to be carried out.

There is very great concern in the shipping industry over the future of our merchant marine. There is a very extensive shipbuilding program going on in foreign countries. Fifteen million tons are either under construction, contracted for, or contemplated. For that purpose 6,000,000 tons of steel will be required, and it is contemplated that 2,000,000 tons of such steel may come from this country.

The State Department has recommended deferring the portion of the shipconstruction program which has not yet been contracted for. The Administrator may very well desire to exercise further restriction as to the amount of steel which may be used for a priority of this character. Inasmuch as there are sufficient ships for the present to solve the problem, I hope that the construction in European shipyards will not be carried on to the limit of their present capacity, which is twice the normal construction.

However, that situation is not affected by this amendment, except as it may be an indication of our desire.

Mr. ROBERTSON of Virginia. Mr. President, as I understand, the Senator from Maine is offering an amendment to remove from the bill a provision authorizing the temporary transfer of 300 of our Liberty ships.

Mr. BREWSTER. That is correct.

Mr. ROBERTSON of Virginia. Representative BLAND, of Virginia, has served on the House Committee on Merchant Marine and Fisheries for more than a quarter of a century. During 14 years of that time he was chairman of the committee. In my judgment there is no Member of the Congress who is more familiar with our merchant marine than is Representative BLAND. I have discussed this question with him, and he tells me that in his opinion it would be very injurious to our merchant marine if we transferred any more of these ships to foreign countries.

Mr. BREWSTER. I may say to the Senator from Virginia that 2 days ago I placed in the RECORD a letter from Mr. BLAND indicating his very serious opposition to such a program. At that time I characterized him as one of the oldest and best friends of the American merchant marine.

Mr. ROBERTSON of Virginia. I also wish to say that my colleague from South Carolina [Mr. MAYBANK], who has left the Chamber to attend the hearings of the Committee on Banking and Currency on the confirmation of the nomination of Mr. McCabe, asked me to say for him, if I had an opportunity to do so, that he is in sympathy with this amendment.

Mr. VANDENBERG. Mr. President, the section of the bill which the able Senator from Maine proposes to delete is the only section in the bill, I believe, with respect to which the Committee on Foreign Relations divided in its consideration of the bill. There was very sharp division in the committee on the subject.

As the bill was originally submitted, it provided for not only the charter but the sale of ships to foreign countries. The committee struck out the provision for the sale of ships, and left in the bill the provision for the charter of ships.

As chairman of the Foreign Relations Committee I am not in a position to approve the amendment of the Senator from Maine on behalf of the committee. But in my own personal capacity I should like to say that it seems to me that since Congress itself within the past 60 days has passed a bill, which has become the law of the land, prohibiting the charter or sale of any of our ships to foreign countries, this provision in this bill would be, to put it mildly, inappropriate.

So far as the Senator from Michigan in his personal capacity is concerned, he will vote for the amendment of the Senator from Maine.

Mr. BARKLEY. Mr. President, the other day, when this amendment was offered, to be printed and lie on the table, I made a brief statement with reference to the reason why the committee inserted the provision in the bill. As the Senator from Michigan has stated, when the bill came to the committee originally it carried a provision for the sale of 200 ships and the chartering of 300 ships, on the theory that the 2,000 ships which are now tied up in the harbors and ports and streams of this country might well be utilized to carry some of the freight which is to be procured under this proposed act; and that inasmuch as it would require a considerable outlay of money to condition those ships so as to make them seaworthy, it might be well to charter some of them and sell some of them, in an aggregate number of 500, to foreign countries, in order to enable them to carry that proportion of the commodities to be procured in other countries than the United States, or even in this country to some extent.

Attention was called at the time to the fact that the Senate had just passed a bill prohibiting either the sale or the charter of these ships to any person not of American citizenship. There was a division in the committee with reference to that matter. In the committee I voted for the provision, because I felt that on the showing made in regard to these particular ships there would be a saving to the Treasury of the United States if some of the 2,000 ships—one-quarter of them, to be exact—were made available to the countries which are to be the beneficiaries of this program, to enable them to carry in such temporarily chartered ships a part of the commodities to be procured.

But since the amendment was adopted in the committee, additional information has become available, and it indicates that probably it would cost approximately $25,000 to recondition each of these ships. Three hundred times $25,000 is a considerable amount of money, and probably it would have to come out of the Treasury of the United States. So the amount of net savings on account of the use of these ships, through their charter to other countries, thus would be considerably reduced.

When the committee struck out the provision for the sale of 200 ships, it was stated by the State Department, through its spokesman, that it would cost approximately $50,000,000 out of the Treasury to haul these products, without the charter or sale of any of these ships; and we were really asked to add $50,000,000 to the $5,300,000,000 in order to take care of that item. However, that was not done.

In view of all these circumstances, I am not prepared today to oppose the adoption of the amendment of the Senator from Maine, eliminating the provision for the chartering of 300 ships. We might argue legitimately as to the amount of money that would be saved or as to how much it would cost the Treasury, depending on whether we charter them or do not charter them; and I suppose we might contend that the last word of Congress which is inconsistent with some previous act would take precedence over that act and would become effective.

But inasmuch as a few days ago the Congress did enact a law prohibiting the charter or sale of any of these ships, I do not wish to be insistent or to have the Senate be insistent in retaining this paragraph in the bill.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BREWSTER. In that connection I have also had the information about which I spoke to the Senator the other day, namely, that so long as these ships operate under the American flag, there will be, I believe, an estimated $27,000,000 paid to the United States Government for their charter or hire, under the provision that 15 percent of the value of the ships shall be paid each year. Of course, there will possibly be increased costs of operation in sailing them under the American flag, but we recognize that in connection with all our maritime legislation.

Mr. BARKLEY. Yes; I appreciate that. I am told that there possibly would be an income of $27,000,000, but that would be offset by the cost of operating the ships, the sale of which was contemplated as the proposal came to the committee originally.

These ships were built as a result of the war, Mr. President. I express the earnest hope that we shall not allow these ships, which were built with the money of the taxpayers of the United States, to rot in the harbors and rivers and estuaries of the United States, without trying to put them to some use. Although they were wartime ships, they cost the American people considerable sums of money.

So I hope that what we do today will not in any way interfere with the use of those ships for the benefit of the American merchant marine, but will stimulate their use either by our own country or through private ownership, if anyone is willing to buy them and operate them, so that we shall not be compelled to see approximately 2,000 Liberty ships rot in our harbors during the next 2 years.

Mr. BREWSTER. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. BREWSTER. I hope the Senator from Kentucky will also find himself in agreement with the policy indicated by the State Department, namely, that the European ship-construction program should be somewhat slowed down, since it is not an essential priority. The ships are available. Although we wish to keep up their normal shipbuilding and shipping activity, nevertheless if it were to be carried too far, that obviously would be an unwarranted strain on our steel supply, as well as on the manpower of the foreign countries.

Mr. BARKLEY. I appreciate that situation. It is a complicated matter. The question of how much steel to be applied to these purposes we should allocate to foreign countries, and so forth, definitely enters into the situation.

At any rate, I hope we shall utilize the existing ships to the best possible purpose.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I should like to ask the Senator whether he knows how much steel is to be allocated in the 4-year period of the Marshall plan, and particularly in the first year, for the construction of ships under the shipbuilding programs of the recipient countries.

Mr. BARKLEY. I cannot answer that question.

Mr. BREWSTER. Mr. President, it is contemplated that 2,000,000 tons of steel shall be exported. We cannot say definitely whether all of it will go into the building of ships or into other channels, although obviously not all of it would be used for the building of ships.

Mr. BARKLEY. Obviously all of it will not go into the building of ships.

Mr. WHERRY. Of course not. But I wonder whether a break-down has been made, to show how much of the steel is allocated to the shipbuilding program of the 16 countries.

Mr. BREWSTER. They contemplate building ships which will require 6,000,000 tons of steel in the next 4 years. That is the requirement for the shipbuilding program for Europe. That is the total drain, regardless of whether it is on our steel supply or on the European steel supply.

Mr. BARKLEY. Yes. Of course, undoubtedly a considerable portion of the steel which will be required by the European countries will come from the United States. Of course, much of the steel they require will come from the Ruhr. But I do not think there is any break-down to show how much of the steel will be allocated to shipbuilding.

Mr. WHERRY. Mr. President, I inquire who has the floor?

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. WHERRY. Will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. WHERRY. If 300 of these ships should be chartered, would that permit a reduction in allotment of steel for the shipbuilding program this year under the Marshall plan?

Mr. BREWSTER. It would have no direct effect upon it at all.

Mr. WHERRY. None whatever?

Mr. BREWSTER. It would be wholly in the hands of the Administrator of the program to determine whether he would exercise his authority to retard the European ship construction, according to whether he considered it essential.

Mr. WHERRY. No; I did not mean that.

Mr. BARKLEY. It is possible that if the 300 ships were used in order to carry the products to Europe it would reduce the amount of steel that would be necessary in order to construct new ships.

Mr. WHERRY. That is correct.

Mr. BARKLEY. Of course, the Administrator would have the right, and it would be his duty, to take that into consideration in determining the allotment of the steel to recipient nations.

Mr. WHERRY. That is the point I raised. I think it is a very salient point.

Mr. BARKLEY. Whether the 300 ships were used by the recipient countries or by the United States, or by some private enterprise, that would have no direct effect.

Mr. WHERRY. I understand that. I was merely wondering whether, in the final analysis, if the ships were chartered and put into operation, it would not relieve the commitment of steel to the amount involved and make it that much easier on a commodity which is very scarce in this country at the present time.

Mr. BARKLEY. Whether chartered or not, their use would undoubtedly reduce the requirement for steel in shipbuilding.

Mr. CONNALLY. Mr. President, I merely want to say a word or two on this matter. The form in which it was first presented to the committee has already been stated in the debate. There are two aspects of it; on the one hand, the additional expense of Government operation, and on the other, the desirability of aiding our merchant marine and our merchant seamen.

Mr. President, it seems to me there is one other point worthy of note. In the great program we are initiating, it seems to me to be just as well that we here control as much as we can the shipping itself, the vessels, and the sending of the vessels to the different ports. Mr. President, because of the consideration of giving employment to our American merchant marine, together with all the other considerations, I shall vote for the amendment.

Mr. LODGE. Mr. President, as one member of the committee who voted against putting this language in the bill, I think perhaps I should say a word for the RECORD. There was one argument in favor of the language which was persuasive, and that was that it would tend to reduce the cost of operations under the bill. But I felt that there were many qualifying factors which diminished the saving that would occur. I also felt that broad considerations of national policy would make it advisable for us to maintain a merchant marine and made it on the whole desirable that the language should not be retained in the bill. Therefore, I am happy to give my support to the amendment offered by the Senator from Maine.

Mr. PEPPER. Mr. President, I merely wish to subscribe to that sentiment. I believe we made a great mistake after the last war in letting our merchant marine deteriorate. It cost us many hundreds of millions of dollars to restore it. At one time during the war, we had the basis of the greatest merchant marine that any nation has ever had. In many respects I think the great marine power we once possessed has been dissipated. I think the time will come, if we further dissipate it, when we shall have to restore it at a vastly increased expenditure to the country. Therefore, in the national interest, in furtherance of our national economy, and out of a due regard to the merchant seamen who would be thrown out of employment if the proviso were retained in the bill, I hope the amendment of the Senator from Maine will be agreed to.

The PRESIDING OFFICER (Mr. IVES in the chair). The question is on agreeing to the amendment submitted by the Senator from Maine [Mr. BREWSTER] for himself and other Senators.

The amendment was agreed to.

Mr. O'DANIEL. Mr. President, I rise in opposition to Senate bill 2202, commonly known as the Marshall plan. The so-called Marshall plan is the most mysterious crossword puzzle of the century. It has been presented to the people of this Nation as being so many different things that they are completely confused and bewildered. The Nation has been divided into groups and each group has been propagandized separately to show that they may be benefited, but very little has been said about the destruction that will be wrought to our Nation as a whole.

Religious groups throughout the country have been propagandized and told that the Marshall plan is a great humanitarian act of charity. Industrialists have been told that it will provide a highly profitable foreign market for the goods they manufacture. Farmers are told that it will keep agricultural commodity prices high. Laboring people are told that it will provide them with plenty of jobs at high wages. The people of certain foreign countries are told that it will rebuild their factories, increase their standard of living, and restore their economy. The rank and file of patriotic American citizens who believe in the American constitutional form of government and who do not want to see our Government converted to socialism or communism are told that the Marshall plan will stop communism dead in its tracks in Europe before it spreads across the Atlantic Ocean and takes control here. Mothers and fathers are being told again and again and again that it will keep their boys and girls from being called to fight and perhaps die on foreign soil. American voters are being told, "See how we dehorned the thing or pulled its teeth—vote for us." American taxpayers are being told to "wait patiently until we get through giving everything away and then we will reduce your taxes." Consequently, Mr. President, it is difficult to know what the Marshall mystery plan really is.

The so-called Marshall plan not only orginated mysteriously but since its start it has been amended or modified to meet the whims of any person or group whose support the administration thought was needed to assure the passage of the measure by Congress. Secretary Marshall said, "All or nothing." So he was slapped down in effigy by amending the proposal to authorize it in four smaller yearly doses instead of just one big 4-year dose. This great improvement was evidently based on the same philosophy that applies to cutting off the dog's tail inch at a whack so it will not hurt so much. It really does not hurt the man with the ax who cuts off the dog's tail, but the poor dog, like the American taxpayer, can only howl in a language his tormenters cannot or will not understand.

A great howl went up about permitting the plan to be administered by the Secretary of State. So the plan was amended to let somebody else administer it. But the joke is that both the Secretary of State and the new Administrator are appointees of the same President, who, of course, is the actual administrator, and each must perform as instructed by his boss, the President. So the only difference created by that change is to set up a new bureau under a newly created assistant to the President, and to create more Federal jobs.

On top of all this confusion, deception, and meaningless changes the bill finally comes to the floor of the Senate in printed form, the reading of which convinces me

that it will permit the executive branch of our Government to do anything under the shining sun, from playing tiddly winks to waging war with anyone or any nation from Helsinki to Shanghai. I am firmly convinced that the master minds in their hideouts who advise our executive branch care not one whit what is printed in the bill, just as long as the authorization for the $5,000,000,000 is there. That is the essence of the Marshall plan—billions, billions, and more billions to scatter to the four winds.

So, Mr. President, with this picture of the Marshall plan in mind I shall now analyze it and express my views on the subject. In expressing my views on the plan, let it be distinctly understood that I am expressing them exclusively on the plan, and making no statements or insinuations about persons. I give full credit to the honesty, sincerity, and patriotism of every Member of the Senate. Here each of us has the unquestioned right to his own opinion and his own way of expressing his opinion. I am merely expressing my own opinion of the plan.

In the first place, it certainly cannot be denied that the Marshall plan, from an over-all viewpoint, follows the same general line as many previous bills which have been under consideration by the Senate, and which were approved by the Senate. I refer to lend-lease, to UNRRA, the British gift-loan, Greek-Turkey aid, aid to China, and the interim France-Italy contribution. I opposed each and every one of those plans for several good and valid reasons. One good reason is that such tactics constitute meddling in the internal affairs of foreign nations and step by step lead to one war after another. Another reason is that such tactics result only in pouring billions of dollars down rat-holes, while conditions in recipient nations have constantly grown worse. Another reason is that it guts our Treasury, impoverishes our taxpayers, and weakens our economic structure at a time when another war is staring us in the face and we need a strong economy. Another reason is that all of these expedients have taken money from American taxpayers, either by taxation or by the borrowing process, and given their money to foreigners. I consider such action to be a flagrant violation of the Constitution of the United States of America.

Inasmuch as I have taken a solemn oath to uphold and defend the Constitution it is my purpose to respect that oath. It is my judgment, Mr. President, that, regardless of the language used, whether the Marshall plan calls for direct donations or loans, the net result will be that the sum total cost of both the direct grants and the loans must ultimately be paid by the American taxpayer.

As I read the Constitution of the United States, I find nothing in that document which authorizes the Congress to appropriate the money of the American taxpayer out of the Treasury and give it to some foreign government. That reason alone, I think, is sufficient cause for opposing the Marshall plan even if I had no other reason. I believe that the Constitution was adopted with the understanding and with the full intention that it should be observed by the Congress of the United States.

Suppose we consider the Marshall plan as a great humanitarian act of charity, as is claimed by some of its proponents. This naturally has a strong appeal to me because I believe sincerely in charity. Charity is taught and recommended by the Holy Scriptures, but as I interpret the the commandments of God and the teachings of Christ, they were directed to individual human beings and not to corporations or governmental organizations. In the first place, men and women have souls while organizations are soulless.

In some cases charity might be practiced as an eternal protection to the human soul. When the body is laid to rest and the soul goes on to meet its Maker an accounting of charitable activities of the individual must be made. No part of any organization is expected to go on to an eternal haven of rest or even eternal torture.

Furthermore, Mr. President, under our form of Government there is supposed to be a complete separation of church and State. Saints and sinners alike hold equal positions as citizens under our democratic form of government, and if the principle of equality and justice is a part of our governmental philosophy is it fair and just to take by force personal property from those who do not believe in charity and use it for that purpose? I think not.

Furthermore, Mr. President, when our wise forefathers wrote the Constitution of the United States, I believe they wrote the greatest document, except for the Holy Bible, ever penned by the hand of civilized and Christianized man. I believe that if ever there were inspired men the framers of our Constitution were such.

The Constitution of the United States is without doubt patterned after the Holy Bible. Our forebears recognized that there would be many citizens of our Nation who would be believers in God and many who would not be, so they wrote a constitution that would include both classes and at the same time give full protection from a governmental standpoint to each class. They did this by carefully putting down in black and white the individual powers which the citizens of this Nation transferred or delegated to their Federal Government. They were specific in listing these delegated powers. They put them down in one, two, three order. After they had enumerated all the personal powers which the citizens were delegating to their Federal Government they studied the matter further and came to the conclusion that at some time in the future some bright, designing persons might for selfish reasons try to twist the meaning of the delegated personal powers and construe them to mean something utterly different than was intended or was actually written in the Constitution. So they wrote the first 10 amendments to the Constitution, and in amendment X they nailed the meaning down by specifically stating that all powers not therein delegated to the Federal Government, or to State governments, were retained by the people.

Mr. President, the citizens of this Nation retained many powers or rights unto themselves. They retained the right to conduct all private enterprise; the right to worship God; the right of free speech; and many other rights and powers. As a matter of fact there is not one word, syllable, or sentence in the Constitution wherein the people of this Republic ever delegated to their Federal Government the power to exercise charity for them. Consequently, Mr. President, as a duly elected official of the Government I do not have the power to exercise charity on behalf of its citizens, and regardless of the fact that I most sincerely believe in charity, I shall not violate the Constitution of the United States even to do the thing I should like to see done.

I will, as a private citizen, go down into my own pocket and take as much of my personal money as I can afford to contribute to charity. I will give to whomsoever I may choose in any nation on earth, regardless of race, religion, color, or political belief, if such people are hungry or sick and unable to sustain themselves. On the other hand, Mr. President, I will not as a Member of the Senate go into the pockets of other citizens and extract one thin dime by taxation or public borrowing to give it as charity to foreigners. I will not do it because, under the Constitution, I do not possess the authority to do so.

Now, Mr. President, if the people of this Nation want to turn their Government into a charitable organization, it is within their power to do so by the process of amending the Constitution. But I warn them that when that is done, it will be the last of our Republic of free men. When free people delegate to their Government the right to exercise charity for them, they are granting a limitless power to their law makers which will ultimately destroy their Government.

As I have stated, Mr. President, the people of this Nation have the power to amend their Constitution to provide for their Federal Government exercising charity for them. If that is what they want to do, I offer no objection to their exercising that right and privilege. But so long as the Constitution remains as it now is, each citizen has the personal right to exercise his or her own charity individually, or through privately conducted charitable organizations or churches. This is exactly what they have been doing ever since our Government was organized. I have explicit confidence in their continuing to exercise their own charity most generously so long as our Nation exists as a nation of free people, because no greater truth was ever spoken than, "It is more blessed to give than to receive." Furthermore, Mr. President, when Government takes over the administration of charity, it will give the people ample excuse for discontinuing personal charity donations to private charitable organizations and churches, and those great humanitarian organizations will be forced to discontinue operations.

Mr. President, one of the main objectives of communism is to destroy worship of God. If, by the process of shifting responsibility for charity from churches to Government, churches can be robbed

of contributions for charity, and as a consequence be stripped of the power to administer aid to poor, hungry, helpless people, will not that help destroy churches and the faith people have in the teachings of our Lord? I think so.

Charity to Europe? Yes, Mr. President, I am in favor of it when granted by individuals or churches and private agencies under private control. I am for this method of aiding Europe to get back on her feet, but when it comes to violating the Constitution of the United States by taxing the American citizen and distributing billions of his dollars in Europe on the theory that we can bribe those nations not to go communistic, I am opposed to the theory, and I have no confidence in the result.

Now, Mr. President, we come to another phase of the general situation in Europe. We are told that there is need for money to be granted to Europe in the form of loans for the rehabilitation of industry.

It is my judgment that the way for loans to be made to Europe for the purpose of rehabilitating industry is for the loans to be made by private individuals in this country who have money to lend, and who will lend it on good, sound business propositions. If the loan will not stand on this basis, then we have no right to call it a grant of credit. We might just as well call it a gift in the first place.

There are many conditions to take into consideration when it comes to building factories and establishing industries. It is not by any means just a matter of raising the capital. It is a matter of selecting the right geographical locations with respect to supply of raw material, and proximity to potential customers. It is a question of acquiring competent and experienced management. It is a proposition of obtaining an adequate supply of contented and willing workers. There are also many other important considerations. This, Mr. President, brings us down to the one and most important question of all, the question of the kind of government under which the industries must operate.

Industries have succeeded in our Nation to such proportions that we are recognized as the greatest industrial nation on earth. Such a growth, Mr. President, is due solely to our system of government, which permits a free private-enterprise economy, with a minimum of Government controls. During the past 16 years there has been a growing tendency to destroy private enterprise by various governmental maneuverings.

Now, let us take a look at the 16 European nations which are supposed to be the beneficiaries of the Marshall plan, supposedly for the purpose of rehabilitating industry. We find they have entirely different forms of government, none of which are like ours. The people of those nations are entitled to adopt any form of government they desire. Surely it is not my purpose to criticize them because of their choice, but the fact remains that England, once the giant of nations, master of the seven seas, and one of the most prosperous and conservative governments of the whole world, has changed over to a socialistic government. This socialistic government is rapidly taking over England's industries, and is just as rapidly sinking into oblivion, industrially, commercially, financially, and economically.

No system of private industry can possibly succeed under any government that contributes 70 cents per day per person, as England does, to feed its people. It will soon eat itself into bankruptcy. The money we donate to support this unsound and reckless policy is a rank waste, and will bankrupt the United States if continued. Most of the other European nations are in about the same category, many of them worse, possibly some of them not so bad.

Mr. President, the truth is that no system of private industry can succeed under the kind of government England has today. The same comment applies to a greater or lesser degree to every one of the 16 European nations named in the Marshall plan. This argument is supported by the fact that the citizens of those nations having capital to invest have chosen not to invest their capital in industry in their own countries, but to invest it in industries in our country and other nations. They have done this, according to reliable authority, to the extent of eighteen or twenty billions of dollars. Well, this being true, why should foreign fools step in where home folks fear to tread? Nobody contends that we can change the form of government of those 16 European nations. That is unquestionably the exclusive right of the citizens of each nation.

Rehabilitation of Europe's industry? Yes, Mr. President; I favor it when the investments are made by individual citizens of this or any other nation, and from their own funds, without Government financial assistance or Government guaranties against financial loss. Such loans must be made upon the personal judgment of the lender relative to the soundness of the investment and from the standpoint of the character of government under which the industry must operate. But when it comes to giving away to foreign nations our taxpayers' billions, I am opposed to it. Our actions are so silly that even the sensible people in England are laughing at us.

Let me read an article from page 4 of the Sunday Express, printed in London, England, August 3, 1947. Here it is:

> A very large section of the population decided that with the election of a socialistic government we had automatically entered the millennium in which work did not matter any more. If you needed money, you had merely to hang out your stocking and Santa Claus would fill it. The Government at the same time decided that if only the United States would lend us sufficient dollars, we could sit back and build the heaven of their dreams without bothering too much about the facts of life. Unfortunately, the United States loaned us the money.

Note that, Mr. President, from this London newspaper:

> Unfortunately, the United States loaned us the money. Unfortunately, the money is now nearly exhausted, and, unfortunately, it hasn't done us a bit of good.

I might add, the last cent of this gift of $3,750,000,000 has been drained off. The article continues:

> On the contrary, by our pledges to make sterling debts convertible into dollars on request and by hog-tying ourselves by the notorious article 9 so that we cannot even move food we need from the larders of the Empire to the homeland's kitchens, we have brought disaster upon us.

So, here, Mr. President, we have a perfect example of our Government being eager to bankrupt our own Nation by shoveling out billions of dollars to a socialistic nation, while their newspapers accuse us of bringing disaster upon their nation by forcing those billions upon them. Of course, nobody expects the British loan to be repaid, and anyone who gave the matter any study knew before the loan was made that it would never be paid. And all the money our Government is pouring down every rat hole in every foreign nation on earth is not only hastening our own day of financial disaster, but it is laying the foundation to make every foreign nation hate us when the day finally comes when we shall be forced by circumstances to stop shoveling out our money to them.

Mr. President, I believe in giving the people the absolute truth about all legislation. We cannot enact laws which leave the people on the outside looking in. Every law the Congress enacts directly affects the people and for this reason alone the people should be given all the facts regarding any legislation. In the case of the program we are now considering, the people have not been given all the truth. They have been fed largely upon pure fiction and half-truths. They have had a picture of sheer fantasy dangled before their eyes by the bureaucratic propaganda experts, when they should have been shown the honest, naked truth.

Huge sums of money have been spent on radio and public print to implant in the minds of our American citizens the specter of starvation hovering over the homes in all European lands, but nothing has been told our people of the sad results which will inevitably come to them if we are to continue the looting of our own treasure house. Nothing has been said by these bureaucratic propagandists about robbing our oil stores, our coal pits, our iron mines through this give-away program so that Uncle Sam may appear in the role of Peter the Giver to the European politicians. The real cost of this program to the American citizen, to his State, and his community, is studiously avoided, for the proponents of the plan know full well that to give the American people the whole truth would be to rob themselves of the glory they hope to reap from putting over this wasteful program.

Mr. President, the Marshall program will probably cost the people of my State of Texas more than a billion dollars before we see the last of it. The present dole is but the entering wedge for things to come. It will not prevent war nor will it stop the greedy aggressions of the Russian bear, but it will play a most important role in degrading and pauperizing this beautiful land of ours.

Now I come to another phase in the discussion which I feel will help the people to form a clearer picture of where we are headed. What I have to say now is in the form of a refresher course to polish up on things that have happened and

which I believe have a direct bearing upon any and all things promulgated by and indulged in by our so-called master strategists. And, by the way, Mr. President, I am one who is sick and tired of being told that I must follow any and all schemes because this Mr. Big or that Mr. Big is for the thing. This sort of propagandizing has become a cheap racket, and a low device to trap unsuspecting or unthinking people.

In the appraisals of foreign affairs which have been given to the American people for the past 8 or 10 years, estimates have been uniformly wrong. I am sure many Senators remember the statement made by the then President of the United States, in an address in Boston on October 30, 1940, when he said:

> And while I am talking to you mothers and fathers I give you one more assurance; I have said this before but I shall say it again, and again, and again: Your boys are not going to be sent into any foreign wars. They are going into training to form a force so strong that by its very existence it will keep the threat of war far away from our shores. The purpose of our defense is defense.

I am not uncharitable enough to say that the President of the United States was dishonest with the people, that he was not sincere with the people. I think the facts are that he simply did not know. I think most of us remember that the people of America were told, when we finally got into the war, that we got into it to protect the rights of all the small nations of Europe as well as the large ones. We were told that we were fighting a war for the maintenance of the democratic form of government. Do you think, Mr. President, these statements were insincere statements? Do you think, even though the statements came to us from the executive department of Government, that those who made them were dishonest? Certainly it would be uncharitable to reach such a conclusion; so I believe the answer must be that those who were conducting our foreign affairs simply did not know.

Do you think, Mr. President, when the great principles of the Atlantic Charter were broadcast to the people of this Nation, when the people were told we were fighting a war to liberate the peoples of the nations of Europe from dictatorship, that it was an insincere statement? Or again, do you think it was simply a statement made by those who did not know Europe and did not know the conditions which we would face when the war was over? Do you think that all the glowing reports which we received following conferences with Russia at Teheran, Yalta, and Potsdam were mere fiction, made out of whole cloth, and distributed to the American people to mislead them? Or do you think that the executive department of our Government was sincere in what it told the public, but simply was misinformed? Do you think, Mr. President, that they were dishonest or do you think they were simply mistaken?

I am inclined to accept the more charitable view and say that all these series of errors came about because of the fact that the executive department of Government, including our State Department, simply did not know. But there is one thing the American people do know today; they know that through the process of negotiation and with the acceptance and approval of the executive department, Joe Stalin has been firmly planted in control of most of the Balkan countries, half of Germany, all of Czechoslovakia, and that he has taken over a large part of Poland, and made vassal states of Estonia, Latvia, and Lithuania, with Finland on the way.

In other words, through negotiation with those who are charged with handling the foreign affairs of this Nation we find Joe Stalin has actually been given control of about one-half of Europe.

But the executive departments of this Government, including the State Department, tell us that this plan of vast loans or gifts to Europe is the only remedy. I might have more confidence in the recommendations of the executive departments of Government and in the recommendations of the State Department if it had not been for the fact that their batting average thus far has been so miserably low.

Mr. President, I have discussed the so-called Marshall plan according to the numerous and various claims that have been made for it and according to the way the bill in printed form came to this Senate floor. But there is another side to this story. It is the side which has not been mentioned. Perhaps some may think it unwise to discuss the true conditions which face us, but I prefer to be open and frank and place all the cards on the table face up.

The cold, stark, naked truth is that World War II is still in progress. Our fine American sons, on the fields of battle, beat Germany, Italy, and Japan into complete and unconditional surrender, just as they started out to do; but after they won the war our diplomats lost the peace. Our executive department failed to understand that it takes just as strong military forces to win the peace as it takes to win the war. So they disbanded our military forces, gave much of our military equipment to greedy aggressors, adopted a program to give away our resources by the billions, and attempted to write the peace treaties over cocktail glasses.

They have failed miserably and are now trying to cover up their failures by giving away more billions of dollars. All the billions we have shipped to Europe since the war have gone down the sewer, and everybody must admit that the conditions over there are more dangerous now than they were before we sent a single dollar. Dollar soldiers will not win the peace.

When the two world's greatest tyrant aggressors, Hitler and Stalin, met to carve up and divide Poland, they proved themselves to be partners in crime. That pair played true to gang rules—either fight together or separately, or fight each other, but conquer. Hitler was eliminated, but Stalin kept marching on. He never stopped one moment. We may call it nazism, fascism, or communism, or any other ism, but its real name is atheism.

This world is now embroiled in the most terrible religious war the world has ever witnessed. It is a global conflict. Stalin is carrying the Communist flag at the head of the evil forces. The objective is world revolution, a communistic dictatorship, and enslavement of the masses in every nation of the world. This is Stalin's program. It has always been the Communist program. Communism is founded upon this sadistic philosophy.

Mr. President, with the whole world in turmoil and confusion, I cannot give my approval to a colossal give-away plan of billions of our resources when it is plain to see that the billions already given have been completely wasted. I think this give-away policy is the wrong approach to the solution of our own and world problems. Whenever it is decided by the people of this Nation, through their authorized representatives, that our Nation is in danger from without, I am willing to go all-out with all the resources at our command to defend and preserve our Nation. But if we continue to follow the path of trying to bribe or pacify the enemies of freedom and liberty with dollars, it will only weaken our economy and can very easily weaken it to the point where we may be unable to successfully wage war with the only weapons that world bandits and global aggressors can understand and respect.

Mr. President, no one has condemned Communism more than I have, and few started condemning it earlier than I did. I want to clean it out here at home, where it has become entrenched in our Government, in leadership of our labor unions, in our schools, and, sad to say, in our churches. Also I want to do everything we can to stamp it out elsewhere.

I recognize our responsibility in world affairs and am willing for our Government to assume full responsibility and world leadership for a just peace, but I am not in favor of the Marshall plan as it is now before us, because I do not believe it will accomplish this highly desired end. In fact, I believe it will do much harm. It is totally impracticable. We need to adopt an entirely different plan.

We need to keep our own record clean by eradicating all Communists and communistic or socialistic sympathizers from Government service.

We need to readopt the Constitution of the United States of America. We need to free our private enterprise system of all governmental strangulation and governmental competition.

We need to reduce Government expense and take the heavy load off of our overburdened taxpayers. We must reestablish a sound government and a realistic system of free private enterprise to support a sound government.

If we do this our economy will become strong enough to support an army and navy and air force so strong and powerful that no nation or combination of nations will ever dare attack us.

Mr. President, I am opposed to the Marshall give-away plan. I am in favor of adding to the Marshall plan billions in appropriations for a strong military defense.

I am in favor of billions for defense to protect and safeguard our nation, our people, our homes, our liberty, our freedom, and everything we hold dear—yes, billions to assure peace to all freedom-loving peoples in all nations of the world.

Mr. President, I am in favor of billions for defense for the perpetuation of our American way of life for ourselves here at home as provided under our constitutional system of Government, but not one cent to sustain or bolster tottering socialistic and communistic governments, which have never given freedom, prosperity, or happiness to the people of their countries at anytime. Let us be fair, let us be honest, let us be practical, Mr. President; and above all, let us be truthful with the American people.

Mr. CHAVEZ obtained the floor.

Mr. McFARLAND. Mr. President, will the Senator yield for the purpose of sugguesting the absence of a quorum?

Mr. CHAVEZ. I yield.

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Daniel
Ball	Hawkes	O'Mahoney
Barkley	Hayden	Overton
Brewster	Hickenlooper	Pepper
Bricker	Hill	Reed
Bridges	Hoey	Revercomb
Brooks	Holland	Robertson, Va.
Buck	Ives	Robertson, Wyo.
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Smith
Capehart	Kem	Sparkman
Capper	Kilgore	Stennis
Chavez	Knowland	Stewart
Connally	Langer	Taft
Cooper	Lodge	Taylor
Cordon	Lucas	Thomas, Okla.
Downey	McCarran	Thomas, Utah
Dworshak	McClellan	Thye
Eastland	McFarland	Tobey
Ecton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	Wiley
Fulbright	Millikin	Williams
George	Moore	Wilson
Green	Murray	
Gurney	O'Conor	

The PRESIDING OFFICER. Eighty-two Senators having responded to their names, a quorum is present.

Mr. CHAVEZ. Mr. President, I never rise in the Senate for the purpose of hearing my voice, to entertain the galleries, or to make a little noise. I have made it a point to rise when I thought I could contribute something to my fellow Senators, at least to the extent that they would think about what I suggested, not with the idea even of convincing them or with the idea of having them admit that everything I said was correct, but merely in my humble way to place an idea within their minds and to see whether or not by thinking about the idea we might be able better to understand all the ramifications of the legislation that might be pending.

While we are discussing the European recovery program, or ECA, as it is sometimes called, I deem it proper to discuss a problem in this hemisphere that, in my opinion, is a part and parcel of the success of the European recovery program.

The recovery program, as I understand it, is to be accomplished by furnishing material and financial assistance to the participating countries and other countries, including any of the zones of the occupied territory of Germany, any areas under international administration or control and the free territory of Trieste. I take it that is what let us in certain countries that are not designated by name.

We all know that the term "furnishing materials" includes many things. It may include food commodities, machinery, factories, machine tools, heavy equipment, gasoline, and fuel oil.

Much has been said here of late about our shortage of oil, and there is no question that we are short of oil. Other countries of this continent could aid materially not only in helping us furnish supplies, including oil, to carry out the European recovery program, but could also aid materially in breaking the fuel shortage—all in keeping with the philosophy of the European recovery program and also with our boasted good-neighbor policy, if we mean it. I for one believe we mean it, notwithstanding the handicaps which are interposed by private individuals and private industry in carrying out the good-neighbor policy.

Mr. President, on February 28, 1947, President Truman visited Mexico City and there delivered an address to the Mexican people. In that speech the President reiterated how the good-neighbor policy applies to international relations the same standards of conduct that prevail among self-respecting individuals within a democratic community, and he concluded his remarks by saying, "Our two countries will not fail each other." Latin Americans as a whole believed those words of President Truman. How does this affect oil? I shall undertake to show how.

I have stated that there is a shortage of oil, and there is. Much has been said about the production of oil in Saudi Arabia, and it is known that most of our equipment for the production of oil is now going to Saudi Arabia, thousands of miles away.

I hope that Senators who have been patient and courteous enough to remain here while I address the Senate will listen closely to the remarks that I am about to make.

In the case of an emergency and a war can we depend on the production of oil in Saudi Arabia or does it behoove us, notwithstanding our efforts to get oil there, to do something to produce oil which can be obtained at our back door? The oil potentials of Mexico are large and with the permission of the Senate, I am going to talk about them, because they are directly across an artificial line from our own country, and not within striking distance of the people whose aggressions the Senate is trying to prevent—the Russians.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. WHERRY. I was unfortunately called from the floor a moment ago. I understand the Senator is now addressing himself to the subject of Saudi Arabia, and I understand the Senator's position to be that there are proved oil fields within the United States and within the Western Hemisphere. I know it is difficult to follow the work of all the committees, but if the Senator has followed the work of the Small Business Committee closely, I am sure he recalls the statement made that we are at present behind in this country to the extent of 67,000 oil wells, either wildcat wells or wells in proved territory. I missed a portion of the Senator's remarks, which I deeply regret. Is it the Senator's feeling that, as a matter of national security and of keeping our petroleum production efficient and up to standard, having the equipment to do so, it is essential we continue to produce, and to bring in new wells in the United States and in the Western Hemisphere for that very purpose?

Mr. CHAVEZ. And to bring in other wells 6 feet away from the border of the United States. The Senator understands me correctly, and if he will only be patient enough to follow what I shall have to say, I am sure I can convince him and anyone else who is willing to be convinced that we are neglecting something that is of importance even in the matter of national defense.

Mr. WHERRY. I shall listen with interest to the Senator's remarks. I deeply appreciate the interest of the Senator, who has always taken more than casual interest in every subject matter of which he speaks. I realize, too, that the Senator is an authority on the production of oil.

Mr. CHAVEZ. The subject may be approached from various standpoints. It may be approached from the standpoint of national defense, which is our business. It may be approached from the standpoint of giving effect to the good-neighbor policy. It may also be approached from the standpoint of giving effect to the program we are now discussing.

Mr. WHERRY. Does the Senator know that the Department of Commerce has issued an export license for 33,000 tons of steel, to be exported to Saudi Arabia as its quota?

Mr. CHAVEZ. I have the figures on my desk.

Mr. President, the world-wide shortage of crude petroleum—probably the most essential natural resource for all present day industrial activity—is universally recognized as an alarming and lamentable fact. It is not too much to say that, in our own time, the dearth of oil may retard in most costly manner the continued growth of commerce and, indeed, profoundly affect, adversely, the development of modern civilization. From a nationalistic standpoint having in mind the matter of our national defense, a severe lack of oil, in the opinion of military experts, could easily be catastrophic in its effects upon our national safety. For no wheel of industry or of war can turn upon its axle without oil. That is axiomatic. We all know that to be so.

The shortage of crude petroleum is not revealed in figures of a declining production of that vital product. Crude oil production of the United States and of the world is currently breaking all records. Even so, however, the huge production volumes are unable to keep pace with the ever-increasing demands of the modern age. Although the United States is today producing approximately twice as much oil as it was producing a decade ago, nevertheless, our supply and demand relationship is so alarmingly serious as to

lead our experts to the belief that shortage of supply is of such nature as to jeopardize the national security and to threaten our means of national defense.

The Secretary of Defense recently has informed the Congress and the Nation that if war, unfortunately, should be thrust upon us, our immediate requirements for oil, in order to enable us to conduct modern warfare in our defense, would be 2,000,000 more barrels daily than our present capacity to produce. Realizing the vital danger of such a circumstance, both the Secretary of Defense and the Secretary of the Interior have gone on record as favoring the immediate building of a synthetic-oil industry to cost, possibly, the stupendous amount of approximately $9,000,000,000, not to mention the length of time necessary for the building of such a huge new industry. These official expressions of opinion and the solemn recommendations directed toward such tremendous effort in the attempt to provide an adequate supply of this most vital product indicate the threatening grave consequences that may befall us if the problem of scarcity cannot be solved. The situation, therefore, demands exhaustive and careful search for every possible source that may satisfy the need for more oil. New oil reserves, more abundant oil fields, are the need of the hour.

The search for oil has stimulated our interest and directed a considerable part of our effort toward developing areas located even in remote parts of the world and many thousands of miles from our own shores. These operations involve investments totaling hundreds of millions of dollars, and hazards not only incident to the nature of such business, but also involving possible international complications that call attention forcefully to the difficulties, the risks, even the wisdom of such ventures. Yet the vital need of the world for this essential product and the great relative scarcity of it impel the relentless search and the almost frantic development of large deposits wherever they are known to exist. Indeed, the acquisition and control of such deposits are jealously guarded as prized possessions of prime importance to the needs of nations.

I am cognizant of the recommendations of our Defense Secretary for the sending of large quantities of steel to far-off Saudi Arabia for use in developing the prodigious deposits of oil known to exist in that fortunate or unfortunate land. I am in favor of the development of oil reserves wherever found in the world, for I realize the need of the world economy for more and more oil. I am of the opinion, however, that, in our zeal to accomplish more in the way of adding to the world's production of oil, we have overlooked a great opportunity, an opportunity close at home and available in the land of a friendly, next-door neighbor. I speak of Mexico.

In the opinion of oil experts, Mexico is a land, blessed like regions in our own country offsetting her immediately to the north, with huge oil deposits ranking with the greatest of the earth. Mexico already has produced billions of barrels of crude petroleum from only a small portion of the areas held to be prospective producing fields probably capable of yielding many more billion barrels of this much needed product. The area has not yet been scratched. I am referring to the area of Mexico next door to the United States, not an area 10,000 miles away. The Mexican Government has undertaken an extensive program designed both to develop fully present producing oil fields and, as well, to explore, discover and develop still additional new fields. There are millions of barrels of oil across from Laredo and Del Rio, Tex., within a hundred miles of the oil fields in the State of New Mexico. It is a tremendous potential, lying next door to us, with refineries located in the State of Texas.

This effort on the part of our neighbor republic is a most worthy one and should redound greatly to the benefit of her own national economy as well as, indeed, to contribute substantially to world needs—incidentally, no doubt, allowing our own country a fair and proportionate participation. The discovery and development of huge oil reserves on our own North American Continent will be recognized, even by a lay person, as a matter of the greatest and most important moment, so far as continental defense is concerned, and surely must be regarded as a project highly to be desired. Every possible aid to further such a program should be readily forthcoming with at least equal effectiveness to the encouragement given development programs many thousands of miles away. To fail to give such notice would be to neglect the development of an economy close at home, thus to place us at disadvantage in the possible utilization of oil production within easy accessibility in time of peace and relatively easy to defend in time of war. To neglect the development of such a petroleum economy should justify our severe condemnation.

It is gratifying to learn that our Secretary of State recently informed the press that, in view of certain world conditions, our Government now is looking to Latin America for additional supplies of oil. In addition to the fact that our State Department now apparently is favorably inclined toward the discovery and development of oil reserves to the south, I am advised that American oil refiners, greatly in need of additional crude oil to enable them to continue refining operations, look with hope to any steps which may increase production in the territories of our southern neighbors. It seems to me, therefore, that the purpose of Mexico to proceed substantially in the direction of the attempted discovery and development of huge oil deposits known to exist in that country justifies our giving consideration to every possible aid in cooperation with Mexico in that regard. Such a policy on our part must be a constructive one, definitely within the so-called national interest of our country. Any lay person will quickly perceive the vital importance to the United States, both in times of peace and of war, of the presence, immediately across our southern friendly border, of large oil-producing regions.

It is a matter of current knowledge that operations to be conducted in Mexico in the effort to carry out the development program already started there will require considerable amounts of steel products, and it is true, of course, that the entire enterprise is vitally dependent upon such deliveries. The enterprise, in fact, cannot go forward in face of a complete absence of the required steel, and it is an unfortunate fact that steel is being denied for this great project. This situation brings me to a discussion of our national policy with respect to the allocation of steel from American mills for shipments abroad and raises immediately the relative value of the different oil development enterprises abroad that are demanding shipments of steel from American mills.

The fact is that the business of developing oil resources in our neighbor country, Mexico, is now obstructed because of pressure for development elsewhere, and since this "elsewhere" happens to be some 8,000 to 10,000 miles away from our own American shores, the question of policy as to the advisability of neglecting the development of a near-at-hand economy in favor of one in a remote part of the world comes directly to the fore. In that connection, I wish to go on record as stating that mine is a "North America First" policy. I do not agree that no consideration is more important to this country than oil in the Middle East.

The oil of Mexico, the oil of Colombia, the oil of Venezuela, are more important to us than the oil of Saudi Arabia. Mr. Sumner Welles about 10 days ago said, "Suppose we had it and something happened. Would we have it the next day?" But we could have this Mexican oil the next day. I insist that oil in Mexico, a friendly next-door neighbor, as the President said, is worth more to this country, from the simple standpoint of easy and safe accessibility, both in peace and in war, than that found on the back door step of Russia, on the other side of the world.. Would Russia attack the wells of Mexico or of the United States, or would she attack those in Saudi Arabia? A child could answer the question.

Why should a huge oil combine be favored in the development and exploitation of an oil reserve far away, certain to require tremendous cost in dollars and possibly a great future cost in the lives of young Americans to defend it, while nothing whatsoever is allowed to function by way of providing even a small amount of needed supplies to further a legitimate enterprise directed exclusively to the development of our own North American economy? If Congress is to be led or misled, stampeded or cajoled by the executive officers of the Government into aiding every expensive venture far from our homes, and related to the development and exploitation—for the sole benefit of a great oil combine—of the natural resources of foreign peoples whose welfare is unrelated to influences vitally affecting either our own national economy or our national defense, why should not the Congress the more wisely be expected to address itself to the business of aiding in the development of our own section of the world to the greater advantage of all of us who live here?

Looking unflinchingly at the face of stark reality, the situation today is one

in which major oil concerns are demanding for themselves practically all the casing that is coming from the entire steel-mill capacity of America. In other words, the major oil companies have cornered the steel market for oil-well supplies. There is law against the cornering of the stock market. There is a law against the cornering of the wheat market. There is a law against the cornering of the cotton and other markets. Laws today are in effect to protect the public interest against the sheer weight of money when used to corner, for a few predatory folk, the basic necessities requisite for the maintenance of the general welfare. The general welfare is what we should be interested in.

In the present instance there may be no law or no arm of our Government which can function toward the solution of this steel problem. I hope the Senator from Nebraska will have a solution.

I should like to invite attention again to the fact that of all the basic forms of wealth, oil is the natural resource most essential to all forms of industrial activity. The protection and the guaranty of a sound and continuing development of the North American petroleum economy, therefore, fall within the musts for consideration of a government that is dedicated to the principle, among others, of promoting the general welfare and providing for a common defense. Providing for the common defense, so far as we are concerned, should start right here.

It is an unhealthy condition for any industry when a few dominating agencies of the industry control its basic element of supply. It will be a sorry day for the world at large when the American oil monopoly must be recognized as controlling, exclusively, the world's most-treasured and most-needed natural resource. If capitalism ever contributed to the cause of a world war, as many of our people believe, we most certainly then must see its performance to that end.

Under present circumstances it appears impossible for Mexico to obtain supplies necessary to put her oil-development program into full operation. In the face of this condition of fact, our Defense Secretary has appeared before Congress with a "first consideration" proposition calling for the shipment to Arabia of some one-half million additional tons of steel for use of oil companies there, instead of what was mentioned, a half million additional tons of steel. It is difficult to understand how anyone can plead for action that would make it easy for an oil corporation to take unto itself, for foreign fields afar, 500,000 tons of steel without which North American enterprises could not exist.

I wish to state that in my references here to Arabia I am not particularly opposed, personally, to the Arabian project, per se. As a matter of fact, I am not at all concerned if the entire world desires to dump prodigious amounts of steel upon the Arabian Peninsula, providing, of course, it has it to dump, and also providing that in the dumping process complete neglect of the development of the North American economy does not result. As this condition of affairs is exactly what is happening, however, I feel impelled to make references to some of the obvious features in the program which affect the welfare of the people of our own continent.

Mr. WHERRY. Mr. President, would the Senator yield at that point, or would he prefer to continue?

Mr. CHAVEZ. I yield.

Mr. WHERRY. A statement was made a moment ago relative to steel allocated to the Saudi Arabia field being in the amount of 500,000 tons, as the Senator has stated. The figure I used, as I remember, which appeared in the testimony adduced by the Small Business Committee, was in the neighborhood of from 440,000 to 460,000 tons for the complete construction of the trans-Arabian pipe line and the producing facilities around the eastern part of the peninsula from which the oil comes.

If I remember correctly, however—and the Senator can correct me if I am wrong—360,000 tons of that steel was to go into the pipe line itself. The remainder was to go into the producing field.

Mr. CHAVEZ. Drilling equipment, and so forth.

Mr. WHERRY. That is correct. When the Small Business Committee discovered what was going on, it took the matter up in executive session with the agencies involved, because the members of the committee felt that the position taken by the agencies was that it did not make any difference in what part of the world petroleum fields were developed; that if petroleum fields were developed anywhere the result would be to help solve the world-petroleum problem. Of course, that argument has considerable merit. On the other hand, at that time much evidence was submitted by those in high military position, by those interested in the national security and in the general welfare—to which the able Senator from New Mexico has referred—who testified that while it was true that the development of the Saudi-Arabian oil fields would mean that oil could be shipped quickly and at less cost to European nations needing oil, yet if steel were allocated in a considerable amount for the development of oil fields in the Western Hemisphere it would mean that oil in sufficient quantity could be had by us not only in time of peace, but in time of war, which would be a very potent weapon in our hands, if needed.

The question then came down to the point: What is the emergency for building a pipe line in Saudi Arabia? The answer was that transportation was involved; that oil could be furnished more quickly and more cheaply from such fields to Europe. It finally developed from the evidence adduced that it was merely a question of a lower rate of transportation. But it was pointed out that an emergency existed here in our country, because there was a shortage of oil, so there was need for developing fields in our country and close to our country, in Mexico.

Oil fields can be developed in Mexico economically, if only sufficient steel can be secured for the purpose. The development of the Saudi-Arabian pipe line would furnish a cheaper means of transportation than shipment of oil through the Suez Canal, but inasmuch as the oil contemplated to be obtained from such development would not be available until 1952, the contention was that we should proceed to the development of fields in the Western Hemisphere; that wildcatting should be encouraged, and that wells should be drilled in the proven fields in order to increase production in the Western Hemisphere. It was shown that such production would be necessary to promote the general welfare and provide for the common defense of our own country.

As I previously stated, the argument was advanced by some that it made no difference where oil fields were located; that as each new field was developed it would tend to help in solving the problem of the world-wide shortage of oil. But, as I further stated, evidence was also adduced which confirms the position taken by the able Senator from New Mexico, that if possible, the oil should be produced in proven fields in our own country and in fields in Mexico, and in Latin America. Such production, as I have stated, would serve to promote the general welfare and provide for the common defense of the United States, and would also serve as a means of promoting a good-will policy toward our neighbors in the Western Hemisphere.

Mr. CHAVEZ. Mr. President, my suggestion is simple. I have no objection whatsoever to the development of Saudi-Arabian oil fields, but I do object to the oil companies securing all the steel which is now produced in the United States, and transporting it to Saudi Arabia for the development of fields over there, which will not be of value to us in promoting our national defense or our national economy.

By nature's law and by nature's God, the development of the North American economy is a natural duty imposed upon the people of Canada, the people of the United States, and the people of Mexico. Their economy is a homogeneous economy, and the destinies of all the people who are compelled to live upon it depend, in the ultimate, directly upon the manner of their behavior in developing, exploiting, and utilizing it. In this great duty and in this great destiny, Canada, the United States, and Mexico find themselves bound together as natural partners. As such, each possesses a part and parcel of the whole and is morally bound, for the general welfare of the entire continent, not only to shoulder the burden of its own responsibility toward developing the continent's natural resources, but also to aid another partner, if necessary, to get under way with the same kind of work. Our Chief Executive recently very solemnly has pledged, both to the peoples of Mexico and to those of Canada, the full cooperation of the United States in this very regard.

Mr. President, I hope that what will be done under the pending legislation will be of ultimate good to the world at large. I would not object to an appropriation of three times the amount called for in the bill, and to having the money sent to Europe, if the people of Europe

would in turn set to work, and, by using what we give to them, do everything within their power to place their own economy on its feet.

Three or four days ago representatives from the State Department appeared before a committee of Congress. From what was said in that committee it appears that it is proposed to dangle $600,000,000 before the countries of Latin America. Is it better to give away to them $600,000,000, or is it better to sell them something of practical value in developing their own industries, their own natural resources, so we can receive something in return? What is the common sense of the matter? The difficulty is that we are all the time dangling dollars. We should use a little common sense in approaching the problem of what to do which would be of ultimate benefit to the United States, to Latin America, to Mexico, and to the world at large. We should indulge in some common-sense horse trading. Let us give to Latin American countries some of the steel which is going to Saudi-Arabia and let them use it in an attempt to work out their own salvation. From whom would they buy the things they need, if they were secure economically? They would buy from the United States. The United States should help them develop their oil fields and other natural resources. If oil fields are developed close to home it will mean much to us in the way of providing a means for our own defense.

Mr. President, having in mind our natural duty toward our good and friendly neighbors in this great and divinely constituted partnership and, as well, the pledge of our country's Chief in that selfsame direction, who among us can be justified now in coming forward to advocate the sapping of our economic strength, the stultifying of our growth, by removing our treasure beyond the reach of all of us, by denying the steel necessary to protect our competitive system in the developing of our North American petroleum reserves—who can do this for the sake of aiding in the development of an economy, strange and unnatural to us, far away from us in a remote part of the world, and subject to the will of foreign peoples who very possibly could become future potential enemies of ours or at least easy prey for future potential enemies of our country?

More and more of the American people are becoming sick at heart because of our foolish governmental tendency to give away so substantially of our substance when the gift has to do with purely non-American issues and whilst such policy denies the goods which, under wiser direction, could be used to develop the economy of North America—our home and our next-door neighbors' homes. To be concrete can anyone tell me any sound reason why Mexico should be completely unable to find assistance in her struggle to buy steel from steel mills in America when the Secretary of Defense can so willingly come before us and advocate the shipment thousands of miles away of hundreds of thousands of tons of steel?

Mr. President, I maintain that I am just as patriotic as is the Secretary of Defense.

The defense of America argument surely carries no weight in these considerations for is there a military man worthy of a decoration who will stress the easy defense by us of the Arabian oil fields and their long extended pipe-line system while, at the same time overlooking what is obvious even to the lay person, namely the relatively easy defense of Mexican oil fields, situated as they are on the very porch of the United States of America and constituting a definite portion of the North American economy of which we are such an integral part? In the defense of America our military must defend and can defend our own continent. In any war against a great power dominant in the Middle East, our military would encounter far different and more difficult problems in defending the Arabian oil holding of a few big oil concerns whose policies now selfishly deny even the development of the great and yet undiscovered oil reserves of our sister republic just south of our own border. Logic of our entire present policy in this regard suggests a complete revaluing and, indeed revamping of it. Let us not foolishly follow imperialistic policy to a point of development of large foreign oil fields to dangle before a future enemy as a bite to be taken in one huge gulp on the first unfortunate day of attack. Let us build within the fences around our own shores an economy prosperous and strong enough always to defend ourselves and to make America secure in the world—not a nation to be sapped of her strength by giving away the very substance of nature's gifts with which she has been so bounteously blessed and which now are so essentially needed at home in the development of her own economy. How can this nation of ours, in the face of expressions on the part of our President, whose avowed purpose is to aid our neighbor, Mexico, deny now the development of the Mexican petroleum economy whilst feeding to far off Arabia steel that is essentially required to make good the promise to Mexico?

Answer to this question can be found only in a keen perception of the nature of the influences apparently working among the personnel and the various departments of the executive branch of our government. I charge that too many of our executive officials give too sympathetic ear to the blandishments, the arguments, the subtle propaganda, the one-sided presentations of paid representatives of big oil corporations. I charge that these representatives are well known and well received by our State Department and that a relationship and an acquaintance exists there that makes for bad sledding for the competitors of such big oil corporations in that certain of our public officials do things for these big combines whilst damning enterprises in which they have no participation. But first I must state that in 1938 the Mexican government expropriated, with most excellent reasons in my opinion, the oil properties in Mexico which large American oil corporations for many years had exploited.

Let me give an instance of how they operate. I am willing to make this statement in Wall Street or anywhere else where I would not be protected by congressional immunity. I wish to tell what an oil man said to me. He had been the manager of a corporation in Mexico for 28 years. I arrived in Mexico City 5 or 6 days after expropriation. When I went into the lobby of the hotel, I met him. I knew him well. He said, "Dennis, let us have a Scotch and soda." So we went to have a Scotch and soda. While there he said, "Things are bad." I knew what he was talking about, namely, expropriation. I said, "What is bad?" He said, "This fellow is crazy." I said, "What fellow?" He was talking about the President of Mexico. After he talked to me, the President of Mexico went up in my estimation.

I said, "Why is he crazy?" He bluntly replied, "He will not take a dime. We used to be able to handle such officials with money and in other ways, but this fellow is crazy. He will not take a dime."

He was talking about the President of Mexico. So the President of Mexico began to go up in my estimation.

The large oil companies used to operate by murder, arson, and robbery. I know American businessmen who would like to go down there and do an honest business, and make money for themselves without robbing the people of Mexico. They would like to produce oil for the United States, and bring a little money into Mexico so that the Mexicans could buy from the United States. But Big Business wants to get in there under its own terms. That is why the small operators are not getting steel.

These expropriated companies today are keenly desirous of returning to Mexico—on their own terms and in the old way—to develop and to exploit forevermore the greatest known wealth of the Mexican Nation. These companies are jealous of any independent enterprise that gives promise of developing, on any fair basis other than one which they, themselves control, the great petroleum reserves of Mexico.

There consequently now exists an effective conspiracy against operations for the development of the oil reserves of Mexico badly needed as this development is. The participants in this conspiracy are certain of the big oil companies and of the big steel companies working in perfect concert to deny the steel requisite for this program.

It is a fact that the steel companies of America, through their subsidiary supply companies or their supply house representatives, follow a definite policy of cultivating their so-called Big Business oil company customers and that the steel companies, through their supply or sales organizations, look to the protection of such Big Business customers by seeing to it that such customers receive a preference when the matter of deliveries of steel supplies is involved. I further charge that supply houses, in deference to their steel company masters, refuse specifically to sell steel casing that is known to be desired for the purpose of use in Mexico, and that the steel companies act in concert with the big oil corporations to this end. Conversely to this line, however, it is known that at least one large oil company, at a time of severe shortage of steel casing, has been

supplied freely by the steel companies with such immense quantities of that particular much-needed product that the company finds itself today possessed of more of such supplies at its properties in the Middle East than it can use for the next 2 years.

I realize the difficulty in coping against such powerful and sinister forces as are found in the world's huge monopolies today. But in the tie-up of the great oil and steel organizations, clothed in hypocrisy and strangely nurtured by influential channels of our own Government, will be found the modus operandi that not only gives driving power to the very grave and dangerous threat that exists today not only for individual initiative and free enterprise in America but also constitutes sabotage of our good-neighbor policy and of our efforts toward continental and hemispherical defense.

That is what ruined the Rio Conference. That is what ruined the Habana Conference. That is what ruins the work of the Senator from New Mexico and the Senator from Texas in Mexico City. That is what ruins the good-neighbor policy. The monopolists wish to control things for their own selfish purposes.

Within the past few days the State Department has advised Congress that a hemispheric recovery program is contemplated, suggesting to Congress that it appropriate $600,000,000 for that purpose. I presume it will be more or less of the nature of the program we are now considering.

In my opinion, it might be necessary to appropriate that amount; but if we can do a little trading with those countries in the ordinary American way without trying to influence them, I believe that they can solve their own problems.

Two or three days ago I heard the suggestion that one of the reasons we had to rush this program through and appropriate the money it calls for was the election in Italy. It is a violation of at least the spirit of the Hatch Act for us to appropriate money merely because there is an election in Italy. We might as well stop such use of the mighty dollar. The mighty dollar should be used as a medium of exchange. Let them earn the mighty dollar and help develop their country in that way. That will do more good than dangling before the eyes of our neighbors $600,000,000 for hemispheric recovery. Dollars are all well and good, but we shall not have recovery in the Western Hemisphere by supplying dollars alone. Talking of supplying $600,000,000 might have some effect on the representatives of foreign governments in their meeting at the end of this month at Bogota, but it will not bring about economic recovery anywhere. Mr. President, recovery must come at least in part from the efforts of those who wish to achieve recovery. For instance, it will come by having them plant beans or grow cotton or raise other crops rather than by simply having $600,000,000 dangled before them.

The State Department can do more for its program by insisting that American industry, especially the steel industry, furnish Mexico with oil machinery to develop its potentials. That can and should be done. Then it could be proved to Latin America that we are good neighbors. Then we could also relieve the oil shortage.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 1174) to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GEORGE. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, after line 20, it is proposed to insert the following new subsection:

(d) In providing for the performance of any of the functions described in subsection (a) of section 11, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this act, utilize private channels of trade.

Mr. GEORGE. Mr. President, this amendment was previously offered in printed form, but I have modified it to some extent.

As the amendment now stands, it simply provides that the Administrator in procuring, processing, transporting, or repairing any of the commodities which he may acquire under this act, shall utilize so far as possible private channels of trade. This amendment has the approval of the State Department, and I think it has the approval of the chairman of the committee. In fact, it is implicit in the bill itself, but it is not spelled out in the bill.

Mr. VANDENBERG. Mr. President, I entirely agree with the able Senator from Georgia. The consideration of the bill in the committee itself constantly emphasized the basic principle which is here stated. So far as the chairman of the committee is concerned, he considers it highly appropriate that the directive should be asserted as indicated in the pending proposal.

Mr. WHERRY. Mr. President, will the distinguished Senator from Georgia state for me his interpretation of subsection (c), the one preceding his amendment?

Mr. GEORGE. That is an amendment offered by the distinguished Senator from Kentucky [Mr. BARKLEY].

Mr. WHERRY. Yes.

Mr. GEORGE. I should prefer to have him interpret it. The amendment I am offering has nothing to do with that one.

Mr. WHERRY. Very well.

Mr. GEORGE. All this proposed new subsection is intended to do, Mr. President, is to have the Administrator utilize private channels of trade for procuring and preparing the commodities which he is to acquire. The whole purpose of the amendment is to have those commodities and the services on them secured on a competitive basis, and also to forestall the possibility of the creation of a wholly unnecessary bureaucracy for procurement purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. GEORGE].

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, in connection with the amendment just adopted, I wish to make a brief statement, similar to the one I made in respect to the interim-aid bill, regarding freight forwarders and other elements in the normal channels of transportation.

In this bill authority is given for the transportation of supplies to the recipient nations. As is stated in the committee report, however, it is intended that the normal channels of transportation are to be used to the maximum extent practicable to handle these cargoes—which is precisely what the amendment of the Senator from Georgia indicates in a broader sense.

Not only does this envisage the use of privately owned ships, but it is also our intention that private freight-forwarding channels, where normally utilized for handling cargo, shall be used to service any similar cargoes shipped under this bill. In rare cases, of course, such use of commercial forwarders might interfere with the efficient and economical handling of cargoes, and consequently would be undesirable. However, it is our position that ERP cargoes should in almost all cases be handled in accordance with the purposes of section 217 of the Merchant Marine Act of 1936, usually referred to as the Bland Freight Forwarding Act. It is not intended that Government agencies supplant or take over the functions normally performed by private-enterprise freight forwarders.

Mr. President, I wish to make this additional comment regarding what has just been placed in the bill: I hope it will satisfy the junior Senator from Kansas in respect to the first part of the amendment he has offered in regard to the handling of wheat and flour, an amendment which is still on the clerk's desk awaiting subsequent consideration.

Mr. President, the junior Senator from Kentucky has two amendments to submit. One of them is completely without controversy. I suggest that he send that amendment forward first.

Mr. COOPER. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 32, between lines 20 and 21, it is proposed to insert the following new section:

WESTERN HEMISPHERE COUNTRIES

SEC. 16. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

Mr. VANDENBERG. Mr. President, if I may interrupt the Senator from Kentucky, the purpose to which he directs his amendment is certainly implicit in the entire plan. The success of the objective which he underscores is highly essential to the success of the entire enterprise. So far as I am concerned, I should be very happy to have the amendment incorporated into the bill.

Mr. COOPER. I thank the distinguished Senator and say to him that his work on the European recovery plan holds my great admiration and respect. I have submitted the amendment to emphasize that if the European recovery program is to succeed, it will need not only the assistance which can be furnished by this country but also the assistance which can be furnished by other countries in the Western Hemisphere. It is expected that the requirements of the 16 participating countries in the way of imports and credits will be satisfied by other countries in North and South America as well as by the United States. On page 24 of the report, which has been filed by the committee, it is shown that there shall be required imports to the total value of $12,959,100,000 from the Western Hemisphere.

It is estimated that credits in the sum of $700,000,000 are expected to be furnished by other countries of the Western Hemisphere. If the credits and commodities are not furnished by our neighbors, either the minimum requirements of the program will not be made available and the program will, to the extent of the failure, be endangered, or we will be asked to make up the deficit, curbing inflationary pressures. The amendment will require that the President take all appropriate methods to secure from the other countries of the Western Hemisphere their necessary assistance and cooperation. There is nothing on the record to show that such steps have thus far been taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. VANDENBERG. Mr. President, the Senator from Kentucky has a further amendment, as I understand, which I wish he would submit, to lie upon the table, and to be printed.

Mr. COOPER. Mr. President, I send to the desk an amendment, which I ask be printed and lie upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill is open to further amendment.

RECESS

Mr. WHERRY. Mr. President, the Senate apparently having concluded its work for the day, I now move that a recess be taken until tomorrow at noon.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 11, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 10 (legislative day of February 2), 1948:

DIPLOMATIC AND FOREIGN SERVICE

Evett D. Hester, of Indiana, for appointment as a Foreign Service officer of class 2 and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Olcott H. Deming, of Connecticut.

William L. Kilcoin, of the District of Columbia.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

John Dorman, of the District of Columbia.

Raymond E. Lisle, of New York.

William J. Ronan, of New York.

S. Wilson Clark, of California, for appointment as a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

GOVERNMENT PRINTING OFFICE

John J. Deviny, of the District of Columbia, to be Public Printer.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY IN THE ARMY NURSE CORPS AND THE WOMEN'S MEDICAL SPECIALIST CORPS

To be captains

Genevieve S. Beard, WMSC (PT), [redacted].
Leona F. Koch, WMSC (Diet.), [redacted].
Dot Miller, WMSC (Diet.), [redacted].
Jessie L. Miller, WSMC (PT), [redacted].
Elizabeth M. Nevels, WMSC (Diet.), [redacted].
Margaret Stuart, WMSC (Diet.), [redacted].

To be first lieutenants

Agnes Bacior, ANC, [redacted].
Ethel L. Barnes, WMSC (Diet.), [redacted].
Geraldine B. Bernard, ANC, [redacted].
Edith J. Bonnet, ANC, [redacted].
Faith Boyd, ANC, [redacted].
Faunetta L. Brown, ANC, [redacted].
Ann C. Browning, ANC, [redacted].
Martha Carle, ANC, [redacted].
Corinne Casey, ANC, [redacted].
Mary A. Casserly, ANC, [redacted].
Katherine E. Chickering, ANC, [redacted].
Louise M. Coard, ANC, [redacted].
Irene M. Connell, ANC, [redacted].
Gladys R. Corey, ANC, [redacted].
Dorcas E. Coulter, ANC, [redacted].
Edna F. Crandall, ANC, [redacted].
Paula B. Crowe, ANC, [redacted].
Kathleen M. Dean, ANC, [redacted].
Glenice H. Dearborn, ANC, [redacted].
Ada W. Desprez, ANC, [redacted].
Rachel E. Dillemuth, ANC, [redacted].
Irene M. Donahue, ANC, [redacted].
Pauline K. Driscoll, ANC, [redacted].
Ruby I. Easter, ANC, [redacted].
Nellie I. Feagans, ANC, [redacted].
Virginia M. Gillespie, ANC, [redacted].
Thelma R. Glover, ANC, [redacted].
Alyce D. Gordon, ANC, [redacted].
Orpha L. Grimsrud, ANC, [redacted].
Irene I. Guenther, ANC, [redacted].
Corinne R. Hauck, ANC, [redacted].
Mildred J. Hillhouse, ANC, [redacted].
Marynell A. Hoefs, ANC, [redacted].
Betty J. Hughes, ANC, [redacted].
Dorothy J. Hund, ANC, [redacted].
Jane V. Isler, ANC, [redacted].
Olah Jones, ANC, [redacted].
Angie C. Kammeraad, ANC, [redacted].
Elizabeth E. King, ANC, [redacted].
Julia E. Koszalka, ANC, [redacted].
Jean B. Koziol, ANC, [redacted].
Rose Kudletz, ANC, [redacted].
Ruth R. Kuhlmann, ANC, [redacted].
Dorothy E. Kwiatkowski, ANC, [redacted].
Mildred D. Lang, ANC, [redacted].
Hester M. Logar, ANC, [redacted].
Louise M. Malone, ANC, [redacted].
Agnes McMahon, ANC, [redacted].
Margaret M. McManus, ANC, [redacted].
Marian R. McQuiston, ANC, [redacted].
Mary A. Michelitch, ANC, [redacted].
Irene E. Miller, ANC, [redacted].
Ruth T. Mills, ANC, [redacted].
Dorothy E. Mooneyham, ANC, [redacted].
Dorothy B. Morgan, ANC, [redacted].
Mary A. Mulholland, ANC, [redacted].
Anne M. Murphy, ANC, [redacted].
Gladys M. Nash, ANC, [redacted].
Sarah L. Neal, ANC, [redacted].
Anne L. Nodziak, ANC, [redacted].
Alma M. Nyberg, ANC, [redacted].
Ree S. Oler, ANC, [redacted].
Mary E. Pilchard, ANC, [redacted].
Olivette C. Plante, ANC, [redacted].
Ann C. Polchak, ANC, [redacted].
Julia R. Pollack, ANC, [redacted].
Julianne M. Rheaume, ANC, [redacted].
Emily M. Rickey, ANC, [redacted].
Mabel L. Rime, ANC, [redacted].
Ruth M. Robinson, ANC, [redacted].
Margaret K. Rucker, ANC, [redacted].
Lucile A. Seaman, ANC, [redacted].
Eugenia M. Sieve, ANC, [redacted].
Carolyn E. Smith, WMSC (Diet.), [redacted].
Frances A. Soule, ANC, [redacted].
Agatha B. Spaeth, ANC, [redacted].
Margaret C. Stafford, ANC, [redacted].
Valeska B. Staudt, ANC, [redacted].
Annie B. Stewart, ANC, [redacted].
Nellie T. Tamalonis, ANC, [redacted].
Martha J. Taranta, ANC, [redacted].
Lois L. Turnbull, ANC, [redacted].
Maude C. Vertrees, ANC, [redacted].
M. Eloise Watkins, ANC, [redacted].
Marcella Wenderott, ANC, [redacted].
Louise A. Whalen, ANC, [redacted].
Juanita H. Williams, ANC, [redacted].
Eileen A. Wittman, ANC, [redacted].
Mary G. Young, ANC, [redacted].
Nellie J. Zalesney, ANC, [redacted].

To be second lieutenants

Ethlyn S. Altmann, ANC, [redacted].
Margaret E. Burk, ANC, [redacted].
Odessa A. Falls, ANC, [redacted].
Helen J. Fitzgerald, ANC, [redacted].
Marilyn A. Goeltz, ANC, [redacted].
Alma E. Guinn, ANC, [redacted].
Pearl I. Jank, ANC, [redacted].
Phyllis I. Morrow, ANC, [redacted].
Della I. Murphy, ANC, [redacted].
Nancy B. Power, ANC, [redacted].
Katherine W. Schumacher, ANC, [redacted].
Jean E. Thompson, ANC, [redacted].
Signe Trangsrud, ANC, [redacted].
Betty J. Walls, ANC, [redacted].
Marian Waterhouse, ANC, [redacted].

IN THE NAVY

The following-named (naval ROTC) to be ensigns in the Navy:

Charles DeArmond, June 4, 1948.

Robert P. Hilton, June 4, 1948.

Wayne G. Shear, June 4, 1948.

Richard E. Fahrenwald (naval ROTC) to be an ensign in the Supply Corps of the Navy from the 4th day of June 1948.

Philip J. McEleney (naval ROTC) to be an ensign in the Civil Engineer Corps of the Navy from the 4th day of June 1948.

George P. Edgerton (civilian college graduate) to be an ensign in the Supply Corps of the Navy.

The following-named officers to the grades indicated in the Medical Corps of the Navy:

LIEUTENANT COMMANDERS

Glenn E. Drewyer

James P. Moran

LIEUTENANTS (JUNIOR GRADE)

Jonathan M. Allen — Robert E. Rowand
William L. Chapman — Robert W. Sharp, Jr.
Holt B. Maddux — Charles R. Sullivan

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDERS

George S. deShazo
William I. Gullett

LIEUTENANTS

Leonard M. Kraske
Jeremiah T. Sunde
Allan L. Wallace

LIEUTENANTS (JUNIOR GRADE)

Luke J. Braxmeier
Gage Colby
Robert G. Martin

The following-named officers to the grades indicated in the Nurse Corps of the Navy:

LIEUTENANTS

Eddy L. Harris
Ingrid C. Suess

LIEUTENANTS (JUNIOR GRADE)

Louise J. Bartlett — Lillie M. Harwood
Jane H. Farr — Gayle M. Lang

ENSIGNS

Ann Belaeff — Marita D. Petit
Isabel V. Hunsecker — Charlotte S. Rasmussen
Hedwig L. Kratz — Louise W. Sharp

IN THE MARINE CORPS

The below-named officer for appointment to the temporary grade of brigadier general in the United States Marine Corps:

John T. Selden

WITHDRAWAL

Executive nomination withdrawn from the Senate March 10 (legislative day of February 2), 1948:

POSTMASTER

J. Willard Krause to be postmaster at Manistee in the State of Michigan.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 10, 1948

The House met at 12 o'clock noon.

Rev. Father George E. Shank, of St. Edward's Church, Baltimore, Md., offered the following prayer:

O Almighty God, Divine Lawmaker, we implore You to look upon this gathering, invested with the authority of making laws for the welfare of the people of this Nation.

We realize, oh, O God, that any authority given to us comes from You. We beg You to help us always to keep this in mind, especially in this day when Your laws are so disregarded by many, when so many disregard Your very existence. We also realize, O Lord, that unless You build the house, we who build it labor in vain.

The fact that the Members of this Congress for the past century and a half have called upon You for aid has saved our great Nation from many a catastrophe and has made us victorious in many a crisis.

We thank You, good God, for the privilege we enjoy of calling upon You, when in some parts of the world Your name is not allowed to be mentioned. May this privilege always be ours, and may we always, both in public and private life, be guided by the teachings which You have laid down for our happiness in this world and eternal happiness in the world to come. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE LATE JAN MASARYK

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, Jan Masaryk is dead!

Early reports from the free radio of Europe named the cause of his death as self-destruction—suicide. It could just as easily have been murder. The Kremlin has never stopped at murder. However it was accomplished, it is enough to know that Jan Masaryk, son of Tomas Masaryk and the Foreign Minister of Czechoslovakia, is dead.

What does Jan Masaryk's death mean to Americans?

It means that the Soviet seizure of power in Czechoslovakia was not a bloodless revolution. It means that one man—irrespective of how he died—shed his blood in protest. It means that the patriotic leaders of Czechoslovakia have not supinely surrendered to Russia in mass. It means that millions of Czechs who love liberty are more closely united than ever to millions of Americans who also love liberty. The United States has had its martyred Lincoln. Czechoslovakia has had its martyred Masaryk.

The Czechoslovakian freedom underground from this day henceforward has a spiritual leader.

From this day forward, there will be no rest for the bestial Soviet conqueror.

We Americans—a few of us who have known and talked to Jan Masaryk, and millions of us who have known him only by his deeds—can say on the day of his death: "Jan Masaryk, yesterday Czechoslovakia was free. Tomorrow, aided by your supreme sacrifice, Czechoslovakia will be free once again."

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I was shocked and deeply regretted to hear the report that Jan Masaryk, Foreign Minister of Czechoslovakia, was dead, but the spirit of freedom and democracy in Czechoslovakia has not died. It will continue to live until Czechoslovakia frees itself as it has done in the past. The Czech people have never ceased and will not cease now to fight for their freedom.

It was my great privilege to have known the father of Jan Masaryk, Tomas G. Masaryk, who became the first President of Czechoslovakia, and who was recognized, as was our own George Washington, as the Father of His Country. The Masaryk family was a democratic family, believing in democracy and in freedom for its people.

Mr. Speaker, I recollect when Professor Masaryk visited Washington, and it was my privilege early in 1918, during the First World War, to arrange a meeting with President Wilson, at which time he conveyed to the President the aspirations and determinations of the Czech people. It was thought by some persons that it might be well to have a separate peace with Austria-Hungary, but the President, after listening to us, came to the conclusion that it would be unwise and the Allies could not gain anything thereby, and the smaller nations, which had been dominated by the Hapsburgs of Austria-Hungary, would be deprived of an opportunity of self-determination. I was pleased, shortly thereafter, when President Wilson addressed the Congress, calling off the negotiations for a separate peace with Austria-Hungary, and a little later conditions developed in these smaller nations which I had predicted would occur that brought about the overthrow of the Austro-Hungarian Government. Most of these smaller countries thereby succeeded, with our aid, to obtain the freedom and liberty which they had dreamed of, hoped and prayed for, for many years.

Prof. Tomas G. Masaryk, as I have stated, became the first President of that liberty- and freedom-loving newborn Czechoslovakia, and under his leadership it adopted a constitution patterned after our own. Within a few years the country prospered under his guidance and was recognized as the most stable, progressive republic in Europe. Upon the death of President Masaryk, he was succeeded by Eduard Benes, his coworker in the early days of liberation and in the upbuilding of Czechoslovakia after it had attained its independence.

Mr. Speaker, we are all familiar with the sacrifice of Czechoslovakia on the altar of appeasement. Notwithstanding that misfortune, it never ceased, under the leadership of President Benes and Jan Masaryk in exile, to strive to again attain its independence, freedom, and liberty. When the Nazi hordes swarmed over its borders to be later driven out by the Russians, these patriots returned and again resumed the reins of administration of their Government. Czechoslovakia again started to rebuild and reconstruct and to enjoy the freedom and liberty of which they had been deprived by the Nazis. Appointed as Foreign Minister, Jan Masaryk strove with all his might in cooperating with President Benes in effecting a real democratic form of government. It was his further aim and ambition that Czechoslovakia should lead the way and strive to bring about an understanding between the nations of western and eastern Europe. He actually and honestly believed that any danger of war could be avoided, but when, unfortunately, the Communists seized control of the country, Masaryk, in the interest of peace and to prevent bloodshed, whether voluntarily or involuntarily, continued to hold the post of Foreign Minister. He was quoted as saying he was doing so, having in view the best interests of his country.

Mr. Speaker, I knew the Masaryk family for many years and Jan Masaryk from the beginning of the First World War.

He, like his father, was a sincere believer in a democratic form of government and, like his people, believed in freedom and liberty. When the story of his death is revealed, it will be found that he could not endure seeing his country in the grasp of Communists. Jan Masaryk lived for his country and gave up his life for its freedom. I hope to God that his death will not in any way affect the aspirations and the determination of the freedom-loving Czechs, the Slovaks, and the peoples everywhere who are deprived of their freedom, liberty, and the right to a democratic form of government.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial by John Knight entitled "United States Foreign Policy Stumbles Toward War."

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD in two instances and include in each extraneous matter.

NATIONAL DEFENSE

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, as the world watches fearfully the encroachments of aggressive militarism, and when the hope of 12,000,000 men and women who entered the armed forces during the late war was a hope that this phase of human activity might forever be brought to an end, I take the floor only to call to the attention of the House a letter I received in the mail this morning. It is one of the most thoughtful and thought-provoking communications it has been my privilege to receive since I have been here. It is a letter from one of our American soldiers in Germany written to his mother and father in this country. They, in turn, forwarded it to me. I am taking time this morning to call it to the attention of the Members because without reference to my personal beliefs so far as adequate national defense is concerned, I think that this letter phrases better than any words which I might conjure up the feeling of our men abroad today with respect to the inadequate measures which are being taken to strengthen our national defense.

The letter reads as follows:

JULY 4, 1947.

DEAREST MOM AND DAD: I guess it's time I write you again. Seeing as today is a holiday, but not for me, I thought I'd better write. I'm riding a troop train right now, so if my writing is a bit irregular, don't worry. Business is about the same as usual for me, nothing much doing. Riding trains all the time gets mighty monotonous.

It sure does grieve me to think that there are mothers and other people in the United States who are against universal military training. The next time you see some of those women, Mom, you tell them this for me, and I only wish I could be there myself to tell them. The next time we have a scrap on our hands it will be down upon us before we know it. Instead of 2 or 3 years to raise an army we'll have 2 or 3 days, maybe less. We won't have to worry about sending an army overseas, we'll be digging our fox holes right in our front yards and setting up machine guns in the ruins of our houses. Everyone will have to be trained to resist an enemy on the spot. The days of the minute man and the muzzle loader have passed a hundred years ago. If they think that when fighting starts they can pick up a rifle and call themselves soldiers they are sadly mistaken. We fight nowadays with precision built, intricate murderous weapons whose technique can only be mastered after months of back-breaking and brain-racking drill. An incompetent, partly or untrained soldier is worse than none at all. He is what makes our casualty rate so high. And don't think we didn't send thousands of them to be slaughtered in this last war. The cemeteries are full of them because half of them did not know how to load or fire a rifle. They were murdered by these so-called pacifists. If these people are too stupid and selfish to dedicate a year's service to their country, and feel that our freedom and future as Americans is worth defending only with someone else's blood, then they are not Americans and we have no room for them. They are the lowest form of humanity, the kind that have no qualms about enjoying the priceless privileges of our country, but are too yellow to fulfill their responsibility and obligation in defending it. Maybe they will remember, and feel just a little sorry when they see their sons and my buddies splattered all over the landscape because they were denied a year's training that might have saved their lives. Probably not, they don't seem to be the type of people that have warm red blood in their veins.

As for this talk about atom bombs making the infantry obsolete, I hear that the guy who invented the bow and arrow thought that he had made infantry obsolete too, but we're still here. Right now it is our duty as peacetime soldiers to shake some sense into a country honeycombed with fair-weather citizens. And you can tell them this for me, too, that I wouldn't swap my 3 years' service for 3 years in anybody's college. These last 3 years have been the greatest experience of my life. I didn't know the meaning of democracy, or just who and what an American was before I joined. I have had lessons taught me that no school can offer. However, I have come to appreciate the need and meaning of a good education as have the majority of servicemen. And don't let anyone tell you that returning servicemen aren't better citizens and scholars, as a rule, than nonservicemen.

Maybe I have harped too much, but it hurts me sorely everytime I think of those selfish, self-centered individuals who put their own personal wants and needs above the wants and needs of 130,000,000 neighbors. They are willfully violating every basic precept of democracy. They would have our Government answer to a minority. I consider them a worse threat than communism because they would enable a communistic conquest of our country to be a pushover. Maybe this sounds like a bitter tirade, but I am not bitter, only stupefied by the fact that we tolerate such harmful thinking in our country. Just tell them that for me, Mom, will you? I guess this outburst must have come rather unexpectedly, but it has been accumulating in me for a long time. I guess it's better that I flip my cork to you instead of going out and cracking a few skulls together, which I would dearly love to do.

THE LATE JAN MASARYK

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, my husband and I had the great privilege of knowing Ambassador Jan Masaryk since World War I days. He knew the United States very well. He had come to learn about us and our freedom, as his father did, and he seemed to us almost like an American, and a fine American. He had a wide interest and knowledge of international affairs. He was a great diplomat, a great statesman, and a great patriot. I remember his interest in the disabled American soldiers in our hospitals here, and during the time of his stay in Washington he used to send red roses to me to give to the veterans. That shows his kindliness, his thoughtfulness, and his love for America. A great man has gone to his reward.

EXTENSION OF REMARKS

Mr. MACY asked and was given permission to extend his remarks in the RECORD in reference to the late Clarence Hancock, former Member of the House, and further to extend his remarks and include an editorial from the Times-Herald of Washington.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a report to the Congress of the United States concerning a court house for the District of Columbia.

Mr. MACK asked and was given permission to extend his remarks in the RECORD.

Mr. LOVE asked and was given permission to extend his remarks in the RECORD and include an address he delivered before the West Virginia Petroleum Association on the subject, A Reflection of Our Foreign Policies.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McCONNELL asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent on the subject, Are High Taxes Deflationary?

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an article.

SAMUEL GEARHART

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LICHTENWALTER. Mr. Speaker, I take this opportunity to inform the Members of Congress and the American people of a shocking incident which has been given practically no attention whatsoever to this date. This incident, gentlemen, I feel should provoke thinking

on the part of Congress and the American people, particularly as to the final disposition of justice. I refer to a young man, a member of our armed services, by the name of Samuel Gearhart, of the city of Allentown, Pa.

Samuel Gearhart, according to the records, was the youngest marine to go ashore in the attack of Guadalcanal. He was discharged from the United States Marine Corps in 1945 and then joined the Army occupation forces in Europe the following year.

On December 19, 1947, this American soldier was kicked and beaten to death by a Russian newspaper correspondent by the name of Stepan Inrin in the city of Vienna, Austria. Private Gearhart, according to the record of the War Department, became engaged in a brawl with the Russian correspondent and the fact as to who struck the first blow, according to conflicting testimony, has not been established. However, the records reveal that Private Gearhart was fatally injured in Vienna's international sector on December 19. A spokesman for the United States Army provost marshal's office described Private Gearhart's death as a plain case of murder. He was not only struck a felling blow but the autopsy, according to the record of the War Department, reveals that he died approximately 13 hours after the blow was struck from cerebral hemorrhages and that there were heel marks and other marks showing that some sort of an instrument had been used to batter the head of Private Gearhart.

My friends, this is the worst type of brutality that one can conceive. Many people in my district, since the story first appeared in our local paper, have been inquiring as to the follow through of the Army or State Department, or whoever might be responsible as to the disposition of this case, and if there is any justice to be sought in what the Army provost marshal's office termed "a plain case of murder."

At the time of the incident, a spokesman for the United States Army said, according to the newspaper articles, there was no doubt the Army would advise the Russians that Inrin should be charged with murder. However, 3 months later it is found there has been no report as to the disposition of this case nor any further facts concerning the case since the original report which I have briefly outlined was made in December of last year. At that time the United States Army investigator reported their probe was still in a preliminary stage, and, gentlemen, it seems that it has never moved from the preliminary stage. Private Gearhart was never able to give his version. He died without regaining consciousness.

This story is magnified by a very recent occurrence in Vienna. In fact, last Sunday, March 7, according to United States Army authorities, an American soldier was shot in the back after refusing a Russian order to get off the street and into the gutter in front of a Russian headquarters hotel in the international district of Vienna. The provost marshal's office has stated the soldier will probably lose his left arm. Yes, Pvt. Jack Grunden, of Portland, Oreg., while walking with two other American soldiers and three Austrian girls was struck and knocked to his knees by a rifle butt, and, while still on the ground, the Russian sentry fired a shot into his back. Another shot entered the soldier's arm, smashing the elbow. The American soldiers were unarmed, the story reveals, according to American Army regulations. We are told the American officials were irate over the fact the Russians acted with no regard for the international patrol, supposedly the sole authority in such cases. They described this as the "boldest act yet perpetrated against a member of the occupation forces in Vienna by a Russian soldier." This statement, ladies and gentlemen, was carried in a release dated March 8, 1948. Yet 3 months ago a similar bold act cost the life of Pvt. Samuel Gearhart.

In questioning the War Department I was informed that if my office and certain members of the press had not started prodding and questioning the War Department on its position or action in this case, it would have become a forgotten incident. By making inquiries to the War Department, they were prodded to inquire for additional information from General Keyes, stationed in Vienna, which is still forthcoming.

Members of Congress, I feel that this incident should not go unnoticed, and I feel the proper authorities in our Government should do everything possible to see that those who have committed crimes against our American soldiers are brought to justice. If this cannot be done, then I certainly feel that the people of my district and the American people generally should know that there has been a refusal on the part of the authorities charged with the handling of matters of this kind by the Russian Government, and I do feel that there should be greater interest shown in incidents of this kind, which certainly do not seem to be rare, for within a period of a few months in the same area it is found that demonstrations of violence have occurred against our American soldiers, and that either the War Department or the State Department should decide whose responsibility it is to give to Congress and the American people the complete story and what disposition has been made in cases of this kind.

I would like to insert in the RECORD an article on the first incident referred to, that of Pvt. Samuel Gearhart, which appeared in the Allentown Chronicle and News and was written by Harkey Reiter, which illustrates a policy that might well be adhered to today:

Sam Gearhart, of Allentown, probably never heard of two persons named Perdicaris and Raisuli when he was the youngest American marine to go ashore in the attack on Guadalcanal.

Probably he still had never heard of Perdicaris and Raisuli when he escorted his girl into the lobby of the Lugueck Hotel in Vienna, Austria, just 1 week before last Christmas. He did not have much time to study history during his busy years with the marines, ending in 1945. He had less time for history when he joined the Army occupation forces in Europe the next year.

Out of nowhere, according to the best information that can be secured, came a big and husky Russian newspaper correspondent who took offense at something and knocked the American down. As the little American soldier lay on the hotel floor—he was only 5 feet 3 inches—the Russian, Stepan Inrin, 23, kicked and kicked until Gearhart's face was a bloody pulp. Then the Russian ground his heel into the boy's head. Two other American soldiers who came to Gearhart's rescue were terribly beaten and bitten before a police patrol subdued the killer.

Gearhart never regained consciousness to tell his side of the story. The United States Army provost marshal described Gearhart's death as "a plain case of murder" and turned Inrin over to the Russians for trial.

The story might end there, but nobody in Washington seems to know or care what has happened to Gearhart's murderer. Days of calling on the War Department for information met with rebuff and indifference until this week when finally a cable was sent by the General Staff of the Army asking for a report. The State Department says this is an Army matter and none of their concern.

That's where Perdicaris and Raisuli came in.

Not so many years ago, when Teddy Roosevelt was President of the United States, a Greek-born American citizen was captured by a Moroccan bandit named Raisuli and held for ransom. Our Government heard about it and swung into action without prompting or hesitation.

"Perdicaris alive or Raisuli dead," was the sharp word sent by our Secretary of State to the Sultan of Morocco. Perdicaris was released. As far as most of us know in Washington, both Perdicaris and Raisuli may still be alive.

But little Gearhart, the youngest marine to go ashore at Guadalcanal, is dead—murdered in revolting fashion. No message went forward about him from our Government until 2 months had passed and people back in Allentown began to ask questions, wondering if the Russian had been tried, found guilty, and punished.

Now the cable asks our Army leaders what has happened. The American Government, or any part of it, has yet to ask Russia if Inrin has been punished; and if not, why not. We've changed a lot since Teddy Roosevelt's day.

THE LATE JAN MASARYK

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I take this opportunity to join the others of my colleagues who have today spoken in sympathy on the death of Jan Masaryk. I was in Prague with a subcommittee of the Committee on Foreign Affairs only last summer. I know what an active and bright city it was and how far it had gone in recovery. I heard on every side of the great contribution Jan Masaryk had made to that recovery. I join with my colleagues in saying that freedom is indeed dying in Czechoslovakia with this untimely passing of Jan Masaryk.

THE SUICIDE OF JAN MASARYK

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, among the more significant bits of recent Moscow broadcasts was one made last Sunday for Soviet Home

Service entitled "The United States Future Belongs to the Third Party." A third party for the United States is the Moscow line. On March 3 I inserted in the RECORD the June 1947 article of Moscow Agent Bittleman that appeared in the Communist magazine Political Affairs, showing the plan for a third party in the United States for the Muscovites.

The Soviet radio fills the air of Europe these days, and another choice bit of broadcasting is the staged speech of Jan Masaryk, Foreign Minister of Czechoslovakia last Friday. Masaryk is one of the few non-Communists in the new Czechoslovakian Government. According to the Soviet propaganda, Masaryk said last Friday:

Our solution lies in our alliance with the Soviet Union and our place is by its side. We must be grateful if they allow us to occupy this place. When I hear of people who started the resistance, I felt a stab at my heart. Resistance against Hitler, yes; but resistance against one's own blood, own brothers, and own republic, never. I am convinced—

Concluded Masaryk—

that I will not live to see war.

Gentlemen, probably Masaryk did say, as the Soviet radio quotes him as saying, that he would not live to see a war of resistance by true Czechs against the Soviet Government in Czechoslovakia.

But, gentlemen, Jan Masaryk this morning jumped to his death from the office of the Foreign Ministry. This was probably through some kind of motives of patriotism or because of the complete loss of liberty in that land where his father is known as the liberator. Perhaps he meant it as a signal for the people of Czechoslovakia to rise up against the garrotting government of Gottwald. Regardless of precise motives, the act of Masaryk gives the lie to the siren voice of the Soviet radio that hums over Europe.

INVESTIGATION OF UNITED STATES INFORMATION SERVICE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration I submit a privileged resolution (H. Con. Res. 144) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Foreign Affairs of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use not to exceed 5,000 additional copies each of the report and appendix of the special Mundt subcommittee of the Committee on Foreign Affairs covering an investigation during September and October 1947 of the United States Information Service in Europe and the conditions affecting it, pursuant to provisions of House Resolution 295.

With the following committee amendment:

On page 1, line 6, strike out the words "for its use."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REDUCTION OF INDIVIDUAL INCOME TAXES

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Con. Res. 143) and ask for its immediate consideration.

The Clerk read the concurernt resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Ways and Means be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of the hearings relative to Reduction of Individual Income Taxes, held before said committee during the current session.

With the following committee amendment:

On page 1, line 5, strike out "one thousand" and insert "fifteen hundred" in lieu thereof.

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

REVENUE REVISIONS, 1947–48

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Con. Res. 142) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Ways and Means be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies each of parts 4 and 5 of the hearings relative to revenue revisions, 1947–48, held before said committee during the first session of the Eightieth Congress.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include an editorial from the Los Angeles Daily News.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD in two instances, in one to include the lead article in this morning's Washington Post.

THE LATE JAN MASARYK

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JARMAN. Mr. Speaker, it was with deep regret that I learned only a moment ago from the remarks of our colleague, the distinguished gentleman from Nebraska [Mr. STEFAN], of the untimely passing of that charming gentleman, able statesman, great friend of the United States, and world citizen, Jan Masaryk. Those of you who knew him understand my reference to the fact that he had as fine a personality and brain as anyone we know and that he was as great an asset to our country as we had outside of this country.

I did not get to read the papers. I understand from the remarks of the last gentleman who referred to it that he jumped out of a window. I am not so sure about that. He may have jumped out of a window but I do not believe it. But however he may have met his end, not only that unfortunate little country of Czechoslovakia, which finds itself under the conqueror's heel for the second time in a decade, but the United States and the world have lost a great friend and an able and excellent citizen.

The SPEAKER. The time of the gentleman from Alabama [Mr. JARMAN] has expired.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Star of March 6, entitled "Racial Riders."

Mr. LANE asked and was granted permission to extend his remarks in the RECORD and include a very interesting article.

Mr. WHEELER asked and was granted permission to extend his own remarks in the Appendix of the RECORD.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in three instances, in two of which to include articles.

Mr. DAVIS of Georgia asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

THE LATE JAN MASARYK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MCCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the death of Jan Masaryk brings directly and forcefully to our minds the tragedy of Czechoslovakia. As the gentleman from Nebraska [Mr. STEFAN] well said, 1,000,000 Americans of Czechoslovakian blood mourn that tragedy. I want to amplify that by saying that all Americans, without regard to our racial origin, outside of the Communists in our midst, mourn the tragedy of Czechoslovakia; also the tragedy of Lithuania, Latvia, Estonia, Poland, Rumania, Bulgaria, Yugoslavia, Albania, Hungary, China, and the efforts being made in Austria and the battleground that exists now in the elections carried on in Italy. The entire world looks to America to use our powers affirmatively and effectively to meet this vicious challenge. Out of the tragedy of Czechoslovakia and the tragedy of the other countries and other places I hope America will learn the lesson of affirmative

action and effective action to preserve the western civilization, to preserve decent civilizations where people want to exist under their own form of government, freely arrived at, and where they want to possess the dignity and personality of an individual. Early and immediate action affirmatively and effectively taken by our country is the only answer to the vicious challenge of atheistic communism.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

SUBCOMMITTEE NO. 1 OF THE COMMITTEE ON THE JUDICIARY

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 1 of the Committee on the Judiciary may sit today during the session of the House during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include therewith a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. CHURCH]?

There was no objection.

Mr. CHURCH. Mr. Speaker, yesterday in Waukegan, Ill., 13 printers employed by the Waukegan News-Sun resigned from the AFL-International Typographical Union, saying:

We object to the policy of the officers of the International Typographical Union in their refusal to obey the laws of our Nation.

We will not contribute to any funds to be used to destroy our country's laws.

We are American citizens first.

This is the expression of 13 loyal, patriotic, heretofore union members of my congressional district. I am proud of their action and commend them for setting an example for other loyal workers of our Nation facing the same problem during these troublesome times. They refuse to be used to destroy our country's laws.

WAUKEGAN PRINTERS QUIT ITU PROTESTING UNION HEADS' POLICY

WAUKEGAN, ILL., March 9.—Thirteen of 20 printers employed by the Waukegan News-Sun, a daily newspaper, resigned today from the AFL-International Typographical Union in protest against the ITU's employer-relations policy.

In a letter to R. A. Hawks, president of the ITU's Waukegan Local 294, the resigning members said: "We object to the policy of the officers of the International Typographical Union in their refusal to obey the laws of our Nation."

ITU NOTICE REJECTED

The resignations followed notice by the ITU executive council of a special 4½ percent strike assessment of union members' wages to support printers on strike against newspapers in Chicago and some other cities.

"The union dues the past year have been in excess of 2½ percent of our gross earnings," the letter of resignation said. "Now, these dues have been increased in excess of 7 percent in order to supply funds to fight the United States Government.

"We will not contribute to any funds to be used to destroy our country's laws.

"We are American citizens first."

The 13 printers notified F. Ward Just, general manager of the newspaper, that "the union no longer represents us for the purpose of collective bargaining or in any other capacity."

Most of the printers have been members of local 294 for 1 year. The union's contract with the News-Sun expired March 4 this year. No contract to supplant that which expired has been negotiated.

WAR CONTRACT SETTLEMENTS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, today I am introducing a bill to give the General Accounting Office authority before or after final settlement to examine any records maintained by any contracting agency or by any war contractor relating to any termination settlement and giving authority to the Comptroller General to investigate the settlement methods and procedures employed.

I have been disturbed by reports recently made to the Committee on Expenditures in the executive departments by the Comptroller General that favoritism and possibly fraud has been used in many instances in the settlement of war contracts. I was disturbed the first time I heard the description of the workings of the war contract settlements of 1944 by one person who was employed under it, and what has happened since has not reduced that feeling of disturbance in my mind. I fear that the thing we sought to do with the renegotiation statute to curb excessive war profits in the making of contracts of procurement may have been abandoned in the operation of the settlement of war contracts in the post-war period. I feel therefore that the Comptroller General should have this authority to go into the situation fully and report the facts to Congress for appropriate action.

SPECIAL ORDER GRANTED

Mr. HORAN. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes tomorrow following the business of the day and any other special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENSION OF REMARKS

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and include extraneous matter.

PRIVILEGE OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I rise to a question of the privilege of the House.

CALL OF THE HOUSE

Mr. WILLIAMS. Mr. Speaker, I make a point of order there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-one Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 22]

Abbitt	Hartley	Norton
Allen, Ill	Hays	Owens
Andrew, N. Y.	Herter	Patman
Barden	Hill	Patterson
Battle	Hinshaw	Pfeifer
Bell	Jenkins, Ohio	Phillips, Calif.
Bloom	Jensen	Rains
Bonner	Jones, N. C.	Rooney
Buckley	Kean	Sadlack
Byrne, N. Y.	Kee	Sarbacher
Chiperfield	Kefauver	Scott,
Clark	Kennedy	Hugh D., Jr.
Clippinger	Kerr	Shafer
Davis, Tenn.	Kirwan	Short
Dawson, Ill.	Lesinski	Stratton
Delaney	Lodge	Sundstrom
Dingell	Ludlow	Teague
Domengeaux	McCowen	Thomas, N. J.
Douglas	McMahon	Vursell
Foote	Manasco	West
Gross	Merrow	Wilson, Ind
Gwinn, N. Y.	Miller, Calif.	Wood
Hall,	Mitchell	
Edwin Arthur	Morrison	

The SPEAKER. On this roll call, 358 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

PRIVILEGE OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I rise to a question of the privilege of the House and offer a motion, which I send to the desk.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. RANKIN moves to strike from the RECORD the speech of Representative ADOLPH SABATH, beginning on page 2483 and ending on page 2487 of the daily RECORD, together with the insertions.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. RANKIN. Mr. Speaker, on yesterday the most vicious attacks I have ever known were made on the Committee on Un-American Activities—a committee composed of Democrats and Republicans, who are doing the best they can to protect this country against enemies within our gates.

The gentleman from Illinois [Mr. SABATH], in addition to his own remarks, inserted in the RECORD several vicious documents, one of which said that the committee continues the "practice of Hitler and Himmler, which would lead America, as it did Germany, down the road to fascism."

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. No; not now.

Another one, and perhaps the most inexcusable, is an article he inserted, written by Mrs. Eleanor Roosevelt, in which she accused the committee of subversive activities or activities that amount to subversion.

In that statement she said:

It seems to me that the current proceedings of the House Un-American Activities

Committee as directed against Dr. Edward U. Condon, instead of giving people confidence that the committee is really trying to destroy Communist influence, is doing just the opposite.

Further down, she said, in speaking of Dr. Condon—and I want every Member to listen to this, because I am going to turn the sunlight of pitiless publicity on Dr. Condon as I go along.

She said:

He belongs, as many American scientists do, to the American-Soviet Society.

Then she says:

I am afraid this attack on Dr. Condon has given good material to those who, for their own reasons, wish to discredit any attack on real Communist activities carried on under cover. It is, therefore, unwise, unjust, and really subversive in its effect.

Mr. Speaker, sticking that stuff into the RECORD not only violates the rules of the House but it violates all the rules of propriety and all the rules of common decency.

Now, let us take up what she calls the American-Soviet Society, to which Dr. Condon belongs.

Remember now, the Committee on Un-American Activities did not start this investigation of Dr. Condon. It was going on for months and months before it was called to our attention. There is a letter on Dr. Condon in the files of the Department of Commerce, about three pages in length, written by J. Edgar Hoover, head of the FBI, which they refused to let the Committee on Un-American Activities or any other committee of Congress see. Let us see what was going on.

I have before me a photostatic copy of a letter, the heading of which is "Soviet-American Science Society." That is the society Mrs. Roosevelt talks about, "Affiliated"—now, listen to this—"Affiliated with the National Council of American-Soviet Friendship, Inc."

They use the same office, 114 East Thirty-second Street, New York 16, N. Y., and the same telephone which is Murray Hill 3-2082.

Now, let me read you this letter, and then I want to show you Dr. Condon's connection with it; and do not forget the atomic bomb that means more to the safety of America than any other instrument ever invented by the genius of man is involved in this fight.

On March 7, 1946, Samuel Gelfan wrote a letter to various members, various people who are connected with the Department of Commerce. We struck out the name and had this photostatic copy made for the record. Let me read it to you, together with the names of the officers and members of the executive committee, which you will see Dr. Condon heads:

The letter reads as follows:

AMERICAN-SOVIET SCIENCE SOCIETY

(Affiliated with National Council of American-Soviet Friendship, Inc., 114 East Thirty-second Street, New York 16, N. Y., Murray Hill 3-2082)

MARCH 7, 1946.

NATIONAL BUREAU OF STANDARDS,
United States Department of Commerce,
Washington, D. C.

DEAR ———: It has been suggested by Dr. Condon, who is a member of our executive committee, that you might be interested in the activities of our society and membership in same.

We are, therefore, enclosing a brief statement concerning the objectives and activity of our organization, and under separate cover are also mailing you a copy of our last bulletin.

Sincerely yours,

SAMUEL GELFAN,
For the Membership Committee.

Chairman, L. C. Dunn; honorary chairmen, Walter B. Cannon, Gilbert N. Lewis; honorary vice chairmen, Alice Hamilton, Irving Langmuir, Chauncey D. Leake, Leo Loeb, Wilden Penfield, Florence R. Sabin, C. E. A. Winslow; executive committee, Edward U. Condon, M. Demerec, Th. Dobzhansky, Carl O. Dunbar, John E. Flynn, Samuel Gelfan, Harry Grundfest, Michael Heidelberger, S. Lefschetz, D. A. Maccines, A. E. Mirsky, Marston Morse, Stuart Mudd, Mervin E. Oakes, Th. Shedlovsky, W. M. Stanley, Selman A. Waksman, Philip R. White, Ignace Zlotowski, Vladimir K. Zworykin; Edwin S. Smith, executive director, National Council American-Soviet Friendship, Inc.

The word "bulletin" is underscored.

Sincerely yours, Samuel Gelfan, for the membership committee.

I call your attention to the fact that the man who heads the executive committee of the organization is Edward U. Condon.

Now, remember, this is the American-Soviet Science Society that is affiliated with the National Council of American-Soviet Friendship, Inc.

I submit that whenever the Department of Justice wakes up and points out a subversive organization and brands it as subversive there should be no doubt about it. On December 4, 1947, just about 2 months before this issue broke, the Attorney General, for the Department of Justice, wrote a letter addressed to Hon. Seth W. Richardson, Chairman of the Loyalty Review Board, Civil Service Commission, Washington, D. C. In this letter he included a long list of subversive organizations, and one of them that he included as being subversive was the National Council of American-Soviet Friendship, the very organization this American-Soviet Science Society is affiliated with, according to their own letterhead, which I have just read to you. They use the same office in New York, they use the same telephone.

The Attorney General's letter reads as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., November 24, 1947.

Hon. SETH W. RICHARDSON,
Chairman, Loyalty Review Board,
Civil Service Commission,
Washington, D. C.

MY DEAR MR. RICHARDSON: This is submitted pursuant to the President's Executive Order No. 9835, in which he stated that it is of vital importance that persons employed in the Federal service be of complete and unswerving loyalty to the United States, and further stated that although the loyalty of by far the overwhelming majority of all Government employees is beyond question, the presence within the Government service of any disloyal or subversive person constitutes a threat to our democratic processes. The order provided in part III, section 3, as follows:

"3. The Loyalty Review Board shall currently be furnished by the Department of Justice the name of each foreign or domestic organization, association, movement, group, or combination of persons which the Attorney General, after appropriate investigation and determination, designates as totalitarian, Fascist, Communist, or subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.

"a. The Loyalty Review Board shall disseminate such information to all departments and agencies."

Under a previous Executive order (No. 9300), issued February 5, 1943, entitled "Establishing the Interdepartmental Committee to Consider Cases of Subversive Activity on the Part of Federal Employees," and under other relevant authority, the Department of Justice named a number of organizations as subversive. That list was disseminated among the Government agencies for use in connection with consideration of employee loyalty, and included the following organizations:

American League Against War and Fascism.

American Patriots, Inc.

American Peace Mobilization.

American Youth Congress.

Association of German Nationals (Reichsdeutsche Vereinigung).

Black Dragon Society.

Central Japanese Association (Beikoku Chuo Nipponjin Kai).

Central Japanese Association of Southern California.

The Central Organization of the German-American National Alliance (Deutsche-Amerikanische Einheitsfront).

Communist Party of U. S. A.

Congress of American Revolutionary Writers.

Dai Nippon Butoku Kai (Military Virtue Society of Japan or Military Art Society of Japan).

Dante Alighieri Society.

Federation of Italian War Veterans in the U. S. A., Inc. (Associazione Nazionale Combattenti Italiani, Federazione degli Stati Uniti d'America).

Friends of the New Germany (Freunde des Neuen Deutschlands).

German-American Bund (Amerikadeutscher Volksbund).

German-American Vocational League (Deutsche-Amerikanische Berufsgemeinschaft).

Heimuska Kai, also known as Nokubei Heieki Gimusha Kai, Zaibei Nihonjin, Heiyaku Gimusha Kai, and Zaibei Heimusha Kai (Japanese Residing in America Military Conscripts Association).

Hinode Kai (Imperial Japanese reservists).

Hinomaru Kai (Rising Sun Flag Society, a group of Japanese war veterans).

Hokubei Zaigo Shoke Dan (North American Reserve Officers Association).

Japanese Association of America.

Japanese Overseas Central Society (Kaigai Dobo Chuo Kai).

Japanese Overseas Convention, Tokyo, Japan, 1940.

Japanese Protective Association (recruiting organization).

Jikyoku Iin Kai (Current Affairs Association).

Kibei Seinen Kai (association of United States citizens of Japanese ancestry who have returned to America after studying in Japan).

Kyffhaeuser, also known as Kyffhaeuser League (Kyffhaeuser Bund), Kyffhaeuser Fellowship (Kyffhaeuser Kameradschaft).

Kyffhaeuser War Relief (Kyffhaeuser Kriegshilfswerk).

Lictor Society (Italian black shirts).

Mario Morgantini Circle.

Michigan Federation for Constitutional Liberties.

Nanka Teikoku Gunyudan (imperial military friends group or southern California war veterans).

National Committee for the Defense of Political Prisoners.
National Federation for Constitutional Liberties.
National Negro Congress.
Nichibei Kogyo Kaisha (the Great Fujii Theatre).
Northwest Japanese Association.
Protestant War Veterans of the United States, Inc.
Sakura Kai (Patriotic Society, or Cherry Association—composed of veterans of Russo-Japanese War).
Shinto Temples.
Silver Shirt Legion of America.
Sokoku Kai (Fatherland Society).
Suiko Sha (Reserve Officers Association, Los Angeles).
Washington Book Shop Association.
Washington Committee for Democratic Action.
Workers Alliance.

Under part III, section 3, of Executive Order No. 9835, the following additional organizations are hereby designated:

American Polish Labor Council.
American Youth for Democracy.
Armenian Progressive League of America.
Civil Rights Congress and its affiliated organizations, including: Civil Rights Congress for Texas, Veterans Against Discrimination of Civil Rights Congress of New York.
The Columbians.
Communist Party, United States of America, formerly Communist Political Association, and its affiliates and committees, including: Citizens Committee of the Upper West Side (New York City); Committee To Aid the Fighting South; Dennis Defense Committee; Labor Research Association, Inc.; Southern Negro Youth Congress; United May Day Committee; United Negro and Allied Veterans of America.
Connecticut State Youth Conference.
Council on African Affairs.
Hollywood Writers Mobilization for Defense.
Hungarian-American Council for Democracy.
International Workers Order, including People's Radio Foundation, Inc.
Joint Anti-Fascist Refugee Committee.
Ku Klux Klan.
Macedonian-American People's League.
National Committee To Win the Peace.
National Council of American-Soviet Friendship.
Nature Friends of America (since 1935).
New Committee for Publications.
Photo League (New York City).
Proletarian Party of America.
Revolutionary Workers League.
Socialist Workers Party, including American Committee for European Workers' Relief.
Veterans of the Abraham Lincoln Brigade.
Workers Party, including Socialist Youth League.

Your attention is also directed to certain organizations which are operated as schools. While, of course, I am not of the view that any institution of learning, devoted to the advancement of knowledge, is subversive, it appears that these organizations are adjuncts of the Community Party. They are as follows:

Abraham Lincoln School, Chicago, Ill.
George Washington Carver School, New York City.
Jefferson School of Social Science New York City.
Ohio School of Social Sciences.
Philadelphia School of Social Science and Art.
Samuel Adams School, Boston, Mass.
School of Jewish Studies, New York City.
Seattle Labor School, Seattle, Wash.
Tom Paine School of Social Science, Philadelphia, Pa.
Tom Paine School of Westchester, N. Y.
Walt Whitman School of Social Science, Newark, N. J.

After the issuance of Executive Order 9835 by the President, the Department compiled all available data with respect to the type of organization to be dealt with under that order. The investigative reports of the Federal Bureau of Investigation concerning such organizations were correlated. Memoranda on each such organization were prepared by attorneys of the Department. The list of organizations herein certified is based on their recommendations as reviewed by the Solicitor General, the Assistant Attorneys General, and my subsequent careful study of the recommendations of all.

In connection with the designation of these organizations I wish to reiterate, as the President has pointed out, that it is entirely possible that many persons belonging to such organizations may be loyal to the United States; that membership in, affiliation with, or sympathetic association with, any organization designated, is simply one piece of evidence which may or may not be helpful in arriving at a conclusion as to the action which is to be taken in a particular case. "Guilt by association" has never been one of the principles of our American jurisprudence. We must be satisfied that reasonable grounds exist for concluding that an individual is disloyal. That must be the guide.

The organizations named in this letter do not represent a complete or final compilation. For example, a number of small and local organizations are not listed. As to many organizations not named, the presently available information is insufficient to warrant a final determination as to their character. Others, presently innocuous, may become the victims of dangerous infiltrating forces and, as a consequence, become proper subjects for designation. New organizations may come into existence whose purposes and activities are in conflict with loyalty to the United States.

From time to time, therefore, as contemplated and directed by the Executive order, there will be furnished to the Board the names of those additional organizations and groups as to which the information received by this Department, resulting from continued investigation, indicates similar designations are required.

If I can be of further assistance to you in reference to the subject matter of this letter, please let me know.

Sincerely yours,

TOM C. CLARK,
Attorney General.

You dig into it and you will find that this National Council of American-Soviet Friendship was involved 2 years ago, about the time this letter was written, when the Committee on Un-American Activities was turning heaven and earth in its efforts to catch the Soviet spies who were in this country trying to steal the secrets of the atomic bomb.

A Member said on the floor yesterday, the gentleman from Michigan [Mr. SADOWSKI], that Members who amounted to anything would not even go on this Committee on Un-American Activities.

Mr. SADOWSKI. That is right. That is what I said.

Mr. RANKIN. Yes; and there is not a word of truth in that statement. Everybody knows there is not a word of truth in it, that is, everybody knows that except the Member from Michigan [Mr. SADOWSKI].

Now, the Polish Embassy has been brought up. Everybody knows that Poland has been taken over by the Communists, and that the Polish Embassy down here is a Soviet Embassy.

That is the kind of attacks that are waged against such men as Chairman PARNELL THOMAS, who has almost given his life in this fight. They have attacked Martin Dies in a manner they would not have dared intimated if Dies had been a Member of the House.

Then there is the gentleman from Illinois [Mr. VAIL], the gentleman from South Dakota [Mr. MUNDT], the gentleman from Florida [Mr. PETERSON], the gentleman from Georgia [Mr. WOOD], the gentleman from California [Mr. NIXON], the gentleman from Louisiana [Mr. HÉBERT], and your humble servant.

Do you think those Members get any pleasure out of going through all this fight and taking all this abuse? No. We are doing it in order to protect our country for which our boys fought and died on the battlefields of the last war.

Now, I resent Mrs. Eleanor Roosevelt's attack on this committee.

In my honest opinion, she has done more harm than any other woman who lived since Cleopatra; she has done more to stir up race trouble in the South and has done the Negroes more harm than any other woman who ever lived.

Mr. Speaker, it is about time the American Congress exercises its constitutional powers. If these bureaucrats continue to refuse to furnish the Congress that letter, I submit the Congress ought to send for it and get it. If this man has been mixed up with that kind of an outfit, as the letterhead over his own name, with his own name printed on it, indicates, he should not be head of the Bureau of Standards, or even connected with it.

Mr. Speaker, this is my country, and it comes ahead of every other consideration.

It is much more pleasant for me to go out into the cloakroom and sit around and criticize, as some other Members do. But this country is in danger, and it is our duty to protect it.

One Member got up here on yesterday and accused the police of Mississippi of lynching Negroes. There never was a baser falsehood.

What was that done for?

It was done to try to stir up race prejudice against the white people of the southern States, who have done more for the Negroes than any other people who ever lived in all the tide of time.

If they will let us alone we will get along with the Negroes in the South—as we have done throughout the years.

Why all these attacks?

They are trying to discredit and destroy the one committee of Congress that has the power of investigation, a committee that has gone the full length in trying to protect this country against these enemies within our gates.

I pointed out to you on yesterday that if that gang had their way and could get their hands on a sufficient number of atomic bombs they could plant one in each of the chief cities of America, with time fuses, and paralyze the country in one night; burn to a crisp, you might say, not only everything in Washington, New York, Pittsburgh, Philadelphia, Detroit, Los Angeles, Baltimore, Atlanta, and New Orleans, but every other city in America.

I am suspicious of anybody who attempts to keep us from getting the information that letter contains. If it is a clean bill of health, let us see it. Let Dr. Condon explain why he belongs to an organization that was affiliated with a Communist front, using the same office, and the same telephone.

I am making this statement, and I am making this motion, to strike that stuff from the RECORD for the simple reason that I am unwilling to sit here and hear these attacks made upon a committee of the House that gets nothing but abuse from our enemies, and sometimes fails to get the proper support from our friends.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. MARCANTONIO. Is it not a fact that Dr. Condon has repeatedly requested to appear before the committee, and up to now the committee has not given him an opportunity to appear and defend himself ?

Mr. RANKIN. Whenever Dr. Condon will bring that letter from the FBI, we will be glad to receive him.

Mr. MARCANTONIO. That letter is not in his possession.

Mr. RANKIN. That is all right; it is in the possession of the Department of Commerce.

Mr. MARCANTONIO. But he has asked to appear.

Mr. RANKIN. Yes, whenever he wants to come and the Department is willing to bring that letter he may do so. But we want all the facts.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; but only for a question.

Mr. SABATH. The gentleman has not found anything in my speech that I said in favor of Condon. I stated on the floor that I did not know the gentleman, but that I felt he should be entitled to fair treatment. Now——

Mr. RANKIN. I decline to yield further. I have heard all that.

Mr. SABATH. Is that not so?

Mr. RANKIN. I decline to yield further, Mr. Speaker.

Mr. SABATH. One question.

The SPEAKER. The gentleman from Mississippi has the floor, and he has declined to yield.

Mr. RANKIN. I will yield for a question.

Mr. SABATH. The gentleman objects to the articles that I inserted that have been printed in the RECORD. Is that what he objects to?

Mr. RANKIN. Mr. Speaker, I have already stated before that I object to his putting in the RECORD those false and vicious attacks on the Committee on Un-American Activities. I do not care who wrote them. He had no right to put them in the RECORD.

I have moved that they be stricken from the RECORD, and on that, Mr. Speaker, I move the previous question.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. In the event the previous question is adopted——

The SPEAKER. The previous question has been adopted.

Mr. MARCANTONIO. Has the previous question been adopted?

The SPEAKER. The previous question has been adopted. The Chair stated, "Without objection, the previous question is ordered," and then put the question on the motion.

Mr. MARCANTONIO. In other words, then, the gentleman from Illinois is now precluded from making a defense by the adoption of the previous question.

The SPEAKER. The House has already ordered the previous question.

Mr. MARCANTONIO. Then, Mr. Speaker, I ask unanimous consent, in all fairness——

Mr. SABATH. Mr. Speaker——

The SPEAKER. The gentleman from Illinois will be seated until the gentleman from New York concludes.

Mr. RANKIN. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from New York desires to present a unanimous-consent request.

Mr. MARCANTONIO. In all fairness, I ask unanimous consent that the proceedings by which the previous question was ordered be vacated.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RANKIN. I object, Mr. Speaker.

The SPEAKER. The question is on the motion.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 144, noes 35.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-seven Members are present, a quorum.

So the motion was agreed to.

A motion to reconsider was laid on the table.

Mr. SABATH. Mr. Speaker, since I was deprived of the opportunity to answer the gentleman from Mississippi before the vote was taken, I ask unanimous consent to address the House now for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I am satisfied if I had been given an opportunity at least for 5 minutes to address the House, before the vote was taken, and answered the gentleman from Mississippi, you would not have voted to strike my speech from the CONGRESSIONAL RECORD, because there is nothing in that speech which is in any way in violation of the rules or attacks or affronts the dignity of the House. If anything, I was defending the House of Representatives and its Members. It is true that after I had concluded my remarks on the floor of the House I went to my office and was handed the Washington Daily News. In that newspaper I saw an article by Mrs. Roosevelt. I realize now that if I had had time to read the article carefully, I would have eliminated the word "subversive." But, unfortunately, in revising my speech I failed to notice that word and it remained. Now that is the only real objection that the gentleman from Mississippi has to my speech, namely, the insertion of Mrs. Roosevelt's article which appeared in the News of yesterday. I am not going to reread the entire article, although it might be proper for me at this time to read at least a portion of it. Mrs. Roosevelt states:

> It seems to me that the current proceedings that the House Un-American Activities Committee have directed against Edward Condon, instead of giving the people complete confidence——

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, the parliamentary inquiry is whether the gentleman may now proceed to again read that article which has just been stricken from the RECORD.

Mr. SABATH. I will not read that part of the article.

Mr. HOFFMAN. Then you propose to leave out just one word?

Mr. SABATH. It is only the word "subversive," which is in the headline.

Mr. Speaker, if there is objection to it, I will not read it.

Mr. HOFFMAN. Mr. Speaker, I make a point of order that under the rules of the House no Member can read anything into the RECORD while speaking from the floor.

The SPEAKER. Under the procedure that has been followed in the House, Members have been permitted to read, and if the gentleman from Michigan insists upon his point of order, the Chair will put that question to the House to decide.

Mr. HOFFMAN. Does that mean that the rule is not being enforced today? Is that it?

Mr. SABATH. Mr. Speaker, I will not read the article.

I repeat, if the Members of the House would read my speech, I am satisfied that they would not have voted as they did. But, unfortunately, under the rules of the House when a Member moves to eliminate certain matter from the RECORD, that Member has the right to move the previous question and thereby denies the Member whose remarks are proposed to be stricken the right to be heard.

Under that rule the Member whose remarks are objectionable to a complainant has no opportunity to argue to the House his position that there is nothing in a speech that is really objectionable. I am satisfied that perhaps the word "subversive" in Mrs. Roosevelt's article is a reflection upon that committee which I did not intend to include.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANKIN. In another insertion which is more vicious than that one it is said:

That they—

Referring to the Committee on Un-American Activities—

continue the practice of Hitler and Himmler, which would lead America, as it did Germany, down the road toward fascism.

Mr. SABATH. What insertion is that?

Mr. RANKIN. It is signed by Milton T. Raynor, chairman of the Chicago Action Council. I do not know who he is; but all through these insertions the same class of material is found.

Mr. SABATH. Those insertions are opposed to the unfairness of that committee. I have stated on the floor many times that I am willing to vote 10 times the amount the committee gets if it would investigate all un-American activities. I still maintain that the committee has not investigated all un-American activities, but it has devoted itself to investigating only a few people here and there in the departments; and so far, I think the work has not been performed as I intended when I reported out the first and the second resolutions. I actually helped very materially in the creating of the Committee on Un-American Activities; and I feel that that committee should be fair to all groups of the country. It should without fear or favor investigate all un-American activities. There are some who escape attention that are just as undesirable insofar as communistic activities are concerned as the few who are brought to account.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. HOLIFIELD. In the last 2 days we have had some very learned remarks made on the atomic bomb. I wonder if the membership of this House thinks it passing strange that the members of the Joint Committee on Atomic Energy do not take the floor to discuss this matter. I suggest to those who are interested in it that there is a very distinguished group of gentlemen in the other body on this particular committee, and, leaving the present speaker out of it, I submit there are also other members who have the confidence of the House possibly. Now when you want some expert advice on medicine you go to a doctor to get it; but I am going to pass that particular point and I am going to clarify this American Soviet Friendship Council and the American Soviet Scientific Society if the gentleman will yield for a moment.

Mr. SABATH. I yield for a moment but I do not want the gentleman to take up all my time.

Mr. HOLIFIELD. I refer to page 2442 of yesterday's RECORD at the middle of the right-hand column for a little actual information and a list of the membership of this particular society of which Dr. Condon is a member. For additional information I refer to page 9772 of the CONGRESSIONAL RECORD of July 22, 1947. I might say that some of the most famous scientists in America are also on this list and some of the greatest industrial scientists and industrialists of America are also members of this distinguished 400 of the particular Soviet-Science Society of which Dr. Condon is a member.

Mr. SABATH. Now, Mr. Speaker, naturally I deplore this vote of the House, but, personally, I feel that my speech, due to the fact that it has been stricken from the RECORD on motion of the gentleman from Mississippi [Mr. RANKIN] will receive greater attention throughout the Nation than I could possibly have obtained for it even though I had ordered a million copies of it reprinted, which I did not intend to do, because it is a costly procedure. However, I feel that the action of the gentleman from Mississippi—and this is not the first time—is manifestly unfair.

There is nothing said in my own remarks that could be criticized by any impartial, open-minded man. Naturally, I put in a few of the letters that I had received and a few editorials and articles, just as we do everyday. Perhaps I did not read them carefully, being an extremely busy man, but there is nothing in all those communications that I have received that in any way affects the dignity and integrity of the House, itself. It is merely criticism of the Committee on Un-American Activities because of its unfairness in many instances.

I shall not detain the House further. Personally I feel that the people I represent and the vast majority of the other American people who believe in fair play will not approve of the action of the House and will stand by me as they have in the past.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. SADOWSKI. It would appear, would it not, that if we pursue this policy of striking out everything that a Member says, not restricting the motion to strike out the objectionable matter but if we continue the policy of striking out the entire remarks of a Member of Congress it amounts to placing a gag on every individual Member here; it means that only one side to a question can be heard; it means that the other side will be denied its rights to express its own opinion on the floor of this House. When that time comes, Mr. Speaker, it is going to be a sorry day for America—when you will not let a Member express his own views on the floor of this House. The voters in a Member's district are the people who are to say whether he is a proper man to represent them or not. They will say whether his remarks are proper or not. But when the situation comes about that one Member can gag another and take away his rights as a Member of Congress, certainly that is not good for America.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANKIN. What I object to, and I object most seriously, is his inserting these slanderous attacks on the Committee on Un-American Activities in the CONGRESSIONAL RECORD. Had I had time on yesterday I would have answered the gentleman from Michigan [Mr. SADOWSKI] on his attacks on the Committee on Un-American Activities, one of the most unwarranted attacks I have ever heard on a committee of this House.

Mr. SABATH. Mr. Speaker, I only yielded to the gentleman from Mississippi for a question. I am pleased to hear that the gentleman from Mississippi did not object to my own personal statement but merely to the matter I inserted.

Mr. RANKIN. Do not misunderstand me to say that I agree with it. What I objected to was the extraneous matter the gentleman inserted.

Mr. SABATH. The gentleman did not make his point of order against what I actually said on the floor; it was merely to the insertions. I fully appreciate that the gentleman does not often agree with my views. Now, these insertions come from outstanding organizations, they are editorials from outstanding newspapers, such as the Chicago Sun and Times and others.

Mr. McDOWELL. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. McDOWELL. I do not agree with what the gentleman is saying, of course; but I think this point ought to be cleared up. It seems there has been great antipathy worked up about Dr. Condon not being heard by the committee. The full committee has not yet met on this Condon matter. Dr. Condon was assured by me last week that he would have an opportunity to come before the committee and explain or say anything he wants to say.

Mr. SABATH. I am glad the gentleman has made that statement.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. HOLIFIELD. I want to call the attention of the membership of the House to an attack that occurred by the chairman of the Committee on Un-American Activities in last June's American Magazine, when at that time he blasted out Dr. Condon to the public. Dr. Condon on July 9 wrote a letter to the committee and to members of the committee asking to be heard to answer these charges. This recent report that was put out to the press by the subcommittee was put out without giving him a chance to appear. He has asked to appear. He has not yet been notified to appear. I trust that the gentleman will see that he does appear, and I am confident that the gentleman will.

I point out to the House that it is a little bit late after a man's character has been assassinated to give him a chance to appear.

Mr. SABATH. In conclusion, I desire to state that under the leave granted me yesterday I inserted letters, telegrams, resolutions, articles, and editorials from the following:

Telegram of Committee of One Thousand; two editorials from the Washington (D. C.) Post entitled "Turning on the Light and Subversive Lists"; letter from the American Civil Liberties Union; letters by Prof. J. D. Lewis, political science department, and Prof. J. Milton Yinger, department of sociology, Oberlin College;

copy of letter addressed to the Speaker of the House of Representatives by Albany, N. Y., chapter of the Progressive Citizens of America: letter from the Washington State Conference of Roosevelt Democrats, Spokane, Wash.; resolution of the Public Forum of Spokane and the Island Empire, Spokane, Wash.; resolution of the Minnehaha Farmers' Union, Humboldt, S. Dak.; excerpt of letter by the Progressive Citizens of America, Chicago, Ill.; statement adopted by the executive committee in the form of a letter to Hon. J. PARNELL THOMAS by the Chicago division of the American Civil Liberties Union; article by K. N. Landis, Chicago Sun-Times, entitled "A Smear Abetted"; editorial opinion in the March 6, 1948, issue of the Chicago Sun-Times entitled "Our Scientists and Red Spies."

These are in addition to the articles by Mrs. Eleanor Roosevelt and Mr. T. Milton Raynor, chairman, Chicago Action Council.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois may proceed for two additional minutes.

The SPEAKER. The Chair wishes to state that the House has considerable business to transact.

Mr. HALLECK. Mr. Speaker, reserving the right to object, we have important matters to be considered this afternoon, and I think under these circumstances we ought to proceed with the business of the House. I must object.

The SPEAKER. Objection is heard.

Mr. SABATH. Mr. Speaker, I ask permission to revise and extend my remarks, and I hope they will not be stricken out of the RECORD again.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, what is the gentleman going to insert in there—excerpts again?

Mr. SABATH. No.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OWNERSHIP OF STOCK INTEREST IN FREIGHT FORWARDERS

Mr. BREHM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Speaker, on Monday, March 1, during the calling of Consent Calendar, I objected to the passage of H. R. 3692. I just want to state that on next Monday, March 15, when this bill is again called, an amendment will be offered which will correct the situation to which I objected.

I regret that it will be impossible for me to be present to offer this amendment, but I do want all concerned to know that if the amendment to be offered is adopted that I will have no further objection to H. R. 3692.

SELECTION FOR ELIMINATION AND RETIREMENT OF OFFICERS OF THE REGULAR ARMY

Mr. JOHNSON of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2744) to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2744, with Mr. HOLMES in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ANDREWS of New York. Mr. Chairman, referring to the pending bill covering retirements within all branches of the armed services, H. R. 2744, I wish to commend the chairman of the Retirement Subcommittee, the gentleman from California, Hon. LEROY JOHNSON, the gentleman from Louisiana [Mr. BROOKS], and their associates of this subcommittee upon the long and careful consideration given to its provisions in hearings and otherwise in the development of this measure.

Its importance is significant and of particular value to members of the National Guard of the several States and to the Reserve Corps for it recognizes them as they should be recognized, and will mean much in the future in the permanent development of these two branches.

Mr. JOHNSON of California. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we have had a lot of acrimonious discussion here today, but I hope now we may eliminate all that and proceed to the consideration of a bill that has for its purpose the promotion of the safety and security of the United States of America. The bill before us today contains three titles.

Title I provides for the elimination of certain Army officers in the Regular Army. Title II modifies the retirement system in a minor particular so far as the Regular Army is concerned, and title III provides for retirement pay for Reserve components of the Army. All of these, except the last one, are merely changes in the law that we now have. The last title is an entirely new innovation in the handling of Reserve components of the armed forces.

Mr. Chairman, before I discuss the particular provisions of the bill I would like to say a word or two in regard to our committee. This bill was offered by the gentleman from Louisiana [Mr. BROOKS] who has pioneered in this legislation since 1940. When the bill was under consideration we made a number of changes and after completing very exhaustive hearings I asked our chairman whether he wished me to introduce the bill in the name of the chairman or in my own name. He said he did not want to substitute his name as the author of the bill but that I might introduce it in my name if I wished to, but I declined to do so. The point I wish to make particularly is that so far as the Committee on the Armed Services is concerned there is not one bit of partisanship in its considerations. We consider bills from anybody, no matter what the political party of the author may be. We leave their names on the bills after hearings have been held and they are modified. We are a unit in trying to formulate sound policies that will help the defenses and security of the United States, regardless of party or regardless of partisanship.

Coming now to title I of the bill, the set-up in this title provides, in my opinion, an equitable system of getting rid of incompetent Army officers. Following World War I we had proceedings under section 24 (b) of the National Defense Act. This system was so ineffective that of 1,400 officers who were listed as incompetent, and not worthy of remaining in the Army by boards that listened to their cases, only 238 were finally removed from the rolls. The present bill, we believe, will correct this situation. The situation was so bad with the advent of the Second World War, that the Chief of Staff came to the Committee on Military Affairs and requested a law, known as Public Law 190, which provided a summary way of removing officers from the Army; in other words, the Chief of Staff was so apprehensive with the increased responsibility of the Army that he said, "We must find some way to eliminate these incompetent officers."

How do we do it under the present bill? First we have what you call a Board of Inquiry of three general officers. These men look over the records of all of the regular commissioned officers of the United States Army. If their efficiency records show that they are down the list, or that they may be inefficient, or inept, or not doing good work, as reflected by these records, they are then ordered by this board to show cause why they should be retained in the Regular Army. Then they have a full hearing before a Selection Board consisting of five general officers. They have the right to have all their records presented which are relevant to the hearing before the Selection Board. They have the right to have counsel. They have the right to look at the complete files insofar as they pertain to their qualifications as Regular Army officers. They have open hearings before this board of officers. When this Selection Board has heard their cases, they can make one of two decisions: One, that the officer be retained on the Regular list. If that happens, that ends the case. The other is that he be recommended for removal from the Army. Then the man has a right to go before a board of review. In the hearing before this board the officer has the same right to his record, to present testimony, to present witnesses, to be represented by counsel, and so forth.

When this Board finally gets through with its proceedings, it may make one of two decisions: One is that the man be removed. In that event they recommend that the Secretary of War, under the rules that he prescribes, in his discretion, may remove the man from the

list of officers. If the Board determines that he should not be removed, the officer remains on the list of regular officers.

Each year they review these substandard officers. The testimony shows that in a great mass of cases the defects of an officer, his bad habits, his noninterest in the work, and all those things, creep out in the first 10 years of his service and we firmly believe from the testimony we heard that if this law is enacted, during the first 10 years of a man's service we will be able to weed out 95 percent of those officers who should not remain on the rolls, because they are inept or inefficient, have formed bad habits, or numerous other things; in other words, it will solve the problem of attrition better than has ever been handled by the Army before.

The second title of this bill provides a little change in the retirement system for Regular Army officers. On the books today is a law that provides that after 15 years of service a commissioned officer may make application for voluntary retirement. We have increased that to 20 years. In other words, he must remain on the rolls for 20 years before he can make application for voluntary retirement. You understand that this is nondisability retirement. In the event that he is granted voluntary retirement, he is paid 2½ percent per year of his regular active duty and longevity pay, multiplied by the number of years of his service, not to exceed in any case 75 percent.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from California.

Mr. BRADLEY. On page 9, in speaking of these officers, you say from 20 to 30 years of active service. Do you in any way anticipate that that might cut out the privilege that officers have at the present time of retiring when they have perhaps 32 or 33 years of service?

Mr. JOHNSON of California. I do not; no. Maybe it should read 20 to 30 years and more. I do not anticipate the point the gentleman makes will be raised, as I think it is very technical.

Mr. BRADLEY. I am just trying to cover a possible misinterpretation by the Comptroller General.

Mr. JOHNSON of California. I do not believe that will happen.

We also provide in this bill that officers retired from the Army and the Air Forces should have the right to be retired at their highest temporary rank held between September 9, 1940, and June 30, 1946. This was allowed to take care of Army officers and put them on a parity with the Navy. During the war a law had been passed in which it was provided that naval officers who were retired should be retired at the highest temporary rank held by them. This was not afforded Army officers, and we feel that now, especially since the services are merged, this should apply to Army officers as well.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I think it may be well for the chairman of the subcommittee to inform the committee that this legislation simply provides the Army with the same machinery the Navy now has in regards to the retirement of naval officers also to get rid of incompetent officers.

Mr. JOHNSON of California. That is correct in both particulars.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JOHNSON of California. Mr. Chairman, I yield myself five additional minutes.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Florida.

Mr. SIKES. I believe it may be helpful if my distinguished friend also points out that in the Army, since there were Army of the United States officers or temporary officers who had only one rank, serving side by side with regulars who had both temporary and permanent rank, the permanent rank in most instances being lower than the temporary rank, there was a situation where men would become disabled doing the same work or exposed to the same hazard, and the Army of the United States or temporary officer would be retired at his highest rank, because it was the only rank he had, but the permanent, Regular officer would be retired at a lower rank, even though he was injured at the same time.

Mr. JOHNSON of California. That is correct.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Michigan.

Mr. MICHENER. I received a letter this morning asking a question about this bill. I wonder if the gentleman can answer it. This man says:

I had ROTC in college and had 4 years of ROTC or National Guard after I left college. As a Reserve officer, I was called into the service and served over 5 years. Now I am back on inactive duty. What effect will this bill, if enacted into law, have on those in my class?

Mr. JOHNSON of California. We have a system of retirement for Reserves. I am talking now about the Regular Army, the professional soldiers. We will come to the Reserves later.

Mr. MICHENER. I withdraw my question until then.

Mr. JOHNSON of California. We are going to discuss that in just a moment.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. HORAN. Has the gentleman any estimates of the over-all cost to the Government?

Mr. JOHNSON of California. Yes, we have estimates of the cost. I am going to discuss that later, and if I do not, I wish you would call my attention to it, and I will be glad to respond to this request.

Mr. Chairman, we come to the third portion of the bill. Some of the details will be elaborated on by my colleagues on the other side, I am quite sure, when they address you. The basic idea underlying the third part of this bill is that in any war that we may have in the future, on the basis of our past experience, the Reserves will be the most important part of our Army. In the first World War, for instance, there were only five regular divisions. I could personally name you 10 National Guard divisions and 10 National Army divisions that fought and helped to win that war. Furthermore, we have had the situation in the past where we have had time to prepare for emergencies. Twice in the lifetime of every Member in this Chamber that has happened. In the First World War we had several years. We could see the last war coming from 1940 on, and we were pushed into it at the end of 1941. From what we know today, what will happen in the future, and we are sure that it will happen if another war should be forced upon us will be that we will have no time for preparation. A Pearl Harbor attack will be on us right here at home. You know the explosive state that the world is in. You know how small the world is. You know there are elements in the world who are not beyond making an attack on the richest Nation in the world, providing that they believe that they can put it over. I can not help repeating to you the testimony of a Catholic father, Father Walsh, who appeared before our committee on another bill. He said, in substance:

"I want to point out to you gentlemen that there is one power in the world that will not hesitate to attack."

He also said, "Do not fool yourselves about that."

That man has had 35 years' experience in international affairs. He is one of the best-known men in the world on the problems of the Near East. He said, "There is one group in this world that will only ask one question before they attack. That is: 'Will the attack be successful?'"

Now with that as a premise and a background and a rather sketchy one, I want to point out to you what we have in the way of benefits and incentives for the Reserves. I might say parenthetically that yesterday we passed a very good bill to stimulate service in the Reserves to harness the manpower in this country that has had war experience and to pick up those who were too young to serve in the last war and who are anxious to do something to safeguard the security of our country. We have a provision in this bill that if a man serves 20 years in the Reserves, at least three of which must be what we call active service, he shall then be entitled to retirement benefits at the time that he is 60 years of age. Let me see if I can explain to you about how the situation would work. Suppose that a man had served 20 years in the Reserves or the National Guard. Then over and above that he had 2 years of service in the last war and accumulated two more years of service after the war. Then he would have a total service of 24 years. How would he be paid and at what rate? If this man—and this bill applies to the enlisted man as well as to officers—assuming that this man was an enlisted man, if he had attained the rank of master sergeant, here is the way you would compute his pay when he qualifies for retirement on reaching age 60. For the 20 years of inactive or Reserve service, he would re-

ceive a credit of one-half percent a year. That is 10 percent for the 20 years. For each year of active service he would receive a credit of 2½ percent a year. Four times 2½ percent—that is for the 4 years of active service—equals 10 percent. So this man would receive the pay of a master sergeant, with longevity and other things added at the rate of 30 percent of the active pay. The pay would start on the first of the month after his sixtieth birthday, and would continue on down through life. We have shown you some diagrams here that give you a little idea of what a man would get. Referring to the example I mentioned—I do not have the exact figure, but taking 25 years, he would receive for the rest of his life $568 a year, which is roughly $65 a month. Now that is the thing that we believe will furnish an incentive to hold men in the service for a considerable time.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. MUHLENBERG. Is there anything in the bill that prevents duplication of pensions? For instance, a Reserve officer might be receiving a pension under another form of Federal security.

Mr. JOHNSON of California. No; there is nothing that prevents that.

Mr. MUHLENBERG. In the opinion of the chairman, would that be a wise provision to have in the bill?

Mr. JOHNSON of California. Does the gentleman mean to prevent duplication?

Mr. MUHLENBERG. Yes.

Mr. JOHNSON of California. Frankly, I do not know what situation the gentleman has in mind, and I do not want to give him answer unless I have an idea of what he is talking about.

Mr. MUHLENBERG. A man in Federal service might be a civilian employee.

Mr. JOHNSON of California. With respect to the Federal service there is another law that prohibits for dual payments in certain cases. If a man gets over $3,000, he cannot get anything under this bill. That applies to Army officers, and I think that is a good rule. At least we cannot change it in this legislation.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. VAN ZANDT. Where a veteran of World War No. 1 and No. 2 receives a pension as a result of disabilities he is not entitled to be part of the Reserves, and therefore could not enjoy the benefits of this legislation.

Mr. JOHNSON of California. That is correct.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. MILLER of Connecticut. Mr. any requirement in this bill now that makes it necessary for a Reserve officer to go back into active duty after the passage of the bill?

Mr. JOHNSON of California. Yes, there is. If he has less than 5 years active service, he must serve 2 years, after the last war, in active service. It is also contained in the report, in a table showing exactly what the situation is, and what service the man must have after this war. It depends upon the length of service he has had altogether.

Mr. MILLER of Connecticut. If he has had 20 years over all, active, and inactive——

Mr. JOHNSON of California. If he has had 20 years over-all he does not have to serve any time.

Mrs. SMITH of Maine. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the lady from Maine.

Mrs. SMITH of Maine. Largely for the reasons so ably explained by the gentleman from California, I introduced H. R. 786 last year. As a devout supporter of reservists, I have the utmost confidence of the soundness of this bill because of the exhaustive hearings and serious study made by the subcommittee headed by the gentleman from California. As a practical matter, under normal Reserve service will the reservists be able to get in the required postwar active duty?

Mr. JOHNSON of California. I believe most of them will. The provision for constructive service will be a great help to them in building up active-duty time. Also, most of the Reserves are comparatively young and will have ample time to supplement their Reserve service, both active and inactive, by taking an active part in Reserve activities during the postwar period. Remember, that a man has until he is 60 years of age to build up the necessary time.

Mrs. SMITH of Maine. They only get 15 days a year under ordinary circumstances?

Mr. JOHNSON of California. Well, they have a program now in the Army like the Navy and also the Air Forces to call men in for extended duty.

The CHAIRMAN. The time of the gentleman has expired. The Chair would advise the gentleman he has consumed 20 minutes.

Mr. JOHNSON of California. Mr. Chairman, I yield myself five additional minutes.

I want to say emphatically that I do not know of anybody who has made a more careful study of this problem than the lady from Maine [Mrs. SMITH]. Furthermore, I know she has traveled widely throughout the world, studying the security problems first hand. No one in Congress has a better grasp of these problems. Last year I was a member of a group, of which she was also a member, and we traveled in northern Africa, the Near East, and all through Europe. No one on this committee was more diligent in trying to learn what the problems of our troops were, including the Army, Navy, and the Air Forces than the lady from Maine.

It is pleasing to this subcommittee to have the hearty support of the lady from Maine in our efforts to get this legislation through Congress. Her support will greatly enhance the chance of getting this bill through the other body. It is my opinion that no person in the House has greater good will among the membership of both Houses of Congress than the lady from Maine.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. HORAN. Will the gentleman tell us now the over-all estimated cost of this retirement system to the Federal Treasury?

Mr. JOHNSON of California. In the report it is estimated that the over-all cost for the Reserve components starts at about $51,000 in the year after the passage of this law, and by 1958 it would be $1,455,000. In addition the Navy has the same general type. They have more Reserves and they are better organized. It would run up to roughly $6,000,000. The extra cost on the Regular Army would run up in 10 years to $5,118,000. In other words, when you consider the astronomical figures of the cost of national defense, these costs are rather nominal.

Mr. HORAN. Is it not true, though, that there might be some call to enact legislation similar, or remunerative at least, because of this legislation?

Mr. JOHNSON of California. I do not quite understand the import of that question.

Mr. HORAN. You are trying to increase the attractiveness of the service; are you not?

Mr. JOHNSON of California. Yes.

Mr. HORAN. Of course we had quite a number serving in the last war. What I am trying to do is to find out what the aggregate cost of this program is and if they have been properly related to each other? Bear in mind that 80 cents out of the taxpayers' dollar goes for war or to pay for wars.

Mr. JOHNSON of California. Yes; I understand. It may ultimately reach $33,000,000 a year, but there is great uncertainty because we do not know how many men will serve 20 years, nor do we know how many men will live to be 60. There are so many imponderables that we can make no accurate estimate of what the cost will be. My personal opinion is that many men will start but very few will stay in for the 20 years. Also, what we want to do with the legislation is to hold them for more than 1 year. We lost too many members of the Reserves before, just after they had been in 1, 2, or 3 years. We are trying to hold the men at least 5 years, and this is one incentive, I believe, that will help hold them on the rolls.

Mr. HORAN. The gentleman regards it, then, as personnel insurance.

Mr. JOHNSON of California. Yes; and as security insurance also.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. VORYS. As I figure it out, a reserve on inactive duty, his year counts for 2 months and 12 days; that is over half a percent as opposed to 2½ percent for the full year.

Mr. JOHNSON of California. I think it would work out that way; yes.

Mr. VORYS. So that a reserve year amounts to 2 months and 12 days of active duty. I wonder whether the bill has fractions of a year in computing active Federal service and how that would work out.

Mr. JOHNSON of California. No; it does not compute fractions of a year; it just grants the yearly service that he has, and he has got to serve a full year.

Now, he does get a constructive allowance each year of 1 percent if he takes the number of exercises, which, I believe, are at least 48 a year, toward making up the 20 years.

Mr. VORYS. One percent of what?

Mr. JOHNSON of California. They give him a little advantage there, what is called constructive service.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. JOHNSON of California. Mr. Chairman, I yield myself five additional minutes. There are no requests for time except by two people. That is why I am taking so much time now.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Florida.

Mr. SIKES. I wanted to supplement the gentleman's statement by saying that for each year a reservist keeps up his correspondence work, goes to drill or training periods, does the summer camp work which is required to keep him abreast of military activity, he gets 30 days' credit toward active duty, credit toward retirement pay.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. VORYS. Then, could they accumulate the active duty service by portions of less than a year?

Mr. SIKES. That is right.

Mr. JOHNSON of California. Oh, yes; surely. I did not get that point of the gentleman's question. If they serve only 10 days or 12 days they still get credit for it.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. VAN ZANDT. The gentleman from Florida said a moment ago a Reserve receives 30 days' credit for courses, drills, and summer training period. Is it not correct to say they receive 30 days credit for courses and drills, and in addition receive credit for a summer training period.

Mr. SIKES. That is right.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mrs. ROGERS of Massachusetts. Will the gentleman state what this bill does for the Army compared with what the Navy does for the Navy Air Forces, the naval air arm?

Mr. JOHNSON of California. What does the gentlewoman mean?

Mrs. ROGERS of Massachusetts. Does this apply to everybody?

Mr. JOHNSON of California. This applies to all services. The Navy has a somewhat similar scheme, but they all get the same treatment and comparable pay, and so forth.

Mrs. ROGERS of Massachusetts. Does this give any advantages to the Navy air arm that it does not give to the Army air?

Mr. JOHNSON of California. No; not that I know of. The Army Air and Navy Air get the same benefits.

Mr. VAN ZANDT. The gentleman from Washington [Mr. HORAN] a moment ago asked about the estimated cost of this bill.

Yesterday when discussing H. R. 3227, I stated it was cheaper to maintain a Reserve than a huge standing army. The Navy Department furnished cost figures broken down to an individual man. In the case of a seaman second class, we find it costs the Navy in sea pay and subsistence a total of $1,500 a year. For a Reserve in pay and summer cruises it costs the Navy $191.40.

Mr. JOHNSON of California. In my opinion, this is peace insurance. We are at this time in a transitory period. If you will read Mr. Hull's memoirs or Mr. Byrnes' Speaking Frankly, or other books and statements similar to those, written by people who were and now are engaged in an effort to bring about a peaceful world, you will find that they very strongly recommend the retention of our armed strength while negotiations are going on. It is one way of saying that we mean business when we harness together into one effective unit the soldiers who served in the last war and the new ones who are coming up and are anxious to serve in the future.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Washington.

Mr. HORAN. The gentleman used the word "enactment." When does this program start and are there any retroactive features in it?

Mr. JOHNSON of California. There are two small retroactive features in it that we are going to strike out. There will be no retroactive features then. It becomes effective upon the enactment of the bill into law.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Having in mind the bill of yesterday, and I am very much in favor of this bill as I was the bill passed yesterday, is this not simply another link in the chain that we hope to weld looking toward a strengthening of our national defense and making the Reserve Corps more attractive and treating those men more equitably than they have been treated in the past?

Mr. JOHNSON of California. I think that is a fair and very enlightening statement.

Mr. MILLER of Connecticut. The gentleman mentioned that there are no retroactive features. Does past service count?

Mr. JOHNSON of California. Why, certainly.

Mr. MILLER of Connecticut. I thought maybe from the answer to the question there might be some doubt. I understood what the gentleman meant but I wanted to make that clear.

Mr. JOHNSON of California. Of course, all past service counts. That is assuming it has been satisfactory service.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Carrying that thought a little further, the gentleman said that this bill becomes effective upon enactment. He has explained part of this to the gentleman from Connecticut. May I ask, though, under the bill as it now stands and as it will undoubtedly pass, how many men will be immediately entitled to the benefits of this act?

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. JOHNSON of California. Mr. Chairman, I yield myself two additional minutes.

The best estimate the Army could make was that in the event it went into effect in 1948 there would be 54 eligible in 1949, 71 in 1950, and it would work up to 687 by 1957.

Mr. SCRIVNER. In view of the bill passed yesterday which set up payment for armory drill and your summer encampments, to become entitled to these retirements must those individuals engage in drills or not?

Mr. JOHNSON of California. The only way they can get credit for time is to engage in drills of some kind. We set up standards with which a man must comply. There are 48 drills a year, like the National Guard, then he can go to a summer camp and get credit for that.

Mr. SCRIVNER. What about the men and officers in the Reserve Sea units where you do not have drills?

Mr. JOHNSON of California. They have to comply with certain standards that the War Department, or the Navy, or the Air Forces lay down.

Mr. SCRIVNER. What are those standards?

Mr. JOHNSON of California. I do not know what they are, but they will be comparable to what is required of the National Guard.

Mr. SCRIVNER. A National Guard officer has to attend drills and go to camp.

Mr. JOHNSON of California. Yes. These people will have to do some type of work or go to camp.

Mr. SCRIVNER. I think we ought to be told what they will have to do.

Mr. JOHNSON of California. We had some testimony on that. They have a plan that I think is sound. They set up a certain program and require so many hours of service and duty.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that Reserve officers who find themselves in either class A, B, or C will have to attend drills in order to receive credit for retirement?

Mr. JOHNSON of California. Yes. That is provided in the other law.

Mr. BROOKS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, events in Europe emphasize today the need for action. Communism is sweeping eastern Europe and is threatening all of the liberty-loving nations of the world. Newspaper accounts of the serious wounding of one American soldier and the firing upon other American soldiers in Vienna emphasize the ugly features of communism. These occurrences, while but incidents,

serve to put us on notice that our own armed services must not be neglected longer.

In my judgment, we have sadly neglected the Reserve components of the armed services. We have not given them the legislation which they need to build up to their respective requirements. For instance, the requirements for the National Guard have been set at 680,000, and yet we find today only 250,000 members recruited. We are far short of the goal.

When this country was demobilizing, more than a million men expressed a willingness to accept service in the Army Reserve, either as officers or as enlisted men. More than 2,400,000 expressed an interest in continuing in all Reserve components. Through failure to act, hundreds of thousands of these men have lost interest in Reserve training. They have been scattered to the four winds and their addresses have not even been brought down to date. We are in urgent need of legislation to bring up to proper standing of efficiency the Reserve components of our armed services. The sweep of communism in Europe tells us we must delay no longer.

H. R. 2744

This bill fulfills a long-standing need of the armed services. For the future growth and well-being of our services, which includes both the Regular Military Establishment and the Reserve components of them, it is, in my opinion, most urgent and necessary that we pass this measure. H. R. 2744 is divided into three titles. The first two of them applies to the Army and the third title applies to all of the Reserve components of all services.

For many years the Army has been plagued with the problem of what to do with the inefficient, inept, and substandard officers. In the years immediately following the First World War, the Army grappled with the problem of the "hump." This was caused to some extent by the inability of this branch of the armed services to eliminate in a satisfactory manner surplus and substandard officers. Although conditions in the Army have changed radically since the conclusion of the Second World War, no adequate system of selection or elimination of officers who have failed to meet the minimum Army standards has yet been placed into law.

Title 1 of this bill is the answer to this problem. It provides for the naming once each year of a selection board of five officers. This board shall have the duty of sending the names of substandard and inept officers to a board of inquiry which shall recommend either the retention or the elimination of each officer selected. In the event the board of inquiry recommends the elimination of the officer, he shall have an appeal to a board of review which shall completely review his case and make its own recommendations, based upon its findings on review. In the event this board reverses the findings of the lower board, the case is closed and the officer shall not be subject to further action. In the event the board of review affirms the decision of the board of inquiry, the case is sent to the Secretary of the Army for his action on it. The action of the Secretary of the Army shall be final and conclusive in removing the name of any officer from the active list.

Under the provisions of this title, the officer removed from the active list shall be entitled to retirement benefits if, under the law, he otherwise would be entitled to them had he voluntarily retired. In the event he has earned no retirement rights upon removal, he shall be entitled to severance pay, and this pay shall equal 1 month's base and longevity pay for each year served in the Army. The total amount of the severance benefits shall not exceed 12 months' base and longevity pay of the officer.

No back pay or allowances shall accrue by reason of this title. Provision is made under this title for the review of all records of officers removed from the active list under the provisions of act of July 29, 1940, commonly known as Act 190. It is felt that this relief is proper, as the officers removed from service under Act 190 feel that their cases were handled in a summary manner and without proper consideration. Only a few hundred cases are involved—thirty-six in all—and no great problem is anticipated.

TITLE II

This title of H. R. 2744 provides for equalization of retirement benefits for the Regular Army. The Navy has long since followed the rule that retirement shall be at the highest temporary rank or grade held during the late war. The Army, on the other hand, has retired at the permanent rank. This section extends the Navy rule to the Army operations. Temporary rank was given during the course of the late struggle when a high premium was placed upon armed services. Officers of the AUS—Army of the United States—possessed only temporary rank, and, under the law, they are retirable at this rank. On the other hand, United States Army officers have both a permanent and a temporary rank. They are now being retired at their permanent rank. This presents the anomalous situation of two officers, both of the same rank, fighting side by side until the end of the war, one being retired in his temporary war grade and the other being retired in a lower permanent grade. The committee did not think this situation fair and equitable, and the members have therefore recommended the change as embodied in this title.

Substantially the same rules applied to officers, warrant officers and enlisted men. Due to the failure of Congress to provide retirement benefits for nurses, provision under this bill is made for Army Nurse Retirement based upon the same principles and rules as applicable to other branches of Army service. The Secretary of War is authorized to promulgate such rules and regulations as may be necessary.

TITLE III

For many years students of national defense have felt that some additional inducements should be provided for long service in our reserve components. Too often in the past a young man has entered our reserves as an officer to work valiantly for a while, only to lose interest in his work and drop out. It has been found, especially, that the responsibilities of marriage and rearing a family have taken a heavy toll from our reserves. This means that the Government has spent much money in the selection and early training of our reserves who have dropped out before much usefulness can be obtained from the training which they have received. Before World War II it was found that 10 percent of the Army reserve officers left the service each year; and at the end of a 10-year period we had almost an entirely new set-up. It was found also that one well-trained officer is worth five untrained ones. It is now felt that no time will be allowed in the future emergencies for training as we have had in the past. We must be more adequately prepared in the future.

Friends of National Defense have been trying to find a solution of this very heavy attrition problem. One answer has been the suggestion of inactive duty training pay. Of course, this does help in the recruitment problems. It is not the answer to the problem of holding the interest and activity of the Reserve, both enlisted and officer, after he has entered the Reserve and become fairly well trained. We feel that a modest retirement system is the answer. Our committee therefore presents a plan of retirement benefits which shall apply to both enlisted and officer Reserves in all branches of service. Contrary to first thought, it is not an expensive proposal. It is estimated to cost for the first year $408,000, and at the end of the first 10 years it is estimated to cost not exceeding $5,000,000. Our proposal is therefore well within the financial limits of our abilities. This proposal will build up in the mind of the Reservist a credit for service retirement which will act as an inducement for continued service. The Government at a small cost will reap a rich harvest of efficient service from well-trained, long-service Reserves.

Our proposal is simple. This bill will provide that a reservist shall be entitled to service retirement at the age of 60 years, if he has served 20 years or more in either active or inactive Federal service. He will be given this retirement upon certain conditions. The first requirement is that, except in the case of those Reserve officers who have completed 20 years of satisfactory Federal service, a certain amount of future active Federal service is required. The amount of future service required depends upon the amount of past inactive service, and ranges from 4 years down to 6 months. In the future this active Federal service for a Reserve may be obtained by attendance each year at the summer training camps, by calls to temporary active duty and in other ways. A 30-day annual active-duty credit is specifically given to each Reserve who performs his duties satisfactorily and this may be applied toward the building up of his active-duty credit. It will not be easy for the average Reserve to build up his active-duty credits sufficiently to

retire at 60 years but this bill does present an attainable goal for each ambitious reservist.

H. R. 2744 allows each reservist upon reaching the age of 60 years, if he has at least 20 years Federal service, retirement at the rate of 2½ percent of his base and longevity pay for each year of active Federal service. It allows an additional credit of one-half of 1 percent for each year of inactive Federal service. The results are obtained by calculating the amount of both active and inactive service by this formula. The results are a modest retirement for the faithful member of the Reserve component.

I will take an example. A reservist with a total of 30 years of service, 10 active and 20 inactive, will receive a credit of 25 percent —10 times 2½ percent—for active service and a credit of 10 percent—one-half times 20 years—for inactive service. Thus the total credit on the base and longevity pay will be 35 percent. The answer in dollars and cents is easily obtained by taking 35 percent of his base and longevity pay at the time of retirement. In no event shall retirement exceed 75 percent of base and longevity pay.

This title is to apply to all Reserve components of all services. This, therefore, covers Army, Navy, Marine Corps, and Coast Guard.

In conclusion, Mr. Chairman, I wish to say that this committee has been most painstaking in the study of the matter of retirements. It has studied the entire matter for many months. It has weighed each word of this bill and studied the far-reaching technical effects of each provision. The chairman especially has done a magnificent job on it and is entitled to the thanks of those who are interested in the building up of our Reserve components.

Mr. Chairman, this is not a new matter. Since 1941 I have been working upon the idea of a modest retirement system which should apply to our Reserves. Each measure that has been presented has been an improved one. Last year, our committee presented a measure which passed this House under a unanimous consent calendar but it was objected to in the Senate and failed to pass before adjournment of Congress. This measure is a distinct improvement of the one passed by this House in the Seventy-ninth Congress. It has the backing of every branch of our defense. It has the approval of our patriotic organizations. It has the endorsement of our Reserve organizations and has been the subject of study and work by each one of them.

Mr. Chairman, the world now is in a rather critical condition. Urgent problems vex us at every hand. Struggle for power on the part of other nations is evident more and more each day. The need of implementing the United Nations has become urgent and a clamor that its decisions should have force and effect throughout the world is being heard. All of this means need for a stronger national defense. As a nation, we are not able to finance a large permanent standing defense force. There is economy in our Reserve components. Our future as a nation is dependent upon the proper organization and handling of them.

Mr. Chairman, in particular reference to H. R. 2744, I want to say that title I is very vital. Under the law that we have at the present time, which was passed during the course of the late emergency, Public Law 190 of 1941, we prescribed the means whereby any substandard or inept officer might be removed from the service. Now, that act runs out, according to its own terms, this coming June, and at the expiration of that period of time the United States Army will have no means whereby it can effectively remove from service inept, inexperienced, or substandard officers. So, title I is placed in the bill at the urgent request of the War Department, that it be given some means of relieving itself of officers who, by temperament or disposition, or perhaps acquired habits, are not of the type which the Army wishes to retain. This is not a criminal matter by any means. But, if a criminal case was being tried in our courts, you would first present it to a grand jury, then you would face trial court and then you would have the right of an appeal. The set-up in title I to guarantee all of the rights which an officer really can expect set forth in detail.

In the first place, the selection board is set up by the Secretary of War to meet once a year at a minimum. The selection board goes over the list of all the officers, selects those officers which it believes to be of questionable type or substandard, and submits the names of these officers to the Board of Inquiry, which is in a sense the trial board. The Board of Inquiry then permits the officer to have counsel and his case is tried by this Board. If the Board of Inquiry feels that there is a justifiable case against the officer, it recommends that he be severed from the service. The officer in that instance has the right to appeal. He takes his case before the appellate board called the Board of Review. The record is transmitted in full to the Board. The officer has the right again to be heard, to present his case again, with all of his defenses. Then if the Board of Review decides in effect that the Board of Inquiry was correct in its finding, it affirms the decision of the lower board and transmits its findings—not the record but its findings—to the Secretary of War. The holding of the Secretary of War is final in this instance.

If the Secretary of War holds that the officer is in fact substandard and that the service would be improved by the severance of his services from the Army, he so finds. The officer in that instance is given what is called severance pay. The severance pay depends upon the length of service the officer has had in the Army. If he has had 1 year of service, he gets 1 month's base pay and longevity pay as the severance pay. If his service is up to 12 years, he gets an additional month of base and longevity pay for each year he has served in the Army. If he is entitled to retirement under the present law, like others who are entitled to longevity retirement, then he is entitled to all the compensation of a retired officer in his grade and rank and with his length of service. So the rights of the officer are fully protected, which they are not under the present law.

The proceeding is not summary. It takes into consideration all the rights and equities in the case. It gives the officer a full opportunity to be heard, gives him counsel, and gives him access to all the relevant papers and files in his case. We think it is a tremendous improvement on the present law and is vitally necessary, because the present law expires in June and there will be no law covering severance of officers if this is not passed.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the machinery we are now setting up for the Army has been in operation in the Navy for years, and as a result only two or three appeals have been carried to the Secretary of the Navy by officers concerned?

Mr. BROOKS. The machinery the Navy has has been found very effective. We want to place the Army in shape where its machinery will be just as effective.

Further, Mr. Chairman, we want to take from the Chief Executive the load he has been carrying. We found under 24 (b), for instance, years ago, that every time an officer was disconnected from the service or removed from the active list he ran to the President of the United States and, despite all the important and busy matters the Chief Executive of this country has, he had to stop in the course of those matters, examine into the individual case, and review the full proceedings to find out whether or not the officer should be removed from the active list. The result was that the machinery was not effective, and the results were not satisfactory to either the officer or the service. This will accomplish the desired change, I believe.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Colorado.

Mr. CARROLL. Is the gentleman outlining a procedure which can be used also in eliminating and shaking out some Reserve officers who are not capable of fulfilling their duties?

Mr. BROOKS. That does not come within title I of the bill H. R. 2744. I may say that the Navy reserves the right at all times to go down its lists and remove anyone. The regulations of the Army prescribe the same thing. I am glad the gentleman asked the question. We have not been in a position to enforce the high standards of training upon the Reserves which the services would like to apply to them. The reason is that the Reserves have served voluntarily and without pay in the Army and the Air Force. They have served with a highly patriotic sense of duty. They leave their businesses, they go to their Reserve meetings and their respective activities at night and during the daytime, and they are subject to 2 weeks' call for camp, and are not paid except for the active duty in camp.

Mr. CARROLL. I should like to suggest to the gentleman the experience during the last war was that we found many Reserve officers who had been in the Reserves for 20 and 25 years. Those men had developed seniority and were really blocking the progress of men who were more capable. I am wondering whether there has ever been any examination or any procedure to shake some of these people out as you have now indicated is desired for the Regular Army.

Mr. BROOKS. The treatment will be, when we get this legislation which was passed yesterday and this bill which we hope to pass today, that the services can then raise the standards of the Reserve, which they want to do. I think it has been our mistake in the Congress in failing to give them satisfactory legislation. Now we are going to do that.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. GOFF. It is my impression that Reserve commissions are only for 5 years. At least that is what they used to be, so that an officer who failed to live up to certain standards would not have his commission renewed. I do know that they established certain requirements as far as correspondence work and other matters are concerned. Such an officer who failed to live up to the requirements would have his commission subject to revocation under the regulations, which would take care of the situation of a Reserve officer who did not come up to the standards.

Mr. BROOKS. The gentleman has made a very pertinent observation.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my colleague from Florida.

Mr. SIKES. I think we ought to make it clear, however, that title I of this bill applies to the elimination of officers from the regular Army. I just want to be sure that there is no misunderstanding about that. The Reserves are appointed for 5 years, but not so in the case of the Regular Army.

Mr. BROOKS. I thank the gentleman very much.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. CARROLL. Is there contemplated any plan or any procedure whereby we can get rid of Reserve officers who are inept?

Mr. SIKES. Yes, as was pointed out a moment ago, he is appointed for a 5-year period.

Mr. CARROLL. Of course, the 5-year period in the case of the Reserves is a period in which there has been no shakedown. That is why I am in favor of this legislation.

Mr. BROOKS. That is the very point I have been getting at. We have not had legislation to back up our Reserves. We have wanted to have a high standard of efficiency for the Reserves, but we have been unwilling to pay or compensate that Reserve for the services rendered to the Nation. These bills, the one that we passed yesterday and the one we are now considering, will in my judgment accomplish that result.

Mr. CARROLL. I agree with the gentleman from Louisiana.

Mr. BROOKS. Mr. Chairman, when we approached the emergency of the Second World War, the Army found that we had approximately 100,000 effective Reserve officers. They found in going over the records that 10 percent of the Reserve officers dropped out every year so in the course of 10 years immediately preceding the Second World War, we had almost a complete turnover of the Reserve officers. The reason was that there was no effective incentive to keep men in the Reserve. A man started out full of enthusiasm and youth with the desire to serve his Nation as a reservist or National Guard man. He did well for awhile. But soon his enthusiasm waned, and there was no inducement at the end of his service to continue actively and enthusiastically and he dropped out. As a rule, the reservist and guardsman would marry and raise a family and it was necessary for him to be at home at night rather than at the armory for drill periods. Furthermore, he would not be able to get away during the summer for the 2 weeks at camp, and the increased press of business upon him also worked to take him out of the Reserve organization and the guard.

Since 1941 we have been working upon a program which would interest our Reserves in long-continued service. We found for instance that one trained Reserve was worth five untrained Reserves, and it was actually economy to our Nation to retain in the Reserves the same men, without a mass turnover every year. So we worked out this system whereby these men would be entitled to retirement. It covers both officers and enlisted men.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BROOKS] has expired.

Mr. BROOKS. Mr. Chairman, I yield myself two additional minutes.

Under this system contemplated in title III, a Reserve will serve 20 years and at the end of 20 years if he has a certain amount of active Federal service, dependent upon certain conditions, he will be entitled to a modest retirement for the service which he rendered this country in the Reserve components.

With reference to the cost, we found, as my colleague from California [Mr. JOHNSON] has just indicated, that the cost for the Army Reserves for the first year would be $51,000; that at the end of a 10-year period the cost would be about $1,500,000. Of course, the cost beyond that 10-year period will depend upon what Congress does in the way of increasing the Army Reserves and implementing it.

We found the cost for all Reserves would figure approximately $5,600,000 by the year 1957. So, considering other expenses of national defense, we think that is real economy if we can retain these Reserves in active service by expending $5,600,000 a year. I think that is genuine economy for our Nation to build up these Reserves.

All of the armed services came before the committee and testified in favor of this measure. All of the patriotic organizations are supporting it. All of the Reserve groups are supporting it. They are actively for it. They think this is a measure which, above all others, will furnish to our Reserves, both enlisted men and officers, a desire to continue in service until they are retired under the longevity retirement program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Chairman, it is with great satisfaction that I rise in support of H. R. 2744, introduced by the distinguished gentleman from Louisiana [Mr. BROOKS], and to inform the House of the great importance of this bill to the reserve components of our armed services. To the gentleman from Louisiana, the gentleman from Florida [Mr. SIKES], and the gentleman from California [Mr. JOHNSON], chairman of the subcommittee which conducted the hearings on the bill, I say without any qualification whatsoever that they and the other members of the Armed Services Committee have done a yeoman job in behalf of the citizen soldiers of our country, both past and for the future.

It is with reference to title III that I speak. You and I know that in addition to our regular establishments we must have trained reserves, trained so that on mobilization day they will be ready to take their places on the firing line in defense of our country. Practically, without exception, every military man of the permanent forces knows that in order to fight and win a war it is necessary to have trained reserves. The First World War showed the necessity for continuance of civilian components to the Regular set-up. Those of us who participated in that conflict know that the majority of the Army divisions were either guard divisions or national Army divisions. I recall with great pride the fighting records of some of the guard divisions—namely, the Twenty-seventh, Twenty-eighth, Twenty-ninth, Thirty-second, Thirty-fourth, Thirty-fifth, Thirty-sixth, and the Forty-second—and others with records just as distinguished.

We have always been a Nation depending upon a small professional Army and placing dependence upon a suddenly expanded reserve through calling to the colors the National Guard and the Organized Reserve.

Today of all times it is more than necessary for the welfare of our Nation that we have the trained National Guard and Organized Reserve divisions. We are living in a sick and troubled world and no one can tell when an explosion may take place. While we are fighting for a peaceful world, we must be prepared to repel any attack and by being so prepared, we are further assuring our own peace and security.

I have always been a great advocate of the National Guard of the United States. I have felt that with proper support and encouragement the National Guard can be and has been a tower of strength to our national security. I realize, as we all do, the many weaknesses in the Guard—but the weaknesses have

been soon corrected when they were given a military mission. I recall with pride the services of the 18 National Guard divisions in World War II—divisions which participated not only in the jungles of the South Pacific but also brought honor and glory to themselves and their States in the fighting in the European theater.

I am proud of my 25 years' association with the National Guard, both with officers and enlisted men; and I recall with pride the many hours daily and nightly spent in the various armories studying, reading, and delving into military subjects preparing for M-day.

I remember many times hearing such remarks as "Is it worth while?" "Who cares—all we get is trouble. Trouble with our families for spending too much time away from them—and trouble with our business for spending far too much time away from it." I have always felt that what the Guard and Reserves needed was a system whereby the individual, whether he be commissioned or enlisted, would receive, after years of faithful service, some remuneration in the way of retirement, which in a measure would recompense him for his long and faithful service to his State and to his country.

I am convinced that in the bill presently before us we have the answer. It is a step toward the future of the guard and the Organized Reserve and in my opinion will be the greatest morale booster this Congress can provide for those men who are not professional soldiers but who, in addition to earning their daily bread, are also performing great service to their country in training not only themselves but thousands of others for their country's defense.

I do not intend to go into a detailed explanation of the bill. That has been ably handled by the gentleman from California [Mr. JOHNSON] who has labored many long hours with his committee in shaping up this legislation. The bill has the endorsement of the American Legion, the Veterans of Foreign Wars and other veteran organizations, the National Guard of the United States and the Organized Reserve. It should be passed, and I expect it will.

What a great incentive it will be to the men of the guard and the Reserve when they learn that H. R. 2744 has become law. There will be no more uncertainty in the minds of thousands who have wanted to spend time in the guard and the Reserve but who for business reasons and the uncertainty of their future as citizen soldiers have held back. Now they will know that in case of emergency and a long period of active service with the colors, their future is more secure. They will also know that they can look forward to some retirement after years of service in peacetime as well as war. They will know that their services have not been in vain.

Mr. BROOKS. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. DORN].

Mr. DORN. Mr. Chairman, I rise today to pay tribute to this subcommittee of the Committee on the Armed Services which has worked so steadily on this bill, also the committee as a whole.

These gentlemen deserve great commendation for their services not only to this Congress but to the country and to the security of the country in getting these bills reported out. A lot of us are prone to overlook the necessity for the bill passed yesterday and the one under consideration at this time; however, they are a vital part of our national defense program. These bills provide an incentive for those men remaining in the service who aspire to serve further and it also furnishes a gratitude to those who have already served.

Mr. Chairman, in my opinion, this is a wonderful program. You can go back to any war in which the United States has participated and you will find that the National Guard and the Reserves have played a vital part in winning the wars in which we have been engaged. This bill also helps to alleviate a situation which has existed for some time, in that it gives our old, inept, worn-out officers a chance to retire and gives an incentive for the younger and more aggressive men to push forward with their own ideas so far as our armed forces are concerned.

Again, let me say that I wish to compliment these gentlemen who have labored so diligently on this bill which in itself might not be so spectacular, but nevertheless is a vital part of our national defense.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, the bill now before the House is a further development, and a better development, in my opinion, of the matter of retirement both for the Regular armed services and for the Reserve components, than the bill H. R. 7063 of the Seventy-ninth Congress, which was considered and passed by the House in 1946.

I want to compliment the committee for its continued good work in analyzing and studying this entire matter of retirement for members of the armed forces and the Reserve components. No problem is more complicated or more difficult to understand I dare say than this problem now under consideration. It takes a great deal of time and care to understand and develop legislation of this kind. I know of the work of the committee quite well, and I know their devotion to this problem. I commend them very highly on the results of their work.

Mr. Chairman, there are some questions that are bound to arise. After discussions here on the floor I have come to a realization that some of the points that are written out rather clearly in the committee report might easily be overlooked by any one who has a specific problem. For instance, a young war veteran who has not very many years of service may wonder whether or not he must return to extended active service in order to qualify for retirement. As you can see from the chart prepared and now before you and from the committee report, he can get constructive service credit to the extent of 1 month per year and over a period of enough years he can get his 3 years required service insofar as retirement is concerned. But we must understand that this bill has to do only with retirement and only indirectly does the whole provision for retirement rights become an incentive to the reservist to continue his active contact and connection with the Reserve components. That Reserve member must qualify under all the other requirements which can well require him to return to active duty even though that is not required in order to meet the total length of service for his qualification for retirement. He must meet all of the qualifications and all of the requirements set out by the armed forces to enable him to continue his status in the Reserve component. I do not want them to confuse those 2 requirements. I am very strong for the legislation here before us because it does offer a great incentive and a great inducement to the young reservist. We are looking ahead. We are trying to reward him for past services, those who have served so well, but most of all we are trying to hold out an incentive to the young reservist to continue his active contact with the Reserve forces.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from California.

Mr. JOHNSON of California. With reference to past services, they are so nominal that they do not amount to anything in the over-all cost of this bill.

Mr. MARTIN of Iowa. That is right.

Mr. JOHNSON of California. We do make a slight reward for past services, and we think we should. The first year it would amount to $51,000; in 10 years it would only amount to $450,000 per annum.

Mr. MARTIN of Iowa. I agree with that viewpoint very strongly. We should extend credit and retirement benefits to those who have already served at the same time we are enacting legislation setting up retirement rights for future service. Such recognition of both past and future service is greatly needed to establish effective incentive and to compensate in part for the tremendous contributions our service men and women have made and will make in the defense of our great Nation.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BROOKS. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. SIKES].

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Colorado.

Mr. CARROLL. I would like to have the gentleman's opinion for the RECORD of a Reserve officer who is called to active duty, say, in 1940, and is still on active duty with the Army, but perhaps not in the age bracket where he can be retired as a Regular Army officer. He is probably not a Regular Army officer. How would this bill benefit him? How would it protect his previous years of service as a Reserve officer?

Mr. SIKES. Under this bill any reservist must have had at least 20 years'

service on active- or inactive-duty status, must have reached age 60, and must have met minimum active-duty requirements, in order to qualify for retirement. Very probably your man has met most of the requirements except for age and total length of service.

Mr. CARROLL. Of course, if he should leave the Army within the next year from his present active duty, there would be nothing in this bill to preclude him from going back into the Reserve.

Mr. SIKES. That is right. He would be given an opportunity to meet the remaining requirements for retirement.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California.

Mr. JOHNSON of California. I would like the RECORD to show at this point that the gentleman from Florida [Mr. SIKES] is one of the pioneers of this legislation. He was also in command of the bill that passed the Seventy-ninth Congress, which bill contained practically the same provisions as title III of this bill.

Mr. SIKES. I appreciate the gentleman's statement very much.

It has been pointed out that this bill contains three sections: First, to provide a method of eliminating officers of the Regular Army; second, to provide for retirement for officers of the Regular Army in the highest grade held; and, third, to establish a retirement program for the Reserve components of the armed services. While all of those are important, all of them meritorious, it is the retirement program for Reserve components in which I am particularly interested and to which I shall direct my remarks.

At this point, may I pay a sincere tribute to the fine work done by the author of this bill, the gentleman from Louisiana [Mr. BROOKS], and to the chairman of the subcommittee, the gentleman from California [Mr. JOHNSON]. Their untiring efforts to bring out a sound program will be of inestimable benefit to our national defense.

It was pointed out a moment ago that a bill substantially the same as the one now before us passed the House late in 1946. The only major difference was the inclusion of a proviso that officers retired for physical disability, unless they were obviously and patently disabled, would have to stand an annual physical examination in order to retain their disability-retirement benefits. The bill as it has been brought before you today does not contain that proviso. Perhaps in light of apparent abuses of the disability-retirement program which have since been disclosed, it would have been best to retain that proviso.

The bill now before us compares with longevity retirement program of the Regular services. As you know, members of the Regular services may retire after 20 to 30 years of service. In the same manner, H. R. 2744 establishes a retirement program for the Reserves based on length of service, a reward for long and faithful service. It has nothing to do with disability retirements.

This bill affects all Reserve components. I want that to be definitely understood. It affects the National Guard, the Army Reserves, the Air Forces Reserves, the Naval Reserves, the Marine Reserves—it affects all Reserve components, and it is vitally needed.

The testimony before you yesterday and again today on the importance of the Reserves and their present weakness is too convincing to be overlooked. It is also convincing when we recall that all veterans' organizations and all Reserve organizations have gone on record as supporting this legislation. They are supporting it because it provides the second essential support for a strong Reserve organization. The first we passed yesterday in the form of inactive duty training pay. And in the discussions of that bill we saw clearly yesterday that the Reserves are the only backlog of trained men we now have available to implement our comparatively small standing Army and Navy.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. Would it not be wise to have the gentleman from Florida bring out the point that while he said this was for faithful and honorable service over a period of years, the bill is actually to augment and build up the Reserve Corps of future years, and is not meant in any way as a reward for services covering the immediate past?

Mr. SIKES. My friend has ably stated an important point, and I appreciate his contribution. Of course we are looking to the future. At the same time we do not want to overlook those men who have served ably in the past. The bill covers all.

May I point out very briefly something of what is planned for the Organized Reserves. Let us use the Army alone as an example. The Army has outlined a program comprising over 10,000 Organized Reserve units. It wants about 5,000 class A units, which are the fully Organized Reserve units ready for immediate mobilization. It wants about 3,000 each of the class B and class C units. But here is the important thing for us to consider today. At the moment the Army has only 52 class A units, only 52 in the entire United States. Here 3 years after the shooting stopped in Germany, we have only 706 class B units—a total of 758 Reserve units that can be considered in any way ready to be called up for immediate service or that can speedily be readied for service. The Army also has about 6,000 class C units, but those are largely paper organizations, and much work and long delays would result before they could be made ready for effective service.

This should give a clear picture of the present status of the Organized Reserves. They are weak, woefully weak. They need stronger support, support from the armed forces, and support from the Congress.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. BRADLEY. I notice in title 3 a complete absence of any remarks or reference to the Air Forces. Is that intended to be included herein?

Mr. SIKES. It is included and that will be made clear before action is completed on this measure.

Mr. BRADLEY. Would the gentleman explain in what way?

Mr. SIKES. This bill was written before the unification bill became law. Amendments are going to be offered by the committee which will eliminate any possibility of discrepancy between the services or lack of consideration for any of them.

Mr. BRADLEY. I thank the gentleman.

Mr. SIKES. Mr. Chairman, we know that morale in the Reserve organization is low. It is very low. This is a crucial period in the life of the Organized Reserves. H. R. 2744 will be a needed and a strong morale booster. This bill, together with the inactive-duty training pay bill we passed yesterday, will open the way for a live, progressive, strong Reserve organization.

It does not offer high retirement benefits. As a matter of fact, retirement benefits under this bill are comparatively low—an average of three to four hundred dollars per year for an enlisted man and $800 to $1,200 per year for officers. But to qualify for the retirement benefits, each person must meet rigorous and exacting standards. He must keep up his work in his military organization. He must keep abreast of what is going on in military science and tactics. He must serve for 20 years or more in the Organized Reserves or on actual duty. He must be 60 years of age before he can begin to benefit from this program. The cost to the Nation is very, very low in comparison to the benefits it will produce.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. The point that has been so well made by the distinguished member of the committee, the gentleman from Florida [Mr. SIKES], is certainly proof that we are looking to the future and not the past.

Mr. Chairman, this bill, together with the one we passed yesterday granting inactive-duty training pay to Army reservists, is a vital step in implementing what is perhaps the most important program facing Congress and the Nation today, namely, establishing a sound, long-term, practical program of national defense.

In every war this Nation has had to call upon its civilian soldiers, sailors, and—in the last two—its airmen, to form the principal forces for both offense and defense. In the last war, well over 90 percent of the personnel of our armed services were drawn from civilian ranks. This is the approved American way and is less expensive than trying to maintain a huge professional force. However, in time of peace we have always failed to properly foster and develop these forces to our great sorrow and cost in time of need.

Just now our National Guard and Organized Reserves of the ground and air forces are in a deplorable state of disorganization and are undermanned. I am sure this is not the will of this Congress, so many of the Members of which

in both Chambers have seen active service in the Guard or Reserves and know their value and their needs. The appropriations called for have been willingly made and last year we increased by nearly $35,000,000 the budget requests for these components. It was a most unfortunate blow to the development of their programs that in fiscal 1947, $90,000,000—more than half of their allotted funds—were frozen by Executive order and the funds diverted presumably to Regular Army pay. Today, although the Nation is rich in millions of war-trained veterans, this wealth of material is being permitted to grow rusty from lack of use, even while we are actually involved in a cold war. The majority of our Reserves are confused or unassigned to any practical post of duty. Our National Guard is woefully undermanned.

In my own case, as a Reserve officer, with a background of experience including two wars, and much costly training, I would not know tomorrow what to do or where to go if a sudden emergency struck. And my case is not an exceptional one. Wherever guardsmen or reservists gather one hears the same questions. What is the program?

Whatever the cause of our unfortunate situation it must be remedied and a strong program developed. Universal military training, if it comes to pass, will not of itself solve our problem unless we have strong, active, and experienced civilian components. This bill, and the one passed yesterday, are essential steps in rejuvenating our civilian components. This is a matter of the very first importance.

As a matter of fairness there is a secondary reason why this bill should promptly become law.

It is a means of giving some economic security to a relatively small group of older veterans who are or soon will reach the age of 60, to whom the country owes much. These older veterans struggled to keep alive our civilian components during the long period of unpreparedness that followed World War I, then sacrificed much by abandoning their private enterprises or professions to serve in World War II. Many that returned without bodily injury were confronted with the necessity of starting business anew from scratch at an age when they were well past their prime and at which their contemporaries were looking forward to comfortable retirement. The officers of the National Guard and Reserves, who bore their full share of the conflict in two wars, are today, if uninjured, without any retirement pay, whereas their brothers of the regular service upon retirement are properly maintained in reasonable comfort for the remainder of their lives.

But the all-important feature is the future effect of this bill which will do much to encourage our young veterans to stay in or join up with the National Guard or the Army and Air Force Reserves. They will enrich these services with their skill and experience for many years to come. For the safety of the United States it will be a most worth while and inexpensive investment.

Mr. Chairman, I strongly urge the passage of this bill.

Mr. BROOKS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I take this time primarily to pay tribute to the subcommittee headed by the gentleman from California [Mr. JOHNSON], and also my colleague, the gentleman from Louisiana [Mr. BROOKS], who, to my knowledge, has spent 5 or 6 years on this problem. It is a very complicated problem as we all know and it has taken time to work out all the details. However, I feel that it provides benefits of retirements to a group which deserve it and should have it.

We have provided retirement for ourselves, for the Army, the Navy, the civil-service employees, the post office employees, and all others, so I think it is high time we took cognizance of the work and the time and effort that the National Guard has put in in the national defense and security of this country.

I strongly support this bill with the hope that it may become law before the end of this session of Congress. As it has been stated on this floor today, the Organized Reserves at the present time are very low in spirit. There has been little action taken to try to build it up. They have not received the attention from Congress that they should have received.

We also know their record in the last two wars. There is no use talking about that in this body because those of us who served in the First World War and those of you who are here today who served in the last war know very well their record. Their record was magnificent and they deserve to have this benefit.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DURHAM] has expired.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. BROOKS. Mr. Chairman, I yield 5 minutes of my time to the other side.

Mr. ELLSWORTH. Mr. Chairman, I am particularly happy to support this bill, H. R. 2744, today, and with particular reference to title I of the bill. In the early months of my service in this House my attention was directed to certain injustices which had been committed upon former officers of the Regular Army under Public Law 190. The men in the cases I speak of were not known to me prior to my learning of their problems and difficulties, but when I heard their stories and saw the documentary proofs of their statements which they submitted, I became deeply interested in the entire matter. Pursuant to that I introduced in the Seventy-ninth Congress a bill which does substantially the same thing as title I of this bill, and again in this Congress I introduced a bill which this present title I replaces.

I congratulate the committee on doing an excellent job in bringing to the House a bill which in title I, of which I speak, does about everything necessary to set up a retirement procedure. This is the third time the Congress has made an attempt to set up a dismissal procedure. First came the 24–B proceedings. These were superseded by Public Law 190, which was an emergency war measure which will expire this year. The pending bill sets up a procedure which should be and I believe will be a permanent means by which the Army may get rid of undesirable officers; but in doing so the procedures outlined in this bill make the proceedings manifestly fair to those officers who are called up for retirement.

In going over the bill I find that while the procedures outlined take care of the situation for the future it is nevertheless true that under Public Law 190 the War Department acted in several instances in something of a high-handed manner and in a way which resulted in the unfair treatment of a number of officers. The situation with respect to officer retirement under Public Law 190 for quite a period of time during the existence of that law was that an officer would be notified he was to be retired. He was given 3 days in which to appear and he was given 14 days in which to assemble his testimony, his affidavits, and witnesses to defend his case. The average Army officer is a proud man, and when he is notified that he is about to be dismissed from the Army because he is inefficient and unqualified, the average man wants to defend his record. Under the Public Law 190 proceedings, a man who chose to defend his record and appear before the board and defend the case was literally and actually penalized. In a number of cases he was discharged, he was removed from the service after his defense effort, with benefits less than he would have had had he retired voluntarily. One officer who had been offered retirement for disability at 75 percent of pay, when notified of the pending action, chose to defend his case. He was retired involuntarily at 40 percent of his pay. Another was eligible to retire on pay based on the rank of a lieutenant colonel, but when he chose to go before the board and protest the action he was retired on pay based on the rank of major. This bill deals with such cases so that such things cannot happen in the future; but with respect to a very few cases dismissed under Public Law 190 such as the two I have just mentioned, the bill does not go back and restore the rights those men should have had except for the 190 proceedings.

I shall offer certain amendments which will merely give more equitable treatment to those very fine men—I do not think the number would be more than a dozen—who suffered by reason of the fact they elected to protest their cases and were given a bad deal when they attempted to fight.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. BROOKS. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I take the floor primarily to pay my special tribute to the gentleman from Louisiana, author of this bill, a member of our committee. For 6 or 7 years he has endeavored to bring this type of legislation to the floor of the House for consideration. He has finally succeeded with the cooperation of the distinguished chairman of the subcommittee, the gentleman from California [Mr. JOHNSON]. I also want

to pay tribute to him as a member of our Committee on Armed Services.

This bill, together with the one we passed yesterday, will do more to encourage the boys who fought in the last war and those who will fight in the next one than anything else. If Russia invades Italy, come the 18th of April, next month, a fact which might be more of a reality than we think, these bills are indispensably necessary to make our Reserve program a healthy one.

We have to reward the men on whom we are compelled to depend in time of emergency. These two pieces of legislation have that objective in view. To these men who are responsible for this forward-looking program to which we all subscribe we owe a debt of gratitude and our great thanks. For the nonpartisan manner in which the gentleman from California and the other members of our committee have worked to bring these pieces of legislation to the floor we are all grateful. We have but one thing in mind, the healthy condition of our armed forces, both Reserve and active, the National Guard, and every component and segment thereof. In the emergency which points in our direction these pieces of legislation reward those on whom we are compelled to rely.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. JOHNSON of California. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. CROW].

Mr. CROW. Mr. Chairman, I would like to go on record as favoring the pending bill. In my opinion, it is one of the finest pieces of legislation that has ever come before the House, and I compliment the committee for the fine work it has done in this respect.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, it is a pleasure to support H. R. 2744 because of its great importance to the national defense of our country.

While I am deeply interested in title I and II of this bill, yet I want to confine my discussion to the general purposes of title II as it relates to nondisability retirement of Reserves.

As you may have realized, title III of H. R. 2744 represents a new departure in the field of retirement legislation. It provides retirement benefits for Reserve personnel based on years of service. Heretofore, with one minor exception, the only retirement benefits ever available to Reserve personnel were those based on physical disability incident to active service. The one exception to which I refer is found in section 6 of Public Law 305 of the Seventy-ninth Congress, which reads as follows:

SEC. 6. When any officer of the Regular Navy or the Regular Marine Corps or the Reserve components thereof has completed more than 20 years of active service in the Navy, Marine Corps, or Coast Guard, or the Reserve components thereof, including active duty for training, at least 10 years of which shall have been active commissioned service, he may at any time thereafter, upon his own application, in the discretion of the President, be placed upon the retired list on the first day of such month as the President may designate.

You will observe that section 6 of Public Law 305 permits the retirement of Naval Reserve and Marine Corps Reserve officers who have performed more than 20 years of active service, of which at least 10 years must have been active commissioned service. As you can easily see, that law would affect very few people. Title III of H. R. 2744, on the other hand, directly affects all personnel of the Reserve components. Its object is to provide an inducement to continued participation in Reserve activities—by offering Reserve personnel an incentive which will hold them in the Reserve for considerably longer periods of time than the average Reserve has heretofore remained. Past experience has demonstrated that the Reserve components suffered greatly during the period between World Wars I and II from a very rapid turn-over in personnel. The implications of this turn-over were obvious—comparatively few personnel ever reached a point of advanced proficiency in their training, although a fairly large number had received, to a greater or less degree, an elementary knowledge of professional subjects.

In this connection, it is pertinent to point out that during the hearings on H. R. 2744 it was stressed by practically every witness who testified concerning the Reserve retirement provisions of this bill that the most effective type of Reserve force is one which is manned by personnel who have had extensive training over a period of years—not 2 or 3 years, but 10, 15, or 20 years. It was also pointed out by these witnesses that the direct monetary benefits payable to Reserve officers and men were so small that in many instances as the men grew older, became married, and took on family obligations, unless an additional incentive were offered them, they would drop their Reserve training.

In the present uncertain state of world affairs it should be obvious to any of us who are concerned with the national security that we must have a relatively large group of Reserves well trained and thoroughly competent to take over and deliver the goods in the event of an emergency—Reserves who are ready to man their battle stations on the double—not after a period of several months of intensive indoctrination.

Title III of H. R. 2744 is designed to further this aim of developing a well-trained Reserve, and seeks to do this by providing an inducement to continued service throughout the years of a man's life when he is best fitted for military service. This means, as I said before, not for 2, 3, or 5 years, but throughout the entire period of time during which, as he grows in professional experience and competency, he can be of increasing value to the service as a thoroughly qualified, and in many cases technically qualified, petty officer, warrant officer, or commissioned officer. Representatives of the services stated during the hearings that if they were forced to choose between a smaller group of men trained for a longer period of time as against a larger group trained for shorter periods with a higher rate of turn-over, they would prefer to have the smaller group. They feel that if the same total amount of training is applied to a relatively stable group over a period of years with minimum turn-over the money appropriated will be far better invested. In its report to the House, the Committee on Armed Services stated last summer, "We are hoping that the provisions offered in this bill, which to many of us seem liberal, will be an incentive well worth working for. The result should be longer periods of service by Reserves and a larger and better trained force on M-day, should we be so unfortunate as to have another M-day."

We have dealt briefly with the purposes underlying this proposed legislation. Let us take a look now at its specific provisions by referring to the following chart prepared by the War Department:

Nondisability retirement plan

I. SERVICE REQUIREMENT FOR RESERVE COMPONENT RETIREMENT

Aggregate service credited at date of enactment	Total aggregate service required for eligibility	Total active Federal service required	Active Federal service subsequent to date of enactment
None	20 years	3 years	3 years.
Less than 5 years	do	do	2 years.
5 to 10 years	do	4 years	18 months.
10 to 15 years	do	do	1 year.
15 to 20 years	do	do	6 months.
Over 20 years	do	do	None.

II. GRADE IN WHICH RETIRED

Highest grade or rank, permanent or temporary, satisfactorily held during member's period of service.

III. RETIREMENT BENEFITS

A. Retirement pay commences upon attainment of age 60.

B. Pay formula: 2½ percent multiplied by years of active Federal service at time of retirement multiplied by active-duty base and longevity pay of grade or rank in which retired, plus ½ of 1 percent multiplied by years of inactive service at time of retirement multiplied by active-duty base and longevity pay of grade or rank in which retired; maximum at 75 percent of active-duty pay.

In order to be eligible for retirement benefits under title III, a Reserve officer or enlisted man must meet the following requirements:

First. He must have reached the age of 60.

Second. He must have satisfactorily performed Federal service for an aggregate of at least 20 years in any one or more of the armed services or their Reserve components.

Third. In addition, he must fulfill certain stipulated requirements as to minimum periods of active Federal service as distinguished from inactive-duty service in a Reserve component.

You will notice that these requirements I have mentioned are indicated on the chart. Column 2, for example, sets forth the 20-year requirement. As you can see, it applies uniformly to everyone, regardless of the amount of previous service he has had. The active-duty requirements appear in columns 3 and 4. They vary, depending upon a man's previous service—as indicated in column 1.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from California.

Mr. BRADLEY. May I ask the gentleman what is the maximum number of years a reservist may use in computing his retirement pay?

Mr. VAN ZANDT. Thirty years.

Mr. BRADLEY. I notice on the tables that 35 years is shown. That is what has sort of puzzled me.

Mr. VAN ZANDT. Well, he can continue on for 35 years.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from California.

Mr. JOHNSON of California. As I understand, there is no maximum; he can go any number of years that his span of life would permit.

Mr. VAN ZANDT. That is correct.

Mr. JOHNSON of California. As long as he is on active or inactive duty.

Mr. VAN ZANDT. He can continue on for 35 or 40 years in order to build up the necessary 3 years or 7 years of active duty.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Louisiana.

Mr. BROOKS. Of course, at the age of 60 he is subject to retirement.

Mr. VAN ZANDT. That is correct.

Mr. BRADLEY. Mr. Chairman, if the gentleman would yield further, it would be possible for a reservist to accumulate, we will say, as much as 42 years which could be used in computing retirement, and this total might run a little higher.

Mr. VAN ZANDT. That is correct, but his purpose for continuing on for 42 years would be to build up the necessary service to make himself eligible for retirement at the age of 60.

Mr. JOHNSON of California. Of course, there is a limitation of 75 percent that is paid.

Mr. VAN ZANDT. That is correct.

In some of the earlier bills which were superseded by H. R. 2744, the termination date of World War II was used. This has been changed so that the pivotal date is now the date of enactment of this legislation—whenever it may be.

For those of you who may care to refer to the bill, the eligibility requirements which you see on the chart, are found in Subsection 302 (a), beginning on page 15.

We said that a man must have satisfactorily performed an aggregate of at least 20 years of Federal service. What is meant by Federal Service? Does it refer only to active duty service or inactive duty service, or both? Does it apply only to service in a reserve component or to Regular service as well? To what organizations must a man belong in order that his Reserve service may be deemed to be Federal service?

The answers to most of these questions were found in section 306 of the bill.

Thus we find that Federal service includes both active duty—referred to throughout the bill as "active Federal service"—and inactive duty service in a Reserve component.

We also find in section 306 a complete list of the various Reserve organizations in which inactive duty credit for retirement can be obtained. These include the National Guard, Officers Reserve and Enlisted Reserve Corps, the Naval Reserve, the Naval Reserve Force, the Naval Militia in certain cases, the National Naval Volunteers, and the Marine Corps Reserve.

However, members of the Fleet Reserve and Fleet Naval Reserve transferred to those organizations after 16 or more years of active naval service are specifically excluded; retirement benefits are already provided for them under existing laws applicable to enlisted personnel of the Regular Navy. A similar exclusion applies to like personnel in the Marine Corps.

Included among other types of service which cannot be counted for the purposes of this bill are service in the inactive National Guard or on the honorary retired list of the Naval Reserve.

Does the term "Federal service" as used in the bill apply only to service in a Reserve component or to Regular service as well? The answer definitely is that both Regular and Reserve service may be counted toward eligibility for retirement. However, there are two limitations on the extent to which Regular service may be counted:

First. The last 8 years of qualifying service for retirement must be service in a Reserve component of the service in which a man is to retire.

Second. Simultaneous service in a Reserve component and as a Regular cannot be counted for retirement eligibility.

These limitations are designed to safeguard the basic aim of providing an incentive to continued Reserve service on the part of members of the civilian components. Without the 8-year requirement it would be possible for personnel separated from the Regular service—who are lacking perhaps 1 or 2 years necessary to qualify for Regular retirement—to avail themselves of Reserve retirement benefits merely by serving in the Reserve for 1 or 2 years after separation from the Regular service. As the bill now stands, a man with 12 years of Regular service may serve 8 years in the Reserve and his total of 20 years' service will be good for retirement purposes. However, if he has had 15 years as a Regular, it will not suffice merely to serve an additional 5 years in the Reserve—he must serve 8 years.

Now that we know in a general way what is meant by Federal service, let us look into the question of active Federal service.

Section 306 (d) defines the term "active Federal service" as including all periods of annual training duty, all prescribed periods of attendance at designated service schools and—I quote—"any other period of time when ordered to active duty under competent Federal orders." In its report to the House, the Committee on Armed Services makes it clear that this language is intended to mean that active duty credit will apply even in those cases where active duty or training duty is performed without pay or allowances. This means that Reserves who are willing to perform such duty at their own expense—should sufficient funds be unavailable—will be protected.

In recognition of the fact that it might be difficult during peacetime for a man to accumulate the total active-duty credits required, section 307 was worked out as a partial solution to this problem. It provides that any reserve may receive 30 days of active duty credit for each and every year in which he satisfactorily performs a designated minimum percentage of all drills or other prescribed inactive-duty training. This credit will apply only to inactive-duty service performed after the effective date of this act. Also, the credit applies only for the purposes of determining eligibility—that is, it may not be counted for pay purposes as 30 days of active duty but may be counted in computing the active-duty requirements which you see on the chart. This 30-day credit will be given in addition to any actual active duty performed during the year and it may be granted even though the man has performed no actual active duty. Theoretically, if a man has satisfactorily performed all his drills or other prescribed inactive-duty training, and in addition, has also taken a 15-day cruise, his total active-duty credit for the year will be 45 days. At this rate, he could accumulate 6 months active duty in 4 years, 1 year in 8 years, and so forth.

Turning again to the chart, column 3 shows the total active-duty requirement for personnel in each of the categories indicated in column 1. Column 4 shows the amount of active duty which they must perform subsequent to the enactment of this legislation.

Now a man who has had some satisfactory service—but less than 5 years—prior to the enactment of title III may very well have had a total of 4 years of active duty—more than is required by column 3. However, he must perform 2 years more of active duty to qualify under column 4.

Some of you may wonder why it is that all previous active duty cannot be credited against the total active-duty requirement thus reducing the amount of active duty which must be performed subsequent to the passage of this title. The reason is simple and it is directly related to the basic purpose of the bill, namely, to provide an inducement to continued service in the future. Those men who have already had several years of active duty are of great potential value to the Reserve components. It is very important therefore that their experience be made available in the future.

On the other hand, as you also realize, any Reserve organization, or, for that matter, the Regular Military Establishment, if it is to be strong and healthy, must have a constant flow of new and younger men at the bottom. In this connection it may appear to some of you, as you study the active-duty requirements on the chart, that the new man entering service for the first time is getting off relatively easier than those who have served before. This situation represents simply a realistic recognition of the fact that it will be relatively more difficult for these men to accumulate substantial periods of active duty in the

future—during peacetime—than it was for those who served during the war, and hence already have a considerable period of active service to their credit.

Up to this point we have discussed the requirements for eligibility for Reserve retirement benefits; let us take a look now at the actual benefits which the person who is eligible will receive when he reaches the age of 60.

The manner in which retirement pay is computed is set forth in section 303 on pages 18 and 19.

In determining the amount of such pay, credit is given both for active-duty and for inactive-duty service. For every year of active duty performed, a person is entitled to an amount equal to 2½ percent of the annual active-duty base and longevity pay of the highest grade, temporary or permanent, satisfactorily held by him during his entire period of service. In addition, he gets one-half of 1 percent of such pay for every year of inactive service in a Reserve component. Incidentally, the retirement pay is based on what the active-duty pay of that rank happens to be at the time he becomes eligible to receive retirement pay, namely, after he is 60. Hence, he will benefit by any service pay increases which may take place between the last time he himself was on active duty and the time when the payments begin.

A ceiling of 75 percent of active-duty pay applies in all cases.

Before concluding our discussion I would like to mention a few additional points of interest in the bill.

First. Service in more than one Reserve component may be counted toward eligibility. Thus service in the National Guard may be counted in determining a man's eligibility for retirement in the Naval Reserve. Similarly, Regular service may be counted. In either case it should be remembered, however, that the man must have performed his last 8 years of qualifying service for retirement in a Reserve component of the service in which he applies for retirement.

Second. Under section 304, if the service Secretary determines that a person has failed to conform to required standards and qualifications, he may place that person in an inactive status for the purposes of title III. The term "inactive status" used here does not mean inactive duty, but merely that the right to accrue retirement credit has been suspended.

Third. Section 304 also directs the Secretary of the Navy to determine what has constituted satisfactory performance of Federal service prior to enactment of this bill. This authority is given to the Secretary of the Navy only since in the past the Reserve components of that service have been organized differently from those of the Army. In the Army it was possible to tell from the component in which a man served whether or not he took an active part in Reserve activities. In the Volunteer Naval Reserve, however, many people were very active while others were merely names on the list. Hence, it is necessary that the Secretary have authority to separate the type of Reserve service.

Mr. Chairman, in concluding my analysis of the provisions of H. R. 2744 it is my opinion that this bill and H. R. 3227, which was passed yesterday providing inactive duty training pay for the Organized Reserve Corps, represents one of the finest contributions we can make to strengthening our national defense. Without strong Organized Reserve Corps the Regular Establishments cannot give to the American people adequate national security.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas [Mr. HARRIS] may be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HARRIS. Mr. Chairman, I regard this proposed legislation, H. R. 2744, as very important to our preparedness program, future safety, and national welfare. The committee is to be complimented on bringing this bill to the House, as it vitally affects our national defense. Particularly do I want to pay my respects and commendation to our colleague from Louisiana, Hon. OVERTON BROOKS, a member on the committee, for his untiring efforts and devotion to this program that will contribute so much toward our preparedness to meet any future contingency. A great number of people will be affected by this legislation if finally approved. It is only natural and just that they should be. They have given so much time and service to their country. They have contributed so much to freedom and maintaining the American way of life in resisting aggression and tyranny. Needed adjustment to bring about a more uniform system has long been recognized.

In addition to the establishment of a procedure for the elimination and retirement of substandard officers of the Regular Army and adjusting existing voluntary retirement laws applicable to officers, warrant officers, and enlisted men of the Regular Army, it provides retirement with pay of officers and enlisted personnel of the National Guard and Reserve Corps of the Army, the United States Naval and Marine Corps Reserve, and the United States Coast Guard Reserve. In other words, Mr. Chairman, this would establish principles of law by providing nondisability retirement benefits for members of the civilian components of the armed services of the United States.

In July 1941 Congress established a procedure by which officers whose performance of duty, or general efficiency, compared with other officers of the same grade and length of service, may be removed from the active list, if their retention is no longer justified. This was temporary legislation effective only for the duration of the national emergency and replaces during the emergency the permanent law which is a relatively cumbersome procedure unsuited to operation under conditions of war. Under this emergency or temporary procedure, an officer could be removed from the active list for inefficiency in the performance of his duties upon the recommendations of a board of five general officers and with the approval of the Secretary of War.

Title I of this bill, H. R. 2744, establishes a permanent procedure which experience has shown to be desirable. It would modify and make into permanent law the provisions of the temporary act of 1941, which I think are necessary and desirable. It would provide for an annual review of the records of all officers of the Army by an appropriate board. Officers whose records indicate failure to achieve or to conform to standards prescribed by law or regulations would be required to show cause why they should be retained on the active list.

The officer may appear before the board at a hearing and present evidence in his own behalf. The board would make recommendations for or against his retention on the active list. If the board recommended that he be retained, the case would be closed.

If the board of hearing recommended he be removed from the active list, such recommendation would be referred to a board of review. The officer would have the privilege of appearing before that board and may again present evidence to show why he should be retained on the active list. If the board of review recommends his retention, then his case is closed and he is retained. If the board of review recommends removal, such recommendation is forwarded to the Secretary of the Army, who makes a decision which is final.

This procedure does not differ essentially from the present temporary law during the emergency, except that there is introduced a board of review which does not presently exist. This is believed desirable and perhaps necessary in order to safeguard the interest of any officer required to show cause before the originating board why he should be retained.

There is another modification from the present temporary law regarding the manner of disposal as provided for officers removed from the active list. Under the Emergency Act of 1941, the retirement of officers removed under its provisions who who had completed seven or more years of commissioned service is required. Retired pay is computed at 2½ percent of the annual base and longevity pay of the officer's permanent grade for each year of service completed and creditable in active duty by compensation. Under existing law, an officer with less than 7 years' commissioned service is discharged. Title I of this bill proposes to retire only those officers removed who are by virtue of their length of service eligible for voluntary retirement. Officers not eligible for voluntary retirement would be granted severance pay, based on years of service completed. Such severance pay would be at the rate of 1 month's base and longevity pay of the grade in which serving for each year of service completed. Maximum severance pay would be limited to 1 year's pay. This is believed more equitable in that present law requires the retirement of some officers who would not be eligible for retirement at their own request.

It is interesting to observe that under the existing temporary law from 1941 to date, there have been 36 officers removed

from the active list. Claims have been made that action in their cases was taken without affording them the right of appeal and review. This bill proposes to correct such discrepancies that might exist and without loss of seniority or any other right of such officer that may have been removed without sufficient justification. Therefore, this bill would work to the best interest of both the Government and the officer.

Another important feature of this bill is that it would amend the Army retirement laws to conform to amendments recently made to Navy retirement laws by Public Law 305, Seventy-ninth Congress. It would amend existing law for voluntary retirement of officers and warrant officers to require a minimum of 20 years of active Federal service for such retirement. Under present law, the voluntary retirement of officers and warrant officers is at the discretion of the Secretary of the Army after 15 years' service. This would require the same service for officers as is now required for Army enlisted men and of all Navy personnel. It is especially desirable in order to achieve a maximum uniformity among the Armed services.

Also, this would grant to all Army personnel who served in higher temporary grades during the period September 9, 1940, to June 30, 1946, the same rights to essential retirement in such grades as are now provided by law for Navy personnel under similar conditions as apply to Navy personnel. This too is important to bring about uniformity in all the services.

While the provisions of this proposed bill in titles I and II are highly important, title III to my mind is even more important to the future of our national defense as well as recognizing the outstanding services rendered by many of our citizens in the past. This is no departure in recognizing the importance to our national defense of personnel other than in the Regular Army. It is a policy that has been sought for many years. It is needed to increase the interest as well as to provide incentive for those in the civilian components of the armed services of the United States.

This new departure provides retirement for personnel other than Regular Army, and extends the coverage to all of those in the armed services of our country. Under existing law, provision is made for compensation in the nature of retirement pay for personnel of the civilian components of the armed services, who are disabled while serving on active duty. There are, however, no provisions for such personnel to receive retirement pay solely by reason of length of service, active or inactive performed, even though such service has been given to the defense of our country for almost a lifetime.

Title III under this bill would establish a nondisability retirement system, which would provide retirement with pay for personnel of the civilian components of the armed services who complete long periods of service in both active and inactive capacities. It would grant retirement pay, upon attainment of age 60, to any member of a civilian component of the services who completes a total of 20 years' service in such a component. The service required to attain eligibility for retirement must conform to standards prescribed by the appropriate service Secretary. For those members whose service commences after enactment, not less than 3 years of the required service must have been active Federal service. For those members who have already fulfilled part or all of the general 20-year service requirement, the requirement for future active Federal service is reduced. The following tabulation is a summary of the service requirement:

Service requirement for Reserve retirement

Aggregate service credited at date of enactment	Aggregate service required	Active Federal service required	Active Federal service subsequent to enactment required
None	20 years	3 years	3 years.
Less than 5 years	do	do	Do.
5 to 10 years	do	4 years	18 months.
10 to 15 years	do	do	1 year.
15 to 20 years	do	do	6 months.
Over 20 years	do	do	None.

In the computation of retirement pay to commence at age 60, the computation is made on the basis of the annual active-duty base and longevity pay of the highest grade held by the individual. Retirement pay is a percentage of such pay with credit given at 2½ percent for each year of active Federal service completed and one-half of 1 percent for each year of service other than active Federal service completed.

The retirement provision of title III is designed as an inducement to peacetime service in the civilian components of the armed services. Between the last two World Wars it was extremely difficult to sustain interest in our Reserve components due to lack of financial compensation for time spent and due to program curtailments because of budgetary limitations. It is evident that in future wars the services will be more than ever dependent on the existence of highly trained and effective civilian components. Insofar as title III of this bill would hold out an element of eventual financial reward it is a long step toward the achievement of a strong peacetime national-defense system.

Mr. BROOKS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to take this 1 minute for the purpose of paying tribute to the chairman of this subcommittee and all members of the subcommittee. This matter arose originally in the summer of 1940, and in 1941 it became a legislative matter by virtue of the fact that I introduced a bill in the hopper of the House. The members of this committee have worked diligently and have done much work upon many bills which were submitted to the subcommittee during the course of these years. The gentleman from California [Mr. JOHNSON] especially has been most faithful, diligent, and conscientious over the last year in matters pertaining to the Reserve and the National Guard. The Reserve components of all the services owe the gentleman from California a debt of gratitude for his faithful service. Mr. Chairman, the same applies to other members of the committee who, I think, have always held steadfastly in mind what is best for the armed services of the United States and for the defense of our Government.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. GOFF].

Mr. GOFF. Mr. Chairman, I shall not trespass on your time for the full 5 minutes, but I think I should invite your attention to two questions which I do not believe have been covered heretofore in the discussion. I want first to congratulate the committee for its fine work here which is a recognition of the fact that anything we can do to build up the civilian components of our Army will greatly strengthen our national defense. In addition to the arguments that have been made as to the incentive to keep these men in the Organized Reserve, I think we should not forget another point, and that is, that by reason of pay for drills and the right to retirement, it is possible for the Army to require a higher standard of service in the work being performed by both officers and men of the Reserve Corps.

I had the privilege prior to this war of serving as the unit instructor for a group of about 75 Reserve officers. I know we were continually faced with the problem of not giving these boys too much or we would scare them away, yet we wanted them to keep up their interest in taking these courses. If we could have said to them, "You will lose your retirement or lose your pay if you do not show up," then we could have required much more work than we did where they were doing it on a purely voluntary basis.

The other point I want to make is that there is a large number, but I do not know how large a number, of both National Guard and Reserve officers who have remained on active duty with the Regular Army. These men may or may not have been eligible for appointment in the Regular Army, but for reasons of age or other causes they were not appointed in the Regular Army. But they are staying on duty, they are performing a fine service, a service which the Army certainly considers sufficient to keep them on duty, yet the Regular Army officer with whom they are serving and who is doing a similar type of duty can look forward to retirement, while the National Guard or Reserve officer who is staying on has no reward to look forward to when he completes that active service. I think it is only fair that we should extend to these fine officers from the civilian components of the Army who are now remaining on active duty an opportunity to acquire at least a modest retirement benefit when they complete that service.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the Army has at the moment on active duty thousands of Reserve officers and plans to use thousands on active duty in the future?

Mr. GOFF. I believe that is true. I thank the gentleman.

Those Reserve officers who will go on duty will receive no benefits whatever unless this law is passed.

I want to say also that one of the problems we have in the Reserve is getting officers to take active duty. They cannot get away from their businesses, they cannot spare the time. But if we can say to them, "We cannot order you out in peacetime unless you go voluntarily, but if you take that active duty you are building up the requirements for your retirement," that will be one of the greatest incentives to get a lot of good men who feel they simply cannot stay away from their businesses as things stand now.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield to the gentleman from Louisiana.

Mr. BROOKS. I believe this will induce a lot of young men just coming out of the colleges to take their term of active duty and get it on the books, so that in the long run they will be entitled to the retirement benefits of this statute.

Mr. GOFF. I appreciate the gentleman's contribution. One of the things we need most is to keep these young officers on the Reserve rolls. If we can show them that they are going to receive some kind of benefit by staying in the Reserve, we are going to be able to take advantage of these men who are already trained. It costs a lot of money to train an officer, and we have these young officers who have come out of the Army who are already trained. If we can keep them in the service we are certainly going to save a lot to this Government.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield to the gentleman from New York.

Mr. KEATING. Is it not a fact that it is even more important to interest enlisted men in the same activity, along with the officers?

Mr. GOFF. That is true. It would work the same way with the enlisted men.

Mr. JOHNSON of California. Mr. Chairman, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. JENKINS].

Mr. JENKINS of Pennsylvania. Mr. Chairman, like so many Members of this body, I have spent a considerable portion of my adult life in one of the components of the armed services, in the First World War, the Second World War, and in the intervening years as a member of the Pennsylvania National Guard. Having some comprehension of the problem which this legislation seeks to solve, I should like to place myself on record as being fully in accord with the bill now before this House, H. R. 2744. I propose to vote for it. It seeks to give recognition to these men who have so generously given of their time in the service of their country in the various components of the armed services. Service in the National Guard and in the Reserve is a time-consuming service. A young man who goes into the National Guard or the Reserve as an enlisted man gives up at least one night a week in drill. If he becomes a key noncommissioned officer or a junior officer, he spends, necessarily, additional time over and above the drill nights. If he becomes a unit commander, his drill night is but a small part of the time he spends in the administration of his unit. In addition to that, for the length of his service, which may be from 5 to 10 or 15 years, for the average man in the National Guard or Reserve, his summer vacations are spent in camp and not, as is the case with most men, with his family. This bill seeks to give him some recognition for the time thus spent in the service of national defense over and above the time for which he gets paid at drill, and for which he receives no compensation.

I want to compliment the committee on doing a very fine job. I sincerely trust that this bill will be passed by the Congress.

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent that the reading of the bill for amendment be dispensed with, and that the same be printed in the RECORD at this point and be open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Be it enacted, etc., That this act may be cited as the "Army Vitalization and Retirement Equalization Act of 1946."

TITLE I

ELIMINATION

SEC. 101. Notwithstanding any other provision of law, the Secretary of War is hereby authorized, for such causes as may be satisfactory to him, to remove any commissioned officer from the active list of the Regular Army in the manner hereinafter prescribed.

SEC. 102. Immediately following the enactment of this act, and once annually thereafter, the Secretary of War shall convene a selection board of five general officers, which shall review the records of all officers on the active list of the Regular Army to determine which of such officers shall be required to show cause why they should be retained on the active list. Selection of any officer to show cause for retention shall be based upon his failure to achieve such standards of performance as the Secretary of War shall by regulations prescribe, or on other good and sufficient reasons appearing to the satisfaction of the Secretary of War and of which the selection board is advised.

SEC. 103. Any officer selected to show cause for retention shall be accorded a fair and impartial hearing before a board of inquiry, consisting of not less than three general officers, convened at such place or places as the Secretary of War may prescribe to receive evidence and to make findings and recommendations as to the officer's fitness to be retained on the active list. If the board of inquiry recommends the retention of any officer on the active list, his case shall thereupon be closed and shall not be subject to further action, except that such officer may again be selected to show cause for retention at any future time in accordance with the provisions of section 102 of this title.

SEC. 104. The board of inquiry shall forward the record of its proceedings in each case in which it recommends the removal of any officer from the active list to a board of review, consisting of not less than five general officers, convened by the Secretary of War at such time as he deems appropriate, to review each such case and make recommendations as to the retention of the officer concerned on the active list. If the board of inquiry recommends the retention of any officer on the active list, his case shall thereupon be closed and shall not be subject to further action, except that such officer may again be selected to show cause for retention at any future time in accordance with the provisions of section 102 of this title. If the board of review recommends against the retention of any officer on the active list, such recommendation shall be transmitted to the Secretary of War for his action thereon. The action of the Secretary of War in removing any officer from the active list shall be final and conclusive: *Provided*, That at any time prior to his removal from the active list the application of any officer for honorable discharge or voluntary retirement under this act or any other provision of law may, if the applicant is otherwise qualified therefor, be granted by the Secretary of War.

SEC. 105. Any officer who is under consideration for removal from the active list shall be allowed to appear in person or by counsel at proceedings before any board of inquiry or any board of final review, and shall, at all stages of the proceedings, be allowed full access to and furnished copies of records pertinent to his case. No person shall sit as a member of more than one of the boards convened under sections 102, 103, or 104 of this title in the consideration of the case of the same officer.

SEC. 106. Each officer removed from the active list of the Regular Army pursuant to this title shall—

(a) if on the date of removal he has completed less than 7 years' active Federal commissioned service, be honorably discharged in the permanent grade then held;

(b) if on the date of removal he has completed 7 or more but less than 10 years of such service, be honorably discharged in the permanent grade then held, with severance pay equal to 6 months' base and longevity pay computed upon such grade;

(c) if on the date of removal he has completed 10 or more but less than 20 years of such service, be honorably discharged in the permanent grade then held, with severance pay equal to 1 year's base and longevity pay computed upon such grade;

(d) if on the date of removal he has completed 20 or more years of such service, be retired in the permanent grade then held, with retired pay equal to the retired pay which he would receive if retired in such grade upon his own application under section 5 of the act of July 31, 1935 (49 Stat. 507), as now or hereafter amended.

SEC. 107. (a) The Secretary of War shall transmit the records of all proceedings in the case of each person heretofore removed from the active list of the Regular Army pursuant to the provisions of section 2 of the joint resolution of July 29, 1941 (55 Stat. 606), to a board of review convened under section 104 of this title. Each person so removed shall be notified of the reference of his case to such board for review, and shall be accorded opportunity to appear before the board in person or by counsel. After full and fair consideration of all the facts and circumstances of each such case as they existed at the time of removal, the board shall transmit to the Secretary of War a report thereon containing its findings of fact, its conclusion on the question whether such removal was justified, and its recommendation on the question whether the officer affected should be restored to the active list pursuant to the provisions of this section.

(b) In each such case in which the Secretary of War approves a recommendation for the restoration of any person to the active list of the Regular Army, he shall transmit the record of proceedings to the President, who is authorized and requested to appoint such person, by and with the advice and consent of the Senate, as a commissioned officer on the active list of the Regular Army in the grade and with the seniority which he would have attained by operation of law if he had not been removed therefrom. In all other

cases the action taken by the Secretary of War shall be final and conclusive for all purposes. The Secretary of War shall transmit to each person affected a copy of the report made by the board of review in his case and written notice as to the disposition thereof.

(c) In determining length of active Federal commissioned service for all purposes of pay, allowances, appointment, promotion, and retirement, each person restored to the active list of the Regular Army pursuant to the provisions of this section shall be deemed to have served as an officer on the active list of the Regular Army from the date of his removal therefrom to the date of his restoration thereto, and upon restoration shall be carried as an additional number in the grade in which restored to the active list or in any grade to which he thereafter may be promoted. Each officer so restored shall be accorded all other rights, benefits, and privileges to which he would have been entitled if he had not been removed from the active list, except those based upon active service in time of war or emergency not in fact performed by him.

SEC. 108. (a) The Secretary of War may promulgate such regulations as may be necessary to carry into effect the provisions of this title.

(b) No back pay, allowances, or compensation shall accrue to any person by reason of the enactment of any provision of this title.

SEC. 109. Section 24b of the National Defense Act, as amended by the act of June 4, 1920 (41 Stat. 773), and the joint resolution of July 29, 1941 (55 Stat. 606), are hereby repealed.

TITLE II

RETIREMENT OF OFFICERS AND WARRANT OFFICERS OF THE REGULAR ARMY

SEC. 201. Effective upon the enactment of this title the Secretary of War shall establish an officers' retired list, to be published annually in the Army Register, upon which shall be placed the names of all the commissioned officers of the Regular Army heretofore or hereafter retired from active service under any provision of law, without limit to the number of officers who may be placed thereon. Any provision of law requiring commissioned officers of the Regular Army to be placed on the limited or unlimited retired list hereafter shall be deemed to refer to the officers' retired list established pursuant to this section.

SEC. 202. (a) That portion of section 5 of the act of July 31, 1935 (49 Stat. 507), as amended by section 3 of the act of June 13, 1940 (54 Stat. 380; 10 U. S. C. 943a, 971b), ending with the colon following the first proviso thereof is hereby further amended to read as follows: "That any officer on the active list of the Regular Army or Philippine Scouts or any officer of the reserve components of the Army of the United States who shall have completed not less than 20 or more than 30 years' active Federal service in the armed forces of the United States, at least 10 years of which shall have been active commissioned service, may in the discretion of the Secretary of War be retired upon his own application with annual pay equal to 2½ percent of the annual active duty base and longevity pay of the rank with which retired, multiplied by the number of years of service credited for longevity pay purposes and not to exceed a total of 75 percent of such annual active duty base and longevity pay: *Provided*, That in computing the number of years of such service for the purpose of determining the percentage of active-duty annual pay, and for no other purpose, any fractional part of a year amounting to 6 months or more shall be counted as a complete year: *Provided further*, That officers whose computation of pay on the active list is not based upon years of service shall receive as retired pay 75 percent of the pay of the grade in which retired."

(b) That the fifth proviso of section 5 of the act of July 31, 1935 (49 Stat. 507), as amended by section 3 of the act of June 13, 1940 (54 Stat. 380; 10 U. S. C. 943a, 971b), is hereby repealed.

SEC. 203. (a) Each commissioned officer of the Regular Army heretofore or hereafter retired under any provision of law (except section 24b of the National Defense Act, as amended, by the joint resolution of July 29, 1941 (55 Stat. 606), or any law hereafter enacted for the retirement of inefficient officers) shall be advanced on the officers' retired list to the highest temporary grade satisfactorily held by him, as determined by the Secretary of War, during the period September 9, 1940, to June 30, 1946, and shall receive retired pay at the rate prescribed by law, computed on the basis of the base and longevity pay which he would receive if serving on active duty in such higher grade.

(b) That the act approved June 12, 1906 (34 Stat. 245; 10 U. S. C. 946) is hereby repealed.

(c) That section 5 of the act approved August 21, 1941 (55 Stat. 653), is hereby amended to read as follows:

"SEC. 5. Warrant officers shall be entitled to retirement under the same conditions as commissioned officers: *Provided*, That hereafter warrant officers may, in the discretion of the Secretary of War, be retired after 20 years of active service: *Provided further*, That a warrant officer retired after 20 years of active service shall receive retired pay at the rate of 2½ percent of the annual active duty base and longevity pay at the time of retirement multiplied by the number of years of service credited for longevity-pay purposes and not to exceed 75 percent of such annual active duty base and longevity pay: *Provided further*, That a fractional year of 6 months or more shall be considered a full year in computing the number of years' service by which the rate of 2½ percent is multiplied: *And provided further*, That any warrant officer heretofore or hereafter retired under any provision of law shall, upon the completion of 30 years' service, to include the sum of his active service and his service on the retired list, be advanced on the retired list to the highest temporary officer, flight officer, or warrant officer grade satisfactorily held by him as determined by the Secretary of War during the period September 9, 1940, to June 30, 1946, and shall receive retired pay at the rate prescribed by law computed on the basis of the base and longevity pay which he would receive if serving on active duty in such higher grade."

(d) Each member of the Army Nurse Corps, established by chapter V of the act of July 9, 1918 (40 Stat. 879), as amended, heretofore or hereafter retired under any provision of law shall be advanced on the Nurse Corps retired list to a grade with relative rank equal to the highest grade in which, or to the highest relative or commissioned rank with which, she served satisfactorily, as determined by the Secretary of War, during the period September 9, 1940, to June 30, 1946, whichever is higher, and shall receive retired pay at the rate prescribed by law computed on the basis of the base and longevity pay which she would receive if serving on active duty in such grade or with such relative or commissioned rank.

(e) Each enlisted man of the Regular Army heretofore or hereafter retired under any provision of law, shall upon the completion of 30 years of service, to include the sum of his active service and his service on the retired list, be advanced to the highest temporary commission, warrant, or enlisted grade satisfactorily held by him, as determined by the Secretary of War, during the period September 9, 1940, to June 30, 1946, and shall receive retirement pay at the rate prescribed by law but based upon such higher temporary rank or grade.

SEC. 204. (a) Members of the Regular Army heretofore retired who were called to active duty during World War II and who are entitled under subsections (a), (c), (d), and (e) of section 203 of this title, to advancement on the retired list by reason of having held a higher temporary rank or grade shall have their retired rank or grade and retired-pay status changed to grant any increase benefits provided by that section. Such change will be effective, both as to rank or grade and as to amount of retired pay, from the date of reverting to retired status.

(b) Members of the Regular Army retired during World War II, except those retired under the provisions of section 24b of the National Defense Act, as amended, or the joint resolution of July 29, 1941 (55 Stat. 606), but not recalled to active duty and who are entitled under subsections (a), (c), (d), and (e) of section 203 of this title, to advancement on the retired list by reason of having held a higher temporary rank or grade shall have their retired rank or grade and retired-pay status changed to grant any increase benefits provided by that section. Such change will be effective from the date of such retirement.

(c) No person recalled to active duty after retirement shall be entitled, by the enactment of this title, to be recalled in any rank or grade higher than that to which he or she would otherwise be entitled.

SEC. 205. (a) The Secretary of War may promulgate such regulations as may be necessary to carry into effect the provisions of this title.

(b) Nothing contained in this title shall be construed to deprive any person of any higher retired grade or rank, or any greater retired or retirement pay to which he or she may be entitled under any other provision of law. Except as provided in (a) and (b) of section 204, no back pay or allowances for any period prior to the date of enactment of this title shall accrue to any person by reason of the enactment thereof.

TITLE III

RETIREMENT WITH PAY OF OFFICERS AND ENLISTED PERSONNEL OF THE NATIONAL GUARD AND RESERVE CORPS OF THE ARMY OF THE UNITED STATES, THE UNITED STATES NAVAL AND MARINE CORPS RESERVE, AND THE UNITED STATES COAST GUARD RESERVE

SEC. 301. (a) The Secretary of War is authorized to establish the Army of the United States Retired List to be published annually in the Army Register, upon which shall be placed the names of all commissioned officers and former commissioned officers of the Army of the United States other than those of the Regular Army, heretofore or hereafter granted retirement pay under section 5 of the act of April 3, 1939 (53 Stat. 557, as amended, 10 U. S. C. 456), section 1 of the act of September 26, 1941 (55 Stat. 733, 10 U. S. C. 456a), and section 302 of this title, or any law hereafter enacted to provide retirement pay for commissioned officers other than those of the Regular Army, and the names of all warrant officers and enlisted men of the Regular Army heretofore or hereafter retired under any provision of law who, by reason of service in temporary commissioned grades in the Army of the United States, or any component thereof, are entitled to be retired with commissioned rank or grade.

(b) The Secretary of the Navy is authorized to establish a United States Naval Reserve Retired List to include the names of all officers and enlisted personnel of the Naval and Marine Corps Reserve who are granted retired pay under the provisions of this title, the provisions of Public Law 305, Seventy-ninth Congress, or any law hereafter enacted to provide retired pay for such officers and enlisted personnel.

SEC. 302. (a) Any person who, upon attaining the age of 60 years, has satisfactorily performed Federal service in the status of a commissioned officer, warrant officer, flight officer, or enlisted person in the Army of the

United States, including the Reserve components thereof, and also including the federally recognized National Guard prior to 1933, the United States Navy including the Reserve components thereof, or the United States Marine Corps, including the Reserve components thereof, and has completed an aggregate of 20 or more years of such satisfactory service in any or all of the aforesaid services, shall be granted retired pay if he fulfills any of the requirements enumerated below:

(1) If he has completed no satisfactory Federal service in any of said services prior to the date of enactment of this title, he must have completed not less than 3 years of active Federal service subsequent to that date.

(2) If he has completed some service, but less than 5 years of satisfactory Federal service in any or all of said services prior to the date of enactment of this title, he must have completed not less than 3 years of active Federal service, at least 2 years of which must have been served subsequent to the date of enactment of this title.

(3) If he has completed 5 years, but less than 10 years of satisfactory Federal service in any or all of said services prior to the date of enactment of this title, he must have completed not less than 4 years of active Federal service, at least 18 months of which must have been served subsequent to the date of enactment of this title.

(4) If he has completed 10 years but less than 15 years of satisfactory Federal service in any or all of said services prior to the date of enactment of this title, he must have completed not less than 4 years of active Federal service, at least 1 year of which must have been served subsequent to the date of enactment of this title.

(5) If he has completed 15 years, but less than 20 years of satisfactory Federal service in any or all of said services prior to the date of enactment of this title, he must have completed not less than 4 years of active Federal service, at least 6 months of which must have been served subsequent to the date of enactment of this title.

(6) If he has completed 20 or more years of satisfactory Federal service in any or all of said services prior to the date of enactment of this title, he must have completed not less than 4 years of active Federal service.

(b) Applications for retirement with pay under this section shall be submitted to the Secretary of the service in which the major portion of the applicant's aggregate service has been accumulated.

(c) Any person who, upon attaining the age of 60 years, has qualified for retirement with pay pursuant to this title, may, by order of the cognizant Secretary, be retained on duty to perform Federal service. Any person so retained shall be credited with equivalent periods of Federal service for the performance of such duties.

SEC. 303. Any person granted retired pay pursuant to the provisions of this title shall receive such pay at an annual rate equal to—

(i) two and one-half percent of the active-duty annual base and longevity pay which he would receive if serving, at the time granted such pay, on active duty in the highest grade, temporary or permanent, satisfactorily held by him during his entire period of service, multiplied by a number equal to the sum of the number of years of his active Federal service; and

(ii) one-half of 1 percent of such active-duty annual base and longevity pay multiplied by a number equal to the sum of the number of years of his Federal service other than active Federal service:

Provided, That no person shall be entitled to receive such retired pay at an annual rate in excess of 75 percent of said active-duty pay: *Provided further*, That in computing the number of years of Federal service for the purposes of computing retirement pay under provisions of this title, a fractional part of a year amounting to 6 months or less shall be disregarded and a fraction of more than 6 months counted as 1 year.

SEC. 304. (a) The Secretary of War with respect to personnel of the Army, and the Secretary of the Navy with respect to personnel of the Navy and Marine Corps, shall determine what constitutes, or has constituted, satisfactory Federal service other than active Federal service for the purposes of this title. After the effective date of this title and notwithstanding the provisions of any other law, any member of a Reserve component of either the Army of the United States, the United States Navy, or the United States Marine Corps who, in the opinion of the cognizant Secretary, fails to conform to such standards and qualifications as may be prescribed by law or regulations may, at any time, by order of the cognizant Secretary, be placed in an inactive status for the purposes of this title, or be discharged from any such component.

SEC. 305. The provisions of this title shall not be applicable to any officer or enlisted person of the regular or reserve components of the Army, Navy, or Marine Corps who is entitled to receive, or is receiving, retired pay under any other provision of law, including pay as a transferred member of the Fleet Reserve.

SEC. 306. For the purposes of this title—

(a) The term "Federal service" shall be deemed to mean all active Federal service and all Federal service other than active Federal duty, or both.

(b) Service in a "reserve component" as used in this title includes service in—

(1) the National Guard of the United States;

(2) the National Guard while in the service of the United States;

(3) the federally recognized National Guard prior to 1933;

(4) a federally recognized status in the National Guard prior to 1933;

(5) the Officers' Reserve Corps;

(6) the Enlisted Reserve Corps;

(7) the Army of the United States without component;

(8) the Naval Reserve, including the Organized Naval Reserve, the Volunteer Naval Reserve, the Merchant Marine Reserve of the Naval Reserve;

(9) the Marine Corps Reserve, including the Organized Marine Corps Reserve, and the Volunteer Marine Corps Reserve; and

(10) the Naval Militia in the Naval Reserve.

(c) The term "active Federal service" shall include all periods of annual training duty and all prescribed periods of attendance at such service schools as have been, or may be designated as such by the Secretary of War and the Secretary of the Navy for their respective services, or by law.

(d) With respect to personnel of the Army, service in the inactive National Guard, in a nonfederally recognized status in the National Guard, or in the inactive Reserve section of the Officers' Reserve Corps shall not be deemed to be Federal service.

SEC. 307. After the effective date of this title, any member of a reserve component of the Army of the United States, the Organized Naval or Marine Corps Reserve, the Volunteer Naval or Marine Corps Reserve, or the Merchant Marine Reserve of the Naval Reserve, who, with the approval of the cognizant service secretary, satisfactorily completes such drills or other training as may be prescribed for said components by the cognizant service secretaries thereof, shall be granted the equivalent of 30 days of active Federal service for the purpose of determining eligibility for retirement only pursuant to the provisions of section 302.

SEC. 308. The Secretary of War with respect to personnel of the Army, and the Secretary of the Navy with respect to personnel of the Navy and Marine Corps, are authorized to prescribe such rules, regulations, and procedures as they may deem necessary to effectuate the provisions of this title.

SEC. 309. Any person who has not attained the age of 60 years but is eligible in all other respects to receive retired pay under the provisions of this title may, at his own request and in the discretion of the Secretary of the cognizant service be transferred to such inactive status list as has been, or may be established by law or regulation for the reserve components of the Army of the United States, Navy, or Marine Corps. After the effective date of such transfer he shall not be required to participate in any training or other program prescribed for said reserve components, and he shall not be entitled to be credited with either active Federal service or Federal service other than active Federal service for the purposes of this title while his name is on said inactive status list. Any such person may, in the discretion of the cognizant service Secretary, be recalled to duty from said list at any time, and if so recalled he shall be credited with equivalent periods of active Federal service or Federal service other than active Federal service for purposes of this title.

SEC. 310. (a) The Secretary of War with respect to personnel of the Army, and the Secretary of the Navy with respect to personnel of the Navy and Marine Corps shall certify and submit to the Administrator of Veterans' Affairs for payment, the names of all persons entitled to receive retired pay under the provisions of this title, along with a statement as to the amount of such pay to which said persons are entitled. The Administrator of Veterans' Affairs shall, thereafter, disburse such pay to said persons from appropriations made to the Veterans' Administration for that purpose.

SEC. 311. No back pay or allowances for any period prior to the date of enactment thereof shall accrue to any person by reason of enactment of this title.

SEC. 312. The provisions of this title, except as may be necessary to adapt the same thereto shall apply to personnel of the Coast Guard Reserve in relationship to the Coast Guard in the same manner and to the same extent as they apply to personnel of the Naval and Marine Corps Reserve in relationship to the Navy: *Provided*, That wherever authority is given to the Secretary of the Navy, similar authority shall be deemed to be given to the Secretary of the Treasury to be exercised with respect to the Coast Guard except at such time or times as the Coast Guard may be operating under the Secretary of the Navy.

Amend the title so as to read: "A bill to provide for the selection for elimination and retirement of officers of the Regular Army for the equalization of retirement benefits for members of the Army of the United States, and for other purposes."

Mr. JOHNSON of California. Mr. Chairman, the committee has three substantive amendments, which are on the Clerk's desk.

Mr. Chairman, I offer the first amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: That section 204 (a) of the bill be amended by striking out the last sentence of said section.

The amendment was agreed to.

Mr. JOHNSON of California. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: That section 204 (b) of the bill be amended by striking out the last sentence of said section.

The amendment was agreed to.

Mr. JOHNSON of California. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: That section 205 (b) of the bill be amended by striking therefrom the last sentence in said section.

The amendment was agreed to.

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent that all the amendments in the printed report which refer to lines and pages of the original bill be considered en bloc. They are merely technical perfecting amendments.

Mr. ELLSWORTH. Mr. Chairman, I reserve the right to object. Does the unanimous-consent request just made refer to the amendment on page 4, line 15, down to the bottom of the page?

Mr. JOHNSON of California. It does, but if the gentleman wishes to reserve an objection to that particular amendment I have no objection to it. I understand the gentleman wishes to offer an amendment to that amendment but I would like to ask unanimous consent that all of the other amendments shown upon the report, with the exception of the one mentioned by the gentleman from Oregon may be considered and adopted en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ELLSWORTH. Mr. Chairman, reserving the right to object, in order to clarify my position, I would like to offer an amendment to the committee amendment which, in the report reads as follows:

Page 4, lines 15 to 18, strike out the present subsection (a) in its entirety and substitute in lieu thereof a new subsection to read as follows—

And then follows the language. My amendment will be offered to that committee amendment.

The CHAIRMAN. The gentleman will have an opportunity to offer that amendment if the request is granted.

Mr. ELLSWORTH. Would it be in order to offer that amendment at this time?

The CHAIRMAN. The Chair wishes to dispose of the committee amendments first, to which there is no objection.

Is there objection to the request of the gentleman from California [Mr. JOHNSON] that the amendments shown in the report, with the exception of the amendment referred to by the gentleman from Oregon, be considered en bloc and agreed to?

There was no objection.

The amendments referred to were agreed to.

The CHAIRMAN. The Clerk will report the committee amendment which was not acted upon.

The Clerk read as follows:

Committee amendment: On page 4, line 16, strike out all of line 16 down to and including line 19 and insert:

"(a) if on the date of removal he is eligible for voluntary retirement under any provision of law then in effect, he shall be retired in the grade and with the retired pay to which he would be entitled if he were retired upon his own application."

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: Page 4, line 24, substitute a colon for the semicolon and insert the following proviso: "*Provided*, That each officer of the Regular Army, heretofore involuntarily retired under the provisions of section 2 of the joint resolution of July 29, 1941 (55 Stat. 606), if on the date of removal he was eligible for voluntary retirement under any provision of law then in effect, he shall be placed upon the retired list in the grade and with the retired pay and other benefits to which he would be entitled if he had been retired upon his own application. Such change shall be effective from the date of such retirement."

Mr. ELLSWORTH. Mr. Chairman, the members of the Military Affairs Committee will recall that this amendment to the committee amendment is the substance of an amendment which I proposed at the hearings on the bill. I believe the committee and the War Department representatives agreed at that time that it was inequitable to grant greater benefits to an officer who retired voluntarily than to an officer who had a good record and defended himself and was later retired involuntarily.

The committee amendment corrects the condition for the future, but it does not clearly rectify the errors of the past made and admitted by the War Department. Those errors were admitted in the hearings which I attended in the committee of the other body of this Congress. I do not feel that the committee amendment takes care of that situation. Those who were retired under Public Law 190 of the Seventy-seventh Congress were not granted equally in their retirement benefits existing prior to that time and proposed in the terms of this bill.

General Paul, testifying before the committee, page 3618 of the hearings, stated as follows:

The effect of his amendment—

Referring to my amendment—

would be to grant to officers removed from the active list under Public Law 190 benefits, rights, and privileges which would have accrued or will accrue to those officers had they been retired on their own application. The War Department is not opposed to the intent expressed in Mr. Ellsworth's amendment.

As I pointed out earlier, it was the practice, at least in several instances, to notify an officer that he was about to be dismissed and invite him to retire voluntarily. If he would agree to retire voluntarily he was given everything he was entitled to, with his present grade and rate and pay and so on. If he refused to retire voluntarily and insisted on doing what any red-blooded American citizen would do, demand to be shown why he was considered unfit; in other words, if he elected to fight the retirement proceedings, then he was penalized when the Board had finished with his case.

In the case of the two officers I mentioned, one would have had 75 percent of his pay had he voluntarily retired, but when he fought his case he was retired at 40 percent. The other was reduced in grade.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. JOHNSON of California. Did not the men at that time make a selection of their own will? They were not acting under duress, were they?

Mr. ELLSWORTH. They were acting under duress to this extent: They were given 3 days' notice that they were to be called before the board to answer whether or not they would take voluntary retirement. That is a pretty short time for a man to make up his mind on such an important point, and then if he elected not to take voluntary retirement but wanted to know why he was being dismissed from the Army, as any good fighting man should want to know, he was allowed only 14 days under the War Department regulations under Public Law 190 to assemble his witnesses, his affidavits, and any other papers which might be needed to support his opinion; and bear in mind that throughout the whole proceedings he was not allowed to see his own 201 file in the War Department and he did not know when he went to defend himself what he might be charged with. So I think the word "duress" might well be used in describing those proceedings.

My amendment would merely take care of a very few cases of men who were retired involuntarily by the board after making this appearance under these conditions, about a dozen such men who could and should have been retired with greater benefits and sometimes higher rank if they had taken voluntary retirement. What my amendment does is to place those men—very few of them—in a position where justice can be done. Justice, you know, cannot be measured by volume, it cannot be measured in quantity. If we have done an injustice to one man we should correct it; and I know of my own knowledge that the War Department has done injustice to at least two men. The adoption of this amendment would take care of these two or three, or maybe a dozen, cases in which I feel that injustice has been done.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment, and in doing so I wish to point out to the Chairman and members of the Committee what a job the Army did in respect to the enforcement of Public Law 190 to which reference is made in the Ellsworth amendment. General Paul, testifying before the subcommittee, page 3445 of the hearings, said this:

Under Public 190, 239 cases were intiated; 42 were acted upon by the Board.

I might say of the 42 mentioned, since General Paul testified, the number has been reduced by review to 36 cases that were actually acted upon out of the whole United States Army by the Board under Public Law 190.

One hundred and thirty-seven men retired voluntarily. In other words, in these instances when the cases were initiated the officers felt they did not want

to present their cases to the Board because they felt in advance that they could not measure up to the standards required by the Army as we were approaching war. They voluntarily retired rather than face the hearing. In these initiated cases, 38 were retired for physical disability. This shows that the Army went over every case and physically examined the men against whom proceedings had been initiated, and if they found that they were subject to retirement for physical disability, retired them for that reason rather than put them through proceedings under 190. In addition to that, there were seven in the Philippines who were caught out there. Those cases were dropped and were not pressed any further. There are nine others that were dropped by the Board as not being justified. Six resigned for the good of the service or were tried. Actually about 42 cases had to be reviewed. As I say, since then that number has been reduced to 36. In all, only 36 cases of officers were acted upon by the Board and the Board found that they were substandard; and in the face of approaching war, they were released and removed from active service.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the able gentleman from Oregon.

Mr. ELLSWORTH. I believe the gentleman understands my point and that is there were a few officers who, had they taken voluntary retirement, would have fared much better on a retired basis than they are now faring, having opposed the Board. Is that not true?

Mr. BROOKS. Well, it might be. I may say that there was only one man in the group that was in service in the Second World War. I may say further that the Army feels that it was abundantly careful in not mistreating any officer and that it did give every officer a break in the proceedings under 190.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. JOHNSON of California. Is it not a fact that we considered the point that the gentleman from Oregon is making and upon a full and fair consideration of the whole matter we determined we would not allow the amendment? I feel we are bound by the committee's action and by the fact that the whole committee approved our subcommittee action.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Florida.

Mr. SIKES. Is it not true also that the committee realized that if the present amendment were adopted it would serve to reopen the entire question?

Mr. BROOKS. That is correct, and I may say to the gentleman that it might throw the whole proceedings open to other groups who might feel that they themselves have been processed unfairly as long as 20 years before. They might feel that they ought to come in and have their cases reopened and be given the benefits of a more beneficent statute.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. ELLSWORTH].

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: Page 10, lines 12 and 13, strike out the words "during the period September 9, 1940, to June 30, 1946" and insert in lieu thereof "during any war."

Mr. LEMKE. Mr. Chairman, this amendment simply extends the same privilege to the retired commissioned officers of the Spanish-American War and World War I, that it gives to the retired, commissioned officers of World War II. I am a firm believer in equality for equal service. I believe the services rendered by the retired, commissioned officers of the Spanish-American War, and World War I, were just as meritorious as those of World War II. Of course, there was a different method of warfare between these wars, and those of World War II were more destructive than those of World War I, but as far as the commissioned officers were concerned, the hardships were the same.

I shall offer a similar amendment for the retired warrant officers of the Spanish-American War and World War I, on page 11. I feel that these warrant officers of the Spanish-American War, and World War I are just as much entitled to the benefits of this legislation as those of World War II. Here again I say I believe in equality of treatment, and there is no just reason for a difference of treatment.

I shall offer a similar amendment on page 12 for the retired enlisted men of the Regular Army of the Spanish-American War and World War I. Surely there is neither logic nor justice in making a difference. These men are all entitled to equal treatment, and equal appreciation at the hands of the Nation which they were willing to defend on foreign battlefields.

Again, there is no logic for treating the retired enlisted men of World War II any more favorably than those of the Spanish-American War and World War I. Simple justice demands that we treat them all alike. These small amendments will not, in any way, affect the provisions of this bill except to extend it to men who are equally entitled to our consideration.

I feel that the present pay for all of these men is inadequate under the American standard of living. These men are not able to take care of themselves and their dependents with the present 30-cent dollar. The cost of living, as far as food is concerned, has gone up at least 200 percent, if not more, since 1937, 1938, and 1939.

For example, on August 11, 1939, in Fargo, N. Dak., a pound of Land O'Lakes butter was 23 cents; eggs were 2 dozen for 23 cents, strictly fresh; a pound and a half loaf of bread was 9 cents; pork loin 12 cents; bacon 12½ cents; spare ribs 8 cents; crisp celery 5 cents; two heads of lettuce 13 cents; five bunches of radishes 5 cents; three bunches of carrots 10 cents; three pounds of coffee 39 cents; and other food and articles and wearing apparel were on a par with these prices. Compare them with today's prices.

In addition, may I suggest that since we have, directly or indirectly, given to foreign nations something like $27,000,000,000 since the war ended, and we are considering giving them another $17,000,000,000, it is about time that we take care of our own retired armed forces. It is about time that we take care of those who were willing and whose duty it was to defend our Nation in time of danger. Charity still begins at home.

H. R. 2744 is unfair to retired officers who served overseas and in combat in World War I. Many of these will continue to receive the pay of retired enlisted men notwithstanding their heroic combat service, inasmuch as World War I officers and enlisted men are entirely ignored in the provisions of H. R. 2744.

It is unfair to single out for special favor the officers of World War II, and to grant them pay of their highest rank after 20 years service, while at the same time those who served at higher rank in World War I, and who retired after 30 years service are ignored. There is neither justice nor sense to such procedure. I repeat, let us treat them all alike.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. LEMKE. Mr. Chairman, I ask unanimous consent that all Members who wish to extend their remarks in favor of this amendment may do so at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. JOHNSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, all of us on the committee are appreciative of the services rendered by the veterans of the Spanish-American War and the First World War. However, the amendment that is now offered would, in my opinion, disjoint and upset this bill. The reason we provided retirement pay for officers at their highest temporary rank was that the Congress itself, either the Seventy-eighth or the Seventy-ninth Congress, passed a law giving that privilege to naval officers. We felt that the Army officers serving in the Second World War should be on a parity with the officers of the Navy. When I say "officers of the Army" I include officers of the Air Force. If we open the door and go clear back to 1898 we shall have to do the same thing with the Navy, and there will be no end to it. As far as the officers of the Spanish-American War are concerned, I am of the opinion that there were no temporary ranks in that war, but there were a few

temporary ranks in World War I. I believe I know of one of them. Lt. Gen. Hunter Liggett, I think, had a temporary rank.

At any rate, the reason we are opposing the amendment is that after giving full consideration to the evidence that was offered to us the subcommittee and the entire committee decided unanimously that we were just bringing the officers of the Second World War on a parity with the Navy officers in their right to retirement, and we did not want to extend the principle any further.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Louisiana.

Mr. BROOKS. I concur with what the gentleman has said. I should like to go just a little further and say that the gentleman's amendment will actually not be fair to all of the veterans of past wars. As the gentleman has indicated, it will not cover the Navy or the Marine Corps in the past wars. It will do exactly the reverse of what the gentleman has in mind. He has in mind doing justice uniformly to all. This will do the reverse. This title in its totality just covers the men of the Army. His amendment would simply cover the men of the Army in past wars, leaving out the Navy, the Marine Corps, and the Coast Guard.

Mr. JOHNSON of California. For the reasons stated by myself and my colleague, the gentleman from Louisiana [Mr. BROOKS], Mr. Chairman, we respectfully request the Committee to reject the amendment.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. Mr. Chairman, I rise in support of the amendment. The situation is simply this. After the First World War we realized that there was something owed to those men who had been, in most instances, enlisted men of the Regular service for a period of many years. When that war came on, their ability and experience was utilized by commissioning them. They served ordinarily as lieutenants, captains, and majors. They are a relatively small number. I think most of them are now retired. They were fine old soldiers, and the Congress recognized their service, what they had done for the Nation, by permitting all of them to retire with the pay of warrant officers and with the honorary title of the rank which they held while serving as officers. So we have the anomalous situation of men who served in the First World War, old soldiers, fine soldiers, who did a wonderful job, having the honorary title of the rank in which they served and drawing the pay of a warrant officer.

Those are the principal people who would be affected by this amendment. We recognize that they were entitled to something after the First World War, and I think we did a very poor job of it when we gave them the honorary title of the rank they held and the pay of a warrant officer. You now recognize after the Second World War that the people who served in the higher commissioned ranks, those who had come from the ranks, are entitled to retire in the highest rank satisfactorily held. There are very few of these men. They served well and faithfully many years ago. They are asking now that they get simply what quite evidently the committee thinks the men of the Second World War are entitled to, and I think it should be extended to those of the First World War. I hope the amendment will be adopted.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. McCORMACK. Has the gentleman any idea how many officers it will involve?

Mr. KILDAY. I do not know. I cannot tell you.

Mr. McCORMACK. The purpose of this amendment is to treat all alike, is that not right?

Mr. KILDAY. That is right. The bill proposed by the committee does exactly that for those who served in World War II, and the amendment would do the same for those who served in World War I. The gentleman from North Dakota says that it would cover the Spanish-American War. I doubt if there are any of those left.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a question?

Mr. KILDAY. I yield to the gentleman from California.

Mr. JOHNSON of California. Is it not a fact that the amendment of the gentleman from North Dakota only provides benefits for Army officers, and then you would open the door to Navy officers?

Mr. KILDAY. I have spent 10 years here trying to keep the Army up with the Navy, and you know as well as I do from the time that we have served on the committee we have always been attempting to get equality between the Army and the Navy. You bring this bill in now in order to bring the Army up to the Navy, and then you say the gentleman's amendment would put the Army ahead of the Navy. I had given up hope of ever getting them equalized.

Mr. JOHNSON of California. What I am afraid of is that it would disjoint the bill, and then we would have to pass another bill to bring the Navy up to the level of the World War I veterans.

Mr. KILDAY. You and I were on the Committee on Military Affairs. The Committee on Naval Affairs reported out a bill under which the Navy has what you are now giving the Army.

Mr. JOHNSON of California. That is right.

Mr. KILDAY. It is just too bad about this thing that it is so out of joint. But we cannot help it.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. BROOKS. Can the gentleman tell us whether or not the amendment would take care of those officers who are retired, and under the law were given an additional rank upon retirement? Is the purpose of the gentleman's amendment to take care of such groups? I think all of the officers were given additional honorary rank on retirement.

Mr. KILDAY. No; I do not think that would be the construction. It says the highest rank satisfactorily held. As I understand the administration of the Navy retirement, many men who served in a higher rank did not retire at that higher rank, because it was held that they did not satisfactorily serve in that rank. In other words, their efficiency index was below the average of the men in that type of service.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. McCORMACK. Is it the purpose of this amendment, at least so far as the Army is concerned, to cover those who served in any way in the past?

Mr. KILDAY. That is correct.

Mr. McCORMACK. And that is that they should come within the purview of the provisions of this bill if it becomes law and give them the same consideration as was given to World War II officers?

Mr. KILDAY. That is correct.

Mr. McCORMACK. If that throws the Navy out of gear, after this amendment is adopted they can take care of that in the other body very easily.

Mr. KILDAY. I would say that you never need to worry about the Navy taking care of itself. The principal argument for this provision today is that they want to get the Army up on an equal level with what the Navy already has. I think if you just leave the Navy alone, they will take care of themselves.

Mr. McCORMACK. I might say that I shall vote for the amendment in spite of the argument of my valued friend from North Dakota, which I do not think was at all pertinent to the issue except on the question of equity.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

I want to say briefly that we held extensive hearings which ran over a long period of time, as is indicated by the record. There is not a great deal in the hearings to show how much this amendment would cost, how many men it would cover, and what the possible effect would be.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. JOHNSON of California. The gentleman might refer to page 3542 of the hearings. There is a statement of the number of people involved in this amendment. There are 500 persons involved, ranking from second lieutenant to lieutenant colonel, and the increased cost, if they receive retirement at their highest temporary rank, would be $480,450.72 per year. I want the RECORD to show that the total cost at the present time under their current retirement at their permanent grades is $1,215,000, and that would be raised by $480,000 if we put them at their temporary highest rank.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. LEMKE. May I also ask what it would cost to put World War II in this bill? If you are figuring patriotism in

dollars and cents, let us figure it from all angles.

Mr. BROOKS. Title II would cost, roughly, $5,000,000. That was discussed in the debate.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last two words for the purpose of making inquiry.

I listened to the remarks of the gentleman from North Dakota [Mr. LEMKE] and my curiosity was acutely aroused when I heard him say this would apply to Spanish-American War veterans. Perhaps I am the only person present who can qualify in that category. How far does this go in going back and picking up people who served in the Army? I gathered the impression it would take in the Spanish-American War veterans. What types of service are to be regarded as incurring eligibility?

Mr. BROOKS. I would assume his amendment would go all the way back to the Civil War veterans. I doubt if it would cover Confederate veterans, but it would take in the Civil War veterans.

Mr. WADSWORTH. Does it cover only people who were retired following those wars?

Mr. BROOKS. The gentleman knows the amendment as well as I do.

Mr. JOHNSON of California. It only applies to retired members of the Army.

Mr. WADSWORTH. Then a member of the Army who was retired in 1899 under the then existing law and received benefits would be picked up by this amendment, would he not?

Mr. JOHNSON of California. If he were retired at a permanent rank and he had a higher rank which was temporary, then he would go to the highest rank that he held temporarily.

Mr. WADSWORTH. I cannot remember at this moment whether there were any temporary ranks or not. I doubt it. Does it cover the Philippine insurrection?

Mr. JOHNSON of California. My idea is it would cover any military service in the Army of the United States, no matter when.

Mr. WADSWORTH. It applies to persons who were not in the Regular Army?

Mr. JOHNSON of California. No; that is the Reserve components.

Mr. WADSWORTH. The best I can say is that you are exploring a very wide field. I do not know where you will end.

Mr. JOHNSON of California. Of course the increase would only take effect after the adoption of the present law. It would not be retroactive.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. KILDAY. I realize, of course, that we can visualize many things happening with reference to someone who retired in 1899, for instance, but there are only 500 people affected by this, at a total of $400,000 a year, whereas the present bill authorizes $5,000,000 a year for a much larger number of people who have retired out of the Second World War.

Mr. WADSWORTH. Will the gentleman assure me that the 500 whom he says are eligible for benefits contemplated in this amendment are all World War I veterans?

Mr. KILDAY. I was not a member of the subcommittee and I do not have the complete details. I am relying entirely on the remarks made by the chairman of the subcommittee, the gentleman from California [Mr. JOHNSON], who just read from the hearings that there were 500 who would be affected.

Mr. WADSWORTH. That is in World War I?

Mr. KILDAY. No. I think that is the total, is it not?

Mr. JOHNSON of California. No. That is only for World War I.

Mr. WADSWORTH. I thought so. It would go beyond 500.

Mr. KILDAY. As you say, you are probably the only veteran of the Spanish-American War here. The same ratio would probably hold true.

Mr. WADSWORTH. I did not hold a commission.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEATING. Mr. Chairman, I move to strike out the last word. I do this for the purpose of asking the chairman a question.

The wording of this amendment is "During any war." Is that a wording which is found in other statutes? It seems to me it would perhaps open up possibilities which we do not contemplate at all.

Mr. JOHNSON of California. What page is the gentleman referring to?

Mr. KEATING. I am referring to the amendment itself that has been offered by the gentleman from North Dakota.

Mr. JOHNSON of California. We do not use that phrase in our act, but it would apply to any war hereafter if we should have one which I hope we will not; but I presume he wanted to be all-inclusive and include officers of the invasion of Mexico and the Spanish-American War and World War I and possibly some of our incursions into Asia.

Mr. KEATING. It seemed to me it was open to that criticism also. That is why I raised the question.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. LEMKE. I may suggest to the gentleman that that expression appears in many of our statutes, "in any war," but it does not appear in this particular act.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. KILDAY. Does not the gentleman recognize the fact that a war can only be one declared by Congress? When you say "in any war" you are referring not to the landing of the Marines in Nicaragua or something of that kind where war was not declared, but you are referring only to a war under the Constitution declared by act of Congress.

Mr. KEATING. I am assuming that the gentleman from North Dakota referred to a war declared by this country; but it does not say so in his amendment.

Mr. KILDAY. I did not write the amendment.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

What appeals to me in this amendment is the question of justice. I was not an officer in World War I, I was an enlisted man, but men who served as officers in World War I and the Spanish American War—certainly we cannot go back to the Civil War because there are very few Civil War veterans left. For all practical purposes the Civil War is over; and even the survivors of the Spanish-American War find their ranks thinning rapidly.

The testimony shows a little over 500 World War I. What does this section provide:

> Each commissioned officer of the Regular Army heretofore or hereafter retired under any provision of the law shall be advanced on the officers' retired list to the highest temporary grade satisfactorily held by him during any war.

That covers World War II. And—

> It shall include the period from September 9, 1940, to June 30, 1946.

I can see the necessity for that because the date, September 9, 1940, precedes our actual and official declaration of war. That is a matter that can be taken care of very easily.

The thing that impresses me is the question of justice here. That is one thing that I want to try to approximate, a little human justice. If there are any World War I veterans, yes, if there are any Spanish American War veterans who were officers, who held a higher temporary grade than that under which they were retired they should be included in this provision of the bill. It seems to me to be a matter of elementary justice.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JOHNSON of California. There is a great deal to the gentleman's argument, but it seems to me he made a suggestion a short time ago that would be better. Why not submit this to the other body and let them do the job over there? We had very thorough hearings on this, and we finally concluded that the best thing to do was to advance those of World War II to retirement at their highest temporary rank because of the one fact only, that the Congress of the United States had granted the same right to the Navy and we ought to put the two services on a parity. Now we dig into another war and take care of only one third of the group.

If we write this bill on the floor it will unbalance the measure and have to be rewritten over on the other side.

Mr. McCORMACK. Suppose it should not be placed in the bill on the other side? If we put it in on this side at least the amendment will be in conference.

The gentleman admits that there is a case of justice here. My friend admits that there are World War I officers who are unconsciously being discriminated against. I say it is unconscious, unintentional, but why allow that to happen? That condition should not exist.

If a World War I officer held a temporary rank higher than the grade he is now getting retirement pay on, we ought to give him the benefit of the provisions of this bill. It seems to me that is a matter of justice.

Mr. JOHNSON of California. I would like to make one comment and I do not want the gentleman to think I am unfair.

Mr. McCORMACK. I cannot conceive of the gentleman being unfair, because he is one Member of the House for whom I have a very high regard, particularly when it comes to the element of fairness. That is not involved in any discussion between the gentleman and myself.

Mr. JOHNSON of California. I thank the gentleman. I want to make the comment that the average service in World War II was about twice as much as the average service in World War I. The gentleman remembers that he and I served approximately 2 years. Many of these men served from 2½ to 5½ years in the recent war. As the gentleman will remember, we took them in in 1940 when the Wadsworth Act was passed. We began to take in Reserve officers and so forth, including National Guard officers, and most of those men stayed in for the duration of the war which came to a conclusion late in 1945. Many men were not demobilized until 1946. That was one of the elements that we thought about when we tried to put them on a parity with the Navy.

Mr. McCORMACK. In any event, it is a matter of justice which calls for some action being taken. I shall vote for the pending amendment and if it is not adopted by this body I hope the other body will consider it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 27, noes 38.

So the amendment was rejected.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: On page 11, lines 16 and 17, strike out the words "during the period September 9, 1940, to June 30, 1946" and insert in lieu thereof "during any war."

Mr. LEMKE. Mr. Chairman, this is simply along the same line as the amendment we have just voted upon and fully discussed. I have no further remarks to make on the particular amendment except to repeat what I said in reference to the first one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The amendment was rejected.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: Page 12, lines 20 and 21, strike out the words "during the period September 9, 1940, to June 30, 1946" and insert in lieu thereof "during any war."

Mr. LEMKE. Mr. Chairman, the argument for this amendment is identical with that I offered for the other amendments and I shall not take the time to repeat them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The amendment was rejected.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: title II, page 14, line 14, add a new section to read as follows:

"SEC. 206 (a) All retired Army officers below the grade of colonel who have served in time of war drawing retired pay based upon the pay of an officer of the next higher grade shall be advanced one grade on the retired list, the advancement involving no increased retired pay.

"(b) Any retired officer of the Army who (1) has been specially commended for his performance of duty in action or combat by the head of the executive department under whose jurisdiction said duty was performed, or (2) has received from the United States a medal, citation, or decoration for gallantry or conduct in action against an enemy or has been awarded the Purple Heart Medal for having been wounded in action or combat with the enemy, shall be advanced one grade on the retired list. A retired officer entitled to advancement on the retired list under the provisions of this section shall not be deprived of such advancement by virtue of the fact that he is advanced under the provisions of the first section of this act, this advancement involving no increased retired pay."

Mr. LEMKE. Mr. Chairman, this amendment involves absolutely no expense, and would promote retired Army officers who already draw the pay of the next rank, and who were not promoted, in general, due to the fact that although they had served the required time there were not sufficient vacancies, or the laws in effect now were not in effect at the time of their service, but this amendment has the additional requirement that they be veterans of a war.

It also provides for the advancement of Army officers who hold medals or were specially commended in action or combat against the enemy. In 1942, Public Laws 464 and 597 of the Seventy-seventh Congress granted this privilege to the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey. There is no reason why we should not be consistent and do for the Army what we have already done for all the other branches of the service, especially in view of the merger of the services.

This needed amendment will help the low morale in the Army brought about by the long-existing discrimination.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from California.

Mr. JOHNSON of California. Did the gentleman present this amendment to our committee?

Mr. LEMKE. I have introduced bills for years before the gentleman's committee, but about the only bills that that committee considers are those that the Army and the Navy bring in, I am sorry to say. But, that has been my experience during the years.

Mr. JOHNSON of California. We heard dozens and dozens of bills, and if the gentleman had come up there personally with a witness and presented the matter, we would have given him a fair hearing.

Mr. LEMKE. I appreciate that, and I shall certainly take advantage of that if that is the attitude of the subcommittee. But, I have not fared so well with your committee in connection with these matters. As a matter of fact, I am not criticizing the committee, its jurisdiction and its province, but I have had quite a number of bills before that committee in recent years. Some have been there 3 or 4 years; in fact, I think more than that, and I have never gotten any real action on them. I have always reintroduced a lot of them with each new session of Congress, and I feel that the only way we can get a hearing on these matters is before the Congress as a whole. But, hereafter, if I am informed that any of my bills are before your committee, you will certainly find me present to present arguments in favor of the bills. I thank the gentleman for his fairness in making that suggestion and giving me at least a faint ray of hope that in the future I will be successful in being heard before that committee.

Mr. JOHNSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I dislike to take this time of the Committee, but I feel that our committee will have to resist this amendment because we have had no hearings on it, and it is dangerous to write amendments of this kind on the floor of the House.

I do not know whether the men in the Navy received advances in rank on account of medals. I am one of those who think that is bad practice. I was lucky enough to get two medals in the First World War, and I believe there are hundreds of men that never were decorated because the right person did not see them do something. I do not know why we should pick out those of us that happened to be lucky and give us some extra emoluments or honors or rank. I do not think the system is a good one, myself. Therefore, I oppose the amendment.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Florida.

Mr. SIKES. I think it should be pointed out that the services were very liberal in their promotion policies during World War II. I think the gentleman will find that practically every man who was wounded or decorated received at least one promotion during his service. Aside from that, I think it would be ill-advised to attempt to establish a blanket policy such as is outlined here. The gentleman from North Dakota did have an opportunity to come before the committee. The chairman was very generous in asking Members to come before the committee and express themselves on any point in connection with this program. The point was not raised, but I have serious doubts that this matter is even germane to the bill.

Mr. JOHNSON of California. I appreciate the gentleman's comment. May I add that practically every man who left the Army of the United States got a promotion in rank. As he left the service he was promoted one grade.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from New York

Mr. KEATING. Is it not a fact that that applied to the Army but did not apply to the Navy, so this might be a case where the Navy would be entitled to some additional consideration in the way of promotion where the Army would not, because of that very fact?

Mr. JOHNSON of California. I do not know about the Navy, but I know that in the Army practically every man with a good record got one jump up in rank as he left the service.

Mr. KEATING. Automatically.

Mr. JOHNSON of California. Yes; and that applied to the gentleman from New York.

Mr. KEATING. I am sorry, I did not qualify for that because it applied only to those below the rank of colonel.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from New York.

Mr. JAVITS. I think the gentleman is a little in error about the promotion based on service. I think it was based on having served 30 months in one grade. When a man left after having served 30 months in one grade, he was promoted.

Mr. JOHNSON of California. There were several different categories. That was one of them. I think there were other categories besides that to get promotions.

Mr. JAVITS. That happened to me. That is why I say that.

Mr. JOHNSON of California. It was entirely different in World War I. We got nothing in the way of promotions as we left the Army and as a matter of fact did not expect anything. The fact that we came out alive and in good health was enough reward.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The amendment was rejected.

The CHAIRMAN. Are there further committee amendments?

Mr. JOHNSON of California. Mr. Chairman, we have more committee amendments, and I should like to make this brief explanation before I offer them. Two acts were passed after the present bill was reported out of the committee, the Unification Act and the Personnel Act. This required the complete revision of the bill and the drafting of technical amendments to protect this bill. A group of these amendments are on the Clerk's desk in a list marked AA, meaning amendments to amendments. They are all perfecting amendments. I ask unanimous consent that all the amendments at the Clerk's desk marked AA be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Page 1, line 4, strike out the figure "1947" and substitute in lieu thereof the figure "1948."

Page 17, line 25, strike out the colon and add the following: "except that any member of a reserve component of the Air Force of the United States shall be entitled to include service as a member of a reserve component of the Army of the United States performed on or prior to July 26, 1949."

(NOTE.—This amendment is necessary in order to protect the rights of members of the reserve components of the Air Force; otherwise they would be prejudiced by the requirement that the last 8 years of service for eligibility purposes must have been in a reserve component of the service to which application is made for retirement. Obviously this would be impossible of fulfillment by any member of the Air Force reserve components until the separate Air Force has been in existence for 8 years. However, in view of the fact that it would be undesirable to permit indiscriminate transfers between the Army and Air Force reserve components for an indefinite period in the future, the date July 26, 1949 has been selected as a limiting date because the Unification Act provides that the completion of the separation of the Army and Air Force shall be effective as of a date 2 years after the effective date of that act. The effective date of the Unification Act was July 26, 1947.)

Page 18, line 3, after the comma following the word "Navy" insert the words "Air Force."

Page 20, line 7, strike out the word "either."

Page 20, line 8, after the comma following the words "United States", insert the words "the Air Force of the United States."

Page 20, line 9, strike out the word "War" and the comma immediately thereafter and insert in lieu thereof the words "the Army."

Page 20, line 10, strike out the word "and" and insert in lieu thereof a comma.

Page 20, line 12, strike out the comma and insert in lieu thereof the words "and by the Secretary of the Air Force with respect to personnel of the Air Force,".

Page 21, line 8, after the comma following the word "Navy", insert the words "Air Force."

Page 24, line 3, strike out the period and insert in lieu thereof a semicolon and add the following:

"(13) the Air National Guard;

"(14) the Air Force Reserve (Officers or Enlisted sections);

"(15) the Air Force of the United States without component."

Page 25, line 7, after the word "States", strike out the comma and insert in lieu thereof the words "or the Air Force of the United States, or any member of."

The amendments were agreed to.

Mr. JOHNSON of California. Mr. Chairman, I offer some further amendments, which are at the Clerk's desk.

The Clerk read as follows:

Page 1, line 3, after the word "Army", insert the words "and Air Force."

Page 1, line 8, strike out the words "War is" and substitute in lieu thereof the words "the Army and the Secretary of the Air Force, for their respective services, are."

Page 1, line 9, strike out the words "as may be satisfactory to him" and substitute in lieu thereof the words "as each may deem satisfactory."

Page 2, line 1, after the word "Army", insert the words "or the Regular Air Force, as the case may be."

Page 2, line 4, strike out the words "War shall" and substitute in lieu thereof the words "the Army and the Secretary of the Air Force shall, for their respective services, each."

Page 2, line 7, after the word "Army", insert the words "or the Regular Air Force, as the case may be."

Page 2, line 11, strike out the words "Secretary of War" and substitute in lieu thereof the words "cognizant Secretary."

Page 2, line 19, strike out the words "Secretary of War" and substitute in lieu thereof the words "cognizant Secretary."

Page 3, line 7, strike out the words "Secretary of War" and substitute in lieu thereof the words "cognizant Secretary."

Page 3, lines 18 and 19, strike out the words "Secretary of War" and substitute in lieu thereof the words "cognizant Secretary."

Page 3, line 20, strike out the word "War" and substitute in lieu thereof the words "the Army or the Secretary of the Air Force, as the case may be."

Page 3, line 25, and page 4, line 1, strike out the words "Secretary of War" and substitute in lieu thereof the words "cognizant Secretary."

Page 4, line 15, after the word "Army", insert the words "or the Regular Air Force."

Page 6, line 3, strike out the word "War" and insert in lieu thereof the words "the Army and the Secretary of the Air Force, for their respective services."

Page 6, line 5, after the word "Army", insert "or the Regular Air Force, as the case may be."

Page 6, line 15, strike out the word "War" and insert in lieu thereof the words "the Army or to the Secretary of the Air Force, as appropriate."

Page 6, line 20, strike out the word "War" and insert in lieu thereof the words "the Army or the Secretary of the Air Force."

Page 6, line 22, after the word "Army", insert the words "or the Regular Air Force."

Page 7, line 1, after the word "Army", insert the words "or the Regular Air Force, as the case may be."

Page 7, line 4, strike out the word "War" and insert in lieu thereof the words "the Army or the Secretary of the Air Force, for their respective services."

Page 7, line 5, strike out the words "Secretary of War" and substitute in lieu thereof the words "cognizant Secretary."

Page 7, line 12, after the word "Army", insert the words "or the Regular Air Force."

Page 7, line 14, strike out the words "Regular Army" and insert in lieu thereof the words "service concerned."

Page 7, line 24, strike out the word "War" and insert in lieu thereof the words "the Army and the Secretary of the Air Force."

Page 8, line 1, before the word "such", insert the words "for their respective services."

Page 8, line 12, after the word "Army", insert the words "and the Regular Air Force."

Page 8, line 14, strike out the words "War shall" and insert in lieu thereof the words "the Army and the Secretary of the Air Force shall each."

Page 8, line 14, after the word "establish", insert the words "for their respective services."

Page 8, line 15, strike out the words "Army Register" and insert in lieu thereof the words "official Register of the service concerned."

Page 8, line 17, after the word "Army", insert the words "or the Regular Air Force, as the case may be."

Page 8, line 21, after the word "Army", insert the words "or the Regular Air Force."

Page 8, line 24, strike out the parentheses and the letter "a" contained therein.

Page 9, line 4, after the word "Army", insert a comma followed by the words "the Regular Air Force."

Page 9, line 6, after the word "States", insert the words "or of the Air Force of the United States."

Page 9, lines 9 and 10, strike out the word "commissioner" and insert in lieu thereof the word "commissioned."

Page 9, line 11, strike out the word "War" and insert in lieu thereof the words "the Army or the Secretary of the Air Force, as the case may be."

Page 10, lines 1 to 4, strike out in its entirety the present subsection (b) (NOTE.—This repealer is no longer necessary as the proviso which it seeks to repeal has already been repealed by section 514 (g) (2) of the

Officer Personnel Act of 1947 (promotion bill), act of August 7, 1947, Public Law 381 of the 80th Cong.).

Page 10, line 6, after the word "Army", insert the words "or the Regular Air Force."

Page 10, line 10, after the words "on the" insert the word "applicable."

Page 10, line 12, strike out the words "Secretary of War" and insert in lieu thereof the words "cognizant Secretary."

Page 10, strike out all of lines 17 and 18 and insert in lieu thereof the following:

"(b) That the second proviso under the heading 'Retired Officers' of the act approved June 12, 1906 (34 Stat. 245; 10 U. S. C. 946) is hereby repealed."

(NOTE.—The effect of the language now contained in the bill would be to repeal the entire act of June 12, 1906. This effect was never intended, the purpose of this provision being merely to repeal the specific proviso referred to in the amendment.)

Page 10, line 24, strike out the word "War" and insert in lieu thereof the words "the Army or the Secretary of the Air Force, whichever may be concerned."

Page 11, line 16, strike out the words "Secretary of War" and insert in lieu thereof the words "cognizant Secretary."

Page 12, line 8, strike out the word "War" and insert in lieu thereof the words "the Army."

Page 12, line 14, after the word "Army", insert the words "or the Regular Air Force."

Page 12, line 20, strike out the words "Secretary of War" and insert in lieu thereof the words "cognizant Secretary."

Page 13, line 3, after the word "Army", insert the words "or the Regular Air Force."

Page 13, line 13, after the word "Army", insert the words "or the Regular Air Force."

Page 14, line 4, strike out the word "War" and insert in lieu thereof the words "the Army and the Secretary of the Air Force."

Page 14, line 5, before the word "such", insert the words "for their respective services."

Page 14, line 18, after the word "States", insert a comma followed by the words "the Reserve components of the Air Force of the United States."

Page 14, line 21, strike out the word "War" and insert in lieu thereof the words "the Army."

Page 14, line 22, after the word "List", insert the words "and the Secretary of the Air Force is authorized to establish the Air Force of the United States Retired List."

Page 14, line 23, strike out the words "Army Register" and insert in lieu thereof the words "official Register of the service concerned."

Page 14, line 23, after the word "which", insert the word "respectively."

Page 14, line 25, after the word "States", insert the words "or the Air Force of the United States, as the case may be."

Page 15, line 1, after the word "Army", insert the words "or the Regular Air Force."

Page 15, line 7, after the word "Army", insert the words "or the Regular Air Force."

Page 15, line 8, after the word "Army", insert the words "or the Regular Air Force."

Page 15, line 11, after the word "States", insert the words "or the Air Force of the United States."

Page 15, line 11, strike out the words "or any component thereof" and insert in lieu thereof the words "or in any of the respective components thereof."

Page 15, line 25, after the word "States", insert the words "or the Air Force of the United States."

Page 15, line 25, after the words "including the", insert the word "respective."

Page 24, line 7, strike out the words "War and" and insert in lieu thereof the words "the Army."

Page 24, line 8, after the word "Navy", insert the words "and the Secretary of the Air Force."

Page 24, line 11, after the word "Army", insert the words "or the Air Force."

Page 24, line 12, strike out the comma following the word "Guard" and insert in lieu thereof the words "or Air National Guard."

Page 24, line 13, strike out the comma following the word "Guard" and insert in lieu thereof the words "or Air National Guard."

Page 24, line 14, after the word "Corps" insert the words "or the inactive officers' section of the Air Force Reserve."

Page 25, line 21, strike out the word "War" and insert in lieu thereof the words "the Army."

Page 25, line 22, strike out the word "and."

Page 25, line 23, strike out the comma after the word "Corps" and insert in lieu thereof the following: "and the Secretary of the Air Force with respect to personnel of the Air Force."

Page 26, line 7, after the comma following the word "Navy", insert the words "Air Force of the United States."

Page 27, line 3, strike out the word "War" and substitute in lieu thereof the words "the Army."

Page 27, line 4, strike out the word "and."

Page 27, line 5, after the word "Corps", insert the words "and the Secretary of the Air Force with respect to personnel of the Air Force."

Mr. JOHNSON of California. Mr. Chairman, these amendments are all of a technical nature, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The question is on the amendments.

The amendments were agreed to.

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: On page 6, line 3 strike out the first word of the subsection and insert "immediately following the enactment of this act, the."

Mr. ELLSWORTH. Mr. Chairman, this amendment provides the identical wording used to begin section 102 of the same bill, merely to insure that the act will take effect immediately. That is the only and total effect of the amendment. I hope the Committee will accept it, and that the amendment will be incorporated in the bill.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent that the remarks of the delegate from Alaska [Mr. BARTLETT] may appear in the RECORD during the consideration of the so-called Alaska airport bill during the general debate thereon.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JOHNSON of California. Mr. Chairman, I wish to state that the subcommittee in charge of this bill is willing to accept the amendment offered by the gentleman from Oregon [Mr. ELLSWORTH].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. ELLSWORTH].

The amendment was agreed to.

Mr. ELLSWORTH. Mr. Chairman, I offer another amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: On page 6, line 7, following the words "55 Stat. 606", insert the following: "or who was retired on his own application as an alternative thereof."

Mr. ELLSWORTH. Mr. Chairman, this amendment refers to the very few cases of men who were discharged with situations with respect to pay, grade, and rank lower than they would have had if they had retired voluntarily. In other words, they were penalized because they dared to oppose the board or dared to defend themselves. This is different from the amendment previously offered. All this proposes is that those men who feel that they voluntarily retired under duress may now come back to the board, the War Department, and ask that their cases be reviewed. It is simple justice. It does not involve the reopening of any case. It does not do anything but allow a very few men, many of whom have given many years of their lives to the armed forces and who feel deeply injured as the situation now stands, an opportunity to have their cases again disposed of.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. BROOKS. Are these the men who come under Public 190?

Mr. ELLSWORTH. Only 190.

Mr. BROOKS. This is in effect the same amendment which the committee considered a few moments ago and voted down.

Mr. ELLSWORTH. It is not the same amendment. This simply allows the board to consider the men who had voluntarily retired feeling that they had done so under duress.

Mr. BROOKS. It is practically the same amendment.

Mr. ELLSWORTH. I do not consider it so.

Mr. BROOKS. It involves the same facts and affects the same men?

Mr. ELLSWORTH. No. It merely permits these men who retired voluntarily because they felt themselves under duress to now ask the board to come under the new procedure which this bill sets up and pass on their cases.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. PLUMLEY. I am inclined to go along with this amendment but with this reservation in my own mind with regard to the matter: Long service on the Military Affairs Committee and on the appropriations committee for the Navy makes me feel that no amendment should be made on this floor respecting such matters as this unless they have the approval of the military department which is involved, with respect to the amendment suggested. I would like to know whether the War Department has had any opportunity to consider this matter.

Mr. ELLSWORTH. I would like to make one more statement with reference to this amendment to the gentleman from Louisiana. The difference between this amendment and the other amendment is that the other amendment sought to restore benefits to those who had been retired involuntarily back to where they would have been had they retired voluntarily. This is the other way around.

This would allow those who retired voluntarily to have their cases reviewed in the event they feel they were not properly treated in the beginning.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield further?

Mr. ELLSWORTH. I yield.

Mr. PLUMLEY. Does the proposed amendment have the approval of the Secretary of National Defense?

Mr. ELLSWORTH. I could not answer the gentleman on that.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment. I would like to state to the committee that this is substantially the same amendment that we voted on some time ago and rejected. In the original amendment offered, which the committee rejected, we were to take care of those men who had been retired and removed from the active list. This amendment would take care of those who had come up to the trial and had voluntarily resigned, rather than stand trial. I submit that if we go into this amendment the whole matter ought to be reopened and we ought to review all of the cases heard by the board. Two hundred and thirty-nine of those cases were initiated, and as I said before, 137 voluntarily retired. Thirty-six went to trial and as a result of the trial were removed from the active list. The subcommittee wanted to close the door at some time on these officers found to be substandard and therefore we were against the amendment.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. VAN ZANDT. I think the gentleman should point out that these officers by their own choice decided that they would not have their case argued before a board.

Mr. BROOKS. Of course, the other case where the men were forced into a trial and found to be substandard is stronger than where the man comes up for trial and does not want to face the music. So I think, from the standpoint of the gentleman's amendment, it is a little weaker case than the other.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my purpose in rising at this time is to call to the attention of the Committee on the Armed Services a situation that I hope will receive early consideration and attention. A few months ago a disabled veteran called in to see me at my office in Boston. He was a first lieutenant in the Naval Air Corps, marine service. He had served throughout the war, having had over 50 missions, was discharged and placed in the Marine Reserves. He was called back to active service for a period of about 6 weeks. After about 15 days after he was called back to active service—and, mark you, he had had about 4 years' service during the war—his name, by the way, is First Lieutenant Finnegan—on August 19, 1947, while landing his Corsair fighter plane at the termination of a duly scheduled and authorized flight he had a blowout of one of his tires which capsized the airplane, and in the accident he was injured so badly that it was necessary to amputate his right arm. This unfortunate accident brought to light much to the astonishment of the Reserve marines then on active duty that the retirement and disability benefits currently covering veterans who sustained such injuries were not made available by existing legislation to members of the Reserve who were injured while temporarily on active duty if they have had less than 30 days of service. In other words, had he had active service of more than 30 days and the same accident happened he would be entitled to full benefits. Under the present circumstances all he is entitled to is compensation under the United States employees compensation law.

I realize there are cases where in the consideration of legislation we have to wait until something like this happens before its defects are called to our attention. As a result of this case being called to my attention I introduced a bill which is now before the Committee on the Armed Services which would grant to these Reserves when called back to active service and entitle them to full benefits, whatever might be the duration of the service to such consideration for injury or disability—from the time he is called back into active service.

This is the case, as I said, of a young man who served about 4 years in the Naval Air Corps, then was discharged, went into the Reserves, and was called back to temporary service, and the accident happened about 15 days after he was called back. Because it happened within a period of less than 30 days he is entitled to nothing under the law except the compensation that one receives by reason of the provisions of the United States employees compensation law.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. KILDAY. I do not think the gentleman has stated quite accurately the law as it now exists. The question as to whether he is entitled to retirement would not depend on how long he served but the length of time for which he was called back to duty. If he was called back to duty for a period in excess of 30 days, then he would be entitled to retirement. That was adopted in 1939 and is Public Law 18 of the Seventy-sixth Congress. At that time the old Military Affairs Committee considered whether a man who was called back for, say, his 2 weeks' tour of duty should be entitled to retirement and we came to the conclusion he should not be. That is the manner in which it got into the law. As a matter of fact, it is the only provision of the law under which any temporary officer, whether he be Reserve, National Guard, or whatnot, ever got any retirement. Prior to that time he was entitled to nothing.

Mr. McCORMACK. The gentleman is undoubtedly correct, but in any event this happened about 15 days after he was called back into active service. If he had been called back for an excess of 30 days' service, he would have been entitled to full benefits.

I hope the Committee on Armed Services will look into this matter with a view to acting favorably on the bill H. R. 5138, which I have introduced.

Mr. GILLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILLIE: On page 6, line 7, immediately before the words "to a board of review", insert the following: "or pursuant to the provisions of section 24 (b) of the National Defense Act, as amended, provided said retirement or removal was after October 18, 1927."

Mr. GILLIE. Mr. Chairman, this is a corrective amendment, and I hope the committee will give it serious consideration because it will correct an injustice that has been going on for some time.

Under this bill, H. R. 2744, as it is now before us, section 107 (a) is discriminatory in that it provides for the review of cases of Army officers retired prematurely during World War II when badly needed; that is, those retired under Public Law 190 of 1941, a joint resolution of July 29, 1941, which retirements were carried out in general between December 30, 1941, and May 1, 1942. This review is for the purpose of restoring officers to the active list. Of course, these cases should be reviewed, as well as the cases of the group of officers prematurely retired under the National Defense Act, and in the same manner. Public Law 190 of 1941 simply replaced section 24 (b) of the National Defense Act. However, if relative merit be considered, the officers now covered in section 107 (a) have a stronger claim than those presently covered in the bill, for it was officially determined that the retirement of the National Defense Act officers was not brought about due to neglect, misconduct, or avoidable habits on the part of the officers; that they were retired in time of peace during a period of economy when the War Department was constantly trying to reduce the Army hump caused by taking so many officers in the Army of about the same age, rank, and length of service at one time; and it was thought many of the then officers would not be needed. None of these features applies to the Public Law 190 of 1941 officers. Anyway, both groups should be treated alike.

Of the groups concerned, taking the bill as it now is, not a single officer covered in the bill as now drafted, without this proposed amendment, was recalled to active duty during the past war; whereas in the group left out, but covered by this amendment, there was an officer recalled to active duty who was retired under the National Defense Act. Capt. Edward E. Walker, retired under section 24 (b) of the National Defense Act on January 31, 1932, was recalled to active duty on December 12, 1941, and is, or was, still on active duty when last heard from late in 1947. He certainly made good, for he was promoted and retained on active duty long after many other retired officers, not members of either group, were returned to inactive status. Likewise, others from his

group—the National Defense Act group—had they been given the opportunity, would have made good. Surely you will not refuse to amend this bill so that it would include the right of Major Walker, and others of his group, to have their records reviewed with the possibility of being returned to the active list of the Army should their records justify such action. There is no expense, or funds, involved in this. These officers already receive three-fourths of their active-duty pay. The savings to the Government would depend upon the number returned to duty.

Summing this matter up: The War Department-sponsored section of the bill in one section says, "The Army authorities perhaps erred in prematurely retiring officers at one time who may or may not have served in one world war, so let us have authority to check our rash action in this respect," yet it does not ask for, nor has it so far in this bill received, the right to check its action in prematurely retiring officers at another time—all of whom in the latter case served throughout one world war and some throughout both world wars. This simply does not make sense.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from California.

Mr. JOHNSON of California. As I understand, all the officers the gentleman refers to are 24 (b) officers, is that correct?

Mr. GILLIE. Yes; that has something to do with the 24 (b) officers.

Mr. JOHNSON of California. The gentleman is referring to no other group than those, is he?

Mr. GILLIE. That is all, in this one amendment. I have another amendment, but I would like favorable consideration on this amendment.

Mr. JOHNSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry that I cannot accept the amendment. I think it would be contrary to the entire idea of the law. Section 24 (b) officers were officers who were tried by a board pursuant to the provisions of section 24 (b) of the National Defense Act. These men had a full hearing of their cases. They had counsel, if they so desired, and they could submit testimony, and they were finally classified as inferior under that statute. Their cases finally went up until they got to the President of the United States—and to show you how poor the procedure was, there were approximately 1,460 officers tried over a 20-year span, and of that number only 238 were eliminated from the Army. We think that they have had their day in court. They have had a full hearing, and Congress, curiously, passed a law placing these men on a retired list, giving them 75 percent of the pay of the rank they held when they were separated from the Army pursuant to this section. This matter was considered thoroughly by our committee and testimony was adduced presenting various viewpoints on the matter, and the subcommittee was unanimous in rejecting the suggestion made by this amendment.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Louisiana.

Mr. BROOKS. If this matter is reopened by this amendment, some of these cases tried almost 20 years ago will have to be reconsidered; is that correct?

Mr. JOHNSON of California. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. GILLIE].

The amendment was rejected.

Mr. GILLIE. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. GILLIE: On page 7, after line 23, add an additional section to title I to read as follows:

"The Secretary of Army shall transmit the name of any officer of the Regular Army, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, who has not less than 15 years' active commissioned service and who is under 58 years of age on the date of the enactment of this act, who was retired after April 26, 1934 (the date of the enactment of the act, Public Law No. 176, Seventy-third Congress, making appropriation for the War Department for the fiscal year ending June 30, 1935, which limited the number of commissioned officers of the Regular Army and required the premature retirement of some), and before July 1, 1935, now receiving retired pay, unless such retirement was on account of physical disability, to the President, who is authorized and requested to appoint such persons, by and with the advice and consent of the Senate as a commissioned officer on the active list of the Regular Army in the grades and with the seniority which they would have attained by operation of law if they had not been retired and removed therefrom. In the case of any officer who has received a medal, citation, or decoration for gallantry or conduct in action from the United States of America and who was at any time wounded in action and received the Purple Heart, the grade upon return to the retired list shall be the next higher. In determining length of active commissioned service for all purposes of pay, allowances, appointment, promotion, and retirement, each person so restored to the active list of the Regular Army pursuant to the provisions of this act shall be deemed to have served as an officer of the Regular Army on the active list of the Regular Army from the date of his retirement or removal therefrom to the date of his restoration thereto, and upon restoration shall be carried as an additional number in the grade to which restored to the active list or any grade to which he thereafter may be promoted. Each officer so restored shall be accorded all the rights, benefits, and privileges to which he would have been entitled if he had not been removed from the active list of the Army."

Mr. SIKES. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GILLIE. Mr. Chairman, I have served in the Reserve Corps since 1925, and I know that the work these officers have done through the years is considerable, and that they have spent an enormous amount of time on it.

This amendment will correct some inequities in connection with this bill.

It would restore to the active list of the Regular Army some 18 officers, who have between 15 and 20 years' active service each, all under retirement age, retired when physically fit, are veterans of a world war, and now receive three-fourths active-duty pay, who were prematurely retired a few years ago due to lack of funds and Army reduction.

Soon after World War I the War Department took into the regular service several thousand officers, a large number of approximately the same age, rank, and length of service, which created a hump and brought about three large reductions.

Within 15 months after the approval of Public Law 176, Seventy-third Congress, of April 26, 1934, limiting and reducing the number of commissioned officers of the Regular Army, the only specific mandatory reduction, several hundred officers were retired for physical disability.

In 1940, in reply to a question put by the Senate Military Affairs Committee, the War Department, in justification of this, stated:

The Appropriation Act for the fiscal year ending June 30, 1935, provided pay for only 11,750 commissioned officers whose commissions were dated prior to June 1, 1934. It was necessary to eliminate the surplus.

There were about 108 slated to be eliminated prematurely who were physically fit. The War Department reversed its decision in 35 cases, and the President, against the advice and recommendation of the War Department, retained 55 on the Army's active list. This was during the era of economy when the Army was trying to smooth out the hump, save money, and accelerate promotions. The reduction brought about the premature retirement of the remaining 18 officers of the original 108. These 18 were physically fit, still under retirement age, but who apparently had neither War Department nor Presidential contacts, and are now receiving 75 percent of their active-duty pay. Although the Army has since been increased from about 12,000 to 50,000 commissioned officers, these 18 officers have not been restored to the active list. In the interest of economy, efficiency, and fairness to the Government and to the individual this should be done at once by including the proposed amendment in this bill. It would save the Government about $5,000 monthly, and salvage the services of trained officers. These retired officers receive three-fourths active-duty pay and could replace emergency officers who receive full pay on active duty but upon relief would revert to inactive status without pay.

Public Laws 464 and 597, Seventy-seventh Congress, which advance in rank retired officers of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey upon retirement, provided they were specifically commended in combat, should, of course, apply in this instance.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield.

Mr. DURHAM. Can the gentleman give us the average age of this group?

Mr. GILLIE. I am sorry; I cannot.

Mr. DURHAM. They must be over 50 years of age.

Mr. GILLIE. I would say about 50 years of age.

Mr. SIKES. Mr. Chairman, I withdraw my point of order, but I rise in opposition to the amendment.

Mr. Chairman, I still question the germaneness of the gentleman's amendment. And, much as I dislike to differ with my distinguished friend from Indiana on any subject, I doubt the wisdom of attempting to attach it to the present bill. The gentleman has offered an amendment which is really a bill in itself. I would not attempt to say that I understand it because I do not but it is a matter of such complexity that I believe it deserves separate consideration and full study by a committee before being brought to the floor of the House for action.

In the main it appears to attempt to restore to active duty or to the active duty list a group of men who obviously are 50 or more years of age. Some of them will be as much as 65 years of age. I wonder where we would put these men on the active-duty rolls. And who they would supersede in rank. I wonder what their duties would be in a military organization with which they long ago lost contact and familiarity. I am afraid an impractical and unworkable situation would result.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. JOHNSON of California. Not one word of testimony was heard on this subject before our committee.

Mr. SIKES. That is correct. Mr. Chairman, I hope the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. GILLIE].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLMES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2744) to provide for the selection of elimination and retirement of officers of the Regular Army, for the utilization of retirement benefits for members of the Army of the United States, and for other purposes, pursuant to House Resolution 487, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any of the amendments? If not, the Chair will put them en bloc.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. JOHNSON of California. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Amend the title so as to read: "To provide for the elimination of Regular Army and Regular Air Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and the Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard."

The amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPEALING SECTION 3 (B) OF PUBLIC LAW 395, EIGHTIETH CONGRESS

Mr. BROWN of Ohio, from the Committee on Rules, submitted the following privileged resolution (H. Res. 499) which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5470) to repeal subsection (b) of section 3 of the act of December 30, 1947. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

JOINT COMMITTEE ON HOUSING

Mr. BROWN of Ohio, from the Committee on Rules, submitted the following resolution (H. Con. Res. 155) which was referred to the House Calendar and ordered printed:

Resolved by the House of Representative (the Senate concurring), That section 3 of the concurrent resolution enttiled "Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing" (H. Con. Res. 104, 80th Cong.), is hereby amended to read as follows:

"SEC. 3. The committee shall from time to time report to the Senate and the House of Representatives the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable. The committee shall make a preliminary report not later than March 15, 1948, and shall make its final report not later than June 30, 1948. Reports under this section may be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, if the Senate or the House of Representatives, as the case may be, is not in session."

CONSTRUCTION, PROTECTION, OPERATION OF A PUBLIC AIRPORT IN THE TERRITORY OF ALASKA

Mr. BROWN of Ohio. Mr. Speaker, I call up House Resolution 492 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3510) to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House, with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. RAYBURN].

I now yield myself such time as I may desire.

Mr. Speaker, I will only take a very few minutes to explain this resolution and the bill H. R. 3510 which it makes in order for immediate consideration.

H. R. 3510 provides for the construction of a commercial airport in Alaska in the Anchorage area, for the use of international air traffic and other civilian and commercial traffic, so as to take such traffic away from our military installation at Anchorage.

This new airport proposed for near Anchorage will primarily be a commercial airport, but, of course, in time of national emergency will also be a very, very important part of our national defense.

This is a measure over which there has been no controversy. The bill has been unanimously reported by the Committee on Interstate and Foreign Commerce. It has been reported unanimously by the Rules Committee, and I hope both this resolution, making in order the immediate consideration of the bill H. R. 3510, and the bill itself will be approved unanimously by the House.

I now yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Speaker, I have no requests for time.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. LEONARD W. HALL. Mr. Speaker, I call up the bill (H. R. 3510) to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska, and ask unanimous consent that the same be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. HALL]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the reading of the bill be dispensed with and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The bill is as follows:

Be it enacted, etc., That the Administrator of Civil Aeronautics (hereinafter referred to as the "Administrator") is hereby authorized and directed to construct, protect, operate, and maintain within the Territory of Alaska at such place as he may deem most appropriate a public airport (including all buildings and other structures necessary or desirable therefor) adequate for the needs of the air-transportation services and air commerce of the United States serving the Territory of Alaska and foreign countries by way of points within the Territory of Alaska.

SEC. 2. For the purpose of carrying out this act the Administrator is authorized to acquire by purchase, lease, condemnation, or otherwise (including transfer with or without compensation from Federal agencies or the Territory of Alaska or any political subdivision thereof), such lands and appurtenances thereto as may be necessary or desirable for the construction, protection, maintenance, and operation of said airport: *Provided*, That the amount of land so acquired (exclusive of easements and rights-of-way) shall not exceed 5,000 acres.

SEC. 3. For the purpose of this act the Administrator is empowered to acquire by purchase, lease, condemnation, or otherwise (including transfer with or without compensation from Federal agencies or the Territory of Alaska or any political subdivision thereof), rights-of-way or easements for roads, trails, pipe lines, power lines, railroad spurs, and other similar facilities necessary or desirable for the proper operation of the airport.

SEC. 4. The Administrator shall have control over and responsibility for the care, operation, maintenance, and protection of the airport, together with the power to make and amend such rules and regulations as he may deem necessary to the proper exercise thereof: *Provided*, That the authority herein contained may be delegated by the Administrator to such official or officials of the Civil Aeronautics Administration within the Territory of Alaska as the Administrator may designate.

SEC. 5. The Administrator is empowered to lease under such conditions as he may deem proper and for such periods as may be desirable (not to exceed 10 years) space or property within or upon the airport for purposes essential or appropriate to the operation of the airport.

SEC. 6. The Administrator is authorized to contract with any person for the performance of services at or upon the airport necessary or desirable for the proper operation of the airport, including but not limited to, contracts for furnishing food and lodging, sale of aviation fuels, furnishing of aircraft repairs and other aeronautical services, and such other services as may be necessary or desirable for the traveling public. No such contract shall extend for a period of longer than 10 years and the provisions of section 3709 of the Revised Statutes shall not apply to such contracts or the leases authorized under section 5 hereof.

SEC. 7. Any executive department, independent establishment, or agency of the Federal Government or the Territory of Alaska, for the purposes of carrying out this act, is authorized to transfer to the Administrator, upon his request, any lands, buildings, property, or equipment under its control and in excess of its own requirements which the Administrator may consider necessary or desirable for the construction, care, operation, maintenance, or protection of the airport.

SEC. 8. Any person who knowingly and willfully violates any rule, regulation, or order issued by the Administrator under this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $500 or to imprisonment not exceeding 6 months, or to both such fine and imprisonment.

SEC. 9. Unless the context otherwise requires, the definitions of the words and phrases used in this act shall be the definitions assigned to such words and phrases by the Civil Aeronautics Act of 1938, as amended.

SEC. 10. There is hereby authorized to be appropriated the sum of $8,000,000 for the purpose of carrying out the provisions of this act, said appropriation to remain available until expended. There are hereby authorized to be appropriated from year to year such sums as may be necessary for the proper maintenance, protection, control, and operation of said airport or as may be otherwise necessary to carry out the purposes of this act.

Mr. WOLVERTON. Mr. Speaker, I move to strike out the last word.

This bill authorizes the Civil Aeronautics Administration to construct and operate an airport in the Territory of Alaska. It will be located at Anchorage. It has the support of the Departments of National Defense and Interior, and by the Air Coordinating Committee. It had the unanimous support of the Committee on Interstate and Foreign Commerce.

The need for this airport is occasioned by—

First. Inadequacy of the existing field to handle the tremendously increasing volume of traffic;

Second. The obsolescence and practically complete destruction of the value of the field now in existence owing to the construction by the Air Force of a large military base adjacent to the existing field;

Third. The use of the field as alternate field for the military in case of an emergency;

Fourth. The inability of locally financing of the field, even under the Federal Airport Act, owing to territorial bonding restrictions.

The report of the Committee on Interstate and Foreign Commerce on the subject of development of transportation in Alaska is one that is comprehensive and shows the need of additional airport facilities, especially at Anchorage in the Territory. I call your attention to this report that it may have the attention its importance entitles it to have. Only with the coming of aviation to the Territory, Alaska commenced again to forge forward. By 1940 its population was up some 12,000 from 1930, and it is now estimated as being somewhere around eighty-five to ninety thousand people, exclusive of the military, or nearly double the white population of 1930. During the 5-year period, 1941–45, its commercial shipments to the United States were nearly double those of the 1931–35 period and slightly exceeded the 1916–20 annual average, or $68,926,416. Commercial shipments from the United States averaged $74,235,049, although all of this cannot be attributed of course to the civilian population.

Air transportation has played a more important part in the transportation services of Alaska than it has in any other region of the United States. Within Alaska it has brought areas in contact with one another which heretofore were reached only after tedious overland mushing by dog sled. It has overcome the isolation of those coastal towns reached only once or twice a year by water vessel. It has given year-round transportation to interior places which were shut off with the close of the short navigation season. It has opened up places never before reachable by any earlier means of transportation.

Between Alaska and the outside, air transportation has furnished speedy and efficient contact. There are now 35 air carriers within and between the Territory and the States. During a recent 4-month period an average of 61 flights a week departed from Seattle for Alaska. In addition, Anchorage is now a principal stop on Northwest Airlines' route between Minneapolis, Edmonton, and the Orient. During the last year the passengers carried in Alaska aircraft operations numbered 121,956, or more than 1 passenger for every permanent inhabitant, whereas domestic air travel in the United States is only 1 revenue passenger for every 15 inhabitants. Total miles flown were 7,663,264 in transporting these passengers some 38,233,117 passenger-miles and in carrying 8,636,126 pounds of freight and 2,445,111 pounds of mail.

CONTINUING IMPORTANCE OF AVIATION

Aviation is destined to remain dominant in the transportation system of Alaska. In many respects air transportation both within the Territory and between it and the States and the Orient has just passed the developmental stage and is just now in the process of real expansion. It does not appear to the committee that this dominance is likely soon to be challenged, regardless of the attention properly due to other means of carriage and travel. In the first place, the distances are so vast, the obstructions of terrain and weather are so rugged, that the plane possesses an inherent utility which cannot competitively be denied. Apart from certain roadway construction obviously needed and desirable, it also appears that the cost of new highway or railway construction to perform the service so adequately rendered by aviation in many communities would be prohibitive.

It should also be borne in mind that in Alaska the plane has not the same rate competition as it may have in other regions. Within Alaska it is clear that for many communities the competition afforded bulk movement of freight and passengers by winter overland route, by short-term river transportation, or by small steamer, is negligible. The climate is such and the roads too few to loom large in the picture. Currently also, for many other communities under the present road-building program, contact other than by air is some years away. For those areas adjacent to the railroad, air has and will continue to haul a substantial portion of the trade. The rail rates on the one hand are so high that there is not the competitive

air disadvantage, and the rail service on the other has been somewhat intermittent and impeded by heavy snow and ice blockades.

Between Alaska and the States, aviation also has less stringent economic competition than it may have elsewhere. There is no all-rail route to Alaska, the nearest transcontinental railroad ending at Prince Rupert, British Columbia, close to the southern tip of the southeastern Panhandle. The highway built during the war between the terminus of the Northern Alberta railroad at Dawson Creek, and the interior of Alaska, is the first land route to the Territory. Its use is now restricted, although during the maritime strike of last winter it provided a valuable transportation adjunct enabling the people of the North to avoid complete business paralysis and starvation. The Haines cut-off to the Alaska Highway affords a shorter and less costly water-truck route to the interior, but it also is not fully open. The general belief in the Territory is that the water rates are too high, or the combination water-rail rates, and the service far from adequate or continuous. Frequent and sometimes lengthly strikes have tied up shipping to the extent that resort has not only been had to air during such interruption, but continued thereafter as new channels of trade, especially direct ones with the Midwest, have been formed.

The utility and competitive economy of the plane in civil transportation are accompanied by considerations of national defense. In a Teritory so large, so hewn by nature, and so populated, it is apparent that aviation has a paramount role in defense. Facilities are necessary for this purpose, and their maintenance naturally permits of the continuing and favorable operation of civil aircraft. Conversely, the development, maintenance, and expansion of civil aircraft accompanying facilities, and personnel are great aids to the defense program.

CIVIL AVIATION FACILITIES

The initiation of a Federal airways system in Alaska during the war and the improvements in the general economic position of the Territory have brought about a system of air-line schedules between the major points. Such schedules are operated over 9,908 carrier-route-miles.

In addition, there are 5,961 carrier-route-miles on which scheduled mail service as well as passenger and goods carriage, is provided to numerous small localities. The Civil Aeronautics Administration has established some 8,325 miles of airways, operates 17 major and 16 intermediate airfields, and operates and maintains radio range stations, other communication stations, and air-traffic-control centers and towers as aids to air navigation. In addition, the Territorial board of road commissioners maintains some 170 smaller landing strips built as Territorial aid to aviation.

However, except for southeastern Alaska, where seaplane equipment is largely used, the problem of providing adequate landing facilities has and is a very difficult one. As long as planes of small capacity and low landing speeds were the rule, the situation was not too troublesome, and depended greatly on the skill of the pilot operators in utilizing a river bar or small clearing. The trend toward larger and faster aircraft entirely unsuited for bush operations is rendering unsuitable these antiquated makeshifts in numerous places, and with some of the modern equipment now being employed even the existing major airfields are unusable.

This situation is particularly acute at the city of Anchorage. Its Merrill municipal field was splendidly conceived and suitably constructed, being adequate to handle not only the type of plane in use at the time of their construction, but also the large number of DC–3 type aircraft making its appearance at the close of the war. Recent replacement by Pan American of DC–3's with DC–4's, the inauguration by Northwest Airlines of service to the Orient through Anchorage from Seattle and Minneapolis with DC–4 aircraft, and DC–4 flights by Alaska Air and Pacific Northern, however, have demonstrated that even this field is now obsolete for this type of aircraft and larger types are following. Some 44 flights scheduled a week into Anchorage represent operations with large equipment. More than half of these are operated with four-engine aircraft, which cannot be handled on the municipal field and are operated from the adjacent Elmendorf military field.

The international phase of these operations deserves brief additional emphasis. Anchorage is both a certified traffic point and an essential operational point on the Northwest Airlines' new service to the Orient. The three round trips a week which represent the initial service on this operation are expected to increase at least 100 percent in number by the end of this year and are projected from 30,000 passengers this year to 385,000 passengers 10 years hence. In due course we may expect as well some service by foreign air carriers from the Orient to the United States via Anchorage. Under the terms of the bilateral air transport agreement with China, air services of that nation may be operated via the Aleutians and Alaska. No such services have as yet been initiated, but when they come, they will represent an additional demand for landing facilities in Alaska capable of handling the largest type of transport aircraft.

It should also be noted that in addition to change in type of aircraft operated into Merrill Field, total activity at this field has also increased. Operations during the months of this year have been approximately 50 percent higher than those of last year, and follow the general averages of all airports in such respect. Total activity at this field measured in terms of operations handled by the control towers, puts it well up on the list of the towers operated by the Civil Aeronautics Administration. Operations of all kinds for the two fiscal years ended June 1947 at Anchorage were 183,501. These may be compared with such fields as La Guardia at New York with 361,374, Chicago Municipal with 370,435, Washington National with 343,554, or Dallas Love with 316,345. The Alaskan fields, however, show a relatively greater activity in the summer months, with operations for the month of June 1947, at Anchorage being 15,195, compared with 15,674 at LaGuardia, 21,740 at Chicago, 15,313 at Washington, and 9,905 at Dallas. Indeed of all the towers operated by the Administration, 82 showed less operations handled than Anchorage, while 38 showed more; compared with 60 less than Anchorage and 41 greater in June 1946.

Obviously such data are indicative only and not of themselves conclusive, for the kind and size of plane involved vary in the figures given. Air carrier planes, for example, are a much smaller proportion of the total operations at Merrill than the other four fields named, but a larger proportion than in those of many other airports in the data; whereas military planes do not land at these Alaska fields but are operated in substantial number into some of the other airports.

NEED FOR ADDITIONAL FACILITIES

For some time the military has pointed out the increased use of its own facilities which it was making at Elmendorf (Anchorage) field, owing to general consolation and reorganization of its wartime bases in Alaska, and the fact that the increased use by the civil aircraft was not only taxing the total field operations but was and would hamper the military uses. The War Department, accordingly, last year indicated that during this year it would be compelled for reasons of national security to bar nonmilitary aircraft from this field. In view of the expressed interest in securing a new municipal field, the Department has temporarily postponed these dead lines, but is of the opinion it cannot long continue to do so.

The citizens of Anchorage have been impressed with the gravity of the situation and have energetically attempted to meet the need for development of adequate facilities for the larger equipment. They have been precluded from enlarging the existing field for any extension of runways to accommodate the larger aircraft or other expansion of the field to handle increased operations is impossible. Even under current conditions this field has been made partially unusable and hazardous owing to its proximity to the military field, being directly in the traffic pattern of the adjacent military field and so close to it that the Army itself regards the municipal field as hazardous to its own operations.

From the testimony of numerous competent witnesses at the committee hearings, and from examination at the localities themselves by members of the committee, it is apparent that the only solution is one of construction of a completely new field at Anchorage. From this same testimony and examination, the committee is of the opinion that neither the Territory nor the city is financially able—under the Territorial bonding strictures and under present construction outlays—to construct the requisite field. Regardless of the judgment exercised or reasons prompting the decision to locate the military fields in such close proximity to the municipal field, such location was done, and large installations made. It appears, accordingly, that a large contributing factor to the obsolescence of the municipal field has been an arm of the Government

itself, which thus has vitiated the investment which the cities have made in their facilities over a long period of years.

On these various grounds of local need, of international operations, and of governmental impairment of the value of the sites of the existing fields, the committee is convinced of the validity of its recommendations in connection with H. R. 3510, that the new field be constructed. In addition, military leaders both here and in Alaska, as well as numerous public officials, have pointed out that the national-defense needs of the Territory are so great that the standby facilities supplied by this additional civil field would be of inestimable value to those charged with the defense responsibility in the event of an emergency arising. The committee is of opinion that there is sufficient overriding national interest in the economy of the Territory and in air transportation in particular to justify a departure from existing policy with reference to joint local and Federal participation in the construction and operation of airports. I am in full accord with this view.

I sincerely hope that the membership of the House will recognize the importance of providing this additional airport facility, and will give the pending bill the support its importance entitles it to have.

Mr. BARTLETT. Mr. Speaker, the bill before the House, H. R. 3510, would provide a link of immeasurable strength to the international air transportation chain of the United States. That bill calls for construction of an international airport in Alaska. From all studies made by responsible persons, the site of that airport would be at Anchorage.

Under the terms of this bill the Civil Aeronautics Administrator would construct, operate, and maintain a public airport "large enough for air commerce of the United States serving Alaska and foreign countries by way of Alaska points." The Administrator could acquire land, not to exceed 5,000 acres, through purchase, lease, condemnation, or otherwise, for the airport. The bill further provides that the Administrator could lease, for periods not over 10 years, space or property within or upon the airport for purposes essential or appropriate for the operation of the airport, and he would be permitted to enter into contracts for the performance of services at the airport in the way of food, lodging, sale of fuel, and so forth, for periods not longer than 10 years.

Any buildings, lands, or property under the jurisdiction of any department, independent establishment or agency of the Federal Government could be transferred to the jurisdiction of the CAA Administrator if found to be in excess to the needs of such department, establishment, or agency for use in connection with the airport.

An appropriation in the amount of $8,000,000 would be authorized to carry out the purposes of the bill to be available until expended.

Hearings on H. R. 3510 were held on July 16 of last year in Washington by the Committee on Interstate and Foreign Commerce and were continued last summer in Alaska when members of that committee traveled to the Territory to study the transportation problems of Alaska. The measure has the unqualified support of that committee, the War Department, the Interior Department, the Civil Aeronautics Administration, the Civil Aeronautics Board, and the Air Coordinating Committee. And for excellent reasons.

Over a number of years Anchorage has spent considerable sums of money in building and developing its municipal airport at Merrill Field. Under ordinary circumstances Anchorage could expand the present airport for the ever-increasing needs of intra-Alaska airplane business. But circumstances are not ordinary. The present field cannot be expanded because of the proximity to the Army Establishment, known as Elmendorf Field. That field was built for and used in the national defense of our country. It lies a little over 2 miles from Merrill Field. The Army has found it absolutely imperative to announce that it must withdraw permission for civilian aviation to use its field, as the expansion of the air transportation to, within, and through Alaska to the Orient will make operations of both Army and civilian aircraft hazardous. One consideration of many for the decision forced upon the Army is based upon reciprocal agreements with foreign countries in international air travel which will call for landing privileges in Alaska in exchange for landing privileges extended our carriers in foreign countries, and it is readily recognized that landing on a military field would not be conducive to our best interests.

Without enactment of this bill, Anchorage would be without a commercial field large enough for the expanding needs of international air travel of which Anchorage is now the hub in Alaska. The Government, in establishing a new international air route to the Orient, picked Anchorage as the main stop on the Great Circle route. Certificates of convenience and necessity have been issued and passengers are now traveling from the United States to the Orient by way of Anchorage. Adequate air facilities in Alaska are of vast importance to that international travel in which the United States is so active a participant. The further development of that travel is significant to the United States for strategic, economic, cultural, and social reasons, all reasons readily understood and applauded. The Civil Aeronautics Board has estimated that as high as 75 percent of all American air-lines travel to the Orient will be flown via Alaska. It is anticipated that by 1957, 375,000 passengers a year will fly this route. Anchorage is now a certified and essential stop in those operations, and, in fact, for logical reasons was chosen as that stop. In 1940, trade with Asia amounted to $1,500,000,000, and it cannot be denied that air transportation will cause substantial increases in that trade.

Anchorage is a major center of population, transportation, and trade distribution in the Territory. It depends largely upon air transportation for the movement of goods to carry on industry to supply the people not only in its vicinity but over wide areas of Alaska. It is an essential air-base link with overseas and continental points. At the last census, Anchorage had 3,495 persons residing there, and in eight short years that population has expanded to an estimated 16,000. Anyone who really understands the picture does not scoff at the predictions that within 5 years Anchorage will have a population of 50,000. And Anchorage is literally leaping ahead in the expansion of industry. It is a prime distribution center for the major portion of traffic flowing between the continental United States and Alaska. It is the Army headquarters in the Territory, the base of the Alaska Railroad, and a center of the Territory's highway center. Weather conditions are most favorable. Its selection as the site of the contemplated international airport is ideal.

A report rendered in 1947 by the Civil Aeronautics Administration listed Anchorage's Merrill Field in forty-sixth place out of 121 airports throughout the Nation in the number of air operations. In many months of 1947 Anchorage exceeded such places as Buffalo, Boston, Akron, Dallas, Great Falls, Honolulu, Philadelphia, Portland, Oregon, San Diego, and other places and at times the Chicago Municipal Airport. In September of 1944 the number of flights at that field exceeded the number at LaGuardia in New York and Boeing Field in Seattle for the same period.

The establishment of the international airport at Anchorage is one of Government responsibility. Since Alaska is not yet a State, Congress has the special power and duty in the protection not only of the national interest but of the local interest in Alaska.

The Government's interest in Alaska's importance as an air center is reflected in establishment of an Alaska subcommittee of the Air Coordinating Committee which was set up because of the intense interest of executive agencies in the economic development of the Territory and the importance of Alaska to the development of air commerce with the Orient. The economic factors accompanied by national defense considerations have given Alaska special importance from the aviation point of view.

Civil aviation started in Alaska in 1924. The airplane is used on a wider scale in Alaska than anywhere else in the United States. Twenty-five persons out of every 1,000 in the United States use an airplane a year as compared with approximately 723 out of every 1,000 in Alaska. It is the only means of transportation in much of the Territory, and has gained the trust and respect of almost every single resident in Alaska. Air transportation has played a more important part in the transportation services of Alaska than it has in any other region of the United States. The airplane brings vast areas in close touch with one another and eliminates to a great degree isolation within Alaska's 586,000 square miles. It is the common mode of transportation. Extraordinary use has been made of the airplane which has contributed so much to Alaska's development. There are now some 35 air carriers operating within and between the Territory and the States. In 1934,

then Lieutenant Colonel Arnold—later General Arnold—stated he had to come to Alaska to really find a place where air transportation is taken as a matter of course and has become a necessary adjunct to the economic life of the country.

The provisions of H. R. 3510 would result in enduring benefits, not only to Alaska but to the whole United States, as the aviation problem in Alaska is one of national concern. Such an international airport would augment the Military Establishment in Alaska.

A little over 3 years ago a subcommittee of the House Interstate and Foreign Commerce Committee visited Alaska and stated that the airplane "is beyond question largely the solution of Alaska's transportation problem. The advantage would not only be for the benefit of the people of Alaska but for the benefit of all the people throughout the United States."

Civilian air carriers have the responsibility of providing the development of air transportation which is clearly needed, both from the standpoint of our civilian economy and the national defense. The Government has the primary responsibility of furnishing facilities for the maintenance and development of adequate air transportation in establishing an international airport at Anchorage. In that way the Government, in recognizing its duty, would provide the facilities to enable this country to maintain its dominant position in the field of international air transportation.

There is no real need to emphasize the fact here, but it is obvious that an international airport of the type contemplated would be an invaluable adjunct to the armed services. We cannot have too many airports there. They constitute the base for the entire defensive program in Alaska which is of such high importance to this Nation. Likewise obvious is the need for an international airport for civilian use as contrasted with purely military use. We have not yet forgotten—and I hope we shall never forget—the part played in prosecution of World War II by our civilian air-transport system. Especially in Alaska, so close to the shores of Asia, is there an urgent need to keep that system strong and to make it ever stronger.

I hope the House will pass H. R. 3510. It has the support of the Departments of National Defense and the Interior. It had the unanimous support of the Committee on Interstate and Foreign Commerce.

Mr. BULWINKLE. Mr. Speaker, I have no further requests for time.

Mr. WOLVERTON. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a resolution.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Stars and Stripes.

Mr. CLASON asked and was given permission to extend his remarks in the Appendix of the RECORD in five separate instances and in each to include extraneous matter.

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two newspaper articles.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HAYS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. ARNOLD and Mr. HAND asked and were given permission to extend their own remarks in the Appendix of the RECORD.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. HUGH D. SCOTT, JR. (at the request of Mr. SIMPSON of Pennsylvania), for the rest of the week, on account of death in family.

To Mrs. DOUGLAS (at the request of Mr. HOLIFIELD), for today, on account of illness.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 408. An act for the relief of Lawson Ashby and others;

H. R. 431. An act for the relief of Columbia Hospital, South Carolina;

H. R. 621. An act for relief of Vera Frances Elicker;

H. R. 697. An act for relief of Mrs. Essie N. Fannin and others;

H. R. 993. An act for relief of the estate of Norman C. Cobb and others;

H. R. 1131. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker;

H. R. 1139. An act for the relief of Dr. Gisela Perl (Krausz);

H. R. 1152. An act for relief of Mrs. Inga Patterson, widow of F. X. Patterson;

H. R. 1298. An act for relief of Anastasios Panage Ionnatos;

H. R. 1654. An act for relief of the estate of Mrs. Elizabeth Campbell;

H. R. 1864. An act for relief of Mrs. Raiford D. Smith;

H. R. 1929. An act for relief of Edwin Osgood Cogan and others.

H. R. 2012. An act for relief of Mrs. Pearl Cole;

H. R. 2161. An act to amend the Synthetic Liquid Fuel Act;

H. R. 2268. An act for relief of Charles E. Crook and B. L. Fielder;

H. R. 2293. An act to amend the Great Lakes Navigation Regulation Act;

H. R. 2373. An act for relief of Stanley-Yelverton, Inc.;

H. R. 2374. An act for relief of Nita H. Stanley;

H. R. 3742. An act for relief of Robert Wilhelm Gerling;

H. R. 3964. An act for relief of Thomas D. Sherrard;

H. R. 3973. An act relating to compensation of commissioners for Alaska;

H. R. 4331. An act for relief of Bertha M. Rogers;

H. R. 4541. An act for relief of Jesse F. Cannon and others;

H. R. 4570. An act for relief of Howard A. Yeager;

H. R. 4980. An act relating to acquisition by the United States of State-owned lands within Glacier National Park, Mont., and for other purposes;

H. R. 3936. An act to authorize Park Police to make arrests in District of Columbia environs; and

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House, pursuant to its previous order, adjourned to meet tomorrow, March 11, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1378. A letter from the Secretary of the Army, transmitting a draft of a proposed bill to authorize the Secretary of the Army or his duly authorized representative to quitclaim a perpetual easement over certain lands adjacent to the Fort Myers Army Airfield, Fla.; to the Committee on Armed Services.

1379. A letter from the Administrator, Housing and Home Finance Agency, transmitting two drafts of proposed bills, first, to amend section 5, Home Owners' Loan Act of 1933, and for other purposes; second, to permit Federal savings and loan associations to convert into savings and loan type institutions under State law; to the Committee on Banking and Currency.

1380. A letter from the Chairman, Federal Power Commission, transmitting a copy of a map entitled "Principal Natural Gas Pipe Lines in the United States and Communities Served With Natural, Manufactured, and Mixed Gas, 1947"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. LECOMPTE: Committee on House Administration. House Concurrent Resolution 144. Concurrent resolution authorizing the Committee on Foreign Affairs to have printed additional copies of a special subcommittee report and appendix on the United States Information Service in Europe; with an amendment (Rept. No. 1544). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Concurrent Resolution 143. Concurrent resolution authorizing the printing of additional copies of the hearings relative to reduction of individual income

taxes held before the Committee on Ways and Means; with an amendment (Rept. No. 1545). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Concurrent Resolution 142. Concurrent resolution authorizing the printing of additional copies of parts 4 and 5 of the hearings relative to revenue revisions, 1947–48, held before the Committee on Ways and Means; without amendment (Rept. No. 1546). Referred to the House Calendar.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1547. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. DONDERO: Committee on Public Works. S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct; without amendment (Rept. No. 1548). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 499. Resolution providing for consideration of H. R. 5470. A bill to repeal subsection (b) of section 3 of the act of December 30, 1947; without amendment (Rept. No. 1549). Referred to the House Calendar.

Mr. BROWN of Ohio: Committee on Rules. House Concurrent Resolution 155. Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes; without amendment (Rept. No. 1550). Referred to the House Calendar.

Mr. WELCH. Committee on Public Lands. H. R. 5122. A bill to amend section 9 of the act of August 24, 1912 (37 Stat. 512); with an amendment (Rept. No. 1551). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 5795. A bill to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. CASE of South Dakota:

H. R. 5796. A bill relating to the functions of the General Accounting Office under the Contract Settlement Act of 1944; to the Committee on the Judiciary.

By Mr. DURHAM:

H. R. 5797. A bill to authorize the Federal Works Administrator to transfer and convey certain property to the city of High Point, N. C.; to the Committee on Public Works.

By Mr. POULSON:

H. R. 5798. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. YOUNGBLOOD:

H. R. 5799. A bill to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic-monument sites, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. CUNNINGHAM:

H. R. 5800. A bill to appropriate $800,000 for the construction of a building at Knoxville, Iowa; to the Committee on Appropriations.

By Mr. LANE:

H. R. 5801. A bill to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 5802. A bill to provide for the proper administration of laws providing relief and other benefits to former member of the armed forces of the United States and to the dependents of deceased former members of such forces; to the Committee on Veterans' Affairs.

By Mr. TAYLOR:

H. R. 5803. A bill relating to the extension to transferors and transferees in nontaxable reorganization of unused excess-profits credit carry-overs, and for other purposes; to the Committee on Ways and Means.

By Mr. ALBERT:

H. R. 5804. A bill to authorize the Director of the Census to furnish information to individuals for certain purposes without charge; to the Committee on Post Office and Civil Service.

By Mr. BLACKNEY:

H. R. 5805. A bill to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; to the Committee on Armed Services.

By Mr. COOLEY:

H. R. 5806. A bill to extend veterans' preference benefits to the fathers of certain ex-servicemen and ex-servicewomen; to the Committee on Post Office and Civil Service.

By Mr. ELLIOTT:

H. R. 5807. A bill to amend the Hospital Survey and Construction Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KLEIN:

H. R. 5808. A bill to continue on a permanent basis a system of nurseries and nursery schools for the day-care of school-age and under-school-age children in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MILLER of Nebraska:

H. R. 5809. A bill to provide for the treatment of sexual psychopaths in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. PHILLIPS of Tennessee:

H. R. 5810. A bill to provide pensions for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. TWYMAN:

H. R. 5811. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. HAGEN:

H. J. Res. 347. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days; to the Committee on Post Office and Civil Service.

By Mr. HARRISON:

H. J. Res. 348. Joint resolution to provide for the maintenance for public use of certain highways in the Shenandoah National Park; to the Committee on Public Lands.

By Mr. HESS:

H. Res. 498. Resolution inquiring into the sinkings and damage done to United States Army transports; to the Committee on Armed Services.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virginia, ratifying the proposed amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. KLEIN introduced a bill (H. R. 5812) for the relief of Alberta Manna, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1522. By the SPEAKER: petition of Mrs. Nora Kinney and others, petitioning consideration of their resolution with reference to passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1523. Also, petition of the secretary, Fraternal Order of the Odd Fellows of Puerto Rico, petitioning consideration of their resolution with reference to the colonial status of Puerto Rico; to the Committee on Public Lands.

1524. Also, petition of Mrs. William Marcus, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1525. Also, petition of Arthur J. Bowen, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1526. Also, petition of Mrs. Mary E. Duxbury, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1527. Also, petition of Ruey E. Collins, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 11, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Christ, who givest peace to every believing heart, bestow that gift upon us now, for we are troubled and uneasy. Events in our world take away our hope and shatter our peace. We need to be reassured that peace is still possible and that God's will shall yet be done upon the earth.

We believe that God's judgments are sure and altogether right, but we do wonder how long Thou wilt suffer godless men to defy Thee and to destroy the dreams Thou hast planted in human hearts. May we trust, not in bombs, however powerful, but in Thee, in Thy might, in Thy love, in Thy plan, and in our secret weapon, the prayers of them that love Thee. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 10, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2744. An act to provide for the elimination of Regular Army and Regular Air

Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and the Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard; and

H. R. 3510. An act to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 142. Concurrent resolution authorizing the printing of additional copies of parts 4 and 5 of the hearings relative to revenue revisions, 1947–48, held before the Committee on Ways and Means;

H. Con. Res. 143. Concurrent resolution authorizing the printing of additional copies of the hearings relative to reduction of individual income taxes held before the Committee on Ways and Means; and

H. Con. Res. 144. Concurrent resolution authorizing the Committee on Foreign Affairs to have printed additional copies of a special subcommittee report and appendix on the United States Information Service in Europe.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MAP OF PRINCIPAL NATURAL-GAS PIPE LINES

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, for the information of the Senate, a copy of that Commission's newly issued map entitled "Principal Natural-Gas Pipe Lines in the United States and Communities Served With Natural, Manufactured, and Mixed Gas, 1947," which, with the accompanying map, was referred to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A petition of several citizens of the United States, praying for the establishment of a Jewish state in Palestine; to the Committee on Foreign Relations.

A letter in the nature of a petition from Myra S. Barnes, of Staten Island, N. Y., praying for the enactment of legislation to prohibit the dumping of garbage on land within 5 miles of any shore or city, except by a bona fide tiller of the soil (with an accompanying paper); to the Committee on Labor and Public Welfare.

A resolution adopted by the Municipal Council of St. Thomas and St. John, V. I., protesting against any amendment to the Organic Act of the Virgin Islands until the inhabitants of said islands have had an opportunity to first review and express their opinion; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Municipal Council of St. Thomas and St. John, V. I., favoring the enactment of legislation to grant to the Virgin Islands $2,000,000 for the construction of two modern de luxe hotels at St. Thomas and St. Croix, V. I., to be turned over to an American hotel association for operation; to the Committee on Interior and Insular Affairs.

RESOLUTIONS OF PUBLIC POWER LEAGUE OF WASHINGTON REGARDING PUBLIC POWER AND RECLAMATION

Mr. MAGNUSON. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD resolutions adopted by the Public Power League of Washington at Vancouver, Wash., relating to the development of public power in the Northwest in its relation to certain provisions of the Reclamation Act of 1939.

There being no objection, the resolutions were received, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

PETITION

To the Congress of the United States:

The Public Power League of Washington, Inc., through its president, Ken Billington, and secretary, Maude E. Swick, and 48 other residents of the Third Congressional District of the State of Washington, urges Congress to consider the three resolutions passed by the assembly recently at Vancouver, Wash.:

"Resolution 1

"Whereas the development of the Northwest has been hampered in the field of reclamation and public power by the subversive influence of special interest groups; and

"Whereas these groups operate under various names, often misleading, stating they are interested in soil conservation, reclamation, and public power; and

"Whereas associations with genuine interest in the progress of the Pacific Northwest are frequently infiltrated with a subversive element with the purpose to hamper their interested efforts: Now, therefore, be it

"Resolved, That we urge the National Reclamation Association and the Department of the Interior to safeguard democratic processes in their activities and to avoid undue influence of special interest groups seeking selfish ends."

"Resolution 2

"Whereas there is a Nation-wide and imminent Northwest shortage of electrical energy: Now, therefore, be it

"Resolved—

"1. The Public Power League of Washington, Inc., reaffirms its faith in public power development as a corollary of irrigation as the most beneficial and efficient means of providing ample electrical energy for every use.

"2. That we commend the Bonneville Administration and the Columbia Basin Reclamation Association for the efforts they have put forth to meet any emergency involved in shortage of electrical power and their effective coordination and planning under difficult conditions.

"3. We ask the utmost cooperation from both State and Federal governmental bodies in the efforts of the Bonneville Administration to erect additional facilities for the production of electrical energy and we, as an association, pledge our complete cooperation toward this end."

"Resolution 3

"Whereas the conservation and effective use of water resources of the Columbia River and its tributaries is undeniably essential to the welfare of all the people of the Pacific Northwest; and

"Whereas the present low rate for electrical energy has attracted many industries and particularly light metal industries to the Northwest; and

"Whereas the Rockwell bill (H. R. 2873) as amended is detrimental to the interests of the Northwest, and if passed in its present form would make it mandatory for Bonneville and Grand Coulee to increase their power rates; and

"Whereas the present low rate has been given a clean bill of health and as a matter of sound business practice has worked out satisfactorily for the Government, as the complete repayment of the costs of the Bonneville dam 5 years ahead of schedule has been made possible when the Bonneville Administration made an advance payment of $2,100,000 toward the cost of amortizing the investment in the power facilities of the project; and

"Whereas any raise in the Bonneville rate would cause the Northwest to lose many of the light metal industries: Now, therefore, be it

"Resolved, The Public Power League of Washington, Inc. urges the Congress to reject the Rockwell bill as amended, and to enact legislation which will set the amortization period of each individual project for such as will allow each one to pay out at the present rate, whether it be 40 or 90 years."

Adopted February 9, 1948.

KEN BILLINGTON, *President.*
MAUDE E. SWICK, *Secretary.*

UNIVERSAL MILITARY TRAINING

Mr. CAPPER. Mr. President, I have a brief letter from Omar B. Ketchum, formerly mayor of Topeka, and now director of the national legislative service for the Veterans of Foreign Wars, in which is set forth the position of that organization with respect to universal military training. I ask unanimous consent to present the letter for appropriate reference, and request that it be printed in the RECORD.

There being no objection, the letter was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D. C., March 8, 1948.

To All Members of the Eightieth Congress:

This is to advise that the position of the Veterans of Foreign Wars of the United States with respect to universal military training remains unchanged. Over a long period of years the Veterans of Foreign Wars has championed and demanded the adoption of a system of universal military training for the United States.

The Veterans of Foreign Wars in its 1947 national encampment held last September in Cleveland, Ohio, reaffirmed its traditional stand in favor of universal military training and unanimously endorsed a bill identified as H. R. 4278, now pending on the Union Calendar of the House of Representatives. It is urgently requested in view of the present world situation that immediate action be taken by the Congress to expedite the prompt passage of H. R. 4278.

Respectfully yours,

OMAR B. KETCHUM,
Director, National Legislative Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ECTON, from the Committee on Post Office and Civil Service:

S. 2181. A bill to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; without amendment (Rept. No. 975).

By Mr. THYE, from the Committee on Post Office and Civil Service:

S. J. Res. 154. Joint resolution authorizing the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the poultry business in the United States; without amendment (Rept. No. 976);

S. J. Res. 158. Joint resolution to authorize the issuance of a special series of stamps commemorative of the eighty-fifth anniversary of Lincoln's Gettysburg Address; without amendment (Rept. No. 977);

S. J. Res. 178. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the creation of the Territory of Minnesota; without amendment (Rept. No. 978);

S. J. Res. 189. Joint resolution to provide for the issuance of a special postage stamp in honor of the Five Civilized Tribes of Indians in Oklahoma; without amendment (Rept. No. 979); and

H. J. Res. 251. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the coming of the Swedish pioneers to the Middle West; without amendment (Rept. No. 980).

By Mr. COOPER, from the Committee on Public Works:

S. J. Res. 155. Joint resolution rescinding an order of the Federal Power Commission authorizing redevelopment of the Wilder Dam project; with amendments (Rept. No. 981).

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of February 1948, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
March 5, 1948.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1948, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Milton M. Mayer, 4817 Thirty-sixth Street NW.; Public Housing Administration; annual rate of salary, $7,341.

Leona V. MacKinnon, 1443 Spring Road NW.; Social Security Administration; annual rate of salary, $9,975.

E. D. MILLIKIN,
Chairman.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REVERCOMB:

S. 2288. A bill to provide for the sale at cost of Public Housing Administration project, West Virginia, 46011; to the Committee on Banking and Currency.

S. 2289. A bill to amend the Flood Control Act of July 24, 1946, and for other purposes; to the Committee on Public Works.

By Mr. LANGER:

S. 2290. A bill to authorize the Federal Works Administrator and the Postmaster General to finance the construction of post offices, in certain cases, by borrowing from local lending institutions; to the Committee on Public Works.

By Mr. GURNEY:

S. 2291. A bill to authorize the Secretary of the Army or his duly authorized representative to quitclaim a perpetual easement over certain lands adjacent to the Fort Myers Army Airfield, Fla.; to the Committee on Armed Services.

By Mr. MAYBANK:

S. 2292. A bill to provide an appropriate memorial to deceased servicemen of World War II whose bodies have not been recovered or identified or have been buried at sea by providing for having their names inscribed on the walls of chapels and other memorial edifices erected by the Government; to the Committee on Armed Services.

By Mr. MAGNUSON:

S. 2293. A bill for the relief of Mrs. Alma V. Ward; to the Committee on Finance.

S. 2294. A bill for the relief of Catherine A. Glesener; to the Committee on the Judiciary.

By Mr. CAPPER:

S. 2295. A bill to direct the Chief of the Weather Bureau to conduct experiments with respect to methods of controlling rainfall; to the Committee on Interstate and Foreign Commerce.

CONTINUATION OF JOINT COMMITTEE ON HOUSING

Mr. CAIN submitted the following concurrent resolution (S. Con. Res. 45), which was referred to the Committee on Banking and Currency:

Resolved by the Senate (the House of Representatives concurring), That section 3 of the concurrent resolution entitled "Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing" (H. Con. Res. 104, 80th Cong.), is hereby amended to read as follows:

"SEC. 3. The committee shall from time to time report to the Senate and the House of Representatives the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable. The committee shall make a preliminary report not later than March 15, 1948, and shall make its final report not later than June 30, 1948. Reports under this section may be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, if the Senate or the House of Representatives, as the case may be, is not in session."

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. TAFT submitted two amendments intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which were ordered to lie on the table and to be printed.

ADMISSION OF CERTAIN EUROPEAN DISPLACED PERSONS FOR PERMANENT RESIDENCE—AMENDMENT

Mr. REVERCOMB submitted an amendment intended to be proposed by him to the bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred, as indicated:

H. R. 2744. An act to provide for the elimination of Regular Army and Regular Air Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and the Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard; to the Committee on Armed Services.

H. R. 3510. An act to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska; to the Committee on Interstate and Foreign Commerce.

THE CRISIS IN CZECHOSLOVAKIA—ADDRESS BY JURAJ SLAVIK, FORMER AMBASSADOR FROM CZECHOSLOVAKIA

[Mr. HATCH asked and obtained leave to have printed in the RECORD an address delivered by Hon. Juraj Slavik, former Ambassador from Czechoslovakia, on March 10, 1948, which appears in the Appendix.]

EUROPEAN RECOVERY PROGRAM AND UNIVERSAL MILITARY TRAINING—ADDRESS BY NATIONAL COMMANDER O'NEIL

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an address on the European recovery program and universal military training, delivered by James F. O'Neil, national commander of the American Legion, at the War Memorial, Baltimore, Md., March 3, 1948, which appears in the Appendix.]

THE SOUTH REACTS—EDITORIAL FROM CHRISTIAN SCIENCE MONITOR

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "The South Reacts" published in the Christian Science Monitor of February 12, 1948, which appears in the Appendix.]

WHAT DOES IT MEAN TO BE AN AMERICAN?—ARTICLE BY E. E. PATTON

[Mr. STEWART asked and obtained leave to have printed in the RECORD an article on what it means to be an American, by E. E. Patton from the Knoxville Journal, which appears in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSION

Mr. WHERRY. Mr. President, it is imperative that a unanimous-consent request be made that a subcommittee of the Small Business Committee studying the oil situation be permitted to sit long enough to conclude its hearings this afternoon I ask unanimous consent that such permission be granted.

The PRESIDENT pro tempore. Without objection, permission is granted.

INACTIVE-DUTY TRAINING PAY FOR THE ORGANIZED RESERVE CORPS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1174) to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes; which was, to

strike out all after the enacting clause and insert:

That section 1 of the National Defense Act, as amended, be further amended by striking out the words "the Officers Reserve Corps, the Organized Reserves, and the Enlisted Reserve Corps," and inserting in lieu thereof the words "and the Organized Reserve Corps."

SEC. 2. That section 37a of the National Defense Act of 1916, as amended, is amended by deleting therefrom the following sentence: "A Reserve officer shall not be entitled to pay and allowances except when on active duty."

SEC. 3. That section 14 of the Pay Readjustment Act of 1942, as amended, be amended to read as follows:

"SEC. 14. Reserve and National Guard Personnel: (a) Officers, warrant officers, and enlisted personnel of the Reserve components of any of the services mentioned in the title of this act, when on active duty in the service of the United States, shall be entitled to receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service.

"(b) Officers, warrant officers, and enlisted personnel of the Reserve components of any of the services mentioned in the title of this act, when participating in full-time training or other full-time duty (provided for or authorized in the National Defense Act as amended, or in the Naval Reserve Act of 1938, as amended, or in other provisions of law, including participation in exercises or performance of the duties provided for by sections 94, 97, and 99 of the National Defense Act, as amended) shall receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service: *Provided*, That they may be given additional training or other duty as provided for by law, without pay, as may be authorized by the head of the Department concerned, with their consent, and when such authorized training or other duty without pay is performed they may in the discretion of the head of the Department concerned, be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished with subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned.

"(c) Under such regulations as the head of the Department concerned may prescribe, and to the extent provided for by law and by appropriations, officers, warrant officers, and enlisted personnel of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, shall receive compensation at the rate of one-thirtieth of the monthly base pay including longevity pay, authorized for such persons when on active duty in the armed forces of the United States, for each regular period of instruction, or period of appropriate duty, at which they shall have been engaged for not less than 2 hours, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the head of the Department concerned: *Provided*, That personnel required to perform aerial flights, parachute jumping, glider flights, or submarine duty shall receive the increases in pay provided for by law for personnel in such status: *Provided further*, That for each of the several classes of organizations prescribed for the National Guard of the United States, the Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, the rules applicable to each of which services and classes within services may differ, the head of the Department concerned: (1) Shall prescribe minimum standards which must be met before an assembly for drill or other equivalent period of training, instruction, or duty or appropriate duties may be credited for pay purposes, which minimum standards may require the presence for duty of officers and enlisted personnel equal to or in excess of a minimum number or percentage of unit strength for a specified period of time with participation in a prescribed character of training; (2) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties, which may be counted for pay purposes in each fiscal year; (3) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties which can be counted for pay purposes in lesser periods of time; and (4) shall prescribe the minimum number of assemblies or periods of other equivalent training, instruction, or duty or appropri..te duties, which must be completed in stated periods of time before the personnel of organizations or units can qualify for pay: *And provided further*, That the provisions of this paragraph shall not apply when such persons are entitled to receive full pay and allowances as provided for in paragraphs (a) and (b) of this section.

"(d) In addition to pay provided in paragraph (c) of this section, officers of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, commanding organizations having administrative functions connected therewith shall, whether or not such officers belong to such organizations, receive not more than $240 a year for the faithful performance of such administrative functions under such regulations as the head of the Department concerned may prescribe; and for the purpose of determining how much shall be paid to such officers so performing such functions, the head of the Department concerned may, from time to time, divide them into classes and fix the amount payable to the officers in each class: *Provided*, That the provisions of this paragraph shall not apply when such persons are entitled to receive full pay and allowances as provided for in paragraphs (a) and (b) of this section."

SEC. 4. That section 55a of the National Defense Act of 1916, as amended, be amended to read as follows:

"SEC. 55a. Organized Reserve Corps—Organization and training: The Organized Reserve Corps shall include the personnel and units of the Officers Reserve Corps, the Enlisted Reserve Corps, and the Organized Reserves. The Secretary of the Army shall prescribe all necessary and proper regulations for the recruiting, organization, government, administration, training, inspections, and mobilization of the Organized Reserve Corps, and shall detail such officers and enlisted personnel of the Regular Army and Organized Reserve Corps, and shall make available such material, uniforms, arms, supplies, equipment, and other facilities of the Army, or procured from funds appropriated for the purpose as he may deem necessary and advisable for the development, training, instruction, and administration of the Organized Reserve Corps and the care of Government property issued to the members and units of the Organized Reserve Corps. Any or all members of the Organized Reserve Corps may be formed into military organizations, which in turn may be sponsored by civilian organizations as affiliated units.

"Organized Reserve Corps units will be of three classes, varying in degree of organization, as follows:

"1. Those combat and service types organized with a full complement of officers and men: *Provided*, That there will be included in this category only those units which are considered necessary for prompt mobilization.

"2. Those combat and service types generally organized with a full complement of officers and an enlisted cadre.

"3. Those combat and service types generally organized with a full complement of officers only.

"Under such regulations as the Secretary of the Army may prescribe, personnel of the Organized Reserve Corps shall assemble for drill, training, instruction, or other duty and shall participate in encampments, maneuvers, or other exercises: *Provided*, That assemblies for such duty under such regulations for members of the Organized Reserve Corps assigned to fully organized units shall be on the same minimum basis as now or hereafter prescribed for the National Guard: *Provided further*, That other units of the Organized Reserve Corps may be assembled, under such regulations, for such duty; however, personnel of these units may not receive pay in any one fiscal year for a total number of regular periods of instruction, or periods of appropriate duty, at which they shall have been engaged for not less than 2 hours, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the Secretary of the Army in accordance with subsection (c), section 14, Pay Readjustment Act of 1942, as amended, in excess of 50 percent of the number of such assemblies authorized for personnel assigned to similar positions in the National Guard: *Provided further*, That members of the Organized Reserve Corps not assigned to table of organization units may be required to perform duties as prescribed by such regulations and receive credit for regular periods of instruction or duty, for pay purposes, up to the same maximum as prescribed herein for members of units of the Organized Reserve Corps, other than fully organized type units: *And provided further*, That members of the Organized Reserve Corps classified in scientific or specialist categories, or members of the Organized Reserve Corps, whether or not assigned to a unit, who, under regulations prescribed by the Secretary of the Army, are designated for a mobilization day assignment, may be required to perform duties as prescribed by such regulations and receive credit for regular drill periods for pay purposes on the same minimum basis as prescribed herein for members of the Organized Reserve Corps in fully organized type units.

"Under such regulations as the Secretary of the Army may prescribe, personnel of the Organized Reserve Corps may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending periods of instruction, or periods of appropriate duty, duly prescribed under the authority of the Secretary of the Army, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of the Army.

"Members of the Organized Reserve Corps in receipt of pay for the performance of drills, or other equivalent training, instruction, or duty or appropriate duties, may be required to perform such active duty or training duty, not to exceed 15 days annually, as may be prescribed by the Secretary of the Army: *Provided*, That they may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of the Army: *Provided further*, That when authorized training or other duty without pay is performed by members of the Organized Reserve Corps they may in the discretion of the Secretary of the Army be furnished with transportation to and from such duty, with subsistence en route,

and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned."

SEC. 5. (a) That section 92 of the National Defense Act of 1916, as amended, be further amended by changing the period at the end of said section to a colon and adding the following: "*Provided further*, That members of the National Guard of the United States may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of the Army: *And provided further*, That when authorized training or other duty without pay is performed by members of the National Guard of the United States they may in the discretion of the Secretary of the Army be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the Secretary of the Army.".

(b) That the portion of section 109 of the National Defense Act, as amended, which precedes the final proviso of such section, be amended to read as follows:

"SEC. 109. Pay for National Guard officers: Under such regulations as the Secretary of the Army may prescribe, officers and warrant officers of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of instruction, or periods of appropriate duty, duly prescribed under the authority of the Secretary of the Army, including drills performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of the Army."

(c) That the portion of section 110 of the National Defense Act, as amended, which precedes the first proviso of such section, be amended to read as follows:

"SEC. 110. Pay for National Guard enlisted men: Under such regulations as the Secretary of the Army may prescribe, enlisted men of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of duty and instruction duly prescribed under the authority of the Secretary of the Army, including those performed on Sundays and holidays."

SEC. 6. The provisions of this act shall be applicable to the Department of the Air Force: *Provided*, That all references therein to the Secretary of the Army, the Department of the Army, the Regular Army, the National Guard and the National Guard of the United States, the Organized Reserve Corps, the Officers Reserve Corps, the Enlisted Reserve Corps, and the Organized Reserves, shall be construed for the purposes of this section as referring to the Secretary of the Air Force, the Department of the Air Force, the Regular Air Force, the Air National Guard, the Air Force Reserve, the officers section of the Air Force Reserve, the enlisted section of the Air Force Reserve, and personnel of the Organized Reserves transferred to the Department of the Air Force, respectively.

Mr. GURNEY. Mr. President, this is a bill passed by the Senate July 23, 1947. Recently, on March 9, the House passed the bill with certain technical amendments necessary because of unification of the armed forces. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PRINTING OF ADDITIONAL COPIES OF CERTAIN HEARINGS RELATIVE TO REVENUE REVISIONS

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 142, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Ways and Means be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies each of parts 4 and 5 of the hearings relative to revenue revisions, 1947–48, held before said committee during the first session of the Eightieth Congress.

Mr. JENNER. I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF HEARINGS RELATING TO REDUCTION OF INDIVIDUAL INCOME TAXES

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 143, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Ways and Means be, and is hereby, authorized and empowered to have printed for its use 1,500 additional copies of the hearings relative to reduction of individual income taxes, held before said committee during the current session.

Mr. JENNER. I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF REPORT AND APPENDIX ON UNITED STATES INFORMATION SERVICE IN EUROPE

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 144, which as read, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Foreign Affairs of the House of Representatives be, and is hereby, authorized and empowered to have printed not to exceed five thousand additional copies each of the report and appendix of the special Mundt subcommittee of the Committee on Foreign Affairs covering an investigation during September and October 1947 of the United States Information Service in Europe and the conditions affecting it, pursuant to provisions of H. Res. 295.

Mr. JENNER. I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. The distinguished Senator from Indiana [Mr. CAPEHART] is ready to propose an amendment in the nature of a substitute. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Indiana. Does he yield for the purpose of having a quorum called?

Mr. CAPEHART. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Conor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Thye
Eastland	McGrath	Tobey
Ecton	McKellar	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Watkins
Flanders	Millikin	Wherry
George	Moore	Wiley
Green	Murray	Williams
Gurney	Myers	Wilson

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Connecticut [Mr. MCMAHON] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. CAPEHART. Mr. President, I rise to discuss a substitute for Senate bill 2202, the European Recovery Act. The substitute has been printed and I am sure is on the desks of Senators.

In view of the importance of continuity in my remarks, I request that I be permitted to conclude my statement without interruption. However, upon the completion of my remarks I sincerely

hope for and will welcome a most thorough discussion of my proposal, as I am as vitally interested in the question of European recovery as is any other Member of this body.

Mr. President, I think this is a good time to stop, look, and listen and to draw upon our experiences during the 172 years since the founding of our Government. We must weigh every angle of the problem before us very carefully. We can well afford to temper our haste sufficiently to study the lessons which were taught by those past experiences.

The trail of American success is not without its thorny places. There have been mistakes in judgment. There have been failures of purpose. Those errors have been overcome by the will of the people of this great Nation to continue against all obstacles toward the goal set by our forefathers.

The great faith of our people in our republican form of government is the trust we bear in all our considerations and should guide us in all our deliberations. As we face the problem of a future international policy which may mold a new course for America for all time, our greatest obligation to our country is the maintenance of faith in our form of government. Whatever we do here in this hour of unprecedented judgment cannot possibly succeed if our people lose faith in our form of government.

Yes; time may be important, but right is also important. What have we gained if we merely hurry to make a mistake? Of what great value was our haste to enter that terrible First World War to save democracy? It is not my intention to say whether we were right or wrong. I merely raise the question as to whether our efforts attained the purpose for which they were intended.

We must at times have shaken the faith of at least some of our people in the past 30 years as one hasty stride after another was taken into the pitfalls of international schemes. The freedom, the enterprise, and the faith of America carried our Nation to world leadership, but we have not led. We have followed. So weak and cowardly has been our leadership since the first tragic fight for democracy that today we must be constantly on guard within our own borders against the very philosophy over which we thought we had triumphed in two world wars.

In his address before the Senate on March 1 in behalf of the European recovery program, the capable and esteemed senior Senator from Michigan [Mr. VANDENBERG] said that east-west tension can be released when there is mutual east-west fidelity to the principles and purposes of the United Nations.

Mr. President, I believe we must take a more realistic view of our problem than can be found in those words. The east-west tension which has now become recognizable as the obstacle to world peace is another and a worse chapter in the history of the clashing of two ideologies of government. We have been giving this clash and head-in-the-sand treatment ever since the United States became a world power after World War I.

Free government and government by dictation have clashed at every meeting. Two wars and two peace failures is the score between the two at the present time. Democracy did not win the peace after World War I, and it is not winning the peace after World War II. Why? Why, Mr. President? Because the leadership of liberty-loving peoples for the last 30 years has acted cowardly when the issue was at stake.

Yes; we went into World War I to save democracy, but we stood by while the hatreds of Europe concocted the Versailles Treaty—a treaty that was made to be broken. We refused to ratify that treaty, but we also refused to be the leader we should have been in preventing its adoption by our allies. The Kellogg-Briand Pact against aggression was another farce which we did not escape. Japan was a member of that pact, and the whole kit and kaboodle sat back and watched Japan rape Manchuria in violation of that agreement. Then we watched Italy trample over Ethiopia. The dictators have no respect for agreements. Ask Marshal Stalin. I am not arguing the merits of our participation in the Kellogg-Briand Pact, but I am asking whether it accomplished the purpose for which it was intended.

As the savior of democracy with life and money in World War I, what part did we have at Munich when the blueprint was made for World War II? What part did we play when Mr. Hitler's bulletless troops marched into the Ruhr Valley? The clashing of the two ideologies brought war closer, and emergencies faced us with machine-gun rapidity.

Our people had faith in their leadership as they watched enactment of the Neutrality Act, then cash and carry, and finally lend-lease. Every move was based on arguments that it would keep us out of war. Did they serve the purpose intended? No. Again, I point out that I am not discussing the merits of those acts, but am only asking the question. We were frantic in our efforts to keep out of war. We gave 50 destroyers to England with that result in mind. We stepped up our trade with Japan in order to appease her. I do not know whether we could have stayed out of the war by any effort. I do know that we did not stay out.

Once in the war we turned to the work of preparing for the peace for which all of us prayed. Our spirit was buoyed by the Atlantic Charter; and as the war moved nearer its end, we poured our greatest and most fervent hopes into Bretton Woods, the Export-Import Bank, and the United Nations.

Mr. President, our people solemnly and faithfully accepted every move of our leadership as a step toward a lasting peace. They had every right to feel that way because the most sincere effort of every framer of those documents had been expended in a history-making program for peace on earth. But those good intentions have not brought forth the purpose intended, because again we find those ideologies of Government clashing. Disappointment is springing up in the hearts of our people as they learn that another beacon of peace has been dimmed by the clashing of free government and dictatorship, as represented at Tehran, Yalta, and Potsdam.

What we do in this, another hour of great crisis, Mr. President, must be made to work.

First, we must recognize that success can come of our efforts only if we apply the American principles which have made us the Nation to which the world is looking for leadership to a lasting peace. Our people have faith in American principles—a faith established through war and peace; through prosperity and depression. We would not be true to our obligations if we were to forsake our heritage in time of crisis. It is on this basis that I take exception to the so-called Marshall plan for European recovery, and in lieu of which I have offered a substitute proposal for aiding in world recovery and world peace.

Mr. President, we cannot go further on this world stage with another act that portrays a weakness in our system.

The parts we have played have lacked courage. We have been guilty too many times of shirking before the power of State socialism. I have mentioned a few, but there are more.

With courage on our part Poland would not be dying today as a state; Czechoslovakia would not have wilted under the heel of Sovietism; the riddling of Greece would stop; and the rifling of Manchuria and eastern Germany never would have happened.

Money alone cannot stop the ruthlessness of an unconscionable dictator. We have already learned that bayonets do not make people free.

Mr. President, if bayonets and money do not make people free, what does?

I will tell you what does. It is the will of the people to be free and the courage of their leaders to keep them free.

Two wars have been fought. Terrible wars that have been costly in lives and in property. Yet from those wars came the worst dictators in the history of the world. Let no one shake his head and say it is not true. It is true. Yet both of those wars were won largely through the contribution in lives, money, equipment, and spirit of free people under free government and practicing free enterprise.

The simple facts in those few words prove that we have failed in our mission for freedom and peace in each instance. We failed because we depended upon bayonets to make people free. Then we failed again because we thought we could buy freedom with money. Free Americans poured their hearts and their dollars out to the people of war-ravaged Poland during the war and after the war, but they are not free. Hundreds of millions of dollars, with the best wishes and hopes of free Americans, flowed into despondent Greece. But today Greece is fighting for her life against dictatorship. More millions and billions of the dollars of freedom were scattered like snowflakes over all Europe, but, Mr. President, I ask you: Where in Europe is there a free man today as the result of either our bayonets or our dollars?

America did not win freedom in the blood of the Revolutionary War. It kept the freedom it had. The freedom of America was born with the spirit of the Pilgrims when they boarded their ships of doubt and set out on a sea of mystery. That is how freedom is born. People must first have the will to be free, and that will to be free can come only from once having been free.

We cannot buy the freedom of western Europe with dollars, but we can inspire the will of those people to be free by the method in which those dollars are used. We did not peddle freedom through Europe when we peddled 20 billions of dollars worth of badly needed supplies to the hungry and cold after the war. That $20,000,000,000 was doled out in food and other material, just as Marshal Stalin doles out what he wants his people to have.

Our own people had a taste of the same thing in our own country when our leadership attempted to solve problems with dollars. They did not like it. But our people had had freedom, and they returned to their free ways.

We cannot extinguish the fire of communism and state socialism by fighting it with the same kind of fire. If we cannot stop the spread of communism with the spirit of freedom our cause is lost. I think we can, but we shall never know until we try it. That is the reason I would favor a change in the method proposed by the senior Senator from Michigan for the recovery of Europe.

The nations of western Europe who are looking to us for help are doing so because they respect our ability to help. That ability, they must know, came through our American system. If we do not practice that same system in giving them aid, how can the people of those nations understand the difference which makes our help possible?

We are quick to recognize that Mr. Stalin promptly teaches the system of communism in the countries which he thinks have called upon the Soviet for help. Even the able senior Senator from Michigan recognized that fact when, in his stirring message to the Senate on March 1, he said:

> Today Czechoslovakia joins only such enterprise as Moscow may direct.

I hasten to inject here that Stalin's reliance is on the force of military pressure, which we abhor. I contemplate the same result as that attained by Mr. Stalin, but through the friendly cooperation by those nations which we have been led to believe prefer democracy to autocracy.

It is my conviction that that great American, Secretary Marshall, had the American principles in mind when, during a talk in Boston, he made his now famous suggestion for European aid. He said at that time that there should be some agreement on the part of those nations as to the part they themselves will take in a recovery program initiated by us. He also said the program should be a joint one.

Mr. President, the amendment in the nature of a substitute offered by me contains the American principles which I am sure Mr. Marshall intended should be included. He has commented on this bill in a letter to me in such a manner as to indicate his appreciation of those principles.

The substitute removes the governments of all nations participating in the recovery program as far from actual dominance of the program as can be accomplished under such critical conditions. Here is where the first principle of Americanism is applied. The possibility of dictatorial control of the program is reduced to a minimum at the very outset and is removed entirely from the remainder of the system of recovery.

To evolve the recovery plan proposed in the substitute measure, we turned to an American institution that has been tried and is successful, the Reconstruction Finance Corporation. When our own economy sagged dangerously many years back, we found the need for an addition to our free enterprise system. We did not resort to the socialistic method of direct State subsidy. The free-enterprise process was retained through the simple procedure of establishing a private corporation in which the Government could acquire stock.

This made the necessary financial assistance available to revive business on a business basis. We naturally admit the Government helped in so doing, but we also can argue that the Reconstruction Finance Corporation is a product of free enterprise, since it can sue and be sued and it can make a profit or sustain a loss. Its loans to business or political subdivisions are on the same formula as bank loans for the same purposes. It charges interest and forecloses on loans in the same manner as banks. The Reconstruction Finance Corporation proved to be the needed link in the chain of free enterprise.

In the amendment offered as a substitute for the bill we propose to increase the loaning power of the RFC to $5,000,000,000 and to create an international division of the RFC. Under the powers proposed for the international division, stock may be purchased by the United States RFC in reconstruction finance corporations to be created in those nations which wish to participate in the plan for recovery.

It should also be pointed out that the substitute bill is so drafted as to permit the same system to be used in the economic-recovery assistance for any other country which may seek our help on these businesslike conditions. The international division of our RFC would be empowered with the authority to set up the provisions to be met by the foreign RFC's before participation would be approved by our RFC.

These provisions would include such requirements as determination of essential industries to be assisted, policies on loans and repayments, amount and types of collateral required, and procedures to be followed by the board of directors. Having met these provisions, the United States RFC's international division would then be empowered with authority to purchase the preferred stock of the qualified foreign RFC.

The participating nation would be required to purchase the common stock of its own RFC. The outstanding preferred and common stock would be in equal shares, thus establishing a matched-dollar condition between the United States and the participating nation.

Preferred stock purchases by the international division of our RFC would be made with drafts against the United States Treasury and would be made in continuing purchases as long as the foreign RFC maintained a policy in compliance with the original agreement.

This provision of the substitute for Senate bill 2202 is a safeguard against the failure of the participating nation in full cooperation toward recovery. Stock purchases for additional loans will continue so long as the international division of our RFC shall feel the participating nation is doing its full part and so long as the participating nation shall purchase an equal share of the common stock.

Credits against dollar holdings in this country would be used by the participating nation for the purchase of common stock. This credit use of those foreign investments and holdings here would not disturb the actual investments as long as recovery through successful loans should be in process.

It should also be noted that such plan for dollar matching will help materially to smoke out some of the many millions of dollars now hoarded and hidden by the nationals of nations which are seeking recovery aid.

Inquiry has been made as to the attitude we might have toward government force by European nations to bring forth these hoarded funds.

Mr. President, we all recognize emergencies. We were asked some years ago to turn in our gold in exchange for currency. We all remember that. We did, and we remained a free nation.

Let us return to the explanation of this cooperative and free enterprise way of helping the world to recover. The foreign RFC would have a board of directors of seven members, four representing the participating nation and three representing the United States RFC. As once one might well ask if that division of representation might not place us at a disadvantage. We should feel that our representatives on the board would be only in the form of watchdogs and that the participating nation be given the chance to practice the free enterprise we hope to teach them.

Since the responsibility for continued cooperation on our part rests with the sound judgment of the four directors of the participating nation, we could expect considerable care on their part.

With the two RFC's now set to operate, we find an American institution and an American principle at work.

The proposed substitute then provides that short- and long-term loans can be made by the foreign RFC in exactly the same manner as has been done for years by our own RFC.

Since foreign industry might be considered in a condition where loan collateral might be difficult to determine, we leave the substitute bill flexible enough to permit the international RFC to determine the loan requirements.

I might point out, Mr. President, that many successful businesses and industries in this great Nation have been built

from what originally could have been considered extreme risks by the loaning organization. In America we recognize the ability and aggressiveness of a businessman as a collateral of far greater value in many cases than physical assets. With the world market demanding so many things which foreign industry can provide, I am reasonably certain that careful judgment by the foreign RFC boards will result in good loans.

During the drafting of the proposed substitute we were asked if the loans would be repaid in the currency of the participating nation. This should not be a problem. In fact, such a condition would tend to hasten stabilization of the currency in the participating nation since that nation's own American dollar credits will dwindle otherwise. Furthermore, vital materials needed for stock piling here could be purchased from the participating nation with its own currency.

But let us now return to the foreign RFC as it starts doing business as provided under the substitute measure. The foreign businessman, armed with a letter of American dollar credit, moves into the world market to purchase the materials or tools he needs to resume production. Here we have full-scale private enterprise at work. He will buy shrewdly in order to obtain the most and best for his money. This will stabilize the market.

It is at this point that the substitute differs greatly from Senate bill 2202 as reported by the senior Senator from Michigan.

In the bill which the Senate has before it as representing the Marshall plan a Government administrator in this country would make mass purchases with Government funds, which he then would turn over to European governments.

Under Senate bill 2202, the so-called Marshall plan bill, the European governments would dispose of those materials and goods in a typical socialistic method determined by those governments.

Whereas the Marshall plan bill is based on government-to-government procedure, the substitute is based on the private-enterprise-to-private-enterprise processes symbolic of the American system.

With production again rolling in Europe's factories the loans would be repaid to create a revolving fund from which more loans would be made.

Under the plan provided in the substitute, the RFC system of business loans would continue for 10 years, after which no more loans could be made until the preferred stock was retired. This provision would not prevent the European nation from continuing its own RFC after our stock had been retired. The system would give Europe a period of recovery assistance more than twice as long as that estimated in the Marshall plan and at a cost to the American taxpayer which, at worst, would be far less than the cost under the Marshall plan.

More important than the danger of some loss of money, more important than the advantage of a longer period of assistance, and more important than the actual tempo of recovery would be the fact that American principles would be used and practiced in our aid to foreign nations for the first time.

But, Mr. President, on a strictly business basis—and I feel that the American taxpayer is entitled to have this matter judged at least to some extent on a strictly business basis—we would be approaching the problem with a view toward greatest dollar benefit and greatest dollar return possibility.

By increasing the RFC loaning authority to $5,000,000,000 we make $3,000,000,000 available to the international division of the RFC for investment in international recovery.

On a matched-dollar basis a fund of $6,000,000,000 would be created, half of which, of course, is foreign credit against foreign investments in this Nation.

We believe the revolving fund potential of the foreign RFC's would make this amount sufficient not only for the 16 western European nations which have already indicated participation in cooperative assistance, but would also provide funds to assist other nations needing similar help, including western Germany.

This portion of the proposed substitute does not cover the phase of relief of the hungry and cold people of Europe. I shall discuss that portion of the substitute bill very soon. We attempt to deal with these two phases of the problem separately, as they should be treated. The RFC system is to be used only in connection with the long-range economic recovery phase of European and international assistance.

For further discussion of that phase, let us look for a minute into the problem of European finances. Practically every nation mentioned as a probable participant in the Marshall plan has dollar holdings in this country sufficient to meet the matched-dollar program under this bill. When the holdings of nationals of those nations are considered, every nation is equipped to meet the requirements, with the possible exception of Italy.

Are we asking too much when we ask that those nations have the same confidence in their recovery that they ask us to have? Are we asking too much when we ask that those nations take the same risks in their recovery that they ask the American taxpayer to take? Is such a financial burden any greater to those nations than the addition of seventeen to twenty billions of dollars to our national debt would be to our taxpayers?

Now, Mr. President, let us talk for a moment about the nations which might not have the dollar holdings which would permit participation in this plan. I am aware of but two at present, namely, Italy and China. I believe that in such instances where nations apply for help outside the RFC plan they should be dealt with under special acts. In this way the American taxpayer would have the chance to know the facts concerning cases of outright aid. Proper investigations would determine the worthiness of the nation for full-scale help.

Under the Marshall plan, where administrative judgment determines the distribution of the assistance, the ability of a nation to share the cost will be the business only of the administrator.

It is also our opinion that the RFC plan will be kept under better congressional control than will the Marshall plan.

Since it is in the extreme interest of those opposing the spread of communism and state socialism internationally that a union of nations be formed through the reduction of trade barriers, I should like to interpose here the opinion that nothing in the substitute bill would interfere or prevent such an action. In fact, it is the opinion of qualified persons who have studied the plan that it will promote such a union.

The RFC plan as proposed in the substitute bill will afford private-enterprise interests of one nation to do business directly with private enterprise in another nation participating in the plan, thereby making mutual assistance an important factor in the success of both nations.

Before proceeding into the relief phase of the European problem as covered by the substitute bill, I want to point out that no provision is contained in this bill or is contemplated in any companion measure for the chartering of ships to foreign flags. A thorough study of this matter indicated that great harm to American shipping could be wrought by such a scheme. We believe that the rehabilitation of shipping in participating nations should be brought about under the RFC loan plan. Loans would be available for the building or buying of ships.

Now let us review the provisions in the substitute measure for direct relief.

First, I want to point out that we have provided for relief to Marshall-plan countries, and to others as well. An outright grant of $2,000,000,000 to feed the hungry, clothe the ill-clad and warm the cold is set up in this section of the bill. It is planned to take this amount from the surplus funds of fiscal year 1948 which would not be felt in future tax requirements against our people.

We believe that the direct-relief needs should be separated from the recovery funds—one amount should not be hidden behind the other.

As has been said so many times on this floor and elsewhere, the American people are generous to the extreme. They do not shirk from the duty of humanitarian obligations. Every report of the needs of people in stricken nations was carefully studied in arriving at the $2,000,000,000 figure. This amount, we believe, will also be sufficient for direct relief which is already anticipated for China, Korea, and Greece, but it must be remembered that this fund should play no part in economic recovery.

The substitute bill, for relief purposes, follows very closely the distribution plan under the full bill of the senior Senator from Michigan. We felt that direct relief, with its items definitely set out in the bill, could more readily be handled in the government-directed fashion. This system is not un-American. In fact, it is very much American. Our poor relief in this Nation is handled largely in this fashion and is supplemented by civic organizations.

I believe it will be found, Mr. President, that by the separation of direct relief

from recovery we will have a definite check on the expenditures for this purpose. The council provided in the Marshall plan bill is retained in the substitute bill for relief purposes.

There is no provision in the substitute bill to control exports from this country since the power to control exports of vital materials is already vested in the proper offices.

We are often guilty of ignoring laws we have already passed. This is best exhibited in this European recovery problem by the failure of Congress to recognize the purposes for which it helped to create the Export-Import Bank and the International Monetary Fund.

At this point I want to explain that the third phase of the European recovery problem, the stabilization of currency, is left out of the substitute bill since the Monetary Fund is already set up for that purpose and should be made to function. Of course, as explained earlier, the use of foreign investments as collateral for European economic recovery will go a long way toward solution of the stabilization problem.

Mr. President, I believe this approach toward world economic recovery and a lasting peace is a more secure method, and, in addition to its American principles, will be more within our own economic ability to meet the test.

Sponsors of the Marshall plan as proposed in Senate bill 2202 have stressed the point that Europe's needs could be met without a damaging strain on our economy since only 5 percent of our annual production would be needed. The point has not been stressed, though, that the 5 percent would come from that production of which we already are in short supply.

We must also take into consideration that to meet the full financial impact of recovery in those nations which have indicated participation, we are asking the American taxpayer to carry an unprecedented burden while foreign investments in our country are left untouched. It is pretty much like asking a man to mortgage his home so that he can loan the money to bet on a horse race.

Above all this, Mr. President, is the existing feeling that we must be prepared for certain eventualities in the event this plan for a lasting peace is not successful. In other words, we are possessed with the feeling that while we smoke the peace pipe we had better be loading our guns. This is another little matter the American taxpayer has in his thoughts today.

By coincidence, the day the senior Senator from Michigan addressed the Senate on the Marshall plan form of European aid, the Congressional Air Policy Board issued its report revealing a contended need for vast arms expenditures in the next few years.

I dislike the thought that the air-policy report and the Marshall plan or any other form of European aid have anything at all in common, but if we are to be honest with our consciences we must admit that they have very much in common. Our hopes for a free and peaceful world may rest in one or the other, or both. Since we admit the risk in one we must necessarily hope for the assurance in the other. If we must back up our moves for peace with a show of strength, then let us make those moves on the basis of the Americanism in which we so strongly believe.

I, for one, am tired of fighting wars for the purpose of saving foreign philosophies. I am tired, too, of draining the resources of our system of government to support foreign forms of isms in which we have no interest.

This cannot be termed isolationism. I am and have been ready to meet our international obligations as a world leader, but I believe it is high time that we put those obligations on an American footing.

Only a few short years ago cries came from every quarter that if we did not enter the war a man named Hitler would conquer Europe, England, Asia, and north Africa and then he would conquer us. Do not shake your heads and say it is not true. Senators know it to be true.

Now the cries are coming again. This time they are saying that if we do not do something about it a man named Stalin will conquer Europe, England, Asia, and north Africa and then conquer us.

I am for stopping this bully, too, but I would like to see it done by hitting him right square in the teeth with a good solid punch of Americanism that would scatter a bit of freedom around this war-tattered globe. Let us hit him with American means, hit him with the private-enterprise system. Let us hit him with our type and kind of government. Let us not imitate state socialism and communism in fighting Mr. Stalin.

In his speech on March 1, the able senior Senator from Michigan said he believed dynamic America is ready to carry on. He is right. Dynamic America is always ready to carry on, but Mr. President, I believe that America will really be dynamic when it is supporting American principles.

Mr. President, in closing I wish to simply sum up as briefly as I can what the substitute bill would do.

The substitute bill would in no way delay the early need for relief in Europe, since the relief phase of the bill follows the provisions in S. 2202. No Senator can rise on the floor and truthfully say it would interfere one iota with the relief provided for in the pending measure, because the proposed substitute retains that section of the original bill which permits the Administrator appointed under the bill to proceed in a flexible way and to proceed with speed.

The substitute bill differs from S. 2202 in that it separates relief from recovery and fixes a definite amount of $2,000,000,000 for relief and limits the Administrator to the determination and supervision of the relief phase only.

The substitute bill extends its relief to China, Korea, and Greece, or any other needy nation in addition to the European nations included in the Marshall plan.

The substitute bill differs from S. 2202 in the long-range recovery program for rehabilitation of agriculture and industry.

That is the difference between the two bills. In the substitute bill we retain the grants and gifts. We only change the bill in respect to long-range recovery.

The substitute bill includes all nations which wish to participate in the cooperative plan for that program and does not limit the plan to only those nations named in the Marshall plan.

It uses the Reconstruction Finance Corporation—a proven agency—as the agency through which we deal with the foreign recovery.

It provides for setting up European RFC's by the participating nations.

It provides for the matching of funds through the purchase of equivalent shares of stock in the foreign RFC's by the United States RFC and the foreign nation or its nationals.

It asks participating nations to use dollar credits against their dollar holdings to share in the cost of the recovery program.

It reduces the need for funds by creating a revolving fund for recovery loans.

The substitute bill requires a total of $5,000,000,000 for relief and recovery; three billion for recovery, which would be an authorized loan to the RFC and not an appropriation, and two billion for relief, which would be taken from surplus funds and not direct taxation. Therefore, Mr. President, the immediate cost to the taxpayers under my plan would be $2,000,000,000, not $4,000,000,000, not $5,000,000,000, because it would amend the Reconstruction Finance Corporation Act to permit the Corporation to borrow from the Federal Treasury up to $3,000,000,000.

The substitute bill would require far less money and provide a recovery plan for 10 years instead of 5, as provided in the Marshall plan calling for $17,000,000,000 over 4 or 5 years.

The substitute bill would in no way impinge upon the constitutional rights of the President and the Secretary of State.

The substitute bill would apply American principles to European long-range recovery.

Mr. President, I shall not ask unanimous consent that the Senate vote on the substitute measure at this time, but I shall offer it in due course. I am most hopeful that Senators will discuss the plan covered by it. I appreciate that the able Senator from Michigan [Mr. VANDENBERG], the chairman of the Foreign Relations Committee, has labored long over the Marshall plan bill. I have no particular criticism of that bill, except that I want to place the long-range recovery plan, if possible, on a private industry basis. I want to take it out of the hands, so far as possible, of our own Government and of the governments of the 16 nations participating. I believe the plan I have submitted to be a sound one. It will in no way interfere with quick action on the part of the Administrator, as called for in the committee bill plan to proceed immediately to help 16 nations.

I am hopeful Senators will earnestly study my proposal. I regret I did not conceive and write the substitute bill some 2 or 3 months ago. I am sorry the committee was unable to consider it. I

was unable to appear before the Senate Foreign Relations Committee with the plan, because it was not prepared in time. I simply did not have the bill prepared at that time. I did not conceive of the idea in time to submit it to the committee. I hope the Senate, however, will debate my substitute and consider it carefully, because I believe it to be an American pattern that might well be used not only at this time but in years to come to help foreign countries.

Mr. VANDENBERG. Mr. President, first I want to present my very warm personal compliments to my distinguished friend the Senator from Indiana, and to tell him that I have the very greatest respect for the thoroughly constructive work which he has obviously done with great pains and at great length upon this measure. His substitute represents a completely different approach to the question of European recovery through international cooperation and self-help. It is a very interesting approach. It is an approach which undoubtedly has a great deal to commend it, and I want to say again, before I make any further comment, that I think the Senator from Indiana is entitled to great credit for the constructive effort he has made in presenting his substitute and in approaching the entire subject from a thoroughly constructive standpoint.

Mr. President, the fact remains that my able friend from Indiana has brought us a totally new concept. While he has complimented the committee bill by borrowing much of its text, the fact remains that he is asking the Senate to agree to tear up the fundamental approach which has been built up through 8 months of the most intimate and careful study that a public problem can be given. He is asking us to abandon the recommendations of the only group in western Europe which offers us any hope of coordination and stability. He is asking us to abandon the recommendations of the executive departments, which are documented by the most complete studies I have ever seen in connection with a public question. He is asking us to abandon the viewpoint of the Harriman commission, which in my opinion is the most representative group of highly competent and seasoned Americans who ever gathered together to give their devoted attention to a great public question.

He is asking us to abandon the work of the Senate Foreign Relations Committee over a period of 4 long weeks of hearings and 2 weeks of committee consideration. He is asking us to abandon the basis of the entire Senate debate up to date.

He has a right to do that, because in doing it he has brought forward his own substitute and laid it on the table. That is a thoroughly constructive approach with which I cannot quarrel. But I am saying to the Senate and to my able friend from Indiana that I do not see how I can debate his substitute with him because, no matter what its values, I do not understand how it is a possibility for the Senate to abandon all the bases upon which we have been proceeding since last July in the development of a program which is intended to meet a situation which clearly comes to crisis within the next 2 or 3 or 4 weeks, and which, if it is to be met at all, must be met promptly.

I do not see how it is a physical possibility for the Senate to give my able friend's substitute the attention which I freely concede it richly deserves. He has explained that he found it impossible to present his substitute even to the Senate Foreign Relations Committee for its consideration. I am sorry that he was unable to do so. I can well understand how the pressure of other matters prevented it. Not even the committee has had an opportunity to survey the tremendously intricate problem which is involved in the substitute which he presents.

Even in the consideration of the committee bill, Mr. President, which I repeat has 8 months of study behind it and an 8-month public record of the widest possible discussion, in spite of that fact, we have found during the past 10 days that words and phrases have been subjected to microscopic examination because of the anxiety of the Senate to be perfectly sure that there is nothing involved which is not obvious on the face of the language; to be perfectly sure that the commitments we are taking mean what they say, and that they are adequate. We have faced the experience of long debate over the import of sentences and paragraphs. It is perfectly obvious, it seems to me, as a sheer, unavoidable physical fact, that it is out of the question for us to give that sort of attention to the substitute submitted by the able Senator from Indiana.

Therefore, much as I regret it—and again saying to him that he has my profoundest respect for the work he has done upon the substitute and for the spirit in which he has approached the entire enterprise—I am bound to say to him that I do not see how it is possible for the Senate to accept such a substitute at the eleventh hour of a debate which cannot wait much longer for the hour of 12 to strike.

Therefore, I say to my friend from Indiana that, inasmuch as it is the general expectation that this debate will be concluded and the bill will be voted up or down by Saturday night of this week, I respectfully suggest to him that we might as well submit his substitute to a vote of the Senate now, in the immediate presence of the very able presentation which the Senator has made. I hope that that course will meet with the approval of the Senator from Indiana.

Mr. CAPEHART. Mr. President, I shall not do so, of course, but I might well say that inasmuch as the House Committee on Foreign Affairs has not yet reported a bill, and inasmuch as such action might well take many days, and possibly several weeks, a motion might be in order by me—which I shall not make—to recommit the entire bill to the committee, in order that it might take some time to study the proposal in which I am so sincerely interested. Possibly the committee would have sufficient time to study it and return it to the floor of the Senate for a vote as quickly as the House will pass the so-called Marshall bill.

Mr. President, I cannot agree with the able Senator from Michigan that there is sufficient difference between his bill and mine to warrant the statement that my substitute could not be considered by this body. We have retained in the substitute the over-all Administrator. In fact, we have retained 100 percent of his bill so far as it has to do with relief, meaning the moneys and the materials which we are to give away. If we should strike out the RFC sections of my substitute bill and pass it, we would have practically the committee bill.

The only difference between the two bills is that in the bill of the committee the Administrator—one man—handles both relief and the long-range recovery program. Under my bill the Administrator handles all the relief, just as he does in the committee bill; and he likewise cooperates and works with the RFC in handling the long-range plan. Under my bill we say to the Administrator, "Here is $2,000,000,000"—perhaps it should be more or less. I shall not argue that point at the moment. I am talking about a principle. We say, "Here is $2,000,000,000. Proceed and put the plan into effect. Proceed to do what you can immediately in Italy, prior to the elections on April 18. Take this money and stop communism and socialism, and do the things we want you to do, which are called for in the bill. But we are going to follow behind you, Mr. Administrator, with a good old American institution, the RFC, which we used in our Nation back in 1932 and 1933 when our Nation, too, had economic problems and troubles. We are going to follow behind you. We are going to try to build, through the RFC, a stable industry in these 16 nations. We shall try to do it in the American private-enterprise way. We are not going to try to help you bring about European recovery over a long period of time by means of anything but our American system."

That seems to me to be good, common horse sense. I do not believe we should say to one man. "You are to handle relief, and also the business arrangements." Relief is an entirely different problem, as compared with business. A man who is equipped to do a good job with relief may not be equipped to do a good job in business. I think the two should be separated. I cannot quite agree with the able Senator from Michigan. I see his viewpoint, and I am genuinely sorry I was unable to present this plan to the committee.

However, Mr. President, I still do not believe it is too late to consider this proposal, because when we enter upon this program it will continue for many years. History does not happen in 1 day or in 1 week or 1 year; history goes on for generations and generations. We are establishing a foreign policy here. We are mixing up relief and business in that connection. I do not believe they should be mixed up. I do not believe we should proceed in that way.

It may be that some changes should be made in the plan I have proposed; in fact, I am certain some should be. I am not sure that I have arrived at the correct amounts, in proposing $2,000,000,000 for relief purposes and giving the

RFC the right to borrow up to $3,000,000,000. I am not certain about that. I am sure that the President and the Secretary of State and others who are better informed on these matters than I am should have the right to pass on those questions.

I am pleading for thorough consideration of this proposal. I am pleading that we follow through at least in part in respect to our aid bill, and try to educate the people of the 16 foreign nations as to the kind of system we have in the United States and how we do things. I do not see how we shall ever solve the problems of Europe until the people of Europe adopt our system.

I believe that the able Senator from Michigan will agree with me in regard to the statement I now make about his bill: Under it we shall set up an administrator, and we shall authorize the administrator to purchase in our country billions of dollars' worth of materials, which our Government will own, and then ship those billions of dollars' worth of materials to the 16 nations. They, in turn, will take title to them, and will distribute them; but not in what we know as the American way. To the contrary, they will be distributed by the governments. I dislike very much to inject this particular phase of the matter into the discussion, but I am sure the able Senator from Michigan will not object. He might well be correct in his contention that the bill which Mr. Marshall proposes and which he endorses is better than the one I propose. But I ask this question: If we place this money and this material in the hands of those 16 nations, and permit them to do as they see fit with it, the final word as to the handling of that money and material will rest with the top-level government officials in those countries, although, of course, we understand that our administrator and our representatives over there will help them earmark the projects, and will say, for instance, "You cannot use it for this project, but you can use it for that one." I say that even though the goods and the money come from the United States, if they are used in that way, they will have as their end result a psychological effect upon the Frenchmen and Italians that will be almost the same as if the goods and money came from Communist Russia, because the principle of distributing and handling them will be about the same. They will be handled on the basis of government to government. Perhaps there is no other way in which to do it, Mr. President. I do not know. But I dislike to see the United States, the greatest nation in the world, with a form of government that has given our people more of everything than any other form of government known has been able to provide for its people, a government that has placed us in a position at this particular time to have dollars and materials with which to help other nations—I dislike very much to see us proceed except on some basis that will teach and show the people of Europe that they, too, might enjoy the same sort of government and the same sort of economy and the same high standard of living in the same way that we enjoy them.

So I should like to have this proposal made a part of the bill. I feel so deeply on this subject that I think I would be willing to say to the able Senator from Michigan, "Let us set up a little RFC, if you please. Let us make it a part of the bill, but not a part that the Europeans would have to accept. Let us so frame the bill as to say to them, in effect, 'You foreign nations do not have to accept this part of the proposal if you do not wish to. We are going on with the bill as written; but we have added this extra section, and if any of you would like to have us move in on a share-and-share-alike basis, using our RFC, a private corporation, we shall be happy to have you do so.'"

Mr. President, let us give them the opportunity, if we can.

Mr. BALDWIN. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Does the Senator from Indiana yield to the Senator from Connecticut?

Mr. CAPEHART. I am happy to yield to the Senator.

Mr. BALDWIN. Mr. President, I wish to say that I, a junior Senator, feel very proud to be in the Senate with a man of such great ability and such distinguished capacity and broad experience as the distinguished Senator from Indiana. As a Member of the Senate, I wish to thank him for the splendid contribution he has made to the thinking on this vitally important subject.

I should like to ask him whether there would be anything inconsistent if we were to pass the pending bill, as reported by the committee, and then have the Senator's bill referred to the Foreign Relations Committee for consideration.

My thought is that under the bill which has been reported by the committee, we shall have a congressional committee to watch the operation of the proposed procedure and to gage the effects of the operation of the committee bill. However, if the bill which has been reported by the committee is not a success, it may very well be that in the future we shall wish to make some changes, some different arrangements of some kind.

So it seems to me that it would not be inconsistent with passing the pending bill to have the Senator's bill referred to the committee for further study and, possibly in the future, adopt it in part, along with the present program. Would that be possible?

Mr. CAPEHART. Mr. President, certainly it would be possible; and if the Senate is unable to adopt my proposal at the moment, I hope that what the Senator from Connecticut has suggested will happen. If it is impossible to adopt my plan at this late hour—and I am well aware that the hour is late—I certainly hope that it will be considered at some future time.

Mr. VANDENBERG. Mr. President, may I comment on the suggestion made by the Senator from Connecticut?

Mr. CAPEHART. Certainly.

Mr. VANDENBERG. There is a great deal in what the Senator from Connecticut suggests, and it is in line with a further comment which I was going to offer to my good friend the Senator from Indiana.

It is the theory of the Senator from Michigan in presenting this bill that we are dealing almost exclusively with speculations, at the present time. We do not know what are the realities we are going to confront in an effort to arrive at a successful objective in line with our hopes.

It is for that reason that the senior Senator from Michigan insisted upon cutting the time of the initial appropriation back to 12 months, so that the whole subject matter could be forced to a realistic survey at the earliest possible moment, namely, January of next year. Immediately when the new Congress meets it will confront the necessity of canvassing the entire subject on a basis at that time of experience and reality. We shall be freed of many of what at best are only the educated guesses that we could make today. We shall know by that time how the Administrator is satisfying our hopes. We shall by that time have the benefit of the Administrator's experience and what should be his high-priority recommendations. We shall know by that time what the crops in Europe will have been this year, and that in turn could be a factor of tremendous importance. We shall know to what extent the 16 western European countries are progressing in the direction of coordination and at least partial unification. We shall know by that time to what extent we have been able to consolidate at least three of the zones in western Germany, which, in the final analysis, is at the very core of the whole problem.

In other words, in the thinking of the Senator from Michigan, what we are doing at the moment is to launch hopefully, on the basis of the most thorough study that was ever given to any public problem in my time, the preliminary effort to achieve an objective to which we are all devoted. We are launching it on the expectation that it will confront its real audit for the first time next January, when the second year's appropriation must be made and when a study of the realities will be possible.

Mr. President, in line with the suggestion of the able Senator from Connecticut, if the Senator's substitute were referred to the Senate Foreign Relations Committee, I could assure him that whenever we could reach it, which will be after we have gotten through with the immediately pressing proposals that are pending, we could give it not only our own study, but we could get the reactions upon it that are so necessary from the related departments of government, which have the technical skills and the technical information necessary to deal with the technical phases involved.

I should think that when the real audit comes, which I repeat, in the prospectus of the Senator from Michigan, is only 9 months off, we should have the benefit of a thorough study of the Senator's very constructive idea. I think, if I may say so, Mr. President, that the Senator would be much happier if he could be assured of that sort of study, rather than, on a

basis which I know, in the candor that always marks his attitude, he would concede is scarcely fair to have the immediate judgment of the Senate on a matter of this utterly technical ramification, in many of its aspects, by voting "yes" or "no" upon a proposal which, I repeat, I know he will freely concede we cannot possibly explore adequately within the relatively brief moments at our disposal.

Mr. CAPEHART. Mr. President, is it the able Senator's thought that possibly during the next 9 months most of the Administrator's efforts will be on relief, and not on long-range recovery plans?

Mr. VANDENBERG. It is the Senator's view that relief will inevitably dominate the program most of the way during the 9 months; that the development of recovery programs at the most can only become in many instances tentative during the 9 months, because the Administrator must first set up his entire instrumentality of action. Bilateral contracts must be written, multilateral contracts must be written, missions must be created. I do not see how it is physically possible to go very far with the recovery program in a substantial way until we are pretty well approaching the second year.

Mr. CAPEHART. Mr. President, the danger that I see is this: I have always felt that a thing which was wrong in principle would not succeed. I have no quarrel with the gift phase of the so-called Marshall plan. My quarrel is with the long-range recovery aspect of it, a thing that goes on and on for years. What I am fearful of is that during the 9-month period we shall enter into bilateral and multilateral agreements; that we shall start; and that, at no stage of the negotiations of those agreements—the Senator might well argue to the contrary; he and I have discussed it—are we injecting what I call the American principle.

What I should like to do and what I believe the plan would do, is this: The RFC in 16 nations would be doing business with tens of thousands of small-business men. It would be encouraging little business and big business; it would be encouraging the people in those 16 nations, recipients of our aid, by a touch of the private-enterprise system which has been so successful in this Nation.

For example, I look back on the British loan. We loaned Britain $3,750,000,000. It is all gone. I shall not take the time to argue how they spent it, but it is gone. They are back for another loan. I ask this question: Had we had the foresight at that time to say, "Yes, we will put up $3,750,000,000 in a British RFC; you put up $3,750,000,000, making a total of $7,000,000,000; we will operate the British RFC on the same basis as that on which our own RFC is operated," I say to you, Mr. President, that the problem would be different in England today. If they had taken the money and used it as the RFC in America has used the money it has had in the past 16 years, the problem in England would be different today.

What happened? We gave them $3,750,000,000. We gave it to the government, the socialistic labor government, Mr. President, if you please. They went forth and spent it, and it is all gone. They have very little if anything to show for it. In England today they are further away from the private enterprise system than they were prior to the time we loaned them the money. They are going deeper into so-called state socialism instead of getting away from it. That is the fear I have.

I appreciate the difficulty of passing upon a new proposal on the floor of the Senate, but I believe that we are making a mistake. I intend no criticism of the able Senator from Michigan, because he, as chairman of the Foreign Relations Committee, must deal with situations as they exist, not as he would like them to exist. That is the problem of the Congress at the moment. We are called upon to deal with situations as they exist, not as we should like to have them exist, situations that might be entirely different if good common horse sense had been used over the past 30 years.

Mr. BALDWIN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. BALDWIN. Mr. President, it seems to me that what the Senator has just said, that we are dealing with situations as they exist, is completely true. One of the situations which will exist, and one which it seems to me the committee bill very adequately meets, and which it seems to me the Senator's proposal does not meet, is the fact that in the reconstruction part of the program we are going to have to deal in Europe not only with individual businessmen and individual enterprises and industries, privately owned, in part, but we are also going to have to deal with enterprises that are publicly owned, owned by the government, railroads, for example, and public utilities, such as the coal mines. We shall have to meet that situation.

Mr. CAPEHART. That problem is taken care of under the substitute bill. It is provided that money may be loaned to existing government-owned utilities and institutions, but not for buying additional governmental facilities or building new governmental facilities. The very matter of which the Senator speaks is taken care of under the RFC phase of the substitute bill.

Mr. BALDWIN. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. BALDWIN. On that particular phase of the subject we may encounter the question of the legality of an agency of our Government, outside of the State Department, one which is in effect, an agency of the Congress, dealing with a foreign government as such.

Mr. CAPEHART. Mr. President, I should like to answer that point. The RFC would own half of the stock of the French RFC; the French Government would own the other half of the stock. It becomes a private corporation. It can sue and be sued; it can make a profit or lose money, just as can a private corporation. The Government has absolutely no responsibility for it. The Government purchased the stock, but it has no responsibility for it.

Let me refer to the railroad problem. The French Government owns the railroads. Let us assume that the French-owned railroad system, which is a subdivision of the French Government, possibly needs $100,000,000 for the purchase of new equipment. I do not know as to the exact amount. They would go to the French RFC, of which the United States would own half the stock and the French Government would own the other half of the stock, and borrow $100,000,000. They would put up collateral and agree to repay the loan. They would borrow the money just as the Baltimore & Ohio Railroad borrowed approximately $80,000,000 from our own RFC approximately 2 years ago. All except direct relief could be handled by the RFC.

Mr. BALDWIN. Does not the Senator's proposal accomplish by indirection what it seems to me could not be done directly? If the French Government or the British Government could establish a corporation in collaboration with this country, at least half of the corporation would be thoroughly beyond the control and jurisdiction of the United States, and we would have a sort of a two-headed proposition which might lead into great difficulty.

Mr. CAPEHART. Under the private enterprise system we cannot get away from stock interests which have equity rights, the right to vote, and so forth.

Mr. BALDWIN. I may say to the Senator that it is that feature of his program which appeals especially to me, but I am in the position of believing that we are faced with a situation which must be resolved within a very short time by a vote on the bill reported by the committee. I believe the Senator's program has great merit, and I should like to have the opportunity of considering it further.

Mr. CAPEHART. I appreciate that.

Mr. BALDWIN. At the same time I believe the opportunity of considering the Senator's measure further is far outweighed by the immediacy of the situation which necessitates dealing with the subject as best we can at the earliest possible moment.

Mr. CAPEHART. I might agree with that statement if it were not for the fact that under the substitute bill, so far as relief is concerned, involving $2,000,000,000 or $3,000,000,000, the Administrator would proceed, in my opinion, to do the things he has to do within the next 9 months, anyway, because, under the committee bill, he is permitted to make loans, and would use the instrumentality of the Import-Export Bank simply to service the loans. That institution services loans just as a bank makes collections.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to my colleague.

Mr. JENNER. Will the senior Senator from Indiana tell me, if he knows, what private industry did in the rehabilitating of Europe after World War I? Does he know how the work was handled at that time? I assume there was a war agency, and I assume that European peoples had to have help. We loaned them billions of dollars. Can the Senator answer that question?

Mr. CAPEHART. I do not know that I am qualified to answer it. They handled it themselves, I presume. They

seemed to enjoy quite a long period of prosperity after World War I. That was true of Germany and of other nations.

Mr. JENNER. As I understand, in the substitute bill the relief features go right along with the Marshall plan bill which is now before the Senate. Is that correct?

Mr. CAPEHART. Yes; 100 percent.

Mr. JENNER. I believe it has been admitted on the floor by the senior Senator from Michigan that so far as the economic aspect, the business-recovery aspect, of the problem is concerned, we shall be well along toward the second year of the Marshall plan before that phase of the pending bill will take effect. Is that the Senator's understanding?

Mr. CAPEHART. I think the very nature of the problem involved and the time required to pass upon loans and to transact normal business would indicate that it will require 8 or 9 months.

Mr. JENNER. That being true, I do not see what harm could come from considering that phase of the plan at this time.

Mr. CAPEHART. Of course I do not.

Mr. JENNER. It will require several months under the Marshall plan to go into the business-recovery angle. As I understand the statement of the senior Senator from Indiana, under the plan proposed by him there would actually be a saving to the American taxpayers of approximately $3,300,000,000.

Mr. CAPEHART. If the loans were all good, all eventually repaid, and our Treasury should loan the RFC $3,000,000,000—it would not be in the form of an appropriation, but merely a loan—and the $3,000,000,000 were repaid, it would not cost the American taxpayers a penny. The fact is that they might make money on dividends and interest.

Mr. JENNER. Mr. President, will the Senator yield for one other question?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the senior Senator from Indiana yield further to his colleague?

Mr. CAPEHART. I shall be happy to yield.

Mr. JENNER. Possibly I missed in the debate on the floor the great importance attached to having this great piece of legislation completed and finally passed by March 15, or by next Saturday night, to accomplish which we shall have to hold night sessions. Can the Senator explain to me the urgency of the legislation at this time, when the House has not even considered it? It has not been brought to the floor of the House. It will have to be debated in the House. Why should we be put under pressure, "under the gun," with the hour of 12 ready to strike?

Mr. CAPEHART. I am prepared to answer that question. I recognize that the time always arrives when a man must come to a decision. I appreciate the fact that we cannot debate legislation forever. But I should like to caution the Senate on this one matter. I believe I can say, without fear of successful contradiction—and I should be willing to debate the subject on any platform in the United States—that every international scheme into which this Nation has entered during the past 30 years has failed to meet the purpose for which it was intended or has failed to accomplish the objectives which the American people were told it would accomplish.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CAPEHART. In just a moment. If that be a true statement, then it is time that we adopt a different approach to these problems. Possibly we should approach this problem from a different angle. Possibly we should take a little more time.

I am not saying that the substitute bill I have offered as an amendment is the answer to all the evils of the world or that it is a cure-all. I do not think it is. I think some of the situations in the world today, which have been brought about through no fault of the Senate or any Senator, are almost beyond curing.

The record of our leadership—and I am not thinking of any Senator of the United States, because Senators have not been in the position to dictate the high policies—has been nothing but failure. We have rushed into actions one after the other. We were called back into session last fall for interim aid to the extent of $700,000,000, and we gave it. We rushed into these things, and I do not know whether it is because we rushed into them that we adopted schemes and policies which have been failures. All I know is that they have failed.

Mr. LODGE. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I am very happy to yield to the Senator from Massachusetts.

Mr. LODGE. Agreeing with the Senator that there has been a great deal of incompetence in the conduct of our foreign relations, and agreeing that there was a tragic lack of vision at the end of hostilities in World War II, I still think that accuracy should make us recognize that the pending bill has been prepared with a tremendous amount of care. It has been gone into from widely different angles, using the viewpoints of men in every walk of life.

In my judgment, the bill as it stands makes possible the procedures which the Senator from Indiana reaches in his substitute bill. In other words, if the Administrator finds that there is a condition in which it would be practical to set up the type of machinery the Senator from Indiana outlines, he could most certainly do it under the bill as it now stands. But we do not need to restrict him entirely to the method which the Senator from Indiana advocates.

Mr. CAPEHART. Will the Senator permit an interruption at that point?

Mr. LODGE. I desire to make just one more point. So far as haste is concerned, it is not a case of anyone in the Senate trying to crowd anyone else in the Senate. We are being crowded all over the world by the conspiratorial activities which are coming out of Moscow, which none of us control. There is going to be an election in Italy on the 18th of April. The outcome of that election is of interest to us, and competent observers say that the action which we take on the measure before us will have an effect. So it is not that anyone in the Senate is trying to push anyone else in the Senate around. It is that the force of events being stimulated by another great nation is creating conditions in which prompt action is desired.

Mr. JENNER. Mr. President, will my colleague yield in order that I may ask the Senator from Massachusetts a question?

Mr. CAPEHART. I am happy to yield to my colleague.

Mr. JENNER. From the statement of the Senator from Massachusetts I take it that it is the plan of those handling the pending legislation to see that it passes the Senate and House and becomes a law before the Italian election on April 18.

Mr. LODGE. I can speak only for myself; I am only one Senator. I certainly hope it will become law long before the Italian election.

Mr. JENNER. That being true, I wonder if this might not turn into a blackmail racket, that we are always going to be confronted with some emergency some place on the earth—in China, perhaps South America, or at some other spot on the earth—and told that unless we do something, and do it quickly, we are going communistic. Does not the Senator think there is a great danger that we may be blackmailed all over the world if we are to take American dollars and buy off people, buy them off from becoming communistic?

Mr. LODGE. I do not think there is much chance of this country becoming communistic, but I think the bad conditions which exist in the world compel us to make some kind of a decision. If we say we are going to do nothing, that is a decision. Anything we do is a decision. But one thing we certainly cannot do is to say that foreign nations are merely a nuisance, that they are like a mosquito which comes in under the mosquito net, and we slap at it, but it keeps buzzing back, and is waking us up all the time. We have to face conditions in the world as they are, and I do not like them any more than does the Senator from Indiana. My hope is that we will be able to take steps which will gradually bring about a healthier condition.

Mr. JENNER. Mr. President, will my colleague yield?

Mr. CAPEHART. In a moment. I wish to ask the able Senator from Massachusetts a question. The Senator made the statement a moment ago that the Administrator could do everything under the committee bill we are suggesting in the substitute bill. Does the able Senator from Massachusetts mean that the Administrator, if he desired to do so, could direct our own Reconstruction Finance Corporation to buy half the stock in a Reconstruction Finance Corporation in any one or all of the 16 nations? I hope the Senator's answer will be in the affirmative, but I fear not.

Mr. LODGE. I cannot put my finger on the pertinent section of the bill, but it is my opinion that the Administrator, under the bill, is expected to receive the assistance of all the different departments of the Government.

Mr. CAPEHART. If the Senator is correct in what he has just stated, then what is wrong with a simple amendment

to the bill in which we suggest to the Administrator that he immediately explore the possibility of handling all the long-range recovery program through such a plan as we advocate in our substitute?

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CAPEHART. I promised to yield to the junior Senator from Indiana.

Mr. LODGE. If the Senator will permit, I do not think such language is necessary.

Mr. JENNER. Returning to the colloquy between the junior Senator from Massachusetts and myself in regard to action in the present, he said hitting mosquitoes here and there was not working, that we had to do something quickly, that some decision must be made. It was my impression that early in this Congress, last year, Congress took action to stop the spread of the very menace of which we are supposedly attempting to bribe Italy not to become a victim on April 18, that is, communism.

Mr. LODGE. We are not going to bribe Italy. There is nothing like that.

Mr. JENNER. A year ago we adopted a doctrine known as the Truman doctrine, and it was said, "We will stop communism wherever it rears its ugly head." We invested $400,000,000 in Greece and Turkey to accomplish that objective. I assume that doctrine is still intact. I presume we are now to back it by $275,000,000 more. But when communism rears its ugly head in Finland—and Finland has been one poor little nation that has paid its debt—we do not do anything. We do not even condemn it. When it reared its ugly head in Czechoslovakia week before last we did not do a thing, we did not even serve a protest. I do not know whether we are going into an arrangement under which we will be blackmailed all over the world.

Mr. LODGE. I always thought that the term Truman doctrine was very unfortunate, and not at all descriptive, and I have never subscribed to that idea at all. I do think that what we have done in Greece and Turkey in the last year has been, on the whole, quite successful. We can get into Greece and Turkey, because the Mediterranean runs in there, and we can get to those countries with our ships. We cannot get into Czechoslovakia and cannot get into Finland, so we confront a practical problem there.

Mr. FLANDERS. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the Senator from Vermont.

Mr. FLANDERS. I should like to say to the senior Senator from Indiana that I am very much intrigued by his proposal. I am not going to vote for it if it is brought to a vote in the form of a substitute bill. I am very much impressed by the necessity for speed, and I should like to say just a word about that necessity.

In the months I have been a Member of the Congress, I have many times felt the pressure of crisis psychology applied to us by the administration. That is the way in which this administration has worked in order to get legislation through.

I view the present situation, however, as something entirely different. The present crisis is one which we ourselves see, which we ourselves evaluate, which is not suddenly presented to us by the administration as a means of getting particular action and prompt action.

Let me call the attention of the Senator from Indiana to one of the things which troubles me respecting his proposal. I would not vote $2,000,000,000 for relief. I would only vote sums for relief at this time which are directly connected with recovery, and that is what the pending bill provides. I would call the Senator's attention to the heading of secton 40 on page 46 of the committee report which is The Purpose Is Recovery, Not Relief.

In view of that fact I suggest to the Senator from Indiana that, "to implement his idea," to use a favorite phrase, it would be necessary to reconsider the form of his substitute bill so as to tie the recovery part of it into the relief, and have no other relief involved in it. I would not spend money in Korea, I would not spend money in China, I would not spend money in Cambodia, I would not spend money in Baluchistan, I would not spend money in Franz Josef Land. I would only spend under this bill the sums of money for relief that were an integral part of the recovery program. So I would want to insist, if I were going to give any extended measure of support to the Senator's proposal—and I hope in due time to do so—that the question of relief as relief must be removed from his substitute bill. This is one of the points which makes more careful and extended consideration necessary.

Mr. CAPEHART. Since the Senator considers the situation from that viewpoint he then will be unable to vote for the committee bill, because the committee bill proposes to appropriate $5,300,000,000, and the Administrator can spend every penny of it if he wants to do so, for relief.

Mr. FLANDERS. But he is required to spend it for relief as an integral part of the recovery program.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LODGE. The Administrator is supposed, with respect to every single nickel of expenditure, to get an understanding and an agreement from the foreign countries that they will do certain things.

Mr. CAPEHART. That is the idea.

Mr. LODGE. So far as I am concerned, I would be opposed to the Senator's plan to appropriate $2,000,000,000 for relief. I think we have come to the end of that road. The Senator is much more liberal and open-handed with gifts than I would be. I do not want to expend a single dollar unless the Nation which receives it undertakes to do certain things toward helping its own recovery, so that we will not have to be doing the same thing year after year.

Mr. CAPEHART. Of course the Senator from Massachusetts knows that under the provisions of the substitute bill, as well as the committee bill, not one penny can be spent for relief purposes or recovery purposes until bilateral agreements have been entered into between the nations involved and our Government, through our Secretary of State.

Mr. LODGE. The Senator's substitute bill fixes a definite amount of $2,000,000,000 for relief.

Mr. CAPEHART. Under it we would appropriate up to $2,000,000,000.

Mr. LODGE. It provides a definite amount of $2,000,000,000. That is what the Senator stated in his address.

Mr. CAPEHART. The interesting thing at the moment is that those who would vote for the proposal for $5,300,000,000, knowing that the Administrator has the right, under the provisions of the bill, to give it all away, to do practically as he pleases with it, now say they would not vote for the proposed $2,000,000,000; they do not want to provide for any relief, and they will not vote for anything in the way of relief. That is an inconsistent position.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. FLANDERS. I think I can finish what I had begun to say in a moment or two. Relief, purely as relief, is not contemplated in the bill, and I am "agin" it anyway. We cannot afford to do such a thing the world over.

Mr. CAPEHART. Can we afford to provide $5,300,000,000?

Mr. FLANDERS. We can for recovery.

Mr. CAPEHART. For what?

Mr. FLANDERS. For recovery.

Mr. CAPEHART. Under my plan of recovery it will not cost the taxpayers a penny.

Mr. FLANDERS. Mr. President, I started out by saying that I was very much intrigued by the Senator's proposal.

Mr. CAPEHART. I appreciate the compliment.

Mr. FLANDERS. Under the bill for which the Senator's proposal is a substitute, provision is made for continued surveillance by the two Houses of Congress of the operations of European recovery. Reference of the substitute bill to the Foreign Relations Committee, as I hope will be done, may result in the very valuable suggestions which the Senator has made being incorporated in legislation later on. That in my opinion is not for today. His proposals require further study and, if approved, incorporation into the structure of the organization which the pending bill would set up.

Mr. CAPEHART. Mr. President, I appreciate the many compliments which have been extended me by the many able Senators that my proposal is possibly a splendid idea, but that the time has not arrived to carry it out. I ask the question: Has not the time always arrived to do the right thing?

Mr. WHERRY. Mr. President, will the Senator from Indiana yield so I may propound a question to the able Senator from Massachusetts [Mr. LODGE].

Mr. CAPEHART. I shall be very happy to yield for that purpose.

Mr. WHERRY. I should like to inquire of the distinguished Senator from Massachusetts what section he relies upon when making the statement that there is authority contained in the bill

which will permit the set-up of the RFC, as suggested by the distinguished Senator from Indiana?

Mr. LODGE. My quick answer to the Senator from Nebraska is—and it will have to be a quick answer—that on page 18, line 10——

Mr. WHERRY. Subsection 2?

Mr. LODGE. Yes; we find the language:

> By utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment—

And so forth.

Mr. WHERRY. There is nothing in that language which gives him authority to do that.

Mr. LODGE. The language authorizes the——

Mr. WHERRY. The cooperation of the agencies; yes.

Mr. LODGE. Oh, no. The language is "utilizing the services and facilities of any department, agency, or establishment of the Government." That is not cooperation. That is utilization.

Mr. WHERRY. The reason why the subsection was included was to accomplish the purpose which the distinguished Senator suggests?

Mr. LODGE. I think that is one of the things that some of the members of the committee had in mind. This idea of an RFC is very interesting. Some other distinguished citizens have also written about it and talked about it, and I can very well imagine that there will be instances, in the case of certain situations, where it will be the practical thing to do.

Mr. WHERRY. Let me ask the Senator from Massachusetts if there was ever a legal opinion submitted that would permit the set-up which has been requested by the Senator from Indiana?

Mr. LODGE. I do not know whether there was or whether there was not.

Mr. WHERRY. Did the Senator ever inquire into the matter?

Mr. LODGE. But I do not have a doubt in my mind that if the Administrator decided that that was the most expedient way to deal with the situation in a certain country, he could go ahead under the bill, with the approval of the President, and do so.

Mr. WHERRY. I should like to suggest to the distinguished Senator from Indiana that it is my interpretation of the subsection that it does not grant the legal authority suggested.

Mr. CAPEHART. Mr. President, I should like to ask the able Senator from Michigan a question. Would the Senator from Michigan be willing to amend his bill, in the subsection just read by the Senator from Massachusetts or elsewhere, by specifically and definitely providing that if in the best judgment of the Administrator the RFC method could be used, he would have the right to do so? In other words, it is the opinion of the able Senator from Massachusetts that the Administrator would have the right to use the RFC under the bill as written. Would the Senator from Michigan be willing to amend the bill so that it would be specific on that point, so there would be no question about it?

Mr. WHERRY. To accomplish what the Senator from Indiana seeks to accomplish is another thing.

Mr. CAPEHART. Yes; I appreciate that.

Mr. VANDENBERG. Mr. President, the difficulty I confront in answering the Senator's question is that I would not know what is the definition of the phrase contained in those few words. I would think it rather dangerous to start attempting to identify formulae.

Mr. CAPEHART. I merely asked the question because the able Senator from Massachusetts in his argument against my substitute said that the Administrator now has the right, and, if in his good judgment he wanted to, could use the facilities of the RFC and have the RFC loan money to foreign countries, and buy stock in foreign RFC's. I think he is wrong, but he might well be right.

Mr. VANDENBERG. I would not undertake to pass upon the question. It is a legal question. But the Senator from Massachusetts might well be right.

Mr. CAPEHART. Yes; I agree with that. He might well be right, but I am afraid he is wrong.

Mr. VANDENBERG. The fundamental point to which the Senator from Indiana and I again come back, and where we began an hour and a half ago—the fundamental point with me is in my appeal to my friend, that the whole enterprise will be passing under review within 9 months. It is going to be reviewed in the presence, we hope, of a report from the so-called watchdog committee which, if it functions with any such relative degree of success as the kindred Joint Committee on Atomic Energy has functioned, will put the Congress next January in the position of having dependable realities with which to come to grips. I may say to the Senator that if at that time there is anything that is not evolving in a satisfactory fashion we can change it, and we should change it. If at that time the plan is showing a happy degree of success, the Senator from Indiana will be one of the first to say that it ought to proceed. If it is showing signs of inefficiency and decay, the Senator from Michigan will be one of the first to say that it ought to be changed. In the light of the situation which we confront—and we do confront a condition and not a theory—it seems to me that the practical thing to do is to refer the Senator's proposal to the Senate Committee on Foreign Relations, and not submit it to a vote in the Senate at the present time. On the other hand, if the Senator desires a vote, I respectfully suggest to him that we arrange to have it at a time which suits his convenience, so that we can get on with this terrifically important job.

Mr. CAPEHART. Mr. President, I assure the able Senator from Michigan that I shall not delay the final vote on the bill. At the moment I want a vote on it. But let me say, in answer to the point about haste in meeting the Italian election, which is approximately 6 weeks away, that under either the committee bill or the substitute bill the Administrator could proceed, if he cared to do so, to use $500,000,000 in Italy, if the bill were passed prior to the Italian elections. It would not in the least interfere with his immediate functioning in Italy. He could proceed to do what he could do, and the only thing he could do, whichever bill passed the Congress.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LODGE. Let me say to the able Senator from Indiana that it is not a question of funds going into Italy. I presume that that situation is pretty well organized now. It is a question of the psychological effect over there which will result from an assurance that this country is interested in what happens in Europe. It is not a question of funds which may be made available under this bill, because they would not be made available in time to affect anything.

There is a question of the attitude which the United States is to take toward the whole imperialistic threat; and the action of the Congress on this bill be regarded as an indication of the American viewpoint.

Mr. CAPEHART. My opinion is that the psychological effect on the Italian people would be just as good under one bill as under the other. I do not think we need to make haste to pass one bill, as against another, because of the psychological effect on Italy. If I correctly judge the temper of the Italian people at the moment—and I have been in that country—only a small percentage of the people will know what we do or do not do in the Congress of the United States in respect to this bill. Perhaps only one-thousandth of 1 percent of the people will ever read the bill or know what is in it, or understand it. Only a very small percentage of the people will ever know whether we are helping them or not. I may well be mistaken in that judgment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. VANDENBERG. Would the Senator agree to a unanimous-consent request to vote upon his substitute without further debate or amendment, either at 5 o'clock this afternoon or when the Senate reconvenes at 12 o'clock noon tomorrow?

Mr. CAPEHART. I shall be very happy to agree to a vote at 2 o'clock tomorrow.

Mr. VANDENBERG. Mr. President, I make such a unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. REVERCOMB. Mr. President, reserving the right to object, what was the hour suggested?

Mr. CAPEHART. The hour suggested by the able Senator from Michigan was either 5 o'clock today or 12 o'clock noon tomorrow. My counterproposal was to vote at 2 o'clock tomorrow afternoon.

Mr. REVERCOMB. I hope the Senator will not agree to the proposal at this time, and that that question may be passed for a few moments.

The PRESIDING OFFICER. Objection is heard.

Mr. CAPEHART. Mr. President, I think that is about all I care to say on the subject at this time.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. WHERRY. There is one feature about the proposal of the distinguished Senator from Indiana which I had considered prior to coming back to this session of the Congress. I am not sure whether the Senator intended to have it embodied in the substitute bill, or whether he had thought about it.

It seems to me that if there could be a provision in whatever bill is enacted whereby the RFC could function as has been outlined by the distinguished Senator, it would have at least one wholesome effect. With respect to the loans which are made privately, or even to the municipal corporations or governmental corporations which now exist, there would be, to a certain extent, policing on the part of the RFC—and I hope there will be such policing on the part of the Administrator if the Senator's proposal is not adopted. I hope that there will be an inducement to local capital in the respective countries to invest in these projects—either in the bank itself or in the projects for which money is made available. I suggest to the distinguished Senator that that is one thing which surely should be stressed to the *n*th degree, because if we do not insist that the capital belonging to citizens of foreign countries be used to build up their own industries, certainly there will be a wholesale demand made to come to the United States taxpayers and get the money. That will be the result if we bypass local capital, or even the money which is invested in the United States. I believe there is a section of the bill devoted to the effort to induce local capital in the respective countries to invest in these projects.

I wish to compliment the distinguished Senator from Michigan for going as far as he could to reveal how much of such capital is here, and what the investments are. There has been a great deal of loose talk about the amount of foreign capital invested in the United States. Estimates run all the way from $12,000,000,000 to $18,000,000,000. It seems to me that if an inducement cannot be made to citizens of foreign countries to invest in these projects, we shall be going a long way toward requiring citizens of the United States to make the investment, because without such an inducement the citizens of foreign countries will not invest their funds in their own institutions.

Furthermore, if local capital is invested in the RFC of the particular country, or if it is invested in the individual projects, there will be citizens in each community who will police the loan, and also the Government, to see that the financial arrangements are satisfactory. I do not recall any statement on that subject in the Senator's formal address, but I ask him if that object would not be accomplished if either the pending bill or the Senator's substitute should contain a section providing for the organization of a local RFC on the basis he has suggested.

Mr. CAPEHART. Of course, the substitute bill calls for our RFC to buy half of the stock in the respective Reconstruction Finance Corporations in the 16 European nations, we furnishing half the capital and they furnishing the other half. They would obtain their half of the capital from their present investments in the United States. Those investments would be put up as collateral. We would not disturb the investments. They would merely be put up as collateral.

It might interest the Senate to know that the British Government borrowed six hundred million or seven hundred million—or perhaps it was only four hundred and fifty million—from our own RFC. The British Government put up as collateral for that loan its investments in our own country, and the investments of its nationals. They retained title. They even received the interest and dividends. Such dividends and earnings amount to approximately $97,500,000 a year. They would be using the earnings on approximately $900,000,000 worth of investments which they have in our country, to pay back the $450,000,000 loan. In asking the foreign governments to put up half the capital, we would only be asking them to use as collateral the investments they now have in the United States, and they would retain title to those investments and would receive the earnings from them. They would lose them only if, as, and when their own RFC, that is, the one in their own country, might become defunct and bankrupt. If they managed this matter properly and if it was successful, the whole business would not cost the countries of Europe or our own taxpayers one penny; all of it would be done on credit.

Mr. LODGE. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I yield.

Mr. LODGE. I should like to point out that the bill as it now stands provides, on page 29, in line 11, that the investments of foreigners in the United States shall be efficiently and practically used and shall be located and controlled in the interests of this Marshall plan. In other words, as the bill now stands, it contains provision for the machinery to see to it that the assets of foreigners in the United States shall bear their fair share of the load under the Marshall plan.

Mr. CAPEHART. I agree, Mr. President. They will be used by their own respective governments. There is no question about that. But I do not think that is the point involved here. I am suggesting the RFC plan in order to cut down the cost to our own taxpayers.

Mr. LODGE. But if the Administrator locates and controls and makes efficient and practical use of these foreign assets, as provided in this bill, that will reduce the cost of this program by just that much.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I yield.

Mr. WHERRY. I say that what the Senator from Massachusetts has just suggested is correct, if the Administrator does actually make use of the foreign investments and assets in that way. But under the program as now suggested by the Senator from Indiana, that would be a part of the loan. An inducement would be made in that way.

The suggestion made in the committee bill simply means that the Administrator shall attempt to have the foreign assets spent on the recovery program. But in the particular program which the Senator from Indiana has advanced there would be an inducement to foreign capital to invest in an RFC which, in turn, would make the scores of loans which would be negotiated. The substitute bill provides an inducement. There is quite a difference between making a loan in a case in which a party becomes a partner—as would be the case under the substitute bill—and the provision now in the bill which simply says that the Administrator is to attempt to induce those who have flight capital in the United States—stocks and bonds—to invest in their own country.

Mr. LODGE. Mr. President, let me say to the Senator from Nebraska, if the Senator from Indiana will permit——

Mr. CAPEHART. I yield.

Mr. LODGE. Let me say that the inducement under the language of the present bill is very much greater than the inducement under the plan the Senator from Indiana is discussing, because under the present bill there is the force of law, with the recipient countries' governments behind it, and that is a very powerful inducement, indeed.

Mr. WHERRY. Yes; but in the final analysis, what is the result?

Mr. LODGE. These assets can be pledged to the support of the Marshall plan.

Mr. WHERRY. Would the Administrator make them pledge the assets to the support of the plan?

Mr. LODGE. No. The Senator from Nebraska is trying to get me to say something that I will not say. He is trying to get me to say that there is going to be a forced liquidation of foreign assets. However, I do not agree that that will happen. The Senator from Indiana does not want it, either, and neither does the Senator from Nebraska. So here we have just another attempt to draw a red herring across the trail.

Mr. WHERRY. Mr. President, I thank the Senator from Massachusetts. That is the point I am making. In short, we cannot force them to invest. It would be against all American tradition and policy to attempt to make them do so.

The new proposal would have them make loans to the industries of their own countries. To that extent the new proposal is a broad and expanded plan.

If the Senator from Massachusetts says it can be done under this section of the pending bill, perhaps this matter can be ironed out. But certainly I think the Senator from Indiana has a very good point.

Mr. LODGE. Certainly he has a good point.

Mr. WHERRY. Certainly he has a good point in attempting to induce foreign capital to invest in the institutions of its own country, by taking that capital out of the United States willingly, and using it to build up their own industries, as a part of their own assets and their own program—rather than to have us do it, and then have them keep

their capital and their investments in the United States.

Mr. LODGE. Of course the Senator has a good point.

Mr. WHERRY. Certainly.

Mr. LODGE. Mr. President, if the Senator from Indiana will further yield, let me say that it seems to me that the idea that as a result of this bill the people of Europe will make their own maximum contribution to their own welfare, in whatever way they can—by their own work or their own investments, or by whatever other means—is absolutely implicit to this bill. That is the whole point of it, and it runs through the entire language of the bill.

That is why I agree that the idea of the Senator from Indiana is a good one. It is so good that everyone else has had the same idea, and we have been trying to frame a bill which will result in the maximum amount of European self-help.

Mr. CAPEHART. Mr. President, the substitute plan is, in my opinion, more definite in respect to the subject we have been discussing. I agree that what the able Senator from Massachusetts stated a moment ago is true, but it deals in generalities. What he tried to tell us was, "Yes; under the bill the 16 nations must try to find their dollar investments in the United States, and they must use them; and as a result of using them, they will need less money from our Administrator." That is what the Senator from Massachusetts was trying to say, and I think that is what he did say. That is true; but the Senator still forgets that we are going to appropriate $5,300,000,000 to the Administrator, although it is true that he will not have to use it if he does not want to.

But under the substitute bill the governments of the 16 nations must put up half of the capital. We would put up half and they would put up half. They have the capital in the United States at the moment. We do not ask them to liquidate those holdings. We would not confiscate those holdings. We ask them simply to put up those holdings as collateral against their investment in their own RFC, one-half to be invested by them and one-half by ourselves. That is all we ask them to do. They would retain the title to their holdings, and they would receive all the earnings from their holdings. If their own national reconstruction finance corporation, of which they would own one-half and we would own one-half, is successful, they will continue to own and control their dollars in this country.

Mr. President, I have finished, at least for the time being, on this subject. I thank the able Senator from Michigan for his kind consideration.

The PRESIDING OFFICER. Does the Senator from Indiana yield the floor?

Mr. CAPEHART. I do.

LIST OF UNITED STATES PERSONNEL PARTICIPATING IN THE PREPARATION OF THE EUROPEAN RECOVERY PROGRAM

Mr. WILSON. Mr. President, I have had numerous requests from the people of Iowa for a list of those persons connected with the executive department who had to do with the European recovery program. In response to that request I communicated with the executive branch of the Government and there has been handed me a list of United States personnel participating in the preparation of the program. The list does not include any persons from the legislative branch. I ask unanimous consent that as a part of my remarks this list, together with the table of contents, be printed in the RECORD.

There being no objection, the list and table of contents were ordered to be printed in the RECORD, as follows:

LIST OF UNITED STATES PERSONNEL PARTICIPATING IN THE PREPARATION OF THE EUROPEAN RECOVERY PROGRAM

(Table of contents)

A. Advisory Steering Committee on European Recovery Program.
B. Executive Committee on Economic Foreign Policy (ECEFP).
C. National Advisory Council (NAC).
D. Policy Planning Staff of the Department of State.
E. Substructure of the major committees:
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(a) Objectives Subcommittee.
(b) Correlation Committee and staff group.
(c) Organization and Administration Committee.
(d) Legislative Drafting Committee.
(e) Functional and Commodity Committee:
1. Food and agriculture.
2. Fertilizer.
3. Agricultural machinery.
4. Coal.
5. Mining machinery.
6. Electric power.
7. Petroleum.
8. Iron and steel.
9. Inland transport.
10. Maritime transport.
11. Timber.
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(f) Country committees: Coordinating group:
1. Austria.
2. Belgium—Netherlands—Luxemburg.
3. France.
4. Greece.
5. Italy.
6. Scandinavia.
7. Switzerland—Portugal.
8. Turkey.
9. United Kingdom and Ireland.
10. Western Germany.
(2) Executive Committee on Economic Foreign Policy: Subcommittees for ERP:
(a) Working group on relationship between the ERP and the UN and specialized organizations.
(b) Working group on the relationship between ERP and ITO.
(c) Working group on domestic controls needed to implement the ERP.
(d) Working group on strategic materials.
(e) Working group on manpower report.
(3) National Advisory Council: Staff committee.

A. ADVISORY STEERING COMMITTEE ON EUROPEAN RECOVERY PROGRAM

Chairman: Robert A. Lovett, Department of State.

Vice Chairman and Executive Secretary: Charles H. Bonesteel, Department of State.

Secretary: Melvin L. Manfull, Department of State.

Members: Charles Murphy, the White House; Thomas C. Blaisdell, Jr., Department of Commerce; Frank A. Southard, Treasury Department; N. E. Dodd, Department of Agriculture; James Boyd, Department of the Interior; Col. R. M. Cheseldine, Department of the Army; Admiral E. T. Wooldridge, Department of the Navy; J. Burke Knapp, Federal Reserve; Philip M. Kaiser, Department of Labor.

Alternates: Paul H. Nitze, Lincoln Gordon, Henry Labouisse, Department of State; Robert Turner, the White House; Thomas J. Lynch, L. M. Pumphrey, Treasury Department; Jesse Gilmer, Fred D. Northrup, Department of Agriculture; Capt. Nathan H. Collisson, Department of the Interior; Lt. Col. Philip Shepley, Department of the Army; Capt. Y. J. Tichenor, Department of the Navy; Alexander Gerschenkron, Lewis Dembitz, Federal Reserve; Willard L. Thorp, Department of State.

B. EXECUTIVE COMMITTEE ON ECONOMIC FOREIGN POLICY

Chairman: Willard L. Thorp, Department of State.

Executive Secretary: Eleanor E. Dennison, Department of State.

Members: Frank H. Southard, Jr., Treasury Department; Clinton P. Anderson, Department of Agriculture; Thomas C. Blaisdell, Department of Commerce; Philip Kaiser, Department of Labor; C. Girard Davidson, Department of the Interior; Thomas J. Hargrave, National Military Establishment; Oscar B. Ryder, United States Tariff Commission; J. Burke Knapp,[1] Federal Reserve Board.

Alternates: Morris J. Fields, Treasury Department; Charles Brannan, Department of Agriculture; Frank Shields, Department of Commerce; Faith M. Williams, Department of Labor; Arthur S. Barrows, National Military Establishment; Lynn R. Edminster, United States Tariff Commission.

C. NATIONAL ADVISORY COUNCIL

Chairman: John W. Snyder, Treasury Department.

Secretary: John W. Gunter, Treasury Department.

Members: George C. Marshall, Department of State; W. Averell Harriman, Department of Commerce; Marriner S. Eccles, Board of Governors, Federal Reserve System; William McC. Martin, Jr., Export-Import Bank.

Alternates: Frank A. Southard, Treasury Department; Willard L. Thorp, Department of State; Thomas C. Blaisdell, Jr., Department of Commerce; J. Burke Knapp, Federal Reserve System; Herbert E. Gaston, Export-Import Bank.

D. POLICY PLANNING STAFF OF THE DEPARTMENT OF STATE

Director: George F. Kennan, Department of State.

Executive Secretary: Carlton Savage, Department of State.

Members: Jacques J. Reinstein, Department of State; Joseph E. Johnson, Department of State; Ware Adams, Department of State.

Consultant: Edward S. Mason, Harvard University.

E. SUBSTRUCTURE OF THE MAJOR COMMITTEES

(1) *Advisory Steering Committee*

(a) Objectives Subcommittee

Chairman: George F. Kennan, Department of State.

Executive Secretary: Bromley K. Smith, Department of State.

Members: Charles H. Bonesteel, Department of State; Willard Thorp, Department of State; Thomas C. Blaisdell, Jr., Department of Commerce; Frank A. Southard, Treasury Department.

Consultants: Jacques J. Reinstein, Department of State; John D. Hickerson, Department of State; Samuel Reber, Department of State; Loy W. Henderson, Department of State; W. Walton Butterworth, Department of State.

(b) Correlation Committee

Chairman: Charles H. Bonesteel, Department of State.

Executive secretary: Col. Sidney Giffen, Department of the Army.

Secretary: Stanley Phraner, Department of Commerce.

[1] Has liaison representation on ECEFP; for Marshall plan discussions considered full member.

Members: Paul H. Nitze, Lincoln Gordon, Department of State; Frank A. Southard, Treasury Department; Thomas Blaisdell, John M. Cassels, Department of Commerce.

Staff group for Correlation Committee

Chief: Charles P. Kindleberger, Department of State.

Members: Harold R. Spiegel, William T. Phillips, William H. Bray, Jr., Wilfred Malenbaum, Ben T. Moore, Robert W. Tufts, Harlan P. Bramble, Department of State.

(c) Organization and Administration Committee

Chairman: Lincoln Gordon, Department of State.

Executive secretary: Herman Pollack, Department of State.

Secretary: John L. Kuhn, Department of State.

Members: Arthur A. Kimball, Department of State; Thomas J. Lynch, Treasury Department; Nathan Ostroff, Department of Commerce; Thatcher Winslow, Labor Department; Dan Wheeler, Department of the Interior; J. Burke Knapp, Federal Reserve Board; W. Carroll Hunter, Department of Agriculture; Lt. Col. John P. Buehler, Department of the Army.

Alternates: Joseph A. Frank, Arthur G. Stevens, Wayne G. Jackson, Walter S. Surrey, Department of State; Joseph B. Friedman, Treasury Department; Daniel L. Goldy, Department of the Interior.

(d) Legislative Drafting Committee

Chairman: Ernest A. Gross, Department of State.

Members: Thomas J. Lynch, Treasury Department; Adrian Fisher, Department of Commerce; Martin G. White, Department of the Interior; W. Carroll Hunter, Department of Agriculture; Jeter S. Ray, Department of Labor; Maj. Gen. Thomas H. Green, Department of the Army; Hudson B. Cox, Department of the Navy; George B. Vest, Board of Governors, Federal Reserve System; Wade H. Skinner, Maritime Commission; Hawthorne Arey, Export-Import Bank of Washington.

Alternates: Walter S. Surrey, Michael H. Cardozo, Robert B. Eichholz, Department of State; Joseph B. Friedman, Elting Arnold, Clifford Hynning, Treasury Department; Nathan Ostroff, J. P. Brown, Department of Commerce; Felix S. Cohen, Department of the Interior; George E. Cooper, Edward M. Shulman, Department of Agriculture; Kenneth Meiklejohn, Department of Labor; Brig. Gen. E. M. Brannon, Col. James F. Hanley, Lt. Col. Ray K. Smathers, Col. W. H. Peters, Jr., Department of the Army; Harold B. Gross, Department of the Navy; Fred Solomon, Board of Governors, Federal Reserve System.

(e) Functional and Commodity Committee

Chairman: Paul H. Nitze, Department of State.

Executive secretary: Glenn H. Craig, Department of State.

Secretary: Ronald M. Ayer, Department of State.

Members: Chairmen of individual commodity committees on attached lists.

1. Food and agriculture

Chairman: Fred Northrup, Department of Agriculture.

Secretary: Murray Thompson, Department of Agriculture.

Members: W. J. Garvin, Department of the Army; Lewis Bassie, Department of Commerce; Albert Viton, International Emergency Food Council; Francis Linville, Department of State; C. K. Lewis, Tariff Commission; Robert Oshins, the White House.

Alternates: J. A. Becker, J. T. Cavin, Joseph L. Orr, F. M. Rhodes, L. B. Taylor, Department of Agriculture; C E. Lund, Department of Commerce.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Karl A. Fox, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff.

2. Fertilizer

Chairman: William G. Finn, Department of Agriculture.

Secretary: William F. Watkins, Department of Agriculture.

Members: Kenneth D. Jacob, Department of Agriculture; C. K. Horner, Department of Commerce; Henry M. Pauley, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947; Karl A. Fox, Maynard Jenkins, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff.

3. Agricultural machinery

Chairman: William L. Beck, Department of Commerce.

Secretary: Martin R. Cooper, Department of Agriculture.

Members: Thomas J. Murphy, Department of Commerce; Karl L. Anderson, Department of State.

Alternates: A. P. Brodell, R. B. Gray, Erling Hole, Leon B. Taylor, Arthur W. Turner, Department of Agriculture; G. J. Rothwell, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Karl A. Fox, H. H. Hughes, S. Morris Livingston, Willard Morrison, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff; Francis O. Wilcox, Senate Committee on Foreign Relations staff.

4. Coal

Chairman: John Havener, Department of Commerce.

Secretary: Louis Lister, Department of State.

Assistant secretary: Fred Sanderson, Department of State.

Members: C. M. Stull, Department of Commerce; Thomas Hunter, Department of the Interior; R. M. Preisman, Office of Coordinator.

Alternates: Ralph Trisko, Department of Commerce; Daniel Wheeler, Department of the Interior.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: C. W. de Forest, Richard H. Mote, Hector Prud'homme, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid staff.

5. Mining machinery

Chairman: William L. Beck, Department of Commerce.

Secretary: Everett Wilcox, Department of Commerce.

Members: William H. Myer, Department of Commerce; John W. Buch, Department of the Interior; Karl L. Anderson, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Harold von Thaden, Department of Commerce; Albert M. Keenan, S. Morris Livingston, Arthur Knoizen, Richard H. Mote, H. R. Wheeler, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid staff.

6. Electric power

Chairman: Thomas Hibben, Department of Commerce.

Secretary: Wilfred Malenbaum, Department of State.

Assistant secretary: M. G. Tiger, Department of State.

Members: Lt. Col. A. L. Jorgenson, Department of the Army; E. Robert de Lucci, Federal Power Commission; Arthur Goldschmidt, Department of the Interior.

Alternates: Howard Way, Department of Commerce; Ellsworth Hand, C. E. Bennett, Federal Power Commission.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Walter L. Cissler, C. W. de Forest, George Hamilton, R. M. Landreth, J. A. H. Torry, V. M. White, Harriman committee staff; Edward Falck, House Select Committee on Foreign Aid staff.

7. Petroleum

Chairman: John Loftus, Department of State.

Secretary: David Longanecker, Department of State.

Members: Gustav Vogel, Army-Navy Petroleum Board; Carl Gibboney, Department of Commerce; Max Ball, Department of the Interior; Walter Levy, Department of State.

Alternates: Carroll Fentress, Department of the Interior; E. B. Swanson, Department of the Interior; R. H. S. Eakens, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947; John Bauer, Harriman committee staff; Gerald Cogan, Harriman committee staff; A. E. Ernst, Harriman committee staff; Robert Koenig, Harriman committee staff; Richard Mote, Harriman committee staff; Arthur Stewart, Harriman committee staff; John Fry, House Select Committee on Foreign Aid staff.

8. Iron and steel

Chairman: J. Joseph Palmer, Department of Commerce.

Secretary: Isaiah Frank, Department of State.

Assistant Secretary: Virginia McClung, Department of State.

Members: Robert Simpson, Department of Commerce; Harold Wein, Department of Justice; Paul Hoover, Department of State; Carlyle H. Strand, Tariff Commission.

Alternates: Robert H. Weidenhammer, Department of Commerce; Leon Goldenberg, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November, 1947: Hiland Bachellor, Harriman committee staff; Richard Bissell, Harriman committee staff; Otis Brubaker, Harriman committee staff; S. Morris Livingston, Harriman committee staff; William S. Morrison, Harriman committee staff; Hector Prudihomme, Harriman committee staff; William Remington, Harriman committee staff; Edwin B. George, Robert Landry, House Select Committee on Foreign Aid staff.

9. Inland transport

Chairman: John H. Tuthill, Department of State.

Secretary: Doris Whitnack, Department of State.

Members: T. E. Anderson, J. C. Winter, Department of Agriculture; Paul Brown, Department of the Army; James Glynn, Department of Commerce; Gerald Gallagher, ODT; H. H. Kelly, Department of State.

Alternates, J. J. Kaplan, Gustav Pollaczek, Robert Swain, Clarence S. Gunther, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November, 1947: William Flexner, Max Milliken, Harriman committee Staff.

10. Maritime transport [2]

Chairman: Walter Radius, Department of State.

Secretary: Lehman P. Nickell, Department of State.

Members: Serge Kushnarev, Department of Commerce; Huntington T. Morse, Maritime Commission; J. E. Saugstad, Department of State.

Alternate: Harvey Klemmer, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November, 1947; Capt. Granville Conway, James McCullough, Max Milliken, Harriman committee staff.

11. Timber

Chairman: Edward I. Kotok, Department of Agriculture.

Secretary: W. H. Sparhawk, Department of Agriculture.

Members: Edward C. Crafts, Department of Agriculture; Joseph L. Muller, Department of Commerce; Jacob Crane, Federal Housing Agency; J. S. Shanklin, Department of the Interior; Frank H. Whitehouse, Department of State; J. M. P. Donahoe, Tariff Commission.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947; A. C. Cline, Kenneth R. Davis, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid staff; Thomas Gill, Pack Forestry Foundation.

12. Manpower

Chairman: Faith Williams, Department of Labor.

Secretary: Jean Flexner, Department of Labor.

Members: Ralph Hetzel, Department of Commerce; Val R. Lorwin, Department of State.

Alternates: David Lasser, Department of Commerce; Herbert A. Fierst, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Ford Hinrichs, Harriman committee staff; Gustav Peck, House Select Committee on Foreign Aid staff.

(f) Country committees

Coordinating group for country studies

Chairman: Henry Labouisse, Department of State.

Executive secretary: Leonard Unger, Department of State.

Members: Fred Straus, Department of Commerce; Val Lorwin, Wayne Jackson, William Koren, Department of State.

1. Austria

Chairman: Harold Vedeler, Department of State.

Executive secretary: Charles Rogers, Department of State.

Members: Karl Koranyi, Department of Commerce; J. Herbert Furth, Federal Reserve Board; James Wood, Treasury Department.

Staff: Joseph Rosa, Gerti Landauer, Everett Walk, Erwin Strauss, Department of State; Myrtle Brickman, Department of Commerce; Margaret Bell, Treasury Department.

2. Belgium-Netherlands-Luxemburg

Chairman: Ray Miller, Department of State.

Executive secretary: Richard Breithut, Department of State.

Members: Taylor Musser, Department of Commerce; Robert Bean, Federal Reserve Board; George Willis, Treasury Department.

Staff: Clinton Knox, Paul Hoover, Marcia Harrison, Elizabeth Otey, Department of State; Walter Buchdahl, Clarence Seigel, Department of Commerce; Frances Miller, Ellen Maloney, Paul Parker, Treasury Department.

3. France

Chairman: Woodruff Wallner, Department of State.

Executive secretary: Ivan White, Department of State.

Executive secretary: Maurice Levy-Hawes,[3] Department of State.

Members: Taylor Musser, Department of Commerce; Albert Hirschman, Federal Reserve Board; Frances Miller, Treasury Department.

Staff: Alfred Reifman, Val Lorwin, William Koren, Leon Goldenberg, Department of State; John Keen, Clarence Seigel, Department of Commerce.

4. Greece

Chairman: William Rountree, Department of State.

Executive secretary: John Lindeman, Department of State.

Members: Samuel Goldberg, Department of Commerce; J. Herbert Furth, Federal Reserve Board; George Willis, Treasury Department.

Staff: Arthur Beach, Charles Glendinning, John Kennedy, Department of State; Beatrice S. Baum, Treasury Department.

5. Italy

Chairman: Walter Dowling, Department of State.

Executive secretary: William Stibravy, Department of State.

Members: Katherine Jacobson, Department of Commerce; Albert Hirschman, Federal Reserve Board; George Willis, Treasury Department.

Staff: Gesualdo Costanzo, Jacob Kaplan, George Tesoro, Clinton Doggett, Department of State; Seymour Pollack, Treasury Department.

6. Scandinavia

Chairman: Robert Hooker, Department of State.

Executive secretary: Randolph Higgs, Department of State.

Members: Grant Olson, Department of Commerce; Robert Bean, Federal Reserve Board; George Willis, Treasury Department.

Staff: George Alsberg, Richard Breithut, Eleanor Murphy, Eddie Schodt, Department of State; Ellen Maloney, Treasury Department.

7. Switzerland-Portugal

Chairman: Outerbridge Horsey, Department of State.

Executive secretary, William Conklin, Department of State.

Members: Charles Barrett, Department of Commerce; Albert Hirschman, Federal Reserve Board; James Wood, Treasury Department.

Staff: Edmund Da Silveira, Raymond Fernandez, Maurice Levy-Hawes, Nicholas Milroy, Department of State; Fred Neter, Seymour Pollack, Treasury Department.

10. Western Germany

Chairman: Edwin Martin, Department of State.

Chairman: Daniel Margolies,[4] Department of State.

Executive secretary: Coburn Kidd, Department of State.

Members: Karl Koranyi, Department of Commerce; J. Herbert Furth, Federal Reserve; James Wood, Treasury Department; Col. Charles Blumenfeld, Department of the Army; Don D. Humphrey, OMGUS.

Staff: George Jacobs, Department of State; William Parker, Department of State; Fred Sanderson, Department of State; June Boeckman, Department of State; Herbert H. Marcuse, Department of State; Stanley Sommerfield, Treasury Department; Maj. William Reed, Department of the Army; Wilfred Garvin, Department of the Army; Saul Nelson, OMGUS.

(2) *Executive Committee on Economic Foreign Policy: subcommittees for ERP*

(a) Working group on the relationship between the ERP and the UN and specialized organizations:

Chairman: Leroy D. Stinebower, Department of State.

Members: Miriam Camp, Otis E. Mullikin, Department of State; Thomas C. Blaisdell, Jr., Department of Commerce; Iver Olsen, Treasury Department; Robert B. Schwenger, Department of Agriculture.

(b) Working group on the relationship between ERP and ITO:

Chairman: Paul H. Nitze, Department of State.

Members: Ben T. Moore, Department of State; George Bronz, Morris Fields, Treasury Department; Oscar Zaglits, Department of Agriculture; Henry Chalmers, Department of Commerce; Lynn R. Edminster, United States Tariff Commission.

(c) Working group on domestic controls needed to implement the ERP:

Chairman: Donald D. Kennedy, Department of State.

Members: Charles P. O'Donnell, Department of State; John S. Richards, Treasury Department; Frank Garfield, Federal Reserve Board; Charles W. Bucy, Department of Agriculture; Paul Homan, Council of Economic Advisers; Walter Seymour, Department of the Interior; Mike Meehan, Department of Commerce.

(d) Working group on strategic materials:

Chairman: William T. Phillips, Department of State.

Members: Karl L. Anderson, Department of State; James Boyd, Department of the Interior; Carl Rolle, Army and Navy Munitions Board; T. D. O'Keefe, Department of Commerce; Morris Fields, Treasury Department; W. G. Finn, Department of Agriculture.

(e) Working group on manpower report:

Chairman: Faith Williams, Department of Labor.

Members: Wilbur Cohen, Federal Security Agency; Irwin M. Tobin, George L. Warren, Val Lorwin, Department of State; Collis Stocking, Jean Flexner, Department of Labor; Duncan Wall, Department of Agriculture.

(3) *National Advisory Council: Staff committee*

Chairman: John W. Gunter, Treasury Department.

Working group chairman: Andrew M. Kamarck, Treasury Department.

[2] The report submitted on Maritime Transport was reviewed by the shipping coordinating committee (SEC). Its formal membership is as follows:

Chairman: Garrison Norton, Department of State.

Vice chairman: W. W. Smith, United States Maritime Commission.

Executive secretary: L. James Falck, United States Maritime Commission.

Assistant executive secretary: John W. Mann, United States Maritime Commission.

Secretary: G. Curtis Murrell, United States Maritime Commission.

Members: Maj. Gen. Edward H. Leavey, Department of the Army; Thomas C. Blaisdell, Department of Commerce; Rear Adm. W. M. Callaghan, Department of the Navy; Edward H. Foley, Treasury Department.

Alternates: Brig. Gen. Paul Yount, Department of the Army; Thomas Hibben, James C. Nelson, Department of Commerce; Huntington T. Morse, Richard Parkhurst, United States Maritime Commission; Capt. W. N. Mansfield, USNR, Department of the Navy; Adm. J. F. Farley, USCG, Capt. H. C. Moore, USCG, Treasury Department.

[3] Mr. Levy-Hawes succeeded Mr. White on the latter's return to the Paris Embassy.

[4] Mr. Margolies served as chairman while Mr. Martin attended the meetings of the Council of Foreign Ministers in London.

Secretary: Allan J. Fisher, Treasury Department.

Assistant secretary: Harold Rosen, Treasury Department.

Members: Norman Ness, Department of State; Clarence Blau, Department of Commerce; J. Burke Knapp, Board of Governors, Federal Reserve System; Hawthorne Arey, Export-Import Bank; Walter C. Louchheim, Securities and Exchange Commission.

Liaison alternates: Jerome J. Stenger, Hubert F. Havlik, Hale T. Shenofield, Harold R. Spiegel, Department of State; Lewis Dembitz, Board of Governors, Federal Reserve System; Walter C. Sauer, Export-Import Bank.

Interdepartmental working groups of the staff committee composed of the experts on the particular matter or country are set up as occasion warrants. These groups collect the basic information available to the Government and perform the necessary analysis on the particular problem. The membership of these groups at one time or another would include most of the experts in governmental service working on international financial and economic problems. It appears neither appropriate nor feasible, therefore, to list the membership of such groups.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. BALDWIN obtained the floor.

Mr. RUSSELL. Mr. President——

Mr. BALDWIN. I yield to the Senator from Georgia.

Mr. RUSSELL. Will the Senator from Connecticut permit me to suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Georgia suggest the absence of a quorum?

Mr. RUSSELL. With the indulgence of the Senator from Connecticut, I do. I think a quorum should be present.

The PRESIDING OFFICER. Does the Senator from Connecticut yield for that purpose?

Mr. BALDWIN. Yes.

Mr. RUSSELL. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Magnuson
Baldwin	Green	Maybank
Ball	Gurney	Millikin
Barkley	Hatch	Moore
Brewster	Hawkes	Murray
Bricker	Hayden	Myers
Bridges	Hickenlooper	O'Conor
Brooks	Hill	O'Daniel
Buck	Hoey	O'Mahoney
Butler	Holland	Overton
Byrd	Ives	Pepper
Cain	Jenner	Reed
Capehart	Johnson, Colo.	Revercomb
Capper	Johnston, S. C.	Robertson, Va.
Chavez	Kem	Robertson, Wyo.
Connally	Kilgore	Russell
Cooper	Knowland	Saltonstall
Cordon	Langer	Smith
Downey	Lodge	Sparkman
Dworshak	Lucas	Stennis
Eastland	McCarran	Stewart
Ecton	McClellan	Taft
Ellender	McFarland	Taylor
Ferguson	McGrath	Thomas, Okla.
Flanders	McKellar	Thomas, Utah
Thye	Vandenberg	Wiley
Tobey	Watkins	Williams
Umstead	Wherry	Wilson

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. BALDWIN. Mr. President, it is a most welcome relief to know that months of objective study have gone into the preparation and planning for the European recovery program. I say it is a welcome relief because too often, in the past, we have been in the position of having to vote hurriedly on last-minute, hastily conceived emergency programs. We have been impressed, too, by the commendable work of the members of the Senate Foreign Relations Committee, and particularly by the devoted work of the senior Senator from Michigan, the chairman of that committee. I believe the members of that committee, who unanimously reported this bill, deserve our commendation and our confidence.

In the last few days we have heard here on the Senate floor, and have read in the RECORD, the many objections to and reservations concerning the European recovery plan. The net effect has been good. These exchanges have called sharply to our attention the dangers inherent in the plan and the need for careful and constant observation.

There has, however, been presented no better plan than the one reported by the committee. The only apparent alternatives are these:

First. To resort to appeasement.

Second. To turn this plan over to the United Nations.

Third. To seek to isolate ourselves and give only emergency relief to needy people.

Fourth. Or to resort to a substitute plan, which, however meritorious and sincere in purpose, is at best only hastily and narrowly considered.

Appeasement was not invented in 1939. It is as old as the history of man. Can anyone recall any occasion in recorded history when the appeasement of an aggressor prevented war in the end? Every time the would-be appeasers have found themselves driven to a final stand on ground far less favorable than when they began. Those apologists who suggest more moderation and understanding in our attitude toward the Soviet Union apparently see no inconsistency in the violence of the statements against us issued by the Soviet leaders. They propose to us the same often tried and always failing theory that weak men have tried again and again, to their sorrow, down through history. If it be true that a more friendly behavior on the part of this Government toward Russia will lead to the cessation of these difficulties, it does indeed seem strange that immediately after the conclusion of the recent war, when our attitude toward the Soviet Union was one of friendliness and trust, the Russian leaders took that opportunity to extend their iron control over many nations from the Baltic to the Balkans. Is there, therefore, any reason to suppose that those same leaders will now interpret a more compliant attitude on our part as anything other than a sign of weakness which would allow the further and more rapid spread of Soviet power?

Many of these same people suggest that our aid in the reconstruction program be handled through the United Nations. Without for a moment attempting to minimize the importance of the United Nations, I can only recall here that such a procedure would necessarily be foredoomed to failure, not only because of the inadequate machinery of the United Nations, but because of the existence of a veto which would unquestionably prevent any immediate or effective action. It is indeed tragic that, with our great hopes for the United Nations, we are required to admit that we must still deal with such a matter as this largely outside the machinery of the United Nations. It is encouraging, however, to note that this plan envisages the use of the United Nations machinery to every extent possible, and it is encouraging that there may well be a probability that, before the conclusion of this program, some large part can with confidence be turned over to the United Nations.

Another alternative suggested, Mr. President, is that we recall our interests to our own borders and extend only emergency relief. This proposal is based on a "live today for tomorrow we die" fatalism. It is useless, now, to dream of isolated nations, the existence of which science has denied.

There is now no sure defense against attack. The whole world is a prospective battlefield and all the people in it are potential participants. Whether we would win or lose another war, we could look forward to the destruction of lives and property in our own cities. To wait behind our own vulnerable walls and to attempt to prepare ourselves for any onslaught would not only require the expenditures of sums that would make this appropriation minute by comparison, but would be to admit that we feel so hopeless about the prospects of peace that we do not now wish to extend any effort to secure it. We would merely be buying a little time at a terrible price.

I do not believe, Mr. President, that appeasement will work today any better than it has in history. I do not believe, Mr. President, that the United Nations is now capable of handling this pressing need. I do not believe that there is salvation in denying the facts of a world we see. I do not believe that our people are ready to accept the inevitability of war before we have made every possible careful effort to prevent it. Mr. President, I do believe we have in this European recovery program, as constructively amended and changed by our committee, a real hope for world peace.

It has never been our American way to wait for success to crown idleness. Spending dollars will not save the world, but saving dollars that must be spent will not save America. America has grown great and strong through her positive and bold investments in production, and development, and security, both at home and abroad. America has not grown strong through investments never made, chances never taken, risks never faced, or responsibilities evaded. It was not timidity or penuriousness that made us what we are now, nor will timidity or penuriousness lead us on to what we can become. Peace requires the same,

or perhaps more careful planning, as does war. Peace is not a gift handed to those who only hope. Peace is the devoutly sought, and elusive reward for work, thought, generosity, determination, and sacrifice. Past history tells us that peace, though man's heartfelt wish, has never been a natural state.

Now that we have finally become capable of destroying ourselves, our will to survive demands that we make peace on earth.

There have been many arguments pro and con concerning the sum involved in this plan. None of us here knows whether the sum proposed is the correct one to the last dollar. By that I mean none of us can be certain that this sum, or any sum, will or can be, effectively used.

Mr. President, I was very much impressed by the statement of the Senator from Michigan [Mr. VANDENBERG] that this sum was at least entitled to a presumption of dependability "until more competent authority, competently proves otherwise." I must say in all frankness, Mr. President, that I have yet to hear a more competent authority competently prove otherwise. Rather than run the risk of reducing this amount only for the sake of reduction, it seems to me we are all obligated to first provide equal study and equal proof in support of another sum. To support, now an unsupported substitute figure would reflect largely a desire to overplay the undeniably pleasant and popular role of watchdog for the public purse, but may, in fact, be a disservice to both the cause of peace and the cause of economy.

We have heard many comparisons between the cost of this program and the cost of various other normal Government activities. I do not know how one can compare the cost of the effort for peace with the cost of any other service. To base one's objection on the ground that local real-estate taxes or poll taxes or any other taxes are less than the probable cost of this program, is like saying my house cost me so much that I cannot afford to consider insurance, or taxes to support a fire department, or anything else that might help to preserve my investment.

But since these questions have been brought up, let us make some comparisons. The European recovery program involves an estimated average expense over the next 4 years of about $32 per capita per annum. By comparison, the recent war cost Americans nearly $700 per capita per annum and our first two postwar years of unplanned foreign doles cost about $91 per capita per annum.

From another point of view, Federal taxes collected on liquor, tobacco, and items covered by the retail excise tax, amounted to over $30 per annum per capita last year—almost exactly the average annual per capita cost of the European recovery program. During that year, Americans spent on the average about $60 for liquor and nearly $20 for tobacco. These two items alone cost the average American more than double what the proposed European recovery plan would cost.

I quote these figures simply as a matter of interest since I believe, Mr. President, that there can be no reasonable comparison between the cost of peace and the cost of any other item. We can only compare the cost of peace with the cost of war because they are the only comparables. The anticipated expense for the next war, if there has to be one, would not be a pleasant bill to contemplate.

In this consideration of the cost of the European recovery plan, I do not mean to intimate for one moment that this plan guarantees a bargain-basement peace. I am still not at the point, Mr. President, where I can regard $5,300,000,000 lightly as simply 5.3. Nor am I under any illusion that the expenditure of that sum, or any other sum, can buy peace. Far more important is the question how that sum is to be used. If an intelligent expenditure of that amount gives us any better hope for peace than we now have, I say the investment is a good one which will have the support of the American people.

If this European recovery plan fails, Mr. President, we who shall vote for it are responsible, and I personally am prepared to take that responsibility since I have seen nor heard no better alternative. By the same token, those who would weaken or defeat this plan must be prepared to be responsible for the consequences of that inaction. The responsibility in either case is an extremely grave one.

We have now an opportunity, won for us by those who won this war so there could be peace. It is a costly opportunity in terms of money, but one that has in it the hope of saving us from the sure folly of far greater expenditures in lives and money.

I am not under the illusion, Mr. President, that the plan will work out as ideally as it appears on paper, but it holds most encouraging possibilities.

First, it is encouraging to know that the nations of western Europe have finally come to the point of cooperation among themselves for a mutual good. That, in itself, is tremendously significant.

Second, I believe the very fact that we have before us, for the first time, a specific, clear policy, is indeed encouraging. We have finally foresaken the policy of scattering doles across the world.

Third, we have come finally to the conclusion that peace does not come from inaction and that peace must be worked for and must be built. In many ways that is more difficult than winning a war, because there is not the feeling of urgency, the total cooperation, or the willingness to sacrifice. Yet, the goal is no less devoutly sought.

Another encouraging facet of this program is the inherent understanding that there is today being practiced a new and vicious type of aggression. Until the beginning of World War II, we were familiar with only military aggression. We pledged ourselves to stop that type of aggression which is now an old-fashioned way of gaining power. The new and much cheaper way of accomplishing the same purpose is through political aggression.

In the plan now before us, Mr. President, I believe we have finally come to appreciate not only that political aggression is just as final in its outcome as military aggression, but that there are ways and means of coping with it. Parenthetically, I might say that I hope in our deliberations in the United Nations we also assign a new definition to aggression. Unfortunately, some of our people are still of the opinion that military aggression is the only type that needs to be stopped. Military aggression has stopped itself because a cheaper, easier, more modern way has been found and it is that method with which the plan now before us, Mr. President, seeks to deal.

Because we know that political slavery and economic chaos breed war, we are here seeking to use a part of our wealth to recreate freedom and prosperity and so prevent the loss of all our wealth and peace besides. It has long been an American belief that the freedom which democracy guarantees can make the world safe for peace. We cannot afford, in our own selfish interest, to stand idly by while an ideology that threatens the freedom of men engulfs weakened nations by this new form of aggression. We cannot ignore an opportunity to preserve our own security.

This European recovery plan is a practical example in action of the American doctrine of preserving peace through freedom and economic stability. Its purpose is to inspire confidence and respect and to strengthen the bonds of common understanding. We strive to inspire good will in the world by giving off good will ourselves. This is one method of meeting the new subtle type of aggression.

In our deliberations here objections to the proposals contained in the report of the Committee on Foreign Relations are contained in two general questions: First, will this plan work; and second, will it be an undue or unwarranted strain on our own economy?

To the first, none of us can answer "Yes," but as representatives of our people having the obligation of looking after and protecting their interests, we can only say, Mr. President, that this plan appears to have the best possibilities of maintaining the peace, of stopping the advancement of dangerous ideologies by helping to rebuild sound and free governments in western Europe. I have seen or heard of no other plan which is the result of anywhere near the amount of objective thought devoted to this one, nor which has any comparable chance for success. I might say further, Mr. President, that whether or not this plan or any plan succeeds in Europe depends not so much on what we say here, as it does on what we do there.

So far as the second question is concerned, as to whether or not it will be an undue strain on our economy, again we must say we cannot be certain. But if we choose to do nothing, or if the plan does not receive the support it needs to make it work, we can be entirely sure that our economy and our very security will be far more seriously threatened. We have the careful, thoughtful, testimony of competent leaders—both in the

Government and outside—who have taken every precaution to make sure that our own economy is protected, and until we have more expert authority to the contrary, it is that evidence on which I believe we are required to depend.

Mr. President, we represent in this body 140,000,000 American people who are deeply concerned about the course we shall follow in the search for peace. We bear the responsibility of the 140,000,000 Americans who are not here in this Chamber to consider what might be the most important decision in their lives. We have, fortunately, a wider opportunity for knowledge on which to base our judgment because it is our privilege and our duty to have such knowledge. We have likewise an infinitely wider responsibility. We are here, representing the people who will pay the cost of any plan we shall advocate, and we are here representing the hopes and the prayers of our worried people who are seeking a reasonable way to security.

We cannot unhold our responsibilities and our obligation to our people by turning down or weakening any plan which has in it some real hope for peace unless we provide a better way. We are living in a hurrying age. We know that other methods have failed before—we have no time to fail again. It is my sincere hope that we will not only support fully this carefully developed plan, but that we will insist on the close supervision of it to help make its success assured.

I sincerely hope, Mr. President, that those who honestly oppose the plan will vote against it rather than weaken it to the point that its chance of success will be materially lessened or destroyed. I say that because many of us feel that here is a concrete plan that has in it a real hope for peace if put into operation immediately and wholly. There is a point at which crippling amendments or reductions in the amount of aid would so seriously damage the worth of the plan as to make it questionable whether we should proceed at all. I believe, from the exhaustive evidence presented, that that point has been substantially located by the Committee on Foreign Relations and that any other hasty amendments now can only serve the purpose of so weakening the project as to make the wisdom of our expenditures open to doubt.

This proposal, Mr. President, has been considered for many months. In the absence of comparably detailed proof to the contrary, we are now in as good a position as we ever will be to enact the measure.

The congressional committee established in the bill is specifically charged with making a "continuous study" of the plan and should provide an excellent opportunity to develop—by experience—real and sound improvements. It is for that reason, Mr. President, that I urge a vote on the pending bill at the earliest possible moment, and I earnestly suggest to those who oppose it in its present form that they turn their considerable energies and talents toward improving it at the earliest possible time through the committee provided for in the bill.

We are here as representatives of a people worried and concerned about the future of this Nation's relations with the rest of the world. I must confess, Mr. President, that while I am not pleased with the prospect of appropriating the huge amounts we are considering, and while I am convinced that in the treacherous and difficult problem of building the peace, this plan offers no absolute "money back" guarantee, there is not before us any other studied alternative that shows promise of being less costly to our people in money or more promising of success.

I shall vote for the measure, Mr. President, under no illusions. I sincerely believe that through this plan we have the opportunity of building a peaceful world, though the chance of building such an idyllic world is never great. I shall, however, Mr. President, vote for the bill, secure in the knowledge that we have taken a positive step toward peace instead of negatively insisting that there is no way. One who takes the latter position is taking upon himself a greater responsibility and reflecting a costlier pessimism than I am willing to share.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. BALL. Mr. President, I wish to submit an amendment which will take but a short time to discuss. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Conor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Thye
Eastland	McGrath	Tobey
Ecton	McKellar	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Watkins
Flanders	Millikin	Wherry
George	Moore	Wiley
Green	Murray	Williams
Gurney	Myers	Wilson

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Eighty-four Senators having answered to their names, a quorum is present.

The Senator from Minnesota has the floor.

Mr. BALL. Mr. President, I call up the amendment offered by the Senator from Nebraska [Mr. WHERRY] and myself, lettered "D," and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 21, after line 18, it is proposed to insert a new subsection, as follows:

(d) (1) Of the funds authorized under this act no greater amount shall be expended for the furnishing or making available to participating countries of food, medical supplies, processed and unprocessed materials for clothing, fuel, pesticides, and other relief supplies or assistance than the amount specified in the aggregate for such purpose in the acts making such appropriations.

(2) None of the funds authorized or made available under this act (other than amounts specified pursuant to paragraph (1)) shall be available for extending assistance to any participating country except in accordance with specific projects submitted to and approved by the Administrator pursuant to section 15 (b) (1). Notwithstanding the provisions of paragraph (1), any of the funds authorized or made available by this act may be used for the furnishing or making available to a participating country of food, medical supplies, processed and unprocessed materials for clothing, fuel, or pesticides if (A) such articles are allocated to a specific project submitted to and approved by the Administrator under section 15 (b) (1), and (B) the Administrator determines that such allocation is necessary to the successful carrying out of such project.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota for himself and the Senator from Nebraska [Mr. WHERRY].

Mr. BALL. Mr. President, I realize the many other obligations which Members of the Senate have, but I agree with the Senator from Michigan [Mr. VANDENBERG] and the Senator from Connecticut [Mr. BALDWIN], who just spoke, that the issue now before the Senate is probably by all odds the most important and most far-reaching one which will be considered at the present session of Congress. Perhaps a majority of the Members of the Senate have already made up their minds on all the issues which will be presented in the various amendments, and I realize they have committee meetings and other obligations. But I think it is unfortunate that when we are considering an issue of this importance it is virtually impossible to keep more than a dozen or 20 Senators on the floor of the Senate to hear the discussion in regard to what the bill means and what the specific amendments which are proposed mean. It is difficult for me to understand how Senators can vote intelligently on these issues without hearing at least some of the discussion.

It is my purpose to discuss this amendment very briefly, and then to have the Senate proceed to vote as soon as possible.

Mr. President, the amendment which is pending has two purposes. The first is to separate relief funds and economic-recovery funds, and to specifically authorize the Congress and the Appropriations Committees and the bills making the appropriations authorized by this proposed act to make a separate appropriation for relief purposes—in other words, for the food, fuel, pesticides, fertilizer, and urgent medical supplies necessary to sustain the economies of the recipient countries at a minimum level—and then to make a separate appropriation earmarked for economic-recovery purposes.

The second purpose would be to channel the funds which are earmarked for economic-recovery purposes into specific projects or programs approved by the

Administrator and submitted by the recipient countries and designed to increase the vital production of the recipient countries.

Mr. President, it seems to me that if this aid program is to turn out in its operation to be any different from the aid programs in which we have participated in the past 2½ years to the total of $16,000,000,000 or $17,000,000,000, the surest way to assure that result is deliberately to separate the relief funds from the economic-recovery funds appropriated under this program. I think most of us here feel that the relief and rehabilitation programs of aid through grants, loans, and so forth, in the past have not achieved their objective of stimulating recovery, but in most instances have turned out to be merely a goal, with the recipient country very little better off after receiving the aid than it was before receiving it.

One sure way to make certain that at least some of the funds appropriated pursuant to the authorization here proposed will actually go into products that are designed to increase production and really bring about economic recovery in the recipient country is to see to it that the funds are allocated pursuant to specific projects for that purpose, as submitted to and approved by the United States Administrator as likely to achieve those objectives. In that way we shall make certain that at least some portion of this aid program will actually flow into recovery projects.

Mr. President, in using the words "specific projects," which appear elsewhere in the bill as it now stands, the sponsors of the pending amendment do not mean to apply a very restrictive meaning to the word "project"; in other words, to tie it down to a specific proposal relating to a single company or plant or producer. What we are thinking of are projects aimed at bringing up the level of production, industry by industry.

All the reports from Europe indicate that there are four vital bottlenecks which are slowing them down and which set the pace for recovery. Those four bottlenecks are in coal, steel, transportation facilities, and food production. It is our hope—and I think the idea is spelled out elsewhere in the proposed act—that the Administrator will seek specific projects aimed at breaking the bottlenecks by increasing production; for instance, in the Ruhr Valley and in the bizone or trizone of Germany, where a large proportion of the coal of western Europe is produced, and where at present there is not sufficient coal produced to operate even a minimum economy, let alone to stimulate recovery. We are shipping millions of tons of coal from the United States, necessitating a long ocean haul.

A project to stimulate increased production of coal in the Ruhr Valley might involve first increasing the food rations of the men employed to mine the coal. The food ration in Germany at present is the same for all people. It is, I think, around 1,700 or 1,800 calories a day. I do not think anyone believes that a man can mine coal and do heavy work of that kind on 1,800 calories a day. The first objective, possibly on an incentive basis, would be to increase food rations as the coal production increases. It might be necessary to provide other goods, such as clothing, blankets, furniture, and things of that kind, to offer incentives to miners to increase their own efforts. Finally, there might be a need of additional mine machinery, perhaps supplies of timber, and steel products; but the whole thing would be an integrated-project program to increase coal production in the Ruhr by a certain percentage within a specified time. The Administrator would approve the project; funds with which to buy the commodities allocated to it would come out of funds appropriated by the Congress under subsection 2 of the amendment, and as I understand he would have authority under bilateral agreements to follow through and see that the commodities and services we furnished actually went into the approved projects.

Subsection 1 relates to relief supplies. Subsection 2, on page 2 of the amendment, provides that where a specific project calls for so-called relief type goods, additional supplies of food or clothing or even tobacco for incentive purposes to bring about increased production, may be included under the recovery project.

I think, Mr. President, that is the entire picture of the amendment and its purposes. As I understand the pending plan, something along this line is what is contemplated. I submit that it is not clear in the bill, and that under the bill as it now stands we could go right on in effect underwriting a trade deficit, with no assurance whatever that any of the supplies we furnished would actually find their way into projects which would build economic recovery in Europe by increasing their own production. The whole aid measure, as I understand it, would provide only 5 percent of the total consumption of the recipient countries. They must provide the other 95 percent, and they must also build up their production in order to close the 5 percent gap, if the program is to stand a chance of success and be anything more than another dole.

Mr. VANDENBERG. Mr. President, I comment very briefly on the statement made by my able friend from Minnesota. I comment first on the latter part of his statement. As I understand the second section of the amendment, the chief difference between his approach and the approach of the bill as reported is that in the amendment submitted by the Senator, on behalf of himself and the Senator from Nebraska, it is required that all recovery aid be channeled into what he calls specific projects. That is the only point at which the authors and sponsors of the bill completely disagree with the amendment and find it unacceptable. So far as the general objective is concerned I think it is already spelled out in the bill itself, according to the precise aspiration that my able friend from Minnesota has indicated. Every time I refer to the amendment it is to be understood that I am referring to the amendment proposed by the Senator from Minnesota [Mr. BALL] for himself and for the Senator from Nebraska [Mr. WHERRY].

The general functions of the Administrator described in line 8 include language in the nature of a directive to formulate the programs of the United States assistance under the act, including approval of specific objects which have been submitted to him by the participating countries. Turning then to page 28, commencing in line 19, among the requirements of bilateral and multilateral undertakings, there is found the following language:

> And submitting for the approval of the Administrator * * * specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this act, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food.

I may say parenthetically at that point that my friends from Minnesota and Nebraska will remember that in the first conference we had in my office regarding the bill as it came down from the State Department, requests were submitted to me by the group in respect to this general subject. I am sure the Senator from Minnesota will gladly concede that the bill as rewritten is a substantial improvement in the direction which he indicates over the original bill, because it recognizes specific projects as essential. It underscores specific projects as being peculiarly and particularly desirable.

Then, to meet the viewpoint of the Senator from Illinois, projects for increased production of coal, steel, transportation facilities, and food were specifically identified. The Senator will recall the source of that suggestion. So I think that my able friends who are sponsoring the amendment should not feel that their interests and their efforts in this behalf have been in vain, because I respectfully submit that the bill already goes just as far as it is practicable to go in the direction that the amendment proposes.

The only point at which we unavoidably disagree is that the amendment will require that all recovery shall be channeled through specific projects. I respectfully submit that is completely impossible. For instance, suppose the economy of X country shows a deficit of 5,000 tons of brass. That deficit may cover 150 individual plants, or it may be a partial brass deficit in each plant. The brass which is necessary to balance the economy and permit the operation adequately to proceed loses its identity and is mingled with the brass which has been purchased by the available local resources of the individual plants to which a portion of the 5,000 tons is assigned. Using brass simply as an example, I do not see how we can identify each one of the 150 plants which are involved in the brass deficit. On the contrary, it is obviously a physical impossibility to do so. It seems to me we have collided with the fundamental purpose of the bill itself if we confine our recuperative aid simply to great, single, individual projects and not pour it into the mass economy of the Nation. From my point of view, it is impossible to pour it into the mass economy of the Nation by requiring that it be used exclusively in specific projects. Yet I want to repeat that the desirability of

specific projects is clearly underscored in the other sections of the bill which I have read.

So far as the first section of the amendment is concerned, in which an effort is made sharply and conclusively to divide relief and recuperation, I think, under the concept of the bill, that is a physical impossibility also. The Senator himself has referred to the fact that in the Ruhr, for instance, incentive food rations may be of the greatest possible utility by way of encouraging production. The Senator has written an exception in the second section to cover that particular circumstance. It is my observation, in dealing with a problem of this nature, that there are so many unanticipated contingencies that it is a dangerous thing to attempt to rely upon our genius in anticipating the particular exceptions which need to be identified under such circumstances. I respectfully submit to my friend from Minnesota that there are probably many cases as to which, if he knew about them—and they will inevitably develop—he would readily admit that if he had foreseen them he would have wanted to include them among the exceptions when he was attempting to discriminate between relief and recuperation.

For instance, cotton to cover the backs of the people would be for relief; cotton to permit continuation of industrial activity and to create exports would be for recuperation. As I see it, it is not in the cards to attempt to draw a hard and fast line between relief and recovery in the text of the bill.

Under the circumstances which I have indicated, I am sorry that I have to urge the Senate not to agree to the amendment.

Mr. BALL. Mr. President, will the Senator yield further?

Mr. VANDENBERG. Yes, indeed.

Mr. BALL. I discussed this question with the drafting counsel of the Senate, who was of the opinion that, even without these separations, if Congress actually wanted to do so and the Appropriations Committee saw fit, separate appropriations could be made for the relief type of case and the recovery type of case. Would the Senator agree with that statement?

Mr. VANDENBERG. That is a legal question upon which I would not want to pass. I recognize very wide and ominous jurisdiction in the Appropriations Committee, however.

Mr. BALL. Mr. President, I merely want to say, briefly, that, much as I dislike to disagree with the distinguished Senator from Michigan, it seems to me that his own argument has made it very clear that unless Congress does become specific in the bill the whole plan and program of action under it will turn out to be largely or almost exclusively an underwriting by the United States of anticipated trade deficits of recipient countries.

Mr. VANDENBERG. I neglected to say one thing to the Senator by way of further demonstration of my anxiety to go just as far as possible in underscoring the objectives to which the Senator addresses himself. The Senator has another amendment, which is lettered C, which proposes, on page 17, after line 2, to insert an additional category, reading as follows:

(6) the allocation of commodities or services to specific projects designed to carry out the purposes of this act, which have been submitted to the Administrator by participating countries and have been approved by him.

The Senator from Nebraska [Mr. WHERRY] also joins in that amendment.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. While the changes on page 2 of the amendment would not be acceptable, if the Senator wishes to insert the language I have just read as a further effort to identify the desirability of project planning, so far as the Senator from Michigan is concerned he would be very glad to accept that portion of the amendment.

Mr. BALL. I thank the Senator from Michigan. I am very happy to find some change which the Senator does not veto. I think it would help to emphasize my own feeling and that of the Senator from Nebraska [Mr. WHERRY] that the more assistance that can be channeled into specific projects the better chance we have of achieving the objective of economic recovery.

Mr. VANDENBERG. How would it be if we settle on the basis I have indicated?

Mr. BALL. I rather think, Mr. President——

Mr. WHERRY. If the Senator would take amendment D it would be better than to settle on the other.

Mr. BALL. Unfortunately the other amendment is not pending at the present time. I shall offer it when we dispose of the first amendment.

Mr. VANDENBERG. I withdraw my proposal for the moment.

Mr. BALL. Very well.

Mr. President, I desire to emphasize that, in view of our past experience with foreign-aid programs, it seems to me that unless Congress spells out very specifically what it intends, unless we get away from the concept of simply giving a blanket underwriting to the trade deficits of the recipient countries, our chances of achieving the objective of economic recovery are not too bright.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL] for himself and the Senator from Nebraska [Mr. WHERRY].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BALL. Mr. President, on behalf of myself and the Senator from Nebraska [Mr. WHERRY], I offer our amendment lettered "C," modified by striking out all the matter appearing on page 2 of the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 15, line 14, it is proposed to strike out "(5)" and insert "(6)", and on page 17, after line 2, insert the following:

(6) the allocation of commodities or services to specific projects designed to carry out the purposes of this act, which have been submitted to the Administrator by participating countries and have been approved by him.

Mr. VANDENBERG. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Conor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Thye
Eastland	McGrath	Tobey
Eaton	McKellar	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Watkins
Flanders	Millikin	Wherry
George	Moore	Wiley
Green	Murray	Williams
Gurney	Myers	Wilson

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

INVESTIGATION OF SOCIAL-SECURITY PROGRAM—INCREASE IN LIMIT OF EXPENDITURES

Mr. BROOKS. Mr. President, before I offer an amendment to the pending bill and ask for its consideration I desire to report favorably two resolutions, and ask for their present consideration. In order that I may do so, I ask unanimous consent that the unfinished business be temporarily laid aside. The resolutions are routine, were unanimously approved by the Rules Committee, and I believe there will be no controversy about them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. BROOKS. Mr. President, from the Committee on Rules and Administration, I ask unanimous consent to report favorably, without amendment, Senate Resolution 202, and I request its immediate consideration.

There being no objection, the resolution (S. Res. 202), submitted by Mr. MILLIKIN on February 20, 1948, and referred to the Committee on Finance, was considered and agreed to, as follows:

Resolved, That the limit of expenditures authorized under Senate Resolution 141, Eightieth Congress, agreed to July 23, 1947 (authorizing an investigation by the Committee on Finance of old-age and survivors' insurance and other aspects of the social-security program), is hereby increased by $25,000.

ADDITIONAL EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. BROOKS. Mr. President, from the Committee on Rules and Administration, I ask unanimous consent to report favorably, without amendment,

Senate Resolution 201, and I request its immediate consideration.

There being no objection, the resolution (S. Res. 201), submitted by Mr. BRIDGES on February 17, 1948, was considered and agreed to, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eightieth Congress, $10,000 in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, and S. Res. 130, agreed to June 26, 1947.

EXTENSION OF AUTHORITY OF SPECIAL COMMITTEE TO STUDY PROBLEMS OF AMERICAN SMALL BUSINESS ENTERPRISES

Mr. BROOKS. Mr. President, from the Committee on Rules and Administration, I ask unanimous consent to report favorably, without amendment, Senate Resolution 191, and I submit a report (No. 982) thereon. I request that the resolution be placed on the calendar. The resolution was unanimously ordered reported by the committee.

The PRESIDING OFFICER. Without objection, the report will be received, and the resolution will be placed on the calendar.

Mr. WHERRY. Mr. President, is it the Senator's intention to ask immediate consideration of the resolution?

Mr. BROOKS. I shall be glad to ask immediate consideration for it.

Mr. President, I ask immediate consideration of the resolution.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 191) was read, as follows:

Resolved, That the authority conferred by Senate Resolution 20, Eightieth Congress, agreed to January 24, 1947 (creating a Special Committee To Study the Problems of American Small Business Enterprises) and continued by Senate Resolution 153, Eightieth Congress, agreed to July 26, 1947, is hereby continued until the expiration of the Eightieth Congress.

Such committee is hereby authorized to expend from the contingent fund of the Senate $50,000, in addition to the amounts heretofore authorized for the same purposes.

The PRESIDING OFFICER (Mr. LODGE in the chair). Is there objection to the present consideration of the resolution?

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WHERRY. Mr. President, may the calling of the roll be suspended for a moment, so that I may propound a question?

Is it anticipated that there will be objection to consideration of the resolution? I do not wish to force immediate consideration of the resolution if there is to be any objection.

Mr. McCARRAN. I think there should be objection until a greater number of Senators can be present and we can know what it is all about. I propose to object to that extent.

Mr. WHERRY. I shall be glad to ask that the resolution go to the calendar if it is anticipated that there will be any objection.

Mr. McCARRAN. It should go to the calendar.

The PRESIDING OFFICER. Does the Senator from Nevada ask that further proceedings under the quorum call be dispensed with?

Mr. McCARRAN. I shall be glad to do so if the resolution goes to the calendar.

Mr. WHERRY. Mr. President, I ask that the resolution go to the calendar and come up in its regular turn.

Mr. McCARRAN. Then I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. The resolution will go to the calendar.

Without objection, further proceedings under the quorum call are dispensed with.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. BROOKS. Mr. President, on behalf of the Senator from Nebraska [Mr. WHERRY], the Senator from Kansas [Mr. REED], the Senator from Maine [Mr. BREWSTER], the Senator from Minnesota [Mr. BALL], the Senator from Washington [Mr. CAIN], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Idaho [Mr. DWORSHAK], the Senator from New Jersey [Mr. HAWKES], the Senator from Nebraska [Mr. BUTLER], the Senator from Nevada [Mr. MALONE], the Senator from Montana [Mr. ECTON], the Senator from Utah [Mr. WATKINS], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois on behalf of himself and other Senators will be stated.

The CHIEF CLERK. On page 11, beginning with line 8, it is proposed to strike out down through and including line 5 on page 12, and insert in lieu thereof the following:

UNITED STATES SPECIAL REPRESENTATIVE ABROAD

SEC. 8. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the title of Agent General for Economic Cooperation. He shall be the chief representative of the Administrator to any organization of participating countries which may be established by the participating countries to further a joint program for European recovery, coordinate the activities of the Special Economic Cooperation Administration missions provided for in section 9 of this act, and shall discharge in Europe such additional responsibilities as may be assigned to him by the Administrator with the approval of the President in furtherance of the purposes of this act. He may also be designated as the United States representative on the Economic Commission for Europe. As Agent General of the Administrator, he shall keep the chiefs of the United States diplomatic missions currently informed concerning his activities.

Mr. BROOKS. Mr. President, the purpose of this amendment is to give force and effect to the desire of a great many people to have the provision for recovery in Europe placed in the hands of the Administrator and his representative.

There is great confusion about the Marshall plan. It is mixed up with strategic effort. It is mixed up with charity contributions. It is mixed up with economic loans; and now we are going to confuse it that much more by placing in Europe a special, over-all individual who will carry the rank of Ambassador Extraordinary and Plenipotentiary. The emphasis is to be on that individual.

A great many of us have a desire to help in the recovery of Europe; but, in my judgment, the recovery can be brought about only by the intelligent administration of this latest program by persons who have individual initiative, and are skilled in matters pertaining to production in agriculture, in labor, and in industry. If we create the office of Administrator, and create economic missions abroad, all under the diplomatic missions abroad, and then place over the entire program a new character with the supertitle and responsibility and authority of special ambassador, in my judgment we shall nullify all the effect of creating a business administration.

Much has been said in the press and on the floor of the Senate to the effect that now we are to have a business administrator, and that he must be a man of the highest type, with the highest qualifications and understandings. There has been written into the bill the purpose to create that kind of official; but with one section we superimpose a special ambassador over him. The situation is further confused, and no one will know what part of the program is to be devoted to the strategic effort, the political activity, the charity, or the business recovery which the recipient nations need.

There are some who feel that it is necessary to have stable governments in order to have a stable economy. In my judgment, that process must be reversed. We must have a stable economy, or a stable government cannot exist. A stable government cannot rest on an unsound foundation.

In the past too much emphasis has been placed on special representatives who have not been attuned to the necessity for business management in Europe. We have given lip service to the development of production of food, steel, coal, and transportation; but over the entire program we place a political figure. We have given emphasis to the trade-union movement and the council of governments, with a political head. My judgment is that unless we have the business brains of the Nation behind the coordination of agriculture and labor, this effort will be merely another political move, and we shall not get the result through diplomacy that we can get through hardpan of production. The

minds of the men who produce in this country must be brought to bear on the problem, because we must drain the resources of the Nation. If we are to operate this kind of a program, it must be maintained by business ingenuity.

My thought is that we might at least once try to have a business management in the recovery program; and for that reason I offer the amendment.

Mr. VANDENBERG. Mr. President, there is very little difference between the Senator from Illinois and the Senator from Michigan in respect to most of the things which he has said, and most of the things to which he addresses his amendment. However, I am sorry to say that the difference, though relatively small, is pretty important. Let me make a brief statement to the Senate.

Perhaps I should preface my statement by once more underscoring the fact that I agree with everything the Senator from Illinois has said about the necessity for preserving maximum economic autonomy for the economic administrator under this act. I think I can prove by the text of the bill that the Senator from Michigan is rendering something more than lip service to that ideal—to use the words of the Senator from Illinois—because every possible effort has been made to emphasize the necessity for the economic autonomy of the Administrator.

The difficulty with which the Senator from Illinois and I collide at this moment is the fact that, in spite of all the emphasis upon the indispensable economic independence of the Administrator, despite that economic necessity, there is another contact inevitably involved in this enterprise if we are to hope to succeed with it, namely, the creation of a new governmental coordination in Europe, which is not a matter of economics at the top, even though it is at the bottom. Therefore the top representative abroad must not only be economically sufficient unto the occasion, but he must also be in a position to deal at the top level with the heads of government in the 16 CEEC nations if we are successfully to pursue our desire to create constantly expanding contacts between them, and to create, so far as possible, what Mr. Bevin has called a Western Union or something comparable.

In evolving those contacts, Mr. President, it is absolutely necessary that this top representative abroad should have maximum diplomatic status for the exercise of that particular function. He must be an ambassador in rank, on a par with every other diplomatic representative with whom he must deal. He cannot enter the top-level government of France, for instance, to discuss a customs union successfully, if all that he is called is simply agent general of the Administrator."

Mr. BALL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BALL. Is the Senator telling us that the top-level government officials in the countries which are to receive hundreds of millions of dollars of assistance under this act would refuse to talk to the American representative who had something to say about how that money should be spent and how the aid should be given, simply because of a question of title?

Mr. VANDENBERG. Certainly not, and I am sure the Senator from Minnesota knows that I mean nothing of the sort. But there is such a thing as protocol in the world. Much as we may dislike it, there is such a thing. I think it requires no evidence to demonstrate that when a diplomatic representative of the United States is engaged upon an important mission, he must have a protocol status comparable with the importance of his mission. Certainly he would have no protocol status whatever if he were simply to be called the agent general of the Administrator.

However, all that is superficial. There are two or three things in this amendment which are perfectly sound. The objective to which the Senator from Illinois addresses himself, aside from the first question to which I have adverted, I am quite willing to consent to. But, so far as the right of the President of the United States to speak to the heads of governments in the CEEC countries is concerned, so far as concerns the possibility of having the President speak adequately to the heads of other governments, in diplomatic contact, he is entitled to have what protocol always has required, still requires, and undoubtedly always will require, unless the whole world is sovietized, namely, an ambassador representing the President of the United States in that particular aspect.

The point I am trying to make is that that aspect of the job to be done by this representative is minor, in respect to the larger aspect which the Senator from Illinois emphasizes; and I am about to demonstrate that I think it is entirely possible still to permit this representative to meet, in terms of protocol, on a level with other high representatives of government in respect to these contacts involving governmental coordination. I think it is entirely possible to do that without changing the title; and I am sure the title will have no effect upon the net result, if I continue with my discussion to indicate the points on which I agree with the Senator from Illinois.

Mr. BROOKS. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Illinois.

Mr. BROOKS. I wish to ask whether the Senator feels that the President at this particular time has adequate agents, on the basis of protocol, to speak with other governments anywhere in the world, perhaps with the exception of Russia, on matters of cooperation.

Mr. VANDENBERG. I think when the bill puts all emphasis upon the coordination of the 16 governments—in customs unions and in evolutions of kindred sorts in other directions—if we mean what we say in respect to the importance of coordination between the 16 nations, we should do them the very elementary honor of creating an ambassador to them as a unit.

Mr. BROOKS. Mr. President——

Mr. VANDENBERG. I yield further to the Senator from Illinois.

Mr. BROOKS. I should like to point out that, although it is only in one section that this special ambassador is emphasized, according to what the Senator from Michigan has just now stated, that person is the over-all and all-important creation of this entire bill, for he will then represent and supersede the Administrator, the diplomatic ambassadors, the economic missions, and the Administrator here at home. He will be the highest protocol; and if my judgment is correct, he will have the most influence in this entire matter. Certainly, that puts it in the realm of protocol and out of the realm of business administration, in my judgment.

Mr. VANDENBERG. Mr. President, I happen to disagree totally with my able friend the Senator from Illinois. It certainly puts the ambassador, as the representative of the President of the United States, in diplomatic contacts, and in diplomatic contacts only, in a position of priority. Because of that fact and because he should not have a similar priority in respect to the operations of the all-important economic side of this enterprise, I am about to indicate to the Senator from Illinois, in clear proof, that I am quite willing, so far as I am concerned, to meet his objective.

His pending amendment has three objectives. The first is to change the title. I think we already have put entirely too much emphasis on the question of title. I wish to make it plain that although we feel that the title is essential, I would say that is one of the secondary purposes of the Senator's amendment.

The two principal purposes of the Senator's amendment—and I hope he will correct me if I am wrong—are, first, to make sure that this United States Special Representative is the Administrator's man. That is No. 1. No. 2 is to make sure that among his other tasks is that of coordinating the economic missions.

Am I correct?

Mr. BROOKS. Yes; that would be the purpose.

Mr. VANDENBERG. Let me show the Senator how, with my complete consent, he can do both of those things without any further controversy or debate. So far as the Senator from Michigan is concerned, on page 11, section 8, line 16, delete the words "the chief United States representative", and after the word "be" insert the following: "the representative of the Administrator, and shall also be the chief representative of the United States Government", so that the sentence will read:

> There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate—
>
> And so forth.
>
> He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government.

Mr. President, I shall go a little further. On page 11, section 8, line 23, after the sentence indicating that he shall be the United States representative on the Economic Commission for Europe, the

Senator from Michigan is prepared to accept the following sentence:

He shall receive his instructions from the Administrator, and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 5 of this act.

Then, meeting the second objective:

He shall coordinate the activities of the chiefs of the special mission provided for in section 9 of this act.

The last sentence directly and unequivocally responds to the second objective of the Senator's amendment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. VANDENBERG. Just a second, please, and then I shall be glad to yield. The first sentence equally clearly meets the situation, with the exception, if it is an exception, that it textually recognizes the possibility of a conflict between the Secretary of State and the Administrator, and again refers such a conflict to the President of the United States to be umpired. So far as the Senator from Michigan is concerned, I respectfully submit that I have demonstrated my agreement with the objectives of the proposal of the Senator in every aspect except the change in title.

Mr. WATKINS and Mr. CAIN addressed the Chair.

Mr. VANDENBERG. I yield first to the Senator from Utah.

Mr. WATKINS. What will be his relationship to the Secretary of State under the amendment suggested by the Senator from Michigan?

Mr. VANDENBERG. He is the representative of the Administrator under procedures—perhaps I had better read it literally—

agreed to between the Administrator and the Secretary of State, in order to assure appropriate coordination as provided.

In diplomatic matters he is the representative of the President, acting through the Secretary of State, I suppose, as his representative. In all matters in the first instance, however, he is under the orders of the Administrator, and if there is any clash between the two, the President decides.

Mr. WATKINS. May he receive any of his orders from the Secretary of State?

Mr. VANDENBERG. Only in agreement, as indicated, with the Administrator.

Mr. WATKINS. I wanted to be sure that we got the interpretation on that point by the chairman of the Senate Committee on Foreign Relations. In his principal capacity, then, he will be acting for the Administrator and not for the Secretary of State, will he not?

Mr. VANDENBERG. The Senator is correct.

Mr. WATKINS. On all matters of policy with relation to the program, he will be acting for the Administrator, not for the Secretary of State, will he not?

Mr. VANDENBERG. No, indeed. The Senator is now taking in all questions of policy involved. That is not true.

Mr. WATKINS. I wanted to get the extent to which he might go.

Mr. VANDENBERG. There are inevitable diplomatic relationships between the 16 countries to be encouraged and stimulated through the usual methods of contact between governments. That is not primarily the Administrator's business; that is primarily the business of the President, acting through his Department of State. But at all times the Administrator has the priority under the agreement which I have indicated.

Mr. WATKINS. He will outrank, then, the representatives we now have to the various 16 nations, will he not?

Mr. VANDENBERG. I do not know what his relative rank would be, so far as they are concerned.

Mr. WATKINS. Would there be any prospect or probability of conflict between him and them, in representing the State Department in the several nations?

Mr. VANDENBERG. I think not. I know of no reason why there should be, because his mission is very specific. It relates to the multilateral relationships, speaking now diplomatically, between the nations

Mr. WATKINS. I thank the Senator.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Washington.

Mr. CAIN. As one of the cosigners of the amendment, I think the Senator's first sentence in the proposal of the Senator from Michigan meets in major proportion the fear that some of us have had. It seems to tie up the administration of the program, both foreign and domestic, to one man. But if that is a correct contention, I wonder what the thinking of the Senator from Illinois is on the question of whether or not the second sentence proposed by the Senator from Michigan is in fact necessary. If the administrator abroad, whatever his title may be, receives his economic instructions from the Administrator in this country, why should it be necessary to say that, abroad, he shall coordinate the 16 economic missions? I am not clear in my own mind, and I should like to have a further exploration of that subject.

Mr. VANDENBERG. I agree with the Senator from Illinois; I think he should coordinate them.

Mr. CAIN. I agree that he should coordinate them, but the representative abroad is going to receive his instructions from the Administrator at home, and why therefore is it said in the second sentence what he shall do, when the Administrator in this country is going to tell him what to do?

Mr. BROOKS. The purpose of my amendment, I may say to the Senator from Washington, is to have a business representative on the other side, representing a business administrator on this side. With that in mind, I provided in my amendment that as a business administrator he should coordinate the economic missions in the various countries.

I thank the distinguished chairman of the Foreign Relations Committee for accepting certain of the principles of this amendment, but I still say that the super ambassador is going to be more involved with the political aspects than he is with the cold business aspects, and that is the one thing we have lacked. We are not too brilliant politically anywhere in the world, as our present situation shows. If we are brilliant in anything it is in adhering to the private enterprise system, it is in adhering to a form of government that guarantees individual initiative. I should like to have brains of that type at the top of an organization that spends my money in Europe. I recognize what the distinguished chairman of the Foreign Relations Committee says, that it might be well to create a super ambassador to deal on the highest levels, but we are talking about recovery now, we are talking about a business administration; and I should like to have a real business administrator on the other side.

This is going to be a major operation, if it succeeds. It calls for the highest type of business administration, and if, with the money in his pocket, this super ambassador were sitting in a meeting, the gentlemen of protocol would search him out, and if they thought they were not going to get enough, they would use a lot of diplomatic language explaining why they were wasting our money. I should like to have this official devote his major attention to being the representative of a real administrator on this side in the effort to coordinate economic business organizations in those countries, and not have him serve as a super diplomat, because the two things simply do not go together. Eventually, the emphasis will be on the diplomatic side. I have no quarrel with the State Department's diplomacy, except to say that it has made a mess of things almost everywhere in the world at the present time, and I should like now to make sure that the people in the recipient nations will produce the things which are needed. I think a hard-headed businessman who is not tied to super protocol could talk a little plainer and say, "My responsibility is not diplomatic; my responsibility is to see that you put your people to work, that I do not spend America's money on subsidizing socialistic schemes, and that production is obtained. I have got to report back to America on what I am here for, not for diplomacy but to have a proper administration of funds." That is what I am striking at, and that is what I honestly and sincerely hope will come out of this program.

I say again, I think the chairman of the Foreign Relations Committee has very generously recognized that there is not sufficient emphasis on the Administrator. When we put one man in a dual capacity and give him the title for reasons of protocol, the emphasis is going to that end. We want to stress a point of view which has not been stressed heretofore in the expenditure of America's moneys across the face of the earth. I may say to my distinguished colleague from Washington that I would rather have an understudy undertake to bring about coordination rather than to have the coordinator do it if his emphasis is going to be on the political angle rather than on the business angle.

Mr. CAIN. Yet, the amendment recommended by the Senator from Michi-

gan recognizes, does it not, in major part, our objections to the bill as it now stands? If, however, it should result in a man's carrying a dual responsibility, it says, with reference to his economic responsibility, that it shall be tied up to our major concern, which is the Administrator in this country.

Mr. BROOKS. It does recognize it, and I thank the distinguished Senator from Michigan for recognizing it. But I say it does not go far enough. I have no objection to the President's sending anyone with any title which may be created, but I want to have some hold onto the money and not have it tied up on a diplomatic basis. They will not get down to hardpan in production and recognize the cold facts of efficiency if we are to have a supervisor wrapped up in the diplomatic relationship.

Mr. AIKEN. Mr. President, may I ask a question?

Mr. BROOKS. Certainly.

Mr. AIKEN. Does the Senator have any doubt that the whole matter is not to be in complete control of the State Department? Has he received an impression to that effect from reading the bill?

Mr. BROOKS. From the information which went out that we are to put emphasis on business administration——

Mr. AIKEN. It is provided that whenever the Secretary of State believes that any action on the part of the Administrator is inconsistent with the foreign policy, he shall consult with the Administrator, and if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision. Does the Senator know of a single case in which the State Department has had a dispute with any other agency of Government and has gone to the President, that the State Department has not been sustained? Does he know of a single instance?

Mr. BROOKS. I suspect that is true. I know of no such instance. But what I want to point out is that, if there be a difference of opinion, I should like to have somebody of top-level category over there representing the viewpoint of one side, and not have it all tied up in one superambassador.

Mr. AIKEN. Has the Senator any assurance that whoever may be appointed Administrator will not be very close to the State Department?

Mr. BROOKS. I have no assurance of it at all. We have not had much of the legislation we have enacted carried out in the spirit in which it was enacted. I have no idea that this will be much different, but I should like to emphasize the point and give them a chance to have a little different approach to the problem.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. TAFT. I think there is a substantial difference on the question of the role of the State Department. I would agree with the Senator from Vermont as to that. I think the great thing which has been done has been to take away from the State Department the administration of the relief program. I think the committee has done an extraordinary job. Regardless of the fact that the President may decide between the State Department and the Administrator in favor of the State Department, or he may not so decide, at any rate the man who argues with him is on an equal basis with the Secretary of State. So I think it is a very substantial change and one which I think makes the bill infinitely more acceptable.

Coming to the amendment offered by the Senator from Illinois, I agree that if there is to be separation, let us separate them entirely. Why have one man in the middle of the proceeding owing allegiance both to the Secretary of State and to the Director? If the theory of separating it from the State Department is sound, then I think the Administrator should be separated from the State Department. I believe the Senator is absolutely on sound ground in that respect. I cannot see why the man should have to conduct diplomatic missions.

Mr. AIKEN. Is not the Senator aware of the fact that every day and for many days in the past the State Department has been receiving applications for employment on this mission? If the Senator has constituents who want to get jobs in the administration of the relief program, he has to send applications to the State Department for that purpose.

Mr. BROOKS. Is the State Department giving jobs?

Mr. VANDENBERG. An applicant does not receive any job when he goes there.

Mr. BROOKS. He does not get a job with the State Department?

Mr. VANDENBERG. He gets no job.

Mr. TAFT. I personally would have complete confidence that the Administrator would control the question of personnel. I think the bill makes it sufficiently clear that Congress wants to impose control through a joint committee. I think we can be sure that the man who may be appointed will in good faith establish an efficient administration. I do not have the fear which the Senator from Vermont has expressed. If we are to make the administration separate from the State Department, or adopt that course in principle, I cannot see the purpose of having the chief representative in Europe also taking orders as to some matters from the Secretary of State. It seems to me the Secretary of State can always send his own ambassador to handle diplomatic matters. I cannot understand why we should create the uncertainty which is now in the bill. I think the Senator's amendment is in accord with the whole theory of the Senate Foreign Relations Committee, and I hope that the Senate will accept the principle which the Senator has proposed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. BROOKS].

Mr. CAIN. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from Washington.

Mr. CAIN. I wonder, if there is to be an issue on this particular amendment, as to whether the title is sufficient for the doing of the job intended by the man who holds the office overseas. Some of us have not been overly impressed with the title provided for the representative of America abroad. I am only raising the question in order to have it explored by the Senator from Illinois.

Mr. BROOKS. I undertook to make a change in the title purposely, having in mind the speed with which history is being written at the moment. If we correctly read the pleas which come from the other countries, it would seem that they will seek out any man, no matter what his title may be, if he holds the purse strings, the allocation, the direction, and the responsibility of providing them with aid. I was trying to keep away from diplomatic language in the title so far as I could. I repeat that I believe if we want our supplies and our money in Europe effectively used it is time to treat the subject on a different basis, so as to assure a continuity of business management. The other nations can make any appeals they want to through the traditional ambassadorial staff or to the Secretary of State. If there are any real differences between the Secretary of State and the Administrator, of course they must be settled by the President. We are not trying to change that situation. But I should like to have a realization on the part of Americans and Europeans as well that this is a new approach. We want work done; we want efficiency. We do not want our money to go to the subsidization of any socialistic scheme, but to the real recovery of Europe.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. CAIN. I should very much like to ask a question of the distinguished Senator from Michigan if I may.

Mr. VANDENBERG. Certainly.

Mr. CAIN. If this amendment should prevail will it be, in the Senator's opinion, necessary for the President to create an office which bears the title described in section 8, on page 11?

Mr. VANDENBERG. That is merely a matter of personal judgment. In the view of the Senator from Michigan if we have the slightest reality of hope in CEEC, the 16 nations, which, at long last, are showing some signs of coordination, if we have the slightest desire to encourage them in the expansion of their coordination, if we want to deal with them effectively in encouraging their coordination, it will be necessary to create top level diplomatic representation, because their objective is entitled to it, or we should not be wasting 15 seconds on the proposed legislation.

Mr. ROBERTSON of Wyoming. Mr. President, I am interested in the last remark of the Senator from Washington in regard to the rank which this United States special representative abroad would hold under section 8 of the bill, which provides that he shall "have the rank of ambassador extraordinary and plenipotentiary." I wonder if the Senator from Michigan would agree to change that to "have the rank of agent general for economic cooperation."

Mr. VANDENBERG. It must be that the Senator has been absent from the Chamber.

Mr. ROBERTSON of Wyoming. I have been, I regret to say.

Mr. VANDENBERG. For about an hour I have been trying to indicate that under no circumstances could I possibly agree to such a suggestion.

Mr. ROBERTSON of Wyoming. Mr. President, I feel that the very name "ambassador extraordinary and plenipotentiary" places the man directly in the State Department, and under the authority of the Secretary of State.

Mr. VANDENBERG. May I interrupt the Senator again?

Mr. ROBERTSON of Wyoming. Certainly.

Mr. VANDENBERG. Since the Senator was not present, he is not familiar, I assume, with the fact that I have offered two changes.

Mr. ROBERTSON of Wyoming. I have seen them.

Mr. VANDENBERG. Very well.

Mr. ROBERTSON of Wyoming. I have them here.

Mr. VANDENBERG. I thought that might alter the statement the Senator is making.

Mr. ROBERTSON of Wyoming. It does. I did not know this amendment was being considered, and the hour I spent in my office was in preparing a speech on this very subject, which I have not got. I shall have to proceed without the speech.

Mr. VANDENBERG. Every cloud has a silver lining. [Laughter.]

Mr. ROBERTSON of Wyoming. Let me come back to the point of the ambassador extraordinary and plenipotentiary. Regardless of what we may do under the bill in this country, I feel that if we send a man abroad with the title "ambassador extraordinary and plenipotentiary," he will be known and will be recognized as an ambassador subject to the instructions and under the direction of our Secretary of State.

I had hoped that could be avoided. I have worked over the pending bill, and over the proposed relief to Europe, many days and many nights. I was one of three Republicans who voted against the emergency aid to Europe in the special session. I voted against the British loan. I voted against the Greek-Turkish loan. My principal reason for voting against those measures was that I felt that there was nothing in any of those bills which would assure that the money we were appropriating would be used for the purposes for which we appropriated it.

I feel that any time we place in the hands of the State Department any sums of money, or the authority to use any appropriations we make, the State Department will, in sending those funds abroad, or placing them in the hands of foreign countries in this country, naturally place them in the hands of the representatives of the secretaries of state of those countries. The secretaries of state of the various countries are the same as the Secretary of State of this country. They are political appointees of the administration in charge, and as such have the power, and probably in many cases the will, to use the funds for what their party or their administration may deem to be in the best interest of their respective countries.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. VANDENBERG. I am sure the Senator wants to be accurate in his statement.

Mr. ROBERTSON of Wyoming. I do, of course.

Mr. VANDENBERG. I do not know how it would be possible, under the terms of the bill, for any money to pass for either relief or recovery except on a contract approved by the Administrator. I think that is specific and categorical.

Mr. ROBERTSON of Wyoming. I thank the Senator for his statement. At the same time, I point out to the Senator that in my opinion our representative in Europe who is to be responsible for seeing that the moneys appropriated are used for the purposes for which we appropriate them should be able to contact the direct organizations which will utilize the money, rather than have to go through the State Department as an ambassador extraordinary.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. WATKINS. Does the Senator think the person who will hold this position could not really serve two masters?

Mr. ROBERTSON of Wyoming. I have never known any one who could do that.

Mr. WATKINS. In the amendment suggested, would he not be attempting to serve both the Secretary of State, on diplomatic missions, and at the same time be the representative of the Administrator, with his principal duties in the field of business, and of carrying out the purposes of the act?

Mr. ROBERTSON of Wyoming. Did I understand the Senator to say according to the amendment?

Mr. WATKINS. The amendment suggested by the senior Senator from Michigan.

Mr. ROBERTSON of Wyoming. Definitely. I thought the Senator was referring to the amendment under consideration.

Mr. WATKINS. Under the amendment under consideration as the Senator from Illinois has proposed it, there would be a clear-cut distinction. The man would be acting only under the direction of the Administrator.

Mr. ROBERTSON of Wyoming. Yes.

Mr. WATKINS. He would not be acting in a dual capacity.

Mr. ROBERTSON of Wyoming. No.

Mr. WATKINS. The other amendment, the one suggested by the senior Senator from Michigan, would put him in a dual capacity. He would be a diplomat, and also the agent general of the Administrator.

Mr. ROBERTSON of Wyoming. That is correct.

Mr. WATKINS. That is what seems to me to be objectionable. He would be attempting to serve two masters. The line between the two would not be clearly defined, and in my judgment he would be spending a great deal of time running back to the President of the United States to make a decision on what he was to do.

Mr. ROBERTSON of Wyoming. I thank the Senator. I further call his attention to the fact that in my opinion his dual capacity is not brought out until section 8 is reached, where he is called an Ambassador Extraordinary and Plenipotentiary.

Reading now for the RECORD, in section 4, page 5, line 12, it is provided:

The Administrator—

That is, the Administrator in the United States—

The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department.

He is then on the top level. I take that language to mean that the Administrator is on the same level with the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, and the other secretaries in the Cabinet. Then it proceeds, in line 15:

Except as otherwise provided in this act, the administration of the provisions of this act is hereby vested in the Administrator and his functions shall be performed under the control of the President.

Let us see what his functions are. I read from page 8:

GENERAL FUNCTIONS OF ADMINISTRATOR

SEC. 5. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this act—

(1) review and appraise the requirements of participating countries for assistance under the terms of this act;

(2) formulate programs of United States assistance under this act, including approval of specific projects which have been submitted to him by the participating countries;

(3) provide for the efficient execution of any such programs as may be placed in operation; and—

I interject at that point that I take it the programs which would be placed in operation would be in one or the other of the 16 participating nations—

(4) terminate provision of assistance or take other remedial action as provided in section 17 of this act.

Those are the functions of the Administrator. Then the bill proceeds in line 16:

(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other.

These two top-level men, one the Administrator and one the Secretary of State, according to the general functions of the Administrator, as set forth on page 8, "shall keep each other fully and currently informed on matters," and, of course, it is absolutely right that they should do so.

(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administra-

tor is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator—

That would be on the top level of a Cabinet secretary—

and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

Mr. President, I can see nothing in the bill, under the functions of the Administrator, or anywhere else, which justifies the Administrator's representative in the foreign countries of Europe being called ambassador extraordinary and plenipotentiary. I feel, Mr. President, that it is the one error of this clause, as proposed to be amended by the Senator from Michigan. I hope that he can see his way clear to satisfy some of us by merely altering that title. I can see no reason for the title. In fact, I can see every reason why the title should be changed to "Agent General for Economic Cooperation."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. BROOKS].

Mr. BROOKS. Mr. President, I simply wish to close with a summary. I am sure the impression has been given, and I am sure the intention of the chairman of the Foreign Relations Committee was to see to it, that business genius and direction shall be employed to bring about the all-important objective to which the measure is dedicated. I am thoroughly convinced that to a great degree any effort on the part of the Administrator will be minimized if there be associated with him in his activity in Europe, even though it may be said that the associate gets his directions from the Administrator, one whose very title, one whose very status, is historically a part of the State Department. If we are going to do something new to try to improve the mistakes of yesterday, we ought to approach the situation very realistically. I have no thought in my mind that the President of this great country does not have the right, as Chief Executive, to have a representative of the highest order representing him in a foreign country. But we should strive to improve on our mistakes of yesterday, and, as all of us know, mistakes have been made. I think another mistake is about to be made by housing this great enterprise, which will run into billions and billions of dollars, under the canopy of the State Department.

In order to have any chance of intelligent operation abroad, the program should be under a business management, and our representative should have a business title. The program should be conducted in accordance with a plan which historically goes to the creative, inventive, and industrial genius of this land, not to diplomacy. We should try to attract to the high post of Administrator, not a diplomatic servant, but a man of the highest business or industrial efficiency and his coordinator, his representative, should be of the same type. The position should be set apart to attract that kind of a man. It should be dignified by giving recognition to the line of endeavor in which we excel. I say again we have not shown ourselves thus far to be intelligent in diplomacy. We are brilliant and we are great in our productive capacity. That element of our genius ought to have full sway as we move into this program.

Mr. President, on my amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, am I to understand that if the amendment offered by the Senator from Illinois, which is now pending, is defeated, the Senator from Michigan will offer the amendments providing the change he suggested?

The PRESIDING OFFICER. The parliamentary situation is that the Senator from Michigan can offer the amendments if he desires.

Mr. WHERRY. Mr. President, were the yeas and nays ordered on the amendment of the Senator from Illinois?

The PRESIDING OFFICER. The yeas and nays were ordered.

Mr. VANDENBERG. Mr. President, the Senator from Michigan is willing to respond to the Senator from New Jersey, that the amendments he speaks of will be offered even though they hardly seem to be deserved under the circumstances.

Mr. HICKENLOOPER. Mr. President, I wonder if the Senator from Michigan would give me some information on a matter respecting which he perhaps may be informed, that is, concerning the position of an ambassador. It runs in my mind that the exclusive right to make the appointment of ambassador lies with the President. Therefore, the ambassador very likely is the servant of the President, if we come down to technical details; not the servant of the State Department.

Mr. VANDENBERG. I think the Senator from Iowa is entirely correct.

Mr. HICKENLOOPER. I do not know whether the Senator from Michigan has discussed that matter before.

Mr. VANDENBERG. I have said so.

Mr. HICKENLOOPER. I am sorry I missed the Senator's statement. I thought, however, the differentiation should be made.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois for himself and other Senators, on page 11, beginning with line 8. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GREEN. I announce that my colleague, the Senator from Rhode Island [Mr. MCGRATH] is absent, presiding over a meeting of the Democratic National Committee. If present he would vote "nay."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is detained on official committee business.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MOORE], and the Senator from Oregon [Mr. MORSE] are necessarily absent. If present and voting, the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Oregon [Mr. MORSE] would vote "nay." If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Texas [Mr. O'DANIEL], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Connecticut [Mr. MCMAHON] is absent on public business.

The Senator from Virginia [Mr. ROBERTSON] is absent on official business.

If present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. MCMAHON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 25, nays 52, as follows:

YEAS—25

Aiken	Chavez	Revercomb
Ball	Dworshak	Robertson, Wyo.
Brewster	Ecton	Russell
Bricker	Ferguson	Taft
Brooks	Hawkes	Watkins
Butler	Jenner	Wherry
Byrd	Kem	Williams
Cain	Langer	
Capehart	McClellan	

NAYS—52

Baldwin	Holland	Pepper
Barkley	Ives	Reed
Buck	Johnson, Colo.	Saltonstall
Capper	Johnston, S. C.	Smith
Connally	Kilgore	Sparkman
Cooper	Knowland	Stennis
Cordon	Lodge	Stewart
Downey	Lucas	Taylor
Eastland	McCarran	Thomas, Okla.
Ellender	McFarland	Thomas, Utah
Flanders	McKellar	Thye
George	Maybank	Tobey
Green	Millikin	Umstead
Gurney	Murray	Vandenberg
Hayden	Myers	Wiley
Hickenlooper	O'Conor	Wilson
Hill	O'Mahoney	
Hoey	Overton	

NOT VOTING—19

Bridges	McMahon	Robertson, Va.
Bushfield	Magnuson	Tydings
Donnell	Malone	Wagner
Fulbright	Martin	White
Hatch	Moore	Young
McCarthy	Morse	
McGrath	O'Daniel	

So the amendment of Mr. BROOKS and other Senators was rejected.

Mr. VANDENBERG. Mr. President, pursuant to the statement I made during the debate regarding those portions of the rejected amendment as to which the proponents of the bill are in agreement, I am quite willing now to offer the two amendments which I indicated at that

time. I assume that they will not be controversial.

I therefore move that on page 11, in section 8, line 16, the words "chief United States representatives" be deleted, and that there be inserted the words "representative of the Administrator, and shall also be the chief representative of the United States Government." The net result will be to identify the Ambassador as the representative of the Administrator.

I offer that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, as a second amendment—and one of the same character, and again carrying out my promise to the Senate—I move the insertion of the following, on page 11, in section 8, line 23, after the word "Europe":

He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 5 of this act. He shall coordinate the activities of the Chiefs of Special Missions provided for in section 9 of this act.

The net effect of the amendment is, in case of collision between the Administrator and the Ambassador, to apply the rule which is followed elsewhere in the bill, namely, that in the case of such a collision, the President of the United States shall be the umpire.

Mr. CONNALLY. Mr. President, the proposed change does not exclude the President's instructions, does it?

Mr. VANDENBERG. Oh, no, indeed. I have made it clear from start to finish that the President is entitled to his own ambassadorial representative and must have him under the circumstances.

Mr. CONNALLY. And his instructions would override the instructions of the Administrator.

Mr. VANDENBERG. Or the instructions of anyone else.

Mr. CONNALLY. That is preserved in this amendment, is it?

Mr. VANDENBERG. That is correct.

Mr. WILSON. Mr. President, should not the Congress be advised in this matter?

Mr. VANDENBERG. There are several points in the bill where it is provided that the Congress is to be advised. In addition, we are creating what has come to be called the "watch-dog" committee, which is a joint committee of the House and Senate which will be entitled to all information of every character at all times.

Mr. WILSON. Mr. President, will the Senator further yield?

Mr. VANDENBERG. Certainly. However, if there is any controversy about this matter, I shall withdraw the amendment, because I wish to have the Senate proceed with the bill.

I yield to the Senator from Iowa.

Mr. WILSON. It occurs to me that the Congress of the United States, as well as the President and others, is entitled to information.

Mr. VANDENBERG. I quite agree with the Senator, and I think the bill provides for it from start to finish.

Mr. WILSON. If I were sure of that, my attitude would be different. But when we insert provisions such as the one the Senator from Michigan has just suggested, we have left out any reference to the legislative branch of the Government.

Mr. VANDENBERG. I call the Senator's attention to the fact that we are considering but one of the many agents of the institution. Certainly the Senator from Iowa does not wish to have all the agents report directly to the Congress.

Mr. WILSON. I quite agree with the Senator from Michigan; but the most important of the three branches of our Government is the legislative branch.

Mr. VANDENBERG. I agree to that.

Mr. WILSON. And the legislative branch should receive reports.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BROOKS. Mr. President, before I offer the next amendment, I should like to express my appreciation to the chairman of the Foreign Relations Committee for presenting these amendments. I think they may improve the bill.

Now I should like to call up the amendment designated with the numbers and letter "3-5-48-B." I offer it, and ask that it be stated. The amendment is offered for myself and various other Senators.

The PRESIDING OFFICER. The amendment will be stated.

The amendment proposed by Mr. BROOKS (for himself, Mr. WHERRY, Mr. REED, Mr. BREWSTER, Mr. CAIN, Mr. ROBERTSON of Wyoming, Mr. DWORSHAK, Mr. HAWKES, Mr. BUTLER, Mr. MALONE, Mr. ECTON, and Mr. WATKINS) was read, as follows:

On page 27, between lines 15 and 16, insert a new subsection as follows:

"(g) Not to exceed 3 percent of the total funds appropriated for the purposes of this act may be employed by the Administrator under such regulations as he shall impose to pay the ocean freight charges from a United States port to a designated port of entry of any of the participating countries, on relief packages conforming to specified size, weight, and contents, originating in the United States and consigned to some individual residing in one of the participating countries.

"All costs of any such relief package, including shipping costs, shall be paid by shipper from point of origin to United States port designated by Administrator.

"The Administrator shall consult with the Secretary of State with a view of having included in bilateral agreements, as authorized under section 15 (a) of this act, right of free entry of such relief packages as are certified as such under authority of the Administrator, into the territory of any participating country. Such bilateral agreements shall also provide for the payment out of sums of local currencies as are placed in a special deposit as provided in section 15 (b) (6) of this act, transportation cost at regular and usual rates, from port of entry of the particular participating country in which the said local currency deposit exists, to designated shipping point of consignee."

Mr. BROOKS. Mr. President, this amendment simply provides that not to exceed 3 percent of the funds—whatever funds shall be appropriated for this program—shall be set aside by the Administrator to help take care of the overseas-transportation cost of individual packages sent by individual citizens or organizations in the United States to individual citizens or organizations in Europe.

Since the close of the war, I have been informed, approximately 90,000,000 packages have been sent by individuals in the United States to individuals in Europe. The testimony given to us by General Clay was that nothing that has been provided has been so effective in creating good will for the United States, and in letting the people of Europe know that the aid comes from the United States and in encouraging them to believe in our system of government and to develop resistance to the miseries of communism, as the individual packages sent from this country to individuals in western Germany.

As a matter of fact, when General Clay wished to increase the coal production in the Ruhr, he went to the organization that is known as CARE, and had it provide for him 350,000 individual packages, which he purchased with public funds, to be used—and they were so used—as incentives to get the individual miners to produce additional amounts of coal. Knowing that they could take home those individual packages to their families, they did produce the additional coal required, and the goal which had been set was reached. General Clay said the only reason why they did not use more was that the CARE organization could not provide more.

I refer to that simply to show that, in his judgment, the individual package is the most effective way of reaching individuals and in letting them know that the aid comes from the United States, and in building good will for the United States.

So, by this amendment I am asking that only 3 percent of the funds be set aside so that the individual in the United States who wishes to contribute more than we are making him contribute when we pass this bill—and no doubt it will be passed—will have that much of the transportation charges paid by all the people of the United States, who will be taxed to pay the cost of this entire bill.

Therefore, I believe that 3 percent of the total funds should be set aside to carry a part of the cost of the transportation of individual packages in this way. That will mean that the individual in the United States will buy his own package under the rules and regulations specified by the Administrator, and will pay the postage to the coast, to a given point—just as we use given points for the transportation of packages to the Army during the war, and just as many institutions use given points in connection with making shipments—and then the Administrator will be responsible for transporting the package from our shore to the shore of the designated foreign country. Then, let their postal system pick it up and pay for it out of what in actuality are American funds, for in

those countries, when we give them supplies, including food, fuel, and fertilizer, they sell them. We give the supplies to their governments and they sell them to their people, taking the local currency. The bill provides for that money to be put into a blocked account, to be used ultimately for whatever purpose the two governments agree.

The amendment merely provides that the mailing cost beyond the port of entry in the foreign country shall be paid out of American money that has been transformed into European currency and held for joint purposes to be agreed upon. I understand the statement is made that there will be certain administrative difficulties. That contention is always advanced, but I wish somebody would explain to me what administrative difficulties there would be in operating a program such as I propose. There is no great difficulty in handling the packages. It is a thing that the postal service does every day. It means a few clerks to receive them, direct them, and adjust the accounts on the other side. It is American money, and under the amendment there would be deducted a part, not to exceed 3 percent, of what we take from all the people, and that amount would be used to transport goodwill packages sent by individuals in America to individuals in Europe, where the recipients cannot mistake that it is charity, that it is good will, and that we do want them to survive. In my judgment this is one of the most effective ways of doing what we at least hope the program will accomplish. I hope the amendment will be accepted.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from North Dakota.

Mr. LANGER. Does the Senator know that this proposal has the enthusiastic support of former Secretary of War Patterson, and that he wrote a letter to the Post Office and Civil Service Committee advocating, not the withholding of 3 percent, but a lower rate of postage? In the month of October last year, 41,000,000 pounds of such mail was shipped to Germany alone, through the individual-package method.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from West Virginia.

Mr. KILGORE. I wish to ask a question about the operation of the program. I note in the amendment that the appropriation is for the purpose of paying ocean-freight charges; the sender pays the postage to the nearest port in our country, and we pay the ocean-freight charges. What arrangement is to be made for delivery of the package in the foreign country?

Mr. BROOKS. The packages would be shipped from the port in our country to the foreign port of entry, where the Administrator would see that they were forwarded through the postal system of the particular country, without disrupting the postal system. The postage would be paid out of the blocked account that comes from goods given them by America, sold to their people, and paid for in the local currency.

Mr. KILGORE. I thank the Senator for his explanation. That is what I wanted to have made clear. I wanted to know how the packages would be cared for abroad.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from Louisiana.

Mr. OVERTON. What, if any, obligations are imposed on the foreign governments to pay for postage on such packages?

Mr. BROOKS. I have provided in the amendment that the Administrator shall enter into agreements with the several countries to take care of that.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from Oregon.

Mr. CORDON. Is it the Senator's purpose to limit the operation of the amendment to individual packages sent to individual persons, and to exclude packages which might be sent by a group, without the packages designating the individual shippers?

Mr. BROOKS. My immediate purpose was to see that individual packages went to individuals. It can be amended to permit organizations to send packages to be distributed. Another thing was omitted, to which the chairman of the Committee on Foreign Relations called my attention. It was that the amendment should contain a penalty provision to safeguard against smuggling. I thought the Senator was at least going to have that language considered by the committee. However, I submit the amendment now for discussion. I think there should be included language providing a penalty for violations in the way of placing in the packages anything not designated by the Administrator. If such an amendment is not suggested by someone else, I shall offer it myself.

Mr. VANDENBERG. Mr. President, this is another of those occasions when I am prepared to agree to language which I think fully accepts the objective to which the able Senator from Illinois addresses his amendment, even though we seem to find it impossible to do it in the precise form and to the extent that he indicates. I shall try very briefly to make the distinctions apparent.

Mr. BROOKS. Mr. President, may I ask the Senator to yield?

Mr. VANDENBERG. I yield.

Mr. BROOKS. In all fairness, I wish to say that I have not seen the language of the amendment up to this moment, and, therefore, I am not sure we can agree. If I were privileged to see the language the Senator is about to suggest, I might agree to it.

Mr. VANDENBERG. I did not mean to indicate that the Senator had agreed. I hoped he would agree.

Mr. BROOKS. I should like the RECORD to show that I do not disagree, provided I can see the provision to which I am asked to agree. I have not seen it. I shall be delighted to see what the distinguished chairman of the Committee on Foreign Relations suggests.

Mr. VANDENBERG. I am sure I was not indicating that the Senator had seen it. I confess very frankly to the Senator that I became very downhearted about submitting amendments to the Senator, after submitting the last two.

First, let me say to the able Senator from North Dakota that I do not think this is the process to which Mr. Patterson was referring in the endorsement which the Senator indicated. I also remind the Senator from North Dakota that he himself is the sponsor of a bill which is still pending in our committee. I asked the chairman of the subcommittee today to submit a report as soon as possible. It in my judgment is a far better answer to the general problem than any approach of this nature, because, as I recall, it has as its direct purpose the reduction of postal rates. I think the Senator may still hope for a report on the bill, one of these days.

Mr. President, there simply can be no doubt in the world about the justification for the statement made by the Senator from Illinois that the direct gift packages from the United States represent the finest missionary work that is done for the humane reputation of the great heart of the United States. I agree with him completely on that point. The trouble with his amendment is this: He has himself indicated one or two of the difficulties. First, I would say to the Senator from Oregon that the first lapse in the amendment is the failure to provide transportation—shall we say subsidies—for organized package charities. That is a particularly glaring omission, inasmuch as we provided in the interim aid bill, at the instance of the Senator from New Jersey, I think a figure of $5,000,000, for transportation charges in connection with organized package gifts abroad. That is not in this amendment.

It will be in the suggestions which I shall presently offer.

Secondly, the amendment as drawn would apply this privilege and subsidy to all participating countries in CEEC. That includes a number of countries which are not to be on an aid basis, which are not even to be on a grant basis, but which are to be either on a strictly cash basis or on a strictly loan basis. I am sure we would not want to extend this privilege, which is in a sense a highly emphasized element of relief, and to make it available to countries which certainly are not on relief, such as Portugal, Switzerland, Ireland, Iceland, and so forth. They would be included, however, in the language of the amendment as offered by the Senator from Illinois.

Thirdly, Mr. President, the Senator's amendment provides the right of free entry for all of the relief packages when they arrive abroad. I think a very strong argument can be made for the right of free entry, but in a very careful examination of the subject, both at the Post Office Department and at the State Department, even I was impressed with the fact that there are almost insurmountable obstacles in the way in trying to get the right of free entry for a flood of innumerable packages, provided we undertake any sort of protection against smuggling. I have made a

very sincere effort, as the Senator from Illinois knows, and have spent 2 days trying to explore the subject. I have done so most sympathetically, and have come to the conclusion that it is not a feasible or practical thing to try to provide free entry for the packages.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I realize the difficulties which the Senator from Michigan has mentioned, but as a practical proposition, the peoples in Europe want free bacon, free butter, and free flour. Why should they not have free entry of the packages?

Mr. VANDENBERG. I have told the Senate what the difficulty is. It has nothing to do with the attitude of gratitude or otherwise on the part of the European peoples. It is purely a practical question of controlling the entry of commodities free as against the entry of commodities which should not enter.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CORDON. As I read the amendment offered by the distinguished Senator from Illinois, I do not understand that there is any requirement of free entry.

Mr. VANDENBERG. That is correct.

Mr. CORDON. It is a matter of discussion. If it were found that it could be done there might be an agreement.

Mr. VANDENBERG. In fact, it applies to the Senator's entire amendment. The amendment provides at the outset that a certain percentage of the total funds may be employed by the Administrator. The entire proposal is optional. I did not mean to indicate otherwise.

Does the Senator want to ask another question?

Mr. CORDON. The word "may" may be construed to mean "shall." I am inclined to believe it should be so construed to the extent that the funds are necessary for that purpose.

Mr. VANDENBERG. The fourth difficulty with the amendment in the form in which it is submitted by the Senator from Illinois, seems to the proponents of the bill to be the amount of 3 percent. Here, again, the wording is "not to exceed." Yet it is something of an identification. The amount involved, if it were anything like 3 percent of $5,000,000,000, would be $150,000,000. So far as we can find from the records, the total value of all of the exports of this character last year was approximately $150,000,000. So far as I am advised, the transportation cost is approximately 10 percent of the total value. So it would seem that pegging the figure at that point rather exaggerates the expectation of the Congress in connection with what is expected of the Administrator.

Having made that statement, I indicate that the following language could be accepted:

In order to further the efficient use of the United States voluntary contributions for relief in participating countries receiving assistance under this act in the form of grants—

I interrupt myself there to indicate that that is the point at which we define the countries which are eligible—

funds made available for the purposes of this act may be used—

Without any identification of a figure—

funds made available for the purposes of this act may be used in the discretion of the Administrator, and under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (i) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies licensed for operation in Europe, or (ii) of relief packages conforming to such specified size, weight, and contents as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this act in the form of grants, provided that such relief packages have been accepted for shipment by a licensed United States voluntary nonprofit relief agency.

I think I ought to stop at that point, but to show the extent to which I have tried, without too much success, to cooperate with my friend from Illinois, this further language appears in the suggestion which I am offering:

The Administrator may make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 15 of this act, for the purpose of defraying the transportation cost of such supplies and relief packages from that port of entry of such country to the designated shipping point of consignee.

I am prepared to offer this suggestion to be made a part of the bill, if the amendment submitted by the Senator from Illinois is either withdrawn or rejected.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. VANDENBERG. In just a moment. I think it meets every purpose that my able friend from Illinois has in mind, except the right of free entry. It goes beyond what my able friend from Illinois had in mind, by covering the question of supplies handled by United States voluntary nonprofit relief agencies. I think they are the most important factor of all in the equation.

I now yield to the Senator from Oregon.

Mr. CORDON. I am very much interested in the offer indicated by the distinguished chairman of the Foreign Relations Committee. I would hope we might take his language insofar as it identifies the senders of packages, the recipients of the packages, and the countries in which the recipients reside. I should like to see that language used in lieu of the language in the amendment offered by the Senator from Illinois, down to line 9 on page 2, and that portion of the offered amendment to the effect that the Administrator may discuss with the several countries the matter of entry or the matter of the use of impounded funds for the payment of transportation charges, be eliminated, and the language used by the Senator from Illinois, beginning with line 9 and continuing to line 20, be inserted.

My reason for taking that position is that I should like to have a mandate upon the Administrator that he attempt to obtain free entry. If it cannot be done, very well, but I should like to have the Congress direct him to attempt to do that.

As to the cost of sending the packages, inasmuch as the cost is paid for out of funds which will be impounded for some unknown length of time in the future, and inasmuch as the articles contained in the package are for the benefit of the people of the recipient country, I should like to see the requirement that the money be paid from those impounded funds which, as the Senator from Illinois has said, represent merely the changing of American dollars into the currency of the country in question.

Mr. CHAVEZ obtained the floor.

Mr. LANGER. Mr. President——

Mr. CHAVEZ. I was about to make a statement, and if the Senator from North Dakota is about to make a speech, of course, I do not care to yield.

Mr. LANGER. I wish to ask a question of the chairman of the committee.

Mr. CHAVEZ. I yield for that purpose.

Mr. LANGER. I wonder if the Senator could not modify the amendment in some way so as to include Germany and Austria.

Mr. VANDENBERG. It does include Austria, and does include the American zone in Germany. There is no way to take it beyond the jurisdiction of this group of 16 nations, plus western Germany.

Mr. CHAVEZ. Mr. President, I am in full agreement with the remarks of the Senator from Oregon. I cannot see that the Senator from Michigan made a convincing answer as to why the recipient countries should not be willing to give free entry for things which go to them without cost.

As I understand, the idea of the bill is to help the European countries in several ways to rehabilitate themselves, to take care of the poor, and to take care of people who are hungry, and that is a worthy objective. But if the Senate is justified in giving American taxpayers' dollars to buy food for people who are hungry, I cannot see any reason whatsoever why the recipient countries, which are receiving these things without cost to them, should not be willing at least to cooperate with the American public, the American taxpayer, the American citizen, who in his charity is willing to dig into his pocket to buy bacon, butter, eggs, and whatever else the recipients need to eat, and allow the goods to be received free of entry charge.

On the 15th of March the average citizen pays his taxes. It is expected that our citizens shall pay their proportionate share of taxes and then pay duty on the articles they send to individuals in foreign countries? I think that would be going a little too far.

I hope the suggestion made by the Senator from Oregon and the Senator from Illinois will be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. BROOKS]. [Putting the question.] The "noes" appear to have it——

Mr. WHERRY. I ask for a division.

The PRESIDING OFFICER. All those in favor of the amendment of the Senator from Illinois will rise and remain standing until counted. [Counting.] Those opposed to the amendment will rise. [Counting.] The result is a tie.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll, and Mr. BALDWIN voted in the affirmative when his name was called.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. I thought that when there was a tie vote the question failed.

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. Mr. President, the yeas and nays were ordered, and are we not now in process of taking the yeas and nays?

The PRESIDING OFFICER. The yeas and nays must proceed unless by unanimous consent they are halted.

The legislative clerk resumed calling the roll, and Mr. BALL voted in the affirmative when his name was called.

Mr. CORDON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CORDON. If the amendment now being voted on should be defeated, would it be in order, under the rules, to offer an amendment, for example, such as that indicated by the senior Senator from Michigan?

Mr. WILSON. Mr. President——

The PRESIDING OFFICER. In the opinion of the Chair, after the pending amendment is disposed of, any other amendment will be in order, if materially changed.

Mr. CORDON. Even though it is of the same general tenor?

Mr. WILSON. Mr. President, I make the point of order that in the progress of a roll call the question of the Senator from Oregon is out of order.

The PRESIDING OFFICER. The clerk will continue the call of the roll.

The legislative clerk resumed and concluded the calling of the roll.

Mr. GREEN. I announce that my colleague, the Senator from Rhode Island [Mr. MCGRATH] is absent, presiding over a meeting of the Democratic National Committee, and if present would vote "nay."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is detained on official committee business.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MOORE], and the Senator from Oregon [Mr. MORSE] are necessarily absent. If present and voting, the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Oregon [Mr. MORSE] would vote "nay." The Senator from Vermont [Mr. FLANDERS], and the Senator from Nevada [Mr. MALONE], if present and voting, would vote "yea."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from California [Mr. DOWNEY], the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Texas [Mr. O'DANIEL], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Connecticut [Mr. MCMAHON] is absent on public business.

The Senator from Virginia [Mr. ROBERTSON] is absent on official business. If present he would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced, yeas 34, nays 38, as follows:

YEAS—34

Baldwin	Dworshak	Overton
Ball	Ecton	Reed
Brewster	Hawkes	Revercomb
Bricker	Jenner	Robertson, Wyo.
Brooks	Johnson, Colo.	Stennis
Buck	Johnston, S. C.	Taft
Butler	Kem	Watkins
Byrd	Langer	Wherry
Cain	McClellan	Williams
Capehart	McFarland	Wilson
Chavez	Maybank	
Cooper	Millikin	

NAYS—38

Aiken	Holland	Russell
Barkley	Ives	Saltonstall
Capper	Kilgore	Smith
Connally	Knowland	Sparkman
Cordon	Lodge	Stewart
Eastland	Lucas	Taylor
Ellender	McCarran	Thomas, Okla.
Ferguson	McKellar	Thye
George	Murray	Tobey
Green	Myers	Umstead
Gurney	O'Conor	Vandenberg
Hickenlooper	O'Mahoney	Wiley
Hoey	Pepper	

NOT VOTING—24

Bridges	Hill	Morse
Bushfield	McCarthy	O'Daniel
Donnell	McGrath	Robertson, Va.
Downey	McMahon	Thomas, Utah
Flanders	Magnuson	Tydings
Fulbright	Malone	Wagner
Hatch	Martin	White
Hayden	Moore	Young

So Mr. BROOKS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BROOKS. Mr. President, during the previous discussion the distinguished chairman of the Foreign Relations Committee submitted substitute language for the amendment I had offered. I understand that as soon as he confers further about the language it will be offered to the Senate as an amendment.

Mr. VANDENBERG. The Senator is correct.

Mr. BROOKS. Instead of calling up my amendment B and taking the time of the Senate, after having conferred with the distinguished chairman of the Foreign Relations Committee, I offer the following amendment in lieu thereof: On page 13, section 9 (b), line 8, after the word "mission", I propose to insert the following: "and the United States Special Representative in Europe."

Mr. VANDENBERG. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was agreed to.

Mr. COOPER. Mr. President, I offer an amendment which now lies on the table and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, between lines 5 and 6, it is proposed to insert the following new subsection:

(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer is inconsistent with the purposes and provisions of this act, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

Mr. COOPER. Mr. President, the amendment which I have submitted has two purposes. The first is procedural and is designed to avoid, as far as possible, any disagreement between the Administrator of the European recovery program and the delegate of the President's power to control exports. Under the provisions of Public Law 395, which became effective December 30, 1947, the power of the President to control exports was extended to February 28, 1949, and he was authorized to delegate his power. He did delegate his power, by Executive order, to the Secretary of Commerce. Under the delegation of authority, the Secretary of Commerce has power to determine whether or not a commodity

shall be exported, the volume in which it shall be exported, to designate the countries to which it may be exported, and to fix quantities for the designated countries. This power extends to the 16 countries participating in this program. It follows that he could deny or limit exports proposed by the Administrator.

I do not mean to say that the present Secretary of Commerce would arbitrarily use this power. We know of his interest in the success of the recovery program. Nevertheless, he is charged by law with the operation of the Export Control Act under policies declared in the act which are more extensive than the policy which underlies this program. It is his duty to take into consideration the entire foreign policy of our country, the maintenance of trade relations with other countries throughout the world, the needs of our occupied areas, the protection of the domestic economy, and it is entirely possible that there might be disagreements. My amendment seeks to avoid disagreement by providing that each shall confer with the other on matters which are pertinent to the duties of the other, and that in the event of a disagreement the matter shall be referred to the President for settlement. It is similar to the provision in section 5 (b) (2), which provides for conciliation of differences between the Secretary of State and the Administrator.

Before I close I should like to invite the attention of the Senate to one other subject. If this measure is as important as we say it is and believe it to be, export of commodities to the 16 participating countries and to other countries which give assistance should have priority in the export program.

A great many people believe that the shortages, high prices, and inflation under which we suffer have been caused in large degree by exports to war-devastated countries. Such is not the case, for these are not the greatest part of the exports which have been going to every section of the world. The most recent report of the Secretary of Commerce shows that of the total exports of critical commodities in 1947, only 30 percent of the steel-mill products, 8.9 percent of iron and steel scrap, 50.5 percent of solid fuels, 40 percent of liquid-petroleum products, and 60 percent of grains went to the war-devastated countries of western Europe. The remainder was scattered throughout the world.

It is necessary that the regular channels of trade to other countries be kept open, that provisions for occupied areas be made. But, if this program is as important as we say it is, priority should be given to exports to the 16 participating countries. It is my opinion that the diffusion of exports throughout the world, without priority, arises from a division of authority and failure to fit responsibility in the export-control program. The Department of Commerce controls industrial exports, the Department of Agriculture, food, and various committees wrestle with the problem. I do not believe that we will have any great success in the control of exports, in the protection of the domestic economy, and in giving priority to those areas which are most important to our policies, until statutory provision is made for the appointment of an Administrator of Exports, to be confirmed by the Senate, who will consider the program as a whole. This amendment will not give priority to the needs of the 16 participating countries, but it will give the Administrator the opportunity to present his views at the earliest opportunity, to reach an early decision upon disagreement, and perhaps to that extent he will receive in practice, the priority which this program deserves.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

Mr. VANDENBERG. Mr. President, it is my understanding that the net effect of this amendment is simply to provide that the President shall be the umpire in disputes between the Secretary of Commerce and the Administrator regarding export problems. I think it is entirely appropriate, and I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

Mr. BREWSTER. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Maine will be stated.

The CHIEF CLERK. On page 32, it is proposed to strike out line 21 and insert in lieu thereof the words "Other Duties of the Administrator."

On page 32, line 22, after "Sec. 16", it is proposed to insert "(a)."

On page 33, after line 4, it is proposed to insert:

(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

Mr. BREWSTER. Mr. President, this amendment proceeds on the assumption that we may perhaps have a period of peace. I think it is well to consider at least that possibility.

Second, it recognizes that in the report of the European committee it is estimated that more than $2,000,000,000 would be spent in Europe in travel, and that that would be the greatest single contribution to placing Europe on a going basis. That is help which America may extend both in its own interest and in the interest of those countries. The Harriman committee estimated that this help would amount to more than $3,000,000,000. So I think it may be well to make this gesture, at least, to instruct the Administrator to encourage one of the most productive means of recapturing some portion of our investment. I am sure that as time goes on it will come to be recognized as a very great contributing factor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine [Mr. BREWSTER].

Mr. VANDENBERG. Mr. President, I have no objection to the amendment.

The amendment was agreed to.

Mr. BREWSTER. Mr. President, I ask that at the conclusion of my remarks there be included a statement which I made before the Committee on Foreign Relations; also a more extended statement which I prepared at the suggestion of the Senator from Michigan, Chairman of the committee, but which, through inadvertence, was not incorporated in the record of the hearings.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BREWSTER TO COMMITTEE ON FOREIGN RELATIONS

I am submitting an amendment which directs the Administrator to facilitate and encourage the promotion of travel by United States citizens to and within the participating countries.

The great importance of the travel factor in the recovery of the participating countries is too little appreciated. The Technical Committee of these nations has calculated that travel by tourists will yield approximately $2,011,000,000 within the next 4 years. I think that there will be very little disagreement with the opinion that this figure has been very conservatively estimated.

Tourist dollars are the most efficient currency. Eighty-five cents of every dollar spent by an American tourist remains behind since it is spent on services and visits to historic monuments and cultural institutions, which by their very nature cannot be depleted and of which European countries have a great abundance.

One of the chief problems in Europe is the shortage of goods, from which stems a shortage of dollars. Therefore, the encouragement of travel better than any other method, will make it possible for the countries participating in the ECA to increase their stocks of efficient currency without at the same time depleting their stocks of commodities.

The Department of Commerce estimates that on the basis of a national income of approximately $180,000,000,000, $645,000,000 will be carried into the western Europe and Mediterranean areas by American tourists annually. This figure is larger than the estimate made by the participating nations.

The Department has based its estimates upon the travel pattern in the years before the war. It does not take into consideration such factors as the GI's interest in returning to visit the friends he made when he was in this area during the war nor the time saving factor which the airplane brings into this situation.

The Bureau of Labor Statistics advises that 86 percent of all persons engaged in American industry enjoy paid vacations. These studies disclose that 56 percent receive 8 days to 2 weeks annually, that only approximately 5 percent are eligible for paid vacations in excess of 2 weeks. With such limited time in which to enjoy a holiday very few of these people could in the past hope to go abroad. Now, however, it is possible for them to board a plane in the afternoon of one day and arrive in London the next morning, giving them virtually their entire holiday overseas. With encouragement and an effort on the part of Government to eliminate travel barriers, the $2,011,000,000 which the participating countries expect can be expanded into $4,000,000,000 or more. That is by no means a minor consideration in the problem which we are at this time considering.

Travel should be encouraged because of its social effect.

Charles Lamb wisely said: "Do not introduce me to that man because I could no

longer hate him." That comment points up very well the effect of becoming acquainted. Anything we can do to encourage an interchange of visits between our people and the people of the participating nations would be wonderfully effective in laying a sound foundation for future peace and good will on the earth.

FEBRUARY 7, 1948.

Hon. ARTHUR H. VANDENBERG,
Chairman, Senate Foreign Relations Committee, Washington, D. C.

MY DEAR SENATOR: Confirming our conversation, I am happy to amplify our discussion for the record of your committee on the significance of travel in the European recovery program.

Very little has been said in the discussions before your committee on this point, although the general report of the Committee of European Economic Cooperation states: "Tourism is one of the invisible exports upon which participating countries will increasingly rely as a means of balancing their accounts with the rest of the world. In this field," says the report, "as in that of trade, the relaxation of restrictions would be of assistance toward the main objective."

The tourist industry in England and on the Continent feels that the CEEC did not go nearly far enough in stressing the significance of travel, because, as they point out, the travel industry is one of the most important industries in those countries and should be one of the very first to receive recovery aid.

The world today and its member nations, including the United States, are faced with two major and crucial issues: Developing a healthy interlocking economy, and maintaining the peace, the former being the direct objective of the Marshall plan and the latter being the indirect. Encouragement of travel by these nations, and especially by the United States, I am convinced, will contribute toward the attainment of both objectives. Travel by Americans in foreign countries will help deliver to them a continuous diet of dollars, of which there is a dangerous deficiency. It will also establish a mutual appreciation of cultural and scientific contributions, from which will stem a better understanding with the resultant strengthening of ties which makes for continued peace.

If it is true that dollars and mutual understanding will tend to produce a fair solution to the problems of this postwar world, then travel will do much to help bring about that solution. While your committee has freed itself from considering a definite sum of money to be spent, the fact is recognized that whether that sum is going to be five or twenty-five billion dollars, the expenditure of large sums will be necessary. Travel can supply a substantial portion of that sum, thus releasing much of the pressure upon the United States Treasury and taxpayers. Every dollar spent by an American tourist is a dollar saved to the American taxpayer. Furthermore, every dollar spent by our travelers is a dollar spent for insurance on our investment in their recovery and a powerful factor in hastening full rehabilitation.

It is coming to be recognized that the expenditure for travel is the most efficient way to deliver dollars to countries in need of them. Tourists take very little in actual goods out of the countries they visit, leaving a very large percentage of their money behind, most of it spent on services and visits to historical monuments and institutions which by their nature cannot be depleted and of which foreign countries have an abundance. Lord Hacking of the British Travel Association says that 85 percent of the tourist dollar spent in Britain stays there to benefit their general economy.

If it were not for the fact that the participating countries are short of goods, short to the extent that their own immediate needs cannot be satisfied, the problem of acquiring and accumulating dollar reserves would not be so severe. They would merely draw upon their surplus manufactures for export for which they would be paid in dollars. The problem, therefore, is a shortage of goods, from which stems a shortage of efficient currency. Travel better than any other means will make it possible for those countries to increase their dollar stocks without at the same time depleting their already meager stocks of goods.

As chairman of a Subcommittee on Travel holding hearings last spring on a resolution to study means for eliminating or relaxing barriers to foreign travel, strong evidence was introduced showing the necessity for broadening our national perspective and making it easy for our citizens to travel to other countries. Spokesmen from Government, air lines, steamship companies, the Pan American Union, and others urged the importance of the travel industry in international economy. Now the Marshall plan comes along to emphasize the necessity for and the problem of getting dollars into Europe. Travel has always been an important factor in international trade. Before the war Americans took with them hundreds of millions of dollars to foreign countries.

Statistical studies by the Department of Commerce show that approximately $8,000,000,000 were spent on foreign travel by Americans over the 20-year period 1919–39, an annual average of $400,000,000. In a single year, 1929, almost $700,000,000 was so spent. Our national income for 1929 was $87,400,000,000.

The special significance of these figures is that they establish foreign travel, an invisible import, as larger than any single imported commodity. The sum spent on travel was almost twice as large as that spent for sugar—the largest import during the 1919–39 period, and considerably more than twice as large as the amount spent for any other items. Travel, therefore, is a vitally important item in our international balance of payments and deserves greater attention than it has had in the past—more particularly because it is the item capable of almost unlimited expansion.

The Secretary of Commerce, testifying on Senate Resolution 111 in June 1947, estimated that on a national income of between $150,000,000,000 to $200,000,000,000 the travel item would become $1,200,000,000 to $1,600,000,000.

These estimates are admittedly very conservative. They are based on the pattern which existed before the war and do not account for the GI interest in returning to visit friends he made during the war, nor the technological developments in air transportation.

Assuming our national income should double, it is certain that travel expenditures by Americans would more than double for our tourists would purchase many more things overseas, due to shortages at home. Such purchasing has a definite anti-inflationary effect.

I think the time-saving factor which air travel affords will tremendously expand the overseas movement of American tourists. Now a man who has only a 2-week vacation can reach London or Paris overnight and spend his entire holiday in Europe.

At a conference in Brussels during an aerial survey of conditions in Europe last November and December there was every evidence of an awakening on the part of the British, the French, the Swiss, the Norwegians, and the Swedes, to the importance of the tourist dollar. This awakening was also confirmed in discussions with officials of the British Tourist Association. The British, in particular, are extending themselves to provide accommodations for tourists this summer.

Mr. Ernest W. Wimble, General Manager of the British Workers Travel Association, tells me that arrangements will be made this summer to extend the same accommodations to United States tourists as are available to British workers which provide tours to every corner of the British Isles for $50 a week, including transportation, bed, and board. With the recent devaluation of the franc, France promises to attract many an American this summer.

Transportation, however, seems likely to be a considerable stumbling block to a wholesale tourist movement of Americans to Europe this summer. The facilities of the American merchant marine are far below those available before the war. We have in fact only two first-class vessels plying the North Atlantic capable of carrying important numbers, the U. S. Lines' *America* and the *Washington*. These two boats carry a total of 2,157 passengers on a sailing. The American Export Lines operate a vessel on the North Atlantic which accommodates 504 passengers. Thus, the total capacity on United States merchant marine vessels for North Atlantic crossings is only 2,661 persons a round trip. Assuming 10 crossings during the season, they will care for only 26,610 persons.

Our merchant marine has fallen into a sad state and unless it gets considerable aid may well find itself gradually getting worse. In 1939, 31 American shipping companies operated 127 passenger vessels with gross tonnage of 980,000 capable of accommodating 38,000 passengers. Today only 14 American companies are in operation with 50 passenger vessels of 401,000 gross tons and passenger capacity of 13,703 persons.

The Maritime Commission is planning the operation of 10 vessels of the Army transport type this summer, but their capacity is only 600 persons per ship on a crossing. These boats are operated by agency companies (U. S. Lines to north Europe and American Export Lines to the Mediterranean) under the supervision of the State Department. Cost of round-trip passage to London ranges from $234 for males who use troop quarters type accommodations to $350 for women housed in staterooms and dormitories 6 to 24 in a room.

A survey of the potentials for 1948 indicates that approximately 375,000 persons can be accommodated this year by combined United States- and foreign-flag lines against a demand of 450,000. Many Americans who have the means and the desire to travel to Europe feel that their presence in countries where people are suffering from food and other shortages would only aggravate an already bad situation. The facts, however, in this respect are somewhat anomalous in that the dollars they spend in those countries enable them readily to replace the food and to purchase many other items badly needed to produce the things they in turn can sell. Actually the amount of exchange created by tourists is immense in relation to the significant part of the total food supply they will consume.

Air transport promises a brighter prospect and except for the high rates our scheduled carriers are obliged to charge for an Atlantic crossing under the ICAO agreements, tremendous impetus would be given this year to demand for flights to Europe. Trends have been observed by people in the travel industry indicating that luxury travel will cling to the steamship while the economy minded will go by air.

The statisticians in the Office of Business Economics in the Department of Commerce have broken down the over-all estimates of $1,200,000,000 to $1,600,000,000 for foreign travel on a national income of 150 to 200 billion dollars. Taking $180,000,000,000 as the assumed national income, they estimate $645,000,000 will be spent in Europe and the Mediterranean.

These calculations again are based on the travel pattern as we knew it before the war, and in my judgment greatly underestimate

the volume of tourist traffic, once transportation facilities are adequate. The time-saving factor in air travel and the virtual certainty that rates of fare will be greatly reduced in the near future convince me that we may safely raise the Commerce Department's estimates of tourist travel to Europe and the Mediterranean to at least a billion dollars.

Thus, in the 4-year period which the proponents of the Marshall plan regard as the time required to rehabilitate the 16 participating nations, travel potentially could contribute four billion directly into the economies of those nations if the necessary steps are taken to encourage it, i. e., (1) elimination of barriers, (2) development of transport facilities, (3) lowering costs, and (4) full cooperation by the beneficiary nations. And those dollars will immediately reach into the grass roots of the economies of those countries, thus generating greater business confidence there than any other kind of dollar could do. The investment we make, therefore, in their recovery by direct grants and loans will be greatly protected and all will be the happier.

The fundamental thesis of the whole program is to help Europe help itself. Nothing could possibly render greater aid on this basis than to help stimulate a large tourist movement into Europe and the Mediterranean. By encouraging a vigorous tourist movement to the Marshall plan countries we make it possible for them to earn the dollars they need so desperately, and on a thoroughly self-respecting basis.

To that end, it is to be hoped that the importance of travel will be recognized in all appropriate ways, both in the legislation on, and the administration of, the European recovery program.

Cordially yours,

OWEN BREWSTER,
United States Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WHERRY. Mr. President, I shall be perfectly willing to yield to any Senator who would like to have the floor at this time for any purpose. Otherwise, this apparently concludes all the amendments which can be considered today. There are about four or five amendments which will be ready for consideration tomorrow. The Senator from Connecticut [Mr. MCMAHON] was compelled to be absent today because of the funeral of the Governor of Connecticut. He will be present tomorrow.

One or two amendments are being drafted, having to do with the procurement of commodities for transportation overseas. Those amendments are not yet ready for consideration.

There are three or four amendments involving off-shore purchases and reduction of amounts, which will be ready for consideration tomorrow.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. PEPPER. May I address an inquiry to the Senator from Michigan before we take a recess? Will the Senator be good enough to tell me what is the present status of our contribution to the International Children's Relief Fund?

Mr. VANDENBERG. Mr. President, I think the Senator from New Jersey [Mr. SMITH] can respond to that inquiry more accurately than I can, inasmuch as he handled that portion of the legislation.

Mr. SMITH. Mr. President, as I understand, we are still trying to raise our participating share in the $50,000,000 fund originally contemplated. We are to raise a certain part, and the other nations a certain part.

Mr. PEPPER. I should like to ask two questions: First, what is the total which has been appropriated by all who are to take part in the contribution? Second, how much have we contributed, and how much are we presently committed to contribute?

Mr. SMITH. I cannot give the exact figures, but the total appropriation was $50,000,000 for this year, as I understand.

Mr. PEPPER. Is that our contribution?

Mr. SMITH. No; that is the entire amount of the International Children's Relief Fund, under the United Nations. Our share was approximately 50 percent, or, roughly, $25,000,000, of which I think we have contributed about $15,000,000. We will pay the remainder when the other participating countries have come in. I am speaking from memory, after a conference which I attended a few days ago in an effort to get things straightened out in my own mind.

Mr. PEPPER. Was that for the fiscal year 1948?

Mr. SMITH. That was for the fiscal year. An attempt is now being made to have the legislation continued, but with a figure of $100,000,000 for the next fiscal year. That is the latest information which I have received. It is not official.

Mr. PEPPER. Does the $100,000,000 represent the contribution of all countries participating? Is that the total fund?

Mr. SMITH. That is my understanding—on a matching basis.

Mr. PEPPER. Can the Senator tell me what our proportion of the $100,000,000 will be?

Mr. SMITH. The percentages are the same as they have been in the past. Our share will be approximately 50 percent. I cannot say exactly. I shall be glad to obtain the information for the Senator, because I know those who are dealing with this question. I am simply giving from memory what I have been told recently.

Mr. SALTONSTALL. Mr. President, may I ask the acting majority leader the plans with relation to a Saturday session—whether that is a reasonable certainty, or whether it is still in the air?

Mr. WHERRY. It is reasonably certain if it meets with the approval of the Senate. If the pending legislation is not concluded in the night session tomorrow night there will be a Saturday session. Our intention is to go straight through, taking up the amendments and voting them up or down, with the hope of concluding consideration of the bill as soon as possible. If the bill is not concluded on Friday night, as announced earlier in the week, there will be a Saturday session.

We have a very full day planned for tomorrow. Depending upon the debate and the number of amendments which are offered, it is our intention, if it meets with the approval of the Senate, to continue tomorrow and tomorrow night, and Saturday if necessary.

Mr. BALL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALL. I think it might be wise to serve notice on the Senate also that since we plan to finish with ERP this week, I propose to try to take up Reorganization Plan No. 1 on Monday. I think we can agree on a limitation of debate to about 4 hours, or perhaps less, on that measure.

Mr. WHERRY. My understanding is that an agreement has already been made. A motion to proceed to the consideration of Reorganization Plan No. 1 would be a privileged motion. There was some question as to whether it would be taken up on Monday. I am glad that the Senator has made the announcement.

Mr. BALL. I thank the Senator.

RECESS

Mr. WHERRY. Mr. President, there is no object in keeping the Senate in session any longer today, and I now move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 12, 1948, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 11, 1948

The House met at 11 o'clock a. m.

Dr. Ewart H. Wyle, First Christian Church, Tyler, Tex., offered the following prayer:

Almighty God, Father of all mankind, we come to Thee because we acknowledge our weakness and our sense of need. The responsibilities which we carry are beyond the strength of human shoulders. But Thou hast a strength sufficient for our every need.

We are Thy children, often confused by the complications of a trying hour, often blinded by our own little desires. Forgive us, we beseech Thee, our many mistakes, both of omission and commission.

Thou hast created heaven and earth. Thou hast made order in a universe so complex that our little minds cannot conceive of its greatness. Thou hast made the mind of man that has achieved incredible things in these days. So often we rely upon these creations of our own hands and forget that Thou hast graciously shared Thyself with us through the medium of great accomplishments.

For those whom the people of this free land have honored with positions of trust, especially the Members of this House of Representatives, we pray this day. Give to them the wisdom and the courage to measure up to their responsibilities to their God and to their fellow men.

Grant us a sense of Thine own greatness and nearness, that from the complex offerings of life we may be big enough to choose the highest and the best.

Make us grateful in deed as well as word for the sacrifices of brave men, who not only conceived this, our Nation, in liberty, but, when called upon, laid down their lives that freedom and justice might live.

Give to us a sense of humbleness as we face our place among the nations. May our leadership be more than that of material possessions and accumulations of power. May we seek to share Thy graciousness to these United States among the peoples of the world. Make us not only statesmen of a mighty nation, but make us statesmen of a kingdom of fraternity and human welfare that shall hasten the day when men shall dwell together in peace and security. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that in the remarks I hope to make in the Committee of the Whole today I may include certain excerpts and tables.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include extraneous material.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ESTABLISHMENT OF A FOREIGN-TRADE ZONE AT THE CITY OF SAN FRANCISCO

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a speech I made yesterday.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, yesterday Secretary of Commerce Harriman, acting in his capacity as Chairman of the Foreign-Trade Zones Board, formally signed the charter granting to the port of San Francisco a foreign-trade zone. I was present on this great occasion and include the following remarks made by me at this important event which marks another advanced step in our Nation's foreign trade:

Gentlemen, I am glad to be present on this important occasion authorizing the establishment of a foreign-trade zone in the great international seaport city of San Francisco. I have been deeply interested in this matter for many years. I was chairman of the Committee on Foreign Trade Zones in San Francisco prior to coming to Congress 22 years ago, and I introduced one of the first bills in Congress on this subject.

These zones, which are extraterritorial in character, necessitate that the greatest possible care be exercised in their location and management. The act permits the establishment of these zones at or adjacent to ports of entry and places their administration under a Federal board consisting of the Secretaries of Commerce, Treasury, and War, with the Secretary of Commerce as chairman.

I desire at this time to express my appreciation to the Federal Board for making possible a foreign-trade zone in San Francisco, to the board of State harbor commissioners in that city for its splendid cooperation, also to the San Francisco Chamber of Commerce for its untiring efforts, and to other bodies that have assisted in presenting the facts required by the Federal Board which is authorized under the law to issue charters for foreign-trade zones. This is the third zone authorized under the law and the first on the Pacific coast. This zone, like other foreign-trade zones, will be a means of promoting trade and commerce of the United States and will eliminate burdensome, costly red-tape delays in reexport trade. This zone will be of economic value to the entire Nation. While I have been a firm advocate of foreign-trade zones in this country, I realize that their value will depend largely on a strong American merchant marine. It is our bounden duty to maintain an American merchant marine adequate for national defense and a wholesome peacetime economy.

EXTENSION OF REMARKS

Mr. JONES of Washington asked and was given permission to extend his remarks in the RECORD and include a statement he made yesterday before the Special Senate Committee To Study the Problems of American Small Business regarding the price criteria in licensing exports.

Mrs. BOLTON (at the request of Mr. SMITH of Wisconsin) was given permission to extend her remarks in the RECORD and include a poem.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the March 1948 Record of the Association of the Bar of the City of New York. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $248.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

TRUMAN-MARSHALL POLICY

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, by unconditional surrender, the United States Government wrecked Germany and Japan. Those nations were ready, willing, and able to bottle up communism, and were strategically located to do so. But the Truman-Marshall policy was not intelligent enough to stop with Axis military defeat. It was to ruthlessly destroy those natural defenses against the spread of communism. That policy, like Roosevelt's actions since 1933, played perfectly into Russia's hands.

Now these same officials tell the world they can undo the crime of turning communism loose by dollar hand-outs in the Marshall plan.

Mr. Speaker, by their fruits ye shall know them. Wherever in the world these American internationalists have meddled there is tyranny, tragedy, and human suffering—in Greece, China, Palestine, Czechoslovakia, and Yugoslavia—to name only a few.

The lesson should be plain, but there is no sign yet that Congress has learned it. Every move abroad conceived by Truman and Marshall has played into Communist hands. The Marshall plan is another installment of this ride toward the destruction of western Christian civilization—by American internationalists who seem to be trying to supplant God Himself as the Ruler of the Universe.

COMPULSORY MILITARY TRAINING

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDOWELL. Mr. Speaker, ever since the first peacetime compulsory military draft was proposed in this House in the late thirties, I have consistently opposed peacetime military training as being a European way of life that has never been successful and would only cause needless disturbances in the lives of young men of America and in the funds of the taxpayers of the Nation. However, I have always qualified my opposition to peacetime military training with the statement that if I received information from reliable sources indicating that my country was in danger, I would instantly change my position and vote for a draft. I propose to do just that this morning. As a matter of fact, I no longer consider that America is at peace. Only last week, an American soldier walking with his girl on a European street was clubbed by a Russian soldier, shot in the back, and kicked into the gutter. Advices from Yugoslavia and Italy indicate that serious military disturbances will shortly occur there. I feel that the world is on the verge of war and that it is the patriotic duty of American officials to realize this serious threat to our national security. Therefore, Mr. Speaker, I shall support any proper measure to arm and train the fighting men of the United States.

FEPC IN NEW YORK

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, according to the RECORD of February 24, 1948, page 1620, the gentleman from Mississippi [Mr. RANKIN] is quoted as follows:

> The gentleman from New York [Mr. MULTER] a while ago said they were going to impose this same FEPC that they are running businessmen out of New York with on the whole country.

I did not say that. He was probably referring to what some other gentleman said. At the same time, to the extent that he indicates my sentiments in favor of FEPC, he is correct. I rise at this moment merely to correct the statement that FEPC in New York State is running business out of New York. I have before me a communication from the director of the division of economic development of the Department of Commerce of the State of New York, which is in part:

In September 1947, "there were 530,000 firms in the State, 50,000 more than just before Pearl Harbor, and 130,000 more than at the wartime low."

Since then "the number of firms has increased and is now estimated to be more han 540,000.'"

The New York State Commerce Review of February 1948, an official publication of the New York State Department of Commerce, gives us this authentic information:

> The basic strength and stability of the State's economy is reflected in the general confidence displayed by business. Evidences of this confidence are to be found in the continued increase in the number of business firms operating in the State, in the successful disposal of most surplus war plants to operating manufacturers, and in the construction of new industrial and commercial buildings throughout the State.

The same official publication further tells us:

> The increase in business firms operating in the State broke all previous records in 1946 and continued in 1947 at a reduced rate. * * * During 1947, 26,300 new corporations were chartered by the State and the number of employers subject to unemployment insurance increased by 8 percent.

FEPC became effective in New York State July 1, 1945.

If any business has left New York because of FEPC we have not missed it. So far as we know, no business has given that as a reason for leaving New York.

JOINT COMMITTEE ON HOUSING

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 155.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That section 3 of the concurrent resolution entitled "Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing" (H. Con. Res. 104, 80th Cong.), is hereby amended to read as follows:

"SEC. 3. The committee shall from time to time report to the Senate and the House of Representatives the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable. The committee shall make a preliminary report not later than March 15, 1948, and shall make its final report not later than June 30, 1948. Reports under this section may be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, if the Senate or the House of Representatives, as the case may be, is not in session."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. LYNCH. Reserving the right to object, Mr. Speaker, may I ask the gentleman from New York whether the passage of this legislation will mean there will be a further delay in the reporting out of housing legislation? As I understand the resolution, it calls for a continuance of the committee until June 30 for its final report, at which time the House will probably be adjourned.

Mr. GAMBLE. It does not. Our report is practically ready and we expect and hope to file it next week despite the passage of this resolution. There are a number of things we desire to clean up. There are some additional situations we should like to investigate. Physically, we cannot file the report on Monday, but two parts of it are ready now and the third part is in preparation. It will be filed next week if we can carry out what I wish to do.

Mr. LYNCH. I have great regard for the gentleman from New York, but my point is that when this report comes in, can we expect that some action will be taken on housing? We have had a housing bill before this House for a good many months, but nothing was done about it until the Democrats started a petition to get the bill discharged. Can we look forward when this report is filed to some action, or are we going to have to continue as we have done for the past year and a half?

Mr. GAMBLE. I understand from the chairmen of the Committees on Banking and Currency of the House and Senate that there will be action.

Mr. JAVITS. Reserving the right to object, Mr. Speaker, I ask the chairman of the Joint Committee on Housing whether we will have at this session a comprehensive housing bill covering the various titles which need to be taken up, housing for veterans in the middle income brackets, research, and so forth, such as are contained in the Taft-Ellender-Wagner bill, or is it designed to bring up parts of this program by piecemeal legislation; and is the only hope of veterans the Taft-Ellender-Wagner bill discharge petition if they want a really comprehensive housing bill?

Mr. GAMBLE. I cannot speak for the banking and currency committees, but as far as I am concerned, I should like to see a comprehensive bill. As far as the Taft-Ellender-Wagner bill is concerned, as to its being the only piece of legislation that will save the country, that is a little farfetched. The bill provides for 125,000 units per year for a period of 4 years, and last year private enterprise built and completed about 840,000 units.

Mr. JAVITS. The gentleman is incorrect about the terms of the bill which is designed for a program to provide 1,500,000 homes each year for 10 years.

Mr. GAMBLE. I think I am correct.

Mr. JAVITS. I am nevertheless, pleased to get the gentleman's assurance that we shall have a comprehensive housing bill.

Mr. SABATH. Reserving the right to object, Mr. Speaker, this is the resolution as to which the gentleman appeared before the Committee on Rules yesterday?

Mr. GAMBLE. Yes.

Mr. SABATH. The Committee on Rules approved of the resolution after I propounded to the gentleman and others the same question the gentleman from New York asked, whether this will not delay the action of the Committee on Banking and Currency in bringing in a bill that will relieve the unfortunate conditions that exist as to housing.

Mr. GAMBLE. I do not think anybody recognizes the need for housing more than I do. I have traveled over 10,000 miles and seen the need everywhere and I am for housing.

Mr. SABATH. You testified, as I said before the committee, that this will not delay housing in any way.

Mr. GAMBLE. It will expedite housing.

Mr. SABATH. In view of the fact that the chairman of the Committee on Banking and Currency has stated that he is ready with his bill which will be a really comprehensive bill and one that will bring about actual construction to relieve the situation, then we should have some housing soon.

Mr. WOLCOTT. Mr. Speaker, if the gentleman will yield so that I may correct a statement, I want to say that I do not remember ever having made the statement that the Committing on Banking and Currency was ready with any bill. We have not had any hearings on a bill. I do not recall ever having made the statement that the Committee on Banking and Currency at the present time was ready with a bill.

Mr. SABATH. You stated that you expected to have a bill shortly.

Mr. WOLCOTT. Yes.

Mr. SABATH. Yes; that is what I was trying to say.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. GAMBLE]?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Commonweal of February 27, 1948, entitled "A Letter on Anti-Semitism."

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD and include an extract from a magazine.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD and include a statement made by her before the Subcommittee on the Judiciary on the equal rights amendment.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a letter which he received from a man and his wife in Colorado.

RANKIN AND MARCANTONIO TO STAGE A RADIO DEBATE ON FEPC

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I just now listened to the gentleman from New York [Mr. MULTER] on the FEPC in New York.

The gentleman from New York [Mr. MARCANTONIO], the FEPC leader in the House, has challenged me for a radio debate on the pending FEPC bill. That challenge has been accepted, and we are going to debate it over the Mutual Broadcasting System on next Wednesday night, March 17, from 8 to 8:30 o'clock.

I hope everybody in America will tune in, because I expect to turn the pitiless sunlight of merciless publicity on that communistic measure with which the people of New York have been punished.

Mr. LYNCH. Mr. Speaker, will the gentleman yield for a question?

Mr. RANKIN. Yes.

Mr. LYNCH. Will you please explain why you picked out St. Patrick's night for a fight like that?

Mr. RANKIN. I knew that all of our Irish friends would be in a position to listen in.

Mr. Speaker, wherever they have submitted that proposition to a vote of the people, or submitted it to the legislature, after the legislators had been fully informed as to what was in it, it has been turned down. But in New York, Governor Dewey seems to have got his mustache in the wringer on it. Now he is afraid that if they do not impose it on the rest of the country, they are going to have to repeal it or lose their industries.

I ask all of you to tune in next Wednesday night at 8 o'clock. The program will be broadcast from 8 to 8:30. As I said, I am going to debate this question with the FEPC leader of the House, the gentleman from New York [Mr. MARCANTONIO].

Mr. HUBER. Will it be televised?

Mr. RANKIN. Oh, no; it is going to be a debate and not a beauty contest.

RULES OF PROCEDURE BEFORE COMMITTEES

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, this morning my attention was called to the introduction of Senate Concurrent Resolution 44 by Senator LUCAS, of Illinois, which I feel all Members who believe in orderly House procedure will approve. This concurrent resolution, which I am introducing, reads as follows:

Senate Concurrent Resolution 44

Resolved by the Senate (the House of Representatives concurring), That the following provisions of this concurrent resolution are adopted as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively.

SEC. 2. Any person who believes that testimony or other evidence given in a public hearing before any committee tends to defame him or otherwise adversely affect his reputation may file with the committee a sworn statement, concerning such testimony, which shall be made a part of the record of such hearing.

SEC. 3. Such a person shall in addition have the right (a) to testify personally in his own behalf; (b) to have the committee secure the appearance of witnesses requested by him for the purpose of testifying in his behalf, and to examine such witnesses, either personally or by counsel, but no more than four such witnesses shall be called; and (c) to have the committee secure the appearance of witnesses whose testimony adversely affected him, and to cross-examine such witnesses, either personally or by counsel, but such cross-examination shall be limited to 1 hour as to any one witness.

SEC. 4. Any person who wishes to avail himself of the rights accorded by section 3 shall, within 30 days of the receipt by the committee of the testimony complained of, file a petition with the committee requesting the fixing of a time and place for the receiving of testimony or the conduct of cross-examination and designating the witnesses to be summoned. Such a petition shall be accompanied by the sworn statement of the petitioner that the petition is not filed for the purpose of delaying or obstructing the work of the committee, but because his reputation has been unjustifiably damaged or otherwise adversely affected by false accusations or inference. The committee shall, within 10 days after the receipt of such a petition, fix a time and place for the receiving of testimony or the conduct of cross-examination, which time shall not be later than 30 days after the receipt of the petition, and shall secure the appearance at such time and place of the witnesses designated in the petition.

SEC. 5. Any witness summoned at a public or private hearing before any committee shall have the right to be accompanied by counsel. Such counsel shall be allowed to observe the hearing, but shall not be allowed to participate therein or to advise the witness while on the witness stand unless the committee, in its discretion, shall otherwise determine.

SEC. 6. In the conduct of hearings, the evidence received shall, so far as possible, be relevant and germane to the subject of the hearing.

SEC. 7. If the testimony of a witness at a private or public hearing before any committee is reported stenographically, such witness shall be entitled to a stenographic transcript of such testimony upon payment of the cost of the transcript.

SEC. 8. A committee shall not publish or file any report, interim or final, unless and until a meeting of the committee has been called upon proper notice and such report has been approved by a majority of those voting at such meeting.

SEC. 9. No committee or employee thereof shall publish or file any statement or report alleging misconduct by, or otherwise adversely commenting on, any person unless and until such person has been advised of the alleged misconduct or adverse comment and has been given a reasonable opportunity to present to the committee a sworn statement with respect thereto as provided in section 2.

SEC. 10. No member or employee of a committee shall, for compensation, speak, lecture, or write about the committee, its purposes, procedures, accomplishments, or reports during the existence of the committee and while he is a member of the committee or in its employ.

SEC. 11. As used in this concurrent resolution, the term "committee" includes a standing or select committee of either House of Congress, a joint committee of the two Houses, and a duly authorized subcommittee of any of the foregoing.

The only additional provision that it should contain and which I will introduce in a separate resolution is that whenever a motion is made to delete a Member's remarks that he be accorded the privilege of recognition and equal time to answer any statement made in support of the motion. Then a Member will not be deprived of the opportunity to justify his attacked remarks or insertions made under leave to extend. This resolution will preclude in the future any Member or publicity man or clerk of any committee giving out interviews or issuing derogatory statements attacking any organization or any Member unless he first has been authorized to do so by the committee of which he is a member or an employee.

I hope you gentlemen, in the interest of orderly parliamentary procedure, will read this resolution that was introduced by the senior Senator from Illinois February 25, which, if in force yesterday, would not have denied me the opportunity of answering the gentleman from Mississippi [Mr. Rankin] before a vote was taken. He could not have been in position, as he was under the present rules of the House, to move the previous question when he had completed his remarks and thereby denying me the right of explanation. I am satisfied, as I said yesterday, that if I had obtained the privilege of reply, his motion to expunge would not have prevailed.

Under the leave granted me, I have included the resolution in my remarks

and shall not take up the time of the House in explaining the effect of its provisions, but I do hope that every Member will give it careful study and consideration.

The SPEAKER. The time of the gentleman from Illinois [Mr. SABATH] has expired.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to announce the program for next week because many Members have inquired about it in order that they may arrange their affairs accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

Mr. HALLECK. Mr. Speaker, I would like to announce that if the appropriation bill that is coming up for consideration today is finished today it is my plan to adjourn over until Monday next.

On next Monday there will be the call of the Consent Calendar.

We also hope to call up H. R. 5470, which has to do with price criteria and export licenses; and also if a rule is granted, to call up S. 2182, the extension of rent control.

On Tuesday there will be a call of the Private Calendar and then we will proceed to the completion of the measures scheduled for first consideration on Monday.

On Wednesday there will be general debate on the Department of Agriculture appropriation bill. I have discussed the matter with the chairman of the subcommittee who has that bill in charge and he anticipates that general debate will continue all through that day. We will then proceed with the consideration of the Department of Agriculture appropriation bill on Thursday and Friday, it being expected that the bill can be completed at least by next Friday.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. McCORMACK. In connection with Monday and the consideration of the rent-control bill, assuming the debate is concluded and there is a roll call, would the gentleman agree that the roll call might be taken on Tuesday?

Mr. HALLECK. Yes. I will be very happy to have that understanding, that if we did get along with the rent-conrol bill to the point where a vote might be reached on Monday, we would take the vote on Tuesday. Of course, as the gentleman knows, we are operating against something of a deadline in connection with that matter and want to expedite its consideration as much as we can.

Mr. McCORMACK. I thoroughly appreciate that fact, but assuming it was completed, the vote on final passage may go over until Tuesday?

Mr. HALLECK. Yes. That can go over until Tuesday.

Mr. McCORMACK. While my friend has stated it to my satisfaction, that Wednesday will be devoted to general debate; I would just like to confirm that.

Mr. HALLECK. Yes. I might make this amendment to that statement: Should general debate be concluded, the reading of the bill started and some Members wanted to make 5-minute speeches, I can see no reason why that should not be done.

Mr. McCORMACK. I agree with that.

Mr. HALLECK. It will be understood, however, that the matter of voting on important parts of the Agricultural appropriation bill will not begin until Thursday.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency have until midnight Saturday to file a report on the bill S. 2182, the rent-control bill; and that the Rules Committee have until midnight Saturday to file a report in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include an article.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the Appendix of the RECORD in five separate instances and in each to include extraneous matter.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that in connection with the remarks I shall make in the Committee of the Whole this afternoon on the Treasury-Post Office appropriation bill that I may include the report of the Appropriations Committee on that bill and certain documents and other memoranda.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TREASURY-POST OFFICE APPROPRIATION BILL, 1949

Mr. CANFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes; and pending that I ask unanimous consent that time for general debate be equally divided between the gentleman from Virginia [Mr. GARY] and the chairman.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5770, the Treasury-Post Office appropriation bill, 1949, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANFIELD. Mr. Chairman, I desire first to present the report of the House Committee on Appropriations on the bill, as follows:

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1949

Mr. CANFIELD, from the Committee on Appropriations, submitted the following report:

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949.

With the exceptions subsequently specified, the bill includes regular annual appropriations for these Departments, the estimates for which are found: For the Treasury Department, on pages 849 to 894, inclusive, of the Budget; and for the Post Office Department, on pages 791 to 813, inclusive, of the Budget.

Appropriations for Bureau of Customs, Coast Guard, acquisition of strategic and critical materials, and refunding internal-revenue collections have not been included in the bill, but will be presented to the House later.

Detailed management surveys of the customs service and the Coast Guard, authorized in the Treasury-Post Office Appropriation Act, 1948, were made on a contract basis by commercial firms during the latter part of the calendar year 1947. Reports thereon were received in January 1948. In order that management and budgetary improvements pointed out in these reports can be analyzed and initiated, time must be afforded during which the recommendations made can receive thorough study by Treasury officials and the committee. The Secretary of the Treasury should insure that his officials spare no effort immediately to initiate concrete action on all recommendations made in these management surveys and be able to demonstrate specific improvements in efficiency and reductions in costs by the time hearings are held on the 1949 budgets for these two agencies.

The appropriation for strategic and critical materials has been deferred pending determinations relating to their procurement in conjunction with the European recovery program and further study by the committee. The appropriation for internal-revenue refunds requires further consideration by the committee.

In comparing estimates and amounts recommended in the bill for 1949 with appropriations for 1948, it should be noted that certain supplemental estimates for 1948 have been received by the committee. Authority was granted by the Second Supplemental Appropriation Act, 1948, for the Post Office Department to draw heavily against certain of its funds in the first part of the current year in the event of increased mail volume. Postal revenues, which are indicative of mail

volume, for the first two quarters of the current year were the largest in history, necessitating supplemental appropriations for fiscal year 1948. Unforseen demands for currency have occasioned supplemental estimates for the Treasury Depaitment, and claims certified by the General Accounting Office for payment have exceeded original estimates for 1948.

For convenient reference, comparative figures for the items contained in the accompanying bill are as follows:

	Treasury Department	Post Office Department	Total
Appropriations, 1948	$313,678,400	$1,605,933,550	$1,919,611,950
Pending supplemental estimates, 1948	2,721,700	141,318,800	144,040,500
Total, 1948	316,400,100	1,747,242,350	2,063,562,450
Estimates, 1949	306,981,700	1,710,644,500	2,017,626,200
Bill, 1949	290,453,100	1,691,269,250	1,981,722,350
Bill compared with 1948 appropriations plus supplemental estimates	−25,947,000	−55,973,100	−81,930,100
Bill compared with 1949 estimates	−16,528,600	−19,375,250	−35,903,850

TITLE I—TREASURY DEPARTMENT

Direct appropriations carried in the accompanying bill for the Treasury Department total $290,453,100. Budget estimates covering items for which the foregoing amount is recommended total $306,981,700, and appropriations for the regular operations of those Bureaus and agencies of the Treasury Department in 1948 for which provision is made in the accompanying bill amounted to $313,678,400. Budget estimates for 1949 are thus $6,696,700 less than funds provided for these activities for 1948, and the committee has made reductions below the budget estimates by $16,528,600.

Permanent appropriations: The Treasury Department, in addition to the regular activities appropriated for in the accompanying bill, administers certain permanent appropriations such as interest on the public debt, statutory public-debt retirements, and others, for which the estimated obligations in 1949 aggregate $5,877,868,083. This amount is less than the total of $6,021,281,560 for 1948 by $143,413,477. While interest on the public debt in 1949 is estimated at $5,250,000,000, exceeding the 1948 amount by $50,000,000, the amount for statutory debt retirement in 1949 is $193,700,000 less than the 1948 amount. The increase in interest on the public debt is attributable, according to the Secretary of the Treasury, to a rise in the average rate of interest paid, and not to an increase in total debt. The decrease in statutory debt retirement in 1949 is due to the nonrecurring application of the surplus of the War Damage Corporation to reduction of the public debt.

Trust funds: The Treasury Department also administers trust funds, such as the Federal old-age and survivors insurance trust fund, the unemployment trust fund, and others. Total obligations of these funds in 1949 are estimated at $3,313,584,430, an increase of $89,800,000 over the 1948 amount of $3,223,762,500.

The tabular statement at the end of the report provides an itemization of all of the foregoing.

Departmental offices

Appropriation, 1948	$16,867,000
Estimate, 1949	11,936,400
Recommended in bill, 1949	10,095,000

Organizationally under the immediate Office of the Secretary of the Treasury as administrative or service offices are the Chief Clerk, Superintendent of Treasury Buildings, and Division of Personnel, and as technical units the Office of the General Counsel and Division of Tax Research.

The Budget proposed an appropriation for the office of the Chief Clerk, which the Department supported by written justifications. The committee was surprised to learn from the testimony given on this item that a new Office of Administrative Services, which "takes the place of the Chief Clerk's office and contains the Division of Treasury Buildings," was created by administrative order more than 3 months before the budget was presented to the Congress. Although not appreciative of being belatedly advised of budgetary changes, the committee believes that a consolidation of the "housekeeping" functions of the Department is a move in the proper direction. This should be merely the first step in a major realinement of overlapping components. There is no justification for maintaining separate units such as the office of the Chief Clerk, Superintendent of Treasury Buildings, and the Division of Personnel. Also, the guard force for Treasury buildings, which was formerly under the office of the Secretary but is now under the Secret Service Division, should be considered as a departmental service organization. All of these service units should be integrated under the office of the Secretary and headed by a single administrative officer without intermediate administrative units or officers. A thorough survey of this matter should be undertaken at once by the Department, and the budget for 1950 should present a consolidation of these functions as well as the appropriations therefor. The committee expects that specific reductions in costs will accompany the consolidation.

The written justifications for the 1949 estimates of the Department were unnecessarily voluminous and not sufficiently uniform. The Secretary of the Treasury should insure that all irrelevant matter and verbiage are eliminated in the justifications for 1950, with substantial reduction in the volume of material presented. Proper care should be exercised to insure maximum clarity and uniformity in presenting all information relative to the estimates. The departmental budget officer should confer with the committee staff in this regard.

The estimate of $409,000 for salaries for the office of the Secretary has been reduced to $380,000, a decrease of $29,000, of which $20,000 should be applied against employment of public-relations personnel. There are presently 7 such employees in the office of the Secretary and 28 elsewhere in the Department, an excessive number. Only 13 messengers are currently employed in the Secretary's office, and the number authorized has been reduced from 18 to 15.

The estimate for personal or property damage claims, $50,000, is admitted by the Department to be a mere guess, and has been reduced to $30,000.

Obligations for penalty mail in 1948 are estimated in the budget at $5,900,000, leaving $800,000 of the current appropriation unused. No increase for 1949 has been justified, and the estimate has been reduced from $6,350,000 to $5,900,000, in conformity with 1948 requirements.

The appropriation for refunds under the Renegotiation Act, administered by the Secretary of the Treasury, has consistently been grossly overestimated since its inception. The estimate of $3,250,000 for 1949 has been reduced by the committee to $2,000,000, the amount presently estimated in the budget to be necessary for 1948.

Despite a reduction of personnel in the Division of Tax Research for 1949, the budget proposes no offsetting reduction in funds. The committee has reduced the estimate of $141,400 to $110,000 to compensate for the proposed smaller number of employees. This appropriation should not be utilized to pay for work performed for foreign governments unless such is authorized by law.

The Office of the General Counsel is staffed with 56 persons, of whom only 19 are attorneys. There are 477 attorneys in the entire Legal Division of the Treasury Department, the majority of whom are in the Bureau of Internal Revenue. In all, the Treasury Department estimates for 1949 include $5,500,000 for legal services, and the Office of the General Counsel is, according to the acting general counsel, largely a service organization for which no work-load statistics are maintained. The amount for this office has been reduced from $250,000 for 1948 to $225,000 for 1949. The detailed legal work is performed principally outside this office in the various bureaus, and the amount provided is adequate for the function of correlating departmental legal activities in addition to any detailed legal work required of this unit.

Funds for the Division of Personnel have been reduced from the estimate of $127,000 to $120,000, since in the past 3 years there has been a constant reduction in the total numbers of civilian personnel in the Treasury Department.

The departmental witness who sought to justify the appropriation for health-service programs for the Department was unable to advise whether absenteeism on account of illness is reduced by these programs, and no adequate justification for the entire program was given. Notwithstanding this, the committee feels that since these programs were only recently authorized by law they should be continued with respect to the Treasury Department. The estimate of $75,000 has been reduced to $70,000, and the Department should be able to furnish adequate information and justification of the magnitude and merit of these programs in the future.

Bureau of Accounts

Appropriation, 1948	$13,655,000
Estimate, 1949	14,068,000
Recommended in bill, 1949	13,518,000

Appropriations for this Bureau include salaries and expenses for accounting for and control of appropriations made to various agencies of the Government, preparation of financial statements relating to public funds, disbursing appropriated funds and the administration of funds for payment of certain claims against the Government. Reductions totaling $550,000 have been made in the estimates, which aggregate $14,068,000, for each of the various items under this Bureau. The Bureau of Accounts is liquidating certain war agencies and is billing and collecting for lend-lease items transferred to foreign governments. Certain procuring agencies are tardy in furnishing documents for billings to foreign governments, thus delaying the process of winding up lend-lease accounts. The Secretary of the Treasury should insist upon cooperation of all procurement agencies in the prompt completion of these billings and collections. The committee feels that further delay in this

respect should not be tolerated, as it might well result in loss to the Government.

The Division of Disbursement has made some progress in reducing expenses, and the committee hopes that no effort will be spared to effect further reductions.

An appropriation of $325,000 was requested for augmenting the Government losses-in-shipment fund. Although not apparent from its title, losses resulting from erroneous bond redemptions by fiscal agents of the Government are also reimbursed from this fund. Statutory authority for this appropriation is doubtful, and the committee is convinced that the $336,000 balance in the fund is adequate to meet requirements in 1949.

Bureau of the Public Debt

Appropriation, 1948	$65,913,000
Supplemental estimate, 1948	361,000
Estimate, 1949	54,513,200
Recommended in bill, 1949	52,800,000

This Bureau manages transactions in the public debt issues of the United States, matters relating to the paper currency of the United States, and contains a division for promoting the sale of savings bonds to individuals. In its report on the appropriations for the Bureau of the Public Debt for 1947, the committee found it necessary to be critical of the inadequate measure of responsibility evidenced by this Bureau regarding estimates for appropriations to be transferred to other agencies for services to be performed. Such transfers must continually be subjected to the exercise of the most careful appraisal and control. The committee now notes that transfers of funds to support activities in the office of the Secretary office of the Fiscal Assistant Secretary, and the technical staff are contemplated in 1949. Such interdepartmental transfers reflect a type of budgetary management which the committee cannot continue to sanction. Treasury Department estimates for the next fiscal year should not include provisions for financing departmental activities by transfers between appropriations, but should reflect separate appropriations for such organizational and functional units as are necessary to efficient operations.

The 1949 estimate for the appropriation "Administering the public debt" includes $4,658,100 for the Division of Savings Bonds. When this activity was justified for the fiscal year 1948, the amount of $2,889,862 was requested. The Department now plans to increase the amount to be used in 1948 to $3,564,900, obtaining the difference by utilizing funds otherwise considered as surplus. These increases are based upon a program of greatly accelerated promotional efforts to sell savings bonds. Full utilization of voluntary services will permit a reduction of the amount requested for 1949. Accordingly, the committee has reduced the estimate to $3,750,000, which is an increase over the amount to be used in 1948. Inasmuch as the Department apparently has a propensity to utilize appropriated funds in accordance with its own discretion rather than upon the basis of its budgetary justifications submitted to the Congress, the committee has provided a limit upon the amount of funds for promoting bond sales.

The estimate of $54,513,200 for administering the public debt has been reduced to $52,800,000.

Apart from the decrease noted in the amount provided for the savings-bond program, economies are possible in all other activities of this bureau.

The volume of redemptions of paper currency has greatly exceeded that estimated when the 1948 budget was submitted, and the cost of paper has increased. A supplemental appropriation for the purchase of distinctive paper for United States currency is now pending, and the committee has allowed the full amount of $1,300,000 requested in the budget for 1949.

Office of the Treasurer of the United States

Appropriation, 1948	$5,040,000
Estimate, 1949	5,040,000
Recommended in bill, 1949	4,980,000

The volume of work of this Office is dependent largely upon the number of checks drawn for Government expenditures and the number of transactions relating to public-debt operations. No important changes in volume are apparent in 1949. The majority of this appropriation is for personal services. The reduction of $20,000 against salaries and expenses can readily be absorbed in filling vacated positions at lower salaries, and the reduction of $40,000 in printing and binding is based upon the fact that the 1949 estimate is greatly in excess of the amount expended in 1947 and the rate of expenditure in the first 6 months of the current year.

Bureau of Narcotics

Appropriation, 1948	$1,434,000
Estimate, 1949	1,434,000
Recommended in bill, 1949	1,450,000

During examination of the estimates for this Bureau, interrogation of the Commissioner by the committee revealed that a modest increase in appropriations above the estimate could be utilized to station two operators abroad for investigations and preemptive operations at the sources of narcotics shipments. The Commissioner is confident that such activity will greatly aid in control and enforcement of narcotic laws in the United States. The committee heartily endorses the expenditure of this relatively small sum as sound investment in controlling illicit narcotics traffic. While $25,000 was said to be the amount necessary for this foreign activity, in view of the unobligated balance of this appropriation for 1947 and the savings thus far in 1948, two operators can be maintained abroad with the additional amount of $16,000 provided in the bill.

Bureau of Engraving and Printing

Appropriation, 1948	$12,005,000
Supplemental estimate, 1948	1,650,000
Estimate, 1949	12,830,000
Recommended in bill, 1949	12,000,000

A supplemental estimate of $1,650,000 for 1948 is for producing additional paper currency, based upon the increase in the volume of redemptions above that originally estimated for 1948. This should be a nonrecurring item, and should not be reflected in the amount required for 1949. Estimates of the work load of this Bureau are somewhat erratic. Although the estimate includes $125,000 for additional equipment, testimony of the Director was to the effect that no need therefor can be seen at the present time. The amount appropriated for 1948 is deemed to be more realistic than that estimated for 1949, and the amount provided in the bill represents a reduction of $830,000 below the 1949 estimate of $12,830,000.

Bureau of Internal Revenue

Appropriation, 1948	$188,000,000
Estimate, 1949	188,000,000
Recommended in bill, 1949	186,736,000

The estimate of $188,000,000 for 1949 has been reduced by $1,264,000 to $186,736,000. Provision has been made in the bill which separates the appropriation for personal services, for which $168,736,000 is recommended; and the appropriation for objects of expenditure other than personal services, for which $18,000,000 is recommended. The limitation proposed by the budget on expenditures for personal services in the District of Columbia was $16,530,000. This has been reduced in the bill by $530,000 to $16,000,000 since the Bureau in adjusting its operations under the 1948 appropriation did not sufficiently reduce unnecessary and inefficient activities in the Washington office. Thus, no reduction has been made in the funds requested for personal services in the field where the most important enforcement work is and should be concentrated.

Last year the budget estimate for the Bureau was $208,000,000, against which the Congress applied a reduction of $20,000,000 and appropriated $188,000,000. Very strong criticism of this action was voiced by the Treasury Department spokesmen, and when the President signed the Treasury-Post Office appropriation bill for 1948, he released a statement which read in part as follows:

"I am advised by the Secretary of the Treasury and the Commissioner of Internal Revenue that the reduction of $20,000,000 in the appropriation of the Bureau of Internal Revenue will mean a reduction in personnel of 4,000 to 5,000 employees and will result in a direct loss of revenue of not less than $400,000,000 in fiscal year 1948."

A large part of the criticism of the committee and the Congress in this respect was based upon the often-repeated concept advanced by the Bureau of Internal Revenue that for each $1 of funds spent by it $20 in revenue is collected. It should be noted that the Bureau of Internal Revenue requested the President to ask Congress for $213,000,000 for 1948. The President reduced this request by $5,000,000, and using the same arithmetic by which the figure in the afore-mentioned statement was computed, the President caused a loss of $100,000,000 in revenues by his own action. But since last July the President has decided that the amount appropriated for the Bureau for 1948 will be adequate for 1949, and it should be noted that a distinct change has occurred in the $20 for $1 ratio. The Commissioner of Internal Revenue testified that:

"For the fiscal year 1947, for every dollar spent we received in return $22.75 and for the first 4 months of 1948 for every dollar we spent, we received in the way of production $27.83."

This often-cited ratio fluctuates. Apparently the Bureau divides tax revenues by its expenditures for the equivalent period and arrives at this ratio of production. There is thus no magic formula whereby x dollars spent on salaries and expenses for the Bureau produces y dollars in revenue. The revenue has flowed in, either regardless of the efforts of the Bureau or because the Bureau has settled down to work and improved its effectiveness. But the mere correlation of these statistical data is not proof that the one figure determines the other. Enforcement activities doubtless result in the discovery and collection of unreported or erroneously reported taxes. The productivity of such efforts, however, is not measurable solely in terms of dollars spent for salaries and expenses of the Bureau. Such productivity is dependent upon the degree of efficiency and effectiveness of the operations of the Bureau and not merely upon the total number of persons on the pay roll.

When the 1948 appropriation for the Bureau was under consideration the Bureau pointed out that it audits 3 percent of the tax returns filed each year, and such audits are said to be productive of increased tax collections. Notwithstanding approximately a 10-percent reduction in appropriations for 1948, the Bureau is still able to audit 3 percent of its returns. The Commissioner testified that this is attributable to increased efficiency on the part of the investigative

force. Obviously, a reduction in appropriations was helpful to the Bureau and seems to have encouraged increased efficiency and output.

It should be noted that statistics of the Bureau's enforcement accomplishments contain inflated figures. Bureau officials admit that when a tax assessment is made the amount is counted in enforcement figures, and when a warrant for collecting the same tax is issued the amount is again counted. These officials state, however, that the amount of inflation in enforcement figures is small. Inaccurate figures offered as a basis for budgetary action provide no basis for enhancing the confidence of the committee in any agency.

In its report last year the committee stated that enforcement activities of the Bureau and the Alcohol Tax unit should not be curtailed because of reduced funds. The conference report on last year's bill, which was duly considered and adopted by both Houses, directed that enforcement activities of the Bureau should not be curtailed. The Bureau, however, did not follow these instructions.

Complaints of inefficiency in the operations of the Bureau have been heard for many years, and last year led the committee to institute an investigation. The investigators' report pointed out many glaring inefficiencies but, when interrogated thereon, Bureau officials in general denied or sought to explain away nearly all allegations of inefficiency.

The investigators found discipline and administrative control lax in the Washington office of the Bureau, and estimated that it is securing no more than six productive hours of work per day, on the average, from its employees. In the face of such conditions, the Congress is urged to appropriate large sums of money to support, in effect, loafing on the job. This is like stoking the furnace while the upstairs windows are open. The Commissioner testified that he has taken steps to correct this situation and will take stronger action if necessary. If the Commissioner finds it necessary to discharge supervisory personnel for failure to exercise proper control over employees, he should receive the full support of all concerned.

The investigators found that the training division of the Bureau is "an aggravated example of inefficiency and lost motion." The Commissioner agreed to look into this matter. Reports of the Bureau's own field supervisors contain repeated references to the fact that employees are not keeping current in their correspondence instruction courses. The Bureau puts great importance on the completion of correspondence studies by its personnel, and considers such activity in connection with employee efficiency ratings. The committee is led to believe, however, that in actual practice this policy is not fully carried out in assigning efficiency ratings. The training program should either be reduced or employees should be required to utilize it more fully, and delinquencies in respect to such training should be given greater weight in actual efficiency ratings.

There are indications of cumbersome procedures and an inordinate degree of specialization in certain departmental units of the Bureau. These should be thoroughly surveyed and the results reported to the committee next year. The office of the chief counsel is one of the units referred to, and there is some indication that this office is overstaffed.

The audit review divisions in the Washington office of the Bureau appears to be engaging in much duplication of the efforts of the field units, and the committee feels that economies in these divisions can be effected without impairment of necessary service.

The personnel of these divisions are generally in lower salary grades than are the field employees whose work they review, and the small number of errors found in such reviews do not appear to warrant the procedure. It should be reduced or eliminated, and it is to this end that part of the reduction in the amount available for expenditure at the seat of Government has been made.

The most serious defect in the organization and operations of the Bureau is the fact that the men who are charged with the actual collection of the revenue, the collectors, are political appointees. The Commissioner, who administers the entire Bureau, does not have effective control over the collectors throughout the country. Whether collectors of internal revenue actively attend to the affairs of their offices or merely bask in their patronage appears to be largely a matter of their own volition.

The committee recommends the enactment of legislation whereby the appointment of collectors of internal revenue would be removed from the patronage system and placed under civil-service laws and regulations. This would be a major progressive step in the operations of the Bureau, even though the administration of the civil-service system is badly in need of widespread improvements.

In the course of their survey the committee investigators visited the office of the collector of internal revenue in Boston, Mass. An extremely lax and inefficient administration was discovered. Evidence found in the files of the assistant collector was highly indicative of violations of the Hatch Act.

In Hartford, Conn., officials in the office of the collector of internal revenue have been indicted for violations of the Hatch Act.

Two employees in the office of the collector of internal revenue in Newark, N. J., recently flushed several bundles of income-tax records down a drain. This was not discovered for several months, resulting in costly confusion. Proper supervision in this office would seem to have either prevented such an incident or reduced the ensuing confusion and cost.

It was brought out in the hearings that a grand jury investigation was scheduled to start on February 23, 1948, with respect to alleged political activity in the office of the collector of internal revenue at Milwaukee, Wis.

The cashier in the office of the collector of internal revenue in Wilmington, Del., was recently convicted of embezzlement. Reports of the Bureau's own field supervisors, which are printed in the hearings on the bill, establish the fact that the collector at Wilmington had definite notice of irregularities on the part of his cashier many months before the defalcations were reported to the Bureau in Washington. Also the Bureau had notice in a report from its own field supervisor dated October 31, 1946, that the cashier was not complying with the Bureau's accounting regulations. The following quotations from this report are significant:

"In the absence of any kind of a record or work sheet reflecting settlement of the cash drawer, it could only be concluded that the same carelessness and neglect attended the reconciliation of cash receipts.

"* * * and Mr. Flynn's signature to the monthly Form 68 constituted a falsification of facts and figures."

Other inefficiencies in varying degree were found in other collection districts throughout the country. Copies of numerous reports of the Bureau's own supervisors of accounts and collections are contained in the hearings, with comments thereon by the Bureau. These reports from the Bureau's own files conclusively establish that extreme laxity and gross inefficiency pervade many collectors' offices, and the action reported thereon by the Bureau leads the committee to conclude that the standards of efficiency and administrative control observed by the Bureau are entirely inadequate.

There appears to be an unnecessary and cumbersome degree of specialization in the work of enforcement personnel. The organizational structure and lines of administrative authority, including the inconsistent alinement of field organizations of the various units of the Bureau, the accounting and control of appropriated funds, and many other aspects of the management of the Bureau should be subjected to thorough objective analysis and revision.

It is recommended that the Commission on Organization of the Executive Branch of the Government undertake a thoroughgoing analysis of the Bureau of Internal Revenue at the earliest possible moment. The great importance of this agency which collects the revenues for operating the Government requires that it be given the highest priority in the Commission's program.

Secret Service Division

Appropriation, 1948	$2,813,400
Supplemental estimate, 1948	10,700
Estimate, 1949	2,819,600
Recommended in bill, 1949	2,814,600

The only reduction in estimates of appropriations under the Secret Service Division is $5,000 for salaries and expenses for the guard force for Treasury buildings. The budget provides for a reduction in guard personnel but includes no equivalent reduction in expenditures for objects other than personal services. As already indicated under the discussion of departmental offices, the committee recommends that the guard force be returned to the office of the Secretary. Its operations are of a routine nature and are not the same specialized type of police work as that of the Secret Service. The budget estimates for salaries and expenses of the Secret Service and the White House Police have been approved in full by the committee. Protection for the President and the President-elect in an election year will require adequate funds, and criminal activities such as counterfeiting, which is on the increase, should not be neglected.

Bureau of the Mint

Appropriation, 1948	$6,467,500
Estimate, 1949	4,696,000
Recommended in bill, 1949	4,505,000

Although the budget estimates for the Bureau of the Mint have been reduced from the amount appropriated for 1948, principally because of the reduced demand for coin, inspection of its budget shows that it generally overestimates requirements for funds. There were unused balances of the amounts appropriated for the past 3 years, including $891,413, in 1946; $1,622,788, in 1947, and an estimate of $1,557,000, in 1948. The estimates of $4,696,000 for 1949 have been reduced by $191,000, which should not prevent the bureau from employing auditors necessary to the gold and silver programs, as contemplated by the estimates.

Bureau of Federal Supply

Appropriation, 1948	$1,480,000
Estimate, 1949	11,620,000
Recommended in bill, 1949	1,550,000

The estimate for the direct appropriation for salaries and expenses of this Bureau for 1949 is the same amount as authorized for 1948, $1,310,000. Additional administrative

expenses for its operations, however, are obtained from its capital account known as the general supply fund. Expenses paid from this fund for 1948 are estimated at $4,418,000. An appropriation of $10,000,000 is requested to increase the general supply fund from its present amount of $8,000,000 to $18,000,000. An increase of $500,000 over the 1948 amount of administrative expenses derived from this fund is estimated for 1949 under the proposed capital increase.

Much of the authority under which the Bureau of Federal Supply conducts and implements its operations is carried in the annual appropriation bill. The activities of the Bureau are increasing rapidly, and the testimony of the Director indicates that plans are being made and legislation is being prepared for extensive expansion of the scope of the Bureau's operations. The committee has been informed that the Bureau of the Budget is preparing legislative proposals, which, though still in preliminary stages, apparently will bring some of the functions of the surplus property disposal program under this Bureau and transfer the Bureau from the Treasury Department to the Federal Works Agency. And the Commission on Organization of the Executive Branch of the Government is surveying Government-wide supply and procurement activities.

It would be premature to recommend an appropriation which would more than double the general supply fund, and thus provide for a great expansion of the operations of the Bureau of Federal Supply, while important studies and legislative proposals relating to its operations are being developed. Its activities should receive careful scrutiny by the proper legislative committee before its scope is enlarged, and the committee is not disposed to recommend to the House that legislative authority for this Bureau be carried in an appropriation bill after 1949. It is recommended, however, that such language be carried in the bill for 1949, since its elimination would result in precipitous interruption of a going program.

Apart from the fact that reorganization of the Bureau of Federal Supply is under consideration there are other substantial reasons why the committee recommends that the general supply fund should not be increased at this time. Centralization of procurement and supply functions of the Government appears to be meritorious for certain standardized supplies and equipment. Though savings in net cost to the Government are alleged under centralized procurement, no convincing evidence has been presented to the committee that all Government procurement or even a greatly expanded program thereof could be economically and efficiently centralized under the Bureau of Federal Supply or any other agency. Some Government establishments allege and some, such as the Post Office Department, have offered proof that they can purchase more economically than can the Bureau of Supply some of the items required for their operations. The reason given for increasing the general supply fund is that of increasing the volume of centrally procured supplies for Government agencies. This would require the financing of larger inventories, and increased working capital would be needed to finance the lag between payments to suppliers and the liquidation of accounts receivable. A year or so ago the average time required for the Bureau of Federal Supply to collect amounts due from Government agencies was 90 days. Testimony reveals that by efforts on the part of Federal Supply officials, this period has now been reduced to approximately 45 days. The cumbersome and outmoded system of checks and balances of controlling Federal funds under the warrant procedure is a factor which makes elimination of the lag in collections difficult. However, the results already accomplished prove that improvements can be made, and they must be made. It would be the worst kind of public policy to appropriate money to offset the propensity of Government administrators not to settle their accounts and pay their bills promptly. Testimony indicates that it is possible for operating agencies requisitioning from or through the Bureau of Federal Supply to advance purchase funds from their appropriations when accompanied by specific orders. Therefore, the committee has not included funds in the accompanying bill to increase the supply fund.

There are other operations of the Bureau of Federal Supply, the value of which are highly doubtful, such as the Special Furnishings Section. The Printing Section of the Purchase Branch is said to edit all manuscript of the Treasury Department submitted for printing, allegedly saving money. However, what often happens is merely the verbatim retyping from one form to another, a complete duplication of effort, and a completely wasteful operation.

The appropriation for printing and binding for the Bureau of Federal Supply covers the costs of printing the Daily Treasury Statement as well as certain reports wholly unrelated to the operations of this Bureau. Printing and binding funds are also provided for the respective bureaus, including the Bureau of Accounts which prepares and publishes the Daily Treasury Statement. The principle specified previously in this report, that of having appropriations conform to the operations and functions of the various units, should be followed with respect to the Bureau of Federal Supply as well as all other units of the Department in the budget for 1950.

Estimates totaling $1,620,000 for salaries and expenses, printing and binding, and expenses for determining net renegotiation rebates have been reduced by amounts aggregating $70,000, which can readily be absorbed. An increased transfer in amount of $30,000 from the general supply fund for printing and binding is, however, recommended.

Typewriter purchases

As indicated in its report on the Treasury-Post Office appropriation bill for 1948, the committee instituted a survey of Government requirements for typewriters. The report of this investigation revealed that the Government now has a staggering number of typewriters on hand. As of August 1947 the Federal Government had approximately 1 typewriter for each 2.5 Federal employees, and had approximately 3.6 typewriters for each of the stenographers, typists, and correspondence clerks employed. The report also revealed that there were nearly 15,000 electric typewriters on hand as of August 15, 1947, and various agencies proposed to purchase 900 additional electric typewriters in 1948. Thus, during the period when ordinary typewriters have been difficult to obtain, some agencies have been purchasing electric typewriters for more than double the regular commercial price of ordinary mechanical typewriters. While many typists doubtless prefer to use electric typewriters, owing to their ease of operation and the large number of copies which their use makes possible, there is no measurable reduction in cost or increase in efficiency to the Government in the use of such machines except for isolated and specialized work. There has not been and will not be any reduction in the number of typists requested by the departments and agencies as a result of the purchase of electric typewriters regardless of any alleged increases in efficiency, and the net effect will be the increased cost to the taxpayers of such machines.

In summary, it is obvious that the Government now has more than an adequate supply of typewriters to meet all requirements for the coming year. This being the case, there is no justification for the purchase of a single typewriter, ordinary, electric, portable, or otherwise, during the fiscal year 1949. To permit the purchase of typewriters under these conditions would be a breach of trust on the part of the Congress in these times when the crushing expenses of Government are already a portentous menace to our system of free enterprise. In this connection, the question of possible discrimination against manufacturers of typewriters is brought up. Demand for typewriters on the part of business and institutional customers and private individuals currently exceeds production capacity. It would thus be to the advantage of typewriter manufacturers to have a moratorium on purchases by the Government during the period when the available supply is inadequate for the demands of private users. Therefore, the committee has inserted a provision in the accompanying bill which prohibits the purchase of any typewriters by the Government in the fiscal year 1949.

While there is no question that the total supplies of typewriters now owned by the Government will more than fill all essential requirements, it is possible that the departments and agencies which have surplus machines will not necessarily be the ones whose requirements may expand in the coming year. To overcome this possibility, provision has been made in the bill whereby surplus typewriters will be surrendered to the Bureau of Federal Supply for redistribution to other agencies needing additional or replacement machines. The Bureau of Federal Supply has trucks, warehouse facilities, a typewriter-repair shop with trained personnel, and also has a Government Requirements Division already experienced in redistributing stocks between agencies. In addition it has a revolving fund, which can be drawn upon on a temporary basis to cover the costs of administration, hauling, repairing, and storing typewriters in the process of redistribution until the agencies receiving typewriters from the central stocks can be charged by the Bureau of Federal Supply. This is the only Government agency with these unique characteristics, which is the reason it was selected for carrying out this activity.

TITLE II—POST OFFICE DEPARTMENT

For the postal service a total of $1,691,269,250 is contained in the bill for departmental and field activities in 1949, representing a reduction of $19,375,250 in the budget estimates, and an increase of $85,335,700 over appropriations for 1948. However, supplemental estimates now pending for 1948 total $141,318,800, and if this amount is added to appropriations already made for 1948, the sum provided in the bill represents a reduction of $55,973,100 below the total 1948 figure.

Postal revenue and expenditures

Although the Committee on Appropriations has emphasized this matter previously, it is important in considering the budget for the postal service to bear in mind certain factors which are not involved in the consideration of other parts of the budget. A very large portion of the cost of operating the postal service is predetermined by or in pursuance of statute. The Postmaster General has authority to appoint certain types of employees in such numbers as are needed to render service which the Department is required by law to perform. Such authority is obviously necessary in order that the mail be moved and delivered whenever, wherever, and in whatever volume it is delivered to

post offices. The rates of compensation paid to postal employees are fixed by law. The rates charged by railroads for hauling mail are fixed by the Interstate Commerce Commission, and the rates paid for air-mail transportation are determined by the Civil Aeronautics Board. The calculation of the amounts to be appropriated for operating the postal service from year to year is thus entirely a process of making the most accurate estimate possible as to the volume of mail to be deposited by the public in post offices, and on the basis of applicable laws, to determine how much money will be required to move and deliver that volume of mail. Therefore, considerations such as how much of the available Government revenues can wisely be allocated to moving the mail are for the most part academic in the process of making appropriations for the Post Office Department.

The fiscal year 1948 demonstrated the principles under discussion. Under the annual budgetary cycle, estimates of appropriations, which are based on estimated mail volume, for the fiscal year ending June 30, 1948, were first prepared in July of 1946. At that time all indications were that postal revenues would follow the moderately downward trend then operative and would approximate $1,257,400,000. (The volume of postal revenues is indicative of the volume of mail and service transactions.) Congress acted on the postal budget, and appropriated $1,531,661,050 for operating the postal service in 1948. Meanwhile, during the 12 months which had elapsed since the preparation of estimates on which such appropriations were based, the Post Office Department found that the trend of postal business instead of declining was showing a marked rise. Supplemental estimates for appropriations totaling $162,384,100 were submitted to the Congress just as the fiscal year 1948 began. The committee recommended that a wait-and-see attitude be adopted, and $74,272,500 was appropriated, with authority for the Department to draw heavily upon its available funds in the first part of the year in the event of continuing increases in mail volume.

While the time-consuming process of translating postal-revenue statistics into volume and number of pieces of mail for the first 6 months of fiscal year 1948 has not yet been completed, figures for that period indicate the largest volume of postal receipts in history. Revenues for the first half of 1948 were approximately $719,000,000, an increase of 12.4 percent over the equivalent 6 months of the previous year, indicating that total revenues for the year will probably exceed $1,400,000,000. Total postal revenues for 1949 are estimated in the budget at $1,384,732,000. This estimate was made more than 6 months ago and postal business meanwhile has increased at a rate which now indicates that the 1949 budget may well be too low. If this proves true, the appropriations recommended in the bill for 1949 may prove inadequate. Therefore, the committee can see no wisdom in making substantial reductions in the budget estimates for the Post Office Department.

Management of the Post Office Department

For the first time in history, a career employee has become Postmaster General. The committee has great confidence in Mr. Donaldson's ability and integrity, and congratulates him on his achievement.

His appointment has had a highly benefical effect on the morale of postal workers. This, coupled with the fact that the postal service is now completing its postwar readjustment in personnel, affords the incumbent Postmaster General an opportunity to apply his wide knowledge of postal operations so as to institute all possible improvements in efficiency and reductions in costs in the operation of the postal establishment.

Salaries, departmental bureaus and offices

The general increase in postal business increases somewhat the work loads of the various departmental offices. Therefore, the amounts contained in the bill for nearly all departmental offices are greater than amounts provided for 1948. The committee recommends such increases to provide for additional employees to aid in controlling the allocation of funds for field operations throughout the country. While increases over 1948 are recommended in most instances, the committee feels that the increases requested in the budget are not fully justified, and has reduced the 1949 estimates somewhat for all departmental offices.

For the office of the Postmaster General, an increase of $20,000 over the 1948 appropriation of $406,600 has been provided to cover the cost of the safety program. This is a meritorious activity which should be pushed with vigor. Other requested increases have not been granted, since a realinement in personnel by reducing public relations and personnel staffs can be effected so as to provide positions for other types of activity deemed necessary for this office.

The Office of Budget and Administrative Planning has been granted part of the increase requested. This Office was established only 6 years ago, and the amount of $65,000, which is a reduction of $3,300 below the estimate for 1949, is more than double its initial appropriation in 1943. The committee feels that the increase provided is adequate. The establishment, possibly under this office, and as may be recommended by the legislative committee, of a research laboratory for making engineering studies to reduce the volume of manual labor in handling and moving the mails would be a most progressive step, and there is great need for continuing analysis of postal procedures and methods.

Twenty new positions were requested for the Office of the First Assistant Postmaster General, at a cost of approximately $50,000. The explanation made for part of this increase was to reduce the backlog of work in this Office, which is not considered by the committee as an adequate justification. The estimate of $1,200,000 has been reduced to $1,162,500 in the bill.

The Office of the Second Assistant Postmaster General requested 12 new positions for 1949 at a cost of $48,000. However, the work-simplification program and a direct survey are reportedly resulting in the saving of the equivalent of 17 positions per year. These savings should provide adequate funds for new or expanding activities and reclassifications, and only a small increase for automatic salary advances is recommended. The estimate of $990,000 has been reduced to $928,000 in the bill.

No new positions are requested for the Office of the Third Assistant Postmaster General, and the increase requested is attributed to automatic salary advancements and costs of normal personnel turn-over. This appears to be excessive, and only part of the requested increase is provided in the bill. The amount of $1,350,000 is recommended, a reduction of $12,000 below the estimate of $1,362,000. The preliminary report of the Committee on Post Office and Civil Service indicates that more modern mechanical devices and methods could be applied to the systems under this Office with resultant savings. To increase such mechanization, which the committee feels is highly important, $400,000 of the appropriation for miscellaneous supplies and equipment has been reserved for the acquisition of machines for activities under the jurisdiction of the Third Assistant Postmaster General.

The increase requested for the Office of the Fourth Assistant Postmaster General would provide for 35 additional employees, including 16 to restore positions abolished under recommendation of the committee last year and 19 new positions. Increases for the Topography Division are not deemed justified. Map reproduction methods now used appear to be antiquated and should be modernized with resultant savings in cost. Two additional positions appear to be justified for the Division of Post Office Quarters, but the increase recommended for administering the vehicle service is not approved by the committee. The vehicle service badly needs improved administration, but manpower for augmenting the archaic methods and policies now prevailing with respect to this service would be merely nurturing obsolescent operating concepts. One engineer and one additional stenographer appear to be justified for the Division of Public Buildings Operation. Less than half the increase requested for this office is provided in the bill. The estimate of $823,000 has been reduced to $752,000 in the bill.

The estimate of $250,000 for the office of the Solicitor is approved in full, as there is considerable work to be done on rail- and air-mail rates. The Solicitor should continue to intervene for the Department in all transportation rate cases, and should be constantly alert to the possibility of initiating petitions for transportation rate reductions.

The office of the Chief Inspector, for which the estimate of $408,100 was reduced to $405,000, has been granted a small increase over 1948, and the estimate of $85,000 for the office of the Purchasing Agent is approved in full.

The Bureau of Accounts has had unused balances in its appropriation in each of the past 2 years, and the expenditures in the first part of 1948 are less than the amount available. The estimate of $525,000 has been reduced to $485,000. The committee encourages the saving of unnecessary funds, but, based on the recent experience of this office, feels that a reduction of the 1949 estimate is in order.

Part of the increase requested for contingent expenses has been provided in the bill. The estimate of $204,300 has been reduced to $160,000. The increase for furniture is based, in part, on additional employees requested for various bureaus. As these increases have not been granted, additional furniture for them will be unnecessary. Funds for the purchase of 200 typewriters will not be necessary in view of the provision contained in title I of the bill. The amount contained in the bill for contingent expenses is based on the rate of expenditure during the first 5 months of the current year.

Two million dollars has been provided for printing and binding for the Department and postal service, which is an increase of $50,000 over the amount appropriated in 1948 but a reduction of $228,000 in the estimate of $2,228,000 for 1949. In the interest of economy, the Post Office Department should make every effort to hold this expenditure down, and the exercise of better control of printed forms in the field service appears possible. The increased estimate is due partly to increased printing costs, which must be considered, but also to increased volume in printing, which can be controlled.

Inspection service

Appropriation, 1948	$6,493,000
Estimate, 1949	6,641,100
Recommended in bill, 1949	6,541,000

The Bureau of the Budget reduced the amount requested for salaries of inspectors because permissive promotions were being made too fast, and no provision is made in the personnel tabulation for lapses occasioned by personnel turn-over. While the

committee is not inclined to recommend reductions which would reduce the number of inspectors to be employed, by decreasing the number of permissive promotions and eliminating funds to compensate for unused balances which remained in previous years, a reduction in the estimates for 1949 can be made. This has been carried out in the bill. Similar considerations are applicable with respect to appropriations for travel and miscellaneous expenses and clerks of the inspection service. No justification for increasing the appropriation for payment of rewards has been submitted, in the opinion of the committee.

Compensation to postmasters

Appropriation, 1948	$87,470,000
Estimate, 1949	88,470,000
Recommended in bill, 1949	87,900,000

There is an estimated unused balance in this appropriation for 1948 in the amount of $1,331,000, so the increase requested for 1949 actually amounts to $2,331,000. There were unused balances in 1945 and 1946, showing a tendency to overestimate this item. The estimate of $88,470,000 has been reduced to $87,900,000.

While salaries of postmasters generally follow the trend of postal receipts, they do not fluctuate in direct proportion thereto. Therefore, the current rising trend of revenue does not necessarily call for an equivalent increase in this appropriation. It should be pointed out that salaries of postmasters are fixed by statute, and the amount of the appropriation does not in any way affect the salary of any postmaster.

Assistant postmasters

Appropriation, 1948	$12,800,000
Estimate, 1949	12,850,000
Recommended in bill, 1949	12,500,000

The Bureau of the Budget reduced the Department's estimate for funds under this item by $1,650,000. There have been in each of the past 3 years unused balances in amounts appropriated for this purpose, and during the first half of 1948 actual expenditures have run at a rate below the total funds available. Increased postal receipts have a very minor effect on the salaries paid to assistant postmasters. In view of the foregoing, a reduction of $350,000 below the estimate of $12,850,000 has been effected in the amount recommended for this item.

Clerks, first- and second-class post offices

Appropriation, 1948	$487,400,000
Supplemental estimate, 1948	34,600,000
Estimate, 1949	531,000,000
Recommended in bill 1949	530,000,000

This appropriation is highly sensitive to the volume of mail and service transactions, and the increased volume of postal business justifies the appointment of new regular clerks as requested by the Department. However, it is doubtful, in view of the shortage on eligibility registers of applicants for regular positions, that the Department can convert substitutes to regulars as rapidly as it anticipates and desires. Therefore, the estimate of $531,000,000 has been reduced by $1,000,000. Increases in overtime and night-work differential are requested, and every effort should be made to hold compensation for such work at a minimum. In addition, it is hoped that the Postmaster General will utilize his wide knowledge of the postal system to the fullest possible extent in controlling allowances to postmasters, thereby saving as much as possible of the funds provided for this purpose. The increase of the amount provided for 1949 exceeds by $7,000,000 the total amount estimated to be necessary in 1948.

Contract station service

Appropriation, 1948	$3,500,000
Estimate, 1949	3,800,000
Recommended in bill, 1949	3,500,000

This program in the long run accomplishes savings in postal expenditures. It is doubtful, however, that the Department has use for the full amount requested for 1949. The Bureau of the Budget reduced the amount requested by $300,000. Unused balances have run between $200,000 and $350,000 per year in the past 3 years, and the amount provided for 1948 seems adequate for the coming year. Therefore the estimate of $3,800,000 had been reduced by $300,000.

Separating mail and unusual conditions

Appropriation, 1948	$205,000
Estimate, 1949	221,400
Recommended in bill, 1949	205,000

High percentages of the amounts appropriated for these functions in recent years have been unused, leading to the conclusion that the Department overestimates the amounts necessary. Therefore, the committee does not consider the increases requested as justified, and the amounts contained in the bill are the same as those provided for 1948, which represents a reduction of $17,400 below the 1949 estimate of $221,400.

Clerks, third-class post offices

Appropriation, 1948	$24,000,000
Estimate, 1949	26,000,000
Recommended in bill, 1949	25,500,000

There were unused balances in this appropriation in each of the past three fiscal years. Testimony indicates that the total number of third-class post offices decreased in 1946 and 1947, with an estimated decrease in 1948. While the process of increasing the number of regular clerks in third-class post offices, as distinguished from substitute clerks, is continuing, the number of regular clerks which are being appointed is in excess of the number of substitutes converted to regulars, which, in effect, creates new positions amounting to about $1,900,000. Owing to the decline in the number of third-class offices and the unduly low estimates of lapses resulting from personnel turn-over, the committee recommends that the estimate for 1949 be reduced by $500,000.

Detroit River postal service

The 1949 estimate of $12,750 is recommended for this service. The Department should explore the possibility of having operators of the vessels served supply this service, or the use of helicopters.

Carfare and bicycle allowances

Appropriation, 1948	$2,125,000
Supplemental estimate, 1948	175,000
Estimate, 1949	3,000,000
Recommended in bill, 1949	2,800,000

If the supplemental appropriation request for 1948 for this purpose is granted, the 1949 estimate will exceed the 1948 appropriations by $700,000. The committee is not convinced that such an increase is justified; although in view of the fact that city-delivery service has necessarily been expanded, some increase in carfare and bicycle allowances is in order. The amount provided in the bill is $200,000 less than the budget estimate, and the increase granted over 1948 should be used primarily to facilitate the extension of city-delivery service. The Department should make a thorough survey of possible means of getting carriers to their routes without use of public transportation systems. With a fleet of vehicles as large as that possessed by the Post Office Department, such should be possible and should result in considerable savings.

City-delivery carriers

Appropriation, 1948	$295,300,000
Supplemental estimate, 1948	20,000,000
Estimate, 1949	326,000,000
Recommended in bill, 1949	326,000,000

The estimate for 1949 for this appropriation is more than $10,000,000 in excess of the amount appropriated plus the supplemental estimate for 1948. This is based on the increased volume of mail and also on the extension of city-delivery service required for delivery of mail to new housing projects throughout the country. Many housing projects for veterans and their families, as well as for the general public, are being located in suburbs. This has required thousands of extensions in city-delivery routes and is not offset by declines in the existing number of routes serving older municipal areas. The committee feels that the estimate for 1949 is entirely justified.

Special-delivery service

Appropriation, 1948	$14,750,000
Supplemental estimate, 1948	750,000
Estimate, 1949	17,000,000
Recommended in bill, 1949	16,000,000

The cost of special-delivery service was greatly increased following enactment of Public Law 134 (79th Cong.), which put special-delivery messengers on a salary basis and provided hourly rates for the use of automobiles. The estimate for 1949 exceeds the amount appropriated for 1948, plus the supplemental estimate for 1948, by nearly $2,000,000. The Department has stated that it contemplates the discontinuance of delivery reports on special-delivery mail, which would lead to considerable economy. The estimate reflects an increased amount for hiring of substitute messengers. The committee feels that the amount estimated for 1949 is excessive, and has provided a reduced amount in the bill. Savings should be possible by the discontinuance of delivery reports and curtailing use of substitutes. The committee expects to inquire further into this matter next year.

The committee has received correspondence from various persons interested in the special-delivery service which implies that the Post Office Department is not giving the most careful attention in the operation of the special-delivery service. The complaints allege that the Department desires by inflating the cost under Public Law 134 to ultimately cause its repeal. The committee is unable to affirm the accuracy of such allegations and hopes they are unfounded. The Department is urged to do everything possible to keep the cost of this service at a minimum with a view not only of reducing Government expenditures, but to silencing any unfair criticism.

Rural delivery service

Appropriation, 1948	$131,167,000
Estimate, 1949	135,719,000
Amount recommended in bill, 1949	135,719,000

The estimate for 1949 reflects an increase of $4,552,000 over the amount provided for 1948. The increased volume of mail, together with construction of new housing, justifies the requested increase in this appropriation. It is highly important that the Department continue its survey relating to the consolidation of rural routes and that it effectuate all possible consolidations so as to reduce the cost of this service.

Star-route service

Appropriation, 1948	$23,213,000
Supplemental estimate, 1948	765,000
Estimate, 1949	25,501,000
Recommended in bill, 1949	25,501,000

The appropriation for star-route service formerly related only to star routes within the continental limits of the United States. A separate appropriation was previously made for star-route and air-mail service in Alaska. A rearrangement of appropriations has included in this item overland star-route service both within the continental limits of the United States and in Alaska, and has transferred the cost of Alaskan air-mail transportation to the appropriation for domestic air-mail service.

Increases in this appropriation for 1949 are based on the necessity for instituting new star routes and extending present star routes

to supplement delivery of mail to points not served at all by railroads or served on inadequate train schedules. Star-route contracts expiring during the fiscal year 1949 are also estimated to be at increased rates when relet, owing to the increased cost of operating and maintaining vehicles. Also, in view of the fact that the law under which contracts for star-route service are let provides that contractors may cause their contracts to be readvertised, it is estimated that new contracts let in 1949 under this provision of law will reflect marked increases.

The Department plans an expansion of the highway post-office service wherever possible to substitute for discontinued rail service, and there is a greatly accelerated trend in the discontinuance of railroad service in many parts of the country at the present time. Highway post-office service is proving to be a comparatively economical and efficient method of moving mail, and the committee reiterates its prior approval of the expansion of this service.

One hindrance to the establishment of highway post-office service in many parts of the country is the absence of Government garages, which are necessary for upkeep and maintenance of the vehicles used. It was testified that the Department had contacted operators of bus lines in an effort to have them bid on operating highway post offices. The committee feels that every effort should be made to encourage bus operators to undertake this service in order that their garage and other facilities might enable the establishment of this type of service in areas where railway service is either inadequate or not available, and in cases where railway service proves more expensive than highway service.

Railroad transportation

Appropriation, 1948	$145,000,000
Supplemental estimate, 1948	59,920,000
Estimate, 1949	165,881,000
Recommended in bill, 1949	165,881,000

The appropriation for 1948 and the estimate for 1949 were based on railroad-mail rates in effect up to December 1948 and the anticipated volume of mail to be transported in the respective periods. The volume of mail has increased substantially in 1948, by more than 13 percent over that estimated before the fiscal year began, which accounts for $22,144,000 of the supplemental estimate for 1948. In December 1947 the Interstate Commerce Commission ordered an interim increase of 25 percent in railroad-mail rates retroactive to February 19, 1947. The fiscal 1948 portion of this increase amounts to $37,775,820, as reflected in the supplemental estimate. As the estimate for 1949 was prepared prior to the date this rate increase was ordered, it will most likely be inadequate for 1949 operations. The full amount of the budget estimate is provided in the bill.

Special contracts with railroads are authorized by statute for transportation of mails where the Postmaster General believes special conditions warrant higher rates. Testimony reveals that there were six such special contracts in effect as of July 1, 1947, providing for an annual increase over regular rates in amount of $111,763. The committee questions the necessity for such special contracts, and desires that the Department undertake a survey to ascertain the possibility of their discontinuance.

New streamlined railway-post-office cars, which have proved very satisfactory to the postal service, are being put into operation. The Department should endeavor to obtain the use of additional new and more economical cars.

Railway mail service, salaries

Appropriation, 1948	$104,100,000
Supplemental estimate, 1948	3,900,000
Estimate, 1949	109,195,000
Recommended in bill, 1949	109,188,000

The increase in the estimate for 1949 amounts to $1,195,000 more than the appropriation for 1948 and the supplemental estimate for 1948. Approximately 500 positions will be converted from substitute status to regular, which occasions very little increase in total cost but should improve efficiency. The principal item of increase for 1949 is automatic salary increases. Owing to the increased mail volume the amount provided in the bill equals the estimate for 1949, except for a minor reduction of $7,000. The Department requested authority to employ one general superintendent at large for the highway-post-office service. The committee does not agree that this position is necessary and accordingly has reduced the estimate to offset the elimination of the position. The Department did a commendable job in substantially reducing the cost of overtime and is urged by the committee to continue such reduction.

Foreign mail transportation

Appropriation, 1948	$19,500,000
Supplemental estimate, 1948	14,600,000
Estimate, 1949	23,842,000
Recommended in bill, 1949	23,842,000

The transportation of mail to foreign countries by steamship is paid for by this appropriation. The volume of such mail has increased in the first 5 months of 1948 by more than 80 percent over the equivalent months of fiscal 1947. This great increase is attributable principally to the sending of gift parcels of food and clothing to foreign countries. A number of bills have been introduced in Congress providing that gift parcels for foreign relief would be accepted by the Post Office Department at reduced rates or free of postage. If such legislation is enacted, the Department estimates that the volume of this type of mail will increase tremendously over the unprecedented quantities currently being sent. The amount recommended in the bill does not include estimates for postage-free or reduced-rate mail, but is predicated on the high volume of foreign mail already experienced.

Balances due foreign countries

Appropriation, 1948	$8,250,000
Estimate, 1949	3,250,000
Recommended in bill, 1949	3,000,000

This appropriation provides a fund from which advances are made to United States-flag air carriers for amounts due them for transporting air mail from foreign countries to the United States. There is a lag in the payment by foreign countries for such service. This fund permits the Department to advance funds to American carriers in anticipation of such payments, and all advances are subsequently recovered. Although the estimate for 1949 was reduced in the bill, a provision in the bill establishes a continuing revolving fund without fiscal year limitation, making $8,000,000 available for this purpose in 1949.

Foreign air-mail service

Appropriation, 1948	$40,500,000
Estimate, 1949	26,583,000
Recommended in bill, 1949	19,500,000

The amounts necessary for pay of air carriers from this appropriation have not been definitely ascertainable since the end of the war, owing to the fact that the Civil Aeronautics Board has not activated all certificated routes or established final rates for all overseas American-flag carriers. Of the amount appropriated for 1948, more than $13,000,000 is being held in suspense pending action by the Board. No accurate estimate can be made at this time as to the amount needed for 1949, and the amount requested in the budget has been reduced to a figure more in keeping with probable requirements. It is understood, of course, that if and when the Civil Aeronautics Board activates routes certificated or establishes final or increased rates for carriers, the Department will submit supplemental estimates.

Domestic air-mail service

Appropriation, 1948	$47,000,000
Estimate, 1949	35,588,000
Recommended in bill, 1949	32,000,000

The 1949 estimate for this appropriation includes $1,117,373 for the operation of routes in Alaska certificated by the Civil Aeronautics Board. The estimate is based on the assumption that there will no increase in air-mail rates paid to carriers by the Civil Aeronautics Board, and upon an assumed 25-percent increase in volume in 1949 over 1948. The Department stated that the amount required for payments to air carriers is partly dependent upon carriers' revenues from sources other than mail pay, and if other revenues are higher in 1949, payments from this appropriation could be considerably lower in 1949. All air lines now have rate applications pending with the Civil Aeronautics Board, and the budget estimate is little more than a guess. A reduction in the estimate is reflected in the bill, it being understood that rate rulings by the Civil Aeronautics Board might require supplemental appropriations.

Manufacture of stamps

Appropriation, 1948	$9,400,000
Estimate, 1949	9,911,000
Recommended in bill, 1949	9,335,000

The requested increase for the printing of postal cards appears justified. Testimony reveals that commercial establishments are among the heaviest users of 1-cent postal cards. The Department is required by statute to sell and accept for delivery 1-cent cards, but the committee doubts that it was the intent of the Congress to require the handling of such cards at less than cost for commercial and advertising purposes. The total cost of printing, handling, and delivery of such cards is in excess of the revenue obtained from their sale, and it is presumed that the legislative committee on postal matters will take cognizance of this fact. Although there has been a 10-percent decrease in the sale of stamped envelopes in 1948, the estimate for 1949 contemplates the manufacture of 79,000,000 more envelopes in 1949 than in 1948. Metered mail, which does not require funds from this appropriation, is increasing by leaps and bounds, and although in very small proportion, sales of stamps have decreased in 1948. Therefore, no adequate justification for an increased appropriation has been made with respect to this item, and the amount provided in the bill represents a small decrease below the 1948 amount.

Post-office supplies and equipment

Appropriation, 1948	$6,500,000
Supplemental estimate, 1948	815,000
Estimate, 1949	7,850,000
Recommended in bill, 1949	7,158,000

The supplemental estimate for 1948 is based upon the increased cost of supplies and equipment since the original 1948 estimate was prepared more than a year and a half ago. The increase in the estimate for 1949 reflects price increases with respect to the supplies and equipment requested, and exceeds the 1948 appropriation plus the estimated 1948 supplemental by $535,000. The Department had 18,748 typewriters on hand as of July 1, 1947, and the estimate includes funds for the purchase of 2,500 typewriters in 1949 at a cost of $207,700. This amount is unnecessary in view of the provision in title I of the bill. The data furnished in support of the estimate also indicated increased purchases of other office machines, and increased amounts of a miscellany of supplies.

Although recognizing that increased prices on purchases must be paid, no adequate justification of the need for increased quantities of such equipment and supplies has been made, and the amount provided in the bill is a reduction of $692,000 below the budget estimate.

The requested elimination of the provision earmarking funds for the purchase of modern postal devices does not seem advisable. This proviso was originally inserted at the request of the Third Assistant Postmaster General, according to testimony by the Department, and if it is eliminated, it is most likely that no new mechanical devices will be obtained. It is highly important that labor-saving devices be installed to reduce the cost of operations. The committee has observed that certain elements in the Office of the Fourth Assistant Postmaster General appear to be consistently opposed to modernization of postal operations, which is lamentable. The Post Office Department of the United States is one of the largest business operations in the world, and its costs are mounting faster than its revenues are increasing. Every effort to mechanize and streamline its operating methods must be encouraged to the maximum, and it is hoped that officials who do not advocate improvements will not be permitted to obstruct progress.

In its preliminary report, entitled "Survey and Study of the Postal Service" (H. Rept. No. 1242, 80th Cong., 2d sess.), the Committee on Post Office and Civil Service indicated that important savings might be effected by the mechanization of mail-separating operations, and $100,000 has been earmarked in the bill for initiating such a program.

Equipment shops

Appropriation, 1948	$6,700,000
Supplemental estimate, 1948	425,000
Estimate, 1949	12,907,250
Recommended in bill, 1949	12,800,000

These shops, which are used for the manufacture of mail bags and locks, have produced savings compared to purchases of such equipment from commercial suppliers. During the war large numbers of bags and pouches were lost and damaged in the transmission of mail to the armed forces overseas, and the shortage of sacks is a serious problem to the Department. The need for new mail sacks and repairs to old sacks is thoroughly justified, and providing the funds requested for this purpose should lead to very large savings next year. Some difficulty was experienced in fiscal 1947 and preceding years in securing competent personnel. The committee believes that competent personnel will not be available to carry out the ambitious program the Department has planned, and a reduction of the estimate has been effected on this account.

The Department desires to expand its shop facilities for the manufacture and repair of sacks and locks. Legislative authority is necessary before an appropriation for this purpose can be made, and the legislative committee now has the matter under consideration. As evidence of the economy involved in the operation of such shops, the Department points out that it is currently paying for one class of sack an average of $3.20 each. Their shops can manufacture the same type sack at present for $2.32. Considering the millions of sacks needed by the Department, it would appear that additional shop facilities would be a sound investment.

Vehicle service

Appropriation, 1948	$38,500,000
Supplemental estimate, 1948	3,277,000
Estimate, 1949	42,914,000
Recommended in bill, 1949	42,000,000

The total truck fleet of the Department is 10,218 units, of which 7,733 are more than 10 years old, 6,856 are more than 15 years old, 189 are more than 20 years old, and 90 are more than 25 years old. Obviously, the cost of operating vehicles which have been in service for such periods of time is entirely uneconomical. The Department recommends that the entire fleet be replaced as soon as possible, and estimates that the present cost of replacing all vehicles is $22,700,000. Of the total sum required, $4,514,000 is available in 1948, and the estimate of $4,400,000 for 1949 is recommended by the committee in the bill. The balance necessary to effect complete replacement is $13,786,000.

The committee is in general agreement that the entire fleet should be replaced with new vehicles in the interest of economy. However, there are many other factors in the operation of the vehicle service which need attention in the interest of economy and efficiency. The officials in charge of this service seem to be inordinately reluctant to discuss this service from a constructively critical point of view. It is well known that the vehicle service has performed in a highly commendable manner. During the war especially it had a remarkable record of maintaining difficult schedules and operating under the most trying conditions. However, the service is not operated in such manner that unit costs are ascertainable, and it is impossible without adequate cost data to eliminate inefficient operations and take advantage of modern improvements in repair and maintenance methods. The vehicle service operates 90 service garages without the benefit of hydraulic lifts for greasing and repairs. Greasing equipment is reported to be not the most economical type. First-aid facilities in garages were testified to be of standard types, and the Public Health Service has never been requested to survey such facilities for their adequacy. The director of the safety program should put the vehicle service at the top of his list in undertaking his new program in the Department, and the committee desires to have a thorough and objective report on the safety standards in garages and all other operations of the vehicle service.

Although funds were made available on July 1, 1947, for the purchase of approximately 2,000 trucks, no orders had been placed as of December 11, 1947, when the committee held hearings on the bill. In view of the urgent need for new vehicles, it is difficult to understand why bids were not solicited much sooner. The committee has been informed that the Department rigidly adheres to specifications which have been in effect for many years when purchasing trucks, which prevent some manufacturers who have modernized their designs from bidding. This reduces competition in the bidding on Government purchases, and denies the taxpayers price advantages inherent in a competitive system. Bids were opened in January 1948 for supplying approximately 1,400 trucks for which appropriations were available on July 1, 1947. Only one supplier bid to supply these trucks as complete units, obviously owing to the arbitrary insistence of the Department on outmoded specifications. The early delivery of trucks ordered in fiscal 1947, and the prompt procurement of trucks for which funds have been appropriated in 1948 and recommended for 1949, will permit the Department to replace more than half its present fleet.

The estimate of $42,914,000 for 1949 has been reduced in the accompanying bill to $42,000,000 in anticipation of a reduction in maintenance costs and other economies which can be effected. The Postmaster General should see to it that the oldest and most uneconomical trucks are completely disposed of when new equipment is obtained. The committee will not look with favor upon deficiency or supplemental estimates for operating the vehicle service in the future unless full advantage has been taken of all possible economies.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in the bill are recommended:

On page 8, lines 7 and 8, under "Bureau of the Public Debt, Treasury Department": "including not to exceed $3,750,000 for promoting the sale of savings bonds."

On page 21, beginning at line 10 and continuing through line 25, page 22, under "Bureau of Federal Supply, Treasury Department":

"No part of any money appropriated by this or any other act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines).

"Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within 30 days after the enactment of this act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine.

"The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

"The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund."

On page 32, lines 10 through 20, inclusive, under "Balances due foreign countries, Post Office Department": "*Provided*, That there shall be established immediately, by transfer of $5,000,000 from the appropriation for 'Balances due foreign countries' for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund."

On page 34, lines 9 and 10, under "Miscellaneous supplies and equipment, Post Office Department": "and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949

PERMANENT INDEFINITE APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or decrease (−)
General and special funds:			
Interest on deposits of public moneys of Government of Philippine Islands	$2,766,667	$3,100,000	+$333,333
Pershing Hall memorial fund	5,083	5,083	
Interest on the public debt	5,200,000,000	5,250,000,000	+50,000,000
Statutory public debt retirements	818,509,810	624,763,000	−193,746,810
Total, general and special funds	6,021,281,560	5,877,868,083	−143,413,477
Trust funds:			
Federal old-age and survivors insurance trust fund	1,819,500,000	1,896,774,000	+77,274,000
Unemployment trust fund	1,404,050,100	1,416,611,930	+12,561,830
Payment of unclaimed moneys	100,000	100,000	
American Samoa trust fund	1,500	1,500	
Puerto Rico trust fund	5,300	5,300	
Expenses, Prohibition Act, Puerto Rico and Virgin Islands	105,600	91,700	−13,900
Total, trust funds	3,223,762,500	3,313,584,430	+89,821,930

TITLE I—TREASURY DEPARTMENT

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
OFFICE OF SECRETARY OF TREASURY					
Secretary's Office, salaries	$409,000	$409,000	$380,000	−$29,000	−$29,000
Personal or property damage claims	20,000	50,000	30,000	+10,000	−20,000
Penalty mail costs	6,700,000	6,350,000	5,900,000	−800,000	−450,000
Refunds under Renegotiation Act	7,500,000	3,250,000	2,000,000	−5,500,000	−1,250,000
Total, Office of the Secretary	14,629,000	10,059,000	8,310,000	−6,319,000	−1,749,000
Foreign funds control, liquidation	275,000			−275,000	
Division of Tax Research, salaries	200,000	[1] 141,400	110,000	−90,000	−31,400
OFFICE OF GENERAL COUNSEL					
Salaries	250,000	250,000	225,000	−25,000	−25,000
Contract settlement, salaries, and expenses	75,000	75,000	75,000		
Total, Office of General Counsel	325,000	325,000	300,000	−25,000	−25,000
DIVISION OF PERSONNEL					
Salaries	127,000	127,000	120,000	−7,000	−7,000
Health service programs	75,000	75,000	70,000	−5,000	−5,000
Total, Division of Personnel	202,000	202,000	190,000	−12,000	−12,000
OFFICE OF CHIEF CLERK					
Salaries	326,000	326,000	300,000	−26,000	−26,000
Miscellaneous expenses	225,000	[2] 253,000	240,000	+15,000	−13,000
Printing and binding	35,000	[3]		−35,000	
Total, Office of Chief Clerk	586,000	579,000	540,000	−46,000	−39,000
Treasury buildings, custodial force, salaries	650,000	650,000	645,000	−5,000	−5,000
FISCAL SERVICE					
BUREAU OF ACCOUNTS					
Salaries and expenses	1,016,000	[4] 1,505,000	1,475,000	+459,000	−30,000
Deposit of withheld taxes, salaries and expenses	460,000	[5]		−460,000	
Printing and binding	60,000	[6]		−60,000	
Disbursement, Division of:					
Salaries and expenses	9,935,000	[7] 10,070,000	10,000,000	+65,000	−70,000
Printing and binding	170,000	[8]		−170,000	
Contingent expenses, public moneys	400,000	400,000	375,000	−25,000	−25,000
Recoinage of silver coins	200,000	150,000	150,000	−50,000	
Relief of the indigent, Alaska	14,000	18,000	18,000	+4,000	
Fund for payment of Government losses in shipment		325,000			−325,000
Refund of moneys erroneously received and covered	700,000	700,000	700,000		
Payment of certified claims	700,000	900,000	800,000	+100,000	−100,000
Total, Bureau of Accounts	13,655,000	14,068,000	13,518,000	−137,000	−550,000
BUREAU OF THE PUBLIC DEBT					
Administering the public debt	64,800,000	[9] 53,213,200	51,500,000	−13,300,000	−1,713,200
Distinctive paper for United States currency	1,113,000	1,300,000	1,300,000	+187,000	
Total, Bureau of the Public Debt	65,913,000	54,513,200	52,800,000	−13,113,000	−1,713,200
OFFICE OF THE TREASURER OF THE UNITED STATES					
Salaries and expenses	4,900,000	[10] 5,040,000	4,980,000	+80,000	−60,000
Printing and binding	140,000	[11]		−140,000	
Total, Office of the Treasurer	5,040,000	5,040,000	4,980,000	−60,000	−60,000
BUREAU OF INTERNAL REVENUE					
Salaries and expenses	188,000,000	188,000,000	186,736,000	−1,264,000	−1,264,000
Additional income tax on railroads in Alaska	3,500	4,500	4,500	+1,000	
Total, Bureau of Internal Revenue	188,003,500	188,004,500	186,740,500	−1,263,000	−1,264,000

Footnotes at end of tables.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
BUREAU OF NARCOTICS					
Salaries and expenses	$1,430,000	[12] $1,434,000	$1,450,000	+$20,000	+$16,000
Printing and binding	4,000	([13])		−4,000	
Total, Bureau of Narcotics	1,434,000	1,434,000	1,450,000	+16,000	+16,000
BUREAU OF ENGRAVING AND PRINTING					
Salaries and expenses	12,000,000	[14] 12,830,000	12,000,000		−830,000
Printing and binding	5,000	([15])		−5,000	
Total, Bureau of Engraving and Printing	12,005,000	12,830,000	12,000,000	−5,000	−830,000
SECRET SERVICE DIVISION					
Departmental salaries	85,000	([16])		−85,000	
Suppressing counterfeiting and other crimes	1,550,000	([17])		−1,550,000	
Salaries and expenses		[18] 1,715,000	1,715,000	+1,715,000	
White House Police:					
Salaries	372,900	([19])		−372,900	
Uniforms and equipment	9,000	([20])		−9,000	
Salaries and expenses		[21] 370,000	370,000	+370,000	
Treasury buildings, guard force, salaries and expenses	720,000	650,000	645,000	−75,000	−5,000
Printing and binding	8,000	([22])		−8,000	
Reimbursement to District of Columbia	68,500	84,600	84,600	+16,100	
Total, Secret Service Division	2,813,400	2,819,600	2,814,600	+1,200	−5,000
BUREAU OF THE MINT					
Director's Office, salaries and expenses	185,000	([23])		−185,000	
Salaries and expenses		[24] 4,691,000	4,500,000	+4,500,000	−191,000
Transportation of bullion and coin	22,500	5,000	5,000	−17,500	
Mints and assay offices, salaries and expenses	6,250,000	([25])		−6,250,000	
Printing and binding	10,000	([26])		−10,000	
Total, Bureau of the Mint	6,467,500	4,696,000	4,505,000	−1,962,500	−191,000
BUREAU OF FEDERAL SUPPLY					
Salaries and expenses	1,310,000	1,310,000	1,275,000	−35,000	−35,000
General supply fund		10,000,000			−10,000,000
Printing and binding	170,000	170,000	150,000	−20,000	−20,000
Renegotiation rebates		[27] 140,000	125,000	+125,000	−15,000
Total, Bureau of Federal Supply	1,480,000	11,620,000	1,550,000	+70,000	−10,070,000
Total, Treasury Department, title I, regular annual appropriations	313,678,400	306,981,700	290,453,100	−23,225,300	−16,528,600

TITLE II—POST OFFICE DEPARTMENT

POST OFFICE DEPARTMENT, WASHINGTON, D. C.					
SALARIES					
Postmaster General, office of	$375,000	$406,600	$395,000	+$20,000	−$11,600
Office of Budget and Administrative Planning	59,500	68,300	65,000	+5,500	−3,300
First Assistant Postmaster General, office of	1,115,000	1,200,000	1,162,500	+47,500	−37,500
Second Assistant Postmaster General, office of	[28] 1,033,500	990,000	928,000	−105,500	−62,000
Third Assistant Postmaster General, office of	1,332,500	1,362,000	1,350,000	+17,500	−12,000
Fourth Assistant Postmaster General, office of	712,500	823,000	752,000	+39,500	−71,000
Solicitor's office	250,000	250,000	250,000		
Chief inspector's office	400,000	408,100	405,000	+5,000	−3,100
Purchasing agent's office	83,800	85,000	85,000	+1,200	
Bureau of Accounts	500,000	525,000	485,000	−15,000	−40,000
Total salaries	5,861,800	6,118,000	5,877,500	+15,700	−240,500
CONTINGENT					
Miscellaneous expenses, Washington	145,000	204,300	160,000	+15,000	−44,300
Printing and binding	[29] 1,950,000	2,228,000	2,000,000	+50,000	−228,000
Total, contingent expenses, Washington	2,095,000	2,432,300	2,160,000	+65,000	−272,300
Grand total, Post Office Department, Washington, D. C	7,956,800	8,550,300	8,037,500	+80,700	−512,800
FIELD SERVICE					
OFFICE OF POSTMASTER GENERAL					
Travel and miscellaneous expenses	3,000	3,000	3,000		
Personal property claims	230,000	230,000	175,000	−55,000	−55,000
Adjusted losses and contingencies	[30] 130,000	80,000	75,000	−55,000	−5,000
Total, office of Postmaster General	363,000	313,000	253,000	−110,000	−60,000
OFFICE OF CHIEF INSPECTOR					
Inspectors' salaries	4,300,000	4,400,000	4,350,000	+50,000	−50,000
Traveling and miscellaneous expenses	960,000	983,100	958,000	−2,000	−25,100
Clerks at headquarters	1,178,000	1,188,000	1,178,000		−10,000
Rewards, payment of	55,000	70,000	55,000		−15,000
Total, office of Chief Inspector	6,493,000	6,641,100	6,541,000	+48,000	−100,100
FIRST ASSISTANT POSTMASTER GENERAL					
Postmasters	87,470,000	88,470,000	87,900,000	+430,000	−570,000
Assistant postmasters	12,800,000	12,850,000	12,500,000	−300,000	−350,000
Clerks, first- and second-class post offices	[31] 487,400,000	531,000,000	530,000,000	+42,600,000	−1,000,000
Contract stations	3,500,000	3,800,000	3,500,000		−300,000
Separating mails at third- and fourth-class post offices	180,000	191,400	180,000		−11,400
Unusual conditions at post offices	25,000	30,000	25,000		−5,000
Clerks, third-class post offices	24,000,000	26,000,000	25,500,000	+1,500,000	−500,000
Miscellaneous items, first- and second-class post offices	3,600,000	4,000,000	3,850,000	+250,000	−150,000
Village delivery service	300,000	330,000	300,000		−30,000
Detroit River postal service	12,750	12,750	12,750		
Carfare and bicycle allowance including special-delivery carfare	[31 32] 2,125,000	3,000,000	2,800,000	+675,000	−200,000
Letter carriers, city delivery service	[31] 295,300,000	326,000,000	326,000,000	+30,700,000	
Fees to special-delivery messengers	[31 33] 14,750,000	17,000,000	16,000,000	+1,250,000	−1,000,000
Rural delivery service	[34] 131,167,000	135,719,000	135,719,000	+4,552,000	
Total, Office of First Assistant	1,062,629,750	1,148,403,150	1,144,286,750	+81,657,000	−4,116,400

Footnotes at end of table.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FIELD SERVICE—Continued					
SECOND ASSISTANT POSTMASTER GENERAL					
Inland transportation:					
Star route service (transportation)	[35] $22,500,000	[36] $25,501,000	$25,501,000	+$3,001,000	
Star routes in Alaska	[37] 713,000	[38]		−713,000	
Steamboat or other powerboat routes	[34 39] 2,000,000	2,133,000	2,133,000	+133,000	
Railroad transportation and mail-messenger service	[35] 145,000,000	165,881,000	165,881,000	+20,881,000	
Railway Mail Service:					
Salaries	[35 40] 104,100,000	109,195,000	109,188,000	+5,088,000	−$7,000
Travel allowance, railway postal clerks	[35] 5,000,000	5,237,000	5,237,000	+237,000	
Travel expenses, officials and supervisors	55,000	66,000	66,000	+11,000	
Miscellaneous expenses	450,000	510,000	490,000	+40,000	−20,000
Electric-car service	210,000	220,000	220,000	+10,000	
Foreign mail transportation (except air mail)	[41] 19,500,000	23,842,000	23,842,000	+4,342,000	
Balances due foreign countries	[42] 8,250,000	3,250,000	3,000,000	−5,250,000	−250,000
Indemnities, international mail	15,000	20,000	15,000		−5,000
Foreign air-mail transportation	[43] 40,500,000	26,583,000	19,500,000	−21,000,000	−7,083,000
Domestic air-mail transportation	[44] 47,000,000	[45] 35,588,000	32,000,000	−15,000,000	−3,588,000
Total, Office of Second Assistant	395,293,000	398,026,000	387,073,000	−8,220,000	−10,953,000
THIRD ASSISTANT POSTMASTER GENERAL					
Manufacture and distribution of stamps and stamped paper	[46] 9,400,000	9,911,000	9,335,000	−65,000	−576,000
Indemnities, domestic mail	[47] 3,521,000	3,898,000	3,775,000	+254,000	−123,000
Unpaid money orders	[48] 1,000,000	1,017,000	900,000	−100,000	−117,000
Total, Office of Third Assistant	13,921,000	14,826,000	14,010,000	+89,000	−816,000
FOURTH ASSISTANT POSTMASTER GENERAL					
Stationery, equipment, and supplies	6,500,000	7,850,000	7,158,000	+658,000	−692,000
Equipment shops	[49] 6,700,000	12,907,250	12,800,000	+6,100,000	−107,250
Rent, light, and fuel	[50] 13,907,000	15,000,000	14,500,000	+593,000	−500,000
Pneumatic-tube service (New York and Boston)	700,000	744,700	740,000	+40,000	−4,700
Vehicle service	[51] 38,500,000	42,914,000	42,000,000	+3,500,000	−914,000
Transportation of equipment and supplies	[52] 620,000	1,099,000	1,000,000	+380,000	−99,000
Public buildings, maintenance and operation:					
Operating force	44,750,000	44,685,000	44,600,000	−150,000	−85,000
Operating supplies	[53] 6,850,000	7,500,000	7,320,000	+470,000	−180,000
Furniture, etc	750,000	1,185,000	950,000	+200,000	−235,000
Total, Office of Fourth Assistant	119,277,000	133,884,950	131,068,000	+11,791,000	−2,816,950
Total, field service	1,597,976,750	1,702,094,200	1,683,231,750	+85,255,000	−18,862,450
Total, Post Office, departmental	7,956,800	8,550,300	8,037,500	+80,700	−512,800
Total, title II	1,605,933,550	1,710,644,500	1,691,269,250	+85,335,700	−19,375,250
Grand total, titles I and II	1,919,611,950	2,017,626,200	1,981,722,350	+62,110,400	−35,903,850

[1] Excludes $58,600 for activities transferred in the estimates to "Administering the public debt."

[2] Includes $28,600 for activities previously carried under "Printing and binding, Treasury Department."

[3] Estimate of $28,600 for activities previously carried under this item has been transferred in the estimates to "Miscellaneous expenses, Treasury Department."

[4] Includes $527,207 previously carried under other appropriations.

[5] Estimate of $460,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."

[6] Estimate of $60,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."

[7] Includes $170,000 for activities previously carried under "Printing and binding, Division of Disbursement," and excludes $7,207 for activities transferred to "Salaries and expenses, Bureau of Accounts."

[8] Estimate of $170,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Division of Disbursement."

[9] Includes $58,600 for activities previously carried under "Salaries, Division of Tax Research and Research and Statistics."

[10] Includes $140,000 for activities previously carried under "Printing and binding, Office of the Treasurer of the United States."

[11] Estimate of $140,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Office of the Treasurer of the United States."

[12] Includes $4,000 for activities previously carried under "Printing and binding, Bureau of Narcotics."

[13] Estimate of $4,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Narcotics."

[14] Includes $5,000 for activities previously carried under "Printing and binding, Bureau of Engraving and Printing."

[15] Estimate of $5,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Engraving and Printing."

[16] Estimate of $86,600 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."

[17] Estimate of $1,620,400 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."

[18] Estimate of $1,715,000 is a consolidation of "Salaries, Secret Service Division," "Printing and binding, Secret Service Division," and "Suppressing counterfeiting and other crimes."

[19] Estimate of $361,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."

[20] Estimate of $9,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."

[21] Estimate of $370,000 is a consolidation of the appropriations, "Salaries, White House Police," and "Uniforms and equipment, White House Police."

[22] Estimate of $8,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."

[23] Estimate of $205,650 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[24] Estimate of $4,691,000 is a consolidation of the appropriations, "Salaries and expenses, Office of the Director of the Mint," and "Printing and binding, Bureau of the Mint."

[25] Estimate of $4,475,350 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[26] Estimate of $10,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[27] Estimate is for activities carried in the fiscal year 1948 under "Working fund, Bureau of Federal Supply, 1947," established by transfer from the War and Navy Departments, the U. S. Maritime Commission, and the Reconstruction Finance Corporation.

[28] Includes $123,500 appropriated in Second Supplemental Appropriation Act, 1948.

[29] Includes $350,000 appropriated in Second Supplemental Appropriation Act, 1948.

[30] Includes $55,000 appropriated in Second Supplemental Appropriation Act, 1948.

[31] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations.

[32] Includes $325,000 appropriated in Second Supplemental Appropriation Act, 1948.

[33] Includes $750,000 appropriated in Second Supplemental Appropriation Act, 1948.

[34] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[35] Second Supplemental Appropriation Act, 1948, provides for 4-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other Second Assistant Postmaster General field appropriations.

[36] Includes $37,000 for activities previously carried under "Star route and air mail service, Alaska."

[37] Includes $298,000 appropriated in Second Supplemental Appropriation Act.

[38] Estimates of $1,154,373 for activities previously carried under this item have been transferred to other items.

[39] Includes $300,000 appropriated in Second Supplemental Appropriation Act, 1948.

[40] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

[41] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[42] Includes $5,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[43] Includes $35,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[44] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[45] Includes $1,117,373 for activities previously carried under "Star route and air-mail service, Alaska."

[46] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[47] Includes $1,221,000 appropriated in Second Supplemental Appropriation Act, 1948.

[48] Includes $400,000 appropriated in Second Supplemental Appropriation Act, 1948.

[49] Includes $3,500,000 appropriated in Second Supplemental Appropriation Act, 1948.

[50] Includes $650,000 appropriated in Second Supplemental Appropriation Act, 1948.

[51] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[52] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

[53] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

Mr. CANFIELD. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, this bill which we now have before us, making regular annual appropriations for the Treasury and Post Office Departments for fiscal 1949, comes to the House with a unanimous report again this year, both from the subcommittee and from the full committee. I am very proud of the subcommittee of which I am chairman. We have worked as a team for the past 2 years, no member ever taking a partisan approach, and each striving only to promote the cause of efficient and economical government. Our team will be broken up next year with the retirement from Congress of our senior member, the distinguished gentleman from Illinois [Mr. DIRKSEN]. While his retirement will be a severe loss to the entire country and to the Congress, it will be especially felt on this subcommittee. He has worked long and hard with us, always being a pillar of wisdom to whom the other members repaired for counsel and advice. Despite his illness he was instrumental in forming this bill. His grasp of budgetary problems, his knowledge of governmental activities, and his capacity for work are unsurpassed, and it will be most difficult, if it is possible, to replace him. I understand why Bruce Barton once referred to the gentleman from Illinois, EVERETT DIRKSEN, as a potential Abraham Lincoln.

The ranking minority member of the committee, my good friend and very able colleague, the gentleman from Virginia [Mr. GARY], who can always be counted on to do a thorough and sincere job in and out of Congress, has made great contributions to our work. He brings to the subcommittee a most helpful background of work in the field of taxation, through long practice as a tax attorney and tax official, and his previous service on the House Post Office and Civil Service Committee gives him a knowledge of that Department on which the rest of us frequently call. An outstanding Member of Congress, a true gentleman, I am more than pleased that he serves as ranking minority member of this subcommittee.

The gentleman from Ohio [Mr. GRIFFITHS] and the gentleman from North Dakota [Mr. ROBERTSON], both able and conscientious, are men with practical business experience that makes their contributions to our deliberations invaluable. Both are outstanding public servants, have studied appropriation matters thoroughly and seriously, and are exceedingly well qualified for their assignments. The gentleman from Kentucky [Mr. BATES], a shrewd judge of character, possessor of a grand sense of humor, and endowed with a deep fund of common sense and the ability to get at the roots of our problems, and the gentleman from Washington [Mr. JACKSON], the newest member of the subcommittee, who brings to our sessions unusual legal talents and most helpful experience gained through his service on the House Post Office and Civil Service Committee, have both been faithful partners on our team, and have helped immeasurably in our work.

I also want to express my appreciation, and the thanks of the subcommittee, to our executive secretary, Mr. Claude Hobbs, who came to us last year and in the intervening period has very quickly and completely mastered the intricacies of this type of work, and who has done a most efficient and helpful job. His work has been of the highest caliber, and we are indebted to him.

Mr. Chairman, I have placed in the RECORD, just preceding these remarks, the committee report which accompanies H. R. 5770, the Treasury-Post Office appropriation bill for fiscal 1949. Details of the bill are explained fully therein, and I shall therefore touch only on the high lights of the measure. The bill carries appropriations of $1,981,722,350 for the two Departments for fiscal 1949. The Budget estimates which were submitted to our subcommittee for consideration totaled $2,017,626,200, so the amount reported represents a reduction in the estimates of $35,903,850.

I want to emphasize the fact that the estimates submitted to us and on which we were empowered to act, under the rules of the House, amounted to only a little more than $2,000,000,000. I say this because of certain irresponsible statements which have appeared in the press during the past 2 days charging that we considered estimates of $11,000,000,000, and could only come up with a saving of a very minor nature. I am surprised that a Member of Congress would make such a statement. It certainly shows a woeful ignorance of the appropriating procedures of Congress.

The Presidential estimates do indicate that the Treasury will spend $9,000,000,000 more in 1949 than this bill covers. The Budget is an expenditure budget. It lists estimated expenditures, not estimated appropriations. It contains items which do not require regular annual appropriations, but which are provided for by permanent appropriations. These permanent appropriations were fixed many years ago by Congress. For example, section 3689 of the Revised Statutes provides out of any moneys not otherwise appropriated, such amounts as may be necessary to pay the interest each year on the public debt. The money does not need to be provided in this bill. The Treasury could pay the interest on the public debt even if the Eightieth Congress failed to pass another appropriation bill. Section 201, title II, of the Social Security Act amendments, approved August 10, 1939, provides that each year amounts equal to 100 percent of the taxes, plus interest and penalties thereon received under the Federal Insurance Contributions Act shall be placed in the Federal Old Age and Survivors Insurance Trust Fund. The Treasury estimates that $1,900,000,000 will be collected this year under this act, and will be paid into the trust fund. This money will be collected and paid into the trust fund even if this Congress fails to pass another appropriation act. In all, the Treasury could spent $9,000,000,000 in fiscal 1949 without any further act of Congress. Indeed, it would require legislation to prevent such expenditures. The appropriations subcommittee is not authorized to consider such legislation. If it were, we could have made reductions of close to $1,000,000,000 in these estimates, for it is obvious, as I shall discuss later, that the President's estimates for such permanent and trust funds appropriations were greatly inflated. This situation, as it regards interest on the public debt, trust funds, and other permanent appropriations, is not at all similar to the situation handled last year in connection with internal revenue refunds and four other indefinite appropriations which were made definite. These were indefinite annual appropriations, not indefinite permanent appropriations.

Two or three years ago Congress decided to place in the bill annual indefinite appropriations covering certain refunding and claims items. For example, the bill would state that for the fiscal year 1947, the Treasury was authorized to expend such funds as might be necessary to refund internal revenue collections. This had to be carried each year. It did not fix any amount, just such funds as might be necessary during a certain year. Last year the committee and the Congress were unanimous in passing the bill; recommended that this annual appropriation be made definite rather than indefinite. It did not change the annual status of the item. Instead of appropriating "such funds as might be necessary during fiscal 1948," it put in a fixed sum for 1948. As I said on the floor of the House at that time, this did not mean the saving of a single dollar to the taxpayers. It merely made for greater budgetary accuracy and clarity. But this fixed sum must appear in the bill each year. While it is not contained in the measure now before us, because the committee feels it advisable to wait until more up-to-date figures are available, such an appropriation for refunding internal revenue collections will be presented to Congress before the start of fiscal 1949.

I regret that it has been necessary for me to take the time of the House to give this somewhat detailed and technical explanation, but I felt it was necessary because of the unfounded statements appearing in the press yesterday. In this instance, I do not criticize the newspapers for printing the statement which was given to them. I do, however, have grounds for criticism of some papers for an entirely erroneous story about this bill which appeared Tuesday evening. As a former newspaperman I realize the difficulties and the tribulations of reporters here on Capitol Hill. I am frequently amazed at their ability to do such an excellent job under existing conditions. They have an enviable record for accuracy and objective reporting. Nonetheless, they do err.

There was a story, in connection with this bill, appearing on page 1 of the Washington Times-Herald of last Tuesday, March 9. The headline reads, "Funds to protect Truman lacking." The lead of the story says:

> President Truman faced the prospect today of being without adequate police protection during his campaign for reelection.

The headline is inaccurate, unfounded, and untrue. This bill gives the Secret Service every penny it requested for fiscal 1949. Secret Service asked for $1,715,000. This bill carries $1,715,000 for Secret Service. If that is not enough money to afford adequate protection for the President, the fault lies not with the Congress, but with the President and the Treasury for not asking for sufficient funds. The Bureau of the Budget, which is a Presidential office, did cut the Service's estimates by $24,000, but directed the cut at nonautomatic promotions. Congress has not cut at all. This bill allows 11 new positions. The Chief of the Secret Service, Mr. Maloney, who is doing an excellent job, and I had the following colloquy during the hearings. It appears on pages 296 and 297. I asked the question:

Mr. Maloney, is the President, in your opinion, receiving adequate protection at the present time?

He answered:

I would say, "Yes." We have cut down, Mr. Chairman, since last year, but I think it is satisfactory.

I then asked:

Will the amount requested for 1949, in your opinion, provide adequate protection to the President during the new fiscal year?

The answer, by the Chief of the Secret Service, was "Yes."

My next question was:

Have ample provisions been made to protect the President during the forthcoming campaign?

Mr. Maloney replied:

I would like to say that if the President is a candidate, I do not believe we can guarantee to keep within the bounds of the money we have requested for 1949.

The Chief did not say he would not have enough money for a campaign. He said he would not guarantee the Secret Service could keep within the bounds of the money requested. Naturally, if Secret Service should find it needed more funds for this purpose, it would come to Congress with a supplemental request, and I feel sure that Congress would be very generous in its treatment of such a request. But now we have provided all that was requested. So the story that adequate funds to protect the President are lacking is not true.

Most of the publicity on the bill has dealt with the report on the Bureau of Internal Revenue. It is a very thorough and comprehensive report. It paints a sordid picture. It exposes waste, inefficiency, corruption, and criminality. I want to compliment our Chief Investigator, Mr. Robert E. Lee. He has done a great job and a dangerous job. His life has been threatened; he has received phone calls threatening to blow his brains out. In spite of that, he and his staff have made a very thorough, impartial study. Mr. Lee served for 10 years with the FBI, holding the title of inspector at the time of his resignation.

I am sure that most of the Members have read the newspaper revelations of this report, so I shall not discuss it in detail. I do want to say that the action which Congress took last year in cutting the Bureau's appropriations by $20,000,000 was fully justified and the report proves it. The President's 1948 budget estimated internal-revenue collections would be $36,200,000,000. When Congress cut the appropriation, the President issued a statement saying it would cause the loss of $400,000,000 in revenue. Instead of that, as Secretary Snyder revealed yesterday, revenue collections have jumped to $40,000,000,000. The report reveals duplication of work, performance of unnecessary and unessential duties, inefficient personnel, and lack of proper supervision. The committee has requested the Hoover Commission on Reorganization of the Executive Agencies to give the highest priority to its study of Internal Revenue. I hope it will be able to find some way to divorce politics from the Bureau. This political control of such a great revenue-raising agency, roundly condemned in the report, is a cancer in the body of our Government. It makes no difference what political party is in control of the Government. Internal Revenue offices should not be the mainspring of the spoils system. It will be extremely difficult to correct the present sordid conditions in the Bureau until this political patronage control is removed. The Commissioner is powerless to enforce his administrative orders on collectors because they are political appointees. Many of the collectors are trying to do a conscientious job. Some, unfortunately too many, look upon their offices merely as a headquarters for their political activities.

Actual criminal violations have come to light in some offices. Some employees have already been convicted. Other questionable practices have been uncovered.

It is indeed a sordid picture, but the most amazing thing about it is that the Bureau has indicted itself. The remarks on the various collectors' offices in the report are not the investigators' but are taken from the reports on file in the Bureau. You can read on pages 88 through 146 of the hearings reports on these collectors' offices, many of them damning, none of them presenting a picture of efficient, outstanding administration. These reports were not written by the Appropriations Committee or its staff. They were written by officials of the Bureau of Internal Revenue, whose job it is to survey field offices and report thereon. These reports were submitted to Washington, and then apparently filed and forgotten. The supervisors reported to Washington last year that there were 714 unsatisfactory or below average employees in various collectors' offices. The Bureau took no action. When questioned in our hearings about these, Bureau officials were not even familiar with the records. In the office in Birmingham, Ala., the supervisor, a Bureau employee, reported that 35 deputy collectors were below average. That report was dated July 9, 1947. As of February 24, 1948, 24 of those 35 below average deputy collectors were still on the rolls. In Louisville, Ky., 14 deputy collectors were reported as below average on March 17, 1947. On February 24, 1948, 12 were still on the rolls as deputy collectors. In Dallas, Tex., the Bureau's supervisor found 30 unsatisfactory deputy collectors. Twenty-two are still deputy collectors. Bear in mind that these below average and unsatisfactory deputy collectors were so marked by Bureau supervisors. The situation in Wilmington, Del., is of interest. The cashier there has recently been convicted and sentenced to prison, having been found guilty of embezzlement. Had the Bureau been alert the man would not have had the opportunity to embezzle for so long a time. The supervisor reported to the Bureau in October 1946 that the cashier was lacking in administrative ability, and did not give him a generally satisfactory report. The Bureau took no action. The assistant cashier, in November 1946 reported to the collector that there were discrepancies in the cashier's accounts. The collector took no action. One month later, in December 1946, the Bureau's auditors went to Wilmington for their regular audit. The collector did not advise them that irregularities had been reported to him, and the auditors did not report any discrepancies. Meanwhile, the cashier was taking funds for his own use, and during the period between November 1946 and May 1947 he obtained $2,900. It was not until May 28, 1947, that the collector called in the supervisor and reported the shortages to him. The supervisor immediately wanted to suspend the cashier, but the collector demurred. It was not until June 3, 1947, that the Bureau was notified and the cashier suspended. It had not yet been determined why the collector failed to report the irregularities that had been called to his attention, or why the auditors failed to find the discrepancies that existed at that time. The total shortage amounted to $38,000, covering a period dating back to 1940. That is but one example to show that the Bureau is not alert in protecting the revenues nor efficient in its operations.

As I have said, the Bureau this year brazenly disregarded the directives of the Congress in applying the $20,000,000 reduction in its appropriations, and the evidence, gentlemen, more than justifies the reduction we made. This year the committee has cut the estimates $1,264,000 for 1949, and has written into the bill provisos which assure that the funds will be spent for the purposes intended. Last year no part of the cut was applied to Washington, but was placed entirely in the field. A limitation therefore has been inserted in this bill providing that not to exceed $16,000,000 can be expended for personal services at the seat of the Government. This forces a cut of $530,000 on the Bureau here. A further limitation has been inserted so that not to exceed $18,000,000 may be spent throughout the service for objects other than personal services, which is a reduction of $734,000 from the amount the Bureau requested. As these were the only reductions made the Bureau will not this year be able to reduce the field service or the enforcement arm. It is unfortunate that Congress must spell out for the administrative heads of the executive agencies the manner in which appropriations can be used for the best interests of

the country, but such action has been proven necessary and we would therefore be remiss in our duties if we did otherwise.

I mentioned that savings could be made in some of the estimates for permanent and trust-fund appropriations if the committee had authority to do so. It appears that the budget estimates of expenditures under permanent appropriations are inflated. These matters are receiving further study, both in the committee and in the Department, but being permanent indefinite appropriations we were powerless to take action in this bill.

When Secretary Snyder was before the committee, he admitted that the budget estimates contained $890,000,000 for accrued interest on savings bonds. While that may be a sound accounting practice, it does not reflect cash expenditures, as do other items in the budget. The basis for asking this money is based on the theory that all holders of savings bonds could come into the Treasury on any one day and redeem their bonds. If they did so, this $890,000,000 would be needed to pay the accrued interest on the bonds. But it is fairly obvious that all bondholders are not going to come in on any one day, or even in any one year, and redeem their bonds. Therefore, this entire amount will not be expended, and the balance will theoretically go into a reserve fund. It is not, therefore, an expenditure in the fiscal year 1949, and should not be shown in an expenditure budget. It is estimated that $469,721,964 of this amount which is charged as interest is actually an increase in the public debt. In a similar category is interest on trust funds not paid out but converted into Treasury bonds, thus adding to the public debt and not a drain on Treasury cash. So also are Federal grants to the various trusts which appear in the budget as cash items but which actually are increases in the public debt. In all, $2,117,713,000 included in the estimates does not represent cash expenditures. This is an increase in the public debt and not a current cash item. It inflates the estimated expenditures by that much.

Another saving that could be made is in the railroad retirement fund. Under the Railroad Retirement Act the entire amount of the railroad tax which goes to the fund becomes available at the beginning of the fiscal year, although the bulk of the tax money does not come into the Treasury until the year is far advanced. Over 27 percent is received during the last quarter. Under the present arrangement the total amount less an agreed amount—$73,416 in 1948—for payment of benefits is converted into 3-percent special bonds which draw interest for the full year. This adds nearly $12,500,000 to the budget. It would not impair the fund nor the payment of benefits to take the more sound position of not paying interest before the principal is collected.

During the past year the average balance in the Treasury exceeded $3,500,000,000. During February and March 1947 it reached $7,000,000,000, and was never below three billion at the close of business for any month. On March 8, last Monday, it was $3,570,000,000. It is not necessary to maintain such large balances in relation to total Government expenditures, and a reduction of each billion dollars of balance by redemption of debt will save $20,000,000 of interest. Savings could be made there if the Treasury so desired.

The Federal trust accounts in the Treasury have grown from $10,000,000,000 in 1942 to $33,500,000,000 as of October 1, 1947. Interest on these funds has grown from $254,500,000 in 1942 to $749,000,000 in 1947, and will be approximately $940,000,000 in 1949. These trusts have grown because of the high interest rate the Government pays, such rate being far out of line with prevailing interest rates on demand deposits and short-term money, because of low demands for benefits, and high Federal grants. The Secretary of the Treasury testified, and we have discussed these problems with him, that the funds are being accumulated in accordance with the statutes passed by Congress. As a result, the money is not now being amassed on an actuarial basis. If it were, the amount of the Federal grants could be reduced considerably, with a resultant savings. This is a matter entirely up to Congress, and it may be that the Treasury will soon make recommendations along these lines. It is estimated that adjustments on these funds could be made, through congressional enactments, which would save an estimated $433,000,000 per year in interest, and $380,000,000 per year in Federal grants, a total estimated savings of $813,000,000 per year. It should also be borne in mind in connection with these trust funds that the cost of servicing them amounts to approximately $14,500,000 per year. These costs are an added charge to the expenses of the Treasury, and consequently to the taxpayers.

The bill we have before us carries appropriations of $1,981,722,350. All regular annual appropriations for the post office are included, but in the case of the Treasury, the committee has left four items for consideration in connection with a future supplemental bill. Two of these agencies, the Coast Guard and Customs, have been the subject of management surveys conducted by outside experts during the past year. The reports of these surveys have only recently been submitted, and consideration of the 1949 estimates was therefore postponed so that the committee could study the reports and the Department would have an opportunity to take necessary steps to institute the suggested programs. Because complete and up-to-date figures are not yet available, the item for refunds of internal revenue collections has also been postponed, as has the item for purchase of strategic and critical materials, which will require considerably more study. Rather than delay action on other items, particularly the Post Office appropriations, it was decided to present this bill at this time and a supplemental bill later. I can assure you that the committee will offer the supplemental bill at the earliest possible date, although it is not possible now to say when that will be.

As the report points out, the two Departments covered are service agencies, and their appropriations are based on demands made on them by the public and by other Government agencies. With these demands at a high level, there is little possibility of making drastic reductions in the budget estimates. The fiscal services of the Government must be maintained, and the mail must be delivered. Therefore, the committee must necessarily limit the reductions it can make to removing waste, duplication, and inefficiency. To the best of our ability this has been done, and it is the unanimous opinion of the subcommittee that this bill will permit efficient and complete service on the most economical basis possible.

This bill contains $290,453,100 for the Treasury Department. This is a reduction of $16,528,600 from the budget estimates, and $23,225,300 less than was appropriated for the corresponding items in the Treasury for 1948.

The largest reduction the subcommittee made in the estimates for the Treasury Department was through elimination of a request to increase the capital of the General Supply Fund, in the Bureau of Federal Supply, by $10,000,000. The committee determined that the Fund was sufficiently capitalized at $8,000,000, which other committee members will explain.

Only three other bureaus or agencies in the Treasury sustained cuts in excess of $1,000,000. One was the office of the Secretary, where reductions in the four items making up the appropriations for the office were cut $1,749,000. However, $1,700,000 of this reduction was applied against two nonadministrative items: Penalty mail and refunds under the renegotiation act, on both of which the evidence disclosed tremendous overestimating in past years. Last year renegotiation refunds were overestimated by 750 percent.

The second bureau cut over $1,000,000 was Internal Revenue, which I have already mentioned.

The third large reduction was made against the Bureau of the Public Debt, and amounted to $1,713,000 which on a percentage basis is only a small part of the $53,000,000 granted this Bureau. The committee, however, did not approve entirely of the costly expanded program which the Treasury intended to undertake in connection with the sales of savings bonds.

There can be no argument against the sale of bonds, especially as a move in the fight against inflation, but the committee could not go along with such unfettered spending of the taxpayers' money as proposed. It was felt that just as many bonds could be sold with a more efficient and less-expensive campaign. Other members of the committee will discuss this in more detail.

Reductions in varying amounts were considered possible and were made in most items of the bill, but one item was increased over the estimates. That was for the Bureau of Narcotics, which will receive $16,000 more than requested. This increase was made after careful study, and was based on the necessity,

endorsed particularly by General MacArthur, for acceleration of the fight against the illicit narcotics traffic on foreign fields. This additional money will be used, the Commissioner has assured us, to fight the drug traffic at the source, in the Orient and in Europe. The committee is convinced that it is a very wise expenditure. We have great faith in the Commissioner, Dr. Harry J. Anslinger, a world-renowned authority in this field. The United States is fortunate indeed to have him heading its Narcotics Bureau.

For many years, the Treasury appropriation bill has carried a limitation on the price which could be paid on typewriters purchased by any Government agency. The typewriter companies have been seeking to have such a limitation lifted, and after hearings on the subject last year the committee caused an investigation to be made into the typewriter inventories of the Government. It was learned that on August 15, 1947, there were 848,567 typewriters, both standard and electric, owned by the Federal Government. This would provide one typewriter for ever 2.5 Government employees, and what is even more shocking, 3.6 typewriters for every clerk and typist on the Government rolls. It was also learned that the typewriter companies were not selling the Federal Government because of these price limitations, and that many agencies are purchasing large numbers of electric typewriters, at very high prices, to get around the limitation. Therefore, in view of the great number of typewriters presently at hand, the subcommittee has altered the typewriter section of the bill to provide that no typewriters, standard or electric, can be purchased by the Government during the fiscal year 1949. It is also provided that should a reallocation of the typewriters on hand be necessary, such emergency transfers as may be necessary can be ordered by the Bureau of Federal Supply. At the suggestion of the gentlewoman from Massachusetts [Mrs. ROGERS] the committee is gladly providing an exception to this prohibition so that Braille typewriters may be furnished blind veterans.

Before turning to the post office appropriations, I would like to take a moment to express the pleasure of the subcommittee, as well as my own, on the appointment of a career man to head the Post Office Department. Personally—and I know the other members of the subcommittee all join me—I want to commend the President for his appointment of Jesse M. Donaldson as Postmaster General. Mr. Donaldson brings to his position not only long and honorable experience in the postal service but also a great love for his work. His is truly an American success story, for he started at the bottom of the ladder, as a substitute carrier, and worked his way to the top. As I told him when he first appeared before the subcommittee in his new capacity, he has an opportunity to become the greatest Postmaster General in our history. He has the heartiest and best wishes of the committee and, I am sure, of the Congress.

Mr. Donaldson takes office at a time when the volume of postal business is at an all-time high, and is still moving upward. In the first 6 months of fiscal 1948 postal revenues were up 12.4 percent over the previous year, which itself set new high records. The Christmas mail this last December was 11.08 percent over Christmas 1946. Although the President's budget estimated that the postal deficit would be $325,500,000, the latest estimates are that it will reach $345,000,000. Although revenues are increasing, demands for service are rising even more rapidly, and correspondingly the deficit is becoming greater each year. For the month of December 1947 alone the deficit was $30,000,000. Only first-class mail now shows a profit. The merited and deserved pay increases which our postal workers are now justifiably requesting will, if passed—and I, for one, hope they will be—further increase the deficit. Congress must face this problem in the very near future, and determine whether or not rates will be increased or the deficit continued. The investigation of the post office undertaken by the House Post Office Committee will be helpful. The management survey ordered by the Hoover commission should also be an aid. There is no question but what there are archaic and wasteful practices in the Post Office Department. Elimination of these would reduce the deficit. Elimination of unessential expenditures, which this committee is trying to do, is another method, although service cannot be curtailed, and will not be under this bill. Yet, among other things, pending applications by the railroads for rate increases, and by all the air lines for permanent rates, expenditures are bound to rise. The situation calls for the serious consideration of Congress.

The bill contains $1,691,269,250 for the Post Office Department. Although this is a reduction of $19,375,250 from the estimates, it is $85,335,700 more than has been appropriated for the postal service in 1948. The reduction made in the estimates amounts to only 1.1 percent. As indicated in the report, postal revenues and the volume of mail is at a record high, and still climbing.

The committee, after considering these facts, and in the light of demands from the public for improvements and extensions of service, came to the conclusion that it was not possible to reduce by very much the budget estimates for this Department. Therefore, no reduction was made in the estimates for city delivery, rural delivery, the railway mail service, or star-route service. For such services, the Department has been granted all it requested, which will permit hiring over 4,000 additional people for these services. The reductions that have been made in other estimates are mostly in the administrative branches of the Department, and in the estimates for air-mail service, both foreign and domestic. Reductions in air-mail service funds will not affect present service. However, the subcommittee does not see the wisdom in appropriating large sums, running into tens of millions of dollars, which can be used only if the Civil Aeronautics Board should hand down permanent rates sometime during the year. If the Board should hand down such rates during fiscal 1949, a supplemental appropriation will undoubtedly be required, but the funds granted by this bill are sufficient to operate at present levels and will eliminate the tremendous unobligated balances which have piled up in these air-mail items in recent years, running as high as $19,000,000.

Generally, other reductions have been made possible through the refusal to permit new administrative and clerical positions requested, and the scaling down of nonoperating supplies which the Department desired to purchase.

It is felt that the amount recommended for the post office will be ample to improve the service and to take care of all requirements of the Department which can be foreseen at this time.

This bill is the result of hearings which started last November. Much study and research has gone into it. We of the subcommittee believe it is a fair bill, providing adequate service, yet protecting the taxpayer against unnecessary drains on his pocketbook. I hope the House will pass it in its present form.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Texas.

Mr. TEAGUE. I have received a number of complaints from the post offices in my district that it is impossible to get typewriters. Can the gentleman tell me something about the status of the typewriters in the Post Office Department?

Mr. CANFIELD. Impossible to get typewriters?

Mr. TEAGUE. That is right. Also, some state that these typewriters are 25 and 30 years old, and that they are almost impossible to use.

Mr. CANFIELD. That is very revealing. That is not the testimony before our committee, neither by the Post Office Department nor by the Treasury Department. Our inventory shows there is one typewriter for every 2.5 workers in the Federal service, and there are 3.6 typewriters for every stenographer on the pay roll. I should be glad to go into that situation for the gentleman.

Mr. TEAGUE. I have some correspondence to prove that.

Mr. CANFIELD. I shall be glad to have that correspondence and walk down to the Post Office Department to see what is wrong in your particular city or town.

Mr. TEAGUE. Good. I would like to go with you.

Mr. CANFIELD. There are sufficient typewriters. There are surpluses in all the branches of the executive departments today. There is no question about that.

Mr. TEAGUE. I thank the gentleman.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. ANDERSON of California. The gentleman will recall that on numerous occasions I have discussed with him the difficulties confronting California and other Pactific Coast States as a result

of the tremendous increase in population during the war and since the war. What consideration did the subcommittee give to that particular subject during the course of the hearings?

Mr. CANFIELD. At the request of the members of the California delegation, particularly the gentleman from California [Mr. ANDERSON], the subcommittee discussed with the Postmaster General the postal service in that particular State. The testimony on that is on page 23 of the hearings. California's population has increased so rapidly—43 percent since 1940—that it makes it a very special problem. I can assure the gentleman that the Post Office Department is doing its best. I think this bill will be helpful in improving service in his State. Postmaster General Donaldson assured the subcommittee that the Department was not stinting the California post offices on their allowances. Their greatest problem is delivery service. Part of this difficulty is because of the shortage of civil-service eligibles. This bill provides for additional personnel. More than 4,000 people can be added to the rolls of carriers and clerks. We have given the post office all the aid they requested for delivery service. We also granted in full the estimates of the electric-car service which is important to mail deliveries in the Los Angeles area; since half of that appropriation goes to the Pacific Electric Railway Co., the railway mail service has been granted its entire request. So no delay should be encountered in that service. The committee has been very generous with the post office, and I can assure the gentleman that this generosity was predicated on the need for public service in California. The bill provides the funds, and I am sure the Postmaster General will do all he can to make the necessary improvements.

Mr. ANDERSON of California. I thank the gentleman for his reply. I note with interest the colloquy that occurred between the chairman and Mr. Donaldson, which appears on page 23 of the hearings and subsequently. I share with the gentleman from New Jersey his admiration for this career man who has become Postmaster General of the United States. I hope, and I think the members of the committee join me in that hope that that will perhaps set a precedent in the appointment of postmasters in the future.

Mr. CANFIELD. I am glad to hear the gentleman from California make that statement, because when Mr. Donaldson appeared before us to justify his request, that is exactly the statement that I made. I said, "This is a precedent which I hope will be maintained in the future." I appreciate the statement made by the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman. I note in this colloquy, particular reference is made to the southern part of the State and Los Angeles. We in the northern part of California acknowledge that there is a Los Angeles and a southern part of our State, but we also must call attention to the fact that these problems which are difficult for the southern part of the State are also indicative of the same difficulties in the northern part of the State. If the gentleman will indulge me for just a moment, may I cite as an example one community or city in my congressional district, San Mateo, Calif., which lies about 25 miles south of San Francisco. In 1930 the postal receipts of that city were $65,000. In 10 years, they increased to $111,000. The postal receipts, in other words, doubled in 10 years. Then from 1940 to 1947 they increased from $111,000 to $286,000, which is almost two and a half times. I call the attention of the gentleman to that, because that is indicative of what is occuring in almost every city and community in the entire State of California. It poses an extremely difficult problem for postmasters in those areas because of the lack of adequate city delivery service and the lack of adequate postal facilities in the post offices themselves.

Mr. CANFIELD. I have spoken personally to Postmaster General Donaldson about the very problem that the gentleman from California is now discussing, as well as the problems that the other gentlemen from California [Mr. BRADLEY and Mr. JOHNSON] also discussed with me and members of our subcommittee. I know he is not going to let your people down. Most certainly we on this subcommittee and the Congress are not going to do that. If supplemental funds are needed, we are going to see that they are granted.

Mr. ANDERSON of California. We deeply appreciate the courtesy that the gentleman from New Jersey and his subcommittee has shown us.

Mr. BRADLEY.. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. BRADLEY. I simply wanted to thank the gentleman from New Jersey for the consideration that he and his committee has given to California and to Los Angeles County, where our population is increasing at the rate of 15,000 a month from other parts of the United States.

Mr. CANFIELD. I thank the gentleman.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. JOHNSON of California. I want to concur in some of the statements made by my two colleagues from California. The example cited by the gentleman from California [Mr. ANDERSON] is typical of conditions in my own district. In the town of Fairfield the receipts have gone up 10 times in the last 10 years.

I also want to state that I concur in the view expressed by my colleague the gentleman from California [Mr. ANDERSON] and the gentleman from New Jersey [Mr. CANFIELD] regarding the appointment of career men in postal positions. I intend to make whatever recommendations I have to make in the future of career men whenever they are available to take these positions. That is an incentive that every career man in the Post Office has a right to look forward to and is entitled to, in my opinion. The gentleman knows that in the past, appointments were made on a political basis. There we gave the highest paid position in the Post Office to a man who did not know anything about the postal service and we spent all those high salaries in training him to do the job. I think that in the future we ought to lay down the policy that career men, wherever available, are going to have these top-ranking jobs in the post offices in the United States.

Mr. CANFIELD. I thank the gentleman. I quite agree.

While we are talking about career men, I think in all fairness I should discuss briefly another career man, inasmuch as I have been critical of the Bureau of Internal Revenue. The gentleman who now heads the Bureau of Internal Revenue, Mr. George J. Schoeneman, is a career man. More recently he was an aide secretary to President Truman. The President appointed him to take over Internal Revenue as Commissioner at the beginning of this fiscal year. He had had 25 years of service in that Bureau. We on the subcommittee know something of his background. He is characterful. He is able. He is loyal. He does not like the picture that I described to the House today. He does not like his inheritance. He took over that job at a most difficult time. I talked about it to him in my office on Capitol Hill not so long ago. He felt rather low when he heard some of these disclosures. I said to him then, "You, George Schoeneman, have an opportunity to become the greatest Commissioner of Internal Revenue in history and our subcommittee hopes you do become just that. You can clean up this situation and we want to help you. We are going to help you."

Mr. Chairman, I reserve the remainder of my time.

The CHAIRMAN. The gentleman from Virginia [Mr. GARY] is recognized.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. O'HARA]?

There was no objection.

Mr. O'HARA. Mr. Chairman, at various times my colleagues in the House are privileged to have as their guests distinguished groups from their districts. This morning it is my pleasure and honor to have as my guests the choir of the Gustavus Adolphus College, which has come to Washington to give a series of concerts in Washington.

The choir, under the able direction and leadership of Mr. Wilbur F. Swanson, conductor, and Mr. Ren Andersen, as manager, has established an outstanding national musical reputation. The choir will sing at Walter Reed Hospital this afternoon; a concert will be held at the Augustana Lutheran Church this evening at 8:30, and will also sing at Howard University tomorrow.

Tonight's concert has been sponsored by many Members of both the House and the Senate, as well as many other dis-

tinguished and outstanding patrons from diplomatic and official life here in Washington. We, in Minnesota, pridefully claim Gustavus Adolphus College as our own, yet it belongs to the Nation for, by reason of its splendid record of scholastic and educational achievement, it has attracted students from all over the United States. Among its distinguished alumni are our former colleague, the late Oscar Youngdahl, and the present chief executive of Minnesota, Gov. Luther Youngdahl.

It is indeed both a distinguished privilege and a musical treat to have this fine and wholesome group of young men and women from Gustavus Adolphus College as our guests in Washington.

Mr. GARY. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. GARY. Mr. Chairman, before discussing the merits of this bill, I would like to pay my respects to the able chairman of our subcommittee, the gentleman from New Jersey [Mr. CANFIELD]. I would like to say to this House that he is one of the finest gentlemen with whom I have had the pleasure of associating. He is an indefatigable worker, and he has given serious and conscientious study to every item of the bill which you are now considering. He has been ably assisted by Messrs. DIRKSEN, GRIFFITHS, and ROBERTSON, the other majority members. My Democratic colleague the gentleman from Kentucky [Mr. BATES] made a distinct contribution to the work of the committee, and although the gentleman from Washington [Mr. JACKSON] did not become a member of the committee until recently, he gives every promise of becoming a valuable member. Frankly, I think that it is an excellent committee, which accounts for the fact that we are presenting a unanimous report insofar as appropriations are concerned.

Our committee was ably assisted by Mr. Claude Hobbs, its executive secretary. Although he is a comparative newcomer to our staff, he quickly mastered the duties of his office. He is a young man of sound judgment and exceptional ability. Moreover, Mr. J. Palmer Murphy, the secretary to our chairman the gentleman from New Jersey [Mr. CANFIELD], was constantly in attendance upon our committee and made a substantial contribution to the preparation of our report.

There have been some substantial cuts in the appropriations of the two departments, but substantial cuts are necessary if we are going to reduce the tremendous Governmental expenditures, which are becoming a severe burden to our people. I do not believe that the reductions which have been made in this bill will seriously impair the efficiency of either the Treasury or the Post Office Departments.

I wish that I could end my remarks here, but certain things have happened in connection with the report of our committee which I do not believe a single member of the committee contemplated or approves. Last year the majority party of the House insisted upon slashing the appropriations for the Bureau of Internal Revenue $30,000,000. Twenty-five million dollars of this amount were restored by the Senate, but a cut of $20,000,000 was finally agreed upon in conference and approved in both Houses. There was tremendous criticism of this action throughout the United States. The people realized that this was the Bureau responsible for ferreting out those unpatriotic citizens who had evaded their taxes even in times of war, and that a $20,000,000 reduction in the appropriations of the Bureau would necessitate the discharge of thousands of investigators, greatly decrease the effectiveness of the Bureau, cause a loss of revenue, and permit a number of evaders to escape their just tax burden.

To counteract this unfavorable political reaction snoopers, who have been dignified with the name of investigators, were sent out to see what they could find on the Bureau of Internal Revenue. They spent, according to their own statement, approximately 700 man-days in their so-called investigation, and what did they find?

For one thing they found—and I quote:

> The present Commissioner is well equipped to do his job.

They could not have found otherwise. The Honorable George J. Schoeneman became Commissioner of Internal Revenue on July 1, 1947, less than 1 year ago. He had previously served for 25 years in the Bureau, during which time he had been Deputy Commissioner and Assistant Commissioner. He left the Bureau in 1945, to accept the position as Administrative Assistant to the President of the United States, which he held until his appointment as Commissioner. He entered upon his duties at one of the most difficult periods in the history of the Bureau.

Mr. Chairman, I can appreciate the magnitude of his task. It was my privilege at one time to serve as the head of the Tax Department of the State of Virginia. I remember how arduous were those duties and yet they were insignificant as compared with the operation of the Federal Bureau which has branch offices throughout the entire United States, is handling over 90,000,000 tax returns and is collecting over $43,000,000,000 a year. Incidently, the cost of collecting this revenue was 43 cents per $100, as compared with $2.17 per $100 in 1932, the last year of the previous Republican regime.

The new Commissioner has had his problems. He testified before our committee as follows:

> We were also faced with another difficult personnel problem, by reason of the necessity of bringing our force in line with civil-service requirements. I am in full accord with the objectives of these requirements, but we cannot ignore their effect upon our administrative problems. We now have approximately 11,915 war-service appointees, who must qualify through competitive examinations if they wish to retain their positions. This means that many are likely to be displaced by other persons with little or no training for our work. Many have already been displaced by civil-service employees from other agencies. The resulting atmosphere of uncertainty and fear of dismissal tends to reduce efficiency and morale. In the face of this situation, many of the more promising and aggressive of our war-service appointees are leaving the service to accept offers in private industry.

It is inevitable that instances of inefficiency will exist in an organization of this magnitude, where so many of its employees have no security in their employment.

But let us consider specifically what the investigators found. They discovered in the basement of the Bureau building in Washington, five empty whisky bottles. Four of them were pint bottles, one a quart. Three were in one place, two in another. The investigators considered them of such importance that they took pictures and presented them to our committee. There was no evidence as to who placed them there. They could just as easily have been placed there by custodial employees of the Public Buildings Administration, or others who had access to the building. But this has been used as evidence to indict a Bureau of 50,000 employees of drinking on the job. The charge is, of course, ridiculous and the attempt to smirch the name of the Bureau on the basis of such evidence is inexcusable.

Again, the investigators complained of a snack bar. One little snack bar for 5,000 people in the Bureau building in Washington. It is not large enough to accommodate more than 100 people at any one time. Suppose everyone who went there spent as much as 20 minutes.

In the 5 hours that it is open it could not possibly accommodate more than a fraction of the Bureau employees even if it were filled to capacity at all hours, which I am sure that it is not. Why single out the Bureau of Internal Revenue in this respect, when every department of the Government, including our own legislative branch, maintains these quick-lunch counters for its employees. Not only is it the rule of government, but of private industry as well.

The Training Division of the Bureau is criticized. Some employees, it is said, are far behind in returning their work papers in correspondence courses pursued by them for their own improvement. These employees are trying to train themselves to perform more technical work as well as to improve their efficiency in their particular jobs. True some of them are late in getting their papers back, but after all this work is done on their own time and not the Government's time. They are not paid overtime wages to improve their knowledge. The surprising part is not that there are many who are late in getting in their papers, but rather that there are so many who have the ambition and energy to devote their off hours to serious study.

Criticism was directed at the fact that two women employees in Newark, N. J., in order to report completion of their daily quota of work, had thrown 400 tax returns down a drain pipe. These women were discharged from the Department, prosecuted, convicted, and sentenced in the courts. What more could the Department have done?

It is pointed out that in Hartford, Conn., officials in the office of the collector of internal revenue had been indicted for violations of the Hatch Act. That the cashier in the office of the collector of internal revenue in Wilmington, Del., was recently convicted of embezzlement. It would seem from these citations that the Bureau has been alert in discovering wrongdoing, and prompt in bringing the culprits to justice.

Many of the so-called findings of the so-called investigators are based on confidential reports of the Bureau's own field offices in which, as a matter of long-established practice, conditions which appear to need correcting are called to the attention of the officials in Washington. To facilitate proper action, absolute frankness is the rule in the preparation of these reports. They are departmental memoranda for the use of Bureau officials and it is necessary to detail names and circumstances in order that a fair appraisal may be made. Manifestly, these reports are not written with a view toward publication. If they were, they would not serve the purpose intended. Many of these reports have been reproduced in full and released to the public press, to the injury of some faithful employees in the eyes of their associates as well as in their community.

In fact, Mr. Chairman, this political smear of the Bureau of Internal Revenue has done more to destroy the morale and efficiency of that Bureau than the $20,000,000 cut in revenue did last year. Cooperation of taxpayers is an essential element in the collection of taxes. We have close to 60,000,000 people in this country who pay one or more types of Federal taxes. Many of these taxes are complex in character and require a considerable amount of cooperation and patience in their declaration and payment. Millions of these people are this very day standing in long lines in every major revenue office throughout the country seeking assistance in the filling out of tax forms.

Unwarranted charges such as those which have been broadcast throughout the land shake the confidence of our people in the Bureau and in their Government. Moreover, they discredit the efforts of approximately 50,000 employees of the Bureau, who through the years by their industry, impartiality, and devotion to duty have built up a reputation for honesty and efficiency, of which they are justly proud. It is deplorable that this reputation has been besmirched on such flimsy and trivial evidence.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Chairman, first I want to congratulate Mr. J. A. Krug, Secretary of the Interior, and Mr. Newton B. Drury, Director of the National Park Service, for so wisely spending part of the money which we appropriated for printing, in publishing the duofold describing and illustrating the Mound City Group National Monument which is located in Ross County and which is one of the five counties comprising the congressional district which I have the honor to represent. I am pleased that public attention is thus being focused on this prehistoric group of Indian mounds in southern Ohio and I sincerely trust that the time is not far distant when some of the artifacts which have been removed from these mounds and which are at present reposing in the Ohio State Museum will be returned to the place from whence they came and displayed in a suitable museum which we hope to see erected at the site of the Mound City National Monument. I am pleased to report, Mr. Chairman, that plans for a suitable museum building are included in the master plan of the National Park Service and I sincerely trust that material costs and a scarcity of materials may soon be overcome, and that the Congress will see fit to appropriate sufficient funds in order to construct a suitable building at this site and thus perpetuate this historic landmark to future generations.

Of course, Mr. Chairman, it is impossible to include with my remarks the illustrations and photographs accompanying this duofold or the map drawn by Mr. H. L. Golder. However, I do want to include the written portion and sincerely trust that those who are interested in our historic landmarks will take the time to not only read a description of this historic site but also to stop and pay us a visit on their way through Chillicothe, Ohio:

MOUND CITY GROUP NATIONAL MONUMENT—A PREHISTORIC GROUP OF INDIAN MOUNDS IN SOUTHERN OHIO

THE HOPEWELL PEOPLE

Before the first white man set foot upon the Western Hemisphere, over 450 years ago, an Indian civilization, scattered over the region of the Mississippi River and its tributaries and now referred to as the Hopewell culture, had flourished and disappeared. The term "Hopewell", which archeologists have assigned to these prehistoric Indians, comes from the Hopewell mound group, located in Ross County, Ohio, not far from Mound City Group National Monument. Being the first remains of its kind to be explored, the name of this site came to be applied to all other remains of the same prehistoric culture. The origin of the Hopewell people, one of the most advanced prehistoric societies north of Mexico, is not known, but probably as early as 1000 A. D. they had developed their highly specialized civilization in the area of southern Ohio.

The Hopewell people are best known for their high artistic achievements and for their practice of erecting mounds of earth over the remains of their dead. From the extraordinary wealth of burial offerings found in the mounds, archeologists have learned a great deal about these prehistoric people. They were outstanding among the American Indians as artists and craftsmen, and worked with a great variety of material foreign to Ohio. Copper from the Lake Superior region was used for breastplates, head-dresses, earspools, and other ornaments and ceremonial objects. Stone tobacco pipes were beautifully carved to represent the bird and animal life around them. From obsidian, a volcanic glass brought from the Rocky Mountain region, they made delicately chipped ceremonial blades. Fresh water pearls from local streams, quartz and mica from the Allegheny Mountains, ocean shells from the Gulf of Mexico, grizzly bear teeth from the West, all were used in making the beautiful and elaborate pieces buried with the dead. Pottery of excellent workmanship was made, and even woven fabric of bark and other wild vegetable fibers has been found, preserved through contact with copper objects. Animal bone was used extensively, and wood must also have been important in the manufacture of implements and utensils.

The Hopewell people apparently lived in small villages near rivers and streams, often some distance from their mounds, which must have been used chiefly as ceremonial centers. Though it is believed that they knew how to raise corn and may have had simple gardens, their diet was augmented by the hunting of wild animals and the gathering of wild fruits and vegetables. Though their culture was widespread, and made use of materials obtained by travel and trade in distant parts of North America, the evidence of their remains suggests that they were a peaceful and more or less sedentary people. Possibly this was one of the reasons for the disappearance of their culture. But whether it was due to conquest by more warlike tribes, or disintegration from within, or a combination of various factors, the Hopewell culture flowered for a period and then passed away.

EXPLORATION AND EXCAVATION OF MOUND CITY

The Mound City group consists of a rectangular earth enclosure approximately 13 acres in extent, within which are located 24 burial mounds. The earth walls of the enclosure vary in height from 3 to 4 feet, with an entrance or gateway on both the east and west sides. The largest mound in the group was described by early observers as 17½ feet high and 90 feet in diameter, but it is somewhat smaller today. All the mounds are conical in shape, with the exception of one which is elongated. Just outside the enclosure are two additional mounds, and several depressions from which material was taken for constructing the walls and mounds.

The site was mapped and partially excavated in 1846 by two explorers, E. G. Squier and E. H. Davis. The results of their extensive survey of prehistoric earthworks, Ancient Monuments of the Mississippi Valley, appeared in 1848 in the first publication of the newly founded Smithsonian Institution. Although many of the mounds had been noticed by earlier explorers, the work of Squier and Davis was the first detailed study of the prehistoric structures in the Mississippi Valley, and is a milestone in American archeology.

The excavations at Mound City by Squier and Davis produced a great many spectacular objects, most interesting of which were a large number of stone tobacco pipes, many being realistically carved in the images of birds, animals, and the human head. These objects, first acquired by the Blackmore Museum, in England, were later transferred to the British Museum, London.

During the First World War the area comprising Mound City was occupied by Camp Sherman. At the close of the war the Ohio State Archeological and Historical Society in 1920 and 1921, conducted extensive excavations at the site, supplementing the information secured by Squier and Davis. A few years later the society restored the earthworks to their present appearance and developed the tract into a State memorial. The final excavation of the site by the society brought to light many interesting details of the construction and purpose of the mounds, and yielded many fine artifacts typical of the Hopewell culture. Examples of these objects are now on exhibit in the Ohio State Museum at Columbus.

Since Mound City was primarily a ceremonial center for the disposal of the dead, much of the information obtained from its excavation concerns the burial customs of the people. The site of each mound was originally occupied by a wooden structure, which

was probably the scene of the last rites for the body. It is believed that after a suitable period of use this structure, probably a mortuary temple, was intentionally burned, perhaps with the idea of purification, or of allowing the spirit of the dead to escape to the spirit world. Then over the bones and the offerings left with the dead the mound was erected. This was a considerable task when one remembers the simple tools and equipment used by the Indians. Using only digging sticks, or hoes of shell or animal shoulder blades, they scraped up the earth, carried it in baskets or skins, and dumped it, load by load, on the slowly growing mound. It is obvious that only a small percentage of the Hopewell dead were buried in mounds, an honor possibly accorded only to persons of high rank.

Archeologists discovered, in excavating Mound City, that they were not the first to disturb these ancient remains. In many of the mounds were found intrusive burials of another prehistoric people, accompanied by artifacts quite distinct from those of the Hopewellians. Another group of Indians had found the mounds a convenient and suitable place for the burial of their dead, and then they too left the region well before the white man came.

MOUND CITY GROUP NATIONAL MONUMENT

The 13-acre mound area and surrounding property, including 57 acres in all, was established as Mound City Group National Monument on March 2, 1923, by Presidential proclamation. Although Federal jurisdiction was transferred from the War Department to the National Park Service of the Department of the Interior in 1933, the Ohio State Archeological and Historical Society continued to administer the area until August 1, 1946.

It is now one of the many areas of the National Park System, part of our national heritage, owned by the people of the United States and administered for them by the National Park Service. These outstanding scenic, historic, and scientific areas are to be found in all sections of the country, and are protected and preserved for the benefit and enjoyment of the people.

Among the sites of prehistoric remains included in the National Park System are Ocmulgee National Monument at Macon, Ga., another great mound-builder site, and a number of outstanding ruins in the Southwest, most famous of which is Mesa Verde National Park, Colo.

HOW TO REACH THE MONUMENT

Mound City Group National Monument is situated on the west bank of the Scioto River, 4 miles north of Chillicothe, Ohio. In leaving Chillicothe, the monument is reached by following United States Highway 35 and State Highway 104.

NEARBY POINTS OF INTEREST

Southern Ohio is very rich in prehistoric Indian sites, some of the Hopewell culture, and some of other mound-builder cultures. A number of the most interesting of these have been set aside as State memorials under the custody of the Ohio State Archeological and Historical Society, including Fort Ancient, Fort Hill, Miamisburg Mound, Newark Earthworks, Seip Mound, and Serpent Mound.

Interesting historical and archeological exhibits are contained in the museum of the Ross County Historical Society in Chillicothe. At the Ohio State Museum, Columbus, many of the objects excavated at Mound City and other Hopewell sites are on display.

In the former Camp Sherman reservation, near Mound City, are two interesting Federal institutions. One, the United States Industrial Reformatory, is a model correctional institution; the other, the United States Veterans' Hospital No. 97, has been in operation since World War I. This area has a long military history, Camp Sherman being preceded by Camp Logan of the Civil War and Camp Bull of the War of 1812.

SERVICE TO THE PUBLIC

Mound City is open to the public, free of charge, throughout the year, from 9 a. m. until dark. Information and literature relating to the area may be secured without charge at the monument office. Organizations and groups will be given special service if arrangements are made in advance with the custodian. Archeological exhibits and other interpretive facilities are being planned for the benefit of the visitor.

Communications or inquiries concerning the monument should be addressed to the Custodian, Mound City Group National Monument, Chillicothe, Ohio.

Mr. GARY. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, we talk so much about billions these days that sometimes we forget from where these billions come. They come from the people and the people need some consideration at this point. Shortly we will take up rent control in this House. I should like to read to the Members a resolution that was recently adopted by the United States conference of mayors:

Whereas throughout most of the cities of the United States there exists a drastic housing shortage; and

Whereas it is the consensus of opinion of the larger cities of the United States that if rent control is discontinued a serious inflation in housing rentals would result; and

Whereas such an inflation would work a hardship, particularly upon veterans and their families: Now, therefore, be it

Resolved, That the United States conference of mayors here assembled in annual conference urgently petition the Congress of the United States to extend the expiration date of the present Rent Control Act until present housing-shortage conditions are eliminated.

I call attention to the fact that I am today introducing a rent-control bill which I feel would provide an adequate program if we are to extend rent controls until the housing shortage has been solved. Last year we were presented with a rent-control bill at the last minute. Neither Congress nor the President were given time to properly study a very bad bill.

In the hope that we can avoid this last minute approach to one of the most pressing problems in our economy, I have made a study of the present law under which we operate and have analyzed the rent-control bill which just passed the other body.

I wish to call the attention of the Members to the fact that as yet we have not worked out a rent-control program to meet the needs of the country.

I am today introducing my bill in the hope that if there are shortcomings in the committee bill, they can be rectified on the floor of the House. I hope that the Members will give some study to the rent-control bill which I am introducing.

Important as ERP is to the peace of the world, it is not the immediate problem that confronts Mr. Brown and Mrs. Jones in our districts at home. What people down at the grass roots are confronted with are high prices and a short budget. This is the number one problem we will be asked to account for in the coming election.

We cannot possibly, if we begin a great over-all housing program today, eliminate the housing shortage in less than 2 years. To come in with a rent-control act that extends rent control for 1 year is, to put it very politely, unrealistic, and to put it very bluntly, political chicanery.

I am introducing today a rent control bill based on the experience we have had with the present law which has proved weak and unequitable. S. 2182 just passed by the other body is likewise inadequate.

My bill would extend rent control until June 30, 1950, at which time, if we immediately undertake a real housing program, the critical shortage may be ended.

My bill provides for full criminal and civil enforcement sanctions. Without enforcement we cannot have effective rent control.

My bill would again provide rent controls for permanent tenants living in residential and apartment hotels, and for tenants living in accommodations created by new construction and conversion of old units; for tenants in accommodations held off the market between February 1945 and February 1947, thus providing protection for the several million persons whose dwelling units were decontrolled by the 1947 law.

Included in this group are the 1,600,000 families whose homes were decontrolled this past January by the so-called voluntary lease device; 1,250,000 families living permanently in residential and apartment hotels, motor courts, tourist homes, and trailer camps and the thousands of tenants living in new units created by new construction and conversion of old units.

This bill will provide protection for tenants from unwarranted evictions by requiring the landlord to give notice when eviction is sought to the local rent control office. This permits the local rent attorney to bring to the attention of the local court illegal evictions.

In those cases where eviction is not the result of the shortcomings of the tenant but for reasons beyond his control, such as eviction for occupancy by the landlord or a member of his family or by a purchaser or for remodeling, a 90-day waiting period is provided the tenant in which to find other shelter.

This should ease the present heartbreaking and chaotic desperation in which thousands of tenants find themselves. This condition is colorfully described in a recent letter I received from a constituent who said, "but eviction with no place to go is appalling and disastrous to one's physical and mental condition and has a destructive effect on the United States when this condition is prevalent throughout the country."

My bill also eliminated the 15-percent rent increases imposed on tenants by the so-called voluntary leases and rolls back these rents to their previous ceilings.

It is generally agreed that to remove rent control in the face of the present housing shortage would be disastrous. This need is recognized by the resolution

calling for a continuance of rent control by the United States Conference of Mayors.

If we are to have rent control it should be on a basis which treats all landlords and tenants alike. The other body in considering this question was faced with the dilemma of either permitting more 15-percent leases to be imposed on some more tenants or eliminating those rent increases imposed by the 1947 law. The other body chose to open the gates to more rent hikes by the lease device. I say this scheme was bad under the 1947 law, and I can see no reason to perpetuate it. If all landlords and tenants are to be treated generally alike we must eliminate these rent increases.

If Congress thinks that rents should be raised 15 percent across the board why does it not have the courage to openly say so and provide for a 15 percent rent raise, rather than this half-baked unjust 15 percent lease device, which rightly creates such resentments among both landlords and tenants?

My bill follows:

H. R. 5823

A bill to continue rent control until June 30, 1950, and for other purposes

Be it enacted, etc., That this act may be cited as the Housing and Rent Extension Act of 1948.

SEC. 2. The provisions of the Housing and Rent Act of 1947 are amended by inserting the following immediately preceding title I, amendments to existing law:

"DECLARATION OF PURPOSES

"This act is hereby declared to be in the interest of the national defense and security and necessary to the successful completion of the present war. The Congress recognizes that an emergency exists with regard to housing accommodations due to the acute shortage of all types of housing, and especially rental housing.

"The purposes of this act are, during the transition period from war to peace, to stabilize rents for housing accommodations and prevent speculative, unwarranted, and abnormal increases in rents for such accommodations; to prevent unwarranted evictions because they would cause grave hardship to tenants and because unlimited evictions would render it extremely difficult to control rents; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and veterans and other persons dependent on life insurance, annuities, pensions, and allowances granted to veterans attending school or learning trades, from undue impairment of their standard of living; to prevent the disruption of production due to the inability of employees to find adequate housing; to conserve scarce building materials for housing and other essential construction; and to assist veterans to obtain adequate housing for themselves and their families."

SEC. 3. Section 1 (b) of title I of the Housing and Rent Act of 1947 is amended by inserting the following new paragraph (2) at the end of paragraph (1) thereof and numbering the old paragraphs (2) and (3) as paragraphs (3) and (4), respectively:

"(2) Whenever in the judgment of the Rent Administrator there is, or is likely to be, a shortage in the supply of any materials or facilities needed for an increased supply of housing accommodations, he may by regulation or order allocate, or establish priorities for the delivery of, such materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to increase the supply of housing accommodations. The Rent Administrator may exercise any power or authority conferred upon him by this paragraph through such department, agency, or officer as he shall direct."

SEC. 4. Section 4 of title I of the Housing and Rent Act of 1947 is amended by substituting "June 30, 1950" for "April 1, 1948" wherever the latter date appears in said section.

SEC. 5. Title II of the Housing and Rent Act of 1947, is amended by striking out the subtitle "Declaration of Policy" and by striking out all of section 201 and in lieu thereof inserting the following:

"SEC. 201. The title "Housing Expediter" and the name "Office of Housing Expediter" referred to in the Veterans' Emergency Housing Act of 1946, as amended, and in the Housing and Rent Act of 1947, as amended, are hereby changed, respectively, to "Rent Administrator" and "Office of Rent Control": *Provided, however,* That the powers, duties, and functions of said official and of said agency under the above or any other laws or Executive orders shall in no way be enlarged, diminished, or otherwise affected by virtue of such change of names: *And provided further,* That any regulation, order, contract, or other action made, prescribed, issued, granted, or performed by or in respect of said official or agency shall (except to the extent expressly rescinded, modified, superseded, or made inapplicable by or under authority of law) have the same force and effect as if such change of names had not been made: *And provided further,* That no suit, action, or other proceeding commenced by or against said official in his official capacity or said agency shall abate by reason of such change of names; that judicial notice of such change of names shall be taken in all such suits, actions, or proceedings; and that said official and agency shall not be required to give notice to any party to such suit, action, or proceeding, or to any other person of said change of names."

SEC. 6. Section 202 of the Housing and Rent Act of 1947 is amended in the following respects:

(a) Clause (1) of paragraph (c) is amended by striking out the first word "those" and inserting after the word "accommodations" the following: "(other than dwelling units occupied by nontransient tenants)."

(b) Clause (2) of paragraph (c) is amended to read as follows:

"(2) any housing accommodation in any motor court, tourist home, or trailer camp (including trailer space) when such accommodation is occupied by a transient guest."

(c) by striking out Clause (3) in its entirety.

(d) by adding at the end thereof the following new paragraph:

"(f) The term 'district court' means any district court of the United States and the United States court for any Territory or other place subject to the jurisdiction of the United States."

SEC. 7. Section 204 of the Housing and Rent Act of 1947, as amended, is amended in the following respects:

(a) by striking out the language "March 31, 1948" and in lieu thereof inserting "June 30, 1950",

(b) paragraph (b) is amended to read as follows:

"(b) During the period from the effective date of this act and ending on the date this act ceases to be in effect, the maximum rents for controlled-housing accommodations, unless and until changed by the Rent Administrator in accordance with subparagraph (5) of this paragraph, shall be the rents fixed by the Rent Administrator determined as follows:

"(1) For housing accommodations for which a maximum rent was in effect on March 31, 1948, the maximum rent shall continue to be such maximum rent;

"(2) For housing accommodations not included within the definition of 'controlled housing accommodations' as this definition read prior to amendment, the maximum rent shall be the higher of (a) the rent generally prevailing in the defense-rental area for comparable accommodations on the maximum-rent date for such area, plus due allowance, where new construction is involved, for general increases in the cost of construction in the area from 1939 until the date the construction is or was completed; (b) the maximum rent last in effect for such housing accommodations under Federal rent control.

"(3) For housing accommodations which were exempted from control pursuant to the second proviso to section 204 (b) of the Housing and Rent Act of 1947, as amended, as section 204 (b) read prior to amendment by the Housing and Rent Extension Act of 1948, the maximum rent shall be the last maximum rent in effect for such housing accommodations under Federal rent control prior to the execution of the lease under section 204 (b): *Provided, however,* That the landlord may continue to charge the rent specified in a lease complying with section 204 (b), prior to amendment, for the entire month in which this act takes effect.

"(4) For housing accommodations recontrolled pursuant to the provisions of subsection (e) of this section, the maximum rent shall be the maximum rent established by the Rent Administrator in the order or regulation of recontrol.

"(5) The Rent Administrator may, by regulation or order, make such adjustments in the maximum rents established under subparagraphs (1), (2), (3), and (4) of this subsection (b) as may be necessary to carry out the purposes and provisions of this title."

(c) By striking out the language of paragraphs (c), (d), (e), and (f) in their entirety and in lieu thereof inserting the following:

"(c) Notwithstanding the provisions of subsection (a) of this section, the Rent Administrator shall make general adjustments in the maximum rents in effect or established in any defense-rental area for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes, other costs, or income, within such defense-rental area, whenever in his judgment the maximum rents in the area are not generally fair and equitable to landlords of any substantial and well-defined class of housing accommodations. For the purpose of making such determinations the Rent Administrator shall, from time to time, cause accounting surveys of operating experience under rent control to be made in the various defense-rental areas and he shall compare the operating experience of landlords under rent control with their operating experience in the years 1939 and 1940.

"(d) Notwithstanding the provisions of subsection (a) of this section, the regulations and orders of the Rent Administrator may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions as in his judgment are necessary or proper in order to effectuate the purposes of this act.

"(e) Whenever the Rent Administrator finds with respect to any substantial and well-defined class of housing accommodations in any defense-rental area, whether or not previously controlled or decontrolled, that (1) the demand for such accommodations is in excess of the supply, and (2) that the rents for such accommodations have risen or are threatening to rise in a manner inconsistent with the purposes of this act, and (3) that local governmental officials are unable or are unwilling to stabilize rents at

levels consistent with the purposes of this act, he may by regulation or order establish such maximum rents for such accommodations as will in his judgment be generally fair and equitable and will effectuate the purposes of this act: *Provided, however,* That if the accommodations brought under control have previously been decontrolled, the Rent Administrator shall not establish new maximum rents for them which are lower than the last maximum rents they had when previously controlled.

"(f) Whenever the Rent Administrator finds with respect to any substantial and well-defined class of housing accommodations in any defense-rental area that (1) the supply of such accommodations is substantially in balance with demand, and (2) that the removal of rent control will not result in rent increases inconsistent with the purposes of this act, he is authorized and directed, by regulation or order, to remove such accommodations from control.

"(g) The Rent Administrator is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who as a group are representative of the affected interests in the area, to be appointed by the Rent Administrator, from recommendations made by the respective governors: *Provided,* That in any case where the governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to March 31, 1948) from the Rent Administrator, the Rent Administrator shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. The Rent Administrator shall immediately subsequent to March 31, 1948, screen the membership of the boards to determine if their membership complies with the standards set forth in this section and shall promptly take steps to effectuate any change in the membership of any board necessitated by this provision.

"(h) The Rent Administrator shall furnish the local advisory boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Rent Administrator with respect to the establishment and maintenance of maximum rents for housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(i) The local advisory boards shall have the following powers: (1) To make recommendations to area rent offices for increases or decreases in maximum rents in individual adjustment cases; (2) after public hearings, to make recommendations to the Rent Administrator with respect to the decontrol of the defense-rental area or any portion thereof; (3) after public hearings, to make recommendations to the Rent Administrator with respect to the adequacy of the general rent level in the area; (4) to make recommendations with respect to the operations generally of the area rent office, with particular reference to hardship cases; (5) to exercise such functions for educational, administrative, and compliance purposes as are delegated by the Rent Administrator.

"(j) Within 30 days after receipt of any recommendation of a local advisory board, such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in 30 days. The Rent Administrator or any area rent director receiving a recommendation from a local advisory board shall give full and careful consideration to such recommendation and to any data accompanying it, but the responsibility for deciding any matter so presented shall rest solely with the Rent Administrator or the area rent director, as the case may be."

SEC. 8. Section 205 of the Housing and Rent Act of 1947 is amended in the following respects:

(a) by striking out the subtitle "Recovery of Damages by Tenants",

(b) by striking out the language of the section in its entirety and in lieu thereof inserting the following:

"SEC. 205. (a) The Rent Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations thereunder.

"(b) The Rent Administrator is further authorized, by regulation or order, to require any person who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and he may require any such persons to permit the inspection and copying of records and other documents, and the inspection of defense-rental area housing accommodations. The Rent Administrator may administer oaths and affirmations and may, whenever necessary, by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

"(c) For the purpose of obtaining any information under subsection (c), the Rent Administrator may by subpena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

"(d) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Rent Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Rent Administrator as to the information contained in such documents.

"(e) In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in subsection (e), the district court for any district in which such person is found or resides or transacts business, upon application by the Rent Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such ocurt as a contempt thereof. The provisions of this subsection shall also apply to any person referred to in subsection (d).

"(f) Witnesses subpenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(g) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 ed., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

"(h) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

SEC. 9. Section 206 of the Housing and Rent Act of 1947 is amended by striking out the entire language of the section and in lieu thereof inserting the following:

"SEC. 203 (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligations heretofore or hereafter entered into, for any person to demand or receive any rent for controlled housing accommodations, or otherwise to do or omit to do any act, in violation of any of the provisions of this act, or of any regulations, orders, or requirements thereunder, or to attempt or agree to do any of the foregoing.

"(b) It shall be unlawful for any person to remove or attempt to remove from any controlled housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this act or any regulations, order, or requirement thereunder.

"(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Rent Administrator in his official capacity, including members of local advisory boards, to disclose, otherwise than in the course of official duty, any information obtained under this act, or to use any such information for personal benefit.

"(d) Nothing in this act shall be construed to require any person to offer any housing accommodations for rent.

"(e) Whenever in the judgment of the Rent Administrator any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of the provisions of Section 206 of this Act, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Rent Administrator that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(f) Any person who willfully violates any provision of section 206 of this act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed pursuant to any regulation or order issued under section 205 of this act shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 2 years in the case of a violation of subsection (c) of this section and for not more than 1 year in all other cases, or to both such fine and imprisonment. Whenever the Rent Administrator has reason to believe that any person is liable to punishment under this paragraph, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(g) The district courts shall have jurisdiction of criminal proceedings for violations of this section, and, concurrently with State and Territorial courts, of all other proceedings under section 206 of this act. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found: *Provided, however,* That all suits under paragraph (i) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings

brought before it under this section. No costs shall be assessed against the Rent Administrator or the United States Government in any proceeding under this act.

"(h) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this act or any regulation, order, requirement, or agreement thereunder, notwithstanding that subsequently such provision, regulation, order, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this act or any regulation, order, requirement, or agreement thereunder the court having jurisdiction of such suit or action shall certify such facts to the Rent Administrator. The Rent Administrator may intervene in any such suit or action.

"(i) Any person who receives any payment of rent in excess of the maximum rent prescribed by this act, or any regulation or order issued thereunder, or fails to refund any rent payments in accordance with any order under this act, shall be liable to the person from whom he receives such payment, or to whom he fails to refund such payment, for reasonable attorney's fees and costs as determined by the court, plus liquidated damages in the amount of (1) $50, or (2) three times the amount by which the payment or payments received exceed the maximum rent which could lawfully be received, or three times the amount which was not refunded, whichever, in either case, may be the greater amount: *Provided*, That the amount of such liquidated damages shall be the amount of the overcharge or overcharges if the defendant proves that the violation was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within 1 year after the date of such violation. If the tenant either fails to institute any action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Rent Administrator may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Rent Administrator, the tenant shall thereafter be barred from bringing an action for the same violation or violations. For the purpose of determining the amount of liquidated damages to be awarded to the plaintiff in an action brought under this subsection all violations alleged in such action which were committed by the defendant prior to the bringing of the action shall be deemed to constitute one violation, and the amount received or retained in connection with such one violation shall be deemed to be the aggregate amount received or retained in connection with all violations. A judgment in an action under this paragraph shall be a bar to a recovery under this subsection in any other action against the same defendant on account of any violation with respect to the same plaintiff prior to the institution of the action in which such judgment was rendered."

SEC. 10. Section 209 of the Housing and Rent Act of 1947, is amended by striking out the language of the section in its entirety and in lieu thereof inserting the following:

"(a) So long as the tenant continues to pay the rent to which the landlord is entitled, so tenant shall be removed from any housing accommodations, by action to evict or to recover possession, by exclusion from possession, or otherwise, nor shall any person attempt such removal or exclusion from possession, notwithstanding that such tenant has no lease or that his lease or other rental agreement has expired or otherwise terminated, and regardless of any contract, lease, agreement, or obligation heretofore or hereafter entered into which provides for entry of judgment upon the tenant's confession for breach of the covenants thereof or which otherwise provides contrary hereto unless:

"(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

"(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by his father, mother, grandfather, grandmother, son, or daughter: *Provided, however*, That where the housing accommodations are a part of a multiple unit structure or premises owned or leased by a cooperative corporation or association, the tenant may not be evicted unless at the time eviction is sought at least 80 percent of the tenants of the dwelling units in the structure or premises have purchased stock or other evidence of interest in the cooperative or association entitling them to possession of their respective dwelling units by virtue of a proprietary lease or otherwise.

"(3) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of substantially altering, remodeling, or demolishing them and replacing them with new construction, and the altering or remodeling is reasonably necessary to protect and conserve the housing accommodations and cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any construction planned; or

"(4) the housing accommodations are nonhousekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.

"(b) Notwithstanding any other provision of this act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered: *Provided*, That nothing in this subsection shall be deemed to authorize the maintenance of any such action or proceeding upon the ground that the income of the occupants of the housing accommodations exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceed the allowable maximum.

"(c) No person shall take any action to execute a judgment of eviction entered by any court in conformity with paragraphs (2), (3), and (4) of subsection (a) of this section until 90 days after the judgment was entered.

"(d) Every notice to a tenant to vacate or surrender possession of housing accommodations shall state the ground under this section upon which the landlord relies for removal or eviction of the tenant and the facts necessary to establish the existence of such ground. A written copy of such notice shall be given to the area rent office within 24 hours after the notice is given to the tenant.

"No tenant shall be removed or evicted from housing accommodations by court process or otherwise, unless at least 10 days (or, where the ground for removal or eviction is nonpayment of rent, the period required by the local law for notice prior to the commencement of an action for removal or eviction in such cases, but in no event less than 3 days) prior to the time specified for surrender of possession and to the commencement of any action for removal or eviction, the landlord has given written notices of the proposed removal or eviction to the tenant and to the area rent office, stating the ground under paragraph (a) of this section upon which such removal or eviction is sought, the facts necessary to establish the existence of such ground, and specifying the time when the tenant is required to surrender possession.

"Where the ground for removal or eviction of a tenant is nonpayment of rent, every notice pursuant to this paragraph (d) shall state the rent for the housing accommodations, the amount of rent due and the rental period or periods for which such rent is due.

"If judgment for possession is sought by virtue of a confession of judgment or a warrant of attorney authorizing confession of such judgment against the tenant, the date of commencement of the action as referred to in this section shall be deemed to be the date of filing in court the first papers in the proceedings for the entry of such judgment.

"(e) The Rent Administrator may intervene in any action or proceeding mentioned in this section for the purpose of advising the court concerning the meaning or application of his regulations and in the interest of securing uniformity in the applications of this act."

SEC. 11. Section 210 of the Housing and Rent Act of 1947, is amended by striking out "Housing and Rent Act of 1947;" and substituting "Housing and Rent Act of 1947, as amended;".

SEC. 12. Section 202 of the Housing and Rent Act of 1947 is amended by adding at the end thereof the following new paragraph:

"(g) The provisions of title II as herein amended shall cease to be in effect on June 30, 1950, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and all regulations, orders, and requirements issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such rights, liability, or offense."

SEC. 13. This act shall become effective on the first day of the first calendar month following the month in which this act is enacted.

SEC. 14. Section 211 of the Housing and Rent Act of 1947 is amended by striking out the words "but shall not be applicable to the District of Columbia" and inserting in lieu thereof the following: "including the District of Columbia."

SEC. 15. The Housing and Rent Act of 1947 is amended by adding the following new section after section 213:

PROCEDURE AND REVIEW

"SEC. 214 (a). The Rent Administrator shall provide by appropriate regulations, when an interested person so requests, for a review by himself of the denial in whole or in part by any area rent director of a petition for adjustment of rent or a determination of any area rent director reducing or fixing the maximum rent for any housing accommodations.

"(b) Any determination of the Rent Administrator on an individual petition for adjustment of rent or any order entered by him reducing or fixing the maximum rent for controlled housing accommodations shall be reviewable on complaint of an interested person in the United States district court for

the district in which the housing accommodations are located. The review shall be upon the basis of the record before the Rent Administrator, which the Rent Administrator shall certify to the court within 30 days after he is served with the complaint. No order reviewed in the foregoing manner shall be enjoined, set aside, in whole or in part, or modified unless the complainant establishes to the satisfaction of the court that the order is not supported by substantial evidence or is not in accordance with law.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I appreciate very much indeed the courtesy of the chairman of the subcommittee and his fellow members in giving me the time to speak under the general debate on their bill. It has been very difficult, indeed, to obtain time under the rules to render to the House even a partial summary of the report of the Congressional Aviation Policy Board (S. Rept. 949). Therefore, I am particularly grateful to the gentleman from New Jersey and to the gentleman from Virginia. It may interest the House to know that as the Subcommittee on Combat Aviation of the Congressional Aviation Policy Board, we had as advisers to that subcommittee, General of the Army H. H. "Hap" Arnold, Mr. Ralph S. Damon, representing the scheduled air lines, Rear Adm. Louis DeFlores, of the United States Naval Reserve, a distinguished scientist, Lt. Gen. James H. "Jimmie" Doolittle of the United States Air Force Reserve, Mr. J. H. Kindelberger, representing the aircraft industries, Prof. Clark B. Millikin, another scientist of very great renown, and his colleague, Prof. William R. Sears, Mr. Earl F. Slick, who represented the nonscheduled air-cargo carriers, and the famous Adm. John H. "Jack" Towers, United States Navy, now retired, Col. Roscoe Turner of World War I fame, and a speed flyer of note, representing the fixed-base operators, and Mr. J. Carlton Ward, Jr., President of the Fairchild Engine & Manufacturing Co., who is head of the not-so-well-known but exceedingly important NEPA project.

Mr. Chairman, I have asked for the attention of the Members so that I may present some facts on our National Defense Establishment. These facts, as I gathered them during months of close study and conversations with scores of officials and officers including the very top levels in all services, shocked me. I believe they will amaze and horrify you and the country, as they did me and my associates on the Aviation Policy Board who helped me make the study. It was as members of the Congressional Aviation Policy Board that we looked inside our Military Establishment and found certain basic failures which must be speedily corrected if we are to be properly prepared should a great emergency, God forbid, again occur.

I have the honor to be vice chairman of the board and chairman of its combat aviation subcommittee. We were assisted by the council I have just mentioned composed of the foremost authorities on national defense and especially in air power. Our report recently was presented to the Congress, on March 1. In view of the world situation, I am reluctant to expose the weaknesses in our national defense which the testimony presented to us definitely revealed. It would be easier to sit silently and have an abiding faith that all is well and that there is nothing to worry about. But as a Member of the Congress with responsibilities to the people and to my own conscience, I cannot be silent and see the strength of our national defense, the defense for which Congress has appropriated upward of $10,000,000,000 for the present fiscal year, frittered away by confusion, neglect, and failure to provide the comprehensive over-all planning that is implicit in the policies laid down by the Congress.

Yet, that is what is happening today. We passed an act for unification, coordination, and synchronization, and for an end to costly, inefficient duplication, overlapping and conflicting duties and operations. Instead, we are now getting triplification.

Rivalries among the armed services that marked passage of the Unification Act continue. We found that some brass hats, instead of getting down to brass tacks are bogged down in controversy.

There is controversy and lack of decisive action over who is to do what, and the tragic result is that our country is not getting a full dollar of effective preparedness for every dollar spent.

Think of it! In the present state of world affairs, when sparks may be struck, even accidentally, which could easily flare into open warfare, a well-knit, comprehensive meeting of minds among the topmost defense planners on major policies has not yet been developed.

Of course, that is a shocking, deplorable situation. Why, your Aviation Policy Board was confronted with two plans for air power—one for the Navy and one for the Air Force—with the missions to be performed by each service still in dispute.

Obviously, there can be no sensible planning on air power, which we now so desperately lack, until there is an over-all unified plan of action.

It is equally plain there can be no rationalization of defense appropriations until there is produced by the high command of the armed forces a unified plan of action.

Without a unified plan of action, spelled out in detail so each service may know what it is to do, and detailed planning to provide and support the various operations, it is the opinion of your Aviation Policy Board that much of the budgeted appropriations for the armed forces would be a huge waste of the taxpayers' money.

I am confident this Congress will not tolerate negligence in defense planning. Members of our Appropriation Committee, I am sure, know what I am talking about, because they too have intimate knowledge of the defense situation and the controversies among the services.

I am also confident that Secretary of Defense Forrestal is striving earnestly to produce a unified plan of action for the defense establishment, but, my colleagues, he needs our help. I noted by the paper last evening and again this morning that Secretary Forrestal is calling the Joint Chiefs of Staff together over the weekend, in order to make a determination, if that be possible, of the proper allocation of roles and missions in the armed services.

President Truman, as Commander in Chief of the armed forces, should act at once to see that the present danger-fraught situation is corrected. Some forthright orders to the Joint Chiefs of Staff from the President—orders to get together and get on with a unified plan of action—are needed now.

On the matter of unified plan of action, our Congressional Aviation Policy Board, among other observations, had this to say:

> Under the National Security Act of 1947, the Joint Chiefs of Staff are charged with the obligation of preparing such plans. It is our view that the Secretary of Defense and the President should exert whatever pressure is required to make certain of their accomplishment.
>
> We are not unaware of the fact that the Joint Chiefs of Staff, who individually represent the three separate services, may find it difficult to prepare truly coordinated and integrated plans. The loyalty of adherence to its traditions is understandable, but unyielding adherence to service loyalties at the expense of national security is a luxury the Nation no longer can afford.

It is alarming enough to see that unification of the armed services is not being accomplished with the wisdom and speed that we had hoped for in passing the authorizing legislation. But other vital factors are involved. The cost of national defense has stopped its postwar downward trend and it now going up.

Here are some facts I suggest remembering as we drive to cut down the cost of Government:

The Bureau of the Budget reported that nearly 80 percent of the 1948 fiscal year budget was allotted to the prevention, prosecution, and liquidation of wars.

That statement interested me greatly and so I asked to have a copy of the Budget Bureau's statement. The five mentioned categories, with amounts involved and percentages of the whole, are as follows:

Fiscal year 1948 Federal budget

Category	Amount	Percent of total
	Billions	
National defense	$10.401	28.1
Veterans' services and benefits	7.469	20.2
Interest on public debt	5.125	13.9
International affairs and finance	4.301	11.6
Tax refunds	2.063	5.6
Total these 5 categories	29.359	79.3
All other functions of Government	7.641	20.7
Total budget, 1947–48		100

Now, Mr. Chairman, get this statement: All the other functions of the Government put together in the 1948 budget total $7,641,000,000, or 20.7 percent. There you have a situation, Mr. Chairman, which confronts our country in a most important way.

Mr. Chairman, at this point I desire to insert the statement and tables that

were prepared by the Bureau of the Budget to which I have referred:

ANALYSIS OF FEDERAL BUDGET EXPENDITURES, 1900–1948

The two attached tables trace the development of Federal budget expenditures from 1900, when they were $500,000,000, through the peak of over $100,000,000,000 in 1945, and down to the present estimate of $37,000,000,000 for the fiscal year 1948. Figures are shown for five major categories which relate largely to prevention, prosecution, or liquidation of wars—national defense, veterans' services and benefits, interest on the public debt, international affairs and finance, and tax refunds. As the tables show, expenditures for these major functions weigh heavily in the total budget. During some of the years most greatly influenced by World Wars I and II, these expenditures have accounted for over nine-tenths of the total budget. In other years, they have also accounted for a substantial proportion of the budget, except during the 1930's when the sharp rise of relief and other expenditures on account of the economic emergency increased the proportion of non-war-related expenditures.

From 1900 to 1948, the total budget expenditures have increased manyfold. Expenditures in the five major categories under consideration account for a great deal of this increase. Furthermore, it is unlikely that they will decrease in the near future to the same extent as they did after World War I. In fiscal 1948, these five functions aggregate $29,400,000,000—79 percent of the estimated total budget expenditure of $37,000,000,000.

LIMITATIONS ON DATA

In using the attached tables, it should be borne in mind that, although the five functions for which specific figures are shown are largely war-related, expenditures would also continue to some extent for these purposes under long-term peacetime conditions. For example, tax refunds would still be made in peacetime, but not at the levels induced by wartime revenue collections and expenditures for the State Department would be necessary in peacetime. On the other hand, the non-war-related functions include certain expenditures which were for war purposes, particularly during the World War II period.

Similarly, the figures have some shortcomings from the standpoint of classification and precision, particularly for the earlier years. From 1939 through 1948, the figures shown at present are according to the Budget functional classification. For preceding years, an effort has been made to roughly group data available in the Budgets and Annual Reports of the Secretary of the Treasury in accordance with the present Budget classification. This effort has been only partially successful, but it is felt that the main trends can be discerned from the figures presented.

For the years preceding 1939, the coverage for the several major categories is roughly as follows:

National defense: Includes War Department (military) and Navy Department expenditures, plus expenditures during the World War I period by such agencies as the Railroad Administration, Shipping Board, War Finance Corporation, etc.

Veterans' services and benefits: Figures largely correspond to functions of the Veterans' Administration.

Interest on the public debt and tax refunds: Data correspond to present Budget definitions.

International affairs and finance: Figures confirmed to State Department expenditures, except for World War I period for which purchases of obligations of foreign governments are included. The loans to foreign governments during World War I in part served the same purpose as the lend-lease program of World War II, which is included in the national defense figures (and amounts to about $50,000,000,000).

TABLE A.—*Analysis of Federal budget expenditures, fiscal years 1900–1948, 5 major functions*

[Amounts in millions of dollars]

Fiscal year	Total budget expenditures	5 major functions							All other functions	
		National defense	Veterans' services and benefits	Interest on public debt	International affairs and finance	Tax refunds	Subtotal, 5 functions		Amount	Percent of total budget expenditure
							Amount	Percent of total budget expenditure		
1900	521	191	----------	40	----------	----------	----------	----------	----------	----------
1901	525	206	----------	32	----------	----------	----------	----------	----------	----------
1902	485	180	----------	29	----------	----------	----------	----------	----------	----------
1903	517	202	----------	29	----------	----------	----------	----------	----------	----------
1904	584	268	----------	25	----------	----------	----------	----------	----------	----------
1905	567	244	----------	25	----------	----------	----------	----------	----------	----------
1906	570	247	----------	24	----------	----------	----------	----------	----------	----------
1907	579	247	----------	24	----------	----------	----------	----------	----------	----------
1908	659	294	----------	21	----------	----------	----------	----------	----------	----------
1909	694	308	----------	22	----------	----------	----------	----------	----------	----------
1910	694	284	----------	21	----------	----------	----------	----------	----------	----------
1911	691	283	----------	21	(1)	----------	----------	----------	----------	----------
1912	690	284	----------	23	5	----------	----------	----------	----------	----------
1913	725	293	----------	23	5	----------	----------	----------	----------	----------
1914	735	298	(1)	23	5	(1)	(1)	(1)	(1)	(1)
1915	761	297	176	23	5	15	516	67.8	245	37.2
1916	734	305	171	23	6	21	526	71.7	208	28.3
1917	1,978	602	171	25	891	24	1,713	86.6	265	13.4
1918	12,697	7,110	235	198	4,748	35	12,326	97.1	371	2.9
1919	18,515	13,548	324	616	3,500	67	18,055	97.5	460	2.5
1920	6,403	3,997	332	1,024	435	46	5,834	91.1	569	8.9
1921	5,116	2,581	646	999	83	58	4,367	85.4	749	14.6
1922	3,373	929	686	991	10	88	2,704	80.2	669	19.8
1923	3,295	680	747	1,056	14	158	2,655	80.6	640	19.4
1924	3,049	647	676	941	15	159	2,438	80.0	611	20.0
1925	3,063	591	741	882	15	182	2,411	78.7	652	21.3
1926	3,098	586	772	832	17	210	2,417	78.0	681	22.0
1927	2,974	578	786	787	17	137	2,305	77.5	669	22.5
1928	3,103	656	806	731	12	170	2,375	76.5	728	23.5
1929	3,299	696	812	678	14	213	2,413	73.1	886	26.9
1930	3,440	734	821	659	14	152	2,380	69.2	1,060	30.8
1931	3,652	733	1,040	611	16	91	2,491	68.2	1,161	31.8
1932	4,535	703	985	600	19	101	2,408	53.1	2,127	46.9
1933	3,864	648	863	689	16	70	2,286	59.2	1,578	40.8
1934	6,011	540	557	757	12	64	1,930	32.1	4,081	67.9
1935	7,010	711	607	820	19	77	2,234	31.9	4,776	68.1
1936	8,666	914	2,350	749	18	54	4,085	47.1	4,581	52.9
1937	8,177	937	1,137	866	18	56	3,014	36.9	5,163	63.1
1938	7,239	1,030	581	926	19	100	2,656	36.7	4,583	63.3
1939	9,027	1,074	559	941	19	68	2,661	29.5	6,366	70.5

[1] Figures for this and preceding years are not readily obtainable.

TABLE A.—*Analysis of Federal budget expenditures, fiscal years 1900–1948, 5 major functions*—Continued

[Amounts in millions of dollars]

Fiscal year	Total budget expenditures	5 major functions							All other functions	
		National defense	Veterans' services and benefits	Interest on public debt	International affairs and finance	Tax refunds	Subtotal, 5 functions		Amount	Percent of total budget expenditure
							Amount	Percent of total budget expenditure		
1940	9, 297	1, 497	551	1, 041	50	91	3, 230	34. 7	6, 067	65. 3
1941	13, 765	6, 370	564	1, 111	140	90	8, 275	60. 1	5, 490	39. 9
1942	34, 290	26, 843	556	1, 260	632	95	29, 386	85. 7	4, 904	14. 3
1943	79, 702	70, 031	605	1, 813	232	80	72, 761	91. 3	6, 941	8. 7
1944	95, 573	83, 724	744	2, 610	280	295	87, 653	91. 7	7, 920	8. 3
1945	100, 398	84, 526	2, 094	3, 622	677	1, 817	92, 736	92. 4	7, 662	7. 6
1946	63, 714	45, 012	4, 414	4, 748	1, 464	3, 119	58, 757	92. 2	4, 957	7. 8
1947	42, 505	14, 451	7, 373	4, 957	6, 669	3, 056	36, 506	85. 9	5, 544	14. 1
1948 [2]	37, 000	10, 401	7, 469	5, 125	4, 301	2, 063	29, 359	79. 3	7, 641	20. 7

[2] Estimated.

Source: Based on Budget documents and annual reports of the Secretary of the Treasury.

TABLE B.—*Analysis of Federal budget expenditures, fiscal years 1900–1948—percent of total expenditures by major functions*

Fiscal year—	Total budget expenditures (in millions)	Percent of total budget						
		National defense	Veterans' services and benefits	Interest on public debt	International affairs and finance	Tax refunds	Subtotal, 5 functions	All other functions
1900	$521	36. 7	----------	7. 7	----------	----------	----------	----------
1901	525	39. 2	----------	6. 1	----------	----------	----------	----------
1902	485	37. 1	----------	6. 0	----------	----------	----------	----------
1903	517	39. 1	----------	5. 6	----------	----------	----------	----------
1904	584	45. 9	----------	4. 3	----------	----------	----------	----------
1905	567	43. 0	----------	4. 4	----------	----------	----------	----------
1906	570	43. 3	----------	4. 2	----------	----------	----------	----------
1907	579	42. 7	----------	4. 1	----------	----------	----------	----------
1908	659	44. 6	----------	3. 2	----------	----------	----------	----------
1909	694	44. 4	----------	3. 2	----------	----------	----------	----------
1910	694	40. 9	----------	3. 0	----------	----------	----------	----------
1911	691	41. 0	----------	3. 0	[1]	----------	----------	----------
1912	690	41. 2	----------	3. 3	0. 7	----------	----------	----------
1913	725	40. 4	----------	3. 2	. 7	----------	----------	----------
1914	735	40. 5	[1]	3. 1	. 7	[1]	[1]	[1]
1915	761	39. 0	23. 1	3. 0	. 7	2. 0	67. 8	32. 2
1916	734	41. 6	23. 3	3. 1	. 8	2. 9	71. 7	28. 3
1917	1, 978	30. 4	8. 6	1. 3	45. 0	1. 2	86. 6	13. 4
1918	12, 697	56. 0	1. 9	1. 6	37. 4	. 3	97. 1	2. 9
1919	18, 515	73. 2	1. 7	3. 3	18. 9	. 4	97. 5	2. 5
1920	6, 403	62. 4	5. 2	16. 0	6. 8	. 7	91. 1	8. 9
1921	5, 116	50. 4	12. 6	19. 5	1. 6	1. 1	85. 4	14. 6
1922	3, 373	27. 5	20. 3	29. 4	. 3	2. 6	80. 2	19. 8
1923	3, 295	20. 6	22. 7	32. 0	. 4	4. 8	80. 6	19. 4
1924	3, 049	21. 2	22. 2	30. 9	. 5	5. 2	80. 0	20. 0
1925	3, 063	19. 3	24. 2	28. 8	. 5	5. 9	78. 7	21. 3
1926	3, 098	18. 9	24. 9	26. 9	. 5	6. 8	78. 0	22. 0
1927	2, 974	19. 4	26. 4	26. 5	. 6	4. 6	77. 5	22. 5
1928	3, 103	21. 1	26. 0	23. 6	. 4	5. 5	76. 5	23. 5
1929	3, 299	21. 1	24. 6	20. 6	. 4	6. 5	73. 1	26. 9
1930	3, 440	21. 3	23. 9	19. 2	. 4	4. 4	69. 2	30. 8
1931	3, 652	20. 1	28. 5	16. 7	. 4	2. 5	68. 2	31. 8
1932	4, 535	15. 5	21. 7	13. 2	. 4	2. 2	53. 1	46. 9
1933	3, 864	16. 8	22. 3	17. 8	. 4	1. 8	59. 2	40. 8
1934	6, 011	9. 0	9. 3	12. 6	. 2	1. 0	32. 1	67. 9
1935	7, 010	10. 1	8. 7	11. 7	. 3	1. 0	31. 9	68. 1
1936	8, 666	10. 5	27. 1	8. 6	. 2	. 6	47. 1	52. 9
1937	8, 177	11. 5	13. 9	10. 6	. 2	. 6	36. 9	63. 1
1938	7, 239	14. 2	8. 0	12. 8	. 3	1. 4	36. 7	63. 3
1939	9, 027	11. 9	6. 2	10. 4	. 2	. 8	29. 5	70. 5
1940	9, 297	16. 1	5. 9	11. 2	. 5	1. 0	34. 7	65. 3
1941	13, 765	46. 3	4. 1	8. 1	1. 0	. 7	60. 1	39. 9
1942	34, 290	78. 3	1. 6	3. 7	1. 8	. 3	85. 7	14. 3
1943	79, 702	87. 9	. 8	2. 3	. 3	. 1	91. 3	8. 7
1944	95, 573	87. 6	. 8	2. 7	. 3	. 3	91. 7	8. 3
1945	100, 398	84. 2	2. 1	3. 6	. 7	1. 8	92. 4	7. 6
1946	63, 714	70. 6	6. 9	7. 5	2. 3	4. 9	92. 2	7. 8
1947	42, 505	34. 0	17. 3	11. 7	15. 7	7. 2	85. 9	14. 1
1948 [2]	37, 000	28. 1	20. 2	13. 9	11. 6	5. 6	79. 3	20. 7

[1] Figures for this and preceding years are not readily obtainable.
[2] Estimated.

Source: Based on Budget documents and annual reports of the Secretary of the Treasury.

In examining the national defense item in the 1949 budget now under consideration it was soon learned that neither the total amount nor the separate allotments to the Army, Navy, and Air Force, bore any real relation to the requirements of the services as stated by them to my subcommittee.

In fact it was obvious that a gross amount had been selected—$10,098,000,000—and then that amount had been arbitrarily whacked up between the three armed services in proportions determined by the Bureau. These amounts were then allocated to the services and they in turn were told to prepare budget statements within the shares allotted.

Consequently the budget estimates now before our several Subcommittees on Appropriations having to do with the armed services are almost wholly unrealistic, and the separate justifications bear only a resemblance to their requirements. That statement should be qualified by the fact that the budget for the Department of the Army is closer to reality than that of the Navy or of the Air Force.

Of course, there is an extenuating circumstance; namely, the Unification Act of 1947 was being passed at the time those budgets were being prepared in the departments and hence some arbitrary actions may have been necessary pro tem.; and naturally it has taken some time for the new national defense set-up to fit itself into its new groove.

Our Board, being an Aviation Policy Board, called for statements of requirements of the air arms of the services early last October. We received the same presentations that were made to other congressional groups, and we then asked for figures. We had great difficulty in obtaining understandable figures, as they were presented in terms of a 70-group program for the Air Force and a 10,385-plane program for the Navy.

The next step was an attempt to find out what those terms really meant. In due course we extracted the fact that the "70-group program" meant 20,541 aircraft for the Air Force, and the "10,385-plane" program for the Navy meant in reality 14,500 aircraft, total 35,041 aircraft.

The next step was an attempt to find out what those figures meant in terms of some common denominator of annual procurement of aircraft. Naturally the procurement figures must be extended over a period of some number of years, and meantime consideration had to be given to side-door procurement by withdrawal of war surplus aircraft from cocoon storage.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DONDERO. Are we given to understand that the 35,000 aircraft is the number we now have on hand?

Mr. HINSHAW. No; that is the combined target programs of the Air Force and the Navy for the future, as prepared by those services separately.

Mr. DONDERO. Over what period of time?

Mr. HINSHAW. Over a period of 5 years. The gentleman will be interested to know that the Soviets are estimated to have a considerably larger air army than those figures for the United States.

Mr. Chairman, the common denominator chosen was the "airframe pound." An airframe pound is a unit of weight of an airplane without engines, accessories, or spare parts. It is suitable as a term relating to an air striking force as well as being suitable for measuring aircraft procurement and aircraft production. The term "aircraft" by itself can mean a very small aircraft or a very large one. Numbers of aircraft in any one category are important but the most practical and suitable common denominator for all kinds, sizes, numbers, and types of aircraft is the number of pounds of airframe involved.

Having decided upon a common denominator it was then necessary to get the figures of the Navy and Air Force coordinated first into pounds of airframe and then into dollars of annual procurement budgets. That was achieved in due course and tables were prepared accordingly. At that point we discovered that thus far we had been talking only about aircraft procurement budgets.

No mention had been made of the additional personnel, subsistence, maintenance, and so forth, that would be required if the air arms of the services were to be expanded to the sizes that the Navy and Air Force declared were required.

So a running series of budget estimates to include all costs of the Navy and the Air Force, over the period of years required to bring them up to strength, including statements of contract authorizations, was requested.

The following statements of budget estimates is without the contract authorizations required, merely for the sake of brevity and clearer reading. It is taken from page 9 of our National Aviation Policy Report. The table is as follows:

Expenditures, current and estimated budget, by fiscal years, in billions of dollars

Particulars	Present, 1948	Plan A (111,000,000 airframe pounds)						Plan B (63,000,000 airframe pounds)					
		1949	1950	1951	1952	1953	Level off	1949	1950	1951	1952	1953	Level off
Army: Total appropriation for Army [1]	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12
Navy:													
Appropriations for aircraft procurement	.28	.52	.95	1.39	1.28	1.30	1.20	.45	.67	.88	.96	.96	.96
Total appropriations for naval aviation [2]	.73	1.20	1.75	2.08	2.05	2.00	2.00	.96	1.31	1.42	1.50	1.50	1.50
Total appropriations for Navy [2]	4.13	4.80	5.75	6.48	7.30	7.80	8.00	4.46	5.11	5.22	5.45	5.50	5.50
Air Force:													
Appropriations for aircraft procurement	.12	.80	1.70	2.40	3.00	3.50	3.20	.80	1.70	2.40	2.70	2.70	2.00
Total appropriations for Air Force [2]	3.10	3.50	5.20	6.50	7.30	7.80	7.50	3.50	5.20	6.50	6.70	6.80	6.10
Total armed services:													
Appropriations for aircraft procurement	.40	1.32	2.65	3.79	4.28	4.80	4.40	1.25	2.37	3.28	3.66	3.66	2.96
Total appropriations for aviation	3.83	4.70	6.95	8.58	9.35	9.80	9.50	4.46	6.51	7.92	8.20	8.30	7.60
Total appropriations for armed services	10.35	11.42	14.07	16.10	17.72	18.72	18.62	11.08	13.43	14.84	15.27	15.42	14.72
Current procurement cost of aircraft transferred from storage to operation [3]	[1.84]	[2.00]	[.84]	----	----	----	----	[2.00]	[.84]	----	----	----	----
National budget other than armed services	26.88	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Total national budget, exclusive of UMT and ERP	37.23	36.42	39.07	41.10	42.72	43.72	43.62	36.08	38.43	39.84	40.27	40.42	39.72
Universal military training [4]	----	.88	1.58	2.01	2.01	1.75	1.75	.88	1.58	2.01	2.01	1.75	1.75
European relief program	.50	4.00	5.24	3.57	2.47	.62	----	4.00	5.24	3.57	2.47	.62	----
Projected national budget, including armed services, UMT, and ERP	37.73	41.30	45.89	46.68	47.20	46.09	45.37	40.96	45.25	45.42	44.75	42.79	41.47

[1] Above figures for Army do not include costs of government or relief in occupied areas, nor civil functions of the Corps of Engineers.
[2] The total appropriation figures for naval aviation do not include pay, allowances, subsistence, medical care, etc., of uniformed personnel, whereas the similar figures for Air Force do include such pay and support of uniformed personnel. The figures for the total appropriations for Navy do include pay and support of all uniformed personnel of the Navy.
[3] These figures represent the current cost of replacement of aircraft transferred from storage to operation.
[4] These figures represent estimates for establishment and operation of military training facilities.

Mr. Chairman, at this point I shall insert a brief statement from our report which will describe the plans A and B referred to in the tables:

PLAN A

From the information made available to the Board by the Air Force and by the Navy separately, it would appear that the initial strength necessary to mount promptly an effective, continuing, and successful air offensive against a major enemy, is what is termed the Air Force 70-group program of 20,541 aircraft, plus the Navy program of 14,500 aircraft, total 35,041 aircraft. At the level-off period in 1953 these programs would require thereafter an annual Air Force procurement of 86,000,000 airframe pounds and an annual Navy procurement of 25,000,000 airframe pounds—total, 111,000,000 airframe pounds annually.

PLAN B

Based on the same sources of information, the strength necessary to prevent the loss of a war upon the outset of hostilities appears to be the same program outlined in plan A above, but without reserve aircraft, which

means a combined Air Force and Navy aviation procurement of 63,000,000 airframe pounds annually. For the purpose of comparative budget study (see tabulations) we have assumed that the combined annual procurement of 63,000,000 pounds might be divided into approximately 45,000,000 for the Air Force and 18,000,000 for the Navy. This plan is designed to provide a force sufficient to (a) withstand an initial blow intended to cripple the United States, (b) form the basis for a strong Territorial defense, and (c) provide effective retaliation, but not a sustained offensive action. Under this plan it is estimated that the aircraft manufacturing industry would require a year longer to reach the volume of aircraft production necessary to cope with attrition, than it would under plan A.

In the meantime it became obvious that a difference of opinion amounting to almost private hostility existed between the Navy and the Air Force as to which of them was to be responsible for certain roles and missions. This difference developed when the question was asked of them whether or not the statements of requirements as presented had been approved by the Joint Chiefs of Staff. The answer by each of them was a reluctant "No."

It then developed that the reason the figures had not been approved by the Joint Chiefs of Staff was that there was no agreement between the Joint Chiefs as to the assignment of roles and missions of the respective services.

Finally the reason behind this disagreement came out in the fact that the Unification Act of 1947 was somewhat ambiguous in certain respects, and that the Executive Order of the President No. 9877 which further defines the roles and missions of the armed services differs from the Navy's interpretation of the law so the Navy chose to disregard the Executive order of the President where the order, as the Navy sees it, differs with the law.

Plainly, the seat of the conflict lies in the fact that the Unification Act was passed in the first instance. No one in this Chamber will forget the lobby job that was done to prevent its passage until certain changes were made in the language. The fight continues and rages downtown now and perhaps the only way to settle it is to amend the act. Meantime the very able and distinguished Secretary of Defense has his hands full and needs to be supported in his efforts for unification.

The controversy revolves, principally, around the question as to whether the Air Force is to be solely responsible for the strategic bombing mission or whether the Navy should have a part or, as some claim, all of that mission.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Indiana.

Mr. HALLECK. I observed in the press this morning that Secretary Forrestal is said to be calling a meeting of the Joint Chiefs of Staff over the week end to try to do something with this very problem that the gentleman has been working on for a long time and is now talking about. Can the gentleman give us any idea, beyond anything we have seen in the press, as to what may be in contemplation in connection with that rather belated action?

Mr. HINSHAW. I know that the Secretary has been wrestling with this problem for a long time, as have the Members of our Board, and I believe that he has now come down to the point where he may have received full authority from the President to order that this question be settled, and settled now. It must be settled now. He has stated, as I understand the report in the press, that the Joint Chiefs are to meet over the week end for this very purpose, and that if they themselves are unable to reach agreement, that he will make the decision himself. Our Subcommittee on Combat Aviation informed all of them put together that if they were not able to settle the controversy it was going to have to be settled in the Congress of the United States as the only other place and the last resort for its settlement. We, of course, here, are not qualified as military experts and we should not have to settle that question. It should be settled by the Joint Chiefs themselves, but if they cannot settle it, we will.

Mr. HALLECK. If the gentleman will yield further, I am quite sure that all of us who supported the so-called Unification Act did so in the hope that we would avoid duplication of effort, and that we would be better assured of getting a dollar's worth of national security for a dollar spent. I do think it is high time that something be accomplished in that direction, and I want to commend the gentleman for calling the attention of the House and the country, in the very able way that he has, to this very important problem.

Mr. HINSHAW. I thank the gentleman.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New York.

Mr. COLE of New York. It is my understanding that one of the major bases of controversy which has prevented an agreement by the Joint Chiefs of Staff is the extent to which the Navy will use air power in prosecuting naval operations.

Mr. HINSHAW. It is principally the extent to which the Navy shall use strategic bombing in its efforts.

Mr. COLE of New York. Well, that is not the information that comes to me. The controversy goes beyond strategic bombing. But, the other basis of disagreement is the use of the Marine Corps. The gentleman has said that if the Joint Chiefs of Staff cannot agree on the proper correlation of these various types of service, the Congress must. I want to remind the gentleman that the Congress did declare its policy with respect to naval operation and the use and function of the Marine Corps in the unification act, and that any agreement which the Joint Chiefs of Staff reached should be in conformity with the provisions of that act and not in violation of it.

Mr. HINSHAW. That may be true, but if the gentleman will examine the act again, he will find that there are certain ambiguities in the act. For example, in the act the strategic bombing mission is assigned to the Air Force but, on the other hand, in the Navy section of the act, the Navy is permitted to use any type of weapon or missile or other means of carrying on war and, of course, the Navy interprets that to mean that they are entitled to engage in strategic bombing. There is where the controversy arises and, of course, that is an evident ambiguity. It may be necessary to delineate the real intent in the law. But certainly the President, as Commander in Chief of the armed forces of the United States, should write an Executive order further defining the missions and roles in such a way that there shall be no conflict between the several branches of the service. It should not be up to us to decide who shall do what.

In that controversy are involved several billions of dollars of budgets over the years to come. So we come right back to the subject of budgets and appropriations.

As both services now claim that mission there is a very large duplication in the stated requirements of the services for aircraft and, by the Navy, for super aircraft carriers, and auxiliary vessels.

When your Aviation Policy Board saw this controversy clearly, we demanded a unified plan of action. None was forthcoming as none has or can be properly prepared until either the Congress or the President or both decide which service is to do what.

Meantime, however, we have urged and there is now in process, we believe, a study to determine what may be the right answer. The meeting that was announced by the Secretary for this week end is no doubt a part of that study. Upon that answer can be based a proper budget for the National Defense Establishment.

We have demanded that this determination and the corresponding budgets be prepared by June 30, 1948, at the latest, so that proper budgets for the Army, the Navy, and the Air Force may be presented to the Congress before adjournment of this session.

In the meantime, however, it is quite obvious to your Aviation Policy Board that over the next 5 or 6 years, or until the world calms down into a stable and permanent peace, there must be material increases in the military budgets. It only needs to be pointed out that today we are living off the surpluses of World War II. We are taking out of storage about 45,000,000 pounds of airframe per annum and procuring about 18,000,000 pounds. In about 2 years the effective storage aircraft will have been withdrawn completely and from then on our air services will decrease in strength unless provision for deliveries at that time are made now. You cannot turn the aircraft manufacturing industry off and on like a spigot. It takes time to build up capacity. It takes more than a year to double the production rate. The rate must be tripled and more to break even on air power 2 years from now, let alone to improve upon our air power.

So it is the opinion of your Aviation Policy Board that additional contract authority be granted now in the 1949

budgets, but that the air arms must come up with a properly unified statement of requirements.

Let us turn then to the total budgets of the armed services as carried in our report (S. Rept. 949) and note that without unification, these budgets call for budget increases from 50 percent to 70 percent for the armed services.

Then add to them all of the other functions of Government including universal military training and ERP which have not as yet been authorized and add to them the more recent requests for funds for the Orient, for Greece and Turkey, and you have staggering requirements coming up for the future.

Then remember that only five major categories of expenditures account for 80 percent of the 1948 budget. A bit of mental arithmetic will show that in the future these five categories may easily mount to better than 85 percent of the enlarged budgets.

In other words, if all of these requested items be included in the Federal budgets of the future, even if savings through real unification can be effected, that portion of the budget devoted to prevention, prosecution, and liquidation of wars will come close to five-sixths or six-sevenths of the total annual Federal expenditures, leaving one-sixth or one-seventh to carry on all of the other, the domestic, functions of Government.

Plainly it is time now to call a halt and to reexamine that five-sixths of the Federal budget. The Department of National Defense is doing that for its part right now. It must not only examine the controversial question of roles and missions, it must examine the question of how big a force is needed in what components and how to raise and train reserve armies of what needed size.

The State Department and the President might find new and better ways to bring about strength and recovery in Europe and Asia at less expense to the United States. Other questions should be examined with great care too. The United States might be laid into ruin and subservience to a dictator by defeat in war, but it can defeat itself without a war by spending itself into bankruptcy and chaos.

Therefore we must have 100-percent efficient employment of the tax dollar everywhere that a tax dollar is spent in order that we may not be defeated by anyone, including our own selves.

Mr. Chairman, I have an editorial that appears in the Lafayette Courier and Journal of Lafayette, Ind., of March 8, 1948. Lafayette is in the congressional district so ably represented by our distinguished majority leader [Mr. HALLECK]. The editorial reads:

DEFENSE AS UNIT

According to reports from Washington, a terrific undercover struggle is going on in the House over peacetime military conscription. Powerful lobbies are exerting every means to force the UMT bill out of the Rules Committee, where it has been bottled up after having been approved by the Armed Services Committee.

UMT is one of the hottest issues facing Congress and most Members likely hope they will not be compelled to vote on it in an election year.

It is to be hoped that UMT will not be considered independently, but rather as a part of the entire national defense picture. It is estimated that UMT, if adopted, will eventually cost the Nation at least $7,000,000,000 a year. Others, equally concerned with the Nation's safety, believe we should develop the world's greatest air force. The Navy has been contemplating new supercarriers and other expansions. Still others are convinced that we cannot maintain our spot in the sun unless we direct our principal attention toward several phases of scientific research and development. The costs of these various programs have not all been estimated, but they would run into many, many billions. And there are some who believe our national budget is already at the point of ruining and enslaving the Nation.

What is to be done? Do we want, or need, all the defensive developments enumerated? Can we afford them? Which is the more important? It would appear that we cannot arrive at the right answer unless all of them are studied in their relation to each other and to the times and needs. Taking up UMT or any other one singly might lead to serious mistakes being made. Why not study our defense problems as a unit and act accordingly?

That is sound advice.

Mr. BATES of Kentucky. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, you would not have known in the work of the subcommittee that there was a minority and a majority party. The chairman of the committee was very patient and very considerate and dealt fairly with the members of his own party as well as ours. The other members of the committee were likewise helpful in every way that they could be, as well as the secretary of the committee, Mr. Hobbs. We agreed on everything in the report so far as appropriations were concerned. I had not planned to say anything about it, and had intended to let it speak for itself. But I saw a press release which made me feel that perhaps I should say something with reference to the Bureau of Internal Revenue.

Mr. Chairman, the country and the Congress have, within the past 2 days through press releases emanating from the House Committee on Appropriations, and making public the report of investigators of the committee, been treated to a new low in party politics in the vicious and unwarranted attack upon the Bureau of Internal Revenue of the Treasury Department. Within my memory, and certainly during my service in this body, I have never witnessed such wantonness and irresponsibility on the part of a committee of this House.

What is known as the Investigating Committee of the Bureau of Internal Revenue was conceived in malice and utter lack of constructive purpose, and the report of its investigators to the Appropriations Committee, and the press releases issued by that committee, based on the report of the investigators, is in keeping with the original notion of the investigators and the results desired to be obtained by those determined to do injury to the Bureau regardless of the facts.

When last year the Bureau, according to an informed press and highest officials in a position to know, properly resisted an unjustified cut in its budget for the fiscal year 1948, it sealed its doom with the Committee on Appropriations. By incontrovertible proof officials of the Treasury and of the Bureau established as an over-all proposition that for each $1 spent by it $20 in revenue was collected. An excellent business proposition for anyone. What industry in the country would not like a similar deal; that is, to be assured if it put up $1 it would receive in return for that expenditure $20. Every informed person on the subject was convinced that for the year 1948 it was bad business to cut the Bureau appropriations. But it had to be cut, so said the powers of the House Appropriations Committee, and cut it was, the reduction being approximately $20,000,000. This resulted in the separation from the service of many examining agents who had been but recently trained for their jobs and who were engaged in checking the fat returns of the war years bristling with additional taxes due the Government from all types of taxpayers, and some of them, indeed, many of them of the black-market type. The honest taxpayers of the country were shocked by the reduction act. An informed press cried out against it. But those responsible for legislation ignored facts and carried to finality the unbusinesslike cut. And, witness if you will, the juvenile attempt on page 8 of the committee report to justify last year's cut.

The report of the committee abounds in generalities, conclusions, but no proof. But it has served as the basis for the smearing press release of the committee. It did not have the effrontery to include in the report made to this House the unfair and wholly false charges against the Bureau which they included in their press release.

Here are some of the utterly false charges emunating from the release: Drinking of intoxicating liquors while on duty; sleeping on the job; inefficiency of employees; and other similar charges. The investigators do not name the employees who were drinking on duty; they do not name the 2 employees out of the 5,000 who slept on duty. In what respect employees were found to be inefficient is likewise not specified by the investigators. Words, words, but no proof. Everybody put under suspicion but nobody specifically charged. Very small procedure, indeed. But puerile and contemptible as the charges are which appeared in the press, they also have a serious side, in which every honest taxpayer in this country is interested. Such charges, although generally known to be untrue by informed people, cannot help but injuriously affect the morale of the officials and employees of the Bureau who have so loyally and successfully collected the revenues of this country, and did so in that manner to finance the two World Wars in which the country has been engaged. Such charges must give aid and comfort to taxpayers who are not inclined to cooperate in the payment of their just taxes. Such unfounded charges are wholly on the side of the tax chiselers and evaders. The record of the Bureau over the years in dealing with the tax crooks is too well known to dwell upon here, other than to call attention to the fact that such record puts back

in the teeth of those responsible for the charges the utterly false implications conveyed.

As I have indicated, the approach of the investigators was antagonistic to the Bureau. They went into the Bureau with a chip on their shoulders. They were interested in small things, as evidenced by the type of the charges. They were not concerned with any major problems that might have been confronting the Bureau. They were looking for empty whisky bottles in the basement. They were trying to find out how many employees drank coffee during office hours, and who was leaving the building 5 minutes before closing time. Not one major revenue problem was tackled by these investigators.

A governmental agency with the splendid reputation of the Bureau must have some redeeming procedures, but in the report of the investigators you will find no mention or discussion of such qualities. The investigators went out to get "small stuff," anything that could be used as the basis for a smear campaign, be it truth or fiction, and no one will deny they lived up to that purpose.

I know it cannot be successfully disputed that the Bureau of Internal Revenue has always been regarded as one of the most efficiently operated governmental agencies. It deals with the public in its activities to a greater degree than any other public agency. It has been singularly free from scandal, considering the nature of its activities. The keymen of the organization are largely career employees and are professional men, being lawyers, accountants, economists, engineers, and so forth. I cannot but feel the overwhelming majority of the Members of the House feel outraged at this smear attempt. All Members have dealings with the Bureau for their constituents. I have never heard from any Member of this House any criticism of inefficiency on the part of the Bureau or its officials and employees. I know that the Members of this House believe in fair dealing. Therefore, they cannot feel other than embarrassed over the conduct of these investigators, which conduct I am now complaining of. Such petty conduct and charges should have no place here. As I have noted, the investigators instead of attempting a constructive job appear to have spent their time and the money of the taxpayers in snooping in the basement of the building in search of empty whisky bottles, or key-hole peeping to catch someone taking a nap, or following some employee to the coffee bar, and other like petty procedure.

Even the committee has paid little attention to the recommendation of their investigators that the 1949 budget be cut $3,000,000, when it has recommended in its report a cut of $530,000.

The committee—page 11 of the report—recommends the Hoover Commission on Organization undertake an investigation at the earliest opportunity of the Bureau's activities. I am sure that the officials of the Bureau will welcome any fair investigation and will furnish all possible assistance just as it was ready and willing to do in the investigation I am discussing, and as it has done in the very recent investigation by the Joint Committee on Federal Taxation which was made practically concurrently with this investigation.

The CHAIRMAN. The Chair wishes to state for the information of the Committee that the gentleman from New Jersey [Mr. CANFIELD] has used 1 hour and 28 minutes; the gentleman from Virginia [Mr. GARY], 31 minutes.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, the gentleman from Virginia [Mr. GARY] and the gentleman from Kentucky [Mr. BATES], as I understand it, seek to minimize the laxity, inefficiency, and waste of time, effort, and money in the operation of the Bureau of Internal Revenue both here in Washington and in the field, as reported by Appropriations Committee investigators.

The Bureau of Internal Revenue, Mr. Chairman, may not be the worst offender in this respect. In the light of the investigators' report, however, its negligence would seem to merit censorship even from those hardened to the principle that it is proper to maintain thousands of excess workers on the Federal pay roll, providing they vote right at election time.

Take the matter of working hours in the Bureau of Internal Revenue as reported by the investigators. Working hours are apparently supposed to be from 8:15 a. m. to 4:45 p. m. with a 30-minute lunch period and two additional 10-minute rest periods morning and afternoon, known as "coffee time," when personnel are permitted to go to the snack bars for coffee and other refreshments.

The investigators report that lunch periods are usually very much extended and that over an hour is often consumed in respect to the 10-minute rest periods. No check is made by the Bureau. The investigators point out that if we apply this waste of time as an average to 5,066 employees on the Bureau pay roll as of July 1, 1947, it will result in the loss of 5,488 hours per day, or 171,500 days per year. This is equivalent to the loss of $2,200,000 per year.

The investigators also report great loss of time in Washington due to the daily exodus of personnel from the Bureau prior to closing time, and express the opinion that it is more than generous to estimate that the Washington office is securing on the average 6 hours of work per day per employee.

Similar conditions are reported in respect to other offices.

Let me read this excerpt from a supervisor's report dated May 31, 1947, covering an examination of the collector's office in St. Louis, Mo.:

> It appeared to the supervisors during the course of this examination that discipline is not as rigidly enforced as it should be, both as to hours of work and the conduct of employees during business hours. Undue visiting among the employees was prevalent, at their desks as well as in the corridors and rest rooms. Thus, it appears that the maximum amount of work is not being secured from the employees, with the result that more employees are needed to accomplish a given amount of work than if the full services of the employees were being received.

There are a score of similar examples. For instance, the collector of internal revenue for the district of Louisiana, located in the United States Customhouse in New Orleans, admitted that there are substantial abuses of sick leave in his office. The day most often taken, he said, is Friday, because by taking Friday off the Federal employee can take a 3-day week end rather than the usual 2 days.

A review of the 1946 reports submitted by the Bureau's own Supervisors of Accounts and Collections disclosed that 714 employees were reported to be unsatisfactory or below average. Time prevented the checking of the personnel records of all 714 employees. However, the personnel records of 50 of these, selected at random, were examined and the tabulation revealed 46 percent of the unsatisfactory or below-average employees whose records were test checked still in the service of the Bureau as of September 20, 1947.

Under leave to extend my remarks I include the following sample reports from supervisors in this connection:

Birmingham, Ala. Thirty-five deputy collectors below average.

Little Rock, Ark. Sixteen deputy collectors unsatisfactory.

San Francisco, Calif. Forty-three deputy collectors unsatisfactory.

Los Angeles, Calif. Ninety-three deputy collectors unsatisfactory.

Hartford, Conn. Twenty-eight deputy collectors below average.

Boise, Idaho. Eight deputy collectors unsatisfactory.

Chicago, Ill. Ten deputy collectors unsatisfactory.

Des Moines, Iowa. Thirty-one deputy collectors below average.

Wichita, Kans. Twenty deputy collectors below average.

Louisville, Ky. Fourteen deputy collectors below average.

Baltimore, Md. Thirteen deputy collectors rated poor.

Detroit, Mich. Fifty-two deputy collectors unsatisfactory.

Fargo, N. Dak. Thirteen deputy collectors below average; eight entirely unsatisfactory.

Toledo, Ohio. Eighteen deputy collectors unsatisfactory.

Cleveland, Ohio. Seventeen deputy collectors unsatisfactory.

Oklahoma City, Okla. Twelve deputy collectors unsatisfactory.

Nashville, Tenn. Twenty-one deputy collectors below average.

Austin, Tex. Twelve deputy collectors unsatisfactory.

Parkersburg, W. Va. Twelve deputy collectors unsatisfactory.

Milwaukee, Wis Fifteen deputy collectors unsatisfactory.

In Hartford, Conn., Mr. Chairman, officials of the Internal Revenue Bureau have been indicted recently for violation of the Hatch Act.

In Washington, committee investigators reported hard-to-get metal file cases used as storage bins for old shoes, rubbers, pie plates, tin cans, and so forth.

An enormous waste of paper is also reported, including undistributed tax forms and instruction sheets dating back to 1921, thousands of bundles of which have never been opened. The Bureau's

own tabulation is reported to reflect a total of 81,962,000 undistributed income-tax blanks for the year 1946 alone.

It is impossible to estimate the hundreds of millions of forms which are presumably rotting in storage all over the country.

Mr. Chairman, this is the Government agency which made such a hysterical outcry when its appropriations were cut last spring. This is the agency which, with the help of New Deal propagandists, castigated the action of the Congress and in effect condoned the deplorable conditions within the agency.

The investigator's report is a sad commentary on those who are responsible for the operation of the Bureau of Internal Revenue.

Mr. JACKSON of Washington. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I have served on several different committees in the House of Representatives during my tenure of office here. May I say that I have never served under a chairman who has been more fair and judicious than has the distinguished gentleman from New Jersey [Mr. CANFIELD]. There has been no party division line in our committee in the consideration of appropriations for these departments of Government. The appropriation items have been fully discussed by previous speakers. There is no dispute whatever regarding the appropriations that have been reported to the House. We do differ, however, in the interpretations and the deductions that have been made in connection with the report of the investigators. The gentleman from Kentucky [Mr. BATES] and the gentleman from Virginia [Mr. GARY] have explained pretty much in detail our objections and I have only one or two supplementary remarks to make.

Mr. Chairman, the charge has been made, for instance, that one official, I believe in Wilmington, Del., embezzled some $34,000. Standing by itself without any understanding of the amount of money handled by the Bureau one might come to the conclusion that the Bureau is overrun with crooks. The Bureau of Internal Revenue employs some 50,000 people collecting $40,000,000,000 in taxes annually.

I would like to put this question to the House: Do you know of any business firms that handle large sums of money each year that do not incur some misappropriation of funds during the course of the operation of the businesses? In this connection there is presented to the House this one lone example of a misappropriation of $34,000 out of a total handling of some $40,000,000,000 by the officials of the Bureau of Internal Revenue. Frankly, I think that is a remarkable record in itself. You start checking through the banks of our country that only handle a small proportion of that sum, and I dare say you will find misappropriations running into millions of dollars.

It has been my experience that the officials in the Bureau of Internal Revenue have been men of integrity and ability. We know that particularly the men in the field work long hours without extra compensation for overtime. I know of no more courteous group of people in the service of our Government than the people who make out our income tax returns, and to say because a few here and there may be loafing on the job that the department as a whole is inefficient, seems to me to be an unwarranted inference from the report that has been submitted to the House. I am one who believes very strongly that we should have these investigations from time to time. I think it is a healthy thing to have an accurate check on the executive branch of the Government. But, let us be a little more judicious and a little more careful in the conclusions that we draw from the reports of the investigators. I believe if we do that that we will render a real service to our country.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. GRIFFITHS], a member of the committee.

Mr. GRIFFITHS. Mr. Chairman, I listened a few moments ago to my good friends, the gentleman from Virginia, the gentleman from Kentucky, and the gentleman from Washington, in regard to the investigations. I am not too much worried about that. Some of them may be a little bit trivial, but some of them, I think, might be productive of pretty good results. I am sorry that my good friend referred to it as a political smear. I do not think it was. He remarked, for instance, about the Newark case where the girls threw the returns down the toilet and flushed them away. Well, what bothers me about that is this: Here is an office. They have certain work to do. Where was the supervision? It took them 3 months to find out that such a thing happened. Do you call that efficiency in an office? Another thing he talks about are the delinquents. Now, if you consider it very good attention on their part that some of them are often 3 years delinquent on answering, well, all right. Personally, I do not.

Sure, a lot of them do it and do a good job of it. Those that do not are wasting money. That is why in another year I want to see some results, or I certainly will not go along on this training program.

One thing that really tickled me was that a few minutes ago someone was talking about the unjustified cut we made last year in the Internal Revenue Bureau. I am not ready to admit that it was an unjustified cut. It came out of the committee unanimously. Maybe the gentleman has changed his opinion now. They did talk last year about our having a $400,000,000 cash loss. If such was the case, do you not suppose the Treasury Department would come around this year and ask for an increase in the appropriation, if they knew the Government was losing $400,000,000? Of course they would. When I asked Secretary Snyder about it, on page 63, he said it might not be a 20-to-1 ratio, it may be 15, it might be 10, or even 5, but he thought any time you collect more money than you spend it is a good thing. I said, "Yes; and it could be a 75-to-1 ratio, too." He admitted that it might possibly be 75 to 1. I think a little bit more efficiency will bring in better than 20 to 1.

There are plenty of good men down there. To tell you the truth, I have never met an internal-revenue agent that was not a pretty good man. I have thought they were pretty tough, personally, several times in my life.

They remarked that we accused them of drinking liquor down in the basement of a building, because there is a picture showing bottles down there. I did not give the picture much attention. I looked at it and saw the name on it, and said to the gentleman from Kentucky that that was not a name I was familiar with, was it a product of his State, and he told me "No," he thought it came from Virginia; that it was not very good stuff, anyhow. So when you see a couple of bottles and then accuse 5,000 people of being drunk, there is nothing to it. Of course, they need a little jacking up, and I think they got it.

Supplementing the remarks made by the chairman of the subcommittee, I would like to comment on three parts of the bill.

The first is the departmental appropriations for the Post Office; the money to be spent here in the District of Columbia. These appropriations amount to $8,037,500, of which $5,877,500 is for salaries. The subcommittee only reduced this estimate for personal services by $240,500, and the reduction was applied chiefly against the requests for a considerable number of new employees. Except for the Office of the Second Assistant Postmaster General and the Bureau of Accounts, all these Washington offices will receive more money for 1949 than they have this year. Reductions below the 1948 figures were made impossible in most cases because of the still increasing postal revenues. The Second Assistant's Bureau was reduced because last year Congress granted funds for temporary employees to assist in the preparation of the Department's defense against the petition of the railroads for a 45 percent mail rate increase. The work of these temporary employees being completed, the Post Office did not recommend their retention and therefore requested less money than was granted last year. A work simplification program is under way in this office, and savings in positions have already been reported.

The First Assistant Postmaster General has the supervision of the mail handlers, such as clerks and carriers and postmasters, and is the office which is directly responsible for the delivery of mail from post offices. This office will receive $47,500 more next year than it had in 1948, making possible the addition of a few new positions, which are needed to clear up a blacklog of work which has developed, and thereafter to keep the work current.

A safety program, which has the full endorsement of the subcommittee, is to be instituted in the Post Office Department, and it is hoped that such a program will be complete and vigorously maintained. An increase of $20,000 has been granted to the office of the Postmaster General to institute such a program. Some reduction has been made

in the estimates for the Postmaster General's office because the subcommittee believes, as it did last year, that too much money is being spent for public-relations personnel. This staff should be reduced and the money used for more necessary functions.

The Third Assistant Postmaster General is the fiscal officer of the Post Office, and the appropriations for his Office are up $17,500 over this year. No new employees were requested for this Office, and the increase will be used up through automatic promotions and personnel turn-over. More modern methods could be used in this Office, and the committee has made provision for this by including in the equipment appropriation a proviso calling for the expenditure of $400,000 for such devices in the next fiscal year. Elimination of archaic practices throughout the Department will lead to eventual savings, and it is the belief of the subcommittee that the expenditure of this sum in 1949 will be a good start.

The second point I wish to discuss deals with the Office of the Fourth Assistant Postmaster General, both in Washington and in the field. The departmental office will receive an appropriation which is $39,500 above its 1948 figure, but this represents a reduction of $71,000 from the estimates. This Office has charge of all post-office buildings, the vehicle service, and equipment and supplies. In Washington, 35 additional employees were requested, and this included restoration of 16 positions which Congress abolished this year. The subcommittee did not allow most of these positions because it was felt that to do so would only be augmenting a force which is engaged in performing duties on an outmoded and archaic system. There is little doubt but what the work of this Bureau could be greatly streamlined, with greatly increased efficiency and decreased manpower. This is particularly true of the Topography and Vehicle Divisions. Indicative of the attitude of this Bureau is the fact that it requested removal of the proviso calling for expenditures for modern mechanical devices throughout the Department, even though such a proviso was originally requested by the Third Assistant Postmaster General. Rather than eliminate the proviso, the committee has retained it and has increased the funds covered 100 percent.

In the field one of the items handled by the Fourth Assistant's office is the laundering of towels, and the funds for this purpose have been so mismanaged as to create a national stir. The money for this service comes under the appropriation "Operating supplies for public buildings." When the Department submitted its 1948 estimates for this appropriation the subcommittee found several items which it thought could be reduced, mostly along the line of cleaning supplies and equipment. The committee did not consider it advisable to reduce the estimate for laundering towels, and did not intend that such estimates would be changed. But it was felt that the amount requested for supplies and equipment had been overestimated, just as is the case again this year. For example, the Department feels that all windows in all post offices should be washed once a month, and requests funds to permit this. The committee feels that once every quarter is quite sufficient, and therefore reduces the total estimate accordingly. As another example, the Post Office for 1949 wants to purchase 1,000,000 more sheets of carbon paper than it did in 1948, and the committee scaled down this estimate. The Department, instead of submitting a complete list of specific items it desires to purchase, supplements the lists of specific items with numerous "miscellaneous supplies" or "miscellaneous repairs." Requests submitted in such form were scaled down. The Department, however, seems more anxious to economize in places where the public will take more notice and where greater objections will be raised. Although the Post Office submitted many supplemental estimates for the 1948 appropriations, it was not until the last few weeks that they requested additional money for such laundering, although the curtailment of laundering was public knowledge many months ago. By using common sense in its purchases the Post Office can get along very well without taking steps to call to the public's attention what it chooses to call "penny pinching" on the part of Congress. Another laughable effort along those lines occurred in Detroit, where the superintendent of the Federal Building requested patrons not to use the elevators "when going up one floor or down two floors." This was all because of a cut in Federal appropriations last July, building officials said. It has not yet been possible to determine where any savings were made because elevators did not stop at every floor.

The people are demanding economy in government, and this Congress is trying to give them both economy and efficiency. I think we are doing a pretty good job of it, but it is a sad commentary when the executive departments ignore or deliberately misconstrue the intents of Congress.

It cannot be denied that the Post Office in many instances does cling to archaic methods. Fortunately some of the officials there see this, and would like to modernize and streamline. The Third Assistant Postmaster General asked that a proviso be placed in the equipment item, which comes under the Fourth Assistant, calling for expenditure of $250,000 for modern mechanical devices. As one example, a punch-card system could be installed in the fiscal offices of the Department with such funds. The Fourth Assistant's office recommended to the Bureau of the Budget that this proviso be stricken out, and it was. The committee not only restored it but doubled the previous amount carried so that $500,000 will be available in 1949 for modern mechanical devices.

One item in the Treasury bill I would like to comment on because it involves an appropriation from which much good can come if it is properly spent, but which might lend itself to improper spending. That is the allocation which gives $3,750,000 to the Savings Bonds Division of the Bureau of Public Debt. No one denies that the channeling of United States savings bonds into the hands of individual holders is an excellent idea, nor that benefits will accrue if the proceeds are used to reduce the bank-held portion of the public debt. The Treasury has told us that that would be their program and requested $4,658,000 for the Division of Savings Bonds, to spend on a special sales campaign this spring and summer. In 1948 this Division was originally allotted $2,800,000. Feeling that more money could be used in the special promotional drive, slated to start in May, the Secretary of the Treasury looked around and found a savings of $700,000 in the Bureau of the Public Debt, money which the Bureau was not going to spend for the purpose for which it was appropriated by Congress. The Secretary took this $700,000 and gave it to the Savings Bond Division, making a total of $3,500,000 the Division has to spend in fiscal 1948. They have planned an enormous campaign, involving radio programs, pamphlets, advertisements, movies, and similar forms of promotion. They plan to organize special divisions to promote sales among farmers, women, unions, Negroes, schools, and other groups. The plan was gargantuan, enormous, stupendous, and breathtaking. It was also extravagant, wasteful, and ill-conceived. It included almost every promotional idea thought up by man except for trained seals and hula dancers.

As a part of the fight against inflation, increased sale of Savings Bonds is a commendable idea, but it is not necessary to waste millions of dollars to promote such sales. The subcommittee has received protests from school principals about the wasteful type of material sent to them. We have had complaints about the radio programs, which certainly are not up to the standard set in other Government-sponsored broadcasts. Too little emphasis has been given to the participation of volunteer workers in the program. The Comptroller General has submitted a memorandum indicating excessive and unnecessary communications expenses. After very careful consideration, the subcommittee determined that the entire special bond drive could be run successfully on $1,000,000 in fiscal 1949, which is in addition to the $700,000 available for such special purpose in fiscal 1948. All of this is in adidtion to the normal operating expenses of the Division, for which $2,800,000 is available in 1948, and an equal amount in 1949.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Chairman, the Associated Press carries the news reports of a felonious attack upon Pfc Jack Grunden, a boy 18 years of age who lives in Portland, Oreg., in my congressional district, by a Russian sentry, in front of the Russian Soviet headquarters in Vienna. According to the press dispatches, this American soldier boy, with

some companions, was passing in front of the Russian Embassy when Russian soldiers approached them and, according to reports, ordered them off the street and commanded them to walk in the gutter. The Oregon soldier was knocked down, beaten, and shot, and as a result he may lose an arm or his life. He is now hospitalized and a full report of his condition will not be known for some time. Other members of the party were seized by the Russians and some of them severely beaten and manhandled.

I have asked for a full report of this tragic happening and demanded that our officials leave no stone unturned to see that justice is done and the guilty parties punished.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. ANGELL. I yield.

Mr. CANFIELD. The press reports indicate that that terrible tragedy happened in front of the Grand Hotel in Vienna. I recall that sometime last September I was quartered with the congressional committee in the Bristol Hotel in the same block. In front of the Bristol Hotel, which was occupied by the American mission, there were no armed guards, but in front of the Grand Hotel there were Russian Guards with bayonets and no person was allowed to stand for a moment in front of that hotel.

Mr. ANGELL. I thank the gentleman for his contribution.

Mr. GARY. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I have introduced a resolution providing for the apprehension and elimination of Communists and other advocates of subversive doctrines in the employ of the Government.

I ask unanimous consent, Mr. Chairman, that the reading clerk read the resolution in my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Resolved, That the Committee on Appropriations, acting through a special subcommittee thereof appointed by the chairman of such committee for the purposes of this resolution, is authorized and directed to examine into any and all allegations or charges that certain persons in the employ of the several executive departments and other executive agencies are unfit to continue in such employment by reason of their present association or membership or past association or membership in or with organizations whose aims or purposes are or have been subversive to the Government of the United States. Such examination shall be pursued with the view of obtaining all available evidence bearing upon each particular case and reporting to the House the conclusions of the committee with respect to each such case in the light of the factual evidence obtained.

If in the opinion of the committee such evidence indicates conclusively the unfitness of any employee or employees of any department or agency of the Government to continue in such employment, the committee shall report the result of its investigations to the House. The report shall be accompanied by a House resolution concurring in the conclusions reported by the committee and expressing the opinion that such employees, designated by name and position, should be separated from the service of the Government, such resolution when approved by the House to be transmitted to the President of the United States.

For the purposes of this resolution, such committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books or papers or documents or vouchers by subpena or otherwise, and to take such testimony and records as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or subcommittee or by any person designated by him, and shall be served by such person or persons as the chairman of the committee or subcommittee may designate. The chairman of the committee or subcommittee, or any member thereof, may administer oaths to witnesses.

Mr. CANNON. Mr. Chairman, this is no doubt a very familiar resolution to the Members of the House. It is the same resolution which I introduced in the first session of the Seventy-eighth Congress with the exception that instead of providing for the denial of appropriations for the pay of persons who have been found to be Communists or disseminators of subversive doctrines, it provides that the committee shall follow the same procedure in calling up persons charged with subversive activities, examining them, and reporting its findings to the House. Under this resolution, if the findings indicate Communist affiliations, the House shall by resolution approve the committee findings and certify the evidence to the President of the United States with recommendation of summary action by him.

Otherwise this resolution is identical with the resolution adopted in 1943 which effected the elimination from the service of the Government of every man reported by the committee to the House.

Mr. Chairman, we have witnessed within the last 3 years, and especially in the last 3 weeks, the destruction of free governments and the subjugation of free people throughout Europe and Asia. In each country it has been an instance of undisguised, unwarranted, and unprovoked aggression, such as can be found only in remotest medieval history.

The pattern followed in the conquest of each of these sovereign states has been identical. First, the foreign aggressors have organized a fifth column on the inside; then they have placed Communists in key positions, and through infiltration have taken over the control of the important administrative offices. Eventually they close in and send all patriots who oppose them to concentration camps or liquidate them before firing squads, or with the assassin's knife. The result is that without a declaration of war, without firing a shot, except in assassination or intimidation, they have subjugated great and prosperous nations and conscripted and sequestered life and property as arbitrarily and as completely as in any ancient despotism.

Now, the feature of this incredible usurpation and devastation which concerns us and which gives rise to apprehension in every civilized country today is that it is all a part of a progressive program. There might have been occasion to think, when they first took over two or three neighboring nations that there was some particular need for the establishment of zones or buffer states which justified their acquisition. But, the deadly and considered method of these rapidly spreading conquests has now become all too evident to leave room for any doubt about their ultimate objective.

All the testimony before our committee corroborates the conclusion that it is a part of a long conceived and carefully planned campaign of world domination, not only of government but of ideologies, of philosophies so alien and so hostile to our institutions and our form of government as to make it impossible for both to exist in the same country. No one can doubt that these series of conquests, the absorption of state after state, have for their eventual purpose the conquest of America.

I do not have to say that the foremost desire of every American citizen, so far as our international relations are concerned, is to avoid a third world war. As a people we would make almost any reasonable sacrifice to establish enduring peace. But here in the third year since the close of the war we are no nearer a treaty guaranteeing the integrity of the nations of the world than we were when Japan capitulated. And as far as we can look into the disturbed and uncertain future there is today no prospect for peace or any agreement of any kind short of armed readiness for any eventuality.

Under these unhappy circumstances and in the light of the tragic experience of a dozen nations which have been destroyed from within, the integrity and loyalty of the employees of our Government becomes our first line of defense. If those employees are not dependable, if disloyalty creeps into the citadel itself we are nearing the beginning of the final crisis. We would then be following precisely the pattern followed in the subjugation of every European and Asiatic state which has been taken over.

There is reason to believe that vast sums of money have been expended and a far-reaching network of espionage has been at work in this country for some time with the purpose of establishing a fifth column which, when the opportune time arrives, will cooperate with disloyal forces on the inside to take over our Government and destroy the very agencies that should protect us. So, any charge, Mr. Chairman, that there is disloyalty among Government employees of the United States, however fantastic it may appear merits our earnest attention. With that in view, I have introduced this resolution.

It seems incredible that any American citizen would connive at the destruction of his own Government, especially when he contrasts its prosperity with the products of communism over on the other side.

But the chairman of the Committee on Appropriations has charged that there are 14 Communists in the Department of State, and similar charges have been made by others from time to time. We

were told in the last campaign that our Government departments, especially the Department of State, was honeycombed with communism. In one campaign speech it was claimed that there were officials high in the inner councils of government who reported to Stalin before they reported to the President of the United States. Such charges demand attention, and not only attention, but action. That is what is proposed in this resolution. We propose not to take it out in talking but to do something about it.

This resolution is in keeping with the record made by the administration and by the three previous Congresses, the only administration and the only Congresses which have attempted to eliminate Communists and communism from Government departments. Up to 1939 no action was taken by any administration or by any Congress to weed out disloyalty among Government employees.

The first step taken with a view to eliminating communism and disloyalty was on August 2, 1939, when we passed the Hatch Act, which included among other provisions the prevention of any person employed in any capacity in any agency of the Federal Government from holding membership in any political party or organization advocating the overthrow of our constitutional form of government. For the first time in the history of the Government we adopted means of actively combating subversive activities in the departments.

Subsequently beginning July 1, 1941, we included in all of the appropriation acts provisions that no part of any appropriation should be used to pay the salary of any person who advocates or is a member of any organization that advocates the overthrow of the Government of the United States by force or violence.

On February 5, 1943, in the first session of the Seventy-eighth Congress, we adopted a resolution authorizing the Committee on Appropriations to investigate and to report to the House the names of any employees whom evidence indicated to be Communists, with a recommendation that their salaries be denied.

Then on July 5, 1946, we adopted the provision known as the McCarran amendment, according the Secretary of State power of summary removal of all Communists and subversives from his department.

In brief, for the last several years we have developed for the first time in the history of the Government a consistent program of action to eliminate subversives from the service of the Government. As indicative of the attitude of the administration on this program, Mr. Chairman, I ask unanimous consent that the Clerk read the preface of this Executive order.

The CHAIRMAN. Without objection, the Clerk will read the matter referred to by the gentleman from Missouri [Mr. CANNON].

There was no objection.

The Clerk read as follows:

EXECUTIVE ORDER PRESCRIBING PROCEDURES FOR THE ADMINISTRATION OF AN EMPLOYEES LOYALTY PROGRAM IN THE EXECUTIVE BRANCH OF THE GOVERNMENT

Whereas each employee of the Government of the United States is endowed with a measure of trusteeship over the democratic processes which are the heart and sinews of the United States; and

Whereas it is of vital importance that persons employed in the Federal service be of complete and unswerving loyalty to the United States; and

Whereas, although the loyalty of by far the overwhelming majority of all Government employees is beyond question, the presence within the Government service of any disloyal or subversive person constitutes a threat to our democratic processes; and

Whereas maximum protection must be afforded the United States against infiltration of disloyal persons into the ranks of its employees, and equal protection from unfounded accusations of disloyalty must be afforded the loyal employees of the Government:

Now, therefore, by virtue of the authority vested in me by the Constitution and statutes of the United States, including the Civil Service Act of 1883 (22 Stat. 403), as amended, and section 9A of the act approved August 2, 1939 (18 U. S. C. 611), and as President and Chief Executive of the United States, it is hereby, in the interest of the internal management of the Government ordered as follows:

PART I—INVESTIGATION OF APPLICANTS

1. There shall be a loyalty investigation of every person entering the civilian employment of any department or agency of the executive branch of the Federal Government.

Mr. CANNON. Mr. Chairman, this Executive order, of course, is signed by Harry S. Truman, President of the United States. I ask unanimous consent that the Clerk read the names of the Commissioners appointed under this order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

A. Devitt Vanech, Special Assistant to the Attorney General, Department of Justice (chairman).

John E. Peurifoy, Acting Assistant Secretary of State for Administration, Department of State.

Edward H. Foley, Jr., Assistant Secretary of the Treasury, Department of the Treasury.

Kenneth C. Royall, Under Secretary of War, Department of War.

John L. Sullivan, Under Secretary of the Navy, Department of the Navy.

Harry B. Mitchell, President, Civil Service Commission.

Mr. CANNON. It will be noted that the highest type of Commissioners, men of unquestioned ability and integrity, have been selected for this important duty.

And we have secured results. According to the report made by the Commission before its duties were transferred to the Loyalty Review Board, it investigated 402,086 cases. Of those 402,086 cases, 44,490 were rated as ineligible. Of those rated ineligible, 1,323 were declared ineligible solely upon loyalty grounds. Not a one of those 1,323 employees is now in the employ of the Government. All have been removed. It shows that we not only took action but we secured results.

Now this Congress, also, has an obligation and a duty in the continuation of this record. And I have been waiting for the majority to bring in such a resolution as has just been read, or at least the authorization of some method of eliminating these Communists who are said to be in the Government and particularly in the State Department. No one will give heartier cooperation and support of any effective measure for that purpose than we will give on this side of the aisle. Why not appoint a subcommittee in the Committee on Appropriations as we did in the previous Congress and call those 14 men the chairman says are down there in the Department up here and dispose of them? Some may insist that 14 dissidents out of 20,000 employees in the Department of State is relatively a very small number but if there is only one down there, that is one too many, and he should be removed and this Congress should take steps to remove him.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York the distinguished chairman of the Committee on Appropriations.

Mr. TABER. As a result of the pressure that has been put on, 2 of those 14 were dismissed last week. I am hopeful that the others will be soon.

Mr. CANNON. Well, I do not know why we should say it was done as a result of pressure. We have been finding them and firing them right along. We have already got rid of 1,323, most of them long before any pressure could have been been brought to bear by the Congress. And the administration is still removing them and the House is doing nothing to cooperate. Members of the House have talked about communism in the departments on every possible occasion, but they have done nothing to eliminate it. Here is a chance to do something about it.

The departments have their obligations in eliminating subversives. The administration has its obligation in removing disloyal persons from the employ of the Government. But the Congress also has its obligation, and up to this time it has contented itself with charges that Communists infest the departments and should be removed but has done nothing to remove them. Here is an opportunity to demonstrate the faith that is in us; that is in you. Here is a resolution to transmit talk into action. If, however, the majority think some other method is more desirable or will prove more effective let us have it. We will cooperate.

Let us not be content to sit down and simply say, "There are Communists down there," and then do nothing about it.

So far as this resolution is concerned there are three objections that will be made to the method proposed.

First, those who do not want to do anything, who want to take it out in talking, will object that we already have a committee. And that is true. We have a Committee on Expenditures and a Committee on Un-American Activities.

But, Mr. Chairman, that was exactly the situation when we adopted this resolution in the Seventy-eighth Congress. There were other committees authorized to act at the time. But nothwithstanding the existence of these other facilities you voted for it. The Speaker of the House, the gentleman from Massachusetts [Mr. MARTIN] voted for this resolution; the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER], voted for this resolution; the gentleman from Indiana, the majority leader of the House, voted for this resolution. If they voted for it then, if it was a good resolution then, why is it not a good resolution now?

The second objection that will be advanced by those who prefer to sit down and let the departments fight it out with communism unassisted is that under the McCarran resolution the Secretary of State can dismiss any Communist found in the Department of State. That is correct, and we were told here on the floor Thursday by the gentleman from Alabama that every one of the cases which have been processed has been submitted personally to General Marshall, and General Marshall has either approved separation or has found the charges were without foundation.

But the charge is made by the chairman of the Committee on Appropriations that notwithstanding the McCarran amendment the Department of State is not getting rid of the Communists down there, that General Marshall is leaving them in. It is difficult to believe that General Marshall would leave any traitor anywhere, must less in the State Department, when evidence was submitted showing they were guilty. If that evidence has not been submitted to him here is a method of securing it and certifying it to him in a manner that cannot be ignored.

If the Department of State will not do it, let us do it, let us get rid of these 14 Communists and any others that are down there, or in any other department.

The third objection will perhaps be made that this resolution is not binding on the President. And it is not. But if we pass on to the President the deliberate and considered judgment of the House, naming these men and giving their positions, and stating that in the opinion of the House they are Communists, and should be dismissed we will get results. Even if the President wanted to keep these Communists in the bosom of the Government, which is unthinkable, the weight of public opinion would force them out. We have seen aroused public opinion operate. We saw the effect of pitiless publicity on the three fellows we had up here in the last Congress. When payment of their salaries was refused they applied to the Court of Claims and the Court of Claims sustained them. We carried it up to the Supreme Court. The Supreme Court said they were entitled to draw their back pay.

But their position was untenable. All three of them resigned. The department was too hot to hold them. Public opinion was too intense to permit them to stay. We got rid of them. If we handled those 3 we can handle these 14 just as effectively and just as expeditiously under this resolution.

The other day when this matter was up, the gentleman from Wisconsin [Mr. KEEFE] took issue with me and made the statement that the facts were being garbled, that the facts were not given, or that the facts were misrepresented. I have notified the gentleman from Wisconsin [Mr. KEEFE] that I would take this up today. May I say that if there is any misstatement of fact, and apparently there was, it was the gentleman from Wisconsin who was guilty of the misstatement of facts on this floor. Here is what he said:

He—

The gentleman from Wisconsin—

should get himself in accord with the facts and not make the charge on the floor of the House that the Republican chairman and the Republican Committee on Appropriations are failing in their responsibilities to get rid of communism existing in the State Department.

Well, now, what other conclusion can there be? The chairman of the committee made the statement on the floor that the Communists were there and he has done nothing to get rid of them. At least, no action has been recommended or reported to this House providing any kind of a method for their disposition.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. GARY. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. CANNON. Mr. Chairman, the gentleman from Wisconsin then said:

The gentleman from Missouri makes the bald statement that under his administration as chairman he got rid of three of them and challenges the present chairman to emulate him in doing the things which he says never took place at all. * * * They did not fire these people at all. They stayed on the job.

Anybody knows that a Communist never gives up a job on the inside as long as he can hold it. These people would be in their jobs today if we had not taken action. We did get rid of them. They are no longer a part of the Government. All of them were out of the employ of the Government before the opinion was handed down by the Supreme Court.

Now, the gentleman from Wisconsin takes great credit to himself for the part that he had in this proceeding.

He makes the statement that he had the honor to suggest on the floor of the House that a new special committee should be appointed for this purpose. And he says it was done. You get the impression, in reading his speech, that he initiated the proceedings. As a matter of fact, all he ever did was to go along with the Democratic majority. The matter was first suggested by the gentleman from Florida [Mr. HENDRICKS], who, in 1942, proposed that action be taken, and who, in 1943, offered an amendment to deny the salary of certain men accused of being Communists. At the time that amendment was under consideration, the gentleman from Wisconsin [Mr. KEEFE] debated the question. He made no suggestion whatever that he had ever thought of taking any such action. He was undoubtedly present, because he is quoted in the RECORD as saying:

The very voices that are now crying out against the adoption of this amendment, however, are the voices that in the last campaign vilified me because of my pre-Pearl Harbor votes.

He seems to be sensitive about his pre-Pearl Harbor votes.

And Mr. O'Connor interrupted him to say:

I was branded just the same as was the gentleman from Wisconsin [Mr. KEEFE] by the New Republic as being an agent of the Nazi government.

The gentleman from Wisconsin [Mr. KEEFE] acquiesced:

I remember well the situation that existed in this country at the time of the last war. I know how emotions can be whipped up, and I feel that we should act deliberately in this matter with full knowledge of what we are doing.

Then he makes a statement that he was appointed on the committee by the Speaker of the House. He had just previously said he was glad I had appointed him. So, it is a question of when the gentleman was making a misstatement. Was he making a misstatement when he said he was appointed by the chairman of the committee or when he said he was appointed by the Speaker? Certainly, he was making a misstatement when he said we did not get rid of the three Communists.

The gentleman from Wisconsin not only contradicted himself but he also contradicted the gentleman from Minnesota [Mr. JUDD] when he insisted that due to the decision of the Supreme Court the committees of the House were without power to rid the department of Communists and other objectionable employees. The gentleman from Minnesota [Mr. JUDD] in the same colloquy stated that his committee, the Committee on Expenditures in the Executive Departments, was getting rid of many of them. If the method by which the Committee on Expenditures in the Executive Departments is getting rid of the Communists in the departments is not permissible under this resolution, then let us adopt the plan followed so effectively by Mr. JUDD's committee. Let us use it on the 14 Communists which the chairman of the Committee on Appropriations tells us are impregnably intrenched in the State Department. Let us either take steps to get rid of Communist-affiliated employees in the Government or quit talking about them.

Mr. Chairman, these are dangerous times. No one familiar with the international situation can view the future without concern. I cannot bring myself to believe that we are in danger of a shooting war, at least not in the near future, although unquestionably there is always the possibility of unexpected developments.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. McDOWELL. I regret that I have not been here long enough to hear all

of the remarks of the distinguished gentleman from Missouri. But I am wondering if this thing that he is trying to do is not paralleling the Committee on Un-American Activities.

Mr. CANNON. I am sorry the gentleman came on the floor so recently, as I discussed at some length the gentleman's suggestion, and if he will consult the RECORD tomorrow he will find it.

I sincerely trust the leaders of the House will be able to give some consideration to the resolution here proposed, and if it does not meet with their approval, that they will propose some other method of attaining the same end. Regardless of the method used, we are all in accord on the necessity of maintaining the integrity and loyal efficiency of the departments of the Government, and especially the Department of State.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Chairman, in my opinion, and in the opinion of many responsible people in this country, the European situation is fast approaching a climax. We all want to avoid war, and, on the other hand, no thinking person in this country wants Russia to get control of all Europe or Asia. Their present bloodless infiltration is rapidly extinguishing liberty and freedom over more and more of the world outside of this hemisphere. It must be stopped. The so-called Marshall plan is a method proposed to stop it and avoid a bloody war of total destruction. I am for the Marshall plan and will vote accordingly. I am in hopes that the two Houses of the Congress can produce a practical and workable bill which will do the job.

But, above all, the present situation calls for speed. I feel that the leadership in both Houses should for the moment set aside other things and complete this legislation at the very earliest possible moment. Certainly before the elections take place in Italy.

I fully realize the many differences of opinion on this matter, but I think we are all agreed that it is nonpartisan, as far as the political parties go, and I am sure that everyone is acting as an American and not as a Republican or Democrat on this question. That is as it should be. As I stated, I am for the Marshall plan, but whether you are for it or against it, let us bring it up and decide it now. I hope it goes through and will do the job.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. DIRKSEN], a member of the subcommittee.

Mr. DIRKSEN. Mr. Chairman, I had not intended to comment upon the observations of my esteemed friend the gentleman from Missouri [Mr. CANNON] but, having been part of that episode in congressional history to which he alluded this afternoon, I thought perhaps a word or two ought to be devoted to the matter.

COMMUNISM IN GOVERNMENT

There is a much simpler answer to communism in government than that which he proposes. His proposal as suggested this afternoon is the enactment of a resolution under which the Appropriations Committee would operate to investigate these various cases and then certify them to the Congress with an attendant resolution, and then have them certified to the President of the United States for such action as the President might take. It would be a long and involved proceeding, as we have reason to know. There is a much simpler answer. The answer is simply this: A complete new administration of the executive branch in November of 1948. I say that in all kindliness. But you see, after an administration has persisted for a long time, it is like a vessel in salt water, the barnacles get on the keel, and try as any individual will, it becomes impossible to take the barnacles away. So heroic measures and heroic effort are necessary.

I think I have come to that period now where I feel that the answer is not in more rhetoric and more resolutions. Obviously you cannot legislate the Ten Commandments and you cannot legislate loyalty and love of government. You cannot legislate patriotism. It is one of those things that must be in the heart. It is a matter of education. So notwithstanding all these investigations we have got nowhere.

If we followed out the suggestion of the gentleman from Missouri, it would probably follow pretty well the experience we had before, and you remember it so well. We had a subcommittee of the Appropriations Committee under the leadership of a very esteemed Member of this House, the gentleman from North Carolina [Mr. KERR]. They held long hearings. The present Secretary of Agriculture was then a Member of this House and was a member of that committee. I remember the day when those reports came before this body, and you remember so well the names of those distinguished gentlemen in the Federal Communications Commission whose records were carefully exposed. There was Dr. Watson, and there was Mr. Dodd, and then there was Mr. Lovett, of the Virgin Islands. Shortly after the report was filed, those gentlemen quit, but they stayed on the job for a month or more after the reports were filed and then went to the Court of Claims of the United States, as you remember, and sued for their salary. When that came about, of course, we had to hire counsel.

To me it is an amazing thing. It is one of those fantastic things in the life of government that the legislative branch should have to spend $15,000 or $20,000 of the people's money to protect the integrity of government against those who were suspect.

If you can think of anything more fantastic than that, I would like to hear it, because I would like to be refreshed on my American history. So the result was what? The court then found we did not have that authority and so our esteemed friend from Missouri now would vary it only in the sense that we would pass a resolution and send it to the President of the United States where it might very conceivably gather dust in a pigeonhole for a long time and no action taken thereon. The answer is this: If a person is suspect, and cannot be proved a Communist and a card-carrying member of that party, in critical times if there is lacking even a semblance of the loyalty that is necessary to the integrity and the perpetuity of government, he should be removed from the rolls. Why, that to me is simple and elemental.

VALLEY FORGE

Would any man ever have said to George Washington in those dark days at Valley Forge that while he could not prove a man was loyal to the Tory or the British cause and did not actually have a Tory card in his pocket, that therefore he should be put on guard duty at night? The Father of our country never took that view. He said: "Put none but Americans on guard tonight." He was the man who had to determine whether sufficient loyalty existed under very trying circumstances.

POWERS OF THE EXECUTIVE

The President of the United States is the Chief Executive of the Nation. He has immense powers. It is up to him to stand up against every kind of pressure that is placed upon him, to remove people from the rolls whenever there is any doubt of their loyalty, and particularly in high policy-making places. That is the answer. So we could write enough laws on the books and pass enough resolutions to fill this Chamber. They would get us nowhere unless the right head and the right heart is behind them to see that it is expressed and articulated in terms of the interests and welfare of our country. So that is the answer. So I say that perhaps in November—I should not say perhaps—I should say certainly November of 1948 will be epochal because then there will be a new face at 1600 Pennsylvania Avenue. Then once more we can reach out with determination and vigor and diligence and bring back and retrieve, not for the Congress, not for the executive branch, but for the people of the country, a government that goes square down the pathway of freedom and democratic principle where there shall be none in high places to destroy and circumvent it. So I say to my good friend from Missouri that that of course is the answer, and that will be the answer.

LOYALTY IN THE POSTAL SERVICE

Now we have gone a long way from the appropriation bill. I might refer to the bill at this point in one particular. I have always been impressed that no breath of disloyalty has ever touched the Post Office Department. Is not that an interesting thing? Can you think of a rural mail carrier or city carrier in your area or district? Can you think of a stamp clerk or registry clerk in your post office at home? Can you think of anybody in the postal service, whether he rides the railway mail service or works in the domestic or foreign service, against whom a breath of suspicion and disloyalty has ever been raised? I have not heard of any such. I could think of no man in the service of the Post Office Department back home who would be in the slightest degree suspect of lack of devotion and patriotism. What is it?

They come from the frontiers of democracy. They come from places where patriotism is an inseparable product of the soil, as it were. They are patriotic; they are loyal, patient, deserving, wholehearted, diligent people who faithfully serve their Government, and never once have I heard that of the 490,000 people who work in the postal service that one of them has ever been suspect of disloyalty.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. JENNINGS. Is it not significant that these people who are suspect of disloyalty and against whom disloyalty acts have been proven, even to the extent of the returning of a criminal indictment, get into positions in the State Department where they can hurt the most?

Mr. DIRKSEN. I would say to the gentleman from Tennessee that the interesting thing is that the people whose names come to us as suspect are too often in the policy-making positions. Obviously they are directly under the President of the United States. So the responsibility is there. So, a new President, elected overwhelmingly by the suffrage of the people in the year of our Lord 1948 will be the answer to that.

THE POSTAL SERVICE—FIRST POSTMASTER GENERAL

Now I want to get back to this appropriation bill, because, after all, that is the business in hand. First, let me say a word about the Post Office Department. I was rather interested in the fact that even under the Articles of Confederation they had made provision for a Postal Service. Then, later, provision was made in the Constitution of the United States. First came Benjamin Franklin, who was the postmaster of Philadelphia, and then later became the National Postmaster, and then was succeeded by a gentleman by the name of Samuel Osgood, who became the first Postmaster General under the Constitution. We had 75 post offices in the country in 1789 when Samuel Osgood became the first Postmaster General. It is rather interesting. We had no stamps in those days. We had no Bureau of Engraving and Printing with thousands of people to dash off all kinds of stamps, ones, twos, threes, registries, air mails, commemorative stamps. Nothing like that. Only 75 post offices and a very simple business. Things were not sealed. I suppose the postmasters of the country at that time were the best informed people in the United States, and for a reason. If I lived in Philadelphia and sent my friend, Judge Jennings, a newspaper, if he lived in Jamestown instead of in the State of Tennessee, the postmaster would have a chance to read it before it got to the addressee. If Aunt Susie sent a post card to her uncle or her niece or her nephew in Princeton or New York or some other place, obviously the postmaster had a chance to see what was on the card. He was the best informed man in the community. He knew everything. That is how simple it was.

GROWTH OF THE SERVICE

But you know it has grown a great deal since the days of Samuel Osgood. Nearly 500,000 people in the postal service and instead of 75 post offices, we have 42,000. I had no opportunity to see what the appropriation was for the first Post Office Department, but I fancy it was not over $10,000 or $12,000, but in this bill we carry an appropriation for $1,691,000,000. So has the country grown. Of course, when Samuel Osgood was the Postmaster General, we had three and one-half million people. I saw last night in one of the newspapers that the unofficial census figures were 145,400,000. But this, to me, is rather interesting, that the ratio of post offices in 1948 is not essentially different from what it was in 1789. We had one for every 40,000 people then. We have one post office for every 32,000 or 33,000 now. So that ratio of postal facilities to people has maintained itself pretty well.

TESTIMONY TO CHAIRMAN GORDON CANFIELD

There is something that I want to say about the Post Office Department, because sitting on this subcommittee like the other members, like our great chairman—and parenthetically let me say GORDON CANFIELD is a great chairman. I said to him on this floor that I thought he knew more about his bill than any other chairman of a subcommittee, not excluding myself. He has done a magnificent job. He is hard-working and diligent. So I take my hat off to him as a great chairman. He serves the Congress; serves the Appropriations Committee, and serves the people.

POST OFFICE DEPARTMENT A SERVICE ORGANIZATION

Our esteemed friend from New York [Mr. TABER] who presides with grace and vigor over this committee, can be proud of GORDON CANFIELD's care of that subcommittee. So I want to say this: We wrestle with the money that is involved here and then you come to the realization that the Post Office Department is a service organization.

Obviously, it is going to grow as the country grows, and it will be bigger than $1,690,000,000. A few years from now it is very likely to be $2,000,000,000, and I will tell you why. Around in your various congressional districts you have seen these satellite cities grow up. Veterans and others come, they see a lovely piece of terrain that probably would justify a thousand or fifteen hundred houses. That means a community of 5,000 people. They get the first few hundred houses built and the Congressman from that district gets a petition. They want service to the door, and why not? After all, they are citizens of this country and they are entitled to that kind of service; but, obviously, in a community of that size it would take six or seven carriers to take care of them. So you see as America grows this service must grow in every branch; and you will see the day when the appropriations for the Post Office Department are substantially larger than at present.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to my friend from California.

Mr. HINSHAW. The Members of the House note with keen regret that the very distinguished gentleman from Illinois is not to continue with us, but may I ask the gentleman a question along the line he has been discussing?

Mr. DIRKSEN. With the greatest of pleasure.

Mr. HINSHAW. What are we going to do about States such as my own, where the population grows by immigration at the rate of some 20,000 persons per month and where the post offices built for 25 years to come are already only half big enough to take care of the business? Are we going to have a little bill that will enable us to build some new post offices where the postal clerks will not have to work in the basement and coal bins? Even out in California they build coal bins in the post offices even though we have no coal and do not use it. It is a very difficult condition we face.

Mr. DIRKSEN. When the fevers of inflation have dissipated somewhat and the expenditure of public funds out of the Treasury will not add too much to the inflationary disturbance, I fancy Congress will resume where it left off long ago in that program, which, of course, was retarded somewhat by the war. Additional facilities will have to be developed for the country, and so I am sure in all good and progressive time that will be done.

Mr. HINSHAW. Meantime, the shoe is very tight.

Mr. DIRKSEN. That, of course, gives point to the fact that forbearance is a great virtue for our country at a time like this. I think it was the Apostle Paul who said: "Let your forbearance be known in the sight of all men." These are, indeed, forbearing days.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the distinguished chairman of the committee.

Mr. CANFIELD. May I say also in reply to the interrogatory of the gentleman from California that we have tried in part at least to give priority to veterans' housing in these postwar days in the United States. Personally I think we should have spent a lot more than we have.

NEED FOR EFFICIENT RESEARCH

Mr. DIRKSEN. Let me make one further observation with respect to the possibility of increased appropriations as time goes on. What does the average large corporation do when its costs continue to go up? It looks for every possible way to save money, it looks for improved methods and improved procedures; and that will be the answer, of course, that we search for economies from time to time, improved procedures and greater efficiency. And that brings us to the conclusion that perhaps there can be greater mechanization of facilities in the Post Office Department, more high-speed tubes running larger distances; let us say in connection with the administrative work more of these so-called business machines of the type now being developed by the International Business Machines Corp. and others. I was glad to note that the Post Office Department was doing some research work in that field. I think it would pay the Congress handsomely if we lavished, if that is the proper word, a very substan-

tial sum, half a million, a million dollars, and say, "This is for research in your field offices, for administrative research on how to get more work done more cheaply or more work done without having to increase appropriations substantially."

MAIL VOLUME

Since 1940 the volume of mail in the Post Office Department has increased 30 percent. In 1940 they handled 28,000,000,000 pieces; in 1948 they handled 40,000,000,000 pieces, which is a 30-percent increase. But there has not been any 30-percent increase in the postal cost when one takes out of consideration, of course, the increased living cost for personnel for which Congress made provision and which runs into the hundreds of millions of dollars that are reflected in this bill. But there must be increased efficiency. Of course, that is to be found by study on the part of the Government, even as business enterprise makes research in order to find cheaper and more efficient ways of doing business.

NEED FOR ATTENTION TO AIR-MAIL PROBLEMS

Mr. Chairman, there is another thing I must allude to today and that is this question of air mail. I do so because there has come to my attention rather forcibly in recent weeks a proceeding that has been pending before the Civil Aeronautics Board not so long ago. I expect there must have been a dozen air lines involved. I cannot cite the names of all of those involved, but I do know that the Honorable Frank Delaney, Solicitor for the Post Office Department, a very capable public servant, has filed an intervening petition and has sought to secure a reversal of the order or a reopening of the case in which the Civil Aeronautics Board made a decision not so long ago. The reason that the Post Office Department has intervened and has also gone to the Attorney General is that if the decision stands they allege that probably the Government will be definitely out of pocket. I shall insert the brief that was filed by the Solicitor for the Post Office Department in connection with my remarks:

[In the matter of the application of Page Airways, Inc., and other applicants for certificates and amendments of certificates of public convenience and necessity under section 401 of the Civil Aeronautics Act of 1938, as amended, and for approval under section 408 of said act, known as the Middle Atlantic Area case. Docket No. 674 et al.]

To the Civil Aeronautics Board:

PETITION FOR STAY

Jesse M. Donaldson, Postmaster General, by Frank J. Delany, Solicitor for the Post Office Department respectfully petitions the Civil Aeronautics Board (Board) for an order temporarily suspending the provisions of its order of February 19, 1948 (serial 1211), and the effectiveness of the amended certificates of public convenience and necessity issued concurrently therewith. In support thereof your petitioner respectfully states as follows:

I

On February 19, 1948, the Board issued an order finally determining the issues in the instant proceeding and in addition thereto determining certain issues, hearings on which were held in the New England case (Docket 399 et al.), the Southeastern States case (Docket 501 et al.), Great Lakes Area case (Docket 535 et al.), Washington-Ottawa-Montreal Service case (Docket 609 et al.), and Boston-New York-Atlanta-New Orleans case (Docket 730 et al.). Except for the awards made in said order to Eastern Air Lines, Inc.; Transcontinental & Western Air, Inc.; United Air Lines, Inc.; Pennsylvania-Central Airlines Corp.; National Air Lines, Inc.; and American Airlines, Inc., and the authorization for the issuance, in the future on the happening of certain conditions, of certificates of public convenience and necessity to Robinson Aviation, Inc., and All American Aviation, Inc.; all other applications were denied.

Concurrently with its opinion and order in the instant proceeding, dated February 19, 1948 (serial 1211) the Board issued amended certificates of public convenience and necessity to Eastern Air Lines, Inc.; United Air Lines, Inc.; American Airlines, Inc.; Pennsylvania-Central Airlines Corp.; National Air Lines, Inc.; and Transcontinental & Western Air, Inc. The certificates authorize each of these carriers to immediately inaugurate the air transportation provided for therein. Several of said carriers have already inaugurated service under the amended certificates. Other contemplate doing so in the very near future.

II

The petitioner is informed and believes and accordingly alleges that one or more of the parties to this proceeding will, within the time permitted, seek rehearing, reargument, and reconsideration by the Board of the order entered herein, as is contemplated by the petitioner, and that in the event the Board's order is not modified as they desire will seek review of that order in the courts in the methods provided by law. It therefore appears that there is no legal finality to the order entered herein or to the certificates and amendments of certificates authorized thereby.

III

Exercise by the carriers whose routes were altered or to whom certificates have been unconditionally or conditionally authorized by the order in question will necessarily involve expenditure of substantial sums, the exact amount of which cannot be now stated. Should the Board's order be modified, either by it or as a result of court review, or be invalidated upon judicial review, these expenses in the form of developmental costs, capital expenditures, and as current expenses, will prove to be of little or no value to either the postal service or to the fostering of commerce and national defense. There is, however, substantial risk that nonetheless the carriers incurring such expenses would be reimbursed therefor in the form of mail pay.

IV

The Civil Aeronautics Act of 1938, as amended, provides that all orders of the Board shall take effect within such reasonable time as the Board may prescribe. Section 9 (d) of the Administrative Procedure Act (Public Law 404, 79th Cong., 2d sess.) provides that pending judicial review any agency is authorized to postpone the effective date of any action taken by it.

V

The length of time taken by the Board in arriving at the decision embodied in the order in question demonstrates that there is no emergency or pressing condition requiring it to incur the risk of the useless expenditure of postal funds.

VI

Since the order in question lacks legal finality, yet authorizes immediate and future expenditure of substantial sums which may be ultimately charged to your petitioner in the form of mail pay, without regard to the risk of said expenditure ultimately proving to be in whole or in part valueless, your petitioner prays:

"(1) For entry of an order suspending the effect of the order in question, and staying the effectiveness of the certificates and amendments thereto authorized thereby, until and to the extent that future events have removed the risk of improvident and valueless expenditure of postal funds.

"(2) That as and if events yet to occur indicate that said order will not be modified or invalidated, the Board proceed to relax the suspension of the order in question accordingly."

FRANK J. DELANY,
Solicitor for the Post Office Department.

District of Columbia, ss.

Before me, the undersigned authority, appeared Frank J. Delany who, being first duly sworn, deposes and says that he is the solicitor for the Post Office Department; that he is authorized to sign the foregoing petition on behalf of the Postmaster General; that he has read and is familiar with the contents thereof; that he intends and desires that in granting or denying the prayers of said petition, the Board shall place full and complete reliance upon the accuracy of each and all statements made therein; that he is familiar with the facts set forth in said petition and to the best of his information and belief every statement made therein is true and no statement is misleading.

FRANK J. DELANY,
Solicitor for the Post Office Department.

Sworn to and subscribed before me this 9th day of March 1948.

CHARLOTTE B. STILLWELL,
Notary Public.

My commission expires February 1, 1953.

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing petition upon counsel for all parties in the above-entitled proceeding.

FRANK J. DELANY,
Solicitor for the Post Office Department.

Insofar as I know the details of the case the decision that was made recently by the Civil Aeronautics Board will cost us $675,000.

Mr. Chairman, that is not chicken feed. In these days of hundreds of millions and billions of dollars of expenditure I know that $675,000 seems such a bagatelle of money, yet in proportion as we think of those bagatelles, perhaps we are assured of the fiscal integrity of our Government. So here is an intervening petition by a department of government against an award or an order that was issued by still another bureau of the Government. If there is that loss why, certainly, it comes out of the Public Treasury and at once the interest of the people is adversely affected. Perhaps the time is at hand for a complete reexamination of the Civil Aeronautics Act and for a modification of its provisions so that the Post Office Department will have a more effective opportunity to protect the postal revenues and the public treasury in every case where airmail certificates are awarded or modified because the Department has a definite interest and responsibility in this field.

STILL ANOTHER AIR-MAIL MATTER

Another matter has come to my attention recently that relates to a line which was certificated to South America by the President of the United States under section 801 of the Civil Aeronautics Act. The President has the power to do that. Evidently he thought there was an emergency and that perhaps the line ought to be certificated. My good

friend from Texas [Mr. POAGE], will know the line when I say it is Braniff Airlines. That organization received a certificate 2 years ago. It is not in operation yet on this route. There is not enough business on the west coast of South America, so far as passengers and mail are concerned, in my judgment, to justify it. The Civil Aeronautics Board said there was not. The President of the United States took it out of the Board's hands and ordered a certificate to be issued. He has that power, the President was well within his rights; but what is going to happen?

There are no requirement as to when Braniff must begin flight service. They have not begun yet. They are looking around for facilities down there. But when they do, they become eligible at once for 95 cents a mile mail pay, and while we are paying one line to build up at the rate of 95 cents a mile the competing lines that will be losing money will also have to be reimbursed out of the same Treasury for their losses.

Mr. Chairman, this is a very important business because you are dealing with millions of dollars of the people's money. Tom Braniff is a great airline operator. I have flown on his line on occasion. He is a good operator. I have flown the Pan-American Lines and the Panagra Lines in South America and they are also good operations.

Now, the fact is that there are only about 50 people each way today to South America—not much more. The mail load is very small. So, when we pay Braniff Airlines—if we do pay them—for flying a losing venture at the rate of 95 cents a mile, for every passenger you take away and every pound of mail you take away from an existing line that has been there for some time, why, Uncle Sam's Treasury gets caught both ways, and if this thing gets started it will probably cost about $3,000,000 out of the Public Treasury for that one operation in the form of a loss on subsidy. You know, we ought to tie down that Civil Aeronautics Board a little more. They are doing business on a three-man basis down there at the present time. They have not found a chairman yet. But it does seem strange to me that the Post Office Department, through its Solicitor, must go in and file an intervening petition and have a reopening, and file a supplication with the Attorney General of the United States. You know there is something radically wrong with that. It would occur to me if I were running that show and the Postmaster General, through his Solicitor and the Attorney General, came and said, "Look, you better reopen this order." I would not even hesitate; I would not ask them to file an intervening petition. I would say, "It is open right now for any testimony that you would like to offer." I think that Government departments and bureaus are going to have to get along better and less formal than they do at the present time, because old John Q. Taxpayer is going to have to pay the bill. So I allude to that matter today because to me it is important. The whole schedule of air transportation has not yet bottomed up and the chances are it probably will not be bottomed up for a matter of 5 to 10 years. But, in any event, by looking rather closely it seems to me that we can save some money for the people, and in proportion as we save it so, of course, we assure the perpetuity and the continuity of our Government.

To summarize, we are already paying mail subsidies on lines operating to South America, and if the certificate issued under the order of the President to a competing line is permitted to stand and operations get under way, it will mean a subsidy to the new line which cannot hope to pay its way and a greater subsidy to an existing line as it continues to lose passengers and mail revenues, and this subsidy must come from the Public Treasury. This is indeed worthy of the most careful exploration by the Congress.

Let me wind up with the Post Office Department by simply saying that it is a great, patriotic service institution. We can well afford to be a little liberal with them in providing research funds in order that they can find new ways of efficiency and that they might save money in the years that come along.

THE FIFTH COLUMN

Now, I recur once more to the remarks of my distinguished friend the gentleman from Missouri [Mr. CANNON] in dealing with this question of disloyalty. It comes to my mind now. You know, it is a singular thing that the first victim of, shall I say, fifth-column activities in the history of the world, so far as I know—and my recent researches into history have been all too brief—was Leonidas, the great Greek hero, who stood at the Pass of Thermopylae with 6,500 troops to stem the tide of Xerxes with 2,000,000 Medes and Persians. There they were at the Pass of Thermopylae and, in the language of the day, "taking on all comers," hurling back the shock troops and the assault troops and defending the culture of ancient Greece, of Athens, of Sparta, and of Thebes against the onrush of barbarians from ancient Persia under that great leader, Xerxes. Then something happened. An individual, whose name, I suppose, is unknown upon the scrolls of history, went to the intelligence corps of Xerxes and said, "I know a way around the pass." And it was that individual, remembered with dishonor in history, even though we do not know his name, who conducted a whole host around the bypass and cut-off at Thermopylae, and so Leonidas had to take his little force and go out on the plains, while the javelins were coming down in a heavy cloud, and there resist to the last man. There was the first fifth column in history to encompass the downfall of a great nation, whose culture, writ out in the days of Pericles, is referred to in the books of today as the golden age of Greece.

We are talking about a fifth column in our own country. Unless there is heroic and diligent effort, unless we come to grips roughly with the problem, how long before they may read in the history books of the fifth column that encompassed the downfall of freedom in our own country?

PRESENT WORLD TENSIONS

I survey this thing today and I do not mind saying to you that it alarms me. I have been asking individual Members on the floor in the brief time I have had here when I have been out of the clinic and the hospital whether they thought war was inevitable. I wish I had time to ask every Member very confidentially to say what he thinks. There is a ground swell of opinion in the country that war is inevitable. That is a hateful thought, terribly hateful, when the shadows of the last great conflict are hardly spent. It is pretty hard to get away from that feeling that it is inevitable.

THE LIGHTS OF FREEDOM ARE GOING OUT AGAIN

As I think of what is going on in the world today I think of a story written by H. G. Wells. He wrote a horror story, and to build up the horror he had a man placed in a haunted house with many rooms. In every room a candle was burning. For no reason at all, as this man occupied one room the candle suddenly blew out and left him in the darkness. With dread he retreated to the next room. There he gave himself over to contemplation for a while, and the candle suddenly blew out, and he did not know why; until at long last all the candles one by one were blown out. You can imagine the dread and the horror of spirit that came to him, that drove him almost to distraction, when the last candle went out.

LESS THAN A DECADE AGO

I say by way of disgression on this appropriation bill this afternoon, the candles of liberty are going out one by one. The amazing thing is that we have had that experience twice within the last 9 years. In 1938 the candle went out in Austria, a great land of culture. A little later the candle went out in Germany, when the dictatorial decrees were issued by Hitler. A little later the candle went out in Bulgaria. A while later the candle was blown out in Poland, and then the candle of freedom was blown out in Denmark and in Norway. Then the candle of freedom was extinguished in France and in Holland and in Belgium. That is just 9 years ago.

FREEDOM IN RETREAT TODAY

Now in recent days the candles of freedom have been blown out one by one all over again, first in that little country of Rumania. I noticed in the paper the other day that Jules Maniu, sole defender of freedom, who was given a life sentence, died in the prison. Then the candle of freedom went out in Bulgaria. If you saw Life magazine a month or so ago, it showed Petkov's grave, the last defender of freedom in Bulgaria. Then the candle of freedom went out in Yugoslavia and Albania, and the candle of freedom went out in Hungary. A few weeks ago through the kindness of my distinguished friend from New Jersey, the former Prime Minister of Hungary came to my office in the evening. I refer to Ferenc Nagy, who is working on a dairy farm not very far from Washington now. We sat there and visited. I thought, "Yes, the

candle of freedom has blown out in your country."

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I saw the former premier the other day. Mr. Nagy was then holding in his hand a copy of that documented booklet on communism written by one EVERETT DIRKSEN, of Illinois. This was his comment to me, "I would like to see Congressman DIRKSEN administer the European recovery program, not only because he knows the true need of the people over there, but also because he knows the truth about communism."

Mr. DIRKSEN. Oh, I thank my friend for his generosity.

We had breakfast one morning here in the Speaker's dining room. The guest of honor was the former parliamentary leader of Poland, Stanislaw Mikolajczyk, They are really a very great people, but the candle of freedom has gone out in his country. The candle of liberty has blown out in Czechoslovakia. When will it go out in Italy? When will it go out in western Germany? When will it go out in France, in Holland, in Belgium, in Spain?

THE $64 QUESTION

When will we come to grips some day with the $64 question: How long before the candle of complete freedom is blown out in the last citadel of liberty—this blessed Republic of the United States of America?

Yes; what my friend the gentleman from Missouri says about the fifth column is true, but his method for getting results will be as abortive as the results that we have had before, because this branch of Government has not, in my considered opinion, had that degree of cooperation and assistance that it should have had from the executive branch of the Government.

APPROPRIATIONS FOR THE TREASURY DEPARTMENT

But so much for that, gentlemen. I must say a word about one other aspect of this appropriation bill. I am sorry that I have digressed somewhat, but this was on my soul and I had to say it. I must talk a little about the Treasury Department, for this bill deals with the Post Office Department and with the Treasury Department. Of course, the piece de resistance, as the Frenchmen would say, is the Bureau of Internal Revenue. I was rather interested in the fact that our friends on the minority, for whom I have an enduring affection, namely, J. VAUGHAN GARY, one of God's noblemen, and, likewise, HENRY JACKSON and JOE BATES, who serve on the committee, challenge the results of the investigation that has been made with respect to the Bureau of Internal Revenue.

It is probably the most important agency in government.

COMMISSIONER GEORGE SCHOENEMAN

Before I address myself to that Bureau briefly, and I shall be brief, I assure you, I want to say a word about the Commissioner of Internal Revenue. He only came into his office in June of last year. It is a huge operation, employing 56,000 people and dealing with billions upon billions of dollars. I think our good chairman so very rightly said, "He is a man of character; he is a man of substance, and a career man who has been with the Government a long time." We are confident that George Schoeneman is going to do a job and we expect him to do a job. The subcommittee has the highest regard for him. But when we find these things through our investigatory staff obviously we would be derelict in our public duty if we did not apprise the people of what is going on. I do not think there is any force in the argument that by exploring and bringing these things to the light of day that you thereby affect the efficacy and efficiency of the revenue operations of our Government. It has been said that by bringing these matters to light it might have a dilatorious effect in the collection of the revenue and particularly at a time when the Bureau is in the midst of first-quarter collection for the taxable year 1947. I believe it could be argued with even better effect that the alertness of Congress to the problems of the Bureau and its exploration of alleged inefficiencies in the Bureau would build up public confidence and be of invaluable assistance in the actual collection of the revenues.

The investigators who dealt with this matter are men of impeccable character skilled in the art of investigation and free from all bias and prejudice. It is fair to assume that they would be entirely fair in their investigations and seek to be objective in securing facts with which the commitee can better discharge its functions as it estimates the appropriations needs of the Bureau.

Would it not be a dreadful thing if we had a fine investigating staff under a top-flight former FBI man who comes in and files a very careful report, and then to blink the fact and say, "Well, maybe so. Maybe what you have found is true, but now we are going to take this report and embalm it. We are going to put it under lock and key so no one can see it." Is that our responsibility to the people whose taxes we appropriate and spend? No. When this agency that has dealt fairly and impartially with every taxpayer in the country shows indications of inefficiency, then it is the bounden responsibility of the Congress to let the light of day shine in.

I suppose I had some share in cutting $20,000,000 out of this appropriation last year for the Bureau of Internal Revenue. The President of the United States issued a statement from the White House and said this would cost the taxpayers $400,000,000 in revenue, because he had been persuaded that there was substance to the formula that for every dollar spent on the Bureau of Internal Revenue it would produce $20 in taxes. If that is the case I am willing to amend this bill and give them not $186,000,000 but $1,086,000,000, because then we will have so much money that if there is anybody in high authority who would like to start another war we would not have to tax the people at all. We would have plenty with which to do it. But the trouble is these formulas do not stand up. The interesting thing was that while the President said the reduction made by the Congress would lose four hundred millions in revenue, his own Budget Bureau had sheared five million from the Bureau estimates in the first instance. If, therefore, the formula holds good then the President's Budget Bureau was deliberately throwing away a possible one hundred million in additional revenues.

It is equally interesting that when the budget estimates were submitted for fiscal year 1949 they were for exactly the same amount as the committee allowed for the current fiscal year. It must be evident then that the committee judgment was not very erroneous because the estimate before us had the approval of the Budget Bureau and the White House before it reached the committee.

The committee dealt rather generously with the Bureau of Internal Revenue this year and whatever reductions were made seem to be abundantly justified. We confidently believe that Commissioner Schoeneman will institute new and more efficient procedures and will be able to handle the work and eliminate duplications with the funds provided. Once more let me reaffirm the expressed confidence of the committee in Commissioner Schoeneman.

BLUEPRINT FOR REORGANIZATION OF THE BUREAU

On a number of occasions I have stated that since the Bureau is one of the most important agencies of government, careful thought should be given to its establishment as an independent agency of the Government completely divorced from the Treasury Department. It is not a policy-making agency. Its principal function is the administration of the revenue laws and the collection of taxes, and these functions should be safeguarded in every possible way and placed upon an independent basis.

In 1921 in connection with the creation of the Comptroller General, the Comptroller's office was made independent and so insulated as to produce maximum benefits.

CONGRESS PARTLY AT FAULT

It should not be forgotten that the Bureau of Internal Revenue is a creature of Congress and that if personnel is selected on a political basis the fault lies here and not in the Bureau. If the Commissioner and the various collectors are made subject to political confirmation there must be an inescapable tinge of politics in this operation and the blame for that must rest here and not elsewhere.

To meet this problem I have on occasion made a series of suggestions. Recently I presented them to the Committee on Organization of the Executive Branch which was created under the Brown-Lodge resolution and which is functioning under the very able leadership of President Hoover.

I had a note from Mr. Hoover a day or two ago in which he set forth his opinion that the suggestions were constructive and would be explored by his committee.

Those suggestions in brief are these. First, the Bureau should be made completely independent. Secondly, personnel from the Commissioner on down

should be selected on a merit basis and special classifications should be established so that the most competent available personnel might be obtained for the work of the Bureau.

When I say that I do not mean for a moment to reflect upon the competency of the men who are now engaged at high levels in the Bureau operations. Third, salaries commensurate with responsibilities should be paid and it would not be out of line to pay the Commissioner of Internal Revenue as much as $25,000 a year for the responsibilities which he must shoulder. Many men in comparable positions in industry receive many times that amount. Government must offer something worthwhile to secure the best available talent. Fourth, the Bureau should be insulated against every manner of political pressure. Fifth, the work of the Bureau should be decentralized and all duplication eliminated. I had occasion to examine briefly the system in operation in Great Britain. There a high degree of decentralization obtains and it does expedite the work of collecting revenues and disposing of a backlog of cases and reducing litigation. Personnel should have authority for on-the-spot settlements in order to diminish as much as possible the accumulated work load. Sixth, I am of the opinion that the Bureau could develop greater efficiency and reduce administrative expenses by a wider use of mechanical equipment.

Such equipment is in use in many agencies of government and in private industry and a great amount of research should be done in this field in the hope that tabulating and card-punch machines for record work will enable the Bureau to save money. Seventh, it appears to me that it would be in the interest of efficiency if the Bureau conducted all its own legal work without having to refer cases to the Attorney General. It would appear as needless duplication for Bureau personnel to develop cases and then have them referred to the Attorney General's Office, where the same work and preparation must be done all over again before those cases can be presented in court.

The Attorney General's office is a busy office today, and it might serve a doubly useful purpose if the work load for the Attorney General were lightened somewhat and a separate litigation unit established within the Bureau itself.

Frankly it would be unfair to expect Commissioner Schoeneman to achieve the highest efficiency for his Bureau unless the Congress enables him to have it so set up as to be conducive to maximum efficiency.

Perhaps I should say at this point that the committee seriously considered the inclusion of language in the bill which would require by law that the Bureau allocate whatever funds might be necessary out of the amounts allowed for salaries with which to make salary adjustments and grade promotions for personnel in the field technical service.

This is the group through whose direct efforts greater revenue returns are derived. In general these are competent and capable people who have performed meritorious work. For the most part they would like to remain in the Federal service as a career but it is obvious that there must be some inducement for them to do so.

I am advised that revenue agents in charge in the field have recommended grade promotions and salary adjustments to meet this problem but that the recommendations, for reasons unknown to me, have not been put into effect. I, for one, believe that the funds allowed would be ample for this purpose and that these recommendations should be initiated as quickly as possible. It is my hope that next year the subcommittee can summon some of the revenue agents in charge from the field to testify before the committee to secure a better idea of field operations and its needs.

Let me add one final word to this all too long presentation. It may be pointed out that no great economies were effected by the subcommittee. This very fact, I believe, will stand as testimony to the desire of the committee to see that the agencies of government are provided with sufficient funds to carry on their functions and that the economy ax is not indiscriminately wielded. Whenever estimates are justified to the satisfaction of the subcommittee, it is proper that the committee then make abundant provision for the functions involved. I appreciate the indulgence of the House and the generosity of my colleagues on the committee. I cannot speak too highly of their labors and of the felicitous spirit which has always prevailed on this subcommittee.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, there is no one whose lovable personality has so endeared itself to the membership of this House as that of the gifted gentleman from Illinois. And his persuasive and beguiling voice charms any audience.

In Germany I was told that his broadcast, in which he spoke in German to all of central Europe, was the most notable broadcast of the year, and indicating the effectiveness of his message, the station received an exceptional amount of fan mail as result of the speech. They had letters from more than one in which it was said that the speech had saved them from self destruction; that the speech gave them courage, gave them heart, as listening to it they realized that with the friendship of America, there was still hope, still opportunity to redeem themselves and their country again.

It is a matter of deep personal gratification to me, as I am certain it is to all Members of the House, that his health has improved so consistently and so rapidly that there is now every reason to hope that he can continue his service in the next Congress. Certainly, there is no one man whose retirement from the House would be such a loss to the Congress and the country as the retirement of the gentleman from Illinois [Mr. DIRKSEN].

However, even the greatest and wisest of men sometimes fall into error. So, although contrary to his confident prediction I will have to remind you that beyond peradventure of a doubt, the benevolent administration of President Truman and the accompanying and consequent prosperity of the Nation will continue on through 1952.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WILSON].

Mr. WILSON of Texas. Mr. Chairman, it is difficult to follow such a speaker as the gentleman from Illinois [Mr. DIRKSEN], because I consider him one of the most persuasive speakers I have ever heard. He usually has his facts and he presents them like an artist.

I want to agree with the statements of the gentleman from Illinois [Mr. DIRKSEN] with regard to the Post Office Department and with reference to many economies and more efficient methods that possibly could be adopted in the Internal Revenue Department.

I also rise because the name of my city of Dallas was called by the chairman of the subcommittee with regard to an investigation by the committee investigators showing inefficiency to a certain degree and some other things that are set out in the report in 1946. Our internal revenue collector up until 1946 was Mr. W. A. Thomas. He was one of the most efficient, one of the finest, most capable and hardworking gentlemen that I have ever known in any collector's office. He was sick for several months and died early in 1946, and another man in the office was appointed as acting collector. Mr. Thomas' office was never accused by anybody of being inefficient. Thereafter Mr. John Dunlap, the present acting collector, a very fine man, who has been at the head of five different departments in that office, and who has been a career man with the Internal Revenue Department for some 15 or 16 years prior to the time of the war, was appointed. Mr. Dunlap was a commander on actfve duty in the South Pacific during World War II. At this time he has instituted many economies. He has brought that office closer to the taxpaying public and has instilled in the hearts and minds of the employees of that great office every confidence and also has won the confidence of the public. It is a great office. They have something like a thousand or more employees in that office.

I saw an article in one of the local papers in Dallas a day or two ago where in Texas there was collected in 1947 just under $1,000,000,000 of Federal income taxes. That is a mammoth job. That is a mammoth job to be handled by anybody. So, I say, regardless of the fact that in December 1946, I believe it was, after the death of our internal revenue collector, Mr. Thomas, who had been the collector for 10 or 12 years, there may have been a season when some little efficiency or lack of proper system was used in the office, that confidence should not be lacking in that office. But I say that Mr. W. A. Thomas, than whom there was no finer man, and our present acting internal revenue collector, Mr. John Dunlap, have done an excellent job, and I do not think, if the investigators for this committee would return to that district, that they would find any unanswered mail for months, but that they

would find a smooth-running organization, presided over by a career man who has been the head of five different departments of that office, and who knows his job, and who has the disposition and inclination and the desire to get every bit of efficient work out of every employee and use as few employees as possible. No finer, more capable, efficient, and honest public servant can be found than Mr. Dunlap.

Mr. Chairman, I have voted for economy since I have been here. I have voted for cuts in the Budget. I ran on a platform of economy, and I believe in economy. I try to run my own personal business in an economic manner. But when I went home last summer to my office in the Federal Building, on the same floor with the internal revenue collector, I was told by various people in that office that they had to fire 50 field employees. I do not know whose fault it was, whether the revenue office took no cut in Washington and put it all out in the field or not, and maybe that was the trouble, but they told me that many dollars would be lost by reason of the fact that 50 field men in the Dallas area were required to be fired because of lack of funds. But, however that may be, I believe that the Revenue Department is one of the most, if not the most, important department in the Federal Government, because certainly no other department can exist without the Internal Revenue Department. And they must do a job honestly and efficiently, and they must have sufficient money to hire capable people to do the job. The thing that we are all looking and working forward to is perfection, of course, but I think the Internal Revenue Department has done a great job, and I think this committee has done a great job. Let us be sure to give the Revenue Department enough money to operate efficiently. It is false economy to do otherwise.

Mr. CANFIELD. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. ROBERTSON], a member of the subcommittee.

Mr. ROBERTSON. Mr. Chairman, it is a matter of great personal satisfaction that the Subcommittees on Appropriations on which I am privileged to serve have been able thus far to bring to the floor of Congress, unanimous reports. This has occurred on the Subcommittee on Independent Offices, and I am happy to say that we come before you today as the Subcommittee on Appropriations dealing with Treasury and Post Office Departments with a unanimous report.

I feel, Mr. Chairman, that this has been made possible in this instance by the exceptional leadership of our distinguished chairman, the Honorable GORDON CANFIELD. It is a pleasure to serve under him, and to serve with him one is soon convinced that he is master of the situation. He is a new chairman. This is another evidence of how men rapidly develop when responsibilities are thrust upon them.

I pay tribute today also to the accomplished clerk of the committee, Mr. Claude Hobbs. He, too, has a complete grasp of the problems before us. In addition to Mr. Hobbs, the distinguished chairman, Mr. CANFIELD, has his able assistant, Mr. Murphy, who is likewise a student of the questions associated with the Treasury and Post Office Departments. He is of great help.

The very able gentlemen, Congressmen DIRKSEN and GRIFFITHS, are untiring in their efforts in behalf of this important work, and I salute also the members of the minority, Mr. GARY, Mr. BATES of Kentucky, and Mr. JACKSON. There seems to be an effort on their part to work in the national interest at all times, paying due respect to the chairman, and while presenting forthrightly their views, especially where they differ, they attempt to find a common working ground in order that we may come before you with a united report.

The distinguished chairman has covered the over-all picture in a most able manner. It will not be necessary for me to touch upon the full report. I shall confine myself to three special items which claim my particular interest—the Bureau of Federal Supply, Secret Service, and the star routes.

I should like to say to you, Mr. Chairman, that the total reduction this year on this bill amounts to $35,903,850. This is divided as follows: From the Post Office Department we have made a reduction of $19,375,250, from the Treasury, $16,528,600.

The Subcommittees on Appropriations are frequently charged by other Members with not making adequate reductions in the appropriations. It is a difficult question indeed because by legislation passed by this House in years in the recent past, we have established certain additions which make appropriations in many respects of a permanent nature and cannot be cut. Only by discontinuation of certain Government services can the national budget be materially reduced in the future.

So I say, when considering Budget estimates for various governmental bureaus, appropriations subcommittees often encounter problems which are beyond their jurisdiction under the rules of the House. Subcommittees on appropriations cannot legislate departmental reorganizations, but they can make such recommendations in the accompanying report. It is my considered judgment, in connection with the Treasury Department appropriation bill now before us, two administrative changes which would be beneficial and possibly productive of economies are definitely apparent. One is the Bureau of Federal Supply. This is a sort of octopus in the so-called bureaucracy of our national government. It is the centralized purchasing bureau for most Government agencies.

Steps are already being taken, at the suggestion of the Executive branch, to transfer this entire agency from the Treasury to the Federal Works Agency. The Hoover Commission on Organization of the Executive Branch of the Government is surveying all the supply and procurement activities of the Government, and well they should. Such a study is long overdue.

I should like to dwell briefly on the Bureau of Federal Supply. It has mushroomed to its present great size without any clear-cut statutory directives. Much of its authority is derived from these annual appropriation bills. Some departments, such as the Post Office, submitted evidence that their purchases were being made in the open market at a savings over the Bureau of Federal Supply prices. I refer you to pages 339 through 343 of the hearings on this bill, and in these pages you will find a report of the Bureau of the Budget showing the use or nonuse of this Bureau by Government corporations.

As I listened to the witnesses present their case for the Bureau of Federal Supply, I was inclined to feel that this is one of the affairs of the United States Government that has gotten clearly out of control of the Congress. Peculiarly, many American people for a long span of years have held to the principle that by concentrated buying, enormous savings could be made. A great many people hold to the belief that a concern that purchases a trainload of material purchases it at a vastly lower price than one who purchases a carload. And the principle carries on down the line as you approach the smaller proportions.

To one who has had a life-long experience in the capacity of purchasing, I have observed that in most instances there is not a great deal of difference in the price awarded to the smaller purchaser from that awarded to the large purchaser. After all is said and done, the manufacturer of a product must obtain from any purchaser a price which carries with it a reasonable profit, and if he is to make excessive reductions because of volume purchases, he will soon wipe out his profit.

I should not want to say to this Congress that we should abolish the Bureau of Federal Supply, but I do say it should be carefully studied, and I do say it is my considered judgment that in many instances the departments themselves could probably purchase more advantageously than they do through the Bureau. Whenever you engage in the purchasing business of supplies especially on a proportion basis, such as is used by the Bureau of Federal Supplies, you are involved with the question of inventories, and here it calls for the greatest skill in merchandising.

Merchandising is a business which succeeds by reason of a rapid turn-over. It matters little how great is the saving made in purchases if perchance the goods purchased remain in inventory as dead stock for a long span of time. This can happen readily in large proportions and can happen readily when purchasing goods for the various governmental departments.

The Bureau is subject only to the demand of the departments. They cannot force sales as would be the case with a large retailer. A large retailer, when he discovers inactivity in some section of his inventory, can pressure by advertising in a sales campaign and move out the slow goods. Slow-moving goods have various ways of absorbing all savings made at a low purchase price. Large inventories call for added cost in superintendency, rentals, depreciation, and warehousing. Even these few situations quickly destroy the value obtained by concentrated purchasing.

Although originally a purchasing agency, the Bureau of Federal Supplies has added many nonpurchasing functions in recent years. Some of these such as the centralized traffic-control plan may be economical. Some such as the Special Furnishings Section to design furniture for Government offices may not be economical. Some of its divisions, such as the Standards Branch, may duplicate the work of other Government agencies, such as the National Bureau of Standards. It must therefore be borne in mind in considering this Bureau that we are not dealing solely with a centralized purchasing agency for the Government.

I have indicated to you it is no small institution. Its original estimates as submitted to the committee called for expenditures of $375,000,000, which is considerably more than is contained in this bill for all other Treasury expenditures combined. This original request included $365,000,000 for strategic and critical materials for the military as part of the national defense and security program. Although consideration of this item has been deferred, as the chairman has indicated, it does give some idea of the scope of the Bureau. I should like to remind you that this Bureau does not serve the armed forces and some other agencies and corporations within the Government.

Another large request of the Bureau was for $10,000,000 to increase the capital of the general supply fund. This in itself in my personal judgment opens the doorway for unending trouble. In private enterprise a man capable of managing a merchandising institution, operating in these proportions, would probably be paid a salary of from fifty to one hundred thousand dollars per year. And he would have to be one with a long-established record of merchandising achievements to even be considered by the board of directors for this important post.

Wisely, the committee disallowed this request, and we believe with great justification. The supply fund has operated successfully in the past on $8,000,000 capital. The balance sheet of this fund for the years 1943 through 1947 appears on page 400 of the hearings. It does not indicate that the Bureau has been prejudiced in any way on its present capital. It does show, as do tables on page 374, that a shocking condition exists whereby other Government agencies have large past-due accounts with the Bureau. Almost $1,000,000 had been due from other agencies for periods of more than 30 days on the last day of 1947.

So, in addition to a high-priced manager, it is very evident that they need a high-priced credit man. Some accounts are more than 75 days old. As a result, the credit position of the Bureau of Federal Supply is bad. It is inconceivable that this Bureau should come before the Congress and ask for a $10,000,000 appropriation in the face of the fact that with a sizeable capital structure they are unable to so manage their affairs to keep their credit structure in good standing.

It was admitted by the officials of the Bureau, whose testimony can be found on page 405 of the hearings, that the credit standing of the Bureau is bad. It would seem to me that the Bureau should insist on prompt payments. The Congress is making appropriations to the agencies to buy goods. They should not alone insist on prompt payment from their purchasers, but should attempt to work out with the General Accounting Office or other agencies a system of prepayment. Agencies know how much they have appropriated and will be able to spend. They would suffer no loss through prepayment, yet the Government might then be able to take advantage of cash discounts for prompt payment. The management admits that they are losing discounts because of their inability to pay bills on time.

This bill contains sufficient funds to continue the operation of the Bureau in all of its essential functions during 1949. By the time the estimates for fiscal 1950 are submitted, let us hope that this entire picture has been clarified.

The second change which would improve the efficiency of the Treasury does not require legislation and could be accomplished by an executive order of the Secretary. That would transfer the Treasury buildings guard force from Secret Service and place it under the Department's Director of Administrative Services. The guard force personnel are not Secret Service men, although the committee learned that they sometimes pose as such. They are building guards, performing a custodial function, and they should not even administratively be a part of one of the greatest police and detective forces in the world.

The subcommittee is very much impressed with the job which confronts the Secret Service, and the amount carried in this bill for the regular Secret Service work, which is $2,169,600, is the full amount requested in the Budget. The work of the Secret Service in the prevention and detection of counterfeiting can no longer be confined to this country. Some of the most extensive counterfeiting of our money today is in Europe and in China, and the Secret Service must engage in world-wide endeavors to protect our currency. This is especially true today when the United States dollar is more in demand throughout the world than ever before, and furthermore when greater amounts of currency and securities are in circulation in this country than ever before. It is reasonable, I believe, that our currency demands the greatest possible protection.

Not only is counterfeiting a problem, but so is forgery of Government securities. In 1947 the Secret Service was called upon to investigate 34,600 claims against the Treasury involving checks, and 22,000 investigations involved stolen, altered, or forged bonds. Last year the Division of Disbursement sent out over 160,600,000 checks, and next year they estimate that this number will increase by 7,000,000. It is the job of the Secret Service to see that forgeries of these checks are kept to an absolute minimum, and preferably eliminated entirely. It is a tremendous task.

We must not overlook that the primary function of the Secret Service is the protection of the President, and in a troubled world such as that in which we are living, every single bit of possible protection must be afforded. It is in the light of these situations that the request of the Secret Service and the White House Police seem fully justified and we recommend that they be granted.

My third and final point which I wish to discuss deals with the field service of the office of the Second Assistant Postmaster General. I am especially interested here in two things—star-route service and the highway postal service. You will observe that the committee has granted the full request for star-route service, just as it has done for rural delivery service. This allows $25,500,000 for star routes in 1949—$3,000,000 more than was available in 1948.

It is entirely probable that many people know very little about the star-route carriers. Yet they occupy an important job. They get the mail to the post offices where there is no other means of transport available. Without star routes, mail to many of our rural areas would be badly delayed and uncertain of delivery. Most towns not located on railroads and without benefit of airports probably would not have postal service if it were not for the star routes.

I welcome this opportunity to pay my respect to the star-route carriers for the great job they are doing under an ever-increasing burden of more and more mail—and remember, this job is done in all kinds of weather. I am especially pleased that the committee has placed in this bill the full amount requested for star routes as well as rural delivery service, and I trust that this will make it possible for the Department to make all the extensions of such routes as it has in mind and which may be necessary to properly serve the country.

Along these lines, the committee has allowed the full amount requested for the highway postal service. This in time is going to be of tremendous value to our rural areas.

I hope the Congress will sustain the subcommittee on this appropriation bill.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, may I briefly report that the Rules Committee will grant a hearing on House Joint Resolution 323 tomorrow morning, the 12th, at 10:30. This comes at an appropriate, although unfortunate, time, when the entire Midwest and Northeast is staggering under another snow storm, which has reached blizzard proportions in some areas. I hope all interested Members will attend the hearing in support of a rule.

Some question has arisen as to the wisdom of an embargo for 30 days. I think that period is the minimum if we are to be successful in obtaining the 559,000 barrels of heating and industrial oils other countries have said they did not need and we might have. But obtaining the oils is the sole object. If it can be done, as I think it could, given cooperation all around, in 24 or 48 hours, well and good. So I shall indicate an alternative somewhat along the following amendment:

Amendment to be offered by Mr. HESELTON. On page 2, line 5, after the word "made", insert the following: "Or until there shall have

been shipped a total of 559,000 barrels of kerosene, gas oil and distillate fuel oil, or residual fuel oil to east coast ports and to terminal areas in mid-western States; and, until the Department of Commerce shall have reduced the unexpended balances against which licenses to export have not been issued during the first quarter of 1948 by the total amount of $559,000 barrels of kerosene, gas oil, and distillate fuel oil, or residual fuel oil."

Mr. Chairman, I have given this matter of a limitation amendment considerable thought in the last 10 days or so. There has been objection raised to it, as you all know to the effect that it was too inclusive. Others felt that possibly it should not be a part of an appropriation bill. I am inclined now to the view that the departments themselves should express themselves clearly as to their intentions, and then, if they make a satisfactory explanation that no such amendment is needed, I am ready to go along.

I am afraid that if we continue to offer the amendment and it is rejected the improper inference might be drawn that it was an open invitation to go ahead with any kind of conversion they chose. That certainly was not the thought of the Committee on Civil Functions or the intentions of the Committee on the State, Justice, and Commerce appropriation bill, as I understood it. I am equally confident it was not the thought of the Subcommittee on Labor and Federal Security earlier this week. I regret that I could not be here at that time because of an attack of influenza but I did place in the RECORD the history of the flagrantly unwise action at the Boston Marine Hospital with the admission of error and the assurance of no repetition. I know that the subcommittee with jurisdiction over that appropriation will handle most effectively any similar abuse of funds appropriated by this Congress.

I am also led to bring to the attention of the committee what I believe to be a very real misapprehension as to the facts. I find that as of this noon from Kansas east there is what is described as a blizzard and extremely cold weather. We do not realize the difficulty of the situation probably because Washington enjoys moderate temperatures and no snow. Up there in the northern part of the country there is definitely cold weather which is depleting the dangerously low stocks of fuel.

In the third place, there has been some suggestion made that spring is coming and that therefore we do not need to give any further attention to this problem. I do not agree with that and I cannot for this reason: A good portion of these oils are not used for the purpose of heating, but are used for the purpose of operating industries and we have to carry that fact also in mind in terms of any relief we are to get into these areas.

Be that as it may, I have prepared another form of amendment which I have submitted to this subcommittee and to some of my friends from oil-producing States. I find they prefer it over the one I originally submitted and which has been accepted by their subcommittees. I read it simply to have it in the RECORD so that if there is any misunderstanding on the part of anybody as to what we are trying to do, our real purpose and clear intent will be perfectly obvious. And I want the Department to know what the purpose of the chairman of the committee is, if he cares to address himself to the problem.

I would amend this bill at page 40, line 7, by inserting a new section, 302, as follows:

That no part of the appropriations contained in this act shall be used for the purpose of converting any coal heating units to oil or natural gas in any federally owned or rented buildings in the States of—

Now, this is the limitation. I think it is, perhaps, a wise one:

Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma—

I want to speak of Oklahoma in that connection—

Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia.

Those are the States in which fuel coordinators have been appointed because of the very severe conditions which have existed in those States; and I like that language a lot better than the language that was used in the first appropriation bill which came before us covering States where there was a fuel emergency. No one can dispute the fact that the appointment of an oil coordinator indicates a definite emergency now and a probable emergency for several years to come. I should add that I am told that there is such a coordinator in Oklahoma. I did not know that before today. I would strike it out if my friends from Oklahoma wish me to do so.

Then I simply add also "or for the installation of oil heating units in any new construction in those States and the District of Columbia."

I called the Treasury and asked them what they intended to do, and I had a telephone message from a Mr. Johnson this morning, which he said he would confirm by letter. The message is as follows:

Treasury Department appropriation estimates for the fiscal year 1949 do not provide for the conversion of any coal heating units to oil or natural gas, or the installation of oil heating units in any new construction.

I now have a letter from Secretary Snyder which is as follows:

TREASURY DEPARTMENT,
Washington, March 11, 1948.

Hon. JOHN W. HESELTON,
House of Representatives,
Old House Office Building,
Washington, D. C.

MY DEAR MR. HESELTON: In reply to your telegram of March 10, 1948, I wish to advise that the Department's estimates of appropriation for the fiscal year 1949 do not provide for the conversion of any coal-heating units to oil or natural gas, or the installation of oil-heating units in any new construction, nor do we contemplate any such conversion during the remainder of the fiscal year 1948.

Sincerely yours,

JOHN W. SNYDER,
Secretary of the Treasury.

Now I would like to pause in order to inquire of the Chairman, if that is also the intention and purpose of the committee?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman two additional minutes. May I say to the gentleman from Massachusetts that I have followed his leadership in this fight. It has been a very timely one and a very effective one. Communities in my State are vitally interested in this problem also.

The gentleman from Massachusetts has discussed with me his proposed amendment and I have in turn sent the text down to the Treasury and Post Office Departments. I have in my hand a letter from the Under Secretary of the Treasury, Mr. Wiggins, in which he confirms the statement given the gentleman by Mr. Johnson, the budget officer of the Treasury. I have in my hand also a letter from Postmaster General Donaldson saying in effect the same thing about the Post Office Department.

We of the subcommittee believe that these officers of the Treasury and Post Office Department mean just what they say and speaking for the record today we intend to see that they keep their word.

Mr. HESELTON. I greatly appreciate the kind comment of the gentleman and I want him to know that his advice has been the determining factor in my present approach to this problem. I also have a letter, which I will not take the trouble to read, from Mr. Walter Myers, Fourth Assistant Postmaster General. It goes into some detail in regard to certain conversions which are being undertaken because of an ample supply of natural gas. He says in one sentence:

In every case where exception is made, approval of the Bureau of Mines of the Department of the Interior is obtained.

With that in mind and with the chairman's very thoughtful expression of the intention of the committee, I think it would be appropriate if I did not offer this amendment because the committee's intention and purpose are clear in the record. I am confident that the Post Office Department and the Treasury Department will honor the committee's request and will carry out the commitments contained in these letters. We shall not know how much heating oil will be saved in this way in fiscal 1949 for private use but it certainly will be substantial. Both Departments are to be commended for this action. I am most grateful to the committee and to the chairman for their cooperation. It will be understood and appreciated by all in those States who are struggling to conserve oil and to solve this problem. Certainly, if we fail and if there is further hardship, I shall be happy to testify that no shred of responsibility can be fairly placed on the shoulders of the gentleman from New Jersey [Mr. CANFIELD], the gentleman from New York [Mr. TABER], or the gentleman from Massachusetts [Mr. WIGGLESWORTH] or any member of their subcommittees. In all fairness, I should and would make

the same statement about the gentleman from Wisconsin [Mr. KEEFE] and the members of his subcommittee. He has been cooperative in the extreme and I know expected me to present any revised statement Monday. He did not know that I was ill and could not be expected to do anything except guide the committee bill through which he did with characteristic ability. I am sure that he will ask the Department of Labor and the Federal Security Agency to take judicial notice of this development today and to be guided accordingly in their use of the funds appropriated.

The full letter from the Fourth Assistant Postmaster General is as follows:

POST OFFICE DEPARTMENT,
FOURTH ASSISTANT
POSTMASTER GENERAL,
Washington, D. C., March 11, 1948.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: The Postmaster General has asked me to acknowledge your telegram of yesterday afternoon requesting certain information relative to conversions of heating units, if any, from coal to oil or gas during the fiscal year 1948 and our plans for the fiscal year 1949; also as to new installations.

With respect to quarters leased for post office purposes, no conversions were made from coal to oil or gas in the fiscal year 1948, nor is it contemplated that any such conversions will be made during the fiscal year 1949. No new installations of this character were made by the Department in 1948, nor are any planned for 1949. Heating equipment in all leased post office buildings is furnished by the owner of the quarters. Wherever new heating equipment is to be installed in leased quarters the Department is insisting that it be of a type to burn a fuel other than natural gas or oil. Exceptions are made only where these fuels are in abundant supply or where the owners of the buildings will not agree in providing coal-burning equipment. In every case where exception is made, approval of the Bureau of Mines of the Department of the Interior is obtained.

With regard to conversions in Government-owned post office buildings, the Public Buildings Administration, Federal Works Agency, during the fiscal year 1948 has made the following conversions:

Red Bluff, Calif., from coal to oil.

The heating plants in the following buildings were converted from coal to gas: Biloxi, Miss.; Winfield, Kans.; Henryetta, Okla.; Clarksville, Ark.; Glendive, Mont.; Bozeman, Mont.; Hastings, Nebr.; Nocona, Tex.; Kenedy, Tex.; Council Grove, Kans.; Columbus, Ga.; Chickasha, Okla.; Mansfield, La.; Lawton, Okla.; Many, La.; Weatherford, Tex.; Fordyce, Ark. (pending).

All of the foregoing conversion jobs were planned or in process prior to the receipt of any information to the effect that there would be a shortage of fuel oil or gas.

With a view to effecting certain economies in the operating cost of Government-owned post office buildings, a program has been prepared for certain conversions during the fiscal year 1949. However, in view of present conditions, no action will be taken by us to request Public Buildings Administration to make conversions from coal to oil or gas during the fiscal year 1949.

Any new installations would be under the jurisdiction of Public Buildings Administration, Federal Works Agency.

Respectfully yours,
WALTER MYERS,
Fourth Assistant Postmaster General.

Mr. CANFIELD. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I wish to submit for the RECORD at this time letters from Mr. Wiggins of the Treasury Department and Mr. Donaldson of the Post Office Department, as follows:

TREASURY DEPARTMENT,
Washington, March 4, 1948.

Hon. GORDON CANFIELD,
Chairman, Subcommittee on Treasury-Post Office Appropriations,
House of Representatives,
Old House Office Building,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of March 3, 1948, relative to the inclusion of a provision in the Treasury-Post Office appropriation bill for 1949 which will prohibit the expenditure of such funds for the conversion of any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia.

Pursuant to your request I wish to advise that the Department's estimates of appropriation for the fiscal year 1949 do not provide for the conversion of any coal-heating units to oil or natural gas, or the installation of oil-heating units in any new construction. Therefore, the inclusion of the provision mentioned in your letter in the Treasury-Post Office appropriation bill for 1949 would have no effect on the budgetary and operational plans of any bureau, office, or division of the Treasury Department in the fiscal year 1949.

Very truly yours,
A. L. M. WIGGINS,
Acting Secretary of the Treasury.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 4, 1948.

Hon. GORDON CANFIELD,
House of Representatives.

DEAR CONGRESSMAN: I have your letter of March 3, 1948, requesting information as to the effect on the budgetary and operational plans of the Post Office Department, departmental and field, for the fiscal year 1949, of an appropriation provision which Representative JOHN W. HESELTON, of Massachusetts, desires to have incorporated in the Treasury-Post Office appropriation bill for 1949.

This provision reads:

"No part of the appropriations contained in this act shall be used for the purpose of converting any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia, or for the installation of oil heating in any new construction."

A careful examination of our coal, oil, and natural gas heating units gives me no reason to believe that the proposed provision would have any material effect on the budgetary and operational plans of the Post Office Department.

The Fourth Assistant Postmaster General has kept in close touch with the fuel conditions in the various parts of the country. It being learned from responsible Government officers that there was no oil shortage west of the Rockies, it was not necessary to make any changes in heating plans in that section. Neither are any conversions to oil or gas being contemplated there.

In Baltimore, oil heat is used in one of our larger units and consideration was given to converting it to coal heat; but it was found that conversion, because of structural difficulties, was practically impossible.

During the late war, two Federal buildings in Florida were converted from oil to coal with a view to the conservation of oil and, having no information that there would be a shortage of oil during the current or succeeding heating seasons, early in the fiscal year 1947 these two properties were reconverted to oil by the Public Buildings Administration at our request.

The conversion and installation in federally owned buildings of heating apparatus is not within the control of the Post Office Department, but is within the jurisdiction of the Public Buildings Administration and paid from appropriations administered by that agency.

Whenever property is leased for post office use, coal heat is furnished in all cases except where exceptional circumstances make the provision of this type of heat impractical.

Sincerely yours,
J. M. DONALDSON,
Postmaster General.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I regret that only a few minutes times is being allocated for me to discuss a few of the numerous items I would like to bring to your attention in regard to the legislation we are considering today. I am glad to know, however, that the Appropriations Committee has taken cognizance of some of the observations made by the Committee on Post Office and Civil Service of the House in House Report No. 1242, a preliminary report on a study of the postal service. Among other things your committee has allocated $100,000 for a research and development program along the lines suggested by our committee and I want to commend the committee for taking this action.

Mr. Chairman, I call attention to a few items that ordinarily Members of the House pay very little attention to. For example, in 1947, the expenditure for insured mail was $17,200,000. The actual amount paid out in indemnities was a little over $2,000,000. In other words, we pay $5.50 for each dollar paid in claims.

There are a number of other items to which I would like to direct attention. For instance, we find the Post Office Department is being called upon to furnish approximately $15,000,000 annually in the form of a subsidy to the air lines for carrying air mail. Now, I have no objection to subsidizing air lines as such for national security and for the promotion of air transportation, but I do think it ought to be separated from the regular cost of carrying the mail. We should not permit the CAB to allocate whatever funds it thinks ought to be spent to subsidize the air lines, then charge it to the Post Office Department.

Among other things I call your attention to the fact that since 1891 Congress has provided an appropriation for a Fourth Assistant Postmaster General. You know, there is no substantive law at all for a Fourth Assistant Postmaster General. But you put it in the appropriation bills and you provide for a Fourth Assistant Postmaster General. If any Member saw fit to do so, he could raise a point of order, and I believe the Chair would have to sustain him regarding that particular section of the bill. I think it is wise, at least, to call your attention to these things as we go along.

I concur with the Committee on Appropriations regarding what has been said in its report about motor equipment. A management engineering firm is presently making a detailed study and will provide our committee with information with regard to this problem. But here is the Post Office Department going out and buying motor vehicles, or proposing to buy motor vehicles according to certain specifications. They are going to cost, I do not know how much, but an average of possibly $500 more for each vehicle. I understand the Department is having difficulty in getting manufacturers to bid on these nonstandard vehicles. Why not buy the regular motor vehicles that are used commercially? To use commercial vehicles will cost less, and at the same time improve the service.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. REES. I shall be glad to yield to the distinguished chairman of the Committee on Appropriations, who has given this matter a lot of consideration and study.

Mr. TABER. The Committee on the Post Office about 3 years ago, I think it was, brought in a bill to control penalty mail. That has not been working well. It has probably resulted in 15 to 20 to maybe 30 million dollars being appropriated and turned over to the Post Office Department out of various funds, and it is also costing a tremendous amount for bookkeeping and clerical work. Further, it is not controlling the use of penalty mail at all. I believe that it would be very helpful toward sound administration if some way could be found whereby we could really control penalty mail, and I hope the gentleman's committee will go into that matter.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. REES. I appreciate the gentleman calling attention to this matter, because our committee does have that matter of penalty mail under consideration and study at the present time. In line with what the gentleman said, this Congress is now appropriating more money than it has in the past to take care of penalty mail. It is growing instead of going down. It should be controlled and reduced.

I would like to discuss just briefly this question of subsidizing the air mail. I mentioned this matter a while ago, and I think some further facts and figures should be brought to your attention. Ordinarily we are supposed to subsidize air lines on a basis, say, from 50 to 70 cents per ton-mile, but in order to keep certain air lines going we have gone clear out of reason. For example, one air line carrying mail to Puerto Rico during one year received $750,000 for carrying 3,700 pounds of mail. Now, these same messages could surely be sent by telegraph or some other way at far less expense if they needed to go quicker than by regular mail.

I say there is need for better controls over subsidy payments to air lines for carrying air mail. For example, a domestic air line received $350,000, 1946, for carrying 650,000 pounds of air mail. In 9 months of 1947 the same air line received $200,000 for carrying 200,000 pounds less air mail. Of course it seems incredible. It would not happen if the Congress were called upon to appropriate funds directly. In view of the fact that the deficits in the postal services are charged to the Federal Treasury, it is fair we should know more about the amount of these subsidies.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from New York.

Mr. BUCK. Is the committee considering the possibility of metering penalty mail?

Mr. REES. That matter is under consideration. I appreciate the gentleman's calling attention to that important problem.

This appropriation bill carries an item for building maintenance, under the jurisdiction of the Fourth Assistant Postmaster General, amounting to $44,600,000 for the operating force alone. Prior to 1933 the expenditures for the operation of post-office buildings in the field were provided under the Treasury appropriation. At that time there were less than 8,000 regular employees while today there are 20,000. Many of the buildings for which this maintenance is provided are almost entirely occupied by other Government agencies. For example, the main post office in Los Angeles is maintained by employees of the postal service but only 7 percent of the total floor space is allocated to postal functions.

The repair of mail bags is also a problem of the Fourth Assistant Postmaster General. As indicated by the report on the measure, mail bags are in very critical supply. A subcommittee of the Post Office and Civil Service Committee has observed in at least one post office a mountain of mail bags awaiting repair. We believe that the mail-bag repair operation should be decentralized and the legislation referred to by the report will probably come before this House for approval in that form.

We hope to bring about the use of up-to-date management statistics in the postal service so it can be determined where the most efficient and least effective operations exist. At the request of our committee, the Postmaster General is developing certain data of this type on a one-time basis. One post office maintains such management data. This post office immediately was able to reduce its number of employees by more than 1,000. The installation of such a system in the postal service will, I am sure, be of material assistance to the Appropriations Committee as well as to the legislative committee dealing with postal matters.

In closing, I would like to express this thought that we hope with the combined efforts of the Appropriations Committee and the Post Office and Civil Service Committee in the coming year we will see substantial changes in the operations of the postal service in the interest of economy. We have been assured, we will receive the cooperation of the new Postmaster General in this respect.

Mr. CANFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Chairman, it is not my intention to encourage any enlisted man in the Army to break the 96th or any other article of War. However, I have just received word that a constituent of mine, a young private in the Army, was convicted by a special court martial on November 26, 1947, for being drunk and disorderly in a public place in Vienna, Austria.

The sentence imposed upon this private was confinement for 6 months and forfeiture of $40 of his pay each month for a like period. And, Mr. Chairman, that is not all. This soldier when his time expires on March 30 of this year must under article 107 make up the time he has spent awaiting trial and in confinement before he can be discharged. This means that he will have to serve from 4 to 5 months more in his present enlistment after the end of March before he can be considered for discharge.

Mr. Chairman, a sentence of this nature in time of peace to my way of thinking is certainly out of all proportion to the nature of the offense. If this is the reward which enlisted privates are to receive for slight infraction of Army regulations in time of peace, it may account in part as to why enlistments have fallen off and special inducements must be offered, even the threat of another draft, in order to keep our armed services up to full strength.

It seems to me that if the Armed Services Committee of this House really wants to do something for the enlisted men they will take some action which will limit special court martials in fixing sentences for such a slight infraction.

Mr. Chairman, please do not misunderstand me, I am not condoning drunkenness or disorderly conduct but it seems rather silly for the armed services to apparently ignore this type of procedure which is seen in the city of Washington and then to pick up some poor little private in a foreign country and throw him in the jug for 6 months and fine him $240 for the same offense.

Perhaps this is one way the Army has of getting their privates "fighting mad." It certainly irks me, as I feel quite certain this lone private could not add much to the confusion already existing in Europe.

Mr. CANFIELD. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. NIXON].

Mr. NIXON. Mr. Chairman, this morning's newspapers carried a statement attributed to Secretary of Commerce Harriman in which he criticized a subcommittee of the Committee on Un-American Activities of which I am chairman, and called the action of that subcommittee "un-American."

I am not going to take the time of the House during this debate to answer the charge Mr. Harriman has made. I draw the attention of the House only to the fact that Mr. Harriman has resorted simply to the time-worn device of name-calling rather than to questioning the facts that were reported by the subcommittee. In order that the Members of the House may be fully apprised of the facts in this phase of the Condon case I ask unanimous consent to revise and extend my remarks in the RECORD.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, a well-oiled administration propaganda machine is singling out the Appropriations Committee and its individual members for abuse and ridicule, and the Bureau of Internal Revenue is one of the worst offenders in this respect.

Last year, when the House Appropriations Committee cut off $20,000,000 from the appropriation for the Bureau of Internal Revenue, the Government publicity boys, under orders from the administration's high command, oiled up their typewriters, inked up their mimeograph machines and went to work.

I would like to take a few minutes to jog up the memory of some of my colleagues. I really wish I could take the time to read to you two or three score newspaper stories which appeared around the country last April, May, and June. These reported official administration statements to the effect that "a penny-pinching Congress was undermining good government"; that "hard-working Federal career employees would lose their jobs by the tens of thousands"; that the Congress, through Appropriations Committee "hatchet men" and "ax wielders," was doing a great disservice to the American taxpayer. The Nation was flooded from one end to the other by planted and prefabricated blasts against Congress from the White House right down the line.

In signing the bill which carried the cut in funds, President Harry Truman did his part in adding to the confusion by issuing a statement criticizing the gross inadequacy of the funds allotted and solemnly predicted that the Federal tax-collecting machinery would be damaged for years to come.

The President also informed newsmen that as a result of the reduction in funds, the United States Treasury would lose at least $400,000,000 in taxes this fiscal year. Other administration spokesmen called the House committee's action short-sighted and irresponsible. The Bureau of Internal Revenue emphatically and repeatedly stated that it could not absorb the cuts without great hardship and without irrevocable loss to its prestige and efficiency.

In a final conniving and dishonest appeal to the public, the Bureau announced that the reduction would have to be applied by discharging between 4,000 and 5,000 employees from the enforcement arm of its organization—thus, they lamented, opening the way for widespread illicit liquor traffic and tax evasion by black marketeers. I say this was deliberately conniving and dishonest because the House of Representatives' report accompanying this particular appropriation bill, specifically recommended that no decrease in funds be made in the Bureau's enforcement operation. And this same recommendation was made by the Senate, but the Bureau chose to ignore it.

Well, some months have passed and the House Appropriations Committee has had investigators checking the activities of the Bureau of Internal Revenue both in Washington and in the field. For your information, here is a sample of what they have discovered:

The Bureau made good its publicized threat to ignore and embarrass the Congress and to discharge employees in the enforcement arm of the service. But here also are some significant facts from the Bureau's files which were not publicized; indeed, they have been assiduously kept from the public:

No departmental employee of the alcohol tax unit had been dismissed because of last year's appropriation cut; however, in the field offices, 645 employees were fired. And in this connection the Bureau never made public the past year's reports from its own district offices, pointing out that "illicit distilling is at its lowest ebb since the repeal of the National Prohibition Act" or that "the duties performed by the investigating force in connection with the black market in whisky, floor stock taxes and tied-in sales have practically come to a close" or that "the number of investigators in charge could be reduced to not more than three for the six New England States, with an accompanying reduction in the clerical staff," or that "under present conditions there are too many investigators assigned to the State of Massachusetts" or that "untaxed spirits have been reduced to a mere trickle in Michigan" or that field offices have complained to the Bureau that their main problem was to find work to keep their staff employees busy.

Those are samples from official reports in the Bureau's files which indicate that virtually every district in the country advised headquarters of a diminishing work load and the need for retrenchment in personnel.

Similarly a survey of Internal Revenue's Employment Tax Unit reveals considerable overstaffing because of the diminishing work load. Another check into the Rules and Regulations Division shows overstaffing, estimated at between 25 and 40 percent, but no reduction has been made here, the official reason being that an increase in work is anticipated. A little further investigation showed that this unfulfilled anticipation has existed for over 12 months, and a division supervisor admitted that the work in this particular office has been on the decline for the past 3 years, and that the employees could not be kept busy for more than 4 hours daily.

Another example of overstaffing is to be found in the Office of the Chief Counsel. With the exception of the past year, the number of cases handled by this office has decreased—to be specific, the case load has decreased 36.8 percent compared with 1940 but in the same period the personnel increased 46 percent. This is hardly surprising when one delves into the red tape involved in such a simple matter as answering a letter to the Chief Counsel's Office. It has been revealed that approximately 50 days elapse between the time a letter is typed and is mailed. During this period it is conferred upon, discussed, read and reread, referred back and forth from one attorney to another, checked by experts for spelling, punctuation, and content. It is nice work if you can get it but to the tune of over $4,000,000 annually in lawyers' salaries it is rough on the taxpayers.

As a direct result of last year's appropriation cut, the Bureau instituted a work simplification program last July. Now the director of this program informs us that he estimates a minimum saving of 10 percent in the operating costs of the Bureau and a maximum over-all saving of 25 percent. Let us be generous, and for comparison purposes, let us use the Bureau's own 10 percent minimum economy figure, which totals $18,800,000. This figure alone almost offsets last year's cut. Thus, ignoring for the moment all other glaring inefficiency and waste, it would seem that in less than 6 months, through a work simplification project, the Bureau gives the lie to its own hysterical propaganda.

For anyone who will take the time to read the hearings, there are ample instances of mismanagement in the affairs of the Bureau of Internal Revenue—and let me add here that the Bureau of Internal Revenue is but one of a dozen mismanaged and inefficient Government units. But the more glaring examples reveal that over the past 2 years, reports from the Bureaus' own supervisors of accounts and collections show that 714 employees were reported to be unsatisfactory or below average in the performance of their official duties. A spot check made last September 20, indicated that 46 percent of the below-average employees had been retained in service.

In the New Orleans office of the Bureau an examination of the records pertaining to correspondence courses revealed that 137 employees were enrolled and that 89 or 65 percent were found delinquent.

Again in the New Orleans office, during an investigation, the collector attributed the large backlog of work in the Audit Section of the Income Tax Division to untrained and inefficient personnel. A further check revealed that supervisory employees were disturbed over the large amount of annual and sick leave allowed during the period of a year and blamed this fact for the muddled condition of the office records.

Field-office supervisors have complained of the many deadheads carried on the Bureau's pay roll and claimed that their loafing has an adverse effect on the work and morale of other employees.

With regard to the expenditure of funds by the Income Tax Unit of the Bureau of Internal Revenue, it was found that $82,590.42 was paid out for commercial tax service publications in the fiscal year 1947. In other words, the

Tax Unit buys commercial-tax services which are compiled from the Bureau's own tax rules, regulations, and releases. If the commercial services are superior to the Bureau's, why not do away with the official tax manuals which are expensive to produce, and save the thousands of dollars they cost? The investigation of the Income Tax Unit also revealed many procedures which have become outmoded and obsolete, much unnecessary work, and duplication of effort.

A check on the functions of a fancy sounding office—the Chief Coordinator of Treasury Enforcement Agencies—failed to produce anything of value. Officials within the Bureau of Internal Revenue commented on this unit as an "unnecessary expense." It apparently is ignored more often than recognized.

The Bureau has continued to recruit and hire new personnel simultaneously with its public wail that it has been forced to fire career employees. The Office of the Chief Counsel has increased its staff 46 percent since 1940, while the work load has decreased 34.6 percent. The approximate cost of books and tax services purchased for the Chief Counsel's office in fiscal 1941 was $16,730. By 1947 this amount was increased by 240 percent.

We found 18 messengers employed by the Chief Counsel to service 27 employees.

Unit after unit, section after section, division after division, shows flagrant irresponsibility and dereliction of duty on the part of the supervisory personnel. Some field offices claim they managed to get about 4 hours of work per day from employees. The Washington office is lucky if it gets 6 hours per day on an average. There is flagrant abuse of sick leave throughout the Federal service. When confronted with the records, Bureau of Internal Revenue officials shake their heads, admit the abuse, and do nothing about it.

During our investigation of the Administrative Division, it was discovered that costly paper stocks, long since forgotten, were stored away in a leased building, and were coated with filth to a degree which rendered them useless. Evidences of vermin were found throughout the storerooms. The paper stock consisted largely of surplus undistributed tax forms dating back to 1921. A tabulation of forms for 1 year only—that of 1946—revealed a surplus of 81,962,000 forms. No estimate could be made of the hundreds of millions of forms from prior years which were dumped into the rented warehouse.

This expedition brought forth some more interesting facts. In 1946 there were 46,546,696 taxpayers. The Bureau of Internal Revenue had 500,000,000 forms printed to supply this number of taxpayers plus 115,000,000 instruction sheets. Obviously some surplus must be printed to provide the taxpayers with extra copies and duplicates—but there is no possible excuse for a 10 to 1 margin.

And do not overlook this fact: This appalling waste of paper continued through the period when publishers of newspapers, magazines, and books were scraping the bottom of the barrel—so to speak—trying to scare up enough paper to keep in business.

One does not have to be clairvoyant to observe that the bureaucrats will try last year's maneuver with some of their pet scribes. This week several Washington columnists fell hook, line, and sinker for the old cliches, "disastrous staff reductions," "cut will cost Treasury half a billion," and so forth. The boys were writing fiction. I think the public wants some facts.

This administration is so beholden to its 2,000,000-Federal-worker bureaucracy that it does not dare clean house. It does not dare fire even the known loafers and chislers. Consequently, it cannot hope to bring about any efficiency or clarity out of the chaos which permeates the entire Federal organization.

Over and above the 2,000,000 Federal workers are 140,000,000 citizens, every one of whom contributes, directly or indirectly, to the support of the Government. Under our system of government the Congress of the United States represents this total citizenry. It might be timely to remind the boys downtown that it is the Congress which gets elected to office, not the bureaucras and their stooges. I am willing to stand on our record of exposing, in the public interest, flagrant waste of equipment, public money, and manpower, and inefficiency and irresponsibility.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open for amendments and subject to points of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. Does any Member seek recognition to make a point of order against any part of the bill? [After a pause.] The Chair hears none.

Mr. CANFIELD. Mr. Chairman, as stated in the report on the bill, the provision in the bill prohibiting the purchase of typewriters was intended to prevent acquisition of new typewriters for use in the operations and administrative activities of the various agencies of Government.

The gentlewoman from Massachusetts fortunately has discovered that the provision recommended by the committee might prevent the effectuation of certain programs for the benefit of veterans, which the committee definitely did not and does not desire.

Therefore we are happy to offer a committee amendment which will cure this defect in the proposed language. In order that the record may be clear, I should like to state that the language of this amendment will permit the purchase of typewriters under programs such as those authorized by Public Law 16, Seventy-eighth Congress, Public Law 309, Seventy-eighth Congress, as amended, and possibly certain other laws administered by the Veterans' Administration where the veterans are beneficiaries of care, vocational rehabilitation, occupational therapy and benefits incidental to that type of activity. But the amendment does not permit the Veterans' Administration to purchase typewriters for its regular operations, or use by its own employees in offices, hospitals or other administrative activities.

Mr. Chairman, I offer a committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CANFIELD: On page 21, line 14, strike out the parenthesis and period and insert "and typewriting machines for veterans under public laws administered by the Veterans' Administration."

The committee amendment was agreed to.

Mr. MILLER of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Connecticut: On page 22, line 7, add the following:

"In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand, he may purchase such manually operated machines at the average list price of the industry less 30 percent out of funds specifically appropriated for that purpose."

Mr. MILLER of Connecticut. Mr. Chairman, the Committee will recall that last year we had some debate on the question of writing into the Treasury appropriation bill a price ceiling on typewriters. The chairman of the subcommittee handling the bill the gentleman from New Jersey [Mr. CANFIELD] stated at that time that his committee was going to go into the whole question and make a thorough study of the procedure to be followed in the procurement of the typewriters. That investigation has been completed and the committee has come up with some rather interesting findings. I understand that they have discovered that the Federal Government owns three and a fraction typewriters for every secretary, stenographer, and typist on the Federal pay roll.

My attention was called this afternoon to the fact that the language of this appropriation bill may be so restrictive that an agency of the Government, such as the Atomic Energy Commission, for example, would be barred from purchasing special typewriters that it is anticipated they will require next year. I am informed that there are no typewriters of the kind needed by the Atomic Energy Commission now in the possession of the Government. They will want typewriters that use symbols and hieroglyphics instead of the alphabet keyboard.

Because of that situation I have offered the following amendment. On page 22, at the end of line 7, add the following:

In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand, he may purchase such manually operated machines at the average list price of the industry less 30 percent out of funds specifically appropriated for that purpose.

Last year I stated very emphatically that as a matter of principle I was opposed to writing into an appropriation

bill a price ceiling on typewriters. I urged then that typewriters be bought as are all other Government supplies, either through negotiation or by competitive bids. I am glad that the Appropriations Committee has eliminated from this bill the objectionable and obsolete price ceiling.

In closing I want to make it clear that I do not advocate any amendment to this bill that would permit any agency of the Government to buy a single typewriter that is not needed. If the language of the amendment I have proposed is not sufficiently restrictive and if after further consideration in the other body more restrictive language can be substituted, I would certainly support it.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. CANFIELD. It is the understanding of the committee that the gentleman's amendment applies to a unique type of typewriter which has to be especially constructed and not the regular manual or electric typewriter.

Mr. MILLER of Connecticut. That is right. I do not mean that the Treasury Department or some other department can buy a typewriter just because they do not want the one that has already been furnished for them. But this is for especially built typewriters with a special keyboard or some other special characteristic. The Government might not have any of those, so these agencies could go out and buy them under the language of this amendment if they can justify their purchase before the Committee on Appropriations.

Mr. CANFIELD. The chairman of the committee accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MILLER].

The amendment was agreed to.

Mr. CANFIELD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. CANFIELD. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was granted permission to revise and extend the remarks he made in Committee of the Whole and include certain excerpts.

Mr. JENNINGS asked and was granted permission to extend his own remarks in the Appendix of the RECORD.

THE FISCAL SITUATION

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, the Federal Government is headed straight for bankruptcy, if it is not already bankrupt. The Republican leadership, after faithfully promising to reduce Government costs, is now blithely repudiating its plighted word. Practically every appropriation measure for general operating purposes for 1948 showed an increase over that of the previous year.

Appropriations made for 1949 exceed those of last year. The measure before us appropriates for the Postal and Internal Revenue Departments $62,000,000 more than was appropriated for them last year.

The public debt is greater today than at any previous time, and it is rising daily, though the Treasury statement does not show this. The alleged reduction of the debt shortly after the close of hostilities was in reality no reduction at all, but merely a bookkeeping transaction.

The public is not going to be deceived in believing taxes can be reduced while at the same time costs are being increased without increasing the public debt. We cannot have increased appropriations and Marshall plans without pushing the Nation nearer to the brink of outright bankruptcy.

I want the RECORD to show that I voted "no" on the appropriation bill just passed.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. GARMATZ asked and was granted permission to revise and extend his own remarks.

Mr. HUBER asked and was granted permission to extend his remarks in the RECORD and include a radio address by Mr. George Reedy today.

Mr. BOYKIN (at the request of Mr. LUCAS) was granted permission to extend his remarks in the RECORD in two instances and to include extraneous matters.

GOLD LOOTED BY THE NAZIS

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to adress the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. SADOWSKI]?

There was no objection.

Mr. SADOWSKI. Mr. Speaker, now that we are about to appropriate billions of dollars for the recovery of Europe some of us are wondering what happened to the hundreds of millions of dollars of gold that was looted by the Nazis, that rightfully belongs to the nations we intend to help.

A good many Members, like myself, have felt that perhaps this looted gold had been recovered and that these nations had obtained it, that restitution had been made. For this reason I ask unanimous consent, Mr. Speaker, to include in my remarks at this point an article entitled "The Pot of Gold," written by Jean Pajus, and I hope that everybody reads it because it is a most informative article and will perhaps show how we might save three-quarters of a billion dollars on this Marshall plan.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(The article referred to follows:)

THE POT OF GOLD

(By Jean Pajus)

There has been much talk of late about a pot of gold. The present sad financial situation of the world is responsible for it; but specifically, this talk has to do with one of the most painful aspects of the aftermath of World War II—Germany's assets abroad.

For almost 2 years the Governments of the United States, Great Britain, and France have been trying to dry up the sources of the Nazi financial power in Switzerland. Ever since May 1946 the three Governments have been trying to make Switzerland live up to the agreement signed by her providing for the liquidation of the German assets and the erasing of the German interests in Switzerland. The objectives were to end German economic power in Switzerland, to get money for reparations, and as a contribution to the cost of rehabilitating some of the millions of victims of German fury. These objectives have failed. The Swiss refuse to live up to either the letter or the spirit of their agreement. This has been worrying Washington diplomatic and financial circles. These worries have increased recently when Governments of Britain and France intimated that they would expose the whole sordid story of the Swiss holdings by placing the entire matter in the hands of the Inter-Allied Reparations Agency—the agency consisting of 18 nations which was set up in 1946 to distribute reparations from Germany.

It was natural that the French should be aroused over the failure to deliver the German gold and assets. Their economic plight has been deteriorating steadily; they have been forced to sell their gold resources in order to import vitally needed raw materials particularly coal, paying as much as $23 per ton for coal from the United States. Failure of the French Government, up to recently, to coax their own citizens to repatriate their gold hidden abroad has forced France to look everywhere for gold resources.

The British Government has also become conscious of the existence of the pot of gold. The British have their own reasons for thinking about gold. Gold was very much on Mr. Bevin's mind several months ago when he made the proposal that the United States

redistribute the Fort Knox gold to help Europe get on its feet. However, while that plea fell on deaf ears, it did serve to refresh the memories of our own watchdogs in Washington who suddenly recalled that the terms of the May 1946 agreement were not too hard on Switzerland, and that it was just about time that the Swiss fulfilled their pledges.

The Marshall plan had perhaps the most to do with the revival of the pot-of-gold legend. Washington, apprehensive lest a penurious Congress refuse to appropriate adequate funds required to make the ERP a success, has become quite conscious of the gold problem.

THE SWISS AGREEMENT

The Swiss, of course, are the only ones who do not like this talk about the pot of gold. To be sure, they do not criticize the agreement of May 1946 as such, because they would prefer not to reopen the discussion lest the real impact of its terms be made known to the public. The Swiss were lucky that the three allied governments were too busy at the time the agreement was negotiated to take a good look a it and because they were busy, the Swiss succeeded in making a settlement with the three negotiating nations whereby the latter agreed to accept $58,140,000 in final payment for all the looted gold shipped to Switzerland during the war by the German Government. As regards the other German assets, the Swiss Government presented their estimates alleging that they amounted to 500,000,000 Swiss francs or $118,000,000. At that time, the Swiss solemnly declared that these figures constituted 50 percent of all the German assets located in Switzerland and they further wanted us to believe in the accuracy of these figures, allegedly based on a so-called census conducted in Switzerland by the Swiss Government.

It would appear that the Swiss were somewhat too smart for themselves. Having made an excellent bargain, they should have lived up to the nature and spirit of the agreement. But they have consistently maintained that the settlement must await the fixing of an exchange for the German mark and that they, the Swiss, must be consulted on that rate. But the rate the Swiss proposed was so unfavorable to the United States that it could not be accepted. Meanwhile, the victims of German aggression are still waiting, the refugees are still unsettled and so are the German assets.

The American taxpayer should know that the amounts offered by Switzerland are only a small part of the tremendous German assets located in all neutral countries, especially Switzerland, Spain, Sweden, Portugal, Turkey, Argentina. Our experts who are fully acquainted with the German wartime activities know about these assets and they also know that practically none of these have been tapped thus far.

As a typical illustration, Washington, London, and Paris have evidence to prove that Portugal, famous for its wartime hospitality to Allies and Nazis alike, has at the very least, $40,000,000 of German gold hidden in her vaults, which came mostly from Holland. The experts of the three nations assert that they are able to identify the gold, bar by bar, even though the Nazis have made every effort to disguise its origin.

This is only one substantial sum that could go a long way to help western Europe. And yet, there is reason to believe, as we shall see later, that there is more than $40,000,000 of Nazi loot in Portugal. So far, Portugal has delivered nothing.

Speaking of Switzerland however, what is the real extent of the Nazi loot hidden there? When Germany collapsed, not all of the secret records of the Nazi dealings were destroyed. Their methodical habit of writing down their transactions left fairly complete records of their major activities; and then, too, there were important Nazi leaders available for interrogation, to supplement the records. In those days, they were willing to talk much more than they would now. But from the evidence adduced, it is possible to evaluate the size of the German pot of gold in Switzerland.

THE GENTLEMAN, DR. E. PUHL

Three years ago, when we entered Germany, the French zone was asked to deliver a certain Dr. Emil Puhl. He was wanted in the United States zone because, as vice president of the German Reichsbank, he was the real brains behind Dr. Funk, former head of the Reichsbank, convicted at Nurnberg. Dr. Puhl knew more about most of the crooked deals of the German Reichsbank than Funk, for the simple reason that he was in charge of handling them. Throughout the war, Puhl negotiated the financial transactions with the Bank of International Settlements (B. I. S.). In this capacity, Dr. Puhl used to go quite often to Switzerland during the war. While there, he also contacted our OSS (Office of Strategic Services) representatives. At one of these meetings, for instance, he assured our men that the German Reichsbank in reality was never Nazi and that it certainly had nothing to do with looted gold, or with any other unethical practices or transactions.

The last time Puhl went to Switzerland on official business was on April 6, 1945, a few days before the final collapse of Germany. As is customary with German officials, he described meticulously in his reports the persons he saw and the transactions he negotiated. And what did these records show?

At the time when he assured our OSS men that the Reichsbank was absolutely free of any stain of having dealt in looted gold, he described in detail how he succeeded in his efforts to induce his friends of (B. I. S.) to postpone the publication of its financial statement. He did it, he said, because he was anxious to hide the extent of the Nazi gold transactions with Switzerland. In his papers he described the methods used to manipulate German assets in Switzerland. Dr. Puhl played the usual German game of duplicity.

This, then, was the man who was badly wanted by the United States authorities. When he realized the game was up, Puhl began to talk. In fact, he talked frankly to both the French and Americans. What did they want to know from him? How the Reichsbank stripped its gold? What happened to the Belgian gold reserve? Where did the Germans keep their gold? Yes; he was very glad to tell everything he knew. He began by describing the movements of the gold looted in Belgium and how it was placed in the Reichsbank. He appraised its value at 550 million RM on the basis of 2,784 RM per 1 kilogram of fine gold, or about $223,000,000 in American value. He also tried to convince his interrogators that he was grief-stricken because this gold was melted by the Reichsbank and disposed of in such a way that it could no longer be identified. He personally did not like the transaction. He also said that the Belgian gold bars were melted along with German gold bars so that they would not be recognizable. Was he to blame for the melting of the Belgian gold? No; because he only acted on orders of his government. And when he was told by his superiors to conceal the operation so that the respectable Reichsbank would not appear as a receiver of stolen gold—he did what he was told to do, he said apologetically, as a good German servant.

THE "DECENT" REICHSBANK

Dr. Puhl then began to describe the various methods used by the Reichsbank to conceal its looting activities. The sum and substance of the story was that the gold looted by the German Government during the war was placed at the disposal of the Reichsbank and earmarked as miscellaneous assets available at sight.

In order to completely obliterate any traces of the looted gold, the Reichsbank melted the looted bars in the Berlin mint, which gave the bars new markings. When Dr. Puhl was questioned on the propriety of such an illegal operation, he revealed that this was the usual practice of the Reichsbank under the Nazis, as the German Central Bank was in the habit of resmelting all gold bars which it received. Faithful to his master, Dr. Goebbels, he blamed this Nazi practice on the Russians, because the latter, he claimed, used nonstandard shapes in marking their gold bars.

Dr. Puhl had an assistant by the name of Dr. Reinel. He, too, was available. They both described the various movements of the stolen gold. When memory suddenly failed them, they referred their interrogators for further details to Dr. Wilhelm, who was in charge of gold movements, and to a Dr. Devrient, chief of the accounting department of the Reichsbank, both residing in Munich at that time.

Meanwhile, both Dr. Puhl and Dr. Reinel described the movement of looted gold from Germany to Rumania, Albania, and Portugal, and finally to Switzerland. They also told how much gold was still hidden in Germany and indicated the places where it was hidden. For all additional details, Dr. Puhl referred the examiners to the books of the Reichsbank, which, miraculously enough, escaped the heavy bombing of 1945, when the Reichsbank was badly damaged. Dr. Puhl was very sure that the books and the persons he recommended to see would supply the additional details needed to complete the picture of the Nazi gold loot.

BANK OF INTERNATIONAL SETTLEMENTS (BIS)

The AMG men followed Dr. Puhl's advice. The Reichsbank records and files and officials were consulted. Not only did they corroborate Dr. Puhl's story, but in addition the following new revelations were made:

(a) A large quantity of looted gold was resmelted in Berlin and shipped to the most respectable bank in Switzerland—the Bank of International Settlements at Basel, Switzerland.

(b) Some old German debts to various European countries were repaid during the war through the BIS, in gold, which later was stolen or confiscated from these countries by the Germans.

(c) The Reichsbank maintained a huge deposit of gold in the Swiss National Bank throughout the war.

(d) Over two-thirds of all German gold shipments abroad during the war were destined for the Swiss National Bank.

The revelation of the wartime role of the BIS in the gold transactions came as a shock to our occupation authorities, for they had been brought up in the belief that the bank was one of the most respectable institutions in Europe. They did not know much about its peacetime activities, except that it was concerned with German economic and financial matters, and that its board of directors comprised well-known bankers representing the central banks of the Allied countries and of Germany. It was public knowledge that Germany's representatives were Hjalmar Schacht, Paul Reusch of the German steel industry, and Baron von Schroeder, the man who put Hitler in power by bringing him together with von Papen and Hindenburg. Of course, the initiated ones knew that about 50 percent of the bank's assets were invested in German businesses and that in addition to its ostensible role, which was that of facilitating the reparation payments under the

Young plan, the most important prewar activities of the bank were to facilitate Schacht's plans for weakening the economies of Germany's prospective victims.

AMERICANS IN LEADING ROLE

The American interests were well represented in the bank even though the Federal Reserve bank was not a member of the BIS. This was due to the fact that the BIS was the child of the Dawes and Young plans, both of American origin. The fact that Americans had made heavy loans to Germany in the twenties was also a factor in appointing American bankers as presidents of the BIS. But this did not mean that the American people knew what was going on there.

Switzerland being the foster mother of cartels and most of the international secret deals, it is quite natural that the activities of the BIS were always shrouded in mystery. The mystery deepened when one of America's outstanding bankers, Leon Fraser—the president of the BIS during the years when Schacht succeeded in acquiring the domination of the European economy—committed suicide on the eve of our victory in Europe. Did Mr. Fraser fear that the fall of Germany would reveal the pro-German activities of the bank? Nobody knows the answer. The only other fact known was that for 5 years, at a time when the fate of the world hung in the balance, and at a time when millions of fighting men bled and died, it was an American, Mr. Thomas McKittrick, who presided at the meetings of the board of directors at Basel, Switzerland, where the British, French, Italian, Belgian, and German bankers discussed their financial affairs. It is reasonable to suppose that all sorts of transactions involving the Axis took place during these fateful years of 1940–45, but the world at large has not been told anything about them. At one time there was talk of German-Vichy money passing from France, via the BIS, to north Africa and thence to the United States.

In 1942 it became common knowledge that the BIS was heavily involved in purchasing gold from the German Reichsbank, ostensibly to service the German essential activities in Switzerland. In order to explain these activities, it was alleged in Switzerland that the heavy purchases of German gold were intended to maintain the German payments to Swiss creditors, to meet the current expense of the German legation in Switzerland, to cover interests on gold mortgages, to pay for insurance premiums, to pay for electric current from Switzerland to Germany, to pay the interest on credits due on the stand-still agreement, to make payments for German invalids recuperating in Switzerland, etc.

As the list of these allegations and explanations lengthened it became all too evident to the Allies that Germany was using Switzerland as a receiver of her ill-gotten loot. To begin with, the extent of the prewar gold holdings of the Reichsbank was no secret. While it was common knowledge that during the early years of its activities, the BIS was called upon to act as a clearinghouse in matters dealing with obligations assumed by the Germans under the Young plan, these payments were not made in gold. It was only after Germany conquered almost all of Europe, and especially in 1942, that the German Reichsbank began making huge transfers in gold to Switzerland. It is worthy to note that these transfers of German gold to Switzerland took place at the height of the success of the German armed forces and at a time when they certainly did not think of losing the war. Nor was the term of safe haven, which played such a prominent part in Germany's gold shipments later on, even thought of at that time.

THE SWISS BANKS WERE WARNED

Since the Allies knew the full extent of Germany's prewar holdings, and since the Allies also knew the extent of all possible legitimate acquisitions of gold by Germany, they plainly warned the Swiss bankers that, regardless of the pedigree claimed by the Reichsbank, they would consider all gold emanating from German-controlled territories as loot.

This notwithstanding, the BIS officials always had a ready answer. The gold was purchased, they said, legitimately and checked against the declaration of the Reichsbank as to origin and legitimate ownership. In fact these officials expressed indignation when the Allies reminded them that there may be something unethical involved in their gold transactions. At times their conscience began to bother them, but business was business and they generally managed to assuage their conscience. This is how they solved their moral problem. Since they were officials of a bank, it was incumbent upon them to accept the gold sold to them, because it was earmarked to cover interest transfers. They admitted that the question of its origin had legal as well as moral aspects. However, since legally the transfer of gold constituted legal tender, the creditors were forced to accept it, because failure to do so would absolve the debtors. Moreover, the officials felt that they could not afford to hurt the stockholders of the bank.

One wonders how the bank stockholders solved their moral problem. Strengthened by the fact that all pleas made by the occupation forces in 1945 to investigate the BIS wartime activities fell on deaf ears, the stockholders of the BIS have recently decided to give new life to the BIS by making it a clearinghouse for nine nations, all former victims of Germany, such as France, Holland, Luxemburg, Italy, etc.

As for Britain, most of her bankers have always been the champions of the BIS. Way back in the twenties they invested huge short-term loans in Germany which went a long way to make the German heavy industry what it was under Hitler. Apparently they have never forgotten these investments and they are still anxious to make them prosper. They showed their affection for the BIS at a time when the Bretton Woods Conference insisted on abolishing the BIS, because it felt that in postwar Europe there was no need for a bank which was so intimately connected with Schacht and Von Schroeder. The British bankers protested loudly against the Bretton Woods decision to liquidate the BIS, and they still do. These British bankers who protested so loudly at that time are the very same bankers who defeated the Allied policy towards Germany after World War I. They are out to defeat our policies after World War II and one must admit that they have done their job quite well up to now.

In summary it is clear that the BIS owes the victims of nazism an accounting of its wartime gold transactions, and of the other transactions revealed by Dr. Puhl.

COOPERATION WITH THE NAZIS

Immediately after the outbreak of World War II, Switzerland began playing the role of the financial banker for Nazi Germany. Leading Swiss banks—commercial and private institutions—all vied with each other for the German business. All of them were only too eager to do business with the Germans. They did not inquire whether it was legitimate or not. With the proceeds of the sale of gold, the Nazis were able to obtain badly needed foreign exchange. The only currency freely transferable during the war was the Swiss franc, and with the latter the Germans were in a position to procure all materials from other countries which did not operate on a barter basis with Germany or did not have a clearing arrangement with it. These francs also enabled Germany to pay for espionage, propaganda activities, and for high priority materials.

There was another major reason why Switzerland was selected as the base of operations. It was easy for Germans to make a franc deposit in a Swiss bank and transfer it to the western hemisphere by the simple device of transferring a Swiss bank balance to the account of an Argentine bank. Another method used was the acquisition of a peso balance in an Argentine bank, also through the sale of Swiss francs. When the Germans needed to make transfers to the United States or to any Latin-American country, this was also easily done through Switzerland.

In the field of trade, Germany's subsidiaries operating abroad were able to ship such goods as chemicals and pharmaceuticals to business associates in the Western Hemisphere, and the proceeds of these sales were transmitted to Germany via Switzerland. And speaking about these transactions, we, in the United States, have good reason to complain because during the war the German goods emanating from neutral countries, such as Switzerland, were shipped to Latin America, thus sustaining the German trade-marks in Latin America at a time when Germans themselves were unable to deliver goods.

Indeed, Germany made excellent use of the Swiss who have served for a number of years as international bankers for German firms. The activities of these banks have been protected in Switzerland at all times by the Swiss Banking Secrecy Act, which does not allow the identification of the ownership of the accounts placed with Swiss banks. Only abrogation of this banking secrecy act would make it possible to know the extent of German holdings. However, the most notorious banks active in German affairs are known to the allies. Outstanding among these are the Roechling & Co. and Sturzenegger & Co., Basel.

Another bank which has acted as a very important cloak for German financial transactions in Switzerland during the war is the Johan Wehrli Co., a private bank located in Zurich. This bank has a large subsidiary in Argentina which today harbors a large number of secret accounts owned by German citizens. As is known, Argentina has been very sympathetic to Germany, hence it is very difficult to ascertain the exact holdings of Germans in Argentina.

To indicate to the layman the extent of the German industrial holdings it will be sufficient to mention the infamous I. G. Farben combine, now being tried at Nuremberg. Its subsidiary in Switzerland, the I. G. Chemie, has been operating for a number of years and it is estimated to be worth over $100,000,000. It must also be mentioned that the I. G. Chemie owns and controls the American General Aniline & Film Co., estimated to be worth about $60,000,000. Another example is the European reinsurance business which, before the war, was controlled by Germany from Munich. Munich, in turn, operated through the Zurich branch. These two cases alone would indicate the tremendous commercial assets held by Germany in Switzerland. If we add the subsidiaries of Thyssen, Krupp, the Bosch, Merck, Siemens, and other German giants, totaling at least 214 firms, operating in Switzerland, it is clear that the value of these assets runs into the billions. It would thus appear that the figure of $118,000,000 given by the Swiss census of German assets is ludicrous.

"POT OF GOLD" ANALYSIS

But to return to the pot of gold, our men followed Dr. Puhl's advice and made an analysis of the books of the German Reichs-

bank. The following transactions were revealed:

Movement of German gold

INCOMING

Germany entered the war with	$120,000,000
Germany took from Austria	46,000,000
Germany took from Czechoslovakia	33,000,000
Germany took from Danzig	4,000,000
Germany took from Poland	12,000,000
Germany took from Holland	164,000,000
Germany took from Belgium	223,000,000
Germany took from Yugoslavia	25,000,000
Germany took from Luxemburg	5,000,000
Germany took from France (private holdings)	53,000,000
Germany took from Italy	64,000,000
Germany took from Hungary	32,000,000
Total	781,000,000

OUTGOING

Sold to Swiss National Bank	276,000,000
Sold to Swiss commercial banks	20,000,000
Sold to Swiss banks, thence to Portugal and Spain	138,000,000
Sold to Rumania	32,500,000
Hungarian and Italian gold	293,000,000
Sold to Sweden	18,500,000
Sold to Balkans and Turkey	10,000,000
Total	768,000,000

On the other hand, the official gold movements between January 1, 1939, to June 30, 1945, were reported as follows by the Swiss:

Purchased from Germany	$282,900,000
Purchased from Portugal	12,700,000
Purchased from Sweden	17,000,000
Sold to Germany	4,900,000
Sold to Portugal	116,600,000
Sold to Spain	42,000,000
Sold to Turkey	3,500,000

The first column plainly shows that Germany, during World War II, looted $661,000,000 of gold. If we add $120,000,000 constituting the approximate amount of gold Germany had when she started the war, we arrive at a figure of $781,000,000 handled by the German Government.

The second set of figures shows how the gold moved out of Germany. If we eliminate the gold sold to Rumania, Sweden, and the Balkans and Turkey, and the treasure belonging mostly to Hungary and Italy, we arrive at the conclusion that at least $434,000,000 in gold was officially reported as having been shipped to Switzerland.

This figure comprises the $138,000,000 received by Switzerland on deposit and later shipped to Spain and Portugal for German account. In addition, the Swiss purchased $17,000,000 from Sweden, which the experts also consider loot.

A further check of the ledger of the German Reichsbank made it very plain that at the very least $579,000,000 in gold was looted from Germany's neighbors and made available to the Reichsbank. This figure is a very conservative estimate based upon official entries of the Reichsbank found after the fall of the Nazi regime.

In addition to the official figures of gold shipments to Switzerland and other countries, it is also known that:

(a) Just before the downfall of Germany, there was one large shipment of gold out of Germany, presumably to Switzerland, which was not included in the books because the latter were already closed. How much—we don't know.

(b) There were other gold shipments which were not put down in the Reichsbank books, but which were alluded to in other documents of the Reichsbank.

(c) There was a $12,000,000 loot belonging to the Italians which was shipped directly to Switzerland.

Exhaustive efforts were made to determine whether Germany had made substantial gold shipments to other countries or whether she was hiding it elsewhere in Germany. A search of all possible hide-outs did not reveal any substantial amounts left in Germany at the end of World War II. Nor did the books of the Reichsbank reveal any extensive deposits of gold in any other country but Switzerland.

It is known that Germany had very little legitimate gold that she could claim. A detailed analysis which includes tracing, processing, and disposition of gold at the end of the war in Germany or disposed of in non-Swiss countries, reveals a total sum of $169,000,000. Subtracting $169,000,000 traced to German ownership and to metal sent to non-Swiss countries from the total German loot amounting to $579,000,000, there remains a balance of $410,000,000 of gold, or more than the entire amount of known shipments to Switzerland proper to be accounted for.

In making these calculations the experts tried to be as fair as they could to the Swiss. They traced all legitimate gold held by Germany prior to the outbreak of the war in order to eliminate all possible errors. They proved that Germany as of June 1940 could not have had more than $183,000,000 of nonlooted gold. Between September 1939 and June 1941 Germany received $23,000,000 gold from Russia. Again, in order to make it as favorable as possible to Switzerland, the experts assumed that all the Russian gold was sent to Germany after 1940. They subtracted all known shipments to Switzerland which took place before June 1940—the German invasion of western Europe—and only took into consideration the gold received by Switzerland after that date.

After making all the necessary calculations, they arrived at the conclusion that all the gold available to the Germans after June 1940 could not have exceeded $785,000,000, of which $579,000,000, or 74 percent, was loot. The Swiss received at least $398,000,000, the experts claim, and they knew that most of it was looted.

Thus it is clear that the 1946 settlement with the Swiss calling for a payment of $58,000,000 does not take care of the German pot of gold located in Switzerland.

In summary, the case against Switzerland is a strong one indeed, because the Swiss, as well as the Allies, know that all the gold shipped to Switzerland from 1942 onward was loot. What is more, the Allies plainly warned the Swiss in 1943 that the gold they were purchasing from the German Reichsbank was loot, and that all Germany's legitimate gold was exhausted. Notwithstanding these warnings, the Swiss proceeded apace and received large quantities of gold which they knew to be loot. It can be presumed, therefore, that the Swiss did not take into consideration a possible German defeat or that the Swiss felt so sure of themselves that they didn't care to listen to any warnings on the part of the Allies. Perhaps it would be charitable to say that the Swiss did not bother to investigate the odor of the pot of gold. But we are not concerned with Switzerland's conscience. That is her business. Our aim is to:

(a) Help the harassed American taxpayer.

(b) Ferret out the pot of gold from Switzerland.

(c) Place this treasure at the disposal of the 16 nations of the Marshall plan.

(d) Eliminate once and for all the German nest egg set aside in Switzerland to prepare for another holocaust.

(e) Put an end to the conspiracy of silence which has surrounded the whole problem of Germany's assets abroad.

(f) Bring about an investigation of the BIS, and do away with institutions which in the past have worked for Germany's benefit.

EXTENSION OF REMARKS

Mr. TALLE (at the request of Mr. CANFIELD) was given permission to extend his remarks in the RECORD and include a letter from the Iowa State Conservation Committee.

Mr. POULSON (at the request of Mr. CANFIELD) was given permission to revise and extend his remarks.

Mr. FALLON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio speech he made recently.

Mrs. DOUGLAS (at the request of Mr. SADOWSKI) was given permission to extend her remarks in the Appendix of the RECORD and include a copy of a bill.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the Committees in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EASTER RECESS INDEFINITE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, a great many Members in recent weeks have been inquiring of me as to the determination which may have been made with respect to an Easter recess. As we all know, of course, throughout the years it has been customary to try to arrange the affairs of the House so that Members would have an opportunity at Easter time to go home to be with their families or to do such other things as they might wish. On this occasion, however, in view of certain matters of extreme importance that might be ready for floor action at about that time, I can say only that at the moment there can be no assurance given as to any so-called Easter recess. It has not after all been a real recess. The House has generally been in session, but Members have not had to feel it necessary to be here because of the nature of the matters coming before it.

As I say, however, at this particular time, because of the possibility of very important matters reaching the floor for action, there can be no assurance to the membership as to an Easter recess.

The SPEAKER. Under the previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 30 minutes.

WHAT KIND OF PREPAREDNESS FOR AMERICA?

Mr. HORAN. Mr. Speaker, for 2 days this week we have been considering legislation designed to raise the morale and to improve the continuity of our personnel in the armed services. During these 2 days I personally was very active making inquiries as to the probable costs and the possible savings in any change in the present pattern of our national defense system. I have been making a study of the impact of war upon our American economy.

The President in his budget message of January 12 said:

In the fiscal year 1949, 79 percent of our expenditures directly reflect the costs of war, the effects of war, and our efforts to prevent a future war.

Again the President in his State of the Union speech on January 7 has stated:

The passage of the National Security Act by the Congress at its last session was a notable step in providing for the security of this country. A further step which I consider of even greater importance is the early provision for universal training. There are many elements in a balanced national security program, all interrelated and necessary, but universal training should be the foundation for them all. A favorable decision by the Congress at an early date is of world importance. I am convinced that such action is vital to the security of this Nation and to the maintenance of its leadership.

"TRIPLIFICATION"

As my esteemed colleague, the vice chairman of the Congressional Air Policy Committee, the gentleman from California, the Honorable CARL HINSHAW, said earlier today, all of these so-called interrelated programs and component parts of our national defense system have a bearing upon the solvency of our Nation for all of them have to be added to the 79 percent of the taxpayers' dollars now going to the cost of war.

I am wondering if this necessarily has to be.

I do know that many of us when the National Security Act was passed had the inward hope at least that it would reflect a saving in the costs of maintaining an adequate national defense, that it would cut out duplications, that it would increase efficiency and altogether make for a streamlined and coherent national defense pattern.

But so far I am personally not satisfied that we have achieved these desirable objectives. My colleague from California has hinted this afternoon that the result has been "triplification."

The budget seems to grow and grow as we pass legislation affecting the military arm of our Government.

A TIME TO THINK

So far the most ready answer that I have received when I inquire in an off-the-record manner of those who are directly interested in some certain piece of legislation is to point out to me what the cost per day of a shooting war is. Their arguments are, of course, unanswerable. But today we are not at war; at least, there is a truce, and if we are to remain a solvent and a dominant nation, and if we are are to conduct our fiscal and national affairs as a capitalistic society, it becomes incumbent upon us to explore ways and means to obtain results at every possible saving.

There are many ways in which we can defend the good name of the United States. We must, of course, defend it against invasion and defeat by land, sea, or air. We must maintain our right to freely participate in the channels of world trade, lest the drying-up of our export markets work its hardships upon our commerce and economy as is the condition in England today. We must maintain a rational society lest a revolution of the ballot engendered and inspired by national insecurity and insolvency change overnight by constitutional and legislative ways our form of government. And, of course, if we are to remain a capitalistic nation we cannot safely follow loose fiscal policies forever.

THE NATIONAL SECURITY ACT

Therefore, during this truce, I believe that some inquiries should be made into the operations of the National Security Act. If they are not resulting in increased efficiency I believe that it is incumbent upon this Congress to ask why. If we have reason to believe that in peacetimes it is safe to expect modifications and rearmaments which could result in increased effectiveness at less cost, I believe that it is incumbent upon this Congress to find out whether this is being done. Certainly the direction in which we now drift indicates that before the year 1950 is reached the cost of wars will have passed the percentage of 79 and will approach, if not exceed, the proportion of 85 percent of the budget dollar. And those who in peacetimes would point to the precedent of the costs of war when the shooting is going on are in effect asking us to proceed further and further into the mire of larger and larger public debt. And in this direction eventual surrender of all of our freedoms is a certainty.

It is for this reason that I have taken the floor today to pose a number of questions which I believe have a direct bearing upon our efforts at this time to restore some sense of balance to these enormous expenditures and to glean from them the maximum of national defense. Certainly if we as individuals are to spend $39,000,000,000 for national defense, we should demand the maximum return upon those dollars.

WHY A DEFENSE?

Therefore, my first question is: Why must we maintain an adequate national defense?

To all of us the reason is obvious. It is because of our foreign policy. We have undertaken to stop the spread of totalitarian systems with money, material means and military aid short of war. We are transfusing empires and supporting unstable governments in an effort to build a bulwark against the expansion of totalitarianism. Today the situation is extremely critical. No realist can deny that we might blunder into war any day, and any war will of necessity be a threat to our security.

FIGHT WHOM?

My second question is just whom are we going to fight? Just who is a formidable potential enemy? It would seem that a clear concept of this should be had before placing so large a share of the national budget in the maintenance and enlargement of our national-defense program.

Army Secretary Royall in his order yesterday forbade military personnel even to comment on this question, and apparently has placed the burden on us in civilian life to thresh out and answer the question: Just whom are we going to fight?

In the absence of a specific threat, we must necessarily turn to a broader concept of a national defense program, adaptable in time of conflict.

Two very important reports regarding our future air plans, both civilian and military, have been made within the last 6 weeks.

The first report was prepared by the President's Committee on Aviation Policy and the second was by our own Congressional Committee on Aviation Policy, of which my colleague, the Honorable CARL HINSHAW, is vice chairman.

MODERN WAR

This latter was released March 1 and, on page 10 of this report, I call your attention to section 2, which states:

The primary military objective of modern warfare is no longer the armed forces of the enemy. The primary objective is the war potential or, in other words, the industrial organization and the resources of the enemy.

Then follows a detailed discussion of this matter of strategy.

I know that we are in complete agreement with this finding. Nevertheless, the military preparedness program now before us does not show a unified cognizance of this needed stress on a preparedness pattern that would carry out the quoted objectives.

Meanwhile what is our other hand doing about peace and the prevention of war?

It so happens that I personally sit on the Appropriations subcommittee that passes on the budget of our Department of State. In that budget alone we appropriate much money for national security preparedness of a different nature. The high hope and only justification for the so-called Voice of America is that it will make nations which speak different languages and have different alphabets, different religions, different economics better able to understand each other so that in understanding each other better, peace may be possible.

HOW CREATE GOOD WILL

I am not yet ready to declare this program an outright failure. In that budget we also appropriate for UNESCO, which through the better understanding among the educational and cultural groups of the many nations may promote a better feeling. I am not ready to declare that a failure. Nor am I ready yet to write failure across the face of the proud hopes we once had as we discussed the formation and objectives of the United Nations. And so, there is admittedly some conflict in our present po-

sition—a conflict which can only be resolved by a foreign policy which will get results with any potential enemy. Certainly we cannot be too optimistic over the inability of the United Nations to bring tranquillity in Palestine, Pakistan, and the Falkland Islands. But we must not give up making every possible effort in this direction.

But realism must insist that we return to the matter of strategy to be used in our own defense against an enemy, since today we appear to be drifting closer to war than to an effective peace.

WHO ARE THE PATTERN MAKERS?

My next question is: Who is responsible for our over-all national defense pattern?

This is provided for under the National Security Act.

Our present preparedness proposals as well as our current military establishment are set up and dominated by the Joint Chiefs of Staff. This staff is composed of two admirals, one ground general and one air general. There is little evidence at present to support the assumption that this staff has fully accepted the principle that is advanced in the air policy report.

This staff appears not able to agree on the principle of air supremacy because once it is accepted the Army and the Navy would be automatically relegated to supporting roles for the Air Force, important though those supporting roles would be. The element of historical and traditional drag must be recognized as a factor here.

What is increasingly accepted as the logical pattern is unacceptable to the Joint Chiefs of Staff as now constituted. They are psychologically incapable of supporting it. In this sense it may be said that the so-called program adopted last year has failed to give us a unified national defense program. Many men in Congress feel that it should and that a unified national-defense program should at this time be in effect. It is this fact which makes the work of us who are directly responsible to the American people so difficult at this time.

This morning's papers report that the Secretary of National Defense is working on the matter. It is high time.

THE DEFENSE BUDGET

Does the present national defense pattern as expressed in the budget request now before Congress take the newly designated role of the Air Force fully into consideration? All budgets are confusing, they include transfers, outside functions and duplications but on page nine of the air policy report, House Document 949, there appears a clarified listing of the items in the present budget. The Congressional Aviation Political Board sent their own accountants into the national defense budgets to get a clear picture.

And so in the budget presently before the Congress we find approximately: for the Army, $3,120,000,000, not including civil functions; for the Navy, $4,800,000,000; for the Air Force, $3,500,000,000.

Let us now explore the Joint Chiefs of Staff's budget proposals in the light of probabilities:

First. The Joint Chiefs of Staff proposed $3,120,000,000 for the Army—mostly for the ground forces.

In the light of the reasons already expressed, this would appear to be reasonable.

CAN IT BE CUT?

Second. The Joint Chiefs of Staff, according to House Document 949, in the budget propose four billion eight hundred million for the Navy.

And yet our present naval position compared to any other country's naval strength is totally favorable already. Our fleet can control the sea and perform in an admirable manner the mission assigned to it by the President's Executive order of July 1947. The only formidable opposition to our Navy at this time is in the hands of a friendly ally.

It appears clearer now that if war comes, we can be conclusively effective only with the quick mobility and striking force of air power. The task would be first to secure bases within range of the industrial heart of the enemy.

This is where unification, real unification, comes in. The bases must be so selected that water or desert or mountains preclude a general engagement with the enemy. From these bases air power must be unleashed, first to destroy the enemy's air force and then to destroy her means to wage war, that is, industrial plants, communications, and the shelter of her people.

To win such a war we must have an air force, in being, superior in combat characteristics and sufficiently strong in numbers to destroy the enemy's air force quickly. This Air Force would have to be in two great parts—the overseas offensive striking force and a defensive force to defend the continental limits of the United States, our air bases, and our lines of communication.

NEW APPRAISAL

If the above concept is accepted, Air Force becomes our principal arm and the Ground Force and fleet become supporting arms to the Air Force. Consequently, great masses of troops for ground combat against the opposition are unnecessary.

The type of men required to implement the air concept must necessarily come generally from our universities and high schools. This concept makes real sense out of the action of the Congress last Tuesday, when we passed the reserve bill. The air concept requires a peacetime air force, in being, and superior to that of any potential enemy. It requires sufficient ground forces in the regular establishment to seize by airborne operations the necessary overseas bases immediately following initial hostilities. The fleet is already large enough and in being.

Tuesday the House passed a retirement bill which should serve to keep more continuity in the personnel of our armed services, particularly those in the Army.

THE AIR ARM

It is asserted by certain top-flight leaders and students of the air concept that the budget for Air Force during the fiscal year 1949 should be $5,000,000,000, and for succeeding years seven and one-half billion, in order for us to retrieve American air supremacy.

Whether these figures can be fully justified remains to be seen. Doubtless the hearings on the appropriations for the present budget will be enlightening. In any event, in view of our foreign policy and the present critical situation throughout the world, it would appear essential for our national security that adequate sums be made available.

The minimum of six divisions ready to move by air lift on a moment's notice is said to be essential. A determination should be studied and weighed as to whether or not these divisions can be made ready without increasing the present authorized strength of the ground forces. It will mean employment of more civilian personnel in the United States and the release of soldiers from military government, police duty, and administrative assignments from among troops on occupational duty. These shifts in assignment of military personnel in order to ready six combat divisions is obviously a matter of administration and its feasibility should be determined.

An enormous saving can be made in the Navy budget if the duplication of roles and missions is eliminated. We are told that the Navy is moving rapidly into the roles and missions assigned to Air Forces. It appears to be here that unification needs clarification. If this is true it should not be permitted. I am most reliably advised that $2,000,000,000 could be saved if strict compliance with the President's Executive order of July 1947 is required. The question is also raised as to the strategic advisability of building 80,000-ton flat-tops at enormous cost. Research, yes, against the danger of inadequacy or obsolescence at some future date in time of battle—but new construction now seems extravagant.

There should be improvement, modernization, and expansion of ROTC both in high school and college. Reserve units should be organized at once and Reserves should be paid as Congress provided this week. The present National Guard program is sound and should be completed without delay.

Any modification such as was acted upon by the House with respect to Reserve units that might adversely affect the status, the great record, and potentialities of the National Guard should be watched closely and corrected immediately.

Is it necessary to exceed at this time the President's budget in order to achieve an adequate and correct national defense pattern?

It is my contention we should explore every possibility to keep our peacetime—or at least armistic period—expenditures within a balanced budget. We can hope, can we not, to lower them? Certainly they are high enough now, and any program that will boost them still higher should be considered in all seriousness by this Congress of the people of the United States.

It is said the total in the President's 1949 defense budget need not be exceeded to implement the air concept of

national defense. A proper apportionment among the forces has been estimated as five billion for the Air Force, three billion for the ground, and two billion for the Navy. Whether these figures are correct is for those who are considering these budgets to determine. For future years sufficient funds should be allocated to the ground force and fleet in order to enable them to perform the roles and missions assigned in the President's Executive order of July 1947.

Therefore, in the light of developments of very recent times, the feeling grows here among legislators, military realists, and others that the budget should not be Army three and twelve one-hundredths billions; Navy, four and eight-tenths billions; and Air Force, three and five-tenths billions, but should rather read Air Force, five billions; ground forces, three billions; Navy, two billions.

The feeling also grows among qualified military observers that the list of priorities should be:

First. The strongest Air Force in the world.

Second. An improved intelligence service.

The one we have has in some ways been a publicity department rather than a strictly intelligence service.

Third. The best scientists in the world.

In this connection our Nation cannot safely permit any Nation to surpass us in scientific knowledge.

Fourth. A navy supreme on the ocean.

We must bear in mind that our only potential naval enemy at present is England. And we surely expect no trouble from her.

Fifth. Adequate foreign garrisons which, of course, can only be serviced by professional soldiers who are suitable for foreign garrison duty.

Sixth. An expeditionary force of at least 100,000 men.

Many consider the lack of such a force now as perhaps the weakest aspect of our present defense organization.

Seventh. The staffs, service schools, supply depots, training cadres, and mobilization machinery necessary to conduct the induction, organization, equipment, and training of a mass army of the World War II type if and when the need for it actually does arise.

Naturally mobilization should begin the minute hostilities break out or foreign relations break down and in this connection I call your attention to the recent announcement of General Hershey. Why General Hershey has ordered reconstruction of the draft machinery at this time is a question which should be answered fully to the American people.

One may rearrange these points in the priority order desired but most realists feel that the so-called universal-military-training program would add but little strength to any of the above seven priorities for a national-defense pattern. In some ways, it is asserted, it would weaken it.

It merely adds a pool of millions of partly trained reservists and it would subtract from the first-line forces at least 150,000 trained soldiers. Many also feel that such a universal-training program would require the absence of needed employables from our farms and industries which in total war are a large element of our national defense system. It is at least clear that any defense program needs to be geared to today's probabilities. Note is made that we possess already millions of fully trained reservists—the veterans of World War II, and the point is made that there will still be 4,000,000 of these of suitable combat age in 1953.

Advices from the Pentagon indicate that as of January 1, 1948, the strength of our present armed forces by branches was: Army, 560,000; Navy, 394,000; Air Force, 338,000; for a total of 1,292,000.

We are told the Army strength is at present declining slowly due to failure to secure by voluntary recruiting sufficient replacements. The Navy, we are told, is holding its own while the Air Force is increasing its strength gradually.

There is, to my knowledge, no nation which in the past or present has maintained an armed force of this size by voluntary recruiting alone, and this makes the present American experience all the more noteworthy. It is asserted in 1938 the German armed forces with conscription amounted only to 950,000. Perhaps China has raised a larger volunteer army than our present one, but that is a difficult fact to determine.

Military realists' advance calculation of the facts involved indicates that the sort of strong national defense to supply the required manpower would be as follows—up to 1952 only—Army, 660,000; Navy, 225,000; Air Force, 500,000; total, 1,385,000.

This would, of course, amount to 93,000 more men than these same defense establishments contain at present.

Such a plan, it will be noted, cuts the personnel of the Navy by 168,000 men. This is done because the present Naval Establishment is larger than necessary at the present time. In 1939 it numbered, including Marines, roughly 135,000 men. At that time we faced one potential opponent—Japan—which possessed a very large navy, and two potential opponents—Italy and Germany—which possessed navies of moderate size.

As stated before, the only threat which faces us on the seas is that from submarines and aircraft. It is asserted these specific threats can be countered by our Navy with far fewer ships and personnel than are now asked for. The direct naval threat to Britain is certainly far greater than it is to America. Yet, during the last year Britain reduced the personnel strength of her Navy to approximately 150,000 men.

If the new Defense Department has any justification for existence at all, it would appear to be that of viewing national defense as a whole and apportioning our available manpower to meet the ever-changing needs of warfare.

Certainly transfers between branches could be made, in grade, and without loss of pay or efficiency. In particular, the transfers from the naval air arm to the Air Force ought to be able to be made without undue difficulty or loss of efficiency to either service.

No one disagrees that we should have a proper modern and adequate defense pattern.

That the Congress believes this should be is made manifest in many bills which have passed this body—particularly the National Security Act.

We have a right, nay, we have a duty to see that expenditures under this act reflect the highest amount of return and efficiency.

I furthermore believe that we have a duty to make sure that we do not weaken our economic and social structure through unwise and exorbitant expenditure of funds and thereby by indirection render to our Nation a fatal disservice.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House (at 4 o'clock and 29 minutes p. m.), pursuant to its previous order, adjourned until Monday, March 15, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1381. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $29,578 for the District of Columbia (H. Doc. No. 564); to the Committee on Appropriations and ordered to be printed.

1382. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $55,000,000 for additional aid under the Foreign Aid Act of 1947 (H. Doc. No. 565); to the Committee on Appropriations and ordered to be printed.

1383. A letter from the Chairman, Railroad Retirement Board, transmitting a copy of the report of the Railroad Retirement Board for the fiscal year ended June 30, 1947; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. Senate Joint Resolution 172. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1948; without amendment (Rept. No. 1556). Referred to the House Calendar.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. House Joint Resolution 338. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1948, inclusive; without amendment (Rept. No. 1557). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 703. A bill for the relief of Leon Nikolaivich Volkov; with an amendment (Rept. No. 1552). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2760. A bill for the relief of Thomas Camarda; with an amendment (Rept. No. 1553). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4372. A bill for the relief of Samuel Fadem; with an amendment (Rept. No. 1554). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4631. A bill for the relief of Antonio Villani; with an amendment (Rept. No. 1555). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 1734. A bill for the relief of Gabel Construction Co.; with an amendment (Rept. No. 1558). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. DOLLIVER:

H. R. 5813. A bill to provide a deduction, for estate-tax purposes, of the value of estate-tax bonds purchased for the purpose of paying Federal estate taxes; to the Committee on Ways and Means.

By Mr. GRANGER:

H. R. 5814. A bill to provide for the establishment and operation of an experiment station in the State of Utah for research on the production, refining, transportation, and use of petroleum and natural gas from coal; to the Committee on Public Lands.

By Mr. KELLEY:

H. R. 5815. A bill to aid in the development of improved prosthetic appliances, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LEMKE:

H. R. 5816. A bill to amend the act of April 25, 1947, relating to the establishment of the Theodore Roosevelt National Memorial Park, and for other purposes; to the Committee on Public Lands.

By Mr. MILLER of Nebraska:

H. R. 5817. A bill to provide that the two bridges under construction across the Potomac River at Fourteenth Street in the District of Columbia shall be named in honor of Fleet Adm. Chester W. Nimitz and General of the Army Douglas MacArthur; to the Committee on the District of Columbia.

By Mr. PLOESER:

H. R. 5818. A bill to allow to corporations an exemption of $25,000 for income-tax purposes, and to provide that the combined normal tax and surtax rate of 38 percent shall be applicable to corporations having taxable incomes of less than $50,000; to the Committee on Ways and Means.

By Mr. POULSON:

H. R. 5819. A bill to make inapplicable to future actions and proceedings section 200 (1) and (2) of the Soldiers' and Sailors' Civil Relief Act of 1940, relating to default judgments; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5820. A bill to aid in the development of improved prosthetic appliances, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. SMITH of Maine:

H. R. 5821. A bill to establish the Passamaquoddy power project for the development and use of tidal energy in the waters of Passamaquoddy Bay for the production of electrical power; to the Committee on Public Works.

By Mr. TAYLOR:

H. R. 5822. A bill to establish the Saratoga National Historical Park in the State of New York from the lands that have been acquired by the Federal Government for that purpose pursuant to the act of June 1, 1938 (52 Stat. 608), and for other purposes; to the Committee on Public Lands.

By Mrs. DOUGLAS:

H. R. 5823. A bill to continue rent control until June 30, 1950, and for other purposes; to the Committee on Banking and Currency.

By Mr. JONES of Washington:

H. R. 5824. A bill to provide for the conveyance of a certain housing project in Bremerton, Wash., to the Housing Authority of the City of Bremerton; to the Committee on Public Works.

By Mrs. LUSK:

H. R. 5825. A bill to provide increases of compensation for certain veterans of World War I and World War II with service-connected disabilities who have dependents; to the Committee on Veterans' Affairs.

By Mr. STIGLER:

H. R. 5826. A bill to authorize the sale of Indian lands acquired under the act of June 18, 1934, and under the act of June 26, 1926; to the Committee on Public Lands.

By Mr. ALLEN of Louisiana:

H. R. 5827. A bill to authorize appropriations for carrying out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended; to the Committee on Agriculture.

By Mr. REED of Illinois:

H. R. 5828. A bill to amend paragraphs (c) and (d) of an act entitled "An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes," approved August 25, 1937; and to repeal paragraphs (a) and (b) thereof and all acts or parts of acts inconsistent therewith; to the Committee on the Judiciary.

H. R. 5829. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. LANE:

H. J. Res. 349. Joint resolution to grant free postage to members of the armed forces while confined for treatment in a military or naval hospital, and to veterans while being furnished hospital treatment or institutional care in institutions operated by or under contract with the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. SABATH:

H. Con. Res. 156. Concurrent resolution relative to reform in procedure before congressional committees; to the Committee on Rules.

By Mr. KERSTEN of Wisconsin:

H. Con. Res. 157. Concurrent resolution expressing the sense of the Congress with respect to the adoption of a foreign policy to protect the security of the United States by assisting free governments to resist aggression; to the Committee on Foreign Affairs.

By Mr. NIXON:

H. Con. Res. 158. Concurrent resolution expressing the sense of the Congress with respect to the adoption of a foreign policy to protect the security of the United States by assisting free governments to resist aggression; to the Committee on Foreign Affairs.

By Mr. BLOOM:

H. Con. Res. 159. Concurrent resolution expressing the sense of the Congress with respect to the steps which should be taken by the President to help the people of Italy to conduct their elections free from threats and to preserve the freedom and independence of Italy; to the Committee on Foreign Affairs.

By Mr. CANNON:

H. Res. 500. Resolution authorizing the Committee on Appropriations to investigate and examine into and determine the fitness of certain Government personnel to continue in their employment; to the Committee on Rules.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Virgin Islands, memorializing the President and the Congress of the United States not to amend the Constitution of the Virgin Islands without first giving the people a chance to be heard; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKEWELL:

H. R. 5830. A bill for the relief of Mrs. Johanna Rainey; to the Committee on the Judiciary.

By Mr. DOMENGEAUX:

H. R. 5831. A bill for the relief of Eula Mae Blanco Doucet; to the Committee on the Judiciary.

By Mrs. LUSK:

H. R. 5832. A bill for the relief of Mrs. Ida McCabe; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1528. By Mr. JENKINS of Ohio: Petition of J. Grover Matney and a number of other residents of Lawrence County, Ohio, and vicinity, opposing legislation to repeal the oleomargarine tax; to the Committee on Agriculture.

1529. By Mr. KEARNEY: Petition sponsored by the Paralyzed Veterans' Associations of America, containing the signatures of 3,517 individuals from New York and neighboring States, calling for the provision of adequate housing for paraplegic veterans; to the Committee on Banking and Currency.

1530. By Mr. McGARVEY: Petition presented by the Sisterhood Beth-Am Israel, Philadelphia, Pa., urging the immediate adoption of H. R. 2910, in order that a fair share of Europe's displaced persons might be admitted to the United States; to the Committee on the Judiciary.

1531. Also, petition presented by Helene Boimard, Bridget Lansey, and Margaret Lansey, requesting that all domestic workers receive the benefits provided by the Social Security Act; to the Committee on Ways and Means.

1532. By the SPEAKER: Petition of Marion B. Werner and others, petitioning consideration of their resolution with reference to immediate action on the Marshall plan; to the Committee on Foreign Affairs.

1533. Also, petition of C. H. Knight and others, petitioning consideration of their resolution with reference to early passage of H. R. 5000; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, MARCH 12, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, when we long for life without trials and work without difficulties, remind us that oaks grow strong in contrary winds and diamonds are made under pressure. With stout hearts may we see in every calamity an opportunity, and not give way to the pessimism that sees in every opportunity a calamity.

Knowing that Thou art still upon the throne, let us get on with the job on hand, doing the best we can and leaving the rest to Thee. Help us to show ourselves to be good workmen who need not to be ashamed, rightly dividing the word of truth.

This we ask in Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 11, 1948, was dispensed with, and the Journal was approved

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 11, 1948, the President had approved and signed the following acts:

S. 641. An act for the relief of Mrs. Roberta Flake Clayton;

S. 922. An act for the relief of Ruth Grossman;

S. 1031. An act for the relief of Antonio Zamora; Mrs. Antonio Zamora; Antonio Zamora, Jr.; Mrs. Juan Chavez; John Chavez, Jr.; Roland Chavez; Selso Trujillo; Dr. M. G. Wright; and the heirs of Keith Lane;

S. 1528. An act to authorize the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury to accept and use gifts, devises, and bequests for schools, hospitals, libraries, cemeteries, and other institutions under the jurisdiction of the Department of the Army, the Department of the Navy, the Department of the Air Force, and of the Department of the Treasury, respectively, and for other purposes;

S. 1698. An act to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes; and

S. 1716. An act for the relief of Mrs. Iola Veach.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 155) to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes, in which it requested the concurrence of the Senate.

DEATH OF JAN MASARYK

Mr. LUCAS. Mr. President, Jan Masaryk, Foreign Minister of the Czechoslovak Government, is dead. Liberty-loving people throughout the world mourn his passing. They realize the great work he and his distinguished father, Tomas J. Masaryk, did in bringing to the Czechoslovak people a republic in which the torch of liberty burned brightly for many years. After returning from the 1947 United Nations Assembly meeting in New York, Masaryk said, "I am glad to be back with my little people." But, Mr. President, he returned during a communistic political crisis. He saw little of those little people he loved.

Czechoslovakia has lost a great champion of freedom and liberty, but his death, under somewhat peculiar circumstances, will cause the millions of people of Czechoslovakia and other people under the yoke of the Kremlin who love liberty better than they love their life to continue the fight with the full realization that they are right, and that some day they shall return to power.

America, too, has lost a friend. No one outside of this country was more devoted to the principles and ideals of the American democracy than Jan Masaryk.

Mr. VANDENBERG. Mr. President, I cannot let pass in silence the richly justified tribute to Jan Masaryk which has just been delivered by the able senior Senator from Illinois [Mr. LUCAS]. I simply wish to say that Jan Masaryk was my very dear and intimate friend. He was the great son of a historically great father. He died a martyr to the cause of liberty, to which he was a devoted servant.

I hope and pray he may not have died in vain.

JAMES LUKENS McCONAUGHY, LATE GOVERNOR OF CONNECTICUT

Mr. BALDWIN. Mr. President, I desire at this time to pay a brief tribute to a great public servant and a close personal friend.

On Sunday, March 7, 1948, James Lukens McConaughy, Governor of Connecticut, passed into the Great Beyond. He left behind him a name that will be long remembered for nobility of character, warmness of heart, and high achievement. A graduate of Yale University in the class of 1909, he served as a teacher at Bowdoin and Dartmouth Colleges until he was called to be president of Knox College in Illinois, the youngest college president at that time in the country. There he worked as an educator with such marked ability that his name and accomplishments received wide attention. In 1925 he accepted a call to assume the office of president of Wesleyan University in Middletown, Conn. There he labored for nearly 18 years, gathering about him and inspiring one of the best college faculties in the land. He added to the physical equipment of the college, increasing its endowments, and directing all with extraordinary administrative ability. He was frequently called upon to address college faculties, student meetings, and learned societies throughout the country. Many honors came to him, but they never turned his head or affected his human genuineness. He was a very happy combination of scholar and businessman.

Governor McConaughy early identified himself with the community in which he lived. He was able to lay aside his duties as a college president and teacher and mingle with all sorts of people on their respective terms. His was an understanding heart and a very sympathetic one.

While in Connecticut Governor McConaughy was active in civic affairs. He was a sound and constructive thinker and an able and forceful speaker. He possessed great qualities of leadership. In 1938 he was nominated and elected as Lieutenant Governor of Connecticut, and during the following regular session of the General Assembly he presided over the State Senate with such dignity, good judgment, and good humor that he greatly increased his already wide circle of friends in the State and brought new dignity to that important office. After one term as Lieutenant Governor he returned to Wesleyan but shortly took up the task of directing relief for China.

When war came he was called to serve as Civilian Deputy General to William J. Donovan, head of the Office of Strategic Services. In that position Governor McConaughy flew more than 100,000 miles to all parts of this country and the world, organizing and setting up plans for the instruction of agents. Shortly after the war's end, by appointment of the Secretary of the Navy, James Forrestal, he became chairman of the Civilian Advisory Committee to the Navy Department and worked on educational programs for the Navy. During the war years he worked courageously and tirelessly and undertook many hazardous missions which shortened his days, though he would never admit it. He threw his whole spirit and energy into the war effort.

He was elected Governor of Connecticut in the fall of 1946 by an unprecedented majority. While in that office he showed the same fidelity to public service, the same unusual administrative ability, and sense of high purpose that he had shown throughout his life in everything he did. In familiar Connecticut Yankee colloquialism, he "wore well," and the more people came to know him, the more they came to admire, respect, and love him. On the college campus, on the streets of the town where he lived, and in public life, he was affectionately called "Jim." The State of Connecticut and the Nation have lost a truly great American.

Mr. McMAHON. Mr. President, my colleague has paid a most eloquent tribute to a great citizen of our State. The late Governor McConaughy had a deservedly high reputation as an educator and as a public servant. He enjoyed the deep and abiding respect not only of those of his own political party who agreed with him in his political views and philosophy, but also of those of our citizens who adhere to the party of the opposition.

I knew Governor McConaughy in his official capacity. He was kindly; he was considerate. I know that I echo the sentiments of my colleagues when I say that his death has caused great regret among the citizens of our State.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

RATIFICATION OF PROPOSED AMENDMENT TO CONSTITUTION RELATING TO TERM OF OFFICE OF PRESIDENT

The PRESIDENT pro tempore laid before the Senate a certified copy of a concurrent resolution of the Legislature of the State of Mississippi ratifying the proposed amendment to the Constitution of the United States relating to the term of the office of the President, which was ordered to lie on the table.

REPORT OF RAILROAD RETIREMENT BOARD

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith, for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1947.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 12, 1948.*

DISPOSITION OF EXECUTIVE PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a letter from Rev. Walter W. Van Kirk, secretary, the Federal Council of the Churches of Christ in America, New York City, N. Y., transmitting a petition signed by 700 leaders of the Protestant churches in the United States praying for the enactment of the so-called European recovery program, which was ordered to lie on the table.

PROTEST AGAINST CHANGE IN OLEOMARGARINE REGULATIONS

Mr. CAPPER. Mr. President, I have received a telegram from the Ark Valley Cooperative Dairy Association, of Hutchinson, Kans., expressing their opposition to any change in the present oleomargarine regulations. I ask unanimous consent to present the telegram for appropriate reference and request that it be printed in the RECORD.

There being no objection, the telegram was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

HUTCHINSON, KANS., *March 9, 1948.*

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

On behalf of over 1,700 Kansas farm families which comprise the membership of our dairy association we urge you to give your full support in opposing any change in the present margarine regulations. These farm families depend on the income from the sale of dairy products for a large portion of their livelihood.

ARK VALLEY COOPERATIVE DAIRY ASSOCIATION.

PROHIBITION AGAINST LIQUOR ADVERTISING

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a fine article written by Frank E. Gannett on the subject of liquor advertising. The article appeared in the March issue of the National Temperance Digest. Mr. Gannett is the publisher of more than 20 papers and has, for many years, refused liquor advertising.

There being no objection, the article was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Believing that the use of alcoholic beverages is harmful both to the individual and to society, I cannot consistently accept beer and liquor advertising in the newspapers that I control. Naturally, as a newspaper publisher, I believe in the power of advertising. It is probably the most potent force today in selling goods and services. The purpose of all advertising is to increase sales of the product advertised, but I believe the present type of flamboyant advertising of liquor is stupid and antisocial. If the liquor interests were wise, they would be less aggressive in their promotional methods.

Figures for last year show that the consumption of alcoholic beverages hit an all-time high of well over $8,000,000,000. I have no doubt that this great increase in the consumption of intoxicating liquor is largely the result of advertising. I believe there is a general, unfavorable reaction to this high-pressure method of promoting drinking and that more and more readers will demand newspapers free from this class of advertising. As the head of one of our large department stores told me, he would not want his place of business next to a cocktail lounge or saloon. "Nor," he said, "would I want my advertising in your papers to appear next to ads for liquor."

Personally, I don't want to have any part in the business of promoting the sale of alcoholic beverages. I don't want any part in the responsibility of increasing the consumption of such beverages.

In my opinion, a paper that goes into the home should be fit for the home, fit for reading by every member of the family. I doubt if any parent would want to see his children developing the drinking habit as might be in the case if ads in our daily papers kept pounding home messages that appeared to make drinking alluring, claiming that it would increase sophistication, popularity, or add enjoyment to social gatherings.

Although our policy of not accepting liquor advertising has been in effect for a long time, scarcely a day passes without our receiving from some reader commendation for the position we have taken. It is difficult to estimate accurately how much our advertising revenue could be increased should we accept liquor advertising, but it probably would be around a million dollars a year. However, no matter how large the sum might be, we will not change the policy of the Gannett newspapers, for it is my firm belief that no progress will ever be made against the liquor traffic until the advertising of liquor is prohibited everywhere.

REPORT OF COMMITTEE ON APPROPRIATIONS

Mr. REED, from the Committee on Appropriations, to which was referred the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, reported it with amendments, and submitted a report (No. 984) thereon.

REPORT ON ORGANIZATION OF FEDERAL DEPARTMENTS AND AGENCIES (REPT. NO. 983)

Mr. AIKEN, from the Committee on Expenditures in the Executive Departments, submitted its third organization report relating to organization of Federal executive departments and agencies, which was ordered to be printed.

TRANSFER OF REMOUNT SERVICE FROM WAR DEPARTMENT TO DEPARTMENT OF AGRICULTURE—AMENDMENTS

Mr. MORSE. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report certain amendments to the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture, heretofore reported from that committee without amendment, and now on the Senate Calendar. I request that the bill be reprinted showing the reported amendments.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REORGANIZATION PLAN NO. 1 OF 1948—MINORITY VIEWS (PT. 2 OF REPT. NO. 967)

Mr. JENNER submitted minority views on behalf of himself, Mr. IVES, and Mr. TAFT, as members of the Committee on Labor and Public Welfare, on the concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948, heretofore reported from the Committee on Labor and Public Welfare, which were ordered to be printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERTON:

S. 2296. A bill to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out

the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes," approved June 3, 1924, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CAIN:

S. 2297. A bill to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the Federal Government, to amend the Public Buildings Act of 1926, to provide certain additional authority needed in connection with the operation of Federal public buildings, and for other purposes; to the Committee on Public Works.

By Mr. LANGER:

S. 2298. A bill to abolish the village delivery service of the Post Office Department; to transfer village carriers to the city delivery service; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BREWSTER:

S. 2299. A bill for the relief of Ella L. Browning; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2300. A bill to increase all benefits under the Railroad Retirement Act, as amended; to the Committee on Labor and Public Welfare.

S. 2301. A bill to amend the Social Security Act to authorize public assistance grants for medical services and for persons in certain public institutions, and for other purposes; to the Committee on Finance.

By Mr. O'MAHONEY:

S. 2302. A bill to authorize completion of construction and development of the Eden project, Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. STEWART:

S. 2303. A bill for the relief of Mickey Baine; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 2304. A bill for the relief of Walter Paterson, doing business as the Paterson Steel & Forge Co.; to the Committee on the Judiciary.

By Mr. MORSE:

S. J. Res. 196. Joint resolution to provide for a suitable and adequate system of timber access roads to and in the forests of the United States; to the Committee on Agriculture and Forestry.

SOUTHERN STATES COMPACT ON REGIONAL EDUCATION—WITHDRAWAL OF NAME OF SPONSOR

Mr. COOPER. Mr. President, on February 25 Senate Joint Resolution 191, giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948, was introduced by a number of Senators, including myself. Today hearings were started on the joint resolution by a subcommittee of the Committee on the Judiciary, and for reasons which I expressed before the subcommittee, I now ask that my name be withdrawn as one of the sponsors of Senate Joint Resolution 191.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TITLES TO LANDS AND RESOURCES BENEATH NAVIGABLE WATERS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 1988) to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources, which was referred to the Committee on the Judiciary and ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. REED submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, the following amendment, namely: On page — after line — insert a new paragraph as follows:

"Valuation of pipe lines: For deposit in the Treasury of the United States to the credit of a working capital fund to be designated as the pipe-line valuation fund, all deposits in which shall be available for obligation and disbursement until expended, without fiscal-year limitation, for all expenses necessary to carry out, with respect to pipe-line companies, the provisions of section 19a of the Interstate Commerce Act, as amended, for the valuation of all property owned or used by common carriers and extensions, improvements, retirements, or other changes made in the condition, quantity, use, and classification of such property, $60,000: *Provided*, That such provisions shall not be carried out with respect to any such pipe-line company unless it shall agree to pay to the Interstate Commerce Commission, for deposit in the pipe-line valuation fund, such sum as the Commission shall determine to be necessary to provide full reimbursement for the expenses of carrying out such provisions."

Mr. REED also submitted an amendment intended to be proposed by him to House bill 5214, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. REED submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, the following amendment, namely: On page 22, line 5, after the figures "$875,000", insert ": *Provided*, That no part of this appropriation shall become available unless and until title to the land upon which said institute is to be constructed shall have been conveyed to the United States: *Provided further*, That, notwithstanding the provision of any other law, all buildings and equipment constructed or acquired with funds herein appropriated or under authority to contract shall, upon the establishment of the institute, be the property of the United States."

Mr. REED also submitted an amendment intended to be proposed by him to House bill 5214, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

HOUSE BILL REFERRED

The bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 155) to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes, was referred to the Committee on Banking and Currency.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CAIN in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Ernest Gruening, of New York, to be Governor of the Territory of Alaska, which was referred to the Committee on Interior and Insular Affairs.

CONSULAR CONVENTION BETWEEN UNITED STATES AND REPUBLIC OF COSTA RICA—REMOVAL OF INJUNCTION OF SECRECY

As in executive session,

The PRESIDING OFFICER. The Chair lays before the Senate Executive D, Eightieth Congress, second session, a consular convention between the United States of America and the Republic of Costa Rica, signed at San José on January 12, 1948.

Mr. VANDENBERG. Mr. President, I move that the injunction of secrecy be removed from the convention and that it be referred to the Committee on Foreign Relations and printed in the RECORD.

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan.

The motion was agreed to.

The consular convention is as follows:

EXECUTIVE D, EIGHTIETH CONGRESS, SECOND SESSION

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a consular convention between the United States of America and the Republic of Costa Rica, signed at San José on January 12, 1948.

I transmit also, for the information of the Senate, the report which the Secretary of State has addressed to me in regard to the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 12, 1948.*

(Enclosures: (1) Report of the Secretary of State; (2) consular convention with Costa Rica, signed at San José January 12, 1948.)

DEPARTMENT OF STATE,
Washington, March 11, 1948.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve

thereof, a consular convention between the United States of America and the Republic of Costa Rica, signed at San José on January 12, 1948.

The convention establishes the rights, privileges, immunities, and exemptions of consular officers of the United States in Costa Rica and of Costa Rican consular officers in the United States.

The only treaty provisions in force at the present time between the United States and Costa Rica relating to consular officers are those contained in article X of the treaty of friendship, commerce, and navigation signed July 10, 1851 (Treaty Series 62; 10 Stat. 916; 18 Stat., pt. 2 (Public Treaties), 159).

The consular convention signed on January 12, 1948, contains provisions, comprehensive in scope, similar in substance to provisions in consular conventions or to consular provisions in treaties of friendship, commerce, and consular rights in force between the United States and many foreign countries. The most recent consular convention of the United States to enter into force is that with the Republic of the Philippines, signed at Manila on March 14, 1947 (Senate Executive Q, 80th Cong., 1st sess.).

The provisions of the consular convention with Costa Rica, as compared with corresponding provisions in existing consular conventions of the United States, reflect the results of studies which have been made during the past few years by the Department of State, with the collaboration of other interested departments and agencies of this Government, with a view to reframing certain of the consular provisions in the light of more recent experience. Many of the provisions, while not differing in purpose from corresponding provisions in other treaties or conventions of the United States, are reworded so as to make the intent clearer and to eliminate the possibility of questions of interpretation of the kind which sometimes arise in connection with the application of consular provisions. For example, paragraph 4 of article III contains provisions, substantially similar to those in force between the United States and a number of other countries, relating to the exemption of consular officers or employees from taxation, upon certain conditions and with certain exceptions. In paragraph 5 (a) it is provided that the provisions of paragraph 4 "shall apply only to taxes in respect of which the consular officer or employee would in the absence of the exemption provided by this article be the person legally liable and shall not apply to taxes in respect of which some other person is legally liable, notwithstanding that the burden of the tax may be passed on to the consular officer or employee." This is intended to express what has been the intent of corresponding tax-exemption provisions in other consular conventions, namely, that the exemption applies only with respect to taxes the legal incidence of which falls upon the consular officer or employee and not, for example, to excise taxes paid by a manufacturer, the burden of the tax being passed on, in whole or in part, to the buyer in the retail purchase price.

Among the principal exemptions to be accorded under the convention, aside from those in regard to taxation, are those provided in article IV with respect to duties on the importation of baggage and other personal property.

The convention contains a preamble and 14 articles. The provisions may be classified broadly as follows:

Article I relates to the recognition of consular officers and in general the performance of official functions by them, with provisions in paragraph 7 relating to the exercise of dual consular and diplomatic functions.

Article II relates to exemption from arrest or prosecution for certain purposes, amenability to the jurisdiction of courts, the giving of testimony, exemption from military, naval, jury, administrative or police service, and exemption of consular buildings, premises, and other property from military billeting or requisition, expropriation, condemnation, confiscation, or seizure.

Articles III and IV relate, respectively, to exemptions in regard to taxation and to duties or taxes imposed upon or by reason of importation.

Article V relates to the rights of each of the governments with respect to the acquisition and use of lands, buildings, and other property for consular purposes.

Article VI relates to the use of the coat of arms or national device and to the inviolability of the quarters and archives of consular offices.

Articles VII and VIII relate, respectively, to the rights of consular officers to act for the protection of their countrymen and to the notarial functions of consular officers.

Article IX relates to the competency and authority of consular officers in connection with the administration and distribution of estates.

Articles X, XI, and XII relate, respectively, to consular functions in regard to the internal order of merchant vessels of their country, the right of consular officers to inspect merchant vessels for purposes required under the laws of their country, and consular functions in connection with the salvage of vessels.

Article XIII defines the terms "national" and "person" for the purposes of the convention.

Article XIV defines the territories to which the convention applies and places certain limitations, deemed essential by Costa Rica in its relations with certain contiguous or nearby countries, upon the application to United States consular officials and employees of certain provisions granting rights, privileges, exemptions, and immunities.

Article XV provides that the convention shall take effect the 30th day after the day of the exchange of ratifications, shall continue in force for 10 years, and shall continue in force after that period until 6 months from the date on which either government shall have given notice to the other government of an intention to terminate or modify the convention.

Respectfully submitted.

G. C. MARSHALL.

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF COSTA RICA

The President of the United States of America and the President of the Republic of Costa Rica, on the basis of that traditional friendship which has always joined the peoples of their respective countries, have agreed to conclude a Consular Convention for the purpose yet further to strengthen this happy relationship through the fostering and development of effective consular representation between the two countries, and, in the premises have appointed as their respective plenipotentiaries:

The President of the United States of America:

Mr. John Willard Carrigan, Chargé d'Affaires ad interim of the United States of America;

The President of the Republic of Costa Rica:

His Excellency Licenciado Alvaro Bonilla Lara, Secretary of State encharged with the Office of Foreign Relations

who, after having communicated to each other their full powers and having found them to be in good and due form, have agreed upon the following:

ARTICLE I

1. Each state agrees to receive from the other state consular representatives in those of its ports, places and cities where it may be convenient to establish consular offices and which are open to consular representatives of any foreign state. It shall be within the discretion of the sending state to determine whether the consular office to which such consular representatives shall be appointed or assigned, shall be a consulate general, consulate, vice consulate or consular agency. The sending state may prescribe the consular district to correspond to each consular office.

2. A consular officer of the sending state shall, after his official recognition and entrance upon his duties, enjoy in the territory of the receiving state, in addition to the rights, privileges, exemptions and immunities to which he is entitled by the terms of this convention, the rights, privileges, exemptions and immunities enjoyed by a consular officer of the same grade of the most-favored nation. As an official agent, such officer shall be entitled to the high consideration of all officials, national or local, with whom he has official intercourse in the receiving state.

3. Upon the appointment or assignment of a consular officer to a post within the territory of the receiving state, the sending state shall notify the receiving state in writing of such appointment or assignment. Such notification shall be accompanied with a request for the issuance to such officer of an exequatur or other formal authorization permitting the exercise of consular duties within the territory of the receiving state. Such request shall not be refused without good cause and the exequatur or authorization shall be issued free of charge and as promptly as possible. When necessary a provisional authorization may be issued pending the issuance of an exequatur or formal authorization.

4. The receiving state may revoke any exequatur, formal authorization or provisional authorization if the conduct of a consular officer gives serious cause for complaint. The reasons for such revocation shall be furnished to the sending state through diplomatic channels.

5. (a) The receiving state shall notify the appropriate local authorities of such state of the names of consular officers authorized to act within the receiving state.

(b) A consular officer in charge of a consular office shall keep the authorities of the receiving state informed of the names and addresses of the employees of the consular office. The receiving state shall designate the particular authority to whom such information is to be furnished.

6. Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, any other consular officer of the sending state to whom an exequatur, formal authorization or provisional authorization has been issued by the receiving state or any person on the staff of the consular office whose name shall previously have been made known to the authorities of the receiving state pursuant to paragraph 5 of this article, may temporarily exercise the consular duties of the deceased or incapacitated or absent consular officer, and while so acting shall enjoy all the rights, privileges, exemptions and immunities previously enjoyed by such consular officer.

7. A consular officer or diplomatic officer of the sending state, who is a national of that state, may have the rank also of a diplomatic officer or of a consular officer, as the case may be, on condition that permission for him to exercise such dual functions has been duly granted by the receiving state and appropriate recognition in a consular capacity has been granted. In any such case such person's rank as a diplomatic officer shall be understood as being superior to and independent of his rank as a consular officer. The exercise of consular duties by any diplomatic officer shall be without

prejudice to any additional personal privileges and immunities which might accrue to such officer by reason of his diplomatic status.

ARTICLE II

1. A consular officer who is a national of the sending state and not engaged in a private occupation for gain in the receiving state, shall be exempt from arrest or prosecution in the receiving state except when charged with the commission of a crime which, upon conviction, might subject the individual guilty thereof to a sentence of imprisonment for a period of 1 year or more.

2. A consular officer or employee shall in civil proceedings be subject to the jurisdiction of the courts of the receiving state except in respect of acts performed by him within the scope of his official duties. He shall not, however, be permitted to assert that an act was performed by him within the scope of his official duties in any case where a third party shall have been injured as the result of negligence, for which the officer or employee would be responsible under local law, or had reason to believe that the officer or employee was acting ir his personal capacity.

3. A consular officer or employee may be required to give testimony in either civil or criminal cases, except as to acts performed by him within the scope of his official duties, or as to any matter cognizable by him only by virtue of his official status, but the court requiring his testimony shall take all reasonable steps to avoid interference with the performance of his official duties. The court requiring the testimony of a consular officer shall, wherever possible or permissible, arrange for the taking of such testimony, orally or in writing, at his residence or office. A court may not require a consular officer or employee to give evidence as expert witness with regard to the laws of the sending state.

4. A consular officer or employee shall not be required to produce official archives in court or to testify as to their contents.

5. A consular officer or employee who is a national of the sending state and not a national of the receiving state and is not engaged in a private occupation for gain in the receiving state shall be exempt from military, naval, jury, administrative or police service of any character whatsoever.

6. (a) The buildings and premises occupied by the sending state for official consular purposes shall not be subject to military billeting or to expropriation, condemnation, confiscation or seizure, except in accordance with the laws governing the condemnation of property for public purposes and in such case only upon prior payment to the sending state of the full value of the property condemned.

(b) All furniture, office equipment and other personal property located in any building occupied for official consular purposes and all vehicles, including aircraft, used in the performance of the official business of the consular office shall not be subject to military requisition or to expropriation, condemnation, confiscation or seizure.

7. The buildings and premises occupied exclusively as a personal residence by a consular officer or employee who is a national of the sending state and not a national of the receiving state and is not exercising a private occupation for gain in the receiving state shall be afforded comparable protection to that afforded to buildings and premises occupied for official consular purposes, and the personal property of any such consular officer or employee shall be afforded comparable protection to that afforded to the personal property of a comparable nature referred to in subparagraph (b) of paragraph 6 of this article.

ARTICLE III

1. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, in respect of fees received on behalf of the sending state in compensation for consular services, or in respect of any receipt given for the payment of such fees.

2. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local subdivision thereof on the official emoluments, salaries, wages or allowances received as compensation for his consular services by a consular officer of the sending state who is not a national of the receiving state.

3. The provisions of paragraph 2 of this article also apply to the official emoluments, salaries, wages or allowances received by an employee of the consular office of the sending state who is not a national of the receiving state and whose name has been duly communicated to the appropriate authorities of the receiving state in accordance with the provisions of paragraph 5 of Article I.

4. A consular officer or employee who is a national of the sending state and is not a national of the receiving state, who is not engaged in a private occupation for gain in the territory of the receiving state and who is the holder of an exequatur or other authorization to perform consular duties or whose name has been duly communicated to the appropriate authorities of the receiving state in accordance with paragraph 5 of Article I shall, except as provided in paragraph 5 of this article, be exempt in the territory of the receiving state from all other taxes levied or assessed by the receiving state, or by any state, province, municipality, or other local political sub-division thereof, including taxes or fees levied or assessed on the use or ownership of any vehicle or vessel, including aircraft, or of any wireless, radio or television set or in respect of the driving or operation of any vehicle or vessel including aircraft.

5. (a) The provisions of paragraph 4 of this article shall apply only to taxes in respect of which the consular officer or employee would in the absence of the exemption provided by this article be the person legally liable, and shall not apply to taxes in respect of which some other person is legally liable, notwithstanding that the burden of the tax may be passed on to the consular officer or employee. If, however, a consular officer or employee is entitled to income from sources outside the territory of the receiving state, but that income is payable to him, or collected on his behalf, by a banker or other agent within the territory of the receiving state who is required to deduct income tax on payment of the income and to account for the tax so deducted, the consular officer or employee shall be entitled to repayment of the tax so deducted.

(b) The provisions of paragraph 4 of this article shall not apply to:

(1) taxes levied or assessed on the ownership or occupation of immovable property if such property is situated within the territory of the receiving state;

(2) taxes on income derived from property of any kind situated within the territory of the receiving state;

(3) taxes levied or assessed on that part of the estate of a consular officer or employee which is exclusive of property used by him in the performance of his official duties.

(c) For the purpose of clause (3) of subparagraph (b) of this paragraph any part of the estate of a deceased consular officer or employee which would otherwise be subject to taxation in the receiving state which does not exceed in value two times the amount of the official emoluments, salaries or allowances received by the consular officer or employee for the year immediately preceding his death, shall be deemed conclusively to constitute property used by him in the performance of his official duties.

ARTICLE IV

1. All furniture, equipment and supplies intended for official use in a consular office of the sending state shall be permitted entry into the territory of the receiving state free of all customs duties and internal revenue or other taxes whether imposed upon or by reason of importation.

2. The baggage and effects and other articles imported exclusively for the personal use of consular officers and employees and the members of their respective families and suites, who are nationals of the sending state and are not nationals of the receiving state and who are not engaged in any private occupation for gain in the territory of the receiving state, shall be exempt from all customs duties and internal revenue or other taxes whether imposed by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, upon or by reason of importation. Such exemption shall be granted with respect to property accompanying any person entitled to claim an exemption under this paragraph on first arrival or on any subsequent arrival and with respect to property consigned to any such person during the period the consular officer or employee, for or through whom the exemption is claimed, is assigned to or is employed in the receiving state by the sending state.

3. It is understood, however, (a) that the exemptions provided by paragraph 2 of this article shall be accorded in respect of employees in a consular office only when the names of such employees have been duly communicated in accordance with the provisions of paragraph 5 of Article I, to the appropriate authorities of the receiving state; (b) that in the case of the consignments to which paragraph 2 of this article refers, either state may, as a condition to the granting of the exemption provided in this article, require that a notification of any such consignment be given in such manner as it may prescribe; and (c) that nothing herein shall be construed to permit the entry into the territory of either state of any article the importation of which is specifically prohibited by law.

ARTICLE V

1. The sending state may, in accordance with such conditions as may be prescribed by the laws of the receiving state, acquire by purchase, gift, devise, lease or otherwise, either in its own name or in the name of one or more persons acting on its behalf, the ownership or possession, or both, of lands, buildings and appurtenances located in the territory of the receiving state and required by the sending state for consular purposes. If under the local law the permission of the local authorities must be obtained as a prerequisite to any such acquisition such permission shall be given on application of the sending state.

2. The sending state shall have the right to erect buildings and appurtenances on land, which is owned or held by or on behalf of the sending state in the territory of the receiving state for consular purposes, subject to compliance with local building, zoning or town-planning regulations applicable to all land in the area in which such property is situated.

3. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, on the sending state, or on any person acting on its behalf in accordance with paragraph 1 of this article, in respect of lands and buildings or appurtenances owned or held by or on behalf of the sending state for consular purposes, except taxes or other assessments levied for services or local public improvements by which the premises are benefited. A building, or part of a building, in which a con-

sular office is situated and the rest of which is used as a consular residence is to be regarded as used exclusively for consular purposes.

4. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, on the ownership, possession or use of personal property owned or used by the sending state for consular purposes.

ARTICLE VI

1. A consular officer may place on the outside of the consular office the coat of arms or national device of the sending state with an appropriate inscription designating the office and may fly the flag of the sending state over or by such office. He may also place the coat of arms or national device and display the flag of the sending state on vehicles and vessels, including aircraft, employed by him in the exercise of his consular duties. A consular officer may display the flag of the sending state over or by his residence on the occasions which he considers appropriate.

2. The quarters where consular business is conducted and the archives of the consular office of the sending state shall at all times be inviolable, and under no pretext shall any of the authorities of the receiving state make any examination or seizure of papers or other property in such quarters or archives. When a consular officer is engaged in business within the territory of the receiving state, the files and documents of the consular office shall be kept in a place entirely separate from the place where private or business papers are kept.

3. Official consular correspondence shall be inviolable and the local authorities shall not examine or detain any such correspondence.

ARTICLE VII

1. A consular officer of the sending state, may within his consular district address the authorities of the receiving state, or of any state, province, municipality, or other local political subdivision thereof, for the purpose of protecting the nationals of the sending state in the enjoyment of rights accruing by treaty or otherwise and may register complaints against the infraction of such rights. Failure upon the part of the proper authorities to grant redress or to accord protection may justify interposition through diplomatic channels. In the absence of a diplomatic representative, the principal consular officer stationed at the capital of the receiving state may apply directly to the Government of the receiving state.

2. (a) A consular officer shall, within his consular district, have the right:

(1) to interview, communicate with, and advise any national of the sending state;

(2) to inquire into any incidents which have occurred affecting the interests of any national of the sending state;

(3) to visit, upon notification to the appropriate authority, and have private access to any national of the sending state who is imprisoned or detained by the authorities of the receiving state; and

(4) to assist any national of the sending state in proceedings before or in relations with the appropriate authorities of the receiving state or of any state, province, municipality, or of any local political subdivision thereof.

(b) A consular officer shall be informed immediately by the appropriate authorities of the receiving state when any national of the sending state is confined in prison awaiting trial or otherwise detained in custody within his consular district by such authorities.

3. A national of the sending state shall have the right at all times to communicate with a consular officer of the sending state.

ARTICLE VIII

1. (a) A consular officer of the sending state may within his district:

(1) authenticate or certify signatures, documents or copies of documents;

(2) prepare, receive, legalize, certify and attest declarations or depositions;

(3) prepare, attest, receive the acknowledgments of, certify, authenticate, legalize and in general, take such action as may be necessary to perfect or to validate any document or instrument of a legal character; and

(4) perform such other analogous services as he is authorized to perform by the laws of the sending state;

(b) A consular officer may perform the services specified in subparagraph (a) of this article whenever such services are required by a national of the sending state for use outside of the territory of the receiving state or by any person for use in the territory of the sending state or are rendered in accordance with procedures, not prohibited by the laws of the receiving state, established by the sending state for the protection of its nationals abroad or for the proper administration of its laws and regulations.

(c) A consular officer may also, to the extent permitted by the receiving state and in conformity with authority conferred on him by the sending state, perform the services specified in subparagraph (a) of this article in circumstances other than those provided for by subparagraph (b) of this article whenever the rendition of such services shall be deemed to be necessary or expedient.

ARTICLE IX

1. (a) Whenever the local authorities of the receiving state shall learn that a national of the sending state died in a locality subject to the jurisdiction of the receiving state and that there is not in the receiving state any person appointed by the decedent as his executor or as the representative of his estate or entitled to claim the whole or any part of the proceeds of the estate as his heir or next of kin or as a beneficiary under his will, such authorities shall advise the nearest consular officer of the sending state of the death of the decedent.

(b) Whenever the local authorities of the receiving state shall learn that a decedent, irrespective of his nationality or the place of his residence, left in the receiving state property in which a person known to be a national of the sending state has an interest under the terms of the decedent's will or in accordance with the appropriate laws of descent and distribution, or in any other manner, the local authorities shall furnish the nearest consular officer of the sending state with such information as may be needed by him to protect the interests of such national.

2. (a) In any case where a deceased person leaves property in the receiving state and a legal or equitable interest in such property is held or claimed by a national of the sending state, who is not resident in the territory of the receiving state and is not legally represented there by any person, the consular officer of the sending state in whose district the estate of the decedent is being administered or, if no administration has been instituted, the property is situated, shall have the right, except as such right may be limited by Section 3 of this article, to represent such national as regards his interests in the estate or property as if valid powers of attorney had been executed by him in favor of the consular officer. If subsequently such national becomes legally represented in the territory of the receiving state and the consular officer is notified to that effect the position of the consular officer will be as if the powers of attorney had become revoked.

(b) The provisions of subparagraph (a) of this article apply whatever the nationality of the decedent and irrespective of the place of his death.

(c) In any case where subparagraph (a) of this article applies, the consular officer shall have the right to take steps for the protection and preservation of the interests of the person whom he is entitled to represent under subparagraph (a). He shall also have the right, in any such case, to take possession of the estate or the property unless other persons, having superior interests, have taken the necessary steps to assume possession thereof. If under the law of the receiving state, a grant or order of a court is necessary for the purpose of permitting the consular officer to exercise the rights which he is entitled to exercise pursuant to this subparagraph such rights shall be recognized by the courts and any grant or order which would have been made in favor of the person whose interests are represented by the consular officer, if he had been present and applied for it, shall be made in favor of the consular officer on his application.

(d) The consular officer shall be permitted to undertake the full administration of the estate whenever and to the same extent as a person, whose interest he represents under subparagraph (a) of this article, would have had the right to administer the estate if he had been present. If by the law of the receiving state a grant by a court is necessary, the consular officer shall have the right to apply for and to receive a grant to the same extent as the person he represents would have had, if such person had been present and applied for it. The court may, however, postpone the making of a grant of administration to the consular officer (with or without the will annexed) for such time as it thinks necessary to enable the person represented by the consular officer to be informed and to decide whether he desires to be represented otherwise than by the consular officer.

3. A consular officer of the sending state may, on behalf of a national of the sending state who is not a resident of the receiving state, receive for transmission to such a person, through channels prescribed by the sending state, any money or property to which such person is entitled as a consequence of the death of any person. Such money or property may include, but is not limited to, shares in an estate, payments made pursuant to Workmen's Compensation laws, or any similar laws, and the proceeds of life insurance policies. The court, agency or person making the distribution shall not, however, be required to make such distribution through a consular officer. If a court, agency or person does make distribution through a consular officer, it may require him to furnish reasonable evidence of the receipt of the money or property by the person or persons entitled thereto. The authority vested in a consular officer by this section shall be in addition to and not in limitation of the authority vested in him by previous paragraphs of this article.

4. Whenever a consular officer shall undertake the full administration of an estate pursuant to subparagraph (d) of paragraph 2 of this article, he subjects himself in his capacity as administrator to the jurisdiction of the court making the appointment for all necessary purposes to the same extent as if he were a national of the receiving state.

5. The provisions of this article shall be subject to any laws of, or regulations issued pursuant to law by, the receiving state providing for, or relating to, war or a national emergency.

ARTICLE X

1. (a) A consular officer of the sending state shall, except as hereinafter provided, have the right to exercise exclusive jurisdiction over controversies arising out of the internal order of merchant vessels of the sending state and over matters pertaining to the enforcement of discipline on board

whenever any such vessels shall have entered the territorial waters of the receiving state within his consular district.

(b) A consular officer of the sending state shall have jurisdiction over issues concerning the adjustment of wages of members of the crews of vessels of the sending state which shall have entered the territorial waters of the receiving state within his consular district and the execution of contracts relating to such wages. Such jurisdiction shall not in any case, however, exclude the jurisdiction conferred on the competent authorities of the receiving state under existing or future laws.

2. Notwithstanding the provisions of paragraph 1 of this article a consular officer shall not, except as permitted by the laws of the receiving state, exercise jurisdiction in any case involving an offense committed on board a merchant vessel of the sending state, which offense would be punishable under the law of the receiving state by a sentence of imprisonment for a period of at least one year, or by penalties in excess thereof.

3. A consular officer may freely invoke the assistance of the competent authorities of the receiving state in any matter pertaining to the maintenance of internal order on board a vessel of the sending state which shall have entered within the territorial waters of the receiving state. Upon the receipt by such authorities of the request of the consular officer the requisite assistance shall be given.

4. A consular officer, or a consular employee designated by him, may appear with the officers and crews of the vessels of the sending state before the judicial and administrative authorities of the receiving state for the purpose of observing any proceedings affecting such persons and rendering such assistance as may be permitted by the laws of the receiving state.

ARTICLE XI

1. A consular officer of the sending state shall have the right to inspect within the ports of the receiving state within his consular district, the merchant vessels of any state destined to a port of the sending state in order to enable him to procure the necessary information to prepare and execute such documents as may be required by the laws of the sending state as a condition to the entry of vessels into its ports and to furnish to the competent authorities of the sending state such information with regard to sanitary or other matters as such authorities may require.

2. In exercising the rights conferred upon him by this article a consular officer shall act with all possible despatch and without unnecessary delay.

ARTICLE XII

1. All arrangements relative to the salvage of a vessel of the sending state wrecked upon the coasts of the receiving state may, unless the vessel shall have been attached by a salvor, be directed by such person as shall be authorized for such purpose by the law of the sending state and whose identity and authority shall have been made known to the authorities of the receiving state by the consular officer of the sending state within whose consular district the wrecked vessel is found, or, in the absence of any such person, by such consular officer.

2. Pending the arrival of the consular officer, who shall be informed immediately of the occurrence of the wreck, or of such other person as may be authorized to act in the premises, the authorities of the receiving state shall take all necessary measures for the protection of persons and the preservation of property. Such measures shall, however, be restricted to those necessary for the maintenance of order, the protection of the interests of the salvors and the execution of the arrangements which shall be made for the entry or exportation of the salvaged merchandise. Such merchandise is not to be subjected to any customs or customhouse charges, unless it be intended for consumption in the receiving state.

3. The intervention of the authorities of the receiving state shall not occasion any expenses except such expenses as may be caused by the operations of salvage and the preservation of the goods saved, or which would be incurred under similar circumstances by vessels of the receiving state.

4. If a wreck is found within a port, or constitutes a navigational hazard within the territorial waters of the receiving state, there shall also be observed those arrangements which may be ordered by the authorities of the receiving state with a view to avoiding any damage that might otherwise be caused by the wrecked vessel to the port facilities and to other vessels.

ARTICLE XIII

For the purpose of this convention the term "national" shall be deemed to include any natural person or juridical entity possessing, as the case may be, the nationality of the receiving or the sending state, and the term "person" shall be deemed to include any natural person or juridical entity.

ARTICLE XIV

1. The territories of the contracting states to which the provisions of this convention apply shall be understood to comprise all areas of land and water subject to the sovereignty or authority of either state, except the Panama Canal Zone.

2. The provisions of paragraph 2, Article I, do not confer upon Consular officials and employees of the United States of America those rights, privileges, exemptions, and immunities conferred to Consular officials and employees of one or more of the Republics of El Salvador, Guatemala, Honduras and Nicaragua, by virtue of Treaties and other agreements which have been entered into or may be entered into between the Republic of Costa Rica and one or more of the Republics of El Salvador, Guatemala, Honduras and Nicaragua.

ARTICLE XV

1. This Convention shall be ratified and the ratifications thereof shall be exchanged at San José, Costa Rica.

The Convention shall take effect in all its provisions the thirtieth day after the day of exchange of ratifications and shall continue in force for the term of ten years.

2. If, six months before the expiration of the aforesaid term of ten years, the Government of neither State shall have given notice to the Government of the other State of an intention to modify or terminate any of the provisions of this Convention or to terminate the Convention upon the expiration of the aforesaid term of ten years, the Convention shall continue in force after the aforesaid term and until six months from the date on which the Government of either State shall have given notice to the Government of the other State of an intention to modify or terminate the Convention.

In witness whereof, the respective Plenipotentiaries have signed this Convention and have hereunto affixed their seals.

Done in duplicate in English and Spanish, in the city of San José, this twelfth day of January, 1948.

[SEAL] JOHN WILLARD CARRIGAN,
Chargé d'Affaires ad Interim of the United States of America.

[SEAL] A. B. L.
Secretary of State Encharged with the Office of Foreign Relations.

POST OFFICES AND FEDERAL BUILDINGS—ADDRESS BY SENATOR CAIN

[Mr. CAIN asked and obtained leave to have printed in the RECORD an address on the subject of post offices and Federal buildings, prepared by him and broadcast by transcription over radio stations in the State of Washington, which appears in the Appendix.]

VALEDICTORY BY THE PUBLIC PRINTER

[Mr. HAYDEN asked and obtained leave to have printed in the RECORD an address by the Public Printer to the officials of the Government Printing Office on March 9, 1948, which appears in the Appendix.]

CHURCH AND STATE—EDITORIAL FROM THE WASHINGTON STAR

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an editorial entitled "Church and State," published in the Washington Star for March 11, 1948, which appears in the Appendix.]

WALLACE'S THEORIES CHALLENGED—EDITORIAL FROM THE BOZEMAN DAILY CHRONICLE

[Mr. ECTON asked and obtained leave to have printed in the RECORD an editorial entitled "Wallace's Theories Challenged," published in the Bozeman (Mont.) Daily Chronicle for March 6, 1948, which appears in the Appendix.]

TIME FOR STATESMANSHIP—EDITORIAL FROM NEWSWEEK

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Time for Statesmanship," by Dr. Raymond Moley, from the March 15 issue of Newsweek, which appears in the Appendix.]

A STIR IN THE SOUTHLAND—EDITORIAL FROM THE LAKE COUNTY BANNER, TIPTONVILLE, TENN.

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "A Stir in the Southland," from the Lake County Banner of Tiptonville, Tenn., which appears in the Appendix.]

PRESIDENT'S CIVIL RIGHTS MESSAGE—ADDRESS BY SENATOR HILL

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address delivered by the senior Senator from Alabama [Mr. HILL] on the subject of the President's civil rights message, on Thursday, March 11, 1948, which appears in the Appendix.]

"CASE FOR THE DEMOCRATIC PARTY IN 1948"—ADDRESS BY SENATOR MCGRATH

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address entitled "Case for the Democratic Party in 1948," delivered on March 9, 1948, by Senator MCGRATH, before the Philadelphia Bulletin Forum, which appears in the Appendix.]

STATE VERSUS FEDERAL TAXES—EDITORIAL FROM THE NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "State Versus Federal Taxes," from the Nashville Banner of March 10, 1948, which appears in the Appendix.]

MEETING OF COMMITTEES DURING SESSION OF THE SENATE

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee of the Committee on the Judiciary considering a resolution regarding regional education in the Southern States, be permitted to hold hearings during the session of the Senate today.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. WHERRY. Mr. President, I also make a similar request with respect to the subcommittee of the Small Business Committee considering the oil problem.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. KNOWLAND asked and obtained consent that the Committee on Appropriations be permitted to meet this afternoon.

REPEAL OF TAXES ON OLEOMARGARINE

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I made following the amendment in connection with the removal of the tax on oleomargarine, which I submitted to the tax bill. I ask that the statement be printed in the RECORD, following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BURNET R. MAYBANK, OF SOUTH CAROLINA, BEFORE THE SENATE FINANCE COMMITTEE, 10 A. M., WEDNESDAY, MARCH 10, 1948

Mr. Chairman, I came here for the purpose of proposing an amendment to H. R. 4790. This amendment would repeal certain taxes on oleomargarine, amend the definition of manufacturer of oleomargarine and repeal the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine.

Under the present laws uncolored margarine is taxed at the rate of one-fourth of a cent per pound while a 10 cents per pound tax is paid for colored margarine. The license fees are equally discriminatory. For example:

	Pay
Retailers:	
Handling yellow margarine	$48
Handling uncolored margarine	6
Wholesalers:	
Handling yellow margarine	480
Handling uncolored margarine	200

Add to these figures a $600 annual fee for coloring the product and you begin to see the unjustness of this discrimination both to the manufacturer and the housewife.

These complex and burdensome regulations make anyone coloring margarine yellow, and serving it to customers or paying guests, liable to a manufacturers' license fee of $600 a year and 10 cents a pound tax on each pound so colored.

These regulations are understandable when we remember the quality of this product when it was first placed on the market and its one claim to consideration was its economy. The present tax and license fees were set by the Congress of 1902—46 years ago. These were imposed after the crippling taxes and fees of the Oleomargarine Act of 1886. So it is that, after 60 years, the Federal Government still imposes the very same taxes on margarine—the only pure food in the land so restricted by national laws.

Mr. Chairman, it is unthinkable, in the light of page after page of testimony such as has been given on behalf of this product, that these ancient and outmoded laws should still rest among our ladened statutes. These laws still stand despite the fact that a small army of witnesses has, in recent years, appeared before committee meeting after committee meeting. They have represented science, manufacturers, wholesalers, retailers, cotton, soybean, livestock, and peanut producers, labor, consumers, and hospitals and they have unequivocally urged the repeal of the discriminatory margarine taxes and license fees. Therefore, I am requesting the Senate Finance Committee to incorporate my bill in H. R. 4790.

American margarine is made today from domestic vegetable oils—oils derived from soybeans, cottonseed, peanuts, and corn. Margarine has become the second largest user of soybean oil and also uses about one-fourth of all the cottonseed oil refined in this country. Farmers of 44 States produce the products from which margarine oils are taken. Because of the substantially increased demand for margarine, manufacturers are encouraging production of more of these farm products which produce these fine domestic food oils.

The issue at hand has boiled down to two basic points: color and definition of the work manufacturer. The only basic difference between margarine and butter is that margarine is vegetable fat; butter, an animal-fat product. There is actually no perceptible nutritive difference. Each offers about 3,300 calories per pound. The amount of vitamin A in butter varies according to seasonal and other factors; while in margarine it is maximum and uniform the year round. Both products are equally digestible.

Report after report by medical associations and nutritional scientists declare margarine to be a nutritious, high quality food.

An official definition and standard of identity was adopted by the United States Food and Drug Administration in 1941 under the Federal Food, Drug and Cosmetic Act of 1938. Under it, margarine has a minimum fat content of 80 percent; the actual average figure is slightly more. The standard requires fortified margarine to contain a minimum of 9,000 U. S. P. units of vitamin A per pound. But 99 percent of all margarine is now fortified with 15,000 units of vitamin, the content always being shown on the label. This margarine fortification is indorsed by the American Medical Association and leading nutritionists.

The nutritional value of the product dispensed with on the word of competent authorities, we come to color.

Artificial color adds nothing to the direct nutritional value of foods. It is not nutritive in itself. But, by satisfying natural color perceptions in relation to the palate, it promotes digestion and thus indirectly aids the process of nutritive assimilation.

A product's right to any color is established by consumer preference. There is no patent or natural or common law trade-mark to yellow for butter, for example.

The argument that all that is being done, in the coloring of butter, is restoring a uniform yellow to the product, falls to the ground. For one thing, butter is not colored uniformly, but to meet market demands. Thus, butter coloring is done to suit regional taste preferences—the New York market, I am told, generally prefers butter whiter than Wichita or Kansas City markets.

Butter is only one of the hundreds of food products using artificial coloring. Butter itself uses artificial coloring during most of the months of the year, because butter produced from cows on winter forage is pale yellow in color; frequently white.

Further, the ingredient of butter (cream) has no more, or even less, claim to yellow than the ingredients of margarine (vegetable oils). Cottonseed, soybean, peanut, and corn oil are yellow in color, varying, of course, in degree. Nevertheless, in their natural state, they frequently could convey to the finished product a yellow tinge. Because of this, the oil ingredients of margarine must be bleached to avoid the Federal tax of 10 cents a pound on yellow margarine and the other penalties imposed on yellow margarine.

Artificial coloring is permitted by the United States Pure Food and Drug Administration when the colors used are certified United States Pure Food and Drug Administration colors. There are scores of these colors, each of which has been approved by the Administration. Under the Pure Food, Drug and Cosmetic Act of 1938, all food products using artificial coloring must label that fact. Margarine is made under a Pure Food and Drug Administration standard of identity and the yellow coloring, used in or packed with margarine, is so labeled. Butter, cheese, and ice cream, however, enjoy special and unique exemption from labeling artificial coloring under the act of 1923.

The effect of the Federal tax and other restrictions on yellow margarine has been to limit that food in production and distribution. In 1946, only 58,000,000 pounds of yellow margarine were produced compared with 514,000,000 pounds of uncolored margarine. A large share of the colored margarine produced was for Government purchase; the Government not paying the tax to itself.

Margarine is denied the use of yellow simply because the butter industry has misused its political power to drive a competitive product off the counter. This is discrimination and a violation of the American principle of fair, openly competitive business.

One of the most unjust points of the Federal law, at least from a monetary value, is the definition of the word "manufacturer." Under the regulations, restaurants, hotels, clubs, charitable institutions, schools, hospitals, churches, and other institutions are all liable to the manufacturers' license fee of $600 per annum and 10 cents a pound tax for each pound colored. There is an exception, "where an institution under the complete control of the United States, or a State or political subdivision thereof, in the exercise of an essential governmental function, colors margarine for use of inmates or employees of the institution."

Mr. Chairman, it is my sincere belief that these regulations are pointedly designed to restrain the free marketing privileges of one group of manufacturers. Such an archaic statute in our modern Federal Code makes it almost as incongruous with free trade as the sight of a mounted cavalryman riding out against a Sherman tank.

In the name of free enterprise, in order that this long-ignored discrimination may be corrected, I ask the Senate Finance Committee to incorporate my amendment into the Revenue Act of 1948.

CONSERVATION CREDO OF AN AMERICAN

Mr. MURRAY. Mr. President, the American people are strong in their faith in the democratic way of solving our social and economic problems. They are not greatly disturbed by alarmists who would have them believe that their institutions are threatened by economic racketeers and saboteurs. But when they see converging on their Congress a host of special-interest seekers intent upon seizing what is left of our natural resources for private selfish exploitation and profit, they are not long in arousing themselves to the danger which threatens and in acting in the public interest.

Such is the recently published Conservation Credo of an American, which 42 of our recognized leaders in the conservation movement have signed. Here is the platform of those progressive-minded citizens who fought first under the banner of President Theodore Roosevelt, aiding his great crusading forester, Gifford Pinchot, to protect the public forests from destruction by selfish private corporations. Later, under the leadership of a former Member of this Senate, the eminent George Norris, and the fearless support given his efforts by President Franklin D. Roosevelt, the conservation movement made mighty strides forward in the creation of the TVA. There was established the principle, which has been so amply proved by subsequent practice, of the protection and development of our natural resources under a system of unified planning and management of a whole river basin.

Now, with the scientific discoveries of atomic energy, which open new vistas of fabulous accomplishments for mankind, these conservationists declare it the people's purpose that such atomic energy shall be developed for peacetime uses under public, civilian, and democratic control.

Mr. President, this Conservation Credo of an American is a clear-cut, strong statement of the views of our conservationists. It represents the careful deliberations of people well known to us all, who are members in one or the other of our two major political parties. This declaration is above partisanship. It is one which can be subscribed to by every intelligent, forward-looking American citizen who has a deep and abiding faith in his country and in the full use of its natural resources for and by the people of the Nation.

I ask permission to have the Conservation Credo of an American inserted in the CONGRESSIONAL RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

CONSERVATION CREDO OF AN AMERICAN

We believe in the great conservation movement. We believe in the full use of our natural resources for and by the people of the Nation.

We are heirs to the victories for the public domain won by Theodore Roosevelt and his crusading forester, Gifford Pinchot, and we are enlisted in the battle for democratically managed river and power control waged by Franklin Roosevelt and George Norris.

We hold that the welfare of this and future generations in our land, with which is closely tied our continuance as a great power, requires that the concept of conservation as expressed by these great leaders continue as a keystone of Government policy, and that it be expanded as the demands on our national resources increase.

We believe that the peacetime uses of atomic energy should be under public, civilian, and democratic control at all time.

We subscribe to the conviction of all our great conservationists that the Nation's water-power resources should be forever retained as the inalienable possession of the people and that the potential 100,000,000 horsepower of as yet undeveloped hydroelectric energy should be brought into service by the Government for the benefit of the people either directly or under limited term licenses providing adequate protection for the consumer and recapture at not more than actual net investment as provided for in the Federal Water Power Act signed by Woodrow Wilson.

We believe in the comprehensive development of our river basins for flood control, power, irrigation, navigation, recreation, and all other beneficial public purposes under regional and autonomous management in general accordance with the highly successful methods of the Tennessee Valley Authority. The full development of the latent energy resources of our rivers, great and small, is one of the keys to an expanding system of competitive private enterprise, dependent as that system is upon increased supplies of electric power and all forms of energy. Our people must be on the alert against the efforts of any vested interest to limit these developments.

We hold that large-scale power development and flood-control works on the major streams must be safeguarded and supplemented by conservation practices on the croplands, ranges, and forests of the watersheds above them.

We believe in the principle that governmental agencies responsible for marketing power from river-basin projects should have full authority to take the steps necessary to assure the farms, homes, places of business, and industries of the region an abundance of electricity at the lowest possible rates. To that end, such agencies should be empowered to construct transmission lines, steam-generating stations, and all other facilities necessary to provide power at wholesale to municipalities, power districts, cooperatives, and other distributors of power willing and able to pass on the benefits of publicly-developed power to the consumers.

We hold that such a program provides the most effective assurance that the American system of free enterprise shall not be cramped by the oppression of great monopolies and shall be enabled to develop along the lines of widely distributed local competitive effort which has played such an important part in making our country a satisfying home for a free people.

We are against the sale of reserved public lands.

We are against the reduction in area of any national park, or national monument, power reserve, irrigation reserve, or Indian reservation, and against proposals to abolish the prerogative of the President to create national monuments by Executive order.

We are against any proposal to turn over to the States land now held in Government reservations.

We are against any move whatever that would set a precedent for the interference of private individuals or corporations with the autonomy of governmental conservation organizations such as the Forest Service, the National Park Service, the Soil Conservation Service, the Rural Electrification Administration, and the Bureau of Reclamation.

We are against advisory boards composed of private individuals empowered to require Government agencies to consult them in determining regulations for grazing or timber cutting on public lands; and against any measure whatsoever that would tend in any way to create vested rights in grazing among present holders of grazing permits on public lands.

And finally, we reaffirm the principle, upheld by the highest courts for generations, that the utility business is essentially a public business, however owned, and that corporations authorized by the people to conduct this business for private profits must be subject to such effective regulation as will assure adequate service on a legitimate cost basis. This is essential to effective conservation. In our modern age of more intensified development and use of national resources with interstate pools of energy and fuel, such effective regulation requires a continued strengthening rather than a weakening of Federal vigilance in behalf of the people.

May God prosper the Republic!

Shirley W. Allen, Head, Forestry Department, University of Michigan; Dewey Anderson, formerly Executive Director, TNEC, and now Director, Public Affairs Institute; Bruce Bliven, Editor, New Republic; Louis Bromfield, Author and Farmer, Director, Friends of the Land; Struthers Burt, Author and Rancher; Stuart Chase, Author of numerous books on conservation; Morris L. Cooke, Engineer and Author, formerly Chairman, Mississippi Valley Committee; Mabel Cory Costigan, Past President, League of Women Voters, widow of the late Edward P. Costigan, Senator from Colorado; David Cushman Coyle, Engineer and Author; Jonathan Daniels, Editor, Raleigh News-Observer and formerly Secretary to President Roosevelt; Chester C. Davis, President, St. Louis Federal Reserve Bank and Chairman of the Board, Friends of the Land; States R. G. Finley, General Superintendent, Electric Power Board, Chattanooga, Tenn.; Henry S. Graves, formerly Dean, Forestry School, Yale University; William Green, President, American Federation of Labor; Seymour E. Harris, Author, Professor of Economics at Graduate School of Public Administration, Harvard University; Jesse F. Jackson, Director, Friends of the Land (Georgia); W. Ed Jameson, Real Estate, Missouri Director, Friends of the Land; Elizabeth I. Kent, widow of the late William Kent, Congressman from California; William Draper Lewis, Director, American Law Institute; Murray D. Lincoln, State Chairman, Ohio Farm Bureau; Walter C. Lowdermilk, Geologist, and until recently Codirector, Soil Conservation Service; Myres S. McDougal, Professor of Economics, Yale University; O. C. Merrill, formerly Chief Engineer, Federal Power Commission; Carleton C. Nau, Managing Director, American Public Power Association; Mandel Nieder, Treasurer, Columbia Valley Authority; Ellie L. Norris, widow of the late George W. Norris, Senator from Nebraska; Ralph W. Page, Washington Correspondent, Philadelphia Bulletin; Harlow S. Person, Consulting Engineer in Management and author, Little Waters; Cornelia Bryce Pinchot, widow of Gov. Gifford Pinchot; Stephen Rauschenbush, former Staff Resource Economist, Department of Interior; Eleanor Roosevelt, widow of President Franklin D. Roosevelt; Alice Ross, widow of J. D. Ross, promoter and for many years executive officer of City Light, the pioneering publicly owned electric system in Seattle, Wash.; Belle Sherwin, Past President, League of Women Voters; Harry Slattery, Lawyer, formerly Secretary, National Conservation Commission, Under Secretary of the Interior; J. Russell Smith, Geographer, author, formerly Professor of Economics at Columbia University; Lawrence M. C. Smith, businessman; Huston Thompson, Lawyer, Author, papers on conservation, formerly Chairman, Federal Trade Commission; Roy A. H. Thompson, Businessman; H. R. Tolley, formerly Chief, Bureau of Agricultural Economics, Department of Agriculture, and now with FAO; Alston Waring, Farmer, Author of Roots in the Earth; Victor Weybright, Farmer, Publisher, and formerly Managing Director, Survey Graphic; Raphael Zon, formerly in charge of experimentation for the Forest Service and now Professor of Forestry, University of Minnesota.

INTERNATIONAL CHILDREN'S EMERGENCY FUND OF THE UNITED NATIONS

Mr. SMITH. Mr. President, yesterday the distinguished Senator from Florida [Mr. PEPPER] inquired on the floor of the Senate in regard to the International Children's Emergency Fund of the United Nations. At the time I gave certain figures from memory. Since then I have checked up on them, and I find that the figures I gave yesterday were incorrect in certain minor particulars. Accordingly, I should like to correct the figures I then gave.

I can now report that the United States Government has contributed $15,000,000 to this relief operation as of this date. The total amount of money available in the fund at the present time is $40,983,728.08. Of this amount $11,660,000 are UNRRA residual assets. Twenty-one countries, including the United States, have contributed to this fund. The United States Congress originally authorized $40,000,000 to be available to the fund on a 57 to 43 matching basis, Public Law 84. It is my understanding that the House is presently considering a new amendment which will extend the provisions of this law until the end of the fiscal year, June 1949. This amendment will provide for a new matching formula by which not more than 50 percent of the total resources available for all programs under the supervision of the fund will be contributed by the United States. For every United States dollar made available to the fund, other governments must have contributed the equivalent of 40 cents for use in programs outside their borders and the equivalent of 60 cents for use inside their borders, in addition to the existing ration.

The amendment provides a further authorization of $60,000,000 to continue the operations of the fund through June 30, 1949. Under this new matching provision and the increased authorization, the total world program, if realized, would be $200,000,000.

Mr. President, I may add that the report of the House Select Committee on Foreign Aid, evaluating the programs of international agencies related to economic reconstruction, states:

The International Children's Emergency Fund is, on its record, an effective agency for administering one of the most basic elements of the relief program and one whose success would greatly affect the morale of recovery.

CORPORATE EARNINGS

Mr. O'MAHONEY. Mr. President, in view of the fact that the Committee on Finance is about to report a tax-reduction bill which, I am reliably informed, will contain no reference to any form of excess-profits tax, I desire to have printed in the body of the RECORD a brief statement which appeared in the Washington Post of this morning, indicating the tremendously increased profits after taxes of some of the leading corporations of the United States in 1947, as against 1946. I ask unanimous consent that the clipping not only be printed in the body of the RECORD, but also be referred to the Committee on Finance.

Mr. President, the National City Bank in its monthly economic letter has a compilation of the earnings statements of between 700 and 900 corporations. My recollection is that that statement from the National City Bank shows that corporate earnings after taxes in 1947 were more than 50 percent greater than their earnings after taxes in 1946, although, of course, the earnings in 1946 represented the peak up to that time.

There being no objection, the statement was ordered to be referred to the Committee on Finance and to be printed in the RECORD, as follows:

LATE EARNINGS STATEMENTS

General Electric Co. reported record sales of $1,330,776,375 and profits of $95,298,940 for 1947. Net profit was equal to $3.30 a share of common stock compared with $1.49 per share on a net profit of $43,008,850 in 1946. Sales in 1946 amounted to $768,863,313.

Phelps Dodge Corp. reported 1947 net income of $43,817,664, equal to $8.64 a share, compared with a 1946 net of $14,853,360, or $2.93. The earnings were before deduction for depletion of mines.

Colgate-Palmolive-Peet Co. reported for 1947 net income of $19,014,494 after deduction of $3,750,000 as an additional protection against inventory price declines. This was equal to $9.30 a common share and compared with net income of $14,443,835 in 1946, equal to $7.14 a share.

American Can Co. reported 1947 net income of $21,836,624, equal to $7.66 a common share, after all taxes but before an appropriation of $2,500,000 for contingency reserves. This compared with a 1946 net income of $8,828,983, or $2.40 a share.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. VANDENBERG. Mr. President, before a quorum is called and before the general business of the afternoon starts, I should like to clean up in the RECORD one matter with which we dealt just before the recess yesterday evening.

It will be recalled that the Senate rejected the amendment offered by the able Senator from Illinois [Mr. BROOKS] in the form in which it was offered dealing with relief packages going abroad. I indicated at that time that the sponsors of the bill and the Department were entirely willing to proceed so far as is humanly possible in this direction. I should like very much, if it is agreeable to the Senator from Illinois, to yield to him so that he may offer the substitute, and I think, without controversy, it can be immediately agreed to.

Mr. BROOKS. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee for his suggestion. I thank him particularly for agreeing to the principle of the amendment I offered yesterday and for his efforts to work out an acceptable formula by which the principle can be written into the bill. I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER (Mr. CAIN in the chair). The amendment will be stated for the information of the Senate.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this act in the form of grants, funds made available for the purposes of this act may be used, in the discretion of the Administrator, and under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies licensed for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this act in the form of grants.

The Adminstrator may make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 15 of this act, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee.

Mr. BROOKS. I may further say that in effect the amendment carries out the purpose of the amendment I offered yesterday. It lacks one feature, that is, the provision that the Administrator should seek to obtain free entry in the foreign country for the relief packages. I hope, however, the Administrator will work out that detail to the best of his ability.

If I may, Mr. President, I should like to have included as a part of my remarks an editorial entitled "Making Charity Easier," from the Rockford Register-Republic of March 8.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAKING CHARITY EASIER

We were quite struck by the suggestion of Senator C. WAYLAND BROOKS that 3 percent of Marshall-plan funds be earmarked to defray transportation charges on private relief packages forwarded to Europe by individual Americans.

It is estimated that 90,000,000 packages of food, clothing, and other supplies have been sent to distressed Europeans since postal channels were reopened after the war. At least 26 accredited agencies are urging and helping Americans to make such shipments.

Surely this type of aid, coming straight from the hearts of church members, students, businessmen, and other individuals, must be, as indeed General Clay has said it is, by far the most effective way of gaining real friendship and encouraging respect for our way of life in western Europe.

No doubt this outpouring of purely voluntary individual charity would be even greater than it has been were it not for the considerable shipping charges unfairly imposed upon the givers in addition to the original cost of the supplies. If it were possible to arrange shipment of packages to Europe at no more than the cost of sending a package to a friend or relative in the United States, the cause of charity and international good will would be greatly furthered.

This is exactly what the Brooks proposal undertakes to do. His amendment to the European recovery program bill proposes that individuals sending packages to Europe would pay the regular parcel-post rate merely to the port of embarkation in this country. The ERP Administrator, using earmarked funds from the Federal appropriation, would arrange for transportation of the package to the European port of entry. From that point the European country involved would be asked to carry it to the consignee without charge and for this purpose it would have available funds derived from the sale of American Government relief goods to its own people.

Since privately shipped relief goods going to western Europe are quite as important to the success of the Marshall plan as the equivalent in federally provided goods, it

seems to us that the cost of transocean shipment is a proper charge on the Federal Treasury.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was agreed to.

Mr. KEM obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. STENNIS] is absent on official business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. KEM. Mr. President, the bill now before us is one of the most important with which any peacetime Congress has been called upon to deal. It is essential that the Congress, as representatives of the American people, have all the available facts before making a decision. It is equally vital that all of the possible ramifications of this proposal be thoroughly examined in the crucible of debate. Let me say, Mr. President, in passing, that I have the greatest admiration and respect for the good will, the patriotism, the industry, the talent, and the skill in debate of the able Senators, headed by the distinguished senior Senator from Michigan, who are urging the enactment into law of the bill now pending.

We are called upon to decide whether this Nation should continue a policy of extending governmental grants and so-called loans to European countries in the hope that a more prosperous and peaceful world will result. We have pursued this policy almost without remission since the end of the First World War, at a tremendous cost to ourselves. It has been estimated, for example, that we have contributed during this period $40,000,000,000 to one country alone—Great Britain.

Since the end of World War II, the tempo of our gifts has increased. During the period from July 1, 1945, to the present time, the loans, property, credits, advances, relief, and rehabilitation grants and other authorizations to foreign countries by the United States amount to $24,781,043,144. This sum, Mr. President, is $187 for every man, woman, and child in the United States, and $628 for every American family.

It is no secret that our efforts so far to assist foreign countries have fallen far short of their objectives.

Now we have before us for consideration the latest proposal to effectuate a European recovery, the Truman-Marshall plan. This latest venture had its inception in Secretary of State Marshall's invitation last June 5, when he announced that the United States was ready to participate in a recovery program for Europe on the condition that the European nations prepare a plan to help each other. Britain and France led 16 countries of western Europe in accepting the offer. Russia and her satellites expressed their disapproval of the idea, and refused to participate. The so-called Committee on European Economic Cooperation met in Paris last July to work out a plan and take advantage of the generous offer of Mr. Marshall.

This committee concerned itself primarily with figuring out how much outside aid would be needed to effect a recovery from their ills. They accomplished this by first agreeing on the number of freight cars, trucks, and tools, the tons of wheat, coal, and flour that they would like to have during the next 4 years from America, subtracting the amount they could pay for and sending Uncle Sam a bill for the rest. At first rumors came from the French capital that these countries would request over $29,000,000,000 in aid during the next 4 years. Even our State Department, not particularly economy minded, was alarmed at the size of this figure. Eventually the 16 countries cut their requests to a figure which they considered "reasonable and realistic," namely, $19,300,000,000. The Truman administration trimmed this estimate to the "all or nothing" figure of $17,000,000,000, wrapped it up in a package labeled "bipartisan foreign policy," and sent it to Congress.

The request for appropriations was later changed to $6,800,000,000 for the first 15 months of the plan, when it was pointed out that the Eightieth Congress could not bind succeeding Congresses in this respect, and that one must be somewhat of an optimist to attempt to predict the status and needs of Europe for even 15 months, let alone 4 years, or to predict our ability during such period to respond to their requests. However, let us not believe that this request for a smaller amount indicates any change in the plan of the administration to spend at least $17,000,000,000 of the taxpayers' money.

Our Foreign Relations Committee has served this plan to us in a little more palatable form; that is, the request for appropriations has been changed to $5,300,000,000 for the next 12 months. But, Mr. President, no matter how you slice the Truman-Marshall plan, it is still what has been aptly called "globaloney."

The subject divides itself into two grand divisions: First, the effect on America; and second, the effect in Europe. I shall discuss these questions in that order. My first proposition is: The Truman-Marshall plan will undermine the American economy.

I. THE TRUMAN-MARSHALL PLAN WOULD UNDERMINE THE AMERICAN ECONOMY

A. TRUMAN-MARSHALL PLAN ENTAILS RISK OF A PRICE DEBACLE AT HOME

This much is plain. If we comply with the request for the huge shipments for foreign aid called for by the Truman-Marshall plan, prices here at home will rise probably beyond anything we have seen or contemplated. Any foreign-aid program and the price level here in America are indissolubly connected. The high cost of giving is a major cause of the high cost of living.

Foreign aid creates a prodigious demand abroad for the same scarce goods for which the enormous purchasing power within the country is bidding. Thus, we have a two-way pressure on domestic prices. Our gifts to foreign countries have led to a demand for exports which in general consist of those products which are in short supply here at home. The administration has been trying to meet this foreign demand. The Truman administration has shipped abroad 5 percent of the total domestic supply of meat and dairy products; it has sent abroad more than one-third of the domestic supply of wheat. And foodstuffs, it should be remembered, are a far greater factor in the inflationary process than heavy goods, because their production cannot be adapted to the fluctuating changes in demand as readily as can the demand for heavy goods. Thus, foodstuffs are more sensitive to inflationary forces when the demand exceeds the supply.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Does the Senator from Missouri believe that the two announced policies of the administration are consistent? I refer to the stopping of inflation and the budgeting over a 4-year period of $17,000,000,000, of which the pending bill immediately appropriating $5,300,000,000 is a part.

Mr. KEM. Mr. President, I think they are absolutely inconsistent. It is clear beyond argument that we cannot have our cake and eat it, too.

Is it any wonder, then, that prices mount rapidly when the administration buys enormous quantities, and that they fall only when the administration threatens to curtail shipments abroad? Secretary of Agriculture Anderson certainly was guilty of no understatement when he

contended that it would be easy to show that Government purchases for overseas shipment have affected the grain market.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MALONE. Does the Senator from Missouri feel that such a large appropriation at the present time would lead to a request for reestablishment of price controls and rationing?

Mr. KEM. I think it is perfectly true that the administration is going to ask for controls. I think the administration is probably right when it contends that if we are to go forward with the plan we shall have to have price ceilings but, Mr. President, I think the administration is dead wrong when it assumes we can have such price controls without drying up the sources of production here at home.

I have just quoted what Secretary of Agriculture Anderson said about the effect of the foreign shipments on the price of wheat. Secretary of Commerce Harriman was equally correct when he stated before the Senate Foreign Relations Committee:

> We must frankly face the fact that the ERP will add to our difficulties in trying to control inflation.

Domestic demand and foreign demand are fighting for our limited supplies of goods. To make matters worse, foreign governments have purchasing commissions over here to buy commodities. They buy on the open market, and since, for the most part, they are using our money they are not too much concerned as to what price they pay.

The American people should be fully informed as to what effect the carrying out of the foreign-aid program advocated by the administration will have on already skyrocketing prices. The administration proposed to curb this inflationary spiral, as has just been suggested, by a return to "police state" methods, to quote the words of the President himself. That is, it proposes to subject the American economic system again to burdensome restrictions, rationing, allocation, and price controls which mean reams upon reams of bureaucratic red tape. The principal reason why American industry has been able to maintain its high rate of production since the end of the war has been the fact that our economy has been largely freed from Government controls. By the same token those countries in which socialistic experiments are being carried on have been forced to turn to the United States for aid. Incentives to work and save have been destroyed in those countries with resulting drops in production.

If we proceed with the Marshall plan, I fear the President will find it necessary to renew the application of price ceilings on commodities which are in short supply.

B. AN UNBALANCED FOREIGN TRADE IS DRAWING AWAY OUR NATURAL RESOURCES

We are told that our gift loans to other countries help to maintain full employment and prosperity at home by enabling us to carry on a lively foreign trade. Mr. Webster defines foreign trade as the "commercial exchange of commodities between different countries." But the one-way funneling of commodities from one country to another can in no way be described as trade. It is simply a quick method for a nation to commit commercial suicide.

This country does not possess an inexhaustible supply of resources. After our plowing up of crops, destruction of livestock, and other such foolish programs, it may be difficult to convince our people at first of this stark fact. Exploitation of our natural resources during the war years, and a series of foreign-aid programs since the war have resulted in a heavy toll in many materials and much of our natural wealth. It has been estimated, for example, that our supply of petroleum will last no more than another 15 years at the present rate of consumption. Already our citizens are feeling the pinch of fuel shortages. This Nation cannot continue to export annually $10,000,000,000 of our products in excess of our imports. Scraping the bottom of the barrel is dangerously near.

To sum up, every dollar sent to Europe weakens by that much our own national economy. We are distributing our wealth and resources around the world without the benefit that comes from ordinary foreign trade. Every such expenditure not only retards retirement of our national debt and reduction of the burden of taxation, but causes shortages of scarce goods in our own country.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. On Friday of last week the fact was developed that the figure $6,800,000,000 had been arrived at for a period of 15 months and the figure $5,300,000,000 for a period of 12 months, in the same proportion, by adding all the unfavorable trade balances of the 16 Marshall-plan countries from every source, which amounted to $6,860,000,000 or $6,880,000,000. They had in that way arrived at that amount so that they could pay the unbalanced accounts of the 16 Marshall-plan countries and continue to trade. Does the Senator believe that this plan has been adopted by the administration as a way to continue world trade by our furnishing the money? In other words, instead of killing little pigs and plowing under cotton, we are expected to furnish other nations the money with which to buy such goods?

Mr. KEM. I understand the administration contemplates the most gigantic dumping operation in all history. Later I shall have more to say with regard to that. I thank the Senator for his contribution.

This process raises prices, promotes inflation, and intensifies our own difficulties. The ultimate result will be inevitably to reduce our own national economy to the level of the countries we want to help and to make us as vulnerable as they are to communism. Instead of setting an example to lead Europe out of her economic and political chaos we may be forced to adopt the same economic planning and controls that we find plaguing Europe today, with such tragic results. The President of the United States is already asking us to do that very thing.

The Truman-Marshall plan is presented to us as a calculated risk. While it may not succeed in accomplishing its objectives in Europe, certainly those who stand to profit by this vast dumping operation face no such odds. For win, lose, or draw in Europe, the Truman artificial prosperity will be prolonged by Government buying at inflated prices. Under its beneficent operation we will be relieved temporarily from any possibility of a glut of farm and industrial products in this country. So long as the Marshall plan is operating there will be no price decline. Let us not fool ourselves about that.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. MALONE. One section of the canning industry today complains that there are 20,000,000 cases of tomato juice in warehouses. The annual consumption in this country is approximately 70,000,000 cases. At this time the industry is greatly worried for fear it will be unable to make contracts with tomato growers in the coming season, but if they are included in this program they will continue normally in business—in artificial business, as the Senator describes it. Is that what the Senator meant?

Mr. KEM. That is it. Practically every Senator in the Chamber has received calls from constituents who want to share in the dumping operation.

I am told that certain farm and industrial organizations hail the Truman-Marshall plan as a boon for their members. But, Mr. President, I am bold enough to say that anyone who supports the Marshall plan for any such reason is living in a fool's paradise. He will find in the cold gray dawn of the morning after that another effort to lift oneself up by one's own bootstraps has gone awry.

There has been a tendency to greatly overestimate the ability of the United States to export large quantities of foodstuffs to other parts of the world, and still retain a sufficient supply for our own people.

In the first place, this country with only 7 percent of the world's population, and which produced only 9 percent of the world's food supply prior to the war, can scarcely hope to fill every hungry mouth in the world with food. The stark facts are that famine, pestilence, and the ravages of war have occurred in the world at intervals since the dawn of recorded history. Famines in India and Ireland and devastation in our own South come readily to mind. If the American taxpayer is undertaking to relieve mankind from these scourges of the human race whenever and wherever they occur, he—John Q. Public—is biting off more than he can chew.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. In other words, does the Senator mean that if we continue to send to Europe, Asia, or any other parts of the world, goods which the people of the 16 European nations have not normally consumed in the past, and if we continue to assist them beyond their normal point of recovery, is there not danger that we may get them accustomed to

the things we produce, which they never can produce for themselves and, in addition, that we may become gradually dependent on our own funds for such purchases, so that our own manufacturing industry and even our own agricultural industry may become overbuilt, dependent upon appropriations from our own United States Treasury to buy their surplus goods.

Mr. KEM. Yes. I shall subsequently quote from the London Times in which the editor likens the process to reliance on alcohol or other stimulants.

Then, too, the world is faced with an increasingly serious economic problem arising from the natural increase of population and the limited world availability of certain natural resources. At the present time there are about 2,250,000,000 people in the world, and two-thirds of the earth's population, according to Secretary of Agriculture Anderson, suffered from chronic undernourishment even before World War II. It has been estimated that each year an additional 21,000,000 persons will be added to the world's population.

In Europe, for example, where we are attempting to concentrate our humanitarian efforts, it is evident that we are engaged in a hopeless race with increasing population. Within 3 years following the most destructive of all wars, there are 14,000,000 more people in western Europe than before the war. Although millions of Europeans are hungry today, the State Department estimates that the population of Europe will increase by 22,000,000 during the coming 10 years. It has been estimated that the babies in Europe that have been or will be born between the years of 1945 and 1951 will require 308,000,000 additional bushels of wheat alone, which would require 18,200,000 acres of American cropland to produce.

Here at home the American people are becoming poorer and poorer per capita of real wealth of natural resources due to a rapid depletion of our soil, timber, and minerals, while our own population is also rapidly increasing. Since 1940 our own population has increased by 11,000,000.

Mr. President, if Malthus were here I think he would post this stark, unpleasant question: Is it wise for the American people to underwrite programs of population expansion in Europe that will require greater aid from the United States in the future, at an accelerated tempo?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Does the Senator believe that in connection with the increase in population there would also be developed a method of meeting the payments for the additional exports which it would be necessary for us to send abroad for their support, or would we just continue to build up a deficit in this country through continuing the Truman policy of appropriating money each year to make up the deficit.

Mr. KEM. If any such method is to be developed, it is still in the womb of time. There is no indication in the record that it has yet been found.

C. OUR TRADITIONAL CAPITALISTIC ECONOMY IS THREATENED BY TRUMAN-MARSHALL PLAN

My third proposition, Mr. President, is that our traditional capitalistic economy is threatened by the Truman-Marshall plan.

The American free-enterprise system is based on the principle of the accumulation of private capital by those prudent individuals who are able to retain a portion of their earnings as savings. These savings, through the accustomed investment channels, make money available for capital expenditures, for purchases of machinery and tools, for construction of factories and power plants, and so on.

In the past, the middle-income group of this country has constituted the principal source of savings available for investment in industry. For the most part, individuals in the lower income brackets are unable to do much more than to make ends meet, and are thus unable to contribute to the accumulation of capital. Those in the wealthy group pay their high income taxes and live to a considerable extent on their returns from savings already invested. Thus, those in the great middle-income group are the only real source of risk capital in our economy. It has been to the advantage of our Nation that this is so, for, as our democratic system of government is based on the participation of the people in its processes, so should the people participate in the operation of the economic system. It is essential to the successful and democratic operation of our free-enterprise economy that the lifeblood originate in the activities of the successful business-minded middle-income individuals who comprise the backbone of our country.

The classic example of the method in which our system operates is that of Henry Ford, who began with an ingenious idea for an automobile, plus a few thousand dollars from a young man named Jim Couzens.

Today, however, our traditional capitalistic system faces a danger. Personal taxes per capita by 1947 reached a seasonally adjusted annual rate 683 percent above the average for the years 1935–39. The heavy tax rates combined with a rise in consumer price levels of some 60 percent have so drastically reduced the savings of the middle-income group that there is danger that our prime source of risk capital will be completely closed. The estimated annual savings of the American people in 1947 declined to $11,100,000,000, which means a drop of $24,500,000,000 since 1944. There is now little incentive to work and produce more after a certain income level has been reached because most additional earnings are taken away by Government taxes.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Does the Senator from Missouri mean to say that the announced definite plan and system adopted over the past several years, under which, whenever there is a raise in pay to the workers in this Nation, it is siphoned off in taxes, so say the originators of such policy, to prevent inflation, that results in incomes of men who are capable of making a greater amount of money reaching such a point after a while that the more they make the less they keep, so that they have formed the habit of ceasing productive efforts? Does not the Senator believe that is the kind of policy which eventually stops enterprise, and forces our own Government to make Government appropriations for industry as they are now doing in the Socialist European governments, which are included in the Marshall plan?

Mr. KEM. I think all the available evidence supports that view, beyond question. For instance, 70 percent of the business executives surveyed in a recent poll by Fortune magazine stated that it would not be worth their while to work an additional 2 hours a day to double their income.

I heard a very fine physician say recently that he had no incentive to increase his practice, to answer any more calls, or perform any more operations than he was then doing, because of the excessive portion the Government would take of any added increment of income he might make.

There are several results. In the first place, the control of our economy is tending to be concentrated more and more into the hands of the wealthy few. Records of the Bureau of Internal Revenue point out that there is an alarming degree of concentration in the ownership of corporate assets. I have heard the able senior Senator from Wyoming [Mr. O'MAHONEY] frequently refer to that fact. For example, 394 of the largest corporations out of a total of 228,000 own nearly half of all corporate assets. Small businesses are finding themselves shoved more and more into the background, while the large corporations are becoming increasingly important.

In the second place, there is a real danger that there will not be sufficient accumulated savings and invested capital to supply the machinery and tool needs of our industry in the future. We are currently able to maintain a high level of production by utilizing our existing machinery to the limit. However, it has been estimated that over 75 percent of this country's industrial machinery is 8 years old or older. There must soon be replacements and additions if we are to make further economic progress and maintain our present standard of living for our increasing population.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. The announced objective of this policy was the breaking up of the large corporations, or retarding their activities, but it resulted in siphoning off the raises in pay of the smaller wage earners. Does the Senator from Missouri mean to imply that it not only would not reach that announced objective but might even emphasize the very thing sought to be prevented?

Mr. KEM. I do mean that. I mean that the concentration of capital in the

hands of the large corporations in this country is proceeding at an accelerated rate. That is established by the evidence beyond any question, in my opinion. And the very policies to which I have been referring are responsible for that.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WATKINS. Does the Truman-Marshall program the Senator speaks of influence or affect that in any way?

Mr. KEM. I am glad the Senator from Utah asked that question. I intend to deal with it in detail a little later. I will say at this point that it will prevent the normal reduction of the tax rate in the United States which the American people are entitled to have and which the American people expect to receive.

Mr. WATKINS. I understand, then, the Senator's point is that if the plan is adopted, the American people should know that they will continue to pay high taxes, probably even an increase in taxes, in order to continue such a program in operation?

Mr. KEM. Yes. I think they should be told it in so many words by the proponents of the plan.

Mr. WATKINS. Am I to understand also that the program now pending before the Senate is only a part of the foreign relief program?

Mr. KEM. Yes. Even today the newspapers carry the announcement that the President has written a letter to Speaker MARTIN in which he asked for another and additional gift to France, Italy, and Austria.

Mr. WATKINS. What about the sums proposed for China and the occupied countries of Germany and Japan?

Mr. KEM. They are not included in the so-called Truman-Marshall plan, or the bill now pending.

Mr. WATKINS. As I remember, in the report of the Foreign Relations Committee on the bill, there is mentioned a sum in excess of $9,000,000,000, including the money proposed to be provided for this particular program, which the United States will be called upon to provide this year for other parts of the general program; that is, under the same policy, to provide relief for other nations of the world. In the opinion of the Senator from Missouri, what effect will that have on the economy of our country?

Mr. KEM. I think it will have the effect of putting the nose of the American taxpayer to the grindstone and keeping it there for an indeterminate time. Does that answer the Senator from Utah?

Mr. WATKINS. It seems to me it is pointing in that direction.

If I may make an observation at this point, I think the American people are entitled to know what the whole program is, not to have it brought in here piecemeal. In other words, if we are to consider the problem of what we should do for foreign nations in order to stop communism, and keep their peoples on their feet, we should have the whole program here at once, and then we could determine whether the economy of the United States could stand such an outlay.

Mr. KEM. I should like to ask the Senator from Utah whether in his opinion it is possible that the administration feels that the program must be fed to us in small doses, lest we choke on the whole thing?

Mr. WATKINS. I have an idea that the policy is to give the program to us in small parcels, and we may be willing to take one, and then a little bit later, when another emergency arises, we will take more, and more, and more. It seems to me that the wise thing for the Congress to do is to have the entire program laid before it for Japan, Germany, China, and all the other nations of the world which we are going to help this year, so we can see the entire picture, rather than have the European program put up first, and then have another one, and yet another one laid before us.

Mr. KEM. I agree entirely with the Senator from Utah. I am glad he brought up that point.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. If I understand the course of the colloquy between the Senator from Missouri and the Senator from Utah, the Senator from Missouri is of the opinion that with the establishment of the precedent of loaning or giving a foreign country an amount representing its unfavorable balance of trade with us in order to clean our shelves of materials that may be surplus here, we may be looking forward, as the distinguished Senator from Georgia [Mr. GEORGE] said on the floor of the Senate a few days ago he anticipated, if the proposed program were continued, to the time when our future common, ordinary budgets, say in 1951, might be forty-six billion or forty-seven billion dollars.

Mr. KEM. I am afraid so, Mr. President, and I am afraid that we are not only committing ourselves to place our own noses to the grindstone, but the noses of our children and our children's children.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. SALTONSTALL. In that connection I would respectfully differ with the distinguished Senator from Missouri in what he says concerning our children and our children's children. Are we not now by extending aid to certain countries, proposing to do something to help them by preventing them from having to go into another war? As I have listened to the discussion by the Senator from Missouri, and the colloquy which has taken place in connection with it, I have concluded that he and those who have taken part in the colloquy have left out one point of view which is plainly evident today, and that is the necessity of our keeping out of another war tomorrow. Does not the distinguished Senator think that the European recovery plan, and the plans which contemplate helping other nations that are suffering great distress as a result of the last war, will help prevent another war, and thereby help our children and our children's children?

Mr. KEM. Mr. President, I think the American people are weighing the plans very carefully in the balance, and I believe that the available evidence indicates that they are finding it wanting for that purpose. I believe that it is perfectly inadequate as a substitute for national defense. I shall have something to say about that later on. If I thought that the evidence indicated that the Truman-Marshall plan was a preventive of war, of course I would be for it, and every other Senator would be willing to pay this price. But, as I shall undertake to show a little later on, I think by involving ourselves in entangling alliances abroad, by creating unstable and uneconomic conditions there, it acts the other way. I think that when we are calculating the risks we ought also to calculate the additional risks of war that will follow from the adoption of the plan.

Mr. WATKINS. Mr. President, will the Senator again yield?

Mr. KEM. I yield.

Mr. WATKINS. Is it not a fact that within the last few days the peoples of Europe we intend to help, through their government leaders, have shown that they are already aware of the fact that this program will not be sufficient? Is it not a fact that they are now proposing a defensive alliance among themselves, and intimating directly and indirectly that the United States ought to be the guarantor of that alliance with armies and navies and aircraft and whatever it takes to conduct a war? Is not that already appearing on the scene, even before the plan can get under way?

Mr. KEM. I think it is. In presenting the plan in the very eloquent and noble speech made by the senior Senator from Michigan, he spoke of the snuffing out of democracy in Czechoslovakia, and he spoke of the imminent danger to poor, brave little Finland, but on inquiry here on the floor the Senator from Michigan admitted that the situation in Czechoslovakia was not brought about by any lack of economic sustenance or by dire, strained economic conditions. The people there had plenty of food. They had plenty of money. They had been already furnished $300,000,000 by the American people. They had balances in two funds which came from America which they had not drawn down. Yet the infiltration process went on just the same.

Now, Mr. President, in view of that evidence how can we lead ourselves to believe that we are creating, by this wall of dollars, any effective bar to the infiltration of communism?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. This morning's New York Times carries an Associated Press dispatch which is very interesting. It says:

> The new Communist-dominated Czechoslovakian Government has been declared eligib' to apply for economic assistance from the $7,961,000,000 International Monetary Fund—

It was announced yesterday by the Director.

That is right in line with the usual procedure of this administration—both sides of every question with no established policy at all. I was informed only a few moments ago that nearly 60

trade agreements have already been made, or are under discussion between eastern and western European countries. As we know, for the facts were put into the RECORD 4 or 5 days ago, England has concluded a trade treaty with Russia under which she is furnishing manufactured goods from raw materials which we are even now shipping to Europe, and intend to ship there under the Marshall plan. Where is the line of demarcation? Who are we really trying to assist? This is simply a "manufacturing in transit" method of furnishing manufactured and processed material to Russia originating in this country.

Mr. KEM. We seem to be working on both sides of the iron curtain. I confess that when I undertake to analyze the foreign policy of the Truman administration the "knees of my mind" give way.

I should like to say further respecting the very pertinent point raised by the Senator from Massachusetts [Mr. SALTONSTALL], that for my part I have calculated the risk, and I have found it not worth taking.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. SALTONSTALL. Then the Senator from Missouri does say that it is a calculated risk, and that adoption of the plan will not mean the helping of our children's children in the future. If the Senator from Massachusetts takes the opposite point of view it is fair to say that he has calculated the risk the other way.

Mr. KEM. Oh, I am sure that is so.

Mr. SALTONSTALL. And that is the whole issue of the present debate.

Mr. KEM. I am sure that any position the Senator from Massachusetts takes will be fair, and the result of careful, deliberate, and patriotic consideration.

Mr. SALTONSTALL. I did not mean to place the question on a personal basis. What I tried to bring out was that it was a calculated risk, and that, in my humble judgment, it was better to take the risk in the effort to prevent war and build up the economies of the other countries, than not to take it. The Senator from Missouri takes the other point of view.

Mr. KEM. What I am undertaking to do today is to present the considerations which led me to the point of view that the risk was not worth taking. After I have finished, it will be a great pleasure to me to listen to the considerations which lead the Senator from Massachusetts to a contrary view.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. DWORSHAK. The Senator will recall that during World War II the United States made available to Russia approximately $11,000,000,000 under the lend-lease program, without having apparently won the respect of Russia or creating any good will on the part of Russia toward the United States. After the end of hostilities the United States, under several programs, made available to Russia and her satellite countries approximately $1,600,000,000. Notwithstanding this financial aid, which is comparable to some extent with the Marshall plan, the puppet states refused to cooperate, and eventually succumbed to the infiltration of communism.

Mr. KEM. I thank the Senator for his contribution. It is very interesting to note that as late as October of last year we were continuing lend-lease shipments to Russia.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Indiana.

Mr. CAPEHART. I presume I should have asked this question yesterday of the able Senator from Michigan [Mr. VANDENBERG]. He is not present in the Chamber at this time. Possibly the Senator from Missouri can answer the question. Why was not Spain made one of the participating nations? Why is not Spain in this plan?

Mr. KEM. Spain is certainly a part of the economic community of western Europe. Since Spain has been excluded, the inference would be fair that it is for political and not economic reasons.

Mr. CAPEHART. I see the able Senator from New Jersey [Mr. SMITH] in the Chamber. I believe he is a member of the Committee on Foreign Relations. Can he tell us why Spain was not included in the agreement?

Mr. SMITH. Mr. President, I do not think I can tell the Senator why Spain was not included. I do not believe it is a wise policy at this time to inject that controversial question into the debate. We did not select the nations which joined in the agreement. When Secretary Marshall made his now famous Harvard speech, he said that we were interested in an over-all plan for Europe. He included Russia and every other nation. Spain was not left out. It was an over-all suggestion that Europe get together and propose a plan whereby she could help to bring about her own recovery and get back on a self-sustaining basis. Secretary Marshall indicated in that suggestion that if such a plan were promulgated we would be interested in doing what we could to help, within our resources. That is where we stopped.

What happened? The question was considered orginally, I believe, by France and England. They invited the other nations to participate. As I recall, they left out Spain. We had nothing to do with that. That was their move. Russia declined to participate. Russia got the satellite countries to decline to participate. The group which did come into the plan consisted of the 16 participating nations about which we are now talking; and subsequently in the development of the plan western Germany, the bizonal area, and the French areas of western Germany were included. That is the way the organization was set up. We had nothing to do with the selection of the countries; but when they got together and made their proposal we at once referred the proposal to our experts.

Mr. CAPEHART. Is it the Senator's opinion that we are to make a separate agreement with Spain to help her?

Mr. SMITH. We have not considered the Spanish situation at all. We have neither accepted nor rejected any proposal in that connection.

Mr. CAPEHART. Mr. President, will the Senator from Missouri further yield?

Mr. KEM. I yield.

Mr. CAPEHART. One of the chief purposes of the Marshall plan, as I gather from the proponents of the bill, from the administration, from General Marshall, and from the able Senator from Michigan, is to help stop communism. It seems to me that Spain has had a great deal of experience in that respect, because she was the one nation in Europe which actually stopped it. She fought the Communists. She has been fighting them for years, and was successful in stopping communism. It seems to me that we might well profit a little from the experience of Spain and her ability to stop communism.

Spain is much closer to Russia than we are. She does not seem to be much concerned about the communistic threat because she was face to face with it many years ago, and she handled the situation, I presume to her entire satisfaction. I cannot understand why Spain is not a part of the European recovery plan. I think I shall ask the able Senator from Michigan, chairman of the Foreign Relations Committee, just why Spain is not a part of the European bloc.

Mr. SMITH. Mr. President, will the Senator from Missouri yield to me for a little further clarifying answer to this question?

Mr. KEM. I yield.

Mr. SMITH. I should like to read into the RECORD the last paragraph under the heading "The participating countries," on page 13 of the committee report, section 8:

> Of all the sovereign states of Europe, Spain was the only one which was not extended an invitation to attend the Paris conference. From an economic point of view Spain might be able to make a contribution to such a program. On the other hand, due to the nature of the Franco regime——

Mr. CAPEHART. What is the nature of the Franco regime, other than having fought communism, which we are asked to spend $5,000,000,000 of the American taxpayers' money to do today?

Mr. SMITH. I did not quite get the point.

Mr. CAPEHART. What is wrong with the Franco regime, other than the fact that for years it has been fighting communism, which the Congress is now asked to spend $5,000,000,000 of the American taxpayer's money to fight?

Mr. SMITH. I cannot answer the question in detail. We know that there has been a great deal of controversy over the whole Franco issue, and there has been a difference of opinion in high circles with regard to it. I shall not try to answer that question, because I am unable to do so. However, I should like to read the conclusions of the committee from its report:

> On the other hand, due to the nature of the old Franco regime, and due to the resolutions adopted at various international conferences, the CEEC countries at the Paris conference did not believe it appropriate or consistent with the spirit of such resolutions to invite Spain to participate at that time.

Obviously it is because of the possible international complications, due to the facts with which the Senator must be familiar, the United Nations. It was not thought desirable to inject that controversy into the recovery plan.

Whether she eventually takes part in the program will depend upon her own willingness to assume the obligations involved, the willingness of the participating countries to admit her, and the ability of Spain to conclude a satisfactory bilateral agreement with the United States.

That is the report of the committee on the subject. I realize that this is a very controversial issue, but I am trying my best to answer the Senator's question with regard to the disposition of the Spanish problem so far as our committee was concerned.

Mr. President, will the Senator from Missouri yield to me for a few clarifying questions?

Mr. KEM. I am glad to yield.

Mr. SMITH. In the opening of the Senator's remarks he referred to the so-called Truman-Marshall plan.

Mr. KEM. Yes.

Mr. SMITH. Am I to understand that it is his purpose, by that reference, to try to make it appear that this is a Democratic proposal? Am I correct in drawing the conclusion that the Senator does not agree with the policy of the Foreign Relations Committee of the Senate? We have tried to study this question from a bipartisan standpoint. The Senator from Michigan, our chairman, had as much to do with developing the plan as did any Member on the Democratic side. I will admit that when I was abroad last summer I did my best to get facts and figures to see if I could in any way implement or strengthen the plan, and to determine, as a member of the Foreign Relations Committee, whether or not it was a plan which we should adopt.

Therefore, I should like to ask the Senator whether he disapproves of a bipartisan approach to our foreign policy. That is my first question. My next question is whether the Senator from Missouri objects to having this plan considered not only a Truman-Marshall plan, if you will, but also a Vandenberg-Smith-Hickenlooper-Lodge plan—in fact, giving credit to all the other members of the committee. We are Republicans, and we are willing to take responsibility for sponsoring this plan, as well as to make clear that it is also a Democratic move.

As I have said, I object strongly to injecting partisanship into this matter. It should be considered from the standpoint of America, rather than from the standpoint of any political party.

Mr. KEM. Mr. President, I agree with the Senator from New Jersey that partisan politics should stop at the water's edge. But I also agree with him that it is extremely unfortunate that this plan should be presented by Democratic partisans to the American people as the product of the Truman administration.

Just a few days ago the junior Senator from Indiana [Mr. JENNER] referred to an address made in his own State, at Indianapolis, by the junior Senator from Rhode Island [Mr. MCGRATH], who also is chairman of the Democratic National Committee, in which address, according to the Senator from Indiana, the Senator from Rhode Island presented this plan to his hearers as a triumph of the Truman administration.

Mr. President, it is either bipartisan or it is partisan. Certainly it is not partisan when being presented to the American people and bipartisan when being presented to the Republican Members of this body.

Mr. SMITH. Mr. President, I agree entirely with the Senator from Missouri, and I would be the first one to deplore an attempt on either side of the aisle to take credit for a plan that ought to be a bipartisan American plan, and not either a Republican plan or a Democratic plan. I think the Senator from Missouri is entirely justified in making his criticism of an attempt to present the plan as solely a Democratic plan.

But I inquire of the Senator whether he now is asking us to take an isolationist position and turn our backs entirely on the question of European recovery? If he is not asking us to do that, I should like to know what his position is.

Mr. KEM. Mr. President, if the distinguished Senator from New Jersey will bear with me, I think as my argument develops his questions will be fully answered, insofar as my own position is concerned.

Mr. SMITH. I should like to ask this question, then: Do I correctly understand that the Senator from Missouri in his argument is advocating that we take an isolationist position in regard to the situation in Europe? I get that impression, and I should like to be certain about the matter as the Senator's argument proceeds.

Mr. KEM. Mr. President, at this point I do not wish to take time to answer any "Will you stop beating your wife?" questions. It would take too long to do that.

Mr. SMITH. I regret that the Senator construes my question in that way.

Mr. KEM. I do not wish the Senator from New Jersey to hang me on an isolationist nail or on an internationalist nail. I wish to proceed with my own argument and to develop the points I have in mind.

I wish to be courteous to the Senator from New Jersey and to all other Senators, and I appreciate the careful attention the Senator from New Jersey has been kind enough to give to what I have had to say. If he will bear with me a little further, I think his questions will be fully answered.

Mr. SMITH. In line with the Senator's reference to nails, let me point out there is a saying that when you are not quite sure which way you are going, you hang your hat on a hook. Would that be a legitimate point to make in this connection?

Mr. KEM. If the hook were located between the two nails, perhaps it would be.

Mr. DWORSHAK. Mr. President, will the Senator from Missouri yield to me?

Mr. KEM. I yield.

Mr. DWORSHAK. I am sure the Senator from Missouri and all other Senators are in full accord with the sentiment expressed by the Senator from New Jersey that what we need is an American policy, not either a Democratic or a Republican policy. But is it not appropriate to point out that during the 2½ years since the cessation of hostilities, we have had, not a bipartisan policy, but, in reality, the policies formulated by the Chief Executive with the aid of his assistants in the State Department. Throughout that 2½-year period the Congress of the United States has gone along completely with those policies, although we must confess here—and confessions are made every day by Members of this body—that those foreign policies have not been successful, and that after spending more than $20,000,000,000 during that 2½-year period in giving aid and encouragement and seeking to build up good will in Europe to supplement and support a so-called bipartisan policy, the fact is that we have not succeeded, but that today we are facing a more critical and acute situation in Europe and elsewhere throughout the world, not because of the failure of a bipartisan policy, but because of the failure of the Truman policy, the policy which has been outlined by the Democratic administration.

Mr. KEM. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr. COOPER. I have been interested in the exchange between the Senator from New Jersey and the Senator from Missouri concerning the authorship of this plan, and also the statements made placing blame or credit, as the case may be, for the authorship.

I advance the idea that perhaps this body itself had some part in its authorship. About a year ago, when we were discussing the matter of loans to Greece and Turkey, it was said in this body again and again by members of both parties—and I believe by the Senator from Missouri—that this body would not longer follow the policy or practice of making grants for relief to European countries, and if further aid was to be given it would be only for the economic rehabilitation of Europe.

I have always believed that the seeds of this program were planted in that debate. I believe that the senior Senator from Michigan [Mr. VANDENBERG] said, as did practically every other Senator who spoke upon that measure, that relief grants must be ended.

It was not until after that debate, in which the idea of rehabilitation was advanced, that Mr. Dean Acheson made the first speech upon which this program is based. In a few weeks it was followed by the speech of Mr. Marshall at Harvard.

Without trying to place the authorship of this measure upon any particular person, I assert today that its beginning may well be found in the declarations made in this body itself during the debate upon the Greek-Turkish loans.

Mr. MALONE. Mr. President, will the Senator from Missouri yield to me, to permit me to ask a question of the Senator from New Jersey?

Mr. KEM. I yield.

Mr. MALONE. I should like to ask the Senator from New Jersey exactly what is this bipartisan policy which he so ably espouses? In other words, we are trying

to stop communism, according to all the explanations which are made; and this is said to be a considered risk, with $17,000,000,000 added to the $24,000,000,000 which we have used for such purposes since the end of the Second World War.

I should like to know just what the Senator from New Jersey would be willing to do; and I should also like to know whether the State Department has ever said what it will do if we do not stop communism in this way. Has it named the nations that we must currently protect for our own ultimate safety, and has it said what it intends to do in the event money does not stop communism? Has the State Department done that, and is the Senator from New Jersey willing to do it?

Mr. SMITH. Mr. President, perhaps we approach the problem from different angles.

The whole purpose of the so-called Marshall plan has been to give our aid to the resistance to the spirit of communism, and also to add our aid to the rehabilitation of the countries which have gotten back on their feet and have had courage again to let the democratic impulses which they would like to express have a chance to get ahead.

In view of the present situation in Europe, with the demoralization, the undernutrition, the balance-of-trade problems, and the other economic problems, those countries cannot guard their lines effectively against the movement which has occurred in Czechoslovakia, for instance, and is threatening to engulf other nations from time to time. It is the idea of giving a person strength when he is sick, of restoring him to health, so that he can express his best self in the kind of philosophy that he wants to see the rest of the world have. It is that theory, at least, on which I have been working. I cannot speak for my colleagues, but I think that is what is motivating us in our belief that this is the right kind of approach, and that this calculated risk, as has been said, is worth taking to see if we cannot save the situation by this route.

Mr. MALONE. Mr. President, will the Senator yield for one more question?

Mr. KEM. I yield.

Mr. MALONE. I presume—I must presume—that we consider the best interests, if not the safety of the United States, to be involved in what we are doing. I have been through two wars. We were backed into each of the two world wars, denying we would fight, and utterly unprepared to fight, even as we are today. Czechoslovakia has been lost, although we supplied that country with a large amount of money. The press indicates this morning that we are ready to loan still more money to Czechoslovakia, after the Communists are in power there. Would it not be much better to keep separate the feeding of hungry people and the rehabilitation of industry, putting the feeding of hungry people on a charity basis and the rehabilitation of industry on a sound business basis, and leave the policy of what nations we must defend for our own ultimate safety to the State Department and the President of the United States as the Constitution provides, as President Monroe did in 1823, when the same problem presented itself? Only then it was not called communism, it was called domination of other and weaker nations for trade purposes, which is what some other nations are now doing, including Russia. Our ultimate safety was then threatened by that action, according to President Monroe. The question is now as it was then, what areas—naming the nations—of the world must we currently protect for our own ultimate safety. We have never discussed that all-important question with the American people, through the two world wars and now the Marshall plan.

Mr. SMITH. I think, if I understand the Senator's question, we are certainly in a sense doing that because the Greek-Turkish program was put in that position. We implied that we were going to try to hold the fort there. We implied in the Austrian-Italian-French interim aid that we were holding the fort there until we could get a rehabilitation program under way, to the end that those countries might continue to resist. I think in that sense we certainly have indicated certain areas in which we feel special help has to be given. But we did want to get into the picture, not merely the fact that these people were in a sense dependent upon us for protection, but that we desired all Europe to be strengthened, to the end that the various nations might stand on their own feet. That is what the Marshall plan does. That is why I am supporting it with so much eagerness.

Mr. MALONE. To clarify the atmosphere, let me suggest that we have been throwing money throughout the world ever since World War I for the same purpose. In 1939 we stood in the same category with respect to World War II. We are now in the same category with respect to World War III. I think the Senator from New Jersey will admit that.

Mr. SMITH. I do not quite agree with the implications of that statement, because I think we have made the mistake in the past of feeling when we were called on for relief, that, as our hearts were large, we wanted to give relief. It was because we could not go on in that way, giving relief as much as we wanted to, that we said, "It is necessary for you who live in Europe to work out some program whereby you can become self-sustaining again." That is the program with which we are dealing now. It is not a relief program. The two things are quite different. Unless they show progress toward the goals which they are setting up for themselves, we shall cut off this aid, any day. It is because we have got it on a progressive scale, because we have got it on a scale that we can watch from day to day, on a scale that we can watch to see whether it is accomplishing the approach toward self-sufficiency, that we are going into this plan, to strengthen the countries of western Europe, to enable them to withstand the onslaught of communism, which is now spreading into one country after another.

Mr. MALONE. I beg the Senator's pardon for asking him to yield for one more question to my distinguished colleague from New Jersey.

Mr. KEM. I yield.

Mr. MALONE. I submit that, as everyone knows, we are now in worse condition with Greece than we ever were before. Are we quitting or are we going ahead? What shall we do if money does not stop the encroachments of communism? Are we ready to go to war?

Mr. SMITH. It is a very relevant question. That is the question we have got to face. I do not know. I should say we must be prepared to back up what we are trying to do; there is no evidence that we are not. Let me say to the Senator that in the hearings the question was raised: Which is going to cost us more in the long run, to take on this program, plus the military program, involving the figures we have before us, or to abandon the program entirely, retreat into isolation, and take on a much larger budget in order to protect ourselves from the impending World War III?

Mr. MALONE. Mr. President, I deeply resent the implication of isolationism. When any question is raised of our lack of foreign policy, the propaganda is thrown out and the cry of isolationism or communism is raised.

We need a foreign policy. We talk of a bipartisan policy. We do not even have a foreign policy—it is a hybrid thing, on both sides of every question as the evidence over the years will show.

We now defy the largest nation in the world beyond our borders—utterly unprepared to back up our words—and without at this moment any sensible plan to rebuild our military organization, spearheaded by an air corps to enforce our words.

Do our own words make sense in determining what we will do if we meet with opposition and our contributions do not stop the opposition?

Only the State Department can fix the foreign policy in regard to the areas and nations whose integrity we must currently protect for our own ultimate safety—and over a period of 15 years they have refused to tell the American people and the nations of the world what our policy is to be. We need to reestablish integrity in our own Government.

We have two reports: one, a report from the Congressional Aviation Board, the other, a report from the Truman Aviation Board. The two reports very nearly agree that it will cost $16,800,000,000 to prepare our air corps, to enable us to currently protect any area or nation which we decide is necessary for our ultimate safety. Until we do that or get such a program under way, we are whistling in the dark.

What will we do if this situation continues? Shall we take a stand—naming the areas that we consider as necessary to protect for our own ultimate safety—or shall we continue to expend our substance throughout the world and then back up when our hand is called? And knowing the possible implications of what we are doing shall we continue to whistle in the dark, or adopt a definite program of rebuilding our military organization spearheaded by an air corps

that can keep any belligerent nation on the ground? The Communists have taken over Czechoslovakia. They will take over Finland. They may take over Italy. What are we prepared to do about it? Are we going to let them believe again that the United States will not fight, so that they may continue to encroach upon the territories of other nations? Are we going to make our position clear? Are we prepared to appropriate another $17,000,000,000 in order to do that? Are we prepared to announce a definite foreign policy to our people and to the nations of the world? That is all I ask. Tell our own people the truth.

Mr. SMITH. The Senator will probably agree that the cost will be $17,000,000,000 whether we do it this way or not.

Mr. MALONE. We are not doing anything now that makes sense. We are not preparing to back our play; and, in fact, few if any know what the play is. No definite policy has even been discussed by the State Department or the President of the United States.

Mr. SMITH. I agree with the Senator that we must be adequately prepared. I have always realized the necessity of America's being strong for any eventuality. I shall always take that position. That still does not to my mind answer the question of whether or not we should take on this program.

Mr. MALONE. Mr. President, the Senator from New Jersey brought up this question himself. He says it is necessary to protect Greece, for our own ultimate safety. He is the only supporter of the legislation who has ever said we would protect Greece. The State Department or the President has never made such a statement. Is the Senator fixing the foreign policy for the administration, and if he is, what would he do in Greece if someone calls our hand there?

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I do not have the floor.

The PRESIDING OFFICER (Mr. WATKINS in the chair). Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. KEM. I yield.

Mr. LODGE. I should merely like to say to my able friend from Nevada, I agree with him 100 percent that we ought to be in the strongest possible military posture. I offered an amendment here last year to the appropriation bill to provide funds for a 70-group air force. As I recall, the Senator from Nevada voted with me at that time.

Mr. MALONE. I shall vote with the Senator again, too, if we could fix a foreign policy and get back on that subject—but we have no foreign policy.

Mr. LODGE. I am going to offer it again, unless the committee puts the figure in. I think we have got to get our armed forces up to strength just as quickly and as effectively as possible. I should like to say to my friend, though, that I think something has been accomplished in Greece. It is a slow business, but I believe that the American military mission has got an idea of what can be done as a result of a year's experience there that it did not have before, and I am quite sure that if we had done nothing we should be much worse off than we are today.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Washington.

Mr. CAIN. With the Senator's permission, I should like to address an inquiry to the very distinguished Senator from New Jersey, in the hope that it may be of some help to my thinking and to the thinking of others.

Mr. KEM. Very well.

Mr. CAIN. The Senator has spoken very feelingly and in my opinion quite properly about the need for a bipartisan or an American foreign policy. I take it that with reference to a part of that bipartisan or American foreign policy it is being developed on the floor of the Senate during the days of this debate, but it is only a part of that foreign policy. I happen to be only one of many Senators who are most sympathetic with the problems of the world in which we live. We are going to go even further than logic indicates we ought to go in supporting this program.

But we are not being exactly fair to the American people, from my point of view, because we are not able to be accurate with reference to an adequate answer to their questions. When we get through we can tell them all there is to be known about the Marshall plan, but we cannot tell them what will happen if the Marshall plan should fail.

In a colloquy on the floor of the Senate recently between the distinguished senior Senator from Michigan [Mr. VANDENBERG] and the equally distinguished Senator from Minnesota [Mr. BALL], the senior Senator from Michigan could not answer the question propounded as to what the administration had in mind with reference to that portion of our foreign policy which is to be imposed if that which we are trying to do here should fail. I do not know how we can obtain answers to the questions the American people are asking, but I think it is highly proper that we raise on the floor of the Senate such questions to be answered by the Senators who are members of the Foreign Relations Committee. We must look to them for advice and guidance as to what we are to say to the American people with reference to the line we intend to lay down beyond which communism may not go.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LODGE. It is perfectly possible to lay down a line beyond which we would not tolerate military aggression, but it is not possible to lay down a line regarding the right of a people voluntarily to adopt a political document which they do not like. We cannot lay down such a line.

Mr. CAIN. I agree with the Senator as to that portion of my remarks. If the Senator will permit me to come back to the point with respect to which I hope the Senator from New Jersey will help some of us, namely, the creation of a bipartisan foreign policy, it cannot be a complete policy unless the administration is in agreement with the Congress on more portions of our foreign policy than the so-called Marshall plan. There is a genuine feeling, deep down within many of us, that we cannot get any knowledge as to where we are likely to go in the future in terms of military security. Let me say to the Senator from New Jersey that I shall support the program, but I am frightened about it. I have no conviction regarding it except on the basis of hope, because the United Nations, which presumably was created to keep war from devastating the universe in the future as it has in the past, has not successfully operated. There have been resolutions before the Foreign Relations Committee of the Senate in recent months intended to express the wish and the will of the Senate and to direct the President to take steps within the United Nations to strengthen its collective security provisions. Those steps have not been taken. So, however hopefully we support the Marshall plan, there is great cause to be frightened because we possess no knowledge concerning how the free nations of the world in military concert with each other will stand together or protect each other in case of trouble or war.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LODGE. I should like to point out to the Senator from Washington that since the "snatch" was put on Czechoslovakia, five nations of western Europe have gotten together and they appear to have arrived at a military understanding, which certainly is a very dramatic forward step when compared with the failure of European nations to get together in the past. I hope and believe the Senator from Washington regards that as an encouraging development, because I think it is encouraging.

Mr. CAIN. I read of that development with the greatest possible interest, but it is being done, as I understand, by nations which have removed themselves from the United Nations. What some of us are looking for is the exercise of greater strength and leadership by the American Government within the United Nations.

Mr. LODGE. I think article 51 of the United Nations Charter permits and contemplates the creation of regional agreements. I do not think the agreement of which I am speaking is in any way a violation of the spirit of the United Nations. On the contrary, I think it is probably an enhancement of it.

Mr. CAIN. I did not mean to be critical of it in that sense; but the United States was not a participant, so far as I know, in the knowledge of what was going on in Europe before it actually took place.

Mr. LODGE. I think the United States had a very good idea.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. I want to make myself entirely clear once and for all. I am only 1 of 96 Members of the Senate. I deeply resent any implication that anyone who insists on discussing this subject and

breaking it down so that it will make some sense is either a Communist or an isolationist.

What we should like to do is to go on from the point of feeding the hungry people, if there are still hungry people. This Congress is ready to discuss further appropriations for that purpose to the extent that our own country can withstand the impact without further inflation. With their people fed, and our foreign policy established, then we are ready to discuss the rehabilitation of their industrial plants on a business basis, which has already been presented to the Senate.

There are 18,000,000 persons in the United States today who have been in one or both of the world wars. Yet, there are those who say that we cannot discuss the matter of international policy with the American people; that we must lead them along as was done in 1914 and in 1939, when it was known that we were going to war, but denied by our leaders. I think we should forthwith discuss the pressing questions of foreign policy with our experienced men—the leaders of the armed services, the Committees on Armed Services in both Houses, and with the chairman of the Joint Committee on Atomic Energy—and let the world know where we stand and what our policy really is. The sum of $16,900,000,000 now recommended for an adequate air corps 4-year program, recommended by our own Congressional air corps board and concurred in by the President's air corps board, could be adopted forthwith and leave enough money to meet the demand for the rehabilitation of European industrial plants on a business basis. What this bill provides, and what we intend to do—and it will develop on the floor of the Senate after it is in effect—is to have our Government refrain from giving European governments money with which to nationalize existing industrial plants and to construct new plants which will be government-owned.

As a matter of fact it is well known that they have driven more money underground in their own countries by their nationalization and socialization of property plans than is involved in the Marshall plan. It is well known that they have stopped private investors of other countries, including our own, from investing in Europe because they will not safeguard such capital. Spain has sent a representative to America to negotiate a loan. Spain respects the integrity of investments there and wishes to borrow money to rehabilitate her industry. That procedure makes sense to me; and if the 16 Marshall-plan countries would turn honest and again respect the integrity of private investments, in the same manner as we protect the investments of the nationals of such countries, then they would not need the Marshall or any other plan.

The question has been raised here as to why Spain is not included in the Marshall plan. Spain protects the integrity of private investments, and as a result does not need money to be presented to her Government as a gift. It proves our point that the Marshall-plan countries' own actions make necessary gifts of money from our own Government.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from New Jersey.

Mr. SMITH. Mr. President, I regret if I gave offense by my question to the Senator from Missouri in regard to isolation. All I meant was whether he was advocating withdrawing entirely from the European scene.

Mr. MALONE. Tons of propaganda go out to that effect every day, and the Senator has mentioned it three times, implying anyone wanting to make some sense out of our foreign-policy procedure is either a Communist or an isolationist. It is preposterous and mischievous, and is not calculated to improve our world position or protect our own ultimate safety.

Mr. KEM. Mr. President, I shall merely postpone my answer to the question. I should like to say to the Senator from New Jersey that I shall deal with it fully later on in the remarks I have to make.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Idaho.

Mr. DWORSHAK. While we are discussing the question of isolationism I should like to address an inquiry to my friend from New Jersey and ask him who it was last year who isolated poor little Italy. There were only 10 Members of the Senate who voted against ratification of the treaty with Italy, which isolated Italy by withdrawing American troops and by forcing Italy to adopt restrictions whereby its military forces became so small in number that Italy became more vulnerable to the expansion and the threats of communism. Who was guilty of isolationism when this body ratified the Italian peace treaty? I ask the Senator from New Jersey that question.

Mr. SMITH. I think it is a very fair question, and I admit that I voted for ratification of the Italian treaty. I also admit that I may have made a mistake in so doing. I never hesitate to admit it if I think there is anything questionable that I did in the past. I do it with absolute sincerity. I am glad the Senator asked the question, and I am very glad to make that statement.

Mr. DWORSHAK. I certainly wish to apologize if anything I said seemed to impugn the motives of the Senator from New Jersey, for that was far from my mind. But in view of the fact that we persistently discuss this so-called approach of isolationism, I am sure the Senator from New Jersey will agree with me that if isolationism has ever been exemplified on the floor of the Senate in the past year or two, it was on the occasion when this body did in fact isolate Italy. Is not that true?

Mr. SMITH. I will not go that far, although that might have been the effect. But I can say for myself that the moment I voted to ratify the treaty with Italy, I had no intention whatever of isolating Italy. I was doing only what I thought was in the best interests of the Italian people and of peace in Europe.

Mr. DWORSHAK. I know, of course, the Senator was sincere, but the result has been an element of isolationism, so far as my opinion is concerned.

Mr. SMITH. We must realize that there are changes in conditions every day. In propounding my question to the Senator from Missouri, all I was trying to bring out was whether he thought we should withdraw from Europe, or had some alternative which he would develop in his address. That was the only purpose of my question.

Mr. WATKINS. Mr. President——

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Missouri yield to the Senator from Utah?

Mr. KEM. I yield.

Mr. WATKINS. I should like to ask the Senator from Missouri whether he regards the policy we had in China, when we sent Marshall there, to get the Nationalists and the Communists together, as a bipartisan policy.

Mr. KEM. I have become very much confused by the various labels placed on this policy. Apparently when it is sent to the Senate for approval, and the administration is dangling for Republican votes, it is presented as a bipartisan policy. When the Chairman of the Democratic National Committee goes to Indiana and speaks to a Nation-wide audience of voters, it becomes the Truman policy. Its chameleon-like character is very confusing.

Mr. WATKINS. Will the Senator yield for a further question?

Mr. KEM. I yield.

Mr. WATKINS. Was the Potsdam agreement the result of a bipartisan policy on the part of the United States?

Mr. KEM. As a Republican I should not like to feel I had any responsibility for the Potsdam agreement.

Mr. WATKINS. Is the policy of reparations with respect to the dismantling of necessary plants in Germany, which we are now required to help rebuild, a bipartisan policy?

Mr. KEM. The Senator from Missouri would like to be excused from any responsibility for that portion of the program also.

Mr. WATKINS. Would the Senator say that the ratification of the treaty with Italy, which rendered Italy practically defenseless, was also the result of a bipartisan policy?

Mr. KEM. The recollection of the Senator from Missouri is that he voted for the ratification of the treaty with Italy because it was brought to the Senate with the approval of the Senate Committee on Foreign Relations. Perhaps the Senator feels now he made a mistake in doing so. I should like to say to the Senator from Utah, however, that I voted against the Greek-Turkish so-called Truman doctrine, and never from the day that vote was cast have I had any cause to regret it.

Mr. WATKINS. I should like to ask the Senator another question. Were the decisions made at Yalta the result of a bipartisan policy, decisions which gave Russia a free hand in Poland, in Manchuria, and in certain parts of the east, gave her the Kurile Islands, and gave her certain other free territory or

spheres of influence in the Balkans—were they the result of a bipartisan policy?

Mr. KEM. I seem to recall reading in the memoirs of Justice Byrnes, who was then the Secretary of State, that even he was not permitted to be present at the time the important agreements of the Yalta Conference were reached. If the then President of the United States was not consulting even with the members of his own Cabinet, particularly the member charged with the peculiar responsibility of handling our foreign policy, hardly can it be said that members of the Republican Party have any responsibility for the very unfortunate decisions reached on that lamented occasion.

Mr. WATKINS. Let me make an observation, if the Senator will yield further——

Mr. KEM. I yield.

Mr. WATKINS. Most of the troubles we have today grow out of those so-called policies adopted years ago. Even the necessity, as our friends allege it is, for the so-called Marshall plan grows out of mistakes and blunders one after the other in the course of history during the latter part of the war and since the war. In my judgment, none of the policies were bipartisan policies. So when it is said that our foreign policy has been bipartisan, I hope we will be accurate and say that only on certain occasions is there any right to make to the world the assertion that these policies were bipartisan. As one Republican, I disclaim any bipartisanship in the policies I have mentioned to the Senator from Missouri.

Mr. COOPER. Mr. President, will the Senator from Missouri yield?

Mr. KEM. In just a moment. I should like to check out on these policies. Speaking as an American, and not as a partisan, I hope I will be believed when I say that Potsdam and Yalta are two of the blackest pages in American history.

I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I do not desire to interrupt the Senator's very interesting and erudite discussion, but I am interested in his inquiry into the bases upon which the European recovery program rests and the discussion that he has provoked.

I do not believe that we can justify or condemn this program merely because of some name it bears or because of some action which has occurred in the past. It seems to me that it is more appropriate to determine whether or not the program is in conformity with what we understand to be the traditional and fundamental elements of American foreign policy.

For myself, I suggest that, despite the fact that the European recovery program has been termed by some an innovation, or a new aspect of our foreign policy, it might well be considered that it rests upon three fundamental and traditional principles of American foreign policy.

The first, I believe, is the mere act of providing aid for the needy peoples of other countries. We have done this traditionally and consistently throughout the history of this Nation. I recognize that there must be limitations upon this practice, but I can think of no group which deserves aid more than those nations which shared in our war sacrifice.

The second is that referred to so often as the principle of self-determination. I have not liked the statement that is made again and again that this policy is directed merely to saying to some nation, "You cannot have communism." I think it would be better grounded if we say that we will help the 16 participating nations have the free opportunity to deny communism and that we will assist them in establishing an economic condition which would enable them to make a free choice for themselves. We have faith that given a free choice they will not choose communism.

If we apply the principle of self-determination, we can distinguish between actions taken at Yalta and Tehran with which we do not agree and the action proposed to be taken under the pending bill. I think we would all agree that certain decisions made at Yalta, Tehran, and Potsdam violated the principle of self-determination in their moral if not political abandonment of weak nations and are repugnant to us because they were not in conformity with the traditions of this country. I call to your memory that the distinguished senior Senator from Michigan [Mr. VANDENBERG], in action at San Francisco in the framing of the Charter of the United Nations and in speeches he has made, has emphasized the great principles of self-determination and of justice. He has said again and again that our foreign policy must be based upon principles in which the United States believes.

Finally, I would say that the program now presented rests upon the most important element of our foreign policy, namely, security. If we consider that present conditions in Europe endanger or will lead to the endangering of this country and its security, then certainly it is consistent to take the course of this program in the interest of our security.

I suggest to the very able Senator from Missouri, therefore, that in my opinion the program presented in the measure we consider does rest upon very strong fundamental principles of American foreign policy.

Mr. KEM. Mr. President, I will say to the Senator from Kentucky that if he can reconcile the views he has just expressed with the views expressed by the senior Senator from Michigan when presenting the program I shall be surprised. If this is a program for stopping communism it certainly is not a program for the recognition of the principle of self-determination. It cannot be both. If it is not a program for stopping communism how can it be a program for preventing world war III, as was suggested by the senior Senator from Massachusetts?

Mr. President, in developing my argument I had referred to the fact that the price level at home is indissolubly connected with these establishments abroad; that the high cost of giving is an important element in the high cost of living. Then I was continuing to present the proposition that our traditional capitalistic economy is threatened by the Truman-Marshall plan. The President himself, in his state of the Union message, recognized this need when he said that—

> At least $50,000,000,000 should be invested by industry to improve and expand production facilities over the next few years.

You may wonder, Mr. President, what all this has to do with the Truman-Marshall plan. It has this to do with it: If this country is to expend $17,000,000,000 for the recovery of western Europe during the next 4 years, taxes as a result must be kept higher than would otherwise be necessary, and savings available for capital investment will be correspondingly reduced. Furthermore, vast quantities of farm and industrial machinery and other capital goods would be given to the 16 Marshall-plan countries, further weakening our capacity to produce. Ex-President Herbert Hoover, commenting on this situation, said:

> The greatest danger to all civilization lies in the possibility that the United States will impair its economy by drains which cripple its own productivity. Unless this one remaining Gibraltar of economic strength is maintained, chaos will be inevitable.

Beginning with the New Deal system of discouraging savings, soaking the rich, and spending ourselves into prosperity, this Nation for the last 15 years has been following a policy of "eating our seed corn." The Truman-Marshall plan is simply an extension of these policies on an international scale. Will it lead us to the ultimate downfall of our present economy?

The United States would do well to study the experience of Great Britain. British economists generally agree that the reasons for the economic downfall of their country have been primarily (1) that British industrialists failed to plow back enough of their profits into plant expansion and modernization, and (2) that the confiscatory income-tax policy Britain has followed since World War I drained away the sources of new capital.

America simply cannot afford to postpone her own capital development in order to finance Europe's present socialistic practices and policies for another 4 years. I voted, Mr. President, for the interim-aid bill last December. I cannot go along with this vast program for internal improvement in 16 countries of western Europe.

If we postpone our own capital development American industrial progress will go down and out and we will join the poverty-stricken nations of Europe on the road to socialism and industrial chaos. But there will not then be a benevolent America to which we can appeal for aid.

D. THE WELFARE OF THE PEOPLE SHOULD BE OUR FIRST CONCERN

Mr. President, it is sometimes helpful to get back to bedrock principles, and from there to take our bearings. There is written on the great seal of the State of Missouri the quotation, "Salus Populi suprema lex esto"—let the welfare of the people be the supreme law. It is hardly necessary to refer in this presence to the basic principle that the welfare of our own people—that is, the welfare of the people of the United States, and not the people of any foreign land across the sea—should be the first concern of the

Congress of the United States. The emotional interest exhibited in some quarters today in favor of distributing among the peoples of foreign lands the wealth accumulated in this country by many generations of thrifty and frugal-minded people appears to be one of those strange emotional manias, or moral epidemics, which have excited the minds of men from time to time at various periods in the world's history. There is an interesting book on this subject in the Library of Congress. It is written, strangely enough, by an Englishman, L. C. Mackey. It is entitled, "Extraordinary Popular Delusions and the Madness of Crowds." The author says:

> In reading the history of nations, we find that, like individuals, they have their whims and their peculiarities; their seasons of excitement and recklessness, when they care not what they do. We find that whole communities suddenly fix their minds upon one object, and go mad in its pursuit; that millions of people become simultaneously impressed with one delusion, and run after it, till their attention is caught by some new folly more captivating than the first (preface, p. xix).
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> Every age has its peculiar folly; some scheme, project, or phantasy into which it plunges, spurred on either by the love of gain, the necessity of excitement, or the mere force of limitation. Failing in these, it has some madness, to which it is goaded by political or religious causes, or both combined. Every one of these causes influenced the Crusades, and conspired to render them the most extraordinary instance upon record of the extent to which popular enthusiasm can be carried (p. 354).
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> If two or three persons can only be found to take the lead in any absurdity, however great, there is sure to be plenty of imitators. Like sheep in a field, if one clears the stile, the rest will follow (p. 613).

This interesting book, originally published in 1841, was reprinted in America in the year 1932 and published by L. C. Page & Co., of Boston. For this American edition a special preface was written by a distinguished American, who recently appeared as a witness before the Senate Foreign Relations Committee, the Honorable Bernard M. Baruch. In reading Mr. Baruch's testimony before the Senate Foreign Relations Committee, one cannot help wondering whether, in testifying in 1948, he forgot what he had written in 1932. In the latter year, in the preface to the book, Mr. Baruch wrote:

> All economic movements, by their very nature, are motivated by crowd psychology. Graphs and business ratios are, of course, indispensable in our groping efforts to find dependable rules to guide us in our present world of alarms. Yet I never see a brilliant economic thesis expounding as though they were geometrical theorems, the mathematics of price movements, that I do not recall Schiller's dictum: "Anyone taken as an individual is tolerably sensible and reasonable—as a member of a crowd, he at once becomes a blockhead," or Napoleon's maxim about military masses: "In war the moral is to the physical as 3 to 1." Without due recognition of crowd thinking (which often seems crowd madness) our theories of economics leave much to be desired. It is a force wholly impalpable—perhaps little amenable to analysis and less to guidance—and yet, knowledge of it is necessary to right judgments on passing events.
>
> The migration of some types of birds; the incredible mass performance of the whole species of ocean eels; the prehistoric tribal human eruptions from central Asia; the Crusades; the medieval dance crazes; or, getting closer to economics, the Mississippi and South Sea Bubbles; Tulip Craze; and (are we too close to add?) the Florida boom and the 1929 market madness in America and its sequences in 1930 and 1931—all these are phenomena of mass action under impulsions and controls which no science has explored. They have power unexpectedly to affect any static condition or so-called normal trend. For that reason, they have place in the considerations of thoughtful students of world economic conditions.
>
> Although there be no scientific cure, yet, as in all primitive, unknown (and therefore diabolic) spells, there may be potent incantations. I have always thought that if, in the lamentable era of the new economics, culminating in 1929, even in the very presence of dizzily spiraling prices, we had all continuously repeated "two and two still make four," much of the evil might have been averted. Similarly, even in the general moment of gloom in which this foreword is written, when many begin to wonder if declines will never halt, the appropriate abracadabra may be, "They always did" (preface, p. xiv).

So, Mr. President, Mr. Baruch has put on warning to keep in mind that two and two always make four.

It may be worth noting that what is perhaps the strangest and most foolish of all these exhibitions of social phenomena, the Children's Crusade of the Middle Ages, was conducted under the guidance of the highest authorities of the church, and with the approval of what would otherwise be regarded as the wisest minds of Christendom.

Now, Mr. President, let us look calmly and dispassionately, bearing in mind that two and two make four, at some of the probable effects of the Marshall plan, not on the people of Europe, but on certain classes and groups of our own people.

1. FARMERS

During the recent war years American farmers were urged to produce more and more as their contribution to the war effort. With an acute shortage of labor and machinery handicapping them, our farm men and women did a remarkable job of feeding our factory workers here at home and our soldiers and allies abroad. After the shooting war was over, this country continued to supply large amounts of foodstuffs to the rest of the world, and the farmer was urged to keep production high.

One of the effects of this high-production policy has been the placing of a tremendous burden on our soil. It has been estimated that if such a policy were continued for the next 5 years, from ten to twelve million acres of soil would be threatened with permanent loss of fertility. Too much has already been taken from the soil and too little returned to it. The bottom of America's food-basket is growing thin. Despite this condition, vast amounts of fertilizer would be given to European countries under the Truman-Marshall plan to build up their land while our farmers here at home are often unable to get fertilizer at all.

A. M. Pritchett, of Pacific, Mo., has put it this way:

> One of the major problems facing our country today is high prices, and the only thing that can bring them down is more production, and we farmers cannot increase production with poor land.

Both our Government and our farmers have long struggled with the problem of soil erosion. Erosion has already ruined, or badly damaged, 282,000,000 acres of our land, or approximately the total combined acreage of the six States of Missouri, Kansas, Iowa, Nebraska, Minnesota, and Illinois, and 770,000,000 acres more of our land has eroded to some extent. Expressing the same idea another way, one-fifth of the original tillable land of the United States has been ruined and one-third of that remaining has been badly damaged. Further, it is estimated that 500,000 acres are being allowed to go to ruin each year. Ninety percent of the farm land subject to erosion is still without adequate protection.

In fact, despite relatively high farm incomes, at least some farmers are finding it more profitable to move to metropolitan areas and seek employment there. Since 1940, 2,500,000 families have left the farm areas of the United States. For instance, in Missouri, since 1940 there has been a definite migration of farm people, producers on the land, to the cities from 95 rural counties out of a total of 114 counties. My native county, Macon County, Mo., suffered a loss of 24 percent of its population during the past 7 years. This experience was by no means unique. Maries County in central Missouri showed a decrease in population of 28 percent of its residents in the same 7-year period since 1940. Most central and northern Missouri agricultural counties dropped in population. Knox County had a loss of 18 percent; Gentry County, 22 percent; Daviess County, 22 percent; Reynolds County in the Ozarks, 20 percent; Worth County, 21 percent.

I invite the attention of any Members of Congress who are interested in American fertilizer for the valleys of the Yangtze, the Danube, the Oder, the Rhine, or the Thames, to these figures. The good earth of America seems to be yearning for food as well as the good earth of China.

The most important factor in this movement has been the progressive decline in the fertility of the soil remaining for cultivation.

The need for a comprehensive and well-planned flood-control program in the Missouri Valley region was accentuated by the disastrous floods last spring, with resulting smaller grain crops than would otherwise have been harvested. Several flood-control plans have been advocated by some as a desirable method of solving this problem. One thing all the plans have in common. They all will cost a great deal of money. We should be, we must be, impressed with the fact that there are problems here at home pressing for our attention. They require immediate attention if we are to remain strong and continue as the bulwark of democracy. The United States, as the last barrier in the path of totalitarianism, cannot afford to

weaken herself by huge additional grants of foreign aid to the point where we will be as vulnerable to communism as those we are seeking to aid.

Of particular interest to farmers is the fact there are still 1,517,000 miles of dirt roads in the United States. The job of pulling this country out of the mud has only begun. Most farmers, at one time or another, have had the experience of pleading and arguing with their local county courts or boards of commissioners in order to have a little gravel applied to their roads.

If, instead of pouring $24,000,000,000 into "operation rat hole" since the end of the war, we had applied it to a solution of these problems confronting our farmers, we could have limed, fertilized, and terraced every acre of good farm land in the United States, paid for the Pick-Sloan Mississippi Valley flood-control plan, and still would have had ample funds to gravel every dirt road in the United States and build 7,000 miles of two-laned concrete highways.

If, instead of throwing a good $17,000,000,000 away on the Truman-Marshall plan, we applied it to these problems, we still could make all the improvements in our soil I have just described, and still gravel every mile of dirt road in the country.

Mr. THYE. Mr. President, I wonder whether the Senator from Missouri will yield at this point?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. KEM. I yield.

Mr. THYE. I have followed the Senator's discussion and argument very carefully and very closely. When he speaks of $17,000,000,000 as the possible cost in connection with the recovery program and the rehabilitation of the European countries, I cannot help but think first in terms of the devastation which followed in the wake of war, and of the disheartened people and of the broken and chaotic economic conditions which must exist in those nations. I can only look back in my own memory to 1918, when I was in Europe in the First World War; and that gives me something of a bird's-eye view of what the devastation of World War II must have been in those countries, as well as in the morale of their people.

When we speak in terms of the money necessary for recovery and rehabilitation—and today in connection with this particular act we are speaking of $5,300,000,000; and Senators also refer to the possibility, in view of the present situation, of a further $17,000,000,000—would not it be a great deal better if we were to appropriate today the necessary funds to try to encourage the rebirth of the people of those 16 countries, in order that they might have the heart and courage to resist the constant threat of the encroachment upon them of the communistic philosophy or ideology of another nation? If we could thus resist, through the efforts of the peoples of those countries, the encroachment of the so-called communistic philosophy, it might be a great deal cheaper to do that rather than to fight all the countries of Europe completely under the domination of a communistic philosophy of government. In that event all the resources and energies of those peoples would be combined in the effort to build a military machine to resist, which the United States would have to spend billions upon billions of dollars, as they came at us with mechanically controlled missiles of destruction, such as we know there is a possibility of, in connection with the atomic bomb, to say nothing about the planes which today can travel faster than sound itself.

What would the Senator and I and our children and grandchildren be subjected to if we were to permit the countries of Europe and their peoples to be placed under that communistic philosophy?

So I cannot help but ask which would be better: Either to try to encourage the people of the 16 nations to preserve their freedom, or to let them become a part of the economy of Russia, and then find the United States compelled at a later time to fight Russia?

Mr. KEM. Mr. President, I am glad the Senator has asked that question. He and I have the same objective in regard to the United States of America. However, apparently he thinks the Marshall plan is the best way to proceed in an attempt to attain the objective. Apparently he is more concerned with economic conditions abroad than he is with economic conditions in the United States. However, I think our first consideration should be conditions here at home. As Washington and Lincoln have told us, I think that if we are strong at home, we shall not be attacked from abroad.

Mr. THYE. Mr. President, I wonder whether the Senator from Missouri will yield for a further brief comment.

Mr. KEM. Mr. President, I shall be glad to yield for a brief question. I prefer not to yield at this point in order to permit the Senator to present an extensive exposition of his views.

Mr. THYE. Mr. President, would the Senator care to yield in order to permit me to make a brief comment?

Mr. KEM. I prefer to yield for a question only, if the Senator does not mind.

Mr. THYE. My question will have to be framed in this manner: I have noticed that when in our own country we suffer devastation from floods, forest fires, or hail storms, the people of neighboring States and communities immediately take steps to assist in the recovery of the community which has thus been afflicted. We have found that to be highly profitable.

Mr. KEM. Mr. President, let me ask the Senator what his question is.

Mr. THYE. I am afraid I have had to broaden my question somewhat.

Mr. KEM. Mr. President, I prefer not to yield at this point.

Mr. THYE. Mr. President, will the Senator permit me to conclude stating my thought?

Mr. KEM. I am glad to yield for a question, if the Senator has a question.

Mr. THYE. Recovery in the European countries will eventually be to the Senator's benefit and my benefit and the benefit of our country; because we cannot help but do business with some other countries——

Mr. KEM. Mr. President, is the Senator asking me that, as a question?

Mr. THYE. I could ask the Senator to answer that question.

Mr. KEM. Is that the Senator's question?

Mr. THYE. I shall ask this question: What would the Senator do today with 500,000,000 bushels of surplus wheat if there was no European market for it?

Mr. KEM. Mr. President, I expect to deal with that question.

I consider the Marshall plan the most gigantic dumping scheme in all history. I think I have already said that if any American producer chooses to think we can in the end gain any economic advantage for the United States by giving away our goods all over the world, he is welcome to that view. I hold the view—and I have expounded it at considerable length—that that is unsound economics, unsound politics, unsound Americanism.

Mr. CAPEHART. Mr. President, will the Senator yield to me?

Mr. KEM. I yield to the Senator from Indiana.

Mr. CAPEHART. I should like to ask the able Senator a question. Perhaps he can enlighten me regarding it. I am not certain when communism became a threat to the present administration. The Russians were our allies during the war. When did General Marshall and President Truman and all our leadership decide that communism is a threat? I remember when, as a Senator on this floor, one was almost considered a traitor if he said anything against communism. I remember when Russia was a great nation, supposedly, in the view of the administration, and the Russians were a part and parcel of the United Nations, and they wanted to help establish the United Nations in a world of peace, and they were considered to be fine, upright, great people; and many Americans went to Russia, and later, upon their return to this country, wrote books praising the Russians.

When did they become the threat which the able Senator from Minnesota mentioned a moment ago, and which other Senators have mentioned from time to time on the floor of the Senate? Did any one thing happen to change the minds of those who are responsible for this so-called bipartisan policy? If so, when did it happen?

So far as I am concerned, they were always a threat.

Mr. KEM. Mr. President, that is a very difficult thing to determine. As I understand, Mr. Roosevelt was soliciting their cooperation at Yalta. Mr. Truman made some very remarkable concessions to them at Potsdam. It must have been sometime after those two points in history that the change occurred. Just when it occurred, I am unable to say.

Mr. CAPEHART. Mr. President, let me say that I have always been opposed to them; but much of our leadership and many of our people have been opposed to them only in the last few months. It would help my thinking on this whole subject if someone would tell me what happened, and when it happened, to

cause those who were supposedly sympathetic, not with communism, but with what Russia as a nation was trying to do, to change their minds.

Mr. KEM. Mr. President, that is a very interesting and very pertinent point. But my opportunities for observation in the councils of administration have not been sufficient to enable me to answer the question.

Mr. JENNER. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Missouri yield to the Senator from Indiana?

Mr. KEM. I yield.

Mr. JENNER. Pursuing that line of thought a little further, is it not a fact that the very man for whom ERP is named was sent to China to try to convince General Chiang Kai-shek to take Communists into his government, just before General Marshall came back and laid the egg that became the Marshall plan?

Mr. KEM. Perhaps so. I do not suppose that even the most ardent proponents of the Marshall plan would say that that celebrated mission to China was a great success.

Mr. JENNER. Mr. President, will the Senator yield for another question?

Mr. KEM. I am glad to yield.

Mr. JENNER. The Senator reads the history books. Do they not say that the man after whom ERP is named has been either Chief of Staff or Secretary of State through all the misadventures of our foreign policy, including the conferences at Tehran, Yalta, and Potsdam, and all the meetings of the foreign ministers since the meetings began?

Mr. KEM. Certainly he has been an active participant in the councils of the administration, insofar as there were any councils.

Mr. JENNER. That satisfies me.

2. SCHOOLS AND SCHOOL TEACHERS

Mr. KEM. Mr. President, I am not discussing any group of foreign citizens. The next subject to which I invite the attention of the Senate relates to the schools and the school teachers of America.

Another problem confronting this country today and which during the years ahead will become increasingly serious, is the critical condition of our public-school system. Our children's educations are in jeopardy as a result of shortages in teachers, classrooms, and equipment.

During recent years, 350,000 instructors left the public schools to take up positions in other more lucrative fields of employment. These were in addition to those teachers who ordinarily leave for various causes. In order to replace those leaving, schools often were forced to accept individuals with less than the standard training required and who held only emergency teacher's certificates. But still the shortage existed. It became necessary to eliminate 50,000 teaching positions, placing additional burdens of instruction on the available instructors, and to drastically curtail curricula.

Today, despite limited improvements in some areas, there are still 102,000 instructors in our public schools holding only emergency certificates. These individuals certainly should be replaced by teachers possessing at least minimum qualifications for such responsible positions.

The National Education Association has estimated that at least 50,000 American children are being deprived of schooling this year as a direct result of the teacher shortage, while at least 2,000,000 more are receiving substandard, inadequate instruction. Instructors today have a year's less training on the average than teachers in 1939. The situation is particularly acute on the rural elementary level, since intense competition for good teachers has left the schools in the poorer rural areas with the leftovers, and often with no instructors at all.

In coming years, this problem will loom even larger as the war babies reach school age. The last 7 years has seen the birth of 5,000,000 babies over and above the prewar rate. It is readily apparent that unless the capacity of our grade schools is increased soon, millions of our children will receive inadequate educations, if any at all. Already, kindergartens are turning away applicants by the thousands. Enrollments in the elementary schools alone have already increased by 500,000 since the 1946–47 school year. In all, we must prepare for some 33,000,000 kindergarten, elementary, and high-school students in 1950. The capacity of our present system is 28,000,000.

Benjamin Fine, of the New York Times, has estimated that 500,000 additional well-trained teachers will be needed within the next 5 years to insure adequate instruction for our children.

Knowledge of future requirements in the way of teachers is one thing. Finding capable individuals to fill the positions is another. The fact of the matter is we do not know just where well-trained instructors may be found to fill present and future requirements. Twenty-five years ago, 22 percent of all college students were in teachers' colleges or normal schools. Today about 7 percent are training to be teachers. Men enter the teaching profession today only as a last resort. At the present time, only 15 percent of the public-school teachers are men. Educational authorities assert that there should be practically an even balance between male and female instructors.

What are the reasons behind this mass desertion of the teachers' profession and the disinclination of our young people to prepare for teaching careers? One of the principal factors is the remuneration that an instructor can expect to receive. This year, the average salary of a public-school teacher in the United States was $2,550 or about $49 per week. This represents a substantial gain over the average salary of $1,924 or $37 per week of 2 years ago, but inflation has largely nullified the gains. What is left after income taxes of a teacher's average salary is worth only $1,438 in 1935–39 dollars, which is approximately the average salary of that time. Now it can hardly be expected that a career offering such financial prospects would appeal to our more capable students.

Mr. LUCAS. Mr. President, will the Senator yield at that point for a question?

The PRESIDING OFFICER (Mr. WATKINS in the chair). Does the Senator from Missouri yield to the Senator from Illinois?

Mr. KEM. I am glad to yield to the Senator from Illinois.

Mr. LUCAS. The able Senator from Missouri mentioned the income tax that teachers are required to pay. The Senator appeared before the Committee on Finance and made a very strong argument in favor of certain income-tax exemptions for teachers. However, in looking for the amendment, the committee found that none had been submitted by the Senator. I was wondering whether or not he forgot about it, or whether he intended to offer an amendment before the committee, or whether he expected to offer the amendment on the floor.

Mr. KEM. I may say to the Senator from Illinois that the amendment, together with the earned-income amendment which I presented to the Senator's committee at the same time, was requested by me from the legislative counsel. They were somewhat delayed in its preparation, but I received the amendments 2 or 3 days ago. They are now on my desk. They have been copied, and I have in mind filing copies with the committee and sending copies to each of the able members of the Senate Finance Committee. I appreciate very much the Senator's reference to the amendment and his interest in it.

Mr. LUCAS. I merely desired to obtain information on the subject, because the Committee on Finance recalled very well the statement that the Senator made before us. When we began to look for amendments to carry cut the suggestions made by the Senator, we found nothing had been filed with the committee. That is the reason I made the inquiry.

Mr. KEM. The amendment has been prepared. If the Senator desires to have it this afternoon, if he will call my office it will be sent to his office.

Mr. LUCAS. No; I do not care to have it this afternoon, but I was interested in it. The Senator spent considerable time before our committee, explaining why he thought teachers should have certain income-tax exemptions. It was a very forceful argument. I was merely wondering whether or not he had forgotten it. Apparently he has not.

Mr. KEM. I appreciated the courteous consideration given me by the Finance Committee. I shall forward the amendment to them. I regret the delay.

As I was saying, in addition to the shortage of instructors, our school buildings and equipment are in dire need of repair, replacement, and expansion, and school buildings are overcrowded and inadequately equipped. There is a deplorable lack of textbooks.

It has been estimated that $5,000,000,000 needs to be spent immediately to put our educational plant in good condition.

In my home State of Missouri, of which I have more knowledge than of any other State, the estimated average salary of public-school instructors is $2,000 annually, or $38 per week. Of the 23,400 public-school instructors, 2,300 still hold emergency teachers' certificates. One thousand additional teachers are vitally needed. To provide adequate buildings and equipment would require an expenditure of $50,000,000.

If the Senate will pardon me for referring to conditions in my own State, I should like to invite attention to what has been written regarding the conditions in a particular district in a county not far from my home.

As a concrete example, in school district No. 71, Clay County, Mo., 212 pupils are attending school in a dilapidated frame building built 26 years ago to accommodate less than 100 pupils, and which has been condemned by the State board of health and the fire department. There are no recreational or athletic facilities available.

Residents of the district have written me a statement from which I should like to quote one sentence:

> It seems inconceivable that we should expend billions of dollars in attempting to better the conditions of the rest of the world while our own children are denied decent facilities for attaining an education.

What does all this mean to the ones affected most—the more than 25,000,000 children in our public schools? It means, first, that we are letting them down. They are not being given the decent educational experience commensurate with the demands of present-day society.

Further, it is recognized that our public schools form the base of our democratic way of life. The American voters of the future are growing up with inadequate knowledge of American political, social, and economic ideals and institutions. The public schools have been termed the "great leveling force in our democracy." Today many parents, aware of the poor quality of instruction offered in our public schools, are sending Junior and Mary to private institutions.

Finally great inequality in educational opportunity exists within our own country. Boys and girls in rural areas do not have the opportunity to learn what children in other sections do. This discrimination against many of our people is contrary to our professed democratic ideals.

This country has already contributed to foreign countries since the end of the war the sum of $24,781,043,144, which amounts to a sum of $27,300 for every classroom teacher, principal, and supervisor in our public, elementary, and secondary schools. It is proposed that we give an additional $19,258 per instructor under the Marshall plan. If we applied to the rehabilitation of our own public-school system the $17,000,000,000 called for under the Marshall plan, we could put our schools in decent condition and at the same time the average salary of our instructors could be increased from the present $2,550 annually to nearly $4,000 for the next 10 years.

3. CHILDREN

While we are speaking about schools I should like to say something regarding a group which has always been the first concern of Americans, namely, our children.

The American people have been exposed to barrages of propaganda concerning the ill-fed, poorly clothed, unhealthy children abroad. It seems pertinent to point out that many of our own children are in dire need of attention. All surveys point to the need for better food for the children of the United States. This condition has existed for no short period. General Hershey, wartime director of the Selective Service System, estimated that 40 percent to 60 percent of the 5,000,000 selective-service rejects were, in part, due to malnutrition.

The 21,000,000 babies born during the war period—5,000,000 more than were estimated for that period—have placed grossly increased demands upon our schools, housing facilities, playgrounds, and health, medical and welfare services. More children's food and clothing must be provided.

Children's bureaus tell us that 20,000,000 of our children have dental defects; 4,000,000 have physical defects; 1,000,000 have hearing trouble; and thousands have serious illnesses.

The health picture in rural areas is particularly discouraging. Dr. G. F. Moench, of Hillsdale, Mich., child health expert, in a recent address before the National Conference on Rural Health, described the rural health situation as sadly dismal. Pointing out that the future security of the Nation depended upon healthy, educated, trained, and emotionally stable children, Dr. Moench said there are "40,000,000 people in the United States, mostly rural, who do not even have a local health department; and many communities do not have physicians, nurses, hospitals, or laboratories or X-ray services."

Furthermore, it must be kept in mind that many of our war babies were forced to spend the first few years of their lives around Army camps. Their fathers went overseas and not a few failed to return. Their mothers ofttimes had to work. All of these factors led to early emotional upsets which will in many cases require special treatment to cure. Thus, if a future generation is not to be stunted physically and mentally, action needs to be taken, and now, before we give away additional large sums of our wealth to foreign countries, with doubtful results.

Before we give away additional large sums of our wealth to foreign countries as a calculated risk, would it not be better first to study the home front and see what must be done to insure that our Nation, as individuals, shall be strong and healthy and equipped to meet whatever the future may hold for them?

4. AGED AND NEEDY PERSONS

Mr. President, the next group of persons in this country to which I wish to invite attention is the group of aged and needy persons.

Today there are more than 2,195,806 recipients of old-age assistance in this country. While the United States has sent abroad, since the end of the war, more than $24,000,000,000 in gifts to alleviate suffering there, little attention has been given to the sad plight of our aged here at home. We should not forget that these people of advanced years are those same individuals who made heavy investments in raising children.

It is shameful, but true, that our old people are being neglected today. Many live in abject poverty. In a period of inflated living costs, many of these old citizens must huddle in shambles of houses and eke out an existence on such starchy foods as rice and macaroni, because they cannot afford anything else. Oscar R. Ewing, Administrator of the Federal Security Agency, recently stated:

> Due to the decline in purchasing power, people on welfare in many States are suffering from slow starvation.

Thousands of our aged who are unable to provide for themselves are crowded into mental institutions where they are not fit or necessary patients, since they are merely childish and incapable of their own direction. Costly mental hospitalization is thus wasted. The conditions in many of our almshouses are a disgrace to a nation, which some say, must give away its surplus wealth to foreign countries to retain prosperity. It has been facetiously suggested that our old people move to foreign countries to share in old-age securities and disability benefits made available there by funds from the United States Treasury.

This situation may be expected to become more acute as the years go by. Each year those over 65 years old form a larger part of our population. Modern medical science has extended the life expectancies of our people. In 1945 there were 9,920,000 people over 65 years of age. By 1970 it is estimated the number will be 16,000,000. These neglected members of our society are often forced to turn in desperation to political demagogs for solace. But while some of them would welcome such a plan as was advanced by Dr. Townsend, calling for $200 a month for all over 60, and some lured away by promise of ham and eggs once a week, most of them would be content with $75 a month.

Let us examine the extent of the assistance given to these people at present: At the end of 1946, old-age assistance payments for the United States—an over-all average—was $32.15 a month per recipient. This figure includes both Federal and State aid, but it should be remembered this is an average figure. Many get around $10 to $15 a month in some States, and are expected to live on such amounts.

The United States Federal Government in 1946 paid to each of its 3,140,819 old-age pensioners, dependent children, and the blind, an average of $12.75 a month. The British Government, by comparison, spends nearly $33 a month per needy person on relief. I repeat those figures. The United States Government's payment to needy persons is $12.55 a

month. The British Government payments to needy persons is $33 a month. Our gifts to Great Britain in recent years have been approximately $1,500,000,000 per annum. Approximately one-third of the money of the American taxpayers to go out under the Marshall plan will go to England. For how long will the people of the United States be willing to give billions of hard-earned American dollars, earned under our system of free enterprise, to the British Socialist Government so that it can pay larger benefits to the old people there than we are paying to our old people?

5. PUBLIC WORKS

I now wish to say something about public works in our own country. The Marshal plan is a scheme for aiding 16 governments in western Europe. Let us look at the plans for public improvements in our own country.

It was recently estimated that State and local units of government alone have a backlog of $75,000,000,000 needed public works demanding attention within the next few years. That does not include Federal public works. It refers to State and local units. For instance, it is estimated that $43,000,000,000 needs to be spent on highways alone. It has been revealed by official surveys that approximately one-half of the highways of this country will have to be rebuilt within the next 10 years. During the war highway construction and repair work was held to a minimum in deference to the all-out war effort. Since the end of the war, road-improvement programs in many cases have not been undertaken because of shortages and high cost of materials. There has been considerable deterioration in the condition of our highway system while at the same time traffic has been increasing. The President in a recent message to Congress pointed out that there are over three million more vehicles on the road now in the United States than before the war. The existing highway system is rapidly becoming inadequate to handle this ever-increasing traffic load. One of the results of this crowded condition of our antiquated highways has been a sharp rise in the number of deaths and injuries from automobile accidents. It must also be kept in mind that a modern highway system constitutes a vital part of our national defense. Particularly, is this true in these days of modern warfare with the possibility of an air-borne invasion at virtually any point in the country.

It is somewhat of a coincidence that the $43,000,000,000 needed to bring our highway system to date is equal to the $24,000,000,000, which has gone down the drain since the end of the war, plus the $19,000,000,000 requested by the 16 Marshall plan countries.

Other public-work projects calling for the attention of our States and cities include a $10,000,000,000 program for schools to accommodate the war- and postwar-baby crop; $7,000,000,000 for waterworks and sewerage systems; $6,000,000,000 for hospitals, which are desperately needed in many areas; and $1,500,000,000 for public-service plants and recreation programs.

Let me say so that I will not be misunderstood, that I am not advocating for a moment that all these things be done by the Federal Government. I think most of them should be undertaken on a local level. But, of course, when the people at home spend their money in the payment of taxes to be sent to 16 countries in western Europe, they have not the money for improvements at home.

6. PUBLIC EMPLOYEES

The last group to whom I wish to refer is the deserving group of public employees. In the present period of rapidly rising costs of living the individuals who suffer the greatest hardships are those with fixed incomes. Particularly is this the case with our Federal employees, who must depend for pay increases on legislative action by Congress.

At the present time many of our 1,992,000 Federal employees are finding themselves in serious financial difficulties as a result of the squeeze of high prices. I have received hundreds of letters from Government workers during the past few weeks—and I dare say every other Senator has received many such communications—informing me that they cannot meet their bills as a result of the decrease in the purchasing power of their pay checks.

According to figures compiled by the Bureau of Labor Statistics, the consumer price index was 69 percent higher at the end of 1947 than in 1939, while the average annual salary of Federal employees had increased by only 33.5 percent. In private industry, however, the wage earnings rose to a peak as high as 112 percent above the August 1939 level.

Perhaps of all the Federal employees the 463,582 postal workers, with an average annual gross income of $2,708, have been hit the hardest by inflation. It has been stated, and rightly so, I believe, that the postal group, by and large, is one of the most loyal and conscientious groups of men and women in the world. Certainly they are entitled to a decent standard of living in return for the fine, efficient job they are doing. The wages of this group have lagged somewhat behind those of the other Federal workers and far behind those in private industry. As an example of the hardships wrought by these conditions, many of our letter carriers, who often walk as many as 16 miles a day on their routes, have had to seek additional part-time employment at night in order to balance their family budgets.

There is no disagreement that this problem must be solved if the efficiency and morale of the Federal civil service is not to be destroyed. This Nation has learned by experience, however, that wage increases only add fuel to the fires of inflation, with no lasting benefits to the recipients. A more satisfactory solution would be to eliminate the factors responsible for the inflated condition of our economy, chief among which is the tremendous surplus of exports over imports attributable to our give-away foreign policy.

There is one more group, Mr. President, in our own United States to whose situation I want briefly to refer; that is the holders of the public debt.

7. HOLDERS OF THE PUBLIC DEBT

At the present time the Federal Government has a national debt of over $250,000,000,000, or two hundred and fifty thousand million dollars. The interest payment alone amounts to $5,000,000,000 annually, which is in itself a tidy sum and a highly inflationary factor in our economy.

The United States Government has a most solemn obligation to protect this huge debt held by the citizens and financial institutions of our country. As a consequence, we should make every effort to reduce this threat to our economic stability at the earliest possible moment. It is only common sense to say that, now, in an inflationary period, while income taxes are high, is the time to tackle this Goliath. Further extravagant expenditures for foreign relief at this time would only serve further to weaken our financial structure by rendering a substantial reduction impossible.

The last general election at which Members of this body were chosen occurred in the year 1946. The party which was then in the minority and is now in the majority in this body presented itself to the electorate as standing upon a platform of strict economy in all governmental affairs. People of the country went to the polls and indicated in no uncertain terms their approval of this policy. And now we have the Truman-Marshall plan.

Already people are heard to say, "If you can authorize so much money to be spent in foreign countries, why can we not have this proposal in which I myself am so much interested right here at home?" We cannot have at one and the same time economy and frugality at home and profligacy and extravagance abroad. If we open the sluice gates of public spending abroad, who among us will undertake to keep them closed at home?

II. THE TRUMAN-MARSHALL PLAN WILL BE NO MORE SUCCESSFUL THAN OUR PREVIOUS ADVENTURES IN FOREIGN RELIEF

I have been discussing the effect of the bill on America. I now turn to the effect of the bill on 16 countries of western Europe. My second proposition is: The Truman-Marshall plan will be no more successful than our previous adventures in foreign relief.

A. FOREIGN AID SINCE THE WAR HAS BEEN INEFFECTIVE

I think we all can agree upon that point.

The most recent figures available, compiled by the legislative reference service of the Library of Congress at my request, show that the loans, property credits, advances, relief and rehabilitation grants, and other authorizations to foreign countries since July 1, 1945, now amount to $24,781,043,144. This is the generous contribution of the American people to effectuate world recovery. Its giving has placed a tremendous strain on our own economy. It has weakened us to an extent yet unknown as a result of the draining away of our products and resources without the compensating returns of normal foreign trade. Abroad, the sad truth is that despite this vast expenditure of America's food, raw ma-

terials, and capital goods, the countries we have been seeking to aid are as badly off as they were 2½ years ago.

Even before the end of World War II the first of a number of calculated plans to solve the economic problems of Europe made its appearance. This was in 1945, when the Bretton Woods plan was sold to Congress and the American people by propaganda strikingly similar to that now being employed by the proponents of the Truman-Marshall plan. We were told that if the program setting up the International Bank and the International Monetary Fund for Reconstruction and Development were adopted, the economic ills of Europe would be cured and loans to other countries, particularly Great Britain, would be unnecessary. This program, which has cost us $6,000,000,000, of course, has succeeded in doing no such thing.

Congress had scarcely approved the Bretton Woods proposal when the second plan for foreign aid was advanced by the State Department—the ill-fated British loan. This proposal, too, was accompanied by a widespread publicity campaign—the technical term is, I believe, "propaganda"—stressing the argument that the revival of Britain would help all of the countries of the world, including the United States, and that it was to our own best interests to grant the loan. When questions were raised concerning the high cost of the venture, the familiar answer—and it has become more familiar day by day—was given by the then Secretary of the Treasury that the British loan, after all, was equal only to what we spent in 15 days on the war effort. The Secretary also said:

> This credit is an investment, not an expenditure. In view of what is at stake, a healthy Britain and a healthy world trade, I do not believe we can afford not to make the loan.

However, as we all know, matters did not turn out that way. Despite the fact that the $3,750,000,000 credit was supposed to last the British until 1950, in a little more than 1 year practically all of the loan had been exhausted, with England still far from economic self-sufficiency. In fact, she claims she is on the verge of economic collapse if she does not receive additional help immediately.

Mr. President, I wish time permitted a discussion of what economic collapse is, and when it occurs.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield.

Mr. MALONE. I suppose the Senator from Missouri is familiar with the record that England now is 115 percent recovered industrially as compared with the 1937 industrial index?

Mr. KEM. And yet I would say to my distinguished friend from Nevada I understand from some quarters that she is threatened with economic collapse.

Mr. MALONE. If the Senator will yield further, I wish to say that in my discussion with Sir Stafford Cripps he was very careful to tell me that the money was not needed so badly for England alone, but it was needed to build up the colonies, particularly in Africa, where transportation systems and new industries should be built up and established. I suggested that if private investments could be safeguarded, perhaps our own private investors in this country and from other countries would do the job, but he violently objected to that. What is my colleague's suggestion in that regard?

Mr. KEM. I am curious to know whether Sir Stafford Cripps mentioned in his conversation with the Senator from Nevada the impending economic collapse.

Mr. MALONE. On the contrary, he said that they did not need the money badly in England itself, but that it was needed to build up the colonies, so that there would be more income. He also stated that they would own the industries, using the money which our Government was expected to furnish their Government, shutting out private investors completely.

I invite my distinguished colleague's attention to the further fact that Lord Beaverbrook's paper, which I placed in the RECORD on Friday, March 5, states that the British should not accept further loans and should not have accepted the one they did get in 1946 of $3,750,000,000.

Mr. KEM. As I understand, roughly a third of the proposed allocation under the Marshall plan is to go to Great Britain. I wonder if my friend from Nevada came back from his trip to England with the idea that, in view of our present problems at home, we might safely forego the allocation of a third of this gigantic sum to our British friends at this time.

Mr. MALONE. I will say to my distinguished colleague from Missouri that it is my very definite opinion that any appropriation we make of a substantial nature beyond the expense of operating the Government each year, without increasing our production, will almost immediately be reflected in inflation, so that the prices of our goods will go up almost immediately unless we put our finger on the snout of the teakettle as the President suggested, and hold the steam in for a while through controls; but, of course, it will be building up pressure just the same and very likely result in a dangerous explosion later.

The Senator from Missouri refers to this plan as the Marshall-Truman plan or the Truman-Marshall plan. I think there is one other name that ought to be mentioned. It should be called the Bevin-Marshall-Truman plan. It came from Mr. Bevin initially. He asked us for an additional loan a year ago, an additional $5,000,000,000 I am informed, but it was not judged that this body would go for it because of the $3,750,000,000 which had just been appropriated for England and, from the standpoint of their statement of needs at the time, largely dissipated, in that they did not do many of the things they said they would do. So the rest of Europe had to be added to make the plan sound logical and to build up the usual emergency complex.

Mr. KEM. I seem to recall that nine cities claimed to be the birthplace of Homer. I am not a prophet or the son of a prophet, but I venture the suggestion that before many years have gone by there will not be many who will claim the authorship of the Truman-Marshall plan.

Mr. President, I was discussing a rather unpleasant aspect of this problem, namely, our experience with foreign aid to date. There are other channels through which we have been pouring the dollars of the American taxpayer abroad.

Let us look for a moment at the ill-fated United Nations Relief and Rehabilitation Administration which served as another pipe line through which this country poured abroad large amounts of its wealth and resources from November 9, 1943, until termination of the program at the end of 1946. This plan began as a vast cooperative program whereby 44 nations agreed to work together and share in the cost of feeding and rehabilitating the world. At its inception the plan was hailed as the key to the readiness of the world for balanced and peaceful living. The London Times described its aim as nothing less than the full restoration of a healthy economic life in the liberated countries of the world.

However, within a period of two short years, UNRRA was a thing rejected, scorned, and unsung. This country had contributed $2,700,000,000, or nearly 75 percent of the total cost of the program, with at least half of our aid going to countries now behind the Russian iron curtain. Corrupt officials of governments receiving our aid made the most of their opportunity to profiteer, and large quantities of foodstuffs made their way into the black market.

The situation in Yugoslavia was perhaps the most notorious. Marshal Tito used the $400,000,000 worth of UNRRA aid to Yugoslavia primarily for the purpose of building up an army of 600,000 soldiers, plus a large and efficient secret police, with the purpose of maintaining a government closely patterned after that of Soviet Russia. The UNRRA director of publicity in Yugoslavia declared at one time that the UNRRA had been used as an instrument of ill-will against the United States. I seem to recall that at the time it was being presented to the Congress it was described as a great instrument of good will. At one time the state of affairs reached such a ridiculous point that at the same moment ships were loading in New York harbor with supplies for Yugoslavia, Tito was shooting down American airplanes.

Time does not permit an elaboration of this wasteful, misdirected plan, but suffice it to say that it constituted a precedent of failure for even more expensive plans to follow.

Nor is this all. Other projects involving vast sums of money have been pushed through Congress under high pressure since VJ-day as part of the spending philosophy which seems to have caught the imagination of many of our people. The idea seems to be that no

matter what the problem, it can be solved if only enough of the American taxpayer's money is appropriated, with or without consideration, limitation, or proper administration.

The Export-Import Bank has disposed of $2,588,807,679 since the end of the war. Postwar lend-lease has cost us $1,220,000,000; Treasury Department loans, $3,750,000,000; lend-lease fiscal operation, $1,468,771,191; Army and Navy relief, $2,200,000,000; lend-lease grants, $1,220,000,000—all since VE-day.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. HAWKES. I have just entered the Chamber. I was wondering if the Senator had totaled these various items.

Mr. KEM. Yes. According to figures prepared at my request by the Legislative Reference Service of the Library of Congress, our total grants to foreign countries since VE-day amount to $24,700,000,000.

Mr. HAWKES. Can the Senator tell us what we got for that sum?

Mr. KEM. That would involve a trip into a fairyland of speculation which I hardly feel equal to undertaking.

Mr. HAWKES. Does the Senator feel that there is any chance of getting back any substantial amount of that vast sum? I ask that question because the American people are uninformed on this subject as most of us are. When we say that a thing costs so much, the American people often think that we are going to get it back, or that we are going to get something for it.

The point I am trying to make is this: Are we going to get anything for it, or is there any chance that any substantial part of it will come back into the Treasury of the United States?

Mr. KEM. Mr. President, as was Patrick Henry, I can only be guided by the lamp of experience. So far as our experience goes, no country in the world, except Finland, has shown any interest at all in paying back any part of the loans we have made to them.

I cannot help but recall the Balfour mission to Washington, when the settlement was made of the First World War debt to the United States, and documents were drawn, with every formality known to the Anglo-American system of law, indicating a promise to pay on the part of the British Government to the United States Government. But we do not hear anything about that these days. I suppose it has been barred by the statute of limitations.

Mr. HAWKES. The Senator from Missouri knows that after one has an affliction long enough he is likely to become used to it. So, in this case, one is likely to forget that there is any sane relationship between lending and paying back.

Mr. KEM. I can only say to the Senator that recent polls taken in my State indicate that the people of Missouri, at any rate, are becoming extremely allergic to the operation.

Mr. HAWKES. I may say to the Senator from Missouri that my experience in the last 2 weeks with all the people to whom I have talked in New Jersey—and I am not referring to rich people who pay the taxes, but I am referring to the taxicab drivers and the elevator operators and what Lincoln called the common man—is that they are thoroughly disgusted with the whole program, when they know anything about it, or when it is explained to them, and when they understand that it may lead to the destruction of the United States.

Mr. KEM. I thank the Senator for his observation, so aptly put.

Mr. President, I think the American people are realizing that the Truman-Marshall plan must be paid for by the head of every American family and by every American housewife in her own pantry.

Mr. HAWKES. Mr. President, will the Senator yield further for a moment?

Mr. KEM. I am glad to yield.

Mr. HAWKES. I can say to the Senator that I feel we owe a duty to the people of the United States to have them properly informed before we, as their board of directors, vote their money away. I wish to say to the Senator from Missouri that, in my opinion, if we had 4 months more—and that is no time at all in dealing with a subject of this magnitude, which runs into billions of dollars and involves the whole safety and future of the United States—if we had 4 months more, and if we would go forth and talk with the taxpayers and the everyday common citizen, we would find that from 75 percent to 80 percent of the people of the United States are opposed to this plan. Yet it is going to pass. Why? Because of an organized propaganda the like of which I have never seen before. Propaganda is said to be the greatest enemy to freemen on earth.

Mr. KEM. Mr. President, was the Senator from New Jersey in the Chamber when I likened it to the various emotional manias that have swept over the earth from time to time, such as the crusades, the Mississippi bubble, in France, or the South Sea bubble, the tulip craze, the Florida boom, and the stock-market crash of 1929?

Mr. HAWKES. No. But I should like to say to the Senator from Missouri, who I know follows through thoroughly in whatever he does, that I am sure he has covered the point very well.

Mr. MALONE. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr. MALONE. I wonder whether the Senator is familiar with the fact that not only, as the Senator from New Jersey has outlined, is the greatest propaganda machine in the world at work on this scheme, with tons of propaganda going out every day, but many prominent persons in the United States identified closely with the State Department and other bureaus—I had a list but have misplaced it—have been during the last 15 years, or are now, on the pay roll of these foreign countries, at large salaries, ranging from $10,000 to $20,000 a year and more, for the purpose of assisting in this grandiose scheme to propagandize this country and the Congress of the United States for the passage of this act, in the interests of the Marshall-plan countries by whom they are employed.

Mr. KEM. I say to the Senator from Nevada that I received a very interesting letter from a most intelligent and responsible citizen of my own State, the other day. He made a rather surprising statement. He said that in his own experience he had not encountered anyone who understood the Marshall plan, who was not against it. I mention that for whatever it may be worth.

Mr. HAWKES. Mr. President, will the Senator yield further for a moment?

Mr. KEM. I am glad to yield.

Mr. HAWKES. Was the Senator from Missouri in the Chamber the other day when I called attention to the fact that a poll of 6,000 farmers, extending over 17 States of the United States, showed that 52 percent of them had never heard about the European recovery plan and did not know anything about it; and 48 percent of them, who had heard of it, did not understand it well enough to express an opinion regarding it?

Mr. KEM. Mr. President, I see in the Chamber at the present time the Honorable MAX SCHWABE, a Representative in Congress from my own State of Missouri. Representative SCHWABE recently sent to his constituents in the Second Congressional District of Missouri a questionnaire, which was distributed very widely. He asked them, first, whether they favored the Marshall plan. My understanding is that they indicated, by about 3 to 1, that they did not.

He then asked them, If the Marshall plan is accompanied by price ceilings here at home, do you favor it? They indicated "No" by about 6 to 1.

Those figures are approximate, but I think they are reasonably correct.

Mr. President, in discussing the adventures we have had in pouring out our money abroad, I have mentioned only a few of the larger items. Two conclusions are inescapable; first, no one can fairly say we have been niggardly or parsimonious in attempting to meet the perils and to solve the problems confronting us after the war; second, notwithstanding our generous gifts, we have not succeeded in reaching our objectives. Further reckless distribution of our dollars around the world will be no more successful in regenerating the waning ambitions, and reviving the worn-out institutions of the Old World—or of China or of other far reaches of the earth.

Our efforts thus far to rehabilitate western Europe have failed. Despite the magnitude of our aid, many of these countries are still in a state of economic collapse. Europe is disorganized and abject. The situation became so desperate for France, Italy, and Austria last winter that the President deemed a special session of Congress necessary to vote so-called stopgap aid of $540,000,000 to tide these countries over the winter. Even now we are confronted with cries of "hurry, hurry" on the Truman-Marshall plan. Only this very morning we read in the newspapers that the President has sent to Speaker MARTIN a letter in which request is made for another grant of emergency aid to France, Italy, and Austria, in the sum of $55,000,000. Apparently the present occupant of the White House is a student—though not a very apt one—of the crisis technique of his predecessor.

Mr. MALONE. Mr. President, will the Senator yield to me at this point?

Mr. KEM. I yield.

Mr. MALONE. I understood the Senator to say that this new appropriation would be for further assistance to Italy. If that is a fact, I should like to say that when the Italian treaty was before the Senate, in the remarks which I made at that time I included a break-down showing how many Italians would have to labor for 7 years without compensation to manufacture and process the raw materials coming from Russia and the satellite countries, and then return them to Russia and such satellite countries, in order to increase the value of those raw materials in the amount of the reparations in money which they, the Russians, are entitled to receive under that treaty. I called it the "slave labor" treaty. Everybody is calling it that now. The fact of the matter is that almost 200,000 Italians must work 7 years without pay in order to perform the work. I called attention to the fact that there is only one nation in the world able to feed them, and that is the United States. We can and are feeding them. Is that about what the Senator meant?

Mr. KEM. Yes; that is exactly what I said, and one cannot but wonder, Mr. President, whether we are fattening another calf for the Russian bear to take over. We are wondering if the expediency of economic assistance is going to be any more successful in Italy than it was in Czechoslovakia.

Mr. President, the lesson of our experience certainly is that all the dollars in the world cannot of themselves cure the economic ills of the 16 Marshall-plan countries. Whether they solve their basic economic problems depends not on the amount of our aid but upon the actions of their own governments. These nations at the present time are carrying out vast socialistic experiments which have been unsuccessful every time and everywhere they have been tried. They show no indications of working now in Europe. Trade restrictions, unbalanced budgets, rationing, priorities, allocation of materials, and overvaluation of currencies, all are hindering recovery. These socialistic devices interfere with the natural course of production and commerce, rendering futile any help on our part. Any further aid we send will also go down the drain unless these countries discard their nationalization schemes.

Until European countries permit their currencies to seek their true value as expressed in terms of goods and services, hoarding and black markets will continue to thrive, the demand for our sound dollars will remain unabated, and production and trade will remain stifled. France, who recently took steps to correct the distortion in the relationship between the franc and our dollar, did so against the most strenuous opposition of the ruling authorities in Great Britain, who has consistently refused to allow the pound sterling to seek its true level in world currency interrelationships.

The Economist, an outstanding British magazine, recently had this to say concerning the situation in Britain:

> Continual borrowing can have the same effect as continual drinking. The borrower's sense of reality, like the drunkard's, tends to fade. Britain has already had the American loan and the Canadian loan and will get the South African loan.
>
> They referred to them as loans.
>
> All have been necessary but all have helped to mask from government and people alike the country's true economic straits. A standard of living has been maintained; reserves have been eaten up, expenditures undertaken on a scale which is quite out of accord with Britain's true economic position. And what guaranty is there that the Marshall plan may not be used in the same way? The only proper, the only long-sighted, the only courageous course would be for Britain to pursue now the policy it would pursue if the Marshall plan were reduced to a third and to use the surplus thus created to build up reserves, modernize industry, develop economic integration in western Europe, and undertake now the program of hard living and hard working in which, in the long run, salvation alone will lie.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. I may say to my distinguished colleague that I recently returned from Canada, having spent 1 day in Toronto. I addressed a meeting of the National Mining and Prospectors Association. There were about 1,000 people present. They were very frank as a nation. As a matter of fact, editorials are now appearing in the papers regarding the policy of Canada over the last 2 or 3 years since the end of World War II that of loaning money to European and other nations, to enable them to buy Canadian products. It is very frankly admitted by leaders in Canada now that that is why the loans were made. Some of the editorials go so far as to say that even if the money were not collected, it would not cost the farmers too much, that the loss would be spread over the entire taxpaying population. The Canadians now question seriously how long they can pursue that program. They confess they are about at the end of the rope, and that they must soon cease to loan money to finance purchases of their own products, even though the money were to come back to Canada immediately for that purpose. The policy is now being seriously questioned on a basis of the real danger to their economic system. I submit that we are fast reaching the same position.

Mr. KEM. I am glad to have that contribution by the Senator from Nevada. It reminds one that the chairman of the Finance Committee, the Senator from Colorado [Mr. MILLIKIN] told the Senate a few months ago that our Canadian friends had had, I think, two reductions in income taxes since our present rates were established.

Mr. MALONE. If the Senator would yield further——

Mr. KEM. I yield.

Mr. MALONE. I should like to call the attention of my distinguished colleague to the fact that Canada had also recently borrowed $300,000,000 from the Export-Import Bank of Washington.

Mr. KEM. We seem to be the source from which all blessings come.

The people of this country are becoming quite impatient at the report that they are asked to send free of charge coal produced under our free enterprise system and 5- or 6-day workweek to countries, where under a socialist government, the miners are working as little as 3 days a week. England's socialist government has been able to survive only because the American taxpayer has given his hard-earned money to pay current operating expenses. It is irony, indeed, that the American taxpayer is called upon to finance a foreign government opposed to the traditional American system of free enterprise and private initiative.

Most economic experts regard Germany as the No. 1 problem to be dealt with in the rehabilitation of Europe, and that a self-supporting Germany is the key to European recovery. The dismemberment of this country into Russian and Allied zones and the policies pursued by the Allied occupation forces have cause economic paralysis in that country, whose economy is closely tied in with the economies of all other European nations.

In the Allied zones, the occupation authorities have reduced and demoralized production by the adherence to the socialistic level-of-industry plan, quite similar to the notorious Morgenthau plan, which was intended to reduce the German people to a bare subsistence level, largely on an agricultural basis. As is the case with all such economic plans—controls, allocations, rationing, and bureaucratic red tape have produced negative results and production is pitifully low.

Furthermore, we continue to worsen the situation by dismantling industrial plants in western Germany for distribution to our allies as reparations. I am not speaking of war plants. I mean those plants which could be turning out the goods which instead the American taxpayer is being asked to furnish. It is proposed under the Truman-Marshall plan that we contribute $1,005,000,000 in additional subsidies during the first 15 months to western Germany. This does not include $800,000,000 requested for purposes of feeding the German civilian population. The United States is being called upon to furnish what has been termed reverse-reparations, or products which would ordinarily be produced by the plants now being dismantled.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. Mr. President, I assume that my distinguished colleague is familiar with the situation in Germany. I was in the Ruhr district last fall, as well as in Berlin and the Frankfurt area. The coal and steel normally produced in Germany before the war contributed largely to the industrial production in the surrounding area and nations. They were producing barely sufficient coal for their own use in their restricted industries. They were held below 4,000,000 tons of steel annually when their pre-World War II production was approximately 24,000,000 tons. This Nation is now sending between 6,000,000 and 8,000,000 tons of steel to Europe annually. As a matter of fact, the steel plants which I saw there and from the technical report verifying my own observation, many

of the plants were not destroyed or seriously impaired during the war. Some of them could be put into production by merely sweeping out and production can be raised to 11,000,000 tons annual production within 7 or 8 months. If they could produce 7,000,000 tons annually, then we could keep our own steel at home, and the Germans could pay a good part of their board bill of $1,000,000,000 annually.

This administration is now crowding our own steel people to increase their production, which requires 2 to 4 years and requires much of the needed steel for such construction, and then when we level off and production catches up with current requirements we may be seriously overbuilt, unless we are in world war III.

Mr. KEM. That is what I understand the situation to be. I should like to ask the Senator from Nevada if he observed on his trip through Germany that plants were being torn down and shipped to Russia. We are now being asked to replace and rehabilitate the German industrial machine with money of the American taxpayers. Is that correct?

Mr. MALONE. That is exactly correct. As a specific instance, there were an additional 700 plants on the reparations list, placed there just before I arrived in Germany, late in October of last year. It was represented in this country that their production was not necessary at once for German recovery and that before it would be necessary they could produce sufficient steel and other products to replace the plants. But what we failed to note was that the materials for the repairs and replacements of the existing plants were largely manufactured by plants on the reparations list, German plants. And that American-produced repairs and replacements cannot be used in the German plants. As an example, I went into one mine and examined the cutting, conveying, and transportation machinery. The steel shaker conveyors running on the dip of the 3-foot vein conveyed the coal to the web conveyors, which in turn brought it to the automatic loaders, where the thirty-five 3½-ton steel cars automatically moved up, then the train moved to the shaft, and thence to the surface. It was a wet mine—lying there at the face in water. I said, "The set-up seems efficient to me, why do you not install more coal cutters?" They said, "We would like to do that but the only factory in Germany making the cutters is on the reparations list."

We are talking about rehabilitating Germany and are doing nothing about it. As a matter of fact, it is well known in Europe and in this country that many years ago a very prominent Englishman said facetiously—but it was not facetious when analyzed—that if German consumption could be kept up to par without any production Europe would be perfect. As a matter of fact, we are getting only lip service from France and England in the recovery of Germany.

Mr. KEM. I thank the Senator for his contribution.

One of the avowed objectives of the Truman-Marshall plan is to stop the advance of communism and halt the further encroachment of Russia upon her western European neighbors. If that is not a fair statement of the objectives of the Truman-Marshall plan presented by the senior Senator from Michigan, I should like to have him correct me. I invite the attention of the senior Senator from Michigan, Mr. President.

Mr. VANDENBERG. The Senator has my attention.

Mr. KEM. Was my statement a fair statement of the objectives of the Truman-Marshall plan?

Mr. VANDENBERG. I am sorry, but I did not hear the Senator's statement.

Mr. KEM. The statement was that one of the avowed objectives of the Truman-Marshall plan is to stop the advance of communism and halt the further encroachment of Russia upon her western European neighbors.

Mr. VANDENBERG. I would say that might be the end result of the objective, which is to create self-help and the self-sufficient capacity of independent peoples to remain independent.

Mr. KEM. I thank the Senator.

One of the ultimate effects of this program would be, instead, to rehabilitate the Soviet Union and her satellites and enable her to increase her already huge war potential.

The Paris Conference report admits that a substantial and steady resumption of eastern Europe trade is assumed—that is, a flow of manufactured goods such as tools, tractors, industrial machines, and the like, from the industrial sections of western Europe to eastern Europe, now behind the iron curtain. The report assumes that such an interchange of commodities will be established. It is to be recalled that Great Britain recently signed a trade agreement with the Soviet Union, a part of which contemplates the shipping to Russia of steel products ranging from forks and spoons to locomotives.

Under the Truman-Marshall plan, Britain would receive from the United States vast amounts of raw steel which she intends to fabricate into finished products for export.

This country would therefore be funneling vital steel and iron products through Great Britain directly into the paws of the Russian bear. The Marshall plan countries would constitute, as the Senator from Nevada pointed out, merely a stop in transit.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. I should like to call the Senate's attention to a list of materials contained in what purports to be a treaty between the Netherlands and Bulgaria, the latter being one of the satellite nations. In that list, which I shall not read, there is included a large amount of rubber which comes from the East Indies. We are at this moment furnishing money to bring back the Indonesians under the control of the Netherlands so that they may be held at $2.50 to $5 a month wages, and to sell the rubber and strategic materials and minerals to Russia and the satellite nations which we are helping them to again control. There are other products on the list, including chemicals and products which are very difficult to buy in this country.

Mr. KEM. I thank the Senator.

It is no answer to say that English-manufactured forks and spoons made from American steel do not constitute implements of war. I think that was suggested recently by the Senator from Massachusetts. For every item made of iron and steel that finds it way into the Soviet Union releases just that much Russian-produced raw steel which would have been used to manufacture that item, and their raw steel is thereby made available for the tanks, planes, and guns which Russia, from all reports, is so feverishly accumulating.

B. THE TRUMAN-MARSHALL PLAN WILL NOT STOP COMMUNISM

The administration has placed a great deal of emphasis on its argument that adoption of the Truman-Marshall plan is necessary to halt the spread of communism in Europe and to prevent, as the Senator from Minnesota [Mr. BALL] argued awhile ago, the occurrence of world war III. Either adopt this program, we are told, or arm to the teeth. Secretary of Defense James V. Forrestal in his testimony before the Senate Foreign Relations Committee said: "Our own objective in the present recovery program for Europe is the prevention of war." Secretary of the Army Royall declared: "Without such effort the Army budget and the Army itself should be increased."

But this argument can only serve to lull the American people into a false sense of security if this program be adopted. We cannot hope to stop the westward march of communism, either by infiltration or by force of arms, by our wall of dollars. Not one of the eastern European nations now existing as Russian satellites was enveloped in the Soviet orbit because of hunger, unemployment, or inflation. They were taken over by the Russian tactics of political infiltration which eventually result in control of the police, neutralization of the army, and seizure of key posts within the government. These methods are particularly effective because of the nearby pressure of the Red army.

Poor little Czechoslovakia, the latest to be enveloped by the iron curtain, was not suffering from economic instability or other unstable economic conditions. She had received approximately $300,000,000 in aid since the war's end, $300,000,000 of the American taxpayers' money, and at the time of the catastrophe had balances in our cotton fund and in other funds which she had not found it necessary or advisable to draw down.

It is naively assumed that additional loan-gifts would stop communism in countries where there is a powerful Communist Party, as in France particularly, even though the present Government may be friendly toward us. However much we intend that our aid will be used to stop communism, that will not do the job. While we may be temporarily successful in bolstering up the present governments in power—some of them socialistic—whether or not France or Italy or any other country goes communistic has been, and will continue to be, dependent primarily on the wishes of the

people in those countries. I think that is what the Senator from Kentucky had in mind when he spoke of the principle of self-determination. I believe he will agree with me when I say that whether these countries will go communistic will depend on the wishes of the people of the countries. The aggressiveness and persistence of those disseminating the revolutionary ideas of communism should warn us against expecting such an easy victory.

But even assuming that the Communists are thwarted in their strategy of boring from within at a tremendous cost to ourselves, western Europe would still be faced with the threat of Russian armed aggression. It is generally agreed that Marshal Stalin can march through Europe any time he desires. With early adoption of the Marshall plan by the Congress in prospect, I have not noticed that the administration, including Secretary Forrestal and Secretary Royall, has decreased in any degree the propaganda for universal military training. I challenge any one of them to say to the American people that the Marshall plan is an adequate substitute for national defense, in whole or in part.

Mr. WHERRY. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I yield to the Senator from Nebraska.

Mr. WHERRY. I ask the Senator if he read the press report this morning relative to the action of the committee which has developed a new American preparedness program at Key West.

Mr. KEM. Yes; I read it hurriedly. I think the Senate would be interested in hearing it, if the Senator has it.

Mr. WHERRY. I have the release here. It came as quite a surprise to me. This is by a reporter for the Washington Post, and appears in this morning's paper. I read:

A new American-preparedness program is expected to come out of an extraordinary meeting of the high command now under way at the Key West (Fla.) Naval Base.

In announcing the conference late yesterday, officials termed it "historic" and forecast that the top commanders will return next week with the first over-all strategic defense plan in United States history.

Based on this general blueprint, a comprehensive program for the security of the United States under present-world conditions will be drafted and presented to Congress next month, a high source revealed.

Defense officials agree with Secretary of State George C. Marshall that the world situation is "very, very serious," and declare that an extensive program to put our armed forces in shape to meet an emergency is mandatory.

The release proceeds, and states that Congress will be receptive.

The point the distinguished Senator from Missouri is making is that, regardless of the arguments advanced by the proponents of the bill, namely, that the economic program will stop communism, yet there has been no let-down by the agencies of the Military Establishment, but they indicate we should proceed at a terrific rate to arm ourselves to avoid the threat that is attempted to be stopped by the economic program. Am I correct?

Mr. KEM. I think the Senator is exactly correct, that there has been no let-down in the propaganda emanating from the administration to that end.

Mr. WHERRY. And that in the final analysis the only way we will stop communism is to use the force Mr. Stalin understands. Is that correct?

Mr. KEM. That is correct.

Mr. BALDWIN and Mr. LODGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and if so, to whom?

Mr. KEM. I yield first to the Senator from Connecticut, and then I will yield to the Senator from Massachusetts.

Mr. BALDWIN. I should like to make clear at this point, when we are discussing military preparedness, that while I intend to support the plan proposed and vote for the bill, I am under no illusion that it guarantees a complete and adequate defense, though I firmly believe it holds an everlasting hope that warrants our investment in it. I firmly believe it has great possibilities in being a step toward peace, but I do not believe, and have never said, that it would be a guaranty.

I am also in favor of adequate military preparedness. I think that in Congress we are going to be called upon to make substantial appropriations for an Air Force, and I intend to support that.

I would not refer to the plan of European recovery as a halfway measure. It is not a halfway measure. But I think it is going to require more than the European recovery program to guarantee to us our security. I think that one of the absolutely essential steps in working out this guaranty is the adoption of the particular program we are considering.

I repeat, Mr. President, it is no substitute, and is not offered as a substitute, for adequate military preparedness on the part of the United States. We must have that too.

Mr. KEM. I take it that no Senator should vote for it with that idea in mind.

I yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, I wonder if the Senator from Nebraska will give me his attention. I heard him read the clipping from a newspaper announcing that the representatives of the Army, Navy, and Air Force had agreed on a preparedness program. I understood the Senator from Nebraska to speak critically of them for having done so.

Mr. WHERRY. Mr. President, I did not say anything critical about it. I said that the economic program the distinguished Senator from Missouri was discussing had not stopped communism, that the only way to stop it was in the way suggested, by force, and that the Naval Establishment had made plans, and extensive plans, and was going to require large appropriations by the Congress, to actually stop communism in the way it must be stopped.

I am not critical. In fact, I think that if conditions are as bad as they are said to be, we should tell the American people the truth. If conditions are as bad as they are reported, then we had better put our house in order instead of going into a 4-year program that does not guarantee any more than the program we have had for the past 3 years, which I call a bankrupt foreign policy.

Mr. LODGE. Of course we have had a bankrupt foreign policy, there is no question about it, and I do not think anyone here questions it. What surprises me is to hear the Senator from Nebraska using strong words and rattling the saber when he knows very well we are not ready to do anything.

Mr. WHERRY. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I yield.

Mr. WHERRY. Will not the Senator from Massachusetts smile a little?

Mr. LODGE. Yes; I smile whenever I look at the Senator from Nebraska. [Laughter.]

Mr. WHERRY. I hope that remark is not made disrespectfully.

Mr. LODGE. Not at all; I say that in a friendly spirit, because the Senator from Nebraska is indeed good-humored, and I think it is a good thing to conduct these debates in good humor.

Mr. WHERRY. I am not rattling any saber, but I am cosponsor of an amendment with the Senator from Minnesota [Mr. BALL] to bypass the veto, so I am not making a demagogic statement.

The foreign policy is being changed almost overnight, and it is admitted it is being changed. If it is being changed, the Congress should reflect on this venture we are asked to go into, because if it will not serve the purpose to better advantage than the economic rehabilitation we have made by the Morgenthau plan, and by the appeasement policies we have followed with Russia, then the time is here when we had better put our house in order. My feeling is——

Mr. BALDWIN. Mr. President, will the Senator from Missouri yield at that point?

Mr. WHERRY. Mr. President, let me finish my observation please. My feeling is that at least on the part of the military that is the situation, and the point the Senator from Missouri was making was that there had been no letdown; that all the advice that could be had from the military and top-flight officials was that we should increase and not decrease the military appropriations to meet this threat; that the threat has not been stopped, and I think it is very doubtful if it can be stopped by the economic program favored by the Senator from Massachusetts.

Mr. LODGE. Does not the Senator from Nebraska think it is better to spend American dollars than it is to spend the young manhood of America?

Mr. WHERRY. Yes, certainly I do. I do not want war any more than the Senator from Massachusetts does. Let me ask the Senator. What is the difference between bypassing the veto, as provided in the amendment I speak about, or the situation in which we find ourselves in Greece to-day? We will not be any more extended. What will happen in Greece if there should be an overt act on the part of Russia? Are we to have a Dunkirk in Greece?

Mr. LODGE. There are no American troops in Greece.

Mr. WHERRY. Are we going to evacuate our troops from Greece or Austria if an overt act on the part of Russia should

take place in either country, with our token army of 1,100, or are we prepared to do the very thing the Senator is attempting to accomplish under an economic recovery act, which we may have to do in a military way, or else have to back out of those two countries? We have not actually stopped communism in Poland, Rumania, Bulgaria, Yugoslavia, Czechoslovakia, or Finland. Communism has been stopped because of a token army we have in Austria, and it has been stopped because of the military aid we have given Greece. Am I correct?

Mr. LODGE. There is no United States Army in Greece.

Mr. WHERRY. We are administering the policy in Greece, and the moment Russia walks in we will be in the same situation we would be in if we bypassed the veto and set up a group of free nations of the world.

Mr. LODGE. I disagree with the Senator. There are no American troops in Greece. Permit me to make this observation——

Mr. WHERRY. I said we had given them military aid. We are training their troops. We are appropriating money for military defenses in Greece, and we are doing the same thing in Turkey.

The PRESIDING OFFICER. Let the Chair call the attention of Senators——

Mr. LODGE. Does the Senator object to that?

Mr. WHERRY. No.

Mr. LODGE. Does not the Senator think it desirable to have as many friends as we can?

Mr. WHERRY. I am not objecting to that. The Senator and I are apparently in complete agreement. But I say that the proposition in the amendment that we have offered is not a bit different than the extension we have already made in Greece. The very same thing will happen in Austria. We have a token army there. If there should be an overt act on the part of Russia, we would have to move out.

Mr. LODGE. Is it not true——

The PRESIDING OFFICER. One minute. The Chair admonishes Senators——

Mr. LODGE. Is it not true that our policy in Greece and Turkey is an American policy, which we determined upon ourselves, whereas under the Senator's amendment the control of American foreign policy will be put into the hands of foreign countries?

Mr. WHERRY. No, because under the amendment the question as to what shall be done in case of aggression will be decided by America, so far as America is concerned. It is nothing more than the extension of the Monroe Doctrine to another area. Let us be frank about the matter. If we do not want to go that far, let us admit that what we want to do is to continue a bankrupt foreign policy for another 2 years. If we want to do that, let us tell the American people so. Let us tell them how serious the situation is. It does not seem to me that it makes any difference if we get four or five other nations to come in and back up this policy than it is to have our troops in Austria or Greece, and if an overt act on the part of Russia should take place, be obliged to back out of those countries. I do not want our country to get into war any more than does the Senator from Massachusetts.

Mr. LODGE. I know we both can agree that we want peace, but the Senator, from what he said, leads me to the conclusion that he is not willing to spend American dollars, but he is willing to spend American manpower.

Mr. WHERRY. No, of course not. I do not know how anyone can put such interpretation on what I have said.

Mr. LODGE. That is the conclusion I am led to by what the Sentator has said.

Mr. WHERRY. I will place my own interpretation on what I have said.

Mr. LODGE. Mr. President, I should like to have the record of what the Senator said read.

The PRESIDING OFFICER. Permit the Chair to make a few observations. The Senator from Missouri [Mr. KEM] has the floor.

Mr. WHERRY. Yes; that is true.

The PRESIDING OFFICER. The Chair cautions the occupants of the galleries against making any demonstrations. Demonstrations are not in order. The galleries will be cleared unless order is maintained in them.

Mr. WILSON. Mr. President, will the Senator yield to me?

Mr. KEM. I yield to the Senator from Iowa.

Mr. WILSON. I heard the statement made by the Senator from Massachusetts that we do not have any troops in Greece. We do have troops in Greece.

Mr. LODGE. Will the Senator give me the names of the units?

Mr. WILSON. I will produce them for the Senator. And up in the front lines are generals who have been leading the attack.

Mr. LODGE. We have an American military mission of officers in Greece, but we have no troops.

Mr. WILSON. Very well. I assume—if the Senator will further yield——

Mr. KEM. I yield.

Mr. WILSON. That the difference the Senator makes between troops and missions is that out of the kindness of its heart our Government is sending our soldiers up front, and it is said they are not troops because they had their arms taken away from them.

Mr. LODGE. No. I beg the Senator's pardon. There are no American soldiers up front in Greece. There are some American army officers who are there in the American mission in Athens, just the way an American officer is a military attaché in some foreign capital, and he goes up there as an observer. That is an entirely different thing from having regularly constituted troops units. There are no troops in Greece, I can assure the Senator from Iowa about that.

Mr. WILSON. If the Senator from Missouri will yield again to me, I may say to the Senator from Massachusetts that as a member of the Armed Services Committee I have reason to know that not only do we have troops up in front, unarmed, but the number is being increased, and there is now pending before the Armed Services Committee of the Senate a bill, already passed by the House, asking the Congress to authorize the President of the United States to send troops to any foreign country if it asks for them. I am against that.

Mr. LODGE. Let me say to the Senator——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. KEM. I yield.

Mr. LODGE. If the Senator says there is such a bill before the Armed Services Committee, of course, I believe him completely, because I know from service with him that he is accurate in statements he makes about matters of that kind. But insofar as troops in Greece at the present time are concerned, I am positive there are no American troops there now. I was there myself last summer, and I have recently checked the situation. There is an American mission of Regular Army officers there, but there are no troops in the accepted sense of the word.

Mr. WILSON. Will the Senator from Missouri again yield?

Mr. KEM. I yield.

Mr. WILSON. I am not saying there are battalions; I am not saying there are regiments; I am saying that in the front line of Greece there are officers who have been leading—and I am not saying wrongfully—the Grecian soldiers. I will say to the Senator again, if the Senator from Missouri will permit, that the bill to which I referred has already passed the House of Representatives, and is now over here—a bill which would permit the President upon request from any government, to send troops to any country to supervise elections, or otherwise, and then there is added "and so forth."

I do not know what that means. I am not saying that it is wrong, but I am saying that we ought to know the facts, and should be told the facts.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. Let me say in answer to the Senator from Massachusetts that all that we have ever asked, as the Senator from Nebraska says, is a little integrity in government, and that the people be told where we are headed. I think the Senator from Massachusetts knows where we are headed, and I think I do. I think we are in the same position today as we were in in 1916, when we reelected a President on the slogan that "he kept us out of war", when we were in war at that moment. I think we are at the point where we were in 1940, when we reelected a President of the United States who said that he would never send troops to Europe. At the moment he uttered those words, he knew that we were going to send them.

Today we are in the same position. All I have ever asked on the floor of the United States Senate is that we get a little integrity back into government, and say frankly to the people "what areas and nations in the world today—in Asia, the South Seas, the Middle East, and Europe—now covered by the Marshall plan must we currently protect for our own ultimate safety?" That is all I ask. We should tell the American people and

the world the truth, for two reasons—first, to let any nation in the world which contemplates aggressive action know that it will have to fight us, giving them a chance to change their minds; and, second, to tell the 18,000,000 boys and girls who have been in one or both wars, as well as their fathers and mothers, and the younger people coming along, who will have to do the fighting what they may expect, so that they may demand of the Congress, if we have not the guts to get the defense program started without such action—that they want something to fight with this time—and that they do not want to hold the line for 18 months with their bare hands this time while we are getting the proper material to them.

We backed into two wars—denying that we would fight and unprepared to fight. Let us try it once letting the world and our own people know what we intend to do.

Unfortunately two men believed us during the past 30 years when we said we would not fight—the Kaiser and Hitler. Upon investigation they thought we could not fight—so we had to. Few people believe that these two men would have gone to war if we had been prepared and had announced our policy.

Mr. KEM. Mr. President, I was very much interested in the observations of the Senator from Massachusetts about the Truman foreign policy. My recollection is that since I have been a Member of this body the Senator from Massachusetts has voted for each of the constituent elements of the Truman foreign policy as they have been presented here for consideration. Apparently he is dissatisfied with the whole, but likes the component parts. He does not like what he has had, but he wants some more.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LODGE. I have great regard for the ability of the distinguished Senator from Missouri. However, I believe that I can state my position better than he can.

I have absolutely no responsibility for the lack of preparedness for peace which was shown at the conclusion of hostilities. I have no responsibility whatever for the decisions made at Yalta and Potsdam. I have responsibility only for a few measures which have been unanimously reported from the Committee on Foreign Relations, and have passed the Senate by large majorities, since January 1947. I refer to the Greek- and Turkish-aid bills, the interim-aid bill, and this bill. I believe that the Greek- and Turkish-aid bills have justified themselves in large measure. The interim-aid bill has justified itself; and I believe that this proposal justifies itself. But the fact that I have supported those measures does not by the wildest stretch of the imagination make me a party to the tragic lack of foresight and the appalling miscalculations which were made at the end of hostilities, and which account for much of what is going on today.

Mr. KEM. Mr. President, I would not undertake to speak for the able and eloquent Senator from Massachusetts as to his own views. I merely comment on his position as expressed here today. I thought when he said it, and I think now, that he is in the position of a father who speaks unkindly of his own issue.

Furthermore, Mr. President, we cannot hope to battle communism by encouraging the development of socialism, as we have done and would be doing with our aid since the war's end. France, England, and Italy, which together would receive over $10,000,000,000 of the $17,000,000,000 under the program, all have socialistic governments.

Mr. President, it has been said here that there is a distinction between communism and socialism—that communism uses the methods of a police state, which socialism eschews. I am perfectly willing to grant that, Mr. President; but socialism and communism are at least blood cousins. They have the same common ideology. They are both based on the manifesto of Karl Marx and Frederick Engels. Both believe that the government should own and operate the means of production. Both disclaim a free enterprise. To both, an economic system such as ours, where private initiative is allowed full play, is anathema.

C. WESTERN EUROPE CANNOT ATTAIN THE PRODUCTION GOALS CALLED FOR IN THE TRUMAN-MARSHALL PLAN

The general objective established by the 16 nations at the Paris Conference was to recover sufficiently by 1952 to be able to balance imports with exports, and to establish a standard of living for their people above prewar levels. To do this, they set for themselves so-called production targets, by which they hoped to raise their levels of production considerably above those of 1939. Steel production, for example, would be increased approximately 20 percent above prewar levels under this program—of course, at the expense of the American taxpayer, and perhaps the American producer. The Harriman Committee report stated that western European production must expand well beyond prewar levels. This increase, it is said, is necessitated by reduced foreign investments, higher prices of imports and increased population.

It was simple enough for those countries to decide what and how much they want to produce and export during the next 4 years, and to send the United States a bill for their estimated deficits, but to say that it is economically possible for their production goals to be achieved is an entirely different matter. Thus far, there has been far too little information on this important phase of the Truman-Marshall plan.

One of the essential ingredients which would have to be present in order for western Europe to increase its production to the desired levels is an adequate supply of skilled labor. According to a recent survey conducted by McGraw-Hill, the Truman-Marshall plan countries do not have a sufficient labor supply to carry out their ardently optimistic program. Whereas in the United States the available labor force has grown by 8,000,000 workers since 1939, the labor force in Europe is no larger than prewar, due to comparatively heavy war losses. This country, by providing work for 6,000,000 of its unemployed in addition to the 8,000,000 newcomers, now has a total of 14,000,000 more workers in industry, commerce, and agriculture than it had in 1939. Western European countries in general have comparatively fewer workers in these categories—France, for example, 4 percent fewer than prewar.

Socialistic governments with their accompanying plans and nationalized industries have called for greatly increased numbers of government employees, further reducing the available labor supply. Then, too, as we noticed in commenting on the coal situation, shorter hours of work have served to lower production per worker.

In short, the over-all productive effort of the Truman-Marshall plan countries is limited by a serious labor situation, with little hope of improving. This factor makes it highly unlikely that the goals these countries have set for themselves can be attained.

Another factor bearing on the question of whether western Europe can attain the production goals set up under the Truman-Marshall plan is the matter of capital expansion. The 16 recipient countries have recognized the need for a greatly increased capital plant if they are to be able to turn out the amount of goods called for by this program. It would seem in this respect that Europe has bitten off more than she can chew. It is pointed out that, beginning with a crippled capital plant, the recipient countries have scheduled nearly 20 percent of their output to go into capital goods, which is 3 percent more than the United States, with its intact plant, is currently devoting to capital expansion. This 20 percent, of course, is in addition to the capital goods this country is called on to supply under the program. It has been pointed out that it is hardly possible for these nations to convert any such percentage of current production into plant expansion, and still meet export goals and the demand for foodstuffs and raw materials at home. The Harriman committee report stated that it seems unlikely that European nations can prudently afford to sustain capital formation on as large a scale as they have planned.

Thus, in view of the manpower shortage and the overoptimistic capital-development plans, it seems highly unlikely that western Europe would be able to meet the production schedules she has set for herself. There is yet another factor which must be considered: Assuming that the 16 recipient countries are able to increase production sufficiently to meet the requirements of the plan, will there be world markets for the contemplated exports? In order for her exports to balance her imports by 1952, it is necessary for western Europe to expand her export volume far above prewar levels, due to reduced foreign investments, higher prices of imports, and increased population.

Great Britain, for example, hopes to export 75 percent more goods than before the war, primarily tools, machinery, and other such manufactured products. France, Holland, Belgium, and Italy must increase their exports of similar products.

Here in the United States it has been estimated that to maintain full employment, our total export volume must be about three times that of prewar years, and in the same general lines as those of western Europe.

Since, together, western Europe and the United States took only one-third of the world's exports of goods before the war, it is obvious that other markets must absorb the bulk of these contemplated exports.

However, eastern Europe, which normally would be willing to exchange her agricultural products for industrial goods of the west, is behind the iron curtain, and any trade takes place only at the direction of the master of the Kremlin. Due to the strife and impoverishment in Asia and the Far East, that potential market is not likely to offer a market of any size in the near future. Latin America, it is true, is buying more, but at the same time is attempting to expand her industrial plants.

Hence, there seems little possibility that western Europe, even if she is able to produce according to schedule, can find markets for the industrial products she will have to offer.

D. OUR APPROACH TO THE PROBLEM OF FOREIGN RELIEF HAS BEEN FAULTY

The entire effort to effectuate economic recovery in Europe by intergovernmental loans is faulty both from political and economic viewpoints.

Loans between governments serve to create friction and ill will on the part of both borrower and lender. The borrower objects that the loan is insufficient or that the terms are humiliating, while the creditor nation is angry when the loan is not repaid.

The experience of the United States in this respect in the past is fairly typical. We are all too familiar with the cries of "Uncle Shylock" after the First World War. More recently Great Britain resented what she termed the onerous terms attached to the $3,750,000,000 loan, which was also referred to in the British press as a "disastrous bargain." In view of the fact that this sum was squandered in one-third of the period it was supposed to last, certainly it would seem that we should have had more to say concerning its disposition.

Then, too, it is almost impossible to dispel doubts as to the underlying motives of the creditor nation. Many Europeans still are not convinced that Uncle Sam with his Truman-Marshall plan is not about to go on a wild spree of "dollar imperialism." The Russians have made good use of this particular point in their propaganda campaigns against this country. So long as we adhere to this system of large-scale loans—you may call them that if you wish to—and grants between governments, we cannot hope to win the gratitude and friendship of the countries we are trying to help.

Even in the case of purely humanitarian shipments of food, our policy of turning our donations over to the governments, instead of directly to the people we are trying to protect from hunger and cold, has often had undesired results. These governments, in turn, sell these products to their people, who have had to pay high prices in terms of their own currencies for our gifts. Certainly a Frenchman who has just paid most of his week's earnings in francs for a small amount of food cannot be expected to have his heart swell with gratitude for the United States, even though we did give that same food to the French Government. Then, too, part of our shipments inevitably are swallowed up by the black markets, and fail to reach the mouths of hungry people.

In addition to the fact that past loans and grants by the United States to other governments have served to create ill will toward our own Government and people, the very character of such fiscal devices prevents their achieving the desired economic improvements within the debtor countries.

If the creditor nation attempts to impose conditions on its loans and grants to insure that they will be used to the best advantage, it immediately encounters protests from the borrowing country that its national sovereignty is being violated. The United States has been confronted with this problem frequently. Only recently in attempting to work out an agreement with France under the interim-aid program, great difficulty was encountered in phrasing the language of the agreement so that it would conform to the provisions of the act and still not constitute what France considered an infringement on its national sovereignty.

The Truman-Marshall plan is conditioned on a program of self-help by the borrowing governments. But these 16 nations have given no indication that they intend to discard the socialistic practices which have nullified our aid thus far, and which will as surely continue to paralyze economic recovery in these countries. The Truman-Marshall plan would only defeat its own end by encouraging the ill-conceived policies which are at present at the root of western Europe's economic troubles.

However, Mr. President—and I invite the attention of the Senator from New Jersey to what I am about to say—I do not believe that this Nation should isolate itself from the problems of the world and bury its head in the sand. We should extend what aid we can spare to the nationals of those European nations who are interested in maintaining and promoting the free enterprise system to which we are committed.

In formulating a program of assistance to them, we would be wise to keep in mind those principles which have made America great and strong and under which the goods and commodities which our European friends ardently desire have been produced, and, thank God, are being produced today. Our vast achievements and incomparable standard of living are due primarily to the individual decisions and efforts of millions of private citizens in our free-enterprise system. Free enterprise is no claptrap phrase; it is a principle which has worked to produce the greatest advance in the material condition of man in history, right here in the United States.

Mr. SMITH. I thank the Senator for stating his position. I want to compliment him on his presentation of his side of the case today. He has made a very important contribution to the discussion.

Mr. KEM. I thank the Senator very much.

We must keep in mind that one of the most important contributions America can make to the future welfare, peace, and economic recovery of the world is to put her own affairs in order here at home, particularly by giving full free play to those economic instruments which have enabled us to attain the position we occupy today as a world leader. If this country weakens herself too much in her efforts to aid others, the last barrier in the world to communistic aggression will have fallen. Thomas P. Hogan, of Marshall, Mo., has written me:

> Self-preservation is the first law of nature. Charity? Yes; if we can afford it. No; if we can't.

As a capitalist nation believing in the principle of free enterprise, we should apply that principle to developing a program of assistance to western Europe.

In the first place, we should place the requests for food from abroad in a separate category entirely. I am sure that America is willing to give these people food to keep them from starving until they can raise or pay for their food requirements. Food we should send as an outright gift, going forward with the compliments of the donors, although we should take all necessary steps to insure that it reaches the mouths of the hungry, and that it is not swallowed up by profiteers in the black markets. This purely relief program should be handled either by one of our civilian humanitarian agencies, such as the Red Cross, or by a separate and distinct Government agency set up for that purpose, dealing directly with private channels of distribution. Of course, it should be ascertained before any shipments are made that the need abroad actually exists, and that the sending of any particular items will not create scarcities here at home.

The remainder of the program, the rehabilitation phase, should be handled on a strictly business basis, and administered by businessmen who know how to get results with our dollars they spend.

Europe will need certain essential raw materials such as cotton to stimulate her industrial production and to eventually become self-supporting. Such quantities and types of these materials that we can safely spare we should make available to her on the basis of commercial loans, not gifts.

In regard to capital requirements, such as new machinery for industry, we should give these countries access to our money markets for loans that are sound enough to be financed. If the past record of the borrower justifies such a loan, with a reasonable chance that it will be repaid, there should be no difficulty in finding available private capital.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield to the Senator from Nevada.

Mr. MALONE. Having fed the hungry people of Europe, and being ready to continue to discuss further feeding of such

hungry people on a charity basis, without any return—then only the State Department and the President of the United States can determine and announce a definite foreign policy.

Mr. KEM. Exactly.

Mr. MALONE. Does the Senator from Missouri understand that the major countries, such as England, France, and others, have definitely adopted a socialization and nationalization plan of industry and of government ownership, and that no money can be invested in those countries by private investors by citizens of this or any other country, or any part of such investment taken out of the country? Does the Senator from Missouri understand that?

Mr. KEM. I understand that, and I am glad the Senator raised the point. Of course we should expect to find the rate on a loan to a concern in the British steel industry lower, if the threat to nationalization were removed, than at present, when the Socialists plan to take over the British steel industry at no distant future date, depending, I may say to the Senator from Nevada, upon when they get further money from America.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. MALONE. Sir Stafford Cripps, in our conversation, informed me rather belligerently, I thought, although I had not said anything about the subject until he mentioned it, that England intended to nationalize the steel industry as rapidly as possible. The coal industry had already been nationalized. I personally know men in this country, one man in particular, who started to construct a stainless steel plant in England prior to the war, who would like to become financially interested in European industrial plants and take the business risk, but they cannot take the risk of nationalization of their investment. The same man who initiated the work on the stainless steel plant has announced that he would complete the plant if there were any way of doing it on a business basis, and if there were any way of getting any return whatever for the money, but since the nationalization plan has been announced, no money can be secured on that basis. In other words, the local money has been stopped from going into industry, and they have stopped private investments from this country, definitely. Their own nationals have nearly as much money invested in this country as the amount which is now being asked for under the legislation, yet our Government is asked to give money obtained from its own taxpayers to their government to expand and construct industrial plants and to be owned by their own government free of debt.

Mr. KEM. I thank the Senator for the contribution.

Of course, we should expect to find the rate on a loan to a concern in the British steel industry lower if the threat to nationalization were removed than at present when the Socialists plan to take over the British steel industry at no far distant date—assuming, of course, that the Socialist government of Britain is able to get more money from the United States.

CONCLUSION

Mr. President, I have spoken too long. My only excuse is the gravity of the subject which we are considering. There is none more awful this side of the grave.

A few weeks ago, a time-honored custom was observed in the Senate. Washington's Farewell Address was read in this Chamber. As the voice of the Senator from Connecticut who read the address rang through the Chamber, I could not help but ask myself: Is there a Senator who believes that the European recovery bill—then pending before the Senate committee—is consistent with the precepts or the spirit of the farewell testament of the Father of His Country?

Perhaps I have not kept up with those who would make America over. Perhaps I am lagging behind in the atomic age. Perhaps I do not fully appreciate the significance of the one world in which we live.

But, Mr. President, in what I conceive to be the spirit of that great document, Washington's Farewell Address, may I urge three policies for the thoughtful consideration of the Senate and my fellow Americans:

First. Let us stop meddling in the internal governmental affairs of Europe, Asia, and Africa.

Second. Let us drive the Communists and fellow travelers from all employment under the Government of the United States, and make it as difficult as possible for them to return to any such employment.

Third. While we still have strong resources, let us spend as much as may be needed to build a national defense so strong that neither Russia nor any other aggressor nation will dare attack us.

Mr. President, I shall vote against the pending bill.

Mr. TAFT obtained the floor.

Mr. BALL. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. TAFT. I yield.

Mr. BALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I send to the desk an amendment which I offer, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 25, lines 15 and 16, it is proposed to strike out "$5,300,000,000" and insert in lieu thereof "$4,000,000,000."

Mr. TAFT. Mr. President, in connection with my amendment to reduce the first-year authorization from $5,300,000,000, I intend to discuss the general theory of the European-recovery program and the proper basis on which that program ought to be conducted.

I can hardly add anything to the very elaborate and excellent discussions which have already taken place, but I do wish to present my point of view on some problems in connection with the program, and particularly on the general theory upon which the program is based.

In summary, I am in favor of giving aid to the countries of western Europe, but only for specific programs clearly necessary for subsistence, or clearly helpful in increasing their production, especially for export. I am strongly opposed to committing ourselves to any over-all global plan to make up some theoretical deficiency in exports and to making any moral commitment beyond the amount authorized for the first year.

I am in favor of extending further aid to the countries of western Europe beyond the demands of charity only because of the effect our aid may have in the battle against communism.

We Americans have always believed in charity for all. Our missionary enterprises and our philanthropies have reached into every continent. For more than a century American standards of health and well-being have been spread abroad by church effort, by welfare and relief groups, and by the Government on occasion. American help penetrated all of Europe after World War I, and I myself was secretary of the American Relief Administration, which dispensed sums large for those days, both in providing foodstuffs to governments and charity to their peoples. That aid was completed within 2 years after the end of the war, but after that American aid went into Communist Russia in the days of Lenin, feeding the masses whom the Bolshevik leaders had liberated from depression to starvation. American aid was rushed to Tokyo on a large scale after the disastrous earthquake of 1923. The word "American" has come to mean help throughout the world. But that help, given out of our generosity and because of it, was a very different matter from the proposal now before us. Such aid did not purport to solve the long-range economic problems of these other nations. It was never in a volume which materially affected the permanent economy of other nations or constituted a strain on our own. But aid on any such scale as is now proposed, imposing serious taxation on our own people, and creating scarcity and high prices and economic unrest at home, is an entirely different kind of aid from the help we have heretofore extended.

We have also from time to time financed, for the most part through private capital, various sound economic projects in foreign countries or projects which were supposed to be sound. Our Government itself, through the Export-Import Bank, has sometimes furnished assistance, but always for projects which showed an excellent chance of full repayment. That was an entirely different program from the one we are considering. In this case the sums advanced admittedly will not be repaid in any considerable degree.

This program, therefore, becomes a question of foreign policy, and foreign policy only. It can be justified only if it is for our own ultimate benefit, for the benefit of our own people, either as an economic program, or as a political program.

In my opinion, the program is completely without economic justification. On the other hand, I think it is justified by the world battle against communism. As an economic proposition, I doubt if any of the sums advanced will ever be repaid. Our experience with loans from one government to another is that in times of stress repayment is completely forgotten, and there is no way in which the loans can be collected. If the advances were in a smaller sum, there might be some chance of collection, and there may be some chance of collection on a few limited projects. But all the chances are in favor of a complete repudiation, even if there are promises to repay. These countries today have a huge trade deficiency with the United States and other countries. We will be lucky if they can ever be built up to pay for current exports from this country by imports into this country. Certainly, there will never be a balance to enable them to pay back past obligations.

It is said that we will promote foreign trade which, in the end, will be beneficial to us. If the American taxpayer pays out $17,000,000,000, it will certainly take a hundred years of improved trade to repay that cost in increased benefits to the American people.

From an economic standpoint, it is difficult to see why we should finance projects in foreign countries for the expansion of their productive facilities when we refuse to use taxpayers' money for that purpose in the United States. Economic recovery in western Europe must depend principally on the people themselves, on their willingness to work, and on sound government policy. Only their own government can balance their budget, maintain a stable currency, and create the incentive to produce and to export.

I quote here, as I wish to quote a number of times, from the distinguished former Senator from Wisconsin, Mr. La Follette, who was the most active member, I think, of the so-called Harriman committee. He said:

> A second major conclusion of the committee relates to this question. It is that only the Europeans can save Europe.

Note that—"only the Europeans can save Europe."

> Nothing the United States can do will be effective unless the Europeans do much more.

I wish, Mr. Chairman, I could underline that statement, because there is no conclusion of the President's Committee on Foreign Aid upon which it was more emphatic and more in agreement.

> Plainly, the burden of increasing production will fall almost wholly on them. The volume of assistance recommended by the committee would amount to only about 6 percent of the national incomes of the receiving nations in the first year. As the volume of assistance declines and European production grows, it will be a diminishing proportion.

Secretary Marshall himself points out in his statement before the committee:

> Only the Europeans themselves can finally solve their problem.

I think we tend to overestimate the importance of American dollars and the effect such dollars can have. Even with this full-scale plan, as pointed out by former Senator La Follette, we only meet 6 percent of the goods and services which they need and most of which they supply themselves. And yet that 6 percent may be very important, particularly in speeding up the recovery which otherwise might be delayed by serious bottlenecks and difficulties of providing particular types of goods necessary for their continued recovery at a rapid rate.

I believe very strongly that a too-lavish distribution of American dollars will do more harm than good. The threat of uncertain but potentially limitless American aid could deter all efforts of European businessmen, labor unions, and Government officials to rebuild on the basis of their own efforts. Why should they labor painfully to reconstruct this factory or that factory if a whole new factory may be given them, scot free from the United States, at some future date. In order even to be helpful to these countries, the aid must be most carefully distributed to projects which will clearly be helpful to increased production. This principle we must insist upon. I think the program cannot possibly be justified unless it is confined to that type of project, a project which we see, when we undertake it and when our Administrator authorizes it, will actually result in increased production in these particular countries.

There are undoubtedly many activities where only our assistance can remove the bottlenecks and prime the pump with the raw materials and machinery. But the aid must be carefully administered if it is to do economic good, even to Europe.

Certainly, there can be no economic justification whatever for our buying wheat in Canada and the Argentine and giving it to Great Britain or France. There is even less justification for buying coffee from Brazil and giving it away in Europe, because it certainly has no food value. We are, however, during the first year, spending $82,000,000 of American money to buy coffee in Brazil to give to European nations. It would take fantastic New Deal economics to justify this extraordinary proposal which takes about $2,000,000,000 of American taxpayers' money during the next 12 months. The only possible argument is the old New Deal theory that Government spending is a good thing in itself. Whatever can be said for spending in times of depression, such spending at times like this, even in the views of the wildest school of economics, can only increase inflation. There certainly can be no economic justification for such a procedure as we contemplate in buying more than $2,000,000,000 worth of goods the first year from Canada, the Argentine, Brazil, and other countries in America, in order that we may give away the goods thus acquired to the western European countries.

Furthermore, from an economic standpoint, the proposed program is a serious interference with our own economic stability and can well do more harm than all the economic benefit conceivable for many years to come. It imposes about $6,000,000,000 of taxes on our people, which reduces their standard of living, either by taking away their income or increasing the prices which they have to pay. The free distribution of American dollars over the world is one of the main causes of inflation which we have suffered during the past year and which may not yet be checked.

In the year 1947 we exported in goods, services, and invisible items $19,400,000,000 against imports of $8,000,000,000. In other words, we took $11,400,000,000 worth of goods and savings out of this country without any corresponding production or imports. That created shortages which, in my opinion, were chiefly responsible for the inflation which began, or which was resumed, we may say, in May 1947. It seemed last year that prices had about stabilized themselves, but after the tremendous exports of the second quarter they started steadily upward again. Roughly speaking, the committee bill contemplates an increase in exports to western Europe of approximately one and one-half billion dollars, including invisible items, over the exports to Europe in the year 1947. The Department of Commerce estimates that exports to the rest of the world will fall off some two and two-tenths billion dollars, and that the export surplus will, therefore, be only ten and one-half billion dollars, as compared to eleven and four-tenths in 1947. The tremendous surplus in 1947 was due almost entirely to the freedom with which we distributed dollars throughout the world. Many of these dollars were accumulated during the war from lend-lease and many other military expenditures. These dollars have been liquidated, but under the committee plan, more than $2,000,000,000 will be made available to Argentina and Canada to compete in this country with our own citizens for goods which may be in short supply. Other dollars are made available through the Export-Import Bank, surplus property credits, ship-sale credits, UNRRA, post-UNRRA relief, and the British, Greek, and Turkish loans. In addition to this, dollars have been distributed by the International Fund and also by the International Bank.

It is generally admitted that after the World War we overloaned our money to foreign countries. When, in 1929, these loans stopped because it became apparent that they could not be repaid, our export trade and all the employment based upon it collapsed and added to the intensity of the depression. Now we are

repeating the same principles with the taxpayer's money instead of the money of private citizens. Sooner or later this huge export trade must decrease, and, unless it is very carefully handled, such decrease may be a substantial contributor to a new depression. The free credit which we are granting and have been granting to all parts of the world is creating a false prosperity which cannot be permanently maintained.

Mr. President, I see no economic justification for the program. I see many reasons why it may be seriously harmful to us, or at least require us to sacrifice. If it is well and carefully administered, I do not believe that the amount of harm it may do, in reasonably limited amount, can balance the political advantage of the plan; but certainly if it is badly administered, the harm that can be done under the plan will probably be much greater than any political advantage we could obtain.

If we are looking merely to economic advantage, our assistance should be confined to projects which clearly will repay the advance, and that would be a very small sum indeed. After all, these countries have had nearly 3 years in which to recover from the war, and in many of them there was no considerable war destruction anyway. Their difficulties are to some extent of their own creation, and outside aid will not solve them unless they fully cooperate themselves.

As Senator La Follette said to the committee, the Harriman committee was convinced that the inability of the European nations at this time to pay their own way grows more largely out of economic and social disorganization than out of wartime destruction, or even out of adverse external economic circumstances such as the high price of imports and the loss of foreign investments.

However, I should like to vote for a program of economic aid in a reasonable amount, under the excellent system of administration proposed by the Committee on Foreign Relations. I believe that the justification for the aid rests on the extraordinary condition which exists in the world today and the desire, in order to meet that condition, that we build up the strength of western Europe, even in spite of the heavy cost to ourselves and the very considerable economic danger.

Today we are engaged in a battle of ideologies, a battle of freedom against communism, a battle of the philosophy of justice and equality and liberty against the philosophy of a totalitarian state ruthlessly directing by force the existence of every man within its power. Communism is a religion. It has the crusading strength of a new religion. It fights by methods which are difficult for free people to meet—in fact, we are still extremely uncertain how to fight the kind of battle which is now being waged. The Communists are experts in the field of propaganda. Their philosophy appeals to many who are dissatisfied with existing conditions. They evidently feel that they can make progress by interfering with production through strikes and discontent.

I think from their viewpoint they agree that if we can in some way restore the economic strength of Europe, that will be a weapon against this kind of communistic attack, which, after all, is not in any sense, I think, a military attack. I think it is unfortunate that we have adopted the term "cold war," because, after all, a "cold" war is not a war. It is a war of ideologies. It is a war of philosophies. It is a war to take over the souls and minds of people by those with sufficient strength and force in their own communities to enable them to rise to power and direct the kind of life which shall exist in those communities.

In the propaganda field we are trying to set up a propaganda machine to compete with that of the Russians. Personally, I do not think propaganda from foreign countries is very effective one way or the other unless it is accompanied by direct infiltration into all kinds of organizations. That is the kind of thing at which the Communists are expert. It is apparently the kind of thing which we have no means of duplicating by infiltration of our own philosophy.

Undoubtedly, however, by their own admission, if we can create a condition in these countries under which production is increased, together with the standard of living, conditions will be much less favorable for Communist success. In the long run, I think these countries would be better off if they brought about their recovery through their own efforts with a little outside aid, but it might take 10 years to do the job, and it is possible that it could be done in 2 years with our help.

I have pointed out all the pitfalls that may exist and the possibility that the plan may completely fail, but if it is well administered and if we have the cooperation of the governments of these countries, we can improve conditions more quickly. We may lose every cent we put up, but it seems to me there is a chance that it will aid the battle against communism. The stakes are so large that I believe we can afford to take that chance.

I think it should be pointed out, however, that this program is not aimed at opposing any communistic military attack. The effect of this program is not going to be material, certainly for a year. We shall not see the effect of it for some time. I do not see how it could prevent a Communist coup such as took place in Czechoslovakia, under similar conditions. That event would have occurred even if we had adopted this plan a month ago. It may be a year or 2 years before the plan really affects materially the economic condition of these countries.

It may be that the adoption of the program will increase the morale of those who are fighting communism. Therefore, if we are going to adopt this program, I think it ought to be done quickly, to get the effect at once. In the long run, I do not put much stock in the argument about building morale, particularly if every shot in the arm costs $6,000,000,000. It has a temporary effect, but the morale effect wears off quickly, and may be balanced by disappointment when the aid does not come fast enough. If we are going to do it, let us get the advantage of the morale at a time when we need it. Let us pass the bill as quickly as possible. But I do not believe, as a long-term proposition, that the sole argument of morale is very effective.

Mr. President, I wish to point out again that this is not a war measure. If we face war we had better devote all our attention to military aid, because the effect of this aid will hardly be felt in improving conditions before war comes. Personally I do not believe in the war theory, although, of course, I do not have the information which is available to the President and the Secretary of State.

I do not quite understand the statements made yesterday by Secretary Marshall and President Truman. They almost imply that they believe that we do face a war question; and then they seem to use the concern which is aroused to urge the passage of this particular program. I do not believe that the two are connected. If there is such a condition, that seems to me to be rather an argument for military force, because if a war is to come, any money given in this program will be to a large extent wasted if war comes within a short period of time.

I believe that the tone of the President's statement that his confidence in ultimate world peace has been shaken is unfortunate. Certainly it is no argument for the passage of this bill.

If he has the information on which that statement can be based, we should be told what the information is. If not, it seems to me we should proceed on the theory that war is not in prospect. It is on that theory that I am supporting the present bill.

Mr. MALONE. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. MALONE. Then, if I correctly understand the distinguished Senator's argument, it is that if it should develop that we are on the verge of a war or in danger of a war, and this Congress should be asked for an appropriation of $16,800,000,000 for an air corps—such as has been recommended by our own congressional air board—then we should drop the Marshall plan.

Mr. TAFT. No; I do not think that is the necessary conclusion at all. I think we should have a very strong armed force, regardless. In the present world, I think we should have a force—an air force, in particular—sufficiently strong so that no country can successfully attack the United States; and that is so whether there is any immediate threat of war or whether there is not any immediate threat of war.

Personally, if there were an immediate threat, if the Russian troops were advancing, I do not think I would go ahead with this particular program, if that is what the Senator means.

Mr. MALONE. That is really the question, and we should know what we are prepared to do in such an eventuality.

Mr. TAFT. But let me say that I myself know of no particular indication of Russian intention to undertake military aggression beyond the sphere of influence which was originally assigned to the Russians. The situation in Czechoslovakia is indeed a tragic one; but Russian influence has been predominant in

Czechoslovakia since the end of the war. The Communists have merely consolidated their position in Czechoslovakia; but there has been no military advance, there has been no military aggression, since the end of the war.

The situation today is merely a logical development of our own foreign policy and of the agreements made at Yalta and at Potsdam. We could have occupied Czechoslovakia. The troops of General Patton were at the doors of Prague. We could have occupied all of western Germany. We could have taken over Berlin. But we chose to withdraw because of the terms of the agreement made at Yalta. The suppression of freedom in eastern Europe is the direct result of this policy of our own Government. I do not see that today we can correctly conclude that anything which has been done increases the probability of a military war, and I am quite willing to proceed with this program and any other program on the theory that we do not face such a war.

Of course we want adequate defense. We want adequate defense even if there is only one chance in a thousand of a war. But because there is such a remote chance, I do not think we can therefore suddenly put our whole country on a war basis, and give up the assumption on which our whole daily programs in the Senate and in the United States are based.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. MALONE. I am just a little confused by the Senator's position. If we are threatened with a war, and if it is recommended that we must go ahead, a definite rearmament program including the building of such an air corps—then what is the Senator's position? Again, are we going to lend $17,000,000,000 provided by this legislation to prevent what was promised to Russia at Yalta and other conferences by our own Government officials?

Mr. TAFT. In the first place, we are not loaning $17,000,000,000, so far as I am concerned. I am proposing that we loan $4,000,000,000; and that, plus the cost of the German program, will be about $5,000,000,000 altogether. There will be no $17,000,000,000, so far as I am concerned. I do not regard this measure as a moral commitment for any more than we propose to spend for the first year.

Mr. MALONE. Then cannot we correctly conclude that the purpose of the plan now under discussion is to prevent Russia from taking over the area which was promised her by our own Government officials?

Mr. TAFT. We are doing this to assist free governments throughout the world at the most critical point, namely, at the point of contact with the ideology of communism.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. TAFT. I would be delighted to do so.

Mr. MALONE. Are we proposing, then, to spend money now, under this plan, in order to prevent what our own Government leaders proposed to let Russia do—in other words, to take over those countries? Is it not time that we know what our foreign policy really is?

Mr. TAFT. No; we are doing it to strengthen the economy of western Germany and of the other countries on this side of the iron curtain. This plan has nothing to do with the countries beyond the iron curtain, because so far as this plan is concerned, I see nothing we can do, I see no step we can take in this connection with respect to them.

Mr. MALONE. It is said that in a few weeks the Communists may take over Italy. Of course, if they did, as the Senator has said, we would stop this proposed program so far as Italy was concerned. But where is the line where the aggression must stop in the interest of our ultimate safety?

Mr. TAFT. I think our program must be based on trying to assist free governments against the advance of the Communist ideology throughout the world. I think it should be done in China and wherever else it can be done. Perhaps it can be done by military aid within the country itself, as in the case of China or Greece.

But that is the only policy I think we can pursue.

Senators have spoken of propaganda which we have already authorized. One of the things we can do is to make this attempt to strengthen economically the countries which still maintain a government presumably, at least, of the form of our Government.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. MALONE. I am entirely confused as to the policies we seem to be building up. So I would ask the Senator again if he would approve the trade treaties, which have been made and are being made by the nations included in the Marshall plan, to process and manufacture goods from the raw materials which we are to furnish them under the Marshall plan and send such products to the countries behind the iron curtain, the very raw materials which we have furnished them and have promised to continue to furnish them under the Marshall plan—in other words, just a manufacture-in-transit convoy from the United States to Russia and her satellite countries.

Mr. TAFT. No; I would not favor that. I think our Administrator has the power, under this bill, substantially to prevent that—although perhaps not all of it. A certain amount of exchange of certain kinds of goods probably is a good thing.

But I think the Administrator will have the power to restrain that. I must admit that the successful accomplishment of the purpose of the plan depends largely on the ability of the man who runs it; and there lies my doubt about the whole proposal—in short, whether we shall obtain that kind of man.

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. KEM. I ask the Senator from Ohio whether the report of the CEEC conference in Paris discloses that the very genius of the whole plan is the free interchange of commodities between the countries of western Europe and the countries of eastern Europe, both those in front of and those behind the iron curtain.

I should also like to ask whether it is currently reported that the present Socialist Government of England is negotiating with Russia a trade treaty which contemplates the shipment of large quantities of steel from England to Russia.

Mr. TAFT. Frankly, I do not know. I should say that if that develops, I would cut off aid to Britain. If it brings steel to Russia, I myself certainly would favor elimination of the aid to the country that furnished that steel, so far as I am concerned.

But there are many other things that might be permitted to go, which probably would assist both countries.

Perhaps gradually it may redeem some of the countries now behind the iron curtain, if their economic condition is improved.

Mr. KEM. Does the Senator from Ohio understand that it is the present policy of the British Government to negotiate a trade treaty with Russia?

Mr. TAFT. I have been told that. I do not know the details. But I think if they want to get the aid under this bill, they had better be very careful about what they undertake to ship to Russia. That would be my advice to them, if they asked for my advice.

Mr. MALONE. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield to the Senator from Nevada, although I hope I may finish this statement rather soon.

Mr. MALONE. The thing that amazes me is that after it is well known—after the facts are known—that such materials are actually finding their way to Russia and her satellite countries that we even consider voting for such a plan.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. TAFT. Yes; I yield to the Senator from Idaho.

Mr. TAYLOR. It is my understanding that, as the Senator from Ohio has stated, there is no immediate danger of military aggression on the part of the Russians. Is it his opinion that political developments in this country, with waning political fortunes, could influence the question of whether there will be war with Russia or not?

Mr. TAFT. The Senator states his question with so many implications that I think I should prefer not to answer it. I do not think I would add anything.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. HAWKES. The Senator from Ohio said that, so far as he was concerned, he felt there was no moral obligation to go further than $4,000,000,000, with the amendment.

Mr. TAFT. If the amendment is not adopted, $5,300,000,000.

Mr. HAWKES. What I want to ask is, Does the Senator feel there is any obligation to go further than $5,300,000,000, if the bill, without his amendment, is passed?

Mr. TAFT. I see no such moral obligation. I would not hestitate next year, if I thought the program ought not to continue, to refuse further advances. I think it would be difficult, I may say—and that will appear in my prepared statement, later—having run through the first 12 months, to stop off-hand. I mean there would be certain things in process, and I have no doubt they would involve certain additional expenses in the second year, even if it were decided to stop the program. But I see no moral obligation to continue the program any time Congress wishes to stop it.

Mr. HAWKES. I wish I could have the same feeling. I wonder if the senior Senator from Michigan entertains that feeling.

Mr. VANDENBERG. Mr. President, I do not think I care to interrupt the Senator from Ohio to discuss that question at the moment. I discussed it I think at great length in the course of my initial presentation, and I shall be glad to discuss it again later. But I do not care to interrupt the Senator from Ohio on the subject.

If I must say anything at all, I say, in a sentence or two, that I think we have made it perfectly plain in the bill that every Congress has a right to make its own decision on its own conscience in respect to what its obligation is under the bill. So far as the Senator from Michigan is concerned, he would feel that he confronted an obligation under the bill to continue, if the terms set up in the bill were fully met by the beneficiary countries, and if the requirements which we have set down as the price of the continuity of our aid were being constantly met. Under those circumstances I most certainly would consider that I owed as much to my partners in the enterprise, in behalf of freedom, as they owe to me.

Mr. TAFT. I may say, Mr. President, I wholly disagree with the Senator from Michigan. I think there is no such obligation. If I vote for the bill it will be with the understanding that there is no such obligation, that there is no contract with the recipient countries, that they are not our partners. We are simply undertaking to extend our aid to them to enable them to build up their own economy and get themselves on a self-supporting basis. They have agreed to help; yes—fine. That is to their own advantage. They have not agreed so far as I know to do anything to our advantage except it be also to their own advantage. So far as I am concerned, the bill is like any other authorization bill. It authorizes an expenditure for 4 years if the Congress in the second, the third, and the fourth year should decide that it wants to make the expenditure. If Congress does not want to make the expenditure, it is not obligated in any way to do so, morally or legally.

Mr. VANDENBERG. Mr. President, is not that what I said?

Mr. TAFT. I do not think I so understood the Senator from Michigan; no. The Senator seemed to think that if the program were making headway, if the foreign nations had cooperated, we would then be morally obligated to continue for 4 years. That is what I understood the Senator to say.

Mr. VANDENBERG. What the Senator from Michigan was undertaking to say——

Mr. TAFT. He thought he was morally bound.

Mr. VANDENBERG. I was speaking for myself in respect to my attitude totoward the bill. I thought I said plainly in the preface to my brief observation that the bill is written on the theory that every Congress is a free agent to act for itself under its determination of what has happened, and the extent of the progress which has been made as a result of the bilateral and multilateral contracts which have been made and the progress in the direction of the common joint goal toward which we are aiming. I should think the Senator from Ohio would join me among the very first, because of his noted integrity. If he found that at the end of a year those with whom we were cooperating in the enterprise had done everything that we contemplated and hoped for, and that the program was well under way toward the final goals toward which we aim, I should think he would be one of the first to say that it is not only a privilege but a golden opportunity to exercise that freedom of judgment which would recommend a continuation of the plan. If there is any obligation involved, it is the obligation which the individual legislator may feel in respect to a plan which is built upon mutual cooperation. Mutual cooperation, so far as the Senator from Michigan is concerned, is a two-way street.

Mr. TAFT. Mr. President, I do not know that the Senator and I disagree so widely. If the conditions a year from now should be the same as they are now, if the recipient nations had cooperated and the program had proceeded, I should probably vote at that time exactly as I shall vote today.

Mr. VANDENBERG. Certainly.

Mr. TAFT. My point is that I do not recognize any obligation to do so, that the circumstances a year from now are certain to be different in many respects; that there is no consideration given, so to speak, which morally binds us to continue for the second and third and fourth years. That is the statement of my position. Surely, conditions being the same next year, I should be in favor of doing the same thing next year, because the battle against communism is going to continue, I think. But I do not want to recognize now any obligation, and I do not think a mere authorization bill recognizes any such obligation. We can repeal the bill, or we can refuse to appropriate under the bill, whichever we wish.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. HAWKES. I desire to thank the Senator from Ohio, and then to leave with him the thought that if there is a difference of opinion within this Chamber, when we are debating the subject and have been considering it for weeks, why cannot that same difference of opinion be in the minds of the people who are going to receive the billions of dollars? Who has the last say on whether we have defaulted morally if we decide not to go ahead after the first year? Who is going to decide whether they and we have fulfilled their and our obligations?

Mr. TAFT. My experience with the Senate leads me to conclude that the Senate is going to decide next year as it wishes to decide. The question of whether it is an obligation or not, I suppose, is an interesting question for discussion; I think it should be discussed, but I believe the Senator from Michigan and I agree that so far as the action of the Senate next year is concerned, the Senate will do what it pleases and what it thinks is for the best interests of the United States at that time.

Mr. HAWKES. Mr. President, I understood the Senator from Michigan to say that if the recipient countries fulfilled their part of the bargain he would feel a moral obligation to go through with this program to the end. That is the point I want to bring out. There is going to be a terrible misunderstanding in this world if we do not go through with it, and if we cannot prove on the record that they have defaulted on their part of the agreement. That is the point I want to make.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I am very much interested in the statement of the Senator from Ohio. As I understand it, there is no moral obligation. As the Senator has said, the authorization can be considered annually, and each Congress or session of Congress can decide what it wants to do. What is the difference, then, between that position and authorizing and appropriating each year? What is the difference, if any, in the Senator's position, according to which we go through on a supposedly 4-year program with the understanding that each year the authorization has to be determined, the appropriation has to be determined? Why can we not do it 1 year at a time, and accomplish the same purpose?

Mr. TAFT. We could do it 1 year at a time. It would mean that we should have to pass an authorization bill every year instead of for all 4 years.

Mr. WHERRY. Why not make it 1 year?

Mr. TAFT. I recognize that the program will probably last for 2 or 3 or 4 years. I see no great objection to passing an authorization bill at this time to cover the program. I was discussing only the question of whether we had any moral obligation in connection with it.

Mr. President, as it is a program against Communist political aggression, we must work on the assumption of continued peace if we wish to justify the program.

I favor the extension of aid to European countries to the extent which appears to be absolutely necessary and effective to maintain a reasonable subsistence for the people of the 16 nations

and to enable them to increase their own production of goods on a self-supporting basis. If we proceed on that theory, does the pending bill conform to it, or does it commit us to something beyond the justification of reason?

In the first place, I believe that the Foreign Relations Committee, under the leadership of the distinguished Senator from Michigan, has done a most effective job in cutting down and improving the State Department plan. It removed the $17,000,000,000 figure from the bill, thus eliminating any implication of a commitment for that amount or for any amount during the last 3 of the 4 years during which aid is authorized if approved by the administration and by Congress. Furthermore, by cutting down the period from 15 months to 1 year, the commitment implied at this time is reduced by a billion and a half dollars. While the Appropriations Committee can properly reduce the amount for the time being, I am afraid there is a moral commitment implied up to the amount named, but I can see no moral commitment beyond that amount. I suppose that the momentum of the plan will necessarily carry it on into the second year at some additional expense. A magnificent job was done by the committee in destroying the State Department plan to have this money administered under its direction. I agree with the general feeling of Congress that the State Department has no consideration whatever for the American taxpayer or the American economy. The State Department seems to share the foreign view that this country is an inexhaustible reservoir of money and commodities. Sometimes I think it shares the view that we owe these European countries an annual present.

The committee has set up an independent administration with a man of Cabinet rank at the head. He will be on an equal basis with the Secretary of State and the Secretary of Commerce in presenting his policies to the President, who will have the final decision. As far as the form of organization can control the administration, this plan will do it. I hope that the President will appoint a man to act in accordance with the theory of that plan. He should be a hard-boiled administrator, examining every project and approving only those which promise definite benefits in Europe and not too serious an effect on our own supplies. But we in Congress cannot control the administration of this plan. We cannot refuse to confirm a man of standing, even though he has the State Department philosophy. We cannot prevent the President from overruling the administrator in favor of the Secretary of State. My interest in the amount of the gift arises largely because I think a limitation in the amount is the best way to assure a careful administration, covering only those projects which are clearly beneficial and forced to pass by the projects of doubtful value.

Much has been said about restraints. I have not found that restraints in bills are very effective. I do not believe our hold on the administration of this plan will be effective. That is why I think we need to give the administrator of the plan only sufficient money so that he may be forced to conduct the plan in an economical way rather than along the lines of what seems to me to be a global plan proposed by the State Department.

Mr. President, what exactly is the proposal which is before us? We are asked to authorize the sum of $5,300,000,000 for a period of 12 months. In addition to this we are asked to appropriate $670,000,000 to provide food and other essential commodities for the civilian population of Germany. This sum has always been heretofore included in estimates of the CEEC and of the Harriman committee. I am not sure, but I am somewhat inclined to think that the amount for Germany will be greater than $670,000,000. I know that in the Harriman report, both on page 9 and page 85, it is stated that the cost of the German occupation, outside of the direct cost of the necessary troops and personnel, will soon be running at the rate of $1,000,000,000 a year. However, I shall accept for the present the statement that the sum is $670,000,000. That is what the Army says it will cost for the two zones.

In addition to that financing, we are asked to advance $275,000,000 for Greece and Turkey, so that the total financing requested for western Europe is at least $6,245,000,000 for the next 12 months.

The proposal in my amendment is to reduce this amount by $1,300,000,000, so that the total financing out of United States funds will be approximately $5,000,000,000.

The figures submitted by the CEEC, as revised by the Harriman committee, and as revised by the State Department, are all based on the theory of an economic plan for western Europe. All the 16 countries in western Europe and western Germany were invited to submit a list of imports which they thought were necessary and exports which they expect to make. The exports were subtracted from the imports, and we were handed a bill for the difference. The figures have been somewhat revised by limiting the demands which the State Department thought excessive or impossible to fulfill. But the theory remains the same. We are to make up the difference. They decide what the export difference is and they ask us to make up the difference between their exports and imports.

I think this calculation is almost an impossible one to make. I do not believe that anyone can make that kind of a calculation. I do not think it can be made for a year, much less for 4 years.

Mr. Richard Bissell, who was the head of the staff of the Harriman committee, said:

> I think the only way the answer can be summed up is by saying that I am happy about this only in the limited sense that I think it is about as good a job of appraisal as could be done in the time. I was not happy about having to do it in that little time, and, although this is the kind of appraisal that has to be, probably, the basis for whatever decision this Government comes to, I hope this is not the basis upon which operating decisions and actual transfers are made.

It is an impossible task. There is no list of commodities which are going to each country, so far as I can discover, in all the volumes which have been presented to us. Mr. Bissell further said:

> But I think when you came to add it together the holes would be nearly as numerous and nearly as large 2 months from now, and you would be driven to the conclusion that, as to advance planning, there is just about so far you can go and no farther, and you do not really get beyond that until a particular government says that in a particular steel mill they want a particular item of equipment to produce goods to a certain specification that they are going to use to build ships or locomotives, and they can tell you what companies are going to buy it, and you have a man on the spot who will go around and ask some questions. We, of course, had nothing faintly approaching that.

I think the whole theory of the so-called balance of trade between exports and imports is an impossible calculation to make. Incidentally, on that theory the British seem to have provided themselves with approximately $2,000,000,000 out of the $6,000,000,000 to make up their supposed export deficiency. That means at the rate of 40,000,000 pounds a month. That is about the rate at which they are going now. They hope very much to make it less. Considering the fact that the purpose of the plan is to defeat communism and considering that Great Britain is producing at full supply, it seems to me that the $2,000,000,000 which is earmarked for England is certainly subject to more question than that which goes to the other countries.

If we do what is proposed, we have to decide how much food the French will eat, how many calories they will eat, how many calories the British will eat. That is something we should not have to do. If they want more wheat, they should come to us and we might well say, "All right, we have 200,000,000 bushels extra, and we will furnish you with the wheat." But we should not have to determine how much the British have to eat and how much food they ought to have. I think they should determine that. Yet this program requires that we determine the standard of living and the number of calories in each country in Europe that participates in the plan, if that is the basis on which we are to proceed.

Mr. ELLENDER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. ELLENDER. While the Senator is discussing the method used in determining the amount to be allocated to each country, I wonder if he would tell us how he came to select the figure $4,000,000,000 and how it will be distributed?

Mr. TAFT. I shall come to that a little later. I would rather handle that subject as I had prepared to do. No special sanctity attaches to the $4,000,000,000 figure, any more than to the $5,000,000,000 figure. I am only trying to show that the calculation was based on an unsound method.

Mr. ELLENDER. I desired to ascertain the method by which the distinguished Senator arrived at the figure $4,000,000,000.

Mr. TAFT. I will suggest the method by which I reached that figure before I conclude.

How can we guess what the production in these countries will be, or what their exports will be, dependent as those things are on their own government policies? It depends on whether they encourage production or whether they have a tax system which encourages increased production. It depends on whether they balance their budget. It depends on whether they stabilize their currency. It depends on all kinds of conditions which we cannot determine in advance.

It is completely a matter of guess, so far as I can see, when we try to make an economic plan for a country ahead of time. We could not do it for our own country during the war, although we tried to, and we were infinitely remote from the actual result in every case. Yet that is the basis for the calculation in this case, that is the basis for the entire sum which has been mentioned in all the different plans.

I have here a great deal of material as to what the exports are. Yet when we analyze it we find a tremendous category of "other exports" which are not described in any way.

Mr. McCloy, the President of the International Bank, testified, as appears on page 1004 of the hearings:

> The items covered by the reports of the technical committees established by the CEEC represent about 60 percent of all the imports. They alone have been subjected to a close scrutiny.

The other 40 percent have not been subjected to close scrutiny, so far as I can discover. When we examine the illustrative composition of imports of the various countries set out on pages 118 to 129 of the hearings, we find that after listing everything which could be considered important, "other exports" total anywhere from 30 to 50 percent of the totals. In short, the figures are a guess, and cannot be checked.

The only use for the so-called balance-of-payments theory I can think of is that it gives us a kind of an idea of the magnitude of the problem. We get some idea of what the size of this undertaking is. But so far as providing an exact figure of justification is concerned, I do not think anyone can find any such justification in the record.

The CEEC countries included capital reconstruction. The whole theory of including capital improvements is questioned by the Harriman committee. On page 6 of the report the committee says:

> It cannot be too strongly stated that the process of investment and capital formation imposes severe strain on the country undertaking it. Such a task introduces money income into the economy. * * * The process is highly inflationary. To the degree that capital goods are sent to Europe from the United States, it is true, the strain is transferred from European economies to our own. Nevertheless, the secondary effects of large capital programs should not be overlooked. Some of the European countries have attempted to exceed this rate. It seems unlikely that European nations can prudently afford to sustain capital formation on as large a scale as they have planned.

Senator La Follette said:

> The need especially for industrial items and capital equipment should be most carefully examined. Development projects that are not directly related to the building up of an export balance should not receive encouragement or a dime of assistance.

Some of those projects are eliminated, but so far as I can discover, there are still included a number of projects of that nature of capital development.

The same general idea comes from Roy Harrod, an economist of Oxford University, who wrote this:

> There is a fallacy which has taken root in Europe which may be very dangerous precisely because it has a strong appeal for Americans. This is that large-scale capital reconstruction is necessary for the revival of the economies. * * * We must seek to disillusion the Americans of the idea that Europe cannot survive unless she embarks upon a large-scale capital-modernization program. This is likely to waste American assistance and intensify all the specific difficulties which arise from the inflationary pressure throughout Europe. It will defer recovery in the vital matters of currency reform, the restoration of circulating capital, and the revival of productive effort.

As a matter of fact, when this theory was first tried, the calculation under it called for $29,000,000,000, in Paris. Then the CEEC recalculated the figures and got down to $22,000,000,000. Finally the State Department reduced the figure to approximately $17,000,000,000, plus something from the International Bank, to a figure somewhere in the neighborhood of $19,000,000,000. That shows the wide variation which can be reached by pursuing the balance-of-payment theory. I do not believe the theory is sound or should be considered as a proper basis for an amount we are to expend in Europe to assist the 16 countries. I think we should provide the amount which we think can actually help them from time to time as the projects are presented. I do not believe we should commit ourselves to give such guaranty of an export balance as this plan seems to involve.

Mr. President, we have had the same theory presented heretofore. It has been the theory of the present administration for quite a long time. The cost of the idea, if applied to all countries in the world, would amount to billions of dollars every year. If we do what is proposed for the western countries of Europe, we will have to do it for other countries, for China, for instance, and after we get through trying to raise the standard of living of all the people in the world, we will not have anything left in the United States. That is what I do not like in the approach; the fact that the whole plan is based on a global desire to raise the standard of living of all the people in the world according to a formula which some planner has figured out.

We had presented to us the proposals for the International Fund, and the British loan. I opposed both of them. I voted against them. I say today that the votes against those plans were justified. The plans were presented as global plans, to save the world. Again there was no justification actually in the figures which were presented.

I have before me the report of the committee on the Bretton Woods agreement. In it I find this statement:

> The Bretton Woods proposals are the foundation of the United Nations program for international cooperation. Although the fund and bank are the results of the joint efforts of the representatives of 44 United Nations, they put into effect the principles of stable and orderly exchange arrangements and sound international investment which have long been the policy of the United States. It would be a tragedy if this country, which has taken the lead in world organization for political and economic cooperation, were to reject these proposals.

And yet we put $2,750,000,000, mostly in gold, into the International Fund, and, so far as I know, it has not stabilized any currencies; it has not removed any exchange restrictions; it has not done any of the things we were promised it would do. It was a great plan, conceived on a global scale, to solve the problems of the world.

With respect to the International Bank, there were never quite the same objections to it, but, of course, as a practical matter, the Bank has been authorized for more than 2 years and it has made only a few minor loans. It has finally gotten into operation. I think it is much more justified. I do not think the entire assistance given by the Bank has amounted to the difference of $1,300,000,000 which I propose to strike from the authorization contained in the pending bill. Perhaps the Bank has loaned as much as one-half billion dollars or so.

Mr. President, I wish to refer to the views of the minority on the Bretton Woods proposal.

The minority said:

> These measures, added to the other policies endorsed by the Administration, embark the United States on a vast program of lending money abroad and guaranteeing private investments abroad, which program is wasteful of our assets, will create a false and inflated export trade leading to depression, and is more likely to create ill will than good will toward the United States.
>
> Purporting to solve the world's economic troubles, neither the fund nor the bank offers a solution for the present emergency difficulties of a single country during the transition period; nor can the fund accomplish any of its alleged purposes during the transition period.

Nor has it accomplished any of its alleged purposes. The French government the other day defied it, because it tried to prevent deflation of the franc. Because that deflation was not acceptable to the British government, the French defied the Fund, and now they are not entitled to withdraw any more money from that particular fund.

When we came to the British loan, it is rather interesting to recall that at the time of the Bretton Woods debate the Treasury told us that there was no need for a British loan. Mr. White appeared before our committee. I remember he testified that the idea that there was no solution to the world's difficulties in the British loan was a complete error. He said that Bretton Woods would solve everything, and a British

loan was not needed. Yet it was but a very short period after that when we proceeded to debate the British loan again, not as a specific aid to Britain, but as an attempt to solve the problems of the world by again setting up Great Britain as a solvent, going concern, so that sterling throughout the world would be on a par with dollars. That is what we were told when we were asked to vote $3,750,000,000 for the British loan.

The majority committee report said:

> The financial agreement appears to the committee to be a realistic and farsighted means for promoting the stated objectives of this Government to secure through international cooperation a world in which all countries live and work together in peace and prosperity.

It was going to solve all the problems of the world.

> The committee also believes that the agreement will go far in opening up the markets of the world to American exporters on fair and equal terms.

There has been no change in the terms on which our exporters do business. They do business if we give them the dollars to pay for the goods which they export. Otherwise practically all the discriminations remain.

> If the financial agreement is not approved, serious damage will be done to our program for international economic cooperation. The failure of our economic international policy cannot help but have grave consequences for the welfare and security of the American people.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DWORSHAK. I have been reading the report to which the Senator has just referred, namely, the report of the Banking and Currency Committee on the British loan bill. I invite the Senator's attention to page 13 of the report from which I read the following:

> The witnesses from the banking and business community emphasized the relationship of the financial agreement to the program to reestablish multilateral trade and the significance of this program to maintaining and expanding the American system of free enterprise in a peaceful world.

We have observed the British leaders expending almost $4,000,000,000, which they got from us under the British loan, to socialize their railroads, their banks, and their mines. I ask the Senator from Ohio if that is in accord with the assurances given the Congress 2 years ago insofar as expanding the American system of free enterprise in a peaceful world is concerned?

Mr. TAFT. I think in general the British loan has not accomplished any of the purposes which were alleged as a basis for it. It was to last for 3 years. It actually lasted a year and a half. It was used for all kinds of purposes. The money was spent throughout the world. Again it was a global plan. I refer to it only because it exactly fits in with the parallel I am trying to draw here. In that case I moved a substitute for the loan bill to give the British a billion and a quarter dollars, which according to our estimate would enable them to pay for the goods they had to buy in the United States for a period of from 2 to 3 years. If we had given them that, and if we had gradually advanced it for things they had to have, things which were necessary, I believe that the one and a quarter billion dollars would have been just as effective as the $3,750,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I do not want to enter into any controversy about the method in which the British loan was expended, but I am not willing to leave the statement unchallenged that this money was used to socialize the banks and railroads in England. As a matter of fact, none of it was used in taking over the Bank of England. What was done was to take up the stock owned by the private stockholders of the Bank of England and put down in its place an obligation of the British Government. There was no money involved there. The stockholders have the obligations of the government, just as they had the obligations of the bank.

The same thing is true insofar as taking over the railroads is concerned. I am not sure of the method in detail by which the mines were nationalized.

I think it is incorrect to say that this loan was used in any of those enterprises to take over, on the part of the British Government, the private ownership of the banks, the railroads, or the mines.

Mr. TAFT. I think the Senator from Kentucky is technically correct. I believe, however, that when we simply hand a nation $3,750,000,000, as we did to the British, it does relieve their financial problems. They use it for the things for which they want to use it, and it probably makes it easier for the Government to go ahead with plans with which it wanted to go ahead, housing plans, and other plans with which perhaps it should not have gone ahead. I think it is almost impossible to separate the effect.

I thought then, as I do now, that our money ought to be doled out, if you please, for particular things which we see they actually need, which we see will actually relieve distress, which we see will actually enable them to go to work and produce more, bring about greater employment, raise their own standard of living, and particularly increase their exports. I think that is the way the British loan should have been handled, and that is the way I think this fund ought to be handled.

Mr. BARKLEY. Undoubtedly the same thing will, in a measure, apply to a loan obtained by a government as one obtained by a private individual. It will relieve financial pressure in certain directions which will make it easier for them to embark in various other directions. But my specific reason for asking the Senator to yield was to say that the loan to Great Britain was not used to nationalize any of the three enterprises to which reference was made, because I do not think the British Government used money in taking them over. They simply exchanged the types of stock that the owners had held originally.

Mr. TAFT. It was used for two things. In the first place it was used to increase somewhat the standard of living of the British people, which otherwise could not have been increased. Whether that was necessary or not, I do not know. Most of it was wasted or used in an attempt to carry out the real purposes of the loan. That was an attempt to put sterling on a comparable basis with dollars. It simply disappeared for 3 or 4 months while they tried to maintain that policy. We had some grand economic theory behind the plan that we were trying to carry out.

My only point is that I think the method I proposed then is the general theory which ought to be proposed now. I think we ought to give them money for specific projects. I do not believe that they ought to say, "Here is the balance, and here is the bill. You pay the bill." That is the analogy which I think we find in dealing with this subject as compared with the British loan.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MALONE. I may say to my distinguished colleague from Ohio that it is well known what the pound is worth on the exchanges of New York and Europe. It is worth about $2.25 or $2.50, whereas officially it is held to an artificial value of $4.03. That is in their favor financially so long as they are importing goods. When they get to the point where they want more exports than imports, they will drop the value of the pound. One can write the value they will fix himself if he knows when that is going to take place.

There has just come to my attention a trade agreement between Italy and Poland. It is an agreement effective for 1 year, and automatically renewable unless notice is given. It calls for trade between the two countries to the extent of about $15,000,000 each way. Included in the agreement is the most-favored-nation clause. The proposed shipments from Italy to Poland include foodstuffs, such as fruits and oil, chemicals, including synthetic dyes, tools, and machinery, marine motors, machine tools, mining machinery, ball bearings, shipyard equipment, and motor vehicles.

One may argue that these commodities may not be made out of the actual steel received from us, but they are manufactured from steel which is made available because of the steel furnished Europe by our country.

It is silly to argue that we should give $3,750,000,000 to a nation for the purpose of establishing social security machinery and reducing the working hours of their own workers below the working hours of our own people, and for the purpose of nationalizing their industries, as Sir Stafford Cripps told me they intended to do. Within 5 minutes after he had emphasized the need of the Marshall plan money, he stated that they intended to nationalize the steel industry. To me it is silly to say that none of the Marshall plan money finds its way into such activities, or releases the necessary money for such activities.

It is silly to say that, when we furnish the raw steel and other materials to the 16 Marshall-plan countries, and such materials are processed and the manufactured goods sent to Russia and her

satellite nations, that such raw materials did not make available the necessary raw materials for the purpose even if they were not the identical materials.

Mr. TAFT. I thank the Senator. I think I have tried to cover the subject before.

Mr. President, it seems to me that $4,000,000,000 is enough, for various reasons. In the first place, it is just about what we have been putting up during the past 2 years. I do not mind continuing to assist Europe at about the rate we have been doing. We have been straining ourselves to the limit. We have shipped everything we possibly could ship, and we have actually extended aid, according to the basic document, approximately in the sum of $5,000,000,000 a year during those 2 years. If this $4,000,000,000 is included, plus the German figure, which always should be included, and the additional shipments for military purposes, our shipments will be about $5,000,000,000 if this amendment is adopted.

The program contemplates an increase of about one and one-half billion in exports to Europe. I think we have been more generous than any other country has ever been. I think we have strained ourselves to the limit. We have imposed higher prices and shortages on the people of the United States. I am willing to continue at that rate, but I do not believe that we should increase it. The result of the figure of $5,300,000,000, plus the additional amounts, is to increase the amount of aid to Europe by $1,300,000,000, so far as I can calculate from the very confused figures, but particularly from the report of the Nourse committee, which gives a tabulation of the aid already extended, and from page 30 of the basic documents on the European recovery program, printed for the Foreign Relations Committee. We have been going at the rate of approximately $5,000,000,000, and that would be the effect if this figure were made $4,000,000,000.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Did I correctly understand the able Senator from Ohio to say, in substance, that a continuation of the same amount which we have expended in the past on the European program would be nothing more nor less than a relief program?

Mr. TAFT. No; I do not think it has anything to do with the relief program. During the past 2 years we have been shipping to Europe everything. We have been shipping steel, and every other conceivable thing which is made in the United States, and we shall continue to do so if we have $5,000,000,000 for that purpose.

Mr. LUCAS. I understand that we have been shipping a great many things, but we have been shipping many products through private enterprise. Is it not a fact that the great bulk of the money expended in Europe by the Government has been expended over the past 3 or 4 years, especially since the war, primarily for relief purposes?

Mr. TAFT. The $3,750,000,000 for Britain was not spent primarily for relief purposes. It was spent for anything the British wanted to buy. It was spent by them in all parts of the world. It was spent partly for food, but it was more than enough to make up their entire deficiency of imports.

Mr. LUCAS. I did not understand that the able Senator was including the loan made to Britain. If he is including all loans of that type, the story is quite different.

Mr. TAFT. I think there is one thing in the committee report which gives an entirely erroneous impression. On page 47 are set out the so-called relief-type commodities and services, amounting to $4,400,000,000, and the recovery type, amounting to $2,300,000,000; but the committee included in the relief-type items food, fuel, fertilizer, cotton, and wool fibers. Cotton is not a relief item. Cotton is for the manufacture of cotton goods. It is a raw material. It is one of the things which we regard as necessary for recovery, not for relief. The same is true of wool fibers.

The coal which we are shipping is not relief coal. It is not to keep people warm. It is almost entirely coal which goes into the mills, to be used in the manufacture of steel. That is not relief. So as a matter of fact the relief items in this program are very much smaller than the recovery type items. There is no more reason why we could not cut the relief items than there is reason why we should not cut the recovery items. After all, we are not providing any tremendous proportion of the food which they eat, and it is just as possible to shave that item as it is to shave the other items. So I do not believe that the charge that this means a relief program instead of a recovery program is in any way justified.

On the question of exports from this country, this program, as I have pointed out, involves an increase of $1,500,000,000 a year in exports to Europe. It is true that the Department of Commerce estimates that there is a decrease of $2,200,000,000 in exports to the rest of the world, which, incidentally, largely exceed the exports to Europe. I do not know on what basis that result is reached. It is said that other countries are running out of dollars; but I am not so sure that they are running out of dollars. There has been some decrease in exports up to this time. Whether that will continue is hard to say. In any event, unless we get some decrease, we certainly are going to have the inflation again which we had under the tremendous export deficit of the past year. It is true that the figure is contemplated to be a little less—ten and a half billion net. But ten and a half billion dollars worth of goods taken out of this country, with nothing put back, creates a dangerous inflationary condition under any circumstances.

I do not believe that we ought to increase the amount of exports to Europe if we are going to maintain the economy of this country; and if we do not want to increase the amount of exports to Europe, we must cut the program about $1,500,000,000, which gets back again to the figure of $4,000,000,000.

Mr. President, the suggested total of $6,000,000,000 is not supported by specific programs or completely by countries which need aid. There is a long list of commodities in the committee report on pages 24 and 35, but surely no one can say that those commodities are all essential; no one can say that they must be shipped; no one can say that Europe must have $156,000,000 worth of coffee next year at our expense, or largely at our expense.

Grains and oil cake, constituting feed for animals, are represented by a figure of approximately $750,000,000. We are not going to have sufficient feed in this country to produce enough meat to meet the requirements of the American people. True, we are not exporting meat. But under this plan we are providing funds for feed for all the European cattle. If the European countries do not have quite so much feed for cattle, they will not have quite so much meat. But I do not see that there is any evidence that they cannot take a reduction in the amount of their meat, just as we are taking a reduction in the amount of our meat.

In this list there are included all the ordinary foods on which people live. In addition, there is a list of other foods. For instance, the tobacco bill which we are asked to pay under this measure is $293,000,000. Certainly it cannot be correctly stated that we must supply $293,000,000 worth of tobacco, and that the amount cannot be cut. Of course, I do not wish to interfere with the tobacco industry in the State of the distinguished Senator from Kentucky [Mr. BARKLEY], but, obviously, some reduction could be made in the item of $293,000,000 for tobacco.

For coal we are asked to provide $389,000,000. Cannot we hope that these European countries will increase their coal production sufficiently to enable some cut to be made in that item?

For timber we are asked to provide $333,000,000, to come out of United States funds. Mr. President, we do not have too much timber in this country. We need it for the building of our own homes. Can it be said that that item cannot be cut? This program cannot possibly be taken as an untouchable program essential for the success of the entire procedure. Of course these items can be cut; of course the total amount must be cut; of course the amount of the commodities which we shall provide can be cut.

Finally, Mr. President, we get down to "other imports"—just other imports, everything having been calculated. The amount set aside for that is $4,228,000,000, in addition to all the more important items which are listed above that.

Mr. President, when we consider all these items and consider the countries which are to receive the aid, I do not think anyone can correctly say there is anything sacred about the proposed total of $5,300,000,000.

Furthermore, Mr. President, if the cut which I propose is made, there are other ways in which these countries can do something in this connection. There are available assets, in large volume, which can be used, if necessary. Certainly some of them can be used to make up for a cut of $1,300,000,000 in the amount of money that is to be asked of

the American taxpayers. The International Fund to which I have referred can be used. In 1 year, $558,000,000 can be drawn from the International Fund. It is supposed to be drawn on for exchange purposes, but everything is in one pot. We have not considered using that fund in this connection. So far as I can ascertain, we have not given credit for the 558,000,000 of American dollars which can be drawn out of that fund by the 16 countries here involved, under the provisions of the International Fund agreement.

The private citizens of these 17 countries hold $4,300,000,000 in free assets and $1,300,000,000 in blocked assets certified for release. So, the citizens of these countries have a total of $5,600,000,000. It may be said that we must not take it away from them. I agree that in the long run I do not want to take it away, either. But somehow, it seems to me, these other countries could dig up the other $1,300,000,000 which I think the American taxpayers should save on this program.

The gold and short-term dollar balances of the governments included in this program amount approximately to $7,000,000,000, as is indicated on page 65 of the pamphlet on foreign assets, which was printed for the Senate Finance Committee last year.

If we add all the assets of foreigners and foreign governments in the total number of participating countries, we find that the total gold and United States assets of these countries and their nationals, including long-term assets, which are difficult to sell, amount to $13,662,000,000. That includes the items I have already mentioned as belonging to the governments and the private citizens of those countries. The total amount owned by those governments and their citizens is approximately $13,000,000,000. I agree that some of that belongs to countries that do not need any aid. No doubt some of that money is not distributed where it should be in order to do the most good. Of course, they should not be absolutely deprived of working capital; but obviously out of the total of $13,000,000,000 they can dig up $1,300,000,000 if they have to do it. It is not as though there were no source of funds for these purposes other than the funds of the taxpayers of the United States.

Mr. President, one thing that has always interested me is that at the beginning of the war the British put up $900,000,000 of marketable securities with our RFC as collateral for a loan. The interest and dividends on those securities have been used to pay off much of the loan; but the securities are still there. The British Government thus has $900,000,000 of securities deposited with the RFC, against which its loan today is only $175,000,000. I am not sure about the effect of the last RFC legislation; but so far as a loan on a sound basis is concerned, the British could borrow on that collateral $700,000,000. However, they do not want to borrow. Why? Because if they do, they have to pay it back, whereas under this plan they do not have to pay back what they receive. That is the only reason I can see why the British do not want to borrow from the RFC on those assets, which are perfectly sound. A loan based on them would be a sound loan, but they would pay back to us the money thus advanced.

There are other means by which these governments may make up for the reduction in the total amount which I propose, and under which circumstances the amount of such reduction would not have to be paid by the American taxpayers. I have not mentioned the gold in dollars held throughout the world, apparently largely in hiding, by people who are hoarding—for instance, in France and other countries. That is said to amount to many billions of dollars, but I do not know that there is any practical means of getting at those particular assets.

True, Mr. President, it will involve some sacrifice for these countries to use up any of their own assets, but certainly they provide a tremendous fund from which some temporary reduction in American charity could be made.

Mr. President, I believe this reduction should be made, for a number of reasons: First, because the Congress ought to economize on all programs, foreign and domestic. When we propose to cut all the appropriation bills for American projects, when the Senate has voted to reduce the total United States budget by $2,500,000,000, why should a foreign loan be peculiarly sacred? There is nothing so far as I can see, to demonstrate that there should not be a reduction in this program, as well as in other programs; and on general principles of economy I think there should be some reduction.

In the second place, Mr. President, I think the European countries should be impressed with the conviction that the United States is not too liberal. I do not think they should be encouraged to rely upon us; and I think we should show that we are not simply going to take their calculations, in effect, and carry them out except to the extent that we do not actually have the goods. I think in the long run it will force their governments into a more sensible and wise policy and greater cooperation, if they feel that they have to prove their case in every instance, and that the American taxpayer is not quite the complete give-away artist that he is pictured to them by some persons who go abroad.

In the third place, Mr. President, I do not like to approve a figure which is derived, so far as I can see, simply from this balance-of-payments theory.

Furthermore, I think it is very desirable that the Administrator be made to feel that he does not have an unlimited fund at his disposal. I think he should be made to feel that he can grant money only for projects which are clearly effective and necessary, and that when a project is dubious he should feel, "If it is dubious, I had better not undertake it." I think he himself ought to be restrained by a sense of economy forced upon him by the amount of the fund. As I said, we cannot control his appointment. We do not know who he will be. I think this is the only effective means of securing an economical and piece-by-piece administration as contrasted with a global loan to one country in the manner of the British loan.

Mr. President, the argument that we must have the sum provided by this bill or nothing, of course, is unsound. The distinguished Senator from Michigan in his statement said that that was not true, and yet there is a good deal of argument that if the whole amount is not provided, the program will fail. Personally, I think that is nonsense. I think that everything that is done, if it is well chosen, will help the economic condition of Europe just that much. If too much is done, it may actually interfere with the successful development of Europe, as is the case if it is not done well. It is difficult to insist upon the measures that the foreign governments must take, for the steps which should be taken are not always clear. It cannot be said merely that a certain thing must be done; perhaps it is not the right thing to do.

I believe very strongly that we should go as far as we can, and that as far as we go we shall do good. I see no reason to think we should confine ourselves to relief. I do not believe that $4,000,000,000—it is really a $5,000,000,000 program—will in any way confine us to relief. I see no reason why a relief item should not be cut as much as recovery items.

Mr. President, I feel very strongly that this is a business proposition. I think we ought to aid Europe because I believe it is an effective weapon against communism. But I feel that we ought to make it clear, and it can be made clear by adopting the amendment, that we want the administration conducted on a strictly business basis.

This is not an emotional program; it is not a program to be built up by great propaganda; it is not a solution of all the world's difficulties. It is simply a business proposition. I believe we should so hem it about with reasonable restrictions, and we should so limit the amount as to force the adoption of a policy under which only those programs and particular proposals which will help the countries of Europe to help themselves will be undertaken.

Mr. MORSE. Mr. President, I am only going to speak for a very few minutes on the Marshall plan bill that is before the Senate. I thought my views were pretty well known on the plan. I have been speaking for some weeks now in various parts of the country in support of the Marshall plan. Nevertheless, I have received a considerable amount of mail in recent days from constituents at home, wanting to know when I was going to put myself on record in the Senate of the United States on the plan. Apparently they feel I must put myself on record in the Senate in order to be of record in support of the plan. I can do it very quickly.

I would point out to the Senate that it was a week ago Monday that in my opinion one of the great speeches of statesmanship of the last decade in the history of the United States was made in this body. That speech was made by the distinguished senior Senator from Michigan [Mr. VANDENBERG] in support of the bill now pending before the Sen-

ate. Following that speech there has been much discussion in the Senate but in my personal opinion the premises laid down by the distinguished senior Senator from Michigan in that great speech have survived all the debate and remain unanswered. They stand out just as crystal clear as they did on that Monday when at the conclusion of the speech, Members of the Senate came to their feet in appreciation of the great example of statesmanship which it was our privilege to witness that hour.

Throughout the speech I think the Senator from Michigan laid down a major premise that no one has been able successfully to rebut. As he stated, it is in the interest of America's self-interest to adopt the plan as it came to us from the unanimous vote of the Committee on Foreign Relations. He certainly made clear that as chairman of that committee he offered it on no other basis than that it is in our national self-interest to adopt it both from the standpoint of our national security and our domestic economic interests. I consider it a great honor and a great privilege, Mr. President, to say that I want in a very humble way to associate myself with the great arguments that he advanced in what I think has proved to be an unanswerable speech. I wish to emphasize that it is in our national self-interest from the standpoint of national security. That argument alone could be the controlling one; that is enough to support a vote for the plan. That argument alone, Mr. President, in my opinion deserves an overwhelming vote in favor of the plan as I am sure it is to receive when we come to vote. The plan is clearly in our national self-interest from the standpoint of national security. But I want to say, Mr. President, it is in our national self-interest not only from the standpoint of national security, as was argued by the Senator from Michigan, but also from the standpoint of our selfish economic interests. It is interesting to note that in recent weeks, as the great business forces of America come to study the plan, they, too, I think, by an overwhelming vote as far as the American businessmen are concerned, are beginning to appreciate that it is in the interest of our economy to adopt the plan at this time. Some days ago I put in the RECORD a letter of February 14, issued by Kiplinger, pointing out the economic outlines of the plan, making perfectly clear, I think, the economic advantages of the plan to American businessmen, and raising certain questions in regard to the plan.

Without reading that letter again, Mr. President, I ask consent to have it printed in the RECORD at this point as part of my remarks, because I think it very well supplements the speech made by the Senator from Michigan a week ago Monday on the economic advantages to America which will result from the plan.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE KIPLINGER WASHINGTON AGENCY,
Washington, February 14, 1948.

DEAR SIR: This letter is about the Marshall plan, and it is by request; for many readers write in to say that they do not understand the plan. Some say they are confused by piecemeal explanations, including ours. Others say they are fed up with propaganda on both sides of the issue, with argument instead of information. So we shall try to shed some light. And we don't want to argue about it—just want to tell you about it.

Current business uncertainties add importance to the whole plan, for it will affect all business—big and little—directly or indirectly.

Marshall plan in simple language is this: Our Government buys stuff, mostly in the United States, from our own industries here and pays for it here. Then our Government allocates the stuff among needy countries, and sends it. Buys it here, doles it out there. About half as a gift, half as a loan.

It's goods, not money. Money will not be given or lent to Europe except incidentally and outside the Marshall plan. It's goods we send.

Strings and conditions attached, broad aims, purposes, motives—we'll talk of them later. Focus now on the more tangible facts.

First, the Marshall plan is going to be—is going to pass. The chances are 10 to 1 that it will be in operation by this midsummer. It's a fact to face, beyond the controversy over should or shouldn't.

Likely to continue 5½ to 6 years—year longer than advertised, until about 1954. (Most authorities admit this time in private talk.)

Tune of twenty billions total, minimum over the full 5½ to 6 years. The advertised sum is seventeen to eighteen billions, but it probably will run higher.

Remember, too, the imports from other countries, thirty billions, that much shipped into United States during the life of the plan. These imports will yield money in this country, which then will be spent for exports—more exports, in addition to Marshall plan. These will be supervised and controlled by our Government, to coordinate them with the Marshall plan.

Thus the Marshall plan is big business, fifty billions of exports, the twenty to be subsidized by Government, the thirty more to come in natural trade.

So a big Government purchasing and distributing agency will be created.

Run like a business, hundreds of employees, whole office building. Somewhat like the wartime WPB, but actually doing the buying directly. Experts on buying of this and that, with industry committees to advise. May buy from you, or through you, or from businesses in your community. Most goods for export will either go through it or be controlled by it. It will be one of the biggest customers of business in whole country.

Who pays? You pay: (1) In taxes, for it will be pay as you go; (2) in doing without certain things for a while, prolonging scarcities; (3) in paying higher prices for some things than without Marshall plan.

Scarcities and pinches here will not be greater than in the past, but some of them will stretch out longer than was heretofore assumed.

How big a drain in terms of goods, in terms of going without?

Point 1: Marshall plan will take 5 percent of our total production, which is much less than many think. But on certain scarce commodities which are badly needed both here and abroad, the pinch will be worse.

Point 2: The plan will not increase exports above the past year. It will merely sustain them, keep them from dropping off too drastically. Even at that, the outflow of exports will be less than in the past year.

Point 3: Our Government will not let the exports rob our own economy of things we must have. Will try to balance the foreign and domestic needs. Will consider this country first, Europe second. Won't break us down.

Food is most important. This year is the peak year in demand. Next year high, but not as high as this year. Tapering off thereafter. That is, if weather—and thus far the world weather seems favorable.

Many food prices are headed for decline in the United States this year, but the drop will not be as much as it would be without Marshall plan. No over-all food shortage here, no hunger, no acute food sacrifice.

Greatest strain, farm machinery, needed both here and in Europe. Export of farm machinery will help us to get food production going there so that we don't have to go on exporting our free food to Europe forever. But our farmers will have to count on relative insufficiency of machinery for several years—longer than they thought—due to the Marshall plan. Partial antidote will be the allocation of more steel to farm machines.

Seeds: Big exports to Europe this year, and probably next year.

Fertilizer: Great quantity must go to step up food output there, subtracted from this country. But most of it will come from Army plants.

Tobacco: Much tobacco will be sent—will prevent a glut here.

Cotton: Demands from abroad are tremendous and also excessive. Our Government will scale them down, but still it will send a lot of cotton.

Steel, scarce here, also desperately needed in all of Europe. Will send as much as we can. Steel short here for another year or two. Not worse than at present, perhaps some better, but not much better.

Iron ore needs to be conserved here, good ore is running low. But we'll send a good deal abroad so Europe can use it to get going. Some European mines were knocked out by war, by destruction of machinery.

Mining machinery: Great quantities are needed in next 3 years.

Steel, electrical, and lumber equipment: Much of it will be sent. But not so many big electric generators, for they are needed in the United States.

Freight cars: We will skin down the European demands for them. Need them too badly here. Europe will have to go without, or make them.

Heavy trucks: More of them as a substitute for the freight cars.

Passenger autos: Not many, proportionately; they're needed here. But steel exports will retard production here, make many wait longer.

Coal: Big call for our coal, but generally we can spare plenty.

Oil: Exports will be big, but more than matched by the imports.

Timber: Quantities are needed abroad, especially railroad ties. We shall pare demands, and rely more on sending the sawmill machinery.

Hides and leather exports will be big, will keep prices high here. The high prices of shoes will be aggravated by the Marshall plan.

Export figures on each commodity this year are not yet ready.

The governmental machinery is up to Congress, but our opinion is that there will be an over-all board of directors of public members, with the State Department supreme on the general foreign policy in the plan.

But one man to boss the administration, a practical sort of man, possibly a big-business man, "the executive type to get things done."

Committee from each major industry will advise on procedures, so as to fit the export purchases to domestic needs and requirements.

The administration probably will be good, tight, businesslike.

Name: European recovery program, ERP, the Marshall plan. Agency that runs it may be named European Recovery Administration, ERA.

This agency will supervise and check up on use of goods abroad. It will have offices in each country to work with the governments there. These foreign offices will administer the revolving funds of the plan. Foreign governments will sell some of the stuff, and put the money back into the funds. Our Government will hold the purse strings over these. There will be continuing check-up, accounting, riding herd on requests.

Foreign industries will get such things as machinery on credit. They will owe their governments for the machinery, eventually will pay, and their governments will eventually repay to us, to our Government.

How much gift, how much loan? Probably in the end about 50–50. This is a conservative estimate. Some think in time we can get back 60 percent. Will take years, will depend largely on our future foreign trade policy, whether we further moderate our tariffs to let in more foreign goods.

What's the tax cost? It will take about 10 cents out of every dollar that you pay in taxes to cover cost of Marshall plan next 5 or 6 years. If half is eventually repaid, then net cost is 5 cents of every tax dollar.

Some sort of customs union of western Europe will be worked out. It is one of the United States conditions and the United States will plug hard for it.

Also we had the Truman doctrine to hold Russia where she is, even by force. Marshall plan is the economic phase of Truman doctrine.

Motives of our Government: Humanitarian on which there's agreement.

Economic to relieve us of relief, to rebuild western Europe, to restore it to being our best customer, which it has always been.

Military to keep Russia contained, away from western Europe, for our Government thinks that if Russia expands there, it means sure war. (The way in which Russia expands is to get native Communists in control, and then to see to it that these nations play the Russian game.)

Why not use the UN? Because the UN has no money and no goods. Only the United States in all the world has them. Besides, we don't trust UN to administer such a complex plan on such a scale, with our substance.

Who's against it? Many skeptics who think we are suckers again, or who honestly fear that the export drain will break down our economy. Also the Communists, fellow travelers, and their stooge organizations.

The public is probably lukewarm, finds the plan hard to judge. Our Government has done a good job of pleading, but a poor job of explaining.

Who's for it? And why be so sure it will be voted by Congress?

Most Democrats are for it, and so are over half the Republicans.

Most labor is for it, it's liberal, and it will make jobs.

Humanitarian elements are for it, and they wield a lot of power.

Business is divided, but most big business leaders are for it. Business generally is not averse to having the orders that flow from it. It's costly, but it does help to keep business from declining too much.

Balanced budgets, stabilized currencies, these are also musts.

Western Europe only, 16 nations, not those in Russian orbit. Some war neutrals to be aided, because rest of Europe needs their stuff.

Latin America will benefit. We shall buy stuff there for Europe. Then the Latin American countries will have the dollars to spend here. These are the "offshore dollars," over which there's some controversy.

Relief against reconstruction: Relief means mainly food and fuel, and relief alone would never end, so the answer lies in reconstruction.

Self-help is the keynote of conditions. Europe must help self. Can in due course, if furnished the tools, the equipment, to work it out. Also must have more economic integration among the industries of Europe. We don't have enough to supply Europe with everything that's wanted. The requests have already been trimmed from thirty billions to under twenty. The recipient nations will be compelled to adjust, to help themselves.

Harriman committee report gives a solid analysis of the plan. The committee consists of 19 hard-boiled representatives of the public. They were diverse and skeptical, but they studied and finally concluded that it could and should be done, with certain conditions, modifications.

You can get official copy by writing the Superintendent of Documents, Washington 25, D. C., asking for Harriman Committee Report, send 60 cents. It points out many merits, many flaws, and ways to correct the flaws.

What's the origin? Who thought it up? Mainly the State Department, a year ago, after Big Four busted up, after the show-up of Russian aims to let western Europe bog down economically, then let Russia take over. We reported the plan in embryo last March 1947. It was denied then, but Marshall spilled it in June. The European nations got busy on it, collected thirty billions of wants, and were told to trim, which they did. Meanwhile Russia got nastier, and pushed the cold war on many fronts.

And if a recession develops, as some think, then it would become especially important as a sustainer of business activity in this country. Not all businessmen agree that this is a proper motive for the policy, but many do, and they speak of it as distinctly secondary, incidental.

It's a tremendous gamble, and even the proponents admit this. Honesty requires that we all face the possibility that it might fail.

But if we do not do it, then it is likely that western Europe will be invaded by communism by Russia, and very few doubt this end.

In that case, war. Or if war anyway, then we will be stronger with a rebuilt healthy western Europe on our side as fighting allies.

If no Marshall plan, then our military would need billions more, for we would then face threat of whole Europe under Russian domination. So we are gambling with billions on hope of peace instead of war.

Yours very truly,

THE KIPLINGER WASHINGTON AGENCY,
W. M. KIPLINGER.

Mr. MORSE. The letter contains within its few pages rather adequate evidence in my opinion as to why the plan is in the economic interest of American businessmen. I may say, by way of rebuttal to certain arguments that have been heard during the debate, that one has but to read the bill, starting on page 18, line 21 and the lines following over to the bottom of page 19. Let me read those lines to show some of the economic advantages to American business provided by this plan:

(3) by making under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this act, which guaranties shall terminate not later than 14 years from the date of enactment of this act: *Provided*, That—

(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

(ii) the total liabilities assumed under such guaranties shall not exceed 5 percent of the total funds appropriated for the purposes of this act and any liabilities accruing under such guaranties shall be defrayed within the limits of funds so appropriated; and

(iii) as used in this paragraph, the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

I want to speak very briefly so I shall not discuss at length the implications of those lines. They speak for themselves. I think the opponents of the bill should reread that section of the bill, which certainly shows the extent to which the committee has gone in seeking to protect the interests of private business in America which will become involved in the plan as far as foreign investments are concerned. Their money is not going to go down a rat hole insofar as the interests of the American businessmen are concerned. In fact, I think a line of argument might be advanced if one were prone to do it, criticizing the bill because of this section, in the sense that it gives to American businessmen participating in a free-enterprise system perhaps too much protection at the expense of the American taxpayer.

But I do not raise that question because I think the international economic situation in its relation to our national security bears a remarkable resemblance to some of the economic problems which confronted us before and during the war. Then we believed it only right and proper that we should give to American businessmen reasonable protection in the case of defense and war contracts by assuring them that they would not lose their costs and that they could make at least a reasonable profit if they would cooperate in seeing to it that the vital goods needed in the prosecution of the war were manufactured and made available to the country. I think that principle was sound, and I think it likewise is sound in this instance, so as to assure reasonable protection being given to private capital in this country if it cooperates in an attempt to make the Marshall plan a success as far as foreign investments are concerned.

I would amplify a bit another argument made by the Senator from Michigan in his great speech. He commented upon it, but I think it needs to be reiterated, namely, the matter of moral obligation insofar as our obligations to the peace are concerned.

I think there is a tendency on the part of the American people in these days to overlook the fact that it was our war as well as the war of Great Britain and the other allies. I think it is important for the American people to reflect anew on the fact that, except for the costly loss of life which we suffered, which, of course, cannot be evaluated in a material sense at all, the major burden of the war was borne by our allies insofar as destruction was concerned. We have no bombed cities. We have no vast areas of

devastation. We suffered no such losses as were suffered in England, France, and other parts of war-torn Europe. We cannot, Mr. President, in the eyes of history, evade those moral obligations—because they are very real. It seems to me it will not reflect well on the pages of history for us at this hour to take an overemphasized mercenary position, a dollar position, in relation to our moral obligations resulting from our participation in the war. Irrespective of the importance of this plan to the establishment of our first line of economic defense in Europe, even if I did not believe it essential for that purpose, Mr. President, I should still argue for the plan on the basis that I think we should pass it in carrying out the moral obligations which we incurred in a war which was also ours. The American people cannot look on that war as a football game, and, now that it is over, sit around in America in what, after all, is an environment of reasonable material comfort, and talk about the plays of the war. There are moral obligations still to be paid by this country in connection with that war. There are many people who do not like to hear such language spoken these days. But I say it is essential to call attention to those obligations in view of the many comments made in the course of the debate in regard to Great Britain and other war-torn countries. I have no hesitancy in saying, and I make no apologies for saying, that we have not yet fulfilled our moral obligations to Great Britain and the other allies that helped us fight the war.

I also suggest that closely related to our moral obligations in connection with the war there are some great spiritual values of democracy which I think are being overlooked these days. I know that to talk about spiritual values makes it an intangible argument and I know that there is danger that an argument such as the one I am now making may be charged as being one which is placed on an emotional level. I offer it not as such; I offer it as an argument which supports a great truth, Mr. President, namely, that when we take away or fail to live up to the spiritual basis of democracy we lose democracy itself. When we look upon democracy only from the standpoint of materialism and selfish economic values we have lost sight of the spirit of democracy. We can start with the spiritual values of the Declaration of Independence, we can trace them through the constitutional debates, the Constitution itself; we can follow them through the preamble of the United Nations Charter and the other sections of that charter, in the preparation of which a statesman of our day, the senior Senator from Michigan, played such a great part. What do we find? We find an unbroken thread of great spiritual values as the basis for the ideals of American democracy.

Our form of government as contrasted with totalitarian systems of government, Mr. President, rests largely on the spiritual principle that we recognize the individual as the creature of a divine power; we recognize that, after all, Government should exist to serve the interests and the welfare of the individual. The primary purpose of a democracy such as ours is to promote the dignity and the welfare of the individual, to carry out the principle that the State truly is his servant and not his master. It is a spiritual value which represents a great universal religious truth the sacredness of the human individual as a child of God. This spiritual truth has no relationship to creed or dogma, but rather, Mr. President, it rests on the fact that, after all, we are our brother's keeper. After all, basic in democracy is that great spiritual truth that we should do unto others as we would have them do unto us. I say that is a universal spiritual value which, through the ages, has crossed all religious lines and is not limited to Christianity itself. I say that in this hour the American people can well afford to consider, at least to some extent, our international obligations from the standpoint of the question, Are we carrying out an international policy which does justice to the spiritual values that form the basis of democracy itself?

I say, most kindly, Mr. President, and I also say it most sincerely, that I think there are great forces at play in America today which are so motivated by a materialism, so driven by a money conception, so overpowered by selfish greed, that they are losing sight of the spiritual idealism of democracy itself. We had better bring the spiritual idealism of democracy into play in molding our international policies, or I think we shall lose our democracy itself.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. COOPER. I hesitate to interrupt the Senator's speech, but I cannot resist saying that his speech is the first that I have heard in a very long time that gives emphasis to the personal and spiritual values of democracy. I think the distinguished Senator will agree with me that every day in the press and in the statements of those who write upon the subject, and in speeches, and quite often by self-designated liberals, emphasis is placed almost solely upon the material side of democracy, the extension of material opportunity and economic opportunity. Some would restrict the personal and spiritual freedom of the individual even by coercion and force.

I agree absolutely with the distinguished Senator—and I believe he will agree with me—that the oldest and truest liberal tradition is that spiritual and personal freedom of the individual is the very basis of democracy. Knowing the Senator, I am not surprised with what he has said.

I merely wanted to say this in appreciation of what the distinguished Senator has just been discussing.

Mr. MORSE. I wish to say to the Senator from Kentucky that I appreciate very much his contribution to my discussion, and his kind expression of agreement with me on the particular point I am making at the present time. I would expect that from the Senator from Kentucky, because through my friendship with him I know something about his attitude toward the basis of democracy; I know that he appreciates what really constitutes democracy. I am not surprised to find him publicly making the statement that he shares my view that, after all, the very essence of a democratic form of government, when we get right down to its essence, is that it rests on spiritual values. The Senator from Kentucky is a fine Christian statesman who recognizes that the spiritual values of democracy grow out of the theory that, after all, as I said a moment ago, democratic government seeks to serve the dignity and sacred nature of the individual. When I refer to the dignity and sacred nature of the individual, I mean the divine essence of the life of the individual. After all, human life has a great divine source. Whenever we forget that in democracy the primary object is to promote and develop the good which is in the individual person, we will weaken democracy. Whenever we mark out a legislative course of action which fails to deal with the spiritual values found in the human relations within our democracy, or in human relations between our democracy and other countries of the world, we will be cutting at the very roots of democracy itself.

Mr. President, I am for the Marshall plan because I think the bill gives us another opportunity to demonstrate the great spiritual values of democracy, and gives us a chance to show the world that we intend to put human values above material values.

So much of this debate has been of the latter type, so much of the criticism of the bill has been of the latter type; namely, an overemphasis on materialism. Of course, those of us for the bill are, in a sense, on the defensive when it comes to the $64 question. The Senator from Michigan has not been able to answer the $64 question. In fact, as I interpret his remarks, he not only has not been able to answer it, but he confesses that he knows of no answer to it except a negative one.

In the last analysis, what has been the $64 question throughout this debate? It is this: Can the proponents of the bill give any assurance that it will win the peace? Of course we cannot. As the Senator from Michigan has said—and I paraphrase his statement, I am not quoting him directly—but he pointed out very clearly that conditions are changing so rapidly that it is impossible to give the American people assurance about anything when it comes to international relations. I share the view which I think has been expressed over and over again in the debate, that without the action we are asked to take there can be no peace. That is quite a different thing from saying that with it we will have peace.

Rehabilitation of Europe is going to cost, at least for a time, some sacrifices on our part, although I believe in the long run it will result to our economic advantage. But even if it would not, I would still be for the plan for the reasons I have already advanced, as well as for the reason that without economic rehabilitation of Europe there can be no peace in Europe.

Where are the people of Europe to turn? My colleagues have heard me say before that there cannot be any economic stability established in Europe

until there are some wheels in Europe, and there are few production wheels in Europe today.

As has been pointed out in the debate, with the economic rehabilitation of Europe we will have a first line of economic defense established in case Russia continues her course of noncooperation. I have heard nothing by way of rebuttal that shakes my confidence one iota in the firm belief that the enactment of the bill will go a very long way in reestablishing Europe economically. With that economic rehabilitation, friendly relations will be intensified in Europe toward the United States on the part of the war-torn countries.

I have the suspicion, Mr. President, that with the economic rehabilitation of Europe, Soviet Russia will then at least have good cause, or at least will have a rationalized cause, for changing her present hostile attitude toward us. Russia's present plans are to defeat the successful operation of the Marshall plan. I do not think there is any basis for a successful denial of that intention on the part of Soviet Russia. Her acts of opposition to the plan, her aggressive policies, her constant use of the veto, her refusal to participate in the Paris conference all go to show her design to block an economic rehabilitation of western Europe. She is playing for time.

Is it not true that we, too, are playing for time, as well as Soviet Russia is? I have an idea, perhaps I should say a hope, that with the economic rehabilitation of Europe, and the establishment of healthy trade relations between western Europe and other parts of the world, Russia will wake up and discover that, after all, her program of noncooperation and her program of sabotage are not in her best economic interests.

I am inclined to agree with the distinguished Senator from Michigan—and I paraphrase him again—I think one of the best weapons we will have for persuasive influence on Russia 3, 4, 5, or even 10 years from now, will be the putting into operation of this plan, resulting in Russia's leaders seeing that we mean to practice the ideals of democracy. It gives us a chance to show Russia that we mean to carry out the spiritual basis of democracy, that we mean to fulfill our moral obligations, obligations which rest upon us as the result of our participation in the war. It gives us time to show Russia that we mean to take those steps necessary to protect our national security to the extent that we can protect it through economic action in Europe.

Mr. BALDWIN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Connecticut.

Mr. BALDWIN. I have been touched by the eloquent words the distinguished Senator from Oregon has uttered about the spiritual value of democracy. The distinguished and able Senator from Ohio [Mr. TAFT] discussed the pending measure purely from the standpoint of a business venture, and it is a business venture; I think all of us have to look upon it as such. But I do think it is a good deal more than a business venture. I think it has great value far beyond that.

We cannot deny that in this world, wicked and tough as it is, and tainted with greed and hate as we know it to be, there is yet such a thing as good will, and there are yet men and women of good will. By our deeds we express our hopes and our generosity and our faith, that, as Paul said in his letter to the Romans so long ago, "All things work together for good." It may take a long time. We may not be here to see it. But I do believe, Mr. President, that at long last good intentions will breed good intentions if we can but get the opportunity to touch the hearts of plain people all over the world, as good deeds and good intentions always do.

I know that in the long run that will spell success for this plan in the advancement of our dearest and fondest hopes and ideals.

Mr. MORSE. Mr. President, I want to thank the Senator from Connecticut for his remarks, because better than I can make them, they reinforce what I would call the major premise, the most important reason which I seek to advance in support of the Marshall plan here tonight. It is a reason which, as he points out, rises far above the level of materialism, rises far above the level of selfish economic interests and personal greed, goes right to the heart of the question of our humanitarian duties to our fellow men. It raises the question of whether or not we as a great, free people believing in the rights of the individual, believing that human life is, after all, the greatest value on earth, are going to practice the spiritual obligations of democracy or are we going to substitute for the idealism of democracy a false god of materialism as a basis for democracy.

I want to say that when politically we become idol worshipers of materialism we will fall as a democracy, just as the people of various nations through the ages have fallen when spiritually they have substituted idolatry for belief in the divinity of the human life as a creation of a supreme force which I call God.

I want to move to my next point, Mr. President. I was very much interested in the speech of the Senator from Ohio [Mr. TAFT] to which the Senator from Connecticut alluded. It seemed to me that throughout the speech, Mr. President, the appeal of the Senator from Ohio was to the pockets of the American people, when the hour calls for an appeal to the American people to recognize the great moral obligations that are theirs. Statesmanship calls for us to challenge the American people to recognize, Mr. President, the great opportunity they have in the history of the world to make those great sacrifices which must be made if we are to record in history that in this period of history we were willing to do what was necessary to win the peace.

Mr. KILGORE. Mr. President——

The PRESIDING OFFICER (Mr. COOPER in the chair). Does the Senator from Oregon yield to the Senator from West Virginia?

Mr. MORSE. I yield.

Mr. KILGORE. I wish to ask the Senator from Oregon if the point just made by him was not rather well illustrated by the popular appeal of the friendship trains, and not only that, but by the postfriendship trains, provisions of all kinds to fill which came in voluntarily from all over the United States.

Mr. MORSE. Mr. President, I think the answer is a clear "Yes." I may say to the Senator from West Virginia that for the last several months—in fact, I think the Senator from Michigan knows that for most of the past year—I have been speaking in a great many parts of the United States on international policy questions. I want to say to the Senator from West Virginia that if we can only get the American people to pause long enough to reexamine their sense of values, as far as what ideals they think our Government should stand for, we will never have any trouble getting them to agree that we ought to put these moral values, about which I have been speaking, first, and material values second.

I have no desire to make any long record in opposition to the very able speech, from his viewpoint, which the Senator from Ohio just delivered. I simply want to go on record as saying that I completely and totally disagree with most of the premises he laid down in his speech. I want to point out that the history of the bill, I think, rebuts the Senator from Ohio. I want to say that I think our obligations to the peace deny and reject his philosophy. The Marshall plan has been carefully prepared and is fully substantiated.

We start out, as the Senator from Michigan pointed out in his speech, with the Paris Conference of 16 nations. They worked long and hard on it. As the Senator from Michigan pointed out, other nations could have been in on the conference. Instead of a plan which would be limited very much to western Europe, it could have been a plan which could have taken in all of Europe. It is only unfortunate that it did not, because had it taken in all of Europe I think we would have been much closer to winning the peace than we possibly can be, because of the fact that it does not include Russia and her satellite nations. But the responsibility for the fact that it does not take in all of Europe, Mr. President, rests with just one country, and that is Communist Russia. According to my sights, my thinking, my reading, my observation, Soviet Russia decided at the time of the Paris Conference that she could best carry out her subversive design for wrecking the peace by attempting to wreck that conference, and failing in that, to wreck any plan that would come out of the conference.

The conference was held. It submitted a report. It was a thoroughly prepared and documented report. It has stood up well during this debate. Then the report was carefully analyzed by various groups in this country, including the Harriman Commission. The Senator from Michigan referred to the work of the Harriman Commission, to its report, and, as the Senator from Michigan and the Senator from Ohio have both pointed out, its work was greatly influenced by a former distinguished Member of this body, the former Senator from Wisconsin, Mr. La Follette. Those

who worked in this body with Mr. La Follette know that he always tested foreign-policy proposals by what he thought was America's best national self-interest. He supports the Marshall plan because he believes it meets that test.

The report then came to the Foreign Relations Committee. The record shows that the sum was about $6,800,000,000, and the Foreign Relations Committee cut it down to $5,300,000,000, after a careful analysis, Mr. President, of all the claims and of all the demands. But I want to emphasize that the Harriman report was modified by the Foreign Relations Committee and the sum of $5,300,000,000 for the first year was the result of the work of the Foreign Relations Committee.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BREWSTER. I am a little puzzled by the mathematics of the Senator from Oregon, as it was my understanding that the initial figure was $6,800,000,000.

Mr. MORSE. Six billion eight hundred million dollars is right.

Mr. BREWSTER. Yes. And that the Foreign Relations Committee then made it $5,300,000,000.

Mr. MORSE. Yes.

Mr. BREWSTER. But the committee eliminated 3 months, so that the figure which they reported at $5,300,000,000 corresponded exactly to the $6,800,000,000 figure, except that one was to cover 15 months and the other was to cover 12 months, so consequently it would not appear that there was any reduction in the figure so far as the estimates were concerned.

Mr. MORSE. I think it amounts in fact to a considerable reduction, if the Senator from Maine will take into account the modifications in the powers and duties which are placed upon the Administrator of the plan by the committee bill. Those powers which will be exercised on a 12-month basis gives to him a discretion which I think he ought to be given in order to stop any of the payments to any foreign country in case he finds that the foreign country is not in turn keeping faith with the conditions and commitments required by the bill. I think that will result in a very substantial guaranty of economy in the expenditure of the money.

Mr. BREWSTER. My point was that I thought the change from $6,800,000,000 to $5,300,000,000, which I understand the Senator from Oregon to intimate was a reduction, was not in fact a reduction. There may have been changes in other provisions of the bill which may effectuate the economies which we all desire.

Mr. MORSE. The Senator is quite right, that so far as the pro rata amount is concerned, the reduction in time reduced the amount in accordance with the time. However, I think that in order to determine if the Vandenberg committee went into a careful analysis as to whether or not the amounts requested were reasonable, we must keep in mind the fact that the powers which were added and the change in the administration set-up which the Senate committee worked out, as against the administration proposed by the Harriman committee, will result in a very satisfactory check upon the expenditure of the money under the plan.

Mr. President, it is very easy in considering any plan which calls for allocation of funds for various expenditures, to raise the question, Why should this amount be spent for tobacco? Why should this amount be spent for grain for livestock in Europe? Why should a certain amount be spent for any other commodity on the list? That is the technique of the Senator from Ohio in attacking the figures in his bill. Why so much for this and that? Why not more? might also be asked. I think a much better case could be made for more than the Senator from Ohio makes for less.

The fact remains—and this is the point I wish to drive home—that these figures as set out in the bill have been carefully considered by those groups in our Government which analyzed them prior to their being submitted to us. They have been analyzed by the Foreign Relations Committee. The committee has brought forth these figures as figures which give the best assurance for successful operation of the plan.

The choice in the Senate then becomes whether we are willing to accept these figures of 5.3 billions and place our confidence in the groups and individuals who have passed on the figures, or substitute for them the figures offered by the Senator from Ohio, who, after all, by his own words, has no sounder basis, so far as evaluation criteria or a scientific formula is concerned, for his figures than there is for the figures of the Vandenberg committee.

I heard nothing in the able speech of the Senator from Ohio which would justify my casting aside the many weeks of study of the Harriman group and of the Vandenberg committee and substituting the economic data offered by the Senator from Ohio, particularly when he makes the argument that $4,000,000,000 is enough because it is about what we have been doing during the past 2 years. I think he answers himself by that argument. We have not economically rehabilitated Europe or made any successful strides toward the economic rehabilitation of Europe by doing what we have been doing during the past 2 years. That is why we need a new plan. That is why we need to do more.

If all the Senator from Ohio has to offer is a continuation of what we have been doing for the past 2 years, then I say the plan has no chance of success so far as advancing the cause of winning the peace is concerned. That argument alone as made by the Senator from Ohio is all I need to hear to reject the data of the Senator from Ohio. He advanced no such careful study of the needs of Europe as did the Vandenberg committee to justify my accepting his personal views as to why we should follow a penny-pinching policy of reducing the amount from $5,300,000,000 to his suggested figure of four billion.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LUCAS. I agree with what the Senator is saying with respect to those data. We know that the best experts we could obtain in the Government and the best experts that could be obtained on the other side of the water considered this plan. No plan is perfect, of course; but when the Senator from Ohio says that there is absolutely no way to calculate the exact amount, I cannot understand how he can blindly say, "We are going to take away $1,300,000,000," without any facts or figures to support him.

Mr. MORSE. I agree with the Senator from Illinois. Nothing further needs to be said, or should be said on that subject.

Mr. LUCAS. We must have faith in someone in connection with this problem. So far as I am concerned I am willing to take the facts and figures which are supported by some of the best businessmen in America, who have studied this plan for many months, rather than to take the figures of a Senator who cannot, in the limited amount of time at his disposal and with the limited number of assistants about him, do the job which others have done.

Mr. MORSE. The Senator from Ohio is, in my opinion, an exceedingly able, hard-working, very intelligent student of these problems. However, I think he has failed to sustain the burden of proof resting upon him in this instance.

Mr. LUCAS. No one will question that.

Mr. MORSE. Undoubtedly he has worked very hard on this problem. But when I take all the work which he demonstrated this afternoon he has done and lay it alongside the much more careful analysis which I think clearly has been done by the other individuals and committees which have worked on the plan, I must reject his figure. When I weigh his proposal and his point, that his $4,000,000,000 would carry on what we have been doing for the past 2 years but only that, then I say that in my opinion his proposition falls like a house of cards. I say that because for the past 2 years what we have been doing has not done the job which needs to be done. It has only fed the people of Europe. It has not provided the tools which will help them help themselves. When he says that it is not a sound argument to say that what we have been doing is only a relief program, I say that for the major part all we have been doing is filling stomachs; and filling stomachs is not enough. We must establish in western Europe some productive institutions which can help to reestablish the economy of that part of the world, so that foreign trade can be resumed, and so that production wheels can again operate, in order that the people of Europe may in fact help themselves. They cannot help themselves economically unless we are willing to spend more than we have been spending in the past 2 years in order to reestablish over there the productive forces of a going economy.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. LUCAS. The Senator is absolutely correct, in my judgment; and the American people are going to believe that he is correct, because the American people have the correct notion, that what we have been doing in Europe in the past 3 years has been primarily a relief program and nothing else.

Mr. MORSE. That is what it has been, for the most part.

Mr. LUCAS. That is correct; and when we continue to appropriate only the same amount of money we have been appropriating before, they are going to continue to believe—and rightfully so—that we are doing nothing but continuing the relief program which we have been going through with for the past 4 years.

If I thought for one moment that the Marshall plan was nothing but a relief program, I would be unalterably opposed to it. If there is no economic rehabilitation in the western democracies of Europe in the Marshall plan, I want no part of it. But from my understanding of the Marshall plan, and from what I have read, seen, and heard during attendance before the Committee on Foreign Relations, and hearing one witness after another testify, I am satisfied that there is something worth while in the Marshall plan which will place the democracies of western Europe on their economic feet. If we cannot do that, we had better fold up and not give them anything at all.

Mr. MORSE. I agree with the Senator from Illinois.

Mr. WILSON. Mr. President, before the Senator resumes his remarks, will he yield to me?

Mr. MORSE. I am very glad to yield.

Mr. WILSON. I understand that the Senator from Oregon says a survey has been made by competent persons as to the needs of foreign countries. I am interested in that matter, and I ask this question on the basis of one who is seeking light. Can the Senator from Oregon give to me the names of those who have been in foreign countries and have surveyed them? I refer to persons other than those in the legislative branch of the Government.

Mr. MORSE. I think the Senator from Iowa will find in the composition of the Harriman group, men who are well informed on conditions in Europe. I think he will find on the Foreign Relations Committee of the United States Senate men who have made a very careful and intelligent study of conditions in Europe.

Mr. WILSON. Mr. President, will the Senator further yield?

Mr. MORSE. I am glad to yield.

Mr. WILSON. The Senator has not answered my question. Will he give me the names of those persons?

Mr. MORSE. If the Senator from Iowa will hand me the list of the members of the Harriman Committee, I can point them out to him. Most of them have made first-hand studies of Europe. I do not carry their names in my mind, of course. Or if the Senator will hand me a list of the Members of the Senate Foreign Relations Committee I will show him the names of a long list of Senators who have made a first-hand study of conditions in Europe. For example, the distinguished Senator from Massachusetts [Mr. LODGE] is typical of the men who have made a rather careful study of the foreign situation.

Mr. WILSON. Mr. President, will the Senator further yield to me?

Mr. MORSE. Yes; I am glad to yield.

Mr. WILSON. Yesterday I placed in the RECORD a list of those who have made a survey.

Mr. MORSE. Well, let us consider Mr. Harriman. Does the Senator from Iowa desire to express the view that Mr. Harriman is not reasonably well informed as to the situation in Europe, on the basis of personal observations in Europe?

Mr. WILSON. No. But on the basis of the Harriman Committee's report, as I understand it and as it is being submitted, I say to the Senator from Oregon that Mr. Harriman did not visit any one of these countries after he was appointed.

Mr. MORSE. Does the Senator mean after Mr. Harriman was appointed to the board?

Mr. WILSON. Yes.

Mr. MORSE. Certainly I am sure that my friend the Senator from Iowa, being the exceptionally able lawyer that he is, will not argue that the point he has just made disqualifies Mr. Harriman as an expert witness in this case, in view of Mr. Harriman's experience as our Ambassador to Russia and his many visits to the continent of Europe.

Mr. WILSON. I am sure, Mr. President, that Mr. Harriman might qualify as an expert witness; but, of course, we have expert witnesses and expert witnesses, as the learned lawyer and Senator from Oregon knows full well.

Mr. MORSE. I wish to say that I am satisfied that the personal studies of a substantial number of the members of the Harriman commission and a substantial number of the members of the Senate Foreign Relations Committee as to conditions in Europe establish, to my satisfaction, their high competency to recommend to us the amounts that should be authorized and the commodities for which the amounts should be spent in the interest of stabilizing and rehabilitating the economy of Europe. These men are highly competent to recommend the Marshall plan as the best way to maintain during the years of economic dislocation immediately ahead in this country a much greater stabilization of our own economy than I think we could possibly have without the Marshall plan. As I have already said, I agree with them that the Marshall plan is in the national, selfish, economic interest of the United States. It is also in our best moral interests.

Mr. WILSON. Mr. President, will the Senator further yield?

Mr. MORSE. I am glad to yield.

Mr. WILSON. I note that the Senator from Oregon refers to the amount of equipment which should be sent to Europe. Can the Senator point out any place in the hearings or in the debate in this body where an indication is made of what equipment is going to be sent to Europe, and to what countries?

Mr. MORSE. Of course, I think one of the strengths of the plan is to be found in the flexibility of the plan in meeting the economic exigencies as they arise in Europe. I think it would be a great mistake for us to lay down a hard and fast blueprint now and say, for example, that so many thousands of tractors must go to this country, or so many pounds of cotton must go to that country. I think the strength of the plan is to be found in the fact that it is flexible enough to permit adjustment from month to month as economic conditions change there and change here. If it were to be one of those iron-clad plans, not subject to any flexibility, it would be doomed to failure before we start.

Mr. WILSON. Mr. President, if the Senator will yield again——

Mr. MORSE. I yield.

Mr. WILSON. I think the Senator and I are in agreement that there should be no limitation on the first year's appropriation, so that there may be flexibility.

Mr. MORSE. Flexibility, so far as determining the commodities for which the money is to be spent.

Mr. WILSON. And flexibility in regard to amount.

Mr. MORSE. No. I think we ought to recognize that we should start out with the $5,300,000,000 that it calls for. I think that figure is the conclusion that competent men who have studied the question for weeks and months have determined to be the figure that we ought to use as the first year's amount. We must have some figure based upon a study of the problem. These careful students of the problem have made the study, and now, at this late hour, a proposal comes in for $4,000,000,000, which to all intents and purposes is picked out of the sky. Even the proposer of the $4,000,000,000 says he cannot lay down any criteria that can be applied for a certainty in determining the amount.

Mr. WILSON. Mr. President, if the Senator will yield again.

Mr. MORSE. I will yield.

Mr. WILSON. I am not advocating $4,000,000,000, nor am I advocating any amount. All I am asking and attempting to get is that which is right.

Mr. MORSE. That is all I am seeking.

Mr. WILSON. I know, Mr. President, and I grant that the Senator from Oregon is doing a splendid job. But I should like to know who determined that this was the proper amount to appropriate.

Mr. MORSE. It is the recommendation by the unanimous vote of our own Foreign Relations Committee. That is good enough for me.

Mr. WILSON. Then if the Senator will again yield to me——

Mr. MORSE. I will yield.

Mr. WILSON. Then, perhaps, the Senate of the United States should abdicate its functions when the unanimous vote of the Foreign Relations Committee is cast. I approve of and admire every member, but when they vote a certain figure unanimously, the Senator and I should not make further inquiries.

Mr. MORSE. Oh, no. I think the Senator knows he has jumped two or three premises in order to reach that conclusion.

Mr. WILSON. No.

Mr. MORSE. If the Senator does not believe that the Foreign Relations Committee has submitted to him a report that can meet the tests of soundness and logic and competency, he should vote against the report. All I am saying is the Senate Foreign Relations Committee has convinced me that on the basis of their report, on the basis of their study, they have fixed the figure which ought to be the minimum figure. That is all the Senator from Oregon is saying. I think they have made a stronger case for $5,300,000,000 than Senator TAFT has for $4,000,000,000. That is all I am saying.

Mr. WILSON. Mr. President, if the Senator will yield again——

Mr. MORSE. I yield.

Mr. WILSON. All I am endeavoring to do, and I wish the Senator would help me, is to find in the report of the Foreign Relations Committee anything upon which I may predicate a judgment.

Mr. MORSE. I think if the Senator will read it from the four corners, and if he will read it supplemented by the great speech by the Senator from Michigan, he has plenty of basis to agree with the Senator from Oregon that $5,300,000,000 is amply supported by both the report and by that great speech.

In view of the fact that the Senator from Iowa has raised the question as to the background and competency and qualifications of the members of the Harriman committee, I ask to have printed in the body of the RECORD at this point, as my answer to that question, the document entitled "Qualifications and Experience of United States Personnel Participating in the Preparation of the European Recovery Program." It speaks for itself. It shows that a very competent group of men made that study.

The PRESIDING OFFICER. Is there objection?

There being no objection, the document was ordered to be printed in the RECORD, as follows:

QUALIFICATIONS AND EXPERIENCE OF UNITED STATES PERSONNEL PARTICIPATING IN THE PREPARATION OF THE EUROPEAN RECOVERY PROGRAM

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(e) Working Group on Manpower Report.
(3) National Advisory Council: Staff Committee.

A. ADVISORY STEERING COMMITTEE ON EUROPEAN RECOVERY PROGRAM

Chairman: Robert A. Lovett, Department of State. Position: Under Secretary of State. Age: 53. Degrees: B. A. (Yale). Graduate work Harvard. Experience: Banker; partner in Brown Bros. Harriman & Co.; Special Assistant to Secretary of War; Assistant Secretary of War for Air; pilot; lieutenant commander United States Naval Air Service.

Vice Chairman and Executive Secretary: Charles H. Bonesteel, Department of State. Position: Special Assistant to the Under Secretary of State. Age: 39. Degrees: Graduated United States Military Academy 1931, Rhodes Scholar Oxford, B. A. On the Planning Staffs of General Bradley and General Montgomery during World War II. Worked in the Plans and Operations Division of the War Department General Staff on policy in connection with the Japanese surrender. One of the War Department's representatives in the United States Delegation to the United Nations Conference on International Organization at San Francisco. War Department representative at most of the Council of Foreign Minister meetings working on Italian, Balkan, German, and Austrian Peace Treaties. Since August 1947 has served as Special Assistant to the Under Secretary of State.

Secretary: Melvin L. Manfull, Department of State. Position: Divisional Assistant P-4, Office of the Secretary. Age: 28. Degrees: A. B., history. Experience: Fellow in Department of Psychology and assistant to professor of history, University of Utah, 1940–41; National Institute of Public Affairs intern assigned to Personnel Office, Civil Aeronautics Administration, 1941–42; United States Navy, overseas service, lieutenant, 1942–45; administrative officer, Office of Price Administration, February–August 1946; appointed to Department of State as Assistant to Special Assistant, Central Secretariat, 1946–47.

Members: Willard L. Thorp, Department of State. Position: Assistant Secretary of State for Economic Affairs. Age: 48. Degrees: B. A., M. A., Ph. D. (Economics and Mathematics). Experience: Instructor in Economics, University of Michigan, 1921; Instructor in Economics, Amherst, 1921–22; Professor of Economics, Amherst, 1926 to 1934; Research Staff, National Bureau of Economic Research, 1923 to 1933; Director, United States Bureau of Foreign and Domestic Commerce, 1933 to 1934; 1934 to 1935, Director, Price Studies, Department of Labor, Director, Consumers Division, National Emergency Council, and Chairman, Advisory Council, N. R. A.; 1935 to March 1939, Director of Economic Research for Dun and Bradstreet, Inc.; 1939 to 1940, Economic Adviser to the Secretary of Commerce; Trustee from 1940 to June 1945, Trustee of Associated Gas & Electric Corp. Mr. Thorp served as delegate of the United States to the World Statistical Congress from September 6–12, 1947. He is the author of several books on economics, including The Integration of Industrial Operations, Business Annals, Economic Institutions, and many articles on economic matters. Appointed to the Department of State in June 1945 as Deputy to the Assistant Secretary of State, and later, November 1946, appointed to present position.

Thomas C. Blaisdell, Jr., Department of Commerce. Position: Assistant to the Secretary for International Trade. Age: 53. Degrees: A. B., M. A., Ph. D. Experience: 3 years History teacher, Ewing Christian College, Allahabad University, India. Three years teacher of Sociology and Economics, Yenching University, Peking, China. Eight years teacher of Economics, Columbia University. One year Assistant Director, Consumers Council, Agricultural Adjustment Administration. One year Executive Director, Consumers Advisory Board, NRA. One year Economic Adviser to Administrator, Resettlement Administration. Two years Assistant Director, Bureau of Research and Statistics, Social Security Board. Five years Assistant Director, National Resources Planning Board. One year Chairman, Industrial Committee, National Resources Planning Board, Member of Planning Committee, War Production Board. One year Director, Planning and Statistics, Office of War Mobilization and Reconversion. Director of Bureau of Programs and Statistics, War Production Board. Nine months Chief of Mission for Economic Affairs with rank of Minister, London. January 20, 1947, appointed Director, Office of International Trade, Department of Commerce.

Frank A. Southard, Treasury Department. Position: Director, Office of International Finance. Age: 41. Degrees: A. B., Ph. D. Experience: Professor of economics and chairman of Department of Economics, Cornell University. Is on leave of absence for present position. One year Guggenheim fellow in South America in 1940, studying foreign exchange procedures for Argentina and Chile. One year Assistant Director of Monetary Research, Treasury Department, working on exchange stabilization, commercial policy, Latin American and Far Eastern problems. One year member and acting chief, American Technical Mission to Cuba, advising the Cuban Government on central banking and banking reform (1941–42). Four years United States Navy, serving principally as financial adviser, Allied Force Headquarters in the Mediterranean, with responsibility for military and civilian financial problems and operations in north Africa, Italy, southern France, and the Balkans. Director, Office of International Finance, from July 15, 1947, to present. Author of numerous books and articles on international finance with special emphasis on foreign exchange.

Norris E. Dodd, Department of Agriculture. Position: Under Secretary. Age: 68. Degrees: None. Experience: 1909 to present—has owned and operated a farm and cattle ranch. 1935–48 entered AAA as Assistant Director of Western Division, later became Director. Later, became Administrator of entire AAA. Presently serving as Under Secretary of Department.

James Boyd, Department of the Interior. Position: Director, Bureau of Mines. Age: 44. Degrees: B. S., M. Sc., D. Sc. Experience: Twelve years professor of geology, Colorado School of Mines. One year president of Gold Crest Mining Co. Five years United States Army, captain to colonel. Chief of Metal Section, Office of the Secretary of War. Army representative to the Program Adjustments Committee of War Production Board. Served on Copper Committee of the Combined Raw Materials Board and adviser on metals to the

American Representative on the Combined Raw Materials Board. Executive Officer to the Director of Material, Army Service Forces, and Director of the Industry Division, Office of the Military Government in Germany. Resumed duty at Colorado School of Mines in September 1946 as dean of the faculty, which position he held until entering on duty at Interior Department, March 26, 1947, as consultant to the Secretary on minerals and metals. Has been Director of Bureau of Mines since August 1947.

Raymond M. Cheseldine (Col.), Department of the Army. Position: War Department Special Staff, Civil Affairs Division. Age: 56. Degrees: B. S., Ohio Wesleyan University, Washington College of Law, 2 years. Experience: 1919–1929 managing editor of newspaper, Zanesville, Ohio. 1929–1935, Standard Statistics Co., New York, business analyst; 1935–1941, FHA, and Federal Trade Commission. Planning and building community of Buckingham, Va., working on organizational problems; 1942–1946, Office of the Chief of Ordnance, War Department, Industrial Division as Administrative Officer. March 23, 1946, to present, on War Department Special Staff, Civil Affairs Division.

Edmund T. Wooldridge (rear admiral), Department of the Navy. Position: Assistant Chief of Naval Operations. Age: 51. Degrees: Graduate and postgraduate of United States Naval Academy. Experience: 1916–193?, ship duty, is qualified to command submarines; 1932–34, Naval Administration Depot, aid and flag lieutenant on staff of commander, Battleship Division 3. July 18, 1936–June 11, 1937, command of U. S. S. *Tattnall*. July 15, 1937–Nov. 6, 1939, attended United States Naval War College. November 23, 1939–February 10, 1941, executive officer, U. S. S. *Dobbin*. February 27, 1941–January 13, 1942, Office of Chief of Naval Operations, assistant operations officer on staff of commander, support force, Atlantic Fleet. January 13, 1942–March 10, 1942, Assistant Chief of Staff and Operations Officer, Staff of Commander, Support Force, Atlantic Fleet. March 10, 1942–December 16, 1944, Chief of Staff and Aid Commander Task Force 24. January 23, 1945–December 8, 1945, Command of U. S. S. *New Jersey*. February 15, 1946–October 11, 1947, Assistant Chief of Naval Operations (Political Military Affairs). March 16, 1947, Consultant to United States Representatives to the Security Council of the United Nations. Served as liaison officer with United States members, Military Staff Committee, to United States Representative on the United Nations Regulation of Conventional Armaments Committee.

J. Burke Knapp, Federal Reserve Board. Position: Assistant Director, Division of Research and Statistics of Board of Governors. Age: 34. Degrees: A. B., B. A., Stanford; B Litt., Oxford (Economics). Experience: 1936–39 Assistant to Managing Directors, Berlin and London offices of Brown, Harriman Co., Ltd., international investment bankers—work on investments, preparation of information on financial conditions in European countries; 1940–44, Federal Reserve (Board of Governors) jr. and assoc. economist; 1944–45 Department of State, Office of Wartime Economic dministration as Economist. 1945–48, Federal Reserve, Special Assistant to the Chairman of the Board, on foreign matters (1945–46); 1946–48, Assistant Director, Division of Research and Statistics, Board of Governors.

Philip M. Kaiser, Department of Labor. Position: Director, Office of International Labor Affairs. Age: 34. Degrees: A. B., Wisconsin, economics and history; B. A., Oxford, political science, economics. Experience: 3½ years Board of Economic Welfare, Special Assistant to Chief, British Empire Division. Two and one-half years Foreign Economic Administration, Chief, Project Operations Staff. One and one-half years State Department, Acting Chief, Planning and Projects Section, coordinating work of Enemy Branch on Reparations and Industrial Disarmament. Three months State Department, Division of International Organization Affairs, Expert on International Organization Affairs. One and one-half years Assistant to the Assistant Secretary (Labor Department) for International Labor Affairs.

Alternates: Paul H. Nitze, Department of State. Position: Deputy Director, Office of International Trade Policy, P–8. Age: 41. Degrees: A. B. (Economics). Experience: March 1942–June 1943, Chief of Metal and Minerals Division, Office of Imports, BEW; June 1943–November 1944, Director of Foreign Procurement and Development Branch, Bureau of Supplies, FEA; appointed to the Department of State in present position September 13, 1946; 1928–41, vice president of investment bankers firm; 1941–42 Financial Director, Office of the Coordinator of Inter-American Affairs; 1944–46 Vice Chairman, United States Strategic Bombing Survey.

Lincoln Gordon, Department of State. Position: Consultant, Office of Financial and Development Policy. Age: 34. Degrees: A. B., D. Phil. (Economics and Government). Experience: Instructor in Government, Harvard University and Radcliffe College, 4 years. Research technician, National Resources Planning Board, 6 months. Economic Analyst, National Defense Advisory Commission, 3 months. Assistant Director for Plans and Procedures, Program Bureau, WPB, 1 year. Deputy Director, Program Bureau, WPB, 9 months. Director, Program Bureau, WPB, 9 months. Deputy Program Vice Chairman, WPB, 5 months. Program Vice Chairman, WPB, 7 months. Consultant, Army-Navy Munitions Board. Consultant to United States Representative, United Nations Atomic Energy Commission. Associate Professor of Business Administration, on consultant basis, Harvard Business School. Consultant, Office of Financial and Development Policy, Department of State, since August 18, 1947.

Henry Labouisse, Department of State. Position: Special Assistant to Director of Office of European Affairs (P–8). Age: Forty-four. Degrees: A. B., Princeton; LL. B., Harvard. Experience: Chief, Division of Defense Materials, Department of State, and member of Board of Economic Operations, 1941–43; Deputy Director, Office of Foreign Economic Coordination, Department of State, 1943; Special Adviser on Eastern Hemisphere Division, Office of European Affairs, 1943; Chief, Eastern Hemisphere Division, Office of European Affairs, 1944; Special Assistant to Director, Office of European Affairs, 1944; Adviser on Economic Affairs, Foreign Service Auxiliary, at Paris, with honorary rank of Minister, 1944–45; detailed to Berlin conference, 1945; Special Assistant to Assistant Secretary of State for Economic Affairs; special assignment for Assistant Secretary after return from Paris, 1946.

Thomas J. Lynch, Treasury Department. Position: Assistant General Counsel for the Treasury Department, $10,000 per annum; Acting General Counsel for Treasury since August 1947. Age: Forty-eight. Degree: LL. B. Experience: Private practice of law, 1925–34; Assistant General Counsel, Securities and Exchange Commission, Washington, D. C., 1934–39, supervising court proceedings and administrative proceedings. In addition, engaged in assignments relating to interpretative opinions, enforcement, trading, and registration activities. In 1940 was appointed Special Assistant to the Attorney General, Antitrust Division, Department of Justice, in charge of cases and staff assignments. In 1940–43, War Production Board and predecessor organizations (NDAC and OPM), as Assistant General Counsel; duties included service as counsel to Rubber Director, which entailed constant interdepartmental relations. During this period served also as counsel to several industry and materials branches (steel, aluminum, automotive, aircraft, machine tools) and to production and priorities divisions. April 1943 appointed Assistant General Counsel for the Treasury Department, in charge of legislative matters; also had legal supervision over war-contract termination, surplus-property disposal, procurement, and other departmental activities, and was Treasury representative on Contract Termination Legislation Committee and Surplus Property Disposal Legislation Committee. Since August 1947 has been Acting General Counsel for Treasury Department. In this position devotes considerable time to meetings of the Advisory Steering Committee and the National Advisory Council as a representative and adviser to the Secretary of the Treasury.

Norman H. Collisson, Department of the Interior. Position: Special Assistant to the Secretary. (Consultant CAF–15.) Age: 48. Degree: B. S., Swarthmore College, 1922. Experience: 1922–35 consulting engineer firm, with brother, Wm. H. Collisson, Jr.; 1935–38, power engineer, Atlantic City Electric Co.; 1938–42, power engineer, American Gas & Electric Co.; 1942–47, officer in charge of various industries seized under War Labor Disputes Act (Navy Department). Deputy Petroleum Administrator and Coal Mines Administrator; 1947 to present, Department of the Interior, consultant (designated Special Assistant to the Secretary).

Philip Shepley (lieutenant colonel), Department of the Army. Position: Military Survey Branch, Plans and Policy Group, Plans and Operations Division, Department of Army General Staff. Age: 48. Degrees: A. B. (Harvard), LL. B. Experience: Prewar civilian experience in legal practice, 3 years. Manufacturing 3 years, and export sales 11 years, followed by wartime service on Air Force staff in production analysis and postwar planning, 4 years.

Murray Jones Tichenor, Department of the Navy. Position: Captain (Jan. 6, 1943), retiring Feb. 1, 1948, rear admiral. Age: 45. Degrees: Naval Academy graduate, commissioned ensign June 5, 1924. Experience: Commissioned ensign June 5, 1924; served on U. S. S. *Arizona* (BB) July 1924–December 1928 (gunnery department). Member U. S. Navy Rifle Team, Camp Perry, Ohio, 1927. Member, U. S. Navy Rifle Team, Camp Perry, Ohio, 1928. Executive officer, U. S. S. *R–8* (SS) Aug. 1929–May 1931. Post Graduate School, Annapolis, June 1931–June 1932. Captain, U. S. Navy Rifle Team, Annapolis, Maryland, July and August 1932. Office of Inspector of Naval Material, General Electric Co., Schenectady, N. Y., Aug. 1932–January 1933. Exec., U. S. S. *S–22* March 1933–May 1934. C. O., U. S. S. *S–22* March 1934–May 1936. Navy Department, C. N. O. Fleet Training Division, June 1936–April 1938. C. O., U. S. S. *Dolphin*, May 1938–January 1941. U. S. Naval Mission to Peru April 1941–June 1943. Operations officer, staff commander, submarines, Southwest Pacific Force, Aug. 1943 to April 1945. Temporary duty in U. S. S. *Harder* during Fifth War Patrol, June 1944. C. O., U. S. S. *Eldorado* (AGC 11), June 1945–April 1946. Navy Dept., CNO (OP–35), May 1946 to present.

Lowell M. Pumphrey, Treasury Department. Position: Special Assistant to the Director, Office of International Finance (P–7). Age: 33. Degrees: A. B., M. A., Ph. D.; majored in Economics. Experience: May 1941–November 1941, Economist, Foreign Research Division, Federal Reserve Bank of New York (Central Bank). August 1940–May 1941, Assistant Economist, Bureau of Research and Statistics, National Defense Advisory Commission. November 1941–June 1946, United States Army. May 1946–July 1947, Special Assistant to Chairman, Export-Import Bank. July 1947 to date, Special Assistant to Director, Office of International Finance. Attended Second Annual Meeting of Board of Governors, International Bank and Monetary Fund. Acted in capacity of United States Treasury Representative, London, England, for period

of month during absence of Senior Representative.

Fred D. Northrup, Department of Agriculture. Position: Assistant to Administrator, Production and Marketing Administration (Food and Agricultural Commodity Commission), $10,000 per annum. Age: 48. Degrees: A. B., Econ. Money and Banking, Marketing, Elem. Law. Experience: 1935–48, AAA, responsible positions as program director, work has largely been in distribution of commodities, food, and fertilizer. Material Control Officer, over-all administrative capacity in control of critical materials with which Department was concerned during the war. Chief, Materials and Facilities: Equipment, supplies, machinery. Went to Germany as Chief of Food Production Branch, FEA. Past year and a half has been Assistant to the Administrator in Agricultural Commodities.

Jesse B. Gilmer, Department of Agriculture. Position: Administrator. Age: 37. Degrees: B. S.—Civil Engineering. Experience: 1947–present: Administrator, Production and Marketing Administration, and President of the Commodity Credit Corporation; 1946–47, served as Director, Deputy Administrator, Secretary of the Commodity Credit Corporation, Director of the Budget and Management Branch of Production and Marketing Administration and Assistant to the President of the Commodity Credit Corporation. 1944–46, Assistant Administrator of Farm Security Administration. 1938–44, Regional Director, Farm Security Administration. 1935–38, employed in the Resettlement Administration as Executive Assistant, Head of Procedure Analysis and Control Unit of the Land Utilization Division, Acting Head of Procedure and Progress Unit, Land Utilization Division.

Alexander Gerschenkron, Federal Reserve (Board of Governors). Position: Chief, Foreign Areas Section. Age: 43. Degrees: Doctor Rerum Politicarum (University of Vienna). Experience: Economic analyst in Vienna 4 years. Manager exporting firm in Vienna 3 years. Lecturer and research associate in economics, University of California, 5 years. Board of Governors of the Federal Reserve System since February 29, 1944.

Lewis N. Dembitz, Federal Reserve (Board of Governors). Position: Chief, International Financial Operations Section. Age: 37. Degrees: A. B., M. B. A. Experience: Board of Governors of the Federal Reserve System since January 2, 1934. Resigned January 26, 1943, to go with Board of Economic Warfare, and assigned to the London office as head intelligence officer, engaged in problems for R. A. F. and United States Army Air Forces attack, thence assigned to joint British-American Agency.

Observer: Charles Murphy, the White House.

B. EXECUTIVE COMMITTEE ON ECONOMIC FOREIGN POLICY

Chairman, Willard L. Thorp, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Executive secretary, Eleanor E. Dennison, Department of State. Position, chairman of the secretariat of the executive committee on economic foreign policy. P–7. Age, 47. Degrees, A. B., A. M., Ph. D. Experience: Instructor, University of Denver, 1930–35; research assistant; instructor of pacific relations, 1938; principal program secretary, National League of Women Voters, 1941–44; appointed special assistant to the executive secretary, executive committee on economic foreign policy, Department of State, 1944–45; assistant to the executive secretary, 1945–47.

Members: Frank H. Southard, Jr., Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Clinton P. Anderson, Department of Agriculture. Position: Secretary of Agriculture.

Thomas G. Blaisdell, Department of Commerce. (See Advisory Steering Committee on European Recovery Program.)

Philip Kaiser, Department of Labor. (See Advisory Steering Committee on European Recovery Program.)

C. Girard Davidson, Department of the Interior. Position: Assistant Secretary of the Interior. Age: 38. Degrees: B. A., LL. B., J. S. D. Experience: 3 years, private law practice; 3 years, part-time professor of constitutional law at Southwestern Louisiana Institute; 4 years, attorney for TVA, Knoxville, Tenn.; attorney in charge of Utilities Section, United States Housing Authority, Washington; 1 year, consulting attorney, Bonneville Power Administration, Interior Department; 2 years 6 months, general counsel, Bonneville Power Administration; 6 months, Special Assistant to the Secretary of the Interior; from June 18, 1946, to present, Assistant Secretary of the Interior.

Thomas J. Hargrave, Munitions Board, National Military Establishment. Position: Chairman, Munitions Board. Age: 57. Degrees: No record; attended University of Nebraska, Harvard Law School; admitted to New York State Bar in 1915. Experience: Private law practice, 6 years; manager, Eastman Kodak Co., head of Eastman Kodak Co.'s legal department; chairman, board of directors of Lincoln-Rochester Trust Co.; trustee of Rochester Chamber of Commerce; Chairman, Army-Navy Munitions Board since July 1, 1947.

Oscar B. Ryder, United States Tariff Commission. Position: Chairman of Commission. Age: 62. Degrees: A. B., A. M. Harvard. Experience: 1915–17, assistant in economic history, Harvard; 1918, assistant professor of economics, University of Louisville; 1918, member, staff and planning statistics, United States Shipping Board; 1918, member, staff price section, War Industries Board; 1919–33, United States Tariff Commission, economist; 1933, assistant chief, economist division, member, Planning Commission; 1933–34, NRA, chief imports division, NRA, representative on Executive Commission for Coordination of Commercial Policies; 1934–38, commissioner, United States Tariff Commission; 1939–42, vice chairman, United States Tariff Commission; July 1, 1942, chairman, Commission for Reciprocity Information; 1934–35, member, Joint Committee of League of Nations on Clearing Agreements.

J. Burke Knapp, Federal Reserve Board. (See Advisory Steering Committee on European Recovery Program.)

Alternates: Morris J. Fields, Treasury Department. Position: chief of the commercial policy and United Nations division, Office of Internal Finance, P–7. Age: 49. Degrees: B. S., M. B. A., M. A., Ph. D. economics. Experience: 1924, instructor of economics, University of West Virginia; 1927–30, assistant professor of economics, University of Colorado; 1930–36, instructor and research assistant, Harvard University; 1936–42, assistant to the director of research, Securities and Exchange Commission; February 1942 to August 1943, head of the special studies section, Office of Price Administration; August, 1943, to June, 1944, head of the economics division, War Food Administration; June, 1944, to October, 1945, Foreign Economic Administration, chief of the miscellaneous equipment and supplies section; October, 1945, to December, 1946, Office of International Trade, Department of Commerce, chief of equipment and supplies section; December, 1946, to present, chief of the commercial policy and United Nations division, at present, delegate of the United States to the United Nations conference on trade and employment.

Charles Brannan, Department of Agriculture. Position: Assistant Secretary, CAF–15. Age: 44. Degrees: LL. B. Experience: Practiced law 1929 to 1935. 1935 to 1941 Assistant Regional Attorney, Resettlement Administration. Regional Attorney, Office of the Solicitor, Department of Agriculture. 1941–1944 Regional Director, Farm Security Administration, Assistant Administrator, Farm Security Administration. 1944 to present, Assistant Secretary of Agriculture.

Faith M. Williams, Department of Labor. Position: Labor economist, P–7. Age: 54. Degrees: B. A., MA., Ph. D. Economics. Experience: 3 years assistant professor of economics, Cornell University; 5 years, Department of Agriculture, senior economist, Bureau of Home Economics; 13 years, Department of Labor, economic positions, last 2½ years of which she has been chief of the foreign labor conditions staff.

Arthur S. Barrows, National Military Establishment. Position: Under Secretary of the Air Force. Age: 63. Degree: A. B. Experience: Entered the wholesale hardware business in Chicago, after four years established own business in Washington, Indiana. In 1917 became division manager of Montgomery Ward & Co. From 1925 to 1926 operated a manufacturers' agency and importing company in San Francisco. In 1926 became associated with Sears, Roebuck & Co., becoming a director in 1935, and engaged in the reorganization and supervision of many departments of the company. In 1941 established the independent operation of the mail-order and retail outlets of the company west of Denver, a pattern which after the war was followed throughout the organization in decentralizing the operations of the concern, serving as vice president at that time. In 1942 became president of the concern until became vice chairman of the board in 1946. Retired from active service of the company in 1946. In connection with these duties made a tour of China, Philippines, New Zealand, and Australia in 1946. In March 1946 was appointed Deputy Director of the Economics Division of the Office of Military Government (U. S.) in Germany. On September 26, 1947, was appointed Under Secretary of the Air Force responsible to the Secretary of the Air Force for the formulation and general supervision within the Department of the Air Force, of policies relating to production, procurement, establishment of matériel requirements, logistics, air installations, industrial mobilization, and matters involving aircraft industry. Represents the Department of the Air Force in a liaison capacity with the Atomic Energy Commission. Serves as member of the Munitions Board.

Lynn R. Edminister, United States Tariff Commission. Position: Member and Vice Chairman, CAF–16. Age: 55. Degrees: A. B., Ph. D. Experience: 1917–18, professor of political science, Kansas State Normal University; 1919–22, member of economic staff, United States Tariff Commission; 1922–30 (except for 1 year, 1926–27), member of economic staff, Brookings Institution; 1926–27, associate professor of commerce and business administration at University of Virginia; 1921–30, member of faculty, School of Foreign Service, Georgetown University (except 1926–27); 1931–34, Principal Economist, Foreign Agricultural Service Division, Bureau of Agricultural Economics, United States Department of Agriculture; 1936–38, Chief Economic Analyst, Division of Trade Agreements, Department of State; 1934–36, Chief, Import-Export Section, Agricultural Adjustment Administration; April, 1937, adviser, International Tripartite Technical Conference on the Textile Industry; 1937, member, Joint Preparatory Committee on Philippine Affairs; 1938–42, Special Assistant to the Secretary of State. Participated in the following recent international conferences: October-November 1946, International Conference on World Trade and Employment, London, England. July–September 1947, United Nations Conference on Trade and Employment, Geneva, Switzerland.

Frank M. Shields, Department of Commerce. Position: Chief, Machinery and Motive Products Branch, Office of International

Trade (P–8). Age: 56. Experience: Thirty years' experience in business, including vice president of American Optical Co., with complete charge of manufacturing activities, all research activities, patent and trade-mark activities, and extensive world-wide experience in selling and establishing branch plants. Vice president of Associated Industries of Massachusetts. Four years with War Production Board as Chief, Health Supplies Branch; Director, Safety and Technical Division; Director, Farm Machinery and Equipment Division; Deputy Director, Equipment Bureau, including automotive, general industrial equipment, construction machinery, and tools. Two years as Chief, Commercial Policy Staff, Office of International Trade. Delegate to first meeting of Preparatory Committee of Conference on Trade and Employment, London, 1946.

C. NATIONAL ADVISORY COUNCIL

Chairman: John W. Snyder, Treasury Department. Position: Secretary of Treasury.

Secretary: John W. Gunter, Treasury Department. Position: Deputy Director of International Finance, P–8. Age: 34. Degrees: B.S., M.A., Ph. D. (economics), (specialized in money and banking and international trade). Experience: December 1936 to September 1938, statistical supervisor and administrative assistant for the North Carolina State Employment Service. September 1938 to December 1940, instructor in economic statistics, University of North Carolina; December 1940 to date, Division of Monetary Research and Office of International Finance; before taking over as Deputy Director he was United States Treasury representative in London, England. Was also head of the British Empire Section. Worked in that office, has always been with international finance and economics. Attended the Geneva Conference and various other conferences.

Members: George C. Marshall, Department of State. Position: Secretary of State.

W. Averell Harriman, Department of Commerce. Position: Secretary of Commerce.

Marriner S. Eccles, Board of Governors, Federal Reserve System. Position: Chairman of the Board. Age: 58. Experience: Banker, Chairman of the Board of Governors of the Federal Reserve System since November 16, 1934.

William McChesney Martin, Jr., Export-Import Bank. Position: Chairman of the board and president. Age: 41. Degrees: Student, Benton College of Law, St. Louis, 1931, graduate student. Experience: Member of New York Stock Exchange, 1931–38; governor, 1935–38; chairman committee on constitution, 1937–38; secretary, Conway Commission to Reorganize Exchange, 1937–38; president, 1938–41. Published and edited Economic Forum, 1932–34. Drafted as private, United States Army, 1941, through various steps to colonel, 1945. Assistant, Munitions Assignments Board, Washington; assistant executive, President's Soviet Protocol Commission. Appointed member of board, and chairman, Export-Import Bank of Washington, November 1945. Alternate delegate to International Monetary Conference, London, September 1947.

Alternates: Frank A. Southard, Treasury Department. (See advisory steering committee.)

Willard L. Thorp, Department of State. (See advisory steering committee.)

Thomas C. Blaisdell, Jr., Department of Commerce. (See advisory steering committee).

J. Burke Knapp, Federal Reserve System. (See advisory steering committee.)

Herbert E. Gaston, Export-Import Bank. Position: Vice Chairman of the Board. Age: 66. Experience: Newspaper work and editor of western and New York papers, 1900–31; secretary, Federal Farm Board, 1933; deputy governor, Farm Credit Administration, 1933; assistant to Secretary of Treasury, 1934–39; Assistant Secretary of Treasury, 1939–45; in this capacity participated, as a fiscal adviser to the Secretary of the Treasury, in conferences concerning international financial problems as well as problems concerning the domestic economy. Represented Treasury on Interdepartmental Committee on Cooperation with American Republics; United States delegate to first Conference of Ministers of Finance, Guatemala City, 1939. Appointed member of board of directors and vice chairman, Export-Import Bank of Washington, 1945. Alternate on President's Cabinet Committee on Palestine and Related Problems, 1946. Attended discussions with British in London.

D. POLICY PLANNING STAFF OF THE DEPARTMENT OF STATE

Director: George F. Kennan, Department of State. Position: Director of Policy Planning Staff. Age: 43. Degree: A. B. Experience; Appointed Vice Consul April 22, 1927; Counsellor of Legation, Lisbon September 31, 1942; Counselor American Delegation to the European Advisory Commission at London December 1, 1943; Counselor of Embassy Moscow May 22, 1944 to April 26, 1946; Director Policy Planning Staff, May 5, 1947.

Executive Secretary: Carlton Savage, Department of State. Position: Executive Secretary and Member, Policy Planning Staff, P–8. Age: 50. Degrees: B. S., M. A. (History, Economics, International Law and Relations). Experience: Professor in public schools in Oregon from 1921 to 1926; appointed to Department of State in May 1927, serving in progressively responsible positions, including those of Assistant to the Counselor, Special Assistant to the Assistant Secretary, and General Consultant to the Secretary (through the tenure of several Secretaries) on matters of general policy. He is the author of a two volume work, published by the Department on the "Policy of the United States toward Maritime Commerce". Mr. Savage served as Technical Expert to the United States Delegation, United Nations Conference on International Organization.

Members: Jacques J. Reinstein, Department of State. Position: Member, Policy Planning Staff Special Assistant to the Assistant Secretary for Economic Affairs (P–8). Age: 36. Degree; B. S. (Economics). Special schooling at University of Basel, Switzerland and the Alliance Francaise, Paris, France. Experience: Editorial Assistant, N. R. A., 1933–1936; appointed to Department of State on February 24, 1936, as economic analyst, and has since served in progressively responsible positions in the Department, including the positions of Assistant and Associate Chief in the Division of Financial Affairs; Economic Adviser to United States Delegation, Council for Foreign Ministers; and the present position of Special Assistant to the Assistant Secretary for Economic Affairs, assigned to the Policy Planning Staff. Mr. Reinstein has served as: United States alternate participant, 1st International Wheat Meeting; Alternate Chairman, Proclaimed List Clearance Committee; Member, Advisory Commission on Trade Policy in Relation to Lend Lease; Assistant Adviser on financial and property controls; and Economic Adviser to the Secretary of State for the Council for Foreign Ministers.

Joseph E. Johnson, Department of State. Position: Member, Policy Planning Staff, P–8 (resigned). Age: 41. Degrees, S. B., A. M., Ph. D. (History). Experience: Instructor in history from 1934 to 1943. Appointed to the Department of State in December, 1942, serving in progressively responsible positions, including the position of Chief, Division of International Security Affairs in the Office of Special Political Affairs. Mr. Johnson served as Adviser to the U. S. Group, Dumbarton Oaks Conversations in Washington, 1944; Technical Officer, U. S. Delegation on Inter-American Conference on Problems of War and Peace, Mexico City, 1945; Chief Technical Expert to the U. S. delegation, United Nations Conference on International Organization, San Francisco, 1945; Adviser to U. S. delegation, 1st part of 1st session of the General Assembly, United Nations, London, 1946. Mr. Johnson resigned from the Department on August 15, 1947, to return to Williams College.

Ware Adams, Department of State. Position: Member, Policy Planning Staff (FSO–3). Age: 42. Degree: A. B. Experience: Appointed Foreign Service Officer, November 12, 1929; Lyon, July 22, 1930, to November 11, 1933; Berlin, November 11, 1933, to August 17 1938; University of Chicago for special study in economics August 17, 1938, to April 1, 1939; Consul and 2d Secretary, London, May 27, 1941, to March 11, 1944; Foreign Service Officer, Staff U. S. political adviser, German Affairs, October 16, 1944, to June 28, 1945; Foreign Service Officer, Staff U. S. political adviser, Austrian Affairs, June 28, 1945, to September 7, 1946; 1st Secretary and Consul, Vienna, September 7, 1946; Policy Planning Staff, July 1947.

Consultant: Edward S. Mason, Harvard University. Position: Consultant, Policy Planning Staff, P–8, WAE Office of International Trade Policy. Age: 48. Degrees: A. B., M. A., B. Litt., Ph. D. Experience: Instructor in economics, 1923–1927; assistant professor, 1927–1932; associate professor, 1932–1937; professor, 1937, Harvard University; economic consultant, Department of Labor, 1938–1939; National Advisory Defense Committee, 1940–1941; deputy director of research and analysis branch, Office of Strategic Services, 1941–1944; consultant, Department of State, January 1945; deputy to Assistant Secretary of State for Economic Affairs, 1945; vice chairman of executive committee on economic foreign policy, January 25–July 5, 1945; member of U. S. delegation, International Cotton Advisory Committee, Washington, 1945; per diem status since July 12, 1945.

E. SUBSTRUCTURE OF THE MAJOR COMMITTEES

(1) Advisory Steering Committee

(a) Objectives Subcommittee

Chairman: George F. Kennan, Department of State. (See Policy Planning Staff of the Department of State.)

Executive secretary: Bromley K. Smith, Department of State. Position: Chief, Policy Registry Branch of the Executive Secretariat. Age 36. Degrees: A. B. Experience: 1935–40, Telegraph editor, Washington Daily News. August 22, 1940 appointed Foreign Service Officer. 1945, Assistant Press Officer, United States Delegation, United Nations Conference on International Organization, San Francisco. November 13, 1946 Information Officer, Department of State.

Members: Charles H. Bonesteel, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Willard Thorp, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Thomas C. Blaisdell, Jr., Department of Commerce. (See Advisory Steering Committee on European Recovery Program.)

Frank A. Southard, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Consultants: Jacques J. Reinstein, Department of State. (See Policy Planning Staff of the Department of State.)

John D. Hickerson, Department of State. Position: Deputy Director, P–8, Office of European Affairs. Age: 50. Degrees: A. B. Experience: United States Army 1918; lecturer on diplomatic and consular practice, Georgetown School of Foreign Service, 1928. Appointed vice consul and clerk at Tampico July 9, 1920; vice consul of career of class three and assigned as vice consul at Tampico, September 7, 1920; class two May 26, 1922; vice consul at Rio de Janeiro, July 15, 1922; class one February 26, 1923; consul of class seven December 19, 1923; Foreign Service

Officer of class eight July 1, 1924; consul at Pará August 15, 1924; at Ottawa June 20, 1925; class seven August 31, 1925; class six June 30, 1927; to the Department of State August 18, 1927; class five May 23, 1929; asst. chief Division of Western European Affairs, June 24, 1930; class four February 4, 1931; appointed assistant chief Division of Western European Affairs, Department of State, April 1, 1931; member Board of Appeals and Review 1934–41; assistant chief, Division of European Affairs, June 16, 1937; secretary of American section Permanent Joint Board on Defense, United States and Canada 1940; member Efficiency Rating Commission 1941–42; Chief Division of British Commonwealth Affairs January 15, 1944; area adviser United States group Dumbarton Oaks Conversations on International Organization, Washington, 1944; deputy director Office of European Affairs December 20, 1944; adviser United States delegation United Nations Conference on International Organization San Francisco 1945; member of United States delegation Civil Aviation Conference Bermuda 1946; Director Office of European Affairs August 24, 1947; adviser on the United States delegation to Council of Foreign Ministers, London, November 1947.

Samuel Reber, Department of State. Position: Deputy Director Office of European Affairs. Age: 44. Degree: A. B. Experience: May 28, 1926, appointed Foreign Service officer. Dec. 15, 1931 to July 21, 1932, Disarmament Conference, Geneva. July 21, 1932 to August 3, 1932 third secretary, Brussels. August 3, 1932 to August 29, 1933, third secretary, Luxembourg. August 29, 1933 to July 1, 1934, third secretary, Bern. July 1, 1934 to October 6, 1934 Disarmament Conference, London, October 6, 1934 to July 10, 1935, Bern. November 12, 1935 to March 24, 1936 American Delegation to Naval Conference, London. August 17, 1944 Counsellor of Mission, SHAEF, London. August 31, 1944 Promoted to Minister. March 9, 1947 in charge Western European Affairs, Dept. of State.

Loy W. Henderson, Department of State. Position: Director, Near Eastern and African Affairs. Age: 55. Degree: A. B. Experience: 1918 Member of Inter-allied Commission to Germany for Repatriation of Prisoners of War. 1919–1920 With A. R. C. Commission to Western Russia and the Baltic States. 1920–1921 In charge A. R. C. in Germany. May 26, 1922 appointed Foreign Service Officer. August 28, 1922 to July 17, 1923—Dublin. July 17, 1923 to July 1, 1924—Queenstown. May 12, 1927 to April 30, 1928—third secretary, Riga. April 30, 1928 to October 29, 1929—A. R. C. Representative, Kavne. October 29, 1929, to January 1, 1930—second secretary, Riga. 1937—delegate, Seventeenth International Geological Congress, Moscow. February 7, 1934 to March 18, 1938—second secretary, first secretary, Moscow. October 5, 1942 to March 1, 1943 Counsellor of Embassy, Moscow. October 1, 1943 to July 21, 1945—Envoy Extraordinary and Minister Plenipotentiary, Iraq. November 13, 1946—Director Office of Near Eastern and African Affairs. November 25, 1946—Career Minister.

W. Walton Butterworth, Department of State. Position: Director, Office of Far Eastern Affairs. Age: 44. Degree: A. B. Experience: May 17, 1928—appointed Foreign Service Officer. December 5, 1933 to February 18, 1941—third secretary, second secretary, Consul, London. 1935–1941—Special representative of Treasury Dept. for Stabilization Fund Operations. April 9, 1941 to June 4, 1942—special duty, Dept. of Commerce. 1942—Member of Advisory Committee on Trade Policy in relation to Lend-Lease Program. June 4, 1942 to July 29, 1942, second secretary, Lisbon, Director General, United States Commercial Co., Madrid. July 29, 1942 to March 28, 1944—first secretary, Madrid. 1943, Member of staff of North African Economic Board. March 28, 1944 to January 2, 1945—Chungking. Sept. 15, 1947—Director, Office of Far Eastern Affairs. November 10, 1947—Career Minister.

(b) Correlation Committee

Staff group for correlation committee

Chief: Charles P. Kindleberger, Department of State. Position: Acting as adviser to Director of Office of Financial and Development Policy, P–8. Age: 37. Degrees: A. B., economics; M. A., Ph. D. Experience: Economic analyst, Treasury Department, June–September 1936; foreign statistician and foreign analyst, Federal Reserve Bank of New York, 1936–39; economist, Bank for International Settlements, Basle, Switzerland, 1939–40; associate economist, Federal Reserve System, 1940–42; chief, military supplies, Office of Strategic Services, Washington and London, 1942–43; United States Army, overseas service, major, 1943–45; appointed to Department of State, adviser on British Commonwealth financial affairs, 1945–46; Chief of Division of German and Austrian Economic Affairs, 1946.

Members: Harold R. Spiegel, Department of State. Position: Chief, Division of Financial Affairs, P–8. Age: 37. Degrees: B. A., M. A. Experience: Research assistant, 1936–39; senior economic analyst; 1939–42, Treasury Department; detailed to American Economic Advisory Mission to Venezuela, 1939–40; American Technical Mission to Cuba, 1941–42; United States Naval Reserve, April–August 1942, lieutenant (junior grade); appointed senior economic analyst at London, 1942; economist in Department of State, 1944; assistant chief, Division of Financial Affairs, 1945; acting chief, Division of Financial Affairs, 1946.

William T. Phillips, Department of State. Position: Adviser on supplies, P–8, International Resources Division. Age: 38. Degrees: A. B., Ph. D. Experience: Assistant professor of economics, University of New Hampshire, 1940–42; State price economist, Bureau of Labor Statistics, May–September 1942; business economist, Office of Price Administration, 1942–43; appointed division assistant in Department of State, 1943; chief of agricultural materials section, Commodities Division, 1944; participant in explanatory talks on postwar rubber problems, London, 1944; special assistant on commodity policy, Commodities Division, 1945; detailed to second meeting, Rubber Study Group, London, 1945; alternate, United States delegate, third meeting, International Rubber Study Group, The Hague, 1946.

William Bray. Position: Commodity Specialist (Foods) P–6. . Age: 34. Degrees: A. B., M. A. Experience: Inventory controller with wholesale shoe firm, 1932–35; member of economic staff, Brookings Inst., 1938–39; instructor in economics, Cornell U., 1939–43; economist, National Defense Advisory Commission, 1940; editorial asst. for economic magazine, 1941–43; policy asst., OPA, Feb.-Aug., 1943; U. S. Army, 1943–45, lt. and officer of Strategic Services, 1944–45; transferred to Dept. of State as economist, P–5, Oct. 1, 1945; commodity specialist P–6, Aug. 1946; asst. to economic adviser U. S. delegation, meeting of deputies, Council of Foreign Ministers, London, 1946; meeting of the Council of Foreign Ministers, Paris, 1946, and Paris Peace Conference, 1946.

Harlan P. Bramale. Position: Commodity Specialist (Agricultural Materials), P–5. Age: 38. Degrees: A. B., M. A. Experience: Instr., Coll. of City of N. Y., 1939–41; U. of N. H., 1941–42; economist, Treasury Dept., 1942; War Production Board, 1942–43; U. S. Navy, 1943–46, lt., overseas service; appointed commodity specialist, International Resources Division, Dept. of State, April 1946.

Wilfred Malenbaum. Position: Chief, Division of International Functional Intelligence, P–8. Age: 34. Degree: A. B., M. A., Ph. D. Experience: Inst. of econs., Oslo, 1938, Harvard 1938–41; econ., OPA, 1941; Chief of Food and Agri. Sec., Office of Strategic Services, 1941–45; transferred to Dept. of State as special asst. to Director, Office of Intelligence Coordination and Liaison, 1945; techn. consultant, Meeting on Urgent Food Problems, UN Food and Agriculture Org., Washington, 1946; Acting Chief, Division of International Functional Intelligence, July 1, 1946.

Ben T. Moore. Position: Assistant Chief in Charge of European Branch, Division of Commercial Policy, P–7. Age: 35. Degrees: A. B., M. A. Experience: Econ. Dept. of Agri., 1939–43; War Production Board, 1941–43; economic adviser, Combined Munitions Assignments Bd., 1943; U. S. Army, 1943–45, 1st lt.; appointed asst. adviser (Japanese Econ. Affairs), Dept. of State, 1945–46; asst. chief for Korean Econ. Affairs, Div. of Japanese and Korean Econ. Affairs, June 1946–November 1946.

Robert W. Tufts. Position: Country Specialist, P–5, Division of Commercial Policy. Age 32. Degrees: A. B., M. A. Experience: Assistant to production manager for manufacturing co., 1935–37; statistician for telegraph company, 1937–38; research assistant, 1942–43; economist, Office of Strategic Services, 1943–45; United States Army, 1934–45; appointed to Department of State, country specialist (commercial policy), October 1945.

(b) Correlation Committee

Chairman: Charles H. Bonesteel, Department of State. (See Advisory Steering Committee.)

Executive Secretary: Col. Sidney F. Giffin, War Department. Position: Dept. of the Army General Staff, plans and operations. Age: 40. Degrees: B. S. and M. A. Experience: Chief of Staff, State-War-Navy Coordinating Committee and Operations Division, Army General Staff Political Military Affairs. He is member, Council on Foreign Relations. Assigned to P & O, 1945. P & O Army, interest UNO on military staff committee.

Secretary: Stanley L. Phraner, Department of Commerce. Position: Economic information exchange advisor, CAF–15. Age: 53. Degrees: A. B. and M. A. Experience: United States executive secretary, Combined Production and Resource Board. WPB experience supervising priority actions; served as chairman of interdepartmental WPB clearance committee. Formerly editor, Wall Street News, and managing editor, New York News Bureau Association.

Members: Paul H. Nitze, Department of State. (See advisory steering committee.)

Frank A. Southard, Treasury Department. (See advisory steering committee.)

Thomas Blaisdell, Department of Commerce. (See advisory steering committee.)

Alternates: Lincoln Gordon. (See advisory steering committee.)

John M. Cassels, Department of Commerce. Position: Chief, British Commonwealth Division, P–8. Age: 46. Degrees: B. A. and Ph. D. Experience: Lecturer and ass't prof., political economy, Univ. Alberta, 1927–30; instr. & asst. prof. econ., Harvard Univ., 1931–38; dir. of Inst. of Consumer Education, Stephens College, 1938–40; asst. to consumer commissioner on National Defense Commission, 1940–41; asst. admin. Consumer Div., OPA, 1941–43; Spec. Asst. to Dir. Agri. programs; Rehab. and UNRRA, 1943–44; Chief, Supply Analysis Div. ofc. of food programs, FEA, 1944–45; Asst. Exec. Dir. Victory Food Coll. Overseas Rlf.

(c) Organization and Administration Committee

Chairman: Lincoln Gordon (see Advisory Steering Committee on European Recovery Program).

Executive Secretary Herman Pollack, Department of State. Position: Management Analyst, CAF–13, Division of Organization and Budget. Age: 28. Degrees: B. S. Experience: Fellow, Department of Government, College of City of New York, 1940–41;

personnel officer, Office of Price Administration, 1942–43; United States Army, 1943; personnel officer, War Shipping Administration, 1943–44; Chief, Planning and Analysis Division, Foreign Economic Administration, 1944–45; field placement officer, Office of Price Administration, 1946. Appointed to Department of State, October 1946.

Secretary: John L. Kuhn, Department of State. Position: Committee Secretariat Officer, P–4; Executive Secretariat, Office of the Secretary. Age: 34. Degrees: A. B., M. A. Experience: Teacher, Tamalpais School, San Raphael, Calif., 1939–40; teacher, Indian Mountain School, Lakeville, Conn., 1940–41; teacher, St. Marks School, Southboro, Mass., 1941–42; United States Navy, overseas service, lieutenant, 1942–46; instructor-supervisor, United States Veterans' Administration, Hines Hospital, Illinois, May–July 1946; appointed to Department of State, Office of the Secretary, Assistant to Special Assistant, 1946–47.

Vice chairman: Arthur A. Kimball, Department of State. Position: Special Assistant to Assistant Secretary of State for Administration, CAF–15. Age: 39. Degrees: A. B., LL. B. Experience: Business specialist, Bureau of Foreign and Domestic Commerce, 1928–34; Assistant Deputy Administrator, National Recovery Administration, 1934–36; Chief, Fiscal Standards Section, Bureau of Employment Security, Social Security Board, 1936–42; Executive Officer, War Dept., Budget Office, 1942–45, Lt. Col.; Chief of Administration, Office of U. S. Chief of Counsel, Nurnberg, Germany, 1945–46, Lt. Col.; Industrial Relations Consultant, Readjustment Allowance Service, Veterans' Administration, December 1946–May 1947; transferred to Department of State, May 22, 1947. Member American Bar Association.

Members: Thomas J. Lynch (see Advisory Committee, European recovery program).

Nathan Ostroff, Department of Commerce. Position: General counsel, office of International Trade. Age: 37. Degrees: A. B., LL. B. Experience: Held legal positions in the Government continuously since 1935, including Solicitor's Office, Department of Agriculture, and assistant to general counsel, Board of Economic Warfare, and later Foreign Economic Administration, concerned with foreign procurement and lend-lease activities. Considerable specialization in the legal aspects of public administration, fiscal and contracting problems in the international field.

Thatcher Winslow, Labor Department. Position: Administrative officer, CAF–15, office of Secretary. Age: 40. Degree: A. B. Experience: Six years, U. S. Department of Labor, administrative officer, Office of Secretary; Deputy Administrator, Wage and Hour and Public Contracts Divisions; 1 year, Council on Foreign Relations, research and editorial; member, Economic and Social Council, United Nations; Department of Labor advisor to U. S. delegation, United Nations; alternate member, Board of the Foreign Service; alternate, Executive Committee on Economic Foreign Policy; Department of Labor representative, International Social Policy Committee; substitute U. S. representative to I. L. O. governing body meetings.

Dan H. Wheeler, Department of the Interior. Position: Assistant Director, program staff, CAF–15. Age: 53. Degree: LL. B. Experience: Clerk, Veterans' Bureau, September 1919 to August 1923; Chief of Purchasing Section, Veterans' Bureau, August 1923 to August 1924; expert in operation of mechanics lien laws, National Bureau of Standards, Department of Commerce, August 1924 to July 1933; Public Works Administration, administrative attorney; assistant to the director, legal division, July 1933 to February 1936; associate director, Projects and Statistics Division, February 1936 to July 1938; Director, Projects and Statistics Division, July 1938 to June 1939; Department of the Interior, assistant director, and then Director, Bituminous Coal Division, July 1939 to August 1943; Assistant Deputy Solid Fuels Administrator for War, August 1943 to November 1945; Deputy Solid Fuels Administrator for War, November 1945 to June 1947; consultant, June 1947 to October 1947; Assistant Director, Program Staff, October 1947 to present.

J. Burke Knapp (see Advisory Steering Committee on European Recovery Program).

W. Carroll Hunter, Department of Agriculture. Position: Attorney (solicitor), P–8. Age: 61. Degree: LL. B. Experience: Member of Maryland Bar since 1911; 1913–15, associate in law offices of Haman, Cook, Chestnut & Markell; 1916–17, private law practice; 1937 to present, employed in the Department of Agriculture, Office of the Solicitor, in the following positions: Attorney, Assistant Solicitor in Charge of Litigation, Associate Solicitor on Litigation, and since 1946 as Solicitor of the Department of Agriculture.

Lt. Col. John P. Buehler, O19374, Army. Age 37: Degrees: B. S., M. S. Experience: Administrative and organization experience in higher headquarters of the Army, i. e., 4th Army, ASF, GHQ, SW Pacific and Far East Command, SSUSA—for 6 years.

Alternates: Joseph A. Frank, Department of State. Position: Foreign Affairs Specialist, P–7, Disarmament and Security Policy. Age: 33. Degrees: A. B., M. A., Ph. D. Experience: Teaching fellow, Vanderbilt University, 1938–39; statistician, Tennessee Unemployment Compensation Division, 1938–39; instructor in economics, Vanderbilt University, 1939–40; statistician, Tennessee Unemployment Compensation Division, 1939–41; director, research and statistics, Federal Security Agency, Social Security Board, U. S. Employment Service, 1941–42; United States Army, 1942–46, Lt. Col., overseas service; economist, War Department, July–Oct. 1946.

Arthur G. Stevens, Department of State. Position: Special Assistant, CAF–15, Office of the Under Secretary for Economic Affairs. Age: 35. Degrees: B. A. Experience: Assistant secretary to Member of Congress, 1934–35; assistant to executive secretary, Central Statistical Board, 1935–38; assistant to Commissioner, Bureau of Labor Statistics, 1938–41; assistant to economic adviser for the White House, 1941–42; Chief of Transportation Division, Combined Chiefs of Staff, 1942–45; budget examiner, Bureau of the Budget, 1945–46; assistant to Assistant Secretary of State for Economic Affairs, Department of State, April 1946; executive assistant, Office of the Assistant Secretary of State for Economic Affairs, October 1946; special assistant, Office of the Under Secretary for Economic Affairs, March 1947.

Wayne G. Jackson, Department of State. Position: Special Assistant to the Director of the Office of European Affairs, P–8. Age: 42. Degrees: B. S., LL. B. Experience: General practice of law with Carter, Ledyard & Melburn, New York City, 1929–41; assistant in the Division of Foreign Activity Correlation, April 1941–September 1941; head attorney in the WPB, October 1941–September 1943; Deputy Chairman, Committee on Supplies, State Dept. and FEC, Sept. 1943–Mar. 1944; Mar. 1944 to present with the Department of State, serving in several responsible positions, including the positions of Adviser on War Production Board Requirements, Deputy Director of the former Office of Wartime Economic Affairs, Associate Chief of the former War Areas Economic Division, and later an area Adviser to this Division as Adviser on Emergency Economic Organizations, July 1946 to December 1946, in which position he also served as official point of contact between the Department and the U. S. Delegation to the Emergency Economic Committee for Europe and the European Coal Organization.

Walter S. Surrey, Department of State. Position: Deputy Assistant Legal Adviser for Economic Affairs, P–8. Age: 32. Degrees: B. S., LL. B. Experience: Sept. 1939 to Jan. 1940, employed as research assistant in law firm of Lord, Day and Lord, New York; January 1940 to September 1941, attorney for the Department of Justice; September 1941 to February 1943, with Board of Economic Warfare as an attorney; February 1943 to November 1945, with Foreign Service Auxiliary, Stockholm, Sweden; Chief of former Division of Economic Security Controls, 1945–47; Deputy Assistant Legal Adviser for Economic Affairs, December 1947.

Joseph B. Friedman, Treasury Department. Position: Assistant General Counsel. Age: 37. Degrees: J. D. Experience: Employed in the Office of the General Counsel, U. S. Treasury, since October 1935, with exceptions noted. From 1935 to April 1942 served as attorney; April 1942–January 1944, Technical Adviser to the Minister of Finance of Ecuador on loan from the Treasury; January 1944 to January 1945, Assistant Executive Director of the War Refugee Board, on loan from the Treasury; January 1945 to present, Assistant to the General Counsel and then Assistant General Counsel, legal adviser to the Secretary of the Treasury at the first and second annual meetings of the Boards of Governors of the International Monetary Fund and Bank; presently Legal Adviser to the Director, Office of International Finance, Treasury, with the operating title of Chief Counsel, Office of International Finance.

Daniel L. Goldy, Department of the Interior. Position: Special Assistant to the Assistant Secretary, CAF–14. Age: 32. Degrees: B. A. Experience: 1936–37, Consultant on Social Insurance, American Public Welfare Assn.; 1938–41, Lecturer, Northwestern University, also Executive Secretary of Illinois Board of Unemployment Compensation, Free Employment Office; 1937–41, Executive Assistant, Illinois Division of Placement and Unemployment Compensation; 1941–42, Assistant Regional Director, Office of Defense Health and Welfare Services; 1942–43, Assistant to Regional Director, War Manpower Commission; 1943–46, United States Naval Reserve, Lt.; 1946–47, Special Assistant to the Deputy Director, USES, Department of Labor; 1947 to present, Special Assistant to the Assistant Secretary of the Department of the Interior.

(d) Legislative Drafting Committee

Chairman: Ernest A. Gross, Department of State. Position: Legal Adviser for Department of State (position unclassified, Presidential appointment, $10,000). Age: 41. Degrees: B. S. (Harvard), LL. B. (Harvard); graduate work at Oxford University, Sorbonne University, and Geneva School of International Studies. Experience: Assistant to the Legal Adviser, Department of State, 1931–33; Division Counsel for National Recovery Administration, 1933–34; General Counsel, National Graphic Arts Commission, 1934–35; Associate Counsel, National Association of Manufacturers, 1935–38; Associate General Counsel, National Labor Relations Board, 1938–41; Lt. Colonel, Civil Affairs Division (primary responsibility in the War Department for economic policies to be followed by the United States Army in its conduct of civil affairs in liberated areas and the operation of Military Government in occupied enemy areas) 1943–46. Has traveled extensively on the continent and resided for various periods of time in England, France, and Switzerland; was admitted to membership in the Middle Temple of the Inns of Court in London; was on staff of Geneva School of International Studies, engaging in lecture and seminar work in International Law, Government and Economics.

Members: Thomas J. Lynch, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Adrian Fisher, Department of Commerce. Position: Solicitor, P–8. Age: 34. Degrees: A. B.; LL. B. Experience: Before the war served as attorney on the staffs of the Secu-

rities and Exchange Commission, the Bonneville Power Administration, and the Tennessee Valley Authority; also a member of staff of Mr. Dean Acheson when Mr. Acheson was Assistant Secretary of State for Economic Affairs. At the close of the war served as special adviser to Mr. Francis Biddle at the Nuremberg war criminals trial; also served as secretary to the Allied Commission that negotiated the agreement on African bases with the French Commission on Liberation; as Solicitor of Department of Commerce, served as special adviser on the President's Advisory Commission for the Marshall Plan; is a member of the Legal Subcommittee of the Air Coordinating Committee.

Mastin G. White, Department of the Interior. Position: Solicitor, P-9. Age: 47. Degrees: A. B. (New Mexico State Teachers College), LL. B. (University of Texas), LL. M. (Columbia University), S. J. D. (Harvard University). Experience: Law clerk in Court of Criminal Appeals of Texas, 1925–27; Assistant County Attorney for Smith County, Tex., June 1927 to September 1929; Associate Professor of Law, University of Texas, July 1930 to August 1932; Brandeis Research Fellow at Harvard University, September 1932 to June 1933; Special Assistant to the Attorney General of United States, October 1933 to September 1935; Solicitor, Department of Agriculture, September 1935 to March 1942, when he was ordered to military duty in U. S. Army. As Lieutenant Colonel in the Judge Advocate Section, he was a judge at the Lichfield trials in Germany. Solicitor, Department of the Interior, July 1946 to present.

W. Carroll Hunter, Department of Agriculture. (See Organization and Administration Committee.)

Jeter S. Ray, Department of Labor. Position: Associate Solicitor, P–8. Age: 39. Degrees: A. B., LL. B. Experience: U. S. Department of Labor, Associate Solicitor, Assistant Solicitor and Regional Attorney 8 years; private law practice 8 years.

Maj. Gen. Thomas H. Green, Department of the Army (replaced by Brig. Gen. Ernest M. Brannon).

Brig. Gen. Ernest M. Brannon, Department of the Army. Position: Assistant Judge Advocate General. Age: 52. Degrees: B. S., LL. B. Experience: Army officer since 1918 with service in the Judge Advocate General's Department since 1930; Instructor in Law, U. S. Military Academy, 1926–30; Planning Branch, Office of Assistant Secretary of War, 1933–35; Assistant to Second Corps Area Judge Advocate, 1935–38; Office of the Judge Advocate General, War Dept., 1938–42; part-time Professor of Law, Georgetown University, 1942–43; Chief, Contract Division, the Judge Advocate General's Office, War Dept., 1942–43; Judge Advocate, First Army, 1943–45; Procurement Judge Advocate, War Department, 1945–47.

Hudson B. Cox, Department of the Navy. Position: General Counsel (attorney-adviser) P–8. Age: 37. Degrees: A. B. (Stanford University), LL. B. (Harvard Law School). Experience: General practice of law, Newlin & Ashburn, Los Angeles, California, 1935–43; Office of the General Counsel, 1943 to date; (Lieutenant, USNR, 1943–46).

George B. Vest, Board of Governors of the Federal Reserve System. Position: General Counsel. Age: 52. Degrees: B. A.; B. L. Experience: Board of Governors of the Federal Reserve System since October 30, 1922.

Wade H. Skinner, United States Maritime Commission. Position: General Counsel (position unclassified, $10,000). Age: 62. Degrees: LL. B., LL. M. Experience: 1910–22: Labor Department—law clerk; law officer, child labor law; Asst. Director, Organization Division, United States Employment Service (assisted in developing the organization of the United States Employment Service to recruit workers for World War I); Assistant Director (General) Employment Service. 1922 to present: United States Shipping Board, United States Maritime Commission—Attorney; Asst. General Counsel; General Counsel.

Hawthorne Arey, Export-Import Bank of Washington. Position: Executive Vice President. Age: 42. Degrees: LL. B. (Grinnell College, University of Nebraska, Creighton University). Experience: General practice of law, corporate and financial, 1930–34; Legal Staff, Reconstruction Finance Corporation, 1934; legal staff, general litigation, Home Owners' Loan Corporation, 1935–38; Secretary and Counsel, Export-Import Bank, 1938–42; Vice President and Assistant General Counsel, 1943; Member of Board of Trustees, 1943–45; Vice President and General Counsel, 1944–46; Executive Vice President, 1947. Technical Adviser to United States Delegation, United Nations Monetary and Financial Conference, Bretton Woods, N. H., 1944. Representative of the bank for a number of years on various interdepartmental committees. In connection with business of Export-Import Bank has traveled in Central and South America, Europe and Canada.

Alternates: Walter S. Surrey, Department of State. (See Committee on Organization and Administration.)

Michael H. Cardozo, Department of State. Position: Attorney-adviser (Office of the Legal Adviser) P–8. Age: 37. Degrees: A. B.; LL. B. Experience: Attorney in private practice, 1935–38; Securities and Exchange Commission, 1938–40; Department of Justice, 1940–42; Office of Lend-Lease Administration in Turkey, 1942–43; Foreign Economic Administration, 1943–45; transferred to Department of State as Director of Legal Division, Office of Foreign Liquidation, 1946–47; transferred to Division of Lend-Lease and Surplus, War Property Affairs, March 1947; assigned to Office of the Legal Adviser, September 1947.

Robert E. Eichholz, Department of State. Position: Attorney, P–8 (WAE consultant), Office of the Legal Adviser. Age: 36. Degrees: Lic (Lausanne); A. B.; LL. B. Experience: Attorney, United States Treasury Department, 1937–40; Chief, Tax Certification, National Defense Advisory Commission, 1940–41; Assistant Tax Legislative Counsel, United States Treasury Department, 1941–42; consultant, Civilian Production Administration, 1945–46; Department of State, October 1947.

Joseph B. Friedman, Treasury Department. (See Committee on Organization and Administration.)

Elting Arnold, Treasury Department. Position: Attorney, P–8. Age: 35. Degree: LL. B. Experience: Law clerk with Root, Clark, Buckner & Ballantine, New York, 1937–39; attorney, Treasury Department, 1939 to present. Assisted in drafting proposals for creation of International Bank for Reconstruction and Development and International Monetary Fund; attended United States Monetary Conference at Bretton Woods; adviser to United States delegate to Inter-Allied Reparations Agency in Brussels, Belgium; negotiated agreement for unblocking Swedish assets in the United States and in other representation of Foreign Funds Control in Sweden, Netherlands, Belgium, and Switzerland. Since August 1947 has acted in the place of the Assistant General Counsel in the latter's absence.

Clifford J. Hynning, Treasury Department. Position: Attorney, P–6. Age: 34. Degrees: Ph. D.; J. D.; LL. M. Experience Special agent with Department of Commerce, 1938–40, working on matters of business taxation; with Office of Price Administration, 1940–43, first as economic analyst and later as enforcement attorney. Attorney in Treasury Department, 1943 to present, working on matters pertaining to occupied areas. (Detailed to Army as civilian and stationed in England, France, and Germany, February to October 1945.)

Nathan Ostroff, Department of Commerce. (See Committee on Organization and Administration.)

John P. Brown, Department of Commerce. Position: General Counsel, Office of Material Distribution, P–8. Age: 54. Degrees: A. B. (Harvard College), LL. B. (Harvard Law School). Experience: Admitted to New York bar 1920. Employed as law clerk in New York office for 3 years. Admitted to Illinois Bar in 1924. Corporation, trial, and appellate practice for 10 years with firm of Cutting, Moore & Sidley. Special Assistant to General Counsel of Federal Alcohol Administration, 1934–40. Division Counselor and Assistant General Counselor of War Production Board, 1940–45. Solicitor, Civilian Production Administration, 1946–47. Admitted to practice in Supreme Court in 1946. Appointed to present position, Department of Commerce, May 1947.

Felix S. Cohen, Department of the Interior. Position: Associate Solicitor and Chairman, Board of Appeals, P–8. Age: 40. Degrees: A. B. (City College, New York); M. A. (Harvard); Ph. D. (Harvard); LL. B. (Columbia). Experience: Research Assistant for Justice B. L. Shientag, New York City, 1 year; general law practice with Hays, Podell & Shulman, New York City, 1 year; Assistant Solicitor, Department of the Interior, 1933–36; Assistant Solicitor and member, Board of Appeals, 1936–42; (during 1939 on special detail to Department of Justice); Assistant Solicitor and Chairman, Board of Appeals, 1942–43; Associate Solicitor and Chairman, Board of Appeals, 1943 to present.

George E. Cooper, Department of Agriculture. Position: Attorney, P–7. Age: 41. Degrees: LL. B. (Univ. of Texas); also attended San Jose State College and Pacific Lutheran College. Experience: 1929–34, private practice of law in Texas. 1934–37, title attorney with title insurance companies in Texas. 1937 to present, various positions of attorney in Office of the Solicitor, Dept. of Agriculture.

Edward M. Shulman, Department of Agriculture. Position: Attorney, P–8. Age 41. Degrees: LL. B. Experience: 1930–34 engaged in private practice of law in Ohio; 1935–45, occupied various positions as attorney in the Office of the Solicitor, Dept. of Agriculture; 1945 to present, Associate Solicitor in charge of Commodity Credit, United States Dept. of Agriculture.

Kenneth Meiklejohn, Department of Labor. Position: Assistant Solicitor, P–7. Age: 35. Degrees: A. B. (Swarthmore College), LL. B. (Univ. of Wisconsin). Experience: 6½ years with Dept. of Labor as asst. solicitor, principal administrative attorney, principal opinions attorney, and senior review attorney; 5½ years with the United States Department of Interior as assistant solicitor.

Col. James F. Hanley, Department of the Army. Position: Judge Advocate General's Department—executive in procurement division. Age: 44. Degrees: LL. B. Experience: Admitted to bar, 1929; attorney, Office of Judge Advocate General, War Department, 1929–41; asst. executive officer to Military Governor, Territory of Hawaii, 1941–42; Judge Advocate, Hawaiian Dept., 1942–43; Judge Advocate, Fourth Air Force, 1943–45; executive asst. to Procurement Judge Advocate, War Dept., 1945–47.

Ray K. Smathers, lieutenant colonel, Department of the Army. Position: Assistant to Chief, Procurement Division, Office of The Judge Advocate General. Age: 48. Degrees: B. A., LL. B. Experience: Admitted to the bar 1921. Engaged in private practice of law 1921–35. Army Reserve Officer, specialized study in Military Government and International Affairs. Assistant to Fourth Corps Area Judge Advocate, 1935–40. Officer in Charge of Civil Affairs in Puerto Rican and Antilles Departments, 1941–44. Served with

General Staff and Inspector General in European Theater, 1944–45. Chief Legal and Liaison Officer, American Graves Registration Command in Europe 1945–46. Assistant to Procurement Judge Advocate, War Department 1946–47. Assistant to Chief, Procurement Division, Office of The Judge Advocate General 1947–48.

W. H. Peters, Jr. (Colonel, GSC), Department of the Army. Position: Deputy Chief, Policy & Government Branch, Civil Affairs Division. Age: 51. Degrees: B. A., LL. B. Experience: Chief of Legal Section, 12th Army Group; 10 years, Director of Law, City of Knoxville, Tennessee; Chief of Legal Section, CAD, ETO.

Harold B. Gross, Department of the Navy. Position: Attorney Adviser P–8. Age: 39. Degrees: A. B. (Williams College); LL. B. (Harvard Law School). Experience: September 1933–June 1936, Hinckley, Allen, Tillinghast & Wheeler (Law Firm), as Law Clerk. August 1936–June 1937 Social Security Board, Senior Attorney. October 1937–June 1942 Phillips Exeter Academy, Exeter, New Hampshire, English Teacher. June 1942–January 1946, USNR, lieutenant and lieutenant commander, active duty, Naval Air Station, Minneapolis, Minn., Solomon Islands, Okinawa, etc. Jan. 1946–May 1946, Lt. Commander, USNR, Assistant Counsel, Bureau of Aeronautics. May 1946–August 1947, Counsel for Bureau of Aeronautics. August 1947–January 1948, Assistant General Counsel. January 1948 to present, Attorney Advisor, P–8, Office of General Counsel.

Frederic Solomon, Board of Governors of the Federal Reserve System. Position: Assistant Counsel. Age: 36. Degrees: B. S., LL. B. Experience: Practiced law with private firm for 7 months. Board of Governors of the Federal Reserve System since April 9, 1934.

(e) Functional and Commodity Committee

Chairman: Paul H. Nitzee, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Executive Secretary: Glenn H. Craig, Department of State. Position: Asistant to the Under Secretary for Economic Affairs. Age: 38. Degrees: B. A., M. A. Experience: Field Assistant, McGill University, Montreal, 1930–33; graduate asistant, University of Alberta 1933–35; senior assistant economist in charge of Provincial Office, Canadian Department of Agriculture, 1935–39; instructor and tutor, Harvard University, 1937–39; professor, Montana State College, 1939–43; agricultural economist, Office of Distribution, War Food Administration, 1943–44; assistant chief, Requirements and Allocations Control, United States Department of Agriculture, 1944–45; acting director, Production and Marketing Administration, Office of Requirements and Allocations, 1946–47; appointed to Department of State, March 1947.

Secretary: Ronald M. Ayer, Department of State. Position: Reference analyst, executive secretariat, Office of the Secretary. Age: 26. Degree: A. B. Experience: Clerk, Department of State, 1940–42; United States Navy, overseas service, ensign, 1942–46; reference analyst, Central Secretariat, Department of State, 1946.

Members: Membership consisted of the chairmen of individual commodity committees which follow:

1. Food and agriculture

Chairman: Fred Northrup, Department of Agriculture. (See Advisory Steering Committee on European Recovery Program.)

Secretary: Murray Thompson, Department of Agriculture. Position: Price analyst (P–7). Age: 45. Degrees: A. B., mathematics; M. S., mathematics, economics, and statistics; Ph. D., mathematics and economics. Experience: 1935–37, extension specialist in economics, University of California, Berkeley, 1937–43, served as Chief of the Economics Section, Agricultural Adjustment Agency; 1943–46, Assistant Director, Western Division, Agricultural Adjustment Agency; 1946 to present, price analyst, Production and Marketing Administration.

Members: W. J. Garvin, Department of the Army. Position: Business economist (Asst. Chief, Food Branch, Office of the Food Administrator for Occupied Areas). Age: 33. Degrees: B. A., M. A., Ph. D. All in economics (doctoral dissertation on dairy industry). Committees: (a) Western Germany Committee (Dept. of State), October 47 to date; (b) Commodity Committee on Food and Agriculture (interdepartmental committee) October 47 to date; (c) Army representative to Interdepartmental Committees on Allocations. (Grains, fats, and oils, rice, pulses) March 47 to date: (d) Army representative for occupied areas before IEFC, March 47 to date. Employment experience: (a) Advisor to Food Administrator, Department of the Army on budget requirements and programming matters, March 47 to date; (b) presentation and defense of import requirements for occupied areas before IEFC, September to date; (c) food specialist representative at Food and Agriculture Subcommittee of Ruhr Coal Conference (US-UK) October 47. No private advisory work.

V. Lewis Bassie, Department of Commerce. Position: Assistant to the Secretary, Acting Director, Office of Program Planning. Age: 40. Degree: Ph. B. Committees: Interdepartmental Advisors on Industrial Statistics, International Statistics Committee, Subcommittee on International Migration Statistics of the Fed. Com. on International Statistics, Subcommittee of Cabinet Committee on World Food Programs, Procurement Planning Subcommittee of Cabinet Committee on World Food Programs. Experience: Federal Reserve System, 1937–39, Sr. Economist; Commerce Department, 1939–40, Asst. Chief, Industrial Economics Division; NDAC–OPM–WPB, 1940–44, Chief Economist; Chief Production Analyst, Director, Progress Div.; Foreign Economic Administration, 1944–45, Adviser on U. S. Foreign Trade.

Albert Viton, International Emergency Food Council. Degrees: B. A., Ph. D. Position: Assistant Secretary-General, International Emergency Food Council. Experience: 1932, research assistant, State University of Iowa; research in economic history; 1933–38, foreign correspondent—first for newspapers and then for periodical publications, with emphasis on economic developments. Stationed in Germany, the Balkans, Italy, and the Middle East; 1939–41, lecturer and University Fellow, Northwestern University. Lectured on international economic relations, and University Fellow in political theory. Published: Great Britain: An Empire in Transition (John Day, 1940) and American Empire in Asia; 1941, economic analyst, Office of Price Administration, adviser on consumer distribution problems and rationing to Director of Consumer Division. Supervised studies on experience of Britain and other foreign countries on rationing and other distribution programs; 1942, Chief of Commercial Exports Division, Requirements and Allocations Control, Office of Agricultural War Relations; 1944, Chief, Requirements Analysis Division, Requirements and Allocations Control, War Food Administration; December 1944 to April 1945, represented War Food Administration at Mission for Economic Affairs, London, responsible for food negotiations with British Government; August 1945 to November 1946, Assistant Director, Office of Requirements and Allocations, in charge of all requirements for United States food, United States civilian programs, military requirements for all foreign requirements. Participated in the formulation of policies and programs relating to the distribution of other food supplies by the Combined Food Board and, later, by the International Emergency Food Council. Responsible for formulation of requirements for the Production Goals Review Committee. Member of the U. S. delegation to the 4th UNMA Council. Liaison with Office of Price Administration on rationing policy, and with Department of State and with War and Navy Departments on requirements for military feeding and for occupied territories. Member of the Interagency Food Requirements and Allocations Committee, and of the Executive Officers' Committee of the Combined Food Board; December 1946, Assistant Secretary-General, International Emergency Food Council.

Francis A. Linville, Department of State. Position: Assistant Chief of International Resources Division, in charge of Foodstuffs Branch, P–7. Age: 38. Degrees: A. B., M. A., Ph. D. Experience: Instructor in economics, 1934–39, and assistant professor, 1939–40, Dartmouth; member of Research Staff, Council on Foreign Relations, 1940–41; Divisional Assistant, Office of Adviser on International Economic Affairs, 1941–42; Divisional Assistant, Division of Defense Materials, 1942–43; Divisional Assistant, War Commodities Division, September–December 1943; Divisional Assistant, Office of Adviser on Eastern Hemisphere, 1943–44; Assistant to Adviser on Eastern Hemisphere, 1943–44; Assistant to Adviser on Combined Food Board, Supply and Resources Division, 1944–45; Assistant Secretary of Commerce, United Nations Conf. on Int. Org.; San Francisco, 1945; Acting Assistant Chief, International Resources Division, June, 1945; alternate on official Subcommittee of Cabinet Committee on World Food Program, April 1947.

Carleton K. Lewis, United States Tariff Commission. Position: Commodity Specialist—P–6. Age: 55. Degrees: A. B., A. M. Experience: Dealing with problems of international trade in foodstuffs in Agricultural Division of the United States Tariff Commission since 1919; three months in the Tobacco and Beverage Commodity Division of the War Production Board; Military Government Officer in World War II in Africa, Italy, France, and Germany, and Lt. Colonel in United States Army Reserve.

Alternates: Joseph A. Becker, Department of Agriculture. Position: Agricultural Economist, P–8. Age: 56. Degrees: B. S. A., M. S. Experience: 1918–44, employed in the Bureau of Agricultural Economics, Department of Agriculture, in various agricultural statistician positions. 1944–45, employed as International Commodity Specialist in the Office of Foreign Agricultural Relations, Department of Agriculture. 1945 to present, serving as Head of the International Commodities Branch of the Office of Foreign Agricultural Relations, Department of Agriculture.

James P. Cavin, Department of Agriculture Position: Agricultural Economic Statistician, P–7. Age: 42. Degrees: B. B. A., Ed. M., M. A., and Ph. D.—Business Economics, Education, and Economics. Experience: 1930–33, Instructor in Economics, University of Puerto Rico. 1935–36, Fellow, Brookings Institution. 1936–40, Agricultural Economist, United States Department of Agriculture. 1940–41, Economist, National Defense Commission. 1941–43, Economist, Office of Price Administration. 1943–46, Associate Head, Division of Statistical and Historical Research, Bureau of Agricultural Economics. (April to August 1945 on special detail to the United States Strategic Bombing Survey, Germany.) 1946 to present, Head of Division of Statistical and Historical Research, Bureau of Agricultural Economics, Department of Agriculture.

Joseph L. Orr, Department of Agriculture. Position: Executive officer (assistant to the Secretary), CAF–15. Age: 45. Degree: B. S., economics. Experience: 1946 to present, assistant to Secretary, Department of Agriculture. 1945–46, Chief, Production Policies and Programs Section, Food and Agriculture Branch, Economics Division, Office of Military Government for Germany, War Department. 1944–45, Assistant Chief in Charge of Planning and Developing, Agricultural Ad-

justment Agency, Department of Agriculture. 1942–44, Assistant Director, Division of Special Programs, Agricultural Adjustment Agency. 1938–41, occupied various statistician positions in the Agricultural Adjustment Agency. 1938–41, occupied various statistican positions in the Agricultural Adjustment Agency. 1930–38, agricultural statistician, Bureau of Agricultural Economics, Department of Agriculture. 1927–30 assistant and associate crop and livestock estimator, Bureau of Agricultural Economics (field service), Department of Agriculture. 1923–27, statistical clerk and statistician, Bureau of Agricultural Economics, Washington, D. C.

Francis M. Rhodes, Department of Agriculture. Position: Assistant to the Administrator, PMA, DA–23, Department of Agriculture. Age: 40. Degrees: A. B., economics; LL. B. Committee: Food and Agriculture. Experience: 1946 to present, assistant to the Administrator, Production and Marketing Administration. 1945–46, Chief, Commercial Export Section, Production and Marketing Administration. 1943–45, agricultural economist, Production and Marketing Administration. (Military furlough, U. S. N. R., October 1942–November 1945.) 1942–43, agricultural economist, Office of Agricultural War Relations. 1934–42, occupied clerk and various economist positions in the Agricultural Adjustment Agency, Department of Agriculture.

Leon B. Taylor, Department of Agriculture. (See Committee on Agricultural Machinery).

Charles E. Lund, Department of Commerce. Position: Chief, Food Stuffs Division—P–7. Age: 62. Degrees: None. Experience: Twenty years in the Food Business prior to coming into the Department of Commerce where I have been in the Food Stuffs Division for over 15 years. I spent 15 years in the Meat Packing business, largely with Armour and Company, in charge of processing and distribution, and in the plants where they produce pork products, and at the outlet desk where they determine price and sales of pork products. For 5 years I was in charge of meat operations of chains of meat stores in the Metropolitan area of New York City.

Observer: Robert L. Oshins, The White House. Position: Executive Secretary, Cabinet Food Committee. Age: 33. Education: Escanaba (Michigan) Public Schools, the University of Chicago, 1931–35—A. B., the Law School; Maxwell School of Public Affairs, Syracuse University 1936–38. Experience: U. S. Dept. of Agriculture: (1) Office of the Secretary 1939–41; (2) Surplus Marketing Administration 1941–42; (3) Office of Requirements and Allocations 1946. (Duties: (1) Organization, procedures, and personnel work; (2) Development of procedures for Lend-Lease food program; (3) Analysis of Foreign food requirements). Member Harriman Mission—Mission for Economic Affairs, U. S. Embassy, London 1942–44. (Duties: (a) In charge Lend-Lease food and agriculture program to U. K.; (b) Represented U. S. on various international committees, analyzing post-war food requirements). U. S. Navy, 1944–46. (Duties: (1) 1944–45 Food and Agriculture Branch, G–5, SHAEF and Mil. Govt. Section XXII Corps. (2) 1945–46 on detail as Executive Secretary, Food and Agriculture Committee, Emergency Economic Committee for Europe).

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November 1947: Karl A. Fox, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff.

2. Fertilizer

Chairman: William G. Finn, Department of Agriculture. Position: Deputy Assistant Administrator of Production and Marketing Administration. Age: 48. Degree: M. S. in agricultural economy, agronomy, and animal husbandry. Experience: 1924–36, entered service in AAA, agricultural research field. Came to Agriculture Department as economist, experience in tobacco, sugar, rice, and peanuts. Became head economist. Served as assistant division director for one of the four regional divisions. Experience has included in all jobs, agricultural conservation, use of fertilizer as one of the principal things with which the AAA dealt. 1936–48, Agriculture. Work has been at all times directly and indirectly connected with the development, production, and distribution of fertilizers.

Secretary: William F. Watkins, Department of Agriculture. Position: Agriculturist. Age: 47. Degrees: B. S., agriculture; M. S., crops and soils. Experience: 1936–39, agronomist for United States Department of Agriculture; Soil Conservation Service, and Iowa Agricultural Extension Service. 1939–43, soil conservationist with Bureau of Agricultural Economics. 1943–44, agriculturist (head) in War Food Administration, Office of Materials and Facilities, working on development of distribution and use programs for fertilizer materials. 1944–45, chief Feed Crops Division of Office of Production, WFA. 1945–46, head of agronomy branch of Shrivenham American University of War Department. 1946 to present, chief, fertilizers section, Materials and Equipment Branch of Production and Marketing Administration.

Members: Kenneth D. Jacob, Department of Agriculture. Position: Chemist. Age: 51. Degrees: B. S. and M. S., chemistry. Experience: Continually in United States Government service since 1918 with service as chemist in War Department from 1918–21. 1921 to present, employed by Department of Agriculture occupying positions of chemist, P–1 through P–6 successively, with assignments of research in fertilizer technology throughout entire employment. Author of over 100 published papers and two patents on fertilizers.

C. K. Horner, Department of Commerce. Position: Foreign trade analyst. Age: 41. Degrees: B. S., chemistry; M. A., botany. Experience: November 1925–March 1926, Interstate Commerce Commission. March 1926–June 1926, Agriculture Department, District of Columbia, library aid; June 1926–November 1929, Labor Department, District of Columbia. Under file clerk and junior file clerk, November 1929–May 1936, Agriculture Department, District of Columbia, junior and assistant scientific aid. May 1936–July 1942, Agriculture Department junior chemist. Employed in Bureau of Foreign and Domestic Commerce since July 16, 1942, as junior economic analyst, economic analyst, foreign-trade analyst.

Henry M. Pauley, Department of State. Position: Commodity specialist (chemicals), International Resources Division. Age: 33. Degree: B. A., chemistry. Experience: Assistant chemist, H. Kohnstamm & Co., Inc., 1931–35; head of service laboratory, H. Kohnstamm & Co., Inc., 1935–40; sales representative, H. Kohnstamm & Co., Inc., 1940–42; assistant chief, Foreign Requirements Unit, War Production Board, 1942–44; chief, Foreign Requirements Unit, War Production Board, 1944–45; appointed to Department of State, November 1945.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Karl A. Fox, Harriman committee staff; Maynard Jenkins, Harriman committee staff consultant (chemical committee); John Kerr Rose, House Select Committee on Foreign Aid staff.

3. Agricultural machinery

Chairman: William L. Beck, Department of Commerce. Position: Acting Chief, Machinery Section, Office of Domestic Commerce, Bureau of Foreign and Domestic Commerce. Age: 55. Degree: E. M. in mining engineering. Experience: 1942–1948, Commerce Department; 4 years Assistant Chief of Machine and Motive Products Division, Office of International Trade and the Bureau of Foreign and Domestic Commerce; 1925–1942, sales manager, eastern United States, for mining and construction machinery manufacturers. South American sales manager, 2 years, construction machinery and mining machinery manufacturers; sales and export manager for agricultural machinery manufacturers; prior to 1925, 1914–1924, mining engineer. (Two years' officer in U. S. Army Engineers during World War I.)

Secretary: Martin R. Cooper, Department of Agriculture. Position: Agricultural economist, P–6, Department of Agriculture. Age: 61. Degrees: None. Experience: Continuously employed in the Bureau of Agricultural Economics, Division of Farm Management and Costs since 1912. Is responsible for national research projects in farm practices, including the study, analysis, and development of improved farm practices for the efficient utilization of labor, equipment, and farm supplies. These studies include analyses of technological developments and their economic significance to farmers; appraisal of farm-labor efficiency; determination of labor requirements for different crops and livestock; efficiency of various feeding practices for different classes of livestock and the significance of current developments in farm mechanization.

Members: Thomas J. Murphy, Department of Commerce. Position: Economic analyst, P–1 (commodity specialist agricultural equipment and railroad equipment). Age: 34. Degrees: A. B., M. A. Experience: 3½ years, Department of Commerce (2 years international trade work; 1½ years, Bureau of Census), ½ year in Office for Emergency Management; 4 years, stock brokerage office experience. Served with Interdepartmental Committee for Review of Paris Conference Report (subcommittee on agricultural machinery). Review committee of Office of International Trade. Author of articles published in Foreign Commerce Weekly, Domestic Commerce and Industrial Reference Service.

Karl L. Anderson, Department of State. Position: Assistant Chief, International Resources Division, P–7. Age: 42. Degrees: B. Sc. (economics); M. A., Ph. D. Experience: Instructor in economics, Harvard University, 1930–1934; assistant and associate professor of economics, Bryn Mawr College, 1934–1942; economic adviser, price executive and section head, Office of Price Administration, 1942–1946; Assistant Chief, International Resources Division, 1946; member of International Tin Study Group; alternate member on materials requirements committee of Army-Navy Munitions Board; alternate member on review committee on Second Decontrol Act.

Alternates: Albert P. Brodell, Department of Agriculture. Position: Agricultural economist, P–5. Age: 52. Degrees: B. S. (dairying, farm management). Experience: Since 1938 has been in charge of many studies, Nation-wide in character, relative to number, age, and size and duty of farm machines. Also has carried on Nation-wide studies relative to methods and machines used in the production of farm products. During war years helped to develop estimates of machines needed for farm purposes and materials needed for producing the machines. Also assisted in developing the program for rationing farm machines.

Roy B. Gray, Department of Agriculture. Position: Agricultural engineer, P–6. Age: 63. Degrees: B. S. (electrical engineering, agricultural engineering). Experience: Since 1931 has been in charge of Division of Farm Power and Machinery, which is concerned with research in the development and use of farm machinery; 1920–24, served as professor

of agricultural engineering at University of Idaho; 1910–20, employed as tractor engineer and farm-machinery expert for International Harvester Company (1910–11 trying out and reporting on performance of experimental tractors operating in U. S. and Canada); 1911, introducing tractors in various foreign countries and reporting on their performance, also introducing and supervising maintenance of power-driven field machinery, primarily in Germany, Rumania, France, Italy, England, and South Africa; 1911–17, in England in charge of tractor assembly depot of I. H. Co. and conducted tractor school for soldiers; 1918, technical adviser to British Army on agricultural tractors in France and for Italian Government.

Erling Hole, Department of Agriculture. Position: Agricultural Economist, P–4. Age: 48. Degrees: Agronom. Landbr. Kand. (in Norway), Agriculture M. S., Economics (Iowa State); Ph.D., Economics, Agriculture (Harvard University). Experience: 1945–48 has been making analyses of income, expenditure, organization and mechanization of commonsized family farms for various types of farming areas. 1942–45 on detail to War Food Administration working on determination of requirements of farm machinery, and organization of State distribution of machinery. 1941, served as secretary of interbureau committee on production machinery.

Leon B. Taylor, Department of Agriculture. Position: Assistant Director, Price Support and Foreign Supply Branch, PMA. Age: 52. Degree: B. S., Agriculture. Experience: 1944, served as administrative officer and later as agriculturist in the Agricultural Adjustment Agency assisting with rationing and allocation of farm machinery, equipment, and other agricultural materials and facilities. Occupied position of Executive Officer as Chief of the Farm Machinery and Supplies Branch of the Office of Materials and Facilities, War Food Administration and as such was responsible for providing adequate distribution of agricultural machinery and equipment to meet the demands of agriculture through national distribution of available supplies, rationing of critical items, educational programs on conservation and use of available equipment and by coordination of manufacture and distribution of machinery, equipment and supplies. 1946 appointed as Director of the Materials and Equipment Branch of the Production and Marketing Administration.

Arthur W. Turner, Department of Agriculture. Position: Assistant Chief, Bureau of Plant Industry, Soils and Agricultural Engineering, P–7. Age: 53. Degree: B. S., Agricultural Engineering. Experience: 1944–present, Assistant Chief, Bureau of Plant Industry, Soils and Agricultural Engineering which initiates and conducts extensive research on farm machinery, farm buildings and housing, and processing of farm products. 1927–44, in charge of educational relations for International Harvester Co. (1941–44 developed and supervised 13 motor mechanics schools under I. H. Co. sponsorship for Royal Canadian Army; 1942–44 developed five schools for Royal Canadian Air Force to train mechanics for maintenance of tractors, engine and equipment; 1943–44 developed and supervised three larger schools (motor mechanics for U. S. Navy); author of numerous published papers on agricultural engineering, many on subject of agricultural machinery usage.

George J. Rothwell, Department of State. Position: Research Analyst, P–4, Division of Research for Europe. Age 33. Degree: B. S. Experience: Economist, Office of Price Administration 1942, War Food Administration 1942–43; United States Army 1943–44; commodity specialist, Foreign Economics Administration, 1944–45; adviser to United States member, Combined Food Board Committee on Seeds, Ottawa, 1944; assistant agricultural adviser in Foreign Service Auxiliary assigned at Moscow, January 3, 1945; at Stockholm, temp., April 12, 1946; at Paris May 23, 1946; assistant agricultural attaché at Paris June 14, 1946; research analyst, Division of Research for Europe, Department of State, 1946.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Karl A. Fox, H. H. Hughes, S. Morris Livingston, Harriman committee staff; Willard Morrison, Harriman committee staff, consultant, Agricultural Machinery Co.; John Kerr Rose, House Select Committee on Foreign Aid staff; Francis O. Wilcox, Senate Committee on Foreign Relations staff.

4. Coal

Chairman: John F. Havener, Department of Commerce. Position: Chairman, U. S. Coal Operating Committee, Office of Materials Distribution. Age: 34. Degree: A. B. Experience: Has been connected with Government regulation of coal for about 8 years. Has been U. S. Secretary of the Combined Coal Committee prior to present position. U. S.-U. K.-Canadian Affairs in allocation of coal. 1942–47, head, Fuels Branch, Office of Civilian Requirements, WPB. 1940–42, Office of Bituminous Coal Consumers Council, Assistant Chief of Research and Economic Division, as part of the administration of the Guffey Coal Act (prices). 1936–40, worked as consultant, employed by one of the large coal companies, Consolidation Coal Company.

Secretary: Louis Lister, Department of State. Position: Commodity specialist, International Resources Division; grade P–5. Age: 33. Degrees: B. S. and M. A. Experience: Economist, War Manpower Commission, 1942; War Production Board, 1942–44; Chief of Metals and Minerals Section, War Production Board, 1944–45; commodity specialist, International Resources Division, Department of State, 1945– ; member of United States Coal Operating Committee.

Assistant Secretary: Fred H. Sanderson, Department of State. Position: Section Chief, Central European Section, Division of Research for Europe; grade P–6. Age: 33. Degrees: B. S., M. A., and Ph. D. Experience: Research associate, Harvard Committee on Research, Harvard University, Nov. 1938–Sept. 1943; economist with Office of Strategic Services, Oct. 1943–Nov. 1945; during this period he analyzed food production, consumption, and requirements of liberated and occupied territories both in Washington, D. C., and in England, France, and Germany; transferred to the Department of State as an economist, Oct. 1945 and was promoted to present position April 1, 1946. He was born in Germany; lived in Germany 19 years and Switzerland 4 years. Educated in Germany and Switzerland but obtained Ph. D. in the United States.

Members: C. Meade Stull, Department of Commerce. Position: Acting Chief, Fuels Division; grade CAF–13. Age: 45. Degree: B. S. Experience: Since Feb. 1945, employed by coal industry for Government dealing with operation of coal mines and production and distribution of coal; 8 years as Fuel Inspecting Engineer for U. S. Bureau of Mines. Holds first-class mine foreman papers in State of Alabama. During life of Coal Mine Adm. served as Chief, Production and Operations Division of that organization.

Thomas W. Hunter, Department of Interior. Position: Chief, Coal Economics Division; grade P–7. Age: 39. Degree: B. S. Experience: Bookkeeper, First National Bank of Springfield, Ill., 1925–29. Assistant to the secretary-treasurer of the Illinois United Mine Workers of America, 1933–1934. NRA: Executive training course, 1934; On special studies for Division of Review; Code adviser, 1934–1935. National Bituminous Coal Commission: Associate statistician, 1935–1936; Acting Chief of Research and Statistical Division, 1936–1937; Examiner, Adm. Statistics Branch, 1937–1938; Chief of the Adm. Statistics Branch, 1938–1939. Department of the Interior, Bituminous Coal Division: Chief of the Adm. Statistics Branch, 1937–1938; Assistant Chief, Economics Branch, 1940–1943; U. S. Naval Reserves, 1943–1946—furlough from B. C. D. Interior: Chief, Economic Analysis Section, Bureau of Mines, 1946; Chief, Coal Economics Division, Bureau of Mines, 1946 to present.

H. M. Preisman, Office of Coordinator. Position: Assistant to Coordinator of Export Program Grade (not a classified position). Age: 42. Degrees: None. Experience: From 1944 to June 1947, Solid Fuel and Administrative Department for War, Department of Interior, handling similar activities as in charge of Transportation for Foreign Movements. Prior to 1944 with Solids Fuels Administration for War, U. S. Bureau of Mines and Bituminous Coal Division and Bituminous Coal Commission, handling distribution of bituminous coal, both distribution and price problems connected with bituminous coal; from July 1, 1937 to 1944. Prior to 1937: August 1935 to July 1937, U. S. Senate Investigating Committees; 1926 to 1935, private business, brokerage business in New York City and Omaha, Nebraska.

Alternates: Ralph L. Trisko, Department of Commerce. Position: Business Economist; Grade P–5. Age: 31. Degrees: B. S. Experience: In charge of Coal Section, Office of International Trade. Attended meetings held in State on the Washington Conversations on European Economic Cooperation Program last year.

Daniel Wheeler, Department of Interior. (See Organization and Administration Committee.)

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November, 1947; C. W. de Forest, Harriman committee consultant (now with gas and electric company); Richard H. Mote, Hector Prud'homme, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid Staff.

5. Mining machinery

Chairman: William L. Beck, Department of Commerce. (See Agricultural Machinery Committee.)

Secretary: Everett Wilcox, Department of Commerce. Position: Acting Deputy Chief, Iron and Steel Section; Grade CAF–13. Age: 52. Degrees: B. S. (Mining Engineering) and B. S. (Foreign Trade). Experience: Mine Superintendent of Copper Mine; Assistant manager of export department of world's largest excavating manufacturer; Head of Equipment Section in Department of Agriculture; Chief of Industrial Machinery Section, FEA.

Members: William H. Myer, Department of Commerce. Position: Assistant Chief, Machinery & Motive Products Branch, Office of International Trade; Grade P–6. Age: 61. Degrees: S. B. Experience: 15 years in machinery industry; 18 years in government service, primarily in reference to production or foreign sales of machinery and equipment.

John W. Buch, Department of the Interior. Position: Mining Engineer, Bureau of Mines; Grade P–6. Age: 48. Degrees: B. S., E. M. and M. S. Experience: in underground surveying gypsum and zinc mining, also worked as special engineer on forecast of production-costs and plans for mechanizing anthracite coal mines, 1923–1930. Mine Foreman, The Hudson Coal Company, 1925–1938. Assistant Professor, Pennsylvania State College, 1938–1942. Department of the Interior: Chief, Economics Division, Bureau of Mines, 1942–1944; Mining Engineer, 1944 to present.

Karl L. Anderson, Department of State. (See Agricultural Machinery Committee.)

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Harold Von Thaden, De-

partment of Commerce; Albert M. Keenan, Harriman committee consultant; S. Morris Livingston, Richard H. Mote, Harriman committee staff; H. R. Wheeler, Harriman committee consultant; Theodore Geiger, House Select Committee on Foreign Aid staff.

6. Electric power committee

Chairman: Thomas Hibbend, Department of Commerce. Position: Foreign Industrial Development Adviser. Age: 54. Degree: Architect in Engineering—Studied in Paris, Oxford; University of Pennsylvania. Experience: General practice in architecture, 1924–34; 6 months Civil Works Administration, Regional Engineer, 1934; Federal Emergency Relief Administration, Chief Engineer; work covered engineering phases of every kind of construction and production activity of the national works program, 1934–35; Resettlement Administration, Associate Director and Technical Adviser in Charge of Architectural Engineering Planning, projects of Suburban Resettlement Division, 1935–37. In Europe in research and study. Wrote a book, Sons of Volcan, a history of metals and metal working, 1937–38; NYA, Consulting Engineer and Director of Planning and Research, 1938–41; own architectural engineering firm designing housing projects, hotels, apartments, and factories; also was in charge of all investigations of all new types of construction for the Federal Works Agency, 1941–42; BEW, Head Construction Engineer in charge of reconstruction and development in the interests of the British, French, and United States armies of French-North African industry and resources, 1942–45; FEA, work involved survey of Austrian industrial conditions formulating plans and making recommendations for the economic rehabilitation of Austria, 1945–46; Commerce Department, Chief, Special Programs Branch, Office of International Trade Policy, in charge of formulating policy with respect to International Trade and Telecommunications, Transportation and Utilities, February–July 1946; Commerce Department, Adviser for Foreign Economic Development, responsible for the creation and promotion of economic interests and development of foreign assets and areas in the international trade of the United States, 1946–48.

Secretary: Wilfred Malenbaum, Department of State. (*See* Staff Group for Correlation Committee.)

Assistant Secretary: M. Gordon Tiger, Department of State. Position: Research Analyst, P–4. Age: 30. Degrees: B. A., M. S. Experience: Editor and publicity writer, 1939–41; occupational analyst, U. S. Employment Service, 1941–42; U. S. Army, Lt., 1942–46; research analyst, Eastern European Economic Section, Division of Research for Europe, Department of State, 1946.

Members: E. Robert de Lucci, Federal Power Commission. Position: Chief, Bureau of Power, P–8 (Uncl.) Age: 43. Degree: Graduated from Massachusetts Institute of Technology in 1927 with B. S. in Civil Engineering with hydroelectric as major option. Experience: Surveyman, Metropolitan Water Supply Commission, Enfield, Mass., 1927–29; engineer-designer, Stone & Webster Enginering Corporation, 1929–31; engineer inspector and designer, U. S. Engineer Office, Charleston, W. Va., 1931–33; Chief, Design Division, U. S. Engineer Office, Huntington, W. Va., 1933–38; Federal Power Commission 1938–1942, as senior engineer consultant on dams and hydroelectric projects, 1938–40; Chief Power Supply Branch, National Defense Power Staff, 1940–41; Assistant Director, National Defense Power Staff and Assistant Chief, Bureau of Electrical Engineering (also consultant on power for OPM and WPB). Served with R. O. T. C., M. I. T., second lieutenant O. R. C., 1927; commissioned captain and advanced through grades to lieutenant colonel United States Army, 1942–45 on duty in Chief of Engineers Office and later as Operations Officer, Engineering Division, S. H. A. E. F., in European Theater. Decorated Europe-Africa-Middle East ribbon with one star, Legion of Merit in World War II. Inactive status as lieutenant colonel, O. R. C. since 1945. Returned to FPC as Chief, Bureau of Power, January 1945. Member of: Technical Industrial Disarmament Committee for German Electric Power Industry and consulted concerning problems of Japanese electric power system; International Conference on Large Electric High-Tension Systems (CIGRE); Technical Working Committee of International Scientific Conference on the Conservation and Utilization of Natural Resources; Society Engineers.

Arthur Goldschmidt, Department of the Interior. Position: Executive Vice Chairman of the Interdepartmental Technical Committee and of the American Tech. Advisory Comm. in connection with the International Scientific Conference for the Conservation and Utilization of Natural Resources, CAF–15. Age: 38. Degree: B. A. Experience: Assistant to President, Emergency Exchange Association, October 1932 to May 1933; Research work on New York relief administration for Columbia University May to July 1933; Acting Director, Professional and Services Projects Division, Works Progress Administration, September 1933, to August 1935; Executive Officer for Senator Wheeler, chairman, Senate Committee on Interstate Commerce, August 1935 to July 1937; Administrative, legislative, research, and organization work on Committee for Industrial Organization, July 1937 to January 1938; Special Agent, Consumer's Counsel, National Bituminous Coal Commission, January to August 1938; Assistant to Director, Power Division, Public Works Administration, August 1938 to May 1940; Special Assistant to Chairman, National Power Policy Committee, May 1940 to August 1941; Assistant to the Director, Division of Power, Interior Department, August 1941 to August 1942; Acting Director, Division of Power, August 1942 to February 1944; Director, Division of Power, February 1944 to September 1947; Executive Vice Chairman of the Interdepartmental Technical Committee and of the American Technical Advisory Committee in connection with the International Scientific Conference for Conservation and Utilization of Natural Resources, September 1947 to present.

Howard Elmore Way, Department of Commerce. Position: Electrical Industry Analyst. Age: 49. Degree: B. S. in Elec. Engr. Experience: Machinist apprentice, Electrician, Lineman, Penna. RR, Jun. 1916 to Jun. 1920; Design, Power plant, Office of Electrical Engineer, Pennsylvania RR, Jun. 1920 to Mar. 1921; Test Engineer, West Penn Power Company, Connellsville, Pa.; Mar. 1921 to Jun. 1921; Chief Clerk, Carpenter, Electrical and Paint Shops, Juaniata Shops, Penn. R. R.—Piecework computation, June 1921 to Aug. 1922; Various to Asst. Chief, Electrical Division, Bureau of Foreign and Domestic Commerce, Aug. 1922 to Oct. 1933; Room Supervisor, Coast and Geodetic Survey, Geodetic, Oct. 1933 to Oct. 1935; Office of Secretary of Commerce in charge design, erection and supervision Department of Commerce exhibits at Chicago, Dallas (World Fairs), etc.; Oct. 1935 to Jan. 1938; Editor, World Electrical Markets, Electrical Division, Bureau Foreign and Domestic Commerce, Jan. 1938 to Apr. 1941; Export-Import Information Division—In charge Electrical Machinery, etc., Apr. 1941 to Oct. 1941; Public Utility & Service Industries Division, in charge Public Utilities Section, Oct. 1941 to Oct. 1942; Machinery and Metals Division, Bureau of Foreign and Domestic Commerce. In charge Electrical Machinery, Oct. 1943; Representative U. S. Department of Commerce, Board of War Communications for International Broadcasting, Oct. 1941 to Oct. 1947; Chairman, Communications Committee, Standard Commodity Classification; Member, Instruments, Furnaces, Electrical Machinery, Lighting Fixtures, Refrigeration Committees, Oct. 1943; Member, Task Group, U. S. Census of Manufactures, Electrical Machinery, etc., Jun. 1945; Representative, Department of Commerce, Glossary Sub-Committee. Interdepartmental River Basins Committee, Mar. 1947; Member Board of Review Division of Liquidation, Department of Commerce—Hear and determine appeals from OPA cases, Sept. 1947; Representative, Department of Commerce, Electrical Supply Committee, Federal Bureau of Supplies, Chairman, Instrument Subcommittee—prepare specification (Federal), Sept. 1943; Representative. Department of Commerce, Krug, Harriman Committees, Marshall Approach Committees, Electrical Machinery and Electric Power Committees, Oct. 1947; Consulting Engineer—Whitehead-Craft Corp. (Structural Material), Sept. 1946; Export—Policy Committee—OIT—Re quotas electrical machinery, 1947.

Ellsworth Joseph Hand, Federal Power Commission. Position: Electrical Engineer (P–5). Age: 46. Degree: B. S. (Electrical Engineering). Experience: Potomac Electric Power Co., 18 yrs. (1923–1941), as a generating station and substation operator. 1 yr. on statistical and insurance work. 1 yr. as night supervisor of entire systems; U. S. Government, 7 years (1941—present); 1941–1943, Federal Power Commission on assignment to WPB Power Branch, acted as concurrence officer for power supply and equipment required for industrial projects, also reviewed foreign power projects; 1943–1947, FEA, which later became Office of International Trade in the Department of Commerce, Chief of Power Section; member of Industrial Commission on U. S. S. R. Lend Lease; requirement commission for WPB Office of War Utilities, staff of section, reviewed applications for export license and priorities for foreign projects and programs, licensing authority on operating and maintenance equipment for utilities; Military service: 1919–23, active duty in U. S. Marine Corps. Rank at expiration of enlistment, Sergeant—Honorable Discharge; 1923–27, Sergeant in the Fleet Marine Corps Reserves on inactive duty; Theta Tau Fraternity and former associate American Institute of Electrical Engineers.

C. E. Bennett, Federal Power Commission. Position: Chief, Division of Electric Resources and Requirements. Age: 59. Degrees: B. Sc. in EE, Univ. of Nebr., 1909; B. Sc. in EE, Univ. of Ill., 1912; Professional EE, Univ. of Ill., 1929. Experience: Westinghouse Electric Co., 1 year; graduate engineer course in design and testing of heavy electrical equipment; Electric Bond and Share Co., 5 years; Hydro Electric plant operator, design and construction, including about 2 years operation; reservoir control and initial operation after construction of Utah Power and Light Company's 3 largest hydro-electric plants; Canadian and General Finance Co., 9 years (1918–27) as chief operating engineer; assistant chief engineer or chief electrical engineer of the company's generating stations; transmission lines and distribution systems in Spain and Mexico; City management and municipal plant operation, 2 years; City Manager and Sup't of Electric Water and Port Utilities, Fort Pierce, Fla.; Federal Power Commission, 14 years (1933–present)—Various positions to Chief, Division of Electric Resources & Requirements; principal jobs, engineer on distribution cost survey, national defense network planning and St. Lawrence development planning; Professional papers: World Power Conference, London; International High Tension Conference, Paris; AIEE—Mexico; AIEE—Washington, D. C.; State Public Utility Commission Engineers, Washington, D. C.

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November 1947: Walker L. Cissler, C. W. de Forest, George Hamilton,

R. M. Landreth, J. A. H. Torry, V. M. White, Harriman committee consultant; Edward Falck, House Select Committee on Foreign Aid staff.

7. Petroleum

Chairman: John A. Loftus, Department of State. Position: Consultant, without compensation. Age: 36. Degrees: A. B., Ph. D. (Economics). Experience: July 1938, to Sept. 1938, Consultant and Economist to the American Trading and Production Corp., Baltimore, on petroleum matters; Feb. 1939, to Sept. 1939, Instructor in Business and Economics at the University of Kansas; Sept. 1939, to Sept. 1940, part-time instructor in Economics at Johns Hopkins University; Sept. 1940, to Feb. 1942, Asst. Professor at Holy Cross College; Feb. 1942, to June 1942, Assoc. Professor in Economics, also working on a special research study on corporate structure of petroleum industry; June 1942, to Jan. 1943, Petroleum Price Economist in OPA, Petroleum Price Section; Jan. 1943, to Nov. 1943, Reporting Economist on Petroleum for the Office of Economic Warfare; Nov. 1943, to July 1944, Petroleum Specialist on international petroleum problems in the Division of Economic Studies, Department of State; 1944 to Oct. 1947, progressively responsible positions, including the position of Chief of the Petroleum Division in the Office of International Trade Policy; Dec. 1, 1947, to present, Consultant in the Office of International Trade Policy, Department of State.

Secretary: David E. Longanecker, Department of State. Position: Divisional Assistant, Petroleum Division, P–7. Age: 41. Experience: Specialist on domestic-machinery industries and trade, Bureau of Foreign and Domestic Commerce, 1927–41; divisional assistant, Department of State, Apr.–Sept. 1941; chief of section, Board of Economic Warfare, 1941–42; divisional assistant, Department of State, 1942–43; chief of section, Office of Foreign Economic Administration, Dec. 6, 1943; divisional assistant, Department of State, liaison officer, 1944; alternate chairman, Petroleum Facilities Coordinating Committee, 1945– —; assistant chief of branch, Petroleum Division, 1946.

Members: Col. Gustav H. Vogel, QMC., Army-Navy Petroleum Board, United tates Army, serial No. O12793. Position: Executive officer, Army-Navy Petroleum Board, Joint Chiefs of Staff. Age: 47. Degrees: B. S. from United States Military Academy, graduated 1920 M^c (E) from Univ. of Michigan (automotive course) 1936. Experience: Colonel Vogel entered active military service as a commissioned officer immediately upon graduation from the Military Academy. Listed below is a brief record of his military service: 1921–30, company officer, battery commander, Coast Artillery, 1930–41, company officer, company commander, assistant quartermaster, Chief of Plans and Training Branch, Motor Transportation Division, Office of Quartermaster General, January 1942–May 1942, Executive Officer, Motor Transportation Division, Office of Quartermaster General; May 1942–September 1942, Chief, Motor Transportation Division, European theater; September 1942–October 1942, Deputy Chief, Area Petroleum Office, European theater; October 1942–August 1945, Chief, Petroleum Section; August 1945–December 1945, Deputy Executive Officer, Army-Navy Petroleum Board; January 1946 to present date, Executive Officer, Army-Navy Petroleum Board.

Max W. Ball, Department of the Interior. Position: Director, Oil and Gas Division, ungraded. Age: 62. Degrees: Colorado School of Mines, E. M., 1906; National University Law School, LL. B., 1914; National University Law School, LL. M., 1914. Experience: Chief geologist for Royal Dutch-Shell companies, 1917 to 1921; later made manager. President, Argo Oil Co. and predecessors, 1921 to 1928. Also during part of this period was president of Western Pipe Line Co. Consulting work in the field of petroleum geology and engineering, 1928 to 1943. Also from 1931 to 1944 was president of the Royal Royalties, Ltd. President, Abasand Oils, Ltd., 1930 to 1943. Department of the Interior mining engineer, Bureau of Mines, 1916 to 1917; Assistant Director, Petroleum Administration for War, December 1943 to February 1945. Industrial Specialist, PAW (special field assistant) February 1945 to April 1946. Director, Oil and Gas Division, December 1946 to present.

Walter James Levy, Department of State. Position: Economist (petroleum specialist) P–8. Age: 36. Degree: LL.D. Experience: Assistant to editor of press bureau 1936–1941; economist, 1942–1943; chief of oil section 1944–1945; special assistant to chief of Europe-Africa Division 1945, Office of Strategic Services; member, United States Petroleum Programing Group, London, 1945; member, United States Staff on Post-Hostilities Supply Negotiations With Sweden, Sweden, 1945; transferred to Department of State as special assistant, October 1, 1945; economist (petroleum specialist) Division of International and Functional Intelligence, 1946.

Carl N. Gibboney, Department of Commerce. Position: Adviser (international trade in primary commodities) P–8. Age: 48. Degree: Graduate, Ohio State University, College of Agriculture, 1923. Experience: 1946–48, 2 years work in international trade in primary commodities, Department of Commerce; 1943–45, 2 years Chief of Foreign Procurement Division, Foreign Economic Administration; 1923–43, 20 years' experience in agricultural production, marketing, and credit.

Alternates: Carroll D. Fentress, Department of the Interior. Position: Petroleum Technologist, P–7 (designated as Special Assistant to the Director of the Oil and Gas Division). Age: 36. Degrees: B. S., 1934, Massachusetts Institute of Technology; M. S., 1935, Massachusetts Institute of Technology. Experience: Chemical engineer, 1935–38 (Standard Oil Co.); group leader, research department, Standard Oil Co., 1938–42; United States Army, lieutenant, ordnance assistant, Army inspector of ordnance; assistant chief inspection division (captain); chief, process section (major, ordnance); assigned to Petroleum Administration for War, Interior Department, 1942–46; Petroleum Technologist, Oil and Gas Division, 1946 to present.

Edward Benjamin Swanson, Department of the Interior. Position: Assistant Director and Chief of Supply and Economics Branch, P–8. Age: 54. Degree: A. B. 1918, University of Washington. Experience: Private Secretary, and Administrative Assistant to Director, Bureau of Mines, 1920–24; Assistant Petroleum Economist, Bureau of Mines, 1924–25; Economic Analyst, Bureau of Mines, 1925–30; Chief, Petroleum Economics Division, Bureau of Mines, 1930–34; Board Member and Chief, Production and Refining Division, Petroleum Administrative Board, 1934–36; Associate Director, Petroleum Conservation Division, 1936–41; Director of Research, Office of Petroleum Coordinator for National Defense; Director of Research, Petroleum Administration for War, 1941–44; Designated Acting Director of Petroleum Conservation Service, 1944; Director of Research, Petroleum Conservation, 1946; Assistant Director and Chief of Supply and Economics Branch, Oil and Gas Division, 1946 to present.

Robert H. S. Eakens, Department of State. Position: Chief, General Policy Branch, Petroleum Division, P–7. Age: 36. Degrees: B. A., M. A. Experience: Economist for oil company, 1937–40; fellow 1940–41, and lecturer in statistics, 1942, Columbia University; economist Petroleum Branch, Office of Price Administration, 1942–44; divisional assistant 1944–45 and assistant chief, Petroleum Division, Department of State, 1945.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: John Bauer, Gerald Cogan, A. E. Ernst, Harriman committee consultants; Robert Koenig, Harriman committee member; Richard Mote, Harriman committee staff; Arthur Stewart, Harriman committee consultant; John Fry, House Select Committee on Foreign Aid staff.

8. Iron and steel

Chairman: J. Joseph Palmer, Department of Commerce. Position: Consultant, Commodity Service Division. Age: 45. Degrees: A. B., M. A., and LL. B. Member of District bar. Experience: Has been responsible for the Department of Commerce work in iron and steel since August 1926; covers particularly study of foreign economics of steel in all parts of the world, including ERP countries.

Secretary: Isaiah Frank, Department of State. Position: Chief, Special Areas Section, International Resources Division (P–6). Age: 30. Degrees: B. S. S., M. A. Experience: Research associate, Columbia University, 1936–39; teaching fellow, 1939–40; instructor of economics, 1940–41, Amherst; Carnegie fellow, National Bureau of Economic Research, 1941–42; economic consultant, War Production Board, 1942; senior economist, Office of Strategic Services, 1942–44; U. S. Army, 1944–45, first lieutenant; transferred to Department of State as economist, 1945; Chief of Special Areas Section, International Resources Division, 1946, represented Office of Strategic Services on Interdepartmental Committee on Private Monopolies and Cartels, 1945; secretary of the Steel Interrogating Committee of the Washington Conversations, and member of the Interdepartmental Working Committee on Iron and Steel; member of Cartels and Private Monopolies Subcommittee of the Executive Committee for Economic Foreign Policy.

Assistant Secretary: Virginia H. McClung, Department of State. Position: Commodity Specialist, International Resources Division (P–4). Age: 34. Degrees: B. A. Experience: Junior Economist, Division of Research and Statistics, Federal Deposit Insurance Corporation, 1936–41; Assistant Economic Analyst, Division of Monetary Research, Treasury Department, 1941–42; Associate Economist and Statistician, Industrial Materials Division, Office of Price Administration, 1942–47; commodity specialist, International Resources Division, Department of State, 1947; work on Interdepartmental Working Committee on Iron and Steel.

Members: Robert Simpson, Department of Commerce. Position: Business Economist (P–6), European Division, OIT. Age: 30. Degree: A. B. Amherst College, June 1938. Experience: Sept. 1938–June 1939, National Institute of Public Affairs, Washington, D. C., National Resources Committee; Central Statistical Board. July 1939–Dec. 1940, National Resources Planning Board. Jan. 1941–July 1941, Office of Secretary of War, San Francisco. Aug. 1941–42, Office of Production Management, Iron and Steel Branch. Aug. 1942–May 1946, active duty USNR, Australia, Dutch New Guinea, Washington, D. C., Germany, U. K. July 1946–June 1947, National Housing Agency, June 1947 to date above.

Harold H. Weim, Department of Commerce. Position: Economist (P–6). Age: 32. Degrees: B. S. S., A. M., Ph.D. Metallurgy Iron and Steel Course at School of Engineering, University of Maryland, 1941. Experience: Department of Commerce, October 1939–November 1940, Economic Analysis; National Defense Advisory Commission, November 1940–June 1941, Economic Analysis; War Production Board, June 1941–February 1942, Economic Analysis; War Production Board, OPA. CS, February 1942–July 1943, Supply Analysis; War Production Board, OCR, August 1943–September 1943, Formulation of Programs; War Department, A.A.F., Wright Field, September 1943–February 1944, Demobilization

Analysis; OPA, February 1944–May 1945, Durable Goods Industries Analysis.

Paul C. Hoover, Department of State. Position: Economist, Economic Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research (P–2). Age: 33. Degree: B.S. (Physics). Experience: Junior Analyst, Office of Economic Warfare Analysis, Board of Economic Warfare, October 1942–April 1943; U. S. Army of Occupation, April 1943–December 1945; held responsible positions as Research Analyst and Economist in the Division of Europe, Office of Intelligence Research and in the Economic Section, Northern and Western European Branch, Division of Research for Europe in the Department of State, April 1946 to present.

Carlyle H. Strand, Tariff Commission. Position: Commodity specialist (iron and steel) (P–5). Age: 57. Degrees: B. S. and metallurgical engineer. Experience: Case School of Applied Science, postgraduate, Harvard University, 1907–11; U. S. Steel Corporation, Chicago, Ill., 1911–13; Pennsylvania Railroad Co., Altoona, Pa., 1913–14; Crown Cork and Seal Co., Baltimore, Md., 1918–19; Bureau of Aircraft Production, Pittsburgh, Pa., 1918–19; Bureau of Standards, Washington, D. C., 1919–20; Ford Motor Co., Detroit, Mich., 1920; Lackawanna Steel Co., Buffalo, N. Y., 1920–21; Ohio Forge Co., Cleveland, Ohio, 1921–23; U. S. Tariff Commission, Washington, D. C., 1923 to present, except 1940–41 when on part-time loan to Office of Export Control. During the entire period, primary work was on iron and steel. Since 1923, work has consisted chiefly of studies of tariff, foreign and domestic industries and international trade. Coauthor of Report No. 128 on Iron and Steel, U. S. Tariff Commission, 1938; Report No. 15 on Iron and Steel, U. S. Tariff Commission, 1946.

Alternates: Robert M. Weidenhammer, Department of Commerce. Position: Chief, Machinery and Metals Section (P–6). Age: 46. Degrees: Ph. D. in economics. Experience: Educated in French, German, Swedish, and U. S. schools; professor of economics, University of Minnesota, 1926–34; Riter and Co. (Dillon, Read & Co.), 1934–41; War Production Board, Brookings Institution, U. S. Department of Commerce; U. S. Government delegate at the meetings of the Iron and Steel and Metal Trade Committees of the International Labor Organization at Stockholm, Sweden, August 15–September 21, 1947. (Was made chairman of a permanent group to work out the international standardization of statistics of the iron and steel industries.) Completing, at present, a book on the world iron and steel industries, to be published by the Department of Commerce this year (about 500–600 pages).

Leon Goldenberg, Department of State. Position: Attaché (research) (FSR–4) Paris. Age: 43. Degrees: B. C. S., M. A., Ph. D. Experience: Lecturer in economics, Northwestern University, 1936–40; economic analyst, 1941–42; Chief of Unit. Board of Economic Warfare, 1942–43; Chief of Section, Foreign Economic Administration, 1943–45; Chief, Northern and Western European Economic Section, Division of Research for Europe, November 1945–June 1946, Department of State; Assistant Chief of Population and Manpower Section, Division of Research for Europe, June 1946–October 1947, Department of State. Attache (research) Paris, October 20, 1947 to present.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Hiland Bachellor, Harriman committee member; Richard Bissell, Harriman committee staff; Otis Brubaker, Harriman committee consultant; S. Morris Livingston, Harriman committee staff; William S. Morrison, Harriman committee consultant; Hector Prud'homme, William Remington, Harriman committee staff; Edwin B. George, Robert Landry, House Select Committee on Foreign Aid staff.

9. Inland transport

Chairman: John W. Tuthill, Department of State. Position: Assistant Chief of Shipping Division in charge of Inland Transportation Section, P–7, Foreign Service Officer assigned to the Department. Age: 37. Degrees: B. S., M. B. A., M. A. Experience: Instructor and Assistant Professor of banking and finance at Northeastern University from 1937 to 1940; Foreign Service Officer, unclassified, and Vice Counsul of Career on July 12, 1940, serving at Windsor, Mazatlan, and Ottawa. In December 1944 was assigned to the Office of the U. S. Political Adviser on German Affairs, AEF, where he worked on German economic and transport problems. He also served as Economic Adviser to the U. S. Delegation at the Meeting of the Council of Foreign Ministers at Moscow advising on all European inland transportation problems, and Political Adviser to Deputy of the U. S. Foreign Minister at the meeting of the Deputies, CFM, London, advising on economic and transport matters concerning proposed peace settlements with Germany and Austria.

Secretary: Doris Whitnack, Department of State. Position: Economist, P–6, Division of International and Functional Intelligence. Age: 29. Degree: B. A. Experience: Research Technician, National Resources Planning Board, 1939–41; Head, Economic Analysis Section (Transportation Economist), Office of Price Administration, 1941–44; Head of Transportation Section and Economist, Division of Geography and Cartography, and Division of International and Functional Intelligence, Department of State, 1944–.

Members: Thomas E. Anderson, Department of Agriculture. Position: Mechanical Engineer, P–4. Age: 49. Degrees: None. Experience: 1918–45, Texas & Pacific Railway as Car Builder, Shop Inspector, Car Foreman, Car Engineer. (From 1943 to 1944 served as Mechanical Officer, Car Department, for U. S. Railway Mission in Mexico, while on leave without pay from Texas & Pacific Railway.) 1946 to present has served as Mechanical Engineer (Railway Cars) in Transportation Corps of War Department and later in Department of Agriculture.

John C. Winter, Department of Agriculture. Position: Agricultural Transportation Economist, P–7. Age: 45. Degrees: None. Experience: 1944–1948, Chief, Transportation Facilities Division of Production and Marketing Administration with responsibility for planning and directing nation-wide studies to determine fields of greatest efficiency and adequacy of various methods of transportation, also analyses of wartime transportation problems to anticipate shortages of transportation facilities in order to initiate and develop conservation measures necessary to prevent break-downs. 1940–44 served as Assistant to Chief, and Acting Chief of Transportation Facilities Division. 1935–40, Traffic Expert in charge of Rate Department for Public Service Commission, State of North Dakota, Bismarck, N. D. 1929–1935, Assistant Rate Expert, Board of Railroad Commissioners, State of South Dakota, Pierre, S. Dak. 1925–1929, Freight Clerk for C. & NW. Ry. Co. and Sioux City Traffic Bureau, Sioux City, Iowa.

Paul Brown, Department of the Army. Office of the Chief of Transportation Corps reports that Mr. Brown attended only one meeting of this Committee and then only as an observer. (Virginia E. Sparks, Department of State, DP.)

James E. Glynn, Department of Commerce. Position: Chief, Transportation and Communications Branch. Age: 57. Degrees: B. S., M. S., M. E. Experience: Over 30 years' experience in the transportation field: 12 years, New York Central Railroad; 5 years, General Motors Corp.; 10 years, highway transportation, trucking, and warehousing; 3 years, officer, United States.

Alternates: Jacob J. Kaplan, Department of State. Position: Chief of Economic Section, P–6, Southern European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 27. Degrees: A. B., A. M. Experience: Research and teaching assistant at Iowa State College, 1941–42, where he did research on farm credit and food rationing. Served in U. S. Army, Oct. 1942 to February 1946, where he was attached to the Office of Strategic Services in the capacity of an Economist. He was stationed one year in Washington where he was in charge of the Food Unit analyzing European food conditions; one year in England and Italy where he analyzed the food and agricultural developments in the Balkans and Italy; six months in Austria where he was in charge of the Economic Reporting Unit. He served as a member of the Combined Working Party on European Food Supplies. In Feb. 1946 he was appointed as an Economist in the Division of Europe, and Near East and Africa Intelligence, Food and Agriculture Section. In Nov. 1947, he was appointed to his present position.

Gustav Pollaczek, Department of State; position: Economist, P–5, Division of Transport and Communications. Age: 52. Degrees: LL. D. Experience: Official with Austrian state railroads, 1916–23; executive in international freight agency, Vienna, 1924–31; consultant and author of books on international legislation, 1935–46; consultant and transportation specialist, Foreign Economics Administration, 1944–45; transportation specialist, Department of State, 1945.

Robert O. Swain, Department of State. Position: Special Assistant, P–6, Shipping and Inland Transport Division. Age: 37. Degrees: B. A. Experience: District supervisor (traffic surveys), Sr. Asst. Traffic Engineer in charge of State highway engineering facilities, consultant on traffic problems, Texas Highway Department; U. S. Army Corps of Engineers, Lt. to Major, 1942–46, army engineering, construction, Army, Corps of Engineers, Transportation Corps, European Theatre of Operation; 1½ years in Latin America, Transportation Advisor to Colombia, Venezuela, and Ecuador; presently, Chief of the Transportation & Communications Branch, Office of International Trade. Also consulting engineer to many large American manufacturers on warehouse and transportation problems, including construction, operations and administration functions. While with General Motors, conducted comprehensive surveys of western European transportation facilities.

Gerald R. Gallagher, Office of Defense Transportation. Position: Assistant Director, Division of Manpower and Materials. Age: 44. Degrees: B. S. Experience: 1926–41, Lehigh Valley Railroad, Office and Field Engineering, on Chief Engineer's staff, supervisor, main line track and roadway maintenance; 1941–43, Bethlehem Steel Co., supervisor of plant car fleet maintenance, civil engineering Navy plant; 1943, Board of Economic Warfare, survey of material requirements of railroads and other transport agencies in Africa to determine minimum requirements in steel and other metals and manufactured parts, Portuguese Purchasing Commission, assisted Lend-Lease agency on rail problem in Senegal; 1943 to date, ODT, Regional representative, Assistant Director, Railway Transport Division.

Henry H. Kelly, Department of State. Position: Assistant Director, Office of Transport and Communications, P–8. Age: 50. Experience, United States Army, 1918–19, overseas service; Assistant Chief, Automotive Division, Department of Commerce, 1923–1925; member of Automotive Trade Commission to Europe, 1925–28; Director of Asiatic territory for Hudson Motor Car Co., 1928–30; Assistant Chief, Division of Highway Transport, Bureau of Public Roads, 1930–35; Chief, Section of Safety, Interstate Commerce Commission, 1935–41; executive secretary, Central Motor Transportation Committee, Advisory Commission to Council of National Defense,

1941–42; Chief, Allocations Section, 1942–43; Director, Division of Materials and Equipment, 1943–45, Office of Defense Transportation; Regional Director for North America and American representative on European Central Inland Transport Organization, 1945–47; Assistant Director, Office of Transport and Communications, Department of State, 1947; and development; June 1945–Jan. 1946, in charge of rehabilitation of 4 German rivers, establishing offices, supervising design, construction and operation of heavy equipment to clear rivers, etc.; highway engineer, Public Roads Administration, 1946–47; special assistant, Shipping Division, Department of State, 1947.

Clarence S. Gunther, Department of Treasury. Position: Commercial specialist, Commercial Policy and United Nations Division, CAF 11, Office of International Finance. Age: 40. Degrees: B. S. Experience: August 1927 to January 1935, connected with Bureau of Foreign and Domestic Commerce in the Commercial Intelligence Division and in the Division of Foreign Trade Statistics; January 1935 to October 1943, commercial specialist; July 1945–December 1945, sr. adm. investigator, Procurement Division, Treasury Dept.; acting assistant chief, Lend-Lease Transportation Division; December 1945 to April 1946, chief liaison officer of the Italian technical delegation; June 1946 to present, served in liaison capacity with officials of Bureau of Customs and Department of Commerce on foreign trade matters, Treasury representative on agricultural panel of Committee for Reciprocity Information, alternate Treasury director of the U. S. Commercial Corporation and on numerous special committees dealing with commercial matters.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: William Flexner, Harriman Committee consultant; Max Milliken, Harriman committee staff.

10. Maritime transport

Chairman: Walter Radius, Department of State. Position: Director, Office of Transport and Communications Policy, P–8. Age: 37. Degrees: A. B., M. B. A., Ph. D. (economics). Experience: Jan. to Dec., 1938, worked on a shipping study under a Rockefeller Fellowship; June 29, 1942, to date, progressively responsible positions in the field of transport and communications in the Department of State, including the positions of special assistant to the Director of TRC on the international aspects of shipping and inland transportation matters, adviser on inland transportation, Deputy Director of the Office of Transport and Communication, and the present position of Director. Represented the U. S. Government in dealings with the European Central Inland Transport Organization and the Rhine River Commission. Mr. Radius has traveled extensively through England, Holland, Germany, France, Switzerland, Japan, Korea, Manchuria, China, etc.

Secretary: Lehman P. Nickell, Department of State. Position: Adviser on shipping, P–8. Age: 49. Degrees: B. S., M. S., Ph. D. Experience: Instructor in economics, University of Virginia, 1924–27; economist, business specialist, Chief of Inland Waterways Section, and asst. executive secretary and Chief Examiner of the Foreign Trade Zone Board, Department of Commerce, 1928–38; Chief, Special Studies Section and Assistant Director, Division of Economics and Statistics, Maritime Commission, 1938–42; Director, Division of Statistics and Research and Director of Vessel Activities and Records, operations department, War Shipping Administration and Maritime Commission, 1942–47; adviser on shipping, Shipping and Inland Transport Division, Department of State, July 1, 1947.

Members: Serge G. Koushnareff, Department of Commerce. Position: Asst. Chief, Transportation and Communications Division. Age: 53. Degrees: LL. B., B. S., M. S., Ph. D. Experience: 12 years service in clerical and executive capacity with United States Lines in New York, thereby acquiring thorough knowledge of steamship operation, freight traffic, marine insurance, and claims adjustments. Subsequent service with the Foreign Economics Adm. as Asst. and Acting Chief of the Transportation Division, directing movement of Government purchases abroad, including chartering of vessels, rate negotiations, warehousing arrangements, and transshipments. 2 years' service with the Department of Commerce in capacity of shipping policy adviser to the Director, and Asst. Chief of Transportation and Communications Division, Office of International Trade.

Huntington T. Morse, U. S. Maritime Commission. Position: Interdepartmental liaison officer (special assistant to Commission). Age: 58. Degrees: B. A. Experience: From 1915–1917, Atlantic Gulf and West Indies, checker to dock superintendent, S. S. Co. (Mallory Line); 1917–1919, U. S. Navy, QM3c to Lt. sr. grade, in charge of Naval Overseas Transportation Service, N. Y.; 1919–1925, U. S. Shipping Board and Merchant Fleet Corp., Director of Ship Operations, Asst. Special Commissioner for shipping activities in Europe, Director of Europe (head of European organization of the U. S. Shipping Board and Emergency Fleet Corporation); 1925–1932, Munson Steamship Line, asst. chartering manager, charge of operation of collier fleet of Munson Line, local mgr. Buffalo office, mgr. Munson Inland Water Lines, mgr. floating equipment, dir. N. Y. Canal and Great Lakes Corp., special representative of the president of the Munson Line on shipping matters of the company; 1932–1934, own business (brokerage (wholesale coal for paper mills)); 1934 to present, U. S. Shipping Board and Merchant Fleet Corp., U. S. Maritime Commission, Chief, Division of Ship Operations, Chief of Div. of Ship Operations and Ship Sales, member of Board of Trustees of Merchant Fleet Corp.; asst. to Commission on Maritime Commission Activities; asst. to chairman on Maritime Commission Activities, special asst. to Commission (interdepartmental liaison officer and foreign liaison officer on Maritime Commission Activities).

Jesse E. Saugstad, Department of State. Position: Chief, Shipping and Inland Transport Division, P–8. Age: 61. Experience: Instructor, Univ. of Wisconsin, 1910–18; U. S. Navy, 1918–19, ensign; shipping business, 1919–22; shipping research, 1922–26; asst. to v. pres., Merchant Fleet Corp., 1926–27, and Asst. Director, 1927–29, U. S. Shipping Board; special agent, Bureau of Foreign and Domestic Commerce, 1929–35; economic analyst, Department of State, 1935–38; Assistant Chief, Division of International Communications, 1938–44; Chief, Shipping Division, 1944; consultant, Inter-American Maritime Conference, Washington, 1940.

Alternate: Harvey Klemmer, Department of State. Position: Attaché (shipping) London (FSR–2). Age: 47. Experience: 1918–1923, able-bodied seaman, U. S. Merchant Marine, 1932–35, director of research for American Steamship Owners' Assn., N. Y. C.; 1936–37, senior economic analyst, Dept. of State, analyzed effects of tariff reductions; 1937–42, Asst. to Commissioner, U. S. Maritime Commission. Spent most of time in Europe; 1942–1943, shipping consultant, War Production Board; 1943–47, economic adviser, U. S. Maritime Commission; August 6, 1947, to present, attaché (shipping), London, FSR–2. Also assigned: Dublin, Paris, Bern, Brussels, The Hague, Berlin, Copenhagen, Oslo, Stockholm, Helsinki, Warsaw, and Moscow.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Capt. Granville Conway, Harriman committee member; James McCullough, Harriman committee consultant (National Federation of Shipping); Max Milliken, Harriman committee staff.

The report submitted on maritime transport was reviewed by the Shipping Coordinating Committee (SHC). Its formal membership is as follows:

Chairman: Garrison Norton, Department of State. Position: Assistant Secretary of State (Presidential appointment). Age: 47. Degrees: A. B., history and literature. Experience: October 1923 to January 1941, employed with Arthur Young & Co., New York, N. Y. (from jr. accountant to partner); Sept. 1938 to June 1939, Civil Aeronautics Authority as consultant to the Chairman; May 1934 to Sept. 1935, deputy to Gen'l Mgr., HOLC.; U. S. Navy from Oct. 1940 to Nov. 1945 (Capt.); appointed to Dept. of State, Nov. 1945, as deputy director. Office of Transport and Communications Policy, later made Director of this same Office, and later still appointed as Assistant Secretary in charge of transport and communications affairs. Mr. Norton served as chairman, United States delegation to the International Civil Aviation Organization Commission on Multilateral Agreement, Geneva, Switzerland, November 3, 1947.

Vice Chairmen: W. W. Smith, United States Maritime Commission. Position: Chairman, United States Maritime Commission (Presidential appointment). Age: 59. Degree: Graduate U. S. Naval Academy. Experience: U. S. Navy, active service at sea and ashore, including both World Wars; commander of cruiser task force; director of Naval Transportation Service, 1909–46; June 1946 to present, Chairman, United States Maritime Commission.

Executive Secretary: L. James Falck, Shipping Division, Department of State. Position: Assistant Chief, Shipping and Inland Transport Division. Age: 36. Degrees: B. A. Experience: Clerk, Department of State, 1923–28; assistant special agent, Bureau of Foreign and Domestic Commerce, 1928–33; clerk, Navy Department, 1933–34; Securities and Exchange Commission, 1934–36; clerk, Department of State, 1936; economic analyst, 1937; divisional assistant, 1938–43; consultant, Inter-American Maritime Conference, Washington, 1940; Assistant Chief, Shipping Division, 1944; adviser, U. S. delegate, Maritime Preparatory Tech Conference, International Labor Organization, Copenhagen, 1934; special assistant to U. S. delegate, 28th (maritime) session of the international Labor Office, International Labor Organization, Seattle, Wash., 1946.

Asst. Executive Secretary: John W. Mann, Shipping Division, Department of State. Position: Assistant Adviser on Shipping, Shipping and Inland Transport Division. Age: 50. Degrees: LL. B., member of bar of D. C. Experience: U. S. Army 1916–19, 2d lt., overseas service; with U. S. Shipping Board and Maritime Commission, 1922–42; Director of Division of Foreign Charters and Ship Warrants, War Shipping Administration, 1942–45; Adviser, United Maritime Authority Planning Commission, London, 1944; Chairman, United Maritime Authority Shipping Facilites Control Commission, Washington, 1945; Observer, meeting of United Maritime Authority, London, 1946.

Secretary: G. Curtis Murrell, Department of State. Position: Committee Coordinating Assistant, CAF–9. Age: 30. Degrees: BA. Experience: U. S. Army, overseas service, Capt., 1942–46; recruitment and placement officer, 1946; Committee Coordinating Assistant, 1947, Department of State.

Members: Maj. Gen. Edward H. Leavey, Department of the Army. Position: Chief of Transportation. Age: 53. Degrees: BS; DL. Experience: Troop and River and Harbor Duty, Aug. 1917 to Nov. 1929; Asst. Dept. Engineer, Hawaii, Nov. 1929 to Sept. 1932; Deputy Administrator, Works Progress Administration, New York City, Aug. 1936 to Aug. 1937; Assistant Commissioner, Works Progress Administration, July 1940 to Dec.

1940; Deputy Chief of Staff, V. Army Corps, and Acting Chief of Staff, North Ireland Forces, Jan. 1942 to Nov. 1942; Chief of Staff Mediterranean Base Section, Nov. 1942 to Feb. 1943; Commanding, Mediterranean Base Section, Feb. 1943 to June 1943; Asst. Chief of Staff, U. S. Pacific Fleet, June 1943 to May 1945; Deputy Commander, U. S. Army Forces, West Pacific, May 1945 to Nov. 1945; Chief of Transportation, Nov. 1945 to date. The Works Progress Administration assignments involved dealing with State and local governments and local groups on higher levels. The North Ireland, England, Mediterranean and Pacific assignments involved dealing with both foreign government official and foreign non-official groups.

Thomas C. Blaisdell, Department of Commerce. (See Advisory Steering Committee.)

W. M. Callaghan, Rear Admiral. Department of the Navy. Position: Assistant Chief Naval Operations. Age: 51. Degrees: MS. Experience: June 1918–Aug. 1918: Duty U. S. S. *Wisconsin* and Destroyer Force, Queenstown, Ireland; Aug. 1918–Dec. 1918, Duty U. S. S. *Stevens;* Dec. 1918–July 1919; Duty U. S. S. *Allen;* July 1919–Jan. 1921, assisted in fitting out and served on U. S. S. *Hamilton* and U. S. S. *Nicholas;* Jan. 1921–*June* 1923, Consecutive duty of destroyers *Dent, Farquhar, Twiggs* and *Sloat;* June 1923–June 1925, post graduate course Annapolis, Maryland, and Columbia University; Oct. 1925–Sept. 1928, Duty U. S. S. *Concord;* Nov. 1928–May 1930, Duty Repairs Division, Bureau of Engineering, Navy Department, Washington; June 1930–May 1933, Duty U. S. S. *Saratoga* (Asst. Eng. beginning Dec. 1931); June 1933–May 1936, Instructor Dept. Marine Engineering, Naval Academy, Annapolis; June 1936–March 1938, Command U. S. S. *Reuben James;* March 1938–May 1939, Executive Officer U. S. S. *Henderson;* May 1939–Aug. 1941, Duty Ship's Movement Division CNO, Navy Dept. Washington; Aug. 1941–Sept. 1941, Naval Observer at American Embassy, London, England; Sept. 1941–July 1942, CNO; July 1942–Spring 1944, served on staff of CincPac; June 1944–May 1945, fitted out and commanded U. S. S. *Missouri;* May 1945–June 1945, duty on staff of CincPac; July 1945–Sept. 1945, duty Bureau Naval Personnel, Navy Dept., Washington; Sept. 1945–to date, Assistant Chief Naval Operations, CNO (Transportation and also Chief of Naval Transportation Service). Was awarded the Legion of Merit for work on the staff of the Commander in Chief of the Pacific Fleet.

Edward H. Foley, Jr., Treasury Department. Position: Assistant Secretary of the Treasury. Age: 42. Degree: LL. B. Experience: Admitted to New York bar, 1930; to United States Supreme Court, 1936; to District of Columbia bar, 1946. Managing clerk and attorney, Hawkins, Delafield & Longfellow, New York, 1926–32. Attorney Reconstruction Finance Corporation, Washington, D. C., 1932–33. Assistant general counsel and general counsel, Federal Emergency Administration of Public Works, Washington, D. C., 1933–37. Assistant general counsel, 1937–38; general counsel, 1939–42, Treasury Department, Washington, D. C. Member, Attorney General's Committee on Bankruptcy Administration, 1939; Board of Legal Examiners for Civil Service Commission, 1941–43. United States delegate and Chairman, Inter-American Conference on Systems of Economic and Financial Control, 1942. Commissioned lieutenant colonel, United States Army, August 1942; legal adviser to Quartermaster General, August 1942–August 1943; promoted to colonel, August 1943, and served as Joint Director of Finance Subcommission, Allied Control Commission, Italy, September 1943–November 1944. Awarded Legion of Merit. Ordered to inactive duty to become general counsel, Office of Contract Settlement, Washington, D. C., December 1944. Assistant Secretary of the Treasury of the United States since April 1946.

Alternates: Brig. Gen. Paul Yount, Department of the Army. Position: Assistant Chief of Transportation. Age: 39. Degrees: B. S., C. E. Experience: River and harbor duty, 1930–32; student, Cornell University, College of Civil Engineering, 1932–33; student, Engineer School, 1933–34; instructor, engineering, United States Military Academy, 1934–38; troop duty, 1938–40; student observer, Chicago, St. Paul, Minneapolis & Omaha Railway, 1940–41; Chief Engineer, United States Military Iranian Mission, October 1941–March 1942; commanding officer, part of Karachi and Base Section, United States Air Force, C. B. I., March 1942–October 1942; general manager, Persian State Railway, October 1942–May 1944; general manager, Bengal & Assam Railway (Indian State Railway), May 1944–May 1945; commanding general, Advance Section (Ledo Road), IB theater, May 1945–September 1945; Chief, Commercial Traffic; executive; Assistant Chief of Transportation, October 1945 to date.

Thomas Hibben, Department of Commerce. (See Electric Power Committee.)

Huntington T. Morse, United States Maritime Commission. (See Maritime Transport Committee.)

Richard Parkhurst, United States Maritime Commission. Position: Commissioner, United States Maritime Commission, Presidential appointment. Age: 53. Degree: A. B. Experience: First World War, United States Navy, 1917–19; chief petty officer, 1919–29. Athenaeum Press of Ginn & Co., assistant to manager and manager, Cambridge, Mass., 1929–43. Appointed to Board of Boston Port Authority, subsequently its first vice chairman, then chairman, 1943–45. Given leave of absence from Board of Boston Port Authority to serve with the Division of Administration and Transportation of Office of Inter-American Affairs (included considerable maritime transportation affecting Latin America). February 1946 to present, Commissioner, United States Maritime Commission.

Capt. W. N. Mansfield, Department of the Navy. Position: Head of the Auxiliary Vessel Procurement Section of the Naval Transportation Service. Age: 48. Degree: Graduate of United States Naval Academy. Experience: Enlisted Navy, January 20, 1919. Appointed to Naval Academy, June 1920. After 2 years' sea duty received instruction in torpedoes at Naval Torpedo Station and in submarines at New London submarine base. Resigned United States Navy, July 1929. Employed as chemical sales engineer and set up plant in Buenos Aires for South American clients. Was mate on merchant ships in Atlantic and from 1934 to 1939 was assistant to marine manager and port captain of the Mystic Steamship Co., Boston, Mass. Called to active duty, November 1939. Assigned to a Merchant Ship Section of the Naval District Division and was assigned additional duty as a member of the Joint Merchants Vessel Board. January 1942, assigned duty as aide to Director, Naval Transportation Service. Duties included the arming and defending of merchant ships. Was made the head of the Merchant Vessel Procurement Section of Naval Transportation Section. For services during the war was awarded letter of commendation with ribbon from Secretary of Navy and Secretary of War. After VJ-day duties as head of the Auxiliary Vessel Procurement Section of the Naval Transportation Service included collection and dissemination of information on merchant ships controlled or operated by the United States; procurement of merchant-type auxiliaries; disposal of those merchant-type auxiliaries not required by the Navy by returning them to the Maritime Commission. Also served as President of the Joint Merchant Vessel Board; as recorder and member of the Auxiliary Vessels Board; as alternate Navy member of the Shipping Coordinating Committee; as member of the Joint Maritime Commission-Navy Plans Committee; and member of the standing subcommittees of the Joint Logistics and Joint Military Transportation Committees.

Admiral J. F. Farley, Treasury Department. Position: Commandant, United States Coast Guard. Age: 59. Degree: Received commission as an ensign in the Coast Guard on June 10, 1912. Experience: Served on escort and convoy duty in the Mediterranean and between Gibraltar and the ports of Great Britain. Various assignments at sea. February 1925, assigned to Coast Guard headquarters as ordnance officer. March 1937–June 1942 served as chief communications officer at headquarters. During this time was technical assistant to the United States delegation to the International Telecommunication Conference, held in Cairo, Egypt, in February and March of 1938, served as the only United States representative at the European Broadcasting Conference held at Montreux, Switzerland, during March of 1939. Also served as delegate at the International subcommittee of the Third World Conference of Radiotelegraph Experts for Aeronautics, at Cracow, Poland, in May 1939. While at headquarters was a member of the coordinating committee of the Defense Communications Board and also served as an alternate member of the Board. In June 1942 became District Coast Guard officer of the Eighth Naval District, New Orleans, La., received the Legion of Merit for exceptionally meritorious conduct in the performance of outstanding services to the Government of the United States. Returning to Coast Guard headquarters in December 1943, served as assistant chief operations officer until December 1944, was reassigned to duty as chief personnel officer. January 1, 1946, appointed Commandant with rank of Admiral. Member of the United States Naval Institute, the Society of Naval Engineers, the Newcomen Society, the Society of Naval Architects and Marine Engineers and the American Geophysical Union of Washington, D. C.

Capt. H. C. Moore, Treasury Department. Position: Coordinator for Interdepartmental and International Affairs, Office of the Commandant, United States Coast Guard. Age: 46. Experience: Served for a time as instructor in the Department of Mathematics at the United States Coast Guard Academy, New London, Conn. Had various assignments at sea. Since June 1946 has been assigned to Coast Guard headquarters as Coordinator for Interdepartmental and International Affairs. Served as technical adviser on the United States delegation to the International Conference on North Atlantic Ocean Weather Stations, held in London during September 1946. Served as adviser on the United States delegation to the International Whaling Conference, held at Washington, D. C., during November 1946. Was a member of the United States delegation to the international meeting on marine radio aids to navigation, held in New York City and New London, Conn., beginning April 28, 1947. During the period June–July 1947, served as adviser on the United States delegation to the International Congress of River Transportation, held in Paris, France, and represented the United States Coast Guard at the Fifth International Lifeboat Conference held in Oslo, Norway. Was awarded the Bronze Star Medal by Admiral Frank J. Lowry, United States Navy, Commander of the United States Eighth Amphibious Force, in the name of the President for "exceptional ability, resourceful leadership, and outstanding devotion to duty" as commanding officer of the U. S. S. *Duane* prior to and during the amphibious invasion of Southern France in August 1944.

11. Timber

Chairman: Edward I. Kotok, Department of Agriculture. Position: Assistant Chief of Bureau of Forestry, in charge of Division of

Forest Research. Age: 59. Degree: B. S. in Forestry. Experience: 1910–1948, Agriculture Department, Forest Service; has had all operating experience relevant to forestry.

Secretary: William N. Sparhawk, Department of Agriculture. Position: Forest Economist, P–6. Age: 59. Degrees: B. A. in History-Economics; M. F. in Forestry. Experience: 1910–present, Forest Service (as Forest Assistant, Forest Examiner, Forest Economist). In present position as Principal Forest Economist plans and carries out research in forest economics, especially in field of forest resources of United States and world; prepares special reports on forests of designated countries for War Department, consultant to Civil Affairs Division of War Department in developing program for control of forests and forest industries of Japan, consultant and technical adviser to numerous other Government agencies on various phases of forest economics.

Members: Edward C. Crafts, Department of Agriculture. Position: Forest Economist, P–7. Age: 37. Degrees: B. F., M. F., and Ph. D., Forestry. Experience: From 1933 to present (with exception of educational furlough periods) has been continuously employed in the Forest Service in the following positions: Technician and Junior Range Examiner; Forest Ecologist; Forest Economist; and Chief, Division of Forest Economics. As Chief of the Division of Forest Economics, conducts the economic-research program of the Forest Service to furnish basic economic data essential to the formulation and development of forestry and range programs; also coordinates forest and range economic-research projects and programs between experiment stations.

Jacob Crane, Housing and Home Finance Agency. Position: Assistant to the Administrator, P–8. Age: 55. Degrees: B. C. E. Experience: 1942 to date, Special Assistant to Administrator on requests from foreign governments concerning housing matters; advises Administrator, and advises, in conjunction with other departments, such as State and Commerce, on international supply of building materials, equipment, and machinery and other international aspects of housing; 1940–42, Assistant Defense Housing Coordinator, CAF–15, Office of Defense Housing Coordinator; 1938–40, Director, Projects Division and Assistant Administrator, United States Housing Authority; 1933–37, consultant to PWA Housing Division, National Resources Board, FHA, and Suburban Resettlement; 1933, regional planner for TVA; 1921–38, private practice as consulting engineer and city planner in Chicago, Ill.; 1913–20, held positions as assistant engineer, sanitary and public health engineer; in charge of engineering and design of war housing project for United States Housing Corporation.

John F. Shanklin, Department of the Interior. Position: Director of Forests. Age: 44. Degrees: B. S. in forestry. Experience: September 1947 to present, Director of Forests; August 1944 to September 1947, Assistant Director of Forests; May 1942 to August 1944, special assistant to the Assistant to the Secretary in Charge of Land Utilization; June 1933 to May 1942, Forester Inspector and Forester with National Park Service, Department of the Interior; 1929–30, Michigan-Louisiana Lumber Industry, manager of woods and mill operations; 1928–29, Nichols & Cox Lumber Co., research in lumber fixation; 1926–28, Henderson Drying Equipment Corp., research in seasoning of wood.

Frank H. Whitehouse, Department of State. Position: Chief, Forest Products Section, International Resources Division. Age: 42. Degrees: A. B., M. A. Experience: Commodity Specialist, United States Tariff Commission, 1931–42; head of Interdepartmental Committee on Scrap Rubber, member of Interdepartmental Committee on Rubber, member of Subcommittee on Rubber of the Combined War Materials Board, member of Subcommittee on Rubber of the Postwar Economic Committee; United States Army 1942–45, lieutenant colonel, Chief, Paper, Printing, and Publishing Section, Production Division, Headquarters, Army Service Forces, member of (interdepartmental) Paper Requirements Committee; Chief of Agricultural Materials Section, International Resources Division, Department of State, 1945; Chief of Forest Products Section, 1946; member Subcommittee on Forestry and Forest Products of the Federal Committee on International Statistics.

Joseph M. P. Donohoe, Tariff Commission. Position: Chief, Lumber-Paper Division. Age: 5[illegible]. Degree: LL. B. Experience: With Lumber-Paper Division of Tariff Commission since 1922; engaged in studies and investigations relating to resources, production, requirements and international trade in forest products.

Joseph L. Muller, Commerce Department. Position: Acting Chief, Forest Products Division, P–6. Age: 37. Degree: B. S. in Forestry, N. Y. State College of Forestry. Experience: Background includes several years in private lumber industry, and 10 years in Department of Commerce, the last 5 as Chief of Forest Products Section. Numerous publications in wood products fields.

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November 1947: A. C. Cline, Kenneth R. Davis, Harriman Committee Staff Consultants; Theodore Geiger, House Select Committee on Foreign Aid staff; Thomas Gill, Pack Forestry Foundation.

Chairman: Faith Williams, Department of Labor. (See Executive Committee on Economic Foreign Policy.)

Secretary: Jean A. Flexner, Department of Labor. Position: Labor Economist; Grade P–5. Age: 48. Degrees: A. B. and Ph. D. Experience: 2 years—U. S. Department of Labor, Labor Econ., Staff on Foreign Labor Conditions, BLS; Chairman, Western European and British Empire Section. 2 years—War Department, Senior Labor Econ., (Labor Utilization in War Plants and Labor Problems in occupied areas). 8 years—U. S. Department of Labor, Industrial Economist, Division of Labor Standards, (Labor Legislation, labor law administration, employment conditions). 4 years—Brookings Institution, Assistant on Labor and Internationalism, and the American Fed. of Labor. Publications: European Labor Force and ERP 1947; Wage Funds and Wage Policies in Great Britain, 1947 (Monthly Labor Review).

Members: Val R. Lorwin, Department of State. Position: Chief, European Section, Division of International Labor, Social and Health Affairs; Grade P–5. Age: 40. Degrees: B. A. and M. A. Experience: Assistant in department of history, Ohio State University, 1929–30, Cornell University, 1930–32; with American Field Service in France, 1932–33; tutor of history, Brooklyn College, 1933–34; private research, 1934–35, assistant economist, National Recovery Administration 1935–37, Department of Agriculture, 1937–39; associate labor standards analyst, Department of Labor, 1939–41; economist, Office of Civilian Requirements, Office of Production Management, and War Production Board, 1941–43; U. S. Army 1943–46, 1st Lieutenant, overseas service; Office of Strategic Services 1944–45; transferred to Department of State as research analyst, Oct. 1, 1945; chief of European Section, Division of International Labor, Social and Health Affairs, 1946.

Ralph D. Hetzel, Jr., Department of Commerce. Position: Assistant to the Secretary, grade P–8. Age: 35. Degrees: B. A. and Ph. D. Experience: June 1933–January 1935, secretary to Governor of Pennsylvania. August 1937–June 1942, director, economic division, CIO. Assigned to following duties while first lieutenant, captain, and major: June 1942–June 1945, liaison officer, National Selective Service headquarters; July 1942–June 1943, manpower consultant, Labor Production Division, WPB; June 1943–November 1945, Deputy Vice Chairman and Acting Vice Chairman, Office of Manpower Requirements, WPB; November 1945–December 1946, Director, Office of Labor Requirements, CPA.

Alternates: David Lasser, Department of Commerce. Position: Special labor consultant, grade P–7. Age: 45. Degree: B. S. Experience: Five years with War Production Board and CPA Assistant Director, Labor Office, Office of Labor Advisory Committees.

Herbert A. Fierst, Department of State. Position: Foreign affairs specialist (public administration policy), grade P–7. Age: 33. Degrees: B. A. and LL. B.; member of bar of N. Y. Experience: Attorney for law firm 1939–40; associate counsel, N. Y. Commission on Quasi-Judicial Administrative Agencies, 1940–42; attorney, Board of Economic Warfare, 1942; U. S. Army, 1942–46, captain, overseas services; chief of section, War Department, 1946; adviser to U. S. member, 5th session of the Council, United Nations Relief and Rehabilitation Administration, Geneva, 1946; foreign affairs specialist, Office of Assistant Secretary of State for Occupied Areas, 1946.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Ford Hinrichs, Harriman committee staff; Gustav Peck, House Select Committee Foreign Aid staff.

(f) Country Committees

Coordinating group for country studies

Chairman: Henry Labouisse, Department of State (see Advisory Steering Committee on European Recovery Program).

Executive secretary: Leonard Unger, Department of State. Position: Political economist, grade P–6. Age: 30. Degree: B. A. Experience: Assistant research technician, National Resources Planning Board, 1939–41; divisional assistant (geographer), Department of State, 1941–43; agricultural geographer, head of unit, and assistant to adviser, 1944; political economist, 1946; U. S. member of the Economic Committee of the Commission of Experts for the Investigation of the Italo-Yugoslav Boundary, 1946; work for the Council of Foreign Ministers, 1946.

Members: Frederick Strauss, Department of Commerce. Position: Chief, European Division, Areas Branch, Office of International Trade, grade P–8. Age: 44. Degree: Ph. D. Experience: Apr. 1934-May 1941, member of the staff of the National Bureau of Economic Research, NYC. Jan. 1937-May 1941, Department of Agriculture, Office of Foreign Agric. Relations. May 1941–Mar. 1944, Chief of Iron and Steel Production Section (later Deputy Director, Planning and Research Staff, Office of Civilian Requirements, WPB. Mar. 1944–present, entered as Chief of Planning and Control Staff and Assistant Director, Liberated Areas Branch of FEA (later changed to European Branch). Upon formulation of OIT in 1945 became European Policy Specialist, Office of World Trade Policy. After reorganization in 1946 was made Chief of the European Division, Areas Branch to present. In fall of 1946 was member of the United Nations subcommittee visiting the devastated areas of Europe.

Val Lorwin, Department of State. (See Manpower Committee.)

Wayne Jackson, Department of State. (See Organization and Administration Committee.)

William Koren, Jr., Department of State. Position: Chief, Western European Section Division of Research for Europe, grade P–6. Age: 38. Degrees: B. A., B. Litt. and M. A. Experience: Member of research staff, Foreign Policy Association, 1934–35; instructor in history, Princeton University, 1935–36, 1939–41; assistant professor of history, Harvard University, 1937–38; assistant professor of his-

tory and government, Wells College, 1941– ; assistants to the director of research, Office of Coordinator of Information, 1941–42; divisional assistant, Department of State, 1942–43; U. S. armed services, 1943–45; research analyst and section chief, Western European Section, Division of Research for Europe, 1945.

1. Austria

Chairman: Harold C. Vedeler, Department of State. Position: Foreign Affairs Specialist, Division of Central European Affairs, grade P–6. Age: 45. Degrees: B. A. (University of Iowa), M. P. H. and Ph. D. (University of Wis.). Experience: Taught European history at various midwestern universities for approximately ten years; conducted research work in Munich, Nurnberg, Bamberg, Amberg, Wurzburg for one year; entered Department in 1943 and since that time has done extensive research work on the Central European countries with particular emphasis on Austria; material prepared has been used by top governmental officials in international negotiations, such as the Potsdam Conference; author of such books as The Genesis of the Toleration Reforms in Bavaria under Montgeals.

Executive Secretary: Charles Rogers, Department of State. Position: Divisional Assistant (Economist), Production and Labor Section, German and Austrian Branch, Division of Occupied Affairs, Office of Financial and Development Policy, grade P–6. Age: 33. Degrees: B. A. and M. A. and Ph. D. (International Affairs). Experience: June 1941 to Jan. 1942; Economic Analyst, Adm. of Export Control, Economic Defense Board; Jan. 1942 to Feb. 1944, Chief, Sweden, Switzerland Section (planned requirements for those countries from all Allied and overseas sources requiring analysis of Swedish and Swiss economies), Board of Economic Warfare, FEA; Feb. 1944 to Jan. 1946, Army Air Corps; Jan. 1946 to July 1946, Special Assistant on Int'l Aspects of Atomic Energy, U. S. Senate Special Committee on Atomic Energy; July 1946 to present, Divisional Ass't (Economist) responsible for negotiations of economic clauses of Austrian Treaty which has involved attendance at the London Conference of Deputies as Economic Adviser to the U. S. Deputy for Austria, the Council of Foreign Ministers at Moscow as an Economic Adviser, and the Austrian Treaty Commission, Vienna (1947); in addition, assists in the formulation and implementation of U. S. Relief programs in Austria, in the German and Austrian Branch in the Department of State.

Members: Karl H. Koranyi, Department of Commerce. Position: Business Economist (Int. Trade) Chief, Central European Section, P–6. Age: 45. Degrees: Doctor of Political Economy, University of Vienna and diploma, Academy for World Trade, Vienna. Experience: Commerce and banking experience in Central Europe, foreign trade experience in U. S. A., staff member of Office of Commercial Attaché (American Embassy) in Berlin, Germany, and Paris, France, before the war. On detail with the U. S. Strategic Bombing Survey in Europe, and with the Trade and Commerce Branch, Office of Military Government (U. S.) in Germany. Business and pleasure trip in Continental Europe and North Africa before the war.

J. Herbert Furth, Federal Reserve Board. Position: Economist, Foreign Areas Section. Age: 48. Degrees: Doctor of Laws, University of Vienna. Experience: Practicing lawyer in Austria, 9 years; Professor of Economics at Lincoln University, Pennsylvania, 3½ years; Rockefeller Foundation, Social Science Research Fellow, 1 year. Board of Governors of the Federal Reserve System since April 6, 1943.

James E. Wood, Treasury Department. Position: Assistant Chief of the European Division, Office of International Finance, P–7. Age: 41. Degrees: Doctor of Philosophy (Economics, University of California). Experience: Employed by Treasury since June 1941. Worked on Foreign Funds Control and British Empire problems. Financial Attaché, U. S. Embassy, Lisbon, Portugal, May 1943 to Jan. 1946. Observer at Bretton Woods, 1944. Since Jan. 1946, specialist on Portugal, Spain and Tangier, and Germany and Austria; Assistant Chief of European Division having joint responsibility with Chief for administration and work of Division.

Staff: Joseph Rosa, Department of State. Position: Divisional Assistant (Economist) Economic Institutions Section, German and Austrian Branch, Division of Occupied Areas Economic Affairs, Office of Financial and Development Policy, P–6. Age: 42. Degrees: B. A. and M. A. (Economics). Experience: May 1936 to Dec. 1936, Junior Economist, Resettlement Administration; Feb. 1937 to Jan. 1938, Asst. Econ. Analyst, Wisconsin State Tax Commission; Feb. 1938 to June 1938, Research Asst. in land economics and taxation of natural resources, University of Wisconsin; July 1938 to May 1939, Research and Editorial Asst. on preparation of college text on "Financial Govt.," University of Wisconsin; Sept. 1939 to Apr. 1942, Economist, Bureau of Agriculture; Apr. 1942 to Apr. 1944, Research Specialist, U. S. Army, Finance Department; Apr. 1944 to May 1945, Acting Chief in Charge of Public Finance Planning, AF HQ U. S. Group Control Council, Austria; May 1945 to Aug. 1946, Chief, Public Finance Branch, War Dept., Allied Commission, Austria—in this position served as U. S. Representative on the Allied Commission on all matters having to do with Govt. Finance in Austria; Feb. 1947 to present, Divisional Asst. (Economist) in the German and Austrian Branch in the State Department.

Gerti Landauer, Department of State. Position: Economist, Central and European Branch, Division of Investment and Economic Development, Office of Financial and Development Policy, P–4. Age: 29. Degrees: B. A. (Economics). Experience: October 1942 to March 1943, Research Assistant in economics, Federal Reserve Bank; May 1943 to March 1945, Economist, Office of Price Admin.; March 1945 to May 1945, Economic Analyst, Office of Strategic Services, which was later merged with State Department. In this position analyzed Soviet foreign trade and national income with particular emphasis upon trade and other economic agreements with countries behind the "iron curtain" and effect of these agreements upon the satellites' economies; May 1946 to present, Economist in the State Department.

Everett G. Walk, Department of State. Position: Country Specialist, Central European Section, Division of Commercial Policy, Office of International Trade Policy, P–5. Age: 37. Degrees: B. A., M. A., and Ph. D (Economics). Experience: 1938 to 1940, Instructor of Finance, University of Pennsylvania; Oct. 1936 to Dec. 1941, Head Government Bond Section, Trust Dept. Pennsylvania Co. for Guaranty Mortgages; Dec. 1941 to June 1942, Chief, Priorities Section Ordnance Div., OPM; June 1942 to June 1944, Priorities Specialist, Prod. Ser. Br., Ordnance Dept., War Dept.; June 1944 to Nov. 1945, Capt., AUS, serving in Office of Strategic Services with responsibility for training men to handle foreign offices dealing in economics and banking matters; Nov. 1945 to present, held responsible position of country specialist responsible for the preparation of trade agreement negotiations in the Central European Section in the Department of State.

Erwin Strauss, Department of State. Position: Research Analyst, Central European Branch, Division of Research for Europe, Office of Intelligence Research, P–6. Age: 43. Degree: Candidate for Ph. D. (Economics). Experience: 1923 to 1931, Assistant to partner of banking firm, Berlin, Germany; Jan. 1935 to July 1935, travelling representative of Ralph B. Strassburger; July 1935 to Aug. 1938, Economic Analyst, Rural Elec. Admin.; Aug. 1938 to Aug. 1942, Financial Analyst, Securities and Exchange Commission; Aug. 1942 to Nov. 1946; Foreign Trade Analyst, Board of Economic Warfare, Foreign Economic Admin. (Upon liquidation of FEA in Oct. 1945 group transferred to Dept. of Commerce.) Nov. 1946 to present, Research Analyst, Central European Branch in the Department of State directing major research programs for the collection, analysis, and presentation in report form of data relative to social, political, historical, and economic aspects pertaining to Central Europe; 1936, served as Assistant to Executive Secretary, 3rd World Power Conference, Washington.

Myrtle Brickman: Department of Commerce. Position: Business Economist, P–2. Age: 30. Degree: B. A., George Washington University. Experience: Two years' experience in economic warfare (Blockade, FEA); two years in Commerce.

Margaret L. Bell, Treasury Department. Position: Economist, P–3. Age: 32. Degree: B. A., Majored in Economics. Experience: In present position for one year. Represent Treasury in above-mentioned working groups on Austria and Norway. Participate in ERP work under supervision of Chief of European Division of Office of International Finance—area specialization in Austria and Norway.

2. Belgium—Netherlands—Luxembourg

Chairman: Raymond Miller, Department of State. Position: Economic Counselor—FSO–1. Age: 52. Degrees: A. B., M. A., M. S. Experience: 1921–24, Western European Division, Dept. of Commerce; 1924–28, Assistant Comm. Attaché and Commercial Attaché, Paris and Brussels, Dept. of Commerce Foreign Service; 1928–33, Commercial Attaché, Brussels; 1933–34, Foreign Trade Adviser, Agricultural Adjustment Administration, Washington; 1934–35, Chief, European Division, Export-Import Bank, Washington; 1940–41, Foreign Trade Adviser, Advisory Commission to the National Defense Council, Washington; 1941–43, Director of Field Service, Dept. of Commerce, Washington; 1943–44, Assistant Director, Bureau of Foreign & Domestic Commerce, Dept. of Commerce, Wash.; 1944–46, Adviser on Economic Affairs, American Embassy, Brussels; 1946–present, Economic Counselor, American Embassy, Brussels.

Executive Secretary: Richard C. Breithut, Department of State. Position: Assistant Chief in charge of Western European Section, Division of Financial Affairs, Office of Financial and Development Policy, P–7. Age: 37. Degrees; B. S. M. A. (Economics). Experience: July 1933, Investment Analyst; Aug. 1933 to Jan. 1934, Research Associate, Columbia University and 20th Century Fund, Inc.; Sept. 1933 to Feb. 1939, Instructor in Economics, Brooklyn College and Western Reserve University; Feb. 1939 to May 1942, Economist, Federal Reserve Board and Treasury Dept.; May 1942 to Dec. 1945, Lt. Col. and Chief, Analysis and Plans Br., Army Air Forces; Dec. 1945 to present, held responsible positions as Economist and Assistant Chief in the Western European Section, Division of Financial Affairs in the Department of State.

Members: Taylor Musser, Department of Commerce. Position: Finance Specialist. Age: 47. Degrees: B. S., M. S., Ph. D. Experience: Twelve years of work with United States Government on international economic relations, principally with FEA Tariff Commission and Commerce. College professor of economics. American Field Service Fellow in France.

Robert W. Bean, Federal Reserve Board. Position: Economist, Foreign Areas Section. Age: 31. Degree: A. B. Experience: With Board of Governors of the Federal Reserve System since September 22, 1941. In April 1944 assigned by United States Army to Office of Strategic Services and worked in

Washington and London on various European economic projects; in November 1944 designated member of mission to Norway to study problems of the Scandinavian countries, Finland in general and Norway in particular. (Military service January 20, 1943, to March 5, 1946.)

George H. Willis, Treasury Department. Position: Chief, European Section, P–8. Age: 38. Degrees: S. B., A. M. Majored in Economics. Experience: Tutor and Instructor in Economics (Money and Banking), Harvard University, 1932–34; Accountant Arthur Andersen & Co., 67 Wall St., New York City, 1934–35; Economist, Foreign Research Division, Federal Reserve Bank of New York, 1935–40 (Western Europe, British Empire); War Production Board, 1941; Treasury Dept., Division of Monetary Research, 1941–42; Lt. U. S. Navy 1942–45, Contract Division, Bureau of Supplies and Accounts, 1942–43; Finance Sub-Commission, Allied Commission for Italy, 1943–45 (Military Government in Italy); Treasury Dept., Office of International Finance, 1945–47, European Division Ass't Chief, 1946; Chief, 1947 to present time (International Financial Work).

Staff: Clinton Knox, Department of State. Position: Branch Chief, Division of Research for Europe, Office of Intelligence Research—P–7. Age: 39. Degrees: A. B., M. A., Ph. D. (History). Experience: Instructor in European history, Morgan State College, September 1931 to September 1943; United States Army, September 1943 to March 1944; Research Analyst responsible for France and Low Countries, Office of Strategic Services, March 1944 to November 1945; held responsible positions as Deputy Section Chief and Branch Chief, Northern and Western European Branch, Division of Research for Europe in the Department of State, October 1945 to present.

Paul Hoover, Department of State. (See Iron and Steel Committee.)

Marcia Harrison, Department of State. Position: Divisional Assistant (Economist), Research and Statistics Section, Division of Commercial Policy, Office of International Trade Policy P–4. Age: 29. Degree: A. B. (English). Experience: Associate Business Economist, Office of Price Administration, November 1941 to August 1944; Foreign Economic Analyst, European (Liberated Areas) Branch, Foreign Economic Administration, August 1944 to August 1945; Economist, Bureau of Areas, Foreign Economic Administration, August 1945 to September 1945; Economist and Divisional Assistant (Economist), Research and Statistics Section, Division of Commercial Policy, performing responsible research and statistical work in European economics in the Department of State.

Elizabeth Otey, Department of State. Position: Economist, Europe, Africa, Near and Middle East Section, Division of Investment and Economic Development, Office of Financial and Development Policy, P–6. Age: 67. Degrees: A. B., Ph. D. (Economics). Experience: 1910 to 1933, active in suffrage, civic and political affairs; Dec. 1933 to Mar. 1934, Gov't Relief Director, Federal Emergency Relief Adm.; June 1934 to Feb. 1935, Associate Code Adviser, Nat'l Recovery Adm.; Feb. 1935 to May 1935, Director of Bryn Mawr School for Women Workers; June 1936 to July 1943, Associate Social Science Analyst, Social Security Board; July 1943 to Aug. 1944, Economic Analyst, Foreign Economic Admin.; Aug. 1944 to present held responsible position as Economist in the Europe, Africa, Near and Middle East Section, Division of Investment and Economic Development in the Department of State.

Walter Buchdahl, Department of Commerce. Position: Business Economist, P–3. Office of International Trade. Age: 40. Degree: Doctor of Jurisprudence, Erlangen, Germany. Experience: 2 years as economist with OIT, 8 months business analyst with Treasury. 16 months social science analyst (mainly economic problems) with OWI. Practical training and experience in American wholesale and retail business (6 years), studies in German Universities, thorough knowledge (from travel, studies, and practical experience) of Netherlands economy and laws, European economic conditions in general, western European import-export pattern. Thorough knowledge of the Netherlands language (as well as German and French).

Clarence Seigel, Department of Commerce. Position: Business economist, P–4, Office of International Trade. Age: 30. Degree: B. A. Univ. of Chicago, 1938 (also year of grad. study, University of Chicago, 1938–39. Experience: Sept. 1947 to present working on French economic and trade problems. July 46–Sept. 47, program analyst in Office of Housing Expediter. Made supply requirement studies on ferrous building materials. Nov. 45–July 46, Economist in Civilian Production Admn. Worked on industry studies. July 42–Oct. 45, served in Army doing general administrative work. Stationed in French North Africa from Jan. 43–Nov. 43, and in Italy from Nov. 43–Oct. 45. Nov. 41–July 42 economist in War Production Board. Worked on supply requirement studies for zinc and other nonferrous metals. June 41–Nov. 41, trainee with Surplus Marketing Adm., USDA. Worked on food purchase study in Kansas City, Mo., and helped install Food Stamp Plan in State of Michigan. June 40–June 41, clerk Census Bureau. Coded and edited 1939 census of population figures.

Frances M. Miller, Treasury Department. Position: Economic analyst, Office of International Finance, P–4. Age: 36. Degree: B. A., M. A. Majored in economics. Experience: Served in OIF since April 1945; member of Finance Division of OMGUS from July 1945 to Dec. 1945. Since beginning of 1946 have worked on northwestern European problem. At present area specialist in OIF for France and Netherlands, responsible to Chief of European Division.

Ellen Mahoney, Treasury Department. Position: Economic analyst, Office of International Finance, P–2. Age: 40. Degrees: A. B. (history and foreign languages), M. A. (economics with specialty in the international field). Experience: I have been employed by the Treasury for the past five years. At present I am an area specialist in the Office of International Finance (under the direct supervision of Mr. George H. Willis, Chief of the European Section). The countries for which I am responsible include Belgium-Luxembourg, Denmark, and Iceland.

Paul C. Parker, Treasury Department. Position: Economist. Office of International Finance, P–5. Age: 28. Degrees: B. A. (majored in economics). Experience: Has served as an economist with the Far Eastern Section of the Office of International Finance for two years, having principal responsibility for the Netherlands, East Indies, Philippines, Korea, and Japan. Served as advisor to the U. S. delegate to the meeting of the United Nations Temporary Subcommission on the Reconstruction of Devastated Areas in the Far East in Mar. 1947 and as observer at the meeting of the Committee of the Whole of the Economic Commission for Asia and the Far East in July 1947. Was a member of the Special Trade Mission to Japan, June 1947.

3. France

Chairman: Woodruff Wallner, Department of State. Position: Associate Chief, Division of Western European Affairs, P–8. Age: 41. Degree: B. A. (Columbia). Graduate work at Columbia University; certificate from Sorbonne University; attended schools in France and Switzerland. Experience: Vice consul, Naples, 1935; Barcelona, 1937; Valencia, 1938; and Paris, 1939; third secretary at Paris in addition to duties as vice consul, 1940, also at Vichy, 1940–42; divisional assistant, Office of European Affairs, 1944; political and liaison officer, United States delegation, United Nations Conference on International Organization, San Francisco, 1945; country specialist, Division of Western European Affairs, 1945; assistant chief, Division of Western European Affairs, 1946.

Executive secretary: Ivan White, Department of State. Position: First secretary and consul, Paris, FSO–3. Age: 40. Degree: A. B. Experience: Appointed Foreign Service Officer, October 1, 1935; special assistant to secretary general, United Nations Monetary and Financial Conference, Bretton Woods, N. H., 1944; Paris, September 25, 1944, to present; liaison officer, inaugural meeting International Monetary Fund and International Bank for Reconstruction and Development, Savannah, 1946; first secretary and consul, Paris, July 18, 1947.

Maurice Levy-Hawes. (Mr. Levy-Hawes succeeded Mr. White on the latter's return to the Paris Embassy.) Executive secretary: Department of State. Position: Divisional assistant (economist). Western European Branch. Division of Financial Affairs. Office of Financial and Development Policy. P–5. Age: 34. Degrees: B. A. and M. A. (economics). Experience: December 1937 to September 1940, instructor in economics, Bard College, Columbia University; September 1940 to June 1941, lecturer in economics, Randolph-Macon College; January 1942 to February 1943, economist (conducting studies of wartime economic controls, chiefly in Germany, France, and United Kingdom), Office of Civilian Supply War Production Board; February 1943 to February 1946, United States Navy; February 1946 to present, economist, western European section in the Department of State.

Members: Taylor Musser, Department of Commerce. (See Committee on Belgium-Netherlands-Luxembourg.)

Albert O. Hirschman, Federal Reserve Board. Position: Economist, foreign areas section. Age: 33. Degrees: B. C., doctor in economic science, bachelor of commerce, and diploma in statistics. Experience: Rockefeller Foundation, research in international trade problems at University of California for 2 years; Carnegie endowment for international peace, research in China's monetary problems for 3 months; United States Army, attached to the Office of Strategic Services for 2 years, doing research on French and Italian economic problems, and spent time in those countries; Office of Business Economics for about 6 months; Board of Governors of the Federal Reserve System since November 4, 1946.

Frances Miller, Treasury Department. (See country committees—Belgium, Netherlands, Luxembourg.)

Staff: Clarence Seigel, Department of Commerce. (See country committees, Belgium, Netherlands, Luxembourg.)

Alfred Reifman, Department of State. Position: Economist, Economic Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research, P–5. Age: 28. Degrees: A. B. and M. A. (Economics.) Experience: Economist, Office of Price Admin., June 1941 to Oct. 1942; U. S. Army, 1942 to 1944; July 1944 to Sept. 1945, Economic Analyst, Office of Strategic Services (prepared reports on economic conditions in liberated Western Europe); Oct. 1945 to present, held responsible position of Economist, planning studies of the international financial position and credit needs of the European Countries, in the Economic Section, Northern and Western European Branch, Division of Research for Europe in the Department of State.

Val Lorwin,, Department of State. (See Manpower Committee.)

William Koren, Department of State. (See Coordinating Group for Country Studies.)

Leon Goldenberg, Department of State. (See Iron and Steel Committee.)

John Kean, Department of Commerce. Position: Business Economist (Foreign Trade) (P–3). Age: 26. Degrees: B. A., M. A., Economics. Experience: Four and one-half years as economist in the Department of Commerce, specializing on economic problems of France and French Overseas Areas. Member of Country Committee on France preparing for recent ITO Conference in Geneva. Author of numerous published and unpublished studies on the foreign trade of and economic conditions in France and French Overseas.

4. Greece

Chairman: William M. Rountree, Department of State. Position: Special Assistant for Economic Affairs, P–7, Office of Near Eastern and African Affairs. Age: 31. Degree: LL. B. (Columbus University, Washington, D. C.). Experience: August 1942 to November 1945, U. S. Foreign Service, American Legation, Cairo, Egypt, General Assistant to Principal U. S. Economic Representative to the Middle East. Has six years in Government fiscal program: Treasury; Budget Officer at Lend Lease Administration; served as assistant to Director of American economic operations in Middle East; representative on Anglo-American Middle East Supply Center.

Executive Secretary: John B. Lindeman, Department of State. Position: Assistant Chief in charge of British Commonwealth, Africa, and Middle East Section of the Division of Investment and Economic Development, P–7. Age: 35. Degrees: M. A. (Economics) A. B. Experience: September 1935 to October 1939, employed as salesman in various stores in North Carolina and Washington. Appointed to Department of Commerce as Economist in October 1939, where he served until March 1942. March 1942 to September 3, 1947, progressively responsible economic positions with the Office of Price Administration, including the positions of Associate Price Manager for control of prices on lumber and related products; Assistant Division Director in the Price Department. From September 3, 1946, to March 28, 1947, served as Head, Distribution and Control Unit in UNRRA, where, with two other unit members (one Russian and one English) visited countries receiving UNRRA assistance and appraised distribution. Surveys involved on-the-spot investigations in Austria, Yugoslavia, and Greece. From April 1947 to June 1947, reemployed in OPA as Assistant Director, Building and Construction. Appointed to American Mission for Aid to Greece on July 10, 1947, and later transferred to present position.

Members: Samuel Goldberg, Department of Commerce. Position: Business Economist (P–5), Office of International Trade. Age: 50. Degrees: B. C. S., L. L. B., Postgraduate work in economics and science. National University, Southeastern University. Experience: Specialized in Balkan and Near East affairs in Department of Commerce since 1924. Has traveled in Europe, Near East, North Africa, and Caribbean area.

J. Herbert Furth, Federal Reserve Board. (See Country Committees—Austria.)

George Willis, Treasury Department. (See Country Committees—Belgium, Netherlands, and Luxembourg.)

Staff: Arthur Beach, Department of State. Position: Chief, Economic Section, Near Eastern Branch, Division of Research for Near East and Africa, Office of Intelligence Research, P–6. Age: 40. Degrees: A. B. (Economics.) Experience: July 1927 to June 1938, Assistant Archivist, Department of State. July 1938 to February 1942, Associate Archivist, The National Archives. February 1942 to May 1942, Administrative Officer, The National Archives. June 1942 to July 1943, Chief, Document Security Section, Board of Economic Warfare. July 1943 to December 1943 served as Representative of the Department of State on the Policy Committee of the Board of Economic Warfare. December 1943 to July 1944, Assistant Chief, Textile, Clothing and Leather Section, Foreign Economic Administration. July 1944 to February 1945, Economic Analyst, American Economic Mission to the Middle East. February 1945 to December 1946, Economic Analyst, American Embassy, Cairo, Egypt. December 1946 to present, Chief, Economic Section, Near Eastern Branch, Division of Research for Near East and Africa in the Department of State.

Charles Glendining, Department of State, Position: Economist, Far and Middle Eastern and African Branch, Division of Financial Affairs, Office of Financial and Development Policy, P–6. Age: 31. Degrees: A. B., M. A. (Economics). Experience: June 1942 to July 1943, instructor in Economics, Princeton University. July 1943 to May 1947, Middle East Treasury Representative, participating in negotiations for financial settlements on surplus and lend-lease property in Turkey and other Middle Eastern countries. May 1947 to December 1947, Economist, Far and Middle Eastern and African Branch in the Department of State.

John M. Kennedy, Department of State. Position: Country Specialist, Central European and Italian Section, Division of Commercial Policy, P–6. Age: 47. Degrees: B. S. (Economics). Experience: Salesman and buyer of cotton, March 1920 to April 1924. Newspaperman December 1924 to August 1926. United States Assistant Trade Commissioner for Department of Commerce in Italy, October 1929 to July 1933. Information Specialist, Department of Agriculture, December 1933 to July 1940. Agricultural Economist, July 1939 to September 1944. Held responsible position of Country Specialist for matters involving the commercial policy of the United States with Germany or Italy in the Central European and Italian Section, Division of Commercial Policy in the Department of State.

Beatrice S. Baum, Treasury Department. Position: Economist, European Division, P–4, Office of International Finance. Age: 27. Degrees: A. B. (Economics). Experience: Over 5 years with Office of International Finance. Since October 1943 has been area specialist. Present assignment includes responsibility to Chief of European Division for Greece and Sweden.

5. Italy

Chairman: Walter C. Dowling, Department of State. Position: Assistant Chief of Southern European Affairs, P–7 (FSO–3). Age: 42. Degree: B. A. Experience: Appointed vice consul 1931. Assigned as Staff Member, United States Advisory Council for Italy, 1944. Assistant Chief of Southern European Affairs November 8, 1945 to present.

Executive Secretary: William Stibravy Department of State. Position: Assistant Chief, Eastern European Section, Division of Financial Affairs, Office of Financial and Development Policy, P–7. Age: 31. Degrees: A. B., M. A. (Economics). Experience: Associate Economist, Division of Monetary Research, Treasury Department, May 1941 to May 1942. Divisional Assistant (economist) in the Division of Financial Affairs, Office of Financial and Development Policy from May 1942 to August 1943 and May 1945 to March 1947. Served with the U. S. Army from August 1943 to May 1945. In March 1947 appointed to present position of Assistant Chief, Eastern European Section, Division of Financial Affairs, Office of Financial and Development Policy.

Members: Katherine Jacobson, Department of Commerce. Position: Chief Latin Section, P–6. Office of International Trade. Age: 42. Degrees: B. Sc. (math.) London; M. A. (economics) UCLA, 2 yrs. post grad. work in economics and statistics at Columbia where residence for Ph. D. was completed; grad. work at London School of Economics, 1933–34. Experience: 1937–40 Instructor of Economics, Brooklyn College; 1940–42 member of staff of Consumer's Div. of Council for National Defense; 1942–47 Office of Agricultural War Relations setting up statistical system for allocation of food out of US supplies and until April 1947 served as Chief of the Coordination and Statistics Div. of the Office of Requirements and Allocations (under several reorganizations of the USDA). Sept. 1947 to present Chief Latin Section, OIT, specializing in economic structure and foreign trade of Italy, Spain, and Portugal.

Albert Hirschman, Federal Reserve Board. (See Country Committees—France.)

George Willis, Treasury Department. (See Country Committees—Belgium, Netherlands, and Luxembourg.)

Staff: Gesualdo Costanzo, Department of State. Position: Divisional Assistant, P–5 Eastern European Section, Division of Financial Affairs, Office of Financial and Development Policy. Age: 31. Degrees: A. B., M. A., Ph. D. (Economics). Experience: Research Assistant at the Brookings Institution, Washington, D. C., from June to November 1940, where he was an associate author of "Nazi Europe and World Trade." Served as an economist at the Bureau of Mines, 1940 to 1941. From July to October 1941, worked as an economist for War Production Board, where he set up the system for compilation and analysis of munitions production. Professor of Economics at University of Maryland from September 1941 to May 1942. Economist at the U. S. Bureau of Foreign and Domestic Commerce from May 1942 to February 1943. Naval Intelligence officer from February 1943 to April 1946. In April 1946 appointed to present position in the Department of State.

George Tesoro, Department of State. Position: Economist, P–6, Europe, Africa, Near and Middle East Section, Division of Investment and Economic Development, Office of Financial and Development Policy. Age: 43. Degrees: J. D., Dr. of Political Science. Experience: Corporation lawyer and tax expert in Rome, Italy, 1927 to 1938; also instructed economics and related subjects at the University of Rome, 1929 to 1935 and the University of Bari 1935 to 1948. General manager of a chemical concern in Geneva, Switzerland, 1939 to 1940. Prepared and announced Italian news broadcasts from New York 1941 to 1942. Taught economics and related subjects at Lawrence College, Appleton, Wisconsin, January 1942 to May 1942. Lecturer in economics and related subjects at American University, Washington, D. C., June 1942 to present. Worked in the Office of Economic Warfare and Office of Emergency Management analyzing relief and rehabilitation requirements for specific areas throughout the world, March 1943 to June 1945. Chief of Research Section of the Italian Division in the Office of Emergency Management, directing Italian economic situation, January 1945 to August 1946. Appointed to present position with the Department of State in August 1946. Studied the Italian economic situation extensively and wrote several pamphlets and books on the subject. Member of American Economic Association; Royal Economic Society, London; Tax Institute; American Academy of Political and Social Sciences.

Jacob Kaplan, Department of State. (See Inland Transport Committee.)

Clinton L. Doggett, Department of State. Position: Economist, P–2, Economic Section,

Southern European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 26. Degrees: A. B. (Economics, M. A. (International Economics). Experience: Appointed to present position October 1946. Prepares interpretive and analytical research reports relating to the economic conditions of the countries of southern Europe.

Seymour Pollack, Treasury Department. Position: Economist, P–4, Office of International Finance. Age: 28. Degree: B. A., plus 1½ years of graduate school (economics). Experience: Four years' specialization in financial and economic research and policy work of U. S. Treasury relating to Italian economy. Three months overseas experience in 1945 in Treasury office in Italy to make first-hand survey of conditions in Italy following the liberation of northern Italy from the Germans. Acted as Treasury country specialist advisor to members of technical staff of Herter committee who desired information regarding administration plans for interim-aid program in 1947.

6. Scandinavia

Chairman: Robert Hooker, Department of State. Position: Associate Chief, Division of Eastern European Affairs, grade P–8. Age: 46. Degrees: A. B. and J. D. Experience: Assistant to Commissioner, U. S. Maritime Commission, 1941–43; executive assistant to Assistant Secretary of State, 1943; special assistant to the Director of Office of Transportation and Communications, 1945; Assistant Chief, Division of Eastern European Affairs, 1945; member, U. S. Delegation, International Conference on European Inland Transportation, London; adviser to U. S. member, 4th session of the Council, United Nations Relief and Rehabilitation Administration, Atlantic City, N. J., 1944; adviser to U. S. member, 5th session of the Council, United Nations Relief and Rehabilitation Administration, Geneva, Switzerland, 1946.

Executive Secretary: L. Randolph Higgs, Department of State. Position: Counselor, Bern, grade FSO–3. Age 38. Experience: Appointed Foreign Service officer, December 17, 1931; Helsinki, vice consul, third secretary, July 23, 1936–May 10, 1940; Stockholm, vice consul, second secretary, April 1, 1944–July 1, 1944; Helsinki, secretary of the mission, December 6, 1944–February 27, 1945; Stockholm, February 27, 1945–March 2, 1945; Helsinki, March 2, 1945–May 1, 1945; Stockholm, consul, second secretary, May 1, 1945–October 7, 1947; Stockholm, consul, first secretary, June 5, 1945–September 7, 1947; Bern, counselor, September 7, 1947, to the present.

Members: Grant Olson, Department of Commerce. Position: Business Economist (P–5). Age: 43. Degrees: A. B., Lutheran College, Decorah, Iowa; M. A., American University. Experience: Member of the staff of the American Consulate General, Stockholm, Sweden, 1927–29, working on trade promotion, commercial and economic reporting; 1930–36, Bureau of the Census, Division of Wholesale Distribution, and Field Supervisor business, agriculture and manufacturers censuses; Tariff Division of Bureau of Foreign and Domestic Commerce, trade-control analyst for Scandinavian and Baltic countries, 1936–40; Regional Division of Bureau of Foreign and Domestic Commerce, economic analyst for Scandinavian countries, 1940–42. Attaché, American Legation, Stockholm, Sweden, 1943–45. Assistant Commercial Attaché, 1945. Member of European Division, 1946 to present, handling Norway and Sweden.

Robert Bean, Federal Reserve Board. (See Committee on Belgium, Netherlands, and Luxembourg.)

George Willis, Treasury Department. (See Committee on Belgium, Netherlands, and Luxembourg.)

Staff: George Alsberg, Department of State. Position: Economist, Economic Section, Northern and Western European Branch; Division of Research for Europe, Office of Intelligence Research, grade P–4. Age: 32. Degree: A. B. Experience: Research in the occupational status of the Negro in Virginia in capacity of consulting engineer with the Virginia State Board of Education, April to September 1940. Served in the United States Army, 1942 to 1945. Appointed as an economist with the Department of State, September 1946, and to present position, November 1947. Attended school in France and Germany, 1931–32.

Richard C. Breithut, Department of State. Position: Economist, Western European Section, Division of Financial Affairs, Office of Financial and Development Policy, grade P–7. Age: 47. Degrees: B. S. and M. A. Experience: Investment analyst in New York, July to September 1933; research associate with Twentieth Century Fund, Inc., New York, October 1933 to January 1934, where he participated in a survey of the security markets; economic instructor (evenings) at Brooklyn College, Brooklyn, N. Y., September 1933 to June 1934; economic instructor at Western Reserve University, Cleveland, Ohio, September 1934 to February 1939; economist with the Federal Reserve System, Washington, D. C., February 1939 to July 1941; economist with the Treasury Department, Washington, D. C., July 1941 to May 1942; United States Army, May 1942 to November 1945, where he was Chief of the Analysis and Plans Branch with the Army Air Forces; appointed to the Department of State as an economist in the Western European Section in December 1945 and appointed to present position March 1947.

Elenor G. Murphy, Department of State. Position: Divisional Assistant, Western European Section, Division of Financial Affairs, Office of Financial and Development Policy, grade P–5. Age: 38. Degrees: B. A. and M. A. Experience: Employed in various offices as an economist and statistician, 1935–36; economist with the Department of Commerce, War Plants Corporation, and War Assets Administration, November 1939 to October 1947; appointed to present position with the Department of State, October 1947.

Eddie W. Schodt, Department of State. Position: Research analyst, Northern European Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research, grade P–4. Age: 33. Degrees: B. A. and M. A. Experience: Research assistant with Office of Strategic Services, Feb. 1942 to Sept. 1942, where he assisted the Chief of the Scandinavian Section in compiling and analyzing data and preparing reports on Scandinavia; counterintelligence officer with U. S. Army, Sept. 1942 to April 1946; appointed to present position with the Department of State in June 1946, where he has been analyzing and evaluating political and social materials on the Scandinavian countries.

Ellen Maloney, Treasury Department. (See County Committees—Belgium, Netherlands, Luxembourg.)

7. Switzerland—Portugal

Chairman: Auterbridge Horsey, Department of State. Position: 2nd secretary, Consul (FSO–3). Age: 37. Degrees: B. A., S. B. Experience: Special assistant at National Emergency Council, 1934 to 1936. Appointed Foreign Service officer April 6, 1938. Attached to office of President's special representative and Chief Civil Affairs Officer February 3, 1943, to September 19, 1944. Detailed to the Department September 19, 1944. Assistant Chief, Division of Western European Affairs.

Executive secretary: William G. Conklin, Department of State. Position: Country specialist, P–6. Division of Western European Affairs. Age: 42. Degrees: A. B., B. S. Experience: Library assistant at Princeton University October 1933 to September 1936. Vice Consul at Geneva and Antwerp April 1938 to February 1942. Economic analyst with the Foreign Economic Administration February 1942 to September 1945, where he analyzed and evaluated material concerning the economic position of the European enemy. Service as a member of the Combined Economic Warfare Agency in Cairo and Athens, 1944 to 1945. Transferred to the Department of State, October 1945, where he served as Acting Chief of the Export-Import Section. Assigned as country specialist in July 1946 and promoted to present position in August 1947. Prior to his appointment with the Department of State, 1936 to 1938, he studied subjects such as international law, international trade, commercial law, economics, history, and finance.

Members: Charles Barrett, Department of Commerce. Position: Business economist, P–3. Office of International Trade. Age: 30. Degree: AB in economics, Boston College, 1939. Experience: 3 years' experience in Bureau of Foreign and Domestic Commerce of which 17 months have been spent as a business economist on the Swiss country desk in the European Division. Three years in United States Army, of which 15 months spent in the European theater of operations.

Albert Hirschman (see Country Committees—France).

James Wood (see Country Committees—Austria).

Staff: Edmund A. Da Silveira, Department of State. Position: Research Analyst, P–3; Western European Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 33. Degree: A. B. (Spanish). Experience: Taught Portuguese at the Universtiy of Washington, Seattle, Wash. September 1941 to June 1942. Research Analyst with War Department, Washington, D. C., June 1942 to October 1943. Served with U. S. Army, October 1943 to July 1946, where he did military intelligence work. Appointed to present position with the Department of State, October 1946.

Raymond Fernandez, Department of State. Position: Research Analyst, P–5; Economic Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 44. Degree: LL. B. Experience: Worked for a firm of importers and exporters in London, England, February 1921 to August 1922. Worked in various offices in Antequero, Spain, October 1922 to July 1925. Purchasing agent and expediter for furniture manufacturers at Manila, Philippine Islands, July 1925 to May 1928. Aid to Administrative Director of the Legal Division, National Recovery Administration, Washington, D. C., July 1933 to August 1935. Senior Audit Reviewer in the Allowance Review Section, General Accounting Office, August 1935 to September 1942. Administrative Analyst, Board of Economic Warfare, Washington, D. C., September 1942 to June 1943. Chief, Foreign Administrative Services Division, Foreign Economic Administration, July to December 1943. Assistant Executive Officer, Foreign Economic Administration, January to September 1944. Economic Analyst, Department of State, Paris, France, September 1944 to November 1946. Research Analyst, Department of State, Washington, D. C., November 1946 to date.

Maurice Levy-Hawes (see Country Committees—France).

Nicholas Milroy, Department of State. Position: Economist, P–4; Economic Section, Northern and Western European Branch, Division of Research for Europe. Age: 37. Degree: M. S. (Economics and Business Administration). Experience: First Assistant Manager, Foreign Department, Hungarian General Credit Bank, Budapest, Hungary, October 1936 to January 1940. Consultant on international banking and translator, May 1941 to June 1943. Served with Military Intelligence Division, U. S. Army, January 1943

to August 1945. Appointed as Economic Analyst, Foreign Economic Administration, August 1945. Transferred to Department of State as Country Specialist, July 1946; reassigned as Research Analyst, March 1947. Resided and attended schools in Hungary and Switzerland.

Fred Neter, Treasury Department. Position: Translator, CAF–7, European Division, Office of International Finance. Age: 34. Experience: Six months at Tariff Commission (American Economic and Financial Advisory Mission to the Minister of Finance at Venezuela). Three years in Latin American diplomatic headquarters. Two years with Foreign Funds Control, Treasury Department, Washington. Eighteen months with Treasury Department, Washington, devoted in part to special research work on the economic structure and development of the countries of the Iberian Peninsula, with particular emphasis on public finance, administrative controls, foreign trade, international financial position, and related phases of the respective national economy. In this connection, familiarity with the pertinent languages enhanced the scope of research activities considerably. Attendance at various international conferences (including First Annual Meeting of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development) only in the capacity of interpreter.

Seymour Pollack. (See Country Committees—Italy.)

8. Turkey

Chairman: Paul McGuire, Department of State. Position: Assistant Chief, Financial Affairs. Age: 33. Degrees: B. A., M. A. Experience: Business Economist, Petroleum Price Branch, OPA, June 1941 to April 1943; divisional assistant, Office of Adviser on International Economic Affairs, and Divisional Assistant and Economist, Division of Financial and Monetary Affairs, P–6, 2 years; Assistant Chief, Division of Financial Affairs, Far and Middle East and African Section, P–7, 21 months; Associate Chief, Division of Financial Affairs, P–8, 1 year. July 1938 to October 1939, Rate Analyst with Public Service Commission of Wisconsin.

Executive Secretary: Herbert Cummings, Department of State. Position: Assistant Chief, P–7. Age: 32. Degrees: B. S., M. A. Experience: Teacher of commercial subjects in high school, September 1937–May 1938; instructor in economics and accounting, University of Pittsburgh, September 1938–November 1941; Economist with Department of State, Division of Foreign Activity Correlation, November 1941–March 1943; Economic Analyst at Istanbul, Turkey, March 1943–December 1944; appointed to present position, January 1945.

Members: Samuel Goldberg, Department of Commerce. (See Committee on Greece.)

J. Herbert Furth, Federal Reserve Board. (See Committee on Austria.)

William L. Hebbard, Treasury Department. Position: Chief, British Empire and Middle East Section, P–7, Office of International Finance. Age: 35. Degrees: B. S., M. A. Experience: One year as special assistant to Director of Geneva Research Centre, Geneva, Switzerland (1938–39), specializing in European trade and investment problems (prior to Treasury employment); employed by Treasury since 1940; earliest work on U. K. investments throughout the world, problems of financing British war effort; in 1941 assigned to Manila (United States High Commissioner to Philippines) in charge of census of foreign-held assets in United States and Territories, Philippine Islands; in 1945 returned to Washington; in charge of United Kingdom and British Empire work; in this position since that time.

Staff: Francis Boardman, Department of State. Position: Country Specialist, P–5, Near and Middle Eastern and African Affairs Section, Division of Commercial Policy. Age: 32. Degree: B. A. Experience: Teacher of English and Sociology at American University, Beirut, Lebanon, Syria, September 1938–September 1941; economic analyst, Foreign Economics Administration, April 1942–March 1944; economist with Department of State, July 1944; country specialist with Department of State, April 1945; from October 1941 to February 1942, traveled throughout the Middle East and India.

Charles Glendenning, Department of State. (See Committee on Greece.)

Gideon Hadary, Department of State. Position: Research analyst, P–5, Economic Section, Near Eastern Branch Division of Research for Near East and Africa. Age: 28. Degrees: B. S., M. S., Ph. D. Experience: Research consultant with the National Affairs Council, Chicago, Ill., May, 1940–June 1943; agricultural economist with Department of Agriculture, Chicago, Ill., and Washington, D. C., June 1943–November 1944; served with the United States Army, attached to the Office of Strategic Services in Cairo, Egypt, November 1944–December 1945; appointed to present position with the Department of State, January 1946.

Harry S. Weidberg, Treasury Department. Position: Economist, P–4, Office of International Finance. Age 38. Degrees: B. A., LL. B. Experience: Served as Treasury representative on the country committee in compilation of pertinent statistics on finance, trade, etc.; drafted sections of country study text; served as technical advisor to NAC staff committee on Maritime Commission credit to Turkey; prepared NAC staff committee paper on the par value of the Turkish currency; participated in interdepartmental meetings with Turkish committee; attended on questions concerning Turkish availabilities for meeting United States obligations.

9. United Kingdom and Ireland

Chairman: Avery Peterson, Department of State. Position: First secretary, consul, FSO–3. Age: 41. Degree: B. S. Experience: Trade Commissioner, Ottawa for Department of Commerce, August 11, 1930, to July 1, 1939; appointed Foreign Service officer July 1, 1939; served in London March 17, 1942, to December 15, 1947; appointed first secretary and consul, London, June 5, 1945; appointed to post in Stockholm December 15, 1947.

Chairman (Mr. Jackson succeeded Mr. Peterson on the latter's return to his post abroad): Wayne Jackson, Department of State. (See Organization and Administration Committee.)

Executive secretary: Herbert P. Fales, Department of State. Position: Assistant Chief, Division British Commonwealth Affairs. Age: 43. Degree: A. B. Experience: 1928–33, worked for the Security National Bank, Pasadena, Calif., was promoted to cashier; 1933–34, made special study of trust department of Northwestern National Bank & Trust Co. of Minneapolis, Minn.; July 8, 1937, appointed Foreign Service officer, July 8, 1937, to June 17, 1938, Berlin; July 19, 1938, to June 12, 1940, Vienna; October 6, 1944, to November 7, 1946, London; January 2, 1947, Assistant Chief, Division of British Commonwealth Affairs.

Members: John Cassels, Department of Commerce. (See Correlation Committee.)

Charles Harley, Federal Reserve Board. Position: Economist, International Economic Policy Section. Age: 35. Degrees: A. B., M. A. Experience: Board of Governors of the Federal Reserve System since March 18, 1941.

William Hebbard, Treasury Department. (See Committee on Turkey.)

Staff: John Lindeman, Department of State. (See Committee on Greece.)

Alex Rosenson, Department of State. Position: Assistant Chief, British Commonwealth Section, Division of Financial Affairs, Office of Financial and Development Policy, P–7. Age: 47. Degrees: B. S., M. A. (Economics); Graduate work in Economics. Experience: In retail clothing business from 1923–36; attending Universities of Chicago and California from 1936 to 1940; September 1940 to November 1940, research worker for Brookings Institution; Economist for the Federal Deposit Insurance, November 1940, to June 1942; appointed to the Department in June 1942, and since that time has held responsible positions in the economic field, including positions in the Divisions of Economic Studies and Financial and Monetary Affairs.

James H. Lewis, Department of State. Position: Country Specialist, Division of Commercial Policy, Office of International Trade Policy, P–6. Age: 35. Degrees: A. B. (Economics, Political Science, History), A. M. (International Law). Experience: Responsible positions within the Department of State from March 1936 to April 1942 in the economic field; served as Economic Analyst (Foreign Service), in the American Embassy, London, from April 1942 to March 1944, at which time he was reappointed to the Department as assistant in the Division of Commercial Policy, working on the initiation and execution of action in the field of commercial policy involved in the relations of this Government with the British Empire.

J. David Linebaugh, Department of State. Position: Attaché (Political Reporting), London (FSR–4). Age: 29. Degrees: A. B., M. A. Experience: 1942—Jr. Professional Assistant, Board of Economic Warfare; 1942–44—Administrative Assistant, Bureau of the Budget; 1943—attended first UNRRA conference as assistant to Secretary General; 1944—analysis of United States administrative relations with international organizations; 1944—appointed Divisional Assistant, Department of State; 1945—Country Specialist, State Department (Ireland); 1946—attended UN General Assembly, London; November 16, 1947—appointed attaché (Political Reporting) London.

Edward N. Cooper, Department of State. Position: Chief, British Commonwealth Economic Section, P–6, Division of Research for Europe. Age: 35. Degrees: B. A., M. B. A. (economics). Experience: July 1938 to July 1940, economist in the Federal Housing Administration; July 1946 to Oct. 1940, economist with the Temporary National Economic Committee; Oct. 1940 to Nov. 1941, economist in the office of the Secretary of Commerce, working on St. Lawrence seaway and power project studies—in this connection, appeared before Congress with the Director in the capacity of adviser on economic activity and growth, foreign trade, and transportation, material, and labor costs, etc.; Nov. 1941 to April 1946, economic business specialist with OPA; April 1946 to March 1947, deputy to the Assistant Director of the Conventional Program Division, NHA, working on economic studies relating to capacity and expansion possibilities of industries producing raw materials, impact of program on economy, etc.

Joseph H. Sweeney, Department of State. Position: Chief, British Commonwealth Branch, Division of Research for Europe, P–7. Age: 35. Degrees: A. B., M. S. in S. W., M. F. S., Ph. D. (European diplomatic history, international law and relations). Experience: Apr. 1935 to Oct. 1935, California State Relief Administration, as an intake supervisor of the Compton district; Nov. 1935 to Aug. 1936, WPA, as supervisor of intake and certification; Aug. 1936 to July 1941, California State Relief Administration, as field supervisor, 1941 to 1943, attending school; Dec. 9, 1943, to present in progressive responsible positions with OSS and the Department of State, including positions concerned with evaluation of material of significant importance on Ireland and the Celtic peoples of northern France.

Leocade Leighton, Department of State. Position: Economist, British Commonwealth Branch, Division of Research for Europe, P–5. Age: 30. Degrees: A. B., M. A., Ph. D. (economics). Experience: Sept. 1939 to June 1940, jr. claims examiner for American Liability Insurance Co.; June 1940 to Sept. 1941, clerk at Civil Service Commission; Oct. 1941 to Mar. 1946, progressively responsible professional positions in the field of economic research; Mar. 1946 to Sept. 30, 1947, asst. to Director of the Program Determination and Review Branch, Veterans' Emergency Housing Program, NHA, responsible for economic aspects of industrialization program, such as market need and recommendations on specific application by producers for Government financial assistance; also directed economic research staff.

Frances L. Hall, Department of Commerce. Position: Business Economist, P–5. Age: 32. Degree: A. B. (University of Missouri). Experience: Consumption Level Enquiry, United States-United Kingdom, Canada-Ottawa and Washington, 1943; Combined Working Party on European Food Supplies, London, 1944 and 1945; served one year in London; special meeting on Emergency Food Problems, FAO, Washington, 1946; part-time instruction, Stephens College, 1938–40.

Cromwell Riches, Department of Commerce. Position: Chief, United Kingdom Section, P–6. Age: 44. Degrees: A. B., Reed College, A. M., Columbia University, Ph. D., Johns Hopkins. Experience: Chief, United Kingdom Section since May 1946; as U. S. Naval Officer served with European Advisory Commission, London, February 1944 to August 1945; assisted in tariff negotiations with the British, Geneva Conference on Trade and Employment, April 1947 to September 1947; instructor and associate professor of political science, Goucher College and Johns Hopkins University, 1927–41.

F. Lisle Widman, Treasury Department. Position: Economist, Office of International Finance, P–3. Age: 28. Degrees: M. A., international economics, B. J., journalism. Experience: British Empire Division, Office of International Finance, assigned to do research and give technical advice on financial questions relating to the United Kingdom and its dependencies. Participated in NAC Staff Committee Working Group on Implementation of Anglo-American Financial Agreement, in numerous interdepartmental discussions over the past year relating to this agreement, in the technical discussions with representatives of the British Government in August 1947, and in conferences with members of the United Kingdom Treasury Delegation in Washington on a number of occasions. Has cooperated in preparing studies of the British international financial position, of British exchange controls, of the significance of segmentation in Britain's balance of payments.

10. Western Germany

Chairman: Edwin M. Martin, Department of State. Position: Chief of Branch, Division of Occupied Areas Economic Affairs. Age: 39. Degree: B. A. Experience: September 1928–35, teaching assistant in political science, Northwestern University; April 1935 to September 1938, Bureau of Budget; September 1938–September 1941, Economist for Bureau of Labor Statistics; September 1941–June 1944, Director, Urgency Rating Division; June 1944–October 1945, Deputy Chief, Far East Division, and Chief, Economic Subdivision, OSS, on strategic intelligence problems with emphasis on economic matters (18 months); on detail from OSS to Department of State as adviser on Far East economic affairs, 4 months; adviser on Japanese economic affairs, 2 months; appointed Chief, Division of Japanese and Korean Economic Affairs, December 1945.

Chairman (Mr. Margolies served as Chairman while Mr. Martin attended the meetings of the Council of Foreign Ministers in London): Daniel Margolies, Department of State. Position: Assistant Chief, P–7, Division of Occupied Economic Affairs. Age: 37. Degrees: A. B., LL. B. Experience: September 1935 to June 1936, attorney, Resettlement Administration; June 1936 to June 1940, associate counsel, Subcommittee of the U. S. Senate Committee on Education and Labor, Washington, D. C.; June 1940 to October 1942, Chief Counsel, OPA; June 1942 to October 1942, Counsel for the Rubber Division, BEW; Oct. 1942–September 1943, Adm. Asst. in RFC; December 1943–June 1945, intelligence officer, OSS, Washington, D. C., and ETO, on military and economic intelligence concerning Germany during the war and, after VE-day, development of political, economic, and biographical data, 19 months; assistant to executive trial counsel of U. S. Staff at International Military Tribunal at Nurnberg trials, 18 months.

Executive secretary: Coburn Kidd, Department of State. Position: Country Specialist, Division of Central European Affairs, P–6. Age: 38. Degrees: M. A., Ph. D., LL. B. Experience: May 1940–March 1943, member of legal staff of Special Counsel, Trustees of Associated Gas and Electric Corp.; November 1943–November 1945, Economic Analyst with OSS; transferred to Department by E. O.; Mr. Kidd has traveled extensively Europe, British Isles; residence in France and Germany 1945, is said to possess a specialized and detailed knowledge of German economy, finance and industry.

Members: Karl Koranyi, Department of Commerce. (See Committee on Austria.)

J. Herbert Furth, Federal Reserve. (See Committee on Austria.)

James Wood, Treasury Department. (See country committees—Austria.)

Col. Charles Blumenfeld, Department of the Army. Position: Special Assistant to the Under Secretary of the Army. Age: 40. Degrees: B. A., LL. D. Experience: Practising attorney, Chicago, Ill. 1930–1940; Chief, Civil Branch, G–4 Division, USFET (including coordination of US military and US Military Government activities in Germany from a logistic standpoint) (1946) Acting Deputy Director, Economics Division, OMGUS (November-December 1946); Bizone Germany Country Committee.

Don D. Humphrey, OMGUS. (Returned to OMGUS, Germany, personnel data at OMGUS headquarters.)

Staff: George Jacobs, Department of State. Position: Divisional assistant, P–5, Division of Occupied Area Economic Affairs. Age: 28. Degree: A. B.; graduate work. Experience: June 1939–September 1939 (school), July 1940–January 1942, WPA as statistical clerk and associate social economist; January 1942 to November 1943, associate statistican, WPB; November 1943 to present, with OSS and State in progressively responsible position concerned with economic analyses.

William Parker, Department of State. Position: Economist, P–5, Central European Branch, Division of Research for Europe. Age: 28. Degrees: A. B., M. A. Experience: June 1941–November 1941, economist, OPA; November 1941 to November 1943 in U. S. Army; November 1943 to November 1945, economist with OSS; December 1945 to October 1946, economic analyst with U. S. Senate, Special Committee on Atomic Energy; appointed to Department, January 1947, as economist, planning and conductive research and preparing analytical reports on Czechoslovakia and eastern Germany.

Fred Sanderson, Department of State. Position: Chief, Central European Section, Division of Research for Europe, P–6. Age: 33. Degrees: A. M. Ph. D. (also study abroad). Experience: November 1938–September 1943, Research associate and teaching fellow in economics at Harvard—concurrently employed by the Division of Agriculture Studies, Department of Agriculture; October 1, 1943, to present highly responsible positions in the field of economic research with the Office of Strategic Services, which function was later transferred to the Department of State. Mr. Sanderson was in charge of the agriculture and standard of living work in the European theater of operation. He worked directly for the Allied Control Council for Germany, SAAEF, the American Embassies, and other operating agencies, and represented OSS on the combined working party on European food supplies. Mr. Sanderson was born in Kassil, Germany, has traveled extensively, and speaks, reads, and understands German, French, and English. One of Mr. Sanderson's publications, Methods of Crop Forecasting, was awarded the David Wells prize in 1944.

June Boeckman, Department of State. Position: Economist, P–3, Division of Research for Europe, Central European Branch, Economic Section. Age: 29. Degree: A. B. Experience: October 1941–April 1944 served as Assistant Economist in OPA; May 1944–October 1945, served as Business Editor and wrote articles for Research Institute of America, New York, N. Y.; October 1945–December 1946, employed as Staff Assistant for the American Red Cross, stationed in Osaka, Japan.

Herbert H. Marcuse, Department of State. Position: Chief, German Section, Central European Branch, Division of Research for Europe, P–6. Age: 49. Degree: Ph. D., University of Berlin. Experience: Mr. Marcuse was born in Berlin, Germany, and attended school there. From 1932 to 1934 he served as a Research Assistant at the Institut de Recherches Sociales, Geneva, Switzerland; 1934–November 1942, he was Research Associate at the Institute of Social Research, New York, New York, during which time he wrote several articles and a book in addition to teaching at Columbia University. From December 1, 1942, to April 1943, he served with the former Office of War Information, advising on information policies to the employed in the European Axis countries; in April 1943, he transferred to the Office of Strategic Services, serving as Senior Intelligence Analyst on Germany and Central Europe. This function with personnel was transferred to the Department of State, July 1, 1946.

Stanley Sommerfield, Treasury Department. Position: Attorney in the Office of the General Counsel, P–2. Age: Date of birth May 16, 1919. Degree: LL. B. Experience: Mr. Sommerfield was a member of the Legal Division of the Treasury Department for approximately a year prior to entry into the active military service on February 18, 1943. In that capacity he worked primarily on foreign funds control problems relating to Latin American countries. Upon return from military duty in May 1946, he has been working upon all financial matters on Treasury interest concerning Germany and Austria. In that capacity he has been acting as a legal adviser to the Anglo-American Coal Conference, the USUK Conference on Revision of the German Bizonal Fusion Agreement, and the Treasury delegate to the Interdepartmental Committee on Occupied Areas Affairs.

Maj. William Reed, Department of the Army. (Data unavailable.)

Wilfred Garvin, Department of the Army. (See Food and Agriculture.)

Saul Nelson, OMGUS. (Returned to OMGUS, Germany. Personnel data at OMGUS headquarters.)

(2) Executive Committee on Economic Foreign Policy: subcommittees for ERP

(a) Working group on the relationship between the ERP and the UN and specialized organizations.

Chairman: Leroy D. Stinebower, Department of State. Position: Special Assistant to Assistant Secretary for Economic Affairs, P–8. Age: 43. Degrees: A. B., A. M. (Economics). Experience: Instructor and assist-

ant professor in economics Allegheny College, 3 years. Divisional Assistant, Division Chief, Economic Adviser, Deputy Office Director and Special Assistant to Assistant Secretary for Economic Affairs, in economic area of Department of State, 14 years, from March 6, 1934, to date. Served as: Technical adviser, Inter-American Conference for Maintenance of Peace, Buenos Aires, 1936; liaison with Joint Economic Commission between Canada and United States, 1941–44; adviser and executive secretary of United States delegation to United Nations Conference on Food and Agriculture, Hot Springs, Va., 1943; adviser, United States delegation, first session of the Council, United Nations Relief and Rehabilitation Administration, Atlantic City, 1943; Secretary of Commission, United Nations Monetary and Financial Conference, Bretton Woods; alternate United States representative, United Nations Interim Commission on Food and Agriculture; adviser to United States delegation on International Organization, San Francisco; adviser, United States delegation, Preparatory Commission of the United Nations Food and Agriculture Organization.

Members: Miriam Camp, Department of State. Position: Divisional Assistant, P–6, Office of the Assistant Secretary for Economic Affairs. Age: 31. Degrees: B. A., M. A. Experience: Economic analyst, Office of Price Administration, 1939–42; economic analyst, Board of Economic Warfare, Office of Exports, 1942 to 1943; economic analyst, United States Embassy, London, 1943 to 1945; economic analyst, Mission for Economic Affairs, United States Embassy, London, May to August 1945; Foreign Service Staff Officer, class 6, United States member of Secretariat of Emergency Economic Committee for Europe, United States Embassy, London, 1945 to 1947.

Otis E. Mullikin, Department of State. Position: Adviser, P–8, Division of International Organization Affairs. Age: 42. Degrees: A. B., M. A., Ph. D. Experience: Teacher in public school 1928 to 1930. Instructor, University of California, 1930 to 1932. Chief of Labor Division, Department of Agriculture, 1935 to 1943. Appointed Assistant Adviser on international economic affairs in Department of State, 1943; Assistant Chief, Office of Special Assistant to the Under Secretary, 1943; Assistant Chief, Division of Labor Relations, 1944; Acting Chief, temporary, Division of Labor Relations, 1944; Chief, Division of Labor Relations, 1944; adviser to United States delegation, 26th session of International Labor Conference, Philadelphia, 1944; Chief, Division of International Labor, Social and Health Affairs, 1944; technical expert, United States delegation, United Nations Conference on International Organization, San Francisco, 1945; consultant on State Department policy, 27th session, International Labor Conference, Paris, 1945; adviser on technical problems, United States delegation, first part of first session of the General Assembly, United Nations, London, 1946; Secretary General, United States delegation, International Health Conference, New York, 1946.

Thomas C. Blaisdell Jr., Department of Commerce. (See Advisory Steering Committee.)

Iver C. Olsen, Treasury Department. Position: Assistant Chief, Commercial Policy and United Nations Division, CAF 14. Age: 43. Degree: No degree, majored in economics. Experience: Research Analyst, Bureau of Foreign and Domestic Commerce, Department of Commerce, 1929 to 1933. Regional Financial Adviser, Public Works Administration, 1933 to 1940. Consultant, Division of State and Local Government, Department of Commerce, 1940. Special Assistant to the Director, Foreign Funds Control, Treasury Department, 1940 to 1943. Financial Attaché, American Embassy, Stockholm; Treasury Attaché, American Embassy, The Hague; 1943 to 1946. Office of International Finance, Treasury Department, 1946 to present.

Robert B. Schwenger, Department of Agriculture. Position: Agricultural Economist, P–7. Age: 41. Degree: B. A. (economics). Experience: 1932 to 1933 employed by University of Chicago on research in international economic relations. 1934 to 1935, Agricultural Adjustment Agency as statistician. 1935 to present, Office of Foreign Agricultural Relations occupying position of Agricultural Economist and since 1944 has been serving as Head, International Economic Studies Division. As Head of this Division directs research and investigations of international agricultural resources, trends and practices, is responsible for statistical coordination and analysis of world agricultural data compiled by the branch, directs and is responsible for special reports for use by Congress and other Government agencies.

(b) Working group on the relationship between ERP and ITO

Chairman: Paul H. Nitze, Department of State. (See Advisory Steering Committee.)

Members: Ben T. Moore, Department of State. (See Staff Group for Correlation Committee.)

George Bronz, Treasury Department. Position: Special Assistant to the General Counsel, P–7. Age: 37. Degree: LL. B. Experience: Mr. Bronz had ten years Federal Government experience in various legal positions prior to his appointment as an attorney in the Treasury Department in August 1943, since which time he has served continuously in a responsible legal capacity. The major portion of his duties in the Treasury have related to financial problems involving liberated areas formerly under the control of the Axis, especially those in Europe. Mr. Brown was in charge of Treasury legal activities in connection with the formulation and administration of numerous fiscal programs and controls established by the Army in occupied territory (North Africa, Italy, France, Germany) including monetary and banking reform, military currency problems, Army exchange problems, supplies, etc. Aside from a special assignment to Siam in March 1946 in connection with the establishment of a Siamese exchange rate, the only international conferences attended by Mr. Bronz have been as a result of his participation in the above-named committee. They are as follows: First session of the Preparatory Committee of the United Nations Conference on Trade and Employment, London, October-November 1946; second session of the Preparatory Committee of the United Nations Conference on Trade and Employment, Geneva, May-August 1947; the United Nations Conference on Trade and Employment, Habana, Cuba, November 1947 to present time, where Mr. Bronz is a technical adviser on the United States delegation.

Morris Fields, Treasury Department. (See Executive Committee on Economic Foreign Policy.)

Oscar Zaglits, Department of Agriculture. Position: Agricultural Economist, P–6. Age: 50. Degrees: Doctor-rerum politicarum, Ph. D. (University of Vienna). Experience: 1922 to 1924, Executive Secretary and Bank Examiner, Federal Bank Commission of the Austrian Republic, Vienna, Austria. 1924 to 1939, Executive Director and Assistant to the Executive Director, State Mortgage Corporation for Lower Austria. 1939 to 1940, consulting work in the field of agricultural credit for British Ministry of Agriculture and Fisheries. 1940 to 1943, Agricultural Economist for Bureau of Agricultural Economics, Department of Agriculture. (Research on problems of international finance as related to agriculture, foreign and international credit, war financing and inflation control and post-war financial reconstruction.) 1943 to present, in charge of Finance and Trade Policy Section, Office of Foreign Agricultural Relations, Department of Agriculture.

Henry Chalmers, Department of Commerce. Position: Consultant on Commercial Policy, OIT, P–7. Age: 55. Degrees: A. B. and A. M., Cornell; Ph. D., Brookings Institute. Experience: Formerly Chief of Division of Foreign Tariffs, BFDC; since 1941, Consultant on Commercial Policy; participant in various international economic conferences, including: International Customs Conference, 1923, as representative of Department of Commerce; World Economic Conference, Geneva, 1927, as adviser on commercial policy to Norman Davis; International Economic and Financial Conference, London, 1933, as adviser on commercial policy to Secretary Hull.

Lynn R. Edminster, United States Tariff Commission. (See Executive Committee on Economic Foreign Policy.)

(c) Working group on domestic controls needed to implement the ERP

Chairman: Donald D. Kennedy, Department of State. Position: Chief, International Resources Division. Age: 47. Degrees: B. S., M. A., Ph. D. (Economics). Experience: Instructor in Economics from 1924 to 1942. Price Executive, OPA, 1942 to 1944. Assistant general manager of steel company, 1 year. Chief of Commodities Division and of International Resources Division, May 1945 to date. United States representative, second meeting, Rubber Study Group, London, 1945; technical adviser, United States delegation, International Whaling Conference, London, 1945; chairman, United States delegation, conference on tin, London, 1946; adviser, United States delegation, first meeting of Preparatory Committee, International Conference on Trade and Employment, London, 1946; United States delegate, third meeting, International Rubber Study Group, The Hague, 1946; chairman, United States delegation, International Wool Talks, London, 1946.

Members: Charles P. O'Donnell, Department of State. Position: Divisional Assistant, P–5, Division of Commercial Policy. Age: 43. Degrees: A. B., M. A., Ph. D. Experience: Professor and head of politics department, De Paul University, 1927 to 1942. Industrial analyst, War Production Board, 1942 to 1944. Appointed divisional assistant, Division of Commercial Policy, Department of State, April 1944.

John S. Richards, Treasury Department. Position: Director of Foreign Funds Control, CAF–15. Age: 36. Degrees: B. A., M. A. (economics). Experience: Has been with Foreign Funds Control of the Treasury Department since December 1941. Has held increasingly responsible positions with this agency and became Director in August 1946. Represented the Treasury Department at the 34th annual conference of the National Foreign Trade Council at St. Louis in October 1947. Prior to joining Foreign Funds Control was employed for 6 years in various phases of the New England shoe industry.

Frank R. Garfield, Federal Reserve Board. Position: Chief, Domestic Business Section. Age: 46. Degree: B. A. Experience: Assistant professor of economics, University of North Carolina about 3 years. Board of Governors of the Federal Reserve System since June 17, 1929.

Charles W. Bucy, Department of Agriculture. Position: Attorney, P–8. Age: 45. Degrees: Certificate, Georgetown University, School of Foreign Service (economics), LL. B., Fordham University. Experience: Continuously employed in the Department of Agriculture, Office of the Solicitor, holding various attorney positions since 1935; 1946 to present in P–8 attorney position as associate solicitor in charge of marketing regulatory laws and transportation, Production and Marketing Administration.

Paul T. Homan, Council of Economic Advisers. Position: Economist, P–8. Age: 54. Degrees: A. B. (Willamette University and Oxford University); Ph. D. (Brookings). Experience: Professor of Economics, Cornell

University, 1927 to 1947. Research staff, Brookings Institution, 1933–35, 1937–38; economic adviser to War Production Board, 1941 to 1944; economic adviser to UNRRA, 1944 to 1945; economic adviser to War Assets Administration, 1945 to 1946; chairman, CEA staff committee for drafting report on "The Impact of Foreign Aid on the Domestic Economy"; author or co-author: Contemporary Economic Theory, 1928; the National Recovery Administration, 1935; the Sugar Economy of Puerto Rico, 1937; Government and Economic Life, 1939.

Walton Seymour, Department of the Interior. Position: Director, Program Staff, CAF–15. Age: 38. Degree: B. A. (University of Wisconsin). Experience: Junior statistician, North American Co., 1929 to 1934. Tennessee Valley Authority; assistant statistician, 1934 to 1936; associate rate engineer, 1936 to 1938; chief of the Rate Division, 1938 to 1941; director, Power utilization, 1941 to 1947. Department of the Interior: Director, Program Staff (also designated Director, Division of Power), 1947 to present.

M. Joseph Meehan, Department of Commerce. Position: Acting Director, P–8. Age: 46. Degrees: B. S., Georgetown University, 1927; Harvard University Littauer Certificate, 1938. Experience: Mr. Meehan's connection with the work had to do with the impact upon the domestic economy of our international transactions. This is within the field of operations of the O. B. E. which is responsible for the review and analysis of the domestic economy, including the preparation of the national-income accounts and the international balance-of-payments position of the United States.

(d) Working group on strategic materials

Chairman: William T. Phillips, Department of State. (See Staff group for correlation committee.)

Members: Karl L. Anderson, Department of State. (See Committee on Agricultural Machinery.)

James Boyd, Department of the Interior. (See Advisory Steering Committee.)

Carl Rolle, Army and Navy Munitions Board. Position: Industrial engineer, P–7. Age: 37. Degrees: B. S., M. S. Experience: 1933 to 1936, marine mechanical engineer at United Fruit Company, New York, New York. 1936 to 1942, development and service engineer (Met. and Mech.). Work involved development of new applications for nickel alloys in fields of engineering and military equipment and consumers durable goods. Involved consideration of design problems and practical manufacturing problems. Was design consultant to users of metals. Work required knowledge of machine and equipment design fundamentals, metal-fabricating processes, qualities, and properties of metals. Completed Reserve Officers Training Course at Pennsylvania State College in 1932. Called to active duty March 1942 with rank of captain (later rank of lieutenant colonel) and ordered to office of Under Secretary of War for duty with Army and Navy Munitions Board. Reassigned to Resources Division, HQ SOS (subsequently known as Production Division, HQ ASF). Work required broad knowledge of all metals and minerals, world sources, productive capacity of each source, current status of production, military and industrial uses, possibilities of substitution, methods of production and processing. Was liaison between tech. services and other agencies concerned with war production. Was Army member of Strategic Materials Comm. of ANMB and coordinated staff work to lay foundation for postwar activity with respect to materials; particularly physical stock-piling. Complete studies were made of needs of country for stock piles of strategic materials. October 1945, reassigned to ANMB, and then detailed as Army Chief of Materials Division of ANMB.

Thomas D. O'Keefe, Department of Commerce. Position: Director, Commodities Division, P–8. Age: 46. Degrees: B. F. S., M. A., completed practically all requirements for Ph. D. in economics and international trade. Experience: About 25 years' experience in commodities and industries on a global basis.

Morris Fields, Treasury Department. (See Executive Committee on Economic Foreign Policy.)

W. G. Finn, Department of Agriculture. (See Committee on Fertilizer.)

(e) Working group on manpower report

Chairman: Faith Williams, Department of Labor. (See Executive Committee on Economic Foreign Policy.)

Members: Wilbur Cohen, Federal Security Agency. Position: Assistant Director, Bureau of Research and Statistics (P–7). Age: 34. Degree: Ph. D., 1934. Experience: 1934–35, research assistant to the Executive Director of the President's Committee on Economic Security, which drew the original Social Security Act; 1938, studied operation of European social security systems for Social Science Research Council; 1942, technical adviser to the U. S. Delegation to the First Inter-American Conference on Social Security, at Santiago, Chile; 1945, technical adviser to the U. S. Delegation to the second meeting of the Inter-American Committee on Social Security, Mexico City; 1946, adviser to the U. S. Delegation to the International Labor Conference on Maritime Problems, Seattle, Wash.; 1947, U. S. delegate to the Second Inter-American Conference on Social Security, Rio de Janeiro, Brazil; Federal Security Agency representative on the Subcommittee on Labor of the International Social Policy Committee; 1947, Director of Research, President's Advisory Commission on Universal Training; member of welfare policy committee of the American Public Welfare Association. Published reports and articles: "Unemployment Insurance and Agricultural Labor in Great Britain," "The First Two Years of Social Insurance in Mexico," "Foreign Experience in Social Insurance Contributions for Agricultural and Domestic Workers," and "Social Security in Chile."

Irwin M. Tobin, Department of State. Position: Chief, British Commonwealth Section, Division of Labor, Social and Health Affairs (P–5). Age: 34. Degrees: B. S., M. A., M. A. L. D., Ph. D. Experience: 1935, Director, World Affairs Council of Rhode Island; 1942, instructor, Rhode Island College of Education; 1942–44, assistant professor, Rhode Island State College; 1944, field representative, Office of War Information; 1944–45, intelligence officer, Office of Strategic Services; 1945, appointed Economic Analyst in Department of State.

George L. Warren, Department of State. Position: Adviser on Refugees and Displaced Persons (P–8). Age: 57. Degrees: A. B. Experience: 1919–28, Director of Personnel, Traffic and Purchasing for manufacturing company; 1928–38, Director, International Migration Service; U. S. Government expert, League of Nations Temporary Committee on Assistance to Indigent Aliens, Geneva; 1938, Assistant to American representative, Conference on Refugees, Evian, France; 1939, International Labor Organization Expert, Conference of American States. Member of International Labor Organization. Habana; 1938–44, President's Advisory Committee on Political Refugees; 1943, technical adviser to U. S. delegate, Meeting of Representatives of U. S. and British Governments to Consider the Refugee Problem, Bermuda; 1944 appointed consultant in Department of State; adviser on refugees and displaced persons and liaison officer with War Refugee Board; alternate on committees, U. S. Delegation, Second Session of the Council, UNRRA, Montreal; 1945, adviser, U. S. Delegation, Third Session of the Council, UNRRA, London; 1946, U. S. Representative, Committee on Finances of the International Refugee Organization, U. N. Economic and Social Council, London; adviser to U. S. Member, Fourth Session of the Council, UNRRA, Atlantic City; also at Fifth Session, Geneva.

Val Lorwin, Department of State. (See Functional and Commodity Committees—Manpower.)

Collis Stocking, Department of Labor. Position: Assistant Executive Director for Program Development (P–8). Age: 47. Degrees: A. B., M. A., Ph. D. Experience: Five and one-half years U. S. Employment Service; Assistant Executive Director; Chief, Reports and Analysis Service; Chief Employment Specialist. Six years Social Security Board; Assistant Director, Employment Security; Chief, Research and Statistics Division; 9 years university professor, economics.

Jean Flexner, Department of Labor. (See Functional and Commodity Committees—Manpower.)

Duncan Wall, Department of Agriculture. Position: Information Specialist (P–6). Age: 45. Degree: B. of Journalism. Experience: 1934–37, Extension Editor at Oklahoma A. and M. College; 1937–38, Regional Information Representative, Agricultural Adjustment Agency. 1938–41, Chief, Regional Contact Section, Division of Information, Agricultural Adjustment Administration; 1941–44, Assistant Director of Information, Department of Agriculture; (Aug. 1945 to Nov. 1945, Economic Consultant, Department of Interior, to do research work and prepare a report on agricultural land resources of U. S. and their use); 1944–45, Principal Editor for Farm Reports, Inc., Washington, D. C.; 1945 to present, Head, Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations, Department of Agriculture.

3. National Advisory Council: Staff Committee

Director for ERP: Frank Southard, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Secretary for ERP: Andrew M. Kamarck, Treasury Department. Position: Chief, National Advisory Council Secretariat (P–8). Age: 33. Degrees: B. S. in Economics, Harvard. M. A. in Political Economy and Government, Harvard. Experience: July 1939–April 1, 1940, International Section, Board of Governors, Federal Reserve System (November 1, 1939–April 1, 1940, on loan to U. S. Treasury). April 1, 1940–July 9, 1942, U. S. Treasury, International financial work. July 9, 1942–December 26, 1944, U. S. Army. (Assigned to Allied Control Commission, Italy, as adviser to Bank of Italy, and to Institute for Industrial Reconstruction; also economic adviser to vice-president of Allied Control Commission, in charge of economic matters in Italy.) December 26, 1944–February 14, 1945, in U. S. Treasury, Washington, D. C., international financial work. February 14, 1945–December 1945, Chief of Financial Intelligence, and deputy to Joseph M. Dodge, U. S. Representative on Finance Directorate, Allied Control Council, Germany. December 1945 to date, U. S. Treasury, international financial work. Attendance at international conferences: U. S. Treasury adviser to U. S. Treasury Representative, Economic and Social Council, U. N., June 1946; U. S. Adviser at Boards of Governors of International Monetary Fund and International Bank, September 1946.

Chairman for Staff Committee: John W. Gunter, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Secretary: Allen J. Fisher, Treasury Department. Position: Assistant Chief, National Advisory Council Secretariat, (P–7). Age: 41. Degrees: B. S., L. H. M., Ph. D.; majored in Economics. Experience: Doctor of Philosophy in International Finance—1936.

(Dissertation title, "The Sterling Area"; a study of the international aspects of British monetary policy). Thirteen years of teaching experience in business administration, including economics, finance and international finance, at accredited universities. Financial consultant for the Commodity Exchange Administration, Department of Agriculture, 1937–1939. Professional research in the Division of Agricultural Finance, Department of Agriculture; also, in Office of the Chief Accountant, Securities and Exchange Commission. Work on international financial problem in the Treasury Department since September 1942. Research projects have included detailed analysis of the internal monetary financial conditions, banking systerms, balance of payments positions and international financial relations of various countries. Country studies for use of Military Government have also been prepared. February 1945 to January 1947, Finance Specialist with Military Government, Germany, with assimilated rank of lieutenant colonel. Initially a member of the Foreign Exchange and Blocking Control Branch of the Finance Division; subsequently Chief of the Intelligence Branch of the Division of Investigations of Cartels and External Assets. Assignments overseas covered England, Germany, France, Austria, Belgium and Czechoslovakia. Participation in intergovernmental negotiations in the U. S. with the British on various matters pertaining to external assets in European neutral countries, and with the British and Canadians on inter-custodial problems relating to blocked assets. Overseas experience included negotiations in London with representatives of the British Government on matters pertaining to German external assets which were cloaked or otherwise secreted in neutral countries, as well as negotiations with representatives of the French and Belgian Governments and representatives of the Military Governments of Germany and Austria in the same general field.

Assistant Secretary: Harold H. Rosen, Treasury Department. Position: Economist (P–5). Age: 38. Degrees: B. S., M. A., in Economics. Experience: August 1938–April 1939, Financial Statistician, National Conference Board; May 1939–December 1941, economist, Brookings Institution; January 1942–July 1942, Economic Analyst, Board of Economic Warfare; July 1942–December 1943, Economist, War Production Board; December 1943–October 1945, Soldier, U. S. Army; November 1945–July 1947, Economist, Civilian Production Administration; October 1947 to date, economist, National Advisory Council, Staff Committee.

Members: Norman Ness, Department of State. Position: Director, Office of Financial and Development Policy (P–8). Age: 44. Degrees: B. A., M. A., Ph. D. Experience: Instructor in economics, University of Nevada, 1927–28; instructor, assistant professor and associate professor, Pomona College, 1928–42; research economist, National Planning Association, February-September 1942; economist in Costa Rica, 1942–43; Assistant Director of Division, Treasury Department, 1943–46; technical adviser, First Inter-American Demagraphic Congress, Mexico City, 1943; United Nations Monetary and Financial Conference, Bretton Woods, N. H., 1944; to U. S. Delegate, Inter-American Conference on Problems of War and Peace, Mexico City, 1945; United Nations Conference on International Organization, San Francisco, 1945; Chief Economist, Export-Import Bank, 1946; appointed to Department of State, August 1946; Delegate of the U. S. to the First General Assembly of the Inter-American Statistical Institute, Washington, D. C., 1947.

Clarence Blau, Department of Commerce. Position: Acting financial policy adviser (P–8). Age: 40. Degrees: A. B., Columbia College, 1926; LL. B., Harvard Law School, 1931; London School Econ., 1927–28. Experience: Law clerk and attorney with Bank of U. S. in liquidation (including foreign business) 1931–34; attorney with various agencies of U. S. Government, 1934–43; attorney with OEW–FEA–OIT, handling foreign procurement, lend-lease, and UNRRA aspects of foreign food program; acting financial policy adviser, July 1946; on missions to Bahama Islands and Jamaica for Department of Agriculture, 1943, to negotiate agreements for the entry of foreign agricultural laborers to Brazil, Argentina, Chile, Peru, Ecuador, Guatemala, and Mexico, 1945, on food-procurement program; on staff of U. S. delegation to first board of governors meeting of IMF and IBRD, 1946; alternate adviser on U. S. delegation to FAO Interim Commission, 1946.

J. Burke Knapp, Board of Governors, Federal Reserve System (see Advisory Steering Committee on European Recovery Program).

Hawthorne Arey, Export-Import Bank (see Legislative Drafting Committee).

Walter C. Louchheim, Jr., Securities and Exchange Commission. Position: Adviser on Foreign Investment (P–8). Age: 48. Degree: A. B., Harvard College, 1921. Experience: 1921–31, active partner of New York investment banking firm and member of New York Stock Exchange; 1932–34, traveled in Europe, studied and wrote upon world economic and financial conditions; 1934 to date, member of staff of Securities and Exchange Commission, formerly Assistant Director of Trading and Exchange Division, now adviser on foreign investment, to advise the Commission and act as its representative to other executive departments and agencies in the field of international finance; 1943–44, member of interdepartmental technical committee on the International Bank and Monetary Fund; 1944, adviser to U. S. delegation, Bretton Woods Conference; 1945, adviser to U. S. delegation, inaugural meeting of World Bank and Fund, Wardman Park Hotel, Washington, D. C.; 1946–48, member of NAC staff committee and working groups; chairman of Subcommittee of NAC Technical Committee in charge of preparation of markets for World Bank bonds. Recently specifically engaged in preparing estimates and analysis of U. S. investments held by countries participating in the European recovery program.

Liaison: Jerome J. Stenger, Department of State. Position: Assistant Chief in Charge of Liaison Branch, Division of Investment and Economic Development (P–7). Age: 53. Experience: U. S. Army, overseas service, First Lieutenant, 1917–19; assistant manager of U. S. company in Paris, 1920–31; clerk in district accounting and disbursing office, Paris, 1934–40; in American Embassy at Paris, 1940–41; in American Consulate General at Paris, June–September, 1941; detailed to Port-au-Prince, Haiti, Sept.–Oct. 1941; appl. divisional assistant in Dept. of State, 1941–42; assistant adviser on other American Republics, 1943; Assistant Chief, American Republics Requirements Division, 1944; special assistant on Projects and Programs, Division of Foreign Economic Development, 1945; economist, 1946; special assistant (Export-Import Bank), 1946.

Alternates: Hubert F. Havlik, Department of State. Position: Chief, Division of Investment and Economic Development (P–8). Age: 43. Degrees: B. S., M. B. A., Ph. D. Experience: Clerk and accountant for chemical company, 1921–23; research assistant, Institute for Research in Land and Public Utility Economics, 1926–28; instructor in economics, Northwestern University, 1927–30; fellow and instructor in government and economics, Columbia University, 1930–42; Chief of Fuel and Power Section, Chief of Program Branch, and Executive Secretary of Committee, War Production Board, 1942–44; Chief of Lend Lease Division, and Deputy Assistant Administrator, Foreign Economic Administrator, 1944–45; secretary, U. S.-U. K. negotiations on lend-lease and mutual aid, Washington, 1944; transferred to Department of State as Deputy Administrator Assistant, Office of Foreign Liquidation, 1945; Chief, Division of Lend-Lease and Surplus War Property Affairs, 1946; principal sec. of U. S. Lend-Lease Com. and chm. on specific lend-lease, surplus, and claims agreements, U. S.-U. K. economic negotiations, Washington, 1945–46; adviser and exec. sec., lend-lease settlement negotiations with India, France, Australia, Belgium, New Zealand, and South Africa, Washington, 1946; chmn., U. S. Patent Interchange Comm., 1946–; Acting Chief, Div. of Investment and Econ. Development, 1946; technical adviser on U. S. delegation to United Nations Conference on Trade and Employment, Habana, Cuba, 1947.

Hale T. Shenofield, Department of State. Position: Acting Assistant Chief for Lend-Lease and Surplus Property Branch, P–7, Division of Economic Property Policy. Age: 45. Degrees: A. B., M. A. Experience: Instr. in govt. U. of Toledo, 1928–29; sec., Commn. of Publicity and Efficiency, Toledo, 1929–33; dir. of financing and purchasing in co. govt., 1933–34; co. auditor, 1934–39; field representative, Brookings Inst., 1940–41; exec. sec., Joint War Production Comm., 1941–43; asst. treas. for econ. research org., 1943–44; dir. of div., Pa. Economy League, 1944–45; appt. asst. chief, Div. of Lend-Lease and Surplus War Property Affairs, Dept. of State, Oct. 1945.

Mr. MORSE. Mr. President, the next point I want to raise is a point in regard to the British loan. It seems to me that throughout the debate we have seemingly redebated and rehashed the British loan, and the impression has been left by some that if they had those days to live over they would not be in favor of the British loan. I want to say as one Member of the Senate, Mr. President, that I would today cast the same vote that I cast on the British loan, which was a vote for the loan. I am not as pessimistic about what has been gained and accomplished by the British loan as certain other people in the Senate seem to be. I want to refer to a speech made on August 7, 1947, the only material I was able to get quickly on the expenditure by Britain under the British loan. It is the speech by Hugh Dalton in the House of Commons, in which he reported upon the expenditure of the loan upon the basis of percentages that went to this item or to that item. I find that according to that statement 27 percent was spent on raw materials and petroleum, 25 percent went for food, that is to say, fruit, apples, oranges, lemons, raisins, and so forth; 14 percent went for machinery, including lathes, presses, grinders, looms, and so forth; 12 percent went for tobacco; 11 percent was spent for food for Germany, sent there by Great Britain; 7 percent was spent on ships; and 4 percent on films.

Here again we may say, using our hindsight, "Well, we would not have made just those expenditures if we had been running the British Government." But I think, Mr. President, that when you take the total record in England since we made the loan, and the use to

which the loan has been put, it has been a rather efficient expenditure of the loan in the best interests of the British economy. The loan has helped England in her struggle to rehabilitate herself.

When you take into account, Mr. President, also the depreciation in the value of the American dollar since the loan was made, I think you begin to understand why the loan did not last for the entire period we thought it was going to last, when we first made it.

I have been impressed as I have listened to the anti-British sentiments which have been expressed time and time again throughout this debate that part of the opposition to the Marshall plan grows out of the fact that some Members of the Senate do not like the socialistic policies of the British Labor Government. I do not like them either. But I do not propose to play right into Russia's hands and give any truth to her propaganda that we are trying to dictate the type of government and the type of economy that shall exist in England and Europe. I do not propose to aid and abet Russia in her propaganda attacks on America by laying down as conditions precedent to the adoption of the Marshall plan the principles of dollar imperialism which I think are inherent in the attacks which I have heard made during the course of this debate on the economic policies of Great Britain.

I certainly have no intention of giving any support to that plank of the economic platform of the National Association of Manufacturers, which plank has been accepted by some Presidential aspirants in this country to the effect that we should not grant any funds under the Marshall plan to any nation which proposes to use any of those funds in connection with the nationalization or socialization of any of her industries. I was shocked with the National Association of Manufacturers coming forward with such an advocacy of dollar imperialism and I was doubly shocked when some Presidential aspirants endorsed that principle.

We will completely fail in proving the superiority of our free-enterprise system to any system of socialism if we attempt to buy its acceptance on the part of the people of England and of other countries of Europe by laying down the requirement that no funds under the Marshall plan can be used by any country that seeks to socialize any of its industries. Every high-school student in this country knows that there are great differences between economic conditions in England and Europe and those that exist in America. Every high-school student knows that various degrees or socialism have existed for many years in Europe, particularly in Scandinavian countries, including Denmark. Every high-school student knows that the countries of Europe which are not blessed with an abundance of natural resources and which are unable even to raise enough food to sustain their people, who are constantly faced with an economy of scarcity insofar as the necessities of life are concerned, have for decades adopted government regulations and controls over parts of their economy which we recognize to be socialistic in contrast with our free-enterprise system.

There is absolutely no chance no matter how many American dollars we make available to those countries to change their economic mores insofar as their acceptance of various degrees of socialism are concerned. Europe for many years past has been, and I am convinced always will be, inclined toward socialism, as contrasted with the free-enterprise economy in America. However, what many Senators in the course of this debate have overlooked is that in England, in the Scandinavian countries, in the Lowlands, and in France individual liberty, personal freedom, civil rights, and the sacred value of human life are still preserved. Freedom from police-state methods, the preservation of the same personal liberties which we enjoy under our American Bill of Rights, prevails in those countries to which the Marshall plan will be applied. It is over the preservation of individual liberties, personal freedoms, and human rights that the fight for freedom in the world today is all about.

The fight is not over whether or not England should be allowed to have a nationalized transportation system, or Sweden a compulsory health-insurance plan, or Denmark a social-security system, or France a public-housing program. It is not over whether or not the countries of western Europe shall be allowed a considerable amount of socialism. I say the fight for freedom and the right to live as free men and women in those countries has no relationship whatsoever to their self-imposed socialistic practices in respect to their economic systems. Rather, what the fight is about is over the question of the right of the peoples of England and western Europe to have preserved for them the freedom of self-determination.

I say most solemnly that we would be as guilty as Russia if we tried to impose upon the peoples of England and western Europe our system of capitalism. Russia is seeking to bribe the peoples of those nations into submission to the theories of communism on the promise that their material well-being will be best served by communism. If we should seek now to bribe the peoples of England and western Europe with American dollars, through the Marshall plan, to accept the American version of capitalism we would be as guilty of materialism as Soviet Russia.

I am at a complete loss to understand how Senators can so completely miss the vital point as to what the fight for freedom in the world today is all about. It has been missed so completely by those Members of the Senate who want to lay down as a condition precedent to receiving any aid under the plan the requirement that no nation can use any funds under the Marshall plan in connection with nationalizing or socializing any industry within a given nation. I say such a proposed requirement is a condition of dollar imperialism. I say such a condition is a reflection upon the good faith and idealism and the belief of the great majority of the American people in that principle of democracy which stands for the self-determination of peoples.

There is another point I want to make in passing, and it is one which refers to the argument which has been made so many times in the course of this debate that we cannot afford the total cost of seventeen or twenty billions of dollars which undoubtedly will be involved in the ultimate cost of the Marshall plan. I think we can afford it. I know that we can afford it, because I know we cannot afford to permit Europe to remain in a permanently collapsed condition for many years to come. We cannot afford to permit England to go down economically. We cannot afford in the interest of peace to withdraw from Europe. We cannot afford to permit ourselves to be encircled by communism. We cannot afford to let the pages of history record that in 1948 the American people walked out on their moral obligations to Europe and substituted selfish materialism for the spiritual values of democracy. We cannot afford to write such a page in history, because it would win for us the disrespect of generations upon generations yet to play their part in human history. We cannot afford to walk out on democracy itself.

Furthermore, let me point out that those in the Senate who are emphasizing so much the cost of the Marshall plan in dollars to the American people are overlooking that the cost of seventeen to twenty billion dollars is a small part of what it would have cost to carry on World War II for just six more months. In fact, I am informed that shortly after VJ-day we canceled $63,000,000,000 of war contracts which had been entered into to produce the materials of war destruction, had the war lasted 6 months longer.

If it had lasted 12 months longer it would not have cost twice $63,000,000,000, but I am informed that the cost would have been at least three times that much, or about $190,000,000,000. If it had lasted 24 months longer it would not have cost twice $190,000,000,000 but from three to four times that much.

Would our economy have survived another 2 years of the war? I think so. There is no doubt about the fact that we would not be enjoying the standard of living that we enjoy today had it lasted two more years. There is no doubt about the fact that if the additional costs of two more years of war had been imposed upon us we would be living under controls today almost as strict as those that prevail in Great Britain. I fear that if the war had lasted 2 years longer and had cost us from five hundred to seven hundred billion dollars additional that it might have cost us, we probably today would be exercising such strict Government regulations over certain segments of our economy that it would be necessary to pin the label of socialism on those regulations.

However, we were spared the devastating destruction which the people of west-

ern Europe suffered, including the people of England. Now we are asked to contribute over a 4-year period what will probably total about $20,000,000,000 needed in reconstruction and economic rehabilitation for peace. What do we hear? Some voices crying out—we cannot afford it. It will wreck our economy. It is not fair to the American taxpayers. I dissent. I refuse to accept that isolationist point of view. I refuse to resurrect the arguments made in the Senate during the 1920's when we, as a Nation, failed to live up to the obligations of making the sacrifices necessary to win the peace following the First World War. We were not alone in that failure. England and France also failed in helping to win that peace—not by refusing to go along with the League of Nations, which was our principal failure. Rather the crime against the peace which England and France committed following the First World War was in helping Germany rebuild her war machine which led to Hitler totalitarianism. I do not want to see my country repeat the mistakes that we made in the Senate of the United States during the 1920's. I think the defeat of the Marshall plan would be part and parcel of repeating some of those mistakes. I am supporting the plan because I think it is an essential part of the total program necessary to win the peace.

Now let me say a word about our Greek policy. All through the debate there have been a great many critical statements made about the policy we are following in Greece. If the Grecian issue were before us again today, I am perfectly willing to let the RECORD show that I would not run out on the vote I cast at the time the Greek crisis was first presented to us. I would cast the same vote today. I think the action that we took in the Grecian matter served as a clear notice on Soviet Russia that we intended to defend the peace and enforce the peace from Soviet aggression.

I want to close, Mr. President, on this matter before I make a few comments on the speech made by the Senator from Idaho [Mr. TAYLOR] the other day. I think we not only should pass the Marshall plan as reported to us by the unanimous vote of the Foreign Relations Committee of the Senate but I think it very important that the Republican leadership of the House proceed in long sessions, day and night, to consider the plan and to pass it at an exceedingly early date.

I think time is of the essence. That point has been made over and over again by the proponents of the plan in the Senate debate.

I am greatly alarmed, Mr. President, by two things I read in the newspapers. I have had no official notice of the plans of the House of Representatives, but one disturbing thing is that apparently there is little chance of getting this Marshall plan through the House of Representatives before April 10, and probably not until after April 18. That latter date is the date of the Italian elections.

As a Republican, Mr. President, I want to express my great disappointment at any such course of action being contemplated—if it be contemplated—in the House of Representatives by the Republican leadership. I want to say as one Republican that I sincerely hope that, if that is the present intention of the Republican leadership of the House, it will reconsider the matter. I think it of utmost importance that the plan be passed in the House of Representatives within the next few days. I think it can be so passed if the leadership of the House will give it a clear right-of-way and subject it to full debate and to an early vote.

The impression is being created in those parts of the country in which I have been speaking recently that the strategy is to push it through the Senate and then stall it in the House. I say sincerely to those responsible for the policies of the Republican Party in the House of Representatives that I can think of no greater mistake they could make, as far as gaging American public opinion is concerned, than to delay beyond the next few days the passage of the Marshall plan in the House of Representatives.

Second, I think they will wake up to discover Nation-wide resentment for any delay caused by trying to attach to the plan arrangements for relief and aid in other parts of the globe. I refer specifically to China. I think the Marshall plan and aid to China are separate and distinct subjects. I think the House of Representatives ought to go along with the Marshall plan on its merits and then be willing to take up a so-called Chinese plan on its merits separate from the Marshall plan. It is generally conceded that the main effect of combining with the Marshall plan a Chinese aid plan in the House of Representatives will be a costly delay, making it impossible to take action on the issue prior to the Italian elections on April 18.

Do I think the Italian elections are of importance? Yes, I do. I think they are of tremendous importance. I think they are of tremendous importance psychologically to all the countries in western Europe. I think they are of tremendous importance to America's national self-interest. I think they are of tremendous importance to our national security. I think we have an opportunity, through the Marshall plan, to demonstrate to the people of Italy, France, Great Britain, and to the other beneficiaries under the Marshall plan that we intend to carry through the objectives of winning the peace. In Italy the people know that we know the precarious condition in which they presently find themselves, with the elections taking place on April 18. We should not be guilty of once more being too late. I know it is not appreciated particularly for a Member of the Senate, and particularly one of my liberal brand of republicanism, to be giving gratuitous advice to the Republican leaders in the House of Representatives. But I am not only a Member of the Senate; I am also an American citizen. Speaking for a moment as an American citizen, I say to the Republican leadership of the House, "Give us a demonstration now of your statesmanship and proceed to handle this matter in day and night sessions so that it can be passed at the earliest possible time and as long as is humanly possible before the Italian elections."

I think it can be and should be done certainly not later than April 1. I think if the Members of the House unite in recognizing the importance of the measure to the welfare of the country it can be done within 10 days. The fight for freedom in Italy and western Europe is worth the effort that is called for from the House of Representatives.

I want to close my remarks, Mr. President, with a few comments on the speech made by the Senator from Idaho [Mr. TAYLOR] which was made during my absence from the Senate. I did not have an opportunity to hear the speech and did not have an opportunity to vote on his proposal, but the RECORD shows that had I been present I would have voted against his proposal.

I think the Senator from Idaho knows that I have a deep personal fondness for him. I think he knows that on a great many issues we see eye to eye, particularly on those issues in our domestic field which seek to improve the lot of the common men and women of America, the great mass of our average citizens, the worker, the farmer, the white-collar group, the people in the low-income brackets, as well as see to it that the property rights and political rights of people in the so-called higher bracket are also adequately protected under our system of government by law. Thus he and I have found ourselves in agreement on labor legislation, social security legislation, veterans' legislation, civil-rights legislation, conservation of natural resources, and great pieces of legislation which seek to advance the general welfare and which aim at protecting the weak from the exploitation of the strong. My friend from Idaho knows, however, that two men could not possibly hold more diverse points of view and be so completely in disagreement as we are on issues of international policy. I want to make perfectly clear for the RECORD the fact that I give to the Senator from Idaho full and complete credit for being 100 percent sincere and intellectually honest in taking the position which he takes on international policy. I also want him to understand that as he would protect me in my right to my views, so I would protect him in his right always to express his views. He has a right to fight for acceptance of his views under the guaranties of our constitutional democracy—although if he were in Russia he would not have any such protection. His right to freedom of speech which he enjoys here would be lost to him in Russia.

I do feel, Mr. President, that I cannot let the Senator's speech stand in the RECORD without any word of opposition from me at all to the tenor of his speech. I think the vote on his amendment was a great rebuttal to his speech and, in a sense, an adequate answer. Nevertheless, I want to put into the RECORD just a brief answer to the Senator from Idaho. I note what the Senator said on page 2387

of the RECORD, second column, first paragraph:

Mr. President, the word "Communist" reminds me of something. I realize that by taking the position I am assuming, namely, that the Russians are not absolutely hopeless, that it is possible to get along with them, I am laying myself open to the charge of being a Communist—a Communist sympathizer, at least. The distinguished senior Senator from Texas made that very plain a moment ago when I asked him whether he would want to see the veto abolished if a majority of the members of the United Nations were Communists. He retorted that he was not as much of an expert on communism as I was.

Mr. President, I dare say I may be subject to that, as I have stated, but I have made up my mind to that, and I warn all my colleagues, that I am not going to take it lying down. If they want to accuse me of being a Communist sympathizer, if they want to call me "red," and one thing and another, by insinuation or innuendo, Mr. President, I say, let them beware, because I shall come back in kind.

I understand the Senator's sentiments. I know what it is to have labels pinned on me which have no foundation in fact. I know the tactics back of political smears. I know, as the Senator points out, that one does have to fight back at appropriate times and in appropriate places when unfair political tactics are used against one. I do not intend, in debate with the Senator from Idaho or with anyone else, to indulge in the type of accusations or innuendoes or name calling which he stated in his speech he knew he would subject himself to as the result of the long speech he made in the Senate on Tuesday and Wednesday of this week.

I would not call the Senator from Idaho a Communist if I believed he were a Communist, and I do not believe he is a Communist. I think I indulge in no impropriety, however, when I say that my reaction when I got through reading his speech was this. I asked myself this question: I wonder what argument and propaganda the Kremlin would have put in the speech made by the Senator from Idaho if it had been written in the Kremlin, that is not found in the speech?

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MORSE. I am very happy to yield.

Mr. TAYLOR. I merely wish to thank the Senator for not calling me a Communist.

Mr. MORSE. I want to expound on the point. I wish to repeat, I sincerely and honestly do not think that the Senator from Idaho is a Communist, and I want to say further that I have no question as to the patriotism of the Senator from Idaho. But I do wish to say, just as sincerely and honestly, that he has presented to the Senate a speech which follows from beginning to end what in my judgment is the present Communist line in America, to be found in all the Communist publications in America.

Mr. TAYLOR. Will the Senator yield?

Mr. MORSE. I yield.

Mr. TAYLOR. I pointed out in my speech the other day that any one who did not agree to this bipartisan coalition on foreign policy had to be following the Communist Party line, because the Communists disagree with it. I happen to differ with it, so therefore I am following the Communist Party line.

Mr. MORSE. That is the only point I wish to make, Mr. President. We have to analyze the speech of the Senator from Idaho from the standpoint that it sets out with clarity, it seems to me, the position of Soviet Russia on the Marshall plan. It sets forth the Communist line without any variance. I wish to say, in concluding this speech, that I think the Senator from Idaho has performed a great service in this debate by making clear the choice we have before us, namely, are we going to follow the Communist line in America, and submit to the aggressive policies of Russia as Russia proceeds to run roughshod over the liberties of freemen the globe around, or are we going to say that we are ready to make perfectly clear to Russia that through the Marshall plan we are willing to draw the issue. It can become a very serious issue, but I think the issue will be more serious if we permit Russia to continue, through her aggressive policies, to proceed to trample one group of free people after another under her heel.

I do not have to dwell on the point by pointing out in detail that ever since the end of the war Russia has continued to have her way in every country which she has decided to take over and subject to Communist dictatorship. The list is taking on Hitler proportions: Poland, the Balkans, Yugoslavia, now Czechoslovakia, Finland in the balance, and many divisions of Russian troops presently mobilized in Yugoslavia and Russian zones of Europe with the Italian elections coming on April 18. It is not a pretty picture for peace.

If one reads the speech of the Senator from Idaho, he will look in vain to find anything in it which is favorable to his own country, but there is one praise after another for the foreign policy of Russia.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TAYLOR. He will not find that I have praised the foreign policy of Russia or anything Russia has done. I merely state the facts as I see them, in an attempt to show that the Russians have been justified in being afraid of us and, therefore, in pursuing an aggressive policy, as I pointed out in my speech the other day. When I was asked by the junior Senator from California [Mr. KNOWLAND] if I did not have some defense to make or something good to say about our foreign policy, or if I did not have something bad to say about Russia, I told him I would leave the business of telling people what the matter with Russia was to the prejudiced American press, and to about 90 other Senators—I raise the number now to 91—and let them tell the people what is the matter with Russia. That is what they have done, and that is why we are now on the verge of war with Russia, because of all this propaganda that has been dished out.

Mr. MORSE. Mr. President, all I care to say in reply to the Senator from Idaho is that I have not any doubt that he has attempted in his speech to present the facts as he believes them to be, but my great startlement is over the fact that he thinks what he has presented are the facts in regard to both Russian and American foreign policy. He has only presented Russian propaganda and Russian misrepresentations as facts.

Mr. TAYLOR. Mr. President, I made those remarks on the floor of the Senate, and no Senator chose to argue with me.

Mr. MORSE. As I explained to the Senator, I was not present when he made them. I answer him now and I deny the soundness of his alleged facts. I judge, as I read the RECORD, that the general feeling at the time he made his speech was that the vote itself would be an adequate rebuttal to the Senator from Idaho—which at that time I think it was. It spoke more eloquently than any words could. A vote of 74 to 3 against the Senator from Idaho.

Mr. President, I am about through. However, I could not let the speech of the Senator from Idaho stand in the RECORD without making the comments on it I have presented. I wish to say that I think the Senator from Idaho is correct about one thing; the situation in the world tonight is serious, and it has been made serious because since the end of the war there has been no substantial evidence presented by Russia of any willingness on her part to cooperate as a friendly ally in the interest of protecting freedom the world around.

Oh, what a bill of particulars one could draw if he desired to start drawing up a bill of particulars against Russia. However, one has to call attention to only one phenomena, and if the Senator from Idaho, I submit, were behind that phenomena—I refer to the iron curtain—if he were behind that iron curtain in Russia, he would not enjoy the great privileges and liberties I will fight to retain for him and others who share his views in this land so long as they conform to our system of government by law.

Mr. TAYLOR. Mr. President——

Mr. MORSE. One more word and I will yield.

I only want to say, Mr. President, that until Russia demonstrates a willingness to lift that iron curtain and proceed to permit the public gaze of the world to cast itself on her internal practices insofar as the liberties of individuals are concerned, I must continue with the assumption that she has no friendly intention toward America or toward freedom-loving peoples in western Europe. I must continue with the assumption that when she starts to mass her troops as she is doing, that when she follows the course of action she is following in the nations she has trod over, to which I have already referred, she in fact has no friendly aspirations in promoting the peace of the world. That is why the junior Senator from Oregon, sad as it makes him, must say again, as the Presiding Officer here now has heard me say before: I think that in this hour the American people must unite in the interest of na-

tional security. We as a people must unite behind such programs as the Marshall plan for economic defense and for the military defense which I think will eventually have to flow from it. We must unite to protect freedom in the world in order to make it perfectly clear to the Government of Soviet Russia that her program of aggression must halt. Serious as that statement is, Mr. President, let me say that, in my judgment, the loss of freedom which would result from Russia encompassing the world with Russian communism would bring greater disaster to the world than even another armed conflict.

I now yield to the Senator from Idaho.

Mr. TAYLOR. Mr. President, I must say that it seems to me the junior Senator from Oregon is being used as the stalking horse by the Republican Party against the new party movement, as he was used in the last election against the Democrats. The Republicans sent the Senator from Oregon into States where liberal Democrats were running knowing that the Senator from Oregon had a reputation as a liberal. He had the respect and confidence of labor voters, of liberal groups, and he went into States where liberal Democrats were running against reactionary Republicans, and he told the boys, "Now vote for the Republican," and they did, and the result was that many good men were left home, largely through the instrumentality of the junior Senator from Oregon.

I am sorry to see him follow the common procedure of not answering the arguments put forward, but rather accusing anyone opposing this bipartisan foreign policy of being communistic.

Mr. MORSE. I am perfectly willing, Mr. President, to let the record speak for itself as to whether or not the Marshall plan is not a complete answer to the unfortunate speech made the other day by the Senator from Idaho.

I close by assuring the Senator from Idaho that I am proud of the fact that I am not being used as a stalking horse by those forces in America which are supporting the Wallace ticket.

During the delivery of Mr. MORSE's speech,

Mr. BREWSTER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. BREWSTER. In connection with what the Senator from Illinois has said, was not that precisely what the Senate was told when we made the $4,000,000,000 British loan? We were told that it was to be for the economic rehabilitation of England, and that in the next 4 years it would accomplish that great objective. Yet what has been the result?

Mr. LUCAS. I understand that the Senator from Maine is for the Marshall plan, and that he intends to vote for it.

Mr. BREWSTER. I have stated that I shall vote for the Marshall plan in order to buy time, until we can get an administration with the intelligence and integrity to straighten out this situation; and I expect to do so.

Mr. LUCAS. Of course, the Senator from Maine always has a plausible excuse to get away from the real situation before us. I heard the Senator from Maine on the radio the other night. He did a commendable job. But when he was pinned down he finally stated, "Yes; I am going to vote for the Marshall plan."

Mr. BREWSTER. I stated the reasons why I was going to vote for it; and the audience of a thousand people in New York, without regard to partisanship, as the Senator saw, stopped the show.

Mr. LUCAS. Yes; they cheered everyone on that program.

Mr. BREWSTER. When I made the statement that we needed intelligence and integrity in the administration, that is what they responded to, to a single man.

Mr. LUCAS. If intelligence and integrity are going to be discussed, the Senator from Illinois could talk a long time about that, too. Whenever integrity and intelligence in this administration are discussed, I think the Senator from Maine had better keep very, very quiet about that particular thing.

Mr. BREWSTER. I was the one who brought up the matter, and I am willing to discuss it as long as the Senator from Illinois desires.

Mr. LUCAS. We will turn the Senator over to Howard Hughes.

Mr. BREWSTER. Is the Senator from Illinois now leaving the Chamber?

Mr. LUCAS. No; I shall stay; I shall be very glad to. The Senator from Oregon has the floor.

Mr. BREWSTER. The only comment I shall make upon the Senator's statement—and he fully realizes the question of personal privilege which he raises——

Mr. LUCAS. I did not raise any question of personal privilege at all; the Senator from Maine did.

Mr. BREWSTER. The Senator will permit me to continue, please. The only comment I shall make is that this afternoon one of the fruits of such an investigation has been shown, when a man was convicted in the District of Columbia court—the second highest man who was in charge of procurement in our air forces under this administration—convicted of three charges of commission of perjury, in addition to all the other defalcations of which he is apparently guilty and of which he is now being charged. That is one of the fruits of the matter.

The report regarding that investigation has been deferred until this proceeding in the courts is completed. When that report is filed—to the amusement of the Senator from Illinois——

Mr. LUCAS. To the amusement of the Senator from Maine——

Mr. BREWSTER. It will be proper for the Senator from Maine then to make a statement regarding the situation; and I hope the Senator from Illinois will do me and his country the justice of listening to that statement. I do not believe this is the proper time for that question to be raised, and the Senator from Illinois knows that very well.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. It is my understanding that the Senator from Oregon has the floor, and I have not heard him yield for any further colloquy.

The PRESIDING OFFICER. The Senator from Oregon has the floor. Does he yield; and if so, to whom?

Mr. MORSE. Mr. President, I always try to be generous in the use of my time. I recognize that these two Senators have involved themselves in what appears to be a debate between them on matters quite irrelevant to what I was discussing. I do not wish to deny them any courtesy at this time; but may I at least have a ruling from the Chair as to whether the colloquy may appear at the end of my remarks, instead of breaking into my remarks on the Marshall plan?

The PRESIDING OFFICER. The colloquy will appear at the end of the speech of the Senator from Oregon.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. MORSE. I will; but I hope the Senator from Illinois appreciates the situation and will do what he can to cooperate.

Mr. LUCAS. I will. I wish to cooperate with the Senator from Oregon and with the Senator from Maine. I apologize to the Senator from Oregon for interfering so long in the presentation of his remarks. I did not bring up the subject.

After the conclusion of Mr. MORSE's speech,

Mr. TAYLOR. Mr. President, I should like to ask the Senator from Oregon if he has not heard the debate which has gone on in the Senate. It has all been absolutely materialistic, aside from the flowery presentation of the Senator from Oregon. Speakers have emphasized over and over again that we are after markets with the Marshall plan. Just before I took the floor the other day it was plainly stated that we had to have markets or our capitalistic system would collapse. Nothing was said about aiding democracy abroad, or protecting democracy at home. Only today the junior Senator from Minnesota [Mr. THYE] asked the Senator from Missouri [Mr. KEM] some questions—only he did not really ask questions—he made flowery statements about what this great Marshall plan was going to do, and finally when the Senator from Missouri pinned him down, and asked him directly "What is your question?" the Senator from Minnesota said, "Well, if we do not have the Marshall plan what are we going to do with all our excess wheat?" And that is what the whole program is based on.

Mr. BREWSTER. Mr. President, I shall address myself briefly to the question which is before the Senate, the pending amendment calling for a reduction in the amount of the authorization for the Marshall plan.

I was disturbed to hear the Senator from Oregon suggest that anyone who raised a question regarding the plan was mercenary. I regretted that, because it seems to me that necessarily we in this body must be mercenary.

Mr. MORSE. Mr. President, I ask the Senator to yield so the junior Senator from Oregon may say that he is satisfied that when the Senator from Maine reads his whole remarks tomorrow even the Senator from Maine will agree that the interpretation he is now placing on the remarks of the Senator from Oregon are not warranted.

Mr. BREWSTER. I certainly do not wish to do the Senator from Oregon an injustice, but I think I have listened to practically all his remarks. I profoundly agreed with his emphasis upon spiritual things. But I think that in the same book where we are instructed to think of those things, we are also instructed to think of other things. If the Senator will recall the incident connected with Mary and Martha he will remember that it was shown that there was need to be careful about other things as well as spiritual things.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MORSE. I am sure the Senator from Maine, upon reflection, will recall that one of the main points I made in support of the Marshall plan was its economic advantages, so far as self-interest economically is concerned. I particularly referred to the language beginning toward the bottom of page 18 of the bill, I think it is line 21, and occupying all of page 19, which seeks to make sure that American business interests will enjoy economic advantages under the Marshall plan, by what amounts, may I say for purposes of illustration, to another cost-plus arrangement.

Mr. BREWSTER. It seemed to me that the remarks to which the Senator from Oregon refers were somewhat inconsistent with the other emphasis which he laid upon a word—and I recall the word "mercenary," perhaps with undue sensitivity, since it seems to me that we in this body are constantly mercenary with our own people. We have proposed a reduction of $2,500,000,000 in the current budget. That is mercenary. That is trying to reduce the amount which we must take from the American people to pay the expense of the Federal Government. If we are going to make reductions of that character in the interest of the welfare of the American people, it seems to me that we may appropriately consider also what is to be done with the appropriations for our friends across the seas.

I also feel that we in this country can hardly be considered mercenary when not only did we make vast appropriations for the war, amounting to more than $300,000,000,000, leaving us with a $250,000,000,000 debt, but we made actual gifts, as they amounted to, in excess of $40,000,000,000 to our friends across the seas before the war ended, and $22,000,000,000, I believe the figures are, since the war ended. We are now considering further appropriations. And whether or not any certain figure is a magic figure—I think the Senator from Michigan made quite clear that it was but an educated guess, but that the committee did the best it could—I am sure the members of the committee will accord to others the privilege, as we possess also the responsibility, of forming as well as we can an impression as to the accuracy of the estimates.

This plan started, as Senators doubtless recall, with an estimate from the European nations of $27,000,000,000 for the plan. It was later reduced to $22,000,000,000, and later reduced to $17,000,000,000, and still later reduced, when the Senator from Michigan eliminated the nasty old dollar sign for a 4-year total, to $6,800,000,000, and then by another reduction by the calendar of 3 months to the point of $5,300,000,000.

Now it seems to me that everyone in this body is responsible for considering whether or not that precise figure may be correct. I am quite sure that we do not yield to anyone in our respect for all those at home and abroad who have studied this problem and have made recommendations regarding it, including the Harriman Committee, the State Department, and the Committee on Foreign Relations. But I am somewhat allergic to these figures because there are still ringing in my mind the masterly and always eloquent words of the Senator from Michigan when, with equal logic and equal oratory, he persuaded us that the $4,000,000,000 for the British loan was precisely the amount which in 4 years was not only going to afford relief, but was going to bring about economic rehabilitation which would remedy all their economic ills. I must say that I did not yield to his logic at that time, and voted against the British loan. It seems to me that every development since that time has completely vindicated the wisdom of those who accepted the idea of making a gift to Britain at that time of either one billion or one and one-half billion. They believed that it would have advanced them much further along the line toward the recovery which we all so much desire.

But lest I be charged with prejudice in suggesting that not only has the British loan not accomplished the purpose for which we were told it would be used, but that it has been diverted to other purposes, and, in order to establish that fact, I will call to testify no American, but one of the most distinguished of British statesmen, the Honorable Winston Churchill. I shall quote his language regarding the diversion of the British loan to purposes other than the high objective with which it was advanced here on this floor, and suggest that we must bear that in mind in determining whether or not safeguards have now been inaugurated to avoid a similar diversion of the advances which are now proposed.

Mr. KEM. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. KEM. I was not a Member of this body at the time the late lamented UNRRA was under consideration. I should like to ask the Senator from Maine if eloquent voices were raised in its behalf.

Mr. BREWSTER. They certainly were; and it was pointed out at that time that in 1919 an exactly similar proposition was made to the administration under Woodrow Wilson. He repudiated the idea of associating the United States Government with other nations in a relief program 90 percent of which would be furnished by America. We went upon our own, and the great Wilson program was carried out under the direction of Herbert Hoover. It cultivated more good will than has been gained by all the $20,000,000,000 we have spent in the 2 years since the end of the last war.

Mr. KEM. The Senator from Maine has an uncanny memory. I should like to ask him if the Bretton Woods agreement was highly recommended when it was presented.

Mr. BREWSTER. It certainly was.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. TOBEY. I plead guilty, and I have no apologies to make, either.

Mr. KEM. I have no doubt the Senator voted for the entire program. I should like to ask the Senator from Maine if the plan for the Bank of International Settlements was also highly recommended.

Mr. BREWSTER. It was.

Mr. KEM. Have any of those programs worked out according to the plans at the time they were presented?

Mr. BREWSTER. They have not been adequate to accomplish the purpose. I may say that the Export-Import Bank, to which I shall refer in a moment, seems to me much better calculated to assist in some of these programs than the method we are now pursuing.

Mr. KEM. Have any of the programs we have just referred to accomplished any appreciable results?

Mr. BREWSTER. I would not want to enter into a discussion of that question, because that would involve the whole program. I have no doubt that they have done some good, but it is certainly sufficient to say that they have not accomplished the end which we all have in view, and we are still engaged on that great enterprise.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. VANDENBERG. The Senator from Missouri has referred to the uncanny memory of the Senator from Maine. I wish to prove that it is uncanny. He has referred to the eloquent appeal which I made to the Senate in behalf of the British loan. I was attending the Paris Peace Conference at the time of the British loan, and if the Senator received any impression of an eloquent appeal to him it must have been by telepathy.

Mr. BREWSTER. My recollection of the statement of the Senator from Michigan to me in person was that he had reluctantly come to the conclusion that he must support the British loan. Am I correct in that recollection?

Mr. VANDENBERG. Did the Senator leap from that conclusion to the assured conclusion that the Senator from Michigan must have made an eloquent speech on the subject?

Mr. BREWSTER. I think his slightest utterances are eloquent, and they have been impressive.

I appreciate the indulgence of the Senator from Michigan when he stated that he could not blame any Senator for voting against the British loan, although he felt compelled to lend his support to it.

Mr. VANDENBERG. The record shows that the Senator from Texas [Mr. CONNALLY] and I were paired on the roll call. I heard none of the debate. I came to a long-distance conclusion, and the Senator reached his judgment on the subject without any assistance from the Senator from Michigan.

Mr. BREWSTER. I certainly shall not raise any question of recollection as between the Senator from Michigan and myself; but I had quite clear recollections of my discussions with him before he departed on his trip. I am quite willing to accept his amendment as to his eloquence. I have no doubt it would have been adequate if it had been heard.

Whoever it was in this body who presented the British loan certainly argued with great eloquence that it would accomplish two objects, first, relief, and second, rehabilitation. We were told that in the 4-year program which would ensue that would be the result of that advance.

I wish to read what Winston Churchill said regarding the use of that loan, in order that we may be warned of the pitfalls which await advances of this character. This is the statement of Winston Churchill on August 19, 1947, regarding the use of the British loan:

> But there are other reasons why the loan has been ineffective. Owing to the follies and indecision of the Socialist Government, a great part of the loan has been spent, not on the reequipment of our industry nor upon the import of basic foodstuffs.
>
> Instead, much has been frittered away in American films and tobacco, and in large quantities of foods and fruits, which, however desirable as indulgences, were not indispensable to our active recovery.
>
> When you borrow money from another country, for the sacred purpose of national rehabilitation, it is wrong to squander it upon indulgences.
>
> Why wait till the 12th hour is near before taking the measures which every prudent housewife would have taken in her own home as soon as she understood what was happening?
>
> The Government had the knowledge, but they had neither the sense nor the decision to act. They were too busy planning and making their brave new world of controls and queues, of hordes of officials and multitudes of regulations.
>
> They exhausted what energies they had, and consumed their time and thought in carrying out their party fads, in choking the House of Commons with partisan legislation, in disturbing, discouraging, and even paralyzing business enterprise by nationalization schemes of no productive value, but which cast their threatening shadows and interferences far and wide over the whole field of British industry.

Those were the considered words of Winston Churchill as to the fruits of the $4,000,000,000 British loan, which has been exhausted in the first 19 months, instead of in the 4 years for which it was planned.

I come now to a more recent testimonial, by Geoffrey Crowther, of the London Economist. Again, lest I be charged with prejudice as to the diversion of the British loan, I call him also to testify. He is a long-recognized figure in Britsh economic and social life. I wish to read what he had to say regarding the British loan and the dangers it presents if we go further along this line. These are his words, published in the past month:

> Britain faces bankruptcy. In the past 2 years they have as a community overspent their income to the extent of $4,000,000,000, and the rate of overspending was almost twice as large in 1947 as in the preceding year.
>
> Can Britain afford $800,000,000 for Government expenditure overseas, or to feed a million mouths in the services in return for no productive work? It is easy to make a case for keeping 2,000,000 Government servants, but if 500,000 were returned to industry would the gain in output not ease the burden of controls?

No one will criticize the Government for wishing to build better schools, new hospitals, and more and better houses. But it is not usual to add a bathroom to the house just as the receivers walk in.

Mr. VANDENBERG. Mr. President, when the Senator from Maine will yield, I wish to refer to our previous colloquy, because I am in the position of being forced to present my apologies to the Senator. I find that before I left for Paris I had presented a discussion of the British loan in a general way on the floor of the Senate. The able Senator from Iowa [Mr. WILSON] has called it to my attention. The Senator from Maine is entirely correct in the statement he made.

Mr. WILSON. Mr. President——

Mr. BREWSTER. Mr. President, along with the statement of the Senator from Michigan, I think it appropriate to incorporate in the RECORD, if the Senator from Iowa will excuse me for a moment, some of the statements of the Senator from Michigan which appear in the CONGRESSIONAL RECORD, volume 92, part 3, at pages 4079 to 4082:

> In my opinion, this measure may prove to be a decisive factor in determining whether we are to live in a world of decent commercial opportunity or whether we are to attempt survival in a world of bitter economic strife and in a world of government cartels which might make any sort of peace impossible.
>
> * * * * *
>
> The fundamental American purpose in this loan is to provide Britain with about 70 percent of the foreign exchange she will require in a transitional period of perhaps 5 years, the balance coming from other available sources—to do what? To permit her to abandon these restrictive controls.

Of course, Mr. President, the controls today are more onerous than the ones at that time.

The Senator from Michigan continued as follows:

> I do not consider that I am voting a precedent for any other loan, because there is no other loan which could involve the factors embraced in this one. Mr. President, the committee's report is very distinct on this point, and I read from it one sentence:
>
> "It has been made clear to the committee that the British loan is in no way a precedent for other loans, because the proposed credit to Britain is intended to meet a particular problem that does not exist with respect to any other country in the world."

Mr. President, I do not question the utter sincerity with which those words were uttered, nor the bringing to bear upon the matter all the wisdom and experience and background and the wide range of knowledge which had been acquired by the Senator from Michigan. But I feel that it is incumbent upon all of us to seek to appraise this problem in the light of the conditions which have developed.

I wish to proceed with the quotation from Geoffrey Crowther, in the London Economist, in further comment upon the dissipation of the British loan. He said:

> It is not usual to add a bathroom to the house just as the receivers walk in.
>
> This statement will no doubt be contested. Why speak of Britain's only assets when there is every chance that by midsummer the Marshall plan will have been passed by Congress and assistance will be assured for the next 18 months at the least?

He suggests that this aid is to go on for 18 months.

I read further:

> Even Sir Stafford Cripps has said today that the only hope lies in American assistance, to give Britain the necessary time to bring about the restoration of normal conditions.

But he goes on to say:

> But herein lies precisely the danger. Continual borrowing can have the same effect as continual drinking. The borrower's—like the drunkard's—sense of reality tends to fade. Britain has already had the American loan and the Canadian loan and will get the South African loan. All have been necessary but all have helped to mask from government and people alike the country's true economic straits. A standard of living has been maintained, reserves have been eaten up, expenditures undertaken on a scale which is quite out of accord with Britain's real economic position. And what guarantee is there that the Marshall plan may not be used in the same way?

Mr. President, these are the words of a most distinguished Englishman, written in the London Economist.

He states further:

> The only proper, the only long-sighted, the only courageous course would be for Britain to pursue now the policy it would pursue if the Marshall plan were reduced to a half or a third and to use the surplus thus created to build up reserves, modernize industry, develop economic integration in Western Europe and undertake now the program of hard living and hard working in which, in the long run, salvation alone will lie.

Mr. President, those are the words spoken by an Englishman, and they are worthy of ringing around the world as the only solution for the economic ills of any country on this earth.

As to the more specific problem in regard to the question of an educated guess, I shall be specific, with the suggestion that there are two items, which have come to my attention, which it seems to me are easily susceptible of bridging the gap between the pending amendment and

the amount in the bill as recommended to the Senate.

I have not personally ever believed that the balance-of-payments approach was wise. I have felt that it resulted in an inevitable amount of legerdemain that no one could control; that when we adopt the balance-of-payments aproach it becomes utterly impossible to determine what is wise and what is unwise. I should much prefer to see the approach made on the basis of the relief which every American is happy to furnish—relief for those who are hungry—and, second, to have the remainder of the program for economic rehabilitation upon the basis of specific aid and grants for specific projects. That is the only sound course if we are really convinced of the wisdom of our devotion to free enterprise. The moment we speak from government to government, we adopt the very totalitarian approach which we are fighting. Yet as the matter is presented here, and as I have previously said, under the circumstances there seems in the 9 months remaining before there may be a change in the Administration, no other course under our constitutional processes in the conduct of our foreign relations, and with the world in the situation we now face, than for us to go on with this program, hoping and praying that greater wisdom will be used in its administration than has been demonstrated in the case of the loans heretofore advanced.

But when we come to the question of amount, accepting the theory of the balance of exchange, there have been two items which have come to my attention in my study of the voluminous documentation of this situation and all the reports and in all the statistical volumes with which we have been inundated—and I think the Foreign Relations Committee discovered the extent of those matters when it was obliged to date its reports from day to day, and when it discovered that a report which had been received 4 days earlier was already outdated. In other words, there has been a constantly changing panorama. So I think no one needs to be concerned if there is evidence that something remains to be considered.

Mr. President, it was the clear conviction of Winston Churchill that the previous loan had been ineffective, and that much of it was frittered away on items not indispensable to British active recovery. I think the Senator from Oregon, in his recitation of percentages, indicated that rather clearly, because I am quite sure that the rehabilitation of England was not advanced by the approximately 20 percent of that loan which was devoted to tobacco and to films. So we have ample evidence that there was possible a reduction which would have enabled us to make a saving of a billion dollars in that other loan, and still accomplish every measure of rehabilitation which was desired.

But what of the present loan, now under discussion, and of the question of whether it could properly be reduced $1,300,000,000? I am going to suggest two items on which alone this amount could be saved in the balance of payments, as presented to us by the 16 European nations now seeking our aid. One of them is in the construction of ships alone. I think it is very proper to consider that, since our own State Department in their recommendations in this matter eliminated four to five million tons of shipping which the European nations had proposed to construct, on the ground they were not justified in going forward with the construction of those ships when there were other matters that had such overriding priority. That meant a saving of almost a billion dollars. The European countries had proposed 15,000,000 tons of shipping to be built during the next 4 years. That would require 6,000,000 tons of very precious steel produced either in Europe or in America. They expected to get 2,000,000 tons of that steel from us. That would require the diversion not only of materials but of manpower.

We had a report from the European countries that every country in Europe outside Italy had a shortage of manpower, so that when they were diverting this labor to the construction of ships, meanwhile more than a thousand ships are tied up in our harbors waiting only for cargoes to put them on the seas, so that there is absolutely no excuse for the construction of millions of tons of shipping in Europe during the critical period of the next 2 or 3 years when every bit of their resources and of their manpower should be dedicated to the primary purpose of restoration.

They are operating their shipyards at twice their normal construction rate. They have now in their yards under construction 5,000,000 tons of shipping. They have contracted for 6,000,000 tons more. The State Department allowed those two items of 11,000,000 tons of shipping to go along in the program. That 6,000,000 tons of ships alone, at $150 to $190 a ton, which is the cost in the European yards, will be more than a billion dollars—that one item alone. It seems to me that everybody concerned either with the American merchant marine, as we indicated we were the other day, or with the welfare of America and of Europe, may properly say that they shall defer the construction of the extra 6,000,000 tons of shipping until they are in a better condition.

I might say that some of the ships of Holland at the present time are being traded to Finland and to Poland for supplies, which means that some of the steel and some of the ships are going behind the iron curtain. That again is a further unfortunate phase of the ship construction matter.

I have one item of a similar character, which is a matter even more unwarranted and unwise. The item deals with the air. England in the last 2 years has allocated $600,000,000 to establishing air supremacy, not in military, but in commercial aviation. That seems to me to be utterly unwarranted, and many in Britain feel the same as I do. A careful reconsideration of the whole program is under way, but it should receive the impulsion of the Administrator of this vast fund to persuade them that when last year alone they lost $40,000,000 in the operation of their imperial airway, in seeking to drive the American flag from the air, it was utterly unwarranted when we were putting up the money that alone enables them to carry on.

We recognize their desire for shipping, we recognize their desire to be in the air; but when they allocate $600,000,000, I wonder what would happen if I should stand here on the floor and propose that $600,000,000 should be dedicated to commercial aviation in the United States? I would be laughed at. It is 5 to 10 times what we are putting into commercial air, and yet Britain in her bankruptcy calmly allocates $600,000,000 to commercial air, and she lost $40,000,000 last year in a vain attempt to establish British commercial aviation.

These two items alone will account for the $1,300,000,000 which it is proposed by the amendment shall be taken from the amount provided in the bill which is now pending. It seems to me we may well give careful thought to being charged with being mercenary or lacking in the spiritual emphasis, which the Senator from Oregon so properly and so eloquently portrayed. We, too, are concerned with spiritual values, and "too often in recent years, liberal governments have been wrecked upon the rocks of loose fiscal policy." Those are the words of Franklin D. Roosevelt, in 1932, I think those words are as wise today as when they were uttered, and they are as wise in England and in all the other governments of Europe as they are here.

I speak in no disparagement of our British friends. They face great problems, but they must also realize that we face great problems, and if the Government of Britain could not use the British loan of $4,000,000,000 for the purpose for which it was designed, as everyone understood, what hope have we that some of the other governments of Europe that are in a far more serious plight will be able to be more prudent in their expenditure, unless the Administrator of the fund shall conduct it with far more zeal, with far more regard to the primary interests concerned? I have thus far not seen, in the glittering generalities with which this has been approached, a recognition of that peril and that problem.

These are the reasons why I feel we may be warranted in authorizing the sum of $4,000,000,000 instead of the $5,300,000,000 proposed for the first 12 months of the loan, realizing they will be back, that in another year the entire program will again be before Congress.

I want to add this final word, not for ourselves, because we shall be here to pass on this next year, but for the governments of Europe, that they will be very ill-advised if they take any advantage of any lack of, let us say, Yankee prudence on the part of the American administrators, if they take advantage of that as they did in the British loan, as is now confessed openly by all. If they take advantage of that, it may cause a reaction which will be very disastrous to all the

things that we desire. So in closing, not only to caution the administrators of the fund, but also the European governments concerned, I say that it will behoove them in the next 9 months to exhibit something of that regard for the dollar and for the fundamental principles enumerated by Goeffrey Crowther, in the London Economist, the principles of hard work and devotion to duty, rather than to seek constantly their recovery at the expense of the American taxpayer, who cannot indefinitely continue to carry on.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Ohio [Mr. TAFT].

Mr. CONNALLY obtained the floor.

Mr. MORSE and several other Senators requested the yeas and nays.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. CONNALLY. Mr. President, I inquire if the pending question is the amendment offered by the Senator from Ohio.

The PRESIDING OFFICER. The Senator is precisely correct. The question is on agreeing to that amendment.

Mr. CONNALLY. Mr. President and Members of the Senate, this has been a notable debate and one which has probably been staged on a level which has surpassed anything of its nature in many years.

The task which we have assumed is a great one. It is a colossal program, from a financial standpoint, to aid western Europe and western Germany. It is colossal because the problem before us is colossal. In my opinion, not since the Thirty Years' War has the world been in such a state of chaos, such a state of flux, such a state of uncertainty as it occupies today.

Mr. President, what is this plan and why has it been presented? As is well known, the program is to extend relief in two phases to the nations of western Europe and to western Germany. It is not to afford them temporary food, temporary relief to tide them over the winter, and leave them after the winter shall have passed in the same situation which they occupied before the winter began. It has two aspects: One is, of course, to furnish temporary food, temporary fuel, and other temporary relief measures to alleviate suffering, relieve hunger, and somewhat abate the chaos through which those nations have passed.

Why should we do that? Why is it our task? The chief reason for the action is that today the United States is the only country on earth which is capable of extending relief on the level on which it has been extended and of looking forward into the years with sufficient economic, political, and military strength if need be, to carry out and follow up the program.

Mr. President, I look upon this measure as being somewhat of a prolongation of our war obligations. We fought the war and spent $260,000,000,000. Why did we wage that war? We did not wage it in order to gain territory for ourselves. We did not expect reparations and we have so far gained none. We did not fight the war to bring other nations or other peoples under the yoke of the United States. We fought it largely for the purpose of preserving democracy and freedom in the world and to prevent aggression by totalitarian and military powers against the democracy and freedom of other nations of Europe. That was a part of the war, that was a part of the war cost. But when the war ended, for the time being, at least, by the combatants laying down their arms, we did not complete the purpose we had in mind in waging the war. Why save the democracies, why save the liberties of people, unless they are to be carried on into the years of peace, to be the servants and the agencies of the free governments of the world?

Mr. President, this program has in it, in addition to the immediate relief measures, provisions of an economic character. I say to the Senator from Maine [Mr. BREWSTER] who just concluded some very interesting remarks, that the economic sections of the bill do not necessarily mean grants. It is within the discretion of the Administrator as to whether they shall be loans or whether they shall be investments with long-term repayment, or shall take some other form of extending aid in those directions.

The purpose is to make it possible for these nations, after they shall consume the temporary food and relief, to rebuild their economies, to get back on their feet, to secure the strength and the prowess to rebuild their economies and stand upon their own feet.

Mr. President, the Senator from Ohio [Mr. TAFT] has offered an amendment cutting the authorization from $5,300,000,000 to $4,000,000,000. From the remarks of the Senator from Ohio, I fail to understand what particular standard he took in arriving at the $4,000,000,000. He argued about the British loan, which only indirectly has anything to do with the present issue. He argued about the International Fund, which is still pretty much intact and undisturbed, which has no direct relation to the pending bill.

What did the Committee on Foreign Relations do about the amount? We did not pull this amount out of a hat. The committee did not merely go out and look at a lot of figures on the board and say, "We will take $5,300,000,000." The Committee on Foreign Relations examined this question with as much care and with as much pains and with as much interest and industry as it has devoted to any question which has been discussed since I have been a member of the committee.

We had a standard. When Secretary Marshall made his memorable speech at Harvard University suggesting the plan, Great Britain and France called a meeting of the 16 beneficiary countries. Their preliminary estimates and requests were for $29,000,000,000. The State Department of our Government and the executive department soon scaled that down. They screened it and scaled it down to $22,000,000,000.

We were not satisfied with that. We provided further screening and further scaling, until it went down to the point of $17,000,000,000, to be expended over the 4½ years. But in order to meet the existing situation, and to meet the views of the Senate, we took out of the bill the $17,000,000,000 authorization and left it open, merely authorizing such funds as the Congress might desire to appropriate in the 4-year period.

How was the $17,000,000,000 figure arrived at? The matter was submitted to the Harriman committee, headed by the Secretary of Commerce, Mr. Harriman, a businessman of large means, wide experience, and sound economic views. That committee was composed of some of the most distinguished businessmen, economists, and publicists within the United States. It was not a partisan committee; membership on the committee was not restricted to Democrats or Republicans, but after a broad view of the whole economic and business field, these men were selected for their character, their experience, and their public spirit. One of our distinguished former Members, Mr. La Follette, was an active member of the committee, and served as its secretary or vice president, or in some other capacity.

After literally weeks of work upon the problem, the committee agreed upon an estimate of $17,000,000,000. In their judgment that amount could safely be expended by the United States without weakening or shattering our national economy.

Mr. KEM. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield briefly to the Senator from Missouri.

Mr. KEM. My question will be very brief.

Mr. CONNALLY. Very well.

Mr. KEM. I should like to ask the Senator whether Secretary Harriman, testifying before the committee, had this to say:

> We must frankly face the fact that the ERP will add to our difficulties in trying to control inflation.

Mr. CONNALLY. Of course, if the Senator reads that and says the Secretary made that statement, he did make it. Of course we all know this program involves difficulties to us, it involves the difficulty of spending all the money we are putting into it. I should prefer that we did not have to do that. I should prefer that there should be no appropriation, if such could be the case.

But we face realities. We do not face myths, and ghosts, and shadows; we face realities. Of course it is going to cost us something, and I may say to my distinguished friend from Missouri that it may also result in hazards and chances. No man can say that this program, or any other program of its kind, will work out perfectly. We may have great disappointments; it may fail in some particulars; I grant all that; but if we should not do what is proposed, what would we want to do? Would we want western Europe, one of the fairest regions on earth, to go down into gloom and disappointment and confusion, and perhaps become the victim of totalitarianism? Men with hungry stomachs and weary bodies and cold bodies are apt to yield to the seductive allurements of totalitarian arguments, looking out to grasp any hope, any promise, any expectation they think they may achieve by embracing a new doctrine.

Of course it is going to cost money, it is going to cost the taxpayers money, it is going to cost other people money, but if we by this measure can contribute to the stability of western Europe, if we can contribute to the stability of the earth, if we can contribute even slightly to the prospect of peace and to the security of peace in Europe, it will be worth all the sacrifices we make; it will be worth all the money we spend.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. KEM. I should like to ask the Senator if we have not already yielded to many seductive allurements, to use his striking phrase, in connection with UNRRA, the Bank for International Settlements, the Bretton Woods agreement, the Export-Import Bank, the temporary loan, and so forth.

Mr. CONNALLY. So far as the Export-Import Bank is concerned, I think that is a good institution. I do not think it is on the basis of extending temporary relief and aid.

Mr. KEM. Of the long list, is that the only one the able Senator from Texas would undertake to justify?

Mr. CONNALLY. I did not say that. The Senator gave me a chance to answer for only one. Let me say to the Senator that while I greatly admire the distinguished Senator from Ohio, who made a very interesting address today, and respect his views and his ability, as well as his courage, much of the address of the Senator from Ohio was in favor of cutting down the amount practically to the level of relief, because he said that one reason why he wanted the figure at $4,000,000,000 was that that was about the same amount that we had been spending in past years.

What have we been spending money for in past years? Does the Senator want another UNRRA?

Mr. President, I hope the Senator from Missouri will listen. There is no use in my explaining things to the Senator from Missouri if he is not going to listen.

Mr. KEM. I am hoping the Senator from Texas will get around sooner or later to the question I put to him.

Mr. CONNALLY. I have answered the Senator's question, or I am trying to answer it now, but if the Senator neither listens nor observes and follows my answers, there is no use in the Senator from Texas wasting his time on the distinguished Senator from Missouri. [Laughter.]

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield for one question?

Mr. CONNALLY. Yes.

Mr. ROBERTSON of Virginia. Is it not a fact that if we appropriate and spend in the next 12 months all the proposed $5,300,000,000, our exports in that period will not exceed the exports of 1947, although our domestic production is increasing, and the scarce item of steel, if we do not have any strikes, will in 1948 be the greatest in our history?

Mr. CONNALLY. The Senator is correct. The exports for 1947 were so tremendously high that what he says is entirely true.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I yield.

Mr. WHERRY. May I ask the able and distinguished Senator from Texas——

Mr. CONNALLY. The Senator may ask me anything after that introductory part of his question. [Laughter.]

Mr. WHERRY. My question is asked by reason of the query propounded by the Senator from Virginia whether the over-all exports will not be less, possibly, than those of last year. Let us take that assumption as correct. I should like to ask the distinguished Senator from Texas if it is not a fact that the over-all figure is not the important figure. The important point is: Will there be a continued export of commodities which are in scarce supply? I wish to ask the Senator if he has any information on this particular subject which he can give us based on the Harriman report.

I happen to have had considerable experience in the Small Business Committee with the subject of steel. There is a tremendous shortage of steel. The shortage of steel today is greater than it has ever been before. The shortage of steel is so great that building construction is affected. Pipe lines for the carrying of petroleum cannot be built. Many other important projects are delayed because of the shortage of steel.

I wish to ask the Senator from Texas whether the Harriman report deals at all with commodities which are really in scarce supply. The Senator from Maine [Mr. BREWSTER] spoke of the shipbuilding program and the need for steel in connection with it.

The Marshall plan now under consideration would cover the construction of great power dams. As I understand, if the plans now under consideration are carried out, there will be a $5,000,000,000 investment in power dams and power projects in the participating countries. There will be another $5,000,000,000 program of electrical distribution. In the next year, and in the full 4-year period, as the program advances, much of the material needed for such purposes will come from the United States.

My question is as follows: Did Secretary Harriman, whom the distinguished Senator from Texas praised highly—and I think deservedly so—in his testimony make a statement, or can the Senator find anything in the report relative to the export of scarce materials? It seems to me that that is something which will have an impact upon our domestic economy. How great is the export of such materials to be? What attention was paid by the Harriman committee to the impact upon our domestic economy by reason of such exportation? Statements have been made concerning the needs of the countries involved, but what will be the effect upon our domestic economy of supplying those needs with materials in scarce supply in our own country?

Mr. CONNALLY. I will say to the Senator that in considering the bill, and in deliberations upon it, the committee had in mind scarce materials, and we tried to provide, as best we could, that scarce materials would be conserved. One angle of it was that we provided that many of the commodities should be bought in South and Central America; not in our own domestic markets.

Mr. WHERRY. That refers to grain particularly. Very little, if any, steel could be obtained in South or Central America.

Mr. CONNALLY. I shall read the Senator certain figures with respect to steel in a minute. If the Senator wants information respecting steel, I shall give him as much information as I can.

Mr. WHERRY. I am more particularly interested in steel than in any other one thing at the present time. I agree with the Senator that there will be off-shore purchases of commodities in South America—grain and agricultural products. But I am primarily interested in the impact upon our domestic economy, as I previously stated, if we send scarce materials abroad. I asked the distinguished Senator from Michigan [Mr. VANDENBERG] to give us a break-down of the amount of steel that was going from the United States, and he said he would secure the information. I have not yet been able to secure it. I wonder if the distinguished Senator from Texas has the figures?

Mr. CONNALLY. I do not have them at hand. I shall secure them for the Senator.

Mr. WHERRY. I could not secure them from the State Department nor from the Foreign Relations Committee.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ROBERTSON of Virginia. If we have no strike this year it is estimated that we will produce 96,000,000 tons of steel, which is far above our steel production during the war.

The Senator from Texas asked: "If we do not aid the 16 nations of Europe to become self-supporting, and help preserve their democracy, what is the alternative?" He answered his own question by saying that the alternative is bound to be a military establishment on our part. What amount of money would be involved in that? He said it would be $10,000,000,000. Why would not that be inflationary? If we exchange butter for guns, that has always made butter higher in cost, has it not? That has been the experience in Russia. Shoes and clothes and everything else are higher there, because they have put so much money into the military establishment.

Mr. WHERRY. Mr. President, will the Senator again yield to me?

Mr. CONNALLY. I yield.

Mr. WHERRY. I think when we are discussing what are the needs of the countries over there we also should survey with the same degree of diligence what is the availability of supplies here. I have the report on the European recovery program. It contains the latest figures up to the Paris Conference. It sets forth what countries need steel, and how much they require.

Let us begin with Ireland. An allocation by the CEEC of $2,500,000 is made to Ireland. What are the figures with respect to production and so forth in Ireland? The figures are not available. We may ask for the amount of ore mined, but we find in this report the words, "not available." If we ask about pig iron we find the words "not available." Figures for crude steel production—"not available." Steel, finished—figures "not available."

We turn to Italy and ask the same question.

In all cases of questions dealing with iron and steel production we find the words "not available," "not available," "not available."

We turn to Luxemburg. Luxemburg wants $43,000,000 worth of steel. If we ask for the figures as to ore mining, pig iron, crude steel, the answers to all the questions again are, "not available," "not available," "not available."

We come now to the Netherlands. Forty three million dollars worth of steel is asked by the Netherlands.

Mr. CONNALLY. I do not mind yielding, Mr. President, but I do not like to yield so that a Senator may make a lengthy dissertation upon what is contained in a book.

Mr. WHERRY. I shall be glad not to take any more time of the distinguished Senator. I was very much interested in the statement he made, and it prompted my questions.

Mr. CONNALLY. The Senator has an advantage. He has the book in front of him and is reading from it. I do not have the book.

Mr. WHERRY. I shall be glad to give it to the Senator from Texas.

Mr. CONNALLY. It seems to me quite peculiar that one who has all the information in front should ask questions of some one who does not have the information available to him.

Mr. WHERRY. I may suggest to the distinguished Senator from Texas that he made the statement that the Harriman committee surveyed the economy of the United States, and went into the figures of steel production down to the last ton. Now I have here the figures which were prepared before the Paris Conference. The needs of various countries are set forth, but their own production figures are not available. If the Senator has any figures which give the break-down for the countries to which steel allocations were made at the Paris Conference, or for any time prior thereto, I should like to have them. I have not been able to obtain them from the State Department, or from the Foreign Relations Committee. My humble opinion is that they are not available. Therefore the figures with respect to steel, in my opinion, are certainly not authentic, that is, so far as the need of the various countries for steel is concerned.

Mr. CONNALLY. I thank the Senator for his very great contribution.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CONNALLY. I shall yield to the Senator in a moment. I have some information respecting iron and steel which I can give to the Senator from Nebraska. It is not in complete detail, but, for example, with respect to scrap iron—

Mr. WHERRY. There is no scrap iron leaving this country anywhere at this time, and it is not contemplated under this plan. If it is, I should like to know about it. I have investigated the steel business. We are investigating every ton that is leaving the country. There is not one ton of scrap iron being exported anywhere at this time.

Mr. CONNALLY. That ought to satisfy the Senator.

Mr. WHERRY. The Senator was quoting figures with respect to scrap iron.

Mr. CONNALLY. It was estimated that 2,000,000 tons would be exported.

Mr. WHERRY. No scrap iron is leaving this country at the present time.

Mr. CONNALLY. I am willing to scrap the scrap iron.

Mr. WHERRY. They asked for 1,399,000 tons, and it was cut out entirely, so there is no scrap iron going across the water.

Mr. CONNALLY. All of which proves what I said.

Mr. WHERRY. What?

Mr. CONNALLY. That in screening the programs we cut down everything we could so far as scarce materials are concerned. The Senator has just pointed out where we cut down 1,399,000 tons.

Mr. WHERRY. The same committee increased finished steel from 449,000 tons to 1,150,000 tons, and that is what we are trying to find out about.

Mr. CONNALLY. Finished steel has given employment to American labor and American plants, whereas the scrap or rough steel has not done so. That ought to contribute somewhat to our economy. We are interested in getting our people at home back to work, as much as we are interested in working in the Senate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield. I hope the Senator will not ask me about his plan, because I am not prepared to discuss it.

Mr. CAPEHART. I am quite aware of that fact, but I would like to ask this question: Of the $5,300,000,000 to be appropriated under the bill, what percentage does the Senator feel will be spent during the next 9 months for purely relief purposes, and what percentage for purely recovery purposes?

Mr. CONNALLY. I will say to the Senator that those matters of detail will, of course, be under the jurisdiction of the Administrator, but I feel that a large percentage of the initial appropriation will go for relief.

Mr. CAPEHART. Would the Senator say that perhaps 75 percent would be for relief?

Mr. CONNALLY. I do not think it would amount to that much. I have the figures here if the Senator is interested in them. I have a long list of the countries. Is the Senator interested in any particular country?

Mr. CAPEHART. I was only interested in the total amount. Would the Senator say that the percentage would be as high as 75 percent?

Mr. CONNALLY. The estimate is that there will be a total of $4,899,000,000 for relief-type commodities and services. The total estimated for recovery is $1,900,000,000. That was based upon $6,800,000,000 for a 15-month program. We have since reduced that to 12 months and the amount to $5,300,000,000.

I was about to quote further with respect to iron and steel, but I notice that the Senator from Nebraska has vanished.

Mr. CAPEHART. Mr. President, I do not care for the break-down.

I should like to ask one further question: Does the Senator from Texas agree with the statement which the able Senator from Michigan made yesterday—that relief will inevitably dominate the program most of the way during the next 9 months?

Mr. CONNALLY. I said so awhile ago.

Mr. CAPEHART. Relief will dominate for 9 months?

Mr. CONNALLY. I believe that naturally the most pressing problem will be relief of those in want and those suffering from hunger. When they get some food in their systems they will be more likely to go to work.

Mr. CAPEHART. If it is impossible to put the recovery program into effect for 9 months or a year—and I believe that was the opinion of the able Senator from Michigan, and I believe that

the Senator from Texas agrees with that opinion——

Mr. CONNALLY. I do not entirely agree. The recovery program will perhaps not get into full blast in 9 months, but there will be some progress toward recovery.

Mr. CAPEHART. What I am trying to say is that if it is impossible to get the long-range recovery program going in 9 months or a year, and if out of the $5,300,000,000, 40 percent is for long-range recovery, we might well get along with $4,000,000,000 for the next 12 months.

Mr. CONNALLY. I thank the Senator for his speculation; and that is all it is.

Mr. CAPEHART. It is no more speculation than the $5,300,000,000.

Mr. CONNALLY. That may be, too.

Mr. CAPEHART. It is all speculation.

Mr. CONNALLY. It is speculation, that is true; but the figures have been repeatedly screened by those who ought to know—first by the State Department and then by the Krug committee, who had reference to our own economy here at home, as to whether it would be an undue burden on it—then by the Harriman committee, composed of the most distinguished economists and public men in the United States; and finally by the Committee on Foreign Relations, for which I hope the Senator has some respect.

Mr. CAPEHART. I assure the Senator that I have a great deal of respect for the Committee on Foreign Relations. However, I hope that during the next 30 years their record of recommendations of schemes for this Nation to enter into will be more successful than it has been for the past 30 years. I feel certain that it will, with the able Senator from Michigan as chairman of the committee.

Mr. CONNALLY. If the Senator is here 30 years from now, we shall try to advise him at the end of that time.

Mr. WHERRY. Mr. President, will the Senator yield for one further observation?

Mr. CONNALLY. I yield.

Mr. WHERRY. Does the Senator know whether or not the Department of Commerce has made any survey of the steel needs of this country since the war?

Mr. CONNALLY. The Senator knows the answer to that question. Why is he asking me?

Mr. WHERRY. I just wondered if the Senator knew.

Mr. CONNALLY. The Senator knows. I do not propose to waste any of my time answering something which the Senator already knows.

Mr. WHERRY. Does the Senator from Texas know?

Mr. CONNALLY. I assume that it has.

Mr. WHERRY. I should like to point out that it has not. The subcommittee which has handled the investigation of steel in this country had this to say a few weeks ago:

The subcommittee notes that export quotas as determined by the Department of Commerce at the present time are based upon guesswork rather than on reality, inasmuch as no official over-all survey of domestic requirements has been made since the early war days.

Mr. CONNALLY. Of course not. Nothing else has been done except the war effort. We were at war.

Mr. WHERRY. How does the Harriman committee know what the economy can stand?

Mr. CONNALLY. I shall read the statement to the Senator, if he will be patient. The Senator is a wonderful parliamentarian, but he becomes impatient. He lets his intellectual horse run away with his physical feet.

Mr. WHERRY. Does the Senator mean that my mental footwork is outdistanced by what I can do physically?

Mr. CONNALLY. No; the other way around.

Mr. President, in answer to the Senator from Nebraska, who interrogated me as though he were cross-examining a witness in a justice-of-the-peace court—at which I am sure he is an adept—this is what the Harriman committee says with respect to iron and steel:

We propose to supply 3,100,000 tons of iron and steel, valued at $290,000,000, during the first 15 months of the program.

That must be cut down now to 12 months.

That is just over half the amount estimated in the Paris conference.

Mr. President, that is what I am telling the Senate. We are cutting the program everywhere we can. We are screening it and reducing it.

Included are 2,100,000 tons of finished and about 1,000,000 tons of crude and semi-finished.

Mr. WHERRY. Was the program submitted on the basis of the Paris figures?

Mr. CONNALLY. No.

Mr. WHERRY. The 5.3 billion is not figured on that basis at all?

Mr. CONNALLY. Not at all.

Mr. WHERRY. On what basis is it figured?

Mr. CONNALLY. On the basis of $17,000,000,000, after we got through the screening process, and cutting it down.

Mr. WHERRY. The $17,000,000,000 was allocated after the Paris Conference.

Mr. CONNALLY. The Paris Conference met in July, I think, and started with $29,000,000,000. The Senator knows that. He reads the newspapers. He knows that the figure started at $29,000,000,000. When I first rose I explained that it started with $29,000,000,000, which was reduced to $22,000,000,000, and then a further reduction was made to $19,000,000,000. Finally, in the committee, it was reduced to $17,000,000,000.

Mr. WHERRY. Could it not have been reduced by another three or four or five billion dollars, if it is based upon the needs set forth in the Paris Conference? If those figures did not mean anything, how was the figure of $17,000,000,000 arrived at?

Mr. CONNALLY. We cut out a great many things that we thought they could do without.

Mr. WHERRY. Why can it not be further reduced?

Mr. CONNALLY. We can cut it all out, if the Senator wants to vote that way, but I do not favor it.

The Senator from Nebraska says, "Why not cut out some more?" I wonder where he would make the reduction, what particular thing he would cut out. These allocations and these total amounts were not fixed by some individual member of the committee saying, "I have iron in my State, I want some more iron in this program," or by a man interested in cotton saying, "We have not enough cotton in this program. Let us put some more cotton in it," or a Kentucky man, with a plug of tobacco in his pocket, saying, "Wait a minute; I want some more tobacco for this."

Mr. WHERRY. That is provided in the bill.

Mr. CONNALLY. I know it, but they might have gotten more.

Mr. President, this was undertaken to be a well-balanced program. They looked over the economic needs of these western European countries and western Germany, and they tried to reach a sound appraisal.

Of course, there is no absolute certainty of just where the line is going to be drawn, just how many bales of wool or just how many bushels of wheat will be needed. Those matters are subject to revision from time to time by the Administrator himself, in view of the necessities, and also in view of our own conditions here at home. If there should be a scarce material in the United States—and I hope the Senator from Nebraska will listen to me, Mr. President.

Mr. WHERRY. I am listening.

Mr. CONNALLY. I want him to listen with both ears, not with just one.

Mr. WHERRY. Mr. President, I admit that it takes both ears to listen to the Senator from Texas. [Laughter.]

Mr. CONNALLY. I thank the Senator. If he will listen twice, he will be better off than if he listens only once.

Mr. WHERRY. I thank the Senator.

Mr. CONNALLY. Mr. President, if it should develop that in this country there were some scarce material that we were badly in need of, to such an extent that we could not afford to export it, we could stop exporting it at once, under the provisions of this bill. The Administrator has the right to stop it, and the President of the United States, as the over-all administrator of all this program, would have the right to stop it, and could stop it at the very moment he discovered that situation.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. ROBERTSON of Virginia. I call the Senator's attention to the fact that after the Harriman committee's report was submitted, our steel manufacturing plants opened additional production facilities which will add 6,000,000 tons of steel to our annual production—which is twice what the Harriman committee reported for a 15-month period.

Mr. CONNALLY. I thank the Senator. That is very helpful, and I hope the Senator from Nebraska will hear it.

Mr. WHERRY. Yes; just before the Marshall plan comes in, we get that announcement.

I know exactly what the steel production is and what the steel available for export is. I say to the Senator that the report of the Small Business Committee was worked out with expert information and advice which shows that there is a shortage; and I say to the Senator that the problems, not only of the small-business man but of other businessmen, in regard to obtaining steel are acute now and will be more acute by the time this bill is passed.

Mr. CONNALLY. Mr. President, for that matter, they have always been acute and they always will be acute, and that will result in the production of more steel, and will keep the mines open.

Mr. BALL. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. BALL. The Senator from Texas has been telling us of the very careful screenings, through the various committees, in regard to the estimates made at Paris. I wonder if he can tell us how it happens that, whereas the CEEC report, on page 45 of volume 2, estimates their total import requirements of tobacco for the first 15 months at 242,000 tons, on the other hand in this careful screening process we come out with a recommendation, on page 22 of the committee report, for 298,000 metric tons of tobacco in the first 15 months—an increase of 56,000 tons over the estimate of total imports as made by the countries themselves at Paris.

Mr. CONNALLY. I say to the Senator that I should be glad to explain that in detail. I have the information. But the Senator from Kentucky [Mr. BARKLEY], who comes from a great tobacco-producing State, will discuss that later in his remarks. So I ask the indulgence of the Senator from Minnesota in that respect, and ask him to wait until that time.

Mr. BARKLEY. Mr. President, I am not going into the details as to how this particular amount was arrived at. I did not put it in the bill; I did not put it in the report.

But it is a fact which all of us understand that among the things that ought to be exported from the United States to the 16 countries is tobacco. The item of tobacco has been included by the State Department because it is essential that these countries have that much tobacco in working out their economy, a part of which is based on an incentive use of this commodity.

Various remarks have been made here today because tobacco is included. I should like to remind the Senate that tobacco pays into the Treasury of the United States $1,200,000,000 a year in taxes—five times as much as the amount the tobacco costs, and one-quarter of the entire expense of this bill for the first year. One quarter of the entire expense of this bill is paid into the Treasury of the United States by tobacco. I should like to have any Senator point to any other crop that pays that much money into the Treasury of the United States. However, that is not the reason why tobacco was included in this list.

All of us know that over an historic period, tobacco has been exported to Europe. I can remember when large quantities of it were shipped overseas. There were many government monopolies. The Spanish Government itself in years past bought 55,000,000 pounds of tobacco and used it as revenue, for treasury purposes. The same is true of Italy and France, and of Holland and Great Britain.

This item of tobacco is included in the allocations under the State Department's figures, although tobacco is not used any more than any other commodity is used in the bill, in order that, in the first place, these countries may have the use of this commodity for the purpose of undertaking to establish factories in Europe that will manufacture the finished products which they want and need, and of course it will incidentally absorb a part of the surplus amount of that commodity in the United States.

We must recognize the fact that these people must have their morale stimulated, and we know that since the war the use of American tobacco and American cigarettes has largely supplanted the use of other tobacco and other cigarettes and other forms of the finished product in all portions of Europe, and that is especially true of Germany and France and Italy.

Tobacco is so important there, and has become so important since the war, that it is almost a medium of exchange. There have been times when one could take a carton of cigarettes in Germany and almost buy a house and lot with it. Of course that is a slight exaggeration, but it is so important that they have this commodity that we cannot deny them the use of it, not only in order that they may stimulate the manufacture of tobacco, in Europe, into cigars and cigarettes and smoking tobacco and chewing tobacco, but also in order that their morale may be stimulated by means of their ability to get this commodity, which they need and must have, just as any American workingman needs it and wants it in his economy.

That may not be a satisfactory explanation of the figure in the report, but it is the basis of the allocation of tobacco for the people of these 16 countries.

Mr. CONNALLY. Mr. President, the State Department in its report says that the exports from the United States for 1948 and 1949 to the participating countries will probably be of about the same order of magnitude as in 1946 or 1947. They have not increased it any. They state that for the past 2 years the United States has had ample supplies of tobacco, and that imports to the participating countries from the rest of the Western Hemisphere are expected to be less than prewar, and that the Department of Agriculture estimates that the total supply of the participating countries will be lower in 1947 and 1948 than it was in the prewar period, and so forth.

Mr. BALL. Mr. President, will the Senator yield briefly?

Mr. CONNALLY. I yield briefly. However, I wish to conclude soon.

Mr. BALL. I have not yet heard, however, how the estimates in regard to the tobacco requirements of these countries have increased 56,000 tons for the first 15 months. I suspect that, quite incidentally, the fact that we have a surplus of tobacco had something to do with that.

As a user of tobacco, I can appreciate not only the tax that we pay on it, but also the fact that it is very comforting sometimes. But it seems to me that nearly 300,000 tons of tobacco is a tremendous amount of stimulant.

Mr. CONNALLY. That is a lot of tobacco; but if one likes tobacco, it is not so much. [Laughter.]

Mr. President, I always enjoy yielding to Members of the Senate for questions, but one may hunt through all the reports and find some small isolated item that is perhaps out of line, and want to know about it. He finds an item of calico, and he wants to know why we do not send two yards of calico. I cannot answer all those picayune questions. I am not prepared to do it. I do not want to take the time of the Senate tonight to review statistical matters. Senators have all the figures, because they have been hunting for them. They have been going through the record with a fine-tooth comb. We can hear one of the Senators saying, "If we can just find something that does not look exactly right, we can put over the Taft amendment, and that will save a lot of money for the Treasury. I can then go back home with the applause of a willing, if not an admiring, constituency."

Mr. President, I have more figures on tobacco. These are along a similar line, and are furnished by the Secretary of Agriculture. He details about the same levels on tobacco.

Mr. BARKLEY. Mr. President, will the Senator yield at that point for a question?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I do not want to prolong the matter with regard to tobacco, but it is an interesting fact that when the Senate was considering the interim relief bill last fall, certain agricultural commodities, such as prunes, plums, and citrus fruits, together with other varieties were taken care of and are now being shipped, or have been shipped, under that program. There is nothing extraordinary about the fact that there is an allocation in the pending measure for tobacco.

Mr. CONNALLY. Oh, no.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. CONNALLY. I will yield in a moment.

Furthermore, when the 16 countries made their estimates, western Germany was not included. Later on we included it. Of course, that raised the percentage of tobacco.

I yield to the Senator from New Jersey.

Mr. SMITH. I was going to make the point the Senator has just made. As I understand, the CEEC figures did not include western Germany.

Mr. CONNALLY. That is correct.

Mr. SMITH. The other figures did.

Mr. CONNALLY. That is correct.

Mr. SMITH. That accounts for the discrepancy.

Mr. CONNALLY. The Senator is correct. I thank him for interrupting me.

Mr. President, I shall have to hurry along. I wish to say as a member of the committee, that one of the purposes of the bill is to render temporary aid, to relieve suffering, to banish fear, to relieve them of anxiety about communistic infiltration and encroachment. The other purpose is to make it possible for the nations to regain their independence, economic as well as political, to recapture their fortunes, and to stand upon their own feet. What has the bill done in that regard? The bill provides that each of the countries shall enter into a contract with the Administrator. The contract will set forth what they obligate themselves to do. One of the obligations will be that they shall endeavor to balance the governmental budget. Another is that they shall endeavor to stabilize the currency. There are other requirements of that general character, written with a view to placing them on a sound business basis.

In addition to the individual contracts, there is a multilateral contract with all the beneficiary governments, obligating each of them jointly and severally to undertake to reach the high goals set before them, so that they may be able to stand upon their own feet.

Mr. President, suppose they do not do as they agree; suppose they are not faithful to the obligations they assume. The Administrator has authority to terminate relief. The President has authority to terminate relief in those cases. That is the penalty. We do not propose to give them money continually through the years, unless they do their part. Tonight I should like to emphasize that.

I wish every politician and statesman in the 16 countries might hear what we say. We expect the countries of Europe rigidly to live up to their obligations. We expect them to do their utmost to achieve the objectives and the aims which we have in mind. If we are willing to hand over several billions of dollars for their rehabilitation and rebuilding, they must likewise sacrifice, suffer, and stint in order to reach the goals we have set, and in order to accomplish the objectives of the pending measure.

Mr. President, the Senator from Ohio today made a most interesting speech to the effect that he wants to cut the authorization from $5,300,000,000 to $4,000,000,000. Upon what basis does the Senator from Ohio make that proposal? Is it merely upon his own estimate? Is it merely his idea of how much should be spent and how much should not be spent? Has he the support of any economist who has made estimates? Is it based upon the work of a committee of businessmen or publicists who have studied the question and made a report? Has it any foundation at all except that it is merely what the Senator from Ohio thinks about it?

I have high respect for the opinions of the Senator from Ohio. I have high respect for his ability. I am somewhat at a loss to understand how he arrived at the figure of $4,000,000,000. Was it merely by figuring it on a piece of paper? Was there any reason for it? No, Mr. President, we shall have to have more than the dictum of an eminent Senator, even of a Senator as eminent as the Senator from Ohio. I might follow the Senator in some things, but I would not want to follow him when he wanders around in the financial world, unless he furnishes me with some basis for his estimates, some clear argument justifying his proposal.

I have already briefly pointed out that the pending measure has the backing of the Harriman committee, of which it may be said that a finer group of businessmen has never been assembled in the Capitol. It also has the backing of the Krug committee, which says that the exports can be sent to foreign countries without hampering our own economy. It had the backing of the Nourse report, which went into the economic aspects of the situation. The figures have the approval of the State Department which has screened these matters, and which has had reports from all over Europe, including a report by Ambassador Lewis W. Douglas, one of the most eminent diplomats in our service, a man of large affairs, formerly a Member of the Congress, a financier, president of one of the great insurance companies, and president of McGill University. He is stationed in Europe, and has been in contact with all the nations during the negotiations and since. He approves the figure of $5,300,000,000, and he approves the bill.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. CONNALLY. Yes, indeed.

Mr. TAFT. Is the Senator aware of the fact that the Harriman committee estimate was at least $200,000,000 lower than that of the State Department, and that the State Department disregarded it?

Mr. CONNALLY. I do not know about the State Department. I know the Harriman committee made an estimate that was higher than that of the Committee on Foreign Relations.

Mr. TAFT. No; I beg the Senator's pardon.

Mr. CONNALLY. Oh, yes.

Mr. TAFT. The report of the Harriman committee is approximately $5,750,000,000. The report of the committee is now approximately $6,000,000,000.

Mr. CONNALLY. There is some confusion arising from the difference between 12 months and 15 months.

Mr. TAFT. But the testimony shows that the Harriman committee report was at least $200,000,000 less than the figure recommended by the State Department. With due respect to the Senator, the Foreign Relations Committee did not screen those figures. It accepted the State Department figures without question.

Mr. CONNALLY. Oh, no.

Mr. TAFT. The committee has not screened those figures. The committee cut the $6,000,000,000 down to $5,300,000,000 only because of the change from 15 months to 12 months. Furthermore, as the Senator is aware, the Harriman committee report on required imports into western Europe is very much less than the State Department figures. They have also had a lower figure on exports from western Europe, but their estimate of the imports required into western Europe is very substantially below the figure accepted by the committee from the State Department.

Mr. CONNALLY. I do not regard the State Department as sacred. It makes many mistakes; I know that. I have been a member of the Foreign Relations Committee for many years. I do not fall down and worship the State Department. I simply cited the fact that one of our eminent diplomats, Mr. Douglas, had been in Europe and conferred and had arrived at the same estimate.

The Senator from Ohio is completely answered when I remind him that this authorization of $5,300,000,000 is not an appropriation. It simply means that the Senate gives its consent to the Congress, if that body desires to make an appropriation within those limits. Tomorrow or next week, if this bill should pass, the Appropriations Committee could appropriate the $4,000,000,000 which the Senator from Ohio suggests, and there would be no violation of the terms of the act. All this bill does is to liberate the two Houses and permit them to appropriate any amount up to the limit of the authorization. In any year in the future, whenever the Congress or those in authority shall conclude that we are spending too much money or are proposing to spend too much money in Europe, all they have to do is to reduce the appropriation. They have the right and the power to cut off all appropriations.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CONNALLY. In a moment.

I agree with the Senator from Ohio that there is no obligation upon either branch of the Congress by reason of this authorization except for the 12-month period. The countries of Europe which are involved are supposed to take notice of our congressional and constitutional limitations. They know that no matter what the authorization may be Congress must make the appropriation each year, and that if it does not desire to appropriate a thin dime, no power on earth can compel it to do so.

I now yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Texas whether, in his opinion, there is any moral commitment extending beyond a 1-year period.

Mr. CONNALLY. Not so far as I am concerned. It might be said that by reason of debating this bill and of all the publicity which accompanies it there might be some little lingering feeling that we ought to vote for it. But we are not here to indulge in fantasies; we are here as Members of the Congress, with a perfect right to discontinue the appropriation whenever we wish to do so.

Mr. KEM. Would the Senator agree with the Senator from Michigan [Mr. VANDENBERG] that if the 16 countries of

western Europe shall perform their part of the undertaking, the Members of the Congress then will be under some moral obligation to continue to make appropriations?

Mr. CONNALLY. No. The Senator from Michigan did not say that. He said he might feel under some moral obligation. He did not say anything about Congress having such an obligation.

Mr. KEM. Does the Senator think our responsibilities would be higher——

Mr. CONNALLY. That is not for me to pass on. I should hate to pass on those things, even concerning the Senator from Missouri. I should not want to pass on his moral responsibilities. I am sure he has no immoral responsibilities.

Mr. KEM. I hope the Senator from Texas is not imputing to the Senator from Michigan any higher moral sensibilities than are possessed by the Senator from Missouri.

Mr. CONNALLY. I am sure that if the Senator's sensibilities are as high as they look, he is right along with the Senator from Michigan. But what the Senator from Michigan said was that if the countries involved should live up to the unilateral contract and the multilateral contract, on the faith that we mean this program to continue, and an appropriation should be requested for its extension for another year, he thought he would have some moral obligation to support it. That is what the Senator said.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. CONNALLY. Yes.

Mr. KEM. I should like to ask the Senator from Texas whether he agrees with the Senator from Michigan in the statement to which he has just referred.

Mr. CONNALLY. If the Senator had been listening, instead of talking to the Senator from Nevada [Mr. MALONE], he would have heard me say that I agreed with the view that we can discontinue an appropriation whenever Congress desires to do so, with no obligation of any kind on the Senate or the House.

Mr. KEM. Moral or otherwise?

Mr. CONNALLY. I said any kind. That ought to cover it.

After all, Mr. President, the Senator from Ohio is protected. But suppose Congress shall not appropriate as much money as may be needed. Then there would have to be another authorization requested, which we probably would not get if the Senator from Ohio should be here. It is all subject to the Congress, to the Administrator, to the Secretary of State, to the President. If it were revealed that we were spending more money than was necessary, it could be stopped tomorrow. If the recipients were not receiving enough, the amount could not be increased one dime without going before the Appropriations Committee, being cross-examined, and dragged around by Senators on the other side of the aisle.

Mr. President, why is this program necessary? My view is that the condition of the western nations of Europe and western Germany is a part of the aftermath of war. They were not among those that were wounded. They were not among the casualties. Their cold bodies are not sleeping out on some hillside. But the war laid its indelible marks upon them and helped to destroy their economy, their homes. Their public and private finances have been distracted. In the past few years two or three great nations have cut down their food supply to the point where there is widespread suffering. In Italy, in France, perhaps even in Great Britain. We thought it was cold here in the past 2 or 3 months because we had a little snow and a little cold wind. But that is nothing as compared with the condition of a man in a shack who has not enough to eat and not enough fuel to keep himself warm. Mr. President, is not such a man a ready victim for communism? Is he not a ready recipient of totalitarianism? Will he not listen to the persuasive voice which tells him: "Join us. We will divide up the wealth of the world. You will get something to eat; you will get some fuel."

Mr. President, that has already happened in many of the satellite countries.

So the problem involves the wreckage of war. We want to finish the war, not alone upon the battlefield, but out yonder in the economic, social, and political world.

Mr. President, I want to see the countries of western Europe so strengthened and so rebuilt that they may determine their own political future. I want them to determine it, however, free from the pressures of hunger and want and suffering. I want them to determine that future with enlighted intellects, and free wills, and with a free choice. I do not want to see them driven along as the people of Czechoslovakia were driven along, by foreign pressures.

It is said there have been no armies there. No, there have been no armies there, perhaps. Whether there were armies there or not, they had pressures on them that were as strong as armies, and there was always out yonder a little ways off a Red army, ready to strike if the occasion should come.

So, Mr. President, I want these countries to stand on their own feet and make their choice. We want to see democracy live, but democracy cannot live without something to eat, something to wear, and a fire to keep it warm. We have to give these people an opportunity to lead a normal political life.

Many of these countries were ravaged, many of them were stripped, much of their wealth and their plants and their homes were destroyed. Western Germany is particularly in that class. I want to see western Germany rehabilitated. It was once a great area. It has been very closely fitted to the economy of Europe. It is the economic heart of Europe. I want to see western Europe regain its strength and stand upon its own legs. Therefore there are included in the program all three zones, those of Great Britain, the United States, and western Germany.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHERRY. Would the Senator be in favor of an amendment providing that the Administrator agree with the participating countries as to whether or not they might halt temporarily, until the Administrator could make a survey, the further dismantling of the plants in this very section the Senator would like to see rehabilitated?

Mr. CONNALLY. We yesterday discussed the plants and their dismantling. I do not think it would be wise to amend the bill in regard to that, because the people are working there, and the only information I get is that there are only a few of the plants being dismantled, under an agreement made at Potsdam.

Mr. WHERRY. Mr. President, what I am asking is, would the Senator, as a member of the Committee on Foreign Relations, see any objection to submitting an amendment on the floor of the Senate directing the Administrator to confer with the participating countries, and entering into an agreement simply to halt the dismantling of the plants which are still there to be dismantled under the Potsdam agreement, or any subsequent agreement, until the Administrator made a survey, so that temporarily they could halt the dismantling of them, and a survey could be made by the Administrator, providing he made an agreement with the participating countries. What is wrong with that?

Mr. CONNALLY. There may not be anything wrong with it, but I do not believe this bill is the place for it. Answering the Senator's question, I should not favor putting it in the bill.

Mr. President, do we want to see western Europe destroyed? I do not. The people there are a great people, a people of high intellect, energy, courage, ability to fight if need be, they are great industrialists. It is a land which has produced great poets and writers and universities. I want to see western Europe survive.

Mr. President, would anyone here like to see Great Britain go down in ashes and in ruins? I hope she will not. Great Britain was the land that gave the world the great Magna Carta, it was the nation that gave the world parliamentary government, it was the nation which sent its immigrants to America, who founded this great country of ours.

I have been to Great Britain since the war. Great Britain was punished brutally and savagely. Those Senators who have been there could from their hotel windows see great buildings which had been torn and shattered and broken by explosions, and they know the sufferings to which the people have been put since the war. I do not want to see Britain go down in a holocaust of political or economic ruin.

Mr. President, I do not want to see Italy disintegrate and dissolve. Italy has had her misfortunes in recent years; she has had many misfortunes. For one thing, she is greatly overpopulated, and it is going to be very difficult for Italy to produce a sufficient amount of products to feed and care for and house her own people. Italy is a historic land, a land which for hundreds of years ruled the world from a little town on the Tiber, and I do not want to see Italy gathered

into the totalitarian embrace of Moscow. I do not want to see whatever liberty she has obliterated by the "Bear that walks like a man."

Mr. President, I do not want to see France go down in confusion and chaos, uncertainty and misery. France has had a glorious and great record. There were days when France left her impress upon the world, and ruled great parts of the world. She had misfortunes during World War II. She played a gallant part in that war. She struggled along, and then was occupied by a cruel enemy state, and stripped of much of her possessions.

Mr. President, we cannot abandon these countries in their time of need. I grant the action we are contemplating is the most colossal international enterprise of the kind there has been in recorded history. I think no event of this kind, probably, since the fall of the Roman Empire, has meant so much to other nations of the world, as assistance coming from this Nation for their resuscitation, for their rehabilitation, and for their relief from suffering and want.

Why should we do what is proposed? Because, Mr. President, we are the strongest nation on earth. We are the strongest nation from an economic standpoint, we are the strongest nation from a military standpoint, we are the strongest nation from a political standpoint. We have no Socialist government here. We have no enterprises which have been nationalized. We have a great democracy, with strength enough to make war when it wants to make war, and with calmness and patience enough to carry on its enterprises in time of peace, and to grow and prosper. Therefore the United States is the only nation on earth today qualified in all these respects to come to the aid and rescue of the nations of western Europe, and western Germany. So I think that destiny has laid upon us a sort of obligation, and we cannot wrap our cloak about us and say that the rest of the world is of no concern to us.

As members of a democracy, have we no concern to see that the democracies of the rest of the world survive? As lovers of freedom and liberty, have we no desire to see that those who practice freedom and liberty, like ourselves, live and survive? I want to see every democracy on earth flourish and prosper. I want to see every land survive where liberty exists, where freedom exists. I want to see such lands grow and prosper and become strong in order to maintain themselves and in order to spread the doctrines of liberty and democracy.

Mr. President, some have complained that the nations behind the iron curtain are not in the program. When the program was first envisaged they were invited to join. But their master's voice said, "You cannot join." So one after another they declined to join. If Czechoslovakia could speak from her grave tonight, she could tell us that she endeavored to join, but that her master's voice spoke and told her she could not join, and she refused to join.

Mr. President, the nations behind the iron curtain are not in the program because they refused to join. They not only refused to join, but they have become the enemies of the program.

Why is Russia fighting the program? She is fighting it because she is diametrically opposed to the things the program provides.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Does the Senator from Texas yield to the Senator from Indiana?

Mr. CONNALLY. I yield.

Mr. CAPEHART. Perhaps the able Senator from Texas can tell us why Spain is not a party to the program?

Mr. CONNALLY. Spain has not been playing along much in foreign relations lately. I do not know exactly why.

Mr. CAPEHART. Is it not a fact that the great reason for the entering into of the program is to stop communism?

Mr. CONNALLY. Well, I will be glad to speak to the Secretary of State and tell him that the Senator from Indiana wants Spain included, if he desires.

Mr. CAPEHART. I wish to say that I sometimes wonder whether some of us are as sincere as we claim to be. The one nation in Europe which has fought communism for years and years, and which has stopped communism, is Spain. We are told by the able Senator from Texas and the able Senator from Michigan and the Secretary of State, and the President of the United States that we are going into this program to stop communism. Yet the one nation in Europe that stopped communism, that has had experience in stopping communism, is not a part of the program. I appreciate that the able Senator from Texas has the right to answer other Senators sharply if he cares to.

Mr. CONNALLY. Oh, no.

Mr. CAPEHART. But I am one Senator who will not accept it.

Mr. CONNALLY. I will give the Senator the best answer I can.

Mr. CAPEHART. I was sincere in the question I asked the Senator, and I am sincere now, and I should like to have a sincere answer.

Mr. CONNALLY. The Senator will receive an answer if he will just be patient.

Mr. CAPEHART. The Senator did not give me an answer a moment ago.

Mr. CONNALLY. I know the Senator did not get an answer in full, but he did not let me give it in full.

Mr. CAPEHART. I received a sarcastic answer that I could see the Secretary of State.

Mr. CONNALLY. No; I said I would ask the Secretary, if the Senator wanted me to. I read from the committee report:

> Of all the sovereign states of Europe, Spain was the only one which was not extended an invitation to attend the Paris Conference.

That was the Paris Conference of the 16 nations. The United States was not included. It was the conference held by the 16 proposed to be recipient nations. They did not invite Spain. Now why did they not invite Spain? I continue to read:

> From an economic point of view Spain might be able to make a contribution to such a program. On the other hand, due to the nature of the Franco regime and due to the resolution adopted at various international conferences, the CEEC countries—

Not us, but the 16 countries—

> the CEEC countries at the Paris Conference did not believe it appropriate or consistent with the spirit of such resolutions to invite Spain to participate at that time. Whether she eventually takes part in the program will depend upon her own willingness to assume the obligations involved, the willingness of the participating countries to admit her, and the ability of Spain to conclude a satisfactory bilateral agreement with the United States.

I think that answers the Senator.

Mr. CAPEHART. Are we willing that Spain become a party to the agreement?

Mr. CONNALLY. The answer is that she might. So far as I am concerned I would be glad if she would come in. We are going to have Portugal in the program.

Mr. CAPEHART. So far as the able Senator from Texas is concerned, he would be happy to have Spain come in?

Mr. CONNALLY. Well if she will agree to the contracts, made with all the participating governments, and undertake to live up to the multilateral agreements and cooperate and contribute, which she is able to do, to help the other nations of western Europe—why come on. I am willing.

Mr. CAPEHART. Why did the other nations refuse to permit her to become a party?

Mr. CONNALLY. I read the reason to the Senator from the report. There were certain resolutions adopted in the United Nations' General Assembly which reflected on Spain somewhat. Many of the nations took a position with respect to her. The United States was not one of them. I voted for the inclusion of Spain.

Mr. CAPEHART. I appreciate that. Spain is not a party to the United Nations.

Mr. CONNALLY. That is true.

Mr. CAPEHART. And yet Spain has been fighting communism for many years. We are now fighting communism. We are helping France, Italy, and other nations to fight communism.

Mr. CONNALLY. We are resisting communism, rather than fighting it.

Mr. CAPEHART. I am not so certain that we are doing it either; but then that is a matter of personal opinion.

Mr. CONNALLY. I thank the Senator.

Mr. President, I want to conclude. I do not want to be discourteous and fail to yield, but I hope I can finish what I wish to say, because I understand there is anxiety that a vote be taken tonight on the pending amendment.

I believe adoption of the program will have a great deal to do with stabilizing Europe. If the countries involved be-

come independent economically and politically, they will have freedom in expressing their views, and greater freedom in international relations among the other nations of the world. I want these nations to be in position where their self-respect will be preserved, so they will feel like they are on their own and can make their contributions to international life. They cannot do it with hunger and misery sweeping over their lands.

Mr. President, as I pointed out awhile ago, the plan has been screened down from time to time until tonight it provides only $5,300,000,000 for the first 12 months. After that time it will be up to the Congress as to whether it wants to appropriate another dollar or whether it wants to discontinue the program entirely.

We have had hearings before the Foreign Relations Committee from the 8th of January to the 5th of February, nearly 30 days, practically every day. We have heard witnesses from all classes of people who came before us explaining the problem, and giving us their views on the economics of the United States. We had the reports of the Harriman committee, the Krug committee, and the Nourse committee. The Secretary of the Treasury came before us, as did the Secretary of Agriculture and the Secretary of Defense. Representatives of the World Bank came before us.

The Senator from Ohio made some point about the World Bank. The World Bank estimated the amount needed to be slightly larger than the committee allowed. The World Bank estimated the amount to be $7,000,000,000. The World Bank said that would be a safe figure without disrupting or injuring the economy of the United States.

Mr. President, I feel that to cut this amount to the point suggested by the Senator from Ohio would be a distinct discouragement to the European nations. Propagandists would say, "Oh, yes, the United States is not sincere. It has already cut your appropriation below the figures contained in the bill." It would be a tremendous discouragement to the nations of western Europe and to the people of western Germany who want to comply with the program and are looking to it with eyes of hope and expectation.

It would not only discourage them but it would encourage those who are fighting the plan. It would start up again the propaganda machines to discourage the plan and to berate and denounce and abuse the United States for not keeping faith with the 16 nations of Europe. Do not doubt but that it would be done. The enemies of the plan would placard our action all over Europe. The radio would ring with their frenzied utterances, pointing out that the United States has fooled the European countries and did not undertake to keep the faith.

Mr. President, I believe that democracy is at stake. The lines of communism and totalitarianism are advancing all over Europe. They will advance into the western part of Europe. They will spread through Italy, and they will spread to every other country where it is felt that those obnoxious doctrines can find support or nourishment. We want to stop it. The methods are the methods of Hitler, except that they are not accomplished with arms. Hitler took over Austria with the anschluss. He took over Czechoslovakia without firing a shot. He took over other nations by pressure, by overwhelming them with his minions, taking them into the embrace of the system of totalitarianism and tyranny. Unless something is done for these countries they may be absorbed into the great empire of totalitarianism.

In conclusion, let me say that the world is in a great crisis. In a world crisis the United States must play its own part. It must play a noble part. It must play an outstanding part. The United States occupies a leading place among the democracies of the world. It leads in the economic and financial world. It stands out in the military world as the greatest power in the world. We must not—we dare not—refuse to assume the obligations which go with those mighty positions of power.

The United States cannot afford to be false to its ideals and purposes. We cannot be false to the men who died on battlefields to maintain our liberties and our prestige. We cannot forsake the great historic personages of the past. We must not fail the world. The world looks upon us as the greatest power in the world. It has faith in us. It knows that we do not want to conquer other lands. It knows that we do not want reparations and indemnities. We must not fail the world; and these nations are an important part of the world to us. We must not fail them.

Of course, as pointed out by the Senator from Ohio, we must remain armed. I believe that the safety and security of the United States require that we maintain a great Army, a great Air Force, and a great Navy, in order that the people of the United States may be secure in their liberties and in their property and institutions. Of course we all favor that. However, that does not answer the question.

The big question in this whole program is the desire of the United States for world peace. Since World War I, public men of the United States—not all of them, but many of them—have been striving to bring about machinery for the establishment of world peace. I recall that before the war, and before the San Francisco Conference the able chairman of the Foreign Relations Committee [Mr. VANDENBERG] and I, together with other members of the Foreign Relations Committee, were striving, planning, and laboring, in conferences in the Department of State and among ourselves, to bring about a plan for world peace, the settlement of international disputes, and the protection of nations from aggression and invasion, so that they might enjoy the fruits of their labors. Finally, after several years of consideration of such plans in the State Department and elsewhere in Washington, we were sent to San Francisco to consider the United Nations.

The United Nations was not all that we wished. We wanted peace, and we sought to bring about an instrument of peace. After many weeks of labors we brought back to this Chamber the United Nations Charter. By an almost unanimous vote the Senate honored those who drew it and those who supported it.

Since that time there have been many international conferences. In all those conferences it has been our ambition and purpose to contribute to the peace of the world. To my mind that is the dominant thing upon which we are voting tonight. We are voting upon the peace of the world. If the nations of western Europe can regain their independence, their stability, and their economic powers, peace in Europe will be much more secure than it is now, with threats and dangers coming out of the East which may overwhelm or submerge the democracies and the freedom-loving peoples of the western part of Europe.

So tonight my appeal is, Let us contribute to the peace of the world. Let us not be content with the provisions in this bill, but let us fill it with the spirit of peace and security for those peoples who believe in democracy, who are devoted to liberty and freedom, and who will join the United States in working out, together and bilaterally, the plans which we have in mind for the rehabilitation of Europe, which will save its people from chaos, misery, and ruin, and reestablish in those fair lands a standard of equality and independence, making them vital nations in the world in the future development of our historic policies and precepts. [Applause.]

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with the reference to the report of the Small Business Committee, pages H–16, H–17, and H–18 from the Commodity Report on the European Recovery Program, from the Committee of the Executive Branch, having to do with the production of steel.

Mr. CONNALLY. I shall not object to the insertion in the RECORD, but I do not want the matter to come right in the middle of my address. If the Senator has it inserted at the end of my remarks, that is all right.

Mr. WHERRY. It is perfectly agreeable to me to have it placed wherever the Senator would like to have it, so far as the position in the colloquy is concerned, but I should like to have it in connection with the report of the Small Business Committee, which was a matter of debate, if the Senator will permit.

Mr. CONNALLY. That is very difficult, because there was a running-fire debate, and the Senator now comes in with three pages to have inserted in the middle of the debate, and no one would know what the debate was about.

Mr. WHERRY. It will be all right to have it printed following the remarks of the Senator.

Mr. CONNALLY. To be inserted at the end of my address?

Mr. WHERRY. Yes.

The PRESIDING OFFICER. Without objection, the matter presented by the Senator from Nebraska will be printed at the end of the address of the Senator from Texas.

The matter is as follows:

COMMUNITY REPORT, EUROPEAN RECOVERY PROGRAM

CHAPTER H. IRON AND STEEL, INCLUDING STEEL-MAKING EQUIPMENT

(This report is the result of the first phase of analysis of the European recovery program and may be subject to revision.)

I. Introductory and summary

This report attempts to summarize and to appraise the proposals advanced in the CEEC technical report on iron and steel. Data shown in this report relate to calendar years 1948–51. In certain other documents, similar United States estimates have been adjusted to cover the fiscal years, 1948–52. This shift in time periods does not result in important changes since steel production is not significantly affected by seasonal variation.[1]

The main outlines of the CEEC report may be briefly stated. It forecasts large increases in steel production by participating countries in 1948 and more modest increases thereafter. For the first year of the program, the projected increases for the 16 countries are to be accomplished largely through the maximum utilization of existing iron and steelmaking capacity. Thereafter gains in output are scheduled on the basis of the realization of projected plant expansion programs. Over the period of the program, iron and steel production equipment valued at slightly over $400,000,000 would be secured from the United States. In addition, imports of over 2,000,000 metric tons of crude and semifinished steel are called for annually, as well as large quantities of scrap. Besides these requirements stated in the CEEC report, imports from the United States of finished steel are projected at levels declining from 1,100,000 to 25,000 tons. The quantities of steel thus available to the participating countries as a group would permit both large increases in domestic consumption and the resumption of a substantial part of the participants' former export trade in iron and steel.

The expected increase in domestic steel consumption in the 16 countries is predicted on the existence of an enormous demand for steel for reconstruction and on the necessity of replacing Germany, in considerable measure, as an exporter of machinery, equipment, and other products fabricated of steel. Finally, the export program in steel is regarded by the CEEC as a vital means of reestablishing international market positions which, for the long-run future, are expected to be a vital source of substantial quantities of foreign exchange.

In reviewing the iron and steel requirements of the participating countries in the light of probable availabilities, representatives of the United States agencies concluded that (1) the United States will not be able to export scrap and will be able to export only 20 percent of the amounts of crude and semi-finished steel (excluding hot-rolled strip in coils which is classed as a semi-finished product in the CEEC report) required by the participating countries, (2) that the United States might increase its exports of finished steel above the amounts proposed in the CEEC report in order to overcome in part the unsatisfied requirements for scrap and crude and semi-finished steel, and (3) that in 1948 the participating countries, owing to shortages of materials and transport, will probably not be able to reach their production targets for that year.

Both the consumption estimates and the trade pattern advanced in this report follow from these conclusions. It is expected that the participating countries will reduce exports both to other participants and to the rest of the world, and at the same time sustain total imports of finished steel, thereby partly protecting consumption in the first 2 years from the effects of the anticipated lower home production. The chief impact of the probable reductions in imports of scrap and of crude and semifinished steel from the United States falls on the United Kingdom and Italy, which together seek the bulk of these imports.

The United States estimates of consumption of finished steel are more than 4,000,000 tons under the CEEC estimates for the first year of the program and about 2,000,000 tons under those for the second year. Thereafter, the United States estimates conform to those given in the CEEC report.

It was not possible to make an independent judgment of the ability of individual participating countries to consume the quantities of steel each projected, or of their need for these quantities. It seems clear, however, that a failure to meet CEEC estimates by 13 percent in the first year and about 5 percent in the second year should not seriously affect the recovery program in the over-all. Rough calculations suggest that the steel requirements in basic industries studied by CEEC technical committees will take 40 to 50 percent of anticipated total steel consumption. It should be possible, therefore, to direct the main impact of reduced supplies toward other, less vital domestic programs and, possibly, to a limited extent toward a reduction in exports.

The CEEC steel-plant-expansion program calls for the provision of slightly more than $400,000,000 worth of equipment of various types from the United States or about 45 percent of total requirements for new iron and steel production equipment. Of this quantity between $60,000,000 and $80,000,000 is already on order. While data are lacking with which to appraise with any precision the requirements for new plant facilities, the United States agencies are of the opinion that a substantial portion of equipment requirement might be supplied out of German reparations. When the equipment requirements are reviewed in detail, and when account is taken of availabilities from German reparations, it is doubtful whether total equipment requirements from the United States will exceed half the CEEC figure.

The shortage of scrap, which the CEEC indicates will adversely affect steel production in the United Kingdom and Italy, could be materially alleviated by intensified efforts in the collection of this material throughout western Europe, especially in Germany. The collection of scrap has not been given high-priority status in bizonal economic programs up to this time. Such priority might well yield substantial quantities of this material above present schedules.

An attempt was made to estimate the total drain on United States steel supplies entailed by the United States estimates for exports from this country of steel as such and of steel in selected basic fabricated items. The results, while rough, indicate a total drain of about 4,000,000 tons a year in steel ingot equivalent. However, in terms of metallics, considerably less would flow to Europe since the scrap generated both within the steel industry and in fabricating industries would remain in the United States. The figure of 4,000,000 tons just advanced is, therefore, essentially only a measure of the extent to which crude-steel capacity in the United States might be utilized to satisfy European recovery needs.

It is also suggested that after the recovery program is put into operation, the Economic Cooperation Administration should obtain assurances that the prewar European steel cartel or other restrictive practices affecting production and trade will not be employed.

II. The European home-supply position

A. The Production Program

Tables 1 and 2 compare the United States estimates of production for each country with the CEEC estimates and with actual figures for prewar years. Discrepancies between CEEC and United States estimates arise mainly from differences in the timing of schedules of production, particularly for 1948, when the 16 participating countries aim at achieving a maximum utilization of existing capacities.

As may be seen from table 1, production of steel ingots in western Europe, including western Germany, is placed by CEEC at 42.3 million metric tons in 1948, as compared with an estimated production of 30,300,000 tons in 1947, or an increase of 40 percent. If the United Kingdom, which aims at a relatively modest increase of 10 percent, is omitted from the computations, the percentage increase for the other countries, including western Germany, is 60 percent. The United States estimate for 1948 is approximately 36,800,000 tons, an increase of 20 percent over 1947. For the later years, the United States estimates approach more closely those advanced by the CEEC.

In arriving at the estimated output of crude steel, the United States agencies gave attention to the tight supply of metallics and to shortages in coke and steel capacities. All these adverse factors will be felt most acutely in 1948. Scrap shortages in the United Kingdom and Italy are particularly pronounced. Since, according to the CEEC, these shortages cannot be made up from western European supplies, and since the scheduled imports from the United States will probably not be available, estimates of crude output in these two countries have been cut considerably. The United States agencies assumed that coke supplies in 1948 will not be entirely adequate to allow the scheduled increases in steel output, especially in France and Belgium-Luxemburg. However, should all the needed coke in 1948 become available, it is felt that other bottlenecks such as transportation, manpower, and organizational difficulties would not permit the output scheduled for western Europe by CEEC. This conclusion is especially applicable to France, Belgium-Luxemburg, Italy, and Austria.

Estimates of finished steel production for each country were based upon its consumption of crude steel by applying the same ratios used by CEEC. (See table 2.) For most countries, revised estimates of finished steel output fall below the CEEC estimates in approximate proportion to the reduction in estimated output of ingots. Since the CEEC estimates of finished-steel output for the United Kingdom and Italy assumed large imports of crude and semifinished steel, and since only a small portion of the imports expected from the United States have been allowed, the estimates of finished-steel output in these two countries are reduced by a higher proportion than were their crude-steel production estimates.

[1] For the most part, participating countries are dealt with as a group and, wherever appropriate, data are presented both to include and to exclude western Germany. The term "participating countries" means the 16 CEEC countries and western Germany and the CEEC countries means the participating countries, excluding western Germany.

TABLE 1.—*Production of crude steel by participating countries in past years and in 1948 to 1951 as estimated by CEEC and by United States agencies*

[In thousand metric tons]

Country	Most active prewar year [1]		1938	1947	1948		1949		1950		1951	
					CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate
Austria	(1929)	632	666	400	600	500	720	600	720	720	1,000	1,000
Belgium	(1929)	4,275	2,324	2,815	4,250	3,565	4,250	3,900	4,850	4,300	4,850	4,300
Denmark	(1939)	6	6	30	35	35	45	45	55	55	70	70
France	(1929)	9,711	6,221	5,812	10,400	7,300	10,890	8,700	11,700	10,000	12,690	11,000
Greece	(1938)	20	20	10	20	20	20	20	120	50	220	100
Ireland	(1938)	----	----	2	9	9	15	15	22	22	30	30
Italy	(1938)	2,328	2,328	1,600	2,500	2,000	2,670	2,350	2,830	2,600	3,000	2,800
Luxemburg	(1929)	2,696	1,436	1,800	3,000	2,250	3,000	2,700	3,000	2,700	3,000	2,700
Netherlands	(1937)	39	57	207	303	300	393	390	473	470	503	505
Norway	[2]	63	65	57	67	67	72	72	92	90	92	90
Sweden	(1938)	995	995	1,195	1,300	1,300	1,500	1,500	1,760	1,760	2,060	2,060
Switzerland	(1938)	5	5	57	80	80	80	80	80	80	80	80
Turkey	(1939)	----	----	82	80	80	85	80	90	80	90	80
United Kingdom	(1937)	13,192	10,564	12,700	13,970	13,080	14,200	13,900	14,480	14,480	14,990	15,000
Total, 16 countries	----	33,962	24,687	26,767	36,614	30,586	37,940	34,352	40,272	37,407	42,675	39,815
Bizone	(1938)	17,820	17,820	2,750	4,075	4,477	5,500	6,259	7,500	8,525	10,000	10,000
French zone	(1938)	424	424	60	100	100	150	150	150	150	150	150
Saar	(1938)	2,538	2,538	752	1,550	1,600	2,538	2,500	2,538	2,500	2,538	2,500
Total, 17 countries	----	54,744	45,469	30,329	42,339	36,763	46,128	43,261	50,460	48,582	55,363	52,465

[1] As selected by each country to show greatest representative prewar activity. In most cases a single year was used throughout the questionnaire so that in some instances the figure given under this heading may be less than the figure for 1938.
[2] Not available.

TABLE 2.—*Production of finished steel by participating countries in past years and by 1948–51 as estimated by CEEC and by United States agencies*

[In thousand metric tons]

Country	Most active prewar year [1]		1938	1947	1948		1949		1950		1951	
					CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate
Austria	(1929)	427	467	286	380	316	432	361	432	432	650	650
Belgium	(1929)	3,268	1,805	2,446	3,650	3,083	3,650	3,353	4,123	3,673	4,123	3,673
Denmark	(1939)	6	6	91	[2] −40	35	[2] −30	45	55	55	70	70
France	(1929)	6,589	4,115	4,090	7,500	5,279	7,810	6,260	8,350	7,128	8,960	7,782
Greece	(1938)	15	15	8	15	15	15	15	90	37	165	75
Ireland	(1938)	3	3	2	9	9	15	15	22	22	30	30
Italy	(1938)	1,748	1,748	1,360	2,450	1,845	2,740	2,310	2,990	2,524	3,280	2,729
Luxemburg	(1929)	1,910	1,026	1,266	2,230	1,680	2,230	2,005	2,354	2,115	2,354	2,115
Netherlands	(1937)	10	154	130	200	200	300	300	350	350	400	400
Norway	[3]	92	82	66	97	97	101	101	120	120	120	120
Sweden	(1938)	687	687	845	950	950	1,150	1,150	1,280	1,280	1,500	1,500
Switzerland	(1938)	55	55	95	95	95	95	95	95	95	95	95
Turkey	(1939)	----	----	57	60	60	65	60	68	60	68	60
United Kingdom	(1937)	10,373	8,216	10,300	11,980	10,377	12,065	10,905	12,265	11,306	12,410	11,638
Total; 16 countries	----	25,183	18,379	21,042	29,576	24,041	30,638	26,975	32,594	29,197	34,225	30,937
Bizone	(1938)	13,360	13,360	2,062	3,056	3,256	4,125	4,525	5,625	6,225	7,500	7,500
French zone	(1938)	411	411	70	170	170	275	275	275	275	275	275
Saar	(1938)	1,952	1,952	504	1,179	1,179	1,889	1,889	1,889	1,889	1,889	1,889
Total; 17 countries	----	40,906	34,102	23,678	33,981	28,646	36,927	33,664	40,383	37,586	43,889	40,601

[1] As selected by each country to show greatest representative prewar activity. In most cases a single year was used throughout the questionnaire so that in some instances the figure given under this heading may be less than the figure for 1938.
[2] Transfers to stocks expected to exceed production. In revising production estimates, the United States agencies made no allowance for such transfers to stocks.
[3] Year not available.

B. Western European Steel Expansion Programs

The major western European steel-producing countries other than Belgium and Luxemburg, as well as several of the smaller producers, are planning expansion of their iron and steel capacities. The greater part of this new capacity is not expected to come into operation until 1950 or 1951, at the earliest.

The planned net expansion in iron and steel capacity by 1951 is shown below:

[In thousand metric tons]

	Ore mining	Pig iron	Crude steel	Steel finishing
Austria	1,400	550	750	456
Denmark	----	----	40	40
France	----	1,700	2,000	1,500
Greece	340	150	200	150
Ireland	----	----	78	----
Italy	----	915	680	100
Luxemburg	----	----	----	124
Netherlands	----	150	195	190
Norway	----	----	29	27
Sweden	----	400	700	500
Switzerland	----	----	----	10
Turkey	350	----	240	190
United Kingdom	1,524	1,524	1,677	1,271
Total	3,614	5,389	6,589	4,558

The total cost of the expansion and modernization programs planned by the participating countries is estimated at $2,200,000,000, as shown in table 3. Not more than 40 percent of this total cost represents iron and steel production equipment itself. Of equipment requirements, about $550,000,000 will be met by imports, with about $400,000,000 expected to come from the United States (see tables 4 and 5). Thus, planned imports from the United States constitute about 45 percent of total equipment requirements. Orders have already been placed in this country for facilities valued at $60,000,000 to $80,000,000.

The possibility of meeting a portion of requirements from German reparations was discounted in the Paris report. It is the opinion of the United States agencies that this source of production facilities should be fully utilized. A more detailed discussion of this subject is to be found in Appendix 3 of this report.

The requirements for steel-plant machinery and equipment set forth in the CEEC report can be evaluated only as a part of the broader steel production, consumption, import, and export programs which the report advances. It is clear, for example, that the requirement of the United Kingdom for two continuous strip mills is not unrelated to

that country's requirement for imports of approximately 2,000,000 tons of crude and semifinished steel annually.

Even should the very optimistic CEEC steel-ingot production expectations be realized, the finishing capacity of the CEEC countries, particularly that of the United Kingdom and Italy, would still not be fully employed—a fact which is pointed out by CEEC itself.[2] Thus it is clear that under the more realistic, and lower, production figures advanced by the United States agencies, and with United States exports of crude and semifinished steel scheduled at a relatively low percentage of the CEEC requirement, the steel-finishing capacity of the CEEC countries will be employed at an even lower rate.

Under these circumstances, it is obvious that the requirements for steel-plant equipment should be revised as to type, scale, and timing. In the absence of more detailed information, it has not been possible to develop a revised program on steel-equipment needs. Such revisions may be important for some of the smaller producers, such as Greece and Turkey, as well as for the larger producers. When account is taken of the possibility of greater utilization of German equipment and more complete employment of existing finishing equipment in the CEEC countries, it is doubtful whether total equipment requirements from the United States would exceed half the CEEC figure of $400,000,000.

TABLE 3.—*Value of imports of iron and steel for modernization and expansion of iron and steel industry in participating countries over period 1948–51*

[In thousand dollars]

Country	Ore mining	Pig-iron production	Crude-steel production	Steel finishing	Other or unspecified	Total
Austria	$25,000	$48,000	$16,050	$63,170	$6,800	$115,820
Belgium	(1)	(1)	(1)	(1)	(1)	182,500
Denmark			3,300	700	400	[2] 4,400
France	(1)	(1)	(1)	(1)	(1)	1,000,000
Greece	6,000	28,000	7,000	15,000		[2] 56,000
Iceland						
Ireland	(1)	(1)	(1)	(1)	(1)	[2] 2,500
Italy	(1)	(1)	(1)	(1)	(1)	[2] 20,000
Luxemburg	(1)	(1)	(1)	(1)	(1)	118,000
Netherlands	(1)	(1)	(1)	(1)	(1)	[2] 43,000
Norway	10,000		300	1,300		[2] 11,600
Portugal						
Sweden						
Switzerland						
Turkey	4,300	6,600	5,500	19,000		[2] 35,400
United Kingdom	(1)	(1)	(1)	(1)	(1)	600,000
Subtotal	(1)	(1)	(1)	(1)	(1)	[2] 2,189,220
Western Germany:						
Bizone						
French zone						
Saar		10,900	11,400	13,700		[2] 36,000
Total	(1)	(1)	(1)	(1)	(1)	[2] 2,225,220

[1] Not available.

[2] Represents only cost of new equipment and modernization, as shown in table 4. For all other countries the figures shown include all other costs related to the programs, such as the costs of preparing plant sites and installing equipment.

[3] It is estimated that equipment costs represent about 40 percent of this total.

NOTE.—This material, in the form here shown, was submitted to the United States agencies by the CEEC technical advisers in the course of the Washington conversations, Oct. 31, 1947.

TABLE 4.—*Value of imports of iron and steel production equipment required by participating countries from all sources over period 1948–51*

[In thousand dollars]

Country	Ore mining	Pig-iron production	Crude-steel production	Steel finishing	Other or unspecified	Total
Austria	$5,267	$2,640	$4,970	$36,000	$2,150	$51,027
Belgium	(1)	(1)	(1)	(1)	(1)	55,000
Denmark			3,300	700	400	4,400
France	13,500	1,000	3,200	77,000		94,700
Greece	6,000	28,000	7,000	15,000		56,000
Iceland						
Ireland	(1)	(1)	(1)	(1)	(1)	2,500
Italy	(1)	(1)	(1)	(1)	(1)	20,000
Luxemburg	(1)	(1)	(1)	(1)	(1)	79,550
Netherlands	(1)	(1)	(1)	(1)	(1)	43,000
Norway	10,000		300	1,300		11,600
Portugal						
Sweden	(1)	(1)	(1)	(1)	(1)	(1)
Switzerland						
Turkey	4,300	6,600	5,500	19,000		35,400
United Kingdom				60,000		60,000
Subtotal	(1)	(1)	(1)	(1)	(1)	513,177
Western Germany:						
Bizone						
French zone						
Saar		10,900	11,400	13,700		36,000
Total	(1)	(1)	(1)	(1)	(1)	549,177

[1] Not available.

NOTE.—This material, in the form here shown, was submitted to the United States agencies by the CEEC technical advisers in the course of the Washington conversations, Oct. 31, 1947.

III. Availabilities from the United States

For the year 1947, production of steel ingots in the United States will be approximately 84,000,000 net tons. This is approximately 7,000,000 tons below the annual capacity of the industry. It is, however, the highest peacetime rate ever achieved, exceeding 1941 by approximately 12,000,000 tons.

In spite of this high rate of production, the United States is suffering a severe steel shortage. There are many steel-consuming industries which are operating much below their capacity. Perhaps the best example of this is the automobile industry, which has capacity to produce in excess of 6,000,000 passenger vehicles per year yet, in face of a record demand, is producing at the rate of only 4,000,000 vehicles per year.

The demand for steel from virtually all industries exceeds the supply going to those industries. Though this is particularly true of the light-sheet-using industries, it is also true of many others. The oil and gas industry is facing a severe shortage of large diameter pipe for long-distance pipe lines and smaller pipe and casing for drilling and refining use. Numerous examples can be cited from other industries, such as railroads and construction. Some of the obvious conse-

[2] Committee on European Economic Cooperation, General Report, vol. I, p. 96.

TABLE 5.—*Value of imports of iron- and steel-production equipment required by participating countries from the United States over period 1948–51*

[In thousand dollars]

	Ore mining	Pig-iron production	Crude-steel production	Steel finishing	Others or unspecified	Total	Blooming mill	Mechanized sheet mill	Bar and rod mill	Sheet mill	Modernization of plant	Hot mill continuous strip mill	Rolling mill	S. Martin furnace	Plate mill	Broad flange beam mill	Finishing mill	Open-hearth steel plant	Transport facilities	Miscellaneous	Iron-ore mining equipment
Austria	------	------	11,000	40,000	------	51,000	11,000	------	------	40,000	------	------	------	------	------	------	------	------	------	------	------
Belgium	------	------	------	55,000	------	55,000	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Denmark	------	------	33,000	700	------	4,000	------	------	------	------	------	------	700	2,700	600	------	------	------	------	------	------
France	------	------	3,000	77,000	------	80,000	3,000	------	------	------	------	55,000	22,000	------	------	------	------	------	------	------	------
Greece	6,000	28,000	7,000	15,000	------	56,000	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Iceland	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Ireland	------	------	------	1,500	------	1,500	1,500	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Italy	------	------	18,000	------	------	18,000	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Luxemburg	(1)	(1)	(1)	(1)	(1)	18,000	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Netherlands	(1)	(1)	5,000	10,000	20,000	35,000	5,000	------	------	------	16,000	------	------	------	------	------	10,000	1,000	3,000	------	------
Norway	8,500	(1)	(1)	(1)	1,360	9,860	------	------	------	------	------	------	------	------	------	------	------	------	------	8,500	------
Portugal	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Sweden	(1)	(1)	(1)	(1)	(1)	(1)	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Switzerland	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Turkey	4,300	1,800	------	10,000	------	16,100	2,500	2,200	4,300	------	------	------	------	------	------	------	------	------	------	1,000	4,300
United Kingdom	------	------	------	60,000	------	60,000	------	------	1,000	------	------	34,000	------	------	9,000	6,000	------	------	------	10,000	------
Subtotal	(1)	(1)	(1)	(1)	(1)	404,460	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
WESTERN GERMANY																					
Bizone	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
French zone	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Saar	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Total	(1)	(1)	(1)	(1)	(1)	404,460	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

[1] Not available.

NOTE.—This material, in the form here shown, was submitted to the United States agencies by the CEEC technical advisers in the course of the Washington conversations.

quences of the steel shortage in the United States can be seen in the very high level of steel prices as well as the considerable black-market trade in steel.

Although steel of virtually all types, with the exception of high-priced alloy steels, is in short supply, some products are scarcer than others. Sheets, strip, tinplate, and pipe and tubes appear to be the tightest items. Additional capacity for rolling sheets is now being constructed and some of this will actually be in operation within 6 months. However, to the extent that more ingots are allocated to sheet mills, there will be correspondingly less for other products, so that the shortage will be shifted to different products rather than being eased generally.

The raw-material situation in steel is one of the reasons for a steel production 7,000,000 tons below capacity. The raw material in tightest supply is scrap steel. As a result of the inability to obtain more scrap, the pig-scrap ratio is almost 15 percent higher on the pig side than the normal prewar rate. The price of scrap is now at its all-time high of approximately $40 per ton. There is little prospect for improvement in the scrap-supply position.

In view of the steel supply situation in the United States, the CEEC requirements for imports of scrap, crude, and semifinished steel from the United States should be considerably reduced. No imports of scrap from the United States are scheduled by the United States agencies because of the almost ton-for-ton reduction in basic-steel production which this would entail; also, because any large-scale foreign bidding for scrap in the United States would have serious repercussions on the volatile domestic scrap price which, in turn, would boost the whole structure of steel costs and prices. Much the same reasoning led to the reduction of the import requirements for crude and semifinished steel (exclusive of hot rolled strip) to approximately one-fifth of the CEEC requirements. Shipments of such materials from this country lead not only to a reduced output of finished steel, but also deprive the American steel industry of the scrap generated in further finishing of these materials, approximately 15 percent of total weight, and thus indirectly further limit domestic production.

For the first year of the program, the United States agencies allow the participating countries greater-than-current imports of sheets, though less than the amounts requested, and the full quantity of tin plate requested. Imports of all other finished steel are scheduled for the first year at the current rate, or at about two and a half times the level requested. This increase over the CEEC total will make up for part of the expected deficiency in European production as compared to CEEC expectations. Under a policy of

TABLE 6.—*Imports of iron and steel products from the United States in 1947 and in 1948–51*[1] *as scheduled for participating countries by CEEC and by United States agencies*

[Quantities in thousand metric tons, actual weight]

Product	Estimated 1947	1948		1949		1950		1951	
		Scheduled by CEEC	Scheduled by United States agencies	Scheduled by CEEC	Scheduled by United States agencies	Scheduled by CEEC	Scheduled by United States agencies	Scheduled by CEEC	Scheduled by United States agencies
I. Total weight:									
Crude and semifinished steel[2]									
Excluding hot-rolled strip	340	1,770	400	1,820	400	1,980	400	1,970	400
Hot-rolled strip	(3)	270	250	270	250	270	250	200	200
Finished steel:[4]									
Sheet	160	385	215	180	180	31	31	------	------
Tin plate	112	291	290	285	285	269	269	250	250
Other finished steel	1,150	449	1,150	(5)	1,235	(5)	1,330	(5)	902
Total finished steel	1,422	1,125	1,655	465	1,700	400	1,630	250	1,152
Scrap	6	1,399	------	1,753	------	2,091	------	2,231	------
Pig Iron	34	182	35	68	35	------	------	------	------
Ferromanganese	(5)	55	------	68	------	78	------	83	------
II. Total dollar value (millions)	(6)	$341	$227	$281	$229	$275	$210	$268	$164

[1] In final outline of the European recovery program, the imports scheduled by the United States agencies will relate to the fiscal years 1949–52.
[2] If measured in ingot equivalents these weights would be approximately 15 percent higher.
[3] Included in export total for sheet.
[4] Excludes for 1948–51 finished steel for use directly in coal mining and scheduled separately in that program. For the entire period this item amounts to 52,000 tons.
[5] Negligible.
[6] Not available.

allowing western Europe the steel needed to meet stated consumption requirements, within the limits of United States availabilities, imports of finished steel for the other 3 years of the program are also scheduled in excess of the amounts requested.

The United States agencies schedule of imports by participating countries from the United States is compared in table 6 to the import requirements from the United States as stated by CEEC.

IV. Foreign trade of participating countries in finished steel

A. European Trade in Finished Steel, 1937

It was decided to compare, for the participating countries as a group, prewar and projected relationships among production, exports, imports, the net export balance, and consumption of finished steel.[3] For this purpose, 1937 was selected as the prewar base, both because it was the most recent year for which detailed information was readily obtainable and because it did not appear to be severely abnormal for the purpose of this analysis. The year 1938, for example, would not be suitable quite apart from the fact that complete data are not available for that year. Though production for 1938 in the participating countries was about equal to 1937, exports were almost 4,000,000 tons less, due largely to the augmented demands of domestic armament industries. While the prewar comparison is, therefore, carried through on the basis of 1937, a few of the corresponding items which are readily available for 1938 are also shown in tables 7 and 8.

Historically, western Europe has been the net supplier of finished steel to the rest of the world. While there has always been some importation of finished steel by western European countries from outside of Europe, this has typically been a very small flow in comparison to the flow of finished steel in the reverse direction. In 1937 the 17 countries exported about 31 percent of their total production. Of this quantity (10,600,000 metric tons), three-fifths went to the present nonparticipating countries (6,400,000 tons), whereas imports by the 17 participating countries from the nonparticipating countries were only 700,000. This left an export balance of 5,600,000 tons which the 17 countries as a group contributed to the world market. (See table 7.) When only the 16 countries are considered, this net contribution becomes about 4,000,000 tons. (See table 8.)

At the same time the 17 countries were exchanging approximately 4,000,000 tons in trade among themselves. This represented approximately 12 percent of their total production of finished steel. The net export balance for the 17 countries represented approximately 16 percent of production. When total production is increased by imports from and diminished by exports to nonparticipating countries, it appears that net consumption of finished steel by the 17 countries in 1937 amounted to about 29,000,000 tons.

B. Effect of United States Revisions Upon Trade Patterns in CEEC Report

The United States revision of the trade pattern visualized in the CEEC proposals was made primarily in terms of three factors: a reappraisal and substantial downward revision of European production probabilities; a substantial decrease in the amount of crude steel available from the United States; and a substantial increase in the quantity of finished steel assumed to be available from the United States. The trade pattern which appears in the revised program is an indirect result of these major changes rather than a direct revision of the trade pattern itself.

Exports were revised downward, country by country, in accordance with lowered estimates of production. The proportionate division of shipments to participating and nonparticipating countries was retained. The revision of total imports reflects both the reduction in Europe's total exports to itself and the increase in United States exports of finished steel to Europe. The net result of these adjustments is a sharp increase, over the CEEC figure, in imports of finished steel from nonparticipating countries and, after the first year, a slight increase in total imports. The total effect of the committee's revision of the western European trade pattern is to reduce exports and sustain imports, thereby partly protecting consumption from the effect of lowered production, but at the price of a much lower export balance than was estimated by the original CEEC plan.

C. European Trade in Finished Steel, 1948–51—Under United States Revisions

The revised estimates visualize a sharp increase in finished steel production, from 28,600,000 tons in 1948 to 40,600,000 in 1951. Roughly 25 percent of production would be exported annually, about three-fifths to participating countries and the balance to outside countries. Total imports would be less than total exports and would, as a percentage of production, decline from 23 percent in 1948 to 18 percent in 1951, the absolute annual imports rising from 6,400,000 to 7,200,000 tons. A declining share of total imports would be from outside countries averaging somewhat under 25 percent. The participating countries would maintain a net export balance in steel with the outside world throughout the period, growing from 1,200,000 tons in 1948 to 3,100,000 in 1951. This balance would represent an increasing share of total production. Net consumption in the participating countries under such a trade pattern would increase sharply from 27,400,000 tons in 1948 to 37,500,000 in 1951.

Total exports during the period 1948–1951 are consistently lower in relation to production than in 1937, although considerably higher than in either 1938 or 1947. The percentage of production exported drops very slightly over the period. The relation between exports to participating countries and exports to outside countries is, throughout the entire period, the reverse of what it was prewar. Whereas, in 1937, 60 percent of exports from the 17 countries was to outside countries, this share in 1948–51 is about 40 percent. As against 6,400,000 tons exported to outside countries in 1937, the United States agencies estimate comparable exports of 3,000,000 tons in 1948 and 4,200,000 tons in 1951. This would indicate that the 17 countries will not be fully supplying their prewar outside markets during the program. More precisely, the 16 countries, excluding Germany, will be furnishing, in 1951, about 75 percent of their aggregate prewar supply to outside countries, but because of German production cuts, the 17 countries as a whole will furnish no more than two-thirds of their 1937 tonnage. Very sharp production increases or a leveling off of consumption in subsequent years might possibly enable the area to replace prewar Germany in the export market, but this is not scheduled to occur during 1948–51.

Scheduled total imports are somewhat less significant in analyzing the 1948–51 trade

TABLE 7.—*Exports and imports of finished steel by participating countries in past years and in 1948–51 as scheduled by CEEC and by United States agencies*

	1937	1938	1947 (CEEC estimate)	United States estimate				CEEC estimate			
				1948	1949	1950	1951	1948	1949	1950	1951
1. In thousand metric tons:											
Production	34,340	34,102	32,968	28,646	33,664	37,586	40,601	33,981	36,927	40,383	43,889
Exports, total	10,585	6,889	4,535	7,662	9,007	9,922	10,275	9,118	9,796	(1)	(1)
To participants	4,219	(2)	(2)	4,640	5,699	5,959	6,045	5,518	6,159	(1)	(1)
To nonparticipants	6,366	(2)	(2)	3,022	3,308	3,963	4,230	3,600	3,637	(1)	(1)
Imports, total	4,635	4,524	3,986	6,442	7,468	7,589	7,197	6,790	6,693	(1)	(1)
From participants	3,916	(2)	(2)	4,640	5,699	5,959	6,045	5,518	6,159	(1)	(1)
From nonparticipants	719	(2)	(2)	1,802	1,769	1,630	1,152	1,272	534	300	250
Consumption [3]	28,693	31,829	23,155	27,426	32,125	35,253	37,523	31,672	33,927	(1)	(1)
Net exports to nonparticipants	5,647	(2)	(2)	1,220	1,539	2,333	3,082	2,328	3,103	(2)	(2)
2. As percent of total production:											
Exports, total	30.8	202	19.7	26.8	26.7	26.4	25.3	26.8	26.5	(2)	(2)
To participants	12.3	(2)	(2)	16.2	16.9	15.9	14.9	16.2	16.7	(2)	(2)
To nonparticipants	18.5	(2)	(2)	10.6	9.8	10.5	10.4	10.6	9.8	(2)	(2)
Imports, total	13.5	133	174	22.5	22.2	20.2	17.7	20.0	18.1	(2)	(2)
From participants	11.4			16.2	16.9	15.9	14.9	16.2	16.7	(2)	(2)
From nonparticipants	2.1			6.3	5.3	4.3	2.8	3.8	1.4	0.7	0.6
Consumption	83.6	933	100.8	95.7	95.4	93.8	92.4	93.2	91.9	(2)	(2)
Net exports to nonparticipants	16.4	(2)	(2)	4.3	4.6	6.2	7.6	6.8	8.4	(2)	(2)
3. Percentage distribution of exports:											
To participants	39.9	(2)	(2)	60.6	63.3	60.0	58.8	60.5	62.9	(2)	(2)
To nonparticipants	60.1	(2)	(2)	39.4	36.7	40.0	41.2	39.5	37.1	(2)	(2)
4. Percentage distribution of imports:											
From participants	84.5	(2)	(2)	72.0	76.3	78.5	84.0	81.3	92.0	(2)	(2)
From nonparticipants	15.5	(2)	(2)	28.0	23.7	21.5	16.0	18.7	8.0	(2)	(2)

[1] No estimate given by CEEC.
[2] Not available.
[3] May include withdrawals from stock, or for other reasons fail to correspond to consumption figure computed from production and net export figures.

[3] Trade in crude and semifinished steel is of secondary importance and is largely a result of market conditions for finished steel. It fluctuates relatively widely about a low level.

pattern than are exports. This is because the imports of finished steel from outside countries, an important segment of total imports, consists almost entirely of United States aid shipments. These are clearly designed to be of a temporary, abnormal character for the program period only and do not, therefore, in conjunction with imports from participants, add to any kind of normal import pattern. Annual imports of the 17 participants from each other rise from 4,600,000 to 6,000,000 tons. This segment of imports is considerably higher than in 1937 and is equivalent to a somewhat higher percent of production than in 1937. Total imports average annually about 1,600,000 tons above imports from participating countries—the difference representing United States aid shipments—and are likewise distinctly above 1937 levels.

The net export balance of the 17 participating countries is indicated by the revised estimates to range from 1,200,000 tons in 1948 to 3,100,000 tons in 1951. This modest rise is sharply below the original CEEC assumption and is drastically below the 1937 export balance of 5,600,000 tons. The net figure is, however, somewhat misleading. If annual imports from the United States of about 1,600,000 tons be disregarded, the export balance is correspondingly increased. The 17 countries' export balance with the outside world, excluding the United States, would be 2,900,000 tons in 1948, rising to 4,200,000 tons in 1951. This latter figure, although still below the 1937 figure, more nearly approaches the probably prewar norm. Since the United States shipments are recognized to be in aid of reconstruction, and since the outside countries, excluding the United States, constitute the participants' normal steel market, such an approach appears valid. Again assuming a smooth adjustment of post-1951 trade to the cessation of extraordinary imports from the United States and an increase in steel available for participants' exports, there appears to be a reasonable prospect for restoration of the participants' prewar export position within a few years after the conclusion of the aid program.

TABLE 8.—*Exports and imports of finished steel by CEEC countries [1] in past years and in 1948-51 as scheduled by CEEC and by United States agencies*

	1937	1938	1947 (CEEC estimate)	United States estimate				CEEC estimate			
				1948	1949	1950	1951	1948	1949	1950	1951
1. In thousand metric tons:											
Production	20,222	18,379	20,232	24,041	26,975	29,197	30,937	29,576	30,638	32,594	34,225
Exports, total	7,111	3,766	3,793	6,141	6,798	7,563	7,766	7,597	7,587	8,442	8,602
To participants	2,535	[2]	[2]	3,455	3,963	4,223	4,309	4,333	4,423	4,724	4,794
To nonparticipants	4,576	[2]	[2]	2,686	2,835	3,340	3,457	3,264	3,164	3,718	3,808
Imports, total	4,320	3,188	3,734	5,556	6,670	6,835	6,519	4,839	4,542	4,317	4,067
From participants	3,616	[2]	[2]	3,754	4,901	5,205	5,367	[3]	[3]	[3]	[3]
From nonparticipants	704	[2]	[2]	1,802	1,769	1,630	1,152	[3]	[3]	[3]	[3]
Consumption [4]	17,431	17,919	20,970	23,456	26,847	28,469	29,690	26,763	27,643	28,469	29,690
Net exports to nonparticipants	3,872	[2]	[2]	884	1,066	1,710	2,305	[2]	[2]	[2]	[2]
2. As percent of total production:											
Exports, total	35.1	20.5	18.7	25.5	25.2	25.9	25.1	25.7	24.8	25.9	25.1
To participants	12.5	[2]	[2]	14.4	14.7	14.5	13.9	14.7	14.5	14.5	14.0
To nonparticipants	22.6	[2]	[2]	11.1	10.5	11.4	11.2	11.0	10.3	11.4	11.1
Imports, total	21.4	17.3	18.5	23.1	24.7	23.4	21.1	16.4	14.8	13.3	11.9
To participants	17.9	[2]	[2]	15.6	18.2	17.8	17.4	[2]	[2]	[2]	[2]
To nonparticipants	3.5	[2]	[2]	7.5	6.5	5.6	3.7	[2]	[2]	[2]	[2]
Consumption	86.2	97.5	103.6	97.6	99.5	97.5	96.0	90.5	90.2	87.3	86.8
Net export to nonparticipants	19.1	[2]	[2]	3.7	4.0	5.9	7.4	[2]	[2]	[2]	[2]
3. Percentage distribution of exports:											
To participants	35.6	[2]	[2]	56.3	58.3	55.8	55.5	57.0	58.3	56.0	55.7
To nonparticipants	64.4	[2]	[2]	43.7	41.7	44.2	44.5	43.0	41.7	44.0	44.3
4. Percentage distribution of imports:											
From participants	83.7	[2]	[2]	67.6	73.5	76.2	82.3	[2]	[2]	[2]	[2]
From nonparticipants	16.3	[2]	[2]	32.4	26.5	23.8	17.7	[2]	[2]	[2]	[2]

[1] "CEEC countries" are the 16 countries, exclusive of western Germany. Note that in analyzing the destination of exports and source of imports of these countries, the categories used are "participants" (16 countries plus western Germany) and nonparticipants.
[2] Not available.
[3] No estimate given by CEEC.
[4] May include withdrawals from stocks, or for other reasons fail to correspond to consumption figure computed from production and net export figures.

V. *Consumption of Steel in Participating Countries: 1948–51*

On the basis of the United States estimates, less steel will be available for use in the participating countries during the first 2 years of the recovery program than is projected by the CEEC report. It is possible, however, that no more steel will actually be required than is provided for since, by reason of the method of their construction, the consumption estimates in the CEEC report may be excessive, and since there appears to be some question as to whether facilities for consuming so much steel presently exist or can be brought into operation early in the period covered by the recovery program. A distinct and to some extent inescapable weakness of the CEEC proposals and, consequently, of the United States revised estimates is the lack of detailed supporting data on the requirements for steel consumption in the participating countries.

The CEEC proposals visualize that the consumption of finished steel in the 17 countries will rise from 31,700,000 tons in 1948 (about equal to 1938) to a substantially higher figure in 1951. Consumption in the 16 countries, starting in 1948 at 26,800,000 tons (well over 1938 levels), rises to a 1951 level of 29,700,000 tons, almost 66 percent above 1938. Detailed figures for the 16 and 17 countries, in relation to 1938 and other preprogram years, are presented in table 9.

TABLE 9.—*Consumption of finished steel by participating countries in past years and in 1948–51 as scheduled by CEEC and by United States agencies*

[Quantities in thousand metric tons]

	Most active prewar year [1]	1938	1947	1948		1949		1950		1951	
				As scheduled by CEEC	As scheduled by United States committees	As scheduled by CEEC	As scheduled by United States committees	As scheduled by CEEC	As scheduled by United States committees	As scheduled by CEEC	As scheduled by United States committees
16 countries:											
Total consumption	22,354	17,919	20,970	26,763	23,456	27,643	26,847	28,469	28,469	20,690	29,690
Percent change from most active year		−20	−6	+20	+5	+24	+20	+27	+27	+33	+33
1938			+17	+49	+31	+54	+50	+59	+59	+66	+66
1947				+28	+12	+32	+28	+36	+36	+42	+42
17 countries:											
Total consumption	36,264	31,829	28,155	31,672	27,426	33,927	32,125	[2]	35,253	[2]	37,523
Percent change from most active year		−12	−37	−13	−24	−6	−11	[2]	−3	[2]	+4
1938			−27	0	−14	+7	+1	[2]	+11	[2]	+18
1947				+37	+18	+47	+39	[2]	+52	[2]	+62

[1] As selected by each country to show greatest representative prewar activity.
[2] Not available.

The United States agencies' revision of CEEC production, import and export estimates leads to a 1948–51 consumption pattern starting several million tons under CEEC levels in 1948 but rising to CEEC levels by 1950. As shown in table 9, the short fall is about 4,200,000 tons, or 13 percent, in 1948 and 1,800,000 tons, or 5 percent, in 1949.

In the absence of more detailed data on end-use, it is possible only to appraise the CEEC consumption proposals and the implications of the United States agencies' revisions in very broad terms. The original CEEC program provided for a substantial rise in steel consumption in the first year at the 4-year period. It implied an immediate increase in steel-using industrial capacity and in production and employment which could only be achieved, if at all, through the utmost exertion of national resources.

There can be no question of the propriety of western Europe's aspiration to accomplish such prompt acceleration in steel consumption nor of the desirability of its doing so, if feasible. The large needs for steel for reconstruction purposes as well as the substantial requirements to fulfill European export programs in fabricated metal products are recognized. Whether it would be physically or economically possible for these countries to consume the indicated quantities of steel, however, is a question which must remain open until more extensive data are available than are now at hand.

Fragmentary information available on end-use patterns in several consuming countries indicates that about 40 to 50 percent of scheduled consumption falls in programed industries (i. e.) those covered by other CEEC technical committee programs), while the balance is for nonprogramed industries. If a short fall in consumption is not to affect programed industries it must be applied entirely to exports and/or nonprogramed, steel-consuming industries. In view of the probable flexibility of nonprogramed consumption, it would appear probable that a 5- to 13-percent reduction could be absorbed during the first 2 years without seriously affecting the recovery program as a whole.[4]

Appendix 1. The scrap situation

Total import needs for scrap, as shown in the CEEC report, amount to about 3,000,000 tons a year for the participating countries. Of this total, the United Kingdom and Italy require the major share, varying from 72 percent the first year to 57 percent in 1951. According to CEEC, the only significant source of scrap imports within the participating countries in Bizonia, which shows scrap surpluses declining from 1,200,000 tons in 1948 to 600,000 in 1951. The net result of these projections is that the CEEC countries seek to import annually from the United States substantial quantities of scrap, increasing from 1,400,000 tons in 1948 to 2,200,000 tons in 1951.

At the outset it may be stated that there are no scrap supplies in the United States available for export. Scrap, which is now selling domestically at the unprecedented price of $40 per ton, is generally regarded as one of the main limiting factors to increases in United States steel production. Each ton of scrap exported from the United States would mean the loss of about 1.5 tons of ingot production. The stringency in scrap supplies is expected to continue for some years if the present level of steel production is maintained. In fact, the United States would itself be an importer of scrap on a major scale if there were offshore supplies available. It is the opinion of the United States agencies that the indicated deficiency in western Europe's scrap supplies is not as serious a matter as it appears to be. Analysis of the scrap supply figures given in the CEEC report suggests that these figures represent exceedingly conservative estimates of

TABLE 10.—*Analysis of scrap supplies of CEEC countries in 1937 and 1947–51*

[Quantities in thousand metric tons]

	1938	1947	1948	1949	1950	1951
Consumption in blast furnaces and steel plants	12,994	15,318	17,879	18,367	19,086	19,648
Domestic supply, total	12,812	14,066	15,355	15,787	16,379	16,996
Home (steel-plant) scrap [1]	6,400	6,522	9,755	9,994	10,561	11,178
Percent of total supply	50	46	64	63	64	66
Prompt industrial scrap [2]	2,329	2,726	3,479	3,594	3,701	3,860
Percent of total supply	18	20	22	23	23	23
Other scrap (obsolescent and extraordinary scrap)	4,083	4,818	2,121	2,199	2,117	1,958
Percent of total supply	32	34	14	14	13	11
Deficit to be made up by imports from nonparticipants	182	1,252	2,524	2,580	2,707	2,652

[1] Calculated as difference between consumption of crude and semifinished steel in finishing process and production of finished steel, as reported by CEEC.
[2] Calculated at 13 percent of consumption of finished steel, as reported by CEEC.

the quantities of scrap which may be available during the period of the ERP.

The main classes of scrap in any period are (1) scrap generated in the steel mills themselves, so-called home scrap; (2) scrap generated in steel-fabricating industries, or prompt industrial scrap; and all other scrap arising from obsolescence principally and extraordinary consumption. Although the CEEC report does not break down its estimates of scrap supplies into these or any other categories, it is possible to make independent estimates for the CEEC countries of the volume of steel-plant scrap and prompt industrial scrap and to derive the volume of obsolescence and extraordinary scrap as a residual.

When analysis of this type is carried out for both the 1948–51 period and for past periods the excessively conservative nature of the CEEC estimates is revealed. Supplies of steel-plant and prompt industrial scrap in 1948–51 in the 16 CEEC countries are substantially above what they were in 1938 and what they are in 1947, as follows from the projected increases in steel output and consumption. The residual volume of obsolescent and extraordinary scrap, on the other hand, is about half what it was in 1938, and an even lower proportion of the current year's supply.

While the 1947 supply of obsolescent and extraordinary scrap is presumably inflated by war scrap, this claim cannot be made for 1938. In any case, supplies of war scrap are certainly not exhausted, and the decline in this class of scrap which will come in time will be at least partially offset by the rather extensive modernization and replacement of old and worn-out facilities projected as part of the recovery program. Whether judged against 1938 or 1947, therefore, the indicated level of obsolescent and extraordinary scrap appears much too low. When the analysis shown in the table for the 16 countries combined is carried through for individual CEEC countries, it appears that the estimates of future scrap supplies are in varying degree too low particularly in the cases of France, Italy, and the United Kingdom.

On the basis of present information no accurate picture can be drawn of comparative availability by country of extraordinary scrap in western Europe. In western Germany alone estimates of tonnages vary between 2,000,000 and 12,000,000, but for other countries, where substantial tonnages are believed to exist, not even a range of figures has been suggested.

On the basis of a sample survey the British have recently estimated that 5,000,000 tons of extraordinary scrap exist in the United States and United Kingdom zones, of which perhaps 3,600,000 could be available over the next 4 years. Currently the British are exporting scrap to the United Kingdom from their zone in Germany at the rate of about 500,000 tons a year. No scrap has been exported from the United States zone of Germany other than relatively small tonnages of Army-generated scrap (see below).

The bizonal authorities point to many difficulties impeding the collection of scrap in Germany. Emphasis is placed on shortages of transport and cutting equipment and the noncooperative attitude of the German people, who are described as reluctant to part with scrap partly for nationalistic reasons, but mostly because existing prices offered in marks are unattractive. The bizonal authorities have indicated a reluctance to attempt an all-out effort to collect scrap in western Germany because of the lack of an adequate organization to cope with the job

[4] Among the programed items which presumably would have priority on available steel supplies would be the substantial quantities of new steel-making equipment scheduled for installation during the recovery period. For the years 1948 and 1949, the CEEC technical representatives have estimated that the production of this equipment in five of the CEEC countries would require about 1.1 million tons of finished steel. When the steel consumed in the steel-expansion programs of the other countries is included, as well as the finished steel equivalent of imports of steel-making equipment from the United States, this figure would come to considerably more, possibly around 1.5 million tons for 1948–49. If it should develop that urgent current consumption needs for steel or vital export programs in fabricated steel products are being squeezed, it is questionable whether the expansion program in steel capacity should be adhered to as planned. Apart from questions as to the long-run justification for some of the expansion programs (see sec. II B) the timing of these programs should take account of possible stringencies in steel supplies, especially during 1948–49, and the effect of heavy new investment in steel plant on important current production plans in nonprogramed fields. It might be self-defeating, for example, to give absolute priority to a new steel plant at the expense of steel for workers' homes without which an existing bicycle factory finds it cannot operate. This might be true even if none of the product of the bicycle plant were scheduled for export.

in the face of other high priority programs, including food collection. By way of contrast it should be noted that the Russians in their zone of Germany have imposed rigid scrap collection quotas and scheduled 2,000,000 tons for collection in 1947 alone.

United States Army generated scrap in Germany and elsewhere cannot presently be made available for use in participating countries because of an Executive order issued on December 3, 1946, directing the return of all such scrap to the United States. This order was prompted by the acute shortage of scrap in this country and the belief commonly held that supplies of indigenous scrap in Europe are currently in excess of what the European countries indicate are available. The precise quantity of Army scrap in Europe has not been determined, but the potential tonnage available in Germany is believed to amount to 500,000 tons. It has been pointed out that moving this scrap to the United States in the face of actual and projected shipments of finished steel to Europe is uneconomical at a time when more steel could be made in Europe if more scrap were available. A reconsideration of the Executive order would be justified, however, only upon a definite determination that the participating countries are doing all in their power to mobilize their internal scrap resources and to make their surplus scrap available to other CEEC countries now suffering from scrap deficiencies.

Little information is to be had concerning the war scrap which is assumed to be lying unused in France, Belgium, and the Netherlands. In these countries scrap has not had the same importance as a steel plant raw material as it has had in the United States, so that the chief markets for scrap are the foundries. Foundries are generally small units situated in widely scattered areas, and do not require the collection of scrap on anything broader than a purely local basis. It has been suggested that more broadly based scrap collection and processing agencies in these countries might well be able to realize substantial additional tonnages of ferrous material. The scrap that resulted from the fighting in Italy is reported well on its way to being used up, the Italian steel industry having used scrap as its chief raw material almost to the exclusion of all others in its postwar operations.

Supplies of extraordinary scrap elsewhere in the participating countries are probably not of great consequence but there are probably some quantities in Austria, Greece, and Norway which might be recovered were means available to do so.

In order to ascertain more precisely the quantities of ferrous scrap available in western Germany and the requirements for mobilizing such scrap, a mission is now being organized by the United States Government to make a first-hand investigation of the situation. In addition to Government experts, the mission will include qualified representatives of the United States steel industry and scrap industry.

There is some evidence that substantial quantities of scrap in the Soviet zones of Germany and Austria may be available for purchase against hard currencies or for exchange against machinery and other equipment needed by the U. S. S. R. This possibility merits prompt investigation.

Appendix 2. Total drain on United States steel supplies of proposed exports of steel as such and steel in programed products

Shipments to western Europe of steel as such and steel in programed fabricated products as now scheduled by the United States agencies will involve a drain upon United States steel supplies, in terms of ingot equivalent, of about 4,000,000 tons in each of the first 3 years of the ERP and 3,000,000 tons in the fourth year. Current crude steel production in the United States is at an annual rate of 85,000,000 net tons. Thus programed shipments would appear to absorb 5 percent or less of current output of steel ingot.

Shipments from the United States under the various machinery and equipment programs of the ERP are scheduled by the United States agencies in terms of dollar value, or, in the case of inland transport equipment, in units. Table 11 outlines the conversion of these quantities to measures of iron and steel content and then to finish product equivalents, making allowance for scrap loss in fabrication. The conversion factors used in this process are set forth in footnotes to the table. Iron castings are included in machinery and equipment items because they often comprise a considerable part of the total weight.

Both the petroleum equipment and steel-mill equipment figures are merely token estimates. As discussed elsewhere no precise and reliable measurement of steel-mill equipment requirements is possible, due to uncertainty as to the effect of reparations deliveries upon ultimate requirements. The

TABLE 11 (A).—*Finished iron and steel product equivalent of machinery and equipment imports from the United States scheduled for participating countries by United States agencies, 1948–51*

Type of equipment	1948						1949					
	Imports scheduled by United States agencies		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]	Imports scheduled by United States agencies		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]
	Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons			Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons		
Petroleum equipment	209,200					[4] 400	252,100					[4] 480
Mining machinery	81,900		26,000	12	12	14	52,700		16,130	8	8	9
Electrical equipment	95,000		47,500	22	13	15	100,700		50,350	23	14	16
Timber equipment	16,900					[5] 15	22,200					[5] 20
Inland transport:												
Freight cars	60,000	20,000	(6)	(6)	(6)	[7] 160	18,000	6,000				[7] 51
Trucks	80,900	53,900	(6)	(6)	(6)	[8] 128	43,200	28,800				[8] 69

[1] Conversion factors were for mining machinery $3.15 per pound; for electrical equipment $2 per pound, and for agricultural machinery $0.23 per pound.
[2] Iron and steel content estimated at 98 percent of total weight of mining machinery, 60 percent for electrical equipment, and 95 percent for agricultural machinery.
[3] Allowing for a scrap loss of 13 percent.
[4] Rough estimate of United States agencies.
[5] Data submitted by CEEC technical advisers in course of Washington conversations.
[6] Not available.
[7] Computed on basis of 9.4 short tons, or 8.53 metric tons, per freight car.
[8] Computed on basis of 5,246 pounds, or 2.38 metric tons, per truck.

TABLE 11 (B).—*Finished iron and steel product equivalent of machinery and equipment imports from the United States scheduled for participating countries by United States working committee, 1948–51*

Type of equipment	1948						1949					
	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]
	Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons			Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons		
Agricultural machinery including tractors	136,300		592,609	269	256	294	161,500		702,174	319	303	343
Steel mill equipment	48,100					[4] 25	48,200					[4] 25
Total	728,300					1,051	698,600					1,018

[1] Conversion factors were for mining machinery $3.15 per pound; for electrical equipment $2 per pound, and for agricultural machinery $0.23 per pound.
[2] Iron and steel content estimated at 98 percent of total weight of mining machinery, 60 percent for electrical equipment, and 95 percent for agricultural machinery.
[3] Allowing for a scrap loss of 13 percent.
[4] Data submitted by CEEC technical advisers in course of Washington conversations.

TABLE 11 (C).—*Finished iron and steel product equivalent of machinery and equipment*

Type of equipment	1950						1951					
	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousands of metric tons)[2]	Finished product equivalent (in thousands of metric tons)[3]	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousands of metric tons)[2]	Finished product equivalent (in thousands of metric tons)[3]
	Value (in thousands of dollars)	Units	In thousands of pounds[1]	In thousands of metric tons			Value (in thousands of dollars)	Units	In thousands of pounds[1]	In thousands of metric tons		
Petroleum equipment	242,900					[4] 460	161,200		[5]	[5]	[5]	[4] 310
Mining machinery	37,600		11,936	5	5	6	34,500		10,952	5	5	6
Electrical equipment	85,000		42,500	19	11	13	65,000		32,500	15	9	10
Timber equipment	11,700					[6] 11	11,700		[5]	[5]	[5]	[6] 11
Inland transport:												
Freight cars												
Locomotives												
Trucks	37,000	24,700				[7] 59	36,700	24,500	[5]	[5]	[5]	[7] 58
Agricultural machinery, including tractors	131,800		573,043	260	247	284	115,500		502,174	228	217	250
Steel mill equipment	48,200					[6] 25	48,200		[5]	[5]	[5]	[6] 25
Total	594,200					858	412,800					670

[1] Conversion factors were for mining machinery $3.15 per pound; for electrical equipment $2 per pound; and for agricultural machinery 23 cents per pound.
[2] Iron and steel content estimated at 98 percent of total weight of mining machinery; 60 percent for electrical equipment; and 95 percent for agricultural machinery.
[3] Allowing for a scrap loss of 13 percent.
[4] Rough estimate of United States Working Committee on Iron and Steel.
[5] Not available.
[6] Data submitted by CEEC technical advisers in course of Washington conversations.
[7] Computed on basis of 5,246 pounds, or 2.38 metric tons, per truck.

TABLE 12.—*Steel ingot equivalent represented in imports of iron and steel products and imports of machinery and equipment scheduled for participating countries by United States agencies, 1948–51*

[In thousand metric tons]

Product	Imports from United States scheduled by United States committees				Scrap loss from ingot	Ingot equivalent			
	1948	1949	1950	1951		1948	1949	1950	1951
Crude and semifinished steel:					*Percent*				
Excluding hot-rolled strip	400	400	400	400	15	471	471	471	471
Hot-rolled strip	250	250	250	200	25	333	333	333	266
Finished steel:									
Sheet	215	180	31		[1]	[1]	[1]	[1]	[1]
Tin plate	290	285	269	250	[1]	[1]	[1]	[1]	[1]
Other finished steel	1,150	1,235	1,330	902	[1]	[1]	[1]	[1]	[1]
Total	1,655	1,700	1,630	1,152	25	2,207	2,267	2,174	1,536
Finished iron and steel product equivalent in machinery and equipment	1,051	1,018	858	670	25	1,400	1,357	1,144	893
Grand total						4,411	4,428	4,122	3,166

[1] Not available.

value of petroleum equipment required is also not a firm estimate by the United States agencies. The CEEC estimates covered the equipment needs of the CEEC countries oil companies for their operations in Europe, in dependent overseas territories, and in other areas. They did not include the needs of American companies operating in western Europe. One purpose of the United States revisions of CEEC estimates was to add this last class of requirements to the total. Data have been inadequate for close estimate of these total requirements, however.[1]

[1] Complications surrounding the petroleum equipment program have necessitated dropping this class of equipment as a scheduled item. Because pipe line and casing were classified by CEEC as petroleum equipment rather than as a finished steel product, it was considered inadvisable to drop petroleum equipment from this analysis however.

Table 11 shows that the finished product equivalent of iron and steel contained in equipment and machinery items declines from 1,100,000 metric tons in 1948 to 700,000 tons in 1951. Translated into terms of ingot equivalent by assuming a scrap loss of 25 percent, the requirements drop from 1,400,000 to 900,000 tons. Requirements for steel as such put into ingot equivalent by a similar process range from 3,000,000 tons in 1948 to 2,300,000 tons in 1951. As shown in table 12, the total impact upon United States ingot capacity is thus estimated to be, at the most, 4,400,000 tons in 1948 and 1949, and at the least 3,200,000 tons in 1951.

Appendix 3. The potential contribution of surplus German steel capacity to the European recovery plan

A program of steel-plant modernization and expansion has been projected by CEEC involving a gross addition of 8,000,000 tons of ingot capacity over 4 years. Comparable expansion of supporting facilities is also contemplated. The total cost of the program is calculated to amount to about $2,250,000,000, of which not more than about $900,000,000 would represent movable equipment. Of the latter, about $400,000,000 worth represents equipment which it is proposed would be obtained from the United States.

Steel-plant capacity in the bizonal area amounts to about 19,000,000 tons, of which 12,500,000 tons is to be retained under the new "level of industry" plan. Of the remaining 6,500,000 tons, 4,000,000 are reported to be in good condition and ultimately should be made available for reparations.

CEEC estimates of import requirements for expansion of steel capacity have taken no account whatever of equipment to be made available from Germany as reparations, on the grounds that its receipt cannot be relied on with sufficient certainty. Detailed reasons offered by the CEEC technical representatives are: (a) The reparation quotas of non-CEEC countries are sufficiently large to encompass all steel capacity to be removed; (b) the process of valuation, allocation, dismantling, etc., will take an excessively long time, whereas orders for new equipment must be placed immediately if delivery is to be made within the next few years; (c) there is a possibility that German resistance to dismantling will be obdurate; and (d) approximately one-third of the needed equipment consists of types which do not exist in Germany. Of these reasons, only the last is incontestible.

As for (a), it may be taken as virtually certain that CEEC countries can count on being allocated at least their full quotas of German steel capacity, or just over 50 percent of the total available. Allocation procedures are such as to ensure that individual types of equipment are, so far as feasible, distributed roughly in accordance with reparation quotas. Administrative arrangements could certainly be made to ensure such distribution in the case of steel capacity.

All German plants to be removed as reparations have now been listed and the list has been officially published in Germany. A United Kingdom military government official has stated that valuation of the entire list is expected to be completed within 60 days. Should sufficient priority be given to the reparation program, there is no substantive reason why allocation of all steel capacity among individual recipient countries could not be completed within a maximum of 6 months thereafter. It may be taken as virtually certain, therefore, that within 8 months from now individual CEEC countries could be definitely informed as to the individual steel plants they would be entitled to receive from Germany, and it should be possible to accomplish this task within less than 6 months.

The probable time required for dismantling and transport is more indefinite, involv-

ing questions of administration, priority, and of German resistance. OMGUS has, however, estimated that all reparation plants in the British zone, where most of the steel capacity is located, can be dismantled and removed within three to four years. Granted adequate priority and given a sufficiently firm attitude toward such German resistance as may arise, it is believed that removal of steel capacity could be completed within a substantially shorter time period. This period is shorter than that within which new orders can be delivered.

The above facts may be summarized as follows: (a) detailed information on specific German steel capacity to be delivered to individual CEEC countries can be made available in from six to eight months: (b) after that date such capacity can be counted on in economic planning with virtually the same degree of certainty as can capacity to be supplied through new orders. It should be noted that establishment of purchasing missions and placement of firm orders after funds become available to CEEC countries might well not occur until six to eight months from now.

Detailed estimates of possible reductions in import requirements of steel making equipment from the United States can only be made after careful screening of individual CEEC expansion projects, and after agreed import requirements are matched in detail against available equipment from Germany.

Appendix 4. Cartel aspects of the steel program

In providing assistance under the program for European recovery, it is necessary to have assurances that such assistance will not be utilized to continue or to reinforce European cartels. It is equally necessary to ascertain that the volume of such assistance solicited from the United States is not greater than that which would be requisite in the absence of cartel restraints on the trade of Europe.

Before the war the steel trade of the principal European producers was profoundly affected by the operation of the international steel cartel. The agreements underlying the cartel were supposed to have been terminated in 1938, but before expiring they were renewed. Reports from United States observers in Europe suggest that they are at present legally in effect, though presumably in a state of suspense in terms of operation.

The general form of the international cartel agreements may be briefly stated: The cartel periodically determined the total tonnage of steel to be exported, and assigned quotas within this total to the various national groups. An export tonnage was also periodically determined for each steel product for which a selling syndicate had been organized. The selling syndicate then allocated this tonnage among the national groups in accordance with their established product quotas. Prices and conditions of sale were fixed and concerted measures against outside competitors were provided.

In order to insure conformity to the export quota, the management of the cartel could require a group that had exceeded its quota to withdraw from the market, or "protective" (i. e., excessive) prices, or even transfer orders to deficit national groups. The restrictions were further enforced by imposing on offending groups fines of 20 gold shillings per excess ton and distributing these payments among those groups which failed to live up to their quotas. Germany was, incidentally, able to use this provision in the late 1930's to exact large bonuses from the other members of the cartel for falling short of its quota, when the main reason for the export deficit was the enormous diversion of German steel to the domestic rearmament program.

In order to be sure that restrictive agreements of the foregoing type are no longer binding upon European steel producers, and in order to ascertain that practices of a similar kind are not being engaged in, it would be desirable to request the participating countries to submit the following information:

1. Summaries or copies of all patent licenses, sales, or other agreements or arrangements between two or more steel-producing or fabricating enterprises affecting division of sales territory, degree of plant utilization, prices, division of fields of production or channels of distribution, together with a statement as to the present legal status of such agreements or arrangements, if any.

2. Summaries or copies of contracts involving the purchase of coke, coal, manganese, iron ore, or metallic tin so far as such contracts may accord the supplier the authority to limit the freedom of the steel-producing or fabricating enterprise's rate of production, range of production, or sales policy.

3. Summaries or copies of contracts for modernization or expansion of steel producing or fabricating plants so far as these may affect the producing unit's freedom of enterprise, including its price policy, choice of distribution channels, and markets.

4. Legal status and character of relationships, if any, of steel production or fabricating enterprises to national or international organizations empowered to establish or control selling prices or fields of enterprise.

The Paris report calls for the establishment of a permanent steel cooperation committee to facilitate mutual consultation with respect to raw-materials supplies, production of steel, and individual country programs for modernization and extension of steel industries. To establish such an organization a meeting of interested governments is to be convened on March 18, 1948, sponsored by the Governments of the Benelux countries, France, and the United Kingdom.

It should be noted that the countries sponsoring this organization constituted, together with Germany, the mainstays of the prewar international steel cartel. While the proposal envisages that the membership will include delegates not only from producing countries but also from countries, such as the Netherlands, which are primarily steel consumers, there is no indication that the delegates will represent steel-consuming interests within each country as well as steel-producing interests. Furthermore, while there may be proper functions for such an organization during the period of extreme scarcity in steel, its permanent character suggests that the usual restrictive cartel functions may be envisaged for such times when a buyers' market in steel will again prevail.

If a steel cooperation committee should, in fact, be established, certain safeguards should be insisted upon. Among such safeguards are the limitation of the life of the organization to the period of steel scarcity, and representation for steel-consuming interests within each country. It is presumed that agreements, understandings, or other arrangements sponsored by the committee would be disclosed in detail to the United States and, upon request of the United States, would be modified to avoid any effects adverse to the objectives of the European recovery program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BRIDGES. Mr. President, I wish to address a question to the distinguished chairman of the Committee on Foreign Relations. I should like to ask the chairman of the Foreign Relations Committee, who has been the sponsor of this measure both in his committee and before the Senate, whether a vote for $5,300,000,000—if it is so voted by the Senate and by the House—or for any other amount voted by the Congress, will leave the Appropriations Committee of the Senate absolutely free to study, examine, and scrutinize all the items in the bill, and to report its own figure and recommendations, without being subjected to the criticism of the sponsors of the bill or the Government propaganda which is let loose whenever an authorization is made, to put pressure on the Appropriations Committee to appropriate the exact figure of the authorization. I should like to have that question settled before I vote.

Mr. VANDENBERG. Mr. President, the Senator's question involves quite a number of factors in the course of unwinding itself. I think I know what the Senator wants answered, and I shall undertake to answer his question just as categorically as I can.

I believe that the Appropriations Committee has an independent function in the operations of the business of the Senate. I think it is the business of the Senate Appropriations Committee to proceed under precisely the same sense of responsibility in connection with its tasks as the Senate Foreign Relations Committee has done. I expect the Senate Appropriations Committee to give due consideration to the record which has been written, as a part of the basis of its judgment. I do not expect the committee to consider that it is bound to accept the figure in the authorization unless it finds the figure justified by its own independent investigation. The Senator will understand that so far as the Senator from Michigan is concerned, he thinks the appropriation should be $5,300,000,000. But that is beside the point.

The Senator from New Hampshire is asking me about the function of the Appropriations Committee; and I hope I have indicated to him that I consider that the committee has not only a freedom to act, but a responsibility to act. When the committee acts, if the Senator from New Hampshire and I disagree about the ultimate figure, it will be a legitimate subject, again, of debate; and I am sure the Senator from New Hampshire will concede that.

But there will be no recrimination from the Chairman of the Foreign Relations Committee, there will be no argument based on that sort of a thesis, if the figure is changed, although of course I must emphasize that in the opinion of the Chairman of the Foreign Relations Committee the figure of $5,300,000,000 is essential, up to at least the time when the next Congress can audit the whole enterprise in January of 1949.

Mr. BRIDGES. Mr. President, one part of my question which the Senator has not answered is whether to his knowledge the Government of the United States and all the agencies or associations which are actively backing European recovery today are going to set forth a barrage of propaganda against the Appropriations Committee or any individual member who wishes to act on

his own here, rather than bow to the absolute dictates of the authorization.

Mr. VANDENBERG. Of course I cannot give the Senator any assurances regarding any branch of the Government except the one in which I have a part. Let me say to the Senator that I hope the result of the work of the Appropriations Committee will be of a character which will not even remotely invite any sort of recrimination or barrage.

Mr. BRIDGES. I say to the Senator from Michigan that I think the work of the Appropriations Committee will be of that nature, and that there will be an opportunity for careful scrutiny and examination of these items; and I think the committee can very well go into many of the details of the items contained in this over-all authorization bill which his committee, in passing on the question principally on the merits of the thing, has not examined perhaps as carefully or in such detail as the Appropriations Committee will want to go into that phase of it.

Mr. VANDENBERG. Mr. President, if it were not for the lateness of the hour, I should have something to say to the Senate about the authorization and about the amendment offered by the able Senator from Ohio [Mr. TAFT]. But I am prepared to let the matter go to a vote.

If I were discussing it, I would emphasize now, as I have repeatedly emphasized before, that in the opinion of the Senator from Michigan, there never can be too much scrutiny put forth at every step of the evolution in this almost completely speculative enterprise and adventure.

The Senator from Michigan thinks it is indispensable to proceed with the adventure. He offers no guaranties in connection with it. He has claimed no sanctity for any figures in connection with it. He has felt that in the initial stages the Senate should accept, in its over-all authorization, the figure which represents the consensus of the best opinion available as the result of 8 months of study of the subject; and for that reason he believes that the over-all authorization should remain at $5,300,000,000.

But within that authorization there is not only freedom, I repeat, but a duty not only upon the Senator's committee but certainly upon the so-called watch-dog committee, if it shall be created under the terms of this bill, to provide a scrutiny of this entire enterprise, which cannot be detailed too completely to satisfy the Senator from Michigan.

Mr. TAFT. Mr. President, of course, I considered this question before offering the amendment to the authorization bill.

I quite agree that legally the Appropriations Committee can do anything it pleases. It can appropriate nothing, if it wishes to do so. But I think in all the circumstances of the case, if this bill is passed without my amendment, the European countries will consider that it is an undertaking to give $5,300,000,000. I think every newspaper in the country will condemn the Appropriations Committee if it does not thereafter vote to give $5,300,000,000, after the passage of this particular bill, if my amendment is not added to it.

So while I agree as to the legal position, I do feel very strongly that the Appropriations Committee will not be a free agent if this bill is passed without my amendment, but will for all practical purposes be compelled to adopt the full figure.

That is why I have felt that the amount should be reduced by the adoption of this amendment to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. On this question, the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLELLAN (when his name was called). On this vote, I have a pair with the senior Senator from Maryland [Mr. TYDINGS] who is absent on account of illness. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present and voting, he would vote "nay."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Utah [Mr. WATKINS] is absent on official business, and is paired with the Senator from Utah [Mr. THOMAS]. If present and voting, the junior Senator from Utah [Mr. WATKINS] would vote "yea," and the senior Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. STENNIS] is absent on official business. If present, he would vote "nay."

The Senator from New York [Mr. WAGNER] is necessarily absent. If present, he would vote "nay."

The senior Senator from Utah [Mr. THOMAS] is absent on official business. On this vote he is paired with the junior Senator from Utah [Mr. WATKINS]. If present, the senior Senator from Utah would vote "nay," and the junior Senator from Utah would vote "yea."

The result was announced—yeas 31, nays 56, as follows:

YEAS—31

Ball	Hawkes	O'Daniel
Brewster	Jenner	Revercomb
Bricker	Johnson, Colo.	Robertson, Wyo.
Brooks	Johnston, S. C.	Russell
Buck	Kem	Taft
Butler	Langer	Taylor
Byrd	McCarthy	Wherry
Capehart	McFarland	Williams
Chavez	Malone	Wilson
Dworshak	Martin	
Ecton	Moore	

NAYS—56

Aiken	Fulbright	Lucas
Baldwin	George	McCarran
Barkley	Green	McGrath
Bridges	Gurney	McKellar
Cain	Hatch	McMahon
Capper	Hayden	Magnuson
Connally	Hickenlooper	Maybank
Cooper	Hill	Millikin
Cordon	Hoey	Morse
Downey	Holland	Murray
Eastland	Ives	Myers
Ellender	Kilgore	O'Conor
Ferguson	Knowland	O'Mahoney
Flanders	Lodge	Overton
Pepper	Sparkman	Umstead
Reed	Stewart	Vandenberg
Robertson, Va.	Thomas, Okla.	Wiley
Saltonstall	Thye	Young
Smith	Tobey	

NOT VOTING—9

Bushfield	Stennis	Wagner
Donnell	Thomas, Utah	Watkins
McClellan	Tydings	White

So Mr. TAFT'S amendment was rejected.

Mr. AIKEN. Mr. President, on behalf of the Senator from California [Mr. KNOWLAND], the Senator from Minnesota [Mr. THYE], the Senator from Georgia [Mr. GEORGE], the Senator from Kentucky [Mr. BARKLEY], the Senator from Washington [Mr. MAGNUSON], and myself, I offer an amendment to the pending measure. I do not expect the Senate will care to take action on it tonight. I ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

The amendment submitted by Mr. AIKEN (for himself, Mr. KNOWLAND, Mr. THYE, Mr. GEORGE, Mr. BARKLEY, and Mr. MAGNUSON) is as follows:

On page 22, strike out lines 12 through 20 and insert the following:

"(c) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating county in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this act, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this act, and would the Administrator, in consultation with the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this act.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(d) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use

in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 percent of such sales price as authorized by subsection (e) of this section.

"(e) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any Government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 percent of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. This rescission of the remainder of section 32 funds by the act of July 30, 1947 (Public Law 266, 80th Cong.), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948."

Mr. VANDENBERG. Mr. President, will the Senator tell me whether the amendment he has now submitted is a substitute for various other amendments that have been proposed?

Mr. AIKEN. That is correct. It is a substitute for several amendments.

Mr. VANDENBERG. Is it a combined substitute?

Mr. AIKEN. It is a substitute for the amendment submitted by the Senator from Minnesota [Mr. THYE], for the one submitted by the Senator from Washington [Mr. MAGNUSON], for the one submitted by the Senator from Georgia [Mr. GEORGE], for Senate Joint Resolution 187, which I introduced, which is now on the Senate calendar, and also a substitute for section 12 (c) of Senate bill 2202.

The amendment has been considered. It relates to the disposal or the use of surplus agricultural commodities in the European recovery program. It has been agreed to finally by both the State Department and the Department of Agriculture, and the sponsors of all the various bills and amendments.

Mr. VANDENBERG. I present both my compliments and gratitude to the Senator from Vermont.

The PRESIDING OFFICER. May the Chair inquire whether it is the Senator's wish that the amendment shall be pending, or that it lie on the table and be printed?

Mr. AIKEN. I do not know of any opposition to it. I do not know that there is no opposition to it.

Mr. WHERRY. Mr. President, if there is any doubt about it, I ask unanimous consent that the amendment be printed, and that it be made the pending question for consideration when the Senate reconvenes tomorrow.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. BARKLEY. Does the Senator from Vermont submit his amendment?

Mr. WHERRY. Yes.

Mr. BARKLEY. But he does not press it now. It would be automatically printed and available tomorrow.

Mr. AIKEN. That makes it automatically the pending question, I understand.

Mr. WHERRY. It is the pending question.

The PRESIDING OFFICER. The Chair is of the opinion that the amendment is the pending question.

INVESTIGATION OF DR. EDWARD U. CONDON—ARTICLE BY MARQUIS CHILDS

Mr. HICKENLOOPER. Mr. President, with profound regret I feel it my duty to call to the attention of the Senate, the Congress, and the public the contents of a column appearing under the heading "Pattern of persecution" and written by Mr. Marquis Childs in the Washington Post of March 12, 1948. I ask unanimous consent that this column be printed in full at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the column was ordered to be printed in the RECORD, as follows:

WASHINGTON CALLING

(By Marquis Childs)

PATTERN OF PERSECUTION

The Joint Senate-House Atomic Energy Committee the other day went over the material which the House Un-American Activities Committee had assembled against Dr. Edward U. Condon and had used as the basis of a public charge that the head of the National Bureau of Standards was the "weakest link" in the chain of atomic security. One of the Senators, when the session was ended, said privately:

"I wouldn't convict a mongrel dog on the basis of what was shown to us."

The "evidence" consisted of a mass of hearsay gossip, second-hand reports of Condon's association with alleged foreign agents, and accounts of political opinions expressed by Dr. and Mrs. Condon. Part of it was dredged out of that bane of Washington life, the cocktail party.

Most of the Members present at the session of the joint committee seemed to agree that the case was pretty flimsy. What it got down to was that the Condons are people with unconventional opinions. Some might consider them radical.

Senator JOHN W. BRICKER, of Ohio, was one of two or three committee members to be upset by the "evidence." Why, he wanted to know, couldn't scientists be found who were loyal beyond any question? What he seemed to be asking for was scientists who would forswear opinion and dedicate themselves to their work with a more-than-human consecration.

At this, another committee member suggested that perhaps it might be a good idea to turn all the atomic scientific work over to the Women's Christian Temperance Union since no one could question their loyalty. BRICKER was not amused. Another nervous member was Representative CHARLES H. ELSTON, of Ohio.

One tangible gain came out of the session. The chairman, Senator BOURKE B. HICKENLOOPER, of Iowa, obtained a pledge from the Un-American Activities Committee that in future anything pertaining to atomic energy would be checked in advance with the Senate-House group set up to deal with that subject. This might not save individual scientists from the persecution to which Dr. Condon has been subjected, but it could possibly check the kind of mass attack on scientists, as such, which serves to alienate and intimidate the very men on whom the future security of this country depends.

Anyone doubting the effect of the Condon case on science has only to note the mass meetings at which scientists are rallying to his defense. A meeting is being held in New York this week, and one is planned for Washington in the near future.

An interesting question now is whether Dr. Condon will be allowed to face his accusers in an open hearing. Thus far, he has had no word whatsoever about a hearing which he requested nearly a year ago. That was after Representative J. PARNELL THOMAS, of New Jersey, Un-American Activities chairman, had published two magazine articles making the same charges released 8 months later by his committee.

(EDITOR'S NOTE.—It has just been announced that Dr. Condon will be accorded a public hearing by the Un-American Activities Committee.)

At that time—the date was July 7, 1947—Condon wrote to THOMAS asking to be heard. He received no reply. Shortly afterward he sent copies of that letter to all members of the Un-American Committee. The only answer he received was from Representative KARL MUNDT, of South Dakota, who said he agreed that Condon should have an opportunity to answer the accusations.

Inquirers at the Un-American Committee are told that there is no news about a public hearing. The suspicion is growing that the intention is to let this dud be forgotten.

But this is not the attitude of those who believe that the Bureau of Standards chief has been subjected to a thoroughly un-American persecution. Representative CHET HOLIFIELD, of California, who in a speech on the floor of the House answered the "charges" in detail, will press for a public hearing. A member of the Joint Atomic Energy Committee, HOLIFIELD would prefer that the hearing be held before that group, since the accused would presumably have a better chance to present his story there than before a body which has tried him in absentia and found him guilty.

A sad commentary is the House vote of 337 to 37 giving the Un-American Committee $200,000—more than ever before. Surely, now that this has been done, responsible leadership will see to it that procedures are in accord with elementary rules of justice.

Most disturbing sign—and most un-American—is this business of guilt by association. Perhaps that explains Senator BRICKER'S nervousness. At a dinner in Pittsburgh 2½ years ago, Dr. Condon was given an award by the Junior Chamber of Commerce. Senator BRICKER was the principal speaker at the dinner and sat side by side with the subject.

Mr. HICKENLOOPER. Mr. Childs is a reporter, and undoubtedly reports on matters of public interest those things which he learns or which have been told to him by persons whom he believes to be reliable. I have no doubt about his zeal for accuracy and that he believes the

statements made in this column are accurate.

In the interest of truth, however, I feel compelled to state that this column is replete with statements that are grossly inaccurate and, in some cases, factually untrue.

I read from the first paragraph of this column:

The Joint Senate-House Atomic Energy Committee the other day went over the material which the House Un-American Activities Committee had assembled against Dr. Edward U. Condon and had used as the basis of a public charge that the head of the National Bureau of Standards was the weakest link in the chain of atomic security.

The Joint Committee on Atomic Energy did not go over the material which the House Un-American Activities Committee may have, or may have assembled in connection with the Condon matter, and, so far as I know, no member of the joint committee has even seen this material or any part of it, and no part of the material assembled by the Un-American Activities Committee was before the joint committee or evident in any way.

Certain reports and material with respect to Dr. Condon were examined by the joint committee, but this material originated entirely apart and completely disassociated from any source controlled by the House Un-American Activities Committee.

Therefore, no member of the joint committee could have formed an opinion, or passed any judgment privately, or otherwise, in the Condon matter based upon material of the Un-American Activities Committee, unless such member might have had access to that material without the knowledge of the joint committee, or beyond my knowledge.

The statement is made in the column that I, as chairman of the joint committee "obtained a pledge from the Un-American Activities Committee that in future anything pertaining to atomic energy would be checked in advance with the Senate-House group set up to deal with that subject." I have no pledge from the Un-American Activities Committee of this kind.

On Saturday morning, March 6, 1948, Congressman STERLING COLE, vice chairman of the joint committee, and I met unofficially with two members of the Un-American Activities Committee and discussed some matters relative to areas of responsibility. These two members of the Un-American Activities Committee did not pretend to speak officially for the full committee, nor did we ask them to, nor did Mr. COLE and I undertake to officially bind the joint committee. In this discussion it was agreed by the four of us participating that the Un-American Activities Committee not only has broad jurisdiction in its field but has the right to look into activities of individuals within, and outside of, Government. It was also agreed, without dissent, that the Joint Committee on Atomic Energy has specific and legal obligation and duty to examine into matters involving atomic energy. There was no conflict in these opinions in this unofficial discussion. These two members of the Un-American Activities Committee stated it to be their personal belief that any matters touching atomic energy which came to the attention of their committee in the course of their investigations could very properly be discussed with our committee, or its representatives whenever such evidence is discovered. They said that they would present these views to the Un-American Activities Committee, with the hope that such cooperative arrangement would eventuate.

I am hopeful that such cooperative policy will be established, but by no interpretation could I conclude that any pledge has been made.

I have confidence that the House Un-American Activities Committee will make available to the Joint Committee on Atomic Energy such evidence as it may have in the Condon case touching atomic energy.

I shall not comment pro or con upon the alleged opinions, attitudes, or reported statements of individual members of the joint committee, nor on any evidence or material presented to the joint committee. Personally, I have an honorable obligation to my fellow-members of the joint committee, assumed by me, and as I understand, by all other members of the joint committee, that matters of vital concern and import to atomic energy and to the maintenance of confidence in its progress, occurring in executive session will not be discussed with others outside of the committee hearings, except as the committee authorizes. It would be a violation of that obligation for me to comment, pro or con, on discussions within the committee on this subject, or to speculate or conclude as to the private opinion to which individual members may, or may not have arrived.

I have been extremely proud that persons in Government, and others who have knowledge of vital areas in atomic energy, and of matters intimately associated therewith have, heretofore, felt confident and free to discuss such matters as may be essential before the joint committee in executive session, and that they have been assurred that such discussions would not "leak" or be "fed" to unauthorized persons. It will be a serious crippling handicap to the discharge of the responsibilities of the joint committee, under the law, if that confidence is shaken or destroyed.

I make no issue on the matter of discussions of atomic energy, either in the newspapers or otherwise by individuals who are not connected with the Joint Committee on Atomic Energy, but I do deplore the publication or public discussion of confidential matters which allegedly originate from executive sessions of the joint committee.

Again I want to state that I do not accuse Mr. Childs of intentionally or knowingly making any misstatements, for I am certain that he relied upon information which he no doubt had reason to believe was accurate. The inaccuracy, therefore, must have originated with the source of his information.

So far as the Condon matter is concerned, the House Un-American Activities Committee made its report thereon, has announced its determination to hold open hearings, and I am informed that Dr. Condon requests also such open hearings. I think full hearings and examination of all the facts involved is imperative and no material or substantial evidence should be withheld, suppressed, or denied. And, so far as my personal attitude is concerned, if I pass judgment at any time on the merits of this controversy, I shall wait until both sides have been fully heard and all the evidence has been adduced, so that fair and honest judgment can be concluded.

I further give this assurance, that if this matter eventually appears substantially to involve atomic energy, that phase will be thoroughly and exhaustively examined by the joint committee and concluded.

DISMANTLING OF INDUSTRIAL PLANTS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have placed in the body of the RECORD, because it pertains to the dismantling of industrial plants in the western zone of Germany, a letter received by me from Mr. Stewart W. Chaffee, relative to a plant being dismantled.

I wish to say to the Senate that I immediately took the matter up with the chairman of the Foreign Relations Committee, who made some inquiries of the State Department, and the reply has not been satisfactory. I shall not discuss the case tonight, due to the lateness of the hour, but I shall discuss it in more detail at a later time. However, I ask to have printed in the RECORD immediately following the first letter to which I have referred a letter dated March 4, 1948, from the State Department to Mr. Chaffee, and a letter dated March 9, 1948, addressed to the Senator from Michigan [Mr. VANDENBERG] in reply to the inquiry he directed to the State Department as a result of my request.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW YORK, *January 9, 1948.*

Re Germany: Dismantling plants.

Hon. WILLIAM F. KNOWLAND,
Senator of the United States, Senate Office Building, Washington, D. C.

DEAR SENATOR: On December 10, last, I returned from a 4 months' business trip to Europe, which included 6 weeks in Germany. Having learned through the press of your most commendable attitude against the policy of dismantling non-war-material-producing plants in Germany, particularly where the objective is the delivery of reparations to Russia at this time, I feel that one situation in particular should be called to your attention.

The firm of O. & K. Geissler manufactures precision instruments and is located in Munich. This firm had the reputation of being one of the three outstanding precision instrument firms in all of Germany, and is reported to have today several high-precision controlling machines which are stated to be the only ones existing in Germany at the present time. The plant and its entire machinery and equipment are in perfect condition, and its management is intact and of the highest caliber. It is presently in a position to accept tangible orders amounting to approximately four or five million dollars, which initial orders could undoubtedly lead to others involving many millions of dollars. The export-import division of the military government at Munich will not permit this firm to accept any orders which cannot be completed within an extremely short period, which means, as a practical matter, that no orders of any consequence

whatsoever may be taken. The reason for such position of the military government is the fact that the plant in question, although not on the war-plant dismantling list, is on the so-called surplus level of industry list. The electrical department of said export-import division did not know of the existence of said firm until it was called to its attention by myself, as I had learned of it (while I was serving with the military government in Munich) by reason of certain excellent work it did for our armed forces. It may well be that its existence was concealed from said electrical department by a certain highly placed employee of said export-import division who is now assiduously studying the Russian language and who undoubtedly was aware of the fact that Russian officers spent an entire day going over the plant and are more interested in acquiring its machinery and equipment than in obtaining that of any other plant in Bavaria. The military government knew absolutely nothing about the excellency of its special as well as general line of products, unless such facts were known to some particular individual connected with the military government who arranged to have the plant placed on the dismantling list with the hope, perhaps, that the Russians would acquire it. As an example of its special products, said firm manufactured a violet-ray machine which was used by the late President Roosevelt in connection with his infirmity, and it is indeed surprising that this fact was apparently not known to certain civilian employees of the military government.

According to reliable information just received by me, a definite date, February 15, next, has been set for the dismantling of the above plant as well as others in the vicinity which are on the surplus level of industry list. Is it not possible for the Appropriations Committe of the Senate to bring some pressure to bear so that at least such an unsound and ridiculous policy may be held in abeyance until sufficient opportunity is given to present the facts to the American public and thereby create a justified and insistent demand that such deplorable conditions be rectified? At present, as you undoubtedly know, the National Broadcasting Co., through its Three Star Extra, has been forcibly broadcasting certain flagrant examples of the plant-dismantling program which are absolutely prejudicial to the interests of the American taxpayer. These broadcasts are performing, I am convinced, an excellent service for the public by revealing the almost unbelievable policy of our military government in Germany, and have been the immediate cause which has impelled me to write this letter to you.

The real question involved, it seems to me, is not what the standard of living should be in Germany, but how much Germany should be able to produce in order to pay for the necessary imports which are now borne by American taxpayers. The only logical course would seem to be to defer dismantling any nonwar material producing plants until Germany is on a self-sustaining basis. If we are to place Germany upon a lower production level than she is capable of, it only means that we are delaying European recovery, which is again a burden upon American taxpayers.

It would appear that our State Department should take immediate steps to correct the situation in question, and see to it that the War Department at once orders the military government in Germany to cease dismantling any and all plants not classified as war material producing plants. As you may have observed while you were in Germany, certain of the high-placed civilian employees are obsessed with the idea that it is criminal for Germany to produce in excess of her bare, internal economic necessities. It was found by me, while I was in Germany, to be almost lese majeste even to suggest any holding in abeyance of the dismantling program. As a matter of fact, there was one highly placed civilian employee, who had formerly served with the military government, and with whom you spoke while you were in Munich, who told me that he had been briefed before your arrival, but that he would have told you many things in addition to what he did tell you, had he realized that you had also served with the military government. In other words, as you may well have surmised, there are two forces within the military government today, one constructive and the other obstructive, and unless this situation is corrected, we will continue to face many serious consequences in connection with our occupation of Germany.

It does not seem possible that it will be 2 years in April, since Mrs. Chaffee and I had the great pleasure of seeing you in Washington. She knows that I am writing to you today, and joins me in sending our very best wishes and most sincere congratulations upon the excellent record which you have made and are making.

Faithfully yours,

STEWART W. CHAFFEE.

MARCH 4, 1948.

Mr. STEWART W. CHAFFEE,
Graybar Building, New York, N. Y.

MY DEAR MR. CHAFFEE: Your letter to the President, dated February 5, 1948, has been received.

Numerous suggestions are received by the Department of State that particular plants, now scheduled for transfer from Germany to countries entitled to receive reparations, should be retained in Germany. I am sure you will appreciate that the detailed selection of individual plants for such transfer is necessarily an operating responsibility of military government authorities in that field, and that it would be impracticable for any department in Washington to attempt to investigate the merits of each suggestion made.

In general, the selection of individual plants for removal was carried out with a view to retaining in Germany the most economically located plants and those best able to contribute to the export program, while at the same time minimizing the local and temporary effects of dismantling. You may be assured that, if the particular plant in which you are interested is scheduled for dismantling, it was selected in accordance with this general policy. You may also be assured that, if dismantled, it will be reestablished in one of the countries entitled to receive reparations from the western zones of Germany.

As you are aware, the entire question of the German reparation program is now under investigation by the Congress, and a considerable volume of testimony on the subject has already been submitted by both the Department of State and the Department of the Army. The pamphlet printed by Common Cause, Inc., entitled "Destruction at Our Expense," had already been carefully studied within the Department. The other material enclosed with your letter has received similar consideration.

The Department remains of the opinion, on the basis of all facts known to it, that the German reparation program in no way retards the recovery of German industrial production, and that it will tend to reduce, rather than increase, the financial burden of the United States in Europe. I am enclosing for your information a memorandum on this subject recently prepared within the Department.

Sincerely yours,

DANIEL F. MARGOLIES,
Acting Associate Chief, Division of Occupied Areas, Economic Affairs.

(Enclosure: State Department Memorandum, February 2, 1948.)

MARCH 9, 1948.

The Honorable ARTHUR H. VANDENBERG,
United States Senate.

MY DEAR SENATOR VANDENBERG: Your letter of February 23, 1948, enclosing a letter to Senator KNOWLAND from Mr. Stewart W. Chaffee, 420 Lexington Avenue, New York, N. Y., has been received.

Mr. Chaffee urges that a particular German factory, now scheduled for dismantling, be retained in Germany. He has sent similar letters to the President and to the Secretary, and I enclose for your information copies of the replies made by the Department.

More detailed information than is presently available in Washington concerning this factory is being sought urgently from Berlin. You may be assured that this information will receive careful study, and a decision taken accordingly.

Sincerely yours,

For the Secretary of State:
CHARLES E. BOHLEN, *Counselor.*

(Enclosures: 1. Copy of letter to Mr. Chaffee, March 4, 1948. 2. Copy of letter to Mr. Chaffee, March 6, 1948. 3. Letter to Senator KNOWLAND from Mr. Chaffee.)

ISSUES FACING CONGRESS

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a copy of a telegram signed by one of our most outstanding citizens, Mr. H. R. Cullen, addressed to Hon. ROBERT A. TAFT, a copy of which was mailed to me.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HOUSTON, TEX., *March 6, 1948.*

Hon. ROBERT A. TAFT,
United States Senator from Ohio,
Senate Office Building,
Washington, D. C.:

In your letter of February 9, you asked me to give you my views on the issues now before Congress. Recent reports from our financial barometer New York exchange tell us that we are facing a depression. All brokers are losing money and laying off many of their employees. If it is a severe depression we may see our Government bonds totaling about $258,000,000,000 almost worthless. Our country is in no position to give or loan money to foreign countries. We will be fortunate to be able to retire our bonds in an orderly way and build an armed force sufficient to keep Russia off our backs. If the $15,000,000,000 that this country gave away to foreign countries the past 2 years had been used in building planes and atomic bombs then Russia would have kept her soldiers within her borders. It is time our Congress should pinch itself, wake up and get from under the spell of new dealism.

H. R. CULLEN.

Copies to: Joseph W. Martin, Jr.; Arthur H. Vandenberg; Lee O'Daniel; Tom Connally; Ed Gossett; Styles Bridges; Frank W. Boykin; Leo E. Allen; George W. Malone; Carroll Reece; Sam Pettengill; Dick Tullis, Washington, D. C.; Frank C. Waldrop, Washington Times-Herald; Robert M. Harriss, New York Cotton Exchange Building; Leonard Reed, Foundation for Economic Education, Irvington-on-Hudson, New York, N. Y., Ray Leeman, executive vice president, South Texas Chamber of Commerce, San Antonio; John Hodge, Associated Press, Houston; John Hartzell, United Press, Houston; George Cottingham, Houston Chronicle; Gov. Wm. P. Hobby, Houston Post, George Carmack, Houston Press.

EUROPEAN RECOVERY PROGRAM

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have inserted in

the body of the RECORD, because of its bearing on the Marshall plan, an original telegram signed by H. R. Cullen and addressed to me, dated today, March 12, 1948.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HOUSTON, TEX., *March 12, 1948.*

Hon. W. LEE O'DANIEL,
United States Senator from Texas,
Senate Office Building:

The people of those countries in Europe that Congress proposes to give billions of dollars to neither love nor respect our country, and only tolerate us due to our strong military position and financial strength. If we should lose our military strength, you may rest assured that those European countries will ally themselves with our enemy, Russia. Briefly said, the only way we can retain the support of those European allies is to remain the dominant military power of this world. What do our present allies think when they read these statements that I am now quoting? In the morning press, Ray Tucker quotes Lt. Gen. Leonard T. Gerow, commander of the Second Army with headquarters at Fort Meade, Md., who said in a recent speech that the United States could mobilize only two divisions, 30,000 men, for an immediate outbreak of hostilities. On learning of this statement, CLARENCE J. BROWN, of Ohio, said to Representative FOREST A. HARNESS, "Talking of propaganda. Did you see Gerow's latest blast? You might look into it. All I've got to say is that if we have only 30,000 out of 960,000 men ready to fight, we ought to get some new generals." Again I quote from the January issue of Fortune: "Shall we have airplanes? If yes, the aircraft industry must have some orders. At present producing less than 3 percent of its great 1944 volume and dying on its feet. Who will save it, and on what terms?" And again I quote from the February issue of the American Magazine: "We've scuttled our air defense. No longer is the United States the leading air power of the world. We have slipped behind both Russia and England." In this article the chief of our first-line defense, W. Stuart Symington, Secretary of the Air Force, tells why we must waste no time in setting up an impregnable air curtain. The people of the United States would have greater respect for General Marshall if he would spend more time saving our country instead of trying to save countries across the ocean. It is easily understood why Russia is so bold in capturing country after country in Europe after reading our daily press and American magazines. I am sending an identical telegram to TAFT, O'DANIEL, and BRIDGES hoping one of them will ask our Congress to help save America.

H R. CULLEN.

Mr. WHERRY. Mr. President, I should like to announce to the Senate, and also for the record, that I am very hopeful that with the progress made today we may reach a conclusion on the pending bill tomorrow night. It is the intention that a recess will be taken until tomorrow noon, and my reason for making this statement is that the concurrent resolution relating to Reorganization Plan No. 1 for 1948 is a privileged matter, and it is the intention that that will be taken up on Monday following the call of the calendar for the consideration of bills to which there is no objection. I make the statement so the Senate will have notice, and Senators will be ready to take up the joint resolution on Monday.

Mr. TAYLOR. Mr. President, I offered an amendment in the nature of a substitute for the bill under consideration which would provide for channeling aid through the United Nations. The charge has been made that such aid would be subject to veto. I have prepared a statement which I should like to have inserted in the RECORD refuting that contention.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Article 24, chapter V, which defines the functions and powers of the Security Council, states:

"The specific powers granted to the Security Council for the discharge of these duties (maintenance of international peace and security) are laid down in chapters VI, VII, VIII, and XII."

Chapter VI refers to pacific settlement of disputes, chapter VII refers to action with respect to threats to the peace, breaches of the peace, and acts of aggression, chapter VIII refers to regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action * * *; and chapter XII refers to international trusteeship system.

Conversely the General Assembly is given sole authority over economic and social matters and is given authority to delegate such functions if it wishes to the Economic and Social Council. The veto does not apply in either of these agencies.

The procedure is outlined in chapter IX of the Charter entitled "International Economic and Social Cooperation." Article 55 under that chapter states in part that the UN shall promote "higher standards of living, full employment, and conditions of economic and social progress and development * * *."

Article 60 of that chapter states:

"Responsibility for the discharge of the functions of the organization set forth in this chapter shall be vested in the General Assembly and, under the authority of the General Assembly, in the Economic and Social Council, which shall have for this purpose the powers set forth in chapter X."

Chapter X sets forth the powers of the Economic and Social Council.

The question of continuation of relief through international means was before General Assembly of United Nations October 31, 1946. It was referred to committee No. 2 by the Assembly which, on December 9, approved a resolution for a review board to review country needs but because of failure of financial support from the United States did not recommend an agency to continue handling of relief. The recommendation was accepted by the General Assembly December 11, 1946.

The action in the UNRRA case provides a clear precedent for the handling of social and economic problems by the General Assembly with no reference or jurisdiction of any kind to the Security Council.

The entire matter of the United Nations Relief and Rehabilitation Administration (UNRRA) was handled by the Economic and Social Council with approval of the General Assembly. No veto applies in either agency.

The only conceivable way in which the veto could be made to apply on handling of aid to Europe under a proposal such as my amendment in the nature of a substitute to the ECA bill would be for some nation to make the charge in the Security Council that the setting up of the relief agency was a threat to the peace. That is inconceivable. My measure would envision rehabilitation and economic aid only without political strings. No political strings would be possible if the United Nations were handling the problem. I can see no reason why the U. S. S. R. or any other nation would see fit to bring such a charge before the Security Council. If such a charge were brought it would be prima facie evidence that the U. S. S. R. did not desire peace and prosperity in the world and I would say that we then could fight with a clear conscience, knowing we had done our utmost to promote peace.

EUROPEAN RECOVERY PROGRAM—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which was ordered to lie on the table and to be printed.

RECESS

Mr. WHERRY. I now move that the Senate take a recess until tomorrow noon.

The motion was agreed to; and (at 11 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Saturday, March 13, 1948, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 12 (legislative day of February 2), 1948:

GOVERNOR, TERRITORY OF ALASKA

Ernest Gruening, of New York, to be Governor of the Territory of Alaska. (Reappointment.)

SENATE

SATURDAY, MARCH 13, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Lord, direct our hearts into the patience of Christ. Make strong our faith that God's will, though it may be hindered a time and obstructed by human blindness and folly and sin, must in the end be triumphant.

May all that we do be in accordance with the victory of God. Graciously minister to Thy servants, the Members of this body, according to their needs.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 12, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXTENSION OF PROVISIONS OF ARMED FORCES LEAVE ACT OF 1946 TO OFFICERS OF COAST AND GEODETIC SURVEY

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946, which, with an accompanying paper, was referred to the Committee on Armed Services.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 5052. A bill to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; without amendment (Rept. No. 985).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 2305. A bill for the relief of Victor Caruso; to the Committee on the Judiciary.

By Mr. GURNEY:

S. 2306. A bill to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes; and

S. 2307. A bill to amend the act of May 16, 1946 (Public Law 383, 79th Cong.), as amended, to provide increased allowances for the escorts of repatriated war dead; to the Committee on Armed Services.

By Mr. LANGER:

S. 2308. A bill for the relief of Miss Kaoru Watanabe; to the Committee on the Judiciary.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. BUCK submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

PROGRAM AND POLICIES OF THE NATIONAL GRANGE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a summary of the action taken by the National Grange at its eighty-first annual session, Columbus, Ohio, November 12–21, 1947, and extracts from the annual message of the national master, Albert S. Goss, which appear in the Appendix.]

THE MARSHALL PLAN—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address on the Marshall plan broadcast by him over Station KSL, of Salt Lake City, February 17, 1948, which appears in the Appendix.]

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. PEPPER. Mr. President, at the request of the chairman of the Committee on the Judiciary, a subcommittee of which is now holding a hearing on an important matter, I ask unanimous consent that the subcommittee now sitting may continue its hearing during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. Mr. President, the pending question is on the amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and other Senators, is it not?

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Vermont [Mr. AIKEN] for himself and certain other Senators as a substitute for subdivision (c) of section 12, providing for the procurement of surplus agricultural commodities.

Mr. WHERRY. In view of the fact that this is an amendment which has been worked out in connection with amendments offered by four or five or six Senators, I ask the Senator from Vermont if there should not be a quorum called.

Mr. AIKEN. I do not care whether a quorum is called or not. It is not necessary to have one.

Mr. WHERRY. There might be some explanations to be made. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. STENNIS] is absent on official business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER (Mr. IVES in the chair). Ninety Senators having answered to their names, a quorum is present.

The question immediately before the Senate is on agreeing to the amendment proposed by the Senator from Vermont [Mr. AIKEN], for himself and certain other Senators, as a substitute for subdivision (c) of section 12, providing for the procurement of surplus agricultural commodities.

Mr. AIKEN. Mr. President, this amendment, which is printed and on the desks of Senators this morning, relates to the utilization in the European recovery program of agricultural commodities which are in burdensome surplus in this country. The amendment incorporates in large part the substance of and is intended to supersede section 12 (c) of the bill, the amendment which was submitted by the Senator from Minnesota [Mr. THYE], the amendment which was submitted by the Senator from Washington [Mr. MAGNUSON], the amendment which was submitted by the Senator from Georgia [Mr. GEORGE], and Senate Joint Resolution 187, which I introduced, and which is now on the Senate calendar. The sponsors of those amendments and I have consulted with representatives of the State Department and of the Department of Agriculture over the last 2 or 3 days, and all of us have agreed on the terms and the construction of the amendment as it is now printed.

Mr. President, the amendment provides for the utilization, to the fullest practicable extent, of surplus agricultural commodities which are required by the participating countries. In order to encourage increased utilization of such agricultural commodities, the Secretary of Agriculture is authorized to pay up to 50 percent of the sales price from funds appropriated by section 32 which are the funds normally used to encourage the export of agricultural commodities. If the commodity involved is held by the CCC under a price-support program, the sales price is required to be not less than the CCC's cost or, if lower, the market price.

Subsection (c) (2) is in substitution for section 12 (c) of S. 2202. It is the intention of this provision to require the procurement of classes or types of agricultural commodities, which are in surplus, in such a way as to assure purchase of a reasonable amount of each class or type of agricultural commodity in surplus. It is intended that reasonable and practical considerations shall prevail in the administration of this provision and that it should not operate to delay or hinder administrative flexibility and the

need for efficiency and speed in carrying out this act.

The amendment will also restore $40,000,000 to section 32 for the fiscal year ending June 30, 1948. To the extent that the amount thus restored is not utilized in encouraging exportation, it would be available for the purpose of encouraging the domestic utilization of surplus commodities through school-lunch outlets, new and byproduct uses, and donations to relief and welfare institutions.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. In reading subsection (2) of the amendment a question occurs to me, and I should like to ask the Senator from Vermont to give the answer to it. As I read that subsection, it would be possible for the Administrator or for the Secretary of Agriculture to send abroad a commodity of which there is a substantial surplus and which customarily would be exported, in preference to, we will say, wheat or flour, which is a more important necessity of life. I understand that the words "practicable and applicable" are placed in the amendment to take care of that contingency. Is that correct?

Mr. AIKEN. That is correct. If there are several types of the same commodity in burdensome surplus, the purpose of the amendment is to insure that the Administrator shall not use one type exclusively, to the exclusion of the other types. To be frank, this would be applicable largely to tobacco. It could be applied to apples, and other kinds of fruit, but such application would involve so much red tape and would impose such an impossible task upon the Administrator and the Secretary of Agriculture that the words, "insofar as practicable and applicable" were inserted. Those who worked on the amendment felt that it would not be practicable and applicable to say that so many Greening apples, so many Delicious, so many Baldwins should be exported. That would be expecting simply too much from the Administrator and the Department. But the provision is applicable in the case of tobacco, and that is its real purpose.

Mr. SALTONSTALL. But the decision under this section must be left to the Administrator.

Mr. AIKEN. That is correct. It would have to be in any case.

Mr. SALTONSTALL. I do not desire to step on the toes of any Senator who is interested in any particular commodity, but let me give one example: Let us assume that there is a surplus of potatoes, or of dried eggs, the calorie content of which is not nearly so great as it is of wheat; let us assume further there is the same expense of shipment. Under this section the Administrator could, in his discretion, send wheat in preference to the potatoes or dried eggs. Is that correct?

Mr. AIKEN. The Administrator is not required to accept anything he does not want and cannot use over there, anyway. But if he can use dried eggs, if he can use prunes, if he can use oranges—and it is expected that he will be able to use all those products—then he arranges to take the burdensome surplus off the hands of the Commodity Credit Corporation, if the Corporation happens to own them at the time, and the Secretary of Agriculture is authorized to absorb half the loss. Only half the loss will be charged to the recovery program, and up to half the loss may be charged to the Department of Agriculture, to be paid for out of section 32 funds.

Mr. SALTONSTALL. Is it the opinion of the Senator from Vermont that there is sufficient leeway in these words, without naming any one commodity, so that the Administrator could send the most necessary commodities which would be helpful in feeding the people whom we are undertaking to help?

Mr. AIKEN. The Senator is correct. The State Department and the Department of Agriculture believe that the Administrator will not be handicapped in his work by the language employed in this amendment.

Mr. SALTONSTALL. Let me ask one further question. While the Senator has not reached it yet, I should like to ask about subsection (e) on page 4. In substance, what that does is to put back in the Commodity Credit Corporation $40,000,000 which was taken out by the Appropriations Committee last year.

Mr. AIKEN. That is correct. The Secretary of Agriculture has no funds to use for the purpose of paying up to half the loss, unless he is given more funds which are available under section 32.

Mr. SALTONSTALL. Let me ask one further question, which is practically in the form of a statement.

When this amendment was suggested yesterday I looked into the question of fish, which is important in Massachusetts and New England. I realize that fish is not an agricultural commodity and cannot be included within the provisions of this amendment because of that fact, and also because of the fact that in eight countries abroad which are going to be helped by this act, fish is an exportable surplus. However, I hope the Senator from Vermont will cooperate with those of us who are interested in the subject of fish, in seeing that our people who market fish in this country receive the same opportunities to sell their product as those who produce agricultural products receive. I cite this fact: The Army recently has contracted in Newfoundland, without offering the possibility of competition to citizens of the United States, for 40,000,000 pounds of pickled herring. I also understand that there is now under consideration a further contract with Newfoundland for salt codfish, which has not, in the opinion of the National Fisheries Institute, been offered in competition to us in this country. Does the Senator know anything about that subject?

Mr. AIKEN. Let me assure the Senator from Massachusetts that the Senator from Vermont will cooperate with him to the fullest extent to see that American producers are not treated unfairly in carrying out this program. The Senator from Vermont will further say that he is at a loss at times to understand or to find any justification for some of the purchasing methods which have been utilized by the armed services. He will certainly be glad to cooperate with the Senator from Massachusetts to the fullest extent.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Washington.

Mr. CAIN. May I inquire if the amendment accommodates the purposes intended by an amendment recently initiated by the senior Senator from Washington [Mr. MAGNUSON] and submitted by the Senator from Pennsylvania [Mr. MYERS]?

Mr. AIKEN. This amendment incorporates the objectives of that amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BARKLEY. I think it ought to be said in further response to the Senator from Massachusetts that neither this amendment as a whole nor any part of it is intended to require the Administrator to substitute for something which is needed or wanted in a certain country something else which the people of that country have not been in the habit of using or do not desire or need. It would not be possible to interpret this amendment so as to permit the Administrator, for example, to substitute apples for wheat if wheat were what the recipient country needed, or to permit him to substitute any other commodity which is not necessary. The amendment itself contains the language:

> Insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries.

The Administrator must take into consideration the historic needs of the country and the requirements at the time he makes the distribution. The over-all purpose of the amendment as a whole—and that was the original purpose of subsection (2) as reported in the bill—is that where he is sending agricultural products to the recipient countries he shall, insofar as practicable, and in accordance with the requirements of the recipient countries, procure and distribute surpluses of those commodities, which we think is legitimate, inasmuch as we are undertaking to supply the agricultural commodities to the recipient countries. It is not intended in any way to interfere with the authority or power of the Administrator so as to require him to substitute something for bread or for any other commodity, when what is needed is bread and not some other commodity. The Administrator has complete flexibility in the administration of the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Does the Senator from Kentucky believe that the fullest discretion of the Administrator is not in any way tied down or handicapped by the words "to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries"?

Mr. BARKLEY. I do not believe that the Administrator is put in a straitjacket or handicapped by that language. That is one of the elements which he must take into consideration in determining the proportion which shall be applied to any surplus of a type or kind within a certain range of commodities. There are many varieties of agricultural commodities. There are many kinds of cotton, there are dozens of types of cotton, there are various grades and types of wheat, and various grades and types of apples and other commodities. In determining the procurement and distribution abroad in the recipient countries of any commodity of that general nature, the Administrator shall take into consideration the surplus which exists in a particular type or kind, and try to make the procurement and distribution in the same proportion as it bears to the entire surplus, exportable or otherwise, in the United States.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. The last observation of the Senator from Kentucky confuses me somewhat. I understood that subsection (2) on page 2 did not apply to wheat, corn, or apples. Of course, the language "insofar as practicable and applicable" helps.

The distinguished minority leader does not mean to say, does he, that the Administrator would be required, in securing the surplus property, which might be wheat, to secure the percentages of all varieties of wheat in proportion to total export?

Mr. BARKLEY. The language of subsection (2) was made general so as not to attempt to spell out in the law any particular commodity. I do not think it would be wise to mention any agricultural product in this bill, because by mentioning one or two or more, we might exclude others. The provisions of subsection (2) originally were intended to direct the Administrator's attention to the desirability of using surpluses wherever they exist within a type or kind of any particular product.

Mr. WHERRY. Suppose there is a surplus of wheat. There is nothing in that subsection which provides that the Secretary of Agriculture must determine what varieties are in long supply or short supply, and insist upon a certain percentage of a given variety in proportion to the whole quantity to be procured.

Mr. BARKLEY. Of course, wheat is in a little different situation from that of many other commodities. Senators from wheat-producing sections probably know more about that question. I was raised in a wheatfield, and was engaged in threshing wheat all my life until I was grown. There are different grades of wheat, such as No. 1 and No. 2. There is winter wheat and spring wheat. They all go into the manufacture of flour, from which bread is made. So there is nothing in this amendment which would require the Administrator, for example, to buy No. 2 wheat in preference to No. 1 wheat.

Mr. WHERRY. Or Turkey Red wheat in preference to some other variety.

Mr. BARKLEY. That is true.

Mr. AIKEN. Mr. President, the provisions of subsection 2 are not intended to apply to any commodities unless such provisions are "practicable and applicable." The Department of State and the Department of Agriculture both agree that with those words in this paragraph it would not interfere with the work of administering the program in any way; and it is not expected that it would be applied to different varieties of apples, prunes, wheat, or any other product which is in burdensome surplus, unless the provision could be satisfactorily administered.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BREWSTER. I appreciate what the Senator from Vermont has just said. It is our understanding that this section was designed to take care of certain rather special situations. I think it should be clarified because of the case of potatoes, which are of great importance in our area.

Mr. AIKEN. It would be almost impossible to apply it to different varieties of potatoes.

Mr. BREWSTER. It is true that, historically, potatoes have not been sent abroad, except in very exceptional instances.

Mr. AIKEN. That is correct.

Mr. BREWSTER. But it is also true that in the last several years there has been great need for potatoes in Europe, where potatoes are the customary diet. For instance, Germany normally produces and consumes 10 times as many potatoes per capita as does the United States. So potatoes are a very important article of consumption in Europe. We have had a surplus of them; but, as I understand, this paragraph would have no application to that situation.

Mr. AIKEN. That is correct. In my opinion, paragraph 2 would not apply to potatoes; but the other paragraphs would fully authorize the utilization of surplus potatoes in this European program.

Mr. BREWSTER. The other item the Senator from Massachusetts spoke about was fish. I think the Senator from Vermont will recall that at one time, in the gyrations of the last decade, we did provide that fish was an agricultural commodity.

Mr. AIKEN. That was done for a particular purpose; yes.

Mr. BREWSTER. But I assume that would not apply at this time. That was under the OPA, was it not?

Mr. AIKEN. Yes; it was under OPA, and it was done at that time, as I recall, to cover cultivated shrimp and oysters; but fish were designated an agricultural commodity at that time, to get them under some law for a particular purpose.

Mr. BREWSTER. But it is true, is it not, that nothing here would in any way exclude fish from consideration under the act, exactly as any other commodity would be considered?

Mr. AIKEN. Absolutely so. If fish were in surplus supply, fish could be used in the same way as any other commodity could be used under this measure, provided it was found that one of the 16 European nations was short of fish. That might be a difficulty.

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. MORSE. I think the Senator from Vermont knows that I am in favor of his amendment. In fact, I understood from the Senator from Washington [Mr. MAGNUSON] that I was going to be included as one of the cosponsors of the amendment.

Mr. AIKEN. That is correct.

Mr. MORSE. But apparently it was offered on a day when I was out of town and could not be reached personally.

Mr. AIKEN. I am sure we would welcome the cosponsorship of the Senator from Oregon.

Mr. MORSE. I wish to say that I talked to the Senator from Washington in regard to the combined amendment. Our conversation was in connection with the particular surplus-commodity problems which confront us in the Pacific Northwest, particularly relative to various kinds of fruits, such as apples, pears, prunes, dried apricots, and other fruits of that type, and also the possibility of the amendment including a commodity in which we are greatly interested, as are the people of Vermont, namely, surplus poultry from time to time. Is there anything in this amendment which would prevent the inclusion of surplus poultry if it should be found that the Commodity Credit Corporation was confronted with the problem of buying surplus poultry and using it as a part of the export program under the Marshall plan?

Mr. AIKEN. There is nothing at all in the amendment which would prevent the use of poultry, if poultry should become in surplus supply.

Mr. MORSE. I am very glad to say to the Senator from Vermont that it has my complete approval.

Mr. THYE. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. THYE. The whole purpose of this amendment is simply to correct a situation arising because of the general support-price-purchase provision of the Steagall Act as affecting the Commodity Credit Corporation. We are unable to move surplus commodities because the relief measures contain a provision that any food commodities that have a lower caloric value than wheat may not be shipped under any of these European recovery programs which provide relief.

That is the purpose of this amendment, and it now embodies the provision that in cases where such surpluses exist the Commissioner of Agriculture shall be able to use such commodities to supplement the wheat that is being shipped abroad in connection with the general relief food needs of the European countries.

Mr. AIKEN. I thank the Senator.

Mr. President, if I may have 1 minute more, I shall be through.

In brief, this amendment will assure that surplus United States agricultural commodities shall be used to the maximum extent practicable in the European recovery program. It will help avoid the inflationary effect of having the Administrator go into the market and buy larger amounts of scarce commodities.

It will provide that our dollars shall not be used in other countries to purchase commodities which are in burdensome surplus in this country. It will provide full recovery of the cost of commodities which are owned by the Commodity Credit Corporation, but it will authorize the Secretary of Agriculture to pay one-half the cost out of section 32 funds. It will help the Secretary of Agriculture to encourage foreign countries to utilize commodities which otherwise might spoil or which they otherwise would not use at all.

Finally, it provides that if it is more advantageous to purchase some of these commodities through the normal channels of trade rather than to have 100 percent of them go through the Commodity Credit Corporation, the Secretary of Agriculture may pay up to 50 percent of their cost, still from section 32 funds.

That is all I have to say.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN], on behalf of himself and other Senators.

Mr. CORDON. Mr. President, I should like to make a few observations relative to the bill and its effect on agriculture in the United States.

The aftermath of the war is evidenced by many disruptions in agriculture in the United States. While the percentage of our production which was exported before the war was very small—approximately 8 or 9 percent—with reference to certain agricultural products the amount exported was a very high percentage. The markets for our agriculture were lost by virtue of the war, in many instances. We hope that, in the course of time, by the legislation now before the Senate and as a result of constructive action, some of those markets may be recovered. To the extent that there are surpluses of agricultural products in this country and those surpluses are directly attributable to the loss of foreign markets, the utilization of the funds here provided for the purchase of such commodities and their use in the beneficiary nations will tend at least to maintain our markets in those countries when they shall have recovered.

In many cases, Mr. President, agriculture in the United States has investments that are not created each year. I think at the moment of my own Pacific Northwest, and also the Southwest, Southeast, and the areas here in the East where tree fruits are grown. The investment there is a matter of years. Today, in many instances, those investments are imperiled. The enactment of the amendment and the use of certain of the surpluses resulting from the failure of export markets in those fields may well mean the difference between existing, at least, and bankruptcy for many of the farmers of the country. I hope the amendment will be agreed to, Mr. President, and I trust that in the administration of the program there will be a realization of the absolute necessity of the administrative department cooperating with the legislative department, to the end of minimizing to the very greatest extent possible the adverse effects which the appropriations provided for in the bill will have and must have on the economy of the country. This to me is a necessary part of the over-all program, a program that seeks on the one hand to do everything possible for the beneficiary nations and at the same time seeks to do the least harm to our own country.

Mr. WILLIAMS. Mr. President, from the discussion on the amendment, it seems to me that there is a little confusion. It is difficult to ascertain from the debate whether we are amending the European recovery program or whether we are adopting a new program for agriculture. I do not think there is anyone on the floor who has criticized the absurd policy of our Government, under which we have witnessed one Government agency destroying edible foods, while at the same time another Government agency is buying those commodities which are most scarce. I heartily endorse that part of the amendment submitted by the Senator from Vermont and others, which says that the administrator of any relief program, insofar as practicable, must buy those commodities which are declared surplus by the Department of Agriculture. I think there is nothing wrong with that. The State Department has agreed to it.

I do object to including in the amendment Senate Joint Resolution 187, which is merely an amendment to the Agricultural Act itself, section 32. It has the indirect effect at this particular time of immediately allocating $44,000,000 for the European recovery program, without any direct authorization by Congress or any vote directly on it. After July 1, 1948, under the amendment, the Secretary of Agriculture would be given the power to allocate an additional $125,000,000 to any foreign relief program, without asking any further consent of Congress. He can do it likewise for each year in which any foreign-relief program is in effect. In reality, it is nothing more than an additional subsidy for agriculture. If we are going to further subsidize the agricultural program, let us put it in a separate piece of legislation and consider it as such and adopt it as such, and not tie in an important domestic agricultural policy with a foreign-aid program.

Mr. President, I send to the desk an amendment to the amendment and ask the clerk to read it, and I ask that it be considered.

The PRESIDING OFFICER. The Senator from Delaware submits a modifying amendment, which the clerk will read.

The CHIEF CLERK. On page 4, line 8, beginning with the word "and", it is proposed to strike out through line 3 on page 5, and insert in lieu thereof the following:

(e) None of the funds appropriated to carry out the purposes of section 32 of Public Law 320, Seventy-fourth Congress, as amended, may be used, directly or indirectly, to procure any surplus agricultural commodity for the purposes of this act or to reimburse in whole or in part any person or Government agency procuring any surplus agricultural commodity for the purpose of this act.

Mr. WILLIAMS. Mr. President, the amendment merely strikes out those provisions which are incorporated in the amendment submitted by the Senator from Vermont, as they were contained in Senate Joint Resolution 187, which in my opinion should be considered on the floor as a separate piece of legislation. It would withdraw from the Secretary of Agriculture the proposed authority to turn over, as I say, $44,000,000 immediately, to any relief program. It would cancel his authority to allocate from $100,000,000 to $150,000,000, during the next 4 years, without obtaining the consent of Congress. Members of the Senate should understand that unless my modifying amendment is adopted the Congress will be automatically extending the farm-support program beyond the scheduled expiration date, which is December 31, 1948. This extension will run as long as any foreign-relief program is in effect. The reason that this can be done is that, under section 32 of the Agricultural Act, 30 percent of all the customs receipts are automatically assigned to the agricultural program. The amendment of the Senator from Vermont authorizes the Secretary of Agriculture without seeking further authority to turn the funds over to any relief program which is being administered. I think it is a subject which should be considered apart from the Marshall plan. To show how it will operate, I call your attention to the fact that we adopted a similar amendment to the interim-aid bill last December. The present Aiken amendment is merely a modification of that. It was offered by the Senator from California [Mr. KNOWLAND]. At that time I endorsed it. I am frank to admit that I think I made a slight mistake in doing so, because in checking up on the working of the program, I find that the Secretary of Agriculture under the power we gave him then went into the market and purchased 101,000 tons of white potatoes at $3.16 a bag. He turned those potatoes over immediately to one of the relief programs at 4 cents a bag, approximately 1 percent of the sale price. That had the effect of diverting without any authorization of Congress $9,000,000 to the foreign-relief program.

Another commodity was eggs. We have been hearing a lot during the recent months from various administration officials who expressed their horror at the high prices which the American consumer was forced to pay for his eggs. The administration even inaugurated eggless days to relieve the shortage. But surprising as it seems we find that the Commodity Credit Corporation's storage houses were loaded with eggs. So much so that they were disposing of their surplus for Europe at a loss of over $22,000,000 during the past 2 months. All of this was happening during the same period that they were pitying the poor American consumer. I know that one of the arguments advanced is that the eggs held by the Commodity Credit Corporation were dried eggs. My reply to that is that anyone except an inexperienced bureaucrat would never have had all of these eggs dried. A large percentage of them would and should have been placed in storage in cases to be removed and sold during the winter months as was always the customary practice of the egg industry.

The same thing is true with other commodities. For instance, honey, raisins, and prunes have been purchased. The question has been asked by many Senators if different commodities were covered under this program. I think the question can be answered very simply by saying that any commodity which can be interpreted as an agricultural commodity may be included under this program, and it is one way of opening up a great drain on the Federal Treasury.

It seems to me that the European recovery program should be considered as a program for Europe, as so ably described by the Senator from Michigan, if we want to adopt it. The principle of a farm-support program may have some merit, but I submit it should not be attached as a rider to any foreign aid program.

Therefore, I ask that my modifying amendment be accepted. It would leave within the bill all the provisions authorizing the Secretary of Agriculture, as far as possible, to give consideration to surplus commodities, which I think is practical. It would not, however, put any particular commodity or any group of commodities on the gravy train.

Mr. AIKEN. Mr. President, so long as the United States undertakes to support agricultural prices on burdensome surpluses such as prunes and raisins, even at the very low rate at which they are attempted to be supported, I am afraid that if the amendment is not accepted, with a payment of 100 cents on the dollar for the commodities for use in the European recovery program, the result will be that instead of recovering half the costs from the program, we would have to dump them into the river and on many of the supplies there would be nothing recovered whatever. I object to the amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. WILLIAMS. I should like to ask the Senator from Vermont to point out to me anywhere in the Marshall plan where it says the Administrator would be refused authority to buy any agricultural commodity which had been designated as surplus by the Secretary of Agriculture. The amendment which the Senator desires to have agreed to clearly states that the Administrator of the program must always give prior consideration to any agricultural product which has been declared surplus by the Secretary of Agriculture. That is being left in. The only thing we are removing is the authority to turn over $100,000,000 a year, or more, without the authorization of Congress.

Mr. AIKEN. The restriction, of course, is in the amount of the appropriation.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from California.

Mr. KNOWLAND. Mr. President, I rise to oppose the amendment to the amendment, submitted by the able Senator from Delaware, and to support the amendment submitted by the Senator from Vermont. I think it is important that we go into the background very briefly of the legislative history of this situation. From time to time, as War and Agriculture Department officials have appeared before the Committee on Appropriations, there was tremendous pressure on grains, adding to the inflationary spiral. Members of that committee and the members of other committees of Congress have inquired of the Department officials why, in their feeding programs in western Germany and the occupied areas, they could not use some of the surplus American domestic commodities and relieve some of the pressure on our grain supplies.

Some of the surplus products were very burdensome on the market and, as a matter of fact, were bringing economic distress to many American farmers. The answer which was given at that time rather consistently was that they could not use the funds for that purpose because they were strictly confined by the Congress to the amount of funds applicable to the occupied territories. They could get the most for their money by buying wheat, although it was in short supply, because per dollar they could obtain more caloric value by purchasing wheat.

That is the legislative history background for the amendment offered last year relative to the emergency-aid program and tying up the other commodities to the caloric value.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. KNOWLAND. In just a moment.

As so often happens in matters of legislation, the administration of the act did not work out in practice exactly in the way some of us on the floor felt it should work out. The Senator from Delaware will recall that after the authorization legislation was passed, the appropriation bill came up and there was put into the bill in the House of Representatives a limitation of approximately $50,000,000 which could be expended for the purpose I have indicated. In the debate on the floor of the Senate the suggestion was made by the junior Senator from Florida that it be raised to $100,000,000. That was objected to by the able Senator from New Hampshire, the chairman of the Appropriations Committee. The Senator from Arizona [Mr. HAYDEN] suggested, as a compromise figure, that it be limited to $75,000,000. The able Senator from New Hampshire, being a good horse trader when it comes to saving funds for the United States Treasury, said he would not accept the figure of $75,000,000, but would compromise on $65,000,000, as I recall the figure. Finally the legislation came out from the conference committee with the figure fixed at $57,000,000, if my recollection is correct. So that there was that limitation.

I think the amendment which has been offered by the Senator from Vermont is a great improvement over the amendment which I offered on behalf of the Appropriations Committee last year. This amendment requires that if the Administrator, after consultation with the Secretary of Agriculture, can use some of the domestic surpluses, he shall do so insofar as practicable. They are not forced upon the Administrator in any sense of the word. The amendment also provides that he shall get either the cost paid by the Commodity Credit Corporation, if the product involved is a Commodity Credit Corporation product, or the prevailing market price, whichever is lower. Then if, in the judgment of the Secretary of Agriculture, it is useful and helpful to use part of the section 32 funds, he may use those funds for the purpose up to 50 percent of the cost of the commodity.

The Senator from Delaware is correct when he says that in theory, at least, the Secretary of Agriculture could use the entire amount of the section 32 funds for that purpose, unless Congress at a later date, or by limitation in an appropriation bill, directs otherwise. But I call to the Senator's attention the fact that the Administrator would probably use those funds in one way or another, anyway, in the general support program.

As the Senator has pointed out, the section 32 funds are part of our statutes. They are in continuous existence. It is provided that 30 percent shall be set aside for the support of agricultural products. At the same time this amendment provides that there shall be a constructive effort to use the funds in maintaining some of our historic markets.

The able Senator from Kentucky [Mr. BARKLEY] has made some mention of the fact that there are historic markets in Europe for American tobacco. There are other historic markets. In my State of California, in normal peacetimes, approximately 40 percent of certain agricultural products of California find a normal market in western Europe. As a result, first, of the Nazi aggression, and secondly, of the economic collapse, those markets have been closed to such agricultural products. Certainly American funds should not be taken to purchase similar types of products from other countries, moving them into those areas of western Europe which have been the historic places where American products have gone. If new buying habits are created, when we finally have improved the economic conditions, we shall then find that an entire area will be closed to American products, bringing about a great amount of unemployment and a great amount of economic discomfort to a large number of Americans. This would not be good for us or for the nations we are assisting.

I have stated the theory behind the Aiken amendment. I think it is a constructive amendment as it has been offered by the Senator from Vermont. I hope it will be agreed to and that the amendment to the amendment, offered by the Senator from Delaware, will be rejected.

Mr. WILLIAMS. Mr. President, the amendment which I have offered, if agreed to, will not destroy any of the accomplishments which the Senator from California has so ably described. There will be nothing to prevent the Administrator from doing the things stated by the Senator from California. This could be accomplished without giving the authority to the Secretary of Agriculture to take $100,000,000 out of the funds automatically being created by the customs receipts under section 32.

If we want $100,000,000 more, why not increase the appropriation for the European relief program without deceiving the American taxpayers? It would be reaching the same objective.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I will yield in a moment.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. WILLIAMS. I yield to the Senator from California.

Mr. KNOWLAND. The difference, which I think is a very basic one, is that we will be up against precisely the same problem with which we were confronted year after year with reference to the War Department. The Administrator will say, "Unless we can get these section 32 funds so we can use American products," we will not buy dried fruit from California, apples from Washington or Oregon, dried eggs or fresh eggs from Delaware, American tobacco from the South, or American cotton." Why? Because they can use American dollars to buy the same type of products in some of the low-cost-labor countries, and thereby make the dollar go much further than by purchasing commodities produced under the American standard of living. That is why section 32 funds are needed. If they are not used for that purpose the Administrator will not take those commodities, and they will pile up into a very burdensome surplus, which might create the same difficult economic situation which they are already creating in some commodities in my State of California.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. In just a moment. I should like to reply to the Senator from California. We are discussing the sum of $100,000,000. It seems to me the Senator is proposing in effect that we must bribe the Administrator to buy products of American farmers by giving him an additional $100,000,000. The Senator has not pointed out to me that anywhere in the bill is it provided that the Administrator shall be prohibited from buying products at the regular price. He wants an additional $100,000,000 with which to buy American products, with the implied threat that unless he receives this money he will give preference to foreign agricultural products.

Mr. KNOWLAND. No. He can buy dried fruit from the Middle East, let us say, at a price considerably lower because labor there is paid a much lower wage than labor is paid in this country. Consequently, if it comes to buying a ton of goods, unless he can get the section 32 funds, he will purchase the goods from the other area, he will take them into western Europe, and the people will develop new eating habits, so that we will lose our historic markets in those areas.

Mr. WILLIAMS. Then why not adopt an amendment to prohibit it, and say he must buy them here, if that is what is desired?

Mr. KNOWLAND. The Senator says we are doing it by indirection. I do not think we are. There was a full discussion of this matter in the group that met yesterday, including the Senator from Delaware, with officials of the State Department and the Agriculture Department, attempting to work out a generally agreeable alternative amendment, and as long as this matter is fully discussed, and we know what we are doing—and I think there is no one in the Senate or in the House, if it comes to a vote, who will not know what we are endeavoring to do—it seems to me that is entirely consistent, and is not doing something by indirection.

Mr. WILLIAMS. Speaking of the meeting which the Senator from California and I both attended yesterday afternoon, with the officials of the State Department, he will recall, I am sure, that the State Department officials said that the only objection they would have to the elimination of this feature of the bill is that it would prohibit them from gaining an additional $400,000,000 during the 4-year program. That was the only objection they raised. Nothing is being struck out of the bill providing that the Administrator cannot do anything different from what he could do if my amendment were agreed to. I am merely seeking to strike out the authority to use section 32 funds, and the power of the Secretary of Agriculture to allocate $100,000,000 to the relief program without any authorization. If they need this $100,000,000, let them come back and ask for it.

Mr. THYE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. THYE. I attended the same meeting to which the Senator from Delaware has reference, and I am one of the authors of the proposed amendment. I wish to say to the Senator from Delaware that the whole purpose of the amendment was to correct a situation, and I will now call to his attention one of the glaring events which occurred, and which brought about the thinking that created the idea of the amendment.

In order to stabilize the egg market, the Commodity Credit Corporation purchased 60,000,000 pounds of U. S. No. 1 eggs.

Mr. WILLIAMS. They were not Delaware eggs.

Mr. THYE. Will the Senator please refrain until I have concluded my thought?

Mr. WILLIAMS. I beg the Senator's pardon.

Mr. THYE. Then there were powdered eggs, which amounted to 29,000,000 pounds. The Commodity Credit Corporation has held all those eggs since early last spring a year ago, and throughout the summer and fall. There was no market for those commodities, with the result that if, under the European recovery program, we were to appropriate money, and that money were to go abroad and be used to buy commodities of a similar kind somewhere else in the world, it would be demonstrated that we here in America were not good businessmen or good traders, having permitted a situation like that to occur. For that reason the provision was written into the amendment that would make it permissible for the Administrator to include these surplus commodities, even though the caloric value of one particular commodity were far higher than the caloric value of wheat, provision for the purchase of which has been contained in relief measures heretofore. So——

Mr. WILLIAMS. Mr. President, I should like to put in just one thought there.

Mr. THYE. Will not the Senator permit me to finish my thought?

Mr. WILLIAMS. I should like to make one comment about the caloric value, then I shall yield further.

Mr. THYE. Certainly.

Mr. WILLIAMS. Speaking of the caloric value, I should like to point out that there has been much discussion regarding the caloric value of various commodities. It was mentioned in the amendment proposed by the Senator from California, but it has been completely ignored by the Secretary of Agriculture in the sale of commodities during the past 2 months.

We find that the Secretary of Agriculture has been selling prunes, raisins, honey, grapefruit, and dried eggs, all on the basis as if they were wheat being sold by the bushel, selling them by the pound. He sold the potatoes to the Government for 2.4 cents a bushel, which is the equivalent based upon caloric content of 12 cents a bushel for wheat. So the caloric value has had nothing whatever to do with the Secretary of Agriculture arriving at prices.

Mr. KNOWLAND. Mr. President, while I do not condone the action of the Department in selling potatoes at that price, nevertheless, I will say to the able Senator from Delaware that it would make far more sense to me, in a hungry world, even if we gave potatoes away to be used for food, rather than have them destroyed, as was done in some instances last year. So, even though we received a very nominal price, and the potatoes were used to relieve hunger in a starving world, I think we could well do that at a time when, under the bill, we are trying to restore the general economy of western Europe.

Mr. THYE. Mr. President, will the Senator from Delaware permit me to make a comment before he proceeds to answer the Senator from California?

Mr. WILLIAMS. I should like just to make a comment on the statement just made. The Senator from California is picturing his amendment as something which will correct all the evils of the agricultural program. He might be interested to know that his previous amendment adopted last December based along similar lines has failed miserably to accomplish this goal as the Secretary of Agriculture during the month of January 1948 alone diverted 673,900 bags of potatoes to the alcohol plants in this country. He even paid to get rid of them. Why were these potatoes not used for our relief program instead of wheat?

Mr. WHERRY. Mr. President, will the Senator from Delaware yield to me for a moment?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. WHERRY. Many Senators have asked if the Senate will be in session to-

night. I thought I made it plain last night, and if the matter is not clear, I repeat, it is the intention to continue in session this afternoon and into the night until we conclude the pending legislation, if possible. So Senators should be proceeding on the theory that they should get their meals here in the Capitol Building, if necessary, and be ready to answer quorum calls at any time, or be ready to vote, so that if possible we may terminate the consideration of the pending bill tonight.

Mr. WILLIAMS. Mr. President, I should like to answer the Senator from California regarding the potato deal. He pointed out that if the Government had not supported the potato market, or had not disposed of the potatoes, they might have gone to waste. During the past 2 months the Commodity Credit Corporation in addition to the amount given to distilleries has turned over to the relief agencies, at the ridiculous price of 2.4 cents a bushel, the equivalent of 3,791,435 bushels of white potatoes. During the same period when the Commodity Credit Corporation was buying these potatoes in America to support the market at $3.16 a hundredweight and reselling them to the relief agency at 2.4 cents a bushel, we imported from Canada, to make up the deficit, 3,636,104 bags. I should like to have the Senator from California tell me if there is any sense in that, and explain it. Could it be possible that we are here launching a world-wide farm-support program?

Mr. KNOWLAND. Mr. President, as some of my colleagues have previously said, I do not pretend to approve all the inconsistent actions on the part of the present administration, and I think the Senator has a point in the illustration he has just given.

Mr. WILLIAMS. I should further like to point out some of the practices which have been conducted under the Knowland amendment, which could still be conducted if the Aiken amendment were adopted. First, I refer to the case of honey. The Commodity Credit Corporation bought 11,800,000 pounds of honey, and immediately sold it to the relief agencies at a loss of a little over a million dollars. At the same time we imported over 19,000,000 pounds of honey from Europe and South America, and some of the honey that was imported came from the same countries to which these same relief agencies sent it back at a loss of a million dollars to the American taxpayers.

All that is attempted to be done in your present amendment is to say "We will modify that, and lose only half a million." I say, cut it all out and get rid of it.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a statement of the transactions of the Commodity Credit Corporation for the past 2 months, explaining the loss of $57,000,000.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MARCH 9, 1948.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: In accordance with your telephonic request of March 9, there is transmitted herewith a table showing tentative plans for the disposition of Commodity Credit Corporation owned or to-be-acquired price support commodities under the provisions of section 11 (E) of the Foreign Aid Act of 1947, and the limitations established in Third Supplemental Appropriation Act of 1948.

Sincerely,

JESSE B. GILMER,
Administrator.

Tentative plans for disposition of CCC-owned or to-be-acquired price support commodities under the provisions of sec. 11 (o) of the Foreign Aid Act of 1947 and the limitations established in Third Supplemental Appropriation Act of 1948

Commodity	Unit of measure	Unit cost to CCC	Unit sales price	Claimant	Amount
Citrus juice, concentrated	Gallon	$2.25	[1] $0.3985	Army	1,500,000 gallons.
Eggs, dried	Pound	1.31	[2] .32	do	8,350 long tons.
Do	do	1.31	[3] .3734	State Department	2,700 long tons.
Honey	do	.1247	[4] .0467	Army	11,800,000 pounds.
Potatoes, Irish	Hundredweight	3.16	[3] .49	State Department	7,533 long tons.
Do	do	3.16	[3] .49	Army	63,000 long tons.
Do	do	3.16	[5] .04	do	101,467 long tons.[6]
Dried prunes	Pounds	.0924	[7] .0392	State Department	2,500 long tons.
Do	do	.0924	[8] .0362	Army	68,929 long tons.
Dried raisins	do	.0826	[7] .04988	State Department	2,500 long tons.
Do	do	.0826	[8] .0459	Army	83,893 long tons.

[1] Free on board vendors plant.
[2] Free on board present storage.
[3] Free alongside.
[4] Free on board at processor plant.
[5] Free on board cars at inland shipping points.
[6] Includes estimate of 4 boatloads.
[7] Free alongside west coast ports.
[8] Free on board car or truck at processor plant.

Prepared by Budget Division, Production and Marketing Administration, Mar. 9, 1948.

Mr. KEM. Mr. President, I should like to make an inquiry of the Senator from Delaware. It seems to me from some of the discussion that certain Members of the Senate have in mind maintaining the present price level at home. Is it possible that one of the purposes of the amendment is to protect the present high cost of living from any decline?

Mr. WILLIAMS. Mr. President, in answer to that, I can only say that I think the Senator from Missouri is perhaps correct; that some of us might be inclined to be influenced in our vote on the relief program by what are supposed to be benefits to our respective States which would be derived from the adoption of the program. I should like to point out that I am not trying to say anything against agriculture. I come from an agricultural State. Even though it is not recognized here, I live in a county which is the third largest agricultural-producing county east of the Rocky Mountains. I have lived on a farm all my life. I think I know what I am talking about when I say that the agricultural program, as administered at this time, represents the most ridiculous and extravagant program I have ever seen.

Mr. KEM. Mr. President, I should like to inquire further from the Senator from Delaware whether, as the representative of an agricultural county and an agricultural State, he feels that there is any long-run benefit to American agriculture in conducting a huge dumping operation of agricultural products abroad as a temporary shot in the arm?

Mr. WILLIAMS. Mr. President, I do not think there is. I think it would be doing the farmers an injustice, because it would encourage them to build up production until the day comes when we would be obliged to shut it off for lack of money, and when that day arrives most of the farmers of America will be bankrupted. At a later date I expect to discuss further the fallacies of the present agricultural program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] to the amendment offered by the Senator from Vermont [Mr. AIKEN].

The amendment to the amendment was rejected.

Mr. BARKLEY. Mr. President, the Senator from Washington [Mr. MAGNUSON], who is interested in the amendment offered by the Senator from Vermont [Mr. AIKEN], is unable to be present during the discussion of the amendment. He has prepared a statement on it, and I ask that it be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON ON AGRICULTURAL AMENDMENT TO S. 2202

Mr. President, I want to speak in support of the pending amendment introduced by the senior Senator from Vermont for himself and others of us who had proposed amendments to section 12 (c) of this bill. On Tuesday of this week I introduced an amendment designed to insure that agricultural commodities in surplus supply in this country would receive consideration in our foreign-aid program. All of the essential features of my amendment are included in the consolidated proposal under discussion.

I will not attempt to explain at this time the provisions of the amendment. That explanation was set forth in the statement I made when my own amendment was introduced, and those Senators from Vermont, Minnesota, Kentucky, Georgia, and California interested in this proposal have described in some detail what this measure seeks to accomplish and how it will operate. I do, however, wish to indicate briefly the circumstances which prompted me to introduce an amendment earlier in the week. Whereas, the amendment I proposed and the amendment now under discussion are purposely designed to include all agricultural commodities in surplus, I can best illustrate the necessity for adoption of the proposal by referring to the problem the deciduous fruit industry in the Pacific Northwest confronts. I am using the deciduous fruit industry as an example because that industry has devoted a tremendous amount of time and constructive thinking to the development of some of the language contained in the proposal we are discussing.

Prewar the Pacific Northwest exported 28 percent of its entire production of apples and 44 percent of its production of fall and winter pears. In addition, it exported over 55 percent of the dried fruit processed in the State. The 16 western European countries which will participate in the economic recovery program provided markets for over 90 percent of these exports. The Pacific Northwest accounted for almost 80 percent of the entire fresh apple and pear exports of the United States.

Prewar, the industry consciously developed its foreign markets. As a result the producers, processors, and handlers of fresh and dried fruits in the Northwest are geared to an export program. Lack of dollars in the 16 participating countries and the preemption of the export market by our foreign-aid programs, has virtually cut off these former outlets. It is obvious that when you place on the domestic market that additional 30 percent of our production which formerly went into the export trade, the oversupply has a depressing effect on the domestic price. Further, the industry confronts the very serious risk of having its former customers in the 16 participating nations turn to other sources of supply in South America, Australia, and elsewhere. Unless some assistance is given the industry, such as that provided in this amendment, it may be years before that industry can recapture from its competitors the markets it formerly enjoyed.

I believe it entirely legitimate that the Congress of the United States in this foreign-aid program give maximum attention to domestic surplus conditions created by the elimination of prewar foreign markets, particularly inasmuch as this can be done in the present instance without in any way jeopardizing or losing sight of the prime objective of the European recovery program. The 16 European nations, who participate in this program, stated in the CEEC report a desire to import in the first 15 months some 385,000 tons of fresh fruits. The participating countries, therefore, want our products, our domestic industry is ready and able to provide them, and this amendment insures that the Administrator will give full consideration to this problem. I hope every Senator on the floor will vote for it.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Vermont on behalf of himself and other Senators.

The amendment was agreed to.

Mr. REED. Mr. President, on March 4 I sent to the desk an amendment and asked to have it printed and lie on the table. That was done. The proposed amendment would do two things. The first part of the amendment would direct the Administrator of the program to purchase his grain and grain products through commercial channels. The amendment offered by the Senator from Georgia [Mr. GEORGE] which was accepted by the Senator from Michigan [Mr. VANDENBERG] in charge of the bill, took care of that part of my proposed amendment.

The second part of the amendment would require that 50 percent of the combined volume of wheat and flour shall be in the form of flour. That was a difficult requirement. Over a period of years the average amount of flour in the total aggregate of wheat and flour is about 33 percent. So I conferred with the Senator from Michigan, in charge of the bill, who in turn conferred with the State Department, and I in turn conferred with the milling industry, and I now offer and send to the desk and ask to have stated an amendment which has been agreed upon. The change is a reduction in the volume of flour from 50 percent to 25 percent.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 22, after line 11, it is proposed to insert the following new subsection:

(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of wheat used to produce the wheat flour transferred to such countries under this act shall not be less than 25 percent of the aggregate of the unprocessed wheat and wheat in the form of flour transferred to such countries under this act.

On page 22, line 12, it is proposed to strike out "(c)" and insert in lieu thereof "(d)."

Mr. VANDENBERG. Mr. President, in the form now submitted by the able Senator from Kansas, the amendment is entirely satisfactory.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHERRY. May I inquire of the distinguished Senator from Kansas what significance lies in the fact that the Senator took the matter up with the State Department? What part did the State Department have in the amendment?

Mr. REED. The State Department issues export licenses at the present time. Such export licenses are issued partly by the State Department and partly by the Department of Commerce. The State Department is greatly interested in the bill. I recognize that the State Department is interested in it, and I wish to meet the views of the State Department when I can.

Mr. WHERRY. But, Mr. President, the Department of Commerce issues all export licenses. When the amendment offered by the Senator from Delaware [Mr. WILLIAMS] was under consideration it was stated that Senators met with representatives of the State Department and obtained their advice. What is the significance of seeking approval from the State Department? Why must we secure approval of amendments from the State Department?

Mr. VANDENBERG. Mr. President, will the Senator from Kansas yield to me?

Mr. REED. I yield.

Mr. VANDENBERG. I do not think there is anything very peculiar about consulting the Department from which legislation basically originates in connection with its legislative evolution. In the Department of State inevitably are those who have had the largest experience up to date with the administration of these foreign programs. Under the proposed act that basic concept is to be changed. I would think there was no capital offense committed in seeking the opinion of the State Department, for whatever it may be worth, on the basis of its experience, in connection with any amendment submitted to the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHERRY. Certainly, it is a function of the State Department to make observations and secure facts. But, after all, the Senate is writing the legislation. When legislation comes before us we decide upon its merits, not because it is acceptable to the State Department.

Mr. VANDENBERG. Mr. President, I have not heard anyone say that the amendment is submitted at the request of the State Department or under its caveat. What the Senator from Kansas said was that the State Department's experience had been drawn upon. We had a considerable argument about it. We can eliminate the State Department now. I suggest, on behalf of the Senate Foreign Relations Committee, without regard to anybody or anything else, that the amendment is satisfactory.

Mr. REED. Mr. President, I want to make an observation before the Senate votes on the amendment. The Administrator has not yet been appointed. I agreed, after consultation with the milling industry and the grain trade, to lower the percentage of flour to be included, from 50 percent to 25 percent; but I want the RECORD to show, for the information of the Administrator when he is appointed, that from 1931 up to 1946 the percentage of flour represented in these export transactions was 33.14 percent, and the present export of flour, from July 1, 1947, up to and including April of this year, is about 35 percent. I hope in good faith that the Administrator will not let the proportion of flour fall below the historical basis of about 33 percent.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. REED].

The amendment was agreed to.

Mr. REED. Mr. President, I wish to take about 2 minutes to make the shortest speech that has been made or will be made upon the pending bill.

I voted against the Taft amendment last night. I do not want it to be understood that that means I am going to vote against the bill. I expect to vote for the bill. I do not want it understood that that forecloses me as to the amount of money involved. I voted against the Taft amendment because I thought the authorization should be at a limit which would make for flexibility in the handling of appropriations and the funds to be appropriated from this time on.

I am a member of the Committee on Appropriations, and in that committee I shall subject the amount to be appropriated to the closest scrutiny of which I am capable. There were five members of the Appropriations Committee present in the Chamber last night who voted for the Taft amendment. That includes the distinguished Senator from Nebraska [Mr. WHERRY] and others. They will have an opportunity to consider the sum to be allowed in the Appropriations Committee. Five members of that committee, including myself, voted against the Taft amendment. We have publicly stated that we favor the lowest sum that can be reasonably appropriated to do the

job. That makes 10 members of the Appropriations Committee of this body who have either acted to lower the sum, or have stated that they may do so in their capacity as members of the Appropriations Committee.

Mr. President, I intended to make this statement last night, but there were several long speeches, the hour was late, and Senators were tired. I am taking this opportunity to lay before the Senate and the people of the country the fact that there are 10 members of the Appropriations Committee who are committed, either by their vote or by their public statements, to a close scrutiny of all the facts which will make up the record upon which we shall finally act.

I hope to be able conscientiously and fairly to vote for a smaller sum than $5,300,000,000, but I want a record before the Appropriations Committee which will justify such a vote.

Mr. O'DANIEL. Mr. President, I hold in my hand an amendment to Senate bill 2202, commonly called the Marshall plan, or the European recovery program, which I desire to present at this time. My amendment seeks to render the same service and extend to our aged pioneer citizens the same treatment that the British Government now extends to all of its citizens, even to the least babe in arms, and that is a supplemental food subsidy.

Today, according to Edgar Snow, writing in the Saturday Evening Post, the British Government is underwriting a food subsidy of 70 cents a day a person.

I do not think any Senator would question this statement by Mr. Snow. He wrote his article while in England. Further, Mr. Snow does not enjoy a reputation of being overly friendly to any form of government that does not bend double to do the "liberal" thing at any and all times. But here are the exact words of Mr. Snow as they appear on page 29 of the March 6, 1948, issue of the Saturday Evening Post. He writes:

> Basic foods are rationed to guarantee that even the poorest shall have the barest necessities, at prices which cost the Government about 70 cents a day in food subsidies for every person in the country. And no one questions that the "underprivileged third" are eating better than before.

We have in the United States 2,297,995 aged pioneer citizens who are drawing starvation pensions from their States, supplemented by this Federal Government. Many of these fine aged Americans are being hastened into their graves because of malnutrition, improper housing, lack of heat, and other absolute necessities. Out of their pitiful doles they are unable to obtain the simplest medicines and seldom, if ever, are they able to pay for the services of a physician. All this is happening right here in the United States of America, in the country that is now attempting to feed, clothe, house, and otherwise care for the citizens of 16 foreign nations. This is happening in a country that is now preparing to dish out billions upon billions to stabilize the economy of tottering nations who cannot make up their minds to get down to work and dig themselves out of a mess that is theirs and is no fault of ours. We saved them from Hitler, but we cannot save them from themselves.

Mr. President, this amendment proposes to subsidize the food ration of our aged people to the same extent that we are subsidizing the food ration of all the people of England. I am not asking this subsidy for anyone but the deserving. I want the assistance made available to all of our pension enrollees in addition to the pitiful dole they are now receiving at the hands of their Government. This is purely a food subsidy. It will add 70 cents worth of food per day to the diet of the needy citizens of the United States. Let me say to all within range of my voice that this subsidy is badly needed.

I send this amendment to the desk with the plea that we be as generous with our own needy citizens as we are with the healthy working people of England. The amount in dollars and cents asked for by this amendment, in the hope of restoring health and giving life to the 2,297,995 aged pioneers, means an expenditure of $600,000,000. It means $21 per month per person.

This $600,000,000 is mere chaff in the eyes of the present administration, and those who vote here in favor of the $17,000,000,000 give-away foreign recovery program. So, let us be honest and deal fairly and squarely with the grandpas and grandmas of our own land. Their children are paying the bill in connection with the so-called Marshall plan, and their grandchildren and great-grandchildren will be paying on the debt if we are not taxed into totalitarianism.

Mr. President, if our Government is determined to give away all our resources to foreigners, should we not let a few crumbs fall on the dinner tables of our own destitute and deserving aged pioneers?

I ask that this amendment be accepted and become a part of Senate bill 2202. I sent the amendment to the desk. The amendment proposes, at the proper place, to insert the following new section:

> SEC. —. (a) The Secretary of the Treasury shall pay to each individual receiving old-age assistance under an approved State old-age assistance plan $21 a month in addition to the amounts received as old-age assistance. In carrying out the provisions of this subsection, the Secretary is authorized to utilize the services and facilities of each State agency which makes old-age assistance payments under the State plan.
>
> (b) In order to carry out the provisions of this section for the period of 1 year following the date of enactment of this act, there is hereby authorized to be appropriated $600,000,000.

Mr. President, I sent the amendment to the desk and will call it up later for a vote. At that time I shall ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator wish a vote on his amendment now?

Mr. VANDENBERG. Mr. President, why not vote on the amendment now?

Mr. O'DANIEL. I am willing to do so, but first I shall ask for a quorum call, so that we may have the yeas and nays if the Senate so desires.

Mr. VANDENBERG. If the Senator asks for the yeas and nays that will ipso facto produce a quorum.

Mr. O'DANIEL. I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Murray
Baldwin	Hickenlooper	Myers
Ball	Hill	O'Conor
Barkley	Hoey	O'Daniel
Brewster	Holland	O'Mahoney
Bricker	Ives	Overton
Bridges	Jenner	Pepper
Buck	Johnson, Colo.	Reed
Butler	Johnston, S. C.	Revercomb
Byrd	Kem	Robertson, Va.
Cain	Kilgore	Robertson, Wyo.
Capehart	Knowland	Russell
Capper	Langer	Saltonstall
Chavez	Lodge	Smith
Connally	Lucas	Sparkman
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Dworshak	McClellan	Thomas, Okla.
Eastland	McFarland	Thomas, Utah
Ecton	McGrath	Thye
Ellender	McKellar	Tobey
Ferguson	McMahon	Umstead
Flanders	Magnuson	Vandenberg
Fulbright	Malone	Watkins
George	Martin	Wherry
Green	Maybank	Wiley
Gurney	Millikin	Williams
Hatch	Moore	Wilson
Hawkes	Morse	Young

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment which has been submitted by the Senator from Texas [Mr. O'DANIEL].

Mr. VANDENBERG. Mr. President, the Senator from Texas is anxious, as I understand, to have the yeas and nays on his amendment. That is quite agreeable to me, if he wishes to make the request.

Mr. O'DANIEL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. VANDENBERG. Mr. President, I merely want to say very briefly that the amendment submitted by the Senator from Texas addresses itself to a matter completely extraneous to the pending bill. He is proposing to add $21 a month to the old-age-assistance payments of all old-age-assistance beneficiaries of the country, with an initial authorization of an appropriation of $600,000,000. Regardless of whatever the merits of the suggestion may be, I think it is almost a transparent fact that the Senate could not embark upon a project of this nature without study, without committee investigation. Certainly the amendment is not germane to the pending bill. I shall be glad to have the vote taken.

Mr. O'DANIEL. Mr. President, the subject that I have brought up in the amendment is not new to the Senate. It needs no further study. It has been studied for years. I have read in the RECORD the statements made by Senators on the floor of the Senate with reference to old-age pensions. The amendment embraces the philosophy which has been advocated by a great many Senators for direct pensions from the Federal Government, regardless of what the States may do. There is no question but that, due to the extreme increase in the cost of

living in our Nation, which is also fully understood, I presume, by all Senators, the aged citizens of this Nation are suffering. They are in desperate condition. I have letters not only from my State of Texas but from other States, reminding me of the small pensions that are being paid. The pensions do not begin to take care of the cost of living on its present high scale. The old folks are actually hungry. They are in want. Many of them are sick, but they are unable to get the medical and surgical attention from doctors which they need. Their condition is desperate. There are many old folks in this country who are suffering as much, and who are quite as destitute as any of the people in foreign countries. When it comes to charity, I think it should begin at home. I do not think it should end at home. I think we should practice charity in every nation in which there are hungry and destitute people, and that we should practice charity individually and personally to the limit of ability.

But inasmuch as we are now going down the line and putting the Government into the practice of the exercising of charity for foreigners, and inasmuch as the need is so great here in America, I think we should include a small amount, compared with the total, and give that small amount of charity to the needy of our own country.

I recently referred to an article by Edgar Snow, published in the Saturday Evening Post on March 6. Referring to England, Mr. Snow, a correspondent of the Saturday Evening Post, at page 29, said:

> Basic foods are rationed to guarantee that even the poorest shall have the barest necessities, at prices which cost the Government about 70 cents a day in food subsidies for every person in the country. And no one questions that the underprivileged third are eating better than before.

By the bill which is under consideration, if it is passed we shall be giving a large amount of money to England. England, by virtue of the use of the money she is receiving from us, is better able to provide a subsidy for her own people, not only the aged and destitute, but England, according to the article to which I have referred, is paying a subsidy to every citizen of the land, to the healthy, to those who are employed, to the wealthy, to little babes in arms. Everybody is getting on an average of 70 cents a day. Why should we not do the same thing here in America? Why should we not be equally generous with our aged pioneer citizens who have helped to build America into this great Nation, when we feel we are able to help others all over the world? Our aged pioneers have produced the boys and girls who fought the war for freedom. They are impoverished. Their children who have returned from the war are barely able to cope with the high cost of living. Our Government has adopted a program under which it undertakes to give aid to our old folks. That program is in operation, but the assistance given is not sufficient to care for the needs of all the old folks who are on the roll. So, Mr. President, while we are in the mood to give away practically everything we have in this country to foreigners, why not give some consideration to the folks at home? Why not let a few of the crumbs fall from the table, for the benefit of our destitute and aged pioneers, the fathers, mothers, grandfathers, and grandmothers of the people of this Nation? Why not do for all those who are receiving old-age pensions in America what England is doing to each and every one of her citizens? My amendment is patterned after that plan, although my amendment does not provide that assistance should be rendered to every citizen in the United States. It provides that aid shall be rendered to those who are, by the State organizations that have been set up for that purpose, declared to be in need. Those needy persons have all been interviewed by representatives of the old-age assistance administration. They have been placed on the old-age assistance roll, and they are getting all that the money which is now appropriated will provide. They are not receiving equal amounts. My amendment, if it shall pass, will leave each aged pensioner right where he is now, drawing exactly the same amount he is now drawing and will continue to draw under the present law. In addition to that, it appropriates $600,000,000, so that every aged pensioner on the roll, regardless of the amount he now receives, will receive an additional $21 a month. That amounts to 70 cents a day for 30 days, the same amount which England is doling out to her citizens, with our money.

How can we sit in the Senate and appropriate money to England to dole out to her citizens and leave the old folks in this country hungry, ill-clad, ill-housed, sick, afflicted, and unable to obtain the necessary attention. It has been said my amendment is not germane. That is a queer argument which is seldom heard on this Senate floor. It can easily be made germane to this bill by simply amending the title, and I will promptly move to amend the title as soon as my amendment is adopted. It is certainly germane as far as rendering aid to our own citizens is concerned. The main purpose of the Marshall plan is to feed hungry people. Since when did it become germane to feed hungry foreigners and in the same bill become not germane to feed our own senior American citizens who are in dire need?

I do not think we should stand on a technicality and say it is not germane, and thereby penalize the old folks of this country, while we are feverishly working to give away everything we have to other countries. In my opinion, the plan contained in my amendment to help our senior citizens obtain the bare necessities of life is more germane to our American way of life than every other provision in the Marshall plan.

I have made a speech against the Marshall plan. But I believe it will pass, anyway. If it shall pass, and if it be the will of Congress and of the administration to put our Government into the charity business, or to continue in the charity business, by what reasoning process can we omit our old folks at home, especially those who are needy, destitute, hungry, and sick?

Mr. President, ever since I have been a Member of this Senate I have fought for more consideration for our senior citizens. It seems that others always found excuses for delay. It was always contended that it was not the proper time, or not the right kind of bill, or it was the wrong plan, or not germane, and as a consequence, practically nothing has been done. We have done much to boost the wages, salaries, income, and profit of many other groups of people to help them cope with the ever-increasing cost of living, but we have shamefully neglected our own needy old folks. We have given billions upon billions of dollars to aid peoples of foreign nations, and are now about to give away over five billions more, but not $1 is included in this bill for aid to our own needy aged folks here in our own country whose cost of living has also increased tremendously while their old-age pensions have in many cases decreased. I do not think there is any way on earth to justify a vote against my amendment, which authorizes a contribution to help our own aged citizens.

So, Mr. President, I ask for favorable consideration of this amendment, and I also wish to say at this time that since I offered my amendment the Senator from South Carolina [Mr. JOHNSTON] has asked me for permission to have his name entered as coauthor of the amendment. I shall be glad to welcome the Senator as coauthor of the amendment, and if there are any other Senators who would like to be coauthors of it, I shall be glad to welcome them into the fold. Even though they are not coauthors, I implore each and every Senator here to be just, honest, and fair and not to discriminate against the old folks of this country, who at the present time are in destitute circumstances. As I have said before, my mail is filled with letters from persons pleading for a bite to eat while this big give-away administration is pouring out our billons for people in other parts of the world and paying no consideration to the aged citizens other than the mere pittance which they are now receiving. I urge the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. O'DANIEL]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present and voting, the Senator from South Dakota would vote "nay."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Illinois [Mr. BROOKS] and the Senator from Kansas [Mr. REED] are detained on official committee business. If present and voting, the Senator from Illinois [Mr. BROOKS] would vote "yea."

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Tennessee [Mr. STEWART], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The result was announced—yeas 13, nays 73, as follows:

YEAS—13

Capehart	Langer	Revercomb
Hawkes	Malone	Taylor
Jenner	Murray	Thomas, Okla.
Johnston, S. C.	O'Daniel	
Kem	Pepper	

NAYS—73

Aiken	Gurney	Morse
Baldwin	Hatch	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Overton
Bricker	Hoey	Robertson, Va.
Bridges	Holland	Robertson, Wyo.
Buck	Ives	Russell
Butler	Johnson, Colo.	Saltonstall
Byrd	Kilgore	Smith
Cain	Knowland	Sparkman
Capper	Lodge	Taft
Chavez	Lucas	Thomas, Utah
Connally	McCarran	Thye
Cooper	McCarthy	Tobey
Cordon	McClellan	Umstead
Dworshak	McFarland	Vandenberg
Eastland	McGrath	Watkins
Ecton	McKellar	Wherry
Ellender	McMahon	Wiley
Ferguson	Magnuson	Williams
Flanders	Martin	Wilson
Fulbright	Maybank	Young
George	Millikin	
Green	Moore	

NOT VOTING—10

Brooks	Reed	Wagner
Bushfield	Stennis	White
Donnell	Stewart	
Downey	Tydings	

So Mr. O'DANIEL's amendment was rejected.

CHANGE OF DATE OF CONFERENCE OF MINORITY

Mr. BARKLEY. Mr. President, while the membership of the Senate is present, I wish to announce a change in the date and hour of the conference of the minority which I had called for 10:30 o'clock on next Monday morning. I did not know that the chairman of the Committee on Foreign Relations had called a meeting of that committee for 10 o'clock Monday morning to hear General Marshall on the problem of further aid to Greece and Turkey. It seems that is the only day on which he can appear. Therefore, I am asking the members of the minority to keep in mind the fact that I am requesting that the date be changed until Tuesday morning at 10:30 o'clock instead of Monday morning at that hour. This will obviate the necessity of sending out further notices.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WILSON. Mr. President, I ask unanimous consent that there be printed in the RECORD as a part of my remarks letters written by me to the State Department asking for information relative to the so-called European recovery program, their reply, my answer, and a brief statement relative thereto.

There being no objection, the letters and statement were ordered to be printed in the RECORD, as follows:

MARCH 1, 1948.

Hon. GEORGE C. MARSHALL,
Secretary of State,
Washington, D. C.

MY DEAR MR. SECRETARY: If it is agreeable with your wishes, may I have a copy of the trade agreement recently entered into between England and Russia?

Thanking you in advance for your attention to this matter, I am,

Sincerely yours,

GEO. A. WILSON,
United States Senate.

WASHINGTON, D. C., *March 9, 1948.*

Hon. GEORGE C. MARSHALL,
Secretary of State,
Washington, D. C.:

Under date of March 1, I wrote you as follows: "If it is agreeable with your wishes may I have a copy of the trade agreement recently entered into between England and Russia." I have not been supplied the information nor have I had an answer to my communication. May I expect one?

GEORGE A. WILSON,
United States Senate.

DEPARTMENT OF STATE,
Washington, March 10, 1948.

The Honorable GEORGE A. WILSON,
United States Senate.

MY DEAR SENATOR WILSON: Reference is made to your letter of March 1, 1948, in which you requested a copy of the trade agreement recently negotiated by Great Britain and the Soviet Union, and to your telegram of March 9, in which you inquired further regarding this subject. It is a matter of regret that the Department possesses only a very limited number of copies of this agreement. These copies are urgently required for daily reference by officers whose duties include attention to such matters.

In the course of seeking to obtain a copy of the agreement for you, an inquiry was made of the British Embassy, which has informed the Department that, while it has no copies for distribution, they may be obtained for a minimum fee from the Sales Office of His Majesty's Stationery Office, care of British Information Service, 30 Rockefeller Plaza, New York 20, N. Y.

Officers of the Department will of course be pleased to discuss this agreement with you, should you wish, and to answer questions concerning it.

Sincerely yours,

For the Secretary of State:
CHARLES E. BOHLEN,
Counselor.

MARCH 11, 1948.

Hon. GEORGE C. MARSHALL,
Secretary of State,
Washington, D. C.

MY DEAR SECRETARY: On March 1, I wrote you as follows:

"If it is agreeable with your wishes, may I have a copy of the trade agreement recently entered into between England and Russia. Thanking you in advance for your attention to this matter, I am, etc."

On March 9, having had no reply from you to the letter quoted above, I sent you the following urgent telegram:

"Under date of March 1 I wrote you as follows: 'If it is agreeable with your wishes may I have a copy of the trade agreement entered into between England and Russia.' I have not been supplied the information nor have I had an answer to my communication. May I expect one?"

Today, March 11, I received a letter from the Department of State as follows:

"Reference is made to your letter of March 1, 1948, in which you requested a copy of the trade agreement recently negotiated by Great Britain and the Soviet Union, and to your telegram of March 9, in which you inquired further regarding this subject. It is a matter of regret that the Department possesses only a very limited number of copies of this agreement. These copies are urgently required for daily reference by officers whose duties include attention to such matters.

"In the course of seeking to obtain a copy of the agreement for you, an inquiry was made of the British Embassy, which has informed the Department that, while it has no copies for distribution, they may be obtained for a minimum fee from the Sales Office of His Majesty's Stationery Office, care of British Information Service, 30 Rockefeller Plaza, New York 20, N. Y.

"Officers of the Department will of course be pleased to discuss this agreement with you, should you wish, and to answer questions concerning it.

"Sincerely yours,

"For the Secretary of State," etc.

Your Department, in denying my request, suggested that "for a minimum fee" I could obtain a copy of the agreement from the sales office of His Majesty's Stationery Office, care of the British Information Service.

You state that the copies you have are "urgently required for daily reference by officers whose duties include attention to such matters."

From such a statement I am led to believe that the copies were of utmost importance to our people. Does it not seem to you that these copies likewise would be of utmost importance to the United States Senate?

Senate debate on the Marshall plan opened about March 1. Congress must determine the eventual policy on matters of this nature. It is a sad commentary that the executive branch of the Government refuses to supply the legislative branch with information bearing upon such an important matter, and instead, serves notice that Congress must secure such material from a foreign government.

Could it be, Mr. Secretary, that this is the policy under which the executive branch of the Government intends to operate the European recovery program? Must Congress, upon whose shoulders rests the trust of the people of the United States, be compelled to seek information from the propaganda agency of another government, or should we seek information from our own public servants?

Would it be possible for me to have a copy of this agreement if I were to send someone from my office down to copy it?

Sincerely yours,

GEO. A. WILSON,
United States Senate.

STATEMENT BY SENATOR GEORGE A. WILSON, REPUBLICAN, OF IOWA

In approaching the European recovery plan, I have pursued every avenue available to me in my quest for facts. I have spent long and patient hours in study of the foreign situation, and I have had my office staff obtaining information for me.

Foremost in my mind has been, and still is, an honest desire to do the things for the best interest of our own people and the world.

With these thoughts in mind, I have been attempting to explore all of the ramifications, benefits, and pertinent information involved in this program.

Unquestionably, the recent trade treaty negotiated by Great Britain and Russia is related to the matter now pending. For that reason, I asked the Secretary of State to furnish me a copy of that agreement. Did he do so? He did not.

Instead, the Department of State finally acknowledged that it did have some copies of the trade agreement between Great Britain and Russia, but advised me that those

copies were urgently needed by State Department officers, and I quote, "whose duties include attention to such matters."

The Department of State then referred me to "His Majesty's Stationery Office" in New York City where I could obtain a copy for a minimum fee.

This is a case of the executive branch refusing to give pertinent information to the legislative branch of the Government. It is, furthermore, an affront to Congress when an executive department, in so doing, forces a representative of the people of the United States to seek facts from the propaganda office of a foreign power.

Apparently we no longer have a republican system of representative government, but do have a bureaucracy operated by military men.

When those in the executive branch think and assert that the legislators have no right to inquire about facts behind legislation, and when the executive branch has those facts and refuses to divulge them, then I am sure the people understand that it is most difficult to determine what is the right thing to do, in the interest of preserving our America and the peace of the world.

Mr. PEPPER. Mr. President, I wish to speak today not only to the so-called Marshall plan, but to the foreign policies of the Soviet Union and the United States, and, with all the earnestness of my heart, to the relationship of that plan and those policies to the peace of our country and our world.

Certainly without design on the part of our country, the fact is that this Nation and the world today are at a way station on the road to war. In my humble opinion, if the policies of these, the two greatest countries in the world, can be reconciled into practical accord, this plan could be the first step in a program which could reverse the trend of the world and turn it from war toward peace. It is, therefore, my hope that it will be possible to alter the policies of these two principal countries so that this plan may restore the bonds of friendship and wartime unity with which the Allies won the greatest victory of all time.

Mr. President, the time has come for the Senate, the Congress, and our country, to realize and to reckon with the seriousness of the present situation. That suggestion is not only from the consciousness of the Senator from Florida; it is embodied in the statement in yesterday's press from the President of the United States, the headline of which says, "Truman's confidence in peace shaken by European events." It comes from the statement in Thursday's issue of the Washington Post by the Secretary of State of our Government, who gave occasion for the headline which reads, "Situation is very, very serious, Nation warned by Marshall."

Mr. President, when the President of the United States and the Secretary of State warn their fellow countrymen and the world generally of the imminence of war, it is time that we begin to consider whether we are conscious actors upon the stage of the present, or whether we are the victims of momentums over which we have no more control than the actor in a Greek tragedy, who had to wait for the destruction of an inevitable happening.

Today's newspapers carry evidence that western Europe is in process of drafting not only an economic, but what amounts in substance to a military compact, to face what they deem to be the threat of a possible physical invasion, which would simply be the beginning of a world-wide conflagration. Across the headline of the Washington Post of this day we find, "UN to study Reds' Czech coup," indicating that the United Nations organization is today dealing with that situation. In this morning's New York Times we see the headline: "Two in House ask Congress to order halt in Soviet plots."

Then there is the subheadline: "Republicans ask military aid to any free nation in peril of Communists."

Mr. President, I have here an article which speaks not only about what individuals in public life are saying, but about what the people themselves are saying. I refer to an article in today's Washington Post by Malvina Lindsay, which says:

Events in Czechoslovakia, Finland, and elsewhere have caused a fresh spurt of war talk. Well-tailored men in smoking cars remark to each other that it looks as if they might be commuting to Washington again on war contracts; maybe they'd better start mending their hotel fences.

Matrons who look as if they had a dozen of everything speculate at hotel luncheons as to whether they should begin to stock up on a few staples—well, maybe not on clothes that would go out of style, but at least on nylons and canned foods. They were suckers the last time because they didn't hoard. Besides, they never dreamed that inflation lasted so long after wars.

Complacent couples relate how they are buying a farm in Ohio or fixing up the old homestead in Iowa so they will have a safe place for themselves and children. And in taxicab discussions a pinched little man or a big blustering one comes up occasionally with the solution, "We ought to drop the first bomb."

Mr. President, in the issue of the Washington Post of March 5 we find the following in the Matter of Fact column, by Joseph and Stewart Alsop:

The Soviet-western conflict is now a new and perhaps decisive phase. Phase 1 was the period of American self-delusion; a phase of appeasement toward the Soviet Union. Phase 2 was a period of awakening; a phase of attempts to halt Soviet imperialism by political and economic measures culminating in the European recovery program. Phase 3 will be a military phase marked by defensive pacts, military basing arrangements, and coordination of war plans throughout the non-Soviet world.

Again the same authors, in the Washington Post of March 10, say in the same column:

The military phase of the Soviet-western conflict has clearly begun, marked by the proposed defensive alliance between the western European powers and the United States.

Mr. President, responsible leaders of our country are saying that it is necessary for us to incorporate in the bill military as well as economic aid, and we read in the press that our sister body contemplates incorporating in a single bill provision for military as well as for economic aid.

Responsible and patriotic leaders are telling us that it is not wise to give economic assistance to the 16 western European powers unless we follow the economic-assistance feature with a military pact, which means that we will go to their side with military power in the case of military aggression.

So, Mr. President, we face today a very ominous world situation. We face it in spite of all we have done since the end of the war by economic aid and assistance to world recovery to avoid just such a condition as we now confront.

I have before me a report from the Committee on Reduction of Nonessential Federal Expenditures. That committee, under the able Senator from Virginia [Mr. BYRD], has given a very wise and helpful statement of how much had been spent by our country in foreign aid up until September 1947. Here is the way it is summarized by that committee:

Assistance for civilian relief, rehabilitation, and reconstruction valued at $15,300,000,000.

Fifteen and one-third billion dollars, Mr. President, since the fiscal year beginning July 1, 1945, up to September 1947. That is before the present proposal. That is before the interim-aid bill of the special session. That is beyond anything that we might consider in this or any future crisis.

It says also:

Direct contributions for military assistance, exclusive of the maintenance of United States armies of occupation and military installations abroad, valued at $951,000,000.

So, Mr. President, we have already contributed more than $16,000,000,000 in trying to restore a war-torn world.

This bill carries an authorization of not to exceed $5,300,000,000, and it carries also, in my humble and individual opinion, something very much akin to, if not actually, a moral obligation on the part of our country, if the recipients of this aid do their part under the program in a cooperative way, to continue to help them until the end of 1951, which may envisage under this program a total expenditure exceeding $17,000,000,000 by the Government of the United States in 4 years. Seventeen billion dollars added to the $16,000,000,000 we have already spent since July 1, 1945, makes, obviously, Mr. President, a sum nearly equivalent to the total national budget of the United States in the present fiscal year—$39,000,000,000.

Mr. President, we are also told that we cannot stop with economic aid in other parts of the world outside western Europe. For example, General MacArthur, General Wedemeyer, and General Chennault have all in solemn public statements addressed to an official committee of the Congress said that it is not sufficient to give economic aid to China, but we must follow it up with military force. It may be that we intend the Chinese to furnish the fighting personnel, but we shall certainly have to furnish the matériel. We already have forces in China. It would be unusual if we did not increase them, and if they did not do there what they are steadily doing in Greece—get closer to the front, farther and farther into the field, until, for all practical purposes, they will be participants in the military clashes which occur in those countries.

We are told that in Greece the program which we adopted last year has not succeeded in crushing the guerrillas; that

we will have to give more military aid; that economic assistance was not enough last year, as we hoped it would be. We are told that it was necessary to divert some of the money originally appropriated and intended for economic assistance to the Greek people to the military program, because the guerrillas were gradually increasing in strength and military power; they have increased in numbers. We are told now that we must give additional military support to the Greek Army and the Greek Government if there is to be any hope of crushing the Communists.

So I say, Mr. President, we are marching steadily forward along the almost inevitable course of, first, friendly counsel, then economic cooperation, then military aid; and now many are leaping the last hurdle, Mr. President, and saying, "If necessary, we will have to use our own men, to fire our own guns, in order to be successful in the expenditure of our own funds."

Furthermore, Mr. President, we have heard offered here in the Senate by responsible and able Senators amendments to the bill proposing alterations in the character of the United Nations organization, and making such provision so that the majority will have the power to use the full force and authority of that organization. The contention is made that the present organization is impotent and a failure, unable to prevent aggression and to keep world peace, and that at long last we must have an organization that will have a military police force which can be used against an aggressor.

We are also told here in the Congress, Mr. President, that we must depart from the traditional American policy of not having universal military training in peace time and adopt a universal military training program at the present session of Congress. Events have appeared so ominous to our able Committee on Armed Services here in the Senate that they seem to have reversed their previous decision or understanding that they would not hold hearings until the House disposed of the legislation. Now they have announced, as I understand, that there will be hearings. They sat by the hour in consultation with our top military advisers, as well as with the able Secretary of State, and consulted as to what military measures we might now take to put ourselves in a state of readiness to meet the danger which threatens from many parts of the world.

Moreover, we have had the reports of two committees about what we should do to increase the strength of our aviation arm. One committee—the Finletter Committee—comes forward with a proposal that we should spend something like $6,000,000,000 in adding to the strength of our air power. The joint congressional committee headed by the able Senator from Maine [Mr. BREWSTER] tells us that we should spend $10,000,000,000 in creating the mightiest air force in the skies of the world today.

So, Mr. President, all these things are counseled—these preparations, these steps toward military competency—as I have said, by the very highest leaders of our Government charged with the defense of our country. Such leaders include the Secretary of National Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Forces.

I do not know whether we can always place reliance upon headlines or not. The other day there was a headline in the newspapers to the effect that we were reactivating the selective-service boards, that they were being brushed off, as it were, to eliminate the cobwebs, and that we were readying the conscription machinery, the draft machinery which we employed in time of war.

We know that we have reopened an air base in Tripoli, and that probably we have substantial air power there. The newspapers tell us from time to time about the maneuverings of our fleet units in the Mediterranean. A little while ago the news accounts told us that the marines accompanied some of those vessels, that they were clad in battle equipment, and that their organizations carried tanks and landing craft. We are also told that we must ready ourselves for war emergency; and the question in the minds of Members of Congress today is: Just what extremity will the Congress have to face?

It is against that background that we come to the consideration of the pending bill, known as the Marshall plan. In many respects this is the most magnificent proposal ever made by a government, ever offered by a Congress, or ever supported by a citizenry. It proposes to take of our substance—never too plentiful—in the course of 4 years $17,000,000,000 and, for all practical purposes, to give it away in peacetime to other peoples in other parts of the world.

I voted with the Senator from Texas [Mr. O'DANIEL], who proposed aid for the old people of the United States. I realize that the charge of irrelevancy and lack of germaneness could have been made against his amendment, but I know the plight of the old people of America. I know the experience of many of them in my State. I know the low level at which many of them live, the misery in which many die, and the poverty in which they come to the sunset period of their old and honorable lives.

We know that in America all the people are not without their pains and privations; yet out of our own people's substance we propose to make this magnificent contribution to the people of western Europe to aid them to recover from the devastations of war and to rehabilitate their economies. With that principle I am in the heartiest accord.

I will say that there are some reservations with respect to this bill which I wish did not exist. I will say that I think the initiation of it was perhaps erroneously carried out. I shall express regret that the beneficiaries of the plan are not larger in number, and that the area benefited is not wider in scope. I shall say that I think it would have been better to have initiated it in a different way, through the United Nations, and that more people should be brought within the realm of its blessing.

The bill itself contemplates that the participating nations shall, in the course of 4 years, become so advanced in their recovery that they shall gain a level of living about equal to that of 1938. That is not very much. That does not offer them very much improvement as to the past, Mr. President, but vast improvement in relation to where they are now.

I am not at all sure but that we have erred in the way we have divided the relief in respect to capital equipment. It is my understanding that instead of the capital equipment which would permit them to build factories and to produce goods, constituting about 32 percent of the value of the contribution, the Harriman committee reduced it to about 14 percent. I am told that that will make the American export trade pattern about what it was before the war. Our principal exports will be raw materials and not manufactured goods or capital equipment.

I am told that, in the white paper issued in England recently by Sir Stafford Cripps, he told the manufacturers of textile equipment that they would have to export 85 percent of the textile equipment which they manufactured, because they had to have hard currency with which to buy the things they needed from the hard-currency countries of the world.

I believe it would have been better if we had given more capital equipment, more machinery, to the beneficiary nations so that they could have helped themselves more, even if we had to sacrifice a little more. In the long run I believe it would have been an economy. The immediate sacrifice, relatively small as it would have been on the part of our country, would have more than paid off in the years ahead, in the rapidity and certainty of the European recovery and rehabilitation.

Generally speaking, of course, it is known that the effect of this bill is expected in 4 years. Let me emphasize that if we are going to do it at all, we should commit ourselves now, if conditions do not radically change, to go all the way through. What good does it do a farmer to lend him enough money to buy seed if he has no farm equipment, if he cannot cultivate his crop, if he cannot harvest it and transport it to market? If in the very inception of the loan you do not give him enough to go through with the project you might as well not start. You will hurt yourself and him, too.

Mr. President, I expect to vote for the bill, although I expect to offer an amendment at the conclusion of my remarks. So long as I am here I shall be prepared to go through with the program unless conditions change. I believe there is something very much akin to a moral obligation on the Congress once we undertake the program, if conditions are not materially altered, to see it all the way through.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. If I correctly understand the Senator from Florida in connection with the point he has just made, I find myself in complete agreement with him. Let me state it this way, by way of a question:

I understand that what the Senator from Florida is saying, in effect, is that, so far as the individual Members of this body who vote for the Marshall plan are

concerned, if in their judgment the European powers keep their part of the bargain during the 4-year course, then certainly the individual Senator, unless some extraordinary conditions develop within our country in the meantime, ought to consider that there is a moral obligation to keep our side of the bargain.

Mr. PEPPER. I feel so very distinctly.

Mr. MORSE. I share that view of the Senator from Florida.

Mr. PEPPER. I thank the Senator very much.

Mr. President, this plan marks a step forward. Instead of giving merely relief, instead of allowing only consumer goods, which are gone with the occasion, we have tried with this plan—not to as great an extent as I think we should have—to give them something permanent on which to go.

I used the example of giving a farmer some assistance in growing a crop. That implies making it possible for him to have the seed and the fertilizer and the labor and the equipment with which to cultivate it and harvest his crop, and the means by which to gather it and put it into the mart. What we propose to do here is to give the kind of assistance which will make it possible for the nations that are a part of the plan to help themselves, because even the wealth of America is not inexhaustible.

What I raise today is the question, not about this plan, but about the policies of the two countries of which I am going to speak in a few minutes. Unless those policies are changed, Mr. President, this $17,000,000,000 will be an insignificant part of the demands upon the economy of this Nation. If those policies are not changed, this plan will thrust us closer to war, not farther away. If we cannot make this plan a signal approach toward an alteration of our two policies, toward a different attitude on the part of all of us toward these world problems and a new possible basis of cooperation and accord, it will eventually take us to the end of the line of the road toward the precipice of disaster.

Mr. President, I said that it is well known that the goals set in this general plan are, in substance, that cereal production will be raised by 1951 in the European countries benefited, to the level of 1938. That is as to food.

That the coal output of the beneficiary countries will be increased by 1951, if the plan succeeds, to 5½ percent above the 1938 level.

That the electricity output of the participating countries by 1951—and I refer to the end of 1951—will, in case of the success of the plan, be 66⅔ percent above the level of 1938.

That the oil-refining capacities of the participating countries, if the plan should be carried out, will rise, by the end of 1951, to 250 percent of the 1938 level.

That the crude-steel production will rise to 20 percent above the 1938 level.

That the inland transportation facilities will rise to 25 percent above the 1938 level; and

That the merchant fleets will rise to the equal of the 1938 level.

Mr. President, in connection with the naming of the beneficiary countries, this bill contains the following language:

PARTICIPATING COUNTRIES

SEC. 3. As used in this act, the term "participating country" means—

(a) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

(b) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this act.

I commend the committee upon having technically left the door of this plan ajar for the possible entry of other nations. It seems to have limited them to Europe; I wish it had said the world. But unless we change the policy of the Soviet Union and the United States, Mr. President, the eastern European countries, the so-called satellite countries of the Soviet Union, are not going to participate. Instead of participating in the plan, they are going to oppose it. As the report of the able committee says, they will attempt to defeat it and to sabotage it. I propose to emphasize, as does the committee report, that they have a vast power to squander the money we appropriate, to defeat the program we propose, to destroy all the grand hopes and aspirations which are in the hearts and heads of those who have initiated this magnificent proposal. That is the reason why I am not only interested in the plan, but I am interested in the policies of those countries, without the alteration of which this plan cannot succeed. I so strongly favor this plan that I want it to succeed, and I want a climate in which it will have a chance to develop and to realize the ambitions of its authors.

Mr. President, there was a reduction in the amount of aid contemplated from $29,000,000,000 to $22,000,000,000, by the Committee of Economic Cooperation in Europe. It has been intimated that that was done at the suggestion of our own governmental representatives. I do not know whether it should have been reduced from $29,000,000,000 to $22,000,000,000. I do know that they should have enough to be able to go through with the program, for, Mr. President, to be penny wise is to be pound foolish.

I have always been one of those who believed that we did an injustice to the British in beating down the amount of the British loan to a figure less than they told us would be necessary; and then, when inflation in this country robbed their purchasing power by one-third of its capacity, we refused to increase the loan. So by beating down the first amount and by giving no compensation for inflation, we did a double injustice to the British people.

I say I do not know whether the amount for this program should have been reduced from $29,000,000,000 to $22,000,000,000.

I have also seen the intimation that our representatives told the European Cooperation Committee that Congress simply would not vote for $29,000,000,000, that it would be necessary, in order to have the plan passed by the Congress, to reduce the total sum.

Then, later, various committees reexamined it and rescrutinized it, until finally the amount is proposed to be some $17,000,000,000 altogether, based upon relatively the current purchasing power of the dollar.

Mr. President, I warn my colleagues, there has already been a reduction from an estimated $29,000,000,000 as necessary to do the job, first to $22,000,000,000, and now to $17,000,000,000. We are still told that the Appropriations Committee, as, of course, technically it does, has complete authority to reduce the amount to whatever figure it may deem to be appropriate. I only say that we are going into this as a long-range program; so let us do the job right while we are at it, to keep from draining ourselves to death.

I am reminded of the farm hand who said to his master, "Golly, boss, you 'de-duck' this, and 'de-duck' that, and 'de-duck' the other, until the 'ducks' done eat up all I made."

So, Mr. President, I am afraid that by deducting various amounts here or there we are defeating the job we wish to have done.

I have already called attention to the fact that we propose to diminish the quantity of capital equipment which they beg for, and which they should have. That was also done to ease this measure politically in the Congress and the country. We were trying to help Europe without hurting the people of America. Mr. President, sometimes it is better to give until it hurts, rather than not to give an adequate quantity. You defeat your own plan, sometimes, by the miserliness with which you make your contribution.

But there is something far more serious in this matter, something affecting the policies of the two principal countries, which is inherent in this plan. This plan is predicated upon the resumption by 1951 of approximately normal trade between the United States and the countries of eastern Europe. Again, Mr. President, those are not my words, but I am reading from the New York Times of February 8, 1948, quoting a Geneva expert. I have the newspaper itself here. The headline is:

More east-west trade is big need in Europe—increased exchange of goods with Soviet bloc is held necessary.

Geneva, February 7.

The article is by Michael L. Hoffman, a special correspondent to the New York Times.

There is general agreement among experts that a considerable increase in trade between eastern and western Europe is an essential condition for European recovery and for the success of the Marshall plan.

Western Europe is now living on an accumulated reserve gold and turning shortages with American and Canadian loans or gifts. As a region it cannot produce enough salable commodities or sell enough of what

it can produce in the Western Hemisphere to pay for the present level of imports. Unless it is to continue living on credit or charity—

I interpolate, Mr. President, whose credit, whose charity?

western Europe must find some place where it can sell enough exports to pay for a large part of the imports it is now getting from the Western Hemisphere, and eastern Europe is that place.

What I am saying, Mr. President, is that it is the opinion of experts, it is substantially the opinion of the Foreign Relations Committee, by what appears on page 40 of its report, it is the opinion of those who have made a study of the subject, and especially those who wrote the European economic cooperation plan itself, that the success of the plan depends upon the revival of the ordinary normal trade of the prewar pattern between eastern and western Europe.

I am reading now, Mr. President, from the report, to which I referred, on page 112. It is put out by the Department of State. It is volume I, of the General Report of the Committee on European Economic Cooperation. It states the hypotheses of the Marshall plan, with which I am afraid the public is not generally familiar. I read:

As explained in paragraphs 19 and 20, it is not possible to frame any precise estimate of the dollar deficit of the participating countries and western Germany for the years 1949–51. The tentative estimate given in table 3 is based on a number of assumptions.

Remember, Mr. President, the estimate as to the money required, which has already been reduced from $29,000,000,000 to $17,000,000,000, is based, to quote again—

on a number of assumptions.

I continue to quote:

These include the assumptions that their production will increase greatly and that the imports required for this will be available, that a state of full employment and full use of productive resources will be continuously maintained, that an increasing number of the needs of the participating countries and western Germany can be obtained from eastern Europe and from southeast Asia, that the goods which the participating countries can produce for export can be sold to the American Continent and to the rest of the world, that there will be a progressive reduction in the price of imports in relation to the price of exports, and that nonparticipating countries will so far as necessary be able to pay for such goods in dollars.

What does that mean, Mr. President? It means that those are the conditions to the success of this plan. It means that if those things do not occur the plan fails. It means that our money will not do the job, that the recipient countries will fall back into the present morass and sink again into the quicksands from which we are trying to rescue them, or that we shall have to initiate a new Marshall plan, or a Smith plan, or a Jones plan, or some other kind of plan that will have the same purpose and that will take the American people's money and goods, and try again to rescue a sinking part of the world.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the able Senator from Kentucky.

Mr. COOPER. I would like to say to the Senator from Florida that he is performing a very valuable service in pointing out that the success of the plan is predicated upon a number of assumptions.

I agree with the Senator that the assumptions should be made known. If the plan is to succeed and if it is to be continued after this year, it must have the support of the opinion of our people based upon a knowledge of all the facts. I strongly support the plan, but believe that every argument, good and bad, should be clear. I do not agree with the conclusion that the plan will fail if some of the assumptions are not achieved.

It might be argued more accurately that if these assumptions are not realized it would make our help more important.

The Senator has stated a number of assumptions. He has said that the plan is predicated among other assumptions upon the understanding that trade will be resumed between western and eastern Europe. I ask the Senator if it is not also true that in the report filed by the European nations it was stated that there must be a furtherance and increase of trade between the United States and the countries of eastern Europe, in order to provide dollars to enable the countries of eastern Europe to resume and augment their trade with western Europe. Is it the Senator's understanding that the contemplated resumption of trade between eastern Europe is another assumption which must be known and considered?

Mr. PEPPER. The Senator is absolutely correct. As a matter of fact, Mr. President, it is technically indisputable that much of the money we are spending in western Europe under the plan could more profitably and productively be spent in eastern Europe, could we but change the policies of the United States and the Soviet Union to cooperation instead of conflict in the world.

As an example of what I mean, in Poland, Mr. President, there is coal. Europe needs coal for productive purposes. We are trying to increase the coal output of European countries, particularly Germany and England. But, Mr. President, I think the experts will confirm that dollar for dollar we could spend our money better in putting coal-producing equipment in the mines of Poland than by putting it in the mines of Great Britain or in the mines of western Germany. But, Mr. President, we cannot send any coal-producing equipment to Poland. Why? They are a part of a system which is divided from us today and from western Europe by a conflict in policy between our country and the principal country in their sphere. So what I am saying, Mr. President, is that if we want to use our money to the best advantage, if we want to make the expenditure of our funds not a futile gesture, we must reexamine the policy of the Soviet Union and of the United States and try to find the basis for cooperation instead of the conflict which at the present time divides us, costs us immeasurable money, threatens the peace of our Nation and of the world, and even threatens civilization itself.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Florida yield to the Senator from Illinois?

Mr. PEPPER. I yield.

Mr. LUCAS. I presume that before the able Senator finishes his address he will discuss the two policies and his conclusions as to how those policies might be altered to the mutual advantage of the two countries.

Mr. PEPPER. I shall.

Mr. LUCAS. I rose to interrogate the Senator on that point, merely because of the example he gave with respect to Poland. It is my belief that, had Russia and her satellite nations come into the Marshall plan, the very example the Senator gave with respect to coal in Poland probably would have been worked out by means of either unilateral or multilateral agreements.

Mr. PEPPER. There is no doubt about it. I could give an instance of exchange between Yugoslavia and France. Yugoslavia has certain things that would aid France in its agricultural production. But Yugoslavia cannot produce certain fertilizers, for example, because she lacks the necessary machinery, and in other cases the necessary raw materials. Yet France has some of these things, and an exchange of the capacity of one with the capacity of the other would help both. But they are divided by this conflict of policy which today, unhappily, has severed the former friendly relations between the Soviet Government and the United States.

Mr. President, let me recapitulate those assumptions, because they are very important, and the American people need to know that the very success of the Marshall plan is dependent upon the accomplishment of those conditions, delineated as assumptions, not by the Senator from Florida but by the Committee on Economic Cooperation, which put together the magnificent report upon which the whole plan is predicated.

First, in the countries of western Europe, there will be increased production of cereals, of coal, of electric equipment, and output, increased production of steel, and increased production in other categories of the economy. Who does the work of the 16 participating countries? The people, the workers, the men and the women who bear upon their backs the labor of their land. Suppose those workers should get the idea, either through propaganda or otherwise, that the Marshall plan we are promulgating in the Congress is not really intended to aid them, their families, their communities, or their countries; that it is simply a weapon in an ideological so-called cold war between two giants struggling with each other for economic and political mastery over the resources and the peoples of the world. Suppose they are asked to work longer hours and to receive less pay, so that their conditions of employment are more onerous. Will they readily and voluntarily discharge that added burden of duty for 4 years

unless they be immune to the propaganda that the Marshall plan is devised not so much to help western Europe as it is to put a buffer state of powerful and organized people between the United States and the power and the threat of the Soviet Union? I say that if we can change the policies of the two countries and eliminate the conflict, we shall have cooperation, and the workers will not be amenable to that argument. The workingman will understand we are trying to help him, his family, and his country, and that we are not making him an advance weapon of ours in a struggle for victory in a cold war.

Mr. President, without the cooperation of the working people the plan cannot be successful. The economies of the participating nations are to be stabilized by this plan. We make those governments sign an agreement that they will balance their budget, stabilize their currency, and control inflation. How can they do all that without the cooperation of the people? We have not been able to accomplish all those aims here. We have not been able to control inflation. We have not been able to keep our workers from striking for higher wages as living costs have advanced. We have not always balanced our budget, rich as we are. We have not always stabilized the value of products with the purchasing power of the dollar. Yet we make it a condition on those governments that they shall accomplish what we ourselves have not been able to do in this free land of ours, for the obvious reason that to make effective policies so rigorous as are those policies, it takes a strong government, one which has the power, the authority, the courage, and the political backing to carry through such an exacting program.

I say, therefore, that without the cooperation of the country involved and the people of that country—and I go further and say, generally, without the cooperation of the political elements that make up the political strength of the country—we cannot put such a program through and support and maintain it for 4 years. That is the reason it is so important that we create a climate in which the governments of the countries in question can succeed. If this plan be but our weapon in an ideological war, those governments cannot for 4 years maintain that political stability which will be necessary to execute such a severe program over their economies.

So, Mr. President, I say that if we expect this plan to succeed we must take it out of the atmosphere of war and put it in the climate of peace. We must let the public know this is not a sword, Mr. President; it is something which symbolizes a friendship and a cooperative desire by us.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. In just a moment. We must convince them we are going to them as friends. Therefore let us strip this program of every reference to the fact that we are using it to beat communism, to stop Russia. I wish there never had been an intimation of such a purpose in the program. I wish it could have been clear to the understanding of any fair-minded person that it was merely aid to the economy of western Europe because it was the right thing to do and in our own economic interest.

I yield to the Senator from California.

Mr. KNOWLAND. The Senator will undoubtedly recall that approximately 10 years ago the world was going through another period of tension. At that time, in order to bring about a rapprochement and a better understanding, Mr. Chamberlain and Mr. Daladier took a trip to Munich. I think we know the results which came from the Munich conference. The road to Munich did not guarantee the peace of the world. The surrender of the rights of small nations to Hitler at Munich, of Ethiopia to Mussolini, and of Manchuria to Japan did not guarantee the peace of the world, but, like paying blackmail to international blackmailers, it merely tended to whet their appetite to increase their later demands.

I feel quite certain that the able Senator from Florida is not suggesting that we again follow the road which the world took to and from Munich. I think there is a basis of understanding among the civilized, law-abiding nations of the world. This Nation has demonstrated in the United Nations Charter, in the Atlantic Charter, and in every effort we have made since the cessation of hostilities, our desire to have a peaceful world and at least to rehabilitate the war-torn parts of the world. Certainly if Russia will make an honest effort to withdraw her troops, to withdraw her pressures upon nations which have a right to be and ought to be free and independent in the fullest sense of the word—if Russia will show some indication that she is willing to do that—I think there is yet ample opportunity to serve the peace of the world.

So far as I am concerned, if this rapprochement to which the Senator refers means surrendering the liberties of people in Greece, in Turkey, in Iran, in Austria—if we have to surrender their liberties as the liberties of the Czechs were surrendered at Munich—then I say it is far too high a price for the law-abiding nations of the world to pay, because that would not bring peace to the world. It would only postpone for a very short period of time greater and increased demands which would come from this power which today is the only threat to the peace of the world. [Manifestations of applause in the galleries.]

Mr. PEPPER. Mr. President, the suggestion made by the Senator from California is not a new one. It has been uppermost in the policy of this country since the end of the war. I am prepared to let the pragmatic test of success or failure determine whether the policy and the point of view and the attitude expressed by the able Senator from California, esteeming him as I do, is the right policy for our country. As I have said, I am willing to test the attitude of the Senator from California, which appears to have been the dominant policy of this Government since July 1, 1945, by the criterion of success or failure.

Mr. President, I am coming more directly to the discussion of the Senator's question, because, of course, I anticipated it. I wish to say to him that Munich, which he mentions as a very ignominious and humiliating act, may have meant the difference between one side or the other winning the war. I have heard it said that discretion is the better part of valor. There are instances in which there may be a tactical retreat until one can regroup his forces and counterattack. It may be that the year which doddering old Chamberlain gained may have given just the time that Great Britain, France, the Soviet Union, and the United States all needed to build up their strength, which by 1945 brought victory to the Allies instead of to the Nazi arms.

The attitude of the distinguished Senator from California, as I have said, is the dominant attitude today—no compromise, no willingness to admit any possible error either heretofore or now in our own policy, "We are right and you are utterly wrong. We will not change. Before God and man we will go straight ahead even if the end be a precipice."

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I should like to have an opportunity to answer the Senator, but I yield.

Mr. KNOWLAND. I may say to the able Senator from Florida that I think he has misinterpreted my remarks.

Mr. PEPPER. Perhaps the Senator from California misinterpreted mine.

Mr. KNOWLAND. I have never said that this Government has never made a mistake, but I refuse to stand on the floor of the United States Senate and say that this has been the only Government that has made any errors.

Mr. PEPPER. And I am not saying that today.

Mr. KNOWLAND. I believe that the Government of the Soviet Union has itself made many errors in its dealings in international affairs. I believe that the record will show that since the end of the war our Government has certainly done far more to help preserve the liberties of the world than has the Soviet Government, which has attempted to enslave free people wherever they were in close proximity to them.

Mr. PEPPER. The Senator from California would have made himself unmistakably clearer if he had said that in the first place, but he started out with the assumption—which provoked the applause on the part of our distinguished visitors—that we by implication had not erred at all, that we were clad in the raiment of complete and unimpeachable righteousness, and that arrayed against us was this devil of all devils. He implied that anyone who suggested an honest and earnest effort to stop and turn back before we went over the precipice of war, which would do immeasurably more to the little countries the Senator mentions than any effort at reconciliation on our part, was guilty of Chamberlainian appeasement.

Mr. President, that may have been the psychology and the propaganda against which our Secretary of State warned just day before yesterday when he was telling the American people to remain calm. That might have been what the Secre-

tary of State had in mind when at the Washington Cathedral, night before last, he told a great audience of church people that we, among other nations, had to try to understand the position and the point of view of other peoples in other parts of the world.

Mr. FERGUSON. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. In just a moment, when I have finished this thought.

The able Senator from California evidently did not notice accurately the earlier part of my remarks. In the very first or second sentence I said I wished to consider not only the plan proposed but the foreign policies of the Soviet Union and the United States, and with all the earnestness in my heart the relationship of that plan and those policies to the peace of my country and my world. Not one time in what I have said today have I implied that the fault was wholly on America and none on the Soviet Union, and I am good enough citizen of this country—and I must in deep earnestness say it—to state that the fault is not altogether and exclusively the fault of the other countries of the world.

I do not put us above error. I do not put us beyond mistake. I do not accept the suggestion of the inevitability of conflict unless the Russians back down and run. They are not disposed to run very fast. I still have the hope of peace in my heart, and if we in the Senate and in the Congress, and the people of our country are not going to urge those in authority to make an honorable effort to find a basis for peace, we accept the inevitability of a war that will not only destroy us, but threaten the continuity of civilization itself.

Mr. President, I am not so awed, I am not so much deterred by the fear of accusation, or the suggestions and innuendoes of those who misunderstand the implications of what I say—which I was hoping I would get a chance to develop in an orderly fashion—that I am not going to put myself squarely on record as an American defending America, of advocating with all the earnestness of my heart to our President, to our Secretary of State, to our Congress, to our country, that we do what General Marshall said the other day, not approach this matter with the frenzy of a fanatic, or the zealousness of a new convert to a new faith, or as people so blinded by their emotions that they cannot think, trying to solve the complicated problems of war and peace with the back part instead of the front part of our brains.

Mr. President, General Marshall urges calmness to solve this crisis in the world. I have before me the New York Times of yesterday, and I read from the report of General Marshall's address. The article states:

"The cooperation of 16 nations in subscribing to the ERP was a remarkable demonstration," he said, then added:

"And it has led today to a strong and promising effort to form a political association which may be the first step to what has been the dream of many great minds troubled by the dangers of the existing, uncoordinated situation.

"The world is in the midst of a great crisis, inflamed by propaganda, misunderstanding, anger, and fear," Mr. Marshall told his cathedral audience. "At no time has it been so important for cool judgment, for an appeal to oneself for a proper sense of justice, for a realization of conditions, material, political, and spiritual, in other parts of the world."

If we have reached the point, Mr. President, where we cannot make proposals for peace, if our eyes are shut to any prospect of change, then I say again that we are simply the hopeless actors in a Greek tragedy waiting for the sword of destruction to fall upon our necks. But the tragedy of it is that there are so many all over our country who are not here to speak for themselves, who would be the ones principally upon whose young and tender bodies the stroke of death and destruction would fall.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. I promised to yield to the Senator from Michigan, and then I will yield to the Senator from Indiana.

Mr. FERGUSON. Mr. President, referring back to the remark made by the Senator from Florida that the Munich of 1938 may have been the difference between defeat and victory for America, I wonder whether, in line with that remark, the able Senator from Florida would now advocate, in 1948, another Munich, a retreat from the principles for which America fought the last World War, and upon which she now stands?

Mr. PEPPER. Mr. President, I advocate a policy which I believe to be the best for the United States of America and for the world; to get back as closely as possible, not to the policies of Chamberlain, but to the policies of Franklin D. Roosevelt [manifestations of applause in the galleries], by which, in the time that he lived, he did find a basis for reconciliation and accord even between the Soviet Union and ourselves. I propose, Mr. President, not to get back to the policies of Chamberlain, but to get back to the practices of Cordell Hull, of Tennessee, who served 11 magnificent years as Secretary of State of our country, and who laid down and pursued principles which, if followed now, I believe, would improve, if not cure the situation if, Mr. President—and let me emphasize that again and again—if we can secure some reciprocity, some cooperation from the other side.

I have said, Mr. President, that if I were going to write a book on foreign policy today I would make the title of it "Peace Begins At Home," but I would add a subtitle "But It Does Not End There." Where there are two parties in conflict, Mr. President, it requires cooperation on the part of both to establish accord and reconciliation.

I have never, intentionally at least, by statement or implication inferred that the fault wholly was on the part of the United States, and that the Soviet Union was a glistening angel of righteousness and purity. Quite the contrary; the dastardly deeds they have done have been emblazoned across the pages of the press of the world, and the knowledge of them has sunk deep into the hearts of the peoples of the world, and I do not need to add my voice in denunciation of these deeds. All I have done was to refrain, Mr. President, from joining in the chorus of denunciation, because I thought that since the chorus was so voluminous, perhaps it might be better for a few of us to ask "Is it still too late? Have we crossed the Rubicon? Is the chance of peace gone and is war inevitable?" Perhaps that course may be better than to join in the chorus and the clamor, and thereby perhaps better CLAUDE PEPPER'S political standing. Maybe what I have done is to jeopardize, from a political view, my standing in the Nation in the eyes of those who often do not see or understand to plead for what I have profoundly believed to be for my country's interest.

I want to say this, Mr. President, I am not going to dwell upon my virtues, because I possess so few, but I do not recall any other United States Senator who has been hanged in effigy in front of this Capitol for his convictions on foreign policy, as I was in 1940 when I urged lend-lease and other measures and I did not have the support of many of my colleagues at that time. Yet time did not prove me perhaps as erroneous as some of those who thought then that I erred.

What can any of us do except have the courage to speak up and say what he thinks is right, submit it to the counsel of his colleagues and his Congress and his country, with the confidence that in the long run they will make the right decision.

Unhappily, today, if one says a word that implies that we may have committed some error, that we may have not been able to see ourselves, as the poet says "as others see us," which he tells us is so difficult—if maybe we have been misunderstood unintentionally, if we have given rise to offense when we did not desire it or design it—if one suggests that it is still possible to achieve peace, one is condemned.

I think Mrs. Franklin D. Roosevelt is as good a patriot as we have in the United States. Her article My Day published in the Washington Daily News of March 10 carries the headline:

Both Russia and America are to blame.

I think the time has come for us, as citizens, to review what is happening in our world today.

She did not say "recant." She said "review." That is what I am asking. I am saying that if we are going to make the Marshall plan succeed as a Marshall plan, we have got to get the Soviet Union and the United States of America to change their policies, or else it is doomed to failure, if war itself is not the inevitable result by virtue of the provocation which this plan itself may constitute, and the reaction the other side may feel called upon to take.

I condemn with all my heart what has occurred in Czechoslovakia. Like many of my colleagues I knew Jan Masaryk here and in his own country. I shall never forget one evening sitting in his own dining room nearby the very window from which he hurled himself in his last lamentable despair, with our Ambassador, who is there now, Ambassador Steinhardt, and having dinner with Jan Masaryk. I have seen him at the United Nations organization. I have seen him in London and in many other

places. He was one of the great minds, he was one of the noble patriots, he was one of the lofty spirits of the world, and he preferred to give his life for his country in protest against an aggression upon the land of which his father was the George Washington, and to which he had given the exertions of his mature life.

But Mr. President, I do not know but that that is one other way of fighting a cold war. If the Soviet Union feels that its situation is so desperate as to imperil its security; if it thinks that this western European bloc which is forming over there with our encouragement and help had better be destroyed now than later; if it is unalterably opposed in policy and in interest to what we now do, I do not know what country may be next.

I am saying that in a cold war, in any kind of a conflict, bystanders are likely to get hurt. The Soviets do not have the money we have. It cannot fight with dollars. Maybe the Soviet Union feels that it has to fight with some other kind of manifestations of power. I say I do not know what will be the consequences. All I know is that there is war talk in this Congress and in this country, with the President stating that his hope of peace has been shaken, and the Secretary of State, who is not a man given to exaggeration, has said the situation is very, very serious. I am saying that it is time to review our policy, to make every honorable effort to induce Russia to review its policy, to see if there may not yet be time, yet be an opportunity for us both to draw back with honor from what many think is the inevitable conflict.

The headline of Mrs. Roosevelt's column was "Both Russia and America are to blame." I say as she does that probably both of us are somewhat to blame. Maybe we are not entirely free of fault.

Mrs. Roosevelt says in her column:

> There is no doubt that in the past few years the situation between the United States and the U. S. S. R. has become increasingly dangerous. Some people in this country feel that it is the fault of the United States.

That is our country.

> Others feel strongly that it is the fault of Russia. I personally feel that both countries are to blame. We have done a considerable amount of dangerous talking.

And, with the right of an American to express his conviction, I agree.

Mr. President, I should like to get back to this subject a little later. I was trying to analyze the assumptions upon which the Marshall plan is predicated. I started by saying that the Marshall plan itself will fail unless the assumptions on which the Marshall plan is predicated by the European committee on cooperation itself are achieved. One of those assumptions is the restoration of trade between eastern and western Europe.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAPEHART. Does the Senator know what incident or incidents precipitated the falling out between this Nation and Russia?

Mr. PEPPER. Will the Senator allow me to reach that subject a little later? I wish to come to that question in the latter part of my remarks.

Mr. CAPEHART. I am very much interested in the Senator's address. I should like to have someone tell me what particular incident or incidents caused this friction. When did it start?

Mr. PEPPER. The relationship between nations is in my opinion not generally dissimilar in principle from the relationship between private individuals. It is a problem in deteriorating human relationships. I do not know that any one episode or incident was the complete propulsion of both of us into this period of conflict instead of cooperation. It is the sum total of many motivating influences, a part of which goes to the very difference in fundamental background and attitude of our two peoples.

It must be remembered that there is a great dissimilarity in our past. It has been said that if one scratches a Russian he will find a Tartar. We know that the Oriental influence enters into the Soviet character. We used to see among the Russian troops the high cheek bones and the yellow countenance of the Oriental marching along beside the Russian of the Caucasus or White Russia. The Russian people are made up of many languages, many peoples, some going back even to Ghengis Khan. No doubt many Soviet citizens of today are lineal descendants of the great Khan and others of his land. That is one of the things.

Another thing which is often overlooked is that the Soviet people—that is, the peasants—were freed from feudal slavery just 2 years before the Negro slave was freed in our own Southland. In 1861, for the first time, the Russian peasant had the right to move from where he lived upon the feudal estate.

Another thing is the difference in educational background. There is the difference in the economic and political systems of our two countries. Their philosophy places emphasis upon economic security while ours puts its principal emphasis upon political security, the Bill of Rights, human independence, and freedom.

There were two or three obvious factors. First, the nations of the world, including the Soviet Union, were in almost a state of fiscal bankruptcy at the end of the war. So was western Europe. That precipitated political chaos, which always comes in the wake of economic chaos.

Another thing was a shift in power from western Europe to eastern Europe. Before the war Germany dominated central Europe, and Japan the Far East. Germany and Japan being militarily crushed as a result of the war, Russia was left rising as a colossus, immensely more powerful than any single nation or aggregation of European countries. That produced a different power situation in Europe. In turn, we became the unquestioned leader of the world in terms of economic, political, military, and financial strength. There are many other reasons. We also must remember that one of the things the Russians must have kept in mind was the experiences they have had in the past when their country has been invaded.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Colorado, after which I wish to tell an incident illustrating how scars linger in one's memory.

Mr. JOHNSON of Colorado. I thank the Senator. He may not agree with this statement, but I should like to suggest that one of the important incidents in this long chain of incidents was the enunciation of the most unfortunate Truman doctrine. I believe that had a great deal to do with it.

Mr. PEPPER. I have no doubt that that was a link in the chain of events. The Senator knows that I felt so at the time. I felt that it was a mistake for us to enter into military resistance and military participation in that country. Like the Senator from Colorado, I voted against that bill.

Mr. CAPEHART. Mr. President, will the Senator yield for another question?

Mr. PEPPER. I yield.

Mr. CAPEHART. When did our leadership and the administration come to the definite conclusion that Russia and the United States could no longer be friendly, and that they had to participate in the so-called cold war?

Mr. PEPPER. The Senator from Indiana is as well informed about that as is the Senator from Florida. I can only express an opinion. Perhaps it was about the time of the enunciation of the Truman doctrine by the President. It may have been earlier or later.

Mr. CAPEHART. Does not the Senator believe that it would be helpful to all of us in the discussion if we knew what happened? If I remember correctly, prior to a year ago there was no discussion of any unfriendliness between this Nation and Russia on the part of our people or on the part of our leadership. What happened all at once? I think the people would like to know.

Mr. PEPPER. As I stated a while ago, a great many things happened. The reason I am always reluctant to discuss this question is that the first thing one knows the headlines say that he is defending Russia, that he is not defending America, that he is not a patriot, that he is influenced by some foreign power or foreign philosophy, or something like that.

I want it distinctly understood, Mr. President, that in response to the Senator's question, what I am saying is what to my mind is an analysis of the reasons for the disagreement. When we analyze a quarrel we try to say, "It started this way. This is what happened. One fellow said this, and the other fellow said that," and then we form some conclusion, if we can, as to what was the principal cause which brought about the conflict.

Mr. CAPEHART. Up until about a year ago our administration and Russia were on very friendly terms, and all at once they quarreled. What did they quarrel about? What happened all at once to change the viewpoint?

Mr. PEPPER. Mr. President, they began to quarrel about more and more things; but the incidents are not so important as the sequence of events. In most quarrels one person says something, the other says something else, and then the first person comes back with a still stronger statement, and the first thing we know we have a full-fledged, and possibly dangerous, quarrel.

There has been a whole sequence of events which began even before the war was over, and continues down to the present hour. We exhibited differences in interest, differences in attitude, differences in point of view, differences in philosophy. What I prefer to speak about is whether or not it is impossible to improve the situation.

Mr. CAPEHART. Would the Senator say that if we do not reconcile the two we shall have a war?

Mr. PEPPER. I think it is inevitable, either now or in the relatively near future, if the situation continues to become worse, as it has in the past. If the acceleration continues, it is difficult for me to imagine the possibility of escape from a conflict.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Florida yield to the Senator from New Mexico?

Mr. PEPPER. I yield.

Mr. CHAVEZ. The question which has been asked by the Senator from Indiana is extremely pertinent. I wish the people of the United States would understand why the difficulty exists. The irony of the situation is that if we do go to war, if civilization is destroyed, eventually, if there are any persons left after the war, they will know about it because someone then will write his memoirs as to what happened prior to the war.

Mr. PEPPER. The Senator is entirely correct.

Mr. President, let me call attention to three matters which I wish Senators would consider. It is barely possible that the Russian people received the impression that we were not going to give them any assistance to repair their war damage because we did not like their economic system and did not like their international policy.

I have said this on this floor repeatedly, and I shall continue to say it, because I was a participant in the event: I have said, for whatever it may be worth, that in the presence of Mr. George Kennan, now supposedly "Mr. X" in our State Department, in an interview with Marshal Stalin immediately following an interview which he had with a House committee headed by Mr. COLMER, of Mississippi, after asking Marshal Stalin what he had to say to his critics who said that if an American loan were made to his country, his government would use it for war purposes, and not for peace purposes; and after his recital as to what they proposed to use it for—that is to say, peace purposes, for the economic rehabilitation of his country—he leaned forward and said with intenseness, "But I must tell the Senator that 6 months ago my government applied to his government for a loan, but we have never even had an answer."

Perhaps he was giving me propaganda, Mr. President; maybe it was a hypocritical falsehood. I do not know. I am only saying that Stalin was the head of the Soviet state, and that is what he said in the presence of Mr. Kennan. Mr. Kennan and I wrote down a memorandum of the conversation immediately we reached his apartment; and I have a copy in my file. I gave him a copy of it, and I am confident he cabled it to the State Department immediately after the interview.

I met in the corridors here, only the other day, a member of that House committee, and I said, "I have been told here, since I returned, that the Russians never even applied for a loan. Did we not discuss a loan with the Commissar, with Stalin, and also at the Embassy?"

He said, "Of course, we did."

Yet when I got back home, our people said the Russians never applied to us for a loan.

Perhaps that is another evidence of misunderstanding. Perhaps the Russians felt hurt. Perhaps they felt we had already made up our mind that we were not going to help them. Sometimes we unintentionally give offense.

That is what I am trying to talk about. It is possible much of our difficulty grew out of a sequence of misunderstandings. The situation cannot be changed overnight; the sore is too deep now. But surely we can hope that with care and attention, our relations can be improved and we can reverse the present trend toward war, into a trend toward peace again.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAYLOR. The Senator from Florida said he did not know whether there had been a request for a loan. Recently I had a conference with a high official of this Government, and I brought up that question. The flat statement was made that the Russians had never asked us for a loan. When that statement was made I thought my senses must be leaving me, inasmuch as that statement came from such a source. So when I returned to my office, I said to my secretary, "Please look in the newspaper file and get me the clippings about that Russian loan controversy, that I remember reading about."

Of course, I have a whole sheaf of them, if the Senator wishes any confirmation that a loan was asked for. But the request was lost in a pigeonhole.

Mr. PEPPER. Mr. President, I thank the Senator from Idaho very much.

Mr. President, I wish to give three facts which I think may also have some possible bearing upon the Russian attitude.

First, here is the way we distributed our lend-lease money during the progress of the war:

Lend-lease to the extent of $35,199,000,000 went to the Marshall-plan countries. I ask Senators to keep that figure in mind—$35,199,000,000.

How much went to the Soviet Union and its sphere: Russia, Yugoslavia, Poland, and Czechoslovakia received $11,349,000,000—not quite one-third as much.

Mr. President, it may be said, "But they did not do as much in the war; perhaps they did not deserve as much help from us." In that connection, I have obtained the casualty figures.

Mr. RUSSELL. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. RUSSELL. Does the Senator from Florida know whether the figures he has just given include the British matériel which was made available to Russia, and was replaced by matériel from the United States?

Mr. PEPPER. I think the figure I have given is only as to distributions made by us.

Mr. RUSSELL. It is only for the direct contributions. But if the Senator will obtain the figure which will include the supplies which were transferred by Britain to Russia, and subsequently were replaced by United States shipments to Britain, I think he will find there is a considerable difference.

Mr. PEPPER. Does the Senator from Georgia have that figure in mind?

Mr. RUSSELL. No; I am sorry, I do not carry that in my mind. But I recall that I saw the figure at one time, and it was a very substantial sum.

Mr. PEPPER. Well, let us suppose that the figure I have given for the amount of lend-lease received by Russia should be increased. Nevertheless, I think certainly our country gave a minimum of twice as much to the Marshall plan countries as we did to the Soviet Union and her satellite countries—at least twice as much, I am confident, Mr. President. On Monday, I shall try to obtain the exact figure, as suggested by the Senator from Georgia.

But here are the figures as to casualties. This information came from the Library of Congress.

Military and civilian personnel killed: In the Marshall plan countries for which figures were available, 585,110.

Killed, military and civilian, in the Soviet Union and her satellite countries, according to the available figures, and they include only the Soviet Union and Poland, 20,655,800.

Consider the difference, Mr. President: 20,000,000 killed in the Soviet Union and Poland, and 585,000 killed in the Marshall plan countries. Lend-lease during the war to the Marshall plan countries amounted to $35,000,000,000, but it was only $11,349,000,000 to the Soviet group. Perhaps there was a justification. I am simply giving those facts.

Here are the figures in regard to aid given since the end of the war. I refer to the Byrd report on reduction of nonessential Federal expenditures, Document No. 112, from which I now read on page 1:

Assistance for civilian relief, rehabilitation, and reconstruction, valued at $15,300,000,000, as follows: $1,600,000,000 to Russia and its satellites; $9,700,000,000 to aid other countries in western Europe; $2,500,000,000 to four countries of the Far East; $1,200,000,000 to other areas in western Europe, Far East, Middle East, Near East, and Africa; $7,000,000,000 in contributions to International

Bank, International Refugee Organization, and International Children's Emergency Fund, not distributed by nations.

Direct contributions for military assistance, exclusive of the maintenance of the United States armies of occupation:

Military installations abroad, valued at $951,000,000, as follows:

$696,000,000 to Asiatic countries.

$250,000,000 to European countries.

$5,000,000 to South American countries.

But none either to the Soviet Union or to any of the nations that are in the orbit of that country.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. JENNER. The Senator did not include war reparations; did he?

Mr. PEPPER. I included no reparations taken out of Germany for either group.

Mr. JENNER. I think the figures will show approximately the following: That of the $17,000,000,000 we have spent in western Europe for relief, UNRRA, and various other projects, Russia since the war has taken in, in the form of reparations from those western European nations, $12,000,000,000.

Mr. PEPPER. The Senator's information is just as good as mine on the amount of reparations taken out of Germany.

All I am saying, Mr. President, is not that we erred but whether or not there would be any possible justification for the Russians feeling that we had not treated them equally with other allies or as they deserved to be treated. I am saying this, Mr. President, that I believe we would have been better off if after the war we had continued to give assistance to our eastern European allies rather than to have cut it off because we disliked many evidences of their policies. I am saying, Mr. President, that I think we made a mistake when we discontinued UNRRA, which was in the spirit of the United Nations. I remember that Fiorello LaGuardia, a great and good man who has gone to his reward, once head of UNRRA, telling me shortly before his death, as he stated in the United Nations Assembly in December 1946, that if we had continued UNRRA, Stalin had promised him the Soviet Union would participate and contribute. Yet we stopped UNRRA because we did not like what we alleged to be the misuse of some of the UNRRA funds in some of the so-called satellite countries.

I say, Mr. President, getting back to the Marshall plan, it would have been better to have had them misuse a few million dollars than to have our cessation of UNRRA contribute to the necessity of our spending billions of dollars.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield to the Senator from Connecticut.

Mr. BALDWIN. Am I to understand from the Senator's remarks that he is confining his attention to things that we did after the war, or after the cessation of hostilities, which might have aroused distrust of the Russian Government?

Mr. PEPPER. That is correct.

Mr. BALDWIN. I wonder if the Senator recalls that while the war was on and when we were just entering it and had a tremendous task of our own, the report of Ambassador Standley and the reports of Cardinal Spellman were to the effect that a deliberate attempt was made by the Russian Government to disguise the fact that goods and materials and weapons and munitions of all kinds were coming from the United States to support them?

Mr. PEPPER. Yes; I remember that.

Mr. BALDWIN. I wonder if the Senator recalls that our jeeps which were painted with army insignia were repainted and the red star put on them. The same was true of our planes, the same was true of everything that we sent them. If I recall correctly in our newspapers and in reports to our own military headquarters and to the State Department, in instance after instance the Russian Government played down to her own people the efforts of friendship and good will which we were making toward them, deliberately to disguise the fact that this great Republic was able to come and did come to their aid.

Mr. PEPPER. Yes.

Mr. BALDWIN. What does the Senator say about that as producing misunderstanding?

Mr. PEPPER. I shall be very glad to remark about that. The Senator recalls the same things that I do, as stated by Admiral Standley. I also recall that steps were taken to try to see to it that knowledge was given to the Russian people of what we were doing. I say this, Mr. President: I think the Russian people were never in doubt about the material value of the contribution being made by the United States of America. Mr. President, if you will ask any visitor to the Soviet Union, as late as the end of the war, or for a while after the war what the reaction of the Russian people toward the United States of America or to any decent American was, that will be the best evidence that there was not an effective concealment from the Russian people of what America had done to help them save themselves as well as ourselves.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. PEPPER. The Senator will allow me just a moment. The Senator will probably also recall the testimony of our Ambassador Harriman that when Franklin D. Roosevelt died, a great host of 100,000 or more Russians gathered in front of the American Embassy and a block away from the Kremlin with tears in their eyes and hoarse notes in their voices, to sorrow with our Ambassador upon the passing of not only America's President but their friend.

The Senator will also recall the testimony of the Ambassador as to the personal exhibition of grief given by Stalin himself. I remember, as do other visitors, that all an American had to do was to say to a Russian group, "Russki, Americanski," and Russians would beam in appreciation of what America had done to help them stop the Nazi horde from destroying them. I also recall the personal testimony to me of the members of our UNRRA mission in White Russia, who testified that they did get free opportunity to distribute our UNRRA supplies; that our goods were marked as the law required that they be marked; that the people knew from whom they were coming; and that the Government cooperated with us in disclosing to the people that this was the benefaction of the United States of America.

Mr. BALDWIN. Mr. President, will the Senator yield further?

Mr. PEPPER. Yes; I yield.

Mr. BALDWIN. The Senator will recall that that was only after protest on the part of our Government to the Russian Government. Does the Senator also recall the difficulty that we had after we were in the war in making arrangements for shuttle bombing, the reluctance shown by the Russian Government to permitting our bombers to fly over Germany and bomb Germany, land in Russia, or between the Russian lines, then turn around and come back?

Mr. PEPPER. The Senator also recalls to my mind the difficulties in those negotiations. But the Senator himself, I am sure, will recall that the negotiations were finally successful, that finally the bases were allowed, finally our planes did shuttle to and fro, and contributed undoubtedly to the victory which we got in a common cause against the common enemy.

The Senator must not misunderstand me. I have in no sense of the world intimated that the Russian Government, and the Russian people for that matter, are not difficult to get along with, that they do not commit deeds of dastardly character, that they do not commit errors, that they do not have bad manners, and, it seems to me, sometimes, seek in some way to make themselves offensive. I am not saying we did not have all manner of difficulty in working out our differences. But I am saying that we did struggle along and worry along and muddle along and get through the war with remarkable unity, when we had the policies of Franklin D. Roosevelt, when we had the good faith that this Government under him exhibited to those people as dominant in our conduct, when we had the good-neighbor policy uppermost in the motivation of our country's attitude and actions. I am hoping Mr. President, that we can recapture some of that confidence, that we can induce them not to regard us with suspicion and fear and enmity, but that they will realize that we want to be their friends, that we are trying to cooperate to rebuild the war-torn world, that both of us can live in the same world, and must live in the same world, and that war is unspeakable folly for both of us.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BALDWIN. Mr. President, I should merely like to make a brief statement, because I want to make my position crystal clear. During the war years we had, in Connecticut, a program in connection with which school children in my State opened up correspondence with school children in Russia. Letters were exchanged back and forth, and they were translated. I thought that was an evidence of excellent good will. But, come the end of the war, that stopped.

Let me say to the able Senator from Florida that it seems to me our difficulty

is not with the Russian people as such; our difficulties and misunderstandings, if there be such, are with the Russian Government. I am firmly convinced that if American citizens could get behind the iron curtain, if correspondence, business and otherwise, between their people and ours could be opened up again, and if the common people of Russia could only have a chance to understand us, there would be in due time a lessening of the misunderstanding of which the Senator speaks. But the point I want to make is that because of the policies of the Russian Government, our people, who want to be friendly, and who have tried their best to be friendly, are denied that opportunity. That is the basis of the misunderstandings of which the distinguished Senator speaks.

Mr. PEPPER. The Senator is no doubt correct. That is the system against which we array ourselves; that is the system we try to break down; that is the policy we are trying to change. That is what we are complaining about. But what I am asking, Mr. President, is this: Shall we beat down that difference by force, by threat, by the exertion of our own power, without some kind of invitation to them which might look like the hand of friendship and understanding? It may be that they have felt that our Government has taken a very wrong attitude toward them, not only since Czechoslovakia, not only since Rumania and Bulgaria but long before without their provocation. They may possibly feel that when American troops went with British, French, Japanese, and other troops into their country during their revolution, during World War I, that was not the sentiment of the American people, but it was the conduct of the American Government. The ordinary layman who simply reads the daily newspaper or listens to the daily radio commentator, forgets that long before Finland, long before the Balkan difficulty, long before Czechoslovakia, American troops invaded Russia. So did British troops, French troops, and Japanese troops, and so did many other troops, simply because the Communists in Russia had seized power from other Russians. We thought communism was a danger to us, and we were willing to enter their country to try to destroy the government in power by force of arms. Possibly they have not forgotton that. Possibly they think we have had some ideas regarding them which were not justified and which possibly our own people did not altogether share.

Mr. President, injury will sometimes linger for a long time in a man's heart. I knew of a case in which a certain man killed another man and kicked the victim's little boy off a freight train in a certain part of my State many years ago. The little boy who was kicked off the train by the bully harbored in his heart the thought that that man had killed his father and had kicked him off the freight train. Twenty-five years later I drove up in front of the courthouse of a little town. The grand jury was sitting by the window in the room nearest to the street. As I drove up, the boy who had been kicked off the freight train, who was then a police officer in that little town, had just shot and killed, upon the first sight he had had of him, the bully who had killed his father and had kicked him off the train. He had never forgotten. Evidently he said in his heart, "If I ever see that man, I will kill him." That incident happened 25 years ago.

It may be that the Russians have had wrongs in their memories. They probably think we did things that should not have been done.

What I am speaking about, Mr. President, is the question whether hope is lost or whether it is still possible to find some basis of reconciliation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Illinois.

Mr. LUCAS. I have listened for an hour and a half to the Senator, and he has made a magnificent address. I was wondering when he would offer some suggestions with regard to our getting along with the Russians.

Mr. PEPPER. If the Senator will allow me, I shall now try to reach that point.

Mr. LUCAS. I hope the Senator will, because he has laid a wonderful premise and a fine foundation. I should like to know exactly how we can get along with the Russians.

Mr. PEPPER. I thank the Senator very much.

I have here the article to which the Senator from Idaho [Mr. TAYLOR] referred a few days ago. It is the thirtieth chapter of the Memoirs of Cordell Hull. I wish every Senator would read it. We talk about the effrontery of the Russian invasion of neighboring countries and her interference with their internal affairs. In this article former Secretary Hull tells the story of how Mr. Winston Churchill's government proposed to the Soviet Union in 1944 that the Soviet Union exercise dominant influence in Rumania and that the British Government exercise dominant influence in Greece. Later it was the Russians, not the British, who inquired of us whether we approved of it, and later Mr. Churchill—and that appears in Mr. Hull's language—said he applied that principle not only to Rumania and to Greece, but also to Bulgaria and to Yugoslavia.

I shall read a few lines of Secretary Hull's testimony. He says:

> The President replied on June 30, simply enclosing paraphrases or extracts of the messages which had been exchanged between himself and Mr. Churchill.
>
> These included the message to Mr. Churchill—

That is the President's message—

> which we had drafted in the Department and I had sent the President on June 17. He had dispatched this to the Prime Minister on June 22. In it he said that he was a bit worried and so was the State Department concerning the Balkans. He said that frankly we were disturbed that the British took the matter up with us only after they had presented it to the Russians and the latter had asked whether we were agreeable to it. He said that in the future he hoped matters of this importance could be prevented from developing in this way.
>
> The Prime Minister replied on the following day, June 23, that he could not admit that he had done anything wrong. Three people in different parts of the world, he remarked, could not work together effectively if each had to keep the third informed of any suggestion to either of the others.
>
> Mr. Roosevelt replied to this on June 26 by saying that it would seem to him that each of them had inadvertently taken independent steps in a direction which they both now agreed was for the time being expedient. He emphasized that it was essential that they should always be in accord on questions bearing on the Allied war effort.

I continue to quote Secretary Hull:

> Events fully justified the apprehensions we entertained over the Anglo-Russian arrangement which duly entered into effect following the President's acquiescence. When Prime Minister Churchill and Foreign Secretary Eden went to Moscow in October 1944, to see Stalin and Molotov, they extended the arrangement still further, even reducing to percentages the relative degree of influence which Britain and Russia individually should have in specified Balkan countries.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. Whatever merit or demerit may be attached to the suggestion of Prime Minister Churchill as described by Secretary Hull with reference to the use of dominant influence in different countries, does the Senator believe that Mr. Churchill's suggestion embodied the idea, either in Rumania or in Greece, that all political opposition to the existing government should be obliterated by executions, that a free press should be denied to the people, that the entire school system should be changed and the school books to which the Rumanian people and the Grecian people had been accustomed for generations should be completely barred and new school books teaching the philosophy of communism should be substituted, and that lifelong professors in universities in Rumania and in Greece should be discharged because they did not accept the theory of communism? Does the Senator believe that the sort of dominating influence which Mr. Churchill had in mind in making this suggestion—to which I am not giving my approval—is the sort of domination Mr. Churchill had in mind as to Rumania or as to Greece, the execution of political leaders because they opposed the policies of the government which had been superimposed upon them; the Senator would not say that is the sort of domination Mr. Churchill had in mind, would he?

Mr. PEPPER. No; the Senator would not say that or imply it, although the Senator would say that the facts are, as Mr. Churchill stated in this article, that the British used guns and tanks and soldiers, and shot down the Communists in Greece on the public streets, and said that they were doing it in the maintenance of the kind of government they preferred. The Senator does not deny that, does he?

Mr. BARKLEY. I am not denying that in these conflicts in the cities between the forces that were supposed to be in control, or seeking to be in control, in a military sense, murder took place, but I am speaking about the systematic destruction of a long-existing civilization, in a progressive country devoted to the ideals of democracy, by ruthlessness, by brutality, by a cynical and diabolical

brutality which we certainly do not approve, and which Mr. Churchill did not have in mind in making the suggestion, however improper it may have been in the sense in which he made it. I do know that those things have taken place in that part of this territory which was assigned to Russia even by Mr. Churchill.

Mr. PEPPER. Mr. President, I thoroughly agree with the Senator that Mr. Churchill never contemplated or envisioned or intended to acquiesce in the extremes to which the Soviet Union went in the countries where it has manifested its diminishing influence. At the same time, I would not say that the record of the British Government in its own imperial policies has been free of violence in the execution of its own policies in maintaining its colonial imperialism in many of the nations and places of the earth.

Mr. BARKLEY. Nor do I; but the Senator has been proceeding with a comparison between methods of the Soviet Government and the United States, and that is really the question, it seems to me, about which the Senator has made his very able speech.

Mr. PEPPER. Mr. President, if the Senator will allow me to go back just a moment, I wish to come to the concluding part of my remarks. I started to say a few moments ago, before I was diverted, that I am supporting the Marshall plan embodied in the bill, but I am saying that that plan is going to fail unless we can find a way to alter the policies of the Soviet Union and the United States of America, first, because the leaders will have to have the support of the working people and of the political parties generally in their countries to do the things they are obligated to do in the agreement they will sign as a condition precedent to getting the money.

Second, one of the assumptions is the resumption of trade between eastern and western Europe. If we do not get that trade resumed we will have to continue to pour billions of dollars worth of our goods and services into western Europe.

The third assumption is that we have to revive multilateral international trade. That means that Europe has to be able to sell in the channels of world commerce and to buy from those same channels. That means that all nations have to work together to rebuild world prosperity, not against one another to prevent recovery in any part of the world.

Another assumption is that southeast Asia has to make its own contribution to world recovery, to pour its own unique products and rare raw materials into the channels of world trade. That is conditioned, first, upon political stability, and I hope freedom to those people from the colonial oppression of old western European powers; secondly, economic stability, which should come in the wake of political stability based upon freedom for those people. The last assumption is a stable and prosperous economy in the United States of America.

Mr. President, that is the list of assumptions of the European Cooperation Committee itself, and if we want the plan to succeed, we not only have to pass the pending bill, but we have to try to make those assumptions come true.

Mr. President, the question is asked, quite naturally, how are we to do this? Again I say it is a problem in human relations. It is a problem in the cultivation of human good will. It is a problem in an analysis of differences, an attempt to find the motivating cause of conflict. It is the kind of exacting challenge which commands that each of us reexamine, in the face of the solemn alternative to our failure, our own policies, to see if they may not possibly be reconciled.

Mr. President, I voted here a few days ago for the amendment of the Senator from Idaho [Mr. TAYLOR], and of course the press immediately said that I was merely following, as usual, the Wallace line. There used to be many people who, if I happened to vote for things I felt an essential part of a liberal program, said I was merely being a "yes" man for Franklin D. Roosevelt. At one time I read here on the floor of the Senate, as I shall now, a paragraph from a letter I wrote December 22, 1928, to the then Governor-elect of New York, who had sent out a letter to members of State Democratic executive committees as to what they thought should be the policy of the Democratic Party. As a young man of 28 in a law office in my little town, I was giving my advice. This is in part, what I said:

> I am convinced, however, that we shall not have our greatest success until we make more perfect in the public mind the concept of what our party is and at what it aims. For one, I want the Democratic Party genuinely to become the liberal party of this Nation. I want it not to compromise upon that matter, because we cannot go to the people with conviction in our eyes unless we are sincere in our liberalism—in our belief that right in this respect is the conferring of the greatest good upon the greatest number. To do that it shall be necessary that we do declare ourselves, that we shall lose some of those who are now with us. They are appreciated; they are as noble as we, but they cannot go with us in a straightforward policy of liberalism in politics. We must stand for principle and not election always. We must be so firm in our allegiance to a utilitarian political philosophy that the people of this Nation shall know upon whom to call when they are convinced that that philosophy is right. Straightforwardness, honesty, and clearness of statement, sincerity of purpose must characterize our party's relation with the public.

I did not just lately come to be a New Dealer, because the recipient of that letter 4 years later got to be President of the United States, and the writer, a few years later still, came to enjoy the honor of membership in this great Senate of the United States.

Mr. President, I am not a new addict to the faith of the United Nations Organization. I believed in it from my boyhood, when it was first enunciated as a League of Nations out of the great understanding heart of Woodrow Wilson. I shall never miss an opportunity in the Senate to vote for anything that contemplates greater power and prestige and dignity for the United Nations Organization, and I do not seem to be alone in that.

I have in my hand an article from the New York Herald Tribune of March 4, 1948, entitled "What People Are Thinking," by Elmo Roper, one of the recognized poll takers of the United States. I think it is generally admitted that Roper and Gallup are the two most responsible poll takers in the United States. The headline is:

> People of the United States still strong for UN. These are days when the United Nations is on trial for its life. Foreign Minister Ernest Bevin's recent proposal for a union of western European nations would set up a new world organization separate and apart from the United Nations.

Then Mr. Roper speaks of a poll taken by Fortune magazine in January of 1947 and again in December 1947. The question asked was:

> Which of these four statements comes closest to expressing your views?

The first question was:

> America should give up trying to build any kind of international organization and instead form separate alliances with friendly nations.

The affirmative answer in January 1947 was 9.9 percent. The affirmative answer in December 1947 was 9.5 percent.

The next statement was:

> America should continue to count on the United Nations Organization and do all it can to make it work.

The affirmative answers in January 1947 were 55.2 percent, and in December 1947, 55.3 percent.

The next statement was:

> America should go a step further and start plans for a world government in which various countries will become member states.

The affirmative answer in January 1947 represented 16.4 percent, and in December 1947, 19.6 percent.

The last statement was:

> Can't choose between second and third alternatives.

The affirmative answers represented 3.2 percent in January 1947, and 4.1 in December 1947.

Over half of those who were interested said:

> We believe America should continue to count on the United Nations Organization.

Mr. Roper in his article said:

> But the mandate from the people to the statesmen who represent us in the councils of the United Nations would seem to be: Make the UN work. Let it enforce the peace. We are counting on it to avoid future wars.
>
> Today, in an hour of crisis, the leaders of the United Nations can take some comfort in knowing that they have the support of the majority of the American people. In a day of doubtings, such a clear-cut vote of confidence should raise real hope for a lasting peace.

So the first thing I propose is that we try more diligently and patiently to use the United Nations Organization; that we not too soon become discouraged; that we not so often bypass it and then say that what we do unilaterally we are doing in order to strengthen the United Nations Organization.

I have here direct from the Secretary General of the United Nations the evidence as to the United States and Britain breaking up UNRRA. That was the co-

operative plan of economic assistance. But it did not make any political distinction in the countries to which aid was extended. Here is what we solemnly promised when we set up a unilateral aid plan, and abolished the UNRRA. This is the resolution adopted by the Assembly in December 1946:

> Reaffirming the principle that at no time should relief supplies be used as a political weapon, and that no discrimination should be made in the distribution of relief supplies because of race, creed, or political belief.

We violated that. We violated it in the interim-aid bill passed in the special session. We are violating it in this bill because all over the world there is the crying need of other people for help, people with low-calory diets, with bankrupt treasuries—an impoverished people.

Are we helping them by this bill? No; they are not a satisfactory weapon for us in an ideological cold war. They are not strategically important. That is the reason I said when the interim aid bill was up in the special session: Yes, it is good to help Austria and France and Italy, to feed their hungry people. But why stop with Austria and France and Italy, if they are not the only hungry people in the world? Today I say, it is good to help the 16 western European nations, but why just 16? Why not more when the need in so many other places is even greater than in western Europe?

Mr. CORDON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CORDON. Was not the original offer under the Marshall pronouncement made to many other nations besides the 16? Were not the 16 the ones who accepted?

Mr. PEPPER. I am glad the Senator asked that question. If I recall the chronology of events, this is what happened. General Marshall made his speech on the 5th of June at the Harvard commencement. He did not mention any nation by name. A few days later the question was asked as to whether he meant to include Russia, and the general said that he did intend to include Russia.

Then what next happened? Foreign Minister Bevin of Britain and Bidault of France met in Paris to discuss the crucial proposal. They conferred in Paris 2 days. Then they sent for Molotov.

Now suppose this was a plan for the aid of the Western Hemisphere by some great nation in Europe, let us say Britain, at her former imperial financial strength, and suppose representatives from Canada and Mexico had met and talked about it for 2 days, and then sent for the representatives of the United States.

The next thing I know is from the press, and from a man who is a radio correspondent, who was in Paris at the time. Molotov came to Paris with 80 or 90 experts to that meeting. He accepted the invitation of Bevin and Bidault. He stayed 2 or 3 days, and left, evidently indicating a break-up in the conference, and the nonparticipation of the Soviet Union in the plan. I do not know what was said. But it is barely possible that two of the three laid down the conditions of the plan. Did the United States Government, which had to put up the money, lay down the conditions of the plan at that time? It looks to me as if western Europe wrote the ticket then.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. After General Marshall made his speech in June suggesting that the European nations get together, it of course, became incumbent upon somebody to issue an invitation to all those nations. I do not know that any one foreign minister had any greater authority than another to issue such an invitation, but it had to be issued. It is true that Mr. Bevin and Mr. Bidault conferred in Paris with respect to the invitation, as to who should issue it, and decided that it should be issued by the foreign ministers of the countries involved, especially those having representatives in the Council of Foreign Ministers in Europe. Of course, that excluded our own Secretary of State. So they invited Mr. Molotov with the view of extending this invitation to all the nations of Europe by the three foreign ministers.

I do not know what happened in the conference. Mr. Molotov left. Then Bidault and Bevin issued the invitation to all the nations, including Russia. It is a little difficult for me to understand why Mr. Molotov took 90 experts along to determine whether an invitation should be issued to all the nations of Europe to get together to see what they should do about this matter, but perhaps that happened. But I think it ought not to be overlooked that it was felt that the foreign ministers who had been participating in all these conferences, and were a part of the Council of Foreign Ministers in Europe, should issue the invitations, and when Mr. Molotov declined, the other two issued the invitation.

Mr. PEPPER. Mr. President, I thank the Senator from Kentucky. But let me make a few relevant observations. In the first place, at the very time that General Marshall made his speech there was an existing organization functioning in Europe under the United Nations Organization, the European Economic Commission. I am just suggesting possibilities. Suppose that the United Nations Organization had issued the invitation. It would not have seemed very becoming to Britain and France if Russia alone had issued the invitation, probably. And before an invitation was issued, would it not have been a good idea, whether it was Mr. Bevin or Mr. Bidault who suggested the meeting, for the other member of the Big Three to have been invited to the first meeting?

There is always an idea on the part of the last man to arrive in that kind of a conference that his neighbors have been talking about him before he got there. I am saying that if you want to get along with one of your neighbors, had you not better act in such a way as to try to avoid the forming of suspicion in his mind that you are making common cause with another neighbor to determine what the three of you will do?

Mr. President, I do not know why Mr. Molotov went there with 80 or 90 experts. He might have gone there with nothing in the world but the base purpose of wrecking the conference. I do not know. On the other hand, he may have gone there with the utmost earnestness, to try to participate in the conference and make it succeed by taking his experts along with him. I do not know; but I do know that it was not the United Nations Commission which issued the invitation. Whoever brought up the subject of a conference did not invite all of the Big Three to the first talk. Evidently Bevin and Bidault laid down the conditions of participation. Molotov apparently felt that he could not go along with it, and he took his experts and went home.

Furthermore, it was not the United States that issued the invitation. It might have been better, to avoid suspicion on the part of anyone, if the United States had issued a public invitation to all of them to come and sit down together and formulate a plan of cooperation and self-help, with the assurance that we would lend aid if we felt the situation justified it.

Again, I am saying that sometimes a little slight, an unintentional misdeed, may provoke an attitude of suspicion which may tend to bring about conflict and not cooperation between nations as well as among individuals.

I first said that I thought we should use the United Nations more, and recognize that it cannot in a few years make over the world. In my opinion we have been too impetuous about the United Nations, expecting it, which is an association of powers, to perform the functions of a successful world federal union. It may become that, but it was not created as such, and it is not that now. Let us quit bypassing the United Nations.

We are in Greece alone, unless it can be said that we are cooperating with the British. There is no "U. S." on one shoulder of our soldiers who are there as advisers and in other capacities and a "U. N." on the other shoulder. There is only a "U. S.". No other nation on the face of the earth, except Britain, has soldiers there as advisers with us. No other power that I know of has soldiers in China except the United States. They have "U. S." on both shoulders, and not "U. S." on one shoulder and "U. N." on the other. The same thing is true with respect to many other nations.

Could we not have got one other nation to go with us in the Greek aid? We are giving it all. Could we not have found one other member of the United Nations which also wanted to preserve the independence of Greece? If we had to send our soldiers anywhere, why did we not rally those in the United Nations who would go with us to save the union of nations, and go to the border between Greece and her neighbors and say, "We will stay here, by force of arms, if need be, to see that aggression is not committed across the border." If eventually we shall have to come to that, we shall be there by ourselves when the shooting starts.

So I say that we have erred—unintentionally, no doubt—in bypassing the

United Nations as we have done. As late as the early part of March Mr. Elmo Roper said that the American people felt the same way.

Second, I would do what Mrs. Roosevelt suggests. The headline on her column of March 11 is "I think we need a new start on making peace." The article reads as follows:

I THINK WE NEED A NEW START ON MAKING PEACE

HYDE PARK, Wednesday.—I find myself talking and thinking these days primarily of the things which are wrong in the world.

The only really cheering thing in the news of late was that an agreement to internationalize the Ruhr was reached at the London conference of the western powers, and that our Ambassador to Britain, Lewis W. Douglas, said Russia could be a party to this agreement if she so wished. Promptly, however, Russia stated that this internationalization was a plot designed to make the Ruhr a weapon against Russia.

This shows how differently we and the Russians view things. I had thought that this would be a safe way of treating this particular part of Europe, which has potentialities for misuse but which also can be used to control the recovery of Germany so that that nation can be prevented from being a menace to the rest of the world. This shows that, no matter what happens, we can see it from diametrically different points of view.

I have come to the conclusion that a new start should be made. The heads of the governments of the great European powers and of the United States of America should meet again, this time determined to talk truthfully to each other.

It would probably be necessary for the head of our Government to admit that there are groups of people in this country who, for financial reasons or because of a political point of view, might be willing to go so far as to jeopardize the peace of the world, thinking that they were assuring greater future security to this Nation. But this is not the feeling of the great majority of our people, our leader would have to explain. They want peace—but not peace at any price. They are prepared to arm on a realistic basis and to use their strength in a military way if necessary, but they would much prefer to use it in an economic way to help rehabilitation.

Wanting peace with honor and wanting it on as permanent a basis as possible, our people would expect justice to be done to the smaller nations of Europe. And they would require that those nations be given freedom from the political and economic pressures now held over them by the U. S. S. R.

One would hope that the heads of other nations would be as honest in their statements. And one would expect them to agree that defensive alliances on all sides must stop and that some kind of United Nations police force must be set up.

The deadlock over the control of atomic energy cannot go on forever, since without its settlement suspicion can never be allayed. I would choose the wisest and most conciliatory representatives from each of the nations—

That would include our own—

to sit down together until they could find a solution to present to the UN as a joint position.

The fate of the world is at stake today. Future men and women, who are now children and hence unable to act in their own interests, depend on what the statesmen of today can be made to do by the responsible citizens of the various nations. We, the United States, must have a clear cut policy and stick to it—not vacillate as we have on Palestine, nor talk belligerently and then act with fear, as we have been prone to do on occasion.

Mr. President, I think Mrs. Roosevelt is right. But it is going to require a new point of view on the part of our own leaders, as well as the leaders of the Soviet Union, to get into the frame of mind which will make possible mutual concessions and the reaching of decisions which can save both of us from the devastations of war.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KNOWLAND. I should like to ask the able Senator from Florida if the effort to meet on common ground, about which the Senator has been talking, does not run into some of the same difficulties which those who believe in freedom in the satellite countries encountered when they tried to meet on common ground with their domestic Communist parties. The Senator from Florida will recall that under the pressure of the western powers Mikolajczyk went back into Poland in order to set up a combined Polish Government of national unity. I believe that he made a sincere effort to get along in a government in which the Communist ministers dominated. Not very long ago—as a matter of fact, within 10 days of the time I left Poland—Mikolajczyk had to flee for his life.

In Rumania, Maniu tried very desperately to meet on some kind of common ground, and to get along with the local Communist parties in Rumania. Mr. Maniu, an able statesman who had a long record as a democrat in his nation, is now languishing in prison for the rest of his natural life.

In Czechoslovakia, Masaryk is being buried today. He tried to get along in a government in which the Communist ministers dominated.

And over in Bulgaria today, lying beneath a cross in a potter's field, is the body of Petkov, the democratic leader of that country who tried to get along with the Communist parties in his nation.

When we have before us the experience of those who tried desperately and sincerely to get along and work with the Russians, and when we see those examples before us, and when we have seen how time after time Russia has violated her sacred agreements in which she guaranteed that nations would have an opportunity to express their free choice in elections in setting up their own governments, I say we have reason to wonder whether the type of appeasement that the able Senator from Florida is discussing would work if it were tried.

As one Member of the Senate, I am waiting very anxiously for the able Senator from Florida to continue his address to the point of presenting some specific proposals as to how he thinks we can meet the demands or the desires of the Russian Government, and what price we may have to pay in order to get along with them.

Mr. BARKLEY. Mr. President, will the Senator from Florida permit me to add a word about a more recent category? In the morning newspapers——

Mr. PEPPER. Mr. President, it is difficult to add anything to what has been said by the Senator from California, but the Senator from Kentucky always adds something valuable.

Mr. BARKLEY. We are familiar with what has happened recently in Finland, in respect to the invitation extended by Stalin to Finland to form an alliance with Russia. The Finnish delegates are now on their way to Moscow. In the morning newspapers we are told that the Communists in Finland are preparing to charge those who object to that, with treason.

Mr. PEPPER. All right. I say, in the first place, that I doubt whether either of them would make a qualified delegate to a conference where conciliation between this country and the Soviet Union was the objective.

Mr. BARKLEY. I would not make a qualified delegate——

Mr. PEPPER. Mr. President, I decline to yield until I finish my statement.

I am saying that if we do not find a way to get along, instead of a political leader in Bulgaria being buried in a potter's field, and a Masaryk being buried in an honored grave, there will be millions of Russians and Americans scattered in corpses all over the face of the earth.

I am saying to the Senator that when the United States of America, rearming itself, marshaling the decent nations of the world to its side, gets ready for a show-down about international policy, it does not sink to the impotent position of an unarmed political leader in a satellite country. I am not talking about a Maniu in Rumania, caught between two sides, but I am speaking about the armed might of the democratic world arming itself for a decision, but, before it comes to the brink of conflict, contemplating the awful consequence of failure, it reexamines the issues and sees whether there is still some hope of agreement. I am saying that the attitude that is often expressed today, not always outside the United States Senate, contemplates no possibility of accord, and it has no alternative except to go on to the brink of disaster, not only for Russia, but for us.

I am not so much concerned about what happens to Russia; but I voted one time, as did other Members of this body, a vote which sent nearly half a million Americans to a premature grave; and any political leader who is not a betrayer of his country and the dead whom he would send to war owes the utmost of exertion to see whether there can be the possibility of peace.

I am saying that in the past things have occurred that have widened our differences; that we are a different kind of people; and that has made it all the harder for us to get together.

I am going to say something else, and I say it in all kindness: Of all unfortunate times for a conservative sentiment to come to power in the United States, it was when we had the deal with the next largest power, a Communist country. I am saying that the point of view then, makes a difference in statesmen. I am saying there was a violence of dispute and conflict between the United States and this same Soviet Union under three Presidents, but that was reconciled under a fourth President, Franklin D. Roosevelt, within 6 months of his coming to power; that when a new Secretary of

State and a new President, with a new point of view, began to examine and reexamine that conflict, they found, not a dishonorable means, but an honorable means of establishing accord and cooperation, which culminated in our joint effort against the dastardly Nazis, and won for us the greatest victory in all times.

I believe in my heart that if Franklin D. Roosevelt had not had the understanding that led him to try to bring those people into the family of nations, to the council table, World War II might have ended differently, and America, instead of being free today to dispute and to argue her points of view and her policy, might herself be the victim of a totalitarian heel.

I am saying exactly what Arthur M. Schlesinger, Jr., said—and he is well known as an anti-Communist. He is the great author of the Age of Jackson. In reviewing the book World Communism Today, here is what he said:

If they are going to meet communism's great challenge to the values and methods of democracy, the American people will have to learn a great deal more about communism than they know today. Too many Americans seem to prefer phantoms of the imagination to ascertainable facts on this subject; and the result of this flight from actuality is bound to be hysteria in one form or another, whether that of the alarmists or of the apologists. "It is the vague and shapeless," Martin Ebon well says, "which causes fear or panic"—and which causes, he might have added, unreasoning adoration as well.

One way to reduce the hysteria is to slap it in the face with facts—to exorcise the mystery in which communism has systematically shrouded itself. World Communism Today is a highly intelligent compilation of the crucial facts for just such a purpose. Mr. Ebon is a writer and editor who has worked for OWI and for the State Department. The book provides a patient, judicious, and dispassionate report, country by country, of the present state and signficance of Communist activity throughout the world. More than this, it is a valuable analysis of the nature of the Communist challenge—and one which those concerned about Soviet totalitarianism should take into serious account.

Mr. Ebon's viewpoint may be described as that of the non-Communist left. He is firmly against the totalitarianism which appears to be the inseparable comrade of Soviet communism. (One wishes, by the way, that he had used that phrase instead of "world communism" which gives the U. S. S. R. too much credit for internationalism.) But he is also aware that communism spreads, not because of the wickedness of radical agitators, but because of the defects in society which estrange large masses of people from the existing order. Communism is the modern cult; it has filled the "vacuum of faith" caused by the waning of established religion; it provides the sense of purpose which heals internal agonies of anxiety and doubt. "It is the hope to discover a short cut to salvation from misery and want * * * the desperate wish to find a purpose in what seems confusion and emptiness."

I say, Mr. President, that the bill is for the purpose of trying to avoid the spread of communism into western Europe by providing for the rehabilitation of the people of that area, and rightly so. But from the time of the first proposal I have wondered why we limit our aid to western Europe. Why not help the channels of international trade to flow again with the goods and services of a diligent mankind? Why are we merely helping those nations that are forming a buffer state to the Soviet Union? Why have we cut off all aid from eastern Europe when we learn that in order to make the plan itself succeed the countries of eastern Europe like those of western Europe must have their economies rehabilitated?

I am saying, Mr. President, that had we not made the mistake right after the end of the war of determining that we would not give money to anybody whose politics we did not like, we should probably be further along today toward world recovery and peace than we are. We gave Yugoslavia three hundred or four hundred million dollars. We cut off that aid because we said they were misusing some of our funds. But the first thing we knew, we were at dagger's point. I have talked in the city of Washington to official representatives of the so-called satellite countries, and they say to me, "Why do you refuse to help us? We want your help. Why do you not keep pulling us toward you with assistance, with cooperation, and win us back to a cordial cooperation with you?" But no; it has become politically impossible to help a country that has the taint of communism. Not only that, but our leaders are telling us we can no longer hope to crush communism with money; that we have got to do it with arms. And we are getting ready to do it in China. We are doing it in Greece, and it is threatening to lead us to war. I say we have got to disgorge our minds of the idea that we cannot and must not live in a world that is partially infected with communism, but we have got, under a sort of wise leadership, to try to strengthen the economies of all the countries in such a way that they will be an inhabitable residence for the Communist doctrine or a Communist Party.

But, Mr. President, let us take China. It is as good an illustration of our policy as I know. In China a great many people do not see anything but a civil war. They do not seem to appreciate that an ideological and economic struggle is going on in China, that there is a great program of land reform in progress. Yet are we aiding in forcing the anti-Communist government to give the people of China a land-reform program and to give them a democratic character in their government? No. There are certain of our people who would solve the problem just the way certain employers try to solve a strike—send the militia out there and shoot the strikers down. They are going to say, as General MacArthur said, as General Wedemeyer said, and as General Chennault said to the House committee, "It is going to take military effort to crush these Communists." If that is the answer of the American Government, I can tell you, Mr. President, it will not succeed. Neither will the Marshall plan succeed in that kind of world, without war.

Mr. President, following my remarks, I want to put in the RECORD an article entitled "The Sickness of American Culture," by Reinhold Niebuhr, a man who is also an anti-Communist liberal.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. PEPPER. Reinhold Niebuhr discusses the classical liberalistic philosophy dominant today in America. He goes on to point out that neither is that the answer to the problems of the world, any more than is communism or nazism; that we have got to have the state working with the people and leading the people in order to save many of them. Yet a candidate for the Presidency made the proposal to the American people a little bit ago that we should not even give aid to a government in Europe that is socialistic in character. That would have knocked out practically every government in Europe. Why are they socialistic? To survive. Let their economy become abundant again, and they will not have socialization and nationalization and socialism. Yet a man who was candidate for President was so shortsighted as seriously to propose that we ought not to give any aid to a nation that has even socialism.

Mr. President, I have a concrete proposal that I think will make a beginning. First, I said, let us use the United Nations more. Let us be patient with it to the point almost of exhaustion, almost of remonstrance, almost of distaste, and the utmost of provocation.

Secondly, I say let us do what Mrs. Roosevelt said. Let us try to divest our minds in the council chamber of our prejudices, and, as General Marshall said, coolly and calculatingly, on the basis of what is best for our America, again tell these people with kindness and firmness, "Gentlemen, we are on dangerous ground, one with another. A spark might hit this inflammable mass of world opinion some day and throw out such a conflagration as would engulf us all. Gentlemen, is it not time for us to sit down, and for you to tell me what I have done that you do not like? Let me tell you with unmistakable candor what you have done that affronts me, and let us see if we cannot somehow or other restore the unity we once had."

But, Mr. President, we cannot well send to conferences people who have made up their minds on either side before they reach the conference. If they come back finally and say there is no hope, then there is nothing to do except what Franklin D. Roosevelt did one day, send a message to the Congress and ask for billions of dollars more of preparation, to throw every item and element of American strength into preparation, to get ready for war, and tell the world it is inevitable unless there is some change of opinion on the other side. All I ask is that we search our hearts. I ask our leaders whether there is not yet some hope that they perhaps may find a basis of cooperation and accord.

I have a simple amendment that I think would be helpful. I want to read it. The bill carries $5,300,000,000 for 16 nations of western Europe, including Germany. Incidentally, a while ago when we were talking about how other people feel, Mr. President, how do you think Russia and Poland, who gave 20,000,000 dead to defeating Nazi Germany, feel today to see us pouring hundreds of millions of dollars into raising the diet of the very Nazis who slew their loved ones? Yet, Mr. President, I am

saying the bill carries a $5,300,000,000 authorization.

We have one organization under the United Nations that is now functioning. It carries on its work without regard to politics, without regard to the point of view. It is the International Children's Emergency Fund, which was set up by a resolution of the United Nations Assembly on December 11, 1946. Its objectives, stated in the Assembly's resolution, are:

(A) The fund is to be utilized and administered for the benefit and rehabilitation of children and adolescents of countries which were victims of aggression, as well as those at present receiving UNRRA assistance for child-health purposes generally.

(B) The fund shall consist of contributions made available by governments or obtained from voluntary sources and individuals.

(C) The fund, in agreement with the governments concerned, shall take all appropriate measures to insure the proper utilization and distribution of supplies.

(D) Distribution will be on a basis of need without discrimination because of race, creed, nationality status, or political belief.

That organization has existed since December 11, 1946. How much has the United States contributed to it? Fifteen million dollars. We made the condition of our contribution that every time we put up 57 cents other nations of the world all together had to put up 43 cents. Are we asking western Europe to do that? What does the report say?

On December 11, 1946, the General Assembly of the United Nations passed a resolution creating an international children's emergency fund.

In this pamphlet we are told that there are at least 20,000,000 children in the world who need help. What does this plan propose to give them? One meal a day, costing on the average 6 cents apiece, half of which is to be put up by the country in which the child resides, to be administered under an international organization set up under the United Nations. We have contributed $15,000,000.

Mr. President, how much do they say they need? The amount is stated in this pamphlet as follows:

The children's fund believes, however, that the magnitude of the problem requires that provision should be made for a total of 20,000,000 children.

Not English children, not French children, not Russian children, not Chinese children—just, before God, children who are hungry, who are the victims of two wars, and will probably be participants in a third war if the present trend shall continue. I read further:

On the assumption that the interested government provide an average of one-half of the expense involved—namely, $200,000,000, it would be necessary to send into these countries another $200,000,000 in the form of foodstuffs from the food-surplus countries.

The provision of clothing and footwear for children in countries of more rigorous climate, and of cod-liver oil or substitutes, as well as medical supplies for child institutions and clinics, has close priority to food itself.

So, Mr. President, I have proposed an amendment.

On page 25, line 16, after the period, I propose to insert the following:

In order to further carry out the objectives of this act by encouraging and aiding the program of the International Children's Emergency Fund set up by resolution of the General Assembly of the United Nations on December 11, 1946, there are hereby authorized to be appropriated to such International Children's Emergency Fund not to exceed $250,000,000.

That is in addition to the $5,300,000,000 authorized by the bill. It does not tamper with the allocation already made in the bill, but it does two things, or, I should like to say, three things. First, instead of giving lip service to a United Nations Organization it says, "We will give you $250,000,000 without its being matched by other countries, but reserving the duty of the country in which the child is aided to put up half of the cost, and we will help you."

The United Nations is a going organization and is today struggling along with a total of $40,000,000. It received $11,000,000 from UNRRA. It has had $12,000,000 from all other nations of the world. It received $15,000,000 from this country. That is all it has. It is asking funds through private contributions, for what? To give one meal a day, a little medical care, occasionally some clothing and a few shoes to the needy children of the world. That is what it is doing. We talk about good will. Will not the children find out that the aid comes from the children of the United States?

Yesterday afternoon I talked on the telephone to Miss Katherine Lenroot, the head of the Children's Bureau in the Federal Security Agency. She said the plan is getting along well and that the people who are receiving the benefits are cooperating. Five of the cooperating countries are in the so-called Russian satellite sphere. The Soviet Union itself is not cooperating, but five of the satellite countries are participating. I would not bar any nation in the world. They are expanding the program to 12 countries and have added China. But the total fund they have is $40,000,000, and our contribution directly is $15,000,000, so far.

If we want to carry out the objectives of the bill and build a better world and have peace, where could we make a better investment than in the children of every nation in the world, making no distinction as to whether they are black, yellow, white, or brown, but just God's children?

If the Senate of the United States shall pass this bill giving $5,300,000,000 to western Europe, and tell the world at the same time, "We gave $250,000,000 for the next year to the United Nations Children's Fund upon condition that every country where the benefit shall be conferred shall put up half the cost," that would do more to impress the world that we mean what we say about good will than would the $5,300,000,000 which we are to give to the countries of western Europe.

So I say, Mr. President, let us rob the Russians of the propaganda that we will not help anyone who is not politically important to us, that we will not help anyone who does not vote our way, who does not have our views. Let us tell the world that at least when it comes to the care of children who are not responsible for this morass, America is still the America that they see from behind the Statue of Liberty, the America which is holding a beacon light for those who suffer in every part of the world. If we do this we shall show our good faith, support the United Nations Organization, and make a real beginning toward the attainment of peace. I cannot think it is without some Christian significance, because from the Scriptures Christ speaks to us across two milleniums: "Inasmuch as ye have done it unto the least of these, ye have done it also unto Me."

The PRESIDING OFFICER. Does the Senator desire his amendment to have consideration at this time?

Mr. PEPPER. Yes, Mr. President; I do.

The PRESIDING OFFICER. The clerk will read the amendment.

The CHIEF CLERK. On page 25, line 16, after the period, it is proposed to insert the following:

In order to further carry out the objectives of this act by encouraging and aiding the program of the International Children's Emergency Fund set up by resolution of the General Assembly of the United Nations on December 11, 1946, there are hereby authorized to be appropriated to such International Children's Emergency Fund not to exceed $250,000,000.

Mr. VANDENBERG. Mr. President, I desire to take only a maximum of 2 minutes. The children's fund is entitled to the complete and utterly eloquent eulogy from the able Senator from Florida to which the Senate has listened.

The children's fund is a United Nations fund. The Government of the United States and the people of the United States are paying between 40 and 70 percent of all the expenses of the operations of the United Nations, depending upon the particular mechanism which may be involved.

It is a very unfortunate precedent, not only for us, but for the ultimate stability of the United Nations, if we are ever to start the habit and practice and precedent of making extracurricular—if that is a correct term—appropriations for any of these United Nations organizations. I think it would be a most unfortunate precedent.

In the present instance I desire to yield to the Senator from New Jersey, who is even more intimately related to this particular project, because he too has given it the same kind of splendid loyalty as has the Senator from Florida, and I think he has a direct word to give to the Senate respecting the viewpoint of those who are actually operating the fund.

Mr. SMITH. Mr. President, the Senator from Florida is correct in stating that on December 11, 1946, the United Nations set up the so-called International Children's Emergency Fund.

I yield to no one in my enthusiasm for the children's fund. After World War I, I was closely associated with Mr. Herbert Hoover in the relief for the children of Europe. The present fund was actually suggested by members of the old organization for relief, and immediately after the fund was set up, Mr. Maurice Pate, who has had experience for years in directing relief operations, was asked to head the fund. I have been closely associated with him ever since it was set up, and I have done all I could to cooperate.

Immediately after the suggestion was made a day or two ago that the Senator from Florida intended to offer the amendment he has presented, naturally I was deeply interested, but I wanted to be sure that there was no complication with the present organization of the fund and what the fund was doing. I wanted to be sure that if an amendment like this were offered, it would be relevant to the bill before the Senate.

After getting the best advice I could from the officers of the fund, from the members of the State Department who have had all these relief measures in hand, and the members of the Committee on Foreign Relations who have been studying the pending measure, Senate bill 2202, it was our considered judgment that an amendment of this kind was not appropriate as an amendment to the pending bill.

As I reported only yesterday to the Senate, after conferring with the officers of the fund, I was advised that the House is presently considering a new amendment, which will extend the provisions of the existing law covering the United Nations fund until the end of fiscal year 1949. I emphasize that this children's fund is a United Nation's undertaking. The amendment provides for a new matching formula, which ultimately provides for a total of $200,000,000 to take care of the program from the beginning of its operations through fiscal year 1949.

The whole activity has been organized, and the countries are prepared to proceed. It is true that up to date it has gone slowly. We have contributed only $15,000,000, and our whole program calls for a total of $100,000,000, I think the amount is, through the next fiscal year, and also a corresponding dollar-by-dollar matching by the other nations which are in the fund, and which are as eager as we are to see it carried out—making the total of $200,000,000 referred to above.

With the facts before me, I called up the President of the fund today, who is at Lake Success, and he was discussing this matter only yesterday with his colleagues there. I can report officially that he asked me to request that this amendment be withdrawn, because the United Nations International Children's Emergency Fund officials prefer the other method of financing it.

I called this matter to the attention of the Senator from Florida, and requested that he withdraw the amendment, because I was urged by the officials of the fund today not to have the amendment attached to the pending bill. They fear it would upset the plans they have for the orderly organization for the program they have developed with the State Department, and the program they have developed with the cooperating nations. Therefore it is my request of the Senator that he withdraw his amendment, to the end that we can cooperate with this very worthy group which has been working on this matter since the 1st of January 1947.

Mr. PEPPER. Mr. President, will the Senator tell the Senate the alternative plan for getting the funds that is under consideration, how much more is expected from this alternative proposal?

Mr. SMITH. I will read the Senator what I read into the RECORD yesterday, the official statement prepared by the committee. I read from the RECORD of yesterday:

> It is my understanding that the House is presently considering a new amendment which will extend the provisions of this law until the end of the fiscal year, June 1949.

I have been in conference with Representative HERTER, of the House, who has charge of the matter in the House, and he is as deeply interested in this subject as is the Senator from Florida or myself. I read further:

> This amendment will provide for a new matching formula by which not more than 50 percent of the total resources available for all programs under the supervision of the fund will be contributed by the United States. For every United States dollar made available to the fund, other governments must have contributed the equivalent of 40 cents for use in programs outside their borders and the equivalent of 60 cents for use inside their borders, in addition to the existing ration.

Mr. PEPPER. Mr. President, I did not understand how much money was in process of consideration by the Congress for this fund.

Mr. SMITH. There will be a total, from the beginning——

Mr. PEPPER. I am not talking about from the beginning. We have given $15,000,000, and we all know that. How much more of an appropriation is under consideration at the present time by the Congress?

Mr. SMITH. We will need an additional $60,000,000 through the fiscal year 1949, plus the balance of payments we owe under our present commitment, a total of $100,000,000.

Mr. PEPPER. It is over 15 months that is contemplated, and how much must be matched by other countries under that proposal?

Mr. SMITH. The same amount, to make a total of $200,000,000.

Mr. PEPPER. Fifty percent has to be put up by other countries?

Mr. SMITH. That is correct.

Mr. PEPPER. The country in which the aid is given has to put up some more?

Mr. SMITH. Not in addition. It is a matching program, total matching, a dollar for each dollar we put up.

Mr. PEPPER. If the Senator will allow me, in the first place, I had some contacts also before I offered the amendment, and the reason why these gentlemen do not want the Senate to vote on this amendment today is because, with prescience, perhaps, they contemplated that the Senate would kill it, and do not want it to get that unfavorable vote in the Senate. They know we are not going to give the children that money. That is what they know. They know they have to beg and plead to get a miserly little addition to the amount we have already given them. They know the Senate has in the past been more interested in helping the big plans, where there was something else involved than just appropriating money for helping starving and dying children. That is what they know. They do not want the Senate to vote today, because they anticipate that they will get an unfavorable vote.

Mr. SMITH. Mr. President——

Mr. PEPPER. If the Senator will allow me to say one more thing, I have a book in my hand——

Mr. SMITH. Will the Senator yield?

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. SMITH. The Senator is reflecting on those who are at the head of this fund. I have talked to the president of the fund, and the executive secretary, and I asked them——

Mr. PEPPER. Did the Senator ask them whether they would like to have the $250,000,000 if we should vote it?

Mr. SMITH. They might like to have $400,000,000.

Mr. PEPPER. Oh, yes.

Mr. SMITH. Let me say further that the program definitely is being worked out by the United Nations through the International Children's Emergency Fund, and I am advised that if action like this is taken by us today it will break down all their plans for international cooperation, which is a vitally important matter if the plan is to be carried out successfully.

Mr. PEPPER. Yes; it will break down cooperation so long as we require the other countries to put up half of the money, or, as we have been doing in the past, substantially half of it. But my amendment will not interfere with international cooperation. By it we will say we are going to add $250,000,000 to the fund, and whatever can be raised from other nations will be added. It still means that it will be necessary to obtain the cooperation of the country in which the money is to be spent.

Let me read something at this point, Mr. President, from the United Nations Weekly Bulletin of December 2, 1947.

> ASSEMBLY COMMENDS CHILDREN'S FUND—STRESSES IMMEDIATE NEED FOR FURTHER SUPPORT
>
> An urgent appeal for all member states to organize financial support for the United Nations International Children's Emergency Fund was made by Dr. Oswaldo Aranha, president of the Assembly, at the plenary meeting on November 20.
>
> Dr. Aranha recalled that the Children's fund was created barely a year ago—on December 11, 1946. Today it was a reality. He deeply regretted, however, that so far the help given to the fund had been pitifully small.

Perhaps he had in mind our $15,000,000, which we have considered from December 11, 1946, up until this good day in March 1948.

I read further from the same article:

> Dr. Malik, of Lebanon, pointed out that the great political problems before the Assembly had captivated public interest, but the same could not be said of the more constructive deliberations on economic and social problems. He thought the Children's Fund deserved the fullest publicity.
>
> Dr. P. C. Chang said that of the 13 countries receiving aid from the Fund, China was still the only one outside Europe.

The article says that representatives from New Zealand, Czechoslovakia, and other countries pleaded that help be given by the nations to the children's fund.

Mr. President, I say that if we give the International Children's Emergency Fund the money I propose to give them, without the requirement of matching, it will not interfere with international cooperation. It will support the program of the Children's Fund and the UN. I say, furthermore, it will add some spiritual quality, some touch of unselfishness amid all the selfishness in connection with the $5,300,000,000 proposed to be expended, that in my humble opinion could not be equaled.

EXHIBIT A

THE SICKNESS OF AMERICAN CULTURE

(By Reinhold Niebuhr)

Most of the ills of western culture are due to the inability of man to master either the social and political complexities or the spiritual perplexities which have been introduced into life by the phenomenal expansion of technics in modern civilization. The specific ills of American culture, insofar as they can be distinguished from the general sickness of the Western World, must be ascribed to the wider scope of technics here, their greater obvious success, and the correspondingly more dangerous illusions and confusions created by man's increasing mastery over nature. Every thoughtful foreign observer notes a curious combination of pride and insecurity in our national character. The pride is quite obviously derived from our superior technical achievements. Our phenomenal power of production, added to the wealth of our natural resources, has made us economically supreme at the precise moment in history when economic supremacy can be easily translated into military and political supremacy. Our inner insecurity has less obvious sources. Could it be that we are darkly conscious that the mastery of nature and the accumulation of power solves no ultimate problem of human existence? That it teaches us how to live neither with ourselves nor with our fellow men? That it may, on the contrary, increase the sharpness of these problems without offering any additional insight for their solution? Does our insecurity combine the awkwardness of an adolescent with a mature apprehension of how difficult it is to bring our new powers into any kind of order or to find life meaningful amid these complexities?

For the sake of clarity it may be well to draw a distinction between the level of our culture which is concerned with the immediate problems of human community in a technical age—the moral and political level—and that concerned with the ultimate meaning of our existence—art, philosophy, and religion.

On the first level European civilization has been involved in a war between two political and moral creeds, one upheld chiefly by the bourgeoisie, the other by the industrial workers. The two creeds are almost equally erroneous, and the internecine strife between factions which have countered half-truth with half-truth has created, or at least aggravated, the chaos of international relations. The creed of the middle class today is the creed of classical liberalism. According to that creed it is not necessary to be concerned too much about the problems of justice and brotherhood in an age of technics. All these new powers of man are believed to be governed by a mysterious natural harmony. In the history of mankind this harmony supposedly operates through the automatic processes of a free market and a generally uncontrolled expression of competitive economic interests—uncontrolled, they are supposed to check one another.

There is a curious irony in the fact that this theory, which wrongly equates history with nature and assumes that human powers and impulses are subject to the same limits which operate in nature, should have been propounded at the precise moment in history when a technical civilization would prove how unbounded human power may become, even as all history has proved how unbounded human ambitions may be. Adam Smith, father of the classical liberal theory, was a contemporary of James Watt, the inventor of the steam engine, at the University of Glasgow. That fact points up the irony nicely, for the steam engine typifies the whole industrial development which made nonsense of Adam Smith's theory. A technical civilization accentuated rather than mitigated the disproportions of economic power which existed in an undynamic agrarian society. Thus a bourgeois world, dreaming of achieving liberty, equality, and fraternity, developed such monstrous disproportions of social and economic power as to threaten not only the security of those who lacked power but the stability of society itself. The creed of classical liberalism created complacency at the precise moment when western man should have been morally and politically alert. The drives of human society require management just as much as the impulses of the individual. Without such management they lead to anarchy or tyranny or both.

The theory of course contained some truth. The various processes of a technical society are too intricate to be placed under the control of either the simple moral maxims or the simple political controls which sufficed medieval culture in dealing with an agrarian economy. But there was more error than truth in the theory. And it was the error rather than the truth which prompted the plutocratic oligarchy in western society to espouse it and use it as an instrument for making its inordinate power acceptable. It was the truth in it, however, which made this pretension plausible to the millions who had no power to set against power and could therefore not achieve the promised harmony of interests.

Sooner or later the error was bound to be exposed. But Marxism, which exposed it, wrapped the new truth in an equally grievous error. History is not a realm of harmony but of class conflict, said Marx—which was true, though the conflicts in human society are not as purely economic as he supposed and the class structure is more intricate than the two opposing classes he envisaged. Modern technical society, said Marx, would move toward catastrophe rather than toward greater harmony—which was true. From this conflict the proletarian class, he said, was fated by history to emerge victorious—which was false. But this miscalculation was minor compared with his basic error. Marxism believed that the institution of property had thrown the apple of discord into the world and that the abolition of property would usher in an idyllic society of brotherly love, in which each would give according to his ability and take according to his need. If a period of dictatorship intervened no one would have to worry, since the whole state apparatus would wither away with the victory of its cause and the universal abolition of property.

Property, however, is not the cause but the instrument of human egotism. It may, in moderate forms, be a weapon of defense against the aggression of others; in inordinate forms it is the engine of injustice. In any case, the abolition of property is not tantamount to the abolition of economic power. The power is there, and if it is wielded by an oligarchy in the state, that oligarchy acquires political power also. The tyranny which has in fact emerged from Marxist theory was implicit in these two Marxist errors—the error of assuming an economic institution to be the sole cause of strife among men, and the error of assuming that its abolition would either destroy or equate all forms of economic power.

As political theories, Marxism and classical liberalism are antithetical. As moral and religious theories—and they are moral and religious theories—they are very much alike. Both are evasions of the deeper problems which all men face in seeking a tolerable harmony with their fellow men. Both obscure the fact that the root of man's lust for power and of his cruel and self-righteous judgments on his fellows is in himself and not in some social or economic institution. If man understands that fact, he can use and refashion political and economic institutions to harness, deflect, or suppress human egotism. If he does not understand it, civil wars arise between those who regard some institution, such as property, as the root of all social virtue and those who regard it as the root of all social injustice.

Britain and continental Europe are trying to achieve economic security and political stability in terms of pragmatic democratic and Socialist politics which avoid the errors of these liberal and Marxist dogmatisms. This is particularly true of Britain; on the Continent the ideological civil war of the past century makes the process more difficult. But Britain and the Continent lack the political and economic power to do as they like. Their political life is harassed by two great giants who incarnate these discredited theories.

Since we are dealing with the sickness of American and not of Russian culture, we may dismiss at this moment the pathetic mixture of moral cynicism and utopian illusion which characterizes Russian culture. What is noteworthy in the American attitude toward the moral and political problems of a technical society is that our business oligarchy, though power in industry is more centralized here than in any other western nation, worships, or pretends to worship, the tenets of classical liberalism. We express our faith in democracy in such excessively libertarian terms as to make it irrelevant to the rest of the Western World. For this world, trying desperately to restore its broken communities, is unable to believe that harmony and justice are the inevitable byproducts of freedom and the automatic balances of a free-market economy. I doubt that any modern nation could produce hymns to freedom so shamelessly loaded with ideological taint as those with which the National Association of Manufacturers promises abundance and happiness to all if only we will let everyone do what he wants in regard to the control and use of his property.

While our business oligarchy publicly proclaims its optimism it privately hedges against a possible inflation. This public optimism joined to private pessimism is one, perhaps superficial, aspect of the dangerous conflict in our soul. We do not believe in ourselves and in our institutions as firmly as we profess. If we did, our conflict with Russia would not produce so much hysteria.

Unfortunately, the critics of the pretensions and illusions of the capitalist economy have had difficulty in expressing their dissent without embracing the illusions of the opposite creed. While there is not much Marxism among the workers of America there is a great deal among the intellectual critics of capitalist culture. There is also much confusion, generated by the debate between disillusioned Marxists and those who hold desperately to their dogma, no matter how implausible it becomes in the light of Russian policy. For this reason it has been difficult to lay the basis of a robust, pragmatic opposition to the older liberalism. Thus the Nation is drifting toward social disaster without a considered alternative to present policies.

In the field of pure culture the distinctive features of the American scene are also determined by the greater impact of technics upon our world. While the introduction of technics into the realm of art necessarily creates the problem of the vulgarization of art, the problem is sharper here than elsewhere. Hollywood has become a symbol to the whole world of the danger of reducing the content of works of art transmitted by mass media to some lowest common denominator. The contempt which both Europe and Asia express for the American

movies' slickness and vulgarity, its empty sentimentality, and banal identification of luxury with success, is to be sure not altogether genuine. We did not invent the problem of a creative use of leisure in a technical society, and if we are the purveyors we are not the only consumers of the pabulum by which this leisure is beguiled. Europe's contempt for the art standards of our moving pictures is laced with envy. Many a critic is not quite sure whether he despises American movies for their standards or because they are unavailable to an impoverished world. Yet we can hardly deny that the vulgarization of art by mass media has gone farther among us than in Europe. Only our journalism, at least in its best exemplars, rates higher than that of Europe.

But such vulgarization of art is a comparatively minor aberration in our culture. More serious is the deleterious effect of a technical rationalism upon all the deeper issues of life. It is still the fond illusion of most of our social scientists that historical and human phenomena can be reduced to dimensions which will allow just such confident generalizations as are the very stuff of the natural sciences. Fortunately, our novelists and other artists do not take this idea too seriously. Otherwise they would not be able to create at all. But the effort to comprehend the human world in its individual and collective richness and variety from the standpoint of a rationalism nurtured in man's approach to nature has had an injurious effect upon our whole culture. It is difficult to present the ambiguity of human motives from the standpoint of such presuppositions. It is even more difficult to give an account of the tragic conflict of loyalties and values in which human beings are constantly involved, a conflict which no amount of rational analysis or prudential action can resolve.

Many good novels are written on limited themes, but few of them rise to the level of presenting life in all of its beauty and terror and in the curious mingling of the two. A culture which has officially disavowed the tragic sense of life does not find it easy to deal with life's deeper perplexities without despair or with its nobilities without sentimentality. If the artist has a sense of pity for mankind he is inclined to make his characters too obviously pathetic, as Steinbeck does. If he wants to arouse admiration for man's more generous qualities he too often gives us sentimental fools from never-never land, as Saroyan does. If heroism in defiance of malignant circumstance is portrayed, it becomes equated with toughness, as in Hemingway—Hemingway knows how to challenge the official optimism of our culture but only by standing on the edge of the despair expressed by one of his heroines in the words: "Life is just a dirty trick." While many novels seem to present life in too simple terms, someone always manages to write one in which psychiatry is explicitly introduced, as if a rational analysis of the labyrinth of subrational human motives could substitute for an artistic projection of the complexity and unity of human personality.

It is just as difficult to deal with human enterprise in its wider aspects as with individual personality if one must start from the presuppositions of the eighteenth-century culture which still flourishes in America. No great novel with the recent war as its theme has been written or is likely to be written. The theme of Tolstoy's War and Peace was the paradoxical relation between human decisions and historical destiny—the desires and decisions of men, with their narrow objectives, were seen to be overruled by the wider purposes of history. Modern man's sense of historical destiny is usually comprehended in the idea of progress. But the catastrophes of our era do not fit into that pattern. The modern Russian novelist can present the war simply as a heroic defense of Communist civilization against "Fascist vipers," and the western novelist can present it as a war for the defense of democracy. But these portrayals are too simple to do justice to the depth of our tragedy or to the complex historical patterns of our chaos.

On the whole, modern man is too strong a voluntarist to be concerned with historical destiny. Our culture will therefore produce many more schemes for world government than works of art in which the dilemma of modern man is adequately presented. For these schemes for world government are the final efforts of rational men to bring the intractable forces of history under the dominion of human reason by creating a constitutional logic plausible enough to overcome the sense of insecurity and the lust for power of great nations. The fact that such schemes end by dividing the world more absolutely than it is now divided, all in the name of a global ideal, illustrates our real situation, particularly man's ambiguous relation to historical destiny. Only a great artist could describe this combination of freedom over and subjection to historical forces. The confident credos by which modern men have lived will have to disintegrate still further before we shall be able to survey our situation in its true grandeur and tragedy.

If our men of affairs betray a curious schizophrenia between their public optimism and their private apprehensions about the future of our economic and political institutions, the contradiction on the higher levels of our culture are even more serious. America is supposedly a young and optimistic nation, fortunately free of the canker of disillusionment and world-weariness which allegedly infects a decadent European culture. Actually Europe, with all the poverty and confusion of its external life, is closer to achieving a working faith which comprehends the meaning of life, despite its tragedies, than we are. Under our youthful buoyancy, made possible by the too simple meaning given to life, there is a sense of complete meaninglessness.

Mr. PEPPER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. PEPPER's amendment is as follows:

On page 25, on line 16, after the period insert the following: "In order further to carry out the objectives of this act by encouraging and aiding the program of the International Children's Emergency Fund set up by resolution of the General Assembly of the United Nations on December 11, 1946, there are hereby authorized to be appropriated to such International Children's Emergency Fund not to exceed $250,000,000."

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present and voting, the Senator from South Dakota would vote "nay."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Indiana [Mr. JENNER] is unavoidably detained.

The Senator from Wyoming [Mr. ROBERTSON] is unavoidably detained and is paired with the Senator from New Hampshire [Mr. TOBEY], who is detained on official business. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH], who is necessarily absent, would vote "nay" on this amendment if present.

The Senator from Mississippi [Mr. STENNIS] is absent on official business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The result was announced—yeas 8, nays 78, as follows:

YEAS—8

Capehart	Kilgore	Pepper
Chavez	Langer	Taylor
Johnston, S. C.	O'Mahoney	

NAYS—78

Aiken	Gurney	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	Myers
Barkley	Hickenlooper	O'Conor
Brewster	Hill	O'Daniel
Bricker	Hoey	Overton
Bridges	Holland	Reed
Brooks	Ives	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Butler	Kem	Russell
Byrd	Knowland	Saltonstall
Cain	Lodge	Smith
Capper	Lucas	Sparkman
Connally	McCarran	Stewart
Cooper	McCarthy	Taft
Cordon	McClellan	Thomas, Okla.
Downey	McFarland	Thomas, Utah
Dworshak	McGrath	Thye
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young

NOT VOTING—10

Bushfield	Robertson, Wyo.	Wagner
Donnell	Stennis	White
Hatch	Tobey	
Jenner	Tydings	

So Mr. PEPPER's amendment was rejected.

Mr. BALL obtained the floor.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BALL. If I may have unanimous consent that I shall not lose the floor, I yield to the Senator from Virginia for a brief statement.

Mr. BYRD. Mr. President, military might is the only language Russia understands, and as the crisis deepens our safety lies only in an impregnable national defense.

I feel that the most sacred responsibility that I have as a Senator is to do all in my power to keep the United States militarily strong and financially solvent. Once our home strength is undermined by undertaking to carry a large part of the world on our shoulders, we shall become an easy victim to Russia; but America strong and vigorous will never be conquered. If the fiscal stability of America weakens, the whole civilized world will fall.

Since the end of the war, exclusive of the costs of the military, we have given $18,000,000,000 to the nations of Europe, yet conditions grow steadily worse. If one-half of this sum had been invested in great airplanes and atomic bombs, our security would be much stronger than it is today. The European recovery program proposes to guarantee the prosperity of the 16 European nations for an indefinite period by donating to them each year their trade deficits, that is to say, the difference between exports and imports.

This will be only the beginning, as requests already are being made that we give military aid also to the 16 nations

by equipping the armies of those countries and furnishing implements of war. This will add many additional billions to the cost.

It is further proposed to start gifts to China and Korea, opening up a great new area for foreign spending. All of these expenditures once started will continue for many years; as it will be argued that if the donations are withdrawn those nations will be angered and may be influenced toward communism. Stalin does not fear American dollars to fight communism, but he does fear American dollars going into the most modern military preparedness. I do not believe our economic system can stand the drain of these enormous foreign gifts in a long-range program, and at the same time permit us to maintain an invincible national defense, wherein lies our only real security.

Preparedness must be our first and immediate objective.

I shall cast my vote against the pending bill.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a further statement giving my reasons in greater detail for voting against the pending bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HARRY F. BYRD (DEMOCRAT, OF VIRGINIA) IN THE SENATE ON THE SUBJECT OF THE EUROPEAN RECOVERY PROGRAM

On November 5, 1947, speaking at Winston-Salem, N. C., before the house of bishops of the Protestant Episcopal Church, the former Secretary of State, Hon. James F. Byrnes, made the following statement:

"America must be strong if Americans are to remain free. If a choice ever has to be made between providing long-term economic aid to Europe and providing funds for the national defense, there must be no question that our duty is to provide for our armed services. Freedom-loving people throughout the world are just as much interested as are the American people in our maintaining our military strength."

This quotation from the speech by former Secretary Byrnes presents to me the premise upon which I make my decision with respect to my vote on the European recovery program.

Let me say that in my 15 years in the Senate I have never given more thorough consideration or greater study to any legislation than I have to the pending European recovery proposal. In arriving at my conclusion, I have taken into consideration information coming to me as a member of the Senate Armed Services Committee, the Finance Committee, and as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures.

It is Russia we fear, and the only thing Russia fears is military might. So long as this crisis exists, the most sacred responsibility of every representative of the people in the Halls of the National Congress is to keep America militarily strong, which means military superiority for the preservation of peace, and at the same time keep our Government sound and solvent. Neither our own people nor those who seek our aid should ever forget that the might of America lies in this strength at home—our fiscal solvency, our productive capacity, under the free-enterprise system, and our ability to finance our obligations without crushing taxation. Our financial stability is far more urgent for freedom in the world than any program of international subsidies which would severely strain our economy. Financial instability in the United States would serve the enemies of democracy far more than any weapon that could be devised. By the same token, our financial soundness is the only hope for those who seek our help. Without it there would be no bulwark against communism, and freedom could not survive here or elsewhere. If the fiscal stability of America weakens, the whole civilized world will fall.

It is well for us to recognize that as rich as America may be, there is a limit beyond which we cannot go in public spending and still maintain our system of free, private enterprise. The vital spark that makes America great, that has enabled her to meet every crisis in her history, has been this system and the individual initiative of the average citizen to go forward to a greater destiny.

In World War II, America set for the world an example of military production never before equaled anywhere. This would not have been possible under a planned economy and dictatorship.

I wish to say that my position with respect to this legislation is not prompted by any spirit of isolationism, as my record proves. I voted for all measures to prepare this country for World War II. In fact, I was an early and vigorous advocate of military preparedness. I supported lend-lease and all the other measures to win the war, and since, I have voted consistently to send food, clothing, and other necessities to the distressed peoples of Europe and all over the world. I am not an appeaser of Russia and, long ago, advocated stronger measures than have been adopted. I was one of four Senators who journeyed to San Francisco and appeared before the American delegation to the United Nations Conference to oppose the granting to Russia of the veto power, the willful use of which has stymied the United Nations and virtually destroyed it as an effective instrument for world peace. This could be regarded as the first Russian appeasement.

On April 1, 1947, in the Senate, I proposed a show-down with Russia and her communistic satellites within the United Nations organization and urged that we face the issue then without equivocation. I say this because, throughout the history of this Russian question, those who vote to maintain the strength of America at home are often accused of being un-American.

I am convinced that to undertake the long-term commitment to restore prosperity to western Europe—at any price—and to maintain numerous other foreign-aid programs all over the globe, and back them up with the greatest peacetime military establishment in our history, would require a return to a wartime economy in peace. Our democratic system, based on free enterprise, cannot survive under continuing wartime controls in time of peace.

I am convinced that we are rapidly approaching a $50,000,000,000 annual Federal peacetime budget which, plus State and local disbursements of $13,000,000,000 will rest upon a Federal indebtedness of $255,000,000,000, plus the debts of the States, counties, and cities of approximately $17,000,000,000, and this will, in time, so impair the solvency of our Government as to make impossible the preservation of our freedoms. Nothing would give greater encouragement to Russian aggression than for us to permit ourselves to get into such a situation.

My conclusions that we are approaching a level of Federal expenditures of not less, and perhaps more, than a $50,000,000,000 annual peacetime budget in the fiscal year 1950, the year beginning July 1, 1949, or the following year at the latest, are based upon these definite conditions:

I start with the $40,000,000,000 budget recommended by the President in January. To this must be added the supplemental appropriations since requested by the President for aid to China and increased aid to Greece, increased benefits to the veterans, already passed by Congress since January, and increased civil-service retirement benefits, which also have been enacted.

In the President's budget there is carried $4,000,000,000 for the European recovery program in addition to all other Federal-aid programs, as compared with $5,300,000,000 annually which is specified in the pending legislation for the European recovery program. Therefore this will add $1,300,000,000 to the present budget level of future spending for the European recovery program.

If universal military training is approved, as urged by the President and our military leaders, the cost within 2 years will be $2,000,000,000 annually, with another $2,000,000,000 annually for the civilian component activities contemplated in the National Guard. The one is essential to the other under the program which as a whole will cost $4,000,000,000 annually.

Investigation of military appropriation requests reveals that they were scaled down for the present budget by approximately $4,000,000,000. It is my considered judgment that at least a large part of these requested appropriations will be restored, because the requests were in such items as new aircraft, ordnance, etc., which will be regarded as essential if this present crisis continues. There is a strong feeling in Congress that the Air Force is our first line of offense and defense.

Also other bills are now pending to increase the salaries of Federal employees. If they are passed, this would mean an additional annual cost of between $1,000,000,000 and $1,500,000,000.

These figures do not contemplate new military aid to those countries, which, under the European recovery program, will receive economic aid.

In recent days there has been more than one suggestion that, hand in hand with economic aid to Europe, must go military aid. This opens up a vast new field, and if undertaken, will exceed the cost of the proposed economic aid. This possibility was given official recognition recently in a statement by a high official of the State Department.

General de Gaulle, speaking in Paris on March 7, sounded this call for military aid, and it is likely that practically every nation will join in this demand. General de Gaulle said at a political rally in Paris that he saluted American initiative, which had led to the European recovery program for economic reconstruction. "But it is clear," he said, "that this support will have to be extended at the same time to embrace military measures and in a manner as precise and explicit as the Marshall plan is concerning credits and imports. It goes without saying that the first condition for this would be a true national defense of our own."

I make no estimate either as to the additional aid contemplated to South American countries, although the suggestion has been made in official quarters that such additional aid is probable.

The beginning of economic and military aid to China opens up a vast area for new spending and, of course, this would have to include Korea as well. The appropriation now proposed is little more than $1 for every Chinaman. It certainly follows that this gift is merely a first payment on a costly long-range program.

It is upon these foreseeable possibilities that I base my opinion that America is rapidly heading toward a Federal budget in excess of $50,000,000,000. It is also my definite belief that such a budget cannot be sustained over any period of time without a regimentation of our people that would impair the private-enterprise system and

lead to disaster. Only recently, Mr. Allan Sproul, president of the Federal Reserve Bank of New York, said:

"Without our support (the Federal Reserve System), under present conditions, almost any sale of Government bonds, undertaken for whatever purpose, laudable or otherwise, would be likely to find an almost bottomless market on the first day support was withdrawn."

While I recognize that the interest rate paid on Government bonds is a factor in the situation, yet this must be considered as an alarming statement made by the President of the Federal Reserve System of New York. Let the Federal bonds go down 5 to 10 points, and practically every bank, insurance company, and other institutions will be bankrupt.

Let us remind ourselves that the present tax rates, the highest of all times, applied to the highest national income of all times, are producing Federal revenue which totals 10 percent less than $50,000,000,000. Any recession in the existing national income, which is the combined income of all the citizens of America, would be immediately reflected in reductions in the present tax revenue. A reduction of 20 percent in the existing national income would mean a loss of $10,000,000,000 in the Federal tax revenue, and would compel deficit financing. The present national income, estimated at $203,000,000,000 today, compares to $77,000,000,000 the year before the war, so that the thin fiscal ice upon which we are skating can be readily appreciated.

I make the confident prediction that, as things are now going, within 2 years, and perhaps sooner, the budget is very likely to read somewhat as follows: Military (assuming that compulsory military training is approved, costing $4,000,000,000, and other requests already made for aircraft and military material are granted, but making no provision for extending military aid to European countries), $18,000,000,000; interest on the public debt, $5,000,000,000; veterans, $7,000,000,000; foreign aid now authorized, plus the European recovery program now pending, $8,500,000,000.

Add to this the other ordinary costs of government at the present basis of $12,000,000,000, and it totals a peacetime budget of over $50,000,000,000.

Russia does not fear American economic efforts against communism in Europe, but she does fear American dollars rolling to the manufacture of atomic bombs, the most modern and powerful airplanes, of rocket-guided missiles, and other atomic era methods of warfare.

Before we embark upon a long-range program of economic aid to Europe, it is certainly the better part of wisdom to review the results from the expenditures we have already made. Since the end of the war, independent of all military costs, the United States has contributed to foreign aid nearly $18,000,000,000, yet the conditions in the countries receiving this aid appear today to be worse than when the expenditures began.

And let us recognize this fact: These expenditures may be camouflaged by calling them loans instead of grants, but not one single dollar is likely to be repaid.

The British loan has already been virtually repudiated and, notwithstanding the fact that the loan of $3,750,000,000 was expended in a much shorter time than anticipated, we are told that the British economy will certainly collapse unless further substantial United States aid comes this year.

It is not necessary for any American to condemn the inefficiency of the British Government and its misuse of the money that has already been loaned. It was spent in large measure for the socialization of England and the beginning of the establishment of a form of government which is a wide departure from democracy as we have developed it in the United States. It is not necessary for us to judge the utter and complete failure of the loan made to Great Britain, as this has been done better by the leaders of Great Britain, notably by the Honorable Winston Churchill, for whom, I think, the American people have great respect. Here is what Mr. Churchill said a year ago:

"There is no country in the world that is being racketed to pieces the way we are, and there is no country less capable of surviving such maltreatment. It is a very strange and uncomfortable position for us to get into that we cannot pay our way or earn our own livelihood without a large annual payment given us by our friends from abroad. What is to happen when this payment comes to an end, as it will soon do? Are the Socialist ministers going again to the capitalist, free-enterprise Government of the United States to ask for another loan, while at the same time they boast of all the easements and blessings that they are promising to the wage-earning masses here by socialism?"

Speaking again last month, Mr. Churchill said further:

"Look now how they (the present British Government) have squandered their money. I did my best to help them get the American loan. While we ourselves are hard put to it to get our daily bread, we have actually given or lent £750,000,000, or nearly as much as the whole of the American loan, to other countries. 'Be just before you are generous,' is an old saying. 'Charity begins at home' is another."

In Greece $1,000,000,000 has already been spent in a nation of 7,000,000 people, and Greece is in no better condition than she was before. In fact, there were 7,000 guerrillas when the Greek-Turkish loan was made a year ago, and there are now 23,000.

I am told by unbiased Members of Congress who have recently visited Greece that the extravagance and inefficiency which characterized these expenditures is beyond belief, and some Members were convinced that Greece has made no real effort to conquer the guerrillas, because she feared the American aid would stop.

Since the war ended, United States aid to Turkey has run to about $150,000,000, and, while to date most of it has been for military purposes, the Government of Turkey was reported on March 8 to be preparing a request for economic aid as well.

Since the war, United States aid to Italy and France has totaled more than $4,200,000,000. The last special session of Congress was called to vote more than half a billion dollars to bail these countries out of economic and political difficulties. Now they need to be bailed out again.

How long can this go on? Where is there reason to believe that new money under the recovery plan will produce more order out of the European chaos than did previous financial shots in the arm?

So down the list, beginning with UNRRA, which was, I think, the most wasteful and inefficient operation that has ever been conducted on a large scale in the history of the world, and I say this from personal observation of UNRRA on an official visit to Europe after termination of the war.

The pending bill provides no limitation as to the amount of aid to be extended but it does set up a policy to aid these 16 nations until July 1, 1952, and the bill itself, in section 22, recognizes a possible extension beyond this date by requiring that the President shall report quarterly to Congress through July 30, 1952, and once every year thereafter until all operations under this act have been completed.

I am in complete disagreement with those who argue that the Congress of the United States will have a free hand in future years in deciding whether to continue or discontinue this aid. If I thought it could be arbitrarily stopped and commitments limited to a certain given sum, my position would be otherwise. I say that it cannot be stopped once begun, because the United States is, in effect, offering a program of economic and financial security to foreign countries in order to combat communism. We shall be committed, morally at least, and I quote from the provisions of the bill, to "the restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence * * * the establishment of sound ecoomic conditions and stable international relationships, and the achievement by the countries of Europe of a healthy economy, making them independent of extraordinary outside assistance."

Legally, of course, we can discontinue this program, but, realistically, as long as Russia remains a menace, this program, once undertaken, must continue until that menace is removed. How long will Russia be a menace? Russia will be a menace as long as she is an armed nation or a nation controlled by a communistic dictatorship. There is no reason to think that for many, many years to come these conditions will be changed. They will be changed only by an internal revolution in Russia. There is no evidence of this now.

Russia would welcome nothing more than to see the vitality and strength of America sapped by inordinate public expenditures.

The very nature of the distribution of this aid will make it even more difficult to abandon it. The method of distribution is to pay to these countries their deficits in trade. That is to say, to pay to them the difference between exports and imports. This integrates the American dollar into the economy of each one of these countries and does so on a specific basis, which strengthens its permanency. This method also is not on an incentive basis for the recipient countries to improve their own economy, because we say to them, in effect, that we will pay the difference between their exports and imports, which is the equivalent of saying to a man: You make as little as you please and spend as much as you please, and we will foot the bill. If these countries raise their living standards, which no doubt many of them desire to do, naturally they will export less and import more and therefore increase their need for outside funds to balance their trade.

Regardless of how unsatisfactory the results of this experiment in global charity may be, or how inefficient its operation, whenever any effort is made by America to withdraw from the program, the cry will be raised that we are turning these countries over to the Communists.

The committee's report gives only for a period of 12 months the amount estimated that will be distributed to the recipient countries. I have obtained from the Bureau of the Budget a statement which I will now read, showing the estimated amounts that each deficit nation will receive over the 4½-year period of the program which is covered by this legislation.

BREAK-DOWN OF TOTAL ERP PROGRAM BY COUNTRIES

The following table shows the estimated composition of the full 4½-year ERP program by countries. It has not been possible to estimate with exactness how much of the total needs of each country will be met by sources other than ERP appropriation (International Bank and private credits, unexpended existing credits, assistance from other Western Hemisphere countries, etc.). The total expected from such sources cannot, therefore, be allocated by countries but is shown as an over-all deduction from the total requirements for all countries.

Estimated deficit of ERP countries on current account with total Western Hemisphere, by country

[In millions of dollars]

Austria	−713
Belgium-Luxemburg	−1,474
Denmark	−582
Ireland	−497
France	−2,924
French dependenices	−414
Greece	−473
Iceland	−38
Italy	−2,913
Netherlands	−2,512
Norway	−234
Portugal	−168
Turkey	−18
United Kingdom	−6,655
Germany:	
Bizone	−2,499
French zone	−310
Saar	−53
Combined balance on account (at July 1, 1947, price)	−20,845
Adjustment for savings in dollar shipping services	+350
Total, adjusted for savings on shipping	−20,495
Adjustment for higher prices	−1,590
Total, adjusted balance (upper level)	−22,085
Adjustment for lower prices and lower freight rates	+1,071
Total, adjusted balance (lower level)	−19,424

[In billions of dollars]

Range of adjusted estimates— 19.4 to 22.1

The last item is an estimate of the net deficits of the participating countries with the Western Hemisphere. The following further adjustments are necessary to arrive at an estimate of United States appropriated funds needed:

[In millions of dollars]

Range of deficits (last item above)	19,424 to 22,085
Add German bizone needs from outside Western Hemisphere	600
Add forward obligating authority	-----
Subtract GARIOA	−822
Subtract financing from International Bank, etc	−4,901 to −4,105
Net United States appropration needed	15,111 to 17,758

It is to be expected that favorable price and other factors will reduce the cost of the program below the higher figure in the range of estimates. However, it would be unwise to count on the full measure of price declines and other favorable factors reflected in the lower figure. The estimated 4¾-year requirement is, therefore, $17,000,000,000. This lies between the high and low estimates and would cover somewhat more than two-thirds of the contingencies which are reflected in the range.

I want to call particular attention to the fact that those who prepared this program have undertaken to predict the financial condition of these various countries each year for 4 years in advance. I do not believe there is a man living in America today who is wise enough to predict definitely what will be the financial condition of the United States for the year 1949, yet we are committing ourselves to a program, 4 years in advance, based upon the prediction as to the degree of prosperity that will occur in these nations for a 4-year period.

It is to be noted that Great Britain will receive approximately one-third of the entire $17,758,000,000 it is proposed to spend. To show the inaccuracy that is certain to occur respecting these estimates, for the year 1948 the adverse balance of trade in Great Britain was estimated under the recovery plan at $1,923,000,000, yet just recently Sir Stafford Cripps stated that the adverse balance of trade for 1947 was $2,700,000,000, and said further that the British Empire is on the verge of collapse. It is, therefore, very unlikely that in the year 1948 Great Britain will improve her economic condition to the extent of about $800,000,000, as this estimate contemplated. A generosity that will carry us down to her state of financial instability would not be to England's interest and certainly not to ours.

I repeat again that all Russia fears is military power; that if we are to preserve ourselves in the years to come, we must not so weaken ourselves that we will be unable to create and maintain the greatest military power in the world. This is our only security.

If we have to choose, as in my judgment we now have to do, between great military power, combined with the continuance of our system of free, private enterprise, and the extension of economic aid throughout most of the civilized world, the choice I have made, as difficult as it is to do, is to cast my vote against the pending legislation. If we want to bring Russia to terms and prevent her aggression, I am convinced we must establish here a military power that she will fear. There are those who think we can do both and still remain strong at home, and with them I respectfully differ. I cannot believe that America alone can carry a good part of the world on our back and survive ourselves.

My advocacy of expanded military preparedness contemplates the utmost efficiency in the military services. This was the purpose of the unification law enacted a year ago. I want to express the very earnest hope that the meeting of Secretary of National Defense Forrestal and his service commanders at Key West this week will accomplish the coordination directed under the merger bill, and that every dollar of military funds be expended for the utmost preparedness with the utmost efficiency.

Mr. WHERRY. Mr. President, will the Senator from Minnesota yield?

Mr. BALL. I yield.

Mr. WHERRY. Three or four times within the past 10 minutes I have been asked whether there will be a session tonight. I should like to state that, if it meets with the approval of the Senate, the Senate will remain in session until action upon the pending bill is completed.

Mr. BALL. Mr. President, on behalf of the Senator from Washington [Mr. CAIN], the Senator from New Jersey [Mr. HAWKES], the Senator from Nebraska [Mr. WHERRY], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota on behalf of himself and other Senators will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert a new section reading as follows:

SEC. —. (a) The Congress hereby declares that the achievement of the purposes of this act as set forth in section 2 requires the creation of an international agency capable of defending all member nations and peoples against aggression or subversion threatening their independence or freedom, since fear of such aggression or subversion is undermining the confidence essential to economic recovery.

(b) To accomplish the purposes of this act and the policy declared in subsection (a) of this section, the Congress directs the President and the Secretary of State to undertake immediately to negotiate with other members of the United Nations an agreement providing—

(1) for the establishment of a Supreme Council to consist of 11 members, all signatories of the agreement who are elected or permanent members of the Security Council of the United Nations to be, ipso facto, elected or permanent members of the Supreme Council, and any remaining members to be elected by the other signatories of the agreement;

(2) that each member of the Supreme Council shall have one vote, and that all decisions of the Supreme Council shall be made by the affirmative vote of seven or more members, including the concurring votes of a majority of the permanent members;

(3) that all signatories to the agreement shall agree, by their respective constitutional processes, to make their armed forces and resources available to the Supreme Council whenever the Council decides that the use of such forces and resources is necessary to maintain peace or to defend the freedom or independence of any or all signatories against aggression or subversion in any form;

(4) that the agreement shall become valid and binding as between its signatories when it shall have been ratified by 11 or more members of the United Nations in accordance with their respective constitutional processes.

Mr. BALL. Mr. President, I shall be as brief as possible, because there was some discussion of this amendment when it was submitted on Tuesday of last week.

Very briefly, it first recognizes as the sense of Congress that the achievement of political security against aggression and subversion is as important as economic recovery and probably essential to any successful economic recovery in western Europe. To achieve that security, it seeks to negotiate, on the initiative of the United States, among the members of the United Nations who are willing to join in it, a new agreement, in effect setting up a veto-proof security council, called a Supreme Council. That is the effect.

If Russia and her satellites would sign such an agreement and would forego the use of the veto, which unfortunately for 2 years has blocked any effective move toward making the United Nations an effective instrument for collective security against aggression, then I would take that as a proof that the Russian people and their Government and those of the satellites really wanted peace, and that there was a chance to get together with them to accomplish that objective.

If they did not join, then the new Supreme Council would not include Russia and her satellites, and would act without the use of the veto.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALL. I prefer to complete my statement first.

Mr. VANDENBERG. I simply wish to ask for an interpretation. However, I shall wait, if the Senator prefers that I do so.

Mr. BALL. The hour is late. I do not wish to delay the Senate unnecessarily.

Mr. VANDENBERG. Very well.

Mr. BALL. Mr. President, in our colloquy last week, the Senator from Michigan was slightly sarcastic about the fact that this was a new proposal, proposed to this bill at a moment's notice, so he said. As a matter of fact, considerably more time than that was spent in draft-

ing it. But it is not a new proposal. Resolutions having much the same purpose and effect as this amendment does, have been pending in the Foreign Relations Committee of the Senate and in the Foreign Affairs Committee of the House of Representatives for at least a year. No action has been taken on them; and so far as I know, no hearings have been held.

The substance of what is proposed is not new. It has been debated in many places in the United States ever since it became apparent that Russia's obstructive use of the veto was making it impossible for the United Nations to achieve the purposes which we hoped it would achieve when we set it up.

I may add that 5 years ago this month, in the Senate, the Senator from New Mexico [Mr. HATCH], the then Senator Burton, of Ohio, now Mr. Justice Burton, the Senator from Alabama [Mr. HILL], and myself introduced Resolution 114, which became known as the B2H2 resolution, which urged at that time that the United States take the initiative in organizing a United Nations organization which would have specific authority—

To establish procedures and machinery for peaceful settlement of disputes and disagreements between nations.

(5) To provide for the assembly and maintenance of a United Nations military force and to suppress by immediate use of such force any future attempt at military aggression by any nation.

That the Senate further advises that any establishment of such United Nations organization provide machinery for its modification, for the delegation of additional specific and limited functions to such organization, for admission of other nations to membership, and that the member nations should commit themselves to seek no territorial aggrandizement.

Mr. President, the Foreign Relations Committee substituted for that resolution the so-called Connally resolution, which the Senate adopted, but which was much more general in its language. It did not provide, as a condition of joining this new organization, that the member nations should commit themselves to seek no territorial aggrandizement. I think that paved the way for the United States action in joining the United Nations; but I submit that it may be true that in writing the Charter of the United Nations it would have been better to pledge its members against territorial aggrandizement, even if that had meant that Russia would not have been in it from the beginning, because, frankly, I do not see much hope of a stable and lasting peace in this world so long as millions and millions of people are dominated and controlled by foreign power; and that, unfortunately, is what has happened in much of Europe and in a considerable part of Asia.

This amendment seeks to put the Congress on record in favor of driving immediately for a show-down with Russia on this crucial question of whether she and her satellites really want peace in the world, or whether it is so late and the possibility of getting together is so remote that the remaining free nations of the world must unite to defend themselves.

Mr. President, the primary purpose of this bill, I recognize, is to promote the economic recovery of western Europe. But I submit that the economic distress of western Europe today is due far less to the war damage—after all, Europe has had many, many wars, from which she has always recovered—that it is to a number of other factors, one of which is that the iron curtain between eastern and western Europe has disrupted normal trade. It is as if from Chicago to the Gulf of Mexico we had an iron curtain stopping communication and trade between the two halves of the United States. All of us know what would happen to our prosperity and our economy if that should happen.

I think their present situation is due in considerable part to the mistaken policies which we and our allies have followed in the occupation of Germany, reducing that country, which has for many decades been the workshop of Europe, to a condition of virtual nonproductivity. I do not believe that western Europe can possibly recover until we change our policies and make Germany at least self-supporting, and, preferably, able to contribute to the recovery of Europe.

Furthermore, I think a considerable part of Europe's difficulties are due to the fact that for 50 years their governments have been drifting steadily toward totalitarianism, either of the Socialist, Communist, or Nazi variety; and I think that the various types of control which they have been trying in times of crisis have contributed considerably to their present troubles.

Finally, Mr. President, I think their present difficulties are due in large measure to plain fear of the future—fear of Russian oppression or fear of oppression by their own Communist minorities, who first create a crisis and then use it as an excuse to seize power and then enslave the people.

As I said last week, I do not see how we can expect the people of Europe, in the absence of any real collective security against that type of aggression, really to build economic recovery, because that means they must build for the future; and how can they build for the future, with no real hope that there will even be a free tomorrow for them?

I think that situation, plus the policies of their own governments, is the main reason why the nationals of the 16 countries, who have $14,000,000,000 of assets here in the United States, are not willing—are not patriotic enough, if you please—to invest those assets in the recovery of their own countries. Yet, we are asking American taxpayers to invest billions of dollars of their money in the recovery of those countries, when their own nationals are unwilling to risk their savings in the recovery and future of their native lands.

Will economic aid accomplish the purpose? Will it stop communism, as we have been assured it will? I submit, Mr. President, that economic distress or the absence or presence of aid from the United States had nothing whatever to do with the Communist seizure of control in Poland, Hungary, or Czechoslovakia, or, if it should happen tomorrow, in Finland. It was plain, naked, ruthless power, either the threat to use it, or its actual use. So, I ask, is it necessary, in order that the program of economic aid may stand a reasonable chance of achieving its objective of recovery in Europe, for the United States to commit its military strength to help defend those countries and their independence against aggression? I have heard no clear, unequivocal answer to that question. But I think the American people and the Congress are entitled to a clear answer.

I am an internationalist. I think sound internationalism requires the simultaneous cooperation of the nations of the world on many fronts, not merely on the economic front. It seems to me that appropriating billions of dollars to prevent world war III or to stop communism, without recognizing the fact of political and military and power aggression, which is disrupting the whole fabric of Europe and the world, is a form of idealism; it is burying our heads in the sand and refusing to face the grim facts of the world in which we live.

Testifying recently before the House Foreign Affairs Committee, Lieutenant General Wedemeyer, Director of Plans and Operations of the Army, made it clear that he also believed that economic aid is not sufficient. I quote him:

I think you may rehabilitate some factories, you may create better economic conditions temporarily, but this vast movement that has been so successful recently in Czechoslovakia, through the Balkans, and through Poland, and probably in Finland, is sweeping down from the north, and if we Americans are determined to put an end to that advance, we cannot do it entirely by giving aid.

Mr. President, the program is admittedly a large one, but it seems to me to be part of an American policy of trying to confine Communist aggression throughout Europe and Asia by means of economic assistance and aid and American dollars. I do not think it is a workable policy. In little Greece we have spent $300,000,000. A report received very recently states that all we have succeeded in doing is holding the line against a few thousand Communnst guerrillas in the hills. I have no way of knowing, but I would wager that Russia or the Cominform spent not more than $300,000 to create that pressure against a free world in Greece. I submit, Mr. President, that if the United States is to continue the policy of trying to confine the power aggression of Communist Russia by economic assistance alone, on the ratio of $1,000 in American expenditures to $1 of Russian effort and pressure, it is a hopeless undertaking, it can have only one end, and that is failure, if there were a war. I think there must be more to the program on which we are embarking than merely economic aid, otherwise it is doomed to futility.

I agree with the Senator from Michigan that the hour is very late. I do not want to delay action on the bill, but I think it is very late for the free nations of the world to face the political realities as well as the economic realities of the situation, and that unless they very soon get together and find and develop a means of combining their power and strength to resist aggression through

some form of collective security, then one by one they will be swallowed up by Communist totalitarian Russia, until we alone shall be left to carry on the fight.

Mr. CAIN. Mr. President, I should like to make a brief statement on the amendment presently before the Senate. I suppose that Senators like all other Americans can sometimes become troubled and very unhappy. Certainly this Senator is both.

The junior Senator from Washington was a cosponsor of the amendment which has just been discussed by the Senator from Minnesota [Mr. BALL]. I respect the Senator from Minnesota and I agree completely with the motives which impelled him to write the amendment and to submit it to the Senate. I was deeply privileged to be given the opportunity, in company with the Senator from New Jersey [Mr. HAWKES], the Senator from Nebraska [Mr. WHERRY], and the Senator from Minnesota [Mr. BALL], to participate in the submission of the amendment.

The amendment recognizes that our great national desire and expectation of providing free nations everywhere with material and financial assistance in keeping with their crying need of reestablishing financial and economic sanity, stability, and balance, will carry no real hope of being realized unless those nations, as well as the United States, can be assured that somehow they shall be protected against aggression and subversion and the fear of terror, tyranny, and despotism.

Collective security, in my considered opinion, must go hand in hand with the European recovery plan and every other act this Nation performs in concert with other free peoples. There is no collective security on the face of the earth today. Everyone knows that to be so. The world is presently scared to death. Until an adequate system of collective security shall have been firmly established, we, as responsible public servants, shall be taking longer and greater chances with the lives and fortunes and peace of mind of tens of millions of human beings, a thing which is not to be justified upon any ground.

Mr. President, after as much thought as I could give to the subject I have decided to vote against the amendment which bears my name as a cosponsor. I think the amendment has served the great purpose by focusing substantial evidence of our prevailing and consuming need for setting aside a time, and doing it soon, when the Senate may devote itself and its very great talents and energy to the task of working out and demanding a system of collective security which will provide the protection we all seek, and about which I think at times we have done so very little.

Mr. President, the idea and the ideal behind the amendment under discussion are, in my opinion, altogether good. Some of its details and recommended procedures are subject to doubt, but certainly all of them are deserving of debate in their own right.

I think the amendment does not properly belong within the pages of the bill which we seek to pass tonight. But what the amendment was intended to accomplish must be soon achieved, or whatever our great Nation attempts to do for others will be wasted, despoiled, and diluted by the very vices we wish to drive from the face of the earth.

There was sound reason for the Senator from Minnesota and his associates preparing and offering this amendment. In the month of July, its 9th day, 1947, the following Senators submitted to this body a resolution which was intended to do precisely what the amendment offered by the Senator from Minnesota was intended to accomplish:

The Senator from Michigan [Mr. FERGUSON], for himself, the Senator from New Hampshire [Mr. TOBEY], the Senator from Connecticut [Mr. BALDWIN], the Senator from Vermont [Mr. FLANDERS], the Senator from Washington [Mr. CAIN], the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Connecticut [Mr. MCMAHON], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Idaho [Mr. TAYLOR].

In form the resolution was a concurrent resolution. It was referred to the Foreign Relations Committee I take only sufficient time to read its substance. It is brief. It reads as follows:

That it is the sense of the Congress of the United States that permanent world peace can and will be achieved through the United Nations and to that purpose we believe that action should be taken under the provisions of the Charter of the United Nations to propose and adopt amendments and revisions that will strengthen the United Nations as an instrument to prevent war and maintain world peace.

It is not for me to presently know or understand the reasons why that concurrent resolution has never been reported to the floor of the Senate, but what I do know, Mr. President and Senators, is that practically every Senator who has spoken during the course of the debate has expressed his own individual hope and desire to strengthen the United Nations, to the end that collective security may become a reality and not continue as a futile dream.

During the course of the debate, and after having listened most carefully to the very distinguished Senator from Michigan [Mr. VANDENBERG] and his arguments in opposition to the amendment which was proposed by the Senator from Minnesota [Mr. BALL], I went to the chairman of the Foreign Relations Committee and inquired of him as to whether he would accept, by way of a substitute for the amendment of the Senator from Minnesota, the following single paragraph:

SEC. —. Recognizing that the fear of aggression or subversion threatening their freedom and independence is undermining the confidence necessary to economic recovery in Europe, the Congress urges the President to undertake without delay the development of collective-security measures which might allay such fears and halt such aggression or subversion.

The chairman of the Foreign Relations Committee wanted to discuss the reasons why he thought even this paragraph should not properly become a part of the bill which we are striving to pass. I should merely like to say in his presence that I was entirely satisfied with the reasons which he gave for his resistance to the inclusion of this paragraph. The distinguished Senator from Michigan has proven to me that whatever justification there may be for the idea which the Senator from Minnesota has advanced—and the Senator has said very willingly and publicly on the floor that there is great reason for discussing the subject—it was not proper to embody it in the bill, and he convinced me it should not be a part of the European recovery plan. But I gather from the senior Senator from Michigan and from every other Senator that we ought, as soon as we can, to attempt to develop parallel lines of what amounts to security, economically, on the one hand—call it reconstruction or relief, if you please—and military or collective security—call it what you will—on the other hand.

To that end, and in company with other Senators, I understand and hope there is to be submitted in the Senate some time in the very near future a brand-new, fresh, and revitalized amendment on the general subject of collective security so as to meet the problems of the world in which we live.

I have only this to say regarding the resolution which will be forthcoming, that it will be introduced not as an amendment to the bill which is before us, or in opposition to the European recovery plan, but as a plan in itself to parallel and to supplement on the political front the European recovery plan counteroffensive on the economic front. The resolution will contain, I trust, a simple but very specific formula for the revision of the United Nations Charter, with Russia, if possible; without Russia, if necessary. I almost said, in brackets, as one who has had the good fortune, as well as the tragic fortune, to see service on fronts around the world, through which duty I associated with and worked next to the Russian as an individual, that I use the words advisedly, to revise, alter, and do over the United Nations in the hope that there is yet a chance for us to do business with one of the two greatest powers presently on the face of the earth. That does not mean appeasement; it does not mean being unreasonable. It means trying to go in the direction of something we have only painted with a broad brush without getting down to details.

Mr. President, in closing, let me say that the fundamental purpose of the resolution to which I refer is to avert, if men, women, and children of intelligence, hope, and heart can possibly do so, that thing which we call even now a third world war, by organizing society itself against any aggressor, by employing the overwhelming power of a world collective front of peaceful nations, not as a power politics alliance, but under the powerful authority of a revised United Nations. I think every Senator shares with me a dream of a happier world.

Mr. President, for the reasons stated, I shall not with apology, but with compliments to the vision and the courage which impelled the Senator from Minnesota [Mr. BALL] to introduce a worthwhile subject, vote against the amendment to which I had proudly been a party.

Mr. VANDENBERG. Mr. President, I wish to thank the able Senator from Washington for the candor and eloquence with which he has stated his position. I wish to thank the Senator from Minnesota for having underscored in this debate what I completely agree is an inevitable responsibility; namely, the reorganized, restabilized, and vitalized mechanisms of an instrumentality for international security which will deliver the goods.

I think it is perfectly obvious that it is quite impossible to pursue the subject to an adequate or satisfactory conclusion in an amendment at the eleventh hour of the consideration of the bill, and I suggest a vote.

Mr. ELLENDER. Mr. President, on March 10 I wrote a letter to one of my constituents giving a few of the reasons why I shall vote for the pending bill. Rather than take the time of the Senate by way of an extended speech outlining my reasons for supporting the measure, I shall content myself by asking unanimous consent that following my remarks there may be incorporated in the RECORD the letter to which I have just referred.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE
AND FORESTRY,
March 10, 1948.

Mrs. MARTHA G. ROBINSON,
President, Louisiana League of Women Voters, New Orleans, La.

DEAR MRS. ROBINSON: I have your letter of the 3d.

I will be glad to address your organization in New Orleans on April 16. It is rather difficult for me to determine at this time what Congress will be considering on that date, but I am reasonably certain that I will be able to be present.

As I wrote you on several occasions, I have been giving my most earnest consideration to the European-recovery program. I procured as much information as is available on the subject in order to reach my conclusion, which, reflected by my vote on the measure, would inure to the well-being of our country. I have studied the reports of independent economists, and in addition to your organization, I have consulted representatives of labor, civic, and commercial organizations, and I have carefully analyzed the studies of the Krug, Nourse, and Harriman committees. In addition to this, I have reviewed the findings of the Senate and House groups charged with the responsibility of determining the facts as they presently exist in Europe and the United States, and I have exchanged views with Members of the Congress who, as I did, personally visited the continent of Europe to secure first-hand information.

In concluding to support the committee's recommendations, with a few reservations, as they appear in S. 2202, I am not unmindful of the serious effects which this program may have upon our own economy and the dangers which might precipitate adverse incidents in a world so full of distrust and misunderstanding. These risks we must calmly and deliberately take as being the best possible solution under the present circumstances.

As you may recall, when the Marshall plan was first advocated I indicated that I would not support the program unless there was included therein definite assurances that the countries involved would take the necessary steps to stabilize their currencies, balance their budgets, stop issuing currencies to help pay the operation of their respective governments, and, among other things, remove the barriers which have prevented the normal flow of trade. Another requirement upon which I insisted was that while it was very definitely established that the program was one which was being projected for a period of 4 years, a specific authorization should be limited to 1 year at a time, in order that periodically a study could be made not only of the cooperation of the participating countries in meeting their end of the bargain but to be assured that the results were shaping up as we had visualized.

These safeguards are now a part of the plan. The agreement between Belgium, the Netherlands, and Luxemburg, commonly called the Benelux agreement, is a step in the right direction, and it is to be hoped that in the administration of the program, stern application of the mandatory requirements shall be put into effect and that the agreements shall be fully and thoroughly enforced.

It is my hope that the Administrator of this huge program will profit by the mistakes we have made in the past in the handling of relief to our friends across the seas since the end of World War II. It is my further hope that the assistance will be made available so as to help our friends to help themselves. The Administrator must be made to realize that the salvation of western Europe lies in the extent to which the citizens of the 16 nations involved help themselves. Food and dollars will not do the job. Those peoples must work; they must make sacrifices, and they must be made to realize that future help from our country will be dependent upon the extent to which they help themselves.

The purpose of this aid to Europe has been said to be threefold—humanitarian, economic, and more or less political. On the humanitarian side let it be said that I have no quarrel. I have always voted assistance to feed the hungry and to help clothe the naked.

From the standpoint of our own economy there is much to be desired. Because of the war, our whole economy has been stepped up to such an extent that our productivity is now the highest in our history, and quite a few of our basic commodities are being produced in excess of our own requirements and of our normal export trade. It is my view that if we should abruptly curtail our production it might seriously affect our own economy. I feel that it would be of greater benefit to our producers if we are in a position to gradually taper off our production so as to meet our own future needs and that of our export trade.

As to the third objective, the political angle, much can be said, in the light of recent events, for supporting the program. We want no part of communism. I find no fault with those countries whose people voluntarily embrace communism, but when a powerful country attempts to force communism on others, then a line must be drawn somewhere. I believe it has been sufficiently demonstrated to the world that our former ally is making every effort to absorb in its own orbit all of Europe. Should that occur, we would be compelled to initiate a program for our own defense which would be much more costly in every way than the plan we are now being asked to embark upon.

Some say that the greed of our former ally will sooner or later lead to her own destruction. They argue that people who have once been free will not remain in shackles and they will sooner or later loosen themselves from these bonds. I can visualize the whole of western Europe, once a proud people, under the heel of Stalin. Some of our statesmen have advocated that it might be a good thing for the countries of Europe, which were once free, to become communistic, so that they can find out for themselves what communism stands for. Such a course produces much food for thought, but what concerns me is the present plight of the people of western Europe. They are desperate; they have been existing under most abnormal conditions; they are the victims of a cruel war. They are easy prey, because of their present circumstances, to rabble rousers, to selfish tyrants. I do not believe we should take a chance, but rather we should work to the end that the peoples of western Europe and western Germany shall be restored to normalcy, in the hope that they will soon again breathe the blessings of freedom and then be in a position to combat the scourge of communism.

Before closing I would like to further discuss the economic side, in the light of the proposed aid which will be made available to the United Kingdom. This form of aid closely resembles the British loan of 1946. Our unhappy experience insofar as the British loan is concerned impels me to remind the administrator of the program of the things which I predicted at the time I opposed this loan, in order that he might realize that most of the criticisms which I made at the time were justified by the subsequent turn of events and my predictions that we were more or less pouring money down a rat hole have come to pass.

I stated in the course of the debate opposing the loan that imperial preference was largely a thing of the past and that because of industrial development and increasing independence the British colonies and dominions would not continue granting preferences to the United Kingdom. It is well known that the basic and fundamental trouble in the United Kingdom lies in the fact that her imports far exceed her exports. She produces sufficient coal to meet her own requirements; she mines about one-sixth of her needs in steel; she grows about one-third of her food, but the rest of her needs must be met through imports. It is true that such a condition has for many centuries prevailed in the United Kingdom, and the difference between exports and imports has had to be maintained from the income of foreign investments and from the profits resulting from shipping. With the almost complete wiping out of her investments abroad, and the tremendous decrease in shipping, the gap has remained unfilled. She is now attempting to survive on a more or less false economy, and I can see no hope for her ever to be in a position to sustain the 47,000,000 people who now occupy what is commonly known as the United Kingdom.

I have said it before and I repeat it now, that in case of war the United Kingdom would be a millstone around our neck rather than a source of assistance. We would be compelled to help feed her people and make available to her raw materials so she could convert them into implements of war.

It is my hope that the British people will swallow their pride, give up some of their costly traditions, and agree to move their industries where natural resources are plentiful. In my speech of 1946 opposing the British loan, I suggested South Africa. There is no question but that South Africa forms the nucleus for the development of a strong and powerful nation.

Much has been said about moving some of the plants of western Germany to the United Kingdom, so as to carry out certain portions of the Potsdam agreement. My advice is that should some of the plants of Germany be dismantled that instead of moving them to the United Kingdom, they be erected in South Africa or other colonies of the British Commonwealth of nations, where natural resources are located and are in abundance.

In voting for this plan, I am not unmindful of the fact that our offer to assist the 16 nations of western Europe will lead to the formation of a bloc that in turn will lead to power politics, and which may, in the course of time, bring us into another war. I am hopeful that Russia will soon realize that we have no ulterior motives in our advocacy of

the course we are pursuing. Russia should learn by experience that we are not after more territory, but that we are making every effort to protect our way of life. It is my hope that through the efforts of the League of Women Voters and other organizations of a similar character, the United Nations organization will come to life, and that through it permanent world peace can be attained.

I shall vote, as I stated above, for the plan. I hope the course I am pursuing is the correct one. I fear there is no other alternative.

With kindest personal regards, and hoping to have the pleasure of seeing you soon, I am,

Sincerely,

ALLEN J. ELLENDER,
United States Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. LANGER. Mr. President, I should like to ask the Senator from Minnesota if he has any objection to changing the word "eleven" in paragraph 4, line 5, to "forty."

Mr. BALL. I do not think we should have an executive body of 40 members.

Mr. LANGER. The Senator misunderstands me. In line 4, on page 3, the language is "it shall have been ratified by 11," and so forth. Would the Senator object to having that changed to "ratified by 40 or more members of the United Nations"?

Mr. BALL. Yes, I would. I think we cannot wait to get 40 nations together. I should like to get the 16 European nations, the United States, and the British Commonwealth together for mutual defense against aggression just as rapidly as we could do it. I do not want to have to wait for 40 nations.

Mr. LANGER. Then, Mr. President, I wish to say, as the one Senator who voted against the United Nations, that when this particular question was brought up, no attention was paid at that time by the overwhelming number of Senators who voted for the United Nations to men like former Senator Wheeler, and other distinguished Senators, who discussed it on the Senate floor. So far as I am concerned, if the amendment provided for 40 instead of 11, I should most certainly vote for it. I do not believe that 11 nations, 10 of which might be very small countries, should have the right to have an armed force and vote the United States of America into war.

Mr. HAWKES. Mr. President, if the Senator from North Dakota will yield, I should like to say that I think he is laboring under a misunderstanding covering this whole amendment. It does not contemplate an organization inside the United Nations. There might be only 11 members, not necessarily 40. It would be an outside organization. The hope is that an organization may be provided with power to see to it that the assistance rendered shall not be spread all over the world and used carelessly, so that one or two nations may absorb all the benefits intended for other nations. There might be only 10 or 11 nations. Did the Senator understand that?

Mr. LANGER. Let me call the attention of the Senator from New Jersey to the very able argument made by the Senator from Michigan a few days ago, when he said that his objection to the proposal made at that time by the distinguished Senator from Minnesota was that 10 or 11 nations could vote the United States into war. I call attention to paragraph 3 of the proposed amendment:

That all signatories to the agreement shall agree, by their respective constitutional processes, to make their armed forces and resources available to the Supreme Council whenever the Council decides that the use of such forces and resources is necessary.

I believe the distinguished Senator from Michigan was right when he said that this country does not want 6 or 7 or 8 or 10 other countries to vote us into war.

Mr. HAWKES. Will the Senator yield further?

Mr. LANGER. I yield.

Mr. HAWKES. I agree with the Senator, and there was no Senator in this Chamber who, at the time the United Nations was formed, held stronger views on that point than I did. In other words, at that moment I would not have been willing to have our country voted into war and not have the veto in our own hands. But I wish to ask the Senator, Where are we going in the situation which has been created? What is the United Nations doing today? All I hear of is that the United States of America must do the whole job, must furnish all the money, and I hear of nothing that is being accomplished by the United Nations, except one thing, and that is leading to terrible trouble.

Mr. LANGER. Would the Senator be willing to have seven countries vote the United States into war?

Mr. HAWKES. It would depend on which seven countries they were.

Mr. LANGER. It says here that any 11 that sign can make it effective. For that reason, I shall vote against the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL] for himself and other Senators.

The amendment was rejected.

Mr. BARKLEY. Mr. President, inadvertently, because of conversation in the Chamber, I voted "aye" on the vote just taken. I meant to vote "no."

Mr. MCMAHON obtained the floor.

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Pennsylvania?

Mr. MCMAHON. I yield.

Mr. MYERS. Mr. President, I believe the debate on Senate bill 2202 has been rather comprehensive and all-embracing, and I sincerely hope the Senate will proceed to vote on the pending bill some time this evening. Time is of the essence, and the longer the Congress delays the final enactment of the bill, the less help and assistance will we be able to render those who will receive the benefit under the bill.

Mr. WHERRY. Mr. President, will the Senator from Connecticut yield?

Mr. MCMAHON. I yield.

Mr. WHERRY. I should like to ask the distinguished Senator if he has not been in the Chamber time and again during the debate and heard objections made to any Senator farming out the time? Of course, I have no objection to the Senator from Pennsylvania or any other Senator being recognized on the amendment that is to be offered by the Senator from Connecticut, but I feel that if we are to proceed in an orderly way, the distinguished Senator should comply with the request that was made, and that it will help expedite the progress of the pending bill. I shall not object to the Senator from Pennsylvania finishing his remarks, but I have objected to any Senator yielding to another for the purpose of permitting a statement to be made in the time of the Senator who has been recognized. I hope that practice will prevail during the rest of the consideration of the pending measure, because it is the best way to handle legislation, and I am sure the Senator from Connecticut agrees with me.

Mr. MCMAHON. I will say to the acting majority leader that the Senator from Pennsylvania assured me that he had a 2-minute contribution to the debate which he desired to present at this time. I am sure that both he and I overlooked the matter referred to by the Senator from Nebraska, and I appreciate the concurrence of the Senator from Nebraska in permitting the Senator from Pennsylvania to proceed with his further observations.

Mr. MYERS. Mr. President, I assure the Senate I have no intention of delaying a vote on the proposed legislation. I say that the longer the Congress delays final action on the legislation, the more will the opponents of the Marshall plan both here in America and abroad be able to delay the recovery and rehabilitation of the western European powers.

Yes, Mr. President, the more we delay here, even if the delay be only of hours or days or weeks, and it may still be weeks, in adopting the Marshall plan and providing the appropriation to implement it, the more time will Russia and her satellites have to effectuate their plans of sabotaging the Marshall plan. That is what Russia wants, Mr. President, delay, delay, delay, and more delay, and the Congress, I fear, may be playing right into her hands.

Mr. President, I do not propose to speak at length on the issue, for I have stated my position time and time again as being one of wholehearted support for the pending bill. The CONGRESSIONAL RECORD will attest my repeated affirmation of my support of it.

On Wednesday of the present week, at the annual Philadelphia Evening Bulletin Forum, I again addressed myself to this subject, and I expressed similar sentiments. I therefore ask unanimous consent to have my address of Wednesday printed at this point in the RECORD, so that my position on this issue may again be made clear and definite. I trust, Mr. President, that the Senate will shortly conclude the debate which has already lasted a long time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY UNITED STATES SENATOR FRANCIS J. MYERS, OF PENNSYLVANIA, AT SECOND ANNUAL BULLETIN FORUM, BELLEVUE-STRATFORD HOTEL, PHILADELPHIA, MARCH 10, 1948

The course which the world takes in the months and years immediately ahead depends to an extent which is almost frighten-

ing on the course which the United States of America chooses to take. The course which our Nation takes is the course which is demanded—and implemented—by the people, by you.

I, therefore, congratulate the Bulletin and its editors and the Bulletin Service Club Bureau for their public service in sponsoring this series of forum meetings designed to bring us some of the background we must have if we are to be not merely citizens in a democracy, but informed citizens in an alert and enlightened and effective democracy.

It is urgently important that as citizens of this particular democracy we are, in truth, informed. I firmly believe that this democracy of ours holds within it the power to win or lose for ourselves and for all humanity what may be the last battle of our time for survival of decency as a world force.

I have been asked to discuss the place of freedom in these issues, and what we must do to keep it here at home, to broaden it and protect it, and to spread it throughout the world.

What is this human freedom which we regard with such devotion, we in America? In essence, we all know what it is although we may define it differently. To each of us, and to everyone in the world, freedom means a different thing, depending upon our national heritages, our political backgrounds, or our economic level.

In America, freedom is something we have grown up with, something which has been there all the time, which evidences itself in every activity in which we participate. I think it is safe to say that we all, here in America, know what freedom means to us.

We differ sometimes, however, over what it should mean to the next fellow. Sometimes innocently, usually innocently, but in a few rare cases deliberately, we have joined in the denial of freedom to others. This is the Achilles heel of our own freedom, whether we realize it or not.

For freedom is like peace. It is indivisible. It cannot really exist, in truth, for any American unless it exists for every American. It cannot be secure in America while it is menaced or destroyed abroad.

Czechoslovakia is a long way from Independence Square, even by air line, but when freedom dies in Czechoslovakia the luster dims on the Liberty Bell in Philadelphia.

I think every American recognizes this fact today, and very fortunately so. Unfortunately, it took a horrible, bloody, and, yes, unnecessary war to teach us that truism. We weren't ready as a people to accept it as a fact in 1931. Manchuria was too far away, too remote. We weren't ready to accept it in 1933 when the lights of freedom flickered and slowly died in central Europe. I think it was only when freedom finally lay stifled and suppressed in nearly all of the civilized world that we suddenly realized our own freedom was in danger, in very grave danger.

Pearl Harbor ended our indecision and solidified our unity and we beat back the danger at great sacrifice and horrible loss of human life. We beat it back by force of arms. But all the while we felt there had to be a better way. We are still seeking that way, sometimes hopefully, sometimes, as now, fearfully, and in the meantime, Czechoslovakia, for the second time in 10 years, is a helpless prisoner of the police state, her freedoms once again denied and destroyed.

A part of America lies captive in that little land with the long name. There is no tie of empire between the United States and Czechoslovakia; there is a tie, however, which is even stronger. It is of the spirit, of the soul, of the heart. The founders of this little country, students of history and of politics, had found in the American way, in the American freedoms, the pattern they wished to follow for themselves, for their people, in their own little republic, in their own democracy.

What they found here in America, what they liked best, was the status, the dignity of the individual. In America, in America as we like to think of it, it is not just "the people" who count; it is each person who counts. Nearly every religion ascribes to man such dignity and such importance as an individual. The police state denies it. And we are gradually being surrounded once again by the police state.

When freedom died in Czechoslovakia, a part of America died. Something died within the heart of every American. What now? Are we to mourn and go our way and forget? There lies the path to disaster—to world disaster, to a world disaster which will catch us up and whirl us, too, to disaster.

The murder of freedom of Czechoslovakia was an inside job—by a "fifth column"—but by an inside gang bolstered by a gang outside which was ready to commit the crime if the insiders couldn't swing it. With the Red Army at the border and faced with civil war which would undoubtedly follow the pattern of the so-called civil war in Greece, Czechoslovakia capitulated.

The capitulation of Czechoslovakia meant a clean sweep of the police state over the whole of the Soviet sphere. The tear in the iron curtain has been mended.

There are those among us who say that the pattern of police-state expansion westward, as it worked out in Czechoslovakia, is inexorable and cannot be prevented. They counsel us, therefore, to abandon the Marshall plan because, they say, you can't stop bullets with dollars. But is this advice sound? I think not.

Up to now, and including the capture of Czechoslovakia, the Soviet Union has advanced its system of Communist dictatorship westward largely by force and threats of force. All of the nations in the Soviet sphere are nations dominated by fear of the Red colossus—by military fear of Russia. The United Nations, to a great extent, because of Soviet maneuvers within the UN, has not been able to dissipate this fear. The Red army is, thus, the real spokesman of Soviet diplomacy in the Balkans. It is important to remember this.

None of the Soviet satellites has turned to communism as the free choice of the people. There were no free elections in any of the nations behind the iron curtain to establish a Communist dictatorship. They were captured and thrown into communism by minorities at home, buttressed by the force of the Red army at their backs.

In the case of the so-called Marshall-plan nations, however, the situation is altogether different. They do not lie on the supply line of the Red army. They are not under the immediate threat of armed aggression by Russia. In France and Italy, for instance, communism is trying to sell itself to the people as the free choice of free citizens.

That this repressive philosophy of slave government has been having such success in free nations, where free men have free choice, is a great source of mystery to the average American.

I think we need only to recall the America of a dozen and a half years ago in order to dispel this mystery. The United States in 1930 was a nation demoralized by economic disaster. Food and jobs dominated our thoughts. Families were hungry and workers were idle and men despaired. America was ripe for demagogs and promisers. Sentiment for totalitarianism in America reached its zenith in those years between 1930 and 1933 because totalitarianism promised something which was completely lacking in the America of those days—and that was decisive action.

Some Americans looked yearningly at the methods Mussolini used to restore train schedules in Italy and said, "What we need is a strong man who can get things done." Others looked to Soviet Russia and said here was dynamic social action and that we could have the same thing here; that freedom in America meant the freedom to starve, while in the Soviet Union, while there might not be freedom, there was also no unemployment.

Bread is still the greatest political motivation of all. We must recognize that. Communism is today selling that brand of political theory to the hungry of the free nations of Europe and the world. It is hard for a hungry man to have sales resistance against a policy which promises him food for himself and his family in return for the surrender of freedoms which he may not be making much use of at the moment.

Halting the westward expansion of communism rests today on the ability of men and leaders who believe in freedom to prove that freedom can work efficiently and fairly, that democracy can work. Economics—bread, jobs, security—these are the factors today in western European politics. And that's where we—the people in rich, free America—come in. Here is where we must make our big down-payment on the purchase, once again, of our freedom.

For freedom must be paid for over and over again. Like any precious thing, hard-won, it must have constant care. The upkeep is continuous and expensive. To most of us, to most Americans, freedom, despite its price, its cost, is a real bargain.

But, too often, having had this freedom for so long, we take it for granted. We get tired. We expect the next fellow, who shares our freedom, to protect it for us and to work at keeping it for us while we loaf along complacently. The obligations of freedom cannot be passed around that lightly.

Right now, through the Marshall plan, America is committing itself to help those nations of Europe where freedom is on trial to solve extremely complex economic problems growing out of the devastation and dislocation of war, to again take their places as self-supporting peoples. We think that if these nations can regain their economic health, freedom can survive. For that reason, the American people overwhelmingly support the Marshall plan and favor appropriations adequate to carry it out.

Because of this wholehearted American sentiment I am confident that the Marshall plan will pass, and I believe it will pass with few disrupting changes. Many Americans will then consider the job as done, because our Government will have been committed to it.

Actually, however, the job will just be starting—the job, that is, for the rank and file of the American people. The authorization for this program, the bill which is now under debate in the Senate and in the House Foreign Affairs Committee, carries no appropriation with it. The money must be voted separately by Congress and from year to year.

Each of these appropriation bills will be a storm center. Each time the question will be raised whether America can afford to lend its efforts and so much of its wealth to the decent world we seek. There is no gainsaying that the cost of the program is high or that it will entail many sacrifices.

But before each of us at all times must be the realization that as difficult as the Marshall plan may be for us financially, we can afford it infinitely better than we can afford another war, infinitely better than we can afford to be pushed into the isolationism of a feared and hated democracy in a sea of totalitarianism.

The American people have a precious freedom which can be used to protect all of our freedoms. It is the freedom to make our voices heard on every issue affecting us as citizens in a democracy. Our Government will do what our Congress directs, and our Congress will do what it knows the people want it to do. Those Members of Congress who refuse to heed the wishes of the people can be—and should be—removed from Congress.

But writing a letter to your Congressman will not end your obligations. The Communist element which is seeking to block the Marshall plan, for instance, is not contenting

itself with letter writing. It is using every possible avenue to influence public opinion. The zeal and the untiring effort put forward by this group is simply amazing. True Americans who believe in freedom must be just as energetic.

We must be energetic in our unions, in our business and social organizations, in our circle of friends, in strengthening public interest—and public action—in those things we think are right and proper and decent.

This applies not only to foreign policy; it applies to national and State and local politics; it applies to our economic life; it applies to our daily activities.

The issue in the world today, the great overriding issue, is not merely capitalism versus communism. It is freedom versus slavery; democracy versus totalitarianism. It is the right of men to think and to speak without fear of transgressing any ideological "line." It is the right of each of us to walk upright in pride and dignity.

When the rights of Americans are transgressed anywhere in America, that is our business. When Americans in powerful positions allow their greed to disrupt our economy, that is our business. When peoples elsewhere are subjugated and in political slavery, that, too, is our business.

Our business, all over the world, is decency. It is the one heritage America can never deny.

There has been one Pearl Harbor after another in this new fight, this never-ending fight, for human decency, for human freedom. We must be equal to the challenge.

Mr. McMAHON. Mr. President, the United States of America has attained the position of world leadership and of being the first in the family of nations, partly because of two world conflicts, but largely because of the virility of our people, the extent of our natural resources, the inventiveness and imagination of our 140,000,000 citizens, and because, above all, of our obvious devotion to the cause of right and objective truth.

Mr. President, I like to believe that being first in the family of nations imposes duties and responsibilities as well as rights and powers and privileges. Just as the important and the wealthy and the powerful citizens of the towns or cities or States of our Nation should be held to higher account, so should nations be held to account for the powers and the privileges and the rights which they enjoy.

When the roll is called at the end of time and when the name of the United States is reached I, for one, am confident that the record of the last decade will be one in which every citizen of this great land can take pride and satisfaction.

Mr. President, how have we discharged our rights and duties in the past few years? What has been our basic policy, and how have we implemented that policy? As I see it, our basic policy has been the pursuit of peace with justice and with respect for the dignity of man. I think it can be demonstrated that we have implemented that policy day by day, not only in this Chamber but also in the Hall of the House of Representatives, and in the executive department of the Government.

I should like briefly to review some of the things which we have done, which should make us proud of the record we have compiled in the past few years. Mr. President, in all history what is to compare with what we have done for the Philippine Nation? Not only did we build up that nation and give to its people of our substance when they were torn by war, when the deluge came upon them, but we have come to their aid since with hundreds of millions of dollars and have attempted to see to it that that nation becomes a strong member of the family of nations.

After the end of the war we poured out billions of dollars through UNRRA. Oh, I know, Mr. President, that there are those who regret that that money was spent; there are those who regret that we did not earmark it more carefully; I know that much of it was used against us; but I also know that it was one of the most magnificent gestures, one of the most unselfish and generous acts ever performed by a free people.

Then, Mr. President, we went into the United Nations, and we pledged it our faith, our confidence, and our support. Furthermore, Mr. President, as I read the record, we have fulfilled every pledge, we have fulfilled every commitment we solemnly made under our adherence to that Charter.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. COOPER in the chair). Does the Senator from Connecticut yield to the Senator from Texas?

Mr. McMAHON. I yield.

Mr. CONNALLY. The Senator has spoken of the magnificent gifts we have extended to European and other nations since the war. Historically, in the past, subsidies have been provided largely in order to promote wars and to sustain warring powers. Has there ever been anything in the history of the world comparable to our generosity and our largess and our charity in extending these magnificent sums for the aid of stricken people, and to rebuild their fortunes after a devastating war?

Mr. McMAHON. The Senator eloquently and beautifully states the case and, of course, he is absolutely correct. That is why as a Senator of the United States I stand here and raise my voice in pride at the record this Nation has compiled in the last decade. There is nothing in all the role of history which can, for one moment, compare with it. Not only did we go through with UNRRA, not only have we subscribed to the principles of the United Nations, but we went to Bretton Woods and again pledged of our substance to try to establish the economic stability of the world. We also became a member of the International Monetary Bank. Then, Mr. President, there was one other thing with which I have perhaps a somewhat intimate acquaintance, one other thing which I think demonstrates the worth and the validity and the essential justice of the foreign policy of the United States of America. We wrote a page in history which I confidently believe even exceeds the generosity of our action in fostering UNRRA, to which the Senator has alluded. I refer, Mr. President, to the proposals which we made, through the United Nations, to all the world on the subject of atomic energy. Ah, it was our fortune to have unlocked the greatest force of nature. It was the gift of God that we, rather than our enemies, discovered this gigantic secret. When we realized that which we had and understood the good that was in it, when we realized that within it lay the power to heal disease, when we realized that within it lay a new force of energy which might make the deserts bloom and lighten the burden on the backs of the poor, the downtrodden, and the weary, we said to all the world, "You can use it. We ask only in return that you give to us satisfactory guaranties that it shall not be used to destroy us."

Mr. President, we now approach the writing of another great page in our history, embodied in this bill known as the Marshall plan. I do not know whether it will work or not. However, I am filled with the conviction that if we go through with it, and if we do certain other things which I wish to suggest, it stands a very reasonable chance of success.

While we have been doing the things I have mentioned, the Soviet Republic has adopted a policy which is one of the supreme tragedies of history. They have seen fit to pursue a policy of economic and political warfare against the peace of the world, paced always by a restless seeking for the military implements with which they could destroy us, provided the economic and political attack should fail of success. They have proceeded, as Senators know—and it needs no elaboration from me—to take over country after country, and to assassinate the political and economic liberties of mankind in a dozen nations. They refused to enter into the agreement for the control of weapons of mass destruction. I say without fear of contradiction that unless we can settle that problem we cannot settle the peace. That is the heart question of the peace.

Think of it! How are we going to have a peaceful world if we have a race in weapons of mass destruction, with which one part of the world can absolutely annihilate and destroy the other, and when that power comes into the hands of a nation which has demonstrated its utter disregard of every rule and every consideration that leads to agreement between nations? If we could have settled that problem this bill would not be necessary.

Are we afraid of the 10,000,000-man Army of Russia? Are we afraid of her submarines? Are we afraid even of her air force? No. I shall tell the Senate what we are afraid of. We are rightfully afraid of the possession, by a power which has acted as she has, of the weapons of mass destruction. We are afraid of her possession of the kind of things with which she can do infinite harm to us and the rest of the world. That is what we have to fear, and that is what must be avoided at all costs, if the guts of the world are not to be strewn on the ground and civilization itself, as we know it, destroyed.

Mr. President, I have spoken of some things which must be done in addition to the adoption of this plan. The Senator from Ohio [Mr. TAFT] in his speech yesterday declared that he did not have much faith in the power of propaganda. Ah, Mr. President, man does not live by bread alone. For 30 years there has come from the capital of Soviet Russia

a flood of propaganda, a flood of vilification, and a flood of denunciation of every principle of objective right and justice for which this Nation and all decent people stand. That propaganda is now having its effect.

For 30 years the Russians have poured oil on the flames of discontent. For 30 years they have told lies, bigger and bigger and bigger; and we, a great Nation devoted to liberty, devoted to the Bill of Rights, have indeed failed to answer. Our Nation, which has built the greatest economy in the world on the basis of advertising, strangely enough has not seen to it that we have advertised to the rest of the world the very bill of goods which, above all else, we should sell. If I had my way I would submit an amendment to this bill, if I thought it had a chance of adoption, providing an appropriation of $150,000,000 a year to tell everyone on the face of the globe what the facts are, why it is that we have been so insistent on the control of weapons of mass destruction, and why they and we have a common interest, an interest in the preservation of civilization itself, to see to it that the event of adverse possession of these weapons does not come to pass.

Mr. President, I would encourage by every method I could the unification of Europe, because in unification there would lie strength. I would encourage the making of customs unions and the abolition of tariff barriers. I would lend a helping hand in every way I could to see to it that the states which are devoted to democratic principles stuck together in the face of this common attack.

Finally, as I suggested at the end of the speech of the Senator from Alabama [Mr. HILL] the other day, I would call for a conference of the United Nations under section 109 of the Charter. I would invite in the other nations of the earth for the purpose of seeing to it that the Charter of that organization was revised so that it might become an effective method for keeping the peace. Of course I would invite Russia to come in. Under the Charter of the United Nations she would have a right to come in. With the fullest publicity I would place the case before the world.

She was invited to come to Paris. She came, and she went home; and when she went home she did her cause the greatest injury she has done her cause in the past 5 years. Her answer to that proposal and to the proposal embodied in the bill was to convoke an assembly in Poland of herself and her satellites, wherein they declared that they were going to wreck the Marshall plan. Perhaps they can wreck it. It is so much easier to throw a lighted match into a house that one has spent thousands of dollars and many man-hours of labor in constructing than it is to build the house. Russia is busy throwing lighted matches into the peace of the world.

Last September, Mr. President, the Russian delegate, Mr. Vishinsky, in a speech which he made at Lake Success, said that I was one of the warmongers of this country. I bitterly resented that appellation, and I resent it now. It is perhaps because I have thought so much about the peace of the world and how to preserve it—and I have, indeed, spent many hours in contemplating that subject—that I, as much as any man in the world, wish to prevent what I know will be a terrible and tragic conflagration that will destroy our goods and our peoples and all the values on which we set store and by which we live.

But, Mr. President, we are posed with a great question of leadership. Just the other day the Senator from North Carolina [Mr. HOEY] in a distinguished speech said that the last war cost us a trillion dollars, and I think the illustration he gave may well be reiterated—when he said, "Do you know what a trillion dollars means? It means a 5-room house for every family in the world, and a hospital costing a million dollars in every city of over 5,000 people."

Ah, Mr. President! I think of those unmarked graves scattered over the continent of Europe, in which thousands and thousands of anonymous people lie moldering. I think of the tragedy and the heartbreak of the wife going away, when driven out of her home, and taking her children with her; of the scent of dead flesh; and of the tragedy that there are no words in the English language to describe.

But, Mr. President, we know one thing, and that is that we do not get peace from a police state by appeasing it. The world tried that once, and it did not work, and it will not work this time. Our chance for peace, in my opinion, is to marshal the decent and right-thinking peoples of the world behind a determination that no nation will be permitted to have the things with which it can successfully wage war. We must do this within the forum of the United Nations, by calling a meeting of the United Nations and really setting this situation out for the judgment and consideration of the conscience of the world.

Mr. President, the last war cost us $8,000,000,000 a month. This bill costs us $5,300,000,000, which is the equivalent of the cost of 20 days of war. Every army that takes the field or every ship that sails the sea in time of war is not guaranteed success. Here we are launching a venture for peace. We cannot tell whether it will reach safe harbor; but at least we can pray to God that it will. We can be confident in our strength and, above that, confident in the essential and basic rightness of our principles. We can be confident that objective truth has been served. We can be confident that in God's sight, as I see the situation, we have adhered to the right. And having done that, I have no fear for the future of this country.

Mr. HOLLAND obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield? I should like to ask the Senator from Connecticut whether any action was taken on his amendment.

Mr. McMAHON. No action has been taken on the amendment. Perhaps we should dispose of it now, if that is agreeable to the Senator from Michigan, and if the Senator from Florida will yield for that purpose. I do not think it will take more than 2 or 3 minutes to dispose of the amendment.

Mr. HOLLAND. I yield, if it is understood that I shall have the floor after the amendment is disposed of.

Mr. VANDENBERG. I think it will take only a moment to dispose of the amendment.

Mr. McMAHON. Mr. President, I think it would be well to have my amendment read by the clerk.

The PRESIDING OFFICER (Mr. IVES in the chair). The amendment will be read.

The CHIEF CLERK. On page 32, between lines 20 and 21, it is proposed to insert a new subsection, as follows:

(e) In addition to the provisions required by subsection (b) to be included in agreements concluded with participating countries under this act, there shall also be included an undertaking by each such country to prohibit the exportation other than to the United States from such country of any commodity of which the exportation from the United States is (1) determined by the Secretary of State, the Secretary of Defense, and the Chairman of the Atomic Energy Commission, acting jointly, to be inconsistent with the national security, and (2) prohibited by or pursuant to the laws of the United States.

Mr. McMAHON. Mr. President, the intent of this amendment is briefly as follows: It is to prohibit any country which participates in the benefits of this act from exporting, except to the United States, anything that the Secretary of State and the chairman of the Atomic Energy Commission and the Secretary of National Defense might believe to be detrimental to our national security. Under the McMahon Act, it is provided that the Atomic Energy Commission has the power to embargo anything which it believes would be helpful in the making of atomic bombs. It seemed to me that we would not be wise nor would we be judicious to permit that. Particularly did the Senator from Connecticut feel some responsibility for pointing out this situation to the Senate. Since the amendment was introduced, I have had very prolonged and serious discussions about it with the Department of State and its representatives, and with the chairman of the Foreign Relations Committee, my good friend the Senator from Michigan [Mr. VANDENBERG]. As a result of those conversations, I am completely and entirely convinced that the situation which I thought it necessary to allude and to point to will be most satisfactorily and completely taken care of when the agreements under the act are written. Furthermore, I know that when the Administrator under this act is nominated and when his nomination comes before the Senate, I shall make it my business to talk to him about this problem; and I have no reason to doubt but that he will, shall I say, listen with attention and with appreciation to the problem that is involved in the amendment which has been submitted by me. Since that is the situation and since I think I can assure the Senate and the country that it has been satisfactorily taken care of, I do not press the amendment.

Mr. VANDENBERG. Mr. President, I want to thank the Senator from Connecticut for his attitude. His amendment is typical of his vigilance ever since the atomic-energy problem first broke upon the conscience of the country and the world. His name was attached to the original control act under which

this tremendous responsibility was organized within our country. I fully understand the objectives toward which, with his usual vigilance in this field, he wrote the amendment, and I can fully understand the purpose he had in mind.

I think the Senator is entirely correct, however, in saying that the objectives to be sought have already been substantially achieved by voluntary agreements among certain of the 16 nations involved. It seems to be quite clear that, in view of the fact that this completely satisfactory relationship is thought to be available to us on a voluntary basis, it might be highly undesirable to undertake to turn it into a compulsory relationship of some kind, at least until that is necessary. Therefore I think the Senator is justified in the statement he has made, that the situation is in hand. I thank him for withdrawing the amendment, because I think it would have been inadvisable to precipitate this particular issue.

The PRESIDING OFFICER. The amendment submitted by the Senator from Connecticut is withdrawn.

Mr. HAWKES. Mr. President——

The PRESIDING OFFICER. The Chair points out to the Senator from New Jersey that the Senator from Florida was recognized, and that he yielded the floor, under a unanimous-consent request, with the idea that he should regain it upon completion of consideration of the amendment. The Chair therefore requests that the Senator from New Jersey kindly allow the Senator from Florida to continue his remarks, which the Chair understands will be very brief. The Chair will then recognize the Senator from New Jersey.

Mr. HAWKES. I thank the Chair. That is agreeable to me.

Mr. HOLLAND. Mr. President, I appreciate the generosity of the Senator from New Jersey. I shall take but a few minutes. This vital measure has been debated for 2 weeks. I should much rather have my position upon each of the amendments which have been submitted and upon the final passage of the bill to speak for my position than anything I might say on the merits of the bill in this closing hour of the debate.

There is, however, one particular matter which I think is of sufficient importance, and which does not have to do with the merits of the bill, to justify brief mention—brief mention of a situation which has not occurred at least during my membership in this body, in the consideration of other major measures of legislation.

As a basis for my remarks, Mr. President, I ask that a list of the membership of the Foreign Relations Committee be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the list of members of the Foreign Relations Committee was ordered to be printed in the RECORD, as follows:

Foreign Relations: ARTHUR H. VANDENBERG, of Michigan; ARTHUR CAPPER, of Kansas; WALLACE H. WHITE, JR., of Maine; ALEXANDER WILEY, of Wisconsin; H. ALEXANDER SMITH, of New Jersey; BOURKE B. HICKENLOOPER, of Iowa; HENRY CABOT LODGE, JR., of Massachusetts; TOM CONNALLY, of Texas; WALTER F. GEORGE, of Georgia; ROBERT F. WAGNER, of New York; ELBERT D. THOMAS, of Utah; ALBEN W. BARKLEY, of Kentucky; CARL A. HATCH, of New Mexico.

Mr. HOLLAND. Mr. President, I call attention to the fact, because I think it is something that is not only of importance to the Members of this body but also of great interest to every citizen of this Nation—I call attention to the fact that here is a piece of major legislation which has been studied by a committee of the Senate which is outstanding in its membership, has been studied seriously, in great detail, and with the benefit of technical, practical, and special advice from the many quarters which have been mentioned previously in the debate, and it has then been made the basis of a unanimous favorable report of the Foreign Relations Committee.

I call further attention to the fact that, varying from any other matter which has come to this floor in recent years, there has been no division in the membership of the committee on any vital detail. I call attention to the fact that the various amendments which have been submitted, every one of which no doubt sprung from patriotic and high-minded motives on the part of the Senator or Senators submitting it, all of them have been rejected by overwhelming majorities, and the well-intentioned attacks made upon the bill have been just as fruitless of results as is the patter of the summer rain against the rugged bark of a forest giant, which stands without showing the slightest injury, in fact, it comes out of that sort of testing in better shape than it was before it was subjected to the test.

I call attention to the fact that this committee is not only bipartisan, carrying seven members of one party and six of the other, but from the standpoint of geographic distribution and of varied experience, it has in its membership probably the finest group of talent to be found in any important committee of the Senate. Perhaps I may say this with propriety, as a Member of the Senate who is not a member of the committee, when such a remark could not be made by any member of the committee.

I call attention to the fact first that the distinguished chairman of the committee, the senior Senator from Michigan, who has won, I think, the praise and the gratitude of every Member of this body and of all our citizens, comes from that great area of our Nation, the Midwest and Plains States, which has sometimes been referred to as the heart of isolationism in America. Along with the Senator, who has labored so diligently and served so splendidly in the presentation of the bill and in the working out of its details, there are three other Senators from that same area, the Senator from Kansas [Mr. CAPPER], chairman of the Agricultural Committee, who knows probably more about the agricultural wealth and resources of the Nation than any other Member of Congress; the Senator from Wisconsin [Mr. WILEY], chairman of the Judiciary Committee, who handles daily the important problems affecting all kinds of legal questions which bear vitally upon the welfare of the Nation; and the Senator from Iowa [Mr. HICKENLOOPER], chairman of the Joint Committee on Atomic Energy. Certainly there is no other committee which deals with a subject which is more surcharged with vital meaning to the Nation and to the world just now.

From the great Southwest comes the distinguished ranking minority member, the Senator from Texas [Mr. CONNALLY] whose services to the Nation in the field of foreign affairs rank with those of the distinguished chairman. I need not call to the attention of this body the service which he has rendered in the long years as a Senator.

Mr. President, without attempting to figure it out exactly, I believe that the average length of membership of the 13 members of this committee in the Senate will be something like 15 years, in addition to service by several of the members in the House of Representatives and as governors of their States, and that there is no other group of comparable experience—or, I believe, of comparable wisdom in foreign affairs—to this particular group of fine Senators and splendid Americans.

From New England there comes the majority leader, who is also chairman of the Committee on Interstate and Foreign Commerce—certainly a vital field. I call attention to the fact that on this committee there is the majority leader and also the minority leader—the leaders on both sides of the aisle in the Senate. In addition to the Senator from Maine [Mr. WHITE], there is the Senator from Massachusetts [Mr. LODGE], veteran of the last war, and I pause to remark that there are on this committee veterans of all three of the last wars in which our Nation has participated—the Second World War, the First World War, and the Spanish-American War. Not all men who serve here can have had the experience of service in the armed forces, but I think it worthy of mention, in passing, that we do have upon this committee the benefit of the services of men who have actually fought for their country in battle in the last three great wars in which our Nation was engaged.

From the Middle Atlantic States the distinguished senior Senator from New York [Mr. WAGNER] came to the Senate from long service on the bench of the supreme court of his State. He is noted for his interest in humanitarian subjects, and he added strength to the committee.

Also from that area came the Senator from New Jersey [Mr. SMITH], a distinguished scholar in international affairs, a former member of the faculty of Princeton, and always distinguished in everything he says because of his fine nonpartisan approach and his high scholarship.

From the Mountain States of the far West there came the Senator from New Mexico [Mr. HATCH] and the distinguished Senator from Utah [Mr. THOMAS]—another educator of the highest scholarship who has served this Nation in many international affairs. I call attention to the two Senators who have represented this Nation very skillfully in nearly all of the critical international affairs which have risen in recent years, namely, the Senator from Michigan [Mr. VANDENBERG] and the

Senator from Texas [Mr. CONNALLY]. On the committee are various other members, including those to whom I just referred—the Senator from New Mexico [Mr. HATCH] and the Senator from Utah [Mr. THOMAS]—who have served on foreign assignments which were highly important to this Nation and to the world.

Coming from the Old South, there is the Senator from Georgia [Mr. GEORGE], than whom no Member of the Senate or no citizen of the Nation knows more about finance or more about what can be safely done by this Nation in rising to the very great financial challenge which is presented in the effort covered by the bill which is before us. His presence upon the committee, and the fact that he joins with the other 12 members of the committee should inspire greater confidence on the part of the public and on the part of every Senator in the measures which has the unanimous backing and consent of all the members of the committee.

Last, but by no means least, from a border State comes the Senator from Kentucky [Mr. BARKLEY], the distinguished minority leader and long the majority leader, himself many times assigned in difficult and important international matters to represent the Nation.

Mr. President, I make these brief remarks, because it has seemed to me they should be made, not only to give assurance to those Senators who, I think, in a very great majority, will vote soon for the final passage of the bill, but because I think a consideration of the combined wisdom, experience, special skill and training, and patriotic devotion of the members of this committee gives confidence to those who look upon the work of the united committee as a real manifestation of what democracy can do to meet a grave crisis in the Nation's life and in the history of the world.

I have taken longer than I intended, Mr. President, but it seemed to me it was important to call to the attention of the Nation the fact that here we have a showing and a clear illustration of the fact that men from all parts of our Nation can think in unison and can carry through an effort of supreme importance not only to this body, not only to this Nation, but of supreme importance to all humanity, without once wavering in the unity of their conviction. In fact, as the bill has come through debate and has survived the various tests, it has seemed to me, Mr. President and Senators, as I indicated a moment ago, that the product of their combined skill, wisdom, and patriotic devotion has stood forth with great clarity as being an instrumentality which is strong and sturdy and which offers something worth while, something which will give renewed hope to the people of this Nation and, through them, to the liberty-loving people of the world.

I thank the Senator from New Jersey.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HAWKES. I yield to the Senator from Ohio.

Mr. TAFT. I should like to offer an amendment. If any question is raised regarding it, I shall withdraw it.

Mr. HAWKES. Very well.

Mr. TAFT. Mr. President, there is an amendment on the desk which I submitted yesterday, but I wish to state that I have conferred with those who are representing the Government, and the revised form of my amendment has been prepared by them. I am prepared to accept it in that form. I therefore offer that amendment instead of the one which lies on the desk.

The PRESIDING OFFICER. The clerk will read the revised amendment.

The CHIEF CLERK. On page 19, after line 25, it is proposed to insert a new paragraph (4) (i), subsection (c) of section 1, as follows:

(4) (i) By making, under rules and regulations prescribed by the Administrator, guaranties to any person or government in the Western Hemisphere with respect to credits any such person or government may grant for commodities and services to be transferred, with the approval of the Administrator, to a participating country: *Provided*, That guaranties to governments in the Western Hemisphere shall not exceed 70 percent of the credits so extended by any such government: *And provided further*, That the Administrator determines that the use of this method of guaranteeing credits, as opposed to this method of direct procurement and delivery to participating countries, will not substantially prejudice the extension or validity of credits or loans by other governments, by the International Bank for Reconstruction and Development, or by private persons, where such credits or loans have been, or in the future might be, prudently made without such guaranty, considering the capacity of the several participating countries to repay. In determining whether to provide for the procurement of commodities and services outside the continental limits of the United States, the Administrator shall take into account whether the government of the country in which commodities or services are available for transfer fails to extend such credits or to arrange such prices, terms, and conditions as the Administrator considers equitable and prudent in connection with such transfers. In connection with such guaranties, the Administrator, on terms and conditions prescribed by him, may agree to advance dollars on account of such guaranties at the time such exports are made, or at any time not more than 10 years after the making of such agreement.

(ii) As used in this paragraph, the term "person" means a citizen of any Western Hemisphere country or any corporation, partnership, or other association created under the law of any such country or under any political subdivision thereof, and substantially owned by citizens of Western Hemisphere countries.

Mr. TAFT. Mr. President, this amendment simply provides an alternative method which the Administrator may use in acquiring from other Western Hemisphere countries goods to be sent to Europe. Under the bill, he may buy such goods only for the United States Government, and then sell or give them to foreign nations. This amendment permits him to do the same thing through a guaranty of credits advanced by Western Hemisphere countries to a European country.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. VANDENBERG. In addition to what the Senator from Ohio has said, the amendment will establish a basis upon which we can work out some of the triangular trade formulas which highly intrigued the Senate Foreign Relations Committee in respect to South American trade under the European recovery program.

I shall be very glad to accept the amendment, so far as I am concerned.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. McMAHON. Was this proposal discussed before the committee?

Mr. VANDENBERG. It was not.

Mr. McMAHON. Was there any testimony offered in connection with it?

Mr. VANDENBERG. There is a great deal of testimony regarding the phase of the matter to which I have just adverted. I know of no testimony on the phase referred to by the Senator from Ohio. But I can assure the Senator from Connecticut that it has been very carefully handled during the past 2 days by the authorities at the State Department.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HAWKES. I yield to the Senator from Massachusetts.

Mr. LODGE. I should like to say to the Senator from Connecticut that a great deal of testimony on this subject was given by Mr. Norman Littell, whom I think the Senator knows. He will find in the hearings not precisely the text of the amendment, but testimony on the subject of triangular trade.

The PRESIDING OFFICER. The question is on agreeing to the revised amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. MAYBANK. Mr. President will the Senator from New Jersey yield?

Mr. HAWKES. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I am anxious to do whatever is necessary to set up the most effective bulwark of free people in western Europe to help stop this onrushing tide of communism which is even now engulfing more and more of Europe day by day. Let us be sensible about the Russian threat. It is real. The time has come when we must step into the picture squarely. Long ago I recommended this. Any further delay may be fatal.

Let us not forget, Mr. President, that though economic and humanitarian on the surface, this aid still has one primary purpose. We must stop the overrunning of western Europe by this Red tide. Let us face the facts. While we hope to alleviate suffering among the war-torn people of Europe, we are basically making an effort to preserve the peace of the world for as long a period as possible. In deference to those who so lately gave their lives that we might enjoy the fruits of a peaceful existence, we can do no less than our utmost to preserve the peace—shaky though it may be. We who owe so much to so many cannot afford to economize with aid of bread and milk alone. In a shrunken world, armed to the teeth with atom smashers and master minds of scientific research, we must back our aid with our own preparedness program at home. And that preparedness is not enough on paper. If we are to avoid another war we must

let the powers of the world know that we are prepared for any emergency.

It is paramount. Whether our aid to the peoples of Europe be Christian generosity or economics, I pray that our actions, as leaders of a world which still reeks from the odor of gunpowder, and echoes the scream of dive bombers and heavy projectiles, will be guided by a spiritual reawakening in a belief in God, and a realinement with the Christian ideals of our grandfathers.

Mr. President, I ask unanimous consent to have printed as part of my remarks on this subject, a most forceful, able, and enlightening address delivered in Charleston, S. C., today by our former distinguished Secretary of State, a loyal and devoted American.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY JAMES F. BYRNES AT THE CITADEL OF CHARLESTON, S. C., ON MARCH 13, 1948, THE ONE HUNDRED AND FIFTH ANNIVERSARY OF THE OPENING OF THAT INSTITUTION

I deem it a happy privilege to join you in celebrating the one-hundred-and-fifth anniversary of the opening of the doors of the Citadel to the youths of the State and the Nation.

When I was a boy I resided about 200 yards from the old Citadel green. It was my playground and the cadets were my heroes. Because it was my boyhood ambition to attend this institution, you will understand how deeply I appreciated the Citadel conferring upon me in 1946, while I was in Paris at the Council of Foreign Ministers, the honorary degree of doctor of laws.

During the century of its existence, the Citadel has steadfastly fulfilled its purpose as announced by Col. J. P. Thomas:

"A complete and generous education—that which fits a man to perform justly, skillfully, and magnanimously all the offices of a citizen, both public and private, of peace and war."

During the exciting life of this institution, able and distinguished men have directed its work. But in no period has it made greater progress than has been made during the administration of that great soldier and educator who is now its president, Gen. Charles P. Summerall, former Chief of Staff of the United States Army.

I am told that today nearly every State in the Union is represented at the Citadel and of the 2,000 in attendance, approximately 1,000 are veterans of World War II. To such an audience, I think it appropriate that I should talk about our foreign relations.

There can be no truly American foreign policy unless the American people are kept informed. It is fine to applaud Decatur's patriotic declaration, "My country, right or wrong," but the men who must fight the wars of America would like to see their country right rather than wrong.

If the American people are given facts—not propaganda—they will reach an intelligent conclusion, make their views known, and our Government will be responsive to the will of the people.

With the cessation of hostilities we hoped there would begin an era of peace which would last for at least a half century. Today we are disillusioned. Instead of the peace for which we longed, fears and uncertainties disturb us. The events of the past 2 weeks have been particularly disheartening to thoughtful men and women.

It is disheartening that the non-Communists of Czechoslovakia and Finland who have shown their love of liberty and of parliamentary government should lose their freedom and be forced to live in a police state.

Even before the end of hostilities Stalin declared that those countries bordering on Soviet territory should be, what he called, friendly governments. From the experiences of the last few years we knew that his definition of a friendly government was a government completely controlled by Communists who willingly accepted direction from Moscow. Nevertheless, the action of the Soviets in Czechoslovakia was surprising as well as disappointing.

Czechoslovakia had so proved its willingness to cooperate with the Soviets that many of us hoped its people would be allowed to enjoy at least the measure of freedom they had enjoyed since the end of hostilities. That Government was not only cooperative but in some matters actually subservient to the Soviets. You will recall that in June 1947 the Czechoslovakian Foreign Minister, Mr. Masaryk, announced that his government would cooperate with other European governments in accepting the Marshall plan for European aid. Within 24 hours thereafter, by direction from Moscow—communicated through the present Premier, Mr. Gottwald—the Czechoslovakian Government announced it would not participate in that plan. That must have been humiliating to the Government of a supposedly independent state.

However, there were some officials of that Government who did not agree with the Communist line, even when expressed by the Soviet leaders. I recall that at the Paris Peace Conference when Mr. Vishinsky charged that the United States was trying to buy the people of European countries with relief appropriations, loud applause came from the Czechoslovakian delegation seated only a few feet from the American delegates. The applause, however, came from only a few. The majority of the delegation did not applaud the denunciation of the United States.

And there was one official, Foreign Minister Masaryk, who did not hesitate to criticize the action of his Communist colleagues in the Government. I recall that in 1946, on the representation that Czechoslovakia needed financial assistance for reconstruction work, the United States allotted to that government a credit of $50,000,000 for the purpose of surplus property. Later, while in Paris, I learned from our representatives that officials of Czechoslovakia who belonged to the Communist Party had agreed to let the Communist government of Rumania have $10,000,000 of that credit. For that $10,000,000 they were going to charge Rumania 6 percent interest, plus an administrative fee of 7 percent. We were charging Czechoslovakia only 2⅜ percent interest. When I learned of the transaction I immediately ordered the cancellation of the credit.

A few days later Foreign Minister Masaryk, accompanied by Mr. Clementis, an official of Czechoslovakia and a Communist, called on me. Mr. Masaryk asked why the credit was cancelled. I told him it had been allotted only because of the representations made by his government as to its needs, and not to put them in the brokerage business. When I recited what had occurred, Masaryk stated he had not heard of the incident, and in the presence of his Communist colleague, declared with great emphasis that he shared my view that the action of his government was inexcusable. Of course, he knew his criticism would be communicated to the Communist leaders in Prague, but it did not deter him from expressing his views.

A few days ago Jan Masaryk committed suicide. I was not so surprised. He had spent many years in this country and in London. He loved freedom. He did everything in his power to preserve freedom for the people he loved. To accomplish that he suffered humiliation last June and doubtless suffered other indignities. His efforts failed, and Jan Masaryk chose to die when he could no longer live as a free man.

So the iron curtain goes down on Czechoslovakia. Freedom of speech is abolished. Parliamentary government has yielded to brute force and freemen have become Soviet serfs. The misuse of military power has brought fear to the peace-loving peoples of Europe and has shocked freemen everywhere.

I have great sorrow for Finland. There, the Soviet approach is different, but I fear the result will not be different. In a personal letter to the President of Finland, Stalin says that it is desirable that they should enter into a mutual assistance pact. Finland has had experience with the Soviets. Finland knows that when Stalin says "it is desirable," he means it must be done—or else. Finland is not in a position to refuse to negotiate. I care not what may be the terms of the pact, we can rest assured that it will be used as a pretext to permit the Soviets to gradually assume complete control of Finland.

We must remember that control of Finland is part of the Soviet plan of expansion. In one of the conversations between Hitler and Molotov, prior to the Russian-German hostilities in 1940, which conversations were disclosed in documents found in the German foreign office, Molotov protested to Hitler that under their agreement Finland was in the Soviet sphere of influence, and yet German troops were in Finland. Hitler did not question the accuracy of the statement as to the agreement. He explained that his troops were in Finland only to protect a line of communications to Sweden where they were getting oil and ore essential to the German military effort. He promised prompt withdrawal of the troops.

Therefore, there can be no doubt about the intentions of Stalin as to Finland. With Communists now holding key positions in that Government, I fear it will be but a short time before the Soviets will be in complete political and military control of the Government.

Naturally Americans speculate upon the reasons that prompted the Soviets to move against these two countries at this time. We cannot give credence to the statement contained in Stalin's letter to the President of Finland that the Soviets desired a mutual assistance pact with Finland to protect the Soviet Republic against German aggression.

Germany, after the Second World War, is entirely different from Germany after the First World War. In the First World War the Allies had no air force dropping destructive bombs on Germany night after night. The armistice was agreed to before the Allies invaded Germany. Consequently, German industries and German cities suffered no damage. But in World War II there was a different story.

In the history of the world there has never been anything to equal the destruction wrought in Germany by Allied bombers and Allied artillery in World War II.

Today the Red army is in control of eastern Germany. The armies of the United States, the United Kingdom, and France are in control of western Germany. The people of Germany are disarmed and the industry of Germany demilitarized.

In behalf of the United States I offered to enter into a 40-year treaty with Russia, the United Kingdom, and France to keep Germany disarmed and demilitarized. Britain and France agreed to the proposal. Stalin told me on Christmas Eve of 1945, "If you fight for such a treaty, you can rely on my support." Sixty days later Mr. Molotov advised me that the Soviets could not agree to such a pact. In the light of these facts Marshal Stalin cannot expect us to believe that suddenly the Soviet Government is afraid of German aggression, and instead of accepting a pact with the United States, United Kingdom, and France, he will look to little Finland for assistance.

Whenever the Soviet Government gives such an incredible excuse for its action, we must speculate upon the real reason. There is nothing to justify the hope that with the complete absorption of Czechoslovakia and Finland the Soviets will be satisfied. If we could believe that, the peace-loving people of

the world, while regretting the fate of the liberty-loving people of those countries, would breathe easier. I do not believe it. My fear is that the Kremlin reached a decision that as the absorption of those two countries was in any event an essential part of their expansion program, they would complete the two jobs immediately so that they would be entirely free to pursue other expansion projects which they realize will be more difficult and more dangerous.

I hope I am wrong. But as prudent people, in the light of Soviet statements and actions, we must assume that they have not completed their program of impefialism. We have every reason to believe that they covet control of Greece, Turkey, Italy, and France.

We can assume there will be no armed invasion of any one of the countries named. But we have assured those countries that we will act if their independence is threatened by an aggressor either by direct or indirect action. I am sure the people of Czechoslovakia, who have twice lost their freedom, see no important difference in the direct methods of Hitler in 1938 and the indirect methods of Stalin in 1948.

If the Soviets pursue the course they have recently followed in the Balkan States, their difficulties will be greater. There are no Soviet troops in Turkey, Greece, Italy, or France. Nor do the Communists in any one of these countries have control of the office of Minister of the Interior, the official who controls the police and controls the elections.

The Italian elections will be held in April. It is difficult to prophesy the result of an election in this country, and certainly it is more difficult for any American to foretell the result of an election in Italy. However, we can guess, and from the best obtainable information, my guess is that the Communists cannot gain control of Italy in the elections.

If the Soviets intend to act in Italy as they have in Hungary and Czechoslovakia we can expect them to move whenever they reach the conclusion that Communists cannot win in the election. They will not wait until the elections disclose that the Communists are in the minority. To follow the Soviet pattern, they must be in position to claim that the democratic forces, who constitute a majority, are being plotted against by a minority of Fascists who are carrying out the orders of the "imperialists" of the United States and the United Kingdom. In the language of Soviet officials, democratic forces means Communists and the word "Fascists" includes all others.

To the peace-loving people of the United States it presents a terrible problem, but we must face that problem. We must now determine our course. We cannot wait until the democracies of western Europe lose their independence before we even determine our course of action. In 1914 we took 2 years to determine our course and were saved only because of the valor and effectiveness of our allies. In 1939 we again took 2 years to consider our course and the Japs at Pearl Harbor forced us to decide.

Every thoughtful person agrees that under present conditions, should the democracies of western Europe be threatened with aggression and should we attempt to redeem our pledge to aid them, we would not have 2 years—or even 2 weeks—to debate our course. What pledge did we give?

On March 12, 1947, the President addressed a joint session of the Congress and declared:

"We shall not realize our obligations, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes. This is no more than a frank recognition that totalitarian regimes imposed on free peoples by direct or indirect action undermine the foundations of international peace and hence the security of the United States."

And the President further declared:

"I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure."

That is the policy of the United States, as declared by the President. It met with general approval of the American people. The Soviet Government seems to have forgotten it or has concluded we will do no more than protest, as we did in the case of Hungary and Czechoslovakia. It is our duty to let the Soviet Government know that they must not be misled by our forbearance in those two instances; that if the independence of these four countries, or any one of them, is threatened by the coercive methods the Soviets have followed in other countries, we will not write a letter of protest; we will act.

We must act within the spirit and the letter of the Charter of the United Nations. We must call for action by the Security Council. And, knowing the Soviet habit of taking over a government and then announcing there is nothing to discuss, we must let the Soviets know we will act immediately to preserve the status quo until the Security Council has an opportunity to investigate the threatened aggression.

It will be unfortunate if the Soviets are misled into believing we will not carry out the solemn pledges of the President in his speech to the Congress. In 1914 and again in 1939, the Germans were misled by what they believed to be our lack of decision and our lack of military power. The result was war.

The Soviets are under no misapprehension as to our power. I fear they are not convinced of the sincerity of our declarations. They will go as far as we let them go. But I am confident that if the Soviets conclude that we really mean what we say they will hesitate to proceed further with their efforts to dominate all Europe.

It will be even more unfortunate if, in view of the similarity between the course followed by Hitler in 1938 and 1939, and the course followed by the Soviets in 1947 and 1948, we did not prepare to discharge our obligations to the United Nations and to redeem the pledges of the President. We must pray it will never be necessary. We must be ready if it is necessary.

In the light of recent events, and until the Soviets stop their expansion moves, we must forget our desire for the limitation of armaments. Funds that are being sought for the construction of public works that are meritorious but are not urgent, must be diverted to the national defense. It is unfortunate, but true, that some people in this world respect only force. The strength of our arguments for peace depends in some measure upon the strength of our armed forces.

In 1945, when hostilities ceased, the United States had an Army with greater striking force than any army in the history of the world. For the demobilization of that Army, we adopted the point system. At that time we were confident that ahead of us there was a long period of peace. I thought it was a fair system for the quick return of the men to their homes and to civilian life. But our Army had become a mechanized army. The man with the greatest number of points was frequently a keyman in a company and the early demobilization of these keymen quickly destroyed the effectiveness of our Army. In the late fall of 1945 every division was shot to pieces by the discharge of keymen.

Many thoughtless people who then called upon me to talk belligerently were entirely unaware of our military weakness. I had in mind the statement of Theodore Roosevelt that in our foreign relations we should "speak softly and carry a big stick." I was called upon to speak loudly and had nothing to carry more effective than a twig.

Since that time our Army has been reorganized but today it is pitifully inadequate in view of our commitments around the world. A large part of our enlisted strength must be used to maintain armies of occupation in Germany, Austria, Japan, and Korea. It does not leave available sufficient combat forces to discharge our duty to the United Nations and to assist in providing protection to free peoples against aggressor nations.

It is said that in the Army, Navy, and Air Force, we have the largest volunteer force ever recruited in this or any other country. Fine, but what good is that to us when other governments will not agree to confine their armed forces to volunteers.

We are able to secure the necessary enlistments in the Air Force and in the Navy, but that is not true of the Army. Today the Army has an authorized strength of Ground Forces of 669,000. We actually have only 550,000 men. The National Guard has an authorized strength of 650,000 men but actually the Guard has only about 250,000.

Even if we had the authorized strength, in view of the number required for the occupation forces, the number of available combat troops is wholly inadequate. They are sufficient only as long as we do not need an army.

I am no military expert. I do not know how many enlisted men we need in view of our commitments. There is no sanctity about any particular number, but it is necessary that the Army we have should be a modernized army. And in this day, when events move swiftly, we should have sufficient mobile troops, who can be quickly transported to support the boys we have across the seas and to discharge our commitments.

I am in favor of universal military training. For long-term planning, I still think it desirable. But, while it is wise to think of our military strength 4 or 5 years from now as a result of a program for universal military training, I think it more important to think of the situation that may exist 4 or 5 weeks from now as a result of our failure to adequately provide for the national defense. God grant we will not then need an army. And may Congress grant that if we do need an army, we will have an army in uniform and not on paper.

As a first step, Congress should promptly reenact the selective-service law to secure the 120,000 men necessary to bring the Army up to the authorized strength of 669,000. It can then decide what increase there should be in the enlisted strength. The very fact that Congress takes such action will contribute greatly to the preservation of peace. Mr. Molotov does not understand English, but to him actions speak louder than words in any language.

As a second step, Congress should appropriate additional funds for our Air Forces. We must make certain that if war ever again comes to us that the United States will have superiority in the air. The atom bomb makes the air program one with highest priority.

I have said nothing about the Marshall plan. I favor its passage. I hope it will pass the Senate today and pass the House next week. It has been under consideration by the Congress for many months, and Congress certainly has not denied to any responsible person the opportunity to express his or her views on the subject. We should pass it because it is right to do so. We should pass it because it will put those people back to work and give them the courage and strength to assert their independence, and, if necessary, fight for it.

However, we must realize that the appropriation of money—which cannot be available to the European nations for several months—will not stop the Soviets from further expansion this spring, if they have decided upon such expansion. It will not lessen in any way the necessity for the measures of preparedness I have suggested.

The financial aid we give to the people of Europe will do them little good unless we

maintain the military strength necessary, in association with the other United Nations, to preserve their independence as they go about the work of reconstruction.

I wish to make clear that what I have said represents only my views. I have not talked with either President Truman or Secretary Marshall about the matter I have discussed here. However, the President is quoted as saying on Wednesday that "his confidence in world peace had been somewhat shaken." On Wednesday Secretary Marshall declared the situation abroad "is very, very serious," and that in Czechoslovakia there is "a reign of terror." He is quoted in the press as saying on Thursday night, in the presence of the President and, therefore, presumably with his approval, that "the world is in the midst of a great crisis, inflamed by propaganda, misunderstanding, anger, and fear." These are alarming words from the two men who, by reason of their offices, are in best position to know world conditions.

The Secretary appealed for cool judgment. I join in that appeal. But when the President and the Secretary of State so describe world conditions, it is time for those of us who are private citizens to think not only calmly, but seriously, about the situation. It is time for us to ask, What are we doing about it? Are we prepared to meet a world crisis? I say we are not. Are we going to prepare? I hope so. I pray so.

It becomes the imperative duty of each one of us to insist that steps be taken immediately to prepare the United States for any eventuality. If we are going to talk strong, we must be strong.

America must be strong if Americans are to be free.

Mr. HAWKES. Mr. President, on June 5, 1947, Secretary of State George C. Marshall said in Cambridge, Mass.:

> It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. * * * The role of this country should consist of firendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so.

I believe few Americans will take exception to this statement made by General Marshall at Harvard. Each sentence was safeguarded with certain words.

In the first sentence, he used the words "is able to do," placing a condition upon the requirements to be made upon us.

In the second sentence, he showed he recognized that this proposal might be an impractical thing for the United States to undertake, and he used the words "so far as it may be practical for us to do." In my opinion, the plan before us disregards these safeguards.

Secretary Marshall's statement, minus its qualifying language, was developed by the State Department planners into the program we are now considering. It has been advertised throughout the world as the Marshall plan. I would prefer to call it the international New Deal.

The report of the committee accompanying S. 2202 states:

> A small fraction of the strength of the American economy, properly applied and aided by the industry and straight thinking of the European people, can furnish the impetus to move the European economy off dead center.

Mr. MALONE. Mr. President——

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from New Jersey yield to the Senator from Nevada?

Mr. HAWKES. I may say to the Senator that I would prefer not to yield; I should like to proceed and conclude, but I do not want to be discourteous to the Senator, for whom I have a very great respect. If his question is short, I will yield. If it is a long question, I should prefer not to.

Mr. MALONE. It is a short question. Did the Senator ever hear of the unofficial application of Mr. Bevin, of England, to Mr. Marshall and the State Department several months before Mr. Marshall made his statement at Harvard?

Mr. HAWKES. No; I cannot say that I did, but perhaps the Senator can enlighten me on that.

The report also states that continued high levels of economic activity in the United States are assumed, as is a willingness on the part of the American people to make what are described as some short-run sacrifices in our rising standards of living.

I ask, Mr. President, what right have we to make these assumptions? Have we heard from the American people that they concur in these assumptions—or have we heard this from the planners in the State Department who would create an international New Deal?

My experience in business warns me that we cannot expect to continue indefinitely the current high level of national income.

I further question our right to assume that the European people affected by this plan will in the future think any straighter than they have in the past, particularly during the last century. Both these assumptions are nothing but wishful thinking.

Regarding the third assumption—that the American people are willing to take some short-run sacrifices in their standard of living in order to provide a European recovery program—I ask, Mr. President, have the American people been consulted on this?

Have they been honestly informed on both sides of this program? Are they not the stockholders of the great corporation called the United States of America, and are we not their board of directors? Who pays the bills—they, or we? Who fights the wars and dies and gets buried on foreign soil—they, or we?

I think the American people have a right to think this over. In my opinion, they have a right to expect us to give them an opportunity to vote on this subject alone in a referendum, even though to make it possible for them to do so requires time and may require our making a stopgap gift to prevent starvation and suffering.

I have always said I was willing to have our country make a gift. I am willing to have the United States do anything proper and within the limits of safety to prevent suffering and starvation and misery. There has never been any question about that on the part of any decent American. I am worried beyond measure, however, about the entangling alliance in which we are becoming involved, and I say it may take us straight into war.

The humanitarian impulses of the American people are great, and their willingness to make loans which would have no foundation in any business transaction is also great. But from my point of view the representatives of the people of the United States should begin to consider whether their impulses to give and to make unsound loans are greater than the people's ability to pay when the pressure to pay their debts is finally upon them.

It is all very well to wave a magic wand and say we are going to reform the morals of the world in a few minutes, but it just does not happen.

If we give ourselves into national bankruptcy and the destruction of our great American system, then we will not have fulfilled our role of leadership in the interest of the peoples of the world and the people of our own country.

Let us stop, look, and listen, and first know that what we are doing is for the good of the world; and secondly, know, so far as is humanly possible, that in doing these things we are not destroying the United States to the disadvantage of its people and the peoples of the world.

This problem has been a matter of grave concern to me.

On July 14, 1947, I inserted in the RECORD a statement by the Associated Press reporting the results of a compilation made by the International Economics Division of the Department of Commerce on American largess since the war's end.

At that date, almost a year ago, the Department of Commerce reported to the Associated Press the following:

> The United States has made grants and pledged loans totaling more than $20,000,000,000 for the relief and rehabilitation of foreign nations in the postwar years.

I heard figures furnished by the Congressional Library presented on the floor of the Senate yesterday which showed that up to date the amount is twenty-four billion plus several hundred million dollars.

The report continues:

> Chief recipients of the gifts have been the countries of eastern and southern Europe. Western Europe comes next and Asia third.

Mr. President, is it the opinion of Senators that the American public understands the extent of what we have done since the war's end for the people abroad, and still is eager to go forward with the program we are presently debating?

I cannot assume the responsibility for leading them into it without the benefit of their direct instructions to this effect.

I cannot agree to the assumption which was adopted by the members of the Senate Committee on Foreign Relations when they accepted the conclusions of the executive branch of our Government and, in accepting, stated in part:

> Admittedly, the committee had not the time, or resources, or technical competence necessary to make detailed investigations. * * *

Who is the executive branch of the Government? Are we satisfied that the executive branch of the Government has spent enough time on this program to make it successful without further involving us in all of Europe's wars and quarrels?

Have these people in the executive branch of which the State Department is

one agency, the diplomatic qualifications and experience sufficient to satisfy the American people that they can rely upon the wisdom of the executive branch alone, without knowing the facts? If this be so, do we need a Congress?

The inquiry into the matter in which the relief is to be administered was met with the ultimatum of General Marshall, our Secretary of State, that the Congress accept the Marshall plan in toto, and without reservations or amendments, or reject it altogether.

General Marshall has been heralded as a great man and a great military leader. But, either because of his training or the influence of the administration which he represents, he has failed lamentably in understanding that the Congress, representing the people, has duties at least as great as his own and, under our Constitution, possesses rights which precede those of men appointed to office.

Secretary Marshall's attitude has been dutifully repeated by other Government representatives who have appeared before the Senate Committee on Foreign Relations. The people have been told that the Marshall plan must be adopted in full, without change, or the Nation must call up a great army by draft; it must gear itself for immediate and devastating war against the whole world.

Mr. President, I have talked with dozens of persons throughout the United States, who have committed themselves in favor of the Marshall plan on the theory and with the definite and positive belief that it is the only way they can keep their sons from going into war. I say it is a sure way to get them into war.

These pronouncements are being made with military finality and with threats intended plainly to terrify the people into acquiescing in the arbitrary dictum placed before the Congress with the demand that it stamp its approval upon it.

There is something in this performance terrifyingly reminiscent of the 1930's as we watched the rise of Hitler and Mussolini, and the supremacy of other tyrants over the lawmakers and the law givers.

What avail is the suffrage of the people if the liberties of suffrage are stifled under laws enacted under threat, if our freedom is to be suspended under the pleas of continued crises, and our lives directed by men or by laws made under administrative command?

That is what is happening now. The liberals may argue that this procedure is temporary only, that it does not have behind it any sinister motives, and that it does not represent a permanent modification of our democratic system.

One needs only to look back and contemplate the increased powers which government has arrogated to itself in the short span of a decade and a half to see that the man on horseback is well on his way to ride down the right of universal suffrage, the guaranties of the Constitution, and the Bill of Rights.

It is said, "It cannot happen here." Watch and see if it cannot happen here if we proceed along the lines we have been following.

The European recovery plan is the gravest responsibility which this Nation has ever considered undertaking. The report of the Foreign Relations Committee concludes, in part, with these words:

> This kind of assistance, in peacetime, is without precedent in the history of mankind. This assistance is not, and cannot be, a permanent feature of American foreign policy. For Americans, the approval of this act represents a major decision.

I ask my colleagues who is it that says it will not become a permanent feature? Were we not told when the New Deal was started in the United States that it was only a temporary thing? Were we not told that it was only going to be indulged in for a few years, until we got back to America? I ask, Have we ever gotten back to America?

I believe the American people, if the facts were made known, would realize that entangling alliances with Europe and foreign nations will almost inevitably level off our standard of living and way of life to that of those nations. I do not believe the American people wish to send their sons and daughters overseas each time foreign nations decide to have a war. I agree with General Wedemeyer that if we are to send our money and goods abroad under this program we must be prepared also to send our armed forces abroad to keep the peace. I do not believe either course is necessary, nor do I believe it is right, nor do I believe it is in the interest of all the fine men and women of this great country of ours who love freedom.

I believe the only hope for peace on earth is through the development of moral and spiritual character and a desire in the mind of man to use his energies in peacetime pursuits. The longer I live the more I am convinced that like our forefathers we must look more to God and less to man for guidance in this practical and selfish world. I cannot get myself to trust people who have breached practically every agreement we have made with them for the last 25 years.

I want posterity to know that I have voted for, and will again vote for, every measure which will come before the Senate for the purpose of feeding the starving people of the world, but they must understand that this was, and is not to be, a continuous performance.

My experience in life has taught me that few people will do anything for themselves so long as anyone else will do what is needed for them.

I agree with Mr. Churchill and those who follow him when they say that the people of Europe will never rebuild themselves unless they accept the responsibility for their own problems and determine that they must pay the price of their past follies in order to redeem themselves.

Further, I will not join hands with those who would pursue measures which inevitably will get us into war and lead to the ruination of our people.

I realize that anyone has a right to his opinion the same as I have a right to mine in connection with this grave question.

All men disagree at times. I have never harbored ill feeling resulting from an honest disagreement. This is evidenced by the fact that the Honorable CHARLES A. EATON, chairman of the House Committee on Foreign Affairs, is solidly behind this bill, and I oppose it with all my might. Nevertheless, he is, and I believe always will be, one of my dearest friends, and I have great respect for him. Democracy depends on preserving the opportunity for an honest difference of opinion.

We are none of us more than little human beings, and most of us are trying to do our duty as God gives us the right to see it. Let us have no more demigods, but let us know what the common sense of the common man tells him after his experience with two world wars which accomplished nothing constructive for the world.

One President of the United States was reelected because he kept us out of war.

If we forget what has gone before, if we forget the sophistry of politics which has been wished upon us to the detriment and the destruction of hundreds of thousands of our fine boys, we are not fit to govern a great Nation of free people.

Another President was reelected because he promised "again and again and again" that our boys would never be called upon to fight on foreign soil.

I say to the Senate now, "again and again and again," that this entangling Marshall plan alliance threatens to get us into war and keep us in wars for generations.

One more war in this atomic age and the American incentive system of free men will die. The incentive system in our country, with reward for accomplishment and the use of genius, is the principal difference between us and the rest of the world right now. It is the only reason these nations are again coming to us to save them.

Let us not commit the cardinal sin of destroying the only living example of individual liberty on earth. I mean the United States of America and its form of government.

The Foreign Relations Committee's report would have the Senate and America believe the following:

> There are, in effect, two possible courses which the United States might follow in the pursuit of national security. On the one hand, we might cooperate fully with the other nations in an earnest attempt to establish and maintain those economic conditions in the world which are essential to international peace and prosperity. This is the purpose of our participation in the European recovery program.
>
> If, on the other hand, the road of international cooperation is abandoned, then the United States would have no alternative but to greatly expand and strengthen its military establishments so as to be ready for any eventuality in a divided and uncertain world.

This point was emphasized by Secretary Royall and Secretary Forrestal in their testimony before the committee. Secretary Royall pointed out that if an adequate recovery program were not inaugurated the Department of the Army, in the interests of national security, would be compelled to seek an additional appropriation of at least $2,250,000,000 for the Army and the Air Forces alone for the next fiscal year.

He said that the Army would have to modernize existing equipment, purchase new types of equipment developed since the war, and resort to the draft unless some other methods of increasing voluntary enlistment could be devised. Secretary Forrestal also testified that an over-all increase of from 25

to 50 percent in defense appropriations would be necessary if there were no recovery program.

Mr. President, contrary to this testimony, I call the attention of the Senate to the report of the Joint Congressional Aviation Policy Board, submitted to this body on March 1, wherein it is stated:

> Joint action for peace by all major nations alone can meet our modern dilemma. * * *
>
> It is folly to pretend that the world does not live under a sense of impending tragedy. Deliberately and continuously we are faced with the possibility of aggressive attack. The deadly character of the new weapons makes war an open invitation to mass annihilation. * * *
>
> Therefore, it is the judgment of the Congressional Aviation Policy Board that the capability of the United States most likely to discourage an aggressor against attack upon this Nation, most effective in thwarting such an attack if launched, and most able to deal out retaliation to paralyze further attack, is air power.

Mr. President, I had the pleasure and privilege of serving on the Congressional Aviation Policy Board for 5 months of intensive study, not only in the Senate, but throughout the United States and at sea. I can say to the Senate that in all the appearances before that committee of top men in the armed forces and industry there was no one who did not recognize the prime importance to the American people of supremacy in the air. It will be worth the while of all Senators to read that report.

Let us follow the recommendations of the Congressional Aviation Policy Board and make ourselves supreme in the air for peaceful purposes only.

World peace itself will be augmented if the United States is supreme in the air. Let us not waste our substance in other places so that we will find difficulty in getting the appropriations necessary for the supremacy of United States air power as the guardian of peace on earth.

Let us remember in all our acts and commitments that we now have a national debt of approximately $255,000,000,000, with annual fixed charges amounting to at least $24,000,000,000. Currently our national income is running at the rate of two hundred and nine billion inflated dollars, and at the same time we are destroying initiative now by a tax program which takes $46,000,000,000 from the people's pockets to carry on a wasteful Government at home and a fantasy abroad. This cannot continue, nor will it keep us out of war.

In this country the New Deal boys are using the power to tax to destroy. They are using the power to tax to redistribute property and thus crush the initiative of the diligent and create more sluggards—and the world can ill afford to have more sluggards.

Those New Deal boys, whether wearing the Democratic or Republican label, are now using the power to tax illegally in order to unwisely give abroad and to unwisely make unsound loans in order to create an international new deal the world over.

In my opinion, this is just another powerful step into socialism, or something even worse. It will destroy the United States and ultimately the whole world.

Winston Churchill recently stated that the whole world is facing bankruptcy. All Americans should ask themselves what these New Deal gentlemen have done for us at home and abroad since the war's end.

I want my colleagues to know that I feel that the plan in itself is wrong and that, therefore, the five billion three hundred million figure set forth in the bill as presented by the committee is only a little greater error than other amendments which may be offered to reduce it. I am concerned about the entangling alliances implicit in the bill.

Certain New York and other eastern bankers should not determine our international policies—nor should the desire of some of our industries for a 5 or 10 percent temporary increase in their export business justify them in jeopardizing their own great important and sustaining business within our own borders. The common good of all our people and our honest objective for peace should determine our course.

In a propaganda campaign rarely equaled for misleading statements and pure conjecture the various departments of the Government have formed a united front to promote this international new deal.

It has been said by some of the ablest people in the world that false propaganda is the greatest enemy of free men. I believe that to be so.

I do not say that those who are in favor of this Marshall plan and sponsor it with every bit of power at their command are knowingly interested in destroying the United States or changing the character of our Government and our economic way.

One of the most respected publishers in the Nation, albeit a hypnotized supporter of the plan, has said:

> It seems to me that our whole survival is at stake, and that less prosperity here would be more desirable than giving an opportunity for communism to march across Europe.

Mr. President and my fellow colleagues, when the first American citizen sits opposite me in my office in the Senate Office Building and wants to give away something he has or get less for his work and thereby make a contribution to the welfare of America and the people of America, then I shall take interest in that kind of policy. I have yet to see it. They are still aggressive, still seeking to move ahead, and I have not seen any of them seeking to take a lower standard of living in order to do this or any other thing.

It is my firm conviction that many of our finest citizens have been converted into ardent supporters of this plan through propaganda-charged statements, which have been made to them by men in prominent positions, to the effect that this is the only way to prevent our getting into another war.

I dispute such a statement. As one who has been in Europe many times during 25 years, I predict that the adoption of this international New Deal is the surest way we could take to create a third world war which will sound the death knell of our economic system, if not of all human endeavor.

It is too late in our history for me to couch any of my thoughts in what is known as diplomatic language. The unvarnished truth which can be understood by the humblest man in our country is what he should be told.

Speaking about false propaganda, which I have stated is the most dangerous enemy of free men, I want to ask this question: What is the duty of our press and our radio news broadcasters? I contend that unless free people can keep a free press and unless that free press conducts itself honorably and presents to the people all sides of every issue, so that the people may judge fairly and honestly for themselves, then the freedom of the individual is on the way back to slavery. Is our press doing this?

This is something for the American press to think about. I have a very deep respect for most members of the press. I have had some of the finest men in the newspaper business tell me that unless the press is willing to publish the news, regardless of whether the owner of the newspaper likes it or not, and let the people read it and decide for themselves, and then use their editorial columns to express their own opinions—which is perfectly proper—then the press will fail to perform its proper functions.

So far as I am concerned, the reasons given in the report of the committee and brought out in the Senate debate are not sufficient to justify an affirmative vote by me.

Therefore, I shall have to vote in the negative on the Marshall plan as finally presented to the Senate. In voting "nay," I believe I am voting in the best interests of the common man in the United States. I have talked to hundreds of them, and they tell me they want to preserve America, and are not interested in giving it away. Let us listen to the common man. He pays the bills.

My decision to vote against the bill has been reached because all the efforts I have been able to make convince me that the vast majority of the people, when they understand its meaning—I emphasize that—will be opposed to it. I likewise find that, outside of the propagandists, there are few who claim to understand the plan well enough to be willing to express an opinion of it at the moment.

Mr. President, let us remember Mark Twain's wonderful statement, said in humor, but containing the greatest lesson in the world. Of course, it does not make any difference where the heart takes you; the mind has to have a part in what you do. Mark Twain said:

> Once upon a time there was a man who tried to do too much—and he did it.

Mr. President, that can apply to a nation as well as to an individual.

Mr. BROOKS obtained the floor.

Mr. CAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Brewster	Buck
Baldwin	Bricker	Butler
Ball	Bridges	Byrd
Barkley	Brooks	Cain

Capehart	Johnson, Colo.	O'Mahoney
Capper	Johnston, S. C.	Overton
Chavez	Kem	Pepper
Connally	Kilgore	Reed
Cooper	Knowland	Revercomb
Cordon	Langer	Robertson, Va.
Downey	Lodge	Robertson, Wyo.
Dworshak	Lucas	Russell
Eastland	McCarran	Saltonstall
Ecton	McCarthy	Smith
Ellender	McClellan	Sparkman
Ferguson	McFarland	Stewart
Flanders	McGrath	Taft
Fulbright	McKellar	Taylor
George	McMahon	Thomas, Okla.
Green	Magnuson	Thomas, Utah
Gurney	Malone	Thye
Hatch	Martin	Tobey
Hawkes	Maybank	Umstead
Hayden	Millikin	Vandenberg
Hickenlooper	Moore	Watkins
Hill	Morse	Wherry
Hoey	Murray	Wiley
Holland	Myers	Williams
Ives	O'Conor	Wilson
Jenner	O'Daniel	Young

The PRESIDING OFFICER (Mr. IVES in the chair). Ninety Senators having answered to their names, a quorum is present.

Mr. BROOKS. Mr. President, I do not wish to delay the consideration of the bill for any length of time, but, as I cast my vote, knowing that I shall probably be numbered with the minority, I feel it my duty briefly to outline some of the reasons why I cast my vote as I do. There may be some who vote as I do with whom I completely and totally disagree. That is another reason why I should make a statement now to make the record unmistakably clear.

I believe that communism is the greatest threat to the continued freedom of those who now enjoy freedom throughout the world. I detest communism and wish to be helpful to those people who are willing to work and fight to protect themselves against its devastating advance.

I believe that the policies practiced and followed by the leaders of the New Deal coalition administration of our own Government during and following the recent war contributed to the preservation and advancement of communism, until it is finally the colossus of Europe.

This is not a new thought with me. It is the same view I held and expressed during and since the war. This firm conviction on my part was the reason why Mr. Vishinsky named me as one of the first eight whom he characterizes as warmongers.

I cast my vote on the bill in complete disagreement with any who hold sympathy with the philosophy and leaders of the Communist regime. I have complete respect for the views of those who in all earnestness advocate the bill. I am grateful for their diligence and effort to change it from the original figure sent to us from the 16 European countries and from the plan transmitted to us by the State Department. I deeply appreciate the acceptance of the principle and much of the substance of the amendments I submitted in an effort to improve the effectiveness of the bill.

In voting against this bill, I am fully conscious that my vote will not defeat it, but it is the only way I can effectively register my disapproval of the way we are to administer our aid to the distressed peoples of western Europe.

This bill will pass the Senate. Then the House can improve it. I vote against it in the sincere hope that the House will improve it and that we can vote again on its final passage.

I know that the people of western Europe cannot produce sufficient food from their own land to feed themselves. I how they need assistance in getting their industrial plants into working order so that they may be able to produce industrial goods to be sold and exchanged for their necessary food.

I fully realize the necessity of a strong western Europe. My earnest desire is to see that our assistance is effectively used to induce them to go to work, to produce to their maximum, and to utilize the proceeds of their production to close the gap of their balance of payments.

It simply will be an endless and futile effort on our part constantly to meet and pay, out of the earnings of the American people, their lack of balance of payment for the goods they need.

It will be a futile effort on our part to contribute to their production, if they constantly use the proceeds of their increased production to finance socialistic schemes and follow practices which retard individual effort, initiative, and enterprise on the part of their people.

I am willing to vote to help feed these people until they recover, but I cannot vote to impose restrictions and controls on our own people in order to finance socialistic schemes abroad, until we too shall be drawn down to their level of despair. That is why I have opposed the bill in its original form and have tried earnestly to improve it. That is why I have worked so hard to put the highest emphasis on the Administrator, who must forget the niceties of diplomatic language and insist upon the hard realities of hard work, maximum production, and the application of the proceeds of a herculean effort on their part to meet their balance of payment. Any other program is doomed to failure.

I respect the views of those who disagree with me. I shall fight to the death to protect the right of honest disagreement; but I want to demonstrate what I mean. I take the example of Great Britain to prove my point. First, because Great Britain will receive the lion's share of this entire program, as she has in the past.

Again, I say we face this tremendous task because of our past mistakes and we must not now pile the mistake of tomorrow upon the mistake of yesterday.

History is truly being written in cruel reality while we write of our high ideals and subsidize systems that prevent recovery. I remind the Members of this honorable body that every step we have taken since the war was clothed in the purpose of recovery and peace.

Peace is truly divine, and no Member of the Senate knows it from bitter experience better than I do.

For the sake of short discussion I start as late as the British loan as an example of what I mean. I voted against that loan. It was not because I dislike the British people. I admire the gallant way they met the tragic cruelties of the last war. Faced with cold realities they accepted the truth of Winston Churchill when he told them he could offer them nothing but "blood, sweat, and tears," and they stayed, with our unprecedented help, to the finish. Then, when in candor and truth he advised them that he could offer them nothing but "work and sweat" to dig out of the rubble and regain recovery, they threw him out. They accepted the philosophy and false promise of more luxury, food, and leisure, for less effort and work. They embraced the socialistic system, which has retarded their progress and under which they dissipated $3,750,000,000 of American taxpayers' money in less than 2 years.

Let me make the record clear.

Last October, while I was in Europe trying to gather first-hand information that would throw light on the real facts concerning the future problem in Great Britain, France, Germany, Bavaria, Austria, Trieste, Greece, and Italy, I found that they were debating in the House of Commons in England the very question of the dissipation of the $3,750,000,000 they had received from America.

Remember, this loan, or gift, was to last them for approximately 5 years and bring them recovery. All but $200,000,000 had been spent in 1 year and 1 month in carrying out the socialistic schemes of the Socialist administration in power. Even the British people asked why and how.

On October 24, Mr. Dalton, the then Chancelor of the Exchequer, in his explanation, stated:

> I am going to consider first how these sums were spent and what we got in return for these dollars. Take first, the United Kingdom's direct expenditure in the United States, $1,800,000,000 gross. Of this gross figure some 23 percent was spent on food, 28 percent on raw materials including oil, 15 percent on machinery, 7 percent on ships, 10 percent on tobacco, 4 percent on films, 13 percent on keeping the Germans alive.

Again, he stated:

> There remain India and Egypt at the most—and the House will see in a moment why I say at the most—there were about £40,000,000 in respect to India, £10,000,000 in respect to Egypt, that makes £50,000,000. In all, at the most $200,000,000 were drawn from the loan in repayment of wartime sterling debt.

Further, he stated:

> Finally, we paid on behalf of ourselves and other sterling-area countries our subscription to the International Bank, amounting to $35,000,000.

Thus in part he attempted to explain in response to the inquiries of his own people why the money had been spent so quickly and why they were not well on their way to recovery. To this he added:

> The additional measures which the Government proposes were announced yesterday by my right honorable and learned friend the Minister for Economic Affairs, but I wish here to repeat one figure which he gave in his exposition: It is a very grave one, and needs to be underlined. Even if we succeeded in achieving all that my right honorable and learned friend indicated yesterday in the program which he set forth, we shall still at the beginning of the year 1949 be facing a dollar deficit at the rate of $1,000,000,000 a year; that is to say, a dollar deficit of over $20,000,000 a week. Even if we succeed in all that we plan to do, and even if the luck goes well, we shall still at the beginning of 1949 be running a dollar

deficit at the rate of $20,000,000 a week—that is the measure of the task which lies in front of us.

Then in answer to the criticism and protests against going forward with their socialistic schemes that add constantly an ever-increasing burden on the Government and retard private initiative and industry, he replied:

The National Insurance Act and the National Health Act, both passed last session, will come into operation in July, and will not be delayed as some people have suggested. They will come into operation in July with all their social and financial implications; and, in spite of all the difficulties confronting us, we are not going to swerve aside from carrying through this most essential feature of the program on which the last election was fought.

Mr. President, now we see that notwithstanding their present financial and industrial problems they continue to insist on financing their socialistic election pledges with the money of the American taxpayers. This procedure brought the following comment from their historic war leader, Winston Churchill:

The first step to national recovery and, indeed, survival is to have a new Parliament. Why can we not earn our living, pay our way, and stand on our feet? It is because our whole life is being handled the wrong way around. The socialistic planners have miscalculated and mismanaged everything they have touched. They have tried to substitute government control and direction for individual enterprise and skill. By their restrictions they make scarcity, and when scarcity comes they call for more restrictions to cure it.

But, I repeat, nothing will swerve this socialistic regime from carrying out its election pledges—I say with the American taxpayers' money. When they submitted their health and hospital act and socialized medicine scheme, which proposes to care for their citizens from the cradle to the grave, to a plebiscite conducted recently among 58,000 doctors, 89 percent of them voted to disapprove it. But even in the face of that, the socialistic regime of Great Britain insists upon carrying out their election pledges and this scheme with American dollars.

This socialized medicine program will cost the British Government at least $700,000,000 a year, in face of a billion-dollar deficit which they admit on the floor of the House of Commons by the Chancelor of the Exchequer. But even that does not stop them as long as the American people will continue to meet their deficit of balance of payment.

Recently the new Chancelor of the Exchequer, Sir Stafford Cripps, who serves also as economic czar of Great Britain, told the British people of their present plight, but still he, too, insists on carrying out the socialization of their industries and practice of medicine, wiping out private enterprise, and stifling individual initiative, which is absolutely essential if they are ever to recover.

Let me quote from a competent observer who commented upon the recent report of Sir Stafford Cripps:

The victory of labor at the general election in 1945 inspired trade unions with the idea that a perfect new world was to be had for the asking. In its first year of office the labor government embarked on grandiose schemes of social security. Trade unions insisted on shorter hours and wage hikes unrelated to higher output. High wages supplemented by enormous subsidies on food, rent, utilities, and clothing, left far too many pound notes in the hands of citizens which in the absence of goods on store shelves were dissipated on holidays, travel, gambling, and black-market activities. The result was a serious increase in absenteeism in the mines and factories.

Swollen Government expenditure involved heavy taxation which sapped incentives to hard work and enterprise and discouraged savings. A vast army of bureaucrats numbering nearly 2,000,000 are employed in administering the network of controls which choke the wheels of industry and take out of production thousands who otherwise could be employed in mines and factories. Productive industries for export are starved of manpower and the whole economy is distorted.

Mr. President, that is why I have insisted, from the inception of this debate, that whatever we provide out of the money of the taxpayers of the United States shall be administered through a competent leader presently engaged in private enterprise in America, and supported by counselors from industry, labor, and agriculture in America, to see to it that not only is their production increased, but that the proceeds of such production are directed not to socialistic schemes and vast Government expenditures, but to meet the gap in their "balance of payment."

I share the dreams, the hopes, and, yes, the prayers of those who so earnestly advocate this bill, but I believe it to be my solemn duty to use every influence at my command, including my vote, to further insist that we do not superimpose on this new effort a man with the title of ambassador extraordinary, whose time, energy, and thought will be divided between the political aspects and the economic procedures involved. I fully realize the danger in Europe, and, I repeat, it was partly and largely made possible by the mistakes of American leaders in the recent past, and we should see that every bit of our effort is directed now to sound procedures that give us at least a chance for success.

I think it essential that I point out what it has and will cost the good people of Illinois, whom I have the great honor to represent in part in this body, and I ask to have printed as a part of my remarks a table prepared for me by the Library of Congress showing the per capita cost in each of the counties of my State and each principal city of those counties.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total cost of foreign aid apportioned on a Nation-wide per capita basis as applied to the population of Illinois

Counties, county seats, and other principal towns	I Population, 1940	II Share of foreign aid July 1, 1945, to June 30, 1947 (population×$183.03) based on $24,099,211,087	III Share of foreign aid proposed by Marshall plan, 1948–52 (population×$129.11) based on $17,000,000,000	IV Share of total foreign aid provided and proposed 1945–47, 1948–52 (column II+column III) based on $41,099,211,087	V Local taxes, 1942 (county, city, village, township, and road districts, school, fire, park, and sanitary districts)
Adams County	65,229	$11,938,864	$8,421,716	$20,360,580	$1,980,497
Quincy	40,469	7,407,041	5,224,953	12,631,994	
Alexander County	25,496	4,666,533	3,291,789	7,958,322	622,945
Cairo	14,407	2,636,913	1,860,088	4,497,001	
Bond County	14,540	2,661,256	1,877,259	4,538,515	421,633
Greenville	3,391	620,655	437,812	1,058,467	
Boone County	15,202	2,782,422	1,962,730	4,745,152	583,495
Belvidere	8,094	1,481,445	1,045,016	2,526,461	
Brown County	8,053	1,473,941	1,039,723	2,513,664	231,644
Mount Sterling	2,140	391,684	276,295	667,979	
Bureau County	37,600	6,881,928	4,854,536	11,736,464	1,265,989
Princeton	5,224	956,149	674,471	1,630,620	
Calhoun County	8,207	1,502,127	1,059,606	2,561,733	184,945
Hardin	838	153,379	108,194	261,573	
Carroll County	17,987	3,292,161	2,322,302	5,614,463	650,252
Mount Carroll	1,845	337,690	238,208	575,898	
Cass County	16,425	3,006,268	2,120,632	5,126,900	523,805
Virginia	1,418	259,537	183,078	442,615	
Champaign County	70,578	12,917,891	9,112,326	22,030,217	2,540,012
Urbana	14,064	2,574,134	1,815,803	4,389,937	
Champaign [1]	23,302	4,264,965	3,008,521	7,273,486	
Christian County	38,564	7,058,369	4,978,998	12,037,367	1,313,113
Taylorville	8,313	1,521,528	1,073,291	2,594,819	
Clark County	18,842	3,448,651	2,432,691	5,881,342	488,186
Marshall	2,758	504,797	356,085	860,882	
Clay County	18,947	3,467,869	2,446,247	5,914,116	434,638
Clay City [1]	1,136	207,922	146,669	354,591	
Flora [1]	5,474	1,001,906	706,748	1,708,654	
Louisville	925	169,303	119,427	288,730	

[1] Not county seat.

Total cost of foreign aid apportioned on a Nation-wide per capita basis as applied to the population of Illinois—Continued

Counties, county seats, and other principal towns	I Population, 1940	II Share of foreign aid July 1, 1945, to June 30, 1947 (population × $183.03) based on $24,099,211,087	III Share of foreign aid proposed by Marshall plan, 1948–52 (population × $129.11) based on $17,000,000,000	IV Share of total foreign aid provided and proposed 1945–47, 1948–52 (column II + column III) based on $41,099,211,087	V Local taxes, 1942 (county, city, village, township, and road districts, school, fire, park, and sanitary districts)
Clinton County	22,912	$4,193,583	$2,958,168	$7,151,751	$482,294
Centralia [1]	16,343	2,991,259	2,110,045	5,101,304	
Carlyle	2,591	474,231	334,524	808,755	
Coles County	38,470	7,041,164	4,966,862	12,008,026	942,904
Charleston	8,197	1,500,297	1,058,315	2,558,612	
Mattoon [1]	15,827	2,896,816	2,043,424	4,940,240	
Cook County	4,063,342	743,713,486	524,618,086	1,268,331,572	227,793,240
Chicago	3,396,808	621,717,768	438,561,881	1,060,279,649	
Crawford County	21,294	3,897,441	2,749,268	6,646,709	544,212
Robinson	4,311	789,042	556,593	1,345,635	
Cumberland County	11,698	2,141,085	1,510,329	3,651,414	280,813
Greenup [1]	1,410	258,072	182,045	440,117	
Neoga [1]	1,062	194,378	137,115	331,493	
Toledo	852	155,942	110,002	265,944	
DeKalb County	34,388	6,294,036	4,439,835	10,733,871	1,392,627
Sycamore	4,702	860,607	607,075	1,467,682	
DeKalb [1]	9,146	1,673,992	1,180,840	2,854,832	
De Witt County	18,244	3,339,199	2,355,483	5,694,682	730,282
Clinton	6,331	1,158,763	817,395	1,976,158	
Douglas County	17,590	3,339,498	2,271,045	5,490,543	726,050
Tuscola	2,838	519,439	366,414	885,853	
Du Page County	103,480	18,939,944	13,360,303	32,300,247	4,025,423
Elmhurst [1]	15,458	2,829,278	1,995,782	4,825,060	
Downers Grove [1]	9,526	1,743,544	1,229,902	2,973,446	
Glen Ellyn [1]	8,055	1,474,307	1,039,981	2,514,288	
Wheaton	7,389	1,352,409	953,994	2,306,403	
Edgar County	24,430	4,471,423	3,154,157	7,625,580	838,287
Paris	9,281	1,698,701	1,198,270	2,896,971	
Edwards County	8,974	1,642,511	1,158,633	2,801,144	202,515
Albion	1,855	339,521	239,499	579,020	
Grayville [1]	2,240	409,987	289,206	699,193	
Effingham County	22,034	4,032,883	2,844,810	6,877,693	529,669
Effingham	6,180	1,131,125	797,900	1,929,025	
Fayette County	29,159	5,336,972	3,764,718	9,101,690	951,794
Vandalia	5,288	967,863	682,734	1,650,597	
Ford County	15,007	2,746,731	1,937,554	4,684,285	668,292
Paxton	3,106	568,491	401,016	969,507	
Franklin County	53,137	9,725,665	6,860,518	16,586,183	1,005,744
Benton	7,372	1,349,297	951,799	2,301,096	
West Frankfort [1]	12,383	2,266,460	1,598,769	3,865,229	
Fulton County	44,627	8,168,080	5,761,792	13,929,872	1,414,805
Canton [1]	11,577	2,118,938	1,494,706	3,613,644	
Lewiston	2,355	431,036	304,054	735,090	
Gallatin County	11,414	2,089,104	1,473,662	3,562,766	250,481
Shawneetown	1,963	359,288	253,443	612,731	
Greene County	20,292	3,714,045	2,619,900	6,333,945	600,023
Carrollton	2,285	418,224	295,016	713,240	
Roodhouse [1]	2,557	468,008	330,134	798,142	
White Hall [1]	3,025	553,666	390,558	944,224	
Grundy County	18,398	3,367,386	2,375,366	5,742,752	562,019
Morris	6,145	1,124,719	793,381	1,918,100	
Hamilton County	13,454	2,462,486	1,737,046	4,199,532	343,738
McLeansboro	2,528	462,700	326,390	789,090	
Hancock County	26,297	4,813,140	3,395,206	8,208,346	929,757
Carthage	2,575	471,302	332,458	803,760	
Hardin County	7,759	1,420,130	1,001,764	2,421,894	143,083
Rosiclare [1]	1,774	324,695	229,041	553,736	
Elizabethtown	622	113,845	80,306	194,151	
Henderson County	8,949	1,637,935	1,155,405	2,793,340	390,049
Dallas City [1]	1,149	210,301	148,347	358,648	
Oquawka	912	166,923	117,748	284,671	
Henry County	43,798	8,016,348	5,654,760	13,671,108	1,609,531
Cambridge	1,312	240,135	169,392	409,527	
Galva [1]	2,812	514,680	363,057	877,737	
Geneseo [1]	3,824	699,907	493,717	1,193,624	
Kewanee [1]	16,901	3,093,390	2,182,088	5,275,478	
Iroquois County	32,496	5,947,743	4,195,559	10,143,302	1,422,714
Watseka	3,744	685,264	483,388	1,168,652	
Jackson County	37,920	6,940,498	4,895,851	11,836,349	749,099
Murphysboro	8,976	1,642,877	1,158,891	2,801,768	
Jasper County	13,431	2,458,276	1,734,076	4,192,352	342,893
Newton	2,347	429,571	303,021	732,592	
Jefferson County	34,375	6,291,656	4,438,156	10,729,812	805,643
Mount Vernon	14,724	2,694,934	1,901,016	4,595,950	
Jersey County	13,636	2,495,797	1,760,544	4,256,341	327,435
Jerseyville	4,869	880,191	620,890	1,501,081	
Jo Daviess County	19,989	3,658,587	2,580,780	6,239,367	576,138
Galena	4,126	755,182	532,708	1,287,890	
Johnson County	10,727	1,963,363	1,384,963	3,348,326	187,479
Vienna	1,173	214,694	151,446	366,140	
Kane County	130,206	23,831,604	16,810,897	40,642,501	4,448,929
Aurora [1]	47,170	8,633,525	6,090,119	14,723,644	
Batavia [1]	5,101	933,636	658,590	1,592,226	
Elgin [1]	38,333	7,016,089	4,949,174	11,965,263	
Geneva	4,101	750,606	529,480	1,280,086	
St. Charles [1]	5,870	1,074,386	757,876	1,832,262	
Kankakee County	60,877	11,142,317	7,859,829	19,002,146	1,425,298
Kankakee	22,241	4,070,776	2,871,536	6,942,306	
Kendall County	11,105	2,032,548	1,433,767	3,466,315	430,436
Yorkville	562	102,863	72,560	175,423	
Plano [1]	1,930	353,248	249,182	602,430	
Oswego [1]	978	179,003	126,270	305,273	
Knox County	52,250	9,563,318	6,745,998	16,309,316	1,959,875
Galesburg	28,876	5,285,174	3,728,180	9,013,354	
Lake County	121,094	22,163,835	15,634,446	37,798,281	5,104,109
Waukegan	34,241	6,267,130	4,420,856	10,687,986	
La Salle County	97,801	17,900,517	12,627,087	30,527,604	3,320,020
Ottawa	16,005	2,929,395	2,066,406	4,995,801	
Lawrence County	21,075	3,857,357	2,720,993	6,578,350	490,840
Lawrenceville	6,213	1,137,165	802,160	1,939,325	

[1] Not county seat.

Total cost of foreign aid apportioned on a Nation-wide per capita basis as applied to the population of Illinois—Continued

Counties, county seats, and other principal towns	I Population, 1940	II Share of foreign aid July 1, 1945, to June 30, 1947 (population × $183.03) based on $24,099,211,087	III Share of foreign aid proposed by Marshall plan, 1948–52 (population × $129.11) based on $17,000,000,000	IV Share of total foreign aid provided and proposed 1945–47, 1948–52 (column II + column III) based on $41,099,211,087	V Local taxes, 1942 (county, city, village, township, and road districts, school, fire, park, and sanitary districts)
Lee County	34,604	$6,333,570	$4,467,722	$10,801,292	$1,109,873
Dixon	10,671	1,953,113	1,377,733	3,330,846	
Livingston County	38,838	7,108,519	5,014,374	12,122,893	1,449,607
Pontiac	10,516	1,924,743	1,357,721	3,282,464	
Logan County	29,438	5,388,037	3,800,740	9,188,777	1,062,353
Lincoln	12,752	2,333,999	1,646,411	3,980,410	
McDonough County	26,944	4,931,560	3,478,740	8,410,300	844,263
Macomb	8,764	1,604,075	1,131,520	2,735,595	
McHenry County	37,311	6,829,032	4,817,223	11,646,255	1,376,444
Woodstock	6,123	1,120,693	790,541	1,911,234	
McLean County	73,930	13,531,408	9,545,102	23,076,510	2,620,789
Bloomington	32,868	6,015,830	4,243,587	10,259,417	
Macon County	84,693	15,501,360	10,934,713	26,436,073	2,903,678
Decatur	59,305	10,854,594	7,656,869	18,511,463	
Macoupin County	46,304	8,475,021	5,978,309	14,453,330	1,118,883
Carlinville	4,965	908,744	641,031	1,549,775	
Madison County	149,349	27,335,347	19,282,449	46,617,796	4,268,815
Alton [1]	31,255	5,720,603	4,035,333	9,755,936	
Collinsville [1]	9,767	1,787,654	1,261,017	3,048,671	
Edwardsville	8,008	1,465,704	1,033,913	2,499,617	
Granite City [1]	22,974	4,204,931	2,966,173	7,171,104	
Wood River [1]	8,197	1,500,297	1,058,315	2,558,612	
Marion County	47,989	8,783,427	6,195,860	14,979,287	1,328,235
Centralia [1]	16,343	2,991,259	2,110,045	5,101,304	
Salem	7,319	1,339,597	944,956	2,284,553	
Marshall County	13,179	2,412,152	1,701,541	4,113,693	491,292
Henry [1]	1,877	343,547	242,339	585,886	
Lacon	1,627	297,790	210,062	507,852	
Mason County	15,358	2,810,975	1,982,871	4,793,846	534,576
Havana	3,999	731,937	516,311	1,248,248	
Massac County	14,937	2,733,919	1,928,516	4,662,435	297,956
Metropolis	6,287	1,150,710	811,715	1,962,425	
Menard County	10,663	1,951,649	1,376,700	3,328,349	407,011
Petersburg	2,586	473,316	333,878	807,194	
Mercer County	17,701	3,239,814	2,285,376	5,525,190	680,995
Aledo	2,593	474,597	334,782	809,379	
Monroe County	12,754	2,334,365	1,646,669	3,981,034	320,284
Waterloo	2,361	432,134	304,829	736,963	
Montgomery County	34,499	6,314,352	4,454,166	10,768,518	970,119
Hillsboro	4,514	826,197	582,803	1,409,000	
Litchfield [1]	7,048	1,289,995	909,967	2,199,962	
Morgan County	36,378	6,658,265	4,696,764	11,355,029	977,514
Jacksonville	19,844	3,632,047	2,562,059	6,194,106	
Moultrie County	13,477	2,466,695	1,740,015	4,206,710	546,315
Sullivan	3,101	567,576	400,370	967,946	
Ogle County	29,869	5,466,923	3,856,387	9,323,310	1,103,198
Rochelle [1]	4,200	768,726	542,262	1,310,988	
Oregon	2,825	517,060	364,736	881,796	
Peoria County	153,374	28,072,043	19,802,117	47,874,160	5,570,450
Peoria	105,087	19,234,074	13,567,783	32,801,857	
Perry County	23,438	4,289,857	3,026,080	7,315,937	513,531
Du Quoin [1]	7,515	1,375,470	970,262	2,345,732	
Pinckneyville	3,146	575,812	406,180	981,992	
Piatt County	14,659	2,683,037	1,892,623	4,575,660	707,444
Monticello	2,523	461,785	325,745	787,530	
Pike County	25,340	4,637,980	3,271,647	7,909,627	687,821
Pittsfield	2,884	527,859	372,353	900,212	
Pope County	7,999	1,464,057	1,032,751	2,496,808	108,411
Golconda	1,301	238,122	167,972	406,094	
Pulaski County	15,875	2,905,601	2,049,621	4,955,222	218,630
Mound City	2,465	451,169	318,256	769,425	
Putnam County	5,289	968,046	682,863	1,650,909	170,270
Granville [1]	1,038	189,985	134,016	324,001	
Mark [1]	529	96,823	68,299	165,122	
Hennepin	396	72,480	51,128	123,608	
Randolph County	33,608	6,151,272	4,339,129	10,490,401	582,019
Chester	5,110	935,283	659,752	1,595,035	
Richland County	17,137	3,136,585	2,212,558	5,349,143	490,136
Olney	7,831	1,433,308	1,011,060	2,444,368	
Rock Island County	113,323	20,741,509	14,631,133	35,372,642	3,343,381
Rock Island	42,775	7,829,108	5,522,680	13,351,788	
St. Clair County	166,899	30,547,524	21,548,330	52,095,851	6,407,222
Belleville	28,405	5,198,967	3,667,370	8,866,337	
East St. Louis [1]	75,607	13,838,715	9,761,878	23,600,593	
Saline County	38,066	6,967,220	4,914,701	11,881,921	690,199
Harrisburg	11,453	2,096,243	1,478,697	3,574,940	
Sangamon County	117,912	21,581,433	15,223,618	36,805,051	4,001,568
Springfield	75,503	13,819,314	9,748,192	23,567,506	
Schuyler County	11,430	2,092,033	1,475,727	3,567,760	346,864
Rushville	2,480	453,914	320,193	774,107	
Scott County	8,176	1,496,453	1,055,603	2,552,056	265,572
Winchester	1,651	302,183	213,161	515,344	
Shelby County	26,290	4,811,859	3,394,302	8,206,161	870,092
Shelbyville	4,092	748,959	528,318	1,277,277	
Stark County	8,881	1,625,489	1,146,626	2,772,115	389,203
Wyoming [1]	1,360	248,921	175,590	424,511	
Toulon	1,230	225,127	158,805	383,932	
Stephenson County	40,646	7,439,437	5,247,805	12,687,242	1,295,660
Freeport	22,366	4,093,649	2,887,674	6,981,323	
Tazewell County	58,362	10,681,997	7,535,118	18,217,115	2,090,983
Pekin	19,407	3,552,063	2,505,638	6,057,701	
Union County	21,528	3,940,270	2,779,480	6,719,750	382,445
Anna [1]	4,092	748,959	528,318	1,277,277	
Jonesboro	1,521	278,389	196,276	474,765	
Vermilion County	86,791	15,885,357	11,205,586	27,090,943	2,765,526
Danville	36,919	6,757,285	4,766,612	11,523,897	
Wabash County	13,724	2,511,904	1,771,906	4,283,810	327,753
Mount Carmel	6,987	1,278,831	902,092	2,180,923	
Warren County	21,286	3,895,977	2,748,235	6,644,212	745,287
Monmouth	9,096	1,664,841	1,174,385	2,839,226	
Washington County	15,801	2,892,057	2,040,067	4,932,124	371,450
Nashville	2,418	442,567	312,188	754,755	

[1] Not county seat.

Total cost of foreign aid apportioned on a Nation-wide per capita basis as applied to the population of Illinois—Continued

Counties, county seats, and other principal towns	I Population, 1940	II Share of foreign aid July 1, 1945, to June 30, 1947 (population × $183.03) based on $24,099,211,087	III Share of foreign aid proposed by Marshall plan, 1948–52 (population × $129.11) based on $17,000,000,000	IV Share of total foreign aid provided and proposed 1945–47, 1948–52 (column II + column III) based on $41,099,211,087	V Local taxes, 1942 (county, city, village, township, and road districts, school, fire, park, and sanitary districts)
Wayne County	22,092	$4,043,499	$2,852,298	$6,895,797	$551,445
Fairfield	4,008	733,584	517,473	1,251,057	
White County	20,027	3,665,542	2,585,686	6,251,228	556,623
Carmi	4,098	750,057	529,093	1,279,150	
Whiteside County	43,338	7,932,154	5,595,369	13,527,523	1,432,298
Rock Falls [1]	4,987	912,771	643,872	1,556,643	
Morrison	3,187	583,317	411,474	994,791	
Sterling [1]	11,363	2,079,770	1,467,077	3,546,847	
Will County	114,210	20,903,856	14,745,653	35,649,509	3,598,555
Joliet	42,365	7,754,066	5,469,745	13,223,811	
Williamson County	51,424	9,412,135	6,639,353	16,051,488	812,377
Herrin [1]	9,352	1,711,697	1,207,437	2,919,134	
Marion	9,251	1,693,211	1,194,397	2,887,608	
Winnebago County	121,178	22,179,209	15,645,292	37,824,501	4,240,569
Rockford	84,637	15,491,110	10,927,483	26,418,593	
Woodford County	19,124	3,500,266	2,469,100	5,969,366	808,854
Minonk [1]	1,897	347,208	244,922	592,130	
Eureka	1,714	313,713	221,295	535,008	
Total for counties	7,897,241	1,445,432,020	1,019,612,785	2,465,044,805	349,945,523

[1] Not county seat.

Sources: Sixteenth Census of the United States: 1940, Population, vol. I, pp. 296–309, Census Bureau, Department of Commerce. Illinois Property Tax Statistics, 1942, Illinois Department of Revenue, p. 13.

NOTE.—It is important to note that the foreign-aid figures cover a period of over 6 years while the receipts of local units of government are for 1 year only. The 1940 population figure for the continental United States is used because the 1940 figure is the latest available for many local units of government. However, the population of the United States (excluding armed forces overseas) has grown from 131,669,275 in 1940 to 143,382,000 (estimated) by July 1, 1947. If the latter figure is used, the per capita cost of foreign aid between July 1, 1945, and June 30, 1947, is $168.08 rather than $183.03; and the cost of the proposed Marshall plan is $118.56 rather than $129.11.

Mr. BROOKS. Mr. President, this table shows that the Illinois share of $24,099,211,087 foreign aid extended between July 1, 1945, and June 30, 1947, to be $1,445,432,020, or a cost of $183.03 for each person in Illinois. It further shows that for the Marshall plan—assuming it runs only to $17,000,000,000 ultimately, and it is my firm conviction that on the basis on which we are proceeding it will run much higher—it will cost each citizen in Illinois a little more than $129 additional.

The total cost which must be assumed by the people of Illinois for the two programs will be $2,465,044,805, or $312 for every man, woman, and child in the State of Illinois.

The people of Illinois are as charitable as any other people in the world, and I am sure that they would want to help in every constructive way, but I am equally sure that they would not want to drain the resources of America to perpetuate conditions which will make their efforts futile and their high purposes a failure.

This is not the final vote on this bill. It is merely the vote on the Senate version. After the House has considered it and the conference report is before us, we will then have an opportunity to consider it again.

While I believe that the pending bill has been vastly improved by the diligent effort of the members of the Foreign Relations Committee and the discussion in the Senate, I sincerely hope that the House will improve it further.

I state again, I completely respect those who hold different views, but in the hope that we may call the attention of the House to the defects in the bill in the form in which it now appears I must oppose it at the present stage in the process of its consideration.

Mr. BUTLER. Mr. President, at this time, I would like to place in the record a very brief statement of my position on the pending measure. I intend to vote against the European recovery plan.

Frankly, this position has not been reached without a great deal of hesitation. I am fully aware of the danger we face. I agree fully that we must stand firm against the menace of communism. Certainly if this measure would put a stop to the march of communism or if it would prevent another conflict, the money would be well spent. Although the sums involved are gigantic, they are small compared with the cost of another war. Even if they were far greater, it would be money well spent if it protected our Nation and our people from the horrors of an atomic conflict.

I believe, however, that this approach toward world cooperation and world peace is just 100 percent wrong. I do not believe that spending money will win us friends abroad. That has not been our experience to date. On the military side, I do not believe that giving western Europe money will slow down the Communist advance in the slightest if the present czar of all the Russias decides that the day has come for his troops to move. Military aggression can be stopped only by military means.

If the danger is as great as it has been pictured to us, we should not be wasting our strength in this way. We should be doubling our Air Force, reestablishing selective service, and placing the country on an emergency footing. Those are the measures that will impress the Communists. I am not yet convinced that the situation has reached such a critical point.

On the economic side, I have no faith whatever that this plan will restore Europe to a self-sustaining basis. This is not our first attempt to fill up a leaking barrel by pouring more water into it. We spent billions on UNRRA, and that failed to do the job. We set up two gigantic financial institutions through the Bretton Woods agreement, and those have both failed to do the job. We made a tremendous loan to Great Britain, larger than the sums proposed for the British in this bill, and that money was all spent in less than 2 years.

If we accept this measure, I believe our subsidies to Europe will never end. I believe we shall be voting them financial assistance for the rest of our lives. I do not believe Europe can ever be made self-sustaining by pouring in American money.

That has been our experience with Latin America. All our spending there during the war never placed those countries on any sound footing. Now the President asks us to provide another $500,000,000 in loans to Latin America. I judge that they are called loans as a matter of courtesy. We have found in the past that such loans were not likely to be repaid except out of the proceeds of additional loans. Latin America was not in the war to any appreciable extent, as we were. They should be helping with this problem—not burdening us who spent of our resources through 4 years of war and over 2 years of reconstruction.

It is obvious that this bill will pass and that my vote cannot stop it. I want my vote to be registered against it simply as a protest against a measure and a policy which, in my judgment, are completely unrealistic and are heading in the wrong direction. We in Congress cannot control our national foreign policy. By the terms of the Constitution that responsibility is vested in the President. We do have a duty to protest when that policy is ill-conceived and ineffectual. This proposal simply carries on the approach that has already failed in the past and is sure to fail in the future. I can only hope that my vote of protest against the bill will be of some slight weight in turning our foreign policy toward a sounder policy at some future time.

At this point, Mr. President, I would like to place in the RECORD a tabulation showing the cost of this program and our

other programs of foreign assistance to the people of each county and city in Nebraska. It is obvious from the tabulation that the program is costing my people many times the entire cost of their local government. The efficiency and care with which the local officials in my State handle public funds is of little value if we in the National Congress are willing to disburse such tremendous appropriations on such economically unsound and unrealistic programs as are proposed in the Truman-Marshall plan.

As was done by the previous speaker, I have had prepared by the Library of Congress a statement showing the cost of foreign aid to each county on a per capita basis in the State of Nebraska and to each of the principal cities in each of these counties. I wish each Senator from the 48 States would see that similar compilations were placed in the RECORD, so the people who read it will know what the plan really means to the taxpayers of America. The tabulation shows in the first column the population of each county from the last available census of 1940. In the second column is shown the share of foreign aid extended from July 1, 1945, to June 30, 1947. In the third column is shown the share of foreign aid proposed by the Marshall plan in the 1948–52 program. The fourth column shows the taxes collected from each of the counties and cities listed in the same time. We have some counties with a very small population. One county has a population of 1,045. The contribution of the people of that county is $134,920. In Douglas County, where Omaha is located, and which has a population of 247,000 plus, the total contribution is $77,274,000.

Mr. President, I ask that the list showing the information with respect to all 93 counties in Nebraska be printed in the RECORD immediately following my very brief statement on this subject.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Total cost of foreign aid apportioned on a Nation-wide per capita basis, as applied to the population of counties, county seats, and principal towns in Nebraska

Counties, county seats, and other principal towns	Population, 1940 (I)	Share of foreign aid, July 1, 1945, to June 30, 1947 (population × $183.03), based on $24,099,211,087 (II)	Share of foreign aid proposed by Marshall plan 1948–52 (population×$129.11), based on $17,000,000,000 (III)	Share of total foreign aid provided and proposed, 1945–47, 1948–52 (column II+column III), based on $41,099,211,087 (IV)	All local taxes, 1945 (county, city, school, village, township, poll, and others) (V)
Adams County	24,576	$4,498,145	$3,173,007	$7,671,152	$915,375.98
Hastings	15,145	2,771,989	1,955,371	4,727,360	
Antelope County	13,289	2,432,286	1,715,743	4,148,029	451,929.70
Neligh	1,796	328,722	231,882	560,604	
Arthur County	1,045	191,266	134,920	326,186	53,434.16
Arthur	250	45,758	32,278	78,036	
Banner County	1,403	256,791	181,141	437,932	82,296.47
Harrisburg	115	21,048	14,848	35,896	
Blaine County	1,538	281,500	198,571	480,071	65,276.58
Brewster	77	14,093	9,941	24,034	
Dunning [1]	272	49,784	35,118	84,902	
Boone County	12,127	2,219,605	1,565,717	3,785,322	421,493.08
Albion	2,268	415,112	292,821	707,933	
Box Butte County	10,736	1,965,010	1,386,125	3,351,135	311,610.93
Alliance	6,253	1,144,487	807,325	1,951,812	
Boyd County	6,060	1,109,162	782,407	1,891,569	200,490.61
Butte	623	114,028	80,436	194,464	
Spencer [1]	635	116,224	81,985	198,209	
Brown County	5,962	1,091,225	769,754	1,860,979	210,749.82
Ainsworth	1,833	335,494	236,659	572,153	
Buffalo County	23,655	4,329,575	3,054,097	7,383,672	932,094.05
Kearney	9,643	1,764,958	1,245,008	3,009,966	
Burt County	12,546	2,296,294	1,619,814	3,916,108	606,169.14
Tekamah	1,925	352,333	248,537	600,870	
Butler County	13,106	2,398,791	1,692,116	4,090,907	479,757.95
David City	2,272	415,844	293,338	709,182	
Cass County	16,992	3,110,046	2,193,537	5,303,883	674,650.63
Plattsmouth	4,268	781,172	551,041	1,332,213	
Cedar County	15,126	2,768,512	1,952,918	4,721,430	555,243.55
Hartington	1,688	308,955	217,938	526,893	
Chase County	5,310	971,889	685,574	1,657,463	231,522.39
Imperial	1,195	218,721	154,286	373,007	
Cherry County	9,637	1,763,860	1,244,233	3,008,093	397,558.39
Valentine	2,188	400,470	282,493	682,963	
Cheyenne County	9,505	1,739,700	1,227,191	2,966,891	507,612.76
Sidney	3,388	620,106	437,425	1,057,531	
Clay County	10,445	1,911,748	1,348,554	3,260,302	406,924.46
Clay Center	715	130,866	92,314	223,180	
Sutton [1]	1,403	256,791	181,141	437,932	
Colfax County	10,627	1,945,060	1,372,052	3,317,112	388,893.37
Schuyler	2,808	513,948	362,541	876,489	
Cuming County	13,562	2,482,253	1,750,990	4,233,243	507,892.82
West Point	2,510	459,405	324,066	783,471	
Custer County	22,591	4,134,831	2,916,724	7,051,555	814,082.42
Broken Bow	2,968	543,233	383,198	926,431	
Dakota County	9,836	1,800,283	1,269,926	3,070,209	326,563.96
Dakota City	477	87,305	61,585	148,890	
Emerson [1 2]	879	160,883	113,488	274,371	
South Sioux [1]	4,556	833,885	588,225	1,422,110	
Dawes County	10,128	1,853,728	1,307,626	3,161,354	354,013.49
Chadron	4,262	780,074	550,267	1,330,341	
Dawson County	17,890	3,274,407	2,309,778	5,584,185	823,738.48
Lexington	3,688	675,015	476,158	1,151,173	
Deuel County	3,380	655,247	462,214	1,117,461	201,290.64
Chappell	1,093	200,052	141,117	341,169	
Dixon County	10,413	1,905,891	1,344,422	3,250,313	454,191.92
Ponca	1,003	183,579	129,497	313,076	
Dodge County	23,799	4,355,931	3,072,689	7,428,620	998,238.44
Fremont	11,862	2,171,102	1,531,503	3,702,605	
Douglas County	247,562	45,311,273	31,962,730	77,274,003	10,343,769.27
Omaha	223,844	40,970,167	28,900,499	69,870,666	
Dundy County	5,122	937,480	661,301	1,598,781	213,193.82
Benkelman	1,448	265,027	186,951	451,978	
Fillmore County	11,417	2,089,654	1,474,049	3,563,703	443,405.98
Geneva	1,888	345,561	243,760	589,321	
Franklin County	7,740	1,416,652	999,311	2,415,963	310,989.39
Franklin	1,272	232,814	164,228	397,042	
Frontier County	6,417	1,174,504	828,499	2,003,003	278,021.66
Stockville	238	43,561	30,728	74,289	
Curtis [1]	952	174,245	122,913	297,158	
Eustis [1]	459	84,011	59,261	143,272	
Maywood [1]	426	77,971	55,001	132,972	

[1] Not county seat.
[2] Emerson Village is in Dakota, Dixon, and Thurston Counties.

Total cost of foreign aid apportioned on a Nation-wide per capita basis, as applied to the population of counties, county seats, and principal towns in Nebraska—Continued

Counties, county seats, and other principal towns	Population, 1940 (I)	Share of foreign aid, July 1, 1945, to June 30, 1947 (population × $183.03), based on $24,099,211,087 (II)	Share of foreign aid proposed by Marshall plan 1948–52 (population×$129.11), based on $17,000,000,000 (III)	Share of total foreign aid provided and proposed, 1945–47, 1948–52 (column II+column III), based on $41,099,211,087 (IV)	All local taxes, 1945 (county, city, school, village, township, poll, and others) (V)
Furnas County	10,098	$1,848,237	$1,303,753	$3,151,990	$389,067.36
Beaver City	1,015	185,775	131,047	316,822	
Cambridge [1]	1,084	198,405	139,955	338,360	
Oxford [1] [2]	1,141	208,837	147,315	356,152	
Gage County	29,588	5,415,492	3,820,107	9,235,599	1,120,951.92
Beatrice	10,883	1,991,915	1,405,104	3,397,019	
Garden County	4,680	856,580	604,235	1,460,815	226,066.03
Oshkosh	910	166,557	117,490	284,047	
Garfield County	3,444	630,355	444,655	1,075,010	99,029.59
Burwell	1,412	258,438	182,303	440,741	
Gosper County	3,687	674,832	476,029	1,150,861	135,593.00
Elwood	633	115,858	81,727	197,585	
Grant County	1,327	242,881	171,329	414,210	80,054.79
Hyannis	449	82,180	57,970	140,150	
Greeley County	6,845	1,252,840	883,758	2,136,598	215,957.00
Greeley	891	163,080	115,037	278,117	
Hall County	27,523	5,037,535	3,553,495	8,591,030	1,060,442.48
Grand Island	19,130	3,501,364	2,469,874	5,971,238	
Hamilton County	9,982	1,827,005	1,288,776	3,115,781	414,138.24
Aurora	2,419	442,750	312,317	755,067	
Harlan County	7,130	1,305,004	920,554	2,225,558	282,016.86
Alma	1,272	232,814	164,228	397,042	
Hayes County	2,958	541,403	381,907	923,310	163,493.29
Hayes Center	314	57,471	40,541	98,012	
Hitchcock County	6,404	1,172,124	826,820	1,998,944	282,355.62
Trenton	920	168,388	118,781	287,169	
Holt County	16,552	3,029,513	2,137,029	5,166,542	513,540.53
O'Neill	2,532	463,432	326,907	790,339	
Hooker County	1,253	229,337	161,775	391,112	63,778.99
Mullen	725	132,697	93,605	226,302	
Howard County	8,422	1,541,479	1,087,364	2,628,843	323,488.08
St. Paul	1,571	287,540	202,832	490,372	
Jefferson County	15,532	2,842,822	2,005,337	4,848,159	599,571.13
Fairbury	6,304	1,153,821	813,909	1,967,730	
Johnson County	8,662	1,585,406	1,118,351	2,703,757	326,410.77
Tecumseh	2,104	385,095	271,647	656,742	
Kearney County	6,854	1,254,488	884,920	2,139,408	281,992.88
Minden	1,848	338,239	238,595	576,834	
Keith County	8,333	1,525,189	1,075,874	2,601,063	343,137.41
Ogallala	3,159	578,192	407,858	986,050	
Keya Paha County	3,235	592,102	417,671	1,009,773	97,622.22
Springview	347	63,512	44,801	108,313	
Kimball County	3,913	716,196	505,207	1,221,403	256,280.63
Kimball	1,725	315,727	222,715	538,442	
Knox County	16,478	3,015,968	2,127,475	5,143,443	570,640.06
Center	146	26,722	18,850	45,572	
Bloomfield [1]	1,467	268,505	189,404	457,909	
Creighton [1]	1,272	232,814	164,228	397,042	
Lancaster County	100,585	18,410,073	12,986,529	31,396,602	3,850,253.39
Lincoln	81,984	15,005,532	10,584,954	25,590,486	
Lincoln County	25,425	4,653,538	3,282,622	7,936,160	997,567.31
North Platte	12,429	2,274,880	1,604,708	3,879,588	
Logan County	1,742	318,838	224,910	543,748	85,157.06
Stapleton	399	73,029	51,515	124,544	
Loup County	1,777	325,244	229,428	554,672	65,628.64
Taylor	349	63,877	45,059	108,936	
McPherson County	1,175	215,060	151,704	366,764	56,030.87
Tryon	198	36,240	25,564	61,804	
Madison County	24,269	4,441,955	3,133,371	7,575,326	808,131.46
Madison	1,812	331,659	233,947	565,597	
Norfolk [1]	10,490	1,919,985	1,354,364	3,274,349	
Merrick County	9,354	1,712,063	1,207,695	2,919,758	356,350.26
Central City	2,460	450,254	317,611	767,865	
Morrill County	9,436	1,727,071	1,218,282	2,945,353	481,576.76
Bridgeport	1,520	278,206	196,247	474,453	
Bayard [1]	2,121	388,207	273,842	662,049	
Nance County	7,653	1,400,729	988,079	2,388,808	308,704.01
Fullerton	1,707	312,432	220,391	532,823	
Nemaha County	12,781	2,339,306	1,650,155	3,989,461	441,615.58
Auburn	3,639	666,046	469,831	1,135,877	
Nuckolls County	10,446	1,911,931	1,348,683	3,260,614	433,553.79
Nelson	963	176,258	124,333	300,591	
Superior [1]	2,650	485,030	342,142	827,172	
Otoe County	18,994	3,476,472	2,452,315	5,928,787	639,206.95
Nebraska City	7,339	1,343,257	947,538	2,290,795	
Pawnee County	8,514	1,558,317	1,099,243	2,657,560	319,021.09
Pawnee City	1,647	301,450	212,644	514,094	
Perkins County	5,197	951,207	670,985	1,622,192	271,065.40
Grant	897	164,178	115,812	279,990	
Phelps County	8,452	1,546,970	1,091,238	2,638,208	386,848.93
Holdrege	3,360	614,981	433,810	1,048,791	
Pierce County	10,211	1,868,919	1,318,342	3,187,261	406,811.60
Pierce	1,249	228,604	161,258	389,862	
Plainview [1]	1,411	258,255	182,174	440,429	
Platte County	20,191	3,695,559	2,606,860	6,302,419	707,095.24
Columbus	7,632	1,396,885	985,368	2,382,253	
Polk County	8,748	1,601,146	1,129,454	2,730,600	351,151.28
Osceola	1,039	190,168	134,145	324,313	
Stromsburg [1]	1,127	206,275	145,507	351,782	
Red Willow County	11,951	2,187,392	1,542,994	3,730,386	480,513.67
McCook	6,212	1,136,982	802,031	1,939,013	
Richardson County	19,178	3,510,149	2,476,072	5,986,221	666,425.69
Falls City	6,146	1,124,902	793,510	1,918,412	
Rock County	3,977	727,910	513,470	1,241,380	134,317.51
Bassett	931	170,401	120,201	290,602	
Saline County	15,010	2,747,280	1,937,941	4,685,221	485,479.10
Wilber	1,355	248,006	174,944	422,950	
Crete [1]	3,038	556,045	392,236	948,281	

[1] Not county seat.
[2] Oxford Village is in Furnas and Harlan Counties.

Total cost of foreign aid apportioned on a Nation-wide per capita basis, as applied to the population of counties, county seats, and principal towns in Nebraska—Continued

Counties, county seats, and other principal towns	Population, 1940 (I)	Share of foreign aid, July 1, 1945, to June 30, 1947 (population × $183.03), based on $24,099,211,087 (II)	Share of foreign aid proposed by Marshall plan 1948-52 (population × $129.11), based on $17,000,000,000 (III)	Share of total foreign aid provided and proposed, 1945-47, 1948-52 (column II+column III), based on $41,099,211,087 (IV)	All local taxes, 1945 (county, city, school, village, township, poll, and others) (V)
Sarpy County	10,835	$1,983,130	$1,398,907	$3,382,037	$428,388.47
Papillion	763	139,652	98,511	238,163	
Bellevue [1]	1,184	216,708	152,866	369,574	
Saunders County	17,892	3,274,773	2,310,036	5,584,809	742,343.55
Wahoo	2,648	484,663	341,883	826,546	
Scotts Bluff County	33,917	6,207,829	4,379,024	10,586,853	1,641,413.74
Gering	3,104	568,125	400,757	968,882	
Scottsbluff [1]	12,057	2,206,793	1,556,679	3,763,472	
Seward County	14,167	2,592,986	1,829,101	4,422,087	543,338.30
Seward	2,826	517,243	364,865	882,108	
Sheridan County	9,869	1,806,323	1,274,187	3,080,510	376,154.32
Rushville	1,125	205,909	145,249	351,158	
Gordon [1]	1,967	360,020	253,959	613,979	
Sherman County	7,764	1,421,045	1,002,410	2,423,455	292,338.31
Loup City	1,675	306,575	216,259	522,834	
Sioux County	4,001	732,303	516,569	1,248,872	180,975.94
Harrison	500	91,515	64,555	156,070	
Stanton County	6,887	1,260,528	889,181	2,149,709	303,675.39
Stanton	1,526	279,304	197,022	476,326	
Thayer County	12,262	2,244,314	1,583,147	3,827,461	445,420.74
Hebron	1,909	349,404	246,471	595,875	
Thomas County	1,553	284,246	200,508	484,754	58,733.00
Thedford	288	52,713	37,184	89,897	
Thurston County	10,243	1,874,776	1,322,474	3,197,250	681,080.77
Pender	1,135	207,739	146,540	354,279	
Valley County	8,163	1,494,074	1,053,925	2,547,999	341,412.80
Ord	2,240	409,987	289,206	699,193	
Washington County	11,578	2,119,121	1,494,836	3,613,957	456,403.25
Blair	3,289	601,986	424,643	1,026,629	
Wayne County	9,880	1,808,336	1,275,607	3,083,943	403,764.66
Wayne	2,719	497,659	351,050	848,709	
Webster County	8,071	1,477,235	1,042,047	2,519,282	302,675.70
Red Cloud	1,610	294,678	207,867	502,545	
Wheeler County	2,170	397,175	280,169	677,344	83,652.73
Bartlett	176	32,213	22,723	54,936	
Ericson [1]	279	51,065	36,022	87,087	
York County	14,874	2,722,388	1,920,382	4,642,770	619,862.88
York	5,383	985,250	694,999	1,680,249	
Total for counties	[4] 1,315,834	[4] 240,837,097	[4] 169,887,328	[4] 410,724,425	

[1] Not county seat.
[4] Details will not necessarily add to totals because of rounding.

Sources: Rand-McNally Commercial Atlas and Marketing Guide, 1944, p. 245.
Sixteenth Census of the United States: 1940, Population, vol. I, pp. 637-645, U. S. Department of Commerce, Bureau of the Census.
Twenty-sixth Annual Report of the State Tax Commissioner and the State Board of Equalization and Assessment, 1946, State of Nebraska, pp. 214-223.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 32, at the end of line 20, it is proposed to insert:

(c) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. VANDENBERG. Inasmuch as the Senator's amendment is a statement of facts as they are, there is no objection to the acceptance of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I send to the desk an amendment in the nature of a substitute, and ask for its immediate consideration.

The PRESIDING OFFICER. Would the Senator be willing to have his amendment printed in the RECORD at this point, without reading, because of its length?

Mr. CAPEHART. Yes, Mr. President. I ask unanimous consent to that effect.

There being no objection, the amendment, which was to strike out all after the enacting clause and insert new language, was ordered to be printed in the RECORD, as follows:

That this act may be cited as the "International Relief and Reconstruction Act of 1948."

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) Recognizing the intimate economic and other relationships between the United States and the nations of the world, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in the world endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in all countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of the world of a healthy economy independent of extraordinary outside assistance.

The accomplishment of these objectives calls for a plan of world recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to all countries, it is the hope of the people of the United States that all countries through a joint organization will exert sustained common efforts which will speedily achieve that economic cooperation in the world which is essential for lasting peace and prosperity. Accordingly, it is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, private enterprise, and genuine independence in the world through assistance to all countries which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

In furtherance of the declared policy for the promotion of self-help by the participating countries, such financial assistance, other than for direct relief, extended pursuant to this act to any such country shall be—

(1) extended, not by the United States alone, but by the United States and by the government and people of each such country in equal measure, to the end that their cooperative efforts may accomplish the necessary economic rehabilitation within the shortest possible time;

(2) extended in such manner as to foster to the maximum possible extent the rehabilitation of free enterprise within each such country;

(3) supplied through the establishment of a revolving fund of credits in United States dollars from which loans can be made within such country to private entrepreneurs to enable them to purchase in world markets such goods and services as they may require to re-establish the productive facilities upon which the economic prosperity of such country depends; and

(4) administered by a governmental corporation established within each such country having functions similar in nature to those of the Reconstruction Finance Corporation within the United States, and in which such Reconstruction Finance Corporation shall participate as a shareholder.

PURPOSES OF ACT

(b) It is the purpose of this act to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries and private enterprise in such countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this act, by—

(1) promoting industrial and agricultural production in the participating countries;

(2) furthering the restoration or maintenance of the soundness of currencies, budgets, and finances in each such participating country; and

(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

DEFINITIONS

SEC. 3. As used in this act—

(a) The term "Reconstruction Finance Corporation" shall mean the body corporate established pursuant to the Reconstruction Finance Corporation Act, as now or hereafter amended;

(b) The term "participating country" shall mean—

(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) together with dependent areas under its administration: *Provided*, That such country concludes a multilateral agreement with the United States pursuant to section 17 of this act, and for so long as it complies with the provisions of such agreement; and

(c) The term "foreign reconstruction finance corporation" shall mean the governmental corporation established within any participating country to effectuate the purposes of this act in full compliance with the requirements specified in section 15 hereof.

ESTABLISHMENT OF INTERNATIONAL RELIEF ADMINISTRATION

SEC. 4. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the International Relief Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for International Relief, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this act, the administration of the provisions of this act is hereby vested in the Administrator and his functions shall be performed under the control of the President.

(b) There shall be in the Administration a Deputy Administrator for International Relief who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for International Relief shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for International Relief during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for International Relief appointed hereunder, to provide, for a period of not to exceed 30 days after the date of enactment of this act, for the performance of the functions of the Administrator under this act through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such 30-day period, the authority conferred upon the President by this subsection shall be extended beyond such 30-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

(d) Any department, agency, or establishment of the Government performing functions under this act is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this act, and funds available pursuant to section 16 of this act shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed 40 may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than 10 may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

(e) The head of any department, agency, or establishment of the Government performing functions under this act may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this act, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

GENERAL FUNCTIONS OF ADMINISTRATOR

SEC. 5. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this act—

(1) review and appraise the requirements of participating countries for relief assistance under the terms of this act;

(2) formulate programs of United States relief assistance under this act;

(3) provide for the efficient execution of any such programs as may be placed in operation; and

(4) terminate provision of relief assistance or take other remedial action as provided in section 18 of this act.

(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

(1) the Administrator, Chairman of the Board of Directors of the Reconstruction Finance Corporation, and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator or the Chairman of the Board of Directors of the Reconstruction Finance Corporation is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator or the Chairman of the Board of Directors of the Reconstruction Finance Corporation, as the case may be, and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

NATIONAL ADVISORY COUNCIL

SEC. 6. Section 4 (a) of the Bretton Woods Agreement Act (59 Stat. 512, 513) is hereby amended to read as follows:

"SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the fund and the bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the 'Council'), consisting of the Secretary of Treasury as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Trustees of the Export-Import Bank of Washington, the Chairman of the Board of Directors of the Reconstruction Finance Corporation, and during such period as the International Relief Administration shall continue to exist, the Administrator for International Relief."

PUBLIC ADVISORY BOARD

SEC. 7. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed 12 additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this act, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this act.

UNITED STATES SPECIAL REPRESENTATIVE ABROAD

SEC. 8. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the chief United States representative to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this act. He may also be designated as the United States representative on the Economic Commission for Europe. He shall keep the Administrator, the Chairman of the Board of Directors of the Reconstruction Finance Corporation, the Secretary of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 9 of this act currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this act.

SPECIAL IRA MISSIONS ABROAD

SEC. 9. (a) There shall be established in each participating country, except as provided in subsection (d) of this section, a special mission for relief administration under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this act. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country as may be agreed between the Secretary of State and the Administrator.

(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this act, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this act.

PERSONNEL OUTSIDE UNITED STATES

SEC. 10. (a) For the purpose of performing functions under this act outside the continental limits of the United States the Administrator may—

(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

(2) recommend the appointment or assignment of persons and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this act, and the Secretary of State may thereafter assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

(b) For the purpose of performing functions under this act outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this act, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

(c) Civilian personnel who are citizens or residents of the United States employed or appointed pursuant to this section to perform functions under this act shall be investigated by the Federal Bureau of Investigation which shall make a report thereof to the appointing authority as soon as possible: *Provided, however,* That they may temporarily assume their posts and perform their functions after preliminary investigation and clearance by the Administrator or the Secretary of State, as the case may be, but such employment may be terminated after the receipt of the report of the Federal Bureau of Investigation.

NATURE AND METHOD OF RELIEF ASSISTANCE

SEC. 11. (a) The Administrator may, from time to time, furnish relief assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (5) of this subsection when he deems it to be in furtherance of the purposes of this act, and upon the terms and conditions set forth in this act and such additional terms and conditions consistent with the provisions of this act as he may determine to be necessary and proper.

(1) Procurement from any source, including Government stocks, of any commodity which he determines to be required for the furtherance of the purposes of this act. As used in this act, the term "commodity" means any agricultural product, food, clothing, medical supplies, or fuel necessary for the relief purposes of this act.

(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the relief purposes of this act.

(3) Transfer of any commodity, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

(b) The Administrator may provide for the performance of any of the functions described in subsection (a) of this section—

(1) by establishing accounts against which under regulations prescribed by the Administrator—

(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of applicable appropriations); and

(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries, upon presentation of contracts, invoices, or other documentation specified by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided,* That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe to assure expenditure in furtherance of the purposes of this act, and such certification shall be binding on the accounting officers of the Government;

(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

(c) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through relief grants. In determining whether such relief assistance shall be granted, he shall act in consultation with the Public Advisory Board as provided for in section 7 (a) of this act, and the determination whether or not a participating country requires relief assistance shall depend upon the character and purpose of the assistance and the necessity to accomplish the purposes of this act.

PROTECTION OF DOMESTIC ECONOMY

SEC. 12. (a) The Administrator shall provide for the procurement in the United States of commodities under this act in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

(b) The procurement of petroleum and petroleum products under this act shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this act, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of al-

ternate fuels or other sources of power is practicable.

(c) In procuring from sources within the United States any agricultural commodity not in short supply in the United States for transfer by relief grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this act, provide for the procurement of an amount of each class or type of any such commodity in approximate proportion to the total exportable supply of such class or type of such commodity.

REIMBURSEMENT TO GOVERNMENT AGENCIES

SEC. 13. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this act, for any commodity, service, or facility procured under section 11 of this act from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided*, That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further*, That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this act, in lieu of transferring such commodity to a participating country; (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law; or (2) without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

INTERNATIONAL DIVISION

Reconstruction Finance Corporation

SEC. 14. (a) Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is amended (1) by striking out "$2,000,000,000" and inserting in lieu thereof "$5,000,000,000", and (2) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "of which $3,000,000,000 shall be available for obligation only by the International Division established pursuant to section 4A of this act."

(b) The Reconstruction Finance Corporation Act, as amended, is amended by inserting therein, immediately following section 4 thereof, the following new section:

"SEC. 4A. (a) There is hereby established within the Corporation an International Division (referred to hereinafter in this section as the 'Division'), which shall be headed by an Executive Director who, upon the recommendation of the Board of Directors of the Reconstruction Finance Corporation, shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum.

"(b) The Division shall, notwithstanding any other provision of law to the contrary, have as working capital such sums as shall be furnished to it through the issuance of obligations of the Corporation, in an aggregate amount not in excess of $3,000,000,000, to the Secretary of the Treasury pursuant to section 7 of this act. There is hereby established on the books of the Treasury of the United States a fund to be known as the International Reconstruction Fund (referred to hereinafter in this section as the 'Fund'), in which such sums and all other receipts of the Division shall be deposited. Disbursements from the Fund shall be made upon certificates executed by the Executive Director of the Division and approved by the board of directors of the Corporation.

"(c) Subject to the provisions of this section, the applicable provisions of the International Relief and Reconstruction Act of 1948, and such rules and regulations as may be prescribed thereunder by the board of directors of the Corporation, the Division—

"(1) may from time to time purchase (within the limits of the unobligated balance standing to its credit in the Fund), hold, and sell preferred stock in any foreign reconstruction finance corporation established in compliance with the requirements of the International Relief and Reconstruction Act of 1948;

"(2) shall make payment for preferred stock so purchased through the establishment upon its books of a credit in favor of such foreign reconstruction finance corporation in the amount of the par value, in legal tender of the United States, of the stock so purchased;

"(3) may receive, deposit in the Fund, and credit to any foreign reconstruction finance corporation such sums as such corporation may transmit to the Division for deposit to its credit;

"(4) shall honor and certify for payment from the Fund drafts drawn from time to time by each such foreign reconstruction finance corporation upon such sums as may stand to its credit upon the books of the Division;

"(5) shall designate from time to time, from among citizens of the United States, the directors upon the board of each such foreign reconstruction finance corporation which the Division is entitled to select;

"(6) shall receive dividends paid upon stock held by the Division in any such foreign reconstruction finance corporation, and shall exercise all other rights and privileges to which it is entitled by reason of the ownership of such stock;

"(7) shall receive the proceeds of the sale or retirement of any such stock;

"(8) may engage in foreign-exchange transactions; and

"(9) shall transmit quarterly through the board of directors of the Corporation to the Congress a detailed report of the status of each of its investments in any foreign reconstruction finance corporation, and the activities of each such corporation.

"(d) Upon the establishment of any foreign reconstruction finance corporation in compliance with the applicable terms of the International Relief and Reconstruction Act of 1948, after the execution pursuant to section 17 of such act of an agreement between the United States and the government of the participating country creating such corporation, the Division—

"(1) may purchase shares of the preferred stock issued by such corporation, in an amount not in excess of the ratio limitations under subsection (a) of section 2 of this act; and

"(2) shall discontinue such purchases, and proceed to liquidate to the best advantage of the Division its prior investment therein, (A) when the Division shall determine that funds of such foreign reconstruction finance corporation have been used or loaned for purposes or subject to terms not in full compliance with the agreement executed under section 17 of the International Relief and Reconstruction Act of 1948 between the United States and the government of the participating country in which such corporation was established, or (B) upon the expiration of 10 years from the date of enactment of the International Relief and Reconstruction Act of 1948, whichever is earlier.

"(e) The board of directors of the corporation shall—

"(1) formulate plans and policies to carry into effect this section and the International Relief and Reconstruction Act of 1948;

"(2) in consultation with the Secretary of State, determine the nature of the provisions to be incorporated on behalf of the United States in agreements executed pursuant to section 17 of the International Relief and Reconstruction Act of 1948;

"(3) upon application of any foreign reconstruction finance corporation, determine whether such corporation has been organized in compliance with the provisions of such act;

"(4) upon an affirmative determination of such question, certify such corporation as being qualified for investment therein by the Division;

"(5) determine from time to time whether each foreign reconstruction finance corporation in which the Division holds preferred stock has been operated in full compliance with the provisions of such act;

"(6) determine policies under which the Division shall buy, hold, and sell preferred stock in any foreign reconstruction finance corporation; and

"(7) transmit to the Congress from time to time its recommendations for further legislation deemed necessary or appropriate to effectuate the purposes of this section and the International Relief and Reconstruction Act of 1948."

SEC. 15. Each foreign reconstruction finance corporation shall be organized under a charter or articles of incorporation under which—

(a) it is established as a body corporate governed by a board of directors and administered by officers elected by the board;

(b) so long as any of its preferred stock shall be held by the Division, it shall have a board of directors consisting of seven members, of which (1) the chairman shall be designated by the national government of the participating country, (2) three members shall be designated by the Division, and (3) three members shall be elected by the holders of its common stock;

(c) it shall have an authorized capital stock consisting of such number of transferable preferred shares (each having a par value of $100 in legal tender of the United States) as shall have been approved by the Division and a like number of transferable common shares;

(d) it shall—

(1) issue each share of common stock initially only to the government or nationals of such participating country;

(2) issue each share of preferred stock initially only to the Division;

(3) issue no number of shares of preferred stock in excess of the number of shares of common stock theretofore issued and sold;

(4) issue no share of preferred or common stock which does not entitle its holder to receive dividends thereon payable in legal

tender of the United States or, with the consent of the Division, in legal tender of the participating country within which such corporation was established, at such rate of exchange as shall be determined from time to time by the Board of Directors of the Reconstruction Finance Corporation;

(5) issue no share of preferred stock which does not provide for its retirement beginning at the end of 10 years from the date of enactment of this act under a retirement schedule approved by the Board of Directors of Reconstruction Finance Corporation by the payment to the holder thereof from the funds of such corporation of the par value thereof, together with its pro rata share of accumulated surplus, in legal tender of the United States or, with the consent of the Division, in legal tender of the participating country within which such corporation was established, at such rate of exchange as shall be determined from time to time by Board of Directors of the Reconstruction Finance Corporation; and

(6) issue no share of stock of either class except upon receipt, by payment into its treasury or by credit to its account upon the books of the Division, of $100 in legal tender of the United States;

(e) it shall have power—

(1) to adopt, alter, and use a corporate seal, which shall be judicially recognized;

(2) through its board of directors, to prescribe, amend, and repeal bylaws, rules, and regulations (not inconsistent with the provisions of this section) governing the manner in which its business shall be conducted and its powers exercised;

(3) to make contracts;

(4) to lease, purchase, sell, or otherwise dispose of such real estate as may be necessary for the transaction of its business;

(5) to sue and be sued, to complain and defend, in any court of competent jurisdiction;

(6) to select, employ, and fix the compensation of such officers, employees, experts, technicians, attorneys, and agents as shall be necessary for the transaction of its business;

(7) subject to the provisions of this section, to determine, by its board of directors, the necessity for and the character and amount of its obligations and expenditures, and the manner in which they shall be incurred, allowed, paid, and accounted for;

(8) to engage in foreign exchange transactions;

(9) to establish within the participating country such agencies or branch offices as may be necessary for the execution of its powers; and

(10) to create and control subsidiary corporations organized under the laws of the participating country when necessary for the execution of its powers;

(f) it shall have power, within the limits of unobligated funds available to it (including such funds standing to its credit on the books of the Division) and subject to the limitations specified in section 15 (g) of this act, to purchase interest-bearing obligations of and to make interest-bearing loans (directly or in cooperation with banks or other lending institutions through agreements to participate, or by the purchase of participations or otherwise) to—

(1) private individuals, private corporations, and private associations within the participating country;

(2) private banks, mortgage-holding agencies, and insurance companies within such country; and

(3) political subdivisions of such country;

(g) it shall not—

(1) make any loan to, or purchase any obligation of, any individual, organization, or public or private entity other than those specified in section 15 (f) of this act;

(2) make any loan or purchase any obligation unless in the judgment of its board of directors the making of such loan or the purchase of such obligation will directly promote the increase of industrial or agricultural production within the participating country;

(3) extend any financial assistance by loan or otherwise unless the financial assistance applied for is not otherwise available on reasonable terms;

(4) purchase any obligation unless it shall be of such sound value or so secured as reasonably to assure its retirement;

(5) make any loan except upon such security as reasonably will assure its repayment;

(6) make any loan for a period in excess of 40 years, or purchase any obligation which will not mature within 40 years from the date of its purchase;

(7) make any loan to any political subdivision of any national government or purchase any obligation thereof (A) for the purpose of enabling such political subdivision to finance ordinary governmental or nonproject expenses, as distinguished from purchases and loans to aid in financing specific public projects, or (B) for the acquisition of any existing industry or utility or any unit thereof, but this paragraph shall not be deemed to prevent the making of loans or the purchase of obligations for the purpose of enabling any such political subdivision to construct any new public utility;

(8) permit the payment of any fee or commission by any applicant for financial assistance in connection with any such application;

(9) permit any director, officer, attorney, agent, or employee of such foreign reconstruction finance corporation to participate in any manner, directly or indirectly, in the deliberation upon or in the determination of any question affecting his personal interests, or the interests of any corporation, partnership, association, or other public or private entity of which he is a member or is directly or indirectly interested; or

(10) after the expiration of 10 years from the date of enactment of this act make any loan or purchase any obligation unless all preferred stock in such foreign reconstruction finance corporation purchased by the Division shall have been (A) retired by such foreign reconstruction finance corporation by the payment of the par value of such stock, together with its pro rata share of accumulated surplus thereon, to such Division, or (B) sold by such Division to other holders of record;

(h) it shall have the power to furnish technical assistance to aid in increasing the industrial and agricultural production of the participating country and, with the consent of the Division so long as it shall hold any preferred stock therein, to perform such other functions as will contribute effectively to the promotion of industrial and agricultural production within the participating country;

(i) it shall be expressly prohibited from incurring, without first obtaining the consent of the Division so long as it shall hold any preferred stock in such foreign reconstruction finance corporation, any bonded or other indebtedness which would impair the equity of such Division in the assets of such foreign reconstruction finance corporation;

(j) its property (including its franchise, capital, reserves, surplus, income, and those of any other public or private corporation, firm, or enterprise wholly financed or managed by it) and that of the Division shall be exempt from all taxation of any kind imposed by the national government of the participating country, or by any political subdivision thereof, except that real property owned by such foreign reconstruction finance corporation may be subject to special assessments for local improvements and to real estate taxation to the same extent according to its value as other real estate of like character situated in the same locality is taxed; and

(k) it shall transmit quarterly to the Division a report of its operations (containing such information, including detailed accounts of its financial transactions, as such Division shall request) so long as such Division shall hold any preferred stock thereof.

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $500,000,000 to carry out the relief provisions of this act, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest from appropriations authorized under this act for advances made by it hereunder.

(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the relief program of this act.

(c) In order to carry out the relief provisions of this act with respect to those participating countries which adhere to the purposes of this act, and remain eligible to receive relief assistance hereunder, there are hereby authorized to be appropriated to the President, from time to time through June 30, 1952, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the relief provisions and accomplish the purposes of this act: *Provided, however,* That for carrying out the relief provisions and accomplishing the purposes of this act for the period of 1 year following the date of enactment of this act, there are hereby authorized to be so appropriated not to exceed $2,000,000,000.

(d) Funds made available for the relief purposes of this act shall be available for incurring and defraying all necessary expenses incident to carrying out the relief provisions of this act, including administrative expenses and expenses for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the relief purposes of this act, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds, as the Administrator shall specify in the interest of the accomplishment of the relief purposes of this act.

(e) The unexpended portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.) may be merged with the deposits to be made by such participating country in accordance with section 17 (b) (6) of this act, and shall be held or used under the same terms and conditions as are provided in section 17 (b) (6) of this act.

(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made for relief purposes under this act, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the International Relief Trust Fund. Notwithstanding any other provision of law, an amount of $2,000,000,000, out of sums appropriated pursuant to the authorization contained in this act shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this act in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provision of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

BILATERAL AND MULTILATERAL UNDERTAKINGS

SEC. 17. (a) The Secretary of State, after consultation with the Administrator and Chairman of the Board of Directors of the Reconstruction Finance Corporation is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this act.

(b) The provision of relief assistance and reconstruction assistance under this act results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive either type of assistance or both under this act. Such agreement shall provide for the adherence of such country to the purposes of this act and shall, where applicable, make appropriate provision, among others, to provide for the establishment within such country under its laws of a foreign reconstruction finance corporation which will fulfill the requirements specified in section 15 of this act and for—

(1) promoting industrial and agricultural production in order to enable such country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Executive Director of the International Division of the Reconstruction Finance Corporation (which division is referred to hereinafter as "the Division"), upon his request and whenever he deems it in furtherance of the purposes of this act, specific projects proposed by such country to be undertaken in substantial part with reconstruction assistance furnished under this act, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

(2) taking financial and monetary measures necessary to stabilize its currency, establish and maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore and maintain confidence in its monetary system;

(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

(4) making efficient and practical use, within the framework of a joint program for world recovery, of the resources of such participating country, including any assistance furnished under this act, which use shall include, to the extent practicable, taking measures to locate and control, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country; and

(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through relief assistance authorized under this Act, and is not furnished to the participating country on terms of payment. Such special account, together with the unexpended portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.), shall be held or used only for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, will be disposed of within such country for such purposes as may, subject to approval by act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of commodities and services received under this act; and

(8) furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations provided under this Act and in determining whether such participating country or Foreign Reconstruction Finance Corporation has fully complied with the terms of such agreement.

(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the 3 months after the date of enactment of this act, may perform with respect to any participating country any of the functions authorized under this act by him to be performed and which he may determine to be essential in furtherance of the relief purposes of this act, if such country (1) has signified its adherence to the relief purposes of this act and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, and seed to any country which participates in the Committee of European Economic Cooperation and which undertakes pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this act by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to insure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this act, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

TERMINATION OF RELIEF ASSISTANCE

SEC. 18. The Administrator, in determining the form and measure of relief assistance provided under this act to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 17. The Administrator shall terminate the provision of relief assistance under this act to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 17, or is diverting from the purposes of this act assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this act or (2) because of changed conditions, relief assistance is no longer consistent with the national interest of the United States.

EXEMPTION FROM CONTRACT AND ACCOUNTING LAWS

SEC. 19. When the President determines it to be in furtherance of the relief purposes of this act, the functions authorized under this act with respect to relief assistance may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

EXEMPTION FROM CERTAIN FEDERAL LAWS RELATING TO EMPLOYMENT

SEC. 20. Service of an individual as a member of the Public Advisory Board (other than the Administrator created by section 7 (a), as a member of an advisory committee appointed pursuant to section 7 (b), as an expert or consultant under section 4 (d), or as an expert, consultant, or technician under section 24 (d), shall not be considered as service or employment bringing such individual within the provisions of sections 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

UNITED NATIONS

SEC. 21. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this act, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this act, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities.

(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this act.

(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this act, shall be registered with the United Nations if such registration is required by the charter of the United Nations.

TERMINATION OF PROGRAM

SEC. 22. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 11 of this act are no longer necessary for the accomplishment of the relief purposes of this act, whichever shall first occur, none of the functions authorized under such provisions with respect to relief assistance may be exercised; except that during the 12 months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this act may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating relief operations under this act unless such transfer be against the best interest of the United States and its foreign policy.

(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority of the Administrator under this act may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

REPORTS TO CONGRESS

SEC. 23. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this act have been completed, shall transmit to the Congress a report of operations under this act. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

JOINT CONGRESSIONAL COMMITTEE

SEC. 24. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on International Relief and Reconstruction (hereinafter referred to as the committee), and to be composed of seven Members of the Senate to be appointed by the President of the Senate, and seven Members of the House of Representatives to be appointed by the Speaker of the House. In each instance, not more than four Members shall be members of the same political party. A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The President of the Senate and the Speaker of the House, acting jointly, shall appoint a chairman and a vice chairman from among the members of the committee.

(b) It shall be the function of the committee to make a continuous study of the programs for relief and economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs for relief and economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator and the Chairman of the Board of Directors of the Reconstruction Finance Corporation at the request of the committee, shall consult with the committee from time to time with respect to their activities under this act.

(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

SEPARABILITY CLAUSE

SEC. 25. If any provision of this act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

Mr. CAPEHART. Mr. President, I shall try not to consume too much of the time of the Senate on this bill. I rather suspect that when I shall have finished tonight I shall feel a little like the able senior Senator from Michigan [Mr. VANDENBERG] felt in 1933, I believe, when he and a former Senator from the State of Indiana were the only two Senators who voted against the recognition of communistic Russia. The able senior Senator from Michigan knows what it means to lose. I suspect that he has been on the losing side on other questions.

I rather suspect that the able senior Senator from Michigan was right in that vote. I rather suspect that had the Senate voted as the able Senator from Michigan did on that historic occasion, we might not be here tonight. That vote by the United States Senate to recognize the communistic government of Russia has since built up a great octopus—and these are not my words, but the words of other Senators and the words of the heads of our Government—which is now about to destroy our form and type of government.

Mr. President, our memories are very short. I believe that inasmuch as I have offered a substitute for the so-called Marshall plan, I am in a position, perhaps, to do some criticizing. I dislike to criticize without offering a substitute or offering something better than that which I am criticizing. I should like to take a few minutes of the time of the Senate to go back over the past 30 years of our history. It will not take long.

Permit me to say, before I start on this trip, that I am going to try to prove that every scheme which this Nation has entered into for the past 30 years has failed to accomplish the purpose for which it was intended. It has failed to accomplish the thing which the American people and the world were told it would accomplish. I am not going to debate whether we should or should not have gone into a single one of these schemes, because I voted for some of them, and I have no regrets.

I remember that 30 years ago, as a youngster I joined the Army in order to help save democracy in World War I. I remember that we were told that if we would go into World War I we would save democracy. That was the purpose. I say to the Senate that our entry into World War I did not accomplish the thing which we were led to believe it would accomplish, namely, create more democracy throughout the world.

I remember when the war ended. We were not a party to the Versailles Treaty, but it failed to maintain the peace. I remember that we did not become a member of the League of Nations, but other nations did. It failed to maintain peace. Then I remember that, in violation of the Versailles Treaty—and many nations were parties to the Versailles Treaty—a man by the name of Hitler moved into the Ruhr, and those nations sat idly by and did nothing about it.

I remember the Disarmament Conference. This body voted for the Disarmament Conference. I remember, as a young man, that we were propagandized into believing that by going into the Disarmament Conference we were going to avoid future wars, and that it would be a grand thing. I thought at the time that it would, and I am certain that those who voted for it thought it would; but I say that it failed to accomplish the purpose for which it was intended. I am not critical because we went into it. We tried.

Then I remember the Kellogg-Briand Pact, which bears the name of a great Secretary of State by the name of Kellogg—and to prove that I am not making a partisan speech, let me say that he was a Republican. He put his heart and soul into the Kellogg-Briand Pact, which was a nonaggression pact between this Nation, Japan, England, France, Italy, and many other nations. I say that it failed to accomplish the purpose for which it

was intended. Japan tore it up when she moved into Manchuria. Italy tore it up when she moved into Ethiopia; and we sat idly by and did nothing about it.

I remember the Neutrality Act. I remember that when the President of the United States signed that act he signed it with a dozen pens, which he gave away in different directions. In substance he stated that signing that act was one of the greatest privileges a President of the United States ever had.

That act provided in very simple terms that if two nations went to war this nation would remain neutral. Let not Senators shake their heads and say it is not true. It is true. I remember that when the first gun was fired in Europe that act was almost violated, if not violated. It was later repealed.

I remember the Johnson Act, which provided that this Nation would not lend money to any nation which was in default in its loan to the United States. I remember that it was said that the cash-and-carry provision would keep us out of war. I remember the 50 destroyers. I remember lend-lease.

Then, during my time in the United States Senate, I remember very well the United Nations, because I voted for it. I remember very well Bretton Woods, because I voted for it. I remember very well the British loan. I voted against it. I remember very well the Greek-Turkish loan. I voted for it.

I am saying to this body tonight and to the American people that not a single scheme this Nation has entered into has as yet accomplished the purpose intended. I have high hopes for the United Nations, and I have high hopes for some of the other plans; but I say to you tonight, Mr. President, that they have failed to accomplish the things for which they were intended. The best proof in the world that the statement I have just made is correct is that had they accomplished the things for which they were intended there would be no necessity tonight for the so-called Marshall plan.

Why have not they accomplished the things for which they were intended? Why have not they been successful? Why is it necessary for us to be here tonight debating whether we shall or shall not adopt the Marshall plan? Why have not the previous plans been successful? I wish I were certain why they have not been. All I can say, as I stand here tonight, is that they have not been successful; they have failed to accomplish the purposes intended. I shall be very happy to debate that statement on any platform anywhere in the world with any person who wishes to debate it with me. If I have fair judges on such an occasion they will have to agree that the statement I have made is true; because if it were not so we would not be here tonight.

Mr. President, I have been giving a great deal of thought to these matters. I have been taking my responsibility as a Senator seriously. I have been taking my responsibility in respect to the Marshall plan seriously, and I have been thinking hard about this problem. I have analyzed the schemes we have gone into, and I have found that all of them have failed to accomplish their purposes. I have had to say to myself, "What is wrong? Perhaps we must try a new approach, a new scheme, a new idea."

Mr. President, I dislike very much not to follow my seniors in the United States Senate. I dislike very much having to talk against the Foreign Relations Committee. I am sorry I cannot follow the able Senator from Michigan [Mr. VANDENBERG] in this matter. I am sorry I cannot follow the able Senator from Texas [Mr. CONNALLY]. But I ask myself this question: How can, I, a junior Member of this body, follow leadership that has had a record for 30 years of having every single scheme that it has put forward and voted into effect fail to accomplish the purpose for which it was intended? I am not blaming them. I am not saying that I could have done any better. But I am calling the record to the attention of the American people and to the attention of the United States Senate; and as a junior Member of this body, I am asking the Senate to consider a new approach to this problem.

This afternoon I jotted down three solutions to the problem. There are just three possible solutions, and I shall state them now. These are not merely my own conclusions; they are the conclusions of Members of this body on both sides of the aisle; they are conclusions of our leadership and our administration. As I view the situation, there are only three ways in which we can solve this problem. I wish to God that I were sufficiently intelligent to know the best way to solve it. Today there is in the world a clash of two ideologies—the ideology of the free man and the system of government we enjoy in our Nation, and the ideology of the dictator. Those two ideologies are now clashing, as they have been clashing in the past. Since the end of the war, every time our Secretary of State, every time our President, every time any of our other leaders have sat down at the conference table with those who represent the ideology of the dictator, to try to solve the problems of this old world, they have failed.

Senators would do well, if I may say so, to listen to a little common horse sense. Others may state the matter in fancy words, but I shall try to state it on the basis of a little common horse sense; I do not know how to use fancy words. One of the three possibilities is that we shall settle the clashing of these two ideologies by war. I am not the only one who makes that prophecy, Mr. President. The second possibility is that the big leaders on one side, representing freedom and democracy, shall decide that we can live according to our philosophy, and Russia, on the other hand, representing the leadership of the dictator, can live according to her philosophy. Either there will be war, or we shall come to that conclusion, or, as the third possibility, we shall have to teach the people of the world that our way is best.

Tonight we are considering helping 16 European nations and appropriating $5,300,000,000 for that purpose. The result of our action tonight—and these words are not mine alone—may be to bring on a war or it may not. It may convince Russia, which leads the communistic philosophy of force and dictatorship, that she had better live according to her way of life and had better permit us to live according to our way of life and had better permit other nations to live according to their way of life; or else what we do here tonight will be the beginning of a course whereby we try to teach the peoples of the world, and of the 16 nations, in particular—because those nations are the ones we have especially in mind tonight—that our way is best.

Mr. President, that was why I introduced my substitute bill. That was my only reason for doing so, because I failed to find in the so-called Marshall plan any provision whereby we would teach the people who are to receive our help that our form of government, our freedom, and our way of doing things is best. I fail to find any such provision in the bill. All I can find in the bill is a scheme, if I may call it that, or a plan, if you please, whereby our Government, as a government, will do certain things and, in accomplishing those things, will proceed by way of giving the aid to the 16 governments concerned—in other words, a scheme of assistance from government to government.

We are going to set up a socialistic scheme in this country, to go out and buy billions and billions of dollars' worth of materials, our Government to take title to them and then ship them to the 16 nations of Europe which governments in turn are going to distribute them. On both ends of the transaction, the procurement and the distribution ends, I say it is a socialistic scheme.

I want to see a start made toward teaching other countries our way of life, and therefore the substitute bill was submitted. The Marshall plan calls for an Administrator to handle both relief and the long-range recovery feature of the bill. Under the substitute bill the Administrator would handle the relief end of it, as he would under the so-called committee bill. However, in the substitute bill relief is separated from recovery. Two billion dollars is appropriated for relief, and by means of a simple amendment to the Reconstruction Finance Corporation Act, we authorize the RFC, as an institution which has proved its effectiveness, having been established by the Congress in 1932, and which has been used in our own country for 17 years in the handling of reconstruction—we authorize the RFC to borrow $3,000,000,000. We then authorize the RFC to buy one-half the capital stock in an RFC to be organized within each of the participating nations. The participating nations are to purchase half the stock. We shall then see 16 RFC's, one in each of the countries, functioning exactly as our own Reconstruction Finance Corporation functions. Those foreign RFC's will loan money to the small-business men of those countries and also to the big-business men. They will teach the people the American private enterprise system. They will give hope to the people of those countries, and they will put us in close contact with them. It would be the beginning, in my opinion, of the teaching of foreign countries our system of government and our private enterprise system. Mr. President, please do not say it will not work. I have been in business

for many years and I know it will work. I do not want to change the relief end of the committee bill. I would not change it at all.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. CAPEHART. I will yield in a moment. An effort was made to write the proposition in the form of an amendment, in order to get away from the idea of a substitute, but the Legislative Counsel said that would be impossible, that it had to be in the form of a substitute rather than in the form of an amendment, because we retained 75 or 80 percent or practically all of the committee bill, except that we provided that our own Reconstruction Finance Corporation should handle the long-range business phase of the program. I am now happy to yield to the Senator from West Virginia.

Mr. REVERCOMB. Mr. President, I address this question to the Senator from Indiana. As I understand, the money that would be used for relief, in the purchase of food, medicine, clothing, and so forth, would go directly to the people as a gift, is that correct?

Mr. CAPEHART. That is correct.

Mr. REVERCOMB. The second question is this: The money which would go out of this country as a gift, in the event the Administrator wanted to make it a gift, for the rehabilitation of industries in Europe, would be advanced as loans to particular industries, would it not?

Mr. CAPEHART. That is correct.

Mr. REVERCOMB. One more question. In an earlier discussion during the debate, did I correctly understand the Senator to say that today all the countries that would come under the plan in Europe, with the possible exception of Italy, have dollars invested in America in an amount equal to half the amount they would receive under the plan?

Mr. CAPEHART. The investment by the 16 countries in this country is estimated at about $13,000,000,000.

Mr. REVERCOMB. Then it is more than half.

Mr. CAPEHART. Yes; it is much more than half. It is questionable whether Italy has any dollars, and I propose that possibly in that instance Italy be handled through a separate act.

Mr. REVERCOMB. Mr. President, will the Senator yield for a further question?

Mr. CAPEHART. I shall be happy to yield.

Mr. REVERCOMB. Is it correct to say that under the plan as submitted by the Senator as a substitute for the pending bill there would be a requirement that countries receiving financial aid for the building of their industries would be expected to use some of their own investment?

Mr. CAPEHART. Yes; they would be expected to put up half the capital themselves. It would not be put up in money. They would simply put up their investments, their equities, their gold, their dollars, and their holdings in this country as collateral against dollar credits.

Mr. REVERCOMB. Under the pending bill as it came from the committee and as it has been amended on the floor, is it correct to say that there is no requirement that the countries receiving financial aid shall use any part of their money in dollars or any of their investments in dollars?

Mr. CAPEHART. That is correct. The argument has been advanced on the floor that if we were to take their dollars, and if we permitted them to use their dollars in any way they saw fit at the moment, it would require less dollars from our country in order to support them. That may or may not make sense.

Mr. REVERCOMB. Under the plan of the pending bill, they would not be required to use any part of their dollars, would they?

Mr. CAPEHART. That is correct.

Mr. REVERCOMB. They could keep their dollars and take more of our dollars?

Mr. CAPEHART. That is correct.

Mr. O'DANIEL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Texas.

Mr. O'DANIEL. The Senator from Indiana is making a very able address, and he has reminded us of his experience in private enterprise in this country. He has urged us not to say that private industry will not work, because he knows it will. May I inquire whether the Senator from Indiana has ever had experience trying to make private industry work under a socialistic form of government?

Mr. CAPEHART. Mr. President, I presume the Senator is thinking of England. England, of course, is not yet entirely socialistic. There are literally thousands and tens of thousands of private business institutions in England. It is my opinion that England will become socialistic if we continue to give the government of England hundreds of millions of dollars to be spent as they see fit. The government of England is socialistically inclined; the people of England, in my opinion, are not. That is the one big reason why the program should be handled in such manner as to help the people themselves in the recipient countries, to prevent their becoming 100 percent socialistic.

Mr. O'DANIEL. Mr. President, will the Senator further yield?

Mr. CAPEHART. I am happy to yield.

Mr. O'DANIEL. Does the Senator from Indiana not believe that England has gone socialistic and is going more socialistic every day, in taking over private enterprises?

Mr. CAPEHART. There is no question about that.

Mr. O'DANIEL. Does the Senator not believe that our contribution of money to the government of England to enable it to subsidize the British people so they will not feel inclined to work many hours a week or to produce very much, is furthering the plan of the socialistic government of England to lead the British people deeper and deeper into socialism?

Mr. CAPEHART. That is correct. There can be no question about it.

Mr. O'DANIEL. How can the Senator expect private industry to succeed in socialistic countries, regardless of whether it be England or any other country, regardless of how much capital is invested, how well the country is financed, and regardless of who does the financing?

Mr. CAPEHART. There is no answer to the Senator's question, because if they are socialistic beyond hope we are wasting the money, whether it be appropriated under the substitute bill or under the Marshall-plan bill.

Mr. O'DANIEL. If they are beyond hope, then we are doing everything we can to help them to proceed further without hope. Is that correct?

Mr. CAPEHART. That is my feeling about the Marshall plan and that is why I conceived the idea of offering a substitute bill.

I know the hour is growing late, and that the Senators wish to vote upon the substitute, but I want to say this before I take my seat. Senators may question my judgment, but please do not question my sincerity. The greatest heritage we have as a people is our form of government——

Mr. O'DANIEL. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield to the Senator from Texas.

Mr. O'DANIEL. I do not know just what the Senator means by not questioning his sincerity. I want to make it perfectly clear and plain that I was not questioning his sincerity.

Mr. CAPEHART. I was not thinking of the remarks of the able Senator from Texas.

The greatest thing we have in this Nation is our form of government. It has made the Nation great. Nothing else has made us great. It has not been our natural resources, our location, or our people, speaking from the standpoint of nationalities. What has made us great has been our form of government. Then why, when we draw up these schemes both in connection with our domestic economy and in connection with international economy, do we draw them in a form which is completely foreign to our own type of government?

I am sincere about this matter. If we lose our form of government we shall have lost everything, because it is our form of government which has permitted us to be in position tonight to appropriate $5,000,000,000 to help 16 other nations. Our form of government is worth more than billions of dollars.

I should like, in closing, before a vote is taken on the substitute bill, to tell the Senate in my simple way what I mean by that statement. Senators will possibly think it is simple. It is. I want to tell the Members of the Senate what our form of government means to me. I am certain it means the same thing to the other Members of the Senate. It has been our form of government which has made this Nation the greatest nation on the face of the earth. It is a form of government which permits the poor boy of today to become the home-owner of tomorrow; a form of government which permits the farmhand of today to be the farm owner of tomorrow; a form of government which permits the poor immigrant to become a citizen. Who on this floor does not have ancestors who at some time were poor immigrants?

This Nation is made up of all nationalities. I should like to know at the moment how many different nationalities are represented in the galleries. I say this is a form of government which permits the poor immigrant of today to become the successful citizen of tomorrow. That is America.

I, for one, shall not vote for any schemes, either domestic or national, unless I can by my vote make a contribution to the continuance of the type of government I have described, not only in our own Nation, but in nations throughout the world. If Congress wants to avoid a future war and if it wants to make a real contribution to world-wide peace and prosperity throughout the world and improve the standard of living of the peoples of the world, let it attack the problem on the basis that we will sell our form of government to the peoples of the world and prove to them it is the most successful.

Mr. President, something has happened during the last 30 years. Democracy under our form of government has lost ground. If that statement were not true we should not be here tonight to vote $5,300,000,000. I say it is time to stop, look, and listen. I agree with the able Senator from Michigan that the hour of 12 will soon arrive, but I say it is about to arrive from a different viewpoint than his. I say we are in danger of losing our own form of government as the result.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. JENNER. Mr. President, I want to compliment my colleague from Indiana on the fine American address he has made this evening. As he was speaking, a question ran through my mind. Since he has told us that he is a businessman and knows about the workings of the free-enterprise system, I want to ask him a question. The Senator refers in his substitute bill to the Reconstruction Finance Corporation. When did the Reconstruction Finance Corporation come into existence?

Mr. CAPEHART. In 1932, if my memory serves me correctly.

Mr. JENNER. Can the Senator recall the conditions which existed in the country at that time?

Mr. CAPEHART. They were similar to the conditions existing in England, Belgium, Holland, and the other nations which we are undertaking to help.

Mr. JENNER. In other words, even under our great form of government which has made this Nation the greatest one under God's sun, we have had some bad times. Is that correct?

Mr. CAPEHART. We certainly have.

Mr. JENNER. If my memory serves me correctly—and I think the American people should be reminded of this one state of facts—it was only a little over 8 years ago when we had 10,000,000 Americans hungry, jobless, and walking the streets unemployed. Ten million Americans walked the streets for those long years even in this wonderful country. Despite all our know-how, all our wealth and greatness, we were paralyzed. We were like children lost in a forest. We are a poorer nation today than we were during those years when 10,000,000 persons walked the streets jobless and hungry. Is not that correct?

Mr. CAPEHART. The Senator is correct.

Mr. JENNER. Since that time we have fought a war. Since that time we have laid upon this country a debt of approximately $260,000,000,000. Since that time we have drained the natural wealth from this Nation in oil, coal, steel, and copper. Certainly we do not need to worry about feeding hungry people in Europe; we can always raise another corn crop, another wheat crop, another crop of oats or barley. But we do not raise an oil crop every year and we do not raise a steel crop every year.

At this hour, as midnight approaches, my colleague the senior Senator from Indiana has made an appeal for the free-enterprise system of government and business. Yet even under that grand system we find ourselves paralyzed at times in our economic experience. Therefore I say, let us not do something, unintentionally perhaps, that will drain our economy white, so that the very threat we are supposed to be fighting all over the world will flourish here in our native land, come another 10-year depression.

Mr. President, I say that the only chance for Russian domination of the world is the failure of America and the failure of the free-enterprise system. Therefore I say to my colleague, I hope and pray that this body will give some consideration to his very constructive thought, and, I hope and pray that the Members of the Senate here tonight will think back only 8 years, to a time when, although we were experiencing unemployment and industrial difficulties, as a nation we were much richer and greater then than we are tonight, because since that time we have fought a war.

I thank my colleague for yielding to me.

Mr. CAPEHART. I thank my able colleague for his splendid contribution.

Mr. KEM. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the distinguished Senator from Missouri.

Mr. KEM. The Senator from Indiana spoke of the free-enterprise system, under which he said that the farm hand becomes a farm owner, and so on. I should like to ask the Senator if it is possible for a farm hand to become a farm owner under a system where the prices of everything he buys are kept up and up by dumping our goods abroad at Government expense, and his surplus earnings are seized by Federal taxes.

Mr. CAPEHART. Mr. President, there is no question that is one of the problems confronting us.

Mr. President, let me say, in closing, that I appreciate that we have not sufficient votes to carry the substitute, as I realized when I offered it. I felt obligated to offer it. I sincerely hope that it will receive a fair showing of votes. I think there is still a possibility that the House of Representatives may adopt it, and that we may have a chance to vote on it again.

If either the Senate or the House does not care to adopt the plan at the moment, I sincerely hope that the Committee on Foreign Relations will give consideration to the plan, because it is consistent with and promotive of the principles of our American form of government, which we should never cease to praise, and should always do our utmost to maintain.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. STENNIS], who is absent on official business, would vote "nay," if present.

The Senator from Maryland [Mr. TYDINGS], who is absent because of illness, would vote "nay," if present.

The Senator from New York [Mr. WAGNER], who is necessarily absent, would vote "nay," if present.

The result was announced—yeas 22, nays 68, as follows:

YEAS—22

Ball	Fulbright	Moore
Brooks	Hawkes	Pepper
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Wherry
Butler	Kem	Williams
Capehart	Langer	Wilson
Dworshak	McCarthy	
Ecton	Malone	

NAYS—68

Aiken	Hickenlooper	O'Conor
Baldwin	Hill	O'Daniel
Barkley	Hoey	O'Mahoney
Brewster	Holland	Overton
Bricker	Ives	Reed
Bridges	Johnston, S. C.	Robertson, Va.
Byrd	Kilgore	Robertson, Wyo.
Cain	Knowland	Russell
Capper	Lodge	Saltonstall
Chavez	Lucas	Smith
Connally	McCarran	Sparkman
Cooper	McClellan	Stewart
Cordon	McFarland	Taft
Downey	McGrath	Taylor
Eastland	McKellar	Thomas, Okla.
Ellender	McMahon	Thomas, Utah
Ferguson	Magnuson	Thye
Flanders	Martin	Umstead
George	Maybank	Vandenberg
Green	Millikin	Watkins
Gurney	Morse	Wiley
Hatch	Murray	Young
Hayden	Myers	

NOT VOTING—6

Donnell	Tobey	Wagner
Stennis	Tydings	White

So Mr. CAPEHART's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. The Chair would suggest that if there be any further amendments to be offered, they be offered at this time.

Mr. WHERRY. Mr. President, will the Senator from Minnesota yield to me so I may submit an amendment.

The PRESIDING OFFICER. The Chair has not yet recognized any Senator.

Mr. WHERRY. On the floor of the Senate yesterday, and on the day before, I asked the chairman of the Foreign Relations Committee if he felt he could accept an amendment to insert in section 15, subsection (b), immediately after paragraph (8), an additional paragraph, as follows:

(9) Assigning their plant reparations claims against Germany, if any, to the Administrator, who shall postpone the execution of such claims until he decides, by review, and with the approval of the joint congressional committee, on the optimum place and method of integrating each of the plants entrusted to him into the European economy.

The purpose of the amendment is temporarily to hold up the dismantling of plants in the occupied areas of western Germany until the Administrator is appointed, who might revise the estimate of the plants which are to be dismantled, providing the participating countries would contact the Administrator, and by multilateral or bilateral agreements make revision of their claims. The amendment provides for postponing action on the plants proposed to be dismantled. It would immediately stop the dismantling of plants, until the participating countries and the Administrator could revise the schedule and determine for themselves whether to proceed under the Potsdam agreement.

Does the senior Senator from Michigan feel there would be any chance at all of accepting the amendment?

Mr. VANDENBERG. I understand the Senator's interest in this subject, and it is certainly a very legitimate interest, and the subject is a highly legitimate one. It is a matter which requires attentive scrutiny. I do not think that anything upon this subject should be written into the bill because it deals with a text which is involved in the peace-treaty relationship with our Allies. Therefore I hope the Senator will not offer the amendment, but I agree with him that the subject should be canvassed promptly with the Administrator when he is appointed.

Mr. WHERRY. With that assurance from the distinguished Senator I shall not offer the amendment. I realize from the position taken by the chairman—and I also heard a note or two from the ranking member of the committee—that it would not be acceptable, but I trust that when the bill becomes law, and the question of dismantling arises, the Administrator, if possible, may take action in line with the amendment, so that dismantling of plants in Europe will be discontinued, inasmuch as we are sending steel and raw materials to build up the very plants which under the Potsdam agreement are being shipped out of Germany and placed in other countries in Europe.

Mr. VANDENBERG. Mr. President, before the Senator from Minnesota [Mr. BALL] proceeds, may we not have a third reading of the bill, inasmuch as there are no other amendments to be offered and there remain only the speeches several Senators desire to make on the bill?

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2202) was ordered to be engrossed for a third reading and was read the third time.

Mr. BALL. Mr. President, I have said many times in the course of this debate that S. 2202, the bill for the European recovery program, is the most important and far-reaching issue which this session of Congress will consider. No issue has caused me more grave concern during my service in the Senate. After many weeks of study and thought and efforts in this debate to change the program so that I could support it, I have reluctantly reached the conclusion that I must in good conscience oppose it.

Because for 7 years in the Senate, Mr. President, I have supported consistently every major foreign-policy proposal of the executive branch, beginning with those dark days in 1941, I believe I owe it both to the Senate and to the people I represent to set forth briefly the reasons which have impelled me to oppose the pending measure.

UNITED STATES FOREIGN POLICY NOT WORKABLE

I have supported many foreign-policy measures in the face of justifications which were often weak and vacillating, and which failed to give Congress or the people a sure and complete report of the facts. I am convinced now that the United States foreign policy, if it can be described as a policy, is not workable, and that it needs a complete and thorough overhauling. I have reached that conclusion because it is clearly apparent that our foreign policy, judged by the acid test of results, has failed badly.

Two years ago the United States stood at an all-time peak—probably unprecedented in history—of international prestige and power. We had just won, virtually singlehanded, a great war in the Pacific. Our military power was the deciding factor in winning another great war in Europe.

Out of a flood of production from our farms, mines, and factories we had furnished our allies and friends in the war over $50,000,000,000 of lend-lease supplies, only a fraction of which was offset by reverse lend-lease.

UNITED STATES HAS GIVEN AWAY $50,000,000,000 IN SUPPLIES

All the peoples of the world were tremendously impressed by the military power we had mobilized for the war, and were even more impressed by our almost miraculous productive capacity. Peoples and governments were convinced also of our good intentions, the fact that we had no desire either to exploit or enslave them. Whenever in history, for instance, had a great world power given away $50,000,000,000 worth of supplies and exacted no commitments or even promises to repay in return?

It would appear, looking back, that the United States, with a wise and foresighted foreign policy, should have been able to obtain in the world very close to whatever international system we desired; particularly so since what we desired, and what must always be the fundamental objective of our foreign policy, is an ever-expanding area in the world where individual men and women are free to worship, think, and speak as they please, to choose their own governments, and to labor at the occupations of their choice and enjoy the fruits of their toil. That objective surely is one which all people who have had even a distant glimpse of the great benefits of freedom must share.

EUROPE AND ASIA TORN BY CIVIL STRIFE

Yet what has happened? In the 2 years and a little more since VJ-day, far from moving in the direction our foreign policy sought, the world has moved the other way. Millions of people whom we fought to free live under Communist dictatorship, and the rest of Europe and Asia is torn by civil strife.

American military power, while still tremendous potentially, is much smaller in actual combat strength. Our prestige with the peoples of the world has deteriorated even more. The editorials in European publications sound shockingly like those of 20 years ago, when they were calling us "Uncle Shylock." This time the criticism is not because we are attempting to collect what is owed us. We have been too gentlemanly even to suggest repayment. This time the criticism is because we are not willing, without debate, to give Europe a blank check underwriting its economy for the next 4 years. It is a little shocking to me to find that attitude expressed by many of our great newspapers in America.

SHRINKING FREE WORLD FACING GREAT AGGRESSOR POWER

Finally, our shrinking free world is facing a great aggressor power, Communist Russia, whose dictatorship is as cruel and ruthless as any the Nazis ever imposed, and whose aggressions bear a terrifying similarity to those in the late thirties which heralded the Axis attempt to conquer the world. The main difference is that Russia, in the Communist Parties tolerated in free nations, including the United States, has a fifth column infinitely more effective than any the Nazis ever had.

The deterioration in our international position in 2 years is almost unbelievable. Yet in those 2 years, every foreign policy proposal of this national administration has been approved by Congress.

UNITED STATES ON THE DEFENSIVE

We ratified the United Nations Charter with only two dissenting votes in the Senate. Yet we are continually on the defensive in that great world forum, answering the ridiculous warmongering charges of Russian dictators, who speak fresh from their armed subjugation of eastern Europe in violation of the Atlantic Charter and their other agreements.

FICTITIOUS EXCHANGE RATES BOTTLENECKS TO EUROPEAN RECOVERY

Congress approved the Bretton Woods agreements establishing an International Monetary Fund and the World Bank. One was supposed, we were told, to stabilize currency exchange rates, and the other to finance reconstruction projects. Fictitious exchange rates still are one of

the bottlenecks to European recovery today, and there would be no need to discuss a Marshall plan if the World Bank were functioning as promised.

LOANS AND GIFTS TOTAL OVER TWELVE BILLIONS IN 2 YEARS

Pending the operation of the Bank and Fund, the United Nations Relief and Rehabilitation Administration was set up to do the relief job, and Congress, at the administration's request, appropriated $3,700,000,000 to it. Members of our Senate Appropriations Committee found $75,000,000 worth of UNRRA supplies, mostly tractors and farm machinery made in America, rusting in an open-air depot at Athens last summer. UNRRA was not a very happy venture, either.

Recognizing the importance of British recovery to our hopes for the world, Congress voted the $4,400,000,000 British loan. It is already exhausted, with none of the purposes promised for it achieved. In fact, Britain is in worse straits economically than before the loan was made.

In the 1947 session Congress approved the $400,000,000 Greek-Turkish aid program, voted another $332,000,000 for relief purposes in Europe and Asia, to say nothing of $600,000,000, now raised to $1,090,000,000 for relief in occupied areas during this fiscal year. Relief in occupied areas alone will have cost us $2,625,000,000 by July 1948. In addition, hundreds of millions have been loaned by the Import-Export Bank, whose lending authority was increased $2,700,000,000 in July 1945, for that purpose.

In all, our loans and gifts in Europe have totaled more than twelve billions in 2 years, plus another two or three billions in Asia.

ERP BEING SOLD AMERICAN PEOPLE ON FALSE BASES

What has been the result of all this expenditure of American resources? The realization of our objective, a free world, appears further away than ever, and we are now considering a measure which will commit American resources to the extent of an estimated seventeen to twenty billion dollars over the next 4 years to save Europe from communism, to prevent world war III, or to help European recovery.

Mr. President, from the information I receive, it appears to me that this program is being sold to the American people on a number of false bases. One of them is an appeal to the generous instincts of the American people to help other people in distress. It is our humanitarian duty to help feed and clothe the peoples of Europe, we are told. We here in the Senate know, of course, that under the Constitution Congress has no power to appropriate public moneys for charity abroad, much as we might sympathize with the plight of those unfortunate people. That is not the basis of this measure and I hasten to say that its sponsors in the Senate have not attempted to use that argument. However, it is a widespread misconception.

Likewise, many people have been led to believe that the adoption of this program will prevent world war III. I believe it has been made abundantly clear in the debate here on the Senate floor that there is no such assurance. The most that it can do in that direction, if it is wholly successful, is to eventually build up some power in western Europe on the side of freedom which may serve as a deterrent to the onward march toward war of Russian Communist aggression.

RUSSIA'S DECISIONS WILL DETERMINE WAR OR PEACE

Unfortunately, the decision as to whether the world will be plunged into war again does not rest with the free, democratic nations. If it did, there would be no tension over this question today, and no danger of war. Communist Russia's decisions will determine whether we have war or peace, and ERP is unlikely to affect those decisions materially, unless it speeds up the timetable of conquest.

Another popular misconception about the effect of the program is that it will stop communism in western Europe and that that is its primary purpose. Again, I hasten to make clear that the sponsors of the bill have made no such flat claim. I think the debate here in the Senate has made it clear that the conquest of free peoples by Russian Communist aggression or subversion is dependent primarily on the threat or the actual use of naked, ruthless power, and that economic distress, on the record, has played little role in what has happened to one nation after another in eastern Europe.

Furthermore, it is perfectly apparent that there is no danger that the United Kingdom, Holland, Denmark, Ireland, Iceland, Norway, or Sweden will be taken over by the Communists, except by external aggression, no matter what their economic problems may be. And as we all know, these countries will receive considerably more than half of the assistance proposed in this pending measure.

I mention these false conceptions of what the pending measure will accomplish, Mr. President, because I believe it is very dangerous for the American people to support a program under misapprehensions as to what it intends or can accomplish. The repercussions when the people finally discover the truth are likely to be very disastrous.

ERP LEGISLATIVE BLANK CHECK

Mr. President, three major reasons have convinced me that I have no alternative but to oppose this bill. First of these is that it is a legislative blank check to the administration to underwrite the trade deficits of western Europe for the duration of the act. Some of us on the floor have offered amendments designed to tighten up its provisions, but the bulk of them have been defeated. I was greatly encouraged last summer when the senior Senator from Michigan, in a statement on the then nebulous Marshall plan, insisted that there would be no more blank checks in our foreign policy. I have the highest respect and the most affectionate regard for the Senator from Michigan and the members of the Foreign Relations Committee, and I know they are convinced that this foreign-aid program will be vastly different from the ones we have undertaken in the past. I sincerely hope that they are right.

UNITED STATES UNDERWRITING TRADE DEFICITS OF WESTERN EUROPE

But reading the plain language of the bill, and having listened to this 2 weeks of debate, I am still convinced that under this measure the administration can do almost anything it wants to do. I am convinced that in view of the repeated ultimatums from the President and Secretary of State that Congress must pass this measure as is, or "else," that it will be administered, not as a hard-boiled, practical business approach to the recovery of Europe but as the United States underwriting of the trade deficits of western Europe.

That is the concept of this program as it originated in the CEEC at Paris, and it seems to me that is still the fundamental approach. Under that concept the United States has no control over the amount of the deficit, and very little control over the purposes to which the imports creating it are put.

All through this debate we have heard about all the "imponderables" and the "uncertainties" and the "speculations" in this program. There are scattered through the bill many clauses pointing toward a sound, businesslike approach to the program, but in every instance we find these directives from Congress qualified by phrases like "whenever practicable" or "insofar as practicable," which vest in the administration, and eventually in the President and Secretary of State, if there is any conflict, what seems to me to be complete discretion to do exactly as he pleases.

On one hand, we are told that Russia and the Communists are violently and unalterably opposed to this program and will do everything they can to defeat its purpose, and then, on the other hand, we learn that the whole program for recovery of western Europe is premised on a substantial resumption of normal trade between eastern and western Europe.

Clearly, then, any time that Russia, through her satellites, wants to close the iron curtain tightly on the resumption of such east-west trade, she can, by that act alone, defeat the whole program. I grant you that eastern Europe needs trade with western Europe and that normal economic considerations should impel the Russian dictators to permit this resumption, but I know of no instance in history when the Russian dictators have permitted normal economic considerations or concern for the welfare and living standards of people to interfere with their plans to achieve political objectives.

The Senator from Michigan has emphasized repeatedly that Congress will review this program completely in just 9 months, and yet the program is a 4-year commitment. I believe that it must be a 4-year commitment to be a real recovery program, and I know the Senator from Michigan is convinced that a review and overhauling of the program at the end of a year is consistent with a 4-year commitment.

But, Mr. President, it appears to me that if this program should fail and Congress decides to abandon it or drastically modify it at the end of a year, after making a 4-year commitment on which the people of Europe have relied, we shall

have acquired, not friendship but the bitterest of enemies.

PAST FOREIGN-AID PROGRAMS FAILED

Mr. President, I could go through the bill in more detail to point out other provisions which strengthen my own conviction that this is a legislative blank check, but I shall not take the time to do so, because I am sure all of my colleagues have read the bill and studied it as I have. However, I submit that we would not consider for one moment extending aid to any American enterprise under authority as wide open as this and granting such blanket authority as this one does. The emphasis the Senator from Michigan has repeatedly placed on the kind of Administrator we should obtain for this program is his own tacit admission that that Administrator will have almost complete discretion in determining the kind of program it will be.

But, Mr. President, I submit that the past record of this administration in the negotiation and administration of the past foreign-aid programs, on which the United States has spent between fifteen and twenty billions does not justify this kind of a blank-check authorization with any real hope that this time the aid will succeed in achieving the objectives we seek, instead of failing.

My second major reason for opposing the European-recovery program as presented is that I am convinced that it is foredoomed to failure in achieving any economic recovery without an immediate and parallel program on the political level to achieve for the remaining free nations of the world real and effective collective security against aggression and subversion of their freedom and independence.

SECURITY AGAINST POWER AGGRESSION

Perhaps the United States has or is developing a policy to meet the threat and power of Russian Communist aggression which has been swallowing up one nation after another for the past 2 years. If so, neither Congress nor the people have been told about it. For at least a year and a half, the purposes of Russian Communist aggression have been clear for the whole world to see and those aggressions have been based on the ruthless threat or use of power, whether the power of the Red army or the power of a Communist minority.

To achieve economic recovery the people of Europe must have some confidence in the future. They must have faith that there will be a free tomorrow. Productive enterprises are not built in a day, and often not in a year or 2 years. We cannot expect the people of Europe, who must do the biggest share of the job, to invest their savings and their labor in enterprises which cannot produce for 1, 2, or 3 years in the future when they have no real faith that there will even be a free tomorrow. Men and women do not build factories on the side of a volcano that is erupting smoke and ashes, with the lava flowing steadily down the slopes toward their factory site. And how can we expect the people of Europe to rebuild their industry in the face of the steadily approaching juggernaut of Russian power aggression?

SUICIDAL POLICY FOR UNITED STATES

I hope events may prove me wrong, but I am convinced that investing billions of American resources in economic recovery in western Europe without an immediate parallel program to develop some real and effective security against power aggression will be completely futile.

My third major reason for opposing the pending bill is that, as nearly as I can judge, Mr. President, it is a part of a United States policy to attempt to contain Russian Communist aggression and subversion throughout the world by means of lavish economic assistance from the United States. How does that policy work?

Russia occupies a tremendous land mass in Europe and Asia and is pushing out in all directions along the periphery of the areas she controls. She can with relatively little effort turn the pressure on, first in Finland or Austria, maybe in Sweden next, or she can shift to Greece, Turkey, or Iran. She can take advantage of the internal strife in India or China, or she can put the pressure on in Korea.

In Greece the United States has spent $300,000,000 in addition to the aid received under UNRRA and other programs, in the carrying out of this containment policy in that one little area. And, yet, the latest reports from Greece indicate that all we have succeeded in doing is holding the line against a few thousand Communist guerrillas. We have no way of knowing how much this particular pressure has cost Russia, but I would guess that it is probably less than $300,000. In other words, by spending $1 Russia can force the United States in carrying out this containment policy to spend a thousand dollars. Mr. President, that appears to me to be a hopeless, suicidal policy which can have only one end result, the economic bankruptcy of the United States.

I regret, Mr. President, that I can no longer support a foreign policy whose sole answer to every succeeding international crisis seems to be the expenditure of more and more of American resources all over the world.

NO PROGRAM TO MEET POLITICAL AND POWER REALITIES

It is with deep regret that I take that position and I have tried hard to convince myself that I could in good conscience support this program. The only two arguments which to me seem logical and tenable are: First, that it might have some effect on the Italian elections coming up April 18; and, second, that it might buy time for us to develop a really effective foreign policy to meet the grim realities we face.

As for the Italian elections, Mr. President, I cannot claim any expert knowledge, but it does appear to me that if the will to be free in the Italian people is so weak that it can be sustained only by a steady diet of American dollars, it is indeed a weak reed for the free world to lean upon.

As for buying time, Mr. President, I think time has been running on us for a year and a half, and I see no indication that our present leadership recognizes the lateness of the hour in the political field or has any program or any intention of developing a program to meet the political and power realities of the present world situation.

Unfortunately, the functions of Congress in relation to our foreign policy under the Constitution are largely negative. Foreign policy must be made by the President and it is our obligation to say "Yes" or "No." And yet I could not close without saying in positive terms what seem to me to be the alternatives, neither very satisfactory, which we face.

COLLECTIVE SECURITY BEST HOPE

One of those alternatives is to move immediately to develop either within or without the framework of the United Nations a collective-security program which stands a chance of working, which will revive the hopes of peace-loving people which have been so disappointed by the ineffectiveness of the United Nations, resulting from obstructive use of the veto power. Such a program might well include economic aid in reasonable amounts. I think the hour is late. Unless very soon free nations and peoples of the world unite, reaffirm their devotion to the principles of individual freedom, and pledge a mutual defense against any threat to their freedom, they will one by one suffer the fate of Hungary and Czechoslovakia until world war III is upon us.

That alternative, Mr. President, is my preference. I am an internationalist, and I believe that collective security is the best hope of real security for any nation in this foreshortened world. I am not wedded to any specific formula to achieve it. I would consider and be inclined to support anything, from strengthening of the United Nations to federal union with those nations which will accept the basic principles of freedom.

The only other logical alternative, it seems to me, is for the United States to withdraw as much as possible from our international commitments, build up our own military strength and hope that eventually Russia will spread herself so thin she will break. That to me is the less acceptable alternative, but I think it is a possible alternative.

ERP DANGEROUS RISK FOR UNITED STATES

Unfortunately it appears to me, Mr. President, that our Government is not facing the facts as they are and is not developing any coherent, logical foreign policy to meet the realities of the world today.

I cannot convince myself that the measure before us is all or even part of a workable policy. It is a calculated risk, but in the absence of clearer specifications and a coherent political policy to match economic aid, I am convinced it is a very bad and dangerous risk for the United States and I shall therefore vote against it.

Mr. HICKENLOOPER. Mr. President, it is not my purpose at this late hour to take a great deal of the time of the Senate in discussing the pending measure. I will say, however, at the outset that the general approach to the problem

is that today we are facing vital and tragic facts in a factual world which must be decided with dispatch and expedition, and that we do not have time to indulge in the luxury of fanciful speculation as to a future hope for solutions of problems which may not exist.

As a member of the Foreign Relations Committee, I had opportunity to become acquainted with the present situation in Europe and to weigh the reasonable chances of success of this program against the probability of deterioration in Europe if such a program is not adopted. In addition, last September and October, as a member of a subcommittee of the Foreign Relations Committee, I also had the opportunity of visiting all of the participating countries as well as Finland, Poland, and the Balkan nations. I feel that the opportunity of first-hand observation of visible social and economic conditions in Europe, supplemented by statistical investigation of their present condition and the reasonable potentials of their goals, as well as analysis of the judgment of able witnesses whose sincerity cannot be questioned, lead to certain inevitable conclusions.

First, Europe, its finances and its physical production plant have been and continue to be in a substantial state of disruption. The depletion in the ranks of its ablest leadership and the loss of a great deal of its potential source of future leadership, its younger people, as a result of the war, have combined with other physical disruption and economic chaos to strike a crippling blow at its morale. The uncertainty of its goals and the reasonable possibility of attaining those goals under these conditions seriously destroys incentive and contributes in many places to a fatalistic attitude that feeds a day-to-day existence philosophy rather than inspires efforts toward sound recovery.

I shall not burden you by restating the statistical details of Europe's economic or social past nor by itemizing the financial or material plans of this program. Those matters have been successively presented in this debate and the record seems fairly made with as much exactness as is possible at this time. I want to make clear that in supporting this measure in the Foreign Relations Committee, I concurred with the philosophy generally accepted by the committee as contained in this bill, and I am now in support of that philosophy as presented in greater detail here on the floor by the chairman and by the other Members who have discussed it.

There are two vital areas in this program, however, to which I would like to refer for a few minutes. The first is social and economic and the second is that of administration.

While we do not intend to impose upon any nation our particular statutory and legal system, which we believe history has shown to be best for the progressive development of individuals, nevertheless, I am sure that we do believe that any system of government for any people can be progressive only when the dignity and responsibility and fundamental rights of the individual are the foundation of that system. No lasting progress has ever been made in the world except in direct proportion as those rights have been nurtured, and no progress can be made in a recovering Europe except in proportion as those rights are encouraged and allowed to survive.

The economic and moral disruption and confusion in Europe today furnish a most fertile field for the suppression of those very principles. Those whose leadership must tenaciously cling to those principles are being sorely tried. Demagogues and despoilers are proposing deceptive and beguiling programs for the seizure of power for themselves but their objectives are the debasement and degradation of human dignity. The end is the enslavement of those who are beguiled.

Our Nation has contributed much, in various ways, toward sustaining the nations of Europe since the shooting war stopped. It is easy to understand why many people not only feel that we have done enough but that a substantial portion of our money and goods has been wasted. It is an intriguing argument to say that we have spent billions of dollars, contributed shiploads of goods, and that Europe is not yet back on its feet; therefore, we should withdraw completely, lick our own wounds, and let Europe go whatever way fate may take it.

It seems to me, however, that this very argument adds strength to the present effort. True, Europe has not recovered its normal prewar economy, but any examination of the record proves two things without any doubt: First, that had we not contributed as we have toward the stabilizing and recovery of Europe in the past, it would today be in a state of chaos, disruption, and actual destruction that is unthinkable; second, that as a result of what we have heretofore done there has been a stimulation of effort that has, in great measure, stabilized Europe and stimulated the beginnings of its recovery. It has gone far toward crystallizing Europe's own calm appraisal of her problems and has strengthened her determination to work herself out.

I refer to Europe—and in connection with this bill western Europe—as a unit, because I believe the problems must be dealt with by the united and coordinated efforts of Europe, and any piecemeal approach now through individual countries or one that is not integrated with and tied into a general program of over-all western European recovery would indeed be wasted. It is the unity of purpose and the unity of maintenance of free systems in western Europe—and eventually in other parts of Europe—that will contribute to the attainment of our purpose, which is the establishment of peace and a freer and more comfortable world.

While there is a firming up of attitude in western Europe resulting directly, I think, from their feeling that they have the encouragement and sound support and friendship of our country, nevertheless, there are vicious and ominous portents in other parts of Europe. Behind the iron curtain, where the pitiful cries of victimized people for salvation from their slavery are being rapidly throttled, we see the increasing threat of violent conquest coming closer to the Atlantic. Communism, protected by Soviet troops, has conducted organized looting and robbery of the nations of eastern Europe, has openly seized their governments and enslaved their people, and pushes its probing fingers westward. These conquests have been accompanied by the cry of democracy—a nauseating prostitution of the word; there is as much, and no more, democracy in the mastication of these peoples as in the conquests of Genghis Khan or the Vandals, and no less villainy.

The fifth columns of communism today are invading western Europe, and they work eternally and insidiously. They mouth the plight of the common man and promise utopia, but their purpose upon gaining success, of course, is the same as it always has been, a seizure of power for themselves and the vassalage of those they may capture. In this connection, we need not confine ourselves to western Europe to observe these practices. In our own Nation we see evidence of those who, under the cry of liberalism, excuse and apologize for the seizure of the countries of eastern Europe; some of these people in our own country may be befuddled and shallow in their thinking, but others, I have no doubt, are diabolic in their purpose. All of them, however, pervert the very liberties and freedoms which they have here, to follow the Moscow party line which has for its objective world conquest and control.

If western Europe, with its traditions of freedom and self-government, can restore itself economically and socially it will not only become the greatest bulwark against further encroachments from the east, but will provide a most potent means for tearing aside the iron curtain that now divides Europe and for restoring the principles of self-government, for which we are willing to sacrifice much. If a population mass of 270,000,000 people can reestablish an efficient organized economy and a political stability under the responsibility of self-determination, it then possesses the means to completely and successfully resist any mass or brute force that can come against it from outside.

It is not an easy task which we face. It will call for some sacrifice, but intelligent effort now on our part, and a willingness to make certain sacrifices now, may well preclude the necessity of far greater sacrifices, materially and politically, in the not too distant future, for our own vital preservation, than many care to now realistically consider. I believe that the participating nations of Europe are now aware of the ominous hazard of a failure on their part to do their job under this plan. I believe that they are utterly determined to devote all possible effort and coordination toward their own rehabilitation and toward their own recovery.

There is much evidence of this determination; the coordinated efforts of the 16 nations to evaluate their own situations, possibilities and potentials; the setting up by some nations of customs unions and the beginnings of discussion of such a program by others; the proposals both in England and on the continent for closer political and economic

unions in other ways and now the announcement of the economic, political, and mutual-defense agreements reached between the representatives of Great Britain, France, Belgium, the Netherlands, and Luxemburg.

No one can guarantee the full success of this program, but I think the guaranties are apparent that, if we do not honestly and efficiently make this effort the assurance of a decimated Europe, politically and socially, is almost certain and if that occurs, we will be faced inevitably and in the not too distant future, with a struggle for the survival of the civilization and civilized processes under which we are determined to live.

The second area of this program that I would like to discuss is that of the administration of the plan itself. Europe must recover by its own efforts, and any aid or assistance that we give must be rigidly held to the purpose of stimulating those efforts on the part of Europe and its nations. We must be rigid in our determination that this program shall not become a colossal charitable gesture. The sound objectives for this plan are the restoration of a self-supporting economy in Europe and a reestablishment of its morale. These objectives can be accomplished only through the restoration there of self-respect and reasonable hope.

Since the suggestion of this program, I have been constantly opposed to its control or dictation by the State Department because the State Department is not constituted as an administrative agency but as a political agency, and, therefore, is not equipped to administer an economic program such as this one. I have favored the establishment of an independent authority in the administration of this plan by practical, broadly qualified persons who know and who have succeeded in a competitive free-enterprise system.

The bill provides means for its operation under those principles. It divorces the administration from the control and dictation of the State Department, but provides for consultive cooperation in order that our over-all foreign policies and the administration of this program may be coordinated. I am convinced that this proposal is workable and satisfactory, providing the personality and the personnel of the administrative group is adequate. The appointments of an administrator, his assistant, and the director in Europe are vested in the President subject to Senate confirmation. It, therefore, becomes utterly vital that in these appointments the President select persons of high ability and broad experience, thoroughly committed not only to the sound, sensible, economic stimulus of Europe on the most businesslike and practical basis but these persons must also constantly gage and govern their decisions and their administration by the paramount obligation of preserving the strength and vigor of our American economic system.

I am supporting the authorization for not to exceed $5,300,000,000 for the first year of the operation of this program. It has been strongly urged by the executive branch, which has the voluminous statistical information and personnel for its evaluation, that this amount is essential and sufficient. Based upon its representations and the evidence, it would be unwise to provide an amount less than sufficient. Nevertheless, I feel that vigorous and capable administration of this program, based on a policy of stimulus to recovery in Europe may possibly be successfully accomplished with a lesser amount. If we examine the record of the recovery of Germany after World War I, we find that administration under the Dawes plan, which, at least in its earlier stages, seemed to be economically successful, with an expenditure somewhere in the neighborhood of $200,000,000, succeeded in stimulating the investment of local capital and effort, and in attracting literally billions of dollars of capital from other parts of the world into this recovery program.

A sound administration of the European recovery program with intelligent application of the funds and investment of this appropriation can very well so encourage private capital from here or from other places to invest in potential or actual economic ventures in Europe that it would relieve, at an earlier date, continued support from us.

But if administration of this plan takes the course of political expediency and a colossal dole, then the prospects for sound recovery in Europe will not be good, and the money which we spend outside of dire emergency contributions will be largely wasted because self-help in Europe will not be encouraged, but, on the contrary, dependency will be encouraged.

I have strongly urged and continue to urge that the Administrator of this program require firm agreements and commitments for the repayment for capital goods, and financial investments in permanent developments, whether these developments be physical construction or the stimulation of permanent economic enterprises.

Emergency needs to prevent starvation and immediate physical hardship are, without doubt, humanitarian contributions, but gifts for long-range and permanent capital development will not stimulate the self-respect of the recipients.

I shall urge also that the Administrator in any program of purchasing or acquiring goods outside the United States for the implementation of this program arrange that any countries not classified as needing emergency assistance bear an equitable share of the cost of such goods obtained from them, and that those countries accept guaranties or deferred payment from us for all or a substantial portion of our obligations to them under such purchases.

I shall further urge that the Administrator, to the greatest degree possible, encourage and stimulate the dealing on an individual basis for needed capital goods between private enterprisers in the countries involved and private suppliers in this or other countries.

It seems to me that the one vital element in this program, therefore, is the quality, the vigor, and the attitude of the Administrator and his program. It follows, then, naturally, that who the Administrator and his top assistants may be is equally vital. So far as my personal attitude is involved, I shall be greatly concerned with the question of who may be this administrator and his assistants, and with the administrative details that they propose to put into effect to carry out the terms of this law. I believe that administration is so important that, given adequate and proper administration, successful European recovery has a good chance for success; but, on the other hand, given political, inadequate, and less than the highest degree of able administration, European recovery as a result of this program is doubtful.

Of course, Mr. President, the impact of this program upon our own economy must be a basic consideration overshadowing all others. As in the case of other considerations that I have mentioned, I shall not take the Senate's time to itemize or analyze this question because it has been done, pro and con, repeatedly in this debate. The success of the plan is dependent upon the maintenance of our own strength and economic soundness, and eternal vigilance must be maintained against profligate weakening of our economy. Able and patriotic men such as those composing the Harriman committee have exhaustively examined our economy and unanimously conclude that we can do this without peril to our own recovery or our own strength.

Certain pressures are bound to be created on our economy under this program and especially so far as goods in short supply are concerned, and it will require a measure of further sacrifice on our part. Intelligent and able administration, however, can greatly minimize these pressures and can spread them over a period of time that will reduce their impact. The clear declaration that we will examine the progress of the program next year, and that we will measure the accomplishments of the participating nations before going further, is a safeguard against long-range or foolish commitments.

No one of us wants continued crisis or continued drain on our resources, and all of us eagerly anticipate the time when peace and economic order may be more assured. The sad fact is, however, that peace and economic order are not the world's lot now, and whether we like it or not, our own best interests and the prospects for a better world tomorrow seem to be completely dependent upon the vigor, vision, and judgment of our leadership and the discharge of our unavoidable responsibilities.

In closing, Mr. President, I may summarize by saying only that as a result of whatever cumulative knowledge I may have acquired in the past or whatever examination I may have made with respect to the necessity for this effort and in a reasonable evaluation of the probabilities of success, I am convinced that we must make this effort. We must make it in good faith, and with the conviction that while its immediate successful benefits will be the reestablishment of Europe's economy, its long-range benefits will, in the end, come back to us in the measure of a more reliable world, a more

comfortable America, and a more hopeful future.

Mr. McCLELLAN obtained the floor.

Mr. O'CONOR. Mr. President, will the Senator yield to me to place in the RECORD a statement I have prepared on the pending measure?

Mr. McCLELLAN. I yield.

Mr. O'CONOR. Mr. President, because Europe—indeed, all mankind—is waiting expectantly for America's decision in the vital matter of aid for a war-torn world, I urge that we act on S. 2202, the Economic Cooperation Act, expeditiously and with full knowledge of the import of our action to the future of hundreds of millions of people now living and who will be our successors in years to come.

I have issued a statement that sets forth the foregoing in greater detail, but not with more sincerity. It is imperative that America provide the aid needed to start the world back to self-sufficiency. I ask that the statement of my view be printed in the body of the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HERBERT R. O'CONOR ON EUROPEAN RECOVERY PROGRAM

One cannot help being profoundly impressed with the presentation of the Economic Cooperation Act to this body and with the debate which has ensued on the great concept it involves. I have been particularly impressed with the fact that, for the most part, those who have been critical of the bill have not questioned the basic objective of aiding the free countries of Europe, but have directed their remarks to the method or the extent of aid.

In fact, there have been arguments that this proposal does not go far enough, that this concept of economic assistance from our Nation to supplement the cooperative effort of those liberty-loving European nations who have pledged themselves to work together toward their mutual recovery, will not succeed unless there are also political and security elements in the plan.

I do not wish to argue this suggestion. Every American must take pause and consider the sinister record of expansion of Soviet Communist control over one after the other of nations and peoples of eastern Europe, peoples whose centuries old histories, we all know, bear proud past listings of gallant struggles and bloody revolt against oppressors. Yet these nations have fallen prey, one by one, to the relentless subversion or control of police-state methodology.

The shocking fate of Czechoslovakia has struck America doubly hard, because it seems only yesterday that the name "Czechoslovakia" stretched through the headlines of our papers as the harbinger of liberty and freedom in eastern Europe. What has happened to Czechoslovakia makes it imperative to consider the bill which is now before us in the context of the realities of world affairs today. This is no time for escapism. It is the time to act.

It is of the need to act which I wish to speak briefly. It has been made abundantly clear that the European recovery program is no panacea. It does not pretend to be the complete answer. It is, however, an inspired and carefully worked out program, which has been hailed by the free nations of Europe, and extolled by the leaders of free people in the rest of the world, as one of the most positive and constructive developments in international affairs since the lights of liberty in Europe were first snuffed out by Nazi totalitarianism.

The program is not solely an American venture. The 16 nations of Europe which have pledged themselves to this program, with western Germany, are not and do not intend to be merely passive recipients of aid. If we are to act in time to really help them, let us act now on this already vast and complex project—this project which enjoys the acceptance and approval of the free, wherever they may be. And then let us proceed to what further action is dictated by the realities of the present.

Nothing could be more futile than to delay at this moment the vital element of aid to the faltering economy of free Europe while searching for a complete solution to the situation. The complete solution will not be easily found, but we can be sure that the complete solution must include a cure to the economic illness of Europe or it will be no solution.

Nor can we expect resolve and determination to resist subversion and to protect freedom throughout the 270,000,000 of free Europeans unless those millions see clearly the hope that free society can give them food and work for themselves and economic security for their families. At this very moment, the free European nations are considering Mr. Bevin's proposal for a western European union, but that union cannot long survive, or in fact, it cannot be born, if economic collapse, unemployment, privation, and loss of economic hope may be its attendants.

The fall of Czechoslovakia to the Communists and the blatant pressures being put upon Finland to knuckle under to communism are evidence of the Soviet campaign to make the most of the situation, before ERP can begin to revive strength, confidence, and hope in free Europe.

The creation of the Cominform and the statement made there by a member of the Soviet Politburo (Mr. Zhdanov) to the effect that the Union of Soviet Socialist Republics would oppose the Marshall plan to the limit of its ability, were important first evidences of the heightening of Soviet Communist action.

To date the success of increased Communist activity within the European nations which have cooperated in the European work toward recovery has not been great. These countries, heartened by the hope that their economic future could be assured through their own cooperative action assisted by United States aid have been able to reduce Communist activity in their countries. However, in Italy especially, Communist propaganda has been particularly violent and to some extent locally persuasive against the Marshall plan.

Italy faces on April 18 the first general election under her new constitution. So long as the man on the street there is confused as to intentions of the United States to help Italy economically, he is all the more susceptible to Communist propaganda. It may already be too late to affect the thinking of the majority of individual voters in Italy—certainly if this confusion persists until they reach the polls. But it may be the straw that weighs the balance in the voting.

If the Italian elections were to bring Communists into substantial power in Italy the effect upon other European nations would be very profound.

It would mean the first major success of communism outside the iron curtain which has been heretofore pretty well defined by the high tide of the advances and control of the Red army. Nothing succeeds like success, and in the tenseness of Europe today, Communist success in Italy would shake the confidence of free people in other countries.

European recovery plan, in itself, should not be expected to affect vitally the situation in Italy in a matter of 5 or 10 days. But the recognition by the Congress of all that ERP means to Europe and decisive action by the Congress to approve its concept and get it under way could be of very real psychological importance in Italy.

The need for urgency of action does not relate only to Italy. The funds available for keeping pipe-line shipments of food and raw materials flowing to Austria and France are nearing exhaustion. Without the most urgent action there could be a dangerous break in the flow of basic commodities to these countries. This would have grave results through decreasing the ration and causing unemployment just at the time when Europe must stand a real test of its determination and vigor to maintain the concepts of liberty and freedom.

Then, too, America has noted the indications of the dire straits of the United Kingdom's finances. Unless the assurance of help in the moderately near future can be given, there will be an increasingly grave strain on the financial stability of the pound sterling all over the world. Furthermore, Britain's ability to maintain her military strength, which is important as a stabilizing influence in many parts of the world, may be adversely affected.

In general, the shortages of dollars throughout all of western Europe has been strangling intra-European trade, and the economic situation, which is the foundation of political stability, has been steadily deteriorating. It needs the "shot in the arm" of American determination to assist, in order to halt this deterioration, re-create confidence, and to stiffen the spines of all the confused peoples on the Continent.

For these reasons the need for prompt and decisive action by the Congress to approve ERP is evident and our responsibility is clear.

The months and the years ahead are critical to the preservation in our country of the way of life America fought for whenever it was in jeopardy. These years are critical similarly to the remaining free countries of Europe. Economic cooperation should be the watchword of today. We can move a great step forward by acting promptly, adequately, and wholeheartedly on the proposed economic cooperation measure.

Mr. McCLELLAN. Mr. President, it is my purpose to be brief. I shall not discuss the measure at the length its importance warrants because the hour is late, and I merely desire to state my position and make some observations for the RECORD.

It is with considerable reluctance and regret that I shall vote for the pending measure. I say with regret, because I deeply deplore the incidents that have occurred in the world which make it necessary for us at this time again to undertake to respond to the need of suffering humanity by large expenditures of money of the taxpayers of the Nation. I am reluctant to vote for the measure because of the lack of assurance that the program will be or can be successful, and also because I have a strong apprehension that our efforts and our good intentions in this enterprise may all prove to be in vain.

I had hoped that during the debate and in the course of our deliberations facts could be developed and established and that arguments could be presented which would remove any doubt and make crystal clear the wise course we should take in our own enlightened self-interest. I wanted the facts to be so developed as to give me reassurance in the conclusions I should reach and the vote I should cast. But, Mr. President, I am not fully convinced. I still entertain very grave

doubt that the program can be made to succeed. When I acknowledge that, Mr. President, and make that confession, I am persuaded that every colleague of mine entertains the same doubt about it, irrespective of whether he is going to vote to support the measure or vote against it. Mr. President, we ought to be truthful about the matter. We ought to let the American people know our doubts. No one can be sure. No one has the absolute answer. We know that what we are doing is highly speculative. One private person's opinion, one Senator's opinion, is just as good as that of another private person or another Senator.

I concede and ascribe to all my colleagues the same earnest sincerity in the conclusions they shall reach as I take unto myself. I have said in the past in public addresses that I favored the general objectives of the Marshall plan. I was very skeptical, however, about the machinery to administer it. I believe that the changes which have been made since the plan was originally presented to the Senate, since the original bill was introduced, including the changes which were worked upon the bill in the committee, have greatly strengthened the administrative machinery which will have the responsibility for administering the program.

Mr. President, economic aid is an essential first step toward the rehabilitation of Europe. No one can deny that the rehabilitation of Europe is necessary to the survival and existence of those people; and I think it must be conceded by all of us that the recovery of Europe is vital to our own welfare and self-interest. I think it is conceded that Europe cannot recover without American aid. We are fortunate in that we are probably the only country in the world, the only government, and the only people who are still able to give assistance of this magnitude to the rest of humanity. This is the first step. It is imperative that this aid be given. Obviously, it is imperative that we go to the aid of those who are struggling to remain free and who are undertaking to preserve their form of representative government.

I am persuaded by argument and logic that the United States cannot survive as a free people if and when all the rest of the world becomes totalitarian. In my judgment it would be impossible for us to survive alone; but this program will be inadequate within itself to accomplish all that is desired and all that we hope for. The mere spending of billions of dollars in Europe will not of itself stop the form of aggression and conquest which now threatens to consume the Eastern Hemisphere and the entire world. This economic program, the spending of all this money, may serve temporarily to postpone or hinder for the present the march of aggression which is now in process; but it will not stop it, and it will not be sufficient to meet the challenge and the imminent danger which now threatens the world.

The success of what we are about to undertake depends on many factors. I shall not undertake to relate all of them, but I should like to mention four.

First—and this cannot be overemphasized—it is all important that we have an able Administrator. If some spendthrift, or someone who entertains a philosophy which we might call that of a world do-gooder, is placed at the head of this program, with no thought other than to dispense this money, the program will fail. There must be injected into the administration of the program and the spending of this money some sound business principles and hard, practical sense. If we do not get that kind of an Administrator, the program will be tremendously handicapped, and probably doomed to failure from the beginning.

The primary responsibility of obtaining a good Administrator rests with the President of the United States. I wish to say now for the RECORD, and as counsel—probably unwelcome and undesired counsel—to the President of the United States that he ought to put his heart into this thing and consult with the advisory board of the Congress before he ever sends a nomination here. I know the difference between the executive and the legislative branches of government. They are separate, but there are times when we get better government—and most of the time we can get better government and better administration of vital programs of this character—if there is consultation before the act is done.

The second important factor is the self-help and cooperation and performance of the participating countries. They can help to make the program proceed. They could not make it succeed without our help; but, as I understand this measure, at any time any participating country fails to meet its obligations, if in the judgment of the Administrator such failure is inexcusable, aid to that country can be stopped.

The third important factor in the success of the program depends, in my judgment, upon the countries of western Europe, the participants in this program, immediately forming an effective economic, political, and military alliance. We are playing for keeps. We are dealing with fire, Mr. President; and sometimes the only way to fight a fire and stop its spread is by setting another fire to burn against it. We are dealing with fire in this international problem tonight. I believe that a military alliance should be formed.

The fourth factor, and the last which I shall mention—and this is all important, in my judgment—is that this program will not succeed if upon or after making these investments we are unwilling to protect them just as we would protect any possession of ours. That protection will likely involve—and I feel certain that it will—military power. Let us be under no illusions about what we are doing and what we may have to do to carry through to the ultimate success of this enterprise.

Mr. President, we ought to search our souls before we vote on this issue. If we are unwilling, once we start this program, to back it up and undertake to insure its success by the military power and might of our country if that should become necessary, then we had better not start it, because the action we are taking is fraught with dangerous consequences.

I know there are those who have said and are saying and thinking that this is the first step toward war. I do not believe that is so. If this step we are taking, this great effort on the part of our Government to aid suffering humanity and to try to heal the wounds and alleviate the suffering resulting from a great war, is a step toward war, when we are thus pouring out our charity and giving our assistance to suffering humanity, and if it is an affront to any nation now in power on this earth, then I say that war is already on the way and is inevitable.

Why should it be an affront to any nation that wishes to live peacefully with the rest of the world? If this is going to be interpreted as a hostile or unfriendly act, we had better start getting out our ammunition and getting ready, for the shooting will soon begin.

I do not believe we should make another dollar of investment unless we are willing to protect it. If we are unwilling to do that, then the other alternative is that we should immediately bring home from foreign soil every American boy; we should have all of them come back to the United States, and we should build the mightiest fortress of defense that it is possible for us to build, and we should build our military strength to a point where we would be, or would hope to be, supreme.

Mr. President, it may be said that we had better not begin; but I say we must begin. There is no other alternative, except the one I have just mentioned.

Russia means business. We hear a great deal about appeasement, but I should like to have any Senator rise in this Chamber tonight and point out any nation that has appeased Russia and that survives in the world today with human freedom. That indicates the situation we are dealing with.

This program may not stop them. Probably it will not, but if we defeat this bill tonight, after America has gone as far as she has in trying to develop a rehabilitation and recovery program, with Russia taking the position against it that she has—and, Mr. President, this has been the decisive factor to me—such action on our part will be regarded as a signal to Russia to march on. I am unwilling to give Russia the green light.

Mr. President, I wish to make one other observation with respect to the expenditure of this money. I shall be making no commitment, by my vote, for a 4-year program, unless we make it succeed. Whenever it fails, whenever there is any indication that it is failing, then I wish to see it stop; because then I shall know, beyond any question of doubt whatsoever, that we have only the other alternative left. I know what that alternative is.

Mr. President, yesterday I was paired on the question of adoption of the amendment of the able Senator from Ohio [Mr. TAFT] by which the amount of the authorization provided in the bill would have been reduced. Had I been at liberty to vote, I would have voted for adoption of the amendment. The amendment was rejected, as all of us

know, and the bill still provides for an authorization of $5,300,000,000. Tonight I wish to urge upon the Appropriations Committee of the Senate that when the time comes for appropriating funds to carry out this program the committee should not recommend the full $5,300,000,000. An additional appropriation can be made at any time. But we know from past experience with the administration of such programs that if we appropriate the $5,300,000,000 at once, the Administrator will be under the impression that it must be spent this year, and that will mean a great deal of waste because of the haste to try to spend it. Let us do it properly—in other words, let us do it by installments, and let us weigh the performance as we make the installments.

Mr. President, I may soon regret the vote which I shall cast tonight. Some who will vote against the bill may have a similar experience. But I have weighed this matter in the light of what I have said to the Senate. I have not been a spender of Government money. I voted against the British loan. I voted against the $350,000,000 relief measure which immediately followed it, because I could not succeed in having added to that bill an amendment to prevent any of that money from being spent in countries dominated by Russia. I would not vote for one nickel to feed a Communist or to help a Communist country anywhere in the world. No one need tell me that the way to proceed is to get along with the Russians by giving them help, by aiding them. When we aid Russia or one of her satellites, we are bringing war every minute closer and closer to our own door. If I knowingly voted to spend or give money to Russia, I would feel that I was betraying every American citizen and all freedom-loving humanity. We cannot do business with people who live behind an iron curtain. That never has been done thus far in the world. There is no one who can give the least assurance that it can be done now.

Again I wish to say for the RECORD that the all-persuasive factor with me, in respect to the vote I shall cast, is that our country has made a commitment—not a legal commitment as yet, but in the matter of policy it has made a commitment and has initiated a program for the recovery of western Europe. That program is opposed by the only military power on earth that we have any reason to fear. Tonight that program is the victim of a cold war—and I do not know that it is really so cold. It is pretty hot over in the countries that have been conquered by them.

After having gone this far with the program, Mr. President, I am unwilling by my vote to give to Russia the green light to continue to extend the iron curtain.

Mr. MARTIN. Mr. President, I intend to speak briefly at this time.

I voted last night for the Taft amendment to the pending bill, although I believe in the purposes of the bill. I voted for the Taft amendment for two reasons.

First, things will be done with some of this money which, to my mind, are not part of helping European recovery or of raising a wall against the spread of communism. Some of this money, for instance, will find itself diverted to nonessential or socialistic programs. The American people should not be taxed for such a purpose. Moreover, I believe that some of the nations slated to be beneficiaries cannot be classed with the war-ravaged countries. Several countries, in my opinion, should seek loans through normal commercial channels. They should not be made a burden upon the American taxpayer.

My second reason for voting for the Taft amendment is this: If, as I believe, we can save a billion dollars while not weakening our contribution to genuine European recovery and to the mutual defense, we should do so, by all means.

Ahead of us lies a serious period and a seriously expensive burden for the American people. A billion dollars properly saved could be a real help to our people, who are paying heavy taxes. It could be an extra billion dollars toward arming our country for the dreadful uncertainty ahead.

I have had considerable experience in government. I have learned that if an agency does not receive enough money, it can always come back for more. If it makes out a sound case, it will get more. But when agencies are appropriated more than they need, they invariably find ways to spend the money, to justify their requests. There should be no waste of American dollars now. There are too many examples scattered all over the globe of stupid, wasteful UNRRA spending in the form of material and equipment lying in the open, rusting and decaying. There has been too much "easy come, easy go" with the dollars our people earn the hard way, and with our irreplaceable basic natural resources.

That is why I voted for the Taft amendment. But, as I explained before, I assuredly intend to vote for the bill.

We are faced with a situation of extreme gravity and extreme urgency. What is going on in Europe today may drag out for months or years. But it is so highly explosive that it is not beyond possibility, short of continued appeasement, for the world to be at war at any time.

In speeches and statements the Members of Congress have been warning of this. The Secretary of State, General Marshall, a great soldier, has been warning. But up to now we have not done a convincing job of making the situation clear to the American people.

Perhaps it is because, after a warning is sounded, the Congress settles down to dawdle over legislation which should be handled with the greatest dispatch. Perhaps it is because, in acting for the people, we fail to put first things first.

National-defense legislation should be pouring through this Congress on an assembly-line basis today. It should carry a top priority red ticket, marked "urgent." Instead, it is traveling at an amiable gait, awaiting its turn in line, just as though it were no more important than a score of other things before Congress.

Mr. President and my colleagues, today the world is skating on ice thinner than that in the fall of 1939. If that ice breaks, the United States will not have 2 years in which to get a defense program under way, as we had before Pearl Harbor. We will be plunged into the conflict immediately.

Aid for Europe had better be given while there is still some free Europe left to receive it.

We have here a bill that is a great improvement over what the State Department originally wanted. At this point I should like to congratulate the senior Senator from Michigan [Mr. VANDENBERG] and the other members of his committee who made over the legislation.

Let us vote the bill quickly and hope that the House will act with equal dispatch.

And, Mr. President, when that job has been done, let us not sit back with the comfortable feeling that our work is accomplished. Let us start, without delay the task of making this Nation strong. Without our strength behind it, the recovery program will not be worth the paper on which it is printed. Let us build our might to a terrifying peak, terrifying to communism, if there is yet time. In that way, and only in that way, we can avert war.

This is a century of global decision between democracy and dictatorship. If democracy is to win the fight, and survive, it will be largely for one reason. It will be because this Congress is courageous enough to legislate boldly, to make our Nation impregnable against the growing black cloud of communism.

A little while ago, I mentioned my hope that the cost of our international program would rest as lightly as possible upon the American people, with provision of a sound margin for safety. The United States is a rich and powerful nation. But there is a limit to our resources. As our national defense and foreign obligations rise, frugality should be the watchword on the home front. Congress now has before it all the appropriation legislation of our Government for the next fiscal year. We must eliminate every frill, every proposal for new Federal services which cost the taxpayers money. Every project not immediately necessary should be either postponed or wiped out. The cost of Government functions must be stripped to the bone, and the lobbyists and pressure groups and their pet projects should be booted out the door.

We must remain solvent. We must be strong physically and spiritually if we are to meet the challenge that America must meet today.

Mr. President, in order to save the time of the Senate, and owing to the lateness of the hour, I should like now to have unanimous consent to have printed in the RECORD as a part of my remarks an address which I delivered before the Bulletin Forum in Philadelphia last Tuesday night, in which I discussed in greater detail Keeping America Strong.

The PRESIDING OFFICER. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF UNITED STATES SENATOR EDWARD MARTIN, OF PENNSYLVANIA, BEFORE THE BULLETIN FORUM AT THE BELLEVUE-STRATFORD HOTEL, PHILADELPHIA, PA., TUESDAY EVENING, MARCH 9, 1948

The confused world in which we live today presents no more vital problem than keeping America strong.

In recent weeks we have been made painfully aware that the future of freedom and civilization may be decided by the measure of America's strength.

We would be fools if we closed our eyes to recent European developments.

The forces of tyranny and aggression behind the iron curtain are strangling the liberty and independence of small nations. They are destroying human dignity under police-state slavery.

In recent days we have seen unfolded the identical pattern which was twice the forerunner of global war.

The shocked world has witnessed the second rape of Czechoslovakia within 10 years.

We had hoped for enduring peace but instead we are face to face with the stark, naked problem of how to prevent another period of death and destruction, the loss of our freedom and our very existence as a nation of freemen.

The answer to this problem—our very salvation—lies in how we go about making America strong.

Our forefathers conquered the wilderness with the rifle, the ax, and the Bible. They symbolize the three fronts on which we must prepare today in order to keep our land strong, free, and at peace.

The rifle is the symbol of military defense which we must strengthen immediately.

The ax, with which the pioneers cleared the land, is the symbol of work, sweat, and industry. It is likewise an instrument to cut away the undergrowth of waste and extravagance which threatens the financial stability and solvency of America.

The Bible is the source of our spiritual strength and unity—without which no nation can permanently endure.

Today we are engaged in a cold war of conflicting ideologies. We pray that it may not turn into a shooting war—but come what may—we will continue to need the help and guidance of Almighty God.

To talk of war is not pleasant. It is not comforting. But no matter how much we love peace, history proves that strength is the only language that dictators and tyrants understand.

Only too recently have we learned the tragic results of appeasement and the false hope that comes from looking at the world through rose-colored glasses.

The great hope of the world is for peace. But there will be no peace until all nations accept the Golden Rule and the Biblical injunction "to beat their swords into plowshares."

The nations of the earth will live as friends only when global disarmament is achieved. Then the vast energy and treasure consumed by armament and war can be directed to advancing human progress and civilization.

Until that day dawns, we must be prepared to defend freedom.

First. We need strong military preparation. From my own experience in four wars, I know the horrors of war. I would go to any length to prevent armed conflict. But I do know that adequate military strength is the best insurance against war.

We must build up our Army and our Navy into the greatest striking and defensive force in the world. We must have complete supremacy in air power.

Our industries, farms, and mines must be prepared for instant conversion to the production of matériel and food on a scale surpassing their previous record-breaking efforts.

We must end without delay the intolerable situation under which we have only 30,000 troops in the United States, trained and ready for combat service; while Russia has millions of men under arms.

Therefore Congress should provide a plan to train our young men in the fundamentals of protecting themselves under fire. Otherwise, they may have to learn under the hellfire of bombs, shot, and shell.

Twice western European nations held the fort while we armed and trained our fighting men. The next time we will not be so lucky.

The influence and power of the United States is the only beacon light of hope for the nations living under the constant threat of Soviet aggression.

The civilized world had hoped that the United Nations would furnish security and protection. Given time and a fair chance it may yet become a mighty force of peace—but Russia's unfair and selfish use of the veto power has kept it puny and impotent.

We must therefore, without delay, take leadership in bringing the God-fearing, peace-loving nations of the world together in a defensive pact, joining the Old World and the new for mutual protection against communistic domination and enslavement.

We must tell the aggressors, clearly and forcefully, that if any one of these nations is molested, all will fight to preserve its freedom. We must leave no room for doubt.

That policy, if backed by powerful military strength, will avert war.

If we fail to do this and continue appeasement, or pursue a policy of protest only, we shall have a repetition of our tragic experience in two world conflicts with no assurance of final victory.

We must take decisive action before it is too late. Delay will prove costly to us and the world.

In the meantime we must extend aid, to the limit of our capacity to spare, to those nations that stand against communism and aggression and, at the same time, are willing to help themselves. This aid must be properly administered to achieve the maximum benefits.

During and after the war we have seen the Russian Bear gulp down one morsel after another. The three little Baltic states, Estonia, Latvia, and Lithuania, and part of Finland have gone down. So have Poland, Rumania, Bulgaria, Yugoslavia, Hungary, Albania—and now Czechoslovakia. Little Finland is next.

Who will follow? Will it be Greece, Turkey, Italy, France, Sweden, or Norway? Or will they turn to new portions of the Far East where Russia has already swallowed part of China and Korea?

Can we afford to stand idly by while this ruthless force rolls on to satisfy its unholy appetite?

No one knows who will be devoured next. The Communists have declared bluntly, frankly and without equivocation that world conquest is their objective.

As I said before, the axe symbolizes the second front in keeping America strong—hard work, thrift, expansion of our productive industry and economy in government to safeguard the solvency of America.

The United States is a rich and powerful Nation but there is limit to our resources. To build up the first, or military front, will require great expenditures of money that can come only from the work, sweat, and sacrifice of our people.

The people who pay the bills must know the value of their freedom and must be prepared to pay the price.

They must insist upon the elimination of new government services and projects that eat up the money they pay in taxes. The people must know that we cannot spend the same money twice. If we spend it for preparedness we cannot afford an ever-increasing bureaucracy, swollen pay rolls, and expanded Federal functions on the home front.

The people must choose between liberty and independence and expensive governmental embroidery. If we love freedom we must be willing to forego the high-priced frills that have become part of our Federal system. We must insist that all projects not immediately necessary be eliminated or postponed.

It means paring to the bone the cost of every governmental function. It means that money expended, even for necessary functions, must be utilized to the maximum value of every dollar. It means that the lobbyists and pressure groups must be denied their pet projects.

The majority of the Members of the Eightieth Congress are mindful of the dire need for efficiency and economy. They are striving to put the European recovery program on a sound, business-like basis so that every dollar will give full value.

The State Department admits that the bill which last week came to the floor of the Senate is a stronger and better bill than the one originally presented. I predict that the bill as finally enacted will be further strengthened.

Only by the strictest economy can we provide the necessary funds to insure ourselves against tyranny and aggression.

The Communists would like to see us in financial collapse, debt ridden, and bankrupt. That is the soil in which the seed of communism thrives.

Those who advocate unlimited spending are unwittingly giving aid and comfort to the forces that would destroy our freedom.

Yet, in the face of an uncertain future and the necessity for huge expenditures for peace and preparedness the administration in Washington has come forward with the most expensive proposals. They would add billions of dollars to the cost of Government here in America.

Whether we like it or not, this is the time for Spartan courage and sacrifice. We must keep America dynamic and solvent.

The third and final front in keeping America strong is symbolized by the Bible. The spiritual strength of the United States is most important.

Work, courage, sacrifice, tolerance, unity—all of these qualities are interwoven with abiding faith in God and reverence for the teachings of the Bible.

It was this spirit that built America—the same spirit must preserve it for all time.

The spirit of America was developed in the four houses that are the foundation of our strength and progress—the home house, the school house, the church house, and the court house.

In these four places we have taught the brotherhood of man and the fatherhood of God, the freedom of America, the tolerance and the Golden Rule, justice and good will.

The godless philosophy of communism teaches conquest and aggression. America wants peace for itself and the world.

With a strong, solvent, and spiritual America, properly defended, we can lead the world to peace and good will.

Mr. SPARKMAN. Mr. President, we are nearing the final vote on this measure. I do not wish to extend the debate. I know I cannot add anything to what has been said throughout the days that this debate has been running. However, I am not willing to let the record be

closed without my making clear my wholehearted and unequivocal support of the European recovery program.

Mr. President, some 10 years ago we started cooperating with other nations to stop aggression by totalitarian states. In the terrible and devastating war that followed we worked together to win. Our own people here in this country made willingly every sacrifice demanded of them to win that war.

We should keep in mind that peace, the same as war, must be worked for, paid for, sacrificed for. There is too much of a tendency on our part to quit when the shooting stops, and to regard all that we fought for to have been won. Just as we shared with our allies in winning the war, we now propose to share with those democratic and peace-loving nations willing to work with us for peace and for restoration of normal world conditions. That, in a few words, is my conception of what the European recovery program is.

I do not maintain that this should be regarded as an absolute guaranty of peace. I do believe, though, that it is the one great hope of staving off, temporarily at least, world war III. There can be peace only when there is political stability, and there can be political stability only when there is reasonable economic security. The program is aimed at helping to establish and to maintain economic and political stability in Europe and in the world. Because I believe this, and because I believe that there is at least a good chance of success, I gladly support the plan.

On last Saturday night, Mr. President, I discussed the European recovery program before a convention of Civitan Clubs of the Alabama-Mississippi district meeting at Anniston, Ala.

In order to save the time of the Senate, Mr. President, I ask unanimous consent that a copy of my speech be printed at this point in the RECORD as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

EUROPEAN RECOVERY PROGRAM

(Speech prepared by Senator JOHN SPARKMAN, Alabama, for delivery at the Alabama-Mississippi district convention of Civitan Clubs, Anniston, Ala., March 6, 1948)

You program committee chairman asked that I choose a topic for discussion in harmony with the Civitan motto, "Good citizenship."

There was a time when we thought in terms of "good citizenship" only on a local level. We were good citizens if we helped our neighbor clear his land, kill his hogs, build his log house, or sit up with his sick.

As quicker and easier means of communication and transportation developed, our concepts of citizenship likewise expanded until we came to regard ourselves as citizens of the State and of the Nation. As such we became concerned with the welfare of people who lived hundreds of miles from us.

We came to realize that what happened in one part of the political division in which we lived—county, State, or Nation—affected every other part. We came to understand that prosperity in the South made for better times in the East; a drought in the Wheat Belt of the Midwest meant high prices and a shortage of flour in Alabama; unemployment in your iron foundries of Anniston usually signified a lack of market for the products of the cotton mills of Huntsville.

Not only have we learned that we cannot remain unaffected by the adversities or good fortunes of those who live away from us but we have become more and more dependent upon one another for even the everyday things of life. As our needs are more complex, so is our interdependence greater.

INTERNATIONAL GOOD CITIZENSHIP

Just as our well-being has become interdependent on a local, State, and national level, so has modern communication of ideas and trade made our well-being interdependent on a world-wide level.

Distance has been conquered to the point where every nation is our next-door neighbor, and we can no longer be unconcerned about what happens to a neighbor thousands of miles away. The death of Arabs and Jews in Palestine today can have significant meaning to us in far-away Alabama.

As good citizens we have learned to take for granted our dependence upon and our obligations to our local, State and national neighbors. Experience is teaching us to have the same attitude in regard to our international neighbors.

Because the world has become a community of neighbors, I want to discuss with you one phase of the world-wide aspect of good citizenship. I refer to the European recovery program, more commonly known as the Marshall plan.

Time is too limited to consider every phase of this momentous plan. I shall use the few minutes available to give a brief résumé of its background and to answer some of the objections made to it.

All of us recall the significant part played by lend-lease in the winning of the recent great war. With the exception of America's armed forces, lend-lease was perhaps the greatest cause of victory. With its adoption we were able to supply our allies with the necessary materials for defeat of the common enemy. While supplying equipment to our allies was a drain on our resources, it saved the lives of hundreds of thousands of American women and men, and possibly prevented the destruction of our factories and homes by keeping the enemy away from our shores.

Certainly the United States suffered some hardships and inconveniences during the war. We gave unstintingly of our lives and material resources, but we suffered nothng like the breakdown of morals, the demolition of factories and complete towns, the wreckage of roads and communication facilities, and the loss of millions of civilians as did our allies of Europe and Asia.

Almost as soon as the shooting in our direction had ceased we cut off lend-lease aid. We did so without providing planned aid for the rebuilding of our democratic allies, and without realizing the necessity for doing so.

It soon became apparent that the world was still sick and could not make substantial progress toward recovery unless assistance was received from the United States—the only nation powerful enough to give that help.

Consequently there were formed agencies such as UNRRA, International Refugee Organization, International Bank, etc., branches of the United Nations and financed largely by funds from the United States. In addition, there were loans and grants to individual nations.

Despite the good that was achieved, we have not done the job of getting the nations of Europe and Asia back on their own feet.

BIRTH OF THE MARSHALL PLAN

Recognizing the importance of a permanent recovery program, and desiring full cooperation from the participating countries, Secretary of State Marshall in June of last year proposed what is now known as the European Recovery Program, or the Marshall plan. With the knowledge that our first concern is necessarily for those nations with which our heritage and well-being are allied, Mr. Marshall limited his proposal to the countries of Europe.

The Marshall plan was nothing more than a suggestion made by Secretary Marshall that further United States aid to Europe be conditioned upon the part the European nations take to help themselves.

You know with what enthusiasm and hope these suggestions were received by most of the countries of Europe. You know also of Russia's refusal to participate in this plan, and of her refusal to permit the eight small European countries whose policies she controls to join the program.

Nevertheless, delegates from 16 of the European nations representing 270,000,000 people met in Paris early in July to carry out the European part of the program.

These countries agreed to create internal financial stability. They pledged to collaborate wholeheartedly to make fullest use of their productive capacity and manpower, take steps to reduce tariffs and other trade barriers, allocate scarce materials, and modernize their equipment.

Complementary to what was to be done at Paris, President Truman set up three different committees composing a cross section of American life—the Krug committee, the Harriman committee, and the Nourse committee—to make a thorough study of our ability to meet the needs under the Marshall plan.

Furthermore, several legislative committees went to the European countries to study the situation at first hand. The almost unanimous opinion was that something had to be done to prevent the complete collapse of civilization in Europe.

Based on the Paris report and the thorough studies of the three American committees, the President made his recommendation to Congress.

WHO SUPPORTS THE MARSHALL PLAN

1. The Harriman committee.

This committee is made up of outstanding citizens. Its chairman is Secretary of Commerce, W. Averell Harriman, himself a successful businessman. Its other members are:

Hiland Batcheller, president, Allegheny-Ludlum Steel Corp.

Robert Earle Buchanan, dean, graduate school, Iowa State College.

W. Randolph Burgess, vice chairman, National City Bank of New York.

James B. Carey, secretary-treasurer, CIO.

John L. Collyer, president, B. F. Goodrich Co.

Granville Conway, president, Cosmopolitan Shipping Co., Inc.

Melville F. Coolbaugh, Colorado School of Mines.

Chester C. Davis, president, Federal Reserve bank, St. Louis, Mo.

R. R. Deupree, president, Procter & Gamble Co.

Paul G. Hoffman, president, Studebaker Corp.

Calvin B. Hoover, dean, graduate school, Duke University.

Robert Keonig, president, Ayrshire Collieries Co.

Robert M. La Follette, Jr., formerly United States Senator from Wisconsin.

Edward S. Mason, dean, school of public administration, Harvard University.

George Meany, secretary-treasurer, American Federation of Labor.

Harold G. Moulton, president, the Brookings Institution.

William I. Myers, dean, college of agriculture, Cornell University.

Robert Gordon Sprout, president, University of California.

Owen D. Young, honorary chairman of the board of directors, General Electric Co.

The Harriman committee was asked to determine the limits within which the United States could safely and wisely extend aid to western Europe.

After several months of diligent study and consultation with authorities in many areas of our business life, this committee of 19 distinguished private citizens from the ranks of business, finance, labor, agriculture, and educational and research institutions, unanimously recommended the Marshall plan.

Members of the Harriman committee belong to different political parties, but in fulfilling their task without partisanship and with the best interest of their country at heart everyone agreed that this country should support European recovery.

2. The Krug committee was set up to determine whether or not the Marshall plan would be too severe a strain on our natural resources.

Secretary of the Interior, J. A. Krug, headed this study. He drew help and advice from the various departments and agencies of the Government.

After a thorough analysis of our resources this committee concluded that from the standpoint of preserving both the national security and our standard of living we are able to provide the resource requirements of a considerable program of foreign aid.

3. The Nourse committee.

The President was not content to have studies made just by representatives from different interests of American life such as the Harriman committee, and by a natural resources committee such as the Krug committee.

He appointed a third committee composed of some of the most able economists of our country to study the impact of foreign aid upon the domestic economy.

The members of this committee centered its attention upon our ability to supply the dollars and our ability to supply the goods needed by the European countries taking part in the Marshall plan.

Here, again, there was unanimous agreement that we could, and should, support a European recovery program without undue strain upon our domestic economy.

4. Great numbers of organizations and individuals.

When the President submitted his recommendation of the Marshall plan to the Senate Foreign Relations Committee, that committee for several weeks held public hearings on the plan.

All interested groups and individuals were invited to express their views on this project.

Nearly every organization and individual heartily endorsed the Marshall plan.

Business organizations as the National Federation of Small Business; Farm organizations as the American Farm Bureau and the National Cotton Council; Labor organizations as the American Federation of Labor and CIO; Women organizations as the National Federation of Business and Professional Women's Clubs and the Daughters of the American Revolution; Religious organizations as the Young Men's Christian Association and the Federal Council of Churches of Christ in America; Veterans' organizations as the American Legion, the Veterans of Foreign Wars, and the AMVETS; and others too numerous to mention wholeheartedly advocated the Marshall plan.

Only about a half dozen organizations testified in opposition

The outfit led by Gerald L. K. Smith, the one led by Henry Wallace, and that isolationist group known as the American Tariff League largely composed the opposition.

Of course, the Communists and their associates object to the Marshall plan.

5. After studying the report of the three committees, the President's recommendations, and the testimony for and against the Marshall plan, the Senate Foreign Relations Committee presented the bill now before the Senate calling for enactment of the plan.

I want to emphasize that the Senate Foreign Relations Committee includes some of the best minds of the Senate with long years of experience in the field of foreign relations.

What is more this committee has members of both major parties—seven Republicans and six Democrats—on it.

Every member of this committee voted full support of the Marshall plan.

It is very seldom indeed that a major committee gives a unanimous recommendation to any piece of legislation. To do so on a project as large and as far reaching as is the Marshall plan is almost a miracle.

I have reviewed the background of the European recovery program so that we may understand the care and thoroughness with which this program has been developed.

In my 11 years in the House and 14 months in the Senate, I have never known any proposal to receive more intelligent and serious study.

Those who say that the European recovery program was quickly gotten up by a group of war mongers simply are ignoring the facts.

I do not attribute unworthy motives to all those who oppose the Marshall plan. I do want to point out, however, that the opposition is giving support to both the isolationists and the Communists.

The isolationists delude themselves into thinking we can live apart from the rest of the world. Two destructive wars within 25 years are the results of that folly.

The Communists know that if we stay out of Europe it will be only a matter of months before that entire continent will be ruled by puppets of Moscow. Another war far more destructive than anything our Nation has known yet would be the result of this folly.

WHAT THE MARSHALL PLAN PROPOSES

Very briefly, this program recommends $5,300,000,000 for the first 12 months of the plan. It authorizes a 4-year program, the amount after the first year to be determined by future Congresses. The plan is to be administered outside the State Department by an advisory board, and an administrator—a kind of traveling supervisor—to superintend the work in Europe. The European administrator and the personnel of the advisory board are to be appointed by the President with the consent of the Senate.

OBJECTIONS MADE TO THE MARSHALL PLAN BY ITS OPPONENTS

1. Their objection: It will be pouring more money down a rat hole.

Our answer: They argue that the dollars and goods we have sent to Europe have been wasted, so why continue the process. The Europeans will not work anyhow, they say.

The facts prove otherwise. While recovery has not been as rapid as was hoped, it is absurd to charge off the investment so far as a total loss.

Millions are alive today who would otherwise have died of starvation and disease. Ports, railroads, canals, highways, bridges, and public-utility systems shattered during the war are in operation again.

In spite of war fatigue, restricted rations, unparalleled devastation, and Communist agitated strikes, the countries of western Europe have a better record of regained production than they did in the first 2 years after World War I.

Industrial production in 1947 equalled or surpassed 1937 production in the United Kingdom, Denmark, Norway, and Sweden. It approached 1937 production in France, Belgium, and the Netherlands. In Italy it reached about 75 percent.

The recovery of exports has been equally promising. In the first 8 months of 1947 the United Kingdom was slightly above prewar, and Belgium, France, and Norway, slightly below. Denmark, Italy, and Holland reached about 75 percent of prewar.

These figures show that it is false to say that the Europeans do not or will not work.

These figures also show that great results can be accomplished with our aid—for this recovery did occur with our aid.

We see then that, as a group, these countries are not far from their prewar levels of industrial production and exports. We see that they can and do work and that they have made good use of our aid.

2. Their objection: The Marshall plan will lead us to war.

Our answer: This argument is used by the Robert McCormacks of the isolationist Chicago Tribune on one hand and the Henry A. Wallaces, the fellow travelers, and their communistic friends on the other.

A third group which follows this reasoning includes those who either do not understand the facts or who use the fear of war to cover up their real motives.

Few would dispute the fact that there can be no permanent peace as long as Europe is torn with strife and hunger. The last two World Wars, it must be remembered, had their origin in Europe.

The primary purpose of the Marshall plan is to provide stability in Europe without which there can be no peace.

There can be no guaranty that the Marshall plan will prevent war. However, an overwhelming majority of those who have made a serious effort to know the facts have concluded that it is the best calculated risk to avoid war.

There is no person today more anxious for peace than I. In my opinion, it is safe to say that every person in Alabama wants peace. I cannot conceive of any true American desiring war. There would be catastrophe for us all.

It is my belief, though, that a sure road to war is to turn our backs on the countries of western Europe. The facts as I know them have forced me to conclude that if we do not go through with the Marshall plan the entire Continent of Europe will be controlled by those opposed to our way of life, by those who themselves say that either our system or theirs must go.

The fate of Czechoslovakia is the latest lesson in the book of communistic trickery.

Whether the final show-down, if it comes, is to be an economic and political war or a shooting war, our struggle for survival will be the severest we have yet waged.

Our chances for success would be immeasurably enhanced with the active support of 270,000,000 liberty-loving people whom we propose to assist under the Marshall plan.

If the people know the facts, I feel confident the great majority will agree that the Marshall plan is a peace program.

3. Their objection: We do not want to give any more support to socialistic governments.

Our answer: Our aim is the freedom and prosperity of all of Europe. The Marshall plan, you know, is still open to the countries of eastern Europe.

We have believed since we became a nation that people should choose freely their own form of government. I want to emphasize the term "choose freely." It is exactly the freely chosen governments of western Europe with which we must deal if we are to prevent economic chaos. We have no alternative.

It should be recognized that no country participating in the Marshall plan is at present fully socialistic, and that whatever the degree of socialism the decision was made by the voters in free polls. Moreover, our aid is quite as likely to reduce as to increase the acceleration of socialistic measures.

Those who use the socialistic argument against the Marshall plan most often cite England as their prime example.

They forget that England's plight had developed before the present government came to power. As a matter of fact, adverse conditions in England are responsible for the present government.

In reality, England's misfortunes are largely a result of the recent war and its economic

aftermaths, and are not to be blamed on either the wartime or postwar governments.

At least the people of England retain the privilege of voting in a new government with different goals anytime they become dissatisfied with the present policies.

Does any communistic or Fascist country have this right?

The Conservative Party leadership of England has not promised to remove the controls under which England lives today, or to denationalize the coal mines.

We in America believe in free enterprise. It has worked to produce the greatest material advance and the highest standard of living recorded in history.

However, even in normal times we have accepted many necessary modifications of the rule of laissez-faire. In times of war we have found controls to be indispensable. To propose dealing with the devastated Europe of today on the basis of our free-for-all individualism is as far-fetched as to attempt to fight a war on that basis.

We want to make Europe self-sustaining as early as possible. We want sound management and common-sense use of the assistance given.

To seek these goals through dictating the form of government people have would be direct intervention comparable to the Communist intervention which we oppose.

It would cause the failure of the recovery program because self-respecting people will not willingly accept foreign dictation.

4. Their objection: The United Nations should handle recovery program.

Our answer: Almost everyone agrees with this principle, but we are forced to act under conditions as they are and not as we wish them to be.

As one who has always supported the United Nations, I am chagrined that that organization has not been able to assume full responsibility for world rehabilitation.

I hasten to add that I have not lost faith in the United Nations. It has accomplished much. It needs to be strengthened so that it can accomplish more.

At present, United Nations agencies do not have adequate funds and are not equipped for such a job as the Marshall plan.

We would not be honest to either ourselves or those who have opposed us in the councils of the United Nations if we failed to point out that to Russia and not the United States is due the failure of effective action of the United Nations on many critical issues. There is not time here to explain the record, but I am willing to let it speak as to whether we or Russia are more to blame.

I am among those who counseled patience with the Russian Government. I still hope and believe that we may reach a friendly working relationship with her. We must continue to show good faith in our dealings with Russia.

It has been our hope that Russia would choose to be our friend, but for the time being those who determine her policy have chosen otherwise.

No intelligent American can now ignore this fact. Those who travel with American Communists on principles that are based on the interests of Russia are very clearly either knaves or fools.

Russia was invited to join the Marshall plan. She not only refused but stated openly and vehemently that she would do everything possible to cause its failure.

In the light of this, do those who oppose the Marshall plan believe the cooperation of Russia would be obtained? If so, a survey of the 22 vetoes Russia has cast in the Security Council will change their minds.

The bill for the enactment of the Marshall plan explains that the plan is to help the attainment of the United Nations' ideals. Section 20 of the bill provides that the agencies and the machinery of the United Nations are to be fully utilized in the carrying out of the Marshall plan.

Success of the Marshall plan will contribute to the success of the United Nations.

5. Their objection: "We cannot afford it, or it will wreck our economy."

Our answer: This is the argument we hear most often. Those who use it say that our national strength will be dissipated.

They say that the Marshall plan will lower our own standard of living by depriving our people of the comforts and necessities of life.

There is little or no basis for these claims.

The three American committees mentioned in the first part of this discussion and composed of government authorities and distinguished public citizens say we can afford it.

The several legislative committees composed of Members of Congress that visited Europe last fall and studied conditions there at first hand say we can afford it.

The Senate Foreign Relations Committee, drawing on information from the above sources and hearing hundreds of organizations and individuals of every cross section of American life, say we can afford it.

A country that can afford yearly $8,750,000,000 for alcohol, three and one-half billion for tobacco, one and one-half billion for theater and movie tickets, one and one-half billion for jewelry and watches, and over one billion for cosmetics can afford to assist the hungry and diseased peoples of Europe.

Without an economically well Europe, America cannot continue prosperous enough to afford these luxuries.

It is erroneous to say that we cannot afford to supply the goods called for under the plan.

I realize that some people are seriously concerned that we are sending part of our goods to other countries. Some are afraid that we shall have to do without the things we need ourselves.

In my opinion, the fear is not justified.

During the first year of the Marshall plan we will actually send fewer goods to foreign countries than we did in 1947. The quantity to be exported will diminish each year.

The Marshall plan is patterned to lessen the drain we have experienced during the last 6 years.

There are some commodities in short supply which will require and which are receiving careful screening. They are confined largely to wheat, coal, steel, fertilizer, machinery, and meat.

Even during the first year—the greatest of the entire program—it is planned to ship less of these items than during last year. No shipment at all of meat is planned except for a small amount of horse meat.

Much has been said about the export of food being responsible for high prices. I want to point out that in 1947 we actually imported more food than we exported.

Our total export of all agricultural products in 1947 amounted to approximately $3,100,000,000. Our imports were approximately $2,600,000,000. If allowance is made for the 30- to 40-percent difference in currency values, we find that on a quantity basis we are importing more food than we are exporting.

The basic problem is to find ways and means to keep up production and to protect our price structure against continued demand for these scarce articles.

I reject the cannot-afford-it argument as an attempt to sell America short.

In deciding whether or not we can afford the Marshall plan, we have to consider the cost of the alternatives.

1. Most people agree that if the European recovery program is not attempted or is not successful, we shall have to maintain a Military Establishment estimated to cost more annually than the entire 4 years of the Marshall plan.

Regardless of what Military Establishment we build, it would merely postpone and not prevent world war III. The cost of such a war would be beyond comprehension.

Even now, war, or the results of war, amount to 79 percent of the estimated 1948 budget. We cannot reduce the budget any sizable amount as long as the threat of war hangs over our heads.

2. Economically the loss of European markets would be catastrophic.

Twenty-one percent of our imports in 1938 came from the 16 Marshall plan countries. Thirty-five percent of the goods we sold abroad went to those countries.

The danger lies not only in the loss of the European markets, but in what would be a total disruption of the world trade pattern. For example, much of our trade with non-European countries is dependent upon the trade of those countries with Europe.

Countries of South America, Asia, and Africa sell products to western Europe which we do not need. These non-European countries are in turn enabled to buy surplus goods from us.

Europe is normally responsible for half the world's trade. If it should be eliminated from the world's market, there would be a major disruption in world economy.

The Marshall plan countries are major markets for our cotton, tobacco, wheat, flour, corn, hogs, fruit, automobiles, refrigerators, machinery, and thousands of other items.

Even now the people of the United States do not consume the full production of many of these items. We would soon have a surplus of them if we lost our western European markets.

A loss of a great part of our foreign markets would result in mass unemployment of factory and mine workers, and greatly reduced prices for our cotton, hogs, corn, and other agricultural products.

Various concerns and organizations have testified to this fact. I want to quote from one of them, the National Cotton Council of America:

"In addition to these paramount reasons for supporting the Marshall plan, which are common to all Americans, the people of the cotton States have an interest in this program that is even more direct and immediate. We now are producing exportable surpluses of both cotton and cotton goods. If the countries of Europe and Asia are not put on their feet so they can continue to take these products, surpluses again will start quickly piling up to plague our industry. Therefore, the speedy adoption of the Marshall plan is a matter of special importance to the future prosperity of the Cotton Belt."

In summary, those of us who favor the Marshall plan do so because:

1. The plan is designed to bring about stability and world peace. The underlying purpose of it is to prevent war.

2. The plan endeavors to save democracy—to prevent totalitarian ideologies from destroying our ideals of freedom and free choice of government.

3. The plan is an implementation of the United Nations. It will strengthen this organization rather than weaken it.

4. The plan will help to assure prosperity for the United States and the rest of the world.

It will retain a market for our cotton and other normally surplus products. Without an outside market we would suffer a major decline in income.

5. The Marshall plan has been approved by every major committee set up to study it, and by an overwhelming majority of business, educational, and labor organizations.

It is, indeed, significant that during all the discussions and testimony held on this vital project only a handful of individuals and less than a half dozen organizations have expressed outright opposition to it.

As an appendix to my speech, I have included a list of organizations which I know have endorsed or disapproved this project.

6. We support the Marshall plan because it is a humanitarian plan—a Christian plan.

While there are still many things that need to be done for our own people, we are living better than ever before.

The American people have always helped the needy elsewhere. I do not believe they will now turn their backs on the hungry and diseased peoples of Europe.

In closing my talk tonight I want to quote from a speech made last Monday in favor of the Marshall plan by that statesman, a Republican but a great American, the chairman of the Senate Foreign Relations Committee, Senator ARTHUR VANDENBERG.

"It is the final product of 8 months of more intensive study by more devoted minds than I have ever known to concentrate upon any one objective in all my 20 years in Congress.

"It has its foes—some of whom compliment it by their transparent hatreds. But it has its friends—countless prayerful friends not only at the hearthstones of America, but under many other flags.

"It is a plan for peace, stability, and freedom. As such, it involves the clear self-interest of the United States.

"It can be the turning point in history for 100 years to come. If it fails, we have done our final best. If it succeeds, our children and our children's children will call us blessed.

"May God grant His benediction upon the ultimate event."

APPENDIX

POSITIONS OF AMERICAN NATIONAL ORGANIZATIONS ON THE EUROPEAN RECOVERY PROGRAM AS OF FEBRUARY 19, 1948

I. Organizations supporting the ERP

A. Business:
American Supply and Machinery Manufacturers Association.
Committee for Economic Development.
National American Wholesale Grocers Association.
National Association of Credit Men.
National Federation of Small Business.
National Foreign Trade Council.
National Machine Tool Builders Association.
United States Junior Chamber of Commerce.

B. Farm:
American Farm Bureau Federation.
National Council of Farmer Cooperatives.
National Cooperative Milk Producers Federation.
National Cotton Council.
National Farmer's Union.
National Grange.

C. Labor:
American Federation of Labor.
Brotherhood of Railroad Trainmen.
Congress of Industrial Organizations.
International Association of Machinists.
International Ladies Garment Workers Union.
National Women's Trade Union League.
Railroad Labor Executives' Association.
United Automobile Workers.

D. Public affairs:
American Association for the United Nations.
Americans for Democratic Action.
Committee for the Marshall Plan.
Council for Democracy.
Freedom House.
National Planning Association.
Society for the Prevention of World War III.
Students for Democratic Action.

E. Women:
American Association of University Women.
American Legion Auxiliary.
Daughters of the American Revolution.
General Federation of Women's Clubs.
League of Women Voters of the United States.
National Council of Jewish Women.
National Federation of Business and Professional Women's Clubs.
Women's Action Committee for Lasting Peace.
Young Women's Christian Association.

F. Religious:
American Jewish Committee.
Catholic Association for International Peace.
Council for Social Action of the Congregational Christian Churches.
Federal Council of Churches of Christ in America.
Friends Committee on National Legislation.
House of Bishops of the Protestant Episcopal Church.
Lutherans.
Young Men's Christian Association.

G. Veterans:
American Legion.
American Veterans Committee.
American Veterans of World War II.
Catholic War Veterans.
Jewish War Veterans.
Veterans of Foreign Wars.

H. Miscellaneous:
American Bar Association.
American Council on Education.
National Education Association.
Student League for Industrial Democracy.
Socialist Party.
Young Democrats of America.

II. Organizations supporting the ERP with important qualifications

Foreign Trade Council.
National Association of Manufacturers.
United States Chamber of Commerce.

III. Organizations opposed to the ERP

American Labor Party.
National Economic Council.
Progressive Citizens of America.
American Coalition of Patriotic Societies.

Mr. REVERCOMB. Mr. President, in the remaining minutes of tonight's session I want to speak briefly and in summary regarding my position with respect to the pending bill.

Throughout 2 weeks of debate I have earnestly listened to and followed the discussion from every angle and every thought of the Members of the Senate who took part in the debate. I have hoped from time to time that we would agree to certain amendments which I felt would strengthen the measure. That has not happened. I shall oppose the bill, because I find in it total ineffectiveness to attain the purposes which are declared to be the aim and end of the measure, and also because of what I conceive to be the total unsoundness of its legislative provisions.

I respect entirely the statements of those Senators who have stood in favor of the measure. I respect their earnestness in believing it will attain the ends and purposes which they have expressed the hope of attaining.

The bill provides, in substance, that the United States, this year, shall place in the hands of the Administrator the sum of 5,300,000,000. It gives to the Administrator carte blanche power in the use of that money.

I charge tonight that there are no restraints placed upon those who are to administer the act. It has been described as a blank check by one of the Senators who preceded me.

For example, there has been discussion upon the floor of the fact that vast amounts of money are owned by citizens of the countries to which aid would go. There is no provision that the Administrator must make use of those dollar assets. He may require the use of the foreign-owned money only if he desires to do so.

Likewise, there is provision in the measure—and I cite this for the purpose of illustration—that the Administrator may make contracts under which the funds provided by the bill may be advanced, but there is no requirement that he shall require the making of contracts by the recipient governments.

I say to all who hear me that this kind of legislation, this looseness of provision, is one of the very evils against which we have been struggling in the Congress for the past several years. I hoped that amendments would be agreed to which would specify and define the powers of the Administrator, but that has not been done.

What are the objectives? We have learned throughout the discussions that they are three-fold. First, there is to be aid to needy, hungry, and cold people. Second, the purpose is to stop the spread of communism. The third objective is the rebuilding of the economies of 16 European countries.

If I believed there were any good chance of accomplishing these purposes I should support the bill, but in the light of history, in the light of the history of this very Congress and of its predecessor, we cannot say that there is chance of success. All the evidence points to failure. It is said that we must not stop because we have failed. If we fail to observe the lessons which are available to us as Members of this body, we cannot hope to steer a sound course.

I listened with interest tonight to the able Senator from Minnesota [Mr. BALL] who has stood so firmly for the administration's foreign policy in the past several years. He rose to his feet and admitted that the policy had been a failure. Yes, it has been a failure; and in the light of that fact, I would say that this measure, in my judgment, will be a failure. Only in the light of that judgment can I cast my vote.

With respect to aid to needy people, I have supported all measures which have had to do with feeding the hungry. Only last fall I supported the interim-aid bill because it was for the purpose of taking care of persons immediately in need. But it has been admitted throughout the discussion that that is not the sole purpose of this bill. The proponents of the bill say that if that were the sole objective—to help persons who are hungry, who are in want—the amount of money to be provided is far too great. So we know that need is not the prime purpose of the measure.

There was offered on the floor an amendment by the Senator from Indiana [Mr. CAPEHART] in which he proposed to set aside for this year $2,000,000,000 to be given to the needy countries to feed any persons who might be hungry, and to place upon a businesslike basis the disbursement of that part of the money to be advanced for the rehabilitation of their industries. I saw that amendment overwhelmingly rejected.

No, Mr. President. This is not a bill—and let the country know it—for the care of needy persons. That fact is admitted.

It goes far beyond that. We are not dealing with a measure such as that with which we dealt in the case of the interim-aid legislation, when crops had failed and people were in want. We are dealing with something which goes far beyond that, both in its effects and in its cost.

With respect to communism, certainly there is no one in this body who has spoken out more definitely against communism than I have. If I believed the expenditure of this amount of money would stop the spread of communism, I would support it or any other measure which would stop it. But in the light of history, in the light of facts, how can any Senator rise on this floor and say it will stop communism or can stop the spread of communism in Europe?

May I not call to the attention of the Senate the fact that after spending sums ranging from $18,000,000,000 to $22,000,000,000, we saw Yugoslavia go to communism. Hundreds of millions of dollars went into Yugoslavia. Only within recent weeks, or days, I might say, we have witnessed the iron curtain ring down on little Czechoslovakia. Did the billions of dollars already poured out stop communism there? No, Mr. President. And I do not think this bill is effective for that purpose.

There has been considerable discussion with respect to the haste and the need of haste because of an Italian election which is about to be held. Is it meant by that that the Congress by its action intends to affect the election of a free people in Italy? I do not believe that can be done. It was said on the floor of the Senate, I believe today, that the help which would go to Italy if this bill were enacted would not reach there in time for the election, but that the very passage of the bill would have its effect.

O, Mr. President, I have too much respect for the Italian people to believe that their election of this year is going to hinge upon the attitude of America in sending them some money and supplies. I do not believe in that kind of dollar diplomacy, and even if I did, when the next election comes up, will we be confronted with a bill of this kind to affect that election in Italy? I do not think there is strength in that argument, I do not believe it to be impressive.

Among the arguments which have been advanced during the days of the discussion of the bill has been the one of stopping communism in those countries surrounding Russia, filling them with the necessary implements of progress, rebuilding their factories, giving them steel. I recall that in the course of the discussion on the floor between the able Senator from Massachusetts [Mr. LODGE] and myself the question was raised as to whether any of this steel would go to Russia. As I recall his statement at that time, so fairly made, he said that if the Administrator of the act would send steel, or create a situation under which steel from this country would go into a communistic country, that would be virtually an act of treason.

Let us see what has been adduced in the course of the discussion. We have found that already England has made an agreement with Russia under which steel from England will be sent into Russia. Is that stopping communism? Is that blocking communism? Are we to take the steel of America and send it to the countries which trade with Russia? I do not think that is an effective blocking of communism.

Let me recall to mind the provisions of the Italian peace treaty, under which an immense amount in reparations must be paid by Italy to Russia. Are we to create a situation whereby Italy, when and if that treaty becomes effective, is going to be empowered to send her products made with American dollars and in American-built factories, into Russia and to the aid of Russia?

We have had brought before us this evening by the Senator from Nebraska an amendment which he did not offer, but which was discussed with the senior Senator from Michigan, an amendment dealing with stopping the tearing down of plants in Germany. Mr. President, if we could give enough to rebuild or aid in rebuilding some of the plants of the countries to the point where the people might sustain themselves so that they would not be on the backs of the American people, particularly in the occupied countries, it would be well. But how can we square with reason the tearing down of the plants of Germany by and under the direction of the United States Government, and then appropriate millions of dollars to reconstruct the same plants? Not until we have established a firm foreign policy should we undertake to go into the subject of rebuilding the economy of Europe. And any such plan should be upon a business basis, not by gift.

Why should it not be indeed upon a businesslike basis? I am perfectly willing to aid, and have America with her strength and with her will aid, in rebuilding the economies of Europe, but let that be upon the same basis on which this Government would give to one of its own citizens; let it be upon a businesslike basis as between man and men and government and government. Oh, yes, it may be said the Administrator can do that if he wants to, but he is not required to do it, and he may give away every penny under the act without accounting for any obligation or returning any obligation under the contract.

I do not believe there has been extended discussion of the effect of the act upon our own home economy. We have been experiencing shortages since the world war, shortages which have sent prices up, shortages which have caused a call from many people for the reestablishment of controls and rationing. One of those items today is steel, which has so much affected the shortage of housing in this country.

Mr. President, I do not believe that any aid should be given without tying it into the needs of America, and I say that if we go forth under this plan and send from this country the immense quantities called for in the pending bill, shortages will be created, and there will be a demand again for the return of controls and the return of price fixing.

The amount of help that is to be given is measured in billions of dollars, but, as pointed out in an editorial in the Saturday Evening Post last month, it is not the money that is sent, it is the material part of the cargo which will affect America.

I wish to read at this time, if I may, a part of that editorial. This was inspired by someone making the statement that this plan would cost less than 3 percent of our national income during the life of the program. This is what the editorial says with respect to that point:

> To compare the worth of tangible assets, from food to locomotives and power plants, which will have to be sent to Europe, with the national income makes no more sense than to compare Johnny's marbles with the Treasury balance at the close of business on January 17. The amount by which we aid Europe or Asia represents actual commodities available or to be made available in this country, and the proper comparison is between the commodities we send abroad and the total inventory of commodities at home. To compare goods for export with that figment of the statistician's imagination known as "national income" is misleading because it misrepresents downward the actual sacrifice that must be made.

Mr. President, I want foreign trade. I want this country to export those products which we have in surplus, and which are not required for the use of our own people. I want such trade continued. It is a healthy trade. But any foreign trade must be regulated and tied in to the needs of the country, otherwise the whole situation in our country will be thrown out of balance. That is what we face, I say to you, Mr. President; and I charge and warn tonight that if we enter into this spending program we are going to create shortages of products much needed by the American people.

Speaking of reduction of taxes; we cannot hope to take from the taxpayer's back in America the great burden that is placed upon him by reason of the late war if we go into a spending program such as the one under consideration.

I may say that the program does not represent something which is brand new with respect to America's conduct and action. It is a part of a policy, a policy which began, as I recall, with the Bretton Woods agreement, with the loan to Great Britain, followed by the advancement or gift of money under the Greek-Turkish plan. The only difference is this, that instead of being a loan, or having some semblance of being an obligation, the plan represents an outright spending or outpouring of the money of the American people, without any requirement or obligation that any part of it be returned.

We owe a higher duty to our people, a duty to see to it that there is some agreement for return for the money we spend. Oh, if we had only followed such a policy as that respecting lend-lease. If we had only created some obligation under lend-lease upon the recipients of that benefit from this country; indeed, Mr. President, I believe that our troubles in Europe would be less today, and the rights of all parties and all governments more clearly defined.

Mr. President, in closing let me say in all candor and in all earnestness that I do not believe that the adoption of the bill will effect the high purposes it is said will be brought about by its passage. Secondly, I cannot and will not support

any measure which is so loosely drawn that it places such dictatorial and complete powers in the hands of the Administrator of an act of the Congress.

Mr. BARKLEY. Mr. President, I hesitate to consume even a few moments at this hour for I realize the anxiety of Members to vote, but I have not participated in the discussion of the bill since it has been before the Senate, and inasmuch as we have had it before us in the Committee on Foreign Relations really since the 10th day of November, 4 months ago, when first we began the consideration of the interim-aid bill which preceded it, I feel that I ought to make a very brief statement submitting some observations with reference to the legislation, and in order that I may make my remarks brief, I hope I shall not be be interrupted during their delivery.

I wish in the first place to express my gratitude to the distinguished Senator from Michigan [Mr. VANDENBERG], the chairman of our committee, for the magnificent way in which he has guided the committee in the consideration of the legislation, for the uniform courtesy and consideration which he has accorded not only all the members of the committee, but all the witnesses who came before the committee, regardless of their attitude on the legislation, as well as the patient and constructive way in which he has guided the legislation up to this hour on the floor of the Senate.

It has been my privilege to sit in conferences with the Senator from Michigan beginning back yonder before the war had been concluded, when Secretary Hull was the head of the State Department and, following him, when Mr. Stettinius was Secretary of State, and later on when former Justice and former Senator Byrnes was Secretary of State, and latterly since Gen. George C. Marshall has been Secretary of State. I recall in those days before the war had ended, when we were trying to lay the foundation for an international organization to preserve the peace, how we met every week in the State Department and discussed all these matters which finally headed up into the Charter of the United Nations adopted at San Francisco, and later adopted by the Senate almost unanimously, and ratified by nearly all the nations of the world. In all those conferences the Senator from Michigan has shown a willingness, even though now and then step by step, and inch by inch, to arrive at a conclusion which would at last lay the foundations for peace, accord, cooperation, and friendship among the nations of the world. So I am happy to accord to him the credit to which he is entitled in all these matters.

I would not be true to myself or to my colleagues if I did not say that all those who were in conference from the Senate and the House of Representatives, without regard to partisanship, worked in the same spirit toward a common end—peace and accord and happiness among the nations of the world—in the hope that ultimately all the hundreds of millions of men, women, and children might stand erect and throw from their bended bodies the burdens of war and of fear and of unhappiness. We have not yet arrived at that goal. I cannot persuade myself that we are not on the way, in spite of all the handicaps and hardships and discouragements which we face.

I wish to pay the same sort of tribute to all the members of the Committee on Foreign Relations, all 12 of them, exclusive of myself, who have during the past 4 months grappled with this problem in a spirit of cooperation, accord, accommodation, and tolerance of the views of all other Members and of the country at large.

It is a tragic juncture in the history of mankind when we are required to consider legislation of this sort in order to make an effort toward the rehabilitation of depressed mankind, of nations that were uprooted in their political and economic and social situations and systems and in their relationships to one another—entirely uprooted, torn from their ancestral moorings of democracy, liberalism, by this great war out of which we hope we are emerging, but from which we have not yet escaped. It is a tragedy that in the midst of all our other difficulties we must stop to pass and consider legislation of this sort by which we are to contribute $5,250,000,000 in the first year, and if the plan works well, perhaps $17,000,000,000 during the 4¼-year period.

But, Mr. President, when we consider the chances of success, when we calculate all the risks which are involved and weigh them against the infinite cost of warfare if it comes because of the uprooting and disorganization of mankind, even the $5,300,000,000 seems to be an infinitesimal sum by comparison.

When the war had ended in Europe, when the German armies had surrendered, all the military leaders of the world, and particularly those of the United States, estimated that another year would be required to defeat Japan. The atomic bomb had not yet been perfected. No one could predict with any degree of certainty that it would be perfected, so it was predicted that we would be another year defeating Japan.

If it had required another year, all of us would have been willing to undergo the outlay necessary to win a victory over Japan. We would have continued to tax ourselves as we were then taxed and are now taxed. We would have continued to sell bonds to ourselves, as we did then and are doing now; and that extra year of expense in defeating Japan and clearing the Pacific and Asia from the menace of Japanese aggression might have cost the American people another $100,000,000,000. Instead of our national debt being $250,000,000,000, it might now be $350,000,000,000, and we would have incurred that obligation without complaint and without a murmur. We would have been willing to pay that price in order that we might restore the hope of mankind that in all parts of the world, in all the islands of the sea, and in every continent there might be revived the hope of independence, liberty, and self-government.

Fortunately—or it may be unfortunate—we cannot yet assess the value of the atomic bomb. We do not yet know to what it may lead, to what avenues of construction it may lead, or to what great avenues of destruction and despair it may lead if used unwisely. But due to its discovery and perfection the war in the Pacific ended in August after it had ended in Europe in April of the same year. How infinitesimal, how insignificant in its effect upon our economy now, is this $5,300,000,000, or even the $17,000,000,000 originally contemplated, as compared to the additional cost of another year's war in order to clear the Pacific of the danger of Japanese aggression and of dictatorship.

Mr. President, in making a comparison of the amount involved here we cannot overlook the fact that the great fortunes and capital investment of many of the nations of Europe which are to be the beneficiaries of our generosity have been going down the drain, and may continue to do so. A few weeks ago the French Government devalued the franc in an effort to stabilize her currency, balance her budget, and put her financial house in order. By that one act of devaluation the French people lost five and a half billion dollars in the value of securities which they held against the French Government, and which they bought before, during, and since the war. That is an amount greater than the amount involved in this appropriation for the first year.

The public debt of Great Britain, owed to her own people, amounts to approximately $61,000,000,000. If by the fortunes of finance or otherwise, or international relations, economic and otherwise, the British Government should be required to devalue the pound so that instead of being worth $4.03 it became worth only $2.25, $30,000,000,000 of value to the British people in the securities of their own Government would go down the drain. That would be six times as much as is involved in the appropriation which we are asked to make for the first year. It seems to me that these circumstances and many others which might be recited impel us to undertake this obligation and go through with it.

I should like for a moment to consider a bird's-eye picture of the scene in some of the countries which it was my privilege to visit last September and October, in order to emphasize what we are up against, what we are fighting, over which I hope we may be victorious without the firing of a shot or the loss of an American life, or the draining of a drop of American blood from the veins of our people. What is it?

We have heard a great deal in the past few days about little Finland. The people of Finland are a liberty-living people. They are a democratic people. They are our friends. They have always been our friends. They desire now to be our friends. They wanted to accept the invitation to join the nations of Europe in the Marshall plan. They would have accepted if they had had the free choice which ought to be theirs. But they are under the guns of the Soviet, and they know it.

As a result of the conflict between Finland and Russia, Russia took a large part of Finnish territory and demanded and received a naval base in Finland not more

than 15 miles from Helsinki, the capital of Finland. It was presumptively to be a naval base; but at the very time I am speaking Russia is training her soldiers on this naval base, and she will not allow the people of Finland even to go through it. There is an iron curtain around this naval base on the soil of Finland.

The Finnish people cannot help themselves because, as they know, they are under the guns of the Soviet Union. When Stalin invited them to negotiate a treaty of military alliance there was only one choice. He said that he would send delegates to Helsinki or they could send delegates to Moscow. Of course they knew that they had to go to Moscow, and they are there now or on their way. They have no liberty of their own. They cannot negotiate an agreement with any other nation except by the permission of Russia; and notwithstanding the fact that for generations and centuries they have fought for their liberty, they do not have it.

In the newspapers this morning we were told that those who opposed the negotiation of such a treaty are to be charged with treason against Finland, because they exercised the right to express their views with regard to a military alliance between Finland and Russia.

Let us take Poland. Does anyone doubt that the Polish people are liberty-loving people? For generations and centuries they have fought for independence and liberty throughout all the vicissitudes which have prevailed in Poland—being divided by one nation or another, or one combination of nations or another, and separated from their integral parts. During all those centuries they have longed and fought for liberty. Every school boy in America knows the names of Kosciusko and Pulaski, who came here to help our American patriots win independence for our people and our country. The Polish people are our friends, or would be. They are our friends in their individual Polish hearts. They would be our friends as a nation if they were allowed to be.

There is nothing more tragic than what happened in Poland. The Germans went in and occupied the country. They had Warsaw, or they were on the verge of taking Warsaw, if they did not actually have it.

There was an underground in Poland—men, women, and boys who were willing to go underground, in the basements and cellars, with knives and guns and whatever other weapons they might have, in order to beat off the German invasion and occupation. One day the Russian Army came down to the Vistula River and camped on the other side of it. They sent word across to Warsaw that they were ready to rescue the Poles, and for the entire Polish underground to come out from the basements and the cellars and fight the Germans, and that they, the Russians, would come across the bridge and the river and help the Poles. With that encouragement and statement, the Polish underground came out from underground, with whatever weapons they had. But the Russian Army sat on the opposite side of the Vistula River and saw the German army absolutely mow down those Polish patriots who had come out from hiding. Not a Russian soldier marched across the river to rescue a single Polish patriot who had thus come out from underground. The German soldiers went up the streets and dynamited house after house, as if there had not been a person in them; and today there lie beneath those stones 30,000 Poles. A more diabolical betrayal, no nation and no army was ever guilty of.

Then, when Churchill, Stalin, and Roosevelt met in Yalta to make some preliminary arrangements, Stalin insisted on the Curzon line as the western boundary of Russia. Mr. Churchill and Mr. Roosevelt objected to that line. Finally Stalin said, "We want to be protected against another invasion. We want peace in Russia. We need 100 years of peace in order to develop our country; we are 100 years behind the rest of the world. And we want to be protected against another invasion of Russia through Poland, which has taken place twice within a generation. We insist on the Curzon line." Finally he said, "The Curzon line was not chosen by Russia. It was not the line Lenin wanted. The line he urged and wanted was far west of the Curzon line." He said, "The Curzon line was not selected or chosen by Russia. The Curzon line was fixed by Curzon, an Englishman; by Clemenceau, a Frenchman; and by Dr. Walker, an American. Those three fixed the Curzon line from an ethnological viewpoint; and how can I go back to my people in Russia and admit that I am less Russian than Curzon or Clemenceau or Walker?"

That argument persuaded President Roosevelt. He agreed to the Curzon line; and in order to compensate Poland for the loss of that territory, they agreed to take certain lands in Germany and add them to Poland in order to compenate her for the loss of that territory. Although there was no treaty with respect to it, and it was stated by President Roosevelt that it would not be regarded as settled until there was a final treaty, as a matter of fact it has been settled, and Russia now regards the Curzon line as its line, and regards the German territory as having been acceded to Poland, but not just to the Curzon line, including the territory east of it. On the contrary, all the Polish territory, all the territory in Germany that was given to Poland, and all of eastern Germany are under the domination of Russia. It was not merely protection against another invasion, but actual domination.

I was told by a number of responsible persons in Poland that if they had a free election where everyone could vote as he pleased and could have his vote counted as it was cast, not 15 percent of the Polish people would vote for the government that has been imposed upon them.

Senators may recall that Mikolajczyk was Prime Minister of the Polish Government in exile, during the war. As a part of the agreement, Mikolajczyk was to return to Poland and have a place in the government, and there was to be an election among the Polish people. Mikolajcyk did return; a provisional government was set up; and they had an election in Poland. Five thousand ballot boxes were filled with the votes of the Polish people; but out of those 5,000 ballot boxes only 35 were ever opened. Based upon the returns from those 35 ballot boxes, out of the 5,000, Mikolajczyk was voted out of power, and the Communist government was imposed upon the Polish people.

We were in Warsaw, which is the most completely demolished city in Europe. It is hard for me to imagine how Hiroshima could be more completely destroyed than is the city of Warsaw. We had a conference one night with the members of the Polish Government. Many of them were afraid to express their views. Many of them were afraid even to talk in whispers, lest someone would read their lips and would report to their masters what they said to us. At that conference Mikolajczyk was present. He asked us out to his house the next day at 10 o'clock, and we accepted. We had a feeling that he was a marked man. We had a feeling that we ought not to go, because the mere fact that we went out to his house and talked to him for an hour would be known to the Russians and held against him. But we went. He told us within an hour what was going to happen in Poland. As we were about to drive away he went out to the gate with us; and as our car moved down the street, I turned around and looked out the back window of the car at Mikolajczyk as he stood at his gate. I never saw more anxiety pictured on a human face than I saw pictured on his face then.

We all know what happened. He had to get out of his own country in order to save his life.

What about Czechoslovakia? Of all the nations of Europe, Czechoslovakia had the highest standard of life, unless it might have been Germany and Switzerland—a free, democratic people, with its first republic organized by Thomas G. Masaryk, the father of Jan Masaryk, who is said to have committed suicide a few days ago. Woodrow Wilson said that among all the men he knew and came in contact with at Paris, at the Peace Conference after World War I, Thomas G. Masaryk was one of the ablest, if not the ablest, statesman he had seen in Europe.

When the invitation was extended to the nations of Europe, including Russia and all the others, to meet and consider what they could do for themselves and one another under Marshall's suggestion, there was a Polish delegation in Prague as a visitor to the Czechoslovak Government. The invitation came to the Czechs at the same time, and they asked the Polish delegates what they were going to do. They said, "We are going to accept." Based upon the assurance that Poland would accept, Czechoslovakia accepted. But when the Poles got back to Warsaw, they were told they could not accept, and the officers of the Government of Czechoslovakia were called to Moscow, and they withdrew the acceptance which they had already given. They said, "We are right here under the gun, also, and we cannot be independent

with respect to international matters. We have got to consult Russia on our international relationships. But internally and with regard to our domestic affairs, we are as free and independent as anyone in the United States."

I asked, "How long will that last?"

One of the members of the Czechoslovakian cabinet, who was not a Communist but who was unwilling even to speak to me in a whisper without turning his face to the wall so that his lips could not be read, said, "Six months from now we will be as completely dominated internally as we are now internationally." It was only 5 months from that date that the domination took place in Czechoslovakia.

The same pattern was followed in Rumania and Bulgaria. In Rumania and Bulgaria opposition newspapers have been abolished. Freedom of speech has been abolished. No one can rise in his place to oppose the government which now dominates the people without running the risk of being executed for treason. In Rumania, populated by a refined, advanced, and progressive people, the schoolbooks have been completely changed. All the books that the Rumanian children have been in the habit of studying in school have been destroyed and books written by and for communism substituted. The children are required to study those books. On the very day we left Bucharest by airplane for Sofia, 1,500 professors in the colleges and universities of Rumania were discharged because they would not accept communism. The same is true in Hungary and Bulgaria, and no doubt it will soon be true in Czechoslovakia.

Mr. President, I mention these disagreeable things that have happened already to the nations that are behind the iron curtain. I ask my colleagues and I ask the American people if they are willing for the same pattern to be imposed upon the other free nations of Europe. Are they willing for Greece to succumb to this influence and this tyranny? Are they willing that Turkey, which is a free independent republic, a courageous people, shall come under the domination of this tyranny?

In Greece, where there is a royal government in a sense, the people having voted for the return of King George, who was succeeded by King Paul, his brother, last year, although about the most violent Communist newspapers in Europe are printed in Athens, and although there is a shortage of newsprint paper, the Government of Greece has not suppressed a single one of the Communist papers, although every day they come out in vile, vicious denunciation of the Greek Government and of the United States. Are we willing to take the chance that the same curtain shall be lowered in front of that nation? Are we willing that the Greek children shall have their school books destroyed and be compelled to read only Communist literature? Are we willing to have the professors in Greek colleges and in Turkish colleges discharged because they will not accept communism?

Reference has been made to the election in Italy on the 18th day of April. Perhaps the Senator from West Virginia is right in saying that nothing we can do here will influence that election, but I think it ought to be stated that that campaign is now in progress; the Communists are drawing the line between America and communism, and they are saying to the Italian people, "If you vote American against us, and America wins, we will be treated very well, because America does not mistreat minorities; but if you vote the American ticket and we win, you will be shot." That is the argument they are putting up to the people of Italy, in addition to saying that we do not propose to help them and that we are not going to do anything to remove the specter of economic disaster and collapse from the Italian people. Possibly we cannot do anything to avert that, but certainly we have a right to take it into consideration in determining whether we will pass the pending bill.

What about France? Of course it may be embarrassing in a way to mention any of the countries, but we are dealing with facts now and conditions, not with a theory. Are we willing that the iron curtain shall come down over France and Italy? Are we willing for the professors of the Sorbonne University to be discharged because they will not accept communism? Are we willing for the French school books to be destroyed and others substituted that teach only communism? Are we willing to have that done? If we want that done, we ought to do nothing to avert it. But if we think there is a reasonable chance to avert it, we certainly ought to take it into consideration in determining what we will do about it.

If this creeping paralysis should crawl across Europe until it came to the Atlantic Ocean and the English Channel, could we have any assurance that Great Britain, a little island or two, 20 miles across the English Channel, could withstand the pressure? Have we any hope that Belgium or Holland or Luxemburg or even the Scandinavian nations would not ultimately succumb to it? We have not.

The appropriation may not avert all that. As has been so eloquently and so forcefully stated here, there is a risk involved. But is there no risk if we do not take this action? In that event what we know will be certain to happen will be the domination of the entire European Continent by this creeping paralysis, this tyranny, this dictatorial, totalitarian system, which has no regard for religion, no regard for freedom, no regard for freedom of worship or of the press or of assembly, among any of the people over whom it domineers.

And if it crawls out all over Europe, what defense is there in the Mediterranean? in Africa? and in the Far East? And if the Communists get Europe and Africa, is there any assurance they will not get Asia? And if they get Asia, where are we, here in the Western Hemisphere, an island which will be compelled to arm itself like a fortress in order that we may defend the life which is dear to us, and by comparison with the expense of which this $5,300,000,000 is a mere pittance, so far as dollars are concerned.

So, Mr. President, it seems to me there is no alternative, no safe alternative. Even now the creeping monster is knocking at our own doors. Even now the Communists are seeking to infiltrate into the Western Hemisphere. Even now in the Western Hemisphere large numbers of public officers are under the domination of this totalitarian system and philosophy and ideology.

In Russia, made up of 190,000,000 people, there are only 5,000,000 Communists. One may say, "Why do not the rest of them rise up and throw off that sort of thing?" How can they? They are helpless. There has been purge after purge. They cannot organize against it. They cannot express their opposition to it.

I have been in Russia. In 1930 I spent nearly 2 months there. I went out among the villages far from Moscow and far from Leningrad, and among the peasants on the collective farms. Having been myself reared on a farm, I found myself helping them thresh their wheat and load it into carts, hauling it to the barns and granaries. I found myself with them pulling one end of a cross-cut saw to saw lumber with which to build their homes, their barns, and their granaries. I do not think anybody can travel through rural Russia without forming a profound sympathy for the Russian people. They had been serfs, as the Senator from Florida said today, until 75 years ago. Whenever the land was sold, the serf, the slave, was sold with it. He was a serf, a political, feudalistic sort of chattel.

Only 75 years ago were the serfs freed in Russia, and when the revolution took over, 85 percent of the Russian people could neither read nor write. I am bound to say that the Soviet Government has done one good thing in trying to give education to the people of Russia.

I sympathize profoundly with the people of Russia. They are a hospitable and generous people, possessing some degree of talent. But there seems to be a natural gap between the natural kindliness of the Russian people and the government which is over them, which is run by 14 men known as the Politburo. It makes no difference what the people feel, what they think, how much they would like to have a voice in their government, 5,000,000 persons govern 190,000,000 persons in the Soviet Union. They cannot protest without incurring the penalty of death.

So, Mr. President, I have no feeling against the Russian people. I have a profound sympathy for them. I have a profound admiration for some of their excellent human qualities, but the conduct of their government since the end of the war has been such as to make it impossible to reconcile the natural kindliness and hospitality of the people with the brutality of the Government, which has not only dominated Russia but which is now dominating the entire periphery of the satellite nations around Russia.

When the war ended, no nation in the world had a greater backlog of good will among the American people than did the Russian people. We thought we were about to enter upon an era of peace, a long-lived peace, of cooperation, friend-

ship, accord, and understanding among the nations of the world. When we occupied Germany there were four nations to occupy it, regardless of economic unity. I wish we could find a record of the sessions of the Tripartite Commission in Russia in order to see what the situation was with respect to the other three nations.

I shall not go into the question of the veto, but I believe that when the Charter was submitted to the Senate, if it had not contained the veto power the Senate of the United States would not have ratified it, because we felt that the veto was in our interest as well as in the interest of any other nation. We recalled that when the League of Nations came up in the Senate the argument was made that we could be out-voted. Having that in mind, we all agreed to the veto power, but we had an understanding that in substance the veto power meant that wherever armies were to be moved, wherever troops were to be sent, the veto would apply, and not to every controversy and every decision which might come before the Council of the United Nations.

Undoubtedly it has been abused. I do not now know whether if it were today offered the Charter would be ratified without the veto power. But be that as it may, a situation has crept upon us, until I am afraid the Russian Government has dissipated that backlog of good will which it enjoyed in this country at the end of the war.

Mr. President, in view of all these situations and this condition, for which we are not responsible, and in view of the fact that we are caught up in the whirlpool of international difficulties, it seems to me we ought to resort to every peaceful method at our command to try to help the independent nations which are willing to fight against this creeping paralysis of which I have spoken. If by the expenditure of $5,300,000,000, or by the expenditure of $17,000,000,000, we shall be able to give them a stimulation which will enable them to stand upon their own feet and become economically strong and sound and drive back this thing which is creeping over them, we shall be everlastingly benefited by it. Financially it will involve an infinitely smaller sum than will finally be involved if Europe, Asia, and Africa shall succumb to this terror and we shall be required to defend ourselves against it upon our own soil and our own domain.

For these reasons, Mr. President, I shall vote for the bill. I regret that it is necessary to have this legislation. I regret the fact that we have had two world wars. I regret that humanity has been uprooted, that it has been disorganized and demoralized, but we have not been responsible for that. Because I think we may remedy the situation, I feel under a deep obligation to support this legislation and to support the plan for the entire period, provided the recipient nations shall comply with the requirements and shall meet the stipulations in the bond and justify further action upon the part of the United States of America.

The PRESIDING OFFICER. The bill having had its third reading, the question is on the final passage of the bill.

Mr. WHERRY and other Senators demanded the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BUTLER (when his name was called). I announce that I have a pair with the senior Senator from Ohio [Mr. TAFT], who found it necessary to leave the city. If I were permitted to vote I would vote "nay." If the Senator from Ohio were present and voting he would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. HAWKES. In order that the junior Senator from Maine [Mr. BREWSTER] could leave to keep an important official engagement about half an hour ago, I paired with him. If the Senator from Maine were present and permitted to vote, he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present and voting, the Senator from South Dakota would vote "nay."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate because of the death of his mother. If present and voting, the Senator from Missouri would vote "yea."

The Senator from Maine [Mr. WHITE] is absent because of illness. If present and voting, the Senator from Maine would vote "yea."

The Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. TAFT] are necessarily absent. Their respective pairs have been previously announced.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. STENNIS], who is absent on official business, would vote "yea" if present.

The Senator from Maryland [Mr. TYDINGS], who is absent because of illness, would vote "yea" if present.

The Senator from New York [Mr. WAGNER], who is necessarily absent, would vote "yea" if present.

The result was announced—yeas 69, nays 17, as follows:

YEAS—69

Aiken	Hayden	Murray
Baldwin	Hickenlooper	Myers
Barkley	Hill	O'Conor
Bricker	Hoey	O'Mahoney
Bridges	Holland	Overton
Buck	Ives	Pepper
Cain	Johnson, Colo.	Reed
Capper	Kilgore	Robertson, Va.
Chavez	Knowland	Robertson, Wyo.
Connally	Lodge	Russell
Cooper	Lucas	Saltonstall
Cordon	McCarran	Smith
Downey	McCarthy	Sparkman
Eastland	McClellan	Stewart
Ecton	McFarland	Thomas, Okla.
Ellender	McGrath	Thomas, Utah
Ferguson	McKellar	Thye
Flanders	McMahon	Tobey
Fulbright	Magnuson	Umstead
George	Martin	Vandenberg
Green	Maybank	Watkins
Gurney	Millikin	Wiley
Hatch	Morse	Young

NAYS—17

Ball	Byrd	Dworshak
Brooks	Capehart	Jenner
Johnston, S. C.	Moore	Wherry
Kem	O'Daniel	Williams
Langer	Revercomb	Wilson
Malone	Taylor	

NOT VOTING—10

Brewster	Hawkes	Wagner
Bushfield	Stennis	White
Butler	Taft	
Donnell	Tydings	

So the bill S. 2202 was passed.

Mr. LODGE. Mr. President, the passage of this economic cooperation bill by the Senate marks the completely successful discharge by the senior Senator from Michigan [Mr. VANDENBERG] of a massive responsibility. From now on the eyes of the country and of the world will be on the House of Representatives, in the hope that it, too, will sense the urgency and meet the challenge of the moment in Europe.

I desire to pay my tribute to the Senator from Michigan who has so superbly accomplished his mission. We have passed a bill of unprecedented scope and complexity. We have done so at a time of political change in America—which added special difficulties. We have passed the bill in a democratic manner, giving everyone a chance to be heard, and embodying in the bill many worthwhile ideas prepared by Senators and by other citizens.

Carl Schurz said of Abraham Lincoln that his was "the leadership which does not dash ahead with brilliant daring, no matter who follows, but that which was intent upon rallying all the available forces, gathering in the stragglers, closing up the column, so that the front may advance well supported."

I believe the same can be said of the leadership of the chairman of the Foreign Relations Committee in connection with the fine service which he has just rendered his country at this critical time.

ADDITIONAL BILL INTRODUCED

Mr. CORDON, by unanimous consent, introduced a bill (S. 2309) authorizing and directing the Secretary of War to convey to the port of Cascade Locks, Oreg., certain lands for municipal or port purposes, which was read twice by its title and referred to the Committee on Armed Services.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I call the attention of the Members of the Senate to the prospective program for the first 3 days of next week. If it meets with the approval of the Senate, there will be a call of the legislative calendar, from the beginning of the calendar, after which it is the intention to move to take up the independent offices appropriation bill. The Senator from Kansas [Mr. REED] will be in charge of that bill, and it is estimated its consideration will take at least 3 hours. At the conclusion of the consideration of the appropriation bill it is the intention to make the concurrent resolution covering Reorganization Plan No. 1 the unfinished business Monday at the close of the session, and take it up for consideration Tuesday. There has already been an order entered

limiting debate to 4 hours on the concurrent resolution.

I may say that the reason why the concurrent resolution will be considered on Tuesday is that the Senator from Missouri [Mr. DONNELL], who has had great interest in it, has been at his home in Missouri attending the funeral of his mother and will not be back in the city until late Monday night.

When the concurrent resolution, the reorganization measure, has been acted upon, it is the intention, if it meets with the approval of the Senate, to take up the tax bill, beginning on Wednesday at noon, and to consider that bill for the remainder of the week. The minority leader says it is hoped it will not take that long, but the Senate will continue consideration of the tax bill until it is concluded.

Several Senators have asked whether it was proposed to consider legislation on Monday; that is the reason I have made the announcement respecting Monday so they may know that they should be here on Monday.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McGRATH. Because of the urgency of the measure, by reason of the time involved, would the Senator agree to consider—not to say definitely that it can be done but to consider—taking up Senate bill 1481, Calendar No. 485, the daylight-saving bill, at the conclusion of consideration of the tax bill?

Mr. WHERRY. I wish to assure the distinguished Senator from Rhode Island that we have that bill in mind, and, as I have already told him, if we can secure clearance of bills as they are considered in order, it is my intention to ask that the daylight-saving bill be brought up for consideration next week some time, if it meets with the approval of the Senate. That can be only a tentative understanding.

Mr. McGRATH. Yes; I understand.

ADJOURNMENT

Mr. WHERRY. I now move that the Senate adjourn until Monday at 12 o'clock noon.

The motion was agreed to; and (at 12 o'clock and 11 minutes a. m., Sunday, March 14) the Senate adjourned until tomorrow, Monday, March 15, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, March 13 (legislative day of February 2), 1948:

DISTRICT JUDGE, DIVISION OF ALASKA

Hon. Anthony J. Dimond, of Alaska, to be United States district judge, division No. 3, district of Alaska. (Judge Dimond is now serving in this office under an appointment which expired February 10, 1948.)

IN THE NAVY

Rear Adm. Herbert C. Lassiter, Supply Corps, United States Navy, for permanent appointment to the grade of rear admiral in the Supply Corps of the Navy.

SENATE

MONDAY, MARCH 15, 1948

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Spirit of the Living God, breathe upon this assembled company Thy gracious power. As the coming of spring rouses Nature from winter sleep, so may Thy Spirit revive us, giving us new hope and a livelier faith. If we have never before been conscious of our need, make our souls hungry for Thee, O God, that we may no longer be content to be half alive, which is half dead. Give us fullness of life, set free from fear and doubt, that we may find new joy in our labors.

Through Jesus Christ our Lord. Amen.

ATTENDANCE OF A SENATOR

WALLACE H. WHITE, Jr., a Senator from the State of Maine, appeared in his seat today.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, March 13, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 13, 1948:

S. 1796. An act to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes.

On March 15, 1948:

S. 535. An act for the relief of Adelbert E. Tuller; and

S. 1721. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of injuries sustained by G. R. Below, late of Seattle, Wash.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2502) to provide for the general welfare and advancement of the Klamath Indians in Oregon.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1174) to provide for inactive-duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive-duty training pay for all Reserve components of the armed forces, and for other purposes, and it was signed by the President pro tempore.

CONSIDERATION OF REORGANIZATION PLAN NO. 1

Mr. DONNELL. Mr. President, my attention has been called to the fact that on page 2793 of the CONGRESSIONAL RECORD appears this statement by the Senator from Nebraska [Mr. WHERRY]:

> At the conclusion of the consideration of the appropriation bill, it is the intention to make the concurrent resolution covering Reorganization Plan No. 1 the unfinished business Monday at the close of the session and take it up for consideration Tuesday. There has already been an order entered limiting debate to 4 hours on the concurrent resolution.
>
> I may say that the reason why the concurrent resolution will be considered on Tuesday is that the Senator from Missouri [Mr. DONNELL], who has had great interest in it, has been at his home in Missouri attending the funeral of his mother and will not be back in the city until late Monday night.

I very greatly appreciate the courtesy of the Senator from Nebraska in making this announcement, and, of course, I am absolutely certain he understood the facts to be exactly as he stated them. It happens, however, that when I left Washington it was my full expectation to return here this morning rather than this evening. At the time I left I had not secured my Pullman reservation back, but it was my intention to be here. I had never stated to anyone that I should not be back until this evening.

My purpose in making this announcement is both to clear up the point as to when my absence was intended to be terminated and also to make it clear that I do not want any Senator who might desire to take up the President's reorganization plan today to be under any misapprehension that I am absent, because I am really here in person. I will say, however, that I shall very much appreciate the opportunity to do certain further work upon the problem before the presentation of the matter, and I hope that it may not be taken up until tomorrow.

I call this to the attention of the Senate so that the Senators who are present may be fully advised of the fact that it has been put over until tomorrow. I want them to know that I am here so that every Senator who is present, if he has any objection to the concurrent resolution being put over until tomorrow, may know that I am here so that he, as well as I, may be heard upon the time element.

Mr. WHERRY. Mr. President, I should like to make the observation that, of course, I gave what information came to me. The Senator from Missouri is one of the hardest working Senators, and perhaps the most regular in attendance, or at least he is as regular as any other Member of the Senate. The calendar was to be considered today, and I was attempting at the last moment to change the program for the consideration of the reorganization resolution from Monday to Tuesday in view of the information which had come to me.

The Senator from Missouri has explained the circumstances and that he is ready to proceed with the reorganization measure at any time. But inasmuch as the program has been outlined for its consideration tomorrow, if there is no objection, that program will be followed.

Mr. DONNELL. Mr. President, I wish to state, if the Senator will yield, that I do not consider that I am adequately prepared to take the concurrent resolution up this afternoon, and I should like very much to have this evening for further consideration of it.

Mr. WHERRY. Then the program will be as already announced, following the explanation of the distinguished Senator from Missouri. At the conclusion of the legislative work today, Senate Concurrent Resolution 131, covering Reorganization Plan 1, will be made the unfinished business, and the Senate will proceed, under the order already made, with the consideration of the concurrent resolution tomorrow afternoon, the debate limited to 4 hours.

Mr. DONNELL. If the Senator will further yield, I am entirely certain that I did not have my Pullman reservation back at the time I left, but I had not made the statement that I would be away until tonight.

PROPOSED EASTER RECESS

Mr. LODGE. Mr. President, I should like at this time to raise the question whether there will be a session of the Senate on Easter Monday, March 29. I invite the attention of the acting majority leader to the matter.

Mr. WHERRY. Mr. President, in reply to the distinguished Senator, I may state that several inquiries of a like nature have already been made, and those in charge of the program are giving the matter their utmost consideration. I personally feel that, if it can be arranged, the Senate should not be in session on Easter Monday. I shall obtain the information requested by the Senator as quickly as possible, and then make a general announcement for the benefit of the Senate.

I want the Senator to know that the policy committee has had this question in mind. I am sure they will do everything they can to see that what is suggested is accomplished, and I am quite sure it will be. On the other hand, I am not officially yet advised as to what the determination has been as to the program, but later will make an announcement. If the Senate should do what the Senator from Massachusetts requests, it would require that the Senate recess Friday night, but that has not yet been determined. The leadership desires to consult with all Senators interested in pending legislation, and it will require the approval of the Senate. However, I think we can do what the distinguished Senator has suggested.

Mr. LODGE. With a recess Friday night, Senators may go away and remain away until the end of Monday.

ORDER FOR CONSIDERATION OF THE CALENDAR

Mr. WHERRY. Mr. President, I ask unanimous consent that, after the routine morning business shall have been concluded, the calendar be called only for the consideration of measures to which there is no objection.

The PRESIDENT pro tempore. Without objection, the order is made.

TRANSACTION OF MORNING BUSINESS

The PRESIDENT pro tempore. The Senate, having adjourned at the conclusion of its last session, is now in the morning hour. The order of procedure for the morning hour will now be followed.

CHARLES HOWARD RICHARDS—VETO MESSAGE (S. DOC. NO. 127)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying bill, was ordered to lie on the table and ordered to be printed:

To the United States Senate:

I am returning herewith without my approval S. 939, a bill "For the relief of Charles Howard Richards."

The bill would direct the Secretary of the Treasury to pay to Charles Howard Richards, of Eugene, Oreg., the sum of $5,000 in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him on December 14, 1941, while serving as a volunteer guard, Office of Civilian Defense, on duty at the Bonneville substation, Bonneville power project, Eugene, Oreg.

In order to compensate civilian-defense workers and their dependents injured or killed in line of duty and others injured or killed as a result of enemy action, the civilian war-benefits program was established in the Federal Security Agency in 1942. The program, while not based on substantive legislation, was continued for the fiscal year 1947 by special provision in the Federal Security Appropriation Act, 1947, and thereafter, for the fiscal year 1948, by the Supplemental Appropriation Act, 1948. The Federal Security Agency has recommended to the Congress that the program be continued after the expiration of the current appropriation by a liquidating statute which would transfer the benefit rolls of this program to the Federal employees' compensation fund until all pending claims under the program are paid out of that fund, up to a total of $7,500 in respect of any claim (See S. 1456, 80th Cong., 1st sess.).

It appears from the records of the Federal Security Agency that on April 22, 1943, Mr. Richards filed with that Agency an application for disability benefits for an injury sustained by him when he fell while on duty as an auxiliary police officer under the United States Citizens Defense Corps—Office of Civilian Defense—at Bonneville substation during a blackout. Pursuant to a determination of the Board that Mr. Richards was 100 percent disabled from January 1 to February 28, 1942, and from September 1 to October 19, 1942, he was paid disability benefits under such program in the aggregate sum of $291.83. Expenditures were also made under the program in his behalf for medical treatment. It was further found that Mr. Richards, a self-employed barber, suffered no loss of wage-earning capacity, other than that for which he received such benefits, as a result of his injury.

The records of the Federal Security Agency in this case contain no evidence of any additional disability sustained by Mr. Richards. He has received under the program the maximum amount of benefits to which he has shown himself entitled according to the reports and evidence received. If he has suffered a substantial permanent disability and loss of wage-earning capacity as a result of the injury or incurred any medical expenses with respect to which he might be entitled to additional compensation or reimbursement under the program, he may present claim therefor to the Federal Security Agency's Bureau of Employees' Compensation which is now charged with the administration of the program. Should he be found to be actually entitled to such benefits, they will be paid to him at least until the termination of the current fiscal year, and longer should Congress continue such program by appropriate legislation.

It thus appears that an orderly system of benefits, though of an emergency and temporary character, has been established, and operates with funds specifically appropriated for that purpose by the Congress for cases of the type involved in the present bill, and that Mr. Richards availed himself of the benefits of that system to some extent but has failed to present alleged additional evidence to the agency administering the program and to exhaust his remedies thereunder.

It thus appears that approval of this measure would be discriminatory and establish an undesirable precedent as it would extend benefits to this claimant not available to others similarly situated, and would provide a lump-sum award to the claimant which departs from the regular procedure of periodical benefits established by the present procedure, which, in the absence of further legislation, would greatly exceed what others in similar circumstances would receive.

In view of these considerations I feel constrained to withhold approval of the bill.

HARRY S. TRUMAN.

MARCH 15, 1948.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

CHARLES DUNCAN MONTEITH

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Charles Duncan Monteith (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF TORT CLAIMS PAID BY WAR ASSETS ADMINISTRATION

A letter from the Administrator of the War Assets Administration, transmitting, pursuant to law, a report of tort claims paid by that Administration as of December 31, 1947 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the General Assembly of the Commonwealth of Virginia; to the Committee on Rules and Administration:

"House Joint Resolution 43

"Joint resolution memoralizing Congress to make certain changes in the Hatch Act

"Whereas under the act of Congress popularly known as the Hatch Act, many citizens of this Commonwealth, in common with certain citizens of other States, are deprived of rights enjoyed by other citizens to engage in political activity; and

"Whereas it is the sense of the General Assembly of Virginia that such legislation is unfair and discriminatory insofar as it restricts the rights of certain citizens in the exercise of the franchise: Now, therefore

"Resolved by the house of delegates (the senate concurring), That the Congress of the United States be and it is hereby memorialized to so amend the Hatch Act that the restriction on participation in political activities on the part of Federal employees will be eliminated; and

"Resolved further, That the clerk of the house of delegates is hereby directed to send copies of this resolution to the clerks of both Houses of the Congress of the United States and the Representatives from Virginia in the Congress."

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

RESOLUTION OF CITY COUNCIL OF WHEELING, W. VA., RELATING TO THE NATURAL GAS ACT

Mr. KILGORE. Mr. President, I present for appropriate reference a resolution adopted by the Council of the City of Wheeling, W. Va., relating to the proposed amendments to the Natural Gas Act, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed in the RECORD, as follows:

Resolution of the Council of the City of Wheeling, W. Va., with reference to proposed amendments to the Natural Gas Act by the Congress of the United States

Whereas, the Council of the City of Wheeling has been advised that it is proposed that the Natural Gas Act, as previously adopted by the Congress of the United States, be amended as set forth in a bill now pending before the Congress of the United States, commonly known as the Rizley bill; and

Whereas proceedings are now being held before the Committee on Interstate and Foreign Commerce of the United States Senate in regard to H. R. 4051 (amendments of the Natural Gas Act) and in connection with the consideration of the Rizley bill; and

Whereas the Council of the City of Wheeling is advised that if the Rizley bill is enacted, it will result in an increase in the price of natural gas to the ultimate consumer; and

Whereas the city of Wheeling represents an area wherein thousands of individuals rely entirely upon natural gas as a source of fuel and also represents an area wherein many industries rely entirely upon natural gas as a source of fuel: Be it

Resolved by the Council of the City of Wheeling, That it, through the adoption of this resolution, record its objection to the passage of the Rizley bill or to any other legislation which will result in the increase in the price of natural gas to the ultimate consumer. The clerk of the city of Wheeling shall forward a copy of this resolution to the Honorable HARLEY M. KILGORE and the Honorable CHAPMAN B. REVERCOMB, Members of the Senate of the United States from the State of West Virginia, in order that the representatives of the State of West Virginia in the Senate of the United States may be advised of the action of the Council of the City of Wheeling in opposition to the proposed legislation hereinabove mentioned.

THE CITY OF WHEELING,
A MUNICIPAL CORPORATION,
By CARL G. BACHMANN, *Its Mayor.*

CONVENTION ON INTER-AMERICAN COPYRIGHT—RESOLUTION AND REPORT OF NEW YORK STATE BAR ASSOCIATION

Mr. IVES. Mr. President, at its recent annual meeting the New York State Bar Association adopted a resolution pertaining to the Convention on Inter-American Copyright, together with the report of its committee on international law, in support of the resolution. The resolution indicates the cooperative efforts between members of the Pan American Union, and for that reason I feel it should appear in the RECORD.

Therefore, I present the report and resolution for appropriate reference, and request that it be printed in the RECORD.

There being no objection, the resolution and report were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

On July 17, 1947, President Truman submitted the Inter-American Copyright Convention to the Senate for its advice and consent to the ratification thereof. This convention, described as the Inter-American convention on the rights of the author in literary, scientific, and artistic works, was signed at the Pan American Union in Washington on June 22, 1946, by delegates from practically all the American countries. Ratifications have already been deposited in the Pan American Union by five countries, namely, Mexico, Ecuador, the Dominican Republic, Bolivia, and Honduras. The convention would provide protection for the works of American authors in Latin-American countries where they are not now given protection against piracy or unauthorized translations. Composers of music would also receive protection against the unauthorized reproduction of their works and in respect to records and other mechanical reproduction thereof.

At the fifth conference of the Inter-American Bar Association recently held in Lima, Peru, approval of the convention was expressed in a resolution, as it was considered to be the instrument that best coordinates the judicial thought of America on this matter.

It is recommended that the association adopt the following resolution:

"Resolved, That this association favors ratification by the United States of the inter-American convention on the rights of the author in literary, scientific, and artistic works, signed in Washington on June 22, 1946, and submitted to the Senate on July 17, 1947."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 329. A bill for the relief of Gentaro Takahashi; without amendment (Rept. No. 996);

S. 419. A bill for the relief of Mrs. Teruko Matsukawa (nee Teruko Nagai); without amendment (Rept. No. 997);

S. 642. A bill for the relief of Tang Sik Pui, his wife, and his five minor children; without amendment (Rept. No. 998);

S. 661. A bill for the relief of Mrs. Lum Shee Jung; with an amendment (Rept. No. 999);

S. 740. A bill to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne; with an amendment (Rept. No. 1000);

S. 755. A bill for the relief of Toraichi Ambo; without amendment (Rept. No. 1001);

S. 940. A bill for the relief of Mrs. Chieko S. Kawakami; without amendment (Rept. No. 1002);

S. 1045. A bill for the relief of Mrs. Lucia Kim; without amendment (Rept. No. 1003);

S. 1055. A bill for the relief of Mrs. Irma M. Pierce and Charles Z. Pierce; without amendment (Rept. No. 987);

S. 1186. A bill for the relief of Thorvaldur Hliddal; with amendments (Rept. No. 1004);

S. 1451. A bill for the relief of Perfecto M. Biason and Joan Biason; without amendment (Rept. No. 1005);

S. 1806. A bill for the relief of Ensign Merton H. Peterson, United States Naval Reserve; with an amendment (Rept. No. 988);

H. R. 718. A bill for the relief of Clarence J. Wilson and Margaret J. Wilson; without amendment (Rept. No. 989);

H. R. 986. A bill for the relief of Leslie H. Ashlock; without amendment (Rept. No. 990);

H. R. 1215. A bill for the relief of Kazue Oda Takahashi; without amendment (Rept. No. 1006);

H. R. 1523. A bill for the relief of the estate of Marion S. Griggs, deceased; with amendments (Rept. No. 991);

H. R. 1586. A bill for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry; without amendment (Rept. No. 992);

H. R. 2214. A bill for the relief of Dave Hougardy; without amendment (Rept. No. 993);

H. R. 2347. A bill for the relief of Mrs. Akiko Tsukado Miller; without amendment (Rept. No. 1007);

H. R. 3061. A bill for the relief of Victor C. Kaminski (also known as Victor Kaminski); without amendment (Rept. No. 1008);

H. R. 3118. A bill for the relief of Mrs. Susan W. Roe; without amendment (Rept. No. 994); and

H. R. 4177. A bill for the relief of William L. Cunliffe; without amendment (Rept. No. 1009).

By Mr. MCCARRAN, from the Committee on the Judiciary:

S. 692. A bill to authorize a mileage allowance of 7 cents per mile for United States marshals and their deputies for travel on official business; without amendment (Rept. No. 995).

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 1771. A bill authorizing the Secretary of the Interior to convey certain lands in Powell Townsite, Wyo., Shoshone reclamation project, Wyoming, to the James S. McDonald Post, No. 5054, Veterans of Foreign Wars, Powell, Wyo.; with an amendment (Rept. No. 1010);

S. 1985. A bill to amend the act entitled "Boulder Canyon Project Adjustment Act," approved July 19, 1940; with an amendment (Rept. No. 1011); and

H. R. 5049. A bill to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; without amendment (Rept. No. 1012).

REPORT OF JOINT COMMITTEE ON HOUSING

Mr. FLANDERS. Mr. President, pursuant to section 3 of House Concurrent Resolution 104, Eightieth Congress, from the Joint Committee on Housing, I submit a report on behalf of its chairman, Representative RALPH A. GAMBLE. His letter of transmittal reads as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON HOUSING,
March 15, 1948.

The Honorable ARTHUR H. VANDENBERG,
President pro tempore of the Senate,
Washington, D. C.

DEAR SENATOR: I submit herewith the final majority report of the Joint Committee on Housing, in accordance with the requirements of section 3, House Concurrent Resolution 104, Eightieth Congress. Another part of the report, Statistics of Housing, which I also submit herewith, is being printed separately, on order of the committee.

A factual analysis of the joint committee's extensive studies, and of the testimony taken from 1,286 witnesses at public hearings in 33 cities, has been ordered printed by the committee as a separate document, entitled "Housing in America."

On behalf of the committee I want to express our appreciation to the staff and to the many individuals in private industry, and in Government, who have helped us throughout our inquiry. These individuals came from the Federal Trade Commission; the President's Council of Economic Advisers; the Bureau of the Census; the Bureau of Standards; and the Office of Domestic Commerce, Department of Commerce; the Bureau of Labor Statistics, Department of Labor; the Veterans' Administration; the Office of Housing Expediter; and the Housing and Home Finance Agency. It is impossible to list the hundreds of individuals in private industry on whom we called for help, and for which help I am most grateful. Special acknowledgment is given to the several trade associations, and to the construction department of the Chamber of Commerce of the United States.

Sincerely yours,

RALPH A. GAMBLE,
Chairman.

The joint committee has completed its studies, having conducted hearings and investigations in Washington and in other cities throughout the country. The report was agreed to without a dissenting voice, but one or two reservations will be expressed later. In general, the report has led to the preparation of some perfecting amendments to the so-called Taft-Ellender-Wagner bill, Senate bill 866, to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes. Out of order I should like to submit the perfecting amendments to Senate bill 866.

The PRESIDENT pro tempore. The report will be received. The amendments will be received, printed, and referred to the Committee on Banking and Currency.

REPORT OF JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS (S. REPT. NO. 986)

Mr. BALL. Mr. President, pursuant to Public Law No. 101, Eightieth Congress, as chairman of the Joint Committee on Labor-Management Relations, I submit a report, and at the proper time I shall make a statement to the Senate in support of the report.

The PRESIDENT pro tempore. The report will be received and printed.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures, together with a statement by me relating to Federal personnel.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

ADDITIONAL REPORT OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, CONGRESS OF THE UNITED STATES, PURSUANT TO SECTION 601 OF THE REVENUE ACT OF 1941, ON FEDERAL PERSONNEL, DECEMBER 1947–JANUARY 1948

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, JANUARY 1948, AND COMPARISON WITH DECEMBER 1947

(The following report is compiled from signed, official personnel reports by the various agencies and departments of the Federal Government. Table I of the report shows personnel employed inside continental United States, by agency. Table II shows personnel employed outside continental United States, by agency. Table III shows total personnel employed inside and outside continental United States, by agency. Table IV gives by agency the industrial workers employed by the Federal Government. For purposes of comparison, figures for the previous month are shown in adjoining columns.)

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, the total Federal personnel for January increased 6,340 from the December total of 1,994,170[1] to the January total of 2,000,510. (See table III.)

Exclusive of the National Military Establishment, there was an increase of 1,197 from the December total of 1,164,937[1] to the January total of 1,166,134.

Total employment for the National Military Establishment showed an increase of 5,143 from the December total of 829,233 to the January total of 834,376.

The Department of the Army reported an increase of 3,756 from its December total of 377,629 to its January total of 381,385. Inside continental United States, the Army increased its civilian personnel 1,067, while ouside continental United States personnel increased 2,689.

The Department of the Air Forces increased employment of 1,077 from its December total of 111,700 to the January figure of 112,777. These figures cover Air Forces civilian personnel within continental United States only.

The Department of the Navy reported an increase of 352 civilian employees, from the December figure of 339,268 to the January figure of 339,620.

Inside continental United States

Federal personnel within the United States increased 2,708 from the December total of 1,771,833[1] to the January total of 1,774,541. (See table I.)

Excluding the National Military Establishment, personnel inside the United States increased 542 from the December figure of 1,111,088[1] to the January figure of 1,111,630.

Total civilian employment within the United States for the National Military Establishment for January was 662,911, an increase of 2,166 over the December figure of 660,745.

Department of the Army personnel within the United States increased 1,067 from the December figure of 253,011 to the January figure of 254,078.

The Air Forces increased civilian personnel within the United States by 1,077 from the December figure of 111,700 to the January figure of 112,777.

Navy Department within the United States increased its civilian employment 64, from the December figure of 295,398 to the January figure of 295,462.

Outside continental United States

Outside continental United States, Federal personnel increased 3,632 from the December total of 222,337[1] to the January total of 225,869. (See table II.)

An increase of 655 was reported in overseas personnel by the departments and agencies other than the National Military Establishment, from the December total of 53,849[1] to the January total of 54,504.

Total overseas civilian employment for the National Military Establishment increased 2,977 from the December total of 168,488 to the January total of 171,465.

[1] See table V.

The Department of the Army reported an increase of 2,689 civilian employees overseas, from the December figure of 124,618 to the January figure of 127,307.

The Navy Department increased its overseas employment 288 from its December figure of 43,870 to the January figure of 44,158.

Industrial employment

Total industrial employment during the month of January increased 3,705 from the December figure of 546,851 to the January total of 550,556. (See table IV.)

The departments and agencies, exclusive of the National Military Establishment, decreased 179 from the December figure of 20,281 to the January figure of 20,102.

The National Military Establishment increased its total industrial employment 3,884 from the December figure of 526,570 to the January total of 530,454.

The Department of the Army increased its industrial employment 3,396; 993 of this increase was within continental United States, while the overseas industrial employment for the Army increased 2,403.

The Department of the Navy increased its industrial employment 488 from the December figure of 236,729 to the January figure of 237,217.

The term "industrial employees" as used by the committee refers to unskilled, semi-skilled, skilled, and supervisory employees paid by the Federal Government who are working on construction projects such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees.

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during January 1948, and comparison with December 1947*

Department or agency	December	January	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Agriculture	68,756	68,377	−370
Commerce	34,432	34,712	+289
Interior	41,543	42,064	+521
Justice	24,872	25,480	+608
Labor	4,499	4,469	−30
Post Office	463,741	463,566	−175
State	7,415	7,401	−14
Treasury	84,488	84,717	+229
EXECUTIVE OFFICE OF THE PRESIDENT			
White House Office	223	222	−1
Bureau of the Budget	602	601	−1
Executive Mansion and Grounds	[1] 114	[1] 110	−4
National Security Council	8	[2] 10	+2
National Security Resources Board	65	73	+8
Office of Economic Advisers	61	58	−3
Office of Government Reports	19	19	----------
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	41	42	+1
Office of Scientific Research and Development	14	----------	−14
POSTWAR AGENCIES			
Philippine Alien Property Administration	2	2	----------
War Assets Administration	29,874	29,125	−749
INDEPENDENT AGENCIES			
American Battle Monuments Commission	3	3	----------
Atomic Energy Commission	4,760	4,876	+116
Civil Aeronautics Board	563	565	+2

Footnotes at end of table.

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during January 1948, and comparison with December 1947*—Continued

Department or agency	December	January	Increase (+) or decrease (−)
INDEPENDENT AGENCIES—continued			
Civil Service Commission	3,742	3,873	+131
Export-Import Bank of Washington	111	111	
Federal Communications Commission	1,286	1,306	+20
Federal Deposit Insurance Corporation	1,156	1,144	−12
Federal Mediation and Conciliation Service	373	368	−5
Federal Power Commission	781	795	+14
Federal Security Agency	31,086	[3] 31,426	+340
Federal Trade Commission	562	561	−1
Federal Works Agency	22,542	22,360	−182
General Accounting Office	9,448	9,377	−71
Government Printing Office	7,544	7,484	−60
Housing and Home Finance Agency	12,047	11,914	−133
Indian Claims Commission	[1] 12	[1] 11	−1
Interstate Commerce Commission	2,257	2,263	+6
Maritime Commission	6,716	6,774	+58
National Advisory Committee for Aeronautics	6,076	6,172	+96
National Archives	328	330	+2
National Capital Housing Authority	286	290	+4
National Capital Park and Planning Commission	24	25	+1
National Gallery of Art	311	318	+7
National Labor Relations Board	878	957	+79
National Mediation Board	103	113	+10
Office of Housing Expediter	4,644	4,608	−36
Office of Selective Service Records	653	649	−4
Panama Canal	541	543	+2
Philippine War Damage Commission	[1] 5	[1] 7	+2
Railroad Retirement Board	2,783	2,796	+13
Reconstruction Finance Corporation	6,213	6,012	−201
Securities and Exchange Commission	1,180	1,086	−94
Smithsonian Institution	513	507	−6
Tariff Commission	222	224	+2
Tax Court of the United States	124	126	+2
Tennessee Valley Authority	14,222	14,144	−78
Veterans' Administration	206,224	206,464	+240
Total, excluding National Military Establishment	[1] 1,111,088	1,111,630	+2,800 −2,258
Net increase, excluding National Military Establishment			+542
NATIONAL MILITARY ESTABLISHMENT			
Office of Secretary of Defense	636	594	−42
Department of the Army	253,011	254,078	+1,067
Department of the Navy	295,398	295,462	+64
Department of the Air Force	111,700	112,777	+1,077
Total, including National Military Establishment	[1] 1,771,833	1,774,541	+5,009 −2,301
Net increase, including National Military Establishment			+2,708

[1] See table V.
[2] This figure is exclusive of personnel of the Central Intelligence Agency.
[3] Exclusive of 1,202 employees of Howard University and 97 employees of the Columbia Institute for the Deaf, not previously reported. They are excluded pending decision of the Bureau of the Budget on their status.

TABLE II.—*Federal personnel outside continental United States employed by executive agencies during January 1948, and comparison with December 1947*

Department or agency	December	January	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Agriculture	1,904	1,775	−129
Commerce	2,604	2,659	+55
Interior	4,652	4,746	+94
Justice	411	419	+8
Labor	78	77	−1
Post Office	1,531	1,482	−49
State	13,426	13,453	+27
Treasury	591	589	−2
POSTWAR AGENCIES			
Philippine Alien Property Administration	168	169	+1
War Assets Administration	464	463	−1
INDEPENDENT AGENCIES			
American Battle Monuments Commission	98	99	+1
Atomic Energy Commission	3	3	
Civil Aeronautics Board	16	19	+3
Civil Service Commission	5	5	
Export-Import Bank of Washington	2	2	
Federal Communications Commission	36	36	
Federal Deposit Insurance Corporation	3	3	
Federal Security Agency	1,380	1,403	+23
Federal Works Agency	303	323	−20
Housing and Home Finance Agency	39	39	
Maritime Commission	145	147	+2
National Labor Relations Board	2	4	+2
Office of the Housing Expediter	28	27	−1
Office of Selective Service Records	14	14	
Panama Canal	23,722	24,314	+592
Philippine War Damage Commission	[1] 545	[1] 567	+22
Reconstruction Finance Corporation	57	41	−16
Smithsonian Institution	6	6	
Veterans' Administration	1,616	1,620	+4
Total, excluding National Military Establishment	[1] 53,849	54,504	+854 −199
Net increase, excluding National Military Establishment			+655
NATIONAL MILITARY ESTABLISHMENT			
Department of the Army	124,618	127,307	+2,689
Department of the Navy	43,870	44,158	+288
Total, including National Military Establishment	[1] 222,337	225,869	+3,831 −199
Net increase, including National Military Establishment			+3,632

[1] See table V.

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1948, and comparison with December 1947*

Department or agency	December	January	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Agriculture	70,660	70,152	−508
Commerce	37,036	37,371	+335
Interior	46,195	46,810	+615

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1948, and comparison with December 1947*—Continued

Department or agency	December	January	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)—continued			
Justice	25,283	25,899	+616
Labor	4,577	4,546	−31
Post Office	465,272	465,048	−224
State	20,841	20,854	+13
Treasury	85,079	85,306	+227
EXECUTIVE OFFICE OF THE PRESIDENT			
White House Office	[1] 223	[1] 222	−1
Bureau of the Budget	602	601	−1
Executive Mansion and Grounds	[1] 114	[1] 110	−4
National Security Council	8	[2] 10	+2
National Security Resources Board	65	73	+8
Office of Economic Advisers	61	58	−3
Office of Government Reports	19	19	
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	41	42	+1
Office of Scientific Research and Development	14		−14
POSTWAR AGENCIES			
Philippine Alien Property Administration	170	171	+1
War Assets Administration	30,338	29,588	−750
INDEPENDENT AGENCIES			
American Battle Monuments Commission	101	102	+1
Atomic Energy Commission	4,763	4,879	+116
Civil Aeronautics Board	579	584	+5
Civil Service Commission	3,747	3,878	+131
Export-Import Bank of Washington	113	113	
Federal Communications Commission	1,322	1,342	+20
Federal Deposit Insurance Corporation	1,159	1,147	−12
Federal Mediation and Conciliation Service	373	368	−5
Federal Power Commission	781	795	+14
Federal Security Agency	32,466	[3] 32,829	+363
Federal Trade Commission	562	561	−1
Federal Works Agency	22,845	22,683	−162
General Accounting Office	9,448	9,377	−71
Government Printing Office	7,544	7,484	−60
Housing and Home Finance Agency	12,086	11,953	−133
Indian Claims Commission	[1] 12	[1] 11	−1
Interstate Commerce Commission	2,257	2,263	+6
Maritime Commission	6,861	6,921	+60
National Advisory Committee for Aeronautics	6,076	6,172	+96
National Archives	328	330	+2
National Capital Housing Authority	286	290	+4
National Capital Park and Planning Commission	24	25	+1
National Gallery of Art	311	318	+7
National Labor Relations Board	880	961	+81
National Mediation Board	103	113	+10
Office of Housing Expediter	4,672	4,635	−37
Office of Selective Service Records	667	663	−4
Panama Canal	24,263	24,857	+594
Philippine War Damage Commission	[1] 550	[1] 574	+24
Railroad Retirement Board	2,783	2,796	+13

Footnotes at end of table.

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1948, and comparison with December 1947*—Continued

Department or agency	December	January	Increase (+) or decrease (−)
INDEPENDENT AGENCIES—continued			
Reconstruction Finance Corporation	6,270	6,053	−217
Securities and Exchange Commission	1,180	1,086	−94
Smithsonian Institution	519	513	−6
Tariff Commission	222	224	+2
Tax Court of the United States	124	126	+2
Tennessee Valley Authority	14,222	14,144	−78
Veterans' Administration	207,840	208,084	+244
Total, excluding National Military Establishment	[1] 1,164,937	1,166,134	+3,614 −2,417
Net increase, excluding National Military Establishment			+1,197
NATIONAL MILITARY ESTABLISHMENT			
Office of Secretary of Defense	636	594	−42
Department of the Army:			
Inside continental United States	253,011	254,078	+1,067
Outside continental United States	124,618	127,307	+2,689
Department of the Navy	339,268	339,620	+352
Department of the Air Force	111,700	112,777	+1,077
Total, including National Military Establishment	[1] 1,994,170	2,000,510	+8,799 −2,459
Net increase, including National Military Establishment			+6,340

[1] See table V.
[2] This figure is exclusive of the personnel of the Central Intelligence Agency.
[3] Exclusive of 1,202 employees of Howard University and 97 employees of the Columbia Institute for the Deaf, not previously reported. They are excluded pending decision of the Bureau of the Budget on their status.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during January 1948, and comparison with December 1947*

Department or agency	December	January	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Commerce	1,135	1,061	−74
Interior	5,233	5,110	−123
State	342	358	+16
Treasury	3,646	3,677	+31
INDEPENDENT AGENCIES			
Atomic Energy Commission	281	268	−13
Housing and Home Finance Agency	3	3	
Panama Canal	2,138	2,153	+15
Tennessee Valley Authority	7,503	7,472	−31
Total, excluding National Military Establishment	20,281	20,102	+62 −241
Net decrease, excluding National Military Establishment			−179

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during January 1948, and comparison with December 1947*—Continued

Department or agency	December	January	Increase (+) or decrease (−)
NATIONAL MILITARY ESTABLISHMENT			
Department of the Army:			
Inside continental United States	195,359	196,352	+993
Outside continental United States	94,482	96,885	+2,403
Department of the Navy	236,729	237,217	+488
Total, including National Military Establishment	546,851	550,556	+3,946 −241
Net increase including National Military Establishment			+3,705

TABLE V

This table is not to be found in previous monthly personnel reports by the committee and it will not necessarily be carried in the future. Its purpose at this time is to bring up to date, for fiscal year 1948, the civilian personnel employed on various Federal pay rolls of the executive branch who, for various reasons, have not been included in committee reports submitted heretofore, but will be included in the future.

Employment represented in these pay rolls is included in the January figures in tables I, II, III, and IV, and for comparative purposes the December figures in the tables also have been adjusted.

Agency	July	August	September	October	November	December	January 1948	Net increase (+) or decrease (−)
CONSOLIDATED								
White House Office	270	270	262	228	227	223	222	−48
Executive Mansion and Grounds	65	60	58	73	94	114	110	+45
Indian Claims Commission	11	11	11	12	12	12	11	-----
Philippine War Damage Commission	425	486	513	546	547	550	574	+149
INSIDE UNITED STATES								
White House Office	270	270	262	228	227	223	222	−48
Executive Mansion and Grounds	65	60	58	73	94	114	110	+45
Indian Claims Commission	11	11	11	12	12	12	11	-----
Philippine War Damage Commission	8	8	7	7	8	5	7	−1
OUTSIDE UNITED STATES								
Philippine War Damage Commission	417	478	506	539	539	545	567	+150

STATEMENT BY SENATOR BYRD, CHAIRMAN OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, IN CONNECTION WITH THE MONTHLY PERSONNEL REPORT FOR JANUARY 1948

After reductions in three consecutive months, civilian personnel in the executive branch of the Federal Government increased sharply during the month of January, reports to the Joint Committee on Reduction of Nonessential Federal Expenditures showing that the total for the month was 2,000,510.

Increases in January over December were reported in civilian employment as a whole, in civilian agencies exclusive of the National Military Establishment, in civilian employment in the National Military Establishment, in civilian employment inside continental United States, in civilian employment outside continental United States, and in fact the increase was general in all categories with the exception of industrial workers employed by departments and agencies exclusive of the National Military Establishment.

The January report shows increases over December in 34 agencies, or in more than half the total number reporting to the committee.

The largest increase was in the National Military Establishment, in which civilian employees of the Army increased by 3,756, civilian employees of the Air Force increased 1,077, civilian employees of the Navy increased by 352.

Among the agencies reporting larger increases were: Commerce Department, 335; Interior Department, 615; Justice Department, 616; Treasury Department, 227; Federal Security Agency, 363; Panama Canal, 594; Veterans' Administration, 244; Atomic Energy Commission, 116; and Civil Service Commission, 131.

The January total of civilian employees of the Federal Government includes personnel for the White House offices and several other pay rolls which previously have not been published by the committee, but which will be included in the future in order that the report may as complete as possible.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 15, 1948, he presented to the President of the United States the enrolled bill (S. 1174) to provide for inactive training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent the second time, and referred as follows:

By Mr. BROOKS:

S. 2310. A bill to authorize the Secretary of the Navy to transfer a captured submarine to the Museum of Science and Industry in the city of Chicago; to the Committee on Armed Services.

S. 2311. A bill for the relief of Herbert F. Wascher; to the Committee on the Judiciary.

By Mr. BUSHFIELD:

S. 2312. A bill to authorize and direct the Secretary of the Interior to issue to Daniel L. Bordeaux a patent in fee to certain land;

S. 2313. A bill to authorize and direct the Secretary of the Interior to issue to Martin L. Chase a patent in fee to certain land;

S. 2314. A bill to authorize and direct the Secretary of the Interior to issue to Adelia Louise Tyon a patent in fee to certain land;

S. 2315. A bill to authorize the issuance of trust patents in lieu of land-use exchange assignments issued on the Cheyenne River Sioux Reservation prior to January 1, 1948; and

S. 2316. A bill to authorize and direct the Secretary of the Interior to issue to George Kangi a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

(Mr. McCARTHY introduced Senate bill 2317, to establish a national housing policy and provide for its execution, and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

(Mr. AIKEN (for himself, Mr. BUSHFIELD, Mr. WILSON, Mr. THYE, Mr. THOMAS of Oklahoma, Mr. ELLENDER, and Mr. LUCAS) introduced Senate bill 2318, to provide for a coordinated agricultural program, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. JOHNSON of Colorado:

S. 2319. A bill to provide for a survey of physically handicapped citizens; to the Committee on Post Office and Civil Service.

S. 2320. A bill for the relief of Maria Carol Lea McCain; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2321. A bill to incorporate the Seabee Veterans of America; to the Committee on the Judiciary.

By Mr. PEPPER (for himself and Mr. HOLLAND):

S. 2322. A bill to provide for the sale of a part of war-housing project No. FLA-8252-1 to the Department of Public Safety of the State of Florida; to the Committee on Banking and Currency.

COORDINATED AGRICULTURAL PROGRAM

Mr. AIKEN. Mr. President, on behalf of the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Iowa [Mr. WILSON], the Senator from Minnesota [Mr. THYE], the Senator from Oklahoma [Mr. THOMAS], the Senator from Louisiana [Mr. ELLENDER], the Senator from Illinois [Mr. LUCAS], and myself, I introduce for appropriate reference a bill to coordinate the agricultural program.

The bill is the so-called long-range agricultural bill, and later in the day, when it is in order, I shall wish about 10 minutes to explain the contents of the bill.

The bill (S. 2318) to provide for a coordinated agricultural program, introduced by Mr. AIKEN (for himself, Mr. BUSHFIELD, Mr. WILSON, Mr. THYE, Mr. THOMAS of Oklahoma, Mr. ELLENDER, and Mr. LUCAS), was read twice by its title, and referred to the Committee on Agriculture and Forestry.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT 986 RELATING TO LABOR-MANAGEMENT RELATIONS

Mr. BALL submitted the following concurrent resolution (S. Con Res. 46), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed 10,000 additional copies of Senate Report No. 986 submitted by the Joint Committee on Labor-Management Relations, pursuant to Public Law 101, Eightieth Congress, for the use of said joint committee.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

YOU AND YOUR CONGRESSMAN—ARTICLE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "You and Your Congressman," written by him and published in the magazine Forbes, for March 15, 1948, which appears in the Appendix.]

LABOR-MANAGEMENT RELATIONS AND THE ENCYCLICALS—ADDRESS BY REV. BENJAMIN L. MASSE, S. J.

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address entitled "Labor-Management Relations and the Encyclicals," delivered by the Reverend Benjamin L. Masse, S. J., associate editor of America, and executive editor of the Catholic Mind, before the Catholic Conference on Industrial Problems, Boston, Mass., March 2, 1948, which appears in the Appendix.]

THE ANTILYNCHING BILL—EDITORIAL FROM THE WASHINGTON POST AND REPLY BY LESLIE S. PERRY

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Antilynching Bill," published in the March 2, 1948, issue of the Washington Post, and a reply to the editorial by Leslie S. Perry, legislative representative, National Association for the Advancement of Colored People, published in the Washington Post of March 11, 1948, which appear in the Appendix.]

OPEN THE DOOR, AMERICA!—EDITORIAL BY DAVID LAWRENCE

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Open the Door, America!" by David Lawrence, published in the March 7 issue of the United States News, which appears in the Appendix.]

MEETING OF COMMITTEE

Mr. DONNELL asked and obtained consent for the subcommittee of the Committee on the Judiciary engaged in hearings on Senate bill 1988, relating to submerged lands along coastal areas, to sit during the session of the Senate today.

LEAVES OF ABSENCE

Mr. CAIN asked and obtained consent to be absent from the Senate tomorrow, March 16.

Mr. HATCH. Mr. President, on account of a previous engagement, my colleague, the junior Senator from New Mexico [Mr. CHAVEZ] is compelled to be absent until Friday of this week. I ask unanimous consent that he may be excused from attendance upon the sessions of the Senate until that time.

The PRESIDENT pro tempore. Without objection, the order is made.

THE CALENDAR

The PRESIDENT pro tempore. Morning business is closed, and under the order of the Senate, the calendar will be called for the consideration of bills to which there is no objection.

The bill (S. 669) to provide for the payment of a bonus of 30 cents per bushel on wheat and corn produced and sold between January 1, 1945, and April 18, 1946, was announced as first in order.

Mr. McCARTHY. Mr. President, I wish to make a brief statement on the housing bill I introduced today.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. WHERRY. When the distinguished Senator from Wisconsin shall have concluded his remarks, I shall suggest the absence of a quorum, inasmuch as we have arrived at the point of calling the calendar.

Mr. McCARTHY. I shall be glad to yield to the Senator from Nebraska for that purpose at this time.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stennis
Chavez	Lodge	Stewart
Connally	Lucas	Thomas, Okla.
Cooper	McCarran	Thomas, Utah
Cordon	McCarthy	Thye
Donnell	McClellan	Umstead
Downey	McFarland	Vandenberg
Dworshak	McGrath	Watkins
Eastland	McKellar	Wherry
Ecton	McMahon	White
Ellender	Magnuson	Wiley
Ferguson	Malone	Williams
Flanders	Maybank	Wilson
Fulbright	Millikin	Young
George	Moore	
Gurney	Morse	

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

Mr. LUCAS. I announce that the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-five Senators having answered to their names, a quorum is present.

The Senate is now proceeding under rule VIII, and Senators are limited to 5 minutes.

COMPREHENSIVE HOUSING PROGRAM

Mr. McCARTHY. Mr. President, today I introduced a comprehensive housing bill. At this time I intend to take the 5 minutes allotted under the rule, very briefly to discuss that bill. Later in the day, when we have disposed of the calendar, I plan to discuss it in greater detail. Representative FLETCHER is introducing an identical bill in the House today.

To begin with, I should like to compliment the Senator from Vermont [Mr. FLANDERS] for his good judgment and broadmindedness in filing a report which contains every single element of the bill which I have been drafting for the past 3 months. However, in submitting his report I fear that he has failed to give credit to some of the groups which have taken a major part in developing this program. I do not blame the Senator

from Vermont for failing to give all the groups which have contributed so much the credit they deserve, because during the time this program was being formed he was very busy on other work.

At this time I should like briefly to mention the various groups and individuals who have contributed toward the construction of what looks like an excellent housing program.

The fact that our committee has unanimously agreed on everything except the public housing provision indicates that we do have a good housing program. To begin with, the AMVETS, I believe, did more than any other veterans' group toward helping us work out the low-rental part of the bill. They have also been very active in helping us to draft this legislation insofar as an attempt to get a standardization of codes and measurements is concerned.

We have copied much, not from the Legion bill, but from the Legion thoughts, in developing a program for veterans' cooperatives. We have added something to the Legion thought. As I say, I do not intend to discuss the bill in detail at this time, but later in the day I intend to discuss it in greater detail.

In our veterans' cooperative housing project we have one thing which is in no other bill. That is due largely to the thinking of a great number of veterans. They recognize that merely giving veterans liberal loans will not product housing. Merely giving them the money will not produce housing. We are providing, in addition, for technical assistance.

The VFW in setting up the housing co-ops and drafting plans, and so forth, contributed heavily in the hearings and the conferences we have had in every major city in the country. The AVC likewise has contributed.

I should like to pay special tribute to Mr. Jones, of Columbia University, who, through Representative JAVITS, has given us unlimited aid in attempting to work out a yield insurance program which will be available not only to insurance companies, but to industrial corporations and labor unions as well.

Another man who deserves great credit is Richard Grey, international president of the Building Trades Union. Mr. Grey set up an A. F. of L. labor committee to work with us. They gave us much more than lip service.

The members of that committee are Mr. Harry Bates, of Washington; Mr. Michael Crow, of Houston, Tex.; Mr. C. J. Hagerty, of San Francisco; Mr. Joseph D. Keenan, of Chicago, Ill.; and Mr. Howard McSpedon, of New York, who, with Mr. Grey, constituted a committee which worked with our joint committee, and has given us unlimited assistance.

Mr. President, how many minutes have I left?

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. McCARTHY. I shall continue later in the day.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired.

Mr. McCARTHY. I shall be glad to yield later in the day when I shall discuss the bill in detail.

Mr. PEPPER. Mr. President, I warmly commend the Senator for what he has done in the field of housing. I should like to ask him in my time, if I may, if he will summarize what his proposal does respecting offering a new market for second mortgages, especially in connection with property insured by the Veterans' Administration for the veterans.

Mr. McCARTHY. The bill which I have introduced provides for the liquidation of the Federal National Mortgage Association, which is the agency within the Reconstruction Finance Corporation which up until now has been to a certain extent acting as a secondary market. We are liquidating that agency and setting up an agency almost identical to it within the H and HFA, a permanent agency to be used as a secondary market (not a blanket secondary market), but to be used at such times and in such areas as the Administrator feels is necessary.

Mr. PEPPER. I have been informed by the housing industry that the program cannot succeed unless there is a sure market for second mortgages. I am glad that the Senator is pursuing this program.

Mr. McCARTHY. Unless we establish such a market—with restrictions so that it will not become too inflationary—the housing program cannot succeed. Unless we can establish a sensible secondary market, the housing program will come to a complete stop.

BILLS, ETC., PASSED OVER

The PRESIDENT pro tempore. The clerk will resume the call of the calendar.

The resolution (S. Res. 25) amending rule XXII relating to cloture was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 354) to incorporate the Federal City Charter Commission was announced as next in order.

Mr. JOHNSTON of South Carolina. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 408) to repeal section 13 b of the Federal Reserve Act, to amend section 13 of the said act, and for other purposes, was announced as next in order.

Mr. WHERRY. Mr. President, I should like to have some member of the Committee on Banking and Currency give us an explanation of this bill. In the absence of an explanation, I suggest that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. FLANDERS. Mr. President, I think I can explain the bill.

The PRESIDENT pro tempore. There was objection, the Chair will say to the Senator from Vermont, from the other side of the Chamber; and the bill has been passed over.

The bill (S. 299) to extend the reclamation laws to the State of Arkansas was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 309) designating American Indian Day was announced as next in order.

Mr. BARKLEY. At the request of the Senator from New Mexico [Mr. HATCH], I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1179) to aid in defraying the expenses of the Seventeenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1947 was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 140) to create an executive department of the Government to be known as the Department of Health, Education, and Security was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 829) to provide for control and regulation of bank holding companies, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 18) to establish uniform qualifications of jurors in Federal courts, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 518) to amend the Nationality Act of 1940 to preserve the nationality of citizens who were unable to return to the United States prior to October 14, 1946, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1038) to amend the Federal Airport Act was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The concurrent resolution (S. Con. Res. 6) to include all general appropriation bills in one consolidated general appropriation bill was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The concurrent resolution will be passed over.

The bill (S. 493) to provide for the coordination of agencies disseminating technological and scientific information was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT OF VETERANS' PREFERENCE ACT

The bill (H. R. 1389) to amend the Veterans' Preference Act of 1944 was announced as next in order.

Mr. WHERRY. Let the bill go over.

Mr. FLANDERS. I wish to suggest another disposition of this bill, Calendar No. 406. It is my understanding that the Supreme Court has ruled on the subject matter of the bill, and has ruled adversely to the purposes of the bill.

Therefore, I ask that the bill be indefinitely postponed and removed from the calendar.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, the chairman of the Civil Service Committee is not now present. Will the Senator withhold his request until he is present?

Mr. FLANDERS. I withhold the request.

Mr. FLANDERS subsequently said: Mr. President, I ask that the Senate return to House bill 1389, to amend the Veterans' Preference Act of 1944, Calendar 406. When I made the request that, in view of the Supreme Court decision, the bill be removed from the calendar and indefinitely postponed, it was very properly suggested that consultation should be had with the Senator from North Dakota [Mr. LANGER], chairman of the Committee on Post Office and Civil Service. The Senator from North Dakota is now present, and offers no objection, as I understand, to the action I requested being taken by the Senate.

The PRESIDENT pro tempore. Without objection, House bill 1389 will be indefinitely postponed.

BILLS, ETC., PASSED OVER

The PRESIDENT pro tempore. The clerk will state the next measure on the calendar.

The bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 84) to amend the Nationality Act of 1940, as amended, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 150) to discharge the Committee on the Judiciary from the further consideration of Senate Resolution 116, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

REPEAL OF PROFIT LIMITATION, ETC.

The bill (H. R. 3051) to amend the act of July 19, 1940, and to amend section 2 and repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934, was announced as next in order.

Mr. PEPPER. Let the bill go over.

Mr. GURNEY. Mr. President, I do not know who objected to the present consideration of House bill 3051. I ask that the objection be withheld, if possible, in the hope that we may pass the bill today. It is a very important measure.

Mr. PEPPER. Mr. President, it was I who made the objection. Of course, if the Senator from South Dakota wishes to move to have the bill taken up, he may do so. But I wish to debate the bill, and that cannot be done during the calling of the Consent Calendar, I am sorry to say.

The PRESIDENT pro tempore. Objection having been made, the bill will be passed over.

The clerk will state the next measure on the calendar.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1356) providing for the incorporation of the Franco-American War Veterans was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 430) to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm loan associations and production credit associations was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1557) to incorporate the Catholic War Veterans of the United States of America was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1375) to incorporate the Jewish War Veterans of the United States of America was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3978) to provide for the temporary advancement in ranks and increase in salary of lieutenants in the Metropolitan Police Force of the District of Columbia, serving as supervisors of certain squads, was announced as next in order.

Mr. AIKEN. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1663) to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 968) to authorize the Public Utilities Commission of the District of Columbia to limit the number of taxicabs licensed and operated in the District of Columbia was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. BARKLEY. Let the bill go over.

Mr. LODGE. Mr. President, may we have an explanation?

The PRESIDENT pro tempore. Some Senator on the right asked that the bill go over.

Mr. BARKLEY. Mr. President, I do not know what position the Chair has put me in [laughter], but I ask that the bill be passed over.

The PRESIDENT pro tempore. Objection being made, the bill will be passed over.

The bill (S. 1652) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1015) to amend section 7 of the act of June 25, 1910, as amended, to reduce the interest rate on postal-savings deposits to 1 percent per annum was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 37) requesting the President to proclaim February 1 as National Freedom Day was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

AMENDMENT OF SURPLUS PROPERTY ACT

The bill (H. R. 2239) to amend section 13 (a) of the Surplus Property Act of 1944, as amended, was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. CONNALLY. Mr. President, I should like to make inquiry about House bill 2239. Was there objection to the present consideration of that bill?

Mr. WHERRY. Yes; I objected, in behalf of the Senator from West Virginia, who asked to have it go over in his absence.

Mr. CONNALLY. The Senator from Michigan [Mr. FERGUSON] is Chairman of the subcommittee which reported the bill. I should be glad to have him explain the bill.

Mr. FERGUSON. I should be glad to do so.

Mr. WHERRY. Mr. President, I should be glad, indeed, to hear the explanation; but because of the request which came to me from the Senator from West Virginia, I would have to continue the objection.

Mr. FERGUSON. I shall see the Senator.

Mr. WHERRY. That is perfectly agreeable.

The PRESIDENT pro tempore. Under objection, the bill has been passed over.

The clerk will state the next measure on the calendar.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 1004) to amend the Atomic Energy Act of 1946, so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as general manager of such Commission until an investigation, with respect to character, associations, and loyalty of such person shall have been made by the FBI was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. LODGE. Mr. President, may we have an explanation?

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 164) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make loans to fur farmers, and for other purposes, was announced as next in order.

Mr. SALTONSTALL. Over.

The PRESIDENT pro tempore. The bill will be passed over.

EXTENSION OF EXPORT CONTROL ACT, ETC.

The bill (S. 1807) to provide for the temporary extension of the Export Control Act and title III of the Second War Powers Act was announced as next in order.

The PRESIDENT pro tempore. Is there objection?

Mr. SALTONSTALL. Mr. President, I should like to ask a question about this bill. In view of the action of the Senate in holding this matter over until May 1, should not this bill go over until the House has acted on this general question?

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

COURSE OF INSTRUCTION AT THE NAVAL ACADEMY

The Senate proceeded to consider the bill (S. 1723) to amend Public Law 168, Seventy-seventh Congress, first session, an act to authorize the course of instruction at the United States Naval Academy to be given to not exceeding 20 persons at a time from the American Republics, other than the United States, which had been reported from the Committee on the Armed Services, with an amendment, on page 2, after line 11, to insert:

SEC. 2. The first and second sentences of section 1 of the act of June 26, 1946 (Public Law 447, 79th Cong. 2d sess.; 60 Stat. 311), is amended by inserting in the first sentence after the phrase "(other than the United States)" the words "and Canada" and by inserting in the second sentence after the words "of such republics" the words "and Canada" so that the first and second sentences as so amended will read as follows:

"That the Secretary of War is hereby authorized to permit, upon designation of the President of the United States, not exceeding 20 persons at a time from the American Republics (other than the United States) and Canada to receive instruction at the United States Military Academy at West Point, N. Y. Not more than three persons from any one of such republics and Canada shall receive instruction under authority of this act at the same time."

So as to make the bill read:

Be it enacted, etc., That the first and second sentences of the act of July 14, 1941 (Public Law 168, 77th Cong., 1st sess.; 55 Stat. 589), is amended by inserting in the first sentence after the phrase "(other than the United States)" the words "and Canada" and by inserting in the second sentence after the words "of such Republics" the words "and Canada" so that the first and second sentences as so amended will read as follows:

"That the Secretary of the Navy is hereby authorized to permit, upon designation of the President of the United States, not exceeding 20 persons at a time from the American Republics (other than the United States) and Canada to receive instruction at the United States Naval Academy at Annapolis, Md. Not more than three persons from any of such Republics and Canada shall receive instruction under authority of this act at the same time."

SEC. 2. The first and second sentences of section 1 of the act of June 26, 1946 (Public Law 447, 79th Cong., 2d sess.; 60 Stat. 311), is amended by inserting in the first sentence after the phrase "(other than the United States)" the words "and Canada" and by inserting in the second sentence after the word "of such republics" the words "and Canada" so that the first and second sentences as so amended will read as follows:

"That the Secretary of War is hereby authorized to permit, upon designation of the President of the United States, not exceeding 20 persons at a time from the American Republics (other than the United States) and Canada to receive instruction at the United States Military Academy at West Point, New York. Not more than three persons from any one of such republics and Canada shall receive instruction under authority of this act at the same time."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the acts authorizing the courses of instruction at the United States Naval Academy and the United States Military Academy to be given to a limited number of persons from the American Republics so as to permit such courses of instruction to be given to Canadians."

ARMING OF AMERICAN VESSELS

The bill (S. 1107) to amend section 2 of the joint resolution approved November 17, 1941, relating to the arming of American vessels, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KNOWLAND. I should like to have an explanation.

Mr. LODGE. I, too, should like to have an explanation of the bill.

Mr. GURNEY. Mr. President, a very short explanation is printed in the report. The bill provides for continuing authority for the arming of American merchant vessels. The Neutrality Act provided that American merchant vessels could not be armed. This was modified by the act of November 17, 1941, permitting the arming of vessels during the national emergency proclaimed on May 27, 1941, but this authority was repealed at the last session of Congress, along with many of the wartime statutes, as of July 1, 1948. The purpose of this legislation is to place on the statute books continuing authority for the arming of American vessels in the event of future war or national emergency.

At the start of the late war there were on the statute books many bits of legislation which automatically came into operation, thereby saving considerable time which would have been required in the reenactment of the legislation. This bill, as amended, is the type of law which should be permanently available when war or a national emergency is declared.

Mr. President, I hope this bill will be passed. It has the unanimous support of the committee.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause and insert:

That during time of war or national emergency the President is authorized through such agency or agencies of the National Military Establishment as he may designate, to arm, or to permit or cause to be armed, any American vessel as defined in the Neutrality Act of 1939. For the purposes of this act, the term "national emergency" means any time at which the President determines that the security of the United States is threatened through the application, or imminent danger of the application, of physical force by any foreign government or agency against the United States, its citizens, their property, or commercial interests. The provisions of section 16 of the Criminal Code (relating to bonds from armed vessels on clearing) shall not apply to any such vessel.

SEC. 2. The provisions of this act shall become effective on July 1, 1948.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill relating to the arming of American vessels."

MEMBERSHIP OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The Senate proceeded to consider the bill (S. 1571) to promote the national defense by increasing the membership of the National Advisory Committee for Aeronautics which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That the eighth paragraph following the caption "Pay, miscellaneous" in the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1916, and for other purposes," approved March 3, 1915 (38 Stat. 930; U. S. C., title 49, sec. 241), as amended, is hereby amended to read as follows:

"NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

"(a) There is hereby established a National Advisory Committee for Aeronautics (hereinafter referred to as the 'Committee') to be composed of not more than 17 members appointed by the President. Members shall serve as such without compensation, and shall include two representatives of the Department of the Air Force; two representatives of the Department of the Navy, from the office in charge of naval aeronautics; two representatives of the Civil Aeronautics Authority; one representative of the Smithsonian Institution; one representative of the United States Weather Bureau; one representative of the National Bureau of Standards; the chairman of the Research and Development Board of the National Military Establishment; and not more than seven other members selected from persons acquainted with the needs of aeronautical science, either civil or military, or skilled in aeronautical engineering or its allied sciences. Unless otherwise provided by law, each member not representing a government department or agency shall be appointed for a term of 5 years from the date of the expiration of the term of the member whom he succeeds, except that any member appointed to fill a vacancy occurring prior to the expiration of a term shall be appointed for the unexpired term of the member whom he succeeds.

"(b) Under such rules and regulations as shall be formulated by the Committee, with the approval of the President, for the conduct of its work, it shall be the duty of the Committee (1) to supervise and direct the scientific study of the problems of flight with a view to their practical solution, (2) to determine the problems which should be experimentally attacked, and to discuss their solution and their application to practical questions, and (3) to direct and conduct research and experiment in aeronautics in the Langley Aeronautical Laboratory, the Ames Aeronautical Laboratory, the Flight Propulsion Research Laboratory, and in such other laboratory or laboratories as may, in whole or in part, be placed under the direction of the Committee.

"(c) An annual report to the Congress shall be submitted by the Committee through the President, including an itemized statement of expenditures."

SEC. 2. Each member of the National Advisory Committee for Aeronautics not representing a Government department or agency who may be appointed initially to fill any vacancy created by the increase in the membership of the Committee authorized by the amendment made by the first section of this act shall serve under such appointment for a term expiring December 1, 1950.

SEC. 3. The following parts of acts are hereby repealed:

(a) That portion of the ninth paragraph following the caption "Pay, miscellaneous," in the act entitled "An act making appropriation for the naval service for the fiscal year ending June 30, 1916, and for other purposes," approved March 3, 1915 (38 Stat. 930; U. S. C., title 49, sec. 243), which reads as follows ": *Provided*, That an annual report to the Congress shall be submitted through the President, including an itemized statement of expenditures."

(b) That portion of the paragraph following the caption "National Advisory Committee for Aeronautics," in the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes," approved July 1, 1918 (40 Stat. 650; U. S. C., title 49, sec. 242), which reads as follows: ": *Provided*, That the Secretary of War is authorized and directed to furnish office space to the National Advisory Committee for Aeronautics in governmental buildings occupied by the Signal Corps."

(c) That portion of the first paragraph following the caption "National Advisory Committee for Aeronautics," in the act entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes," approved April 22, 1926 (44 Stat. 314; U. S. C., title 49, sec. 244), which reads as follows: "hereafter to be known as the Langley Memorial Aeronautical Laboratory."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to promote the national defense by increasing the membership of the National Advisory Committee for Aeronautics, and for other purposes."

USE AND OCCUPANCY OF NATIONAL FOREST LANDS

The bill (H. R. 1809) to facilitate the use and occupancy of national forest lands, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2142) to make the Government-owned alcohol plant at Muscatine, Iowa, available for processing agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes, was announced as next in order.

Mr. BUTLER. Over.

The PRESIDENT pro tempore. The bill goes over.

LIGNITE RESEARCH LABORATORY IN NORTH DAKOTA

The Senate proceeded to consider the bill (H. R. 2453) to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, line 8, after the word "conserving", to insert "lignite coal."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry, was announced as the next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill goes over on objection.

The bill (S. 2242) to authorize for a limited period of time the admissions into the United States of certain European displaced persons for permanent residence, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill goes over on objection.

AUTHORIZATION FOR CONSTRUCTION OF BRIDGES IN MARYLAND

The bill (S. 2201) supplementing the act entitled "An act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State," approved April 7, 1938, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the State of Maryland, by and through its State Roads Commission or the successors of said commission, is hereby authorized to construct, maintain, and operate, subject to the provisions of subsection (b) of section 502 of the General Bridge Act of 1946, (1) a bridge across or a tunnel under the Chesapeake Bay, in the State of Maryland, from a point in Anne Arundel County at or near Sandy Point to a point approximately opposite on Kent Island, or a combined bridge and tunnel at such location, and approaches thereto, and (2) a bridge across or a tunnel under the Patapsco River in the city of Baltimore from a point at or near the mouth of North West Branch to a point approximately opposite at or near Fairfield, and approaches thereto.

SEC. 2. The State of Maryland, by and through its State Roads Commission or the successors of said commission, is hereby authorized to fix and charge tolls in accordance with the laws of the State of Maryland for the use of each of the structures and facilities the construction of which is hereby authorized and to use such tolls in accordance with the laws of the State of Maryland for the purposes hereinafter provided.

SEC. 3. The State of Maryland, by and through its State Roads Commission or the successors of said commission, may unite or group either or both of the bridges heretofore constructed in accordance with the provisions of the act approved April 7, 1938 (52 Stat. 205), across the Susquehanna River and the Potomac River with either or both of the structures and facilities the construction of which is hereby authorized into one or more projects for financing purposes. The

rates of tolls charged for the use of each of the structures or facilities so included in any such project shall be so adjusted in accordance with the provisions of said act of April 7, 1938, as to provide in the aggregate a fund not to exceed an amount sufficient to pay the reasonable costs of maintaining, repairing, and operating all of the structures or facilities included in the project, and their approaches, under economical management, and to provide a sinking fund sufficient to amortize the aggregate cost of the structures or facilities hereby authorized included in the project, and their approaches, including the principal and interest on revenue bonds issued for financing such costs, and such portion of the aggregate cost not yet amortized of the said bridges across the Susquehanna River and the Potomac River included in the project, and their approaches, including reasonable interest and financing costs, as soon as possible under reasonable charges but within a period not exceeding 40 years from the date of completion of the last completed structure or facility included in the project. Within the afore-mentioned period of 40 years, tolls may be charged and continued to be charged for the use of any of the structures or facilities included in any such project and adjusted at such rates as may be necessary to provide a fund sufficient to pay any revenue bonds, with interest thereon and any lawful premium for the retirement thereof before maturity, heretofore or hereafter issued for the financing of such project or any of the structures or facilities included therein, or for the refunding from time to time of said bonds, or any of them, or of any such refunding bonds. Nothing in this act shall be construed as authorizing tolls to be charged for the use of any one or more of the hereinabove named structures or facilities for the purpose of financing any structure or facility not authorized by this act and by said act of April 7, 1938.

SEC. 4. After a sinking fund sufficient to amortize the cost of the structures or facilities in any such project and sufficient to pay the principal and interest and any lawful retirement premium on revenue bonds issued as aforesaid with respect to such project shall have been so provided the structures or facilities included in such project shall be maintained and operated free of tolls.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

JOINT RESOLUTION INDEFINITELY POSTPONED

The joint resolution (S. J. Res. 187) authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs was announced as next in order.

Mr. AIKEN. Mr. President, inasmuch as the substance of the joint resolution was incorporated in the European recovery program bill which was passed Saturday night, I ask unanimous consent to have the joint resolution taken from the calendar.

The PRESIDENT pro tempore. Without objection, the joint resolution is indefinitely postponed.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948, was announced as next in order.

Mr. WHERRY. Mr. President, I ask unanimous consent that the concurrent resolution may be made the pending business tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the resolution goes over.

DISPOSITION OF SURPLUS REAL PROPERTY FOR USE AS PUBLIC PARKS

The Senate proceeded to consider the bill (S. 2277) to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic-monument sites, and for other purposes.

Mr. ROBERTSON of Wyoming. Mr. President, I ask that a small amendment may be made in the bill, on page 2, in line 1, after the word "subdivision", to insert "instrumentalities thereof."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 13 of the Surplus Property Act of 1944 (55 Stat. 756), as amended, is further amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of this act, any disposal agency designated pursuant to this act may, with the approval of the Administrator, convey to any State, political subdivision, instrumentalities thereof, or municipality, all of the right, title, and interest of the United States in and to any surplus land, including improvements and equipment located thereon, which, in the determination of the Secretary of the Interior, is suitable and desirable for use as a public park, public recreational area, or historic monument, for the benefit of the public. The Administrator, from funds appropriated to the War Assets Administration, shall reimburse the Secretary of the Interior for the costs incurred in making any such determination.

"(2) Conveyances for park or recreational purposes made pursuant to the authority contained in this subsection shall be made at a price equal to 50 per cent of the fair value of the property conveyed, based on the highest and best use of the property at the time it is offered for disposal, regardless of its former character or use, as determined by the Administrator. Conveyances of property for historic-monument purposes under this subsection shall be made without monetary consideration.

"(3) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection—

"(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed for a period of not less than 20 years, and that in the event that such property ceases to be used or maintained for such purpose during such period, all or any portion of such property shall in its then existing condition, at the option of the United States, revert to the United States; and

"(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interests of the United States."

SEC. 2. Section 13 (f) of the Surplus Property Act of 1944, as amended, is amended to read as follows:

"(f) Except as otherwise provided by this section, the disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this act except (1) transfers to Government agencies under section 12 of this act, as amended; (2) disposals to veterans under section 16 of this act, as amended; and (3) purchases made under section 208 (a) of the joint resolution entitled "Joint resolution to extend the succession, lending powers, and functions of the Reconstruction Finance Corporation," approved June 30, 1947 (61 Stat. 202). Disposals of real property to States, political subdivisions, and instrumentalities thereof for any of the purposes specified in section 13 (a) (1) (A), section 13 (a) (1) (B), section 13 (c), section 13 (d), section 13 (e), section 13 (g), or section 13 (h) of such act, as amended, shall be given priority over all other disposals of property provided for in this act except transfers to Government agencies under section 12 of this act, as amended. The Administrator may prescribe a reasonable time during which any such priority shall be exercised."

SEC. 3. The second sentence of section 208 (a) of the joint resolution entitled "Joint resolution to extend the succession, lending powers, and functions of the Reconstruction Finance Corporation," approved June 30, 1947 (61 Stat. 202), is amended to read as follows: "The purchase of surplus property under this section shall be given priority under the Surplus Property Act of 1944, as amended, immediately following (a) transfers to Government agencies under section 12 of such act, as amended; (b) disposals to veterans under section 16 of such act, as amended; and (c) disposals of property to States, political subdivisions, and instrumentalities thereof under section 13 (a) (1) (A), section 13 (a) (1) (B), section 13 (c), section 13 (d), section 13 (e), section 13 (g), or section 13 (h) of such act, as amended."

POST-OFFICE BUILDING, PORTLAND, OREG.

The bill (H. R. 4967) to provide for the acquisition of a site and preparation of plans and specifications for a new postal building and for remodeling of the existing main post-office building in Portland, Oreg., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

PURCHASE OF POST-OFFICE SITE, OMAHA, NEBR.

The bill (H. R. 4836) to authorize the purchase of a new post-office site at Omaha, Nebr., was considered, ordered to a third reading, read the third time, and passed.

SITE FOR FEDERAL BUILDING AT HUNTINGTON, W. VA.

The bill (H. R. 3506) to provide for the acquisition of a site for a new Federal building in Huntington, W. Va., adjoining existing Federal buildings there, as an economy measure, before land values have increased as a result of improvements, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2287) to amend the Reconstruction Finance Corporation Act as amended, and for other purposes, was announced as next in order.

On objection, the bill was passed over.

PROMOTION OF EMPLOYEES IN THE FIELD POSTAL SERVICE

The bill (S. 2181) to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related

purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That if an employee in the field postal service was promoted, after September 15, 1940, and before January 1, 1948, to the position of special clerk or to any other position not then in an automatic grade, and the promotion was unauthorized by law only because the employee was then absent on military furlough, the promotion is hereby ratified.

SEC. 2. Such an employee is hereby relieved of all liability to refund to the United States any amounts paid to him as a result of the promotion; and in the audit and settlement of the accounts of any postmaster, or of any other designated disbursing officer of the Post Office Department or postal service, the amounts paid as a result of the promotion shall be considered to have been authorized. Any amounts heretofore credited to the employee or refunded by him to the United States on account of any overpayment made as a result of the promotion shall be repaid out of any money available for the payment of salaries of employees in the service in which he is employed.

Mr. KNOWLAND subsequently said: Mr. President, with the consent of the chairman of the Committee on Post Office and Civil Service, I ask unanimous consent that the committee be discharged from further consideration of House bill 5315, and that the Senate proceed to consider the bill. The House bill is identical with Senate bill 2181, Calendar 1018, which the Senate passed today. House bill 5315 was passed by the House on March 1 and came to the Senate on March 2. In view of the fact that the House and Senate bills are identical I believe the legislation would be expedited if the House bill were considered and passed, and the Senate bill indefinitely postponed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from California that the Committee on Post Office and Civil Service be discharged from further consideration of House bill 5315, which is a bill identical with Senate bill 2181, which was passed on the call of the calendar today? The Chair hears no objection, and the committee is discharged from the further consideration of the bill.

Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 5315) to ratify the administrative promotions of employees on military furlough from the field postal service in certain cases, and for related purposes, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. The Senator from California further asks that the vote by which Senate bill 2181 was passed be reconsidered, and that the bill be indefinitely postponed. Without objection, the order is made.

STAMPS IN COMMEMORATION OF EIGHTY-FIFTH ANNIVERSARY OF GETTYSBURG ADDRESS

The joint resolution (S. J. Res. 158) to authorize the issuance of a special series of stamps commemorative of the eighty-fifth anniversary of Lincoln's Gettysburg Address, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to prepare for issuance on November 19, 1948, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the eighty-fifth anniversary of Lincoln's Gettysburg Address.

STAMP IN HONOR OF THE FIVE CIVILIZED TRIBES OF INDIANS IN OKLAHOMA

The joint resolution (S. J. Res. 189) to provide for the issuance of a special postage stamp in honor of the Five Civilized Tribes of Indians in Oklahoma was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That, to commemorate the centennial celebration of the Trail of Tears, the Postmaster General is hereby authorized and directed to issue a special postage stamp bearing the likeness of the great seals of the Five Civilized Tribes of Indians in Oklahoma: Choctaw, Chickasaw, Cherokee, Creek, and Seminole. Such stamp shall be issued in the denomination of 3 cents and for such a period, beginning October 15, 1948, as he may determine. Such special stamp shall be placed on sale in Muskogee, Okla., 1 day before it is made available to the public elsewhere.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 154) authorizing the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the poultry business in the United States was announced as next in order.

The PRESIDENT pro tempore. Is there objection?

Mr. BARKLEY. Mr. President, may I inquire about the joint resolution? What is the object of celebrating the beginning of the poultry business, whether it began 100 years ago or whenever it started? I should like to have a little explanation of that.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. THYE] reported the bill.

Mr. BARKLEY. Some years ago Congress discouraged the issuing of special stamps, coins, and things of that nature, in commemoration of special events. The joint resolution apparently does not relate to a given date when the poultry business started in the United States. I should like to have a word of explanation from some Senator.

Mr. THYE. Mr. President, the joint resolution was introduced by the Senator from Connecticut [Mr. BALDWIN] who is absent. It was referred to me, as chairman of the subcommittee of the Post Office and Civil Service Committee. I suggest that it go over until such time as the Senator from Connecticut may be present to make an explanation.

The PRESIDENT pro tempore. The joint resolution will be passed over.

STAMPS COMMEMORATIVE OF THE ONE HUNDREDTH ANNIVERSARY OF THE CREATION OF THE TERRITORY OF MINNESOTA

The resolution (S. J. Res. 178) to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to prepare for issuance on March 3, 1949, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the one hundredth anniversary of the creation of the Territory of Minnesota.

STAMPS COMMEMORATIVE OF THE ONE HUNDREDTH ANNIVERSARY OF THE COMING OF THE SWEDISH PIONEERS

The joint resolution (H. J. Res. 251) to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the coming of the Swedish pioneers to the Middle West was considered, ordered to a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 155) rescinding an order of the Federal Power Commission authorizing redevelopment of the Wilder Dam project was announced as next in order.

Mr. BARKLEY. Over.

The PRESIDENT pro tempore. The joint resolution will go over.

EXTENSION OF SMALL BUSINESS COMMITTEE

The resolution (S. Res. 191) extending the authority of the Special Committee To Study the Problems of American Small Business, and increasing the limit of expenditures, was announced as next in order.

The PRESIDENT pro tempore. Is there objection?

Mr. HOLLAND. Over.

The PRESIDENT pro tempore. On objection, the resolution will be passed over.

Mr. WHERRY. Mr. President, if the Senator making the objection will withhold it for a moment, I should like to explain the purpose of the resolution. It is very necessary that the resolution should be agreed to if the Small Business Committee is to be extended for the remainder of the session. The life of the committee terminates on the 1st day of April. If that is to occur, and if that is what the Senate wants, it is imperative that the personnel of the committee be notified now. The resolution asks for a continuance of the committee for the remainder of this Congress. When this Congress terminates, the committee likewise would terminate. It is not requested that it be extended into the next Congress.

I know that there are those who feel that because it is a special committee it should not be continued. But the Members of the Senate will recall that when the resolution was considered at the last session, a compromise was reached under which the date of termination was fixed at April 1. At that time I stated that while I felt the committee should be continued until the termination of the Congress, if there were no need for it, and if a standing committee had in the meantime taken over the work, I would

not ask for its continuance. I feel that no standing committee has taken over the work of the special committee at this time. I feel that with passage of the ERP legislation, it is very necessary in connection with the question of quotas and licenses that the authority of the committee be extended. I do not want to take up time debating the merits of the Small Business Committee, except to say that if there is objection, I shall ask that the resolution be made a special order, in view of the fact that the personnel would have to be notified as to whether or not they shall continue after the 1st of April. I hope that objection will not be made, inasmuch as, unless the resolution is agreed to, the committee will terminate on April 1.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. Yes; I am glad to yield.

Mr. BARKLEY. I note that the resolution also carries an additional appropriation of $50,000 for the remainder of the session.

Mr. WHERRY. That is correct.

Mr. BARKLEY. The Senator in the beginning referred to the remainder of the session. Of course, it is not limited to the remainder of the session. It is limited to the remainder of this Congress.

Mr. WHERRY. That is what I meant.

Mr. BARKLEY. That would be the 3d of next January. How much money has the Senate appropriated for this special committee from the very beginning?

Mr. WHERRY. I might say to the distinguished Senator that the first year there was an appropriation of $50,000. The committee kept within the budget. The committee has a personnel of 13 members, 5 or 6 of whom are secretaries and stenographers. There are 6 or 7 very able men that make up the personnel.

Mr. BARKLEY. I am not questioning that.

Mr. WHERRY. The second appropriation was for $50,000. That was to run until the 1st day of April. In my absence, a week or so ago, the committee received an additional appropriation, I think, of $10,000 or $11,000, with which to pay all the expenses and all the salaries that would be earned until the 1st day of April. So that there has been appropriated and will have been spent a total of about $110,000 or $111,000, as of April 1, 1948. We have kept within the budget proposed at the beginning. When the resolution was adopted, the initial appropriation was for $50,000; at another time, it was for $50,000. The $10,000 provided under a special resolution will pay the expenses up to the 1st day of April of this year.

Mr. BARKLEY. If Senate resolution 191 shall be adopted, the sum will amount to $150,000, will it not?

Mr. WHERRY. It will be for the entire period of the Eightieth Congress.

Mr. BARKLEY. I was speaking about the amount of money which has been used since the Small Business Committee was created.

Mr. WHERRY. If the Senator wants to go back to when the committee was first created, in 1941 or 1942, of course——

Mr. BARKLEY. That is what my inquiry was.

Mr. WHERRY. I cannot give the Senator the figures offhand.

Mr. BARKLEY. Mr. President, I am not on the committee and I do not want too many prerogatives with respect to it, but I should like to ask this question: The Senator is aware of my well-known views with regard to special committees. We have been trying to taper them off and, finally, to discontinue them entirely.

Mr. WHERRY. That is correct.

Mr. BARKLEY. If this resolution should be agreed to, either at this time or under a motion to take it up, which the Senator can make at any time, may we have the assurance that no effort will be made to extend it beyond this Congress?

Mr. WHERRY. It so happens that my term as United States Senator will terminate this year, and it would be rather embarrassing for me to answer that question, inasmuch as I may not be in the Senate next year. But the same question was raised by some of the Republican Members, and I believe I can say, with assurance, that several Members are in the same position in which the Senator from Kentucky finds himself. They feel that if the committee is to continue it should not be as a special committee; that if it is to continue at all, it should come under the provisions of the Reorganization Act, by action of both Houses. Personally I feel it involves a great deal of work, and so far as I am concerned, if it be the will of the Congress to terminate the committee, I should like to have an early vote on it. I personally feel that it should be continued. I again call the attention of the distinguished Senator from Kentucky to the fact that I voted for the reorganization plan and that I share his belief relative to the existence of special committees under the provisions of that act.

I want to say, as sincerely as I possibly can, that there is no standing committee which can take up the work of the Small Business Committee at this time and serve the purpose needed to be served for the small-business man. I should like to see the committee continued until this Congress shall terminate. There will be no more requests from me for any further extension.

I am satisfied that the amount of money requested will be sufficient to continue the committee. If there shall be any balance remaining it will be turned back into the contingent fund. Perhaps it should have been done under the first resolution, but I compromised on April 1, and said we would be in the middle of the session and the committee should continue until Congress should terminate, and then the next Congress could do what it saw fit with reference to the matter. I am as anxious as is the minority leader or as is the Senator from New York [Mr. IVES] or as one or two other Senators who have expressed their views, that if the committee is to continue it should be continued as a joint committee and not as a special committee of the Congress.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. STEWART. Mr. President, I would agree to the continuation of the Small Business Committee for the period requested in the resolution. The committee has performed fine work. I served on it during the war period. During the past year I have not been a member of it, but I know something regarding its work, and I know it has rendered a fine service and, to my mind, a much needed service. It has served a group of persons who would otherwise have been unable to attract sufficient attention to secure the assistance which they actually needed. During the period of the war when there was great demand for assistance for small businessmen, the work done by the committee was appreciated by the group.

My information, from inquiry and because of the fact that I was connected with the Small Business Committee during the war days, leads me to believe at this time that the life of the committee should be extended. I should like to see it extended for the entire year. I did not support the reorganization bill; therefore I am not bound to the idea that we need to have the work done through a regular standing committee. I think that would be a mistake. I think far better service can be rendered by a special committee. I hope that the modest request presented in the resolution will be granted.

Mr. CAPEHART. Mr. President, in connection with the question which has been raised, I think we can approach this problem from a practical standpoint. The Banking and Currency Committee has a subcommittee, of which I am chairman, to handle small-business questions. In my personal opinion it would be impossible for the Banking and Currency Committee to take over the functions of the Small Business Committee for the remainder of the year. Even if that should be attempted, I think the Banking and Currency Committee would be forced to ask for an additional appropriation. I question the advisability of discontinuing the Small Business Committee. I have been a member of it for 2 years, and, in my opinion, it has served an excellent purpose.

Prior to 2 years ago the annual appropriation, if I remember correctly, was approximately $150,000. I think the committee served a useful purpose under the able chairmanship of the Senator from Montana [Mr. MURRAY]. I think it has served an equally useful purpose under the chairmanship of the able Senator from Nebraska [Mr. WHERRY]. Possibly, beginning with next year, the functions of the committee might be lodged within the Banking and Currency Committee. I believe that committee can so organize itself at that time as to handle the problem, but I question the advisability of discontinuing the special committee for the remainder of this year, because the staff is a very efficient one; it is working well. Every day the committee looks after the interest of many small-business men. They have come to look upon the committee as their

committee, and each day many of them are in contact with it.

I strongly recommend the continuance of the committee for the remainder of this year, and recommend that after that time the Senate give careful consideration to transferring the functions of the committee to the Banking and Currency Committee which now has a subcommittee to handle such problems. At this time they have no appropriation and no staff for the purpose.

The PRESIDENT pro tempore. The time of the Senator from Indiana has expired.

Mr. IVES. Mr. President, under normal conditions I should be opposed to any kind of a special committee of the Senate. I do not think this type of committee belongs within the purview of the Legislative Reorganization Act, or, at least, that it is in line with the interpretation which I think should be placed upon the functioning of the Senate under that act. However, I think we have here a particular instance in which an exception should be made. Had this committee not started operations a year ago and been continued as it has been to the present time, I think I should still be opposed. But, under the circumstances, as the committee has under consideration problems pertaining to steel, oil, export controls, and other questions which are extremely important to our domestic economy at the present time, crossing, as they do, the activities of at least half a dozen of the standing committees, I think it would be a very serious mistake to discontinue the committee at this time. Whether or not it should be continued or revived after the present year, is something not under discussion at the present time. I feel very strongly that the committee, as it now stands, should be continued for the remainder of the year.

Presumably in the future, if this work is to be carried on by a special committee of any nature, it should be carried on by a joint congressional committee. It so happens that the work of the two committees, the committee of the House and the committee of the Senate, sometimes collides, sometimes parallels. This type of work is so important that there never should be a condition in which there would be any collision or contradiction in the work of the committees involved. Under the circumstances, I feel very strongly that the committee should be allowed to complete its work this year.

Mr. THYE. Mr. President, I wish to concur in the able remarks of the junior Senator from New York on the question of the continuance of this special committee. It has done a most commendable work in the State of Minnesota in assisting the businessmen solve their problems in the reconversion period. I think the committee should be permitted to continue.

Mr. LANGER. Mr. President, I wish to join the Senators who have spoken in favor of continuing the committee. In my State of North Dakota we had a serious problem regarding fuel oil. At times many small towns were absolutely unable to get fuel oil. I know that my distinguished colleague and I time and time again went to the committee for assistance. I remember one time when a group of veterans at Jamestown were living in trailer camps, cold weather came on suddenly, and this committee was able to get the fuel oil for them almost overnight. They have also done a very fine piece of work in connection with farm machinery, and in helping out in the boxcar situation. They are thoroughly conversant with conditions in my State, and I hope that for the remainder of this year the committee may be continued under the excellent chairmanship of the distinguished Senator from Nebraska.

Mr. REED. Mr. President, I wish to concur in what has been said by the junior Senator from New York [Mr. IVES]. A year ago I was reluctant to see this special committee continued. The situation in which we find ourselves now with regard to steel alone justifies the continuance of the committee.

I speak with some experience in that field. I happen to be chairman of the subcommittee of the Committee on Interstate and Foreign Commerce handling the freight car question. I realize the full importance to the country, and to the small-business men, especially in connection with the steel situation, to have the committee continued. I think these reasons are sufficient, without anything else, to justify continuing the Small Business Committee as presently constituted.

Mr. COOPER. Mr. President, last year, when this question came up, I was not only reluctant to vote for the continuance of the committee, but I voted against it. It is my position now, as it was then, that unless some satisfactory reason is shown to the contrary there should be no variation from the rule that ordinarily all legislative matters be considered by regular committees, yet Congress did authorize the formation of this committee, and in the year since its authorization, it has made studies among others in steel, oil, and pipe, all critical commodities which will be of continuing value to the Senate and to the House of Representatives. A great part of the value of this work may be lost if the committee is abolished at this time. It should be continued until the end of the session. For this reason I intend to vote for its continuance until that time.

Mr. BARKLEY. Mr. President, I do not intend to object to the consideration of the resolution, but I wish to occupy 5 minutes in presenting my theory with reference to this subject.

I have a feeling that committees are established in order to make investigations looking to legislation. The committee in question has not been a legislative committee. So far as I recall, no legislation has come out of it. It has functioned rather as a liaison committee between the Capitol and the executive departments, doing work which probably otherwise would be done by senatorial offices, in the matter of bringing to the attention of the executive departments complaints of business institutions within the various States.

I do not think it is the function of a committee, whether it is a regular committee or a special committee, to act as the agent of particular institutions in bringing situations to the attention of the executive departments. The only proper theory upon which investigations can be made, either by regular or special committees, is that they will recommend legislation designed to cure whatever evils may be found as a result of investigation.

I have no doubt that during the war period, when there was a plethora of applications and requests, and efforts were made to get contracts with the various departments, this committee was of service to a large number of institutions of the country. But I should not like to see it continued permanently as an organized liaison agency between the Congress and the executive departments. Therefore I hope that if the committee shall be continued—and I imagine it will be, whether on this call of the calendar or on a motion to be made—it will terminate its work at the end of this year, and whatever function is necessary on the part of any investigation looking to legislation to cure evils, will be carried on by the regular committees of the Senate.

As I have said, I do not intend to object now, inasmuch as we will have to deal with the matter a little later if we do not adopt the resolution on this call of the calendar. Personally, it seems to me, we might as well not object to it, but let it be agreed to.

The PRESIDENT pro tempore. Is there objection to the consideration of the resolution?

Mr. HOLLAND. I object.

Mr. WHERRY. I serve notice now that immediately after the call of the calendar is completed, I shall move to make this resolution a special order following the conclusion of the independent offices appropriation bill. My only reason for doing that is that we might as well have a vote on the question one time as another, because if the committee is not to be continued, I feel duty bound to notify the personnel that their services are no longer needed.

REDEVELOPMENT OF THE WILDER DAM PROJECT

Mr. AIKEN. Mr. President, I inquire who objected to Order No. 1024, Senate Joint Resolution 155, rescinding an order of the Federal Power Commission authorizing redevelopment of the Wilder Dam project.

This joint resolution is intended to correct a very grave injustice committed against the State of Vermont and its people, and also persons who live in sections of New Hampshire. It was given a fair and full hearing by the Committee on Public Works, and, as I understand, was unanimously approved by the committee. It would simply give the State of Vermont the right of appeal to the courts in this matter, which had previously been denied them. I should like to know who objected.

The PRESIDENT pro tempore. The Chair is unable to advise the Senator from Vermont who objected, unless it was the Senator from Kentucky.

Mr. BARKLEY. Mr. President, the Chair is entirely in error in his statement. I stated at the outset of my remarks that I would not object to the consideration of the bill.

The PRESIDENT pro tempore. The Chair is now referring to Order of Business 1024, Senate Joint Resolution 155.

Mr. BARKLEY. I thought the Chair was referring to the resolution for the continuance of the Small Business Committee.

Mr. AIKEN. Mr. President, I should like to know who objects to Senate Joint Resolution 155.

The PRESIDENT pro tempore. Is the Chair wrong in believing that the Senator from Kentucky objected to consideration of Calendar 1024, Senate Joint Resolution 155?

Mr. BARKLEY. I did not object to that.

Mr. AIKEN. The joint resolution requires the Federal Power Commission to reopen the case, so that the State of Vermont may have opportunity to appeal its decision in this particular case.

The PRESIDENT pro tempore. The Chair will again submit the question for the Senator from Vermont. The clerk will state the joint resolution.

The CHIEF CLERK. A joint resolution (S. J. Res. 155) rescinding an order of the Federal Power Commission authorizing redevelopment of the Wilder Dam project.

The PRESIDENT pro tempore. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 155) rescinding an order of the Federal Power Commission authorizing redevelopment of the Wilder Dam project, which had been reported from the Committee on Public Works with amendments.

The first amendment was, on page 6, line 3, to strike out all after the enacting clause and insert:

That, notwithstanding the time limitation provisions of section 313 of the Federal Power Act, as amended, any party to the proceeding in the matter of the Bellows Falls Hydro-Electric Corp. (project No. 1892), in which proceeding the Federal Power Commission issued its order of October 31, 1946, may, within 30 days after the date of the enactment of this joint resolution, apply to the Federal Power Commission for a rehearing of such proceeding; and, after the filing of an application or applications for such rehearing, the procedures, including the review of any order of the Federal Power Commission, shall be as provided in section 313 of the Federal Power Act, as amended; and the Federal Power Commission is hereby directed to amend the amendment to the license of the Bellows Falls Hydro-Electric Corp., dated June 19, 1947, issued pursuant to the order dated October 31, 1946, to the extent necessary to make such amendment conform to any order issued pursuant to such rehearing and review.

The amendment was agreed to.

The PRESIDENT pro tempore. The amendment to the preamble will be stated.

The CHIEF CLERK. It is proposed to strike out the original preamble and insert a new preamble, as follows:

Whereas the Federal Power Commission, by order dated October 31, 1946, authorized the issuance of an amendment to the license of the Bellows Falls Hydro-Electric Corporation so as to provide for redevelopment of the Wilder Dam project (project No. 1892) on the Connecticut River near the towns of Hartford, Vt., and Lebanon, N. H., which redevelopment would result in raising the elevation of the water at the dam to 385 feet above mean sea level; and

Whereas at hearings held jointly by the Federal Power Commission and the Water Control Commission of the State of New Hampshire the agricultural interests represented were overwhelmingly opposed to raising the water level to 385 feet, as contrasted with 380 feet, on the ground that irreparable damage to the agricultural economy of the Connecticut River Valley would result from flooding, seepage, and other damage to hundreds of acres of rich farmland, by constructing the dam at an elevation of 385 feet as contrasted with 380 feet, and that the land thereby forced out of cultivation would so unbalance the agricultural economy of the affected part of the valley as to disrupt the farming of the areas; and

Whereas the power company contended that farmland in the amount of only 363 acres in New Hampshire and 266 acres in Vermont would be flooded, which does not take into account the land that would be rendered useless for agricultural purposes by seepage, rising of the water table, and other harmful effects upon land that is "water logged" but not flooded, and the harmful effects upon land the use of which for agricultural purposes is dependent upon the availability of comparatively level meadlowland which would be made unavailable because of the flooding or "water logging" caused by the construction of a dam at an elevation of 385 feet as contrasted with 380 feet; while, on the other hand, testimony of representatives of agriculture showed that a substantially greater acreage of fertile farmland would be rendered unproductive both in Vermont and in New Hampshire, by raising the water at the dam to a 385-foot as contrasted with a 380-foot elevation; and

Whereas it was shown at the hearings that the area so to be rendered unproductive furnishes a material portion of the milk supply of greater Boston; and

Whereas it was shown at the hearings that the power company had not made a thorough study of the effect of the project on the agricultural economy of the Connecticut River Valley, one of the most productive farming areas in the United States; and

Whereas the serious inroads that have been made upon the soil resources of the Nation in its brief history warrant a rehearing of this matter and a review of any order of the Federal Power Commission therein; and

Whereas the construction of a dam at an elevation of 385 feet as contrasted with 380 feet will not relieve the hazards of floods but will, in fact, create an additional hazard by eliminating the natural storage basin which would otherwise serve the upper reaches of the river; and

Whereas the actual construction of the dam has not been begun; and

Whereas public sentiment among the residents of the immediate areas and of the States of Vermont and New Hampshire in general indicates strong opposition to the building of such dam to an elevation of more than 380 feet; and

Whereas, due to extenuating circumstances existing for more than 30 days immediately following the entry of the hereinbefore mentioned order of the Federal Power Commission on October 31, 1946, the parties to the proceeding who oppose the construction of a dam at an elevation of 385 feet, as contrasted with an elevation of 380 feet, did not file an application for a rehearing within the 30-day period provided by section 313 of the Federal Power Act; and

Whereas, in the light of the foregoing and for other reasons apparent from the record, it is clear that there are several matters arising out of the building of a dam at an elevation of 385 feet, as contrasted with 380 feet, which affect the general welfare of the public and have a direct bearing on the question of whether a dam at an elevation of 385 feet, as contrasted with a dam at an elevation of 380 feet, will constitute a substantial burden on commerce and a substantial obstruction to the free flow of products in commerce; and

Whereas a rehearing by the Federal Power Commission and a review by the circuit court of appeals of the United States, in accordance with the provisions of section 313 of the Federal Power Act, as amended, excepting the provisions limiting the time for an application for such rehearing, would enable the presentation of additional evidence bearing on such matters and a thorough consideration and careful determination of the important questions involved: Therefore be it

The amendment to the preamble was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution providing for a rehearing in the matter of the Bellows Falls Hydro Electric Corp. (project No. 1892), known as the Wilder Dam project, and a review of any order of the Federal Power Commission therein."

BILLS PASSED OVER

The bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1949, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. The bill will be passed over on the call of the calendar.

EXCLUSION OF CERTAIN VENDORS OF NEWSPAPERS FROM CERTAIN PROVISIONS OF SOCIAL SECURITY ACT, ETC.

The bill (H. R. 5052) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code was announced as next in order.

Mr. PEPPER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. MILLIKIN. Mr. President, may I inquire what Senator objected to the present consideration of House bill 5052?

Mr. PEPPER. It was I who objected, Mr. President.

Mr. MILLIKIN. I wish to say to the Senator that the bill was considered by the Senate Finance Committee and was unanimously reported. I hope the Senator's objection is not an adamant one.

Mr. PEPPER. Mr. President, it is my information that the bill is substantially the same as the bill which the President vetoed last year or at an earlier date. Within the last few minutes I read the President's veto message, and I thought the bill was one which deserved fuller discussion than we would be able to give it under the 5-minute rule. For that reason, I should like the bill to go over at least until it can be looked into a little further, and perhaps it can be considered on the next call of the calendar.

Mr. MILLIKIN. The President did veto a similar bill. We are hopeful that on further consideration he may not take the same view of it now.

Mr. PEPPER. Mr. President, I should like to have the bill go over until the next call of the calendar, unless the Senator from Colorado is disposed to move to take it up.

The PRESIDENT pro tempore. The bill will be passed over.

That completes the calendar.

LONG-RANGE AGRICULTURAL PROGRAM

Mr. AIKEN. Mr. President, on July 26, 1947, the Senate approved a resolution authorizing and directing the Senate Committee on Agriculture, or any duly appointed subcommittee thereof, to make a study of the trends, needs, and problems of agriculture in the United States, Territories, and possessions and to report to the Senate the results of its studies with such recommendations as it might deem desirable.

Pursuant to this resolution, the chairman of the Senate Committee on Agriculture [Mr. CAPPER] appointed the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Iowa [Mr. WILSON], the Senator from Minnesota [Mr. THYE], the Senator from Oklahoma [Mr. THOMAS], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Illinois [Mr. LUCAS], and myself a subcommittee authorized to carry out the purpose of this resolution.

As chairman of the subcommittee, I wish to say that I have never worked with a more cooperative committee. The members have performed their work diligently and thoroughly and at no time has there been any conflict in the pursuit of our objective.

I wish also at this time to express our appreciation to the leaders of all major farm organizations, Federal and State officials, and farm people who have cooperated to the fullest extent.

The subcommittee began its work on October 1 and on February 4 submitted a comprehensive report to the full Committee on Agriculture and Forestry.

On the same day, the full committee approved and adopted this report.

The committee realized, however, that the work was not ended with the submission of the report with its findings and recommendations. If we did nothing more to carry out our own recommendations, all the work would have been lost.

From the time this report was submitted to the Senate, the subcommittee has been engaged in the preparation of a bill to effectuate a long-range farm program as recommended by our report.

We have now completed the preparation of such a bill and I am very happy to introduce it today on behalf of all the members of our subcommittee.

Let me say here, Mr. President, that while there has been no difference of opinion whatever among the seven members of the subcommittee regarding the objectives of a long-range program, it is only natural that on such a vast and intricate undertaking, involving as it does every region in the United States, every agricultural commodity and numberless local and regional conditions, it was inevitable that there could not be complete agreement regarding every detail of a bill such as this.

It should be understood that no member of the committee is bound in any way to support all the provisions of the bill as it is or to refrain from offering amendments or otherwise improving it according to his views.

The bill, however, does so closely reflect the opinion of all the members of the subcommittee that we have unanimously agreed to join in its introduction.

After a reasonable length of time for study of the bill by interested persons and organizations, hearings will be held before the full committee. At such hearings specific testimony and recommendations for changes will be heard, after which the full committee will incorporate such changes as it deems advisable into the bill and report it to the Senate.

Now, as to the bill itself, I wish to briefly point out its most pertinent provisions.

First, it provides for a Bureau of Agricultural Conservation and Improvement within the Department of Agriculture to take over the work which up to now has been performed by the Soil Conservation Service and the Agricultural Conservation Program except that the educational, informational and demonstrational features of these activities will be transferred to the Extension Service and the research and investigational work to the experiment stations.

The creation of a single agency is in line with the recommendations made by the Department of Agriculture last fall.

The bill provides that the regional offices of the Soil Conservation Service be abolished, but that the Secretary of Agriculture may set up offices to do special work at the request of two or more States.

The bill provides greater authority to State and local levels for carrying on soil-improvement practices.

It provides for farmer-elected county associations and State councils. The State councils will develop plans and programs which are to be approved by the Secretary of Agriculture.

The State councils and local committees are to operate these plans, exercising such authority and handling such payments to farmers as the plans may call for.

This arrangement meets the general demand for farmer control of operating agencies at State and local levels.

There is provision for a National Agricultural Council representing producers, consumers, processors and distributors to advise the Secretary of Agriculture and the Congress on matters pertaining to agriculture.

The bill provides for the coordination of the research and educational work of the Department of Agriculture by a coordinator who will work directly under the Secretary at all times.

The work of the Farmers Home Administration will be transferred to the State agricultural council.

The provisions of section 8 of the Soil Conservation and Domestic Allotment Act are extended from December 31, 1948, to December 31, 1952.

It is necessary to provide this extension in view of the fact that less than half of the States have enacted the legislation necessary for them to take over this work on a grant-in-aid basis at this time.

The bill provides a new parity formula, using the latest 10-year period as a base, but also leaving in the bill the right to use the old base period as an alternative. This is because of the fear expressed by some that adoption of a new base period would be harmful to cotton and tobacco producers.

Therefore, we have left both provisions in the bill so as to provide for a full discussion of this subject in the committee hearings.

The bill does not include the cost of farm labor in the new parity formula, although many think this should be included; and after the hearings by the full committee it is entirely possible that it will be.

The list of basic commodities remains unchanged except that for purposes of support, wool is to be treated as a basic commodity.

The bill provides a new method of supporting prices of farm commodities.

The aim is to provide a support for farm income rather than a support based upon commodity prices alone.

Therefore, a variable level of support is adopted, which according to the supply of each commodity will run from 60 to 90 percent.

As supplies become burdensome, the support level is dropped to encourage diversion to other more needed crops. As supplies become short, the support level rises, thus encouraging greater production of the commodities most needed.

There is a provision in the bill that when unusual conditions arise, the National Agricultural Council and the Secretary of Agriculture may raise or lower the support level to meet such conditions, but in no case higher than 90 percent or lower than 60 percent of parity.

The old law of 1938, to which agricultural support will revert on January 1, 1949, unless new legislation is enacted, provides for support levels of from 52 to 75 percent on a commodity basis.

The bill which is introduced today provides for a mean average of support of 75 percent of parity and is thus more encouraging to agricultural production than the 1938 act.

The bill designates specific conditions under which basic commodities owned by the Commodity Credit Corporation may be disposed of.

Although the committee recognizes the necessity for maintaining a reasonable level of prices under nonbasic agricultural commodities, such as meat, dairy products, fruit, poultry, and vegetables, yet we cannot find any fixed formula for this purpose which appears to be workable.

The most practicable method of supporting commodities of a perishable nature appears to be through a purchase program conducted by the Secretary of Agriculture as burdensome surpluses appear.

Therefore, the bill provides that section 32 funds may be accumulated up to a total of $300,000,000 for carrying out this purpose.

If the time should come when such sum is inadequate to meet the need, we may rest assured that a national emergency would exist and emergency measures would have to be resorted to.

I have expressed briefly the provisions of this bill. I think there is no need for me to point out the urgency of the situation and the advisability of adopting a long-range farm program as soon as possible.

Although we have surpluses of many perishable commodities in the United States today, yet the production of other important commodities, such as meat and dairy products, is in diminishing supply in comparison to increased needs.

Only a small percentage of our farmers have the means to gamble on the future. They must know under what conditions they are to produce and sell their products, and they must know soon.

It is the hope of the subcommittee of the Committee on Agriculture and Forestry, which has made this study and is offering this bill, that a complete and well rounded long range farm program may be on the statute books before this Congress adjourns.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS, 1949

Mr. WHERRY. Mr. President, I move that the Senate proceed to the consideration of House bill 5214, the independent offices appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5214) making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

CONTINUATION OF JOINT COMMITTEE ON HOUSING

Mr. SPARKMAN. Mr. President, the Senator from Wisconsin [Mr. McCARTHY] is also interested in the matter to which I am about to refer.

Today the Joint Committee on Housing filed its report. Under the resolution establishing the joint committee, it is supposed to expire today. The House has already passed a concurrent resolution extending it to June 30 of this year. In the committee meeting a few days ago the committee members decided to ask for an extension for 60 days, not for the purpose of holding any additional hearings, not for the purpose of preparing an additional report, but for the purpose of clearing up the business in the office. No additional appropriation would be required. In fact, it is my understanding that the staff as a whole will not be retained, but only a sufficient number to do the routine work of cleaning up.

The chairman of the committee, Representative RALPH GAMBLE, of New York, stated that his office simply could not do the work which would be required.

I, therefore, ask unanimous consent that the Committee on Banking and Currency of the Senate be discharged from the further consideration of House Concurrent Resolution 155, in order that it may be taken up and passed at this time with an amendment which I shall send to the desk.

The PRESIDENT pro tempore. The Senator from Alabama asks unanimous consent that the unfinished business be temporarily laid aside for the purpose of considering House Concurrent Resolution 155, which is now in the Committee on Banking and Currency. Without objection, the Committee on Banking and Currency will be discharged from the further consideration of the concurrent resolution.

Is there objection to the request of the Senator from Alabama?

Mr. WHERRY. Mr. President, I may say that I have consulted the Senator from Delaware [Mr. BUCK], and he has assured me that the committee is in complete accord with respect to this resolution. Therefore, I know of no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the resolution (H. Con. Res. 155) to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That section 3 of the concurrent resolution entitled "Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing" (H. Con. Res. 104, 80th Cong.) is hereby amended to read as follows:

"SEC. 3. The committee shall from time to time report to the Senate and the House of Representatives the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable. The committee shall make a preliminary report not later than March 15, 1948, and shall make its final report not later than June 30, 1948. Reports under this section may be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, if the Senate or the House of Representatives, as the case may be, is not in session."

Mr. SPARKMAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Alabama will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "shall", it is proposed to strike out "from time to time"; in line 8, after the name "House of Representatives", it is proposed to insert "not later than March 15, 1948"; in line 11, after the word "advisable", it is proposed to strike out the remainder of the concurrent resolution and insert in lieu thereof "For administrative purposes of concluding its business the committee is authorized to continue until May 15, 1948."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

ORDER OF BUSINESS

Mr. McCARTHY obtained the floor.

Mr. McCARTHY. Mr. President, the senior Senator from Minnesota [Mr. BALL] has a very brief statement to make. If I may yield without losing the floor so that he may make his statement, I should like to do so.

The PRESIDENT pro tempore. The Senator will lose the floor when he yields but he will be recognized later.

Mr. McCARTHY. Mr. President, may I ask unanimous consent to yield without losing the floor?

The PRESIDENT pro tempore. The Senator may do so.

The Senator from Wisconsin asks unanimous consent, without losing the floor, to yield to the Senator from Minnesota [Mr. BALL], who wishes to address the Senate. Is there objection?

Mr. REED. Mr. President, appropriation bills are supposed to have at least some priority in consideration. I do not wish to be unreasonable, but it was announced on Saturday that following the call of the calendar the independent offices appropriation bill would be made the business of the Senate. It is proposed to displace it for things which have not the importance of the appropriation bill. As the Senator in charge of the appropriation bill, I feel constrained to object.

The PRESIDENT pro tempore. Objection is heard. The Senator from Wisconsin [Mr. McCARTHY] still has the floor, unless he wishes to yield under the circumstances indicated by the Chair.

Mr. McCARTHY. The circumstances indicated by the Chair are agreeable to me.

LABOR-MANAGEMENT RELATIONS

Mr. BALL obtained the floor.

Mr. PEPPER. Mr. President, if the Senator will yield to me, I should like to state that I am afraid the Senator from Florida will not be able to be in the Chamber during all the report to be made by the Senator from Minnesota. I simply wish to state for the RECORD that the Senator from Montana [Mr. MURRAY] and I, as two members of the joint committee from which the Senator from Minnesota is about to make a report to the Senate, at a subsequent time expect to file a separate report, to which I desire to call attention at this time.

Mr. BALL. Mr. President, during the morning hour, as chairman of the Joint Committee on Labor-Management Relations, and in conformity with section 403 of the Labor-Management Relations Act of 1947, I filed with the Senate a preliminary report on the operation of the act and the other studies the Joint Committee was directed to make.

This is a progress report consisting chiefly of a factual history of the operation of the law which Congress passed last year, of the various cases which have arisen under it, and the trend of decisions.

The Labor-Management Relations Act of 1947, commonly referred to as the Taft-Hartley Act, became law on June 23, 1947; but the amendments to the National Labor Relations Act did not become fully effective until August 22, 1947, 60 days later. We have had nearly 7 months of operation under the law since it became fully effective. Clearly, that is not sufficient time to evaluate completely the effects of all phases of this long and technical statute. Many phases of the law are still in the process of being interpreted by both the National Labor Relations Board and the courts, and

final conclusions on them must await further experience.

However, the act has been in operation long enough to give the country a reasonably accurate idea of how its provisions are actually working in practice. The committee finds that on the whole the act is working out very well. It appears to be achieving most of the objectives sought by its authors and sponsors, and so far no serious problem in labor relations has arisen for which the act does not provide an adequate remedy.

A summary of the findings of the Joint Committee is printed beginning on page 2 of the report which I have filed, and I now ask unanimous consent that this summary be printed at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF FINDINGS

In the light of the studies and inquiries that have been carried on in the first 6 months of operation of the Labor-Management Relations Act of 1947 the committee feels warranted in making certain affirmative findings, even in the possibility they may be modified in some slight degree in the committee's final conclusions and recommendations. The committee takes this action in view of the fact that in over-all application, and basically controlling aspects, this law is working well, without undue hardship upon employer or employee, and promoting the adjustment of labor problems equitably and in more friendly and cooperative relationships. The committee finds—

1. A large proportion of the officers of labor organizations have complied with the requirement to file non-Communist affidavits, and in many other instances the memberships of unions have acted decisively to compel compliance of reluctant officers or to remove them for failure to do so.

2. An aggregate of 4,447 international, national, and local unions had met compliance requirements on February 29, 1948. Of these, 78 were of AFL's 105 internationals; 27 were of CIO's national and international unions; and 35 were national and unaffiliated unions. Among local unions meeting compliance requirements, 3,192 were AFL locals; 421 were CIO locals; and 694 were locals of unaffiliated unions.

3. The number of secondary boycotts is steadily decreasing. The few cases in which the new law has been used as a means of terminating them have conclusively demonstrated its effectiveness. The already established precedent is serving as a strong deterrent.

4. A great number of jurisdictional strikes are being settled without necessity of formal action and prevalence of such strikes is declining. Facts are persuasive that these disputes can best be adjusted by parent unions, and under provisions of the new act a growing number of parent unions are assuming this responsibility. The building-trades department of the American Federation of Labor, working with National Associations of General Contractors, have reached agreement in principle on a plan of Nation-wide application which holds promise of solving the great majority of such disputes without recourse to the facilities of the National Labor Relations Board.

5. Unfair labor practice complaints against employers filed with NLRB under the Labor-Management Act are still far in excess of similar complaints filed against unions. In the first 5 months of the law's operation 1,306 charges of this nature were filed against employers, 355 charges against unions. Two hundred of the charges against unions were filed by employers, the remainder being filed by individuals and other unions.

6. After a slow start a strong trend has set in among labor unions to accept responsibility to comply with restrictions on compulsory union membership. Increasing use of the act's procedures for obtaining union-shop contracts is being made. In September 10 petitions for such contracts were filed with NLRB; in January 1948, 2,119; with a total of 4,217 in the first 5 months of the law's operation. The building-trades unions to whom the closed shop has been most traditional have agreed to the use of the act's orderly procedure to obtain union-shop contracts.

7. Traditional and identifiable groups of skilled workers are being organized and recognized in craft units in a rapidly growing number of instances, and creating a more satisfactory condition of employer and employee relationships for workers whose skill, vocation, and special community of interest are best served through the craft form of organization.

8. Strikes, in number, in man-days of idleness, and in total number of workers affected, have steadily declined in each successive month since the law became operative. The committee has substantial reason to believe the 60-day-notice requirement, the prohibition of jurisdictional strikes and strikes in support of secondary boycotts, the provision making unions suable for breach of contract, the more equitable balancing of rights of employers and employees, and other adjustment procedures set up in this law, are serving with growing effectiveness in discouraging strikes and controversial work stoppages.

9. Wages, either in average hourly earnings or in over-all take-home pay, have not suffered through operation of any of the law's provisions. The Bureau of Labor Statistics reveals that average hourly earnings of all industrial workers increased in monthly progressions from $1.236 in August to $1.277 in December.

10. Many unions have made substantial gains in membership as the law has become fully operative, especially as a result of union-shop contracts entered into by majority choice of employees, and the larger measure of control over unions conferred upon members by the law's provisions. In illustration, the AFL's International Teamsters' Union has acquired approximately 100,000 new members since passage of the act.

11. Settlement of disputes, and the expeditious adjustment of differences has been facilitated in every instance coming to the attention of the committee. The most difficult disputes in adjustment are those, in an exceptionally few cases, in which one of the parties has resisted compliance with the law and acceptance of its provisions and procedures.

12. Rights of individual workers, in job security, in seniority, in the disposal of grievances, and in relationships with employers, have in no wise suffered under the law's provisions. On the contrary, there is persuasive evidence that guaranties of the rights of employees are materially strengthened and clarified under terms of the act which prescribe boundaries of the rights of employers and unions.

13. Elimination of Communist partisans and adherents from official posts and positions of responsibility, in both national and local unions, is one of the most pronounced and significant effects of the Labor-Management Relations Act, 1947. There are still unions, in a steadily declining number, however, whose officials have not filed non-Communist affidavits in compliance with the law. A number of unions have fully met this provision with the ouster of officials who have failed to meet this statutory requirement.

14. The revision in the organization and procedures of the National Labor Relations Board made necessary by the act has operated to promote more public confidence in that Board, and the Board members themselves express considerable satisfaction with the changes.

15. Gains to the public welfare and the national economy are to be recognized in all of the substantial advances under the law. Growing stabilization in labor relations, and in equitable adjustments of differences, cannot be measured quantitatively. Beyond question these gains are outstanding among the law's effects and benefits, and evident in terms of more unbroken employment, uninterrupted wages, rising production, and a growing volume of industrial activity.

Mr. BALL. Mr. President, last December the joint committee issued a statement urging anyone who had knowledge of any specific injustice or inequity resulting from the law to communicate the facts of such a situation to the committee. We announced our intention of investigating any such reports and, if necessary, holding public hearings. That statement was widely publicized and was printed in the CONGRESSIONAL RECORD; but to date, Mr. President, no instance of a specific inequity or injustice resulting from the operation of the act has been called to the committee's attention.

I think it would be helpful to the Senate at this point to review some of the charges against the law, which were made immediately preceding and following its passage, in the light of the facts as the joint committee has found them.

I might say at this time that, in spite of the record, these charges, in very general terms, are still being repeated. But I would emphasize that they are general charges, not supported by facts, and do not go to the specific provisions of the law or to specific cases of alleged injustices under it.

One of the most frequently heard charges was that the Taft-Hartley Act would result in a large increase of industrial strife and work stoppages. So far, the exact opposite has been the case. On page 32 of the report, the strike statistics compiled by the Bureau of Labor Statistics, month by month for the year 1947, are printed, showing the number of strikes and the number of man-days idle for each month. The table shows a decrease both in the number of strikes and in the man-days idle every month from July through December. In July, there were 300 strikes with 4,000,000 man-days lost, while in December there were 120 strikes and 500,000 man-days lost. It is not the contention of the committee that the operation of the law is solely or even primarily responsible for this decrease in the volume of work stoppages. However, the figures do show that the law certainly has not caused any increase in the volume of strikes.

Another charge frequently heard, and still repeated, was that the Labor-Management Relations Act was a "slave labor act" which would destroy the rights of individual employees.

The facts conclusively prove this charge to be unfounded. In the first 5 months of the law's operation, 1,306 charges of unfair labor practices against employers were filed with the National

Labor Relations Board, while only 355 charges of unfair labor practices were filed against unions. Of the total, only 200 charges against unions were filed by employers, the other 155 charges against unions being filed by other unions or individual employees. What this demonstrates is what all of us know to be a fact, namely, that the protection of employees' rights guaranteed in the National Labor Relations Act was not weakened in any respect by the Taft-Hartley Act. The five unfair practices of employers, listed in section 8 (a) of the new law, were unchanged except for the proviso on compulsory union membership; and the great bulk of charges filed with the National Labor Relations Board still are filed under one or more of these five subsections.

The new law does list unfair practices of labor unions; but, contrary to the fears of unions, no tendency has been exhibited either by employers or employees to deluge the National Labor Relations Board with charges against unions, as demonstrated by the relative number of unfair-practice charges filed against employers and against unions.

Another charge against the law, almost too ridiculous to mention, was that under its operations, employers would be able to reduce wages generally and would take advantage of that opportunity. Again, the facts are the best answer to the charge. The Bureau of Labor Statistics shows that the average hourly earnings of industrial employees in January of 1947 were $1.16 an hour, had increased to $1.22 in June 1947, and by December 1947 had further increased to $1.28 an hour.

Another charge made while the act was being considered was that the provisions in title III authorizing suits for damages against unions for breach of contract or for engaging in secondary boycotts would so harass unions with litigation they would be unable to carry on their normal economic activities effectively.

These provisions of the law became effective on July 23, 1947, and in nearly 9 months only 26 suits have been filed under these sections. Ten of them alleged breach of contracts, 6 alleged illegal secondary boycotts, 3 charged jurisdictional disputes, 2 alleged violence in picket lines, and in 5 cases the committee does not have information on the specific complaint. The employers were plaintiffs in only 21 suits, unions in 3, and individuals in 2. Thus far, 8 of the 26 suits have been dismissed pursuant to settlement agreements between the parties.

Twenty-six suits measured against the thousands of local and international unions and upward of 50,000 collective-bargaining contracts in this country does not appear to sustain the charge that the law would involve unions in endless litigation.

As a matter of fact, in personal conversations with labor-relations attorneys, members of the committee have received the somewhat plaintive complaint that litigation in labor relations has dropped off very considerably since passage of the law. These reports indicate that disputes are being settled at the bargaining table rather than in court, which is far the better method of settlement. One attorney told me recently that a year ago he was devoting all his time to his labor-relations practice, and that it now only took about one-fourth of his time. The fear of excessive litigation under the act simply has not been realized.

Finally, we heard frequently the charge that the law would inject the Government into every bargaining negotiation and substitute Government edicts for collective bargaining. While there are no statistics available on this point, and the committee has not been present at the bargaining conferences, all the reports it has received indicate that, far from destroying collective bargaining, the operation of the act has tended to produce more real collective bargaining and encourage the settlement of most disputes by bargaining than at any time since the beginning of the Second World War.

Mr. President, I would like to review very briefly the way in which the act has operated in respect to some of its major changes in prior labor-relations laws.

One of the major changes in the law made by the Taft-Hartley Act was the outlawing of secondary boycotts and jurisdictional strikes. Both activities were made unfair practices for unions and were made subject to damage suits. Between August 22, 1947, and February 1, 1948, a total of 132 charges alleging secondary boycotts were filed with the National Labor Relations Board. During that time, the Board filed petitions for injunctions to stop boycotts in nine of the cases. Fifty-five of the charges were withdrawn, adjusted, or dismissed in the regional offices.

In several key cases injunctions were granted, and in a number of others the mere filing of the charge stopped the secondary boycott. It is the opinion of the committee, after studying the facts, that this section of the law is proving very effective in eliminating the secondary boycotts which were threatening to damage the economy very seriously, as well as destroy the right of employees to freely choose their own bargaining representatives.

The record on jurisdictional disputes is equally satisfactory. Although the National Labor Relations Board has initiated formal action in only one jurisdictional dispute since the act became effective, it has been successful in effecting settlements of these disputes without the necessity of formal action. Several such cases are cited in the body of the report.

But probably the outstanding achievement is the negotiation between the building trades unions of the AFL and the National Association of General Contractors and its affiliated groups of a Nation-wide plan for settling jurisdictional disputes in the construction industry without work stoppage. The construction industry has been plagued by this type of dispute for several decades and the joint committee considers the approaching settlement of the problem there to be a major step forward.

Another major change in the law was that which outlawed the so-called closed shop and permitted a union shop only if authorized by a majority of the employees affected. Generally, unions seem to be accepting that provision of the law and the number of petitions asking for authorization elections being filed with the Board is increasing steadily. Notably, the building trades, where the closed shop has prevailed for many years, has worked out with General Counsel Robert N. Denham and the National Labor Relations Board a plan for holding the authorization elections in that industry, and the committee commends these unions on their approach to the union-security problem.

This provision of the law does appear to be directly responsible for a number of current stoppages in the printing industry, where the International Typographical Union has enjoyed a closed-shop contract for many years. Rather than seek a union shop, the ITU decided not to seek a formal contract but to post working conditions which would achieve a closed shop by bypassing the law.

This situation has resulted in several strikes and in several cases pending now before the Board. The committee is of the opinion that the ITU could, with profit and credit to itself, follow the example of the AFL building trades and obtain the union security it seeks under the new law.

One of the major changes made by the law was the separation of judicial and prosecuting functions of the National Labor Relations Board, with the prosecution and investigation placed under the General Counsel. Members of the joint committee, members of the National Labor Relations Board, and the General Counsel are all agreed that this separation of functions has worked out very well and is achieving the objectives sought by Congress.

The requirement that union officers file non-Communist affidavits in order to utilize the services of the National Labor Relations Board in processing complaints and petitions caused some confusion at first and there were many threats to by-pass the law. However, in recent months, more and more union officers, both international and local, have complied with this provision and are utilizing the processes of the law, and the provision appears to be working out as its sponsors had hoped, namely, by spotlighting those local and international unions whose officers are Communists or fellow travelers. In several instances, the rank-and-file members have either removed officers who refused to file affidavits or have insisted that the officers file.

The committee is making the studies of so-called welfare funds and multi-employer or industry-wide bargaining which the act directs it make. However, these studies have not progressed to the point where the committee is prepared to reach any conclusions or make any recommendations.

Three questions which may eventually necessitate amendment of the law are covered in the report. One involves the problem of jurisdiction of the Federal law and of State boards which have been established in many States. The act provides that the National Labor Relations Board may cede jurisdiction to a State board in certain predominantly

local cases where the State agency follows policies not in conflict with the Federal law. The National Labor Relations Board has found it impossible to make any such agreement because of the fact that no State laws, at present, are similar enough to the Federal law to justify such agreements. The committee is continuing to study this problem in cooperation with the Board and will have more to say about it in its final report.

One of the sections of the law which received much publicity is the amendment to the Corrupt Practices Act making unlawful political expenditures by unions as well as corporations. The Department of Justice has now started two prosecutions and the committee is following them closely to keep abreast of court interpretations of this section. The whole subject is also pending in a bill before the Senate Rules and Administration Committee. The committee is not making any recommendations at this time, pending interpretations of the section by the courts—which have decided only one case under the Corrupt Practices Act in its entire history—so that there are practically no judicial interpretations by which to be guided.

The third problem which concerns the committee is that of expediting the consideration of cases by trial examiners and the National Labor Relations Board. Although the National Labor Relations Board is keeping abreast of its cases currently, the backlog is still large and the time required to decide cases is longer than is consistent with good labor relations. The Board is studying methods of speeding up the determination of cases, and the committee will follow closely its efforts.

The joint committee, as part of its general assignment of studying the whole field of labor relations, undertook to make studies of the labor relations history and practices in a number of individual companies. The procedure is for two staff members to make an on-the-spot study, contacting both management and employees' representatives, and write a preliminary report. The preliminary report is then gone over by the committee and, after revision, submitted to both management and employees for their comments before a final report is published. Several such reports are attached to the report which I have filed today. I think all members who are interested in labor relations will find them very profitable, even though we have not completed enough of them to draw any final and definite conclusions.

Particularly, I would call the attention of Senators to the study of the Botany Mills, at Passaic, N. J., where the management and the union, which happens to be the CIO textile workers, have apparently solved the problem of communications by a joint school for all foremen and supervisors on one hand and all union shop stewards and officials on the other. The two groups attend the same classes and discuss the terms and provisions of the collective-bargaining contract, and the result has been a uniform interpretation which has tended to eliminate, to a large degree, the grievances and disputes over the meaning of the contract which cause much difficulty in some cases.

The report on the George A. Hormel Co., a meat-packing plant at Austin, Minn., includes a detailed study of the guaranteed annual wage plan which this company and its union pioneered. The study of the Lincoln Electric Co., at Cleveland, Ohio, a nonunion plant, describes the incentive system which has been developed in that company to a point where the production bonus of the average employee is more than 100 percent of his base pay, and where the income of the average employee is over $6,000 a year.

I commend the report, Mr. President, to my colleagues in the Senate and also to the people of the United States, particularly to those who are interested in the subject of labor relations.

Mr. SMITH subsequently said: Mr. President, I desire to add a few words to the statement made a few moments ago by the Senator from Minnesota [Mr. BALL] with regard to the preliminary report of the Joint Congressional Committee on Labor-Management Relations. I feel that the Senator was unduly modest in presenting the report. As a member of that committee, I should like to make a few remarks about the significance of this particular work.

I think the report may well be characterized as a "blueprint for watchdog congressional committees." I give the Senator from Minnesota the credit for what he has done for the committee in setting up a staff for the continuous observation of everything that is going on in connection with the Taft-Hartley labor bill. But beyond that, we have all been deeply interested in the investigations conducted by the committee, which of course most of the Members of Congress have not had an opportunity of attending. I refer to the studies of such matters as welfare funds, industry-wide bargaining, incentive pay, the annual wage, and specific plant studies, which have been undertaken by the committee. In this connection I have always been profoundly interested in developing the right kind of environment for the worker and his family in our American life, in the way he can receive a proper reward for his contribution to national production, and in the way he can be stimulated by proper incentives to be a part of the enterprise in which he is engaged. This report makes an impressive beginning in the approach to labor-management relations.

After all, labor-management relations come down to the simple but important problem of human relationships. The great size of our industrial establishments has tended to break down the personal family relationships of the smaller industry of bygone days. In dealing with people in the mass, we unfortunately have been tending to treat labor as a commodity to be bought and sold for a price, a commodity which has been coldbloodedly bargained for. Therefore, it is necessary to find some way to correct this atmosphere of antagonism and come back to recognition of the principle that in order to attain the production we will need for both the prosperity of our country and other countries, there must be a happy environment in which the individual works, and where he becomes enthusiastic about the quality and quantity of his industry's output. It must be a partnership principle; we must in some way see to it that management takes a more personal interest in the welfare and prosperity of the workers, while the workers have a more personal understanding of the problem of management.

Naturally, I was particularly gratified to find that during the course of investigations and reports of this committee, the Botany Mills, Inc., of Passaic, N. J., referred to by the Senator from Minnesota, was cited as having developed a conspicuous example of excellent relations between management and labor. Col. Charles F. H. Johnson, president, is an industrialist of proved ability and was highly praised in the report as being an outstanding example of management leadership. By his sincere acceptance of, and cooperation with, the unions, he has contributed materially to the welfare of his workers. By his positive and consistent labor policy he has inspired their loyalty and confidence. The report also commented most favorably upon the assistance of Mr. C. F. H. Johnson, Jr., vice president, and Maj. Gen. Irving J. Phillipson, retired, director of industrial relations for the firm. I was also pleased to note that this splendid contribution from management was complemented by equally high-caliber leadership on the part of labor under the guidance of Emil Rieve, president of Textile Workers Union of America, CIO; George Baldanzi, executive vice president; and Charles Serraino, chairman of the Passaic joint board of the Textile Workers Union of America, CIO.

These leaders of labor and management have worked out an admirable program of friendly cooperation. This program includes important activities of recreation, education, vocational instruction, and other benefits for workers. In short, this splendid example set by this company illustrates by practical demonstration the theory that labor-management problems are a matter of human relations. The Passaic Botany Mills is to be warmly complimented for this progressive contribution which it has made to a new era in labor-management relations.

The Senator from Minnesota [Mr. BALL] is heartily to be congratulated for the intelligent and enthusiastic way in which he has organized the work of our committee.

Mr. MURRAY subsequently said: Mr. President, earlier this afternoon the Senator from Minnesota [Mr. BALL] filed a report from the Joint Committee on Labor-Management Relations. I wish to point out that certain of the minority members of the committee are not in accord with the report as filed, and it is the intention of those minority members of the committee to file a detailed statement analyzing the report at a later time.

The PRESIDENT pro tempore. The Senator from Florida gave similar notice some time ago.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS, 1949

The Senate resumed the consideration of the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1949, and for other purposes.

Mr. REED obtained the floor.

Mr. SMITH. Mr. President, will the Senator yield in order for me to make a few remarks with reference to the statement just made by the Senator from Minnesota?

Mr. REED. Mr. President, I should like to accommodate my colleagues. If this is a unanimous-consent request which will not consume more than a moment, I should be willing to yield. I do want to have the appropriation bill passed today so that it can go to the House and go to conference. I do not want to yield if the Senator from New Jersey wishes to make a speech. If he does, I hope he will wait until his own time.

The PRESIDENT pro tempore. Any Senator can be recognized on any amendment. There is no amendment yet pending. The Senator from Kansas has the floor. Does the Senator from Kansas wish to ask unanimous consent that the committee amendments be first considered?

Mr. REED. Mr. President, I was going to ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The PRESIDENT pro tempore. The clerk will state the first amendment.

Mr. REED. Mr. President, I wanted to make a very brief statement. This year the four largest items in the independent offices bill have been held back in the House. They are the War Assets Administration, the Veterans' Administration, the Maritime Commission, and the Atomic Energy Commission. Whether they will come over in four separate bills or in one bill I do not know. I wish to call attention, however, Mr. President, to the fact that the bill, in the form in which it is reported by the committee, shows a decrease of 9.7 percent under the budget, and a decrease of 2.4 percent under the House bill. It is one of the few bills containing a reduction of appropriations provided by the House with which I have had experience in the Senate.

I now ask to have the bill read for committee amendments.

The PRESIDENT pro tempore. The clerk will read the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Executive Office of the President, the White House Office," at the top of page 3, to insert:

For additional personal services for the White House Office to meet emergencies that may arise, $200,000.

Mr. McCARTHY obtained the floor.

Mr. IVES. Mr. President, will the Senator yield?

Mr. REED. Mr. President, I should like to call attention to the fact that if Senators yield for other than a question, I shall invoke the rule of the Senate.

The PRESIDENT pro tempore. The Senator is entitled to invoke the rule. A Senator may yield only for a question.

Mr. IVES. I do not know that I can accomplish my object through a question.

Mr. SMITH. Mr. President, I requested the Senator from Kansas to yield for 2 minutes in order to make a statement in connection with the remarks made by the Senator from Minnesota [Mr. BALL].

The PRESIDENT pro tempore. The Chair calls the attention of the Senate to the fact that if a Senator yields for anything other than a question, the regular order may be called for.

Mr. SMITH. I do not want to jeopardize the position of the Senator from Wisconsin.

HOUSING FACILITIES

Mr. McCARTHY. Mr. President, under the 5-minute rule this morning I briefly discussed what I think is one of the most important domestic problems facing this Nation. It is the question of housing. I introduced a bill this morning which was the result of approximately 12 months of very intensive work. During the course of my discussion I shall refer to it as my bill, but I wish to make it very clear that I do not claim it is the result of my thinking alone. It is the result of the thinking of a vast number of persons, a great number of groups, all the way from San Francisco to New York and from New Orleans to St. Paul.

In opening, I should like to commend the Senator from Alabama [Mr. SPARKMAN] for the outstanding job which he did in working out special housing aids for paraplegic veterans; that is, veterans who have suffered spinal-cord injuries and are doomed to a wheel chair for life.

I should like also to commend the untiring efforts, labor, and cooperation on the part of Mr. Richard Gray, the head of the International A. F. of L. Building Trades Union, and his committee. I believe I named the committee this morning.

With the indulgence of the Senate I wish briefly to run through the bill and explain what we hope to accomplish. I will say, incidentally, that each and every provision of the bill has received the unanimous endorsement of the joint housing committee. The only point upon which the committee was not unanimous was in connection with public housing which is not in my bill. I shall later discuss that point.

The committee was convinced, after hearings and conferences held in every major city in the country, that the two most serious road blocks to adequate housing are, first, some 2,500 varying codes in the different cities in the United States, and second, the failure on the part of the building industry to standardize measurements in that industry. In fact, that is the only remaining industry in the Nation today that does not have a standardization of measurements.

All segments of the industry have quite heartily agreed that if we can accomplish this one thing, namely, standardization of measurements, in the building industry, it might well result in a saving of 25 or 30 percent in building costs. I might say also that it is unanimously agreed that if we can bring about a standardization of codes in this country, it will lend itself to infinitely more research on the part of some of the larger companies in efforts to get cheaper materials, which will also cut the cost of housing.

In this connection I should like to pay a special tribute to Mr. Baum, of St. Louis, who has been working for years on this problem of attempting to standardize codes. He and his organization, as well as other organizations, have done a tremendous amount of work toward getting some semblance of standardization.

Getting down to the bill itself, I shall go through it in considerable detail for the RECORD. The first matter taken up is the question of title VI, extension and amendments. Title VI is that part of the Housing Act which provides for liberal loan guaranties for the stimulation of housing.

Under the bill, title VI would be extended for 1 year, and an additional $2,000,000,000 in authorizations would be granted. This, Senators will understand, calls for no appropriation; it is merely an authorization to guarantee an additional $2,000,000,000 in loans. Half of this, however, would be earmarked for rental housing. That is a definite departure from what we are presently doing.

We make one other rather major change in title VI. We provide that for the so-called for-sale housing, that is, housing loans guaranteed under section 603, the basis for appraisal shall be the long-term value. The basis for the appraisal of rental housing shall remain the same.

We make another major change. Instead of having a $1,500-room limitation, we are providing for an $8,100-unit limitation. The reason for that is that we found, in our surveys throughout the country—and practically all of the regional FHA officers agreed—that this room limitation lends itself to a distortion in design to get more rooms without increasing living space and actually increases the cost.

Subsection (b) will affect solely the "prefab" manufacturers. As Senators will recall, last year we passed section 609 of the National Housing Act, which was designed to make it easier for the "prefab" manufacturers to get loans. This bill has been interpreted to mean that, unless the manufacturer has a buyer who will pay cash when the "prefab" job leaves the plant, he cannot get a loan. This, in effect, bars all loans to "prefab" manufacturers. We provide that where there is a firm commitment to buy a prefabricated house, plus a commitment for a loan guaranty when the building is set up on the lot, the loan can extend not merely to the time when the package leaves the plant, but to the time that it is set up on the lot.

We made quite a number of title II amendments. Frankly, those amendments are almost identical with the amendments suggested in the Taft-Ellender-Wagner bill, except that in that bill it is provided that there shall be a blanket increase in the per-unit loan

authorizations, whereas in our bill we restrict the increase to the cheaper homes, the idea being that we should attempt to keep from channelizing the scarce materials into the higher-priced homes. I shall not deal further with the details of the amendments in title II. They are of a technical nature.

We made a very substantial amendment to what is called the title I, class 3 loans, that is, the type of loans which cannot qualify for the general FHA loans under title 603 or title 608. For example, in cases where there are not improved streets and all the utilities are not available. Where a man cannot qualify for a title 603 or a title 23 loan, he has been pretty much out in the cold. There is now a $3,000 limit on title I, class 3 loans. We increase it to $5,000. The banks now just are not taking the title I, class 3 loans, when there are so many better loans available. So we are setting up a secondary market for that type of loan also.

I believe title II of my bill is of major importance. There are several bills in the House and the Senate attempting to accomplish the purpose underlying this title, but none proposing to meet the issue in the particular fashion here set forth. We propose to liquidate the Federal National Mortgage Association. That is the agency within the RFC which has been to some extent acting as a secondary market for FHA GI loans. We propose to liquidate that agency and set up an almost identical agency in FHA, a permanent agency, which will be available, not as a permanent purchaser of mortgages, but available at all times and in such areas as the Administrator finds necessary.

In that connection, we unanimously agreed that we had either to increase the interest rate or furnish a secondary market; that if we did not do that, the market would be pretty much blocked off for those getting FHA GI insured loans. We did not feel we should increase the interest rate substantially. However, we did do one thing, and this is the only thing, I believe, in the entire bill which the Joint Housing Committee has not approved. I have made this change in the bill since the committee met. I have made two changes, as a matter of fact. The bill was submitted to the Joint Housing Committee several weeks ago, and since our meeting I have made two changes, both at the instance of the gentleman from California, Representative FLETCHER, who introduced the companion bill in the House.

This amendment will provide that where and when the Secretary of the Treasury and the Housing and Home Finance Agency Administrator find that credit has dried up they may increase the maximum interest rate by one-half of 1 percent, but this cannot be done until both the Secretary of the Treasury and the Administrator agree that it is necessary.

When we get to Title III, Housing Research, it will be found that we have copied the ideas, almost in toto, of the Senator from Ohio [Mr. TAFT]. This I understand is something about which he feels very strongly, from what I hear. I think it is an excellent idea. It deals with setting up a division in the Housing and Home Finance Agency for coordinating research.

We have added one major thing to the section. It has been suggested to us from one end of the country to the other, and unanimously agreed that we should do it. We have provided that this Agency should have two major jobs to do, and if the Agency does those jobs well, then the bill will accomplish more than all the housing bills we have ever passed. We provide that the Agency's No. 1 and No. 2 functions shall be to work toward the standardization of codes and the standardization of measurements in the housing industry.

In that connection I may say that a segment of the industry has been working on the standardization of measurements for a number of years. They refer to it as modular coordination. It merely means that all buildings shall be planned and constructed in multiples of 4 inches. That will mean the retooling, of course, of the brick industry, to the end that there will be 7½-inch brick instead of 8-inch brick, so that by adding the plaster, the brick will be 8 inches.

That alone will cut out a tremendous amount of work of the plasterers in fitting window and door frames in brick and brick-veneer houses. Seventeen percent of the brick industry has done this already without benefit of legislation, but under the urging of this group which has been studying modular coordination. If we can accomplish the standardization of measurement and codes we will have done more toward improving the housing situation from the long-range standpoint than any and all other housing legislation has ever done.

Title IV: This has been the result of a tremendous amount of assistance which we have gotten from veterans' groups, the American Legion, the AMVETS, VFW, and some other groups. In this title we set up what is known as a veterans' cooperative section. It can be used by other than vets also, of course. The only difference between the section dealing with nonvets and the co-ops, which are composed principally of vets, is that in dealing with nonvets we provide 90 percent guaranteed loans, and where it is principally veterans we increase that to 95 percent. There is a difference between the co-op section, and any other co-op bill that has ever been introduced, so far as I know. We think this provision is realistic. We provide not merely that we shall give liberal loans, but we provide that there shall be available to the veteran groups and also the nonveteran co-ops technical assistance in setting up the co-ops and in drafting plans and so forth.

Then we get down to what is commonly known as yield insurance. There have been various yield insurance programs kicked around for the last 5, 6, or 10 years. Most of them have been aimed principally at attracting the money of the insurance companies. I hope we have succeeded in going beyond that, and making it attractive not only to the insurance companies but also to the industrial corporations and those labor unions which have large reserves.

We have made some minor changes in the first part. I might say here that we owe a great debt of thanks to two men who are not on the committee, in drafting this yield-insurance program. One is the gentleman from New York, Representative JAVITS, and the other is Professor Jones from Columbia University. Columbia University has worked on this for several months. It has received no pay for it. Our committee was not in a position to pay for it. What that cost Columbia I do not know. Mr. Jones has interviewed, I believe, practically every insurance head in the country to see what objections they had to the old yield-insurance plan in the Taft-Ellender-Wagner bill and the changes they wanted to make. Strangely enough, with one exception they all said they could not take advantage of the yield insurance in the old Taft-Ellender-Wagner bill that guaranteed the investor 2¾ percent. It provided that rents would be set to yield roughly 3¼ percent. It provided that if, because of efficient management, the equity investors made over and above 3¼ percent that up to 4 percent—and I do not like to bore the Senate with the technical details, but I should like to make the record complete—that up to 4 percent, one half of that surplus would be applied as amortization of the loan, and the other half could be considered as a profit by the company.

A number of companies tell us that under their charters, under the obligations they have to their policyholders, they cannot take advantage of this yield insurance program with this limitation. They merely insist that we increase the 4 percent to 5 percent. Senators should understand that will not cost the Federal Government 1 cent more. It will not affect the rents in any way. It is merely a question of bookkeeping on the part of the insurance companies. So we made that change.

Now we get down to what I think is the major portion of the bill, insofar as getting some cheap—I should not say cheap rental units—some low-rental units in the very near future. We offer a four-point program to an equity investor, realizing that we cannot get low-rental units with borrowed money. In other words, consider the title 608 program under which the FHA makes loans. The rents are set to yield about 6½ percent plus the amortization. The amortization period is between 25 and 32 years, so we have an additional figure of around 3½ percent. That brings the total up to a figure of 10 percent.

Under the yield-insurance program we start with a 3½-percent yield on the money. That can be done because the money involved is that of an equity investor. He is investing his own money, not borrowing it, plus a 2-percent amortization. So to show the difference between the two programs, we would start out with a 5½-percent yield on equity investment, whereas under title 608 it would begin with a 10-percent or upward yield on the investment.

Statisticians, with the aid of FHA—and I may say that FHA has given us unlimited assistance in drafting the bill and in ironing out the difficulties connected

with it—tell us that merely adopting the different formula will result in a rental saving of 2 percent. That still does not get us down to a low-rental house. In order to get down to a low-rental house, something that will appeal to the veteran, or any young man who is making thirty-five or forty dollars a week, the type of rental he can pay for, we are adding three additional incentives.

We provide that where the co-op or investor can produce rental units which will rent for less than $40 a month in the metropolitan areas of less than half a million, or less than $50 a month in the larger areas, that then they will receive three additional incentives.

No 1. They will receive more rapid depreciation for income-tax purposes. Again there is nothing new in that thinking. It is pretty much following the plan used to stimulate the production of war plants during the war time, except here we do not allow full depreciation. We propose a 10-percent depreciation over 5 years. In other words, a 50-percent depreciation in the first 5 years to squeeze the water out of the investment.

I might say that that will cost the Federal Government practically nothing, in that the depreciation will be taken someday anyway. We merely provide that for a maximum depreciation of 10 percent a year for 5 years instead of the usual 2½ percent.

I stand corrected on this. Originally my bill, as presented to the committee, provided that this tax depreciation would apply only to cheap rental units. Representative FLETCHER, who has joined me in introducing a similar bill in the House, and I went over this in some detail yesterday at his insistence. I first reluctantly agreed with him, but I more wholeheartedly concur now except I still do have some doubt as to the wisdom of his proposal which we adopted extending this tax depreciation to all rental housing, all the way up and down the line, on the theory that the more rental housing we can get, the cheaper the rental for the poor man finally will be.

No. 3. We provide income-tax exemption for those who will produce housing below these $40- and $50-a-month levels. That again is not giving the investor any consideration. That is not giving the landlord consideration because the rents are set by contract to yield roughly 3½ percent. It is a consideration for the tenant.

Fourth, we make it possible, in case a municipality feels that the $40 or $50 figure is too high, to add additional incentives, by way of a tax freeze for 5, 10, or 15 years, a long-term lease on lands which it holds or the donation of utilities, and so forth, so as to bring the rental down below the $40 or $50 figure. That is the maximum rent, not the minimum.

Any number of corporations, especially on the west coast, where there is difficulty in getting workers because of the housing situation to go into the new industries, have indicated almost unlimited interest in this plan. Their surveys indicate, so they tell us, that with these benefits they will be able to produce good rental housing units to rent for less than $40 a month.

When we get down to slum clearance, I may say that in our hearings from one end of the country to the other there was a great amount of misunderstanding as to just what is meant by slum clearance. Well-meaning people coming before us were using the terms "slum clearance" and "public housing" interchangeably. I believe that because of the emotional support of and opposition to public housing, the confusion between public housing and slum clearance has prevented the passage of a good slum-clearance program before this time. As Senators know, slum clearance is merely the job of demolition of blighted areas and marking down the cost so that the land can be sold to private industry for housing, sold to the city to be used as parks, or, if there is to be a public-housing program, perhaps sold to the housing authority.

In that connection, however, assuming that there might be a public-housing program—although I intend to oppose it—the idea of placing a public-housing project, federally owned and administered housing, in a slum area which has been cleared, has been largely disapproved by the planning committees in all the cities which we visited. Most of them feel that if they are to have a public-housing project they can get cheaper land and have a much better project if it is placed on the outskirts of a city where cheaper land is available. I mention that to show that there is no connection whatsoever between slum clearance and public housing; and if we can avoid confusing the two we can pass a sensible slum-clearance bill.

There was a slum clearance provision in the Taft-Ellender-Wagner bill, sensible, I think, up to a point. I hope that I am not misunderstood as criticising that bill. A great deal of common sense, work, and thought went into the drafting of that bill, and I feel that if its sponsors had not made the mistake of confusing public housing with the things so badly needed in the housing program, the bill would have been passed a year or two ago.

I think the slum-clearance program in that bill was sensible up to a point. We have adopted the same system of contribution, $2 on the part of the Federal Government for every $1 on the part of the municipality; but for some reason—I do not yet know why—in that bill it was provided that the slum clearance be paid for by a system of annual contributions over a considerable period of years. That, of course, meant setting up an intricate bookkeeping system on the part of the municipality and on the part of the Federal Government.

I believe that under the Taft-Ellender-Wagner bill there was an allowance of $350,000,000 for slum clearance. We have adopted what I think is a very liberal slum-clearance program. We provide for $500,000,000 by way of Federal grant. That is $350,000,000 less than was provided for in the Taft-Ellender-Wagner bill. I have talked to one of the sponsors of that bill, and he heartily agrees with me that we can get much more slum clearance with this $500,000,000, even under the increased costs, than would have been possible with the $850,000,000 under the plan of the Taft-Ellender-Wagner bill. I believe that the Joint Housing Committee agrees with me on the wisdom of paying by capital grant.

We make one further major addition to the slum-clearance program. We provide that no slum-clearance program shall be approved, and no Federal money shall be spent in any municipality which insists on continuing cost-increasing codes. That is one of the few clubs that we can give the agency within Housing and Home Finance Agency to try to accomplish the standardization of codes throughout the country.

There is nothing new behind the thinking in that respect. As of today, when we grant money for the building of roads, we do not throw it out hit and miss. We make sure that we get a dollar's worth for every dollar spent. The provision that under no circumstances will a city get Federal money for slum clearance unless and until it takes active steps toward providing a code which will do no more and no less than protect public health and safety, is a major step forward.

There are many technical sections in the bill which I do not believe would interest Senators greatly. We have the usual section 509 for the protection of labor standards.

In our hearings we found that there was a great deal of dissatisfaction—and this was restricted solely to veterans, because it concerns only them—because of a duplication of appraisal under what is known as the 505 (a) loan. That is the loan under which the FHA guarantees 90 percent and the VA guarantees 10 percent. We found that there was an appraisal by the Veterans' Administration, which, of course, ultimately was paid for by the man who purchased the home, and also an appraisal by the FHA, which resulted in a delay, as well as additional expense, and oftentimes in different appraisals. It was a source of irritation. People could not understand why two Government agencies were each making an appraisal, the appraisals often differing, to the extent that the sale of the home would be held up for 1 or 2 or 3 months. We called that situation to the attention of the VA and the FHA. Originally there was in the bill a section dealing with that problem. However, Mr. Foley, of Housing and Home Finance Agency, tells me that this will be unnecessary, and that they will give us their firm commitment—and they have gone a long way toward doing that already—that no longer will that situation exist. All the appraisal will be done by one individual, so that there will be no duplication of cost and no delay.

We have made one further substantial change. This, of course, applies only to the Housing Administration, but should, I believe, apply to all Federal bureaus. It is pretty well recognized that we cannot expect to get a man to operate a 2-billion-, 10-billion-, or 20-billion-dollar empire such as the heads of the housing agencies are now operating, at a salary only slightly in excess of what the skilled worker building a house can get.

For example, take Mr. Foley, who heads the Housing and Home Finance Agency, which will affect not only the

housing program for the entire country, but also the entire construction program. When he was promoted to the new job as Administrator for Housing and Home Finance Agency, under the law his salary was reduced from $12,000, to $10,000 a year. We promote the man and give him an infinitely more important job, and then reduce his salary.

I believe that as of today we have an excellent man in Mr. Foley and his chief counsel, Mr. Fitzpatrick. The same can be said of Mr. Richards. We cannot hope to continue to get competent men to operate these tremendous bureaus unless we pay some semblance of a decent wage, unless we come somewhere near what they can get in private industry for doing the same job.

Last year we had a Mr. Creedon in the housing agencies. I think we all agree that he was one of the most competent men we could have obtained. However, he found that he could not stay here and support his family on $10,000 a year.

Therefore in our bill we adopted the pay schedule recommended in the Flanders-Baldwin bill, which will provide for a salary of $17,500 for the Administrator of Housing and Home Finance Agency, and a salary of $15,000 for the heads of the constituent agencies. I still think that is too low. I doubt if we can compete with private industry by paying such salaries; but we are unanimously agreed that this is a step in the right direction.

Earlier in the day when I discussed this question I had only 5 minutes, and I did not have an opportunity adequately to compliment the Senator from Vermont [Mr. FLANDERS] on his broad-mindedness in adopting my bill in toto and going along with every part of it.

I think we should compliment all members of the Housing Committee. While some of them have been tied up in other work and have been unable to attend any of the hearings, and some have been able to attend only one or two, nevertheless, we found that there was unanimous support and approval for everything until we reached the question of public housing.

Incidentally, I understand that earlier today the junior Senator from Vermont [Mr. FLANDERS] introduced my bill as an amendment to the Taft-Ellender-Wagner bill. I think that is rather unfortunate. Please do not misunderstand me; I do not care under whose name this legislation is passed. It is important legislation; all of us agree as to that. We have worked on it for 12 months. Now I do not care whether the bill carries the name of MCCARTHY or WAGNER or FLANDERS or any other Senator, the only important thing is that it be speedily passed. I think it would be unfortunate for us at this time to confuse the things that all of us realize are vital to the housing program, by adding something that has so much unreasoning support and unreasoning opposition as public housing. We know very well that if we confuse public housing with the provisions of my bill, it will take infinitely longer to pass it, if it ever is passed.

I think it would be only sensible to confine the bill to the things we have all agreed to, instead of confusing the situation by adding this minor section as to public housing. Public housing should stand or fall on its own merit in a separate bill. I have no emotional feeling as to public housing; I would not much care whether we adopted this program of 100,000 public-housing units a year, provided we could do it with some semblance of assurance that it would be intelligently handled and that $1 value would be received for every dollar of taxpayer money spent. After all 100,000 units out of a total of 1,500,000 is only a drop in the bucket.

But there are some things that disturb us. We have made a very thorough investigation of the Public Housing Administration. There are many things wrong with that agency. I doubt that we should blame anyone for that situation. There simply have been a series of unfortunate incidents. For example, during the war and since the war we have had thrown into Federal public housing a great many agencies, each with different assets and each with a different bookkeeping system, until finally we have absolute chaos in Federal public housing. In addition, we had a great parade of Administrators, some of them staying only 5 or 6 months.

Finally the situation got so bad that the General Accounting Office, in attempting to make an audit, reported that it was absolutely impossible intelligently to audit the books of the Federal public-housing agency. It called in Price Waterhouse & Co. and Price Waterhouse & Co. agreed that no possible audit could be made. They said, for example, that there was no record of accounts receivable and no record of accounts payable. There was one item, for instance, of $608,000 entered on the books as a debit. When the men in charge were asked about that item, they said they did not know why it was there. They were asked why it was put there; and they said, "Oh, we had to balance the books."

Mr. President, in this connection I am picking out several items, hit or miss. For instance, there was a matter of $197,000 worth of material in the San Francisco region. It was carried on the books as an inventory. Upon checking, it was found that none of the material was there. When the man in charge was asked about it, he very truthfully answered that he did not have any idea what happened to it; he did not know whether it was used on the project or whether it had been used on someone's lake-shore home, or whether it was turned over to a lumber dealer and sold, and someone pocketed the money. The condition was so bad that no one could tell where the taxpayers' money went.

Since that time the Public Housing Administration has been made a subsidiary of the Housing and Home Finance Agency, and progress has been made. Please understand, Mr. President, that this is no criticism of Mr. Egan, because these incidents occurred before he was Administrator or Assistant Administrator.

Since Mr. Foley has taken over as head of the Housing and Home Finance Agency, we understand that of the 65 serious bookkeeping deficiencies in the Public Housing Administration, all except 10 have been substantially cured. There still are placed upon the Public Housing Administration a great number of jobs which should not have been placed upon it.

Let us assume, Mr. President, that we do adopt a public-housing program. I hope we do not; but if we do, we must be sure that we do it realistically, and that we take from the Public Housing Administration all the extra functions which have been loaded upon it; and we must give it the sole, single job of administering public housing, and have it start from the bottom up to build a successful administrative set-up, to compare to some extent with that of the present FHA.

I may say that we found some areas in which public housing was excellently administered. One of them which I have in mind is Dallas, Tex., and another is Little Rock, Ark. There are a number of others. If the national set-up of public housing were handled as intelligently, for example, as the administration of public housing in Dallas, Tex., I should be very happy to go along with a limited public-housing program.

But even if I favored public housing wholeheartedly, I would say it would be wrong at this time to throw into this Agency in its present chaotic condition the millions of dollars necessary to build these additional units.

Another important matter is that if we do provide a public-housing program, it will mean a priority on the part of another Federal agency in obtaining very, very scarce materials. That is true, of course, regardless of whether we provide by law for that priority. As we all know, if the Army or the Navy or the Atomic Energy Commission or the Public Housing Administration contacts a contractor and says, "I want so many kegs of nails," they are furnished without a priority. I fear that if we give an administration which, as of today, is still inconceivably inefficient and incompetent, even though great improvements have been made, a priority for scarce housing materials, we shall disturb the entire housing program.

Mr. President, we should compliment the President for what he has done in helping to take much of this housing problem out of politics, and make it nonpartisan. On February 10, I introduced my housing report, and made it available to all the Federal housing agencies. In it I set forth the program contained in my bill, the program ultimately endorsed by the committee, and the program contained in the amendment of the Senator from Vermont [Mr. FLANDERS], which he submitted. That was set forth on the 10th of February. On February 23, the President sent to Congress a statement endorsing almost in toto every suggestion I made, except he also insisted that public housing be not confused with the other important legislation which the Congress should enact.

Mr. President, at this time I ask unanimous consent to have printed at this point in the RECORD that housing report and the President's message to Congress.

There being no objection, the report and message were ordered to be printed in the RECORD, as follows:

REPORT ON HOUSING

(Report of Hon. JOSEPH R. MCCARTHY, vice chairman, to the Joint Committee on Housing, Congress of the United States, pursuant to H. Con. Res. 104, 80th Cong.)

Hon. RALPH A. GAMBLE,
Chairman, Joint Committee on Housing, United States House of Representatives, Washington, D.C.

DEAR CONGRESSMAN GAMBLE: I am forwarding to you herewith a brief general report in accordance with your request to members of the committee that each of them submit to you such a report upon the specific tasks assigned to them. As you, of course, recall, no specific subject was assigned to me, but you requested that I attend and act as chairman of all those hearings which you were personally unable to attend.

In the course of this work, which included both formal hearings and informal conferences, I visited practically every major city in the country and covered approximately 30,000 miles. My investigation, of course, was not confined to any particular subject, and, therefore, this report will cut across the field of the work assigned to the other 12 members and may result in some duplication of their reports. For that reason, I shall attempt to keep my report general, assuming that the other members will go into considerable detail on many of the things I report to you in a general way.

You will note that I have entirely omitted the extremely important subject of Federal housing aid to physically handicapped veterans. This was purposely done because I understand Senator SPARKMAN has conducted a very thorough and intelligent survey of this subject, and will recommend specific legislation to be included in the omnibus-housing bill.

You will also note that I only deal with rural housing to the extent of recommending certain changes in title I, class 3 loans and for the establishment of a secondary market for these and other loans. I understand, however, that Representative PATMAN, who attended a number of hearings with me, will have a detailed report to make on the subject of rural housing.

I have found Senator TOBEY'S report dealing with taxation, and Senator FLANDERS' report dealing with cost-reduction techniques, to be of assistance in my study.

Some of the hearings over which I presided were attended by Representatives BOGGS, FLETCHER, SUNDSTROM, RAINS, and MCMILLEN and Senator CAIN. Because of this fact, this report will undoubtedly be to a certain extent a duplication of their reports, especially of Representative MCMILLEN'S report on building codes. Unfortunately, I have not, as yet, had the opportunity of working with Senators WAGNER or TAYLOR, in that they were busy elsewhere, but I understand that both shall submit reports on their work and shall be able to actively participate in the drafting of the housing legislation.

I am presently preparing in rough form some sections of a proposed housing bill, which will be submitted to you within the next week or 10 days. These are, obviously, merely suggestions, to be either perfected or rejected by the committee.

Sincerely yours,

JOE MCCARTHY,
Vice Chairman, Joint Committee on Housing.

GENERAL

It is obvious that the long-term objective of the Congress should be to make it possible for every American family to have a decent house and a suitable living environment. This does not mean that it is possible to guarantee everyone a house with a white picket fence. But it does mean that the Congress should adopt a housing policy which will help make available a sufficient number of homes to meet the needs of our people and at prices they can afford to pay.

In addition to the hardships suffered by the inadequately housed, experience has shown that it is impossible to have real prosperity in this country without a stable, healthy building industry—one of the most vital parts of our economy. This industry not only provides jobs for millions of our citizens, but also the factories, plants, and buildings in which they work and the homes in which they live. When healthy, the industry has a favorable effect on virtually every segment of our economy. More people are needed to work in the transportation industry, which ships building materials to all parts of the country. More men are needed in the forests to cut the lumber. More men are needed in the steel mills which furnish basic products for building. More workers are needed in the service trades which furnish heating, plumbing, and other facilities for housing. In brief, the industry forms a most important link in an interlocking chain of prosperity and jobs. The first step toward maintaining such a healthy industry is to provide steady production of an adequate number of homes necessary to meet the needs of the American people, priced within their pocketbooks.

In the past we have never achieved the sustained rate of progress in improving our housing conditions which should be maintained. Taking into consideration our standards of living, our resources, our productive capacity, and our manpower, we are not, as a nation, as well housed as we should and could be.

People in all income groups are affected by the housing shortage, but hardest hit are those in the lower-income brackets, since they are unable to bid for housing at current price levels. The worst housing problem exists in our larger cities where the shortage is much more pronounced than in smaller urban and rural areas. The shortage is especially acute in rental units and low-cost housing needed by both veterans and nonveterans and their families.

Annual housing needs

The shortage of rental housing is the hard core of the whole housing problem. Private builders, confronted by a situation in which the cost of housing materials has spiraled far beyond the general price trend of other major cost-of-living items, are understandably reluctant to build rental units. For the same reason, only small amounts of private capital are going into this type of construction. There is a widespread fear prevalent among builders in general that the bottom will fall out of the housing market within the next few years. Thus, few are willing to take the risk, and instead of building rental units are building units for quick sale where there is a sure profit at present market prices.

The number of rental units has decreased rapidly under rent control. Under the law owners have been unable to charge what they considered adequate rents to pay for maintenance and repairs and still make a reasonable profit on their investment as compared to the profits in other businesses; also, landlords have found it difficult and often impossible to get rid of undesirable tenants. These conditions still exist to some extent under the present rent-control law. Since last July, when Congress removed controls from all new construction and dwelling units not previously rented, well over 100,000 units have been made available in these two categories.

It would appear on the basis of evidence found throughout the country that a large number of potential units still can be made available without the expenditure of large sums of money. Unused space could easily be converted into apartments and rooms to furnish much-needed units in many communities. There is little reason why these new units cannot be placed on the market. In addition, numerous cases have been found where single people with sizable incomes are occupying seven- and eight-room apartments, frozen at low rates under rent control, which could be occupied by families now living doubled up or in crowded conditions. According to the Bureau of Labor Statistics, approximately 9 percent of our families are living doubled up at the present time.

The housing shortage has been growing since 1926, a peak building year. It was becoming an acute problem before the war. During the war, home construction dropped to practically nothing. People were unable to build replacements or properly maintain existing housing. The abrupt decline in the number of new units built and the gradual decline in the quality of existing housing were accompanied by a steady increase in the number of families. This was greatly aggravated when the war ended and millions of veterans came home, married, and started to look for homes of their own. Also the increase in the amount of money in circulation has helped to push prices up by inflating the demand for new homes and additional space by those able to pay the inflated prices in the current market. The ultimate result is that the low-income groups are unable to bid for housing in a highly competitive market. Higher-income groups, in general, are infinitely less aware of the housing shortage and less affected by it.

The best information and estimates advanced so far indicate that approximately 1,500,000 housing units per year for the next 10 years will be needed to meet the housing requirements—provided reasonable prosperity is maintained. In the event of a depression, obviously the bidding for living space would be very substantially reduced.

The problem, simply stated, is to bring housing prices within the rental and purchase range of a much greater number of the American people. According to an estimate by the F. W. Dodge Corp., one of the country's leading business analysts, there will be a market demand for approximately 820,000 units a year at present prices, despite the estimated need of 1,500,000. This would indicate that approximately 700,000 needed units per year will continue to be priced out of the market unless we are able to bring about a substantial reduction in prices or provide some form of subsidization. Without one or the other of these, millions of American families will continue to be poorly housed.

The situation is such that it is imperative that the scope of private-housing operations be greatly expanded. Private enterprise must be our chief reliance. It should reorganize and expand so that it can produce not only high-cost luxury housing, but also low-cost housing needed by the lower income groups. The Government should assist this development wherever possible by providing incentives and safeguards to stimulate private initiative, especially where private capital is reluctant to invest because of the low rate of return, uncertainty of any return, and the unusual risks involved.

There are those who maintain that because private enterprise has not solved the entire problem we should scrap private enterprise and socialize housing. But it seems only logical that instead of attempting to scrap private enterprise, we should furnish the necessary aids to make it work.

COST-REDUCTION TECHNIQUES

The mass production of homes and precutting of housing parts and sections, now being developed by private industry, presents an opportunity which, with proper encouragement, could lower the costs of home construction considerably.

Modular coordination presents perhaps the most fertile field in which to bring about lower costs in home construction. Industry has been working for years on what is known as modular coordination, or, simply stated, a system in which all measurements are in multiples of 4 inches. This standardization of measurements would permit the precutting of virtually everything that goes into a house. Contrary to the popular thought, it would not mean standardization of design. Widespread adoption of modular coordination, coupled with mass precutting, would eliminate waste, cut down on-site labor, and reduce the over-all cost of building. Some contractors say this would mean a saving of as much as 30 percent. Conservative estimates range from 15 to 20 percent. Congress should give every possible encouragement to the widespread acceptance of modular coordination by the building industry as a whole. In this respect, the Federal housing agencies could be of a great deal of value.

Among outstanding engineering studies being carried on by private industry in the field of cost reduction, one of the most notable is in a house which utilizes a cement product. This house is built by pouring this cement product into a skeleton framework erected on the housing site. The product expands two and one-half times and has very high insulating value. When the forms are removed the house is ready for occupancy. To illustrate the speed at which the house can be built, six veterans, two of them disabled, were given the task of putting up a sample dwelling. They set the forms on Monday, poured the cement on Tuesday, and the forms were off and the house ready for occupancy on Saturday. This house has been approved by the Federal Housing Administration, and it is estimated that a contractor would be able to build such a house for $7,500 and still make a fair profit.

The most outstanding example of what a builder of conventional homes can do was found in Columbus, Ohio, where very attractive veterans' homes are being built in sizable quantities to be sold at approximately $4,000. An almost equally good job is being done by a Little Rock, Ark., builder who is building a considerable number of brick veneer homes at less than $5,000. Both are approved by FHA.

Interesting reports have been received on prefabricated housing, but it is still too early to predict the extent to which this type of housing will aid in solving the housing problem. Prefabricated houses in some areas have been unacceptable because they do not meet the rigid restrictions of the building codes. This again emphasizes the necessity for general adoption of a standard building code which does no more nor less than protect the public health and safety.

At the Federal level, it would seem advisable to explore the wisdom of establishing within the Housing and Home Finance Administration a research agency to coordinate all the experimental work in cost-reduction techniques and development of new materials which is being carried on by both Government agencies and private industry. This agency should also have as one of its duties the task of attempting to induce the widespread acceptance of standard building codes. One method of so doing will be dealt with under the subject of slum clearance.

If such an agency is set up within the Housing and Home Finance Agency, then in view of the experimental work in building materials and in the drafting of model codes which is being done by the Bureau of Standards in the Department of Commerce, it would seem advisable to make the Secretary of Commerce a member of the National Housing Council.

Materials shortages

The inflated prices and acute shortages of key building materials have contributed as much, if not more, to the lack of new housing construction than any other single factor. The costs of building materials already average twice as much as the 1939 level. Lumber is costing the home builder more than three times as much as it did prewar builders. Paint materials cost over twice as much as in 1939; plumbing and heating materials are up by three-fourths; bricks by two-thirds, and cement by one-third.

The scarcity of key building materials has been a direct cause of increased labor cost. Contractors have often been obliged to keep skilled laborers, now in short supply, on the job for several days at a time without work to do, while waiting for scarce materials to be delivered. This in turn has added weeks and even months to the total construction time required.

The flow of materials to the building site, however, is to be expanded in 1948 for many items, on the basis of present indications. The supplies of many materials are just beginning to catch up with the demand, but the prices are still high. At least several key materials are to continue in short supply for some time. These are:

1. Nails: On the basis of the construction of a million and a half dwelling units in 1948, between 6,000,000 and 7,500,000 kegs of nails would be needed. However, nails going into home construction represent only a small fraction of the total nail requirements of the country. Last year approximately 16,000,000 kegs were produced. The leading nail manufacturers have promised to increase this figure by more than 2,000,000 kegs in 1948.

Nails are a comparatively low-profit product, and some manufacturers are understandably reluctant to increase their production. Materials needed for nail production, principally low-carbon rod and steel, are also in very short supply—so short that some "non-integrated" nail producers (those who do not roll their own steel) are producing at only 20 to 30 percent of capacity. Here the question of exports enters the picture. Because foreign users are offering more than domestic producers low-carbon wire rod is going overseas in large quantities to the Argentine and other non-war-devastated areas. The Government has full authority without new legislation to curtail these exports, and it appears that this authority should be used. If this is done and the steel companies will supply sufficient low-carbon wire rod to "non-integrated" nail producers so they may operate at full capacity, and if there are no serious strikes in the steel industry, then the nail shortage should be quite thoroughly conquered by the end of 1948.

2. Cast-iron soil pipe: The acute shortage of this pipe in recent months has been due to a considerable extent to the shutting down of the Republic Steel plant at Gadsden, Ala. This one plant was producing approximately one-half of all the merchant pig iron which went into the production of cast-iron soil pipe. It was shut down in August 1947 because of needed repairs. An unnecessary delay in reopening occurred because of disagreement between Republic and War Assets Administration, as to which would make the necessary repairs. Following a conference between Republic, WAA officials, and the Housing Committee this plant is now scheduled to go back into production at an early date, with WAA making the repairs and a settlement with Republic is to be made later.

In practically every city the committee visited in which codes required the use of cast-iron soil pipe all the way from the dwelling to the nearest sewerage drain the enforcement of this provision of the codes was relaxed when the acute shortage of this pipe was called to the attention of local authorities, to the extent of allowing the use of tile up to 4 feet from the house. This has helped greatly to alleviate the effects of the cast-iron soil-pipe shortage.

3. Lumber: To build a million and a half new dwelling units this year will require approximately 11,000,000,000 board-feet of lumber. Production in 1947 is estimated to have totaled more than 33,000,000,000 board-feet. In addition to the lumber for housing this 33,000,000,000 board-feet must also furnish the lumber for all other construction needs.

Here, too, the question of exports must be considered, for it appears that lumber needed for American homes is being sent overseas. While exported lumber represents only a small percentage of the over-all lumber production in the United States, it unfortunately consists, in the main, of exactly the type of high-grade lumber which is most needed in the construction of homes. It is impossible to tell exactly how much lumber—in addition to exports of raw lumber—is exported. Much lumber was used for crating the $20,000,000,000 worth of goods sent overseas during 1947. It might be here noted that of these goods, only $8,000,000,000 went to the so-called war-devastated countries. Lumber is, of course, also used in many products sent overseas. A closer check on exports and a more widespread use of inferior grades for crating would both seem advisable.

Transportation shortages have materially contributed to the inflated lumber prices in many areas. A large number of boxcars, now in extremely short supply, are going into the export market. During 1947, roughly, 39 percent of the total boxcars produced in this country were exported. Because of the shortage of boxcars it has been impossible to distribute lumber to the areas where acute shortages exist. As a result, much scarce lumber is going into gray-market channels.

The committee has been successful in encouraging a downward trend in some lumber prices. Already Weyerhaeuser, one of the country's leading lumber producers, has reduced its prices by 10 percent. Several other large lumber manufacturers have indicated their intention of following Weyerhaeuser's lead. This reduction was brought about as a result of a meeting in Washington with representatives of more than 150 lumber producers early in January. The producers operate under an antitrust consent decree which makes it difficult for them to reduce prices on a cooperative basis and prohibits them from discussing reductions in prices with other producers, which was a serious handicap to obtaining desired results at this meeting. The decree restricts them from asserting pressure by act, suggestion, or otherwise to raise, lower, fix, establish, maintain, or stabilize production, prices, etc.

Lumber is now produced by more than 50,000 firms. Thus it would be impossible to get a voluntary agreement which would bind all. Some witnesses have attributed the inflated lumber prices, now more than three times the 1939 average, partly to the present system of distribution. They have pointed out that it would be possible for large-scale builders to reduce costs considerably by buying directly from the manufacturer, because under the present system they must in some cases pay a fee to a broker even though the broker might not have anything to do with obtaining the lumber. It would seem, however, that our present system of distribution is so necessary to get the materials to the small builders that it would be unwise to upset this system by new legislation, even though the present system does place a temporary hardship on the larger builders. All indications are that as supplies increase the large builders will work out this problem themselves.

Price control on lumber would do little good. In fact, such controls proved so unworkable and so difficult to administer during the war that it is probable that their reimposition would do little more than cut down

the supply and force lumber into black-market channels. The production of lumber this year, running in excess of 33,000,000,000 board feet, includes a considerable amount coming from marginal mills and inefficient producers. An example of the latter is the small farmer who uses his car to furnish power for a small woodsaw. Under price control this production went almost entirely into the black market. It is now reaching regular channels.

4. Steel: Although used in relatively small amounts as compared to other materials, steel does play an important role in the production of homes. The shortage of steel has been apparent not only in a lack of steel parts used in building houses, such as plumbing equipment and nails, but also in the shortage of railroad rolling stock which has resulted in maldistribution of other housing materials. As a result, many of these materials are finding their way into gray market channels.

The Commerce Department is estimating housing needs on a basis of 1,000,000 units per year. This becomes important in view of the fact that Secretary Harriman, under the anti-inflation bill passed in the special session of the Eightieth Congress, will be working out a voluntary allocation of steel for housing materials with the industry. Allocations of steel for nails, soil pipe, plumbing, and other products going into housing, based on a production of only 1,000,000 homes a year, would sabotage any legislative program designed to encourage the production of 1,500,000 units. It would have a drastic effect on increasing prices. Congress now has no legislative control over Secretary Harriman in working out these allocations. It is to be hoped, however, that the Department will base its figures on the conclusions of the Joint Housing Committee—now estimating the needs at 1,500,000 units per year—which has made a more comprehensive study of the problem than any Federal agency.

5. Gypsum: The total production of gypsum lath was about 3,800,000,000 feet in 1947. It is estimated that production for 1948 will be in excess of 4,500,000,000 feet and at the end of 1948 should be at the rate of 5,000,000,000 feet annually. It seems a safe and fair estimate that if there are no serious strikes in the gypsum industries, this shortage also should be overcome early in the summer of 1948. However, if there are serious strikes in either the steel or gypsum industries, it will very effectively sabotage any building program.

Gypsum in recent months has found its way into the gray market as a result of scarcity and maldistribution of available supplies. In fact, gray marketeers have in some areas effectively cornered the market. This has resulted not only in increasing the price of gypsum but also forced contractors to keep skilled workers idle because they have been unable to get gypsum products.

There are two other items now in critically short supply—millwork (doors and windows) and softwood plywood. All through the country the committee found houses unfinished because of the shortage of millwork. In this connection, in the fall of 1946, President Truman issued an Executive order which removed all import duties on millwork and softwood plywood. In May of last year he signed another Executive order reimposing a 40-percent duty on plywood and a 33⅓-percent duty on millwork, both of which were still in very short supply. The imports of these two products dropped to practically nothing following this action. The Commerce and State Departments have been asked to reexamine the matter thoroughly and advise the committee whether they will recommend to the President that he revoke this order, or whether it will be necessary for Congress to do it by legislation. During the period in which the tariff was suspended imports of scarce millwork increased considerably.

LABOR

It was apparent all over the country that there is a widespread tendency to place most of the blame for the housing shortage and high prices on the increased labor cost and the decreased productivity per worker.

As for the cost factor, labor still represents about the same proportion of the total construction cost as it did in prewar years. The decreased productivity in the building trades would appear to be no greater than in any other line of work. People simply are not working as hard or as long hours as they did during the war years, and the contrast is noticeable everywhere. The decreased productivity in the building industry is particularly exaggerated, for building workers today are working under entirely different conditions than in prewar years. The testimony of a typical bricklayer in Pittsburgh illustrates this fact. He frankly admitted that he now lays only 250 bricks per day, but testified that he has to work harder to lay these 250 bricks on a brick-veneer building than he did in previous years when he was laying 2,000 bricks per day on a solid brick wall. As he pointed out, when the 250-brick figure is used, the bricklayer gets no credit for the cinder block with which he backs up the solid brick veneer.

Some of the decrease in productivity in the building trades is due to the increased age of skilled workers. The average age of bricklayers now, for instance, is above 50 years. It is difficult for young men to enter the building industry in many parts of the country because contractors are refusing to take on inexperienced workers. This will be dealt with in more detail under the apprentice-training program.

Unions, however, are guilty of some abuses. Outstanding among these are such things as the agreements between plumbers and contractors in New York City stipulating that plumbers will not work on plumbing materials unless they are purchased by the plumbing contractor. In many cases this process extends to the manufacturer of plumbing equipment, who often refuses to sell to anyone but the plumbing contractor. Consequently, it is impossible for the builder to shop around for more economical grades of equipment. The laboring man, himself, gets none of the extra cut derived from this arrangement.

It is, of course, obvious that labor is one of the most important factors in the building industry. Labor is perhaps the most vitally interested of all groups in maintaining a healthy industry because the laboring man has most at stake when the industry declines. In view of the many widespread complaints about labor, the committee set out to get the cooperation of union leaders in correcting abuses. While much of the dwelling construction is done by nonunion workers, it has been difficult to find a leader who can speak for them; consequently, the committee has turned to leaders of established unions. In general, the committee has been pleasantly surprised to find that a vast majority of the complaints against labor are unjustified.

At the request of the chairman, the vice chairman attended the national convention of the A. F. of L. building-trades unions in San Francisco. At a special conference which lasted most of one Sunday, the following union leaders discussed the problems of the building industry with the vice chairman: Richard Gray, president, Building Trades Department, A. F. of L.; Harry C. Bates, president, Bricklayers, Masons, and Plasterers' International Union; William Hutcheson, general president, United Brotherhood of Carpenters and Joiners of America; D. W. Tracy, international president, International Brotherhood of Electrical Workers; William E. Maloney, general president, International Union of Operating Engineers; William J. McSorley, general president, Wood, Wire, and Metal Lathers' International Union: L. P. Lindelof, general president, Brotherhood of Painters, Decorators, and Paperhangers; Martin P. Durkin, general president, United Association of Journeymen Plumbers and Steam Fitters; Robert Byron, general president, Sheet Metal Workers' International Association, and Daniel J. Tobin, general president, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers.

These leaders indicated a fine spirit of cooperation and appointed a committee to work with us. Mr. Gray promised to take immediate steps to correct any union abuses cited to him by our committee. He has done so in every case to date. A typical example might be noted in Chicago, where members of the glazers union were refusing to install windows glazed in the factory. At Mr. Gray's request this situation was corrected.

Because of the limitations of staff and the great number of other subjects to be covered by the committee, it was impossible to investigate every aspect of labor in the building industry. In the aspects studied, the committee is pleased to report a helpful willingness to cooperate on the part of union officials.

Apprentice training program

As of January 1 of this year the number of apprentices in the building trades was 109,000, which represents a very sizable increase over the past 2 years. A conservative estimate not yet questioned by either industry or labor indicates that at least 200,000 to 225,000 apprentices are needed to supply a substantially expanded housing program. In the Nation as a whole there is a great surplus of young men desirous of entering the building industry. The committee found unions cooperating very well in an attempt to expand the apprentice-training program. A great number of far-sighted contractors are doing likewise.

William F. Patterson, Director of the Apprentice Training Division of the Department of Labor, is to be commended for his efforts to solve the problem. The Division, working through some 300 field men, has established joint labor-management committees throughout the country charged with increasing the number of apprentices in the building trades. Because some contractors have refused to appoint apprentices for the full period, the Division has adopted the practice of indenturing apprentices direct to these committees and permitting the committees to farm them out to the contractors. This has the healthy effect of increasing the experience of the apprentices, since under this system they work for several different employers on different types of work during the training period. There are also some progressive contractors who have voluntarily set up their own preapprentice schools, which make the young men of more value when they do go on the job. Basically, however, the problem goes back to the continuing reluctance of many contractors to put apprentices on the job. At the present time less than 50 percent of the country's contractors are employing apprentices. This 50 percent must be very substantially increased if the needed number of skilled workers is to be supplied.

Because the Joint Housing Committee considers the work of the Apprentice Training Division to be so important, it has authorized the vice chairman to appear before the House and Senate Appropriations Committees at the appropriate time to request allowance for additional personnel for the Division. It might well be noted here also that the Bureau of Labor Statistics has been

extremely cooperative and helpful in furnishing needed facts during the hearings. The Bureau also is of great assistance to private industry in furnishing information on which builders may estimate long-range building prospects in the construction business.

Federal agencies

Several instances of overlapping of the functions of Federal agencies charged with the responsibility for helping veterans to build homes occurs in the activities of the Federal Housing Administration and the Veterans' Administration. The most general criticism voiced by veterans was caused by a duplication of appraisals by both VA and FHA under combination 505–A loans. Under this type of loan FHA guarantees 90 percent of the loan, and VA, under the GI bill of rights, guarantees 10 percent. Yet both FHA and VA make their own appraisals, and both charge for this service. VA and FHA are now working together in an attempt to minimize the differences and eliminate duplication of work and unnecessary duplication of expense to the veterans. Legislation, however, may be necessary to completely eliminate this duplication.

Congress should carefully explore the wisdom of transferring all housing functions of VA to FHA (except special housing for physically handicapped veterans). If this is done it will mean fundamental changes in the GI bill. This matter is not sufficiently urgent so that it must be settled in the present session, but it would seem advisable that the subject should be given special study which might result in legislative action in the next session of Congress. Some of the veterans' organizations have approved such a transfer; some have indicated that they think it is worthy of further consideration. One has opposed it. In view of the work load handled by the VA—hospitalization, welfare of handicapped veterans, assistance for widows and orphans, national service life insurance, and all the other activities which concern the veterans—it seems a fair question to ask if it is not interfering with the original purpose of the VA when we also saddle it with housing functions as well. It might be well to note here that veterans' organizations have made a very substantial contribution to the work of the committee.

The Housing and Home Finance Administration, under Administrator Raymond H. Foley, and the FHA under Administrator Richards are to be commended for the efficiency with which these two agencies are run. Housing and Home Finance Administration is one of the best-administered agencies of the Government. The President's Reorganization Plan No. 3, first session, Eightieth Congress, which placed all housing functions under the Housing and Home Finance Administration, disturbed a number of legislators at the time it was approved, but under Mr. Foley's capable administration, these fears have proved groundless. It is to be regretted that the activities of the Public Housing Administration do not show the same efficiency and intelligence as those of Housing and Home Finance Administration under Mr. Foley.

Salaries of Housing Bureau heads

With civilization becoming so complex, sizable bureaus will have to be maintained if democracy is to work. One of the reasons some bureaus are incompetently run is that the salaries paid are such that government is unable to attract the same class of competent men as private industry. Mr. Foley, for instance, is head of a $10,000,000,000 to $20,000,000,000 housing empire. Yet it is interesting to note that when he was promoted under Reorganization Plan No. 3 to be Administrator of the Housing and Home Finance Administration, his salary dropped from $12,000 to $10,000 a year. It is too much to expect that government can continue to get competent men for $10,000 a year; to impose this limit is false economy. The scale suggested in the Flanders-Baldwin bill, while still inadequate, would certainly be more suitable. This would provide $17,500 for the Administrator of the Housing and Home Finance Administration, and $15,000 for the heads of the constituent units.

FINANCING

Title 6 of the National Housing Act, expiring on March 31, should be extended and amended with emphasis on rental housing and low-cost construction. If it appears impossible to secure passage of the omnibus housing bill by March 31, this matter should be handled in a separate bill. Because of the administration's recently adopted policy (as indicated by removal of Government bond support) of tightening credit and increasing interest rates, many banks are presently refusing to accept title 6 loans because of what they consider a low interest rate. This would indicate an immediate necessity of either increasing the interest rate under title 6 or establishing a secondary market.

The provision with relation to title I, class 3 loans should be amended so as to make these loans more available for lower-cost housing, especially on homes built outside of metropolitan areas. Likewise, a secondary market should be provided for these loans.

Liberal provision should also be made for the financing of veterans' cooperative housing ventures.

Building codes

There is only one legitimate reason for building codes—to protect public health and safety. A code which does less is inadequate; one which does more is restrictive. The wide variation in codes is one direct cause of the inflated prices of homes today. The great bulk of codes now in existence are obsolete, making it impossible to utilize many technical advantages in construction.

To illustrate the variance in codes, one contractor, who testified before the committee, explained that if a similar situation existed in the automotive industry, automobiles would have to have one size of tires in one town, be painted a certain color in another, have two horns in a third, and a different size wheelbase somewhere else, and so forth, and that instead of paying $2,000 or $2,500 for a car, the buyer would have to pay $10,000. Greater Detroit, for instance, has 66 suburban areas, and each has a different building code.

The wide variation in codes makes mass housing production and precutting of parts on a large scale practically impossible. Consequently, manufacturers today try to meet the most stringent codes and often are forced to discard more economical methods of production and new cost-saving materials. Most codes are written so as to require the use of certain materials, rather than in terms of standards of performance. Many new cost-saving materials and methods are automotically barred in many cities by the inertia of code authorities. Light-gage steel, reinforced gypsum, lightweight masonry block, plywood and metal skins for walls, resin-bonded glues, prefabricated plumbing panels, and new insulating materials are denied to residents in hundreds of cities, although they are proved acceptable by Government tests.

One of the bars to widespread adoption of performance codes is the difficulty in a number of States of adopting codes by reference. The Governors of these States have been requested to urge their respective State legislatures to make provision so that adoption of new uniform codes in municipalities will be easier. The all-important reasons for allowing adoption of codes by reference is to avoid the prohibitive cost of publication and legal expense in drafting the codes.

In order that the local residents may be fully informed as to the proposal or passage of ordinances for their community, most States require that public notice of suggested ordinances be given in an appropriate newspaper. The cost of such advertising is often prohibitive, particularly for the small community, in the cases of codes that are lengthy and involved. For example, the National Electrical Code recommended by the National Board of Fire Underwriters, is in effect a book of 348 pages. Similarly, the suggested Building Code Requirements for New Dwelling Construction prepared by the National Bureau of Standards constitutes a volume of about the same size. The practical result is that many codes prepared after several years of intensive study and application and expressing the best thoughts on providing the most modern practices in their respective fields, are not available to many communities. This difficulty could be removed by making provision for adoption of codes by reference. Under such a statute, the ordinance instead of reproducing the code in full would simply refer to a named code as it exists on the date of passage of the ordinance.

Two legal questions have been raised generally with respect to incorporation of codes by reference. First, that such an ordinance would be in violation of a provision contained in the constitution in many States to the effect that no law shall be amended by reference to its title only. However, this constitutional provision would not appear to apply to municipal ordinances but only to State legislation. Second, that the local governing body by such incorporation, in effect unlawfully delegates its legislative function to a private organization or group which may have participated in the preparation of the code. However, it would appear that so long as the authorizing statute, and the ordinance adopted under it, provide for the adoption by reference of codes as they exist as of a date no later than the date of passage of the ordinance, there is actually no more delegation of authority by the local governing body than there would be if the ordinance set forth the provisions of the code in full.

Wholly aside from the questions of legality, the fact that a particular code has been prepared by a private organization which may have a definite personal interest in the provisions of the code, does make it incumbent upon the local governing body to scrutinize the code carefully before adopting it, whether by reference or otherwise, to make sure all of its provisions are in the public interest.

The following States either have statutes authorizing adoption of codes by reference or do not require publication of ordinances in a newspaper, thus obviating the need for adoption by reference: Alabama, Arizona (by court decision), California, Connecticut (limited to New Britain), Delaware, Florida, Idaho (limited to Boise), Illinois, Maine, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, Washington, West Virginia, Wyoming (incorporated towns only).

In addition, Massachusetts has a statute authorizing the State board of standards to prepare a building code which cities are authorized to adopt without publication.

This list does not necessarily indicate all of the States in which adoption by reference is presently possible. As indicated by an Arizona court decision, there may be methods under general statutory provision through which the same effect can be obtained in some States without specific statutory authorization.

Slum clearance

Nothing would be gained by a repetition of the valid arguments in favor of a feder-

ally aided slum-clearance program. However, in view of the fact that so many who appeared at the hearings confused slum clearance and public housing, it might be well to emphasize that there is only an incidental connection between slum clearance and public housing.

For example, past experience shows that very few dispossessed residents of slum-cleared areas ever found their way into public housing projects allegedly built to house them. It must be kept in mind that when a slum area is cleared a great number of extremely low-cost rental units are destroyed. This raises the question of whether such areas should be cleared during a period of extreme housing shortage except in the rare cases where it is planned to erect low-cost housing in the identical areas cleared.

It would seem wise in clearing slum areas to follow the advice of the economists who urge that all public-construction projects be deferred until periods of slack employment.

Therefore, Federal funds should be made available to local authorities to assist them in mapping plans for slum-clearance programs that can be put into effect at a later date when housing needs have been more nearly met and when the present inflationary trend has run its course. It is unfortunately true that the destruction of slums does mean the destruction of a certain amount of very low-cost housing. It would serve no good purpose, either to the community or to the people residing in these areas, to destroy this housing without having other, better housing available for those dispossessed by the destruction of the slum buildings.

However, the necessary money for each slum-clearance project should be appropriated and earmarked by both the Federal Government and the municipalities. The municipalities should then exercise the right of eminent domain to condemn the slum areas. However, actual destruction should not commence at a time of full employment and at a time of extreme housing shortage. The use to which cleared land should be put obviously must be decided by the local authorities. It should be left up to these authorities whether the land might best be used for recreational facilities, parks, luxury housing, business, or low-rental housing.

In this connection, I would strongly urge that under no circumstances should a slum-clearance program be approved in those cities which insist upon the maintenance of restrictive, cost-increasing codes. Nor should it be approved unless the cities give some assurance of the enforcement of their police powers to prevent the development of new slum areas.

Public housing

Hearings throughout the country would seem to prove the need for a definite policy regarding public housing. Originally, public housing was intended for very low-income groups. It has drifted far from that concept. Those presently in charge of public-housing programs in a number of areas have arbitrarily adopted the policy that no more than 7 percent of the tenants should be from the welfare group. Present public housing should be available to only those persons in the very low income group.

In recent years the term "public housing" has come to be identified in the public mind almost entirely with the problem of meeting those low-income human needs, although an extremely small percentage of those in public-housing projects are actually in the very low-income group. However, if the real needs are to be met, and if the failures of Federal public housing are to be corrected, we must actually administer it for the benefit of the low-income groups, which is not being done in many areas today.

It is obvious that at least during the housing emergency there must be some Federal assistance—not necessarily Federal ownership and control. However, if the committee recommends and Congress decides that there should be some form of public-housing program, it would definitely seem advisable that more control be placed in the local community. In addition, the local community should have more responsibility in financing such projects. The local community or State should be required to put up at least one-third, if not one-half, of the funds required. This contribution should not be in the form of an abatement of taxes. If the community desires public-housing projects, it should be willing—and should be required—to assume at least one-third of the costs. In this connection, the yield insurance plan suggested should attract considerable money into the lower rental field.

In any event, if the committee recommends a public-housing program, it should be considered in a separate bill in order to avoid the emotional pressures which public housing invariably arouses. Throughout the country witnesses appearing before the committee to comment on the Wagner-Ellender-Taft bill almost without exception endorsed or opposed the bill on the basis of whether they endorsed or opposed the public-housing features. In most cases, they completely ignored the sound, workable provisions of the bill.

In connection with the question of how to get the most for every public dollar spent, it is to be noted that the Public Housing Administration has been recently accused by the General Accounting Office of such inefficient and slipshod bookkeeping methods, that it is impossible to make any intelligible audit of the income or expenditures of FPHA. This was confirmed by Price, Waterhouse & Co. and by a subcommittee of the Senate Expenditures Committee, which had this to say of FPHA:

"The foregoing deficiencies result, in the aggregate, in a balance sheet totally without integrity. As the survey report properly states, it is impossible for any accountant to draw from the books of the Federal Public Housing Authority a statement reflecting the true financial condition of the Authority. This is a very serious matter, particularly when consideration is given to the fact that the Authority has invested some $2,000,000,000 of the taxpayers' money in the various programs which it has been administering and for which it is accountable. Moreover, this basic accounting defect not only prevents an accurate reflection of the financial affairs of the Authority, but it also distorts such important consolidated reports as are issued from time to time by the United States Treasury Department, notably the Annual Report of the Secretary of the Treasury on the State of the Finances.

"Conditions have been so bad that a period of 2 years must elapse beginning with the first year covered by the accounting firm until the books will be in shape to be audited."

Price, Waterhouse & Co. had the following to say:

"The situation in which the Authority finds itself is one where the accounting requirements of a great and important undertaking of the Government either were not fully comprehended by the undertaking's managers or were ignored, neglected, or regarded as having a relatively unimportant claim to attention, until the situation became very grave."

The foregoing covered a period prior to the time that FPHA was brought under Housing and Home Finance Administration, and prior to the appointment of the present Acting Administrator of FPHA. Some very substantial improvements have been made. However, I feel that the administration of FPHA has not been sufficiently overhauled as yet to justify expanding the activities of this department by an additional public-housing program at this time. I do think we have good reason to expect further improvement in the administration of FPHA to the extent that it may be ultimately operated in an efficient businesslike manner.

The aim of professional public housers has been presented by Nathan Strauss, a former United States Housing Administrator. In his book, The Seven Wonders of Housing, Mr. Strauss predicted, with approval, a future in which a third of the population might become housed in public housing, thereby creating such a tax burden on the remainder of the population that the middle-income group would also demand public housing. If two-thirds of the population were housed in subsidized tax-exempt projects, the economy would not be able to stand it. The ultimate aim of such professional public housers is to socialize all housing under the guise of providing public housing for the underprivileged.

The emotional controversy over public housing is one in which a great deal of heat and very little light is generated. There are a great many honest and sincere people on both sides of the public-housing question, some of whom appeared before the committee. However, unfortunately, it is usually the extremists on both sides who are most vociferous and who, instead of aiding, actually damage the cause which they profess to represent.

Of course, not all federally financed and administered public housing is bad. Some of it does the job well and meets the needs. Especially well-run projects were observed in Little Rock, Ark., and in Dallas, Tex. In these projects, as well as in some others, the emphasis is on sensible, efficient operation and on helping those who really need help, rather than on the gradual extension of Federal control over the housing industry.

SUMMARY OF RECOMMENDATIONS

1. Rental housing should be encouraged. More emphasis should be placed upon the production of additional rental units to eliminate the present artificial seller's market. In this connection, I recommend a yield-insurance plan coupled with certain income-tax considerations to attract equity money in the lower rental field. The Federal control in connection therewith should be simplified to the irreducible minimum.

2. Veterans' housing functions of the Veterans' Administration (with the exception of housing for the physically handicapped) should be studied thoroughly by the Congress, with a view to transferring them to the Federal Housing Administration in the next session of Congress. The present system of double appraisal under combination 505–A loans should be immediately eliminated. Liberal loans should be provided for veterans' cooperative-housing projects.

3. Present public-housing projects should be made available only to the low-income groups. Crippled and disabled veterans should be given priority in such housing and disability pensions should not be included in computing disabled veterans' income. The control of present public-housing projects should be placed to a greater extent under the local lawmaking bodies. If an expanded public-housing project is adopted, it should be on the basis of a greater contribution on the part of the local municipality or State—perhaps two-thirds Federal and one-third local, and no public-housing project should be approved unless the city in question first adopts a code which does not unnecessarily increase costs. Public housing should be considered in a bill separate and apart from the omnibus housing bill.

4. A skeleton administrative agency should be set up within the framework of the Housing and Home Finance Agency to help coordinate the research of industry and Government agencies in developing low-cost materials, construction methods, etc., and to work toward the widespread acceptance of

standard performance building codes which do no more or less than protect the public health and safety. (If this is done, in view of the work of the Bureau of Standards, the Secretary of Commerce should be made a member of the National Housing Council.)

5. A long-range slum-clearance program should be adopted entirely separate and apart from any public-housing program. In adopting such a program, the Congress should follow the advice of the economists who advise against any unnecessary public projects during periods of full employment. Such a slum-clearance program should be on a basis of contribution by both the Federal Government and the local body. Both the Federal and local money should be appropriated and earmarked and the slum area should be condemned, but the actual physical work should be deferred (at least where the blighted area contains a sizable number of dwelling units) until the country appears to be descending from the present high plateau of prosperity. No slum-clearance programs should be approved in cities which insist on restrictive cost-increasing building codes. Neither should slum-clearance programs be approved unless the city in question undertakes to enforce its police regulations insofar as dwelling units are concerned so as to avoid a spread of slums into other areas.

6. Salaries for the heads of the housing agencies should be increased to at least the extent proposed by the Flanders-Baldwin bill.

7. The Apprentice Training Division of the Department of Labor should be allowed additional administrative personnel to help increase the number of apprentices in the building trades.

8. Exports of low-carbon wire rod and lumber should be drastically curtailed, and the import duty on millwork and softwood plywood should be removed while these materials continue in critically short supply.

9. Title 6 of the National Housing Act should be extended and amended, placing emphasis upon rental housing and efficient low-cost construction. Provisions of the law affecting title I, class 3 loans should be amended to make loans more easily available to low-cost housing not covered by title 6. Secondary markets should be established in the home loan bank or the RFC for both title 6 and title 1, class 3 loans.

10. Special Federal aid should be given to veteran paraplegic cases.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—LOW-COST-HOUSING PROGRAM (H. DOC. No. 547)

To the Congress of the United States:

In the next few weeks legislation authorizing rent control and emergency financial aids for housing construction will expire. The Congress should extend and improve this essential legislation and, at the same time, should enact urgently needed new housing legislation. The objective should be an integrated program to assist in obtaining more housing at lower cost, both in the immediate future and for the long run.

This program should be based on the needs of all our people for housing, the ability of the housing industry to meet those needs, the most practical and effective method of giving Federal assistance, and the urgent necessity for reducing costs and prices in the housing field. I am glad that the Congress through several of its committees has been making an extensive study of these matters.

Today far too many of our families are living in substandard housing, in painfully cramped quarters, or doubled up with friends or relatives. Over five million of our present homes are below minimum standards. About two and one-half million married couples live with other families, a 50-percent increase since 1940. Large numbers of families do not have enough space to give their children decent accommodations. These conditions cannot help but be reflected in unsatisfactory home life and lowered standards of health. Their impact is greatest on our low-income families, minority groups, and new families started by veterans.

These are some of the symptoms of our long-range housing problem. To provide better homes for families now in substandard or cramped housing, to meet the increased needs of a growing population, and to replace our supply of housing as it wears out, we must look ahead to a long period of high-volume construction. It will be necessary to produce an annual average of more than 1,000,000 new houses and apartments in urban areas during the next 10 years, and, in addition, a substantial amount of housing in rural areas, if we are to have the housing this Nation needs and can afford. This will require the joint strength and effort of management and labor in the building industry, of private financial institutions, and of Federal, State, and local governments.

As we make progress toward this goal, we will overcome the critical housing shortage by providing enough dwellings at prices which families who need them can afford. At the same time, we can also stabilize the housing industry and thus make a contribution toward preventing the violent fluctuations of the business cycle in general.

The expansion of housing production is necessary in this inflationary period, just as it is necessary to expand the production of other articles in short supply which are vitally needed by our people. The critical housing shortage is contributing to the upward pressure on the selling price and rental price of housing. While we need rent control until this shortage can be overcome, the basic problem is to increase housing production to eliminate the shortage.

The long-range and immediate aspects of the housing problem are intermingled. We must now take steps both to increase the immediate volume of housing construction and to achieve progressively better housing at lower cost over the years ahead. Without measures to achieve both these objectives we shall be in danger of a serious drop in housing production. Such a drop in production, whether now or later, would affect and injure the stability of our whole economy. This happened when housing production declined after 1925—and it would happen again. We must take steps now to assure stable housing production at high levels, as an essential part of our determination to maintain an economy of maximum employment and production.

During 1947 nearly 1,000,000 housing units were added to our housing supply. About 835,000 of these were new houses or apartments and an additional 150,000 were obtained by conversion or temporary construction. This volume of construction was an excellent accomplishment.

In other respects the 1947 achievement was not so satisfactory. Not enough of the housing produced was for rent. Too much of it was priced beyond the means of those who needed it most.

Less than 15 percent of the new housing built in 1947 was rental housing. This was well below the average for the past 30 years, and falls far short of present needs. The evidence is clear that the shortage of housing for rent is far more acute than that of housing for sale.

The housing made available in 1947 was too high-priced for millions of our people to buy or rent. Some progress was made toward building houses which the middle-income groups could afford. But almost no housing at all was built for low-income families.

These facts should guide us as we lay out our program for this year and the years ahead.

I recommend that the Congress enact at the present session legislation directed toward five objectives.

1. To continue and strengthen rent control.

2. To stimulate a higher volume of home building on a sustained basis, with special emphasis on rental housing, and with proper safeguards against possible inflationary effects.

3. To reduce building costs.

4. To assist communities in providing low-rent housing for families in the lowest-income groups.

5. To aid cities in rebuilding and modernizing run-down areas.

This program will help to combat those elements of the inflation which stem from the housing shortage. By concentrating more upon the housing needs of middle-income and low-income families, it will broaden the market for housing and thus safeguard us against a serious drop in housing production in the years ahead. And it will advance us far toward the goal of a decent home for every American family.

RENT CONTROL

The acute shortage of rental housing makes it imperative to continue emergency rent control.

The want-ad sections of metropolitan newspapers still contain desperate pleas by families seeking apartments. On the average those rents which were eliminated from control by the present law have risen more than 60 percent. Tenants in many parts of the country have been receiving notices from landlords that their rents will be substantially raised if rent-control legislation is allowed to expire on February 29.

On numerous occasions, I have pointed out the serious effect that large increases in rents would have upon the excessively high cost of living for millions of our families. Rent accounts for nearly one-fourth of the budget of low-income families—the families most seriously affected by the high cost of living.

The recent declines in certain prices in the commodity markets cannot be regarded as a valid reason for failing to continue and strengthen rent control. The cost of living is still so much higher than it should be that we cannot allow price reductions that may be achieved in some elements of the cost of living to be canceled out by increases in rents.

I recommend, therefore, that rent-control legislation be extended at least through April 30, 1949.

In extending this legislation it is essential that the Congress provide vitally needed enforcement authority which is now lacking. The enforcement provisions of the present law are so inadequate that it is virtually impossible for the Government to enforce rent ceilings or for most tenants to protect themselves.

The Office of the Housing Expediter estimates that in 12 cities surveyed by the Bureau of Labor Statistics, for the period from June 15 through November 15, 1947, rents were raised illegally on from 6 to 21 percent of the units. In the city of Boston, for example, 14 percent of the rental units had illegal rent increases.

The large number of overceiling violations under the present law is due primarily to the elimination of the authority which the Housing Expediter previously had to bring treble-damage suits and to protect tenants from being evicted for refusing to pay overceiling rents.

Most tenants do not have the knowledge or funds to bring effective legal action in their own defense. Even those who could bring suit hesitate to do so for fear of blacklisting or other forms of retaliation by landlords.

The new legislation, therefore, should provide adequate authority to enable the Government to enforce the law, and appropriations should be sufficient for an adequate enforcement staff.

The legislation also should protect those tenants—more than a million and a half in number—who have agreed to the so-called voluntary 15-percent increases provided for under the present law. These families have no protection beyond December 31, 1948. They should be given protection at their present rents for the duration of the new law.

Provisions should, of course, be continued for adjusting rents to correct inequities and to compensate for increased operating costs. It is important also to continue to provide for the orderly decontrol of rents in individual communities as local shortages are relieved. During the past year a number of areas have been decontrolled as conditions permitted. This orderly transition should be continued as rapidly as feasible.

HIGHER VOLUME HOUSING CONSTRUCTION WITH SPECIAL EMPHASIS ON RENTAL HOUSING

To achieve an increased volume of construction in 1948, and a higher proportion of rental housing, the Government should continue its financial aids, with appropriate modifications, and should assist in the expansion and proper distribution of the supply of building materials.

For the last 14 years the Federal Government has given incentive and support to the construction of housing through assistance to private loans for home building. These credit aids have been temporarily modified and liberalized in recent years to fit the housing needs of the war and postwar periods, and especially to aid veterans.

These aids have been signally successful in stimulating a high volume of home building. They should be continued and modified to assist in meeting current needs and at the same time to move toward a sound long-run system of Government assistance to housing credit. In particular they should be revised to provide relatively more incentive during the next year for the construction of rental housing than for the construction of housing for sale. In addition, careful safeguards should be provided against inflationary impacts.

My recommendations with respect to credit aids fall into three groups. First, I recommend the extension and revision on a transitional basis of title VI of the National Housing Act, containing the principal emergency credit provisions.

Title VI should be extended, with modifications for 1 year to March 31, 1949, with an increase of $2,000,000,000 of insurance authorization. Half of this amount should be specifically allocated for insuring loans for rental housing. To increase the proportion of rental housing, the statutory basis for insuring loans should be made less liberal on housing built for sale while the present basis for rental-housing projects should be retained subject to provisions which would prevent giving support to further cost increases.

Second, I recommend that Federal support for home-mortgage loans in the form of a secondary market be continued, but modified to introduce adequate safeguards against inflationary effects.

For this purpose I recommend the further consolidation of Government housing activities in the Housing and Home Finance Agency by placing the secondary market authority in that Agency. The Housing and Home Finance Agency would continue the present secondary market for loans guaranteed by the Federal Housing Administration and would reestablish a secondary market for those guaranteed by the Veterans' Administration.

The purchases of mortgages by the Government should be limited to local situations where the absence of sufficient credit is endangering home production or availability of houses to veterans and where Government support will not result in higher costs and prices or unsound credit standards.

This stand-by secondary mortgage market will give assurance to lenders of a source of liquidity in time of need and thereby contribute substantially to the stability of interest rates and the supply of necessary credit.

Third, I recommend that the Congress provide a sound incentive for the construction of rental housing in the form of Government insurance of an adequate return on direct investment in large-scale rental projects with supervised rent schedules. Such a yield-insurance plan should encourage substantial investment of private capital in well-planned rental housing.

The long-range housing legislation which has been before the Congress for some time contains additional proposals for stimulating large-scale rental housing which should be enacted.

In addition to these various forms of credit assistance, the Government can encourage a high volume of home building by improving the distribution of scarce raw materials to building-materials manufacturers.

As part of the anti-inflation program, I recommended last November that the Congress enact legislation to permit the allocation of important materials, including housing materials, in extremely short supply. In the absence of such legislation, the Secretary of Commerce is attempting to develop voluntary industry-wide agreements to channel more raw materials into the production of scarce housing items, such as nails and cast-iron soil pipe. I am still convinced that allocation authority to supplement these voluntary measures would make an essential contribution to the rapid and effective expansion of the supply of building materials.

In addition, it is clear that the supply of many building materials must be permanently expanded to make possible a continuous high volume of construction at lower costs. As a practical measure toward this end, the Department of Commerce, in cooperation with other Government agencies, will regularly prepare long-range estimates of building-materials requirements.

All these measures are designed to assure a high volume of housing construction. But this high volume cannot be maintained, nor can we produce housing that the bulk of our families can afford, unless building costs are lowered.

LOWER BUILDING COSTS

To obtain good housing at reasonable prices requires broad-scale efforts to reduce building costs. The basic problem facing the housing industry in this regard is to achieve the constant improvements in productive efficiency characteristic of other great industries of our country.

Considerable progress has been made in the last few years, as labor and management alike have begun to realize the possibilities for long-run efficiency inherent in stabilized housing production at high levels. Large-scale operations, both on the building site and in factories, have demonstrated possibilities for significant reductions in cost. In addition, some coordination has been achieved in the sizes of materials and household equipment. This permits small-scale builders, as well as large, to lower costs through simplified assembling of houses.

We can expect further progress as these advances are more widely adopted and as further innovations are developed. The Government can assist in a number of ways.

The vigorous program of research to develop new building materials and more efficient building methods, on which the building industry has made an encouraging start, can be aided by the Government, particularly through such research agencies as the Bureau of Standards and the Forest Products Laboratory. In addition, the Government can assist the industry through a sound program of research concerning the housing market and related community development problems. I recommend that the Congress provide authority and funds for an integrated program of building research, recognizing the paramount interest of the Housing and Home Finance Agency in the housing field and related interest of the Department of Commerce and other agencies in the more general field of construction, and using the best research facilities available throughout the Government.

The use of modern methods and materials, large-scale operations, and improved working techniques are hampered in some communities by obsolete and restrictive requirements embodied in local building codes. These codes should be rapidly modernized to permit the prompt use of proved and safe technical advances.

Many communities have already made substantial improvements in their codes. The Federal Government's research program should assist further improvement by testing building materials and methods and determining proper performance standards. Agencies of the Government will also continue to promote better building codes by working with State and local officials and with representatives of labor and management.

The full development of large-scale operations, both on-site construction and prefabrication, has been delayed by serious gaps in financing methods. In the case of on-site construction I recommend that the Government be authorized to guarantee loans for working capital during the period before regular mortgage-loan financing is available. In the case of prefabrication I recommend that the Government's present power to guarantee production loans should be extended to cover the entire period between the time the house is started in the plant and its erection on the site.

Cooperatives have been effective in lowering costs in many parts of our economy. Farm cooperatives are a notable example. I recommend that special provision be made by the Congress for insuring loans to housing cooperatives.

Another promising means for reducing costs of construction is to improve the marketing system for building materials, which in many respects is now unduly complicated and costly. This problem presents a challenge to the industry to establish a system adequate to distribute at low cost the large volume of materials required to meet our housing needs.

The Antitrust Division of the Department of Justice has been attacking unlawful obstacles to free competition in the housing industry. Restraints on channels of distribution, price fixing, and other practices in violation of the antitrust laws add to the cost of housing. More vigorous enforcement of these laws depends upon the appropriation by the Congress of additional funds that have been requested for the Antitrust Division.

There are also possibilities for cost reduction through higher labor productivity as the skill of building workers is increased and efficient methods are more rapidly adopted. As in other industries, labor costs per unit can be reduced by these means without lowering the annual earnings of workers. I am sure that labor and management understand and accept these principles and recognize that their effectiveness depends upon uninterrupted high-volume production of housing. I am confident that they will cooperate fully with each other to achieve these ends.

A complete housing program must deal with rural housing. Financial aids should be developed for rural housing as well as city housing. In addition, the technical building services provided by the Department of Agriculture to farmers should be expanded.

This will enable farmers to do more of their own building, and reduce the high costs necessarily incurred when city builders are asked to do the relatively small-scale work involved in building or remodeling farmhouses. I again recommend the enactment of the provisions for rural housing contained in the comprehensive housing legislation which has long been before the Congress.

All of these measures will result in progressively lower cost and higher quality housing. Some should be effective in the near future, such as the standardization of design, dimensions, and methods of assembly of home-building materials and equipment. Others will take longer to be fully developed. All should be strongly encouraged by the Government.

LOW-RENT HOUSING FOR FAMILIES IN THE LOWEST-INCOME GROUPS

The measures for cost reduction which I have recommended—even when they become fully effective—will not provide adequate housing within the reach of our lowest-income families. The private-housing industry cannot in the foreseeable future provide decent housing for these families. Their incomes are far too low to cover the cost of new housing of any adequate standard. They are too low to cover the cost of decent second-hand housing.

We have a national responsibility to assure that decent housing is available to all our people. We should replace present housing which is a menace to health and safety with simple but adequate housing at rents which low-income families can afford. To do this we must resume the program of public aid to low-rent housing, first authorized under the United States Housing Act of 1937.

Under this program, tested by experience, local public agencies construct and operate the housing and the Federal Government contributes funds necessary to permit low rents. Communities also contribute by providing exemption from local taxes. The costs to the Federal and local governments have been modest in comparison with the benefits achieved, not only for low-income families but also for the community as a whole.

I recommend that the Congress authorize sufficient Federal funds to permit construction by local housing authorities of 100,000 public-housing units each year for the next 5 years.

The limits on the cost of construction per unit set by present law would not permit the development of low-rent housing projects under any cost level likely to be achieved in the postwar period. The law should be amended to adjust these cost limitations to postwar conditions, and also to strengthen the provisions of the law which restrict the use of the housing to low-income families, to encourage the construction of units for families of larger size, and to extend certain preferences to veterans.

Public housing is an essential element in our total program. Even when these 500,000 units have been built, we will still have far to go to rehouse our lowest-income groups.

URBAN REDEVELOPMENT

The redevelopment of the central areas of our cities, now too often blighted and decaying, is of primary importance for our housing program. Housing does not exist in a vacuum. In planning residential areas, consideration must be given to such items as transportation, shopping centers, schools, and playgrounds. Some sections of our cities must be replanned and rebuilt to be fit places for modern living.

To make it possible for the cities to start this work and to encourage participation by private capital, we should now make adequate provision for a program to assist in the elimination of slums and blighted areas. The task of assembling and clearing land in these areas and making it ready for rebuilding is great, and the need is urgent. The costs will be beyond the financial means of most cities. I recommend the enactment of legislation to give Federal assistance, to be combined with local resources, to permit the assembly and clearance of land in such areas. Federal aid for this purpose is one of the features of the comprehensive housing legislation which I have previously recommended.

While major expenditures of this type should be deferred at present, I recommend that the Congress now authorize the Housing and Home Finance Agency to enter into the necessary financial arrangements so that cities may proceed with their plans and be ready to undertake their projects as rapidly as economic conditions and local situations permit.

CONCLUSION

The program of action I have recommended is designed to meet the immediate housing needs of the Nation and at the same time to lay a sound basis for the years ahead. It is a comprehensive program, each part of which is necessary.

Many of the proposals which I have recommended are contained in housing legislation which has long been before the Congress. These proposals have received long study by many committees of the Congress. In recent months the other proposals that I have here made, as well, have been carefully studied and their need demonstrated. The way has therefore been paved for speedy action on the entire housing program that I here recommended and most of which I have recommended before.

Unfortunately, some of the elements of this comprehensive housing program which are most urgently needed—such as the provision of publicly aided low-rent housing—have been subject to opposition based upon unfounded fears and upon errors about the facts. These elements of the program should not be put aside. Such action would result in a fragmentary housing program which would not meet the needs of the American people.

In the past, we have proceeded separately on short-range and long-range proposals. Now we must recognize the need for shaping the long- and short-range legislation with reference to each other. We must adopt them together so that they may work together. We must make orderly progress, not a staggering uncertain series of starts and halts.

We have learned much in the last decade about the ways to meet the housing needs of our great Nation. We should now act on this knowledge through farsighted legislation by the Government and farsighted planning by all who work in the building industry.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 23, 1948.*

Mr. McCARTHY. In closing, I should like to point out the four important things which I believe this Congress must do above all the other things contained in my bill. Before I continue, may I ask the Senator from Vermont [Mr. FLANDERS] whether I am correct in my assumption that everything in my bill is contained in what the Senator has submitted as an amendment to the Taft-Ellender-Wagner bill?

Mr. FLANDERS. I may say to the junior Senator that I have not yet examined his bill with sufficient care to make that clear. I feel sure that they parallel each other to a considerable extent.

Mr. McCARTHY. I may say that the Senator's staff assured me that when his amendment was drafted that they included everything that was in my bill except the provision for accelerated depreciation and income tax exemption. I assume, therefore, I may safely conclude that everything in my bill is in the Senator's amendment.

Mr. FLANDERS. If the Senator will excuse me, I may say that the accelerated depreciation provision came as a result of talks with people engaged in the housing business, following the hearings.

Mr. McCARTHY. I understand the Senator agrees to the accelerated depreciation.

Mr. FLANDERS. That is correct.

Mr. McCARTHY. That is in the Senator's amendment also, is it not?

Mr. FLANDERS. Yes.

Mr. McCARTHY. Then I think I may safely assume that the Senator from Vermont has submitted an amendment to the Taft-Ellender-Wagner bill, which amendment is identical with my bill. Again, may I say that I want this definitely understood——

Mr. FLANDERS. If the Senator will excuse me, I do not want to say that that is true until I have carefully examined the bill and the amendments. I am sure they resemble each other, but I do not want to give the Senator my personal assurance that they are identical.

Mr. McCARTHY. I thank the Senator very much. I think I may say there are four things that must be done. First, it would seem that a secondary market for loans must be established. That should be a permanent organization. It should not provide for a blanket secondary market. That might prove too inflationary and it could load on the Government a large amount of worthless paper. It should be a secondary market with the proper restrictions, to be used at such times and within such areas as the Administrator believes necessary.

Secondly, I firmly believe that, no matter what else we may do, we shall have failed completely unless we do something toward achieving finally a standardization of building codes and a standardization of measurements. Third, the provision which we have in regard to veterans' cooperative I believe of major importance. Fourth, while it will not affect so many people, I think it is perhaps of the most vital concern. That is the section which the Senator from Alabama [Mr. SPARKMAN] drafted, which is almost identical with the bill which the Senator from Alabama and I introduced last year, which was referred back to the committee by a vote of 40 to 37. The section which the Senator from Alabama has drafted dealing with aids for the young men who are in effect sentenced to wheel chairs for life, because of spinal-cord injuries which they received during the war, above all others should be passed. As of today there are close to 1,500 of those young men. The hospitalization costs upward of $7,500 a year, so that purely from an economic standpoint, purely from the standpoint of saving money, we can very safely and intelligently pass the section of the bill prepared by the Senator from Alabama [Mr. SPARKMAN]. It will provide that about $10,000 in aid shall go toward the pur-

chase of each paraplegic's home. The reasoning behind it is sound. The paraplegic must travel in a wheel chair. He requires a special type of residence, with ramps instead of stairways, with huge bathrooms, with special equipment, wider halls, and so forth. It costs much more to build one of those homes. Unless the section presented by the Senator from Alabama [Mr. SPARKMAN] is adopted, we must assume that these young men will be hospitalized for the remainder of their lives. Many of them, it will be understood, were married before the war, many of them have families, and reports are received every day about broken homes, reports of the wife and possibly one or two children living 50, 60, 70, or 80 miles away, able to see the husband only every 2 or 3 or 4 weeks. Many of the homes are breaking up today. If we do nothing else, I think the least that we should do is to accept the section proposed by the Senator from Alabama [Mr SPARKMAN].

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1733. An act to authorize payment to certain enrolled members of the Seminole Tribe of Indians under act of July 2, 1942 (Public, No. 645, 77th Cong.);

S. 1782. An act to provide for selection of superintendents of national cemeteries from meritorious and trustworthy members of the armed forces who have been disabled in line of duty for active field service; and

S. 1990. An act to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS, 1949

The Senate resumed consideration of the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the first committee amendment, which will again be stated.

The CHIEF CLERK. At the top of page 3, it is proposed to insert the following:

For additional personal services for the White House Office to meet emergencies that may arise, $200,000.

Mr. REED. Mr. President, with respect to the first committee amendment, which concerns the President's emergency fund, a precise explanation should be made.

The President had for the present fiscal year, which expires June 30, 1948, an emergency fund amounting to $500,000. The budget recommended $1,000,000 for the calendar year ending June 30, 1949. Our investigations showed that except in the cases of President Lincoln, during the Civil War, President McKinley, during the Spanish-American War, President Wilson, during the First World War, and President Roosevelt, during the Second World War, no emergency fund was ever provided for a President in peacetime. So, before the subcommittee recommended the amendment which is now under consideration, we inquired of the Bureau of the Budget whether provision had been made for the expenses of the White House in all directions, and were informed that it had been made. There were grounds allowance, a subsistence allowance, and a travel allowance. The subcommittee eliminated the emergency fund entirely, allowing, however, in another form for personal services. The President has established what we call the Steelman group, and two other small groups, one of which handles motion-picture liaison, whatever that may be. The expenses of those three groups annually amount to $199,211. We left in the bill, at the top of page 3, $200,000 to take care of those matters.

We have no desire to hamper or embarrass the President. However, the full committee rejected the subcommittee's report and allowed an additional $100,000 as an emergency fund for the President, which appears on page 4 of the bill. The language there is much like the language, with some deletions, which accompanied the appropriation of the emergency fund for the present year. The amount is different. In this instance the amount is $100,000 instead of the $500,000 which was allowed in the bill last year for the current fiscal year. I think that is the only explanation which seems to be necessary.

Mr. O'MAHONEY. Mr. President, the chairman has correctly stated the situation with respect to the consideration given to this question in the Appropriations Committee. The subcommittee originally desired to cut the appropriation to $200,000, although the House committee, having before it the budget recommendation of $1,000,000 for an emergency fund, reduced it by only $300,000, the House approving that action and passing the bill with an emergency fund for the President of the United States of $700,000.

The full committee, as the Senator from Kansas has stated, increased the item from the figure of $200,000 recommended by the subcommittee to take care of certain personnel, to $200,000, the additional $100,000 being to provide for emergencies affecting the national interest or security, as the President might specify.

My own judgment was that even this appropriation was too small, because it seemed to me to be perfectly clear that the situation which exists today cannot be compared with the situation which existed at any previous so-called peacetime period in the entire history of the Government. We like to talk of peacetime as though we had been restored to peace, but I submit that we have not returned to peace after the terrible fighting war through which we have recently passed, and we shall not have returned to peace until all the peace treaties have been written and ratified.

There can be no doubt that there falls upon the shoulders of the occupant of the White House a burden greater than any which has ever fallen upon any man after the fighting stopped. I believe, and I so stated to the committee, that it ill comports with the gravity of the times for the Appropriations Committee to make this extraordinary reduction in the appropriation available to the President.

I do not intend to raise the issue now on the floor, knowing as I do the attitude of the Senator in charge of the bill. I say this much, however, in the hope that when the measure goes to conference a little more attention may be paid to the realities of the situation in which we find ourselves.

There have been expenditures out of this fund for purposes which every citizen of the United States would approve. For example, the great floods in the Mississippi River were such that after the floods themselves had been brought under control by the Army engineers, their jurisdiction expired, and it was no longer possible for any appropriation made to the Army engineers to be devoted to the objective of taking care of the wreckage and the misery which followed the disaster. Some funds were expended from the appropriation, approximately $50,000 for the rehabilitation of hurricane damage on the Mississippi Gulf coast. Then came a great fire in the Maine woods. There was no fund anywhere which could be used in connection with that, not even in the President's emergency fund. So the fund was not used. It should have been.

I make these few remarks so that the Senate may know that in cutting down the emergency fund of the President we are depriving the White House of the opportunity of performing an essential service in the public interest and in the face of great crises arising during the term for which the appropriation is made.

The PRESIDENT pro tempore. The question is on agreeing to the first committee amendment.

CHARLES HOWARD RICHARDS—VETO MESSAGE

Mr. MORSE. Mr. President, I wish to make a few remarks at this time on the veto message the President sent in today on Senate bill 939, a private bill for the relief of Charles Howard Richards.

I understand that the veto message will remain on the desk, so that at a later day I can make a motion, which I intend to make, to override the President's veto, because I think it is clearly a veto which should be overridden. I think it is a veto which is ill-advised, ill-conceived, and clearly ill-considered by the President. I think it is a veto which ignores the data and information before the Senate at the time we passed the bill. The veto message shows that it was taken for the most part from the adverse report of the Federal Security Agency which was before us at the time we passed the bill. The Judiciary Committee made that adverse report a part of its committee report and then recommended that the Federal Security Agency be overruled. That is the effect of the Judiciary report.

The Committee on the Judiciary of the Senate had all the information set out in the veto message before it at the time it brought out a unanimous report in support of the bill. With all that information before us, Mr. President, we passed the bill. We should not ignore

the fact that what the President has done is allow in fact the Federal Security Agency to reverse the Congress.

We passed the bill on the basis of a long-established right of the Congress of the United States to do equity in hardship cases when the ordinary procedures of Federal administration make it impossible to have equity done to private citizens.

Prior to the Reorganization Act I sat as a member of the Committee on Claims of the Senate, and I wish to say to the President of the United States at this time, in this speech, that we passed upon literally hundreds upon hundreds of cases in the Claims Committee which did not have the equitable merits possessed by this particular bill which he has vetoed. I am at a loss to understand why the President should be moved to substitute his conscience in a matter of equity for the conscience of the Senate and the House of Representatives when we can take judicial notice of the fact that he was not as thoroughly familiar with the equitable considerations present in this case as were the appropriate committees of the House and Senate.

I am satisfied that the President is not fully aware of the equities which are inherent in this particular case. I am inclined to believe as I read the veto message and as I read the adverse report letter which we secured from Maurice Collins, Acting Administrator of the Federal Security Agency, and which is to be found in the report of the Judiciary Committee of July 21, 1947, before we passed the bill, that what the President has done, is to affix his signature to the contents of that letter, redrafted in the form of a veto message.

Now let us take a look at the facts for a moment, because the President would give us the impression in his veto message that Mr. Richards has a source of relief through the Federal Security Agency.

We sought that relief over the months. The President is quite right when he points out in his veto message that some $291.83 was paid to Mr. Richards from the Federal Security Agency for hospital bills, which covered his first medical expenses. That part is brought out in our own Judiciary Committee's report. However, that was not sufficient to meet the demands of justice in this case.

What the President failed to point out in his veto message is that it is quite a different thing for him, as President of the United States, to say to the Congress of the United States and to Mr. Richards that all Mr. Richards has to do is to proceed further, and pursue further, through the red tape of the Federal Security Agency, further requests on his part for further compensation from the Federal Security Agency. He does not point out in his veto message, however, what the policy of the Federal Security Agency is, what it always has been, at least, up to this hour, in such cases. That policy is to defray simply certain medical costs, but not to do equity so far as compensating for the injury itself is concerned.

Of course, the doing of equity is what the Congress has always attempted to do in the cases before its Committees on Claims. If we were satisfied that equity should be done, and if we were satisfied that justice could not be done in an individual case in behalf of an American citizen, by just paying medical expenses, we allowed compensation for the injury itself.

The Claims Committees looked to see what justice in the premises required in individual cases and, as the record in the instant case will show, the Committee on the Judiciary had before it all the detailed data showing the extent of the injuries. The record before the Judiciary Committee showed what Mr. Richards would have been able to recover, for example, under the workmen's compensation law of the State of Oregon if this had been a case within the jurisdiction of the Workmen's Compensation Commission. The committee unanimously agreed that the figure of $5,000 for the injury suffered was the figure which should be paid to Mr. Richards in doing equity.

Now we get a veto message from a very busy President dealing with a private claim which has been thoroughly considered by the appropriate committees of both the Senate and the House, but which message to all intents and purposes is but the reiteration of an adverse report filed before those committees by the Federal Security Agency at the time the Congress considered the case.

Mr. President, I wish to say that it is my opinion that in such matters as this, with the more major problems which rest on the desk of the President of the United States, and in view of some fine sentiments he has expressed in the past about cooperating with the Congress of the United States, that at least in matters such as this the President should be willing to cooperate by recognizing that when the Congress has gone into such an individual hardship case as this and reached the conclusion that equity should be done in the name of good conscience, the President should be willing at least to give the benefit of the doubt to the Congress by signing the bill.

Mr. President, I am satisfied that if the only alternative to be granted Mr. Richards, the claimant involved in this case, is following the President's invitation that he resort once more to the maze of red tape and the bureaucratic caprice and arbitrary judgment which characterizes the Federal Security Agency, justice will never be done Mr. Richards through the channels offered him by the President of the United States.

Unimportant, relatively, as the case is to the country as a whole, nevertheless I think the basic principle is mighty important, namely, whether or not, after the Congress of the United States, after due consideration, reaches the conclusion in a case such as this that equity and justice require that Congress grant such a claim, we are going to sit by and be reversed by a veto message which is based on an adverse administrative report from a bureau we had at the time we passed the bill. I honestly believe that the bill did not receive the careful consideration of the President of the United States, but that he simply followed the adverse report of the Federal Security Agency.

I think we should override the veto message and make clear to the President of the United States that cooperation does work both ways, and that when we take the position, as we took it in this bill, of overruling the Federal Security Agency—which is what the bill amounts to—that when we take the position of overruling one of the bureaucratic agencies of this Government, the doubts should be resolved in our favor. There is no indication in the veto message that the President has given due consideration to the principles of equity which motivated the Congress in passing the bill in the first instance. We as the representatives of the individual rights of each person in America should protect this claimant from the injustice of this veto message.

Therefore, Mr. President, at the proper time I shall make a motion to override the veto message.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS, 1949

The Senate resumed consideration of the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the first committee amendment on page 3, line 1.

The amendment was agreed to.

The next amendment was, on page 3, after line 2, to strike out:

EMERGENCY FUND FOR THE PRESIDENT

For expenses necessary to provide additional assistance to the President and to enable him, through such agents or agencies of the Government as he shall designate, to provide for emergencies affecting the national interest or security, without regard to such provisions of law regulating the expenditure of Government funds or the employment of persons in the Government service as he shall specify, $700,000 of which $100,000 may, when authorized by the President, be expended for objects of a confidential nature and in any such case the certificate of the expending agency as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided*, That no part of such fund shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eightieth Congress or the first session of the Eighty-first Congress and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body.

And in lieu thereof to insert the following:

EMERGENCY FUND FOR THE PRESIDENT

To provide for emergencies affecting the national interest or security, as the President may specify, without regard to such provisions of law regulating the expenditure of Government funds, $100,000: *Provided*, That no part of such fund shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eightieth Congress or the first session of the Eighty-first Congress and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body.

The amendment was agreed to.

The next amendment was, under the subhead Bureau of the Budget, on page 5, line 11, after "(28 U. S. C. 921)", to strike out "$3,192,000" and insert "$2,992,000."

The amendment was agreed to.

The next amendment was, under the subhead "Council of Economic Advisers," on page 6, line 4, after "(39 U. S. C. 321d)", to strike out "$300,000" and insert "$350,000."

The amendment was agreed to.

The next amendment was, on page 6, line 4, after (U. S. C. 321d), to strike out "$300,000" and insert "$350,000."

The amendment was agreed to.

The next amendment was, on page 6, after line 4, to insert:

LIBRARY OF THE OFFICE OF GOVERNMENT REPORTS

For salaries and expenses of the library formerly under the Office of Government Reports, $18,000.

The amendment was agreed to.

The next amendment was, under the heading "Federal Communications Commission," on page 13, line 1, after the word "including", to insert "personal services in the District of Columbia."

The amendment was agreed to.

The next amendment was, on page 13, line 12, after the word "amended", to strike out "$6,260,000" and insert "$6,360,000."

Mr. O'MAHONEY. Mr. President, I desire to move that the figure "$6,360,000" be increased by the sum of $125,067. This is intended to restore the Budget estimate, rather than to allow the reduction recommended by the committee. The committee has increased the appropriation beyond that which was allowed by the House.

My reason for asking this increase is that the work of the Federal Communications Commission is steadily expanding. It is expanding at a rate greater than that probably of any other Government agency, simply because the war has resulted in the development of new horizons in the science of electronics and the science of communications through the ether.

The request which was made of the committee was for funds sufficient to enable the Federal Communications Commission to expend $40,411 to add 8 positions to carry on the work of frequency allocations and treaty development. This is because the development of this science has become so great that electrical impulses may now be sent around the world with as little energy as 1 watt. It becomes essential therefore, if the people of the United States are to be protected in the utilization of all the bands which are available in the ether, that international agreements be made effective so that there shall not be interference. Without such treaties, without such understandings, it would be easily possible for one nation to jam the bands which are used by another nation.

Furthermore, the Federal Communications Commission desires to have 23 positions for safety and special services. The radio is being used now not only by taxicabs all over the United States, but it is being used upon the seas, and upon the Great Lakes, to enable business and industrial and pleasure craft to avoid the dangers which are ever present upon the waters. To decline to give the Federal Communications Commission the money which it needs to prceeed with its safety investigations and its special services is merely a decision upon the part of the Congress that that sort of development shall not be made. One hundred and one thousand six hundred and eighty-nine dollars was to be used by the Federal Communications Commission for that purpose.

The Commission also asked additional amounts for broadcast activities, testing of equipment, and collection of technical information, surveillance of the technical aspects of radio operations, common-carrier activities, and general administration. Under the item "General regulatory activities" nothing was requested. Twenty-four thousand four hundred and fifty-eight dollars were to be devoted to general administration. These are among activities desired by the Federal Communications Commission to be carried on under the budget estimates which have been eliminated.

After the committee had acted, Mr. President, I communicated with the Chairman of the Federal Communications Commission and asked him to send me a letter telling what services would have to be abandoned if the increase of approximately $100,000 allowed by the Senate is the only increase which is granted. I have that letter from Chairman Wayne Coy, and I ask that it be read to the Senate from the desk.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The Chief Clerk read the letter, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., March 12, 1948.

Hon. JOSEPH C. O'MAHONEY,
Committee on Appropriations,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: As you have suggested, I have made an analysis of what would be the effects if the 1949 appropriation of the Commission were $6,360,000—$100,000 more than the amount which passed the House but $140,000 less than the budget request. I find that $36,715 of the $100,000 increase would be consumed by obligations over which the Commission has practically no control. This is made up of $2,500 for penalty mail and $34,215 for within-grade (Ramspeck) promotions. The cost of penalty mail is being increased by the Post Office Department from $18.60 per thousand to $20 per thousand. Within-grade promotions are made according to law when the employees' performances are satisfactory.

Taking out the $36,715 over which we have little control would leave $63,285 to be used for increases in activity. Our problem becomes one of choosing between doing a very inadequate job upon a number of activities or doing a good job upon one of the most important activities. Our present thinking is that we should do the best job upon one activity—the allocation of frequencies and the performance of treaty work. For this work we should use the entire $63,285.

The logic in choosing frequency allocation and treaty work over safety and special services, testing of equipment and collection of technical information, monitoring, and other work really serves to emphasize the importance of our receiving the full $240,000 over the amount approved by the House. Practically all our requested increases are for performing what might be called basic work. By this I mean that the increases are needed to perform some of the very elementary steps that must be taken in order to provide for the utilization of radio. The first step must always be the allocations of frequency bands in which particular radio services may operate. Without such an allocation there are only two choices—either the radio spectrum will not be used at all or there will be chaos in it. Included in frequency allocation and treaty work is the keeping of frequency records and the notifying of assignments to the Berne Bureau. This work is of the same importance in radio regulation as the keeping of fiscal records of a bank is in financial dealings. The records must be kept up and must be correct from day to day. Notifications must be made to the Berne Bureau if the United States is to maintain its control over frequencies which it now uses or may use in the future. Because the frequency allocation work is so fundamental, it is our first choice in the allotment of additional funds.

Some extremely important activities would have to be neglected if all the increase were allotted to frequency allocation and treaty work. The largest item of increase is for safety and special services activities for which we have requested funds to provide for an increase in staff of 23 positions. Commissioner Webster at the hearing pointed out some of the serious backlogs we now have in the basic regulatory work in the safety and special services and he showed what would result if the backlogs were to grow. The result would be that the development of radio would be seriously retarded. The increased staff which we have requested would be used primarily in connection with development of air and marine navigation aids and extension of radio service to potential users in the marine, transportation, industrial, public safety, and other fields. Specifically the shortage of funds would mean this: The revision of the rules and international treaties governing the use of radio upon the Great Lakes, for example, would be retarded. The consequences of not having the rules in step with the technical advances in radio is naturally that lives are needlessly jeopardized.

The frequency allocation work and the safety and special services work in the promulgation of rules and regulations and the adoption of standards of good engineering practice should go hand in hand. The work upon both the rules and the standards is to a considerable extent dependent upon the frequencies that are allocated for a particular service. On the other hand, the spectrum space required is affected by such things as side-band tolerance and many other things that are incorporated in the rules and the standards of good engineering practice. At the present time we have a tremendous backlog in establishing rules and regulations and providing standards of good engineering practice. We have no rules at all in the industrial radio service covering public utilities, petroleum industry, logging, mining, agriculture, construction, and dozens of others. In the land transportation service we have no rules on the use of radio by intercity busses, intercity trucks, and taxicabs; the rules on railroads and on urban transit utilities are in need of revision. In the public safety group the rules are badly in need of revision in the police, fire, forestry conservation and special emergency services, and provision must be made to incorporate the new highway maintenance service. In the aviation service rules for the higher portion of the spectrum which is coming into use not only have not been written but the basic policy has not been determined. The marine service is the oldest of the radio services; therefore the rules and regulations are in comparatively good shape except for those pertaining to the higher frequency portions

of the spectrum. Only the marine service has standards of good engineering practice. Standards are badly needed in every one of the other services. I should like to emphasize that we must promulgate the rules and regulations and establish standards of good engineering practice if radio is to have an orderly development and the Commission is to be able to handle the thousands of applications from prospective users of these services.

Testing of equipment and collection of technical information, for which we have requested an increase of seven positions, would have to be slighted if only $100,000 were restored by the Senate. We could probably allot none of the increase to these activities. This work is important in the allocation and assignment of frequencies and the development of radio services. Knowing the propagation characteristics of given frequencies is essential in planning for frequency use. The testing of equipment and in some cases the development of equipment are equally important in determining how many transmitters can operate in a given band of frequencies without too much mutual interference. We already have a backlog in this work and the backlog will grow if no additional funds are made available for the work.

The other major item for which we requested an increase is what we have called surveillance of technical aspects of radio operations. By this we mean monitoring and inspection of radio stations. An increase of 13 people was requested to put our monitoring stations on a 24-hour-a-day basis. You can well imagine that with the increased use of radio there has been an increase in illegal operations and in interference problems. For example, during the first 7 months of the 1948 fiscal year we received 9,467 complaints that required monitoring as compared to 5,311 in the like period of 1947. I want to emphasize that our monitoring work has been streamlined. During the war we had approximately 100 monitoring stations. This number has been reduced to 21. With only 21 monitoring stations it is imperative that they all be in operation at all times; otherwise there is no assurance that we can give an adequate fix in direction finding. The increase we have requested is small in comparison to the amount of improvement it would produce in our monitoring work.

I believe that the above paragraphs will have shown you that if real economy is to be achieved, both in the Government and outside, it is imperative that the Commission do the basic work at this time. All of us are inclined to forget that radio is still so young and is still advancing so rapidly that a great deal of work must be done to prepare for the future. I am firmly convinced that every dollar we spend at this time on doing the basic preparatory work that we have talked about will have a return of many dollars to the Government and to the users of radio through future economy.

Sincerely yours,

WAYNE COY,
Chairman.

Mr. O'MAHONEY. Mr. President, I submit this letter in order to invite the attention of the Senate to the fact, as clearly set forth in the letter, that the broad advance in the scientific field of radio has been so great that to deny the additional funds requested seems to me to hold up the advance of science and the advance of the public interest.

Also I invite attention to the fact that a substantial portion of the increased appropriations requested for this agency and for other agencies is due to acts of Congress increasing the compensation of Federal employees. When this bill was under consideration the chairman very properly laid before the committee tables compiled by the staff, showing an analysis of personnel and personnel costs, indicating how salaries have increased since 1939 and 1940. I requested the Chairman of the Federal Communications Commission, when he was before the committee, to prepare a statement showing to what extent these increased costs of personnel were due to acts of Congress. That statement will be found on page 254 of the hearings. On that page there appears a table which shows the total increase in the average salary, amounting to $1,103, as a result of acts of Congress.

First, the Pay Act increases—volume 5, United States Code, page 944—brought about a change in the rates which adds $838. The night differential adds $17. The cost of days in excess of 52 weeks adds $15 to the average compensation. Overtime ship inspection—volume 47, United States Code, page 154—adds $4 to the average cost. Territorial differential—volume 22, Reports of the Comptroller General, page 491—adds $25.

Finally, the increased cost of within-grade promotions—volume 5, United States Code, page 667—adds $204, making a total additional cost of $1,103, on the average, due specifically to acts of Congress.

In these circumstances, Mr. President, it seems to me to be highly desirable that the increase asked for in my amendment be made.

The PRESIDING OFFICER. (Mr. HOEY in the chair). The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment on page 13, line 13.

Mr. REED. Mr. President, this is one of the bureaus which has grown out of all proportion as compared with what it used to be. I readily grant that the work of the Federal Communications Commission has increased. The science of electronics has developed more during the war, and in the past 5 years, than it would normally have developed in 50 years.

I should like to read the comments in the House committee report, after which I shall state the conclusions of the Senate committee. The House committee was perhaps more critical of the lack of efficient operation in the Federal Communications Commission than in any other body included in this report. The House committee said:

> While no funds are recommended for increased activity for this agency, it is the opinion of the committee that the experience it has gained in the postwar period in the processing of applications for licenses of all types should have increased its efficiency to an extent where a considerably larger number of such applications can be handled. Also, the committee is of the opinion that several activities under the Commission are overstaffed and, in the event there is urgent need for expansion of other work, the Commission should give serious consideration to reallocation of its funds among its activities with a view to meeting adequately its more important responsibilities.

Mr. President, in 1941—I shall not go clear back to 1939—the Federal Communications Commission had 1,114 employees. Today it has 1,377. Throughout the war the number of its employees ran above 2,000. During the war the Commission had some extra duties to perform. It is true that the number of applications for radio licenses and stations has increased, but presently I think the backlog is somewhat less than it was some months ago. I think the Commission is making progress in reducing that number.

At any rate, we allowed $100,000 above what the House allowed. I do not think there is need for more than that. The Commission's plea for a further increase from our committee was rejected by the subcommittee and also by the full committee.

I hope the amendment of the Senator from Wyoming will not prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 13, in line 13, after the amendment last above stated, to strike out "of which amount not to exceed $3,645,500 may be expended for personal services in the District of Columbia."

The amendment was agreed to.

The next amendment was, under the heading "Federal Trade Commission," on page 15, line 9, after "(39 U. S. C. 321d)", to strike out "$3,361,510" and insert "$3,521,510"; and in line 11, after the word "act", to insert a semicolon and "and not less than $207,000 shall be available for the trade practice conference rule work and investigations necessary thereto."

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, with respect to the last amendment, I think that it might be well, so that the RECORD may be clear, to make a statement of the understanding, as I had it, of the action by the committee.

There were some members of the committee who expressed a fear that that particular practice and policy of the Federal Trade Commission might be a device for restoring an NRA. The members of the committee, however, were, I think, unanimously of the opinion that no such purpose was entertained, and that the trade-practice conferences are not designed to enable those who are engaged in particular industries to meet with the Federal Trade Commission and there agree upon ways and means of raising prices or agreeing upon practices the result of which might be to restrain commerce or to make competition more difficult.

It was the opinion of the committee, as I understood that these trade-practice conferences are designed to enable small-business men to know what the policy is. In no event is it desired to create any avenue by which the well-known anti-monopoly policy of the Government

should be changed. That was the reason why the subcommittee in its report and the full committee in its report declared—and I read now from page 4 of the report that—

the committee has provided a total of $207,000 for trade-practice conference work, and $10,000 for mail-order-insurance regulatory work, when such insurance is not covered by State law.

The committee regards the administered price studies as an integral part of the anti-monopoly work and recommends that in allocating the over-all increase funds should be provided to carry out an effective program.

In the prosecution of all programs of the agency the committee recommends that existing policy with respect to enforcement of antitrust laws be continued without change.

Mr. President, I may add that the price study which was recommended by the Bureau of the Budget, and for which provision is included in the bill as reported by the Appropriations Committee, is intended to afford an opportunity for the Congress to learn the methods whereby interstate business fixes the prices upon which all local business must erect its price structure.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the heading "Federal Works Agency—Public Buildings Administration," on page 19, line 20, after the word "expenses," to strike out "health-service program as authorized by law (5 U. S. C. 150)."

The amendment was agreed to.

The next amendment was, on page 21, after line 24, to insert:

Funds available to the Public Buildings Administration shall also be available for health-service programs as authorized by law (5 U. S. C. 150).

The amendment was agreed to.

The next amendment was, on page 22, after line 10, to insert:

Geophysical Institute, Alaska: For the establishment of a geophysical institute at the University of Alaska, as authorized by the act of July 31, 1946 (48 U. S. C. 175, 175a), $100,000, to be immediately available and to remain available until expended, and in addition thereto the Public Buildings Administration is authorized to enter into contracts for this purpose in an amount not exceeding $875,000.

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I should like to ask the chairman of the subcommittee whether in regard to that point an amendment to the law will be offered.

Mr. REED. Mr. President, there are two amendments which are legislative in character. Let me say for the information of the Senator from Massachusetts that I had intended to let the bill ride through to an approval of the committee amendments in connection with which no legislation is involved, and then come back to the two amendments we have to offer.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the subhead "Public Roads Administration," on page 25, after line 22, to strike out:

For all necessary expenses to enable the President to utilize the services of the Public Roads Administration in fulfilling the obligations of the United States under the Convention on the Pan American Highway Between the United States and Other American Republics, signed at Buenos Aires, December 23, 1936, and proclaimed September 16, 1937 (51 Stat. 152), for the continuation of cooperation with several governments, members of the Pan American Union, in connection with the survey and construction of the Inter-American Highway as provided in public resolution, approved March 4, 1929 (Public Resolution 104), as amended or supplemented, and for performing engineering service in Pan American countries for and upon the request of any agency or governmental corporation of the United States, $100,000 to be derived from the administrative funds provided under the act of July 11, 1916, as amended or supplemented (23 U. S. C. 21), or as otherwise provided.

Mr. COOPER. Mr. President, I wish to inquire about this amendment. The effect of the amendment is to prohibit the use of certain of the administrative funds of the Bureau of Public Roads in engineering services in South America in connection with the Pan-American Highway.

My interest in this matter arises from my membership as chairman of the subcommittee on public roads of the Committee on Public Works. We have pending in that committee several measures relating to the Pan-American Highway. I have looked into this matter. I submit to the Senator's judgment that the amendment is unwise, in view of the engineering services which are to be performed.

Mr. REED. Mr. President, it was the Senator from Michigan [Mr. FERGUSON] who brought out and urged this amendment, to which the committee has agreed. Frankly, I doubt whether in conference we can afford to maintain it. This morning I discussed with the Bureau of Public Roads what their position is. The Senator from Michigan is rather vigorously criticizing some expenditures on the Pan-American Highway, principally in Central America. My present information is that the $100,000 is to be used in Ecuador and in one other South American country where the Export-Import Bank has made certain loans for development, and the Bureau of Public Roads is assisting in the way of furnishing engineering advice and possible other assistance, at least in the way of directing.

Mr. COOPER. The other country is Bolivia.

Mr. REED. On that state of facts, Mr. President, I shall be willing to restore the House language; but I should not want to do that in the absence of the Senator from Michigan. If we could obtain his presence while we are considering the bill, I should be willing to discard the amendment at this time because I do not think we can maintain it in conference, if the Senator from Kentucky would be satisfied to have that done.

Mr. COOPER. I think the amendment should be rejected. I believe the matter to which the Senator from Michigan refers has no connection with the amendment.

Mr. REED. Mr. President, now that the Senator from Michigan [Mr. FERGUSON] is present, let me say to him that I talked with Mr. MacDonald, Commissioner of Public Roads, this morning, about this particular amendment, which as I stated, was acted on in the committee on a motion by the Senator from Michigan. Mr. MacDonald stated that at the present time the $100,000 is taken from the administrative fund, and it means nothing in the way of addition or subtraction from the money covered in the bill for the Bureau of Public Roads. Mr. MacDonald said that the only use that he has for it now is in connection with two South American countries, helping them with engineering advice on account of loans made by the Export-Import Bank. One of the countries was Ecuador and I think the other was Bolivia, if I recall correctly.

Mr. COOPER. It is Bolivia.

Mr. REED. I may say to the Senator from Michigan that on the statement of facts given to me by Commissioner MacDonald this morning, I do not think we could maintain our position in conference with the House.

Mr. COOPER. Mr. President, I shall endeavor to explain my objection to the committee amendment.

Before the Senator from Michigan came into the Senate Chamber I suggested that the amendment be not agreed to.

Mr. REED. May I say I did not wish to proceed in the absence of the Senator from Michigan?

Mr. COOPER. That is true. I am informed that a resolution was adopted some years ago which permits the Bureau of Public Roads to loan its engineering services to other departments of the Government on request. The Export-Import Bank has loaned to Bolivia and Ecuador several million dollars to assist in the building of roads in those countries connected with the Pan-American system.

The State Department requested that the Bureau of Public Roads lend its engineers for the purpose of supervising the construction of the roads. It is in the interest and for the protection of the Export-Import Bank for this to be done. The amount which would be spent would not involve any additional appropriation, it would come from the administration funds of Public Roads. The amendment would not reduce the funds appropriated; it refers to use of funds. I have talked to Mr. MacDonald, the Director of the Public Roads Administration, and he told me that the cost of the engineering services involved would be about $100,000 for the year. It would not be spent in the construction of roads in South America. It is a measure to protect the expenditures which have been made to Ecuador and Bolivia and to cooperate with those countries. The original provision, permitting its use, should not be stricken from the bill.

Mr. FERGUSON. Mr. President, after spending some time in Central America on the highway project known as the Inter-American Highway, which I note is called in the pending measure the Pan-American Highway, I came to the conclusion that the entire matter should be reviewed by the Congress, inasmuch as a highway that was originally estimated to cost $30,000,000, $10,000,000 of which

was to be put up by the Central American governments and $20,000,000 by the United States Government, had cost the United States to date about $66,000,000. I do not have the exact figures. Two-thirds of that amount was spent by the Army engineers. The estimates indicate it will cost to complete it a total of between $139,000,000 and $140,000,000. We continue to spend money on the highway. There is in the pending bill a request that there be allowed $100,000, which, as it turns out, is to be used for the purpose of supervising loans of the Export-Import Bank. Am I correct?

Mr. COOPER. I understand a request was made by the Export-Import Bank through the Secretary of State to the Bureau of Public Roads, under authority of a prior resolution passed by the Congress.

Mr. FERGUSON. If the Export-Import Bank requires the servicing of a loan they have made in Bolivia or some other country, there is no reason why the Bank should not pay the expense of servicing the loan from its own funds. I see no reason why $100,000 should be taken out of the road fund for that purpose. The Export-Import Bank is a corporation in and of itself. That illustrates a difficulty we find in Washington. One agency uses money to service another agency, and the second agency in turn spends money for still another agency. The Appropriations Committee finds it impossible to hold anyone responsible for the expenditures made in that way. We have reached the conclusion, at least I have, as a member of the Appropriations Committee, that we are every day coming nearer the point of being forced to provide appropriations and of losing our control of the purse strings.

I considered that there is already a fund of $100,000. We are told that it does not take an appropriation to pay this expense. Where does the money come from? It comes from an administrative fund. That means it comes from money already appropriated which should be turned back into the Treasury.

This particular service is going to cost the people of this country $100,000. I see no reason why the item should be approved. The Commissioner of Public Roads has not indicated to me that the expenditure is essential. As I said before, I think the whole question of the Inter-American Highway should come back to the Congress for further study, inasmuch as the project which was estimated originally to cost $30,000,000 has now cost $66,000,000, and will probably cost around $140,000,000.

Mr. COOPER. Mr. President, I think the position the distinguished Senator from Michigan is taking is in contradiction of the end he desires to attain. He has made an investigation of construction costs on the Pan-American Highway, and he has determined that there has been a great deal of waste upon the project.

The provision for engineering assistance in road construction and for supervision over the expenditure of funds which have been loaned, is a measure that will, to a degree, prevent the waste of funds of which the Senator complains.

The engineers are also engaged in Panama, Nicaragua, and Costa Rica in surveys with the Army.

Mr. FERGUSON. Mr. President, I come back to the proposition that the Export-Import Bank is a governmental corporation. Under the House provision, $100,000 is to be paid by the Public Roads Administration to service a loan. Why should not the Export-Import Bank pay for the services of engineers to service a loan which it has made to South American countries, so that when the books of the Export-Import Bank are audited we can ascertain what it is costing the United States Government to service such loans? Why should we retain a provision in this bill which would indicate that it is not costing the Government anything? When the books of the Export-Import Bank are audited they will show, let us say, that it cost the Federal Government $100,000. It is not only for 1 year; it will continue for all the years to come. Why should not the interest on these loans service the loans? Why should the United States Government be using other funds which will never show up in an audit? I say, Mr. President, the amendment of the committee striking this provision from the bill should be agreed to.

Mr. REED. Mr. President, I beg the Senator from Michigan to remember that at the time the committee accepted his view on this particular subject it was not fully informed.

Mr. FERGUSON. Mr. President, the committee was fully informed as to the meaning of the words in the bill.

Mr. REED. Certainly.

Mr. FERGUSON. There was nothing said in any report of the Export-Import Bank regarding the use of this money. The purpose for which it was to be used was clear in the report. Read the language of the report. Because Mr. MacDonald discovered that the Senate committee recommended that the item be eliminated, he brings his version to some members of the committee and to some Senators who are not members of the committee.

Mr. COOPER. Mr. President, Mr. MacDonald did not come to me in regard to the matter. Because of my membership in the Subcommittee on Public Roads of the Committee on Public Works, I examined the bill and was interested in this provision, and in other provisions relating to the Public Roads Administration. I called Mr. MacDonald and asked him about the amendment we are considering and asked for information. I am objecting to the amendment because of that information, on my own initiative and not upon his suggestion.

Mr. REED. Mr. President, the use of this amount from the administrative fund was permitted long before the Export-Import Bank was established. It was done in an effort to coordinate the efforts of South America, Central America, and Mexico in building roads. Mr. MacDonald told me this morning—and I asked him for the information—that presently the use of the money is confined to Ecuador and Bolivia. There has been some loose money in connection with the Pan-American Highway, principally in Central America, amounting to approximately $43,000,000, as I am advised, but those funds were spent by the Army and not by the Public Roads Administration.

There may have been some lack of diligence on the part of American highway authorities in connection with that highway, principally in Central America, but I want to say, for the Public Roads Administration, that I have had long experience as a citizen, as Governor of Kansas, and as a Member of this body, with Mr. MacDonald, and I know of no more careful administrator in any department of the Government than is he. I do not know of any agency which handles its funds with more care and diligence or with greater regard for the public service than does the Public Roads Administration. Therefore I say to the Senator from Kentucky that this is all lost motion, because I have not the faintest idea that the House conferees will ever agree to the amendment. I am of the opinion that it is certain to go out in conference.

Mr. IVES. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. IVES. Is the Senator from Kansas for or against this amendment?

Mr. REED. I did not know much about it. The committee accepted it. I agree with the Senator from Kentucky that the amendment ought to be eliminated.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. FERGUSON. Mr. President, there is a report on file from the War Investigating Committee regarding the Central American highway. It certainly cannot be said that there is no waste of money in connection with it. We found in Central America that the United States Army was building one highway and, at the same time, the Public Roads Administration, under Mr. MacDonald, was building a parallel road to the same place. We found that a million dollars had been expended by the United States Government to build a highway up to the farm of the president of one country. As we passed it we inquired where the highway went, and learned that it went to the president's farm. We found another place in Central America where $4,000,000 has been spent out of the taxpayers' money to build a highway. If Senators will read the record it will be found that it is stated that no part of the President's fund was used to construct this highway, but for a link in the highway. It has been said that it is another highway.

In Honduras $1,000,000 was spent to construct a highway around a lake where a ferry was already in operation.

There are 123 or 125 organizations, international in character, and this Government is contributing to 44 of them. This item amounts to only $100,000, but it involves a principle which we have to consider, as to whether we shall allow one agency, the Export-Import Bank, to use the services of the Public Roads Administration in Bolivia. There are many places on the highways of America where $100,000 could well be spent.

This amendment should be kept in the bill and the conferees should have an opportunity to pass upon it.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee. [Putting the question.] The "noes" appear to have it.

Mr. WHERRY. Mr. President, I ask for a division.

Mr. REED. Mr. President, I think we have made a mistake in putting this amendment in the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. SALTONSTALL. Mr. President, as a member of the committee and one who voted to report the bill, I have a very clear recollection of how we voted, and it is very embarrassing to us right at the moment to know how to vote on this question. The amendment was deliberately inserted, if my understanding is correct, in order that the conference committee could have an opportunity to hear the subject discussed and to learn more about it. The reason we voted as we did was to give the conference committee such an opportunity.

We expect that this language, or some other language providing some amount, will perhaps be retained in the bill; but to leave it in now eliminates the whole point of having the conference committee obtain information, in order that they may be clear as to how much money is now needed, how much more money may be needed, and whether there should be a continuation of the pan-American project.

Personally, I am embarrassed by the position of the chairman of the subcommittee, because I voted with him in the committee with the understanding that probably the Senate committee amendment would not be retained in conference. For that reason, and in view of the position of the Senator from Michigan, I hope that the Senate will vote to leave the amendment of the committee in the bill, without change, with the understanding that it may be eliminated in conference and that the Senate conferees will not insist too strongly on the Senate amendment.

Mr. REED. Mr. President, I was under a misapprehension. I thought the Senator from Kentucky had made a motion to disagree to the committee amendment. I find that he has not made such a motion. Therefore, I have no objection to concurrence in the committee amendment on the statement of the Senator from Massachusetts. I feel exactly as he does. We merely desire more information. Therefore, as we go to conference, if the information received in conference squares with the information which has been given to me since the amendment was put into the bill, there will be no doubt about what will happen.

Mr. COOPER. Mr. President, I desired to bring this matter to the attention of Senators. Hearing the statements of the Senator from Kansas and the senior Senator from Massachusetts, I know they will give the matter full consideration in conference.

Mr. PEPPER. Mr. President, I am sorry I did not get an opportunity to hear the previous discussion. It appears to me, on the face of the amendment, that this is a request for a small amount of money, $100,000, to authorize the Public Roads Administration to continue to study the question of the Pan-American Highway pursuant to a convention previously entered into.

I am sorry I did not hear the statement of the Senator from Michigan. I was a member of the War Investigating Committee, which heard some evidence a part of which was critical of the Public Roads Administration in regard to some of the construction in connection with this highway. I cannot see why we would want to deny the use of the facilities of the Public Roads Administration to study this problem, in cooperation with other agencies, toward the discharge of the duties we have assumed under a convention. I am sure the Senator does not mean that we should violate our obligation or fail to discharge our duty assumed by the convention. I am sure the Senator is not opposed to the Pan-American Highway; I think it is a very meritorious project. Will the Senator state in a word why this amendment is necessary?

Mr. FERGUSON. Mr. President, it is clear from what has been said on the floor of the Senate today that it is not the purpose of the Public Roads Administration to use this money in furtherance of any treaty or arrangement. They are going to use it, according to the evidence we have today, to service Export-Import Bank loans. That is what they now claim they are going to use it for. My contention is that this language has no place in this bill. It should be a cost charged up to the Export-Import Bank. This language, in this guise, is employed only to get the money to be used for another purpose, and therefore it should be taken before the conference committee so that the House and the Senate may know what the real facts are.

Mr. REED. Mr. President, with the permission of the Senator from Florida, I fear the Senator from Michigan has not quite clearly stated the case. This item has been in the law a long time; I would not undertake to say when it first went into the law. The item was made available for use on the Pan-American Highway under the treaty of December 23, 1936, as provided in Public Resolution 104, adopted in 1929. It is long-standing language.

Let me say, for the information of the Senator from Florida, that the Senator from Michigan looked into the matter of highway construction in Central America, about which I know nothing, and it was on his statement in the committee that this amendment was recommended by the committee.

I am now informed that the fund has been available for a long time, and has been used for various purposes. The only immediate use is for road building in Ecuador and Bolivia in connection with funds for improvement and development in those South American countries under the Export-Import Bank.

If there were no other purpose, I should be willing to leave in the language for that reason. The conclusion we were about to reach before the Senator from Florida entered the Chamber was to leave the amendment in as it is, and have the conferees obtain all the information possible, and I stated before the Senator came into the Chamber that if the information I received in conference squared with the information I already have, I shall be in favor of leaving the language stand as it is.

Mr. PEPPER. Mr. President, is the question pending before the Senate the amendment to strike out a provision that is in the bill?

Mr. REED. That is the effect of it.

Mr. PEPPER. What I was going to say was that it is difficult for me to see how there coud be any improper use of these funds, in view of the language sought to be stricken out. The provision reads:

> For all necessary expenses to enable the President to utilize the services of the Public Roads Administration in fulfilling the obligations of the United States under the Convention on the Pan-American Highway Between the United States and Other American Republics, signed at Buenos Aires, December 23, 1936, and proclaimed September 16, 1937 (51 Stat. 152), for the continuation of cooperation with several governments, members of the Pan American Union, in connection with the survey and construction of the Inter-American Highway as provided in public resolution, approved March 4, 1929 (Public Res. 104), as amended or supplemented, and for performing engineering service in pan-American countries for and upon the request of any agency or governmental corporation of the United States, $100,000 to be derived from the administrative funds provided under the act of July 11, 1916, as amended or supplemented (23 U. S. C. 21), or as otherwise provided.

I do not see anything wrong with our Public Roads Administration cooperating with the public-roads departments of those other countries, probably in order to keep up the standard of construction of this highway, which is of importance to us all. We all know that a road is no better than every link in it. This is intended to be a pan-American highway. While I defer, of course, to the better knowledge and greater wisdom of the Senator from Kansas, it appears to me that to strike out a little item of $100,000, which is to be used in the completion of a great pan-American highway pursuant to a convention, because, at most, a part of the work might be done in another country in furtherance of a design in that country, is to throw a damper if not discouragement upon a project which should command the cooperative effort of all the pan-American countries. I cannot see anything to justify striking out an item having in view that good purpose.

Mr. FERGUSON. Mr. President, the Senator from Michigan is the chairman of the subcommittee on Government corporations of the Committee on Appropriations. If this is an item for supervising loans of the Export-Import Bank on highways in Bolivia, Peru, or any other country, it will receive the very careful attention of the subcommittee of the Committee on Appropriations. But what the Senator from Michigan says is that the item should not be put in the bill under the guise that it is to be used in connection with a treaty, when it does

not have anything to do with a treaty, according to the facts as now related by Mr. MacDonald, the Public Roads Administration Commissioner. Therefore it has no place in the bill. It is part and parcel of the proper expenses of the Export-Import Bank for servicing its own loans to governments of South America to build highways. So as a matter of principle it should not be in the bill.

Mr. PEPPER. Will the Senator tell us what his information is as to what is actually intended to be done with these funds notwithstanding the language of this provision? What does the Senator mean by servicing an Export-Import Bank loan?

Mr. FERGUSON. The chairman of the subcommittee, the Senator from Kansas [Mr. REED] said that Mr. MacDonald told him this morning that that was the purpose.

Mr. PEPPER. Does the Senator mean that the function the Public Roads Administration would perform with this money if allowed, would not be an engineering function, would not be in connection with the survey and construction of the highway?

Mr. FERGUSON. It would be for the purpose of servicing the loans of the Export-Import Bank.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield.

Mr. PEPPER. What does the Senator mean by "servicing"? Does he mean that the function they will perform will not be an engineering function, and that it will not be in connection with the survey or construction of the highway?

Mr. FERGUSON. The Senator from Kansas can relate the facts.

Mr. REED. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. REED. I do not know where the Senator from Michigan obtained the idea he has stated. I read from page 26, line 10, of the House text. It says that the fund shall be available—

> For performing engineering service in pan-American countries for and upon the request of any agency or governmental corporation of the United States, $100,000 to be derived from the administrative funds provided under the act of July 11, 1916.

If this is not a wide-open direction for the Public Roads Administration to furnish engineering services upon the request of any agency or governmental corporation of the United States, I do not know what it is.

Mr. FERGUSON. Did not the Public Roads Administration advise the Senator that the item was designed to enable the Export-Import Bank to service money it had loaned to Bolivia and other countries?

Mr. REED. He never advised me of that, and I never made a statement to that effect. What he did tell me this morning was that the Export-Import Bank had made some loans to Ecuador and Bolivia, and that there were some roads to be built, and that his agency had been asked to furnish engineering advice for the building of those roads.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. PEPPER. In other words, the money is to be used in the performance of engineering services which the Public Roads Administration is specially fitted to render.

Mr. REED. That is correct.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. COOPER. I want to make myself perfectly clear, in view of the statements which have been made about the Bureau of Public Roads and its Director, Mr. MacDonald. Speaking first of the legality of the provision which the amendment would strike, a convention was entered into by the United States and other countries in the Western Hemisphere in 1936, called the Convention on the Pan-American Highway, which was ratified by this country, by the terms of which the United States agreed to cooperate with the other signatories in construction of the Pan-American Highway. Before that time, a measure had been agreed to by the Congress authorizing the Secretary of State to cooperate with the signatory countries in making surveys and making plans for the building of inter-American roads. It is my understanding, that since the ratification of the convention the Congress has provided that if any agency or corporation makes request of the Bureau of Public Roads, it can loan its engineering services to such agency for use in pan-American countries. I have been informed that the Secretary of State asked the Public Roads Administration to loan its engineering services for use in Ecuador and Bolivia. In those countries, a considerable amount of money is now being expended in construction of roads which are a part of, or integral to, the Pan-American Highway. A part of the fund having been provided by the Export-Import Bank, the Secretary of State asked the Public Roads Administration to loan their engineering services to check, to oversee its expenditures.

I have said I think what is here proposed is perfectly legal, from the convention and the resolution mentioned in the bill itself. I say further that I think it is in the interest of economy, because it will be a measure of protection for the funds made available by the Export-Import Bank to have engineering services on the ground to check and to report to Congress. I say these thing also in support of Mr. MacDonald. In my service of 1 year in the Senate, working with him on road matters in the Committee on Public Works, I have come to have the highest regard for him. I have the highest confidence in whatever he says. I believe that if all agencies and corporations of the Government had the same type of leadership, we would not have much difficulty here in this body about departmental expenditures or efficiency.

The PRESIDING OFFICER (Mr. HOEY in the chair). The question is on agreeing to the committee amendment, beginning in line 23 on page 25, and ending in line 15 on page 26. [Putting the question.] The "noes" appear to have it.

Mr. PEPPER. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 27, line 3, after "(58 Stat. 838)", to strike out "$452,288,854" and insert "$427,288,854", and in line 7, after the word "and", to strike out "$375,000,000" and insert "$350,000,000."

The amendment was agreed to.

The next amendment was, on page 27, after line 9, to insert:

> Testing and research laboratory: For continuing the construction of a laboratory, on a site already acquired, for permanent quarters for the testing and research work of the Public Roads Administration, $1,000,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Interstate Commerce Commission," on page 31, at the beginning of line 2, to strike out "$9,056,317" and insert "$9,206,317."

The amendment was agreed to.

The next amendment was, under the heading "National Capital Park and Planning Commission," on page 36, line 19, after "(39 U. S. C. 321d)", to strike out "$241,000, to remain available until expended, said sum to be used for carrying out the provisions of section 4 of said act" and insert "$400,000, to remain available until expended, $159,000 of said sum to be used for carrying out the provisions of section 1 (b) of said act and $241,000 for carrying out the provisions of section 4 of said act."

The amendment was agreed to.

The next amendment was, at the top of page 37, to insert:

> District of Columbia redevelopment: For expenses necessary to carry out the provisions and purposes of sections 3k, 6, and 16 of the act of August 2, 1946 (Public Law 592), including printing and binding; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and not to exceed $50 for deposit in the Treasury for penalty mail (39 U. S. C. 321d); $50,000, to remain available until expended.

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the committee amendments. The bill is open to further amendment.

Mr. REED. Mr. President, I wish to offer two amendments which are legislative in character. I send the first amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, line 5, after the figures "$875,000" it is proposed to insert: "*Provided*, That no part of this appropriation shall become available unless and until title to the land upon which said institute is to be constructed shall have been conveyed to the United States: *Provided further*, That, notwithstanding the provision of any other law, all buildings and equipment constructed or acquired with funds herein appropriated or under authority to contract shall, upon the establishment of the institute, be the property of the United States."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. REED. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Kansas will be stated.

The CHIEF CLERK. On page 32, after line 2, it is proposed to insert a new paragraph, as follows:

Valuation of pipe lines: For deposit in the Treasury of the United States to the credit of a working capital fund to be designated as the pipe line valuation fund, all deposits in which shall be available for obligation and disbursement until expended, without fiscal year limitation, for all expenses necessary to carry out, with respect to pipe-line companies, the provisions of section 19a of the Interstate Commerce Act, as amended, for the valuation of all property owned or used by common carriers and extensions, improvements, retirements, or other changes made in the condition, quantity, use, and classification of such property, $60,000: *Provided,* That such provisions shall not be carried out with respect to any such pipe-line company unless it shall agree to pay to the Interstate Commerce Commission, for deposit in the pipe line valuation fund, such sum as the Commission shall determine to be necessary to provide full reimbursement for the expenses of carrying out such provisions.

Mr. KNOWLAND. Mr. President, may we have an explanation of the amendment?

Mr. O'MAHONEY. Mr. President, this amendment is a legislative amendment, and as such is subject to a point of order. I desire to say that the members of the committee, working in harmony with the chairman and his desire to have the bill ready at the earliest possible moment, did not conduct hearings upon this proposal. When the authority was granted to the chairman of the subcommittee to submit the question to the Senate and to give notice, it was the understanding that members of the committee would have the opportunity to make some investigation as to the meaning and effect of the amendment. That I have done.

Mr. President, I think this amendment is a very doubtful precedent. In the first place it is legislative, and as such, unless the rule is suspended, is subject to a point of order. It should have had a hearing by the legislative committee. If we now suspend the rule, it means that we shall be doing what is proposed in the amendment without having, in the Committee on Interstate and Foreign Commerce, an opportunity to obtain the facts.

So far as I can learn during the short period at my disposal, the situation is this: Under the Elkins Act, which prohibits rebating, among other things, by pipe-line companies, an indictment was brought against certain pipe-line companies. A consent decree was issued by the court under that statement. It was represented to the subcommittee that the decree—which was not before us, by the way—places a certain limitation on the distribution of profits by the pipe-line companies, that limitation being a certain percentage of the appraised value of the pipe lines, the appraisal to be made by the Interstate Commerce Commission.

Apparently Congress has never provided funds by appropriation for the Interstate Commerce Commission to make such appraisals. The pipe-line companies are very anxious that they be permitted to make the distribution which is permitted in the consent decree, according to the standards fixed in the decree. If that is to be done, however, there must be an appraisal, and so the pipe-line companies say, "We will pay for the appraisal."

The purpose of this amendment, as I understand it, is to set up a fund in the Treasury for the Interstate Commerce Commission, to be used for payment of the salaries of those Government employees who may carry on the appraisal; but that fund will be contributed to the Government by the oil companies whose property is to be appraised. The result, therefore, is that if this amendment becomes law we shall have an utterly new situation, namely, one under which the companies which are under regulation by the Interstate Commerce Commission will themselves provide the funds by which the Interstate Commerce Commission will make the appraisals.

That is a precedent. It might be cited by radio companies with respect to the Federal Communications Commission. It might be cited by railroad companies with respect to the Interstate Commerce Commission. It might be cited by any number of industries which are under regulation by the Government. It is a precedent which violates the sound rule that the Government, in regulating any industry under the interstate-commerce clause of the Constitution, shall be able to work independently and freely, without any danger of influence being brought to bear upon the Commission or the agency by those who are under regulation.

In these circumstances I submit to the Senator from Kansas that the proper thing for the Senate to do is to commit this amendment to the proper legislative committee of the Senate, namely, the Committee on Interstate and Foreign Commerce. Some members of that committee have spoken to me about the subject. They are not in the Chamber at the moment. Other Senators have spoken to me about it. I wonder if, in the circumstances, the Senator from Kansas would not be willing that this amendment shall not be considered.

Mr. REED. Mr. President, we might let the Senator from Kansas, the proponent and author of this suggestion, tell his story first.

Mr. O'MAHONEY. Certainly.

Mr. REED. Mr. President, in the House committee report, on page 12, the House committee said, under the heading "Interstate Commerce Commission":

The committee has received an inquiry on behalf of pipe-line owners and operators, with respect to rates charged, and desires to suggest to the Commission that any attention possible be given to this problem.

Following the making of this report, and following the time when the bill came over to the Senate from the House, a Member of the House called my attention to this comment in the report of the House committee. I inquired, "What is the idea of valuing the pipe lines?" He stated that he did not clearly understand that it was for the benefit of the pipe lines.

Under the operation of the Interstate Commerce Act, in 1913 we enacted a law and made an appropriation looking to the valuation of the railroads. Whether the valuation extended to pipe lines in the beginning or not, at least there is now a Valuation Division of the Interstate Commerce Commission, which makes valuation of railroads, pipe lines, and other common carriers. The work of the Valuation Division is considerably behind. The Congress has not made sufficient appropriations to keep it up.

I have discussed the question with the Commission, and the Commission suggested that a letter be written from the Committee on Interstate and Foreign Commerce inquiring as to the status of the valuation, and whether there should be appropriations sufficient to keep it up.

At this late hour I do not wish to enter into a discussion of the old theory of basing rates upon valuation. The first cause under that heading was Smyth against Ames; and there have been numerous other cases since. There are various bases of valuation, as the Senator from Connecticut [Mr. MCMAHON] knows.

Finally, the oil people came to talk with me about a valuation of their pipe lines. I inquired, "What is the idea? So far as the value of pipe lines is concerned, there is very little connection between the value of pipe lines and the rates collected by you as common carriers." I am not now talking about the merchandising of petroleum.

They agreed very readily, and said that there was practically no connection. "Then," I said, "there is no great public interest involved." They agreed, and stated that the question did not involve the public interest to any great extent. I said, "What is the trouble?" They told me the story related by the Senator from Wyoming. They said, "We were parties to an antitrust proceeding. We signed and accepted a consent decree." They did not tell me what year it was, but I think it was around 1939, 1940, or 1941. A provision of that consent decree was to the effect that they could not pay dividends on their stock over and above an amount which would be a certain percentage of their valuation, which I think is 6 percent or 8 percent. It was stated, but I do not remember which it was.

I said, "There being no public interest in that, I hestitate to ask for an appropriation to make a valuation which is wholly for your benefit."

They said, "We do not want you to. As a matter of fact, we would pay twice what the valuation would cost, for the purpose of getting a valuation in order to enable us to make our payments legal. We are going ahead, making these payments year by year, and we are not certain. We are always under the shadow of doubt as to whether what we are doing is in line with what we agreed to do under the consent decree."

The Interstate Commerce Commission advised us that it would take approximately $60,000 a year to bring the pipe-line valuation up to date—not for 1 year, but a continuing appropriation. There

being no great public interest in it, from my standpoint I saw no objection to the Commission's doing this if those people were willing to meet the expense.

I asked the legislative counsel of the Senate whether that was possible, and if so, to draw up an amendment of that sort to this bill. He did so. That is the amendment we are now offering to the bill.

Mr. President, it is legislation, and so it is subject to a point of order, whereupon a two-thirds vote to suspend the rule would be necessary.

Again, I say that I see no objection to the amendment. Under it we shall not be spending the public's money. We shall be making it possible for the Interstate Commerce Commission to carry out its obligation to value these pipe lines—but for a special purpose, and we shall let the people who will get the benefit of it pay for it. I see nothing wrong about it.

That is the story.

Mr. O'MAHONEY. Mr. President, the only vice, which I have cited, is that the amendment would create the precedent of allowing the industry to be regulated to advance the money by which the Government would undertake its regulation. I think that is a vicious thing to do. Inasmuch as this amendment does amount to legislation on an appropriation bill, it seems to me clear that the matter should be referred to the proper legislative committee. In the short time at our disposal, it is impossible for us to know of all the things and situations which might be comprehended in such a proposal.

Therefore, Mr. President, although I clearly recognize the great burden the chairman of this subcommittee has carried, and although I sympathize with his desire to have the bill passed by the Senate promptly and become enacted by the Congress, I am reluctantly compelled to raise the point of order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. REED. Then, Mr. President, in accordance with the notice heretofore given, I move that the rule be suspended for the purpose of considering the amendment. Of course, if we obtain a two-thirds vote to that effect, that will take care of the matter.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

Mr. REED. Mr. President, I think it will be possible to carry my motion. On the other hand, as I have said, I think there is no great public interest in this matter.

Frankly—and I have stated this as plainly as I know how—we are proposing this amendment so that the pipe-line companies may have their valuation brought up to date and be enabled to operate under their consent decree.

However, I shall withdraw my motion, if the point of order and the suggestion of the absence of a quorum will be withdrawn.

Mr. O'MAHONEY. Very well.

Mr. MORSE. I withdraw my suggestion of the absence of a quorum.

Mr. WATKINS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 42, in line 13, it is proposed to strike out all after the word "representative", to the end of line 16.

Mr. WATKINS. Mr. President, in 1930 the Tariff Commission was created, with four members, with salaries fixed at $11,000 a year. For several years they received that salary. Then in 1932, when the Economy Act was adopted, their salaries, along with those of other officials of the Government, were reduced. Later, when increases in salaries were granted, their salaries were not increased as the others were. In 1935 there was an increase in the salaries of most Government officials, but the salaries of these officials were not increased.

Notwithstanding that the original act fixed their salaries at $11,000 apiece, there has been written into the appropriation bill, year after year, the language which I ask to be stricken out, which limits the salaries of these Commissioners to $10,000 a year.

Mr. President, these Commissioners are able men. They perform important functions. For instance, one of these Commissioners, who comes from my State, has been required to be out of the United States 6 or 7 months of the year, attending foreign conferences. He is performing an important function at the International Trade Conference in Cuba at this time, and he was in Switzerland for many months. I can see no reason why through an appropriation bill the salaries of the Commissioners should be reduced to the amount provided in the bill. Other Government officials have been given increases at times since this act was put into effect in the first place.

So it seems to me we should do a simple act of justice now, by striking this language out of the bill—with the result that we would leave in effect the original language of the act of 1930.

I ask the Senate to approve this amendment.

Mr. REED. Mr. President, I think we can conclude action on this bill in a few moments.

I am not undertaking to appraise either the value of the services of any of the members of the Tariff Commission or their efficiency or anything of that kind.

It is quite true, as the Senator from Utah has said, that by statute their salaries were fixed at $11,000 a year. Then along came the Economy Act. Before that, the salaries of the Interstate Commerce Commissioners, for instance, were fixed at $12,000. But under the Economy Act all such salaries were reduced to $10,000 a year.

Today, the members of all commissions of this sort—the Federal Trade Commission, the Federal Communications Commission, and others, as well as the United States Tariff Commission—are receiving $10,000 a year, and no more. It is my judgment that the Congress should not increase the salaries of the Commissioners of the Tariff Commission to $11,000, unless at the same time it is willing to increase the salaries of other Commissioners whose work is equally important, if not more so.

Mr. WATKINS. Have not the salaries of other Commissioners been raised?

Mr. REED. No; they have not been.

Mr. WATKINS. The information I have received is to the effect that they have been.

Mr. REED. I know the Senator has understood that to be the case. He has mentioned this matter to me several times, and he has always been under the impression that other Commissioners have been receiving larger salaries. We had our professional staff check on these matters. The members of none of these commissions are being paid salaries larger than $10,000, except in the case of the Interstate Commerce Commission, where they are getting $12,000, and the chairman of the Maritime Commission—not the members of the Commission, but the chairman of the Maritime Commission—who is receiving $12,000. All others are being paid $10,000 a year. I do not want to discuss whether all the salaries should be raised or not; that is not at issue, I think, and I am sure a fair-minded man such as the Senator from Utah would agree that there is no reason for raising the salaries of the Tariff Commissioners above the level of the salaries other commissioners are receiving.

Mr. WATKINS. Mr. President, I ask unanimous consent to place in the RECORD a copy of a letter addressed to the Honorable CLYDE M. REED, chairman of the subcommittee in charge of the independent offices appropriation bill under date of February 3, 1948, by the Acting Chairman of the Tariff Commission. I ask that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES TARIFF COMMISSION,
Washington, D. C., February 3, 1948.

The Honorable CLYDE M. REED,
Chairman, Subcommittee in Charge of the Independent Offices Appropriation Bill, United States Senate.

DEAR SENATOR REED: In response to your letter of January 30, regarding the pending independent offices appropriation bill, H. R. 5214, the Tariff Commission requests that consideration be given to the elimination of the following language: Page 40, line 5, strike out: "*Provided further*, That during the fiscal year ending June 30, 1949, the salaries of the Commissioners of the United States Tariff Commission shall be at the rate of $10,000 per annum."

The reasons for this request are:

The Tariff Act of 1930 (46 Stat. 590) fixed salaries of the United States Tariff Commissioners at $11,000 per annum. The Commissioners received salaries at that rate until June 30, 1932. Effective July 1, 1932, the act commonly known as the Economy Act (47 Stat. 402) reduced the salaries of Government employees generally and specifically reduced the salaries of Commissioners of the Interstate Commerce Commission, the Tariff Commission, and others, to $10,000. Public Resolution No. 3, Seventy-fourth Congress, first session, restored Government salaries generally to normal base rates effective April 1, 1935. Certain Commissioners, however, including the Tariff Commissioners, did not share in this resolution to the salaries under which they accepted appointment. A general provision in the Independent Offices Appropriation Act for 1935 prevented the

payment of salaries of more than $10,000 to this group of appointees. The same limiting provision has been carried in each subsequent Independent Offices Appropriation Act. Although the language of the provision was modified from time to time to remove the limitation for other Commissioners, no action was taken with respect to the salaries of Tariff Commissioners.

The Federal Employees Acts of 1945 and 1946 increased the pay of Government employees generally by approximately 32 percent but it is felt that your committee may not be aware of the fact that the 1932 economy measure still applies to the members of this Commission.

The Commission does not feel that it could add materially to the statement of facts given above and therefore does not deem it necessary to request a hearing in this matter; but it will be pleased to appear if the committee so desires.

Sincerely yours,

LYNN R. EDMINSTER,
Acting Chairman.

Mr. WATKINS. I should like to read from the letter the following statement:

Although the language of the provision was modified from time to time to remove the limitation for other Commissioners, no action was taken with respect to the salaries of Tariff Commissioners.

I have been proceeding in reliance upon the statement made by the Tariff Commission, which I think conducted an investigation. Some of the Commissioners, if the statement that I read is correct, did have their salaries raised. It seems only fair to treat these officials as they should be treated in these times. The salaries of Members of Congress have been increased and Congress has granted increases to other officers of the Government. I sincerely urge that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Utah.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PEPPER. Mr. President, I wish to call the attention of the able Senator from Kansas to the President's emergency fund amendment, on page 4. I have consulted with certain members of the committee as to what the committee had in mind in agreeing to the amendment and in striking out the provision adopted by the House of Representatives. I have also read the report of the committee, from which I find that the committee had a sort of feeling that perhaps the emergency fund had on occasion been used for other than national emergencies, as the committee would define a national emergency. I am in no sense of the word protesting that point of view of the committee, but I want to speak only about the kind of thing that is an indisputable national emergency.

Last year Florida suffered—and other States were stricken at the same time by similar catastrophes—a real disaster when the hurricane came, followed by persistent and continued floods. At that time many of the coastal States which had suffered vast destruction from the same hurricane, as well as we of Florida, appealed to the President for aid from the President's emergency fund. That was the kind of situation that had to be dealt with immediately. It was not the sort of condition that could properly be taken care of by one agency appealing to the Bureau of the Budget and by the Bureau of the Budget making a recommendation to the Congress, followed by the normal procedures incident to an appropriation.

The President told us at that time that he was very much handicapped by the limitations of a $500,000 emergency fund, which had been imposed upon him by the Congress last year. He said that he had already allocated all the emergency fund, I believe, except $100,000, and he allocated that sum to the whole Gulf coast area, which had suffered from the hurricane. All of us were aware of the fact that it was a grossly inadequate sum merely to meet the acute demands of the emergency. The President added at the time that if an earthquake or some other catastrophe were to strike any part of the country, the President would be absolutely without a dime to use for the benefit of the victims of such a catastrophe.

I am not going to submit an amendment; I do not know whether it will be the pleasure of my colleague to do so or not, because we did not have time for full consultation about the matter before this moment arrived; but I wanted to suggest that in conference the Senate committee give consideration to a compromise with the House upon a provision which would allow at least $500,000 to be earmarked for recognized indisputable national emergencies, such as fire, storm, or other natural damage, so there could be no possible question about the misuse of the fund.

No one can know what part of our country is going to be stricken by disaster next; no one can foretell the severity of any disaster which may overtake the Nation. So it seems to me that the committee, out of the $750,000 allowed by the House, should earmark at least a half million dollars for the kind of national emergency about which there could be no possibility of controversy, such as, let us say, the fire which raged in New England last year, the floods which occurred in the Mississippi and the Missouri Valleys and the Gulf coast or other hazards which may properly be called acts of God. I very earnestly, out of our experience, submit the suggestion for the consideration of the able chairman.

Mr. HOLLAND. Mr. President, I should like to join my colleague in the presentation of this matter. Conditions growing out of hurricanes and floods can become very critical, as they did in a portion of all the Gulf States, including Florida, last October. I want not only to speak with approval of everything my colleague has said but to say further to the distinguished chairman that when we took this matter up after the hurricane damage had been done, we found there was only about $136,000 remaining in the emergency fund of which $100,000 was made available and, because of the greater damage to towns and incorporated communities, where the water frontage was very seriously affected, nearly all that money had to be used in the States of Mississippi and Louisiana.

Frankly I thought the decision was wise because I consider that those States were in more desperate straits at that time than we were in Florida. But, Mr. President, the result of the shortage of money in the fund was such as to very seriously hinder and handicap not only the States which were affected, the States of Florida, Louisiana, and Mississippi, and the many good people whose homes or places of business were destroyed and who were really in terrific need of immediate assistance, but also to handicap the Federal authorities in their desire to be of assistance.

For instance, Mr. President and Senators, there were certain funds available by way of actual flood-control appropriations which could be used, and, although it was desired to make the fullest use of those funds in the interest of the areas affected, it was found that certain things required subserving, which could not be subserved out of flood-control appropriations. As the result of that, flood-control funds which were available could not be used in each instance or in each case where they would have been invaluable to people who were badly hurt by that particular disaster.

I remind the Senate that just a few weeks after that, or a few months at most, there came a great series of fires in New England. I felt, as I am sure every other Senator did, that there should be some way for our national budget to help those good people in their extremity, and yet as I understand the situation, the emergency fund was entirely exhausted and there was nothing in the world that could be done. The National Government, which ought effectively to bring aid to its people when they have suffered from a grave disaster, could do nothing but express sympathy.

Mr. President, I think that is entirely wrong. It is a situation that ought not to be permitted to exist.

I not only hope that the committee will seek to remedy the matter in conference, but I call to the attention of the distinguished Senator from Kansas the fact that if the same wording should be placed in the act as appears in the committee amendment affecting the emergency fund which was agreed to today, the presence of that wording might hinder or prevent the carrying out of objectives which might be most necessary.

For instance, Mr. President, in the first session of the Eightieth Congress the Budget Bureau approved an appropriation of $15,000,000 for flood-control work. The Congress decided to reduce that amount to $12,000,000. One of the greatest needs after a flood or a hurricane is likely to be flood-control work or work in close connection therewith.

The particular amendment to which I refer reads:

That no part of such fund shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eightieth Congress or the first session of the Eighty-first Congress and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body.

I feel, Mr. President, that that wording might very easily rise up to handicap us in the most needed use of any funds appropriated by way of emergency funds to meet a disaster of the type I have mentioned. I hope sincerely that in whatever may be worked out, such words will be eliminated, because, with all due respect and with all deference to the wisdom and good intentions of the chairman and all members of the Appropriations Committee of this body, and of the Appropriations Committee of the House, it may be that after they had exercised their best judgment and wisdom, the loss which occurred might have been in a field adversely affected by reason of the reducing of an appropriation which had been proposed and approved by the Bureau of the Budget. I know that would have been the case if such a situation had arisen last year, as it did in our section, and if there had been funds beyond the $136,000 available, but tied to them a provision which restricted their use in the way provided by this proposed amendment.

Mr. President, I think we must have confidence in ourselves and in each other. In this kind of a matter it will be sufficient to make it clear in the bill that the moneys appropriated as emergency funds to meet a grave disaster or disasters, are intended for that purpose, and then we should leave it to the executive to meet, in whatever community may be affected, whatever emergency may arise, whether it means the contravening of a decision made by the honorable committees and by the Members of either or both Houses of the Congress in the preceding session. None of us can know with any degree of certainty when the heavy hand of misfortune may be lifted against any of the fine communities in this Nation—North, South, East, or West—or what kind of disaster it will be, or whether it may be of such a character as to call for aid in a field which has been already affected by the reduction of some appropriation recommended by the Budget Bureau.

Mr. President, I hope with all my heart, having recently gone through the experience of disaster and having seen the effect of making too small appropriations for emergency use, that neither my community nor that of any other Senator, regardless of the portion of the United States from which he may hail, may meet that kind of situation if and when disaster again lays its heavy hand upon any community in this Nation. I think it is our bounden duty to afford some way of giving to some person—and certainly the President of the United States, the head of the executive department, is the one who should be given discretion—sufficient discretion to meet the needs of suffering citizens when a grave disaster comes, and to provide funds upon which he can draw in order to meet the needs. I respectfully suggest to the distinguished Senator that that objective be borne in mind. I associate myself fully with the remarks of my distinguished colleague.

Mr. REED. Mr. President, the Senator from Florida, who has just spoken, has been the Governor of his State. I have been the Governor of my State. We have both had experience with contingent funds. I assume that North Carolina, which is honored by the presence of a distinguished Senator from that State, who is now occupying the chair, has contingent funds. I have no quarrel with making available funds to meet emergencies. But let me read how this fund has been used.

There was $500,000 available for emergency purposes for the fiscal year ending June 30. On the 1st of March 1948, there was only $23,922 remaining.

The great emergency of the Committee on Civil Rights required $50,000.

The President's Commission on Higher Education required $64,000. That was the second year for the Committee on Higher Education. If an emergency had arisen last year, the money could have been supplied this year.

The Advisory Commission on the Merchant Marine required $8,700.

The Office of Coordinator of the Emergency Export Program and the Secretary of the Cabinet Committee on World Food Programs required $45,000.

An additional staff at the White House required $158,528.

The White House personnel, costing $150,700 in 1939, now requires, according to the budget estimate, $814,000. In addition to that amount, $199,000 is taken out of the emergency fund for the Steelman group, the Clifford group, and the special group looking after motion pictures and radio for the White House. The result is that not a dollar of the emergency fund has been used for the purpose for which it was appropriated, with the possible exception of $50,000 which was expended in the Gulf Coast disaster. Outside of that there has not been a dollar of it used for any purpose that might by any stretch of the imagination be called an emergency.

It is time that the Congress of the United States should reassert its constitutional authority over the raising of revenue and the expenditure of money. It should determine how and where the money shall go. I do not think even the President of the United States should violate the Constitution by a reckless expenditure of funds appropriated for an emergency purpose.

That is the other side of the shield. I shall be willing to join the Senator from Florida at any time in establishing a reasonable fund to be administered for emergency purposes by an agency such as the Federal Works Administration, the Army, the Navy, and so forth. I have given only the bare facts obtained from the Bureau of the Budget as to where the money has gone and how it is being expended.

Mr. HOLLAND. Mr. President, I thank the Senator from Kansas for his candor. I had not expected to go into the question of contingent funds in the States, but since the Senator, drawing upon his experience as the distinguished governor of a great State, has mentioned it, I want to say that one of the things which might have been said is that the annual contingent fund allowed by the State of Florida for the use of its governor exceeds the amount which is stated in the bill for the use of the President of the United States as a contingent fund for all of the 48 States and for the areas beyond the seas.

I do not care to argue with the distinguished Senator about any of the uses which have been made of this money, with which he is familiar, and with which I am not. Assuming that there may be proper ground for difference of opinion, what I should like to know is whether the distinguished Senator will join the Senator from Florida, and any others who might care to go ahead with the effort, in drafting and offering an amendment which would provide a worth-while fund to be available for the use of the Executive only to meet the conditions growing out of grave, natural disasters visited upon any portion of our country. If he will, I think we can solve the problem to which we have addressed ourselves in that way. I would suggest, as something to think about, the inclusion by the Senate of an amendment which would allow an emergency fund of $1,000,000 annually, to be used in the discretion of the President of the United States, but solely in helping to alleviate the results of grave, natural disasters visited upon some portion of the United States.

I shall be glad to yield, of course, to any language the distinguished Senator might suggest, but I think the thought does not require amplification. I believe there should be in the bill, for the protection of the good people of the State of Kansas, or some of its communities, which might easily be the next to be hit, as well as the good people of every other State in the Union, a pool of liquid assets available at once to be used to help dispel the results and the damage which comes from natural disaster. I am asking the distinguished Senator as to his own views. I hope he will see fit to join us in such an effort.

Mr. REED. No President of the United States in peacetime ever had an emergency appropriation up to 1940, and that was when we were facing the greatest war in all history, then threatening in Europe. Until then no President of the United States, from George Washington down to Herbert Hoover, ever had an emergency fund in peacetime. Yet in one way or another the people of our country have weathered great disasters, like the San Francisco earthquake, the Galveston flood, and all such happenings.

Before the committee reached its conclusion, I asked our professional staff to inquire of the Bureau of the Budget if the elimination of this emergency fund appropriated to the President would in any way deprive any activity or function of funds with which to proceed, and the answer came back to us that every activity that was regarded as necessary had funds with which to work. The Army has some funds, the Navy has funds, different departments have funds. We did not think we were depriving the country of any protection when we repealed the provision for this fund, not a dollar of which—except the $50,000 that went for relief in the case of the Gulf-coast disaster—was spend for anything

that had the semblance of being an emergency.

Mr. PEPPER. Mr. President, I am sure the Senator got the information he thought he was seeking, but, with all due deference, I do not believe he states the practical situation. In the case of the flood in Florida following the hurricane and the damage from the hurricane, the Army engineers did not have any money to help remove the debris and meet the immediate emergency which was facing the people whose homes were blown down and whose property was submerged, and all the others who sustained damage from that act of nature.

The engineers tried to find money. The only money they had was money they could use to repair some dike or some facility which had been destroyed by the flood. They did not have any money which could be used generally to meet the acute emergency and the suffering the people experienced. The Army and Navy were splendid in their cooperation with all of us, in loading airplanes with medicine, and they were ready to lend some of their heavy equipment, but they did not have any money which could be made available to meet the suffering of the people who had been stricken. I think there is no such loose fund that is available for the use of any agency or the President. Consider, for example, the damage caused by the fire in New England, and remember that if there should come some other disaster, there is no loose fund available to be used by the Executive or by any agency of the Government.

I certainly renew my suggestion to the able Senator that in conference, with proper restrictive language, the Senator consider earmarking, out of the $750,000 at least half a million dollars for relief in national and natural emergencies if he is disposed to join in the kind of amendment which my colleague has suggested, which I think would be highly desirable and greatly in the public interest.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. HOLLAND. Mr. President, I am trying to prepare an amendment, if the Chair will wait a moment, because I do not want any other community to be in the same condition in which Florida found itself last year.

The PRESIDING OFFICER. Will the Senator state what he suggests as an amendment?

Mr. HOLLAND. Mr. President, for my distinguished colleague, the senior Senator from Florida, and myself, I should like to offer an amendment after line 12 on page 4 of the printed bill to insert the following language:

To provide for grave emergencies affecting the life, health, or property of the people of the United States arising by storm, flood, fire, earthquake, or other natural disaster, $1,000,000, to be used in the discretion of the President of the United States.

Mr. REED. Where does the Senator propose to have the amendment inserted?

Mr. PEPPER. At the end of line 12 on page 4.

Mr. HOLLAND. After line 12, page 4, of the printed bill, to insert the language I have read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. After line 12, on page 4, it is proposed to insert the following:

To provide for grave emergencies affecting the life, health, or property of the people of the United States arising by storm, flood, fire, earthquake, or other natural disaster, $1,000,000, to be used in the discretion of the President of the United States.

Mr. HOLLAND. Mr. President, the exact wording of the amendment is not so important as is the spirit of it. Senators know that the amendment was drawn hastily. It simply expresses the idea which I tried to express in my colloquy a few minutes ago with the distinguished Senator from Kansas.

It is my humble opinion, but my very deep conviction, that in a Nation of the size of the United States of America, with so many people and so many different communities subject to possible disasters of immense magnitude, in a Nation having such immense assets as we have, it is unwise for us to leave uncared for a situation such as prevailed last year, when it happened that the disaster visited upon Florida and the Gulf States, and later the disaster visited upon the State of Maine, occurred not while the Congress was in session, but while it was not in session. Conditions were such as to require some national help; but with all the wealth of the Nation, there was no liquid fund from which aid could be extended to a community that had been so disastrously affected.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. I should like to make this point to the Senator from Florida: I was one of those who voted for the $100,000 item, when there was a difference of opinion within the committee. The emergency fund of the President, as the Senator from Kansas has pointed out, was formerly used for the payment of salaries of various commissions, and so forth. The committee said, "We do not want to embarrass the President in any way," so we provided for all such salaries in another item.

Then the question arose whether we should provide anything for emergencies, such as the Senator from Florida has now discussed, or whether we should not. It was decided, after a division in the committee, that $100,000 should be provided for emergencies affecting the national interest or security, which is just what the Senator from Florida has in mind.

I submit to both distinguished Senators from Florida that it is a question of amount, and not additional wordage, that is to be considered. The Senator from Kansas can bear in mind what has just been said, and present the matter in conference, and, if necessary, or agreeable to the conferees, the amount can be increased.

I should also point out to the Senator from Florida that up to March 1 of the present year only $50,000 was used for such emergency purposes. The balance of the money provided for emergencies went to the payment of various salaries in various commissions. So it is a question of amount, rather than any new amendment, with additional wordage, that is really in issue.

I respectfully suggest to the Senator that he make his point, as he has already made it, to the Senator from Kansas, requesting that the amount be increased if on further investigation, and in the wisdom of the conferees, the amount should be increased; but no additional words are needed to cover the purpose for which the Senator has spoken.

Mr. HOLLAND. Mr. President, I appreciate both the suggestion of the Senator from Massachusetts and the spirit which prompts him.

At the risk of some repetition, however, I want to call to his attention the point which I tried to make a few minutes ago, namely, that under the wording of the amendment of the committee, which has been fitted into the bill, it might very easily prove to be the case that the funds might be needed for a purpose which would be probihited.

I call the Senator's attention to the wording of the committee amendment, as follows:

Provided, That no part of such fund shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eightieth Congress or the first session of the Eighty-first Congress and such appropriation denied—

And so forth. It appears that, by reason of the action of the Congress, that result would have been accomplished even if there had been more money available under the situation of last fall. I do not complain of the action of the Congress. We did the best we could under the circumstances. But Senators will recall that we cut the budget recommendation of $15,000,000 for flood-control work to $12,000,000. Again I do not complain of that action, but I call the Senate's attention to the fact that the wording in this amendment, if it had existed then, would have prevented the use of that money, even if it had existed for flood-control work.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BRIDGES. I think the committee had in mind in the first place taking care of all the legitimate personnel needs of the White House when we placed $200,000 in the White House item, rather than in the emergency fund. One hundred thousand dollars will adequately take care of any minor emergency. If there should be a major catastrophe, it would necessitate action by the Congress, because certainly we are not going to give a blanket check to take care of even major catastrophes in this country. The President has had an amount allowed to him, and he has used for emergency purposes only about $45,000 or $50,000. The rest of the money allowed him has been used for purposes

which have nothing to do with an emergency whatsoever. So we are providing, first, $200,000 for personnel, giving to the President all the emergency personnel we think he should have. And now we are giving him double the amount of money he used in the emergencies of last year.

Mr. HOLLAND. Mr. President, let me say that I have no fault to find whatever with the committee's action in granting the amount of $200,000. I am not representing the needs, or what may be the needs, of the Executive at this time at all. I am speaking solely to the question of having a pool of money available to meet a great national disaster. All I can say to the Senator is that certain amounts were made available by pinching in one place and another from the various flood-control funds. I will say that the engineers did a marvelous job in finding a few thousand dollars here and finding a few more thousand dollars there which had already been budgeted and allocated somewhere else, so as to be able to put in my State at least, as I recall, some $300,000 or $350,000 for emergency disaster work. If there had been more money available, a better job could have been done. According to the report made by the engineers, $59,000,000 of damage was done in my State alone from the flood, and that figure is rather on the underside. I believe there would have been a smaller amount of damage if there had been an emergency fund available at that time.

Mr. President, I am not quarreling with the committee. I think they have been generous in taking care of every purpose for which an emergency fund is created. I know that no member of the committee is giving to his own community any higher standing than he does to any other community in the United States; but for the protection of any group of people in our Nation who may be hit hard by natural adversity I believe that such a fund should exist, and that it could be well used. I know it could have been well used last year.

Let me call attention to another thing. This is neither a partisan matter—and I realize that the Senators are not making it so—nor a sectional matter. I recall that when ill fortune was visited upon those parts of our Nation which were hit by the heavy floods last summer, Iowa, Nebraska, and Missouri, it so happened that the Congress was in session, immediate action could be secured, and I believe that every Senator was happy to take immediate action. I do not recall what the amounts provided were, but Congress acted quickly. My point is that the next time such a thing happens, whether it be in Nebraska or Missouri or Iowa, or whether it be in Florida or Louisiana or Mississippi, or whether it be in Maine, it will be in a part of the United States, and we all would want to have some sinews of war available for use by the President to meet that kind of a disaster, that kind of an emergency. We have been through such an emergency very lately in my State. We hope that no other community will be faced with that kind of a situation, in which the Nation wants to help and the President wants to help, and there are no funds from which he can take money with which to help.

I hope that the distinguished Senator from Kansas will look kindly upon this amendment. Certainly it is offered from the best of motives and with the sole desire to prevent the situation of not having any place to turn for help in the event of a disaster.

Mr. REED. Mr. President, I shall be glad to confer with the Senator from Florida as early as we can both find the time, and look into the question of providing somewhere in the Government an emergency fund of the character of which he speaks, to be used in case of a grave disaster. I shall be glad to consider with him the question of who shall spend it, and which agency can best spend it. We have got along for 151 years without the President of the United States having such a fund for peacetime purposes. The amendment of the Senator from Florida is, of course, clearly subject to a point of order, there being no budget estimate for it. I would rather not make the point of order.

Mr. PEPPER. Mr. President, will my colleague yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. Would the Senator from Kansas be good enough to take to conference this amendment, which we have offered as a possible help to the committee? In conference the committee could devise language specifically restricting the expenditure to real national emergencies. Under those circumstances the committee would have unquestioned authority to give consideration to the entire subject and decide the best disposition to make of the proposal.

Mr. REED. I doubt whether this bill is the place to write legislation of the character which the Senator has in mind. This is not solely a question of the amount of money involved. It is also a question of what agency should spend it. In the light of the history of the emergency fund, I am unwilling to increase the emergency fund to the point where the President can waste it. I am willing to consider whether or not such a fund as the Senator from Florida mentioned should be created, and how it should be spent, by what agency it should be spent—whether by the Army, the Navy, the Department of Agriculture, or some other agency. Frankly, I do not know. Perhaps the Public Works Administration should handle it. In the light of the history of that fund, I am unwilling to vest the authority in the President.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BRIDGES. I think the committee has been very fair. We recognize that in these troublesome times the President is entitled to have the help necessary to take care of emergencies in the White House, so we gave him exactly what he was using as the top figure last year, $200,000.

Then we looked at the record of how this emergency fund had been used. Can anyone tell me that using $50,000 for the civil-rights program is use of the money in a national emergency? Can anyone tell me that using $8,700 on the merchant marine is use of the money in a national emergency? All the items are listed.

The President has himself designated the Federal Works Agency as the agency to participate in time of disaster. Last year, as of November 18, 1947, the following disasters had been designated by the President as requiring assistance under this program:

Explosions and subsequent fires, Texas City, Tex.; flooding of East Creek, Neshobe River, Rutland County, Vt.; flooding of Missouri and Mississippi Rivers and their tributaries, States of Illinois, Iowa, Kansas, Missouri, and Nebraska; hurricane, States of Florida, Louisiana, and Mississippi; forest fires, State of Maine; floods in the township of Callicoon, Sullivan County, N. Y.

We now have $1,000,000 available in the agency which the President himself has designated to meet emergencies. That money is now on the books, in the Treasury, available to the Federal Works Administration, the agency designated by the President.

Mr. PEPPER. Mr. President, will my colleague yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. Does the Senator from New Hampshire mean that that money would be available to be used by the Public Works Agency to meet the distress of the people, to remove debris, and to give some emergency physical care to the people, rescuing those who might be marooned or submerged? If so, let me say that by the direction of the President, General Fleming was placed in charge of the situation in the Gulf area after the hurricane. Equipment was provided, but there was no money to provide gasoline for the equipment which was supplied, and the authorities had to admit that they were utterly without funds to use their own equipment. General Fleming did not seem to be of the opinion that he had any such funds, because he was personally in every one of those States trying to help meet the emergency. He stated that he was totally without any additional funds, over and above what came out of the President's emergency fund.

Mr. BRIDGES. Public Law 233, approved July 25, 1947, authorized the War Assets Administration, whenever the President shall determine it to be necessary or appropriate because of flood or other catastrophe, to transfer, without reimbursement, to the Federal Works Agency, such articles of surplus personal property as in the judgment of the Federal Works Administrator can be used in alleviating damage, hardship, and suffering caused by such floods or other catastrophes.

The act also authorizes the Federal Works Administrator to loan, or to transfer, with or without monetary consideration, upon such terms as he may prescribe, to State and local governments situated in any area struck by any such flood or catastrophe, any receipts resulting from such transfers under the provisions of the act, and all receipts resulting from such transfers are to be covered into miscellaneous receipts of the Treasury.

Mr. PEPPER. That is the authority under which a great deal of equipment was made available by the Public Works Agency in the Gulf area stricken by the hurricane. However, as I stated, the agency could only make the war surplus property itself available. It did not even have the money to provide gasoline for the operation of the very equipment which it made available.

Mr. BRIDGES. We have allowed the sum of $100,000. If the President had money enough to spend on the civil-rights program, if he had money enough to go into all forms of education, if he had money enough to spend on the merchant marine, if he had money enough to spend nundreds of thousands of dollars for additional help, with a fund of $1,000,000 in the Federal Works Agency, which he has designated as the agency to rush to the aid of those stricken by disaster, he does not need $1,000,000 more, because he can use this money, and if he needs money for gasoline he can get it from the $100,000 fund. This provision prevents the President of the United States from using money for unauthorized purposes. It prevents him from establishing programs which have not been authorized by the Congress.

In answer to the distinguished Senator from Florida, let me say that the money on the books today, the authorization to the Federal Works Agency, plus $100,000, is enough to take care of any emergency.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, the distinguished chairman of the subcommittee [Mr. REED] has advised us that he does not wish to make a point of order against this amendment. He has told us that he would be very happy to confer as to the deficiencies, if there are any, in the present arrangement, with a view to seeing what can be done in future legislation to take care of this need.

Mr. President, I reiterate with all the strength with which I can state it that the present machinery is not adequate, and that it does not do a bit of good to send ducks, alligators, bulldozers, and other equipment to Florida, as was done, without sending anyone who knows how to man them, without having the money to pay anyone to man them, and without having money available to furnish the fuel and other necessary equipment. It is idle for anyone to say that the situation is adequately taken care of under the present arrangement. I charge no one with that. I was a member of the last session, and I am willing to accept my share of the responsibility. But I hope the Appropriations Committee, and particularly the distinguished Senator who is chairman of the subcommittee in connection with this matter, who has assured us that the matter will be studied in an effort to see what can be done to remedy the situation, if I correctly understand that assurance——

Mr. REED. That is correct.

Mr. HOLLAND. With that in view, and in the face of the certainty of being confronted with a point of order, which is thoroughly within the rights of the opponents of this amendment, I withdraw the amendment.

Mr. PEPPER. Mr. President, I heartily acquiesce in the action of my colleague in withdrawing the amendment; but I think all of us can agree that there is adequate authority for the handling of this matter in conference, as well as in future legislation; and I hope the Senator will give consideration to this matter in conference.

Mr. REED. Mr. President, the Senator from Florida should appreciate the fact that the conferees have no more authority to write legislation on an appropriation bill than do the committees in either House. Such action would also be subject to a point of order.

Mr. PEPPER. Let me point out that no limitation similar to the limitation we have been considering has been imposed by the language written by the House of Representatives in this connection. The limitation has been added by the language of the Senate committee. So I respectfully suggest that the committee would have authority in conference to impose any such limitation as it might desire.

Mr. REED. Mr. President, I wish to make my position clear. I am unwilling, and I think this body is unwilling, to create or continue an emergency fund such as we have had in recent years—a fund subject to the approval of the President. Definitely, I do not wish the Senator from Florida to understand that I am willing to add anything of that kind by changing the amount from the $100,000 which we provide in our bill, to any additional amount. To agree to adopt any method to create what is now being proposed would be to agree to create a real, genuine emergency and disaster fund; and I would first wish to consider how much that fund should be, and for what purposes it should be made available, and through what agencies it should be spent. Neither the conference committee nor any of the Senate legislative committees can write authority for that purpose in an appropriation bill.

So I do not want the Senator to carry away any point of view different from that which I have stated here. I do not think the conference has the power to write such a provision into an appropriation bill.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. REED. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. REED, Mr. BRIDGES, Mr. SALTONSTALL, Mr. GREEN, and Mr. RUSSELL conferees on the part of the Senate.

EXTENSION OF AUTHORITY OF SPECIAL COMMITTEE TO STUDY PROBLEMS OF AMERICAN SMALL BUSINESS ENTERPRISES

Mr. WHERRY. Mr. President, I regret, because of the lateness of the hour, to be obliged to bring to the attention of the Senate the need for the immediate consideration of Senate Resolution 191, Calendar No. 1025, a resolution providing for extension of the authority of the Special Committee To Study Problems of American Small Business Enterprises.

If the distinguished Senator from Florida, who made the objection will permit, I should like, in order to save time, to obtain unanimous consent to have the Senate proceed with the consideration of this resolution. If such consent is granted, the Senator can thoroughly discuss the resolution, if he wishes to do so.

So, Mr. President, with that in mind, I now ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 191.

There being no objection, the Senate proceeded to consider the resolution.

Mr. WHERRY. Mr. President, there was considerable debate and discussion of this matter this morning, I believe.

At this time, I simply renew my recommendation and move the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 191) was agreed to, as follows:

Resolved, That the authority conferred by Senate Resolution No. 20, Eightieth Congress, agreed to January 24, 1947 (creating a Special Committee To Study the Problems of American Small Business Enterprises) and continued by Senate Resolution No. 153, Eightieth Congress, agreed to July 26, 1947, is hereby continued until the expiration of the Eightieth Congress.

Such committee is hereby authorized to expend from the contingent fund of the Senate $50,000 in addition to the amounts heretofore authorized for the same purposes.

JOINT SESSION ON MARCH 17 to RECEIVE MESSAGE FROM THE PRESIDENT

Mr. VANDENBERG. Mr. President, I simply wish the Senate to know officially that the President pro tempore has been notified that the President of the United States will address a joint session of the two Houses of Congress on Wednesday next at 12:30 p. m.

REORGANIZATION PLAN NO. 1

Mr. WHERRY. Mr. President, I now move that the Senate proceed to the consideration of House Concurrent Resolution 131, against adoption of Reorganization Plan Numbered 1 of January 19, 1948. This measure is number 1010 on the calendar.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution.

Mr. WHERRY. Now that the concurrent resolution has been made the unfinished business, I ask unanimous consent that the debate on it be limited to not to exceed 4 hours; that as provided by the Organization Act, the time be equally divided between those favoring and those opposing the resolution; and

that the time of those favoring the resolution be controlled by the Senator from Missouri [Mr. DONNELL] and the time of those opposing the resolution be controlled by the Senator from Minnesota [Mr. BALL].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RUSSELL. Mr. President, I did not understand the length of time assigned.

Mr. WHERRY. There is to be a total of not to exceed 4 hours, with 2 hours for each side.

Mr. RUSSELL. I have no objection.

The PRESIDING OFFICER. The order has been entered.

RECESS

Mr. WHERRY. Mr. President, if there is nothing further to come before the Senate at this time, I move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 5 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 16, 1948, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 15, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of infinite mercy and wisdom, be pleased to hear the voice of our supplication. Forgive our broken aspirations and failures.

In this silent moment we would feel the pulse of Him who lived and died for peace on earth. O kindle within us a mighty energy that it may become a compelling purpose to attain it among nations. Keep all authorities steady, that they may not be lured by the seductiveness of false promises, couched in empty appeals, but kept strong, ever alive to our memorable charter. All through our land, keep man sturdy and patriotic, strong in those national traits which make secure the freedom and peace of the world.

In the name of Him, our eternal hope and joy, we pray. Amen.

The Journal of the proceedings of Thursday, March 11, 1948, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 11, 1948:

H. R. 1139. An act for the relief of Dr. Gisela Perl (Krausz); and

H. R. 4023. An act to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes.

On March 13, 1948:

H. R. 3964. An act for the relief of Thomas D. Sherrard.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 142. Concurrent resolution authorizing the printing of additional copies of parts 4 and 5 of the hearings relative to revenue revisions, 1947–48, held before the Committee on Ways and Means;

H. Con. Res. 143. Concurrent resolution authorizing the printing of additional copies of the hearings relative to reduction of individual income taxes held before the Committee on Ways and Means; and

H. Con. Res. 144. Concurrent resolution authorizing the Committee on Foreign Affairs to have printed additional copies of a special subcommittee report and appendix on the United States Information Service in Europe.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 155. Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2202. An act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1174. An act to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes.

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Labor.
3. Department of the Navy.
4. Post Office Department.
5. Department of the Treasury.
6. Federal Security Agency.
7. General Accounting Office.

THE CALIFORNIA DROUGHT

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a resolution which I am today introducing.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, California is suffering from the worst drought in the history of that State. The great Central Valley is parched. The Government arsenal at Benicia on San Francisco Bay is out of water. The Mare Island Navy Yard, the Fairfield-Suisun United States Air Base, and other military establishments are confronted with a critical water shortage.

The population of the State of California has been increasing at the rate of 1,000 a day. Meanwhile, there is an estimated normal annual run-off of 37,700,000 acre-feet of fresh water from the Sacramento and San Joaquin Rivers into the Bay of San Francisco.

I have this day filed a resolution (H. Res. 503) providing for a Government board of engineers to investigate and report on the feasibility, from the standpoint of national defense, of the construction of a dam at the northerly end of San Francisco Bay for the purpose of conserving this fresh water for national defense and other beneficial purposes.

This resolution is as follows:

Whereas the San Francisco Bay area, the territory adjacent thereto, and the great Central Valley are of the highest strategic importance to any adequate defense of the entire Pacific Coast; and

Whereas in recognition of this importance there have been located in this area the Mare Island Navy Yard, Hunters Point Navy Yard, Risdon Naval Plant, Oakland Naval Air Base, Oakland Supply Base, Stockton Annex Navy Supply Depot, Benicia Arsenal, the Presidio Military Reservation, Fort Winfield Scott, Fort Mason, the Army Transport Docks, Fort Barry, Fort Baker, United States Army Signal Department, Stockton General Depot, United States Army Moffett Air Field, United States Bombardment Base Mather Air Force, Fairfield-Suisun Air Base United States Air Force, Sacramento-McClellan United States Air Field, Merced Air Field United States Air Force; and

Whereas, because of the huge shift of population to California, unparalleled in the history of the Nation, even with normal precipitation it will be impossible to meet the demands of national defense with present water and power resources; and

Whereas there is an estimated run-off of 37,700,000 acre-feet of fresh water from the Sacramento and San Joaquin Rivers into the Bay of San Francisco; and

Whereas it is imperative that the necessary steps be taken to conserve fresh water for semiarid California in the interest of national defense and other beneficial purposes: Therefore, be it

Resolved, That the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior are requested to appoint a joint board consisting of not less than three Army officers to be appointed by the Secretary of War, three naval officers to be appointed by the Secretary of the Navy, and three engineers to be appointed by the Secretary of the Interior, to investigate and report on the feasibility, from the standpoint of national defense, of constructing a dam at the northerly end of San Francisco Bay in the vicinity of Mare Island, with adequate locks for navigation, for the purpose of separating at that point the salt water from the Pacific Ocean and the fresh water from the Sacramento and San Joaquin Rivers, and any other features deemed pertinent, and to be forwarded to the Congress as soon as practicable by the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, who are further requested to transmit therewith their recommendations in the premises.

EXTENSION OF REMARKS

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a letter from Erich Lenz, executive secretary, Wisconsin Association of Cooperatives, and in the other a letter from George M. Hetherington, commander, Roy L. Vingers Post, American Legion, La Crosse, Wis.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD in three instances and include in each articles and editorials.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Mr. Robert N. Denham, general counsel, National Labor Relations Board. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $213, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. JONES of Washington asked and was given permission to extend his remarks in the RECORD and include a statement made by him on March 12, 1948, before the Subcommittee on Appropriations.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Ohio [Mr. BREHM], be permitted to extend his remarks in the RECORD and include an article by Mr. Felix Morley. This article may exceed slightly the cost permitted under the rules, but I ask that it be inserted nevertheless.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDER GRANTED

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent that on Monday, March 22, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HON. EDWARD MARTIN

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a resolution and a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, at the weekly meeting of the 28 Republican Members of Pennsylvania's congressional delegation, March 10, a resolution was unanimously adopted calling attention to the eminent qualifications of the Honorable EDWARD MARTIN, United States Senator from Pennsylvania, for the Republican nomination for President of the United States.

Based upon this resolution there appeared in today's issue of the Philadelphia Inquirer a column by Herman A. Lowe, further discussing Senator MARTIN'S outstanding record in public life and the high regard in which Pennsylvania's favorite son is held by his associates in the Senate of the United States.

The resolution and newspaper article referred to are as follows:

RESOLUTION UNANIMOUSLY ADOPTED BY THE PENNSYLVANIA REPUBLICAN DELEGATION IN THE HOUSE OF REPRESENTATIVES, WEDNESDAY, MARCH 10, 1948

Whereas Republican victory in 1948 is the only hope of the United States for a return to sound, economical government within the framework of the American Constitution; and

Whereas the Republican Party is fortunate in having many outstanding men of distinguished attainments from whom to select a standard-bearer for the 1948 Presidential campaign; and

Whereas the Commonwealth of Pennsylvania is represented in the Senate of the United States by a citizen-soldier and statesman eminently qualified to lead the American people forward in spiritual and material strength to national security, financial stability, and world leadership for peace; and

Whereas the vigor and zeal of his sturdy American patriotism, his stanch, constructive, and progressive republicanism, his wise counsel and brilliant leadership have been a constant source of inspiration and guidance; and

Whereas the distinguished career of Pennsylvania's Republican United States Senator for the welfare of the State and the Nation embraces:

1. Military service in the Spanish-American War, the Philippine Insurrection, the Mexican Border Campaign, World War I, and World War II, rising through every grade from buck private to major general; recipient of the Distinguished Service Cross with Oak Leaf Cluster, the Purple Heart with Oak Leaf Cluster, and numerous other decorations and citations for distinguished achievement.

2. Public service as administrator and executive, filling with honor and distinction the offices of auditor general, State treasurer, adjutant general, governor, and United States Senator. As Governor of Pennsylvania he gave his State sound, economical, progressive government, and in the United States Senate he is a firm advocate of a strong, dynamic, solvent America.

3. Political service within the Republican Party as precinct worker, county committeeman, secretary of his county committee, county chairman, State committeeman, and Republican State chairman.

4. Varied experience as a lawyer, banker, and businessman with a thorough knowledge of the problems of large and small business as well as taxation and fiscal affairs.

Therefore, be it

Resolved, That we, the Republican delegation from Pennsylvania in the House of Representatives of the Congress of the United States, with deepest pride and appreciation, call to the attention of the American people the outstanding qualifications of United States Senator EDWARD MARTIN, of Pennsylvania; and be it further

Resolved, That by reason of the high character of his statesmanship, his unswerving devotion to our country and its ideals, his deep understanding of our domestic and foreign problems and his profound knowledge of the science of government, we proudly designate and proclaim Pennsylvania's first citizen, EDWARD MARTIN, as the unanimous choice of this delegation for the Republican nomination for President of the United States and we hereby request Republicans in the 48 States of the Union to join with us by endorsing and supporting this call upon him for further service to our Nation and the world.

TODAY

MARTIN'S PROSPECTS; THEY ARE CLIMBING; TALK OF LOG JAM; THINGS THAT IMPRESS; SENATORS LIKE HIM

(By Herman A. Lowe)

WASHINGTON, March 15.—For the first time since the pre-Civil War era of James Buchanan, Pennsylvania has a chance to see one of its sons as the next President of the United States.

The prospects of Senator EDWARD MARTIN are starting to climb. From several quarters comes the word that he is the kind of man leaders could agree upon in the event a deadlock kills off the early front runners among the candidates. Talk of a Taft-Dewey-Stassen log jam which could eliminate all three is growing here.

A special push was given to the MARTIN prospects the other day when the Senate's 28-man Republican congressional delegation unanimously went on record in favor of MARTIN for the nomination. Thus, one of the most powerful voices in the National Capital called attention to MARTIN as a figure to be reckoned with. It served notice on the party's leaders that MARTIN, backed up by the Commonwealth's 73 convention votes, was really in the running.

In political circles the step was not regarded as merely a one-ballot or two-ballot gesture for a favorite son. It meant, according to some smart observers, that the MARTIN people were getting into the race to win. The Pennsylvanians are now figured as likely to be slugging for the top spot when many other candidates have fallen by the wayside and have been forgotten.

These are the things about MARTIN which impress people in Washington:

1. At a time when the world situation is darkening, he looms as a compromise between the distinctly peacetime leaders, such as a Taft or a Dewey, and the military men like MacArthur. MARTIN has had military experience. He has risen from private to major general. He would know how to move fast if war should come. On the other hand, he is essentially a civilian in public life. He would not frighten away voters who fear a lifelong, professional soldier in the White House.

2. On all sides it is admitted that supporters of TAFT and supporters of Dewey would have no difficulty switching to MARTIN. He is highly acceptable. His record, they say, would make him a good vote getter.

3. His colleagues in the Senate like him. They frequently seek him out for advice. During his first few months in Congress, he was chosen to membership on the Republican policy committee. His blunt, vigorous handling of the Communist war veterans last year brought him citations from both the American Legion and the Veterans of Foreign Wars. Last year also he ripped into a delegation of CIO people who attempted to order him around. He conducted an investigation of the steel gray market. He brought the Nation's top steel leaders to Washington, where he read them a lecture on operating in the public interest.

4. Today Congress is veering more and more to the stand which MARTIN publicly proclaimed more than a month ago on the Marshall plan, and which he has supported ever since. It appears that the eventual position of Congress, as expressed in law, will be strikingly similar to what MARTIN has been urging. At a time when many voices said, "Give the administration the Marshall plan; it will solve everything," MARTIN argued that the plan in its original form was not the answer to the European problem. He said greater safeguards in channeling the funds to useful purposes had to be set up. He said that nothing should stand in the way of making America strong. Today, as a result of the very recent Soviet moves, the Marshall plan is regarded by Congress as merely half a plan. Congressional leaders say it must be made to fit into an over-all program in which national defense (making America strong) is of equal importance.

5. Finally, down here, they point to MARTIN's great strength with the powerful Pennsylvania convention delegation. He is backed up by the strong support of Gov. James Duff. According to reports in District of Columbia Republican circles, Duff has told confidants he will stick with MARTIN as long as the Senator has a chance. The deadlock of the early leaders may last for several ballots with the eventual winner not beginning to emerge until after that. Hence, it is expected that the Keystone State delegation must go unbroken for MARTIN for several ballots.

The strengthening MARTIN prospects spell good news to Pennsylvania. It seems like a sure Republican year. Even if MARTIN is not nominated, the fact that he was high in the running will mark him as one of the most important figures in Washington.

Under any Republican administration he will control potent Federal patronage. For example, on the Commonwealth's own pay rolls are about 33,000 part-time salaried employees. But the Federal Government has approximately 100,000 persons on its pay rolls in Pennsylvania. In each group, the large bulk are civil-service personnel. But there are plenty of patronage jobs. MARTIN apparently will control a patronage list which may be larger than even that of Governor Duff.

For quite a few years the State has been handled as a stepchild by Washington. While benefits went to the West and South, Pennsylvania has been largely ignored. MARTIN's great interest in his native State means Pennsylvania's place in the sun will not be blocked off if the Republicans win.

The worst that can happen under the growing MARTIN drive is the assurance of more consideration for Pennsylvania during the next 4 years.

The best is that its native son will be the next President of the United States.

EXTENSION OF REMARKS

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. HARNESS of Indiana asked and was given permission to extend his remarks in the RECORD and include a digest of the laws of Indiana as they pertain to veterans.

Mr. GROSS asked and was given permission to extend his remarks in the RECORD and include a column by John Cummings entitled "Any Commie Can Cheer for the Wallace Platform."

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial from the St. Joseph News-Press entitled "Timely Observations."

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BUCK asked and was given permission to extend his remarks in the RECORD and include a statement he made before the Committee on Agriculture.

AGRICULTURAL APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the rule the Agricultural appropriation bill may be taken up for consideration on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FRANKLY SPEAKING?

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, the sale of the book Speaking Frankly must have fallen off badly during recent weeks. There can be no other explanation of the intemperate and untimely outburst of chauvinism by the author, James F. Byrnes. Mr. Byrnes would deserve a more enduring place in the hearts of his countrymen if he had spoken more frankly at the time of Yalta when the nations of the west were betrayed to the atheistic barbarians of Asia. Instead, he chose to take notes in shorthand and sell the shameful story, acquired at the expense of the taxpayers, after he had been separated from the State Department to make way for the incumbent.

The present Secretary of State was also at Yalta but he did not say a word. In fact, it becomes more apparent every day that he is a worthy successor to the man of letters from South Carolina.

HENRY A. WALLACE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, on Sunday, March 7, in the historic city of York, where I live and where many years ago during Revolutionary days the Continental Congress found refuge, there was another meeting held. Henry Wallace held his State convention there.

They formulated a policy and a platform that any Communist can support. At 11:30, while the religious people of the city were in their churches, a special train and a number of busses bearing Mr. Wallace and 2,500 people from various sections of the State were met at the railroad station where approximately 200 people with a band greeted them.

A great ovation was given Mr. Wallace by the people who accompanied him. A parade formed at the station and proceeded six blocks through the city to the William Penn Senior High School auditorium. The procession was colorful with banners bearing the words, "Win With Wallace," "Down With the Taft-Hartley Law," "Club Big Business," "Wallace Is for Peace, Jobs, and Security," "One World With Wallace," "Food and Freedom for All," "Freedom From Fear With Wallace," "A Free College Education for Youth," "Guarantee Our Future," "We Do Not Want To Be Veterans of World War III," "Please Give Us a Decent World in Which To Grow Up."

The procession was conspicuous by the absence of the American flag. This created an avalanche of protests from the religious and patriotic people of the city to the extent that a new police order has been issued forbidding any future parades unless the United States flag is carried.

This was a violation of section 208 of the Pennsylvania Penal Code, which requires that on such occasions a standard United States flag of a size not less than 52 by 66 inches must be displayed. The penalty for violation is not to exceed $100 for each offense or 30 days imprisonment.

While many complaints have been received to date, no charges have been brought against the responsible parties.

Mr. Speaker, I include as a part of my remarks the following portion of the column of Mr. John M. Cummings as it appeared in the Philadelphia Inquirer of Wednesday morning, March 10:

YORK, PA., March 9.—During delivery of his prepared speech at the convention which organized the Progressive Party of Pennsylvania, Henry Wallace, its candidate for President, tossed in a reminder it was in this town of York the Continental Congress set up shop when the British captured Philadelphia. This, of course, was to give the assembled candidates a feeling of greatness, instill a sense of doing something that would live long in history.

Now, the prepared speech ended, Mr. Wallace moved to the side of the stage preparatory to leaving the hall. The crowd was giving him an ovation. Henry halted in his tracks. Looking out over the cheering throng he put on his widest grin. Then he strode back to the center of the stage, raised his hand to command silence.

He never realized, he stated, that Pennsylvania had within its borders so many people whose hearts were on the left side—"where they belonged."

The crowd roared its approval. While the shouting was still at its height he departed. In that jammed auditorium Henry Wallace spoke against a background dominated by two large photographs, one of the grinning prophet himself, the other of the late President Roosevelt.

It must be remembered that Mr. Wallace does not consider himself a prophet in his own right. Whatever he is, such powers of divination and one thing and another as he may possess, came direct from the greater prophet, who booted Henry out of the Vice Presidency in 1944, thereby making way for the arrival of Harry Truman at the foot of the throne.

Henry Wallace is convinced that as of this day and date President Truman, who has expressed his willingness to be the Democratic nominee to succeed himself, is as good as licked.

OUR FOREIGN POLICY

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, what is our foreign policy now?

The great design, the New Deal's policy of appeasement through surrender, has failed. It was succeeded by another policy of "kindness and firmness," so with kindness and not much firmness we watched Russia take what she wanted. That policy has been followed by one of frowning and scowling, so now we frown and scowl while Russia continues to take what she wants.

The Marshall plan should be brought promptly to the floor for action. I have no delusions about it. I know it is not a final answer, I know it is not enough. But, so far as it serves to shore up the economic defenses of non-Communist nations, to that extent it will gain us time. We ought to know now that it will take more than the Marshall plan to stave off the Russian great design for world conquest. Personally, I favor an immediate increase in our armed forces, especially a reappraisal of the needs of our Air Force and naval aviation, a more forceful policy in the occupied areas —we are losing ground in Korea for lack of a policy, to cite one example—and the awakening of our State Department to the crying need for a clear and unmistakable statement of our policy toward Russian expansion.

Let us substitute abdominal fortitude for hebdomadal vacillation.

SPECIAL ORDER GRANTED

Mr. RAMEY. Mr. Speaker, I ask unanimous consent that I may address the House for 20 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an explanation of the bill (H. R. 5711) to amend the railroad unemployment insurance act which I recently introduced, and in another instance to extend my remarks and include excerpts from testimony by M. Vashti Burr, deputy attorney general of Pennsylvania in Harrisburg, before the subcommittees of the Senate and the House Judiciary Committees.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

INDUSTRIAL RESOURCES OF GERMANY

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Speaker, I wish to add my voice to the appeal urging that our Government cease its dismantling of the industrial resources of Germany until an adequate appraisal of conditions can be made by the Congress. With the agitation for tremendous sums of money and our vital resources to solve the ills and aid the recovery of Europe, it seems entirely inconsistent and unreasonable to me to carry on this dismantling program under existing conditions.

The economic recovery of the war-ravaged continent is dependent upon the production of goods, and the employment of the people. By breaking up the machine tools of industrialized areas, we are further prolonging recovery, and adding untold costs and hardships to this Nation, which is already overburdened with debt and chaotic administrative fiscal policies.

Is it not sensible for us to halt this waste and destruction until we can take a good look at the facts? Surely we have nothing to lose by following such a plan; unquestionably we have much to gain. We not only will be giving the German people the tools to produce the goods which are so badly needed, but we will be aiding the other nations in the fight for democratic rights and economic rehabilitation. Moreover, we will be combating the spread of communism by destroying the seeds of unrest which thrive on hunger, idleness, and despair.

I believe the following letter which I received from a group of constituents points out the reasonableness of this demand clearly:

DEAR CONGRESSMAN: May we hereby express our deep concern relating to the policy of our Government in the continued dismantling of German industrial plants. We believe the economic effects upon our own economy, as well as upon the reasonable welfare of the German people will ultimately be disastrous, if this work of destruction is not abandoned.

Cold practicality and realism should determine our course to this end, if our humane instincts do not, common sense should lead us aright. How can rational thinking support a Marshall plan and simultaneously approve the wrecking of plants capable of needed production for Europe, when, as Marshall reported to Senator VANDENBERG, these same plants are kept idle for want of raw materials? It would benefit all Europe far more to supply the raw materials, even as the Atlantic Charter conceived and promised.

We ask your support of Senate Joint Resolution 165, by BRIDGES and EASTLAND:

"*Resolved*, That the United States shall discontinue immediately all plant dismantlings * * * until the Congress shall study its economic effects * * * upon the economic reconstruction of western Europe.

"That the British Government * * * adopt similar policies in the British zone."

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD in two instances and in one to include an editorial from Catholic Action of the South.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post of today.

Mr. BOYKIN (at the request of Mr. COX) was given permission to extend his remarks in the RECORD.

Mr. COX asked and was given permission to extend his remarks in the RECORD and include a brief letter.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include editorials from the Chicago Sun and Chicago Times on free press.

Mr. DORN asked and was given permission to extend his remarks in the RECORD and include an article from a South Carolina weekly on the subject We Need Plain Folks in Our Embassies Abroad.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include an editorial of March 11 from the Shreveport Journal entitled "Oleo Needs Relief."

Mr. ALMOND asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and to include some articles from a newspaper together with several letters.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances and to include an article from the Washington Post.

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech that I made last Friday and also to extend my remarks and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TRIMBLE (at the request of Mr. DAVIS of Tennessee) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Gary Post-Tribune, of Gary, Ind.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD in two instances and to include a letter in each.

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. FISHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio interview between myself and Dr. Hugh H. Bennett on the subject of soil conservation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McCORMACK asked and was given permission to extend his remarks

in the RECORD and include four resolutions passed by the general court of Massachusetts.

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include therewith an address.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the American Legion, department of California.

Mr. REED of Illinois asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks in the RECORD and include a radio speech.

Mr. SCHWABE of Missouri asked and was given permission to extend his own remarks in the RECORD.

Mr. FOOTE asked and was given permission to extend his remarks in the RECORD and include an address by Hon. JOHN DAVIS LODGE last evening.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include a resolution.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may address the House for 10 minutes today after the other special orders, and that I may extend my remarks and include certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

BLACK-MARKETS INVESTIGATION

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, since the House at the close of the special session so graciously adopted my resolution setting up the black-markets investigation, our committee, whose members have been more than cooperative, has been diligently at work. It is a fact that prices have ceased rising, that some have fallen, that a number of unnecessary barnacles have been removed and others discouraged from entering the questionable business of price gouging and general interference with the natural flow of trade.

There has just come to my attention a situation with which I think my colleagues should be acquainted immediately. The solution of the black market in the fundamental basic steel industry is in a sufficient supply of scrap metal. Bethlehem Steel is starting to bring a million tons from the islands of the South Pacific. The greatest quantity of fine scrap immediately available is that in the German Ruhr, which I had an opportunity to view myself last fall. Estimates run as high as 10,000,000 tons. Quantities of this have been prepared, turned over to a German concern, sold to Czechoslovakia, and shipments went there already prior to the recent coup d'etat. With relief shipments to Europe there is empty water transportation for bringing back this scrap. Is it sensible for us to allow our economy to be disrupted for want of a vital ingredient which is being diverted to a very possible enemy grasp?

REREFERENCE OF BILLS

Mr. MICHENER. Mr. Speaker, the following bills have been referred to the Committee on the Judiciary: H. R. 1431, H. R. 1871, H. R. 2719, H. R. 5653, and H. R. 5739. Under the Reorganization Act the Committee on Education and Labor is specifically given jurisdiction over these bills.

I have conferred with the chairman of the Committee on Education and Labor, all the authors of the bills have been contacted, and there is no objection.

I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bills mentioned and that they be rereferred to the Committee on Education and Labor.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MRS. ELEANOR ROOSEVELT MOTHER OF PRESIDENT TRUMAN'S SO-CALLED CIVIL-RIGHTS PROGRAM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include therewith a resolution which I am introducing today.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, many people have charged President Harry S. Truman with being the father of this so-called civil-rights program.

I call your attention to the fact that the real power behind that movement is Mrs. Eleanor Roosevelt, who misrepresents us at that crumbling Tower of Babel known as the United Nations.

She is on the so-called Commission on Human Rights of that floundering organization, and has exercised all the pressure she could for the FEPC, the antisegregation measure, and all the other trouble-making propositions that are calculated to stir up race trouble here in Washington and throughout the Southern States.

She has carried on this drive to prejudice the other nations of the earth against the white people of the South, and has done more harm to both the whites and the Negroes of the Southern States than has any other woman who has lived in the last 100 years.

The so-called United Nations Organization has never been submitted to the American people.

Yet, it is now trying to subordinate the United States to its international control.

Recently, people who went there to seek employment were required to take an oath to support the United Nations over and above the United States.

Gen. George S. Patton once asked me what I thought about the United Nations. I said: "General, do not forget that Towers of Babel have been collapsing in confusions of tongues ever since the days of Genesis, and this is not going to be any exception." He said that he wanted to remember that, if he did not remember another word I said.

Today they are trying to drag us into a race war in Palestine, while others are insisting that we go to war in Europe.

I submit it is time to consult the American people.

For these reasons I am introducing this resolution for America to withdraw from this dying United Nations Organization.

HOUSE MEMORIAL DAY, MAY 17, 1948

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on Accounts, I call up a privileged resolution (H. Res. 502) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That on Monday, the 17th day of May 1948, immediately after the approval of the Journal, the House shall stand at recess for the purpose of holding the memorial services as arranged by the Committee on House Administration under the provisions of clause (1) (j) (2) (C) of rule XI of the Rules of the House of Representatives. The order of exercises and proceedings of the service shall be printed in the CONGRESSIONAL RECORD, and all Members shall have leave for 60 legislative days to extend their remarks in the CONGRESSIONAL RECORD on the life, character, and public service of deceased Members. At the conclusion of the proceedings, the Speaker shall call the House to order and then as a further mark of respect to the memories of the deceased he shall declare the House adjourned. The necessary expenses connected with such memorial services shall be paid out of the contingent fund of the House upon vouchers signed by the chairman of the Committee on House Administration and approved by such committee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JESSIE JOSEPHINE TIBBITS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on Accounts, I call up a privileged resolution (H. Res. 497) and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Jessie Josephine Tibbits, mother of Jessie Mae Toole, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate she was receiving at the time of her death, and an additional amount not to exceed $250 toward defraying the funeral expenses of said Jessie Mae Toole.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON TAFT-HARTLEY ACT

Mr. LESINSKI. Mr. Speaker, under the Taft-Hartley Act, today, March 15, a preliminary report is supposed to be filed by the Committee on Labor. As the gentleman from New Jersey is not present, but I believe he will file a report today——

The SPEAKER. The gentleman from New Jersey is present.

Mr. HARTLEY. I may say to the gentleman from Michigan that the report has been filed.

LABOR-MANAGEMENT RELATIONS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, there has been submitted in both the House and Senate today the first report of the Joint Committee on Labor-Management Relations. Senators MURRAY and PEPPER and the gentleman from Pennsylvania [Mr. KELLEY] and myself have issued a joint statement regarding this report. We condemn this report as misleading election-year propaganda put out by the Republican Party to deceive the voters of this country.

Using the same outrageous methods they have used in passing the Taft-Hartley Act, the majority of the committee kept their report a secret from the minority until the day before we were required to vote for or against a 200-page account of our first 6 months under a law directly affecting the lives of 60,000,000 wage earners. I want to voice my objection in the strongest language at my command to the manner in which this document was prepared, approved, and submitted. I have not had time to go over this so-called report in a way permitting me to give it the treatment which justice and my public duty would deserve and demand. What I have been able to go over indicates that this report prejudges cases before the National Labor Relations Board and the courts. It is an attempt of the Congress to set itself up as a dictator to the Chief Executive and the judiciary contrary to our constitutional form of government. We of the minority, therefore, reserve the right to defend the welfare of this Nation by giving to the public a detailed statement of our views as soon as we have had time for a critical analysis of the report.

LABOR-MANAGEMENT RELATIONS

MINORITY STATEMENT

WASHINGTON, D. C., March 15, 1948.—"The objections to the first report of the Joint Committee on Labor-Management Relations are of so serious a nature that we cannot add our approval to that of the other members of the committee," said Senators JAMES E. MURRAY (Montana), CLAUDE PEPPER (Florida), and Congressmen JOHN LESINSKI (Michigan), and AUGUSTINE B. KELLEY (Pennsylvania).

"We regret having to make this decision for it was our hope, based upon the character of the statutory duty imposed upon the committee, that the report would be the kind of dispassionate and objective appraisal of labor-management problems necessary if the committee was to make any contribution to the formulation of a sound national labor-management policy. We do not find that this report is such an appraisal. We find on the contrary that the report is political in its approach and misleading in its findings.

"Section 402 of the Taft-Hartley Act vests the committee with the responsibility for conducting a thorough study and investigation of the entire field of labor-management relations and to report to the Congress by March 15. The proper discharge of this duty, in our opinion, precludes the use of this report merely as a devise for justifying the action of the Republican-led Congress in passing the Taft-Hartley Act.

"Yet this is just the use which appears to have been made of the majority's report. The sweeping character of the claims made, unsupported by the limited experience under Taft-Hartley, and the failure to present many of the facts concerning the operations of the act, can only result in misleading the public and retard the making of necessary legislative changes.

"The minority of this committee did not receive their copies of the report until March 9, a day before the members of the committee were called upon to approve or disapprove its contents. The limited time made available for us has prevented the preparation at the present time of the detailed critical analysis that the broad claims made by the majority require. However, reference to a few aspects of the report will serve to indicate its misleading and biased character.

"The committee's finding that the provisions of Taft-Hartley has brought about a reduction in strikes is not supported by the evidence. Indeed, the committee itself recognizes the lack of substance to this finding. The committee states in the body of the report that no break-down is available to show the issues in strikes since August 22, 1947 and 'without it any assessment of the value of the act in preventing strikes can be only speculative.' This comment, however, is buried in the body of the report and is in no way reflected in the committee's finding. The committee's finding is thus obviously misleading.

"Moreover, it is generally recognized that such decline in strikes as has occurred in the last third of 1947 is attributable to the following factors:

"1. The usual seasonal decline in the number of strikes which has occurred every year since 1927, except 1940;

"2. The fact that many employers and unions hastened to get agreements signed before the act became effective in order to avoid upsetting satisfactory contractual arrangements;

"3. Many employers and unions are cautiously sitting tight during the initial period of the act's operation;

"4. The tremendous profits made by business generally have served to discourage any action by employers which might precipitate a strike.

"The committee's findings and discussion of the experiences with the prohibition against closed-shop agreements and with union-shop elections fail to give proper consideration to the following facts:

"1. The report fails to make reference to the special problems created by the prohibition against the closed shop in such industries as the maritime industry;

"2. The failure of the committee to make an adequate investigation and its summary dismissal of the 'bootleg' contract problem is inexcusable in view of the fact that the widespread existence of such contracts is a matter of common knowledge;

"3. The report fails to discuss adequately the serious administrative problem created by the tremendous number of union-shop elections which the Labor Board is now being called upon to conduct. For example, in December alone 1,345 union-shop election petitions were filed. In January the number totaled 2,119. The Labor Board thus far has been unable to cope with this problem and the consequence has been a mounting backlog of union-shop election cases as well as others.

"By the end of January, 1948, the Labor Board had a backlog of 7,237 cases, the largest in its history. The indications are that this problem will become even more acute in future months for the Board estimates that the number of union-shop election cases for the fiscal year 1948–49 will reach the astounding total of 30,000.

"4. The report fails to mention the tremendous cost and waste to the taxpayer of union-shop elections. For example, the proposed election among the two and a half million employees in the building construction industry alone will cost approximately $1,000,000. In view of the fact that this election will be restricted to the employees who have been traditionally covered by a closed-shop agreement, the ultimate outcome of the election will undoubtedly be overwhelmingly in favor of the provision. The conduct of the election is thus a waste of public funds.

"The report of the committee intrudes dangerously on the executive and judicial power. This abuse of legislative power is nowhere more marked than in the discussion of the cases involving the International Typographical Union. The discussion of these cases in the report indicates a prejudgment on the part of the members of the committee of the issues now pending before the Labor Board and the courts for decision.

"It constitutes in its effect a violation of the salutary committee rule that it will not intervene in matters which are in litigation. The action of the committee can only be calculated to influence the determinations of the Labor Board and the courts.

"The Taft-Hartley Act is now in the first year of its operation. Its provisions directly affect the lives of 60,000,000 wage earners and indirectly, the welfare of the entire country. In view of the fact that this is an election year the Taft-Hartley Act is a highly controversial matter, the issuance of this partial, misleading and political document is wholly out of order.

"We, therefore, feel called upon as a minority, greatly concerned with the Nation's welfare as a whole, to review the report critically and to issue a detailed statement of our views at a later date."

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. RICH. The gentleman is condemning the Republican Party. After he named the men he did, we would not expect anything else.

Mr. LESINSKI. Has not the gentleman always been condemning the Democratic Party in his stand?

Mr. RICH. I had a reason.

Mr. LESINSKI. So have I.

REPORT OF THE COMMITTEE ON LABOR

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Speaker, I regret the necessity of at least partially correcting the statement made by the gentleman from Michigan who said that the report had been kept secret from the minority Members until the day before its filing or approximately that time.

I do not know where the gentleman from Michigan was, but this is one minority Member who attended the meeting and this is one minority Member who knew what was in the report. Had I not known I expect I would be raising more sand than the gentleman from Michigan.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Michigan.

Mr. LESINSKI. The gentleman is a privileged character; perhaps I am not.

Mr. BARDEN. I am a Member of Congress and as such I try to perform my duty. If I am not given my rights I will demand them.

The SPEAKER. The time of the gentleman from North Carolina has expired.

KLAMATH INDIANS, OREGON

Mr. D'EWART. Mr. Speaker, at the request of the gentleman from California [Mr. WELCH], chairman of the Committee on Public Lands, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2502) to provide for the general welfare and advancement of the Klamath Indians in Oregon, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 7, strike out all after "act" down to and including "determine" in line 16.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RAILROAD RETIREMENT ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (l) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1947.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 12, 1948.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives, which was read:

MARCH 12, 1948.

The honorable the SPEAKER,
House of Representatives.

SIR: From the District Court of the United States for the District of Columbia I have received a subpena duces tecum, directed to me as Clerk of the House of Representatives, to appear before said court on the 15th day of March 1948 at 10 o'clock a. m. as a witness in the case of the *United States* v. *Richard Morford* (No. 366–47, Criminal Docket) and to bring with me certain and sundry papers therein described in the files of the House of Representatives.

The subpena contains 48 paragraphs descriptive of the papers in question. A limited number of paragraphs are specified in their description and such papers may readily be identified. The greater number are general, lack specific description, embrace a voluminous quantity of records, and in some instances papers which are not part of the file at all. Such of the papers as may be identified as being under the control of the House are the files of the Committee on Un-American Activities and as such are under the unqualified control of the House.

Your attention and that of the House is respectfully invited to a resolution of the House adopted in the Forty-sixth Congress, first session (CONGRESSIONAL RECORD, p. 680), upon recommendation of the Committee on the Judiciary, as follows:

"*Resolved*, That no officer or employee of the House of Representatives has the right, either voluntarily or in obedience to a subpena duces tecum, to produce any document, paper, or book belonging to the files of the House before any court or officer, nor to furnish any copy of any testimony given or paper filed in any investigation before the House or any of its committees, or of any paper belonging to the files of the House, except such as may be authorized by statute to be copied and such as the House itself may have made public, to be taken without the consent of the House first obtained."

And a resolution adopted by the House in the Forty-ninth Congress, first session (CONGRESSIONAL RECORD, p. 1295), from which the following is quoted:

"*Resolved*, That by the privilege of this House no evidence of a documentary character under the control and in possession of the House of Representatives can, by the mandate or process of the ordinary courts of justice, be taken from such control or possession but by its permission.

"That when it appears by the order of a court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House."

These resolutions result from the issuance of subpena duces tecum upon the Clerk of the House to produce certain original papers in the files of the House.

Permission to remove from their place or file or from the custody of the Clerk any papers was denied by the House but court afforded facilities to make certain copies of papers to be secured from the House. This seems to be the uniform procedure in the case of subpenas duces tecum served upon the Clerk of the House of Representatives to produce original papers from the files of the House.

The subpena in question is herewith attached and the matter is presented for such action as the House in its wisdom may see fit to take.

Very respectfully yours,

JOHN ANDREWS,
Clerk of the House of Representatives.

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES *v.* RICHARD MORFORD, NO. 366–47, CRIMINAL

The President of the United States to John Andrews, Clerk of the House of Representatives, P–42 United States Capitol, Washington, D. C.

You are hereby commanded to attend the said court on Monday, the 15th day of March 1948, at 10 o'clock a. m., to testify on behalf of the defendant, and bring with you the documentary material described in Schedule A attached hereto and made a part hereof consisting of 5 pages, which documents are in the files of the Committee on Un-American Activities, and not depart the court without leave thereof.

Witness, the Honorable Chief Justice of said court, the 10th day of March A. D. 1948.

HARRY M. HULL.
By MARGARET L. BOSWELL,
Deputy Clerk.

CHARLES A. HORSKY,
Attorney for Richard Morford.

SCHEDULE A

1. Letter dated November 19, 1945, from Corliss Lamont to Ernie Adamson, counsel.
2. Letter from Corliss Lamont to Ernie Adamson, counsel, dated November 27, 1945.
3. Letter dated November 27, 1945, from Corliss Lamont to JOHN S. WOOD, Chairman of the House Committee on Un-American Activities, and similar letters of the same date to John E. Rankin, J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, the members of the House Committee on Un-American Activities.
4. Letter dated December 6, 1945, from Corliss Lamont to JOHN S. WOOD, chairman.
5. Letter dated December 9, 1945, from Corliss Lamont to JOHN S. WOOD, chairman.
6. Letter dated December 9, 1945, from Corliss Lamont to JOHN E. RANKIN, member of the House Committee on Un-American Activities, and similar letters of the same date to J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, the other members of the committee.
7. Copies of letter dated December 9, 1945, from Corliss Lamont to SAM RAYBURN, Speaker of the House, sent to John S. Wood, chairman, and John E. Rankin, J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, members of the committee.
8. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to Carl Dreher, Bald Hill Road, Wilton, Conn.
9. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to American Civil Liberties Union.
10. Copy of letter dated December 20, 1945, from Ernie Adamson, counsel, to Mr. and Mrs. Robert Lippin.
11. Letter dated January 10, 1946, from Corliss Lamont to JOHN S. WOOD, chairman.
12. Copy of letter dated January 19, 1946, from KARL E. MUNDT, member of the committee, to Mr. Norman W. Schur, chairman, National Committee to Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.
13. Letter dated February 8, 1946, from Corliss Lamont to John S. Wood, chairman, and similar letters of the same date to John E. Rankin, J. Parnell Thomas, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, members of the committee.
14. Letter dated February 19, 1946, from Corliss Lamont to KARL E. MUNDT, member of the committee.
15. Minutes of all meetings of the House Committee on Un-American Activities or any subcommittee thereof between January 3, 1945, and February 6, 1946, at which investigation of the National Council of American-Soviet Friendship, Inc., was considered, referred to, acted upon, or its propaganda activities were discussed, and transcripts of any testimony taken about or concerning the National Council of American-Soviet Friendship, Inc., during that period.
16. Transcript of the testimony of Corliss Lamont before the committee on February 6, 1946.
17. All releases and statements issued by or on behalf of the House Committee on Un-American Activities, whether to the press or otherwise, between November 13, 1945, and August 3, 1946, which refer to or discuss the National Council of American-Soviet Friendship, Inc.

18. All publications and documents relating to the National Council of American-Soviet Friendship, Inc., submitted to the House Committee on Un-American Activities between January 1, 1946, and March 15, 1946, by Corliss Lamont and by Richard Morford, together with all statements submitted to the committee by said individuals, in connection with their appearance before said committee.

19. Transcripts of committee meetings or executive sessions after 11:15 a. m., March 7 to June 13, 1946, at which the committee considered and/or acted upon the refusal of Richard Morford to produce documents and/or to answer any questions.

20. All card records and all compilations, and all documentary material upon which said records and compilations are based, concerning the National Council of American-Soviet Friendship, Inc., and Corliss Lamont and Richard Morford which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

21. Letter from Carl Dreher to Ernie Adamson of December 19, 1945.

22. Letter from Frederic G. Melcher, president, Publishers' Weekly, to John S. Wood of December 11, 1945.

23. Letter from John Rothschild to John S. Wood or the committee of December 17, 1945.

24. Minutes and transcripts of hearings of the committee at which Corliss Lamont appeared and concerning the National Council of American-Soviet Friendship held on January 23, 1946, and January 24, 1946, a. m.

25. Minutes and transcript of meeting and executive session of committee on February 6, 1946.

26. Minutes and transcripts of committee meetings or executive sessions between November 27, 1945, and December 3, 1945, relating to the National Council of American-Soviet Friendship, Inc., including but not limited to, action of the committee directing or instructing the chairman to request access to the books and records of said council.

27. Report of an investigator of the committee referred to by Congressman THOMAS during congressional debate on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD, 7721 (June 26, 1946), which report contained references to Corliss Lamont.

28. The evidence referred to by Congressman RANKIN during congressional debate on June 26, 1946, appearing at volume 92, CONGRESSIONAL RECORD, page 7728 (June 26, 1946), which allegedly establishes an alliance between the National Council of American-Soviet Friendship, Inc., and the traitor who tried in the United States and Canada to steal the secrets of the atomic bomb.

29. Letter from Norman W. Schur to KARL E. MUNDT and/or other members of the committee dated January 7, 1946.

30. Committee resolutions adopted on or before May 28, 1946, directing the compilation of material entitled "Citations by Official Federal Government or State or Municipal Agencies or Reliable Private Organizations Regarding the Character of the Organization Named," which compilation has been published under date of May 29, 1946.

31. Letter dated December 12, 1945, from Arthur Garfield Hays and Roger Baldwin to JOHN S. WOOD, chairman.

32. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Committee To Combat Anti-Semitism, room 601, 22 East Seventeenth Street, New York, N. Y., together with copy of petition by said national committee, referred to in said letter.

33. Copy of letter dated March 22, 1946, from Ernie Adamson, counsel, to Mr. Stanley B. Moss, care of Moss & Arnold, 7 East Forty-fourth Street, New York, N. Y., together with copy of New York Times advertisement referred to therein.

34. Copy of letter dated between February and August 1946 from JOHN S. WOOD, chairman, to all Members of Congress enclosing copy of report of Committee on Un-American Activities and summarizing its work and policy.

35. Letter from Clyde Doyle, representative from California, to Ernie Adamson, counsel, dated July 17, 1946.

36. Copy of letter dated July 18, 1946, from Ernie Adamson, counsel, to Clyde Doyle, Representative from California.

37. Copies of letter sent by KARL E. MUNDT, member of the committee, to Governor Thomas L. Bailey, of Mississippi, and approximately 99 others on or about January 20, 1945, relating to a "suitable and working criterion to determine what does and what does not comprise an un-American activity," together with the data sheet mailed therewith and all replies received thereto, and all further correspondence with the same individuals in connection therewith and such additional correspondence received from other individuals and/or organizations pertaining to the establishment of the working criterion above set forth as to the definition of the terms "un-American" and/or "subversive."

38. Copies of all letters sent by or on behalf of the committee or any members thereof to the Brookings Institution between January 3, 1945, and April 15, 1945, relating to a working criterion for determining what constitutes un-American propaganda or activity, or relating to standards for determining what constitutes un-American activities, or relating to the definition of the terms "un-American" or "subversive," or relating to an analysis of letters received purporting to define un-American activies or propaganda; together with all letters received from the Brookings Institution in connection therewith.

39. The report or memorandum submitted to the committee by the Brookings Institution between January 3, 1945, and April 15, 1945, relating to or entitled "Suggested Standards for Determining Un-American Activities," and other data and material submitted in connection therewith.

40. Memorandum of six paragraphs sent to the committee or to KARL E. MUNDT, committee member, by the American Civil Liberties Union during February 1945, relating to un-American activities, and letter accompanying same.

41. Stenographic transcript of all meetings of the House Committee on Un-American Activities or any subcommittee of the same from January 3, 1945, to February 6, 1946, at which the definition or content of the phrase "un-American or subversive propaganda activities" was considered, discussed, or acted upon.

42. All releases and statements issued by or on behalf of the House Committee on Un-American Activities between January 3, 1945, and January 4, 1947, whether to the press or otherwise which refer to or comment upon the investigation or organizations, groups, or individuals who are engaged in issuing propaganda or in influencing or attempting to influence public opinion.

43. Press release on or about June 22, 1945, by the House Committee on Un-American Activities or its chairman dealing with the definition by said committee of the words "un-American" and/or "subversive."

44. Each and every item listed under the column "publication" in connection with the committee record of Clifford (T) M'Avoy, as contained in extension of remarks of Hon. HADWEN C. FULLER, dated August 2, 1946, appearing in volume 92, CONGRESSIONAL RECORD, page A5230 (August 12, 1946).

45. Each and every item listed under the column "source" in connection with the committee record of Corliss Lamont as put into the RECORD during congressional debate by Representative J. PARNELL THOMAS on June 26, 1946, appearing in volume 92, CONGRESSIONAL RECORD, page 7722 (June 26, 1946).

46. Each and every item of source material in connection with the committee record of Clyde R. Miller as contained in the speech of Hon. J. PARNELL THOMAS dated February 19, 1946, appearing in volume 92, CONGRESSIONAL RECORD, page A888 (February 19, 1946).

47. Each and every item listed under the column "source" in connection with the committee record of Michael J. Quill as contained in the extension of remarks of the Honorable J. PARNELL THOMAS dated February 27, 1946, appearing in volume 92, CONGRESSIONAL RECORD, page A1065 (February 27, 1946).

48. Each and every item of source material in connection with the committee record of Margaret Webster and Edwin S. Smith as contained in the report of Louis J. Russell, investigator, entitled "Comprehensive Report Concerning Publications Issued by the National Council of American-Soviet Friendship, Inc.," under the headings "The American theater" and "Pamphlet entitled 'Organized Labor in the Soviet Union,'" respectively, together with the committee record on Fredric March referred to under the heading "American theater" in said report and the supporting items of source material in possession of the committee; said report was made part of the committee record on March 6, 1946, beginning at page 926A.

PARLIAMENTARY INQUIRY

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, what disposition was made of this matter that the Clerk just read to the House?

The SPEAKER. The communication has been read for the information of the House.

EXTENSION OF REMARKS

Mr. CARROLL asked and was given permission to extend his remarks in the RECORD and include an article by Sumner Welles.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD and include an article.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AMENDING ORGANIC ACT OF GEOLOGICAL SURVEY

The Clerk called the bill (H. R. 3106) to reenact and amend the Organic Act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by redefining their geographic scope.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. I object, Mr. Speaker.

RECOGNITION OF SERVICES OF PANAMA CANAL EMPLOYEES

The Clerk called the bill (H. R. 2273) to amend the act of May 29, 1944, providing for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the act approved May 29, 1944, to provide for

the recognition of the services of civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal is amended to read as follows:

"SEC. 5. No person who has been or shall hereafter be awarded an annuity under the provisions of this act shall be denied an annuity to which he may otherwise be entitled under the provisions of any law providing for a contributory system of retirement for civilian officials and employees of the United States or the District of Columbia government: *Provided*, That in computing the annuity under such contributory system of retirement of any person receiving an annuity under this act, no special additional benefit shall be granted for service performed during the construction of the Panama Canal."

SEC. 2. This act shall be effective from and after May 29, 1944.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPANDED ROTC PROGRAM

The Clerk called the bill (H. R. 4143) to provide for the effective operation and expansion of the Reserve Officers' Training Corps, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, the author of the bill does not want the bill considered in its present form; therefore, I object.

Mr. CHENOWETH. I object, Mr. Speaker.

Mr. BUCK. I object, Mr. Speaker.

SELECTION OF SUPERINTENDENTS OF NATIONAL CEMETERIES

The Clerk called the bill (H. R. 4515) to provide for selection of superintendents of national cemeteries from meritorious and trustworthy male members of the armed forces who have been disabled in line of duty for active field service.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 1782) be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That superintendents of the national cemeteries shall be selected from meritorious and trustworthy members of the armed forces who have been honorably separated from the service of the United States, and who have been disabled in line of duty for active field service.

SEC. 2. Section 4874, Revised Statutes (U. S. C., title 24, sec. 275), is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4515) was laid on the table.

RESTORATION OF FRANCIS SCOTT KEY MANSION

The Clerk called the resolution (H. J. Res. 150) to provide for the restoration and preservation of the Francis Scott Key Mansion, to establish the Francis Scott Key National Monument, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the joint resolution.

Mr. KEAN, Mr. MARTIN of Iowa, and Mr. CHENOWETH objected.

AMENDING SERVICEMEN'S READJUSTMENT ACT OF 1944

The Clerk called the bill (H. R. 3016) to amend subsection 200 (c) of the Servicemen's Readjustment Act of 1944, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. CUNNINGHAM, and Mr. CHENOWETH objected.

ATOMIC ENERGY COMMISSION

The Clerk called the bill (H. R. 5216) to amend the Atomic Energy Act of 1946 so as to provide that no person shall take office as a member of the Atomic Energy Commission or as General Manager of such Commission until an investigation with respect to the character, associations, and loyalty of such person shall have been made by the Federal Bureau of Investigation.

Mr. CARROLL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

FREIGHT FORWARDERS

The Clerk called the bill (H. R. 3692) to amend the Interstate Commerce Act, as amended, with respect to ownership or stock interest in freight forwarders.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BATES of Kentucky. Reserving the right to object, Mr. Speaker, I have an amendment to this bill that I should like to have the Clerk read.

Mr. KEAN. Mr. Speaker, I had read in the paper that an amendment was to be offered, and I should like to have it read for information.

The SPEAKER. The gentleman can ask to have the amendment read for the information of the House, but consent to consider the bill has not yet been given.

Mr. McCORMACK. Mr. Speaker, this is a bill I should like to look into further. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

STOWAWAYS

The Clerk called the bill (H. R. 5119) to amend the immigration laws relating to stowaways, and for other purposes.

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 5112) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 5 of section 3A of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Any Member of Congress, who during any war or time of national emergency as proclaimed by the President or declared by the Congress, left or leaves his office to enter the armed forces of the United States shall, for the purpose of this paragraph, be deemed to have continued as a Member of Congress for such period of military service."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. KEAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include some questions and answers furnished by the Civil Service Commission explaining exactly what this bill does.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KEAN. Mr. Speaker, the questions and answers are as follows:

Question 1: What are the conditions under which this amendment will apply?

Answer: These conditions are:

1. The Member must during his term of office leave his congressional position to enter the military service.

2. He must enter the military service and render active service therein.

3. He must return as a Member of Congress following his military service.

Question 2: If a Member of Congress at the end of his term, then makes the statement that he intends entering the military service, later does so, and still later is returned as a Member of Congress, may the period of military service be credited in computing his aggregate congressional service.

Answer: No. At the time such person entered the military service he was not serving as a Member of Congress.

Question 3: Would this amendment apply to a Member of Congress who after having failed of renomination in the primary election, but prior to the expiration of his term of office, enters the military service, and thereafter is returned to Congress?

Answer: Yes.

Question 4: A person had completed 5 years of service as a Member of Congress, and resigned prior to completion of his term of office, in order to enter the military service. He was in the military service for 1 year. He was not returned to Congress. Would he be credited with 6 years of congressional service, so as to entitle him to annuity at age 62?

Answer: The proposal would amend only section 3A5 of the Retirement Act respecting credit for service in the computation of annuity and would not apply in this case. A retirement status is not continued in the case of a member entering the military service.

Question 5: Assuming in the preceding question the person was so disabled while in the military service as to preclude his return to Congress, would the amendment give him title to disability retirement?

Answer: No. As stated above, the proposal does not continue the retireable status of Members of Congress while in the military service.

Question 6. How does the proposal compare with the law applicable to Federal employees generally?

Answer: The terms of the proposal are less liberal. A Federal employee who leaves his position to enter the military service continues subject to the retirement act for status as well as credit purposes.

COMMEMORATIVE STAMPS, ONE HUNDREDTH ANNIVERSARY OF CREATION OF TERRITORY OF MINNESOTA

The clerk called the joint resolution (H. J. Res. 320) to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to prepare for issuance on March 3, 1949, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the one hundredth anniversary of the creation of the Territory of Minnesota.

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, favoring the passage of this resolution, as I do, I use this means to make some comments on a very interesting news item I read yesterday in the Washington Star. There was a meeting of an association of newspaper men throughout the Middle West, and apparently at the meeting the managing editor of a paper in Mason City, Iowa, the Globe-Gazette, his name being Hall, as I remember, brought forward a proposition to petition and urge the Post Office Department to issue a postal-safety stamp.

Apparently Mr. Hall is quite a persevering gentleman, that at least being the inference I drew from the news item, and I like people who persevere, who have the courage of their convictions. I found my interest aroused by this article. He is trying to start a campaign, and he was appointed a committee of one to try to have such a stamp issued. I immediately wrote him that I should like to cooperate with him, because I think his idea is an excellent one. I think it is a fine thing for the post office in this case to issue commemorative stamps on the occasion of the one hundredth anniversary of the creation of the Territory of Minnesota. That is a historical fact. It proves to the people of America that very historical fact of the fine contribution that Minnesota, as a Territory and a State, has made to the progress of our Union, and that the people of Minnesota, both under territorial form of government and as one of the States of the Union, have made toward the progress of our country.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CUNNINGHAM. Mr. Hall, to whom the gentleman from Massachusetts is referring, is one of our outstanding citizens. For many years he has been editor of one of our very finest newspapers. He has always been a leader for the betterment of mankind. For the past year he has been president of the National Public Safety Council for the Prevention of Accidents. I have no doubt that the meritorious work of this great organization of which Mr. Hall has been president inspired his idea for the stamp.

Mr. McCORMACK. I appreciate the information that my friend has given us. I might say from the news item that I read that I drew the inference that he is a man of substance. Certainly he is what I would consider a constructive man because the issuance of such a stamp would be very helpful in preventing accidents and would have good educational results in connection with reducing accidents throughout the country. I read the other day in a newspaper or magazine article that there are 200,000 automobile accidents which happen at night during the year. I have written to Mr. Richardson, our coordinator of information, asking him to send me all information as to the number of accidents resulting in death or injury in the United States in the last 2 years from any angle and to group them because at a later date I want to make reference to this matter on the floor of the House in connection with Mr. Hall's very constructive suggestion. My purpose in rising at this time is to pay tribute to a gentleman that I have never met but who aroused my interest as a result of a news item which I read and to make an observation that the suggestions such as he has made are constructive ones. I hope to be able to meet him some day. I hope the Post Office Department will act favorably on this matter. Not only did I write Mr. Hall and I imagine that he will be amused when he gets my letter, I can visualize that in my mind, but I also wrote the Postmaster General and enclosed the news item. If Mr. Hall ever reads these few remarks of mine, he will know that at least one Member paid particular attention to his efforts as outlined in the news item. I feel it is a very constructive idea. I hope the Postmaster General and the Post Office Department will issue such a stamp.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARMY AND NAVY NURSE CORPS

The Clerk called the bill (H. R. 4090) to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That each member of the Army Nurse Corps heretofore retired under the act of May 13, 1926 (44 Stat. 531), who at the time of retirement held the relative rank of major, captain, first lieutenant, or second lieutenant in the Army under the act of June 4, 1920 (41 Stat. 767), and each member of the Navy Nurse Corps heretofore retired under the act of May 13, 1926 (44 Stat. 531), and placed on the Navy Nurse Corps retired list in the grade of superintendent, assistant superintendent, chief nurse, or nurse, shall be considered, for the purposes of this act, as having retired with the commissioned rank either of major, captain, first lieutenant, or second lieutenant in the Army, or lieutenant commander, lieutenant, lieutenant (junior grade), or ensign in the Navy, respectively.

SEC. 2. (a) Each member of the Army Nurse Corps, or person entitled to the rights, privileges, and benefits of members of the Army Nurse Corps, retired for disability prior to July 1, 1944, under the act of June 20, 1930 (46 Stat. 790), as amended, who at the time of retirement held the relative rank of colonel, lieutenant colonel, major, captain, first lieutenant, or second lieutenant, shall, for the purposes of this act, be considered as having retired with the commissioned rank of colonel, lieutenant colonel, major, captain, first lieutenant, or second lieutenant, respectively.

(b) Each member of the Navy Nurse Corps, or person entitled to the rights, privileges, and benefits of members of the Navy Nurse Corps, retired for disability prior to December 23, 1942, under the act of June 20, 1930 (46 Stat. 790), as amended, and placed on the Navy Nurse Corps retired list in the grade of superintendent, assistant superintendent, chief nurse, or nurse, shall, for the purposes of this act, be considered as having retired with the commissioned rank of lieutenant commander, lieutenant, lieutenant (junior grade), or ensign, respectively.

SEC. 3. The retired or retirement pay of each person referred to in sections 1 and 2 of this act shall be computed in the same manner as is now or may hereafter be provided by law for the computation of retired pay of an officer of corresponding grade and length of service in the Regular Army or Regular Navy, as the case may be: *Provided*, That nothing contained in this act shall be construed to deprive any person of any higher retired grade or rank, or any greater retired or retirement pay, to which entitled under any other provision of law.

SEC. 4. All laws or parts of laws inconsistent with the provisions of this act are hereby repealed.

SEC. 5. This act shall become effective on the first day of the first calendar month following its enactment, and no back pay for any period prior thereto shall accrue by reason of its enactment.

With the following committee amendment:

On page 2, line 10, strike out the words "prior to July 1, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, the passage of H. R. 4090 through the House gives me particular personal pleasure. Most of those who will profit by this bill are nurses who served in World War I. When I say "profit," what I mean is that most of those who will receive the justice which is long past due are this group of elder nurses who performed such exceptional work during World War I and the years following the close of that war.

For years there was an effort being made by various Members of Congress to have nurses commissioned. They had what was known as relative rank which was not relative at all. Finally we succeeded in having them commissioned, and succeeded in putting into effect a plan whereby a captain in the Nurses Corps was on an exact parity with a captain in any other department of our Army and likewise for any other rank. This was also true in the case of the Navy. Then when the personnel bill was passed respecting the Army and the Navy, it was stated therein that it was the policy of that law that nurses of any rank should have corresponding rights, including retirement benefits, with the

same rank held in any other branch of the service. This little bill is the culmination of the effort to bring that about and to put into effect the policy declared in the Personnel Act passed by this Congress.

Mr. Speaker, I am sure that you will also indulge a personal statement. Among the many letters that I have received about this bill have been letters from nurses who belong to various posts of the American Legion known as Jane Delano Post, with a corresponding number depending on the State in which the particular post was organized and now exists. Jane Delano was a nurse who served in the same Army unit of which one of my brothers was the top sergeant. She seems to typify the service and the nobility of the American nurse, and it made me happy to be able to do something for the women who served in the Nurse Corps and who are members of the various Jane Delano Posts of the American Legion.

ADMISSION AND NATURALIZATION OF SIAMESE

The Clerk called the bill (H. R. 5310) to authorize the admission into the United States of persons of races indigenous to Siam, and to make them racially eligible for naturalization.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 303 of the Nationality Act of 1940, as amended (60 Stat. 416; 8 U. S. C., Supp. 703), is amended to read as follows:

"SEC. 303. (a) The right to become a naturalized citizen under the provisions of this act shall extend only to—

"(1) white persons, persons of African nativity or descent, and persons who are descendants of races indigenous to the continents of North or South America or adjacent islands and Filipino persons or persons of Filipino descent;

"(2) persons who possess, either singly or in combination, a preponderance of blood of one or more of the classes specified in clause (1);

"(3) Chinese persons and persons of Chinese descent, and persons of races indigenous to India and Siam; and

"(4) persons who possess, either singly or in combination, a preponderance of blood of one or more of the classes specified in clause (3) or, either singly or in combination, as much as one-half blood of those classes and some additional blood of one of the classes specified in clause (1).

"(b) Nothing in the preceding subsection shall prevent the naturalization of former citizens of the United States who are otherwise eligible to naturalization under the provisions of section 317."

SEC. 2. Section 4 of the act entitled "An act to authorize the admission into the United States of persons of races indigenous to India, and persons of races indigenous to the Philippine Islands, to make them racially eligible for naturalization, and for other purposes," approved July 2, 1946 (60 Stat. 416; 8 U. S. C., Supp. 212b), is amended to read as follows:

"SEC. 4. With the exception of those covered by subsections (b), (d), (e), and (f) of section 4, Immigration Act of 1924 (43 Stat. 155; 44 Stat. 812; 45 Stat. 1009; 46 Stat. 854; 47 Stat. 656; 8 U. S. C. 204), all persons of races indigenous to India or Siam entering the United States annually as immigrants shall be allocated to the respective quotas for India or Siam computed under the provisions of section 11 of the said act. A preference up to 75 percent of the respective quotas shall be given to Indians and Siamese and other aliens racially eligible to naturalization, born and resident in India or Siam or their dependencies. The preferences provided in section 6 of the Immigration Act of 1924 shall not be applicable to the quotas for India and Siam, but persons chargeable to these quotas who would otherwise fall within the nonquota category defined in section 4 (a), or the preference provisions of section 6, of that act shall be given priorities within the preference and nonpreference portions of these quotas, in the order specified in the Immigration Act of 1924, as amended."

SEC. 3. Section 5 of such act, approved July 2, 1946, is amended to read as follows:

"(a) For the purposes of section 4 of this act, the terms 'persons of races indigenous to India' and 'persons of races indigenous to Siam' shall mean any person who is as much as one-half of the blood of a race indigenous to India or Siam, respectively, and who is eligible to naturalization under section 303 of the Nationality Act of 1940, as amended by section 1 of this act.

"(b) For the purposes of section 2 of the act of December 17, 1943 (57 Stat. 601; 8 U. S. C., Supp. 703), the term 'Chinese person' shall mean any person who is as much as one-half Chinese blood and who is eligible to naturalization under section 303 of the Nationality Act of 1940, as amended by section 1 of this act.

"(c) Notwithstanding the two preceding subsections, any quota immigrant who is of one-half Chinese blood and one-half the blood of a race indigenous to India or Siam shall, if born in India or Siam, be chargeable to the respective quota for India or Siam; if born in China, to the quota for the Chinese; or if born in none of these countries, to whichever of the said quotas has the least applications for visas against it at the time the application for visa is made."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JACKSON of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JACKSON of Washington. Mr. Speaker, the House, in passing H. R. 5310 today, removed a serious discrimination affecting the immigration and naturalization of the people of Siam into the United States. This bill will authorize the admission into the United States of persons of races indigenous to Siam and will make them racially eligible for naturalization. It further provides for an annual quota of 100 persons.

As pointed out in the report on this bill, prior to December 17, 1943, only persons of white or African black races, or persons racially indigenous to the Western Hemisphere were racially eligible to naturalization. By act of Congress, effective December 17, 1943, persons of the Chinese race were made racially eligible for naturalization and, in addition, were permitted to enter the United States as immigrants under a quota of 105 per annum. Subsequently, by act of the Congress of July 2, 1946, persons of the East Indian and Filipino races were made racially eligible for naturalization and were given authority to enter the United States on an annual quota basis of 100 for their respective countries.

The action of the House today merely extends to Siam the same immigration and naturalization rights heretofore accorded to the countries previously mentioned. In fact, Siam is the only remaining sovereign state in the Far East whose people have not been accorded the right to immigrate to the United States and to be eligible for subsequent naturalization. Our Government has received a great deal of unfavorable publicity as a result of the continuance of these discriminations. A considerable amount of propaganda along these lines has been disseminated throughout the Orient. I am sure that the removal of this discriminatory feature of our immigration and naturalization law by the House of Representatives will go a long way toward improving our relations with the people of the Far East. It augurs well for continued friendship between Siam and the United States. I trust that the Senate will take prompt action so that this legislation can be enacted into law without delay.

AMENDING INTERSTATE COMMERCE ACT

The Clerk called the bill (H. R. 3730) to amend section 20 (12) of the Inter-State Commerce Act with respect to recourse by an initial or delivering carrier against the carrier on whose line loss of, or damage or injury to, property is sustained on account of expense incurred in defending actions at law.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (12) of section 20 of the Interstate Commerce Act, as amended, is hereby amended to read as follows:

"(12) That the common carrier, railroad, or transportation company issuing such receipt or bill of lading, or delivering such property so received and transported, shall be entitled to recover from the common carrier, railroad, or transportation company on whose line the loss, damage, or injury shall have been sustained, the amount of such loss, damage, or injury as it may be required to pay to the owners of such property, as may be evidenced by any receipt, judgment, or transcript thereof, and the amount of any expense reasonably incurred by it in defending any action at law brought by the owners of such property."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF SALARIES OF PERSONS IMPROPERLY REMOVED FROM GOVERNMENT SERVICE

The Clerk called the bill (S. 1486) to provide for the payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 6 of the act of August 24, 1912 (37 Stat. 555; 5 U. S. C. 652), is hereby amended by inserting at the end of the first sentence thereof the following: "Any person removed or suspended without pay from the classified civil service, who upon appeal through proper authority is subsequently reinstated or restored to duty on the ground that such removal or suspension was unjustified or unwarranted, shall be entitled to compensation for the period of such removal or suspension less any

amounts earned by him through other employment during such period of discharge or suspension, and shall for the purpose of the civil-service rules be deemed to have rendered service during such period."

(b) The amendment made by this section shall take effect, retroactively, as of January 1, 1947.

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 6 of the act of August 24, 1912 (U. S. C., 1940, ed., title 5, sec. 652), is amended to read as follows:

"'SEC. 6. (a) No person in the classified civil service of the United States shall be removed or suspended without pay therefrom except for such clause as will promote the efficiency of such service and for reasons given in writing. Any person whose removal or suspension without pay is sought shall (1) have notice of the same and of any charges preferred against him; (2) be furnished with a copy of such charges; (3) be allowed a reasonable time for filing a written answer to such charges, with affidavits; and (4) be furnished at the earliest practicable date with a written decision on such answer. No examination of witnesses nor any trial or hearing shall be required except in the discretion of the officer or employee directing the removal or suspension without pay. Copies of the charges, the notice of hearing, the answer, the reasons for removal or suspension without pay, and the order of removal or suspension without pay shall be made a part of the records of the proper department or agency, as shall also the reasons for reduction in grade or compensation; and copies of the same shall be furnished, upon request, to the person affected and to the Civil Service Commission.

"'(b) Nothwistanding subsection (a) of this section, the head of any department or agency may, whenever he deems it necessary in the interests of national security, summarily remove or suspend without pay any officer or employee in such department or agency. Any such person summarily removed or suspended under authority of this subsection shall have an opportunity (1) within 30 days after such removal or suspension to appear personally before the officer or employee designated by the head of his department or agency and to be informed of the reasons for such removal or suspension to such extent as the head of such department or agency finds compatible with the public interest, and (2) to submit, within 30 days after such personal appearance, such statement or affidavits, or both, as he may desire, to show why he should be reinstated or restored to duty. Any such person shall be furnished at the earliest practicable date with a written decision on any answer submitted by him under clause (2) of this subsection.

"'(c) Any person removed or suspended without pay from the classified civil service—

"'(1) who, after filing a written answer to the charges as provided under subsection (a) or (b) or after any further appeal through proper authority within 60 days after receipt of an adverse decision on the answer, is reinstated or restored to duty on the ground that such removal or suspension was unjustified or unwarranted; or

"'(2) who is reinstated or restored to duty as a result of an appeal to proper authority within 60 days after removal or suspension without pay in a reduction in force on the ground that such removal or suspension was unjustified or unwarranted,

shall be paid compensation by the department or agency which removed or suspended without pay such person, at the rate of pay received on the date of such removal or suspension, for the period of such removal or suspension, less any amounts earned by him through other employment during such period, and shall for all purposes except the accumulation of leave be deemed to have rendered service during such period. A decision with respect to any appeal to proper authority under this subsection shall be made at the earliest practicable date.

"'(d) Membership in any society, association, club, or other form of organization of postal employees not affiliated with any outside organization imposing an obligation or duty upon them to engage in any strike, or proposing to assist them in any strike, against the United States, having for its objects, among other things, improvements in the condition of labor of its members, including hours of labor and compensation therefor and leave of absence, by any person or groups of persons in said postal service, or the presenting by any such person or groups of persons of any grievance or grievances to the Congress or any Member thereof shall not constitute or be cause for reduction in rank or compensation or removal of such person or groups of persons from said service.

"'(e) The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress, or any Member thereof, or to furnish information to either House of Congress, or to any committee or member thereof, shall not be denied or interfered with.'

"SEC. 2. Section 6 of the act of August 24, 1912, as amended by this act, shall apply (1) to persons whose removal is sought, but who have not actually been removed, under such section 6 prior to the date of its amendment by this act, (2) to persons whose removal or suspension without pay is sought on and after the date of enactment of this act, and (3) to persons who are summarily removed or suspended without pay for reasons of national security on and after the date of enactment of this act.

"SEC. 3. Section 3 of the act entitled 'An act to expedite the prosecution of war, and for other purposes,' approved December 17, 1942 (Public Law 808, 77th Cong.), is hereby repealed, except that such section shall remain in full force and effect with respect to persons summarily removed under authority of such section prior to the date of enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT TO CERTAIN MEMBERS OF THE SEMINOLE TRIBE OF INDIANS

The Clerk called the bill (S. 1733) to authorize payment to certain enrolled members of the Seminole Tribe of Indians under act of July 2, 1942 (Public No. 645, 77th Cong.)

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in making the payment to the enrolled members of the Seminole Tribe of Indians of Oklahoma or their heirs, authorized in section 1 of the act of July 2, 1942 (Public, No. 645, 77th Cong.), the regulations promulgated by the Secretary of the Interior under date of October 14, 1942, shall be followed in ascertaining the heirs of the enrolled members entitled to share in the funds of said tribe as to those persons who died prior to the act of December 24, 1942 (Public, No. 883, 77th Cong.), and payment shall be made accordingly.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEER CREEK AND AQUEDUCT DIVISIONS OF PROVO RIVER PROJECT, UTAH

The Clerk called the next bill (S. 1990) to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in order to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah, and for the recovery by the United States of the actual construction cost thereof, the Secretary of the Interior in proceeding with the construction, completion, and administration of said divisions heretofore authorized, subject to the execution of such contracts as the Secretary may deem necessary to maintain existing repayment contracts between the United States, the Provo River Water Users Association, and the Metropolitan Water District of Salt Lake City consistent with the interim construction cost recovery plan herein provided, is authorized (a) to deliver water or make project works available therefor, as the case may be, on terms and at annual rates or other annual charges to be fixed by the Secretary from year to year, calculated to return to the United States (in addition to the cost of operation and maintenance) the actual cost in excess of existing repayment contract liability that may be incurred by the United States in completing said divisions of the Provo River project; and (b) to postpone the commencement of annual construction charge installments under existing repayment contracts: *Provided*, That any such postponement of annual construction charge installments shall in no event operate to delay the commencement of construction charges, as provided by existing repayment contracts, beyond the time when costs that may be incurred by the United States in excess of existing contract liability have been returned to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE TO RICHMOND, FREDERICKSBURG & POTOMAC RAILROAD CO.

The Clerk called the bill (H. R. 4455) to authorize the conveyance by the Secretary of the Interior to the Richmond, Fredericksburg & Potomac Railroad Co., of certain lands lying in the bed of Roaches Run, Arlington County, Va., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to grant and convey to the Richmond, Fredericksburg & Potomac Railroad Co., a corporation organized and existing under and by virtue of the laws of the State of Virginia, its successors or assigns, all of its right, title, and interest to a tract of land comprising five and thirty-three hundredths acres, located in Roaches Run, Arlington County, Va., more particularly described as follows:

Beginning at the point where the 1863 high-tide line intersects the southeasterly line of the Richmond, Fredericksburg & Potomac Railroad industrial right-of-way, said point being also on the easterly line of the property formerly belonging to Mary E. Cullinane, now Richmond, Fredericksburg & Potomac Railroad; thence, along said line of said industrial right-of-way by a curve to the right with a radius of eighteen hundred and sixty feet, an arc distance of fifty and fifty-three one-hundredths feet (the chord of which bears north forty-five degrees fifty-nine minutes twenty-seven seconds east fifty and fifty-two one-hundredths feet); thence, following along the line of property belonging to the Richmond, Fredericksburg

& Potomac Railroad, the following courses and distances: South seventy-six degrees thirty-eight minutes thirty seconds east one hundred and thirty-five and nine-seven one-hundredths feet; south sixty-eight degrees thirty-two minutes ten seconds east eighty-eight and twenty-five one-hundredths feet; south thirty-five degrees ten minutes ten seconds east three hundred and four and twenty-five one-hundredths feet; south thirty-six degrees twenty-five minutes no seconds east one hundred and two and ten one-hundredths feet; south fifty-one degrees forty-six minutes forty seconds east one hundred and one feet; south twenty-one degrees eight minutes forty seconds east fifty-one and forty-eight one-hundredths feet to the westerly main line right-of-way line of the railroad; thence, by a curve to the left with a radius of five thousand eight hundred and four and sixty-five one-hundredths feet, an arc distance of three hundred and fifty-two and ninety-five one-hundredths feet (the chord of which bears south twenty-one degrees fifty-seven minutes fifty-seven seconds west three hundred and fifty-two and ninety one-hundredths feet); thence north forty-nine degrees twenty-one minutes fifty-one seconds west twenty-six and sixty-six one-hundredths feet; thence, by a curve to the left with a radius of five thousand eight hundred and twenty-nine and sixty-five one-hundredths feet, an arc distance of one hundred and thirty-three and twenty-nine one-hundredths feet (the chord of which bears south nineteen degrees thirty-nine minutes thirty-seven seconds west one hundred and thirty-three and twenty-eight one-hundredths feet); thence, leaving said main-line right-of-way of the railroad and running along the 1863 high-tide line the following courses and distances: North twenty-one degrees thirty-three minutes fifty seconds west seventy and fifty-nine one-hundredths feet; north twenty-three degrees thirty-five minutes forty seconds west three hundred and forty-one and fifty-six one-hundredths feet; north twenty-four degrees forty-three minutes no seconds west three hundred and eight and fifty-seven one-hundredths feet; and north twenty-one degrees fourteen minutes thirty seconds west two hundred and sixty-four and forty-one one-hundredths feet, to the point of beginning; containing five and thirty-three one-hundredths acres.

Said conveyance shall be made upon the condition that the Richmond, Fredericksburg & Potomac Railroad Company shall make payment for said land at its appraised price as fixed by the Secretary of the Interior within 6 months after the approval of this act: *Provided*, That there shall be reserved to the United States the right to the continuance of adequate drainage from the Pentagon Building through said land, either by open ditch or by a culvert construction without cost to the Federal Government; the net unobstructed cross-sectional area of such culvert shall not be less than 48 square feet, together with suitable appurtenances, such as access manholes and gates, and the grades of which shall be approved by the Public Buildings Administration of the Federal Works Agency; and shall be constructed and maintained in a manner satisfactory to the Public Buildings Administration.

SEC. 2. The Department of the Interior is authorized to expend funds received as a consideration for such conveyance for the acquisition of additional lands for the George Washington Memorial Parkway, within its authorized limits.

With the following committee amendment:

On page 4, line 23, strike out line 23 and all of page 5.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLATHEAD INDIAN RESERVATION, MONT.

The Clerk called the bill (H. R. 5118) to authorize the sale of certain individual Indian land on the Flathead Reservation to the State of Montana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Clara Keenan Dumontier, a Flathead Indian, is hereby authorized to sell and convey to the State of Montana the following-described tract of land held by the United States in trust for her under the provisions of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), said conveyance to be made by an appropriate warranty deed approved by the Secretary of the Interior or his authorized representative: A tract of land in the north half of the southwest quarter, section 1, township 16 north, range 20 west, Montana principal meridian; more particularly described as follows: Beginning at the southwest corner of the said north half southwest corner, section 1, thence from the said point of beginning northerly along the west line of the said point of beginning northerly along the west line of the said section 1, two hundred and fourteen and five-tenths feet, to a point; thence south eighty degrees forty-eight minutes east one thousand three hundred and forty and five-tenths feet, to a point, on the south line of the said north half of the southwest quarter, section 1; thence westerly along the south line of the said north half of the southwest quarter, section 1, one thousand three hundred and twenty-three and three-tenths feet, to the said point of beginning, containing three and twenty-six hundredths acres, more or less.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEGHENY COUNTY, PA.

The Clerk called the bill (H. R. 1008) for the relief of the county of Allegheny, Pa.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. CUNNINGHAM]?

There was no objection.

STATE JURISDICTION OF CERTAIN INDIAN CASES

The Clerk called the bill (H. R. 4725) to confer jurisdiction on the several States over offenses committed by or against Indians on Indian reservations.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I wish to ask a question of the gentleman from Montana [Mr. D'EWART], chairman of the subcommittee handling this legislation. First, I should like to say that I very much favor legislation of this sort, and believe that to a certain extent it corresponds to a bill I introduced to accomplish the same purpose for South Dakota. I note, however, that the bill does not of itself authorize contracts between the Federal Government and the States for the payment of expenses of taking over law enforcement. It is my recollection that where individual State acts have been passed, for instance, in the case of Kansas and North Dakota, those laws did carry such a provision. I should like to know whether that was considered and why it was omitted.

Mr. D'EWART. Mr. Speaker, I may say that that matter was carefully considered by the committee. It was not included in the legislation because we felt it was not necessary to write such a provision into the law. At the present time the Indian Bureau is contracting for the education of Indian children with the States, but without specific authorization. In the case of police jurisdiction, the States have to undertake it only when they desire to. It is not mandatory. We did not, therefore, include provision for payment of the police authorities. They can be paid by contract with the Indian Bureau. In addition to that, it is difficult to write such a provision and have it apply to all the States. We thought it was much better to have each State contract with the Indian reservations in the States and in that way take care of the necessary expenses which might be incurred.

I would like to add that this legislation is the result of several bills introduced by Members of Congress to give police jurisdiction on Indian reservations within their respective States. The gentleman from Iowa [Mr. GWYNNE] introduced one to apply to his State. The gentleman from South Dakota [Mr. CASE] introduced similar legislation, as did others. And your committee has requests from a large number of people for such legislation.

The gentleman from Iowa [Mr. GWYNNE] and the gentleman from South Dakota [Mr. CASE] appeared before the committee and made a persuasive appeal for extension of police control. It was with the consent of these gentlemen and with their active help that this legislation was prepared. The gentleman from South Dakota [Mr. CASE] has given a lot of study to Indian legislation and with his help, which is always willingly given, we have prepared forward-looking Indian legislation.

Mr. GWYNNE of Iowa. I certainly agree with the author of the bill that such provision is not needed. As a matter of fact, within the last year or two we had a contract between our legal authorities and the Federal Government for policing. No one raised any question of lack of authority.

Mr. CASE of South Dakota. This bill, of course, is very much needed, because in some States jurisdiction was entirely ceded to the Federal Government, and in others the reservations have had some. There is an absence of jurisdiction today that creates a very confusing situation. I think no one can realize how completely law enforcement has broken down. The bill is very much needed. I am glad to have the assurance of the chairman that the point to which I alluded is taken care of without specifically being in this particular bill; and I am glad to withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on each State over offenses committed by or against Indians on Indian reservations or parts thereof within such State, to the same extent as such State has jurisdiction over offenses committed elsewhere within such State, and the criminal laws of such State shall have the same force and effect within such reservations or parts thereof within such State as they have elsewhere within such State.

SEC. 2. Each State may authorize any appropriate officer of such State or of any political subdivision thereof to enter upon any Indian reservation or part thereof within such State for the purpose of enforcing the criminal laws of such State.

SEC. 3. Nothing contained in this act shall deprive the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations. Nothing contained in this act shall deprive any Indian governing body of jurisdiction over offenses defined by the laws of such body, except that where such body has custody of a person charged with an offense against a criminal law of a State, such body shall relinquish custody of such person to any appropriate official of such State or of any political subdivision thereof when requested to do so by such official.

SEC. 4. For the purposes of this act, the term "Indian reservation" includes all Indian country.

With the following committee amendment:

On page 2, line 17, add a new section to read as follows:

"SEC. 5. This act shall be applicable only to jurisdictions and Indian reservations wherein Indians within the reservation are, under State law, notwithstanding their special status as wards of the Government, entitled to the right to vote in State and county elections."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF BANKRUPTCY ACT

The Clerk called the bill (H. R. 5287) to amend section 58d of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 58d of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"d. Notices to creditors may be published as the court shall direct."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF ADMIRALTY JURISDICTION

The Clerk called the bill (H. R. 238) for the extension of admiralty jurisdiction.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the admiralty and maritime jurisdiction of the United States shall extend to and include all cases of damage or injury, to person or property, caused by a vessel on navigable water, notwithstanding that such damage or injury be done or consummated on land.

In any such case suit may be brought in rem or in personam according to the principles of law and the rules of practice obtaining in cases where the injury or damage has been done and consummated on navigable water.

With the following committee amendment:

Page 2, line 1, change the period at the end of the line to a comma and add the following proviso: "*Provided*, That as to any suit against the United States for damage or injury done or consummated on land by a vessel on navigable waters, the Public Vessels Act or Suits in Admiralty Act, as appropriate, shall constitute the exclusive remedy for all causes of action arising after the date of the passage of this act and for all causes of action where suit has not been hitherto filed under the Federal Tort Claims Act: *Provided further*, That no suit shall be filed against the United States until there shall have expired a period of 6 months after the claim has been presented in writing to the Federal agency owning or operating the vessel causing the injury or damage."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE MINERAL LEASING ACT OF FEBRUARY 25, 1920, AND THE POTASSIUM ACT OF FEBRUARY 7, 1927

The Clerk called the bill (S. 1006) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, so as to increase the acreage of sodium leases which may be issued in any State to a person, association, or corporation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, this is a very complicated bill, the explanation of which in the short time now available is impossible. The House should understand the proposed legislation. The bill should be considered under a rule; therefore I object.

EXEMPTING HAWAII AND ALASKA FROM CARGO-MANIFEST LAWS

The Clerk called the bill (H. R. 3229) to amend the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to facilitate the procurement of statistics of trade between the United States and its noncontiguous territory," approved April 29, 1902 (U. S. C., 1940 edition, title 46, sec. 95), is hereby repealed.

With the following committee amendment:

Page 1, line 6, strike out "repealed" and insert "amended by striking out 'Hawaii, Puerto Rico, Alaska,' and inserting in lieu thereof 'Puerto Rico'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory."

DELIVERY OF MAIL TO AIRPORTS

The Clerk called the bill (H. R. 2588) requiring all mails consigned to an airport from a post office or branch, or from an airport to a post office or branch, within a radius of 35 miles of a city in which there has been established a Government-owned vehicle service to be delivered by Government-owned vehicles.

Mr. BUCK. Mr. Speaker, this bill is for the frank purpose of providing soft jobs for certain members of the post-office personnel. It is objected to by the Post Office Department. No authentic figures have been submitted for the bill showing that it will not cost the Government a substantial sum of money.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, this bill was on the Consent Calendar last session and objections were raised by one or two Members of the House. In my opinion, these objections were based on misinformation that has been furnished by the Department in relation to this question. Since that time we have had an opportunity to develop cost data relating to this operation which I believe conclusively shows that the Post Office Department is starting out upon a very expensive means of transportation to and from airports at cities where they have their own motor vehicles, their own garages, and their own drivers.

Yesterday, when the Post Office appropriation bill was before the House I pointed out the condition of the motor-vehicle fleet of the Post Office Department and expressed the view that this fleet could have been brought up to date were the Department willing to use motor vehicles of standard design and in use generally by commercial organizations. It was pointed out that the Department is experiencing difficulty in obtaining bids because truck manufacturers will not disrupt their production schedules to build vehicles on certain special specifications.

As a result of the break-down of the Post Office Department's motor-transport program they have resorted to the extended use of contract service. They now have more than 18,000 contract vehicles in operation. Almost twice as

many vehicles as are owned by the Department. I might mention that these are trucks of standard commercial design.

All of this has taken place despite the testimony of the Post Office Department, and I quote:

The high cost of contract equipment in comparison with the cost of Government operation is recognized.

In my opinion, the opposition of the Department and the misinformation furnished is due to a general reluctance on the part of the Department to change in any way their established habits. For example, in testifying before the committee on this bill the Department stated there would be over 1,500 cities where the Government owns some motor vehicles where they would have to place an airport service into effect.

I want to emphasize that this bill relates only to post offices where the motor vehicles are not only Government-owned, but as well, are manned by driver-mechanics in the motor-vehicle service. There are only 92 such operations. A significant point, however, of the Post Office Department's statement relating to the 1,500 cities which would be affected is that there are only 560 cities where there are airports picking up air mail.

I would like to cite just one example among many of what this practice means to the Federal Treasury. Recently a contract was let for carrying mail to and from the Jersey City, N. J., airport amounting to $21,000 annually. This contract was let despite an itemized estimate submitted by a qualified employee of the postal service attesting to the fact that the same service was being presently carried on by Government-owned motor vehicles at a cost of $8,424 a year. In other words, in this one change alone, the Department is obligating itself to pay annually over $12,500 for the identical service.

It is unfortunate to have to enforce good administrative practice by legislation, but this appears to be the case as far as the motor-vehicle service is concerned.

Mr. YOUNGBLOOD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. YOUNGBLOOD. Mr. Speaker, in reference to H. R. 2588, my bill requiring the use of governmental vehicles for the transportation of mails between cities and airports within a 35-mile radius of a city, I feel called upon to rise and give this body the benefit of my views on that subject.

Hearings were held on this bill at which time the opportunity was given everyone, including Members of Congress, to appear and give their views upon this legislation. Despite this opportunity to be heard the gentleman from New York [Mr. BUCK] did not see fit to appear.

However, when this legislation came before the House last July the gentleman from New York [Mr. BUCK] did object to it being considered on the Consent Calendar and today he has again raised the same objection.

A subcommittee of the Post Office and Civil Service Committee of the House carefully considered and weighed the testimony adduced and in turn the full committee gave attention to this testimony and these able men of the Post Office and Civil Service Committee saw fit to report the bill to the floor of the House favorably and unanimously. The committee action was accomplished under the able leadership of the chairman of that committee, the gentleman from Kansas [Mr. REES]. I am sure that the gentleman from Kansas [Mr. REES] gave this matter careful attention in committee, and I know that he is interested in economy in Government and would not report to the House a bill which would not be to the best interests of the general public.

At this point I call attention to the fact that the hearings produced evidence to the effect that private contracts for the carrying of these mails have increased in cost approximately 300 percent or even more since the letting of the contracts. I view Mr. BUCK's objection to this bill being considered on the Consent Calendar as a reflection upon the ability of the entire House committee. I have spoken personally with the gentleman from New York [Mr. BUCK] in an effort to find his real objection to this legislation becoming law and that I am confident that the gentleman's actions in objecting to the consideration of this bill has cost the people of the United States hundreds of thousands of dollars. Much could be said regarding this legislation and this gentleman's objections but I feel that what I have stated and the integrity of the entire Post Office Committee and its chairman is sufficient to answer. Thank you for the opportunity to express my views.

TRANSFER OF LAND TO CITY OF FAIRBANKS, ALASKA

The Clerk called the bill (H. R. 183) to transfer lot 1 in block 115, city of Fairbanks, Alaska, to the city of Fairbanks, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby transferred, without exchange of funds, lot 1 of block 115, Fairbanks, Alaska, to the city of Fairbanks, Alaska, by the Attorney General of the United States for school purposes. The grant herein shall become effective upon written notice by the Attorney General of the United States to the city of Fairbanks, Alaska, of the detailed description of the land and the written acceptance of the grant by the proper officials of the city of Fairbanks, Alaska.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That all the right, title, and interest of the United States in and to lot 1 of block 115, Fairbanks, Alaska, be, and the same are hereby, released and relinquished by the United States to the city of Fairbanks, Alaska, for school purposes: *Provided*, That all mineral rights pertaining to such land are hereby reserved to the United States, together with the right to prospect for, mine, and remove the same."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That completes the call of bills on the Consent Calendar.

REPEAL OF SUBSECTION (B) OF SECTION 3 OF THE ACT OF DECEMBER 30, 1947

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 499, making in order consideration of the bill H. R. 5470, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5470) to repeal subsection (b) of section 3 of the act of December 30, 1947. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, this resolution provides consideration for H. R. 5470, a bill to repeal the authority to use price as a criteria in the licensing of exports. This authority is given the President under section 3 (b) of Public Law 395 of the Eightieth Congress.

Price has been used as one of the criteria for issuing of export licenses only since January 2 of this year. Since that time it has become apparent that many inequities have been brought about by application of the price criteria. These inequities have been felt by foreign buyers, as well as American manufacturers and jobbers.

It has been called to my attention by manufacturers in my district that the price criteria is a great disadvantage to producers in the Midwestern States. When transportation costs are added to the product cost of the midwestern producer, the free-alongside-ship price is higher than that of a competing firm on the seaboard. Because his price is a little higher, the midwestern manufacturer is denied an export license, even though the quality of his product is superior to that of the manufacturer near the seaboard, and even though the price difference were warranted by this superior quality.

But midwesterners are not alone in their opposition to the price criteria for export licenses. All manufacturers of superior-quality products and most legitimate export concerns join in opposing

the present method. Export concerns oppose the price criteria because export licenses are often denied on the basis of the increased cost of the product after legitimate agents' fees have been added. In short, the price criteria has disrupted many of the established practices in the export business. It has caused many inequities and I believe it should be repealed.

House Resolution 499 embodies a simple rule which merely provides consideration for the bill. Amendments may be offered to the bill under the 5-minute rule and one motion to recommit has been provided, as usual.

Those of you who are sympathetic to the problems of businessmen will join with me in support of this bill, I am sure.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Mississippi.

Mr. RANKIN. There was so much confusion that I did not understand just exactly what the purport of the bill is.

Mr. ALLEN of Illinois. It is to repeal the authority to use price as a criteria in the licensing of exports.

Mr. Speaker, I now yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I have no requests for time. I do not think there is any objection to the bill.

It was passed unanimously by the Committee on Rules. I suggest that the gentleman move the previous question, Mr. Speaker.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5470) to repeal subsection (b) of section 3 of the act of December 30, 1947.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5470, with Mr. COLE of Kansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is a very simple bill. It repeals subsection (b) of section 3 of the act which was passed during the recent session in respect to export controls. It will be recalled that under the terms of that act we continued export controls. The second section provided that the Secretary of Commerce might use price criteria in determining to whom should be granted an export license. We may assume that as between two exporters, the exporter who would agree to sell his goods to a foreign country at a lower figure than his competitor would get the license. The Select Committee on Small Business had quite extensive hearings and made a report. It was because of the recommendations contained in that report that this bill was considered by the House Committee on Banking and Currency, which likewise had extensive hearings, and came to the conclusion that section (b) of the act should be repealed.

The committee thought that it would be almost impossible for the Department of Commerce to get together a staff which could equitably administer section (b). It was presumed, of course, that they must take into consideration not only the cost of the commodity but the transportation costs incident to moving the commodity. They must take into consideration quality, of course, and efficiency relationships.

As an example of what was meant by that, I take an example that was used in the hearings, of a cement mixer. A concern in one State manufactures a cement mixer selling for say $800. Another concern in another State manufactures a cement mixer which sells for say $1,000. The cement mixer selling for $1,000 may be twice as good in quality as the one selling for $800. If the Department of Commerce did not have experts who could distinguish between the efficiency and the quality of these cement mixers inequities would result.

You may follow that right down along the line and include such items as we have mentioned in the report, such as silicon steel. The report states that silicon steel for building precision transformers would be priced about double that used for armatures in motors. So we could not see where this subsection (b) could be administered equitably without the Department of Commerce virtually draining the industries of the United States of all of their experts in these several lines.

You may recall also that when the House reported out its so-called anti-inflation bill during the special session it deleted this language from the provisions in respect to export controls. Had that bill passed the House, had it received the necessary two-thirds majority to pass the House, the bill would not have contained this language. However, the Senate bill came over to us with this language included. The parliamentary situation was such, it being the last day of the special session, we could not very well amend the bill with any assurance that it would get through conference and become law before midnight of the day we adjourned. So the action taken by the House Committee on Banking and Currency in deleting this language from section 3 of the anti-inflation bill is consistent with the action which it took in the special session with respect to this same subject matter.

Mr. SPENCE. Mr. Chairman, I think there is no objection to the passage of the bill on this side. It seems to me that after you have adopted this amendment those who have control of exports will be vested with legislative discretion. There are no standards, no definitions, no limitations on what they can do. When an export license is granted, no opinion is written. So it seems to me that the Department is free to exercise its judgment.

I understand that the purpose of this amendment was to do away with price criteria, because it operated in favor of the prime producer and against the merchant exporter. I am not familiar with the processes by which these things are done, but I do feel that, after you pass this amendment, the Department can exercise its discretion and its judgment as it pleases.

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I am in favor of this bill because the use of price criteria would disregard the services, for example, rendered by the exporter; would disregard his know-how and his technique; would disregard his advertising expenses, and the differences in overhead as well as being a discrimination in the main as against exporters as such, in favor of prime producers; would substitute the manufacturers themselves for these many citizens who are exporters. Also, we no longer have domestic price control; why have it on exports?

While I am on my feet, I want to draw attention to the fact that there has been great dissatisfaction with the manner and mode in which these export permits have been granted by the Office of International Trade. I have no proof of the following, but there have been grave charges of favoritism. Those are very serious charges, and I hope Mr. McIntyre of the Office of International Trade, a splendid and honorable gentleman, will sift the facts that have been produced and that he will in the future prevent such irregularities if they do in fact exist.

Another complaint registered against the manner and mode of issuing permits has been that a base period was used. If an exporter exported during a certain base period such as, for example, 1939 and 1940, he could continue to get export permits. That meant the exclusion of all newcomers in the field. Nobody who had not exported in the base period could in the future get any export permits. I hope that all idea of base periods will now be out the window.

There were charges, also, that preference was being given in the granting of these export permits to direct representatives of embassies and legations, to the great disadvantage of those who do not have entree to the embassies and legations. If that charge is true, it is most unfortunate. I hope the Office of International Trade will remedy that situation.

There have been charges of interminable delays with months passing before the exporter received any word as to either the receipt of the application for an export permit or the granting of the export permit. There was a super-abundance of reports and forms that had to be filed. I hope that the Office of International Trade will do all it can to cut the red tape and so-called bureaucracy that has clung to that office.

There has been complaint made, for example, by the Port of New York Authority that one of the criteria was that the price of the article must be f. o. b. shipside. That discriminates in favor of

certain ports as against other ports. It would be far better, therefore, to have the price f. o. b. factory.

Furthermore, it has been charged and with a great degree of justice that some of the rules and regulations promulgated by the Office of International Trade have been promulgated unilaterally. The various industries were not consulted. Suggestions were made that the Office of International Trade have hearings and have the members of the various industries make suggestions before they finally promulgate some of the rules and regulations; industries like drugs and chemicals, automobiles, medical supplies, cement, and so on.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman five additional minutes.

The CHAIRMAN. The gentleman is recognized for 6 minutes.

Mr. PLOESER. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. PLOESER. The gentleman has made some very important points. I wanted to interrupt the gentleman to emphasize the fact that the exporting business in America is, in the main, a small business. While it is growing large in percentage of our economy, it is made up, in the main, of small exporters, speaking of exporters who are really brokers or service people. Competitively the prime producer has a real opportunity to export, and in most instances the prime producer has no desire to handle export, except as a manufacturer. It even denies him a privilege which he wants, that is, the service of the professional exporter. I wanted to commend the gentleman on the fine points he has made.

Mr. CELLER. I thoroughly agree with the gentleman that exporters, although they are comparatively few in number, in comparison with the vast number of manufacturers, are entitled to their place in the sun. They have rendered excellent service during the years, and have been of great advantage in the expedition of our international trade, and since we are entering a period where international trade is more and more playing a part, we have to give due consideration to the exporters. This bill would give greater consideration to the so-called professional exporters. Their importance will be more and more underscored when conditions become more competitive.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has again expired.

Mr. RANKIN. Mr. Chairman, I wonder if the gentleman would yield so that I could ask him a question.

Mr. WOLCOTT. I yield. Mr. Chairman, I yield myself 2 minutes.

Mr. RANKIN. Will this specifically slow down the exportation of oil from the United States to foreign countries?

Mr. WOLCOTT. I do not think it would interfere with it at all. This has to do only with the price. I would think it would loosen the market somewhat. It is one control that they will not have over it.

Mr. RANKIN. I have heard so much complaint in the last 2 or 3 weeks from the people along the North Atlantic seaboard about being unable to secure oil that I wondered if this bill would help or hinder them in that regard.

Mr. WOLCOTT. I would say I would not think it would affect that situation at all one way or the other.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I have a particular interest in this legislation because my district probably embraces the largest concentration of exporters in the country. Furthermore, I was in the manufacturing and exporting business myself for 25 years.

The imposition of price criteria was bad legislation for three basic reasons. No. 1, it would practically wipe out the small exporter. No. 2, its administration would require the settting up of a vast new bureaucracy, and third, it was a new restraint on the normal flow of trade, imposed at a time when most of us are seeking to accomplish just the opposite.

I salute the Committee on Small Business and the Committee on Banking and Currency for proposing this legislation so promptly.

I had intended to speak at greater length, but inasmuch as there seems to be no opposition to the bill, I see no reason for doing so.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield.

Mr. CURTIS. Is it the gentleman's understanding that this legislation will implement the continuation of the present policy of requiring all exporters to secure export licenses?

Mr. BUCK. It definitely loosens up the procedure of obtaining export licenses. Under the price-criteria plan applications would be delayed interminably. This will speed the process.

Mr. CURTIS. Is there any sound reason why all exporters must get a license to export?

Mr. BUCK. The purpose of requiring export licenses is to prevent the exportation of goods to the detriment of our own economy.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield.

Mr. PLOESER. It might be explained that they do not get a license on everything, it is just those things that have been declared in short supply on which licenses are required.

Mr. CURTIS. But is it not true that they have been operating under a blanket order that makes it necessary for everyone to go through the motions of getting export licenses if he wants to export?

Mr. BUCK. They have a blanket requirement on all exports to Europe, I understand.

Mr. PLOESER. That is right.

Mr. CURTIS. Is there any relief in sight from that situation?

Mr. PLOESER. Personally, if the gentleman will forgive an interruption, I do not see how we are going to get any permanent relief until we can eliminate all need for export licenses. Only then will we be in a satisfactory situation. I think I must express fear of removing them entirely at this point.

Mr. BUCK. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from New York yields back 2 minutes.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, the action that the House is asked to take today is to march back down the hill and to extract one of possibly two teeth from that famous toothless wonder, the anti-inflation bill which was passed in such great haste and with such enthusiasm at the close of the extra session.

This issue merely provides that the Department of Commerce, in licensing these exports, may have the right to use price criteria as one of the factors in consideration of granting export licenses.

To illustrate briefly what this does, with this section of the so-called anti-inflation bill taken out, I believe you will deny to the Department of Commerce any right whatsoever to take into consideration exorbitant prices in granting licenses for our export goods.

CHANGE FROM HISTORICAL BASE

In other words, the Department of Commerce is anxious to move away from the historical base allocations on which our exports have been conducted since the war. The big export trade has had that market for 2 years and were probably entitled to it for 2 years to reestablish their former business connections.

But Congress has felt it should be enlarged and that there should be competition, there should be a right for new, little exporters to come into the business. I, as a businessman, and I am sure you as representatives of business people, know that about the only way a little man can have a chance to break into a closely held market is on the matter of price.

PRICE AND SMALLER DEALERS

Without taking into consideration price criteria, practically all of the export licenses which are still to be issued will be given, I believe—and the testimony of the Department of Commerce officials indicates it—largely on the basis of historical performance and no consideration given as to the lower bidding by the new people who want to get into the export trade.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. PLOESER. I think what the gentleman says about new business applies more to the domestic field, that they invade new markets by price.

Mr. MONRONEY. It is not inconsiderable anyway.

Mr. PLOESER. But that does not apply necessarily in the export field, because in the export field we have the fee added for service of the normal exporter.

This thing has worked almost without exception against the new little exporter because of the fact that the prime producer of goods always has a lower price; he is certain to; and when he does he defeats the old and new man in the export field and he defeats the little man; he defeats all men serving as general exporters.

Mr. MONRONEY. I agree with the gentleman that the exporter adds to the price of the prime producer, but, Mr. Chairman, let us take a specific case. There were licenses for more than 3,000,000 100-pound bags of flour asked for Brazil. That is, export licenses for this amount were requested. This was as against a quota of 240,000 bags. Your smaller millers are prime producers, and hundreds of those men made up a portion of that 3,000,000-bag request for export to Brazil.

Most of these prime producers bid, I believe, a little lower than the exporters did because they were prime producers and did not saddle the cost of the flour with the export fee which sometimes ranges as high as 10 or 20 percent.

TAKE AVERAGE PRICE RANGE

But without this privilege of throwing out the exorbitantly high bids and taking an average range of pricing which was established by the manufacturers and business themselves, the Commerce Department would have had no way to allocate to new producers some of this scarce 240,000-bag-per-month quota to Brazil.

Mr. PLOESER. I do not think that is a good example because the gentleman knows as well as I do that in discussing the matter of export licenses you can bring into your thinking almost any factor. The thing I seriously object to is the permission sought and obtained in the law as it is at the present time to make price criteria a permissive basic formula for granting a license. Under the situation that the gentleman has held up as an example, they can prevent the exorbitant price if it is going to affect the domestic market. There is no prohibition against that. But to set price criteria as the main standard for giving a license results in direct injury to the very system of exporting that this country has followed for many generations.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

EXORBITANT BIDS

Mr. MONRONEY. If the gentleman's bill could be understood to permit the throwing out of these exorbitant bids, that is one thing, but let me read you one case. You gentlemen from the agricultural areas might appreciate this. It is taken from page 52 of the hearings:

Mr. TALLE. Now, quoting from page 6 of your statement:

"So far we have been using price criteria only to deny export licenses involving prices which are far out of line." Could you mention a typical case showing the great variation in price, say, the low and the high?

Mr. BRUCE. I will be glad to, sir.

The use of price criteria in steel is well illustrated by the story for barbed wire. This product, of considerable interest to the American farmer, is produced in the United States at a rate of 23,500 tons per month. That is a December 1947 figure.

The Office of International Trade received export applications for the first quarter of 1948 for more than 115,000 tons, or almost 200 percent of total domestic production. Now, our export quota for all destinations was 3,700 tons, of which 400 tons were allocated to Colombia.

Fifty applicants requested 16,000 tons for Colombia alone. Approximately 3,000 tons were requested on seven applications, at prices ranging from $110 to $128 per ton. The other 43 applications for 13,000 tons ranged from $156 to $240 per ton. There were no applications whatever between $128 and $156.

In other words, this great increase over our domestic pricing forces these goods into the gray market, where the exporters will buy them, paying an extraordinarily high price and getting these scarce supplies by bidding up the price to local consumers.

I agree with the gentleman so far as price as an exclusive measurement is concerned. I cannot agree to the using of price criteria exclusively. I do hope in discussing this bill that the gentleman when he takes the floor will make it crystal clear, as I believe he did to our committee, that we do want them to use price criteria in order to throw out these terribly exorbitant prices that boost up the price on the gray markets.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Colorado.

Mr. HILL. The gentleman was using barbed wire as an illustration. All the farming sections of this country know that we could not obtain barbed wire, or hardly any at all, even up to now. Now, the question I ask is this: What is the date of the illustration that Mr. Bruce gave the gentleman? Had this bill been in effect when he gave this illustration?

Mr. MONRONEY. It was in effect, but they did not put the actual working of it into effect until March.

Mr. HILL. This illustration that he gave could be worked out equitably, let us say, without price control, because when barbed wire was so scarce, price really did not enter into it, even in our own territory, because you could not get it, so they would not issue a license even under the old bill.

BOOSTS DOMESTIC PRICES

Mr. MONRONEY. I think the export quota was 3,700 tons. But if the fellow who is trying to get this export license goes out and options in the gray market 10 times the export quota, and has no consideration for what he has to pay for it, he is going to have an effect on the gray market and the bidding up the price of these scarce supplies that the American farmer needs so badly.

Mr. HILL. I agree with that also. Let me ask this further question: If we strike out this section entirely, as I hope we will unanimously, I understand the Department still may use price criteria as a part of their consideration in issuing you a license or not issuing you a license?

Mr. MONRONEY. That is exactly what I am trying to ask for, and I am sure that when the distinguished chairman of the Small Business Committee makes his talk, he will probably make it crystal clear that the Congress does not want price criteria thrown out completely and that it cannot be used. I would much prefer to tell my exporters that they cannot get a license, because their price was two or three times what it ought to be——

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. MONRONEY. Instead of trying to tell them that for some unknown reason their export quota was denied, I would like to have some definite rule, such as the man's price being out of line, than simply because he was suspicioned of being a big operator or was controlled by a monopoly or something of that kind.

Mr. HILL. The gentleman will recall when I appeared before the committee, and the testimony will so read, and all the testimony we listened to was to the effect that they could still use price criteria if you canceled this as part of the decision.

Mr. MONRONEY. I thank the gentleman.

I would like to ask the distinguished chairman of the Small Business Committee one question to help clear this thing up. Since it is evident that the Small Business Committee and most of the members of the committee do not want to rule out completely the price-factor consideration as one of the many factors of export licensing, and the gentleman being a distinguished member of the Committee on Appropriations, I would like to have the RECORD show that the passage of this bill through the House is not to be interpreted by the Committee on Appropriations under their usual procedure as requiring the placing on discharge notice of the men in the export-control division of the Department of Commerce; that they must be fired.

Mr. PLOESER. I do not get the connection.

Mr. MONRONEY. It is my understanding that when Congress passes a bill, or one House of Congress passes a bill terminating some activity of Government, that the Committee on Appropriations requires dismissal notices to be sent to everyone in that Department that is handling that particular control.

Mr. PLOESER. We are not eliminating the Office of International Trade, and the Committee on Appropriations Department of Commerce appropriation bill has already passed the House, and I am not a member of that subcommittee, so I am a poor one to ask.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I may say to the gentleman that I am exceedingly interested in this point, because the deficiency committee this morning is considering a very considerable deficiency request from the Department of Commerce to put on additional personnel because of the obligations imposed upon them by this very section which the House is now asked to strike out.

Mr. MONRONEY. The point I am making is that it is my understanding that the Small Business Committee of the other body has a different opinion of this section of the bill than we have over here, and there is a strong likelihood that this will never become law regardless of what the House does about it.

Thus if you put the trained men on notice of discharge and lose them, and I think there are 30 or 40 of them who work in the Department, you will disrupt an organization as to which even the proponents of this action say they want some consideration given to price criteria. I believe we should not make it automatic that everybody be placed on notice because one House has passed this bill which its proponents say does not discontinue some use of price criteria.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. PLOESER. While I obviously cannot answer the question with regard to the Appropriations Committee, I think I can answer the question as far as my intent in the legislation is concerned, and that is that price criteria not be permitted as a primary base for the consideration of whom shall get an export license, but that it may be considered as one of many factors, when prices are in the extreme; but I do seriously object to its being the primary basis upon which they shall judge export licenses.

Mr. MONRONEY. I appreciate the gentleman's position. I feel that with that explanation it will not require discharge notices to be given to the men who must look at these price criteria and judge them.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I was pleased to hear the statement just made by the gentleman from Missouri, the chairman of the Small Business Committee, because I think it clears up a misunderstanding that has troubled many of us with regard to the price criteria. The statement that his objection is to the use of these criteria as prime factors, and further that he does not object to their use as one factor, I think, meets the issue that disturbed some of us.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Missouri.

Mr. PLOESER. To make it clear, I do not object to its use as one of many factors when situations are in the extreme, but I do not want to be misunderstood or misinterpreted on the subject.

Mr. HAYS. I think the gentleman has made it clear.

Mr. PLOESER. The gentleman from Oklahoma understands it very clearly. We went over it a couple of times.

Mr. HAYS. I am sure he does. I think the gentleman will understand why the objections arose on our part, and that he did not object to our insistence that the historical basis not be the exclusive basis for determining export licenses.

Mr. PLOESER. If it needs further clarification, I do not like the strict historical basis by a long ways. I think it is extremely unfair. I think where they are sufficiently willing to allow new concerns to enter the field or to allow veterans, for example, as they have in one of the many formulas on the historical basis, in part I can take the historical basis, but as a full rule I would object to it just as seriously as I would price criteria.

Mr. HAYS. I felt sure that those were the views of the gentleman. I think it has helped the committee in giving a clear understanding of what we are trying to do. I think the gentleman has rendered a service in supplementing his remarks to that extent.

I yield to the gentleman from New York [Mr. CELLER].

Mr. CELLER. With reference to the historical period, checks on the figures with reference to exports of lard, fats, oil, and grease they showed the application of the historical period. Most of the exports of the permits for export of such products went to about six companies, and the remainder was scattered among scores of others. That is what makes for monopoly. I do hope that the Office of International Trade will not consider exclusively a historical period in the allocation of these various products for export.

Mr. PLOESER. I share the views of the gentleman from New York on that point.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That subsection (b) of section 3 of the act entitled "An act to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes," approved December 30, 1947, is hereby repealed.

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: On page 1, line 7, strike out the period and insert a comma and the following: "and subsection 3 is amended by inserting at the end thereof a new subsection as follows: '(b) section 5 of the Second Decontrol Act of 1947 is hereby amended by striking out the following: ", and the functions exercised under section 6 of said act of July 2, 1940, as amended."'"

Mr. ELLSWORTH. Mr. Chairman, the subject of export controls and export-control licenses was a matter of hearings before my committee, which is the Committee on Interstate and Foreign Commerce, for some 3 or 4 days recently. In the course of those hearings it was developed that two things were wrong in the present export-control program and were causing delays to the program and to exporting and were causing unnecessary hardships and inconvenience to those engaged in the export trade. One of those things was the price criteria paragraph which will be removed by the pending bill. The other problem faced by the exporters was that the orders to which they were addressing their complaints were written and put into effect on very short notice without the Office of International Trade having first consulted with the trade on the details of the proposed orders. For example, the license period, I believe, is 90 days. But one of our witnesses testified that he was engaged in the business of manufacturing a type of machine tool which he could not get ready for export short of 4 to 6 months. There were numerous other complaints. All of these complaints arose from the fact that the Office of International Trade had not issued its orders in accordance with the procedure set out in the Administrative Procedures Act, an act passed by the Congress in 1946. This law was passed for the specific purpose of setting up a procedure so that the various executive agencies of our Government could not simply issue a barrage of orders day after day without having given due notice and without having held hearings on the proposed orders.

All my amendment does is to place the Office of International Trade back under the Administrative Procedures Act. This agency, the Office of International Trade, was exempted from the Administrative Procedures Act by the Second Decontrol Act. All my amendment does is to place the agency back under the Administrative Procedures Act where it should have been all the time. I might point out that the Administrative Procedures Act does not in any way compel the agency to hold hearings when secrecy should be maintained. It further provides, and I will read:

(a) Notice: General notice of proposed rule making shall be published in the Federal Register (unless all persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law) and shall include (1) a statement of the time, place, and nature of public rule making proceedings; (2) reference to the authority under which the rule is proposed; and (3) either the terms or substance of the proposed rule or a description of the subjects and issues involved. Except where notice or hearing is required by statute, this subsection shall not apply to interpretative rules, general statements of policy, rules of agency organization, procedure, or practice, or in any situation in which the agency for good cause finds (and incorporates the finding and a brief statement of the reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

So this law gives ample opportunity for the agency to protect the public and its own operations, and it does not do them any harm at all.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. CELLER. Do I understand the effect of your amendment would be to make the administrative procedure applicable only on the question of the promulgation of rules and regulations?

Mr. ELLSWORTH. Yes. That is the function of the administrative procedure act. It sets up procedure.

Mr. CELLER. But would that be the effect of your proposed amendment only? Would the effect of your amendment limit the applicability of the administrative procedure act to the promulgation of rules and regulations of the Office of International Trade, or would it be broader than that and provide for the following: An exporter had had his application for the export of a commodity rejected, would he, under your amendment, have the right to invoke the provisions of the administrative procedure act so that he would have an appeal from the decision of the Office of International Trade?

Mr. ELLSWORTH. No, I think not, for the reason that would be what I believe you attorneys call ex post facto. In other words, on anything that has been done up to now, this amendment would have no effect.

Mr. CELLER. But I mean as to the future.

Mr. ELLSWORTH. As to the future, orders would have to be issued after due notice and hearings unless the Office of International Trade would state it was impracticable or unnecessary or not in the public interest to do so.

Mr. CELLER. I think your amendment goes beyond the mere offering of rules and regulations, and covers all the procedure of the Office of International Trade, the rejection of applications, and so on. I think you might go into that carefully.

Mr. ELLSWORTH. I think if you will study it as I have, you will find it only applies to the procedure of issuing orders.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. WOLCOTT. Mr. Chairman, frankly, many of us do not know what this means or what effect it may have upon the procedure. It will be noted that it is a matter that does not pertain to the section under consideration. The section under consideration is section 3 of the anti-inflation act; this amendment is an amendment to section 5 of the Second Decontrol Act of 1947. Inasmuch as the Committee on Banking and Currency had no hearings on this matter, we do not know what effect it may have upon the rest of the bill. Inasmuch as the matter seems to be of such consequence as to entitle it to a great deal of study, I hope the amendment will not be agreed to. Of course, we realize that a point of order would lie against the amendment. I did not make it, because I thought we might come to some understanding about it.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. I would like to explain to the chairman of the committee that the hearings on this subject were going on in my committee at the same time his committee was acting on the bill. Otherwise I would have taken it up with you before you came to the floor with the bill. I regret that the time situation was such that it could not be done. I can appreciate the chairman's attitude on the amendment, which is technical.

Mr. WOLCOTT. I thank the gentleman from Oregon. Because it is so technical I hope the committee will not accept it, but I can assure the gentleman that at the first opportunity we will give consideration to it in committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Kansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5470) to repeal subsection (b) of section 3 of the act of December 30, 1947, pursuant to House Resolution 499, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COLMER asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include extraneous matter.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BLOOM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. GRANT of Alabama (at the request of Mr. JONES of Alabama) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HAYS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. MULTER asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. DIRKSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include an article from today's Times-Herald.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include an editorial from the Rochester Democrat.

Mr. POULSON asked and was given permission to extend his remarks in the Appendix of the RECORD in two different instances.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

EXTENSION OF RENT CONTROLS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 501, providing for the consideration of S. 2182, to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, this resolution provides consideration for S. 2182, a bill to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

Under this rule a motion will be made to take the Senate bill from the Speaker's table, and to strike all after the enacting clause, and to insert in lieu thereof an amendment by the Banking and Currency Committee. The Senate bill was amended extensively by the House committee, and it was thought better to treat the committee amendments as an original bill. Therefore, the rule provides that the committee amendments now in the bill shall be considered as an original bill for purpose of amendment under the 5-minute rule. Points of order have been waived against the bill and committee amendments.

Rent control is a highly controversial subject, and many Members will want to express their opinions on this bill. Therefore, the Rules Committee has provided 4 hours of general debate on the bill. Amendments to the bill will be in order under the 5-minute rule. This rule is a most lenient one, and I do not see how there can be any valid objection to it.

In regard to the bill, however, I can foresee opposition to it, both from those who would tolerate no controls whatsoever, under any circumstances, and from those who would have our entire economy under rigid Government controls. This bill has compromised these two extremes, and has attempted to continue only those controls which are necessary under present conditions.

The drafters of this bill have recognized that there is an inherent opposition to controls in the American way of thinking. Controls are regarded as a measure of oppression, and there is a justifiable opposition to them among the people. Rather than submit to Government regulation—which is oftentimes arbitrary and unjust—most Americans will avoid those pursuits which are under Government control. Because of rent control many landlords have refused to rent their property, and the construction rate of rental property is far short of demand. As a consequence of this scarcity of rental housing many veterans have been forced to buy homes at inflated prices because they were not able to rent. This bill has attempted to eliminate most of the objections which arise out of the provisions of the present rent-control law.

One of the greatest objections that landlords and builders have to the present law is that the regulations have been arbitrarily administered from Washington, that bureaucrats, who, at best, have second-hand information on local conditions, pass judgment without regard to the facts in individual cases. It is obvious that such a system would cause a great many injustices. To overcome this objection the present bill provides that rent control will be administered by local boards in each community. The members of these boards, who are appointed by the President from nominations submitted by the governor, will have first-hand knowledge of local conditions. Landlords and tenants can bring their problems to a board which is composed of their friends and neighbors, and an equitable solution to their problems can be worked out.

The general purpose of this bill is to protect tenants from any unwarranted increase in rents—while at the same time protecting landlords from losses and hardships which are occasioned by the present law.

One of the purposes of law is to reconcile the conflicting interests of different groups. But the history of rent control has been to compromise every conflict in favor of the tenant—and landlords have oftentimes been injured because of this arbitrary application of a lopsided law. Last year, we passed a rent-control law which attempted to balance the interests of landlords and tenants—and permitted them to work out rental agreements between themselves—but if they were unable to reach an agreement the case was sent to Washington to be decided by a bureaucrat who had no knowledge of the facts in the particular case. The present bill provides that a local board, composed of friends and neighbors of both the landlord and the tenant, will compromise the interests of both when they cannot reach an agreement between themselves.

I view economic controls as the tool of totalitarian regimentation. Government by administrative regulation for the past 15 years has been destroying the moral fiber of our people and eating away the foundations of our Federal republic. I would tolerate controls only in the face of a pressing national emergency, but the present shortage of rental housing presents such an emergency. As repulsive as Government controls are to me, I am compelled to recognize the necessity for continuation of some rent control.

After a reasonable and impartial consideration of the provisions of this bill, I am sure that a majority of you will agree with me that this is an excellent bill—and that it should be passed.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, if there was ever a universal demand on the part of the American people it is the demand for legislation to extend rent control. However, I cannot see how any man can justly claim that this bill before us is legislation to actually extend rent control. In my opinion it is an attempt to decontrol and to mislead the American people and will not result in giving aid or assistance to the hundreds of thousands, yes millions of tenants who are looking to the Congress to hold down rents so that they will not be gouged by avaricious landlords or to be saved from eviction because of their inability to pay unscrupulously higher rents. They want a place in which they can live, even though it be only a humble apartment or flat, at a reasonable price, and this applies especially with respect to the war veterans. I wish to point out that formerly, landlords figured on 80-percent occupancy, but in a very large number of cases where the big landlords have asked for increases, it has been shown that they acquired properties at a very low cost and that they have had 100 percent occupancy during and since the war. During that time, they have expended very little for decorating, painting, and repairs and have given only meager maintenance service so that the additional cost of coal was more than offset by the return from a 100-percent occupancy. However, I have favored relief for a fair and reasonable increase in rentals in all hardship cases and under the present law, in such instances relief has been granted.

Mr. Speaker, this bill was reported by the Banking and Currency Committee late Friday afternoon last, after many unnecessary delays and postponements and was not available in printed form until just this morning. They came to the Committee on Rules for a rule with a printed amendment to the Senate bill and the few favorable provisions in that bill had been stricken out and other amendments which they made did not clearly set forth the provisions of the bill. Neither was there even a typewritten or printed report to explain that which was stricken from the Senate bill or to give an explanation of the effect of the amendments which they substituted therefor. The printed report, like the bill, was not available to the membership until an hour before the House met and I venture to say that there are not a dozen Members, outside of those on the Banking and Currency Committee, who are familiar with the provisions of the amended Senate bill. I know that I have tried to familiarize myself, first by reading the Senate bill, and then relying upon the committee print that has been submitted and presented to the Committee on Rules, and finally with the bill that they have agreed upon after the rule had been voted. I think it is indeed unfortunate, in view of the fact that the country has been anxiously waiting for a bill that would extend rent control, that we did not have sufficient time to familiarize ourselves with its provisions. I am of the opinion that the Democratic members of the committee will later explain the unfairness of the bill in the form in which it is before us today. But, I will say this, that the bill takes away from the Federal Housing Expediter and his regional rent control administrators all of the powers of rent control and vests the powers in the local boards.

The bill provides that local boards shall be appointed by the governors and will have full and complete power so that the Housing Expediter will have no real jurisdiction whatsoever. They will have complete power to increase rents and to even order the eviction of tenants and to have absolute decontrol of rentals. They will have power that never has been given to any board in a matter of such serious import to the people of the country as this one.

Hardly a day passes without the gentleman on the left charging that too much power is being granted to those whom they term bureaucrats, but in this instance they are granting, as I have said, nearly unlimited powers to those local boards authorized to be appointed under this bill. I regret to say that I fear that the appointment by the governors of these boards will work against the best interest of the tenants of the United States. I hope I am wrong in saying that these boards will be mainly appointed upon the recommendations of the real estate boards and property owners' organizations who, through their powerful lobby, have spent in the last 3 years or so, as has been reported, $1,000,000 to repeal the Rent Control Act. Now, what can we expect from boards that will consist of men representing such organizations? Oh, some may say, "Well, you are unfair in criticizing these boards beforehand." No, I am not. In the State of Illinois the Governor appointed a board, and what was the result? That board, without a great deal of investigation, re-

ported that the rents could be and should be increased but, fortunately, the regional rent control administrator in this instance disapproved of their recommendations. Under this bill, that power would be taken away from rent control administrators, and is what I fear the boards that will be appointed by the governors will do.

I do not say that the boards appointed by all the governors will perform in such manner. We have some governors that really have the interest and welfare of the tenants at heart. But if they act as did the Governor of the State of Illinois acted in acquiescing in the recommendations of his appointed board, there is very little hope left for the unfortunate tenants and veterans to obtain places to live at reasonable prices or at rentals they can afford to pay.

I feel that any man who reads the bill as now reported, if he is honest and sincere in wanting to aid the tenants of this country, cannot vote for it as it is written and as it is before us. I think it is most unfortunate that the committee has gone to the extent of depriving thousands, yes, even millions of people who have been waiting and hoping and praying that Congress will act, of the assurance that they can remain in the quarters they now occupy or that they can obtain homes to house themselves and their families at rentals they can afford to pay.

I believe the members of the committee who have signed the minority report will during the 4 hours of general debate explain the unfair and unwarranted provisions of the bill which, if carefully analyzed by anyone, must bring him to the conclusion that the bill is not in the interest of the tenant and is not the bill that many of you have promised to vote for to extend rent control. It is a bill to mislead the American people, mislead the tenants, and mislead the exservicemen into thinking that they are receiving something, whereas really the rights they received under the present law are being taken away from them.

I have explained to you my views and my fears. I hope that after you have heard from those who honestly desire to give the American people a fair and just extension of rent control, you will, when the bill is considered under the 5-minute rule, strike out some of these unfair provisions and place in the bill provisions that will safeguard the rights and interests of hundreds of thousands of families.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I cannot yield to the gentleman. I do not think he could enlighten me much because he would want to defend the action of the Republican Governor of my State and his committee that recommended an increase in rents.

Mr. OWENS. No; that is not it.

Mr. SABATH. Mr. Speaker, I have received hundreds upon hundreds of letters from individuals and organizations, urging the extension of rent control. One of the letters I received was from the Independent Voters of Illinois, Inc., which sets forth most clearly the real need for rent control. Under the leave granted me, I insert it at this point as follows:

INDEPENDENT VOTERS OF ILLINOIS, INC.,
Chicago, Ill., February 12, 1948.

HON. ADOLPH J. SABATH,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN SABATH: Your constituents are already sorely pressed by the extraordinary inflation in the country. Here in Chicago the housing situation, as you know, is deplorable. Any loosening of the present rent-control laws will mean an intolerable burden to hundreds of thousands of sorely pressed families.

As a representative of all of the people, you should give active support to legislation which will adequately protect tenants against any increase in rents.

We recommend your consideration of the following essential points in rent-control legislation:

1. A 2-year extension of controls.
2. Adequate protection against evictions.
3. A roll-back of the 15 percent increases allowed under the present statute, with exceptions in hardship cases.
4. Recontrol of accommodations at present exempt from control.
5. A clear definition of the functions of the advisory boards, and, vital to all the rest.
6. The provision of sufficient money and manpower for whole-hearted enforcement.

There is no matter to come before you more vital than this. Our great problem is to stop inflation. We must not add to it by allowing rents to rise—adding to hardships already becoming dangerously heavy.

Very truly yours,
INDEPENDENT VOTERS OF ILLINOIS.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. OWENS].

Mr. OWENS. I want to ask the gentleman from Illinois [Mr. SABATH] whether he is advocating that we vote against the bill as it is presently written if there are no amendments made to it.

Mr. SABATH. Does the gentleman mean as the bill is now?

Mr. OWENS. Yes.

Mr. SABATH. This bill, as I have stated, is not an extension of rent control, as I think under its provisions tenants will be gouged and held up by the landlords. I repeat, if it is enacted it will decontrol rents and result in the eviction of thousands of families throughout the country. I do not see how I can vote for the bill unless it is amended, as it merely gives the owners the right to do as they please and to increase the rents as they desire.

Mr. OWENS. Is the gentleman advocating that we vote against the bill?

Mr. SABATH. I am advocating that we amend it as it should be amended. While the bill in its present form is vicious to the interests of the tenants, I may be obliged to vote for it in order that it may go to conference and to hope that the Senate will succeed in retaining some of its original provisions that protected the tenants.

Mr. OWENS. Assuming that we do not amend the bill, is the gentleman advocating that we vote against it?

Mr. SABATH. I cannot for the life of me see how we can pass a bill like this in its present form. I think it will be amended if you are true to the pledges and promises that you made to the American people.

Mr. OWENS. But the gentleman does not answer my question.

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. Ross].

Mr. ROSS. Mr. Speaker, I ask unanimous consent to speak out of order and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNISM: A MENACE TO WORLD PEACE

Mr. ROSS. Mr. Speaker, a recent public-opinion poll shows that half the people of the United States expect another war in 10 years. Seventy-six percent believe there will be a conflict within 25 years. How is it possible to explain this growing conviction on the part of so many of our citizens that a new conflict is inevitable? Can it be that we have forgotten the terrible devastation and the suffering brought on by the recent struggle? Have we forgotten the brave dream of peace in the brief two and a half years since the firing of the last shots of World War II?

No. Americans remember only too well the grim realities of the war and the splendid but fast-fading hope for universal peace. We do not want war. We are as devoted to peace as any other people in the world. If, nevertheless, as the polls indicate, we expect another conflict, it is because we cannot blind ourselves to the dark threat in the present international situation—a threat which seems day by day to grow more ominous.

Mankind everywhere gropes toward peace, but lives either in a state of war as in China or in constant fear of war as in western Europe. Mankind yearns for order, stability, and new hope, but finds only chaos, uncertainty, and deepening despair. Nazism and fascism have scarcely disappeared from the scene when there emerges another menace—the menace of world communism—vastly strengthened by the success of the Soviet Union in World War II and fattened on postwar confusion and chaos.

There can be no doubt that a new wave of aggression threatens to engulf the world. The meaning of recent events in the Balkans, in Poland, and in China and Korea is only too clear. Even at this very hour, as the last lights of freedom are going out in Czechoslovakia, the dark cloud of tyranny rolls toward Finland. How much further will it go—this paralyzing shadow? Italy next? Austria? France? Where will it end?

There is no longer any question but that we are facing a formidable and aggressive movement in world communism. We must understand thoroughly the nature of this new threat if we are to take adequate measures to meet it. Let us not underestimate its strength. World communism is powerful at its core—the Soviet Union—and it possesses

formidable tentacles stretching into every nation on earth.

The threat to peace, inherent in communism, arises primarily from its basic philosophy. Communists do not believe that there is room in the world for both Russian-style Marxism and other systems of economics and government. It is not only the United States which draws the hostility of the Communists, but even the partially socialized countries of Europe. In other words, any nation which refuses to accept indiscriminately the dictates of Moscow is branded automatically by Communist dogma as reactionary and is marked for eventual liquidation.

A number of years ago, Lenin, the founder of the present regime in Russia, declared:

> We live not only in a state, but in a system of states, and the existence of the Soviet Republic next to a number of imperialist states for a long time is unthinkable. In the end either the one or the other will have the better of it. Until the end comes, a series of most terrible conflicts between the Soviet Republic and the bourgeois states is inevitable.

The Communist leaders since Lenin have never forsaken this theory of all or nothing. Stalin himself, has said:

> In the further progress of development of the international revolution, two world centers will be formed; the Socialist center, attracting to itself all the countries gravitating toward socialism, and the capitalist center, attracting to itself all the countries gravitating toward capitalism. The fight between these two centers for the conquest of world economy will decide the fate of capitalism and communism throughout the whole world, for the final defeat of world capitalism means the victory of socialism in the arena of world economy.

Where is there a thought of compromise in these words? Where is there some hope of a peaceful reconciliation, a friendly competition between the two systems? The plain truth is that Communists do not believe in and do not want compromise, reconciliation, and friendly competition. They have decided that capitalism, as an economic system, and western democracy, as a political system, are doomed; and they will do everything possible, by every means available to them, to hasten the downfall of both. They have one consuming desire, one overriding objective—the establishment everywhere in the world of communism and the dictatorship of the proletariat—or, as it has proved to be in the countries which they have taken over—the dictatorship of the party faithful. How can peace be otherwise than menaced when there is loose in the world this organized, unparalleled lust for power?

For the time that we were allied with Russia against Germany it was popular to contend that the Communists were the misunderstood friends of democracy; that, in truth, the Soviet Union itself was a sort of democracy. Precisely what sort, of course, was never clearly stated. We were told that suspicion of Russia was without foundation, and that, on the contrary, the Russians had far greater reason for suspecting the western world. We were assured that Communists had given up their old international wrecking tactics and henceforth were prepared to live in cooperation with all free people. Had not Stalin himself, in 1943, ordered the dissolution of the Communist International—the Comintern—that central agency of world espionage and sabotage? And was not the Soviet Union cooperating, if not wholeheartedly at least in substantial measure, in the creation of the vast superstructure of the United Nations to keep the postwar peace of the world? Even former Secretary of State Hull told the Congress in November 1943 that "there will no longer be need for spheres of influence, for alliances, for balance of power, or for any other of the special arrangements through which, in the unhappy past, the nations strove to safeguard their security or to promote their interests."

This was the wartime promise for the world of tomorrow. But what has been the performance since the end of the conflict? What has happened to the solemn pledge taken at Yalta in 1945 by Stalin—a pledge "to build a world order under law, dedicated to peace, security, freedom, and the general well-being of all mankind." The answer is only too obvious. It has been toppled by a new wave of world hostility, suspicion, and intrigue.

It has collapsed primarily because the Communists, while giving lip service to cooperation between their world and ours, never actually believed real cooperation possible or even desirable. The "strange alliance," as it has been termed, was born out of the paramount need of both partners—Russia and the western democracies—to check Nazi aggression. Now that the war-created need for unity has passed, it has given way, not even to indifference, but to cold war. That tenuous alliance, held together only by the cement of a common enemy, began to crumble as soon as the danger to the citadel of world communism—Russia—had been removed.

The mask of cooperation, of friendship, has now fallen away completely. Before us is the vast gap in beliefs and in practices which separates us from the Russians. The American people are tending more and more to regard world communism as an unqualified opponent of democracy. The war-strengthened Soviet Union, together with its followers in other lands, is reverting increasingly to a campaign of vilification and sabotage against freedom everywhere.

The Communists are pursuing this campaign with a relentless vigor and determination. They have an ample arsenal of old and new weapons at their command and they are choosing and using them with consummate skill. In China, it is cold-blooded, ruthless civil war. Against Czechoslovakia, it is dictatorship thinly veiled in constitutional processes. Greece is pounded with an alien guerrilla invasion. Over the Balkans, the unyielding lid of the police state is screwed tight. Finland is subjected to diplomatic pressure backed by the armed might of the Soviet Army. Anti-United States propaganda deluges Latin America. General strikes and sabotage are the favored weapons in France, Italy, and other western European countries. There is no limit to the variety and combinations of tactics employed; no moral restraints upon their use. Anything which produces results satisfactory to world communism is approved under the callous principle that "the end justifies the means."

In this cold war now raging, Communists score their victories in two ways—either through the expansion of the Russia national state or through the seizure of power by Communist parties in other countries. Their success via both methods has been as phenomenal as it is appalling.

Let us consider for a moment the extent of Russian expansion during the last few years. Before the outbreak of World War II, the Soviet Union already had a greater stretch of contiguous territory than any other nation—one-sixth of the earth's land surface. It covered an area of 8,000,000 square miles and contained a population of 170,000,000. Despite repeated Russian affirmations of disinterest in territorial aggrandizement, despite the statement by Stalin that "we have no aim of seizing territory or conquering foreign people," by 1946, 300,000 square miles of territory had been added to the Soviet homeland—that is, the Union of Soviet Socialist Republics—and its population had increased to almost 200,000,000.

Long before they were forced into the war by the Nazi attack, the Russians commenced to expand into alien territory. In return for an attitude of benevolent neutrality toward Germany, Soviet troops were permitted to occupy the eastern half of Poland in September 1939. In March 1940, after a valiant resistance, Finland was overwhelmed by sheer force of numbers and compelled to cede a large part of its limited territory to the Soviet colossus. A few months later, Estonia, Latvia, and Lithuania were pressured into oblivion by Moscow. The sections of Rumania known as Bessarabia, Moldavia, and northern Bukovina came next.

These gains, held practically intact at the end of the war, have been extended even further. Finland was forced to cede additional territory in the strategically important Petsamo area and to lease other territory to Russia. At Yalta, Marshal Stalin secured for Russia acquisition of the southern half of Sakhalin and the Kurile Islands in the Pacific. He also had restored to Russia the old czarist concessions in the Chinese ports of Dairen and Port Arthur and special railroad privileges in Manchuria. Despite their many misgivings, the Chinese were forced to accept these arrangements. At the Potsdam Conference in 1945 the United States and Britain agreed that the German city of Königsburg and adjacent areas should be transferred to the Soviet Union. Even Czechoslovakia had to give up 5,000 square miles of territory as the price of friendship with its powerful neighbor. Finally, Tannu Tuva, a large area in central Asia, was detached from friendly Outer Mongolia and absorbed into the Soviet Union with little

fanfare and merely a few lines in the press to record the event. Friendship with those who understand only force carries a high price tag.

This unprecedented wave of expansion constitutes a striking refutation of the contention that Russia is not interested in territorial aggrandizement. The Soviet Union today covers an area greater even than that of the far-flung domains of the czars.

Nor have these recent seizures been haphazard. On the contrary, they have been carefully designed to bring under direct Russian control, areas of high economic and strategic importance. They have, in effect, served to strengthen the inner base, the hard core of world communism.

And outright annexations are only a part of the recent pattern of Soviet expansion. The inner base, the central fortress of communism, has been bulwarked by a belt of states friendly to Moscow, as they are called. I believe the term "indirectly annexed by Moscow" would be closer to the truth.

By means of military occupation, economic and political pressures, and the installation of camouflaged or outright Communist-puppet regimes, the Russians have drawn around themselves a protecting rim of dominated countries covering an area of 650,000 square miles and containing 100,000,000 people. In Europe it embraces Finland, Poland, Czechoslovakia, eastern Germany, eastern Austria, Hungary, Yugoslavia, Albania, Bulgaria, and Rumania. In the Far East, North Korea, most of Manchuria, and Outer Mongolia have been included. To complete the rim, Greece, Turkey, Iran, and Sinkiang are especially needed, and, significantly, all these areas have been under constant Soviet pressure on one pretext or another, since the end of the war.

This "middle zone," as it has been termed by John Foster Dulles, is designed not only to act as a defense in depth for the inner base of world communism but serves to add additional economic strength to the movement and to act as a transmission belt for further radiation of Communist influence. It appears certain that as the movement grows the rim will expand to cover additional states.

The vast area of the inner fortress and middle zone, however, does not mark the limit of Communist ambition. Beyond it, in the rest of the world, an incessant softening-up process is carried on by devoted party workers. Day in and day out, operating legally or underground, employing the same unscrupulous tactics as the Nazis, these fifth columnists drive unwaveringly toward a single objective, the weakening of the will and ability of every nation to resist the advance of communism. With an unprincipled and vicious propaganda, which consistently overemphasizes the imperfections in western democracies, they seek to weaken faith in all the institutions of free societies. By infiltrating into key positions in the political, economic, and cultural structure of the democratic nations, they exercise a destructive influence out of all proportion to their numbers.

These agents of communism in the still-democratic world do not act independently. There is no room for individual initiative; no tolerance of disagreement with the leaders in a movement geared to world domination. The demand is for slavish and unquestioning acquiescence in the dictates of the chain of command from top to bottom. The work of Communists everywhere is coordinated by one central authority. Formerly the Comintern was that authority. When during the war the Comintern was dissolved to lull the democracies into a false sense of security, the world-wide centralized planning must have gone on in secret since there was no loss in either the effectiveness or the unity of purpose of the Communist movement. More recently, with all semblance of amicable relations between Russia and the western democracies rapidly disappearing, open and formal coordination of activities on an international scale has again become the rule. Just a few months ago, the leaders of the Communist parties of Yugoslavia, Bulgaria, Rumania, Hungary, Poland, Russia, France, Czechoslovakia, and Italy organized a Communist information bureau. Known as the Cominform, this new organization appears to be nothing more than the beginning of the revival of the prewar Comintern.

It is the new nerve center of international communism set up to disseminate the policies of the Kremlin high command. High on the list of its objectives is the smashing of any effort to bring order out of chaos in countries weakened by the war, and to promote economic stability in western Europe. The Communists are determined to retain their vested interest in political confusion, in economic dislocation, and in human misery. They will do everything in their power to preserve and even deepen such conditions in the democracies. At this very moment, the Cominform is formulating plans to sabotage any material aid the United States may provide to the European nations. Orders have gone out from the Kremlin to break up economic reconstruction in the democracies, and Communist parties everywhere adopt the slogan of wreck the Marshall plan.

Perhaps the most flagrant evidence of the menace of communism to peace is to be found in the behavior of Russia in the United Nations. The Soviet Union has employed the special powers which it possesses as one of the Big Five to obstruct rather than to further the peaceful purposes of this organization. Its representatives have used the principal UN organs as public platforms from which they may hurl outlandish charges of imperialism against the United States and heap invective upon many of our leading citizens. They have cast the veto a total of 22 times. In some cases the use of this power has been characterized by pure political spite. In others, however, it has served to block action on extremely critical problems such as the Greek situation.

The over-all effect of Soviet behavior in the United Nations has been to hamstring the effectiveness of the organization and weaken public confidence in its ability to preserve peace. This result, however, does not disturb the Russians. They are not interested in the cooperative possibilities of the United Nations. They are determined to bend UN to the purposes of world communism. If they cannot dominate it, they will use their special Big Five powers to snag the efforts of other members to promote world accord.

The events which we have witnessed since the end of the war have forced us reluctantly to the conclusion that collaboration between the free world and communism is not possible. The reassertion of the Marxist doctrine of world revolution, the unscrupulous expansion of Russia, the capture of many nations by Communist minorities, Soviet-inspired efforts to sabotage economic recovery in the remaining free countries of Europe, and the obstructionist tactics of the Soviet Union in the United Nations—all these interrelated occurrences compel us to recognize that not only are the Communists unwilling to cooperate in the preservation of universal peace but that they constitute a menace to that peace as long as their drive for world domination goes unchecked.

In our own interest and in the interest of free people everywhere, it is essential that we take steps to stop this threat. Such a positive course will not be easy. Many of the effective measures which we can and must take will prove costly and will involve many risks. In the long run, however, we cannot afford not to take them. The price of peace with security and freedom comes high but the price of another war will be infinitely higher.

It might be possible to hole up behind the Maginot line of the atom bomb and shut our eyes as France, Italy, Germany, Scandinavia, and perhaps the rest of Europe and much of the Far East topples under Soviet domination. But even such a program of do-nothing, of wait and see, would be expensive. Our armed forces have made it abundantly clear that, if all Europe goes beneath the Communist sway, their requirements to guarantee even minimum security would rise incalculably.

The alternative is to meet the menace of communism while the power of decision still remains in our hands; to meet it now. If we are to do so, we must put an end first of all to further expansion of Russia. We must be prepared to say: "You have gone this far but you shall go no farther" and then we must be prepared to back that demand.

Such a course may stop the flagrant expansion of the Soviet Union—the inner fortress. It will not, however, prevent Communist seizures of power from within, in such war-weakened countries as Italy and France. To those governments which are struggling with internal enemies to preserve their democratic liberties, we must extend our material and moral support. Every free nation which regains and maintains its stability strikes a blow at world communism. Inside our own borders, we must devise measures under strict constitutional

processes to counteract the traitorous activities of American and alien Communists.

The steps which I have already outlined are not sufficient in themselves. They are essentially in the nature of stopgaps. They should serve to check communism but they will not throw it into the full retreat which should be our objective. It is not enough merely to resist communism. We must rout it and keep it running. We can do so only if we maintain and enhance here at home that system of democracy which in the past has always yielded the highest measure of personal liberty and personal well-being to the greatest number; and if our leadership is capable, in word and in deed, of instilling in the other peoples of the tired and wartorn world a faith that their future lies along the path of liberty which we are traveling.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947 to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of S. 2182, with Mr. PLOESER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLCOTT. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, last month we extended the Rent Control Act until March 31, 1948. If we had not done so, it would have expired on February 29 of this year. The bill before the committee extends rent control until March 31, 1949. It will be recalled that a year ago Congress passed a rent decontrol act establishing a policy that when and if the supply of houses and other rental accommodations was reasonably met, then we could safely take off rent controls.

As an encouragement to the construction of homes and rental units we took rent controls off of all new construction. We took rent controls off of units which had not been rented between February 1, 1945, and February 1, 1947, and we took rent controls off of new units made available through remodeling. In consequence of that and the fact that we removed other controls on building construction, last year in this country of ours we built more permanent housing units than had been built in any year for over 20 years. It was our hope, because of the encouragement we had given to home building under action taken last year in Public 129, that by this time we would have reasonably met the demand for rental properties and could take rent control off all units with reasonable assurance that grave injustices, much suffering, and perhaps some economic maladjustments would not result. But even though we did produce homes in greater volume last year than had been produced in any year in the last 20 years, we have not met that demand. I think the demand has been met in a great many localities. As a matter of fact, the Expediter has removed rent control from a great many areas. He was authorized to do so when he found that through construction or otherwise the demand had been reasonably met.

I state as my private opinion that if we can keep the momentum of home construction going for the next 10 months we will have solved the housing problem in most localities outside the larger metropolitan areas. The bottleneck seems to be in the construction of multiple dwelling units in the large cities. That is our big problem. To be sure, we cannot expect too much risk capital to go into the construction of apartment houses at the present time because of high construction costs. When we shall have saturated the market for homes and rental properties outside the metropolitan areas, almost in proportion we shall satisfy the demands within the metropolitan areas. We shall at least approach the solution within those metropolitan areas.

Now we have many things in mind to encourage the construction of multiple-unit dwellings within those metropolitan areas.

We had a bill before the committee this morning to extend the provisions of title 6 of FHA. If you will recall FHA is authorized to insure up to 90 percent of the current costs of individual units and multiple units. I do not think there is any question but that the Banking and Currency Committee within the week will report out a bill with sufficient insurance authority to assure the maximum construction of building units. It is to be hoped that because of the bill which we hope to report out this week we will even exceed the high in production which we reached last year. If so, the housing problem in most areas will be behind us within a year from now, and rent controls can be safely removed.

We have made some changes in the act. We made some changes in the bill as it came to us from the Senate and they are quite important changes, but they are all in keeping with the policy adopted a year ago by this Congress that we should get rid of rent control as soon as we could safely do so. You will recall that in the housing and rent control bill of 1947 we provided that if the Housing Expediter found that there was a shortage of building materials he could provide that those desiring to build amusement and recreation facilities must obtain a permit to do so. We reviewed the situation in committee this year and found that the dollar volume of amusement and recreation facility construction was so relatively small that it had little or no effect whatsoever upon total construction. We found also that we were approaching an early solution of the building supply problem and that because it was almost impossible to enforce this irritating control we repealed it altogether.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MICHENER. I had an inquiry this morning right along that line. In a city in my district are two theaters. One has air conditioning, the other does not, but the air-conditioning equipment and material is on the ground to equip the second theater. The owners are unable to proceed with the work because they cannot get a permit from the Housing Expediter. At the same time, however, two drive-in theaters are being built near the same city, using some like materials, and they are getting permits. What effect, if any, will this legislation have on that situation? It seems unfair to permit drive-in theaters to build and deny the same privilege to the competitor, the regular theater.

Mr. WOLCOTT. It will decontrol it completely. There will be no requirement for a license as a condition precedent to building of amusement or recreation facilities so in the case the gentleman cited the theater can put in the air-conditioning equipment without having to get a permit.

Mr. Chairman, as we looked around through the Nation we saw many such cases as the gentleman from Michigan has cited. That is, open air theaters going up, other theaters going up, bowling alleys going up, beer gardens being built. Yet we were constantly receiving complaints that others could not build bowling alleys, others could not build dance halls, others could not build any other recreational or amusement facilities.

We found the answer when Mr. Tighe Woods, the Housing Expediter, was before us. He said that it is almost impossible to administer it; that they did not have the force to administer the law. The only complaints they got were from competitors. So it became one of those inconsequential, irritating controls that has outlived its usefulness, and in this legislation we have put it behind us.

We decontrolled, in addition to the decontrols in the present law, trailers and trailer spaces. I do not think there will be too much objection to that. It has already been done by regulation. I never knew that trailer space had been under control. I did not think that trailer space was a housing accommodation under the provisions of the act, but we found in our deliberations that trailer space, not the trailers, was a housing accommodation. You try to keep the rain off in a trailer space and see what happens to you. It cannot be done unless you have a trailer to put in there. With respect to these mobile units that go from one end of the country to the other it is rather difficult for the Administrator to control the rental of particular units and the space which they occupy. So we decontrolled that.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, when we passed the act last year, I do not think there is any question in the minds of anyone but that we had given the Expediter the authority, as a matter of fact we told him that he should make adjustments in individual cases to correct inequities and to remove hardships. There was some question in his mind about his authority in certain cases. We have spelled out in this bill language in such simple terms that anyone who runs may read. It is clearly the intent of the Congress that the Housing Expediter has the authority to make any adjustments in any case, individual, class or areawise, where he finds a hardship or where he finds an inequity to exist. He shall do it, we say. So there is no question now but that he has that authority.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The gentleman remembers that when we had this legislation up for consideration earlier we had to make a fight on this floor, and I was actively engaged in it, to give authority to the Expediter to release certain territory that was in what we called defense areas. We got that amendment put in the bill. My experience has been that the Expediter has been absolutely adamant and unjustly so in refusing to permit or to listen to anything anybody would tell him.

Mr. WOLCOTT. There is no question now under existing law and there should be no question in the bill now before us that the Expediter has the authority to remove rents, to lower rents, to increase rents, to make such adjustments as he cares to on individual cases or classes of cases, or areawise.

Mr. JENKINS of Ohio. My complaint was this. I live on the Ohio River. My district runs along that river. On the river are large communities. But the Expediter just took the whole country, not individual communities. In other words, rent control would be properly applicable, say, 12 miles along the riverfront, but he would go 20 and 30 miles out into the rural sections and refuse to yield any of that territory, when I thought he should have done so.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. MACKINNON. I noted the gentleman's statement with respect to the authority claimed by the United States Rent Administrator. However, I wish to say it is not the position taken by the Rent Administrator in the particular district I represent. There the Rent Administrator has taken the position that they can, in hardship cases, increase the rent, and they have done so. Not only that, but the Rent Administrator has taken the position that after a landlord has been given a hardship increase and his situation adjusted, that the same landlord is privileged to practically force an additional 15 percent rent on the tenant under the voluntary increase section of the law. We all know that no such result was intended, but the Rent Administrator in Minneapolis has been indifferent to the law. I am glad to hear his position is not supported by rent administrators elsewhere, or by the United States Administrator.

Mr. WOLCOTT. They undoubtedly tried to clear that up.

Last year, you will recall, in the Housing and Rent Act of 1947, there was a provision that made it possible for the landlord and tenant to enter into a voluntary agreement in which case the rent might be, by agreement, increased by not to exceed 15 percent. If the lease terminated before the expiration date, by death of the parties or otherwise, that property was, after that date, decontrolled for all purposes. In the bill before us we continue those properties under control when these leases terminate after March 31, 1948, but the rent shall not exceed 15 percent of the maximum rent which had been placed on the property previous to entering into the lease or, for all practical purposes, we might say, that the rent after the termination of the lease would be the rent named in the lease. We have continued the authority to enter into new leases, so that the landlord and tenant can, by mutual agreement, voluntarily enter into new leases which must run until or beyond December 31, 1949. In such cases the consideration for the lease, the rental named in the lease, may be not to exceed 15 percent of the maximum rent set under the 1947–48 acts.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Colorado.

Mr. CARROLL. Do I understand then that these units which were decontrolled prior to the expiration of the lease are now under control?

Mr. WOLCOTT. Yes; if the lease is terminated after March 31, 1948.

Mr. CARROLL. And do I understand that in this bill they are given a 15 percent voluntary increase; that they are permitted to renegotiate a new lease giving a 15 percent increase under this bill?

Mr. WOLCOTT. No; no additional 15 percent.

Mr. CARROLL. I thank the gentleman very much.

Mr. WOLCOTT. However, I think the gentleman misunderstood me. I said that landlords and tenants could now enter into leases; I meant, those, of course, who had not previously entered into leases, provided that the lease runs for a period beyond December 31, 1949. The present leases must run on through December 31, 1948. A landlord and tenant even now may enter into a lease, and if the lease runs beyond December 31, 1949, the maximum rents can be 15 percent higher than those established under the acts, other than in the leases which have been made up to the present time. They cannot be 15 percent increases over and above the present lease consideration.

Mr. CARROLL. What I really had in mind was a lease negotiated and then vacated prior to the expiration of the lease—this was one of the 15-percent voluntary agreements—and then that unit brought under decontrol. Now it is recontrolled by this act. For instance, a new tenant moves in, would he be permitted in a new lease to increase 15 percent?

Mr. WOLCOTT. Not above the original 15 percent. The provision in the bill is that it is the maximum rent established by the Administrator, and that would not be by the Administrator.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. DONDERO. What percentage of the houses built in 1947 were built for rent?

Mr. WOLCOTT. A relatively small percentage.

Mr. DONDERO. Has the committee any figures on it at all?

Mr. WOLCOTT. I think we have, but it was a relatively small percentage.

Mr. DONDERO. As to the 15 percent increase permitted under the pending bill that might be charged if the landlord and tenant agreed, was that based upon any definite information as to the increase in the cost of maintaining property?

Mr. WOLCOTT. No.

Mr. DONDERO. Has the committee any figures at all to submit to the House to show whether that is reasonable or whether it is too high or too low?

Mr. WOLCOTT. We have the cost-of-living index, we have the average increase in taxes, and we have the average increase in building costs, such figures as that, which would be helpful, but which would not necessarily be controlling because they vary in different areas.

Mr. DONDERO. I understand that rent control is practically left to the States under this bill.

Mr WOLCOTT. No. I will clear that up.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. McDONOUGH. Can the gentleman inform the Members of the Committee how extensive is the authority of the local board? Is it autonomous, or does the matter have to be referred to the Expediter for final decision?

Mr. WOLCOTT. I was just coming to that. In existing law, under the Housing and Rent Act of 1947, we provided for local advisory boards of not less than five members, to be appointed by the Expediter, on recommendation of the Governors. We provided in the law last year that they be "representative citizens of the area." Those words are rather important, "representative citizens of the area." We changed that because in some areas these boards may have been stacked, and we took cognizance of that possibility. It is not necessarily the fault of the Expediter, it is perhaps the fault of a Governor if a board was stacked. We had a right to assume the Governors of the States would interpret the language

as it was intended to be interpreted; that on these boards there would be individuals representative of the various interests affected. That is what we meant, and it was very obvious that we could not have said otherwise, because what is a representative citizen otherwise is just a matter of opinion. Whether he perhaps has a particular social position, whether he belongs to a rotary club or a lions club or an elks club or a board of commerce should not guide the Governor in the appointment of a representative board. So to clarify that and make it much easier for the Governors to carry out the intent of the Congress as we thought we expressed it last year, we amended that language so that now the Governors make recommendations from which the Expediter names a board of not less than five members of citizens "representative of the interests affected" in the areas. So there should be no question from now on that tenants and landlords and the public interest should be represented on these local boards.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. RIZLEY. Am I correct in my understanding that before you can have a rent-control law in these times that an emergency must exist in the country?

Mr. WOLCOTT. Yes; the Congress has recognized that an emergency exists and has passed a declaration to that effect.

Mr. RIZLEY. Then you legislate in an emergency. That is a national emergency, of course. Since it is a national emergency, my second question is, Can we delegate all of this authority to the State to administer the law?

Mr. WOLCOTT. We do not do that.

Mr. RIZLEY. You do not do that? I thought that under this bill you state that the State authorities would either control or decontrol.

Mr. WOLCOTT. We still require certain standards to be met. Those standards are established in the act, and I will discuss them later.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield right on that point?

Mr. WOLCOTT. I yield.

Mrs. DOUGLAS. Where you discuss appointing the boards you say "insofar as practicable." What does that mean?

Mr. WOLCOTT. That gives the Expediter some discretion. If the Expediter does not know what we mean by this language now, then I do not know what will happen. Perhaps I have much more faith in Tighe Woods than the lady has. I have enough faith in him that I think he will not henceforth name any boards except boards which are representative of the interests of everyone concerned.

Mr. Chairman, under existing law we provided that if the Housing Expediter found that the recommendations of the local boards were appropriately substantiated, he would follow them and execute the necessary orders to effectuate them. Of course that left it wholly within the discretion of the Housing Expediter which perhaps was the intention of a good many people. But to leave such discretion in the Housing Expediter in many instances nullified our intent. The Housing Expediter could by the scratch of a pen say that the recommendation of the local board was not appropriately substantiated. It was rather discouraging to members of the local boards, many of whom had sat for weeks and months considering a problem—conscientious, public-spirited men and women who had given of their time in many cases every evening for weeks holding public hearings, attempting to harmonize all of these differences between landlords and tenants and the public interest and who were seriously and conscientiously recommending to the Housing Expediter what they thought was for the best interests of their localities only to have the Housing Expediter say, "Your recommendations are not appropriately substantiated." I paid little attention to that language because I felt that so long as there was this broad discretion on the part of the Housing Expediter to determine whether the recommendation had been appropriately or otherwise substantiated, the recommendations of the board did not mean very much.

We decided that it was not fair to the citizens who had given of their time and their efforts to kid them along in the belief that they were anything but an organization to which all these problems could be passed, to the prejudice of the question itself, perhaps. So we had to define what was meant by "Appropriately substantiated." Under the language of existing law no one knows what is meant by the language "Appropriately substantiated." Of course it means substantiated within the opinion of the Expediter. Now, to correct that situation, with the end of rent control approaching, perhaps these localities should have a little more to say about whether they should continue under control. They know their problems. They are just as solicitous of the welfare of the people as anyone here in Washington. The Governors surely have a responsibility to their States and the areas affected. Many of the States have enacted rent control laws which become active when and if the Federal rent control laws expire. So we provided that the recommendations of the local boards would be followed if hearings were held by these local boards, if notice was given of the hearings 15 days in advance—two notices in the public paper, one 15 days prior and one 5 days prior, of the time and place of calling the hearings, if the Governor was served with notice of the hearing that he might come in and interplead in the proceedings if he cared to, in anticipation of the possibility of the area being decontrolled, so that he could put into action State machinery to cover the situation if he wanted to, if a copy of that recommendation was served on the Governor after it was made, and a copy served on the Expediter, of course. If the Expediter finds that the procedure has been followed then in the case where a recommendation is that the area be decontrolled, he has to follow that recommendation. If the recommendation is that rents generally be adjusted, he must follow that recommendation. If the recommendation is that a class of property should have their rents adjusted, then he must follow that recommendation. But in the case of recommendations in respect to individual adjustments, the recommendation has only the same effect as under existing law; the board makes a recommendation to the local Administrator and it becomes merely a recommendation, subject to discretionary approval by the Housing Expediter.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MULTER. Assuming that a local board after notice and after hearing makes a determination, and let us assume that fifteen or sixteen people appear before the local board down here, and point out factually that rent control should be continued in that area and one person comes forward and testifies it should not be continued, but the local board nevertheless found and recommended that it should be discontinued, that the area should be decontrolled, must the Expediter follow that recommendation?

Mr. WOLCOTT. Yes; if other provisions of the law have been followed in that respect.

Mr. MULTER. In other words if he is given notice and given an opportunity to be heard, regardless of the number of witnesses.

Mr. WOLCOTT. The number of people who attended the hearing do not control. The criterion is not the number of people who appear at a hearing. It is the opportunity which is given to all citizens of an area interested, and the governor of a State and the political subdivisions thereof. Does the gentleman think a mayor of a city is going to sit idly by and see his area decontrolled if he does not think it should be decontrolled? Does the gentleman think a governor of a State is going to make it necessary to call his legislature into special session perhaps to pass a State rent-control law on the say-so of a half dozen individuals, without perhaps an interpleader or an opportunity for the State to be heard on it? No; there are safeguards here, sufficient safeguards. If there are safeguards in respect to the sovereignty of the States in the Constitution there are safeguards in this bill in respect to the opportunity which is given to the States to function in respect to that sovereignty.

Mr. MULTER. My point is that even if the mayor of my city, the government of my State, appeared before the board and said, "Do not decontrol this area," the board nevertheless could decontrol the area under this bill, and the Expediter would have to decontrol.

Mr. WOLCOTT. Yes; that is right. That is why we stress the fact that these boards should be made up of citizens representative of the interests affected, so that there cannot be any unfair advantage taken by those who want rent control or those who want rent control removed.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Is it not a fact that the control boards here set up are analogous to the old draft boards, and would it not be logical to have the appeal on the same basis rather than to say there is no appeal from the decision of the area rent board?

Mr. WOLCOTT. There is review by certiorari; there is always review by certiorari in the courts.

Mr. JAVITS. But that is a pretty tough procedure for the ordinary tenant. It seems to me we should have something here by way of appeal.

Mr. WOLCOTT. Appeal to whom?

Mr. JAVITS. In the draft board case we had an appeal to the national administrator of the draft.

Mr. WOLCOTT. If the gentleman had been here during OPA and price control as long as I have he would know most assuredly that that would not accomplish any safeguard to anybody. To allow appeals to the official here in Washington who is going to administer the law in many cases would negative the purpose of the law.

Mr. JAVITS. It seems to me that that is inherent in our whole system.

Mr. WOLCOTT. The door to appeal is not closed. There is always review by certiorari in the local courts.

Mr. JAVITS. With all due respect, I must say that I think it entirely inadequate in this case.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SMITH of Virginia. I wonder what if any consideration the gentleman's committee has given as to whether this bill now conflicts with the ruling in the Schechter case, because you have taken off all standards except the one standard of the right to be heard, and you have delegated to a local board the absolute and the arbitrary power to control rents. I wonder if the gentleman would care to discuss that feature of the matter.

Mr. WOLCOTT. I know what the gentleman has in mind. We think that the standards set up in this bill are not in conflict with the decision in the Schechter case. We discussed it in the committee.

Mr. SMITH of Virginia. I just wonder if you are setting up any standards when you merely say that a man shall have a right to be heard. Is that any standard that you can stand on in the light of the Schechter case?

Mr. WOLCOTT. I am inclined to think it is. The local boards are bound by the same standards applicable to like action taken by the Housing Expediter.

Mr. SMITH of Virginia. I am inclined to doubt it.

Mr. WOLCOTT. The question in the Shechter case as I understand it was one of a delegation of legislative function, a delegation of legislative authority. It was not one of limitation; procedure was not involved at all. I think this would be held by the court as a limitation upon the operation of this law, that this law is in force and effect unless and until a local board recommends that it no longer be in full force and effect. I think therefore it is very clearly constitutional; it sets a limitation upon the act and is not a delegation of legislative authority. As I understand it, the Shechter case turned on that point.

If it is constitutional to delegate this authority to the Housing Expediter, it follows that it is legal to delegate the power to any other individual or group of individuals.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. What is the difference between the delegated authority of this bill and that which the boards now have?

Mr. WOLCOTT. I think the gentleman has asked a very pertinent question.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DEANE. The gentleman has well stated that these boards should be composed of able and fair-minded individuals.

Mr. WOLCOTT. I said they should be representative of the interests affected. I assume that the governors will not make any recommendations to these boards of persons who are not able and fair-minded. I think we have the right to assume that the governor will pick good men and women.

Mr. DEANE. Boards have been set up all over the country. Does this particular act propose that they be rescreened or redetermined?

Mr. WOLCOTT. They can be.

Mr. DEANE. But not required?

Mr. WOLCOTT. That is right.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. ISACSON. Is it not true that under the present act in the majority of cases where the local advisory boards have recommended that a particular local area be decontrolled the Administrator or Expediter has turned down the report of the local advisory board and has seen fit instead to continue controls?

Mr. WOLCOTT. In the minority report which I assume is correct because of the gentleman who signed it, it is stated that under past operations recommendations of the local boards for decontrol in 41 instances, 17 have been approved and 21 denied, while 3 are still pending. That is in respect to decontrol. Then it follows on to say that 44 recommendations have been made for broad or blanket increases, 7 of which have been approved, 28 rejected, and 9 pending.

Mr. ISACSON. Is it not apparent and quite patent from the experience of the last year that what would happen if we substitute the present amendment for the law as it exists many, many more areas will be decontrolled in the coming year than would be the case if the Expediter had the right to approve or disapprove the recommendations of the local advisory boards?

Mr. WOLCOTT. If these figures are correct, and I assume them to be, and assuming that the required procedure had been followed, instead of 17 having been approved there would have been 41 approved in respect to decontrols and instead of 7 having been approved in respect to recommendations for broad blanket increases there would have been 35 approved.

Mr. ISACSON. Would that not then constitute a loosening of control or rather a decontrol in many areas to the detriment of millions of American citizens?

Mr. WOLCOTT. We set this up last year as a decontrol bill. We have to make up our minds once and for all whether we are going to continue these controls or whether we are going to get rid of them. Now is your opportunity to change that policy if you want to do it. We legislated last year that it was the policy of this Congress to decontrol just as fast as we safely could. Your House Committee on Banking and Currency, in keeping with that declaration of policy enunciated last year, did the best job it could to decontrol with as little shock to our economy as possible. Anyone can offer an amendment on this floor when the bill is being read for amendment to change that basic policy. If you change the basic policy the Banking and Currency Committee will be guided by it.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, there are two things we will have to decide in the consideration of this bill. Does an emergency still exist? Do we want to continue rent control?

For over 5 years the Government of the United States and all its people directed their energies to the prosecution of the war. They built planes, guns, tanks, ships and matériel of war. During that time there was practically no construction of homes for the people. Homes that remained deteriorated. No new homes were built. During the war 12,000,000 men were away from home. They did not need housing as they needed it before. Then they returned and the housing shortage became acute. Many of these men left homes that did not have the ordinary conveniences of modern life. They went into the armed forces; they went to American camps and foreign lands; they saw the benefits of adequate lighting and heating and running water. They are not going back to homes that do not have those conveniences. Then there was a maldistribution of the homes that were built. Many of them were built in close proximity to the great munition plants that were far removed from centers of population. They could not be used as housing under normal conditions. The emergency did not exist so much during the war; it has existed since the war. I hear many people say, "Two and a half years after the war is over, why is the emergency here?" The emergency is a postwar emergency, and this legislation is based upon that emergency. I think there is no doubt that there is a national housing shortage, and this is a national emergency. The Supreme Court of the United States but recently decided that,

and all the statistics that we can find show it. Only those who have a personal interest say the housing shortage is now over and there is no need for control.

I do not want to see controls continued longer than they are necessary. I hope that before long we can be restored to the ordinary ways of our national life. But housing is necessary for our people.

Two of the purposes declared in the preamble of our Constitution were to insure domestic tranquillity and promote the general welfare. We can have no domestic tranquillity unless the people of America are properly housed; and we cannot promote the general welfare unless the people of America are properly housed. Those are the questions that are submitted to us. Now, if you do believe in the continuation of rent control, you certainly believe in an effective measure to control it. I do not want to be intolerant or prejudiced. I do not say this because I am on the Democratic side of the House and you are on the Republican side, but I sincerely do not believe that this bill will have any effect on controlling rents. We have a national emergency and this measure ought to be federally administered. It can only be federally administered if some authorized person in the Federal Govern nment has control over its administration generally. That does not exist under this bill. The powers that are essential for carrying out the purposes of this bill are delegated to local boards. I think it is clearly a delegation of legislative authority, because there are no standards, no limitations, no directions, no definitions in that delegation. The local board can decontrol the area or any part of the area. It can raise or lower the rents in any of the housing in that area. It has absolute plenary authority to do everything that is essential to control rents. Its findings are final. There is no review of the findings of that Board.

I think this law in a sense is immoral, because it absolutely disregards the substantial justice of the case and stresses the forms that should be followed. When an appeal is made to the Expediter, he does not consider the justice and the reasonableness of the findings of the Board. All he considers is whether they followed the forms. Think of an appeal from a court in which your substantial justice is involved, and you go to the higher court and they say, "We cannot look over the record, we cannot find whether or not this was a just judgment, we cannot say whether or not it was based upon sufficient evidence; all we can consider is whether the lower court followed the forms of procedure." What does that mean? The hearing is a futility. There is a suggestion, it seems to me, in the law, that the Board should not consider the substantial justice but should merely recognize the requirements for notice and other things that are provided for.

When the judgment of the board comes to the Expediter he does not have any authority to review it except as to the procedure which took place. I think that is an anomaly in the law and does not conform to any procedure that I have heard of. Is there any provision that if the members of the board are prejudiced or interested they can be disqualified? None whatever. The bill provides that the Governor shall recommend to the Expediter a board of not less than five representative citizens. What does "representative citizens" mean? There will be few of the boards that will permanently represent the tenant. They certainly will represent the most influential interests in the community, and that will be the landlord. I do not say that all the tenants are good, that all the tenants have done their full duty, or that all the landlords have received reasonable return for their property, but when you put this power in the local boards you are putting it under the domination of the substantial interests of the community and you are giving the board an arbitrary power over the renters.

I do not think this will be so bad in some of the communities. Some of them may stand it very well. But you take the big centers of population of the Nation and you will find, I think, that there will be many areas decontrolled that would not be decontrolled from Washington, and there will be many increases in rent that will not be justified. It will inure to the injury of the tenant in the great centers of population.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As I understand, under the provisions of this bill the local boards have delegated to them by Congress, for all practical purposes, complete powers.

Mr. SPENCE. We have delegated them all the powers vested in Congress for this particular purpose.

Mr. McCORMACK. They are not responsible to anyone, either a Federal or State official.

Mr. SPENCE. They are not responsible to anyone, and there is no provision that if they are interested or if they have a personal prejudice they can be disqualified. We all have respect for our judiciary, but if a judge you elect is prejudiced, if he has a personal interest, he usually has character enough to leave the bench in such a case; and if he does not, every code in the United States provides that you can swear him off the bench. You cannot do that to the members of these boards.

Mr. McCORMACK. They can render a decision arbitrarily without giving any reasons? All they have to do is have a hearing and notify the Governor?

Mr. SPENCE. They have to have a hearing. They can absolutely ignore the substantial justice of the case if they have followed the procedure. Then all that is tried by the Expediter on appeal is whether or not the procedure was followed. If the procedure is followed, that is if sufficient notice is given and is filed with the Governor and the Expediter, then whatever the decision is the Expediter must follow it, and he has no discretion.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McCORMACK. Then nobody could go to the courts, even if the decision was arbitrary or capricious?

Mr. SPENCE. The only way a person could get in court is on the question of whether or not this was an arbitrary delegation of legislative power. But if the courts upheld this delegation of power, then no court in the land would have any jurisdiction over it. I do not think anyone would deny that proposition.

Mr. McCORMACK. This is an amazing provision to have in any bill. Does the gentleman have any precedents at all in the history of our country of anything of this kind?

Mr. SPENCE. I have never heard of anything. I have heard a good many people talking about rent control and regimentation and about the arbitrary conduct of the people who are on these boards, but I say that there is nothing more arbitrary than this.

Mr. McCORMACK. Then, for all practical purposes, so far as this rent bill is concerned, if it becomes law, the Congress is creating another government within the framework of our existing Government.

Mr. SPENCE. The Constitution says that a man cannot be deprived of his life, liberty, and property without due process of law. I would not call this due process of law when he is deprived of the most essential property rights.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MARCANTONIO. The chairman of the committee, the gentleman from Michigan [Mr. WOLCOTT], has stated that the remedy is certiorari. I think it is well known that as the bill provides that the local board must comply only with certain forms, that the court must deny certiorari whenever the board simply shows that it has complied with the form. So far as the question of substantial justice is concerned under this bill, that question cannot be reviewed under certiorari so that even certiorari is no longer available to the ordinary citizen.

Mr. SPENCE. I do not see how such a question as this could be reviewed by certiorari, as much as I esteem and respect our able chairman, because the only question considered on an application for certiorari would be whether the required procedure was followed, and if the court found it had been followed certiorari would be denied.

Mr. MARCANTONIO. That is with the form.

Mr. SPENCE. There is another point involved, too. This is based upon national emergency. If it is a national emergency, the law ought to be administered uniformly throughout the Nation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McCORMACK. Of course, I realize that my friend is the ranking minority member of the committee, but will he

advise the members as to the first time that he knew this was going to be offered as a part of the bill?

Mr. SPENCE. I think it was just before the hearing was concluded. I am not criticizing my chairman. I realize that it was an emergency matter, but we did not have the full bill when we appeared before the Committee on Rules; and the Committee on Rules, before any bill was reported, had secured the right to file their report by 12 o'clock midnight on Saturday, so I think the skids were pretty well greased. But I do not think that that is so essential. The essential thing is the substantive provisions of this bill which are contrary to all concepts of legal procedure and contrary to all concepts of justice, which, I think, is a bad precedent, not only in this bill but in every other bill which we may consider in the future.

The Congress has had a habit of delegating these legislative powers. Then it complains that the will of Congress is being frustrated. That is what you have done in this case. You are delegating every power that is vested in the Congress to these local groups. There are no qualifications prescribed for the boards at all. There is no qualification of disinterestedness; there is no qualification of experience; there are no qualifications at all. It says, "There shall be not less than five members appointed," but such number as may expeditiously right the injustices and inequities. If there is a sufficient number to carry out this purpose, the boards will consist of many more than five.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. EBERHARTER. Are there any provisions in the bill for paying the expenditures of these local boards? Is there any Federal appropriation for them, for instance, for clerical help?

Mr. SPENCE. I think that would have to be appropriated by the Appropriations Committee.

Mr. EBERHARTER. Do you think the Comptroller of the United States would have the power to go in and investigate those local boards to see whether their money was properly expended? Is there anything in the bill to that effect?

Mr. SPENCE. No; of course, there is nothing in the bill to that effect. If you can give men the power we are giving them under this act, there certainly would not be any question about how they can expend their money, because you put in their hands the welfare and safety of the housing of the people of the United States. In some sections I have no doubt there will be decontrol. In other comparable areas there will be control.

Mr. HAVENNER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HAVENNER. Is there any definition in this bill of the term used on page 22 relating to the appointment of the local advisory board? I refer to this term "the affected interests in the area." Is there any definition in the bill of that term?

Mr. SPENCE. No; there are no definitions in this section of the bill.

Mrs. DOUGLAS. Will the gentleman yield?

Mr. SPENCE. I yield.

Mrs. DOUGLAS. That is just what I was trying to get at. That language is very interesting. It says, "The Housing Expediter is authorized and directed to create in each defense rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable as a group, are representative of the affected interests in the area." What does that mean, "insofar as practicable"? Does that mean if you can only find real estate boards, it was not practicable to find anybody else?

Mr. SPENCE. You are just as much at liberty to make your own definition as I am. I cannot tell you what it means.

Mrs. DOUGLAS. Do you feel that these boards, aside from their constitutionality, would act as an inducement to all renters to pay 15 percent, whether they could afford it or not, on the threat that these groups might come in and decontrol rent at any time?

Mr. SPENCE. I think the renters will probably be in a great hurry to enter into a 15-percent increase, but I doubt if the landlord would accept it.

Mrs. DOUGLAS. In other words, if this bill is passed as it is, what this Congress is doing is not only legislating to decontrol rents, but it is legislating a straight 15-percent raise in rents across the country.

Mr. SPENCE. Yes; I think when you pass this bill you will set a very bad precedent. You are emphasizing the shadow and ignoring the substance. You are making important the forms of procedure and ignoring substantial justice. I do not think the Congress wants to do that. I hope and I feel that some appropriate amendment will be offered that will strike this provision—and this is the very heart of the bill—that will strike this provision out and substitute probably the Senate provision, which I think was very much better.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has again expired.

Mr. TALLE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, S. 2182 comes to the House under rather inauspicious circumstances. It is only natural that it should be more difficult to discontinue rent control at this time than it was a year ago. It will be increasingly difficult to do this a year from now. It is the nature of all political controls to fix themselves more and more securely upon the body social as time goes on.

The recommendation made by the Joint Committee on Housing to adopt the Wagner-Ellender-Taft collectivist housing act will surely not make it any less difficult in the future to discontinue rent or any of the other political controls that plague the Nation.

The saddest thing about rent control is that it is presently doing much harm to people who are in need of living quarters, particularly to the veterans. Millions of rental quarters would immediately be made available to veterans and others if controls were removed. This statement cannot be challenged. This is explained by the fact that during the war many families acquired more living space than they normally occupied. United States census figures show more housing per person today than there was in 1940 when there were plenty of vacancies.

So long as rent control in any form remains home builders will not construct many rental houses. If this control were discontinued and private builders were assured of not being compelled to compete with politically subsidized housing, such as the Wagner-Ellender-Taft bill proposes, the demand for rental housing would be quickly met. Competition would then operate to keep rents at a reasonable level.

Rent control and socialized housing are parts of the same scheme. Once the political authority has the power to tell you how much rent you must pay and whether you can live in a house that is privately owned or one that is owned by the political authority, you are well on the way to the mode of life that prevails today among the producing population of Russia, and which is rapidly developing in England, France, and other European countries. You cannot have rent control without adding to it socialized housing and eventually all the other regimentation that characterizes collectivism as we see it in Europe and elsewhere.

The question before this body is not whether there shall or shall not be rent control. Rather it is whether the Congress of the United States will protect the producers in maintaining the high standard of living and freedom the founding fathers gave them, or whether this legislative body will allow the political authority in Washington the power to reduce them to a state of subsistence and slavery such as now overwhelms the peoples wherever rent control has been instituted.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from New York.

Mr. MULTER. The gentleman referred to statistics which he stated show an increase in dwelling houses in the country since 1940. The same Census Bureau and its figures also indicate that in the same period the population of this country has increased by 5,000,000.

Mr. SMITH of Ohio. The gentleman did not hear my statement. What I said was that the United States census shows there are more houses per person in the United States today than there were in 1940.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MULTER. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred four Members are present, a quorum.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, this is without exception the most amazing piece of legislation I have ever seen.

I never thought I would see the day when the Congress of the United States would create another government outside of our Federal and our State governments. But, so far as the operation of this law is concerned, if the provisions on pages 25 and 26 remain, the local boards are given complete autonomy and they can do practically anything they want, without being subject either to supervision by any Federal agency or official or to any State agency or official. I was always brought up to believe that we have a dual system of government, our Federal Government and our State governments, and that within the States, cities, and towns were their political subdivisions, they being creatures of the State. But, by this bill we find the establishment and the vesting in the local boards of complete autonomy, complete independence, created by an act of Congress; a Federal agency, so to speak, administering this law within their zones, and yet not responsible in any way to any Federal official, to any Federal department or agency, or even to any State official or any agency of a State.

I challenge my friend who reported this bill out to point, during the remainder of the debate, in the one-hundred-and-fifty-odd years of our existence, under a constitutional form of government, to any other provision of law such as is contained in this bill. This gives the local boards absolute power to legislate, so to speak. So long as they give a hearing they can make any findings they want, and there is no agency, either Federal or State, that can pass upon their findings to any extent, as I read this bill.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. SPENCE. They can repeal this law by their actions.

Mr. McCORMACK. Of course, the powers contained in this bill enables, within their own zones, any board to entirely or in part repeal this law, if it ever became law with the provisions that I have heretofore referred to contained therein.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. HOLIFIELD. I point out that the OPA local boards were given certain very vital powers, but I think the gentleman will agree with me that the right of appeal was given to the victims of an injudicious decision, where under this particular set-up there is no right of appeal.

Mr. McCORMACK. The gentleman is right.

My friend the chairman of the committee, the gentleman from Michigan [Mr. WOLCOTT] is reported to have said the other day—and I have here a news item appearing in the Washington Star—

> My own opinion is that this would be very dangerous. If we turn rent control over to the States we will have rent control forever under State law.

Yet we are giving it to local boards created by Federal law. There are 655 State boards throughout the country. One board can undo this in whole or in part, and a board adjoining it can continue it. They can adjust rents upward, and if they can adjust rents upward they ought to have the power to do it downward.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. FLETCHER. I understand that the gentleman might be willing to allow by State enactment a law saying that rent control is not necessary in the State and that they, in turn, should not have Federal rent control in the State.

Mr. McCORMACK. The gentleman's inquiry is what?

Mr. FLETCHER. If the State enacted a law stating that there was no longer necessity for rent control in the State, and thereupon the Federal rent control would end, would the gentleman go along with that?

Mr. McCORMACK. I would not favor it in the emergency, and if anyone felt that way I would respect him in disagreement. During the emergency I think we ought to keep it on the Federal level. However, this is not even decontrol within a State if a State does pass a decontrol act. This gives to these boards created by this law, created by Federal authority, the complete power to decontrol in whole or in part and not be accountable to anyone on the Federal level or on the State level.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. WOLCOTT. The word "increase" does not appear in this particular section of the bill.

Mr. McCORMACK. That is true.

Mr. WOLCOTT. If the gentleman will turn to subsection (B) of section 204, beginning in line 4 on page 24, he will find that they may make adjustments, other than individual adjustments, up and down. As an example, any of these local boards can recommend that the rents generally be decreased 25 percent in that locality, and the Expediter would have to follow their recommendations if this procedure was followed.

Mr. McCORMACK. How many does the gentleman think are going to do that?

Mr. WOLCOTT. How many are going to raise them? I have just as much confidence that they would lower them as that they would raise them.

Mr. McCORMACK. Does the gentleman think that any one of these boards is going to lower rents?

Mr. WOLCOTT. I do not know that they are, but they have the authority to make raises and they have the authority to lower them. They have the authority to make such adjustments as are necessary to correct hardships.

Mr. McCORMACK. Suppose one board does have complete decontrol. Does the gentleman deny that that is absolute and final?

Mr. WOLCOTT. No; of course not; but the gentleman is saying that they could not reduce rents, and I say they could reduce rents.

Mr. McCORMACK. Who said I said they could not reduce rents? What I said was that they had the power to adjust upward. It necessarily would follow that they would have the power to adjust downward.

Mr. WOLCOTT. I thought that is what the gentleman attempted to say.

Mr. McCORMACK. Let me ask my friend from Michigan while he is on his feet this question: Does the gentleman deny my assertion that any 1 of these 655 boards under this bill, if it became law, could decontrol within its area?

Mr. WOLCOTT. They can do so.

Mr. McCORMACK. All they have to do is hold hearings and file something with the Government.

Mr. WOLCOTT. If they follow the procedure outlined in the act.

Mr. McCORMACK. And make a recommendation to the Housing Expediter. In accordance with the provisions here he then would have no discretion, it would have to go into effect.

Mr. WOLCOTT. The only discretion he would have would be to determine whether the procedure had been legal. He would have no alternative but to accept it if it was a legal procedure. He could refuse to accept the report if it was not a legal procedure.

Mr. McCORMACK. What situation would there be if one board decided on rent control and the other did not?

Mr. WOLCOTT. That would be it.

Mr. McCORMACK. Suppose half decided on decontrol and half did not?

Mr. WOLCOTT. That would be the way it would come out.

Mr. McCORMACK. Can the gentleman give us any authority or any law where such a thing as this has ever before happened in the constitutional history of our Government?

Mr. WOLCOTT. Yes, we have delegated authority repeatedly.

Mr. McCORMACK. Delegation of authority is different from this. This is an abdication of authority.

Mr. WOLCOTT. Is there any difference?

Mr. McCORMACK. Yes. When we delegate authority we delegate it to Federal agencies, Federal officials, under the broad policies laid down.

Mr. WOLCOTT. We have delegated to NRA and we have delegated to the Reconstruction Finance Corporation.

Mr. McCORMACK. But in those cases you can go into court and you have the right to appeal.

Mr. WOLCOTT. If the gentleman will allow me, I can inform him of half a dozen of them. We delegated author-

ity to the draft boards. We delegated authority all the way across the board, yet the gentleman claims we should not delegate to a board in a city authority to do its job. The gentleman wants to delegate it to a bureaucrat down here. I cannot go along with the gentleman on that.

Mr. McCORMACK. Does the gentleman compare the situation under the provisions of this bill with the situation in regard to the NRA and the draft boards, in connection with the delegation of powers? The gentleman should remember that astute minds throughout the country will read the record and judge him tomorrow. Does the gentleman mean to say they are the same thing?

Mr. WOLCOTT. I can tell you cases where we have delegated authority to boards. If you give me 10 minutes time I will get information on 25 that we have enacted in the last 3 years.

Mr. McCORMACK. I see that I can get no contribution from my friend.

Mr. WOLCOTT. You mean you cannot get any satisfaction.

Mr. McCORMACK. I will say that I always get satisfaction from a personal angle, both when I meet my friend personally or engage in debate with him on the floor of the House.

Mr. WOLCOTT. I might say to the gentleman that I was being facetious too.

Mr. McCORMACK. I know that. These are the things that make life and membership in this body pleasant.

Mr. Chairman, I yield to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. If the procedure is followed, the findings are properly substantiated. I do not know just how that will happen. But if they follow the procedure, the bill provides that the findings are properly substantiated, although I do not know whether the word "findings" is used or not.

Mr. McCORMACK. The provisions of this bill are so terrible that they cannot be defended. They cannot explain them and cannot even apologize for them, because this is a complete abdication of power. It is not a delegation of power but it is an abdication of power. It is creating another government for the purposes of this law separate and distinct from the Federal or State government. It is a creature of the Federal Government, with separate governmental powers, having no responsibility to either the Federal or State government.

Mr. SPENCE. If the gentleman will look at page 25, he will find that phraseology that if the procedure is followed the findings are appropriately substantiated. Just how that will happen I do not know. I do not know how following that procedure will create substantial justice. That is more than I can understand.

Mr. McCORMACK. That just gives you an idea of what a desperate leadership will lead you into.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. ISACSON. The gentleman from Michigan has said that the local boards would have the theoretical right either to increase or decrease rents. I point out that in the experience of these boards, there were 44 recommendations for blanket increases. Can the gentleman tell me a single instance in which there was recommendation for a decrease?

Mr. McCORMACK. I cannot. If the gentleman from Michigan can answer I will yield to him to answer the question of the gentleman from New York which is a very pointed and pertinent one. The gentleman is silent so we will assume that he has no such knowledge.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. OWENS. I know the gentleman's views are very sound.

Mr. McCORMACK. Does my friend admit that my views are sound?

Mr. OWENS. They are very sound. I would like to know if the gentleman will say that he will vote against this bill as it stands right now.

Mr. McCORMACK. The gentleman wants to know whether I will vote against the bill?

Mr. OWENS. Yes.

Mr. McCORMACK. I am voting against this provision of the bill.

Mr. OWENS. No, I am talking about this bill. Will the gentleman vote against it?

Mr. McCORMACK. Are you opposed to any rent control legislation? Are you?

Mr. OWENS. I am opposed to this bill.

Mr. McCORMACK. Are you opposed to any rent control legislation?

Mr. OWENS. I was permitted to ask the gentleman a question; now will the gentleman answer it?

Mr. McCORMACK. Oh, but I am answering your question by asking you whether you are opposed to any rent control legislation? We know that the gentleman from Ohio [Mr. SMITH] is. We know where Dr. SMITH stands. He is opposed to that. His position is clear, and we admire and respect him for it. There is no devious attempt on his part to ride two horses.

Mr. OWENS. Mr. Chairman, I feel as if I were in the Irish Parliament. Will the gentleman answer the question?

Mr. McCORMACK. What parliament did the gentleman say?

Mr. OWENS. The Irish Parliament.

Mr. McCORMACK. If you were there, you would certainly be in an honorable body.

Mr. OWENS. Will the gentleman answer my question whether he will abdicate or vote against this bill as it is now?

Mr. McCORMACK. The gentleman refers to the bill as it is now?

Mr. OWENS. Yes.

Mr. McCORMACK. If I answer your question, will the gentleman answer my question?

Mr. OWENS. Yes, if you answer my question first.

Mr. McCORMACK. All right. I am going to meet that when I come to it. I am in favor of some kind of control. Now I will ask my friend, does the gentleman oppose rent-control legislation?

Mr. OWENS. I have such respect for the gentleman from Massachusetts that I am afraid I will have to answer the same as he did. I will meet that when the time comes.

Mr. McCORMACK. If that is fair for me it is fair for the gentleman.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I have such an affection for my friend from Ohio for more reasons than one, that I would always yield to him if I only have 30 seconds left.

Mr. SMITH of Ohio. I think the gentleman knows that is reciprocal.

Mr. McCORMACK. Yes.

Mr. SMITH of Ohio. Does the gentleman think there is any point in asking whether these local boards may or may not reduce rents, taking into consideration the enormous rise in other costs?

Mr. McCORMACK. I cannot conceive of any Boards reducing rents. I cannot conceive of that. You see the members of the Board are first appointed upon recommendation of the several Governors. While this is a Federal agency, the Governor recommends, but there is a responsibility there in local Boards on either a Federal or State unit. In the State there are public officials elected. While unusual under present circumstances, I am not stressing that at this particular time. But then we are abdicating this authority. It is not a delegation, it is a complete abdication.

Mr. NICHOLSON. Mr Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman from Massachusetts——

Mr. McCORMACK. I only have a few minutes to pay my respects to my Republican friends, of course.

Mr. NICHOLSON. Well, it is mutual.

Mr. McCORMACK. I mean that I pay my respects to you personally, but the remarks I would like to make will not be addressed to any Republican Member individually, but to the Republican Party as a whole.

Mr. NICHOLSON. I would like to ask what appeal anybody has when the Rent Administrator makes a decision.

Mr. McCORMACK. Does the gentleman mean under the law that existed during the wartime when we effectively controlled rents?

Mr. NICHOLSON. This law, 169, the one we are working on now; the existing law.

Mr. McCORMACK. If a person violates the law they can go to the local rent expediter, the representative of our Housing Expediter, and make complaint, and they can bring suit in the Federal court, as illustrated by these Boston papers, where there was a suit brought where a landlord and his agent gouged about 39 veterans, making them pay above the legal amount, and then making them buy an electric refrigerator, linoleum, and a lot of other things. They can bring suit. In this case they settled the case for $20,000, after going through the gouging process. So there is authority, while the law is in operation, but I

am talking about giving the local boards power to decontrol.

Mr. NICHOLSON. What difference does it make whether it is the local board of five men or a man in Washington if there is not any appeal from either one of the two?

Mr. McCORMACK. Why, of course there is an appeal.

Mr. NICHOLSON. Where?

Mrs. DOUGLAS. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mrs. DOUGLAS. I think what the gentleman is talking about, if the landlord feels that he cannot operate under the rent which he is now obtaining, where can he go for an appeal? If the gentleman from Massachusetts will read what the Expediter said here, what adjustments were made?

Mr. McCORMACK. That is what the gentleman means, but if a local board makes a recommendation it has to go to the Housing Authority for approval or disapproval. If the landlord charges hardship, under the law he can bring appropriate proceedings for consideration of it. Under the present law there is authority, but under the provision to which I am referring and to which I am addressing myself, this gives the local boards complete authority to decontrol rents in whole or in part. That constitutes a complete abdication of congressional authority.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, the discussion thus far is a good demonstration of the degree to which politics is confusing this economic question.

As the gentleman from Ohio [Mr. SMITH] has already pointed out, there is more housing per person in the United States today than there was in 1940 when newspapers all over the country were carrying long lists of ads on apartments and houses for rent.

Here is the outstanding fact about this business. There is more housing per person today than there was in 1940, according to the testimony of the Administrator and his staff at the hearings of the Committee. That data should be reliable, and yet we start every discussion about this problem on the premise of an acute housing shortage.

The shortage is largely the result of maladjustment in the use of housing. We should devote some part of our efforts to finding out what causes those maladjustments in the use of housing. Thus far we have made no progress in that direction. Why?

Largely because rent control, like almost every economic narcotic, is self-perpetuating and self-intensifying. I pointed that out on the floor of this House last June 17. I posed this question:

"What kind of a rental housing problem situation may Congress have on its hands next March?"

Perhaps it does not require a crystal ball to suggest that we might have another housing crisis with both parties scrambling to evade the responsibility for ill-conceived action in June 1947.

I wonder if there are any semblances of that condition on the floor here today.

Some Members have faith that the prvisions of the present bill, plus hoped-for declines in construction costs, will furnish adequate incentive for a large-scale increase in rental housing.

I earnestly hope they are right and that my fears are unwarranted.

However, the substantial financial advantage now enjoyed by those occupying price-frozen rental housing will not be given up quietly. If the consequences of inflation take more effect between now and next March—a prospect that foreign hand-outs seem to almost guarantee—tenants will resist a free market on rents even more vigorously than heretofore. Why? Because their special advantage will be that much greater.

So, Mr. Chairman, if we temporize with this problem now, as the bill seems to do, we may have a much hotter potato in our hands next year—plus an explosive demand for communistic and socialistic housing projects.

Now, I ask you, Mr. Chairman, if that forecast does not pretty well cover the present situation.

Another fact about the present situation to which attention should be directed is the fact that there are more people under rent control now than there were on VJ-day. Yet you hear the claims all the time that we are going to decontrol, and get rid of this problem.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from California.

Mr. FLETCHER. Is it not true that no matter what kind of a law you have it is largely a matter of what kind of administration and what sort of regulations are promulgated that determines its workability? If you allow the Expediter to make regulations which are bad in nature, the best law in the world will be administered poorly and will nullify the intent of the Congress.

Mr. BUFFETT. I agree with the gentleman that this law has been poorly administered. I concluded in my own mind during the hearings that Solomon in all his wisdom could not properly solve the rent control mess that we now have on our hands. I will illustrate:

Last year when the rent control law was passed we told tenants that if they agreed to a rent increase they would have a fixed rent beyond the period of people who did not sign a rent increase. Many tenants signed up for increases. Now, tenants come to me and say: "You fellows passed a law. I agreed to a rent increase in order to protect myself through the year and to be a good citizen. Now I find I was a sucker because I would have been dollars ahead if I had not signed up.

On the other hand, there is the property owner in this situation, the property owners, that are counted on to build new rental houses. Last year we said to the property owners: "If you can make a lease with your tenant, that housing unit will go out from under rent control permanently."

What do we do under the proposed legislation today? We say to those same property owners: "Last June the Congress of the United States made you a solemn pledge. Today the Congress of the United States repudiates that pledge."

Mr. Chairman, I submit that disregarding the moral evil of this action, that certainly is no way to create confidence among the investor classes of this country who must put up the money to supply free-enterprise rental housing.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. There were over 1,600,000 new leases signed under that 15-percent agreement in the last year. Now will the gentleman tell me why, if there was a plentiful supply of housing, those tenants took that protection and agreed to pay 15 percent because they were afraid if rent control would be lifted in the period between March and December the rents would skyrocket? Tell me why that large percentage of people were willing to suffer a 15-percent increase? Why did they bother to accept a 15-percent increase if there was a plentiful supply?

Mr. BUFFETT. Unable to read their minds, I cannot tell the gentleman.

Mr. KENNEDY. I can tell the gentleman. They knew there was a shortage of houses and that when rent controls were lifted rents would skyrocket.

Mr. BUFFETT. That was undoubtedly true in some instances. It might be in other instances the landlords were going to carry out deferred maintenance. It might be that there were some tenants in this country who recognized that the cost of property-owning had gone up, taxes and maintenance had gone up, and that it was fair for them to pay a rent reflecting the changed conditions. I think there are many of that type.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Michigan.

Mr. DONDERO. What percentage of the total tenants of the country would that 1,600,000 be?

Mr. BUFFETT. According to the figures furnished us that percentage of tenants was about 10. But that figure is not an adequate criterion of the number of tenants who would have been willing to pay a 15-percent increase. The Housing Administrator's office has been very hostile to the application of this provision. That hostility prevented its success in a good many cases.

Mr. DONDERO. Is there anything in this bill that gives any relief to the property owners of this country, especially the small property owners, without forcing them to go to a decontrol board or to the Housing Expediter here in Washington.

Mr. BUFFETT. None whatsoever.

Mr. DONDERO. And they need not expect any under this administration?

Mr. BUFFETT. That is correct. Here is the most tragic aspect of this bill. All

over this country the maladjustment of housing has resulted in cruel and heartbreaking situations among those who must depend on rental housing.

There is only one way these folks are going to get permanent relief. That is if those who have savings will invest them in rental housing and provide rental accommodations. But this bill as is provides no confidence for investors to go ahead and build.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. HAYS. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I have been a Democrat a long time, and I have enjoyed it. I never knew until I came to Washington that there was any such thing as a Democrat being against States' rights, but I found that occasionally we find one here. And I never knew there was such a thing as a Republican in favor of States' rights until I came to Washington. Now I am all fouled up.

We have a bill here that many are complaining about because it transfers powers back to the people themselves. Now, I cannot recognize that as a legitimate complaint. Imagine complaining that the people to whom this Government belongs shall be questioned in their ability to pass upon a little local matter, like a rent situation, in their community. To me it is rather shocking. Now, I have been reading the papers every day, and the more I read the papers the less I think of this strong centralized government business. We have seen what it leads to.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from New York.

Mr. LYNCH. Does the gentleman think it is just a mere little local matter for about seven or eight million people in New York to have their rents raised by this so-called rent-control law?

Mr. BARDEN. Let me say to the gentleman that I know very little about New York, and if I never know any more I will be just as happy. But, I want to say this: That if I have a piece of property and through my thrift and my application to my business I saved some money to build that piece of property up, you or no other New Yorker or anybody else has any right to invade my private personal rights under the Constitution, and just because you live in New York, and it happens to be an apartment-house city, then you come down and want the 4-inch tail to wag the 8-foot dog to make all the rest of the country fall in line. And, I want to say this to the gentleman, if you will let the rest of the folks alone and not try to cut the pattern on New York and make the rest of the folks wear the garment, we will be getting along better.

Mr. LYNCH. Mr. Chairman, will the gentleman yield further?

Mr. BARDEN. I yield, but I have a few remarks I would like to make myself.

Mr. LYNCH. I just want to recall to the attention of the gentleman that there have been many times in the past when Members of the House from the South were glad to have Members from New York on the Democratic side.

Let me say further insofar as the gentleman is concerned that we have no intention of trying to wag the rest of the country. What we have in mind is that we would like to have a little consideration from you Representatives from the South who professed to be Democrats at one time.

Mr. BARDEN. Let me tell you something about this professing to be a Democrat.

Mr. LYNCH. We want to know when you ended being a Democrat.

Mr. BARDEN. I want to know when you started. That is the proposition.

Mr. LYNCH. I started in 1894, when I was born. May I ask the gentleman when he became a Democrat, more particularly, when he ended being a Democrat.

Mr. BARDEN. We kept the Democratic Party alive all during its life, all its existence, before we ever heard about New York Democrats.

Mr. LYNCH. You had better read history.

Mr. BARDEN. I do not have to read history. I was raised up in that period. As far as the South needing the northern Democrats, if some of the northern Democrats would get off of us we would get along pretty well.

Mr. LYNCH. Mr. Chairman, will the gentleman yield further?

Mr. BARDEN. No; I do not want to yield any more. Please do not bother me. I am trying to get my blood pressure down now.

Mr. LYNCH. I hope the gentleman is not getting too excited.

Mr. BARDEN. I do not want to hear any more from the gentleman.

I am sorry the "North-South Democrat" came up for discussion. A Democrat should be a Democrat and be proud of it regardless of where he happens to live. As I was saying, Mr. Chairman, I believe in thrift, and I think most of the people in this House believe in thrift, in private enterprise, in a competitive economy, and in private ownership of property. I believe every good American resents any invasion of those rights. I oppose, and I believe every one of you opposes—certainly you should—communism, socialism, or any other invasion of private property rights. Communism or socialism does not arrive all on one train; it arrives in little bits. I for one do not propose to drop one grain of sand upon the sand pile that sooner or later will give us trouble.

Emergencies? Yes; we have been in emergencies. Some large, some small, and some created for convenience. We are now in emergencies, as far as that is concerned, of one kind or another. I have been in an emergency ever since the first note I signed at the bank to buy some lawbooks, and I expect to be in one right on through. But I believe that a certain amount of emergencies tends to make a man strong and keeps him working. It is a little like the theory that a few fleas keep a dog healthy, because they make him take more exercise.

About the only thing that has encouraged home building in this country was the need or necessity, the desire to be thrifty, the love of ownership of a home for one's family, and the desire to own one's own property. Are we going to stifle that? Are we going to adopt as a policy that that should be discouraged just because it may inconvenience somebody or may save money? I cannot go along with the theory that it is O. K. to invade a citizen's property rights, provided it is profitable.

I know there are many minds in this House now that are trying to decide if this is one of those cases when it is right to do wrong. I know that is bothering a lot of folks. They just want to know if this is one of the times when it is right to do wrong.

The war has been over for 3 years, and this is peacetime. During the war everything was out of adjustment and rent control was necessary. But the best thing for us to do and the finest contribution we can make now toward getting things back into adjustment is to get the Government out of these things.

No one would ever believe or advocate seriously that a private home was interstate commerce or anything of that kind, but we know there are a lot of folks that want it to be, so possibly the Federal Government can move in and control it. Some would advocate the Government owning all property. But not this Member.

There are two classes of people to be protected in this thing. The home owners, the property owners, ought to have some rights left, and there are a lot of good people that own homes. There are a lot of men who struggled all through their lives to build a home, and then died and left that home to the widow, the children have moved away and left the widow with no income. So she puts a partition in the house and rents a part of it. That is what she is living on. Then along comes some housing official and takes it over and takes charge. If he wants to give her enough money to keep that house up, all right. If he does not, why, that is her hard luck. That is another class of people that need protection. Of course, the trouble comes from the large apartment houses, some of which are controlled by unscrupulous people. But we cannot afford to abandon private ownership and control of property to remedy this. The cure would be far more disastrous than the disease.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Briefly, if the gentleman will promise not to make me mad again.

Mr. BUFFETT. I gather from the gentleman's discussion that he does not believe a person who furnishes shelter for another is a public enemy, as some gentlemen's attitude on rent control would indicate.

Mr. BARDEN. Of course he is not a public enemy—the vast majority of them are fine substantial citizens—owners of real estate—stock in their Government, if you please. There is not a man in this Chamber who owns his own home who is not proud of that fact. There is just something about owning a home that makes a man feel a little bit better.

There is not a citizen in America who owns his own home who does not feel that he is a better citizen by virtue of that ownership. This Congress has recognized that and has made available money to be borrowed by the people for the purpose of building homes. We have built more homes in the last 4 or 5 years than in the past 20 years. It is a fine thing for the Government to lend money for that purpose. Let me tell you that if this country is ever wrecked—and remember this—if this Government is ever wrecked, it will not be by the home owners of this country.

Mr. HAYS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I am glad that the gentleman from North Carolina has not yet left the floor. I am glad to see him coming down the aisle to have a little talk with me—I hope. I want to tell the gentleman that I will be glad to yield to him even though he did not yield to me on every occasion—I will be glad to yield to him so that he may ask any questions that he will of me. I want to tell the Members of the House, particularly the Republican Members, that it is because of the attitude of a very few Members of my party, as has just been indicated here by the previous speaker, the gentleman from North Carolina, that you can look forward to next November with some degree of hopefulness because it is by reason of such intemperate remarks with respect to the people of large cities such as New York which were uttered by the gentleman from North Carolina that makes the people in those cities feel that the Democratic Party is walking away from the ordinary man. I would recall to the mind of the gentleman from North Carolina that never in the history of this country, since the War Between the States, has any proposition involving economic security come up from below Mason and Dixon's line that the people of New York were not sympathetic with in principle. I recall to the attention of the gentleman from North Carolina that every time anything has come up about tobacco or cotton, soybeans, rural electrification, or anything else having to do with the welfare of the people south of Mason and Dixon's line, the Members of Congress from New York have invariably stood up with the Members from the South in every instance, even against the debatable best interests of the people of their own communities.

We from New York who are Members of Congress look upon our tasks not only from the point of view of localities, but we feel that when we come to Congress we must look beyond localism to the point of Nation-wide benefit for the people of the entire country. Many times legislation has come up, as far as the South is concerned, which we from New York could have voted against, but we did not do it, because we feel there is a strong tie of democracy between us in the North and those in the South. The gentleman from North Carolina may have left the Democratic Party within the past few weeks or months but we in New York stand with the party both in fair weather and in foul. We intend to stand with the Democrats of the South. But, on the other hand, when these matters come up which affect the people of New York City we do not want any Member from the South to say that 7,000,000 people such as we have in New York City is a mere bagatelle that has nothing to do with the rest of the country. We tell the people of North Carolina and the rest of the country that we in New York are just as much Americans as they are.

We tell the rest of the country that we have our problems. We expect a little help now and then, just as we from New York have always given the South. The gentleman has said that there are occasions where a single home owner has a house on which he must raise the rent in order to get a subsistence. There can be no denial to the obvious statement, but we have apartments calling for investments of hundreds of thousands and even millions of dollars, and we say that owning corporations should be limited to the amount of income they can squeeze from the property, especially when there is no other place for the people in those apartment houses to go.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAYS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. Having gotten two additional minutes, I presume the gentleman intends to make inquiry. Is that correct?

Mr. BARDEN. I would be glad to.

Mr. LYNCH. I am not asking you to but if you want to I will yield.

Mr. BARDEN. I would like to say——

Mr. LYNCH. Now, make an inquiry; not a speech.

Mr. BARDEN. The gentleman is making a very inoffensive lecture to me, and ineffective I might say also, but I would like to ask the gentleman this one pointed question: The gentleman I think is a pretty good lawyer. How can the gentleman justify this invasion of private intra-State property rights with a Federal law, in time of peace?

Mr. LYNCH. I think I can answer the gentleman very well. Insofar as the time of peace is concerned, the gentleman is about the only one that I know of who thinks it is a time of peace. It may be a time of peace down in North Carolina where the facts are not known insofar as the history of the world may be concerned, but I can assure the gentleman from North Carolina that insofar as the rest of the country is concerned this is no time of peace. Insofar as the inquiry itself is concerned, I can very well say that this is a national emergency. Everybody but the gentleman from North Carolina [Mr. BARDEN] knows it is a national emergency. If it were not a national emergency the distinguished gentleman from Michigan [Mr. WOLCOTT] who is one of the most respected and one of the ablest Members of the House would not bring in this legislation in any event. But he brings it in on the theory that there is an emergency, even though his legislation does not meet the emergency. Everybody in this House knows there is a national emergency insofar as housing is concerned, except the gentleman from North Carolina [Mr. BARDEN].

The CHAIRMAN. The time of the gentleman from New York again expired.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. OWENS].

Mr. OWENS. Mr. Chairman, at this time I desire to take the opportunity to tell you of something which has occurred in the Seventh District of Illinois. I might also take time to remind you that the Seventh District of Illinois is the largest district in population in the United States, and therefore there are naturally more tenants there, and more landowners, than in any other district in the United States.

Five years ago the constituent about whom I am going to tell you purchased an apartment building—24 apartments—in two separate structures of 12 apartments each, built in a U-shape. They were from three-and-one-half- to five-room apartments, renting from $40 to $50. He no doubt felt that in course of time he would be able to make enough profit to justify his investment, but he reckoned without what was going to take place in the future, because real-estate taxes continued to rise, and repair costs continued to rise, and rent controls remained. As a result of that, just last summer, after the passage of the Rent Act of 1947, he was not able to repair a boiler in one of the two apartment houses. It would have cost $1,800, but he did not have the $1,800 and he was losing money on the building. He notified the tenants that in 60 days they would be privileged to move. They did not move, however. He then permitted them to remain in the building rent-free because he could not repair the boiler. However, he was haled before the Expediter. He was told to repair the boiler, which had been condemned by the city inspector. He could not repair it. He was ordered to go ahead and heat the property. The janitor refused to heat it because it might violate the rules of the union, which forbade him to fire a boiler which was condemned. The owner tried to heat it himself but after a week he gave up because he was afraid the boiler would explode.

He was then brought before the court under section 204, that section of the law with respect to excessive rents, although that section did not have anything to do with his problem. Nevertheless, the court told him to go ahead and repair the boiler. He said he could not do it, that he did not have any money. He was then brought up on a contempt citation, on a rule to show cause why he should not be held in contempt of court for failure to repair the boiler. He was not permitted, however, to say anything about the fact that he did not have any money and that he had lost money on the building; it was just a question of repairing the boiler or not

repairing the boiler, and he was committed to jail, and not even permitted to be released on bond pending the appeal; even gangsters are not treated like that.

His wife, as joint owner, was also found guilty of the charge, but she was not committed to jail. The police even broke the door of her home where she lay sick, but they did not obtain entrance. She is almost insane with grief at the present time.

About that time, in another court of the same district, where a similar case was brought by the Expediter, the judge refused the request of the Expediter. You may say it is a question of administration, or a question of procedure. No; it is not. We passed the law and the justice or injustice of the law rests upon our heads in Congress. The only basis on which we have to justify such a law as this is section 8 of article I of the Constitution of the United States, which reads:

> The Congress shall have power * * * to provide for the common defense and general welfare of the United States * * * and to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

Section 10 of Article I provides that no State shall pass any law impairing the obligation of contracts. Inasmuch as article IX of the amendments to the Constitution provides that the enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people, then there certainly is a question whether the Federal Government can pass and enforce a law which impairs the obligation of a contract. Certainly, an owner of private property would have a right to the return of his property at the time of the termination of a contract. The only possible reason for a contrary determination might be when an emergency arises such as occurs when a nation is at war.

Certainly we have to admit that during time of war Congress has certain extraordinary powers. It has the power to control machinery, food, housing, and other articles or commodities, because they might be in short supply during such a period. But now the war is over; and it has been over for 3 years. The Supreme Court recently said in an action that was brought with respect to a test of the rent law that under this power the Expediter could proceed because we are still technically in a state of war. We might be technically in a state of war, but do we have to disregard the Constitution and amendments thereto? In that case a question of excessive rent was truly involved, and no person's liberty was at stake.

The Constitution says that the Congress shall not under any circumstances pass a law whereby a person will be deprived of his life or property or his liberty without due process of law. It is also provided that no private property shall be taken for public use without just compensation. In a case of this kind what has been done? If that property were for public use, those making public use of it should be paying for that use. We might concede that it could be taken from him for that use if the emergency were great enough. Under no circumstances, however, should any citizen of the United States owning property be deprived of his liberty because he has no money with which to repair the property under an order of court pursuant to the law in question.

Is that depriving one of his life, liberty, or property without due process of law? It is, because when a man is committed to jail he has the right to a trial by his peers in matters of that kind. A person should not be committed, perhaps for the rest of his life, for failure to follow the order of a court when it is impossible for him to do so, even when he is at liberty. And that is what could happen here if it were carried to its logical conclusion.

Are we going to continue in this way? Is this going on indefinitely? Are we going to take one segment of our population, separate it from the rest, where some people can deal in food or machinery or in housing supplies or any other commodity, and be able to charge what they want, make what they want, and from that first segment of our population take from them the power to make a profit or to make a living, and even place them in jail? It is inconceivable. It is un-American.

Last year I stated almost the same thing as was stated by the gentleman from Nebraska [Mr. BUFFETT] today, when he mentioned the fact that he prophesied what would take place. I said almost the same thing on the floor of this House at that time. I stated:

> It is true I may be placing my head on the political block because I have more tenants in my district than any district in the United States, but if I have to come back to the Congress on the basis of supporting a law of this type I would just as soon remain at home.

I say the same thing again. We came down here to the Eightieth Congress to do a job for the people. We came here to reduce the expenditures of government, to balance the budget, to reduce the number of bureaus and the bureaucratic waste that has been taking place in recent years, to reduce the taxes of the people of the United States, and to be fair to all people with respect to matters affecting management and labor, and also to take care of the veterans. However, we are continuing to pass this so-called New Deal legislation, this bureaucrat-controlled legislation which regiments the lives of all the people of our country to the extent even that it is possible to send them to jail without their being given the opportunity to defend themselves as our people defended themselves in 1776. We fought against a dictatorship at that time. We fought against unjust taxes. But what are we doing now? We are taxing our people 10 to 25 times the amount they were taxed at that time, telling them what they must do with their private property, and putting them in jail for failure to comply.

Mr. Chairman, I submit that it is time that we awaken. It is time that we began to protect the liberties of the people of this country. When this bill is up for passage, I say to the gentleman from Illinois [Mr. SABATH] and the gentleman from Massachusetts [Mr. MCCORMACK], who refused to say what they would do after they had attacked the bill on the floor—I say I shall vote against it. I shall work to free the people of this country from legislation of this type, and pray that we shall never again have to resort to such tactics in the name of a free and sovereign people.

Mr. HAYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, it is most doubtful whether section 1 (b) of the Housing and Rent Act of 1947 should ever have been included in the law. Under that Housing Act practically all controls on building materials were removed. However, under section 1 (b) authority was given to the Housing Expediter to require a permit for construction of amusement and recreational facilities and the power to deny or permit such construction. This subsection is, on the face of it, most discriminatory. The bill itself removes controls as to practically all construction with the exception of recreational and amusement facilities. This constitutes a discrimination against one type of construction.

If any bill is passed to extend rent controls in the Housing and Rent Act of 1947, section 1 (b) should be eliminated from the law. If it is not eliminated, the provision should be so amended as to permit construction of recreational and amusement facilities, without any control, when those facilities are to be constructed by nonprofit associations and are to be operated for the benefit of the members of the association, rather than for commercial profit.

In these trying times, recreation and amusement are essential to our people. This is especially true when the recreation and amusement are available because of membership in some club or association.

In my district, there are a number of such clubs which have been in existence for many years and which have rendered outstanding service to the membership and to the community at large. I wish to refer at this time to only two, the Hermann Sons and Turner Club. There are many more, but I mention these two because of what I will say later. They are old-established organizations. They are a meeting and recreational place for the members of the clubs and their families. The result has been through the years that parents and their children have gathered regularly at these clubs and have engaged in wholesome amusements and recreation with the family group participating. Nothing could be of more advantage to our society and way of life than the promotion of family-group recreation. Those who are so much concerned about juvenile delinquency in these days could take heart in attending functions of these organizations and others like them. There they would see mothers and fathers and their

teen-age and older sons and daughters engaged in bowling contests and other forms of wholesome amusement. The sons of these families went off to war and most of them have now returned.

There has also been an increase in population in the community. The existing facilities of the clubs are not sufficient to accommodate the increased membership. The breaking of the home ties of these young men was a serious matter for our social structure. It is equally important that these young men who have been away from home go back into the family group and continue under the benevolent influence of the groups to which they belonged.

However, both of these clubs made application to the Housing Expediter for expansion of their bowling facilities and other recreational facilities within their clubhouses. The applications pointed out in detail that they were nonprofit organizations, social and fraternal clubs. It was made clear that it was not intended to operate the expanded facilities for profit but for the physical and mental welfare of the members who would have access to these facilities. In each instance the application was denied by the Housing Expediter, and the wholesome influence sought has been lost to them.

The hearings on the present bill indicate that the Housing Expediter has had difficulty in administering this subsection. The hearings also disclose that recreational facilities constitute not more than 6 percent of the total construction industry. Surely such a small percentage constitutes no impact upon the program providing housing for veterans and other citizens.

In the Senate it was proposed to amend section 1 (b) by removing from control any structure or facility to be operated by an educational institution or church or baseball parks and football stadia, whether or not constructed or operated by private interests, which will be made available on a part-time or time-to-time basis for the use of schools, churches, youth movements, or other community or public-welfare projects. The procedure followed in the Senate indicates the impossibility of continuing section 1 (b) because it is not possible to detail each character of recreational facility which is to the welfare of various groups of the people. The only solution for the problem is to remove that subsection from any law which may be passed, so that all recreational facilities may be constructed. However, should that feature not prevail, and section 1 (b) be retained, I hope that the bill will further enlarge the exemption to include recreational facilities constructed by nonprofit associations for the accommodation of the membership of such associations, and not operated for profit.

Mr. HAYS. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. ISACSON].

Mr. ISACSON. Mr. Chairman, there are two questions that seem to me to be before us. The first is whether we have in this country today such an emergency as demands effective rent control, and the second question is: Is the present bill under consideration a rent control bill or a rent decontrol bill?

As far as the first question is concerned, certainly there can be very little doubt about the need for adequate housing, about the fact that less than 1 percent of vacancies exist today when, in 1939, an average year, there were 9 percent vacancies. Certainly, if some of the gentlemen would come into the New York area and see thousands of veterans living with their families in Quonset huts, huts which have had their ceilings separated from the walls so that the rain and the snow enters the building, huts situated on swampland where large, giant rats have bitten children, huts in such a deplorable condition that only several weeks ago one child died of exposure while sleeping in her crib and several other children are now in New York hospitals, there would be no real doubt but that we are still in an emergency situation, an emergency which existed not by virtue of the fact that there was a war prevailing, but an emergency which exists by virtue of the fact that today in this country over one-half of the people are ill-housed, many families herded together with other families in the same apartments. If we concede that there is a need for real rent control, then the question arises: What of the bill under consideration? Does it give us effective rent control? Well, as a matter of fact, this bill does not give us effective rent control. The fact is that in 1947 the door was opened to decontrol. In 1947 the act provided for the so-called voluntary 15 percent rent increase which actually originated in a resolution passed by the National Association of Real Estate Boards in their Atlantic City Convention of 1947. This 15 percent voluntary clause makes it possible for a landlord to make an ex parte application, if you will, to the Housing Expediter. The tenant does not examine the books of the landlord. The landlord presents his own facts and figures. A great number of those applications have been granted. As a matter of fact, the index of the Bureau of Labor Statistics shows that rents have increased at an annual rate of 13 percent since last June, and that the rise in rents in the past 7 months has been greater than the increase over the previous 8 years. It also shows that under the 1947 clause some 3,000,000 housing accommodations have been decontrolled and that there were more than 65 percent evictions in 1947 compared to 1946.

Now, let there be no tears shed for the poor landlords in this House. The landlord has his remedy. The trouble with the clause was that the tenant, until now, has not been able to go before the Housing Administrator and obtain an examination, before hearing, of the landlord's figures so that the tenant might adequately counter with arguments to defeat the application of the landlord. What is proposed today is that even the small refuge that a tenant has, the ability to have an administrator look over the findings of his local advisory board, is denied him.

Let no one suppose that we in the State of New York are not frightened by this decontrol act. It has been said to us that we have in New York State a rent-control law. Let me point out that under the New York State law, if under the Federal local advisory boards the rent is increased in the State of New York in any area, the State law is no protection. The bill we introduced in the New York State legislature to provide such protection was killed, and the present New York State rent control law merely says that the levels which prevail under the Federal law shall then become statewide levels. This means that the New York State law does not go into operation as long as there is a Federal rent-control law, however much the rent ceilings may be modified. So that if rent ceilings are raised by 25 or 50 percent the New York State law will not be any protection. It is only when all Federal controls are off that the New York State law comes into operation. I feel very sad when I tell you that even then the New York State law has so many loopholes that the New York State Administrator can lift those ceilings 25 or 50 percent as he may deem advisable in his opinion.

I think under all these circumstances we here in Congress have a duty to see to it that the rent-control law is extended for yet another year without this amendment, which is emasculatory in nature.

Mr. HAYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, the present bill under consideration for the extension of rent control should offer every protection to the millions of tenants throughout America who are already suffering from the present drastic high cost of living. I fully realize that a great many Members of Congress who come from rural areas cannot vision the great difficulties that wage earners in metropolitan or industrial communities are now undergoing in order to stretch their pay check each month to supply their families with the meager necessities of life. We are still in a war emergency as far as our economy is concerned. Economically, the wage earners of the country are in a more disadvantageous position than they were during the war. When price controls were lifted a year ago last June, the necessities of life immediately sky-rocketed. On the average, the cost of living for the family who buys all their groceries and meats at the retail stores, has gone up almost 25 percent since June 1946. The amendment which has been submitted for consideration to revert rent control back to local boards in various communities, would add confusion, turmoil, and be almost as serviceable as no rent control at all. Rent control must have a national pattern so that injustices will not be inflicted either upon the tenant or the landlord in the various communities. Wherever hardships are existing from the standpoint of the landlord, if his complaint is justified, he can have equitable adjustments under the present national rent-control law.

I have received numerous letters and complaints from tenants in hotels and apartment houses throughout the Chicago area which includes the Calumet region of Indiana, that rentals have been raised several times since this Congress relaxed on rent control during the last session. In a great number of apartment houses and hotels, the landlords have taken an unfair and unwarranted advantage of the present critical housing situation. Objection to the extension of rent control has been offered because the war is over. That objection does not hold for the reason that our cost of living emergency exists today and is just as critical as during the war period.

Let us pass an effective law, extending rent control to protect the millions of tenants throughout America during this housing emergency.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, there appears to be a good deal of agreement that the reason for an extension of rent control is that the war emergency in housing and, therefore, the inadequacy of homes for rent still continues with us. There appears, also, to be a good deal of agreement on one other point, that the base for rent control must be, one, the protection of one's individual community, and, two, the interests of the country. In New York, although we have the State law, it will not take effect unless there is no Federal law. While the Federal law is in effect, we are just as much under the Federal law as anyone else. Therefore, we will be just as much damaged as tenants elsewhere by rent increases or other actions by the local advisory boards called for under this bill, from which there is no appeal.

Now, as to the interests of the country, we must recognize that rents being between 20 and 30 percent of the average family's budget, if they go out of sight and we begin to get 50- and 100-percent rent increases we will accelerate the spiral of inflation which has already raised the cost of living well over 60 percent compared with prewar, and bring about labor strife and increases substantially again, of the whole cost of living. The spiral will start a new rise with renewed strength.

There is one misconception about this housing situation that must be cleared up if we are to have a proper rent-control bill. The last time we had a rent-control bill we were told it was just a bridge, just a transition between a period of scarcity of housing and a period of plenty. Those of us who took the floor here and said that the housing construction figures demonstrated clearly that we were in a housing shortage, unless we took war emergency action, not for a year but for from 3 to 5 years have been found justified by time. We have to examine the present law, therefore, not from the point of view of its being again a bridge between a period of control and a period of decontrol, but as representing legislation which is very likely to carry along for from 3 to 5 years. I believe, indeed, that we should pass a bill for full Federal rent control right now to June 30, 1950, as we are going to need rent control for not less than 3 and, as a reasonable estimate, perhaps for as much as 5 years.

An examination of the bill before us, in the light of those considerations shows that it falls far short of the need. Aside from providing for only a 1-year extension, these inadequacies are, first, the question of the local advisory boards with reference to which I think we are adopting an unheard-of procedure. Here is a board composed of lay citizens enabled to make a decision to increase rents or to decontrol an area or to make some other major change in the whole system of rent control without any right of appeal by tenants. When the chairman of the Committee on Banking and Currency spoke on the floor this morning I asked him whether or not, even in the case of the wartime draft boards which are rather analogous to the local rent-advisory boards, there was not a right of appeal. Obviously there was; there should be here, at least an appeal and the right to make the final decision should be, as it is now, in the Housing Expediter, a high Federal Government official who knows the whole situation and is sufficiently removed from local influences. That is the least that the people should have.

Second, I believe that tenants are not adequately protected under this bill with respect to the maintenance of their apartments. In New York City there has arisen a very vicious practice to hold up tenants almost at pistol point, and refuse to paint or redecorate premises, to refuse to do plumbing, or other repairs unless the tenant signed one of these 15-percent "voluntary" rent increases. Obviously, it is not voluntary if it is made a condition precedent to giving the tenant decent maintenance of his home.

Third, we have to tighten up on evictions. The eviction provisions of this bill are much too easy. They provide that not only can the landlord get the tenant out if he wants the premises himself, but also that the landlord may put the tenant out if any member of his immediate family wants the premises and that is regardless of whether or not that person moved out of some other housing accommodations just to take this particular place. Certainly we want to keep existing tenants in occupancy. If a landlord or members of his family have an existing home they certainly should not be permitted to buy a new apartment building or a new home and oust the existing tenant; yet, this bill permits just that.

Finally, I think we are very weak on penalties in this bill for violations of the rent-control law. If we are going to have rent control we want it obeyed and we want it enforced. We ought to show that we mean what we say when we pass the statute. Hence, I believe we must give the Administrator at least the powers of enforcement contained in the Senate bill and we have to make a violation of the bill distinctly an unlawful act.

Certain amendments to carry out some of these proposals are as follows:

Page 17, line 20, after section 2, strike out the sentence and insert "Section 1 (b) 1 of the Housing and Rent Act of 1947 is hereby amended by adding before the period at the end thereof a colon and the following: '*Provided*, That such permit may also be required as a condition of constructing any building or facilities for commercial purposes, whenever the Housing Expediter determines that in any geographic area there is a shortage, or there is likely to be a shortage of building material or labor for use in such commercial construction, which will materially interfere with the construction of necessary residential housing which would then otherwise be constructed in such area.'"

Page 20, line 5, after the word "inequities" and the comma add the following: "or to compensate tenant for failure of landlord to duly maintain any controlled housing accommodations."

Page 29, line 24, insert a comma and add before the period "and such longer period not exceeding an additional 120 days as may be granted in its discretion by the court having jurisdiction to issue a judgment of eviction in respect to such housing accommodations."

I would like to add one other thing about housing. The committee says in its report that we have doubled the number of houses constructed in 1947 over 1946, and that sounds fine—except when it is compared to the need. When we recognize that there are two and a half million families, mainly those of veterans, still living doubled up in this country, and when you see the enormous demonstration of the demand by veterans for housing of a national veterans' housing conference, such as the gentleman from Massachusetts [Mr. KENNEDY] and I joined in sponsoring here only 2 weeks ago, where the veterans were demanding a comprehensive national program for housing as contained in the Taft-Ellender-Wagner bill, you realize how acute that problem is.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOLCOTT. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. JAVITS. May I ask the chairman of the Committee on Banking and Currency a particular question with respect to this report as it bears on the matter of housing? The chairman notes in his report that the committee expects to bring in a bill to extend title VI of the National Housing Act, under which the major amount of construction, that is, new construction, for veterans is taking place. May I ask the chairman two questions on that? One, how soon is that expected to be brought in, and two, will it give the FHA adequate additional insurability authorization, so that builders throughout the country may be reassured in going forward with many projects for veterans' housing. I understand, for example, that current applications that is immediately before the time limit expired, so far as the FHA is concerned, were running at the rate of as much as $400,000,000 a week. I realize that was a pent-up demand, but I understand that the going demand for FHA title VI mortgage guarantees was about $50,000,000 a week.

Will the chairman give us information on that point?

Mr. WOLCOTT. This morning we started hearings on the continuance of title VI, after I had had consultations with Mr. Raymond Foley, Administrator of the Housing and Home Finance Agency. The bill on which we have started hearings and which was introduced by me this afternoon embraces in general the language which he suggested. We will continue our hearings tomorrow or until we finish. We hope to finish tomorrow or the next day at the latest. I think I can give the gentleman reasonable assurance that that bill will be reported out of the Committee on Banking and Currency sometime this week. It will give the FHA sufficient money to carry them for a full year at the speed at which they were insuring this last year.

Mr. JAVITS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York [Mr. JAVITS] has again expired.

Mr. HAYS. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, my principal objection to this so-called rent-control bill—or rent-decontrol bill—is that it tries to be all things to all men. I think Congress is trying in some way or other to duck the responsibility we have as legislators, to stand up and be counted on whether we really want effective rent control or not.

I have a great deal of respect for my colleague the gentleman from Ohio, Dr. SMITH, who is adamant against the continuation of rent control. I have respect for any man who is willing to make his position clear that he does not want rent control.

But I do not like the processes in this bill. It is so similar to that tragedy exhibited in the last two OPA bills. Instead of killing OPA outright, instead of saying, "We are against price control from now on," it was hedged with whereases and notwithstandings and all of those weasel words. It did, by indirection, sound the death knell of price control.

FOLLOW OPA PATTERN

You follow the same identical pattern that you set when the House wrote the emasculated price-control bills. These evasive whereases in this rent-control bill will result in skyrocketing rental rates the same as they did in skyrocketing the cost of living.

This bill is merely trying to pass on this "hot potato" of rent control to some other guy down the line. I think we ought to be sporting enough about it, that if we do not like rent control we would write a bill—I would much prefer to see that type of bill—saying that we would not have rent control in each gentleman's area where the Member representing it would propose decontrol.

Thus the people in those areas at election time could express through their democratic processes, whether the representative had represented them correctly or not.

DELEGATION OF OUR RESPONSIBILITY

But you are not being sportsmen about it at all. You are passing on to a board composed of Tom, Dick, and Harry, suspended somewhere between Federal and State governments; a so-called advisory board. You give them life-and-death power over the two most important factors of rent control. These are: Will rent control in that area be continued, which means will millions be subject to early eviction from the homes they now have if the landlord so wills; or will those tenants be compelled to pay 10, 15, 25, or 50 percent more rent, at the decision of this sort of new type supreme court on rents for each local area.

CANNOT PLACE RESPONSIBILITY

The people whose rents are raised cannot blame this board of citizens. They were appointed by the governor. But the governor is not responsible for them. They are nominated by the governor but they are mandatorily appointed by the Rent Administrator, who has no right to veto or turn down any of the nominations that are placed on his desk.

I think it is a clear evasion of our responsibility as legislators and I think we are passing on this sweeping delegation of our responsibility to people too far removed from the processes of democracy so that they can do anything about it.

Let me illustrate. I do not think I am violating the confidence of the committee to say that an amendment was proposed as one of the conditions precedent to this decontrol or across-the-board increases of 10, 25, or 50 percent in local rents. This amendment provided that it had to be approved by the Rent Administrator if the local municipal governing body had approved the advisorys board's recommendation. This was an effort to try to put at least some democratic responsibility on someone who is elected and responsible to the people.

COURSE IS DANGEROUS

That was voted down in the committee. I think we were following a very dangerous course from the democratic standpoint, not only as legislators, but to our system of government to make such sweeping delegations of our power.

Bear in mind you do not even change the name of these boards, they are still called advisory boards. They were appointed to be advisory boards and, bless your heart, they have been just advisory boards. The advice of these local boards were properly substantiated by the findings of the review authorities in government, were approved in a great many cases; but now we open the door wide and we say: "You are going to approve all of them, regardless of facts or local conditions; you do not have any choice in the matter." This is more vicious by far than delegating rent controls to 48 States.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Arkansas.

Mr. HAYS. The fact that we have in the United States at least 19 communities that straddle State lines confirms the difficulty of administering this kind of program, does it not?

Mr. MONRONEY. Exactly.

Mr. HAYS. Suppose, for example, a board with authority in Bristol, Va., should make one determination, but the Board in Briston, Tenn., should make another. Would there be any way in the world to meet that situation as the bill now stands?

Mr. MONRONEY. Absolutely not. There could be just as many determinations as there are boards.

Mr. HAYS. A like situation could develop at Texarkana, between Arkansas and Texas, and again in the case of New York City there would be decisions by the boards of three States, although actually it is only one area that is considering the one problem of housing.

Mr. MONRONEY. Unless they already have a joint board.

Mr. HAYS. Under the authority of this bill, they would have boards from three different jurisdictions ruling on the same question.

Mr. MONRONEY. And no provision for any interstate administration of these controls.

Mr. GAMBLE. I wonder if the gentleman from Arkansas could tell us whether in such a circumstance these two boards would have any authority to coordinate their determinations.

Mr. MONRONEY. There would be two separate boards in Texarkana.

NOW PROVIDES UNIFORMITY

Mr. HAYS. Under present law the Expediter has authority, of course, to coordinate those determinations so you get uniformity. Under the bill as now constituted that would have been, of course, discarded, and unless the amendment to be offered by the gentleman from Oklahoma is adopted, there would be no way in the world to provide for a community approach to a problem where you have State lines separating the community.

Mr. MONRONEY. I thank the gentleman very much. The gentleman has raised a very important deficiency of this bill. The bill, instead of turning rent control back to the States and giving us 48 different approaches to and policies on rent centrol, now makes it 665 different policies because we have that many boards.

SIX HUNDRED AND SIXTY-FIVE DIFFERENT STANDARDS

This makes it possible for 665 different standards—different qualifications or determinations on what happens to people's rents.

Bear in mind if you have State control you would have to have the men who administer this State control approved by the State senates. In my State a man can hardly be a chief clerk on the board of affairs, to determine the purchase of groceries in the penitentiary, without being confirmed by the State senate. Yet this bill provides that people confirmed by absolutely no one, nominated by a governor but with no responsibility to him and appointed mandatorily by the Federal Rent Administrator,

must create this suspended animation of a "supreme court on rents" for these 665 defense-rental areas.

I do not believe that that is the proper way for this House to legislate.

PROPERTY OWNERS ORGANIZED

I wonder if any of you have ever followed the proceedings on these rent hearings? I have. The landlord comes in, the real-estate boards come in, your business groups come in with very fine attorneys, with statisticians, with witnesses who claim to be tenants, and they can organize and make a very, very outstanding case in behalf of the landlords. They have the organization and they have the money to put their very best foot forward. That is true of the hearings before the local boards. If you attend the hearings before congressional committees, you cannot help but recognize that the landlords are adequately represented, but the tenants are without spokesmen except their duly elected representatives.

TENANTS POORLY REPRESENTED

You have many days of this testimony, with statistics and with figures by the landlords. Then you call for the tenants' testimony. They are unorganized. You get a poor tenant who is more anxious to tell you about not getting enough heat from his landlord or about difficulty over the use of the back porch.

You have no way to present to these advisory boards the genuine facts involved. Perhaps the labor unions come down, and they have in some cases represented the tenants.

Then what do you get? A very bitter antilabor attack because the labor unions, finding no one else qualified and able to represent the tenants, have merely come down to say a few words on behalf of the workingman who must pay his rent to a landlord.

NO REAL EVIDENCE RULES

What evidence are you going to base this on? There is nothing in this bill that says witnesses must be sworn, that they must be qualified, that they must say whom they represent. Goodness knows, we do not know whom the men on the board itself will represent, because under the language of this bill you could have two landlords and two tenants, and maybe a third, fourth, or fifth guy named Joe sitting there to make this important determination with reference to thousands of rent ceilings.

REPUBLICAN RESPONSIBILITY

Let me tell you what one of the principal effects of this bill is going to be, that you gentlemen on the Republican side of the aisle who must accept responsibility for this bill should realize Congress was criticized for writing in a 15-percent voluntary increase where the tenant was willing to agree on a voluntary basis of accepting a 15-percent increase for a year's extension of his lease. It was about 11 months between the time that the rent control act expired and the lease would expire.

Today, Mr. Chairman, this bill would hold a blackjack over the heads of the tenants. He cannot be sure he is going to have rent control for the 12 months, which is provided in the first part of the bill, because it gallops off in all directions.

Tomorrow night or the next night or a week from now, the local rent-control board might decide to decontrol his rent or raise it 30, 40, or 50 percent without review by anybody.

So the wise, smart, prudent tenant should go to his landlord and plead for only a 15-percent voluntary rent increase so that he will be sure of having a roof over his head for some definite period of time. I do not believe that kind of coercion and compulsion as provided by this type of mechanism, for automatic decontrol is what we want.

What will the boards do? That question has been asked. If you want to find out what the boards will do, find out what they have recommended thus far. If you want to find out how many rent increases these boards have ordered, look up the record. I do not think anyone will find in the record any rent decreases by these local boards.

The fact is that the local boards have recommended in 41 cases decontrol of their area. Those have not been idly received or casually pushed aside by the Rent Administrator or Expediter. He has granted 17 out of these 41, due to the fact that they were backed up by facts. I think that is a pretty good performance record when you have a batting average of almost 50 percent following the recommendations.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAYS. Mr. Chairman, I yield the gentleman five additional minutes.

EXPEDITER DECONTROLLED 72 AREAS

Mr. MONRONEY. Mr. Chairman, what is more important when you are shouting and worrying about this vast Federal bureaucracy keeping these landlords under the rent-control system is that 72 additional areas not recommended by the local boards have been ordered decontrolled by the Housing Expediter in Washington. I think that is a pretty good performance record.

Forty-four of these local boards have recommended blanket rent increases, some of them running as high as 50 percent in some areas. Of these 44 recommended, 7 have been approved and 28 have been rejected.

RAISES RECOMMENDED UP TO 50 PERCENT

There are such places as Chicago where the local boards have recommended a 15-percent increase; other places where they go as high as 25 and 50 percent; and if it had not been for the right of review by the Federal Expediter, which in this bill is denied, those people would be paying those high rents today without any appeal to anybody. This extra rental cost would occur despite the record-breaking high cost of groceries and other things that have been brought on, I feel, by the scuttling of OPA by inadequate bills of the past that this Congress has enacted.

I think there is a way to arrive at a solution, but I do not think it is in the broad decontrol provisions contained in this bill. I think millions of people are going to be hurt and hundreds of thousands, if not millions, are going to have their rents increased by 15 to 25 percent at a time when their other costs of living have reached an all-time high.

HARDSHIP ADJUSTMENTS PROPER

I agree completely with that provision of this bill, and I would be willing to make it stronger to give, to the local boards, these boards that we are setting up in this bill again, the unquestioned right to make individual hardship adjustments.

If there is failure in the OPA, in the rent administration of the rent control, it has been the failure to reach in and pick out these cases where hardship adjustments really should be made. The rent-control administrators are greatly to blame for their failure to have hearings and bring about an examination of these genuine hardship cases.

BLANKET INCREASES INADEQUATE

But, gentlemen, it is not in any granting of 15-percent across-the-board increase. Under that, the widow woman with the $20-a-month-rental house will get only $3-a-month increase, but the man who is renting for $100 a month gets a $15-a-month increase. I do not think his hardship is generally as great as the woman renting that $20-a-month house.

I think there is a difference of opinion here, and maybe we have not looked at this thing correctly in the face. One side looks at these 14,000,000 housing units that are under control as a commercial investment. There they stand with their walls, with foundations and with roofs; so many rooms, so many hard bricks and mortar of commercial investment.

And, on the other side they are wondering about the little people in these United States, 50,000,000 of them, who live in these houses.

We talk a lot about the great American home. Not everybody, unfortunately, can own a home of his own; not everybody can feel financially secure enough to live in the Waldorf or the Shoreham if he finds himself evicted from an apartment renting for $20 to $25 to $30 a month.

ISSUE OF HUMAN RIGHTS

So, the issue, I believe, is as old as the issue between property rights and human rights. Those of us who look at this as a bad bill feel that these millions of homes under rent control are not merely bits of mortar and cement and walls and roofs. We look on them as homes in which American families are being raised, from which homes in distant years will come the men who will carry on this great democracy of ours.

You can create chaos, gentlemen, by making a mistake on this bill. It will be too late to rectify, because this is a time bomb. This delegation of this sweeping broad power to men we do not know, and who have responsibility to no one, to decontrol vast areas or to grant these "across the board" increases will probably occur after the Congress is out of

session and there will be no time to correct the damage. Yet, the people who will be affected, the people who will find they must take out of their living standards enough money to meet these new and higher rents, in order to justify greater earnings on these commercial investments, will have no one to appeal to. Perhaps maybe in November they will figure out who is responsible for this reckless legislation.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. Chairman, the remarks last Thursday of Congressman HINSHAW, the distinguished vice chairman of our congressional Aviation Policy Board, were enlightening and stimulating. We needed to be reminded of the deplorable aviation outlook our Nation faces. Mr. HINSHAW, one of our best-informed colleagues on aviation, in a clear and unmistakable fashion told us of the importance of appropriating the funds necessary to maintain the world's greatest air force.

The Aviation Policy Board's report reminds us of the shocking fact that this Nation has sacrificed her leadership in air power.

We Members of Congress were, and are, aware of the fact. But there are so many crises in the world today, and we are no different from ordinary men. We have faced up to one crisis after another, ever since December 7, 1941. Repeated blows have a deadening effect. Pretty soon it gets so you do not feel them. You say, "Yes, this is a very important subject;" and "Yes, it may be there is a crisis in air power, but how about this other crisis over here?" Familiarity breeds contempt even for fear. I want to talk about air power today; but not with any intent of frightening you. I simply want to cite facts as I have been able to gather them. And then I want to submit a single conclusion: If the state of our air power is in crisis, as I believe it to be, if what I tell you is true, then the conclusion inevitably follows: The most important factor in correcting a bad, a possibly fatal, situation is time. We cannot appropriate time. We can do one of two things with time. We can save it. Or, we can waste it.

Now to clear out the underbrush, let us restate some simple and undisputed facts.

Fact No. 1: The atomic bomb certainly is the most powerful of all weapons, but it is conclusively powerful and effective only in the hands of the nation which controls the sky.

Fact No. 2: If the time comes when that bomb must be used, a great aerial war must ensue between attackers and defenders. It will be a costly war in terms of aircraft and in terms of human life.

Fact No. 3: We have allowed air leadership to slip away from us. To regain that leadership requires two things: Money, which I know the people of America are willing to lend to this purpose, and time which none of us have to give but which all of us can throw away.

Why does it take time? Why is time so important?

To build air superiority, many things are essential. One of them is research. Uneasing, never-ending research. Leadership in research cannot be gained by writing a law declaring it a national policy. Research means first, adequate funds; then it means providing necessary scientists and skilled workmen; and then it means time, endless months of work, of trial and error, of following blind trails. One expert says it will take 6 years to develop the first supersonic pilotless plane. After those 6 years what do you have? A fleet? No. You have one craft. After that craft has been built, more months must pass while factories are retooled for its production.

I wish I could say to you that we can move faster than that. But I am no industrial or scientific expert. I must take the word of the experts. And they are stubborn. They say, regardless of the amount of money available, you cannot shorten those periods of time.

Suppose we develop a radically new type of aircraft in 1 year, or 2 years, or 3. And that is cutting down by one-half the time allotted by the experts. We have our one pilot-plant model. What then?

Man has no yardstick for the future excepting the past. In 1940, President Roosevelt gave the go-ahead signal for aircraft production. Not until the spring of 1945—all the industrial might of America was poured into the effort, but not until the spring of 1945—was peak production reached. The world has never before seen such a tremendous expansion of any single industry. The greatest industrial nation this earth has ever known took five long years to turn out the aircraft in the needed numbers to win a war. And mark this fact; don't ever forget this fact: That expansion took place, that record was set, under ideal conditions. No bombs were dropped upon our factories, gentlemen. Not one single small bomb. Because others held the line for us and appropriated to us that one thing we most vitally needed—that one thing we have to have—time.

Oh, yes; with the know-how we won at such a tremendous price in another war, the experts say we may lop a few months off that 5-year schedule. They will give us a few months back. And as for me, I do not want to use up those extra few months in wrangling on the floor of this Congress. I want no more blood on my hands than I can already see there because we have allowed our air power to slip away from us.

Is it figures you want? Statistics? I have them, too. Furnished to me by Mr. Symington. You all know who Mr. Symington is. He is the man who wakes after nightmares to wonder what aggressor nation will be so kind to us as to give us the time we need. He has seen war at first-hand, in all its horror. The Secretory for Air is working at his job. He has traveled all over this war-torn world, so he will know first-hand what it means when a bomb drops from the air. He has traveled over most of the States—probably in your district, certainly in mine—to see what is happening to those air facilities of which we were all so proud during the war. It is good for the Nation that we have a man like Secretary Symington now, to give us the warning. It will be our fault if we do not heed his warning. But the fact that he warned us will be no comfort, to him or to us, if we do fail to mind what he tells us.

He says we need nearly 6,000 planes a year of all types for replacements. He says that is a minimum need. And Secretary Symington says that the current production of planes is well under 2,000 a year.

In addition, the gentleman from California, Congressman HINSHAW, in his important report to us, said that sheer numbers of aircraft are misleading since any one figure could represent all small aircraft, all large ones, or any combination of the two. The Board then settled upon the airframe pound as a measuring unit that would mean something in determining our air requirements. Using this unit, the Board believes we must have an annual procurement of 63,000,000 air-frame pounds if we eliminate the Air Force Reserve, and the need will reach 111,000,000 if we are to maintain an adequate Air Force Reserve.

We are now procuring only 18,000,000 air-frame pounds annually, exclusive of the World War II planes being recalled from surplus stocks. In 2 years the surplus planes will be gone, and we will be getting only about one-sixth of our annual need through procurement unless we provide for the deliveries now.

I think those are enough figures. Mr. Symington, or the Board, will give any interested Members of this Congress all the figures he can carry home with him. And he will also tell you another fact, a fact to make you suffer from the same sleepless nights he enjoys: Our Air Forces, including naval aviation, are today largely equipped with obsolete planes.

Think upon that, you Congressmen and particularly you veterans, who remember how we were losing the Pacific War so long as we sent second-rate planes against first-rate Zeros.

How are they obsolete?

Well, here is what the men that fly the ships say. They tell me that the fighter plane and the pursuit plane in a modern air force must be almost entirely jet-propelled. Yet, the United States Air Force and the Naval Aviation Force are operating many squadrons with not a jet-propelled plane in a carload. Chance-Vought Corsairs and Grumman Hellcats. P–51 Mustangs and P–47 Thunderbolts. Wonderful planes, all. Wonderful for 1944 and 1945. But we have suddenly been shoved into the atomic age. The jet-propelled age. Whether we like it or not. I am frank to say, I do not like it. But there is nothing I can do to change it. The most I can do is try to keep up with the times, and that takes time. It is unpleasant to think about converting our air fleets. It is unpleasant to think about the millions of dollars we must spend.

I am no fonder of paying taxes than Mr. KNUTSON. But I am here, in this world, and I have got to live in it—if I keep on living. I want to keep on living.

All right, you say. Granted, we must have the fastest fighters, the fastest bombers, the fastest pursuit planes. What else?

One thing, for sure. Air transport was in its lusty infancy in the last war. In the next, if there is one—which God forbid—entire armies and vast quantities of supplies will be moved by air. Suppose we say that the Lockheed Constellation and the Consolidated Vultee C-99 are the ultimate in transport—which they are not. None of us thinks for a moment that we have seen the ultimate in anything. But for our example, let us say they are. The experts tell me that to build a bare thousand of these ships—which we already know how to build—would take 5 years.

There has been much in the public prints in recent months about the great need for all-weather operations. The traffic jams over Washington and La-Guardia have been heavily censured. And the men who make ships and fly them scratch their heads doubtfully and say that at the present rate of research, the problem may be solved in a few years. But our air fleets cannot wait a few years for all-weather mass flying. We must have the ability to send our planes and missiles under any and all weather conditions. And this Congress cannot appropriate the know-how. That takes time.

Time. Four little letters. With more meaning in them than even Einstein found. What has this Congress been asked to do? It has been asked to supply the appropriations for 70 groups. We are told that if we voted the money tomorrow, it would be 1952 before all 70 of those groups could be put into the air—with the right planes, the properly trained pilots, and other personnel. And what does a 70-group force mean? It means that if we work as fast as we can, by 1952 we will have an aerial force less than one-third the size of the force we required to win World War II—the slow war. However, the Air Corps experts do believe a 70-group force will be sufficient to safeguard the air frontiers of the United States during peacetime.

Mr. Chairman, I have not dramatized, exaggerated, or emotionalized the facts about our air power. In each of your offices are the reports from the authentic agencies which will verify the urgency, the terrifying urgency, of our situation. I think those reports are entitled to an A No. 1 priority. We must not allow those reports, or this subject of air power, to become lost in the partisan controversy certain to arise in a Congress during a Presidential election year. No matter what else we have of offensive or defensive weapons, without superior air power America is a bound and throttled giant; impotent and easy prey to any yellow dwarf with a pocket knife.

How short is our memory. How soon we forget. To make us less forgetful, somewhere there should be a tablet of enduring bronze and on it inscribed two columns of names in everlasting letters. Above one column would read the inscription: Here are the names of those who refused to prepare. Here are the names of those who voted to send our Army home. Here are the men who were frightened by our attempts to build a Navy. That would be the heading of the first column. And on the other side would be eight short words. Here are the names of those who died.

Mr. HAYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

THIS MEASURE IS RENT CONTROL IN NAME ONLY

Mr. MURDOCK. Mr. Chairman, I am in favor of rent control being continued, but I mean rent control in reality and not as a sham. Last year when the rent-control bill was before the House I asked Chairman WOLCOTT whether that measure gave sufficient authority to the administrative officials to make adjustments and to give relief where inequity prevailed. Chairman WOLCOTT gave me assurance that there was such authority lodged in the administrative officials. However, since that bill became law I have received further complaints which leave me in doubt concerning both the law and the administration of it.

I can, with difficulty, bring myself to vote for the bill which is before the House. Of course, the minority will offer a substitute. If that substitute fails to carry, I, for one Member, will be in an unenviable position, for I regard this present bill as a rent-control bill in name only, and yet it may be a choice between this bill or none.

This situation reminds me very much of the circumstances 2 years ago when Congress was faced with the question of extending OPA or discontinuing it altogether. At that time the forces of inflation and of profiteering brought in a bill which purported to continue OPA, but which really destroyed it. That bill was passed by Congress and the President was virtually dared to veto it. He vetoed it, and in so doing made it possible for many to declare that he himself had ended price control. I look upon this rent-control bill as fully as questionable and inappropriate to its title as was the OPA bill which the President first vetoed or which he later signed under protest.

The question will again be raised, "who killed cock robin?" Of this one thing we may be sure. The millions of American citizens who live in rented houses had better "hold their hats" for they will be taken for a fast ride. Yet in spite of this I am naive enough to believe that a law could be written which would deal justly with the general class of landlords and the rank and file of tenants, and I would like to believe that the law could be written as Chairman WOLCOTT said it was written so that administrative agents could adjust rents in hardship cases and could handle with a degree of fairness the unavoidable inequities.

If we cannot amend this bill by making the advisory boards purely advisory and refrain from delegating such full power to them without the responsibility, I shall be hard-pressed to see my way clear to vote for it. In my judgment the Senate bill is better and if I vote for the House version as now written, it will only be to throw both bills into conference with the hope that the conferees may be able to produce a better draft.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MUHLENBERG].

Mr. MUHLENBERG. Mr. Chairman, may I say first that I agree with many of the statements made by the gentleman from Oklahoma [Mr. MONRONEY], for I, too, am doubtful as to the general wisdom of such legislation, yet he covered so much ground that it was a little hard to follow in all arguments. I shall speak, therefore, largely about only one phase of this bill.

First, let us consider why the bill originated. It originated because it was to cover movement of workers from one part of the country to another, and it became legislation because the Congress felt it was necessary to expedite production for war. If we need a general housing bill in this country such legislation should not be tagged to this bill at all, because this is an extension of a bill that was to cover a different situation. I believe those who think that the building industry and the financial side of the picture must be controlled because in their opinion there is a housing emergency should not attach their desires onto this bill, because all this bill does is either to carry on or not carry on legislation that was enacted as a war measure.

One more thing I should like to say is that if we are to have control, must control not be on a local basis? It seems to me there is no way to think of a house or an apartment, a place to live, except in relation to neighbor, community, and your landlord, or mortgage holder. There is no way in which legislation can be enacted that will properly, fairly, and simultaneously cover the necessary conditions in Maine and those in Florida, the conditions in San Francisco and the conditions in Boston. Small counties, rural sections, cities that are losing population cannot be covered by the same requirements that may be necessary in crowded cities and those that have today a large increase in population. That is absolutely and utterly impossible.

I believe the intent of the committee in making this on as local a basis as is possible is sound and wise, and will be considered entirely proper. Whether the particular legislation is legal, of course, not being a lawyer, I do not know, but I do know that if we are to do this thing properly and hope to meet general approval it must be done on as local a basis as can be figured out legally by the wise legal lights who are now presenting the bill.

Mr. HAYS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, again we are faced in this Congress with a bill which does not do what it is supposed to do or what we should like to see done. We are faced with a bill which ostensibly seeks to extend rent control.

In contradistinction to the statement made by the previous speaker, this does not extend the type of rent control we had during the war. This extends the kind of rent control we had last year after we had weakened the type of rent control we had during the war. It does not even extend it in the weakened condition of last year's rent-control extension; it weakens it further.

Many of us who come from areas where population is thick, where there has been a great influx of war workers, where there has been a great growth in population, realize the extent of suffering which this type of rent-control law will cause. As the gentleman from New York [Mr. ISAACSON] said, we know of many, many cases where the veterans who fought the last war for the protection of this country are living in inadequate housing and garages and leaky Quonset huts, in trailers, and in every other type of makeshift dwelling. Last year we were told that if the rent-control law was liberalized there would be a great building of rental properties throughout the country. Yet we see an acknowledgement in the minority views that reads as follows:

> Last year Congress removed rent controls on newly constructed dwellings, but the building of rental homes is almost at a standstill except that promoted by Government credit.

So we see another promise that if decontrol is accomplished the law of supply and demand will take care of everything. I voted against that law last year, not because I was not in favor of reasonable rent control and for reasonable increases in hardship cases to landlords who own little properties, but because I believe that inherent in that extension were certain structural weaknesses which would make for shortages of rental properties in the Nation. That has occurred. The Bureau of Labor Statistics says there has been an over-all average increase of 4.2 percent. I want to point out that that is an average increase. According to the census report in the city of Los Angeles, which is partly in my district, there has been about a 30-percent over-all increase due to loopholes left in the law—new construction, transient dwelling, and so forth—and due to evasions which were made possible by a lack of enforcement funds which were denied last year and which are denied this year; due to violations against which no action has been brought because of the lack of personnel to bring such action. So we see in city after city throughout the Nation 15-, 20-, 30-, and 50-percent increases in rents. This will make bad matters worse. It is not hard for me to vote against this law because I think it is a hypocritical law. It removes all restrictions against unnecessary buildings. The chairman of the committee, the distinguished gentleman from Michigan [Mr. WOLCOTT], brought forth the argument that there was inability to control the building of places of amusement. Of course there were only 40 enforcement officers throughout the United States as provided for by last year's bill. There should have been several hundred. This gives dictatorial and arbitrary power to the local boards and an aggrieved party has no right of appeal, whether he is a landlord or tenant, from the decisions of the board. The chairman of the committee has already admitted before the House that many of these boards were stacked. I predict that the boards will be stacked. Third, there are no standards and no yardstick furnished in this bill by the Congress to guide the local boards in their findings or to guide the governor after local recommendations as to the type of appointments to be made to these boards. There are no enforcement provisions for such other provisions as are in the bill. No suits can be brought for the recovery of overcharges by the rent-control office. Of course tenants are afraid to file for these overcharges because they fear eviction. There is no protection finally and probably most importantly against evictions for various causes contained in this extension and contained in last year's extension. Therefore, Mr. Chairman, it is not hard for me to make up my mind as to how to vote. I would like to vote for an honest bill.

I consider that this bill is a political bill. It is political in that it extends rent control theoretically, but in actuality it guts rent control.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has again expired.

Mr. HAYS. Mr. Chairman, I yield 10 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I think the problem before the Congress is whether or not we are going to pass a rent-control bill that will adequately safeguard family life in America. I think that is the problem before us. The question is are we going to enact a bill that will relieve the anxiety and strain that millions of families are feeling now across the length and breadth of the land? Or are we going to enact a bill that will increase the anxiety and strain of veterans, old people, young couples just married, and middle-aged couples? Are we going to take away the last defense against disastrous inflation? I think the distinguished gentleman from Michigan, chairman of the Committee on Banking and Currency, has pretty well described this bill that has been brought before us today. He says it is a bill to decontrol rents. I think that has been his position all along. He says that he has wanted to decontrol rents as quickly as possible, in a way that would bring the least shock to our economy. I think the problem that confronts us today is: Can our economy continue with the present weak rent-control bill without serious shock, maybe fatal shock? I think not. The bill presented today, however, is more inflationary than the woefully weak act of 1947.

I have some figures here, and if you will bear with me I think they are the kind of figures we should consider in the passage of this bill.

In 1947, although the gross income after taxes had increased from $158,400,000,000 to $175,300,000,000, personal savings dropped from 9.3 percent to 6.2 percent, with an increase in consumer expenditures, from 90.7 percent to 93.8 percent of the disposable income.

Taxes remained approximately 11 percent of the gross personal income Some will say, "Well, there was an increase in wages that took care of the increase in cost of living." Wages increased about 10 percent between the fall of 1946 and the fall of 1947. Having slightly higher wages means nothing if a greater proportion of the available income goes to consumer expenditures, for clothing and rent, and a smaller proportion is available for savings. The savings dropped from 9.3 percent of the disposable income in 1946 to 6.2 percent in 1947, a drop of 33 percent.

These figures are what we should take into consideration when we pass a rent-control bill.

With the increase of commodity prices, the purchasing power of the dollar between 1946 and December 1947 decreased sharply, measured by wholesale prices, consumer prices, retail food prices, and prices received by the farmer. The value of the dollar in terms of 1935 to 1939 taken as a base, decreased 14 percent, measured by wholesale prices, 8 percent measured by consumer prices, 10 percent as measured by retail food prices, and at least 13 percent when measured by prices received by the farmers.

What did it mean to have a wage increase, even of 10 percent, in a year, if the value of the dollar goes down by at least that much if not more? It is like Alice in Wonderland. You have to run at an awful pace just to stay in the same place. We are not staying in the same place. We are losing ground. Not only have consumer expenditures increased, and savings and the purchasing power of the dollar decreased, but the increase in consumer indebtedness in the last year has grown to frightening proportions.

I will repeat that: Not only have consumer expenditures increased and savings and the purchasing power of the dollar decreased, but the increase in consumer indebtedness in the last year, has grown to frightening proportions.

The people of my district and the people of your district today are confronted with that situation.

Cash loans have increased almost 50 percent, installment indebtedness has increased more than 50 percent, and the amount spent for public assistance has increased from $114,000,000 in December 1946 to $132,000,000 in 1947.

We see that the consumer has lost out in every direction. During the past year, he has had to meet rapidly increasing costs in all the major expenditures, including rent. We see that from January 15, 1947, to January 15, 1948, the consumer price index of food increased from 183.8 to 209.7—using years 1935–39 equal 100 as an index—clothing increased from 179 to 192.1; rent increased from 108.8 to 115.9; fuel, electricity, and so forth, increased from 117.3 to 129.5, and all items in the consumers' price index increased from 153.3 to 168.

I am going to read you now some figures which indicate what has happened in rents. During the 32 months between September 1939 and May 1942 when there were no rent controls residential rents in 29 cities surveyed by the BLS figures increased 5 percent. With the imposition of rent control in 1942, for 5 years, up until July of 1947, residential rents rose only 1 percent. With the so-called Housing and Rent Act of 1947, which the Chairman has so fairly described as a decontrol rent act whereby rent control was to continue for the protection supposedly of the consumers, we find that rents increased during the first 4 months of its operations from July to October 1947 by more than 5 percent, 500 percent more than it had all through the preceding war years.

The BLS index on rent is a very moderate one and assumes that people stay in one place all through the years. It measures the average rate in the same accommodations year after year. The Bureau of the Census, however, made a Nation-wide survey of all urban and rural nonfarm areas and found that the rentals being paid to landlords in the 7 years from April 1940 to April 1947 had increased an average of 36 percent. This was before the Rent Act of 1947 had started to decontrol rents.

If with our very inadequate Rent Act of 1947 residential rents increased so tremendously last year, what will be the net results of the present bill that the Committee on Banking and Currency has brought to the floor of the House? It will be chaos.

Now I want to read to you some letters from home which I think are more persuasive than any argument I am able to make.

I have studied this bill. It was only available late Saturday afternoon. I spent all day Sunday studying it. I sent to the committee for a copy of the committee report on the bill. It is a bill that will invite chaotic inflation. It is a bill that is unconstitutional, a bill that does not give us the protection we need at all. But I am not going into that right now. I hope that amendments will be offered on the floor, and I shall offer at the appropriate time a bill which I feel does meet the needs of American families. Now I want to read to you what American families worry about back home:

FEBRUARY 6, 1948.

HON. HELEN GAHAGAN DOUGLAS: Are we veterans to find ourselves pawns in the hands of property owners when the present rent controls expire? Demand legislation with force to protect us. We followed orders willingly during the world crisis; now how are we being repaid?

DEAR MRS. DOUGLAS: I am the wife of a veteran. * * * We pay $45 now for one room * * * such a tiny room, but we cannot save a penny toward a down payment on a home of our own with the high cost of living. But my husband deserves better living accommodations after his sacrifice of the sight of an eye for the sake of his country.

At that I suppose we are lucky, because most of our veteran friends are paying from $60 to $80 a month for a room. How could any man or woman in Congress even suggest that there be an across-the-board rent increase? I have seen so many flagrant miscarriages of justice in connection with this housing situation that I know—and statistics have proved it—that landlords on the whole have benefited advantagously. Why doesn't someone give a thought to the veterans who bore the brunt of the war? Doesn't anyone realize that the majority of the veterans make less than $2,000 a year? And the rentals we could afford to pay on that kind of an income should not be more than $40 a month. The money just isn't there after the food bill is paid.

Mr. Chairman, what are we doing? Are we legislating for an across-the-board increase?

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. HAYS. Mr. Chairman, I yield the gentlewoman four additional minutes.

Mrs. DOUGLAS. Mr. Chairman, here is another letter:

FEBRUARY 19, 1948.

DEAR MRS. DOUGLAS: Twenty-five million rent-paying tenants living throughout these United States are literally holding their breath awaiting congressional action on the rent bill.

Tremendous pressure, we know, is being exerted by the real-estate lobbyists to either decontrol rental property entirely or pass a bill that will leave the average American family at the mercy of the property owner.

We know there are many fine Americans who own rental properties who believe in the American fair-play system. But on the other hand there are several million rent gougers awaiting the day when they can squeeze the last drop of blood out of the unfortunate tenants.

I feel sure you will wholeheartedly protect the tenant against being unjustly faced by eviction and the property owner who must receive a fair return on his investment.

FEBRUARY 4, 1948.

DEAR MRS. DOUGLAS: Rent payers in your district are nearing the panic state, wondering what is going to happen to them on March 1. I, among others in my neighborhood, have been informed that our rents will be increased 300 percent unless there is a Federal rent-control law to hold rents at present levels.

Mr. Chairman, here is still another:

OCTOBER 27, 1947.

DEAR MRS. DOUGLAS: We live in a duplex here in Los Angeles. Our landlord will double our rent in March if rent control goes off. It is almost impossible, in fact, it is impossible, to find any housing whatsoever. Must we live in fear and trembling until March? We are middle-aged people and there are thousands in the same predicament here. Can't something be done to assure us that we will not be turned out in the street?

Mr. Chairman, I want to read a letter from some old people. We decontrolled residential and apartment hotels last year. Now we are decontrolling trailer camps. The chairman of the Committee on Banking and Currency said he did not know about controls over trailer camps. Why, across the length and breadth of this country, because we have not enough houses, just the bare lot in city after city is rented to people who own trailers and whose trailers are their homes. They live there permanently. And so it was with the hotels last year. We did not know here in the Congress about the hotels, although we are elected every 2 years and should be pretty close to the people. We did not know that thousands upon thousands of old folks have nowhere to live but a hotel, one little hotel room. So we took off the controls. When we talked about hotels then it was implied that we were referring to the Biltmore Hotels. Here are some letters that I would like to read:

JANUARY 6, 1948.

DEAR MRS. DOUGLAS: The older and cheaper hotels have quite a number of elderly people on old-age pensions and other small incomes who have lived in these hotels from 5 to 25 years because they could not afford apartments. These hotels were glad to get permanent guests at from $12 to $25 per month. The hotels now have notices on the doors of daily rates from $1.50 up (without bath). Since the Republican Congress ruined the OPA in 1946, we have not been able to get decent food or clothing, for when we pay $25 a month out of an income of $60, we haven't much left with everything going higher.

DEAR MRS. DOUGLAS: When the 1947 Rent Control Act was passed by Congress and controls were removed from hotels, much confusion, suffering, and heartaches resulted in Los Angeles and no doubt all over the country. Of course, those low-income groups whose only homes are hotel rooms were the hardest hit. In Los Angeles it took the city council the entire month of July to enact a hotel-control ordinance which included a 25-percent increase over the June 1947 level. During the time the council was debating, landlords increased rents to prohibitive heights in many cases. In my own case the increase was 200 percent.

The rent-control law passed by Congress was class legislation. It was discriminatory and therefore unjust. Apartment-house tenants had some measure of protection, but the hotel tenant had none whatever. He was at the mercy of his landlord.

If any proof is needed that a hotel rent control bill is necessary, the landlords themselves have furnished it by their actions during July 1947, when the sky was the limit.

NOVEMBER 26, 1947.

DEAR MRS. DOUGLAS: The elimination of hotels from the Federal rent control June 30 last, has proved a great deal of hardship to thousands of families who have been monthly tenants of these hotels for many years.

The enclosed photostatic copies, which are attached and show a jump from $150 a month to $360 a month are for rent of one apartment. These will illustrate for you the plight in which most of these people find themselves.

The city of Los Angeles has allowed the hotel owners an increase of 25 percent above the rental rates of June 30, 1946.

However, in some of the small communities throughout the State the city administrators refuse to protect the interest of the residents of hotels and motels; the conditions are deplorable.

For illustration: The widow of a war veteran living in a small apartment and paying $40 a month rent prior to June 30, 1946, is now compelled to pay $3 a day.

I appeal to you in the name of humanity to do your utmost to bring about the inclusion of hotels and motels in the next rent-control bill, which is to be acted upon by the United States Congress.

JANUARY 29, 1948.

DEAR MRS. DOUGLAS: Many of the 20,000 permanent guests living in hotels in Los Angeles are relying upon you to protect them.

A high percentage are passed earning age and living on meager incomes. Some are cripples and others deformed and no other place would admit them.

JANUARY 30, 1948.

DEAR MRS. DOUGLAS: I have lived in the residential hotel for more than 8 years paying a monthly rate. Now I am given notice that I will have to pay a daily rate on this hotel—which has been decontrolled.

This is for the purpose of raising rents two or three hundred percent which has been threatened repeatedly, thus putting out all permanent guests. In these small hotels there are hundreds of pensioners that cannot afford higher rates, as these hotels have already been raised 25 percent by the city council.

It is so easy for Members to get up and casually dismiss rent control by stating that houses will be built in due time. But due time is a long way off, and it is the obligation of this body in the interim to enact legislation to alleviate the suffering caused by the present emergency.

Mr. Chairman, the Members have read the majority and minority reports on the rent-control bill reported to this body by the Banking and Currency Committee and they have heard the distinguished chairman of that committee make what case he could for his bill.

The Members also have listened to the devastating attack on the bill made by the able and distinguished gentlemen from Kentucky and Oklahoma in behalf of the minority members of the committee and in behalf of all those who genuinely desire to enact a rent-control law.

The gentlemen from Kentucky and Oklahoma cast doubt on the constitutionality of the proposal to clothe local advisory boards with full power to determine basic policy of a Federal law.

The bill fails to limit the local boards' authority by even setting up any standards. What the bill does set up are standards of procedures—namely the holding of a public hearing, the giving of notice of such hearings in two newspapers and the filing with the governors of steps taken. I ask you are such mechanical rules standards for guiding boards in determining rent increases and decontrol? Can any one seriously assert that any protection is afforded under such a bill?

The committee bill is so obviously unconstitutional that one need not be learned in law to see it and I therefore without hesitation so label it.

We all know the gentleman from Michigan is an intelligent and able man. I cannot believe that he does not understand very well that this provision will be the end of any remaining rent control. Our economy cannot withstand this shock which he proposes.

Similar proposals which would turn over rent decontrol to local boards without standards were twice turned down by wide margins in the other body. Surely the House will act likewise. The House is supposed to be close to the needs of the people. Surely we are conscious of the acute shortage of homes in the country. A joint committee on housing has just recommended a 10-year housing program. Why? Because we have not enough homes to go around.

According to the latest census reports, 2,764,000 married couples were living doubled-up in April 1947. These doubled-up couples represented more than 8 percent of all married couples who were living in private households in 1947. This amounted to an increase of 50 percent over the 1,846,000 couples who were living doubled-up in April 1940. Many of these families are veterans.

But we need no statistics to prove this point. We see it on every side—and even the most fortunate of us personally experience it.

We cannot seriously consider further decontrolling of rents at this time and that is what the chairman of the Banking and Currency Committee recommends.

I want to point out in passing that we are enacting a Federal law to carry out a Federal function. The broad basic policy questions of rent control that will affect our entire economy and the winning of the peace must be determined by the Congress. It is our responsibility and we must face up to it.

Autonomous local bodies, whether they be mayors, city councils, or local advisory boards, cannot constitutionally be given authority to establish basic Federal policy even as it applies in their own communities.

Some advocates of this illegal delegation of Federal authority rely on the authority given to local boards under the Selective Service System and to the local war price and rationing boards under the EPCA. This analogy is erroneous.

The local boards under the Selective Service System and the EPCA were given no authority to determine questions of broad and fundamental policy concerning the operation of the Selective Service System or of the wartime rationing and price control programs. These boards administered the details of these Federal programs in their respective communities under careful supervision and in accordance with detailed instructions and regulations. Such boards could be more aptly compared with the local area rent directors under the present rent law, who in a similar way administered the details of the Federal rent control program under detailed instructions and specific regulations.

The actions of both the draft boards and the rationing boards were subject to review under specific procedures providing at several appellate levels full dress de novo hearings.

Under the present bill the decision of the local advisory board becomes the supreme court of the land.

No, Mr. Chairman, as a strong advocate of local self-government I say that it is clear that local advisory boards cannot be given unlimited autonomous authority to pass on such issues as decontrol of an entire rent-control area or on across-the-board rent increase for an area.

Local boards can, however, when really representative, and given limited authority which they can intelligently exercise with the limited time and facilities available to them be of great service as auxiliaries of the local Federal rent directors in ironing out bad spots in the law's administration in their respective areas. They can also be of great assistance to the National Administrator in pointing up shortcomings and inadequacies in the over-all program.

In turning our fire on this one amendment let us not forget that the bill utterly fails to provide even reasonable enforcement, that the eviction provisions have been weakened, that the wicked so-called voluntary lease device has been further extended—even to the point of sanctioning rent increases without limit.

Furthermore, tenants faced with the possibility of decontrol by a local board have no choice but to accept a 15-percent increase under the lease plan.

If the majority of the Members of the House feel that a 15-percent increase in rents across the board is desirable, why not honestly say so? Why this back-door method?

Senator WAGNER said in his testimony on this very bill: "Congress must face up to the urgency of the present situation. The labor unions are already coming forward with requests for wage increases to meet the rising costs of living. With an end to effective rent control the present stability of industrial relations which hangs by a tenuous threat would most certainly collapse. We would be faced with strikes and industrial unrest on all sides."

Mr. Chairman, in striking down this ludicrous and crude amendment of the gentleman from Michigan to straddle the country with unconstitutional decontrol actions and rent increases by local boards, let us not forget that the gentleman's bill fails miserably in its avowed purpose of providing rent control in a manner which is fair and equitable. It continues the inequitable and harsh decontrol of the millions of units occupied by families living permanently in residential and apartment hotels, motor courts, trailer camps, and in units created by new constructions and conversion of old units, and accommodations held off the rental market between February 1945 and February 1947.

The millions of tenants living in residential and apartment hotels, among whom are persons living on life-insurance benefits, annuities, veterans' disability allowances, and other sources of fixed income, were denied the protection of rent control as a result of the failure of Congress to adequately define what it meant by the term hotel as used in the 1947 law.

It is extremely difficult to believe that the Congress was aware of the distress which would be heaped on these people by exempting this type of dwelling unit.

The vague wording of the 1947 law together with the discrimination which has resulted against the tenants permanently living in these residential hotels leads me to believe that Congress really meant to decontrol only rooms in hotels occupied by transient guests. Transient rooms

had been decontrolled by the Office of Price Administration more than 2 years ago.

Now is the opportunity to correct this terrible mistake and again provide protection to these tenants who are caught in the squeeze between their ever-rising cost of living and their fixed and limited incomes.

The discrimination against veterans who are for the most part forced to find habitation, when they can find it at all, in newly created units and units heretofore held off the market should be ended.

The gentleman's bill is also inadequate in that it guarantees the country the needed protection of rent control for only one more year. If we desire to achieve fully the salutary effects of rent-control legislation we are obliged to continue it for at least 2 years. Some members may say that the Congress should have an opportunity to evaluate the need for controls next year. This, Mr. Chairman, the Congress can do at any time. To enact the law for only 1 year and at the same time to extend the 15-percent lease device will in effect intimidate and frighten tenants into signing more leases with 15-percent rent hikes. Only 10 percent of the Nation's tenants were coerced last year. Is it the desire of this body to force another 10 or 20 percent of tenants to sign leases this coming year?

Anyone who is aware of the facts recognizes that under the best of circumstances new construction will not lick the housing problem in less than 2 years. If tenants are faced with the possibility of the end of rent control next year they cannot be expected during the next 12 months to resist pressure from landlords for illegal rent increases, bonuses, and side payments. During this critical period tenants should be made reasonably secure from eviction and exorbitant rent increases.

I have mentioned that this bill is weak in eviction controls. I want to say a little more about this point. The prevention of unwarranted evictions is basic to effective rent control.

While we all agree that the law should permit the eviction of tenants for nonpayment of rent, commission of nuisance, illegal and immoral conduct, for occupancy by the landlord and his family or a new purchaser or for necessary alterations, I desire to point out several inadequacies and loopholes in S. 2182 as reported by the committee. Where the eviction is not based on the tenant's fault, such as nonpayment of rent, but is based on a circumstance beyond his control, such as eviction or occupancy by the landlord or the purchaser or for remodeling, and so forth, the tenant should be protected by an adequate stay or waiting period during which he can seek other shelter for his family.

The law should provide that when a landlord seeks to evict a tenant he is to give written notice to the local rent control office as well as to the tenant. If the tenant fails to vacate in response to the notice the landlord may proceed to court just as he could prior to rent control and under the 1947 law. The only difference is that under my suggestion the landlord sends a copy of his notice to the rent-control office. The rent-control attorney is then in position to screen these notices for illegal attempts to evict. This would afford protection to tenants who are for the most part uninformed as to their rights. It also, in many cases, saves the landlord time and money where he is proceeding illegally and might eventually have his case thrown out of court. This would tend to insure uniform and equitable administration of the eviction provisions of the law. One of the worst features of the 1947 act is its failure to provide for notification of the area rent offices in eviction cases.

I suggest that the new rent-control law provide for a stay or waiting period of 90 days after judgment where the tenant is evicted for occupancy by the landlord or a member of his family by a purchaser or for the purpose of demolishing or altering the premises. Tenants who are to be evicted through no fault of their own should be given a breathing space in which to find another roof. This problem was recognized by the Banking and Currency Committee whose bill requires that in these cases landlords must give 60 days' notice. A 90-day stay meets the problem more adequately for the reasons given above.

The only sanction provided for the Rent Administrator by the committee's bill is the limited authority to seek injunctive relief to restrain a landlord from continuing to overcharge a tenant. He is given no authority to effect the return of rent overcharges already collected. Nor is he given any authority to deal with the landlord who threatens illegally to evict his tenant or who has already illegally evicted the tenant.

No law can be fully effective unless adequate provision is made to enforce it. If the Congress really desires rent control and intends to enact a law that will be fully respected and obeyed, it must make provision for the criminal prosecution of willful, flagrant, and habitual violators.

If Congress wants to provide an adequate rent-control law it must authorize the Rent Administrator to refer cases of willful and flagrant violations to the Department of Justice for possible criminal prosecution. This was the unanimous recommendation of the full Senate Banking and Currency Committee. This provision was stricken out by the Senate on a voice vote. I do not believe the Senate considered the matter in all of its implications.

The Rent Administrator should likewise be adequately equipped with the authority to bring treble damage actions for rent overcharges in those cases in which the tenant fails to bring such an action or otherwise settle his case after a reasonable period. The Housing Expediter testified that only $8,000 had been collected by tenants for the entire Nation as a result of treble-damage suits. The Housing Expediter testified that the inadequate enforcement sanctions of the 1947 law were ineffective to prevent wide-scale violation of the law.

Mr. Chairman, I cannot urge too strongly that the Members of this body, in extending Federal rent control, lift the law from its presently inferior status and give it the full dignity accorded other Federal laws. The provisions of the committee bill are so obviously inadequate that they cannot but discredit law enforcement generally as well as the administration of this particular law.

At this time, Mr. Chairman, I wish to call to the attention of the Members of this body, H. R. 5823, which I introduced on Monday because I felt that the bill which would be reported by the committee might be woefully inadequate. Time has proved my fears in this regard to be well-founded. My bill would extend rent control through June 30, 1950. It would provide adequate eviction controls. It contains a requirement that prior to seeking eviction of tenants, landlords must give notice to the local area rent-control office as well as to the tenant. It provides for a reasonable stay in cases where the tenant is being evicted for reasons beyond his control.

H. R. 5823 would also eliminate the rent increases imposed on tenants by the voluntary lease device. It would again provide rent-control protection for the millions of tenants throughout the country living as permanent residents in apartment and residential hotels, motor courts, tourist homes, trailer camps, and individual rooms.

Mr. GAMBLE. Mr. Chairman, we have no more requests for time.

Mr. HAYS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, it seems to me that perhaps the arrangement as provided in this new bill might be a satisfactory one if this country were not faced with the national housing shortage. If, instead of the present situation, we had a situation in which most people had homes, and if there were but a few isolated areas which had been overcrowded by war changes, it would perhaps be satisfactory to have local rent-control boards which were not directly responsible to the Federal Government. But the fact is that the shortage exists in the cities and in the towns, in the South and the West, and the North and the East, and it is a Federal responsibility. And I do not think that any man in this country should be willing to grant responsibility to local boards to make the decisions themselves.

I also wonder whether we are going to get the kind of men we want on these local boards. Up in my city of Boston there was appointed a group of men who made the following decision: As you know, the bill last year provided that if there should be a substantial increase in population in a family or in a group or in an apartment, the landlord could petition for an increase in rents, and some landlords up in Boston interpreted that sentence to provide that when a family had a baby they should be allowed to get a rent increase, and the board in Boston gave several landlords who pleaded on that basis an increase in rent because the family had one child. I cannot understand the antisocial view of this

board, and I would hate to think that there would be other boards in this country who would be given the power to make interpretations like that in my native city, and I apologize for it.

It seems to me that the most definite sign of the housing shortage can best be shown by considering the increase in the American population from 1920 to 1947. The increase is amazing: 37,535,580. So while we have had an average of about 250,000 to 300,000 housing units per year built during that period, we have just taken care of the normal increase in population, and we have done nothing about the houses that have deteriorated, nor have we helped those people who lived in those houses and who have been forced to move in with relatives or other families. So I think it is easy to understand why there is a shortage in this country.

The other thing which I mentioned earlier in the day was the position of some 1,500,000 people in this country who were fooled last year into thinking rent controls would end in March 1948 and who consequently agreed to 15 percent increases in their rent.

Now this Congress is going to carry rent control over for another year. So, actually, these people have just been robbed. Furthermore, this bill provides that the same thing will happen all over again, that is, that tenants will have to gamble as to whether or not rent controls will be lifed or continued next year—and anyone who thinks that the housing shortage is going to be caught up with next year is crazy.

Thus not only will these people continue to be robbed if this bill passes, but an additional 1,500,000 or even more will suffer by gambling on a 15 percent increase.

I think that those people who are in this situation now, and there are a great many of them, feel that this Congress has not been faithful to its charge. It is up to the Congress to make the decision, not to leave it to some man with a family who feels he has to protect himself and his children.

I think this bill is not a satisfactory bill. It is up to the Federal Government, it is up to the Congress to make sure that the people are protected, and not left to some board that may not be fair or may not be willing to assume its responsibility. I think this bill needs a great deal of amendment, and I hope the amendments will be adopted tomorrow.

Mr. HAYS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I am going to try not to repeat what has already been said to you about this bill. We must be convinced by this time that if we are going to pass this bill we are going to affirm the statement of the committee in its report that "as a result of its recent full and complete hearings on the necessity for continued rent controls it"—the committee—"has found that an emergency still exists with respect to rental housing accommodations and that it is necessary for a further limited time to continue certain restrictions upon rent." If we pass this bill we say that that is the fact. Then let us pass a bill that will control rents. If you want a phony bill that does not control rents, then let us amend this one by striking out every provision in it and by substituting in its place the simple sentence, "We are in favor of rent control." Unless you amend this bill and put into it criminal penalties and the right to sue for treble damages, and otherwise strengthen the bill so that it can be enforced, it is a mockery, it controls nothing.

With respect to that part of the bill which gives local advisory boards the right to decontrol, I am very happy that the chairman of the committee earlier in the day gave NRA as one instance where Congress had delegated its power to others.

I want to remind this Congress that NRA was declared unconstitutional by the United States Supreme Court. I now sound this warning, that this bill in this form is a mockery because the United States Supreme Court will be compelled to hold it unconstitutional. You are not passing a good law if you pass this bill in this form.

Let me paraphrase so as to fit this bill into the language of Chief Justice Hughes in the Schechter case, when the Court declared the NRA law unconstitutional. There the Court referred to the Industry Advisory Committee. I will substitute the language from this bill.

"Provision is made for administration through a local advisory board."

I paraphrase again, making substitution only so as to fit this bill into the language of the Court:

"It supplies no standards. It does not undertake to prescribe rules of conduct to be applied to particular states of fact determined by appropriate administrative procedure."

Unless you do set up standards this bill cannot withstand attack in the courts. Let nobody be fooled by the statement that it takes a long time to go through our courts. Under the recently amended procedure which is now being followed by the United States Supreme Court and the Federal courts you can get up to the Supreme Court within 60 days of the commencement of the proceeding and have that Court rule upon the constitutionality of a Federal statute. So within 60 days after you enact this, you can expect the United States Supreme Court to say that you have wasted your time; you have no rent control.

The language I read to you a moment ago is the language which the United States Supreme Court has used repeatedly to state the minimum requirements of any delegation of authority by this Congress. You must set up standards, you must set up particular rules to apply to specific states of fact which can be the guide for those to whom you delegate any power. This bill does not do that.

I quote again from Mr. Justice Hughes' opinion:

> We think that the authority thus conferred is an unconstitutional delegation of legislative power.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. FLETCHER. The gentleman is familiar with the amendment which I offered in the Committee on Banking and Currency, which in effect stated that any State, by legislation, may at any time declare that no control or regulation of maximum rents on housing accommodations within its boundaries is necessary and, that thereafter the provisions of the title shall not apply within such State. Would you say that that would be a fairer approach whereby a State legislature by action such as that could declare that no emergency existed and that no rent control was necessary and that therefore Federal rent control would not be continued in that State? Would that be a proper approach to this problem?

Mr. MULTER. It is a fair approach, but I do not know, and I doubt whether it would be constitutional. I do not think this legislature has the right to say to any other legislature, "You do for us what we must do." I would like to see that kind of method worked out, but I doubt whether it can be done legally. What we have in the law now is certainly illegal and we have a proscription against it by the United States Supreme Court, not only in the Schechter case, but in many other decisions, too.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONRONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. Would the Chair advise us what the parliamentary situation will be on the committee substitute? At what time will we vote on the committee substitute for the Senate bill?

The CHAIRMAN. It will be considered under the rule as an original bill for the purpose of its consideration by this committee.

Mr. MONRONEY. It will be open for amendment at any place?

The CHAIRMAN. It will be open for amendment.

Mr. MONRONEY. Following the reading of the bill and the adoption or rejection of such amendment as may be offered then we will vote on the adoption of the committee substitute for the Senate bill?

The CHAIRMAN. It will be read by sections and at the conclusion of the reading and after amendments the vote will come on the adoption of the substitute.

Mr. MONRONEY. That will be in Committee of the Whole. Then when we go back into the House the question of the adoption of the Committee substitute, if it will have been adopted in the Committee, will be open for a vote by the House itself.

The CHAIRMAN. That is correct.

Mr. MONRONEY. I thank the chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Housing and Rent Act of 1948."

Mr. GAMBLE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. PLOESER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include a letter received from the register of deeds of Juneau County, Wis., on the subject of oleomargarine.

Mr. BEALL (at the request of Mr. GAMBLE) was granted permission to extend his own remarks in the RECORD and include an article from a newspaper.

Mr. FLETCHER asked and was granted permission to extend his remarks in the RECORD and include a letter written by Rev. Wallace J. Murphy.

Mr. HARLESS of Arizona (at the request of Mr. HAYS) was granted permission to extend his remarks in the RECORD in two instances.

Mr. KLEIN (at the request of Mr. MULTER) was granted permission to extend his remarks in the RECORD and include two articles.

JOINT COMMITTEE ON HOUSING

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Concurrent Resolution 155, continuing the Joint Committee on Housing beyond March 15, 1948, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

(1) Line 7, strike out "from time to time."

(2) Line 8, after "Representatives" insert "not later than March 15, 1948."

(3) Line 11, strike out all after "advisable." down to and including "session." in line 17 and insert: "For administrative purposes of concluding its business the committee is authorized to continue until May 15, 1948."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. GAMBLE]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

JOINT SESSION OF THE HOUSE AND SENATE

Mr. HALLECK. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 160) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the hall of the House of Representatives on Wednesday, March 17, 1948, at 12:30 p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RECESS ON WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday next for the Speaker to declare a recess subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. RAMEY] is recognized for 20 minutes.

TIME IS OF THE ESSENCE

Mr. RAMEY. Mr. Speaker, the European recovery program has now reached the House of Representatives. Time is really of the essence. The legislation which has reached us has safeguards. The men in the other body have been sincere in their lengthy debates. This legislation is indeed a challenge to us and our relationship to the world. The time to act is now. To say that this legislation depletes our natural resources, in view of the danger ahead if we do not act, is erroneous.

The European recovery program as passed by the Senate calls for an appropriation of five and three-tenths billion for the first year. How are we spending our money? Americans spend eight and seven-tenths billion yearly on liquor; six billions on race betting; two and five-tenths billion on tobacco; two billion on movies; and seven hundred and fifty million on cosmetics. The purpose of these figures is merely for comparison.

Why is time of the essence? On April 18, the Italian people will ballot on whether they want to continue a democratic form of government or swing over to communism. There is good reason to believe that if the United States Congress has formally authorized these funds for European recovery, the Italian election might be saved from a Communist coup.

I do not mean that we should pass this without further study but there can be right thinking plus right action without resorting to negative thinking and long days of words. This Nation spells charity in action. Charity means love and our love to all other nations and our passion for peace commands our immediate action. Let the House of Representatives act now and be known as a doer of deeds.

As a spokesman from the Middle West, let me suggest that those who call the midwesterners isolationists speak untruths. The first internationalist President was William McKinley and the first address given on the subject was by that President just before he met his death in Buffalo in 1901. He said "Geographic and political divisions will continue to exist, but distances have been effaced. Isolation is no longer possible or desirable. God and men have linked the nations together. No nation can longer be indifferent to any other. And as we are brought more and more in touch with each other, the less occasion is there for misunderstanding and the stronger the disposition when we have differences, to adjust them in the court of arbitration which is the noblest forum for the settlement of international disputes."

The citizens through the Middle West likewise are demanding action. Yes, they are concerned, concerned that this administration of aid might be a racket but the safeguards will allow no racket, no unwise spending. True, they are concerned that we might allow another loose operation such as UNRRA, but the war is over now and we have the facts. This legislation will have the expenditures reduced to almost a mathematical certainty and when this blueprint is put into action not only a grateful people but a grateful world will point with pride to its operation.

Mr. SCHWABE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. RAMEY. I yield.

Mr. SCHWABE of Missouri. I would like to ask the gentleman from Ohio just what he means by the dangers that we face. The gentleman spoke of tobacco. I understand that some of the money we are to send abroad is to go for tobacco. Will that help take care of the dangers? Just what are the dangers of which the gentleman speaks?

Mr. RAMEY. Of course the real danger is, do we want communism to sweep Europe, practically the rest of the world. Do we want that to happen?

Mr. SCHWABE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. RAMEY. I yield.

Mr. SCHWABE of Missouri. Is the crisis the gentleman is talking about military or economic? The gentleman speaks of the purpose being to stop communism. If that is the danger he has in mind I would refresh his memory on the fact that we sent $300,000,000 of goods and materials to Czechoslovakia. That did not stop communism; as a matter of fact, Uncle Joe Stalin has that now. What does the gentleman mean by crisis?

Mr. RAMEY. Yes, I will be happy to answer that. We passed UNRRA in this Congress too; I believe both the gentleman from Missouri and I voted for it.

We voted for it in good faith. We were all for voting money to win the war, we were all out for relief of the displaced. But those who handled it betrayed the Congress who trusted them, at least many of them in UNRRA. Now that the war is over things are reduced to a mathematical certainty. Safeguards are and will be in the bill so that not one cent can be wasted. The safeguards are there so that no individual can use the bill to set up a New Deal pay-roll organization. None of us would vote for anything in peacetime if we thought there was the slightest chance that anyone could use it as a racket. The gentleman knows that I know and I know that he knows that totalitarianism has seized the men and women of those countries. It even reached the place here where folks were almost tempted to surrender some of their liberties to a central government to get things.

Mr. SCHWABE of Missouri. Does the gentleman mean that there are safeguards in this ERP bill? Are we not giving this money from this Government to another government? Is it not the transfer of capital from one government to another? What safeguard can there be as to its spending, without interference with the administration of the foreign government?

Mr. RAMEY. That is set up by guaranties. There are safeguards providing that not one cent, not one dollar can be used for an enterprise in any country that is not for the maintenance or sustenance of the people while in the battle against communism.

Mr. SCHWABE of Missouri. What about the old people in England who are paid perhaps better than the old people in this country? I understand they are going to implement their "cradle to the grave" program in England in July. Does not the gentleman think some of these dollars which we are going to furnish will go for that program?

Mr. RAMEY. I agree with the gentleman that perhaps some of the money that in the past has gone to England has been unwisely used. I will agree with the gentleman's views that in the past, when it was almost treason not to just simply throw money away because of New Deal propaganda, some of it probably went for that purpose. I will agree with the gentleman that in the past some of those countries have used it wrongly. I do not know just what the gentleman is alluding to over there, whether he is alluding to the fact they have something that is similar to the Townsend recovery plan, but this Congress has said to our State legislatures, however: "Whatever you do in your State for your aged we will match it." We spelled that out in a law here.

Mr. SCHWABE of Missouri. It is my understanding that approximately one-third of this $5,300,000,000 is to go to England. In the last 20 months we have furnished England three and three-quarter billion dollars. Does the gentleman know of any provision that we made or any supervision we exercised as to the spending of that money? Did not England use it just as she saw fit without any strings tied to it? We did not even tell her she was to carry on free enterprise, did we?

Mr. RAMEY. No. I concede that the distinguished gentleman from Missouri is correct to a large extent. We paid her grocery bills while they were trying out a socialistic experiment. But that cannot happen again.

Mr. SCHWABE of Missouri. Why not? What are the safeguards in ERP that are different from the British loan?

Mr. RAMEY. In the first place, committees are set up. This Congress of the United States, the Representatives of all the people, has a set-up here so that folks we select are going to see that it is done properly, and not leave it to department people. Department people are appointed for life. Each Member of Congress is elected for only a 2-year term. There are only 435 of us folks on the Government pay roll who can be hired and fired every 2 years. Now, you are going to have a committee set up in Congress. The people are watching their Representatives. There is an eagle eye on every Member of Congress.

Mr. SCHWABE of Missouri. I know the gentleman is correct when he says we are elected Representatives and that the people are watching us and that they have their eyes on us. Does the gentleman think there is any moral or legal right by which Members of Congress can extract money from the taxpayers of this country and give it to foreign governments to be used to finance foreign administrations and programs that are not in accordance with our traditional American way of life?

Mr. RAMEY. No. This is not financing a foreign program. This is giving maintenance and sustenance to the folks in those countries, really our own who kept the World War II from our shores and are displaced, hungry. However, they are keeping communism away the best they can.

How does communism work? It moves in where there is a vacancy, when folks are forced out, and so forth. This is furnishing them the maintenance and sustenance so that they can keep up. Do we want to have a Chinese wall around us?

Mr. SCHWABE of Missouri. The most recent example is Czechoslovakia where communism moved in. As I understand it, Czechoslovakia was a relatively flourishing country. The farmers were in pretty good condition. We had supplied them with $300,000,000 and they were not hard pressed for funds. It looks to me like the economic help we gave them was ineffective in combating Russian aggression, that our program over there was perhaps like the ERP will prove to be, an economic Maginot line. It has nothing to do with keeping communism out. The fact is that communism moved in and I suspect that rather than economic help having anything to do with preventing it military help might do more good. It was at least the Red army that took over.

Mr. RAMEY. There were not safeguards in those appropriations, however.

Mr. SCHWABE of Missouri. The gentleman coming from the great State of Ohio spoke complimentarily of our former distinguished President, William McKinley. As I recall, the gentleman said that William McKinley was the first internationalist President. I would like to have the gentleman explain to us just what he means by "internationalism." It seems to me that George Washington was an internationalist. He believed in trading with foreign countries. He believed in that kind of internationalism, did he not?

Mr. RAMEY. I am directing attention that he made the first address of any President of the United States where he mentioned the dangers of isolationism.

Mr. SCHWABE of Missouri. Does the gentleman mean that William McKinley would have advocated appropriating money out of American taxpayers' pockets, whether it comes from the Midwest or the East or the South or the North or the far West, and financing foreign governments? William McKinley was not for any such program as that, was he?

Mr. RAMEY. I have never heard of William McKinley making any statement on that, but I will answer the gentleman in this manner: Internationalism and isolationism are loose words. Everybody has been called both, I guess. It is just a careless use of words. I guess everybody in this Congress has been called a Communist. I suppose everybody in this Congress has been called an isolationist. However, we know this, that an isolationist is a person that believes he should live alone from the rest of the world. That and that only is an isolationist. He is a man that believes we should be like China was at one time, the original isolationist government, that built a great wall around her and had nothing to do with any other nation. Until a man believes in that, you cannot call him an isolationist. I know, for the purpose of argument, that everybody from the Midwest has been called an isolationist, those from Ohio, Indiana, Illinois, Wisconsin, Michigan, and a part of Minnesota and the old Northwest Territory. They have been called that because they happen to live in those States. Some men from the eastern seaboard have called them that. Various writers have called them that. On the other hand, folks who merely believe in friendship with all nations have been called other names.

McKinley was the first President to direct attention to the fact that this Nation cannot live alone. That was in the days before planes crossed the seas, that was in the days when they merely had steamships. Let me give you his words again:

> Isolation is no longer possible or desirable. God and men have linked the nations together. No nation can longer be indifferent to any other.

If there is stress in a country and a country that is powerful wants to seize that little country, we have to do some-

thing. We have to do something to see that the United Nations especially the Security Council has a little bit of force. McKinley referred to an international court, and that I believe in right now, that in our world set-up we should have an international court. There should be international marshals. Let the folks that are going to be soldiers there take an examination, as at West Point and Annapolis, and let us get the best. Everyone will want that. Then we will have a police power and they will keep order throughout the world. That is what McKinley had in mind.

The Father of our Country had no problem of that kind. When the gentleman speaks of him I presume he is speaking of the words in his Farewell Address, "entangling alliances with none." No one believes in entangling alliances, of two nations against others.

Mr. SCHWABE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. RAMEY. I yield to the gentleman from Missouri.

Mr. SCHWABE of Missouri. The gentleman spoke of the need for haste because of impending elections in Italy. Does the gentleman think it wise for us to attempt to affect the outcome of an election in a foreign country?

Mr. RAMEY. No, I do not. I mean psychologically it will show that this Nation is interested in the God-fearing peoples of other countries.

EXTENSION OF REMARKS

Mr. JOHNSON of Texas asked and was given permission to extend his remarks in the RECORD and include a speech on national security by Gen. Ira C. Eaker, United States Army, retired.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an article appearing in the New York Times magazine of yesterday.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, it has been stated that the cut in personnel of the Veterans' Administration to the tune of $6,000,000 would not affect the care of veterans in the hospitals, that there were no cuts there. There are definite cuts in the hospitals. I visited a hospital over the week end, and anyone who goes into that hospital can see at first glance that there is a shortage of attendants; a shortage of other personnel. In the TB wards attendants are vitally needed. It is a matter of cleanliness in the care of the acutely sick TB cases, and most of them are acutely sick there. As to the mentally and nervously disturbed cases, it is obvious that when some of the attendants are needed to take care of a so-called active patient, a patient who is mentally very sick, those attendants are taken away from the other patients, and somebody else may become active suddenly and need an attendant. Accidents happen when there is a shortage of attendants. There is a shortage of attendants in the paraplegic ward, and a shortage of nurses. There is a shortage of personnel in the duties to be performed in the care of the patients. It was obvious that the personnel here tried.

I hope the Members will join me in trying to secure the passage of a bill introduced by the gentleman from Massachusetts [Mr. MCCORMACK] and myself, which authorizes the appropriation of $6,000,000, which is the amount needed for the employment of 8,500 persons who have been employed on the Veterans' Administration rolls. They say, due to lack of funds, most of the cuts are made in what I call the production line—contact personnel rating boards—finance offices personnel, who get out the checks to the veterans. Action on the appropriation must be within a few days as the cuts will take place by the last of the month.

Mr. Speaker, in an article appearing in the New York Times magazine of yesterday General Gray, the Administrator of Veterans' Affairs, is quoted as follows:

> I know that the magnitude of the VA makes it mass production, but what I am concerned with is the human element. You don't handle that through mass-production machines. You can't use that method in the case of a man who is sick in heart and soul. Big insurance companies don't have trouble doing their bookkeeping, but they don't consider the human element. That is my greatest responsibility.

The responsibility is Mr. Gray's and I think General Bradley's also, because we are dealing with men who are not only sick in heart and soul but who are injured in body. The thing for us to do today is to get this $6,000,000 supplemental appropriation passed to take care of those men who are sick in heart and soul and body.

Mr. Speaker, the complete article from which I have quoted is as follows:

SUPERCHIEF FOR THE VA

(By John U. Terrell)

WASHINGTON.—For Carl R. Gray, Jr., the new Veterans' Administrator, the war is not over. Although he has doffed his major general's stars, he is as actively engaged with military and civilian problems that are the legacy of war as he was as director general of the military railway service during the conflict in Africa and Europe.

With the exception of the Department of National Defense, the Veterans' Administration is the biggest individual business under the jurisdiction of the Federal Government. But in addition to heading it, Mr. Gray, as the chief authority on military rail transport in the country, is aiding the War Department in reorganizing the postwar military railway service.

The enormity of the VA, and the complexity of its innumerable problems, do not frighten him, and he is fully aware of how much the course of the national welfare can be affected by the success or failure of his administration. He has more money to spend than any other individual bureau head—more than $8,000,000,000. He must direct what amounts to a gigantic banking business, with more billions guaranteeing GI loans. He is head of a collection agency without equal in the Nation—the GI insurance business. The largest unified medical program in the world is his to administer. And also on his shoulders rest the great spiritual and emotional burdens that are inseparable from the practical, financial, and scientific tasks of the VA.

A stocky man of 58 with gray in his dark hair, he exudes vigor and energy. He likes people, likes to meet them, listen to their ideas, and expound his own opinions. He takes pride in the number of his friends. A man with a genial manner, he easily roars with laughter. Anyone who hears his voice doesn't easily forget it. The word for it is thunderous, whether he is talking across his desk, on the telephone, or summoning an aide from an adjoining office. But it is not a harsh voice: it, too, is friendly and it has a resonant quality.

Mr. Gray holds a conviction that is typically American. He has worked hard all his life, believing that through toil a man earns his right to existence and to the enjoyment of life's pleasures. His is the plain credo of the American businessman.

Born in Wichita, Kans., Mr. Gray in World War I went from captain to lieutenant colonel. From 1921 on he combined civilian railroading in the West with service in the Corps of Engineers (Reserves). In 1939 he became general manager of the Military Railway Service, and entered upon active duty in May, 1942.

A lifelong Republican, he went to the VA fully in accord with President Truman's view that politics was not to be considered in connection with the post.

Mr. Gray and Mr. Truman first became friends in World War I in Kansas City. After the war they were active in Kansas City veterans' affairs. Mr. Truman both admired and liked him, and while the course of their lives separated them, they kept in touch with each other. In Washington Mr. Gray would pay a friendly call on Senator Truman, and he has dropped in at the White House on several occasions to see his old friend.

His only intimate contact with the VA before taking office was a 3-hour conversation with Gen. Omar N. Bradley, his predecessor. He declined to appear in Washington headquarters or any hospitals, or to participate in any VA activities, until he had been sworn in.

It was suggested to him by a correspondent that a complete survey of the VA's business methods was needed, and that mechanical improvements in the offices were necessary. Confusion frequently has reigned in the VA's accounting and filing rooms.

Mr. Gray's response was:

"So what? If it's necessary it will be done. Hell, any damn fool can keep books. I know that the magnitude of the VA makes it mass production, but what I'm concerned with is the human element. You don't handle that through mass-production machines. You can't use that method in the case of a man who is sick in heart and soul. Big insurance companies don't have trouble doing their bookkeeping, but they don't consider the human element. That is my greatest responsibility."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JARMAN (at the request of Mr. JONES of Alabama), for an indefinite period, on account of official business.

To Mr. CHIPERFIELD (at the request of Mr. REED of Illinois), for 2 weeks, on account of official business.

To Mr. CRANT of Alabama (at the request of Mr. JONES of Alabama), for an indefinite period, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2202. An act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world; to the Committee on Foreign Affairs.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 1174. An act to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, March 16, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1384. A letter from the Director, Central Intelligence Agency, transmitting a draft of a proposed bill to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes; to the Committee on Armed Services.

1385. A letter from the Under Secretary of the Interior, transmitting a draft of a proposed bill for the relief of Charles Duncan Monteith; to the Committee on the Judiciary.

1386. A letter from the Administrator, War Assets Administration, transmitting a report of tort claims paid by the War Assets Administration as of December 31, 1947; to the Committee on the Judiciary.

1387. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

1388. A letter from the Secretary of the Army, transmitting a draft of a proposed bill to amend the act of May 16, 1946 (Public Law 383, 79th Cong.), as amended; to the Committee on Armed Services.

1389. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1945; to the Committee on Merchant Marine and Fisheries.

1390. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing borrowing authorization for the fiscal year 1948 for the Department of Agriculture (H. Doc. No. 567); to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 501. Resolution providing for consideration of S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes; without amendment (Rept. No. 1559). Referred to the House Calendar.

Mr. WOLCOTT: Committee on Banking and Currency. S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes; with an amendment (Rept. No. 1560). Referred to the Committee of the Whole House on the State of the Union.

Mr. LECOMPTE: Committee on House Administration. House Resolution 502. Resolution fixing Monday, May 17, 1948, for holding the memorial services of the House; without amendment (Rept. No. 1561). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 497. Resolution for the relief of Jessie Josephine Tibbits; without amendment (Rept. No. 1562). Referred to the House Calendar.

Mr. HARTLEY: Joint Committee on Labor-Management Relations. Report pursuant to section 401 of Public Law 101, Eightieth Congress, on labor-management relations; (Rept. No. 1563). Referred to the Committee of the Whole House on the State of the Union.

Mr. GAMBLE: Joint Committee on Housing. Final report pursuant to House Concurrent Resolution 104 on housing study and investigation; (Rept. No. 1564). Referred to the Committee of the Whole House on the State of the Union.

CHANGE OF REFERENCE

Under clause 3 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1431) to provide that the monthly compensation of totally disabled former Civilian Conservation Corps enrollees shall continue so long as they remain totally disabled; Committee on the Judiciary discharged, and referred to the Committee on Education and Labor.

A bill (H. R. 1871) to amend the Longshoremen's and Harbor Workers' Compensation Act; Committee on the Judiciary discharged, and referred to the Committee on Education and Labor.

A bill (H. R. 2719) to amend the Longshoremen's and Harbor Workers' Compensation Act; Committee on the Judiciary discharged, and referred to the Committee on Education and Labor.

A bill (H. R. 5653) to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; Committee on the Judiciary discharged, and referred to the Committee on Education and Labor.

A bill (H. R. 5739) to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; Committee on the Judiciary discharged, and referred to the Committee on Education and Labor.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 5833. A bill to amend section 36 of the Mineral Leasing Act of February 25, 1920, as amended; to the Committee on Public Lands.

By Mr. HOBBS:

H. R. 5834. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. RANKIN:

H. R. 5835. A bill to terminate the participation of the United States in the United Nations; to the Committee on Foreign Affairs.

By Mr. ANDREWS of New York:

H. R. 5836. A bill to authorize the Secretary of the Army or his duly authorized representative to quitclaim a perpetual easement over certain lands adjacent to the Fort Myers Army Airfield, Fla.; to the Committee on Armed Services.

By Mr. ARENDS:

H. R. 5837. A bill to readjust the grade and rank of Navy law specialists so as to place them in proper relation to each other and on an equal footing with line-officer contemporaries; to the Committee on Armed Services.

By Mr. BARRETT:

H. R. 5838. A bill to authorize the Administrator of Veterans' Affairs to convey to the city of Cheyenne, Wyo., for public-park and golf-course purposes, certain land situated within the boundaries of the Veterans' Administration center at Cheyenne, Wyo.; to the Committee on Veterans' Affairs.

H. R. 5839. A bill to authorize the conveyance to States, or political subdivisions, of roads leading to certain historical areas administered by the Department of the Interior, and for other purposes; to the Committee on Public Lands.

By Mr. BRADLEY:

H. R. 5840. A bill to amend the Social Security Act so as to provide a standard for determining the continued absence of parents from the home in cases of aid to dependent children; to the Committee on Ways and Means.

By Mr. CUNNINGHAM:

H. R. 5841. A bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. DONDERO:

H. R. 5842. A bill to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes; to the Committee on Public Works.

By Mr. MASON:

H. R. 5843. A bill to repeal certain excise tax rates on watches and clocks and cases and movements therefor; to the Committee on Ways and Means.

By Mr. RAMEY (by request):

H. R. 5844. A bill to amend paragraph 3 of part VIII, Veterans Regulation No. 1 (a), as amended; to provide that a course of education or training may include flight training taken as an elective under certain circumstances; to the Committee on Veterans' Affairs.

By Mr. ROSS:

H. R. 5845. A bill to provide veterans with vocational counseling and advisement prior to pursuing certain courses under the Serv-

icemen's Readjustment Act, as amended, and to assure veterans full educational and training opportunities under the Servicemen's Readjustment Act, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. ST. GEORGE:

H. R. 5846. A bill to create the Board of Postal Rates and Fees in the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 5847. A bill to amend section 107 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. WHEELER (by request):

H. R. 5848. A bill to amend paragraph 3 of part VIII, Veterans Regulation No. 1 (a), as amended, to preclude election by the veteran of certain courses not related to the veteran's employment objective; to the Committee on Veterans' Affairs.

By Mr. HALE:

H. R. 5849. A bill to amend the Federal Alcohol Administration Act, and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Washington:

H. R. 5850. A bill relating to the fixing of wage rates for employees in navy yards; to the Committee on Armed Services.

By Mrs. LUSK:

H. R. 5851. A bill to amend the Servicemen's Readjustment Act of 1944 with respect to the readjustment of veterans who were held prisoners of war for a continuous period in excess of 2 years; to the Committee on Veterans' Affairs.

By Mr. MUNDT:

H. R. 5852. A bill to combat un-American activities by requiring the registration of Communist-front organizations, and for other purposes; to the Committee on Un-American Activities.

By Mr. SMITH of Virginia:

H. R. 5853. A bill to provide for State and local taxation of real estate in Arlington County, Va., owned by the United States, and for other purposes; to the Committee on Public Lands.

By Mr. WOLCOTT:

H. R. 5854. A bill to amend title VI of the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. HOPE:

H. R. 5855. A bill to amend the Foreign Aid Act of 1947 and the Third Supplemental Appropriation Act, 1948, so as to eliminate certain provisions of such acts requiring the retention of a specified carry-over of wheat in the United States; to the Committee on Foreign Affairs.

By Mr. O'HARA:

H. R. 5856. A bill to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; to the Committee on the District of Columbia.

By Mr. O'HARA (by request):

H. R. 5857. A bill to increase the annual salary of the poundmaster of the District of Columbia; to the Committee on the District of Columbia.

By Mr. SASSCER:

H. R. 5858. A bill conferring jurisdiction on the Court of Claims to hear and determine certain claims of oyster growers for damages caused to oyster beds in the United States resulting from wartime naval operations; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 5859. A bill to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes; to the Committee on Armed Services.

By Mr. CHADWICK:

H. R. 5860. A bill to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. ALBERT:

H. R. 5861. A bill to direct the Secretary of Agriculture to convey certain land to the State of Oklahoma; to the Committee on Agriculture.

By Mr. FLETCHER:

H. R. 5862. A bill to establish a national housing policy and provide for its execution, and for other purposes; to the Committee on Banking and Currency.

By Mr. KEFAUVER:

H. R. 5863. A bill to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the construction of highways and rural roads, to provide for the immediate preparation of plans, and for other purposes; to the Committee on Public Works.

By Mr. SIKES:

H. R. 5864. A bill to provide for the sale of a part of War Housing Project No. Fla-8252-1 to the Department of Public Safety of the State of Florida; to the Committee on Public Works.

By Mr. ANGELL:

H. J. Res. 350. Joint resolution authorizing the President of the United States of America to proclaim the 9th of October of each year as Leif Erikson Day; to the Committee on the Judiciary.

By Mr. HOBBS:

H. J. Res. 351. Joint resolution giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948; to the Committee on the Judiciary.

By Mr. LUDLOW:

H. J. Res. 352. Joint resolution authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. J. Res. 353. Joint resolution to provide for the maintenance for public use of certain highways in the Shenandoah National Park; to the Committee on Public Lands.

By Mr. PHILLIPS of California:

H. J. Res. 354. Joint resolution to provide for the disposing of the Government irrigation experiment station at Bard, Calif., and the establishment in lieu thereof of a similar station at or near Brawley, Calif.; to the Committee on Agriculture.

By Mr. WELCH:

H. Res. 503. Resolution authorizing studies by a joint board of Army, Navy, and reclamation engineers to investigate and report on the feasibility from the standpoint of national defense and other beneficial purposes the conservation of fresh water at the northerly end of San Francisco Bay; to the Committee on Public Works.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi, ratifying a proposed amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to keep open the Veterans' Administration office at Modesto, Calif.; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHADWICK:

H. R. 5865. A bill for the relief of the estate of D. A. Montgomery; to the Committee on the Judiciary.

By Mr. HENDRICKS:

H. R. 5866. A bill for the relief of Doris D. Chrisman; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 5867. A bill for the relief of Nicholas DeWitt; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 5868. A bill for the relief of Lt. Col. Paul E. Queneau; to the Committee on the Judiciary.

By Mr. MILLER of Maryland:

H. R. 5869. A bill for the relief of Mrs. Margaret Gregg Dilnot; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1534. By Mr. ELSTON: Petition of Lee I. Parks and 228 other residents of Cincinnati, Ohio, and vicinity, urging repeal of taxes on margarine; to the Committee on Agriculture.

1535. By Mr. FORAND: Resolution of the General Assembly of the State of Rhode Island and Providence Plantations, requesting the Senators and Representatives from Rhode Island in the Congress of the United States to work for an investigation of the grain shortage which confronts the Nation and the present allocation of such commodity for the purpose of providing immediate alleviation of this serious situation, which is menacing the poultry and dairy industry in Rhode Island and other States; to the Committee on Banking and Currency.

1536. By Mr. LEONARD W. HALL: Petition of Housewives League of Rockville Centre, in opposition to reinstitution of price and rationing controls; to the Committee on Banking and Currency.

1537. By Mr. LUDLOW: Petitions of citizens of Indianapolis, Ind., for enactment of a system of universal military training; to the Committee on Armed Services.

1538. By Mr. LEWIS: Petition of 50 residents of Holloway and Flushing, Ohio, supporting legislation establishing a system of universal military training, as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1539. By Mr. McCULLOCH: Petition of G. G. Painter and 46 other persons, of Shelby County, Ohio, urging enactment of compulsory universal military training legislation; to the Committee on Armed Services.

1540. Also, petition of Thomas H. Purdy and 15 other persons from Miami and Darke Counties, Ohio, urging the enactment of compulsory universal military training legislation; to the Committee on Armed Services.

1541. Also, petition of Ralph Tygrett and six other persons, of Miami County, Ohio, urging enactment of compulsory universal military training legislation; to the Committee on Armed Services.

1542. Also, petition of Bertha Peschke and 33 other persons, of Darke County, Ohio, urging enactment of compulsory universal military training legislation; to the Committee on Armed Services.

1543. Also, petition of Lendell Johnson and 27 other persons, of Auglaize Post, No. 330,

American Legion, Wapakoneta, Ohio, urging enactment of compulsory universal military training legislation; to the Committee on Armed Services.

1544. Also, petition of Richard E. Hunt and 118 other persons, of Miami and Shelby Counties, Ohio, urging enactment of compulsory universal military training legislation; to the Committee on Armed Services.

1545. By Mr. PATMAN: Petition of Frank J. Bernard, Mount Pleasant, Tex., and a number of other people, urging the Committee on Ways and Means of the House of Representatives to favorably report H. R. 3825 and the enactment of this legislation by the Members of the Eightieth Congress; to the Committee on Ways and Means.

1546. By Mr. SMITH of Wisconsin: Resolution of Racine Taxpayers Association, Racine, Wis., expressing opposition to any action which would provide for additional Federal aid to the school system; to the Committee on Education and Labor.

1547. Also, resolution of the faculty of Central State Teachers College, Stevens Point, Wis., expressing support of H. R. 1613; to the Committee on Ways and Means.

1548. By the SPEAKER: Petition of the secretary, Federal Council of the Churches of Christ in America, petitioning consideration of their resolution with reference to support of the European recovery program; to the Committee on Foreign Affairs.

1549. Also, petition of Mrs. Jesse Olsen, petitioning consideration of her resolution with reference to passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1550. Also, petition of Baptist Training Union Auxiliary, petitioning consideration of their resolution with reference to endorsement of the civil-rights program; to the committee on the Judiciary.

1551. Also, petition of Mrs. Hattie J. King, petitioning consideration of her resolution with reference to the defeat of universal military training; to the Committee on Armed Services.

1552. Also, petition of Miss Grace E. Ashton, petitioning consideration of the resolution with reference to the passage of H. R. 16; to the Committee on Ways and Means.

1553. Also, petition of T. S. Kinney and others, petitioning consideration of their resolution with reference to the passage of H. R. 16; to the Committee on Ways and Means.

1554. Also, petition of Mrs. Albina Bibeau and others, petitioning consideration of their resolution with reference to the passage of H. R. 16; to the Committee on Ways and Means.

1555. Also, petition of Mrs. Gregory Clark and others, petitioning consideration of their resolution with reference to passage of H. R. 16; to the Committee on Ways and Means.

1556. Also, petition of Edward Woesten and others, petitioning consideration of their resolution with reference to the passage of H. R. 16; to the Committee on Ways and Means.

1557. Also, petition of Mrs. Arthur O. Manson and others, petitioning consideration of their resolution with reference to the passage of H. R. 4278; to the Committee on Armed Services.